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Unemployment the cause of ALL South Africa's problems in the post Covid world and how do we increase employment.

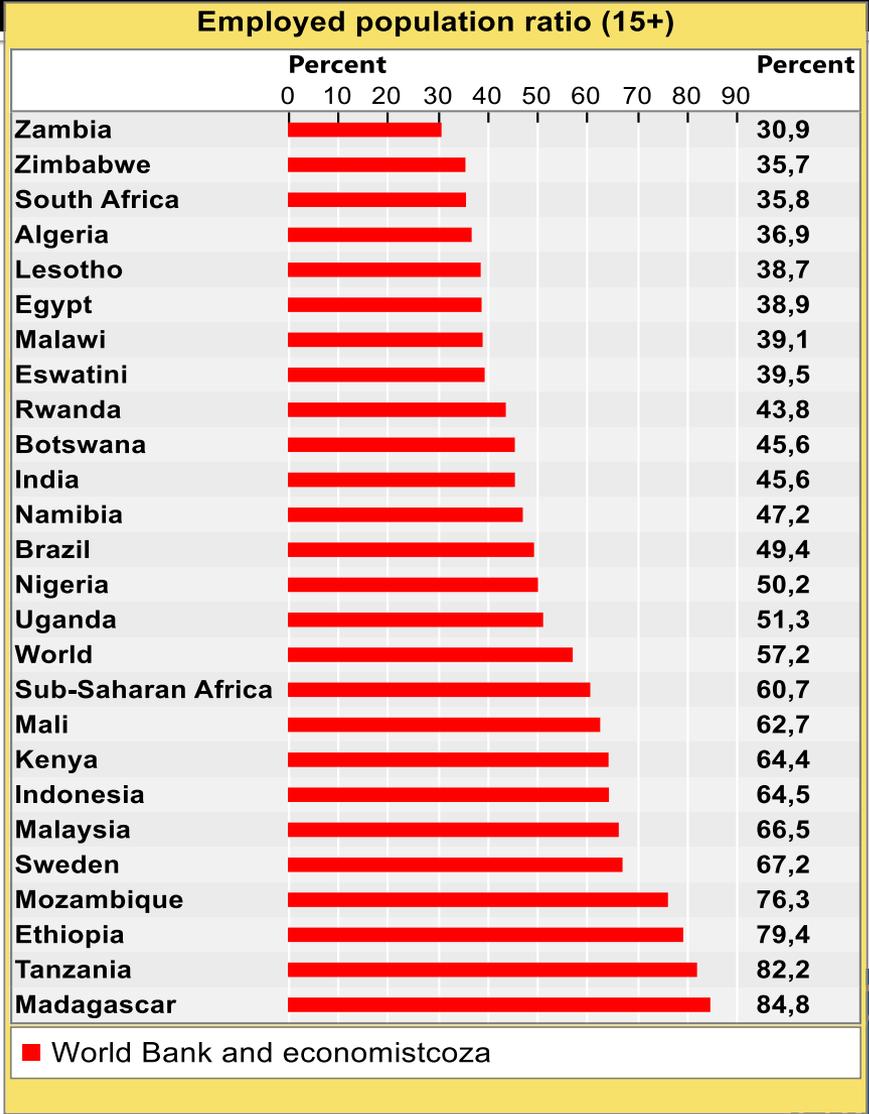
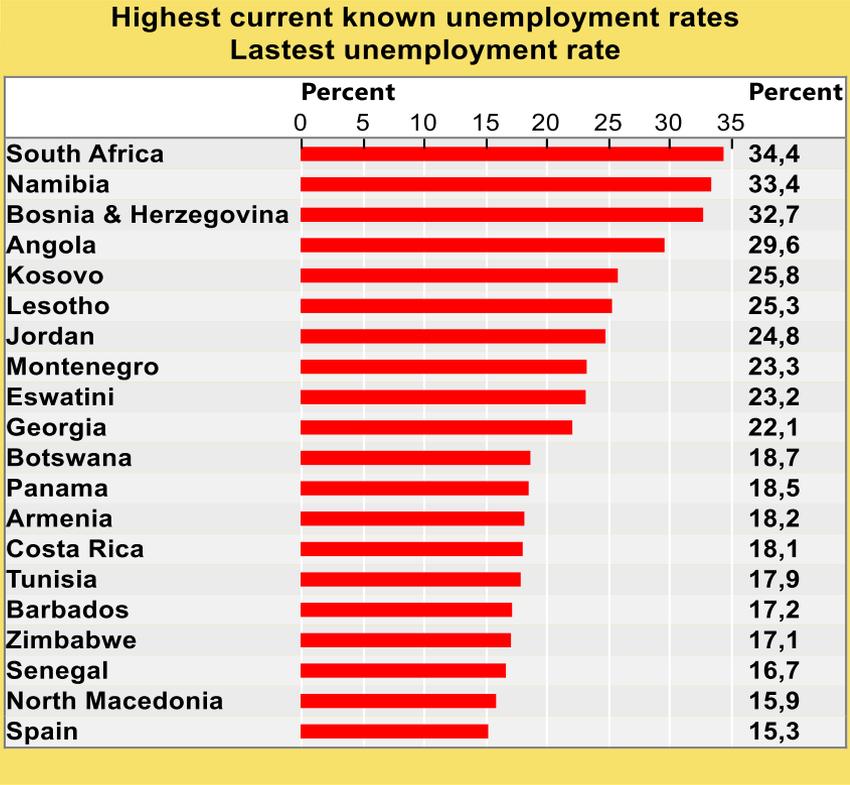
# The 20<sup>th</sup> South African Employment report



# Unemployment and a way out.

- The unemployment problem.
- What are practical solutions and how can government or even unions help
  - Self-employment
  - Educate better
  - Stop low skilled immigration
    - Encourage High skill immigration.
  - Enable emigration for Jobs.
  - Legalise and help the fringe.

