

# **An Investigation of Unemployment at Tshiheni Village : Limpopo Province**

**By**

**Nemalili Nkhumeleni Patricia:** 

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Leadership**

**Faculty of Management and Law, University of  
Limpopo: Turfloop Campus, South Africa.**

**Supervisor: Dr. T.M. Ruhiiga**

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## **DECLARATION**

I Nkhumeleni Patricia Nermalili declare that the dissertation hereby submitted to the University of Limpopo for the degree Master of Development has not been previously submitted by me for degree at this or any other University, that this is my own work in design and in execution, and that all materials contained therein has been duly acknowledged.

Signed:.....

Date:.....

## **ABSTRACT**

The main purpose of the study was to explore the causes and effects of unemployment and the impact this has on development. The study was significant as it was assisting in identifying the unemployed in Tshiheni village. Furthermore the study highlighted various factors that conspires development at the village i.e. the causes of unemployment. The study also revealed the psychological, health and socio-economic challenges faced by the unemployed at the village. It further communicated possible strategies in which the un-employed can make a living. The study is qualitative in nature and a thirty percent systematic random sampling was drawn from the population. An interview schedule was used to collect data from the seventy respondents and it is included here as appendix A. The findings of the research were that the majority of the unemployed were aged between twenty-one and thirty years, females being the most vulnerable. Unemployment was mainly caused by non-availability of jobs, followed by retrenchments and then lack of skills. Majority of respondents reported viewing themselves negatively. Half of the respondents believe that abusing drugs would help them deal with the situation. Unemployment has a negative effect on social relationships. Majority of the unemployed are not self-employed, but rely on families and child grants for support.

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## **LIST OF ABBREVIATIONS**

ANC: African National Congress

CBO: Community- Based Organizations

CBPWP: Community- Based Public Works Programme

COSATU: Congress of South African Trade Unions

CSS: Central Statistics Service

EU: European Union

FET: Further Education and Training

GATT: General Agreement on Tariffs and Trade

GDP: Gross Domestic Product

GEAR: Growth Economic And Redistribution strategy

HSRC: Human Science Research Council

MVA: Motor Vehicle Accident

NEF: National Economic Forum

NIC: Newly Industrializing Countries

NPWP: National Public Works Programme

OECD: Organization for Economic Cooperation and Development

PSLSD: Project for Statistics on Living Standards and Development

RDP: Reconstruction and Development Programme

SACU: Southern African Customs Union

SADC: South African Development Community

US: United States

WTO: World Trade Organization

?: Percent

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## **CHAPTER 1: BACKGROUND TO THE STUDY**

### **1.1. INTRODUCTION**

Among South Africa's socio-economic problems, unemployment is one of the most serious and intractable. It is the greatest single cause of abject poverty. It has replaced race as the major factor of inequality and underlies or contributes to a wide range of the country's socio-economic ills. As a result of the high rate of unemployment in South Africa, most people are living in poverty and have become extremely vulnerable to diseases and lack the capacity of leading worthy lives. The number of full-time formal jobs continues to decline while the number of new job seekers continues to increase (Schlemmer & Levits 1998:26).

Unemployment is becoming an ever-increasing problem in South Africa, not only in terms of the growing number of people who cannot get jobs in the formal sector or in terms of the social consequences such as poverty, malnutrition and crime, but also increasingly in the world's perception of South Africa. The fact that South Africa's unemployment problem is major is readily acknowledged, but the true magnitude of the problem is not always realized. Government has not succeeded in organizing any summit to address it. Other problem areas seem to have received priority. It is true that many other countries are plagued with unemployment problems, and South Africa is far from alone in its dilemma (*F&T Weekly*, 8 May 1998:47).

One vitally important economic and social determinant of people's health is work. The necessity of earning money for daily survival and preferably a decent standard of living makes having a paying job often the top priority in the lives of most people. For these reasons, work, especially employment, can significantly influence the mental, physical and social health of people. However, employment is generally more highly valued by individuals and society, and not because it provides the needed income. For many people, employment provides a sense of purpose and identity, social satisfaction and opportunities for personal development and growth. For some it offers creativity and self-realization (Gallie et al, 1994:37).

Intuitively, being unemployed would mean not having, or losing important benefits, and one may thus expect a greater likelihood of detrimental effects on people's health.

There is a complexity in the different understanding of the meaning of unemployment, as well as in the different views about what should be done about it. In addition, unemployment is expensive. There is no doubt that its cost in human terms is very great both to the individuals who personally bear it and to the communities, which face it (Allen & Thomas, 1992:55).

There are different understandings of the meaning of unemployment and people have different views about what should be done about it. For the structuralist, for instance, unemployment exists indisputably. The only question is how pervasive it is. Market clearers, however, see things differently. For them the problem is not argued, because they think that people can always find jobs or make money for themselves in some way but sometimes they choose not to work (Gallie *et al.* 1994:84).

Being unemployed, or severely underemployed, means just the opposite. Instead of being an asset to society the individual becomes a liability to family, friends and the community at large. The mental/physical strain of dependence and deprivation may eventually push the less resolute person over the thin edge of propriety, opening the way to deviancy and crime. Those who do not succumb to such pressures, nevertheless, become increasingly frustrated and despondent to a degree where they may eventually simply give up. Former employees who become unemployed for long periods of time may find it difficult to retain their occupational competence.

Unemployment represents a terrible waste of national resources. The goods and services, which the unemployed might have produced, are lost forever. What is more, for the State the cost of unemployment does not only consist of the loss of potential income-derived taxation. It also includes the expenditure involved in social security benefits and various forms of subsidization to assist in maintaining at least a minimum level of human dignity for those effected.

## **1.2 PROBLEM STATEMENT**

The problem under investigation concerns unemployment, which is both a cause and a result of the poverty in which people find themselves. It is a cause, since without a job a person has no income and cannot pay for proper housing, food, medical care and education for himself or herself and his or her children.

It is a result since ill health is often caused by an unbalanced diet, poor housing and lack of appropriate education and prevents a person from finding and keeping gainful employment.

The Limpopo Province in general has always been experiencing socio-economic problems. Unemployment is the most serious of these. The Tshiheni Village, which is the focus of this study, is a perfect example of the Province's experiences. Unemployment is a devastating experience. The chances of an unemployed person to get a job decrease as the time of unemployment becomes longer. Unemployment is accompanied by a host of social problems. The problem that will be investigated in this study is stated as follows: What are the causes of unemployment and its long-term effects on individuals and their households?

### **1.3 MOTIVATION FOR THE STUDY**

As a student in Development Studies, the researcher has been motivated to conduct this study by the number of unemployed people observed within the Tshiheni community. The Tshiheni community is faced with massive unemployment and poverty. Without jobs most people at Tshiheni village have no income and thus cannot afford to pay for proper housing, food, medical care, and education. Poor health caused by an unbalanced diet, poor housing and the lack of an appropriate education often prevents a person from finding and keeping gainful employment.

### **1.4 AIM OF THE STUDY**

The aim of this study was to explore the causes and effects of unemployment and the impact this has on development. This was done by conducting an investigation of the unemployed at Tshiheni Village in the Limpopo Province.

### **1.5 OBJECTIVES OF THE STUDY**

The following were the objectives of the study:

- To identify those who were unemployed at Tshiheni Village.
- To discover the major causes of unemployment at Tshiheni Village.
- To investigate the psychological consequences of unemployment at Tshiheni Village.
- To investigate the social challenges faced by the unemployed at Tshiheni Village.

- To investigate the health effects of unemployment at Tshiheni Village.
- To investigate the economical deprivation suffered by the unemployed at Tshiheni village.
- To examine the ways in which the unemployed people at Tshiheni Village survive.

## **1.6 RESEARCH QUESTIONS**

The research proposed in this study was endeavoring to answer the following research questions:

1. Who are the unemployed people at Tshiheni village?
2. What are the causes of unemployment at Tshiheni Village?
3. What are the psychological consequences of unemployment at Tshiheni Village?
4. What are the social consequences of unemployment at Tshiheni Village?
5. What are the health effects of unemployment at Tshiheni Village?
6. What are the economical challenges faced by the unemployed at Tshiheni Village?
7. How do the unemployed at Tshiheni Village cope with their situation?

## **1.7 SIGNIFICANCE OF THE STUDY**

The study is significant because it should assist in:

- ◆ Revealing the psychological challenges faced by the unemployed at Tshiheni Village.
- ◆ Revealing the health consequences of unemployment at Tshiheni Village.
- ◆ Revealing the socio-economic challenges faced by the unemployed at Tshiheni Village.
- ◆ Communicating possible strategies in which the unemployed at Tshiheni Village can make a living.
- ◆ Highlighting various factors that hamper development, in other words, the causes of unemployment at Tshiheni Village.
- ◆ Showing how unemployment impacts on development.

## **1.8 DEFINITION OF CONCEPTS**

**Capital:** refers to money that gives the business power to buy goods to be used in the production of other goods or offering of a service.

**Consumption function:** refers to the assumed direct relationship between the national income level and the planned or desired consumption expenditures of households.

**Demand for labour:** refers to the assumed inverse relationship between the real wage rate and the quantity of labour employed during a given period, everything else held constant (Kamerschen & Mackenzie, 1989:671).

**Development:** According to Staudt (1991:29), development refers to the relative ability of people to have a say in decisions that shape their lives, from those decisions made at the family level to those that are international in scope. To Rees and Smith (1998:14), development is defined as an attack on the chief evils of the world today, including unemployment. Rees and Smith (1998:14) further refer to development as the “expansion of people’s capabilities”. In line with this, Yusif and Sayigh (1991:15) refer to development as a process that leads to changes in values, motivation, work attitudes, social organization, and technological capability which together lead to expansion, improvement and sophistication in the productive power of the economy.

Development is further defined as the act of improving by expanding or enlarging or refining, a state in which living conditions of the people are improving, the advancement of the management and use of natural resources to satisfy human needs and improve the quality of human life, meeting the basic needs of people such as economy, health, nutrition, social services, and infrastructure, and improving the standard of living in a society (<http://www.kzpg.com>).

**Economics:** refers to the study of how people cope with scarcity- with the pressing problem of how to allocate their limited resources among their competing wants to satisfy as many of those wants as possible.

**Economic development:** refers to a significant improvement in the general standard of living of most of the people in a country (Greyling & Powell, 2005:6).

**Economic Growth:** Is the process whereby the productive capacity of the economy increases overtime so that there is an increase in the level of national income. This is normally shown by an upward swing by value in the GDP and or GNP.

**Economic theory:** refers to a simplified explanation of how the economy or part of the economy functions or would function under specific conditions.

**Exchange rate:** refers to the price of the currency of a country expressed in terms of the currency of another country.

**Frictional unemployment:** refers to the number of people unemployed as a result of changing jobs.

**Full wage rate:** refers to the sum of the money wage rate and the monetary equivalent of the non monetary benefits of a job.

**Human capital:** refers to the acquired skills and productive capacity of workers.

**Inflation:** refers to a continuous and significant increase in the general price level of goods and services due to monetary causes, which results in a decline in the buying power of money (Greyling & Powell, 2005:127).

**Informal sector:** refers to the economic activities that do not form part of the main stream of the economy , undertaken by individuals or families, producing mainly labour - intensive consumer goods and services (Greyling & Powell, 2005:70).

**Investment:** refers to the purchase of capital goods- plant and equipment, residential structures, and changes in inventory- that can be used in the production of other goods and service (Kamerschen & Mackenzie, 1989:259).

**Involuntary unemployment:** refers to unemployment for which the individual worker cannot reasonably be held responsible

**Market:** is anyway in which buyers and sellers make contact with the aim of buying and selling goods and services, and determining the quantities that will be bought and be sold (Greyling & Powell, 2005:44).

**Privatization:** refers to the transfer from the public to the private sector of ownership and responsibility for providing certain services.

**Structural unemployment** is a form of unemployment that develops as a result of major changes in the structure of a country's economy. For example, a rapid change from dependence on mining and agriculture to growth of the manufacturing sector will create redundancy in both mining and agriculture leading to this form of unemployment.

**Supply of labour:** refers to the assumed positive relationship between the real wage rate and the number of workers or work hours offered for employment during a given period, everything else held constant.

**Scarcity:** refers to the fact that available resources are usually less than the demand for their use; hence, the need to optimize resource use.

**Taxation:** refers to a system of collecting taxes (levies/dues) made by the state from private business, state institutions, private households and individuals so that the government is able to meet its mandate in providing for services, infrastructure and development.

**Technology:** refers to the knowledge of how resources can be combined in productive ways (Greyling & Powell, 2005:18).

**Theory:** refers to a set of abstractions about a real world.

**Trade union:** section 1, part (38) of the Labour Relation Act defines a Trade Union as any number of employees in a particular concern, industry, trade or occupation who unite with the purpose of regulating relations between themselves and their employers in their particular concern, industry, trade or occupation.

**Unemployment:** According to Allen and Thomas (1992:56), unemployment means being without work or not doing paid employment. Burnet (1994:3) further adds to the definition of unemployment when he asserts “unemployment essentially refers to those who have to sell their labor in return for a wage or salary”. According to Moller (1992:18), a very common definition of unemployment is the work-seeker, particularly the frustrated work-seeker whose efforts to find employment are continually thwarted by the lack of job opportunities.

In this research project the word unemployed will be used to refer to people at Tshiheni Village in the Limpopo Province who, being 16 years and older, are/have:

- ◆ not been in paid employment a week preceding the conduct of interviews
- ◆ available for paid employment during the reference week
- ◆ taken specific steps during the 4 weeks preceding the interview to find paid employment.
- ◆ have the desire to work and to take employment.

This chapter has provided an introduction to the study by highlighting the motivation, the problem statement, aim and objectives. Several research questions have also been specified to guide the research. It has been shown that unemployment in South Africa today is a result of several interrelated factors: increasing mechanization of the farm sector, the decline of the mining industry, the demise of the former homelands, labour legislation and, the rationalization of the public sector since 1996. Overall, the chapter has provided a comprehensive background indicating the nature and the purpose of the investigation. The next chapter turns to the presentation of the literature review.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

Unemployment is a universal problem with which the political leadership of almost every country has to wrestle. Even the United State of America, which has emerged as the dominant economy of the global village, is forced to invest considerable resources in job creation and economic development programmes aimed at reducing institutional unemployment. This matter has become so significant in the global economy that the guardians of the global economic system, the World Bank and the international monetary fund, rely on the institutional unemployment figure as the indices of the socio-economic well-being of countries (Gallie et al, 1994: 7).

Whereas the question of institutional employment is a significant consideration in countries in the developed world, it must be considered as being of critical importance in emerging economies and underdeveloped countries. The rationale for this view is that there is clearly a very direct relationship between the well being of the economy of a country and the levels of institutional unemployment because of the available jobs increase in a growing economy and, conversely, a decrease in a declining and stagnant economy. Relying on this indicator, the state of the South African economy must be a matter of grave concern as in the order of one million job opportunities have been lost in South Africa since the early 1980s. It is axiomatic, however, that a considerable number of these job losses occurred as a result of politically driven initiatives such as disinvestments (Crow, 1989:25).

### **2.2 INTERNATIONAL EXPERIENCE**

#### **2.2.1 Identifying the Unemployed**

According to Burnett (1994:272) unemployment strikes unequally but not randomly. His view is that age is the principal determinant, the young and the old being especially vulnerable. High youth unemployment rates are caused by their enhanced wages, their lack of skills and qualifications or training for the type of jobs available. Older workers have long been at a disadvantage in the labour market because of technical changes. Marriage and family formation effectively remove younger women from the labour force. He further states that in a multiracial society, colour has become an important determinant of employment.

### **2.2.2 Causes of unemployment**

According to the Organization for Economic Co-operation (1987), the current unemployment crisis in the advanced capitalist countries is primarily a European phenomenon. The rise in the EU unemployment rate from 3 percent in 1973 to more than 10 percent today has been in marked contrast to the experience in the rest of the OECD. Throughout the OECD, there has been a dramatic rise in unemployment in the 1980s and 1990s. The problem has been more severe in some countries than others and has not been evident in a minority of economies (notably Japan and the US). There is thus an increasing awareness of the need to tackle this serious economic, social and political problem. Before successful policies can be formulated and introduced, however, there is a need to be fully aware of what the problem being treated is. In particular, an in-depth knowledge of the causes of the disease is needed so that the illness rather than merely its symptoms is treated.

The most common theoretical explanation of unemployment is that the real wage is fixed in the labour market. This means that "price movements" will not adjust the excess supply in the labour market so that the resulting unemployment will remain until the self-equilibrating process of the labour market is restored. There are two possible explanations for this. First, firms may not be able to adjust the wage downwards because of pressure from trade unions and because of the way the wages are determined. The other explanation is that employers may maintain wages at a high, non-clearing level in an attempt to reap efficiency gains for the firm. The prime reason for rigid real wages in the labour market is that insiders, represented by a trade union, bargain with the employers for higher wages (<http://www.maths.tcd.ie>).

The labour market can also be classified as inflexible because labour demand does not automatically react to changes in the real wage or in labour supply. This is because there are exogenous factors influencing the hiring decision. Two such factors are employment protection legislation and the influence of activities in the product market. The existence of employment protection legislation is thought to dampen the rate of job creation in an economy. This is because much of the legislation involves the imposition of rigid regulations and high firing costs. The central problem is that, while employment protection legislation aims to protect the jobs of those who are employed, it discourages firms from hiring new staff.

Labour supply responds to factors that are exogenous to the labour market. These factors reduce the flexibility of the labour supply and dull its reactions to changes in the real wage and/or labour demand. One of the most frequently discussed and most significant factors is the level and duration of unemployment benefits. Unemployment benefits directly influence an individual's decision to work. The influence is particularly strong for those whose after-tax average wage is very close to the unemployment benefit. Increasing marginal tax rates and improved benefit levels in the 1970s and early 1980s increased the number of people who fell into this category. One of the reasons for the existence of unemployment benefits is to provide some security for the unemployed so that they can undertake an effective job search. If the benefits are excessive, however, the search becomes overly "choosy". The only job search comes from the minority who are not eligible for the benefits but the offsetting effect of this is minimal (<http://www.maths.tcd.ie>).

Having looked at some of the factors that impose rigidities on the labour market the researcher will examine how continuous changes in the global economy may affect the unemployment rate. In particular, technological change and the expansion of international trade will be examined. Both of these changes are not, in themselves, primary causes of unemployment. Rather it is the failure of economies to adjust to these changes, which has altered the face of employment and has hence impacted on unemployment in various sectors.

The increased openness of economies and the massive growth of globalization have meant that all OECD countries are trading more with one another, and with non-OECD countries. This increased trade has had a significant impact on behaviour within these countries. The increased competition arising from trade is forcing firms to be more efficient and economies are altering the structure of their employed labour force so that the nation can have a competitive advantage. Trade is changing the nature of jobs in the economy by displacing labour intensive jobs and supplementing them with jobs in the capital-intensive sector. (<http://www.maths.tcd.ie>).

Technological improvements allow for economic growth, which is a necessity for increased standards of living in an economy. This is a long-run effect, however, and in the short-term the introduction of new technology can result in unemployment.

The impact on employment in different sectors is widespread. There has been a marked change in the skills required for existing jobs and new jobs. There has been a shift in demand towards more skilled employment in manufacturing and in other industries. There is thus a widening of the gap between those who have suitable skills and those who do not. This results in unemployment arising from the mismatch.

Some causes of unemployment result from the seasonality of agriculture and its effects on agri-business. The most serious unemployment in terms of both the amount and duration is cyclical unemployment, which is due to the irregular ups and downs of aggregate economic activity in modern market economies. Another cause of unemployment is structural and is due to the fact that change is continuous in wants, resources and technologies in market economies and reduces the number of jobs in other sectors. In addition labour does not move quickly or easily from where jobs are disappearing to where they are more available. Temporarily they are unemployed. Reemployment may require either geographical reallocation or learning a new trade (<http://www.google.co.za>)

In the “hard-core unemployment category”, people are considered unemployable either because they are too disabled in one way or another or for other reasons. Some are employed at times but cannot seem to hold a job satisfactorily for very long so they are unemployed most of the time. It seems to be considered that 3% of the labour force would be unemployed at any one time normally, even when there was no cyclical unemployment. The 3% that was continuously changing in composition is not that the same 3% who is continuously unemployed (<http://www.google.co.za>).

Some seasonal unemployment is remediable, but some is not. At one time the automobile industry changed models seasonally and in the process laid off many employees for a time. They have, however, reduced the amount of such seasonal unemployment. Seasonal unemployment is neither prolonged nor large in amount. How much it can be reduced further is uncertain. In agri-business, unemployment insurance can help tide the unemployed over. Perhaps social workers can help some of them develop better work habits or do other things to make themselves more employable.

Structural unemployment might be reduced by any measures that could improve labour mobility, either geographically or through subsidized retraining programmes (<http://www.google.co.za>).

Cyclical unemployment is a serious problem and one that needs to be dealt with through government economic policies. To begin with, prolonged unemployment is of course a huge economic problem for most workers and their families. In addition, the longer such unemployment lasts the more the toll on a worker's skills, work habits and morale. The first recourse is unemployment insurance, introduced in the Great Depression, but designed to tide over short-term unemployment of some recessions or depressions.

