

Templeton Freedom Award

October 2009

On Monday, 19 October 2009, the Atlas Economic Research Foundation announced that the Free Market Foundation (FMF) had been awarded a \$10,000 prize in the category *Free Market Solutions to Poverty* for its book *Jobs for the Jobless* by Eustace Davie, which proposes a workable solution to South Africa's mass unemployment problem. The New Economic School in the Republic of Georgia won a similar prize in the same category for its efforts to reduce poverty by focusing the political debate in Georgia on pro-growth policies.

The Templeton Freedom Awards for Promoting Liberty, managed by Atlas, is the largest international awards programme for think tanks. The sixteen organisations recognised in the 2009 programme represent four continents and twelve countries – Brazil, Chile, Egypt, India, Paraguay, Peru, Poland, the Republic of Georgia, South Africa, Sweden, Slovakia, and the United States. Winners were selected from more than 130 applications from 47 countries, by an independent panel of judges. The 2009 awards grant a \$10,000 prize to each winner, and two prizes are given in eight categories.

One of the independent judges who adjudicated the *Free Market Solutions to Poverty* category said about *Jobs for the Jobless*, "One single idea can be much more powerful than one thousand actions and this is a perfect example." The single idea referred to by the judge is the proposal that unemployed people should be allowed to decide for themselves what amount of wages and conditions of employment they find acceptable and to negotiate with prospective employers on that basis.

Jobs for the Jobless proposes that anyone who is unemployed for six months or more should have the right to a Special Exemption (SPEX) Certificate, valid for two years, that exempts the certificate holder from statutory labour laws. An important condition of the exemption, contained in the proposal, is that written contracts specifying the most important conditions of their employment agreements, be entered into between SPEX holders and their employers. At the expiry of the stipulated contractual period, the employee can then renegotiate with the employer as to whether the SPEX proposal should fall away and be supplanted by working conditions in terms of existing labour legislation.

Small firms are the most likely potential employers of the young, inexperienced, unskilled, old or otherwise disadvantaged jobless people. Government should grant Special Exemption Certificates to the unemployed thus encouraging such firms to employ the jobless and thereby reduce unemployment.