

Press statement on release of *Labour Market Frontiers* September 2005, Number 7

The South African Reserve Bank released the 7th edition of *Labour Market Frontiers* in Pretoria on Tuesday, 13 September 2005.

The publication addresses broader socioeconomic and labour market issues in order to develop a holistic, more integrated knowledge base and policy oversight.

This specific edition focuses on those that are marginalised in the economy either through poverty, lack of skills or lack of jobs. Among important issues that need greater research and policy attention are the understanding of the impact of price movements on poorer households, the skills base of the economy and youth unemployment. The first article presents an empirical analysis of the differential impact of inflation among the poorest 40 per cent of urban households between 1997 and 2002. This period of relatively high inflation offers an important opportunity to gain further insight into the structural dynamics associated with price movements, and provides pointers for policy direction. The article establishes an empirical basis for the argument that poorer households are more vulnerable to price movements. In addition, it identifies critical drivers of inflation among these households.

The second article provides a snapshot of the skills base of the formal non-agricultural employed in the economy in terms of workers' occupational profiles and educational backgrounds. It then broadly reviews the institutional framework and highlights important areas of consideration from both research and policy perspectives. While debates regarding the ability of the formal sector to generate more job opportunities continue, the extent to which those that are employed have the required skills is an equally important issue.

The final article is a research note investigating job search patterns among unemployed youth. In addition to the need for more robust labour demand and better skills matching, information flows between job seekers and employers are an essential dimension of South Africa's labour market. The analysis in this article gives prominence to job search patterns as an area that needs greater research and policy attention.