



THE
DURBAN EDGE



UNDERSTANDING OUR

UNEMPLOYMENT CRISIS...

A FOCUS ON DURBAN IN STATSA'S QUARTERLY LABOUR FORCE SURVEY

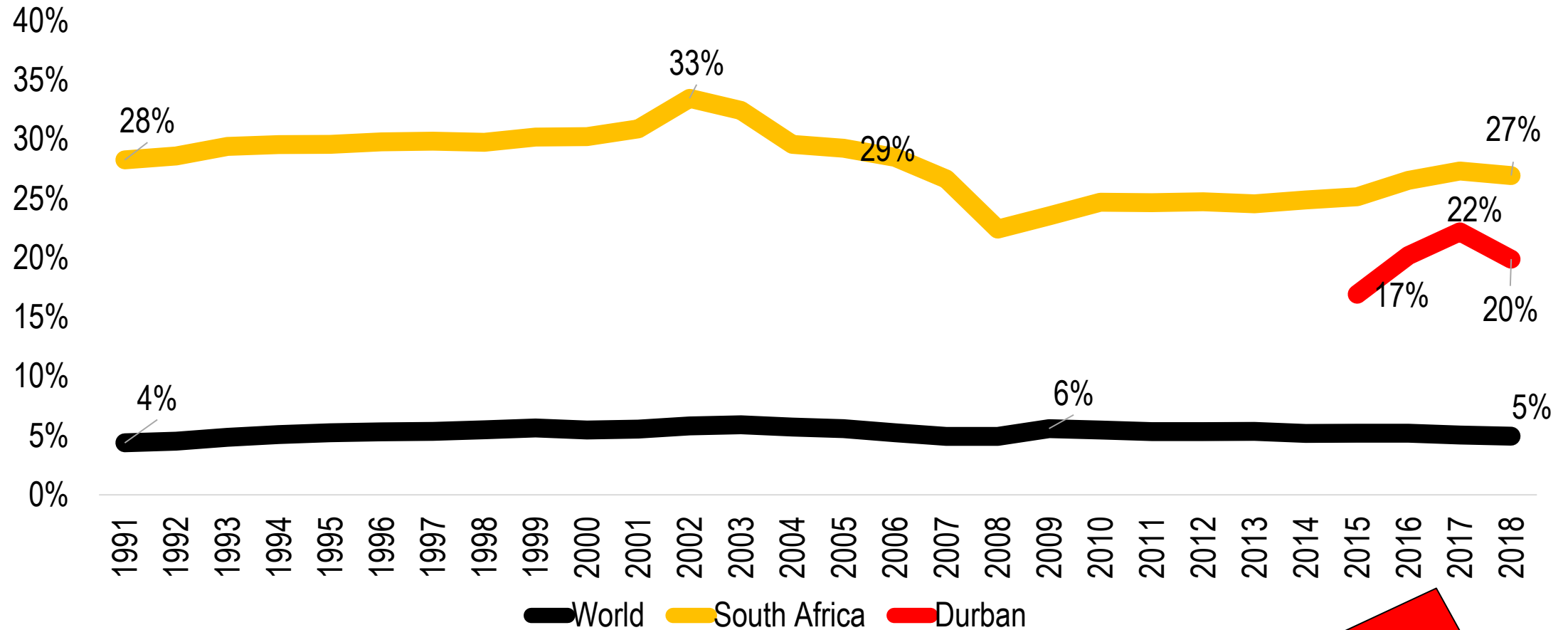


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Our unemployment problem *in context...*



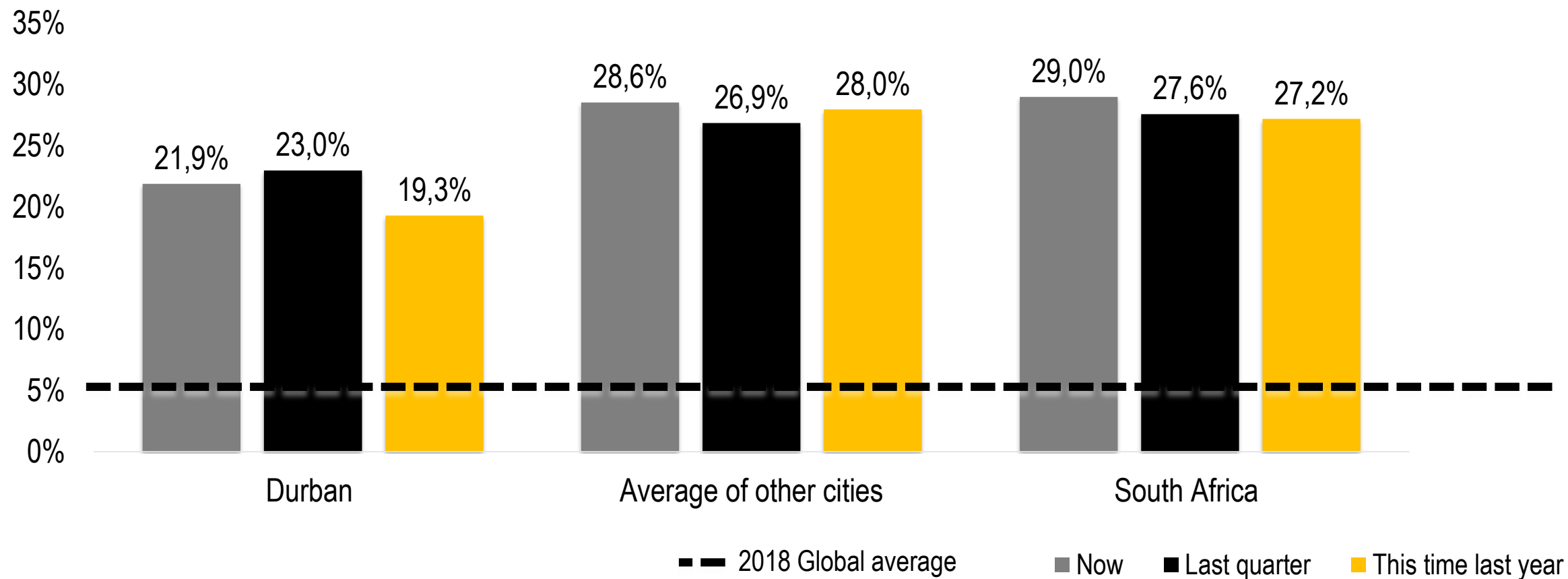
Source: World Bank (International Labour Organisation Estimates), 2019

