

INDUSTRIAL AND ECONOMIC SOCIOLOGY II

2026: TERM 1

SOCIOLOGY OF LABOUR MARKETS



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INTRODUCTION

The labour market, also known as the job market, refers to the supply and demand for labour in which employees provide the supply (labour), and employers provide the demand (jobs). It is a major economic component and is intricately linked to markets for capital, goods, and services. The study of labour markets is dominated by two main theoretical approaches: namely, the neo-classical labour market approach and the heterodox labour market approach.

The neo-classical approach stems from the orthodox economic school of thought and traditionally equates labour markets to commodity markets. This perspective explains labour market outcomes through the prism of supply and demand and perceives factors such as unemployment and inequality as labour market irregularities due to the lack of investments in human capital. This approach does not acknowledge the influence of socio-political factors in segmenting the labour market into unequal parts. As such, it has been heavily criticised by scholars from the heterodox school of thought.

The heterodox labour market approach does not denounce the notion of ‘supply and demand’, but argues that labour markets are also embedded in socio-political conditions and institutions. The heterodox approach also acknowledges the influence of factors such as race, class, sex and educational background (amongst other factors) as key determinants of labour market outcomes. The acknowledgement of these factors by the heterodox approach goes a long way in explaining the complex patterns that exist in labour markets, locally and globally.

This module will introduce students to these two broad schools of thought and will also interrogate the key drivers of labour market segmentation in the contemporary national and global economy. International trade occurs through global chains (GCs), which encompass the production, distribution, and sale of products across national borders. The establishment of GCs stems from the capitalists’ drive to expand their global footprint and profit margins. The drive for profits through GCs has a direct impact on the skills demanded by capital and the additional division of labour along the lines of race, class, and sex. By adopting the heterodox labour market approach, which perceives labour markets as ‘open systems’, this module seeks to connect the segmented labour market outcomes in GCs to the symbiotic interaction between

social, political, and economic relations. The module concludes with a case study on the South African agricultural sector, which is actively involved in global agri-food chains.

OBJECTIVES

This module will run over seven weeks (9 February – 20 March 2026), during which core themes will be explored every week. At the end of this module, students should have developed:

- a sound understanding of the dominant theories of labour markets;
- an understanding of the connection between neoliberalism, globalization and global chains;
- a basic understanding of the South African labour market, and the position of farm workers;
- an understanding of labour segmentation in South Africa's agricultural sector.

ASSESSMENT

This module will be assessed as follows:

Assignment

Students are required to submit one assignment (essays), which will count for 20% of the module mark. This essay must be typed and should not be more than 2,000 words, excluding the title page and list of references. In the absence of a valid LOA, no extensions to the due date will be granted. The essay must be submitted via Turnitin on RUconnected on **20 March** (before 17:00). The topic for this essay is as follows

Using theories and concepts covered in this module, critically discuss how the notion of 'market embeddedness' is evidenced in the labour outcomes of farm workers in South Africa.

Test

The second assessment will be in the form of a class test, which will be written on **27 February**. This test will count 20% of the module mark. The time and venue of the test will be announced in class

Please consult the *Sociology Handbook* for an outline of the University's policy on plagiarism, guidelines on the formatting and writing of assignments, the departmental rules regarding citations and referencing, and the criteria for assessing written work. All essays should have a (signed) cover page, a copy of which is available in the *Sociology Handbook*. Plagiarism is necessarily viewed in a serious light by all institutions of higher education. Any student found guilty of plagiarism will

be sanctioned by the Department or the University, depending on the severity of the infraction. It is your responsibility to familiarise yourself with the University's policy on plagiarism.

Examination

The June examination will consist of four questions, of which students will be expected to answer two. The questions for the June examination will be based on the central themes covered in the module. The examination will count 60% of the module mark. To perform well in both term assignments and the June examination, students are advised to cover the reading material made available by the lecturer.

