

HUMAN RESOURCES DEVELOPMENT

Changes in Human Resource Demand in the Western Cape Economy between 1995 and 2003

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Executive Summary

The report uses household survey data to depict a picture of the current composition of the labour market in the Western Cape and the changes which it has undergone during the post-apartheid period from 1995 to 2003. The report explores the challenges of human resource development in the province by linking the segmented worlds of education and work. It furthermore postulates linkages between learning possibilities that are embedded in the practice of work and through the institutions which work is organized, namely firms and other work related private and public institutions.

As is the case on an aggregate national level, the Western Cape exhibits a labour market trend in which the rate of growth in unemployment exceeds the rate of growth in employment in both percentage and numerical terms. While the informal sector initially exhibited positive signs in employment growth during the 1990s the evidence since 2000 shows that formal sector employment growth in the Western Cape has in fact surpassed that in the informal sector. However the informal sector provides an important avenue for employment for individuals who work in the Construction, Wholesale and Retail Trade and Private Household sectors in the province.

Using the National Qualifications Framework to benchmark skills development trends, the data from the household surveys show that the working population of the Western Cape economy is largely concentrated in the low and medium skill levels. A major human resource challenge in a context in which high value added growth within both the national and provincial economy such as the Western Cape is esteemed as a target are the fields and qualifications which have a propensity for adding higher value to economic growth. We know that the science, engineering and technology production and services sectors of the economy are exemplars of high value adding growth sectors. But in the Western Cape, the award of qualifications in the science, engineering and technology learning fields have been generally low: less than one-fifth of working individuals with degrees, diplomas or certificates have undergone training in the domains of science, engineering or technology. The evidence for the Western Cape depicts both positive and negative results. On the positive side, there was an increase of 26% in the number of employed individuals with either degree, diploma or certificate qualifications in physical, mathematical, computer and life science in the province between 2000 and 2003. However, on the negative side, for the same period, the number holding degree, diploma or certificate qualifications in manufacturing, engineering and technology declined over the same period by 28%.

A prominent fact in these growth patterns in qualifications that were accumulated in the aggregate by employed individuals probably resides in the variable, uneven and in some instances anemic growth in industrial sector employment. The financial and business services sectors

experienced a doubling in employment between 1995 and 2003. On the other hand, manufacturing employment only increased by 15% over the same period. Perhaps this explains why the number of individuals with qualifications in the manufacturing, engineering and technology fields declined by 28% between 2000 and 2003.

The decline that was observed for the proportion of individuals with degree, diploma or certificate qualifications in specific science, engineering and technology learning fields on the Western Cape labour market is in fact accelerated further in relation to the learning fields in which firm based training was conducted over the period 2000 to 2003. This decline was not only associated with firm based training in science, engineering and technology learning fields. In the aggregate, there was a 27% decline in the number of individuals who underwent training linked to the workplace between 2000 and 2003. A noteworthy exception was the increase in work related training that was observed in Agriculture and Nature Conservation, Culture and Arts and Physical, mathematical, computer and life sciences.

Not surprisingly however, the Labour Force Surveys suggest that over the period 2000 to 2003 for which data is available, there was actually a severe decline in the incidence of enterprise training in the Western Cape. Measured across learning field the decline amounted to 27%. Measured in terms of the duration of training that was conducted by enterprises in terms of size, the decline in the incidence of training was roughly 25%. Training programmes related to the workplace that were either shorter than two months or longer than six months in duration experienced a significant decline in participation.

Introduction

The present report constitutes the first component of an investigation into labour market trends and skills development initiatives that are currently taking place within the Western Cape. The content of the report is drawn almost exclusively from household surveys that have been conducted since 1995 by Statistics South Africa and is almost wholly empirical. The profile of the Western Cape provincial labour market which it elaborates has a bearing on the plurality of strategies which are being formulated to advance the economic participation and prosperity of its citizens. Central to the concerns of this report is an attempt to understand a set of imperatives which shape human resource development interventions. Now these imperatives can embody the duality of being either enabling or contribute to the manifestation of blockages which retard human resource development. But to undertake an analysis which purports to understand the imperatives around a human resource development agenda actually implies moving beyond merely attempting to tabulate the changing pattern in the growth of employment and unemployment in the labour market (the labour demand side) and to correlate this to the ostensibly lagging educational provision for future

participants to the labour market, most of whom will be students but including employees who are incorporated into various educational, training and skill enhancement programmes (the labour supply side) has significant limitations. Furthermore it means harnessing the dormant spaces where the concerns of human resource development have been symbolically placed often to be forgotten, and then turning this dormancy from a potential force into an actual force.

Often because the activity of labour supply and its utilization occupy such contrasting spaces it reinforces the mechanical manner in which labour demand trends are distended from issues of labour supply. It results in a conceptual hiatus which further replicates the separation in the two processes but most importantly inhibits conceiving human resource development as a serious concern. Human resource development bridges the segmented fields of education and work and this is how the question of an immediate future is seen by participants in the educational and training system; it also bridges the segmented fields of learning and work. Ultimately, human resource development is an attempt to overcome the scourge of idle resources and it does this by reinforcing the activity of learning as a continuous exercise that is undertaken before individuals are formally inserted into the work environment as well as during the process where earning a livelihood through work becomes the dominant activity. We can say that human resource development emphasizes the importance of work in a milieu where education dominates but it also emphasizes the importance of learning where work dominates. Central to a human resource development programme is the concern to create smarter educational institutions and smarter process of work organization, by establishing continuity and a more intelligent linkage within the two environments with greater insight and knowledge about what the other specializes in doing. Consequently the empirical evidence which we have marshaled tries to address the actuality of providing education and training with an object to the world of work as well as ensuring that the continuity in the process of learning at work is maintained. And the institution central to this process is the firm. Until now however, very little commentary about the character and size of the enterprise with respect to quality of learning at the workplace is provided in research on the labour market. It is our contention that this dimension provides a significant qualitative indicator to the actual and potential blockages to human resource development in the Western Cape and indeed in the country as a whole.

A discussion about human resource demand trends for the Western Cape province can proceed along two dimensions. The first dimension can incorporate detailed profiles of a wide set of variables which describe human resource related issues at a fixed time point, e.g. 2003. These variables which are tabulated to constitute the profile can include the occupational composition of the labour force in the specific region that is being addressed, its educational and qualifications profile as well as various descriptive indicators of its work history and experience. One advantage in providing such a current picture is that we can incorporate an immense amount of detail into the fabric of our analysis. The second dimension can incorporate profiles and descriptions which measure the change of variables over time especially over the post-apartheid period from 1995 to 2003 for which household survey data is available. While the second type of profile is preferable, it is done with some sacrifice to the level of detail that is embodied in the profile. In an earlier report, a profile along the first dimension for the Western Cape labour market was

developed (October 2003). However, because we are at present highly concerned about the pace of the changes in human resource development which essentially signals changes in demand variables we here choose to deploy both types of profiles. The data coverage is for the period 1995 to 2003. Our starting point is the size and shape of the Western Cape labour market and the shifts which it has undergone over this period. A brief qualification about the integrity of the data and its generalisability to smaller categories however needs to be signaled. The household surveys are drawn from national samples which include roughly 27 000 households. Provincial breakdowns mean that the sample for the variables applicable to our analysis is even smaller. Therefore, it needs to be recognized that the evidence points to a picture of impressions and trends: it is not a categorical representation.

The Broad Size and Shape of the Western Cape Labour Market

Table 1 discusses the trends in the growth and composition of the labour market in the Western Cape. It does so in relation to the overall aggregate South African labour force. Following the standard definitions, the aggregate labour force is derived by aggregating the total number of individuals who are employed with the broad definition of individuals classified as unemployed. The broad definition of course includes individuals who are unemployed and would like to work if offered a job but who have given up actively looking for a job. The definition provides us with general parameters in the measurement of employment and unemployment and is not necessarily attuned to the complexity and wide variation which generally defines specific individual cases. Nonetheless, using these criteria, the aggregate labour force in the Western Cape in 2003 consisted of 2.37 million individuals. This was roughly 12% or one-twelfth of the aggregate South African labour force.

If attention is given to the growth of the labour force since 1995 (the date when Statistics South African first began to conduct household surveys from which the labour market data is derived), there is a discernible protrusion in the size and growth of unemployment in relation to employment creation on the labour market. In fact, the trend where growth in unemployment outstrips the growth in employment creation appears to be a feature of many developing countries, but more so developing countries which are experiencing rapid urbanization and a relative decline in the size of the agricultural economy, coupled with a corresponding diminution in either mining, construction, manufacturing or the service economy. The problem can be reduced to an inability for the economy to absorb these individuals at the rate at which they enter the labour market. Our ability to measure the phenomenon in South Africa coupled with our general inability to reverse it however presents policy makers with a significant challenge.

Table 1

Breakdown of Employment and Unemployment (broad definition) for the Western Cape and South Africa: 1995-2003

Year	Western Cape						South Africa					
	Employed		Unemployment		Aggregate Labour Force		Employed		Unemployment		Aggregate Labour Force	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
1995	1,344,988		313,725		1,658,713		9,397,042		3,883,819		13,280,861	
1999	1,585,841	18	364,752	16	1,950,593	18	10,541,679	12	5,900,294	52	16,441,973	24
2000	1,557,813	-2	452,261	24	2,010,074	3	11,969,274	14	6,574,303	11	18,543,577	13
2001	1,509,813	-3	525,915	16	2,035,728	1	11,030,316	-8	7,727,343	18	18,757,658	1
2002	1,538,297	2	512,078	-3	2,050,375	1	11,212,679	2	7,944,850	3	19,157,529	2
2003	1,747,410	14	618,701	21	2,366,112	15	11,792,163	5	8,346,831	5	20,138,995	5

Sources: Calculated from October Household Survey (1995 & 1999) & Labour Force Surveys (2000-2003), Statistics South Africa.