Today, South Africa's unemployment is almost **6 times** the global average.

South Africa's Unemployment Crisis

in Q2 2019

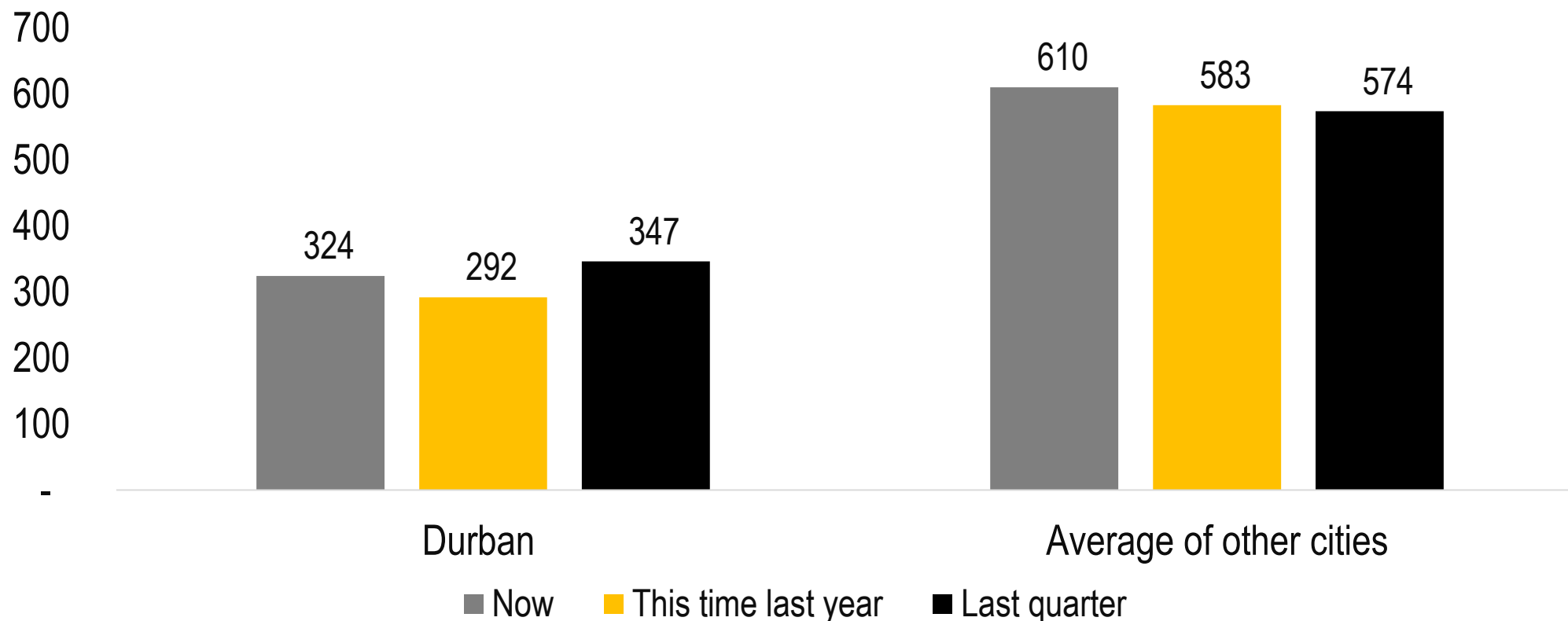
Strict unemployment rate now, three months ago, and this time last year



