

Hosted by the

Development Policy Research Unit



Employment Promotion Programme



Trade & Industrial Policy Strategies



SPONSORS





PLENARY SESSION 1

09:00-10:00

Registration



10:00-12:00

Plenary Session 1

Keynote Speaker 1: Shanta Devarajan (The World Bank)

Presented by Sandeep Mahajan (The World Bank)

Topic: *Politically Realistic Solutions to South Africa's Unemployment and Service-Delivery Problems*

Keynote Speaker 2: Duncan Campbell (International Labour Office)

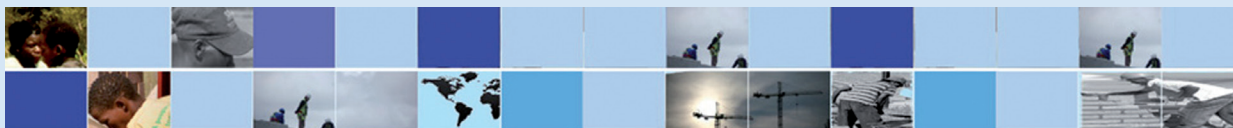
Topic: *The Non-Mystery of Employment-Led Growth*

Questions & Comments

Chair: Haroon Borat (DPRU, University of Cape Town)

12:00-13:00

Lunch



Conference
2010

Day One
Wednesday, 27 October 2010

PARALLEL SESSION 1

13:00-14:30



20
YEARS

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
Four speakers per session: 15 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)

INJABULO 1

Parallel Session 1A: Financial Development and Economic Growth

Chair: Stephen Yeo (Centre for Economic Policy Research)

Speaker 1: *Decision Making in the Financial Investment Sector.* Ben Turok (Member of Parliament)

Speaker 2: *Financial Development and Economic Growth in Latin America: Schumpeter is Right!* Manoel Bittencourt (University of Pretoria)

Speaker 3: *South African Capital Flight: Amnesty International?* Samantha Ashman (University of the Witwatersrand), Ben Fine (University of London) & Susan Newman (University of the Witwatersrand)

Speaker 4: *Equity Market Valuation, Systematic Risk, and Monetary Policy.* Job Dubihlela (Vaal University of Technology) & Pat Obi (Purdue University Calumet)

INJABULO 2

Parallel Session 1B: The Financial Crisis: Global and Regional Impacts

Chair: Ravi Kanbur (Cornell University)

Speaker 1: *South Africa's Response to the World-Wide Recession.* Alan Hirsch (The Presidency) & Rudi Dicks (NALEDI)

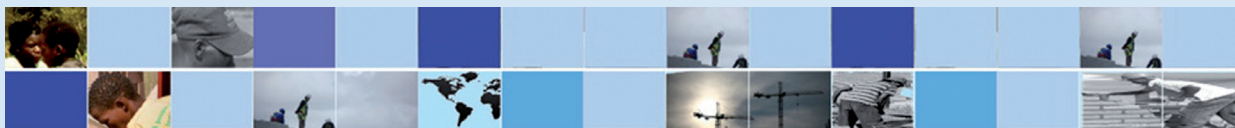
Speaker 2: *Trade Contraction in the Global Crisis: Employment and Inequality Effects in India and South Africa.* David Kucera (International Labour Office), Leanne Roncolato (American University) & Erik von Uexkull (International Labour Office)

Speaker 3: *Consequences of the Crisis and the Response or Non-Response by Provincial Government: A KwaZulu-Natal Case Study.* Clive Coetzee (KwaZulu-Natal Provincial Treasury)

14:30-15:00

Tea





Conference
2010



Day One
Wednesday, 27 October 2010

PARALLEL SESSION 2

15:00-16:30

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



20
YEARS

INJABULO 1

Parallel Session 2A: **Scarce Skills**

Chair: Makano Morojele (National Business Initiative)

Speaker 1: *Skills Development and Disempowerment: Unravelling Workplace Equity in Trying Economic Times!* Salim Akoojee (MERSETA)

Speaker 2: *Choices and Changes: FET Colleges and the Transition from School to Work.* Anthony Gewer (Jet Education Services)

Speaker 3: *An Analysis of the Skills Requirements in the Electricity Value-Chain.* Andrew Merrifield (University of Pretoria)

INJABULO 2

Parallel Session 2B: **Inflation Dynamics**

Chair: Ashraf Kariem (The Presidency)