Another helpful government policy besides that is what is called a macro-economic stabilization policy. It involves an easy money low interest rate policy on the part of the Federal Reserve Monetary Authorities. Deficit spending by the latter policy upset many people, especially the Republicans, who contended erroneously that a federal government deficit was as bad or worse than a household not knowing enough to balance its budget properly. But a federal deficit can offset the reduction in the business cycle and can thus maintain employment at higher levels than would otherwise prevail. That no longer seems to worry many people, even Republicans who now create big budget deficits with impunity for their own purpose (<http://www.google.co.za>).

According to Allen and Thomas (1992:55) overpopulation is a major cause of unemployment. The world's low-income countries cannot provide enough jobs to absorb the increased number seeking work. Too many people in the cities (over urbanization) causes unemployment. If only people would move back to the rural areas, problems of unemployment would decrease. Inappropriate technology as well result in over investment in large-scale capital-intensive industries that require few workers. Inappropriate education, in other words, too many secondary school leavers who shun lower level and manual work and thus "make themselves unemployed" reinforce this problem. Closing down socio-economic activity causes unemployment too. The smallest mechanism in the closure of an organization or part of a unit can cause unemployment.

For example, in Bolivia, following the collapse in the price of tin in the world market and the election of a right-wing government, all state mines were closed with 23 000 miners laid off including the company of Domitila Barrios de Chingara.

Companies can threaten to move from one part of the country to another in search of cheaper production costs. They can also threaten to move to another country thereby causing unemployment. There are examples of multinational owned production units relocating from “higher wage” to newly industrializing countries (NICs) where wages are lower. Intensification of labour is more complicated. Unemployment can be caused by changing the organization of work without increasing investment, for example, by getting employees to work harder, thus labour productivity is increased, perhaps causing unemployment. Unemployment can also result from increased capital investment - investment in new ways of making things or doing things that increase labour productivity and thus require fewer workers per unit of output. One major historical example was the introduction of the weaving machine that was estimated to put half a million-handloom weavers out of work at the beginning of the Industrial Revolution. Demographic forces are social processes that can be important causes of job loss. For example, a major cause of unemployment may be the number of young people needing employment at a faster rate than employment possibilities for them. Land alienation, the privatization and enclosure of common lands, concentration of land ownership in fewer hands, and loss of land by many peasant producers also cause unemployment (Allen & Thomas, 1992:56).

### **2.2.3 Consequences of Unemployment**

One vitally important economic and social determinant of people’s health is work, especially employment. Work, especially employment, can significantly influence the mental, physical and social health of people. A personal sense of satisfaction with the job is also an important determinant of health. Published aggregate-level studies have investigated possible associations between unemployment and the outcomes of total mortality and disease-specific causes of death. Since the 1970s, many time-series analyses have reported patterns of higher mortality rates following negative economic trends, such as rising unemployment (Hayes and Nutman, 1984:94).

The apparent association of unemployment with total mortality may be better understood by investigating disease-specific causes of death. Among the papers reviewed, the most commonly studied specific causes were cardiovascular diseases and suicide. For coronary heart disease, interest was stimulated three decades ago with the hypothesized role of stress as a risk factor for cardiac disease and hypertension and the emerging psychological research on the effects of stressful events, such as job loss. Several individual-level studies have measured intermediate outcomes more feasibly and have singled out risk conditions such as elevated blood pressure and cholesterol, or risk behaviour such as tobacco and alcohol consumption (Jin et al, 1994:60).

Reviewers have noted that the evidence is “strong” in showing a same-direction association between “economic insecurity” and suicide incidence. Most of these studies found that significantly more of those who committed or attempted suicide had been unemployed compared to non-suicides. Moreover, the unemployed were more likely to commit suicide than the comparable employed. A few longitudinal studies showed that those who eventually killed themselves had more “job problems” than non-suicides. Adams’s analyses revealed a significant correlation between suicide and unemployment for male suicide rates but not for females. The association was strongest for male youths aged 15 to 24 years during 1966-1990. The author concluded that unemployment was a “significant predisposing factor for increased suicide risk, especially in young males”. Joblessness may produce more extreme mental health consequences, such as suicide, in those who are already psychologically or socially vulnerable (Adams, 1981:45).

Mental health consequences could result from both the inability to lower expectations during economic downturns and to cope with unrealistic rising expectations during economic booms. The relationship between unemployment and suicide is further complicated by the underreporting of suicide and obfuscation caused by trends such as copycat behaviour, cultural attitudes and the availability of lethal means such as firearms. In his analysis of Canadian mortality trends, Adams (1981:47) found an inverse correlation between motor vehicle accident (MVA) fatality rates and unemployment rates.

This finding generated the hypothesis that higher unemployment was associated with lower rates of driving because the unemployed could less afford to drive, and that the unemployed drove fewer miles in order to save money and because of decreased demand. A recent time-series analysis by Leigh and Waldon (1991:135) confirm that in the US, from 1976 to 1980, higher unemployment was associated with lower fatality rates due to curtailment of driving and lower alcohol consumption, especially among young males. This group has a high risk of both injury-related death and unemployment.

Leigh and Waldon (1991:135) outline the associations between acute job loss, chronic joblessness and a broad array of physical and mental health disorders, including self-reported symptoms. There is consensus that the “harmful” effects of unemployment on mental and physical health are now well established. Mental health consequences of unemployment include anxiety, depression, disturbed sleep, self-harming behaviour, feelings of apathy, isolation, hopeless, low self-esteem, and reduced decision-making ability. It is evident that the adverse effects of unemployment can extend beyond the jobless person to affect the spouse, children and others in the family network. Children seem especially vulnerable to the consequences of unemployed parents. At the aggregate level, Brenner and Mooney (1983:125) show correlations between infant, fetal and maternal mortality rates and adverse economic trends. Child mortality may also be higher. In one British study, parental unemployment “doubled” the risk of young children being admitted to hospital in a Health Authority region, with the associated poverty as the important determinant. Children may be affected through several mechanisms: direct material deprivation, psychological sequence (worrying, depression), somatic symptoms and illness, behavioural consequences (impaired school performance, strained relations with friends, isolation), possible parental abuse, and neglect.

Studying the psychological impact upon children, Brenner and Mooney (1983:126) administered a 75-item “Worries Inventory” to 1 000 boys and girls in Grades 6, 9 and 12 in Sudbury, Ontario. The younger children (Grade 6) in particular, compared to the older ones, worried more about family financial problems when their fathers had been out of work in the previous twelve months. Many studies have revealed adverse health consequences for young people affected by unemployment.

An association between parental unemployment and the risks of child abuse has been suggested. In Britain, the unemployment rate among reported abusive fathers was estimated to be six times the national rate.

Jin, et al (1994:72) calculated the direct economic costs to the health care system of the excess services utilized by the unemployed. However, the total cost of unemployment to society is certainly much higher. Other costs include: indirect cost of health care, direct costs of unemployment insurance, welfare payments and other social services, and the "opportunity" cost to society of fore-gone productivity by otherwise employable persons. The costs of unemployment are generally viewed by the society as those related to unemployment insurance and social assistance programmes for those who are able to work. In 1993, for example, \$18,3 billion were spent in Canada on unemployment or 2,6% of the GDP. From this perspective, unemployment is seen as causing a loss of income only for those unable to find employment. This cost was \$109 billion in 1993, which amounted to 15,2% of Canada's GDP or \$3,956 per capita.

Gallie, et al (1994:213) is of the view that unemployment leads to psychological distress. He states that people's psychological health has been shown to become worse when they move from employment to unemployment and tend to recover when they return to jobs. His view is that typically unemployment leads to a sharp fall in living standards and to chronic insecurity about whether the household budget can be balanced. Winefield et al (1993:19) furthermore adds to Gallie's view that prolonged periods of unemployment may lead to negative effects that require some sort of intervention. The effects may range from emotional disorders such as anxiety or depression to psychosomatic disorders requiring physical treatment. The emotional problems, if not treated, may lead to various forms of anti-social behaviour. These are likely to include wife and child abuse, alcoholism or other forms of drug abuse, as well as criminal activities such as house breaking and shop-lifting.

However, Burnett (1994:45) mentions that the psychological effects of unemployment of women depend very much on whether they are sole earners, contributing earners, or housewives who are not normally engaged in paid work. The researcher in this study supports Gallie and Winefield et al's views.

The researcher observed that unemployment chains people. When they cannot get work and do not have money they lose self-respect. When there is no money at home, everyone gets desperate. Some start drinking and stealing.

The researcher differs with Burnett's view of categorizing the psychological effects of unemployment in men, and women in the sense that she found the effects difficult to categorize, since a majority of employed women worked only part-time and generally have a stronger attachment to work than men, and also because marriage complicates official perceptions of unemployment among women.

#### **2.2.4 Coping with unemployment**

According to Vink and Kirsten (2001:22), under the General Agreement on Tariffs and Trade (GATT), member countries embarked on a series of "rounds" of trade negotiations that ended with the final agreements of the Uruguay Round, signed in Marrakech in 1994. At this point, the World Trade Organization (WTO) was created in a delayed recognition of the important contribution that international trade makes to global prosperity. The agreements reached under the Uruguay Round were the first real advances in reaching agreement on the need to liberalize global agricultural trade. The signing of the Marrakech Agreement resulted in a considerable advance in the liberalization of world trade, but not in a free trade regime. South Africa's farmers and food processors, therefore, face competition in a world where the rules favour their competitors, although this bias is expected to decrease over time. In addition, the South African government has revealed its own priorities by successfully applying for membership of the Cairns Group. The original aim of this group was to lobby for the maximum degree of liberation under the Uruguay Round negotiations. It is safe to conclude that the outcome of those negotiations would have been even less favourable for the member countries if they had not joined forces in this manner.

Further, Vink and Kirsten (2001:22) add that the group aims to push for an even greater degree of liberalization of trade in farm and farm based commodities in the forthcoming round of negotiations under the WTO, although it has stated explicitly that member countries will continue unilaterally to deregulate their domestic industries, remove subsidies and lower tariff protection at a pace that is not necessarily connected to a new round of agreements.

The second important influence on global trade is the increasing trend towards the creation of regional trading blocs. The best known include the European Union, the North America Free Trade Area, Mercosur, the Association of South East Asian Nations, and closer to home the South African Development Community and the Southern African Customs Union, the oldest surviving customs union in the world. More recently, initiatives such as the Free Trade Area of the Americas and the Asia Pacific Economic Co-operation Forum have made rapid progress in fostering regional integration.

These new experiences with the feasibility of different types of regional arrangements bode well for Southern Africa. Skeptics have argued that, because South Africa dominates the economies of both SACU and SADC, it is impossible to deepen ties while simultaneously broadening membership. Their argument is strengthened by the failure of numerous attempts at regional integration in different parts of Africa. However, experience from elsewhere shows that there is no reason why SADC, for example, cannot succeed given the necessary political commitment. Given the necessary political commitment, SADC stands a good chance of succeeding in creating a more liberal trading regime between its member countries. This will include freer trade in farm products. Some countries in the SADC region have more and better quality natural resources than South Africa. Hence, there is a possibility that South Africa will, over time, become an importer of farm products such as grain staples. These changes will neither take place overnight, nor do they necessarily imply that South Africa, or the region as a whole, will become a net importer of these commodities. In the shorter term, the main activity will probably be in trade between adjacent regions and investment in the agro-processing sector in the region by South African firms (Vink and Kirsten, 2001:24).

This could lead to greater trade in processed foods. In the long run trade will be influenced by political stability in individual countries, and the degree of investment in the infrastructure required setting the vast unused potential of the region into production. However, South Africa does have a revealed comparative advantage in farm exports, and can strengthen its competitive advantage in this arena (Vink and Kirsten, 2001:24).

According to Burnett (1994:296), unemployed people may be able to find the satisfactions of “work” in active leisure, in self-employed provisioning, in voluntary social or political activities, by engaging in the informal (black) economy or by making a career change into self-employment. He furthermore adds that unemployed men may keep themselves busy by gardening, decorating, fishing, bringing meat and ducks into the house while unemployed women may be involved in outwork industries and home selling. Winefield et al (1993:153) adds to Burnett’s view that the unemployed can cope with unemployment by being taught basic survival skills such as interpersonal and parenting skills, knowledge about legal, medical and welfare systems, how to rent houses, where to buy and cook cheap nutritious food.

## **2.3 RESEARCH IN SOUTH AFRICA**

### **2.3.1 Identifying the unemployed**

According to Adams (1993:4), half the people who can work in South Africa do not have jobs. About 8 million people in South Africa are unemployed and the number increases all the time. In his view, more women than men are unemployed and most unemployed women live in rural areas. He also states that unemployment now affects all types and levels of work. Professionals as well as manual labourers are periodically retrenched.

Through its semiannual labour force, Statistics South Africa reports on who the unemployed are in two different ways. The unemployed are those within the economic active population: who did not work during the seven days prior the interview, want to work and are available to start work within two weeks of the interview and have taken active steps to look for work or to start some form of self-employment in the four weeks prior the interview. The unemployed are those who did not work during the seven days prior to the interview want to work and are available to start work within two weeks of the interview but have not taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. These are the discouraged jobseekers that are found mostly in rural areas distant from major cities and towns (Statistics South Africa, 2004)

The March 2004 Labour Force Survey, the results of which were released at the end of September 2004, reflected that 27,8% of the economic active population was unemployed and 41,2% of the jobseekers were still unemployed. The researcher's view is in support of the above views. Both young and old are equally vulnerable to unemployment. More blacks than whites are unemployed in South African. Women are also more vulnerable to unemployment than men as culturally they were meant to do all the household duties. Only men were allowed to work as they were regarded as breadwinners and this is still occurring in rural areas.

According to Kingdon and Knight (2001:5), the incidence of direct entry into unemployment varies by several factors. For example, it differs substantially by race. African unemployed persons are twice as likely than whites never to have had work. While this could partly be due to the inferior employment-enhancing characteristics of Africans compared to whites, it could also be partly due to racial discrimination in employers' hiring practices. Rural dwellers are more likely than urban dwellers never to have worked, possibly because there are fewer job-opportunities in rural than urban areas and because the intensity of job-search is lower in the countryside owing to remoteness from centers of employment.

They furthermore add that unemployed women are more likely than unemployed men never to have experienced a period in work. This may be due to women's lesser flexibility in terms of hours of work and the distance they are prepared to travel, or to their higher reservation wages, than men. Age is an obvious important factor since the young are more likely to search rather than get "locked-in" to an undesirable job. The young are also more able to afford unemployed job-search because they have fewer financial commitments than do older persons. Moreover, they may be more ignorant about what their skills can command in the labour market, in other words, they may have higher reservation wages.

### **2.3.2 Causes of unemployment**

Adams (1993:4) claims that technological development is a major cause of labour displacement. He argues that machines are invented that work faster than people and those machines do not strike for higher wages, so employers buy machines and retrench workers. Adams (1993:5) states that there are also specific local causes for the crisis of unemployment, namely, apartheid, disinvestments and democracy.

His view is that unemployment is particularly bad in South Africa because of Europeans who settled and brought a system of government called colonialism, which treated Africans as uncivilized. Africans were used as labour in the building of the economy but were not given a share of the wealth created. They were also kept in inferior positions.

According to Barrett (1991:54), the causes of unemployment may be frictional, structural or cyclical. The number of people unemployed as a result of changing jobs causes frictional unemployment. Unemployed people whose skills are not in demand cause structural unemployment. Cyclical unemployment arises through temporary reductions in the demand for productions or services. However, Casson (1983:42) cites several causes of unemployment. Seasonal unemployment where some occupations fluctuate with the seasons, either because their materials come in at certain seasons or, because the demand for their products is seasonal. Long-term unemployment arises where unskilled or semi-skilled workers lack the training to take up skilled work.

Unfortunately, not a single one of them can be excluded from the South African situation. First, is structural unemployment, where economies are moving from a largely manufacturing base to a new undefined information era. Second, he argues that joblessness is the result of absolute manufacturing processes while new employment is being created in new information technology pursuits. Third, he states that there is trade-driven unemployment, in which tariff reductions result in unemployment in redundant sectors, which cannot produce goods and services as efficiently as other countries from which the products can be imported. For example, the textile industry is under severe strain due to imports of cheap materials from China; this has led to many factories closing down.

Fourth, he adds that the resultant cheaper imports lead to the collapse of some companies, which previously hid behind tariff protection. Fifth, he alludes that in the long term, trade usually results in new positive developments, such as bigger investments in growing industries. Sixth, technological and "normal" unemployment happen when new technology results in job creation in a progressive company but with accompanying job losses in an out-dated company. Unemployment can also result when there is a lack of information on where new jobs are being created.

According to Mafiri (2002:16) the theoretical explanation of unemployment follows from the essential thinking of different schools of thought, for example, the Keynesian approach and the monetarist approach. Traditionally, the Keynesian focus has been on cyclical unemployment. The simple Keynesian explanation of unemployment points to insufficient expenditure, in other words, a demand deficiency.

This causes the macroeconomic equilibrium to be below the full employment level. In more modern Keynesian theory - the aggregate demand-aggregate supply framework - a similar story is told for an equilibrium point to the left (diagrammatically) of the long run supply curve Aggregate Supply (Long-Run). Such equilibrium emerges due to a decline in aggregate demand. The modern theory also allows for an unemployment equilibrium that arises due to a curtailment in aggregate supply. This pushes the economy to the left of the Aggregate Supply (Long-Run) diagrammatically. The perpetuation of the supply-induced unemployment can still be ascribed to insufficient aggregate demand in the sense that an increase in demand (shifting Aggregate Demand right) would have pushed the equilibrium toward higher employment levels (Mafiri, 2002:16).

However, cyclical fluctuation in employment (and hence in unemployment) is explained in the Keynesian view by two kinds of causes: Fluctuations in aggregate expenditure, more especially in the inherent instability of private expenditure; and the shocks from the supply side of the economy, which can be either internal or external. In the Keynesian view, a period of cyclical unemployment can be quite prolonged. It is true that one can show that, in theory, the supply adjustment process would move the economy back from unemployment equilibrium to equilibrium on the long-run supply curve Aggregate Supply (Long-Run). However, the Keynesian theory maintains that in reality this process is likely to take very long (if it occurs at all). It requires prices and wages to adjust downwards, but in practice prices and wages are rigid downwards. Therefore, in the absence of policy steps, short- to medium-term cyclical unemployment would be a reality (Mafiri, 2002:17).

As with the Keynesian approach, the Monetarist approach is concerned only with short-run or cyclical unemployment. Yet, its concern is not the same as the Keynesian view.

The Monetarist approach maintains that involuntary unemployment is not a long-run problem - the economy is inherently stable and self-stabilizing, and would spontaneously return to a full employment equilibrium following any disturbances. Thus, fluctuation in employment would be small and temporary. The normal operation of the market forces of demand and supply would soon eliminate unemployment. In the Aggregate Demand-Aggregate Supply framework this means that the supply adjustment process occurs speedily. In actual fact, only the long-run supply relationship issues - the long-run movement back to full employment equilibrium is assured and decisive. Coupled with this is the Monetarist theory that the "long-run" occurs soon. However, if large and sustained deviations from employment do occur, they can have only one cause, which is government intervention. Such intervention could maybe stem from Keynesian thinking and doomed efforts at the Keynesian "stabilization" policy. Government intervention is the cause of, and not the solution for, sustained unemployment (Mafiri, 2002:18).

Furthermore, the monetarists maintain that the government does not stabilize but it destabilizes. Instead of pursuing a "stabilization" policy, government should practice fiscal abstinence. If this is complemented by a monetary policy, which reduces money supply growth to a fixed growth rate –a monetary rule –, the problem of prolonged unemployment will disappear together with any inflation. The elimination of unemployment should, therefore, not be an active policy objective. Meanwhile the two viewpoints differ fundamentally although they both appear to view unemployment as a relatively unemployment problem. In the long run which could come either sooner (in the monetarist view) or later (in the Keynesian view), unemployment should disappear by itself or can be eliminated by policy (the Keynesian view).

Unemployment data have shown a sustained and indeed increasing unemployment rate in South Africa since 1975 in spite of the business cycle upswings in the periods 1978 -1981,1983-1984, 1986-1989 and since the middle of 1993. Jobless growth appears to be the norm. This shows that the major part of South African unemployment does not react much to cyclical changes in the level of economic activity (as measured in real Gross Domestic Product). However, this means that the major part of South African unemployment is of permanent nature.

In other words, the largest part of unemployment in South Africa is structural unemployment (Mafiri, 2000:19). Cyclical fluctuation in production and employment, explained in the Aggregate Demand-Aggregate Supply framework, actually amounts to waves upon a sea of underlying, enduring unemployment. These fluctuations happen around a permanently high level of unemployment, previously indicated as the structural rate of unemployment, which corresponds to the level of saturated market employment.

Since the standard macroeconomic theory, Keynesians as well as the monetarists mainly provide explanations for fluctuations along the long-run (underlying structural) unemployment rate, or at most for non-permanent unemployment, one has to consider beyond the standard macroeconomic theory if one wishes to understand the causes of structural unemployment in South Africa and elsewhere. The existence of structural unemployment means that the employment opportunities brought about by the normal operations of the labour market are always fewer than the total labour force. Only a limited portion of the labour force is absorbed into the market. The rest of the labour force is excluded from the operation, influence and benefits of the labour market (Mafiri, 2002:19).

