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RSA

ECONOMIC REALITIES : EMPLOYMENT OPPORTUNITIES AND
LABOUR EXPECTATIONS¹⁾

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Allow me, as an introduction, to say a few words about four women whose life and works may be of relevance to our topic. Three of these women have been of special importance to me. The fourth one of historic importance to all of us.

The first woman about which I want to say a few words is my mother. She passed away last year at the age of 90. She was a personality in her own right. But what is the most vivid in my mind about her, is that she never stopped working. What really characterised her was her readiness to serve, her co-operativeness and her joyfulness in toil and service.

Exactly 40 years ago I was a first year student. In the first year Economics class I was taught that the work of a housewife is not included in the calculations of the Gross Domestic Product. This has the implication that the work of housewives does not make any contribution towards the material welfare of a country as measured in terms of the size and/or growth of the GDP. I must tell you that I simply could not understand it then. After studying Economics for 40 years, it still baffles my mind. I could never identify myself with a statistical method that degrades my mother's work - something invaluable in my eyes - as economically non-existent and therefore "worthless". I am aware of the fact that my mother was not paid a salary and that it was therefore statistically - given the generally accepted methods - not possible or convenient to include it in the GDP. But the danger exists that we only measure things that can be measured easily. In due time we fall in the trap to regard only measurable things as valuable and unmeasurable things as either non-existent or not valuable.

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In mentioning this example I am not making a plea that all woman should be housewives. Not at all. The point I want to stress is that women should be aware of the fact that they are involved in a great variety of activities with a high economic relevance that are not classified as "economic activities" and therefore not measured and often also not regarded a economically valuable. The methods to measure and evaluate economic activity has mostly been developed by men. Women should be aware of this and ask themselves if these man-made rods have not unnecessarily marginalised women economically and devalued their real contribution towards the promotion of the social welfare of the total society. Perhaps we should remember that the real purpose of economic activity is not to maximise the GDP but to promote the Social Welfare. Perhaps we should try to develop methods to determine women's contribution to social welfare instead of being only concerned with their contribution to the GDP. I will return to this point later.

The second woman I want to mention is Professor Maria de Lange de Reville. She was from Belgium origin. I had the privilege to write my Ph.D under her guidance. She not only gave me a continental frame of mind but taught me to appreciate Aristotle, Thomas of Aquino and Jean Jacques Rousseau. I will return to Aristotle and Rousseau.

The third woman I want to mention is Dr Erika Theron. She also passed away last year. It was my privilege to be a member of the Theron Commission from 1973 - 1976. In her young days she was closely involved with the work of the Carnegie Report on the Poor White problem. She awakened in me a keen scientific interest in the problem of community poverty in the Coloured community. She convinced me that this kind of poverty is not a phenomena that can be approached in a "pure" economic way, but that this kind of problem - exactly because it is from a "pure" economic point of view not solvable - must be approached with compassion. As I will point out, the problem of Black poverty has already become a very serious and very widespread phenomenon. Unfortunately we have reason to fear that this problem is deemed to

become even worse in the years and decades ahead. I am very grateful to Dr Theron for the emphasis she put on the need for compassion in approaching mass poverty. In trying to find humane living conditions for the millions of poverty-stricken South African in the decades ahead, several kinds of new economic initiatives will have to be launched. These initiatives will not succeed if it is not undertaken with compassion and understanding. I foresee that the millions of women trapped in the poverty situation and many other women, will have to play a strategic role in the efforts to "humanise" poverty in South Africa, to improve its quality and to make it more tolerable.

Let us not underestimate the economic importance of poverty relief activities. If Economics is properly understood, it has more to do with poverty than with wealth - or, to put it differently, economics ought to be more concerned with poverty and how to soften its misery, than with wealth. I will also return to this point later.