South Africa's Unemployment Crisis

in Q2 2019

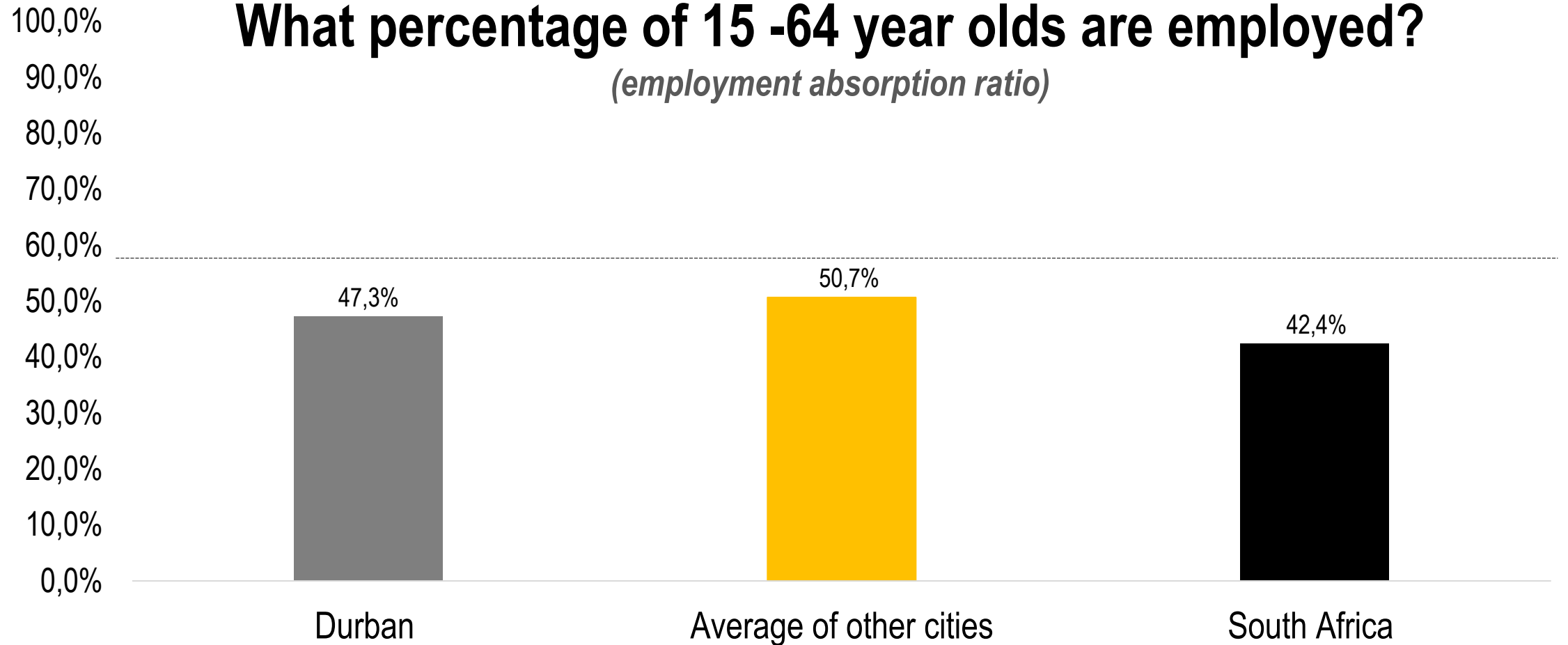
The number of unemployed people looking for jobs now, three months ago, and this time last year ('000)



In Q2 2019..

What percentage of 15 -64 year olds are employed?

(employment absorption ratio)



--- 2018 global average (58%)

