BRICS & Productivity Ecosystems for Decent Work: the case of South Africa

ILO PARTNERSHIPS, ILO ENTERPRISES; ITC Turin, ILO Pretoria

Authors: Sabelo Gumedze and Paulo de A. Jacinto

Edited by Anita Amorim & Paulo Jacinto

With inputs from Anita Amorim, Hichem Ouertani, Marlen de la Chaux, Jens Dyring Christensen, Redouane Bekrar, Feixia Li, Anastasiia Pavlova

Table of Contents

Acronyms

AI	Artificial Intelligence
APDP	Automotive Productive and Development Programme (
B-BBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act No. 75 of 1997
BISP	Business Incubation Support Programme
BRICS	Brazil Russia India China South Africa + new members
BUSA	Represented by Business Unity South Africa
CCMA	Commission for Conciliation, Mediation and Arbitration
CEE	Commission for Employment Equity
CET	Continuing Education and Training Act No 16 of 2006
CF	Compensation Fund
CHSA	Construction Health and Safety Accord
COSATU	Congress of South African Trade Unions
DBSA	Development Bank of Southern Africa
DCDT	Department of Communications and Digital Technologies
DoEL	Department of Employment and Labour
DSBD	Department of Small Business Development
DTIC	Department of Trade, Industry and Competition
DWCP	Decent Work Country Programme
ECIC	Export Credit Insurance Corporation
EEA	Employment Equity Act No. 55 of 1998
EMIA	Export Marketing and Investment Assistance
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
ESA	Employment Services Act No 4 of 2014
FEDUSA	Federation of Unions of South Africa
FEM	Federated Employers Mutual Assurance Company
GDP	Gross Domestic Product
GNU	Government of National Unity
IBC	Industries Bargaining Council
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
ILO	International Labour Organization
ITC	International Training Centre
JET	Just Energy Transition
LEMM	Labour and Employment Ministers' Meeting
LRA	Labour Relations Act No 66 of 1995
MEIBC	Bargaining Councils in South Africa include Metal and Engineering
MSMEs	Micro, Small and Medium Enterprises
NACTU	National Council of Trade Unions
NBCPSS	National Bargaining Council for the Private Security Sector
NBCRFLI	Bargaining Council for the Road Freight and Logistics Industry
NDP	National Development Plan 2030
NEDLAC	National Economic Development and Labour Council
NEET	Not in Education, Employment, or Training
NHI	National Health Insurance
NIBUS	National Informal Business Upliftment Strategy
NISED	National Integrated Small Enterprise Development Masterplan
NQF	National Qualification Framework
NSDP	National Skills Development Plan 2030
NSDS	National Skills Development Strategy
PC4IR	Presidential Commission on the Fourth Industrial Revolution
PSCBC	Public Service Coordinating Bargaining Council

PSET	White Paper for Post-school Education and Training of 2013
PYEI	Presidential Youth Employment Intervention
QLFS	Quarterly Labour Force Survey
QLFS	Quarterly Labour Force Survey
REIPPPP	Renewable Energy Independent Power Production Procurement Programme
SAAM	South African Automotive Masterplan
SANCO	South African National Civics Organisation
SAREM	South African Renewable Energy Masterplan
SDA	Skills Development Act No. 97 of 1998
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SEFA	Small Enterprise Finance Agency
SETAs	Sector Education and Training Authorities
SMEs	Small and Medium Enterprises
SSC	South-South Cooperation
SSTC	South-South and Triangular Cooperation
StatsSA	Statistics South Africa
TIPS	Trade and Industrial Policy Strategies
TISA	The Trade & Investment South
TREP	Township and Rural Entrepreneurship
TVET	Technical and Vocational Education and Training
UIA	Unemployment Insurance Act
WSPs	Skills Levy and Workplace Skills Plans

1 Introduction

1.1 *Background:* BRICS & Productivity Ecosystems

The concept of *Productivity Ecosystems for Decent Work* embodies a holistic approach to advancing inclusive and sustainable economic growth by aligning productivity gains with the creation of quality employment. It brings together interconnected systems, policies, and initiatives that promote fair wages, workplace security, social protection, and opportunities for personal and professional development—core elements of the ILO's Decent Work Agenda[1] and the UN 2030 Agenda for Sustainable Development, particularly Sustainable Development Goal 8. Building on this vision, the South African presidency of BRICS in 2023 catalysed a collective effort among BRICS Labour Ministers to establish a platform integrating peer learning and South-South Cooperation through productivity ecosystems for decent work. This initiative, further reinforced under Brazil's 2025 presidency with a focus on artificial intelligence and just transition, underscores the growing recognition that productivity growth and decent job creation must evolve hand in hand—an approach central to the ongoing studies conducted across China and Brazil within the BRICS framework.

Productivity Ecosystems for decent work refers to the interconnected systems, policies and initiatives that foster a productive and inclusive work environment, promoting decent work opportunities and improving the quality of life for workers. Decent work involves providing opportunities for everyone to get work that is productive with fair incomes, security in the workplace and social protection, better prospects for personal development, social protection for workers and families and social integration, freedom for people to express their concerns, organize and take part in the decisions that affect them.[2] These aspirations are part of the mandate of the International Labour Organisation, defended and promoted by the United Nations 2030 Agenda around the concept of Decent Work.

The South African presidency of BRICS in 2023 was an opportunity for the Labour Ministers to launch a platform (September 2023, Durban, BRICS LEMM) that integrates peer learning and South-South Cooperation through productivity ecosystems for decent work. The BRICS Productivity Ecosystem presents a viable platform that aims to create a link between productivity growth and job creation in the BRICS countries. It is noteworthy that South Africa proposed the BRICS Productivity Ecosystem platform as part of its 2025 Strategy for BRICS Economic Partnership.[3] In addition, during the Brazilian presidency in 2025, the Declaration that focused on artificial intelligence and a Just transition reaffirmed the importance of the productivity ecosystems platform and highlighted the importance of the current study, that is done in parallel with the studies on productivity in China and Brazil.

This report seeks to link productivity and decent work in South Africa with also an opening towards countries with similar backgrounds. This study on BRICS & Productivity Ecosystems for Decent Work is timely not only for South Africa but for all the BRICS countries. Brazil assumed its BRICS Presidency on 1 January 2025 with the theme "Strengthening Global South Cooperation for Inclusive and Sustainable Governance" and two priorities: the Global South Cooperation and BRICS Partnerships for Social, Economic and Environmental Development.[4] Productivity Ecosystems for decent work is a critical component aimed at strengthening global south cooperation for inclusive and sustainable governance. The BRICS Productivity Ecosystem supports these two priorities to ensure productivity growth and job creation in BRICS countries.

[1] Given the ILO definition of "Decent Work", this concept emphasizes employment creation with opportunities for all; social protection for workers; workers' rights, including freedom of association and collective bargaining, and social dialogue between workers, employers and governments.
[2] See ILO's Decent Work Agenda at https://www.ilo.org/topics/decent-work (accessed 15 February 2025).
[3] See generally, the BRICS + and ILO Cooperation, May 2024 available at https://www.ilo.org/sites/default/files/2024-10/BRICS-2024-Factsheet-Final%5B1%5D.pdf (accessed 12 January 2025).
[4] For more information, see https://brics.br/en/about-the-brics/brazilian-presidency (available on 16 January 2025).

The interface between productivity and decent work cannot be overemphasised. At the ninth meeting of BRICS Labour and Employment Ministers (LEMM), which was held in Umhlanga, Durban, South Africa, between 28 - 29 September 2023,[5] the BRICS underscored "the significance of sustainable enterprises and the crucial relationship between productivity and decent work". This relationship should, therefore, be seen as the key factor in the discourse on improving living standards and economic growth and to ensuring social justice in BRICS countries[6].

This report seeks to link productivity and decent work in BRICS countries, focusing on South Africa. This study on BRICS & Productivity Ecosystems for Decent Work is relevant to all the BRICS + countries.[7] The overarching objective of this study is to map the policy and institutional landscape of South Africa's Productivity Ecosystem for decent work. The study includes the mapping of key policy frameworks and associated institutional structures at macro-economic and sectoral levels that address issues pertaining to productivity and/or the creation of decent work.

In this study, one of the key findings is that South Africa is taking drastic measures to overcome some decent work deficits. Factors such as economic steady decline, high unemployment and social inequalities could pose a problem to long-term development. This, notwithstanding, South Africa has developed a robust legal (The Constitution of South Africa (1996), Labour Relations Act (1995), Basic Conditions of Employment Act (1997), Employment Equity Act (1998), Skills Development Act (1998), Occupational Health and Safety Act (1993)) and institutional (Department of Employment and Labour, Commission for Conciliation, Mediation and Arbitration, National Economic Development and Labour Council, Productivity South Africa, Sector Education and Training Authorities) framework which supports the principles of decent work and productivity as outlined by the International Labour Organization. The study emphasizes the need for a multi-dimensional and coordinated approach involving government, employers and workers' organizations, and civil society. It further underscores the compelling need to move beyond policy formulation towards effective execution, innovation, and inclusive participation that would result in the realization of a productivity ecosystem that will not only boost the country's economic performance, but also secure decent and dignified work for all.

1.2 Problem Statement: Definition of the problem, including low productivity, inequality, unemployment, and poverty

The debate around the concept of productivity ecosystems for decent work highlights the challenge of achieving substantial productivity growth while simultaneously ensuring decent working conditions for employees. A well-functioning productivity ecosystem for decent work requires a comprehensive and integrated approach that addresses challenges at the enterprise, sector, and national levels. These challenges often include inadequate skills development systems that struggle to meet evolving labour market demands, poor infrastructure that limits business efficiency and connectivity, restrictive labour policies that deter investment and flexibility, and insufficient social protection mechanisms that leave workers vulnerable. When left unaddressed, these barriers not only undermine efforts to improve productivity but also stifle inclusive economic growth and limit the creation of sustainable, quality jobs.[8] Similar to South Africa, many countries struggle to achieve productivity gains while simultaneously guaranteeing decent working conditions for its workforce due to a complex

[5] For more information, see https://www.brics23.com/wp-content/uploads/2023/09/7-a-Declaration-of-the-Ninth-BRICS-LEMM-2023-FINAL.pdf (accessed 16 January 2025).

[6] Having affirmed its commitment to prioritize "policies and initiatives that enhance productivity, improve working conditions and promote employment creation, aim to achieve decent work, and inclusive economies, and societies", the LEMM sent an important message that BRICS countries have a role to play on BRICS productivity ecosystems. The LEMM called for the establishment for a BRICS Productivity Ecosystems for Decent Work Platform for knowledge exchange and research, which has an overall South-South Cooperation angle.

[7] For more information, see BRICS Brasil 2025 at https://brics.br/en (accessed 16 January 2025).

[8] The very core of the International Labour Organisation's work and of the Productivity Ecosystems for Decent Work approach is that investments into people and decent work lead to inclusive growth.

interplay of factors. This results in a significant gap between potential productivity and the realization of decent work for all.

There are four key elements to consider. One, productivity and decent work are not isolated issues. These issues are intertwined and influenced by factors like policy frameworks, market dynamics, labour practices, and access to technology across different levels of the economy. Two, barriers like low skills levels, inefficient infrastructure, outdated technology, and lack of dissemination innovation can significantly limit productivity potential. Three, concerns regarding working hours, wages, safety standards, and lack of social protection can hinder worker motivation and overall productivity. Four, addressing the deeply intertwined and influenced issues requires a comprehensive approach that goes beyond individual firms, tackling systemic challenges at sector and national levels through policy interventions and collaborative efforts.

1.3 A brief outline of the report

In line with this priority, this research study seeks to elucidate on good practices and lessons learned on promoting the productivity and decent work nexus in South Africa, among the BRICS countries. In accordance with the Terms of Reference, the study employs a Productivity Ecosystems for Decent Work lens to identify case studies of policies and programmes that have strengthened key productivity and decent work drivers at enterprise (micro), sectoral (meso), and macroeconomic (macro) levels. Having presented the introduction, comprising the background to the BRICS and productivity ecosystems debate; an overview of the South African economy, labour market, and challenges relating to productivity and decent work; and to discussing the problem statement, this report is divided as follows: First, it outlines the Research Objectives, hypothesis and research questions; and discusses the research methodology and design. Second, it presents an overview of South Africa's productivity ecosystems for decent work, focusing on policy frameworks. Third, it identifies the key components of productivity ecosystems for decent work in the country. Fourth, the study shows the interlinkage of South-South Cooperation and Productivity Ecosystems for decent work. Fifth, based on the research findings, the report presents recommendations. Sixth, the study draws conclusions and recommendations.

2 Research Objectives, Hypotheses, and Research Questions

2.1 Research Objectives

The overarching objective of this study is fourfold:

> The report aims to conduct a descriptive analysis of productivity and the labour market to identify key challenges to productivity growth and examine its relationship with decent work. It will contribute to the development of a **BRICS Productivity Ecosystems for Decent Work** platform & knowledge base by documenting effective practices and policies that promote productivity and decent work within the BRICS framework. Furthermore, it seeks to generate a tailored set of actionable policy recommendations reflecting the specific economic and social contexts of South Africa, with a view to strengthening South-South cooperation in overcoming barriers to productivity growth and decent work. Finally, the ultimate objective is to enhance collaboration among governments, the private sector, social partners, and civil society organizations across BRICS countries by promoting South-South partnerships, including the organization of a seminar to disseminate findings, share best practices, and advance the promotion of productivity ecosystems for decent work.

2.2 Research Hypotheses

The study adopts the following hypotheses:

1. That a strong and mutually reinforcing link between productivity growth and decent work is imperative to achieving inclusive and sustainable growth.

2. That productivity and decent work dynamics interface across macroeconomic, sectorial and enterprise levels.

3. That barriers that impede productivity growth and decent work in the BRICS countries span economic, social and political domains, and that private, public and civil society actors have a role to play in overcoming these barriers.

4. That South-South and triangular cooperation can be a means for the creation of Productivity Ecosystems for decent work.

2.3 Research Questions

Following from the above hypotheses, the main research questions:

1. What effective practices and policies promote productivity and decent work in the case of South Africa thus contributing to the development of a BRICS Productivity Ecosystems for Decent Work knowledge base?

1.1 What policy frameworks are currently in place to strengthen the relationship between productivity growth and decent job creation?

1.2 What has been the effect of these policy frameworks on the relationship between productivity growth and decent job creation?

1.3 How can South-South Cooperation contribute to BRICS productivity platform?

2. Which are the tailored set of actionable policy recommendations that reflect the unique economic and social contexts of South Africa, and aimed at strengthening South-South cooperation in addressing barriers to productivity growth and decent work?

3. What strategies could enhance collaboration among governments, private sectors, and civil society organizations across BRICS nations in the promotion of a unified approach to enhance productivity and decent work through South-South partnerships?

3 Research Methodology & Design

3.1 Research Methodology

This assignment involved a desk study. Data sources to be consulted include Statistics South Africa; Department of Labour; and International Labour Organization (ILO STAT). Field research was undertaken and interviews took place with key informants of the ILO office in South Africa, Department of Labour; Department of Trade Industry and Competition; and Trade Unions. A research questionnaire was developed as reflected in the attached Key Informant Interview Guides (KII – Categories 1-4). Category 1 (ILO - South Africa); Category 2 (Department of Labour; Category 3 (Department of Trade Industry and Competition); and Category 4 (Trade Unions).

The research questionnaire focused on four main areas: One, effective practices and policies promoting productivity and decent work in South Africa; two, tailored set of actionable policy recommendations which reflect a unique economic context of South Africa and its effectiveness; three, strategies enhancing collaboration among government, private sectors and civil society organizations

across the BRICS nations; and four, South-South and triangular cooperation for productivity ecosystems for decent work.[9]

3.2 Research Design

The study adopts quantitative and qualitative research methods. Through these methods, it benefited from a comprehensive exploration of existing frameworks, qualitative insights from stakeholders, and a secondary data analysis. A desktop review was undertaken, which essentially mapped the policy and institutional landscape of South Africa's Productivity Ecosystems for Decent Work at the macro, meso, and micro levels. Key policy frameworks and institutional structures at the macroeconomic and sectoral levels that address issues related to productivity and/or the creation of decent work are included.

One of the main policy frameworks to be analysed is the National Development Plan (Vision 2030), which provides a long-term vision through to 2030 towards dealing with the challenges of unemployment and inequality in South Africa. Furthermore, the study undertook a review of the policy and institutional coherence in promoting productivity-decent work nexus in South Africa, the state of policy and institutional coherence in promoting productivity and decent work, and a review of how micro, small and medium enterprises (MSMEs) are included into policy and institutional considerations.

The study provides concrete examples and case studies on good practices and lessons learned in terms of effective policy and institutional frameworks geared towards strengthening the relationship between productivity growth and decent job creation. It will also highlight ongoing productivity programmes, including the productivity ecosystem for decent work programme which the ILO is implementing in the automotive sector and the leather and footwear sector with the Department of Employment and Labour and Department of Trade Industry and Competition, sectoral employers' organisations and trade unions and national bargaining councils.

3.3 Quantitative Analysis

The quantitative analysis of labour productivity in South Africa will use microdata from the World Bank Group, specifically from the Global Productivity: Trends, Drivers, and Policies database. This database contains two productivity variables — labour productivity and total factor productivity (TFP) — for 172 countries, covering the period 1980 to 2018, with annual frequency. Labour productivity is measured as the ratio between GDP (in US dollars, at 2010 prices and adjusted by market exchange rates) and employment levels. Human capital–adjusted TFP growth rates are calculated as the residual of labour productivity growth, by subtracting the contribution of human capital and capital deepening from labour productivity growth. For further details, see the Data Appendix of *Global Productivity: Trends, Drivers, and Policies*. For the analysis of labour market variables and the construction of the multidimensional job quality index, information from the Quarterly Labour Force Survey (QLFS) of the Department of Statistics South Africa will be used for the years 2010, 2011, 2016, and 2018. The choice of these years is due to the availability of information on workers' income.

3.3.1 Shift-share Decomposition

The shift–share decomposition is used to break down the variation in aggregate labour productivity into three components: 1) Within (intra-sector) – productivity improvements within sectors; 2) Between (reallocation) – changes in employment shares toward sectors with different levels (or growth rates) of productivity; and 3) Cross/Interaction – a second-order term that captures simultaneous increases in both a sector's share and productivity.

[9] In countries with large informal sectors, labour productivity estimates may be biased because informal labour is usually captured in employment data, while informal output and capital are often missing or only partially covered in national accounts. This leads to an underestimation of labour productivity and distorts total factor productivity (TFP) measures.

Aggregate labour productivity (LP_t) can defined as:

$$LP_t \equiv \sum_i s_{it} LP_{it}$$

where $LP_{it}=Y_{it}/L_{it}$ is sectoral labour productivity, and $s_{it}=L_{it}/\sum_j L_{jt}$ represents the employment share of sector *i*. It is essential to use real value added (VA) to ensure intertemporal comparability.

The level decomposition for the interval t_0 and t_1, where $t_0 = 1980$ and $t_1 = 1994$ (corresponding to the 1980–1994 window), is given by:

$$\Delta LP \equiv LP_{t1} - LP_{t0} = \sum_i s_{i0}\Delta LP_i + \sum_i LP_{i0}\Delta s_i + \sum_i \Delta s_i \Delta LP_i$$

Where $\Delta LP_i = LP_{it1} - LP_{it0}$ e $\Delta s_i = s_{it1} - s_{it0}$. The three components of the shift–share decomposition are:

1- Within ($s_{i0}\Delta LP_i$): how the aggregate would have changed if only sectoral productivity had changed (fixed weights s_{i0});

2- Between ($LP_{i0}\Delta s_i$): how it would have changed if only employment shares had changed (keeping LP_{i0} levels fixed);

3- Cross ($\Delta s_i \Delta LP_i$): the interaction term (usually small; some reports add it to the "between" term or distribute it using a Shapley decomposition).

If we wish to express the effects in percentage terms rather than levels, which is more useful for graphical representation, we can use the rate (log-difference / Törnqvist) version:

$$\Delta lnLP \approx ln(LP_{t1}) - ln(LP_{t0})$$

For the within effect, we use the average weights sb_i and sectoral log variations:

$$\Delta lnLP \approx \sum_I sb_i \Delta lnLP_i + Between$$

The between effect (in %) can be obtained as the residual — the total minus the within component above — or by constructing a "reallocation term" metric using LP_{bi} levels and normalized Δs_i by the average LP.

