

**THE PATTERN, CAUSES AND CONSEQUENCES OF
UNEMPLOYMENT IN THE MOLOPO DISTRICT
OF THE NORTH WEST PROVINCE**

by

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DEDICATION

This study is dedicated to my late father Elias Utlwanang Morake.



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OPSOMMING

Die globale arbeidsmag het fenomenaal gegroei die afgelope paar dekades. In 1995 was daar ongeveer 25 biljoen mans en vroue van werkende ouderdom in die wêreld-arbeidsmag. Wêreld-wye werkloosheid is ongeveer 50% van die globale arbeidsmag, wat ongeveer 12.5 biljoen is. Dit word beraam dat die globale arbeidsmag sal toeneem met 1.2 biljoen teen die jaar 2025. In 1990 was die ekonomies-aktiewe bevolking van Suid Afrika 14 426 000 waarvan 6 473 000 werkloos was.

Noord Wes is een van die nege provinsies van die Republiek van Suid Afrika. Die Molopo-distrik is die administratiewe en politieke sentrum van hierdie streek. Die hoofstad van hierdie streek is Mmabatho. Die inwoners van die Noord Wes Provinsie is ongeveer 3.5 miljoen mense en dit is ongeveer 8% van die totale Suid-Afrikaanse bevolking. Die inwoners woon meestal in die landelike gebiede met slegs 'n derde wat in die stedelike gebiede woon. In 1991 het die Molopo-distrik as 'n geheel 185 320 inwoners gehad waarvan die potensiële arbeidsmag 111 192 was en 22 238 hiervan werkloos was. Hierdie mense was werkloos maar was beskikbaar vir werk en het werk gesoek.

In hoofstuk 1 word die probleem, hipotese, doelwitte en metodologie uiteengesit. Die navorsingsvraagstuk van hierdie studie het te doen met die patroon, oorsake en uitwerking van die werkloosheid in die Molopo-distrik van die Noord Wes provinsie. Die doelwit van die studie was om die massiewe groei van die werkloosheid in die Molopo-distrik te ondersoek en om vas te stel wat die werklike oorsake was. Ook om die patroon en gevolge van werkloosheid in die distrik soos dit ondervind is, deur die mense van hierdie area te ondersoek. Dit is ook om die impak van hierdie verskynsel op die individue en die ekonomie van die distrik te bepaal. Die ontwerp en metode van die navorsing word ook in hierdie hoofstuk geformuleer. 'n Gevallestudie ontwerp was gebruik in hierdie werkstuk. Die logika van hierdie metode van navorsing word ook bespreek. Aspekte soos betroubaarheid, geldigheid en veralgemening is bespreek. Om die werklose mense wat in hierdie studie gebruik is te identifiseer is sekere prosedures gevolg. Die studie is so gestruktureer dat

kwalitatiewe en kwantitatiewe navorsingsmetodes gekombineer is. Die navorsers het 'n onderhoudskedule opgestel waarin die vrae uiteengesit is.

Vyftig werklose persone uit 2 nedersettings van die Molopo-distrik is gekies as 'n verteenwoordigende snit. Hierdie nedersettings is Modimola en Magogwe. Die data is bymekaar gemaak deur onderhoude en vraelyste is ontleed deur die kwalitatiewe navorsingsmetode.

In hoofstuk 2 het die navorsers die agtergrond tot die studie-area bestudeer. Dit sluit in die geskiedenis, administrasie, populasie, ekonomiese aktiwiteit, die plattelandse-stedelike eienskappe en die omvang van armoede en werkloosheid. Dit handel ook met die inwoners se lewensomstandighede in beide Modimola - en Magogwe - nedersettings en die probleme wat hulle ondervind.

In hoofstuk 3 is 'n literatuuroorsig uitgevoer. Hierdie hoofstuk behandel die teorie van werkloosheid omdat daar al baie navorsing oor werkloosheid bestaan. Die navorsers het baie verskillende teorieë hieroor. Daar is baie strydpunte in die makro-ekonomie. Dit kan beskryf word as die twispunt tussen die Keynesiane en die neo-klassieke. Die vraagstuk oor hoe werkloosheid en werk gemeet word, word ook in hierdie hoofstuk ondersoek. Teoreties is dit baie maklik om werk en werkloosheid te meet, maar prakties is dit moeilik. Daar is baie probleme wat die regering se werkers of private navorsers ondervind wanneer hulle poog om getalle van werkloses en werkendes te bepaal. Hierdie hoofstuk behandel die konsep van werkloosheid en die samehang hiervan met konsepte soos werkers of onderbenutte werkers. Die konsepte van friksie-, strukturele-, sikliese, seisoens- en oop werkloosheid word ook geklassifiseer. Die oorsaak van werkloosheid soos aangedui deur verskillende navorsers word ook bespreek. Die oorsake van werkloosheid is onder andere demografiese kragte, afskaling van sosio-ekonomiese aktiwiteite, hervestiging, sosio-ekonomiese aktiwiteite, nuwe tegnologie, minimum betaling (salaris), regeringsbeleid, onvoldoende onderwys en grondvervreemding.

Die patroon van werkloosheid wat waargeneem word by verskillende ouderdomsgroepe, maar meestal voorkom in die kategorie 16-24 jaar was die fokus van hierdie studie. Die

gevolge van werkloosheid is ook ondersoek. Die werklose persone het ook kenmerke getoon wat hulle vervreem het van die werkende gemeenskap. Hierdie hoofstuk behandel ook die strategieë ontwikkel, en die bronne van inkomste vir werklose persone. Van die strategieë was onder andere stukwerk en prostitusie. Die informele sektor het ook ontwikkel as 'n veiligheidsnet vir baie van die persone vir wie dit onmoontlik was om werkstrategieë sluit in die sikliese patroon van migrasie of seisoengebonde werk. Werklose persone word ook gehelp deur hulle familie of vriende. Daar is ook ander bronne van inkomste bv. toelae wat gestuur word deur migrasiewerkers. Die werkloosheidsversekering verseker ook teen die risiko van werkloosheid wanneer jy jou werk verloor.

In hoofstuk 4 word die finale resultate van die analise van die data geïnterpreteer teen die teoretiese agtergrond van die vorige hoofstuk. Die patrone van die werklose persone het goed ooreengekom met die literatuur. Daar is tot die gevolgtrekking gekom dat werkloosheid 'n vreesaanjaende plaag is in enige gemeenskap. Dit is ook bepaal dat werkloosheid en armoede hand aan hand gaan omdat 'n gebrek aan inkomste armoede teweeg bring. Armoede en werkloosheid is aspekte van sosiale onreg.

In hoofstuk 5 bereik ons die gevolgtrekking van hierdie studie. Dit beskryf die beeld wat deur die deelnemers gehuldig word oor die ware oorsake van werkloosheid. Dit gee ook die geïnterpreteerde bevindinge in vergelyking met die geformuleerde hipoteses. In hierdie hoofstuk word praktiese aanbevelings gemaak oor die akkomodasie van werklose persone, dit is wat gedoen kan word ter versagting en verbetering van hierdie situasie, asook wenke vir moontlike verdere navorsing.

Dit is die wens van hierdie navorser dat hierdie studie sal dien as inspirasie vir navorsers oor die fundamentele en kritieke verskynsel van werkloosheid.

Summary

The global labour force has grown massively in recent decades. In 1995 there were an estimated 25 billion men and women of working age in the world labour force. The worldwide unemployment is about 50% of the global labour force, which is about 12.5 billion. Estimates project a further worldwide labour force increase of 1.2 billion by the year 2025. In 1990 the economically active population of South Africa was 14 426 000 of which 6 473 000 were unemployed.

North West is one of the nine provinces of the Republic of South Africa. The district of Molopo is the administrative and political centre of this province. Its capital city is Mmabatho. The population of the North West province is about 3.5 million people. The population in this province is about 8% of South Africa's total population. The population is mostly rural with only a third of the people living in urban areas. In 1991 Molopo district as a whole had a total population of 185 320 people, of which the potential labour force was 111 192 of which 22 238 were unemployed. These were the people who were without work but who were readily available for employment and looking for it.

In Chapter 1 the problem, objectives, hypothesis and methodology were presented. The research question of this study pertains to the pattern, causes and consequences of unemployment in the Molopo district of the North West province. The objectives of the study were to examine massive growth of unemployment in the Molopo district, to establish what the real causes, pattern and consequences of unemployment are in the Molopo district as experienced by the people of the area and to establish the impact of the phenomenon on the individuals, the economy of district and on the development stagnation of the area. The design and method of research was also formulated in this chapter. A case study design was selected for this study. The rationale of choosing this method of research was discussed. Issues such as validity, reliability and generalizability were also addressed. To identify the unemployed people with whom the case studies were conducted, certain procedures were followed. The study was structured in such a way that quantitative and qualitative research

methodologies were combined. The researcher prepared an interview schedule in which the pattern to be followed and wording of questions were detailed. A sample of 50 unemployed people was chosen from two of the villages of Molopo. These villages are Modimola and Magogwe. The data obtained from interviews and questionnaires were analyzed according to the qualitative research methodological procedure.

In Chapter 2 the researcher covered the background to the study area, which includes the history, administration, population, economic activities, the rural-urban characteristics, the extent of poverty and unemployment. It also deals with the people's conditions of life in both Modimola and Magogwe villages and the problems experienced by people in both settlements.

In Chapter 3 a literature review was conducted. This chapter deals with the theories of unemployment, as there has been a lot of research on unemployment. The researchers had developed different types of theories about it. There is a lot of controversy among macro-economists. This can be described as the fight between the Keynesians (neo, past) and the neo-classics. The question of measuring unemployment and employment were also looked into in this chapter. In principle it is very simple to measure both employment and unemployment but in practice, however, it is very difficult to do that. There are many problems that are facing the government agencies or private researchers when they try to estimate employment and unemployment in the economy.

This chapter also deals with the concept unemployment and its interrelatedness with concepts such as employment and underemployment. The concepts of development and frictional, structural, cyclical, seasonal and open unemployment were also discussed. The causes of unemployment as indicated by different theorists were also discussed. The causes of unemployment among others include demographic forces, scaling down of socio-economic activity, relocating socio-economic activity, new technology, minimum wages, government policies, inappropriate education and land alienation.

The pattern of unemployment which is noted across different age groups, but with the highest rate observed among the age categories of 16-24 years old was also the focus of

this chapter. The consequences of unemployment were also looked into. The unemployed people display characteristics which may alienate them from society. This chapter also deals with the strategies and other sources of income used by the unemployed people for their survival. The strategies for survival among others include piece jobs, and at times some women resort to prostitution. The informal sector has also become an employment "safety net" for most of the people who are unable to find work in the formal economy. Other strategies for survival include a cyclical pattern of migration or seasonal employment. Unemployed people are also assisted by their relatives or friends. There are also other sources of income such as remittances sent by migrants. The Unemployed Insurance Fund (UIF) also insure contributors against the risk, of loss of income brought about by unemployment.

In Chapter 4 the final patterns obtained from the analysis of the data were interpreted against the theoretical background of the previous chapter. The patterns of the unemployed people correlated well with the findings in the literature. The conclusion was reached that unemployment is a fearful scourge in any society. It was also concluded that unemployment and poverty are associated in the sense that lack of income determines poverty, and also that poverty and unemployment are aspects of social injustice.

Chapter 5 gives the conclusion of the study. It gives the perception held by the respondents concerning the causes of unemployment and what the real causes of unemployment are. It also gives the interpreted findings against the formulated hypothesis. In this chapter recommendations were also made for the practical accommodation of those unemployed people, that is what can be done to alleviate and palliate the situation as well as areas for possible further research.

It is the wish of the researcher that this study should serve as an inspiration for researchers in this fundamental and crucial phenomenon of unemployment.

CHAPTER ONE : INTRODUCTION

1.1 Introduction

A generation or two ago employers in many parts of the Third World clamoured for workers, complaining about high rates of turnover and widespread absenteeism. Even when rural areas were effectively incorporated into the world economy, labour shortages were common, and the work force was frequently described as uncommitted. Today labour shortages are a thing of the past. Turnover and absenteeism are no longer a concern. For several decades now, labour-markets throughout the Third World have experienced an excess of labour with limited skills (Gilbert and Gugler, 1994:90).

The global labour force has grown massively in recent decades. In 1995 there were an estimated 25 billion men and women of working age in the world labour force. The worldwide unemployment is about 50% of the global labour force, which is about 12.5 billion (World Bank, 1995a:25-26). Estimates project a further worldwide labour force increase of 1.2 billion by the year 2025 (World Bank, 1995a:9-11). Half of the workers in the world are self-employed or work in family enterprises. During economic growth, more workers work for wages and thus become formally employed. In South Africa 40 percent of blacks are unemployed and almost three-quarter of them have given up for even looking for a job (World Bank, 1995a:25-26).

Unemployment as a phenomenon is inextricably linked to the development process in general as it contributes to the problem of development stagnation by wasting the economically most productive and most fertile elements of the population. Unemployment and poverty are associated in the sense that lack of income determines poverty (Hardman, 1982:48). Unemployment also denies a person freedom to choose greater leisure, to have more goods and services, or denies the importance of those material wants (Todaro, 1992:86). Poverty and unemployment are aspects of social injustice. Unemployment affects millions of people and makes them to survive below the minimum living level. Due to the

lack of income, an enormous proportion of very basic needs are unmet. Unemployment brings about hunger, lack of shelter, no access to safe water and sanitation and increases illiteracy as those who are unemployed are unable to pay for such services (Webster, 1984:33). According to the Reconstruction and Development Programme (African National Congress, 1994:14) unemployed people are denied those aspects that promote the physical, social and emotional wellbeing of all people.

In this study I investigate the causes, patterns and consequences of unemployment as it has become one of the major causes of social problems.

1.2 Statement of the problem, objectives and hypotheses

In South Africa (see Map 1 p8) over the past decade and more, growth stagnated, investment dropped precipitously and average real incomes declined. The economy is dependent on mineral exports, and the manufacturing sector cannot create jobs, meet the basic needs of the majority or compete on world markets. Speculative investment has replaced productive investment, with a consequent decline in job creation and overall employment levels. Only a quarter of women hold jobs in the formal sector. Unemployment is one of the factors that leads to self-devaluation of individuals in a community. People without employment feel worthless because they cannot provide for themselves and their families, and in order to continue living they often have to change their behaviour to cope with these circumstances. Economic distress and social inequality, linked to unemployment, therefore, are basic causes of the society's ills. The problem to be studied in this paper is the nature of unemployment in the Molopo district of the North West Province. In the Molopo district unemployment contributes to the problem of development stagnation by wasting the economically most productive part of the population who could sell their labour to the various development projects in the area.

The objectives of this study are:

- To examine massive growth of unemployment in the Molopo district in the

North West province of the Republic of South Africa;

- To establish what the real causes, the pattern and consequences of unemployment are in the Molopo district as experienced by the people of the area; and
- To establish the impact of the phenomenon on the economy of the district and on the development stagnation of the area.

Hypotheses formulated in this study are that:

- Unemployment is usually higher for women than for men. This is the case, even though many women do not actively look for work, because they are aware that the opportunities open to them are severely limited. As for underemployment, disproportionate numbers are affected by it in many countries. In this way more females are likely to be unemployed than males. For many, however, the maintaining of their households constitutes a full-time task.
- The growth of the number of school leavers has increased unemployment. There is large-scale open unemployment among both primary and secondary school leavers. There is a growth in the number of young people needing employment at a faster rate than the growth in employment possibilities for them.
- A high population growth rate is causing unemployment. African populations are growing rapidly, and are doing so much faster than the number of job openings. The annual number of entrants to the labour force is greater than the number of modern-sector employment opportunities acceptable to them.

As a person who lives and works in the Molopo district, I noticed that there is a huge increase of unemployed people in this district, and that the causes, pattern and consequences of unemployment become significant. Unemployment is severe

in this district and is thus hampering development and causing harmful effects. Thus, the understanding of the causes and consequences of unemployment is central to the better understanding of the nature and character of the development process.

1.3 Methodology

To study the causes, pattern and consequences of unemployment in general, I studied literature on unemployment. The purpose of the literature study was to document those studies which concern unemployment. There was a selective review of literature relevant to unemployment, to assist the researcher in gaining extensive and thorough knowledge of the topic and related issues. The research called for a carefully planned systematic reading programme to assist in clarifying the problem with which the researcher was confronted.

A descriptive survey method was utilised in a limited fieldwork study. This method was chosen because it has a clear descriptive purpose as a way of studying social conditions, relations and behaviour. The purpose of choosing this method was to obtain information about the prevailing unemployment conditions on a planned basis. I also used the random sampling method. This method was so constituted that every member of the population had an equal chance of being chosen. I followed this method due to the fact that the population being studied is too large to include in such a study. Hence one must make do with samples to be able to make generalisations about the population from samples (Monette, 1990:11).