The phenomenon of structural unemployment can be ascribed to structural rigidities, distortions and imperfections in the market and the way in which the general economy is organized. Structural unemployment arises from the nature, location and pattern of employment opportunities. The major portion of unemployment is due to intrinsic mismatches between workers' skills and the skills requirements of available jobs. The type of products that are chosen for production, the kind of inputs used, especially the way in which they are combined in production, determine what kind of and how much labour can be employed. Being a complex phenomenon, the causes of structural unemployment cover a wide spectrum of factors. Some of these are common to all market economies; others are specific to the South African economic and political order. The following is a list of possible causes: The labour market is not a single or united market. It is in reality a segmented market, comprising of a number of relatively isolated sub-markets. Labour mobility between these market segments is limited.

Employees who became redundant in one segment of the market will not necessarily find employment in another segment, even if there is a labour shortage in that segment, and even if the person is willing to work for a lower wage. These segments differ with respect to a number of factors, such as the required level of training and specialized skills.

Mafiri (2002:20) maintains that, a simple example is the agricultural labour versus the industrial labour market, or even different agricultural labour markets. In the so-called white-collar jobs there are even more severe barriers to mobility between sectors or segments. Skilled and experience workers who become unemployed in one segment do not necessarily possess the necessary skills to find employment in an entirely different section of the market. Labour is simply not homogeneous and the demand for labour can be very skill-specific.

Demographic factors are also very important in South Africa. The rate of population growth causes the labour force to grow faster than the normal labour absorption of the market. Migration patterns in South Africa contribute to this problem, as well as the population growth in neighbouring countries. The population growth has increased in momentum. Changes in the composition of the economically active population, for instance the proportion that is young or very old, or gender or racial composition; also contribute to the absorption problem. Changes in the age structure, as well as the participation rates, are particularly important in this regard. The level of education, training, skills, and experience of the labour force is also important (Mohr and Rogers, 1988:281).

Changes in the pattern of demand and output affect labour absorption in certain market segments. The pattern of activity in the South Africa economy has changed markedly in the past 50 years. This was part of the development process in the economy, which has stimulated the industrial and service sectors. Factors such as climate (in agriculture), and world commodity price, such as the gold price (which has dramatically affected the mining sector), have played an important role in permanently depressing employment in certain segments of the economy. Mohr and Rogers (1988:280) maintain that the structure of aggregate demand is also equally important.

Even if the level of aggregate demand remains constant there may be significant shifts in the structure of the total demand sector that might cause unemployment to increase. A structure slow-down in the growth of aggregate demand has also been observed as a major cause of the increase in structural unemployment in South Africa.

Mafiri, (2002:21) added that a related factor is the apparently long-term decline in the growth performance of the South African economy since the 1960s. Many factors may have contributed to this in different periods; the post-war boom in international trade and commodity exports slowed down; the gold price stagnated after the 1980s; trade and financial sanctions, disinvestments and political disorder hampered economic growth; the balance of payments constraints put a ceiling on the growth rate that could be sustained; while the extent of under development limited the availability of suitable economic actors to drive growth in the modern sector of the economy.

The high rate of increase in nominal wages during the 1970s has been attributed to factors such as the growth of the trade union movement and the increased militancy of trade unions, widely-held notions of equity and fairness (supported by social pressure, international codes of conduct or legislation), and increases in minimum wages of unskilled, inexperienced workers. At the same time the monetary authorities have pursued a low interest rate policy. The reluctant increase in the price of labour is often regarded as a major cause of the substitution of capital for labour and the concomitant increase in unemployment. The role of factor price distortions has been overplayed (Mafiri, 2002:22).

The introduction of labour-saving technology is often referred to as technological unemployment. Although some economists argue that the many labour saving innovations introduced in the 1970s and 1980s have not permanently replaced labour, their arguments tend to be based on confusion between income and employment. The fact that no purchasing power is lost in the aggregate when a labour-saving machine is introduced does not imply that employment is lost. The problem has been aggregated in South Africa by the fact that most of the labour-saving machine is imported.

The increased capital intensity, therefore, contributes to the country's balance of payments problem, which, in turn, limits the expansion of output and employment in the domestic economy (Mafiri, 2002:22).

It can be argued that unemployment compensation adds to structural unemployment. The presence of benefits allows longer job search, since it is less urgent for the unemployed to obtain jobs. Furthermore, the fact that a laid-off worker will not suffer a large loss from being unemployed makes it more attractive for an employer to lay off workers temporarily than to attempt to keep them on the job. The existence of unemployment compensation also increases the measured rate of unemployment since people have to register as unemployed to receive the benefits. Unemployment insurance in South Africa is, however, not nearly as effective as in most western countries and cannot, therefore, be regarded as a significant cause of structural unemployment.

The high intensity of production methods in South Africa is part of a broader pattern in the use of capital and labour, which is typical of western market economies. This pattern causes low growth in demand for labour, even in periods of economic upswing or high recovery. Many possible causes of excessive capital intensity have been identified in South Africa, namely, tax incentives such as the accelerated write-off of capital goods for tax purposes, which encourages the use of capital and machinery. Over the years the South African tax system has spawned a plethora of such incentives, supposedly to promote economic growth; the unqualified admiration of, an important part of, production methods and high technology from industrialized countries, designed for an entirely different production environment with a shortage of unskilled labour. The latter tendency has been aggregated by the dominant role of foreign corporation in the investment decision of local subsidiaries; capital intensity is also increased by an unqualified acceptance of high productivity methods of production, often defined as the ability to produce high output with fewer labourers; the pressure from international competition, which appears to force South African producers to adopt low cost production methods similar to foreign countries such as Asia, even though the South African pattern of natural and human resources may be quite different (Mafiri, 2002:23).

The other causes are a lack of appropriate skilled workers such as workers equipped for the employment opportunities offered by a modern economy, also contributed to higher capital intensity. Meanwhile this is part of the development context since this problem is often ascribed to a discriminating education system, which in the past did not provide education and training of the same standard for all South Africans. The earlier practice of job reservation also limited skills development among sections of the population. Another view is that there is a surplus of skilled labour at the moment. Graduates often encounter difficulty in finding employment, and structural unemployment does occur only among the lower skilled; the development of consumer preferences which can be satisfied only with relatively capital-intensive methods of production. This often occurs in imitation of overseas trends and fads; the market domination of large capital-intensive corporations excludes small labour-saving businesses or forces them to mechanize too; and the growth and belligerence of labour unions that forcefully claim a large share of the profit share for the workers (Mafiri, 2002:23).

However, factors such as threatened minimum wage legislation may have contributed to the tendency to mechanize. High minimum wages and non-wage costs (employee benefits) may also make employers reluctant to expand their workforce in good times. Cumbersome dismissal procedures contribute to this. Hence, employers may choose to pay existing workers for overtime rather than take on new workers, since the former step can easily be reversed in bad conditions. This may explain part of the phenomenon of jobless growth in South Africa and in, for example, the European Union. High wages may also prevent the creation of large numbers of low-level, low-skilled service jobs in, for example the hotel, retail, recreation, health care, and service industries.

On the other hand, a factor that has been more important in South Africa than in most other countries is the distortion of the labour market caused by artificial restriction on the geographical and occupational mobility of people. This is an important cause of structural unemployment. In this respect influx control and job reservation immediately come to mind. A related category of possible cause of structural unemployment is the different institutional impediments to small businesses.

In the earlier decades there were measures such as influx control, group areas, labour preference areas, and job reservations. International and bureaucratic obstacles facing small businesses were important factors as well. Affirmative action and the national transformation of institutions during the 1990s led to restriction on the occupational mobility of certain groups (often leading to an important amount of unemployment of skilled workers) (Mafiri, 2002:23).

Employment in agriculture has grown at a very slowly pace. Since the 1960s the growth rate of employment in agriculture was actually negative (-0.5% per annum). The increasing implementation of large scale mechanized farming methods for reasons similar to those mentioned above has made a significant contribution to this trend. Furthermore, agriculture is also involved in another political economic cause of structural unemployment. This is evident in the historical interdependence of the state and, notably by the mining sector in South Africa. The mining sector (but also manufacturing and commerce) has at the turn of the century had a large need for cheap labour. The states heavily dependent on tax revenue from mining were all too willing to introduce legislation to secure a stable supply of cheap black labour to the mines. The state and the private sector were in agreement on what had to be done. Taxation and legislation affecting the possession of land (for example the Land Act of 1913) effectively brought to an end the right of blacks to farm in large parts of the country. This forced them to seek wage jobs in the mines and cities. This caused a structural labour surplus that could not be absorbed in the mining or other non-agricultural sectors (Mafiri, 2002:25).

### **2.3.3 Consequences of unemployment**

According to Mafiri (2002:53), unemployment in South Africa has a serious socio-economic impact. Unemployment leads to criminal activities as the only means of survival for certain groups of unemployed people. Currently, a serious crime is committed every 17 seconds in South Africa, a murder every half an hour, a house breaking every two minutes, and an assault every three minutes. Ginsberg (1998:39) maintains that 77 people are arrested for every 1 000 crimes committed and 22% of reported crimes are ever prosecuted. Our prisons cannot even cope with those who are convicted. With more than four in every 1 000 citizens in jail, South Africa qualifies as one of the nations with the highest proportion of the population in jail.

Crime at this level generates high levels of fear and insecurity among the rest of the population. Foreign investors and tourists are put off to visit or invest in South Africa by continued reports of Johannesburg, in particular, as being the city with the highest murder and rape rates per capita in the world.

Over a million cases of serious crimes were reported in South Africa in just the first eight months of 1994, with 61 murders being reported for every 100 000 people during 1996. This is more than 10 times the worldwide average. Millions of innocent Mafiri (2002:54) further argue that South Africans now effectively live jailed inside their houses, surrounded by their own barbed-wire fences and walls. Meanwhile criminals rule the streets. This is, however, not healthy as a society in which to bring up children. During the past few years the Bosnian tragedy unfolded before the eyes and created sympathy for the innocent victims. Many of the South African neighbourhoods, townships and cities are mini-Sarajevos every night of the week. The lack of work and boredom among many young males are direct causes of the much of the violence.

The lack of economic opportunity must be tackled – without improving prospects; it will be exceedingly difficult to bring the crime wave down. Crime in South Africa must be rewarding, as so many of the citizens appear to enjoy lengthy careers in this underworld. Police protection is not sufficient while the rate of prosecution of criminals is pathetically low. Hence, the continued increase in crime has led to a record wave of emigration out of South Africa, made up primarily of those with skills necessary to be able to secure good employment prospects abroad. As such, South Africa continues to lose many of its best and brightest people on a daily basis. No country can survive such a brain drain, or at best it will take generations to overcome the loss. Many emigrants and potential emigrants fear that South Africa will over time become an ungovernable third world country (Mafiri, 2002:54).

Crime cost South Africa a staggering R31.3 billion in 1995, equivalent to more than 5% of the gross domestic product and 18% of the government's national budget (Nedcore study as reported in *The Citizen*, 12 June 1996). According to the Nedcore project on crime, this figure reflects the costs of goods stolen and includes white-collar crime such as embezzlement.

It is believed that the annual cost of crime exceeds even the projected benefits from the Olympic games, for which Cape Town submitted an unsuccessful bid. It has been projected that the 2004 Games might have earned South Africa R30 billion over a ten year period, which could have been wiped out by the cost of just one year's crime.

According to a study conducted in 1995, a staggering 80% of homes in South Africa had experienced some form of crime or violence costing R11 billion – Gauteng's entire budget for 1996. Between January and June 1997 there were no less than 184 armed bank robberies, while in the province of Gauteng the Trauma Clinic which treats survivors of violent crimes saw a 20% increase in the number of patients from January to June 1997. The World Economic Forum recently ranked South Africa alongside Colombia and Russia as countries in the grip of organized crime. All these damage South Africa's reputation and good name.

The number of reported rape almost doubled between 1994 and 1998 to more than 32 000, while reports of attempted murder rose by 31% between 1992 and 1995, to more than 20 000 cases. There were 515 more reported murders in 1994 than in 1998, and 25% more cases of serious assaults in the same period. The stories of crime that fill our newspapers like a daily weather forecast are detrimental to our international image. Conservatively, unemployment, which was fast approaching 40%, has led to a dramatic increase in crime throughout South Africa. The government's failure to act with any sense of urgency will only continue to reduce the likelihood of more direct investment taking place. The perception that crime is out of control and that government remains inept in dealing with the problem will continue to haunt job creation for some time to come, unless radical steps are taken. As citizens South Africans would no longer accept a further deterioration in their living standards – being virtual prisoners in their own homes is untenable. Crime harms all South Africans – it does not only lead to an increased brain drain of the most talented, who are able to easily find jobs abroad, but also fewer tourists visit South Africa, bringing in less foreign exchange, and international investment perceptions remain negative, severely hampering job creation (Mafiri, 2002:55).

According to Barker (1999:40), at the time of the 1996 census, 65% of the households lived in formal houses, flats or rooms, 18% lived in traditional dwellings and 17% in shacks. Only 45% of households had a tap inside their houses and 12% had no toilets at all. The total housing shortfall was estimated at 1.3 million units. This is due to past racist and gender discriminatory policies and planning deficiencies. Housing received a 1.9% share of the 1998/99 budget. The target of the RDP was to build one million low-cost houses within five years. The capacity to deliver housing and the sustainability of housing are considerable problems facing the implementation of the RDP and delivery has been far slower than expected. A housing subsidy scheme providing a R16 000 grant for first time indigent home owners who qualify for subsidy has nevertheless provided access to housing for thousands of previously homeless people.

According to Mafiri (2002:58) land invasions are also an increasing occurrence and as urbanization grows, squatting increases and shack settlements are established overnight. Poor access to housing has severe consequences for labour relations, namely, employees often live in overcrowded, small homes lacking basic amenities such as water, sanitation and electricity thus placing considerable pressure on their family and social lives; the transmission of contagious disease such as tuberculosis, hepatitis, sexually transmitted diseases and measles flourish in such circumstances, affecting the health of employees and their children.

The Job Summit held in 1998 launched a massive National Housing Development Project in an effort to overcome the backlogs and the crises in housing. Housing for about one million migrants in the mining industry as well as other employees in construction, municipal and other areas of manufacturing is currently provided in hostels. Although efforts have been made to upgrade hostels in recent years, many are still of low standard. Many are overcrowded as other persons, who cannot find their own accommodation, including students, move in to live with the hostel dwellers. Hostels result in the breakdown of family life where prostitution often thrives in such a situation. This would facilitate the spread of sexuality-transmitted diseases such as Acquired Immune Deficiency Syndrome (Mafiri, 2002:58).

Many mines have been seriously affected in that normal medical on site services provided for employees cannot now cope with Human Immune-deficiency

Virus related diseases. However, many of the mining companies have recognized the need to change their housing policies and encouraged their employees to move to their own accommodation in nearby areas. In 1996, the Congress of South African Trade Unions called for the abolition of the migrant labour and hostel system, but it did not consider the fact that many hostel dwellers, for various reasons, do not wish to bring their families with them to the areas where they work. Rural links play an important role in the life of migrant workers (Mafiri, 2002:58).

Winefield, et al (1993:17) is of the view that the number of social contacts for the unemployed person is clearly reduced. The unemployed person has lost, or failed to acquire, an accepted social position. He furthermore states that the unemployed is widely regarded as inferior and this is likely to result in the unemployed person being held in low esteem by others, as well as experiencing a low self-esteem. He also adds that there is a link between unemployment and crime as well as other forms of anti-social activities including increased hostility to minority groups. He suggests that the unemployed are more likely to be victims of crime than are the employed.

However, Crow and Richardson (1989:5) concur with Winefield et al's view that unemployment is a major crime-producing agent. People known to have committed offences are more likely to be those who are unemployed. Furthermore, Burnett (1994:290) adds that the young jobless share symptoms of rejection and alienation from family and society, especially those without qualifications living in areas of high unemployment. Unemployment increases tensions between husbands and wives leading to frequent arguments, sometimes violence and even divorce.

The researcher supports Winefield's and Burnett's views on the social cost of unemployment, namely, that the unemployed are being held in low esteem by others, friends, family members, and even by themselves. However, the researcher differs with Crow's view that unemployed people are more likely to commit crimes than the employed.

#### **2.3.4 Coping with unemployment**

According to Klasen and Woolard (1999:35) unemployment stands out among the persistent development problems that have beset the South African government since the transition to democracy in 1994. According to official statistics, 30% of working age South Africans is unemployed.

For individuals in the poorest 20% of households, the unemployment rate is 53%. In 1993, 9,000 households nationwide were asked: "What, in your opinion, could the government do to help this household improve its living conditions?" From a list of 18 items, the top selection was "jobs." Moreover, job creation was the number one issue in all three regions: rural, urban and metropolitan. In most developing countries, unemployment and poverty go hand in hand, and South Africa is no exception as is clear from the work of Wilson and Ramphela (1989:27) and May, *et al.* (1998a, 1998b). A number of estimates of the percentage of South Africans in poverty exist.

In terms of the unemployment rates, Klasen and Woolard (1999:35) undertook perhaps the most systematic comparison of the estimates from the various nationally representative micro-datasets that emerged in the mid 1990s (*PSLSD*, 1994; *CSS*, 1998). Their comparisons yield a range of national estimates of the narrow definition of unemployment of 12.7% to 20.2% and a broad definition range of 28,5% to 32,1%. Since 1992, a wide variety of institutions have called on the state to play a direct role in tackling this unemployment problem through labour-intensive public works programs (NEF 1994a; NEF 1994b; RDP 1994; Urban Foundation 1994; COSATU 1996; Department of Finance 1996; Department of Labour 1996; Department of Labour 1998; May *et al.*1998a; May *et al.*1998b).

In 1993, a team from the National Economic Forum (NEF), an initiative of trade unions and business, was created to formulate economic development strategies, draw up plans for a National Public Works Programme (NPWP) to be spearheaded by the new government in 1994. The mandate of this team was to establish guidelines for public works projects that were not envisioned just as temporary "make-work" programmes for short-term poverty relief, but rather as part of the government's Reconstruction and Development Programme (RDP), which embraced participatory and sustainable development. The NPWP established a set of objectives (NEF 1994a): to create, rehabilitate, and maintain physical assets that serve to meet basic needs of poor communities and promote broader economic activity; to reduce unemployment through the creation of productive jobs; to educate and train those on the programme as a means of economic empowerment; and to build the capacity of communities to manage their own affairs, strengthening local government and other community-based institutions, and generating sustainable economic development.

As part of the government's strategy to reduce poverty, Adato and Haddad (2001:7), the NPWP and other similar public works programmes were targeting the poor. Targeting in the context of high unemployment and backlogs in infrastructure, where need is greater than available resources, means that although budgets may be most efficiently allocated in terms of reaching the poorest of the poor, choices are made as to who among the unemployed get access to employment and which communities without certain physical assets get access to them. Within the context of the South African political economy, targeting has thus involved highly contested debates over the processes and criteria for making decisions about relative need and entitlement. It has also involved institutions in the process of redefinition and democratization, shaped by competing voices within government and civil society. In this sense, the South African case offers a rich experience in which to understand the complex and dynamic processes and outcomes related to targeting of poverty programmes.

Community-based public works programmes, their multiple objectives and the issues and dilemmas they present for targeting, can be understood in terms of South Africa's political history, including the struggle against apartheid and the particular configuration of political forces that shaped the transition to democracy and the platform of the first ANC government. The NPWP was the brainchild of the National Economic Forum (NEF), a policy advisory body formed in 1992 by business and labour, which later became a multi-sectoral forum of government and institutions of civil society. The role of community-based organizations (CBOs) in public works programmes also has its roots in the apartheid period, where civic associations, students, youth, religious and women's groups, among others in black communities, engaged in both resistance to the government and the organization of alternative services in the townships (Adato and Haddad, 2001:9).

The ANC alliance's proposed development policy, the Reconstruction and Development Programme (RDP), called for participatory decision-making in development programmes by stating: "The empowerment of institutions of civil society is the fundamental aim of the Government's approach to building national consensus. To facilitate effective involvement, the Government will introduce programmes that will enhance the capacity of community-based organizations (RDP 1994:41)". The NPWP, as part of the RDP, reflected this vision in its design.

In particular, the Community-Based Public Works Programme (CBPWP), in addition to job creation, required community participation in project management and incorporated additional priorities of the trade unions and CBOs: job training and building of needed assets for the poor. The national Department of public works stated in its technical documents that in the CBPWP, “the community should control all processes leading to the ultimate establishment of the asset”. This means that the community, through its representative community structure, should make decisions about what should be constructed, how it should be designed and constructed, who should work on the project, as well as the rates and system of employment (*DPW* 1996:38).

According to Vink and Kirsten (2001:3), South Africa has adopted a macroeconomic strategy (GEAR) whose purpose, among others, is to increase the level of employment in the economy, and to move the economy to an export orientation. Agriculture, as a primary sector, has traditionally played an important role in South Africa despite the presence of a large mining sector. Even today, it plays a central role in growth, and contributes more than 10% of formal employment opportunities. The sector has, by all measures, relatively large linkage effects with the rest of the economy, and is a major earner of foreign exchange.

The resources used in agriculture, including natural, human and material resources, have an opportunity cost as they can potentially be deployed in more productive activities elsewhere. The extent of this greater labour intensity on these more efficient small farms will depend on the supply elasticity of labour, as the more inelastic the labour supply; the higher wages need to be to induce workers into that sector. If agriculture is reformed by means of the establishment of small family farm operators, for example, the farm labour force will increase because of the larger number of farm operators as well as the larger number of workers that they require (Lipton 1996:54).

