Quarterly Labour Force Survey (QLFS)
Q4:2020
Risenga Maluleke
Statistician-General

#StatsSA
COVID-19 Impact on Data Collection

Restrictions necessary to combat COVID-19 created an obstacle to normal data collection approaches and operations, exactly when there was a massive increase in the demand for information.

Stats SA changed the mode of collection for QLFS data to Computer Assisted Telephone Interviewing (CATI). To facilitate CATI, the sample that was used for QLFS Q1:2020 was also used in Q2, Q3 and Q4, 2020.

Not all dwelling units on the sample had contact numbers resulting in data being collected from part of the sample where contact numbers were available for QLFS Q4:2020.

This introduced bias in the estimates. Details on how the bias adjustment was done is contained in the report.
Large movements in all categories between Q3:2020 and Q4:2020.

- **Employed**
  - Q3:2020: 14.7M
  - Q4:2020: 15.0M
  - Increase: About 333 thousand more between Q3 and Q4 2020

- **Unemployed**
  - Q3:2020: 6.5M
  - Q4:2020: 7.2M
  - Increase: 701 thousand More Unemployed between Q3 and Q4 2020

- **Not Economically Active (NEA)**
  - Q3:2020: 15.2M
  - Q4:2020: 14.1M
  - Decrease: 890 thousand Fewer Not Economically Active between Q3 & Q4 2020

Not Economically Active (NEA) for Q4:2020

- **Employed**
  - 15.0M

- **Unemployed**
  - 7.2M

- **Other NEA**
  - 14.1M

**Total NEA** for Q4:2020: 17.1M

---

**Note:**
- The numbers are approximate and subject to rounding.
- Data provided by Stats SA, Department of Statistics South Africa.
There were about **333 thousand** more people employed in Q4:2020 than Q3:2020

**39,3 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>22,3 million</td>
<td>17,1 million</td>
</tr>
</tbody>
</table>

- **Employed**: 15,0 M
- **Unemployed**: 7,2 M
- **Other NEA**: 14,1 M

SA’s official unemployment rate stands at **32,5%**

Increased by 1,7 percentage points between Q3:2020 and Q4:2020

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.

Due to rounding numbers may not add up
More than 1,1 million people moved out of “Other Not Economically Active” status in Q4:2020.

**Characteristics of the not economically active, Q3:2020 vs Q4:2020**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Q3</th>
<th>Q4</th>
<th>Change in levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>8.6%</td>
<td>16.7%</td>
<td>Up by 8.1% points</td>
</tr>
<tr>
<td>Student</td>
<td>14.4%</td>
<td>37.3%</td>
<td>Up by 3.3% points</td>
</tr>
<tr>
<td>Home-maker</td>
<td>15.8%</td>
<td>14.4%</td>
<td>Up by 1.4% points</td>
</tr>
<tr>
<td>Illness/disability</td>
<td>8.7%</td>
<td>8.2%</td>
<td>Up by 0.4% points</td>
</tr>
<tr>
<td>Too old/young to work</td>
<td>9.2%</td>
<td>8.4%</td>
<td>Up by 0.8% points</td>
</tr>
<tr>
<td>Discouraged work seekers</td>
<td>17.2%</td>
<td>15.0%</td>
<td>Up by 2.2% points</td>
</tr>
</tbody>
</table>

**Other reasons:** National lockdown / COVID-19

More than 1.1 million people moved out of “Other Not Economically Active” status in Q4:2020.
The Labour force participation rate increased by 1,6 percentage points from 55,0% in Q3:2020 to 56,6% in Q4:2020

Labour force participation and absorption rate, Q4:2010-Q4:2020

**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.

13,1% Points difference

18,4% Points difference
South Africa’s unemployment rate increased by 1.7 percentage points to 32.5% in Q4:2020 compared to Q3:2020.
The Expanded definition which includes those discouraged and those having other reasons for not searching (e.g. Lockdown) showed a 0,5 of a percentage point decrease to 42,6% in Q4:2020 compared to Q3:2020.

Expanded Definition includes the following:
- Official unemployment (searched and available) 7,2 M
- Available to work but are/or
  - Discouraged work-seekers 2,9 M
  - Have other reasons for not searching 1,0 M

Q4:2010

Q4:2020

11,1 million

42,6%

32,5%

7,2 million
EC recorded the highest official and expanded unemployment rates. NC, MP, KZN and LP provinces have more than 13,0 percentage points difference between their expanded and official unemployment rates.

_Provincial unemployment rate: Official vs Expanded Q4:2020_
The **formal sector** in South Africa accounts for 69.9% of total employment.