4 Labour Productivity and Decent Work in South Africa: definitions and analysis

Before presenting the relationship between labour productivity and decent work, it is important to define the concepts of labour productivity and Total Factor Productivity (TFP). Next, the main characteristics of the South African labour market are described, in order to highlight the relationship between labour productivity and Decent work.

4.1 Labour Productivity and Total Factor Productivity: a definition

Productivity measures the degree of efficiency with which a country uses its resources to produce goods and services. It can be defined as the amount of goods and services generated from a

given set of inputs. As an efficiency indicator, productivity increases when more is produced with the same amount of inputs, or when the same quantity is produced using fewer inputs. Productivity can be measured in different ways but in the below we seek to measure productivity in terms of a) Labour Productivity and b) Total Factor Productivity (TFP). Labour productivity corresponds to the output generated per worker or per hour worked and can be measured in terms of the economic value of each hour worked. In addition to reflecting the degree of efficiency of an economy, this indicator makes it possible to monitor the evolution of workers' living standards over time and to compare living standards across countries through the measurement of the economic value per hour worked.

Total Factor Productivity (TFP), in turn, seeks to capture the efficiency with which the economy combines all its resources to generate goods and services. The level of TFP depends both on efficiency and on the intensity of factor use. As a measure of productivity growth, TFP captures technological change occurring in the production process. TFP can be calculated at the aggregate, sectoral, or even firm level. Regardless of the level of aggregation, TFP is understood as the Solow residual in a neoclassical production function. For example: when GDP grows faster than the combined growth of labour and capital inputs, the difference is attributed to TFP.[10]

4.2 Labour Productivity and Total Factor Productivity: an analysis for 1991–2025[11]

To better understand the trajectory of labour productivity in South Africa, two distinct periods can be identified: before and after 1994 (Figure 1). In 1991, labour productivity amounted to US$34,778.00, falling to US$33,160.53 in 1993. In 2025, the value reached US$47,447.96. Figure 1 highlights the change in South Africa's labour productivity trajectory compared with other BRICS members.

Using ILO STATS estimates for 1994–2025 on labour productivity per worker, several important patterns can be observed in these countries' trajectories: a)- Brazil and South Africa had roughly the same level of labour productivity in 1994, but by 2025 South Africa's productivity had become higher, having increased by 41.44% and 31.67%, respectively; b)- India still exhibits the lowest productivity level (US$25,431.46) but rose from US$7,210.80 — an increase of 252.69%; c)- perhaps the most illustrative example is that India and China were at nearly the same level in 2005, yet by 2025 China had far outperformed India; and South Africa's productivity was about three times higher than China's in 2005, but by 2025 China had almost caught up.

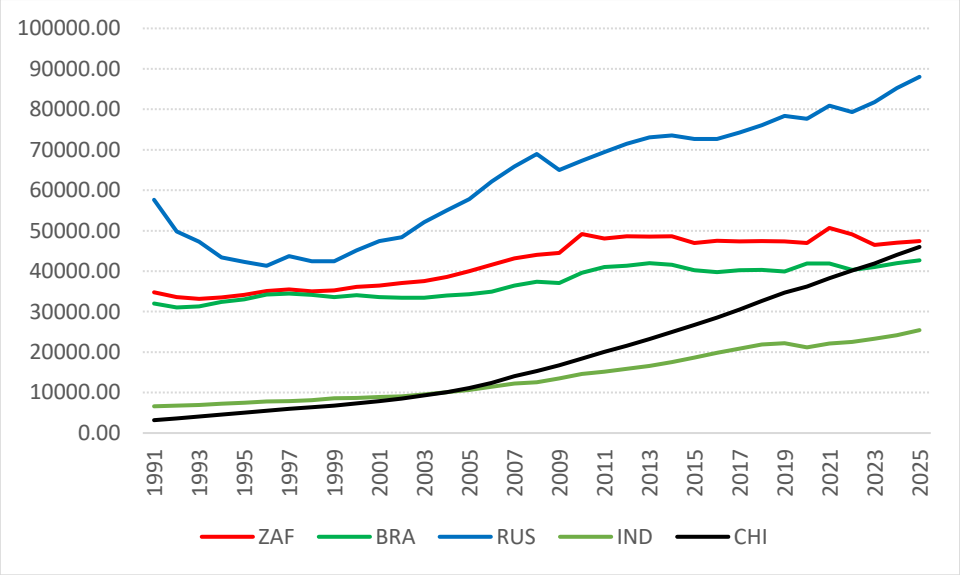
In South Africa, the weak performance observed between 1980 and 1994 is associated with the apartheid regime, which resulted in political instability and international economic isolation. According to Kumo (2017), the consequences of that racially based government – resulting in the voluntary exclusion for a large part of South Africa society - were reflected in high inflation, increased economic uncertainty, and lower investment—factors that directly affected low levels of labour productivity.

Figure 1: Labour Productivity– (1991–2025)[12]

[10] In the calculation of TFP, instead of using the number of workers or hours worked, we can use a quality-adjusted labour input (QALI) index, following ILO and OECD recommendations. This approach distinguishes labour quantity (hours worked) from labour quality (education, occupation, age, and formality). By weighting each labour group by its share in total labour compensation, the QALI index prevents improvements in labour quality from being absorbed into the total factor productivity (TFP) residual, thus providing a more accurate decomposition of productivity growth.

[11] The analysis presented in this section uses ILO STATS data on labour productivity per worker. This database also provides information on labour productivity measured in hours worked. The choice to use productivity per worker is based on two main reasons: 1)- The greater availability of data throughout the time series; and 2)- The possibility of conducting an analysis of labour reallocation across sectors, since this approach requires more comprehensive sectoral employment data.

[12] Figure A1, in Annexure 1, presents the trajectory of labour productivity measured in hours worked.

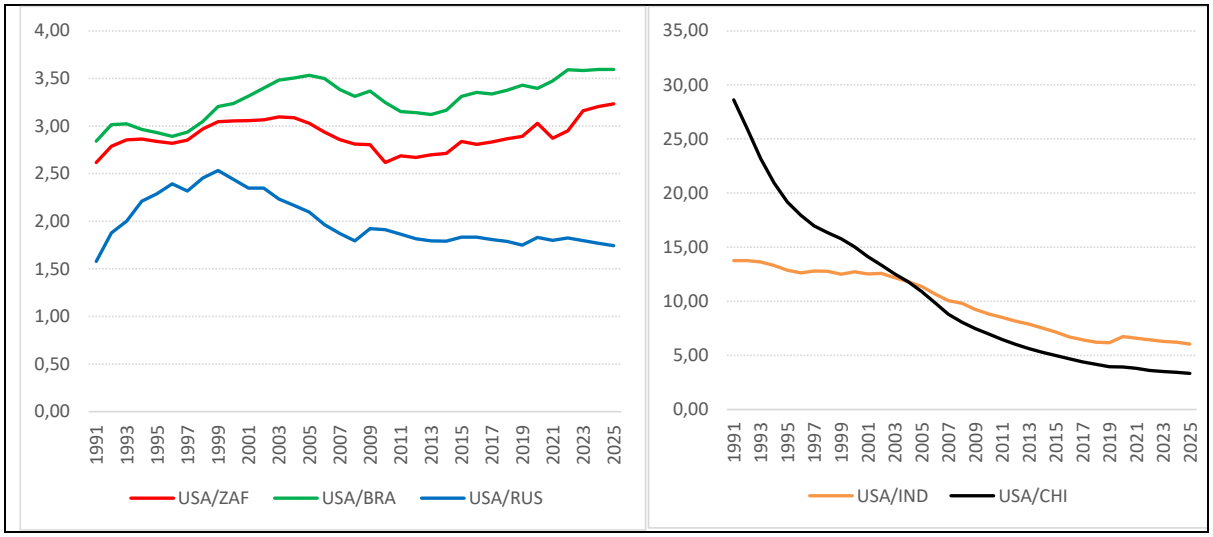


Source: ILO Stats (https://ilostat.ilo.org/topics/labour-productivity/).
Note: Output per worker (GDP constant 2021 international $ at PPP) -- ILO modelled estimates, Nov. 2024.

The first multiracial election in 1994, which elected Nelson Mandela, marked the end of South Africa's period of isolation. According to McCarthy (2005), this was reflected in policy reforms implemented by the new government, including trade liberalization, which increased imports, exposed the economy to international competition, and raised competitiveness. Macroeconomic policies also stimulated investment and economic expansion, promoting greater efficiency in the use of labour. However, this trajectory of labour productivity growth slowed during the 2008–2009 financial crisis (Figure 1). The fall in employment growth showed that, to sustain productivity, it would be necessary to address structural challenges such as shortages of skilled labour; infrastructure deficits in energy, transport, and logistics; and low competitiveness in domestic markets for goods and services (Kumo, 2017).

Despite the significant increase in labour productivity from 1994 onward, growth was not sufficient to promote convergence toward advanced-economy levels. Figure 2 presents the ratio between labour productivity in the United States and in BRICS countries. In 1991, a U.S. worker's productivity was 2.62 times higher than that of a South African worker. By 2025, this difference had widened to 3.23 times. Using 1994 as the reference year, the U.S. worker was already on a much higher level, with productivity 2.84 times that of the South African worker. Over the years, there has been increasing distance from advanced economies. China and India, by contrast, followed the opposite path, converging toward.

Figure 2: Convergence of Labour Productivity in BRICS with the United States – (1980–2018)



Source: ILO Stats (https://ilostat.ilo.org/topics/labour-productivity/).
Note: Output per worker (GDP constant 2021 international $ at PPP) -- ILO modelled estimates, Nov. 2024. BRA: Brazil, RUS: Russia, ZAF: South Africa; US: United States; CHI: China and IND: India.

Although aggregate labour productivity may be expanding, not all sectors showed the same dynamism. Manufacturing tends to have higher value added per worker, whereas traditional agriculture has low productivity. Table 1 presents labour productivity by sector for BRICS and the United States in 2017.[13] Among BRICS members, Russia stands out for having the highest productivity levels in a larger number of sectors (Agriculture, Mining, Construction, and Trade Services) compared with the others. South Africa stands out in three sectors: Manufacturing, Utilities, and Transport Services. If we select the years 1980, 1994, and 2008 to illustrate sectoral productivity trends, we find those same sectors among the three most productive in South Africa. In other words, regardless of the country's political and economic context, the dynamics of the sectoral structure did not change.

To illustrate the distribution of the employed population by sector, we use World Bank data from the Global Productivity Sectoral Database for 2017. Table 2 shows that the proportion of workers in agriculture is higher in India (44.52%) than in China (26.79%) and Brazil (9.50%). Considering this information, China and India have the greatest potential for productivity growth through the reallocation of labour from agriculture to industry among BRICS countries. The share of Chinese employment in Manufacturing (18.47%) is the highest in the group, close to that observed in Russia (14.18%). The proportion employed in Trade Services is highest in Brazil (25.03%) and similar to that of South Africa (20.00%).

Table 1: Sectoral Productivity of BRICS Members and the United States – 2017

	Country						
Sector	South Africa	Brazil	Russia	China	India	United State	US/ZAF
Total	36.09	27.30	42.89	20.57	15.83	108.65	3.01
Agriculture	18.75	15.47	28.58	7.07	6.13	72.17	3.85
Mining	122.37	103.27	212.88	71.43	62.37	382.15	3.12
Manufacturing	42.03	29.07	40.93	34.58	22.04	117.96	2.81
Utilities	115.10	75.54	43.48	111.30	72.34	116.01	1.01
Construction	16.54	17.22	35.83	15.44	10.78	61.82	3.74
Trade services	26.91	13.84	35.80	19.07	15.31	71.45	2.66
Transport services	57.54	33.03	39.77	34.31	16.77	119.43	2.08
Finance and business services	48.03	48.78	96.33	136.89	100.05	201.04	4.19
Other services	27.86	33.56	24.04	12.63	23.99	83.71	3.00

[13] Table A1 in Annexure 1 provides a detailed the aggregation of the nine sectors used in the sectoral analysis.

Source: World Bank Group (https://www.worldbank.org/en/research/publication/global-productivity).

The sectoral allocation of the employed population over time provides evidence of structural change and the limits imposed on productivity growth in South Africa (Table 3). Between 1980 and 2017, there was a significant transformation in the structure of the South African economy. It suffices to compare the sectors that reduced their relative share in employment with those that expanded it.

Table 2: Sectoral Allocation of the Employed Population – BRICS and the United States – 2017 (percent of total employment)

	Country					
Sector	South Africa	Brazil	Russia	China	India	USA
Total						
Agriculture	5.14	9.50	5.90	26.79	44.52	1.43
Mining	2.51	0.44	2.16	0.87	0.58	0.39
Manufacturing	11.22	11.50	14.18	18.47	11.79	10.68
Utilities	1.13	0.95	3.35	0.45	0.60	1.34
Construction	8.35	7.57	7.28	9.64	11.51	7.31
Trade services	20.00	25.03	18.48	13.52	12.25	19.82
Transport services	6.21	6.37	10.33	4.99	6.03	9.52
Finance and business services	15.09	9.70	9.39	1.77	3.32	17.44
Other services	30.35	28.94	28.93	23.51	9.40	32.05

Source: World Bank Group (https://www.worldbank.org/en/research/publication/global-productivity).

Sectors that recorded a substantial decline were Agriculture (from 14.3% in 1980 to 5.1% in 2017), Mining (from 7.5% to 2.5%), and Manufacturing (from 20.8% to 11.2%). The reduction in agriculture's employment share is expected in modernizing economies. However, the loss of relevance of Manufacturing is noteworthy, suggesting a process of deindustrialization typical of economies transitioning toward services.

Table 3: Sectoral Allocation of the Employed Population – South Africa (1980-2017) – percent of total employment

	Year			
Sector	1980	1994	2008	2017
Agriculture	14.29	10.67	5.66	5.14
Mining	7.47	5.35	2.40	2.51
Manufacturing	20.75	16.04	14.33	11.22
Utilities	0.68	0.82	0.70	1.13
Construction	5.49	5.96	8.34	8.35
Trade services	20.86	23.81	22.75	20.00
Transport services	5.43	5.50	5.64	6.21
Finance and business services	4.52	8.00	12.23	15.09
Other services	20.51	23.86	27.96	30.35
Total	100	100	100	100

Source: World Bank Group (https://www.worldbank.org/en/research/publication/global-productivity).

Conversely, the employment share increased in Other Services (from 20.5% in 1980 to 30.3% in 2017), Finance and Business Services (from 4.5% to 15.1%), Construction (from 5.5% to 8.3%), and Transport Services (from 5.4% to 6.2%). These results mirror the evolution of the South African economy over the last three decades, marked by modernization; expansion of the financial sector and business services; urbanization with growth in real estate and infrastructure works; and the strengthening of logistics, commerce, and social and government services.

The Table 4 presents the results of the shift–share decomposition, which allows us to assess how much of labour productivity growth stemmed from gains within sectors (within effect) and how much was due to employment reallocation across sectors (between effect). The normalized results (as a share of the total variation in aggregate productivity) reveal marked structural changes across the three periods analysed, namely 1980–1994, 1995–2008, and 2009–2017.

Table 4: Shift-share decomposition

Period	Predominant effect	Interpretation
1980-1994	Within (negative)	Decline in productivity within sectors, indicating stagnation or technical regression.
1995-2008	Within (positive)	Recovery of intra-sector efficiency, with productivity gains within the most relevant sectors.
2009-2017	Between (positive)	Growth driven by employment reallocation toward more productive sectors, especially services.

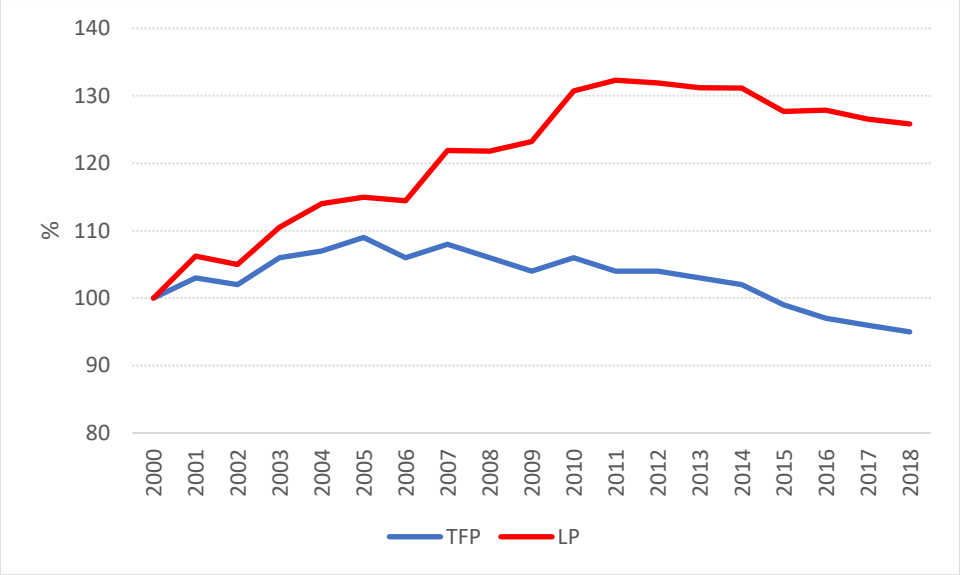
Source: World Bank Group (https://www.worldbank.org/en/research/publication/global-productivity).

During the 1980–1994 period, characterized by a contraction in productivity (Kumo, 2017), aggregate productivity growth was negative and the within effect accounted for most of the losses, reflecting low technological dynamism in traditional industrial sectors such as manufacturing and mining. Agriculture and construction also experienced declines, while the between effect was small, indicating limited reallocation across sectors (see Figure A2 in the Annex 1). A recovery of within-sector gains can be observed in the 1995–2008 period. There is a notable shift, with the within effect turning positive and dominant, explaining most of the increase in aggregate productivity. The manufacturing and financial services sectors stand out as key sources of internal productivity gains. The between effect contributed modestly, suggesting that growth was driven more by modernization within existing sectors than by structural reallocation (see Figure A3 in the Annexure 1).

Finally, the 2009–2017 period is marked by employment reallocation and structural transformation. From 2009 onward, the between effect accounted for most of the aggregate productivity growth, while within-sector gains became less pronounced. There was a migration of workers from low-productivity sectors (agriculture, construction) to more capital- and knowledge-intensive services. Finance and business services, other services, and trade emerged as the main recipients of positive reallocation (see Figure A4 in the annexure). In this period, productivity growth was largely explained by changes in the sectoral composition of employment — a pattern typical of pro-productivity structural transformation.

These results suggest that, starting in 1994, with the end of apartheid, the country underwent a rapid structural change characterized by economic liberalization, reforms, and increasing urbanization, which imposed some limits on economic growth. The clearest evidence of this lies in the low productivity growth, which has directly affected South Africa's economic performance and living standards (Figure 3).

Figure 3: Labor productivity (LP) and total factor productivity (TFP) – South Africa (1980 = 100)



Source: World Bank Group (https://www.worldbank.org/en/research/publication/global-productivity).

The behaviour of TFP shows moderate growth between 2000 and 2007. Since the global financial crisis, there has been a continuous decline, reaching an index of 95 in 2018, i.e., below the level recorded in 2000 (Figure 3). Despite gains in labour productivity, this outcome indicates that the joint efficiency of factors (capital, labour, and technology) has fallen in the South African economy. In other words, economic growth derived predominantly from sectoral changes (labour reallocation) and not from increased systemic efficiency.

Infrastructure deficits are associated with the government's limited capacity to invest, the result of constrained fiscal space. As a consequence, investment in road infrastructure remains low. The impacts are seen in the low quality of both transport infrastructure and public services. Essential services such as electricity supply and transport are directly affected, generating high costs of doing business and negatively impacting investment and productivity (Organization for Economic Co-operation and Development (OECD), 2020). According to the 2022 OECD report, 80% of roads remain unpaved and between 20% and 30% of paved roads are in poor or very poor condition.

A lack of investment and maintenance also undermines passenger rail transport, reducing its attractiveness and competitiveness. As a result, road infrastructure is overloaded by high traffic volumes, contributing to the deterioration of roadways. Given the importance of the infrastructure sector to GDP, it is crucial that the South African government prioritize the provision of quality infrastructure to raise productivity. Energy infrastructure has been recurrently highlighted in studies (Kumo, 2017) and OECD reports as a challenge to productivity and economic growth. In 2019, energy shortages reduced GDP growth by 2.4 percentage points (OECD, 2022). The shortage stems from electricity generation failing to keep up with demand. Scheduled and unscheduled blackouts result from insufficient investment in expanding generation capacity and maintaining existing capacity. The economic cost is high, leading to lower GDP growth (OECD, 2015).