The period 1995 to 2003 enables us to compare the tempo at which unemployment has grown vis-à-vis employment. In the Western Cape, unemployment using the broad definition was 19% in 1995, increasing to 26% in 2003. During this period, unemployment in the province has virtually doubled from 313 725 in 1995 to 618 701 in 2003. On an aggregate national level the evidence has been even more stark: for the period 1995 to 2003, 2.4 million new jobs were created but 4.5 million new individuals became unemployed. The employment growth for this period showed a modest 25.5% growth, but unemployment grew by 115%. Nationally, the tempo in the growth of the level of unemployment is even more glaring: in 1995, unemployed in South Africa was 29% but by 2003 this had increased even further to 41%. For almost every period since 1995 (1995 to 1999 and every subsequent year thereafter), the growth in unemployed has surpassed the growth in employment. There have been exceptions which have only brought momentary respite: in the Western Cape for the period 1995 to 1999, the growth in employment exceeded the growth in unemployment by 2% and while the unemployment situation had already reached catastrophic proportions by then, the size of the employed labour force actually recorded a larger growth over the previous year in 2000 compared to the growth in unemployment. However, these were only minor exceptions, and in fact it appears that at both a provincial and a national level, the rate of growth in unemployment has surpassed that at which employment is being created.

Table 2 differentiates between the formal and the informal segments of the employed labour force. The distinction arises as a result of the extent to which individuals and the firms at which they are employed are incorporated into the regulatory framework that governs relations between employment relations as well as the obligations that firms and individuals have towards the state, especially with respect to the payment of taxes. However, where this relationship to the authority of the state is severed, as occurs when employees and firms are established outside the formal sector and hence in the *informal* sector, it does not necessarily imply that either firms or their employees are wholly outside the regulatory ambit

of the law. They are only outside of these institutional arrangements with respect to very specific duties but this voluntary exclusion also means that a wide spectrum of benefits are forgone as a result. For example, while informal sector firms are outside the immediate controls which monitor its income and expenditure, they furthermore do not have the same level of access to the credit facilities of financial institutions that are available to formal sector enterprises. The point worth noting however, is that the more rapid growth of the informal sector corresponds to the inability of the formal sector to guarantee access to job opportunities for new incumbents entering the labour market. Nationally, the employment share of the informal sector increased from 13% in 1995 to 29% in 2003. At 35% of aggregate employment, the informal sector measured almost 4 million individuals nationally in 2000 but has declined marginally since then both in size and proportion.

Table 2

Formal and Informal Sector Employment Breakdowns for the Western Cape and South Africa: 1995-2003

Year	Western Cape						South Africa					
	Formal Sector		Informal Sector		Total Employment		Formal Sector		Informal Sector		Total Employment	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
1995	1,214,559		130,429		1,344,988		8,146,454		1,250,588		9,397,042	
1999	1,221,039	1	364,802	180	1,585,841	18	7,388,645	-9	3,153,034	152	10,541,679	12
2000	1,216,568	0	305,657	-16	1,522,225	-4	7,693,316	4	3,985,407	26	11,678,722	11
2001	1,261,570	4	252,361	-17	1,513,931	-1	7,683,385	0	3,242,408	-19	10,925,794	-6
2002	1,308,330	4	230,784	-9	1,539,115	2	7,974,098	4	3,195,011	-1	11,169,108	2
2003	1,481,252	13	274,239	19	1,755,491	14	8,409,625	5	3,354,976	5	11,764,601	5

Sources: Calculated from October Household Survey (1995 & 1999) & Labour Force Surveys (2000-2003), Statistics South Africa.

Informal Sector Employment for 1999 is an estimated calculation

In the Western Cape, what is instructive to note is that for the four year period 1995 to 1999, the formal sector only increased by 1% whereas the informal sector almost tripled in size by 180% from 130 429 individuals to 364 802. At the same time, the national evidence suggested that informal sector was an agent of significant employment growth: nationally the formal sector witnessed a 9% decline in employment from 1995 to 1999, whereas the informal sector increased by two-and-a-half times in size (152%). After 1999, this tempo was not sustained however and in fact in both the Western Cape and on the aggregate nationally, the formal sector has outperformed the informal sector in terms of new jobs created. Thus the initial enthusiasm given to the informal sector as an important fulcrum for labour absorption and employment growth seems to have been premature.

What are the reasons against all expectations for this rather unspectacular growth in informal sector employment? After all at the beginning of the 1990s, when the transport industry in particular was undergoing a process of deregulation which resulted especially in the growth and rapid burgeoning of the Black mini-bus taxi industry, the deregulation of relatively closed and highly protected markets was lauded as a potential growth sector. In particular, the sector exhibited a growth potential in which employment outcomes were perceived to be visible and optimists suggested that this resulted in the sector having the capability of eventually being incorporated into the formal sector. A response to the latter question is to decompose the area of informal sector growth by enterprise size.

It is obvious from Table 3 below that an intense polarity exists in the size characteristics of informal versus formal enterprises. Informal enterprises are almost exclusively very small (having only one employee) and small enterprises with a total staff complement of four or less employees. This is certainly more pronounced at a national level where 89% of informal sector enterprises had four or fewer employees. In comparison to the situation in 2000, where 76% of informal sector enterprises were classified thus, there was an enlargement in the percentage number of employees in informal sector enterprises within this size band. In the Western Cape in 2000 of the aggregate 21% of individuals who held jobs in the informal sector, 74% of these individuals worked in enterprises with four or less employees. Between 2000 and 2003, while informal sector employment in the Western Cape declined by 9% from 300 194 to 272 473, the number of individuals who worked in very small informal sector enterprises (those with a total staff complement of four or less employees), actually increased by 3.4% from 223 997 to 231 605. During the same period, formal sector employment in the Western Cape increased by a modest 26% but the expansion in formal sector employment was spread across both small, medium and relatively large formal sector enterprises. In fact, the only expansion in informal sector employment occurred with single employee enterprises. Among the rest of informal sector enterprises within the Western Cape (those include the full size range from enterprises with 2-4 Employees to those with 50+ Employees) a decline in the total number of employees was registered for the period 2000 to 2003. An exactly similar pattern was revealed at a national level. Thus in 2003, 13% of employees in the Western Cape were located in very small firms (firms with only one employee), 10% worked in firms with between 2-4 employees, 12% were based in firms with between 5 and 9 employees. In what could be regarded as the medium sized enterprises (enterprises with an employee complement of between 10 and 49), just more than a third or 36% of employed individuals worked in enterprises of this size in the Western Cape. At the top end, less than a third (29%) of employed individuals in the province worked in firms with 50 or more employees. Although there are a significant number of large firms located in the Western Cape, one cannot avoid the conclusion that the provincial characteristic of the Western Cape economy in terms of enterprise size can generally be classified as a medium sized enterprise economy.

Table 3
Enterprise Size and Formal and Informal Employment in the Western Cape:2000-2003

Size of Business/Enterprise/Branch	2000			2003		
	Formal	Informal	Total	Formal	Informal	Total
1 Employee	29,725	157,322	187,048	31,925	185,428	217,353
%	3	52	13	2	68	13
2-4 Employees	105,178	66,675	171,853	133,810	46,177	179,987
%	9	22	12	9	17	10
5-9 Employees	161,879	26,961	188,840	193,396	22,208	215,604
%	14	9	13	13	8	12
10-19 Employees	181,151	16,921	198,072	264,410	8,418	272,828
%	16	6	14	18	3	16
20-49 Employees	247,069	19,653	266,723	334,973	5,567	340,540
%	21	7	18	23	2	20
50 + Employees	426,902	12,661	439,563	497,314	4,675	501,989
%	37	4	30	34	2	29
Total	1,151,903	300,194	1,452,097	1,455,828	272,473	1,728,301
%	100	100	100	100	100	100

Source: Calculated from Labour Force Surveys for September , Statistics South Africa

This means that almost contrary to prognostications at the beginning of the 1990s when it was correctly presumed that the formal sector was not going to absorb the full complement of new entrants to the labour market, a decade later, the state of the informal sector revealed an even poorer employment absorption capacity in comparison to the formal sector. And despite a temporary respite from the web of institutionalized regulation which governs formal sector firms (especially with respect to the payment of levies, licensing and taxation), the ostensible advantage which the informal sector is perceived to have in this respect has not enabled it to improve its employment creating capacity.

Table 4
Changes in Employment Levels in the WC by Enterprise Size: 2000-2003

Size of Business/Enterprise/Branch	Formal	Informal	Total
1 Employee	7	18	16
2-4 Employees	27	-31	5
5-9 Employees	19	-18	14
10-19 Employees	46	-50	38
20-49 Employees	36	-72	28
50 + Employees	16	-63	14
Total	26	-9	19

Source: Calculated from LFSs for September , Statistics South Africa

If we move slightly beyond annualized expressions of employment growth at the enterprise and instead present a shift in employment performance for a wider period, the period 2000 to 2003, we have contrasting results as is shown in Table 4. The data shows that for the period 2000 to 2003, formal enterprises for every size category in the Western Cape in the aggregate showed positive changes in the level of employment. In contrast, with the exception of single employee enterprises, all aggregate employment in informal enterprises for every size category above two employees actually depicted a decline in employment numbers.

The combined characteristics which distinguish either between the formality and the informality of firms on the one side with the size of the enterprise have a discernible impact on the growth potential and evolution of firms. Since we have described some of these effects with respect to the formal status of firms it makes good sense to continue this discussion with respect to enterprise size because it will enable us to draw connections to the impact of labour demand trends as well as to the strategies deployed to enhance the positive effects of labour demand. We can rank industries by the preponderance of small firms within these. If we take the a total employee complement of nine or fewer as the benchmark which points to a preponderance of small firms on their own (it is small firms as distinct from medium sized firms) or large firms in an industry (in a very relative and Western Cape sense because this criteria does not generally hold when applied to the larger firms which will be found for instance in Gauteng), we can draw a number of useful insights. Even though a qualification ought to be made from the beginning to the effect that information obtained from the Labour Force Surveys on firm size only provides us with a relative indication of size, because respondents are likely to confuse enterprise size with plant or establishment size, nonetheless, the tendency for big firms to have small plant or establishment sizes or for small firms to have big establishment or plant sizes will generally be unusual. Therefore, we can assume with a

general level of confidence that the category ‘firm size’ in the Labour Force Surveys indeed does provide one with a sufficient but imperfect proxy for firm size in the real world economy.

