

FreeFACTS

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The unending crisis

South Africa's greatest crisis — that of unemployment — shows no sign of ending.

Latest figures released by Stats SA reveal numbers that should make any South African be very concerned for the future of South Africa.

South Africa already had an employment problem before the implementation of the lockdown in March, but this was exacerbated by efforts to try fight the Covid-19 pandemic. A very large number of jobs were lost as businesses suffered losses and often could not afford to keep their staff on — if they themselves could keep their doors open.

South African unemployment statistics have two components. The first is the strict unemployment rate, which measures the number of people who are actively looking for work, while the second is the expanded rate. The latter is what we should look at when interrogating unemployment statistics, as this number includes people who would work if they could, but have simply given up, often having lost hope that they would ever find work.

These numbers reveal figures that are, frankly, terrifying. On the expanded definition 42% of South Africans are unemployed, and nearly three-quarters of South Africans aged between 15 and 24. In the Eastern Cape, outside of the metro municipalities of Buffalo City (East London) and Nelson Mandela Bay (Port Elizabeth) nearly 60% of people have no work. There are similar numbers for KwaZulu-Natal, outside eThekweni (Durban). Other provinces do not have these catastrophic numbers but they are approaching them rapidly.

South Africa's unemployment crisis is the biggest issue facing this country in the democratic era. The primary focus of all politicians and policymakers should be concerned with getting South Africans into productive, sustainable jobs. Apart from the obvious gain of giving someone an income along with the various benefits to the economy, being employed brings its own dignity, which cannot be discounted.

As a matter of urgency South Africa needs a labour reset, to get more people working, and make it easier for firms to hire potential employees. If this does not happen South Africa will continue to be a flailing and failing state. — **Marius Roodt**

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The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

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Unemployment

The employed, unemployed and discouraged workseekers, 2010-2020						
Year	Employed		Unemployed		-Discouraged workseekers ^a -	
	Number	Year-on-year change	Number	Year-on-year change	Number	Year-on-year change
2010	13 809 000	-3.8%	4 622 000	6.5%	1 960 000	27.6%
2011	13 922 000	0.8%	4 782 000	3.5%	2 214 000	13.0%
2012	14 330 000	2.9%	4 721 000	-1.3%	2 360 000	6.6%
2013	14 692 000	2.5%	4 972 000	5.3%	2 425 000	2.8%
2014	15 094 000	2.7%	5 154 000	3.7%	2 419 000	-0.2%
2015	15 657 000	3.7%	5 230 000	1.5%	2 434 000	0.6%
2016	15 545 000	-0.7%	5 634 000	7.7%	2 526 000	3.8%
2017	16 100 000	3.6%	6 177 000	9.6%	2 361 000	-6.5%
2018	16 288 000	1.2%	6 083 000	-1.5%	2 864 000	21.3%
2019	16 313 000	0.2%	6 655 000	9.4%	2 749 000	-4.0%
2020	14 148 000	13.3%	4 295 000	-35.5%	2 471 000	-10.1%
2010-2020	2.5%	—	-7.1%	—	26.1%	—

Source: Stats SA, Stats in brief, 2004, p67; *Labour Force Survey Historical Revision March Series 2001–2007*, Statistical release P0210; *Quarterly Labour Force Survey Historical revisions of the QLFS 2008 to 2013*, Statistical release P0211.3, 11 February 2014; *Quarterly Labour Force Surveys Quarter 2: 2014-2019*, Statistical release P0211; *Quarterly Labour Force Survey: Second Quarter, 2020*, P0211

a People who were not employed during the reference week of the survey, wanted to work/start a business but did not take active steps to find work during the last four weeks prior to being interviewed by Stats SA, provided that the main reason given for not seeking work was any of the following: no jobs available in the area, unable to find work requiring his/her skills, lost hope of finding any kind of work.