Module Evaluation

To improve this module, the Department of Sociology requires students to complete an evaluation and provide feedback on the module. This feedback should focus on the content of the module, the methods used to present content, and the overall assessment methods. Student feedback, therefore, is crucial for the improvement of the module.

THEME 1: NEOCLASSICAL LABOUR MARKET APPROACH

This module section introduces students to the neoclassical labour market approach, rooted in neoclassical or orthodox economics. The latter assumes that markets are perfectly competitive, egalitarian, and self-regulating entities governed by the 'laws' of supply and demand. The neoclassical approach also contends that people are driven by self-interest. As such, they make rational and calculated choices to advance those interests. From this perspective, therefore, those who enjoy advantageous outcomes in labour markets are those who choose to invest in their human capital. The idea that everyone is driven by self-interest assumes that those who are marginalized in labour markets are doing so voluntarily. In general, the neo-classical labour market approach perceives labour markets as closed or self-contained systems and does not acknowledge the impact of socio-political factors in shaping labour market outcomes. Factors such as unemployment and inequalities in the labour market are perceived as anomalies, and not endemic to the system.

Key Readings:

Hass, J. (2006). *Economic sociology: An introduction*. London: Routledge. [Chapter 2]

Kjosavik, D.J. (2003). Methodological individualism and rational choice in neoclassical economics: a review of institutionalist critique. *Forum for Development Studies*, Vol. 30 (2), pp. 205-245.

Opp, K.D. (2020). Rational choice theory and methodological individualism. In: P. Kivisto (ed) *The Cambridge Handbook of Social Theory*, pp.1-23. Cambridge: Cambridge University Press.

Sweetland, S.R. (1996). Human capital theory: Foundations of a field of inquiry. *Review of Educational Research*, Vol. 66 (3), pp. 341-359.

Wolff, R.D. & Resnick, S.A. (2012). *Contending economic theories: Neoclassical, Keynesian, and Marxian*. [Cambridge, Massachusetts](#): MIT Press. [Chapter 2]

Additional Readings:

Bradley, H. and Taylor, M. (2009). Feudalism and Feudal Society. In: R. Kitchin and Thrift, N. (ed) *International encyclopaedia of human geography*, pp. 98-105. London: Elsevier.

Brayshay, M. (2009). Capitalism and Division of Labor. In: R. Kitchin and Thrift, N. (ed) *International encyclopaedia of human geography*, pp. 390-401. London: Elsevier.

Becker, G.S. (1993). *Human capital: A theoretical and empirical analysis, with special reference to education*. Chicago: University of Chicago Press. [Chapter 2, 3]

Fevre, R. (1992). *The sociology of labour markets*. London: Harvester Wheatsheaf. [Chapter 1]

Fine, B. (1998). *Labour market theory: A constructive reassessment*. London and New York: Routledge. [Chapter 3]

Howe, A. (1997). *Free trade and liberal England, 1846-1946*. Oxford: Oxford University Press. [Chapter 1]

Mueller, D.C. (2012). The Oxford handbook of capitalism. In: J.A. Frieden (ed.) *The modern capitalist world economy: A historical overview*, pp.17-37. Oxford: Oxford University Press.

THEME 2: HETERODOX LABOUR MARKET APPROACHES

This section explores the theoretical weaknesses of the neo-classical labour market approach, whilst introducing students to the heterodox approach to the study of labour markets. The starting point of the heterodox approach to labour markets is the acknowledgement of labour markets as open rather than closed systems, as proposed by neo-classical scholars. The ‘openness’ of labour markets to external forces means that they are shaped by, and in turn shape, the forces that structure society. In short, markets are not isolated from the societal processes in which they are embedded. As such, heterodox scholars are not only challenging the claims of neo-classical economists but are also attempting to address the conceptual oversights in their analysis of labour markets. This section of the module will introduce students to the labour market segmentation (LMS) theory, which is one of the central theories within the heterodox school of thought.

Key Readings:

Peck, J. (1996). *Workplace: The social regulation of labour markets*. New York: Guilford Press. [Chapters 3].

