

## **Finding Solutions to Unemployment**

At the start of the year 2020, the forecast that the world would encounter a problem of massive unemployment, may have been dismissed as being farfetched. With the world having commenced the slow recovery from the global economic downturn, there was optimism that the dark clouds were drifting away and the sun had now begun to peep out again. No one seemed to have dreamt or far less forecasted, that the treat of COVID-19 existed. It came like a thief in the night, caught everyone off guard and unprepared. The end result is that it brought terror, havoc and total devastation. The world economies have been blown apart, and the expected spiral in business activity which had implications for generating higher levels of employment, just ceased to exist.

Coming out of the economic crisis, it was generally felt that the time was right for engaging in the recruitment and hiring of employees. In a twinkling of an eye, as COVID-19 impacted like a category 5 hurricane, this thought was erased and the focus immediately changed to survival. The move to retrench or lay-off workers, to place them on reduced hours and/or to work from home, become part of the new norm. This development appears to be a quick fix to the emerging problem for which there seemed to be no real answers. The trend of resorting to reducing operational expenditure at the time seems to be the best fix, but in adopting this strategy, it apparently was not taken into consideration that with a constant reduction of staff compliments, there remained every likelihood that with it would come lower output. The impact of this has manifested itself in the decline of the national gross domestic product. With this being the case, it would be expected that at the national level, the need arises for delicate balancing to be exercised in the management of the economy. Fiscal prudence is required. More importantly, there is the need to ensure the stability of the foreign reserves.

In a dark hole such as this, countries across the globe are left with the option of getting people back to work. Government has an awesome responsibility to facilitate the environment for doing business and to spur the private sector into developing and bringing on stream new business initiatives. The process starts where governments can inspire confidence in the corporate world, who primarily are investors. Historical trends suggest that governments take a lead in developing

capital work projects. Where this happens, it means that avenues of employment are created. The demand for services means that competition is generated in the business community to bid for contracts on offer for government projects. The scope of this potential broadens where Public-Private Sector Partnerships (PPP) are developed. The beauty of the Public-Private Sector Partnerships is that it allows governments to secure private sector financing to drive new project initiatives and create employment opportunities. The fact that these partnerships can take the form of long-term contracts, can result in the creation of long-term jobs. The outcome of this arrangement is that it can provide for sustainable jobs and so consequently, lead to a reduction of societal poverty.

In the past, governments have been known to be the largest employer. Ever since the global economic crisis began, the policy seems to have taken on a face of reducing public sector jobs. With the advent of globalization and the need for working in real time to meet global service demands, that governments would have been moving to sustain levels of employment as they engage the 24-hour work day and flexible hours of work. It would therefore seem to be inconsistent that governments would choose to embark on a policy of reducing public sector employees. This gives the appearance that governments by their actions, are party to contraction in the employment of labour. It is hardly likely to be expected that the private sector which is also in the business of reducing operational and administrative expenditure, will be keen to absorb labour that is shed by government; unless there are inducements to do so.

The idea that turning to entrepreneurship as a possible solution must not be seen as the means to an end. It is correct to state that entrepreneurship activities have real potential for takeoff, as movement graduates from self-proprietorship, to micro, small and medium size businesses. The immediacy of growth and development of entrepreneurship through the various stages, will however depend heavily on the availability of investment capital and on the prevailing market forces.