In addition Vink and Kirsten (2001:11) argued that the number of extra jobs to be created would depend on the supply elasticity of wages. If labour supply is inelastic, the remaining large farms will bid up wages, making hired work more profitable to small part-time family farmers who allocate a part of household labour to wage work.

Technical change that benefits small farmers could counter the trend by inducing small farmers to use more labour, if these new technologies bring economic benefits. However, unless technical change also induces large-scale farmers to follow more labour using practices, there may be no employment growth. Large-scale farmers will only replace machinery with additional workers if the unit cost of labour decreases. Land reform must be accompanied by the availability of labour using technologies for both small family farmers and for large-scale commercial farmers; by efforts to improve the skills of farm workers and small family farmers; and by access to markets if it is to be accompanied by greater employment.

The distortions in the cost of capital caused by macroeconomic policies of the past had a negative impact on job creation in agriculture. However, most of these negative influences have been neutralized over the past years, as the sector has become more deregulated. This includes a return to positive real interest rates and the abolition of many of the tax concessions that farmers received. Taken together with the high real rates of interest in the economy, it is clear that the cost of capital has increased considerably. The lack of bias against the use of more labour intensive technologies has a potentially positive impact on farm employment. This will have a positive influence on employment in agriculture. The only way in which agriculture can conceivably become a major creator of employment opportunities for the country as a whole would be through a wider and deeper export drive, in other words, through bringing large areas of KwaZulu Natal and Mpumalanga into export production (Vink and Kirsten 2001:25).

## **2.4 RESEARCH IN LIMPOPO**

### **2.4.1 Causes of unemployment**

According to the information retrieved from the web (<http://www.google.za>), Malamulele is extremely concerned about the minimum wages that are being introduced for taxi drivers, farm workers and domestic workers. These measures will put more people out of jobs. Already 40% of South Africa's workforce is idle or involved in crime or other negative activities. It is difficult to understand why these actions are being taken.

Domestic workers in Louis Trichardt were being put out of jobs because of minimum wage laws. Officials of the Department of labour in Malamulele traveled to the Limpopo Province to see if they could be of assistance to the workers. They found that labour union members were checking the salaries of domestic workers and if their salaries were below the minimum wage the union representatives demanded that the house owner must pay the minimum wage or the domestic worker must leave the job. This experience shows that these minimum wage laws interfere with the rights of unskilled and disadvantaged workers.

They take away the right of such workers to decide for themselves what wages they are prepared to work for. What gives the government the right to tell workers that they are not allowed to work for less than a minimum amount if the choice is between low pay and no pay? And does the government not realize that they are shutting the door in the face of thousands of people who are already unemployed as well as people who will be coming onto the job market? The reason is that jobs that would have been created at wages that are less than the minimum wage never got created. Nobody knows about them because they do not exist.

Most South African school leavers do not have enough skills needed in the employment sector because they only have book knowledge. The education, which they receive, does not equip them with the skills demanded by the world of work. South African education is too academically oriented. Instead of teaching skills, which are relevant to the employment sector, the country's education tends to resort to cram work and neglects to equip pupils with skills necessary for their future life. The country needs institutions that turn out educated people employers can use. There is an alarming mismatch between what the schools and colleges produce and what commerce and industry need. This gap must be bridged if unemployment is to be reduced (*Financial Mail*, 5 June 1992). Unemployment is caused by the fact that these institutions are not equipping pupils with skills needed by the world of industry. Therefore, when pupils leave schools, they become useless in the community and are not employable. He further added that more than 300 000 students are studying in South African universities. Only 12% are studying science or engineering compared to between 40% and 50% of university students in nations such as Germany, Japan and South Korea.

On the other hand, the remainder of our university students is studying “soft subjects” and will be competing for a limited number of jobs - hence unemployment.

In most of African countries, education does not focus on the needs of the community and employment. Employers are thus reluctant to employ such job seekers. In other words, there is a gap between schools and the world of employment. This gap can be narrowed if schools teach career guidance in which pupils are aided in choosing suitable careers in relation to employment. Thompson (1981:7) furthermore, adds that the education system could very easily produce more educated people than the economy can profitably employ for a number of reasons. The first one may be that the education system is producing people with the wrong kind of skills, with the consequence that it is not uncommonly found that large numbers of educated people are unemployed whilst employers complain that they are unable to recruit people with the specific skills they need. Schools need to introduce a more practical and vocational oriented curriculum, which equips pupils with basic skills for living and for employment.

Much of the existing literature reviewed is a general statement about the economics of unemployment. Few of the sources are country specific. Conditions of unemployment vary from country to country. Generalizations common in economic sources tend to miss these differences. This study should contribute in filling such a gap because it focuses on one locality and tries to explain unemployment in the wider context of South Africa. The next chapter addresses research methodology.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 RESEARCH DESIGN**

According to Neuman (1997:1), research is a way of going about finding answers to questions. In the study, the researcher investigated the problems associated with unemployment at Tshiheni Village. The researcher made use of the qualitative research methodology for acquiring, arranging, processing, and interpreting the data as stated by Leedy (1985: 105). In this study the researcher used the qualitative research design as this can enable one to understand human behaviour by getting to know the persons involved, their values, beliefs and emotions as stated by Babbie and Mouton (2001:279). The qualitative research method enabled the researcher to gather the appropriate information. In order to design this qualitative research the researcher conducted an investigation as a strategy of inquiry as only a limited number of units of analysis was studied intensively, namely, the unemployed at Tshiheni Village. In the study the researcher used the exploratory research design. An exploratory study was undertaken to explore the experience of the unemployed at Tshiheni Village.

The researcher was concerned with the attitudes, behaviour and beliefs of the unemployed at Tshiheni Village. The exploratory design was appropriate for checking on and investigating the psychological, emotional, social, and economical challenges faced by the unemployed people at Tshiheni Village. The researcher made use of an exploratory design for the reasons as suggested by Babbie and Mouton (2001:80). These include to satisfy the researcher's curiosity and desire for better understanding, to test the feasibility of undertaking a more extensive study, to develop the methods to be employed in any subsequent study, to explicate the central concepts and construct of a study, and to determine priorities for future researchers.

### **3.2 AREA OF STUDY**

The study was conducted in South Africa, at Tshiheni Village within the jurisdiction of the Thulamela Municipality in the Limpopo Province. The village is situated about 70km north west of the Thulamela Municipality. Tshiheni village is situated next to Lake Fundudzi.

There is one primary school with an estimate enrolment of 400 learners and also one secondary school with an enrolment of 250 learners. Presently there is no provision for Adult Basic Education and Training. Transport at this village is scarce as most people are still traveling on foot. There are only two taxis in the morning, one in the afternoon and again two in the evening. Figures 1, 2 and 3 illustrate the map orientation of South Africa, the Limpopo Province and Thulamela Municipality respectively.

### **3.3 POPULATION**

According to Bless and Higson–Smith (1995:87), the research population is referred to as the target population, which is the set of elements that the research focuses upon and to which the results obtained by testing the sample should be generalized. Tshiheni Village consists of seven hundred and twenty (720) households. Of these, a pilot survey in March 2005 identified two hundred and eighty (280) with at least one unemployed adult. In this study, the sample was drawn from the unemployed community members of Tshiheni Village who were 16 years and older: had taken specific steps during four weeks preceding the interview to find paid employment. The researcher selected a sample from the unemployed community members of Tshiheni Village based on each of these categories of unemployment:

Regular unemployment includes the retrenched, the resigned, the dismissed, and the work seeker. Marginal unemployment includes housewives, disabled people, alcoholics, the aged, those not allowed to work, and the sick. Antecedents of unemployment include illiterate, uneducated; qualified, skilled, professionals; no money to look for employment; factory closure; and no jobs available.

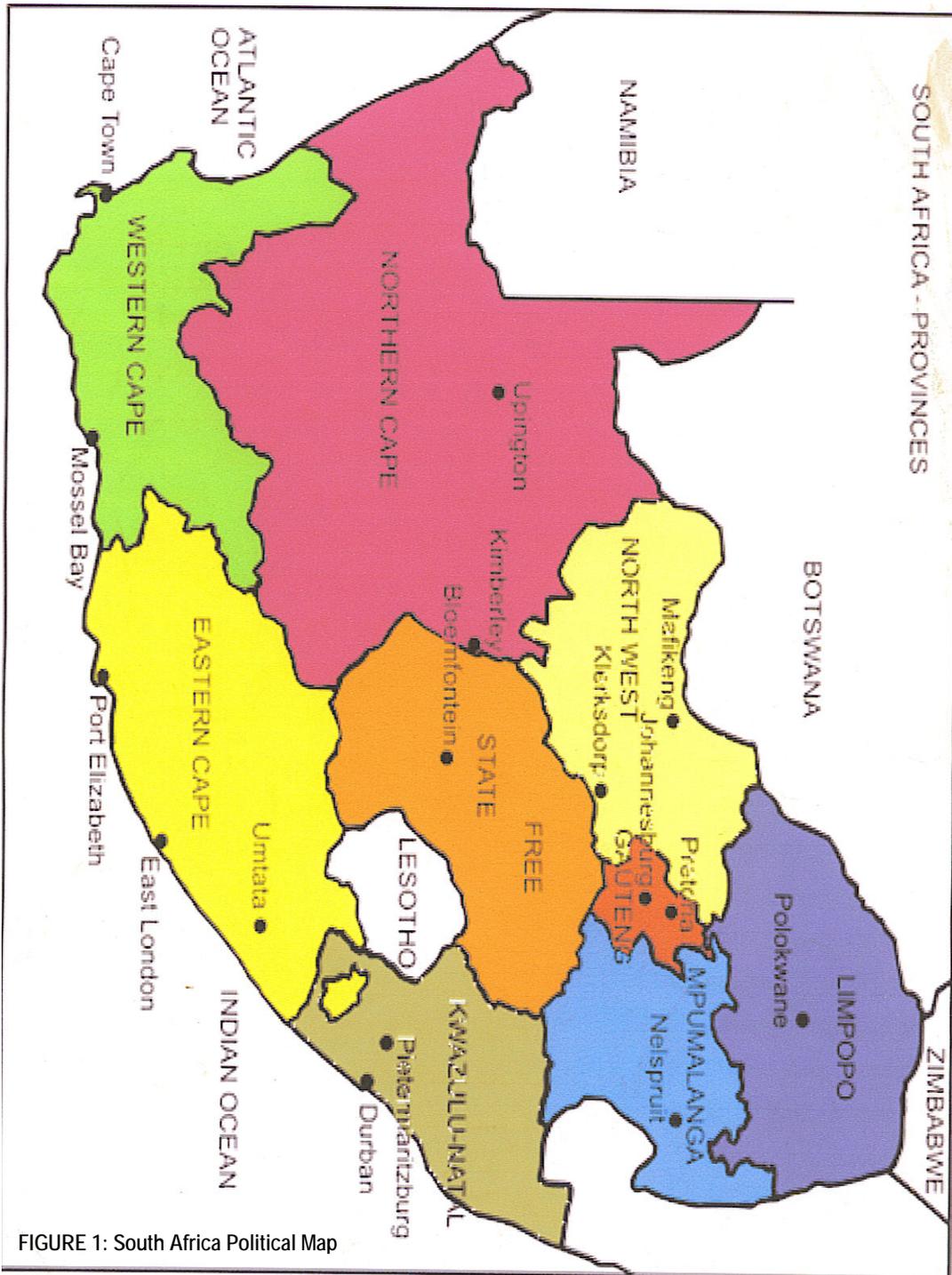


FIGURE 1: South Africa Political Map

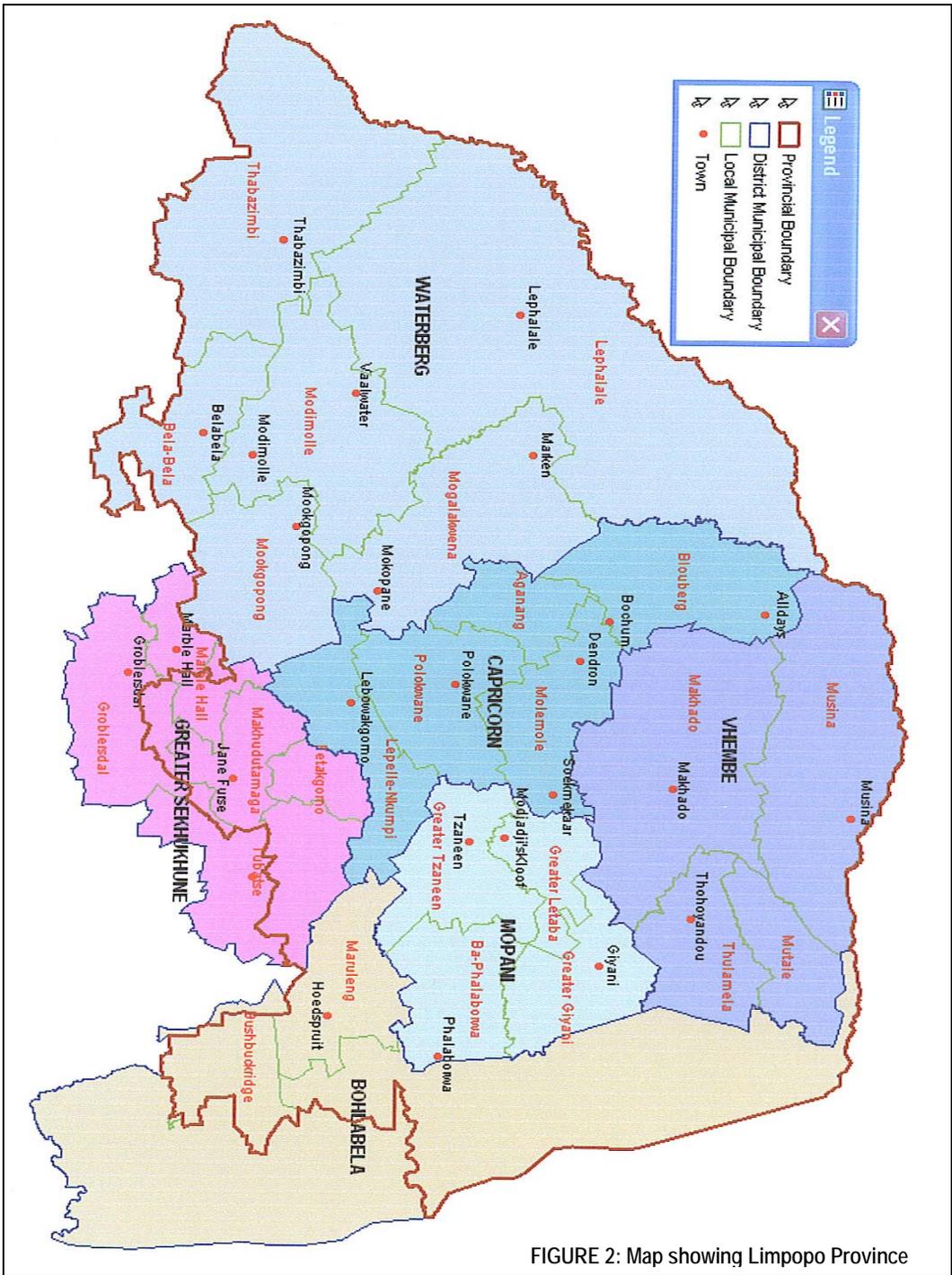


FIGURE 2: Map showing Limpopo Province



### **3.4 SAMPLING METHODS**

Since it was impossible to study all members of the defined population, generalization was a necessary scientific procedure. The researcher took a portion of the population, made observations on this smaller group and then generalized the findings. A thirty percent (30%) systematic random sample was drawn from the population of households, using lists of households provided by the local headman, in such a way that each of the groups A, B and C were represented. The researcher then re-classified these individuals in selected households according to categories A, B and C. The actual drawing of samples followed this arrangement. In all, a combined sample size equivalent to seventy (70) respondent households was selected from the above mentioned categories of the unemployed. The researcher used the following criteria to select respondents from each of the households falling within each of the three samples: the person was 16 years and older and had taken specific steps during the four (4) weeks preceding the interview to find paid employment.

The researcher used the classification of respondents drawn from selected households to compile lists of unemployed individuals. For each of the categories A, B and C, the researcher calculated how many people fell into the category. Using the 30% sample size again, the researcher established the size of each category as a part of the original sample population. The new sample size applied to unemployed individual adults and not to households. The combined three samples for the unemployed did not exceed 70. It depended on conditions in the study area. The researcher used this approach because of the nature of the study area and the problem of research. The researcher realized that the country needs information on the distribution of unemployment across households. It also needs information on individuals who are at present not working. One of objectives of this study was to trace and describe the impact of unemployed people on the households to which they belonged.

### **3.5 CHOICE OF INSTRUMENTS**

In this study, the researcher used qualitative study as a method of collecting data directly from the respondents. The study involved the collection of very extensive data to produce understanding of unemployment at Tshiheni Village.

This kind of study was used to gain in-depth understanding with meaning for the subject, focusing on process rather than outcome, on discovery rather than confirmation. The researcher used elements of situational analysis where, in particular, events were studied, in this case unemployment. When all the views of the respondents were combined together, they provided a depth that contributed significantly to the understanding of the event.

Interviews and documents were the main sources of data. Bless and Higson-Smith (1995:107) also confirm that the interview is an excellent technique of collecting data when no comparison is sought between the responses of different participants, but when each participant is considered as a specific case such as in this study. Even though this method was costly, it was flexible as the researcher was able to repeat a question when the response indicated that the respondent had misunderstood it.

This interview involved direct personal contact with the participants wherein a set of questions with fixed wording and sequence of presentation were asked, as well as precise indicators of how to answer each question. This type of interview is called structured interview. This method helped to identify the problems, which resulted due to unemployment at Tshiheni Village and allowed for the establishment of a list of possible answers or solutions. According to Bless and Higson-Smith (1995:10), the interview also allowed for the discovery of new aspects of the problem by investigating in detail some explanations given by the respondents. Arrangements were made with the respondents for the places, time and how the interview would be conducted.

### **3.6 PILOT SURVEY**

Leedy (1985:136) suggests that all data gathering instruments should be pre-tested on a small population in what is often referred to as a pilot study. He recommends that every researcher should give questioners and interview questions to at least half a dozen friends, or neighbours, to test whether there are any items that they may have difficulty in understanding or in comprehending exactly what the researcher is seeking to determine.

For this study, the researcher tested the investigation of unemployment at Dzanani Local Area during the second week of September 2005.

In this area there are also many people who are unemployed. This area was chosen for the pilot study because it falls under the jurisdiction of Makhado Municipality and is not a part of Thulamela Municipality.

The interview questions were tested on two unemployed friends, two unemployed neighbours and two unemployed church members. Piloting the interview questions enabled the researcher to verify the time needed for their completion. It enabled the researcher to remove any items, which did not yield valuable data. Serious faults, which were discovered in the interview questions during the pilot study, were changed. The changes made came as a result of this initial study.

### **3.7 COLLECTION METHODS AND PROCEDURES**

As the study was conducted at a village, the researcher followed correct data collection procedures. The researcher applied for permission to conduct the investigation from the Chief of Tshiheni Village through the civic organization towards the end of August 2005. During the second half of October she got a response from the Headman through the civic organization together with a list of unemployed household members. The actual data collection was conducted during the first week of December 2005. Two field assistants were deployed in the village to collect primary data through the administration of interviews. The respondents were interviewed and responses were entered on individual interview schedules.

The researcher analyzed the interview data to establish meaning by synthesis arranging and presenting the information. The researcher started analyzing the interview data by coding. When coding, the researcher classified material into themes, issues, topics, concepts, and propositions. The researcher followed the three stages in coding as suggested by Leedy (1985:39):

Stage 1: The researcher developed a list of coding categories and then assigned a short name to it and number to each sub-category.

Stage 2: The researcher then coded the data in the margin of the transcript file by the appropriate code, for example Ret 1.

Stage 3: After codes had been allocated in the transcript file, the researcher arranged data coded in each category together. The researcher also used content analysis in order to identify themes, concepts and meaning.

The researcher also made use of a diary in order to log professional activities, which gave a clear indication about work patterns. The diary was used as a preliminary to interviewing as well, as it provided a basis for further questions that explored unemployment activities in more depth. The diary kept a record of all interviews, their reasons, contents, conclusions, or results.

In this chapter, several steps have been identified and described. The research design, area of study, population, sampling methods, choice of instruments, pilot survey and lastly data collection methods and procedures. The next chapter presents the results and analysis.

## **CHAPTER 4: RESULTS AND ANALYSIS**

### **4.1. INTRODUCTION**

In this chapter, the study findings, which are a true reflection of the participants' responses, are presented. Information was collected through an interview schedule, which is attached as appendix A. Results and analyses are presented using tables and figures following the variables as they appear in the data-gathering instrument: namely, identifying the unemployed, causes of unemployment, job search intensity, psychological aspects, health aspects, social aspects, economic deprivation, and coping with unemployment.