Unemployment

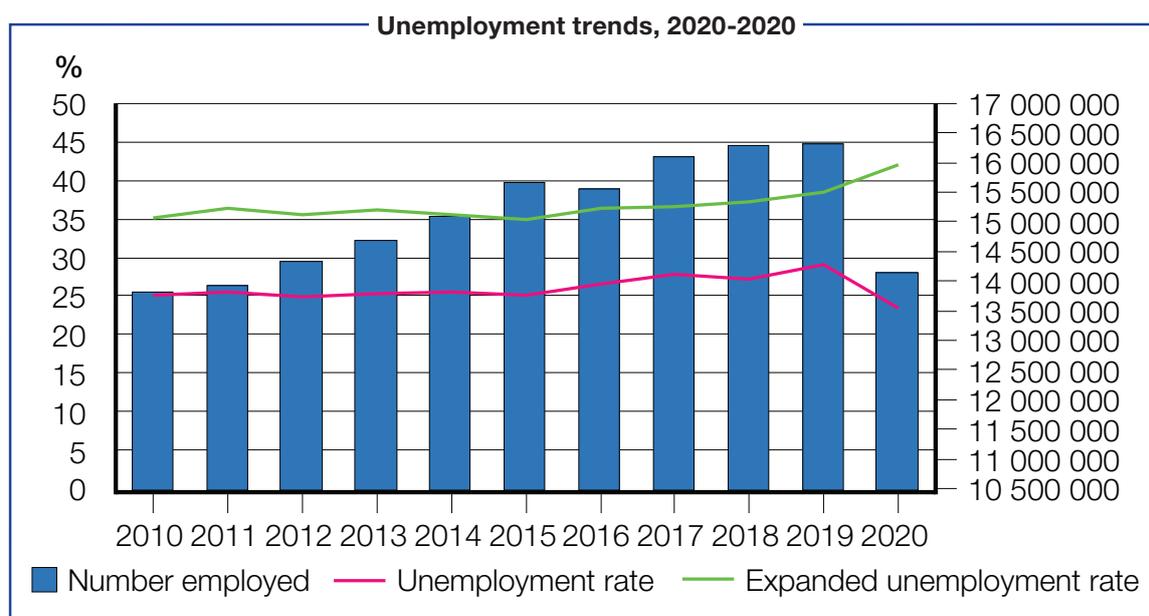
Unemployment trends, 2010-2020				
Year	Official definition		Expanded definition	
	Number	Rate	Number	Rate
2010	4 622 000	25.1%	7 509 000	35.2%
2011	4 782 000	25.6%	7 921 000	36.3%
2012	4 721 000	24.8%	7 922 000	35.6%
2013	4 972 000	25.3%	8 289 000	36.1%
2014	5 154 000	25.5%	8 332 000	35.6%
2015	5 230 000	25.0%	8 378 000	34.9%
2016	5 634 000	26.6%	8 880 000	36.4%
2017	6 177 000	27.7%	9 304 000	36.6%
2018	6 083 000	27.2%	9 634 000	37.2%
2019	6 655 000	29.0%	10 226 000	38.5%
2020	4 295 000	23.3%	10 259 000	42.0%
2010-2020	-7.1%	—	36.6%	—

Source: Stats SA, *Quarterly Labour Force Survey Quarter 2: 2019*, Statistical release P0211, 30 July 2019, pp21, 37; *South Africa Survey 2019*, p292, *Quarterly Labour Force Survey: Second Quarter, 2020*, P0211

The expanded definition of unemployment includes those who would like to work but have given up hope of finding work and have stopped actively looking for employment. It is often considered a more accurate reflection of unemployment.

The above indicates that in the second quarter of the year — when South Africa was under lockdown in an effort to combat the Covid-19 pandemic, the number of unemployed people declined. However, this is a statistical anomaly. The number of people on the strict definition declined, while the expanded definition expanded markedly.

This was because the number of discouraged workseekers increased markedly, as a result of the lockdown. These were people who were unemployed, would like to work, but could not look for work as a result of lockdown restrictions, meaning they were only counted under the expanded definition. One can see this phenomenon through out the various unemployment figures in this report.