Another infrastructure problem concerns telecommunications. Delays in this area have slowed the digitalization of South African firms (OECD, 2022). Two main factors explain this: low access to connectivity and high subscription prices. As a result, the share of high-speed internet subscriptions is low. Expanding the network could extend services to areas not yet covered; however, deployment costs would be high. Therefore, public policies aimed at expanding access outside urban centers need to consider government subsidies.

Even if these infrastructure challenges were solved, obstacles to business dynamism would persist. The rate of formal firm entry has been lower than the rate of exit in recent years.. Administrative complexity presents challenges to business creation and may benefit from streamlining The South

African retail sector, for example, is more regulated than in other OECD countries, and procedures to open a company are more numerous and time-consuming (OECD, 2022). In professional services, some occupations are highly regulated—such as lawyers, real estate brokers, civil engineers, and architects, among others (OECD, 2025).[14] World Bank estimates indicate that reducing such barriers would increase occupational mobility and could raise GDP growth by up to half a percentage point.

Regarding competitiveness in domestic markets for goods and services, economic theory underscores competition as a key driver of efficient resource allocation. Economic efficiency is associated with greater business dynamism, productivity gains, and higher incomes. In a competitive environment, firms are incentivized to innovate in products and processes, resulting in greater supply of goods and services at lower prices, which increases social welfare. However, in South Africa, high market concentration constrains the growth of small businesses. Despite well-established competition policies aimed at curbing unfair practices, effectiveness is limited by pre-existing conditions that favor collusion (OECD, 2020). Sectors are highly concentrated, creating difficulties for SMEs and microenterprises to grow.

To stimulate firm entry and expansion, instruments are needed to reduce the number of administrative and licensing requirements. This would boost the creation of new firms and raise productivity. In professional services, less restrictive regulations could energize markets, enhance competition, and create opportunities for innovative solutions. Because public procurement rules are among the least conducive to competition, simplifying these policies would enable greater participation by micro and small enterprises, strengthening competition in the South African economy.

Even if the challenges related to infrastructure and competitiveness in domestic goods and services markets were overcome, productivity growth would still depend on tackling an obstacle that requires long-term planning and greater effort from South African authorities: the shortage of skilled labour. This challenge must be addressed on multiple fronts, namely: improving the quality of basic education; expanding access to higher education; and promoting training and reskilling for low-skilled youth and adults.

In basic education, according to Fall, Cahu, and Fialho (2022), South Africa faces challenges in improving educational outcomes, particularly in foundational learning . This is worrisome because the skills acquired at this level are the foundation of workers' future productivity. According to estimates by Hanushek and Woessmann, the quality gap in South Africa's basic education relative to the OECD average costs the country with 3.3 percentage points of economic growth per year (Fall, Cahu, and Fialho, 2022). The challenge is even greater considering that education quality is unequal across the country and that access to higher education depends directly on performance at the base.

Figures on access to higher education further underscore the severity of the skilled-labour shortage. According to the OECD (2022), in 2019 only 5.4% of youth aged 18–29 were enrolled in higher education—approximately one quarter of the OECD average (20.5%). For Fall, Cahu, and Fialho (2022), difficulties in access and quality at the basic-education level limit the pool of potential students and, consequently, of skilled workers. In South Africa, of every 100 students in a cohort, only 55 (55%) reach upper secondary, and of these only 27 (48%) graduates. Improving the quality of basic education is therefore essential to broaden access to higher education and to train skilled workers through university education.

An alternative for youth and adults who did not access higher education is to seek training or reskilling through the Community Education and Training (CET) system, whose objective is to expand opportunities for labour market insertion. For greater effectiveness, the CET system should work in partnership with firms and business associations in order to offer courses aligned with productive-sector

[14] To practice as a lawyer or real estate agent, South African nationality is required. Civil engineers and architects trained abroad, in turn, must pass a local examination in order to practice. See OECD Economic Survey (2025) for South Africa.

demands. However, the CET system has received limited public funding, and the quality of training offered is low with high dropout rates (Fall, Cahu, and Fialho, 2022).

Productivity gains in the South African economy depend on a commitment to implement strategies aimed at overcoming challenges related to infrastructure; increasing competitiveness in goods and services markets; and developing human capital to reduce the shortage of skilled labour. This commitment becomes even more relevant when the link between productivity and a country's level of wealth is considered. For example, there is a direct relationship between wages and productivity: countries with higher productivity levels tend to have higher wages, which in turn improves workers' well-being.

4.3 Labour Market, Decent Work and Productivity

Before describing the relationship between Decent Work and productivity, we present the main characteristics of the South African labour market. Emphasis is placed on the employment rate, the unemployment rate, the low level of informality, and NEETs (youth not in education, employment, or training). We use statistics from the Quarterly Labour Force Survey (QLFS) produced by Statistics South Africa.

4.3.1 Labour Market

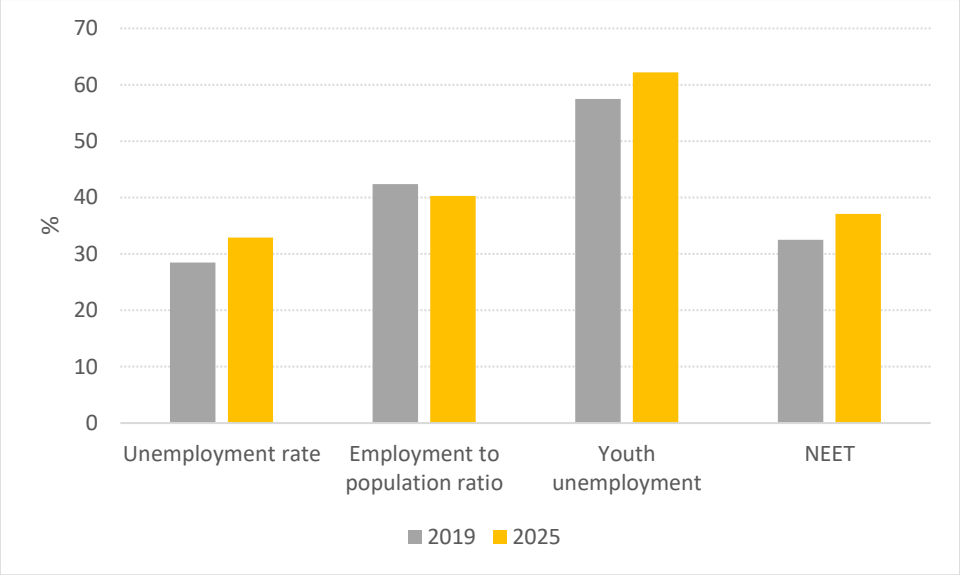
The South African labour market poses a number of challenges for the government. With an employment rate of 42.4% in 2019 and 40.7% in the first quarter of 2025, according to QLFS data, the country has one of the lowest employment rates compared with OECD countries, remaining below the level observed before the pandemic. The unemployment rate in those same years provides further evidence of this difficulty. In 2019, the unemployment rate was 28.5%, rising to 32.9% in the first quarter of 2025 (Figure 6).

The informal sector—normally a cushion that mitigates the impact of economic crises on unemployment—behaves atypically in South Africa. That is, the country faces high unemployment while displaying a low rate of informality (31.5% in 2020, according to ILOSTAT). This indicates that workers who are not in the informal sector are also not in the formal sector. It is more likely that these workers are excluded from economic activity altogether, which contributes to higher poverty indicators.

Low urban density may be one explanation for this atypical labour-market behaviour. According to Demmou and Kergozou (2025), low-density areas in South Africa pose significant barriers both to labour market inclusion and to business growth. The apartheid period left a legacy of sprawling, fragmented communities with settlements located far from urban centers. The result is lower productivity and limited inclusion, constraining access to jobs and hindering the prospects of small businesses. Policies that promote urban densification and increase the supply of housing would be needed to alleviate this problem.

A second factor arises from low urban density: long commutes for South African workers. These lengthy commutes, combined with inadequate public-transport infrastructure, impose high costs on workers, creating a barrier to labour market access. According to Mlatsheni and Ranchhod (as cited in Demmou and Kergozou, 2025), about 70% of discouraged workers cite their location as the main obstacle in job search. In low-income households, commuting costs can be substantial and consume a large share of income. These are the perfect conditions for the coexistence of high unemployment with low informality.

Figure 4: South African labour-market indicators



Fonte: Quarterly Labour Force Survey (QLFS): (https://www.statssa.gov.za/?page_id=595).

High youth unemployment (ages 15–24) is another key feature of South Africa's labour market. QLFS data show that in 2019 the youth unemployment rate was 57.5%. In the first quarter of 2025, this rate reached 62.2% (Figure 4). These numbers are even more troubling when schooling and qualifications are taken into account, as they imply a lower probability of employment and sizable education premiums for getting a job. OECD estimates using QLFS data for the second half of 2009–2020 show that an individual who completed upper secondary has a 30% higher probability of being employed than someone who did not. For higher education, the employment premium was 25% (Fall, Cahu, and Fialho, 2022).

Among youth aged 15–24, the share of NEETs is a cause for concern. In 2019, the proportion was 32.5%; by 2025, it had reached 37.1%. This shows that the number of youth outside both the labour market and the education system increased. It indicates that public employment policies aimed at this group have not been effective in promoting youth absorption, even considering programs such as the Youth Employment Service (YES) or tax incentives (Youth Employment Tax Incentive).

The rise in NEETs has social and economic impacts in both the short and long run. Youth who are outside the productive system accumulate less experience and also lose opportunities to acquire skills. In the long run, this increase can compromise future productivity and widen inequalities because delayed entry into the labour market reduces future wages and limits career progression. The picture shown in Figure 4 indicates that between 2019 and the first quarter of 2025, the unemployment rate increased by 4.4 percentage points; the employment rate fell by 2.1 points; the unemployment rate among 15–24-year-olds rose by 4.7 points; and the NEET rate increased by 4.6 points. Given these numbers, youth are the most vulnerable group, facing greater difficulties re-entering the labour market. This is a warning sign for public policy because it undermines social cohesion and long-term productivity. It also suggests that the shortage of skilled labour will remain a challenge for increasing labour productivity and TFP.

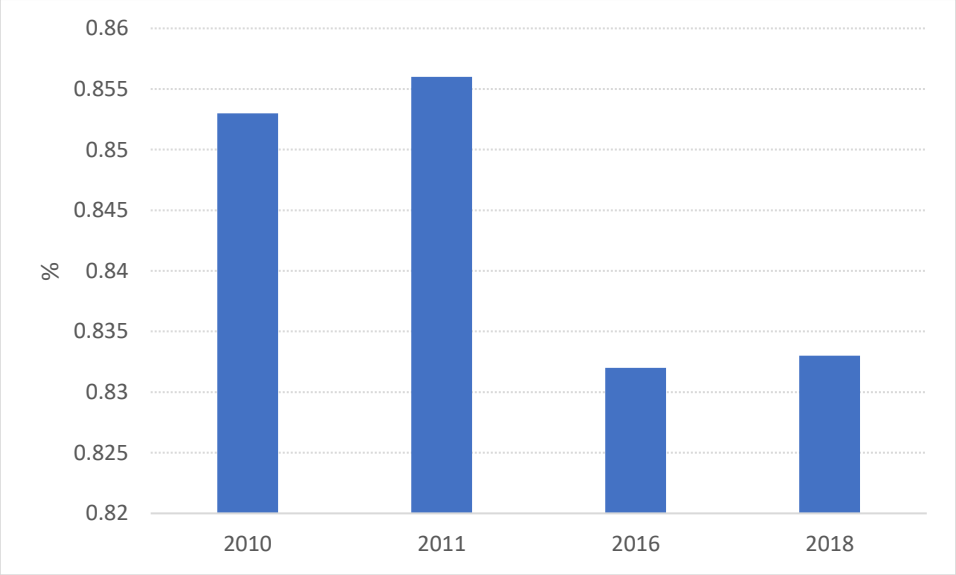
4.3.2 Labour Productivity and Decent Work

In the analysis of decent work, we use a multidimensional job-quality index as a proxy for decent work. This index was calculated using the methodology proposed by González et al. (2021), adapted to the microdata of the Quarterly Labour Force Survey (QLFS) for the years 2010, 2011, 2016,

and 2018.[15] The index comprises four distinct dimensions: wages, employment stability, social protection, and working conditions.[16] Table A2 in Annexure 1 provides a detailed description of the indicators corresponding to each dimension.

Figure 5 shows the multidimensional job-quality index for the selected years (2010, 2011, 2016, and 2018). Two distinct periods can be identified: 2010–2011 and 2016–2018. Although in both periods the index records a share of good-quality employment above 80%, the difference between them is explained by declines in the employment security dimension—specifically the occupational-status indicator (self-employed or employees without a written contract and without higher education)—and in the employment-conditions dimension, which considers the indicator of workweeks exceeding 48 hours.

Figure 5: Multidimensional Job-Quality Index (2010, 2011, 2016, and 2018)



Fonte: Quarterly labour Force Survey (QLFS): (https://www.statssa.gov.za/?page_id=595).

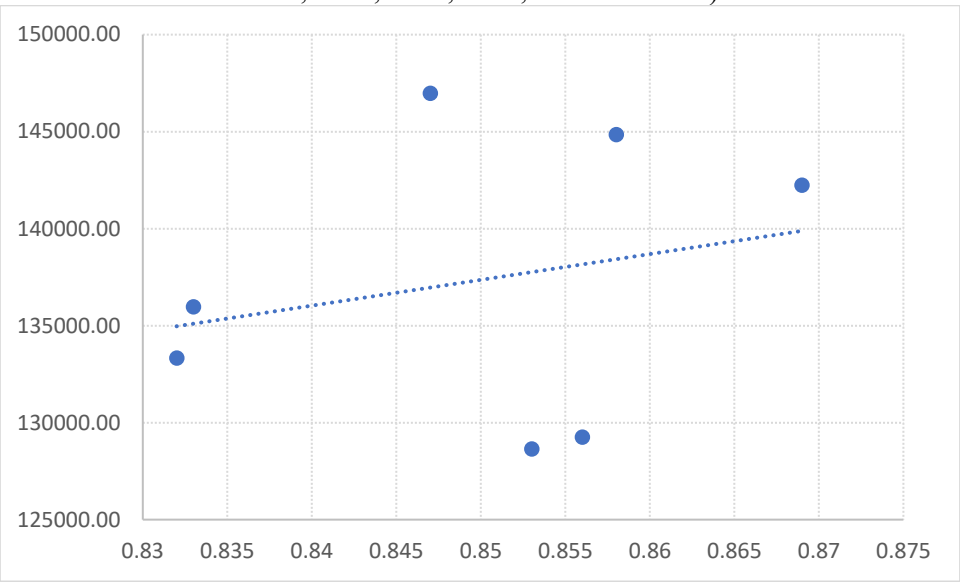
The relationship between the job-quality index and labour productivity can be observed in Figure 6. This relationship is not as direct as that between productivity and a country's level of wealth, but it can be analysed from two perspectives: First, in a context of high productivity, the labour market tends to offer better opportunities for Decent work, with formalized contracts that guarantee benefits, contributing to workers' well-being. Second, when employment contracts are concluded under conditions that fully meet decent work requirements, this also helps boost productivity. Thus, Figure 6 describes a positive relationship, as expected: the higher the multidimensional job-quality index, the higher labour productivity. The correlation between labour productivity and the multidimensional index is 0.938, confirming the positive association, which can also be seen in a trend line between the two variables. We cannot assert anything beyond a positive association between these two variables.

[15] See González, P.; Sehnbruch, K.; Apablaza, M.; Pineda, R. M.; Arriagada, V. (2021). A multidimensional approach to measuring quality of employment (QoE) deprivation in six central american countries.

[16] Based on these dimensions, a score ranging from zero to ten is calculated, with each dimension representing one-quarter of the total score. Jobs with a score equal to or below five are considered low quality. Jobs with a score above five may be considered high quality. The interpretation is based on the concept of deprivation of good-quality employment, suggesting an analysis of the proportion of low-quality jobs. However, it is also possible to analyse the index from the perspective of the evolution of the share of high-quality jobs. In this report, we adopt the latter approach, as it is more intuitive and better aligned with the objectives of this study. Table A2 in the annexure provides a detailed description of the dimensions, indicators, and respective weights used in the calculation.

However, to move beyond simple association between labour productivity and the multidimensional job-quality index, future studies could apply econometric techniques that allow causal inference. Once causality is identified, it would be possible to design and evaluate policies aligned with the Productivity and Decent work Ecosystem.

Figure 6: Cross-plot between the multidimensional job-quality index and labour productivity (2010, 2011, 2016, 2018, 2020, 2022 and 2023)



Source: Quarterly labour Force Survey (QLFS): (https://www.statssa.gov.za/?page_id=595) and ILO Stats (https://ilostat.ilo.org/topics/labour-productivity/).

Throughout this section, we highlighted several factors that directly affect productivity in South Africa, including infrastructure deficits; low competitiveness in domestic goods and services markets; and the shortage of skilled labour. Labour-market indicators show that the employment rate is among the lowest in the OECD and that unemployment remains high alongside a low level of informality. The unemployment rate for 15–24-year-olds reached 62.2% in the first quarter of 2025, while the NEET share rose to 37.1%. These figures are concerning because they compromise South Africa's long-term productivity. Finally, we find a positive association between the multidimensional job-quality index—used here as a proxy for decent work—and labour productivity. This is a relevant result because it suggests that investing in productivity growth can indirectly contribute to expanding decent work, and vice versa.

5. Productivity Ecosystems for Decent Work: An Overview

A Productivity Ecosystem for Decent Work integrates policies, institutions, and practices to boost economic productivity while ensuring fair, safe, and inclusive labour opportunities and gain sharing. A discussion on the alignment of the approach with the ILO Decent Work Agenda, which focuses on employment creation, rights at work, social protection, and social dialogue. South Africa's policy and institutional landscape for decent work is guided by various national policies and institutional structures. The country has also established a Decent Work Country Programme (DWCP) with the technical and policy support of the ILO. This section concludes with a Theory of Change diagram that incorporates key public policy dimensions and the relevant institutional framework.

5.1 Policy Framework and Relevant Institutions

This section presents a policy framework and relevant statutory institutions which are responsible for the implementation of various policies. The policy framework and the relevant institutions discussed in this section are important unpacking the Productivity Ecosystem and Decent work as they relate to South Africa. In fact the institutional arrangements play an important role in ensuring the effective application of the policy framework. South Africa's policy framework is largely informed by South Africa's international obligations, and in particular, ratified ILO Conventions. Before discussing the policy framework and relevant institutions, it is important to discuss, albeit in brief, core labour conventions which South Africa ratified.

5.1.1 Key International Labour Organization Conventions

South Africa ratified 27 ILO conventions, with 8 of them being fundamental conventions. South Africa ratified the following Fundamental Conventions: a) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), ratified in 1996. This convention protects workers' right to form and join trade unions. b) Equal Remuneration Convention, 1951 (No. 100), ratified in 2000. This convention promotes equal pay for men and women for work of equal value. c) Labour Inspection Convention, 1947 (No. 81), ratified in 2013. This convention sets standards for labour inspection in industry and commerce. d) Maritime Labour Convention, 2006 (MLC, 2006), ratified in 2013. This convention regulates working conditions for seafarers. e) Work in Fishing Convention, 2007 (No. 188), ratified in 2013. This convention sets standards for working conditions in the fishing industry. f) Domestic Workers Convention, 2011 (No. 189), ratified in 2013. This convention promotes decent work for domestic workers. g) Violence and Harassment Convention, 2019 (No. 190), ratified in 2021. This convention aims to eliminate violence and harassment in the world of work. A discussion on the impact and implication of the key ILO conventions on the productivity ecosystems and the promotion of decent work in South Africa is beyond the scope of this study. The ratification and implementation of key ILO conventions have significant implications for improving both the productivity ecosystem and the promotion of decent work in South Africa.