Speaker 1: *Inflation Targeting Under Attack: Evidence From Emerging Market Economies.* Seedwell Hove, Albert Tounamama (University of Cape Town) & Fulbert Tchanatchana (Ministere des Finances du Quebec)

Speaker 2: *Producer Price Rigidity in a Small Open Economy: Evidence from South African PPI Micro Data.* Kenneth Creamer, Greg Farrell & Neil Rankin (AMERU, University of the Witwatersrand)

Speaker 3: *When the Remedy is Worse than the Disease: Adjusting Survey Income Data for Price Differential, with Special Reference to Mozambique.* Carlos Maia & Servaas van der Berg (Stellenbosch University)

16:30-17:00

Tea





PARALLEL SESSION 3

17:00-18:30

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



INJABULO 1

Parallel Session 3A: Social Grants, State Expenditure and Welfare Outcomes

Chair: [Rashad Cassim](#) (Statistics South Africa)

Speaker 1: *The Changing Dynamics of Child Grants in South Africa in the Context of High Adult Mortality.* [Hayley McEwen & Ingrid Woolard](#) (SALDRU, University of Cape Town)

Speaker 2: *Finding the Benefits: Evaluating the Impact of the South African Child Support Grant.* [Marisa Coetzee](#) (Stellenbosch University)

Speaker 3: *The Economic Influence of Infrastructural Expenditure in South Africa: A Multiplier and Structural Path Analysis.* [Channing Arndt](#) (University of Copenhagen), [Andres Garcia & Stewart Ngandu](#) (Human Sciences Research Council)

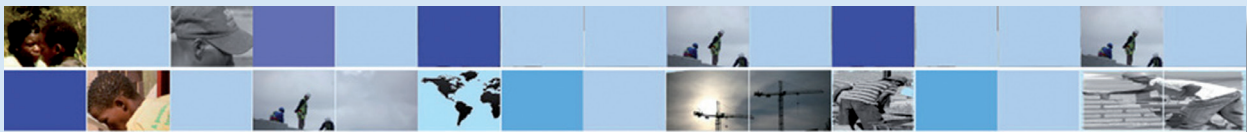
INJABULO 2

Parallel Session 3B: Measuring Social and Educational Progress

Chair: [Rob Davies](#) (Human Sciences Research Council)

Speaker 1: *A Study of the Size, Composition and Characteristics of the Middle-Class in South Africa.* [Justin Visagie](#) (University of KwaZulu-Natal)

Speaker 2: *Is Performance under the New Matric Curriculum still Significant in Predicting First-Year Academic Success in Economics?* [Zwakele Dlomo](#) (University of the Western Cape), [Ada Jansen](#) (University Stellenbosch), [Mariana Moses & Derek Yu](#) (University of the Western Cape)



Conference
2010



Day Two
Thursday, 28 October 2010

PARALLEL SESSION 4

09:00-10:30

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



INJABULO 1

Parallel Session 4A *Is Informal Normal in Low Income Countries? If So, What Does this Mean for Development Policy?*

Chair: Haroon Bhorat (DPRU, University of Cape Town)

Speaker 1: *What is Driving the Growth of Informal Firms in Africa?* Louise Fox (World Bank)

Speaker 2: *Taking from the Poor: The Taxation of Small informal Firms in East Africa.* Obert Pimhidzai (World Bank)

Speaker 3: *Country Case Study for Nigeria on Skills Development for Informal Sector Workers.* Alberto Behar (World Bank)

INJABULO 2

Parallel Session 4B: *The Global Crisis and Poverty Outcomes*

Chair: Kate Philip (Trade & Industrial Policy Strategies)

Speaker 1: *How did the Great Recession Affect Different Types of Workers? Evidence from Seventeen Middle-Income Countries.* Yoonyoung Cho & David Newhouse (World Bank)

Speaker 2: *Global Economic Crisis and Impacts on Pensioners within Selected Areas of South Africa.* Mpiana Kalula (Cape Peninsula University of Technology)

Speaker 3: *Fractional Multinomial Response Models with an Application to Expenditure Shares.* Steven F. Koch (University of Pretoria)

10:30-11:00

Tea





PARALLEL SESSION 5

11:00-12:30

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



INJABULO 1

Parallel Session 5A: **Poverty and Household Welfare**

Chair: [Rudi Dicks](#) (NALEDI)

