



## **NO POINT IN CELEBRATING MARGINAL DROP IN UNEMPLOYMENT WHEN LOADSHEDDING IS THREATENING THE ECONOMY**

**1 March 2023**

### **Press statement**

The National Union of Metalworkers of South Africa (NUMSA) has noted the latest Quarterly Labour Force Survey published by StatsSA, for the fourth quarter for the period October 2022 to December 2022. The report is showing a marginal decrease in the unemployment rate. The official unemployment rate decreased by 0,2 of a percentage point from 32,9% in the third quarter of 2022 to 32,7% in the fourth quarter of 2022.

The unemployment rate according to the expanded definition of unemployment, (which measures those who have given up looking for work), also decreased by 0,5 of a percentage point to 42,6% in the fourth quarter of 2022. And whilst this is a reduction, these numbers are still extremely high, because it shows that the measures which have been implemented to increase jobs are failing.

We have a growing population of young people who are sitting at home, not working. The report says, at least *“10,2 million young people aged 15–24 years in Q4: 2022, of which 33,6% were not in employment, education or training.”*

At the same time, reports that 700 000 graduates have applied for the Social Distress Grant (SRD) is deeply worrying. It means that we are a failing state because even those who have qualifications are unable to find work.

On top of that, any minor gains we may have made are about to be reversed if the state is unable to end loadshedding and stop the crippling blackouts which have paralysed the country. The ANC government, led by Cyril Ramaphosa, has unleashed this permanent nightmare of crippling blackouts on the entire country, which is destroying any possibility of meaningful economic recovery. Companies where NUMSA is organised are threatening job cuts and in some cases they threaten to reduce wages and benefits because of the impact that rolling blackouts are having on production.

The economic outlook is poor as reported by the [IOL](#). The best-case scenario, is that gross domestic product growth is expected to slow to 0.9% in 2023 from an estimated 2.5% in 2022. The worst case scenario is growth at 0.3% in 2023 and this is as a result of loadshedding.

Young people should be working and contributing to economic growth. They have the right to work and to earn a decent living in order to take care of themselves and their families. It is most disturbing to note that even doctors are unable to find work in South Africa, and yet, our public healthcare system is on the verge of collapsing and we desperately need more doctors and nurses. This is a recipe for disaster because it creates fertile ground for social unrest.

NUMSA has been consistently saying that State Owned Entities (SOE's) are vehicles for job creation. Especially in a country like ours. We have seen how China has harnessed its SOE's to focus on serving its economic needs in order to create value chains and it has resulted in massive employment. The ANC has failed to use SOE's to benefit the working class. Instead, it has collapsed them so that they can be sold for dirt cheap to business people with

connections to the ruling party. The high unemployment rate is evidence that the economic policies of the governing party are a complete failure. If the state does not harness SOE's to drive job-led industrial strategy the situation will worsen. If they continue to ignore the demand to nationalize land and all minerals for our economic benefit then we *will never* experience meaningful change as the working class majority. At the same time, if they continue to fail to end loadshedding, then all hope is lost because there can be no economic growth without regular electricity supply.

Aluta continua!

The struggle continues!

Issued by Irvin Jim

NUMSA General Secretary

For more information, please contact:

Phakamile Hlubi-Majola

NUMSA National Spokesperson

0833767725

phakamileh@numsa.org.za

NUMSA Head Office number: 0116891700

NUMSA Facebook page: <https://www.facebook.com/NumsaSocial>

NUMSA Twitter account: [@Numsa\\_Media](https://twitter.com/Numsa_Media)

NUMSA Website: <https://numsa.org.za/>