# Labour market dynamics in South Africa 2008

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**Labour marker dynamics in South Africa, 2008**

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## Foreword

Labour market dynamics in South Africa, 2008 is the first of a series of reports that will be published by Statistics South Africa on an annual basis. The report looks at trends in the labour market over a five-year period from 2003 to 2008. It outlines important aspects of the three major groups: the employed, unemployed, and the inactive, which constitute the working age population (15-64 years). The relevance of age, sex, population group, and education to labour market outcomes in the South African economy over the 5-year period is discussed. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. It also highlights differences of the workforce by province and level of education, and signals the importance of the latter for the quality of labour supply.

I trust that this report will inform the policy and academic discourse on labour markets and job creation in our country. To kick-start this, stakeholders are invited to receive and study this report.

Pali Lehohla
Statistician-General

## Highlights

- Employment expanded by an average annual 3,0 percent over the period 2003 to 2008 - equivalent to an additional 1,9 million jobs over the five years to 2008. And this was accompanied by a decline in the number of unemployed persons by an annual average 1,5 percent over the same period.

- Employment growth slowed in the two years to 2008 by which time the downward trend in unemployment had been reversed.

- Over the period 2003-2006, female unemployment rates were higher than male rates by an increasingly large margin. Although the gap narrowed in 2007 and 2008, the unemployment rate among women was still more than 30 percent higher than that of men in 2008.

- In 2008 the absorption rate was 52,4 percent for men compared to 37,5 percent for women.

- 41,8 percent of the white labour force had higher education compared with 22,9 percent of the Indian labour force and around 10 percent of the coloured and Black/African labour force.

- Although younger people were in general better educated than older people, this has not always assisted their job prospects and in 2008, the unemployment rate among youth aged 15-24 years was still twice the national average.

- Although the overall unemployment rate was virtually unchanged in 2008 (22,9 percent) compared with a year earlier (22,3 percent), among Black/Africans it rose from 25,8 percent in 2007 to 27,0 percent in 2008. Black/African women had the highest unemployment rate (30,9% in 2008) while white men had the lowest (3,5% in 2008).

- Over the period 2003 to 2008, unemployment rates were lowest in the more urbanised provinces Western Cape and Gauteng and highest in Limpopo and Eastern Cape. This pattern reflected the evolution of absorption rates and labour force participation rates which were highest in the more urban provinces and lowest in provinces such as Limpopo and Eastern Cape.

- The unemployment rate among graduates declined from 9,8 percent in 2003 to 7,7 percent in 2008, reflecting a decline among all population groups. In 2008 the unemployment rate among Black/African graduates was still more than six times that of white graduates suggesting that there is perhaps still a large mismatch between the education outcomes of the four population groups and the labour market opportunities available to each group.

- In 2008 the number of persons in long-term unemployment rose after four successive years of decline. As a result, the incidence of long-term unemployment increased among both men and women such that over 50 percent of unemployed men and over 60 percent of unemployed women were actively looking for a job for one year or longer in 2008.

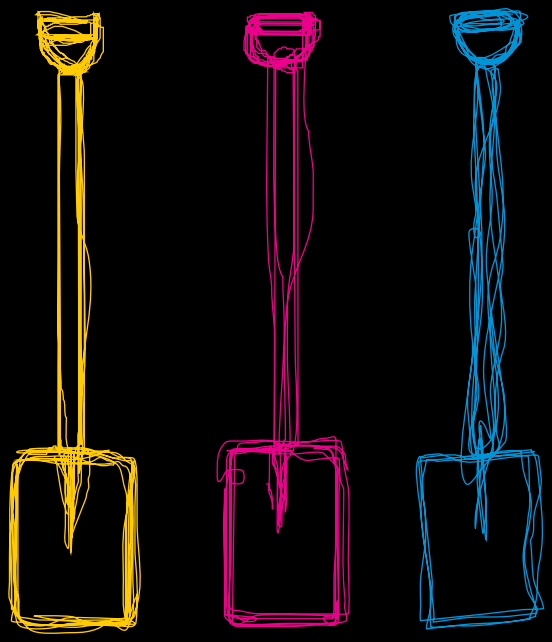
- One clear indication of the deteriorating labour market situation in 2008 was that the overall unemployment rate was virtually unchanged compared with a year earlier but the long-term unemployment rate increased from 11,6 percent in 2007 to 13,4 percent in 2008.

- In 2008, 18,9 percent of working age individuals were underutilised in the South African labour market because they were either underemployed, or unemployed or discouraged.

- Whereas one in every five working age women (20,0%) was underutilised - a smaller proportion of working age men (17,7%) fell into the category “underutilised labour”.

- The underemployment rate rose from 2,2 percent in 2007 to 3,5 percent in 2008 (the highest rate over the period 2003-2008). This occurred despite the relative stability in the unemployment rate which remained virtually unchanged in 2008 compared with 2007 suggesting a preference for shorter than desired working hours rather than facing unemployment.

# Chapter 1
# Introduction



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# Chapter 1: Introduction

## Background

The Quarterly Labour Force Survey (QLFS) is a household-based sample survey conducted by Statistics South Africa (Stats SA). It collects data on the labour market activity of individuals aged 15 years or older who live in South Africa.

In 2005, Stats SA undertook a major revision of the Labour Force Survey (LFS) which was conducted twice per year since 2000. This revision resulted in changes to the survey methodology, the survey questionnaire, the frequency of data collection and data releases, and the survey data capture and processing systems. The redesigned labour market survey, the QLFS, is now the principal vehicle for collecting labour market information on a quarterly basis.

This report is the first annual report on the labour market in South Africa produced by Stats SA. The analysis is based on annual labour market data from 2003 to 2008. The report also includes a statistical appendix with historical data dating back to 2003 on an annual basis.

## Objective

The objective of this report is twofold: first, to present annual labour market data backcast to 2003, and second, to analyse important aspects of the labour market in South Africa over the past five years.

## Data sources

Labour Force Survey – 2003 to 2007 (March and September each year)
QLFS – 2008 (Quarters 1 to 4)

## Data issues

### Missing values

These were imputed in the QLFS but not in the LFS. As a result, some of the historically linked variables in the LFS may sometimes include an unspecified category. This category will always be included in the totals but, depending on the size, it may not necessarily be itemised separately.

### Differences between the QLFS and LFS questionnaires

A detailed report on the differences in the questions and the structure of the questionnaire is available at www.statssa.gov.za/qlfs/index.asp

### Breaks in series

As noted below in **'Linking the LFS and the QLFS',** many of the series published by the LFS have been adjusted to make them comparable to the QLFS data. However, not all series could be linked for two reasons:

**Not included in the QLFS questionnaire**
Only those LFS questions which were suitable for a quarterly labour market survey were replicated in the QLFS questionnaire. Perhaps the most significant of questions *not* carried over were questions to determine income from employment. In response to stakeholder demands they have been included in Quarter 3 of 2009 and will be analysed in subsequent reports.

**Series not linked**
Any of the questions common to both the LFS and QLFS questionnaires had the potential to be linked; that is, the LFS series adjusted to make them comparable to their QLFS counterparts. However, the linkage methodology strictly limited the number of series that could be directly linked. Priority was given to linked series related to employed, unemployed, not economically active, sector, industry, occupation, sex, population group, province, and age. Thus, while the not economically active were controlled to enable historical continuity with the LFS, its components were not – hence the break in series for **discouraged work-seekers.**

Other variables, including hours worked, formal/informal sector employment, and duration of unemployment, were not adjusted directly but are nevertheless available as LFS historically adjusted data. See **'Linking the LFS and the QLFS'** for more information on the distinction between directly and indirectly historically revised LFS data.

## Technical notes

**The annual data** presented in this report have been derived as follows:

- LFS historically-revised data covering the period 2003–2007 are averages of the revised March and September LFS results each year.
- QLFS data covering the period 2008 are averages of the results obtained for the four quarters of 2008.

### Rounding

Totals may sometimes differ from the sum of the constituent parts by small amounts due to rounding.

### Master Sample design

The Labour Force Survey and the Quarterly Labour Force Survey are based on a Master Sample and there have been three of them so far. The design of each is outlined below.

### 1999 Master Sample

For the LFSs of February 2000 to March 2004, a rotating panel sample design was used to allow for measurement of change in people's employment situation over time. The same dwellings were visited on, at most, five different occasions. After this, new dwelling units were included for interviewing from the same PSU in the master sample. This means a rotation of 20% of dwelling units each time. The database of enumerator areas (EAs) established during the demarcation phase of Census '96 constituted the sampling frame for selecting EAs for the LFS. Small EAs consisting of fewer than 100 dwelling units were combined with adjacent EAs to form primary sampling units (PSUs) of at least 100 dwelling units, to allow for repeated sampling of dwelling units within each PSU. The sampling procedure for the master sample involved explicit stratification by province and within each province, by urban and non-urban areas (Census 1996 definitions). Independent samples of PSUs were drawn for each stratum within each province. The smaller provinces were given a disproportionately large number of PSUs compared to the bigger provinces. Simple random sampling was applied to select 10 dwelling units to visit in each PSU as ultimate sampling units. If more than one household was found in the same dwelling unit all such households were interviewed.

### 2004 Master Sample

The 2004 Master Sample was used in the LFSs of September 2004 to September 2007. Enumeration Areas (EAs) that had a household count of less than twenty-five were omitted from the census frame that was used to draw the sample of PSUs for the Master Sample. Other omissions from the frame included all institution EAs except workers' hostels, convents and monasteries. EAs in the census database that were found to have less than sixty dwelling units during listing were pooled. This Master Sample was a multi-stage stratified sample. The overall sample size of PSUs was 3 000. The explicit strata were the 53 district councils. The 3 000 PSUs were allocated to these strata using the power allocation method. The PSUs were then sampled using probability proportional to size principles. The measure of size used was the number of households in a PSU as counted in the census. The sampled PSUs were listed with the dwelling unit as the listing unit. From these listings systematic samples of dwelling units per PSU were drawn. These samples of dwelling units formed clusters. The size of the clusters differed

depending on the specific survey requirements. The LFS used one of the clusters that contained ten dwelling units.

**Current Master Sample**

The Quarterly Labour Force Survey (QLFS) frame has been developed as a general-purpose household survey frame that can be used by all other household surveys irrespective of the sample size requirement of the survey. The sample size for the QLFS is roughly 30 000 dwellings per quarter.

The sample is based on information collected during the 2001 Population Census conducted by Stats SA. In preparation for the 2001 Census, the country was divided into 80 787 enumeration areas (EAs). Stats SA's household-based surveys use a master sample of primary sampling units (PSUs) which comprises EAs that are drawn from across the country.

The sample is designed to be representative at provincial level and within provinces at metro/non-metro level. Within the metros, the sample is further distributed by geography type. The four geography types are: urban formal, urban informal, farms and tribal. This implies, for example, that within a metropolitan area the sample is representative at the different geography types that may exist within that metro.

The current sample size is 3 080 PSUs. It is divided equally into four subgroups or panels called rotation groups. The rotation groups are designed in such a way that each of these groups has the same distribution pattern as that which is observed in the whole sample. They are numbered from one to four and these numbers also correspond to the quarters of the year in which the sample will be rotated for the particular group.

The sample for the redesigned Labour Force Survey (i.e. the QLFS) is based on a stratified two-stage design with probability proportional to size (PPS) sampling of primary sampling units (PSUs) in the first stage, and sampling of dwelling units (DUs) with systematic sampling in the second stage.

Each quarter, a ¼ of the sampled dwellings rotate out of the sample and are replaced by new dwellings from the same PSU or the next PSU on the list. Thus, sampled dwellings will remain in the sample for four consecutive quarters. It should be noted that the sampling unit is the dwelling, and the unit of observation is the household. Therefore, if a household moves out of a dwelling after being in the sample for, say two quarters and a new household moves in then the new household will be enumerated for the next two quarters. If no household moves into the sampled dwelling, the dwelling will be classified as vacant (unoccupied).

**Linking the LFS and the QLFS**

To preserve historical continuity with the QLFS, link factors were computed on the basis of an overlap of the QLFS and the LFS in March and September 2008. A detailed report on the methodology used to derive the link factors is available at www.statssa.gov.za/qlfs/index.asp.

The historical adjustment methodology involved re-weighting the LFS unit record (micro data) files. In doing this reweighting, a substantial number of variables were set as control totals. This was done using the QLFS/LFS ratios from the estimates for these variables for Q1/March 2008 and Q3/September 2008. These variables (employed, unemployed, not economically active, industry, occupation, etc.) can be said to have been adjusted directly.

However, it is possible to tabulate other variables on the LFS files. Because these variables did not enter directly into the revision process, less confidence can be put in the consistency of these data with the corresponding data from the QLFS.

In the case of variables with vastly different definitions in the LFS and QLFS, such as discouraged work-seekers, the indirect method of historical adjustment yields LFS data that are clearly inconsistent with the QLFS estimates.

## Layout of the remainder of the report

**Chapter 2: The South African labour market**

This chapter first outlines important aspects of the three major groups which constitute the working-age population and discusses the relevance of age and population group to labour market outcomes in the South African economy over the period 2003 to 2008. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. Finally, the chapter highlights differences in the composition of the workforce by province and level of education, and signals the importance of the latter for the quality of the labour supply.

**Chapter 3: Summary labour market measures**

The discussion in this chapter focuses on summary labour market variables that are intrinsically linked: the unemployment rate, the labour force participation rate, and the employment-to-population ratio (absorption rate). In recognition that the trends and patterns of these labour market aggregates at national level often conceal wide variations for different groups, this chapter also explores other pertinent factors such as age, sex, population group, and location that contributed to the performance of the South African labour market over the period 2003 to 2008. Given the importance of education and training in determining labour market outcomes, the education profile of labour market groups is also examined.

**Chapter 4: A profile of the employed**

This chapter presents a detailed analysis of the levels and trends in employment over the period 2003 to 2008 in terms of age, sex, population group, province, and education. The analysis will first focus on employment trends followed by a discussion of various descriptors of employment. The industrial and occupational structure of the economy will be assessed, followed by an analysis of the status in employment of people with jobs in terms of whether or not they are employers, employees, own-account or unpaid household members. The analysis in this chapter will then focus on time-related underemployment.

**Chapter 5: The formal/informal sector in South Africa**

This chapter focuses on analysing the formal and informal sectors, with specific emphasis on sex, age, population group, educational level, province, occupation and industry. On a high level, all sector employment attributes will be presented, including agriculture and private households.

**Chapter 6: A profile of the unemployed**

The analysis in this chapter first focuses on various demographic characteristics of the unemployed as well as their type of job-search activity. This is followed by a discussion of the profile of persons who fall into each of five categories: job-leavers, job-losers, new entrants, re-entrants and those who worked more than five years in the past, including (where relevant) their previous occupation and industry. Finally, the chapter provides insight into various aspects of unemployment duration and in that context discusses the long-term unemployment rate.

**Chapter 7: A profile of the not economically active population**

Given the importance of the not economically active population in the South African labour market, this chapter first analyses reasons for economical inactivity over the period 2003 to 2008. Two aspects of the economically inactive population, namely discouraged work-seekers and other not economically active, will be discussed. In this analysis, the socio-economic variables such as gender, age, population group, educational background, and marital status will be examined. Province will be another variable to be discussed in concluding our analysis.

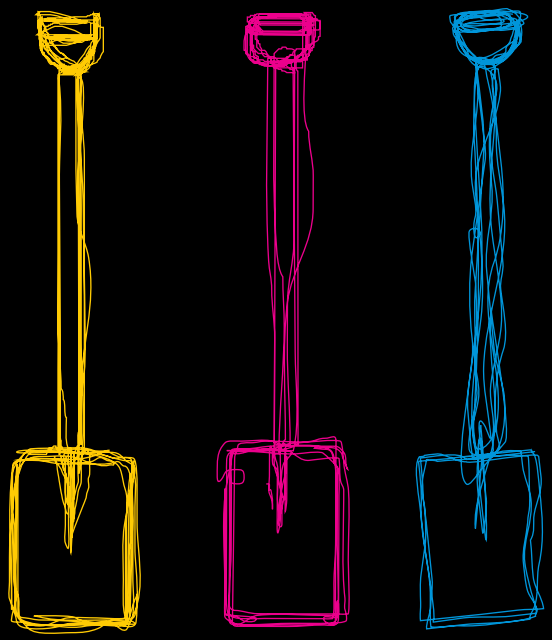
**Chapter 8: Underutilised labour**

This chapter highlights the limitations of the unemployment measurement and signals the need for a broader measure of labour market slack. It acknowledges that the level of unemployment provides a useful indicator of unused capacity in the labour force, but that it does not include persons who are already working but would like to do so for a longer duration, nor does it include discouraged job-seekers who want to work but who did not take active steps to find work. The analysis then focuses on various aspects of persons that fall into the 'underutilised labour' category and provides a comprehensive picture of this group by assessing their sex, age, population group, location, and level of education. Finally, given the importance of underemployment in the discussion of underutilised labour, the chapter provides a brief overview of the underemployment rate and its association with the unemployment rate for various groups.

**Statistical appendix**

This appendix includes annual labour market indicators based on the LFS (2003–2007) and the QLFS (2008) as well as sampling variability for labour force characteristics.

# Chapter 2
# The South African labour market



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# Chapter 2: The South African labour market

### Key labour market concepts

The **working-age population** comprises everyone aged 15–64 years who fall into each of the three labour market components (employed, unemployed, not economically active).

**Employed** persons are those who were engaged in market production activities in the week prior to the survey interview (even if only for one hour).

In order to be considered **unemployed**, three criteria must be met simultaneously: completely without work, currently available to work, and taking active steps to find work.

If a person is working or trying to find work, he/she is in the **labour force**. Thus the number of people that are employed or unemployed within an economy is the labour force or economically active population.

A person who reaches working age may not necessarily enter the labour force. He/she may remain outside the labour force and would then be regarded as inactive **(not economically active)**. This inactivity can be voluntary – if the person prefers to stay at home or to begin or continue education – or involuntary, where the person would prefer to work but is **discouraged** and has given up hope of finding work.

## Background

Common to the situation associated with other markets, the labour market consists of a supply side and a demand side. The labour supply of the population, referred to as the economically active population or labour force, has two components: employed persons and unemployed persons. Labour demand can also be disaggregated into two components: jobs/filled posts and job vacancies/unfilled posts (Hussmanns, 2007[1]). The principal sources of labour demand are government and private firms.

Against this background, labour market information is the body of knowledge that describes employment, unemployment and the factors that relate to labour demand and supply. The analysis that follows focuses on these factors in the context of the labour market outcomes in the South African economy over the period 2003 to 2008. These labour market developments are the result of long-term demographic and socio-economic changes.

## Introduction

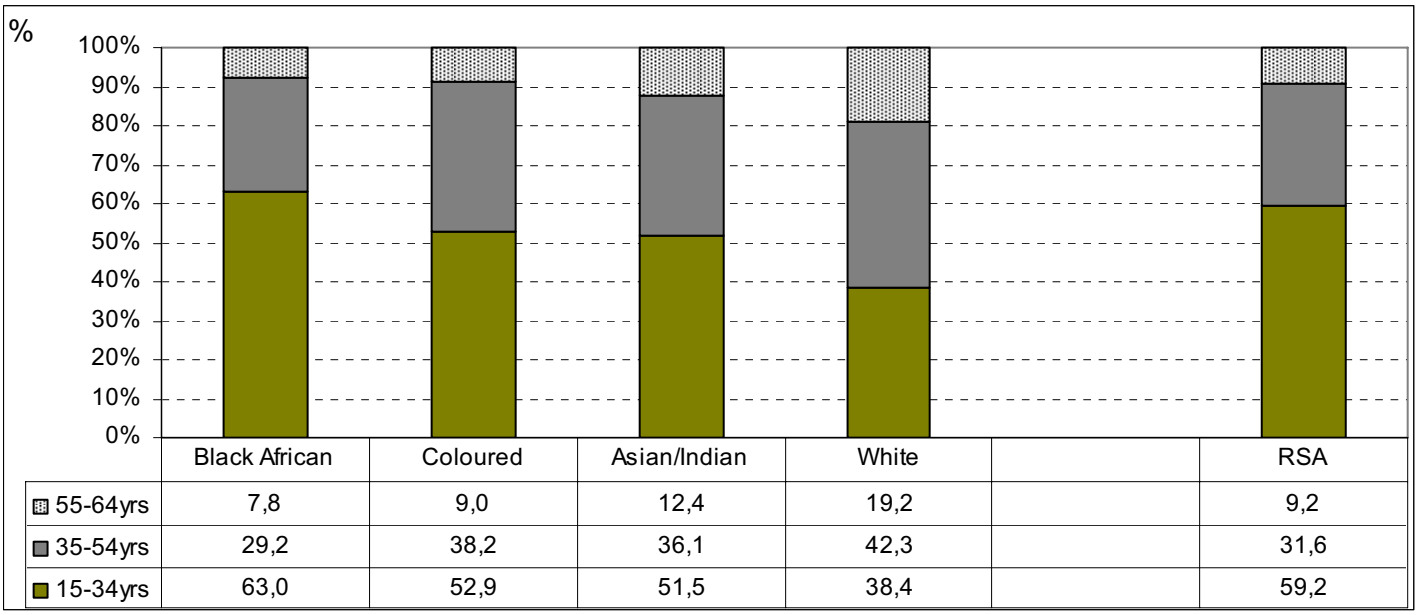
This chapter first outlines important aspects of the three major groups which constitute the working-age population and discusses the relevance of age and population group to labour market outcomes in the South African economy over the period 2003 to 2008. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. Finally, the chapter concludes with an analysis of the differences in the composition of the workforce by level of education, and signals the importance of the latter for the quality of the labour supply.

## The South African working-age population by age and population group

The age profile of the working-age population in South Africa reflects the age structure of the four population groups. The black African population group is more youthful than the other groups; more than 60% are 15–34 years old (Figure 2.1).

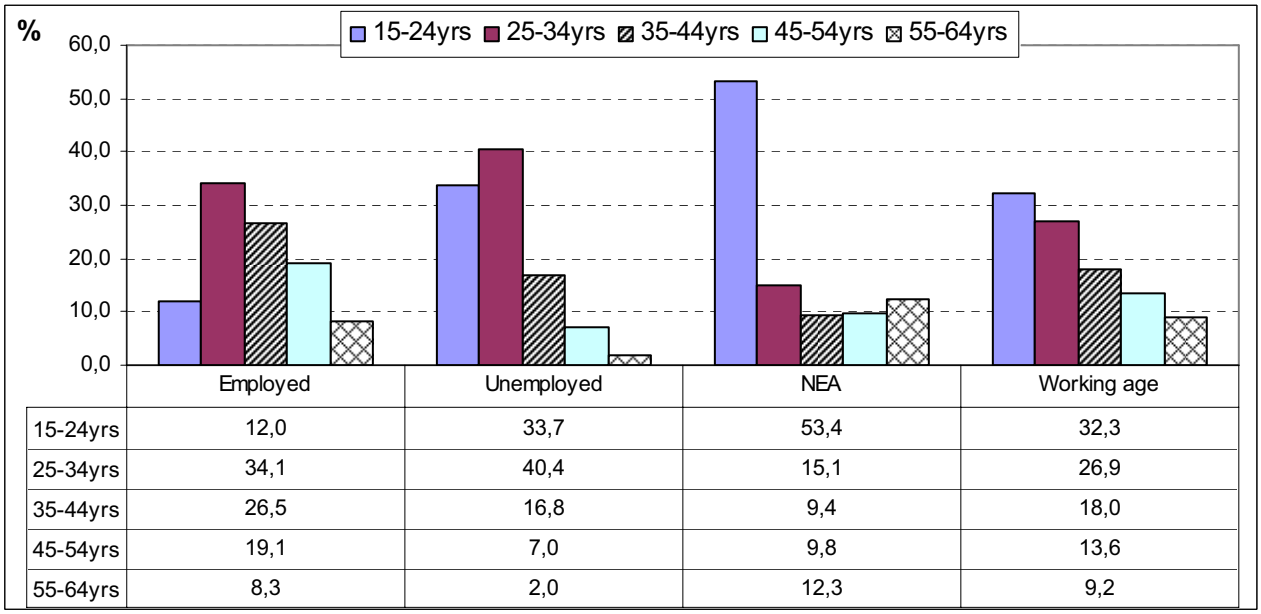
[1] Hussmanns, Ralf. Measurement of employment, unemployment and underemployment – Current international standards and issues in their application, ILO Bureau of Statistics, Geneva

**Figure 2.1: The age profile of persons in the working-age population, 2008**




| | Black African | Coloured | Asian/Indian | White | | RSA |
|---|---|---|---|---|---|---|
| 55-64yrs | 7,8 | 9,0 | 12,4 | 19,2 | | 9,2 |
| 35-54yrs | 29,2 | 38,2 | 36,1 | 42,3 | | 31,6 |
| 15-34yrs | 63,0 | 52,9 | 51,5 | 38,4 | | 59,2 |

**Figure 2.2: The age profile of persons in each component of the working-age population, 2008**




| | Employed | Unemployed | NEA | Working age |
|---|---|---|---|---|
| 15-24yrs | 12,0 | 33,7 | 53,4 | 32,3 |
| 25-34yrs | 34,1 | 40,4 | 15,1 | 26,9 |
| 35-44yrs | 26,5 | 16,8 | 9,4 | 18,0 |
| 45-54yrs | 19,1 | 7,0 | 9,8 | 13,6 |
| 55-64yrs | 8,3 | 2,0 | 12,3 | 9,2 |

Figures 2.1 and 2.2 and Table 2.1 highlight two important characteristics of the South African labour market as follows:

- One in every three working-age persons (32,3%) is 15–24 years old.
- More than three-quarters (77,5%) of the working-age population is black African.

In combination, the youthfulness of the population – particularly the black African population – and the relative size of this population group, are important explanatory factors for the aggregate labour market outcomes in the South African economy discussed throughout this report.

**Table 2.1: The population group of persons in the working-age population, 2008**

| | Employed | Unemployed | Not economically active | Working age |
|---|---|---|---|---|
| | Per cent | | | |
| Black African | 70,1 | 87,3 | 82,2 | 77,5 |
| Coloured | 11,3 | 8,9 | 7,9 | 9,6 |
| Asian/Indian | 3,4 | 1,6 | 2,6 | 2,8 |
| White | 15,1 | 2,3 | 7,3 | 10,1 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** |

A striking feature of the profile of persons in the labour market based on population group is that while 77,5% of working-age people are black African, this group is under-represented among the employed (70,1%) and over-represented among both the unemployed (87,3%), and the not economically active (82,2%). On the other hand, the white population group accounts for 10,1% of the working-age population, but as much as 15,1% of total employment and only 2,3% of unemployment (Table 2.1).

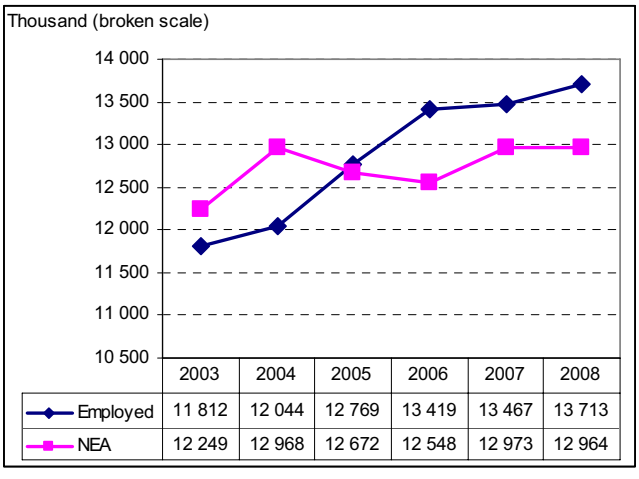
## The South African working-age population by sex

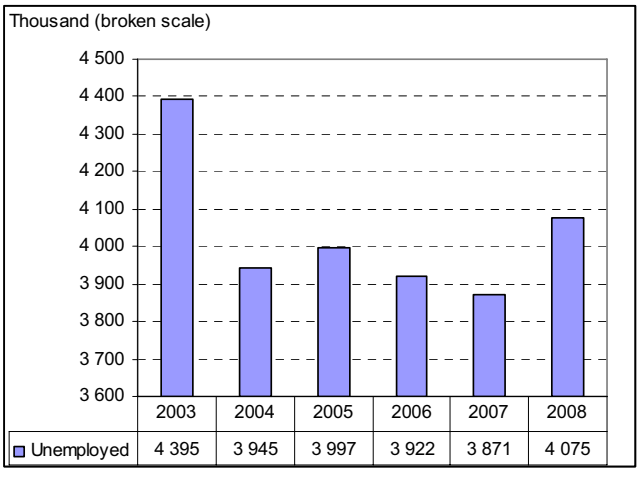
This section first discusses overall developments in the three components of the working-age population and then examines various aspects of female and male labour market indicators as well as the disparity between the two.

**Table 2.2: Key labour market indicators, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| Employed | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Unemployed | 4 395 | 3 945 | 3 997 | 3 922 | 3 871 | 4 075 |
| Not economically active | 12 249 | 12 968 | 12 672 | 12 548 | 12 973 | 12 964 |
| Labour force | 16 207 | 15 989 | 16 766 | 17 340 | 17 338 | 17 788 |
| **Working age** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |

**Figure 2.3: Trends in the components of the working-age population, 2003–2008**




NEA: not economically active

Since 2007, the performance of the South African labour market has been weaker than in previous years. By 2008, the number of unemployed persons had increased after two consecutive years of decline, and this was accompanied by only modest increases in employment in both 2007 and 2008 (Figure 2.3 and Tables 2.2 and 2.3).

**Table 2.3: Annual change in key labour market indicators, 2003–2008**

| | 2004 | 2005 | 2006 | 2007 | 2008 | Cumulative change 2003–2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| Employed | 231 | 725 | 650 | 48 | 246 | 1 900 |
| Unemployed | -450 | 52 | -75 | -51 | 204 | -320 |
| Not economically active | 719 | -296 | -123 | 424 | -9 | 715 |
| Labour force | -218 | 777 | 575 | -2 | 450 | 1 581 |
| **Working age** | **500** | **481** | **451** | **422** | **441** | **2 296** |
| | Percentage change | | | | | |
| | 2004 | 2005 | 2006 | 2007 | 2008 | Annual average change 2003–2008 |
| Employed | 2,0 | 6,0 | 5,1 | 0,4 | 1,8 | 3,0 |
| Unemployed | -10,2 | 1,3 | -1,9 | -1,3 | 5,3 | -1,5 |
| Not economically active | 5,9 | -2,3 | -1,0 | 3,4 | -0,1 | 1,1 |
| Labour force | -1,3 | 4,9 | 3,4 | 0,0 | 2,6 | 1,9 |
| **Working age** | **1,8** | **1,7** | **1,5** | **1,4** | **1,5** | **1,6** |

The expansion in employment by 1,9 million jobs, or at an annual average rate of 3,0% over the period 2003 to 2008 reflects similar annual average rates of increase for both men and women (Tables 2.2 and 2.3). However, as shown in Table 2.5, among both men and women, employment growth had slowed considerably since 2006. This slowdown was accompanied by a reversal of the downward trend in unemployment in 2008 among both men (up by 178 000 or 10,2%) and women (up by 26 000 or 1,2%).

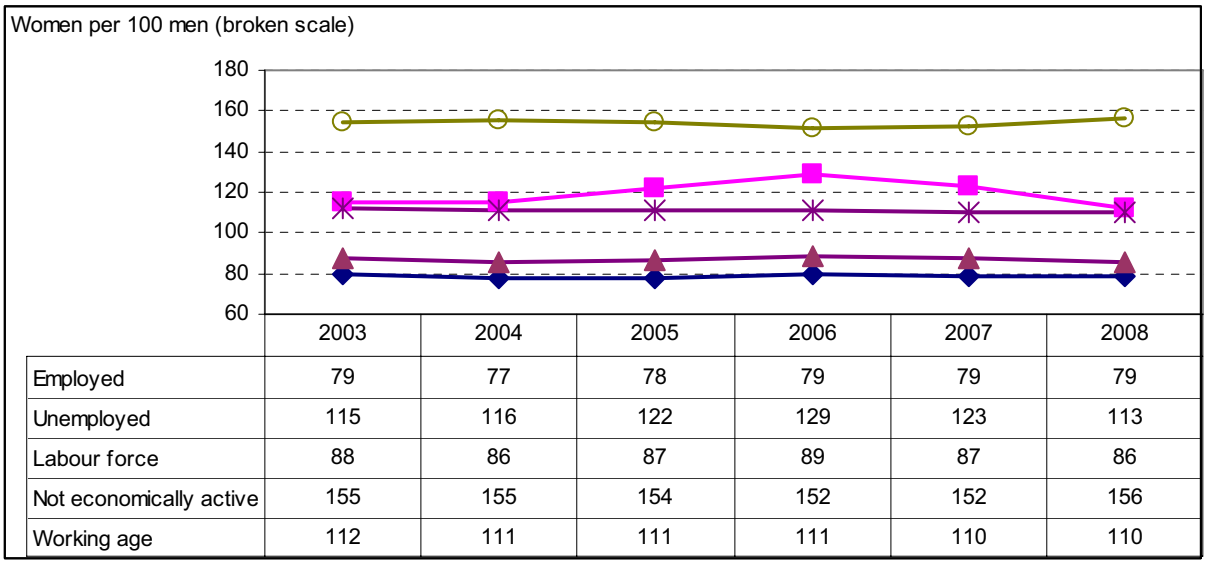
**Table 2.4: Key labour market indicators by sex, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Men** | Thousand | | | | | |
| Employed | 6 592 | 6 788 | 7 167 | 7 483 | 7 523 | 7 672 |
| Unemployed | 2 042 | 1 830 | 1 797 | 1 710 | 1 739 | 1 917 |
| Not economically active | 4 811 | 5 081 | 4 983 | 4 989 | 5 145 | 5 058 |
| Labour force | 8 634 | 8 618 | 8 964 | 9 193 | 9 262 | 9 589 |
| **Working age** | **13 445** | **13 699** | **13 947** | **14 182** | **14 407** | **14 647** |
| **Women** | | | | | | |
| Employed | 5 220 | 5 256 | 5 602 | 5 936 | 5 944 | 6 041 |
| Unemployed | 2 353 | 2 115 | 2 200 | 2 212 | 2 132 | 2 158 |
| Not economically active | 7 438 | 7 887 | 7 689 | 7 559 | 7 828 | 7 906 |
| Labour force | 7 573 | 7 371 | 7 802 | 8 147 | 8 076 | 8 199 |
| **Working age** | **15 011** | **15 257** | **15 491** | **15 706** | **15 904** | **16 105** |

**Table 2.5: Annual percentage change in key labour market variables, 2003–2008**

| | 2004 | 2005 | 2006 | 2007 | 2008 | Annual average change 2003–2008 |
|---|---|---|---|---|---|---|
| **Men** | Percentage change | | | | | |
| Employed | 3,0 | 5,6 | 4,4 | 0,5 | 2,0 | 3,1 |
| Unemployed | -10,4 | -1,8 | -4,8 | 1,7 | 10,2 | -1,3 |
| Not economically active | 5,6 | -1,9 | 0,1 | 3,1 | -1,7 | 1,0 |
| Labour force | -0,2 | 4,0 | 2,6 | 0,8 | 3,5 | 2,1 |
| **Working age** | **1,9** | **1,8** | **1,7** | **1,6** | **1,7** | **1,7** |
| **Women** | | | | | | |
| Employed | 0,7 | 6,6 | 6,0 | 0,1 | 1,6 | 3,0 |
| Unemployed | -10,1 | 4,0 | 0,5 | -3,6 | 1,2 | -1,7 |
| Not economically active | 6,0 | -2,5 | -1,7 | 3,6 | 1,0 | 1,2 |
| Labour force | -2,7 | 5,9 | 4,4 | -0,9 | 1,5 | 1,6 |
| **Working age** | **1,6** | **1,5** | **1,4** | **1,3** | **1,3** | **1,4** |

**Figure 2.4: Number of women per hundred men in the working-age population, 2003–2008**

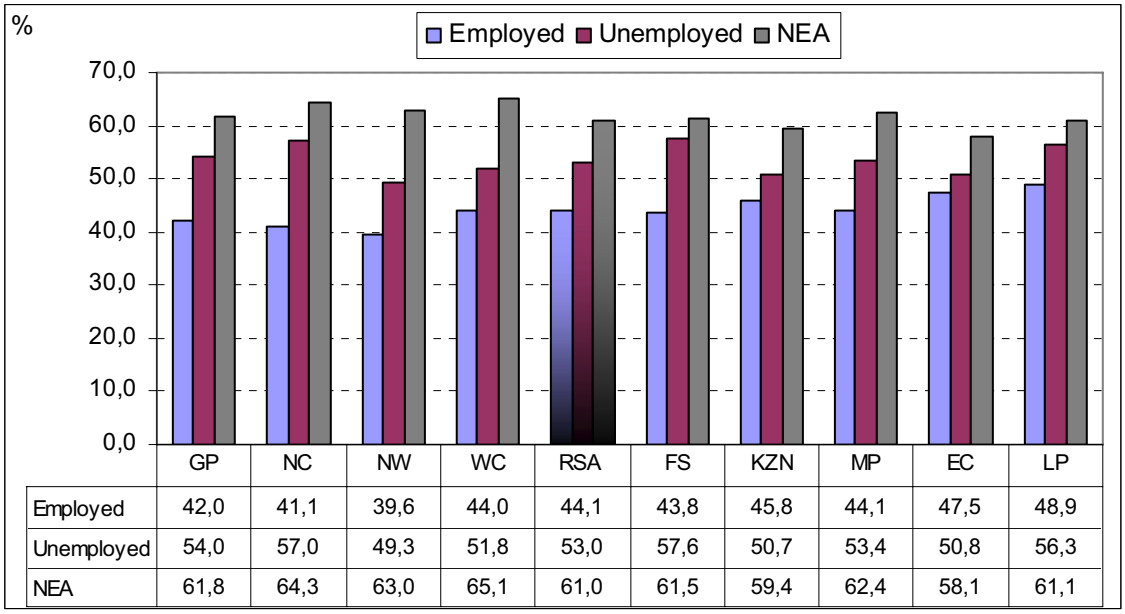



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Employed | 79 | 77 | 78 | 79 | 79 | 79 |
| Unemployed | 115 | 116 | 122 | 129 | 123 | 113 |
| Labour force | 88 | 86 | 87 | 89 | 87 | 86 |
| Not economically active | 155 | 155 | 154 | 152 | 152 | 156 |
| Working age | 112 | 111 | 111 | 111 | 110 | 110 |

Another dimension of the scale of the gender inequalities in the South African labour market is the number of women per 100 men in each labour market category. In 2008 for example, for every 100 employed men there were only 79 employed women, while for every 100 unemployed men there were 113 unemployed women. Among the not economically active, the gender gap was even wider – 156 women per 100 not economically active men. Over the period 2003 to 2008, the number of women per 100 men was relatively unchanged for all labour market groups except the unemployed (Figure 2.4).

## The South African working-age population by province

**Figure 2.5: Female share of the working-age population by province, 2008**




| | GP | NC | NW | WC | RSA | FS | KZN | MP | EC | LP |
|---|---|---|---|---|---|---|---|---|---|---|
| Employed | 42,0 | 41,1 | 39,6 | 44,0 | 44,1 | 43,8 | 45,8 | 44,1 | 47,5 | 48,9 |
| Unemployed | 54,0 | 57,0 | 49,3 | 51,8 | 53,0 | 57,6 | 50,7 | 53,4 | 50,8 | 56,3 |
| NEA | 61,8 | 64,3 | 63,0 | 65,1 | 61,0 | 61,5 | 59,4 | 62,4 | 58,1 | 61,1 |

NEA: not economically active

In 2008, women accounted for fewer than 40% of the employed in North West, but for more than 45% in provinces such as Eastern Cape, KwaZulu-Natal and Limpopo. And in provinces such as Northern Cape and Free State more than 55% of the unemployed were women (Figure 2.5).

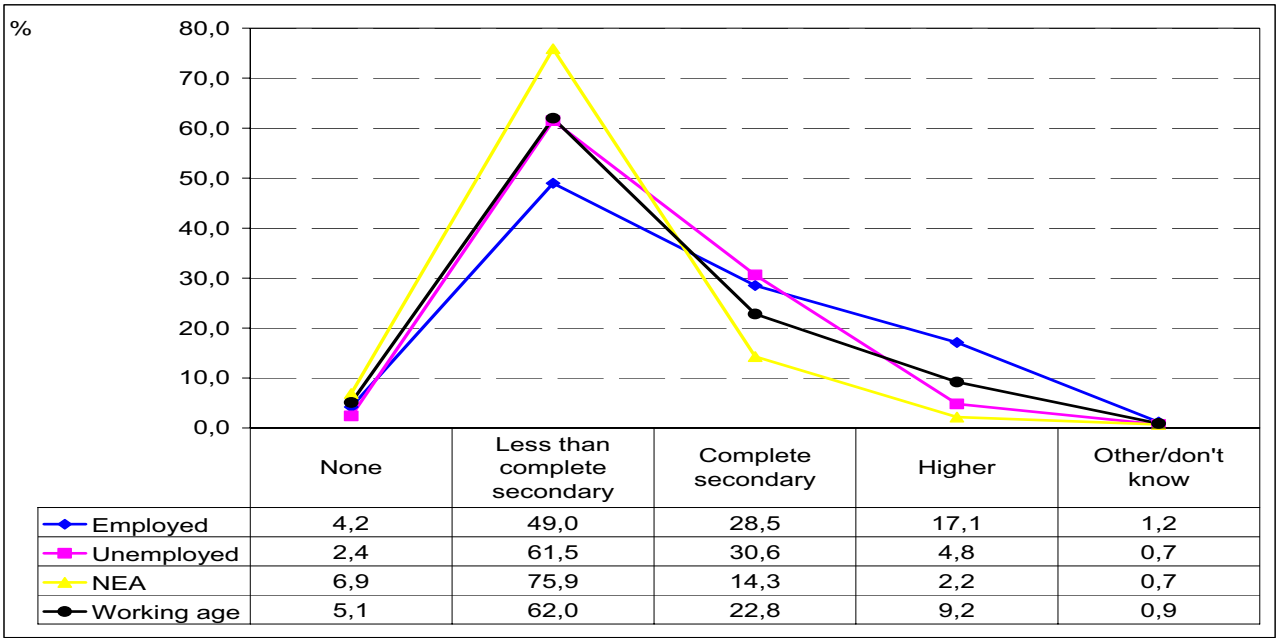
## Level of educational attainment

The number of years of completed schooling and the highest level of education attained are the two most frequently used measures of human capital development. However, caution is required when analysing education outcomes because, as discussed by Palmer, 2008[2], such measures omit any on-the-job-training and say nothing about the kind of school (e.g. academic, vocational) where these years of schooling have been done, nor anything about the quality of schooling received. In addition, the number of years of schooling is correlated to family wealth; hence it is quite possible that it is this wealth, rather than the schooling, which contributes to future success.

In the South African context, the challenges posed by the education system are acknowledged by government: 'The most difficult aspects of the legacy of apartheid to unwind arise from its deliberately inferior system of education and irrational patterns of population settlement. In a period of growth it is evident that we lack sufficient skilled professionals, managers and artisans, and that the uneven quality of education remains a contributory factor. In addition, the price of labour of the poor is pushed up by the fact that many live a great distance from their places of work (AsgiSA[3]). The irrational patterns of population settlement is also likely to affect the readiness of large segments of the unemployed black African population to engage in some of the job-search activities discussed in greater detail in Chapter 6 and contribute to the disproportionate share of black Africans among the discouraged discussed in Chapter 7.

[2] Palmer, Robert, ILO. Employment Sector, Employment Working Paper No. 5, 2008
[3] Accelerated shared growth initiative for South Africa, Annual Report, 2008

**Figure 2.6: Components of the working-age population by level of educational attainment, 2008**

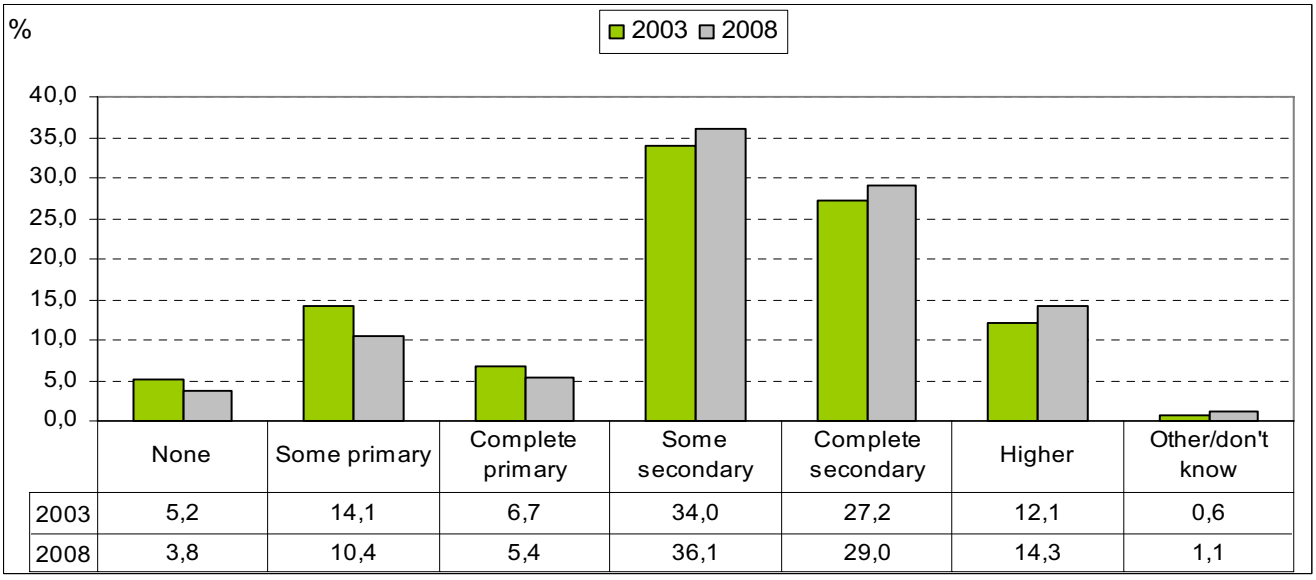



| | None | Less than complete secondary | Complete secondary | Higher | Other/don't know |
|---|---|---|---|---|---|
| Employed | 4,2 | 49,0 | 28,5 | 17,1 | 1,2 |
| Unemployed | 2,4 | 61,5 | 30,6 | 4,8 | 0,7 |
| NEA | 6,9 | 75,9 | 14,3 | 2,2 | 0,7 |
| Working age | 5,1 | 62,0 | 22,8 | 9,2 | 0,9 |

NEA: not economically active

Figure 2.6 shows that there are variations in the educational profile of the working-age population when each of the three components (employed, unemployed and not economically active) is considered. In 2008, a larger proportion of the employed (4,2%) than the unemployed (2,4%) had no education. And while 17,1% of those with jobs had higher qualifications, as many as 4,8% of those without jobs and looking for work also had higher qualifications (Figure 2.6).

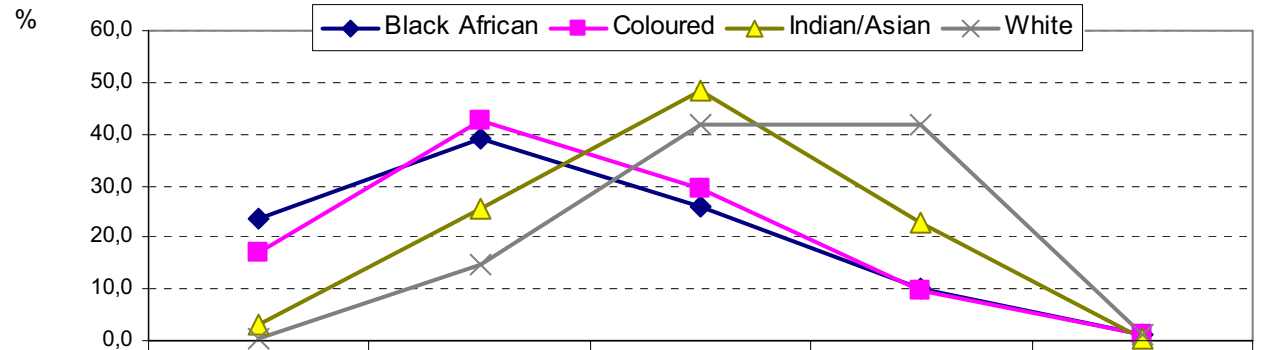
**Figure 2.7: The labour force by level of educational attainment, 2003 and 2008**




| | None | Some primary | Complete primary | Some secondary | Complete secondary | Higher | Other/don't know |
|---|---|---|---|---|---|---|---|
| 2003 | 5,2 | 14,1 | 6,7 | 34,0 | 27,2 | 12,1 | 0,6 |
| 2008 | 3,8 | 10,4 | 5,4 | 36,1 | 29,0 | 14,3 | 1,1 |

There was an improvement in the educational profile of persons in the labour force in 2008 compared with 2003 (Figure 2.7). By 2008, a larger proportion of people who were working and looking for work had completed secondary school (matric), or had attained a higher level of education. However, in that year (2008), more than half of the labour force still had educational qualifications below the completed secondary level, including a similar percentage of the labour force aged 20–24 years who had such educational qualifications (below the completed secondary level).

**Figure 2.8: The labour force by level of educational attainment and population group, 2008**




| | Less than complete primary | Some secondary | Complete secondary | Higher | Other/don't know |
|---|---|---|---|---|---|
| Black African | 23,7 | 39,1 | 26,0 | 10,1 | 1,2 |
| Coloured | 17,1 | 42,6 | 29,6 | 9,6 | 1,1 |
| Indian/Asian | 3,0 | 25,6 | 48,2 | 22,9 | 0,3 |
| White | 0,4 | 14,9 | 41,9 | 41,8 | 1,0 |

Note: The lower education categories are collapsed because of small numbers.

Although the educational level of the labour force improved over the five years (2003–2008), significant differences still existed for various groups. These included higher shares of the black African labour force with primary education or lower (23,7% in 2008) compared with Indians (3,0%) and whites (0,4%); relatively larger proportions of the white and Indian labour force with completed secondary education (over 40%) compared with Africans and coloureds (under 30%), and markedly different proportions of the labour force with higher education across the four population groups. In this regard, 41,8% of the white labour force had higher education compared with 22,9% of the Indian labour force and around 10% of the coloured and black African labour force (Figure 2.8).

Against this background, it is widely acknowledged that the advance of complex organisations and knowledge requirements, as well as the introduction of sophisticated machinery and technology, means that economic growth and improvements in welfare increasingly depend on the degree of literacy and educational attainment of the population (ILO, KILM 2001–2002[4]).

## Summary and conclusion

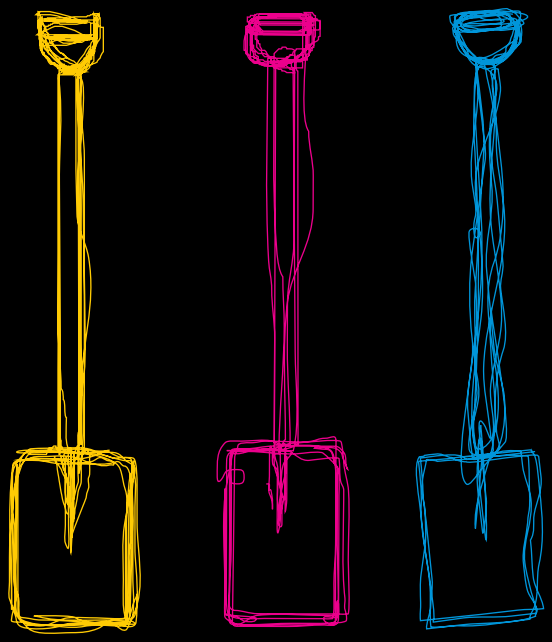
The analysis in this chapter has shown that in the South African economy, variations in the age structure and the quality of labour supply by population group have been important explanatory factors in the labour market outcomes over the period 2003 to 2008. So too are the differences in the composition of the workforce by sex and location.

Employment expanded by an annual average 3,0% over the period 2003 to 2008 – equivalent to an additional 1,9 million jobs over the this period (2003–2008). This favourable labour market outcome over the period 2003 to 2008 does, however, mask weaknesses that began to surface in 2007. Employment growth slowed in 2007 and by 2008 the downward trend in unemployment had been reversed.

In terms of educational outcomes, the underlying differences among various groups were still well entrenched in 2008. In this regard, 41,8% of the white labour force had higher education qualifications (either a degree or a certificate/diploma of at least six months duration with matric) compared with 22,9% of the Indian labour force and around 10% of the coloured and black African labour force. The dominance of black Africans in the working-age population, coupled with the difference in their educational outcomes, is likely put a damper on the speed of labour market adjustment that is necessary to align production to changing market demands.