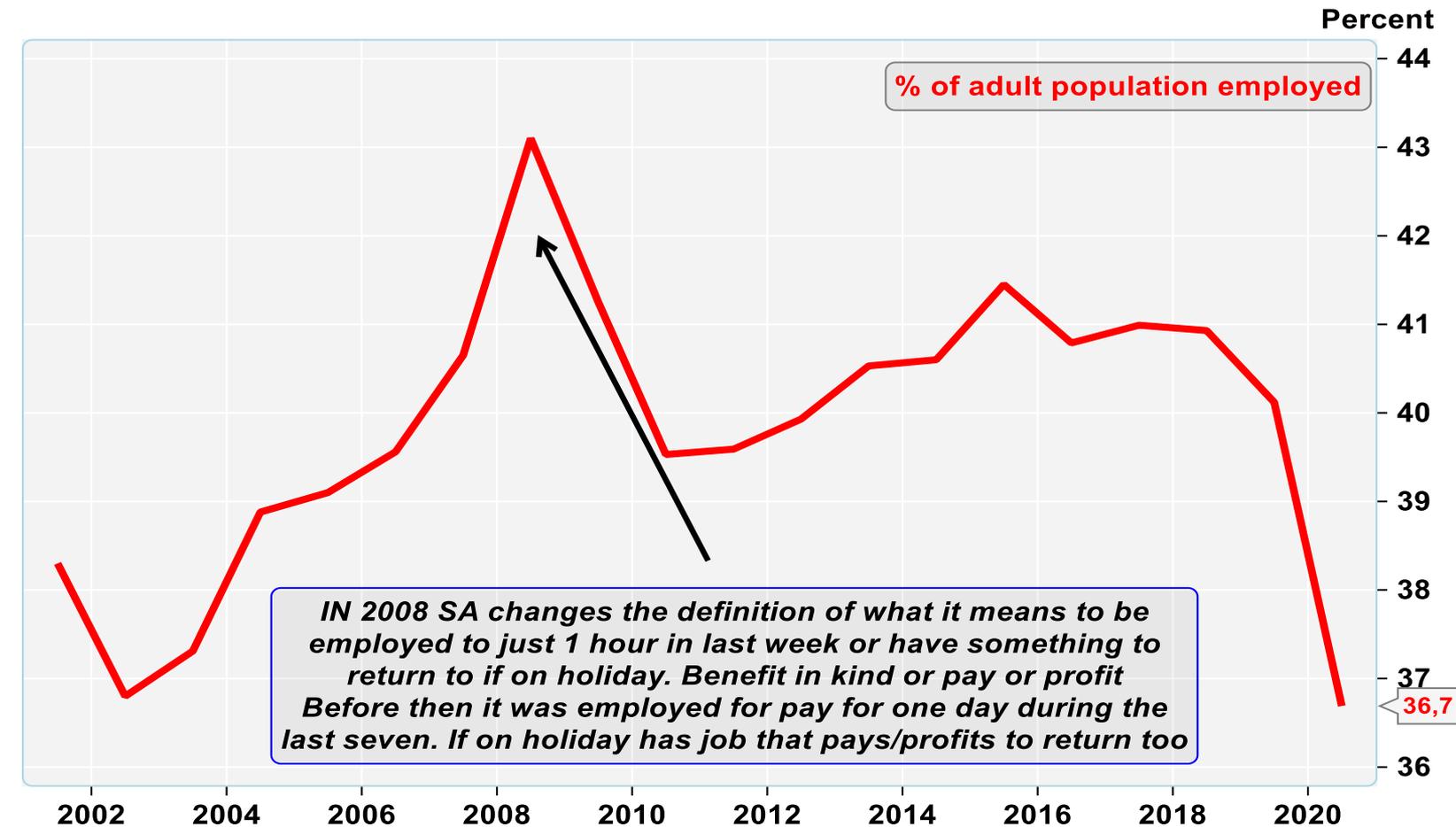
# Unemployment rate and employed as % of population



- Above are the worlds highest unemployment rates released since 2019.
- SADC has many of the lowest Employed to population ratio countries in the world.
- SADC also has seven of the 20 highest unequal countries in the world

# Share of adult population has been declining for some time now.

% Employed population above 15 years.