There are many data-gathering instruments, but for the purpose of this study, interviews and questionnaires were the instruments used. Both the interview and questionnaire utilize the question asking approach. The difference between the two methods is that the interview collects data through face-to-face interaction while the questionnaire obtains information through the respondents written response to a list of questions. The face-to-face interviews were conducted to get

first-hand information on the possible causes, pattern and consequences of unemployment in the Molopo region. I preferred this method because it gave me the opportunity of giving a full and detailed explanation of the purpose of the study to the respondents, and to ensure that the latter fully understand what was required from them.

I followed a structured interview in which I determined in advance the procedures to be followed. I prepared an interview schedule in which the pattern to be followed and the wording of questions were detailed. I used the open form of questions which enables the respondent to reply as he or she likes and does not confine him or her to a single alternative. The open-ended form of questionnaire enables the respondent to state his or her case freely and possibly give reasons as well. I also used introspective questionnaires whereby the recipient of the questionnaire had to answer questions concerning himself or herself.

I established rapport with the interviewees. I did this by putting them at ease through gaining their confidence, and conveying to them the impression that they are in possession of information or knowledge which is needed for the research and which no one else can give. I tried to be pleasant and restrained my manner. I became a good listener, and avoided interjections except if essential to clarify a point. I tried to avoid to be distracted by irrelevancies, and avoided giving hints by facial expressions, tone of voice or use of implied questions which suggest the answers I would prefer to be given. I phrased my questions so that they could be easily understood, and I put one at a time. I kept a record of the replies of interviewees. I took full written notes during the interviews although this was time-consuming. At the end of the interview I thanked the interviewees.

I did the fieldwork during the September 1995 school holidays as this was the time I was free from work. The random sampling method was used in Modimola (Tshwaraganang branch) and in Magogwe (Lotlamoreng branch) where every fourth household was selected for an interview to determine unemployment (see Map 3 p10). By branch here I mean a number of small villages associated

together. Due to the size of both settlements and time constraints, I selected every fourth household in both areas until I had a sample of twenty five in each settlement. The people interviewed were mostly the heads of the households. They were selected due to the fact that they were readily available and considered as bread winners. In the case of Tshwaraganang branch, villages found in this area include Modimola, Madibe, Matshephe and Dithakong. Villages which form Lotlamoreng branch are Majemantsho, Bokone, Magogwe and Lomanyaneng. The places under study are villages around Mafikeng town. Modimola village is about 19 kilometres from the capital Mmabatho on the western side of Mafikeng while Magogwe village is about 10 kilometres on the southern side of Mafikeng (see Map 3 p10). The households in Modimola number about 600 while in Magogwe which is a bigger village, they number about 1000. The total number of households in those two places is 1600. The areas were selected due to the fact that they are representative of rural areas with high unemployment. I am working in Modimola village which is about 10 kilometres from Magogwe, and having worked there from 1985 to date, I know many of the people in these villages who are not employed.

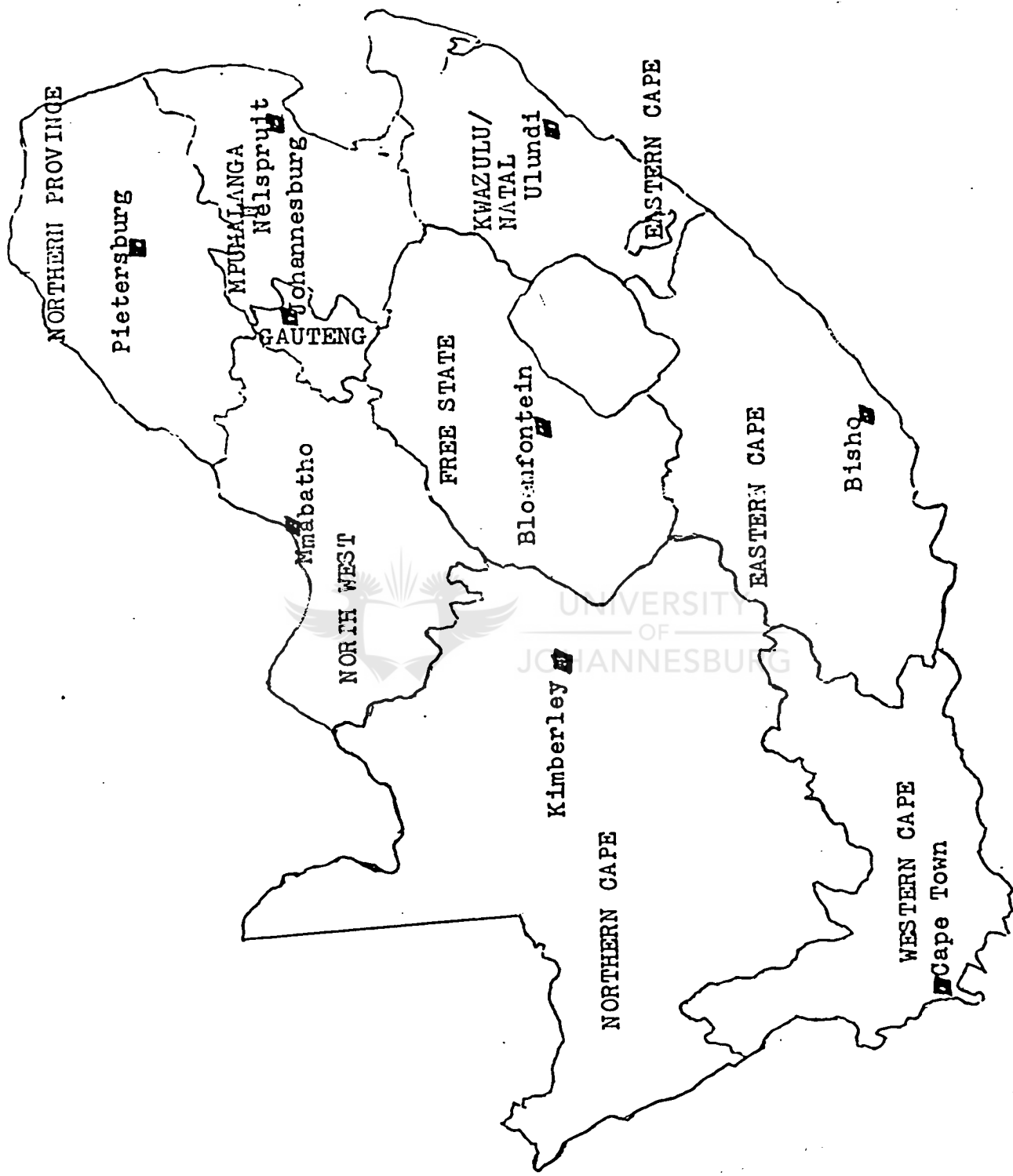
As this study is dealing with numerical data, apart from the qualitative material, a statistical analysis was followed. The statistical information is presented in tables. Statistical analysis was used for organizing, analysing and making the data more understandable. I also present some data in percentage form to show the pattern, causes and consequences of unemployment in the Molopo region.

Looking at the scope of the study, Chapter One, which is the introductory chapter, outlines the statement of the problem, objectives, rationale as well as the methodology of the study. Chapter Two deals with a description of the area of the study, Chapter Three deals with a review of the literature which is related to unemployment, while Chapter Four gives an outline of the causes, pattern and consequences of unemployment in the Molopo district. Lastly, Chapter Five deals with my conclusion and recommendations which sum up the study.

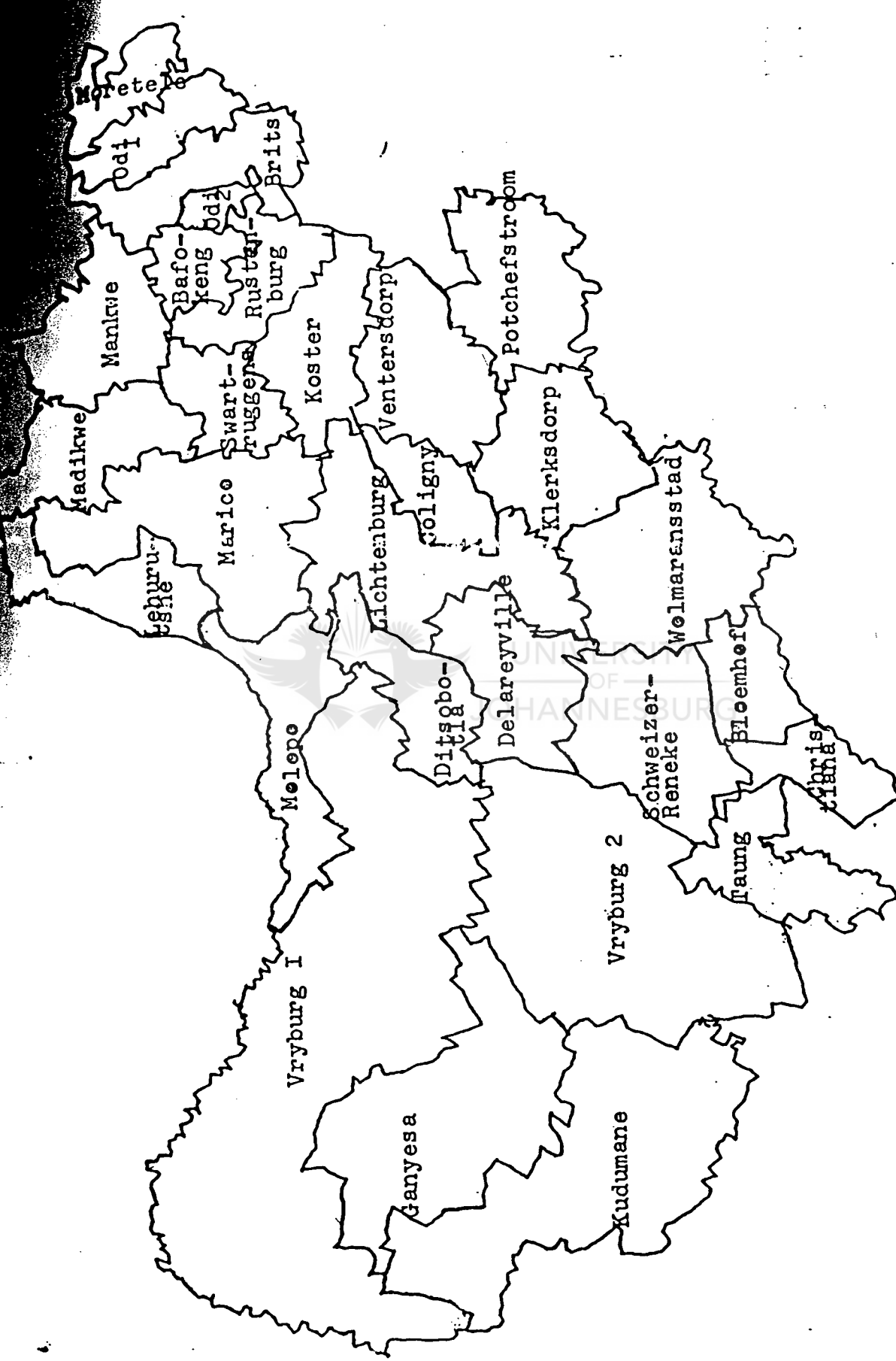
1.4 Limitations of the study

There are a number of limitations to this study. The first were time and costs involved in travelling to the settlements to administer questionnaires and to conduct interviews with those unemployed. The second limitation was the scope and design limited to two settlements out of about 10 settlements in the Molopo district. It may therefore not be fair to generalise the findings to all other settlements in either the district or the entire province, since the sample size did not represent a cross-section of people in the province. People's attitude towards unemployment can differ from district to district across the country.

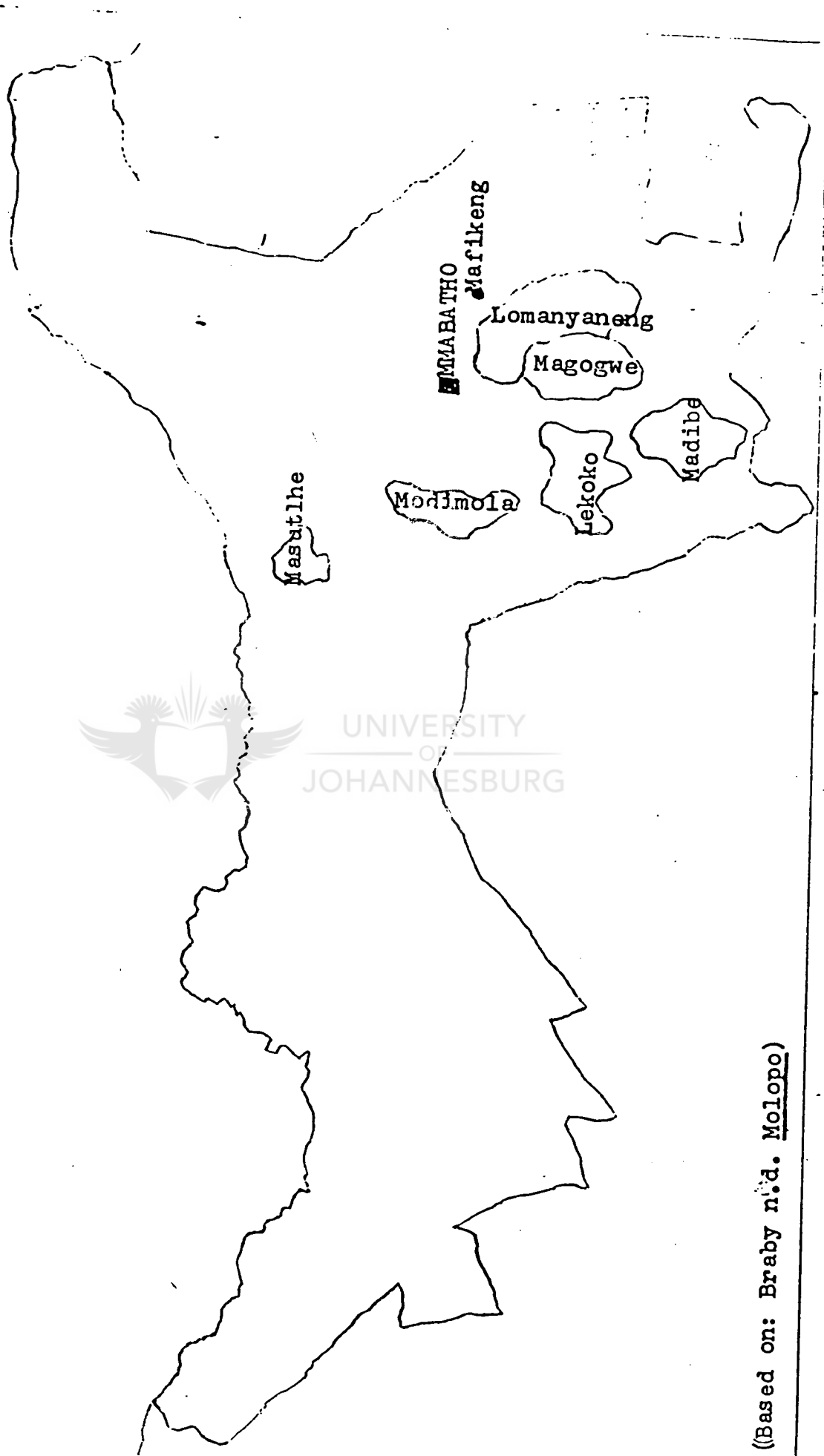




(Based on: Braby n.d. South Africa)



(Based on: Braby n.d. North West Province)



(Based on: Braby n.d. Molopo)

CHAPTER TWO : THE AREA OF STUDY

2.1 Introduction

This chapter covers the background to the study area, which includes the history, administration, population, economic activities, the rural-urban characteristics and the extent of poverty and unemployment. It also deals with the people's conditions of life in both Modimola and Magogwe and the problems experienced by the people in both settlements, which make their life very difficult. Aspects to be discussed include lack of proper houses, clean water, electricity, role of migrancy and employment opportunities in general.

2.2 The area of study

The Republic of South Africa is divided into nine provinces (see Map 1 p8) and North West is one of them (see Map 2 p9). It is comprised of the former homeland of Bophuthatswana and portions of the former Western Transvaal and Northern Cape. It forms the extreme north-western part of South Africa and has common borders with Botswana in the north. It is favourably located in terms of economic co-operation with the rest of Africa. Molepolole district (see Map 3 p10) which is situated 65 km north of Lichtenburg and 65 km west of Zeerust is the administrative and political centre of the North West province. The urban complex consists of Mmabatho, Montshioa, Mafikeng and Danville while the rural area consists of several villages which, among others, include Modimola, Magogwe, Ramatlabama and Disaneng. Mmabatho, meaning "mother of the people", is the administrative centre and has been steadily expanding as the urban metropole of the region. Mmabatho was also the administrative centre of the then Republic of Bophuthatswana which was granted "independence" by the Republic of South Africa in 1977 up to its collapse on 10 March 1994, and which was led by president Lucas Mangope for seventeen years (Strydom, 1987:40; SACS, 1995:15).