[4] Key Indicators of the Labour Market 2001-2002, ILO, Geneva, 2002

# Chapter 3
# Summary labour market measures



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# Chapter 3: Summary labour market measures

## Key labour market concepts

The **unemployment rate** measures the proportion of the labour force that is trying to find work.

The **labour force participation rate** is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides and indication of the relative size of the supply of labour available to engage in the production of goods and services[5].

The **absorption rate** (employment-to-population ratio) measures the proportion of the working-age population that is employed.

**Graduates** (individuals who have qualifications categorised as 'higher' education) are persons who have obtained an undergraduate or post-graduate degree or have completed secondary school and in addition obtained a certificate or diploma of at least six months' full-time duration.

## Background

The analysis in this chapter focuses on three important summary labour market measures that are intrinsically linked: the unemployment rate, the labour force participation rate and the employment-to-population ratio (absorption rate). Each measure reflects a different perspective on the degree to which individuals of working age are represented in the labour market, and together they contribute to a better understanding of how the labour market functions (Lestrade-Jefferis, 2002[6]).

## Introduction

An analysis of the trends and patterns in various labour market aggregates at national level often conceals wide variations for different groups. In light of this, the analysis in this chapter explores pertinent factors such as age, sex, population group, and marital status that contributed to the labour market outcome over the period 2003 to 2008.

**Table 3.1: Summary labour market measures by sex, 2003–2008**

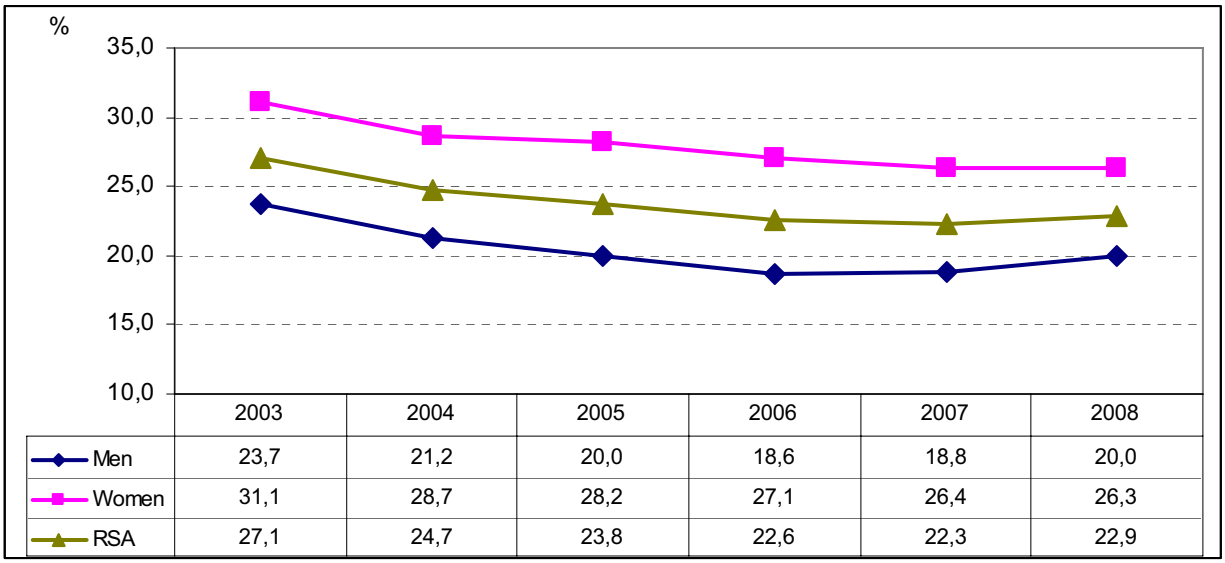
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Unemployment rate** | Per cent | | | | | |
| Men | 23,7 | 21,2 | 20,0 | 18,6 | 18,8 | 20,0 |
| Women | 31,1 | 28,7 | 28,2 | 27,1 | 26,4 | 26,3 |
| **Both sexes** | **27,1** | **24,7** | **23,8** | **22,6** | **22,3** | **22,9** |
| **Labour absorption rate** | | | | | | |
| Men | 49,0 | 49,5 | 51,4 | 52,8 | 52,2 | 52,4 |
| Women | 34,8 | 34,4 | 36,2 | 37,8 | 37,4 | 37,5 |
| **Both sexes** | **41,5** | **41,6** | **43,4** | **44,9** | **44,4** | **44,6** |
| **Labour force participation rate** | | | | | | |
| Men | 64,2 | 62,9 | 64,3 | 64,8 | 64,3 | 65,5 |
| Women | 50,4 | 48,3 | 50,4 | 51,9 | 50,8 | 50,9 |
| **Both sexes** | **57,0** | **55,2** | **57,0** | **58,0** | **57,2** | **57,8** |

The growth in employment over the five years to 2008 resulted in a rise in the labour absorption rate from 41,5% in 2003 to 44,6% in 2008. This expansion in employment, coupled with a decline in the number of people that were unemployed, contributed to the decline in the unemployment rate from 27,1% in 2003 to 22,9% in 2008, but only a minimal increase in the labour force participation rate (Table 3.1, Figures 3.1, 3.2 and 3.3).

[5] Key Indicators of the Labour Market, ILO, Geneva 2005
[6] Lestrade-Jefferis JP. The South African Labour Market, Statistics South Africa, 2002

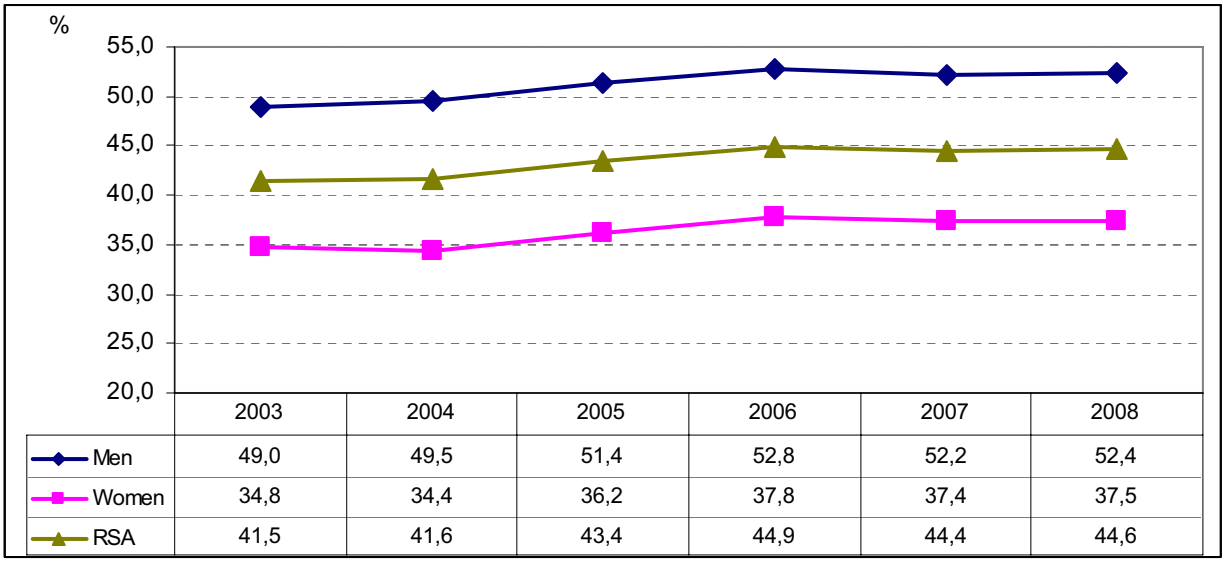
There was also a reversal in the downward trend in the unemployment rate among men in 2007 while the rate among women declined steadily over the entire period (Figure 3.1).

**Figure 3.1: Unemployment rate by sex, 2003–2008**



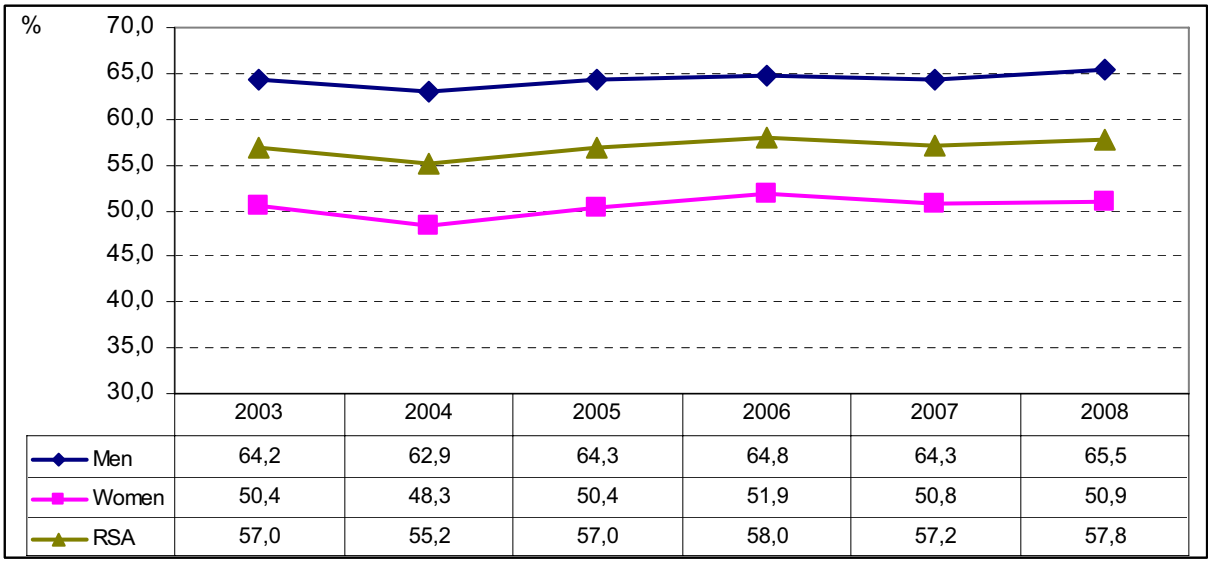

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 23,7 | 21,2 | 20,0 | 18,6 | 18,8 | 20,0 |
| Women | 31,1 | 28,7 | 28,2 | 27,1 | 26,4 | 26,3 |
| RSA | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |

**Figure 3.2: Labour absorption rate by sex, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 49,0 | 49,5 | 51,4 | 52,8 | 52,2 | 52,4 |
| Women | 34,8 | 34,4 | 36,2 | 37,8 | 37,4 | 37,5 |
| RSA | 41,5 | 41,6 | 43,4 | 44,9 | 44,4 | 44,6 |

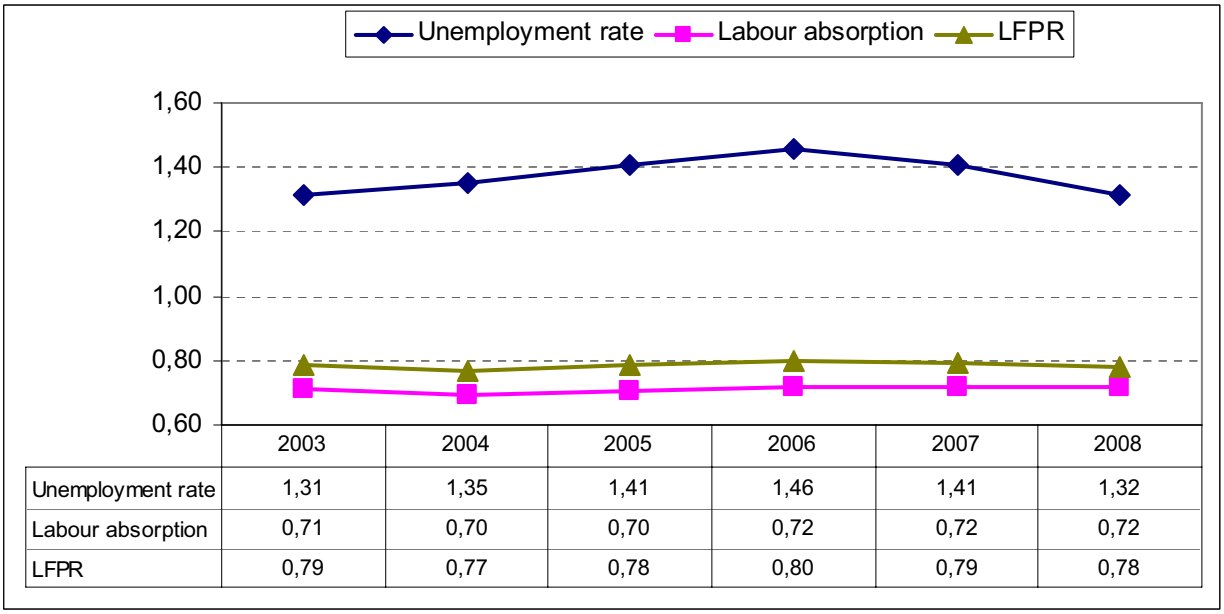
**Figure 3.3: Labour force participation rate by sex, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 64,2 | 62,9 | 64,3 | 64,8 | 64,3 | 65,5 |
| Women | 50,4 | 48,3 | 50,4 | 51,9 | 50,8 | 50,9 |
| RSA | 57,0 | 55,2 | 57,0 | 58,0 | 57,2 | 57,8 |

The gender gap – measured as the ratio of female to male rates for key labour market indicators – highlights larger disparities between men and women in the labour market.

**Figure 3.4: The gender gap in key labour market variables, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Unemployment rate | 1,31 | 1,35 | 1,41 | 1,46 | 1,41 | 1,32 |
| Labour absorption | 0,71 | 0,70 | 0,70 | 0,72 | 0,72 | 0,72 |
| LFPR | 0,79 | 0,77 | 0,78 | 0,80 | 0,79 | 0,78 |

LFPR: labour force participation rate

Over the period 2003–2006, female unemployment rates were higher than male rates by an increasingly larger margin. Although the gap narrowed in 2007 and 2008, the unemployment rate among women was still more than 30% higher than that of men in 2008. While female unemployment rates were higher than male rates, female labour absorption and labour force participation rates were lower than that of their male counterparts (Figure 3.4).

## Population group

The extent of labour market disparities may be analysed through several indicators, including the rate of unemployment, the absorption rate, and the labour force participation rate among various groups. High levels of unemployment and low levels of employment among various population groups indicate that certain groups of workers are not able to effectively use their labour in order to better their living conditions.

**Table 3.2: Labour market variables by population group, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Unemployment rate** | Per cent | | | | | |
| Black African | 32,0 | 29,1 | 27,7 | 26,3 | 25,8 | 27,0 |
| Coloured | 23,7 | 22,0 | 22,1 | 20,8 | 22,4 | 18,9 |
| Indian/Asian | 17,5 | 14,3 | 15,4 | 9,3 | 10,2 | 12,0 |
| White | 6,3 | 5,4 | 5,4 | 5,0 | 4,3 | 4,2 |
| **RSA** | **27,1** | **24,7** | **23,8** | **22,6** | **22,3** | **22,9** |
| **Absorption rate** | | | | | | |
| Black African | 36,5 | 36,8 | 39,1 | 40,9 | 40,5 | 40,4 |
| Coloured | 52,3 | 51,8 | 52,1 | 53,3 | 52,2 | 52,8 |
| Indian/Asian | 51,6 | 50,8 | 52,3 | 54,0 | 52,0 | 53,7 |
| White | 63,5 | 63,7 | 63,9 | 63,9 | 64,4 | 66,7 |
| **RSA** | **41,5** | **41,6** | **43,4** | **44,9** | **44,4** | **44,6** |
| **Labour force participation rate** | | | | | | |
| Black African | 53,7 | 51,9 | 54,0 | 55,6 | 54,6 | 55,3 |
| Coloured | 68,5 | 66,4 | 66,9 | 67,2 | 67,2 | 65,1 |
| Indian/Asian | 62,6 | 59,3 | 61,8 | 59,5 | 57,8 | 61,0 |
| White | 67,8 | 67,4 | 67,6 | 67,3 | 67,3 | 69,7 |
| **RSA** | **57,0** | **55,2** | **57,0** | **58,0** | **57,2** | **57,8** |

Table 3.2 shows that in 2008, the unemployment rate among black Africans increased, but the absorption rate was virtually unchanged. This suggests that the modest rise in the labour force participation rate was as a result of more Africans searching for work rather than getting jobs. In contrast, in 2008, the stability in the unemployment rate among whites was associated with an increase in the absorption rate. Thus, the increase in the labour force participation rate among whites was probably the result of higher employment.

However, compared with 2003, there was a decline in the unemployment rate in 2008 among each population group. This decline was matched by an increase in absorption rates. Whereas the labour force participation rate rose for black Africans and whites, it decreased among the coloured population group and among Indians/Asians (Table 3.2, Figures 3.5 and 3.6).

**Figure 3.5: Unemployment rates by population group, 2003 and 2008**

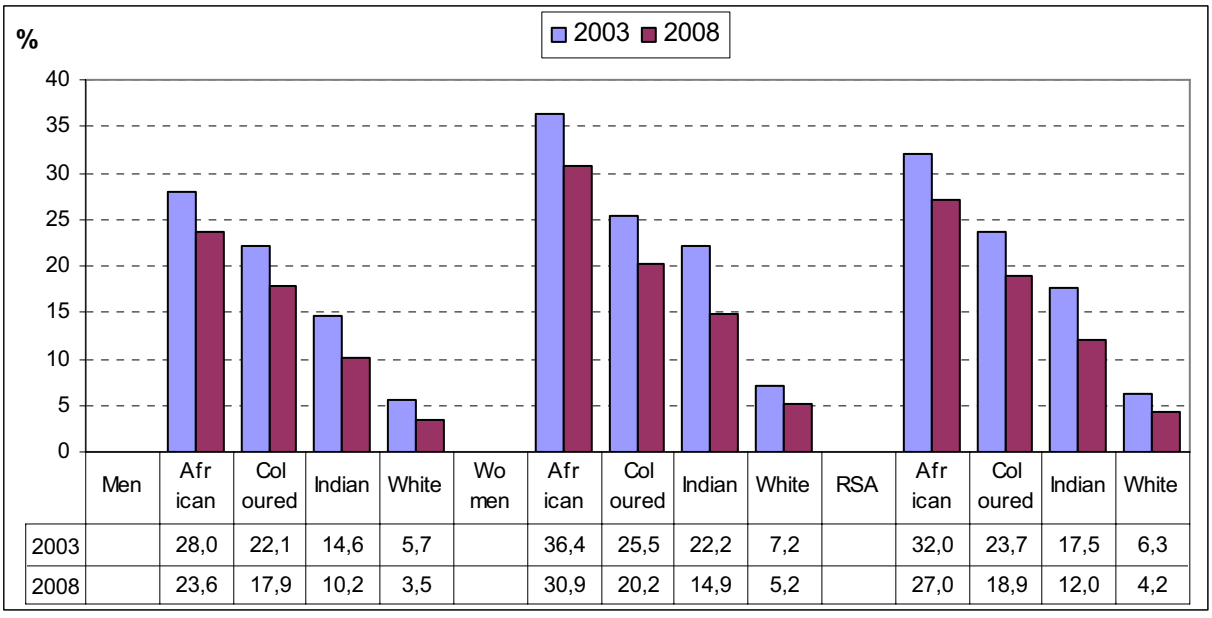
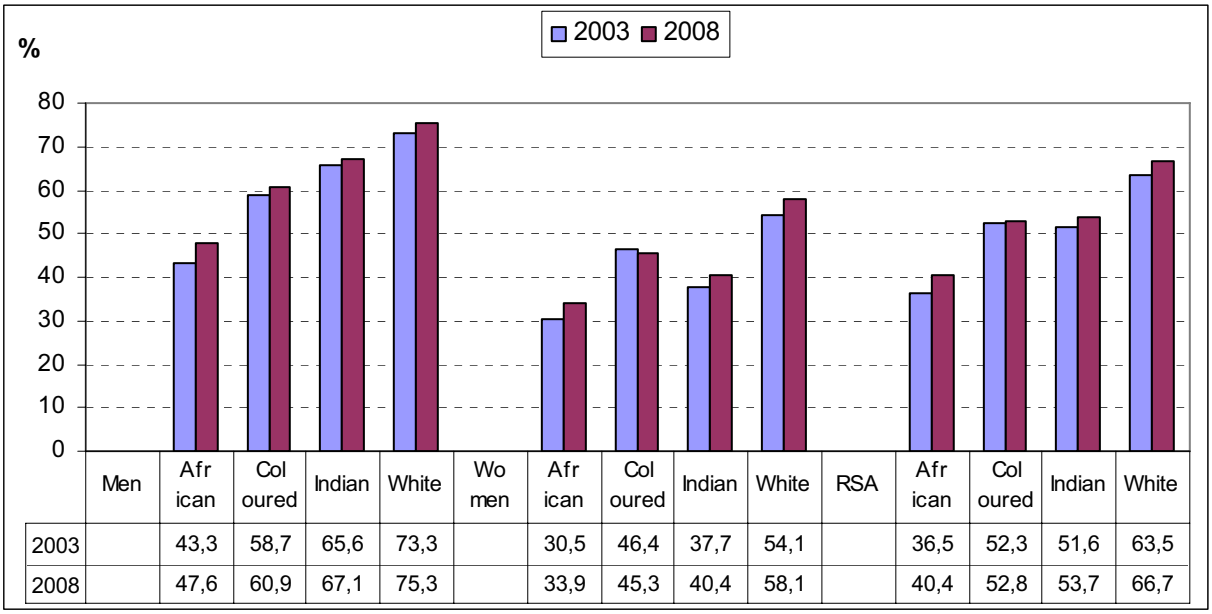
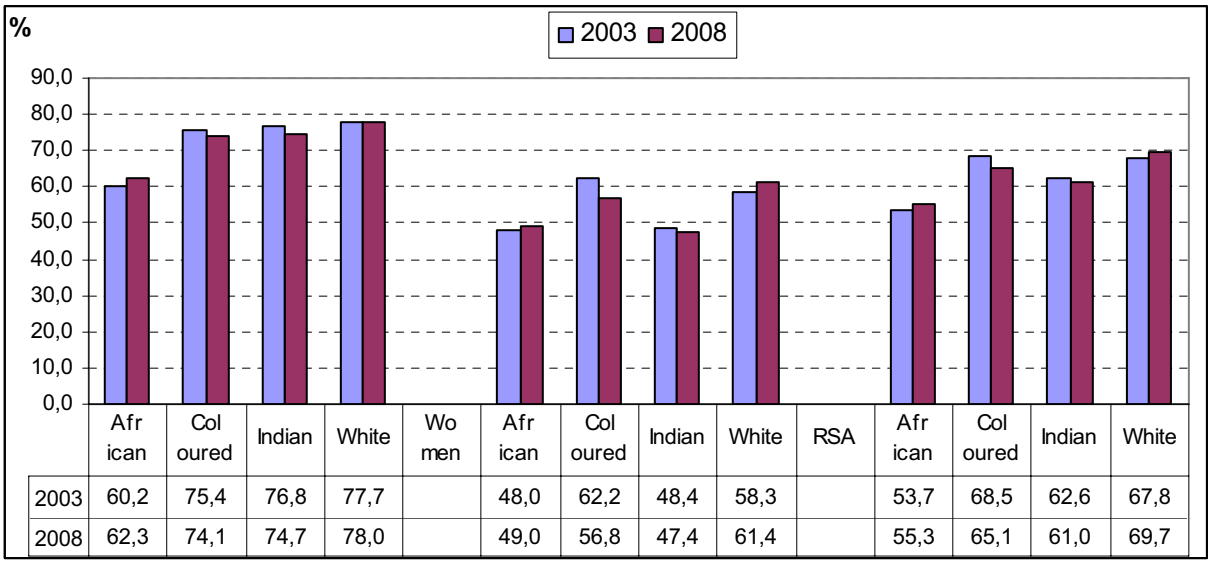


**Figure 3.6: Absorption rates by population group, 2003 and 2008**




| | Men | African | Coloured | Indian | White | Women | African | Coloured | Indian | White | RSA | African | Coloured | Indian | White |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | | 43,3 | 58,7 | 65,6 | 73,3 | | 30,5 | 46,4 | 37,7 | 54,1 | | 36,5 | 52,3 | 51,6 | 63,5 |
| 2008 | | 47,6 | 60,9 | 67,1 | 75,3 | | 33,9 | 45,3 | 40,4 | 58,1 | | 40,4 | 52,8 | 53,7 | 66,7 |

**Figure 3.7: Labour force participation rates by population group, 2003 and 2008**




| | African | Coloured | Indian | White | Women | African | Coloured | Indian | White | RSA | African | Coloured | Indian | White |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | 60,2 | 75,4 | 76,8 | 77,7 | | 48,0 | 62,2 | 48,4 | 58,3 | | 53,7 | 68,5 | 62,6 | 67,8 |
| 2008 | 62,3 | 74,1 | 74,7 | 78,0 | | 49,0 | 56,8 | 47,4 | 61,4 | | 55,3 | 65,1 | 61,0 | 69,7 |

Figures 3.5, 3.6 and 3.7 highlight important gender differences by population group as follows:

- Black African women had the highest unemployment rate (30,9% in 2008).
- White men had the lowest unemployment rate (3,5% in 2008).
- The decline in the unemployment rate over the period 2003 to 2008 was largest among Indians/Asians.
- Absorption rates were highest among white men (75,3% in 2008) and lowest among black African women (33,9% in 2008).
- Labour force participation rates were higher among men than among women for all population groups.
- In 2008, the labour force participation rate was higher than in 2003 among the black African and Indian/Asian groups. Among the Indian/Asian and coloured population groups, the labour force participation rate declined over a similar period.

## Youth in the labour market

It is widely recognised that young people are often at a disadvantage in labour markets because they lack the necessary education and training, work experience, job-search ability, and the requisite skills for the jobs that are available. As noted by Gallart, 2008[7], although young people now stay longer in the educational system than in the past, for many of them this does not guarantee mastery of the skills needed for employability or ensure a competitive place in the queue of people seeking their first job.

A similar picture emerges in the South African labour market where in 2008, youth aged 15–24 years accounted for one-third of all working-age persons, a similar proportion of the unemployed, 53,4% of the not economically active, but only 12% of those who were employed (Figure 2.1). This indicates possible demand-side deficiencies in two respects: firstly, the inability of the economy to generate enough employment opportunities to absorb all the new entrants into the labour market, and secondly, the apparent preference by employers for older workers who often have the relevant work experience and training that better suit the employment opportunities that are available.

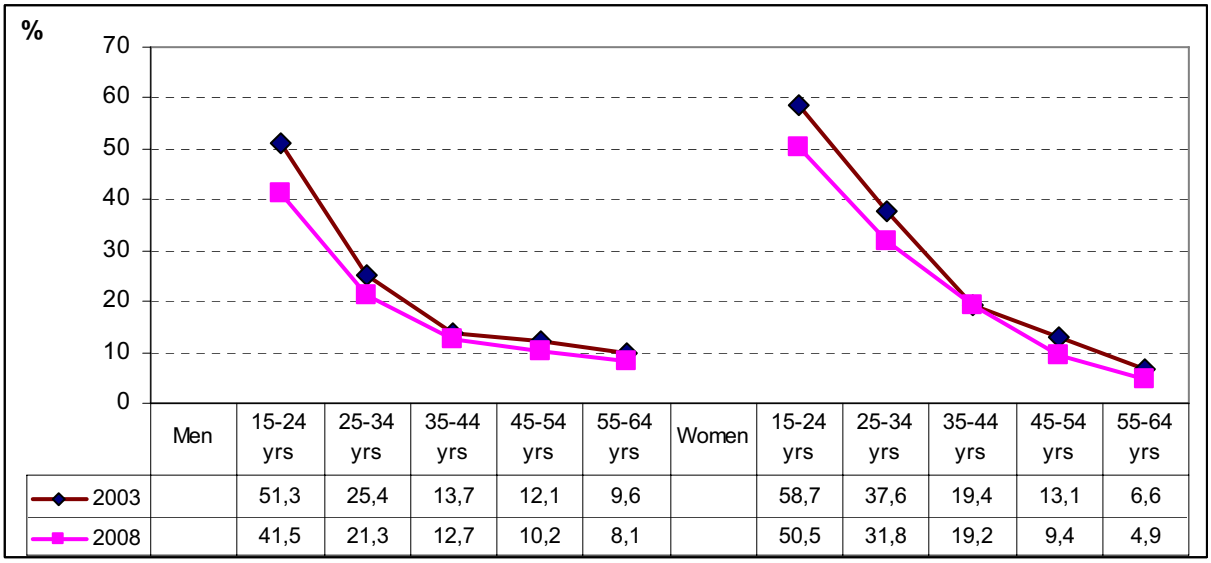
**Table 3.3: Summary labour measures by age, 2003–2008**

| Unemployment rate | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Per cent | | | | | |
| 15–24 yrs | 54,8 | 51,0 | 48,3 | 46,7 | 46,5 | 45,5 |
| 25–34 yrs | 31,1 | 28,6 | 28,1 | 26,0 | 26,0 | 26,1 |
| 35–44 yrs | 16,4 | 15,3 | 14,7 | 14,7 | 13,5 | 15,8 |
| 45–54 yrs | 12,6 | 10,6 | 10,6 | 10,0 | 10,4 | 9,9 |
| 55–64 yrs | 8,4 | 6,5 | 6,9 | 5,2 | 5,6 | 6,8 |
| **RSA** | **27,1** | **24,7** | **23,8** | **22,6** | **22,3** | **22,9** |
| **Labour force participation rate** | | | | | | |
| 15–24 yrs | 30,0 | 28,3 | 29,1 | 30,0 | 29,3 | 30,4 |
| 25–34 yrs | 74,5 | 72,2 | 74,4 | 75,5 | 74,6 | 76,4 |
| 35–44 yrs | 77,7 | 75,5 | 77,0 | 78,2 | 77,8 | 78,0 |
| 45–54 yrs | 69,1 | 68,0 | 70,1 | 71,3 | 70,1 | 69,5 |
| 55–64 yrs | 42,6 | 42,3 | 45,4 | 46,0 | 44,8 | 43,4 |
| **RSA** | **57,0** | **55,2** | **57,0** | **58,0** | **57,2** | **57,8** |
| **Absorption rate** | | | | | | |
| 15–24 yrs | 13,6 | 13,8 | 15,0 | 16,0 | 15,7 | 16,5 |
| 25–34 yrs | 51,3 | 51,5 | 53,5 | 55,9 | 55,2 | 56,5 |
| 35–44 yrs | 65,0 | 63,9 | 65,7 | 66,7 | 67,3 | 65,7 |
| 45–54 yrs | 60,4 | 60,7 | 62,7 | 64,2 | 62,8 | 62,6 |
| 55–64 yrs | 39,0 | 39,6 | 42,2 | 43,6 | 42,2 | 40,5 |
| **RSA** | **41,5** | **41,6** | **43,4** | **44,9** | **44,4** | **44,6** |

Over the period 2003 to 2008, the unemployment rate among persons aged 15–24 years declined steadily each year, except for 2007, when the absorption rate among this age group was generally on an upward trend.

[7] Gallart, Maria Antonia, ILO/Cinterfor, 2008. Skills, Productivity and Employment Growth: The case of Latin America

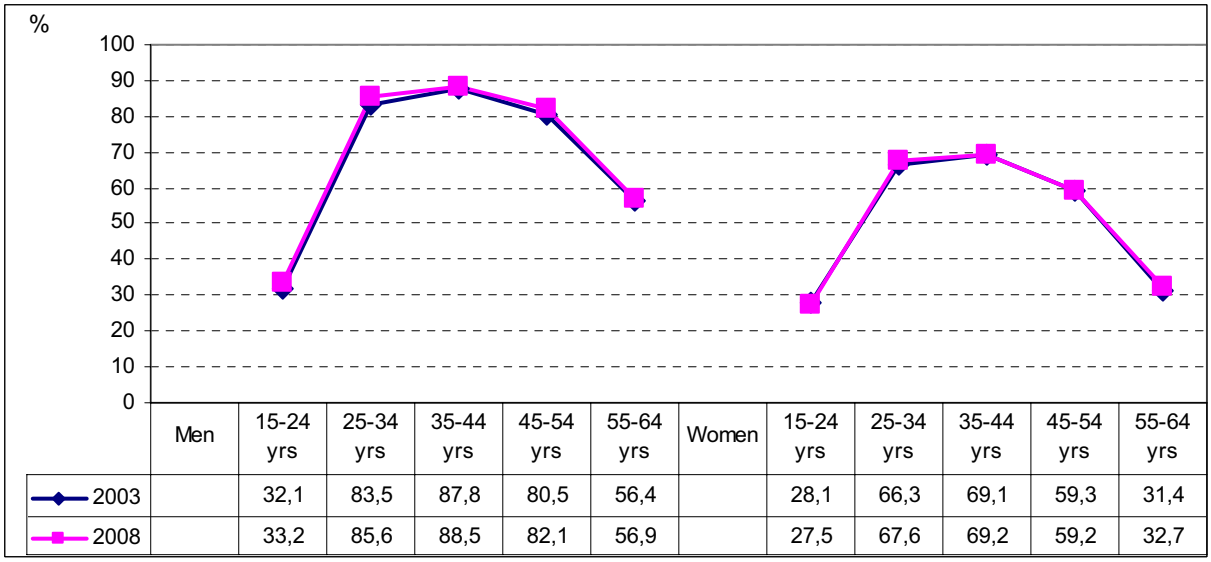
**Figure 3.8: Unemployment rate by age, 2003 and 2008**




| | Men | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs | Women | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | | 51,3 | 25,4 | 13,7 | 12,1 | 9,6 | | 58,7 | 37,6 | 19,4 | 13,1 | 6,6 |
| 2008 | | 41,5 | 21,3 | 12,7 | 10,2 | 8,1 | | 50,5 | 31,8 | 19,2 | 9,4 | 4,9 |

In every age group, the unemployment rate among both men and women was lower in 2008 than in 2003 (Table 3.3 and Figure 3.8).

**Figure 3.9: Labour force participation rate by age, 2003 and 2008**




| | Men | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs | Women | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | | 32,1 | 83,5 | 87,8 | 80,5 | 56,4 | | 28,1 | 66,3 | 69,1 | 59,3 | 31,4 |
| 2008 | | 33,2 | 85,6 | 88,5 | 82,1 | 56,9 | | 27,5 | 67,6 | 69,2 | 59,2 | 32,7 |

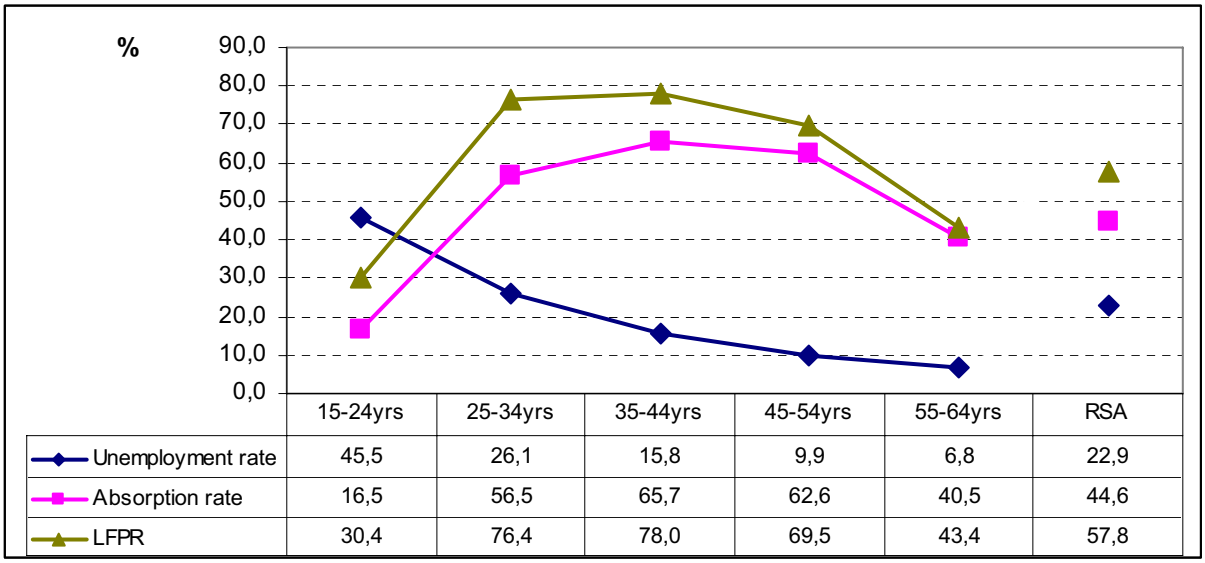
For the country as whole in 2008, 50,9% of all working-age women were either looking for work or working – which is what labour force participation measures. This was only 0,5 percentage points higher than in 2003 and reflects two divergent patterns. On the one hand there was an increase in prime-age participation among women (aged 25–54 years) and on the other, a decrease in participation among young women aged 15–24 years from 28,1% in 2003 to 27,5% in 2008 (Figure 3.9). The latter probably reflects an increase in the number of young women staying in education for longer periods to hopefully improve their chances in the labour market at a later stage. In contrast, over the period 2003 to 2008, there was an increase in the labour force participation rates of men in all age groups.

The ILO[8] notes that unemployment is by no means the only labour market challenge facing youth in Africa. With prospects comparatively low in many African countries, jobs in agriculture and the informal sector are often the only choice available to youth seeking employment, and they must either take menial, low-paying jobs or leave the labour force altogether. This is also true of the

[8] African employment trends, ILO, April 2007

South African labour market where in 2008 one in every four employed persons aged 15–24 years worked either in the informal sector or in agriculture, and as many as 42,4% of all employed persons aged 15–24 years had jobs regarded as informal – without benefits such as medical aid, paid leave or written contracts of employment (see also Chapter 5).

**Figure 3.10: Key labour market rates by age, 2008**




| | 15-24yrs | 25-34yrs | 35-44yrs | 45-54yrs | 55-64yrs | RSA |
|---|---|---|---|---|---|---|
| Unemployment rate | 45,5 | 26,1 | 15,8 | 9,9 | 6,8 | 22,9 |
| Absorption rate | 16,5 | 56,5 | 65,7 | 62,6 | 40,5 | 44,6 |
| LFPR | 30,4 | 76,4 | 78,0 | 69,5 | 43,4 | 57,8 |

LFPR : labour force participation rate

Despite the decline in the unemployment rate among men and women in every age group over the period 2003 to 2008 discussed earlier, Figure 3.10 shows that in 2008, the rate among persons aged 15–24 years was nonetheless substantially higher than that for older age groups, and as much as twice the national average. In addition, absorption and participation rates among persons aged 15–24 years were considerably lower than those for older age groups reflecting the high proportion of persons aged 15–24 years who are still in full-time education.

The labour market situation in other countries suggests that since the 1990s labour markets have been demanding skills that can be acquired only through long years of schooling, and also social skills that enable a worker to perform in labour contexts that are relatively complex and involve common technologies. Since there are numerous young people seeking jobs, access to formal employment is restricted to those who have been able to complete a sufficient number of years of schooling and obtain at least a secondary education certificate and preferably higher education qualifications (Gallart, 2008[9]). A similar picture emerges with respect to the South African labour market where, as discussed in Chapter 2, the vast majority of young people also do not have such qualifications, and their options are therefore restricted to either unemployment or precarious jobs without benefits such as medical aid, paid leave or written contracts of employment.

## Provincial labour market indicators

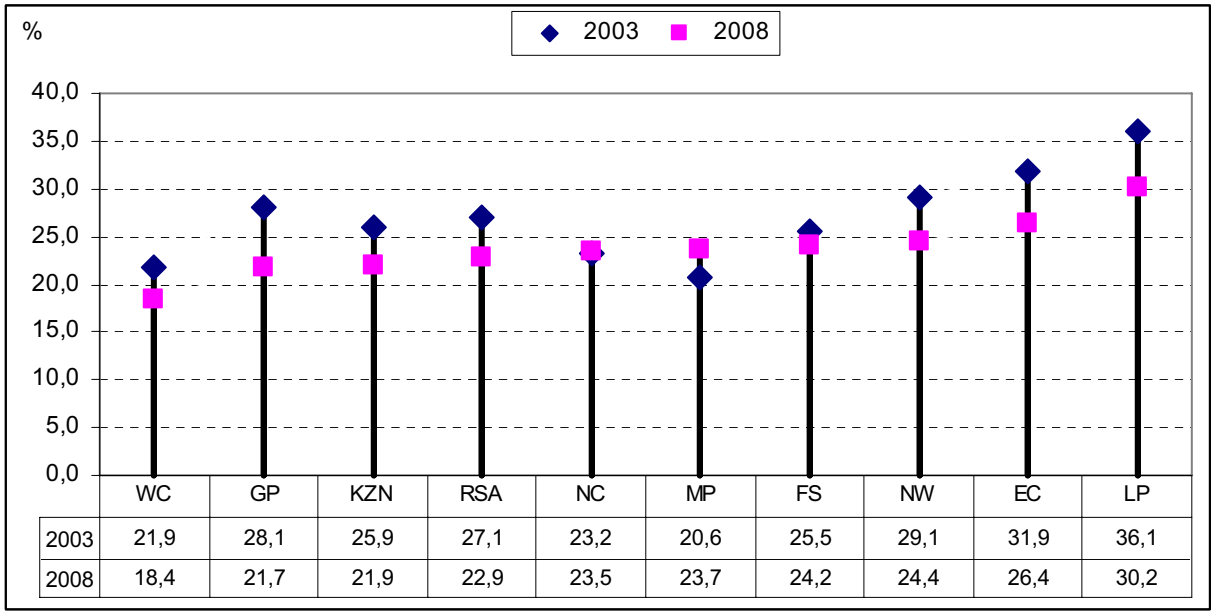
Provincial disparities in the South African labour market are large as evidenced by the difference between the highest and lowest unemployment rates, absorption rates, and labour force participation rates across the nine provinces. These disparities arise from many sources – some of which relate directly to the different economic circumstances facing each province. In this regard, differences in the industrial breakdown and the share of male and female-dominated industries as well as the level of urbanisation are likely to be important contributing factors to provincial labour market outcomes.

The different economic structures in the provinces mean that in 2007, value added by the agriculture industry accounted for 8% of the total goods and services produced in Northern Cape, but less than 1% in Gauteng. And whereas the mining industry accounted for over 20% of the

[9] Gallart, Maria Antonia, ILO/Cinterfor, 2008, op cit

value of goods and services produced in Northern Cape, North West, Mpumalanga and Limpopo, in other provinces, notably Western Cape and Eastern Cape, there was little such industrial activity. In addition, manufacturing accounted for 15–22% of total output in Western Cape, Eastern Cape, KwaZulu-Natal, Gauteng and Mpumalanga, but less than 5% in provinces such as Limpopo and Northern Cape (Stats SA, 2008[10]).

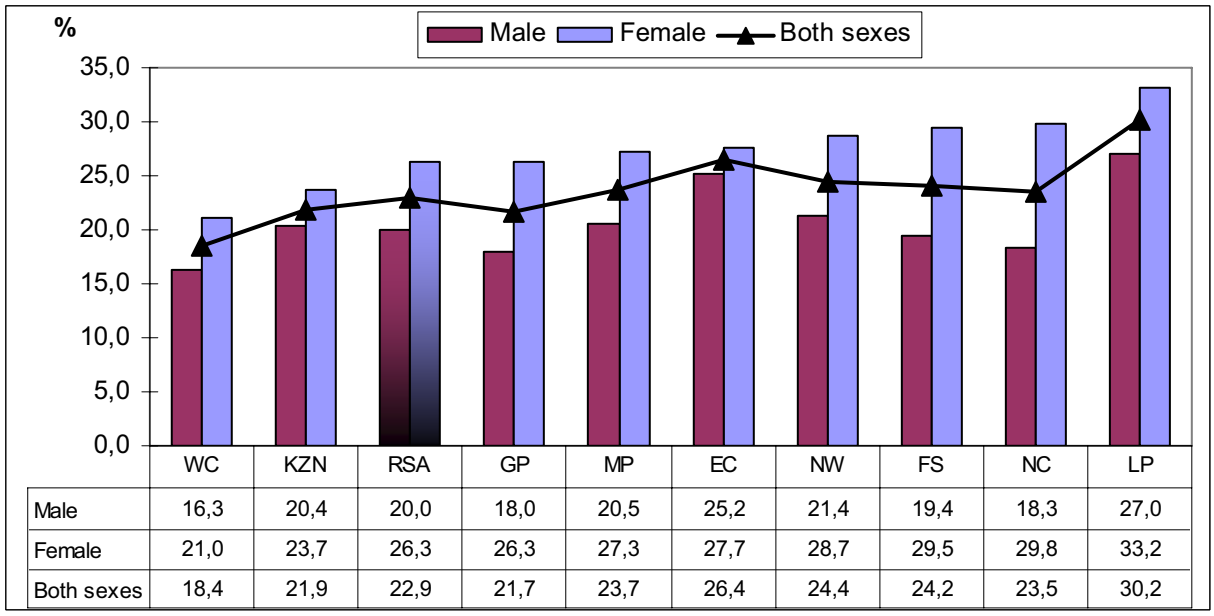
**Figure 3.11: Unemployment rate by province, 2003 and 2008**




| | WC | GP | KZN | RSA | NC | MP | FS | NW | EC | LP |
|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | 21,9 | 28,1 | 25,9 | 27,1 | 23,2 | 20,6 | 25,5 | 29,1 | 31,9 | 36,1 |
| 2008 | 18,4 | 21,7 | 21,9 | 22,9 | 23,5 | 23,7 | 24,2 | 24,4 | 26,4 | 30,2 |

The unemployment rate tended to be lowest in the more urbanised provinces where the industrial structure is better diversified. In contrast, the provinces that were hardest hit by unemployment tended to be the more rural ones such as Eastern Cape and Limpopo. Although the gap between the highest and lowest provincial unemployment rates narrowed over the period 2003 to 2008, there was still a difference of 11,8 percentage points between Western Cape and Limpopo in 2008 (Figure 3.11).

**Figure 3.12: Unemployment rate by province and sex, 2008**

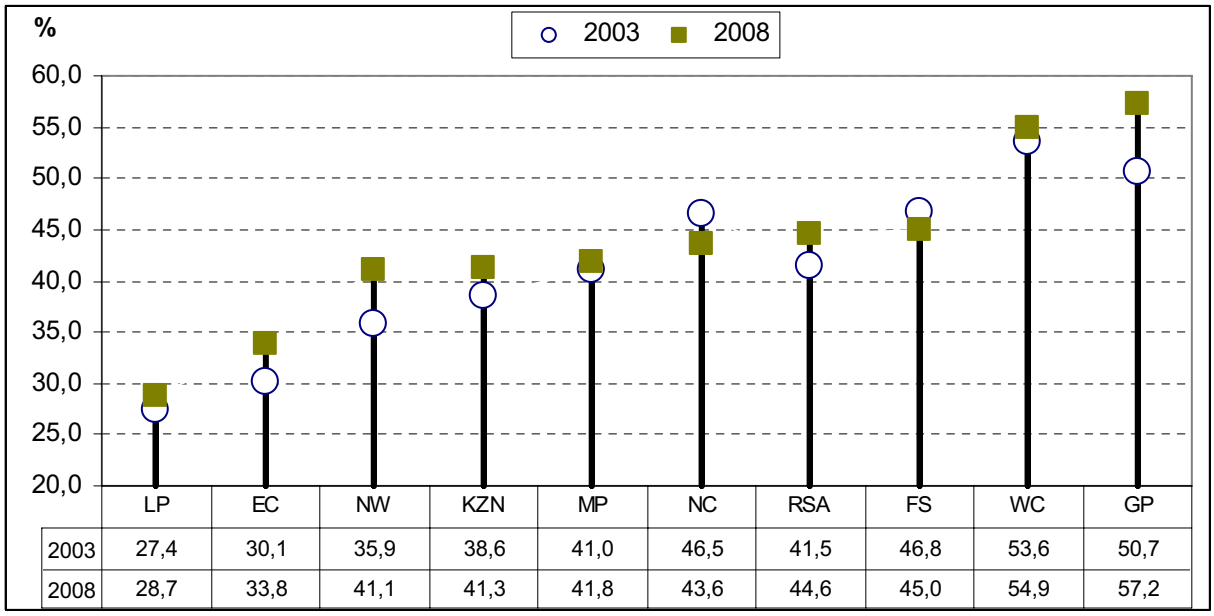



| | WC | KZN | RSA | GP | MP | EC | NW | FS | NC | LP |
|---|---|---|---|---|---|---|---|---|---|---|
| Male | 16,3 | 20,4 | 20,0 | 18,0 | 20,5 | 25,2 | 21,4 | 19,4 | 18,3 | 27,0 |
| Female | 21,0 | 23,7 | 26,3 | 26,3 | 27,3 | 27,7 | 28,7 | 29,5 | 29,8 | 33,2 |
| Both sexes | 18,4 | 21,9 | 22,9 | 21,7 | 23,7 | 26,4 | 24,4 | 24,2 | 23,5 | 30,2 |

[10] Stats SA Statistical Release P04414, 4th Quarter 2008

In every province, the unemployment rate among women was higher than that of men in 2008 (Figure 3.12). The gap between male and female unemployment rates was highest in Northern Cape, Free State, North West and Gauteng where the number of employed women per 100 employed men was lowest. The labour market situation of women was better in provinces such as Eastern Cape and KwaZulu-Natal where the gap in male/female unemployment rates was less than 4 percentage points, and the number of employed women per 100 employed men was among the highest of all the provinces.

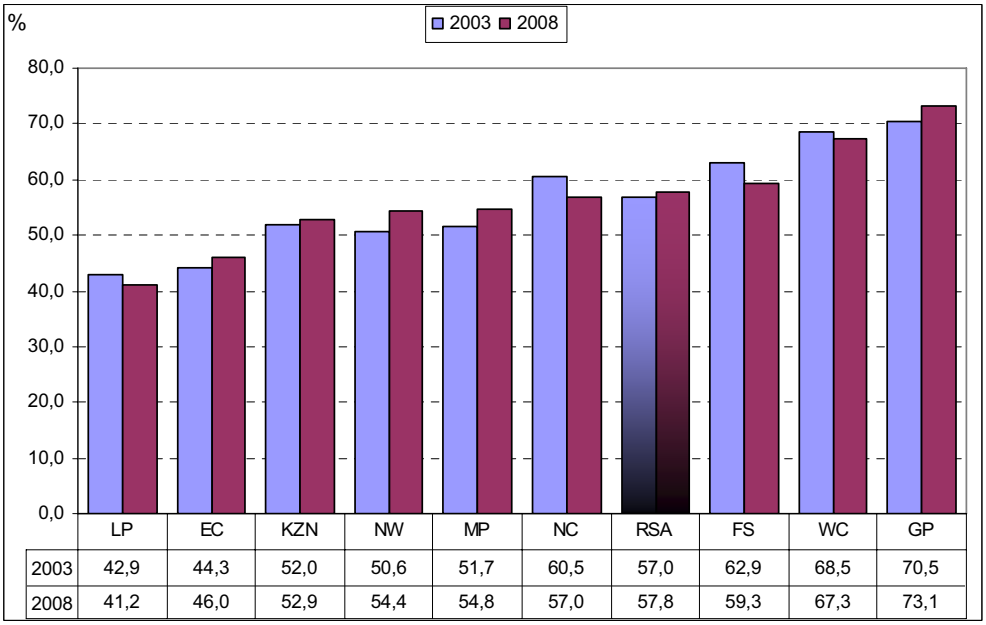
**Figure 3.13: Absorption rate by province, 2003 and 2008**




| | LP | EC | NW | KZN | MP | NC | RSA | FS | WC | GP |
|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | 27,4 | 30,1 | 35,9 | 38,6 | 41,0 | 46,5 | 41,5 | 46,8 | 53,6 | 50,7 |
| 2008 | 28,7 | 33,8 | 41,1 | 41,3 | 41,8 | 43,6 | 44,6 | 45,0 | 54,9 | 57,2 |

In terms of the provincial profile of absorption rates, Figure 3.13 indicates that absorption rates were higher in 2008 than in 2003 in all provinces except Northern Cape and Free State. Gauteng – the province with the largest population – posted the highest gains in this regard. The absorption rate in Gauteng rose from 50,7% in 2003 to 57,2% in 2008 on account of the expansion of employment opportunities in the construction, trade and finance industries in the province that together accounted for one in every four of the additional 1,9 million jobs in the country over the five years to 2008.

