

South Africa's unemployment nightmare: The burden on its people

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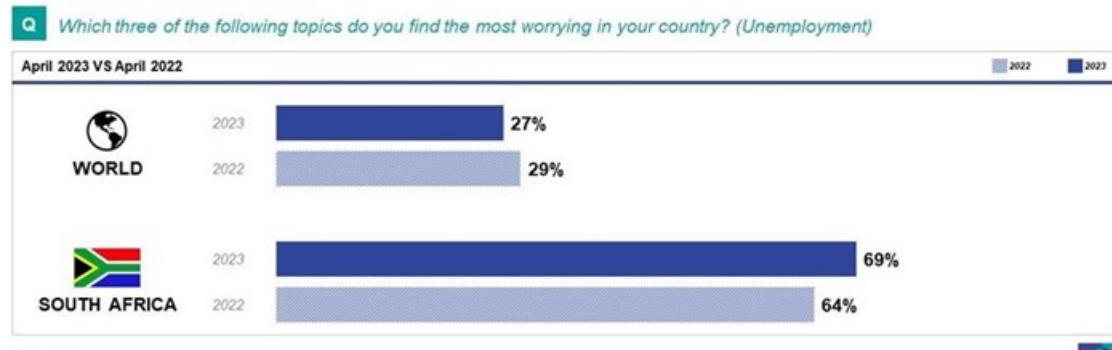
9 May 2023

According to the recent Ipsos What Worries the World survey, a total of 69% of South Africans cite unemployment as their top worry, as opposed to 41% of the rest of world who chose inflation as their top worry.

Unemployment threats continue to loom large in South Africa, with the country holding the unenviable title of the world's most worried nation on this issue. This trend is nothing new, as the country has been grappling with persistently high levels of concern over unemployment for many years, and the latest survey shows a worrying 5 percentage point increase compared to the previous year.

What is more, even during periods of relative calm, concern about unemployment in South Africa has not dipped below 60%, highlighting the deep-seated anxiety that pervades the nation about this issue.

UNEMPLOYMENT



By contrast, India, the country with the second-highest level of concern about unemployment, trails far behind South Africa at just 49%. On a global level, the issue of unemployment ranks as the fourth biggest concern (out of a list of 18), with a mere 27% selecting it as a worry.

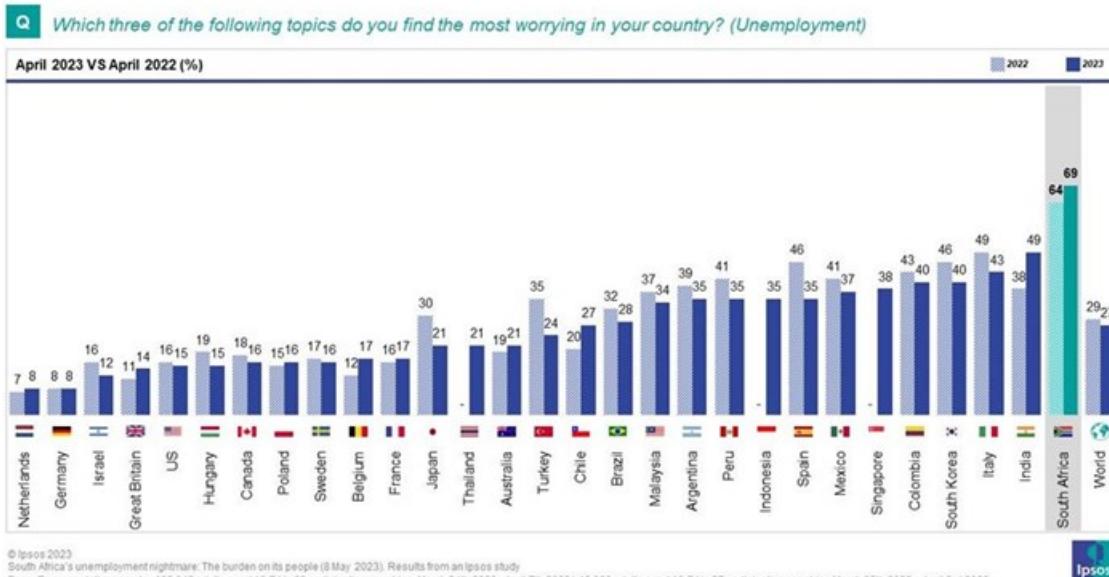
Among the 29 countries surveyed, only nine saw an increase in concern about unemployment from the previous year. While other nations are showing signs of employment recovery after Covid-19, the growing unease about unemployment in South Africa serves as a stark reminder of the challenges facing the country.