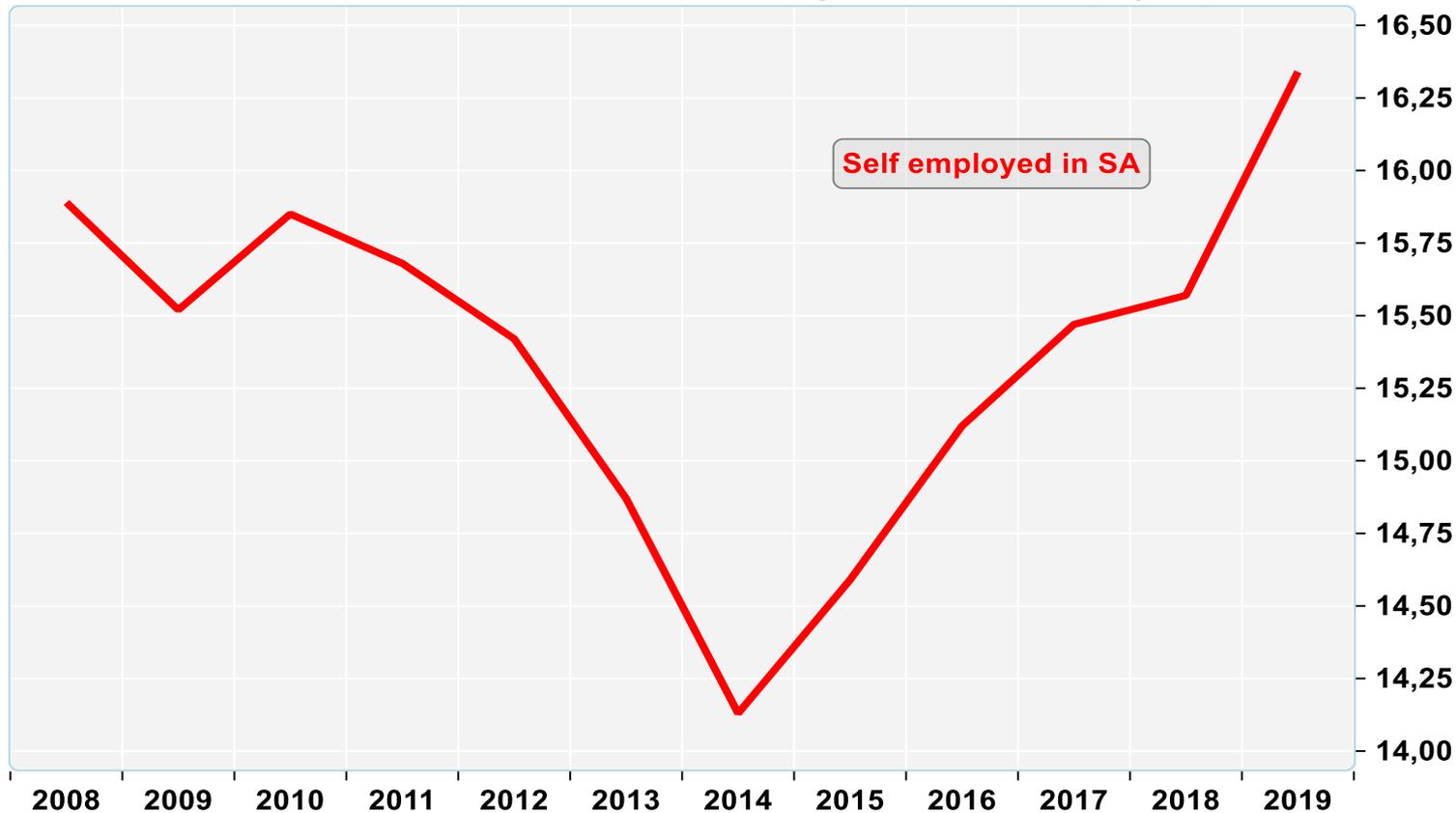
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**So What now. We have the high unemployment rate. We know that what now?**

# Self employment is growing. But at just over 16% of those employed it is still small.

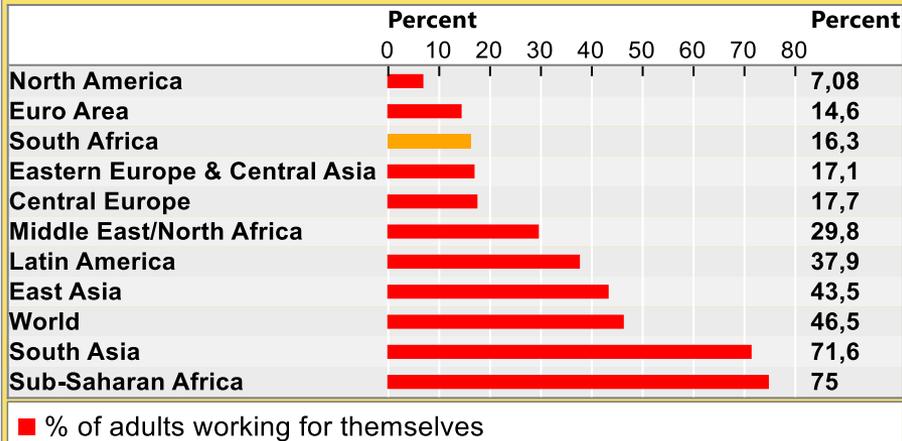
## Self-employment in SA is growing

Percentage share of the employed population



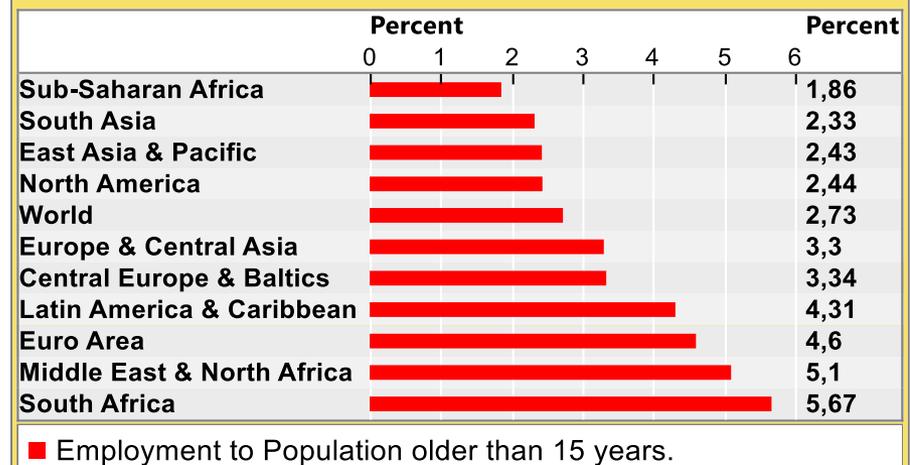
# Self-employment very small in World terms but employers are reasonable

Adults working for themselves as % of the employed



However remember that we have lots of employers but fewer workers. This indicates that our firms are smaller and do not employ many workers. If our employers employed more SA can make a big difference to the numbers employed but.....

