Financialisation and (un)employment in South Africa

**Financialised corporate strategies and restructuring (unbundling & internationalisation) of former conglomerates**

- Firm performance directly related to share prices linked to profitability and delinked from productive expansion, innovation and productivity
- Unbundling, downsizing and focus on ‘core competence’
- Outsourcing of non-core functions
  - Long-term ‘productive’ investment ↓
  - **Deindustrialisation** + reproduces apartheid pattern of ‘productive’ investment focussed on MEC core
- Direct employment by NFCs ↓
- Structural* Unemployment
- Employment in services ↑

**Neoliberal Macroeconomic Framework**

- Trade liberalisation
- Liberalised international capital flows + High interest rates
- Long-term capital outflows
- Short-term (speculative) capital outflows
  - **Macroeconomic instability** (↑frequency and amplitude of economic cycles)
- Investment in short-term financial assets ↑
- *procyclical nature of ‘real’ investment expansion of services sectors during upswings (e.g. retail)

- ↑Labour broking
- ↑precarious contractual arrangements
- ↓social protection & provision
- ↓investment on skills development
- *procyclical pattern on employment

↓social protection & provision

↑investment on skills development

↓social protection & provision