It can be argued that the pervasive anxiety over unemployment in South Africa is well-founded. Official statistics indicate that the country's unemployment rate surged to a record high of 34.4% in Q4 2020, up from 23.3% a year earlier. The latest data on South Africa's official unemployment rate² are equally disconcerting, with 32.7% of South Africans (or 7.8 million people) currently without work. This means that more than a third of the country's potential workforce is unable to secure employment, underscoring the severity of the issue. Furthermore, the impact of unemployment is particularly pronounced for women, with a staggering 35.5% of women currently unemployed compared to 30.4% of men.

The challenge of unemployment in South Africa is compounded by the uneven distribution of joblessness across the population. The youth are disproportionately affected, with a staggering 61% of those aged 15-24 being unemployed during the last quarter of 2022. Even more concerning is the fact that 33.6% (or 3.4 million out of 10.2 million) young people in this age group are not in employment, education, or training. This is not only a significant social and economic issue but also a potential source of political instability.

Kelly Arnold, the country manager for Ipsos in South Africa, sheds light on the enduring challenges of joblessness: "Unemployment in South Africa has deep-rooted causes that date back several decades. The Covid-19 pandemic has further compounded these problems, resulting in a loss of 3 - 4 million jobs that have yet to be regained. With the ongoing cost-of-living crisis, people are increasingly desperate to secure employment opportunities."

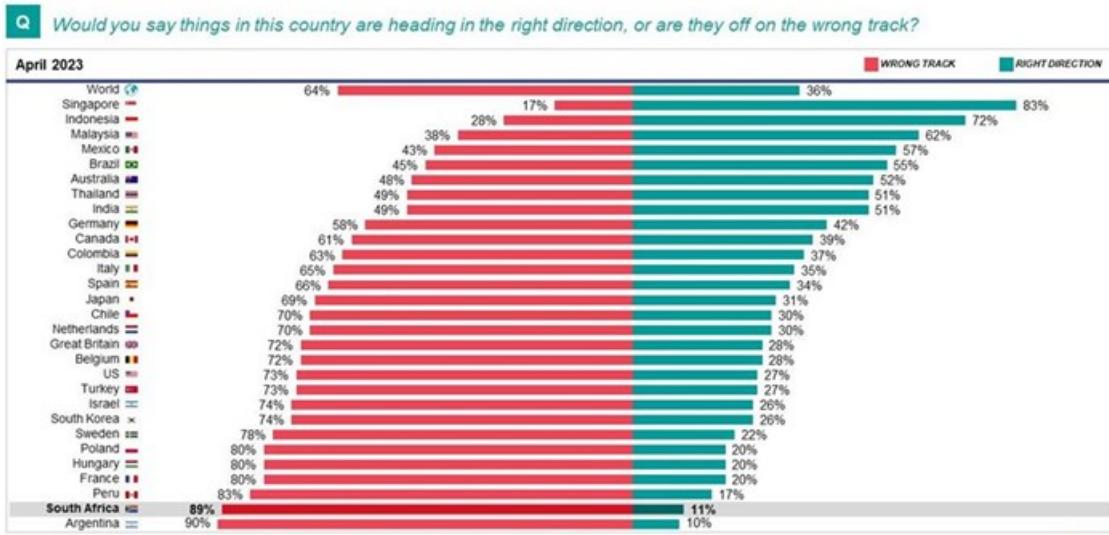
UNEMPLOYMENT



The pervasive worry about unemployment in South Africa is not limited to concerns about the present, but also reflects a broader sense of unease about the country's future trajectory. Nearly 9 out of 10 South Africans believe that the country is headed in the wrong direction. In fact, only one other country, Argentina, reports a higher level of concern about the direction of their country, with 90% of Argentinians expressing worry about the state of their nation⁴.