Employers



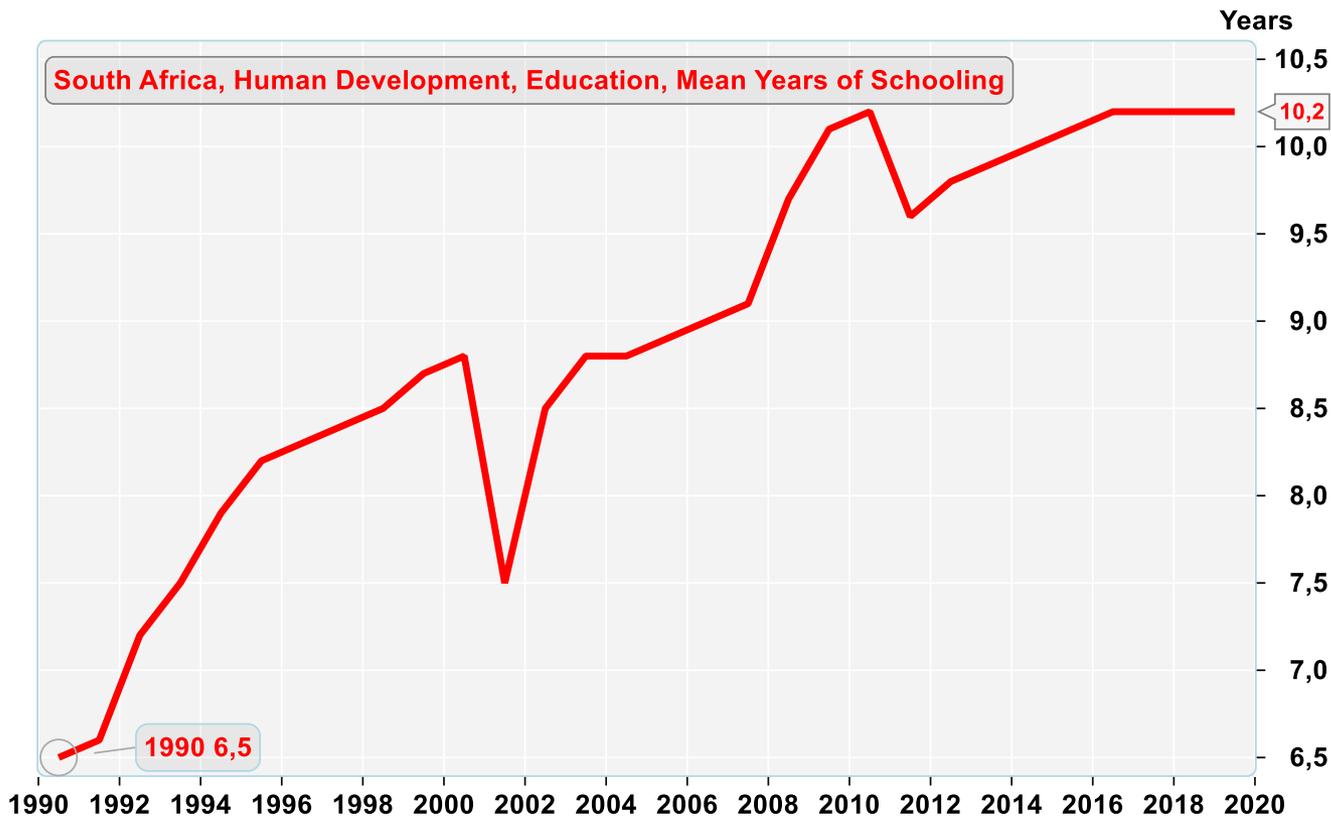


# Self-employment is not just an economic policy but a personal strategy.

- SA is starting to see more small guys working for themselves because they have to.
- It is the nursery school for future employers.
- Government and local government can help by.
  - Slashing regulations other than health and safety and access.
  - Stop putting people in building far out of the way.
  - Drop ALL taxes for firms with turnover of less than R3 million (turnover is not profit).
  - Bank statements are enough.
  - Drop ALL BEE requirements (At a minimum for firms with turnover of less R1 billion.)
- Research and do should be a personal strategy.

