


# The Nature of Unemployment in Butterworth, South Africa – An Exploration

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## ABSTRACT

This study sought to discuss the nature of unemployment in the Eastern Cape town of Butterworth, South Africa. Data was collected using a closed-ended questionnaire that was distributed among participants. The study had 80 participants from both genders and all working ages, that is, from 18 to 55, including unskilled, skilled, educated, and uneducated. The study was quantitative and used non-probability, the judgmental sampling technique. The data was analysed using SPSS to make summaries, descriptive patterns, relationships, and connections. According to the findings of this study, cyclical unemployment also affects people of all ages, genders, and with different types of qualifications. Friction unemployment affects every gender and all working-class ages and affects people from all educational levels. From the collected data, there is no significant difference between those with high education and those who only have primary education. The results indicate that, although Butterworth's is characterised by cyclical, frictional and structural unemployment, the most dominant type of unemployment is structural unemployment. The researcher goes on to make recommendations on dealing with unemployment, such as: development of rural infrastructure, investment in training and skills development, empowerment of local economic development initiatives, improved opportunities, and information access. This research offers a critical examination of rural unemployment through the enablement of lived experience of unemployed citizens of Butterworth. It adds to sociological literature on marginalisation and accountability of the state, with a focus on structural constraints in rural South Africa. The research findings offer evidence to guide enhancing policy responses and act as a genesis for future studies on inclusive community-based employment programs in underdeveloped regions.

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## INTRODUCTION

The "nature" of unemployment can be discovered through the analysis of the most dominant type of unemployment. Unemployment presents a number of difficulties, such as housing insecurity, food insecurity, failure to reach financial objectives, and psychological discomfort. Coping strategies may be self-employment and engaging in criminal activities. According to Barrett, the causes of unemployment might be structural, cyclical, or frictional. "Frictional" unemployment is the number of jobless people who have changed jobs.<sup>1</sup> "Cyclical" unemployment results from a decline in the demand for goods or

<sup>1</sup> Charles Kingsley Barrett, *The First Epistle to the Corinthians* (New York: Harper and Row Publishers, 1968).

services over time. Nonetheless, Casson lists a number of reasons why people are unemployed.<sup>2</sup> When unskilled or semi-skilled workers lack the training necessary to take up skilled labour, structural unemployment results, leading to long-term unemployment. Me et. al state that in Africa, millions of young people enter the job market, only 33.3% of them get real, meaningful employment.<sup>3</sup> The reason for this structural unemployment is the lack of Information Communication Technology (ICT) skills. Unemployment is not a South African or African phenomenon but rather a global crisis. Global unemployment escalated in 2016, and nearly 200 million people were unemployed. Dagume and Gyke state that in most economies, the youth are the ones who are mostly affected by unemployment. This shows that those with less experience and skills are most likely to be unemployed.<sup>4</sup> Matandare states that the global unemployment rate in 2016 was reduced by the good performance of the economies of developed nations between 2017 and 2018.<sup>5</sup> Eastern Cape and North West are the only two provinces with an official unemployment rate above 40%, surpassing the national figure, which now sits at 32.9%.<sup>6</sup> Based on this background, the study seeks to find answers to these two research questions: what is the nature of unemployment in Butterworth? and what are the job searching strategies that are used by the unemployed persons of Butterworth?

## LITERATURE REVIEW

Unemployment is one of the biggest socio-economic challenges facing South Africans, with rural areas such as Butterworth at the forefront. The problem is structurally, cyclically, and frictionally driven by systemic inequalities, poor economic planning, and global economic trends. The paper, therefore, reviews the literature on the nature of such unemployment, focusing on disparities between youth and gender, theoretical perspectives, and policy interventions.