Table 5
Size of Business/Enterprise/Branch: 2003 (WC Distribution)

INDUSTRY	1 Employee		2-4 Employees		5-9 Employees		10-19 Employees		20-49 Employees		50 + Employees		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
AGRICULTURE, HUNTING, FORESTRY AND FISHING	3,740	2	16,203	7	26,650	12	41,289	18	81,157	36	54,724	24	223,763	100
MINING AND QUARRYING	0	0	0	0	0	0	575	38	256	17	667	45	1,498	100
MANUFACTURING	9,765	3	16,532	5	23,613	8	39,724	13	58,328	19	155,625	51	303,586	100
ELECTRICITY, GAS AND WATER SUPPLY	0	0	336	3	0	0	1,051	10	992	10	7,727	76	10,105	100
CONSTRUCTION	7,814	6	13,407	11	27,015	22	38,380	32	24,400	20	10,697	9	121,713	100
WHOLESALE AND RETAIL TRADE: REPAIR OF MOTOR	38,221	11	50,214	15	64,332	19	70,892	21	53,740	16	65,572	19	342,972	100
TRANSPORT, STORAGE AND COMMUNICATION	5,332	6	13,028	14	12,025	13	11,655	13	15,944	17	33,474	37	91,458	100
FINANCIAL AND BUSINESS SERVICES	21,240	12	22,763	13	27,807	15	24,544	14	28,759	16	55,992	31	181,104	100
COMMUNITY, SOCIAL AND PERSONAL SERVICES	17,362	6	31,981	10	32,813	10	44,046	14	75,714	24	113,392	36	315,308	100
PRIVATE HOUSEHOLDS AND UNDEFINED ACTIVITIES	112,340	88	13,003	10	1,349	1	0	0	389	0	861	1	127,942	100
Total	215,814	13	177,468	10	215,604	13	272,155	16	339,678	20	498,730	29	1,719,449	100
%	13		10		13		16		20		29		100	

Source: Calculated from Labour Force Surveys for September , Statistics South Africa

Two industries have the biggest association with small enterprise size. The most pronounced among these are classified as private households and undefined activities grouped with private households, where 88% of enterprises within this industrial grouping have only one employee. Although less pronounced, the second industry is the wholesale and retail trade (which also includes the repair of motor vehicles) where 45% of the individuals are employed in enterprises with four or fewer employees. Thereafter the ranking would be followed by firms in the financial and business industries and construction where 40% and 39% respectively of employees work in firms with nine or fewer employees. Although the size category in terms of the number of employees engaged to the enterprise does not explicitly declare it, there is almost absolute certainty that the majority of these firms would generally be classified as either micro, small or medium enterprises. Having established the pattern of enterprise size in specific industrial or sectoral groupings as is shown in Table 5, the distinction between the formal and informal characteristics of these enterprises within the specific industrial or sectoral setting can again be invoked.

The discussion thus far has focused on partially mapping the informal sector. In the comparison that has been provided with the formal sector, we have discussed the relative size of the informal economy in the Western Cape as well as provided an indication of its growth characteristics over the last years and the size characteristics of enterprises in the informal sector. However we still do not know the sectors in which informal

enterprise activities have a discernible presence. Both in the Western Cape and nationally the bulk of informal sector activities are concentrated in three sectors: Construction, the Wholesale and Retail Trade and Private Households. Nationally 71% of informal employment is located within these three sectors and the Western Cape data mirrors this incidence with each of the three sectors for the province contributing 8%, 28% and 35% respectively to informal sector employment. This information is represented in a slightly different format in Table 6 below to show the share distribution by sector according to the formal/informal demarcation that we have been using.

Table 6

The Industrial Location of Formal & Informal Employment in the Western Cape (2003)

Industry	Formal	Informal	Total
AGRICULTURE, HUNTING, FORESTRY AND FISHING	220,622	4,663	225,285
%	98	2	100
MINING AND QUARRYING	1,498	0	1,498
%	100	0	100
MANUFACTURING	295,202	16,361	311,563
%	95	5	100
ELECTRICITY, GAS AND WATER SUPPLY	10,105	0	10,105
%	100	0	100
CONSTRUCTION	93,485	28,665	122,150
%	77	23	100
WHOLESALE AND RETAIL TRADE: REPAIR OF MOTOR	290,735	58,776	349,511
%	83	17	100
TRANSPORT, STORAGE AND COMMUNICATION	88,855	5,005	93,860
%	95	5	100
FINANCIAL AND BUSINESS SERVICES	167,604	16,521	184,125
%	91	9	100
COMMUNITY, SOCIAL AND PERSONAL SERVICES	303,368	16,450	319,818
%	95	5	100
PRIVATE HOUSEHOLDS AND UNDEFINED ACTIVITIES	3,925	124,798	128,724
%	3	97	100
Total	1,475,400	271,239	1,746,639
%	84	16	100

Calculated from the Labour Force Survey for September 2003, Statistics South Africa

In the Western Cape, the split between formal and informal sector employment for the Construction, Wholesale and Retail and Private Household sectors are respectively: 77% to 23%; 83% to 17% and 3% to 97%. So whereas informal sector employment is significant in the Construction and Wholesale and Retail sectors, it constitutes the overwhelming proportion of employment in the Private Household sector. Again with the exception of the Construction sector the data is almost an exact replica of distribution that is found at a national level. Nationally the proportion of employed individuals in the Construction sector who work in informal enterprises is even higher and in 2003 this was recorded to be 42%.

Human Resource Characteristics of the Western Cape Labour Market

What are the human resource endowments of employed individuals on the labour market in the Western Cape and how do we proceed to measure these? The average educational composition of employed individuals in the Western Cape is significantly higher than that of the country as a whole. Provisionally, the average educational endowment of the Western Cape workforce is only matched by that of Gauteng province. The distribution of educational qualifications, which we use as a proxy of educational endowment, is shown in Table 7 above for all industries in the Western Cape. The top sector of Table 7 depicts the qualifications endowment of employed individuals in the Western Cape for each successive band of the national qualifications framework. While the dispersion is relatively broad it is clear that the Finance and Community and Social Services sectors contain the highest concentration of educated labour and since we are using educational level as a proxy for skills, we can assume that the labour force in these two sectors is also better skilled and comparatively more technically proficient compared to the remaining sectors. Instead of the ten categories to represent levels of qualifications, the bottom sector of Table 7 reduces these to only three corresponding to a low (below NQF1), medium (NQF1 to NQF4) and high (above NQF4) skill levels.

The typology of low, medium (or intermediate as theorists at the HSRC have described it) and high skill bands which can be discerned from the bottom sector of Table 7, in fact suggests strong characteristics for the skills composition of the labour force in the Western Cape. Sectors which have a heavy concentration of low skills include: Agriculture and Domestic Services with 67% and 63% of the labour force exhibiting an educational level which roughly corresponds to this low skill level. The Construction sector has a high concentration of employee numbers at both the low and middle skill levels. However, in terms of the aggregate employee composition within it, almost every other sector appears to be heavy at the middle skill level. The sectors include Mining (although this is a very small sector in the Western Cape economy and almost insignificant for comparative purposes), Manufacturing, Utilities, Trade, Transport, Finance and Community Services, each having either half or more of all employees in the sector holding qualifications which are in the NQF1 to NQF4 bands and thus by association could be classified as middle level qualifications and skills.

Table 7

The Educational Profile of Employed Individuals in the Western Cape in 2003 by Industry

Level of Schooling	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Transport	Finance	Comm. Serv.	Dom. Serv.	Total
No Schooling	17,545	0	1,670	0	3,003	4,192	225	995	2,329	10,712	40,672
%	8	0	1	0	2	1	0	1	1	8	2
Grades 1-4	27,746	0	7,679	432	7,994	10,564	3,456	1,616	3,627	10,085	73,201
%	12	0	2	5	7	3	4	1	1	8	4
Grades 5-8 [ABET 2-3]	104,406	254	64,208	1,398	44,442	55,284	12,938	11,948	39,023	59,941	393,843
%	47	17	21	15	37	16	14	7	13	47	23
Grade 9 [NQF 1/ABET 4]	15,127	0	37,151	1,037	16,625	40,581	6,397	7,003	10,292	10,660	144,872
%	7	0	12	11	14	12	7	4	3	8	8
Grade 10 + NTC 1 + Dip/Cert<G12 [NQF2]	16,138	0	57,579	0	12,662	47,345	15,357	18,043	30,935	16,639	213,244
%	7	0	19	0	10	14	17	10	10	13	12
Grade 11 + NTC 2 [NQF 3]	7,216	575	20,902	512	8,519	26,179	5,484	9,411	12,185	3,724	94,708
%	3	38	7	6	7	8	6	5	4	3	5
Grade 12 + NTC 3 [NQF4]	21,338	256	82,007	3,747	22,326	133,566	33,302	72,295	101,498	15,070	485,404
%	10	17	27	40	18	39	37	42	33	12	28
Dip/Cert + G12 [NQF 5]	9,681	0	21,757	1,637	2,743	17,903	10,477	17,607	72,590	1,395	155,791
%	4	0	7	18	2	5	12	10	24	1	9
Degree [NQF 6]	2,523	413	11,675	530	2,439	10,966	2,658	34,305	33,869	497	99,875
%	1	28	4	6	2	3	3	20	11	0	6
Postgraduate Degree/Diploma [NQF 7]	1,578	0	4,126	0	1,036	1,800	2,882	9,211	11,273	0	31,907
%	1	0	1	0	1	1	3	5	4	0	2
Total	223,297	1,498	308,755	9,293	120,754	346,583	90,294	173,223	306,348	128,723	1,733,516
%	100	100	100	100	100	100	100	100	100	100	100
Less than NQF1	149696	254	73558	1830	55440	70041	16619	14559	44980	80738	507716
%	67	17	24	20	46	20	18	8	14	63	29
NQF1 to NQF4	59819	831	197639	5295	60132	247672	60541	106752	154910	46093	938228
%	27	55	64	57	49	71	65	59	49	36	54
Above NQF4	13782	413	37558	2167	6218	30670	16017	61123	117731	1892	287572
%	6	28	12	23	5	9	17	34	37	1	17
Total	223297	1498	308755	9293	121790	348383	93177	182434	317621	128723	1733516
%	100.0	100.0	100	100	100	100	100	100	100	100	100

Source: Calculated from Labour Force Surveys for September 2003 , Statistics South Africa

Only the Finance and Community and Social Services sectors have at least one-third or more of its labour force holding qualifications that are above NQF4.