Mmabatho, the capital city of the North West province, is a unique town which lies adjacent to Mafikeng. It is a modern residential, administrative and

commercial town providing a contrast of a modern city centre within a poor rural environment and glimpses of a fascinating history. The year 1972 ushered in the Bantustan era, this is when the government of the National Party (NP) proposed a plan for the "separate development" of the so-called homelands or Grand Apartheid. The Bantustan system was conceived by the National Party as a way of muting international criticism of South African racial policies, but at the same time institutionalizing apartheid. The apartheid policies prevented the incorporation of Mafikeng, the seat of the territorial administration into Bophuthatswana, which forced the government of Bophuthatswana to establish its own seat of government in Mmabatho. The unique, modern architecture of the buildings is among the most striking and contemporary in Africa. Bophuthatswana was re-incorporated into South Africa in 1994 (Changuion, 1996:11).

Other important towns in the North West province include Klerksdorp, Orkney and Stilfontein, which are important towns for gold and uranium production. Potchefstroom was the first "white" town to be established north of the Vaal River in 1838, Mafikeng was where the Boy Scout Movement originated under the leadership of Lord Baden Powel, Mankwe is the site of the Sun City holiday resort, and Brits is an important irrigation agricultural area with its adjacent industrial growth-point, Ga-Rankuwa (Changuion, 1996:18).

North West province is one of the smaller provinces of South Africa and is completely landlocked. There is also lack of a coherent development strategy to give direction to development initiatives, which has resulted in an ad hoc approach to development (SACS, 1995:16).

2.3 Population

Approximately 3.5 million people reside in the North West province on some 119 000 km² of land. The population in this province is about 8% of South Africa's total population. The population is mostly rural with only a third of the people living in urban areas. Tswana, Xhosa and Sotho are principal languages of the

North West province. The vast majority of the people, that is over 60%, speak Tswana, just over one tenth of the population speaks Xhosa, while under 20% speak Sotho and Afrikaans. Shangaan and Zulu are also spoken in the province with English predominating in most shops and hotels (Meyer, 1996:2).

According to the BOPSTATS (1991:38-44) Molopo district as a whole had a total population of 185 320 in 1991, of which the potential labour force was 111 192 and 22 238 were unemployed. With regard to the rural population in 1991 in Molopo, the total stood at 150 876 of which 69 072 were males and 81 804 were females. The total urban population stood at 34 444 of which 17 368 were males and 17 076 were females. Although no recent population figures are available, it is evident that the population of Molopo has grown significantly since then. The focus of this study is on the rural area of Molopo due to the escalating numbers of the unemployed in such places. Comparatively speaking, most of the people who are unemployed in the Molopo district are those in rural areas.

According to CSS (1995:6) the North West province shows signs of a young population age distribution. This will have serious implications in terms of future unemployment and job creation. Unemployed blacks in the province form 39.3% of the population and unemployed whites form only 8.4% of the population. Of the unemployed 52.2% are younger than 30 years of age. There are 122 905 persons in the North West province who are employed in the formal sector whilst 7 296 of these are estimated to be employed full-time in the formal sector but are also involved part-time in the informal sector. The informal sector's contribution to the GDP for 1994 was estimated at R3.526 million excluding subsistence agriculture.

There is an estimated annual increase of 4% of the unemployed people in the Molopo district and the ratio is 1 male : 3 females.

2.4 Administration

The constitution of the North West province has been developed to ensure a

better and democratic country for its people by enshrining principles of liberty and of basic human rights. The declaration of the fundamental rights states that all people shall be equal before the law. A constitutional court will guard these rights and determine whether actions by the state are in accordance with the constitutional provisions.

The executive government of the province is vested in the Premier, Mr Popo Molefe, and he consults with members of the executive council, which consists of himself and the members in charge of the various departments. There are nine members of the executive council. All must swear allegiance to the provincial assembly which is the legislative authority carrying full power to pass laws for the peace, order and good government of the province.

According to the SACS (1995:47) members of the legislature are elected in terms of proportional representation. The executive council consists of a Premier and a number of ministers. The premier is elected by the provincial legislature. A party must have at least 10 percent of the seats in the provincial legislature to be able to be represented by a minister in the Executive Council. Decisions are taken by consensus, as happens in the national cabinet. Besides being able to make provincial laws, a provincial legislature may adopt a constitution for its province, if two-thirds of its members agree. However, a provincial constitution must correspond with the final national constitution as confirmed by the constitutional court.

The province has legislative powers over agriculture, casinos, racing, gambling and wagering, cultural affairs, education at all levels excluding university and technikon education, environment, health service, housing, language policy, local government, nature conservation, police, provincial public media, public transport, regional planning and development, road traffic regulation, roads, tourism, trade and industrial promotion, traditional authorities, urban and rural development and welfare services (SACS, 1995:47).

The local government is given critical importance in the Reconstruction and Development Programme (RDP) as it is the level of representative democracy closest to the people. Local government often involves the allocation of resources directly affecting communities. The RDP envisaged that elected local government, responsible for the provision of services, was to be extended into rural areas, including traditional authority areas. All local authorities should embark on programmes to restore, maintain, upgrade and extend networks of services. Within a local authority, the total body of consumers should be responsible for the cost of the service, including capital improvements, thus allowing for cross-subsidisation of new consumers. Tariff structures should be structured on a progressive basis to address problems of affordability. Within this framework, all consumers should pay for services consumed (SACS, 1995:47).

The constitution also provides for the integration of previously existing tribal structures. Parliament shall not alter the boundaries of any regional authority area for any purpose except after consultation with the regional authority concerned. This ensures that tribal customs and territorial integrity are maintained. In the Molopo district there are three paramount chiefs: Chief Setumo Montshioa of the Barolong, Kgosi Shole of the Batlounge and Chief Masibi of the Batlhaping.

To ensure that the citizens in the rural areas of the province are well represented there is also a house of traditional leaders. This was established in accordance with the South Africa Constitutional Act (Act 200 of 1993). In terms of section 181 a traditional authority which observes a system of indigenous law has been recognised by law (Changuion, 1996:11).

The house of Traditional Leaders liaises with the RDP forums to obtain information and reports on planning and implementation of RDP programmes in the province and to advise and make recommendations in connection with policy matters on the RDP. They keep the house informed in connection with any matter related to the RDP. They also investigate and make recommendations on

the needs of the youth in tribal areas for sport, recreation and informal education and liaise with the Department of Local Government and Planning to obtain information and reports on any matter related to local government matters and planning in so far as it affects traditional institutions, tradition and traditional areas. Other functions of the traditional leaders are to investigate and to determine the needs of the various tribal communities in matters of health and social welfare. Traditional leaders investigate and determine the needs of the various tribal communities in education and agriculture. They also file requests for meeting such needs to the competent authorities (SACS, 1995:48).

2.5 Economic activities

Economic activities prevalent in the Molopo district include: agriculture, mining, manufacturing, construction, trade, finance, electricity and community social services. Few of the people in the Molopo district depend on agriculture for their living. Crops such as sunflowers, groundnuts and vegetables have been introduced as cash crops. The refreshing summer rainfall makes Molopo suitable for livestock farming. New breeds of cattle, goats and sheep have also been introduced. Co-operatives were established to help farmers in the cultivation and marketing of products. Although farming in Molopo is an industry revolutionised by modern technology and science, using modern business, managerial and marketing methods, many small-scale farmers in the Molopo district still find themselves with no institutional support services necessary for the improvement of their agricultural production and many do not have access to the basic farm implements or inputs like seeds, insecticides and fertilizers, and this puts a strain on their production and productivity, ultimately plunging them into poverty. Many farmers in Molopo district are practicing subsistence farming which is inadequate as an income. Agriculture is unspecialised and aimed entirely at producing food for domestic consumption. There is very little surplus that can be sold to provide a cash income. Almost all the work is done by humans and animals, and the production per person is consequently very low. There is nothing done to improve the soil, production per hectare remains low and it declines as the soil is depleted further. In both settlements in which research was

done for this study there are very few commercial farmers who produce profitable production of farm products mainly for sale. Despite its shortcomings, the agricultural sector provided a firm base for economic growth (Swanepoel, et al, 1992:50).

The North West is one of the important food baskets of South Africa. This is a summer rainfall region with violent thunderstorms. Maize and sunflower are the biggest commercial crops cultivated in the province. Some of the largest Hereford herds in the world are found at Stellaland, near Vryburg, which explains why this area is often referred to as the "Texas" of South Africa. Marico is also a cattle area. The areas around Rustenburg and Brits are fertile mixed-crop farming land. Crops include tobacco, citrus, paprika, peppers, cotton and sunflower. Agricultural production in this province accounts for over 8% of South Africa's total output in this sector (SACS, 1995:16).

Most unfortunately, the topography of the Molopo district is such that within Mmabatho and to the south and east of Mmabatho the land is stony and not arable. Towards the north and west (airport and Ramatlabama) the situation is better for cultivation. The topographical characteristics coupled with a lack of land rights result in very minimal agricultural activity and insignificant production (Oberholzer, 1990:12).

Mining and quarrying form the primary source of income for the North West province. Mining contributes some 55 per cent of its gross geographical production and employs a quarter of the labour force. Mining in this province also provides 26% of South Africa's total income from mining. Diamonds are mined at Lichtenburg, Koster, Christiana and Bloemhof, while Orkney and Klerksdorp have rich gold mines. The area around Rustenburg and Brits is the largest single platinum production area in the world. Marble is also mined here. Fuorspar is exploited at Zeerust. There has been a persistent effort to develop mining sectors in the Molopo district. Diamonds are mined at the opencast mine at Matikiring.

In the industrial field the North West province has witnessed the development of new industries. Manufacturing provides 10% of its GGP or 2.3% of South Africa's total output in this sector. There is also the development of industries in Molepo. Furthermore small-scale industry is encouraged by the North West Development Corporation (NWDC). In Mmabatho there are 69 industrial establishments with only 1000 jobs. The low number of jobs is attributed to the light nature of these industries: food processing, textile manufacturing, manufacturing of fabricated steel products, wood and cabinet manufacturing, grain milling, light engineering and tyre retreading (Oberholzer, 1990:12).

2.6 Rural-urban characteristics

There is an urban-biased form of development in the Molepo district which widens the gap between the rural and urban sectors. This urban-biased form of development is epitomized by the paucity of social services in the rural areas, high rates of illiteracy and a lack of trained manpower, unequal access to farming inputs, low level of living standards to mention but a few, which are in one way or another symptomatic of poverty.

The development strategies in the district were not directed to the most needy population, the rural poor. They were urban-biased and therefore worked against the development of the rural poor and also helped to widen the gap between the rural and urban sectors. It has already been indicated that there is a very sharp contrast between the rural and the urban areas of Molepo, and this, needless to say, is a product of the urban-biased form of development.

2.7 Extent of poverty

Although the World Bank (1995b:316) classifies South Africa as a middle income country, a vast proportion of the population lives in absolute poverty with low levels of living, usually associated with low income countries.

Comparatively speaking, South Africa is not experiencing the problem of severe

poverty in the same way as other southern African countries. In some rural areas of the North West province, some people do not have access to basic services like education facilities and adequate housing. The people also lack clean water. A lack of clean water affects the children's health. The water is contaminated and leads to a high infant mortality rate. Long distances need to be travelled to fetch water.

Poverty in the rural settlements makes it very difficult for the people there to obtain energy needed for preparing food, heating and lighting. Women carry on their heads loads of firewood for long distances while walking underneath the high electric cables that service the urban areas. People in these settlements do not have access to electricity. A lot of time is spent in the gathering of firewood. There are few households in these areas which are able to afford paraffin and candles.

In the rural areas the lack of job opportunities and the low level of income mean that the people have to get other sources of income. This includes remittances from other members of a household or their pensions. They are nevertheless unable to attain the type of life considered acceptable in society.

There is a high movement of people to urban areas. This is usually for economic reasons, most often for new employment. Migration has got some benefits to the rural socio-economic setting. The rural population benefits significantly from the migrants through remittances. Mostly the migrant members send money from their urban destination to their dependent family members. The remittances contribute significantly to the living standards of the recipients. Some migrants invest their savings e.g. purchasing cattle which are kept and used by their relatives in the villages.

Poverty is a very serious problem in the rural areas of Molopo and the percentage of households living below the minimum living level is 71% (BOPSTATS, 1991:177-189). Many rural people in Molopo are either unemployed or

underemployed. Many rural women work as cleaners at the University of the North West or other institutions and some are employed in Mmabatho and Montshioa, where they are paid very meagre salaries. Some are working in the services sector (mainly government sector) others are working in the construction, commerce and agricultural sectors where they are paid very little. The average income per person per month in 1990 was R85.00. There is also a great shortage of adequate housing in the rural areas of Molopo. Some villages adjacent to Mmabatho, such as Magogwe, bear testimony to this assertion. It seems that when individuals in government and the non-government organisation (NGO) sector talk about shortage of adequate houses, they usually refer to urban areas and mention is seldom made of the housing problem in the rural areas. Some houses in the rural areas of Molopo district are an appalling sight and examples of them can be seen next to Mmabatho. There is massive and pervasive unemployment and poverty in the Molopo district.

One of the disturbing characteristics of Molopo is a sharp contrast between the rural and urban areas. The situation in some of the rural areas is so bad that one really finds it hard to put oneself in the position of such families. Many houses are derelict and not up to standard. Many rural people are even not in the position to send their children to school. This leads to an increasing dropout rate among rural children. This in itself has a very serious implication in the life of these rural children and the development of their areas.

There are children who are literally going hungry in some of the rural areas of Molopo. When one walks around Mega-city during lunch time, very often one will find some young children of school-going age sitting there, waiting for leftovers and some looking for food in the rubbish bins. This is a very pathetic sight. So, rural poverty in some areas of Molopo district is severe.

Most of the people in the rural areas of Molopo are poor but there are some households which are comparatively well-off. Some households in the rural areas are well-housed and lead a life comparable to or even better than some

households that are situated in the urban areas of Mmabatho, Montshioa and Danville. This is due to the fact that members of these households are employed and earn better salaries. One other reason is that some of them are commercial farmers who are able to produce profitable farm products, mainly for sale. Therefore, it will be a grave error, to treat the rural people as if they were a unified and monolithic entity. The rural people are heterogeneous and therefore need to be treated as such. There is both relative and absolute poverty in the Molopo district. In the next chapter I deal with a review of the literature which is related to unemployment.

2.8 Summary

North West is one of the nine provinces of the Republic of South Africa. The district of Molopo is the administrative and political centre of this province. Its capital city is Mmabatho. The population of the North West province is about 3.5 million people. Most of the people in this province speak Tswana. It is estimated that there is an annual increase of about 4% of the unemployed people in the Molopo district and the ratio is 1 male : 3 females. The constitution of the North West province ensures a better and democratic country for its people as it is enshrining the principles of liberty and of basic human rights. The major economic activities prevalent in the district include agriculture and mining. There is an urban-biased form of development in the North West province. The majority of the people in this province are living in rural areas. The vast proportion of the population in the North West province are living in absolute poverty with low levels of living.

CHAPTER THREE : REVIEW OF LITERATURE ON UNEMPLOYMENT

3.1 Introduction

The ILO (1989:21-22) argues that it is not easy to measure employment performance of a country because of a number of reasons. The first difficulty is that of definition, but besides it, the information base of employment, chiefly in countries with an immense rural population such as South Africa, is in most cases weak. The data of those unemployed which is within one's reach, often refer to open unemployment. These figures do not often show the employment conditions well in countries and economies where self-employment is strongest and allow high disguised unemployment.

However, according to the World Bank (1995b:1) unemployment troubles millions of people throughout the world and South Africa is no exception. Cawker and Whiteford (1993:22) point out that the new South African democratic government is faced with the big and difficult problem of unemployment. The problem is so awful that if left not checked it can weaken the long-term feasibility of any political order, even if it can be as inclusive and democratic as it may.

South Africa, just the same as most of the Third World countries, is affected by a high rate of unemployment. In 1990 the economically active population of South Africa was 14 426 000 of which 6 473 000 (45%) were unemployed. The unemployed people consisted of 3 560 150 (55%) females and 2 912 850 (45%) males. There is an indication here that there were more unemployed females than males. Though there were more unemployed people who were able to make a living out of earnings from activities in the informal sector, there were indubitably not enough chances for everyone to do so (Gilbert and Gugler, 1994:94). Though the degree of the unemployment problem has been on the increase for the last twenty years, it became specifically visible after the scrapping of the influx control laws in the mid-1980's which brought about a large scale of migration of blacks from rural to urban areas in a predominantly unsuccessful search for jobs (Cawker and Whiteford, 1993:13).