Before I say something about the fourth woman I promised to talk about, I first want to mention Aristotle and J J Rousseau. Thanks to Dr de Reville I am a keen admirer of both. Not one of them held women in high esteem. Aristotles was sceptical about women's brain power and Rousseau was vehemently against granting voting rights to women. His argument was that women should be excluded because, unlike men, their capacity for sound judgement is clouded by "immoderate passions" and hence, they "required male protection and guidance in the face of the challenge of politics".

Rousseau's humiliating evaluation of women triggered Mary Wallstonecraft to write her *Vindication of the Rights of Women*. It was written exactly 200 years ago - in 1791 - and published in 1792. Allow me only one quote from this remarkable book:

"I wish to throw down my gauntlet ... for man and woman, truth, if I understand the meaning of the word, must be the same, yet in the fanciful female character, so prettily drawn

by poets and novelists, demanding the sacrifice of truth and sincerity, virtue becomes a relative idea, having no other foundation than utility, and of that utility men pretend arbitrarily to judge, shaping it to their own convenience. Women, I allow, may have different duties to fulfil; but they are human duties, and the principles that should regulate the discharge of them, I sturdily maintain, must be the same But to render her really virtuous and useful, woman must not, if she discharge her civil duties, want individually the protection of civil laws, she must not be dependant on her husband's bounty...."

She blamed the feeble position of women in her time to out-moded institutional arrangements. She singled out the nobility, the Church and the army for especially harsh comment. According to her these institutions deliberately kept women "down".

Mary Wallstonecraft's main purpose was the "Vindication of the (Political) Rights of Women". It seems to me that after 200 years we in South Africa need a new Mary Wallstonecraft to start a campaign for the Economic Rights and/or Opportunities of Women. The Human Science Research Council supplied me with the following statistics. In 1987 only 3,1 per cent of the engineers were women, only 1,7 per cent of engineers technicians were women, only 5,1 per cent of architects were women, only 20,3 per cent of medical and dental professionals were women, while 96,5 per cent of people employed as nursing staff were women, 60,2 per cent of those employed as teachers were women. Only 14,8 per cent of those practising law were women, 18,6 per cent of the accountants were women. In the different kinds of occupations in the administrative and business world the percentage of women employed is between 20 and 30 per cent.

Before we speculate about the employment opportunities and labour expectations of women in the years ahead, let us first look at the numbers of the economically active population - or at the numbers of those that want to be economically active. The figures are for 1985 and the estimate figures for 1995.

THE ECONOMICALLY ACTIVE POPULATION

1985 AND 1995

		1985 mill.	1995 mill.
<u>Whites:</u>	Men	1,4	1,5
	Women	<u>0,8</u>	<u>0,9</u>
	TOTAL	2,2	2,4
<u>Coloureds:</u>	Men	0,7	0,9
	Women	<u>0,5</u>	<u>0,6</u>
	TOTAL	1,2	1,5
<u>Asians:</u>	Men	0,2	0,3
	Women	<u>0,1</u>	<u>0,12</u>
	TOTAL	0,3	0,42
<u>Black:</u>	Men	5,2	6,7
	Women	<u>2,8</u>	<u>4,2</u>
	TOTAL	8,1	10,9
TOTAL	Men	7,5	9,3
	Women	<u>4,3</u>	<u>5,8</u>
		11,8	15,1

Unfortunately we do not have hard statistics about the numbers that could not find job opportunities in the formal sector. But it is estimated that at least 3,5 million were so-called underemployed in 1985. If we do not experience a dramatic improvement in economic growth and employment creation in the next few years, the number of underemployed may increase to more than 6 or even 7 million in 1995. To expect that women will succeed in improving their employment and especially their professional

and high level employment advancement under these circumstances, is not realistic.