### **4.2. IDENTIFYING THE UNEMPLOYED**

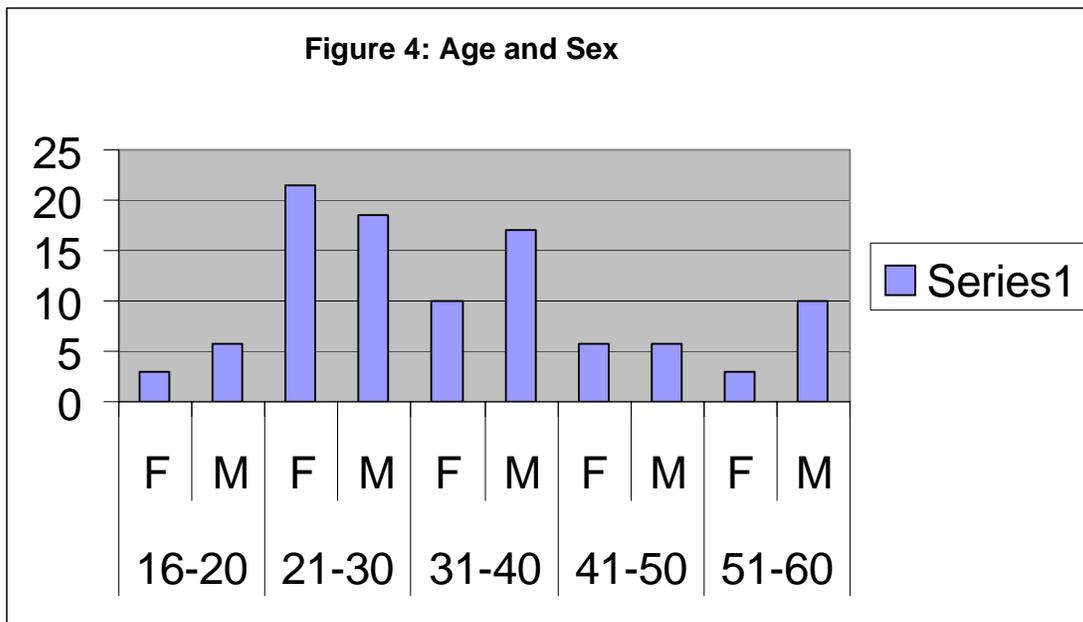
The researcher identified the study informants using the following variables: age and sex, marital status, level of education, and lastly the period of unemployment. Table 1 shows the characterization of the respondents according to the above- mentioned variables:

Section (a) of Table 1 illustrates the age and sex of the respondents. Six of the respondents were aged between sixteen and twenty years. Two of these respondents were females and represented 2,9% of the respondents. Four of the respondents were males, thus representing 5,7% of the respondents. Twenty-eight respondents were aged between twenty-one and thirty years.

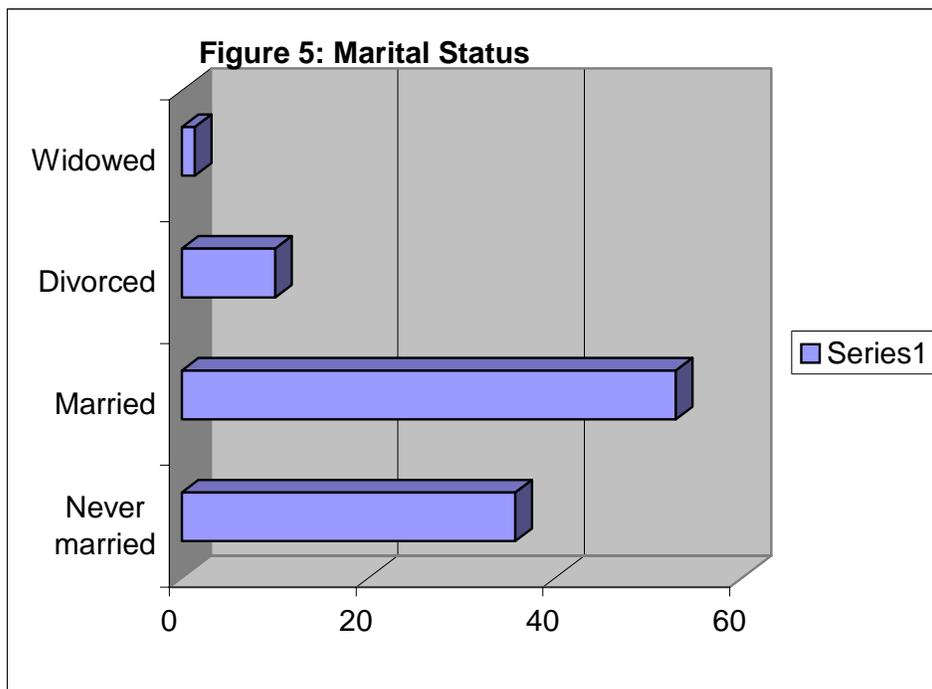
Fifteen of these respondents were females and thirteen males. The females represented 21,4% of the respondents and the males, 18,6%. The Respondents ageing between thirty-one and forty years were nineteen, seven females and twelve males. Females aged between thirty-one and forty years represented 10% of the respondents and the males 17.1%. Eight respondents were aged between forty-one and fifty years, four of them were females and four were males. Both females and males represented 5.7% of the respondents respectively. Nine respondents were aged between fifty-one and sixty years. Out of these nine respondents, two were females and seven males. Females represented 2.9% of respondents and the males 10% as shown in Figure 4:

Table 1: Characterization of respondents

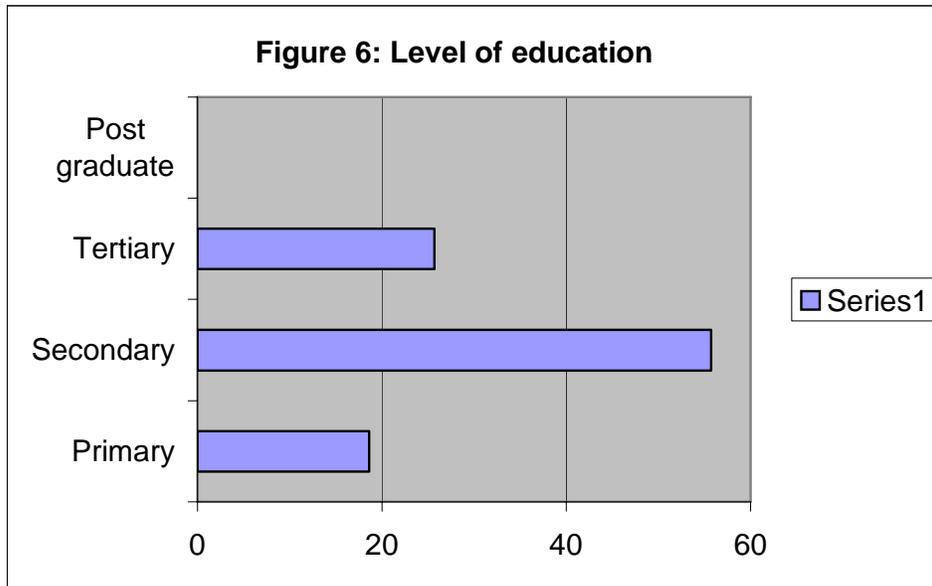
<b>(a) AGE &amp; SEX</b>		<b>RESPONSES</b>		
<b>AGE</b>	<b>SEX</b>	<b>FREQUENCY</b>	<b>% FREQUENCY</b>	<b>CUMULATIVE FREQUENCY %</b>
		16 – 20	F	2
	M	4	5.7	8.6
21 – 30	F	15	21.4	30
	M	13	18.6	48.6
31 – 40	F	7	10	58.6
	M	12	17.1	75.7
41 – 50	F	4	5.7	81.4
	M	4	5.7	87.1
51 – 60	F	2	2.9	90
	M	7	10	100
<b>TOTAL</b>		<b>70</b>	<b>100%</b>	<b>100%</b>
<b>(b) MARITAL STATUS</b>	<b>FREQUENCY</b>		<b>% FREQUENCY</b>	<b>CUMULATIVE FREQUENCY %</b>
Never married	25		35.7	35.7
Married	37		52.9	88.6
Divorced	7		10	98.6
Widowed	1		1.4	100
<b>TOTAL</b>	<b>70</b>		<b>100%</b>	<b>100%</b>
<b>(c) LEVEL OF EDUCATION</b>	<b>RESPONSES</b>			
<b>CLASS</b>	<b>FREQUENCY</b>	<b>% FREQUENCY</b>	<b>CUMULATIVE FREQUENCY %</b>	
Primary	13	18.6	18.6	
Secondary	39	55.7	74.3	
Tertiary	18	25.7	100	
Post graduate	0	0	100	
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>	
<b>(d) PERIOD OF UNEMPLOYMENT</b>				
One year	7	10	10	
Two years	12	17.1	27.1	
Three years	18	25.8	52.9	
More than 3 years	33	47.1	100	
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>	



Section (b) of Table 1 indicates the marital status of the respondents. Twenty-five respondents answered that they had never been married and they represented 35,7% of the respondents. Thirty-seven respondents indicated that they were married and they represented 52,9% of all the respondents. Seven respondents stated that they were divorced, thus representing 10% of the respondents. One respondent reported to be widowed and this category represented 1.4% of the respondents. The marital status of the respondents is further illustrated in Figure 5:



Section (c) of Table 1 shows the level of education of the respondents. Thirteen respondents reported that they had attended school up to the primary level and they represented 18.6% of the sample. Thirty-nine respondents answered that they had attended school up to the secondary level, accounting for 55.7% of the sample. Eighteen respondents claimed that they reached tertiary level and this represented 25.7% of the respondents. There was no respondent who had studied up to postgraduate level and this represented 0% of the sample. The level of education of respondents is illustrated in Figure 6:



The last section, section (d) of Table 1 indicates the period of unemployment of the respondents. Seven respondents reported that they had been unemployed for a period of one year and they represented 10% of the respondents. Twelve respondents answered that they had been unemployed for two years, thus representing 17.1% of the sample. Eighteen of the respondents had been unemployed for a period of three years and they represented 25.8% of the sample. Thirty-three respondents reported on the “other” category. They specified that they had been unemployed for more than three years. This category represented 47.1% of the sample.

### 4.3. CAUSES OF UNEMPLOYMENT

The main focus in this variable was on investigating the main causes of unemployment of the respondents.

The causes of unemployment identified included not allowed to work, retrenchment, resignation, dismissal, health problems, disability, not willing to search for work in distant places, not skilled for any job, and no jobs available. Table 2 illustrates the causes of unemployment based on the above mentioned:

Table 2: Causes of unemployment

Reasons for unemployment	Responses		
	Frequency	% Frequency	Cumulative % frequency
Not allowed to work	3	4.3	4.3
Retrenched	10	14.3	18.6
Resigned	3	4.3	22.9
Dismissed	1	1.4	24.3
Health problems	5	7.1	31.4
Disabled	0	0	31.4
Not willing to search in distant places	0	0	31.4
Not skilled for any job	10	14.3	45.7
No jobs available	26	37.1	82.8
Uneducated	6	8.6	91.4
Other	6	8.6	100
<b>TOTAL</b>	70	100%	100%

Table 2 illustrates that three of the respondents were not allowed to work. They represented 4,3% of the respondents. Ten of the respondents reported that they had been retrenched. This category represented 14.3% of the respondents. Three respondents (4,3%) answered that they had resigned. Only one respondent reported that he had been dismissed from his previous work and this represents 1.4 % of the respondents. Five of the respondents had left their jobs due to health problems, representing 7.1% of the sample. No respondents reported that they were not willing to search in distant places and being disabled. Ten respondents answered that they were not skilled for any job and they represented 14.3% of the sample. Twenty-six respondents claimed that there were no jobs available and this category represented 37.1% of the respondents. Six reported that they were uneducated and the last six respondents answered in the other category. All these categories represented 8.6% of the sample respectively.

#### 4.4 JOB SEARCH INTENSITY

This variable intended to investigate whether the respondents had ever looked for a job, and if they had, for how long had they been looking for a job and lastly they were to choose a situation, which fitted their situation best.

The following table illustrates the job search intensity variable:

Table 3: Job search intensity

(a) Ever looked for work?	Responses		
CLASS	FREQUENCY	% FREQUENCY	CUMULATIVE % FREQUENCY
Looked and then gave up	9	12.9	12.9
Actively looking for a job	50	71.4	84.3
Not looking, it is a waste of time	2	2.8	87.1
Not interested in work available	0	0	87.1
Never in my life	9	12.9	100
None of the above	0	0	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) For how long have you been looking for a job?	Responses		
CLASS	FREQUENCY	% FREQUENCY	CUMULATIVE % FREQUENCY
One year	9	15.3	15.3
Two years	14	23.7	39
Three years	18	30.7	69.5
More than 3 years	18	30.5	100
<b>TOTAL</b>	<b>59</b>	<b>100%</b>	<b>100%</b>
(c) Situation fitting you best	FREQUENCY	% FREQUENCY	CUMULATIVE % FREQUENCY
Can wait until I find a suitable job	15	21.4	21.4
Desperate for any job	32	45.7	67.1
Family looks after me until I get a job	20	28.6	95.7
None of these apply to me	3	4.3	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

Section (a) of Table 3 illustrates whether the respondents had ever looked for work. Nine respondents who are representing 12,9% of the respondents reported that they had looked for a short time and then gave up and chose to be self-employed. Fifty respondents claimed that they were still actively looking for work and they represented 71,4% of the respondents. Two respondents who were unemployed because of health problems stated that for them to look for work was a waste of time as their health was not good and they represented 2.8% of the sample. None of the respondents answered about being not interested in the kind of work available and even in none of the above. Nine of the respondents reported that they had never in their life looked for work and they represented 12.9% of the respondents. When asked why they had never looked for work they answered that they were still at school.

Section (b) of the same table illustrates the period spent looking for work. Nine respondents had been looking for work for a period of one year and this represented 15.3% of the respondents. Fourteen respondents who represented 23.7% of the sample reported that they had been searching for work for a period of two years. Eighteen of the respondents answered that they had been looking for work for a period of three years and they represented 30,5% of the sample. The last eighteen respondents (30,5%) reported that they had been searching for work for a period of more than three years.

Section (c) of the same table illustrates the respondents' answers on which situation would suit them best. Fifteen of the respondents answered that they could wait until they found suitable jobs whereas thirty-two of them were desperate for any job. Those who could wait until they found suitable jobs represented 21.4% of the sample and those who were desperate for any job represented 45.7% of the sample. Twenty respondents alluded that their families would look after them until they got jobs. They represented 28.6% of the sample. Three of the respondents who represented 4.3% of the sample showed that none of the above applied to them.

## 4.5 PSYCHOLOGICAL ASPECTS

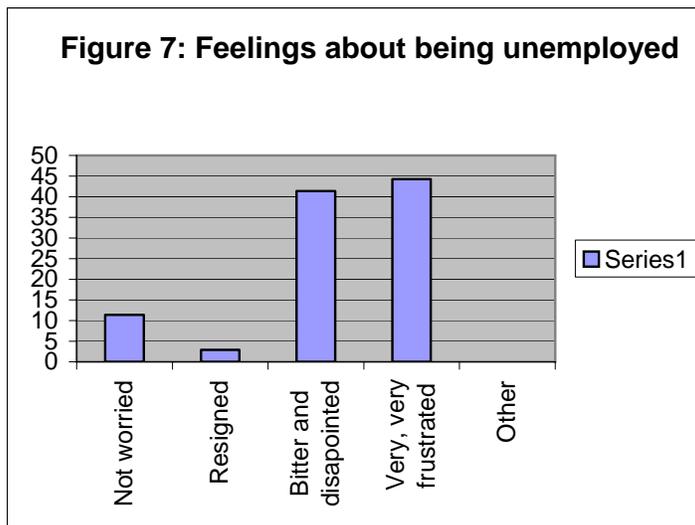
### 4.5.1 Feelings and views about being unemployed

The focus in this section was on understanding the feelings and views of the

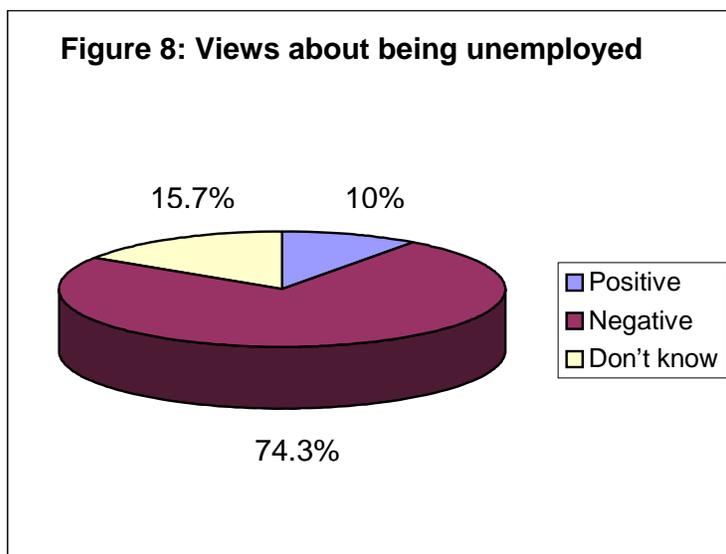
Table 4: Psychological aspects

FEELINGS AND VIEWS			
(a) Feelings about being unemployed	RESPONSES		
	FREQUENCY	% FREQUENCY	CUMULATIVE % FREQUENCY
Not worried	8	11.4	11.4
Resigned	2	2.9	14.3
Bitter & disappointed	29	41.4	55.7
Very, very frustrated	31	44.3	100
Other	0	0	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) Views about being unemployed	RESPONSES		
	FREQUENCY	% FREQUENCY	CUMMULATIVE % FREQUENCY
Positive	7	10	10
Negative	52	74.3	84.3
Do not know	11	15.7	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

respondents about being unemployed and the manner in which they were dealing with their situation. Table 4 illustrates the feelings and views of the respondents about their being unemployed and the impact of joblessness on their self-esteem. Section (a) of Table 4 reflects the feelings of the respondents about being unemployed. Thirty-one respondents reported that they were feeling very, very frustrated when they were not working and they represented 44.3% of all the respondents. Twenty-nine respondents further added that they were feeling bitter and disappointed about being unemployed, and they represented 41.4% of the respondents. Two of the respondents said that they were resigned whereas only eight respondents answered that they were not worried about the situation. The resigned category represents 2.9% of the sample whereas those who were not worried represented 11,4% of the respondents. Figure 7 presents the feelings of the respondents about being unemployed.



Section (b) of the same table is about the views of being unemployed. Only seven respondents reported that they were viewing themselves positively, fifty-two respondents reported that they were viewing themselves negatively and eleven respondents answered that they did not know. Seven respondents who were viewing themselves positively represented 10% of the respondents; eleven respondents who did not know represented 15,7% of respondents and the fifty-one who were feeling negatively about being unemployed represented 74.3% of the respondents. This data are further presented on Figure 8:



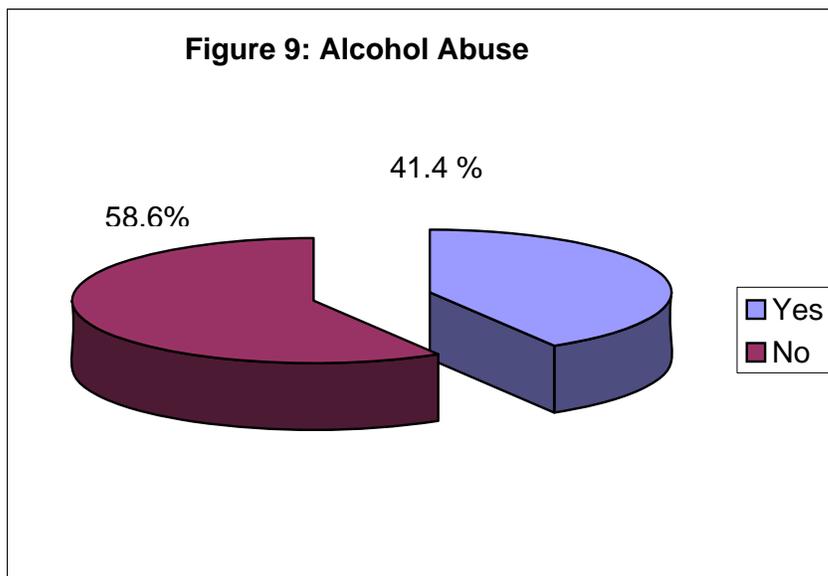
#### 4.5.2 Anti-social behaviour

Table 5: Anti-social behaviour

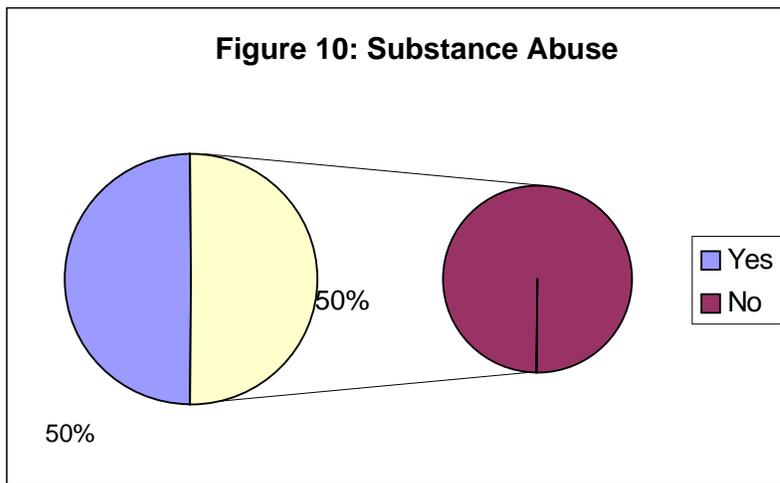
(a) Alcohol abuse helps deal with situation			
	RESPONSES		
CLASS	Frequency	% Frequency	Cumulative %
Yes	29	41.4	41.4
No	41	58.6	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) Substance abuse helps deal with situation			
CLASS	Frequency	% Frequency	Cumulative %
Yes	35	50	50
No	35	50	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(c) Dishonesty help to survive			
CLASS	Frequency	% Frequency	Cumulative %
Strongly agree	9	12.9	12.9
Agree	11	15.7	28.6
Not sure	11	15.7	44.3
Strongly disagree	22	31.4	75.7
Disagree	11	15.7	91.4
Do not know	6	8.6	100
Other	0	0	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(d) Crime enables people to survive			
Yes	31	44.3	44.3
No	39	55.7	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

Table 5 demonstrates the perceptions and attitudes of the respondents towards substance and alcohol abuse, dishonesty and crime.