Webster (1984:33) says that employment cannot be separated from the development process. Unemployment has a share to the problem of development stagnation by wasting the economically most productive and most fertile elements of the population who were to play a main part in development by offering their labour.

Barker (1992:71) argues that unemployment is likely the most serious problem South African society is facing and it is contributing to many other problems, such as a high crime rate and violence. Unemployment is encouraging some people to turn to crime in an attempt to satisfy their (and their dependents') need for basic items such as food, clothing and shelter. Cawker and Whiteford (1993:49) state that it is possible for the developing nations to enjoy a higher standard of living, more stability and equality of opportunities if their attempts to development are backed by employment.

There are different approaches to the notion of unemployment possible, however for this study the main focus is on the consequences of unemployment on rural and urban areas. They are: absolute poverty, social division, acute conflict and high crime rates (Crick, 1981; Hayes and Nutman, 1981; Barker, 1992). Most people in the Molopo district are landless, and to make a living it means they must be employed in one way or another. However, there are only a few job opportunities in the district and thus those people who are not employed are living in poverty.

3.2 Theories of unemployment

There has been a lot of research on unemployment. The researchers developed different types of theories about it. There is a lot of controversy among macro-economists. It can, among other things be described as the fight between the Keynesians (neo, post) and the neo-classics (Pen, 1992:26). The view which was liked in the nineteenth century was that unemployment was one of many factors, which was linked with family poverty, poor housing, lack of education and so on.

On the whole unemployment was considered as a manifestation of individual inadequacy, which in turn was brought about by poor social conditions. But as the poor social conditions became better unemployment did not cease to be visible (Casson, 1983:38).

Most intellectuals were convinced that unemployment of the late 19th and early 20th centuries was voluntary rather than involuntary. According to them job opportunities were in most cases always available more especially when the workers followed the dictates of the market by way of relocating or agreeing to reduced wages. They also stated that most of the so-called unemployed were "idlers" who were unworthy or even "tramps" (Darity, 1992:62).

In recent years the economic theorists are attempting to account for the so-called involuntary unemployment which was brought about by the unsatisfactory terms upon which the Keynesians/new classical debate of the 1970 and 1980's ended. They are taking this state of affairs as a "standoff" in which each side was trying to stick to its own beliefs and critique of the opponent's view point. The Keynesian economic theorists were not accepting the classic approach to unemployment. They found it difficult to believe that the unemployment of the 1930 depression or that of the 1978 - 1982 recession was largely voluntary. They also had doubts that high wages could account for the largeness and length of fluctuations in unemployment (Darity, 1992:14-15).

The new Keynesian economic theorists suggested another proximate cause of unemployment. According to them unemployment can be brought about not only, as it does in the neo-classical synthesis, by wages that are too high, but also due to inadequate level of final demand in relation to the general level of prices and money wages. Shaun and Hargreaves (1992:31) state that:

"the problem can lie with nominal wages and prices in relation to nominal demand and not just with real wages".

When unemployment is brought about by this "nominal" source, it is at times considered as "Keynesian" unemployment while on the other side the real wage variety is referred to as "classical" by Shaun and Hargreaves, (1992:31). Unemployment as a phenomenon still causes vexation and consternation among economists.

3.3 Measuring unemployment and employment

Employment and unemployment are some of those things understood by almost every person, but which are not simple to measure. When measuring employment there is a need to know how many people are having jobs at the moment when the measurement is done. When one has to measure the total number of unemployed persons one has to make sure how many people are willing and able to work but are not employed at that time. Therefore the number of unemployed people can be taken as a percentage of the total number of persons who are willing and able to work. The percentage obtained is then termed the unemployment rate (Mohr and Fourie, 1995:109).

In practice, however, is very difficult to measure employment and unemployment in the economy. When exactly do we say that a person is employed? One difficulty is whether to classify the part-time or seasonal workers as employed. There is also the difficulty of whether to take the housewives as employed. Are we to classify those people who are making a living by selling goods on the pavement or from illegal activities such as prostitution and selling drugs as unemployed? These are a few of the many problems that are facing the government agencies or private researchers when they are trying to estimate total employment and unemployment in the economy (Mohr and Fourie, 1995:109).

3.4 Definition of terms

In order to avoid misconceptions which may arise due to the use of certain terms employed in this piece of work, I use the following definitions:

3.4.1 Development

Development is the supported elevation of the whole society and social system towards an improved or more humane life. There should be improvements in people's earnings and outputs. Development involves some fundamental changes in established rules, social and administrative structures as well as customs and beliefs. Development must be supplemented by non-economic social indicators such as gains in schooling, health conditions, literacy and services and provision of shelter, for instance (Todaro, 1992:84; Siedman, 1976:3).

On the other hand rural development is fundamentally a way whereby any agency directly or indirectly engaged with improving rural socio-economic conditions attempts to execute its tasks. Lele (1975:20) defines rural development as:

"Improving the living standard of low income population residing in rural areas and making the process of their development self sustaining".

This definition seems to implicitly hold that rural development is therefore an attempt to better the living standards of the majority of the people who are living in rural areas, both men and women, and making the process of such development self-sustained (Chambers, 1983:147).

I accept these definitions because for meaningful development to take - off, either rural or urban, there has to be a devolution of power from the elites to the poor. This implies that the poor need to be empowered to be able to control the direction of development. The poor need to be involved in decision-making, project monitoring, implementation and evaluation so that they can associate themselves with such projects, and at the end of all these projects improve their living conditions.

3.4.2 Employment

Employment is when a person is hired and works to get a wage. It is when a

worker sells his or her labour for a wage. Allen, (1992:56) says that the employee is taking employment in exchange for some money and those earnings may always be the main reason in accepting employment. Employment gives some earnings to the employee, it results in an output. Employment gives a person the recognition of being involved in something worth his/her living. Employment is paid employment for others or self-employment, whereby work is done for profit or family gain. There is also a tendency of the self-employed to take a salary or wage out of their business. The concept of employment is not clear in any economy in which the wage system is weak and in which self-employment and unpaid labour are affecting all or nearly all members of a group or society.

3.4.3 Underemployment

Underemployment takes different appearances and may be outlined either in terms of output or in terms of time spent working (Bray and Clarke, 1986:37). Barker (1992:72) argues that underemployment is when an individual's occupation is not enough in relation to the normal hours of work or alternative employment. According to Lane (1986:223) underemployment may be explained as a failure to tally between the pattern of professional qualifications or level of educational attainment and the demand for technically skilled and trained specialists in industry. At the moment it is often the case that the working conditions of specialists need less than half of their level of knowledge.

At times many graduates may have been obliged to take employment for which a degree qualification was not needed. Some of the graduates are not only over-qualified for their jobs but are also in jobs to which they had not aspired and for which a degree was not required (Boys, 1988:56-57).

Underemployment can be classified into two forms namely; underoccupational or visible underemployment and disguised or invisible underemployment. Underoccupational is explained as the situation whereby the workers involuntarily work less hours or months than they would like to. At times factory owners need

workers just to meet their needs for extra manpower in the busy season for a day at times or for a few hours only (ILO, 1977:17; Barker, 1992:73). On the other hand, disguised unemployment includes workers who seem to be engaged on a farm or employed in government service on a full-time basis even though the service they render may actually need much less than full-time. This can be regarded as a misallocation of labour resources, for example the underutilization of skill or low productivity. If the available work is openly distributed among those employees, the disguise of unemployment disappears and underemployment becomes explicit (Bray and Clarke, 1986:38; Barker, 1992:93; Todaro, 1992:39).

3.4.4 Unemployment

Unemployment is usually understood as not having the means of earning a living. It simply means being without work, that is not in employment which is paying, or in self-employment, but in the present time being readily available for employment and looking for it (Stewart, 1978:33-34; World Bank 1995a:11). According to Layard (1986:16) people are regarded as unemployed if they are searching for work but not having it. Thus to be unemployed, a person should be out of work and actively looking for a job. In a broad sense unemployment is unutilized, but available labour resources. The unemployed are mainly those who are found in the modern sector of the economy, who are not earning salaries or wages though willing, capable and suitable to do so. The number and quality of unemployment can be viewed in terms of the employer's needs.

Unemployment is the state of a person who is out of work and who is actively looking for a job and would take a job offered at the going market wage rate for his or her skills without placing unduly restrictive conditions upon the nature of this future employment. The term unemployment does not refer to the people who are not looking for work because of age, illness or a mental or physical handicap. Such people are classified as out of the labour force rather than unemployed (Joll, 1983:293; Stewart, 1978:32; Malinvaud, 1984:6; Casson, 1983:38).

3.5 Types of unemployment

There are different types of unemployment namely frictional, structural, cyclical, seasonal and open unemployment.

Barker (1992:73) says that frictional unemployment arises as a result of the usual labour turnover that takes place in any forceful economy and the time delays engaged in the employment of labour. Wallace (1987:108-137) states that people change jobs voluntarily for various reasons such as: to earn a better wage, to move to a better job or one with acceptable prospects or in a better developed part of the country or to move with a spouse who has left to a different locality. In many instances when this takes place, people make sure that they have secured a new job before leaving the old one but this does not often happen and especially if the job is in a different locality it may be difficult. This therefore means that some of the unemployed are really between jobs. As individuals they may suffer very little, if at all, and the society can gain especially if people move from a job where their productivity is low to the one where their productivity is high. If by spending more time in job-seeking an improved job is obtained, both the individual and the society may profit. Because of people moving between jobs and also new entrants to the labour market, there are at any given time unemployed people as well as unoccupied posts which can be filled. Frictional unemployment always has a considerable short duration, but can be reduced even further by improving the labour market information and placement services, so that both employer and job-seeker can find each other after no long interval of time and more effectively. The number of persons without jobs and the number of unoccupied posts seem to be inversely related and it does tend to be likely that when unemployment is low and posts are high frictional unemployment will be a much higher proportion of the total (Barker, 1992:72; World Bank, 1995b:28; Malinvaud, 1984:11; Casson, 1983:41).

On the other hand, structural unemployment happens when the labour force is not well matched to the capital stock. This mismatch may be in terms of skills or

factories or regions or any two of these. In most cases when there is a new product in the market the popularity of other products is lost. The new technological change also alters the skills for the production of the same product. As persons' earnings rise, they express a desire to buy a different pattern of goods. Due to all these reasons it could be expected that the structure of employment would change from time to time (Barker, 1992:73). People are in structural unemployment not due to a scarcity of the jobs in the economy, but because of a scarcity of the required skills. This means that they either lack the education or training to occupy the available posts or they are living in communities far removed from jobs. This is experienced even during a period of high economic growth (Barker, 1992; Freeman, 1972:31). Structural unemployment has to do with the go-slow in the pace of growth of the demand for labour rather than with any significant shifts in the labour supply (Wilson and Ramphela, 1989:85; World Bank, 1995a:29).

It is completely possible to have a substantial extent of cyclical unemployment, even when a well-developed unprotected sector exists. The reason is that, even in the best of labour markets, the adjustment of wages to balance supply and demand is usually sluggish especially when the pressure of wages is in the downward direction (ILO, 1984:22). This is the kind of unemployment which results from lack of impressive demand and this is called demand deficient unemployment. This kind of unemployment is sometimes called cyclical unemployment because of variations in aggregate demand owing to the state of the trade cycle. During the period of temporary decline in economic activity few or no jobs are created for new entrants to the labour market, and even existing workers might forfeit their jobs through retrenchment. However, as the economy improves, the cyclical unemployed are again employed (Barker, 1992:73; World Bank, 1995a:29).

On the other hand open unemployment refers to the circumstances where labour resources idle and this may be voluntary or involuntary (Bray and Clarke, 1986:37). According to Grant (1972:22) open unemployment reflects to a larger

extent more the problem of young dependents seeking employment than that of the experienced workers losing their jobs. Open unemployment is mainly affecting the youth, first time job searchers and the relatively better-educated (World Bank, 1995a:28).

The present rates of unemployment in Third World countries average from 10 to 15% of the urban labour force. The unemployment which is existing among young people in the ages 15 to 24, many of whom having substantial education, is typically almost twice as high as the overall average (Todaro, 1992:224).

Barker (1992:28) argues that the seasonality of employment and requisite changes in job locations explain the high unemployment in construction as workers move from one project to another and from one area and employer to another. The seasonally unemployed or the seasonal workers are persons who are working during peak periods and being unemployed in off peak periods.

Wilson and Ramphele (1989:85) say that there are several factors which make it difficult for a person to take wage employment or for employers to expand the number of people they employ. The major factor on both sides is probably seasonality. In a monsoon climate, peak periods of labour demand are times of planting, weeding and harvesting. This applies particularly to food crops, especially hybrid maize. Thus the demand for hired labour, especially casual labour, is frequently at its peak just at the time when the need for potential wage earners to work their family holdings is at its peak. This problem seems to bear most heavily on those, such as the women who head rural households, who would gain most from an extra source of cash income. Seasonal unemployment takes place and ceases to be visible on a regular and unpredictable basis (Barker, 1992:73).

There are different methods which can help to reduce the seasonality of labour demand. In the districts with a high degree of crop diversity there is a steadier

requirement for labour throughout the year. In addition livestock also requires a relatively constant amount of attention throughout the year. Accordingly, there should be development towards an increase in the diversity of crops in a locale and towards an increase in the quantity of cash crops or there should be an intensive rearing of livestock which would increase the need for labour and thus reduce the fluctuations over the year. There should also be the encouragement of activities which would bring about a steady stream of income throughout the year, for example, the production of milk, is also conducive to the hiring of labour, because there is a constant fund from which wages can be paid (ILO, 1977:41).

3.6 Causes of unemployment

According to Cawker and Whiteford (1993:22-37) unemployment is caused by different phenomena such as demographic forces, scaling down of socio-economic activity, relocating socio-economic activity, new technology, minimum wages, government policies, inappropriate education and land alienation.

One of the main causes of unemployment is a high growth of the number of young people searching employment at a faster pace than employment opportunities for them. This is because of the fact that the economies cannot simply keep providing enough job possibilities to accommodate their rapidly growing populations as there is a decrease in the rate of economic growth (World Bank, 1995a:22; Todaro, 1992:227).

The demographic changes refer to the changes in population growth which a country is subjected to in its transition from a "less-developed" to a "developed" country. Before this state, countries seem to have a high birth and high mortality rates, which is resulting in a slow rate of population growth. As they move to a modernised stage, their mortality rate drops proportionally due to improved public health methods, the availability of modern medicine, better diets etc. However, the decline experienced in mortality rate is not without delay accompanied by a drop in birth rate, which culminates in a sharp increase in

population growth. Although South Africa has entered demographic transition, with birth rates on the decline, the gap between the birth rates and mortality rates remains large. While the birth rate stands at 35 per 1000 people per annum (Mostart, 1992:28), the mortality rate is very low at 8 per 1000 (Population Reference Bureau, 1991).

The populations in Africa are growing at an average of 2.8 per cent annually, and in particular the South African population growth in recent calculations is put at 2.39 for the total population of South Africa and at 2.89 for Blacks (SAIRR, 1988:149). This high population growth rate has contributed to the formation of a large pool of young, mostly unskilled labour, unable to find employment in the formal sector (Cawker and Whiteford, 1993:35). Although that has been the case, official programmes aimed at the reduction in population growth rates are not impressive in some countries, this is due to the fact that some status is granted a nation in international affairs if it has a large population.

One other reason is that in poorer families, children are considered more as producers of riches than as consumers. People want to have more children with the aim to increase the family labour force and in this way providing a form of insurance against sickness and death and an economic guarantee in their old age (Bray and Clarke, 1986:47).

Given the existing demographic conditions of the country, there is no reasonable expectation of a reduction in the population growth in the medium term, and in this way both open and disguised unemployment are serious problems which are probably to get worse in the foreseeable future. This is mainly because the structure of the population is shaped like a pyramid, and the number of those entering the labour force is higher than the number of modern sector employment chances acceptable to them. Moreover, there is a fast increase in the population growth (Bray and Clarke, 1986:47; Cawker and Whiteford, 1993:36).

Cawker and Whiteford (1993:34) argue that the growth of poverty associated with

this huge population growth is a main concern, as malnutrition and an unsatisfactory social environment serve to lessen the potential of the youth to become integrated into a complex industrial society. Unfortunately, the cycle of poverty and unemployment is worsened by the dependence of the unemployed people on their already poor communities.