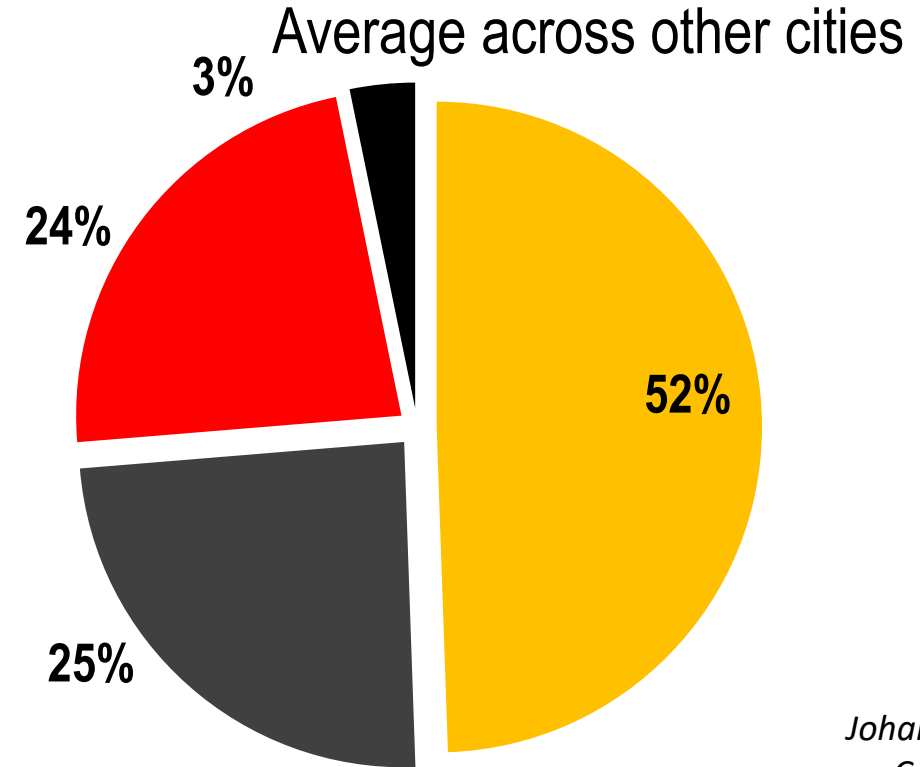
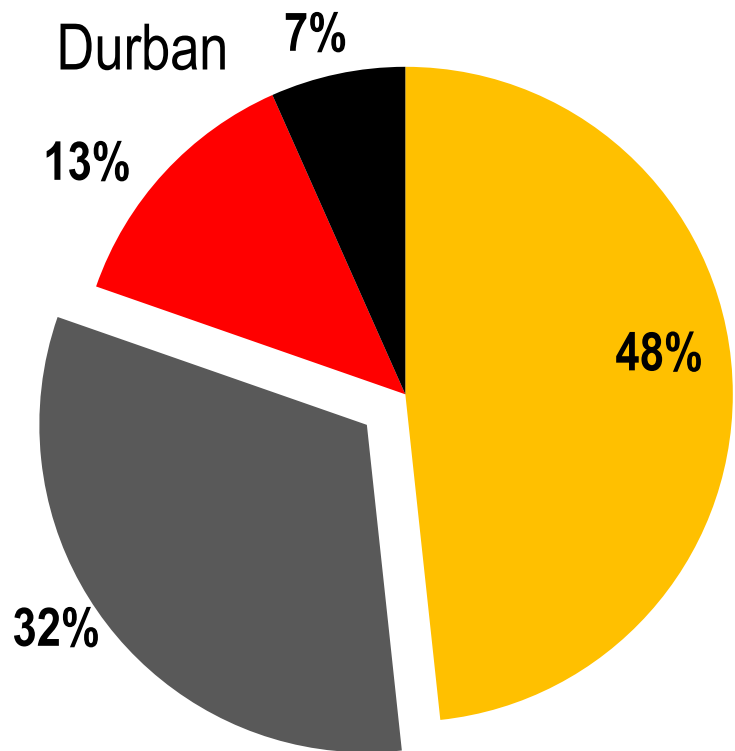
Sources: StatsSA, 2019

World Bank (ILO estimate), 2019

Unemployment in SA's Major Cities

What has the average profile of 15 – 64 year olds been

over the past year (Q3 2018 - Q2 2019)...



Johannesburg,
Cape Town,
Ekurhuleni and
Tshwane only.