Employment share by sector, Q4:2010 to Q4:2020
Formal sector employment increased by 189 thousand jobs between Q3:2020 and Q4:2020

Employment changes by sector, (▲ Quarter-on-quarter increase)

- **Formal sector (non-agricultural)**
  - Q3:2020: 10.5 million
  - Q4:2020: 10.7 million
  - Increase: 189,000

- **Informal sector (non-agricultural)**
  - Q3:2020: 2.5 million
  - Q4:2020: 2.7 million
  - Increase: 65,000

- **Agriculture**
  - Q3:2020: 810 thousand
  - Q4:2020: 808 thousand
  - Decrease: 2,000

- **Private households**
  - Q3:2020: 1.2 million
  - Q4:2020: 1.2 million
  - Decrease: 76,000

**Notes:**
- Millions represent employment figures.
- The increase in formal sector employment is the largest among the categories presented.
Employment gains were observed across all industries with the exception of Mining and Finance.

Employment changes by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Quarter-on-quarter change ('000)</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community and social services</td>
<td>170</td>
<td>5,0%</td>
</tr>
<tr>
<td>Construction</td>
<td>86</td>
<td>8,0%</td>
</tr>
<tr>
<td>Private households</td>
<td>76</td>
<td>6,8%</td>
</tr>
<tr>
<td>Transport</td>
<td>65</td>
<td>7,4%</td>
</tr>
<tr>
<td>Trade</td>
<td>55</td>
<td>1,8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>31</td>
<td>2,1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>9</td>
<td>9,6%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2</td>
<td>0,3%</td>
</tr>
<tr>
<td>Mining</td>
<td>-35</td>
<td>-8,4%</td>
</tr>
<tr>
<td>Finance</td>
<td>-123</td>
<td>-5,0%</td>
</tr>
</tbody>
</table>

Largest increases were observed in Services, Construction and Private households.
Trade, construction and agriculture have higher employment shares relative to their GDP contribution.

Employment and GDP share per industry

**Employment shares, Q4:2020**

- Community and social services: 23.6%
- Trade: 20.4%
- Finance: 15.4%
- Manufacturing: 9.9%
- Private households: 8.0%
- Construction: 7.8%
- Transport: 6.3%
- Agriculture: 5.4%
- Mining: 2.6%
- Utilities: 0.7%

**Share of Nominal GDP (Q3:2020)**

- Community and social services: 24.8%
- Trade: 14.6%
- Finance: 19.1%
- Manufacturing: 13.7%
- Private households: 3.3%
- Construction: 8.7%
- Transport: 3.1%
- Agriculture: 8.9%
- Mining: 3.8%
Youth aged 15-24 years and 25-34 years recorded the highest unemployment rates of 63.2% and 41.2% respectively.

Labour market rates by age group, Q4:2020

### Unemployment rate

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Rate (Q4:2020)</th>
<th>Change (Q3:2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 yrs</td>
<td>63.2%</td>
<td>+1.9</td>
</tr>
<tr>
<td>25-34 yrs</td>
<td>41.2%</td>
<td>+3.4</td>
</tr>
<tr>
<td>35-44 yrs</td>
<td>27.4%</td>
<td>+1.3</td>
</tr>
<tr>
<td>45-54 yrs</td>
<td>19.3%</td>
<td>+0.2</td>
</tr>
<tr>
<td>55-64 yrs</td>
<td>12.5%</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

### Absorption rate

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Rate (Q4:2020)</th>
<th>Change (Q3:2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 yrs</td>
<td>7.6%</td>
<td>-0.2</td>
</tr>
<tr>
<td>25-34 yrs</td>
<td>41.8%</td>
<td>0.0</td>
</tr>
<tr>
<td>35-44 yrs</td>
<td>56.0%</td>
<td>+1.0</td>
</tr>
<tr>
<td>45-54 yrs</td>
<td>59.1%</td>
<td>+2.4</td>
</tr>
<tr>
<td>55-64 yrs</td>
<td>37.4%</td>
<td>+0.9</td>
</tr>
</tbody>
</table>

### Participation rate

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Rate (Q4:2020)</th>
<th>Change (Q3:2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 yrs</td>
<td>20.6%</td>
<td>+0.5</td>
</tr>
<tr>
<td>25-34 yrs</td>
<td>71.1%</td>
<td>+3.9</td>
</tr>
<tr>
<td>35-44 yrs</td>
<td>77.1%</td>
<td>+2.8</td>
</tr>
<tr>
<td>45-54 yrs</td>
<td>73.3%</td>
<td>+3.2</td>
</tr>
<tr>
<td>55-64 yrs</td>
<td>42.7%</td>
<td>+0.9</td>
</tr>
</tbody>
</table>
Approximately 3.1 million (29.8%) out of 10.3 million young people aged 15-24 years were not in employment, education or training (NEET). The overall NEET rate declined by 2.2 percentage points in Q4:2020 compared to Q4:2019.

NEET rate ages 15-24 & 15-34, 2012-2020
The unemployment rate among the black African (36.5%) population group remains higher than the national average and other population groups.