To add on that, there are some other changes in the construction of the labour force which have also made it to swell in recent decades. Firstly, there are persons who are remaining employed for longer than before, this reduces employment probabilities for those who enter the labour market for the first time. Secondly, women's roles in the labour force have changed as many more women sought employment to satisfy their career ambitions and contribute to family earnings. Thirdly, the fast and high urbanization of the black population has placed almost all family members under pressure to find employment (Cawker and Whiteford, 1993:37).

When a business, whether a factory or a whole company, office or hospital, is closed this causes unemployment. Unemployment at times can also be brought about by just a closure of a unit for instance a hospital ward or portion of a factory as those who were employed in these organizations will lose their jobs, thus becoming unemployed (Todaro, 1985:65).

Cawker and Whiteford (1993:31) argue that the previous South African government started a decentralisation plan which was directed at supporting the policies of apartheid by relocating industries to localities near the homelands to stop the flow of workers to the "white cities". This brought about a net loss in employment for the economy, due to the fact that the jobs which were created in said areas did not replace the jobs lost in cities. Furthermore, most of the factories which were built in these localities merely made a profit from the temporary incentives which were given by the government and then closed down when these incentives were stopped. Thus, permanent sustainable job opportunities were not created in those areas. This was experienced in the then

Bophuthatswana in areas such as Babelegi, Ga-Rankuwa and Mōgwase.

Todaro (1985:65) argues that the relocation of an organization can bring about unemployment. Although there may not be a general decrease in employment, this is by no way any comfort to those who are made redundant. Companies can move from one part of the country to another seeking lower costs, thus bringing about unemployment. They can also make a threat of relocating to another country, looking for cheaper unprotected labour, better government policies and so on, thus bringing about unemployment in the area of origin.

Layard (1986:76) says that the unemployment of the workers and their problems of unemployment do not necessarily have a mutual relation with problems for their employers. Labour productivity can entirely depend on the tools or technology that the producer uses. Unemployment can be brought about by an increased capital investment - investment in new methods of making things or making things that bring about an increase in labour productivity and thus requiring fewer workers per unit of output. Cawker and Whiteford (1993:28) argue that the investments which were made in South Africa over the past twenty years were not always efficient. The main investments entered into by the state for strategic reasons (for example ARMSCOR, SASOL and MOSSGAS) have brought about low rates of return on capital. These investments were highly capital and import-intensive at the stage of their construction. Although some are functional, the money used in these projects could have been better used on more socially needed projects that were labour-intensive and used more local products and resources.

Gilbert and Gugler (1994:88) argue that in all Third World countries, industries do not use the technology which was used in the early periods of industrialisation, but they depend on the newly developed technology which they import from the Western countries. Although this type of technology may have some advantages, the problem with it is that it is not suitable for these poor countries, but is appropriate to the well developed industrial countries. During the

industrialisation of those countries there was an expansion in capital stock which culminated in the rise of production, which then made labour very costly. In this way the new technology which was applied was aimed at reducing the role of labour. The recent responses to the increasing high cost of labour in such industrialised countries are automation and data processing. When Third World countries were exposed to this expensive capital-intensive technology their scarce capital and foreign exchange resources were drained, and gave jobs to just a few workers out of a highly unskilled and low productive labour force. Nevertheless, capital-intensive industrialisation was fostered by many of the Third World countries. They followed policies that clearly encouraged such industrialisation and the cost of such capital goods were highly subsidized.

As there is a lot of available unused labour in the Third World it would have been better for their governments and private sectors alike to give priority to a labour-intensive technology, but there are several problems in this regard. One of such problems is that, in most cases, the labour-intensive technology is not generally available. Research and development agencies, as well as capital-intensive technology in factories, are mainly concentrated in the rich countries. They produce this high capital-intensive technology to meet the demands from the well-to-do countries, as compared to an interest to serve the needs of the poor Third World countries. The international agencies who made some effort to develop what came to be known as "intermediate technology" have experienced very little success (Gilbert and Gugler, 1994:88; Stewart, 1978:58).

Basworth (1986:63) and Agenor and Aizenman (1997:199) agree to this and say technical development can greatly contribute towards structural unemployment when there is a mismatch between the new skills and the adolescent skills of those displaced by the new technology, therefore it is very important for a country to keep up with a change in technology. Workers then have to be retrained so as to acquire the new skills which are wanted to perform the new task required by their jobs. Unemployment can also be caused when technical development brings about a high increase in labour productivity without being followed by an

increased demand.

During the 1980s the so-called "factor price distortion" in favour of capital brought a reduction in the taking of labour into the formal economy and contributed to the unemployment problem. Factor price distortions refer to distortions in the economy which make other inputs (in this case labour) more costly than others (in this case capital). In this way producers are discouraged from using the costly inputs, and replacing them with inexpensive inputs with the aim of saving the high costs. South African labour has been made very costly and capital very cheap, this situation then encourages producers to substitute more capital inputs for labour. The highly skilled human resources in South Africa have been made very expensive due to their scarcity. This has been brought about by the discriminatory education spending, which has led to a shortage of persons who are capable of satisfying the demand for high skilled workers in the economy (Cawker and Whiteford, 1993:32).

High average real earning may also be taken as a cause of the high percentage of unemployment. Barker (1992:46) holds that when there is an unequal income distribution there are also greater differentials in wages and consumption stages and this leads to a stronger desire for the higher remunerating urban jobs and more unhappiness with low-paid jobs. In most cases, when there is an unequal level of income distribution, there is a very low growth in formal sector employment (Casson, 1983:91; Geary, 1997:303-305; Thio, 1997:151-152).

Cawker and Whiteford (1993:29) state that even when the South African economy experienced the big booms in the 1960s, there was a failure in the real increment of black persons' income. To a large extent, this can be attributed to the apartheid policies which discriminated against non-whites in all spheres of life. One other problem is that the burden of unemployment is unevenly distributed across the population groups, having blacks suffering the most. This is because of the policies of discrimination which were applied by the past governments to

education spending and the labour market. The past governments over-regulated the economy, decentralised the economic activities and destabilised communities by forced removals thus worsening the plight of 'non-whites' even further (Cawker and Whiteford, 1993:29).

South Africa had traditionally experienced an oversupply of low level human resources, a shortage of high and middle level human resources in certain occupations, as shown by the data such as vacancy rates, the high number of advertised posts, the number of overtime hours worked in different occupations, high increases in income for different occupations and in the occupations of people who immigrate to South Africa (Cawker and Whiteford, 1993:14).

Vacancy data is considered as an important indicator of human resources and skills shortage (excluding the domestic services sector). The vacancy data in 1990 stood at 2.3% that is 2.3% of all available vacancies in the formal sector were occupied. In the professional, semi-professional, technical, transport and communication and apprenticeship categories the highest rates were noticed with vacancy rates of 4.7%, 4.3% and 3.4% respectively. The professions within these occupation categories for which there was a shortage of persons were engineering, technical, natural science technology, computer science and artisan professions (Cawker and Whiteford, 1993:15).

Damachi and Diejomaoh (1978:177) observe that the lowest wage is also seen to be one of the main causes of unemployment. The lowest wages established by industrial councils might in some instances bring rigidities in the labour market and could thus minimize the creation of employment among the low skilled and young workers. The minimum wage in some instances is too high for many employers to pay to unskilled or very mobile youth. Youth move in and out of the labour market and from work to work with great frequency, bringing about high frictional unemployment.

The work of Basworth (1986:46) shows how the high rate of unemployment is always underestimated by economic policies. Governments are often interested in policies that are meant to fight inflation. Their opinion is that any action that would reduce unemployment would unavoidably make inflation worse. They go along with these policies to advance their own interests and disregard the majority of the people who are jobless, which, in the South African case, are blacks.

Education which is inappropriate is also bringing about unemployment. Too many secondary school leavers avoid lower level and manual jobs and in this way make themselves unemployed because modern work opportunities need people with skills and better qualifications (Allen, 1992:56). The ILO (1988:316) states that education, and its suitability to the development needs of the country is another influence which determines the use of human resources. There is a deficit of technical personnel in South Africa, while many professionals, in whose education the country has invested considerable resources (sociologists, lawyers and journalists), do not get jobs.

In South Africa the past discriminatory policy in education spending is mainly to blame for the lack of a big enough skill pool experienced presently in the economy and the low education level of many of the black population which has hindered their ability to get jobs. In 1969 for example the previous government used 18 times more on the education of each white child than each black child. Most of the blacks are economically powerless due to a lack of education (Cawker and Whiteford, 1993:29).

According to Todaro (1985:65) unemployment can be brought about by changing the organization of work without increasing investment, for example by getting workers to work harder. This means that in this way an increase in output can be kept with fewer workers or increased with the same number of workers. In this way labour productivity is increased while on the other hand it is perhaps causing unemployment as well.

Bray and Clarke (1986:38) say the differences in economic activities between the urban - modern and rural - traditional sectors are causing unemployment as persons are attracted to the urban areas thus increasing the number of persons who are already jobless. Most persons think that there are better job prospects in urban areas. The urban-biased type of development in the economy helps to bring about unemployment as it promotes an ambition among members of the rural sector, who think that there are better work probabilities in urban areas, only to find that due to an absence of work they are then obliged to return to their villages which is at times a very costly process.

Wilson and Ramphele (1989:172) indicate that there are three main reasons why people, irrespective of their attempts, can be untied from their jobs and those are: serious injuries at work, a period of reduced activity of trade and age. For many years, South African blacks were confined in their attempt to get jobs of their own choice and enter into negotiation for better incomes. The illegalization of common bargaining mechanisms, for instance trade unions for blacks, impressively placed many employers in a state of monopsony power over their employees. Since 1979 however, the position changed due to the legislation on trade unions which was brought about by the findings of the Wiehahn commission. In apartheid South Africa there was legislation which made sure that certain jobs were reserved for a particular population group, thus avoiding competition between whites and blacks for better paid jobs in certain occupations. An oversupply of legislation was formulated to limit the movement and property rights of blacks and this also served to impede their functioning in the labour force. This legislation included the Group Areas Act, the influx control laws and legislation preventing blacks from conducting business in the so-called white areas. Most of the said laws were repealed in the 1980's, but their impact is still felt (Cawker and Whiteford, 1993:29).

A development plan that is market-based and which urges businesses and households to invest for the future in a lucrative and productive manner can endure a rising labour supply. Such a strategy will make it possible for the low and middle income countries to expand job opportunities and increase the earnings of their often fast growing poor

labour force. Cawker and Whiteford, (1993:27) argue that in the past, in South Africa, the main restriction on economic growth has been the low level of stable investment. This can be attributed to the following factors: political and social instability, which brought about a decline in investor confidence, a lack of clarity among investors concerning government economic policy, the significant fluctuation in the interest and exchange rates, and high company taxation.

The constant political disturbance and uncertainty, dating back to 1976, have manifested themselves in lower rates of investment and minimized confidence in the future of the economy of South Africa. For the last 10 years the unquantifiable confidence factor was one of the very important variables which has brought about a reduction in the potential economic growth of South Africa. The fluid political and social climate was also to a great extent responsible for the flight of capital, and the emigration of many skilled persons, the so-called "brain-drain" (Cawker and Whiteford, 1993:27).

The post - 1970 decrease in the economic growth rate is the most significant single factor underlying the increase in the unemployment rate in South Africa. The growth in the economy has to be the basis of any job creation policy as it is only by increasing the level of economic growth that sustainable job opportunities can be created (Cawker and Whiteford, 1993:22).

The South African economic increase performance has at all times been unable to do without favourable international trade and conditions affecting the balance of payment. However, for the past twenty years, this state of affairs has constrained the economic growth rate required to bring about job opportunities needed to get rid of unemployment (Cawker and Whiteford, 1993:23).

The way the social and economic system is regulated in South Africa has brought about a decline in economic growth and the creation of job opportunities. The past apartheid government deemed it necessary to bring about a bureaucratic public service sector which drained the limited South African resources. There was a disturbing growth of the public sector, especially in the 1980's - the percentage of the employment opportunities given

in this sector rose from 13.1% in 1980 to 16.6% in 1990. It is equally disturbing to observe that, by the end of the 1980's, 80.5% of the senior posts in this sector were in the hands of whites, who formed less than 14% of the total population. The South African economic system has been characterised by a connected series of regulations for many years. The small and informal sector businesses, which have shown to have a good job creating capacity in other countries could not function freely with desired effects. (Cawker and Whiteford, 1993:30).

The change in number of employment opportunities available relative to the economically active labour market is also another cause of unemployment. In the year 1990 the economically active population of South Africa was estimated to number about 14 million, and is assumed to grow to about 19 million by the year 2000. The decrease in the number of jobs is making it difficult to absorb the fast growing low skilled economically active population (Brown, 1991:108; Cawker and Whiteford, 1993:6).

In the previous apartheid South African government, communities which were well established were destabilized on a large scale through the process of forced removals, and this contributed to the poverty of immense segments of the black population. The estimated total number of people who had been exposed to this action by 1983 was in the region of 3 548 900. There was no compensation given to the people whose land was taken away in this way, and they were taken to areas which on the whole had no infrastructure, no housing and where there was no economic viability. These conditions contributed to the severe cycle of poverty - unemployment - poverty (Cawker and Whiteford, 1993:31).

There is diversity and complexity in the causes of unemployment discussed above. The idea that unemployment is caused by a high growth in the number of people needing employment at a faster rate than employment possibilities for them is debatable as youth cannot remain at school when they have completed their studies. It is the economy that should grow at a faster rate so as to be able to absorb these youths. The demographic changes in population growth which is also considered to be a cause of unemployment is also a more complex issue due to the fact that international status is granted to a

country on the basis of this. On the other hand the fact that the closure or the relocation of an organisation or a unit thereof is causing unemployment is also to be seen with some reservation as there is no business which can continue operating when it is aware that it does not make a profit from its operations. The fact that new technology is bringing about unemployment is a complex issue because in order to produce highly qualitative and quantitative commodities there is a need for advanced-technology.

3.7 Unemployment pattern

De Vos (1990:76) estimated that the number of the total South African population in 1990 was about 37 million and would increase to about 47 million by the turn of the century. An unknown factor, at this moment, is the consequence of the spread of the AIDS virus on future population size, as well as the real size of the population due to unreliable census practices in the past.

In South Africa the various population groups have displayed different rates of population growth. The growth in population is established by the fertility rate, mortality rate and the effect of migration to and from the country. The total South African population is currently growing at a rate of about 2.3% per year. It is estimated that the population growth of white and black is at the rate of about 0.7% and 2.8% respectively (Cawker and Whiteford, 1993:5).

Cawker and Whiteford (1993:6) argue that when there is a drop in the fertility rate, the proportion of the population which falls into the 0-14 age group drops. This has implications for the unemployment problem - the benefits of a drop in fertility rates will be noticed in the following years when the economy has to cater for fewer people. In the meanwhile, however, jobs have to be given to those born during the time of high fertility. These persons will consist of the country's potential labour force (those persons who are of working age, usually between the ages of 15 and 64). The current drop in the fertility rate will only show itself in 15-20 years time when the children born during this period enter the labour market. The real size of a country's labour force, its economically active population, is on all occasions less than its potential size due to the

fact that not all persons of the working age are willing or able to work. This category includes the voluntarily unemployed persons such as students, retired persons, people living completely on their own means and people completely dependent on others.

If the activities outside the formal economy are not counted, South Africa had an estimated formal unemployment rate of about 45% in 1990. This means that 45% of all persons who were willing and able to work in 1990, could not find work in the formal sector of the economy. The picture somehow improves when taking into consideration the estimates for the informal sector and subsistence agriculture. The total unemployment rate for 1990 then came down to 28% of the labour supply. However, this still means that more than a quarter of the economically active population in South Africa had no direct source of income at all in 1990. The preliminary 1991 census results indicated that 19% of the economically active population of South Africa regarded themselves as unemployed during the period of census (CSS, 1992). Roukens de Lange (1992:12) maintains that, even in the most favourable economic situations, the total unemployment rate is probably to remain at about 25% until the year 2005.

The unemployment rate is noticed across different age groups, but the highest unemployment rates are observed in the age category of 16-24 years old. This category experiences short term unemployment periods. The young school-leavers find the routes into the labour market closed to them. When there is a rise in adult unemployment, youth unemployment seems to rise to a disproportionately high degree, and thus most of the school-leavers are finding it almost impossible to find work immediately on leaving school (Richards, 1991:46). There is large-scale open unemployment among both primary and secondary school leavers (Ottersten, 1992:146).

Unemployment is observed among young persons for the following reasons: during recession persons remain in their jobs for longer periods, thus bringing a swell in the labour force, and bringing a reduction in job opportunities for the new job seekers. One other reason is that firms tend to give jobs to married women returning to the labour market, instead of school leavers whom they look upon as unreachable (Brown, 1991:111).