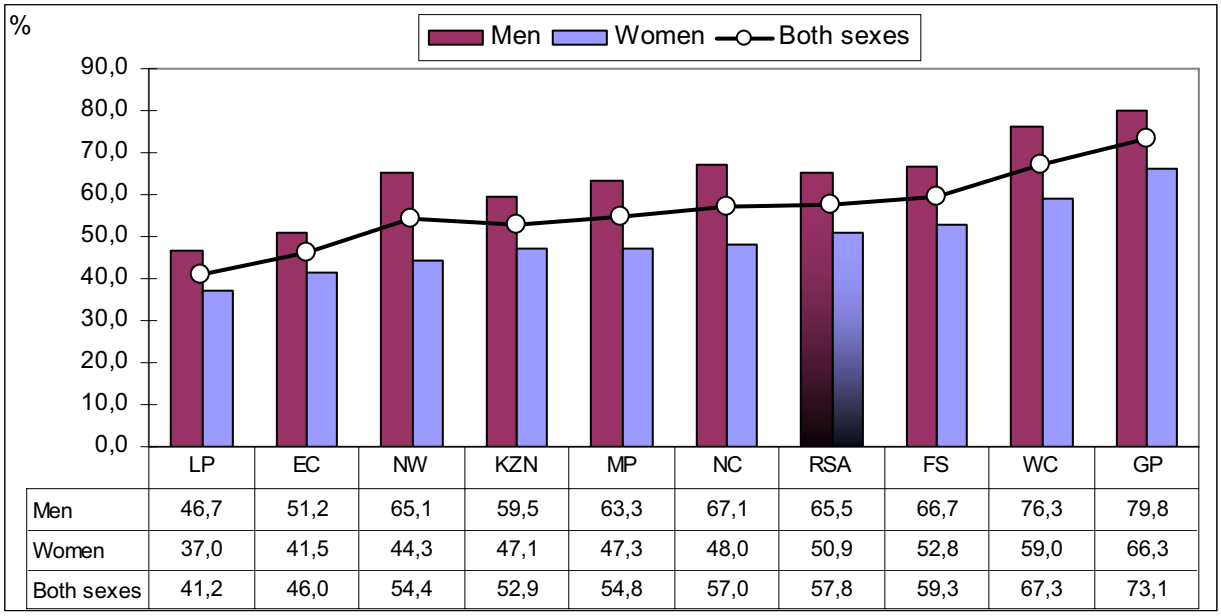
**Figure 3.14: Labour force participation rate by province, 2003 and 2008**




| | LP | EC | KZN | NW | MP | NC | RSA | FS | WC | GP |
|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | 42,9 | 44,3 | 52,0 | 50,6 | 51,7 | 60,5 | 57,0 | 62,9 | 68,5 | 70,5 |
| 2008 | 41,2 | 46,0 | 52,9 | 54,4 | 54,8 | 57,0 | 57,8 | 59,3 | 67,3 | 73,1 |

Over the period 2003 to 2008, labour force participation rates were highest in the more urbanised provinces (Western Cape and Gauteng) and lowest in Limpopo and Eastern Cape. This pattern reflects the evolution of unemployment rates and absorption rates discussed earlier. In provinces such as Gauteng and North West the decline in the unemployment rate over the period 2003 to 2008 (Figure 3.10) was accompanied by higher than average increases in both the labour force participation rate (Figure 3.14) and the absorption rate (Figure 3.12), reflecting the more rapid growth of employment in these provinces than elsewhere. In contrast, in Mpumalanga where the unemployment rate rose over the period 2003 to 2008, the absorption rate was virtually unchanged, but the labour force participation rate increased – suggesting that the main contributor to the rise in the labour force participation rate was not employment but instead people who were looking for work.

**Figure 3.15: Labour force participation rate by province and sex, 2008**




| | LP | EC | NW | KZN | MP | NC | RSA | FS | WC | GP |
|---|---|---|---|---|---|---|---|---|---|---|
| Men | 46,7 | 51,2 | 65,1 | 59,5 | 63,3 | 67,1 | 65,5 | 66,7 | 76,3 | 79,8 |
| Women | 37,0 | 41,5 | 44,3 | 47,1 | 47,3 | 48,0 | 50,9 | 52,8 | 59,0 | 66,3 |
| Both sexes | 41,2 | 46,0 | 54,4 | 52,9 | 54,8 | 57,0 | 57,8 | 59,3 | 67,3 | 73,1 |

Gender differences in the labour force participation rate were largest in provinces such as North West, Northern Cape, Western Cape and Mpumalanga where male rates were 15 percentage points or more higher than female rates (Figure 3.15).

## Educational attainment

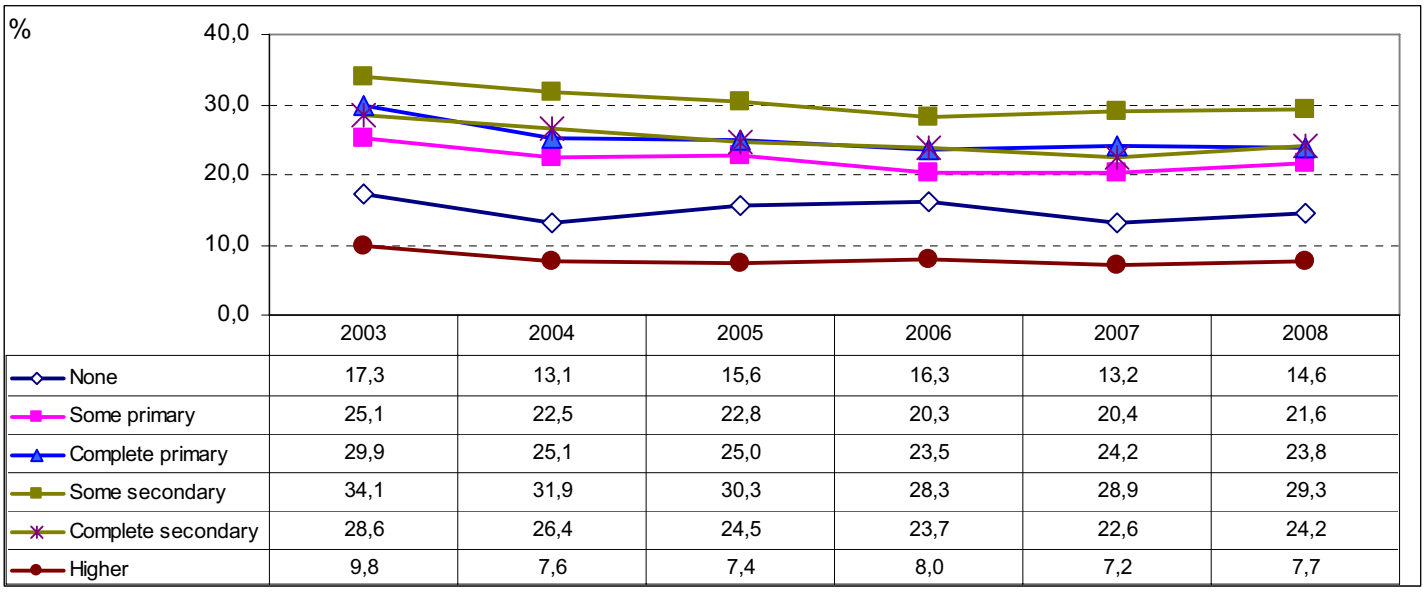
It is generally expected that the completion of higher levels of education improves job prospects. Yet in South Africa, the unemployment rate was lower among people who had no education than among individuals in every other education category except those with higher qualifications (Table 3.4 and Figure 3.16). This perhaps unexpected outcome is explained by a closer examination of the profile of those without formal education.

Among those with jobs, the group with no formal education comprises mainly older people, many of whom may have experience which substitutes for formal qualifications. In 2008, seven out of every ten employed women with no education were either female domestic workers or else had jobs categorised as elementary, and which required few skills and little education. Against this background, it is clear that the lower unemployment rates and higher employment-to-population ratios among those with less than a complete primary education say little about job quality. Issues relating to job quality will be discussed in greater detail in Chapter 5 where the analysis specifically focuses on persons in informal employment.

## Table 3.4: Summary measures by level of educational attainment, 2003–2008

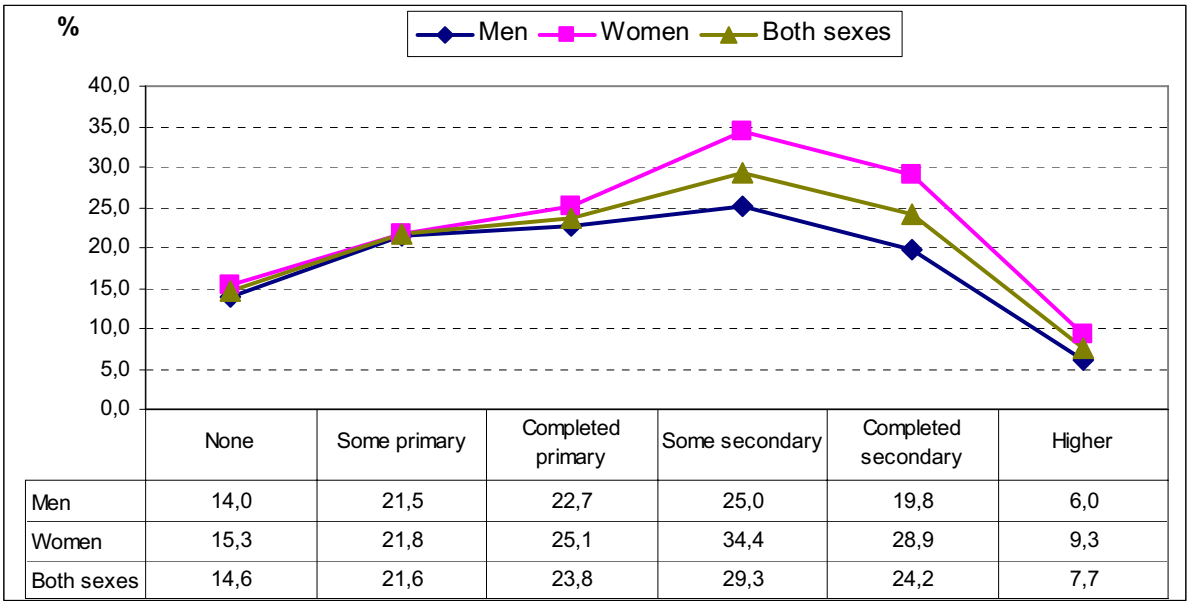
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Per cent | | | | | |
| **Unemployment rate** | | | | | | |
| None | 17,3 | 13,1 | 15,6 | 16,3 | 13,2 | 14,6 |
| Some primary | 25,1 | 22,5 | 22,8 | 20,3 | 20,4 | 21,6 |
| Complete primary | 29,9 | 25,1 | 25,0 | 23,5 | 24,2 | 23,8 |
| Some secondary | 34,1 | 31,9 | 30,3 | 28,3 | 28,9 | 29,3 |
| Complete secondary | 28,6 | 26,4 | 24,5 | 23,7 | 22,6 | 24,2 |
| Higher | 9,8 | 7,6 | 7,4 | 8,0 | 7,2 | 7,7 |
| **RSA** | **27,1** | **24,7** | **23,8** | **22,6** | **22,3** | **22,9** |
| **Labour force participation rate** | | | | | | |
| None | 45,3 | 43,0 | 45,9 | 48,1 | 44,1 | 42,9 |
| Some primary | 52,0 | 48,3 | 51,0 | 52,4 | 51,0 | 49,3 |
| Complete primary | 49,0 | 46,9 | 48,7 | 49,0 | 49,4 | 47,3 |
| Some secondary | 47,9 | 46,6 | 48,3 | 49,3 | 48,4 | 48,3 |
| Complete secondary | 72,1 | 70,9 | 71,8 | 72,2 | 71,7 | 73,6 |
| Higher | 88,9 | 87,5 | 86,8 | 87,7 | 88,3 | 89,8 |
| **RSA** | **57,0** | **55,2** | **57,0** | **58,0** | **57,2** | **57,8** |
| **Absorption rate** | | | | | | |
| None | 37,5 | 37,4 | 38,8 | 40,2 | 38,2 | 36,7 |
| Some primary | 38,9 | 37,4 | 39,3 | 41,8 | 40,6 | 38,6 |
| Complete primary | 34,4 | 35,1 | 36,5 | 37,5 | 37,4 | 36,0 |
| Some secondary | 31,6 | 31,7 | 33,6 | 35,3 | 34,4 | 34,2 |
| Complete secondary | 51,5 | 52,1 | 54,2 | 55,1 | 55,5 | 55,8 |
| Higher | 80,2 | 80,9 | 80,4 | 80,6 | 82,0 | 83,0 |
| **RSA** | **41,5** | **41,6** | **43,4** | **44,9** | **44,4** | **44,6** |

## Figure 3.16: Trend in unemployment rate by level of education, 2003–2008




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| None | 17,3 | 13,1 | 15,6 | 16,3 | 13,2 | 14,6 |
| Some primary | 25,1 | 22,5 | 22,8 | 20,3 | 20,4 | 21,6 |
| Complete primary | 29,9 | 25,1 | 25,0 | 23,5 | 24,2 | 23,8 |
| Some secondary | 34,1 | 31,9 | 30,3 | 28,3 | 28,9 | 29,3 |
| Complete secondary | 28,6 | 26,4 | 24,5 | 23,7 | 22,6 | 24,2 |
| Higher | 9,8 | 7,6 | 7,4 | 8,0 | 7,2 | 7,7 |

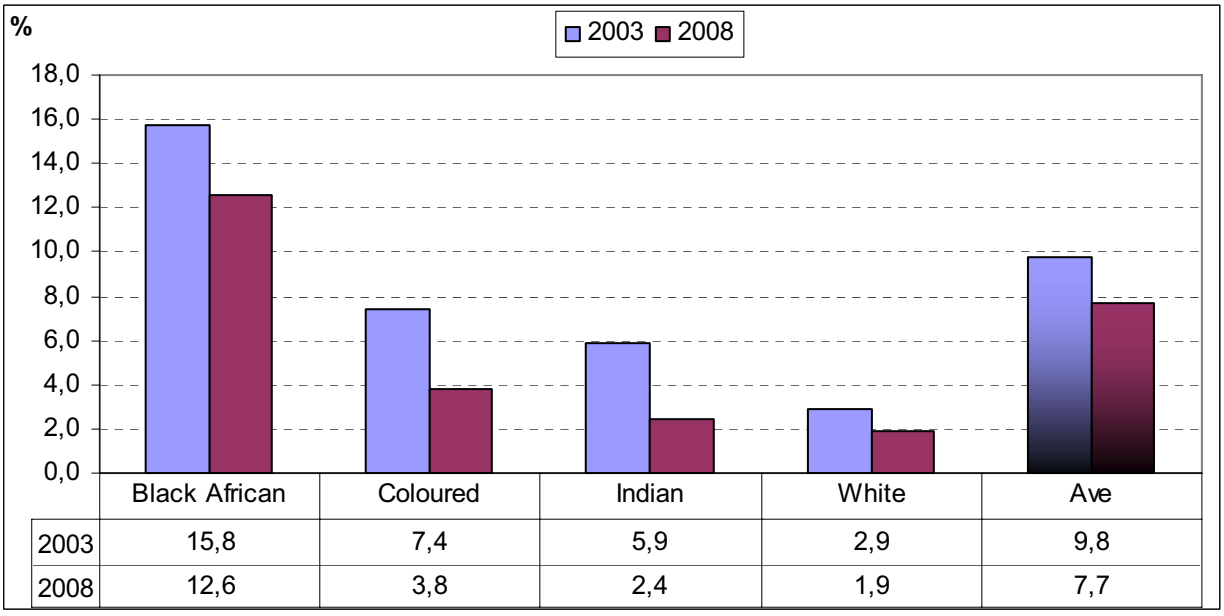
**Figure 3.17: Unemployment rate by level of education and sex, 2008**




| | None | Some primary | Completed primary | Some secondary | Completed secondary | Higher |
|---|---|---|---|---|---|---|
| Men | 14,0 | 21,5 | 22,7 | 25,0 | 19,8 | 6,0 |
| Women | 15,3 | 21,8 | 25,1 | 34,4 | 28,9 | 9,3 |
| Both sexes | 14,6 | 21,6 | 23,8 | 29,3 | 24,2 | 7,7 |

There is a gender-specific pattern in the unemployment rate by level of education (Figure 3.17). The unemployment rate is higher for women than for men at all levels of education. Although the gender gap is largest among those with only some secondary education, in the higher education category rates converge to 9,3% among women and 6,0% among men.

**Figure 3.18: The graduate unemployment rate by population group, 2003 and 2008**




| | Black African | Coloured | Indian | White | Ave |
|---|---|---|---|---|---|
| 2003 | 15,8 | 7,4 | 5,9 | 2,9 | 9,8 |
| 2008 | 12,6 | 3,8 | 2,4 | 1,9 | 7,7 |

The unemployment rate among graduates (persons with degrees, or with matric and either a certificate or a diploma of at least six months' full-time duration) declined from 9,8% in 2003 to 7,7% in 2008, reflecting a decline among all population groups (Figure 3.18). But importantly, in 2008 the unemployment rate among black African graduates was still more than six times that of white graduates, suggesting that there is perhaps still a large mismatch between the educational outcomes of the four population groups and the labour market opportunities available to each group.

## Summary and conclusion

The expansion in employment, coupled with a decline in the number of people who were unemployed, contributed to the decline in the unemployment rate from 27,1% in 2003 to 22,9% in 2008. Because the increase in employment exceeded the decline in unemployment, there was an increase in the labour force participation rate.

The good labour market performance over the period as a whole (2003–2008) masks weaknesses that began to emerge in 2007. There was a reversal in the downward trend in the unemployment rate among men in 2007, while the rate among women declined steadily over the entire period. Over the period 2003–2006, despite the declines for both groups, female unemployment rates were higher than male rates by an increasingly larger margin. Although the gap narrowed in 2007 and 2008, the unemployment rate among women was still more than 30% higher than that of men in 2008.

There was also a gender-specific dimension to absorption rates and labour force participation rates as represented by the gap between male and female rates. On the labour demand side, in 2008 the absorption rate was 52,4% for men compared to 37,5% for women. The gender gap, defined as the absorption rate for women divided by the male absorption rate, was virtually unchanged over the period 2003 to 2008.

The analysis in this chapter also highlighted the plight of youth in the labour market. Although younger people were generally better educated than older people, this has not always assisted their job prospects, and in 2008, the unemployment rate among youth aged 15–24 years was still twice the national average.

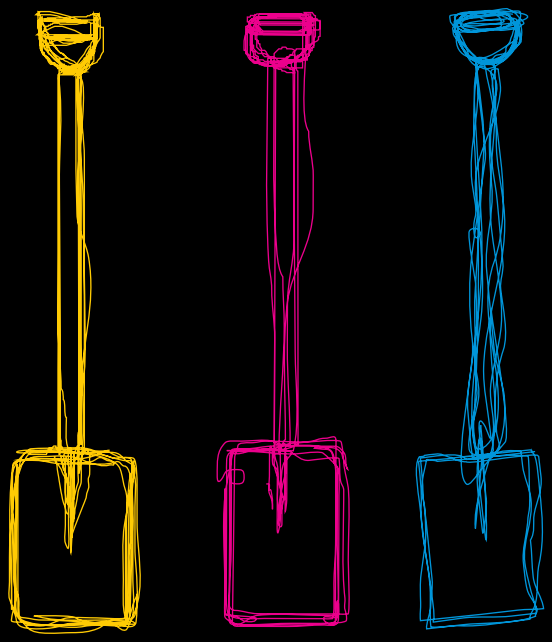
The labour market performance of the four population groups was markedly different. Although the overall unemployment rate was virtually unchanged in 2008 compared with a year earlier, among black Africans it rose from 25,8% in 2007 to 27,0% in 2008. In addition, black African women had the highest unemployment rate (30,9% in 2008) while white men had the lowest (3,5% in 2008) and, as expected, absorption rates were highest among white men and lowest among black African women.

Over the period 2003 to 2008, unemployment rates were lowest in the more urbanised provinces (Western Cape and Gauteng) and highest in Limpopo and Eastern Cape. This pattern reflects the evolution of absorption rates and labour force participation rates which were highest in the more urban provinces and lowest in provinces such as Limpopo and Eastern Cape.

The unemployment rate among graduates (persons with degrees, or with matric and either a certificate or a diploma of at least six months' full-time duration) declined from 9,8% in 2003 to 7,7% in 2008, reflecting a decline among all population groups. But importantly, in 2008 the unemployment rate among black African graduates was still more than six times that of white graduates, suggesting that there is perhaps still a large mismatch between the education outcomes of the four population groups and the labour market opportunities available to each group.

Unemployment has become a source of growing concern, in part because historically, those who have been particularly hard hit include women and young people. The unemployment rate among each of these groups is higher than elsewhere, and their jobs are highly vulnerable to adverse economic shocks. In light of this, bridging the gap in the demand and supply of youth and female employment will continue to be a key labour market challenge.

# Chapter 4
# A profile of the employed



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# Chapter 4: Employment

## Key labour market concepts

Persons are considered to be **employed** if they have engaged in any kind of economic activity for at least one hour in the reference period. Also included are persons who, during the reference period, were temporarily absent from work/business but definitely had a job/business to return to.

Only individuals that are engaged in ***market production activities*** are considered to be employed.

**Economic activities** are activities that contribute to the production of goods and services.

**Market production activities** refer to work that is done usually for pay or profit, whereas **non-market production** refers to work that is done for the benefit of the household, e.g. subsistence farming (production of fruit/vegetables for own consumption). The QLFS collects information on these activities.

Occupations[11] in this chapter have been grouped by hierarchy from the way they appear in QLFS statistical release publications. The two main categories consist of:

**More skilled occupations:** which consist of managers, professionals and technicians.
**Other occupations:** consist of clerks, sales and services, skilled agriculture, crafts and related trade, plant and machine operators, elementary work, and domestic workers.

Employed persons may be fully employed, that is, they do not want to work more hours than they currently do, or underemployed, that is, they would like to work more hours. This measure of time-related **underemployment** indicates that the hours of work of an employed person are less than what that person is willing and available to take. In essence, time-related underemployment measures situations of partial lack of work, and thus complements statistics on unemployment.

## Background

Since the early 2000s, South Africa has seen substantial growth in both the number of jobs and the proportion of the working-age population with jobs. This has moved the country closer to the achievement of the Millennium Development Goals (MDGs); in particular, to the eradication of poverty[12].

People counted as employed are those who did one or more hours of work in the reference week (the week before the interview). Also employed are those who were temporarily absent from a job or business to which they would definitely return.

In South Africa, as in almost all countries with labour force surveys, only individuals that are engaged in market production activities are considered to be employed (see QLFS Guide[13]).

## Introduction

The objective of this chapter is to provide an analysis of employed individuals in 2008. Furthermore, in order to ascertain how employment in the country has evolved, where applicable, the analysis will also focus on trends in employment by making comparisons between the years 2003 and 2008. These trends are assessed with reference specifically to industry and occupational categories as well as by other various descriptors of employment. In addition, the analysis also includes demographic variables (age, sex and population group) and a geographic variable (province).

[11] Stats-SA classifies occupations as prescribed by the South African Standard Classification of Occupations (SASCO).
[12] See http://www.un.org/millenniumgoals/
[13] See Report-02-11-01 – Guide to the Quarterly Labour Force Survey (QLFS), August 2008. http://statssa-web:9999/publications/Report-02-11-01/Report-02-11-01August2008.pdf

**Figure 4.1: Employment trends, 2003–2008**

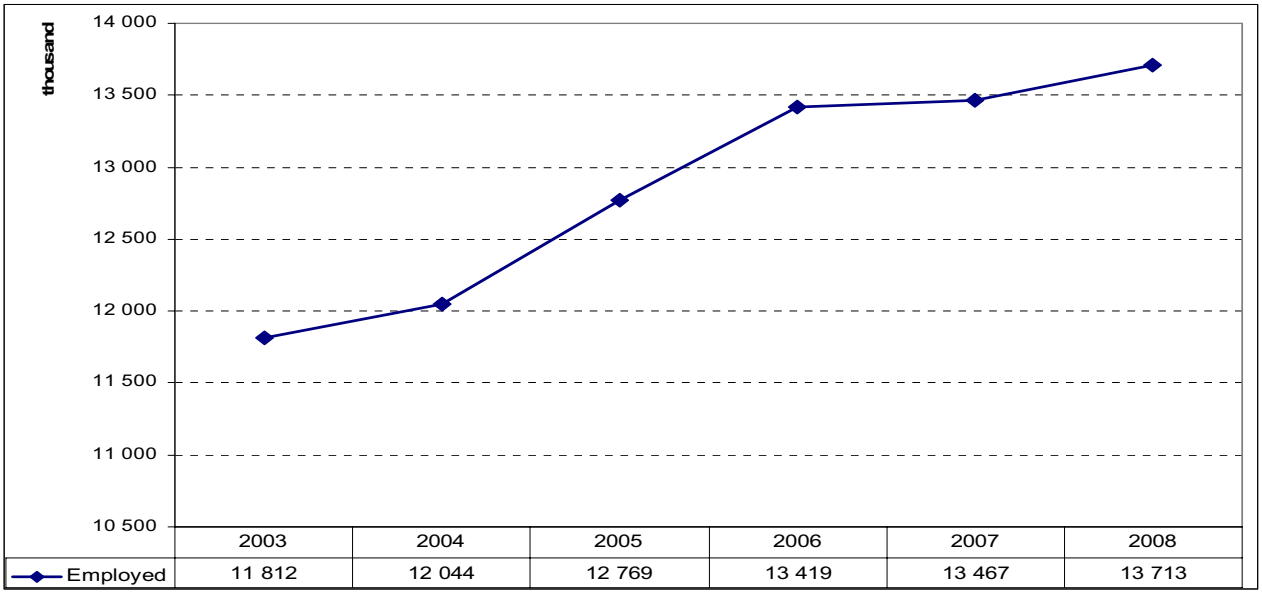
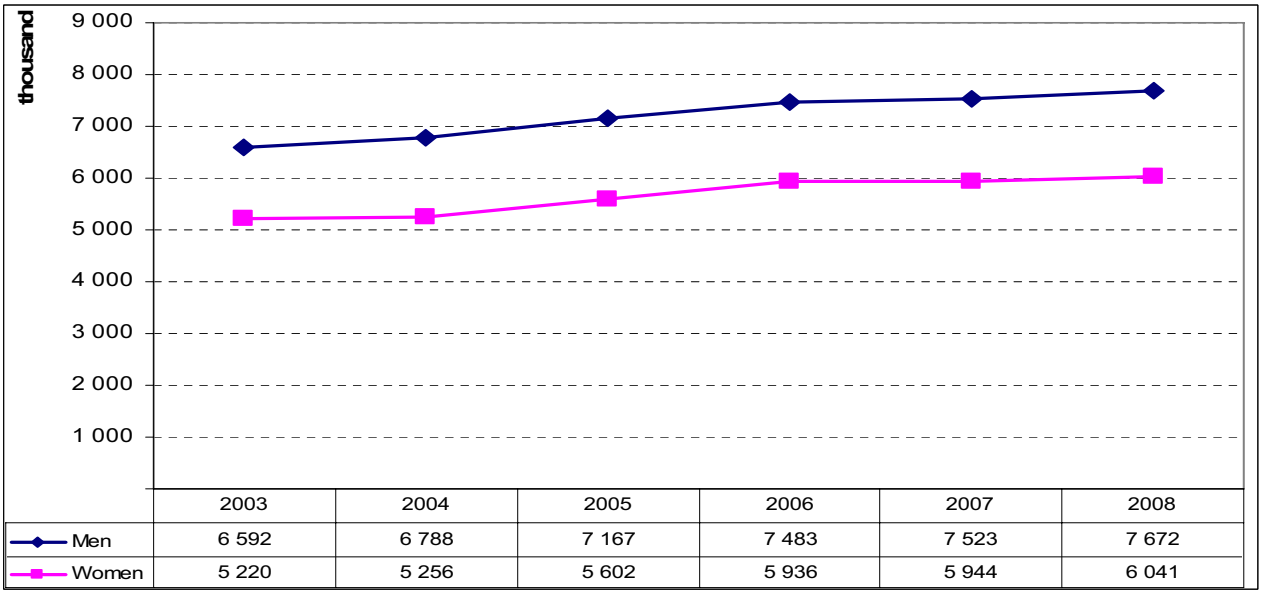



Figure 4.1 shows that the number of employed persons in South Africa has increased over the last five years (from 2003 to 2008). In 2003 there were 11,8 million employed persons in the country, and by 2008 the number had increased to 13,7 million – a net gain of 1,9 million jobs. The biggest growth in employment occurred between the years 2004 to 2006 when a total of 1,4 million jobs were created.

## Employment by sex, age and province

This section covers employment by demographic variables, i.e. sex, age, education and province.

**Figure 4.2: Employment by sex, 2003–2008**




The employment gap between women and men persists. Figure 4.2 above indicates that since 2003 the number of employed men have consistently been higher than that of women. In 2008, only 6, 0 million women aged 15–64 were working compared to 7, 7 million men. This reflects in part the lower participation rate of women, that is, a lower percentage of women than men are available for employment.

However, when gender distributions are further disaggregated by age groups, Table 4.1 below shows that among both men and women, a higher proportion of individuals were aged between 25 to 34 years compared to individuals in other age groups. Among those aged 55–64, the proportion of employed women and men is relatively small, as can be expected.

**Table 4.1: Age distribution of those in employment, 2008**

| | Men | Women | Both sexes | Men | Women | Both sexes |
|---|---|---|---|---|---|---|
| Age groups | Thousand | | | Percentage share | | |
| 15–24 yrs | 966 | 677 | 1 644 | 12,6 | 11,2 | 12,0 |
| 25–34 yrs | 2 707 | 1 967 | 4 674 | 35,3 | 32,6 | 34,1 |
| 35–44 yrs | 1 962 | 1 674 | 3 636 | 25,6 | 27,7 | 26,5 |
| 45–54 yrs | 1 384 | 1 234 | 2 619 | 18,0 | 20,4 | 19,1 |
| 55–64 yrs | 652 | 488 | 1 140 | 8,5 | 8,1 | 8,3 |
| **Total** | **7 672** | **6 041** | **13 713** | **100,0** | **100,0** | **100,0** |

**Figure 4.3: Employment by province, 2003–2008**

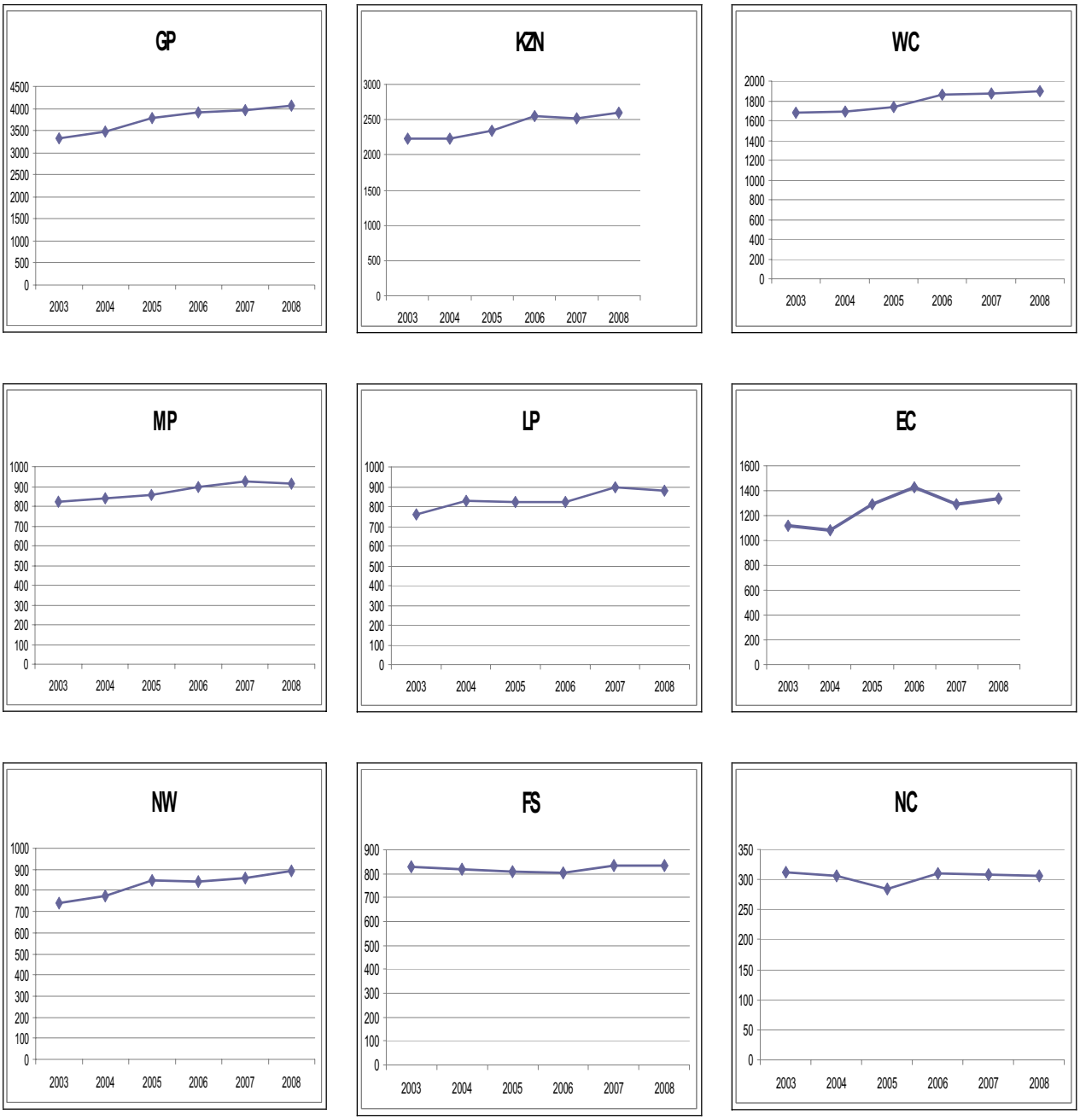
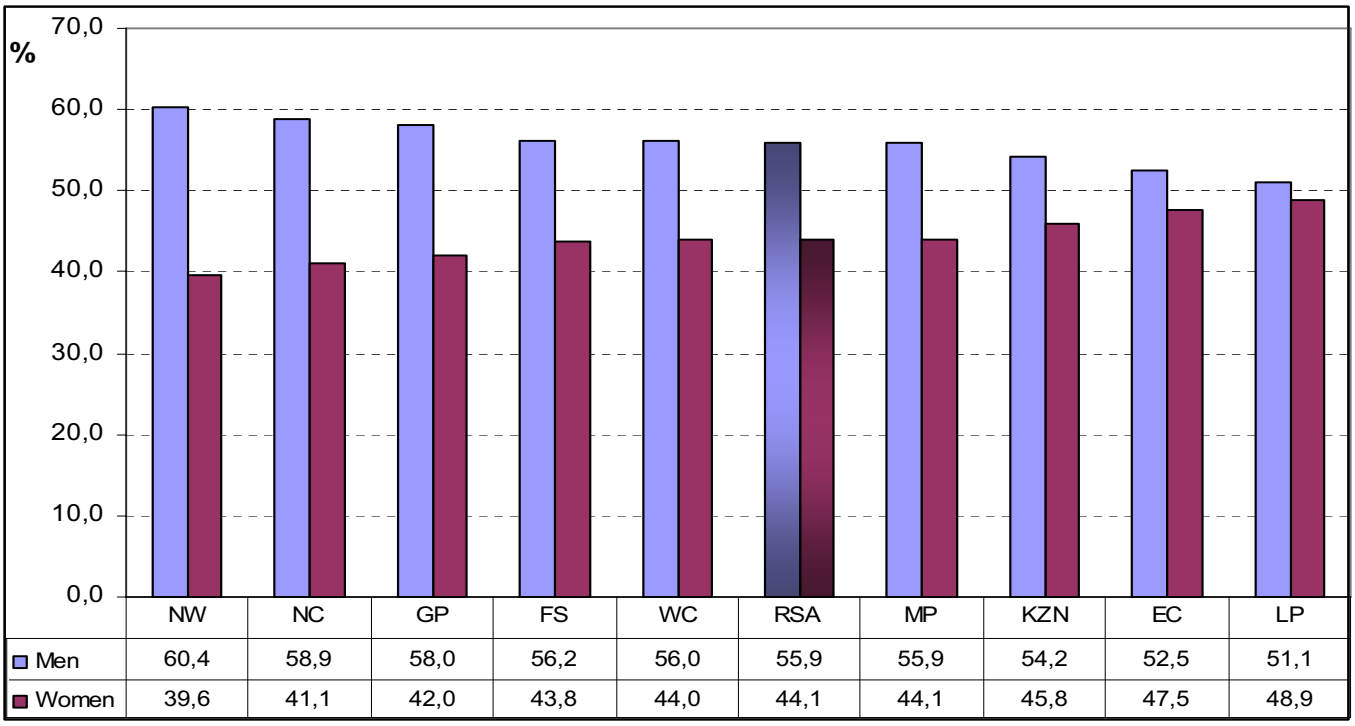


Figure 4.3 shows that in the last five six years (with the exception of Northern Cape and Free State), there has been a consistent increase in employed persons in most provinces. In 2008, there were 731 000 more employed individuals in Gauteng compared to 2003. Likewise, employment in KwaZulu-Natal grew by 364 000 while in Eastern Cape; there were 224 000 more employed persons over the period 2003 to 2008. In contrast, however, the period 2007 and 2008 saw a decline in employment in three of the nine provinces, i.e. Limpopo, Mpumalanga and Northern Cape.

**Figure 4.4: Employment by province and sex, 2008**




| | NW | NC | GP | FS | WC | RSA | MP | KZN | EC | LP |
|---|---|---|---|---|---|---|---|---|---|---|
| Men | 60,4 | 58,9 | 58,0 | 56,2 | 56,0 | 55,9 | 55,9 | 54,2 | 52,5 | 51,1 |
| Women | 39,6 | 41,1 | 42,0 | 43,8 | 44,0 | 44,1 | 44,1 | 45,8 | 47,5 | 48,9 |

Figure 4.4 shows that in 2008, of all the provinces, North West had the lowest proportion of employed women, with Limpopo recording the highest. In terms of growth in the number of employed women within provinces, Table 4.2 below shows that between the years 2003 and 2008, there was a general increase in the number of employed women across all provinces. Gauteng recorded the highest annual average growth rate of 4,8% when compared to the other provinces, followed by North West with an average increase of 4,5%. Northern Cape on the other hand, was the only province with a negative annual average growth rate of only 0,1%.

**Table 4.2: Employment by province and sex: 2003 and 2008**

| | 2003 | | | 2008 | | | Av. ann. growth rate | |
|---|---|---|---|---|---|---|---|---|
| **Province** | **Men** | **Women** | **Both sexes** | **Men** | **Women** | **Both sexes** | **Men** | **Women** |
| Western Cape | 929 | 748 | 1 678 | 1 063 | 834 | 1 897 | 2,7 | 2,2 |
| Eastern Cape | 561 | 553 | 1 114 | 702 | 636 | 1 338 | 4,6 | 2,8 |
| Northern Cape | 186 | 126 | 313 | 181 | 126 | 307 | -0,6 | -0,1 |
| Free State | 488 | 343 | 831 | 469 | 366 | 835 | -0,8 | 1,3 |
| KwaZulu-Natal | 1 191 | 1 043 | 2 233 | 1 407 | 1 190 | 2 597 | 3,4 | 2,7 |
| North West | 455 | 283 | 737 | 538 | 353 | 891 | 3,4 | 4,5 |
| Gauteng | 1 975 | 1 350 | 3 324 | 2 353 | 1 703 | 4 056 | 3,6 | 4,8 |
| Mpumalanga | 451 | 374 | 824 | 511 | 402 | 913 | 2,5 | 1,5 |
| Limpopo | 357 | 400 | 757 | 449 | 430 | 880 | 4,7 | 1,5 |
| **Total** | **6 592** | **5 220** | **11 812** | **7 672** | **6 041** | **13 713** | **3,1** | **3,0** |

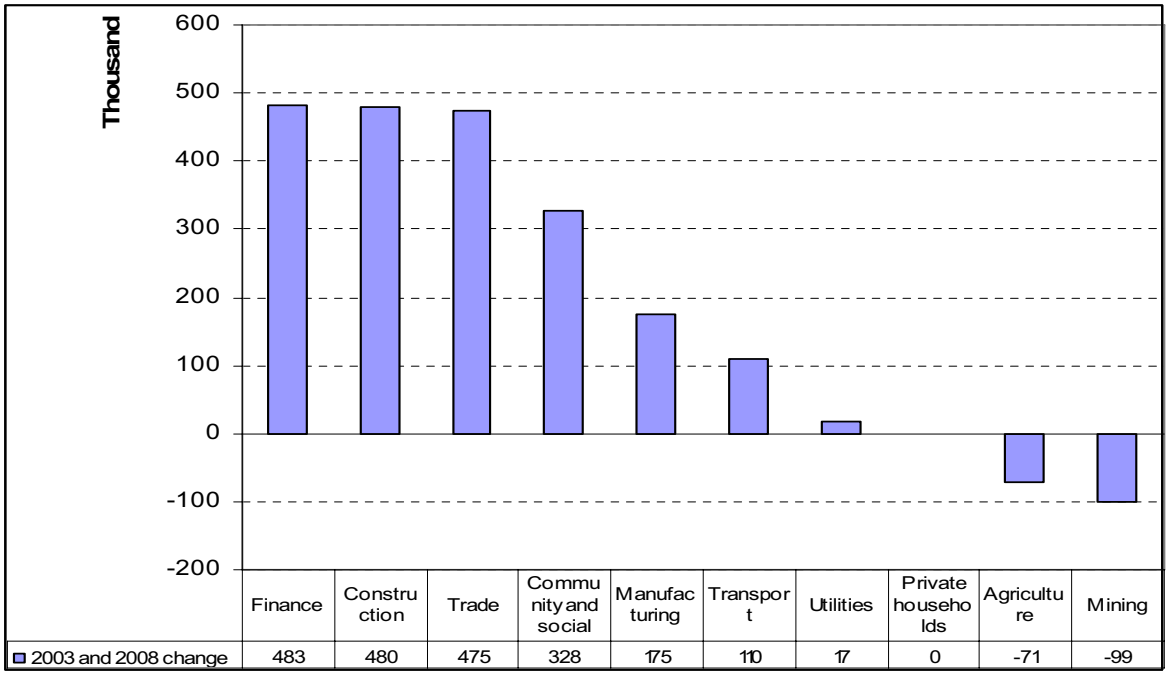
# Employment by industry

**Table 4.3: Employment by industry, 2003–2008**

| Industry | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| Agriculture | 851 | 800 | 740 | 859 | 737 | 780 |
| Mining | 428 | 384 | 343 | 339 | 367 | 329 |
| Manufacturing | 1 779 | 1 833 | 1 860 | 1 922 | 1 960 | 1 954 |
| Utilities | 77 | 87 | 93 | 97 | 86 | 94 |
| Construction | 656 | 783 | 937 | 1 016 | 1 051 | 1 136 |
| Trade | 2 675 | 2 748 | 3 180 | 3 450 | 3 342 | 3 150 |
| Transport | 656 | 678 | 705 | 684 | 717 | 766 |
| Finance | 1 173 | 1 228 | 1 338 | 1 361 | 1 459 | 1 656 |
| Community and social services | 2 288 | 2 295 | 2 321 | 2 379 | 2 490 | 2 616 |
| Private households | 1 230 | 1 206 | 1 252 | 1 311 | 1 258 | 1 230 |
| **Total** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |

Over the past five years, employment in a number of major industries increased, although at different magnitudes. Table 4.3 shows that in South Africa, trade has consistently maintained the largest contribution to total employment, followed by community and social services, and manufacturing. However, in the year 2008, there was a decline in the number of employed persons within some of these industries. For example, compared to a year ago, decreases were noted in the number of individuals employed within trade (down by 192 000), mining (down by 38 000), private households (down by 28 000) and manufacturing (down by 6 000).

**Figure 4.5: Changes in employment by industry, 2003 and 2008**



In terms of growth between the period 2003 and 2008, the financial industry has seen the biggest growth (see Figure 4.5). In 2008 the number of individuals employed in finance had increased by 483 000 more jobs. Construction recorded the second highest growth: by the year 2008, the number of individuals employed within construction had almost doubled from 656 000 in 2003 to 1 136 000 in 2008 (i.e. 480 000 jobs created since 2003), followed by trade with 475 000 more jobs recorded in 2008. Although almost all industries generally experienced growth, decreases were observed within the mining and agriculture industries. Between the years 2003 and 2008, employment in mining declined by 99 000 while agriculture dropped by 71 000 jobs.

**Table 4.4: Employment by industry and province, 2008**

| | WC | EC | NC | FS | KZN | NW | GP | MP | LP | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Industry** | **Per cent** | | | | | | | | | |
| Agriculture | 7,8 | 5,8 | 18,8 | 9,6 | 5,9 | 6,4 | 1,5 | 8,6 | 7,5 | 5,7 |
| Mining | 0,1 | 0,2 | 4,7 | 3,2 | 0,3 | 16,5 | 0,7 | 6,5 | 4,7 | 2,4 |
| Manufacturing | 17,6 | 13,9 | 4,6 | 10,5 | 16,0 | 9,2 | 16,9 | 8,9 | 7,8 | 14,3 |
| Utilities | 0,6 | 0,3 | 0,3 | 0,6 | 0,5 | 0,6 | 0,8 | 1,8 | 0,7 | 0,7 |
| Construction | 9,8 | 8,3 | 6,6 | 7,1 | 8,6 | 6,7 | 7,6 | 9,2 | 9,7 | 8,3 |
| Trade | 21,6 | 23,7 | 18,1 | 23,4 | 23,0 | 21,3 | 22,7 | 26,7 | 25,3 | 23,0 |
| Transport | 4,8 | 5,4 | 3,7 | 4,9 | 6,6 | 3,4 | 6,6 | 4,7 | 4,5 | 5,6 |
| Finance | 13,6 | 8,7 | 7,9 | 8,0 | 10,8 | 8,1 | 17,4 | 8,7 | 6,0 | 12,1 |
| Community and social services | 18,0 | 24,6 | 24,5 | 21,7 | 18,6 | 17,7 | 17,1 | 15,5 | 24,4 | 19,1 |
| Private households | 6,2 | 9,3 | 10,8 | 11,1 | 9,7 | 10,3 | 8,6 | 9,5 | 9,3 | 9,0 |
| Other | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 | 0,0 | 0,0 | 0,0 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

Table 4.4 above indicates that in 2008, trade was the biggest contributor of employment across all provinces, except in Eastern Cape and Northern Cape, where community and social services made the largest contribution in employment.

## Employment by industry and sex

This section analyses employment by industry and sex. In 2008, an equal share of men and women were employed in the trade industry (Figure 4.6). However, men dominated in all other industries except in community and social services, and private households. A higher proportion of men were employed in goods producing industries such as manufacturing, mining and construction. In the year 2008, 90,1% of all persons that were employed within the construction industry were men. Similarly, among those who were employed in mining, 89,1% were also male while 67,9% of working individuals in manufacturing were male.

**Figure 4.6: Employment by industry and sex, 2008**

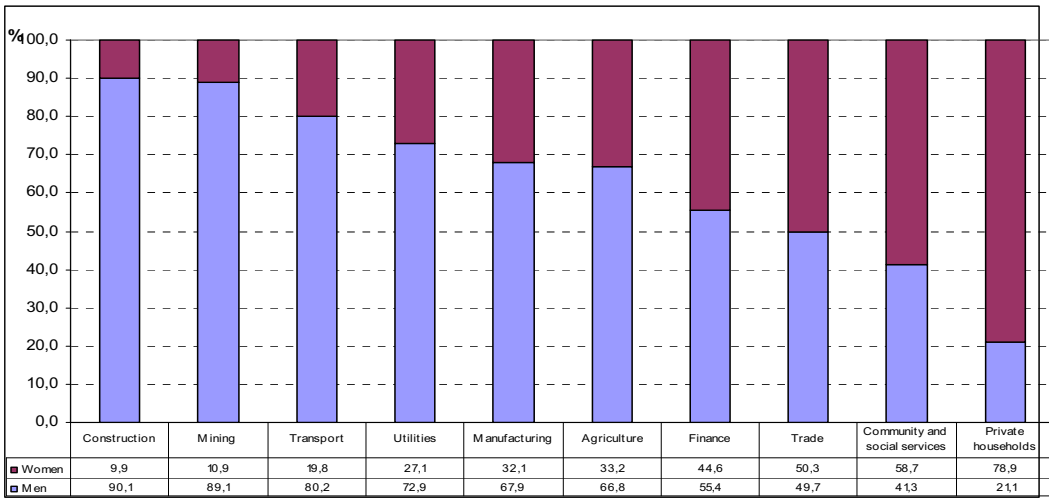


**Table 4.5: Employment by industry and sex, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Men** | **Thousand** | | | | | |
| Agriculture | 577 | 528 | 490 | 549 | 467 | 521 |
| Mining | 408 | 368 | 324 | 321 | 344 | 293 |
| Manufacturing | 1 143 | 1 191 | 1 190 | 1 243 | 1 298 | 1 326 |
| Utilities | 56 | 65 | 76 | 73 | 63 | 69 |
| Construction | 588 | 705 | 851 | 903 | 937 | 1 023 |
| Trade | 1 326 | 1 389 | 1 589 | 1 720 | 1 652 | 1 566 |
| Transport | 525 | 536 | 552 | 564 | 572 | 614 |
| Finance | 682 | 729 | 763 | 783 | 847 | 918 |
| Community and social services | 1 002 | 990 | 1 035 | 1 029 | 1 045 | 1 082 |
| Private households | 284 | 286 | 297 | 298 | 300 | 260 |
| **Total** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| **Women** | **Thousand** | | | | | |
| Agriculture | 274 | 272 | 250 | 310 | 269 | 259 |
| Mining | 20 | 16 | 19 | 18 | 23 | 36 |
| Manufacturing | 636 | 642 | 670 | 680 | 662 | 628 |
| Utilities | 21 | 22 | 18 | 23 | 23 | 25 |
| Construction | 68 | 78 | 86 | 113 | 114 | 112 |
| Trade | 1 349 | 1359 | 1591 | 1 730 | 1 690 | 1 584 |
| Transport | 131 | 142 | 153 | 120 | 146 | 152 |
| Finance | 491 | 499 | 574 | 577 | 612 | 738 |
| Community and social services | 1 286 | 1305 | 1286 | 1 351 | 1 446 | 1 534 |
| Private households | 946 | 920 | 955 | 1 013 | 959 | 970 |
| **Total** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |

Although gender disparities have been pronounced over the period 2003 to 2008, the number of women employed in industries that were traditionally known to be male dominated has increased. Table 4.5, above, shows that the number of women within the financial industry increased from 491 000 in 2003 to 738 000 in 2008 (an increase of 247 000). In 2008, there were approximately twice (112 000) as many women in construction than there were in 2003 (68 000 – (up by 44 000). Likewise, in 2008 there were 16 000 more women employed in mining compared to 2003 (from 20 000 in 2003 to 36 000 in 2008).

## Employment by occupation

This section analyses employment by industry using demographic variables as well as industry.