# We have increased our average years of schooling

South Africa, Human Development, Education, Mean Years of Schooling

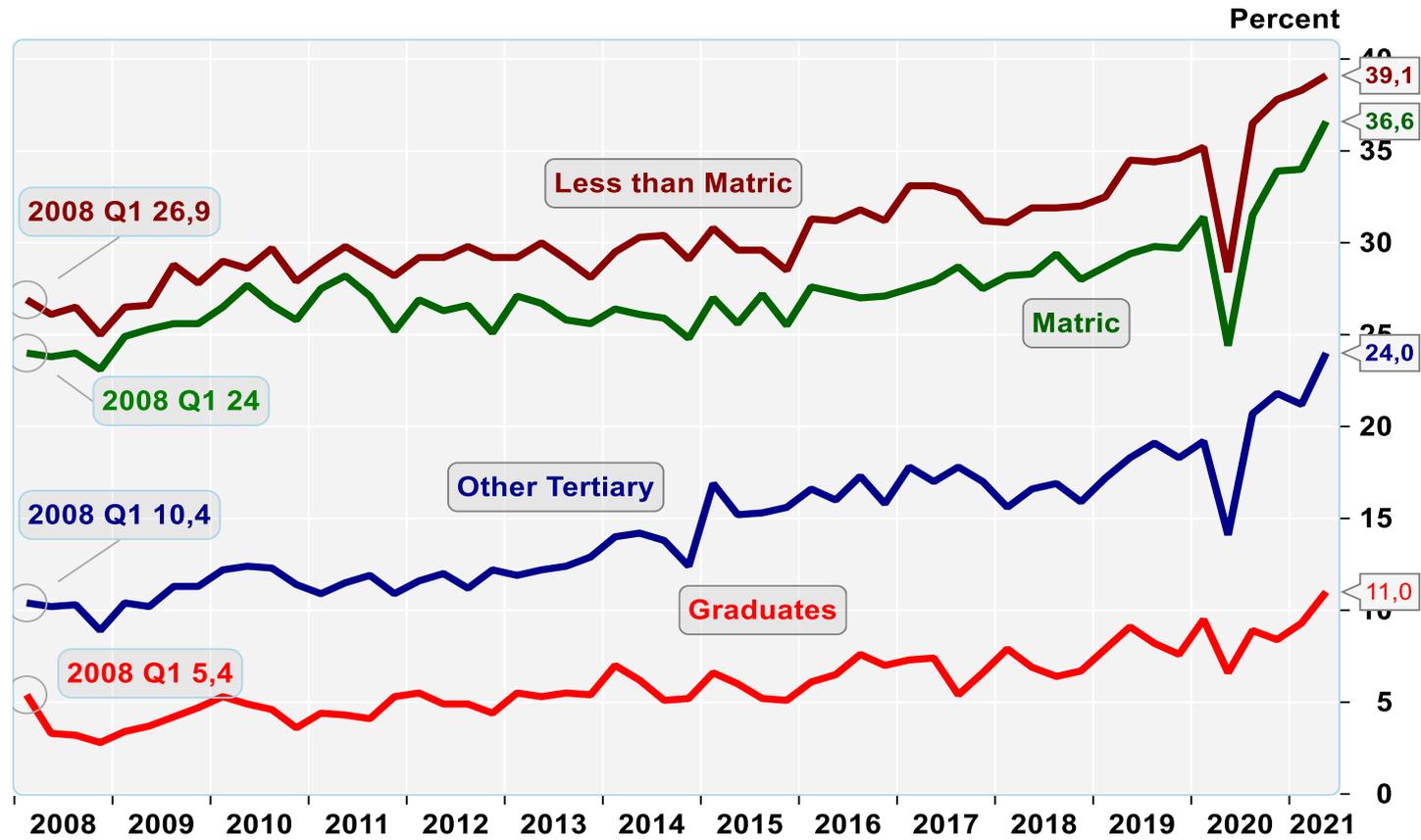


United Nations Human Development index.

SA has had the 40<sup>th</sup> fastest improvement out of about 160 countries. Overall SA now in 74<sup>th</sup> out of 160 countries in terms of average number of school years so in top half – just. But still SA has highest unemployment rate.

# But it has not helped get people into jobs.

South Africa, Unemployment, By Education Status



This may say something about the quality of our education, or it says that we ourselves do not think it is as good as post Matric should be more able to start own firms or employment

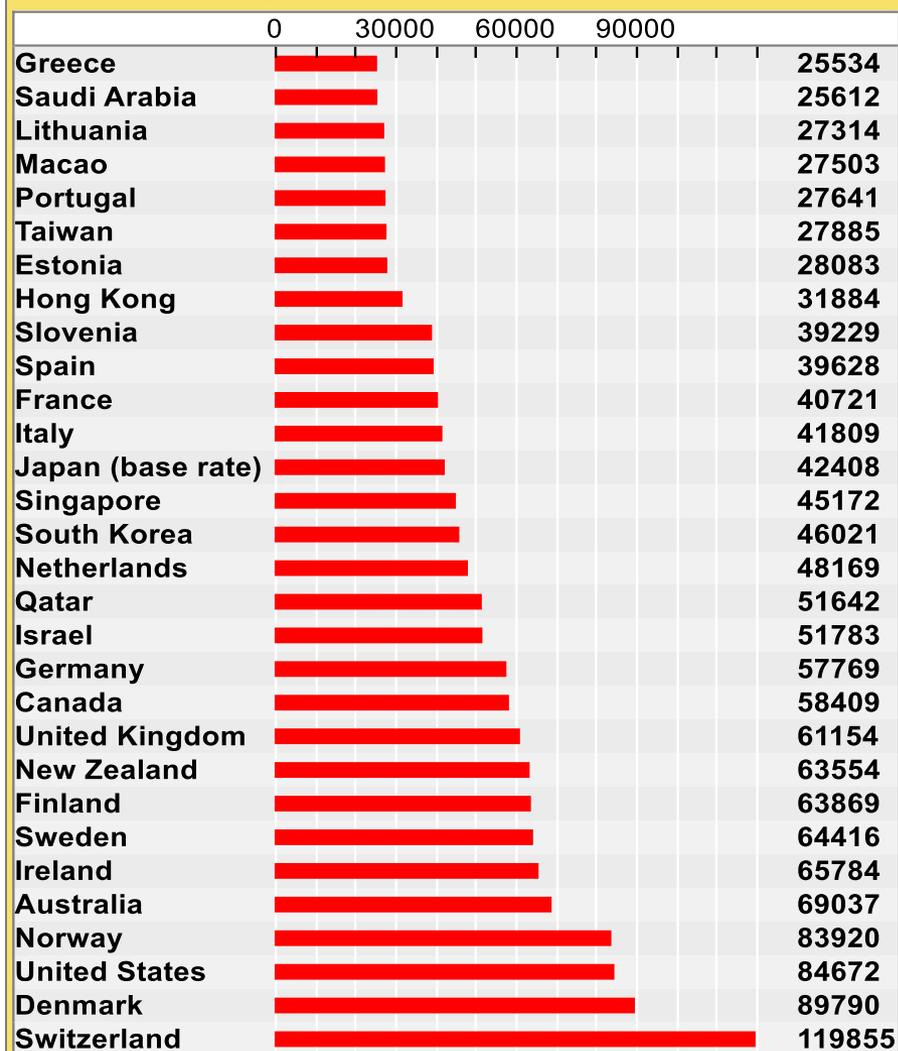
**The fact that education has increased but not employment and not self-employment tells me our quality of education output is either lacking or people do not believe in themselves**

Belief in yourself is also a LARGE part of the answer.

Educate to make employable not educate to give a piece of paper!  
Educate to solve problems not create them.  
So SA in the top half with education in the world but at the bottom with employment tells us something is wrong.