Having established that the working population for the Western Cape economy as it is indeed at an aggregate level for the economy as a whole is largely concentrated in the low and middle skill levels, the analysis still begs the question about the precise learning fields for those on the labour market who have obtained at least a certificate, diploma or degree. As a province in a developing economy an argument can be made for the orientation of qualifications that are awarded by institutions of education and training to be skewed towards learning fields that are closely associated with adding value to applications in science, engineering or technology sectors of the economy. In Table 8 the learning fields of individuals on the labour market who were awarded either a diploma, certificate or degree for previous studies undertaken is shown. The last two columns on the extreme right of Table 8 enumerates the total number of employed individuals with these educational endowments in the Western Cape and in South Africa as a whole. The proportional distribution of diplomas, certificates and degrees are very similar in the Western Cape as it is throughout South Africa. One should observe that the proportion of qualifications awarded in science, engineering and technology is generally very low. These are represented by the learning fields of Manufacturing, Engineering and Technology where the respective proportions for the Western Cape and South Africa are 12% and 11% and in the Physical, mathematical computer and life sciences where the corresponding respective proportions are 7% and 6%. This means that less than one-fifth of working individuals with diplomas, certificates or degrees have undergone training in the domains of either science, engineering or technology, the domains that are generally crucial for economies which are attempting to compete effectively on the global market. As economies compete against each other and attempt to shift towards higher value yielding sources of accumulation which is signified initially in the shift from primary commodity production towards manufacturing production and eventually, where a maturation in the manufacturing base is attained, the skills embodiment of the labour force provides an arena through which these shifts can be realized. As a result of competition that takes place through international trade, the efficiencies that have been obtained through the manufacturing processes, which is often described as the input productivities and here labour productivity is key, comes to the fore, it is only possible for this to happen where the skills and technical composition of the labour force is comparatively more proficient than with what exists at enterprises of South Africa's major competitors.

Table 8

Learning Fields of Diploma, Certificate or Degree studies of those in Employment in the Western Cape by Enterprise/Establishment Size

Learning Fields	1 Employee		2-4 Employees		5-9 Employees		10-19 Employees		20-49 Employees		50 + Employees		Total: WC		Aggregate SA	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Communication studies & language	1,321	5	0	0	717	3	316	1	1,990	3	4,677	5	9,021	3	43,764	2
Education, training & development	5,114	20	4,591	12	3,346	12	8,911	27	22,282	35	7,569	7	51,813	18	538,633	29
Manufacturing, engineering & technology	1,322	5	1,907	5	6,770	25	6,646	20	4,036	6	15,518	15	36,198	12	201,838	11
Human & social studies	2,620	10	2,867	7	1,287	5	591	2	2,542	4	5,957	6	15,864	5	66,535	4
Law, military science & security	648	3	1,506	4	1,130	4	568	2	4,345	7	3,704	4	11,901	4	115,345	6
Health sciences & social services	4,030	16	5,824	15	2,618	10	1,230	4	2,943	5	21,027	20	37,672	13	232,357	13
Agriculture & nature conservation	0	0	4,098	11	2,140	8	1,388	4	2,360	4	4,434	4	14,421	5	46,457	3
Culture & arts	1,117	4	626	2	1,101	4	1,395	4	1,110	2	297	0	5,646	2	36,327	2
Business, commerce & management studies	7,092	27	10,037	26	5,301	20	8,287	25	16,850	26	26,478	26	74,045	25	392,689	21
Physical, mathematical, computer & life sciences	1,966	8	3,815	10	1,124	4	817	2	3,170	5	9,607	9	20,499	7	104,030	6
Services	648	3	3,135	8	1,376	5	1,528	5	1,572	2	3,470	3	11,729	4	39,544	2
Physical planning & construction	0	0	532	1	0	0	1,072	3	762	1	1,044	1	3,411	1	16,985	1
Total	25,878	100	38,939	100	26,910	100	32,749	100	63,961	100	103,783	100	292,220	100	1,834,504	100
Distribution of Overall Labour Force (%)	217,353	13	179,345	10	214,593	12	271,596	16	339,142	20	495,967	29	1,717,996	100		
Distribution of Labour Force with Diploma, Certificate or Degree	25,878	9	38,939	13	26,910	9	32,749	11	63,961	22	103,783	36	292,220	100		

Source: LFS September 2003 (Statistics South Africa)

Apart from 25% of individuals holding qualifications in the fields of business, commerce and management studies, there is a real challenge to increase the proportion of employed individuals who have qualifications in fields which impact positively on production of goods and services designated for national and international consumption by producing these more efficiently, productively and ultimately more cost effectively. In terms of enterprise size the most noteworthy indication of a relatively higher incorporation of manufacturing, engineering and technology skills appears to be taking place within small and medium sized enterprises. It appears that larger enterprises have a higher proportion of their labour force holding either: certificates, diplomas or degrees than small enterprises, as can be seen in the bottom segment of Table 8. Nonetheless, there is a higher level of employees with either certificates, diplomas or degrees in enterprises with 5-9 employees and 10-19 employees, with qualifications in manufacturing, engineering and technology. Here 25% and 20% of such individuals who work in these size categories hold qualifications in the field of manufacturing, engineering and technology. An ideal would be for enterprises across all size categories to exhibit the same characteristics in labour force endowments. To analyse these relatively complex endowments within the twelve learning fields in Table 8, and to generate clear proposals for action in the intermediate to long term, the growth and distribution of learning fields in which individuals obtain either a certificate, diploma or degree has to shift upwards and show real growth especially towards the science, engineering and technology fields. Therefore, the proportion of graduates holding qualifications in manufacturing, engineering, technology as well as in physical, mathematical, computer and life sciences has to increase from the present levels that were noted above.

However, if we look at the evidence, as is shown in Table 9 below, the trends in terms of the incremental shifts in the above learning fields for the period 2000 to 2003 are both positive and negative. The provincial trends for the Western Province are almost an exact replica for the trends that we observe at an aggregate national level. A factor of concern ought to be the decline in the overall number of individuals in possession of certificate, diploma and degree qualifications in the manufacturing, engineering and technology fields. In the Western Cape the decline for the period 2000 to 2003 was 28% and for the country as a whole 17%. Of equal concern is the decline in the number of individuals holding equivalent qualifications in physical planning and construction fields. At 30%, the decline in the proportion of qualifications in the physical planning and construction fields is proportionately larger nationally compared to the 12% which was witnessed for the Western Cape. In the context of the declines in the proportion of middle and upper level qualifications for the above fields, it is problematic to witness a continuation in the growth of the stock of qualifications in the fields of communication studies and language plus education, training and development.

Table 9

Learning Fields in Qualifications obtained by the Employed in the Western Cape and South Africa: 2000 & 2003

Learning Fields	Western Cape				South Africa					
	2000	2003	Change: 2000-2003		2000	2003	Change: 2000-2003			
Communication studies & language	7,503	3	9,021	3	20	35,169	2	44,627	2	27
Education, training & development	48,139	16	52,284	18	9	518,695	28	543,946	29	5
Manufacturing, engineering & technology	52,046	18	37,623	13	-28	249,270	13	206,241	11	-17
Human & social studies	20,719	7	16,369	5	-21	77,120	4	68,073	4	-12
Law, military science & security	18,304	6	12,549	4	-31	120,215	6	118,039	6	-2
Health sciences & social services	32,372	11	39,269	13	21	204,758	11	236,957	13	16
Agriculture & nature conservation	8,194	3	14,421	5	76	38,959	2	46,457	2	19
Culture & arts	8,215	3	5,646	2	-31	46,501	3	36,327	2	-22
Business, commerce & management studies	74,871	25	74,711	25	0	412,390	22	398,744	21	-3
Physical, mathematical, computer & life sciences	16,707	6	21,060	7	26	104,109	6	107,449	6	3
Services	6,140	2	11,729	4	91	25,954	1	41,806	2	61
Physical planning & construction	3,888	1	3,411	1	-12	24,339	1	16,985	1	-30
Total	297,098	100	298,093	100	0	1,857,478	100	1,865,652	100	0

Source: LFS, September 2000 & September 2003, Statistics South Africa

In the Western Cape the percentage increment for these respective fields for the period 2000 to 2003 amounted to 20% and 9%; nationally the percentage increase for the two fields was 27% and 5%. Since the proportion of individuals who obtain a qualification in the education, training and development fields is only exceeded by business studies, the fact that a steady growth in the number and proportion of employed individuals

in possession of such qualifications in contrast to the proportion and significant decline in those with qualifications in manufacturing, engineering and technology is a cause for concern. This duality is stark and not as innocuous as the dense level of evidence that we have advanced implies. It is a concern especially because manufacturing as a whole is the leading sector in the economy in contributing to both export and import induced trade and by extension facilitating adding levels of value to GDP. There are however also positive results that can be gleaned from the evidence in Table 9. There was an increase of 26% and 3% respectively in the proportion of employed individuals in both the Western Cape and nationally with qualifications in the physical, mathematical, computer and life sciences. Another positive indicator for the evidence for 2000 to 2003 has been a gradual decline in individuals graduating in the fields of human and social studies and law military sciences and security. Coincidentally, these declines correspond too with positive growth trends in the proportion of the employed labour force at both the national level and provincially in the Western Cape holding qualifications in the fields of health sciences and social services and agriculture and nature conservation.