While South Africa struggles with persistent concerns about unemployment and about the direction in which the country is moving, some other countries offer a glimmer of hope for a different future. Looking at the top three nations that express confidence in their countries' direction, namely Singapore at 83%, Indonesia at 72%, and Malaysia at 62%, a salient feature is that all three are members of "The Growth Triangle", a concept of mutual cooperation in economic development among some [ASEAN](#) (Association of Southeast Asian Nations) countries.

RIGHT DIRECTION VS. WRONG TRACK MONITOR



The pervasive sense of unease among South Africans is mirrored in their perceptions of the national economy, with a mere 14% describing the current state of the economy as "good". However, South Africa is not alone in its economic pessimism,

as other countries such as Japan, South Korea, and Argentina report even lower levels of optimism at just 13%, 12%, and 5%, respectively.

Nevertheless, there are some positive signs of growth in consumer confidence, albeit from a low base, across the globe. This optimism has yet to take hold in South Africa, as we saw an 11-percentage point increase in the proportion of people viewing the current economic situation as "bad" compared to the same time last year.

CURRENT ECONOMIC SITUATION

Q How would you describe the current economic situation in your country?



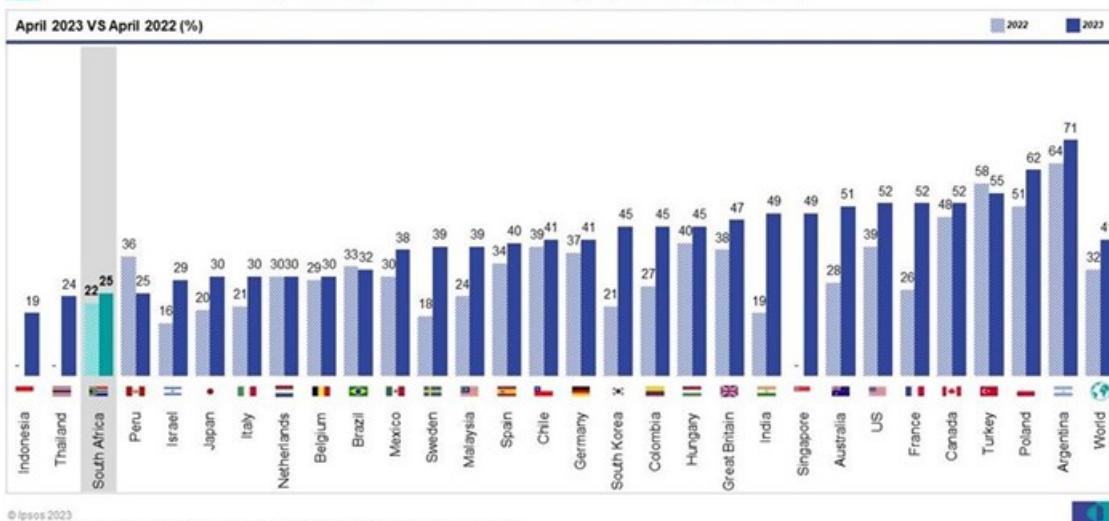
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Base: Representative sample of 25 042 adults aged 16-74 in 29 participating countries. March 24th 2023 - April 7th 2023 | 19 000 adults aged 16-74 in 27 participating countries March 26th 2022 - April 3rd 2022.



In the latest Ipsos South Africa "[Socio-Political Trends](#)" Study from December 2022, seven out of every ten (70%) South Africans, representative of all adults living in the country, expressed alarm at the rising cost of living. However, only a quarter of South Africans currently view inflation as a top concern, placing the country third lowest on this measure compared to other nations.

INFLATION

Q Which three of the following topics do you find the most worrying in your country? (Inflation)



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Shifting our focus to other pressing concerns

Two other contentious issues keeping more than half of South Africans awake at night are Crime and Violence (with 58% selecting it as their second-biggest concern) and Financial and Political Corruption (mentioned by almost the same proportion at 57%).

