



Ten Million and Rising

What it would take to address South Africa's jobs bloodbath

Key Facts



- Only 42% of South African adults are in employment, down from 46% in 2008. This level of employment across the working age population compares poorly with the global average – especially developing countries. Across all upper middle-income countries (including South Africa), an average of 61% of adults are working.
- 38.5% of our labour force are unemployed, one of the highest figures in the world. 10.3 million people are currently unemployed. This is up from 8.4 million in 2014 and 7.1 million in 2009.
- Since 2008, South Africa's working age population has increased by 7 million people, but fewer than 2 million of those found work. During the same period, 3.8 million people have joined the unemployment queue.
- This means that every day some 1700 adults join the labour market and fewer than 500 of them find work.
- Over 70% of the narrowly unemployed (4.8 million of 6.7 million) have not had any kind of job in the past 12 months, up from 60% 10 years ago.
- The data for young people (aged 15 to 34) are even worse. Between 2008 and 2019, the population of young people increased by 2.2 million to 20.4 million, while the number of young people in employment fell by more than 500 000 to 5.9 million.
- This means that, despite more than 500 additional young people in South Africa joining the workforce every day since 2008, more than 100 young people lost jobs daily.
- South Africa has extremely low agricultural employment figures. Although our non-agricultural employment rates compare favourably with middle-income countries (38% against 40%), our agricultural employment rates are way down: 17% of the world's middle-income country populations work in agriculture, while in South Africa this figure is only 2%.
- Employment rates are therefore higher in urban areas than rural areas. The average employment rate for South Africa's eight largest metros (Johannesburg, Pretoria, Ekurhuleni, Cape Town, Durban, Bloemfontein, Port Elizabeth, and East London) is 50%, while in the rest of the country only 40% of adults are working.
- Our cities generate employment at a faster pace than in the countryside, despite the fact that two-thirds of our population live in urban areas. Since 2015, employment in South Africa's metros rose by 9%, compared with an increase of only 3% outside those metros, despite similar rates of population growth (8% for urban areas; 7% for rural areas).
- Unemployment rates vary according to levels of education. This can be seen most starkly in the comparison between the employment prospects of adults with matric versus without matric: 55% of the former have work, while just 33% of the latter are working. However, both figures have dropped over the past decade. At the beginning of 2008, 63% of adults with matric had work while 37% of adults without matric were working.
- South Africa's economic growth has been too slow to absorb new entrants into the labour market. Annual GDP growth has not been more than 4% since 2007, and has been less than 2% every year after 2013. GDP growth was 1.8% in 2014, 1.2% in 2015, 0.4% in 2016, 1.4% in 2017, and 0.8% in 2018.
- The South African Reserve Bank has had to review its economic forecasts downwards for each of these years. In January 2020, the SARB cuts its 2019 growth expectations to 0.4%, its 2020 growth expectations to 1.4%, and its 2021 growth expectations to 1.6%.
- No major financial institution predicts economic growth of 2% for 2019 or 2020. The World Bank expects economic growth to be 0.4% for 2019 and to rise to 0.9% in 2020 and then to 1.4% in 2021, but only on the assumption that the "structural reform agenda gathers pace".
- South Africa's economic growth is not very labour-intensive. Between 2000 and 2017, South Africa's GDP growth averaged 2.8% per year. Total employment, however, only rose by 1.6% per year.

Sources

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