

Is a 4-day week the answer?



South Africa's government is seriously considering implementing a 4-day work week. This appears to be in response to the very severe unemployment problem in South Africa. There is almost 40% are unemployment out of all the people in this country who are eligible to work (because they are over 14 years of age and below retirement age).

The rationale for the 4-day week plan appears to be that, if companies only have their staff at work for 4-days a week they will need to hire more workers to do the work available on the 5th day, and hence, more people will be employed. This idea is deeply flawed for the following reasons:

Firstly, we have a sick economy weakened by ESKOM blackouts, rampant crime, very poor government service delivery, deteriorating transport system, corruption and the weak international economy. As a result many thousands of companies are struggling to survive. These companies and many others would welcome a 4-day week. Not so that they can hire more workers but so as to be able to cut their wage bills by 20% without having to go through complex and drawn out procedures required by labour law.

Secondly, if employers are forced to convert to a 4-day week without reducing the workers' pay this would severely compromise the company's profitability and hence its ability to employ people.

Thirdly, if employers are forced to convert to a 4-day week but are allowed to cut the workers' pay accordingly this would reduce the income and available buying power that workers have. This in turn would weaken all businesses that depend on workers' buying power, and those businesses would shrink or close down, which would fuel unemployment rather than alleviating it.

Fourthly, in stimulating economic recovery there are no quick fixes. The entire economic system must be re-evaluated and reformed instead of ill considered piecemeal interventions being implemented.

Our government has organised several so-called job creation summits over the past two decades.

However, it has failed each time to carry out an honest and thorough re-evaluation of our economic system. An exception to this was the National Development Plan introduced over a decade ago by the then Finance Minister, Trevor Manuel. That plan, although far from perfect, recommended important reforms that, had they been implemented at the time, would have borne fruit by now.

Our government frequently talks about promoting small business development and has gone as far as creating a whole ministry for achieving this. Despite this initiative, small businesses are failing instead of growing. While small businesses are encumbered by our weak economy, by crime and by labour law restrictions, these businesses will remain small and insignificant in the fight against unemployment.

Further to the above, our government needs to understand that jobs cannot be created in an economy where jobs are being exported. For numerous reasons more and more South African companies are exporting jobs in order to exploit vastly superior labour economies overseas and in Africa.

Also, no pledges, promises, summits or talk shops will solve our growing unemployment problem. This is because ours is not a minor glitch correctable by superficial means. We have a huge national crisis that will be resolved only by proper economic analysis aimed at making South Africa friendly to local and international investors. Our government has failed miserably in this area.

All private stakeholders therefore need to concentrate their efforts on pressuring the government to get rid of the crime, industrial conflict, power shortages and the investor unfriendly legislation that is deterring international investors. Without this, direct international investment will continue to be conspicuous by its absence and our unemployment crisis will continue to grow.

Despite the fact that the inherently destructive apartheid system ended 28 years ago the conflict between capitalism and socialism is growing. And neither our government nor NEDLAC is doing anything to change this. While business owners and their workers are at odds with each other over which of them should own the business this economic war will continue to divide the main economic players and to weaken our economy.

It is addressing this basic conflict that will open the door to a stronger economy and to job creation. Once business and labour are on the same page they will be able to replace the conflict between capitalism and socialism with a new ism that I call Shareism. Here, business and labour would share the responsibility for making the money and would equitably share the profits thus created.

Then, talk about hobbling our economy even further through imposing 4-day weeks will die away and our economy will naturally be able to absorb work seekers.