The data in Table 10 describes the occupational composition of enterprises by size. A number of points are apt when appropriating the information presented in it. First, most of the employees based in single employee enterprises appear to be domestic workers. In fact, 89% of all domestic workers in the Western Cape are based in such enterprises or seen from another dimension 46% of all employees in single employee enterprises or establishments are domestic workers. Even though enterprises or establishments which contain from two to four employees account for roughly one tenth of all working individuals in the Western Cape, at 23% and 17% respectively they account for the employment of a higher proportion of managers and professionals. The combined occupations of managers and professionals thus make up 26% of the staff complement of these sized enterprises or establishments (i.e. those having from 2 to 4 employees). The largest cohort of elementary workers (27%) are based in enterprises or establishments that have from 20 to 49 regular employees. This appears to be the only occupational group which have an equivalent presence as a result of an above normal variation in proportionality. Similar sub-normal variations are noticed in some occupational categories in large enterprises that have fifty or more regular employees. This abnormal variation in the 2003 data was recorded for professionals, clerks and machine operators and assemblers. As an aggregate provincial measure, 42% of professionals, 42% of clerks and 46% of the machine operators employed in the Western Cape were employed in enterprises with fifty or more regular employees as can be observed in Table 10 below.

Table 10

The Occupational Distribution in the Western Cape by Enterprise/Establishment Size

Occupations	1 Employee		2-4 Employees		5-9 Employees		10-19 Employees		20-49 Employees		50 + Employees		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Managers	9,674	7	32,171	23	25,285	18	17,866	13	19,791	14	33,590	24	138,377	100
Professionals	9,438	11	14,612	17	4,321	5	4,820	6	16,336	19	36,102	42	85,629	100
Technicians	14,779	9	12,477	7	13,463	8	31,421	19	39,335	24	55,842	33	167,317	100
Clerks	2,247	1	15,877	8	24,736	12	39,181	19	37,860	18	86,379	42	206,281	100
Service & Sales	19,771	10	24,055	12	32,145	16	37,614	19	35,793	18	50,715	25	200,093	100
Skilled Agri. & Fishery Workers	1,684	9	4,946	26	4,183	22	1,489	8	2,504	13	3,971	21	18,777	100
Craft Workers	18,308	8	23,612	11	36,126	17	44,238	20	38,740	18	56,727	26	217,749	100
Machine Operators & Assemblers	4,456	3	10,139	7	14,661	11	15,552	11	30,649	22	63,498	46	138,955	100
Elementary Occupations	36,258	8	29,544	7	60,046	14	79,976	18	118,281	27	111,045	26	435,150	100
Domestic Workers	99,198	89	10,611	9	638	1	0	0	389	0	861	1	111,697	100
Total	215,814	13	178,043	10	215,604	13	272,155	16	339,678	20	498,730	29	1,720,025	100

Source: Calculated from Labour Force Surveys for September 2003, Statistics South Africa

Having mapped out the broad contours of the size and shape of the labour market in the Western Cape, the next section will discuss patterns in the shift in the demand for labour for the period 1995 to 2003. We are particularly interested in specific human capital attributes which are instrumental in either inhibiting or promoting the uptake in the demand for labour in the province.

Patterns and Shifts in Labour Demand Trends: 1995-2003

In the following section, the distinct patterns and shifts in the demand for labour in the Western Cape economy for the period 1995 to 2003 is analyzed. While it is convenient to postulate changes and shifts for the eight year period 1995 to 2003, this is done by sacrificing the explanation for a different tempo to the changes and shifts in labour demand for the period 1995-2000 compared to the period 2000-2003. It is submitted that the period 1995-2000 was associated with a relatively anemic growth in employment compared to the latter more recent 2000-2003 period. Indeed, while it is relatively early to provide definitive reasons for these differences in labour market dynamics, it seems that the explanatory factor for this phenomenon may indeed reside in the effects of the dramatic incorporation and insertion of the South African economy into the global economy. Before the demise of apartheid, there appeared to be mitigating factors which served to retard this rapid incorporation and insertion.

Table 11

The Age Profile of the Employed in the Western Cape: 1995-2003

Age	1995					2000					2003				
	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total
16-24	32,824	151,656	2,324	49,281	236,085	30,907	140,989	501	29,924	202,322	35,745	158,138	3,371	42,017	239,270
%	13	21	15	14	18	11	16	5	8	13	11	16	22	11	14
25-34	91,791	271,371	4,971	105,793	473,926	109,740	299,541	3,425	113,795	526,501	119,879	316,891	4,835	89,694	531,300
%	36	37	33	31	35	39	35	33	31	35	36	32	31	24	31
35-44	76,062	178,380	3,586	92,223	350,251	74,218	248,604	2,660	116,130	441,612	109,800	299,215	2,861	114,473	526,349
%	30	25	24	27	26	27	29	26	32	29	33	30	18	30	30
45-54	37,334	92,134	2,421	69,275	201,164	44,638	131,756	2,185	77,474	256,053	53,631	176,997	2,431	97,839	330,899
%	15	13	16	20	15	16	15	21	21	17	16	18	16	26	19
55-65	17,832	33,661	1,707	28,613	81,813	18,851	47,264	1,459	28,847	96,421	15,937	51,037	2,050	33,434	102,459
%	7	5	11	8	6	7	5	14	8	6	5	5	13	9	6
Total	255843	727202	15009	345185	1343239	278355	868153	10230	366170	1522909	334992	1002278	15549	377457	1730276
%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Calculated from the October Household Survey for 1995 and the Labour Force Surveys for September 2000 & 2003, Statistics South Africa

If we focus attention at the aggregate age cohorts of employed individuals in the Western Cape, consistent and positive levels of growth which implied increased participation occurred in the age cohorts 35-44, 45-54 and 55-65 for the period 1995-2003. The evidence for the intermediate periods 1995-2000 and 2000-2003 resembles this trend. If one looks at the period 1995-2003, the employment growth for those in the employment cohorts of 35-44, 45-54 and 55-65 increase by 50%, 64% and 25% respectively (see Table 12). In comparison, the percentage numerical increase in employment for individuals in the 16-24 and 25-34 age cohorts increased only modestly by 1% and 12% respectively. In 1995, these two latter age cohorts accounted for 18% and 35% of total employment in the Western Cape (or 53% for both combined) as is shown in Table 11 above. However, by 2003 these proportions had declined to 14% and 31% respectively (or 46% for the two combined). Yet the fall in the ratio of younger age cohorts (16-34) versus older age cohorts (35-65) however was already visible in 2000.

Table 12

Changes in the Age Profile of the Employed in the Western Cape: 1995-2003

Age	Changes:1995-2000					Changes: 2000-2003					Changes: 1995-2003				
	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total
16-24	-6	-7	-78	-39	-14	16	12	572	40	18	9	4	45	-15	1
25-34	20	10	-31	8	11	9	6	41	-21	1	31	17	-3	-15	12
35-44	-2	39	-26	26	26	48	20	8	-1	19	44	68	-20	24	50
45-54	20	43	-10	12	27	20	34	11	26	29	44	92	0	41	64
55-65	6	40	-15	1	18	-15	8	41	16	6	-11	52	20	17	25
Total	9	19	-32	6	13	20	15	52	3	14	31	38	4	9	29

Source: Calculated from the October Household Survey for 1995 and the Labour Force Surveys for September 2000 & 2003, Statistics South Africa

In the period 1995-2000 the numerical level of participation in employment for those in the 16-24 age cohort declined across all racial groups in the Western Cape. The largest numerical decline in this specific age cohort was observed for white employees: between 1995 and 2000, their numbers declined by almost 20000 from 49 281 in 1995 to 29 924 in 2000. For the time period 2000-2003, this trend was significantly reversed. It is noticeable that the period 2000-2003 was marked by quite a sharp 21% decline in the employment of whites in the 25-34 age cohort. It is noticeable too that the employment for Africans in the 55-65 age cohort declined during the same period by 15%. Consequently, if one tabulates the aggregate employment shift for the period 1995-2003 (excluding Asians whose numbers still remain very low in the Western Cape), all other age cohort in every population grouping recorded an increase in employment, except for the employment of white individuals in the 16-35 age cohorts and Africans in the 55-65 age cohorts. The three employment levels where this phenomenon is recorded can be disaggregated further to include the 16 to 34 age cohorts for Whites and the 55 to 65 age cohort for Africans was lower in 2003 than it had been in 1995. However, excluding the specificity age cohorts in particular population groupings, on the broad aggregate level, more individuals for all four population groupings were employed in the Western Cape in 2003 than was the case in 1995.

In the previous section, we described the educational profile of the employed labour force in the Western Cape in terms of the economic sectors in which they are engaged. We had concluded that employed individuals in three sectors in particular largely held qualifications that were lower than NQF1 (particularly Agriculture and Domestic Services while 46% of individuals working in the Construction sector were classified thus), but the majority of employees across all sectors held qualifications that ranged from NQF1 to NQF4. The Finance and Community Service sectors had the largest proportion of individuals holding qualifications above the NQF4 level: but in both cases this was just over a third at 34% and 37% respectively. Thus the evidence clearly showed that the majority of employed individuals in the Western Cape essentially held qualifications that could be defined as intermediate type qualifications. The data in Table 13 represents the changes in the qualifications profile of employed individuals in the Western Cape between 1995 and 2003. As well as representing the aggregate change from 1995 to 2003, we also

represent the change in two sub-periods: 1995 to 2000 and 2000 to 2003. Wherever a percentage change for a particular qualifications cohort exceeds the total aggregate change for the sub-period as well as the aggregate period, it signifies that the tempo of change in qualifications endowment of specific cohort is better than the average. While we can do detailed analyses of the qualifications progression for particular race or gender groups, the big picture can be depicted as follows. Among individuals who are employed in the Western Cape, there is a decline in the proportion of individuals with qualifications under the NQF1 level. This decline is more intense for individuals with no schooling or those with highest qualifications that are below Grade 5. The trend in the decline is particularly noticeable for each sub-period: 1995 to 2000 and 2000 to 2003. On the aggregate, there is a positive decline in the proportion of individuals on the labour market holding qualifications that are below Grade 5. The decline mirrors two possible trends: the first suggests that there is a renewal and upgrading at this qualifications level. The second suggests a complete displacement from the labour market of individuals embodying such levels of qualifications.