■ Employed

■ Unemployed and looking

■ Not economically active

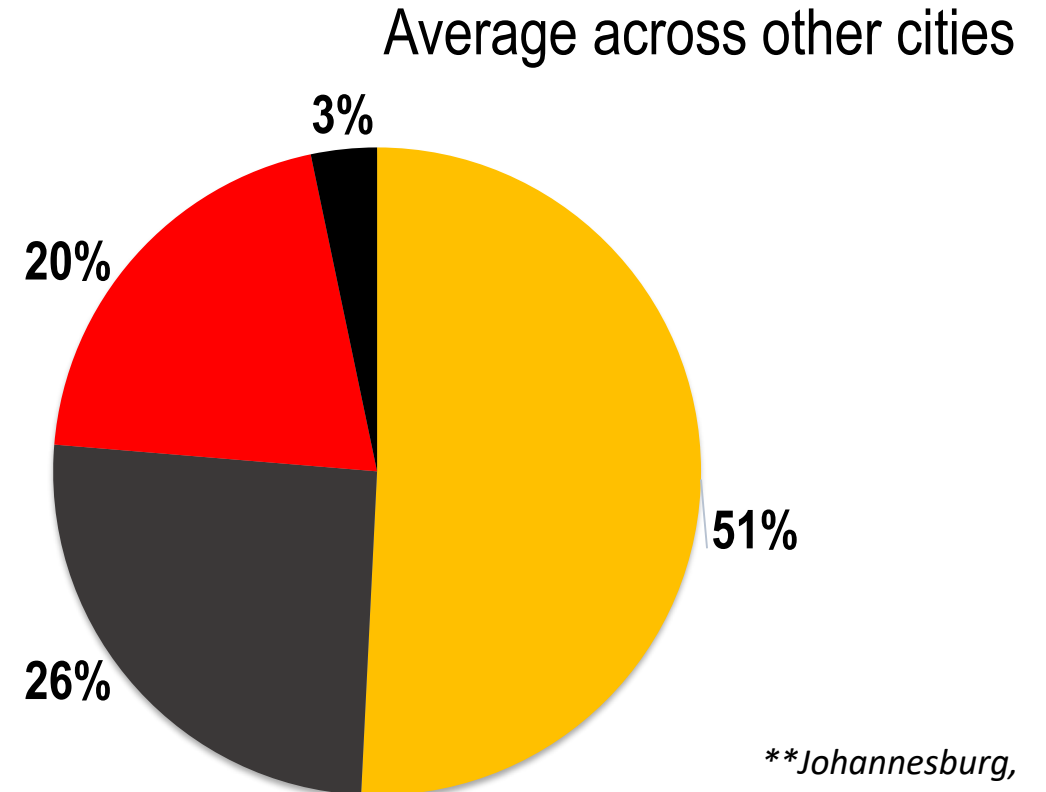
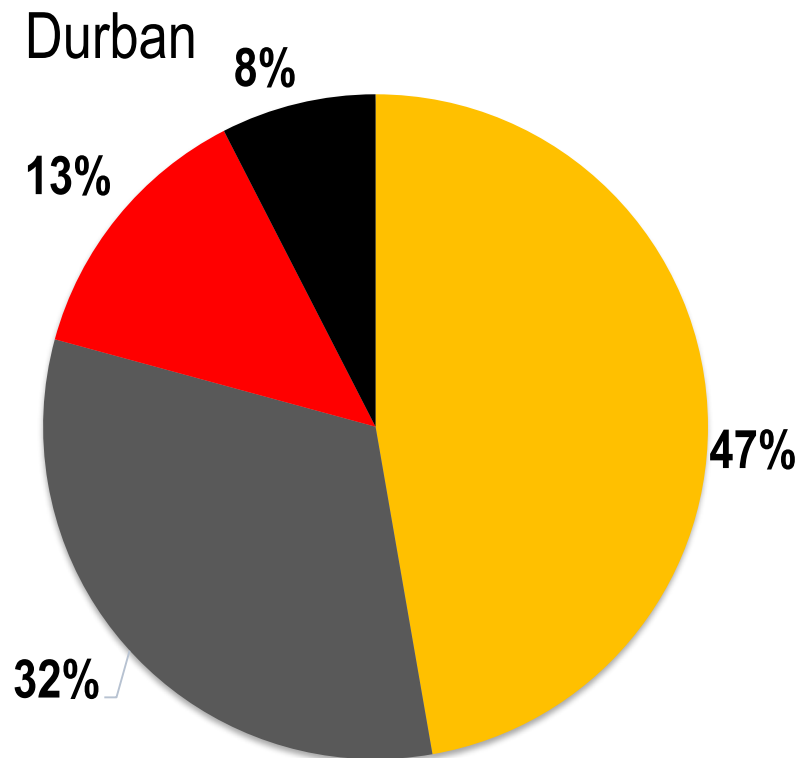
■ Unemployed and given up hope

Source: StatsSA, 2019

Unemployment in SA's Major Cities

What is the profile of 15 – 64 year olds

in Q2 2019...?



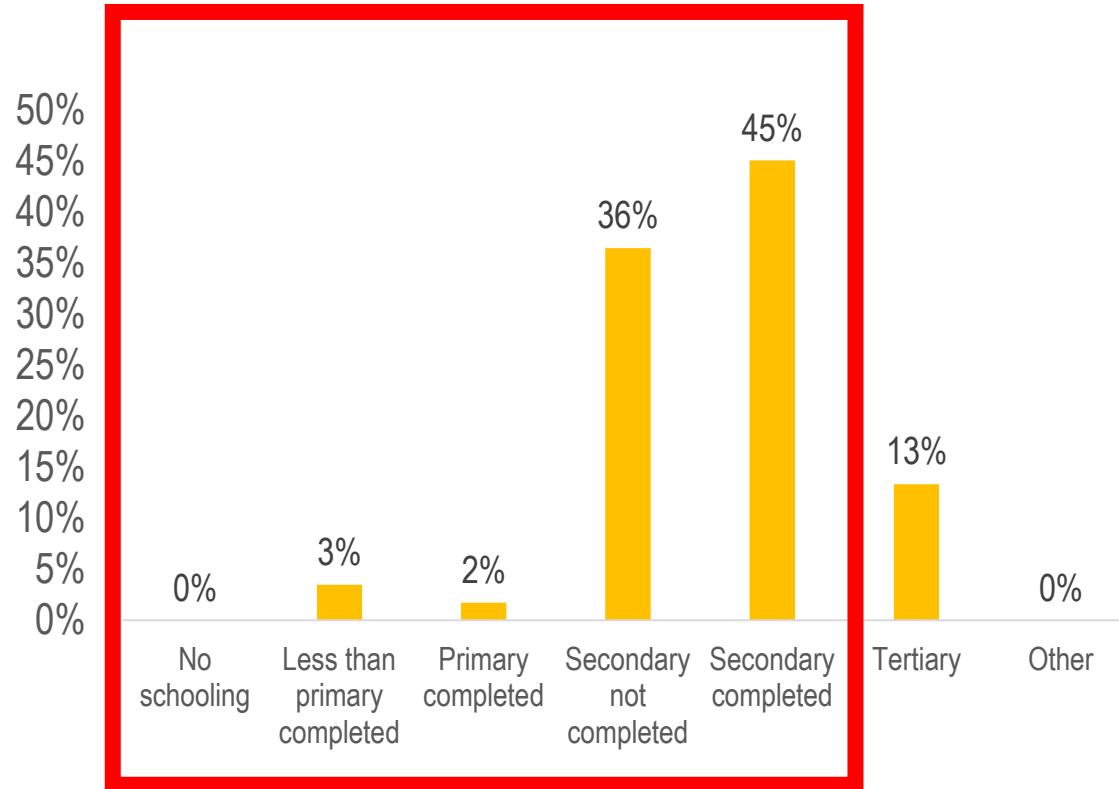
- Employed
- Unemployed and looking
- Not economically active
- Unemployed and given up hope