The 16-24 age category is mainly without jobs due to the fact that this is the age at which many people are looking for their first work. There is in many instances a time lag in finding the first job, but once a person gets a job, that person is likely to become jobless again or will spend a short period between jobs. One other fact is that this is the age at which a big number of persons leave full-time schooling. In most cases they leave school with high ambitions and it takes time for them to be re-educated when faced with the difficulties of the labour market. The level of qualifications is a good gauge of the unemployment rate amongst young job seekers in the world of work. The fact is that as one moves up the qualification scale the unemployment rate will decrease (Hamilton and Claus, 1985:137-156).

With regard to older men, those who are without jobs tend to be males over 55 years. Part of the reason for this is that once an older person becomes jobless, he or she is less likely to be re-employed because of their old age. As they are not able to find jobs, they will stop seeking jobs and hence become discouraged workers, or redefine themselves as 'sick or retired' and are therefore not classified as active work seekers (Brown, 1991:19). The reason that older workers are more likely to become jobless is because of the use by employers of statutory redundancy to discharge employees. Redundancy whether compulsory or voluntary, tends to push older employees into unemployment and out of the labour market (Brown, 1991:111).

The racial structures had a direct effect on the employment structure of the country. Generally whites had (and to a degree still have) a near monopoly of the skilled managerial and technical work, while blacks are mostly in semi-skilled and unskilled jobs. In South Africa, white colonialism and then the apartheid government actively brought about differences in assets and power between whites and blacks. Democracy brought political power to the black majority, but now the government faces the difficult problem of reversing the results of many years of discrimination, most of all in education and skills. For the group that went to school in the 1970's and 1980's the situation is specifically unpleasant. The schools for blacks were of very poor quality in any case, but additional to that many school children resisted apartheid by means of class boycotts. Most of these school children are entering the new era with a strong political awareness

but a weak ability to profit from expanding economic opportunities (World Bank, 1995b:54).

In spite of the twentieth century revolution in female labour activity rates, the participation of women in paid employment remains restricted in relation to men's. The counterpart of their unequal consideration within the public world of paid labour, is the unequal division of private and domestic labour between males and females. One other reason is that female employees are mainly, though not exclusively, isolated into a narrow range of industries and businesses. As a result of occupational apartheid, female's on average are earning lower wages than those of men. Unlike men, women are less willing than men to search, and less able to gain access to jobs at the higher levels of skills, grading and seniority through training, education, mobility and promotion (Purdy, 1988:156; ILO, 1992:24; Schminke and Abrose, 1997:721).

The provision of labour by matured women has long stopped to be exclusively devoted to reproduction, child care, housework and the servicing of old relatives. But the model of the "proper" work means that most women do not qualify as "real" employees. They cannot (and may not wish to) qualify because the gender system ascribes to them the main responsibility for home-based, caring work. Domestic labour has a prior claim on their time and energy: outside commitments including wage employment, take second priority. This is indicated in the 'secondary' characteristics of big numbers of female jobs: they are casual, marginal and lack any established career and training structure. It is uneconomic for employers to employ, train and promote females in "real" jobs if they are regarded as likely to interrupt their job when their children are young (Purdy, 1988:157; Hart, 1994:210).

When females re-enter their jobs when the period of procreation and childcare is over, they continue to be disadvantaged in the labour market. A female's work is never completed: domestic responsibilities linger on, school timetables, childhood sickness and the needs of other members of the family for a diversity of services ranging from washing clothes and preparing meals to homework consultancy and ego-nurturance, constantly confines feasible work choices to "part-time" jobs. And "part-time" jobs remain at the

bottom of the employment hierarchy. They are in most instances carrying lower status, less security, fewer benefits and lower wages than "full-time" jobs. Even those females who make their labour-power capable of being used on a full-time basis continue to be placed in unfavourable circumstances by the discontinuity in their employment record. Having temporarily withdrawn from the job market they are taken to have missed (rather than gained) important experience. Their job-related skills and self-confidence in most cases need to brighten up. They never catch up with males in the higher positions. They acquire inferior entitlements under contributory pension schemes. And as aged parents or siblings they lose the ability to live independently (Purdy, 1988:157-158).

The outlines given represent archetypes. It does not mean that all women fail to qualify as "real workers". Some are employed in full-time jobs without any disturbance throughout their working lives. There are some of the talented and determined females who are able to reach the highest point of their chosen career paths. As fame has its own costs, career women are to compete with a great number of hidden discriminatory practices by which men protect their jobs. Top women must do better than their male counterparts in order to gain any given rung on the ladder of advancement. Sex discrimination is more galling for females who have consciously chosen to diverge from the standard of femininity. The gender division of labour established precisely by gender systems places males and females respectively in totally different relationships to waged labour and the disposition of time (Purdy, 1988:158).

In South Africa, sectors in which the proportion of total job opportunities have been reduced over the last 10 years are the agricultural, mining and transport sectors. In 1990 these sectors supplied 24.1% of the country's total job opportunities, compared with a corresponding figure of 29.2% in 1980. A decrease in the number of jobs in the agricultural sector is a natural phenomenon in countries which are developing. The loss of job opportunities in the mining sector was mainly brought about by a general decrease in the prices of primary commodities (especially that of gold). The Chamber of Mines estimates that more than 140 000 jobs have been lost between the beginning of 1987 and mid - 1992 (Pretoria News, 1992:8). The agricultural, mining and transport sectors previously provided jobs for the many unskilled and semi-skilled employees who form a

large proportion of the economically active population. The decrease in job opportunities for unskilled and semi-skilled workers is therefore a cause for concern (Lotter, 1993:10).

3.8 Consequences of unemployment

Crick (1981:27) states that all persons have certain basic needs without which life would not be possible, and these basic needs include food, shelter, health and security. The jobless are not able to provide all these basic needs, as to have them they need money. To this extent it may be claimed that employment is an important condition for the betterment of the quality of life. Studies conducted by Parker (1971:56) and Garing (1992:39) all indicated that whatever the dimensions and causes of lack of employment in Third World nations, it is associated with circumstances of low standards of living (Todaro, 1992:224).

Barker (1992:56) argues that lack of employment has serious consequences for a country, not only for the individual in terms of his or her human pride and the erosion of his or her living standard, but also for society in general in terms of high crime increases, frustration leading to disturbance, as well as knowledge gained at high cost but lost at a fast rate through disuse. The jobless people are without self-esteem, a sense of worth and self-respect. Because of the importance attached to material values, worth and esteem are in these times increasingly bestowed only to those who are working.

Hayes and Nutman (1981:11) say that a person who has been informed that he or she is no more needed at work feels useless, he or she is unable to plan or cannot understand what is taking place. Such people are in a state of shock which is noticed as a feeling of numbness towards reality. Harrison (1976:35) states that the jobless are at times depressed. They are getting at odds with all persons. Those without jobs face fear and worry, until they feel that they can no more do without a job. They develop a state of hopelessness concerning the future, low self-confidence, low social position, social separation and anomie, anxiety and physical deterioration which lead to poor health conditions.

The jobless are without freedom or emancipation from alienating material conditions of life and arrogant beliefs. Freedom involves the expanded series of choices for societies and their members together with the smallest possible amount of external constraints. A job can make it possible for a person to obtain greater control over nature and his or her physical environment, (for example through the production of food, clothing and shelter) than he or she would have if he or she remained without a job. Unemployment brings about a great number of changes in the assumptions the individual makes about him or herself and the manner of relating with the environment (Todaro, 1985:86).

Unemployment brings about malnutrition, diseases and ill-health, impoverishment, reducing activity, disintegration of sense of time, lack of harmony in the family, demoralisation, despair, apathy and total passivity, because most of the persons who are unemployed are not able to meet their needs due to a lack of money. Malnutrition and diseases in the early life of the child can adversely affect his or her ability to read, write and think clearly and logically in school. Children from the jobless families with low earning levels are therefore in most cases placed at a competitive disadvantage vis-a-vis the economically better-off pupils in school activities. Thus income is a decisive factor in regard to a child's capacity to learn (Fryer, 1992:192; Konteh, 1997:51-52).

Unemployment also has serious social consequences, for the jobless often feel bored, and do not feel that they are helping in the development of their society. When unemployment reaches high levels, nations may observe problems of crime and lack of political stability (Bray and Clarke, 1986:36).

Brown (1991:152) shows that for those youths who cannot get jobs, this forces them to stay in a position of being dependent within their family of origin. Unemployment effectively prolongs the period of adolescence and leads youths to develop new patterns of family formation. Staying at home usually brings about tensions with parents, who may feel that not quite enough effort is put into looking for employment.

Deer (1986:76) states that men who lose their employment are seen to lose not only their personality, but their main role in life. The unemployed have infinite time available to them but often get little enjoyment from it, free time does not inevitably equal leisure. To the jobless, unemployment puts a strain on sleep, money, health and relationships. In many instances unemployed men resented wives who still had employment.

Hamilton and Claus (1985:141) say that an important result of unemployment among certain school age pupils is the increased likelihood of unemployment continuing into adulthood. One other potential result of (youth) unemployment is decreased attachment to the labour market and to society in general. An increase in shebeen visits and too much drinking among able-bodied men and women who are depressed and bored seems to be brought about by frustration caused by unemployment.

The most recognized result of unemployment is loss of money. For many people employment is the main source of earnings. In South Africa, as anywhere else, the proximate cause of poverty lies in the fact that the income earned by men and women for the jobs they perform is not enough to cover their basic needs and those of their dependents (Hamilton and Claus, 1985:140).

Brown (1991:46) has shown that unemployment brings about psychological distress. Unemployment deteriorates mental health, which again improves after gaining employment. Those who are able to get regular employment show some improvement in mental health, whereas the opposite occurs in the chronically unemployed. The vast majority of persons who are affected by unemployment feel hurt. To a certain degree this is because of the stress and anxiety it brings as workers start to fear for their future.

Wilson and Ramphela (1989:96) report that unemployed women who were interviewed said that unemployment brings about loneliness and frustration. For the unemployed there are often strong disagreements with spouses, with children,

sexual problems, divorce, separation and worries about children's future.

In view of the deprivation so often linked with unemployment and sub-employment it is not shocking that a number of studies have shown that lack of employment also causes a loss of output to the community as a whole (Brown, 1988:44).

In South Africa lack of employment leads to an increase in lack of political interest. The unemployed youths feel more isolated from society than employed youngsters. The unemployed are showing less interest in politics. A high number of the unemployed abstain from voting. Unemployment keeps youngsters in an isolated position, because lack of employment is characterised by the absence of structural links and by (structural) social isolation. For most unemployed youngsters, being unemployed means losing control of one's own life. The possibilities of determining one's future are restricted. Those who are unemployed feel helpless (de Witte, 1992:296-307).

3.9 Strategies for survival

In the South African rural areas most of the people who are unemployed are engaged in piece jobs through which they attempt to survive. In some cases they are assisted by the richer people with food, but they don't get this free of charge, they firstly do some domestic chores. In some instances women had to stamp corn and in turn receive husk which they consume. At times they do these jobs in exchange for a few Rands (Wilson and Ramphela, 1989:74-75).

Unemployed women sometimes resort to prostitution, due to poverty and destitution. Due to unemployment in areas such as Cape Town, women roam the streets penniless and yield to the temptations of acquiring the money necessary for much needed food or clothes. Wives abandoned by their husbands with several small children find prostitution the simplest way of earning money. Many youths are deeply influenced by the large amount of money they are able to earn by prostitution. For the youths who are not able to find jobs or barely capable

to earn a minimum wage in low-skilled jobs, the likelihood of earning thirty to forty Rand for 20 minutes work is enticing. For the adolescents, prostitution is "easy money" with "easy" considering the short period of the sexual encounter as well as the easy way of performing such service. In areas such as Hillbrow in Johannesburg (Gauteng Province) some unemployed adolescents are willing to prostitute for money and other commodities or to succeed in obtaining money for drugs. Many adolescents in such areas hustle for money (Weisberg, 1989:57; ILO, 1988:120).

The informal sector has become an employment "safety net" for most of the people who are not able to find jobs in the formal economy in many of the Third World countries. The development of the informal sector has been happening more quickly in South Africa in the last decade due to a quick increase in urbanization, chiefly since the abolition of the influx control legislation in the mid 1980's. Because of its very character, the size of the informal sector is not simple to measure. In many instances it is considered as the "hidden economy", it operates from homes, backyards or continuously changing sites. Also, because of the illegal character of many informal sector activities, those engaged in it are in many instances reluctant to reveal details of their operations. In October 1990 the Central Statistical Service carried out a survey to determine the extent of the informal sector among the black, Asian and coloured populations of South Africa and it was established that there are 2 267 168 owners of informal businesses, whilst they had 510861 employees and the total employment thus was 2 778 029 (Lotter, 1993:23-49). However, for the purposes of estimating the scope of unemployment a further improvement of the figures is essential. We are only showing interest in the number of "primary workers" in the informal sector, that is those who are economically active members of the population who are mainly depending on this sector for their existence. Most of the persons enclosed in the above survey were "secondary workers" that is to say persons who were employed in the formal sector, but also taking part in the informal sector activities on a part-time basis, and housewives and scholars who took part in the informal sector, but were not taken to be part of the economically active population. After

making the above adjustment, the number of main workers in the informal sector in South Africa (including the then TBVC States) was estimated at about 1 400 000 (Lotter, 1993:60).

The informal sector supplies a variety of low cost, labour-intensive, competitive commodities and services. The informal sector activities are not limited to employment in the surroundings of the major towns, to specific occupations or even to economic activities. Indeed, informal activities are the way of making things, characterised by absence of difficulty of entry, dependence on resources originating naturally in a region, family ownership of businesses, small scale of functioning, labour-intensive and adjusted technology, skills obtained outside the formal school system and markets which are competitive but not regulated (Gilbert and Gugler, 1994:96).

There are other communities where unemployment has continued for many years. In such regions people have begun to exhibit survival strategies to make them able to deal effectively with the volatility and variation of fortune of local employment opportunities. Such strategies may include a cyclical pattern of migration or seasonal employment replaced here and there with periods free from wage labour, when people work on their own plots of land, go fishing, or renovate houses and other buildings. Such families are ready for any act because of loss of hope and are attacked by suffering or death from lack of food when they are unemployed after having been employed seasonally. The contemporary process of producing vegetables on a small scale is another form of the model of some small-scale home-grown self-provisioning by those unemployed (Wilson and Ramphele, 1989:66; Pahl, 1992:210).

Many of the unemployed people move to areas where they regard it as likely to be accepted by relatives or friends, where they will be given shelter and food, and attempts will be made to find them an opportunity to earn their living. With the rise in lack of employment, kin have been asked to assist with job contacts. Kin employed in shops or in some other places in the commercial network help to find scarce goods. In the case where kin live in the nearby rural area there may be constant visiting back and forth - the city dwellers bringing gifts of consumer goods which are not available in the rural area and the villager bringing presents of food that cannot be found in cities (Gilbert and Gugler, 1994:160; Mensah, 1995:368; Sviridoff and Ryan, 1997:128).

3.10 Other sources of income for the unemployed

Remittances sent by migrants working away from home play a very significant part to those who are unemployed. The Chamber of Mines in South Africa made arrangements with other countries on minimum official remittances, which explains why those remittances are higher than those within South Africa (Wilson and Ramphele, 1989:63). Pensions provide the main source of income for many unemployed and at times pensions are even more important than remittances due to their reliability. In the former Transkei, for example, for households whose yearly income in 1982 was R800 (or R42 per month) or less, pensions made up a fifth of their income. In the former Ciskei, the major source of income in three settlements was pension (Wilson and Ramphele, 1989:63). A person whose monthly earning has to be distributed among eight or more family members is in the most unfortunate state, chiefly when there is no one with a regular work and where there is almost total dependency on temporary labour as is the case in the former Ciskei (Wilson and Ramphele, 1989:66).

National service or a public works programme provides a practical alternative to total unemployment. This may be on a totally voluntary basis as far as involvement is concerned, and those taking part might be given food, clothing, shelter and perhaps some pocket money. These schemes may include feeder roads, canals, irrigation and dams. The labour force for clearly defined projects could be supported by professional advice - not only in performing the work but also in planning - so that the road constructed would not, for example be washed out (ILO, 1988:120).

Many countries give some system of income maintenance to the people who are experiencing unemployment for a certain period. If a person who contributes to the unemployment insurance fund becomes jobless he or she is having the right to receive out of the unemployment insurance fund an unemployment benefit or illness benefit. The unemployment benefits may be paid to a contributor who is not working but able and willing to work. The total aim of unemployment insurance is to give some income to those who become jobless, in most cases not through their own fault. This fund makes it possible for the unemployed to search for work longer, and in this way finding a job which is better suited to their skills and choices. This improves the total efficiency of the labour force (Fallow, 1988:267; ILO, 1992:71).