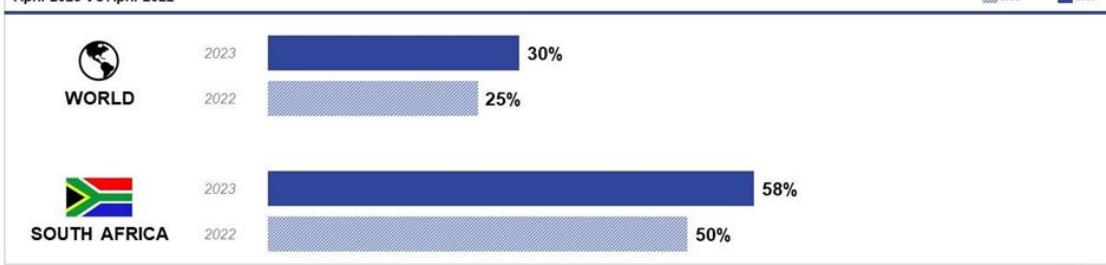
In view of the crime statistics relatively regularly published by the minister of police, [Bheki Cele](#), it should not strike South Africans as strange that our figure for seeing Crime and Violence as a big worry is 28 percentage points higher than the global average, highlighting the pressing need for effective measures to combat crime, address the nature of the crimes committed and increasing the effectiveness of the police service in the country.

CRIME & VIOLENCE

Q Which three of the following topics do you find the most worrying in your country? (Crime & Violence)

April 2023 VS April 2022

2022 2023



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Although it is uncertain whether unemployment and the high levels of crime and violence will play significant roles in next year's election campaigning, the third big worry of South Africans, Financial and Political Corruption certainly will. We can clearly observe the current debates and controversies about the alleged corruption at electricity provider, [Eskom](#), and at other state-owned enterprises.

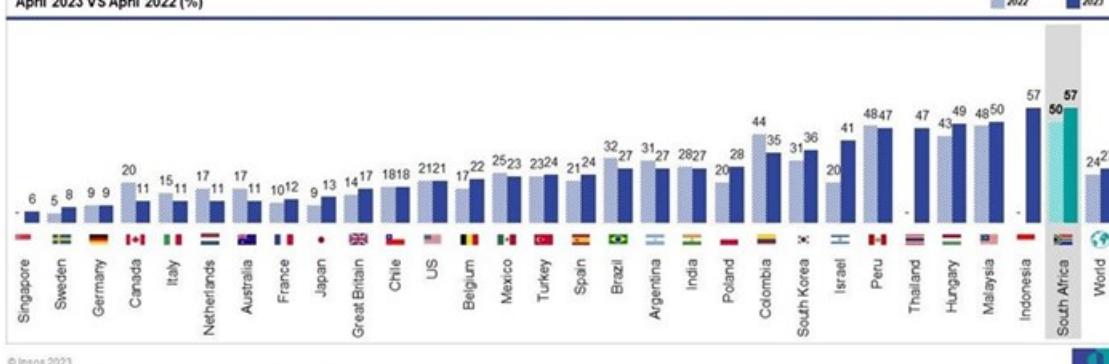
The big question – without a doubt – is if any of these issues will play a role in the outcome and/or the percentage poll (turnout) in the national election in 2024. In findings from the Socio-Political Trends Study, 54% of South Africans mentioned that they might refrain from voting as a result of the perpetual blackouts and problems with electricity supply where they live and work.

