

FreeFACTS

No 7/2019 / July 2019 / Issue 15

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SA's unemployment crisis – no end in sight

The biggest crisis facing South Africa today is that of unemployment.

The most recent figures released show that there are nearly ten million South Africans who are out of work. This includes nearly seven million people who are unemployed but are looking for work, and another nearly three million people who want to work but who have given up hope and simply stopped looking. If we look at only those who are actively seeking work, we have an unemployment rate of nearly 30%. However, if we include discouraged workseekers (those who would want to work but have given up looking for a job), this jumps to nearly 40%. This is a crisis by any definition of the word.

In some rural parts of the country, such as in non-urban Kwa-Zulu-Natal and the rural Eastern Cape, 50% of people are unemployed (on the expanded definition). Most other rural areas have expanded unemployment rates approaching those levels.

This is against a global unemployment rate of only 5.2%, the lowest level recorded in nearly 40 years.

Employment, of almost any sort, gives people dignity, an opportunity to provide for their families, and – often – opportunities to advance themselves, through the people they meet at work, and skills that are learnt at many jobs. The fact that so many people do not work in South Africa is a staggering waste of human capital. Higher levels of employment will also go a long way to making a dent in our poverty figures and reducing inequality. While inequality in and of itself is not a problem, the high levels of inequality in South Africa could eventually lead to resentment and social unrest.

And this is unlikely to change in the foreseeable future. The government seems unwilling to take the steps that will allow us to reach employment levels that are closer to the global norm. Labour market reform, coupled with policies that lead to an increase in employment, is an imperative but under the current regime, this is unlikely.

— **Marius Roodt**

JOIN US

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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Ts and Cs apply.**