In South Africa the Unemployment Insurance Fund (UIF) has been established to insure contributors against the risk of loss of income brought about by unemployment as a consequence of the termination of employment, illness or maternity, and adoption of small children, and provides for payments of dependents of deceased contributors. The UIF is thus an insurance scheme in the full sense of the word and is therefore not connected with charities or welfare kind of income-support measures (Department of Manpower, 1991:1).

The benefits are paid out from two sources, namely a levy of 0,9% on the employers, and a basic levy of 0,9% on the workers' income. An unemployed worker who has contributed to the fund is entitled to a maximum benefit of one week at 45% of his income after six weeks of contributing. To be entitled, the employee must have contributed to the fund for a minimum of 13 weeks during the 12 months before he or she lost his or her job. The worker qualifies for the benefits for up to 6 months, though this can be increased under special conditions to a maximum of 12 months (Barker, 1992:97; Gelb, 1991:249).

UIF is at one's disposal to tide over short periods of unemployment. There are moreover, penalty laws that make certain that the full benefits are only available to those who have been retrenched. Resignation or dismissal are not reasons for support through the fund and only those who have been contributing towards the fund qualify for its benefits. They do not include all employees in the public service, in the agricultural sector, in domestic service, as well as seasonal workers. Above all it does not include those who have never been employed. Whilst there are few decisive statistics available, it is clear that most of the unemployed population have never contributed to the fund. At most, the UIF is aimed to deal with cyclical unemployment, and this only half-heartedly. It is, above all, not aimed to act as a security net for those in long-term unemployment (Gelb, 1991:250).

3.11 Summary

In this chapter we noticed that South Africa, like many developing countries, is experiencing a high rate of unemployment. There was a total of 6 473 000 people who were unemployed in South Africa in 1990 which is about 45% of the economically active population (EAP) which stood at 14 426 000 in the same period. Unemployment in South Africa is mainly caused by the increase in the

number of people needing employment at a faster rate than employment possibilities for them. This is due to the fact that the economy simply cannot keep providing enough job opportunities to cater for the rapidly growing population. It is also observed that, comparatively speaking, blacks are more unemployed than other population groups in South Africa. The general consequence of unemployment is poverty, as the unemployed are unable to provide for all of their basic needs. In the next chapter I will give a brief outline of the causes, pattern and consequences of unemployment in the Molopo district of the North West province of South Africa, based on a small fieldwork study.



CHAPTER FOUR : ANALYSIS AND INTERPRETATION OF FIELDWORK DATA IN MOLOPO

4.1 Introduction

This chapter provides an analysis and interpretation of the findings of a fieldwork study of unemployment in Molopo. The objective of the study was to examine the growth of unemployment in the Molopo district, and to establish what the causes, the pattern and consequences of unemployment were in this district. According to the BOPSTATS (1991:38-44) Molopo district as a whole had a total potential labour force of 111 192 of which 22 238 were unemployed.

To achieve these objectives, two villages in the district were selected: Modimola and Magoewe. The households in Modimola village number about 600 and in Magoewe village the households number about 1000. A sample of 25 respondents was chosen from each settlement by selecting every fourth household until the required number was reached. The required number consisted of 30 (60%) females and 20 (40%) males. This area was selected because of the fact that I am working in Modimola village which is about 10 kilometres from Magoewe and having worked there from 1985 to date (1997), I know many of the people in these villages who are not employed. The two settlements were selected in the assumption that the results obtained would broadly represent the number of those people who were unemployed in the district.

The fifty unemployed people were given questionnaires in September 1995, designed to get their age, sex, marital status, academic and professional qualifications, former place of work, reasons for unemployment, date of start of unemployment, work place, future work prospects, strategies for survival and living conditions. I also followed the questionnaires up with structured interviews. I preferred this method because it gave me the opportunity of giving a full and detailed explanation of the purpose of the study to the respondents, and to ensure that the latter fully understood what was required from them. The unemployed people were interviewed to cross-check their responses to the

questionnaire items. In the interviews the questionnaires were checked to determine the validity of the information.

The data collected was analysed and part of it was put in tabular form in order to be used to test the hypotheses that I formulated.

4.2 Discussion of the findings

According to Table 1, unemployment was high in the following age range, 15-20 and 25-29. This may be attributed to the fact that the number of young people needing employment was growing at a faster rate than the employment possibilities for them. This was in agreement with the view of the World Bank (1995a:22) that the economy simply cannot keep providing enough job opportunities to cater for a rapidly growing number of job searchers.

Table 1 below shows the ages of the respondents and their sex.

Table 1 : Distribution of 50 unemployed by age and sex

Age Category	No of unemployed	% of unemployed	Unemployed Males	Males as % of the unemployed	Unemployed Females	Females as % of the unemployed
15 - 20	10	20	4	8	6	12
20 - 24	8	16	3	6	5	10
25 - 29	12	24	5	10	7	14
30 - 39	9	18	4	8	5	10
40 - 44	7	14	3	6	4	8
45 - 49	3	6	1	2	2	4
50 - 64	1	2	-	0	1	2
Total	50	100	20	40	30	60

4.2.1 Age

As can be seen in Table 1, the ages of the unemployed in this study ranged from below 20 to 50 and above. Table 1 also illustrates that most of the unemployed

people are between the ages 20 and 29. The unemployed in this category constituted 30 (60%) of the respondents. This tendency seems to concur with the statement that youths are more likely to be unemployed than are those in middle age and old age. Brown (1991:111) states that unemployment is concentrated among young people due to the fact that this is the age at which many people are seeking their first job.

4.2.2 Sex

As regards unemployment, Table 1 indicates that there was a total of 40% males and 60% females unemployed in the study sample. This shows that more females were unemployed than men. As can be seen in the 20-24 and 25-29 age categories, unemployed people were primarily female. This seems to concur with the statement by Purdy (1988:156) which says women's participation in paid employment remains restricted as compared to men. One other point is that the labour of women since long ceased to be exclusively devoted to reproduction, child care, house work and the servicing of geriatric relatives. This pattern (predominance of female unemployment) may also be attributed to the opportunity used by many males in the same age category to migrate to the Rustenburg platinum mines rather than seeking work in the Molopo district.

4.2.3 Educational qualifications

Table 2 below shows the educational qualifications of the respondents.

Table 2 : Distribution of the unemployed by educational level

Educational level	Number of the unemployed	% of the unemployed	Unemployed Males	Males as % of the unemployed	Unemployed Females	Females as % of the unemployed
Primary	40	80	15	30	25	50
Secondary	10	20	5	10	5	10
Tertiary	-	-	-	-	-	-
	50	100	20	40	30	60

Of the total number of respondents, 40 (80%) only had primary education (grade 1-std 5), of which 15 were males (30%) and 25 were females (50%). The number of people with secondary education (Std 7-10) was 10, which was 20% of the total respondents, of which 5 were males (10%) and 5 were females (10%). Thus the majority of the respondents had lower primary education only. This table also illustrates that non of the respondents had tertiary education. This seems to concur with the argument by Cawker and Whiteford, (1993:15) when they say that South Africa has traditionally had an oversupply of lower level human resources. South Africa has a "bottom heavy" skill structure, there are more than six unskilled people to every highly skilled person.

4.3 Causes of unemployment

Table 3 below shows what the respondents think are the causes of unemployment in the Molopo district. More than one reason was given by most respondents.

Table 3 : Reasons for unemployment

	Number of respondents	Number of male respondents	Number of female respondents
no employment opportunities	36	20	16
lack of tertiary education	27	14	13
over-population	25	15	10
no experience	21	10	11
low wages	10	10	0
new technology	7	4	3
school leavers	5	3	2

The causes of unemployment as stated by the 50 respondents are lack of employment opportunities, lack of tertiary education, over-population, lack of experience for those looking for jobs, low wages, new technology and school leavers.

A lack of employment opportunities was mentioned by the respondents as the most serious problem they faced. As can be observed 36 responses were that they

were unemployed because of lack of work opportunities in the Molopo district. This agrees with Cawker and Whiteford (1993:23) who state that South African economic growth performance has always been heavily dependent on favourable international trade and conditions affecting the balance of payments. During the last two decades in particular, these conditions have constrained the economy from growing at the rate required to create the employment opportunities needed to eliminate unemployment.

As shown in Table 3 unemployment is also attributed to a lack of tertiary education. There were 27 unemployed people consisting of 14 males and 13 females who stated that most of the available job opportunities required tertiary education which they don't possess. As people were unemployed because of a scarcity of the required skills the type of unemployment experienced here is a structural one. At the university graduate level unemployment is not yet experienced in the Molopo district, though some districts are beginning to experience the problem, especially in relation to arts graduates. Cawker and Whiteford (1993:29) state that in South Africa the then discriminatory policy in education spending is largely to blame for the present lack of an adequate skill pool in the economy and the low education level of most of the black population which has inhibited their ability to find employment. Although the situation has changed since 1994 the impact of the former policy is still felt.

Over-population also causes unemployment, because the growth in the number of people needing employment is at a faster rate than employment possibilities for them. Table 3 shows that 25 of the unemployed respondents of this study (50%) which consisted of 15 males and 10 females, blamed over-population for unemployment. This seems to concur with Cawker and Whiteford (1993:35) when they say that in South Africa the recent calculations put the annual population growth rate at about 2.3% for the total population of South Africa and at 2.8% for blacks. The point is that the economy does not grow fast enough to absorb the new work-seekers.

Lack of experience as indicated in Table 3 was perceived to contribute to the high unemployment in the district. There were 21 respondents (42%) consisting of 10 males and 11 females who stated that they were unemployed due to a lack of experience in the world of work thus making it more difficult for them to be employed. This seems to concur with the statement by Allen (1992:56) when he says that modern job opportunities require people with skills and higher qualifications. In South Africa there is a deficit of technical personnel. Education and its adaptation to the development needs of the country is a factor which particularly determines the use of human resources.

Low wages offered in the Molopo industries was also considered by the unemployed to contribute to unemployment. Ten of the respondents, all males, as shown in Table 3, stated that they were unemployed because of the low wages they could receive in the industries. Cawker and Whiteford (1993:30) inform us that for many years, black South Africans were restricted by law in their efforts to negotiate higher incomes. Although the situation has changed since the 1980s, the impact of the previous discriminatory policy is still felt.

There is also an indication in Table 3 that new technology was another perceived cause of unemployment. Only 7, of the sample of 50 unemployed people (4 males and 3 females), indicated that new improved technology was causing unemployment. This can be attributed to the fact that new technological development inevitably creates transitional forms of unemployment. A new invention may put a large number of people with a particular skill out of work and the newly created jobs may lead to a demand for people with new skills and knowledge. This concurs with Gilbert and Gugler (1994:88) when they argue that throughout the Third World, industry does not use technology characteristic of the earlier states of industrialisation, but imports technologies recently developed in the West and that this technology is usually inappropriate for poor countries. This technology increasingly sought to minimize the role of labour.

The high number of school-leavers also contributed to unemployment in the eyes of the unemployed. Only 5 of the respondents (10% of the total respondents) indicated that school-leavers were contributing to unemployment. This was mainly because the number of school-leavers in the Molopo district was increasing faster than the number of job opportunities. The type of unemployment experience here is the open one. This agrees with the statement by Ottersten (1992:146) when he says that young people leaving school find it almost impossible to get a job immediately on leaving school.

4.4 Consequences of unemployment

Table 4 below shows what impact unemployment has on those unemployed, as they reported on their living conditions.

Table 4 : Distribution by living conditions

living conditions	number of respondents	% of the respondents	number of male respondents	males as % of the unemployed	number of female respondents	females as % of the unemployed
unfavourable	29	58	12	24	17	34
favourable	21	42	8	16	13	26
Total	50	100	20	40	30	60

As can be seen from Table 4, 29 (58%) of the respondents stated that they were living under unfavourable conditions as they could not meet their basic needs which included food, shelter, health and protection. They stated that they were unable to provide in those basic needs because they lacked the necessary money. They stated that their unemployment was denying them ways of improving the quality of their life as they were unable to build decent houses for example. We may claim that employment is a necessary condition for the improvement of the quality of life, especially in a country such as South Africa where the whole population has become dependent on industrialisation.

These respondents stated that they felt useless, they were unable to reason, plan or understand what was happening. They stated that they were in a state of shock

which was experienced as a feeling of numbness towards reality. They faced fear, anxiety and worry. This agrees with the statement by Hayes and Nutman (1981:44) when they say that the person who has been told he or she is no longer wanted at work feels useless. He indicates that the unemployed are at times depressed, and they are often getting at odds with everyone. The unemployed face fear and worry, until they feel that they can no longer cope without a job. They develop a state of hopelessness regarding the future.

The respondents stated that due to unemployment they did not have value for time. They did not have any time for joy. This is in agreement with the statement by Todaro (1985:86) when he says that unemployment denies a person freedom to choose greater leisure. Unemployment produces a multitude of changes in the assumption the individual makes about him or herself and the way of relating with the environment.

These respondents also stated that at times they felt tempted to commit a crime. They stated that there is a high crime rate in the Molopo district, especially in areas such as Lomanyaneng and Seoding as there are many people from all over the province who are in search of work. The most common crimes include robbery, house-breaking and theft. They stated that people were tempted to commit these crimes due to a lack of earnings and idle minds, they were tempted to be engaged in these crimes as they were starving.

All the women who responded, that is 30 (60% of the total) stated that their children were exposed to malnutrition, disease and ill-health because most of them were unable to meet their basic needs due to a lack of income. Some said that whenever they felt hunger, they chewed the "bottel nut" (bottle cap) in a way of keeping their mouths busy and not allowing it to dry up due to hunger. These women said they could go for days without eating, but their worrying about their children made them thin. They said it was not easy to be a mother. They said if they would have been different women, they could have long left their husbands and children and fled. One woman stated that God said that a rich man should

care for a poor man, and that he should ask him if he has eaten, but in the Molopo district a rich man would not even look at a poor man. Some said that they had no work and no land which would keep them busy. They could only watch the children and worry. They even wondered if things would ever change. They felt that due to a lack of employment their children would only be able to receive primary school education because it was free and that they would be denied education which provided basic skills. They stated that they were living in absolute poverty and that they were not even sure of their next meal.

As can be observed in Table 4, 21 of the respondents (42%) stated that their conditions of living were acceptable. If this was a reality, then it was because they were depending on old age pensions and remittances from their brothers and sisters who were in other parts of South Africa. They also stated that staying with parents often produced tension.

4.5 Strategies to mitigate the effects of unemployment

Many of the unemployed, with relatively poor prospects for formal sector jobs are absorbed in the informal sector urban jobs such as portering, shining shoes, washing cars, hawking small quantities of merchandise or producing cheap handicrafts. For most unemployed people in the Molopo district piece jobs constitute their most important source of food. They do all the more laborious household chores in exchange for food or a few Rand. The less equal distribution of income so generated can mean bitter people, disappointed hopes, with a severe increase in political tension. Some of the unemployed people depended on kinship for survival, as their relatives were able to offer them food and shelter.

In these settlements a lack of wages meant that other sources of income assumed greater importance. Of these sources remittances sent by migrants working away from home and old age pensions were very critical. The unskilled women were employed as domestic workers, petrol attendants and shop assistants. The usual wage for fulltime domestic work was around R180.00 per month, but not everyone could be employed as a domestic worker. Informal sector jobs of one sort or

another were also serving as a source of livelihood for the rural unemployed people in these settlements. Some unemployed men survived by collecting water from distant sources and selling that to the people. They sold this at R5.00 per 1000 litres. Some survived by collecting firewood from far places using donkeycarts and selling this to the people at R15.00 per load. Others survived by buying vegetables from white farmers in the Rooigrond area and selling this to the people at a profit. There were also illegal tuck-shops and shebeens which served as sources of income for the local people.

Some families raised sorghum, vegetables and groundnuts on their land. The work was seasonal and physically demanding. At peak periods of tilling, sowing and harvesting, all family members were involved, including the aged. The soil was very low in quality, thus it yielded low quality products. This was due to the fact that most families lacked access to fertilizers and other modern inputs. Moreover, the region was susceptible to drought.

There was widespread indebtedness to local moneylenders and shopkeepers. Friends and family were often a preferable source of small amounts of credit, but they were likely to have little to spare. Borrowing was often the only way of maintaining a minimum level of consumption for the unemployed people in both settlements. The unemployed spent nearly all their money on consumption of one sort or another, and at least half of this consumption was likely to be in the form of food. Unemployment in these two settlements was often the fundamental cause of malnutrition. The unemployed spent their money on "better" food rather than on more nutritious food.