### Types of Unemployment in South Africa

Unemployment in South Africa is multifaceted, encompassing structural, cyclical, and frictional unemployment. Structural unemployment, the most pervasive, is attributed to mismatches between the skills of the labour force and job market requirements. Banda et al. argue that rural areas like Butterworth lack industries to absorb local talent, resulting in long-term unemployment.<sup>7</sup> Metu et al. note that ICT and technical skill shortages hinder youth employability in Sub-Saharan Africa.<sup>8</sup> Nyama also emphasises how South Africa's education system does not relate to the market demands, especially in the high-demand areas of engineering and computer science.<sup>9</sup>

Cyclical unemployment, caused by economic shocks, has been exacerbated by global economic shocks. As noted by Casson, during recessions, reduced demand for goods and services results in job losses across industries.<sup>10</sup> In this respect, the COVID-19 pandemic made the situation worse, further straining the labour market of South Africa, according to the World Bank.<sup>11</sup> Frictional unemployment, due to transition periods of employment, is caused by the incomplete availability of labour market information, which prolongs the job search time of employees.<sup>12</sup>

<sup>2</sup> M. Casson, *Economics of Unemployment* (Oxford: Martin Roberts & Company LTD., 1983).

<sup>3</sup> Amaka G Metu et al., "Ending Youth Unemployment in Sub-saharan Africa: Does ICT Development Have Any Role?," *African Development Review* 32 (2020): S20–31.

<sup>4</sup> Mbulaheni Albert Dagume and Agyapong Gyekye, "Determinants of Youth Unemployment in South Africa: Evidence from the Vhembe District of Limpopo Province," *Environmental Economics*, no. 7, Iss. 4 (2016): 59–67.

<sup>5</sup> M. A. Matandare, "Botswana Unemployment Rate Trends," *Dutch Journal of Finance and Management*, 2018.

<sup>6</sup> Statistics South Africa, *South Africa's Unemployment Rate* (Statistics South Africa, 2024).

<sup>7</sup> Handson Banda, Hlanganipai Ngirande, and Fortune Hogwe, "The Impact of Economic Growth on Unemployment in South Africa: 1994-2012," *Investment Management and Financial Innovations*, no. 13, Iss. 2 (contin1) (2016): 246–55.

<sup>8</sup> Metu et al., "Ending Youth Unemployment in Sub-saharan Africa: Does ICT Development Have Any Role?"

<sup>9</sup> T. Nyama, "Overcoming Structural Unemployment in South Africa," *Journal of Development Studies*, 2010.

<sup>10</sup> Casson, *Economics of Unemployment*.

<sup>11</sup> The World Bank, "South Africa Economic Update: South Africa's Labor Market Can Benefit from Young Entrepreneurs, Self Employment," The World Bank, 2021, <https://www.worldbank.org/en/country/southafrica/publication/south-africa-economic-update-south-africa-s-labor-market-can-benefit-from-young-entrepreneurs-self-employment>.

<sup>12</sup> Economic Sciences Prize Committee, *Markets with Search Friction* (Stockholm, Sweden, 2010).

## Youth and Gender Dimensions

Youths in South Africa are among the most unemployed in the world, with over 60% of job seekers falling between the ages of 15-34 years.<sup>13</sup> While educational attainment has increased, many young people remain shut out of the labour market because of a lack of experience and skill mismatches.<sup>14</sup> The rural youth, especially within the Eastern Cape, face complicating factors such as limited access to technology and job opportunities.<sup>15</sup>

Women face compounded barriers to employment due to systemic gender discrimination. Despite affirmative action, women are still underrepresented in the high-paying industries and top leadership positions. Dagume and Gyekye cite Terreblanche, who asserts that historical injustices in South Africa have led to gender discrepancies, particularly in rural regions.<sup>16</sup> Moreover, cultural practices restrict women's engagement in economic activities in places like Butterworth, hence perpetuating cycles of poverty.<sup>17</sup>

Recent publications further reinforce the complex nature of unemployment in South Africa, especially in rural regions, for example, Butterworth. Structural unemployment occurs due to the lack of required skilled personnel in the job market and poor education infrastructure in the rural areas, which creates potential workers.<sup>18</sup> Cyclical unemployment remains a problem for most disadvantaged regions in particularly during times when the global economy is experiencing a downturn and recessions, like the aftermath of the COVID-19 pandemic, which hampered the restoration of the labour market of South Africa.<sup>19</sup>

Frictional unemployment is another concern, which is worsened by a lack of relevant information about the labour market and a lack of employment preparedness. Automation of jobs tends to be a solution, but ICT illiteracy remains behind in the competition for jobs, which in turn increases the employment gap.<sup>20</sup> Women and youth disparities are starkest in rural drought hit areas where systems and policy frameworks are missing the right support.<sup>21</sup>

The type of challenges can be met through upskilling projects as well as revamping the rural economies. However, the structural nature of the unemployment crisis in South Africa does not provide an affordable space for delaying engagement on the mentioned barriers without proper solutions and strategies focused on the local issues.<sup>22</sup> This, together with an integration of policies championing cross-sector growth and economic development, would enable resolving issues at hand.