Section (a) of Table 5 indicates the attitudes of the respondents towards alcohol abuse. Twenty-nine respondents reported that alcohol abuse helped them deal with the situation of being unemployed. They answered that when they confronted problems that they could not solve drinking alcohol helped them to forget the problems. They represented 41.4% of the respondents. Forty-one respondents (58,6%) answered that they did not drink alcohol to deal with the situation of being unemployed. The data are further illustrated in Figure 9:

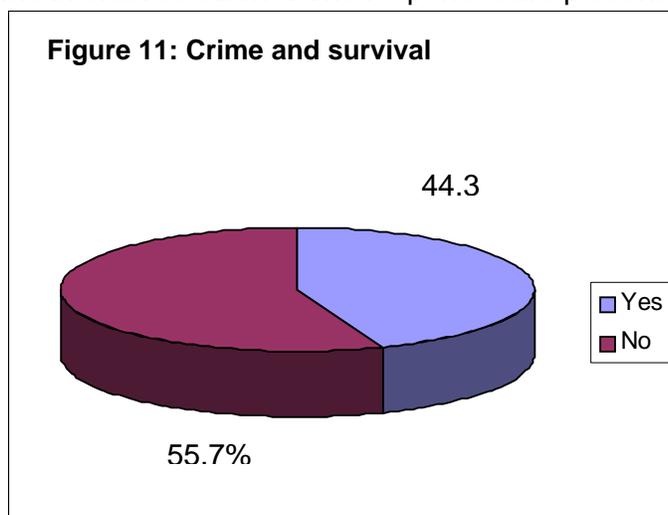


Section (b) of the same table is about substance abuse and thirty-five respondents (50%) reported that they abused drugs in order to deal with the problem of being unemployed whereas the other thirty-five respondents (50%) reported that they did not abuse drugs to deal with the situation of being unemployed. Figure 10 illustrates substance abuse:



Section (c) deals with being dishonest to survive. When responding, nine respondents reported that they strongly agreed with the statement and they represented 12,9% of the respondents. Eleven respondents answered that they agreed and they represented 15,7%. Another eleven respondents answered that they were not sure and represented 15,7%. Twenty-two (31,4%) respondents answered that they strongly disagreed and on the other hand eleven respondents (15,7%) answered that they did not know while no one responded for the other category.

Section (d) of the same table is about committing crime to survive. Thirty-one of the respondents (44,3%) believed that committing crime would help them to survive and on the other hand thirty -nine (55,7%) of the respondents answered that they did not commit crime in order to survive. The responses are presented in Figure 11:



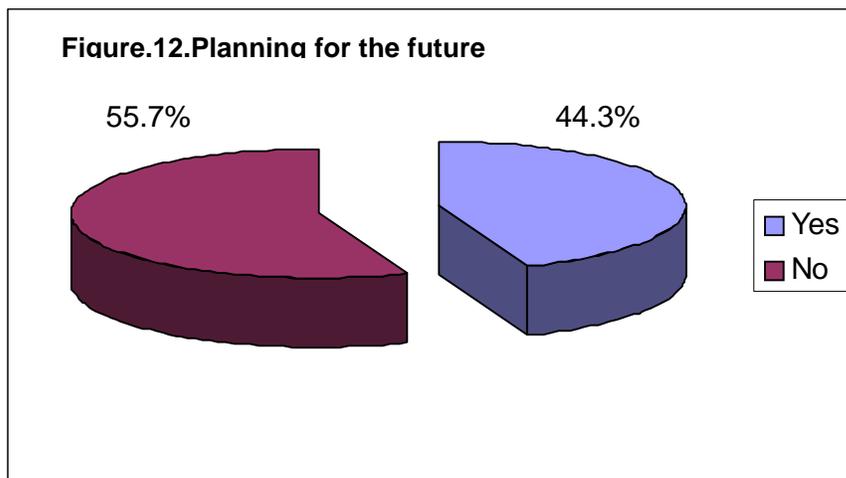
### 4.5.3 Perceptions to future jobs

Table 6 shows the perceptions on future job situations and the impact of unemployment on future plans.

Table 6: Perceptions on future jobs

(a) View of future work			
CLASS	Frequency	% Frequency	Cumulative % Frequency
Don't think I will ever get a job.	10	14.3	14.3
If I continue looking one day I will be lucky.	35	50	64.3
Have given up hope of getting a job	9	12.8	77.1
Will remain a dependent.	3	4.3	81.4
Don't know what to do	10	14.3	95.7
Others	3	4.3	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) Planning for the future			
Yes	31	44.3	44.3
No	39	55.7	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

Section (a) of Table 6 shows the respondents' views of future work. Ten respondents (14.3%) reported that they did not think they would ever get a job. Thirty-five respondents (50%) were of the view that if they continued looking for jobs, one day they would be lucky. Nine respondents (12.8%) reported that they had given up hope of getting job instead they would be self-employed. Three respondents (4.3%) reported that if their families would still support them they would remain being dependents until they got jobs. Ten respondents (14.3%) reported that they were at a loss; they just did not know what to do. Three respondents (43%) reported on the "other" category and stated that they would get work when they had finished school.



Section (b) of the same table was about planning for the future. Thirty-nine respondents (55.7%) reported that they did not plan for the future: “I could not plan for something I know I will not have in my life.” Thirty-one of the respondents (44.3%) answered that they had some future plans. The data can be represented on Figure 12.

#### 4.6 HEALTH ASPECTS

This section dealt with the health effects of unemployment. The following were reported on:

- Consultation for the past two months.
- Overall health these days.

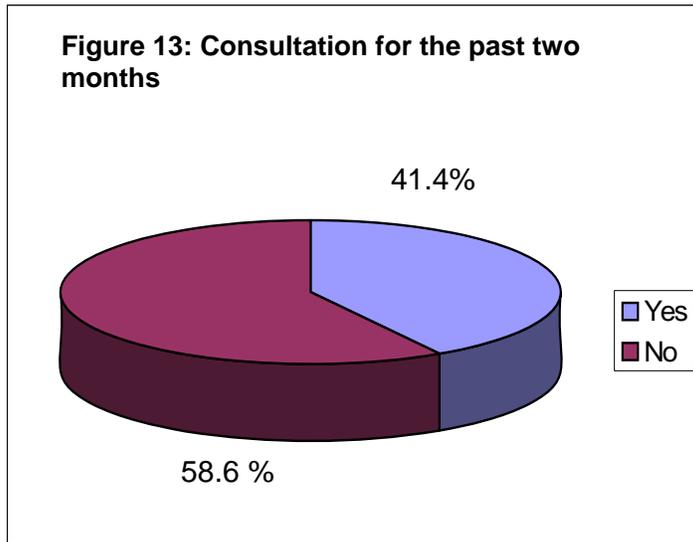
Table 7: The health effects of unemployment

(a) CONSULTATION FOR THE PAST TWO MONTHS			
CLASS	FREQUENCY	% FREQUENCY	CUMULATE % FREQUENCY
Yes	29	41.4	41.4
No	41	58.6	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) OVERALL HEALTH THESE DAYS			
CLASS	FREQUENCY	% FREQUENCY	CUMULATIVE % FREQUENCY
Health good	35	50	50
Health better	25	35.7	85.7
Health bad	6	8.6	94.3
Health worse	4	5.7	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

Section (a) of Table 7 reflects consulting health centers or clinics for the past two months. Twenty-nine respondents who represented 41.4% of the respondents reported that they had consulted for the past two months. On the other hand, forty-one respondents who represented 58.6% of the respondents answered that they had not consulted for the past two months. The responses are presented in Figure 13.

Section (b) deals with the overall health of the respondents at the time of the investigation. Thirty-five (50%) of the respondents reported that even though they were unemployed, their health was good.

Twenty-five respondents (35.7%) replied that unemployment was affecting their health; they said that their health was better. Six respondents (8.6%) reported that the problem of unemployment was affecting their health badly. In addition, four respondents (5.7%) also pointed out that since they had been unemployment, their health was worse.



#### 4.7 SOCIAL ASPECTS

The section concerns the social consequences of unemployment. Unemployment has an effect on the relationships of respondents with family members, friends, community members, partners, and participation in community organization. The following table shows the effects of unemployment on social relationships and participation in community organizations.

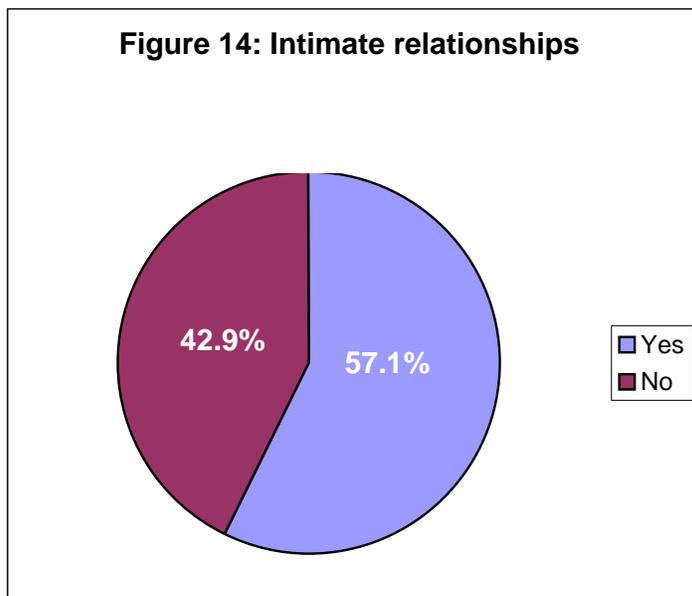
Table 8 deals with social aspects. Section (a) of Table 8 reflects the family view of unemployment. Fourteen respondents (20%) indicated that even though they were unemployed, their families understood their situation and supported them whereas the majority of the respondents (34.3%: 24) on the other hand answered that their families understood their situation but they did not support them. Seven (10%) of the respondents reported that family members mistreated them because they had no money. Eleven respondents (15.8%) responded that their families openly treated them as burdens and they said they were to go and look for work.

Five respondents (7.1%) reported that their family members thought that they were too lazy to look for work or to work and in addition to that the other five (7.1%) respondents responded that many of their family members were unemployed as well. There was thus nothing special about their present situation. Four of the respondents (5.7%) responded that their family members did not care what happened to them. They said that their families were very hostile towards them. No respondent provided opinion on the other category.

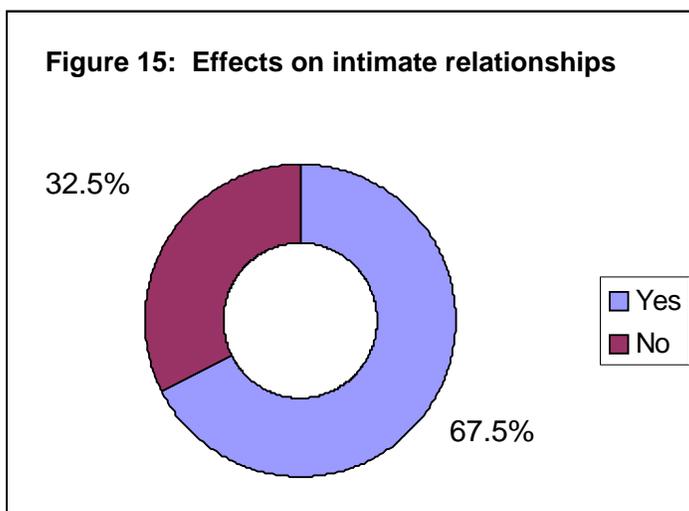
Table 8: The social consequences of unemployment

(a) FAMILY VIEW OF UNEMPLOYMENT RESPONSES			
CLASS	Frequency	% Frequency	Cumulative % Frequency
They understand and support	14	20	20
They understand and do not support	24	34.3	54.3
I am mistreated as I have no money	7	10	64.3
I am openly treated as burden	11	15.8	80.1
They think I am lazy	5	7.1	87.2
Are also unemployed, nothing special	5	7.1	94.3
Are very hostile towards me	4	5.7	100
Other	0	0	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) INTIMATE RELATIONSHIPS			
Yes	40	57.1	57.1
No	30	42.9	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(c) EFFECTS ON INTIMATE RELATIONSHIPS			
Yes	27	67.5	67.5
No	13	32.5	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(d) EMPLOYED DO NOT CARE ABOUT THE UNEMPLOYED			
Strongly agree	15	21.4	21.4
Agree	13	18.6	40
Strongly disagree	4	5.7	45.7
Disagree	1	1.4	47.1
Not the fault of the employed	7	10	57.1
It is government's responsibility to create jobs	11	15.8	72.9
Its everyone's responsibility to look for a job	7	10	82.9
Employed have their own responsibility	8	11.4	94.3
Do not know	4	5.7	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(e) RELATIONSHIP WITH COMMUNITY			
Very well	23	32.9	32.9
Well	26	37.1	70
Not well	21	30	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(f) PARTICIPATION IN COMMUNITY ORGANISATIONS			
Yes	27	38.6	38.6
No	43	61.4	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

Section (b) deals with intimate relationships. The majority of the respondents (57.1%) responded that they were intimately involved whereas thirty respondents (42.9%) reported that they were not intimately involved as shown in Figure 14.



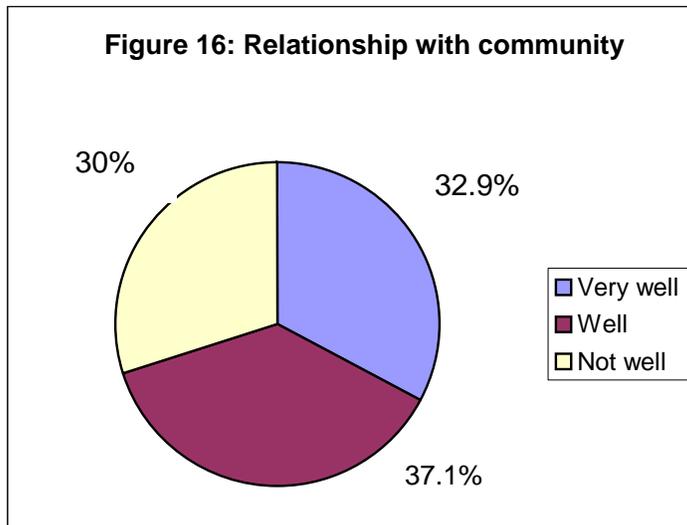
Section (c) of the same table shows whether unemployment had an effect on intimate relationships. When responding to this, out of the forty respondents who responded that they were intimately involved, twenty-seven (67.5%) responded that unemployment affected their intimate relationships whereas thirteen respondents (32.5%) answered that unemployment did not affect their intimate relationships as shown in Figure 15.



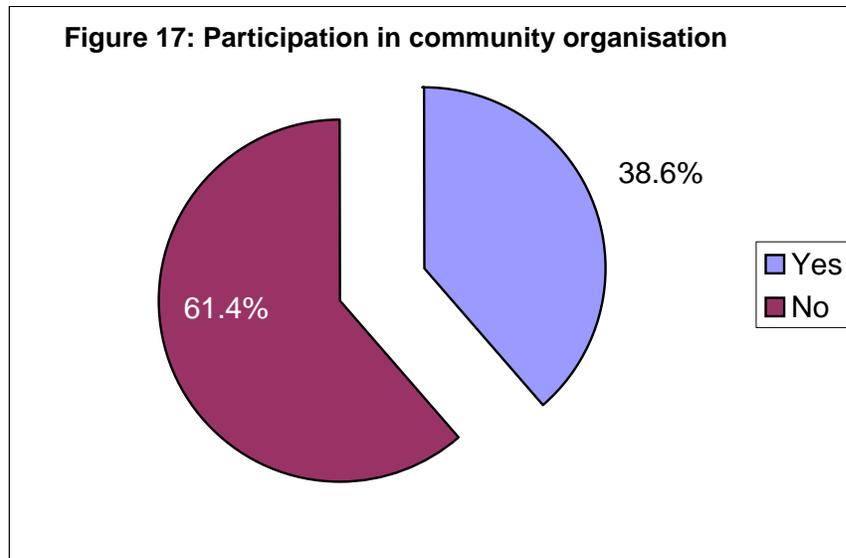
Section (d) of the same table deals with employed people who did not really care about the unemployed. The majority of the people (21.4%: 15) responded that they strongly agreed while thirteen respondents (18.4%) responded that they agreed with the statement.

Four respondents (5.7%) answered that they strongly disagreed whereas one respondent (1.4%) indicated that she disagreed. Seven of the respondents (10%) reported that it was not the fault of the employed that they were not working and on the other hand, eleven respondents (15.8%) put the blame on the government by saying that it was the responsibility of government to create jobs for everyone. Seven of the respondents (10%) responded that it was the responsibility of every individual to look for work or be self-employed. Eight respondents (11.4%) said that employed people had their own responsibility and problems, why should they care. Lastly, four (5.7%) of respondents responded that they did not know.

Section (e) of Table 8 deals with the relationship of the unemployed and the community. Twenty three (32.9%) of the respondents reported that they related very well with the community, twenty six (37.1%) who were in majority, answered that they related well with the community and lastly twenty one (30%) of respondents reported that their relationship with the community was not well as shown in Figure 16.



Section (f) of the same table reflects the participation in community organizations. The majority of respondents (61.4%: 43) responded that they did not participate in community organizations whereas (38.6%) reported that they participated in community organizations as shown in Figure 17.



#### 4.8 ECONOMIC DEPRIVATION

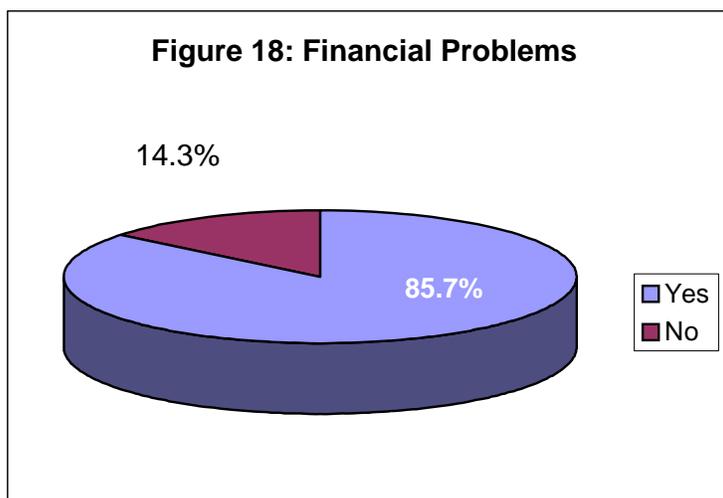
This section deals with the problems encountered by the unemployed concerning meeting basic needs and the means of acquiring assistance.

Table 9: Economic deprivation

(a) ENCOUNTER FINANCIAL PROBLEMS		RESPONSES	
Class	Frequency	% Frequency	Cumulative % Frequency
Yes	60	85.7	85.7
No	10	14.3	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) ECONOMIC PROBLEMS ENCOUNTERED			
Class	Frequency	% Frequency	Cumulative % Frequency
Failure to maintain shelter	21	35	35
Go to bed hungry sometimes	16	26.7	61.7
Unable to buy clothes	23	38.7	100
Other	0	0	100
<b>TOTAL</b>	<b>60</b>	<b>100%</b>	<b>100%</b>
(c) SOURCES OF FINANCIAL ASSISTANCE			
Class	Frequency	% Frequency	Cumulative % Frequency
Friends	20	28.6	28.6
Family	32	45.7	74.3
Neighbours	12	17.1	91.4
Money lenders	6	8.6	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(d) HOW ASSISTANCE IS PROVIDED			
Class	Frequency	% Frequency	Cumulative % Frequency
Positively	23	32.9	32.9
Negatively	47	67.1	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

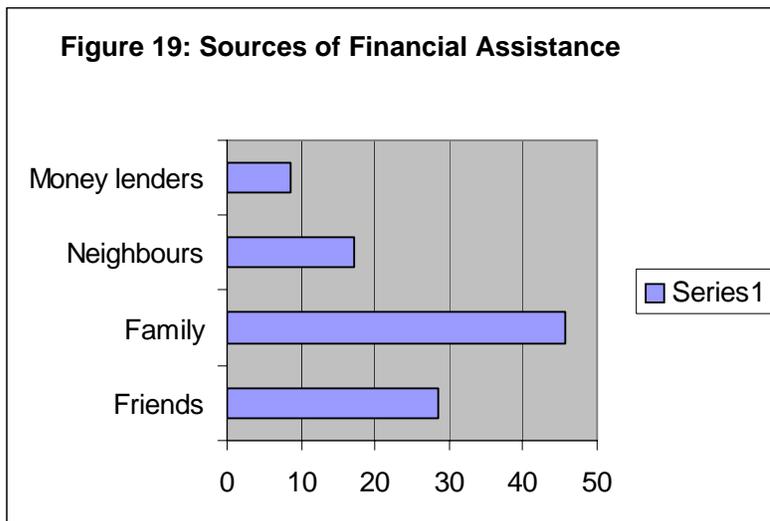
Table 9 demonstrates the economic suffering experienced by the respondents, the manner in which they obtained assistance and the responses of people who assisted them.