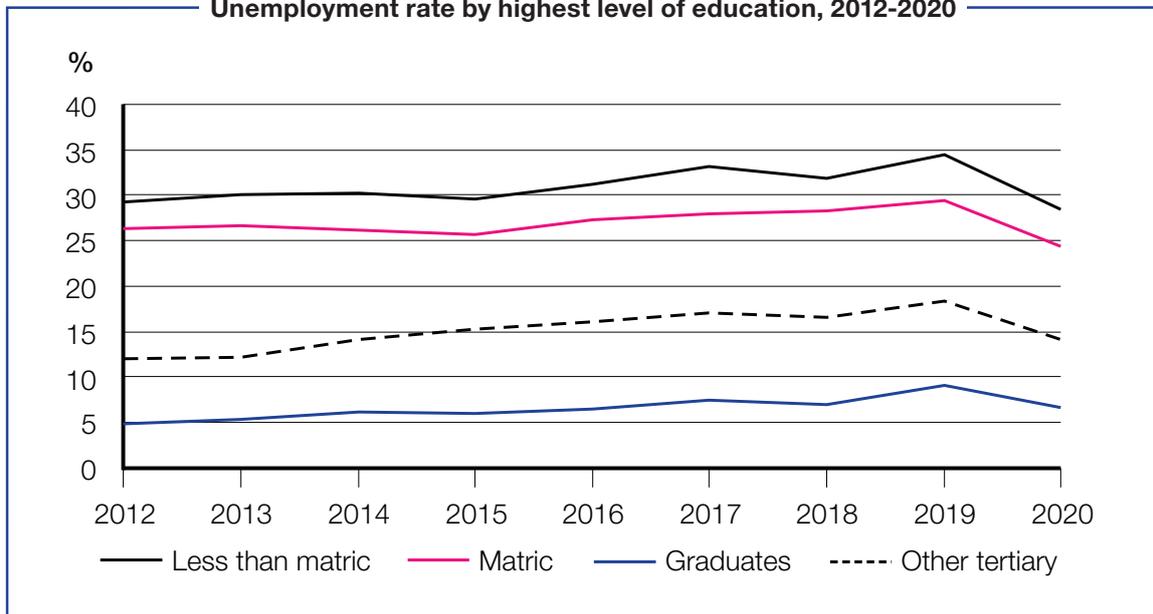
Unemployment

Unemployment rate by highest level of education, 2012-2020

	Less than matric	Matric	Graduates	Other tertiary
2012	29.2%	26.3%	4.9%	12.0%
2013	30.0%	26.7%	5.3%	12.2%
2014	30.3%	26.1%	6.2%	14.2%
2015	29.6%	25.6%	6.0%	15.2%
2016	31.2%	27.3%	6.5%	16.0%
2017	33.1%	27.9%	7.4%	17.0%
2018	31.9%	28.3%	6.9%	16.6%
2019	34.5%	29.4%	9.1%	18.3%
2020	28.4%	24.4%	6.6%	14.1%

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211, p18
 a For the second quarter