## Policy Interventions and Challenges

Different policy initiatives have been proposed to address unemployment in South Africa, with limited success. Some of the skills development programs, like ICT literacy, have proved promising in enhancing the employability of the youth.<sup>23</sup> The spread of these programs in rural areas remains limited, therefore calling for equity in resource distribution.<sup>24</sup>

Job creation initiatives, such as the Expanded Public Works Programme, are instituted to provide short-term employment. Their long-term relevance is minimal because it is not adequately linked with the private sector growth strategy, as observed by the World Bank.<sup>25</sup> Harris and Naidoo indicated that

<sup>13</sup> Statistics South Africa, *South Africa's Unemployment Rate*.

<sup>14</sup> Matandare, "Botswana Unemployment Rate Trends."

<sup>15</sup> R. Lekgau, "ICT Adoption in Rural South Africa: An Opportunity for Job Creation," *SA Journal of Information Systems*, 2015.

<sup>16</sup> Dagume and Gyekye, "Determinants of Youth Unemployment in South Africa: Evidence from the Vhembe District of Limpopo Province"; S. Terreblanche, *A History of Inequality in South Africa 1652–2002* (Durban: University of KwaZulu-Natal Press, 2002).

<sup>17</sup> I. Turok and J. Borel-Saladin, "Prospects for Decent Work in Africa," *Cities* 50 (2016): 20–29.

<sup>18</sup> Michael Togara Tigere and Tshildzi Netshitangani, "School Management Teams' Perceptions of ICT Integration in Township and Rural Secondary Schools of KwaZulu-Natal, South Africa: Infrastructure Challenges," *Gender and Behaviour* 20, no. 3 (2022): 20022–41.

<sup>19</sup> World Bank Group, "Financial Inclusion: Financial Inclusion Is a Key Enabler to Reducing Poverty and Boosting Prosperity," 2022, <https://www.worldbank.org/en/topic/financialinclusion/overview#:~:text=Half of the adults around the world –,burdensome requirements involved in opening a financial account>.

<sup>20</sup> Human Sciences Research Council, "Youth Unemployment and Skills Development," *HSRC Monographs*, 2021.

<sup>21</sup> H. Bhorat and M. Oosthuizen, "Labor Market Dynamics in South Africa," *Economic Research Southern Africa*, 2023.

<sup>22</sup> United Nations Children Fund, *The State of the World Children* (New York: UNICEF, 2022).

<sup>23</sup> Metu et al., "Ending Youth Unemployment in Sub-Saharan Africa: Does ICT Development Have Any Role?"

<sup>24</sup> Human Sciences Research Council, "Youth Unemployment and Skills Development."

<sup>25</sup> Asli Demirgüç-Kunt and Dorothe Singer, "Financial Inclusion and Inclusive Growth: A Review of Recent Empirical Evidence," *World Bank Policy Research Working Paper*, no. 8040 (2017).

structural unemployment requires policies of an inclusive economy.<sup>26</sup> This, for a rural area like Butterworth, includes investment in local industries, improvement in general infrastructure, and alignment of education to labour market requirements.

### **Implications for Butterworth**

Unemployment in Butterworth reflects broader national trends, with structural unemployment dominating due to limited economic diversity and skill mismatches. The town's labor market struggles to absorb graduates, while youth and women remain disproportionately affected. These challenges call for targeted interventions in terms of ICT skill development, rural economic revitalization, and access to labor market information.

Conflict theory thus calls for systemic change to address the very root of unemployment in Butterworth. Economic policies should, therefore, aim at the reduction of inequalities, the empowerment of marginal groups, and ecologically sustainable growth. If not, unemployment will continue to reproduce poverty and social exclusion.