Table 13

Changes in the Educational Profile of the Employed in the Western Cape: 1995-2003

Level of Schooling	Changes: 1995-2000					Changes: 2000-2003					Changes: 1995-2003				
	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total
No Schooling	-28	-23			-25	-24	8			-3	-45	-18			-28
Grades 1-4	18	-18	-100	30	-8	-38	7		-100	-11	-27	-12	-100	-100	-18
Grades 5-8 [ABET 2-3]	-6	-4	6	-16	-5	3	4	-44	-58	3	-3	0	-41	-65	-2
Grade 9 [NQF 1/ABET 4]	34	14	-67	31	17	60	14	103	-28	22	115	30	-34	-6	44
Grade 10 + NTC 1 + Dip/Cert<G12 [NQF2]	-19	45	-20	-11	16	69	3	-30	9	12	36	50	-44	-4	31
Grade 11 + NTC 2 [NQF 3]	61	77	-100	-25	45	33	10		-29	13	115	95	15	-47	64
Grade 12 + NTC 3 [NQF4]	100	59	-20	-11	25	41	52	76	17	38	181	143	41	5	73
Dip/Cert + G12 [NQF 5]	-57	28	-24	24	17	156	34	217	-2	17	9	72	141	21	37
Degree [NQF 6]	-21	48	-39	10	12	61	10	-10	10	12	27	62	-45	21	26
Postgraduate Degree/Diploma [NQF 7]						-46	-70	-37	-29	-40					
Total	10	18	-32	9	14	19	16	52	3	14	31	37	4	13	29

Source: Calculated from the October Household Survey for 1995 and the Labour Force Surveys for September 2000 & 2003, Statistics South Africa

Corresponding to the displacement of low levels of qualifications from the employed segment of the labour market, the data depicts a higher growth rate in relation to overall employment growth for individuals who hold qualifications that are from Grade 9 and above. In the period 1995 to 2000 this included individuals with qualifications ranging from Grade 9 to a Diploma or Certificate with Grade 12. It can be noticed from Table 13 that the trend is repeated for the 2000-2003 period as well as the overall nine year period from 1995 to 2003. Despite starting from a low base, the rate of qualification accumulation that is higher than the overall rate at which employment growth is recorded for these groups, especially from Grade 9 and above for Africans and Coloured individuals is laudable. It suggests that the historical legacy of low qualifications is gradually being breached and the proportion of individuals that are better qualified than their predecessors is indeed taking

place. If we look at the aggregate changes for the period 1995 to 2003, shown in the extreme right-hand segment of Table 13, the growth in overall employment in the Western Cape increased by 29%, but the composition of individuals holding qualifications at the NQF1, NQF2, NQF3, NQF4 and NQF5 level increased by 44%, 31%, 64%, 73% and 37% respectively. For Africans in employment the corresponding increases amounted to 115%, 36%, 115%, 181% and 9%, while for those classified as Coloureds in employment the equivalent increases amounted to 30%, 50%, 95%, 143% and 72% respectively. The differences between the changes in the qualifications composition of the Africans and Coloureds in employment was that the rate of change for Africans increased more rapidly at the lower qualifications level whereas the trend appears to show a reverse for Coloured individuals. Just as we noticed the two different elements in the displacement of low qualifications from the employment field, an opposite impact is visible for those in employment. It masks two trends: the one suggests that qualifications are being renewed through ongoing continuous learning among the cohort of employed individuals whereas the other postulates that entrance of new incumbents to the labour market is generally only successful if these incumbents hold qualifications that are higher than that possessed by the corresponding age group who are already engaged in employment. This shows that there is a subtle selection mechanism at play: individuals who have remained outside the labour market beyond the age of compulsory schooling are only able to enter it successfully at a later stage if they are in possession of educational qualifications that are higher than what would have been the norm had they started working at 16 years. Their qualifications too have to exceed the intellectual skills that are accumulated and embodied only through experience or compensate for it by embodying a higher learning trajectory which the combination between longer education and a more intensive appropriation of learning from experience would entail. Furthermore it has to provide a platform for a more rapid accumulation of knowledge and skills that later insertion into employment would unleash than would be the case had these individuals not been in possession of such qualifications in the first instance.

Having isolated and discussed the age and educational qualifications of the employed labour force in the Western Cape, and these factors as we have emphasized reinforce the notion that age (but measured in relation to the start of employment) coupled with educational credentials advances the notion that labour market skills and human resource accumulation incorporates knowledge derived from experience as well as knowledge derived from education and training. However, to enrich our understanding of the attributes that are demanded from a growing labour force, it is pertinent at this stage to refer to the structural characteristics of the Western Cape labour market and the growth trends that this exhibits. Although we have referred to both elements in terms of enterprise size, it is probably necessary to examine both the impact of industrial or sector employment and the pattern in the growth of occupational employment for the period 1995 to 2003.

In Table 5 above we presented a very detailed description of business, enterprise or branch size by economic sector. Let us briefly recapitulate the points that we previously raised. In terms of enterprise size, and we used six size cohorts to depict industrial sector by enterprise size, we have to bear in mind the following: any size cohort which contains in it at least one third or more of all employees in the sector, illustrates an

extremely significant phenomenon. We had said before that enterprises within the private household sector are largely micro enterprises that essentially have no more than one employee and in many instances this includes the owner as well. Enterprises in the agricultural sector as well as the construction and wholesale and retail trades generally consist of small and medium sized enterprises. While the other size cohorts make up a large component of these, large enterprises are generally located in the manufacturing, transport, storage and communication sectors as well as in the financial and business services sector and the community, social and personal services sector. We are correct to surmise that provincial and local government institutions largely inhabit the large enterprises of the community and social services sector.

Table 14
Employment Growth in the Western Cape by Economic Sector: 1995-2003

Industry	1995	2000	2003	95-2000 % Ch	2000-03 % Ch	95-2003 Ch
AGRICULTURE, HUNTING, FORESTRY AND FISHING	217,042	195,092.48	225,285.36	-10.1	15.5	3.8
MINING AND QUARRYING	9,835	4,743.60	1,497.77	-51.8	-68.4	-84.8
MANUFACTURING	271,418	286,138.60	311,562.65	5.4	8.9	14.8
ELECTRICITY, GAS AND WATER SUPPLY	8,760	8,161.02	10,105.09	-6.8	23.8	15.4
CONSTRUCTION	99,268	109,444.11	122,150.17	10.3	11.6	23.1
WHOLESALE AND RETAIL TRADE: REPAIR OF MOTOR	257,072	305,346.46	349,511	18.8	14.5	36.0
TRANSPORT, STORAGE AND COMMUNICATION	68,188	75,481.61	93,860.21	10.7	24.3	37.6
FINANCIAL AND BUSINESS SERVICES	90,476	161,759.66	184,125.20	78.8	13.8	103.5
COMMUNITY, SOCIAL AND PERSONAL SERVICES	260,393	280,718.55	319,818	7.8	13.9	22.8
PRIVATE HOUSEHOLDS AND UNDEFINED ACTIVITIES	84,328	120,478.04	128,723	42.9	6.8	52.6
Total	1,366,780	1,547,364	1,746,639	13.2	12.9	27.8

Source: OHS & LFS, Statistics South Africa

Table 14 represents the change in employment in the industries or sectors over the period 1995 to 2003. As with the previous data, it is important to understand variations from the norm, particularly within a labour market where unemployment growth has surpassed employment growth. Variations to the norm at least highlight sectors where above average rates of employment growth is taking place. As we did before, we have given a calculation of the employment change by sector for an aggregated nine year period 1995 to 2003 as well as for intermediary sub-segments to this period. The average employment growth for the ten sectors for the period 1995 to 2003 was 27.8% and for each of the intermediate periods of 1995 to 2000 and 2000 to 2003 it was 13.2% and 12.9% respectively, which is actually roughly the same for periods of different length. Of course, assuming that the trend in employment growth for the period from 2000 to 2005 continues to be the same as it has been until now, for the latter period a higher rate of growth in employment will be recorded. The tertiary sectors of the Western Cape labour

market have illuminated higher employment growth for the period 1995 to 2003. These include the Wholesale and Retail Trade, the Transport, Storage and Communication sector and the Financial and Business Services sector. As we showed earlier, employment in Private Households by virtue of the high levels of informality associated with entrepreneurial activities, after the Financial and Business Services sectors, it has recorded the second highest level of employment growth. The more secondary types of economic sectors such as Agriculture, Manufacturing and Construction, while registering an increment over the nine year aggregate period, nonetheless lagged employment growth in the tertiary economic sectors. If we however change the cycle in which sectoral employment growth is registered the picture appears to look distinctly different. In the period 1995 to 2000, the Agricultural sector in the Western Cape in particular experienced a severe hemorrhage resulting in an employment decline of 10%. For the period in question 22 000 jobs were lost to the sector. Sectoral employment growth in Manufacturing for this period was anemic at 6% which was less than half the 13% employment growth recorded for the aggregate labour market. The large scale reorganization of the public sector after the onset of democracy in 1994, certainly also contributed to the relatively torpid employment growth that was experienced for this sector in the first intermediate period of 1995 to 2000. On the other hand, the Financial and Business sector experienced spectacular job growth of 79% and this was followed by the informal private household sector. But in the period 2000 to 2003 the trends show a significantly different pattern. While Financial and Business Services, Community and Social Services recorded employment growth trends that were above the average, informal sector employment as reflected in jobs in the private household sector (and this was mostly as domestic worker employment), was recorded at just under 7% for the three year period. Obviously the shifts in the rate of sector employment growth highlights areas which the data is not able to coherent capture but which merits further investigation, especially when the firm level interviews are conducted.

We can now address the issue of the employment performance across the ten designated standard industrial occupational categories. The growth in employment by occupational category for the Western Cape labour market is depicted in Table 15. Three data points indicating employment numbers are provided but since we have already provided ample coverage of the aggregate employment shifts for the period 1995 to 2003, we reserve labouring the point further and instead draw attention to the employment changes across occupational categories that have taken place for the periods 1995 to 2000 and 2000 to 2003. The total increase in aggregate occupational employment for each intermediate period at 13% is almost exactly the same. However in the high skilled level occupations, notably that encompassing managers, professionals and technicians, the above average growth that is recorded in the first intermediate period from 1995 to 2000 is reversed in the second and latter period of 2000 to 2003.