Unemployment rate by highest level of education, 2012-2020

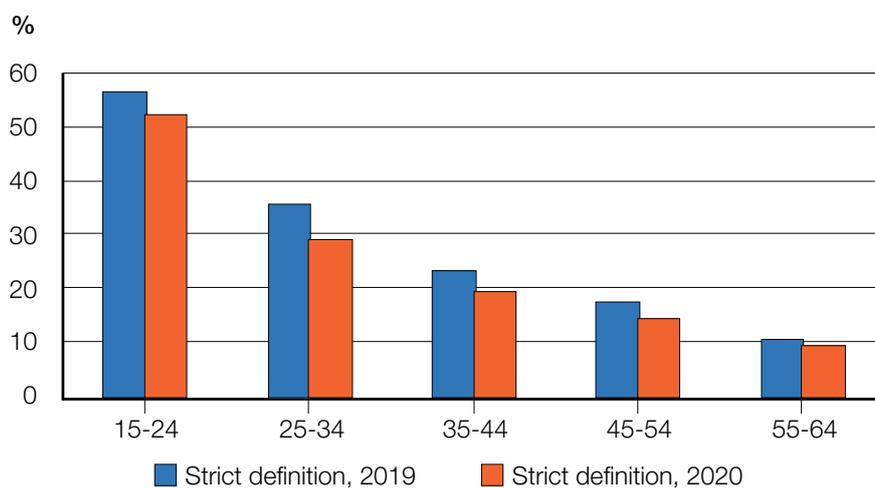


Unemployment

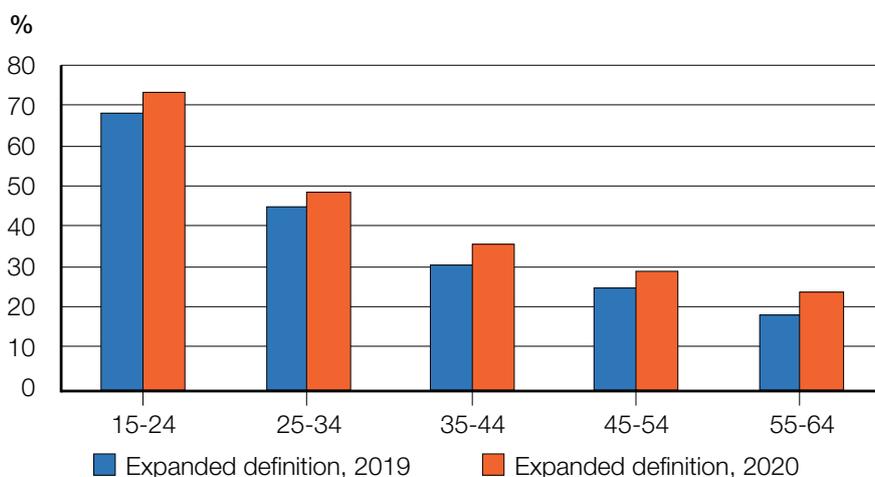
Unemployment rate by age				
Age	2019 ^a		2020 ^a	
	Strict definition	Expanded definition	Strict definition	Expanded definition
15-24	56.4%	68.3%	52.3%	73.4%
25-34	35.6%	45.1%	28.9%	48.6%
35-44	23.3%	30.4%	19.3%	35.4%
45-54	17.2%	24.8%	14.2%	28.6%
55-64	10.5%	17.9%	9.3%	23.9%

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211
 a For the second quarter.

Unemployment by age (strict definition), 2019 and 2020



Unemployment by age (expanded definition), 2019 and 2020



Unemployment

Unemployment rate ^a by province and metro, 2019 and 2020				
	2019		2020	
	Strict unemployment	Expanded unemployment	Strict unemployment	Expanded unemployment
Eastern Cape	35.4%	46.5%	36.9%	52.8%
Eastern Cape (rural)	36.8%	51.4%	38.9%	58.7%
Buffalo City	28.2%	37.6%	23.1%	40.1%
Nelson Mandela Bay	36.4%	37.8%	40.4%	43.2%
Free State	34.4%	41.6%	25.3%	41.2%
Free State (rural)	36.5%	44.1%	26.6%	39.5%
Mangaung	29.9%	36.1%	22.2%	44.7%
Gauteng	31.1%	35.0%	26.4%	38.7%
Gauteng (rural)	33.3%	40.6%	23.1%	42.9%
Ekurhuleni	31.8%	36.0%	25.3%	38.1%
Johannesburg	30.7%	33.4%	29.2%	39.7%
Tshwane	29.9%	33.4%	24.8%	35.7%
KwaZulu-Natal	26.1%	42.1%	18.9%	46.2%
KwaZulu-Natal (rural)	29.1%	48.8%	25.4%	51.2%
eThekweni	21.9%	30.5%	8.2%	37.8%
Limpopo	20.3%	41.1%	21.9%	46.5%
Mpumalanga	34.7%	43.5%	13.3%	45.4%
North West	33.0%	46.6%	21.6%	46.3%
Northern Cape	29.4%	44.8%	25.1%	45.1%
Western Cape	20.4%	23.8%	16.6%	27.3%
Western Cape (rural)	18.0%	23.4%	12.5%	24.3%
Cape Town	21.8%	24.0%	18.7%	28.9%