Employment

The employed, unemployed and discouraged workseekers, 1994-2019

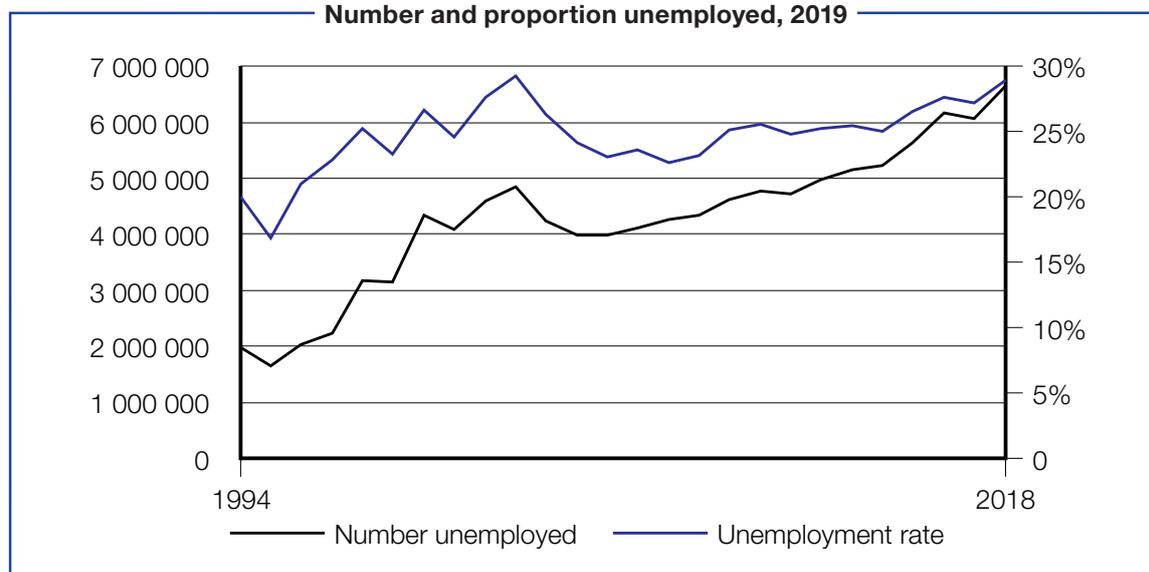
Year ^b	Employed		Unemployed		Discouraged workseekers ^a		Unemployment
	Number	Year-on-year change	Number	Year-on-year change	Number	Year-on-year change	
1994	7 971 000	–	1 988 000	–	1 684 000	–	20.0%
1995	8 069 000	1.2%	1 644 000	-17.3%	1 677 000	-0.4%	16.9%
1996	7 590 000	-5.9%	2 019 000	22.8%	2 178 000	29.9%	21.0%
1997	7 548 000	-0.6%	2 238 000	10.8%	2 313 000	6.2%	22.9%
1998	9 390 000	24.4%	3 163 000	41.3%	2 471 000	6.8%	25.2%
1999	10 369 000	10.4%	3 158 000	-0.2%	2 724 000	10.2%	23.3%
2000	11 880 000	14.6%	4 333 000	37.2%	2 220 000	-18.5%	26.7%
2001	12 494 000	5.2%	4 081 000	-5.8%	1 725 000	– ^c	24.6%
2002	11 995 000	-4.0%	4 603 000	12.8%	1 958 000	13.5%	27.7%
2003	11 666 000	-2.7%	4 843 000	5.2%	2 067 000	5.6%	29.3%
2004	11 823 000	1.3%	4 231 000	-12.6%	2 285 000	10.5%	26.4%
2005	12 503 000	5.8%	3 993 000	-5.6%	2 324 000	1.7%	24.2%
2006	13 237 000	5.9%	3 984 000	-0.2%	2 445 000	5.2%	23.1%
2007	13 236 000	0.0%	4 119 000	3.4%	2 511 000	2.7%	23.6%
2008	14 584 000	10.2%	4 267 000	3.6%	1 101 000	– ^c	22.6%
2009	14 357 000	-1.6%	4 341 000	1.7%	1 536 000	39.5%	23.2%
2010	13 809 000	-3.8%	4 622 000	6.5%	1 960 000	27.6%	25.1%
2011	13 922 000	0.8%	4 782 000	3.5%	2 214 000	13.0%	25.6%
2012	14 330 000	2.9%	4 721 000	-1.3%	2 360 000	6.6%	24.8%
2013	14 692 000	2.5%	4 972 000	5.3%	2 425 000	2.8%	25.3%
2014	15 094 000	2.7%	5 154 000	3.7%	2 419 000	-0.2%	25.5%
2015	15 657 000	3.7%	5 230 000	1.5%	2 434 000	0.6%	25.0%
2016	15 545 000	-0.7%	5 634 000	7.7%	2 526 000	3.8%	26.6%
2017	16 100 000	3.6%	6 177 000	9.6%	2 361 000	-6.5%	27.7%
2018	16 288 000	1.2%	6 083 000	-1.5%	2 864 000	21.3%	27.2%
2019	16 313 000	0.2%	6 655 000	9.4%	2 749 000	-4.0%	29.0%
1994-2019	104.7%	–	234.8%	–	63.2%	–	36.0%

Source: Stats SA, *Stats in brief, 2004*, 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: 2015-2018*, Statistical release P0211; Statistics South Africa, *Quarterly Labour Force Survey*, 2nd Quarter 2019, Statistical release P0211, 30 July 2019

- 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.
- b From 1994 to 1999, the data is based on *October Household Surveys*. For 2000, the data is from the February 2000 *Labour Force Survey*. From 2001 to 2007, the data is based on the *Labour Force Survey Historical Revision March Series*. From 2008 to 2016 the data is based on the *Quarterly Labour Force Survey*, and refers to the second quarter. Therefore only the data from 2008 to 2018 is strictly comparable.
- c The definition of discouraged workseekers was changed by Stats SA in 2008 to make it more restrictive. The data from 2001 to 2017 has been revised and refers to the 2008 definition, whereas the data for 1994 to 2000 refers to the old definition. The large drop in the number of discouraged workseekers between 2000 and 2001 can be explained by this, and for this reason a year-on-year change has not been calculated between these years. In 2014, the data from 2008 to 2013 has been revised to incorporate the new population benchmarks from Census 2011.

