Quarterly Labour Force Survey (QLFS) Q1:2020

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#StatsSA
South Africa’s unemployment rate increase by 1.0 percentage point to 30.1% in Q1:2020 compared to Q4:2019.
The unemployment rate usually increases between Quarter 4 and Quarter 1 each year.

*Change in unemployment rate q/q*

- Increasing unemployment rate Q on Q
- Decreasing unemployment rate Q on Q

*nc = no change*
The unemployment rate increased over time. Between Q4:2019 and Q1:2020, unemployment rate increased by 1.0 percentage point.

Unemployment rate from Q1:2010 to Q1:2020

Unemployment rate increased by 5.0 percentage points between Q1:2010 and Q1:2020.

Unemployment increased by 3.7 percentage points from 26.4% in Q1:2015 to 30.1% in Q1:2020.

Unemployment rate increased by 2.5 percentage points compared to the same period last year.
The working age population (15-64 years) in Q1:2020 was 38,9 million

38,9 million
People of working age in South Africa (15 – 64 - year olds)

<table>
<thead>
<tr>
<th>Labour force</th>
<th>Not Economically Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,5 million</td>
<td>15,4 million</td>
</tr>
</tbody>
</table>

- **Employed**: 16,4 M
- **Unemployed**: 7,1 M
- **Other NEA**: 2,9 M
- **Discouraged work seekers**: 12,5 M

South Africa’s official unemployment rate stands at 30,1%

Increased by 1,0 percentage point between Q4:2019 and Q1:2020

ILO hierarchy – Employed first then unemployed and the remainder is NEA (including discouraged job-seekers). 3 mutually exclusive groups. Cannot be in two groups at the same time.
The working age population (15 – 64 years) increased by 147 000 people between Q4:2019 and Q1:2020

Labour market indicators between Q1:2008 and Q1:2020

Changes between Q4:2019 and Q1:2020

- Other Not Economically Active: -222 000 q/q
- Discouraged work seekers: +63 000 q/q
- Unemployed: +344 000 q/q
- Employed: -38 000 q/q
EMPLOYMENT & LABOUR MARKET RATES
The number of employed persons decreased by 38 000 between Q4:2019 and Q1:2020 and increased by 91 000 year-on-year.

**Number of employed From Q1:2010 to Q1:2020**

The number of employed people increased by **2,6 million** from **13,8 million** in Q1:2010 to **16,4 million** in Q1:2020.

The number of employed people increased by **923 000** from **15,5 million** in Q1:2015 to **16,4 million** in Q1:2020.

The number of employed people increased by **91 000** from **16,3 million** in Q4:2018 to **16,4 million** in Q1:2020.
The Labour force participation rate increased by 4.1 percentage points from 56.2% in Q1:2010 to 60.3% in Q1:2020.

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed.

Absorption rate is the proportion of the working-age population that is employed.
Labour market rates vary significantly depending on the education level

<table>
<thead>
<tr>
<th></th>
<th>Unemployment rate</th>
<th>Absorption rate</th>
<th>Participation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>30,1% +1,0</td>
<td>42,1% -0,3</td>
<td>60,3% +0,5</td>
</tr>
<tr>
<td><strong>Less than matric</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>35,2% +0,6</td>
<td>32,9% +0,8</td>
<td>50,7% +1,6</td>
</tr>
<tr>
<td><strong>Matric</strong></td>
<td>31,4% +1,7</td>
<td>46,5% -2,4</td>
<td>67,7% -1,8</td>
</tr>
<tr>
<td><strong>Graduates</strong></td>
<td>9,5% +1,9</td>
<td>78,7% -2,3</td>
<td>86,9% -0,7</td>
</tr>
<tr>
<td><strong>Other tertiary</strong></td>
<td>19,2% +0,9</td>
<td>68,0% -1,1</td>
<td>84,2% -0,4</td>
</tr>
</tbody>
</table>

*Change: Percentage points Q4:2019 to Q1:2020*

*Labour market rates by education level, Q1:2020*
The unemployment rate for those aged 25-34 (37.3%) is more than double that of the 45-54 (17.5%) year olds.