**Figure 4.7: Employment by occupation[14], 2003 and 2008**

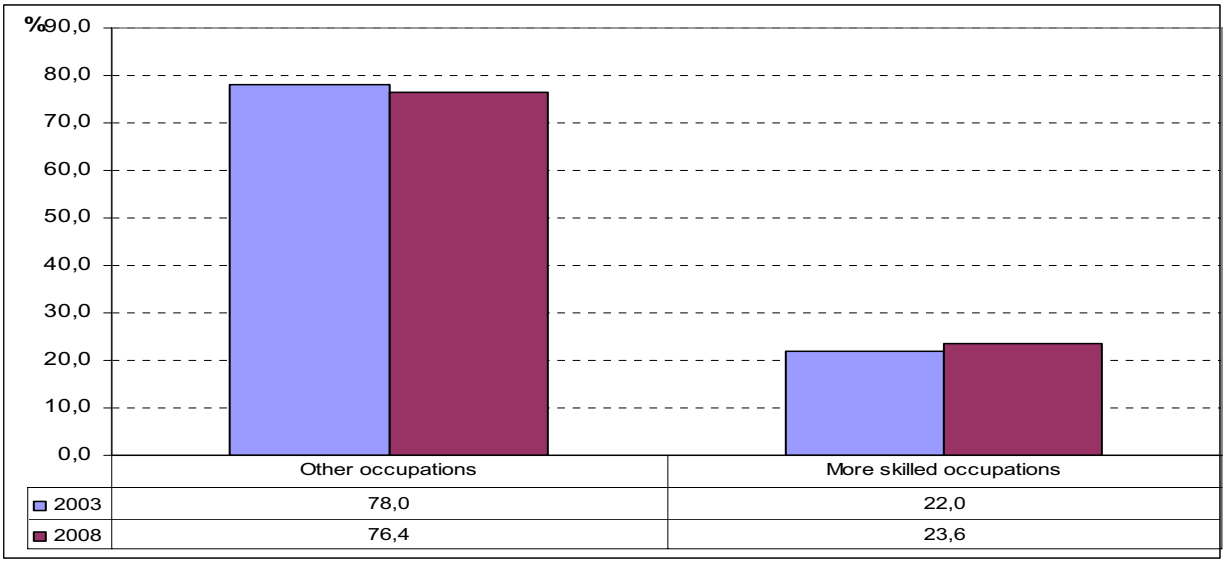


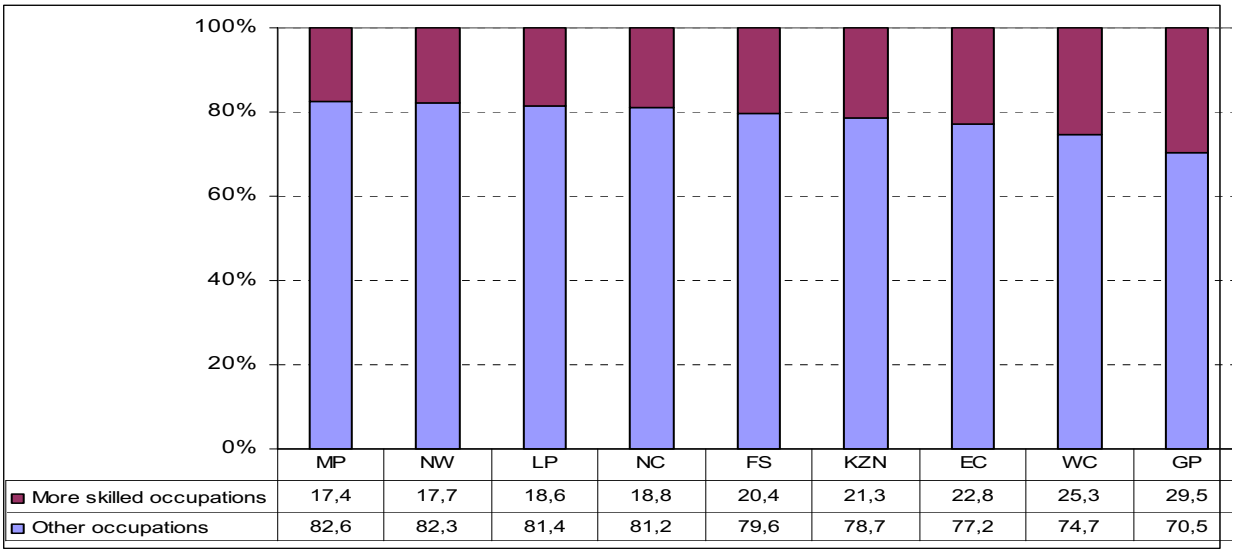

Figure 4.7 shows that a considerable proportion of the employed were working in relatively lower skilled occupations such as elementary, crafts and related trade and domestic work. The proportion of the employed in these three occupations has remained stable over the past five years with little change across the occupations. However, in terms of growth, between 2003 and 2008 there was a noticeable increase in the percentage of individuals taking up high-skilled positions. Table 4.6 below shows that between 2007 and 2008, the proportion of individuals employed in more skilled occupations increased by 1,6 percentage points while persons employed in other occupations declined by a similar 1,6 percentage points.

**Table 4.6: Employment by occupation, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Occupation classes** | **Thousand** | | | | | |
| More skilled occupations | 2 593 | 2 665 | 2 717 | 2 816 | 2 979 | 3 246 |
| Other occupations | 9 219 | 9 379 | 10 052 | 10 602 | 10 488 | 10 466 |
| **Total** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| | **Percentage share** | | | | | |
| More skilled occupations | 22,0 | 22,1 | 21,3 | 21,0 | 22,1 | 23,6 |
| Other occupations | 78,0 | 77,9 | 78,7 | 79,0 | 77,9 | 76,4 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

[14] Stats SA classifies occupations as prescribed by the South African Standard Classification of Occupations (SASCO). See also the final report of the meeting of experts on Labour Statistics: Updating the International Standard Classification of Occupations (ISCO). Geneva, 3–6 December 2007.

**Figure 4.8: Occupation by province, 2008**




| | MP | NW | LP | NC | FS | KZN | EC | WC | GP |
|---|---|---|---|---|---|---|---|---|---|
| More skilled occupations | 17,4 | 17,7 | 18,6 | 18,8 | 20,4 | 21,3 | 22,8 | 25,3 | 29,5 |
| Other occupations | 82,6 | 82,3 | 81,4 | 81,2 | 79,6 | 78,7 | 77,2 | 74,7 | 70,5 |

Figure 4.8 shows that in 2008, across all provinces, a lower proportion of individuals were employed in more skilled occupations. However, Gauteng recorded the highest proportion (29,5%) of more skilled occupations when compared to other provinces, followed by Western Cape (25,3%) and Eastern Cape (22,8%).

## Occupation by sex, education, age and population group

In 2008, the proportion of men employed in both occupational categories was higher than that of women. However, this section only highlights gender disparities in the more skilled occupations.

**Figure 4.9: Persons in more-skilled occupations by sex, 2008**

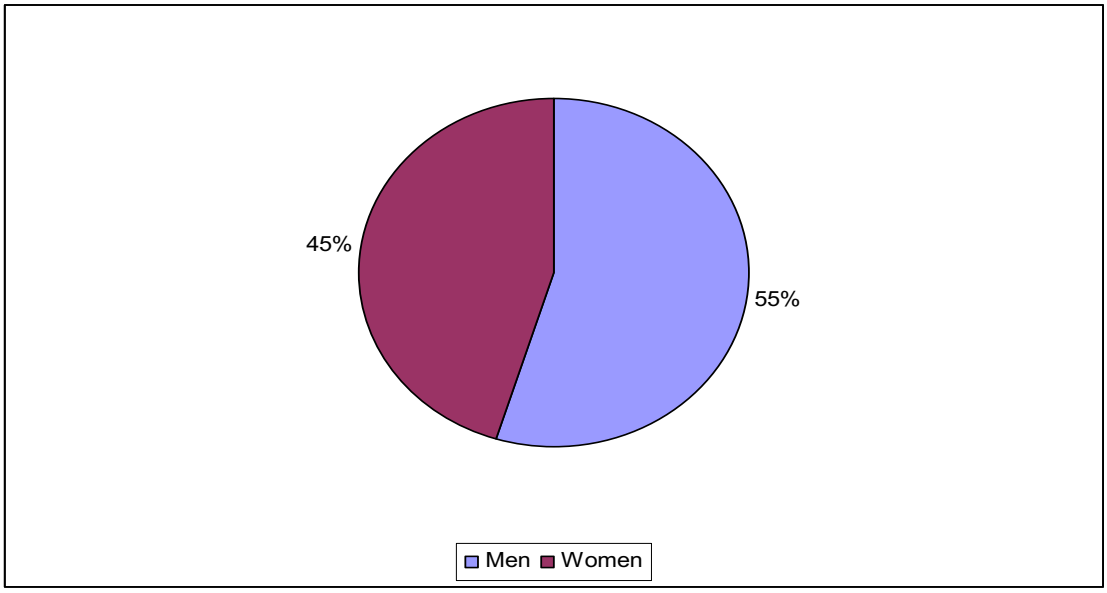
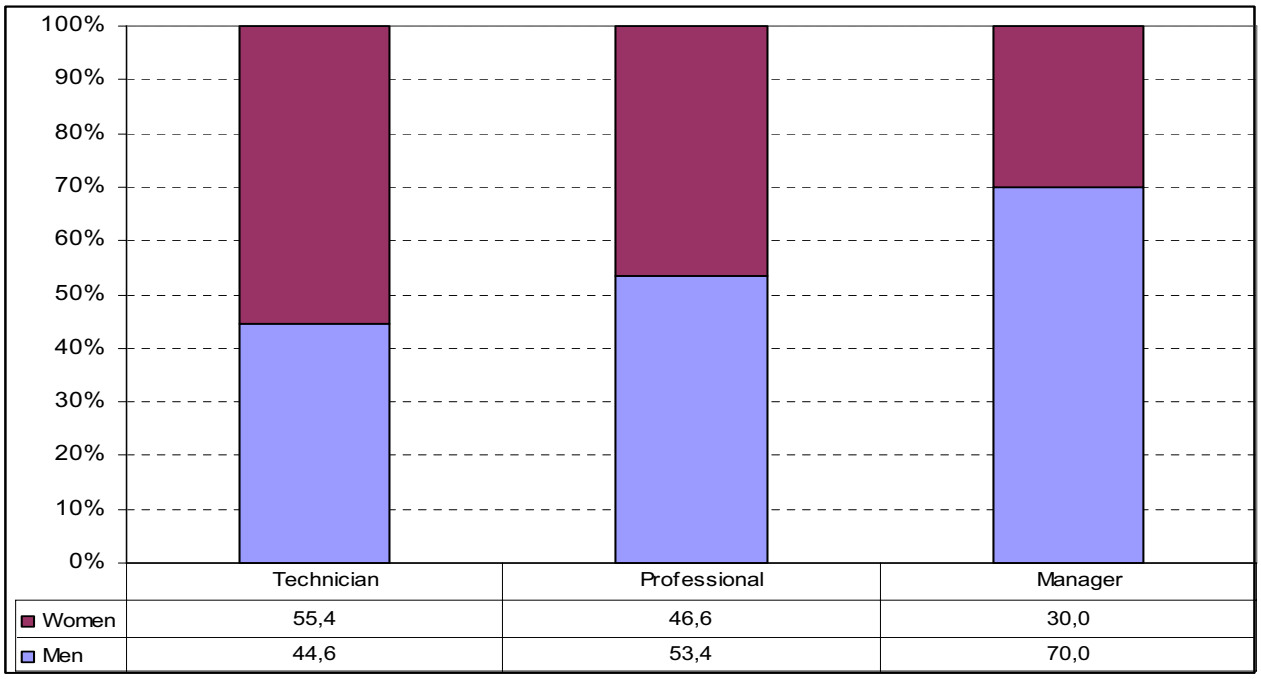


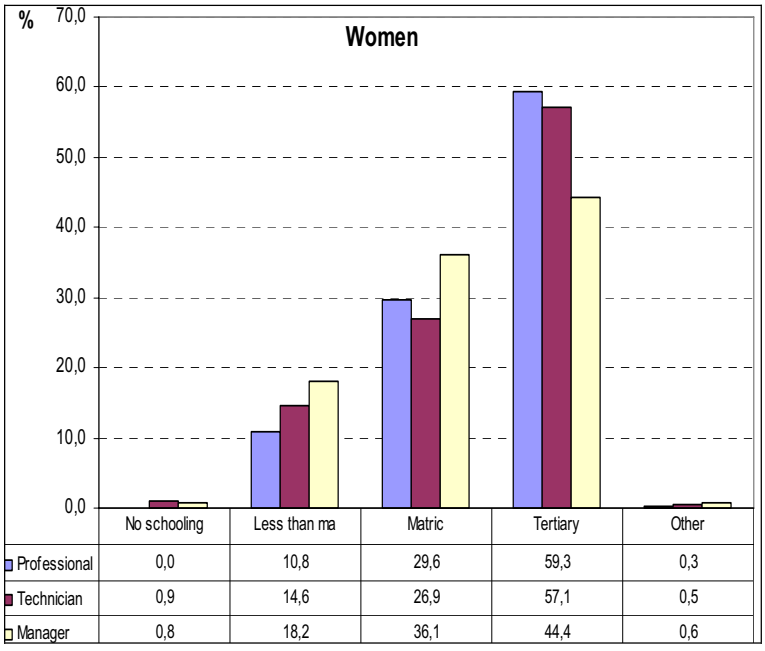

Figure 4.9 shows that in 2008, among those in more skilled occupations, men accounted for a larger proportion compared to women. Furthermore, when occupation categories were disaggregated at a lower level (Figure 4.10), there were more than twice as many male managers than there were women managers (70,0% as opposed to 30,0%). In addition, men contributed a higher proportion among professionals (53,4%) compared to women (46,6%). In contrast however, there were more female technicians (55,4%) than there were male technicians (44,6%).

**Figure 4.10: Managers, professionals and technicians by sex, 2008**

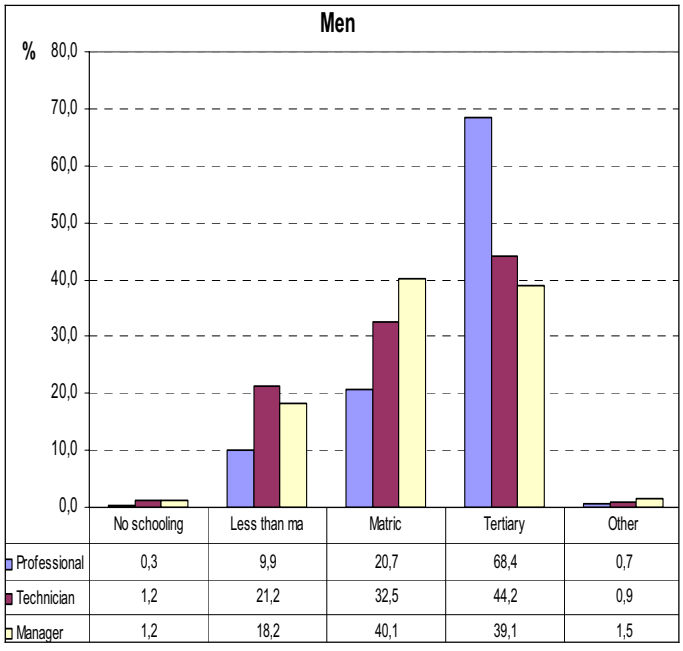



| | Technician | Professional | Manager |
|---|---|---|---|
| Women | 55,4 | 46,6 | 30,0 |
| Men | 44,6 | 53,4 | 70,0 |

**Figure 4.11: Persons in more-skilled occupations by education and sex, 2008**



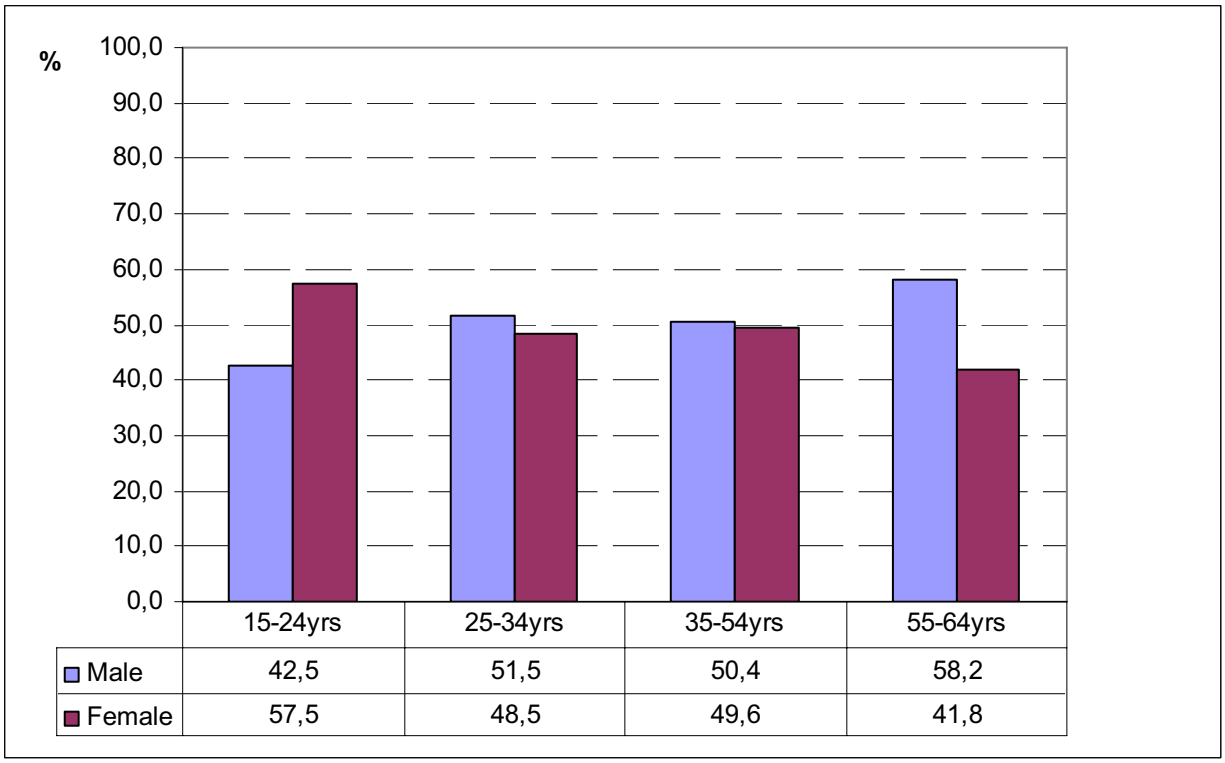

| | No schooling | Less than ma | Matric | Tertiary | Other |
|---|---|---|---|---|---|
| Professional | 0,0 | 10,8 | 29,6 | 59,3 | 0,3 |
| Technician | 0,9 | 14,6 | 26,9 | 57,1 | 0,5 |
| Manager | 0,8 | 18,2 | 36,1 | 44,4 | 0,6 |




| | No schooling | Less than ma | Matric | Tertiary | Other |
|---|---|---|---|---|---|
| Professional | 0,3 | 9,9 | 20,7 | 68,4 | 0,7 |
| Technician | 1,2 | 21,2 | 32,5 | 44,2 | 0,9 |
| Manager | 1,2 | 18,2 | 40,1 | 39,1 | 1,5 |

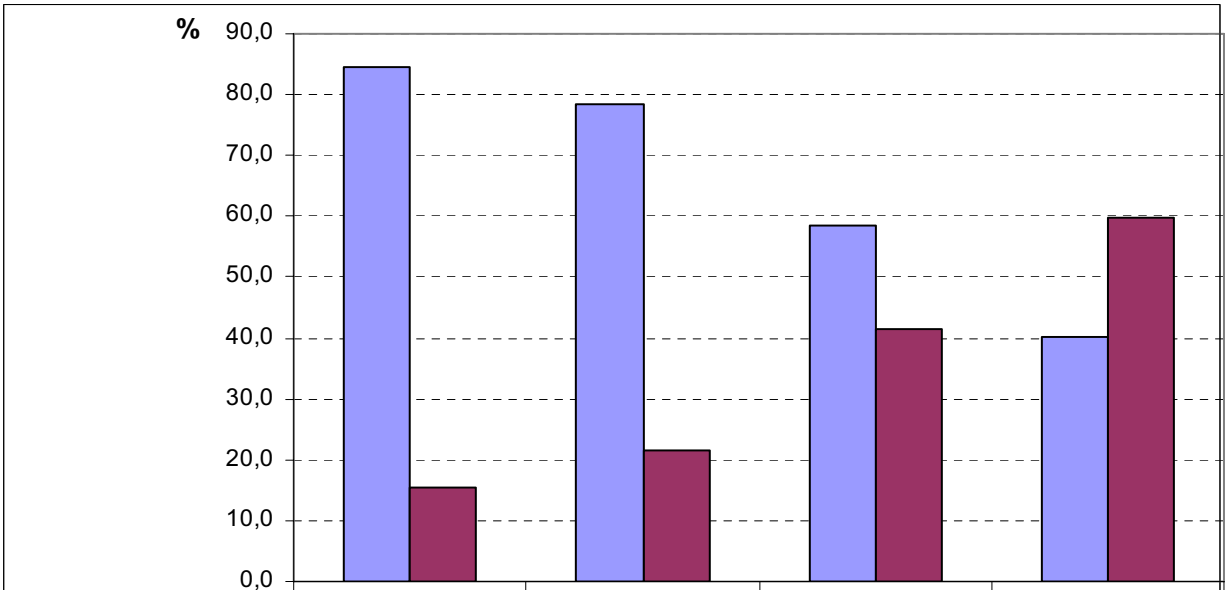
The likelihood of being in more skilled occupations such as managerial, professional and technical occupations generally increases with the level of educational attainment. Gender contradictions, however, seem noticeable. For example, Figure 4.11 shows that among women, a higher proportion (44,4%) in managerial positions had tertiary education, compared to men (39,1%). In addition, Figure 4.12 below indicates that in 2008, among the 15–24 age group a higher proportion of women had tertiary level education when compared to men. This reflects that over the last few years younger employed women have become better educated than their male counterparts. Since the above results suggest that tertiary education plays an important role in increasing chances of women occupying managerial positions, education can be used as a tool to bridge the gender gap that exists within higher level occupations.

**Figure 4.12: Persons in more-skilled occupations by age, education and sex, 2008**




| | 15-24yrs | 25-34yrs | 35-54yrs | 55-64yrs |
|---|---|---|---|---|
| Male | 42,5 | 51,5 | 50,4 | 58,2 |
| Female | 57,5 | 48,5 | 49,6 | 41,8 |

**Figure 4.13: Employment by occupation and population group: 2008**

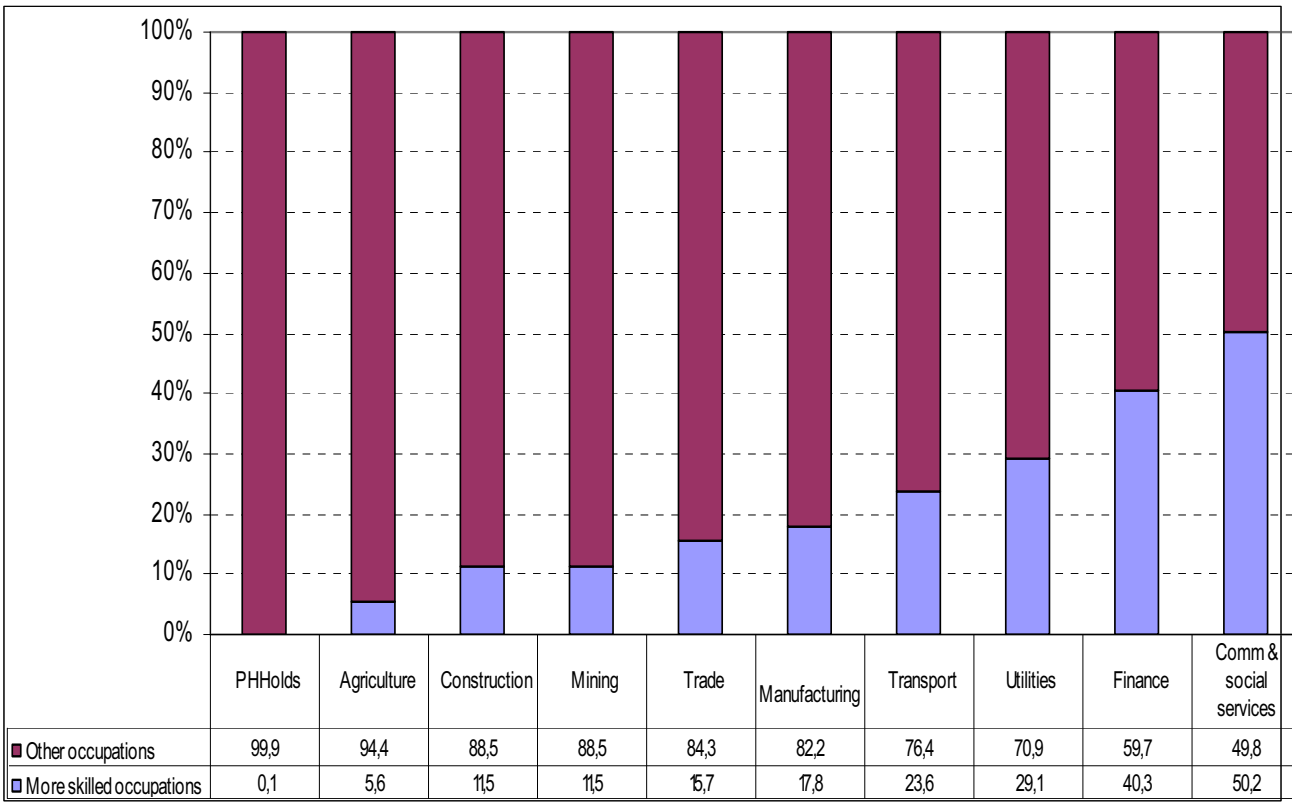



| | Black/African | Coloured | Indian/Asian | White |
|---|---|---|---|---|
| Low er skilled occupations | 84,7 | 78,5 | 58,5 | 40,1 |
| Other occupations | 15,3 | 21,5 | 41,5 | 59,9 |

Figure 4.13 shows that in 2008, among employed black Africans (84,7%), a higher proportion was employed in less skilled occupations when compared with persons in other population groups. Coloured persons followed closely at 78,5%. In contrast, a substantially higher proportion of the white population group (59,9%) was employed in occupations requiring higher skills, when compared to all the other population groups, with black Africans least likely to be in such occupations.

## Occupation and industry

**Figure 4.14: Employment by occupation and industry, 2008**




| | PHHolds | Agriculture | Construction | Mining | Trade | Manufacturing | Transport | Utilities | Finance | Comm & social services |
|---|---|---|---|---|---|---|---|---|---|---|
| Other occupations | 99,9 | 94,4 | 88,5 | 88,5 | 84,3 | 82,2 | 76,4 | 70,9 | 59,7 | 49,8 |
| More skilled occupations | 0,1 | 5,6 | 11,5 | 11,5 | 15,7 | 17,8 | 23,6 | 29,1 | 40,3 | 50,2 |

In 2008, the less skilled occupation group comprised individuals working in private households (99,9%), agriculture (94,4%) and construction (88,5%). On the contrary, individuals in more skilled occupations were mostly concentrated in community and social services (50,2%), followed by finance (40,3%) and utilities (29,1%) (Figure 4.14).

## Status in employment

Table 4.7 indicates that employees accounted for over 80% of total employment in 2008. Own-account workers made up the second largest proportion of the employed with an average of 9,2%, followed by employers (5,5%) and unpaid work (0,9%). In terms of changes in individuals' status in employment between 2003 and 2008, there was a general increase in three of the four categories with employees recording an increase of 1 907 000 jobs. The number of employers, on the other hand, declined by 43 000.

**Table 4.7: Status in employment by sex, 2003 and 2008**

| | 2003 | 2008 | 2003 | 2008 |
|---|---|---|---|---|
| | Thousand | | Percentage share | |
| **Men** | | | | |
| Employee | 5 463 | 6 486 | 82,9 | 84,5 |
| Employer | 570 | 573 | 8,6 | 7,5 |
| Own-account worker | 527 | 579 | 8,0 | 7,6 |
| Unpaid household member | 33 | 34 | 0,5 | 0,4 |
| **Total** | **6 592** | **7 672** | **100,0** | **100,0** |
| **Women** | | | | |
| Employee | 4 204 | 5 087 | 80,5 | 84,2 |
| Employer | 226 | 180 | 4,3 | 3,0 |
| Own-account worker | 732 | 687 | 14,0 | 11,4 |
| Unpaid household member | 58 | 86 | 1,1 | 1,4 |
| **Total** | **5 220** | **6 041** | **100,0** | **100,0** |
| **Both sexes** | | | | |
| Employee | 9 667 | 11 574 | 81,8 | 84,4 |
| Employer | 796 | 753 | 6,7 | 5,5 |
| Own-account worker | 1 259 | 1 267 | 10,7 | 9,2 |
| Unpaid household member | 91 | 120 | 0,8 | 0,9 |
| **Total** | **11 812** | **13 713** | **100,0** | **100,0** |

**Status in employment by sex**

Comparisons in Table 4.7 above show that between 2003 and 2008, among men a higher proportion was far more likely to be employers than among women. In 2008, the number of male employers was more than three times higher than that of female employers (573 000 and 180 000 respectively). Table 4.7 further indicates that since 2003, the proportion of women employers decreased by 4,4 percentage points, while female own-account workers declined by 1,3 percentage points in 2008.

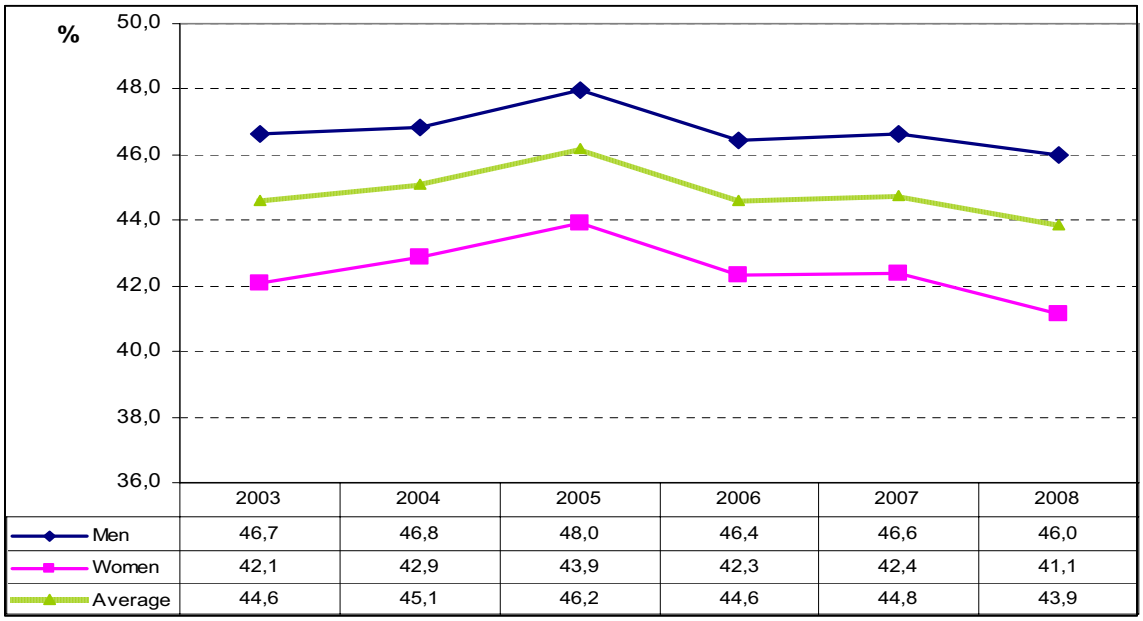
## Average weekly hours worked

The routinely published employment estimates show the number of persons aged 15 and older who worked for *one or more hours* in the reference week, or who were temporarily absent from work. This means that not every employed person supplies the same volume of work to the South African economy. Some people work 5 hours in the reference week and some work 55. Those temporarily absent from work do not contribute any hours at all. To measure the volume of work absorbed by the South African economy more precisely, it is necessary to consider the hours that people work.

The QLFS measures individual hours worked (from 0 (temporarily absent) to 124 per week). These data can be tabulated in a variety of ways. For example, we can obtain estimates of those working 0 to 5 hours, 6 to 20 hours and so forth. Alternatively, a broader picture of hours can be construed from calculating average hours Worked (average hours for a given group is calculated by taking the total of all hours worked by all members of the group and dividing it by the number of persons employed in that group.)

This chapter looks at trends in average hours worked and the relationship between changes in employment and changes in average hours worked.

**Figure 4.15: Average weekly hours worked by sex**

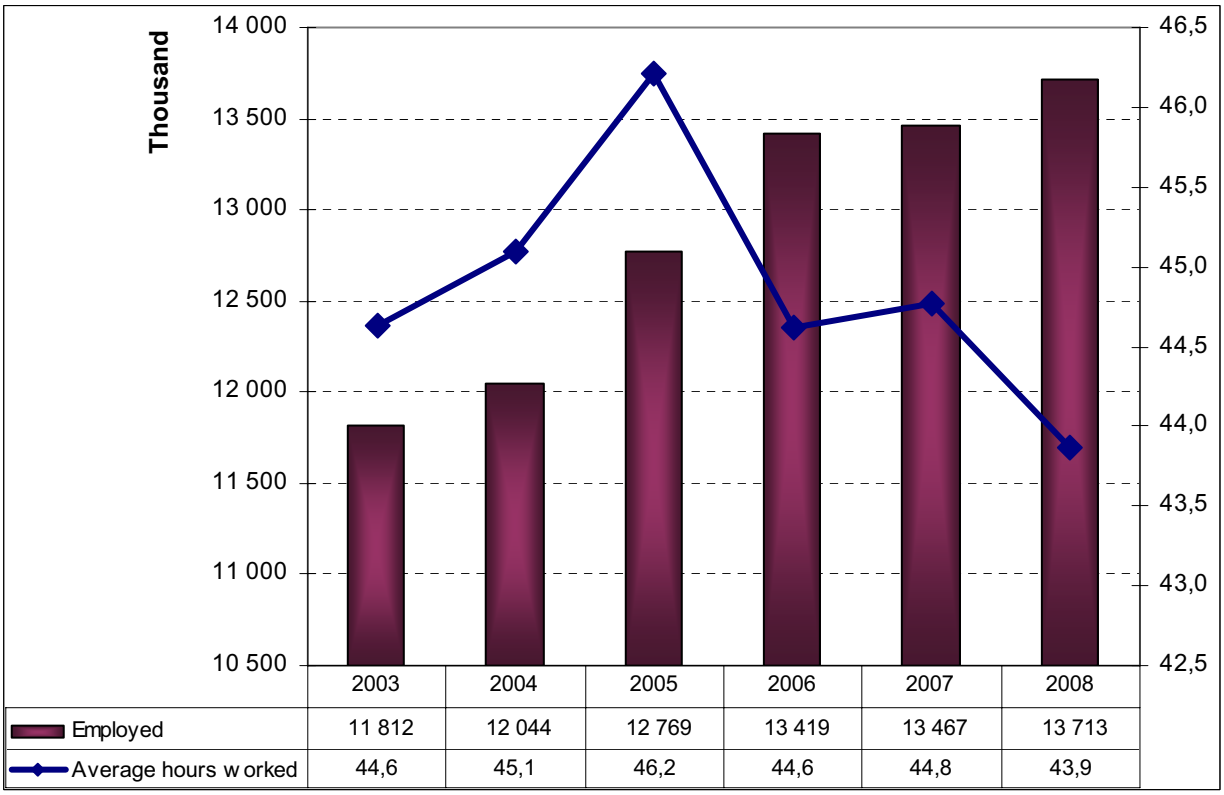



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 46,7 | 46,8 | 48,0 | 46,4 | 46,6 | 46,0 |
| Women | 42,1 | 42,9 | 43,9 | 42,3 | 42,4 | 41,1 |
| Average | 44,6 | 45,1 | 46,2 | 44,6 | 44,8 | 43,9 |

The change in average hours worked shown in Figures 4.15 and 4.16 might seem to be too small to be analytically significant. However, even a change as small as half an hour represents a substantial change in the total volume of work supplied.

For example, between 2006 and 2007, overall average hours increased by just 0,2 hours (approximately 12 minutes). At the 2007 employment level of 13 467 million, this additional 0,2 hours adds 2 686 600 hours to the total hours supplied to the economy. These 2,7 million hours are equivalent to 67 000 persons working a 40-hour week.

**Figure 4.16: Total employment and average weekly hours worked**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Employed | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Average hours worked | 44,6 | 45,1 | 46,2 | 44,6 | 44,8 | 43,9 |

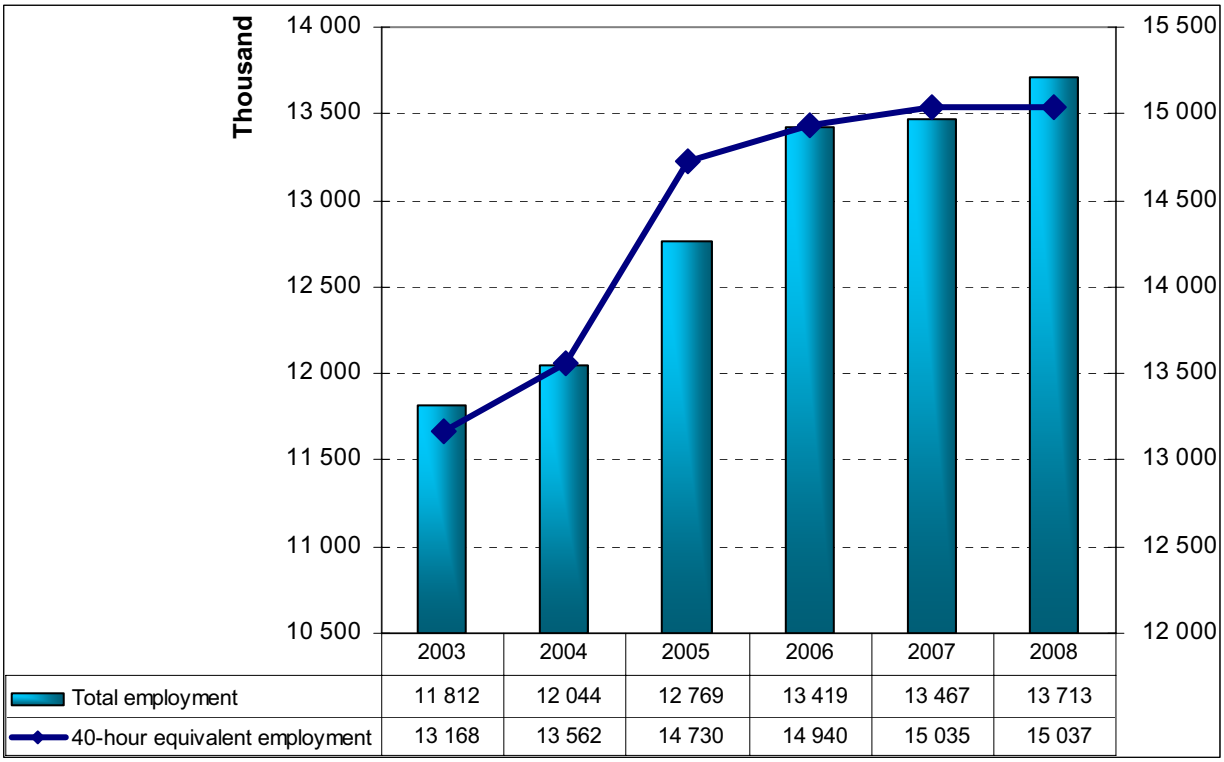
Employment and average hours worked do not necessarily move in tandem. When both increase, the total volume of work increases by more than the increase in either employment or hours. On the other hand, when average hours worked declines, the increase in the total volume of work supplied to the economy is smaller than the increase in employment.

**Table 4.8 Employment, average weekly hours and aggregate hours, levels and percentage change**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Employment | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Average hours | 44,6 | 45,1 | 46,2 | 44,6 | 44,8 | 43,9 |
| Total hours | 526 716 | 542 499 | 589 192 | 597 588 | 601 397 | 601 486 |
| | Percentage change | | | | | |
| | | 2003 to 2004 | 2004 to 2005 | 2005 to 2006 | 2006 to 2007 | 2007 to 2008 |
| Employment | | 1,9 | 6,0 | 5,1 | 0,4 | 1,8 |
| Average hours | | 1,0 | 2,5 | -3,5 | 0,4 | -2,0 |
| Total hours | | 2,9 | 8,6 | 1,4 | 0,6 | 0,0 |

The 2003–2004 and 2005–2006 changes illustrate how changes in employment and average hours worked interact to determine changes in total labour input to the economy (Table 4.8). In 2003–2004, both employment and average hours worked increased (by 1,9% and 1,0% respectively). The combination resulted in a 2,9 percentage increase in aggregate hours worked. In contrast, in 2005–2006, while employment increased by a healthy 5,1%, average hours worked declined, and so the labour input to the economy grew by only 1,4%.

**Figure 4.17 Total employment and 40-hour equivalent employment**




While total hours worked shows the labour input to the economy, they are extremely large and difficult to comprehend. Total hours worked in 2008 were 601 486 000 hours. One of the ways of making them more understandable is to express them as the number of persons working a 40-hour week. This is simply a matter of dividing the total hours by 40. This hypothetical employment number is called the 40-hour employment equivalent. It always moves by exactly the same percentage as total or aggregate hours worked (Figure 4.17).

Because of the interaction between changes in employment and changes in average hours worked, the relationship between employment as conventionally measured and 40-hour equivalent employment varies considerably over time. For example, in 2004–2005, because of the 2,5% increase in hours worked, the growth in 40-hour equivalent employment was even greater than the growth in employment.

In contrast, in 2007–2008, the decline in average hours worked meant that in spite of the increase in employment, the total supply of labour to the South African economy did not change.

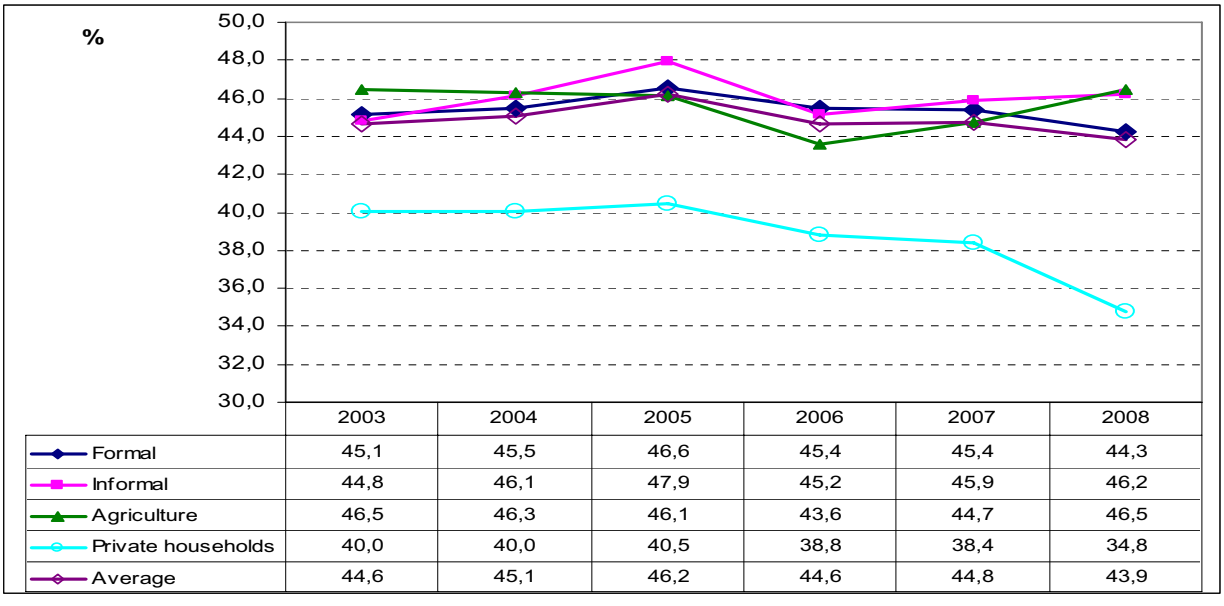
**Table 4.9: Average hours worked in a week by industry**

| Industry | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Average hours worked | | | | | |
| Agriculture | 46,5 | 46,3 | 46,1 | 43,6 | 44,7 | 46,5 |
| Mining | 48,7 | 48,3 | 48,6 | 46,9 | 48,3 | 45,7 |
| Manufacturing | 44,1 | 44,9 | 45,4 | 44,5 | 44,4 | 43,2 |
| Utilities | 42,9 | 43,8 | 47,3 | 43,4 | 43,4 | 42,8 |
| Construction | 43,6 | 44,6 | 45,7 | 43,6 | 43,9 | 42,5 |
| Trade | 46,5 | 47,9 | 49,3 | 47,3 | 47,3 | 47,8 |
| Transport | 50,8 | 50,4 | 52,6 | 51,3 | 50,7 | 51,9 |
| Finance | 45,1 | 45,5 | 47,3 | 46,3 | 46,7 | 45,3 |
| Community and social services | 42,2 | 42,0 | 42,9 | 41,7 | 41,9 | 40,3 |
| Private households | 40,0 | 40,0 | 40,5 | 38,8 | 38,4 | 34,8 |
| **Total** | **44,6** | **45,1** | **46,2** | **44,6** | **44,8** | **43,9** |

Persons working within the transport industry have continuously worked the most hours relative to other industries, while individuals employed in private households worked the least hours (Table 4.9). In 2008, individuals working in transport worked 51,9 hours a week, followed by persons working in trade (47,8 hours) and agriculture (46,5 hours). As reported above, the period 2005–2008 was marked by decreases in the number of hours worked within most industries, with agriculture (up by 1,8 hours) and trade (up by 0,5 hours) being the only industries to record positive growth in the last two years.

As with overall employment and overall average hours worked, the changes in employment alone do not reflect the changes in the total labour input into these industries.

**Figure 4.18: Average hours worked in a week by sector**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Formal | 45,1 | 45,5 | 46,6 | 45,4 | 45,4 | 44,3 |
| Informal | 44,8 | 46,1 | 47,9 | 45,2 | 45,9 | 46,2 |
| Agriculture | 46,5 | 46,3 | 46,1 | 43,6 | 44,7 | 46,5 |
| Private households | 40,0 | 40,0 | 40,5 | 38,8 | 38,4 | 34,8 |
| Average | 44,6 | 45,1 | 46,2 | 44,6 | 44,8 | 43,9 |

Figure 4.18 above shows that except in 2003 and in 2006, individuals employed in the informal sector have consistently worked the most hours as opposed to persons working in other sectors. This may reflect the much lower monthly earnings in the informal sector where more hours per month are required to attain a given monthly income. In contrast, over the period 2003–2008, employed persons in private households worked on average the least hours.

## Underemployed workers

Underemployment reflects an insufficiency in the volume of work[15]. Adopted by the Sixteenth International Conference of Labour Statisticians in October 1998, the resolution concerning the measurement of underemployment and inadequate employment situations provides guidelines on two types of underemployment, namely time-related underemployment, which is due to insufficient hours of work, and inadequate employment situations, which are due to other limitations in the labour market which limit the capacities and well-being of workers. Stats SA, like many other national statistical offices, measures only time-related underemployment (see Guide to QLFS[16]).

**Table 4.10: Underemployment, 2008**

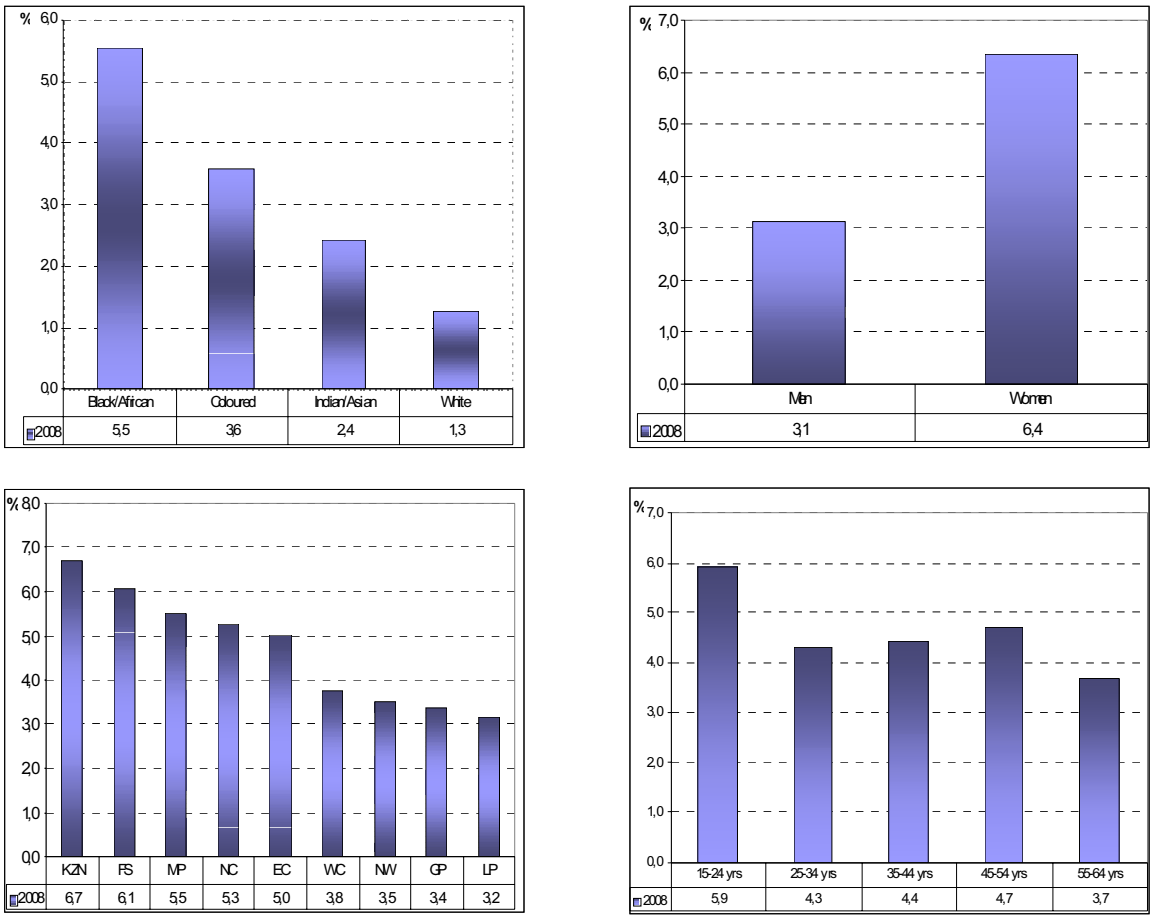
| | Men | Women | Both sexes |
|---|---|---|---|
| | Thousand | | |
| Total employment | 7 672 | 6 041 | 13 713 |
| Underemployment | 240 | 385 | 625 |
| % underemployed | 3,1 | 6,4 | 4,6 |

Table 4.10 shows that in 2008, out of the 13 713 million employed people in South Africa, 625 000 persons were underemployed (4,6%). Furthermore, among women, a higher percentage (6,4%) were most likely to be underemployed compared to men (3,1%).

[15] International Labour Office. Resolution Concerning Statistics of the Economically Active Population, Employment, Unemployment and Underemployment, adopted by the Thirteenth International Conference of Labour Statisticians (October 1982). The Thirteenth International Conference of Labour Statisticians.

[16] Report-02-11-01 - Guide to the Quarterly Labour Force Survey (QLFS), August 2008. http://statssa-web:9999/publications/Report-02-11-01/Report-02-11-01August2008.pdf

**Figure 4.19: Underemployment by age, sex, population group and province, 2008**




## Characteristics of the underemployed

Figure 4.19 above indicates that in 2008, obvious gender disparities existed between underemployed men and women. This is evident in the fact that the proportion of women who were underemployed was twice as much as that of men (6,4% as opposed to 3,1%). In addition, the proportion of employed black Africans who were underemployed was more than four times higher than that of employed white individuals (5,5% as opposed to 1,3%). Further analysis also shows that younger workers between the ages of 15 and 24 years were most likely to be underemployed than employed individuals in other age-group categories. In terms of location, KwaZulu-Natal had the highest proportion of underemployed workers (6,7%), followed by Free State (6,1%), while Limpopo and Gauteng had the lowest numbers (3,2% and 3,4% respectively).

## Underemployment and hours worked

**Figure 4.20: Underemployment by hours worked per week, 2008**

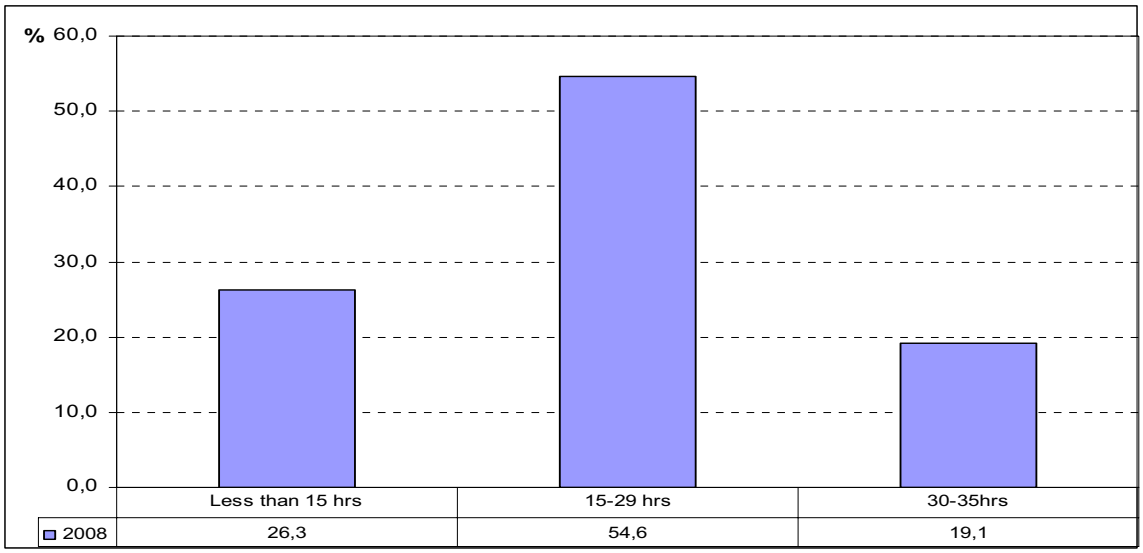



Figure 4.20 above shows that in 2008, over half of all underemployed workers (54,6%) worked 29 to 15 hours per week, followed by individuals who worked less than 15 hours per week (26,3%).