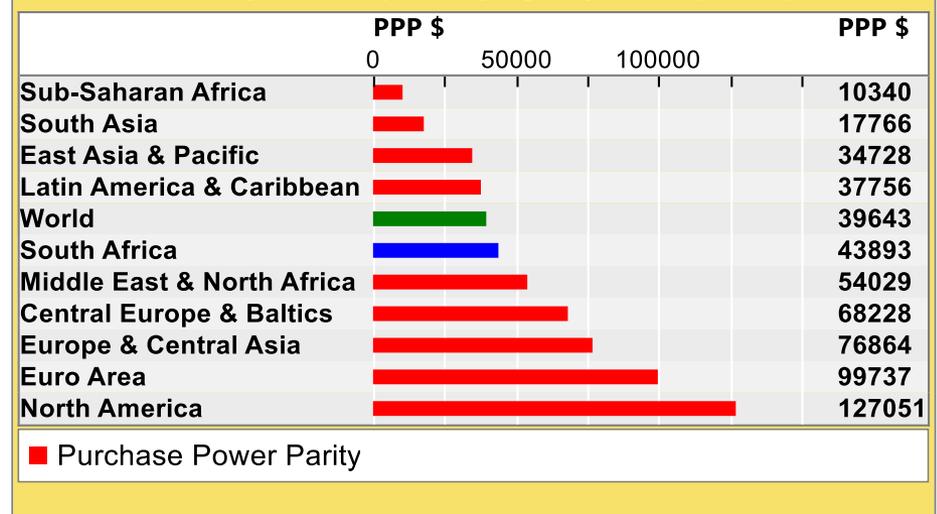
# Migrants go to countries where you can earn more than the home country

Monthly average employee income in nominal rands.



Formal sector (Mostly Non farm) Can include overtime.

Per Capita GDP per employed person (PPP \$)

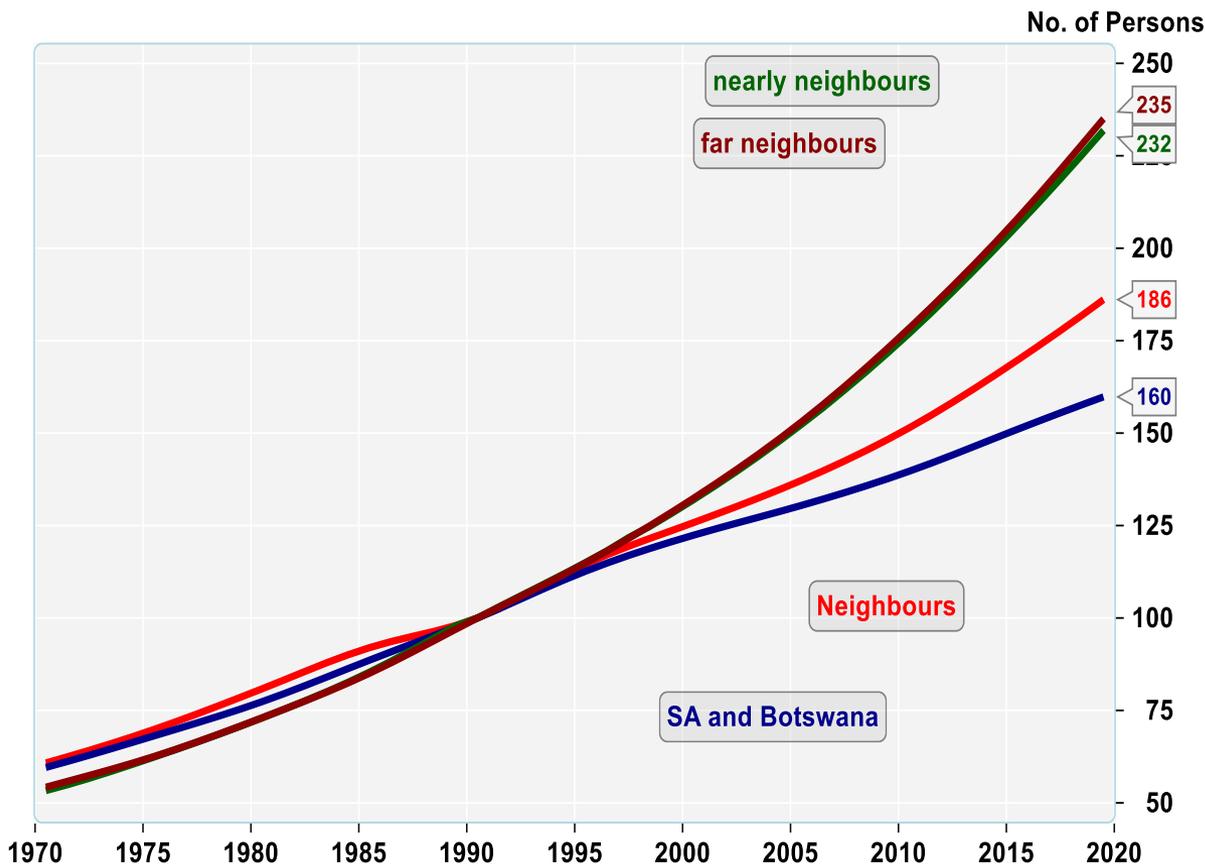


Clearly SA is “rich” when compared to our neighbourhood. SA per capita income 4 times that of the Overall Sub Saharan African average. So we do attract more immigrants than most of our neighbours.



# SA neighbours are missing about 10 - 12 million people based on the difference on near neighbours.

Total population SA vs neighbours vs nearly neighbours vs far neighbours.



Based on our neighbours and the nearly neighbours (country one country away from being an actual neighbour) differences in growth our neighbours should also have had a larger population. SA & Botswana are attracting poorer people and particularly Zimbabwe and Mozambique are missing millions of people. This indicate that between 10 to 12 million are missing from our neighbours. Some may have gone further afield or died. (HIV Pandemic) But nearly neighbours may also have a few people in SA as do other countries like our far and near neighbours. Are SA immigration numbers higher?