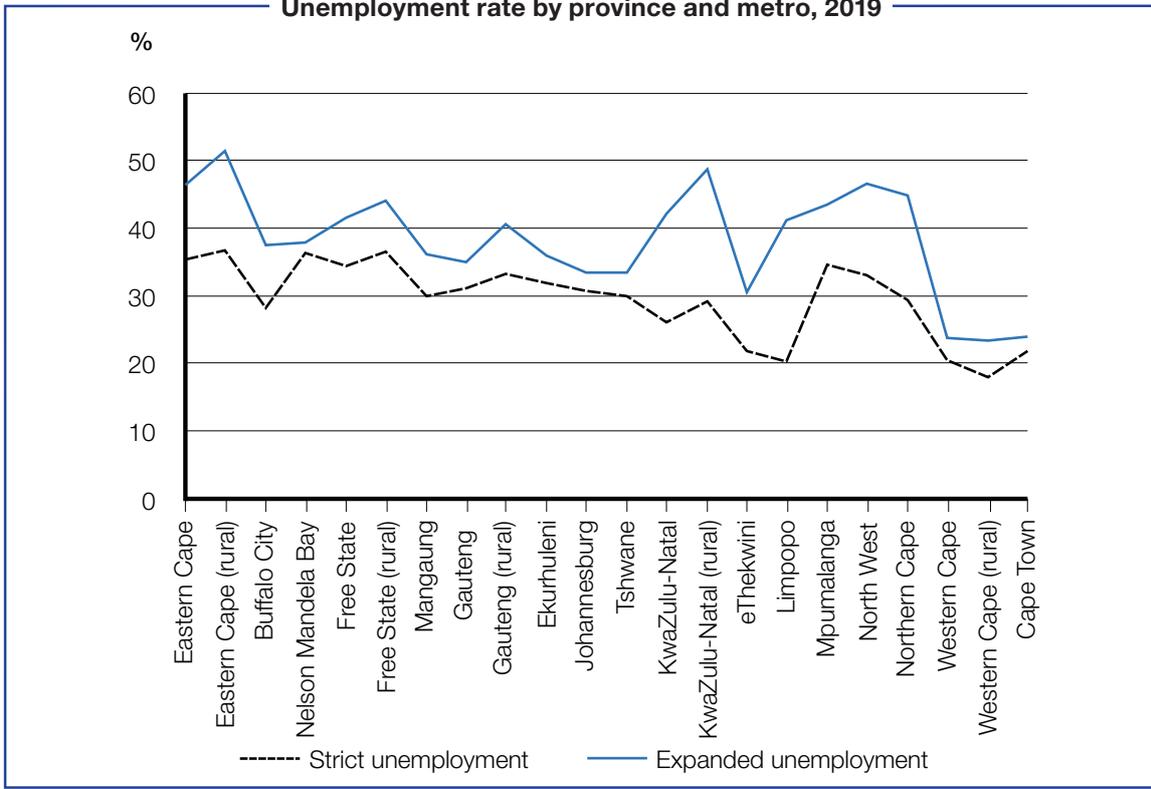
Source: Stats SA, *Quarterly Labour Force Survey: Second Quarter, 2020*, P0211

a Second quarter

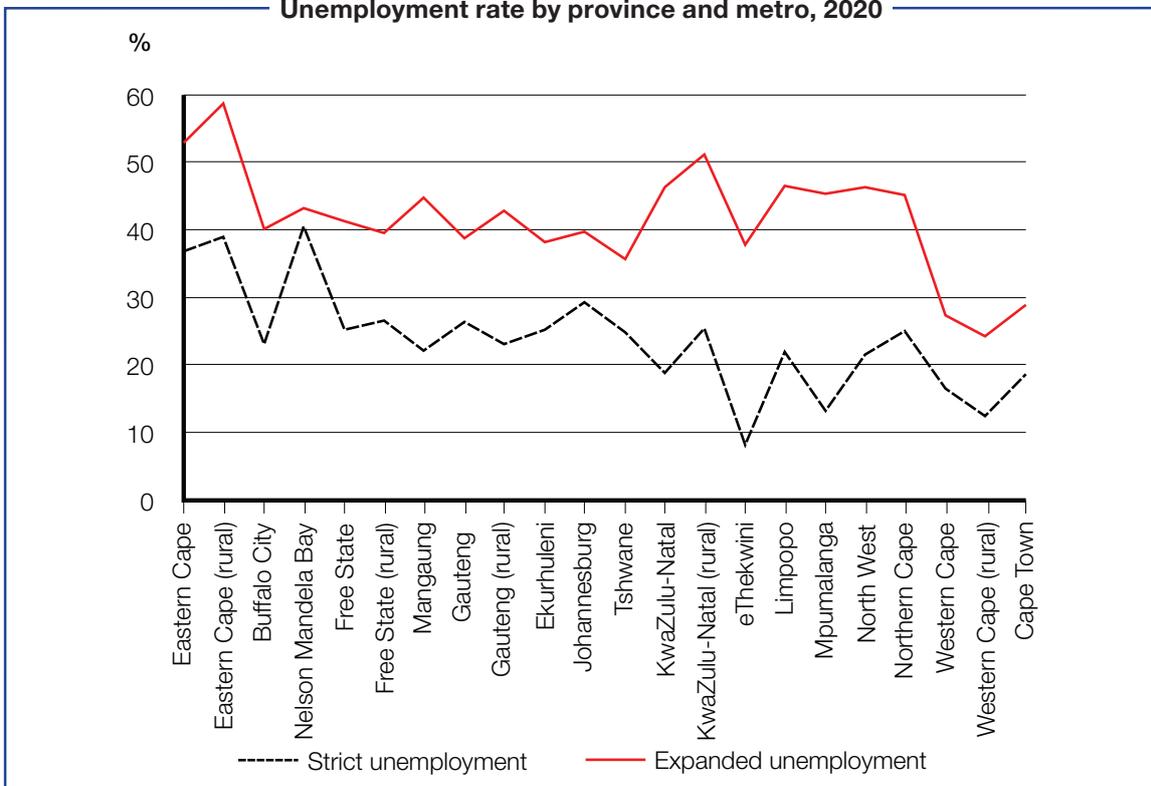
It is clear that living in an urban area is better for your employment chances than living in a rural area. Consider the Eastern Cape, where on the expanded definition, nearly 60% of people who live outside the two metros of Buffalo City and Nelson Mandela Bay, are unemployed.

