

Productivity and employment

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"If a man is unemployed for a long period of time, the habit of regular work is lost self respect and self confidence destroyed So that when opportunity comes again, the man once merely unemployed is found to have become unemployable" (Pigou)

The productivity of an unemployed person is zero The productivity of an unemployable person may be negative, if directed towards crime Unemployment represents an enormous waste of resources, human suffering and rising inequalities within and between nations Poverty everywhere is a threat to prosperity everywhere

Determined efforts are needed to avoid growth that is

- ❑ Jobless – the economy grows but employment opportunities do not expand
- ❑ Ruthless – the fruits of economic growth benefit the rich, leaving millions in poverty
- ❑ Futureless – the present generation squanders resources needed by future generations by polluting rivers, depleting natural resources

Job loss growth has taken over from jobless growth in South Africa Total employment in the non-agricultural formal sector of the economy continued to fall in the first three quarters of 1997, due to retrenchments in the private sector and rightsizing efforts in the public sector From the end of 1996 to the end of the third quarter of 1997 formal sector employment

was reduced by 104 000 jobs

The 1995 October Household Survey found that there were 14.4 million economically active people in South Africa Of these, 59% were employed in the formal sector, 12% in the informal sector and 29% were unemployed

Youth

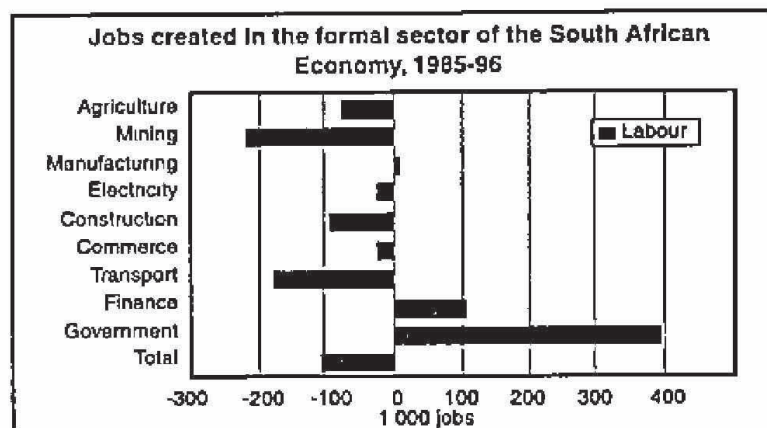
The highest proportion of unemployed people in South Africa are youth (people aged between 20 and 29 years) The number of young people entering the labour market is increasing all the time (from 350 000 in the 1980s to 450 000 today) Some 45% of unemployed African people are youth

Sectoral unemployment

The long-term trends in the sectoral distribution of unemployment in South Africa are typical of a developing-industrialising economy

There was a decline in the share of employment in agriculture between the 1960s and 1980s and a shift to manufacturing By 1995, community services had overtaken manufacturing as the largest source of employment Employment in construction and transport also fell during the 1980s and early 1990s (the informal taxi industry is not included in the figures for the transport sector)

For the period 1990-1997, finance, insurance and real estate have shown employment growth, as has the wholesale



added value, grew by 1% per annum. GDP per worker increased by 2% per annum.

Policy

With the forthcoming jobs summit very much in the news right now, the search is on for policies that will lead to sustainable employment creation. The NPI supports the following broad policies:

and retail trade. Government has also been a creator of jobs, as the graph above shows.

Productivity

At the same time, capital and multifactor (the combination of capital and labour) productivity in the manufacturing sector for the period 1985 to 1996 declined. Labour productivity was highest in the transport and electricity sectors.