Labour market rates by age group, Q1:2020

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Unemployment Rate</th>
<th>Absorption Rate</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64 yrs</td>
<td>10.0% +0.8</td>
<td>40.2% -0.2</td>
<td>44.7% +0.2</td>
</tr>
<tr>
<td>45-54 yrs</td>
<td>17.5% 0.0</td>
<td>62.2% +0.3</td>
<td>75.4% +0.4</td>
</tr>
<tr>
<td>35-44 yrs</td>
<td>24.0% +1.0</td>
<td>61.2% -0.5</td>
<td>80.5% +0.3</td>
</tr>
<tr>
<td>25-34 yrs</td>
<td>37.3% +1.7</td>
<td>46.7% -1.0</td>
<td>74.5% +0.4</td>
</tr>
<tr>
<td>15-24 yrs</td>
<td>59.0% +0.9</td>
<td>11.1% +0.1</td>
<td>27.2% +1.0</td>
</tr>
</tbody>
</table>
The unemployment rate among the youth is higher irrespective of education level. Significant increase in graduate unemployment for those aged 15 – 24 years

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total</th>
<th>15 – 24 years</th>
<th>25 – 34 years</th>
<th>35 – 64 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>59.0%</td>
<td>37.3%</td>
<td>19.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+0.9</td>
<td>+1.7</td>
<td>+0.6</td>
</tr>
<tr>
<td>Less than matric</td>
<td>61.8%</td>
<td>0.0</td>
<td>45.1%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Matric</td>
<td>58.3%</td>
<td>+1.2</td>
<td>35.1%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Graduates</td>
<td>33.1%</td>
<td>+8.5</td>
<td>15.2%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Other tertiary</td>
<td>54.0%</td>
<td>+0.2</td>
<td>28.5%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

Change: Percentage points Q4:2019 to Q1:2020
PROFILE OF THOSE NOT IN EMPLOYMENT, EDUCATION OR TRAINING
(NEET)
Those young people (15-34 years) who are categorised as NEET are considered to be **disengaged** from both work and education.

*Youth NEET rate is calculated as the total number of youth who are NEET as a proportion of the total youth-specific working-age population*
Approximately 3.5 million (34.1%) out of 10.3 million young people aged 15-24 years were not in employment, education or training (NEET). The overall NEET rate increased by 0.8 of a percentage point in Q1:2020 compared to Q1:2019.

**NEET (15-24 years) by gender**

- **FEMALE NEET**: Up by 0.8 of a percentage point
- **MALE NEET**: Up by 0.8 of a percentage point

**15-24 YEARS**

<table>
<thead>
<tr>
<th></th>
<th>Q1: 2019</th>
<th>Q1: 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEMALE NEET</strong></td>
<td>35.1%</td>
<td>35.9%</td>
</tr>
<tr>
<td><strong>MALE NEET</strong></td>
<td>31.4%</td>
<td>32.2%</td>
</tr>
</tbody>
</table>
NC recorded the highest rate of young people aged 15-24 years not in employment, education or training in Q1:2020.

<table>
<thead>
<tr>
<th>Province</th>
<th>NEET Rate (Q1:2020)</th>
<th>Year-on-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>41.6%</td>
<td>(+4.0)</td>
</tr>
<tr>
<td>KZN</td>
<td>39.1%</td>
<td>(+1.8)</td>
</tr>
<tr>
<td>NW</td>
<td>38.8%</td>
<td>(-1.5)</td>
</tr>
<tr>
<td>MP</td>
<td>35.4%</td>
<td>(+2.9)</td>
</tr>
<tr>
<td>EC</td>
<td>34.9%</td>
<td>(-1.8)</td>
</tr>
<tr>
<td>RSA</td>
<td>34.1%</td>
<td>(+0.8)</td>
</tr>
<tr>
<td>FS</td>
<td>32.4%</td>
<td>(+2.0)</td>
</tr>
<tr>
<td>GP</td>
<td>31.3%</td>
<td>(+2.0)</td>
</tr>
<tr>
<td>LP</td>
<td>30.2%</td>
<td>(-1.5)</td>
</tr>
<tr>
<td>WC</td>
<td>28.4%</td>
<td>(+0.8)</td>
</tr>
</tbody>
</table>
Over 8,5 million (41.7%) out of 20.4 million young people aged 15-34 years were not in employment, education or training (NEET). The overall NEET rate increased by 1.1 percentage points y/y.

**NEET (15-34 years) by gender**

![Graph showing NEET rates by gender](chart)

**FEMALE NEET**
- Q1: 2019: 44.3%
- Q1: 2020: 45.4%
- Up by 1.1 percentage points

**MALE NEET**
- Q1: 2019: 37.1%
- Q1: 2020: 38.1%
- Up by 1.0 percentage point
WC and GP recorded NEET rate lower than the national average (41.7%) among young people aged 15-34 years. The rate increased in all provinces except in EC.

