



Managerial Economics: Group assignment

Submission: 18/20 Apr

Background

Robots will handle 52% of current work tasks by 2025, almost twice as many as now, a World Economic Forum (WEF) study said Monday. The sharp increase could also see a net gain in "new roles" for humans, who will have to revamp skills to keep pace with the "seismic shift" in how we work with machines and computer programmes, the forum estimated.

"By 2025 more than half of all current workplace tasks will be performed by machines as opposed to 29% today," a statement by the Swiss non-profit organisation said. Simultaneously, rapid changes in machines and algorithms, or computer processes that are designed to solve problems, "could create 133 million new roles in place of 75 million that will be displaced between now and 2022," the group forecast.

Based near Geneva, the WEF is known for the annual pow-wow of wealthy individuals, politicians and business leaders that it organises in Davos, Switzerland. Its report, The Future of Jobs 2018, foresees robots swiftly replacing humans in the accounting, client management, industrial, postal and secretarial sectors. Jobs that require "human skills" such as sales, marketing and customer service should see demand increase meanwhile, along with e-commerce and social media.

A major challenge will be to retrain workers, who will themselves be pressed to update skills especially in the areas of "creativity, critical thinking and persuasion", the study found. It surveyed personnel directors and senior executives from a broad range of companies around the world that account for 70% of global output.

Between now and 2022, they believe the aviation, travel and tourism sectors in particular will have to retrain workers, and identified an overall trend towards lifelong learning and adaptation. Governments were advised meanwhile to prepare safety nets for workers and communities threatened by what the WEF concluded would be "a significant shift" in the quality and permanency of the new jobs.

Question

Given South Africa's high unemployment rate and poor education system, what should government do to avoid further job losses against the backdrop of the 4th industrial revolution?

Instructions

Write an in-depth 3,000 word essay (including references), referring to all the aspects mentioned in the question above. The assignment must be submitted as a word-processed A4 document (1.5 spacing, double sided printed and correctly referenced). Word count should be reflected on the cover page. Penalties will apply if these guidelines are not adhered to. This assignment should also be submitted on efundi. Follow the instructions given on efundi for submission.

Marks will be allocated for discussions on the following:

- **South African education system**
 - Many future jobs will require high levels of mathematics and IT skills.
 - Use technology to familiarise kids with technological aspects of tomorrow's workplace.
 - Improve the general literacy rate.
 - Change curriculums in schools to reflect the needs of the future.
 - Change the curriculums of universities to adapt to a changing work environment.
- **Labour**
 - Change the labour laws to be more flexible – SA is competing against the rest of the world.
- **Government's social protection plans**
 - The government might have to introduce a bridging fund to help people who need to reskill.
 - Government could impose legislation that encourages private sector to reskill workers instead of reducing them.

Marks will be awarded for well-structured answers that address the issues above.