South Africa experienced a high growth rate from 1947 - 1973. The growth rate was almost 5 per cent annually. The domestic savings rate was 13,5 per cent and more or less 14 per cent of all investment was financed by foreign funds. But since 1974 the growth rate has declined to more or less 1,6 per cent annually. Domestic savings has dropped to only 7,5 per cent, while a huge outflow of foreign investment has taken place. During the last 17 years the real per capita income is declining by almost 1 per cent annually. Given the power structures built into our economic and political systems, a large part of this creeping poverty has been "shifted" on the lower half of the black population. At least 15 million of the population cannot satisfy their basic human needs. Their deteriorating position of abject poverty and deprivation - and especially the position of the women and children - should be a matter of the gravest concern to all of us.

What will it take to turn the South African economy around and to create enough job opportunities and attractive opportunities for women to make adequate advancement in employment? The expected increase in the total economically active population from 1985 to 1995 is 3 350 000. This implies that to accommodate those that will be entering the labour market, it will be necessary to create more or less 1 300 job opportunities every working day. During the first six years of this ten year period, we have failed dismally. It is estimated that those that cannot get job opportunities in the modern sector has already increased to more or less 5 million. Given the high capital intensity of the South African economy - the labour-capital ratio has multiplied three times since 1960 - it is estimated that we need a growth rate of 5,2 per cent annually to accommodate the numbers that enter the labour market during each year. If we - for argument sake - can succeed in maintaining a growth rate of 5,2 per cent from next year onward, we will create enough job opportunities for the jobseekers entering the job market annually, but the 5 million underemployed at present will remain underemployed.

What is the chances that we will succeed in attaining a high growth

rate in the near future? The chances must unfortunately still be regarded as very slim. Given the very high capital intensity of the modern sector of the economy, and the low levels of domestic savings, we need a very large influx of foreign investment to attain and to maintain a growth rate between say 5 and 6 per cent annually. According to my estimates we will need at least \$8 billion - but preferably \$10 billion - annually to maintain a 5,5 per cent growth rate. What are the chances that we will succeed in the near future to create socio-economic and political conditions attractive and stable enough to invite these amounts of foreign investment? Unfortunately we must in all honesty grant the point that it will be extremely difficult - if not unlikely - to create in the foreseeable future conditions attractive enough to invite the necessary influx of foreign investment. The on-going violence and Township unrest is very detrimental for creating the necessary investment climate. But what is equally distressing is the obvious lack of mutual trust between the government, the ANC and other potential negotiation partners. The posturing for position between the different negotiating partners have attained a destructive nature. While we are still in the pre-negotiation phase and real negotiations for a new constitution have not yet started, some of the main "players" are "fighting" each other as if they are involved in a relentless election battle for the first "new" government. This is very unfortunate. Someone is putting the cart before the horse. This is definitely not the way to build the mutual trust needed for both a successful commencement of negotiations and for creating a climate conducive to economic growth.

I do not want to be unnecessarily pessimistic about the future prospects of the South African economy. But it is important that we should realise that the effective and efficient functioning of the South African economy is hampered by a rather deeprooted structural problem: i.e. the on-going group conflict in our group-based and group-organised society. It is perhaps necessary to elaborate on this point in some greater detail because it has an important relevance for the position of women in the present and future South African economy and society at large.

Over the last 340 years the South African history was characterised by an on-going and rather destructive group-conflict between the different ethnic, colour and language groups. In the days of Jan van Riebeeck the Dutch settlers and the Khoi-San were in conflict over grazing land. In the Eastern Cape the Trekboere and the Xhosa fought several battles over land. During the Great Trek the Voortrekkers fought land battles with the Zulus and other tribes. The British Colonial authority had to fight several bloody wars to break the resistance of the Zulus and Xhosa. The Boere and the "Britte" fought the terrible Anglo Boer War. During this century the intergroup conflict lost - to a large extent - its war character but proceeds in full swing. Economic considerations played - and are still playing - an important role in this on-going group conflict. The different groups tried - and are still trying - to improve their own economic position at the cost of other groups. The economic history of South Africa is unfortunately a zerosum-game - with the Whites as the winners, the Coloureds and Asians as partial winners, the Black "insiders" as occasional winners and the 15 million (very poor) Black "outsiders" as the losers par excellence!