5.1.2 The South African Constitution

According to section 23 (1) of the 1996 Constitution of South Africa (the Constitution), "everyone has the right to fair labour practices. This guarantee is key to ensuring decent work for workers in South Africa. The right to fair labour practices is supported by the section 9 of the Constitution, which guarantees the right to equality. Section 9 of the Constitution contains five sections. One, it provides for the principle of equality before the law and confers the right to equal protection and benefit of the law.[17] Two, it deals with affirmative action.[18] Three, it contains a prohibition of unfair discrimination on certain grounds (the 'listed grounds').[19] Four, it extends the prohibition of unfair discrimination to the horizontal level.[20] Five, it presumes state and private discrimination on the listed grounds to be unfair.[21]

5.1.3 The Labour Relations Act

The right to fair labour practices is operationalised by the Labour Relations Act No 66 of 1995 (LRA). One of the declared purposes of the LRA was to ensure that the legislative framework governing labour relations was in accordance with the Bill of Rights. Section 1 of the LRA provides that its purpose is to "advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objectives of this Act". The first primary object of the LRA is to

[17] Section 9(1) of the Constitution.
[18] Section 9(2) of the Constitution.
[19] Section 9(3) of the Constitution. The listed grounds are: - race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture language, and birth.
[20] Section 9(4) of the Constitution.
[21] Section 9(5) of the Constitution.

give effect to and regulate the fundamental rights conferred by section 23 of the Constitution.[22] public as a member of the International Labour Organisation.[23] provide a framework within which employees and their trade unions, employers and employer's organization can collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest; and formulate industrial policy.[24] The fourth primary object is to promote orderly collective bargaining; collective bargaining at sectoral level; employee participation in decision-making in the workplace; and the effective resolution of labour disputes.

The LRA, being one of South Africa's landmark post-apartheid laws, has been the cornerstone of industrial relations over the past 30 years, aiming to democratise the workplace, promote social justice, and create a framework for collective bargaining and dispute resolution. The LRA's implementation has evolved through institutional development, jurisprudence, policy reform, and practice, with notable achievements. The LRA has transformed South Africa's labour relations landscape by institutionalising social dialogue, advancing workers' rights, and creating a robust dispute resolution system, through the bargaining councils, Commission for Conciliation, Mediation and Arbitration (CCMA)[25], and the development of Labour Courts and Labour Appeal Court to adjudicate disputes and set precedent.

The LRA provides for the establishment and operation of bargaining councils, which are formed by registered trade unions and employer organizations to engage in collective bargaining for a specific sector or area.[26] Bargaining Councils play a vital role in promoting labour peace, fair employment standards, and sector-specific productivity. They have a legal authority to negotiate and enforce collective agreements, resolve labour disputes, manage benefit funds, and conduct research and set employment standards in the sector. Examples of Bargaining Councils in South Africa include Metal and Engineering Industries Bargaining Council (MEIBC)[27]; Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI)[28]; Clothing Industry Bargaining Council; and Public Service Coordinating Bargaining Council (PSCBC)[29]; and National Bargaining Council for the Private Security Sector (NBCPSS).[30]

Bargaining Councils promote sectoral stability by standardising wages and working conditions. This effectively reduces unfair competition and labour unrest, thus supporting productivity and business confidence. Bargaining Councils also administer sectoral training initiatives, which help in improving worker skills and aligns these with productivity needs. Bargaining Councils further also strengthen decent work by enhancing employment security, social protection, and representation and voice through trade unions and worker participation.

5.1.4 Employment Equity Act

The Employment Equity Act No. 55 of 1998 (EEA) seeks to promote employment equity in the workplace and eliminates discrimination. The rationale behind enactment of the EEA was South Africa's recognition that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market. These disparities create such pronounced disadvantages for certain categories of people that they cannot be redresses simply by repealing discriminatory laws. As such, the EEA is aimed at meeting five main objectives as follows[31]:- first, to promote the constitutional right of equality and the exercise of true democracy; second, to eliminate unfair discrimination in employment; third, to ensure the implementation of employment equity to address the effects of discrimination; fourth, to achieve a diverse workforce

[22] Section 1(a) of the LRA. Section 27 was subsequently replaced and amended by section 23 of the 1996 Constitution.
[23] Section 1(b) of the LRA.
[24] Section 1(c) of the LRA.
[25] Established in 1996 as a neutral, accessible, and cost-free dispute resolution body.
[26] Section 27, 29 & 30 of the LRA.
[27] See https://www.meibc.co.za (accessed 10 June 2025).
[28] See https://www.nbcrfli.org.za (accessed 10 June 2025).
[29] See https://nbc.org.za (accessed 10 June 2025).
[30] See https://nbcpss.org.za (accessed 10 June 2025).
[31] See the Preambular provision of the EEA.

broadly representative of the South African people; and fifth, to promote economic development and efficiency in the workforce; and sixth, to give effect to the obligations of the Republic as a member of the ILO.

5.1.5 Basic Conditions of Employment Act

The purpose of the Basic Conditions of Employment Act No 75 of 1997 (BCEA) is to advance economic development and social justice by fulfilling two primary objects of the BCEA, that is, first, to give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution; and second, to give effect to obligations incurred by the Republic as a member of the ILO. [32] The BCEA (No 75 of 1977) was South Africa's first national statute aimed at regulating minimum employment standards, including working hours, leave, and termination procedures. However, the BCEA of 1977 was enacted during apartheid and was highly exclusionary**,** applying primarily to white and formal-sector workers. Over time—especially post-1994—it was radically reformed**,** culminating in the Basic Conditions of Employment Act No. 75 of 1997, which is the version that governs labour standards today. Through the BCEA of 1997, South Africa has witnessed improved working conditions for millions of workers; extensions of protections to vulnerable and previously excluded workers (such as farm and domestic workers); institutional support for decent work; the promotion of gender equity and work-life balance; foundation for the national minimum wage; and legal certainty and stability.

5.1.6 Employment Services Act

The purpose of the Employment Services Act No 4 of 2014 (ESA) is to promote employment; improve access to the labour market for work seekers; provide opportunities for new entrants to the labour market to gain work experience; improve employment prospects of work seekers, in particular vulnerable work seekers; improve the employment and re-employment prospects of employees facing retrenchments; facilitate access to education and training for work seekers, in particular vulnerable work seekers; promote employment, growth and workplace productivity, and facilitate the employment of foreign nationals in the South African economy.[33] ESA is to be achieved through various means, namely:- one, by providing comprehensive and integrated free public employment services; two, by coordinating the activities of public sector agencies whose activities impact on the provision of employment services; three, by coordinating partnerships, including in the provision of employment services, to promote employment.; four, by establishing schemes and other measures to promote employment; and five, by providing a regulatory framework for the operation of private employment agencies.[34]

Section 31(1) of the ESA establishes the Productivity SA with the mandated to promote employment growth and productivity thereby contributing to South Africa's socio economic development and competitiveness.[35] The functions of Productivity SA are listed as follows:- first, to promote a culture of productivity in the workplace; second, to develop relevant productivity competences; third, to facilitate and evaluate productivity improvement and competitiveness in workplaces; fourth, to measure and evaluate productivity in the workplace; fifth, to maintain a data-base of productivity and competitiveness systems and to publicise these systems; sixth, to undertake productivity-related research; seven, to support initiatives aimed at preventing job losses; and eight, to perform any other prescribed function.[36] The ESA establishes the Board of Productivity SA whose responsibility is to manage and control the affairs of Productivity SA.[37] The Board consists of seven members appointed by the Minister of Employment and Labour, namely, a Chairperson; two members

[32] Section 2 of the BCEA.
[33] Section 2(1) of the ESA.
[34] Section 2(2) of the ESA.
[35] For more information on Productivity SA, see https://productivitysa.co.za/productivitysa.co.za/index.html (accessed 20 January 2025).
[36] Section 32 of the ESA.
[37] Section 33 of the ESA.

nominated by NEDLAC to represent organised labour; two members nominated by NEDLAC to represent organised business; and two members to represent government.[38]

5.1.7 National Economic Development and Labour Council

The National Economic Development and Labour Council (NEDLAC)[39] is a social dialogue institution that brings together government,[40] business,[41] labour,[42] and community organizations[43] to discuss economic and labour issues. Established by the National Economic Development and Labour Council Act No 35 of 1994,[44] the NEDLAC key objectives are aimed at firstly, to promote economic growth and development. Under this objective, NEDLAC aims to foster a stable and favourable economic environment. Secondly, it aims at improving labour relations. Under this key objective, NEDLAC seeks to promote cooperative labour relations, prevent labour disputes, and resolve them efficiently. Thirdly, NEDLAC aims at addressing social and economic challenges. Under this key objective, it tackles issues like poverty, inequality, and unemployment.

NEDLAC plays a critical role in addressing the strategic priority of economic transformation and job creation, which recognizes South Africa's triple challenges of unemployment, inequality and poverty.[45] This priority also underscores the need to improve the country's productive capacity, human capital and state capacity. It further focuses on achieving faster and sustained inclusive growth. NEDLAC's contribution to the economic transformation and job creation priority is through enabling robust social dialogue, inputs into policy and legislative processes and social compacts on critical economic, developmental and labour market matters which make an impact on economic transformation and job creation.[46]

The NEDLAC is involved in various functions and activities. One, it is involved in policy formulation and implementation. In this regard, it develops and implements policies related to economic development, labour relations, and social issues. Two, NEDLAC is involved in social dialogue and negotiation. In this regard, the council facilitates dialogue and negotiation among its constituencies to resolve disputes and address challenges. It creates platforms for negotiation and consensus-building between government, labour, business, and community stakeholders. Third, it is involved in research and information sharing. In this regard, NEDLAC conducts research, collects data, and shares information to inform policy decisions and promote cooperation. Though NEDLAC, labour disputes have decreased, and cooperative labour relations have improved. The Council has also played an important role in shaping policies related to economic development, labour relations, and social issues. NEDLAC's work has also contributed to South Africa's social and economic development, including efforts to address poverty, inequality, and unemployment.

Regarding enhancing productivity through consensus-building, NEDLAC contributes towards aligning economic and labour policies through inclusive dialogue, which reduces policy uncertainly and fosters a stable environment conducive to long-term investment and productivity. It further promotes coordination on training, wage-setting, and dispute resolution, reducing strikes and improving the efficient allocation of labour. Social dialogues institutions, such as NEDLAC, serve as a cornerstone

[38] Section 33 of the
[39] https://nedlac.org.za.
[40] Represented by the Minister of Employment and Labour.
[41] Represented by Business Unity South Africa (BUSA).
[42] Represented by the Congress of South African Trade Unions (COSATU), the Federation of Unions of South Africa (FEDUSA), and the National Council of Trade Unions (NACTU).
[43] Represented by organisations like the South African National Civics Organisation (SANCO) and the National Economic Development and Labour Council Community Constituency.
[44] Available at https://nedlac.org.za/wp-content/uploads/2020/11/NEDLAC-ACTS.pdf (accessed 27 January 2025).
[45] See the Department of Planning, Monitoring & Evaluation, Revised Medium-Term Strategic Framework 2019-2024 at p. 32. Available at https://www.dpme.gov.za/keyfocusareas/outcomesSite/MTSF_2019_2024/Final%20Revised%20MTSF%202019-2024%202021.pdf (accessed 17 January 2025).
[46] See NEDLAC Revised Strategic Plan 2020/21 to 2024/25. Available at https://nedlac.org.za/wp-content/uploads/2021/10/B-Final-NEDLAC-Strategic-Plan-2020-25-signed.pdf (accessed 26 January 2025).

for fostering inclusive productivity growth and decent work by providing platforms for collective problem-solving, which in turn help in aligning economic goals with labour rights.

5.1.8 The National Development Plan

The National Development Plan (NDP) is a comprehensive blueprint for South Africa's growth and development by 2030.[47] Drafted by the National Planning Commission, the NDP aims to eliminate poverty and reduce inequality by 2030 with a focus on creating decent work opportunities. The NDP focuses on five key objectives, namely:- one Uniting South Africans, through fostering a sense national unity and social coercion; two, Economic Growth, through promoting inclusive economic growth, reducing unemployment, and increasing competitiveness; three, Education and Skills Development, through improving education and skills development to prepare citizens for the workforce; four, Infrastructure Development through investing in infrastructure to support economic growth and improve living standards; and five, Environmental Sustainability, through promoting environmental sustainability and addressing climate change. It must be noted that the NDP serves as a guiding framework for government policies and programmes, and its implementation remains critical to achieving South Africa's developmental goals. In terms of growth, jobs and skills; and a capable and developmental state, the NDP underscores three priorities, namely: one, raising employment through faster economic growth; two, improving the quality of education, skills development and innovation; and three, building capability of the state to play a developmental, transformative role.[48]

5.1.9 Department of Employment and Labour

The Department of Employment and Labour (DoEL) is responsible for creating a conducive environment for decent work and promoting employment opportunities. The DoEL's mission and vision is to regulate the labour market for sustainable economy, ensuring employment creation and decent work.[49] In order to achieve this the DoEL established several initiatives such as the Decent Work campaign, which aims to promote fair labour practices, safe working conditions, and social security in the construction sector.[50] The key objectives of the campaign are as follows: first, advocating for workers' rights by ensuring safe, secure, and compliant working conditions; second, facilitating effective workplace inspections, thus protecting workers and promoting decent work environments; third, promoting labour law compliance, thus preventing exploitative practices and enhancing labour productivity; and fourth, building capacity through continuous learning, thus creating decent and productive workplaces.

In so far as the construction sector is concerned, it must be noted that it is one of the largest employers in South Africa, generating thousands of jobs annually. Construction remains a key component of South Africa's economy, contributing around 3-4% to GDP with nearly ZAR 100 billion in quarterly outputs. According to recent data, approximately 1.2 million people are employed in South Africa's constructing sector, constituting around 7.8% of total national employment.[51] This, notwithstanding, the construction sector is an industry where decent work challenges such as safety risks, informal labour practices, and wage exploitation are commonplace. To this end, the DoEL, together with its social partners, the ILO, the Federated Employers Mutual Assurance Company (FEM), and the Compensation Fund (CF), united to support labour rights and ethical business practices in the construction sector. Through this collaboration, an nationwide initiative was launched to promote decent work in all south Africa's construction industry. This initiative focuses on advancing labour

[47] National Development Plan 2030: Our Future-make it work, available at https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf (assessed 10 January 2025).
[48] NDP 2030 at p. 27.
[49] See Department of Employment and Labour website at https://www.labour.gov.za/about-us (accessed 25 January 2025).
[50] See DoEL, 'Employment and Labour leads signing of nationwide pledge for workers in construction sector, 30 Oct-1 Nov', (22 October 2024) available at https://www.labour.gov.za/a-pledge-to-promote-decent-work-and-safety-in-the-construction-sector-signed-in-two-stop-leg-in-the-western-cape (accessed 27 January 2025).
[51] See https://www.ilo.org/sites/default/files/2025-02/MSA%20Report%20South%20Africa.pdf (accessed 10 June 2025).

rights, eliminating exploitative practices, and enhancing productivity in a sector vital to South Africa's economic growth. The Decent Work in Construction campaign promotes advocacy efforts, regular workplace inspections, strict enforcement of labour laws, and capacity building.[52]

Complementing this initiative, the Construction Health and Safety Accord (CHSA),[53] which is an agreement between government,[54] organized labour[55] and organized business[56], aims to improve the status of occupational health and safety in the constructive sector in South Africa. The CHSA acknowledges that the construction sector contributes immensely to the alleviation of unemployment and economic growth. It is for this reason, therefore, that "all necessary interventions are taken to ensure that occupational health and safety objectives are attained concurrently with infrastructure development, poverty alleviation through employment creation and positive economic growth."[57]

5.1.10 Department of Trade, Industry and Competition

The Department of Trade, Industry and Competition (DTIC)[58] plays an important role in the Productivity Ecosystem and in contributing towards decent work in South Africa. The DTIC's mission is as follows:- one, to promote structural transformation, towards a dynamic industrial and globally competitive economy; two, to provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development; three, to broaden participation in the economy to strengthen economic development; four, to continually improve the skills and capabilities of the DTIC[59] to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens; five, to co-ordinate the contributions of government departments, state entities and civil society to effect economic development; and six, to improve alignment between economic policies, plans of the state, its agencies, government's political and economic objectives and mandate. The DTIC Programme 4 (Sectors) specifically designs and implements policies, strategies and programmes aimed at strengthening the ability of manufacturing and other sectors of the economy, to create decent jobs, promote inclusion and increase value addition and competitiveness, in both domestic and export markets.[60] These policies, strategies and programmes are implemented through a network of agencies, trade agreements, and incentive programmes aimed at promoting exports, market access, and investment. For instance, the Export Marketing and Investment Assistance (EMIA) Scheme, provides funding to SMMEs and black industrialists for participation in trade fairs and missions, marketing materials, and export market research.[61] The Industrial Development Corporation (IDC), provides finding and support to export-oriented industries, such as automative, agro-processing, and renewable energy.[62] The Trade & Investment South Africa (TISA), is a division of the DTIC focusing on promoting exports and attracting foreign direct investment, and organises outward selling and inward

[52] For more information on see Crown Publication, 'Nationwide pledge for workers in the construction sector', 23 October 2024 available at https://www.crown.co.za/construction-world/marketplace/30536-nationwide-pledge-for-workers-in-the-construction-sector (accessed 3 February 2025).
[53] Available at https://cdn.ymaws.com/masterbuilders.site-ym.com/resource/resmgr/docs/construction_accord_final_do.pdf (accessed 3 February 2025). The vision of the CHSA is zero harm through collaborative action in the construction sector.
[54] Department of Employment and Labour and Department of Public Works.
[55] The Congress of South African Trade Unions (COSATU), the Federation of unions of South Africa (FEDUSA), and The National Council of Trade Unions (NACTU).
[56] Business Unity South Africa (BUSA) and black Business Council (BBC).
[57] As above.
[58] See https://www.thedtic.gov.za (accessed 10 June 2025). The DTIC was established after the merger of the Department of Trade and Industry and the Economic Development Department.
[59] The DTIC also coordinates Sectoral Master Plan, which are detailed government-led frameworks aimed at revitalising key industries, promoting inclusive growth, creating decent jobs, and fostering transformation.59 These plans are developed in close partnership with labour, business, and civil society as part of South Africa's reindustrialisation agenda. Key Sectoral Master Plans are in automotive; clothing and textile; streel and metal fabrication; retail, clothing, furniture and consumer goods; forestry, pulp and paper; sugar value chain; and green hydrogen energy. It is important to note that each sectoral master plan is built on social compacting, bringing together government, industry, labour and communities (including SMMEs).
[60] See https://www.thedtic.gov.za/department-of-trade-industry-and-competition/ (accesses 10 June 2025).
[61] For more information, see https://www.thedtic.gov.za/financial-and-non-financial-support/incentives/export-marketing-and-investment-assistance/ (accessed 11 June 2025)
[62] For more information, see https://www.idc.co.za (accessed 11 June 2025).

buying missions.[63] The Export Credit Insurance Corporation (ECIC), provides export credit and insurance to reduce risk in high-risk markers, especially in Africa.[64]

5.1.11 Enterprise and MSME Development Policies

South Africa's enterprise and MSME (Micro, Small and Medium Enterprise) development policies are a critical part of its broader economic transformation agenda. They contribute towards the Productivity Ecosystem for decent work in South Africa. These policies aim to support inclusive growth**,** job creation, and broad-based black economic empowerment (B-BBEE) by nurturing small businesses, cooperatives, startups, and informal enterprises. The overarching goals of MSME development policies in South Africa are as follows: to promote entrepreneurship and self-employment**,** especially among youth, women, and historically disadvantaged groups; facilitate access to finance, markets, and infrastructure; improving the regulatory environment for MSMEs; supporting the formalisation and growth of informal businesses; and stimulate innovation and competitiveness in small enterprises.

There are key government departments and institutions which drive the implementation of South Africa's enterprise and MSME development policies. The Department of Small Business Development (DSBD), leads policy, coordination, and strategy on MSME support.[65] SEDA (Small Enterprise Development Agency) provides non-financial support such as training, incubation, mentorship.[66] SEFA (Small Enterprise Finance Agency) offers funding and microloans to MSMEs.[67] IDC (Industrial Development Corporation) provides finance for industrial SMEs and scale-ups.[68] The DTIC supports MSMEs through incentives and sectoral development programmes.

The core MSME support policies and programmes include the following: One, the National Informal Business Upliftment Strategy (NIBUS), which supports township and rural enterprises with infrastructure, training, and market access, and promotes transition from informal to formal businesses. Two, the National Integrated Small Enterprise Development Masterplan (NISED), which is a long-term strategic framework aimed at aligning MSME support across government and private sectors, strengthening ecosystem coordination, and targeting underserved regions and demographics. Three, Business Incubation Support Programme (BISP), which supports public-private incubation hubs for startups and high-potential MSMEs, and is linked to innovation, digital entrepreneurship, and green business. Four, Township and Rural Entrepreneurship Programme (TREP), which offers finance, training, and product development support to township-based businesses, and focuses on spaza shops, traditional food, crafts, auto repairs, and other local services.