Provincial NEET rate (Year-on-Year Change Q1:2019 – Q1:2020)

<table>
<thead>
<tr>
<th>Province</th>
<th>Rate 2020</th>
<th>Y/Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NW</td>
<td>46.2%</td>
<td>(+0.6)</td>
</tr>
<tr>
<td>KZN</td>
<td>45.9%</td>
<td>(+1.2)</td>
</tr>
<tr>
<td>EC</td>
<td>45.6%</td>
<td>(-1.4)</td>
</tr>
<tr>
<td>NC</td>
<td>44.0%</td>
<td>(+0.3)</td>
</tr>
<tr>
<td>MP</td>
<td>43.3%</td>
<td>(+2.6)</td>
</tr>
<tr>
<td>LP</td>
<td>42.9%</td>
<td>(+1.4)</td>
</tr>
<tr>
<td>FS</td>
<td>42.6%</td>
<td>(+3.3)</td>
</tr>
<tr>
<td>RSA</td>
<td>41.7%</td>
<td>(+1.1)</td>
</tr>
<tr>
<td>GP</td>
<td>38.4%</td>
<td>(+1.8)</td>
</tr>
<tr>
<td>WC</td>
<td>31.0%</td>
<td>(+0.2)</td>
</tr>
</tbody>
</table>
EMPLOYMENT
The number of persons employed decreased by 38 000 in Q1:2020 to 16,4 million q/q.

- **Formal Sector (Non agricultural)**: (11,3 million jobs) decreased by 50 000 Q/Q.
- **Informal Sector (Non agricultural)**: (2,9 million jobs) increased by 3 000 Q/Q.
- **Agriculture**: (865 thousand jobs) decreased by 21 000 Q/Q.
- **Private households**: (1,3 million jobs) increased by 30 000 Q/Q.
Trade, construction and agriculture have higher employment shares relative to their GDP contribution.

**Employment and GDP share per industry**

**Employment shares, Q1: 2020**

- **Community and social services**: 22.9%
- **Trade**: 20.3%
- **Finance**: 15.4%
- **Manufacturing**: 10.4%
- **Construction**: 8.2%
- **Private households**: 8.0%
- **Transport**: 6.1%
- **Agriculture**: 5.3%
- **Mining**: 2.7%
- **Utilities**: 0.7%

**Share of Nominal GDP (Q4:2019)**

- **Trade**: 24.0%
- **Finance**: 16.6%
- **Manufacturing**: 19.9%
- **Construction**: 13.0%
- **Private households**: 3.6%
- **Transport**: 9.8%
- **Agriculture**: 1.0%
- **Mining**: 8.9%
- **Utilities**: 3.2%
Employment gains were observed in Trade, Private households and Mining (q/q). Largest declines were observed in Finance, Services and Agriculture.
Employment losses were mainly driven by Finance (50 000), Services (33 000), Agriculture (21 000) and Transport (17 000).

Quarter-on-quarter employment changes: Losses

- **Finance**: Mainly driven by losses in:
  - Architectural, engineering and other technical activities
  - Legal, accounting, bookkeeping and accounting activities
  - Advertising

- **Services**: Mainly driven by losses in:
  - Educational services
  - Sporting and other recreational activities

- **Agriculture**: Mainly driven by losses in:
  - Farming of animals
  - Forestry and related services
  - Logging and related services

- **Transport**: Mainly driven by losses in:
  - Other land transport
  - Railway transport
Employment gains were observed in Trade (71 000), Private household (30 000) and Mining (6 000).

Quarter-on-quarter employment changes: Gains

- **Trade**: 71 000
  - Mainly driven by gains in:
    - Non-specialised retail trade in store
    - Hotels, camping site and other provision
    - Restaurants, bars and canteens

- **Private household**: 30 000

- **Mining**: 6 000
  - Mainly driven by gains in:
    - Mining and quarrying n.e.c
    - Mining of non-ferrous metal ores, except gold and uranium
Almost 30.0% of all people employed in Q1:2020 were employed in elementary and domestic work occupations.
The formal sector in South Africa accounts for 68.9% of total employment.

Formal sector employment has shown an upward trend, increasing from 9.9 million in Q1:2008 to 11.3 million in Q1:2020.

