

# Addressing data inequality could help solve the unemployment crisis

 By [Greg Chen](#)

5 Nov 2019

No one but the most willfully ignorant would argue with the fact that South Africa is in the midst of a major employment crisis. According to the latest figures from StatsSA, more than 29% of working-age South Africans are unemployed, with expanded youth unemployment as high as 70%.



Greg Chen, CEO, Mobiz

If the country is to have any hope of addressing this critical issue, creative ideas are needed. Rehashing past solutions will simply see the joblessness rate continue to worsen.

One issue which, if addressed, has the potential to bring about real and lasting change is data inequality.

Put simply, mobile data is relatively affordable for wealthy and middle-class South Africans and prohibitively expensive for the country's poorer citizens. As such, large swathes of the population are being denied access to tools and services that could empower them to find and create jobs.

## The state of play

In order to understand how important addressing data inequality is, it's worth delving a little deeper into how big an issue data inequality really is in South Africa.

A Competition Commission enquiry held earlier this year found that the country's data costs "compare poorly" to their counterparts in the BRICS and SADC nations, and that the pricing structure of mobile data is "anti-poor" and "lacks transparency".

More specifically, it found out that the smaller data bundles typically bought by low-income earners were dramatically overpriced when compared with the larger bundles purchased by higher-income earners.

"For example, relative to a 1GB bundle, a consumer buying a 100MB bundle will pay roughly twice the price on a per bundle basis for the same data period validity," Commissioner Tembinkosi Bonakele noted in a statement. "A consumer buying a 50MB bundle will pay up to three times more and a 20MB bundle up to four times more."

## **Coming together**

That inequality doesn't only mean that consumers are locked out of the tools and resources which come with affordable internet access, it also limits the options available to small businesses when it comes to marketing to their customers. This is an especially large problem in rural and impoverished areas where small business owners don't have the budget or resources to compete with big corporates.

These are the same small businesses who we're told should be the growth engines of the South African economy.

In order to remedy the situation, government, operators, and private sector players must come together to work on a variety of complementary solutions.

Freeing up spectrum and rolling out better mobile infrastructure are important steps, but there are other actions worth taking too. All parties should, for example, put their weight behind mobile solutions that allow small business owners to directly reach their consumers.

Doing so opens up the potential for numerous job opportunities. With the right backing, people can be hired to promote and train business owners in the use of these marketing solutions. Once they're onboard, small business owners can hire part-time workers to help them build their customer databases.

These solutions should ideally be zero-rated or reverse billed (meaning that the company foots the data cost for the consumer), ensuring that customers don't have to use their own data to access the content sent out to them. Importantly, they should be as simple as possible to use with no technical skills required.

Once the businesses themselves start seeing returns on their marketing efforts, they can invest in hiring people to look after them full-time. At a stroke, people who have no prior experience in digital marketing can get a foot in the door, ultimately building skills in areas where there is currently a serious shortage.

## **Getting it right**

This is just one way that reducing data inequality can help boost job creation in South Africa. There are dozens of others.

In order for it to have a real impact, however, it's something that people and organisations across the spectrum have to get right. That, in turn, means committing themselves to the greater good, knowing that it'll benefit everyone in the long turn.

As a country, we're at a pivotal moment in our history. We can either take decisive action now or look back and regret not moving sooner.

## **ABOUT GREG CHEN**

Greg Chen is the CEO and co-founder of Mbbiz. He has a long history in the South African mobile space and is passionate about the role technology can play in engaging the country's

people across the spectrum

- Why SMS beats email in the current climate of crisis - 28 May 2020
- Addressing data inequality could help solve the unemployment crisis - 5 Nov 2019
- Why making mobile data cheaper is vital to kickstarting startup sector - 13 Sep 2019
- Easing the mobile data burden - 15 Jul 2019

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>