Polanyi, K. & MacIver, R.M. (1944). *The great transformation*. Boston: Beacon Press. [Chapters 4, 5, 6]

Reich, M., Gordon, D.M. & Edwards, R.C. (1973). A theory of labour market segmentation. *The American Economic Review*, Vol. 63 (2), pp. 359-365.

Additional Readings:

Cain, G.G. (1976). The challenge of segmented labour market theories to orthodox theory: A survey. *Journal of Economic Literature*, Vol. 14 (4), pp. 1215-1257.

Dickens, W.T. & Lang, K. (1992). *Labour market segmentation theory: Reconsidering the evidence*. Working Paper: 4087. NBER Working Papers Series, National Bureau of Economic Research.

Doeringer, P.B. & Piore, M.J. (1985). *Internal labour markets and manpower analysis*. New York: ME Sharpe. [Chapters 2, 3, 7 and 8]

Fleetwood, S. (2006). Rethinking labour markets: A critical-realist-socioeconomic perspective. *Capital & Class*, Vol. 30 (2), pp. 59-89.

Leontaridi, M. (1998). Segmented labour markets: theory and evidence. *Journal of Economic Surveys*, Vol. 12 (1), pp. 103-109.

Loveridge, R. & Mok, A.L. (2012). *Theories of labour market segmentation: A critique*. London: Martinus Nijhoff Social Sciences Division. [Chapters 3 and 5].

THEME 3: DRIVERS OF LABOUR MARKET SEGMENTATION

This section of the module outlines some of the drivers of labour market segmentation. Human capital theory focuses solely on the education and skills that determine labour market outcomes, but often fails to acknowledge the impacts of social, economic and political factors that influence labour market outcomes. This section examines how factors such as race, sex, class, and nationality (among others) segment the outcomes of people in labour markets. Taking these factors into consideration is not a denial of the role of human capital in determining labour market outcomes. This section shows that labour markets are connected to and impacted by societal processes. The outcomes of people in the labour markets are also influenced by social factors.

Key Readings:

Ashiagbor, D. (2021). Race and colonialism in the construction of labour markets and precarity. *Industrial Law Journal*, Vol. 50 (4), pp. 506-531.

Hartmann, H. (1976). Capitalism, patriarchy, and job segregation by sex. *Signs: Journal of Women in Culture and Society*, Vol. 1 (3), pp. 137-169.

Köllen, T. (2016). *Sexual orientation and transgender issues in organisations: Global perspectives on LGBT workforce diversity*. Vienna: Springer. [Chapter 6]

Wharton, A.S. (2009). *The sociology of gender: An introduction to theory and research*. Oxford: Blackwell Publishing. [Chapter 6]

Wright, C.F. & Clibborn, S. (2019). Migrant labour and low-quality work: A persistent relationship. *Journal of Industrial Relations*, Vol. 61 (2), pp. 157-175.

Additional Readings:

Bizumic, B. & Duckitt, J. (2012). What is and is not ethnocentrism? A conceptual analysis and political implications. *Political psychology*, Vol. 33 (6), pp. 887-909.

Clair, M. & Denis, J.S. (2015). Racism, sociology of. *International Encyclopedia of the Social & Behavioral Sciences*, Vol. 19 (2), pp. 857-863.

Mezzadri, A. (2018). Class, gender and the sweatshop: On the nexus between labour commodification and exploitation. In: J. Pattenden, L. Campling, S. Miyamura & B. Selwyn (eds.) *Class dynamics of development*. pp. 133-156. New York: Routledge.

Powell, J.A. & Menendian, S. (2023). The problem of othering: Towards inclusiveness and belonging. In: R. Bhargava (ed.) *Voices of interdisciplinary critical explorations*, pp. 29-52. Jaipur: Voices.

