DEPARTMENT OF SOCIOLOGY

INDUSTRIAL AND ECONOMIC SOCIOLOGY II

2019: SECOND TERM

SOCIOLOGY OF LABOUR MARKETS

LECTURERS:

Ms Keletso Gabobegwe  
(g13g5591@campus.ru.ac.za)  

Ms Julia Nkoana  
(g08n5361@campus.ru.ac.za)
INTRODUCTION

Welcome to the sociology of labour markets course. A labour market is a market where people offer their skills to employers in exchange for wages, salaries, and various other forms of compensation. In simpler terms, it is a place where labour is bought and sold. Labour markets are a central feature of our daily lives and hardly a week passes without a government minister talking about issues surrounding the labour market, such as globalization, unemployment, minimum wages, flexible labour, and so on.

There are currently two main approaches to labour markets; namely, the orthodox approach and the heterodox approach. The orthodox approach asserts that labour markets are synonymous with the markets for commodities (such as cars, furniture, food, and the like), in that, they are also governed by the ‘laws’ of supply and demand. This approach perceives human beings as mere commodities and disregards socio-economic factors that affect the buying and selling of labour. To this end, neo-liberal ideas on labour markets obtain most of their intellectual justification from the orthodox account. Despite this approach being, arguably, intellectually bankrupt, it has gained hegemonic status. It is not only taught in schools, colleges, and universities, but it also informs local, national, and global economic policy.

In opposition to the orthodox approach is a disparate group of heterodox economists and non-economists (such as industrial and economic sociologist) whose work is united around a common theme, namely, that labour markets are embedded in institutions or social structures (i.e. mechanisms, rules, resources, conventions, habits, powers, and so on). This approach contends that one cannot directly equate labour markets to commodity markets, as they are not shaped purely by the laws of supply and demand. Rather, labour markets are shaped by the interplay between various socio-economic factors. The outcome of this interplay is segmented labour markets, each governed by their own rules and conventions. The heterodox approach furnishes us with a set of theoretical and empirical insights from which an alternative approach to the orthodox approach can be forged. In sum, this course will focus on the structures of the labour market and the various factors that influence or are influenced by them.

STRUCTURE OF THE COURSE

This course will run over a six-week period and is divided into three thematic sections. The first section will set the scene for the course. It will introduce you to a sociological understanding of labour markets, followed by the conceptual underpinnings of current labour market theories and the approaches of these theories to unemployment (with a focus on youth unemployment) in South Africa. This section will be taught by Ms Keletso Gabobegwe (PhD Candidate, Department of Sociology). The second section of the course will focus on the
impact of social inequalities and the minimum wage on the South African labour market in the post-apartheid era. This section will be taught by Ms Julia Nkoana (PhD Candidate, Department of Sociology).

**COURSE OBJECTIVES**

At the end of this course, students will have developed:

- a solid understanding of the Sociology of the labour market;
- a firm grasp of the different theoretical approaches to the labour market;
- an understanding of how South African labour market outcomes are connected to global economic policies and processes;
- a conceptual understanding of labour market inequalities in post-apartheid South Africa; and
- an understanding of the impacts of the minimum wage on the South African labour force.

**COURSE REQUIREMENTS AND ASSESMENT**

This course will run from the 15th of April to the 24th of May 2019. Class attendance is mandatory and it is in your best interest to attend lectures as *all lecture content is examinable.*

The requirements for this course are as follows:

The assessment of this course will consist of:

- A coursework component worth 40% of the total mark for the course. The coursework assessment will consist of two tests. The first test will be written on the 3rd of May. The second test will be written on the 24th of May.

- An examination component worth 60% of the total mark for the course to be written in June.

**PLAGIARISM**

Plagiarism is viewed in a very serious light by the University. Any student found guilty of plagiarism will be sanctioned by the Department or the University. It is your responsibility to familiarise yourself with the University’s policy on plagiarism. See the University’s Plagiarism Policy at [http://www.scifac.ru.ac.za/plag.htm](http://www.scifac.ru.ac.za/plag.htm). You may subscribe to relevant software in the university to ensure that work is not plagiarised in any way. Contact the Centre for Higher Education Research, Teaching and Learning (CHERTL) for details.
SECTION 1: THEORIES OF THE LABOUR MARKET  
(MS KELETSO GABOBEGWE)

This section focusses on the two main theoretical approaches to the labour market, namely: (i) the neoclassical theory, which is rooted in the orthodox economics, and (ii) segmented labour market theories, which are rooted in heterodox economics. The neoclassical approach assumes a perfectly competitive labour market. By contrast, the main premise of segmented labour market theories is that the labour market is divided into a number of segments, each with its own characteristics and governed by different rules. This section will provide students with a contextual and conceptual understanding of the labour market as primarily a social institution, with specific reference to the South African labour market. It will be shown that neoclassical theory overlooks many of the labour market issues highlighted by the segmented labour market theory. In addition, this section will cover the issue of youth unemployment as one of the key trends in the South African labour market. This section provides the conceptual foundation for the next section of the course.

Compulsory Readings:


**Recommended readings:**


In its attempt to reverse the legacies of the apartheid labour market, the post-apartheid government developed wide-ranging labour market policies to address poverty and inequalities among South African households. This section will examine some of the challenges that are plaguing the South African labour market, 25 years after the demise of apartheid. These challenges include discrimination (based on race, gender, and disability) and skills shortages. This section will also cover the issue of minimum wages, which is one of the major policy interventions instituted by the democratic government of South Africa aimed at addressing the issues of poverty and inequalities in the labour market. Finally, the section will look at the impact of regulation on the South African labour market. In this regard, the concept of ‘regulated flexibility’ will be discussed. This concept is based on the approach outlined in the ILO Country Review, which includes both the employers’ interest in flexibility and the employees’ interest in security.

Compulsory Readings:


**Recommended Readings:**