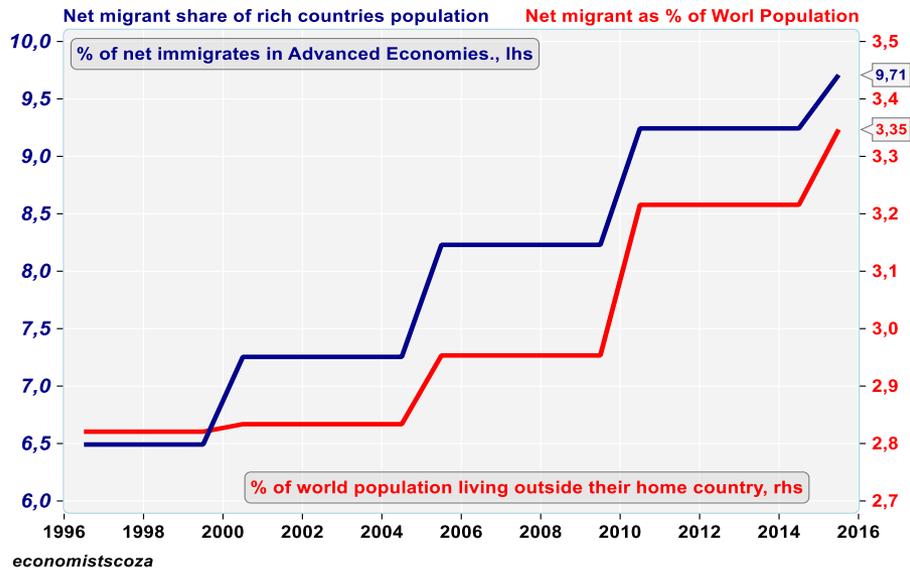


# Why is this important?

- Foreigners here are mainly working age.
  - With between 4,5 million to say 6 million that means if they have same employment to population ratio then at least 1,5 million jobs are with foreigners.
    - However as they have an incentive to work here, there are probably more likely to be about 3 million or so foreigners employed out of the 15 million total employment.
  - We must concentrate on getting skills in, not unskilled/ semi skilled as we have an excess of unskilled population.
- If we can stop unskilled migration it would help bring down unemployment and poverty.
  - It will be difficult as we have never been able to do this.
  - In effect I would say we change the process and get more skilled foreigners ASAP to help growth and stop lower skilled economic migrants.

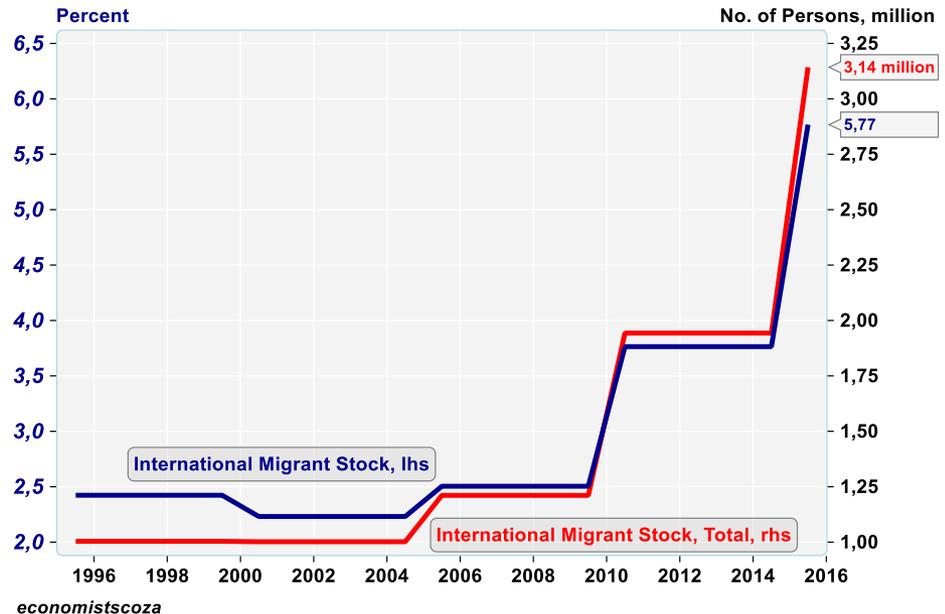
# World, rich countries and SA net migration

Migrants flock to richer countries.



Sometimes you have to take your chances on a big jet plane. Or just cross the fence.

Net migrants in South Africa.