## **THEORETICAL FRAMEWORK**

### **Theoretical Perspectives on Unemployment**

The Marxist Conflict Theory offers the greatest insight into unemployment in South Africa. According to conflict theorists, unemployment is actually orchestrated within a capital system and serves to perpetuate labour surplus and reduce wages for the working class.<sup>27</sup> Such structural unemployment and exploitation are visible within the labour market in Butterworth. The advantage taken by employers because of a surplus of labour results in lopsided bargaining positions must settle for a low wage and miserable work conditions if they wish to retain their jobs.<sup>28</sup>

Structural unemployment in Butterworth also shows economic exclusion, which is one of the characteristics of the capitalist economy. Vulnerable groups, such as women and youth, are then systematically marginalised, while the wealth remains in the hands of a few people.<sup>29</sup> Deskilling, a result of long-term unemployment, perpetuates economic exclusion by reducing the adaptability of workers to changing demands within the labour market.<sup>30</sup>

## **METHODOLOGY**

The targeted demographic comprised the unemployed population of Butterworth, encompassing elderly individuals, youngsters, educated persons, and both skilled and semi-skilled males and females. Participants were selected via non-probability sampling. The availability technique, according to Bless and Higson-Smith, entails the researcher taking on every case until the desired number of participants is reached.<sup>31</sup> The researcher wanted eighty-five (85) respondents from Butterworth. The sample technique that was used is non-probability sampling, the judgmental or purposive sampling. The procedure that was used for all respondents was the use of questionnaires, which consisted of structured and closed-ended questions. In the case of this research, the researcher interviewed unemployed people and collected data, which was analysed and summarised to answer the research questions. Through a detailed analysis that was initiated, the researcher coded the respondents' responses in preparation for data capture, using the Statistical Package for Social Science (SPSS). Statistics (which can be descriptive or inferential) helped turn quantitative information into useful information, which helped with decision-making and was used to summarize data, and describe patterns, relationships, and connections.

<sup>26</sup> T. J. Harris and S. Naidoo, "Challenges of Economic Inequality in South Africa," *Economic Journal of SA*, 2018.

<sup>27</sup> J. Burnett, *Idle Hands: The Experience of Unemployment* (London: Routledge, 1994).

<sup>28</sup> Mauro Boianovsky and Hans-Michael Trautwein, "Schumpeter on Unemployment," *Journal of Evolutionary Economics* 20 (2010): 233–63.

<sup>29</sup> Harris and Naidoo, "Challenges of Economic Inequality in South Africa."

<sup>30</sup> Boianovsky and Trautwein, "Schumpeter on Unemployment."

<sup>31</sup> C. Bless and C. Higson-Smith, *Fundamentals of Social Research Methods: An African Perspective* (Cape Town: Juta and Company, 2000).

**PRESENTATION OF RESEARCH FINDINGS**

**The Nature of Unemployment in Butterworth**

The nature of unemployment was determined statistically by checking the type of unemployment that unemployed people in Butterworth asserted as most prevalent in the town. Then the regression analysis was performed on the demographic information of the unemployed (gender, age, level of education, period of unemployment and job search intensity) to estimate their influence on the perspectives of the unemployed on the three types of unemployment.

**Demographic Characteristics of The Respondents**

This section illustrates the distribution of respondent frequency according to demographic characteristics: gender, age, race, marital status, educational attainment, duration of unemployment, and job search activities. The survey exhibited a slight predominance of females, comprising 56.5% of respondents, while males represented 43.5%. In terms of age, the majority was between the ages of 18-23 (31.8%), followed by 24-29 (29.4%), 36 and above (21.2%), and 30-35 (17.6%). All of the participants in the study were of the African race; hence, 100% of the respondents were African. Regarding marital status, 54.1% had never married, 30.6% were married, 8.2% were widowed, and 7.1% were divorced. According to the poll, the majority of respondents have diplomas (37.6%), Matric (25.5%), primary education (22.4%), and bachelor's degrees (16.5%). When asked how long they had been unemployed, the majority of respondents (44.7%) said they had been unemployed for more than three years, 31.8% for one to three years, and only 23.5% for less than a year. Because job search intensity is also a component of this study, the statistics on when respondents last looked for a job are as follows: more than three weeks ago - 34.1%, two weeks - 28.2%, this week - 20%, last week - 12.9%, and three weeks ago - 4.7%.

