



DURBAN UNEMPLOYMENT RATE RISES FOR FOUR CONSECUTIVE QUARTERS

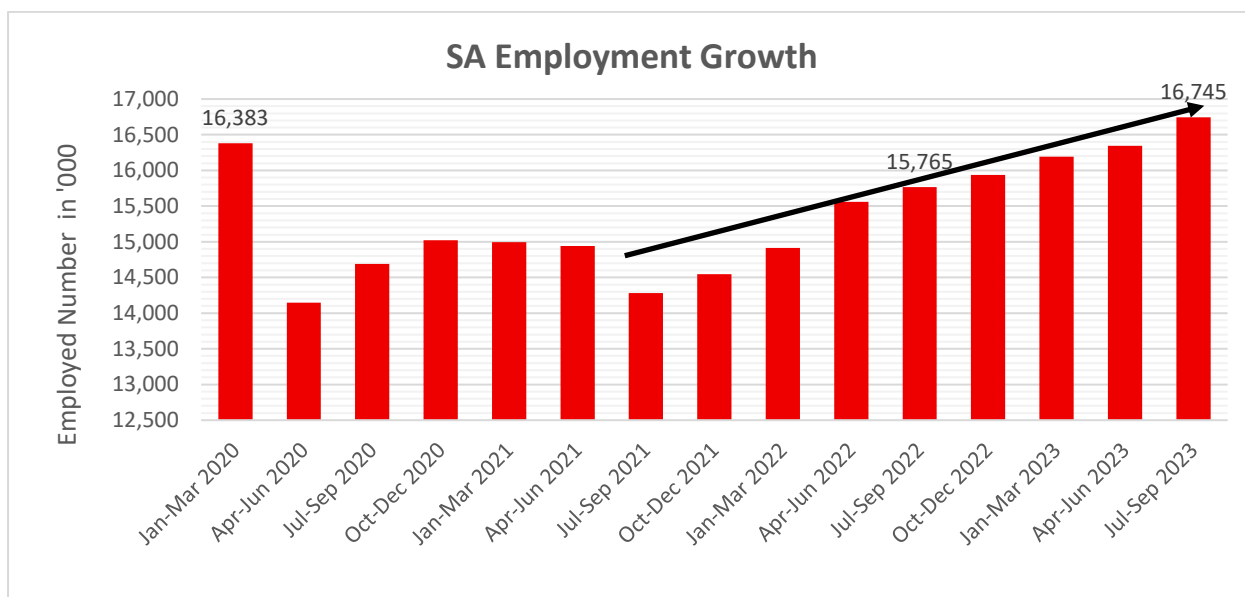
1. NATIONAL EMPLOYMENT RISE IN 2023Q3 SURPASSES PRE-COVID LEVELS

The Quarterly Labour Force Survey (QLFS) for the third quarter of 2023 (2023Q3) reveals notable trends in South Africa's labour market. The report indicates a decrease in both the official and expanded unemployment rates, dropping to 31.9% and 41.2% respectively from the second to the third quarter of 2023.

South Africa's employment grew by 399,000 in the quarter, reaching 16.7 million, surpassing the pre-COVID level of 16.4 million. This surge in employment for the quarter is attributed to a decrease in unemployment (72,000), in discouraged work seekers (26,000), and a reduction in the number of people not economically active (186,000).

There has been a consistent increase in employment for nine consecutive quarters, also evidenced by a significant year-on-year rise of 979,000 in employment. Additionally, during the same period, there has been an increase in unemployed people (124,000), and a decrease in both discouraged (358,000) and those not economically active (539, 000).

The continuous increase in employment highlights growing labour force participation, coupled with a robust recovery and expansion in the job market. Meanwhile, the quarter-on-quarter decrease in both discouraged work seekers and the number of people not economically active indicates a significant shift in labour force dynamics, largely driven by the recovery of the job market.