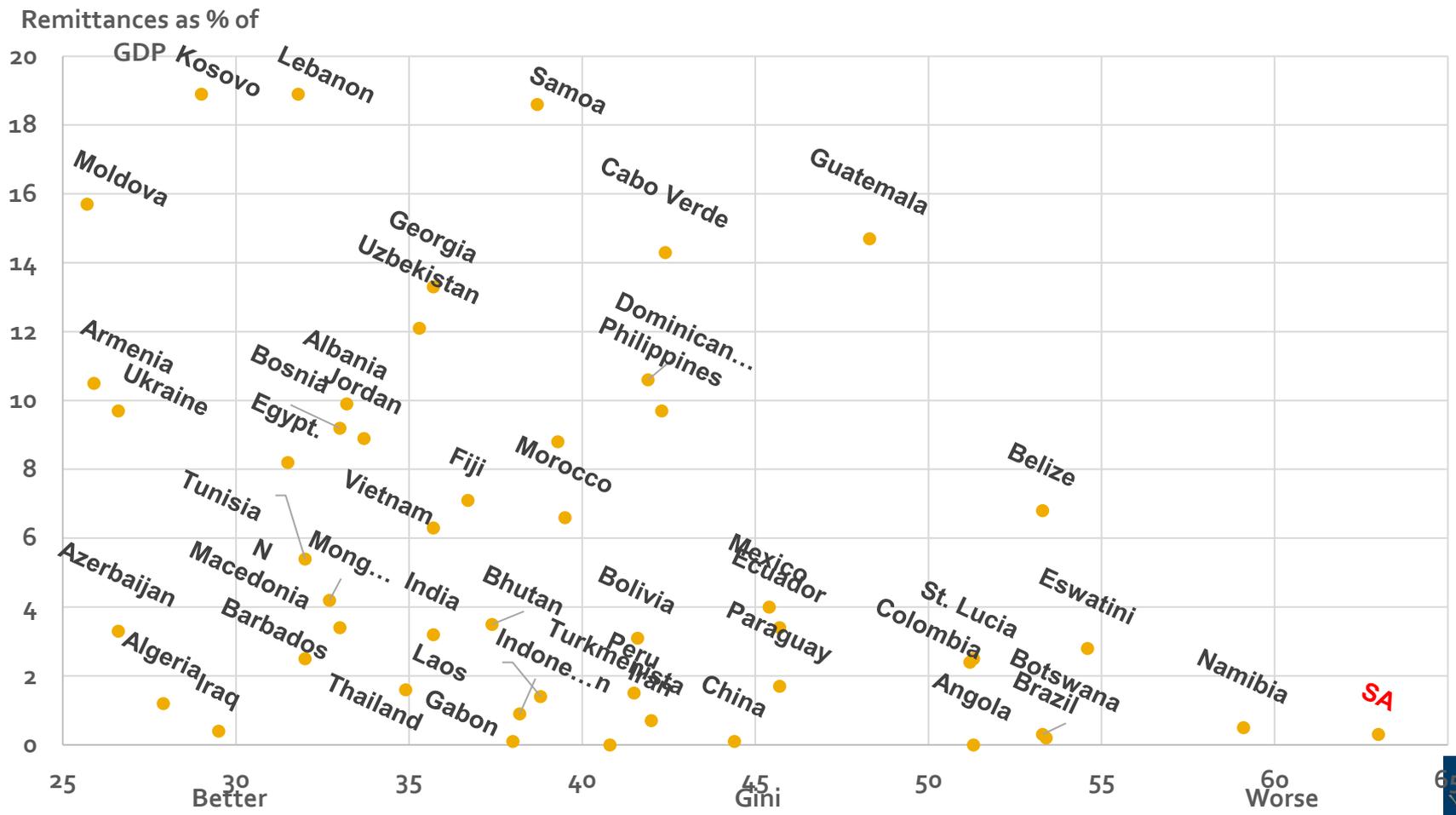


SA has 3,14 million net migration, But SA has seen over 1 million in outflow to advanced countries and some others like Taiwan, UAE, Saudi Arabia, etc.

In total SA immigrants therefore about 4,5-6 million.

In 2016 there were 158 million in net migrates in the rich world which in immigrants

# Why emigration or foreign work is part of the solution for SA.



# Why SA should think outside the box and get South Africans jobs elsewhere.

- SA has over 11 million unemployed.
- The average country out of 60 countries with similar per capita income receives 7,3% of GDP from its own people working elsewhere.
  - Leaving out SA and its direct neighbours in that income bracket this increases to 8%.
  - That would add a whole new sector to our economy as big as mining & agriculture combined!
- SA should establish a way in which South Africans can, for a period of time, legally work elsewhere.
  - This can provide a quicker way to relieve at least some unemployment with say 500 000 people getting an income and sending some home
- Remember too that the extra money coming home would help the SA economy.
  - Also people make friends etc and they come to visit boosting other sectors like tourism

# When a country consistently has extreme unemployment; the government has a responsibility to facilitate job opportunities in other countries as an emergency measure.

Government can talk visas, minimum requirements, training, protection in unemployment & provide embassy services

The Pfizer vaccine many of us had was developed by two Germans whose parents came from Turkey in the 1960's. This year their firm alone will add half a percent to German GDP.

For us, look no further than Elon Musk, Rudolf Botha, the Rive Brothers, etc. If SA, like Turkey, can make a deal with the EU/USA/UL/ Oil producers/ etc, we can get some to work there to relieve of our peoples lot.

At present there are 33 million in the EU alone and they make up 17% of the workforce. They come from Turkey, eastern Europe, Philippines.

In 2016 there were estimated 214 million foreign migrants in high income countries.

Note the higher the remittances the more equal a country tends to be.

# What type of jobs would other countries need that we can supply.

- At present most advanced countries such as USA, Germany, UK, UAE are looking for.
  - Truck drivers, delivery drivers,
  - Packers for online sales and in shops on the shelves.
  - Assistant nurses and home carers for older people.
    - Care givers for very old people help them shop, bath, walk etc.
  - Teachers and assistant teachers.
  - Construction workers like brick layers and heavy equipment operators.
  - Engineers. Mechanical, electronic and production. Ground
  - Till operators, Chefs, order takers (e.g. McDonalds)
  - Personal shoppers, Personal training coaches.
- All these pay \$40 000 plus per year.
  - Yes that is R600K nominal exchange rate but R288k in PPP terms.
  - Other jobs can be paid more

# So what do we need? Summary

- Better ability to work for ourselves.
- Less Illegal low skills immigrants in SA so our own can fill the jobs (work themselves must be allowed).
- More Skilled immigrants to help grow SA.
- More South Africans help for the next 2 decades to find jobs elsewhere.
- Legalise as much work as possible e.g. prostitution.
- Government must improve education, even if less people get it, they must know what they have works.



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All of this also supposes that government fixes things like power, water, rail, harbours, roads, courts, police etc.

**Government must start working and acting like a real government and not a complaint shop.**

# Thank you

Remember SA has to have answers outside the normal box