

The South African Reserve Bank today launched a new volume of its flagship research publication, the *Labour Market Frontiers* (\*1). Articles in this first volume of 2004 reveal among other conclusions that employment growth is not non-existent – it is rather the pattern of labour demand and job creation that is changing form, and that previously disadvantaged groups in South Africa have seen a remarkable increase in dwelling ownership in absolute terms from 1996 to 2001. This volume also includes an article that analyses South Africa's ability to capitalise on its potential labour force, which has expanded at a faster rate than national average.

The publication's primary aim is to share information and create debate among researchers and policy makers on socio-economic issues deemed relevant for macroeconomic framework development. As with the past editions of this bi-annual leading research publication, this new volume attempts to further challenge serious labour and socio-economic topics currently facing South Africa.

This volume looks at challenges such as unemployment, the potential for job creation and limited access to and usage of financial services, and demonstrates how closer interrogation of these issues could uncover opportunities for economic participation and growth.

The first article attempts to address this issue by analysing trends in major job shedding and gaining sub-sectors in the economy. In the process the analysis also raises caution about some of the limitations associated with the main sources of employment data in South Africa. South Africa's employment challenges (and opportunities) relate to both the demand and supply sides of the labour market.

The second article explores the potential supply of labour on the basis of demographic trends as revealed by the last two population censuses. The discussion is couched within the international context and it weighs the country's prospects for optimally utilising the so-called '*demographic dividend*' compared to future global economic giants such as India and China. Other studies argue that one of the assets that makes these economies well positioned to become key global economic players in the medium to long term is their ability to capitalise on the ample supply of the work force.

The third article revisits one of the challenges of widening access to financial services. Lack of collateral is one of the obstacles to banking the unbanked. The article analyses trends in formal housing ownership between 1996 and 2001. It argues that increased ownership of formal housing is one of the crucial steps in the desired direction. This process broadens the collateral base in the economy and creates an opportunity to have a more inclusive financial system.

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