



**The current government has no solutions to solve the unemployment crisis  
14 August 2024  
Press statement**

The National Union of Metalworkers of South Africa (NUMSA) has noted the Quarterly Labour Force Survey released by StatsSA which reflects the official unemployment rate of the country, for the second quarter of 2024. The survey shows that unemployment increased by 0,3% to 33,5%. The official unemployment rate has increased by 0,6% from 32,9% in the first quarter of 2024 to 33,5% in the second quarter of 2024.

The provinces with higher employment rates are Western Cape, followed by Mpumalanga, then KZN, but Gauteng, the economic hub of the country, recorded the highest number of jobs lost.

The statistics for those who have given up looking for work, (discouraged job seekers) and also those who are not economically active has increased to 42,6% in the second quarter of 2024, meaning that a staggering 16,3 million are sitting at home having given up looking for work. This is an indictment against the ANC government because it demonstrates a total failure by the state. As a nation we have become accustomed to hearing these shocking statistics and we do not even react anymore. We have become numb in the face of such an abnormal situation.

The statistics are a reflection of how the current economic policies implemented by the government are failing to transform the lives of the majority of people. South Africa has had extremely high levels of unemployment for decades now. Currently our unemployment rate higher than the Ukraine, which is a country at war, but its unemployment rate is 14,5%. The government, and the right wing Government of National Unity have no solutions to solve the unemployment crisis because they keep implementing the same failed neo-liberal macro-economic policies.

The job stats must be understood against a backdrop of extreme inequality, where a handful of billionaires, control the economy and are obscenely wealthy, yet they are surrounded by millions of people, who are drowning in poverty.

These statistics are a reflection of a government that has given up on finding meaningful solutions to end the triple challenges facing the working class majority. The ever growing pool of unemployed youth will lead to the eventual destruction of our society. Such conditions breed unrest and political instability. But we keep being fed the lie that neo-liberalism works, when the evidence is showing that it has clearly failed and it keeps failing.

What the state, the markets and embedded corporate media will not reveal, is that high unemployment benefits capital because it means there is a pool of cheap labour which can easily be exploited. And these are precisely the conditions that capital wants because it guarantees higher profits for the billionaire class.

NUMSA has noted the statement from right wing organisations like the Free Market Foundation which are calling for labour laws to be de-regulated and for the National Minimum Wage to be scrapped in order to ensure that the owners of capital accumulate more wealth,

by exploiting workers. They have come up with a concept called the “Job Seekers Exemption Certificate” which basically means that desperate workers are voluntarily exempted from ‘rigid labour laws’ as a mechanism to boost employment. They want workers to sacrifice themselves even more by agreeing to be paid less than starvation wages, so that the owners of capital can make even more obscene profits.

It is nonsensical to think that the solution to slow economic growth and high unemployment is to pay people poverty wages. The current minimum wage is lower than the cost of the average household food basket. This means that even if people are working, they are not earning enough to lift themselves out of poverty, therefore they are unable to take care of their families adequately. All of the societal ills that are associated with that such as crime, drug and alcohol abuse will only worsen. And this will not alleviate poverty. The masses will continue to be locked out from participating meaningfully in the economy which is crucial for economic growth.

It is NUMSA’s position that to stimulate the economy we need to end austerity and roll out an expansionary budget. We must stimulate local manufacturing because manufacturing creates the largest numbers of jobs. We must also strengthen our State Owned entities by ensuring that they work optimally. SOE’s create a lot of jobs and they play a role in developing value chains which is good for the growth of SMME’s. We must stop taking the poisonous medicine of neo-liberalism which is killing the economy, and deepening unemployment.

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