Speaker 1: *Household Food Insecurity, Rapid Food Price Inflation and the Economic Downturn.* [Peter T Jacobs](#) (Human Sciences Research Council)

Speaker 2: *The Trajectory of Spatial Inequalities in South Africa – Widening or Narrowing?* [Ivan Turok](#) (Human Sciences Research Council)

Speaker 3: *Does ICT Benefit the Poor? Evidence from South Africa.* [Stefan Klonner](#) (Johann Wolfgang Goethe Universität) & [Patrick J Nolen](#) (University of Essex)

INJABULO 2

Parallel Session 5B: **Employment Opportunities and Outcomes**

Chair: [Ingrid Woolard](#) (SALDRU, University of Cape Town)

Speaker 1: *South Africa's Expanded Public Works Programme 2004 to 2009: Policy, Rhetoric, Reality and Opportunities Foregone during the Expenditure on Infrastructure of Over R30 Billion.* [Robert McCutcheon](#) & [Filip Taylor Parkins](#) (University of the Witwatersrand)

Speaker 2: *An Employment Guarantee: Exploring the Potential Impact of this New Policy Instrument on Inequality, Employment Policy, Social Protection and Labour Markets.* [Kate Philip](#) (Trade & Industrial Policy Strategies)

Speaker 3: *Fertility and Employment in an Urban African Context.* [Shaista Amod](#), [Neil Rankin](#) & [Gareth Roberts](#) (AMERU, University of the Witwatersrand)

12:30-13:30

Lunch



PARALLEL SESSION 6

13:30-15:00

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



INJABULO 1

Parallel Session 6A Subjective Measures of Welfare

Chair: [Marina Meyer](#) (Development Bank of Southern Africa)

Speaker 1: *Poverty and Headship in Post-Apartheid South Africa, 1997-2006.* [Michael Rogan](#) (University of KwaZulu-Natal)

Speaker 2: *Does Higher Income Contribute to Happiness? An Exploratory Study.* [Darma Mahadea](#) (University of KwaZulu-Natal)

Speaker 3: *Relative Standing and Subjective Well-Being in South Africa: The Role of Perceptions, Expectations and Family Mobility.* [Dorrit Posel & Daniela Casale](#) (University of KwaZulu-Natal)

INJABULO 2

Parallel Session 6B: Taxation and Trade Quotas

Chair: [Tanya Cohen](#) (Business Unity South Africa)

Speaker 1: *Gender, Poverty and Taxation: An Overview of a Multi-Country Study of Gender and Taxation.* [Imraan Valodia](#) (University of KwaZulu-Natal)

Speaker 2: *Clothing Quotas and Consumer Prices: Evidence from a Natural Experiment in South Africa.* [Lawrence Edwards](#) (University of Cape Town), [Tasha Naughtin & Neil Rankin](#) (AMERU, University of the Witwatersrand)

Speaker 3: *The Firm Level Impact of Small Business Tax Reform.* [Jonathan Friedland & Neil Rankin](#) (AMERU, University of the Witwatersrand)

15:00-15:30

Tea



PARALLEL SESSION 7

15:30-17:00

Guidelines for Presenters
90 minute Parallel Sessions

Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)



INJABULO 1

Parallel Session 7A: **Survey Data Quality Assessments**

Chair: [James Fairburn](#) (University of KwaZulu-Natal)

Speaker 1: *Defining and Measuring Informal Employment in South Africa: A Review of Recent Approaches.* [Derek Yu](#) (University of Western Cape)

Speaker 2: *A Comparison of the Self-Reported Employment Status and the Official Labour Market Classifications of Youth in South Africa.* [Gareth Roberts & Natasha Suchecki](#) (University of the Witwatersrand)

Speaker 3: *Ground Rules for Measuring Inequality in South Africa.* [Rashad Cassim](#) (Statistics South Africa)

INJABULO 2

Parallel Session 7B: **Regional Issues**

Chair: [Myriam Velia](#) (Trade & Industrial Policy Strategies)

Speaker 1: *The Concept of a Developmental State: Analytical and Historical Considerations for South African Policy-Making.* [Sean Archer](#) (University of Cape Town)

Speaker 2: *Towards a Regional Integration of Professional Services in Southern Africa.* [Nora Dihel, Ana M. Fernandes & Aaditya Mattoo](#) (The World Bank)