## Underemployed workers and occupation

**Figure 4.21: Underemployment by occupation, 2008**

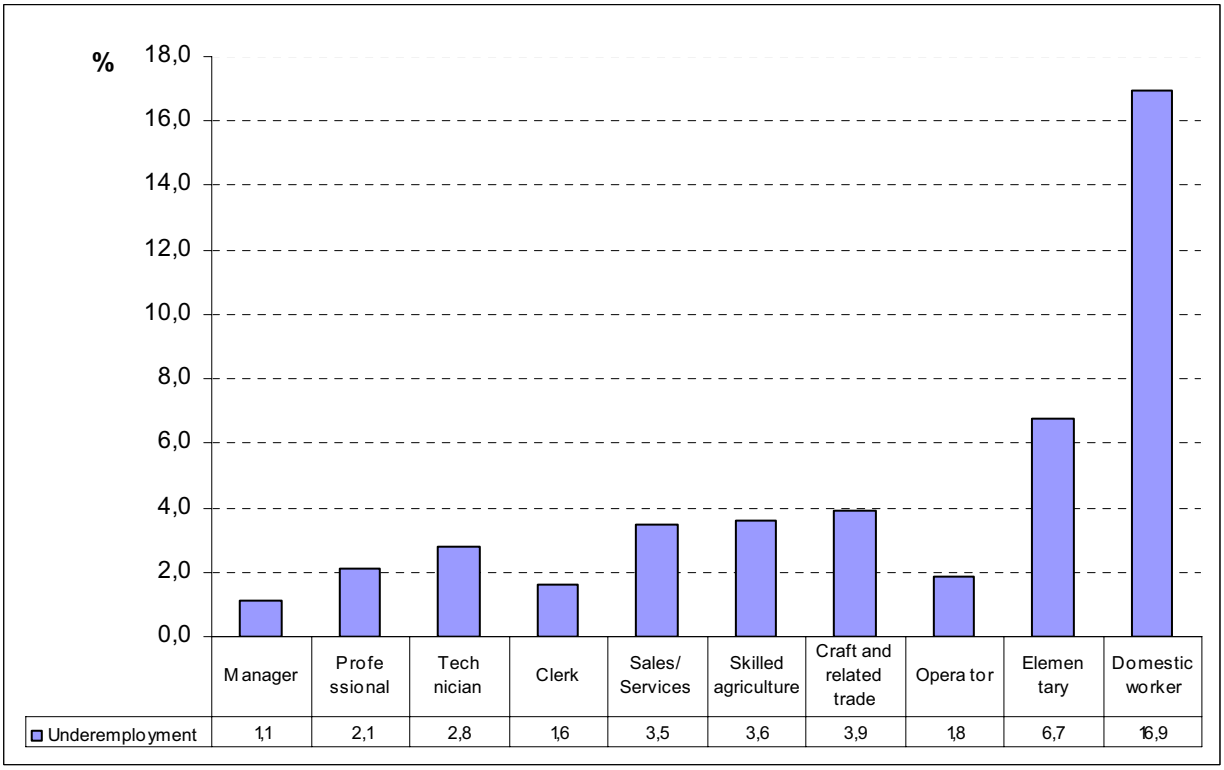


**Table 4.11: Underemployment by occupation, 2008**

| Occupation | Total employment | Underemployed | |
|---|---|---|---|
| | Thousand | | Per cent |
| Manager | 1 021 | 11 | 1,1 |
| Professional | 752 | 16 | 2,1 |
| Technician | 1 473 | 41 | 2,8 |
| Clerk | 1 456 | 23 | 1,6 |
| Sales and services | 1 766 | 61 | 3,5 |
| Skilled agriculture | 107 | 4 | 3,6 |
| Craft and related trade | 1 915 | 74 | 3,9 |
| Plant and machine operator | 1 179 | 22 | 1,8 |
| Elementary | 3 063 | 207 | 6,7 |
| Domestic worker | 981 | 166 | 16,9 |
| **Total** | **13 713** | **625** | **4,6** |

Figure 4.21 and Table 4.11 show that in 2008, underemployment tended to be concentrated in the less skilled occupation groups. In 2008, a higher proportion of individuals employed in low-skilled occupations such as elementary (6,7%) and domestic work (16,9%) were underemployed, whereas people employed in more skilled occupations such as managers and professionals were least likely to be underemployed (1,1% and 2,1% respectively). The high rate of underemployment among those employed in lower skilled occupations in part reflects the fact that people in these occupations were more likely to be working 29 hours or less per week (see occupation by hours worked). As women and young people were more likely than others to be working the above-mentioned hours, underemployment also tended to be higher among occupation groups with a high proportion of women and younger people.

## Underemployed workers and industry

As with occupation, the industries in which underemployment is most prevalent tend to be those which have a high proportion of women, many of whom are employed in lower skilled occupations such as domestic work.

**Figure 4.22: Underemployment by industry 2008**

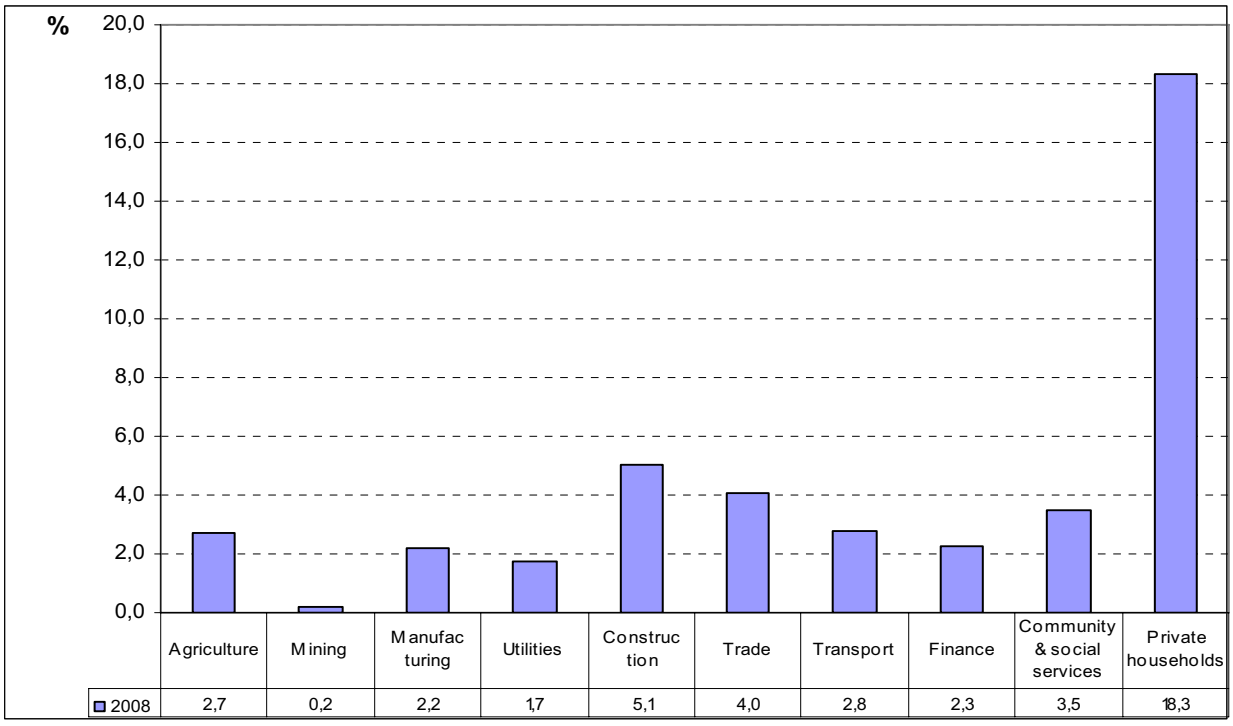
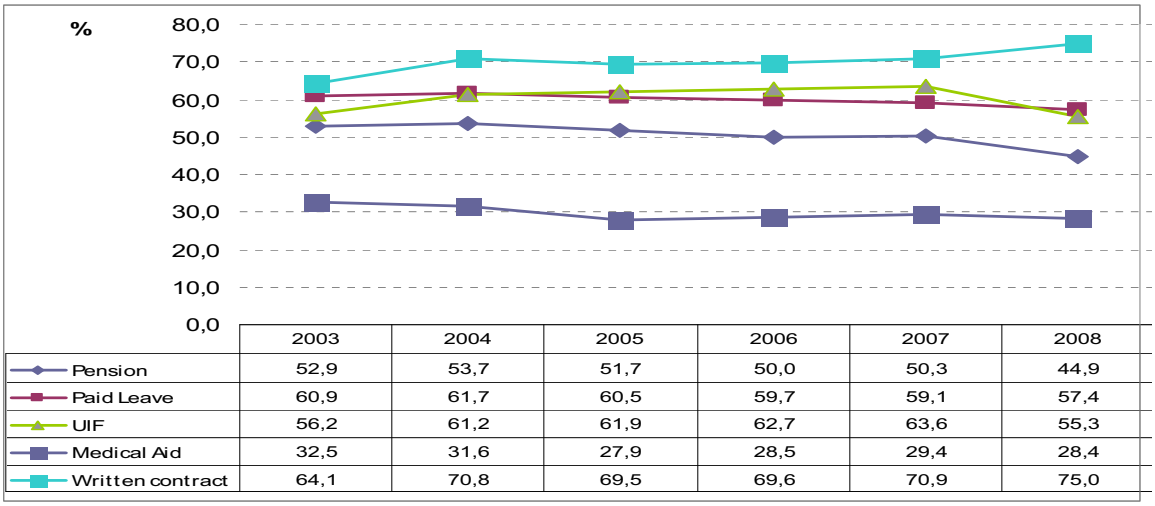


Figure 4.22 shows that in the year 2008, the highest proportion of underemployed workers were concentrated in three industries, namely private households, trade, and social services. Within the same year of reporting, private households contributed 18,3% of all underemployed workers in the country. This was followed by workers in construction (5,1%) and trade (4,0%). Underemployment was much less prevalent in the mining (0,2%) and utilities (1,7%) industries.

## Employee benefits

The likelihood that an individual will have access to benefits is closely tied to the type of work they do as well as the sector in which they are employed (see benefits by occupation below as well as benefits by sector in Chapter 5). In South Africa these benefits include pension, UIF, medical aid, and paid leave. This section presents findings on the benefits that employees are entitled to. The analysis first measures employee benefits by demographic variables, i.e. sex and age. Following this, the section will focus on the relationship between access to benefits and the number of hours worked by employees, and end with the assessment of employee benefits in relation to individuals' occupation and the industries in which they are employed.

**Figure 4.23: Access to benefits, 2003–2008**

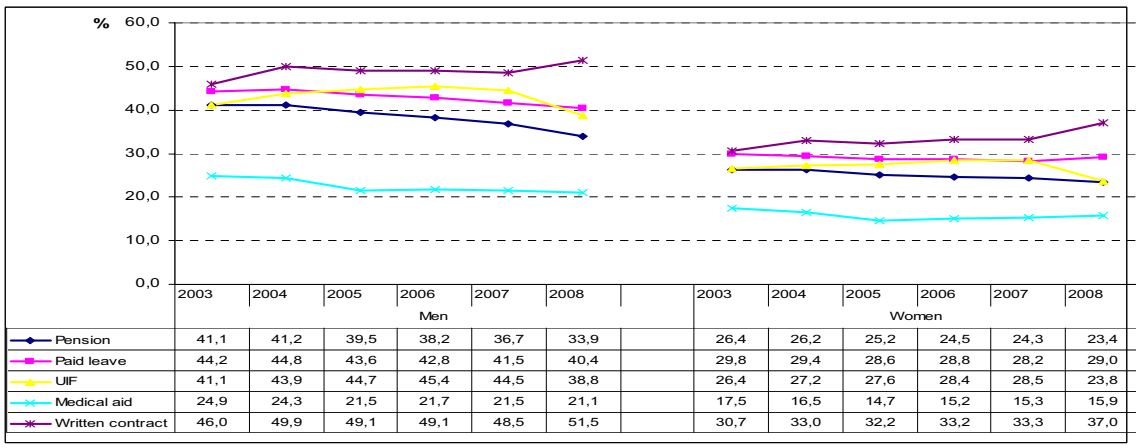



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Pension | 52,9 | 53,7 | 51,7 | 50,0 | 50,3 | 44,9 |
| Paid Leave | 60,9 | 61,7 | 60,5 | 59,7 | 59,1 | 57,4 |
| UIF | 56,2 | 61,2 | 61,9 | 62,7 | 63,6 | 55,3 |
| Medical Aid | 32,5 | 31,6 | 27,9 | 28,5 | 29,4 | 28,4 |
| Written contract | 64,1 | 70,8 | 69,5 | 69,6 | 70,9 | 75,0 |

Figure 4.23 shows that over the period 2003 to 2008, the most accessible entitlement of employees has been a written contract, followed by paid leave and UIF. The benefit that has been the least accessible to employees has been medical aid.

## Employee benefits by sex, age and hours worked

**Figure 4.24: Proportion of employees with access to benefits by sex, 2003–2008 (formal sector excluding agriculture and private households)**




| | Men | | | | | | | Women | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Pension | 41,1 | 41,2 | 39,5 | 38,2 | 36,7 | 33,9 | | 26,4 | 26,2 | 25,2 | 24,5 | 24,3 | 23,4 |
| Paid leave | 44,2 | 44,8 | 43,6 | 42,8 | 41,5 | 40,4 | | 29,8 | 29,4 | 28,6 | 28,8 | 28,2 | 29,0 |
| UIF | 41,1 | 43,9 | 44,7 | 45,4 | 44,5 | 38,8 | | 26,4 | 27,2 | 27,6 | 28,4 | 28,5 | 23,8 |
| Medical aid | 24,9 | 24,3 | 21,5 | 21,7 | 21,5 | 21,1 | | 17,5 | 16,5 | 14,7 | 15,2 | 15,3 | 15,9 |
| Written contract | 46,0 | 49,9 | 49,1 | 49,1 | 48,5 | 51,5 | | 30,7 | 33,0 | 32,2 | 33,2 | 33,3 | 37,0 |

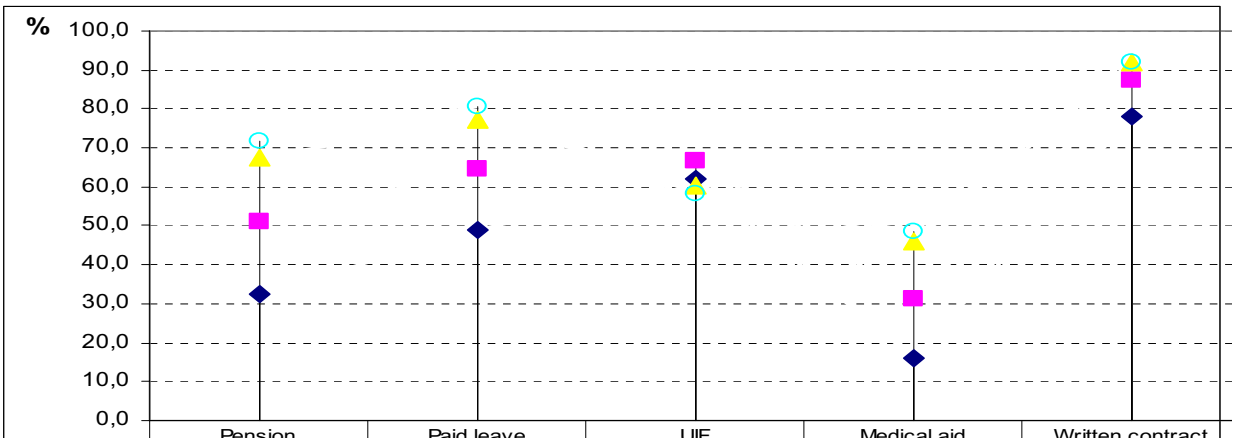
Disparities in conditions of employment between women and men persist. Figure 4.24 above indicates that since 2003, the proportion of male employees with access to each type of benefit has consistently been above that of women. In 2008, just over a third (37,0%) of women employed in the formal sector were entitled to a written contract compared to over half (51,5%) of employed men (a difference of 14,5 percentage points). Likewise men were on average about 10% more likely to have access to pension (33,9% compared to 23,4%), paid leave (40,4% compared to 29,0%), UIF (38,8% compared to 23,8%) and medical aid (21,1% compared to 15,9%).

**Table 4.12: Employees with benefits by hours worked, 2003 and 2008 (formal sector excluding agriculture and domestic work)**

| Hours worked per week | Pension | Paid leave | UIF | Medical aid | Written contract |
|---|---|---|---|---|---|
| **2003** | **Percentage share** | | | | |
| Less than 30 hrs | 29,9 | 33,4 | 45,5 | 17,7 | 51,3 |
| 30–39 hrs | 70,7 | 72,9 | 48,6 | 51,1 | 72,2 |
| 40–45 hrs | 72,1 | 78,6 | 71,8 | 47,0 | 80,4 |
| More than 45 hrs | 63,0 | 70,7 | 67,2 | 35,7 | 74,1 |
| **Total** | **67,5** | **74,0** | **67,6** | **42,5** | **76,7** |
| **2008** | **Percentage share** | | | | |
| Less than 30 hrs | 19,8 | 30,6 | 32,9 | 13,0 | 73,7 |
| 30–39 hrs | 62,4 | 70,3 | 29,4 | 52,2 | 89,2 |
| 40–45 hrs | 63,7 | 76,1 | 65,7 | 42,4 | 91,7 |
| More than 45 hrs | 47,1 | 59,9 | 66,7 | 25,3 | 83,2 |
| **Total** | **57,2** | **69,4** | **62,6** | **37,0** | **88,4** |

The types of benefits that employees are entitled to vary considerably by the number of hours they worked in a week. Table 4.12 indicates that between 2003 and 2008, among those working 40 to 45 hours per week, a large proportion had access to benefits. In 2008, employees without work benefits were concentrated among individuals working less than 29 hours per week. In the year 2008, fewer employees in this group had pension (19,8%), paid leave (30,6%) and medical aid (13,0%) benefits. Individuals working less than 29 hours a week are usually concentrated within younger age-group categories as well as in lower skills occupations such as domestic work or elementary occupations (indicated in the next subsections).

**Figure 4.25: Employees with benefits by age, 2008 (formal sector non-agriculture)**

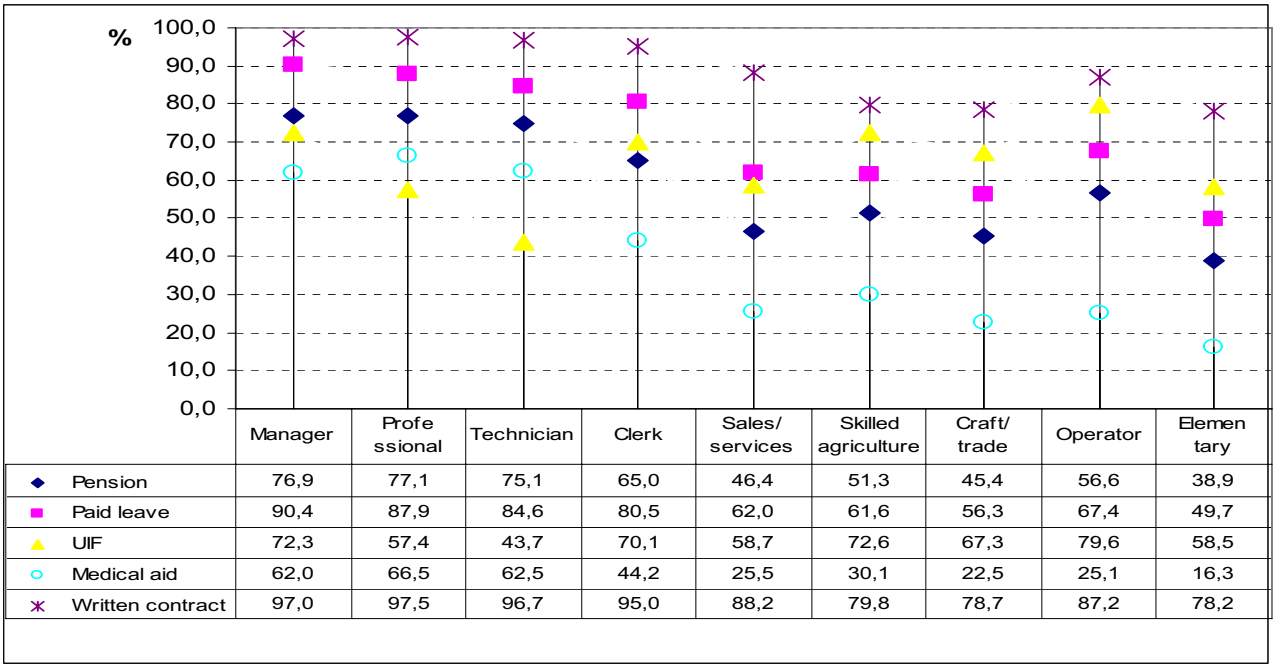



| | Pension | Paid leave | UIF | Medical aid | Written contract |
|---|---|---|---|---|---|
| 15 - 24 | 32,5 | 49,1 | 61,8 | 16,2 | 78,2 |
| 25 - 34 | 50,9 | 64,7 | 66,6 | 31,2 | 87,2 |
| 35 - 54 | 67,3 | 77,4 | 60,1 | 45,9 | 91,9 |
| 55 - 64 | 71,6 | 80,6 | 58,3 | 48,7 | 92,0 |

Figure 4.25 shows that in 2008, younger people (particularly those aged 15 to 24), were most likely to be working without benefits than people in other age-group categories. One reason for this is related to the number of hours worked. As was previously indicated, a higher proportion of employees within this age group worked less than 29 hours per week when compared to individuals in other age groups. In addition, previous results in this chapter also indicated that individuals working less than 29 hours were least likely to have access to benefits.

## Access to benefits by occupation and industry

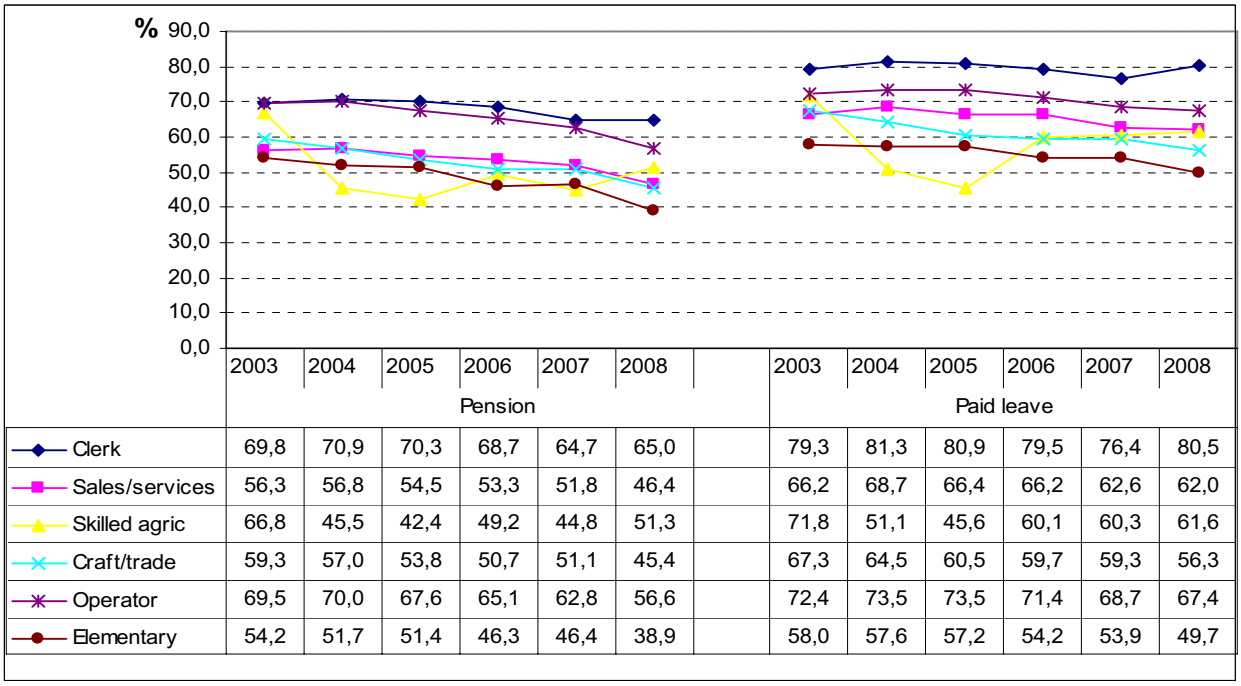
**Figure 4.26: Employees with benefits by occupation, 2008 (formal sector non-agriculture)**




| | Manager | Profe ssional | Technician | Clerk | Sales/ services | Skilled agriculture | Craft/ trade | Operator | Elemen tary |
|---|---|---|---|---|---|---|---|---|---|
| Pension | 76,9 | 77,1 | 75,1 | 65,0 | 46,4 | 51,3 | 45,4 | 56,6 | 38,9 |
| Paid leave | 90,4 | 87,9 | 84,6 | 80,5 | 62,0 | 61,6 | 56,3 | 67,4 | 49,7 |
| UIF | 72,3 | 57,4 | 43,7 | 70,1 | 58,7 | 72,6 | 67,3 | 79,6 | 58,5 |
| Medical aid | 62,0 | 66,5 | 62,5 | 44,2 | 25,5 | 30,1 | 22,5 | 25,1 | 16,3 |
| Written contract | 97,0 | 97,5 | 96,7 | 95,0 | 88,2 | 79,8 | 78,7 | 87,2 | 78,2 |

The lesser the skills that an occupation requires, the more unlikely it is that persons working in those occupations will be entitled to benefits. Figure 4.26 shows that employees without entitlements tend to be concentrated in lower skills occupations such as elementary, craft and trade, and skilled agriculture, followed by operators, sales, and clerks. In the year 2008, persons in elementary occupations were least likely to have access to all benefits, except UIF. This was followed by persons in craft and trade occupations. On the other hand, persons working in higher skilled occupations were most likely to have access to benefits such as a written contract, paid leave and pension. In 2008 managers (76,9%), professionals (77,1%) and technicians (75,1%) were (average 76,3%) most likely to have access to pension benefits compared to an average of 45,2% for persons working in elementary (38,9%), craft and trade (45,4%) and skilled agriculture (51,3%) occupations (a difference of 31,1%). A similar pattern can also be observed in access to paid leave benefits, where managers (90,4%), professionals (87,9%) and technicians (84,6%) were, at an average 87,6%, most likely to have paid leave compared to an average of 55,8% for individuals in elementary (49,7%), craft and trade (56,3%) and skilled agriculture (61,6%) (a difference of 31,7%).

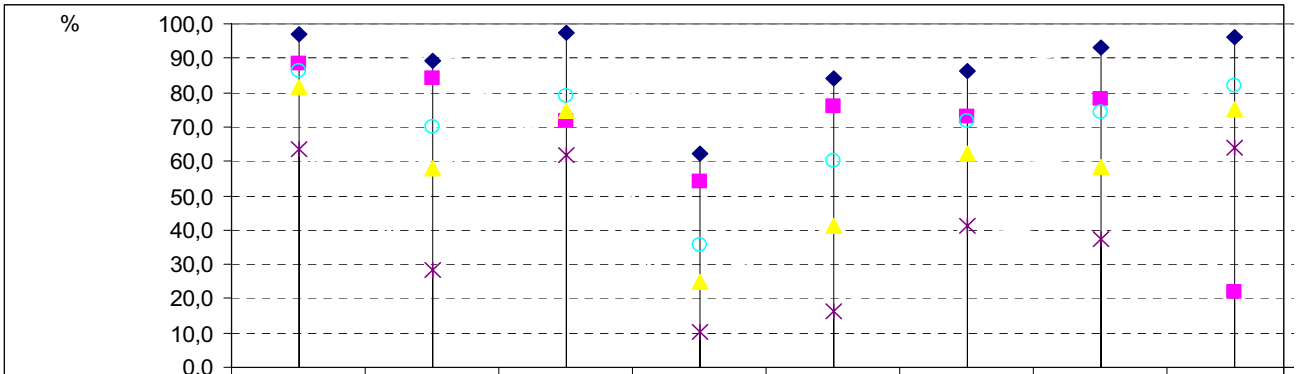
**Figure 4.27: Occupation and access to benefits: pension and paid leave, 2003–2008**




| | Pension | | | | | | Paid leave | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Clerk | 69,8 | 70,9 | 70,3 | 68,7 | 64,7 | 65,0 | 79,3 | 81,3 | 80,9 | 79,5 | 76,4 | 80,5 |
| Sales/services | 56,3 | 56,8 | 54,5 | 53,3 | 51,8 | 46,4 | 66,2 | 68,7 | 66,4 | 66,2 | 62,6 | 62,0 |
| Skilled agric | 66,8 | 45,5 | 42,4 | 49,2 | 44,8 | 51,3 | 71,8 | 51,1 | 45,6 | 60,1 | 60,3 | 61,6 |
| Craft/trade | 59,3 | 57,0 | 53,8 | 50,7 | 51,1 | 45,4 | 67,3 | 64,5 | 60,5 | 59,7 | 59,3 | 56,3 |
| Operator | 69,5 | 70,0 | 67,6 | 65,1 | 62,8 | 56,6 | 72,4 | 73,5 | 73,5 | 71,4 | 68,7 | 67,4 |
| Elementary | 54,2 | 51,7 | 51,4 | 46,3 | 46,4 | 38,9 | 58,0 | 57,6 | 57,2 | 54,2 | 53,9 | 49,7 |

Figure 4.27 illustrates that in 2008 there was a small increase in access to pension and paid leave benefits for clerks, while pension and paid leave benefits for persons working in sales and as operators declined. Elementary and craft occupations were the only occupation groups to record continuous decreases in access to both pension and paid leave benefits over the six-year period. Lastly, although persons working in agriculture were among the least likely groups to have access to both benefits, noticeable increases in pension benefits were observed between the years 2005 and 2006 (from 42,4% to 49,2%) as well as between 2007 and 2008 (from 44,8% to 51,3%). Access to paid leave among this group has also been consistently increasing since 2006, reaching a peak of 61,6% in 2008.

**Figure 4.28: Employees with benefits by industry, 2008**




| | Mining | Manufac-turing | Utilities | Construc-tion | Trade | Transport | Finance | Community & social services |
|---|---|---|---|---|---|---|---|---|
| Written contract | 96,9 | 89,5 | 97,5 | 62,1 | 84,2 | 86,2 | 92,9 | 96,3 |
| UIF | 88,3 | 84,2 | 71,8 | 54,0 | 75,9 | 73,1 | 78,2 | 22,1 |
| Pension | 81,3 | 57,8 | 74,7 | 25,0 | 41,2 | 62,1 | 58,5 | 75,2 |
| Paid leave | 86,2 | 69,8 | 78,8 | 35,8 | 60,0 | 71,6 | 74,3 | 82,1 |
| Medical aid | 63,4 | 28,5 | 61,8 | 10,5 | 16,2 | 41,1 | 37,5 | 63,8 |

In 2008, the proportion of employees without entitlements was highest in three main industries: construction, trade, and transport, with construction being at the bottom of the three. As indicated in Figure 4.28, only 10,5% of employees working in construction had access to medical aid, 25,0% had pension benefits and 35,8% were entitled to paid leave. The proportions of employees working within the three above-mentioned industries were also prone to be working without a written contract. Industries with the largest proportion of employees with pension, medical aid, UIF and medical aid entitlements were in mining, followed by utilities and social services.

## Summary and conclusion

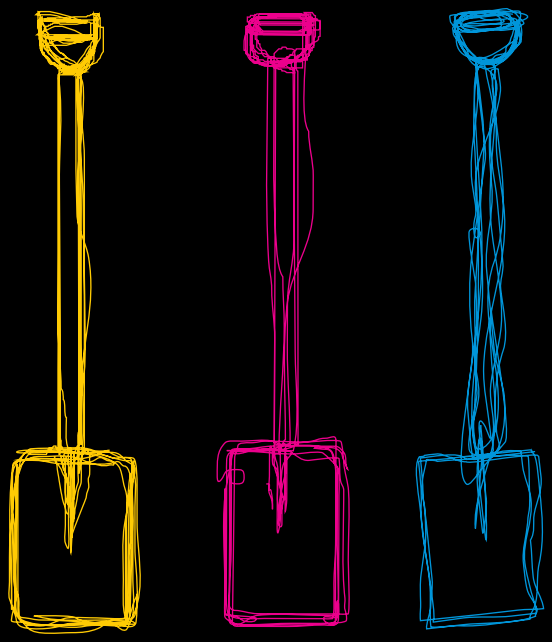
The results in this chapter indicated that employment levels in the country have been steadily increasing since 2003. Even though employment has been increasing, in 2008 the majority of South Africans were still employed in low-skilled occupations, with black Africans constituting the highest proportion in this occupation category. Further analysis also showed that there was an increase in employment in a number of major industries such as trade, community and social services, and manufacturing, with trade consistently maintaining the largest contribution in total employment over the years.

The examination of other descriptors of employment revealed that the number of hours worked was closely related to the type of the work individuals were engaged in. Persons working fewer hours per week were concentrated in occupations requiring lower levels of skills, such as elementary and domestic, and in industries such as private households. In addition, women and young people were most likely to be working fewer hours.

One of the main analyses in this chapter involved the assessment of benefits that employees were entitled to. In both 2003 and 2008, the most accessible benefit for employees was a written contract, followed by paid leave, with medical aid recorded as the least accessible benefit. Moreover, the fewer hours a person worked, the less likely the person was entitled to all benefits.

On the subject of gender, considerable differences between employed men and women continued to exist. Throughout 2003 to 2008, the proportion of employed men has consistently been higher than that of women. Further analysis also indicated that employed women were also less likely to have access to benefits compared to their male counterparts. Similarly, women were less likely to occupy high-level skills occupations such as managerial positions. However, education played a significant role in increasing the chances of women filling these positions. The results indicated that women with tertiary education were more likely to be in managerial occupations when compared to women without tertiary education. This suggests that education can be used as a tool to bridge the gender gap that exists within levels of occupations.

# Chapter 5
# The formal/informal sector in South Africa



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# Chapter 5: South African formal and informal sector

### Key labour market concepts

Employment is divided into four categories: formal sector, informal sector, employment in private households, and employment in agriculture.

**Formal sector** is characterised by establishments that are registered for income tax, and establishments that employ more than five persons. It also comprises employers and own-account workers who are registered for income tax and value added tax.

**Informal sector** is characterised firstly, by establishments that are not registered for income tax, and establishments that employ less than five persons. Secondly, the informal sector comprises employers, own-account workers and persons helping unpaid in their household business who are not registered for income tax or value added tax.

## Background

Although the informal sector has played an important role in creating employment in many parts of the world, this sector has not made a major contribution towards creating employment in South Africa (Mafiri, 2002).

In the history of South African labour markets, the formal sector has been dominant. Informal sector employment on the other hand, is small and survivalist in nature, and according to Fryer and Vencatachellum (2004) it is largely unskilled. It is an alternative when formal sector jobs are hard to find (Blaauw, 2005). It is also an alternative for vulnerable groups including women, and those with little or no education who have lost hope in finding work in the formal sector.

Although the informal sector is small, it is important as it can provide employment to the most vulnerable groups. It is also included in the estimates of GDP (OECD, 2002).

Goods and services that are produced in this sector are completely legal and are aimed at providing employment and income (OECD, 2002).

## Introduction

This chapter presents the analysis of employment, with special focus on the formal and informal sectors. The analysis will be done by demographic characteristics (sex, age, population group) as well as by educational level and province, and then be concluded by establishing the occupations and industry in which people in each sector work.

# Employment by sector

**Table 5.1: Employment by sector, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| Formal | 7 725 | 8 039 | 8 336 | 8 675 | 9 147 | 9 433 |
| Informal | 2 006 | 1 998 | 2 441 | 2 573 | 2 325 | 2 270 |
| Agricultural workers | 851 | 800 | 740 | 859 | 737 | 780 |
| Private households | 1 230 | 1 206 | 1 252 | 1 311 | 1 258 | 1 230 |
| Total | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Percentage share | | | | | |
| Formal | 65,4 | 66,7 | 65,3 | 64,7 | 67,9 | 68,8 |
| Informal | 17,0 | 16,6 | 19,1 | 19,2 | 17,3 | 16,6 |
| Agricultural workers | 7,2 | 6,6 | 5,8 | 6,4 | 5,5 | 5,7 |
| Private households | 10,4 | 10,0 | 9,8 | 9,8 | 9,3 | 9,0 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

**Note:** Due to rounding, numbers do not necessarily add up to totals

There was a steady increase in the number of persons employed in the formal sector (from 7,7 million in 2003 to about 9,4 million in 2008). Informal sector employment, however, experienced some volatility. It peaked at 2,6 million in 2006 from 2,0 million in 2003, and subsequently decreased to 2,3 million on 2008.

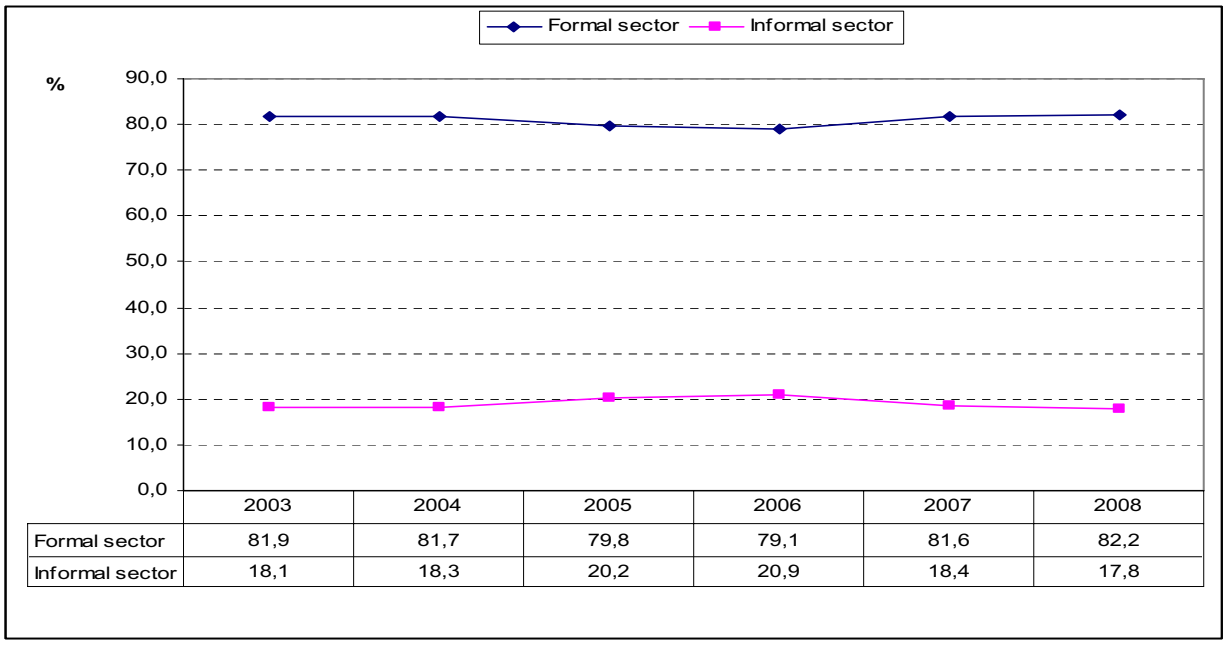
Employment in private households remained steady between 1,3 million (in 2005 and 2007) and 1,2 million (in 2003, 2004, 2006 and 2008). Employment in agriculture decreased from 851 000 in 2003 to 780 000 in 2008 (Table 5.1).

What is evident in Table 5.1 is that the number of persons employed in the formal sector has been growing but the trend has not been strong and consistent. There was a downward trend in formal sector employment after 2005 (64,7% in 2006) and it peaked again in 2007 (67,9%) and 2008 (68,8%).

In the period when the formal sector was down, informal sector employment grew (19,1% in 2005 and 19,2% in 2006) and then it slowed again when formal sector employment became strong.

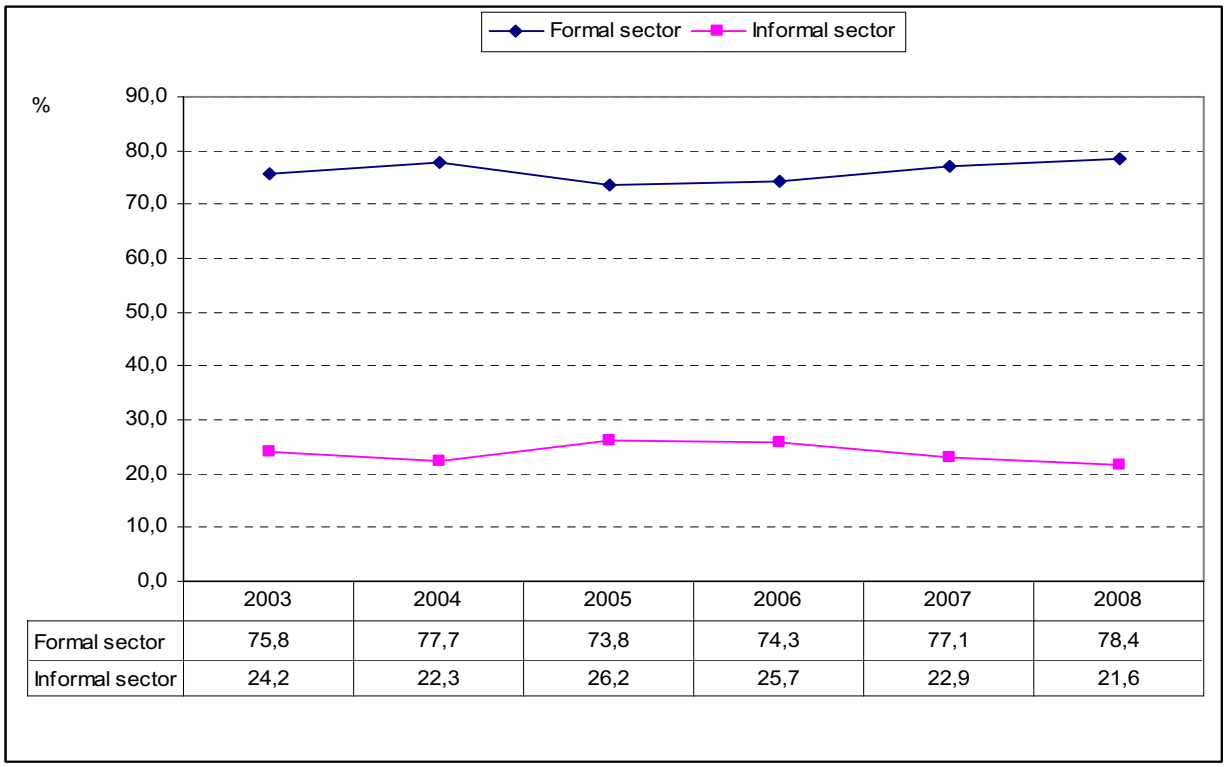
# Employment by sector and sex

**Figure 5.1: Formal and informal sector employment by men, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Formal sector | 81,9 | 81,7 | 79,8 | 79,1 | 81,6 | 82,2 |
| Informal sector | 18,1 | 18,3 | 20,2 | 20,9 | 18,4 | 17,8 |

**Figure 5.2: Formal and informal sector employment by women, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Formal sector | 75,8 | 77,7 | 73,8 | 74,3 | 77,1 | 78,4 |
| Informal sector | 24,2 | 22,3 | 26,2 | 25,7 | 22,9 | 21,6 |

Figure 5.1 shows that for the period 2003 to 2008, of the men that were employed by sector, 79,1% were employed in the formal sector in 2006 (from 81,9% in 2003), which increased steadily to 81,6% in 2007, and to 82,2% in 2008. Figure 5.2 shows that the same pattern was evident for women, although the gap between formal and informal sector employment was not as wide as in the case of men. Of all the women who were employed in 2003, 75,8% were in the formal sector. This figure increased to 78,4% in 2008.

**Table 5.2: Employment by sector and sex, 2003 and 2008**

| | 2003 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | **Men** | **Women** | **Total** | **Men** | **Women** | **Total** |
| Formal | 4 692 | 3 033 | 7 725 | 5 662 | 3 771 | 9 433 |
| Informal | 1 039 | 967 | 2 006 | 1 229 | 1 041 | 2 270 |
| Agriculture | 577 | 274 | 851 | 521 | 259 | 780 |
| Domestic | 284 | 946 | 1 230 | 260 | 970 | 1 230 |
| **Total** | **6 592** | **5 220** | **11 812** | **7 672** | **6 041** | **13 713** |
| | **Percentage share** | | | | | |
| Formal | 71,2 | 58,1 | 65,4 | 73,8 | 62,4 | 68,8 |
| Informal | 15,8 | 18,5 | 17,0 | 16,0 | 17,2 | 16,6 |
| Agriculture | 8,8 | 5,2 | 7,2 | 6,8 | 4,3 | 5,7 |
| Domestic | 4,3 | 18,1 | 10,4 | 3,4 | 16,1 | 9,0 |
| **Total** | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

**Note:** Due to rounding, numbers do not necessarily add up to totals

Both sexes also experienced an increase in informal sector employment: from 1,0 million or 71,2% among men in 2003 to 1,2 million or 73,8% in 2008, and among women from 967 000 or 58,1% in 2003 to 1,0 million or 62,4% in 2008 (Table 5.2).

Employment in agriculture declined over the period 2003 and 2008 for both sexes (from 8,8% among men in 2003 to 6,8% in 2008 and from 5,2% among women in 2003 to 4,3% in 2008). The contribution of women (259 000 in 2008) towards agricultural employment was lower than that of men (521 000 in 2008) (Table 5.2).

## Formal and informal sector employment by education

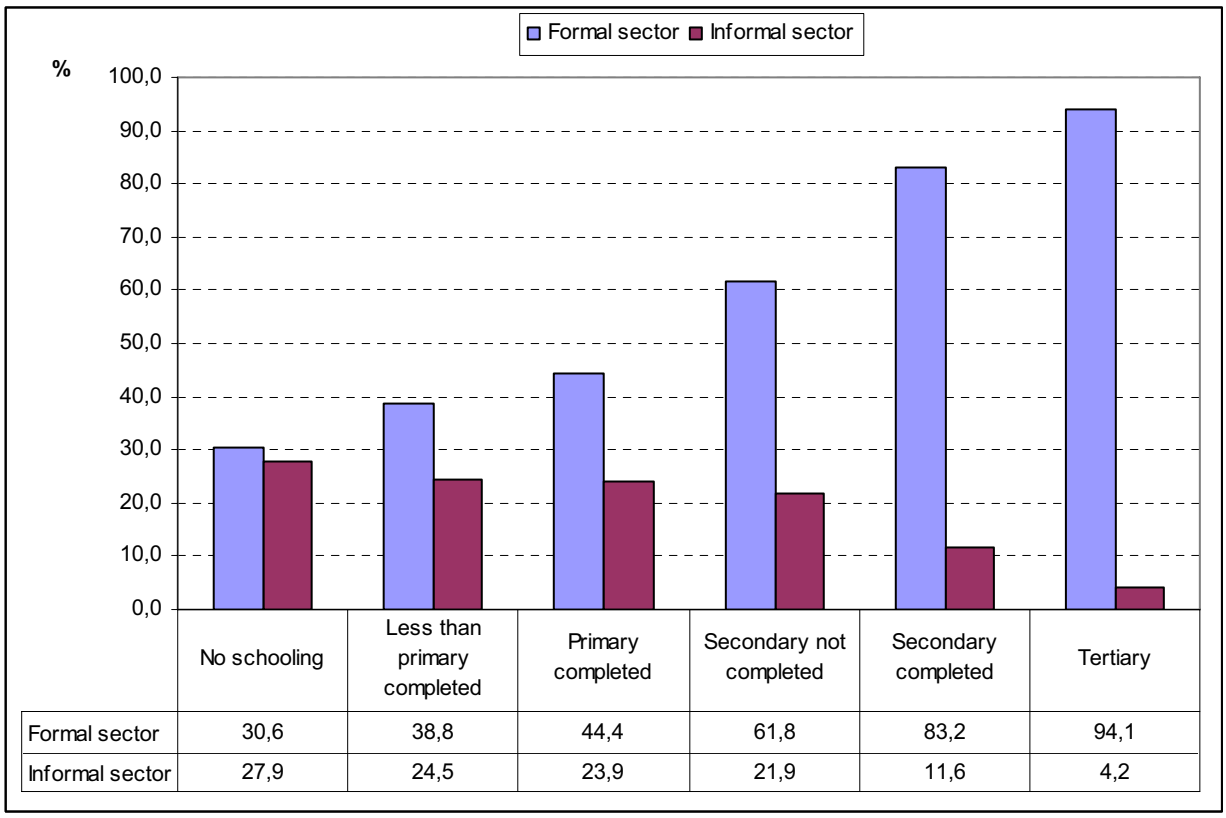
**Table 5.3: Formal and informal sector employment (excluding agriculture and private households) by education, 2003 and 2008**

| | 2003 | 2008 | 2003 | 2008 |
|---|---|---|---|---|
| | **Formal sector** | | **Informal sector** | |
| | **Thousand** | | | |
| No schooling | 182 | 175 | 187 | 160 |
| Less than primary completed | 607 | 560 | 408 | 354 |
| Primary completed | 335 | 325 | 184 | 175 |
| Secondary not completed | 2 244 | 2 807 | 778 | 995 |
| Secondary completed | 2 642 | 3 253 | 352 | 453 |
| Tertiary | 1 661 | 2 206 | 82 | 99 |
| **Total** | **7 725** | **9 433** | **2 006** | **2 270** |
| | **% of total employment** | | | |
| No schooling | 26,2 | 30,6 | 27,0 | 27,9 |
| Less than primary completed | 35,4 | 38,8 | 23,8 | 24,5 |
| Primary completed | 43,7 | 44,4 | 24,1 | 23,9 |
| Secondary not completed | 61,7 | 61,8 | 21,4 | 21,9 |
| Secondary completed | 84,0 | 83,2 | 11,2 | 11,6 |
| Tertiary | 93,6 | 94,1 | 4,6 | 4,2 |
| **Total** | **65,4** | **68,8** | **17,0** | **16,6** |

Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

Table 5.3 shows that in 2003, if you were employed and had no schooling, you had a 26,2% probability of being employed in the formal sector; about the same probability as being in the informal sector. By 2008, the probability of being in the formal sector had risen to 30,6%, but the probability of being in the informal sector remained the same.

**Figure 5.3: Formal and informal sector employment (excluding agriculture and private households) by education, 2008**




| | No schooling | Less than primary completed | Primary completed | Secondary not completed | Secondary completed | Tertiary |
|---|---|---|---|---|---|---|
| Formal sector | 30,6 | 38,8 | 44,4 | 61,8 | 83,2 | 94,1 |
| Informal sector | 27,9 | 24,5 | 23,9 | 21,9 | 11,6 | 4,2 |

Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

Figure 5.3 shows that among those with tertiary education, 94,1% in 2008 were employed in the formal sector and only 4,2% were employed in the informal sector. As educational attainment increases, the likelihood of being in the formal sector increases, but the likelihood of being in the informal sector decreases.