- **Formal sector employment**: 11.3M
- **Informal sector employment**: 2.9M
- **Private household**: 1.3M
- **Agriculture**: 0.9M

Formal sector employment accounts for 68.9% of total employment.
The number of unemployed people in South Africa increased from 4.6 million in Q1:2010 to 7.1 million in Q1:2020. The proportion of those in long-term unemployment increased from 64.0% in Q1:2010 to 71.7% in Q1:2020.
Official Unemployment Rate
30.1\% (\(+1.0\% \ \text{Point Change Q/Q}\))

Expanded Unemployment Rate
39.7\% (\(+1.0\% \ \text{Point Change Q/Q}\))

7.1 million
people were unemployed in Q1:2020
An increase of 344 000 q/q

10.8 million
people were unemployed in Q1:2020
An increase of 416 000 q/q

Expanded Definition includes the following

- Official unemployment (searched and available) 7.1 M
- Available to work but are/or
  - Discouraged work-seekers 2.9 M
  - Have other reasons for not searching 0.8 M
Unemployment amongst the Black African population group remains higher than the national average and other population groups.
Black African women are the most vulnerable with an unemployment rate of over 30%.
Irrespective of gender, the black African and coloured population groups remain vulnerable in the labour market

**Expanded unemployment rate by population group and gender**

<table>
<thead>
<tr>
<th>Population Group</th>
<th>Both sexes</th>
<th>Black African</th>
<th>Coloured</th>
<th>Indian/Asian</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male</strong></td>
<td>39,7%</td>
<td>44,1%</td>
<td>31,0%</td>
<td>18,7%</td>
<td>10,1%</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td>38,7%</td>
<td>43,0%</td>
<td>30,1%</td>
<td>20,6%</td>
<td>9,8%</td>
</tr>
</tbody>
</table>

**Male expanded unemployment rate**

- Q1:2020: 36,5%
- Q4:2019: 35,5%

**Female expanded unemployment rate**

- Q1:2020: 43,4%
- Q4:2019: 42,4%

Irrespective of gender, the black African and coloured population groups remain vulnerable in the labour market.
EC recorded the highest official and expanded unemployment rates. LP, KZN and NC provinces all have more than 13.0 percentage points difference between their expanded and official unemployment rates.

<table>
<thead>
<tr>
<th>Province</th>
<th>Official</th>
<th>Expanded</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC</td>
<td>40.5%</td>
<td>48.9%</td>
</tr>
<tr>
<td>FS</td>
<td>38.4%</td>
<td>44.5%</td>
</tr>
<tr>
<td>MP</td>
<td>33.3%</td>
<td>43.9%</td>
</tr>
<tr>
<td>NW</td>
<td>33.2%</td>
<td>45.1%</td>
</tr>
<tr>
<td>GP</td>
<td>31.4%</td>
<td>36.3%</td>
</tr>
<tr>
<td>RSA</td>
<td>30.1%</td>
<td>39.7%</td>
</tr>
<tr>
<td>NC</td>
<td>27.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>KZN</td>
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</tr>
</tbody>
</table>

Provincial unemployment rate:
Official vs Expanded Q1:2020
UNDERSTANDING NON-ECONOMICALLY ACTIVE (NEA)
15.4 million people aged 15 – 64 years were not economically active. 
This is a decrease of 159 000 q/q

Reasons why – Not economically active (NEA)

5 main reasons for NEA

Discouraged work seekers; 18.9%
Too old/young to work; 10.0%
Illness/disability 9.7%
Home-maker 15.9%
Student 39.4%

Q4:2019 to Q1:2020
% Change
Up by 0.6 of a % point
Up by 0.1 of a % point
Up by 0.1 of a % point
Down by 0.6 of a % point

Q4:2019 to Q1:2020
Change in levels

<table>
<thead>
<tr>
<th>Quarter-on-quarter changes</th>
<th>Thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>-151</td>
</tr>
<tr>
<td>Homemaker</td>
<td>-126</td>
</tr>
<tr>
<td>Illness/disability</td>
<td>5</td>
</tr>
<tr>
<td>Too young/too old to work</td>
<td>-7</td>
</tr>
<tr>
<td>Discouraged work seekers</td>
<td>63</td>
</tr>
<tr>
<td>Other</td>
<td>58</td>
</tr>
</tbody>
</table>
Unemployment rate (30.1%) increased by 1.0 percentage point. Absorption rate decreased by 0.3 of a percentage point and Labour force participation rate increased by 0.5 of a percentage point.

Employment gains were recorded mainly in Trade (71,000), Private households (30,000) and Mining (6,000).

Largest employment losses were observed in Finance (50,000), Services (33,000) and Agriculture (21,000).

Of the 10.3 million persons aged 15-24 years, 34.1% were not in employment, education or training.
Ndzi hela kwala!