

Is shrinking labour force the reason for unemployment rate drop?

Trade union UASA believes the results of Statistics SA's quarterly labour force survey, which yesterday announced a drop in SA's unemployment figure to 26.7%, could be misleading.



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In a statement released this morning, UASA spokesperson Andre Venter said: "The improvement of a full percentage point in the country's unemployment rate in the fourth quarter from the third was to be expected for a quarter that usually brings a temporary hiring boost, thanks to the holiday season.

"At the same time, the number of discouraged workers – the unemployed who have been unsuccessful in finding a job and who have given up – increased by 246,000 from 2,29 million in the third quarter to 2,54 million in the fourth quarter of last year," he said.



Unemployment eases in the last quarter of 2017

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"This means that the lower unemployment rate in the fourth quarter of 2017 is clearly not as a result of more jobs, but rather due to the fact that the labour force has shrunk by 351,000.

"Today's unemployment figures are a clear indication that the economy is still too weak to create jobs and the little economic growth that there is, can be attributed to higher productivity and the introduction of technology and mechanisation."

Venter concluded by saying the UASA is looking forward to Cyril Ramaphosa's New Deal where they will fight for more jobs, better jobs, prosperity and equality.

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