## Informal sector employment by population group

**Table 5.4: Formal and informal sector employment by population group, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Formal sector** | **Thousand** | | | | | |
| Black African | 4 470 | 4 697 | 4 972 | 5 284 | 5 738 | 5 938 |
| Coloured | 1 002 | 1 071 | 1 090 | 1 125 | 1 136 | 1 174 |
| Indian/Asian | 373 | 375 | 388 | 406 | 398 | 427 |
| White | 1 880 | 1 896 | 1 886 | 1 859 | 1 874 | 1 894 |
| **Total** | **7 725** | **8 039** | **8 336** | **8 675** | **9 147** | **9 433** |
| **Informal sector** | | | | | | |
| Black African | 1 755 | 1 773 | 2 172 | 2 280 | 2 065 | 1 978 |
| Coloured | 96 | 93 | 127 | 146 | 125 | 147 |
| Indian/Asian | 31 | 31 | 40 | 44 | 36 | 38 |
| White | 124 | 101 | 102 | 102 | 100 | 108 |
| **Total** | **2 006** | **1 998** | **2 441** | **2 573** | **2 325** | **2 270** |

**Note:** Due to rounding, numbers do not necessarily add up to totals

**Table 5.5: Formal and informal sector employment by population group, 2003–2008**

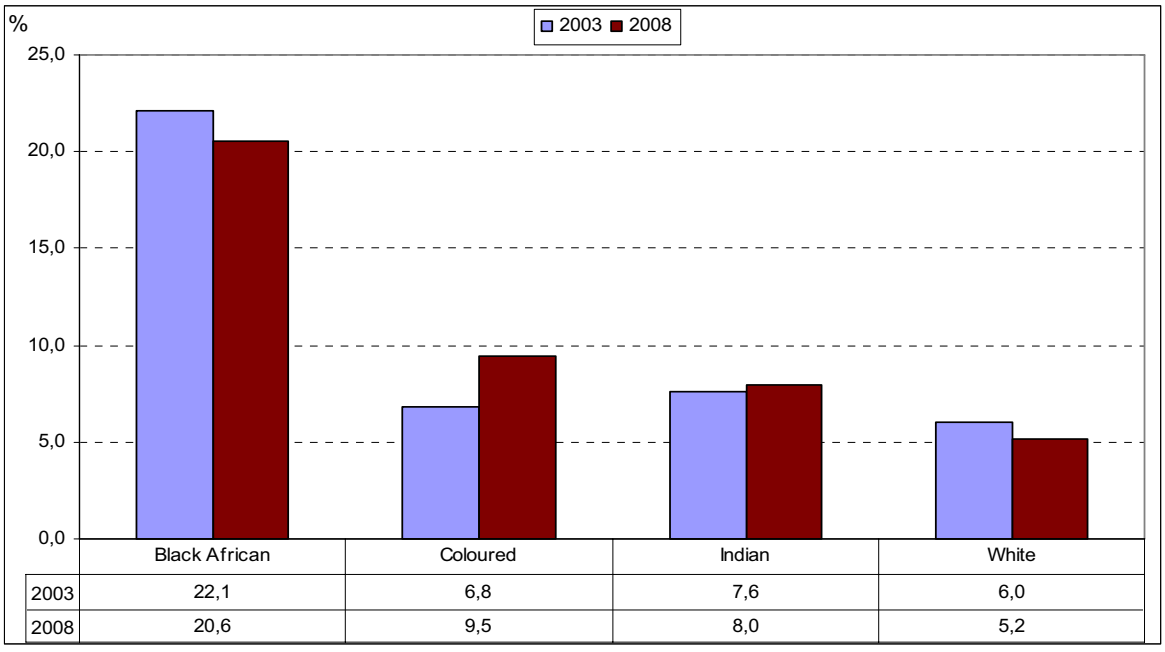
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Formal sector** | **Percentage of total employment** | | | | | |
| Black/African | 56,3 | 57,6 | 56,2 | 56,1 | 60,5 | 61,7 |
| Coloured | 70,7 | 75,0 | 74,7 | 74,2 | 75,4 | 75,7 |
| Indian/Asian | 91,8 | 91,7 | 90,1 | 89,7 | 89,5 | 90,9 |
| White | 91,5 | 92,6 | 92,5 | 91,9 | 92,6 | 91,3 |
| Total | 65,4 | 66,7 | 65,3 | 64,7 | 67,9 | 68,8 |
| **Informal sector** | **Percentage of total employment** | | | | | |
| Black/African | 22,1 | 21,7 | 24,6 | 24,2 | 21,8 | 20,6 |
| Coloured | 6,8 | 6,5 | 8,7 | 9,7 | 8,3 | 9,5 |
| Indian/Asian | 7,6 | 7,7 | 9,2 | 9,8 | 8,1 | 8,0 |
| White | 6,0 | 4,9 | 5,0 | 5,0 | 4,9 | 5,2 |
| Total | 17,0 | 16,6 | 19,1 | 19,2 | 17,3 | 16,6 |

Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

Tables 5.4 and 5.5 show that formal sector employment among black Africans steadily increased from 4,5 million or 56,3% in 2003 to 5,9 million or 61,7% in 2008. Among Indians/Asians, formal sector employment increased steadily but declined to 398 000 in 2007 from 406 000 in 2006. It again peaked to 427 000 in 2008 (Table 5.4).

Informal sector employment among black Africans increased steadily from 1,8 million in 2003, with a notable increase in 2005 to 2,2 million or 24,6%. However, in 2007 there was a decrease in informal sector employment among black Africans to 2,1 million or 21,8%, and another decrease in 2008 to 2,0 million or 20,6%.

**Figure 5.4: Distribution of informal sector employment by population group as a percentage of total employment, 2003 and 2008**




Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

About 1 in 5 of the total employed in 2003 was black African and working in the informal sector. As a percentage of total employment, Figure 5.4 shows that there was a decrease among black Africans who were employed in the informal sector (from 22,1% in 2003 to 20,6% in 2008). Among coloureds there was an increase from 6,8% in 2003 to 9,4% in 2008. The decrease in informal sector employment in 2008 among black Africans can be as a result of gains in formal sector employment among this group in the same year (Table 5.4).

## Formal and informal sector employment by age

**Table 5.6: Formal and informal sector employment by age, 2003 and 2008**

| | 2003 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | Formal | Informal | Total employment | Formal | Informal | Total employment |
| | Thousand | | | | | |
| 15–24 yrs | 769 | 224 | 1 269 | 1 134 | 301 | 1 644 |
| 25–34 yrs | 2 699 | 651 | 3 959 | 3 314 | 779 | 4 674 |
| 35–44 yrs | 2 222 | 534 | 3 313 | 2 500 | 573 | 3636 |
| 45–54 yrs | 1 470 | 409 | 2 307 | 1 752 | 415 | 2 619 |
| 55–64 yrs | 565 | 187 | 964 | 733 | 203 | 1 140 |
| **Total** | **7 725** | **2 006** | **11 812** | **9 433** | **2 270** | **13 713** |
| | Percentage share | | | | | |
| 15–24 yrs | 60,6 | 17,7 | 100,0 | 69,0 | 18,3 | 100,0 |
| 25–34 yrs | 68,2 | 16,4 | 100,0 | 70,9 | 16,7 | 100,0 |
| 35–44 yrs | 67,1 | 16,1 | 100,0 | 68,8 | 15,7 | 100,0 |
| 45–54 yrs | 63,7 | 17,7 | 100,0 | 66,9 | 15,8 | 100,0 |
| 55–64 yrs | 58,6 | 19,4 | 100,0 | 64,3 | 17,8 | 100,0 |
| **Total** | 65,4 | 17,0 | 100,0 | 68,8 | 16,6 | 100,0 |

**Note:** Due to rounding, numbers do not necessarily add up to totals

Table 5.6 shows that as a percentage of total employment, among those persons aged 15–24 years, 60,6% were employed in the formal sector in 2003; this percentage increased to 69,0% in 2008. Among persons aged 25–34 years, 68,2% were employed in the formal sector in 2003, which increased to 70,9% in 2008. Informal sector employment also increased among 15–24-year-olds from 16,4% in 2003 to 18,3% in 2008.

## Formal and informal sector employment by province

**Table 5.7: Distribution of formal and informal sector employment by province, 2003 and 2008**

| | 2003 | 2008 | 2003 | 2008 |
|---|---|---|---|---|
| | Formal sector | | Informal sector | |
| Province | Thousand | | | |
| Western Cape | 1 222 | 1 444 | 151 | 187 |
| Eastern Cape | 576 | 825 | 261 | 310 |
| Northern Cape | 179 | 185 | 22 | 31 |
| Free State | 507 | 522 | 114 | 140 |
| KwaZulu-Natal | 1 411 | 1 691 | 392 | 503 |
| North West | 463 | 619 | 117 | 124 |
| Gauteng | 2 550 | 3 122 | 501 | 521 |
| Mpumalanga | 449 | 537 | 214 | 211 |
| Limpopo | 369 | 489 | 233 | 243 |
| **Total** | **7 725** | **9 433** | **2 006** | **2 270** |

**Note:** Due to rounding, numbers do not necessarily add up to totals

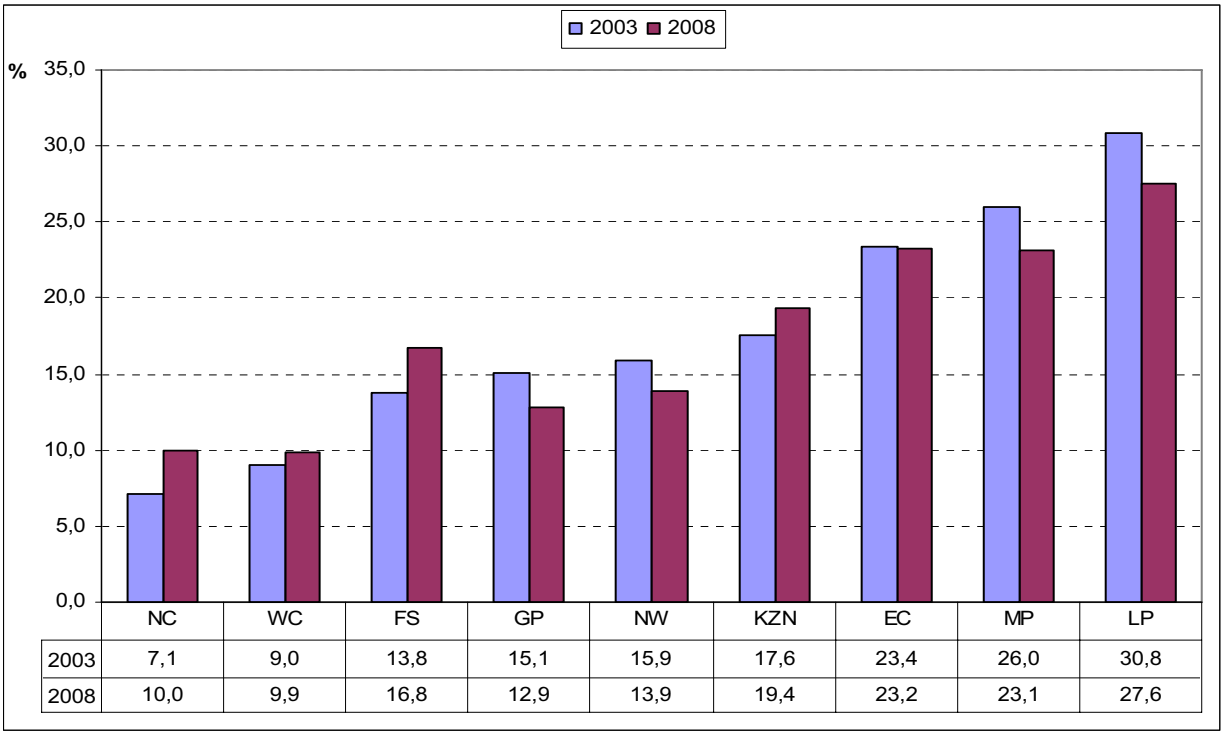
**Table 5.8: Distribution of formal and informal sector employment by province, 2003 and 2008**

| | 2003 | 2008 | 2003 | 2008 |
|---|---|---|---|---|
| | Formal sector | | Informal sector | |
| | % of total employment | | | |
| Western Cape | 72,8 | 76,1 | 9,0 | 9,9 |
| Eastern Cape | 51,7 | 61,6 | 23,4 | 23,2 |
| Northern Cape | 57,1 | 60,4 | 7,1 | 10,0 |
| Free State | 61,1 | 62,6 | 13,8 | 16,8 |
| KwaZulu-Natal | 63,2 | 65,1 | 17,6 | 19,4 |
| North West | 62,7 | 69,4 | 15,9 | 13,9 |
| Gauteng | 76,7 | 77,0 | 15,1 | 12,9 |
| Mpumalanga | 54,4 | 58,8 | 26,0 | 23,1 |
| Limpopo | 48,8 | 55,6 | 30,8 | 27,6 |
| **Total** | **65,4** | **68,8** | **17,0** | **16,6** |

Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

Tables 5.7 and 5.8 show that for the period 2003 to 2008, formal sector employment increased across all provinces, with Western Cape increasing from 72,8% in 2003 to 76,1% in 2008. Although there was an increase in the levels of employment in the informal sector in Limpopo (233 000 in 2003 to 243 000 in 2008) and Gauteng (501 000 in 2003 to 521 000 in 2008), there was a decrease in informal sector employment as a percentage of total employment.

**Figure 5.5: Informal sector employment by province, 2003 and 2008**




| | NC | WC | FS | GP | NW | KZN | EC | MP | LP |
|---|---|---|---|---|---|---|---|---|---|
| 2003 | 7,1 | 9,0 | 13,8 | 15,1 | 15,9 | 17,6 | 23,4 | 26,0 | 30,8 |
| 2008 | 10,0 | 9,9 | 16,8 | 12,9 | 13,9 | 19,4 | 23,2 | 23,1 | 27,6 |

Note: Percentages were calculated based on total employment, therefore excludes agriculture and private households

Figure 5.5 shows that as a percentage of total employment, informal sector employment in Limpopo decreased from 30,8% in 2003 to 27,6% in 2008. Informal sector employment in Gauteng decreased from 15,1% in 2003 to 12,9% in 2008, while it decreased from 26,0% in 2003 to 23,1% in 2008 in Mpumalanga. In KwaZulu-Natal, informal sector employment increased from 17,6% in 2003 to 19,4% in 2008.

# Formal and informal sector employment by industry

### Table 5.9: Formal and informal sector employment (excluding agriculture and private households) by industry, 2003–2008

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Formal sector** | **Per cent** | | | | | |
| Mining | 99,2 | 99,5 | 98,8 | 99,2 | 99,4 | 99,4 |
| Manufacturing | 86,5 | 86,7 | 84,9 | 85,2 | 85,4 | 87,9 |
| Utilities | 97,1 | 97,3 | 96,6 | 97,6 | 92,7 | 95,8 |
| Construction | 59,4 | 60,8 | 62,0 | 58,0 | 64,1 | 72,3 |
| Wholesale and retail trade | 60,5 | 62,9 | 59,8 | 62,1 | 65,7 | 66,2 |
| Transport | 76,0 | 76,9 | 74,6 | 73,6 | 78,3 | 73,3 |
| Finance | 92,3 | 93,5 | 93,0 | 92,3 | 94,8 | 91,1 |
| Community and social services | 91,7 | 91,8 | 89,5 | 88,9 | 88,9 | 88,7 |
| **Informal sector** | | | | | | |
| Mining | 0,8 | 0,5 | 1,2 | 0,8 | 0,6 | 0,6 |
| Manufacturing | 13,5 | 13,3 | 15,1 | 14,8 | 14,6 | 12,1 |
| Utilities | 2,9 | 2,7 | 3,4 | 2,4 | 7,3 | 4,2 |
| Construction | 40,6 | 39,2 | 38,0 | 42,0 | 35,9 | 27,7 |
| Wholesale and retail trade | 39,5 | 37,1 | 40,2 | 37,9 | 34,3 | 33,8 |
| Transport | 24,0 | 23,1 | 25,4 | 26,4 | 21,7 | 26,7 |
| Finance | 7,7 | 6,5 | 7,0 | 7,7 | 5,2 | 8,9 |
| Community and social services | 8,3 | 8,2 | 10,5 | 11,1 | 11,1 | 11,3 |

**Note:** Due to rounding, numbers do not necessarily add up to totals

### Figure 5.6: Formal and informal sector employment (excluding agriculture and private households) by industry, 2008

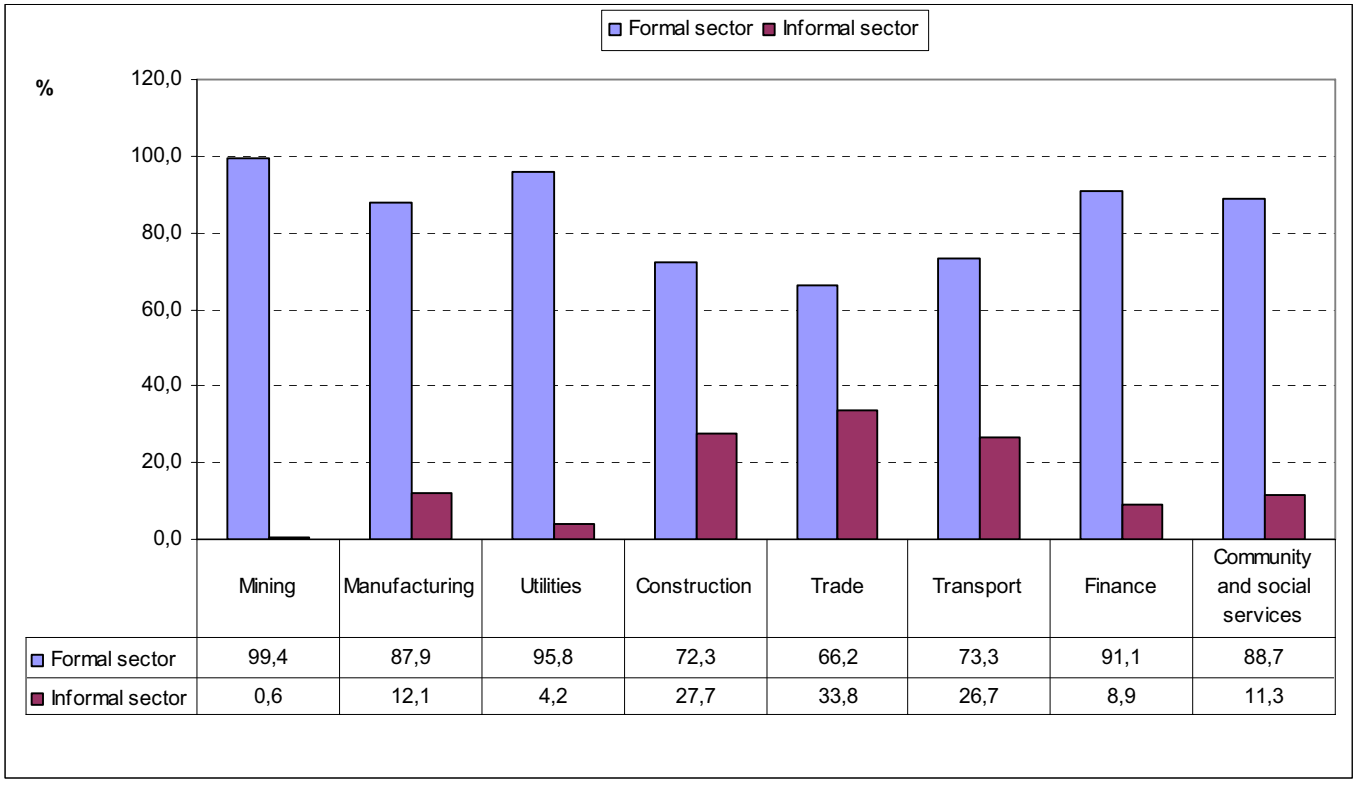
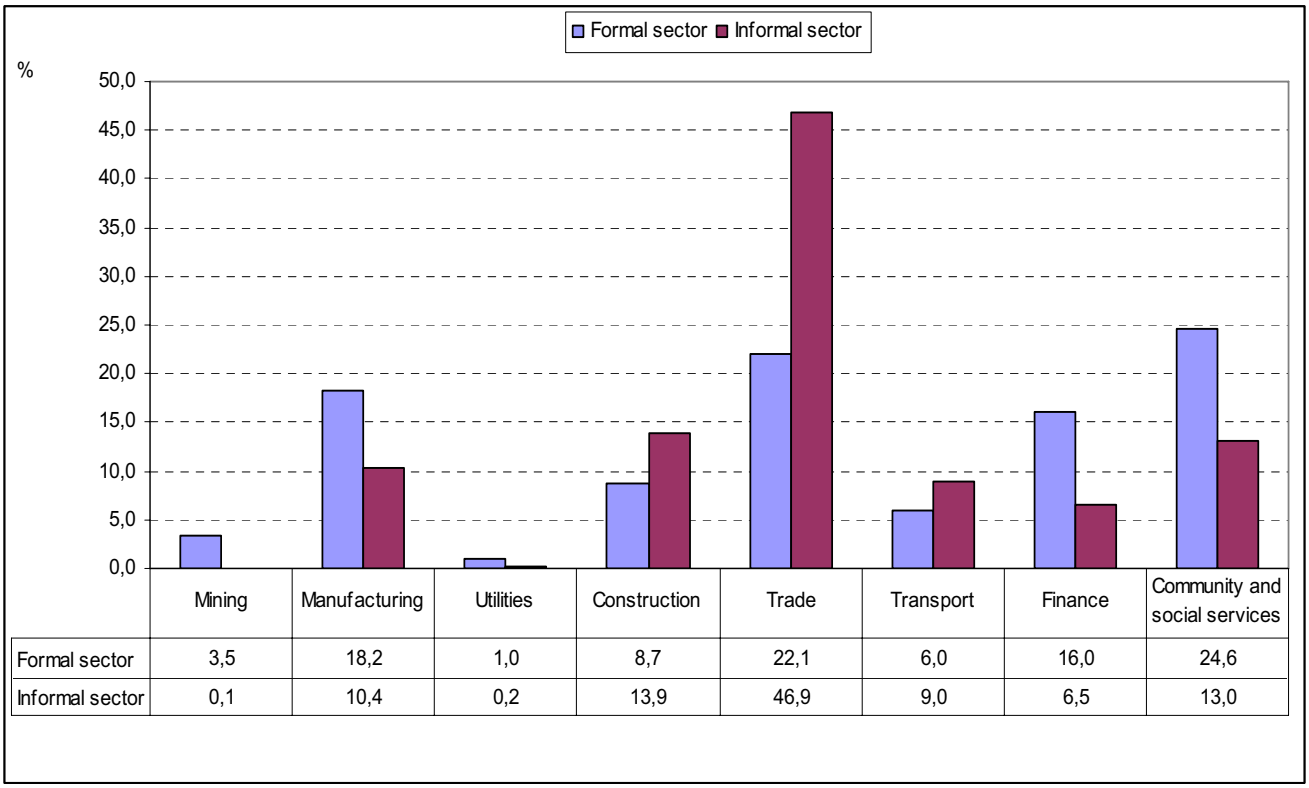


Table 5.9 and Figure 5.6 show shares of formal and informal sector employment within each industry. On the other hand, Figure 5.7 shows formal and informal sector employment not by each industry but by all industries, i.e. how much of total formal or informal sector was accounted for by one industry compared to another.

Table 5.9 and Figure 5.6 show that in all the industries, formal sector employment accounted for a larger share, although the intensity differed by industry. For instance, 99,4% of mining employment was in the formal sector, and only 0,6% employment was in the informal sector, while in the wholesale and retail trade industry, only 66,2% of employment was in the formal sector; the rest of its employment (33,8%) was in the informal sector.

Table 5.9 also shows that informal sector employment in the wholesale and retail trade industry decreased from 39,5% in 2003 to 33,8% in 2008, although there were fluctuations in between. For instance, the percentage of persons who were employed in the wholesale and retail trade informal sector peaked to 40,2% in 2005.

**Figure 5.7: Formal and informal sector employment (excluding agriculture and private households) by industry, 2008**




| | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Finance | Community and social services |
|---|---|---|---|---|---|---|---|---|
| Formal sector | 3,5 | 18,2 | 1,0 | 8,7 | 22,1 | 6,0 | 16,0 | 24,6 |
| Informal sector | 0,1 | 10,4 | 0,2 | 13,9 | 46,9 | 9,0 | 6,5 | 13,0 |

Figure 5.7 shows that among those who were employed in the formal sector in 2008, the highest proportion were those employed in the community and social services industry (24,6%), followed by those who were employed in the wholesale and retail trade industry (22,1%), manufacturing (18,2%) and finance (16,0%).

Conversely, among those who were employed in the informal sector in 2008, a significant 46,9% were employed in the wholesale and retail trade industry, followed by construction (13,9%) and community and social services (13,0%).

## Formal and informal sector employment by occupation

**Table 5.10: Formal and informal sector employment by occupation, 2003–2008**

| | 2003 | 2008 | 2003 | 2008 |
|---|---|---|---|---|
| | Formal sector | | Informal sector | |
| | Percentage share | | | |
| Manager | 8,9 | 9,6 | 4,3 | 3,8 |
| Professional | 5,1 | 7,4 | 1,1 | 1,8 |
| Technician | 16,2 | 14,1 | 5,3 | 5,7 |
| Clerk | 15,6 | 14,4 | 1,4 | 3,8 |
| Sales and services | 13,9 | 13,6 | 16,8 | 20,6 |
| Skilled agriculture | 0,1 | 0,3 | 0,0 | 0,2 |
| Craft and related trade | 13,4 | 14,4 | 25,0 | 23,2 |
| Plant/machine operator | 11,7 | 9,9 | 6,7 | 7,8 |
| Elementary | 15,1 | 16,2 | 39,4 | 33,2 |
| **Total (%)** | **100,0** | **100,0** | **100,0** | **100,0** |
| **Total (thousand)** | **7 725** | **9 433** | **2 006** | **2 270** |

**Note:** Due to rounding, numbers do not necessarily add up to totals

Among the persons who were employed in the formal sector in 2008, the majority were in elementary jobs (16,2%), followed by those who were in craft and related trade (14,4%), and clerical (14,4%) positions, and technicians (14,1%). Of the people who were employed in the informal sector, the majority were in elementary jobs (33,2%), followed by those who were in craft and related trade (23,2%), and community and social services occupations (20,6%) (Table 5.10).

## Summary and conclusion

This chapter was devoted to analysing employment, focusing mainly on formal and informal sector employment.

Men accounted for the largest portion of both formal and informal sector employment. There was a greater chance of people being employed in the formal sector as their level of education increases. In 2008, 94,1% of those with tertiary education were employed in the formal sector. Among black Africans, informal sector employment decreased form 22,1% in 2003 to 20,6% in 2008.

Within each age group, both formal and informal sector employment increased in the period 2003 and 2008 but most increases were observed in the formal sector and among persons younger than 35 years of age. This could be related to the fact that this group accounted for a larger percentage of those who were employed.

The community and social services industry accounted for the largest share (24,7%) of those who were employed in the formal sector in 2008, followed by wholesale and retail trade (22,0%). Those with elementary jobs accounted for the largest share of both formal and informal sector employment in 2008.

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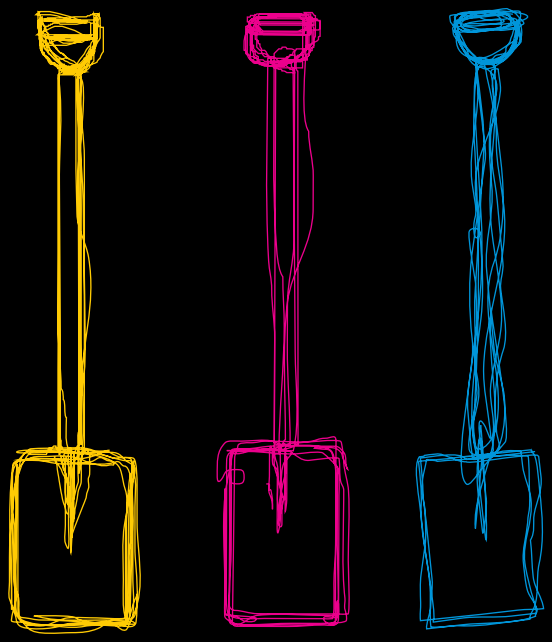
# Chapter 6
# A profile of the unemployed



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# Chapter 6: A profile of the unemployed

### Other unemployment categories

**New entrants** into unemployment are persons who were unemployed during the reference period that had never worked before and were currently looking for their first job. It is possible for new entrants to be among those that are in long-term unemployment if the duration of their job searching was one year or longer.

In order to be considered **unemployed**, three criteria must be met simultaneously: completely without work, currently available to work, and taking active steps to find work.

Persons in **short-term unemployment** have been unemployed, available for work, and looking for a job for less than one year.

Persons in **long-term unemployment** have been unemployed, available for work, and looking for a job for one year or longer.

The **long-term unemployment rate** measures the proportion of the labour force that has been trying to find work for a period of one year or longer.

The **incidence of long-term unemployment** is the proportion of the unemployed that has been unemployed for one year of longer.

**Job losers** are unemployed persons who were working when they became unemployed: They lost their job; or they were laid off; or the business in which they had previously worked had been sold or had closed down.

**Unemployed job leavers** are those among the unemployed who were working when they became unemployed and had stopped working at their last job for any of the following reasons:

- Caring for own children/relatives;
- Pregnancy;
- Other family/community responsibilities;
- Going to school;
- Changed residence;
- Retired; or
- Other reasons.

**Unemployed re-entrants to the labour force** are unemployed persons who worked before and who were currently looking for work, whose main activity before looking for work was either managing a home or going to school.

Those who **last worked more than five years ago** is not included in any of the above four categories since their previous employment experience is likely to be difficult to recall. In light of this, persons who last worked more than five years ago were not required to answer questions that would place them into any of the above categories. In addition, since they last worked more than five years ago, the reasons for stopping work are now largely irrelevant.

## Background

The levels of and trends in unemployment are important indicators of the well-being or otherwise of persons in the labour market. In this regard, research has shown that the extent of social and economic deprivation may be analysed through several indicators, including the nature of labour contracts and the rate of unemployment, especially long-term unemployment (Villeval, 1991[17]).

[17] Villeval Marie-Claire, 1991. Labour market restructuring and deprivation processes. ILO International Institute for labour Studies, 1991

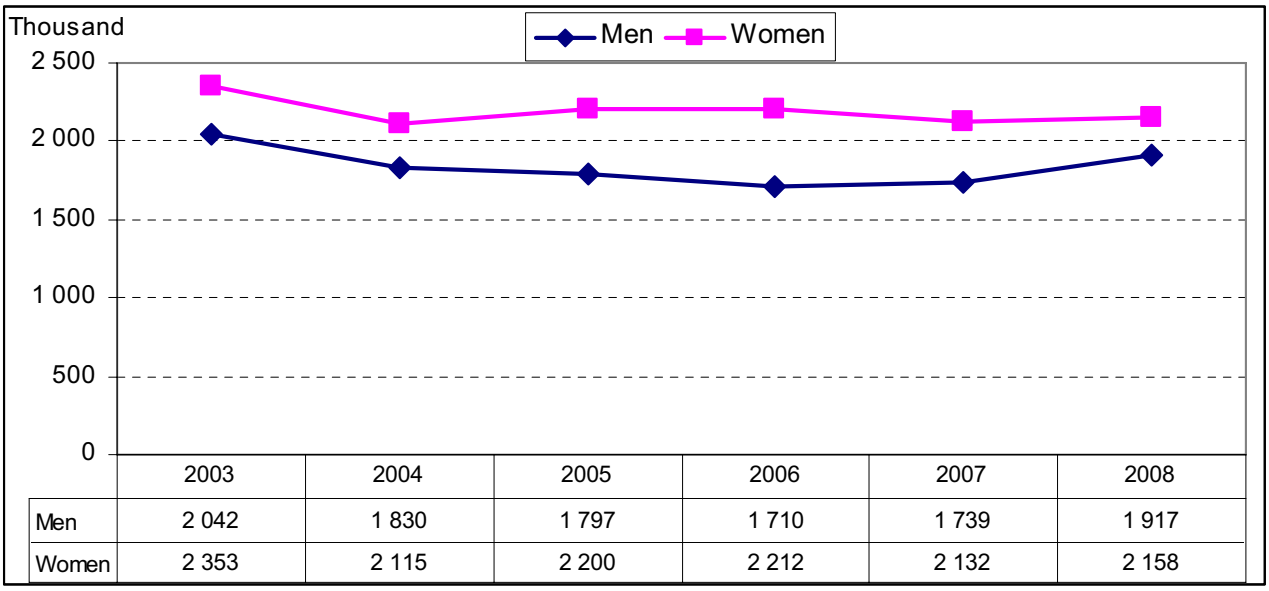
## Introduction

The analysis in this chapter first focuses on various demographic characteristics of the unemployed as well as their type of job-search activity. This is followed by a discussion of the profile of persons who fall into each of five categories: job leavers, job losers, new entrants, re-entrants, and those who last worked more than five years ago, including (where relevant) their previous occupation and industry. Finally, the chapter provides insight into various aspects of unemployment duration, and in that context discusses the long-term unemployment rate.

## Demographic characteristics of the unemployed

The sex and age profiles of the unemployed discussed in this chapter are intended to complement the aggregate picture presented in Chapter 3, where the demographic characteristics of the unemployed were discussed relative to those of the other labour market components (the employed and the not economically active).

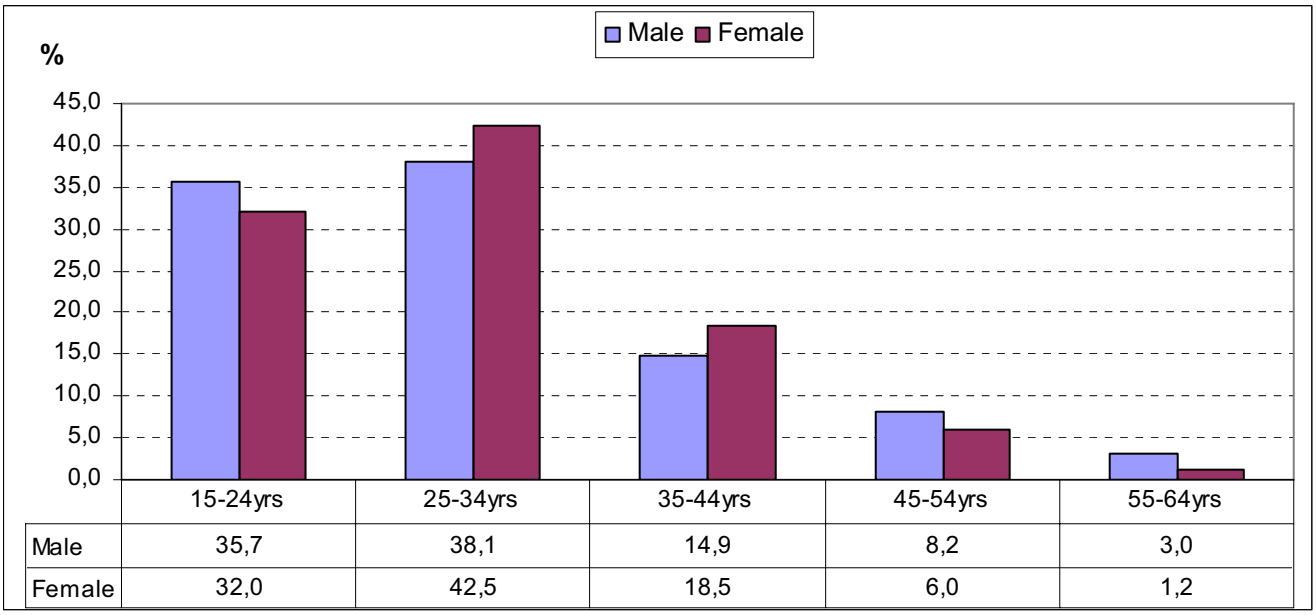
**Figure 6.1: Unemployed by sex, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 2 042 | 1 830 | 1 797 | 1 710 | 1 739 | 1 917 |
| Women | 2 353 | 2 115 | 2 200 | 2 212 | 2 132 | 2 158 |

Although there were fewer women than men in the labour force, a larger number of women than men were unemployed each year over the period 2003 to 2008, but the gap narrowed somewhat in both 2007 and 2008 largely because of the increase in unemployment among men as a result of the deterioration in labour market conditions that began in 2007 (Figure 6.1).

**Figure 6.2: Age profile of the unemployed by sex, 2008**




| | 15-24yrs | 25-34yrs | 35-44yrs | 45-54yrs | 55-64yrs |
|---|---|---|---|---|---|
| Male | 35,7 | 38,1 | 14,9 | 8,2 | 3,0 |
| Female | 32,0 | 42,5 | 18,5 | 6,0 | 1,2 |

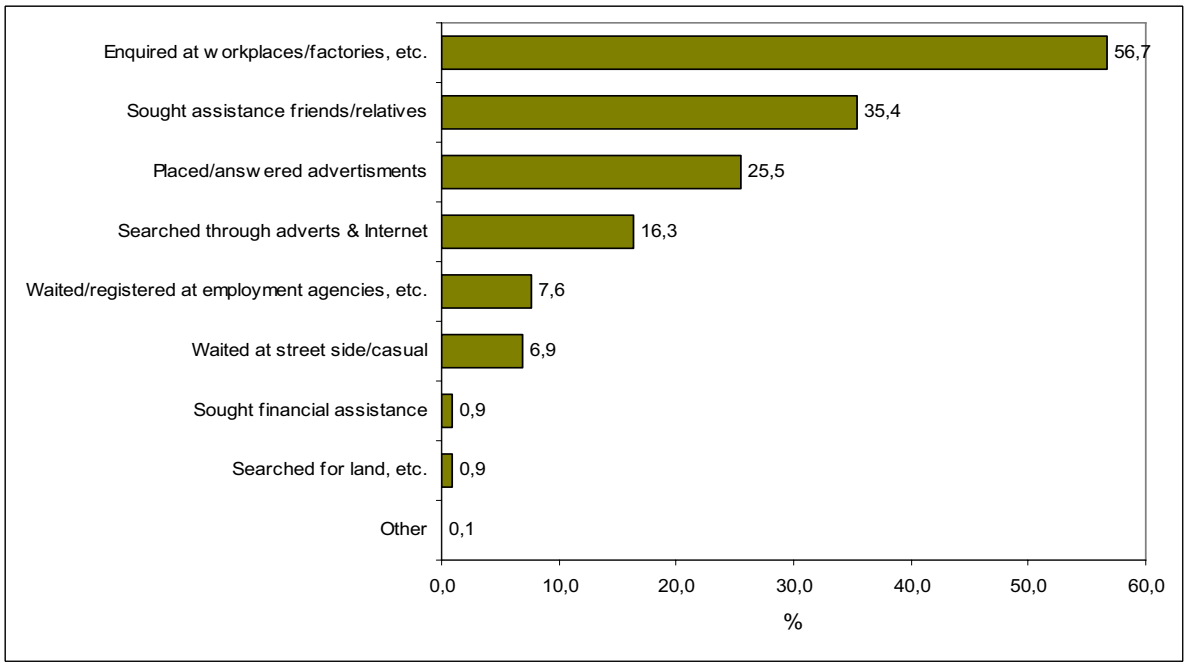
Among both men and women, the bulk of the unemployed were below the age of 35 years in 2008.

## Job-search activities of the unemployed

Caution is required in interpreting the job-search patterns of unemployed persons, since an unemployed person may have undertaken several types of search activities in his/her quest for a job. In addition, the survey does not determine how many times each of the job-search methods was used in the four-week reference period. One unemployed person might have 'enquired at workplaces/factories, etc.' 12 times while another might have done that only once. In essence, one cannot use these data to measure the intensity of job search.

In the historical series, respondents were asked to identify only their main job-search activity, and it is therefore not possible to meaningfully compare datasets across time. As a result, the analysis in this section will be restricted to 2008 only.

**Figure 6.3 Types of job-search activities, 2008**

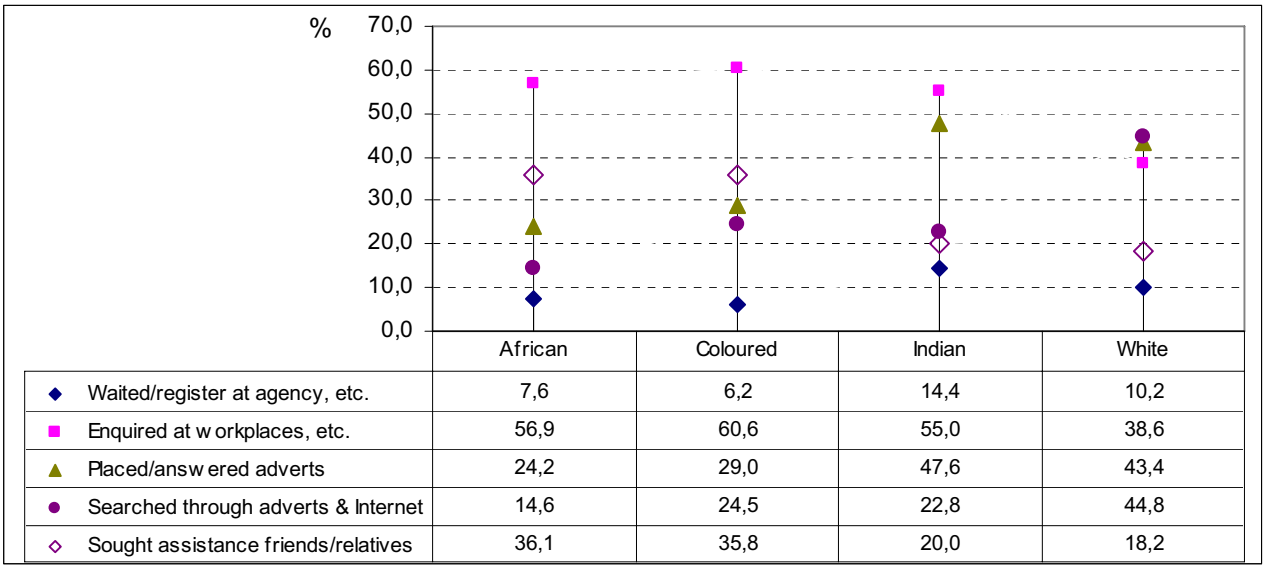



Note: Each job-search activity as a percentage of total unemployment

Figure 6.3 highlights the following:

- In 2008, more than half (56,7%) of all unemployed persons enquired at workplaces, factories, etc. in search of a job.
- More than one in every three (35,4%) unemployed persons sought the assistance of friends or relatives.
- As many as 16,3% of all unemployed persons searched through advertisements or the Internet in their quest for a job.

**Figure 6.4: Job-search activities by population group, 2008**

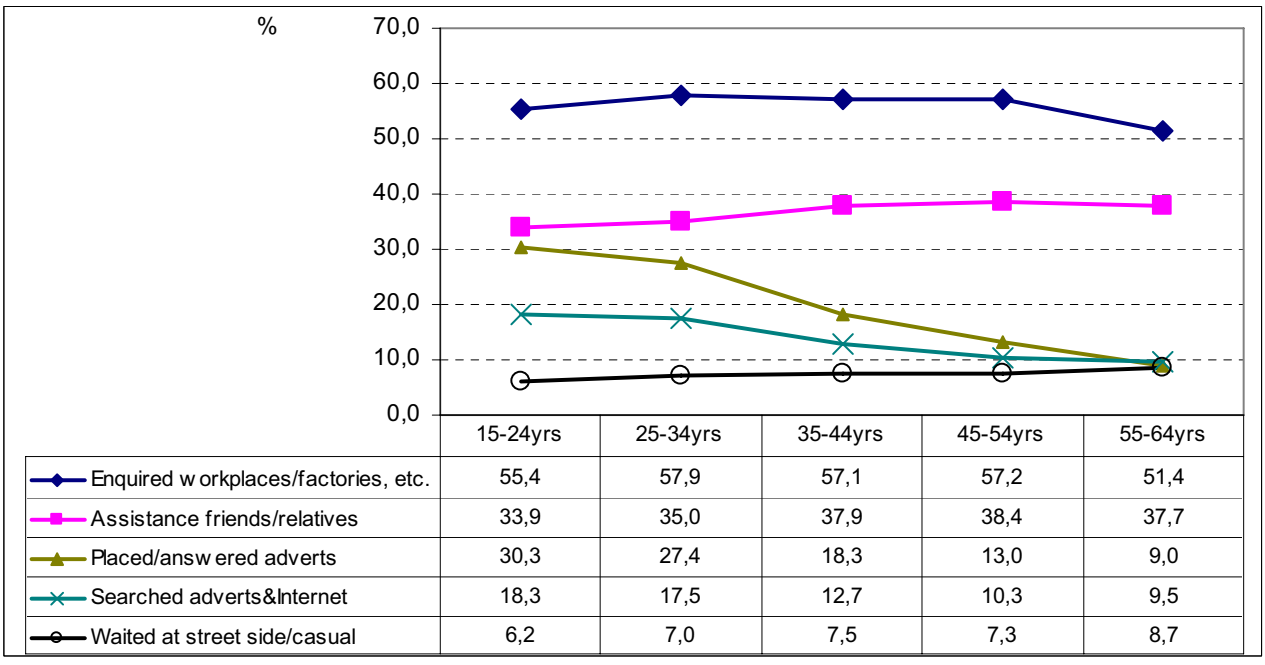



| | African | Coloured | Indian | White |
|---|---|---|---|---|
| Waited/register at agency, etc. | 7,6 | 6,2 | 14,4 | 10,2 |
| Enquired at w orkplaces, etc. | 56,9 | 60,6 | 55,0 | 38,6 |
| Placed/answ ered adverts | 24,2 | 29,0 | 47,6 | 43,4 |
| Searched through adverts & Internet | 14,6 | 24,5 | 22,8 | 44,8 |
| Sought assistance friends/relatives | 36,1 | 35,8 | 20,0 | 18,2 |

Note: Each job-search activity as a percentage of total unemployment

The most frequently used job-search activity among Africans, coloureds and Indians was to enquire at workplaces, farms and factories, or to call on other possible employers. In contrast, among whites the most frequently used type of activity was searching through job advertisements or the Internet.

**Figure 6.5: Job-search activities by age, 2008**




| | 15-24yrs | 25-34yrs | 35-44yrs | 45-54yrs | 55-64yrs |
|---|---|---|---|---|---|
| Enquired w orkplaces/factories, etc. | 55,4 | 57,9 | 57,1 | 57,2 | 51,4 |
| Assistance friends/relatives | 33,9 | 35,0 | 37,9 | 38,4 | 37,7 |
| Placed/answ ered adverts | 30,3 | 27,4 | 18,3 | 13,0 | 9,0 |
| Searched adverts&Internet | 18,3 | 17,5 | 12,7 | 10,3 | 9,5 |
| Waited at street side/casual | 6,2 | 7,0 | 7,5 | 7,3 | 8,7 |

Note: Each job-search activity as a percentage of total unemployment

Irrespective of age, the most frequently used type of job-search activity was through enquiring at workplaces, farms and factories, or to call on other possible employers. But searching through job advertisements and the Internet as well as placing and answering advertisements was strongly associated with the age of the unemployed person. Young unemployed people below the age of 35 years were particularly keen on these types of search activities relative to those in older age groups.

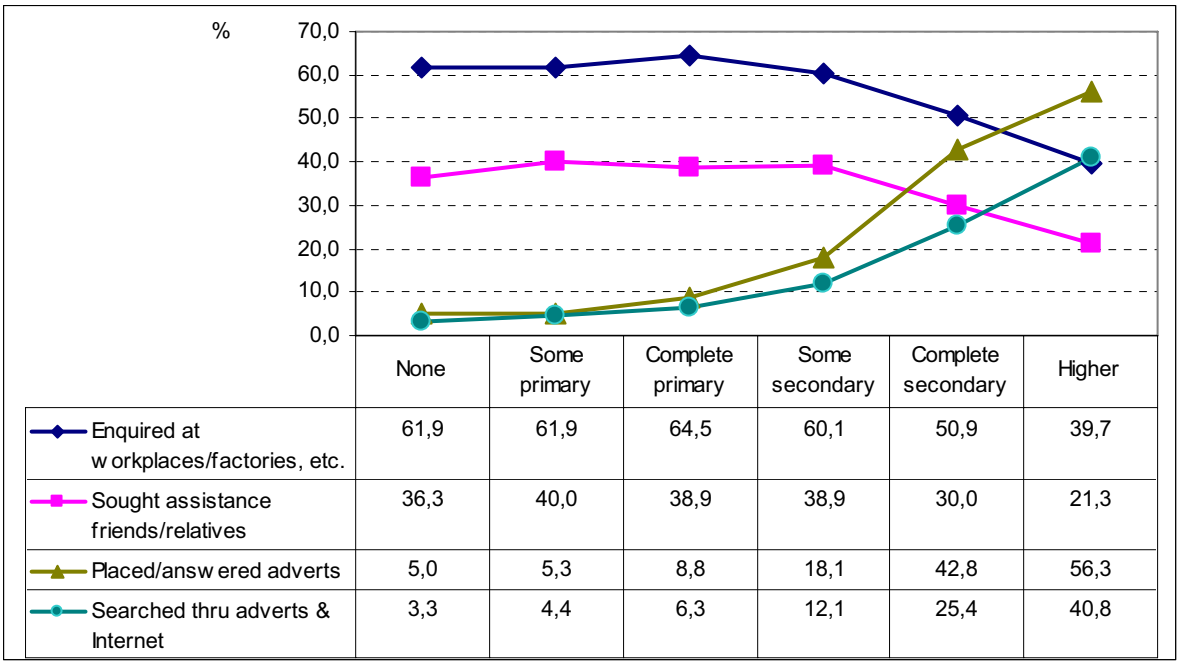
**Table 6.1: Job-search activities by province, 2008**

| | WC | EC | NC | FS | KZN | NW | GP | MP | LP | RSA |
|---|---|---|---|---|---|---|---|---|---|---|
| | Per cent | | | | | | | | | |
| Waited/registered at employment agency, etc. | 7,9 | 7,0 | 0,6 | 6,6 | 5,8 | 5,1 | 12,6 | 8,8 | 0,6 | **7,6** |
| Enquired at workplaces/factories, etc. | 63,1 | 49,7 | 63,5 | 71,4 | 56,3 | 80,7 | 44,9 | 67,1 | 56,7 | **56,7** |
| Placed/answered advertisements | 26,8 | 25,2 | 16,3 | 24,9 | 28,5 | 20,4 | 28,0 | 32,0 | 12,4 | **25,5** |
| Searched through adverts and the Internet | 24,9 | 19,0 | 4,4 | 12,7 | 10,7 | 16,3 | 22,7 | 6,9 | 7,5 | **16,3** |
| Sought assistance of friends/relatives | 35,6 | 59,9 | 1,2 | 15,2 | 29,3 | 33,6 | 45,1 | 26,3 | 17,9 | **35,4** |
| Searched for land, etc. | 1,1 | 1,0 | 0,3 | 1,1 | 0,7 | 1,0 | 1,2 | 0,6 | 0,2 | **0,9** |
| Waited at street side for casual jobs | 5,6 | 7,2 | 1,1 | 4,5 | 8,2 | 6,5 | 7,4 | 9,3 | 5,4 | **6,9** |
| Sought financial assistance | 0,6 | 0,8 | 0,4 | 1,0 | 1,0 | 0,8 | 1,0 | 1,5 | 1,0 | **0,9** |
| Other | 0,2 | 0,0 | 0,1 | 0,3 | 0,1 | 0,1 | 0,1 | 0,1 | 0,2 | **0,1** |

Note: Each job-search activity as a percentage of total unemployment

Two patterns emerge from the provincial distribution of job-search activities: firstly, except in Eastern Cape and Gauteng, more than 55% of all unemployed persons favoured enquiring at workplaces, farms and factories, or calling on other possible employers as their preferred job-search method. Secondly, searching through job advertisements and the Internet featured more prominently in provinces such as Western Cape and Gauteng than elsewhere.

**Figure 6.6: Job-search activities by education, 2008**




| | None | Some primary | Complete primary | Some secondary | Complete secondary | Higher |
|---|---|---|---|---|---|---|
| Enquired at workplaces/factories, etc. | 61,9 | 61,9 | 64,5 | 60,1 | 50,9 | 39,7 |
| Sought assistance friends/relatives | 36,3 | 40,0 | 38,9 | 38,9 | 30,0 | 21,3 |
| Placed/answered adverts | 5,0 | 5,3 | 8,8 | 18,1 | 42,8 | 56,3 |
| Searched thru adverts & Internet | 3,3 | 4,4 | 6,3 | 12,1 | 25,4 | 40,8 |

Figure 6.6 shows a strong association between certain types of job-search activities and the level of educational attainment. The percentage of unemployed persons with post-primary education who either enquired at workplaces/factories, etc., or sought the assistance of friends and relatives, declined as their qualifications increased. In contrast, the percentage of unemployed persons who placed and answered advertisements as well as those who searched through job advertisements or looked for jobs on the Internet increased.

## Characteristics of the unemployed by origin of unemployment

A useful dimension of the analysis of unemployment is a disaggregation into five groups as follows: Job losers; job leavers; new entrants; re-entrants; and those who last worked more than five years ago. These measures describe the flows into unemployment since they show what people who were unemployed in the reference period were doing at the time that they became unemployed, and for job losers and job leavers, how they came to be unemployed.

Since not all of the relevant questions to determine these groups were included in the LFS, it is not possible to establish an historical series for these indicators. As a result, the analysis in this section will focus solely on patterns in 2008.