Table 15

Changes in the Aggregate Occupational Structure of the Western Cape Economy: 1995 to 2003

Occupations	Total			95-2000 % Change	2000-03 % Change
	1995	2000	2003		
Managers	78,072	110,876	138,467	42	25
Professionals	57,722	92,841	88,435	61	-5
Technicians	116,610	157,752	170,572	35	8
Clerks	148,638	167,217	211,330	12	26
Service & Sales	149,544	181,241	203,657	21	12
Skilled Agri. & Fishery Workers	26,832	51,837	19,275	93	-63
Craft Workers	175,436	200,130	220,902	14	10
Machine Operators & Assemblers	148,908	123,567	142,537	-17	15
Elementary Occupations	465,018	369,415	438,985	-21	19
Domestic Workers	0	92,487	112,479		22
Total	1,366,780	1,547,364	1,746,639	13	13

Sources: Calculated from OHS(1995) & Labour Force Surveys (2000-2003), Statistics South Africa.

Directly in contrast, the employment losses that were experienced for individuals classified as machine operator and assemblers as well as those holding positions in the elementary occupations in the first intermediate period is reversed in the second period. Although the initial loss of employment is not recovered these suggest that the employment recovery trend will continue perhaps until 2005. One witnesses a similar pattern in the shifts in occupational employment that was evident for changes in sectoral employment. For some sectors, mainly the tertiary sectors and the high skilled occupations, there is an unambiguously sustained growth in employment for the period 1995 to 2000. The corollary is witnessed in the primary and secondary sectors, especially agriculture and manufacturing and this sectoral impact as we have just shown appears to be concentrated in the semi-skilled occupational categories. But the trend is not sustained. In fact the trend in the high skilled occupations while still positive and above the average shows a slowing down; for some occupational categories there is in fact a decline in employment growth. This is noticeable for the decline in the total number of professionals employed in the Western Cape from 92 841 in 2000 to 88 435 in 2003. Again, the reverse of the phenomenon is applicable for the semi-skilled occupations (especially machine operators and assemblers and elementary occupations).

What is the cause for this phenomenon? It does appear that the impact of a more pronounced insertion of the Western Cape economy into the global economic and financial system is an important factor and of course we are alluding to this, but empirically we cannot invoke this reason merely from a deployment of labour market data. And because our argument is principally constructed from the evidence of labour market data, the data indicates a phenomenon which can be shown to be structural in nature. This has to do with the increased participation of female individuals on the labour market. In 1995, males constituted 59% of the employed labour force but by 2003 this proportion had been gradually eroded to 55% with female workers making up the balance of 45%. Of course it has to be noted that specific shifts in racial employment patterns were also at stake. For the period 1995 to 2003, aggregate employment in the Western Cape increased by 27% but the employment of African and Coloured individuals increased by 29% and 35% respectively compared to the 10% employment increment that was recorded for white individuals.

Patterns and Shifts in Unemployment in the Western Cape Province: 1995-2003

Just as we have attempted to view the patterns in employment progression and labour demand from the perspective of its potential impact on human resource development strategies, we will do the same in our analysis of the shifts in the patterns of unemployment in the Western Cape. As such, we generally do not see much value in replicating descriptions of unemployment generally, because we feel this has probably been done better elsewhere. Our contention is to isolate impending challenges which the present configuration of unemployment in the Western Cape presents.

Briefly if one reviews the age profile of the unemployed in the Western Cape for the three time points that have been used throughout this paper, we can say that despite an virtual doubling in the number of individuals that were classified as unemployed between 1995 and 2003, the age profile of the unemployed segment remained fairly consistent over this period. Thus 42% of unemployed individuals were in the 16-24 age cohort in 2003 with 30% of the unemployed drawn from the 25 to 34 age cohort. Thus the incidence of unemployment has a larger concentration in the ranks of younger workers. In terms of its racial make-up in the Western Cape, Coloured individuals constituted 52% of the unemployed segment in 2003 with the African and White population groupings making up 41% and 6% respectively of the approximately 618000 individuals classified as unemployed in 2003.

Despite showing unemployment rates that are the lowest in comparison to each of the nine provinces in South Africa and at 26% is below the aggregate rate of 41% for the country as a whole, the Western Cape also exhibits the highest percentage of unemployed individuals that have previously had work experience on the labour market. In 2003, 59% of unemployed individuals in the Western Cape had previous work

experience and were therefore part of the employed segment of the labour market at some point in the past. The corresponding aggregate national figure in 2003 was 36%. This means that 64% of unemployed individuals in South Africa never held a job at any previous stage of their life. In the Western Cape, 41% were classified thus in 2003. In the Eastern Cape, Kwa Zulu Natal and Limpopo Province the corresponding percentage of unemployed individuals in 2003 who previously held a job was even lower at 28%, 29% and 29% respectively.

A further decomposition of the percentage of unemployed individuals in the Western Cape who previously held a job and previously received work placed based training shows that the proportions are indeed very low. As an overall percent of the group of unemployed individuals that had acquired working experience by being employed in the past, roughly only between 13% and 16% claimed to have received training in their previous occupations in the period from 2000 to 2003. We can however show that in terms of the occupational hierarchy, even among this unemployed group, the incidence of training within the higher skilled occupational categories was higher compared to occupations that had a lower implicit embodiment of skills. Naturally therefore the proportion of unemployed managers, professionals, technicians, clerks and service and sales workers who had received training within previous occupations was higher than that recorded for employees that held positions in the machine operator and assembler and elementary occupations. However as can be seen from Table 16 below, it was much worse, as the data illustrates for domestic workers: in 2003, only 4% of unemployed individuals who previously worked as domestic workers had undergone some form of work related training.

Table 16
Previous Occupations held by the Unemployed in the Western Cape and the Proportion who received Training

Occupations	2000			2001			2002			2003		
	Unemployed	Prev. Train	%	Unemployed	Prev. Train.	%	Unemployed	Prev. Train.	%	Unemployed	Prev. Train.	%
Managers	4,129	1,759	43	5,028	1,604	32	4,852	3,232	67	6,894	1,293	19
Professionals	3,515	1,127	32	3,003	2,419	81	2,181	363	17	3,619	1,784	49
Technicians	10,443	2,545	24	17,206	7,560	44	15,100	3,934	26	19,848	5,537	28
Clerks	24,624	9,331	38	36,020	10,083	28	33,618	7,364	22	36,737	6,828	19
Service & Sales	34,081	3,681	11	46,079	13,562	29	31,865	11,847	37	47,345	11,599	24
Skilled Agri. & Fishery Workers	4,522		0	5,273	768	15	5,863	442	8	2,626	0	0
Craft Workers	44,362	10,012	23	48,700	5,630	12	46,910	8,150	17	56,957	11,592	20
Machine Operators & Assemblers	188,951	16,548	9	39,053	5,401	14	24,966	3,036	12	25,869	3,795	15
Elementary Occupations	137,063	11,614	8	114,503	6,551	6	120,085	4,653	4	137,192	14,001	10
Domestic Workers				25,962	2,111	8	22,447	1,367	6	26,614	1,187	4
Total	451,690	56,618	13	340,828	55,689	16	307,888	44,388	14	363,701	57,616	16
Total Unemployed	452,261			525,915			512,078			618,701		
% Unemployed with Previous Work Experience	100			65			60			59		

Source: LFS for September 2000 to September 2003. Correction: % Ue in 2000 with previous work experience: 60%

In provinces where the entrance of new incumbents to the labour market exceeds the number of job places that are available during any given period, which is a replica of the tempo that has been largely observed for the South Africa labour market, the proportion of unemployed individuals who previously held a job is likely to decline even further over time. For the four years since 2000 in which data has been available about the duration in which individuals have been unemployed in each given year has remained consistent: thus approximately 25% of individuals were unemployed for under six months, 15% for more than six months to under a year and 60% were unemployed for longer than one year.

A Decline in the Incidence of Training and the Associated Loss of Embodied Skills in the Labour Force of the Western Cape Province

A substantial amount of evidence suggests that the embodied composition of skills on the labour market in South Africa is actually in decline, both in terms of labour market skills embodied in qualifications and labour market skills that are generated through the incidence of firm based training. This contention warrants further elaboration and in the following section we illuminate the general contours of this dilemma for the Western Cape where the trends are replicated with provincial nuances but generally in the same fashion as it is portrayed in the national data. Let us examine the evidence.

Table 17

Learning Fields for Employed individuals in the Western Cape undergoing work related training

Learning Fields	Western Cape				
	2000	%	2003	%	% Change: 2000 to 2003
Communication studies & language	8,107	2	5,611	2	-31
Education, training & development	28,142	6	18,892	6	-33
Manufacturing, engineering & technology	109,697	25	56,043	18	-49
Human & social studies	10,285	2	4,807	2	-53
Law, military science & security	43,295	10	37,536	12	-13
Health sciences & social services	28,793	7	24,704	8	-14
Agriculture & nature conservation	14,907	3	20,181	6	35
Culture & arts	4,423	1	6,574	2	49
Business, commerce & management studies	98,898	23	52,434	16	-47
Physical, mathematical, computer & life sciences	31,019	7	49,902	16	61
Services	45,894	11	28,820	9	-37
Physical planning & construction	13,014	3	12,474	4	-4
Total	436,474	100	317,977	100	-27

Source: LFS, September 2000 & September 2003, Statistics South Africa

The evidence contained in Table 17 above shows the number of individuals undergoing work related training declined by 27% between 2000 and 2003. In terms of learning fields, this decline was pervasive in nine out of twelve fields. Exceptions to the rule occurred in Agriculture and Nature Conservation, Culture and Arts and Physical, mathematical, computer and life sciences.

If we contrast the incidence of overall training that takes place mainly at the helm of the work place needs with what individuals who hold a certificate, diploma or degree and are employed in the Western Cape labour market, we find that the disaggregated data highlights similar trends across learning fields in which qualifications were obtained.