Unemployment

Unemployment rate by province and metro, 2019



Unemployment rate by province and metro, 2020



Unemployment

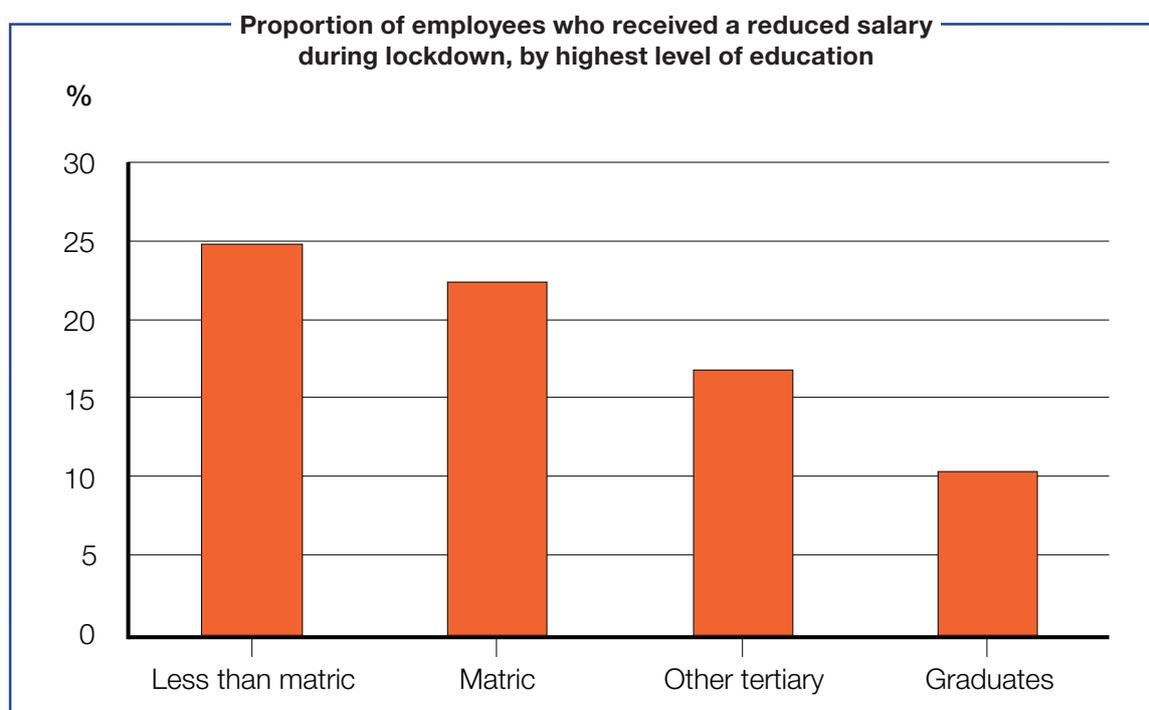
Employment by sector			
	2019 ^a	2020 ^a	Change
Mining	381 000	373 000	-2.1%
Manufacturing	1 789 000	1 456 000	-18.6%
Utilities	151 000	113 000	-25.2%
Construction	1 363 000	1 066 000	-21.8%
Trade	3 429 000	2 946 000	-14.1%
Transport	983 000	885 000	-10.0%
Finance	2 495 000	2 234 000	-10.5%
Community and social services	3 622 000	3 244 000	-10.4%
Other	6 000	27 000	350.0%
Agriculture	842 000	799 000	-5.1%
Private households	1 251 000	1 005 000	-19.7%
Total	16 313 000	14 148 000	-13.3%

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211, p63
a For the second quarter.