OFFICIAL unemployment rate by population group, Q4:2020
Black African women are the most vulnerable with an unemployment rate of 38.5%.

Official unemployment rate by population group and sex

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Black African</td>
<td>32.5%</td>
<td>30.8%</td>
<td>34.9%</td>
<td>33.0%</td>
<td>38.5%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Coloured</td>
<td>25.7%</td>
<td>23.5%</td>
<td>25.4%</td>
<td>24.3%</td>
<td>26.0%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>11.8%</td>
<td>18.4%</td>
<td>8.9%</td>
<td>17.1%</td>
<td>17.1%</td>
<td>20.8%</td>
</tr>
<tr>
<td>White</td>
<td>8.8%</td>
<td>8.6%</td>
<td>9.4%</td>
<td>9.5%</td>
<td>8.1%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Q4:2020 Q3:2020
Irrespective of gender, the **black African and coloured population groups remain vulnerable** in the labour market.

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

- **Both sexes**
  - Expanded unemployment rate by population group: 42.6% (Q4:2020) vs. 43.1% (Q3:2020)

- **Black African**
  - Expanded unemployment rate by population group: 47.2% (Q4:2020) vs. 47.4% (Q3:2020)

- **Coloured**
  - Expanded unemployment rate by population group: 33.5% (Q4:2020) vs. 34.9% (Q3:2020)

- **Indian/Asian**
  - Expanded unemployment rate by population group: 17.6% (Q4:2020) vs. 26.5% (Q3:2020)

- **White**
  - Expanded unemployment rate by population group: 11.3% (Q4:2020) vs. 13.0% (Q3:2020)

**Male expanded unemployment rate by population group**

- Black African: 43.9% (Q4:2020) vs. 43.9% (Q3:2020)

**Female expanded unemployment rate by population group**

- Black African: 51.0% (Q4:2020) vs. 51.4% (Q3:2020)

**Irrespective of gender, the** black African and coloured population groups **remain vulnerable** in the labour market.
Additional analysis on employment in relation to COVID-19

This section of the presentation focuses on indicators derived from the additional questions that were only asked of those who were employed.
Of the 15,0 million persons who were employed in Q4: 2020, almost 8 in ten (78,3%) were expected to work during the national lockdown by the companies/organisations they work for.
Professionals and Managers were more likely than all other occupations to be working from home.

*Place of work for persons who did any work by occupation, Q4: 2020*

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Worked from home</th>
<th>Worked at place of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>22,2%</td>
<td>77,8%</td>
</tr>
<tr>
<td>Manager</td>
<td>17,5%</td>
<td>82,5%</td>
</tr>
<tr>
<td>Skilled agriculture</td>
<td>10,9%</td>
<td>89,1%</td>
</tr>
<tr>
<td>Technician</td>
<td>8,9%</td>
<td>91,1%</td>
</tr>
<tr>
<td>Craft and related trade</td>
<td>8,5%</td>
<td>91,5%</td>
</tr>
<tr>
<td>Total</td>
<td>8,0%</td>
<td>92,0%</td>
</tr>
<tr>
<td>Clerk</td>
<td>6,9%</td>
<td>93,1%</td>
</tr>
<tr>
<td>Elementary</td>
<td>5,9%</td>
<td>94,1%</td>
</tr>
<tr>
<td>Sales and services</td>
<td>5,0%</td>
<td>95,0%</td>
</tr>
<tr>
<td>Plant and machine operator</td>
<td>1,0%</td>
<td>99,0%</td>
</tr>
<tr>
<td>Domestic worker</td>
<td>0,5%</td>
<td>99,5%</td>
</tr>
</tbody>
</table>
88.9% of the employed continued to receive pay during lockdown in Q4:2020

16.5% of those who received pay during lockdown were paid reduced salaries in Q4:2020.

Q3:2020:
- Received pay 87.3%
- Did not receive pay 12%

Q4:2020:
- Received pay 88.9%
- Did not receive pay 10.6%
- Don't know: 0.5%

Q3:2020:
- Full salary 81.2%
- Reduced salary 18.9%

Q4:2020:
- Full salary 83.5%
- Reduced salary 16.5%
About 9 in 10 graduates received their full salary in Q4:2020. The share of those receiving full salary increased irrespective of level of education between Q3:2020 and Q4:2020. 18.8% of those with less than matric received reduced pay.
Recap QLFS Q4:2020

Unemployment rate (32.5%) increased by 1.7 percentage points. Absorption rate (38.2) and labour force participation rate (56.6) increased by 0.7 and 2.4 percentage points respectively.

Employment gains

Community and social services (170 000), Construction (86 000) and private households (76 000) recorded the largest employment gains.

Not economically active

The number of not economically active decreased by 890 thousand in Q4:2020 compared to Q3:2020.
Ndzi hela kwala!