In these settlements many children worked because their families were poor. When the family survival was at stake everyone was forced to lend a hand. Poverty in these areas was forcing children into hard labour. At times children were sent to work in the house of a moneylender. Such practices might be illegal but they remained widespread in these settlements. Children looked after animals of the well-to-do families in order to help their unemployed parents to survive.

Some children worked as domestic servants in the nearby urban areas such as Mmabatho and Mafikeng. These children worked for long hours for low pay. Domestic work, mainly for young girls, was one of the largest users of child labour in urban areas. Some children worked on the streets. They were selling chewing gum, washing cars and shining shoes. Though they were paid relatively little, their pitiful earnings made a significant difference for the unemployed poor families. Children also earned wages by selling fruit at the busier intersections, many of these children at times earned more than their parents.

Putting children to work may be seen as a rational approach to poverty with financial benefits for those concerned. But there were heavy costs too. Some of these were clear enough, children were sometimes overrun by cars in busy streets.

Poor children were generally already malnourished, but their work increased their energy requirements. When they suffered from anaemia, fatigue and insufficient sleep they became much more susceptible to infectious diseases and tuberculosis. There were social and psychological costs too, and working children at times were separated from their families. Children whose social interactions were restricted because of their long work hours suffered in their social and emotional development.

In addition to the heavy price which was paid by individual children, there was also a heavy cost to the society as a whole: a diminished contribution in the future from adults whose health, education and energy had been sacrificed during their childhood.

4.6 Summary

Unemployment is a fearful scourge in any society. In the Molopo district it was a spectre that was huge and growing, and there was no doubt that the political economy of apartheid had exacerbated both its magnitude and its consequences. In this chapter we have seen what the respondents thought were the causes of unemployment, its pattern and its consequences in the Molopo district. We have seen how some of the people were unemployed and thus unable to contribute

towards development in the district due to a lack of employment opportunities, and thus the economically most productive and most fertile elements of the population are wasted. The responses of the unemployed in the Molopo district have shown that though there is a serious problem of unemployment in the area, the unemployed seem to confuse the causes of unemployment with other factors which are attributed to unemployment. One major clear cause stated by the unemployed which I also accept was a lack of employment opportunities in the district. The response that some people were unemployed because of low wages does not hold water because it is better to earn a few Rand than totally not getting a thing. It does indicate that in some instances very low wages serve to keep people in unemployment. One other response was that a lack of tertiary education is causing unemployment. This is not acceptable due to the fact that there are many other jobs which do not need tertiary qualifications but in the Molopo district such jobs were very few as the economic development of the area was very slow. Some of the respondents also stated that the high number of school leavers were causing unemployment. If the economy was growing at a faster rate it could indeed be able to absorb the great number of school leavers who were interested in joining the world of work. Although unemployment is a serious problem in the district, some of the unemployed people are absorbed by the informal sector as an adaptation to unemployment. There are also some of the unemployed who are depending on kinship for survival. There are some of the unemployed who follow certain strategies for survival such as owning shebeens. The way most of the respondents in the Molopo district understood the causes, pattern and consequences of unemployment was only to some extent in accordance with what I had found in the literature on unemployment.

CHAPTER FIVE : CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study is a report of fieldwork research of unemployment in two rural settlements in the North West Province. This material is interpreted against the background of the international literature on unemployment. The study examined the problems of unemployment in the Molopo district by focusing on the perceptions of the respondents on the causes, pattern and consequences of unemployment in the district. One of the perceptions held by the respondents was that unemployment was caused by a lack of experience, which I think was not a real cause but was perceived to be one. The lack of experience counts but it does not mean that all jobs need people with experience only. Another perception held by the respondents was that they were unemployed because of low wages. When a person is employed it is not common for him/her to resign from work because of low wages especially when there is a scarcity of jobs. The people who are paid low wages continue to work in such places until a better paid job is obtained. In the Molopo area capital-intensive technology was applied, therefore it can be concluded that it was contributing to unemployment. It does not mean that when a person does not have tertiary education, that person cannot be employed. There are many people who are employed without tertiary education. In most cases the jobs that are advertised, which require tertiary education are very few. Even if the respondents had tertiary education, they would still experience high rates of unemployment in the Molopo district as the labour market could not absorb everybody. These are only the perceptions of the respondents and not the real causes of unemployment.

In the North West province, the real causes of unemployment are the economic differences between the urban and rural sectors, decline in the economic growth and a high increase in the population growth. The North West province was experiencing an urban-biased form of economic development. This contributed to unemployment as it promoted the aspiration among people in the rural sector, who thought that there were better job opportunities in urban areas, only to find

out that there were no job opportunities. Another real cause of unemployment in the North West province was the decline in the rate of economic growth. Economic growth is an important job creation factor as it is only by expanding the level of economic activity that sustainable job creation can be created. The population in the North West province is also growing at a faster rate than employment opportunities in the province.

The age pattern of unemployment ranges mainly from 15-29 and above 50 age groups. Most of the unemployed people were between the ages 15 and 29, and the majority were females. It appeared that men and women suffered unemployment for slightly different reasons. Men tended to be unemployed either because they fell beneath minimum requirements of the labour market or because they were too young. Women faced a situation in which they were either channelled into very poor jobs, which even then were limited in number.

The unemployed could not meet basic needs such as food and shelter. They felt useless, depressed, were in a state of shock and faced anxiety. Unemployment also brought about poverty, malnutrition, disease and ill-health. The unemployed were unable to provide education for their children.

Unemployment impeded development both rural and urban as it wasted the economically most productive and fertile elements of the population. These people were then forced to migrate. The process of rural-urban migration to Mmabatho and Mafikeng now under way in the Molopo district involves a rapid shift of people towards towns. The movement was massive and involved all kinds of people, the young, old, male, female, the educated and the illiterates, the landless and those with large land holdings. Many of the migrants were young, men migrated more frequently than women, and as they migrated they contributed to the problem of development stagnation.

The findings in this study could be said to answer the hypothesis that unemployment is usually higher for women than for men. Table 1 on page 59

which gives the sex of the respondents in the two selected settlements shows that of the 50 respondents 30 are female and 20 are males. This Table also answers the second hypothesis which states that the growth of school leavers has increased unemployment. Table 1 illustrates that most of the unemployed people are between the ages 15 and 29. The unemployed in this group constitute 30 (60%) of the respondents. Table 3 on page 61 shows that 25 (50% of the respondents), which consists of 15 males and 10 females blamed over-population for unemployment and this is in line with the hypothesis that a high population growth in a slowly growing economy is causing unemployment.

5.2 Recommendations

Having studied the causes, pattern and consequences of unemployment in the Molopo district, perhaps the following recommendations can help to alleviate and palliate the situation.

The crisis in education has been a main contributor to the high rate of unemployment and poor social conditions experienced by many South Africans. In order to attain a high level of economic growth for the creation of job opportunities, it is essential that the education system should be as efficient as possible and inspire economic growth instead of retarding it. There should be the development of educational opportunities for all pupils irrespective of race, and this is in line with the RDP initiatives. It should also be made certain that school curricula are career-focused and are as relevant as possible to the job opportunities available. Education should equip its recipients with skills that will be used by the economy. Some people may acquire skills in carpentry, welding, trading and so on, which allow them to start their own businesses. This is in line with the centrality of the objectives of the RDP. Two schools in the Molopo district, namely Lapologang and Mococe, have started with the introduction of technology education from April 1996, which is a pilot project in the district and which is aimed to be introduced in all schools in South Africa by the year 2005. The education planners should work hand in hand with economists to secure a closer match between educational output and manpower needs. Many people are

saying that school curricula are highly academic and contribute to unemployment by orienting pupils to urban opportunities rather than to the countryside (Cawker and Whiteford, 1993:54; African National Congress, 1994:28).

For some people the curricula should be ruralized, emphasizing both theoretical and practical courses in farming as most of the people are found in the rural areas. In this way training is going to be provided as well as attitude formation for self-employment and entrepreneurship. Achievement motivation, that is a desire to excel for its own sake, needs also to be emphasized.

One commonly supported policy to redress the unemployment and underutilization of educated school leavers is to stress vocational and end of school quarter programs in high schools and orient university curricula to advanced technical careers. Education is seen as being oriented in most cases to equip students with higher educational studies, or for bureaucratic and office type of jobs. The vocational and end of term programs will get rid of the mismatch in the demand for and supply of labour, in that we notice a surplus of unskilled labour and a deficit of highly skilled labour. Education and training can reduce this mismatch and improve production levels in the economy. Training should be provided with attention to the teaching of those under training of specific occupation or industry related skills. The programme should be concentrated mainly on the training of those unemployed (Bray and Clarke, 1986:40).

The education and training program of the North West province should be able to keep up with changes in technology. Some workers will have to be retrained so as to acquire the skills needed to do the new tasks which their work requires. There should be computer literacy training in some schools as a way of bringing about the development of human resources.

The employees in production need to be retrained from time to time so as to keep up with changes in technology and thus minimising the threat to redundancy in the face of the ever-changing technology (Bray and Clarke, 1986:45; Storeman,

1986:72).

South Africa has a very great quantity of labour, but it is suffering from a scarcity of capital. Thus the suitable technologies to make proper use of scarce resources and get rid of unemployment will always be labour-intensive ones. In order to bring about sustainable employment opportunities in the Moloopo district, the economy must be geared towards a more labour-intensive, high economic growth path. The policies which are aimed at the redistribution of income can help to gear the economy on to a more labour-intensive development path and thus improving the long term balance of payment position of the country. Gilbert and Gugler, (1994:88) state that this occurs due to the fact that poor people tend to buy locally made goods which need labour-intensive production methods.

In practice, however, the labour-intensive production methods have not been used to a large extent in the modern sector of the Moloopo district. This is partly due to the fact that for some processes they are not the most suitable as compared to the capital-intensive technology. Small-scale labour-intensive production businesses can be build in rural areas and extended over a large area more easily than large-scale ones. In some part of the Moloopo district the RDP was introducing some labour-intensive methods of production in order to create job opportunities, and this was observed in the upgrading of gravel roads and also in the construction of houses. There was an upgrading of a 15km gravel road between Masutlhe and Lekoko settlements with the use of labour-intensive methods. This was a commitment to the creation of employment in these settlements which were aimed at the diminishing of the rate of rural-urban migration. Basworth (1986:63) states that throughout the economy the labour-intensive type of production methods would help to reduce the pool of those unemployed and thus distributing wealth more evenly.

There is also a need for macro-economic stability. In the absence of such stability, the effectiveness of any economic strategy would be made weak. This among others involves the exchange rate and reasonable levels of the tax system,

government expenditure, saving and investments. Cawker and Whiteford (1993:23) state that in South Africa for the last two decades, this condition has restricted the economy from growing to bring about job opportunities.

The development of small enterprises and the informal sector should be taken into consideration as their job creation potential is well proven. The development of these sectors is an important way of empowering the poorer section of the population economically and thus reducing the wage gap. They seem to be more labour-intensive and produce the products that are 'suitable' to the needs of the poorer sector of the population (Lotter, 1993:23).

There should also be an attempt to decrease the supply of labour. The policies of decreasing the size of the labour force should be considered, these are those formulated to decrease the birth rate. This can be obtained by family planning clinics, sex education and the spread of knowledge on contraception. In this way the economically active population can be kept as small as possible, thus spreading the available jobs more evenly (Bray and Clarke, 1986:47).

One other method of bringing a reduction in the supply of labour is by bringing a delay in an individual's first-time entrance to the world of work, by for example raising the age of school attendance, encouraging individuals to resign from the labour market at an early stage, by lowering statutory pensionable age and encourage an earlier retirement. The other way of reducing labour is by stricter control over immigration into the country. The legislation that would control the influx of immigrants could be a way of avoiding foreigners from taking jobs which could otherwise have been filled by South Africans. This method of curbing the inflow of immigrants should be selective, so as to provide the country with skills which are either scarce or unavailable (Storeman, 1986:210; Bohning, 1986:61).

In some cases the system of "work sharing" whereby a number of persons share the available job opportunities should be followed so as to give relief to those without jobs. This can among others include the decrease of the standard work-

day or work-week so as to release work-time to those who are unemployed. One other way of doing this can be through the restriction of the number of hours or days which can be worked and taken as overtime. There can also be the split of permanent employment into part-time jobs which then meets the needs of an individual who is willing to work a few hours and the needs of those without jobs who consider a part-time job rather than having totally no employment. There should also be employment guidance which will give directives to the work searchers thus improving the skills for seeking jobs (Oosterbaan, 1985:46).

The existing economic strategy of the North West province is that small-scale businesses especially those belonging and managed by blacks should form an integral part of the national economy and economic policy. The government institutions should provide infrastructure and skills to increase incomes and bring about healthy working conditions in small enterprises. The local governments should try to reconsider zoning and licensing regulations as well as to take care of policies that make certain that discrimination against micro and small businesses are brought to an end and that they are instead given support (SACS, 1995:219).

The Small Business Development Corporation (SBDC) was launched in 1981 as a joint effort by both the public sector and the private sector to help small entrepreneurs in the formal and informal sector to build their enterprises. Since its existence in 1981 up to 31 March 1994 the SBDC has granted loans amounting to R1 966 million to 48 424 entrepreneurs. During that period property development projects of R298 million were completed. The total number of jobs created was 380 500. The SBDC engagement in job creation is indirect, by granting loans to entrepreneurs, it assists them to survive, and as those enterprises progress and develop there is then the creation of jobs (SACS, 1995:219).

Most of the jobs which are created should try to cater for women and the youth as they are in the majority of those unemployed. A public works programme is recommended in the North West province to bring about the much needed

infrastructure and expand both the industrial and agricultural sectors. By doing so, many job opportunities are going to be created. The public sector should maximise and involve women and the youth in the poorest households and deprived areas to create infrastructure such as water supply, sanitation and clinics. The most ignored sectors of society should be given first priority and where possible be encouraged and supported towards self-employment through the creation of small and medium scale enterprises to ensure sustainable skills (SACS, 1995:308).

The Development Bank of Southern Africa (DBSA) should also play a major role in the development of the country and this could only be achieved by the granting of loans, technical aid and training of public and non-governmental agencies. The activities of the DBSA should be directed towards improvement in the quality of life among the various groups of the population, and on easing the access to economic chances, utilisation of resources both in respect of earning in the market place and in the provision of public commodities and services (SACS, 1995:308).

The present economic strategy of the district and province will only be suitable to a certain degree. The problem with this strategy is that it stresses the creation of job opportunities through the public sector. The public sector will not be able to bring about sufficient jobs to absorb the fast growing number of work searchers. There should also be an emphasis on the private sector and ways of stimulating stronger partnerships between government, private sector and non-governmental organizations (NGO's). Promoting fast economic growth is the major requirement for decreasing poverty and uplifting the living standards in the region. Rapid economic growth, in turn, will rely mainly on moving away from the past public sector oriented strategies for development and adopting a "new paradigm" for prosperity based on unleashing the energies of the private sector as the main source for growth (World Bank, 1995b:73).

On Friday 16th June 1996 the South African Minister of Finance Trevor Manuel

disclosed a document, that was entitled: Growth, Employment and Redistribution (GEAR) which emphasised privatisation, employment and growth. According to this strategy an economic growth rate of 6 per cent and the creation of 833 000 job opportunities are anticipated by the year 2000. This is aimed to be attained by fostering a socio-economic environment that is conducive to foreign investment. This document sees the creation of job opportunities through greater labour market flexibility. A number of incentives have been introduced with the aim of attracting foreign investors and increase production. These among others include industrial policy reforms such as a further lowering of tariffs in order to compensate for the real depreciation. One other incentive is the introduction of a fixed tax period to stimulate investments. One other way of helping in the creation of job opportunities is by a campaign to boost small and medium firm development. Thus the main aim of the South African trade and industrial policy is to advance an outward-oriented economy, which is totally integrated into the regional environment, which is at the same time responsive to market trends and opportunities (Chikulo and Meyer, 1997:2-19; The Star, 1997:15).

The creation of jobs is the main objective of the South African Government's new economic strategy. It is envisaged that the creation of jobs would rise to 400 000 per annum by the year 2000. This is to be brought about by the accelerated economic growth and effective public sector programmes accommodated by the macro-economic strategy. The employment and training policies were also redesigned in such a way that they enhance the growth potential of industries, extend job creation to those who are unemployed and ultimately contribute over time to the redistribution of income. The government is aiming at establishing a competitive fast growing economy which brings about enough jobs for all work seekers (Chikulo and Meyer, 1997:2-19; The Star, 1997:15).

To sum up, though the above recommendations would go a long way in alleviating the unemployment problem in Molopo, I hope that the recommendations made in this study will be a challenge to the North West authorities and communities in rural areas for consideration and even further research with a view to creating

employment opportunities in the rural areas.



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