Employees who received reduced salaries during lockdown, by level of education				
	Less than matric	Matric	Other tertiary	Graduates
Received a reduced salary	24.8%	22.4%	16.8%	10.3%

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211, p11

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Unemployment

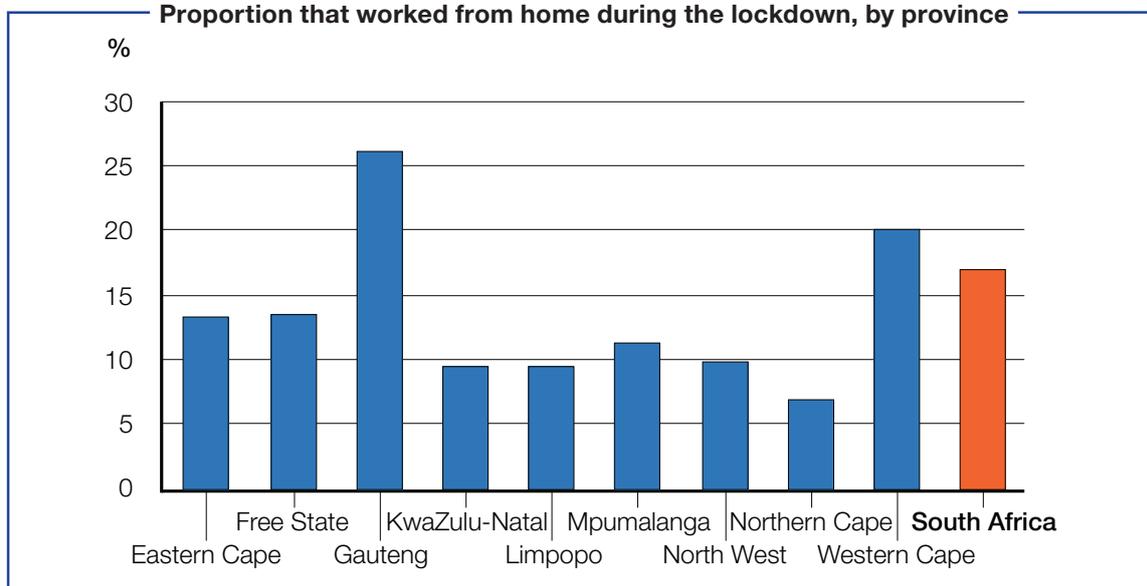
Proportion that worked from home during the lockdown, by province

Eastern Cape	13.3%	Mpumalanga	11.2%
Free State	13.4%	North West	9.7%
Gauteng	26.1%	Northern Cape	6.8%
KwaZulu-Natal	9.5%	Western Cape	20.0%
Limpopo	9.4%	South Africa	17.0%

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211, p9

This graph indicates the different levels of development of South Africa. In the richer, more urbanised and more developed provinces of South Africa, such as Gauteng and Western Cape much higher proportions of people could work from home. However, in other provinces where more people are involved in primary industries, the proportions of people working from home was much lower. For example, in the Northern Cape only about 7% of people could work from home.

Proportion that worked from home during the lockdown, by province



Proportion who worked from home during the lockdown by occupation

Manager	40.5%	Craft and related trade	12.5%
Professional	44.7%	Plant and machine operator	1.5%
Technician	26.5%	Elementary	9.5%
Clerk	21.7%	Domestic worker	0.6%
Sales and services	7.1%	Other	23.2%
Skilled agriculture	31.7%		

Source: Stats SA, Quarterly Labour Force Survey: Second Quarter, 2020, P0211, p9

The above table shows the difference in occupational categories between whether people could work from home and shows large difference. In general, if one was in a skilled occupation one could work from home. There were some exceptions, machine operators - which is skilled work - would likely not be able to do their work from home, like a manager or someone in a professional occupation could. Almost no domestic workers worked from home - which is unsurprising given the nature of that occupation.