5.1.12 Challenges and Opportunities

The country's policy and institutional landscape for decent work provides a foundation for creating a more equitable and just society. This, notwithstanding, South Africa still faces challenges in creating decent work opportunities, including addressing high unemployment, inequality, and poverty.[69] It is for this reason that ongoing efforts are still needed to address these challenges and to seize opportunities for growth and development. The challenges and opportunities presented by the discourse on productivity ecosystems can be categorised into four.

First, Labour market outcomes also reveal stark regional disparities. Employment increased in only three provinces — Western Cape (+49,000), Gauteng (+9,000) and Free State (+4,000) — while it declined significantly in KwaZulu-Natal (−104,000), Eastern Cape (−83,000), North West (−57,000)

[63] For more information, see https://zuidafrika.nl/trade-investment/investment-in-south-africa/ (accessed 11 June 2025).
[64] For more information, see https://www.ecic.co.za (accessed 11 June 2025).
[65] See https://www.dsbd.gov.za (accessed 11 June 2025).
[66] See https://www.seda.org.za (accessed 11 June 2025).
[67] See https://www.sefa.org.za (accessed 11 June 2025).
[68] See https://www.idc.co.za (accessed 11 June 2025).
[69] See StatsSA at https://www.statssa.gov.za/publications/P0211/Media%20Release%20QLFS%20Q1%202025.pdf (accessed 10 June 2025).

and Limpopo (−55,000). These divergent trends demand geographically differentiated strategies in infrastructure investment and skills development." *(Source: QLFS Q1 2025)*

Second, there are implementation gaps, where the effective implementation of policies and programmes remain a challenge. The latest official unemployment rate of 32.9% in the first quarter of 2025 is not encouraging in the sense that nearly one-third of adults are unemployed and more than half the South African population live in poverty. According to the Quarterly Labour Force Survey (QLFS) Q3: 2024 results, discouraged work-seekers increased by 160 000 (up by 5 %), and the number of persons who were not economically active for reasons other than discouragement increased by 55 000 (up by 0,4%) between the second quarter and third quarter of 2024. This led to an increase of 214 000 in the number of the not economically active population to 16,5 million.[70]

In the first quarter of 2025, discouraged work-seekers increased by 7 000 (up by 0,2%), and the number of persons who were not economically active for reasons other than discouragement increased by 177 000 (up by 1,4%) between the fourth quarter of 2024 and the first quarter of 2025. This led to an increase of 184 000 in the number of the not economically active population, to 16,7 million. These changes resulted in the official unemployment rate increasing by 1,0 percentage point from 31,9% in the fourth quarter of 2024 to 32,9% in the first quarter of 2025. The expanded unemployment rate in the first quarter of 2025 increased by 1,2 percentage points to 43,1% when compared with the fourth quarter of 2024, which was 41,9%.[71]. Strengthening implementation mechanisms could contribute meaningfully to reducing unemployment.

Third, there is the challenge of inequality and exclusion which affects many employees, particularly those from historically disadvantaged groups. According to April, notwithstanding the progress made, many employees still feel excluded, leading to significant impacts on productivity and company performance.[72] Reports further note that many South Africans continue to feel the hangover from Apartheid, including issues regarding racial discrimination, triggering a brain drain for the country.[73] Approximately 27, 000 South Africans emigrate each year, which translates to 74 South Africans a day.[74] The challenge of inequality and exclusion can be expressed in the various forms, such as racial exclusion, gender exclusion, deculturalisation and defeminisation.[75]

Fourth, there is the challenge brought by technological disruption. In South Africa, technological disruption causes significant changes in the workplace, mainly leading to potential job losses due to automation, a growing demand for higher skilled workers.[76] There is an ongoing need for continuous reskilling as routine tasks are replaced by technology. This challenge also presents opportunities for new jobs in emerging sectors like Artificial Intelligence (AI) and data analysis.[77] South Africa is responding to technological disruption—especially digitalisation, automation, and AI—

[70] StatsSA, 'Statistics South Africa on Official unemployment rate in the third quarter of 2024' available at https://www.gov.za/news/media-statements/statistics-south-africa-official-unemployment-rate-third-quarter-2024-12-nov#:~:text=The%20official%20unemployment%20rate%20was,persons%20to%208%2C0%20million (accessed 24 January 2025).
[71] See StatsSA at https://www.statssa.gov.za/publications/P0211/Media%20Release%20QLFS%20Q1%202025.pdf (accessed 10 June 2025).
[72] Kurt April, 'Human Rights in South African Workplace: From Fighting Apartheid to Tackling Exclusion.' Available at https://www.gsb.uct.ac.za/ideas-exchange/covid-19/human-rights-sa-workplace-fighting-apartheid-tackling-exclusion (accessed 24 January 2025).
[73] As above.
[74] See Business Tech, 15 May 2025 available at https://businesstech.co.za/news/lifestyle/824134/74-south-africans-leave-the-country-for-good-every-day/ (accessed 1 July 2025).
[75] The consequences of exclusion include decreased productivity and job satisfaction, increased stress, anxiety, and depression, difficulty attracting and retaining talent, and negative impact on company reputation and brand. Addressing the challenge of inequality and exclusion can have positive spin-offs in that South African workspaces can create a more inclusive and productive environment, leading to better outcomes for employees, businesses, and society at large.
[76] Latest findings from ILO research shows that effects of technological change so far are rather leading to worker augmentation and that the threat of worker displacement varies considerably depending on sector and occupation. See for instance, https://www.ilo.org/artificial-intelligence-and-work-digital-economy (accessed 1 July 2025).
[77] Magwentshu N, *et al, The Future of work in South Africa, Digitisation, Productivity and Job Creation*, Mckinsey & Company, 4 September 2019, available at https://www.mckinsey.com/~/media/mckinsey/featured%20insights/middle%20east%20and%20africa/the%20future%20of%20work%20in%20south%20africa%20digitisation%20productivity%20and%20job%20creation/the-future-of-work-in-south-africa.pdf (accessed 20 January 2025).

through a growing set of policy frameworks and institutional arrangements. South Africa's policy response to Artificial Intelligence (AI) is evolving through a combination of strategic initiatives, institutional development, and regulatory efforts. Key actions include the establishment of the Presidential Commission on the Fourth Industrial Revolution (PC4IR), in 2019 to guide the country's response to the 4IR.[78] The PC4IR proposed a national AI framework; the launch of the National Artificial Intelligence Institute (NAII) to drive research and innovation; and the Draft National Data and Cloud Policy aimed at enabling data governance for AI. In 2020, the PC4IR recommended the national AI planning, data policy reform, creation of 4IR hubs and innovation ecosystems, and support for smart manufacturing and tech startups**.**

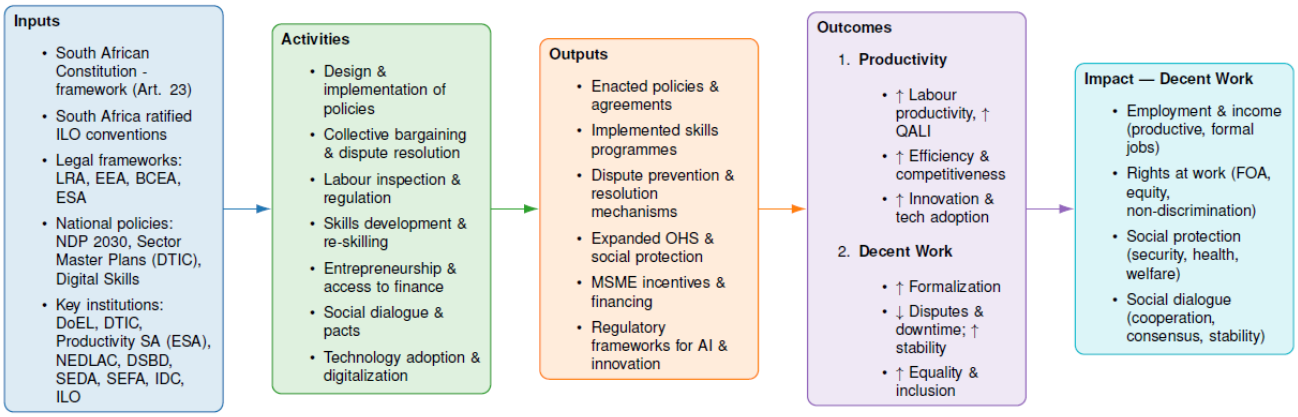
Other relevant frameworks include the Cybersecurity and Cybercrime Act (2021), the Draft Digital Economy Masterplan, and initiatives by the CSIR focused on AI applications in health, language processing, and smart manufacturing. While efforts are underway to integrate AI into skills development and digital innovation policies, the country still lacks a comprehensive national AI strategy, with gaps in coordination, regulation, and ethical governance remaining key challenges. These aim to harness technology for economic development, inclusive growth, and competitiveness, while managing risks to employment, inequality, and security. This response will have a significant impact on the Productivity Ecosystem and to ensuring decent work in South Africa. For instance, South Africa, through the Department of Communications and Digital Technologies (DCDT), developed the National Digital and Future Skills Strategy (2020–2030), which aims to build a digitally skilled and future-ready workforce and is focuses on Basic digital literacy, high-end tech skills, youth training, inclusion of women and rural populations.[79] There is also the White Paper on Science, Technology and Innovation (2019), which positions technology as a key driver of development and inclusive growth, and encourages public-private R&D partnerships, the use of tech in health, education, agriculture, and public service, and the integration of Fourth Industrial Revolution (4IR) capabilities in industrial policy.[80] The National Development Plan (NDP) 2030, recognises tech disruption as a cross-cutting issue, and calls for investments in ICT, education reform, research infrastructure, and youth innovation.[81]

Fifth, there is the challenge of skills mismatch in the South African workplace, which creates a significant gap between skills required for the job market and the skills possessed by available workforce. This challenge leads to high unemployment despite the shortage of skilled workers in certain sector. This is due to a lack of alignment between education systems and industry needs, resulting in a large number of unemployed South Africans with inadequate skills for current job demands.[82] To synthesize the role of the Policy Framework and the Relevant Institutions described in this section, we use the Theory of Change diagram (Figure 7). This diagram is a useful tool for understanding the underlying logic of the Productivity Ecosystem for Decent Work in South Africa and its institutional design. It serves as a guide for the normative evaluation of processes and outcomes, allowing for the structured identification of inputs, activities/actions, outputs, outcomes, and potential impacts.

[78] For more information, see https://www.gov.za/sites/default/files/gcis_document/202010/43834gen591.pdf (accessed 11 June 2025).
[79] For more information, see https://www.gov.za/sites/default/files/gcis_document/202009/43730gen513.pdf (accessed 11 June 2025).
[80] For more information, see https://www.gov.za/sites/default/files/gcis_document/201912/white-paper-science-technology-and-innovation.pdf (accessed 11 June 2025).
[81] For more information, see https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf (accessed 11 June 2025).
[82] See generally Swiss South African Cooperation Initiative (SSACI) (2024). *Identification of Skills Gaps in South Africa: A Popular Research Report*, 'available at https://lmi-research.org.za/wp-content/uploads/2024/04/LMI-1-11-C2B-Popular-ID-SkillGapSA-WEB.pdf#:~:text=A%20skills%20gap%20can%20be%20caused%20by,lack%20of%20investment%20in%20training%20and%20education.&text=In%202019%2C%20it%20was%20reported%20that%20South,compared%20to%2030%20other%20countries%20(Isaac%2C%202023) (accessed 26 January 2025).

Figure 7: Theory of Change – Productivity Ecosystems for Decent Work

Inputs → Activities → Outputs → Outcomes → Impact



Note: Acronyms —

LRA	Labour Relations Act (1995)
EEA	Employment Equity Act (1998)
BCEA	Basic Conditions of Employment Act (1997)
ESA	Employment Services Act (2014)
NDP	National Development Plan (2030)
DoEL	Department of Employment and Labour
DTIC	Department of Trade, Industry and Competition
DSBD	Department of Small Business Development
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
IDC	Industrial Development Corporation
NEDLAC	National Economic Development and Labour Council
OHS	Occupational Health and Safety
MSME	Micro, Small and Medium Enterprises
ILO	International Labour Organization
QALI	Quality-Adjusted Labour Input
FOA	Freedom of Association

6 Key Components of BRICS Productivity Ecosystems in South Africa

This discussion presents the Productivity Ecosystems for Decent Work lens to identify case studies of policies and programmes that have strengthened key productivity and decent work drivers at enterprise (micro), sectoral (meso), and macroeconomic (macro) levels.

6.1 Workforce Skills

Workforce skills are critical for productivity. This part focuses on the discussion on upskilling and reskilling workers to match evolving industry needs; Investing in Technical and Vocational Education and Training (TVET) institutions and lifelong learning opportunities; Promoting public-private partnerships to deliver industry-related training. South Africa has implemented a plethora of policies, strategies, and initiatives to address skills development. These are aimed at addressing the skills gap in the country. These include the following:- Skills Development Act No. 97 of 1998 (SDA); the Continuing Education and Training Act No 16 of 2006 (CET); the White Paper for Post-school Education and Training of 2013 (PSET); the National Development Plan 2030 (NDP); the National Skills Development Strategy (NSDS); the National Skills Development Plan 2030 (NSDP); the National Qualification Framework (NQF); the Sector Education and Training Authorities (SETAs); the Skills Levy and Workplace Skills Plans (WSPs); Expanded Public Works Programme (EPWP); economic Reconstruction and Recovery Plan (ERRP); the Presidential Youth Employment Intervention (PYEI); and the South African Renewable Energy Masterplan (SAREM). The aforementioned policies and initiatives "reflect South Africa's commitment to skills development as a critical driver of economic growth, employment creation, and social inclusion."[83]

Despite these policies and initiatives, there are challenges. According to Isaac, in 2019 South Africa had a skills mismatch of more than 50% and the lower labour productivity compared to other countries, including the US, India and Russia.[84] The skills mismatch and low productivity in South Africa are deeply interconnected and mutually reinforcing. The country faces a persistent gap between the skills demanded by employers and those available in the labour force, which significantly hampers overall productivity, economic growth, and job creation. In South Africa, there is a surplus of low-skilled labour and a shortage of technical, digital, and managerial skills. TVET colleges and universities often produce graduates without practical experience or alignment to industry needs. Youth NEET (not in education, employment, or training) rates are extremely high (over 40%).[85] Employers often struggle to fill critical vacancies, especially in ICT, engineering, and healthcare. At the same time, millions remain unemployed, especially youth, because their skills are not marketable. This results in lower output per worker and underutilised labour. A decent work productivity ecosystem approach offers an integrated strategy to address South Africa's skills mismatch and low productivity by focusing on the interconnected elements that influence productivity at the enterprise, sectoral, and macroeconomic levels. Instead of treating skills, innovation, investment, or infrastructure as isolated issues, this approach aligns actors and policies across the ecosystem to improve competitiveness and create decent, inclusive jobs.

6.2 Technological Integration

Underscoring the use of digital tools and automation to improve efficiency across sectors; facilitating technology transfer from global partners to local industries; promoting innovation ecosystems, including hubs for startups and research centres. In the case of South Africa, within the education sector, Smart classrooms, where some schools use interactive whiteboards, tablets, and online

---

[83] Swiss South African Cooperation Initiative (SSACI) (2024). Identification of Skills Gaps in South Africa: A Popular Research Report (2023) 13.

[84] Isaac M, 'SA graduates may get the job but lack the skills', IOL, 13 September 2021, available at https://www.iol.co.za/news/education/sa-graduates-may-get-the-job-but-lack-the-skills-d9f95655-700c-4237-abb9-55dac76d940d (accessed 10 February 2025). See generally also Department of Higher Education and Training, *Identification of Skills Gaps in South Africa: A Popular Research Report (2024)* https://lmi-research.org.za/wp-content/uploads/2024/04/LMI-1-11-C2B-Popular-ID-SkillGapSA-WEB.pdf (accessed 1 July 2025).

[85] See StatsSA at https://www.statssa.gov.za/?p=18398 (accessed 11 June 2025).

learning platforms like Snapplify[86] and Siyavuka.[87] Snapplify is a South African edtech company that provides digital learning solutions, supports educators, and fosters digital literacy, particularly within the South African education system. Siyavula education focuses on using technology to enable access to high-quality education focusing on high school maths and science. South Africa has also online learning platforms like UCT Online High School[88] and Mindset Learn,[89] which provide remote education access. These smart classroom and/or online learning platforms will contribute towards more effective skills development which will adapt to contemporary times.

In so far agriculture is concerned, South Africa is now making use of precision farming, involving the use of GPS, drones, and sensors to monitor crop health, optimise irrigation, manage land use. Mobile Apps have also been introduced in this sector, such as platforms like HelloChoice[90] and Khula![91] which are used to link farmers to buyers, improving market access and transparency. These smart apps ensure effective farming and productivity and improve access to markets for South African farmers. The agricultural sector has several notable AgriTech startups that are leveraging technology to transform agriculture. These are also contributing to decent work within the sector. Examples of these include Aerobics, where precision agriculture using AI and drone/satellite imagery is used. The use of these contributes towards optimizing yields and reducing losses by providing early warnings and actionable insights. A productivity ecosystem approach to technical integration in South Africa must involve aligning technology adoption with broader productivity, inclusion, and employment goals. Rather than promoting technology in isolation, this approach ensures that technology is embedded in a system of coordinated actions involving skills, enterprise capabilities, institutional support, and labour market alignment.

6.3 Enterprise Policies

Strengthening Small and Medium Enterprises (SMEs) through funding, mentorship, and market access; Fostering entrepreneurship by providing incentives for business creation and innovation; and integrating local businesses into regional and global value chains. South Africa strengthens SMEs through a combination of government policies, financial support, training and incubation, and the private sector initiatives. The Department of Small Business Development (DSBD) leads SME policy and support programs and oversees funding, training, and regulatory reform to ease business operations for SMEs.[92] The Small Enterprise Development Agency (SEDA) provides non-functional support, such as training, mentorship, and business advisory services; and also operates business incubation centres across South Africa.[93] The Small Enterprise Finance Agency (SEFA) offers loans, credit guarantees, and equity funding for SMEs and targets under-served entrepreneurs, including those in South African townships and rural areas.[94]

A productivity ecosystem approach to enterprise policies in South Africa reimagines how enterprises—especially MSMEs and cooperatives—can grow, innovate, and create decent work by placing them within a broader, interconnected system. Rather than isolated support, this approach aligns enterprise development with skills, finance, infrastructure, technology, labour market institutions, and inclusion goals. A productivity ecosystems approach to enterprise policies helps South Africa build a dynamic, inclusive, and resilient economy by making enterprise support systemic, not piecemeal integrating small firms into high-productivity value chains and ensuring that productivity gains translate into decent work.

[86] For more information see, https://www.snapplify.com (accessed 4 February 2025).
[87] For more information, see https://www.siyavula.com (accessed 4 February 2025).
[88] For more information, see https://www.uctonlinehighschool.com (accessed 4 February 2025).
[89] For more information, see https://www.mindset.africa (accessed 4 February 2025).
[90] For more information, see https://www.hellochoice.co.za/home (accessed 5 February 2025).
[91] For more information, see https://www.khula.co.za (accessed 5 February 2025).
[92] For more information, see http://www.dsbd.gov.za (accessed 5 February 2025).
[93] For more information, see https://www.seda.org.za (accessed 5 February 2025).
[94] For more information, see https://www.sefa.org.za (accessed 5 February 2025).

6.4 Inclusive Policies

Implementation of labour laws that ensure fair wages, safe working conditions, and gender equality; addressing inequalities by creating opportunities for underrepresented groups, including women, youth and the disabled. Inclusive labour policies in South Africa aim to address the country's legacy of racial inequality, high unemployment, gender disparities, and marginalisation of youth, persons with disabilities, and other vulnerable groups. These policies are embedded in the country's labour legislation, national development plans, social protection systems, and institutional arrangements for social dialogue. The core principles of inclusive labour policy include the following:- firstly, equity and non-discrimination such as race, gender, disability, age, HIV status; secondly, redress of historical injustice through affirmative action and transformation; three, promotion of decent work and fair conditions across all sectors; four, social protection for vulnerable workers; and five, labour market activation and skills development for the unemployed. The key legislative instruments include the LRA, which promotes collective bargaining, protects against unfair dismissal, and provides recourse for workers; the EEA, which mandates affirmative action and prohibits workplace discrimination; the BCEA, which guarantees minimum wage, working hours, leave entitlements, and protection for vulnerable workers; the SDA, which supports skills upliftment, especially for youth and historically disadvantaged individuals; and the UIA, which provides income support during unemployment, illness, maternity, and adoption leave.