***Johannesburg, Cape Town, Ekurhuleni and Tshwane only.*

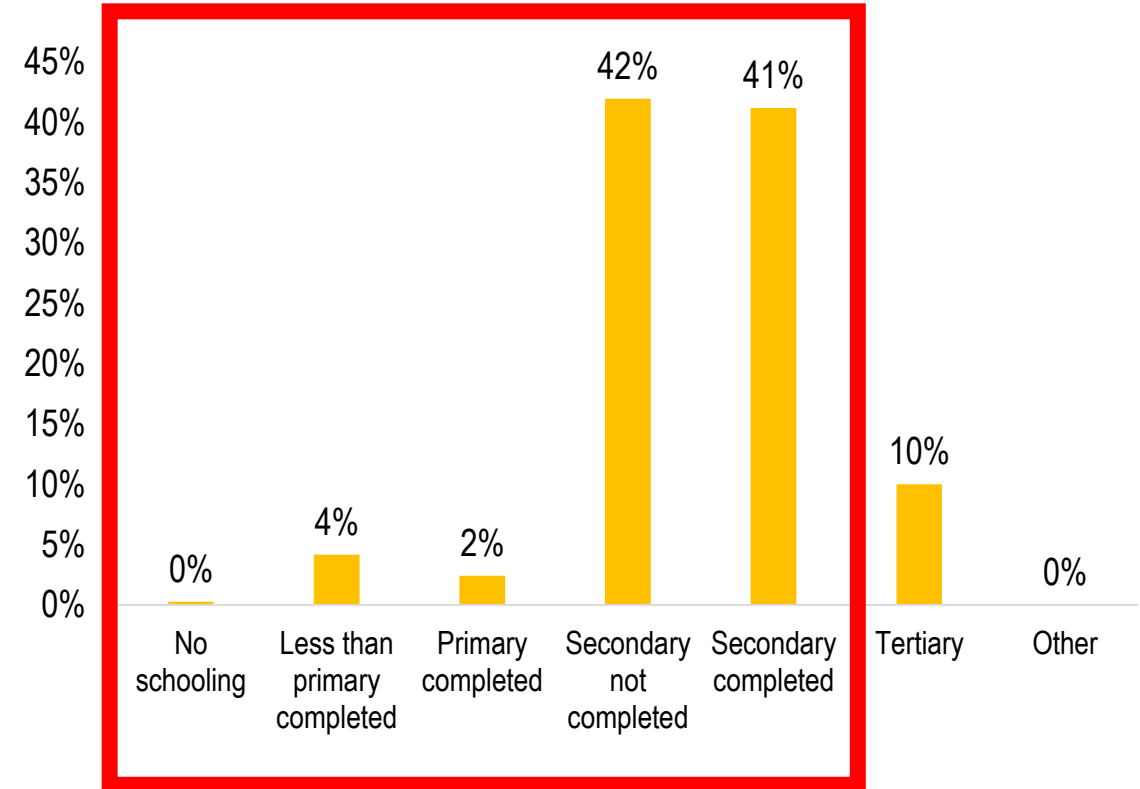
But who is struggling to find employment in Durban? As at Q1 2019

(estimation of 347 000 people)

