

# Unemployment eases in the last quarter of 2017

South Africa's unemployment rate eased to 26.7% in the fourth quarter of 2017, Statistics South Africa (Stats SA) announced on Tuesday, 13 February 2018.



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“As of the last quarter of 2017, unemployment was sitting at 26.7%,” Statistician General Risenga Maluleke told reporters at a media briefing in Tshwane.

In the third quarter, South Africa’s unemployment rate remained unchanged at 27.7% as was in the second quarter.

In the fourth quarter, unemployment decreased by 330,000.

Nedbank economists said while the outlook for the job market remains uncertain, prospects are looking better.

“The outlook for the job market remains uncertain, but prospects are better. The political landscape is improving, while global economic growth and commodity prices are forecast to increase in 2018. This will support business confidence, which should ultimately encourage fixed investment activity and employment creation by the private sector,” it said.

The Quarterly Labour Force Survey (QLFS) released by Stats SA on Tuesday showed that there were 16.2 (from a previous 14.4) million people in employment, while the absorption rate was at 43.1% in the fourth quarter.

## Education levels improve employment prospects

With regards to the educational level of the labour force, the QLFS found that the unemployment rate is higher for those with lower education levels.

“We can see that if you have less than matric, you will experience serious unemployment challenges,” said Maluleke.

In the fourth quarter, those without matric had an unemployment rate of 31.2%, while those with matric were at 27.5%. The unemployment rate among graduates was at 6.6% in the fourth quarter.

Meanwhile, the unemployment rate among the youth was found to be higher irrespective of education level.

For those not in employment, education and training (NEET), the QLFS found that of the 10.3 million young people aged 15 to 24, 3.1 million were not in NEET.

The report indicated a 21,000 quarter-on-quarter decrease in the number of those employed, while formal sector jobs decreased by 135,000 quarter-on-quarter to 11.2 million people. However, informal sector employment rose by 119,000 quarter-on-quarter to 2.8 million.

Quarter-on-quarter gains were made by the services, manufacturing, agriculture and construction sector at 75,000, 42,000, 39,000 and 26,000 respectively.

Informal sector employment has been growing from 2.4 million in the first quarter of 2008 to 2.8 million in the fourth quarter of 2017.

In the fourth quarter of 2017, 5.9 million people were unemployed (a decrease of 330,000 quarter-on-quarter).

By population group, unemployment was at 30% for black Africans, 23.5% for coloureds, 9.2% for Indian/Asian and 6.7% for whites in the fourth quarter

“When we look at males versus females, we see that for black African females we are sitting at 32.4% [unemployment]. Black women are mostly vulnerable when it comes to unemployment,” said Maluleke.

The QLFS said that irrespective of sex, black Africans and coloured population groups remain vulnerable in the labour market.

Provincially, the Eastern Cape had the highest unemployment rate at 35.1%, followed by the Free State at 32.6%.

In its research note, Nedbank said stronger jobs growth will still be hindered partly by insufficient skills and lingering policy uncertainty in certain industries.

“Public sector spending and employment will be restricted by the need for fiscal consolidation against the backdrop of a mounting government debt burden. The unemployment rate is therefore likely to remain high in the short term but is likely to ease gradually over the long term.”