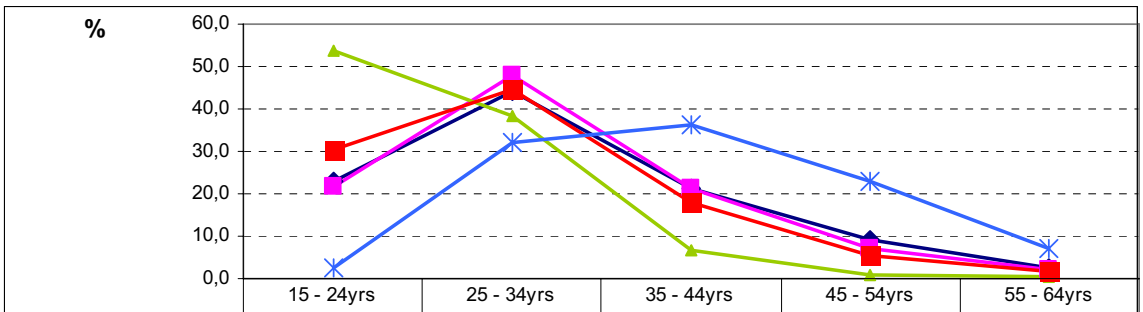
**Table 6.2: Characteristics of the unemployed by origin and sex, 2008**

| | Men | Women | Total |
|---|---|---|---|
| | Thousand | | |
| Job loser | 686 | 532 | 1 219 |
| Job leaver | 152 | 226 | 378 |
| New entrant | 744 | 982 | 1 726 |
| Re-entrant | 86 | 140 | 225 |
| Worked > 5 years ago | 249 | 278 | 527 |
| **Total** | **1 917** | **2 158** | **4 075** |
| | Per cent | | |
| Job loser | 35,8 | 24,7 | 29,9 |
| Job leaver | 7,9 | 10,5 | 9,3 |
| New entrant | 38,8 | 45,5 | 42,3 |
| Re-entrant | 4,5 | 6,5 | 5,5 |
| Worked > 5 years ago | 13,0 | 12,9 | 12,9 |
| **Total** | **100,0** | **100,0** | **100,0** |

A larger percentage of unemployed women (45,5%) than men (38,8%) were new entrants to the labour force in 2008, and in that year a substantially smaller percentage of women than men were job losers (Table 6.2).

This clearly shows the effects of the relatively young labour force in South Africa as described in Chapter 2. Almost half (42,3%) of unemployed South Africans are looking for their first job. As studies have shown everywhere, looking for a first job is extremely challenging, if for no other reason that one has no work experience (and the references that go with them) to offer prospective employers.

**Figure 6.7: Age profile of the unemployed by origin of unemployment, 2008**




| | 15 - 24yrs | 25 - 34yrs | 35 - 44yrs | 45 - 54yrs | 55 - 64yrs |
|---|---|---|---|---|---|
| Job loser | 23,0 | 44,2 | 21,3 | 9,0 | 2,5 |
| Job leaver | 21,7 | 47,7 | 21,4 | 7,0 | 2,1 |
| New entrant | 54,0 | 38,3 | 6,5 | 1,0 | 0,2 |
| Re-entrant | 30,6 | 44,6 | 17,8 | 5,3 | 1,7 |
| Worked>5yrs ago | 2,3 | 31,9 | 36,1 | 22,8 | 6,9 |

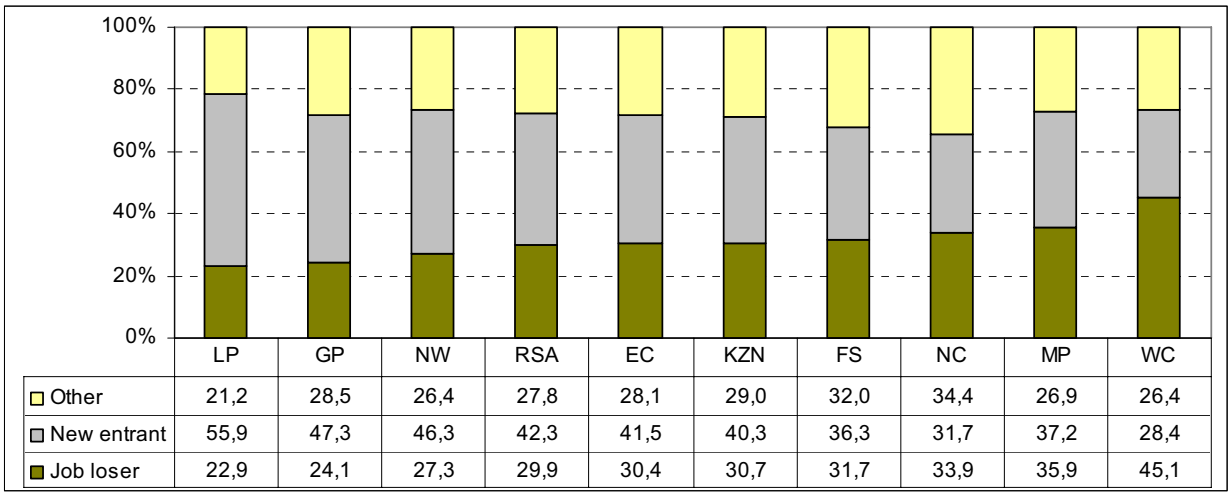
The age structure of the various unemployment categories highlights an important pattern. Whereas new entrants, not surprisingly, were predominantly young people (over 90% were below the age of 35 years), those who last worked more than five years ago were older (over 65% were older than 35 years). Job losers, job leavers and re-entrants tended to be in between these two groups with 44% to 48% in the 25–34-year age group (Figure 6.7).

**Table 6.3: Education profile of the unemployed by origin of unemployment, 2008**

| | Job loser | Job leaver | New entrant | Re-entrant | Last worked >5 yrs ago | Total |
|---|---|---|---|---|---|---|
| **Men** | Per cent | | | | | |
| No education | 3,0 | 1,9 | 0,9 | 2,5 | 6,7 | 2,6 |
| Less than complete secondary | 68,4 | 63,4 | 57,6 | 65,0 | 75,1 | 64,6 |
| Complete secondary | 24,4 | 26,6 | 35,9 | 26,6 | 15,6 | 28,0 |
| Higher | 3,3 | 6,4 | 4,7 | 5,0 | 1,3 | 3,9 |
| Don't know | 0,8 | 1,6 | 0,9 | 0,9 | 1,2 | 1,0 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |
| **Women** | | | | | | |
| No education | 2,5 | 2,1 | 1,5 | 1,8 | 4,8 | 2,3 |
| Less than complete secondary | 62,9 | 60,2 | 52,0 | 64,0 | 71,5 | 58,9 |
| Complete secondary | 28,7 | 30,2 | 40,1 | 27,2 | 19,9 | 32,8 |
| Higher | 5,4 | 6,9 | 5,8 | 6,4 | 3,2 | 5,5 |
| Don't know | 0,5 | 0,6 | 0,5 | 0,6 | 0,6 | 0,5 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

Irrespective of which of the five groups they fell into (job loser, job leaver, new entrant, re-entrant, etc.), unemployed women tended to be better educated than their male counterparts – compared to men, larger proportions of women had completed secondary education or achieved higher qualifications (Table 6.3).

**Figure 6.8: Provincial profile of the unemployed by origin of unemployment, 2008**




| | LP | GP | NW | RSA | EC | KZN | FS | NC | MP | WC |
|---|---|---|---|---|---|---|---|---|---|---|
| Other | 21,2 | 28,5 | 26,4 | 27,8 | 28,1 | 29,0 | 32,0 | 34,4 | 26,9 | 26,4 |
| New entrant | 55,9 | 47,3 | 46,3 | 42,3 | 41,5 | 40,3 | 36,3 | 31,7 | 37,2 | 28,4 |
| Job loser | 22,9 | 24,1 | 27,3 | 29,9 | 30,4 | 30,7 | 31,7 | 33,9 | 35,9 | 45,1 |

The provincial profile of the unemployed, by various characteristics, highlights the following interesting patterns:

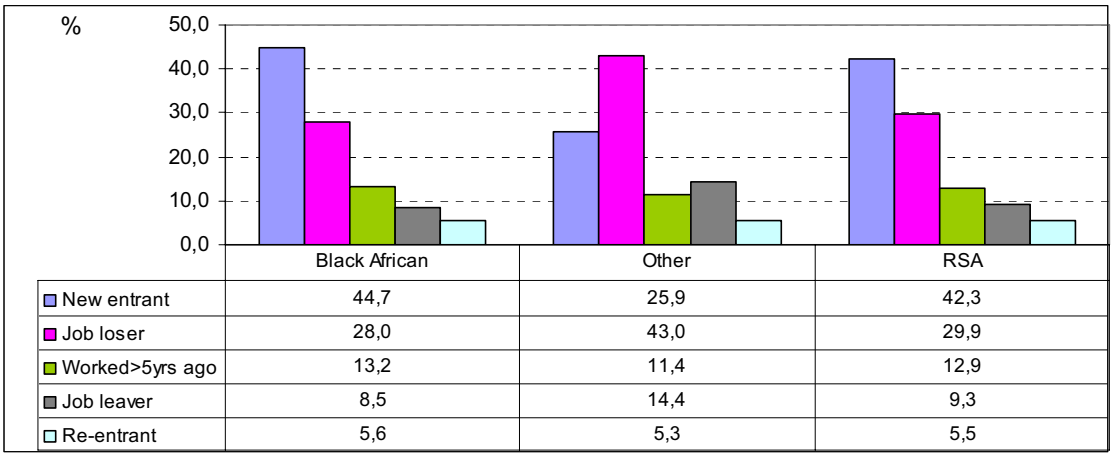
- Over 45% of the unemployed in North West, Gauteng and Limpopo were new entrants compared with fewer than 30% in Western Cape.
- Job losers accounted for almost twice the percentage of the unemployed in Western Cape (45,1%) compared with Limpopo (22,9%).

**Table 6.4: Population group of the unemployed by origin of unemployment, 2008**

| | Job loser | Job leaver | New entrant | Re-entrant | Last worked >5 yrs ago | Total |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **Men** | | | | | | |
| Black African | 559 | 119 | 682 | 73 | 222 | 1 656 |
| Other | 127 | 33 | 61 | 12 | 28 | 261 |
| **Total** | **686** | **152** | **744** | **86** | **249** | **1 917** |
| **Women** | | | | | | |
| Black African | 437 | 184 | 909 | 124 | 247 | 1 901 |
| Other | 95 | 42 | 73 | 15 | 31 | 257 |
| **Total** | **532** | **226** | **982** | **140** | **278** | **2 158** |
| **Both sexes** | | | | | | |
| Black African | 996 | 303 | 1 592 | 198 | 468 | 3 557 |
| Other | 222 | 75 | 134 | 28 | 59 | 518 |
| **Total** | **1 219** | **378** | **1 726** | **225** | **527** | **4 075** |

Among both men and women, new entrants accounted for the largest number of unemployed persons, and this pattern is reflected in the distribution by population group (Table 6.4).

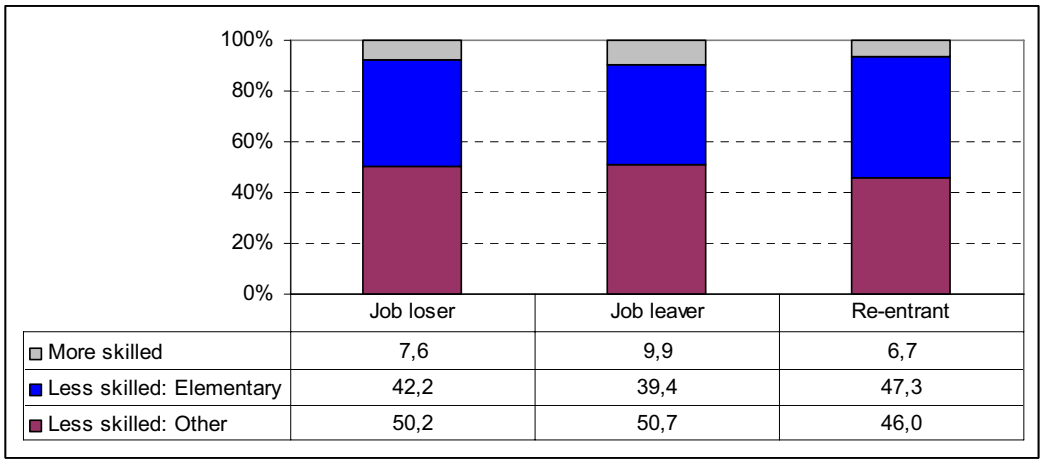
**Figure 6.9: Population group of the unemployed by origin of unemployment, 2008**




| | Black African | Other | RSA |
|---|---|---|---|
| New entrant | 44,7 | 25,9 | 42,3 |
| Job loser | 28,0 | 43,0 | 29,9 |
| Worked>5yrs ago | 13,2 | 11,4 | 12,9 |
| Job leaver | 8,5 | 14,4 | 9,3 |
| Re-entrant | 5,6 | 5,3 | 5,5 |

Reflecting the youthfulness of the Black African population, Figure 6.9 indicates that new entrants to the labour force accounted for over 40% of total unemployment among the Black African population group, whereas job losers accounted for over 40% of the unemployed among the combined 'other' population group.

**Figure 6.10: Previous occupation of the unemployed by origin of unemployment, 2008**




| | Job loser | Job leaver | Re-entrant |
|---|---|---|---|
| More skilled | 7,6 | 9,9 | 6,7 |
| Less skilled: Elementary | 42,2 | 39,4 | 47,3 |
| Less skilled: Other | 50,2 | 50,7 | 46,0 |

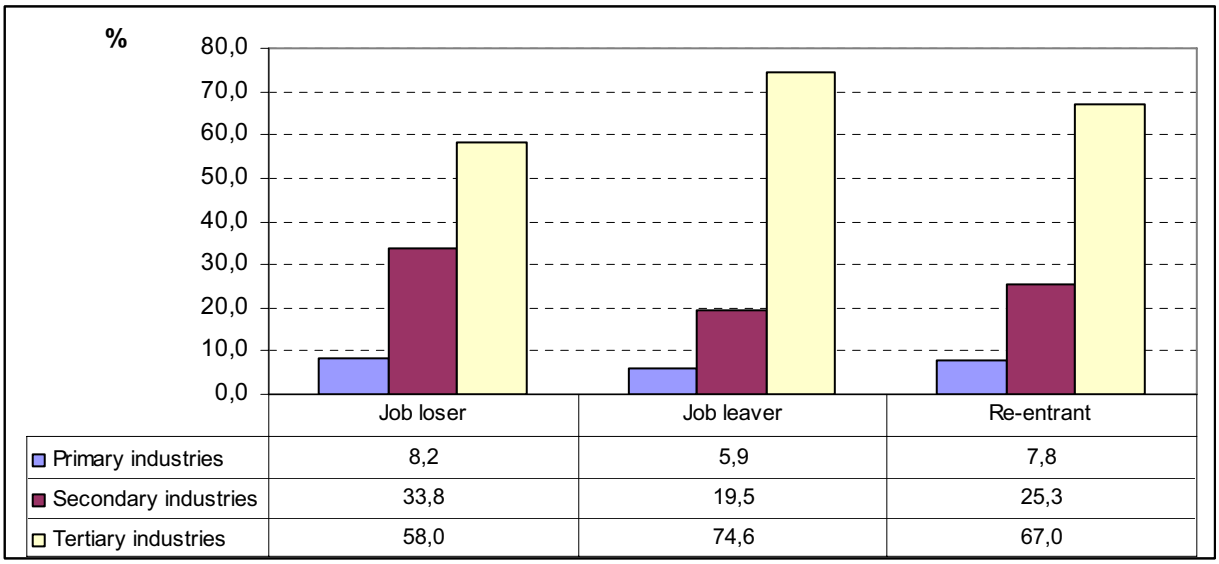
Details of the previous occupation and industry of job losers, job leavers and re-entrants suggest that for all three groups, elementary work (including domestic work) was the single largest occupation category (Figure 6.10). Among other less-skilled occupations, sales and service was the second most important occupation among job leavers while crafts was the second most important occupation among job losers.

**Table 6.5: Previous industry of the unemployed by origin of unemployment, 2008**

| | Job loser | Job leaver | Re-entrant |
|---|---|---|---|
| | Thousand | | |
| Agriculture | 79 | 18 | 14 |
| Mining | 21 | 4 | 3 |
| **Primary industries** | **100** | **22** | **17** |
| Manufacture | 183 | 38 | 26 |
| Utilities | 8 | 1 | 2 |
| Construction | 221 | 35 | 29 |
| **Secondary industries** | **412** | **74** | **57** |
| Trade | 276 | 119 | 64 |
| Transport | 62 | 16 | 8 |
| Finance | 127 | 41 | 16 |
| Social | 106 | 43 | 24 |
| Private households | 136 | 64 | 38 |
| Other | 0 | 0 | 1 |
| **Tertiary industries** | **707** | **282** | **151** |
| **Total** | **1 219** | **378** | **225** |

Wholesale and retail trade – part of the secondary industries group – accounted for the largest number of jobs previously done by unemployed persons. Among job losers, job leavers and re-entrants, 22% to 32% had previously worked in that industry. The construction industry – part of the primary industries group – was the second largest provider of jobs among job losers. Working as domestic workers, gardeners, security guards, etc. in private households – part of the tertiary industries group – was the second largest industry of both job leavers and re-entrants (Table 6.5). This is reflected in the relatively large proportions of job leavers (74,6%) and re-entrants (67,0%) whose previous occupation was in the tertiary industries (Figure 6.11).

**Figure 6.11: Previous industry of the unemployed by origin of unemployment, 2008**




| | Job loser | Job leaver | Re-entrant |
|---|---|---|---|
| Primary industries | 8,2 | 5,9 | 7,8 |
| Secondary industries | 33,8 | 19,5 | 25,3 |
| Tertiary industries | 58,0 | 74,6 | 67,0 |

## Unemployment duration

Short-term unemployment arises because there is some minimal rate of unemployment that occurs in any modern economy. This may be the result of time lags in a number of areas: between workers changing jobs and finding alternative employment; the closure of firms and the opening of others; as well as new workers entering the labour force at a faster rate than others leave (OECD, 1991[18]). On the other hand, long-term unemployment arises because of social and economic imbalances that do not facilitate job creation at a pace that is fast enough to absorb those already unemployed and those entering the labour market for the first time.

Long-term unemployment may also reflect a mismatch between the skills required by employers and those supplied by workers, or it could reflect a geographical mismatch between the locations of unemployed persons and where job vacancies occur (See: IMF 1999[19]; Barker, 1998[20]).

Caution must be exercised when interpreting the unemployment numbers and rates at sub-national levels and more so within unemployment categories (i.e. short-term and long-term) because of small numbers. As a result, more emphasis will be placed on the analysis of those in long-term unemployment, since this group is relatively larger and lower levels of disaggregation allow more robust analysis. Also, to the extent that short-term unemployment occurs in even the best performing economies, the bigger challenge is long-term unemployment.

**Table 6.6: The duration of unemployment, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Annual average change 2003–2008 |
|---|---|---|---|---|---|---|---|
| | Thousand | | | | | | |
| Less than 3 mths | 662 | 666 | 649 | 780 | 1 030 | 618 | -1,4 |
| 3 mths, less than 6 mths | 347 | 276 | 341 | 361 | 318 | 427 | 4,2 |
| 6 mths, less than 1 yr | 468 | 408 | 458 | 434 | 407 | 641 | 6,5 |
| 1 yr, less than 3 yrs | 1 139 | 973 | 993 | 934 | 858 | 961 | -3,3 |
| 3 yrs and longer | 1 700 | 1 546 | 1 480 | 1 337 | 1 159 | 1 421 | -3,5 |
| **Total*** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** | **-1,5** |

* Includes 'don't know' and 'unspecified'

**Table 6.7: The incidence of unemployment, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Annual average change 2003–2008 |
|---|---|---|---|---|---|---|---|
| | Thousand | | | | | | |
| **Short-term** | **1 477** | **1 350** | **1 448** | **1 575** | **1 754** | **1 686** | **2,7** |
| **Long-term** | **2 839** | **2 519** | **2 473** | **2 271** | **2 016** | **2 383** | **-3,4** |
| 1 yr, less than 3 yrs | 1 139 | 973 | 993 | 934 | 858 | 961 | -3,3 |
| 3 yrs and longer | 1 700 | 1 546 | 1 480 | 1 337 | 1 159 | 1 421 | -3,5 |
| **Total*** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** | **-1,5** |
| **Incidence** | **Per cent** | | | | | | |
| Short-term | 33,6 | 34,2 | 36,2 | 40,2 | 45,3 | 41,4 | - |
| Long-term | 64,6 | 63,9 | 61,9 | 57,9 | 52,1 | 58,5 | - |

* Includes don't know and unspecified

18 OECD Economic Survey, Paris, 1991

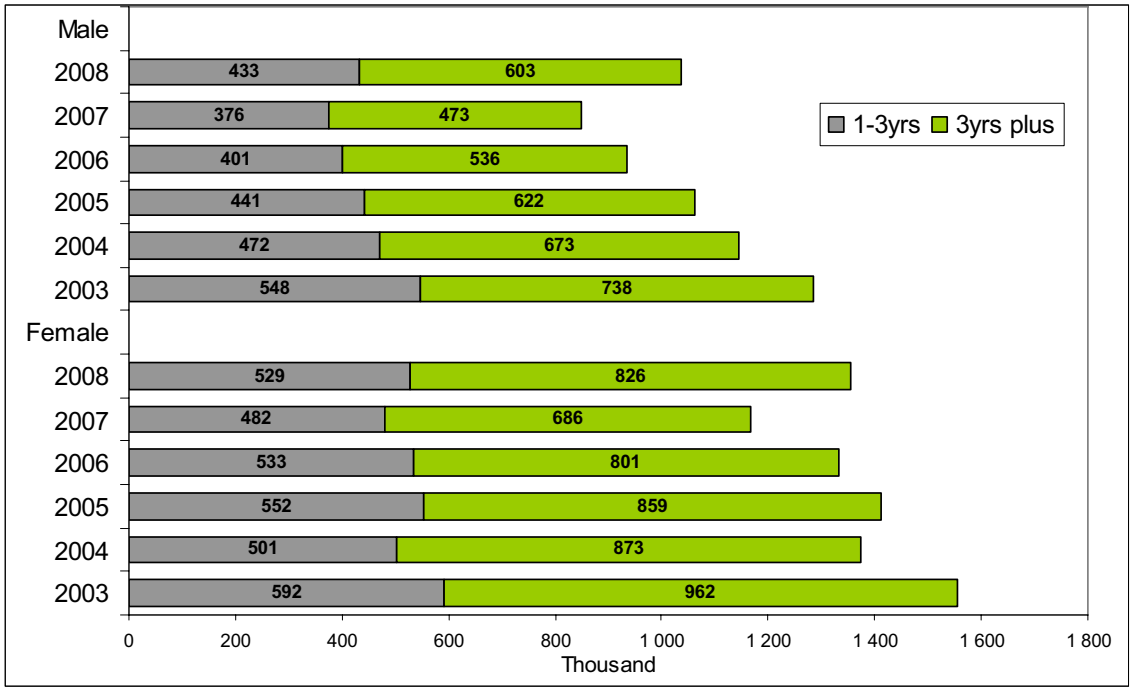
19 World Economic Outlook: International Financial Contagion, Chronic unemployment in the Euro area: Causes and Cures, IMF, May 1999

20 Barker. F S. The South African Labour Market, Critical Issues for reconstruction, Pretoria, 1995

As discussed in Chapter 3, there was a decline in the unemployment rate from 27,1 in 2003 to 22,9% in 2008 due to the expansion of employment by an average annual 3,0%, and a decline in the number of unemployed persons by an average annual 1,5% over that period. This was accompanied by a decline in the number of persons in long-term unemployment (down by an average annual 3,4% over the period 2003–2008).

Despite this improvement in key labour market aggregates over the five year period as a whole, in 2007 weaknesses in the South African economy had already begun to emerge. By 2008, the increase in the number of persons that were unemployed reflected an increase in those that were in long-term unemployment (up from 2,1 million in 2007 to 2,4 million in 2008) to such an extent that the incidence of long-term unemployment rose from 53,2% in 2007 to 58,5% in 2008 (Tables 6.6 and 6.7).

**Figure 6.12: Long-term unemployment by duration of job search, 2003–2008**




A challenging aspect of the profile of persons in long-term unemployment is that among both men and women, the majority have been looking for work for three years or more (Table 6.5 and Figure 6.12).

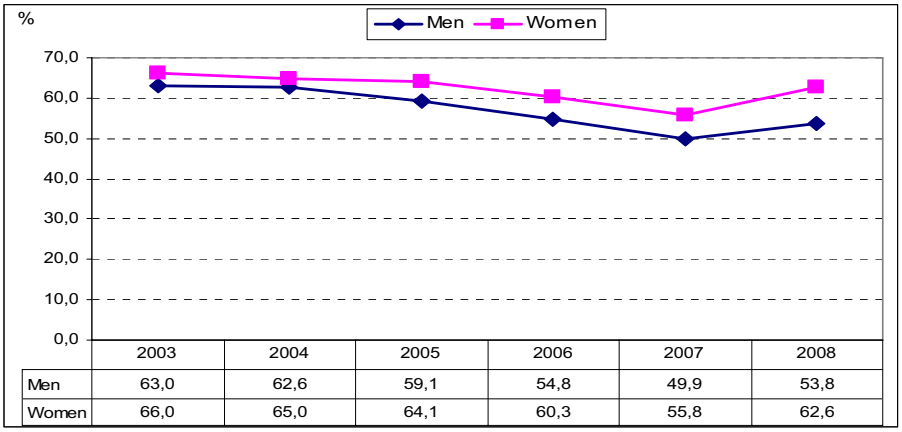
**Table 6.8: Annual changes in the duration of unemployment, 2003–2008**

| | 2004 | 2005 | 2006 | 2007 | 2008 | Cumulative change 2003–2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **Short-term** | **-127** | **98** | **127** | **179** | **-68** | **209** |
| **Long-term** | **-320** | **-46** | **-203** | **-213** | **325** | **-457** |
| 1 yr, less than 3 yrs | -166 | 20 | -60 | -76 | 104 | -178 |
| 3 yrs and longer | -154 | -66 | -143 | -178 | 262 | -279 |
| **Total unemployment*** | **-450** | **52** | **-75** | **-51** | **204** | **-320** |

* Includes 'don't know' and 'unspecified'

Table 6.8 shows that in 2008, there was a reversal in the downward trend of persons in long-term unemployment and that the increase in long-term employment by 325 000 in 2008 was largely on account of the rise among those who had been looking for work for three years or longer.

**Figure 6.13: Incidence of long-term unemployment by sex, 2008**



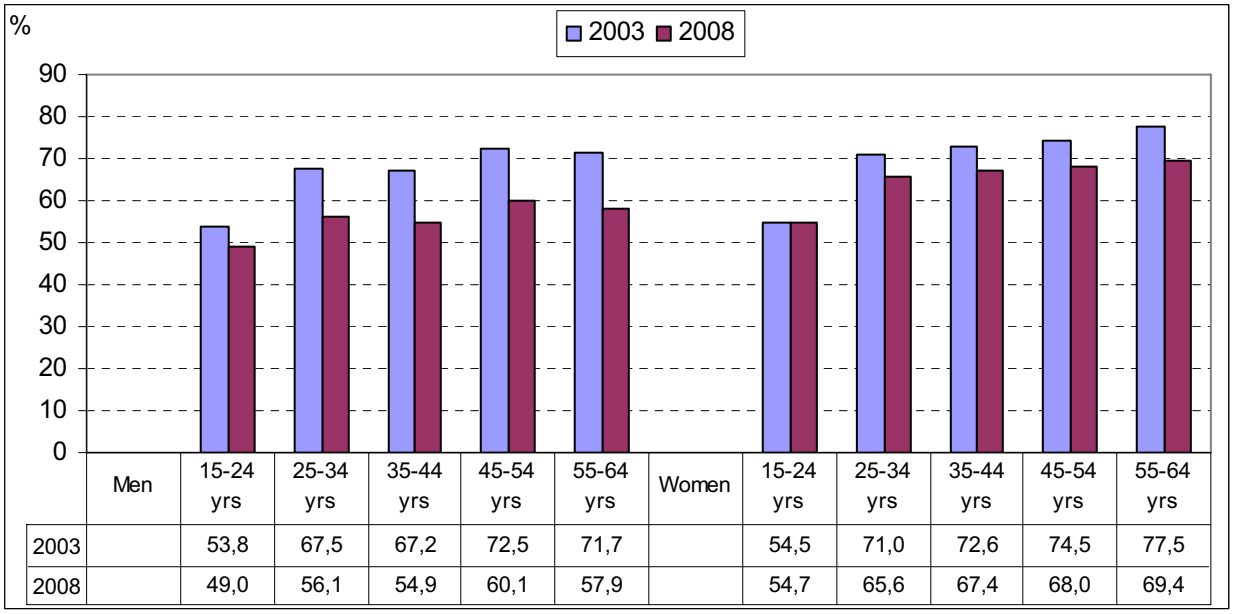

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 63,0 | 62,6 | 59,1 | 54,8 | 49,9 | 53,8 |
| Women | 66,0 | 65,0 | 64,1 | 60,3 | 55,8 | 62,6 |

**Table 6.9: The duration of unemployment by sex, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Annual average change 2003–2008 |
|---|---|---|---|---|---|---|---|
| | Thousand | | | | | | Per cent |
| **Men** | | | | | | | |
| Short-term | 719 | 652 | 701 | 737 | 840 | 882 | 4,2 |
| Long-term | 1 286 | 1 145 | 1 063 | 937 | 869 | 1 031 | -4,3 |
| **Total** | **2 042** | **1 830** | **1 797** | **1 710** | **1 739** | **1 917** | **-1,3** |
| **Women** | | | | | | | |
| Short-term | 758 | 698 | 746 | 837 | 914 | 804 | 1,2 |
| Long-term | 1 554 | 1 374 | 1 411 | 1 334 | 1 189 | 1 351 | -2,8 |
| **Total** | **2 353** | **2 115** | **2 200** | **2 212** | **2 132** | **2 158** | **-1,7** |
| **Both sexes** | | | | | | | |
| Short-term | 1 477 | 1 350 | 1 448 | 1 575 | 1 754 | 1 686 | 2,7 |
| Long-term | 2 839 | 2 519 | 2 473 | 2 271 | 2 016 | 2 383 | -3,4 |
| **Total** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** | **-1,5** |

The reversal of the downturn in long-term unemployment in 2008 is reflected in a rise in the incidence of long-term unemployment among both men and women in 2008 (Figure 6.14).

**Figure 6.14: The incidence of long-term unemployment by age and sex, 2003 and 2008**




| | Men | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs | Women | 15-24 yrs | 25-34 yrs | 35-44 yrs | 45-54 yrs | 55-64 yrs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | | 53,8 | 67,5 | 67,2 | 72,5 | 71,7 | | 54,5 | 71,0 | 72,6 | 74,5 | 77,5 |
| 2008 | | 49,0 | 56,1 | 54,9 | 60,1 | 57,9 | | 54,7 | 65,6 | 67,4 | 68,0 | 69,4 |

As is the case with the situation faced by youth in other countries, many of the youth in the South African labour market may also be continuing with their education to enhance their job-prospects, rather than face unemployment. This is perhaps an important factor associated with the lower incidence of long-term unemployment among younger people than in the older age groups.

## Long-term unemployment by population group

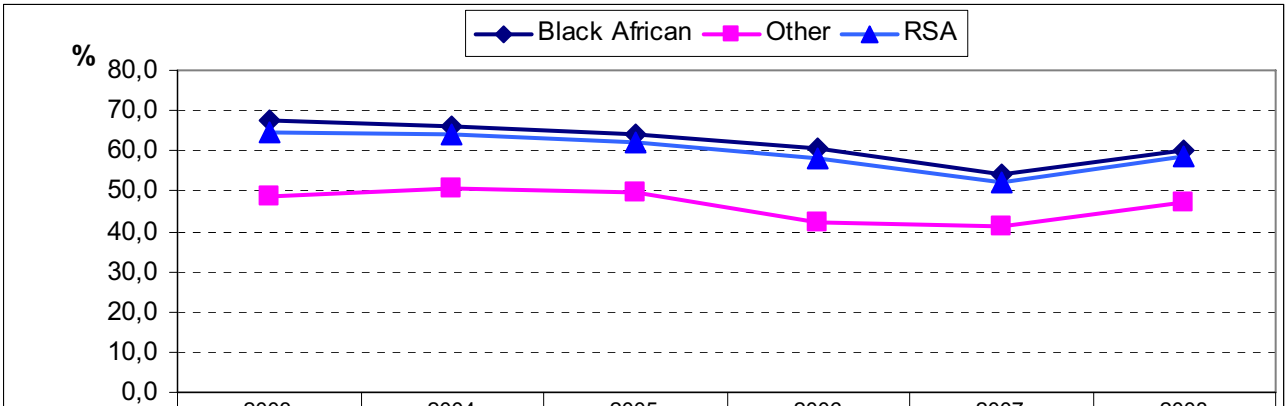
As discussed earlier, black Africans account for 77,4% of persons aged 15–64 years (the working-age population), but over 80% of the unemployed. Table 6.6 and Figure 6.17 show that, in addition to being disproportionately represented among the unemployed by a large margin, the incidence of long-term unemployment among black Africans is higher than that of the other groups. Because Indians/Asians and whites are mostly employed, their small numbers among the unemployed make it difficult to obtain an accurate measure of the incidence of long-term unemployment for these groups. As a result, only black Africans are identified separately.

**Table 6.10: The incidence of long-term unemployment by population group, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **Long-term unemployment** | | | | | | |
| Black African | 2 514 | 2 221 | 2 171 | 2 038 | 1 779 | 2 139 |
| Other | 325 | 298 | 302 | 233 | 237 | 244 |
| **RSA** | **2 839** | **2 519** | **2 473** | **2 271** | **2 016** | **2 383** |
| **Total unemployment** | | | | | | |
| Black African | 3 729 | 3 357 | 3 387 | 3 371 | 3 294 | 3 557 |
| Other | 666 | 588 | 610 | 550 | 577 | 518 |
| **RSA** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| **Incidence of long-term unemployment** | Per cent | | | | | |
| Black African | 67,4 | 66,2 | 64,1 | 60,4 | 54,0 | 60,1 |
| Other | 48,9 | 50,7 | 49,5 | 42,3 | 41,1 | 47,0 |
| **RSA** | **64,6** | **63,9** | **61,9** | **57,9** | **52,1** | **58,5** |

Over the period 2003 to 2007, there has been a steady decline in the number of black Africans in long-term unemployment, as well as in the incidence of long-term unemployment among persons in that population group. However, the deterioration in the labour market in 2008 is reflected in the upturn in the incidence of long-term unemployment among the black African population group as well as the 'other' population groups combined.

**Figure 6.15: The incidence of long-term unemployment by population group, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Black African | 67,4 | 66,2 | 64,1 | 60,4 | 54,0 | 60,1 |
| Other | 48,9 | 50,7 | 49,5 | 42,3 | 41,1 | 47,0 |
| RSA | 64,6 | 63,9 | 61,9 | 57,9 | 52,1 | 58,5 |

## Long-term unemployment by level of educational attainment

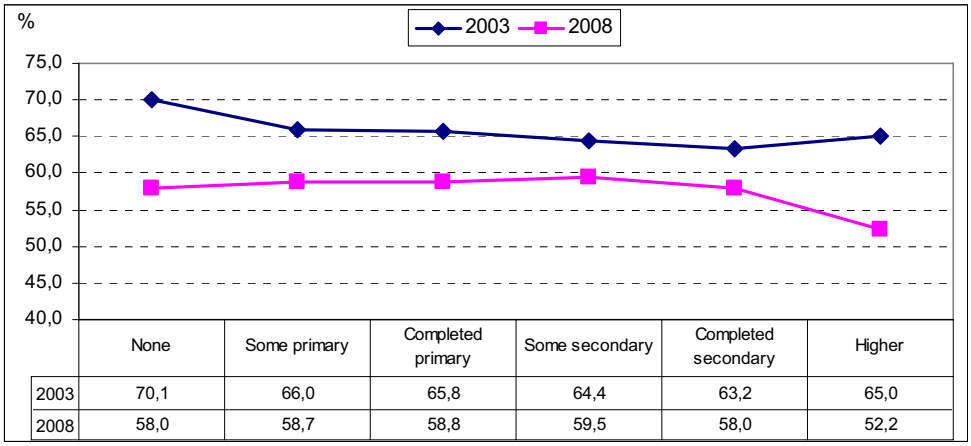
Aggregate data on education outcomes cloud the fact that not all members of society are able to participate equally at all levels of the education system. As discussed in Chapter 2 and Chapter 3, there are often large disparities in the education performance of people in the working-age population based on sex, population group, age, and location.

**Table 6.11: Long-term unemployment by education, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **Men** | | | | | | |
| None | 48 | 30 | 41 | 30 | 27 | 27 |
| Some primary | 202 | 158 | 127 | 118 | 117 | 128 |
| Complete primary | 97 | 82 | 54 | 69 | 62 | 67 |
| Some secondary | 533 | 505 | 596 | 413 | 375 | 481 |
| Complete secondary | 348 | 333 | 206 | 268 | 233 | 285 |
| Higher | 50 | 33 | 34 | 38 | 33 | 34 |
| **Total (incl. 'other' and 'don't know')** | **1 286** | **1 145** | **1 063** | **937** | **849** | **1 031** |
| **Women** | | | | | | |
| None | 54 | 39 | 46 | 52 | 31 | 30 |
| Some primary | 178 | 132 | 129 | 128 | 101 | 106 |
| Complete primary | 118 | 79 | 72 | 76 | 78 | 67 |
| Some secondary | 677 | 624 | 782 | 603 | 555 | 638 |
| Complete secondary | 448 | 445 | 320 | 413 | 343 | 438 |
| Higher | 75 | 53 | 58 | 58 | 56 | 67 |
| **Total (incl. 'other' and 'don't know')** | **1 554** | **1 374** | **1 411** | **1 334** | **1 168** | **1 351** |

Compared with 2003, in 2008, the number of men and women in long-term unemployment declined in each education category (Table 6.11). Extreme caution is required in interpreting the results at both ends of the educational spectrum because of small numbers. However, it would appear that the decline was most pronounced among those with no formal education as well as those with higher education. Figure 6.17 shows that in 2003, 70,1% of unemployed persons with no formal education had been looking for work for one year or longer; by 2008 the percentage had fallen to 58,0%. At the top end of the education ladder, the incidence of long-term unemployment also declined among those with post-secondary qualifications. Despite this improvement, in 2008 more than half (52,2%) of persons with higher educational qualifications had been unemployed for one year or more (Figure 6.17). The lower skills level of a significant fraction of the workforce is reflected in a low employment/population ratio (Table 3.4) and a high incidence of long-term unemployment among less educated individuals.

**Figure 6.17: Incidence of long-term unemployment by education, 2003 and 2008**



## The duration of unemployment by other characteristics of the unemployed

Demand patterns heavily influence structural change and employment dynamics, since labour shedding in one sector can be absorbed in other sectors. The process is of course not instantaneous and frictions in the market (e.g. skill matching, wages, differences in labour and product market regulation) mean that labour requires time to adjust (ILO[21]). Against this background, a useful dimension to the analysis of the unemployed is with reference to the five groups presented in Table 6.8.

**Table 6.12: Duration of unemployment by other characteristics, 2008**

| | Short-term | Long-term | Total | Incidence: long-term |
|---|---|---|---|---|
| | Thousand | | | Per cent |
| Job loser | 832 | 387 | 1 219 | 31,7 |
| Job leaver | 240 | 139 | 378 | 36,8 |
| New entrant | 451 | 1 275 | 1 726 | 73,9 |
| Re-entrant | 128 | 97 | 225 | 43,1 |
| Last worked more than 5 yrs ago | 35 | 492 | 527 | 93,4 |
| **Total** | **1 686** | **2 389** | **4 075** | **58,6** |
| | Percentage share | | | |
| Job loser | 49,3 | 16,2 | 29,9 | - |
| Job leaver | 14,2 | 5,8 | 9,3 | - |
| New entrant | 26,7 | 53,4 | 42,3 | - |
| Re-entrant | 7,6 | 4,1 | 5,5 | - |
| Last worked more than 5 yrs ago | 2,1 | 20,6 | 12,9 | - |
| **Total** | **100,0** | **100,0** | **100,0** | - |

The impact of work history on the likelihood of falling into long-term unemployment is substantial. If a person last worked more than five years ago, such person is almost certain (93,4%) to end up in long-term unemployment. Those with no work history (new entrants) also face a high probability of long-term unemployment (73,9%). Those who have worked before but spent some time being not economically active before starting to look for work have a much lower probability of being unemployed for a long time (43,1%). It is likely that because they have recent work experience, those least likely to be unemployed for a long time are the job losers and job leavers. Between those two groups, it is of interest to note that those who leave their jobs are slightly more likely to face long-term unemployment than those who lost their last job.

The reluctance of employers to bear the additional costs of on-the-job training of inexperienced workers is well documented. Such is the case in South Africa as well, where many young people (in particular black Africans) who join the labour force, are confronted with a lack of demand for their newly gained professional education.

This, coupled with the legacy of 'Bantu education', tends to have two outcomes. On the one hand, skill mismatches arise, and on the other, employers complain about the lack of sufficiently qualified recruits for available vacancies.

In addition to demographic variables such as age, race and sex, research has shown that asymmetries in the occupational structure are also associated with the duration of job searching among unemployed persons, because some occupations are in greater demand than others. Individuals who are in occupations that are in low demand have a difficult time finding a job. Evidence of this is also present in the South African labour market, where in 2008, two in every five job leavers and a similar percentage of job losers in long-term unemployment had previously worked in elementary occupations. Against this background, technological progress, and the fact that the manufacturing and modern services sectors are so broad, means there is an increasing demand for human resources with higher educational levels and/or technical training (Gallart, 2008[22]).

[21] World Employment Report. ILO, 2007.

[22] Gallart Maria Antonia, 2008. ILO/Cinterfor, Skills, Productivity and Employment Growth: The case of Latin America

## Long-term unemployment by province

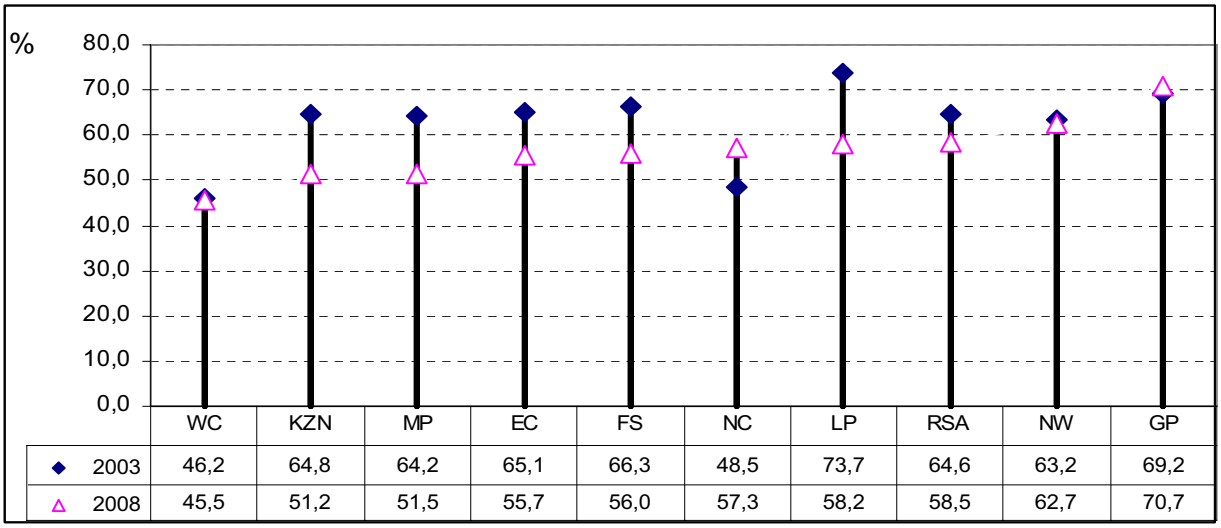
Historically, the incidence of long-term unemployment has generally been higher in Gauteng and Limpopo than in the other provinces, while it has been lowest in Western Cape.

**Table 6.13: The incidence of long-term unemployment by province, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Per cent | | | | | |
| Western Cape | 46,2 | 49,3 | 46,4 | 40,6 | 30,3 | 45,5 |
| Eastern Cape | 65,1 | 56,8 | 60,4 | 59,3 | 58,0 | 55,7 |
| Northern Cape | 48,5 | 51,1 | 49,8 | 42,1 | 49,6 | 57,3 |
| Free State | 66,3 | 63,9 | 63,5 | 56,9 | 56,7 | 56,0 |
| KwaZulu-Natal | 64,8 | 67,0 | 58,8 | 54,6 | 44,6 | 51,2 |
| North West | 63,2 | 68,4 | 67,0 | 62,9 | 56,4 | 62,7 |
| Gauteng | 69,2 | 69,6 | 69,8 | 65,2 | 60,2 | 70,7 |
| Mpumalanga | 64,2 | 52,4 | 51,6 | 56,0 | 48,0 | 51,5 |
| Limpopo | 73,7 | 72,1 | 70,9 | 60,8 | 59,5 | 58,2 |
| **RSA** | **64,6** | **63,9** | **61,9** | **57,9** | **52,1** | **58,5** |

The weakening of the labour market in 2007 was reflected in an increase in the incidence of long-term unemployment in most provinces across the country. The largest increases occurred in the provinces with the lowest unemployment rates in 2008. Gauteng, Western Cape and KwaZulu-Natal experienced increases of between 6 and 16 percentage points in the incidence of long-term unemployment between 2007 and 2008. Over the same period, the incidence of long-term unemployment remained virtually unchanged in Eastern Cape and Free State, while in Limpopo it declined from 59,5% in 2007 to 58,2% in 2008. In Western Cape and KwaZulu-Natal the increase in the incidence of long-term unemployment occurred despite a decline in the unemployment rate, suggesting particularly serious employment constraints in those labour markets. However, research in Canada and the US has shown that with every increase in the number of weeks of unemployment, the probability of remaining unemployed for an additional week increases. If it is the short-term unemployed who do indeed get jobs at the expense of the long-term unemployed, those in long-term unemployment will increase as a percentage of total unemployment.

**Figure 6.18: Incidence of long-term unemployment by province, 2003 and 2008**



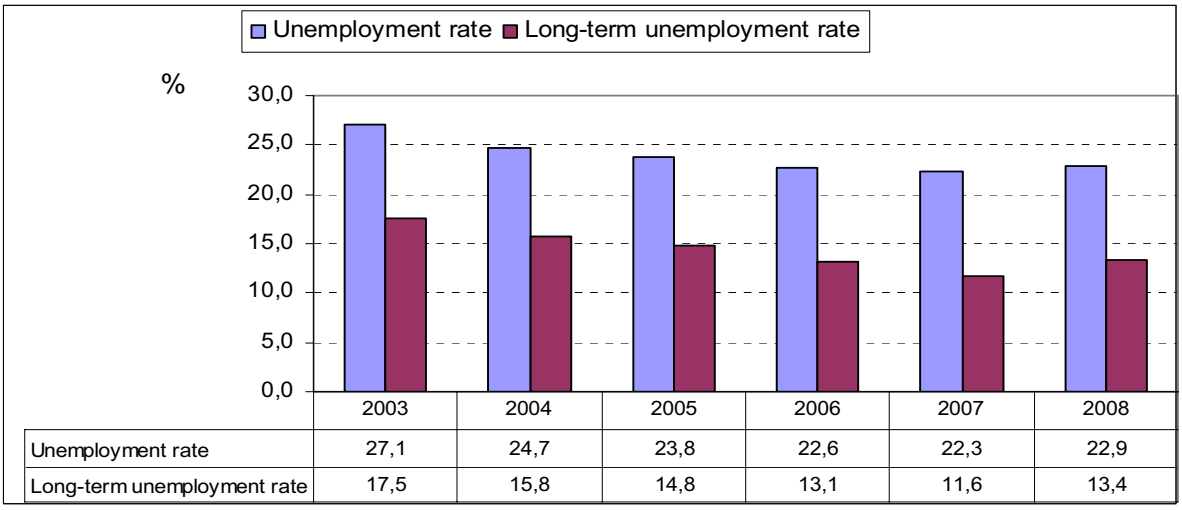
Over a longer timeframe (2003 to 2008), the percentage of unemployed persons in long-term unemployment was virtually unchanged in Western Cape and Gauteng, but declined in every other province except Northern Cape (Figure 6.18). An examination of the shifts into and out of the labour force indicates that the provinces in which the incidence of long-term unemployment declined the most over the period 2003 to 2008, were those in which there was evidence of people giving up hope altogether of finding work and joining the ranks of the not economically active.

## Long-term unemployment rate

The long-term unemployment rate is an important labour market variable because it provides an additional indication of how severe the unemployment problem is for various groups in the labour market. Figure 6.19 shows the relationship between the overall unemployment rate (discussed in greater detail in Chapter 3) and the long-term unemployment rate. Over the period 2003 to 2008, the latter has fluctuated between 11% and 18% while the unemployment rate has been within the 22% to 28% range.

One clear indication of the deteriorating labour market situation in 2008 was that the overall unemployment rate was virtually unchanged compared with a year earlier, but the long-term unemployment rate increased from 11,6% in 2007 to 13,4% in 2008 (Figure 6.19).

**Figure 6.19: Trend in the long-term unemployment rate, 2003–2008**



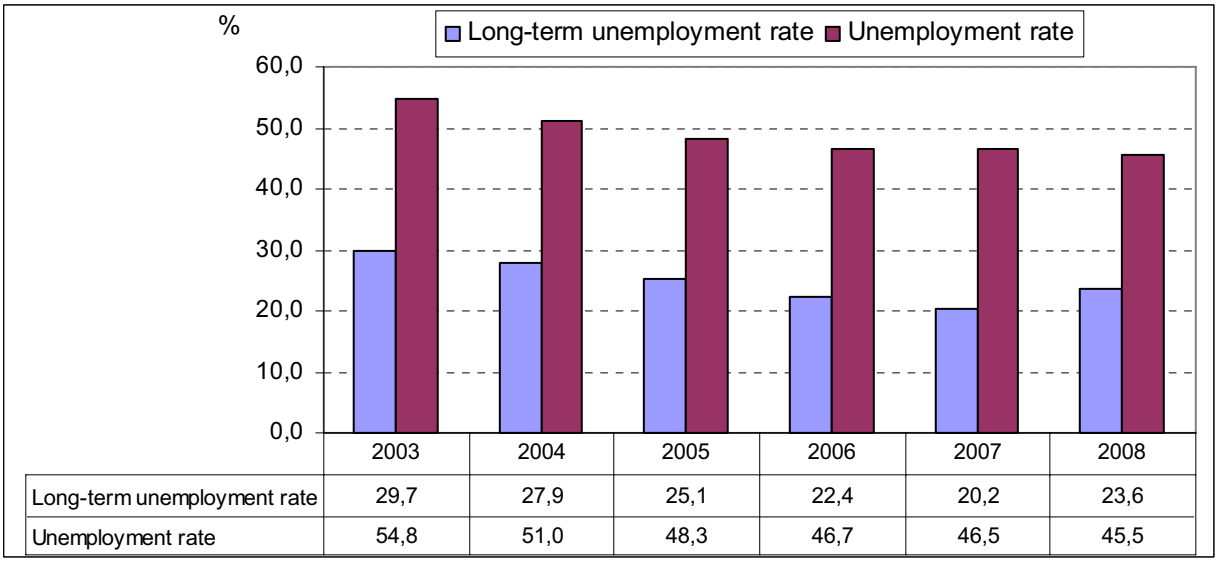

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Unemployment rate | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |
| Long-term unemployment rate | 17,5 | 15,8 | 14,8 | 13,1 | 11,6 | 13,4 |

**Figure 6.20: The long-term unemployment rate by sex, 2008**


| | Men | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Women | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Unemployment rate | | 23,7 | 21,2 | 20,0 | 18,6 | 18,8 | 20,0 | | 31,1 | 28,7 | 28,2 | 27,1 | 26,4 | 26,3 |
| Long-term unemployment rate | | 14,9 | 13,3 | 11,9 | 10,2 | 9,2 | 10,8 | | 20,5 | 18,6 | 18,1 | 16,4 | 14,5 | 16,5 |

Over the period 2003 to 2008, the unemployment rate among women was higher than that of men, and so too was the long-term unemployment rate. In 2008, the long-term unemployment rate among women was 16,5% compared with 10,8% among men (Figure 6.20). Another important occurrence is that among women, the unemployment rate remained virtually unchanged in 2008 compared with a year earlier, but the long-term unemployment rate increased from 14,5% in 2007 to 16,5% in 2008.

