

MEDIA RELEASE	PSA alarmed by continued decline in formal employment in South Africa
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The Public Servants Association (PSA) is dismayed by the latest employment data released by Statistics South Africa, revealing a second consecutive quarterly decline in formal employment in South Africa.

The loss of 80 000 jobs in the second quarter of 2025, following a drop of 74 000 jobs in the first quarter, underscores the deepening crisis in South Africa's labour market. The PSA is particularly alarmed by the continued erosion of jobs in key sectors such as community services, trade, manufacturing, and construction, which are traditionally vital for economic stability and employment creation. These losses affect individual livelihoods and threaten the broader socio-economic fabric of the country. The persistent job losses reflect a structural failure in the economy. Government must urgently shift from austerity-driven policies to inclusive, labour-intensive growth strategies. In addition, the country has astronomically higher numbers of unemployed youth, standing currently at just over 4.9 million. Many young people have stopped looking for employment as they are disillusioned and discouraged, which is an extremely concerning matter.

The PSA calls on government to accelerate public-infrastructure projects to absorb unemployed youth and low-skilled workers. To strengthen vocational training and skills development, especially in rural and underserved communities, calls for SETAs' appropriate responses to key and strategic skills gaps. There is a need to support small and medium enterprises through targeted funding and regulatory reform and to strengthen the implementation of employment stimulus packages. The vast amounts lost through crime and corruption have made it difficult for government to fill vacancies and have robbed the country of revenue through taxation. South Africa continues to produce graduates without providing employment. The majority of public-sector employees on lower levels have no hope of upward mobility, despite holding degrees, owing to the non-filling of posts in the Public Service, a phenomenon called underemployment, a form of unemployment.

The PSA stresses that the current trajectory of job losses and underemployment are unsustainable and require decisive intervention. Government must urgently prioritise job creation and retention by shifting to policies that drive inclusive growth, strengthen skills development, and restore confidence in the economy. South Africa cannot afford to continue producing skilled graduates and disillusioned youth without creating meaningful opportunities for them to contribute to the country's growth. The PSA urges government to act with urgency and accountability to address unemployment, curb corruption, and implement practical solutions that safeguard livelihoods and rebuild the socio-economic fabric of the nation.

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