Our immediate challenge in this country is to find a formula - or am I talking about a miracle - that will end this deep-rooted and centuries old group conflict. If we cannot find a "formula" (or a "miracle") to bridge the group conflict and to create mutual trust between the groups, it will not be possible to create an atmosphere conducive for negotiations and for economic revival and growth.

What is the relevance of this group conflict for the position of women in South Africa? The fact that South Africa is still a group-based and group-organised society, implies that the society at large - i.e. the "society" including all 38 million people - must be described as still a "primitive" and in many aspects a feudal-orientated society. In this kind of society the "fighting" and "hunting" attitudes of men has been maintained. The feudal attitudes are still being cultivated and are deliberately promoted by official and unofficial "military" training and on the sport fields. Consequently the South African society at large remains a man-dominated society in which women are still

kept in a position of inferiority, submissiveness and servitude towards men. But in spite of this situation - or perhaps because of it - women (in especially the poorer sections of the population) have to accept unreasonably large responsibilities as far as the family household is concerned.

When making the point that many women - far too many of them - are still in a position of inferiority, submissiveness and servitude, I am not saying that women have not developed into strong and responsible personalities. On the contrary. Although our rather "primitive" economic and social structures do not evaluate women in accordance with their true merit, we must not underestimate the (productive) role millions of women are playing in the social and economic life of our country. As I have pointed out above, the measuring rods used to evaluate a person's economic merit are exceptionally "skew" and in many cases should simply not be applicable.

Given the unfortunate situation in which the political, constitutional, economic and social situation in the country are of such a nature that we have no reason to be optimistic about the employment opportunities and labour expectations of especially women, I can perhaps conclude my introductory remarks in asking the important question of how women should approach the situation. I do not want to be misunderstood. I do not want to make a plea for a special role for women. On the contrary. If we were confronted with a "normal" situation - from a social, political and economic point of view - the question of how women should approach the "normal" situation would have been completely out of place. But we are NOT in a normal situation. We are confronted by a very abnormal, and in many aspects, primitive situation. Given this "abnormality" and "primitiveness" - as it inter alia crystallised in a very much male-dominated society - I take the liberty of asking what women should do to "normalise" the situation and to improve their own social and economic position and in so doing to promote the social welfare of the society at large.

Perhaps I should not try to answer these questions. Perhaps I should only confront you with the challenge. But if you will

bear with me for a little while longer. I think women must try to do the following things:

Firstly, they must try to domesticate the still "feudal orientated" men in this country. I think a little bit of criticism against women will not be out of place. Up till now they have failed rather dismally in their responsibility to domesticate the men in this country. They should have realised that we cannot build a modern and united political, economic and social system when men are still as "war-orientated" and "conflict-minded" as is the case in South Africa. (Some men must even carry traditional or cultural weapons to prove their manhood!) The feudal orientation of many South African men betrays a deep-seated uncertainty or even an inferiority complex in their ranks. In trying to domesticate the South African men, it will also be necessary to empower them. If women can succeed with this kind of empowerment, the men will hopefully be prepared to carry some of the responsibility that at present rests so heavily on the shoulders of women - especially of the women in the ranks of the desperately poor.

Secondly, we must try to do something to bridge the terrible group-divide and on-going group-conflict in this country. If we do not succeed to create a well-integrated social structure with the necessary cross-cutting cleavages in (say) the next decade, it would not be possible to create conditions promotive for peace, stability and prosperity. We already have enough groups in this country to make a plea for a new one. But if the women in this country can successfully organise a women's group that will operate as a centipetal force, the economic and political and welfare value of it will be invaluable.

Women in this country unfortunately have no choice but to play a very active role in creating social, economic and political structures that will - over the long run - have the opportunities for better employment opportunities and optimistic labour expectations.

I wish it was possible to end on a more optimistic note. But at least it is too early for despair. A very important reason not to despair is the women of South Africa - let us give them a chance to succeed where the men have failed.