34% have been unemployed for less than a year



66% have been unemployed for more than a year

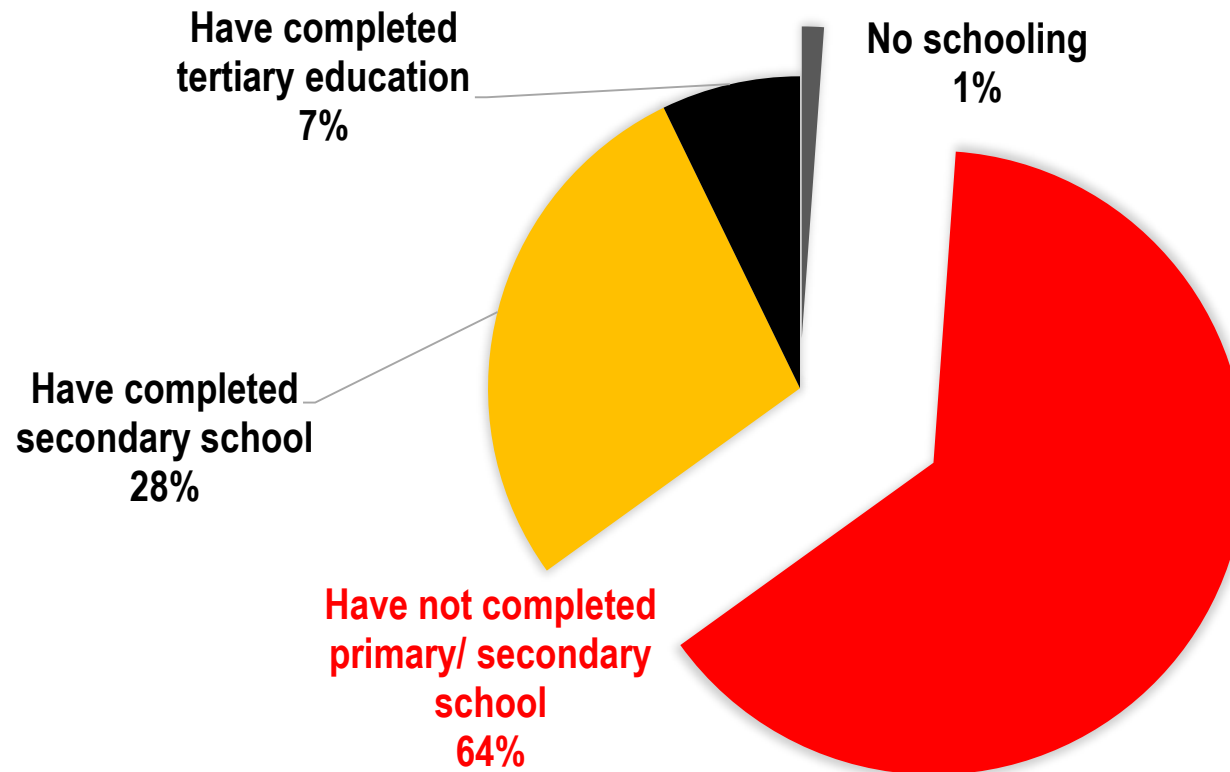


Almost half of all unemployed people have **not finished secondary schooling**, while almost 9 out of 10 unemployed people have no tertiary education. However, this is consistent with the City's education profile (50% < Gr12; 35% =Gr 12 only, 13% = some form of tertiary education, remainder unspecified).

Understanding Durban's discouraged work-seekers

Compared to other major cities, Durban has twice the proportion of people that have lost hope of finding a job.

What is their educational background?



This education profile is inconsistent with the City's. This means that people who have not completed secondary education are more likely to lose hope of employment (entrepreneurship included).

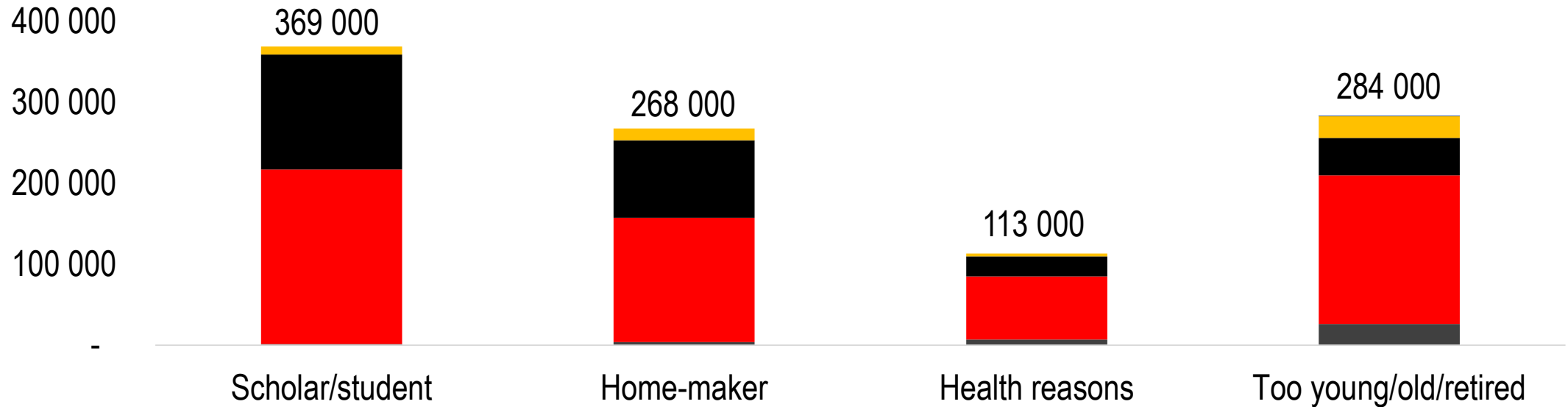
What 4IR skills can be learned by someone who does not have access to tertiary education?

94 000 people, as at Q1 2019
QLFS, StatsSA.

Getting to know our economically inactive people

Compared to other cities, Durban also has a higher proportion of people who choose not to (or cannot) enter the labour market..

What are their reasons, and what is their educational background?

