

# **South Africa unemployment: 1994 vs 2019**

Staff Writer 12 November 2019

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Government has published a 25-year 'review' focusing on the progress made by South Africa since democracy in 1994 in areas such as unemployment.

Citing data from Stats SA, the review shows that 8.9 million people were employed in 1994, with an unemployment rate of 20%.

However, it should be noted that the unemployment rate at that time did not include the Bantustans and the black majority.

"In 1994, there were 41 million South Africans, therefore the employed represented 21% of the population.

"By the end of 2018, the number of people employed had almost doubled to 16.5 million people, representing 28.5% of the population.

"Despite this, and as a consequence of an increasing population growth which surpassed the economic growth, the unemployment rate has increased to 27.1%."

This unemployment rate has continued to climb in 2019, reaching 29.1% in the third quarter – its highest rate in over 16 years. The country's unemployment rate last reached 28% in 2003.

The below graph shows South Africa's unemployment rates from 1994 to the start of 2019.

The inability of the economy to create jobs coupled with the high-level entry requirements and the skills mismatch are some of the reasons advanced for the persisting structural unemployment, the review said.

“Although the economy grew by 2.8% on average during 1994 to 2018, it has not been able to absorb the number of people needing employment,” it said.

“The distribution of unemployment remains highly racially skewed—with African unemployment more than double that for Indians and more than four times that of white unemployment.

“Youth and women bear the brunt of unemployment. Youth unemployment in particular rose sharply over the past 10 years (2008 and 2018), the unemployment rate for young people increased from 44.9% to 54.7%.”

### **Failed plans**

The review states that over the past 25 years, the government has implemented various policies and plans to remedy the high rate of unemployment, particularly for young people and women.

Interventions included the Employment Tax Incentive (ETI), which is intended to stimulate demand for young workers and the Expanded Public Works Programme (EPWP), which targets young people and women.

In addition, South Africa’s industrial policy put employment at the centre of any industry support by government. 30% of procurement was also set aside for youth-owned and managed enterprises.

“However, these and other interventions have not had the envisaged impact; hence, the high levels of unemployment persist, which reached 27.1% in Q4 of 2018,” it said.

“At the current pace the NDP target of reducing unemployment to 6%, is unlikely to be met, unless drastic steps are undertaken.

“In order to meet the NDP: 2030 goal of 24 million people employed, the number of individuals employed needs to increase by 11 million from the 2010 base figure of 13.6 million.”