Employment

Number and proportion unemployed, 2019

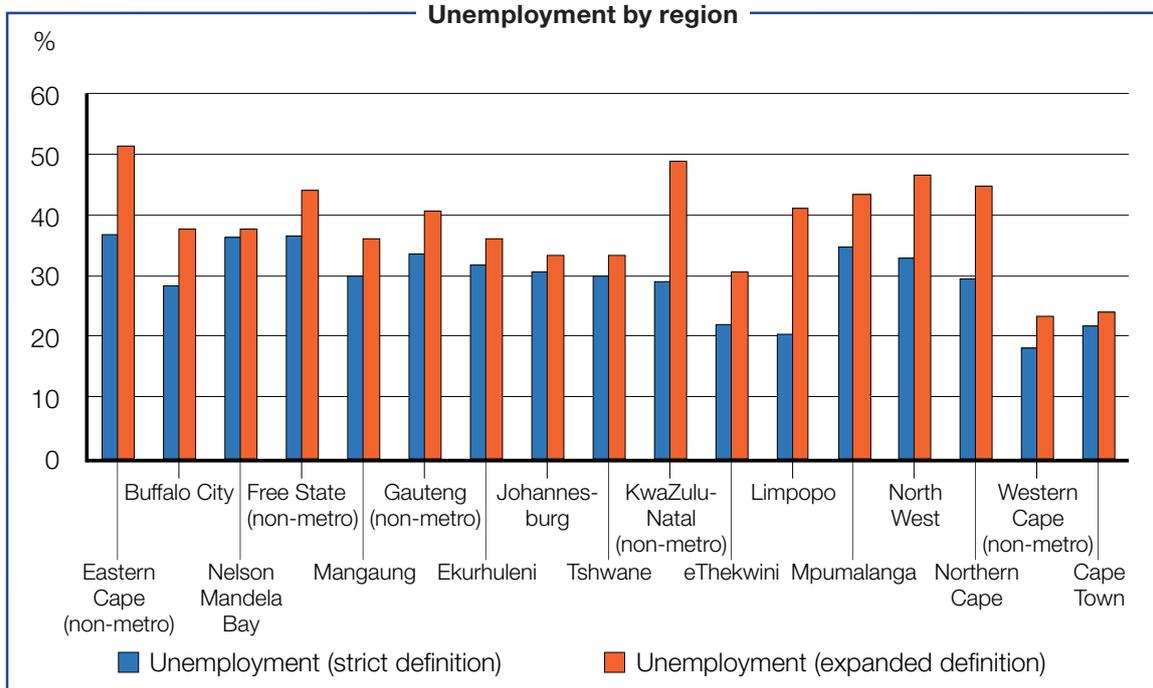


Unemployment by region and metro municipality

Region/metro	Unemployment (strict definition)	Unemployment (expanded definition)
Eastern Cape (non-metro)	36.8%	51.4%
Buffalo City	28.2%	37.6%
Nelson Mandela Bay	36.4%	37.8%
Free State (non-metro)	36.5%	44.1%
Mangaung	29.9%	36.1%
Gauteng (non-metro)	33.6%	40.6%
Ekurhuleni	31.8%	36.0%
Johannesburg	30.7%	33.4%
Tshwane	29.9%	33.4%
KwaZulu-Natal (non-metro)	29.1%	48.8%
eThekweni	21.9%	30.5%
Limpopo	20.3%	41.1%
Mpumalanga	34.7%	43.5%
North-West	33.0%	46.6%
Northern Cape	29.4%	44.8%
Western Cape (non-metro)	18.0%	23.4%
Cape Town	21.8%	24.0%