**Frequencies and Chi-Square tests on the nature of unemployment**

Table 1 shows that all the means of the variables (types of unemployment) are skewed towards 3 “agree”. That means that the unemployed people of Butterworth say that all three types of unemployment exist in Butterworth. Table 1 indicates that structural unemployment is more prevalent, as shown by the high mean of (M=3.15), followed by frictional unemployment with a mean of (M=3.07) and the last being cyclical unemployment with a mean of (M=2.94). The Chi-Square values and p-value sig, indicate that there is a significant difference between the views of the unemployed on the types of unemployment.

**Table 1: Frequencies and Chi-Square tests on the nature of unemployment**

Types of unemployment	SD	D	A	SA	Total	Mean	df	X <sup>2</sup>	Sig
Frictional unemployment	4 (4.7)	22 (25.9)	34(40)	25(29.4)	85(100)	2.94	3	22.341	0.000
Structural unemployment	4 (4.7)	8 (9.4)	44 (51.8)	29 (34.1)	85 (100)	3.15	3	49.447	0.000
Cyclical unemployment	0 (0)	19 (22.4)	41 (48.2)	25 (29.4)	85 (100)	3.07	2	9.129	0.010

Key: Strongly Disagree (SD), Disagree (D), Agree (A), Strongly Agree (SA), Mean (M), Degree of Freedom (df), Chi-Square (X<sup>2</sup>)

**Regression Analysis on the nature of unemployment in Butterworth (Frictional)**

In Table 2, regression analysis was performed to estimate how selected social profiles (gender, age, levels of education, period of unemployment, and job search intensity) influence the perspectives of the unemployed on frictional unemployment. The Model summary revealed the following: R=0.443, R Square=0.196, Adjusted R Square=0.145, df=5, F=3.850, Sig=0.004. From the results, although maleness was a positive influence, it was not significant; β=0.180 and P=0.097. Based on the data coding Females=1 and Males=2, “maleness” does not influence the unemployed persons’ views of frictional unemployment. Age was found to have a positive influence, although it is not significant, β=0.47, P=0.698. Based on the data coding 18-23=1, 24-29=2, 30-35=3, 36& above=4, “oldness” does influence

the unemployed persons' views of frictional unemployment.

The results illustrate that being highly educated is a non-significant negative influence,  $\beta=-0.148$ ,  $P=0.183$ . Based on the data coding; primary=1, matric=2, diploma=3, bachelors=4, master's and above=5, "higher education level" does not influence the employed persons' views of frictional unemployment.

A high duration of being unemployed has a significant negative influence,  $\beta=-0.473$ ,  $P=0.000$ . The data coding: less than 1 year=1, 1-3years=2, more than 3 years=3, the "high duration of being unemployed" does influence the unemployed persons' view of frictional unemployment.

The results show that low frequency of job search intensity has a positive and significant influence,  $\beta=0.234$ ,  $P=0.043$ . According to the data coding, this week=1, last week=2, 2 weeks ago=3, 3 weeks ago=4, more than three weeks ago=5 and therefore the "low frequency" of job seeking does influence the unemployed persons' views of frictional unemployment.

**Table 2: Regression analysis of the nature of unemployment (Frictional)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	3.263	.406		8.045	.000			
Gender	.313	.186	.180	1.679	.097	.060	.186	.169
Age	.036	.093	.047	.390	.698	-.056	.044	.039
Level Of Education	-.125	.093	-.148	-1.343	.183	-.130	-.149	-.136
Period Of Unemployment	-.412	.113	-.430	-3.635	.000	-.301	-.379	-.367
Job Search Intensity	.128	.062	.234	2.058	.043	.167	.226	.208

a. Dependent Variable: FRICTIONAL

**Regression analysis of the nature of unemployment in Butterworth (Structural)**

In Table 3, regression analysis was performed to estimate how selected social profiles (gender, age, level of education, period of unemployment and job search intensity) influence the unemployed's perspectives of structural unemployment. The model summary revealed the following:  $R=0.436$ ,  $R\text{ Square}=0.190$ ,  $\text{Adjusted } R\text{ Square}=0.139$  and  $df=5$

From the results, maleness has a negative influence, but it is not significant,  $\beta=-0.032$ ,  $P=0.765$ . Based on the data coding Females=1 and Males=2, "maleness" does not influence the unemployed persons' views of frictional unemployment.