The institutional mechanisms supporting inclusion include the following:- the Commission for Employment Equity (CEE), which monitors compliance with the EEA and transformation goals; the NEDLAC , which provides for a tripartite platform for inclusive policy dialogue between government, labour, business, and civil society; the CCMA , which ensures fair dispute resolution and access to justice for all workers; the SETA System (Sector Education and Training Authorities), which promotes workplace training, apprenticeships, and skills recognition; and the DoEL, which oversees enforcement, policy implementation, and social dialogue.

Labour market outcomes in South Africa remain deeply stratified along racial and ethnic lines. According to the 2024 Quarterly Labour Force Survey, Coloured South Africans—many of whom are Afrikaans-speaking—face persistently high unemployment rates, particularly in the Western and Northern Cape provinces. Youth unemployment among coloured populations remains above 40%, with limited access to tertiary education and formal employment pathways. While White Afrikaans-speaking youth generally experience lower unemployment, they are increasingly affected by structural shifts in the economy, such as automation and the decline of traditional sectors. These evolving dynamics highlight the importance of tailored, regionally sensitive interventions—such as language-accessible training programmes, support for rural and semi-urban entrepreneurship, and inclusive approaches to digital skills development—to ensure that all communities are equipped to navigate the changing labour market.

6.5 Green Sustainable Jobs

Focusing on creating employment in renewable energy, sustainable agriculture, environmental management, green building and construction, climate change and sustainability and sustainable manufacturing; discussing transitional workers from declining industries to growth sectors through targeted retraining; and building resilience in sectors vulnerable to climate change. It was predicted by the Industrial Development Corporation (IDC), Development Bank of Southern Africa (DBSA), and Trade and Industrial Policy Strategies (TIPS) that According to estimates by the IDC and TIPS, the green transition could generate up to 460,000 jobs by 2025, mainly in renewable energy, green manufacturing and climate-smart agriculture. However, these figures are contingent on sustained investment and skills development (TIPS, 2023; IDC Green Jobs Report).

A productivity ecosystems approach to green sustainable jobs in South Africa will enable the country to transition toward a low-carbon, inclusive economy while ensuring that workers, enterprises, and communities are equipped and supported to benefit from green growth. This approach treats green jobs as part of a broader productive system, where skills, enterprise development, technology, investment, and institutions work in synergy.

6.6 Social Protection

Ensuring access to health insurance, pensions, and unemployment benefits; and building systems to protect workers in precarious and gig-based employment. South Africa introduces the National Health Insurance (NHI), which is a national insurance fund designed to pool resources and provide access to quality, affordable healthcare for all South Africans, regardless of their socio-economic status.[95] The NHI will enable individuals to visit a healthcare provider and not required to pay any fees, as the NHI Fund will cover these costs of care. South Africa also has the Unemployment Insurance Fund (UIF), which provides short-term relief to workers who became unemployed or are unable to work due to maternity, adoption, parental leave, or illness.[96] The UIF is social insurance fund which was established to protect employees in the event of unemployment. Thus far, a multi-pronged approach is still required to protect precarious and gig-based workers, including expanding the legal definitions of "employee" and "worker". In South Africa, most gig-workers are classified as independent workers.[97] A productivity ecosystem approach to social protection in South Africa reframes social protection not just as a safety net, but as an enabler of inclusive and sustainable productivity. It integrates income security, labour market inclusion, and human capital development into a broader system that boosts participation, resilience, and economic transformation—especially for the poor, unemployed, informal workers, and vulnerable groups.

6.7 Productivity-Boosting Infrastructure

Investing in energy, transportation, and digital infrastructure to reduce costs and improving market access; and enhancing the quality of industrial zones to attract investment. South Africa is investing heavily in infrastructure projects, particularly in transport, energy and water, to boost productivity and economic growth. The aim of these investments are to improve the efficiency of critical sectors, modernize infostructure, and create jobs. The government allocated a substantial amount of funds to various projects, including gas-filled power plants, solar and wind projects, and energy storage facilities.[98] The key investments and initiatives which form part of South Africa's energy investment strategy include the following:- one, the Just Energy Transition (JET) Implementation Plan, which focuses on balancing environmental progress with social upliftment and includes investments in renewable energy sources and local manufacturing;[99] two, the Renewable Energy Independent Power Production Procurement Programme (REIPPPP), which is a South African government-initiative that aims to increase electricity capacity through private sector investment in renewable energy projects;[100] three, the Gas IPP Programme, which aims to produce up to 3, 000 MW of gas to ensure grid connection and diversity the energy mix.[101]

A productivity ecosystem approach to infrastructure in South Africa repositions infrastructure not just as a capital investment, but as a strategic enabler of inclusive, sustainable productivity. It connects infrastructure to skills, enterprises, labour markets, technology, and institutions—ensuring that

[95] For more information, see https://www.health.gov.za/nhi/ (accessed 6 February 2025).
[96] For more information, see https://ufiling.labour.gov.za/uif/ (accessed 6 February 2025).
[97] See generally, Fairwork (2021). Fairwork South Africa Ratings 2021. Labour Standards in the Gig Economy. Cape Town South Africa; Oxford, United Kingdom. Available at https://fair.work/wp-content/uploads/sites/17/2021/07/Fairwork-South-Africa-2021-report.pdf (accessed 6 February 2025).
[98] See for instance, the new South African platform for renewable energy operated by Pele Green Energy Group.
[99] For more information on the JET Implementation Plan 2023-2027, see https://www.stateofthenation.gov.za/assets/downloads/JET%20Implementation%20Plan%202023-2027.pdf (accessed 5 March 2025).
[100] For more information on the REIPPPP, see https://ndcpartnership.org/knowledge-portal/good-practice-database/south-africas-renewable-energy-independent-power-producer-procurement-programme (accessed 5 March 2025).
[101] For more information, see https://www.ipp-projects.co.za (accessed 6 March 2025).

its design, funding, and rollout directly improve employment, competitiveness, and economic transformation.

7 South-South Cooperation supporting Productivity Ecosystems for Decent Work

South-South Cooperation (SSC) has been increasingly integrated into strategies for purposes of creating viable productivity systems supporting decent work in the Global South. The ILO plays a critical role in facilitating South-South and triangular cooperation (SSTC) through initiatives aimed at formalizing informal economies, fostering social protection, and improving labour conditions across sectors. This section will also provide specific examples involving South Africa. The National Informal Business Upliftment Strategy (NIBUS) is a South African government initiative which is aimed at assisting informal businesses with registration, compliance, and market access. This initiative provides support to local chambers, business associations, municipalities, and local economic development offices to deliver upliftment programs for informal traders.[102]

South Africa derives significant value from South-South Cooperation (SSC) by leveraging shared experiences, knowledge exchange, and technical assistance from other Global South countries facing similar socio-economic challenges. These partnerships enhance South Africa's capacity to implement inclusive development strategies—such as the National Informal Business Upliftment Strategy (NIBUS)—by drawing on best practices in informal sector integration, social dialogue, and enterprise development. SSC also facilitates peer learning and the co-creation of context-specific solutions, thereby strengthening South Africa's efforts to support informal businesses and advance decent work. Furthermore, South Africa's active engagement in SSC positions it not only as a beneficiary, but also as a contributor to global development, reinforcing its leadership role on the African continent and in broader international cooperation frameworks.

As a regional economic leader with relatively advanced institutional frameworks and development programmes, South Africa is well-positioned to serve as a source of knowledge and innovation within the realm of South-South Cooperation. The country's experience in policy implementation, social protection, and support for small and informal enterprises provides valuable insights for peer countries facing similar development challenges. Flagship initiatives such as the National Informal Business Upliftment Strategy (NIBUS), along with South Africa's efforts in skills development, youth employment, and social dialogue, offer adaptable models that can be replicated across the Global South. By sharing good practices and technical expertise, South Africa contributes to building collective capacities and fostering mutual development, thereby reinforcing the principles of solidarity, equity, and reciprocity that lie at the heart of South-South Cooperation.

Moreover, South-South and triangular cooperation is central to South Africa's approach, enabling the country to draw on shared experiences with other BRICS partners to co-develop solutions to common challenges such as informality, skills gaps, and the green transition. Through collaborative initiatives with countries like India, Brazil, Ethiopia, and China—ranging from sectoral pilots in automotive and leather industries to joint efforts on youth skills development, social protection expansion, and renewable energy—South Africa is fostering mutual learning and solidarity among countries of the Global South. These partnerships not only strengthen national capacity but also contribute to building a collective BRICS knowledge base that supports inclusive and sustainable productivity growth. In this way, South Africa positions itself as both a beneficiary and a catalyst of South-South cooperation, using it as a strategic lever to promote decent work and economic transformation within and beyond its borders.

[102] https://www.gov.za/news/media-statements/minister-rob-davies-unveils-national-informal-business-upliftment-strategy-17 (accessed 6 February 2025).

7.1 BRICS Productivity Ecosystem for Decent Work:

BRICS discussion focusing on establishing a productivity ecosystem aimed at improving workers' skills, formalize the informal economy, and enhance social protection, including collaborative research.

7.2 Action Programmes:

The ILO's SSTC initiatives for 2024–2025 place strong emphasis on advancing inclusive and sustainable development by enabling transitions from informal to formal employment, expanding social protection, and generating decent work opportunities in key sectors such as horticulture. As a platform for solidarity and knowledge exchange, SSTC also provides a framework for Global Partnerships and Multilateral Engagements—mobilising collaborative efforts to tackle shared challenges such as climate change-induced mobility and the just transition of the workforce. Within this broader SSTC agenda, the International Training Centre (ITC) in Turin plays a supportive role by offering capacity-building programmes that nurture leadership for the future of work, facilitate pathways to formalisation, and help address the labour market impacts of climate change.

7.3 SSTC Initiatives and their Impact on Productivity Ecosystems for Decent Work in South Africa

In South Africa, SSTC plays a critical role in advancing the productivity ecosystem and promoting decent work through collaboration with BRICS partners and other global South Nations. Key SSTC initiatives in South Africa include the BRICS Skills Development and Labour Cooperation, which involves the BRICS Labour and Employment Ministers' Meeting that promotes alignment of labour market policies and fosters exchange on employment generation and social protection. During the Eleventh BRICS Labour and Employment Ministers' Meeting, which resulted in the conclusion of a joint Declaration, the BRICS Ministers affirmed the importance of promoting decent work in all sectors (with particular attention to youth, women, and vulnerable groups; strengthening social protection systems to ensure resilience and equity; advancing skills development to prepare workers for digital and sustainable transition; and enhancing cooperation among BRICS nations through knowledge sharing and policy alignment.[103]

The broader outcomes of these SSTC initiatives is that it has enabled South Africa to tap into the experiences of countries with similar socio-economic challenges, such as India and Brazil. Further South Africa has been able to foster regional integration through partnership with other African countries, like Ethiopia, which share historical and geographical similarities. Further also, South Africa has been able to expand social protection and workforce inclusion while improving sectoral competitiveness.

Over the past two decades, South Africa has made notable strides in broadening social protection coverage and promoting workforce inclusion, particularly among historically marginalized populations, while simultaneously enhancing sectoral competitiveness—especially in manufacturing, agriculture, services, and renewable energy. These efforts have been supported by both domestic reforms and international partnerships, including SSTC initiatives. In so far as social protection is concerned, South Africa has built one of the most extensive and progressive social protection systems in Africa. Over 18 million South Africans benefit from social grants, including child support, old-age pensions, and disability allowances.[104] This has had a significant impact on poverty alleviation and

[103] See the Declaration of the Eleventh BRICS Labour and Employment Ministers' Meeting (Convened in Brasil on 25 April 2025) available at https://southsouthpoint.net/wp-content/uploads/2025/05/BRICS-EWG-2025-LEMM-DECLARATION-.pdf (accessed 16 June 2025).
[104] For more information, see the South African Social Security Agency (SASSA) available at https://www.sassa.gov.za/ (accessed 16 June 2025).

inequality reduction, while also indirectly supporting local economies by boosting demand for goods and services.

7.3.1 ILO Productivity Ecosystems Initiative: Sector Specific Interventions

7.3.1.1 Automotive Sector (South Africa & India)

According to Augustine, the automotive sector is one of South Africa's largest economic sectors contributing 4.3% to the country's GDP.[105] It is also the country's fifth largest export sector accounting 18,1% of the total exports and employs over 110 000 people.[106] The South African and Indian automotive sectors are both major economic sectors, with South Africa being a large importer of Indian cars. The South African and Indian automotive sectors are both undergoing significant transformation, which programs aimed at increasing local production, enhancing exports, and promoting local value additions. The growth of the automotive sector is expected to create new jobs and opportunities for both countries.

South Africa has put in place the Automotive Productive and Development Programme (APDP) and the South African Automotive Masterplan (SAAM) 2021-2035.[107] It was been projected that this Master Plan could see the automotive industry growing from 600 000 to 1.4 million vehicles a year in production.[108] India has also implemented policies and programs to expand its automotive industry, including a focus on localization and export promotion. As a result of these policies and programs, the Indian automakers have made a significant strides into the South African automotive market, particularly in the budget and small car segments. India is now the top source for vehicle imports into South Africa, with a significant portion of cars sold in the country originating from Indian manufacturers like Mahindra, Suzuki, Tata. Other popular Indian-built cars in South Africa include Hyundai Grandi10, Nissan Magnite, Renault Kiger, and Kia Sonet.[109]

7.3.2 Informal Economy Transitions (South Africa & Brazil)

The transition of informal economies involves both formalization efforts and the persistence of informal activities. Informal workers continue to lack social security and benefits compared to those in the formal sector. In the case of South Africa, there is a push towards integrating the informal sector into the mainstream economy, with initiatives focused on skills development and addressing the challenges of informal employment. South Africa's Department of Employment and Labour is actively working to formalize the informal sector, aiming to address the challenges and create sustainable enterprises.[110] What obtains in South Africa is not different from what obtains in Brazil. For instance, both countries face challenges related to the informal sector, including lack of social protection, lower earnings, and gender disparities and this is one area of cooperation which both countries may focus.[111]

7.3.3 Skills Development and Knowledge Sharing through BRICS

There are various platforms for skills development and knowledge sharing that are offered by BRICS. These include programmes such as BRICS+Skills Programme, which provides training in areas

---

[105] Augustine C, SA Automotive Sector, 21 February 2024, available at https://www.gov.za/blog/sa-automotive-sector#:~:text=The%20automotive%20sector%20is%20one,employs%20over%20110%20000%20people. (accessed 26 January 2025).
[106] As above.
[107] For more information, see Geared for Growth South Africa's Automotive Industry Master Plan to 2035: A report of the Automotive Master Plan Project. Available at https://www.thedtic.gov.za/wp-content/uploads/Masterplan-Automotive_Industry.pdf (accessed 6 March 2025).
[108] According to Simon Woodward, Automotive Sector Head at RMB. Available at https://www.rmb.co.za/news/localisation-essential-to-transform-sas-automotive-sector (accessed 6 March 2025).
[109] These cars contribute to a significant portion of the market, particularly the under-ZAR 300, 000 segment.
[110] For more information, see https://www.labour.gov.za/employment-and-labour-director-general-unveils-a-wish-to-formalise-the-informal-sector#:~:text=The%20Director%20General%20of%20Employment,for%20the%20Head%20of%20States (accessed 4 March 2025).
[111] Decent Jobs for Youth, Monetary Incentives to Boost Workers' Formalization: Pilot Programmes in Brazil and Mexico. Available at https://www.decentjobsforyouth.org/resource-details/Blogs/1149 (accessed 5 March 2025). See also, Elena Zotova, "Transition to formal

related to BRICS+engagement and international relations. It must be noted that BRICS also facilitates South-South cooperation, allowing countries to share knowledge and best practices in various sectors.[112] Over and above this, BRICS promotes innovation and research, encouraging the exchange of knowledge and expertise among its member states. The South-South cooperation extends to areas such as agriculture, health, education, and technology. Through this cooperation, South Africa benefits from agricultural technology development and exchange within the BRICS framework. The BRICS will continue to play a crucial role in promoting skills development and knowledge sharing through various initiatives, from education programs to South-South cooperation and research collaborations.

In addressing the youth unemployment in South Africa, the government offers various youth skills training programs aimed at equipping young people with practical skills and qualifications for employment. First, the National Youth Programme (NYSP), is a South African government initiative aimed at engaging South African youth in community service activities to strengthen service delivery, build patriotism, promote nation-building, foster social cohesion and to assist the youth to acquire occupational skills necessary to access sustainable livelihood opportunities.[113] Second, the Skills & Youth Employability Programme, which is a programme in partnership with the Business Initiative, which aims to harness business expertise to bridge the gap between skills demand and youth employability.[114] Third, the You Skills Programme, provides training in tourism and hospitality, including food safety quality assurance, for unemployed youth.[115]

South Africa has made inroads in providing vocational and occupational education and training, preparing students for skilled trades and various industries. This has been made possible through the establishment of Technical and Vocational Education and Training (TVET) colleges, also known as Further Education and Training (FET) colleges.[116] These TVET colleges offer a range of programs including National Certificate (Vocational), NATED/Report 191, and National Qualification Framework (NQF) full-time and learnership programs. TVET colleges aim to provide high-quality education and training that meets the needs of the South African economy and society, fostering personal, social, civic, and economic development.[117] It must be noted that Technical and Vocational Education and Training plays a critical role in helping South Africans access decent work by providing them with the necessary skills and knowledge for employment. Needless to say, it focuses on preparing them for specific trades and occupations, thus effectively bridging the gap between education and the labour market. In the final analysis, Technical and Vocational Education and Training improve livelihoods, promote inclusion, and support individual and community agency by developing both soft and hard skills.[118]

7.3.4 Renewable Energy Sector through Triangular Cooperation (South Africa & India & China)

South Africa, India, and China are involved in triangular cooperation in the renewable energy sector, focusing on leveraging expertise and resources from each country to promote sustainable energy development in South Africa. Through this cooperation, South Africa benefits from India's experience and China's manufacturing capabilities, which India and China gain access to South Africa's resources

employment in the BRICS countries: Challenges and perspectives" *BRICS Journal of Economics* 3(2): 51-74. Available at https://doi.org/10.3897/brics-econ.3.e85847 (accessed 6 March 2025).

[112] See for instance, Jerit Dube, Analysing the Nexus between Innovation and Knowledge Sharing among Small and Medium Enterprises (SMEs) in Promoting Development in BRICS Countries.

[113] See https://nydawebsite.azurewebsites.net/Products-Services/National-Youth-Services-Programme.html (accessed 10 March 2025).

[114] For more information on the Skills & Youth Employment is available at https://www.nbi.org.za/focus-areas/economic-inclusion/skills-youth-employability/ (accessed 10 March 2025).

[115] For more information on the Skills Development Programmes, see https://www.tourism.gov.za/CurrentProjects/Youth%20Skills%20Programme/Pages/Youth_Skills_Programme.aspx (accessed 10 March 2025).

[116] For list of TVET colleges, see https://nationalgovernment.co.za/units/type/9/tvet-college (accessed 15 March 2025).

[117] For more information on TVET colleges, see https://www.dhet.gov.za/SitePages/TVETColleges.aspx (accessed 15 March 2025).

[118] See generally, Paterson, A., Keevy, J. & Boka, K. (2017). *Exploring a Work-Based Values Approach in South African TVET Colleges to Improve Employability of Youth: Literature review*. Johannesburg: JET Education Services. Available at https://www.jet.org.za/resources/jet-work-based-value-report-web.pdf/download (accessed 10 March 2025).

and market.[119] From the South African perspective, South Africa benefits from India's experience in developing renewable energy projects and establishing training.[120] South Africa further benefits from China in that it gains access to China's affordable technology. China's strong manufacturing base and lower costs for renewable energy components helps South Africa in reducing project costs and improve energy access.[121] It has been argued that while South Africa can leverage China's manufacturing capability to develop local manufacturing hubs for renewable energy component, supporting economic growth,[122] and China can provide financial support and incentives for renewable energy projects in South Africa.[123]

7.3.5 Capacity Building and Policy Development via ILO ITC Turin, ILO Partnerships and ILO Enterprises.

Decent Work for Productivity can be enhanced through the international Training Centre of the ILO (ITC Turin), which provides tailored capacity building support to stakeholders worldwide including South Africa, in various work-related areas.[124] These may include training programs including courses on green jobs, local governance, and sustainable development. ITC Turin also provides advisory services to assist South Africa and organizations in developing and implementing policies related to labour, employment, and social development. ILO Partnerships and ILO Enterprises can provide technical support.