Table 18

Learning Fields in Qualifications obtained by the Employed in the Western Cape : 2000 & 2003

Learning Fields	Western Cape				
	2000		2003		Change: 2000-2003
Communication studies & language	7,503	3	9,021	3	20
Education, training & development	48,139	16	52,284	18	9
Manufacturing, engineering & technology	52,046	18	37,623	13	-28
Human & social studies	20,719	7	16,369	5	-21
Law, military science & security	18,304	6	12,549	4	-31
Health sciences & social services	32,372	11	39,269	13	21
Agriculture & nature conservation	8,194	3	14,421	5	76
Culture & arts	8,215	3	5,646	2	-31
Business, commerce & management studies	74,871	25	74,711	25	0
Physical, mathematical, computer & life sciences	16,707	6	21,060	7	26
Services	6,140	2	11,729	4	91
Physical planning & construction	3,888	1	3,411	1	-12
Total	297,098	100	298,093	100	0

Source: LFS, September 2000 & September 2003, Statistics South Africa

In 2000, roughly 297 000 employed individuals held a certificate, diploma or degree which could be associated with a specific learning field. But half of the learning fields showed a decline in the number of employed individuals who obtained a qualification in it; the other half, showed an increase. The learning fields that appeared to signify an increase included: Communication studies and language (20%), Education, training and development (9%), Health sciences & social services (21%), Agriculture and nature conservation (76%), Physical, mathematical, computer & life sciences (26%) and Services (91%). It appeared that among those learning fields that registered a decline in the number of individuals that were employed in the Western Cape were Manufacturing, engineering & technology (-28%) and physical planning and construction (-12%) as is shown in Table 18 below. It appears that the incidence of skills training within actual work place environments was lower in 2000 than it was in 2003 and it was generally not matched by a significant increase in the number of individuals in possession of certificate, diploma or degree qualifications.

Table 19 provides evidence of the sectoral shifts in the incidence of skills training in 2000 compared to 2003. In only one sector, namely the Agricultural, Hunting, Forestry and Fishing Sector is an increase recorded in the level of skills training that is undertaken. Significantly, because

of this positive shift the ratio of individuals undergoing skills training in this particular sector compared to the overall employment size of the industry, actually increases. In the remaining sectors, where the incidence of skills training within the sector actually declines, there is also a decline in the ratio of skills training compared to the relative size of the industry.

Table 19

The Relationship between the Size of the Industry and the Incidence of Training conducted by it

Industry	2000					2003					Changes in Skills Training: 2000 to 2003
	Size of Industry		Skills Training		ST/S Ratio	Size of Industry		Skills Training		ST/S Ratio	
	Number	%	Number	%		Number	%	Number	%		%
AGRICULTURE, HUNTING, FORESTRY AND FISHING	195,092	13	17,116	4	9	225,285	13	25,413	8	11	48
MINING AND QUARRYING	4,744	0	886	0	19	1,498	0	575	0	38	-35
MANUFACTURING	286,139	18	80,456	19	28	311,563	18	48,304	15	16	-40
ELECTRICITY, GAS AND WATER SUPPLY	8,161	1	2,656	1	33	10,105	1	1,368	0	14	-48
CONSTRUCTION	109,444	7	28,528	7	26	122,150	7	17,295	5	14	-39
WHOLESALE AND RETAIL TRADE: REPAIR OF MOTOR	305,346	20	83,183	19	27	349,511	20	54,067	17	15	-35
TRANSPORT, STORAGE AND COMMUNICATION	75,482	5	22,246	5	29	93,860	5	16,265	5	17	-27
FINANCIAL AND BUSINESS SERVICES	161,760	10	66,248	15	41	184,125	11	58,355	18	32	-12
COMMUNITY, SOCIAL AND PERSONAL SERVICES	281,518	18	123,130	28	44	319,818	18	89,516	28	28	-27
PRIVATE HOUSEHOLDS AND UNDEFINED ACTIVITIES	120,478	8	9,817	2	8	128,723	7	6,819	2	5	-31
Total	1,548,164	100	434,266	100	28	1,746,639	100	317,977	100	18	-27

Sources: Calculated from Labour Force Surveys September 2000&-2003, Statistics South Africa.

How is this trend manifest within different sizes of enterprise, and what bearing does it have on the length of training that is conducted within these? The answer appears to be embedded in the evidence depicted in Table 20.

Table 20

Changes in the Incidence of Enterprise Training in the Western Cape by Enterprise Size from 2000 to 2003

Size of Business/Enterprise/Branch	WP (2003)							Total	
	< One Week	1 Week	1-2 Weeks	2-4 Weeks	1-2 Months	2-6 Months	> 6 Months		
1 Employee:	2000	1,721	720	489	4,986	2,865	3,903	22,809	37,493
	2003	236	1,864	1,771	3,780	0	5,357	19,841	32,849
	% Change	-86	159	262	-24	-100	37	-13	-12
2-4 Employees	2000	3,374	2,490	1,852	1,279	6,339	8,025	28,053	51,411
	2003	0	2,508	402	3,252	2,700	2,600	23,113	34,575
	% Change	-100	1	-78	154	-57	-68	-18	-33
5-9 Employees	2000	4,693	3,067	5,226	3,257	3,960	3,220	36,621	60,043
	2003	2,171	2,053	499	2,650	3,215	5,800	28,106	44,494
	% Change	-54	-33	-90	-19	-19	80	-23	-26
10-19 Employees	2000	4,564	3,917	5,671	2,413	4,991	2,377	26,880	50,813
	2003	0	1,762	1,295	1,723	1,468	6,771	24,265	37,285
	% Change	-100	-55	-77	-29	-71	185	-10	-27
20-49 Employees	2000	5,598	4,265	1,062	1,502	3,550	6,720	46,135	68,832
	2003	3,880	2,856	2,780	5,097	3,131	11,450	40,557	69,751
	% Change	-31	-33	162	239	-12	70	-12	1
50 + Employees	2000	7,588	4,384	5,616	16,098	6,013	9,741	99,455	148,895
	2003	1,327	1,944	1,001	5,265	4,301	10,929	71,266	96,032
	% Change	-83	-56	-82	-67	-28	12	-28	-36
Total	2000	27,538	18,843	19,916	29,535	27,718	33,985	259,953	417,487
	2003	7,615	12,986	7,748	21,767	14,816	42,906	207,147	314,984
	% Change	-72	-31	-61	-26	-47	26	-20	-25

Source: The Labour Force Survey (September 2003), Statistics South Africa

The Western Cape data actually mirrors the national data and to avoid having to rehearse the argument in corresponding detail, we have explored this issue in some depth in Lundall (2005). Two points however require to be made. On the basis of the available evidence that is contained in the Labour Force Surveys, which covers the period 2000 to 2003, there has actually been a severe decline in the incidence of enterprise training in the Western Cape. We showed above that measured across learning fields, this decline amounted to 27% and measured in the duration of training that was conducted by the size of enterprise, the decline in the incidence of training was roughly 25%. In terms of the length of duration, training programmes that were either shorter than two months or longer than six months in duration experienced a significant decline in participation. It is only for qualifications that were from two to six months in duration and thus ostensibly corresponding to programmes accredited by the South African Qualifications Framework, was there an increase in numbers participating. In terms of enterprise size, except for one, all size cohorts showed a decline in the incidence of enterprise training. The exception was for medium sized enterprises with between 20 and 49 employees where the number of individuals undergoing enterprise training increased in the aggregate by 1%. However, such enterprises also experienced an increase in the incidence of training that ranged between one and four weeks as well as training that was extended over a period lasting from 2 to 6 months. While not exactly true for all sectors, the evidence shows that the training programmes that specifically extended from two to six months actually showed higher participation in 2003 compared to 2000. These included training programmes in Agriculture, Hunting, Forestry and Fishing, Construction, Wholesale and Retail and Financial and Business Service sectors.

Concluding Remarks

The principle guiding the conceptual objective of the present paper is mainly concerned with finding a common purpose with the issues of formal education, work place training and education, education and training for reinsertion into the world of work and learning the lessons of the experience. These lessons can be learned both strategically but these are equally apt within the unique contexts of the Western Cape labour market. This generally implies a forward progression from what exists. These lessons however can only be effectively identified by exploring what takes place within the principle institutions of the labour market, namely within firms. A necessary adjunct to what takes place within firms is to know what employees do and do not do. More particularly, the present survey of the labour market trends that impact on improvements in the generation of knowledge about work, skills and learning, provides an essential backdrop to the types of probes that are necessary to investigate issues of human resource development and the blockages to this development at the enterprise level in more detail.

The evidence that we have assembled suggests that the Western Cape still remains at the forefront of ensuring that a dynamic mix between learning for work in the education and training institutions is advanced as well as exploring with a progressive mindset the issue of learning to improve the organization of work at the workplace. This however is only a possibility: and it will remain nothing more if it is not actively put

into practice. The challenge therefore is to underpin the potential for learning within firms and the supporting institutions through which the practical lessons from this experience can be systematically formalized into a dynamic and active programme of continuing and lifelong education. Theoretically, the empirical evidence suggests that this can be done. In practice, however, despite a wide ranging institutional system which ought to result in more active attempts to advance the proportion of the labour force which hold degrees, diplomas or certificates as well as making it possible for the number of individuals who benefit from work place training to increase in number, there is a reverse phenomenon. Actually fewer people are for instance entering manufacturing employment in the Western Cape with formal educational qualifications. If one counts the wide spectrum in the duration of training programmes and uses this as a barometer, then fewer people too have participated in workplace training programmes on the aggregate between 2000 and 2003. The short courses which are often no longer than a week in duration and in a sense have a strong symbiosis to the practice of learning at the workplace have unfortunately too been in decline. Thus the practice about what is actually taking place in firms in the Western Cape bear elements that appear to conflict with policy which endorses the principles of continuous and lifelong learning. If this perceived contradiction is speedily resolved it certainly promotes the application of policy translation into practice. However, left unresolved it merely signals that accepted policy is not able to bridge the gulf from policy to practice and is more likely to be scrutinized and probably even discarded as a symbolic gesture which was not able to deliver on specific challenges.

References

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