Age was found to have a positive influence, although it is not significant,  $\beta=0.046$ ,  $P=0.704$ . Based on the data coding 18-23=1, 24-29=2, 30-35=3 and 36 & above=4, "oldness" does influence the unemployed persons' views of structural unemployment.

Being highly educated has a non-significant negative influence,  $\beta=-0.122$ ,  $P=0.271$ . Based on the data coding; primary=1, matric=2, diploma=3, bachelors=4, master's and above=5, it can be stated that "higher education" does not influence the employed persons' views of structural unemployment.

The high duration of being unemployed has a significant negative influence,  $\beta=-0.473$ ,  $P=0.001$ . The data coding: less than 1 year=1, 1-3years=2 and more than 3 years=3, reveals that the "high duration" of being unemployed does not influence the unemployed persons' view of structural unemployment.

The low frequency of job seeking has a positive but non-significant influence,  $\beta=0.193$ ,  $P=0.095$ . According to the data coding: this week=1, last week=2, 2 weeks ago=3, 3 weeks ago=4 and more than

three weeks ago=5, the “low frequency” of the job seeking does influence the unemployed persons’ views of structural unemployment.

**Table 3: Regression analysis of the nature of unemployment in Butterworth (Structural)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	3.923	.367		10.689	.000			
Gender	-.050	.168	-.032	-.299	.765	-.143	-.034	-.030
Age	.032	.084	.046	.381	.704	-.090	.043	.039
Level Of Education	-.094	.084	-.122	-1.108	.271	-.154	-.124	-.112
Period Of Unemployment	-.366	.103	-.424	-3.574	.001	-.345	-.373	-.362
Job Search Intensity	.095	.056	.193	1.691	.095	.129	.187	.171

a. Dependent Variable: STRUCTURAL

**Regression analysis of the nature of unemployment in Butterworth (Cyclical)**

In Table 4, regression analysis was performed to estimate how selected social profiles (gender, age, level of education, period of unemployment and job search intensity) influence the perspectives of the unemployed on cyclical unemployment. The model summary revealed the following: R=0.579, R Square=0.335, Adjusted R Square=0.139, df=5, F=7.970 and Sig=0.000.

Maleness was found to have a negative influence, but it was not significant,  $\beta=0.187$ ,  $P=0.079$ . Based on the data coding Females=1 and Males=2, “maleness” does influence the unemployed persons’ views of cyclical unemployment.

Age was found to have a negative influence, although it is not significant,  $\beta=-0.060$ ,  $P=0.585$ . Based on the data coding 18-23=1, 24-29=2, 30-35=3 and 36& above=4, “oldness” does not influence the unemployed persons’ views of cyclical unemployment.

Being highly educated was found to have a non-significant positive influence,  $\beta=0.023$ ,  $P=0.816$ . Based on the data coding, primary=1, matric=2, diploma=3, bachelors=4 and master’s and above=5, it is said that “higher education” does influence the employed persons’ views of cyclical unemployment.

The high duration of unemployment was found to have a significant negative influence,  $\beta=-0.575$ ,  $P=0.000$ . The data coding: less than 1 year=1, 1-3years=2 and more than 3 years=3, revealed that the “high duration” of being unemployed does not influence the unemployed persons’ view of cyclical unemployment.

The low frequency of job search is a positive significant influence,  $\beta=0.254$ ,  $P=0.017$ . According to the data coding, this week=1, last week=2, 2 weeks ago=3, 3 weeks ago=4 and more than three weeks ago=5, it is clear that the “low frequency” of the job seeking intensity does influence the unemployed persons’ views of cyclical unemployment.