Standing, G. (2011). *The precariat: The new dangerous class*. London: Bloomsbury Publishing. [Chapter 3]

THEME 4: NEOLIBERALISM, GLOBALIZATION AND GLOBAL CHAINS

This section of the module introduces students to *neoliberalism*, *economic globalisation* and *global chains*. *Neoliberalism* is a policy model that enhances the workings of ‘free market’ capitalism and attempts to place limits on government spending, government regulation, and public ownership. *Economic globalisation* refers to the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the increasing flow of international capital and the rapid spread of technologies. Simply put, neoliberal policies provide a policy framework through which *economic globalisation* takes place. In a study of labour markets, it is necessary to explore these processes and practices as they form the context in which international labour markets are embedded. *Global chains* operate within a neoliberal framework that promotes deregulated global trade, thus allowing multinational companies to trade with suppliers and producers from different parts of the world. Therefore, following the logic of the *segmented labour market* theory, this section shows students how the interaction between neoliberalism and global trade dynamics creates segmented labour outcomes for workers involved in global chains.

Key Readings:

Saad-Filho, A. & Johnston, D. (2005). *Neo-liberalism: A critical reader*. London: Pluto Press. [Chapters 6, 7]

Selwyn, B. (2016). *Global value chains or global poverty chains? A new research agenda*. Working Paper: 10. Centre for Global Political Economy (CPGE), University of Sussex.

Smith, J. (2016). *Imperialism in the twenty-first century: Globalization, super-exploitation, and capitalism's final crisis*. New York: Monthly Review Press. [Chapters 2, 3, 7]

Woods, N. (2006). *The globalizers*. Ithaca and London: Cornell University Press. [Chapters 1, 2, 3]

Additional Readings:

Baglioni, E., Campling, L. & Neil, M. (2022). *Labour regimes and global production*. Agenda Publishing. [Chapters 15, 16, 17]

Standing, G. (2011). *The precariat: The new dangerous class*. London: Bloomsbury Publishing. [Chapter 2]

Harrison, G. (2010). *Neoliberal Africa: The impact of global social engineering*. London: Bloomsbury Publishing. [Chapter 1, 5]

Martell, L. (2016). *The sociology of globalization*. Cambridge: Polity Press.

Peet, R. (2009). *Unholy trinity: the IMF, World Bank and WTO*. London and New York: Zed Books. [Chapters 1, 2, 5]

Steger, M.B. (2017). *Globalization: A very short introduction* (Vol. 86). Oxford: Oxford University Press. [Chapters 2 and 3]

Wengraf, L. (2018). *Extracting profit: Imperialism, neoliberalism, and the new scramble for Africa*. Chicago: Haymarket Books. [Chapter 3]

THEME 5: THE SOUTH AFRICAN LABOUR MARKET

This section of the module examines the South African labour market, more particularly its segmented nature. The source of the labour market segmentation in South Africa is rooted in social, economic and political processes. This section examines how these processes influenced the fractured nature of the contemporary South African labour market. In addition to examining these processes, this section investigates the nature of the segmentation in the South African labour market. By examining the labour market segmentation and the processes driving it, the section connects these outcomes to the heterodox labour market approach covered earlier in the module.

Key Readings:

Du Toit, P. (2022). *The ANC billionaires: Big capital's gambit and the rise of the few*.

Johannesburg: Jonathan Ball Publishers. [Chapters 1, 5, 14, 15]

Feinstein, C.H. (2005). *An economic history of South Africa: Conquest, discrimination, and development*. Cambridge: Cambridge University Press. [Chapters 2, 3]

Standing, G., Sender, J. & Weeks, J. (1996). *Restructuring the labour market: The South African challenge*. Geneva: International Labour Organization. [Chapters 1, 3, 4, 7, 10]

Additional Readings:

Bernstein, H. (2009). Globalisation, neoliberalism, labour, with reference to South Africa. In: A. Saad-Filho & G. Yalman (eds.) *Economic transitions to neoliberalism in middle-income countries: Policy dilemmas, economic crises, forms of resistance*. pp. 176-189. New York: Routledge.

Festus, L., Kasongo, A., Moses, M. & Yu, D. (2016). The South African labour market, 1995–2015. *Development Southern Africa*, Vol. 33 (5), pp. 579-599.