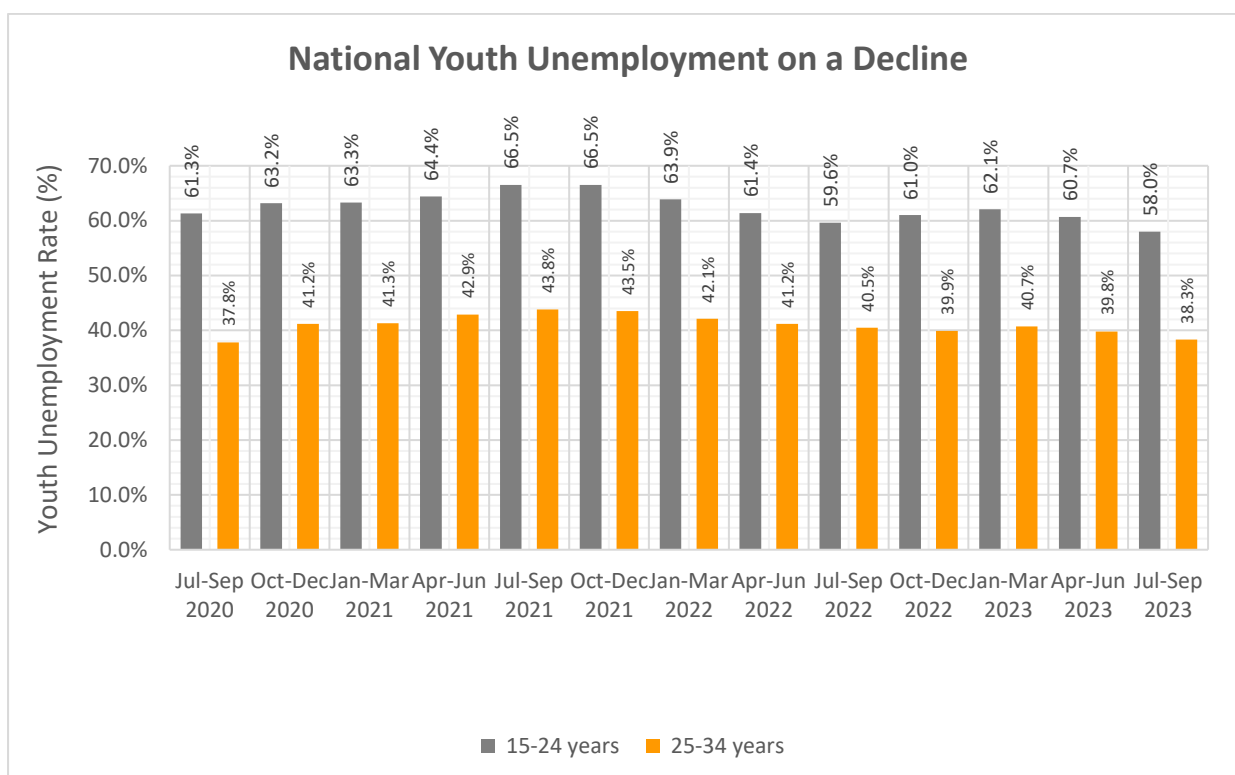


Source: StatsSA Quarterly Labour Force Survey, 2023

2. A GLIMMER OF HOPE IN SA YOUTH EMPLOYMENT

According to Statistics South Africa (StatSA), in the third quarter of 2023 (2023Q3), youth employment showed improvement. The employment absorption rate for the age groups 15-24 and 25-34 years increased by 0.5% and 1.7%, respectively. This coincided with a decrease in the youth unemployment rate. For youth aged 15-24 years, it declined by 2.7%, from 60.7% to 58%, and for those aged 25-34 years, the rate decreased by 1.5%, from 39.8% to 38.3%. While this improvement is commendable, it is important to note that youth unemployment remains a major challenge. Youth aged 15-24 years still have the highest unemployment rate at 58%. This is followed by people aged 25-34, who face a 38.3% unemployment rate, both of which are significantly higher than the 23.3% rate observed in the older demographic of 35-64 years. In nominal terms, the youth demographic still experiences the highest unemployment; of the total 7.8 million reported as unemployed in 2023 Q3, 4.5 million are youth.