Section (a) of table 9 was aimed at finding out whether the participants were encountering financial problems. Sixty respondents (85.7%) reported that they were encountering problems whereas on the other hand, ten respondents (14,3 %) responded that they were not encountering financial problems as shown in Figure 18.

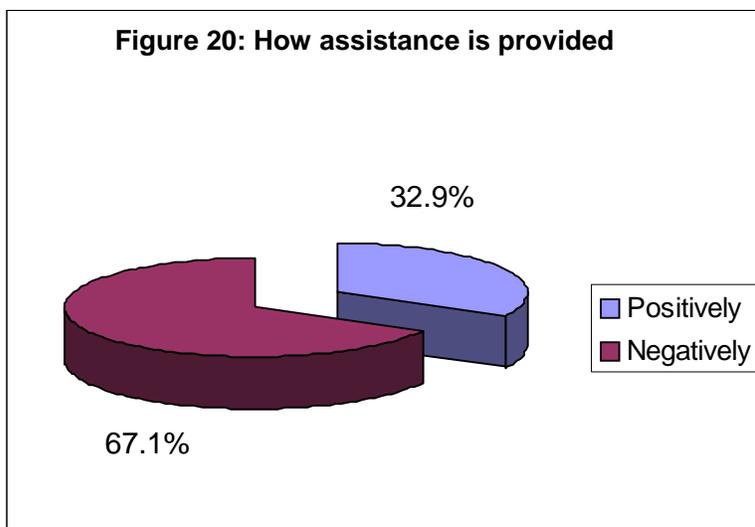


Section (b) of the same table deals with investigating problems encountered from the sixty respondents who said they were encountering financial problems. Twenty-one respondents (35%) responded that as they were unemployed, they were failing to maintain shelter and sixteen respondents (26.7%) added that they sometimes went to bed hungry. Furthermore the majority of the respondents (38.3%: 23) reported that they were unable to buy clothes. No respondents answered in the other category.

Section (c) of table 9 indicates the sources of financial assistance of unemployed people. Twenty respondents (28.6%) responded that they were seeking financial assistance from friends. Thirty-two respondents (45.7%) reported that they were seeking financial assistance from family. Twelve respondents (17.1%) were seeking financial assistance from neighbours and lastly six respondents (8.6%) were seeking financial assistance from moneylenders as shown in Figure 19.



Section (d) of the same table indicates how assistance was provided. The majority of the respondents (67.1%) stated that assistance was not provided whereas twenty-three respondents (32.9%) got positive response as shown in Figure 20.



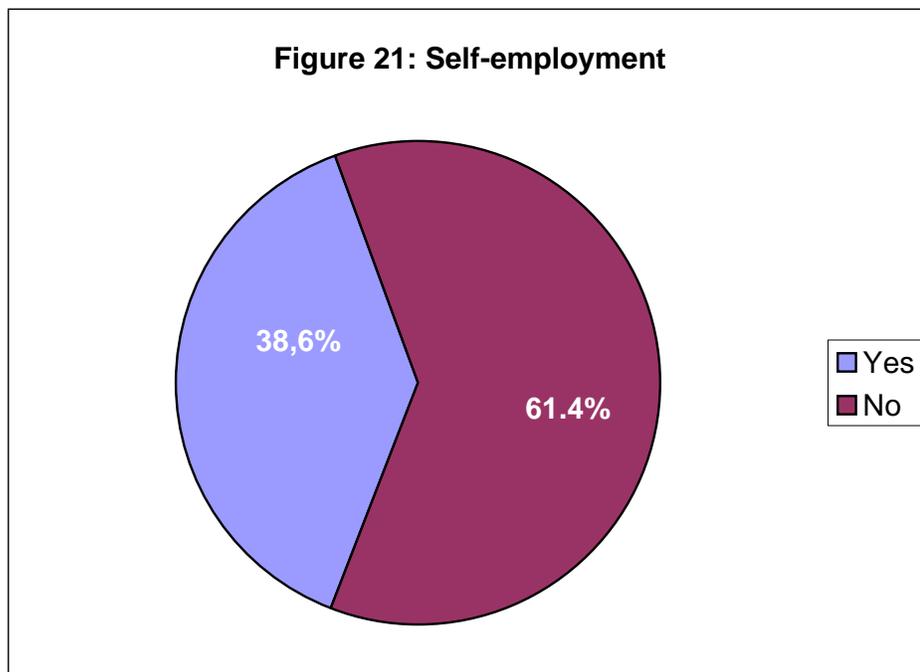
#### 4.9 COPING WITH UNEMPLOYMENT

This section is about coping with unemployment. The respondents were asked whether they were self-employed or not. The ones who reported that they were self-employed were requested to indicate the reason for them being self-employed and the ones who responded that they were unemployed were requested to motivate how they were coping with life. Table 10 demonstrates the above.

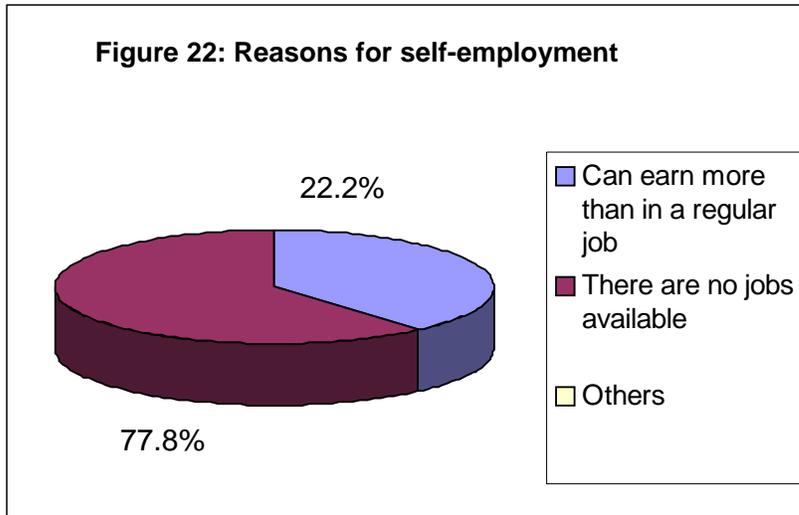
Table 10: Coping with unemployment

(a) Self- employed		Responses	
Class	Frequency	% Frequency	Cumulative % Frequency
Yes	27	38.6	38.6
No	43	61.4	100
<b>TOTAL</b>	<b>70</b>	<b>100%</b>	<b>100%</b>
(b) Reasons for self-employment			
Can earn more than in regular job	6	38.6	38.6
There are no jobs available	21	61.4	100
Other	0	0	100
<b>TOTAL</b>		<b>100%</b>	<b>100%</b>

Table10 reflects how the respondents were coping with unemployment. Section (a) of the same table reveals whether the respondents were self-employed or not. Twenty-seven respondents (38.6%) responded that they were self-employed whereas on the other hand the majority of respondents (61.4%: 43) reported that they were not self-employed as shown in Figure 21.



Section (b) of the same table investigates from the twenty-seven self-employed respondents the reasons for self-employment. Six respondents (22.2%) answered that they were self-employed because they could earn more than in a regular job whereas twenty-one respondents, who were in the majority (77.8%), answered that they were self-employed because there were no jobs for people like them. No respondent answered on the “other” category. The reasons for self-employment are presented in Figure 22:



This chapter has presented the results and the analysis thereof. Particular attention has been paid to identifying the unemployed as a class, causes of unemployment, the intensity of the search for employment, the psychological and social conditions of the unemployed, their health status, the state of economic deprivation and the way they cope with unemployment. In the next chapter, these findings are discussed in the context of the study.

## **CHAPTER 5: DISCUSSION OF FINDINGS**

### **5.1. INTRODUCTION**

In the previous chapter the researcher presented the study findings. In this chapter the researcher interprets and discusses the study findings following the analytical framework. The researcher will discuss the importance of findings on each variable in relation to the objectives, aim and research questions. The study findings are discussed according to the analytical framework. The analytical framework is as follows: identifying the unemployed, causes of unemployment, job search intensity, psychological aspects, health aspects, social aspects, economic deprivation, and coping with unemployment.

### **5.2 IDENTIFYING THE UNEMPLOYED**

The researcher identified study informants using the following variables: age and sex, marital status, level of education, and period of unemployment. Table 1 in Chapter 4 presented the background information of the respondents in terms of age and sex, marital status, level of education, and period of unemployment.

#### **5.2.1 Age and sex**

Burnett (1994: 272) concurs that unemployment strikes unequally but randomly. His view is that age is the principal determinant, the young and the old being especially vulnerable. Section (a) of Table 1 and Figure 4 indicated that 8,6% (6) respondents were aged between sixteen and twenty years of which 2.9% were females whereas 5.7% were males. The majority of unemployed people aged sixteen to twenty years were males. Forty percent (28) of the respondents were aged between twenty-one and thirty, 21.4% were females whereas 18.6% were males. The majority of the respondents aged between twenty-one and thirty were females. The respondents aged between thirty-one and forty were representing 27.1% of the sample, females represented 10% and males who were in majority represented 17.1%. The respondents aged between forty-one and fifty represented 11.4%, both females and males represented 5.7% respectively. The respondent aged between fifty-one and sixty represented 12.9%, with females 2.9% males who were in the majority 10%. In this study the majority of the unemployed respondents were males (57.1%) compared to 42.9% females.

Unemployment is not evenly spread, although the groups that are vulnerable will vary according to different conditions and circumstances. The general trend is that unemployment rates tend to decrease with age. It is generally found that employment opportunities for young women are more limited than those for young men, leading to slightly higher unemployment rates for young women. The significant presence of youths in the age group 16-20 years raises problems. This age group is, under normal conditions supposed to be still at school. The fact that they are already classified, as unemployed would point to the problem of school dropouts. Where youths are leaving school before completing matric, this raises substantially the number of people actively looking for formal employment.

### **5.2.2 Marital status**

Section (b) of Table 1 and Figure 5 indicated that twenty five respondents (52.9%) who were in the majority responded that they were married, seven (10%) said that they were divorced and only one (1.4%) answered that she was widowed. In this study, the married respondents were more vulnerable to unemployment than any other marital status category, followed by the never married, the divorced, and lastly the widowed. The implication here is that married men and women are handicapped by the need to raise their children. Their search intensity cannot be as wide as for single men and women. Their husbands from taking up paid employment even often refuse married women permission when it may be available in the local area.

### **5.2.3 Level of education**

Section (c) of Table 1 and Figure 6 demonstrated that thirteen respondents (18.6%) dropped out from school at primary level, thirty-nine (55.7%), which were at majority attended school up to secondary level. Eighteen respondents (25.7%) attended school up to tertiary level whereas none of the respondents reported on post-graduate level. In this study, fifty-two respondents dropped out from school before tertiary education. Tertiary education prepares students for future job opportunities and therefore the fifty-two respondents did not have enough skills to be employed. They were uneducated. This issue of dropping out from school before acquiring the necessary skills required by the job market hinders development.

While since the early 1990's we have been witnessing a situation of increasing unemployment amongst the educated class, it is still true to say that those with a tertiary education have an advantage over those without such an education. The results of this study indicates that the lower the education level, the most likely, the individual will stay long without a job

#### **5.2.4 Period of unemployment**

According to Brenner (1983:17), the most damaging unemployment for an individual is that which persists for a long period of time. In this study Section (d) of Table 1 indicated that seven respondents (10%) responded that they had been unemployed for a period of one year, twelve respondents (17.1%) responded that they had been unemployed for a period of two years, eighteen respondents (25.8%) responded that they had not been working for a period of three years. The majority of the respondents (47.1% or 33) answered that they had been unemployed for a period of more than three years.

The seriousness of unemployment cannot be ignored. Where the majority of respondents have not been working for the last three years, the probability of actually getting employed diminishes with increasing time. These will eventually accept unemployment as a permanent state of affairs. A situation like this, which is common in rural South Africa, has serious long-term implications for poverty alleviation programmes currently pursued by government.

### **5.3 CAUSES OF UNEMPLOYMENT**

Casson (1983:42) suggests several causes of unemployment. He argues that some occupations fluctuate with the seasons because the demand for their products is seasonal and hence seasonal unemployment. He furthermore talks of long-term unemployment where unskilled or semi-skilled workers lack the training to take up skilled work. However, this study has highlighted various factors that hinder development such as the causes of unemployment at Tshiheni Village. Table 2 in the previous chapter revealed the following causes of unemployment as reflected in interview schedule (appendix A): not allowed to work, retrenched, resigned, health problems, dismissed, disabled, not willing to search in distant places, not skilled for any job, uneducated, and other.

Three respondents (4.3%) revealed that they were unemployed because they were not allowed to work by their husbands. Ten (14.3%) respondents were retrenched from their previous jobs. Three respondents (4.3%) resigned and one (1.4%) was dismissed. Five respondents (7.1%) responded that they left their previous jobs due to health problems. No respondent answered on disability or not willing to search in distant places. Ten respondents (14.3%) responded that they were not skilled for any job and lacked the necessary skills needed for employment. Twenty-six respondents (37.1%) in the majority demonstrated that they were unemployed because there were no jobs available. Six of them (8.6%) answered that they were not working because they were uneducated. The other six (8.6%) answered on the other category. All the above-mentioned causes in this study were hindering development at the village. It is impossible to talk about development when there are still people who deny others the opportunity to go and look for work. All the three respondents who reported that they were not allowed to work were females: "My husband does not allow me to go and look for work", one of the respondents answered.

It appears that a lack of education greatly affects employability. Moleke (2003:37) shows that the unemployment rate of those with post-secondary education is lower. Her study further reveals that the unemployment duration among this group was shorter than for those with lower qualifications. The view is sometimes held that the unemployed do not hold the right kind of qualifications. A survey by the HSRC (*Business Day*, 23 July 2003) has revealed that there is doubt about the ability of FET institutions to produce skilled graduates.

#### **5.4 JOB SEARCH INTENSITY**

This variable was meant to investigate whether the respondents had ever looked for a job. If they had, for how long had they been looking for work and lastly they were requested to choose a situation, which would fit their situation best (see appendix A). Table 3 in the previous chapter presented the job search intensity variable. Section (a) of the same table illustrated whether respondents had ever looked for work and 12 (9%) reported that they had looked for a short time and then gave up. The majority of the respondent's 71,4% (50) answered that they were still actively looking for work. On the other hand, two respondents (2,8%) claimed that they were not looking for work because it was a waste of time.

Nine respondents (12,9%) alluded that they had never in their life looked for work. No respondents answered that they were not interested in work available. In this study, the majority of the respondents were during the time of interview still actively looking for work. It is assumed that the other 15,7% of the respondents was discouraged job seekers.

The main reasons given by this group for not trying to find work were that they looked for a short time and then gave up (12,9%) and that they were not looking for work because it was a waste of time (2,8 %). This sketches a bleak picture for those who are willing to search for work. Section (b) of Table 3 illustrated the period spent looking for work. According to Brenner (1983), the most damaging unemployment for an individual is that which persists for a long period of time. In the present study 15,3% of the respondents confirmed that they had been searching for work for a period of one year whereas 23,7% of respondents reported that they had been looking for work for a period of two years. Eighteen (30,5%) had been looking for work for a period of three years and another eighteen (30,5%) reported that they had been looking for work for a period of more than three years. Searching for work for a long period and not getting it is damaging to individuals. This can lead to discouraged works seekers.

Section (c) of the same table illustrated a situation, which fitted the respondents best. Of the eighteen respondents (25,7%) who went to school up to tertiary level, fifteen of them (21,4%) responded that they could wait until they found suitable jobs that they were skilled for. Thirty-two (45,7%) of the respondents who were in the majority claimed that they were desperate for any job. On the other hand twenty respondents (28,6%) alluded that their families would look after them until they got jobs. Three respondents reported that none of these applied to them. In this study those respondents who did not have the necessary skills reported that they were desperate for any job whereas those having the necessary skills answered that they could wait until they found a suitable job.

Often however, unemployed people may be reluctant to widen their job search because of cultural, financial and social reasons. Little work has so far been done to map the search process for cohorts of the unemployed.

This would allow for testing the hypothesis that the longer the period of unemployment, the wider the search radius will increase for the unemployed. Some of the unemployed are often scared about the possibility of getting work in localities where the people speak another language or where cultural practices appear alien. This undermines and localizes individual searches.

## **5.5 PSYCHOLOGICAL ASPECTS**

This discussion concerns the feelings and views of the respondents about being unemployed and the manner in which they were dealing with the situation. The following will be discussed: feelings and views, anti-social behaviour and the perception of future jobs.

### **5.5.1. Feelings and views**

Moller (1992:22) did a major study between 1987 and 1988 in South Africa on the quality of life in unemployment. From a social-psychological vantage point, she examined the quality of life of the black unemployed in urban areas. The overall conclusion was that of relative financial and psychological deprivation.

In this study, table 4 of the previous chapter presented their feelings and views about being unemployed. Section (a) of the same table and Figure 7 illustrated the feelings of respondents about being unemployed. About 11,4% of the unemployed responded that they were not worried, 2,9% reported that they felt resigned. About 41,4% said that they felt bitter and disappointed and in addition the majority of the respondents (44.3%) reported that they felt very, very frustrated when they were not working. No respondent answered on the "other" category. The study revealed that unemployment is frustrating and disappointing. In this study, 85,7% of the respondents felt frustrated and disappointed.

Section (b) of table 4 and Figure 8 illustrated the views about being unemployed. According to the findings by Moller (1992: 59), the respondents lost confidence in themselves, did not take pride in their achievements, felt others did not respect them. In this study, 74,3% of the respondents viewed themselves negatively. They saw themselves as failures because they were unable or failing to accomplish their visions. They felt that they were not respected. Only 10% of respondents said that they viewed themselves positively and 15,7% answered that they did not know.

It is assumed that the 10% who viewed themselves positively were the ones who were still attending school and they believed that they would get work when they had finished school. Unemployment affects self-image and confidence. The respondents viewed themselves as inferior and they were unable to meet their own demands.

### **5.5.2. Anti-social behaviour**

Table 5 of the previous chapter illustrated anti-social behaviours, practiced by the respondents to deal with the situation of being unemployed. Section (a) of the same table and Figure 9 illustrated the issue of alcohol abuse to deal with the situation. In a study conducted by Moller (1992:34) 14% of the respondents felt the need to drown their problems in alcohol. The researcher found that 41,4% of the respondents drank alcohol in order to forget their problems. "Alcohol makes me forget my problems and when I am drunk I do not worry" reported two of the respondents. They maintained that drinking alcohol made them feel better.

Section (b) table 5 and figure 10 illustrated abusing substance to help deal with the situation. The researcher found that half of the respondents (50%) reported that they smoked dagga in order to deal with the situation of being unemployed. Unemployment may lead to substance abuse. Section (c) of the same table illustrated dishonesty as the only way to survive these days. About 28.6% of the respondents agreed with the statement, particularly those who were less educated. They expressed that they would do anything to get what they needed.

Section (d) of the same table and Figure 11 illustrated that crime helped people to survive. Winefield *et al.* (1993:15) expressed the fear that unemployed young people even if they did not commit criminal acts, might engage in various forms of rebellious activities. About 44,3% of the respondents indicated that by committing crime they might survive. Some of respondents reported that they were selling dagga in order to survive, "It is very difficult to make a living so whatever door opens for me, I go for it." There are a number of studies which show that a variety of societal ills such as crime, drug abuse and dishonesty occur mostly among the unemployed.

### **5.5.3. Perceptions to future jobs**

Table 6 in the previous chapter illustrated the perceptions of future job situations and the impact of unemployment on future plans. Section (a) of table 6 showed the view of future work.

Half of the respondents (50%) reported that if they continued looking for a job one day they would be lucky whereas 10% of the respondents answered that they did not think they would ever get jobs. These are assumed to be discouraged job seekers, together with the 12,8% who said they had given up hope of getting a job. Some of the respondents (14,3%) answered that they were at a loss, they did not know what to do and some (4,3%) reported that as long as their families supported them, they would just remain dependents. Another 4,3% answered on the other category. When asked to specify, they answered that they believed that they would find work when they had finished school.

Brenner (1983:17) emphasizes that it is evident that the most damaging unemployment for an individual is that which persists for a long period of time. About 45.7% of the respondents had lost hope of finding employment in the future. They feared that employers would no longer employ them, as they had not worked for long periods. The unemployed were further disadvantaged in the search for work because employers take into account the length of time a person had been unemployed.

Section (b) of the same table and Figure 12 illustrated planning for the future by the unemployed. According to Winefield *et al.* (1993:16) there are fewer goals or aims in the life of an unemployed person and they are insecure about their future. When asked whether they had specific plans for the future, more than half of the respondents (55,7%) responded that they did not have specific plans for the future. One of the respondents answered: "It is tough for one to plan for the future when one is not working, money is the answer for everything."

## **5.6. HEALTH ASPECTS**

According to the Canadian Public Health Association 1996 Discussion Paper, one vitally important economic and social determination of people's health is work, especially employment. The discussion is about the health effects of unemployment. The following will be discussed: consultation for the past two months and overall health these days.