Table 5: Action Matrix – Productivity Ecosystems for Decent Work (BRICS and South Africa)[125]

Action	Lead/Co-lead	Timeframe	Cost Ballpark	Indicator (baseline→target)	Data Source
8.1 Create BRICS Productivity Ecosystem Platform for Decent Work	BRICS (South Africa lead) / ILO	Short-term (1–2 years)	Medium	Operational platform (0 → 1)	ILO, Labour Ministries, BRICS LEMM
8.2 Invest in Sectoral Productivity Initiatives (manufacturing, green economy, digital services)	Government of South Africa / DTIC / DoEL	Medium-term (3–5 years)	Medium	Sectoral productivity growth (+10%)	NDP 2030, Sector Master Plans, DWCP
8.3 Strengthen Labour Market Institutions and Tripartite Dialogue	DoEL / NEDLAC / ILO	Ongoing	Medium	Disputes resolved via dialogue (40% → 70%)	CCMA, NEDLAC, ILO Reports
8.4 Promote Inclusive Digital Transformation (skills and access)	DTIC / DCDT / DSBD	Medium-term	Medium	Women & youth digital participation (30% → 60%)	QLFS, Digital Skills Strategy
8.5 Integrate Environmental Sustainability into	ILO / BRICS / DEFF	Long-term (5–10 years)	High	Firms adopting green practices (15% → 40%)	DWCP, LEMM, SDG 8 & 13 Reports

[119] Krish Chetty *et al*, Human Sciences Research Council, 28 September 2022. Financing renewable energy in South Africa: Lessons from India and China, available at https://hsrc.ac.za/news/review/financing-renewable-energy-in-south-africa-lessons-from-india-and-china/ (accessed 17 March 2025).
[120] Shri Maher Kumar, 'India and South Africa, an Energy Match', Business Live, 4 March 2025, available at https://www.rmb.co.za/news/india-and-south-africa-an-energy-match (accessed 12 March 2025).
[121] Xiaohong Yan *et al*, Research on technical cooperation path of renewable energy between China and South Africa, Front. Energy Res., 10 May 2024. Sec. Sustainable Energy Systems, Volume 12-2024. Available at https://doi.org/10.3389/fenrg.2024.1411546 (accessed 15 March 2025).
[122] Krish Chetty *et al*, Human Sciences Research Council, 28 September 2022. Financing renewable energy in South Africa: Lessons from India and China, available at https://hsrc.ac.za/news/review/financing-renewable-energy-in-south-africa-lessons-from-india-and-china/ (accessed 17 March 2025).
[123] Shri Maher Kumar, 'India and South Africa, an Energy Match', Business Live, 4 March 2025, available at https://www.rmb.co.za/news/india-and-south-africa-an-energy-match (accessed 12 March 2025).
[124] More information about ITC Turin is available at https://www.itcilo.org/topics/capacity-building (accessed 20 March 2025).
[125] Notes: DoEL – Department of Employment and Labour; DTIC – Department of Trade, Industry and Competition; DHET – Department of Higher Education and Training; DSBD – Department of Small Business Development; SEDA/SEFA – Small Enterprise Development/Finance Agencies; NEDLAC – National Economic Development and Labour Council; JET – Just Energy Transition; DWCP – Decent Work Country Programme; NDP – National Development Plan; QLFS – Quarterly Labour Force Survey; NDB – New Development Bank (BRICS Bank); CSIR – Council for Scientific and Industrial Research; Statistics SA – Statistics South Africa; SETAs – Sector Education and Training Authorities; JETP – Just Energy Transition Investment Plan; BRICS LEMM – BRICS Labour and Employment Ministers' Meeting; SASA - South African Statistical Association; CCMA - Commission for Conciliation, Mediation and Arbitration; DCDT - Department of Communications and Digital Technologies; DFFE - Department of Forestry, Fisheries and the Environment; SARS – South African Revenue Service. UIF – Unemployment Insurance Fund.

Productivity Frameworks					
8.6 Create Monitoring & Evaluation Systems (productivity–decent work)	BRICS / ILO / Statistics SA	Short-term	Medium	Operational M&E system (0 → 1)	QLFS, DWCP
8.7 Develop Targeted Youth Employment Programs	DoEL / DSBD	Short–Medium-term	Medium	Youth unemployment rate (58% → 45%)	QLFS, YES Program
8.8 Strengthen the Informal and Township Economies	DSBD / SEDA / SEFA / Local Gov.	Medium-term	Medium-High	Formalized informal enterprises (+30%)	NIBUS, QLFS, DSBD
8.9 Enhance Infrastructure (energy, transport, digital) via BRICS Cooperation	National Treasury / DBSA / BRICS NDB	Long-term	High	Logistics cost (% GDP: 14% → 9%)	NDP, NDB Reports
8.10 Integrate Social Protection into Labour Market Policies	DoEL / National Treasury / ILO	Medium-term	Medium	Social protection coverage (60% → 80%)	QLFS, SASA, DWCP
8.11 Harmonize Policy Frameworks (NSDP, PSET, SAREM, SAAM)	DHET / DoEL / DTIC	Short-term	Low	Policy alignment mechanism (0 → 1)	National Plans
8.12 Expand Future-Skills Programs (TVET, digital/green/care economies)	DHET / SETAs / TVET Colleges	Medium–Long-term	High	Enrollment in future-skills courses (+50%)	DHET, TVET Stats, QLFS
8.13 Support Tech Startups & Innovation Hubs	DTIC / DSBD / CSIR	Medium-term	Medium	Supported startups (+40%)	DSBD, CSIR, DTIC
8.14 Accelerate Formalization of Informal Economy	DSBD / SARS / UIF / ILO	Medium-term	Medium	Formalized informal workers (20% → 35%)	QLFS, ILOSTAT
8.15 Promote Green and Just Transitions (JET, circular economy)	DEFF / DTIC / BRICS	Long-term	High	Green jobs created (+100k)	JETP
8.16 Strengthen South–South & Triangular Cooperation (CSST)	BRICS / ITC Turin / ILO	Ongoing	Medium	CSST projects implemented (+50%)	ILO, BRICS LEMM, ITC Turin, ILO PARTNERSHIPS & Enterprises
8.17 Establish Intersectoral Task Force for Policy Coordination	Presidency / DoEL / DHET / National Treasury	Short-term	Low	Task force operational (0 → 1)	Gov. of South Africa, DoEL

9 Conclusion & Recommendations

The concept of decent work started to be used by the ILO in International Labour Conference for the first time in 1999 and has since been an expression of the ILO's resolve to bring all components of economic and social development together aiming at not only the job creation, but alsojobs of acceptable quality. The main role of decent work in achieving sustainable development is highlighted by Sustainable Development Goal 8 aiming to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."[126] Based on the findings, the recommendations for BRICS countries, South Africa, and ILO could be developed. These recommendations are organized into an action matrix, outlining the actions, lead/co-lead, timeframe, cost ballpark, indicator (baseline → target), and data source. This report has shown that *Productivity Ecosystems for decent work* as a concept remains critical for the integration of various stakeholders – governments, businesses, labour organizations, and civil society to enhance productivity through innovation, skills development, and improved labour practices. The link between productivity growth and decent work is not only a theoretical imperative but a practical necessity for the BRICS countries, particularly in the face of global economic shifts, social inequality, and environmental challenges. As South Africa continues to champion the BRICS Productivity Ecosystem initiative, it becomes clear that productivity must be inclusive, sustainable and worker-centred to truly contribute to social and economic development.

The ninth BRICS Labour and Employment Ministers' Meeting underscored this urgency by affirming the critical role of sustainable enterprises and productive employment in achieving decent work. Going forward, the realization of a BRICS Productivity Ecosystems for Decent Work Platform will be vital for deepening South–South cooperation, enabling policy innovation, and promoting shared prosperity. By integrating productivity strategies with decent work principles, BRICS countries have the potential to not only uplift their own populations but also offer a model for inclusive development to the broader Global South. The time to act is now—through collaborative efforts, strategic investments, and bold leadership. South Africa stands at a critical juncture where economic stagnation, high unemployment—especially among the youth—and social inequalities are threatening long-term development. Yet, in this adversity lies an opportunity: the BRICS Productivity Ecosystem initiative offers a transformative pathway to rebuild the economy, not only with a focus on growth, but with a focus on inclusive, sustainable, and dignified work.

The Government of National Unity's strategic priorities—economic recovery, social equity, and a capable state—align strongly with the goals of the BRICS Productivity Ecosystem. By situating South Africa as a proactive leader in this initiative, the country can anchor global South cooperation efforts and derive tangible benefits through shared expertise financial cooperation, and joint action. Ultimately, if productivity improvements are pursued alongside protections for labour rights, investments in human capital, and support for enterprises, the result will be more than economic growth—it will be a more just, equitable, and resilient society. South Africa's success will not only fulfil national goals but will also provide a replicable model for other developing nations in the Global South. South Africa has developed a robust legal and institutional framework that supports the principles of decent work and productivity as outlined by the ILO. Instruments such as the Constitution, Labour Relations Act, Employment Equity Act, and the National Development Plan demonstrate the country's commitment to inclusive growth and social justice. However, persistent challenges—such as high unemployment, inequality, skills mismatches, and technological disruption—continue to undermine efforts to build a thriving productivity ecosystem. These issues are compounded by implementation gaps and structural barriers in the economy.

The link between productivity growth and decent work should not be merely aspirational—it is essential. In the BRICS context (Brazil, Russia, India, China, and South Africa), where social

[126] See www.sustainabledevelopment.un.org (accessed 16 February 2025).

inequality, youth unemployment, and structural economic challenges intersect with the need for green transitions and digital transformation, the construction of *Productivity Ecosystems* emerges as a strategic response to a changing global landscape. South Africa's leadership in the BRICS Productivity Ecosystem initiative reflects its commitment to a transformative development model that integrates economic growth, social justice, and environmental sustainability. Rather than pursuing productivity gains at the expense of labour rights or social cohesion, this model is grounded in inclusive and participatory processes that place workers, communities, and enterprises—especially small and medium-sized ones—at the center.

A holistic understanding of productivity is critical in appreciating how BRICS countries can effectively promote decent work. Traditional productivity frameworks often emphasize output per labour hour without considering the quality of work, the environmental footprint, or the distribution of gains. In contrast, the BRICS Productivity Ecosystem model emphasizes: one, human-centered productivity, recognizing workers as co-creators of value, not just factors of production; two, social dialogue and participation involving workers' and employers' organizations in shaping productivity strategies; and three, decent work outcomes: Ensuring gains in productivity translate into improved wages, job security, occupational health, and skills development.

Anchoring productivity in local development cannot be overemphasised. For South Africa and other BRICS countries, the model offers an opportunity to revitalize industrial policies and regional development strategies. Productivity ecosystems are not abstract—they are built in local production systems, such as agro-processing zones, digital services hubs, green economy clusters, or manufacturing corridors. In South Africa, initiatives could focus on township economies and informal sector formalization, youth employment through skills development in emerging sectors, and just transitions in mining regions affected by decarbonization. Across BRICS, countries can exchange knowledge and tools on value chain upgrading with social safeguards, gender-responsive innovation, and financing mechanisms that reward social and environmental outcomes.

It is important to note that sustainability is a driver and not a constraint, where environmental imperatives—especially climate adaptation and the transition to low-carbon economies—require a rethinking of productivity itself. BRICS countries could lead by example in aligning productivity with green jobs, circular economy models, and resilient infrastructure. South Africa, for instance, can pioneer the integration of climate-smart agriculture in rural productivity ecosystems, green skills training linked to renewable energy value chains, and public-private partnerships to retrofit industries while safeguarding employment. Regarding digital transformation and equity, technology can widen productivity gaps—or bridge them. A worker-centred productivity ecosystem leverages digital tools to expand access, enhance transparency, and support lifelong learning. BRICS cooperation could support platforms for SMEs to access technology and markets, and South-South exchange of digital innovation in public services and vocational training.

The role of South-South and triangular cooperation remains critical. The BRICS framework offers a platform to mainstream SSTC into productivity agendas. Through peer learning, technical cooperation, and policy experimentation, BRICS countries can co-create models that are context-sensitive and people-centered. South Africa could share its experience in productivity diagnostics and social dialogue mechanisms. Joint pilot projects could be launched in third countries, particularly in Africa, combining BRICS technical expertise with ILO guidance on decent work. Regarding productivity for people and planet, the BRICS Productivity Ecosystem initiative, championed by South Africa, provides a compelling framework for balancing economic efficiency with equity and sustainability. By grounding productivity in local realities, social dialogue, and human development, BRICS countries can turn productivity into a true lever of inclusive growth and decent work—not just for their own people, but as a model of cooperation for the Global South.

Addressing these challenges requires a multi-dimensional and coordinated approach involving government, employers, labour organizations, and civil society. There is a compelling need to move beyond policy formulation towards effective execution, innovation, and inclusive participation. By

embracing inclusive policy implementation, responsive skills development, responsible technological advancement, and meaningful social dialogue, South Africa can realize a productivity ecosystem that not only boosts economic performance but also secures decent and dignified work for all. The success of this vision will hinge on the country's collective will to transform commitments into concrete outcomes.

South Africa's engagement in building a productivity ecosystem for decent work through the BRICS framework and South-South cooperation represents a significant step towards addressing long-standing structural barriers to inclusive growth. The country has adopted an impressive array of strategies to enhance workforce skills, integrate technology, support enterprises, formalize informal work, and build green and sustainable employment pathways. Nonetheless, persistent gaps in implementation, coordination, and systemic inclusivity hinder the full realization of these goals. Therefore, South Africa must intensify efforts in aligning education with labour market demands, promoting innovation and infrastructure, and ensuring no one is left behind during the digital and green transitions.

By embracing these strategic recommendations and leveraging its role within BRICS and global partnerships, South Africa can position itself as a leader in fostering inclusive productivity and decent work—contributing not only to national resilience and economic transformation, but also to broader regional and global development goals. South Africa, as the initiator and current leader of the BRICS Productivity Ecosystems for Decent Work Platform, plays a pivotal role in aligning national development priorities with broader BRICS goals. The South African study outlines how key national policies like the National Development Plan 2030 and sectoral interventions in automotive and leather industries already reflect the productivity-decent work nexus. Drawing lessons from Brazil's Nova Indústria Brasil strategy—which integrates green industrialization, formalization, and innovation incentives—South Africa can similarly advance mission-oriented policies that prioritize decent work, digital transformation, and sustainability.

The challenges faced by Brazil, including persistent informality, weak innovation uptake, and mismatches between education and productivity, offer cautionary insights for South Africa, especially in designing effective formalization policies and improving the quality—not just the quantity—of education. China's case study reinforces the value of sectoral productivity diagnostics and robust data systems, which South Africa can replicate through its pilot programs and potentially scale into a regional productivity observatory. By anchoring interventions at the macro, meso, and micro levels—ranging from national industrial policy coherence to enterprise-level improvements and inclusive vocational training—South Africa demonstrates how productivity can be both inclusive and worker-centered. Moreover, South-South and triangular cooperation, particularly with India, Brazil, Ethiopia, and China, offers South Africa pathways to deepen partnerships in areas such as green jobs, social protection, skills development, and just transitions. In this context, South Africa is not only a case study but also a strategic convener for systemic change across the BRICS countries, advancing a shared vision of sustainable, equitable, and productivity-driven growth.

From a South-South and triangular cooperation (SSTC) perspective, the BRICS Productivity Ecosystems for Decent Work initiative represents a transformative model for collective action among developing economies. It exemplifies how countries of the Global South can co-create innovative, context-sensitive approaches to align productivity growth with social justice and environmental sustainability. Through peer learning, policy dialogue, and technical cooperation, South Africa and its BRICS partners are demonstrating that cooperation among equals can yield practical solutions to shared challenges—ranging from informality and youth unemployment to digital and green transitions. By fostering joint research, sectoral diagnostics, and pilot projects across regions, the initiative turns SSTC into a mechanism for systemic learning and inclusive development. South Africa's leadership within this framework not only strengthens national capacity but also positions the country as a catalyst for a broader Global South agenda—one that views productivity not merely as economic output, but as a pathway toward decent work, resilience, and shared prosperity.

Bibliography

Articles

April K., 'Human Rights in South African Workplace: From Fighting Apartheid to Tackling Exclusion.' Available at https://www.gsb.uct.ac.za/ideas-exchange/covid-19/human-rights-sa-workplace-fighting-apartheid-tackling-exclusion

Chetty K. *et al*, Human Sciences Research Council, 28 September 2022. Financing renewable energy in South Africa: Lessons from India and China, available at https://hsrc.ac.za/news/review/financing-renewable-energy-in-south-africa-lessons-from-india-and-china/

Dube Jerit, Analysing the Nexus between Innovation and Knowledge Sharing among Small and Medium Enterprises (SMEs) in Promoting Development in BRICS Countries.

Edoun *et al*, Rameetse and Pooe, 'Capacity Building as a tool for Effective Local Governance in South Africa' (29) *Journal of Public Administration, Finance and Law* 111-121, https://doi.org/10.47743/jopafl-2023-29-10

Isaac M, 'SA graduates may get the job but lack the skills', IOL, 13 September 2021, https://www.iol.co.za/news/education/sa-graduates-may-get-the-job-but-lack-the-skills-d9f95655-700c-4237-abb9-55dac76d940d

Kumar S. M., 'India and South Africa, an Energy Match', Business Live, 4 March 2025, https://www.rmb.co.za/news/india-and-south-africa-an-energy-match

Magwentshu N, *et al, The Future of work in South Africa, Digitisation, Productivity and Job Creation*, Mckinsey & Company, 4 September 2019, https://www.mckinsey.com/~/media/mckinsey/featured%20insights/middle%20east%20and%20africa/the%20future%20of%20work%20in%20south%20africa%20digitisation%20productivity%20and%20job%20creation/the-future-of-work-in-south-africa.pdf

Ncamphalala *et al*, Capacity-Building Initiatives for Improved Services in South African Municipalities (December 04, 2024). OIDA International Journal of Sustainable Development, 18 (09), 11-22, 2025, SSRN: https://ssrn.com/abstract=5250261

Xiaohong Y. *et al*, Research on technical cooperation path of renewable energy between China and South Africa, Front. Energy Res., 10 May 2024. Sec. Sustainable Energy Systems, Volume 12-2024. https://doi.org/10.3389/fenrg.2024.1411546

Zotova Elena, "Transition to formal employment in the BRICS countries: Challenges and perspectives" *BRICS Journal of Economics* 3(2): 51-74. Available at https://doi.org/10.3897/brics-econ.3.e85847

Internet Sites

Augustine C, SA Automotive Sector, 21 February 2024, https://www.gov.za/blog/sa-automotive-sector#:~:text=The%20automotive%20sector%20is%20one,employs%20over%20110%20000%20people

BRICS + and ILO Cooperation, May 2024 available at https://www.ilo.org/sites/default/files/2024-10/BRICS-2024-Factsheet-Final%5B1%5D.pdf

BRICS Brasil 2025 at https://brics.br/en

Construction Health and Safety Agency (CHSA) Vision. https://cdn.ymaws.com/masterbuilders.site-ym.com/resource/resmgr/docs/construction_accord_final_do.pdf

Crown Publication, 'Nationwide pledge for workers in the construction sector', 23 October 2024. https://www.crown.co.za/construction-world/marketplace/30536-nationwide-pledge-for-workers-in-the-construction-sector

Decent Jobs for Youth, Monetary Incentives to Boost Workers' Formalization: Pilot Programmes in Brazil and Mexico. https://www.decentjobsforyouth.org/resource-details/Blogs/1149

Department of Employment and Labour https://www.labour.gov.za/about-us

Department of Employment and Labour, 'Employment and Labour leads signing of nationwide pledge for workers in construction sector, 30 Oct-1 Nov', (22 October 2024) https://www.labour.gov.za/a-pledge-to-promote-decent-work-and-safety-in-the-construction-sector-signed-in-two-stop-leg-in-the-western-cape

Department of Health, National Health Insurance, https://www.health.gov.za/nhi/

Department of Higher Education and Training, *Identification of Skills Gaps in South Africa: A Popular Research Report (2024)* https://lmi-research.org.za/wp-content/uploads/2024/04/LMI-1-11-C2B-Popular-ID-SkillGapSA-WEB.pdf

Department of Labour, https://www.labour.gov.za/employment-and-labour-director-general-unveils-a-wish-to-formalise-the-informal-sector#:~:text=The%20Director%20General%20of%20Employment,for%20the%20Head%20of%20States

Department of Planning, Monitoring & Evaluation, Revised Medium-Term Strategic Framework 2019-2024. https://www.dpme.gov.za/keyfocusareas/outcomesSite/MTSF_2019_2024/Final%20Revised%20MTSF%202019-2024%202021.pdf

Department of Small Business Development, http://www.dsbd.gov.za

Department of Trade, Industry and Competition, Available at https://www.thedtic.gov.za

Demmou, L. and Kergozou, N., Enhancing job creation and workforce integration in a changing economy. In: *OECD Economic Surveys: South Africa 2025*, OECD Publishing, Paris, https://doi.org/10.1787/7e6a132a-en

Ensuring decent work, dignity, and respect for all Declaration of the Ninth BRICS Labour and Employment Ministers' Meeting held on 29 September 2023, Republic of South Africa https://www.brics23.com/wp-content/uploads/2023/09/7-a-Declaration-of-the-Ninth-BRICS-LEMM-2023-FINAL.pdf

Executive Order, February 7, 2025. Available at https://www.whitehouse.gov/presidential-actions/2025/02/addressing-egregious-actions-of-the-republic-of-south-africa/

Fairwork (2021). Fairwork South Africa Ratings 2021. Labour Standards in the Gig Economy. Cape Town South Africa; Oxford, United Kingdom. Available at https://fair.work/wp-content/uploads/sites/17/2021/07/Fairwork-South-Africa-2021-report.pdf

Fall, F.; Cahu, P; Fialho, P., Boosting productivity to improve living standards. In *OECD Economic Surveys: South Africa 2022*, OECD Publishing, Paris, https://doi.org/10.1787/d6a7301d-en.

