

Unemployment in Limpopo Province in South Africa: Searching for Factors

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ABSTRACT Employment is one of the most significant determinants of the welfare of any nation. Any significant changes in employment will subsequently affect the living standard of the household. South Africa has been a victim of high unemployment rates, with the official unemployment rate rising from 15.6 percent in 1995 to a peak of 30.3 percent in 2001 and minimally declining to 26.7 percent recording a differential of 11 percentage-points since 1995. Limpopo tends to have the highest proportion of rural dwellers in South Africa, hence it is expected that conditions in the province are inferior to the national average; implying higher unemployment rate. After the demise of apartheid (post-1994), the supply of labor increased dramatically. The nascent labor entrants characterized as unskilled increased dramatically; but as the economy grew, there was a drastic shift towards a more skill-based economy creating massive lay-offs. This study attempts to find the determinants of unemployment in the Limpopo province using annual census data of 2008 from Global Insight. Regression, Principal Component and Cluster analyses have been employed in this study. Five variables, ethnicity, age, education, gender and GDP were categorized into fifteen as independent variables. The results show that unemployment is concentrated at qualifications below the degree. That GDP, male, matriculation and youth have no significant relationship with unemployment. Rather the model reveals that females, postgraduate studies, middle aged, primary, incomplete secondary schooling and Asian (ethnicity) are predictors of unemployment in the Limpopo province in South Africa.