
Unemployment in South Africa:

Dilemmas and Challenges for the 1990s

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The development of capitalism in South Africa has always been associated with high levels of unemployment, but unemployment has increased alarmingly in the past two decades. This has serious consequences, including poverty, escalating violence and the slow destruction of the social fabric of South African society.

Dimensions of Unemployment

There has been a lot of controversy about the number of unemployed people in South Africa. Different authors have arrived at vastly different estimates depending on their ideological positions and their definitions of unemployment. The government body, Central Statistical Service (CSS), has presented low figures in the past. It has more recently accepted that its figures are inaccurate. In August 1990, it stopped releasing official unemployment statistics for Africans because its "estimated unemployment rate reflected an unaccountable continuous decrease, not in accordance with other related indicators."

There is now a greater degree of agreement that the number of unemployed is enormous. In May 1991, the special adviser to the Minister of Finance, Japie Jacobs, said that about 4,6 million people were not employed in the formal sector. This is more than 40% of the economically active population. (These figures exclude the so-called independent states).

The first report on the 1991 census has been released. It states that almost 2 million South Africans said that they were unemployed. A growing number of people said they were self-employed, the number being almost twice as high as that

in 1980. These figures confirm the severe shortage of jobs in the formal sector and consequent growth in the informal sector, as well as the simultaneous increase in the number of people not employed in either the formal or informal sectors.

The government now concedes that unemployment is entrenched and that it is a structural problem. Structural unemployment refers to that proportion of the workforce which is permanently unemployed. Another type of unemployment is cyclical unemployment. This relates to cyclical changes in the economy, and refers to those workers who are retrenched during an economic downturn and who may be able to find jobs once the economy improves.

Structural unemployment is clearly the most serious form of unemployment and poverty arises from this form. Cyclical unemployment can also lead to severe hardship, especially during economic downturns of long duration. Cyclical unemployment can, furthermore, lead to structural unemployment. Workers who have generally been able to find employment during economic upturns may, at some point, no longer be able to find jobs and become permanently unemployed.

In South Africa, structural unemployment is becoming an ever increasing problem. Each year, the number of economically active people entering the labour force increases, but the number of available jobs is diminishing. Between 1975 and 1988, the South African labour force increased by 3,9 million, whereas employment grew in total by 0,9 million. High rates of population growth impact heavily on the level of unemployment, but the underlying problem is that the economy is not generating the necessary employment opportunities. In 1990, only 7 out of every 100 job seekers managed to find work.



Large numbers of young people are effected by the shortage of jobs.

Photo: Cedric Nunn.

South Africa is, furthermore, in a deep and long economic downturn. Retrenchments are on the increase and, in the last two years, about 150 000 jobs have been lost. An estimated 1 200 jobs are being lost daily. In some cases, retrenched workers may be entering a period of cyclical unemployment, but, in others, the workers being retrenched in this downturn will join the pool of permanently unemployed.

Large numbers of young people are affected by the diminishing pool of jobs. Research conducted in three Cape Town townships, namely Mitchell's Plain, Hanover Park and Manenberg, revealed that almost a third of a sample of 150 unemployed fell into the 15 to 24 year age group. These findings are confirmed by the 1988 National Manpower Commission (NMC) report, which notes that a "breakdown of unemployment by age indicates that it predominantly occurs where workers are under the age of thirty years."

The Consequences of Unemployment

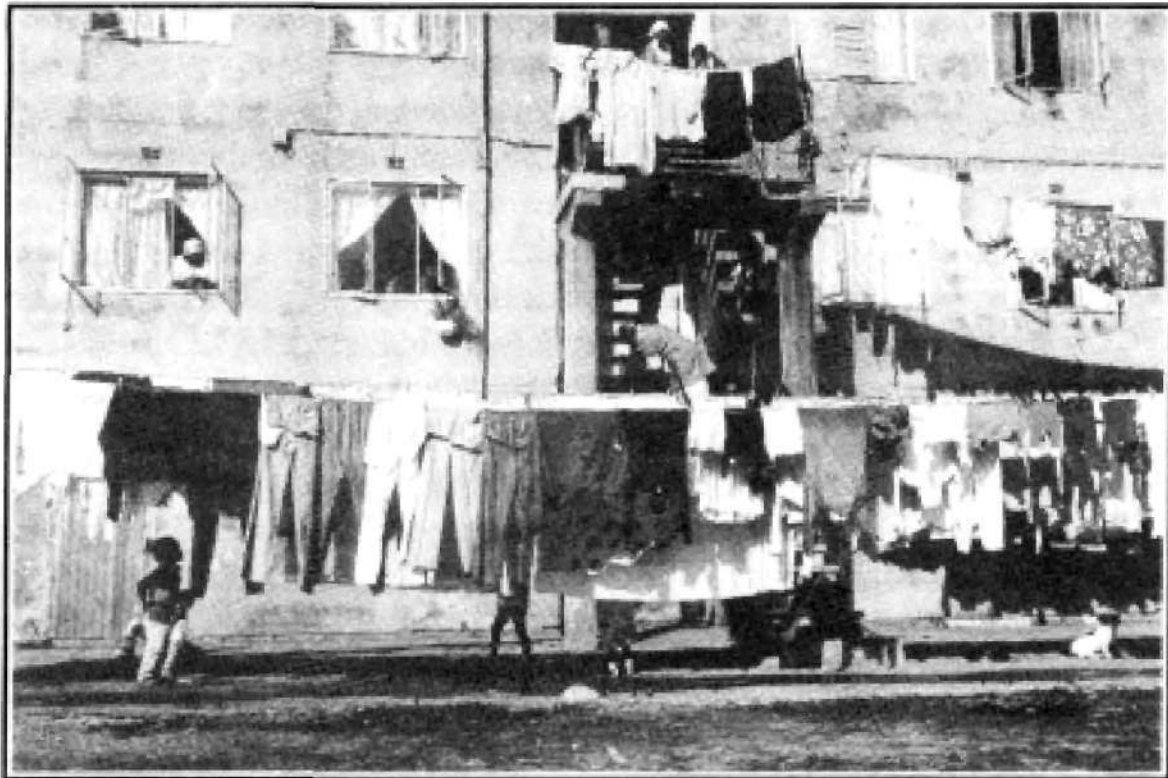
Unemployment results in economic deprivation, emotional and psychological stress, social and family problems. A survey of 620 households conducted in Atlantis in 1986, revealed the devastating consequences of unemployment. Atlantis is a "coloured" township 45 kilometres from Cape Town. In more than half the 620 households surveyed, people were in some kind of financial difficulty; at least one major account (rent payments, water and/or electricity) was in arrears. The overall unemployment rate for Atlantis was 27% and the youth unemployment rate was 47%.