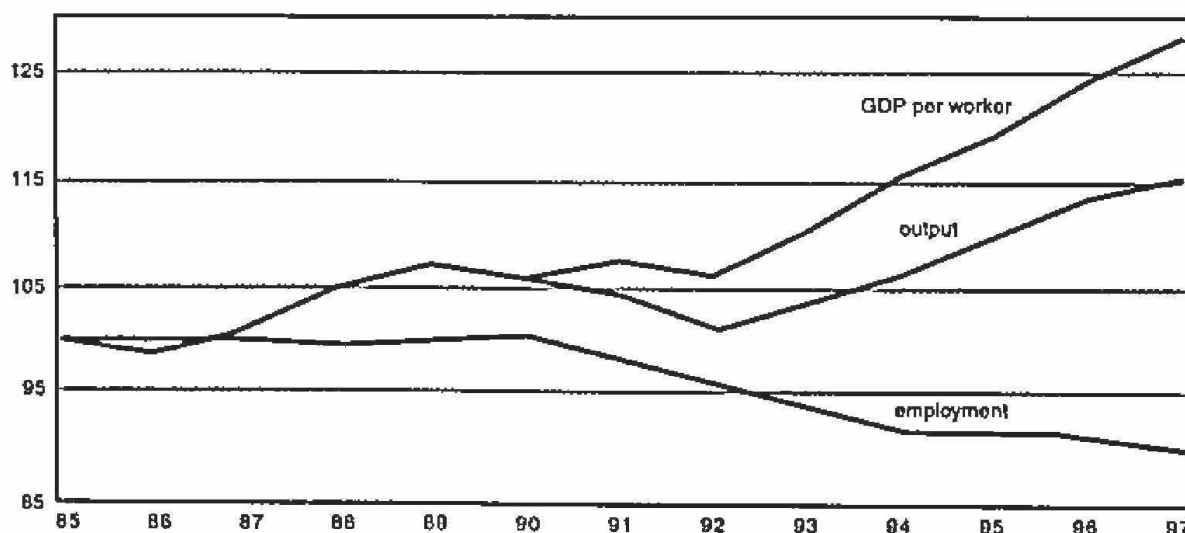
The graph below shows GDP per worker in the private sector for the years 1985 to 1997.

Total employment, or labour input, declined by 1% per annum, while real output of production, as measured by real

- ☐ raise the rate of economic growth;
- ☐ ensure labour market flexibility;
- ☐ increase youth employment;
- ☐ induce early retirement;
- ☐ modernise the informal sector;
- ☐ promote labour intensive, export-oriented industrialisation;
- ☐ promote a redistribution policy;
- ☐ enhance productivity;
- ☐ support lifelong learning and updating of workers' qualifications;
- ☐ promote small and medium enterprises;
- ☐ encourage innovative behaviour through investment in research and development.

GDP per worker in the private sector: 1985-1997

Indices 1985=100



"We must get active again"

I was born in Pietersburg in an area called Bokgom. I am one of eight children, four of whom are dead. My parents grew vegetables to earn a living. My eldest brother, who died in 1979, and my sister used to go to the farms to get work. After three months they would return home to give us money for food.

We lived in a mud house without electricity or water. I was forced to leave school in standard five, because my parents could not afford to pay for my school fees and uniform. I cannot understand why we had to pay to attend a school which had no facilities or trained staff.

Work

In 1984 I left home to find work in Johannesburg. I started work for Top Timber in Roodekop as a general labourer. I earned R27 a week driving a forklift.

As casual workers we could not join a union. Most of us came from the former homelands and rural areas. We were not aware of our rights. We did not have contact with unionised workers outside the company because we lived in hostels.

Wage increases were regarded as a privilege. Only the good boys and *Indunas* benefited. The rest of us had to accept the conditions at the company.

I was retrenched in 1985. Until 1986, I

Zacharia Mosebedi, NUMSA shopsteward at Randscrap in Germiston, speaks to Malcolm Ray and William Matlala.

found temporary jobs all over the place, from gardening to sweeping. I would stand outside a company premises for weeks waiting to be recruited. At the end of each day, the bosses would randomly choose workers like animals. We were all the same to them: black and desperate for employment.

Getting involved

In 1987 I was recruited by an engineering company in Cleveland to fix forklifts. I soon realised that many of my counterparts were earning much more than I was. In the evenings, workers in the hostels would discuss problems. Every weekend, worker leaders from other companies would convene general meetings to popularise COSATU. I was becoming aware of the need to get involved in the struggle.

On 16 June I attended a political rally in the township. The company responded by dismissing me. There was no disciplinary hearing. Management told me to *toyit-toyi* with the unemployed.

It was the same with other companies.