Kingdon, G.G. & Knight, J., 2004. Unemployment in South Africa: The nature of the beast. *World Development*, Vol. 32 (3), pp. 391-408.

Kraak, A. (2008). The relevance of segmented labour market theory. *Paper presented at the*

Eastern Cape Skills Indaba. Working Paper: 7. Eastern Cape Socio-Economic Consultative Council (ECSECC). Available at: https://www.ecsecc.org/documentrepository/informationcentre/wpsrs7_88758.pdf

Uys, M.D. & Blaauw, P.F. (2006). The dual labour market theory and the informal sector in South Africa. *Acta Commercii*, Vol. 6 (1), pp. 248-257.

Williams, P. & Taylor, I. (2000). Neoliberalism and the political economy of the 'new' South Africa. *New political economy*, Vol. 5 (1), pp. 21-40.

THEME 6: LABOUR IN SOUTH AFRICAN AGRICULTURE

This section investigates the labour outcomes in the agri-food value chains of South Africa. South Africa's agricultural sector was established by colonial and apartheid governments, which dispossessed indigenous people of their land and forced them to work on farms for extremely low wages. The colonial and apartheid governments extensively invested resources in the agricultural sector which allowed South Africa to be a globally respected exporter of agricultural commodities. Post-1994, South African farmers have lost some of their bargaining power in the global agri-food chains as the ANC government has adopted neoliberal policies, which discourage state investment in agriculture. This policy shift resulted in some farmers exiting from the market, whilst others consolidated their assets to upgrade their operations and positions within global agri-food chains. Overall, the combination of these political and economic shifts has had a profound impact on the employment outcomes for farm workers in the agri-food chains in South Africa.

Key Readings:

Davies, W. (1990). *We cry for our land: Farm workers in South Africa*. Oxford: Oxfam GB. [Chapters 1, 2, 3, 5]

Visser, M. (2016). *Going nowhere fast? Changed working conditions on Western Cape fruit and wine farms*. Working Paper: 41. Poverty, Land and Agrarian Studies (PLAAS), University

of the Western Cape. Available at: <http://www.plaas.org.za/sites/default/files/publications-pdf/WP41%20Visser.pdf>.

Additional Readings:

Atkinson, D. (2007). *Going for broke: The fate of farm workers in arid South Africa*. Cape Town. HSRC Press. [Chapter 1, 2]

Barrientos, S. & Visser, M. (2013). South African horticulture: Opportunities and challenges for economic and social upgrading in value chains. Working paper: 12. Capturing the Gains Series, University of Manchester. Available at: [file:///C:/Users/s1500142/Downloads/SSRNid2209718%20\(1\).pdf](file:///C:/Users/s1500142/Downloads/SSRNid2209718%20(1).pdf)

Barrientos, S.W. (2013). 'Labour chains': Analysing the role of labour contractors in global production networks. *Journal of Development Studies*, Vol. 49 (8), pp. 1058-1071.

Devereux, S., Levendal, G., & Yde, E. (2017). *The farmer doesn't recognise who makes him rich: Understanding the labour conditions of women farm workers in the Western Cape and the Northern Cape, South Africa*. Sydney: Oxfam. [Chapters 5, 6, 7]

Eriksson, Å. (2017). Farm worker identities contested and reimagined: Gender, race/ethnicity and nationality in the post-strike moment. *Anthropology Southern Africa*, Vol. 40 (4), pp. 248-260.

Visser, M. (2015). *Farm workers' living and working conditions in South Africa: Key trends, emergent issues, and underlying and structural problems*. Pretoria: International Labour Organisation. [Sections 1, 2, 4]

CONSULTATION TIMES

Students can make appointments via email to meet me in my office to discuss module-related matters. My consulting times are Tuesdays and Wednesdays, 10:00–12:00. For these consultations, please come with literature (or lecture) related questions. Do not come and ask for an explanation of a concept if you have not attended class or read the prescribed literature.