



# POLICY BRIEF

## South African Labour Market Micro-data Scoping Study

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### Introduction

A key area for policy in South Africa is how to develop a strong foundation of labour market information and to provide the type of intelligence and signals that can help government, stakeholders, education and training providers, and students to make more informed decisions about how resources are invested in skills development, education and training. In order to address this need the DHET initiated a four year Labour Market Intelligence Partnership (LMIP) project, with research to be conducted by an HSRC consortium. The project investigates labour market and skill issues, with a view to produce recommendations on how education and training institutions could respond to signals from the labour market, with the goal of developing a credible skills planning mechanism for South Africa.

This policy brief is based on a *South African Labour Market Micro-data Scoping Study*. The purpose was **to investigate sources of micro-data<sup>1</sup> available for analysis of the South African labour market**. The study provided an overview of the wide range of labour market and skills planning-related data, maintained by various government, research, education and NGO institutions, available on the world-wide-web. The paper pursues this objective for two main reasons: first, to determine what data is available for policy research and second, to assist policy analysts to locate relevant data sources.

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<sup>1</sup> Micro-data is data about individual objects (such as persons, companies, events, transactions). Objects have properties which are often expressed as values of variables of the objects. Micro-data represent observed or derived values of certain variables for certain objects. The data are collected at an individual, household, or institution level.

## Methodology and Scope

The focus of the study was limited in that it **only focused on microdata**, that is, unit record data, including data collected by government census and survey projects of the National Statistics Office (NSO), Statistics South Africa (SSA). Data from survey projects of research institutions was also included in this category. The study also covers administrative data collected routinely by government departments in the course of their work, where this exists in a form that could be made publicly available. The scoping study **did not cover Macro-data** (aggregated data) sources and was limited to the extent that it could not detect datasets if they were not 'visible' online.

The study utilised a desktop study research design. Most of the microdata identified in the study is within the public domain, although some data sources are for research use only. Moreover, the project endeavoured to be as comprehensive and relevant as possible, only eliciting data sources from 1993 to February 2013.

## Survey Data Source Findings

According to the study's findings, labour market survey microdata can be obtained from two sources: **data producers** and dedicated **data distributors**. National data distributors are part of data support networks in many countries. In these countries National Statistics Offices and research organisations provide the institutional capacity for national data management, including the sharing of national data for research purposes. These include national Survey Data Archives and university-based Research Data Centres.

Producers of South African survey microdata include Statistics South Africa, other government bodies, survey projects of South African and other universities and research institutes, and international donor organisations collecting data for project development and monitoring. In general, survey data in South Africa is available within the **public domain**. One exception is private sector organisations which also conduct surveys. These are undertaken for paying clients and the data is generally not available for reuse.

Furthermore, data producers who also disseminate their data include Statistics South Africa and some university-based survey projects, as well as the Human Sciences Research Council (HSRC). The data from these producers is also available from the two dedicated data distributors in the country, the South African Data Archive (SADA) and DataFirst.

## Administrative Data Source Findings

According to the report **administrative data** is collected by government departments and other entities in the course of their administrative functions. Within government these functions are often undertaken as a result of national laws or regulations and will generate all **data necessary for the administrative process**, including data on people, events, and transactions. Moreover, computerised administrative systems allow for automated collection and collation of records at unit record level, and in theory, should expedite the sharing of data within government and with academia.

The study found that in South Africa administrative data relevant to labour market research is collected by the **Department of Social Development and the Department of Labour**. Databases include: The National Integrated Social Information System Database, Social Security Pension System Database, Compensation Fund Database, Employment Equity Submissions Database, Employment Services of South Africa Database, and the Unemployment Insurance Fund Database.

In South Africa, administrative records are not made automatically available to researchers. Instead, aggregated data from administrative sources is published in the Annual Reports and other publications of government departments and on government websites. However, **administrative data at micro level is not routinely shared among government entities or with researchers**. Requests to government departments for data from administrative databases are either declined or handled on a case-by-case basis with these approaches justified by confidentiality concerns aligned with the Protection of Personal Information Act<sup>2</sup>.

According to the report, these **barriers** towards accessing administrative data **waste national resources** by preventing reuse of data by researchers for policy analysis to aid better governance, or to provide innovative input for economic growth. The latter position can lead to onerous requirements for data access, again restricting usage and limiting the benefits of knowledge utilisation for South Africa. Furthermore, it deprives monitoring and evaluation divisions within government of valuable data quality input from the research community. They found that reasons within government for poor data sharing is primarily rooted in **a limited understanding among government decision-makers of the value of a data-rich research-policy interface** to assist national planning. The report also found that government departments suffer from time and human resource constraints limiting their capacity to adequately curate the data being collected in the course of their operations. This has led to a paucity of effective data management systems within government. Finally, the report concluded that **South Africa still lacks** a large enough cadre of **researchers with the quantitative skills** to analyse the data who could constitute a pressure group for greater data access.

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<sup>2</sup> Act No. 4 of 2013: Protection of Personal Information Act, Government Gazette No. 37067, Vol. 581, Cape Town, 26 November 2013. Accessed at <http://www.justice.gov.za/legislation/acts/2013-004.pdf>.



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