### **5.6.1. Consultation for the past two months**

Work, especially employment, can significantly influence the mental, physical and social health of people. Section (a) of Table 7 in the previous chapter illustrated whether the respondents had consulted a doctor for the past two months. About 41.4% of respondents reported that they had consulted whereas 58,6% answered that they had not consulted as shown in Figure 13 in the previous chapter.

### **5.6.2. Overall health**

When asked about their overall health these days, section (b) of the same table clearly illustrated how they responded. About half of the respondents (50%) answered that their health was good, 35,7% reported that their health was better. Only 8,6% of the respondents reported that their health was bad and in addition 5.7% respondents answered that since they had stopped working, their health was becoming worse. Hayes and Nutman (1984:97) believes that exposure to events such as joblessness is capable of impairing an individual's psychological well-being, therefore, the impact of unemployment on mental health is likely to manifest in many forms, including denigration of self-worth or self-esteem.

Mention has to be made of the role of the African extended support structure that makes it possible for the unemployed to be looked after and be provided for, in spite of feeling vulnerable. Indeed, where the system is well entrenched, there is a danger that the unemployed may become so dependent and comfortable as to lose interest in looking for own work.

## **5.7 SOCIAL ASPECTS**

According to Brenner (1983:41), the impact of joblessness on family members creates anxieties. The discussion is about the social effects of unemployment and the following variables will be discussed: family views to unemployment, intimate relationships, effects on intimate relationships, employed people do not really care about the unemployed, relationship with the community, as well as participation in community organizations.

### **5.7.1 Family view of unemployment**

When asked about family views about unemployment as illustrated in Table 8 section (a) in the previous chapter, about 20% of the respondents responded that their families understood their situation and supported them whereas the majority of the respondents (34.3%) answered that their families understood their situation but did not support them. About 10% of the respondents demonstrated that family members mistreated them, as they had no money. In addition, another 15,8% of the respondents claimed that family members openly treated them as burdens. They furthermore added that they were always told to go and look for work. About 7.1% of the respondents said that their family members thought they were too lazy to look for work.

In addition another 7,1% of the respondents responded that many of their family members were unemployed so that there was nothing special about their present situation. About 5.7% of the respondents explained that their families did not care what happened to them. They said that their family members were very hostile towards them. Only 20% of the respondents showed that they received support from family members whereas on the other hand the majority of the respondents (80%) showed that their family members did not support them. None of the respondents answered on the “other” category.

### **5.7.2 Intimate relationships**

Section (b) of Table 8 and Figure 14 in the previous chapter illustrated whether the respondents were intimately involved or not. About forty respondents (57,1%) representing the majority indicated that they were intimately involved whereas thirty respondents (42,9%) indicated that they were not intimately involved.

### **5.7.3 Effect on intimate relationships**

A follow-up question in section (c) of the same table was asked from the forty respondents who indicated that they were intimately involved. The question intended to find out whether unemployment was affecting their intimate relationships. More than half (67.5%) of the respondents indicated that unemployment had an impact on their intimate relationships. They mentioned that their partners did not respect them and that they were unable to provide for the demands made by their partners.

Less than half (32.5%) of the respondents said that they related well with their partners, even though they were not working. They answered that their partners had accepted their situation and they further mentioned that being jobless did not strain their relationships as illustrated in Figure 15 in the previous chapter.

#### **5.7.4 Attitudes**

Section (d) of the previous chapter illustrated whether employed people did not really care about the unemployed. The majority of the respondents (21,4%) answered that they strongly agreed with the statement and in addition 18,6% responded in favour of the statement and said that they agreed with the statement. This amounted to 40% of the respondents who were in favour of the statement. About 5,7% of the respondents strongly disagreed with the statement and in addition 1,4% of the respondents said that they disagreed. About 10% of the respondents mentioned that it was not the fault of the employed that they were unemployed. On the other hand 15,8% of the respondents were blaming government and responded that it was the responsibility of government to create jobs for everyone. Furthermore, 10% of the respondents were blaming themselves. They were saying that it was the responsibility of every individual to look for work or to be self-employed. People have their own responsibilities and problems so why should they care. Only 5,7% of the respondents reported that they really did not know.

#### **5.7.5 Relationship with community**

Section (e) of Table 8 and Figure 16 of the previous chapter illustrated the relationship with the community. About 32,9% of the respondents answered that they related very well with community members and in addition 37,1% of the respondents who were in majority said that they related well with the community. On the other hand, 30% of the respondents showed that they did not relate well with community members. They reported that community members thought that unemployed people were useless, as they did not have money.

#### **5.7.6 Participation in community organizations**

Section (f) of the same Table and Figure 17 of the previous chapter illustrated participation in community organizations. According to Moller (1992), many unemployed people withdraw from social activities, clubs and recreational and political groups.

More than half (61,4%) of the respondents interviewed did not participate in community organizations. It has been found that unemployed individuals were denied opportunities to participate in community organizations because most of the organizations require joining fees and monthly contributions. The respondents reported that they were unable to afford that, thus an unemployed individual could not acquire a social position due to his or her unemployment status. Winfield *et al.* (1993) alludes that social status is related to employment status, thus the unemployed have failed to acquire an accepted social position. However, 38,6% of the respondents interviewed reported that they did participate in community organizations.

## **5.8 ECONOMIC DEPRIVATION**

According to Winefield et al (1993:29), the most evident impact of joblessness is a lack of financial income. She mentions that being unemployed indicates falling short materially. The basic needs of the unemployed are not satisfied; as a result their lives are not balanced. The discussion is about the economic hardship faced by the unemployed. The following will be discussed: encountering financial problems when meeting basic needs, financial problems encountered, sources of financial assistance, and how assistance is provided.

### **5.8.1. Basic needs**

Section (a) of Table 9 and Figure 18 of the previous chapter illustrated that the majority of respondents (85,7%) indicated that they were encountering financial problems when meeting basic needs, as their families did not support them. Only a few (14,3%) reported that they did not encounter financial problems when meeting their basic needs as their families supported them.

### **5.8.2. Financial problems encountered**

The sixty respondents (85,7%) who reported that they encountered financial problems when meeting basic needs were asked to mention the problems they encountered. When responding to this, 35% of the respondents claimed that they were failing to maintain shelter as shown in section (b) of Table 9. They reported that they had to choose between living with family or living in shacks. Furthermore 26,7% of the respondents responded that they sometimes went to bed hungry while on the other hand, 38,3% of the respondents added that they were unable to buy clothes.

The web (<http://www.kzpg.com>) defines development as meeting basic needs of people such as economy, health, nutrition, social services and infrastructure, and improving the standard of living in a society. In this study, the majority of the respondents (85,7%) reported that they were unable to meet their basic needs. Therefore, their standard of living was not improving, hence no development. Indeed, unemployment hinders development in a society. No respondent reported on the “other” category. According to Winefield et al (1993:28), financial anxiety is frequently observed. Financial hardship is a common correlate of being unemployed. Young unemployed people describe their lack of money and state that they sometimes do not have enough to eat properly (Winefield *et al.* 1993:29).

### **5.8.3. Sources of financial assistance**

Section (c) of Table 9 and Figure 19 in the previous chapter illustrated the respondents’ sources of financial assistance. The question intended to find out where the respondents were seeking financial assistance when they had problems. About 28,6% of the respondents indicated that they sought financial assistance from their friends and 45,7% of the respondents who were in the majority responded that they sought financial assistance from their families while 17.1% of the respondents answered that they sought financial assistance from their neighbours. On the other hand a few (8,6%) indicated that they sought financial assistance from moneylenders.

### **5.8.4 How assistance is provided**

Figure 20 and section (d) of Table 9 in the previous chapter illustrated the response provided by the above stated sources of financial assistance. More than half of the respondents (67,1%) reported that they got negative responses from the people whom they sought assistance from. One respondent said: “Whenever I ask financial assistance from my family, they tell me that I have to go and look for work”. However, 32,9% of the respondents mentioned that they got positive responses.

## **5.9. COPING WITH UNEMPLOYMENT**

Even though people are unemployed, they have to devise means of survival. According to Burnett (1994:296), unemployed people may be able to find the satisfactions of “work” in active leisure, in self-employed provisioning, in voluntary social or political activities, by engaging in the informal (black) economy or by making a career change into self-employment.

Section (a) of Table 10 and Figure 21 of the previous chapter illustrated whether the respondents were self-employed or not. Only 38,6% of the respondents reported that they were self-employed whereas more than half (61,4%) of respondents who were in the majority answered that they were not self-employed. When asked to explain how they were coping with life, one respondent said: "Life its tough when one is not working but I rely on support from family members and even my child's grant."

Section (b) of the same table and Figure 22 the previous chapter gave the reasons for self-employment. From the 38,6% respondents who reported that they were self-employed, more than half (61,4%) of the respondents who were in the majority claimed that they were self-employed because there were no jobs available. Furthermore 38,6% of the respondents answered that they were self-employed because they could earn more than in a regular job.

An area of research that has not yet received vigorous attention is social engineering specifically aimed at changing the habits and attitudes of people towards work. Where literally all people are conditioned to believe that at a certain age, you must look for and work for some one in return for wages, this undermines the desire for entrepreneurship, economic independence and self-sufficiency. Few of the unemployed show interest in becoming self-employed; indeed, many of those who are actively self-employed still regard themselves as unemployed! Even in the best of times, every one cannot get employed. There will always be unemployment; the only difference will simply be in its extent. As societies develop, they will become increasingly materialistic and individualistic. The immediate outcome of these changes will be the breakdown of the extended family and its support networks. In turn, this will take away the only insurance for survival of unemployed individuals. It is unlikely that the social security system, already under stress will cope with increasing demands for support.

## **CHAPTER 6: CONCLUSION AND RECOMMENDATIONS**

### **6.1. CONCLUSION**

The study was an investigation of unemployment at Tshiheni Village. The aim of the study was to explore the causes and effects of unemployment and the impact this has on development. The study was qualitative in nature. Interviews were the main sources of collecting data from the respondents. Seventy respondents were interviewed.

The study aimed at answering several research questions: Who are the unemployed at Tshiheni village?, What are the causes of unemployment at Tshiheni?, What are the psychological consequences of unemployment at Tshiheni Village?, What are the health effects of unemployment at Tshiheni?, What are the social consequences of unemployment at Tshiheni?, What are the economic effects of unemployment at Tshiheni?, How do the unemployed at Tshiheni village cope with their situation?. These questions have been addressed in the chapters on analysis and discussion.

The research findings revealed that the majority of the unemployed were people aged between twenty-one and thirty, females being more vulnerable than males. The married were in the majority. Most unemployed people at Tshiheni (55,7%) attended school up to secondary level and the period of unemployment of 47,1% of the respondents was more than three years.

Unemployment at Tshiheni Village was mostly caused by the non-availability of jobs (37,1%) followed by retrenchments (14,3%) and lack of skills (14,3%). The study revealed that 71,4% of the respondents was still actively looking for jobs and that 70% of them had been looking for jobs for three years and more. The majority of the respondents (74,3%) reported that they viewed themselves negatively as they were unemployed and added that they felt bitter, disappointed and very frustrated.

It is important to note that the majority of the unemployed are still youths since they fall within the under 35 years age group. A disproportionate percentage of this group is women. This may point to three serious social problems widespread in rural South Africa. The first one deals with the problem of people dropping out of the school system before acquiring the necessary skills and education.

They cannot get decent jobs on the formal labour market because they have no skills to offer. The second problem relates to young women becoming pregnant and being forced to look for employment in order to support their children. The third problem relates to the negative effects of the extended family support system. Access to family support allows unemployed individuals to be catered for by family members. This may indirectly limit their search process in terms of time spent looking for work and in terms of the radius they are willing to travel away from home.

Some respondents (41,4%) believed that abusing alcohol would help them deal with the situation and 50% of the respondents believed that abusing drugs would help them deal with the situation. As they were unemployed, some of them felt that in order to survive they had to be dishonest or to commit crime. The study further revealed that unemployment has a negative effect on social relationships. The majority of the respondents reported that family members did not support them. The study also revealed that the unemployed were denied opportunities to participate in community organizations. The unemployed reported that they encountered problems in meeting basic needs, with the majority of them being unable to buy clothes. The study further revealed that the respondents sought financial assistance from family and friends who then responded negatively. The study has also shown that most of the unemployed were not self-employed but relied on their families and child grants for support. A few who were self-employed said that they had chosen the route to be self-employed as there were no jobs available.

## **6.2 LIMITATIONS OF THE STUDY**

The conditions described and presented in this study refer to the environment of just one rural village characterized by extremely high levels of unemployment. While it is true that these conditions may not be unique and, may indeed be common in a wide cross-section of rural South Africa, there is a limit to which we can draw generalizations based on this study. Similar studies of rural unemployment at other sites both in Limpopo and in other provinces are needed to validate the findings of this study.

### **6.3 ETHICAL CONSIDERATIONS**

Conventional research ethics have been followed in this study. The participation of community members was voluntary and the names of individual respondents have not been divulged to anyone. Respondents were told that the research project was not an income generating activity, nor would they expect any form of payment for their participation. The researcher was at pains to explain that the project was part of her studies towards a degree qualification and did not in any way make false promises about financial benefits accruing to the community. Individuals who showed reluctance to participate were therefore excluded from the study. Participants were also assured that in the process of providing information, they would not in any way be exposed to harmful or potentially dangerous situations. Formal mechanisms of getting permission to conduct the investigation were followed well in advance of the actual fieldwork.

### **6.4 RECOMMENDATIONS**

The study has explored unemployment at Tshiheni Village and focused on identifying the unemployed, the causes of unemployment, the feelings and views of the respondents about being unemployed, the effects of joblessness on social relationships, participation in societal organizations, the health effects of unemployment, and the financial problems encountered by the respondents when meeting basic needs. The study revealed that the majority of the unemployed are amongst women of between twenty-one and thirty years old and that unemployment leads to social withdrawal and low-self esteem. The respondents experienced financial deprivation as well. There is no doubt that unemployment at Tshiheni Village is a serious cause for concern. The damaging consequences are evident. Currently the unemployed at this village are caught in an inhuman dilemma that affects all spheres of their lives. Most of them have no prospect of a decent work life that could enable them to earn an income or to choose working activities that they would like to do. They are desperate for any job.

#### **With respect to the Department of Education:**

Learners leave school from Grade 9 to 12 to enter either training institutions or the labour market. No official record is kept of those who leave school and try to enter the labour market.

Most of those learners, who do not pursue further training, are immediately confined to unemployment and stay unemployed. Therefore, a register should be kept of youth who leave school and want to enter the formal labour market.

**To policy makers at provincial and national level:**

It is evident that unemployment has a negative impact on young men and women. The focus should be on what could be done to address the problem. Youth employment programmes should be established to provide them with skills, which are likely to increase their chances of finding productive employment and enabling them to be marketable. Education and training should not be separated as early as the foundation phase. Job-creation strategies need to be increased in number and pace. In addition, government policy should aim at transforming social attitudes at household level away from a dependency complex and welfare support to that of self-sufficiency.

**To the Department of Social Development:**

Rehabilitation programmes aimed at changing the perceptions of unemployed people about their lives need to be initiated. Attention should be extended to men who are still denying women opportunities to work. Services to be rendered should include support groups to enhance their social relationships. Community work services should be rendered so as to involve the unemployed in community organizations, thereby promoting healthy relationships with community members. Active campaigns should be initiated through which unemployed youth are encouraged to set up and participate in state funded local economic development projects, which are partly aimed at addressing poverty in rural areas. In this way, unemployment can be alleviated.

**To local municipal administrations:**

Procedures and programmes at the level of individual municipalities should create an enabling environment for youths to become economically active. One such approach is where the local municipality develops a biased local-first tendering system that exploits access to such a pool of cheap local labour for projects. This requires that each local municipality keeps a register of all unemployed people and their contact addresses and periodically up-date such a register.

**To future researchers:**

On the basis of the findings of this study, several areas of potential further research are indicated as follows:

- How unemployed people manage leisure activities.
- Community perceptions of unemployment.
- Indigenous community support structures for the unemployed.
- The African extended family system and its impact on unemployment.
- How the unemployed perceive time.
- Mapping the job search processes at household level.
- Investigating social networks through which rural youths get jobs in cities.
- Locality specific strategies for addressing unemployment.

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## APPENDIX: A

### INTERVIEW SCHEDULE

Ref: UNEMPLOYMENT AT TSHIHENI VILLAGE, LIMPOPO

#### INSTRUCTIONS

The main purpose of this interview is an investigation of unemployment at Tshiheni Village. The information to be obtained will be treated with confidentiality; as a result, your name is not needed. A cross (x) will be put next to the appropriate answer and you will have to motivate your answer where you are requested to do so.

#### SECTION A

##### 1.IDENTIFYING THE UNEMPLOYED

###### 1.1 Age & sex

Age Group		Sex
16-20		
21-30		
31-40		
41-50		
51-60		

###### 1.2.Marital status

Never Married	
Married	
Divorced	
Widowed	

###### 1.3.Level of education

Category	Level	No. of Years
Primary		
Secondary		
Tertiary		
Post-Graduate		

###### 1.4.Period of unemployment

One Year	
Two Years	
Three Years	
More Than Three Years	

## SECTION: B

### 2. Causes of unemployment

2.1. There are many reasons why people are without jobs, which of the following reasons fit your situation?

Not allowed to work	
Retrenched	
Resigned	
Dismissed	
Health problems	
Disabled	
Not willing to search in distant places	
I am not skilled for any job	
No jobs available	
Uneducated	
Other (specify)	

## SECTION: C

### 3. Job search intensity

3.1 Have you ever looked for a job?

I looked for a short time and then gave up	
I am still actively looking for work	
I am not looking for work because it is a waste of time	
I am not interested in the kind of work available	
I have never in my life looked for work	
None of the above (Specify condition)	

3.2. If yes, for how long have you been looking for a job?

One year	
Two years	
Three years	
More than three years.	

3.3. Which of the following situations fit your situation best?

I can wait until I find a suitable job	
I am desperate for any job	
My family will look after me until I get work	
None of these apply to me (specify condition)	

## SECTION: D

### 4.PSYCHOLOGICAL ASPECTS

#### 4.1 Feelings and views about being unemployed

4.1.1 How do you feel about being unemployed?

Not worried	
Resigned	
Bitter and disappointed	
Very, very frustrated	
Other (specify condition)	

4.1.2 How do you view yourself as you are unemployed?

Positive	
Negative	
I do not know	

#### 4.2 Anti-social behaviour

4.2.1 Are you using alcohol or drugs in order to deal with the situation?

	Alcohol	Drugs
Yes		
No		

4.2.3 The only way to survive these days is to be dishonest.

I strongly agree	
I agree	
I am not sure	
I strongly disagree	
I disagree	
I do not know	
Others (specify)	

4.2.Do you sometimes think of committing crime in order to deal with the situation?

Yes	
No	

4.5. What is your view of work?

I do not think I will ever get a job	
I think if I continue looking, one day I will be lucky	
I have given up hope of getting a job; instead, I will become self-employed	
As long as my family supports me, I will just remain a dependent	
I am at a loss: I just do not know what to do	
Others (specify)	

4.6. Do you have any specific plans for the future?.....

Explain:.....

**SECTION: E**

**5. HEALTH ASPECTS**

5.1 Have you ever consulted a medical practitioner during the past two months?

Yes	
No	

i) If yes, what was your reason for consultation?

.....

ii) If no, when did you last consult a medical practitioner?

.....

5.2 What can you say about your health these days?

Health good	
Health better	
Health bad	
Health worse	

**SECTION: F**

**6. SOCIAL ASPECTS**

6.1 How does your family view you as you are unemployed?

They understand my situation and support me	
They understand my situation but they do not support me	
I am mistreated by family members because I have no money	
I am openly treated as a burden and told to go and look for work	
Family members think I am too lazy to look for work or to work	
Many family members are unemployed; there is nothing special about my present situation	
My family does not care what happens to me; they are very hostile towards me	
Other (specify)	

6.2 Are you intimately involved?

Yes	
No	

i) If no, what is the reason?

.....

ii) If yes, how does unemployment affect your relationship?

Yes	
No	

6.3 Employed people do not really care about the unemployed.

I strongly agree	
I agree	
I strongly disagree	
I disagree	
It is not the fault of the employed	
It is the responsibility of government to create jobs for everyone	
It is the responsibility of every individual to look for work or be self employed	
Employed people have their own responsibilities and problems; why should they care?	
I do not know	

6.5 How do you relate to other community members?

Very well	
Well	
Not well	

6.6 Do you participate in community organizations?

Yes	
No	

i) If yes , how do you participate?

.....

ii) If no, what is the reason?

.....

**SECTION: G**

**7. ECONOMIC HARDSHIP**

7.1 Do you encounter problems when meeting basic needs?

Yes	
No	

i) If yes, what are the problems that you encounter?

Failure to maintain shelter	
Go to sleep hungry sometimes	
Unable to buy clothes	
Other	

If other, specify.....

ii) If no, motivate.....

7.2. When you have financial problems, where do you seek assistance?

Friends	
Family	
Neighbours	
Money lenders	

i) How do they respond?

Positively	
Negatively	

**SECTION: H**

**8. COPING WITH UNEMPLOYMENT**

8.1. Are you self-employed?

Yes	
No	

i) If yes, what type of business are you involved in?

.....

ii) If no, how are you coping with life?.....

8.2. What is true of yourself? You are self-employed because

You can earn more than in a regular job	
There are no jobs for people like me	
Other	