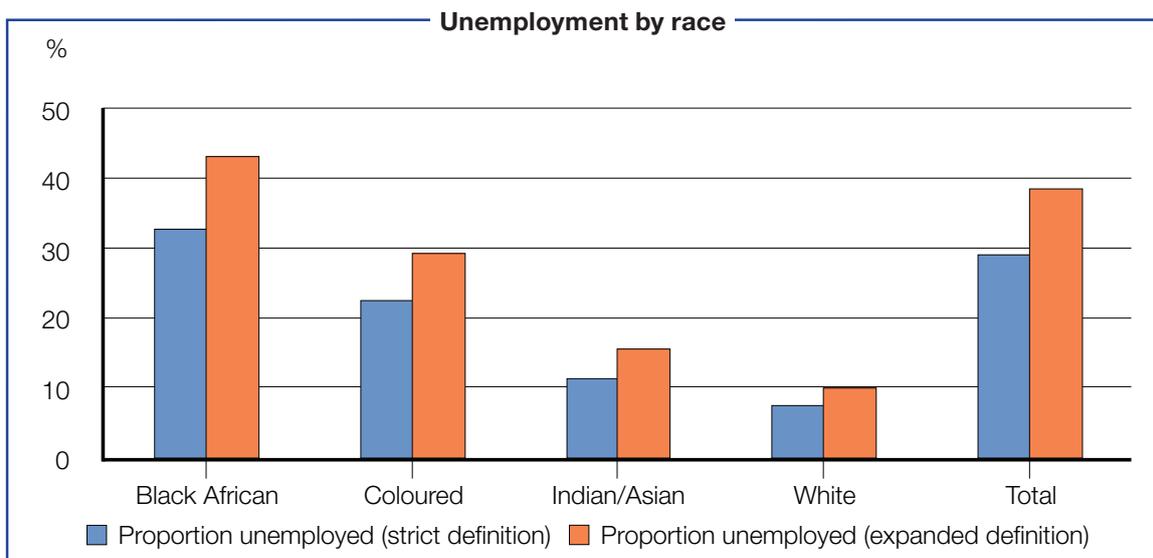
Source: Statistics South Africa, *Quarterly Labour Force Survey, 2nd Quarter 2019*, Statistical release P0211, 30 July 2019

Employment



Unemployment by race		
Race	Proportion unemployed (strict definition)	Proportion unemployed (expanded definition)
Black African	32.7%	43.0%
Coloured	22.5%	29.2%
Indian/Asian	11.2%	15.5%
White	7.4%	9.8%
Total	29.0%	38.5%

Source: Statistics South Africa, *Quarterly Labour Force Survey*, 2nd Quarter 2019, Statistical release P0211, 30 July 2019



Employment

Unemployment by highest level of education

Level of education	Unemployment rate
Less than matric	34.5%
Matric	29.4%
Graduates	9.1%
Other tertiary	18.3%

Source: Statistics South Africa, *Quarterly Labour Force Survey, 2nd Quarter 2019*, Statistical release P0211, 30 July 2019

Employment by sector

Sector	Number employed (2nd quarter 2018)	Number employed (2nd quarter 2019)	Change (year-on-year)
Agriculture	843 000	842 000	-0.1%
Mining	435 000	381 000	-12.4%
Manufacturing	1 744 000	1 789 000	2.6%
Utilities	161 000	151 000	-6.2%
Construction	1 476 000	1 363 000	-7.7%
Trade	3 219 000	3 429 000	6.5%
Transport	1 014 000	983 000	-3.1%
Finance	2 399 000	2 495 000	4.0%
Community and social services	3 692 000	3 622 000	-1.9%
Private households	1 296 000	1 251 000	-3.5%
Other	8 000	6 000	-25.0%
Total	16 288 000	16 313 000	0.2%

Source: Statistics South Africa, *Quarterly Labour Force Survey, 2nd Quarter 2019*, Statistical release P0211, 30 July 2019

Employment by sector