Speaker 3: *International Remittances to Sub-Saharan Africa, the Counter-Cyclical Debate and Economic Crisis in the OECD Countries.* [Abel E Ezeoha](#) (Rhodes University)

19:00

CONFERENCE DINNER

Speaker: [Minister Pravin J. Gordhan](#)

Minister of Finance





PARALLEL SESSION 8

09:00-10:30

*Guidelines for Presenters
90 minute Parallel Sessions*

*Three speakers per session: 20 minutes per speaker and 30 minutes for general discussion.
(Please Note: There will be no discussants)*



INJABULO 1

Parallel Session 8A: Wage Dynamics

Chair: Murray Leibbrandt (University of Cape Town)

Speaker 1: *Minimum Wage Enforcement in South Africa: Measurement and Determinants.* Haroon Bhorat (DPRU, University of Cape Town), Ravi Kanbur (Cornell University) & Natasha Mayet (DPRU, University of Cape Town)

Speaker 2: *English Language Proficiency and Earnings in a Developing Country: The Case of South Africa.* Daniela Casale & Dorrit Posel (University of KwaZulu-Natal)

Speaker 3: *Low-Wage Mobility in the South African Labour Market.* Claire Vermaak (University of KwaZulu-Natal)

INJABULO 2

Parallel Session 8B: The Global Financial Crisis – Micro Impacts

Chair: Ximena Gonzales-Nuñez (Trade & Industrial Policy Strategies)

Speaker 1: *The Global Financial Crisis and South Africa: What has been the Impact on the Labour Market?* Sher Verick (International Labour Office)

Speaker 2: *The Impact of the International Financial Crisis on Child Poverty in South Africa.* Margaret Chitiga et al (University of Pretoria)

Speaker 3: *Alone In Front of the Job Market: Some Qualitative Light on the Poverty and Labour Market Consequences of the International Crisis.* Catherine Cross (Human Sciences Research Council)

10:30-11:00

Tea





CLOSING PLENARY

11:00-13:00



Closing Plenary

Keynote Speaker 1: Paulo Vieira da Cunha (Tandem Global Partners)

Topic: *The Global Economic Crisis and South Africa*

Keynote Speaker 1: Sergio Schmukler (The World Bank)

Topic: *Bank Financing and SME Growth in Developing Countries*

Questions & Comments

Chair: Alan Hirsch (The Presidency)



SPEAKERS



Paulo Vieira Da Cunha is a Partner in Tandem Global Markets' Emerging Markets Fund where he is also the Head of Emerging Markets Research. Mr. Vieira da Cunha completed a two-year appointment as Deputy

Governor at the Central Bank of Brazil, where he was also a member of the Bank's Monetary Policy Committee (COPOM) and a representative to the G-20. For nearly a decade, he produced and managed research on Latin America for the global securities industry, first at Lehman Brothers and later at HSBC. Prior to that he held appointments at the World Bank, the International Monetary Fund, the government of the State of São Paulo and at research institutes and universities in Brazil and in the US. Mr. Vieira da Cunha holds a Ph.D. from the University of California at Berkeley.

Sandeep Mahajan is the World Bank's Lead Economist for South Africa, Botswana, Lesotho, Namibia, and Swaziland, and in that capacity leads the bank's economic policy dialogue in South Africa and oversees the quality of the Bank's program related to economic policy in the



BLNS countries. He has previously served as the Bank's Sr. Country Economist for Bangladesh, where he provided extensive advice to the government on issues related to growth, macro stability, trade policy, and labor markets. He has also worked at the Poverty Reduction and Economic Management anchor of the World Bank, where, among other things, he was coordinator of the Growth Thematic Group, a network of professionals across the Bank working on pro-poor growth issues from the research, policy formulation, and operational angles. His research interests and publications cover the fields of macro-economics, economic growth, volatility and inequality, and financial sector development. He has an A.B. from Bowdoin College, and holds M.A., M.B.A., and a PhD (with distinction) in Applied Economics and Managerial Science from the University of Pennsylvania.