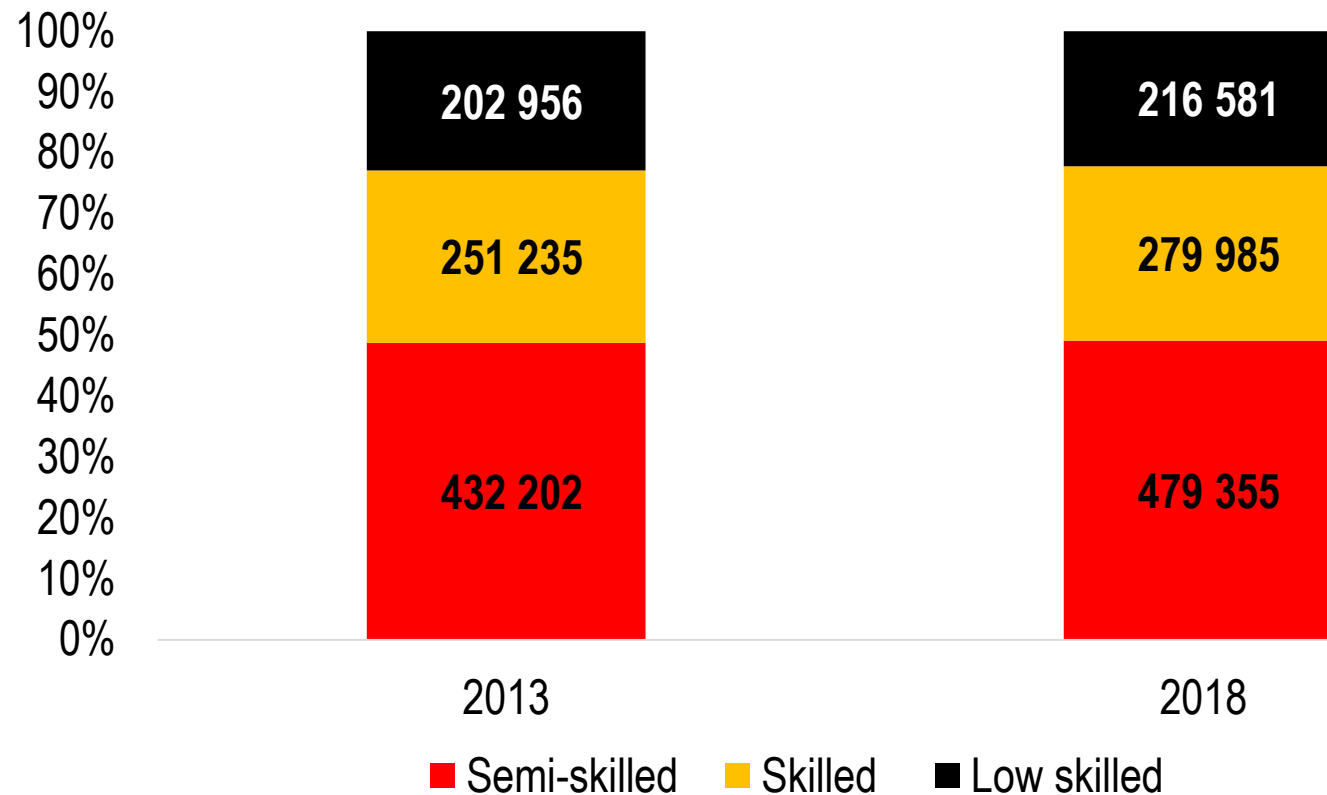


1 034 000 people,
as at Q1 2019
QLFS, StatsSA.

- No schooling
- Have completed secondary school
- Have not completed primary/ secondary school
- Tertiary completed
- Other

How skilled do you have to be, to find a formal job in Durban?

Skills profile of Durban's formally employed in 2018, and 5 years before



Despite the City's educational profile, over time, firms have employed more skilled, and semi-skilled workers, and fewer low skilled workers.

Who exactly are the "skilled"?
Managers, executives and administrators (excl. clerks), professionals, semi-professionals and technicians, and certain transport occupations (e.g. pilot navigators) are all considered skilled workers.

(StatsSA definition)

Education, upskilling and economic growth, are essential

- Unemployment in the country has increased to levels seen in 2003. While it is still **easier to find a job in South Africa's cities;**
- **Durban's economy still lags** behind other major cities as an economy of choice for employing firms (proportion of people employed), and people seeking employment (economically active people).
- According to ILO trends, global unemployment has steadily declined since 2009; and therefore South Africa's trend is **contrary the global average.**
- The educational profile of the City appears to be a strong contributing factor to **people being unemployable**, as well as increased discouragement in seeking employment (entrepreneurship included). This is a structural trend.
- The sharp increase in unempl. may be due to the lag effect of South Africa's sharp negative growth in Q1 (-3,2%), exacerbated **by increased lay offs of manual labourers**, and the global drive away from traditional industries.
- Nonetheless, skilled labour is more resilient and in demand than low skilled labour, **increasing the need for education and skills consistent with the 4th industrial revolution.**
- Considering co-upskilling packages (offering to partner on skilling required labour) may make the City more attractive as an added incentive.