



Economic Digest 10

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Unemployment After Covid-19

According to Statistics South Africa, there are 6.726 million unemployed people in South Africa, giving an unemployment rate of 29.1%. The expanded definition of unemployment, which includes people who have stopped looking for work, was 38.7%. These unemployment statistics were already a massive challenge; post-Covid-19 they will become a nightmare. Here are some selected articles that look at how Covid-19 will change the employment landscape.

South Africa braces for jobs slump after lockdown

In its bi-annual Monetary Policy Review, the South African Reserve Bank estimated that South Africa could lose about 370 000 jobs this year, on a net basis, with business insolvencies increasing by roughly 1 600 firms as the economy contracts. <https://tinyurl.com/qnj7se9>

Covid-19 and the world of work: Impact and policy responses

Covid-19 will have far-reaching impacts on labour market outcomes. Beyond the urgent concerns about the health of workers and their families, the virus and the subsequent economic shocks will impact the world of work across three key dimensions: 1) The quantity of jobs (both unemployment and underemployment); 2) The quality of work (e.g. wages and access to social protection); and 3) Effects on specific groups who are more vulnerable to adverse labour market outcomes. <https://tinyurl.com/sc6ee6e>

Will Covid-19 structurally change the agricultural labour market?

Agriculture is well placed to provide livelihoods to those struggling to enter the workforce, and the entire food value chain has been classified as 'essential', which has enabled activities to continue in this sector. The National Development Plan expressed a desire to increase employment in agriculture and agro-processing sectors by roughly one million by 2030. <https://tinyurl.com/tvxjzvu>

South Africa's response to COVID-19 worsens the plight of waste reclaimers

South Africa's 60 000 to 90 000 reclaimers collect an astonishing 80% to 90% of used packaging and paper that is then recycled, providing crucial inputs for production and saving municipalities up to R750 million a year in potential landfill costs. Despite their significant contributions, reclaimers in South Africa (as in most countries) are not paid for the service they provide. <https://tinyurl.com/vbbrjz9>

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