FINANCIAL/POLITICAL CORRUPTION

Q Which three of the following topics do you find the most worrying in your country? (Financial/Political Corruption)

April 2023 VS April 2022 (%)

2022 2023



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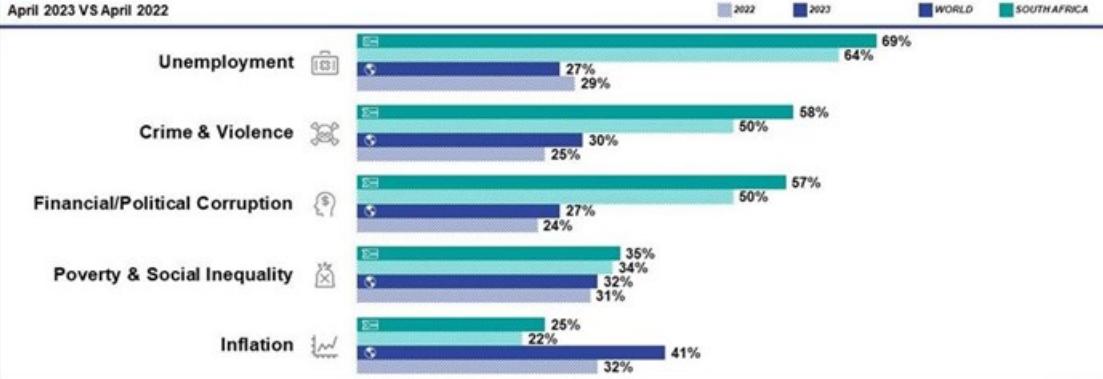


Despite being classified as a middle-income country, poverty and social inequality remain of concern for South Africans, ranking fourth in the list of worries with 35% of South Africans expressing concern, slightly higher than the global average of 32%. With a Gini coefficient of 63, South Africa remains one of the most unequal societies in the world. This disparity is reflected in the fact that more than half of the country's population lives in poverty.

SOUTH AFRICA VS THE WORLD

Q Which three of the following topics do you find the most worrying in your country?

April 2023 VS April 2022



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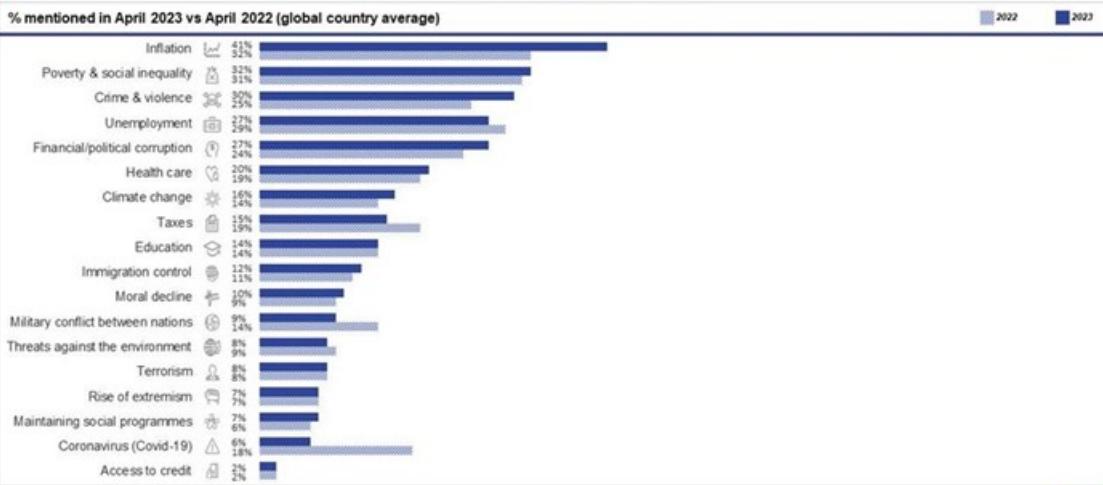


In the Ipsos Global Advisor What Worries the World study, respondents are given 18 subjects from which each respondent can choose 3. As we compare the full list of selectable topics from last year to this year on a global country average, we observe significant declines in concerns over coronavirus (12 percentage point decrease), military conflict between nations (5 percentage point decrease), taxes (4 percentage point decrease), and unemployment (2 percentage point decrease). However, inflation concern has sharply increased (9 percentage point increase), indicating a growing worry among citizens worldwide. These trends are crucial for business leaders and policymakers to track as they plan strategies and policies in response to changing public priorities.

WORLD WORRIES: THE FULL LIST

Q Which three of the following topics do you find the most worrying in your country?

% mentioned in April 2023 vs April 2022 (global country average)



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