SPEAKERS



Duncan Campbell is Director for Policy Planning in Employment at the International Labour Office. He joined the ILO in 1990 from the Wharton School of the University of Pennsylvania where he had been a member of the Management Department faculty and Associate Director of the Center for Human Resources. He joined the ILO with the International Institute for Labour Studies' programme on new industrial organization where his work concentrated on the labour market effects of rising economic openness and the cross-border organization of production and, later, on the economics of labour standards. He spent three years with the ILO's East Asia Multidisciplinary Team in Bangkok, working with ILO constituents largely in Thailand, Cambodia, Viet Nam, China, and Malaysia on issues relating to wage policy. At headquarters, he was responsible for the World Employment Report 2001 on information and communication technologies and the world of work, as well as, World Employment Report 2004-05: Employment, Productivity, and Poverty Reduction.



Conference
2010

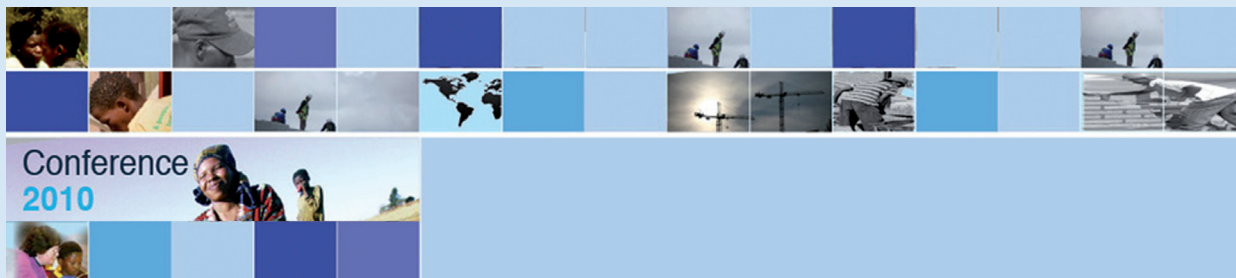
Speakers' Biographies

SPEAKERS

SERGIO SCHMUKLER is Lead Economist in the Development Research Group of the World Bank. He obtained his Ph.D. from the University of California at Berkeley in 1997, when he started working as a Young Professional at the World Bank. Since joining the Bank, he has been based at the Research Department. He has also worked continuously for the Office of the Chief Economist for Latin America and for the East Asia and South Asia regions. Besides his work for the Bank, he has been Treasurer of LACEA (Latin America and Caribbean Economic Association) since 2004, was Associate Editor of the Journal of Development Economics (2001-2004), visited and taught at Department of Economics, University of Maryland (1999-2003), and visited and worked at the International Monetary Fund Research Department (2004-2005). Before joining the World Bank, he worked at the U.S. Federal Reserve (Board of Governors), the Inter-American Development Bank Research Department, and the Argentine Central Bank. His research area is international finance and international financial markets and institutions. He has published several articles in academic journals and edited volumes on emerging markets finance, financial globalisation, financial crises and contagion, and financial development. He also co-authored the book *Emerging Capital Markets*

and Globalization, published by Stanford University Press and the World Bank. He has served as editor and referee for many academic journals and institutions.





20
YEARS



Directors of the DPRU

The Development Policy Research Unit (DPRU) has been recognised as a research unit by the Research Committee (URC), at the University of Cape Town, since 1990 and is located within the School of Economics.