Geared for Growth South Africa's Automotive Industry Master Plan to 2035: A report of the Automotive Master Plan Project, https://www.thedtic.gov.za/wp-content/uploads/Masterplan-Automotive_Industry.pdf

GNU Priorities and Key Actions, https://www.stateofthenation.gov.za/assets/downloads/gnu-summary.pdf

Good Practices in South-South and Triangular Cooperation. https://southsouthpoint.net/2023/10/09/publication-compilation-on-south-south-and-triangular-cooperation-good-practices-academy-on-labour-migration-edition-2023/

González, P.; Sehnbruch, K.; Apablaza, M.; Pineda, R. M.; Arriagada, M. (2021). A multidimensional approach to measuring quality of employment (QoE) deprivation in six Central American Countries. Social Indicators Research, v. 158. https://link.springer.com/article/10.1007/s11205-021-02648-0

Green Jobs Report, https://www-idc-co-za.b-cdn.net/wp-content/uploads/2018/11/Greenjobs.pdf

HelloChoice, https://www.hellochoice.co.za/home

ILO's Decent Work Agenda, https://www.ilo.org/topics/decent-work

Independent Transmission Projects, https://www.ipp-projects.co.za

International Labour Organization, A Market Systems Analysis of Construction Sector in South Africa, Available at https://www.ilo.org/sites/default/files/2025-02/MSA%20Report%20South%20Africa.pdf

ITC Turin, https://www.itcilo.org/topics/capacity-building

JET Education Services, https://www.jet.org.za/resources/jet-work-based-value-report-web.pdf/download

JET Implementation Plan 2023-2027, https://www.stateofthenation.gov.za/assets/downloads/JET%20Implementation%20Plan%202023-2027.pdf

Khula, https://www.khula.co.za

Kumo, W. L. (2017). Factor Productivity and Potential Output Growth in South Africa. Working Paper Series, no. 263, May 2017. African Development Bank Group. https://ideas.repec.org/p/adb/adbwps/2374.html

Labour market dynamics in South Africa, 2023. https://www.statssa.gov.za/publications/Report-02-11-02/Report-02-11-022023.pdf

List of TVET colleges, https://www.dhet.gov.za/SitePages/TVETColleges.aspx

McCarthy, C. 2005., Productivity Performance in Developing Countries, Country Case Studies, South Africa. UNIDO, November 2005. https://downloads.unido.org/ot/48/51/4851630/TYPE_Productivity_performance_in_DCs_South_Africa.pdf

Metal and Engineering Industries Bargaining Council, Available at https://www.meibc.co.za

Mindset, https://www.mindset.africa

National Bargaining Council for the Clothing Manufacturing Industry, Available at https://nbc.org.za

National Bargaining Council for the Private Security Sector, Available at https://nbcpss.org.za

National Bargaining Council for the Road Freight and logistic Industry, Available at https://www.nbcrfli.org.za

National Development Plan 2030: Our Future-make it work, available at https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf

National Economic Development and Labour Council, https://nedlac.org.za

National Youth Service Programme, https://nydawebsite.azurewebsites.net/Products-Services/National-Youth-Services-Programme.html

NEDLAC Revised Strategic Plan 2020/21 to 2024/25. https://nedlac.org.za/wp-content/uploads/2021/10/B-Final-NEDLAC-Strategic-Plan-2020-25-signed.pdf

OECD (2025), *OECD Economic Surveys: South Africa 2025*, OECD Publishing, Paris, https://doi.org/10.1787/7e6a132a-en.

OECD (2022), *OECD Economic Surveys: South Africa 2022*, OECD Publishing, Paris, https://doi.org/10.1787/d6a7301d-en.

OECD (2020), *OECD Economic Surveys: South Africa 2020*, OECD Publishing, Paris,

https://doi.org/10.1787/530e7ce0-en.

OECD (2017), *OECD Economic Surveys: South Africa 2017*, OECD Publishing, Paris, https://doi.org/10.1787/eco_surveys-zaf-2017-en.

OECD (2015), *OECD Economic Surveys: South Africa 2015*, OECD Publishing, Paris, https://dx.doi.org/10.1787/eco_surveys-zaf-2015-en.

Productivity SA, https://productivitysa.co.za/productivitysa.co.za/index.html

Renewable Energy Independent Power Producer Procurement Programme in South Africa, https://ndcpartnership.org/knowledge-portal/good-practice-database/south-africas-renewable-energy-independent-power-producer-procurement-programme

Siyavula, https://www.siyavula.com

Skills & Youth Employment, https://www.nbi.org.za/focus-areas/economic-inclusion/skills-youth-employability/

Skills Development Programmes, https://www.tourism.gov.za/CurrentProjects/Youth%20Skills%20Programme/Pages/Youth_Skills_Programme.aspx

Small Enterprise Development Agency, https://www.seda.org.za

Small Enterprise Development and Finance Agency, https://www.sefa.org.za

Snapplify, https://www.snapplify.com

South African Government, "Minister Rob Davies unveils National Informal Business Upliftment Strategy", https://www.gov.za/news/media-statements/minister-rob-davies-unveils-national-informal-business-upliftment-strategy-17

State of the Nation, https://www.stateofthenation.gov.za/assets/downloads/gnu-summary.pdf

StatsSA, 'Statistics South Africa on Official unemployment rate in the third quarter of 2024'. https://www.gov.za/news/media-statements/statistics-south-africa-official-unemployment-rate-third-quarter-2024-12-nov#:~:text=The%20official%20unemployment%20rate%20was,persons%20to%208%2C0%20million

Sustainable Development Goals, www.sustainabledevelopment.un.org

Swiss South African Cooperation Initiative (SSACI) (2024). *Identification of Skills Gaps in South Africa: A Popular Research Report*, https://lmi-research.org.za/wp-content/uploads/2024/04/LMI-1-11-C2B-Popular-ID-SkillGapSA-WEB.pdf#:~:text=A%20skills%20gap%20can%20be%20caused%20by,lack%20of%20investment%20in%20training%20and%20education.&text=In%202019%2C%20it%20was%20reported%20that%20South,compared%20to%2030%20other%20countries%20(Isaac%2C%202023)

TVET colleges, https://nationalgovernment.co.za/units/type/9/tvet-college

UCT Online, https://www.uctonlinehighschool.com

Unemployment Insurance Fund, https://ufiling.labour.gov.za/uif/

Woodward S., Automotive Sector Head at RMB. https://www.rmb.co.za/news/localisation-essential-to-transform-sas-automotive-sector

World Bank, Available at https://www.worldbank.org/en/country/southafrica/ohttps://www.worldbank.org/en/country/southafrica/overviewverview

World Bank (2021) Global Productivity: trends, drives and policies. Edited by: Alistair Dieppe. International Bank for Reconstruction and Development, Washington, DC.
https://www.worldbank.org/en/research/publication/global-productivity

Legislation

Basic Conditions of Employment 75 of 1997.

Constitution of the Republic of South Africa, 1996.

Employment Equity Act 55 of 1998.

Employment Services Act 4 of 2014.

Labour Relations Act 66 of 1995.

Reports and Documents

Paterson, A., Keevy, J. & Boka, K. (2017). *Exploring a Work-Based Values Approach in South African TVET Colleges to Improve Employability of Youth: Literature review*. Johannesburg:

G.A. Res. 70/1, Transforming our World: the 2030 Agenda for Sustainable Development, at 19–20 (Oct. 21, 2015).

Annex 1: Tables and Figures

Table A1: Nine-sector categories

Sector	Description
Agriculture	Agriculture, forestry, and fishing
Mining	Mining and quarrying
manufacturing	Manufacturing
Utilities	Electricity, gas, steam and air conditioning supply
Construction	Construction
Trade services	Wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service activities
Transport services	Transportation and storage; Information and communication
Financial and business services	Financial and insurance activities; Real estate activities; Professional, scientific and technical activities; Administrative and support service activities
Other services	Public administration and defense; compulsory social security; Education; Human health and social work activities; Arts, entertainment and recreation; Other servisse activities; Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; Activities of extraterritorial organizations and bodies

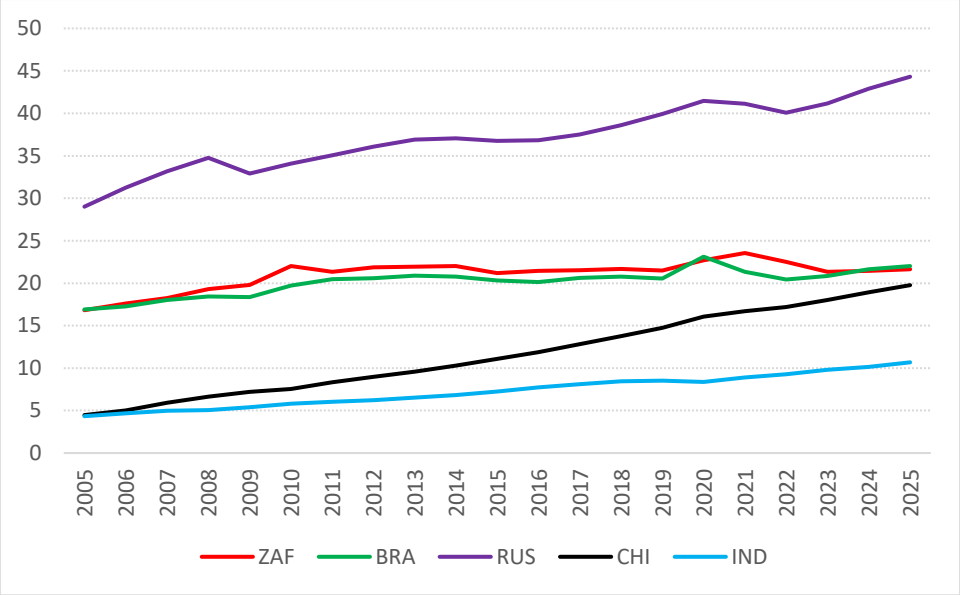
Source: Dieppe, A., S. Kilic Celik, and G. Kindberg-Hanlon. 2020. "Global Productivity Trends." In Global Productivity: Trends, Drivers, and Policies - World Bank Group.

Table A2: Dimensions, indicators, and weights

Dimension	Indicator	Cut-offs (A individual is deprived if..)	Weight
Labor income	Índice de Rendimentos	Income is lower than 6 times the national basic food basket.	1/4
Employer stability	Tenure	Less than 36 months in the current job	1/8
Employment security	Social security	No affiliation to a social security system	1/8
	Occupational status	Self-employment without higher education or employed without a contractr	1/8
Employment conditions	Excessive work intensity	Works more than 48 h per week	1/4

Source: González, Sehnbruch, Apablaza, Pineda, Arriagada (2021).

Figure A1: Labour Productivity – 2005-2025(%)



Source: ILO Stats (https://ilostat.ilo.org/topics/labour-productivity/).
Note: Output per hour worked (GDP constant 2021 international $ at PPP) -- ILO modelled estimates, Nov. 2024.

Figure A2: Within vs Between – 1980-19944(%)

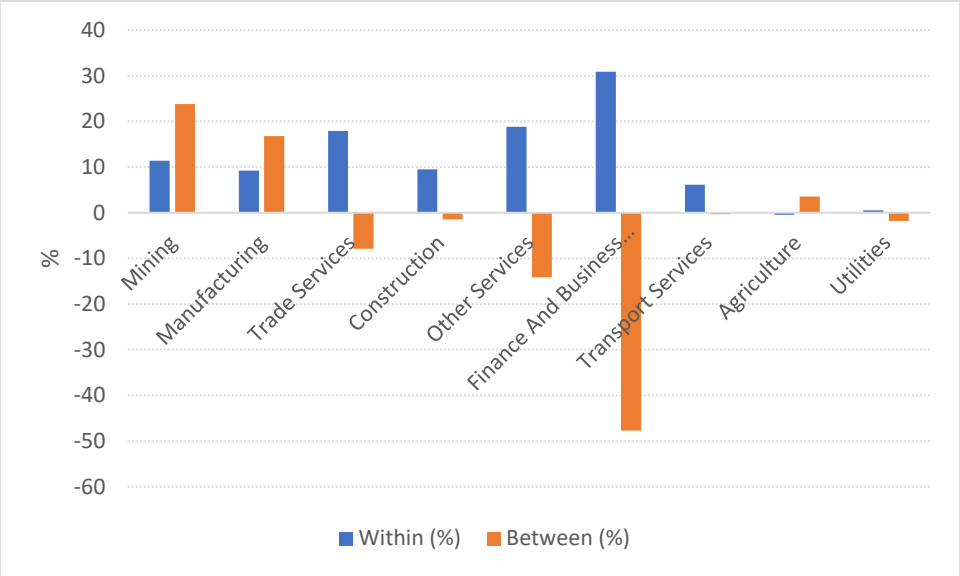


Figure A3: Within vs Between – 1995-2008(%)

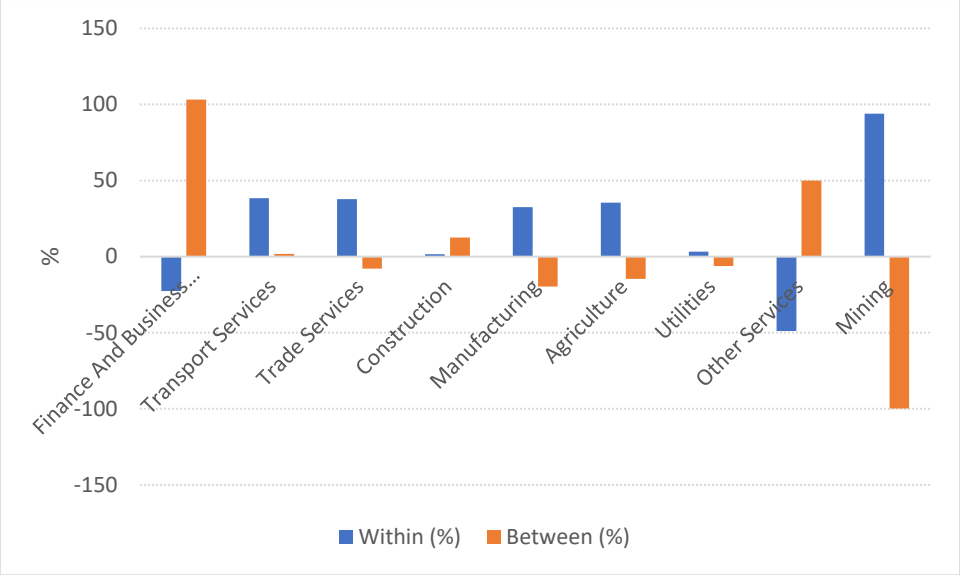
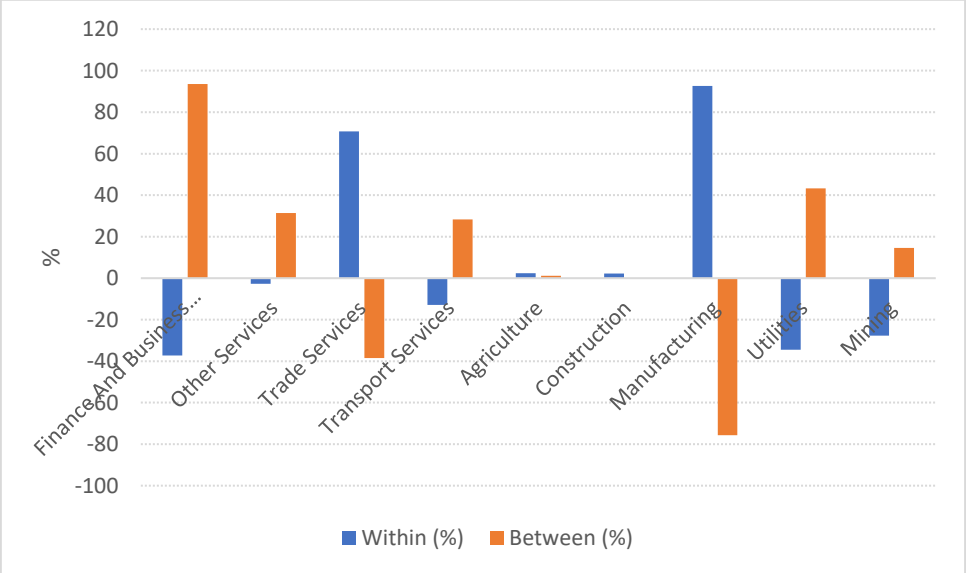


Figure A4: Within vs Between – 2009-2017(%)



Annex 2: Key Information Interview Guide

BRICS & Productivity Ecosystems for Decent Work: The Case of South Africa

Key Informant Interview Guide

Category 1-4: Representatives from: ILO South Africa; Department of Labour; Department of Trade Industry and Competition; and Trade Unions

Welcome the interviewee to the session. • Introduce self and observers (if any). Explain the purpose of the session and inform the interviewee that it will not be more than one hour. • Assure the interviewee that the session is confidential / 'off the record'. The analysis will be non-attributable. • Inform the interview of the value of an audio record and seek their permission to use a tape recorder. Reassure them about the confidentiality / security of the recording. (If the interviewee objects to the recording conduct the interview without) • Explain there are no right or wrong answers, and their honest opinions are valued. • Ask the interviewee to briefly introduce themselves stating their name and position held in society.

Interviewer Name:	
Country:	
Name of Interviewee:	
Organisation/Department/Company and Position	
Date of Interview	
Length of interview	

Section 1: Effective Practices and Policies Promoting Productivity and Decent Work in South Africa

1. Give examples of practices aimed at promoting productivity and decent work in South Africa.

2. Give examples of policies aimed at promoting productivity and decent work in South Africa.

3. Are the practices and policies effective towards contributing to the development of BRICS Productivity Ecosystems for descent work at these levels: -

a. *Macro level?*
b. *Meso level?*
c. *Micro level?*

SECTION 2: TAILORED SET OF ACTIONABLE POLICY RECOMMENDATIONS

4. Please list of the tailored set of actionable policy recommendations that reflect a unique economic and social context of South Africa.

5. Do you consider these policy recommendations effective in strengthening South-South cooperation in addressing barriers to productivity growth and decent work?

SECTION 3: STRATEGIES ENHANCING COLLABORATION AMONG GOVERNMENTS, PRIVATE SECTORS, AND CIVIL SOCIETY

6. List strategies which could potentially enhance collaboration among governments, private sectors, and civil society organizations across BRICS nations.

7. How effective are these strategies in promoting a unified approach to enhance productivity and decent work through South-South partnerships?

SECTION 4: SOUTH-SOUTH AND TRIANGULAR COOPERATION FOR PRODUCTIVITY ECOSYSTEMS FOR DECENT WORK

8. Provide specific examples of South-South and Triangular Cooperation (SSTC) initiatives aimed at formalizing informal economies, fostering social protection, and improving labour conditions across sectors in South Africa.

9. What impact do these examples (of SSTC initiatives) have on productivity ecosystems for decent work in South Africa?

SECTION 5: CONCLUSION AND RECOMMENDATIONS

10. Based on the responses given above, please provide concluding remarks or recommendations (if any)