**Table 4 Regression analysis of the nature of unemployment in Butterworth (Cyclical)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	3.418	.307		11.119	.000			
Gender	.269	.141	.187	1.910	.060	.079	.210	.175
Age	-.038	.070	-.060	-.548	.585	-.230	-.062	-.050

Level Of Education	.017	.071	.023	.234	.816	.050	.026	.021
Period Of Unemployment	-.459	.086	-.575	-5.349	.000	-.505	-.516	-.491
Job Search Interests	.115	.047	.254	2.447	.017	.060	.265	.224
a. Dependent Variable: CYCLICAL								

**DISCUSSION OF FINDINGS**

**Nature of Unemployment in Butterworth**

According to the study, Butterworth has all three categories of unemployment (cyclical, frictional, and structural unemployment). The most prevalent is structural unemployment. Frictional unemployment occurs when workers seeking jobs do not find them right away; while looking for work, they are listed as unemployed. Frictional unemployment occurs when a large number of persons become unemployed as a result of shifting occupations. This period may be short or long, depending on the availability of jobs in the job market. This type of unemployment seems to affect every gender and all working-class ages. From the collected data, there is no significant difference between those with high education and those who only have primary education. The only significant difference that can be seen from the result emanates from job search intensity. Those who apply frequently tend to have a shorter period of frictional unemployment than those who do not apply regularly. For one to escape any type of unemployment, he or she needs to apply for jobs consistently so as to increase his or her chances of finding a job.<sup>32</sup>

According to the findings of this study, cyclical unemployment also affects people of all ages, genders and with different types of qualifications. The research findings indicate that there is a significant difference between those with “high” and “low” job search intensity. When one is faced with “cyclical” unemployment, one needs to apply for jobs frequently. With the demand for labour in the job market having dropped, one must not relax and wait because the competition is tough.<sup>33</sup> Cyclical unemployment is the unemployment that occurs when there is a decrease in demand for labour. People who are affected by cyclical unemployment usually get casual or temporary employment. They then get laid off when the demand for labour drops. Cyclical unemployment arises through temporary reductions in the demand for production or services.

According to the research findings, “structural unemployment” affects all ages, both genders, people with different qualification levels and different job search intensities. From this finding, it can be said that the best remedy for “structural unemployment” is to relocate and go to a location where one’s qualifications or skills will be in demand. According to research, it is extremely difficult for South Africans to overcome unemployment because opportunities are only available in scarce skills professions such as civil engineering, accounting, and computer literacy.<sup>34</sup> Structural unemployment is unemployment that occurs because there is a mismatch between locally available jobs and the skills or qualifications of the job seekers. People who are usually affected by “structural unemployment” are those who are skilled and qualified but reside in locations that do not require their qualifications or skills. With all that being said, the unemployed people of Butterworth are of the view that the unemployment in Butterworth is “structural” in nature. They find themselves unemployed because they have qualifications or skills that are not in demand in the job market of Butterworth.

The Butterworth research provides some experiences regarding the problem of unemployment in the region and also emphasizes the fact that structural unemployment is looking to be a problem. This problem occurs as a result of limitations in the knowledge and skills possessed by workers in the local labor market.

<sup>32</sup> Barrett, *The First Epistle to the Corinthians*.  
<sup>33</sup> Barrett, *The First Epistle to the Corinthians*.  
<sup>34</sup> Nyama, “Overcoming Structural Unemployment in South Africa.”

This scenario is not unique; it reflects broader trends throughout South Africa, where limited economic diversity and insufficient training in high-demand fields—like information technology and engineering—contribute significantly to structural unemployment.

Interestingly, the study also notes that cyclical and frictional unemployment is felt across all demographics. However, the degree to which these issues impact people varies based on how actively they are seeking work, rather than just their educational backgrounds. Regular job hunters tend to navigate through periods of unemployment more quickly, whereas economic downturns can make cyclical unemployment much worse.

The study's findings resonate with those of Metu et al., who note that a shortage of ICT skills poses a considerable challenge for young people seeking jobs in Sub-Saharan Africa.<sup>35</sup> In addition, research by Dagume and Gyekye emphasizes that youth and women are especially at risk in this employment landscape.<sup>36</sup>

What is striking to note is that Alabi et al. seem to suggest a different route altogether than the one that Harris and Naidoo took.<sup>37</sup> They believe, however, that one way to tackle unemployment would be to adopt more inclusive economic policies. On the other hand, structural deficiencies still remain in the region. In other words, Butterworth is saying something different in that there is a call for more constructive changes, in particular, a regional restructuring of rural economies, while also suggesting more direct skills training programs.