Founding Members



Dave Kaplan



Dave Lewis



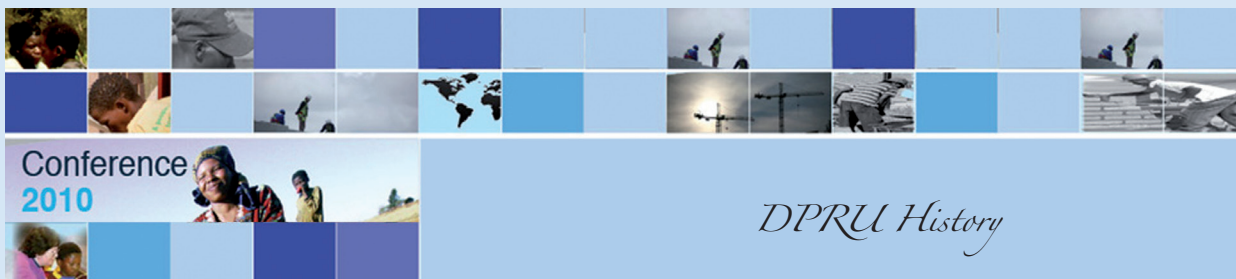
Alan Hirsch

Current Director



Haroon Borhat





DPRU History



The historical origins of the DPRU lie in the turbulent mid-1980s. When sanctions were adopted internationally as a means of bringing down the apartheid regime, the major independent trade union federation, the Congress of South African Trade Unions (COSATU), called together a number of progressive academics to examine the likely impact of sanctions. It soon became apparent that South African manufacturing industry had a number of structural weaknesses that transcended and pre-dated the imposition of sanctions. The work of these academics, located in a number of universities around the country, was accordingly expanded to an examination of the factors underpinning the poor performance of South African industry and the development of policies designed to reverse this poor performance. From the beginning, the collective of academic economists, many of whom were based within the Department of Economic History at the University of Cape Town and who cultivated a direct link to provide research support to the mass democratic movement (MDM) was organised within the Economic Trends (ET) Research Group.

The DPRU was founded as a research unit within the then Department of Economic History at the University of Cape Town by three members of that Department, namely Alan Hirsch, David Kaplan and David Lewis. The DPRU provided a focus for their research and also served to house and administer ET. When the Department of Economic History was dis-established in 1990, the DPRU and its attached academics were re-located to the School of Economics.

The DPRU has, since its establishment, been distinguished by the close attention paid to its links with the policy world. In the early 'nineties our links were, for obvious reasons, largely confined to the trade unions – through COSATU – and the African National Congress, with the Unit's research work making a major contribution to policy development in these influential organisations.

The DPRU had strong research linkages with the Institute of Development Studies (IDS) at the University of Sussex in Britain. The IDS had undertaken a number of studies internationally on the determinants of industrial performance, and in col-



DPRU History



laboration with an IDS Research Fellow, Raphael Kaplinsky, and with the strong support of COSATU, a project proposal to extend and develop the work that had been undertaken by ET was formulated. This proposal commenced in 1990 and received support from three international funding agencies - Olof Palme Foundation in Sweden, the IDRC in Canada and Humanistisch Instituut Voor Ontwikkelingssamenwerking (HIVOS) in Holland.

One of the anchor projects of the DPRU was the Industrial Strategy Project (ISP). This project was organised to provide a detailed examination of 12 major industrial sectors as well as a number of cross-cutting issues affecting industrial performance such as trade, competition policy, technology, regional and human resource development. The ISP was, by South African standards, a very large research project, eventually entailing some 36 person years of research activity as well as significant training activity. The ISP was located in and administered from the DPRU, and two of the ISP's directors, David Kaplan and David Lewis, were also members of the DPRU. For the next four years, most

of the work of the DPRU related to the ISP.

In recent years the DPRU has developed close links with the democratic government. The Unit has maintained links with the unions and with the business leadership, in part through involvement with the work of the tri-partite National Economic Development and Labour Council (NEDLAC). Testament to the Unit's preoccupation with policy development and a measure of its contribution to the building of capacity is the generous sprinkling of DPRU 'alumnae' in senior positions in the key economic ministries and government departments.



Sponsors



Funded by the United Kingdom Department for International Development (DFID), the Employment Promotion Programme is aimed at providing an enabling environment in South Africa for the expansion in aggregate employment and in part to assist in achieving the stated government objective of halving unemployment by 2014.

Following the successful implementation of the first and second phase of the project the grant was extended by a further three years in April 2010.

The key change between Phases I and II of the EPP was a shift from analysis and policy development to implementation. Global and local developments during 2008/2009 have, however, fundamentally altered the context in which the third phase of the EPP operates. The thematic areas of focus have been revised to take account of the impact of the global economic downturn and a new focus on the nature of economic policy interventions emerging from the shift in the political environment.



TIPS is an independent, not-for-profit economic research institution that has been actively supporting the development of economic policy since its inception in 1996. We facilitate policy development and dialogue across six key policy pillars including Trade, African Economic Integration, Industrial Development, Inequality and Economic Marginalisation, Sustainable Growth and Rural Development. We work closely with economic policy stakeholders in South Africa and beyond into Africa, particularly from the public sector and civil society, drawing from our networks with academia and other research partners across the continent and beyond.



The objective of the National Research Foundation (NRF) is to support and promote research through funding, human capacity development and the provision of the necessary research facilities, in order to facilitate the creation of knowledge, innovation and development in all fields of the natural and social sciences, humanities and technology, including indigenous knowledge systems.