A study in Cape Town of 13 unemployed individuals revealed feelings of depression, worthlessness, pessimism, desperation and apathy. Research of 150 involuntary unemployed workers, that is, people who want to work, showed that almost all of them (92%) found unemployment tough. The consequences of unemployment had various effects on individuals and families. Individuals experienced feelings of being under-valued, of despair, fatalism and anger. Families experienced discord as a result of rejection of the unemployed head of household, intra-family conflict, despair and even violence.

A 20-year old woman living at home described the following feelings:

"I feel very miserable. If I work, my father does not beat me up and call me good-for-nothing! He sometimes does not want me to stay under his roof".

This woman experienced misery, rejection, violence and the threat of eviction from a parent. Her situation was stressful and traumatic, typical of the devastation experienced by many unemployed people.



High rates of unemployment in Atlantis often affects rent, water and/or electricity payments. *Photo: Medico Health Project*

The present context and the challenges

Politicians make policy and planning decisions on unemployment in conjunction with economists. Historically, social workers have not been involved in major economic decisions on the unemployed, nor have they advocated the cause of the poor and unemployed.

The social worker's role has been defined by a number of forces which *perpetuated their non-involvement in political, economic and social conditions.*

Since the 1980s, the state has promoted privatisation of social welfare in order to relinquish its responsibility for the welfare sector (Patel, 1988). This shift of responsibility has resulted in the welfare sector's frenetic activity to compete for dwindling resources from the community and the business sector. This exacerbates the existing fragmentation of the welfare sector.

The state also promotes the concept of 'self-help' in communities, but impoverished communities do not have the resources to sustain themselves.

State training programmes provided by the Department of Manpower for the unemployed are targeted at those who are cyclically unemployed, but not those

who are structurally unemployed (NMC, 1988).

In summary, unemployment is on the increase and this increases the burden on welfare services; the welfare sector has to compete for dwindling resources; racial divisions continue to plague the provision of welfare services because of the 'own affairs' concept' social workers have been socialised generally into accepting that they cannot contribute to economic and political decision-making; training programmes by the Department of Manpower are accessible to cyclically unemployed workers and not structurally unemployed workers; impoverished communities are urged to be self-reliant; and the government is reluctant to be the major partner in the provision of financial resources to the poor and unemployed.

Conclusion

Social workers have a major responsibility to promote the cause of the unemployed and poor.

Presently, racial divisions permeate the allocation of resources in the welfare sector and there is uneven access to skills and training for the unemployed. All these discriminatory measures need to be eradicated. Such attempts can be facilitated by a non-racial department of welfare with its own budget. A cooperative relationship can be maintained with a department of manpower on mutual



Waiting for jobs. *Photo: Cedric Nunn*

concerns of the unemployed. In addition, social workers must promote social justice in the workplace and fight for adequate resources for welfare clients. Professional organisations for social workers have the responsibility to promote the cause of human dignity by contributing to decision-making on issues such as Value-Added Tax (VAT), poverty relief programmes and other political and economic issues related to welfare. Social work training institutions have the responsibility to teach students about social policy issues encompassing economic and political concerns, and social developmental issues.

A South African economist (Bromberger, 1990) has noted that: "if a major part of this unemployment is involuntary - that is to say - most of the jobless are job-seekers, or at least job-wanters, their unemployment must represent a colossal frustration of human potential, hopes and desires."

Here lies the challenge for social workers in the 1990s.

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