

What The Future Holds?



With tens of thousands of jobs still to be lost if more sanctions are imposed, a leading South African academic has warned that the country's demographics are "ticking away like a time-bomb" and the country faces catastrophic unemployment.

Half of the eligible workforce in South Africa is likely to be jobless in less than 12 years' time.

Cape Town University deputy vice-chancellor and social ethics professor, James Leatt, says that between 33 percent and 44 percent of South Africa's economically active workforce (the majority being black) cannot be accommodated in the formal sector of the economy on current development trends and economic growth indicators. He told delegates to the Black Management Forum annual congress in Cape Town recently that while businessmen were discussing the economic future, the demographic time-bomb was "ominously ticking away". Of the total population of 34-million, more than 70 percent were African with a steadily increasing

birthrate. More than 50 percent of the African population was under the age of 20 and half lived in urban areas. The percentage of black school leavers with senior certificates or better was already outstripping all other population groups and this was growing. "The demographic pressures already present in our society are enormous and cannot be swept under the carpet," Professor Leatt stressed. By the year 2000, 50 percent of the workforce would be unemployed if more jobs were not created. There was a powerful fiction abroad, he said, that South Africa was a relatively wealthy country whose problem was that its wealth was in the wrong hands. "Irrespective of who owns the wealth of South Africa, this is a comparatively poor country with a GNP per capita eight times lower than the USA and four times lower than New Zealand," Professor Leatt added. "I am not saying that wealth is in the right hands, nor do I want to imply that current redistribution policies can be justified. In fact, I think capitalism and apartheid have piggybacked on one another to the advantage of whites. The point is even more fundamen-

Youth in South Africa. What hope have they got?

tal. The economic base is not substantial enough to defuse the demographic time-bomb which is ominously ticking away. This carries its own compelling imperative." South Africa was a developing country grappling with the twin challenges of industrialisation and democratisation. Accumulation of economic growth required careful nurturing of the economic engine. "There is considerable comparative evidence that market related industrial development has been the most powerful engine of wealth generation the world has known. Not only so, as Adam Smith observed, there is an organic link between commerce and liberty. To put it another way, if market related industrial development is successful in generating economic growth for a sizeable proportion of the population, pressures towards democracy are likely to appear."