The graduate unemployment rate decreased by 1.1 percentage points, moving from 9.6% in the second quarter of 2023 (2023Q2) to 8.5% in the third quarter of 2023 (2023Q3). In contrast, those with less than a matriculation certificate face an unemployment rate of 38.8%, which exceeds the national official rate of 31.9%. Notably, about 3.3 million (32.7%) of the 10.2 million young people aged 15-24 years are neither employed nor in education or training. This highlights the significant advantage that education provides in terms of employment prospects, emphasizing a higher likelihood of employment with a qualification and a lower likelihood without one.



Source: StatsSA Quarterly Labour Force Survey, 2023

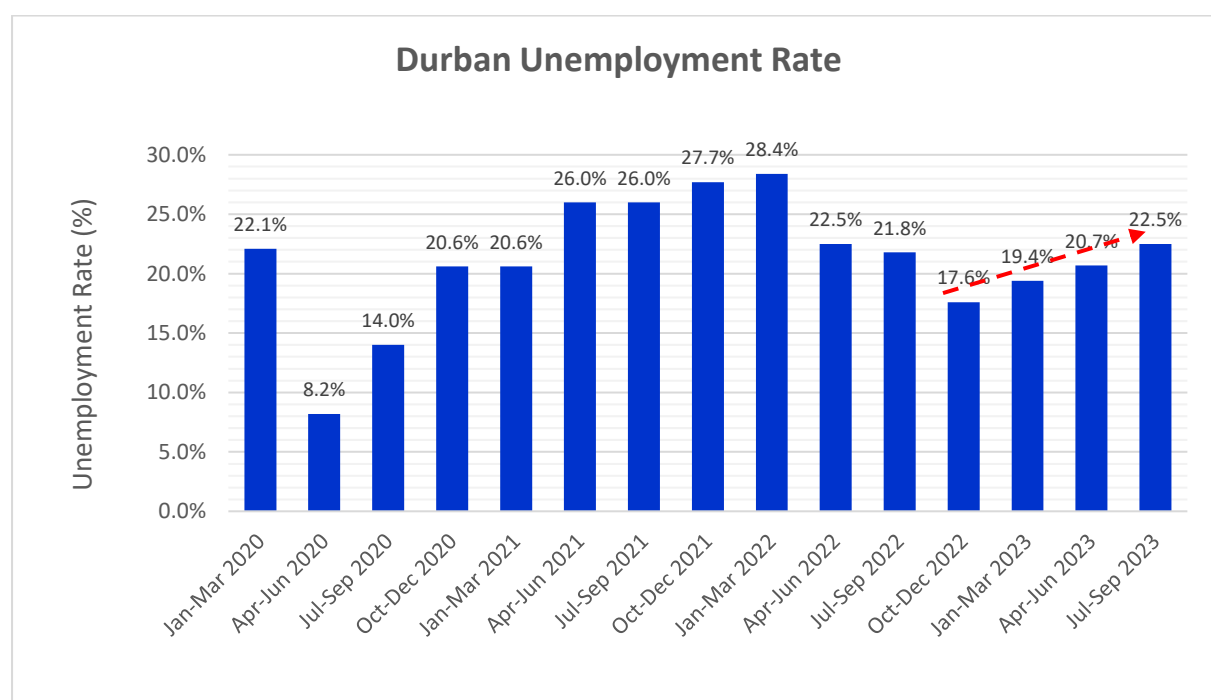
3. MORE DURBANITES SEEK EMPLOYMENT AMID ECONOMIC SLOWDOWN

In 2023Q3, the labour market dynamics in KwaZulu-Natal (KZN) and Durban, presented a study in contrast. While KZN saw a significant improvement with the unemployment rate decreasing by 1.6 percentage points—the second-largest drop among provinces—and a notable increase in employment by 152,000, Durban faced considerable challenges. Durban’s strict unemployment rate rose to 22.5%, a significant increase of 1.8 percentage points from the previous quarter. This divergence highlights the varied economic conditions within the province, where overall regional trends showed improvement, but Durban, a key economic hub, struggled with increasing unemployment and job scarcity.