While the findings reflect broader national unemployment patterns, they also pinpoint the specific challenges faced by rural communities. This situation highlights the urgent need for customized, local strategies that can more effectively address unemployment in these areas.

## RECOMMENDATIONS

Based on the findings of this research, the following strategies are recommended:

1. **Development of Rural Infrastructure:** The government and stakeholders should provide for the provision of basic rural infrastructure like roads, electricity, water, and internet, to promote overall development and employment prospects.
2. **Investment in Training and Skills Development:** The unemployed should be provided with vocational skill training centers, entrepreneurship training, and computer training centers in order to provide them with market-sustainable practical skills.
3. **Empowerment of Local Economic Development Initiatives:** Provincial and local economic development divisions need to collaborate such that cooperatives and small enterprises with the possibility of creating stable local jobs can be empowered.
4. **Improved Opportunities and Information Access:** Establish community information hubs that will be in a position to share job postings, learnerships, bursaries, and support schemes for entrepreneurs in order to eliminate the information gap among jobless people.
5. **Youth Empowerment and Participation Programmes:** Butterworth youth need to be part of active programs designed to enhance leadership, self-esteem, and resilience, thus empowering them to pursue different career prospects or start their own businesses.
6. **Policy Reforms to Counteract Structural Unemployment:** The policymakers need to critically assess existing economic and employment growth policies in light of their rurality rurality inclusivity of rural citizens and alignment with regional socio-economic realities.
7. **Monitoring and Evaluation of Government Interventions:** There must be continuous observation and assessment of the government intervention aimed at the solution of unemployment among rural people to gauge the responsiveness and suitability of the interventions to the needs of people.
8. **Psychosocial Support Services for the Unemployed:** Psychological and emotional effects of unemployment need to be addressed by way of offering community-based counselling services as well as mental health sensitisation campaigns.

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<sup>35</sup> Metu et al., "Ending Youth Unemployment in Sub-saharan Africa: Does ICT Development Have Any Role?"

<sup>36</sup> Dagume and Gyekye, "Determinants of Youth Unemployment in South Africa: Evidence from the Vhembe District of Limpopo Province."

<sup>37</sup> Harris and Naidoo, "Challenges of Economic Inequality in South Africa."

## CONCLUSION

To sum up, the unemployment case analysis done in Butterworth adds to the understanding of the challenges that still afflict this particular rural area. Although structural, cyclical and frictional types of unemployment are in existence, structural unemployment tends to be the worst form. It showcases a very dangerous and hostile complementing relationship between the existing skills of the local workforce and those that are required in the labor market. The participants stressed the absence of industries that would employ skilled and semi-skilled labourers and this problem was aggravated by the unavailability of sufficient education and vocational training relevant to the market requirements.

The most surprising thing was that unemployment is managed less severely by the search intensity of job seekers, and those who look for jobs have shorter levels of frictional unemployment. This emphasizes that there is a need to improve the provision of information on labor markets and promote more active job searching behavior. The cyclical aspect of unemployment which is attributed to the state of the economy as a whole also brings to the fore how susceptible they Butterworth community is to global economic trends and shocks such as occurred during the COVID-19 pandemic.

Comparative analyses suggest that Butterworth's situation is not unique but rather a reflection of broader national trends. However, the study also underscores the importance of local solutions tailored to the specific economic and social conditions of rural communities. By addressing structural mismatches, promoting inclusive economic policies, and investing in localised skill development programs, significant strides can be made in alleviating unemployment in Butterworth. This research thus calls for a collaborative approach, blending policy innovation and community engagement to build a more equitable and resilient labour market.

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## ABOUT AUTHOR

Cwenga Mayekiso is a sociology scholar with a Master’s degree in the discipline and is currently advancing his studies as a PhD candidate. He holds a research assistant position at the Walter Sisulu University, where he actively engages in projects that examine socio-economic issues affecting South Africa. His work reflects a profound dedication to understanding the structural and social dynamics that contribute to unemployment and underemployment, especially within rural and under-resourced areas. Through his work, Mayekiso aims to advocate for structural changes that improve employment conditions and access to resources in marginalized communities. His dedication to his field and his contribution to understanding the socio-economic landscape of South Africa underscore his potential as a leading voice in addressing the root causes of unemployment and socio-economic inequality in the region.