During this period, Durban experienced an average increase of 34,000 in unemployment, indicating that more people are looking for jobs without success. This coincides with a decrease of 11,000 in employment, suggesting fewer available jobs, likely due to the economic slowdown. The sectors that experienced job losses include electricity with a 0.34% decline, manufacturing and transport each experienced a 0.09% drop, and community services and private households both recorded a 0.08% decrease.

The employment absorption rate also decreased, falling from 46.8% to 46.1%. This further suggests a reduced probability of finding employment, marking a reversal from the labor market recovery seen in previous quarters. This also points to chronic load shedding and constraints within the freight and logistics industry, leading to stagnation in Durban's economy.

Interestingly, the number of discouraged work seekers in Durban decreased by 3,000, suggesting that some people were regaining hope in the job market. Additionally, there was also a decrease of 12,000 in those “not economically active”, which means more people who were previously not seeking work, possibly for reasons like studying or home responsibilities, are now entering the job market, potentially driven by financial needs. These trends collectively point towards a dynamic labour market, with varying degrees of job-seeking and employment statuses influenced by the current economic conditions.



Source: StatsSA Quarterly Labour Force Survey, 2023

3.1 DURBAN KEY LABOUR MARKET INDICATORS

Indicator	2022Q3 Same quarter Previous year	2023Q2 Previous Quarter	2023Q3 Current Quarter		Quarter- on- Quarter Change	Q-on- Q% Change		Year- on-Year Change	Y-on-Y% Change
Labour Force	1,565,976	1,551,510	1,574,388	↑	22,878	1.5%	↑	8,412	0.5%
Employed	1,224,446	1,230,901	1,219,463	↓	-11,438	-0.9%	↓	-4,983	-0.4%
Unemployed	341,530	320,608	354,925	↑	34,316	10.7%	↑	13,395	3.9%
Unemployment rate	21.8%	20.7%	22.5%	↑		1.8%	↑		0.7%
Not economically active	1,034,815	1,080,826	1,068,465	↓	-12,361	-1.1%	↑	33,650	3.3%
Discouraged work-seekers	273,303	287,182	284,009	↓	-3,173	-1.1%	↑	10,706	3.9%
Absorption rate	47.1%	46.8%	46.1%	↓		-0.7%	↓		-1.0%
Labour force participation rate	60.2%	58.9%	59.6%	↑		0.7%	↑		-0.6%

Source: StatsSA Quarterly Labour Force Survey, 2023

4. CONCLUSION

The South African labor market is on the road to recovery, albeit unevenly. Nationally, the unemployment rate is declining, and employment is rebounding to pre-COVID levels, signaling a strengthened job market. However, this progress is uneven across regions, with KwaZulu-Natal showing marked improvements in employment, in contrast to the rising unemployment rate in Durban. National youth employment is improving but remains high among the 15-24 age group, emphasizing the critical role of education in securing employment. Overall, national trends point to a labour market in the midst of recovery and economic transformation, highlighting the need for intensive efforts in targeted job creation, education, and regional economic strategies to ensure inclusive and sustained growth. The city trends indicate that Durban's economic recovery has come to a halt, and urgent intervention is required.

REFERENCE LIST

Statistics SouthAfrica. (2023). *Quarterly labour force survey*. (Online)
<https://www.statssa.gov.za/publications/P0211/P02113rdQuarter2023.pdf>

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