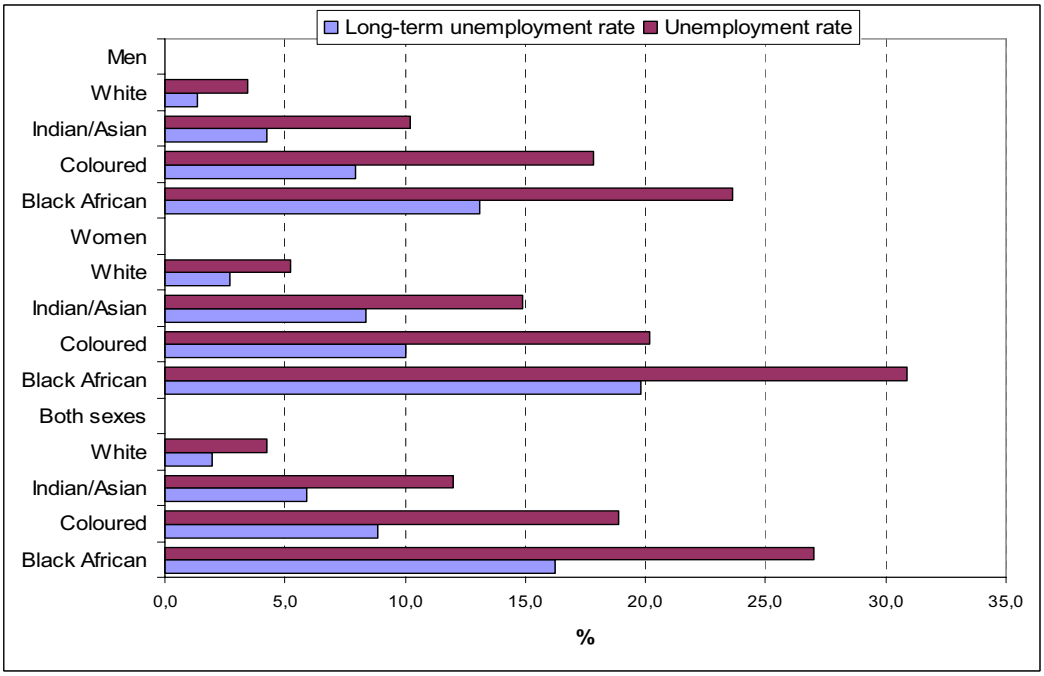
**Figure 6.21: The long-term unemployment rate among persons aged 15–24 years, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Long-term unemployment rate | 29,7 | 27,9 | 25,1 | 22,4 | 20,2 | 23,6 |
| Unemployment rate | 54,8 | 51,0 | 48,3 | 46,7 | 46,5 | 45,5 |

The long-term unemployment rate among persons aged 15–24 years has been over 20% every year since 2003. In 2008 as many as 23,6% of the labour force aged 15–24 years had been looking for a job for one year or more (Figure 6.21). Although the overall unemployment rate among that age group declined each year over the period 2003 to 2008, the weakening of the labour market is reflected in the increase in the long-term unemployment rate from 20,2% in 2007 to 23,6% in 2008.

**Figure 6.22: The long-term unemployment rate by population group, 2008**



Reflecting the pattern of unemployment rates by population group, the long-term unemployment rate was highest among black African women and lowest among white males in 2008 (Figure 6.22).

## Summary and conclusion

This chapter analysed various aspects of the unemployed in terms of their socio-demographic characteristics such as age and sex and variations in their job-search behaviour, followed by an analysis of unemployment duration and in that context a discussion of the long-term unemployment rate.

Job-search patterns among the unemployed were concentrated in a narrow range of activities. In 2008, more than one half of all unemployed persons enquired at workplaces/factories, etc., in search of work.

It is widely recognised that employers are often hesitant to employ people who have been out of work for a long time or who have never had a job since they left school. This reflects endemic social barriers to hiring people based on factors such as age, sex and population group. The historical backdrop against which the South African labour market has developed is a major underlying factor. The bulk of unemployed individuals are black African, many of whom are likely to be at a disadvantage in finding work due to lower levels of education, obsolete skills, their lower expectancy of finding work, or – in the case of older people – because their job-search or interview styles did not match those of younger individuals.

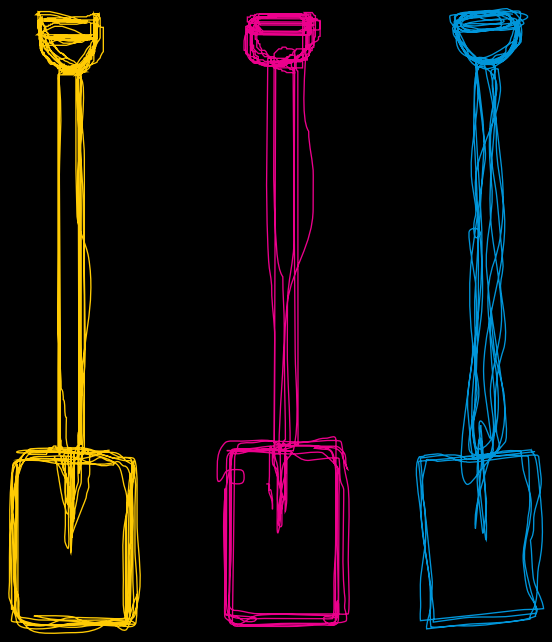
Over the period 2003–2008 there was a reduction in long-term unemployment that was largely attributable to the expansion in employment opportunities over the period (especially among men). However, this good overall performance masks weaknesses in the labour market that became evident in 2008 when the number of persons in long-term unemployment increased after four successive years of decline. As a result, in 2008 the incidence of long-term unemployment increased among both men and women to such an extent that over 50% of unemployed men and over 60% of unemployed women were actively looking for a job for one year or longer.

In addition to demographic variables such as age, race and sex, research has shown that asymmetries in the occupational structure are also associated with the duration of job searching among unemployed persons, because there is greater demand for some occupations than for others. Individuals who are in occupations that are in low demand have a difficult time finding a job. For example, in 2008, two in every five job leavers and a similar percentage of job losers in long-term unemployment had previously worked in elementary occupations. Technological progress and the fact that the manufacturing and modern services sectors are so broad, also means there is an increasing demand for human resources with higher educational levels and/or technical training.

The lower skills level of a significant fraction of the workforce is reflected in a low employment/population ratio and a high incidence of long-term unemployment among the less educated workers. As a result, the additional jobs required to ensure a continued reduction in long-term unemployment (without a shift into inactivity) will be a major challenge in the years ahead – particularly among those that have been looking for a job for three years or more without success.

The long-term unemployment rate is an important labour market variable because it provides an additional indication of how severe the unemployment problem is for various groups in the labour market. One clear indication of the deteriorating labour market situation in 2008 was that the overall unemployment rate was virtually unchanged compared with a year earlier, but the long-term unemployment rate increased from 11,6% in 2007 to 13,4% in 2008.

# Chapter 7
# A profile of the not economically active population



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# Chapter 7: A profile of the not economically active

### Key labour market concepts

**Not economically active persons** are those who did not work in the reference week because they either did not look for work or start a business in the four weeks preceding the survey or were not available to start work or a business in the reference week. Not economically active constitutes two groups: discouraged work-seekers and other (not economically active).

**Discouraged work-seekers** are persons who wanted to work but did not try to find work or start a business because they believed that there were no jobs available in the area, or were unable to find jobs requiring their skills, or they had lost hope finding any kind of work.

**Other (not economically active)** are those who did not work and did not try to find work or start a business and were not available for work in the four weeks preceding the survey.

Discouraged workers and other (not economically active) are counted as out of the labour force under international guidelines since they were not looking for work and were not available for work.

## Background

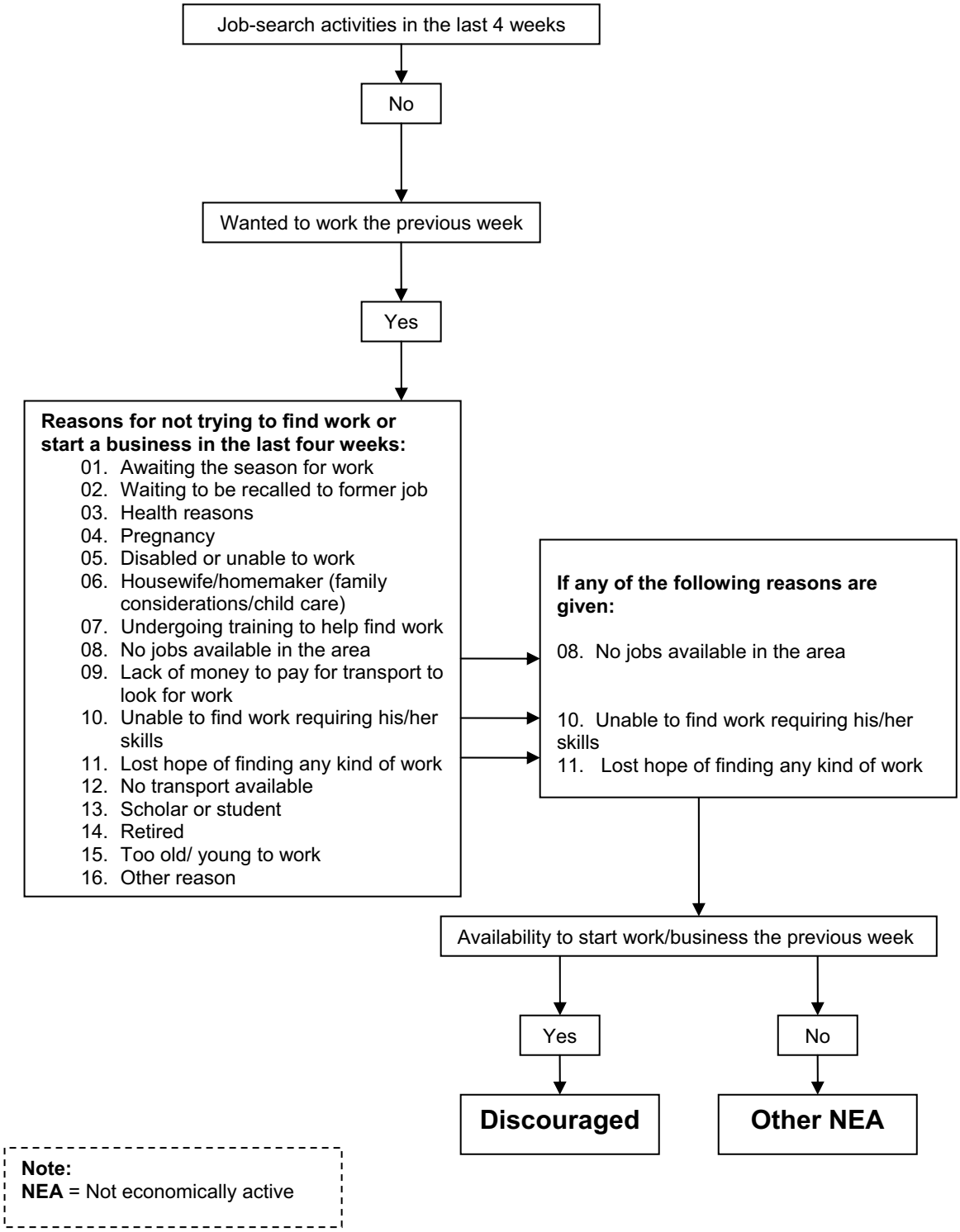
The not economically active are those persons who, during the reference week, were neither employed nor unemployed. More specifically, they are those who did not have a job in the reference week, did not look for work or try to start a business in the four weeks ending with the reference week, or were not available to start work or a business in the reference week. The economically inactive is divided into 'discouraged work-seekers' and 'other not economically active'. Discouraged work-seekers want work but are not looking for work because they believe: that there are no available jobs in the area, were unable to find work requiring their skills, or have lost hope in finding any job. As is the case in most other countries, this group is not included in the official unemployment rate, since the definitions of employment and unemployment are based on the standards of the International Labour Organization (ILO)[23].

The South African government has set targets to reduce unemployment by half in 2014, and the unemployment rate has been used as the measure of unemployment. There will be a positive impact on the unemployment rate if government is successful in creating substantial and sustained employment growth. However, the impact of such growth on the unemployment rate depends entirely on the response of the not economically active (NEA) population. This is especially true of the discouraged work-seekers, as they are near-term potential workers. If large portions of the NEA respond to improved job opportunities created by employment growth and start looking for work, then for every person who leaves unemployment by getting a job, someone else in the NEA population may be counted as unemployed because he\she has started to look for work. Because some of today's NEA population will be tomorrow's labour force participants (as employed or unemployed), it is important to be aware of the past and current characteristics of this population.

On the other hand, the 'other not economically active' group comprises students, home-makers, and persons who are too young or old to work, ill or disabled persons, etc. This group does not have much influence on the labour market as they are not available to work, but it still is an important aspect to consider as it gives predictive insight of the future. Students in particular, form a group that has the ability to change the labour market in the future.

[23] ILO, 13th Conference of Labour Statisticians, Geneva, 1982

In the South African Quarterly Labour Force Survey (QLFS), the not economically active population is described by the following flow chart (Stats SA QLFS Guide[24]). The guide starts by identifying the job-search activities that household members had undertaken to find jobs.




[24] Guide to the Quarterly Labour Force Survey, P02-11-01, August 2008

## Introduction

Given the role played by the not economically active population in the South African labour market, and in particular discouraged work-seekers, this chapter first analyses the NEA in general by socio-economic variables such as gender and age. Inactivity rates are analysed for all age groups by province, and then prime-age (25–54 years) inactivity is examined. Analysis is also done on the reasons for inactivity. A special focus will then be given to discouraged work-seekers. Lastly, a comparison between discouraged work-seekers and other not economically active persons is conducted.

## The not economically active population

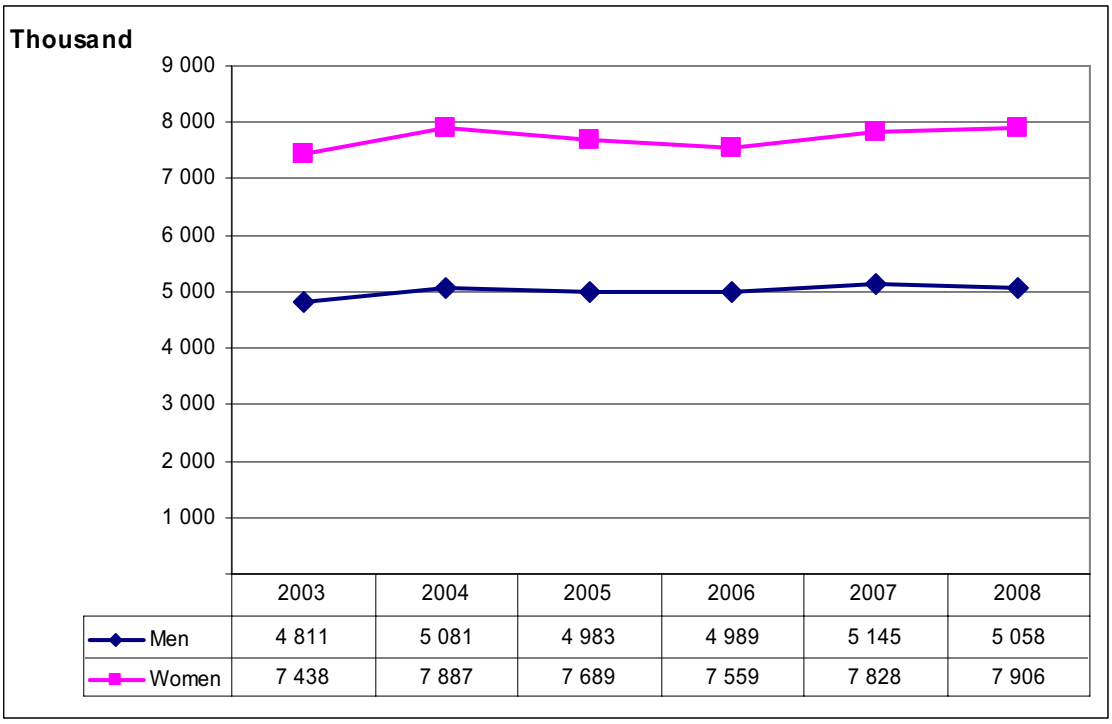
This section looks at the evolution of the not economically active group and seeks to analyse the trends over the period 2003–2008.

## Not economically active by sex, 2003–2008

**Table 7.1: Not economically active by sex, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| Men | 4 811 | 5 081 | 4 983 | 4 989 | 5 145 | 5 058 |
| Women | 7 438 | 7 887 | 7 689 | 7 559 | 7 828 | 7 906 |
| **Total** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| | Percentage share | | | | | |
| Men | 39,3 | 39,2 | 39,3 | 39,8 | 39,7 | 39,0 |
| Women | 60,7 | 60,8 | 60,7 | 60,2 | 60,3 | 61,0 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

**Figure 7.1: Distribution of the NEA by sex, 2003–2008**




The labour force plus the not economically active comprise the working-age population. For any given population, the more people there are in the labour force, the fewer not economically active there will be.

Earlier chapters showed that more men than women are in the labour force and so, as the above chart shows (Figure 7.2), there are more women than men who are not economically active.

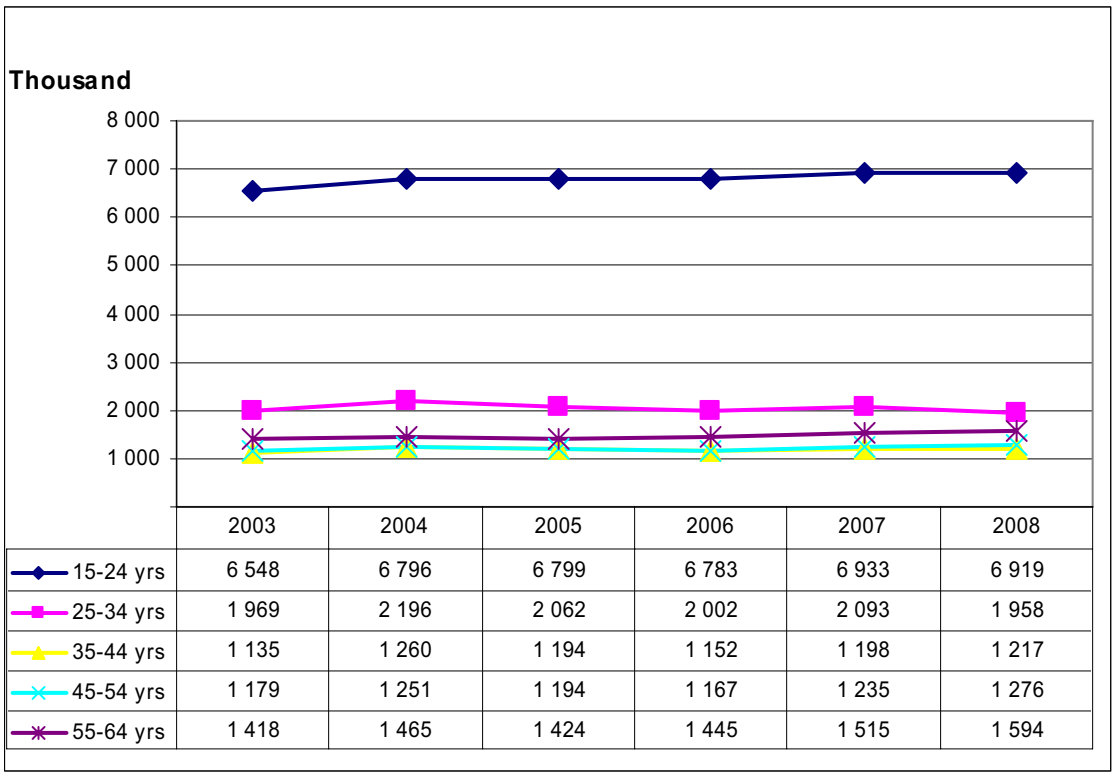
The number of economically inactive persons increased at a barely perceptible upward trend since 2003 in spite of growth of the working-age population in that period. This is due to increasing proportions of both men and women in the labour force (participation rate).

## Age profile of the not economically active, 2003–2008

**Table 7.2: Not economically active by age, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **15–24 yrs** | 6 548 | 6 796 | 6 799 | 6 783 | 6 933 | 6 919 |
| **25–34 yrs** | 1 969 | 2 196 | 2 062 | 2 002 | 2 093 | 1 958 |
| **35–44 yrs** | 1 135 | 1 260 | 1 194 | 1 152 | 1 198 | 1 217 |
| **45–54 yrs** | 1 179 | 1 251 | 1 194 | 1 167 | 1 235 | 1 276 |
| **55–64 yrs** | 1 418 | 1 465 | 1 424 | 1 445 | 1 515 | 1 594 |
| **Total** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| | Percentage share | | | | | |
| **15–24 yrs** | 53,5 | 52,4 | 53,7 | 54,1 | 53,4 | 53,4 |
| **25–34 yrs** | 16,1 | 16,9 | 16,3 | 16,0 | 16,1 | 15,1 |
| **35–44 yrs** | 9,3 | 9,7 | 9,4 | 9,2 | 9,2 | 9,4 |
| **45–54 yrs** | 9,6 | 9,6 | 9,4 | 9,3 | 9,5 | 9,8 |
| **55–64 yrs** | 11,6 | 11,3 | 11,2 | 11,5 | 11,7 | 12,3 |
| **Total** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

**Figure 7.2: Distribution of the NEA by age, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| 15-24 yrs | 6 548 | 6 796 | 6 799 | 6 783 | 6 933 | 6 919 |
| 25-34 yrs | 1 969 | 2 196 | 2 062 | 2 002 | 2 093 | 1 958 |
| 35-44 yrs | 1 135 | 1 260 | 1 194 | 1 152 | 1 198 | 1 217 |
| 45-54 yrs | 1 179 | 1 251 | 1 194 | 1 167 | 1 235 | 1 276 |
| 55-64 yrs | 1 418 | 1 465 | 1 424 | 1 445 | 1 515 | 1 594 |

Table 7.2 and Figure 7.2 show that inactivity was high among persons aged between 15 and 24 years. The number of inactive persons aged 15–24 went up from 6,5 million in 2003 to 6,9 million in 2008. There was a decline in the same age group between 2007 and 2008. It is clear from the table that the youth (15–34 years, in South African context) in general were the most affected, followed by persons aged 55–64 years.

On the other hand, inactivity among persons aged 35–44 years and 45–54 years was more or less the same, and remained stable at approximately 1,2 million over the period 2003 to 2008. The number of inactive persons was the same for these two age groups in 2005.

## Inactivity rates

In this section the inactivity rates are discussed. It is useful to note the relationship between the inactivity rates and labour force participation rates. Both the participation rate and the inactivity rate have the same denominator, that is, the working-age population or some specific subgroup of the population. The labour force plus the not economically active add up to the working-age population. As a result, the labour force participation rate and the inactivity rate always add up to 100%. This in turn means that when the participation rate goes up, the inactivity rate goes down by exactly the same amount.

Inactivity for all working-age groups (15–64 years) will be examined, followed by an analysis of prime-age (25–54 years) inactivity. This prime-age group is seen as an important group, as persons in that group are expected to be working; therefore a deeper analysis of the level of inactivity within this group is important.

## Inactivity rates for all age groups, 2003–2008

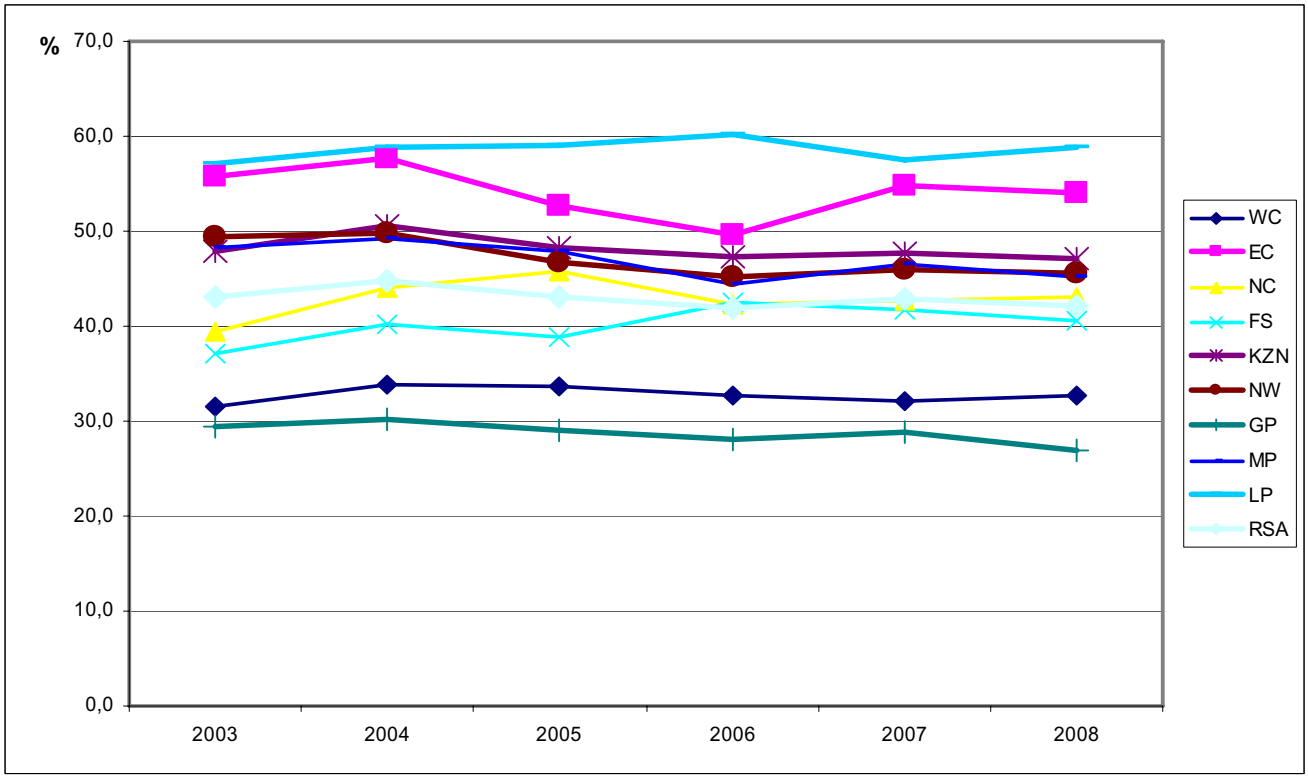
### Inactivity rates for all age groups by province, 2003–2008

**Table 7.3: Proportion of the not economically active (all age groups) by province, 2003–2008**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Inactivity rates | | | | | |
| WC | 31,5 | 33,8 | 33,6 | 32,7 | 32,2 | 32,7 |
| EC | 55,7 | 57,8 | 52,6 | 49,6 | 54,8 | 54,0 |
| NC | 39,5 | 44,0 | 45,8 | 42,2 | 42,6 | 43,0 |
| FS | 37,1 | 40,2 | 38,9 | 42,4 | 41,7 | 40,7 |
| KZN | 48,0 | 50,5 | 48,3 | 47,3 | 47,6 | 47,1 |
| NW | 49,4 | 49,7 | 46,6 | 45,2 | 46,0 | 45,6 |
| GP | 29,5 | 30,2 | 29,1 | 28,0 | 28,9 | 26,9 |
| MP | 48,3 | 49,2 | 47,9 | 44,4 | 46,5 | 45,2 |
| LP | 57,1 | 58,8 | 59,0 | 60,2 | 57,6 | 58,8 |
| **RSA** | **43,0** | **44,8** | **43,0** | **42,0** | **42,8** | **42,2** |

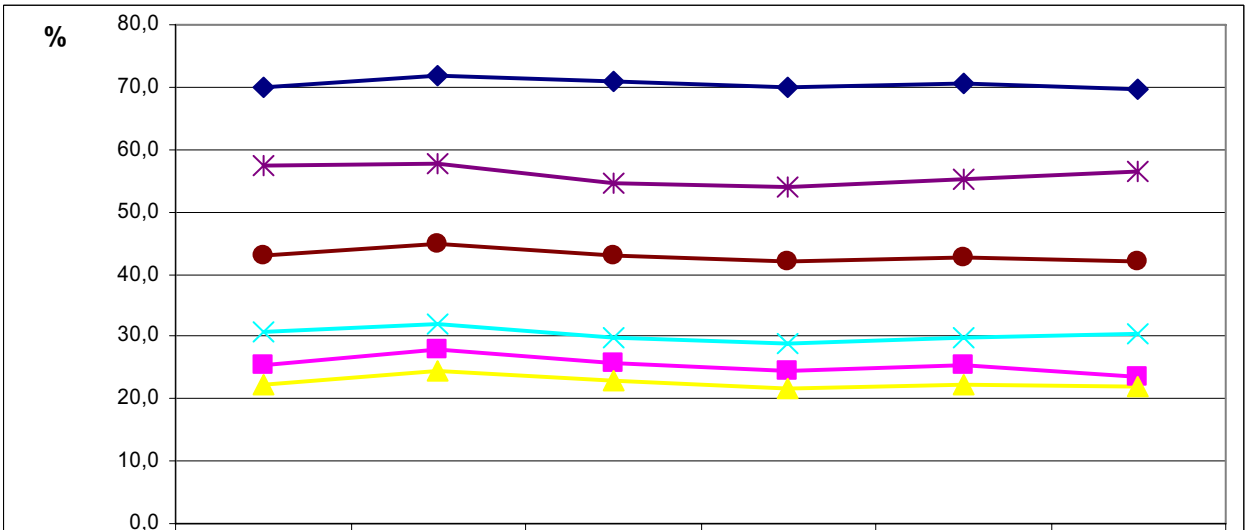
Limpopo and Eastern Cape had the most inactive population among the provinces, while Western Cape and Gauteng had the smallest number of inactive populations (below national level) who were not seeking jobs. The inactivity rate in Eastern Cape went down in 2006, while the reverse was found in Limpopo where the rate increased to 60,2% – the highest ever throughout the series and in all provinces (Figure 7.3).

**Figure 7.3: Inactivity rates by province, 2003–2008**




## Inactivity rates for all age groups by age, 2003–2008

**Figure 7.4: Inactivity rates by age, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| 15-24 yrs | 70,0 | 71,7 | 70,9 | 70,0 | 70,7 | 69,6 |
| 25-34 yrs | 25,5 | 27,8 | 25,6 | 24,5 | 25,4 | 23,6 |
| 35-44 yrs | 22,3 | 24,5 | 23,0 | 21,8 | 22,2 | 22,0 |
| 45-54 yrs | 30,9 | 32,0 | 29,9 | 28,7 | 29,9 | 30,5 |
| 55-64 yrs | 57,4 | 57,7 | 54,6 | 54,0 | 55,2 | 56,6 |
| Total | 43,0 | 44,8 | 43,0 | 42,0 | 42,8 | 42,2 |

In Figure 7.4, inactivity rates for all age groups are illustrated. This figure shows that the youngest age group (15–24 years) constituted a higher proportion of unemployed persons not seeking work, followed by those aged between 54 and 64 years. The high inactivity rate for 15–24-year-olds reflects in part the fact that many people in this age group are in school, and so have not yet started looking for work. As for 55–64-year-olds, many will already have entered retirement either voluntarily or involuntarily (e.g. due to illness or disability).

## Prime-age (25–54 years) inactivity rates, 2003–2008

### Prime-age inactivity rates by province, 2003–2008.

**Figure 7.5: Proportion of the not economically active by province, 2003–2008**

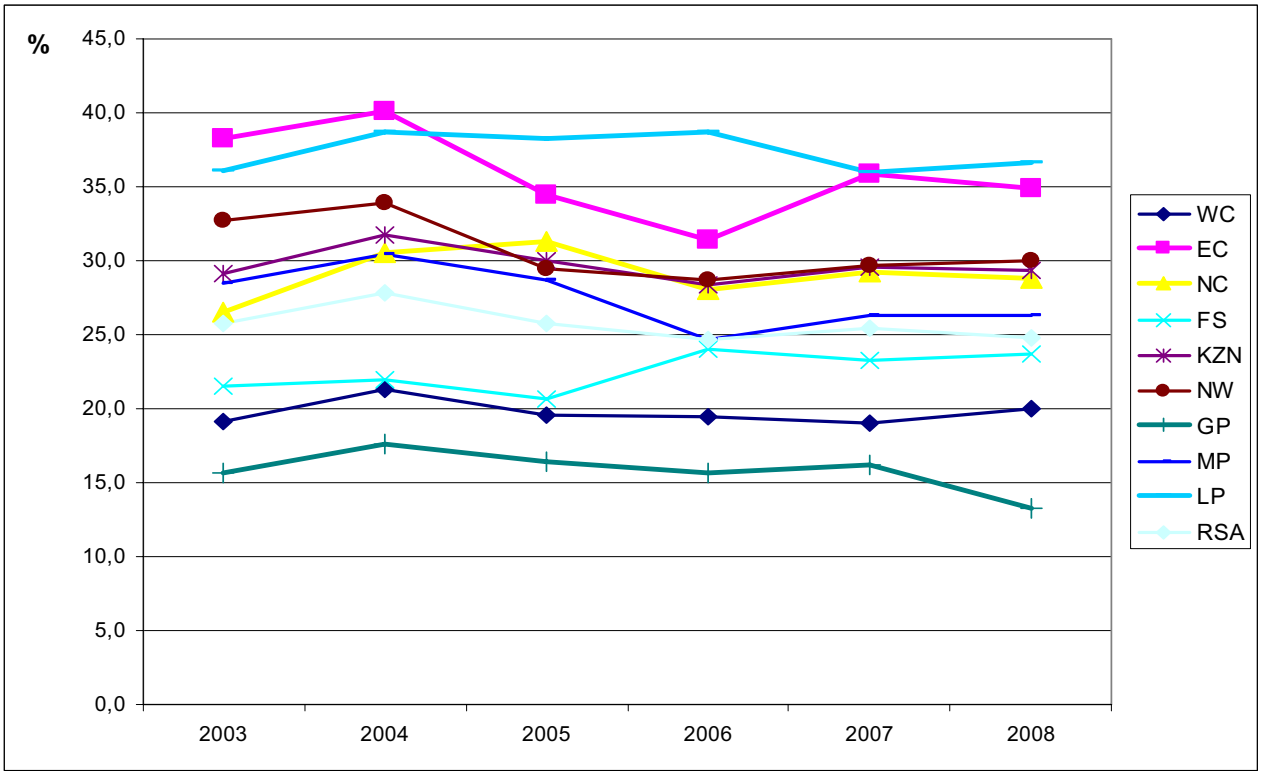
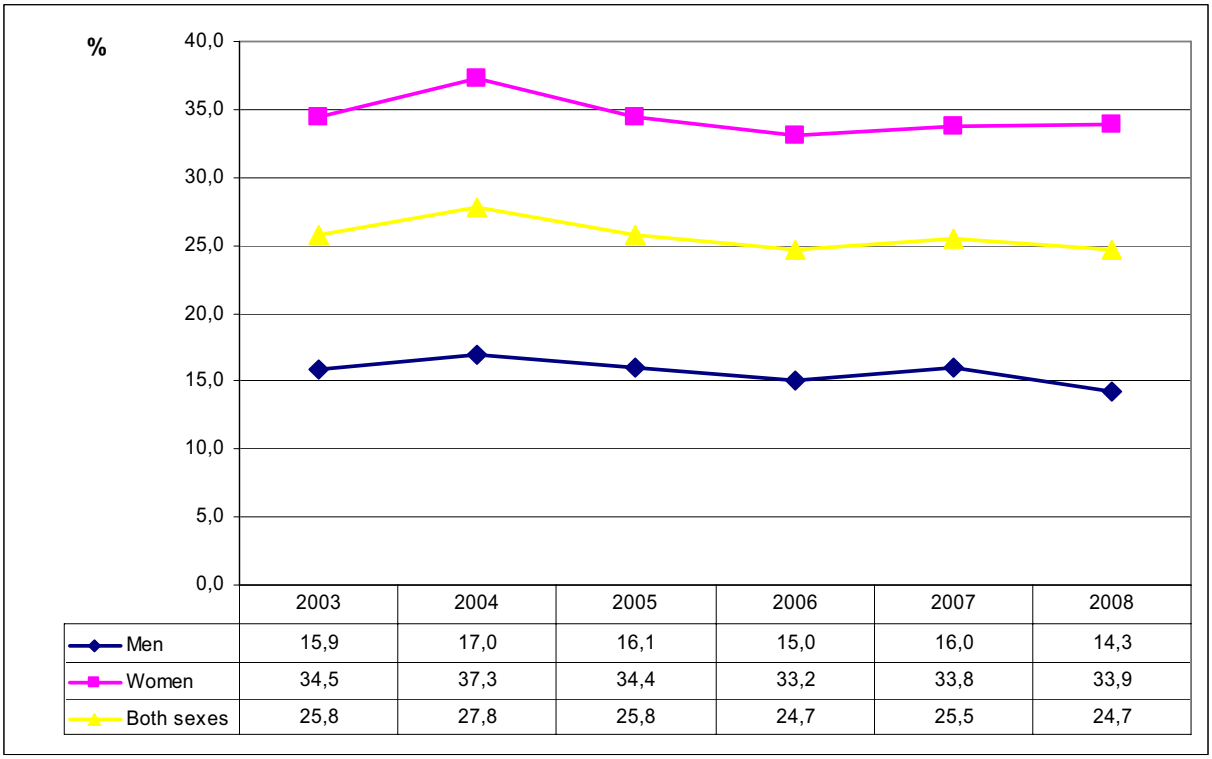



Figure 7.5 shows that Gauteng and Western Cape experienced lower than national inactivity rates for the prime-age group. Moreover, Free State was also below national level for prime-age and all other age groups except in 2006, where for all age groups; the rate was above the national inactivity rate. However, Eastern Cape had a higher inactivity rate at the beginning of the series compared to Limpopo, which started to show higher levels from 2004. These two provinces had the largest proportion of persons out of the labour force and also had the same rate of inactivity in 2007 (35,9%).

## Prime-age inactivity rates by sex, 2003–2008

**Figure 7.6: Proportion of the not economically active by sex, 2003–2008**

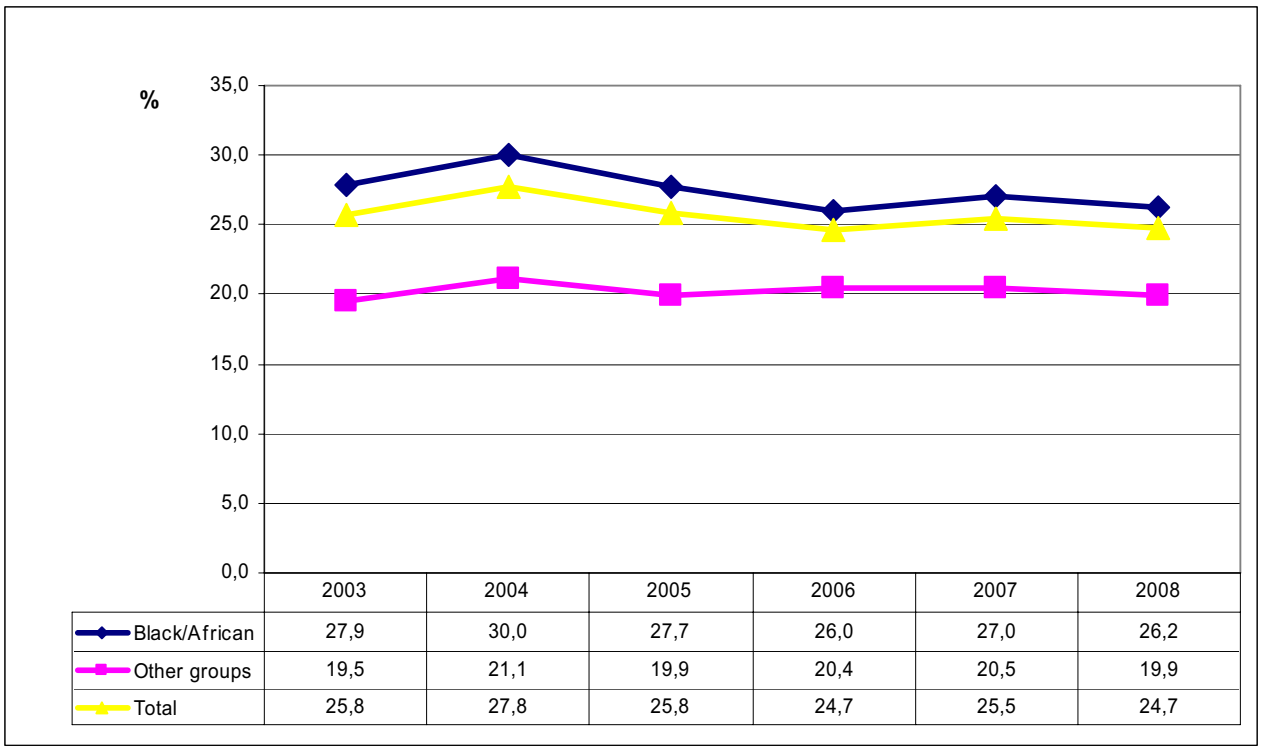



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Men | 15,9 | 17,0 | 16,1 | 15,0 | 16,0 | 14,3 |
| Women | 34,5 | 37,3 | 34,4 | 33,2 | 33,8 | 33,9 |
| Both sexes | 25,8 | 27,8 | 25,8 | 24,7 | 25,5 | 24,7 |

The same pattern is observed for both sexes – inactivity rates for both sexes were positively correlated. Women who were not economically active accounted for about twice as much as the men who were not economically active over the period 2003–2008. Inactivity reached its peak in 2004 where the figures for men were 17,0% and for women 37,3%. The rate for men showed a downturn in 2008 whilst those for women remained stable (Figure 7.6).

## Prime-age inactivity rates by population group, 2003–2008

### Figure 7.7: Proportion of the not economically active by population group, 2003–2008

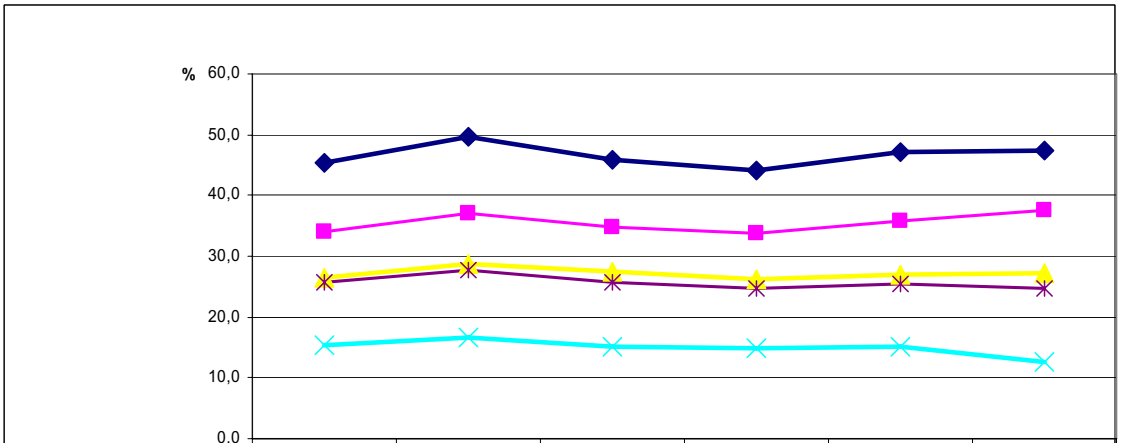



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Black/African | 27,9 | 30,0 | 27,7 | 26,0 | 27,0 | 26,2 |
| Other groups | 19,5 | 21,1 | 19,9 | 20,4 | 20,5 | 19,9 |
| Total | 25,8 | 27,8 | 25,8 | 24,7 | 25,5 | 24,7 |

Figure 7.7 shows that irrespective of population group, inactivity was high in 2004. Other groups had a smaller percentage of inactive persons, and this remained stable throughout the time series. However, the black African population group had a higher rate of inactivity of over 25,0%. Black African and other population groups displayed similar trends throughout the period 2003–2008.

## Prime-age inactivity rates by education, 2003–2008.

### Figure 7.8: Proportion of the not economically active by education, 2003–2008

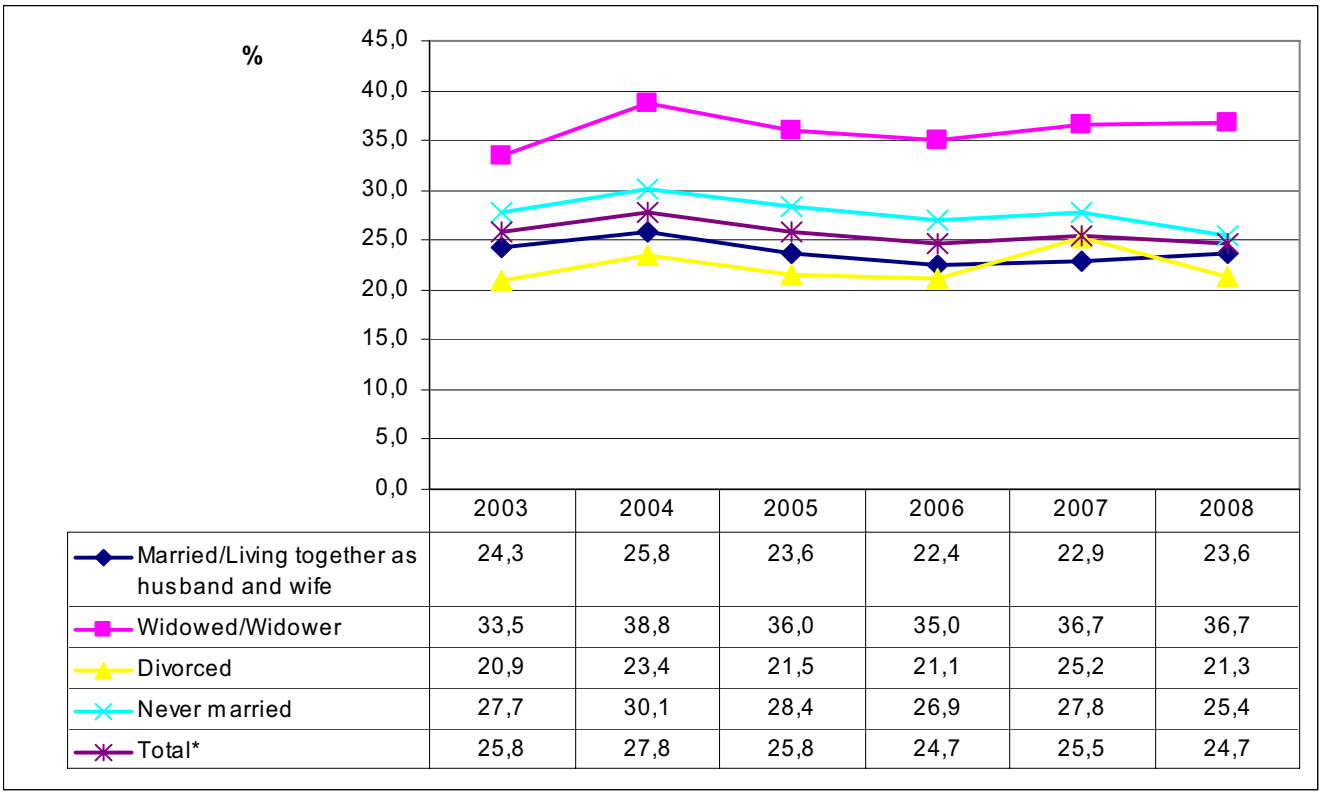



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| No schooling | 45,4 | 49,7 | 46,0 | 44,2 | 47,1 | 47,4 |
| Primary and less | 34,0 | 37,1 | 34,8 | 33,7 | 35,9 | 37,7 |
| Secondary not completed | 26,6 | 28,7 | 27,4 | 26,2 | 26,9 | 27,1 |
| Matric + | 15,3 | 16,6 | 15,2 | 14,8 | 15,2 | 12,7 |
| Total | 25,8 | 27,8 | 25,8 | 24,7 | 25,5 | 24,7 |

Persons with higher qualifications recorded the lowest inactivity rates. This reflects the fact that education is positively correlated with labour force participation rates (see Chapter 3), and so is inversely correlated with inactivity. It was evident that persons without schooling constituted the highest rates of inactivity, which reflects in part that those with no schooling tend to be older and have lower participation rates. Different educational categories displayed similar trends over the period 2003–2008, with only those who had matric or higher falling below the average inactivity rate.

### Prime-age inactivity rates by marital status, 2003–2008

**Figure 7.9: Proportion of the not economically active by marital status, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Married/Living together as husband and wife | 24,3 | 25,8 | 23,6 | 22,4 | 22,9 | 23,6 |
| Widowed/Widower | 33,5 | 38,8 | 36,0 | 35,0 | 36,7 | 36,7 |
| Divorced | 20,9 | 23,4 | 21,5 | 21,1 | 25,2 | 21,3 |
| Never married | 27,7 | 30,1 | 28,4 | 26,9 | 27,8 | 25,4 |
| Total* | 25,8 | 27,8 | 25,8 | 24,7 | 25,5 | 24,7 |

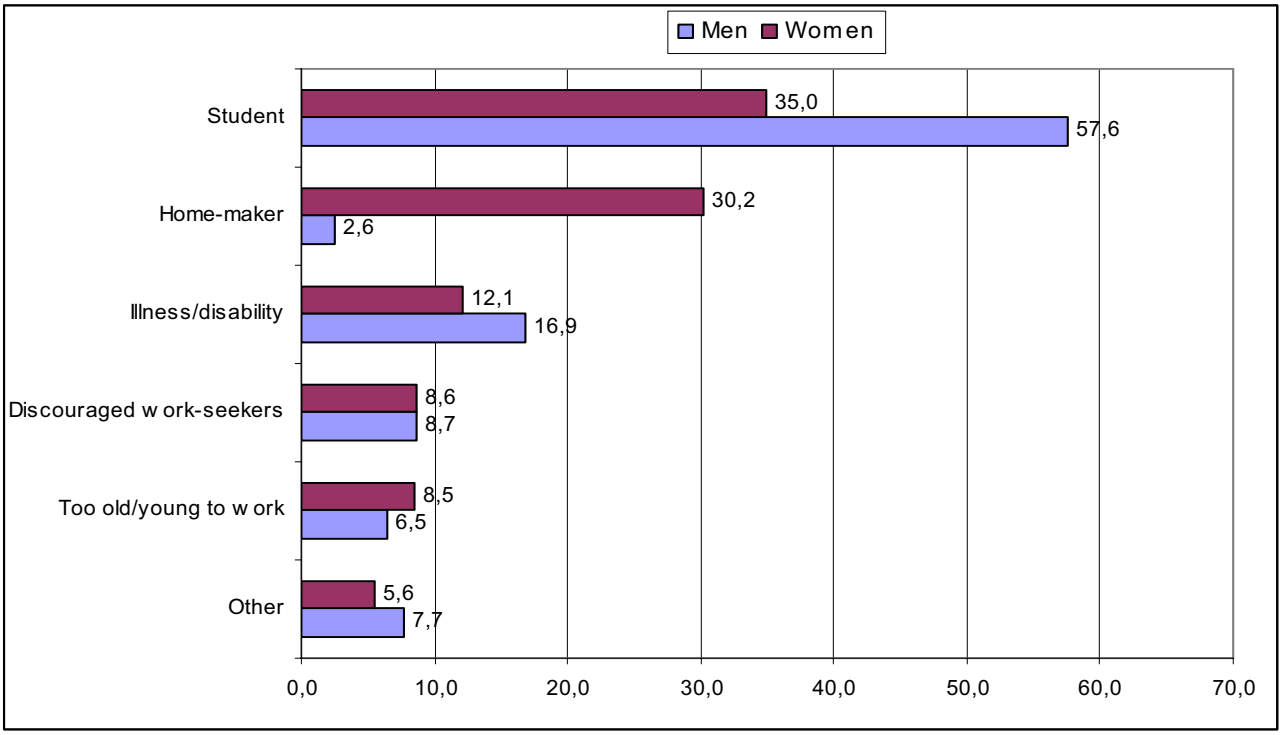
Figure 7.9 shows that among the not economically active persons, those whose spouses had died were the highest in inactivity. This largely reflects the fact that they are considerably older on average than the others. On the other hand, those who had separated from their spouses through divorce had the lowest inactivity rate, followed by married or living together as husband and wife. Over the period 2003–2008, all marital classes evolved in the same pattern.

## Reasons for inactivity, 2008

**Table 7.4: Characteristics of the not economically active by sex, 2008**

| 2008 | Men | Women | Both sexes |
|---|---|---|---|
| | Thousand | | |
| Student | 2 916 | 2 766 | 5 682 |
| Home-maker | 130 | 2 388 | 2 519 |
| Illness/disability | 854 | 959 | 1 813 |
| Too old/young to work | 327 | 669 | 997 |
| Discouraged work-seekers | 440 | 683 | 1 124 |
| Other | 390 | 440 | 830 |
| **Total** | **5 058** | **7 906** | **12 964** |

**Figure 7.10: Characteristics of the NEA by sex, 2008**




Students constituted more than 40,0% of the economically inactive group. Men (57,6%) accounted for a larger proportion of students than women (35,0%). Home-making was the second reason cited by women for their inactivity; they accounted for 30,2% of all the not economically active women. The gender gap was small among discouraged work-seekers (Table 7.4 and Figure 7.10).

## Discouraged work-seekers, 2008

Analysis in this section focuses on the number of discouraged persons as a percentage of total not economically active persons, as well as a percentage of total working age in 2008.

**Table 7.5: Discouraged work-seekers by sex and population group, 2008**

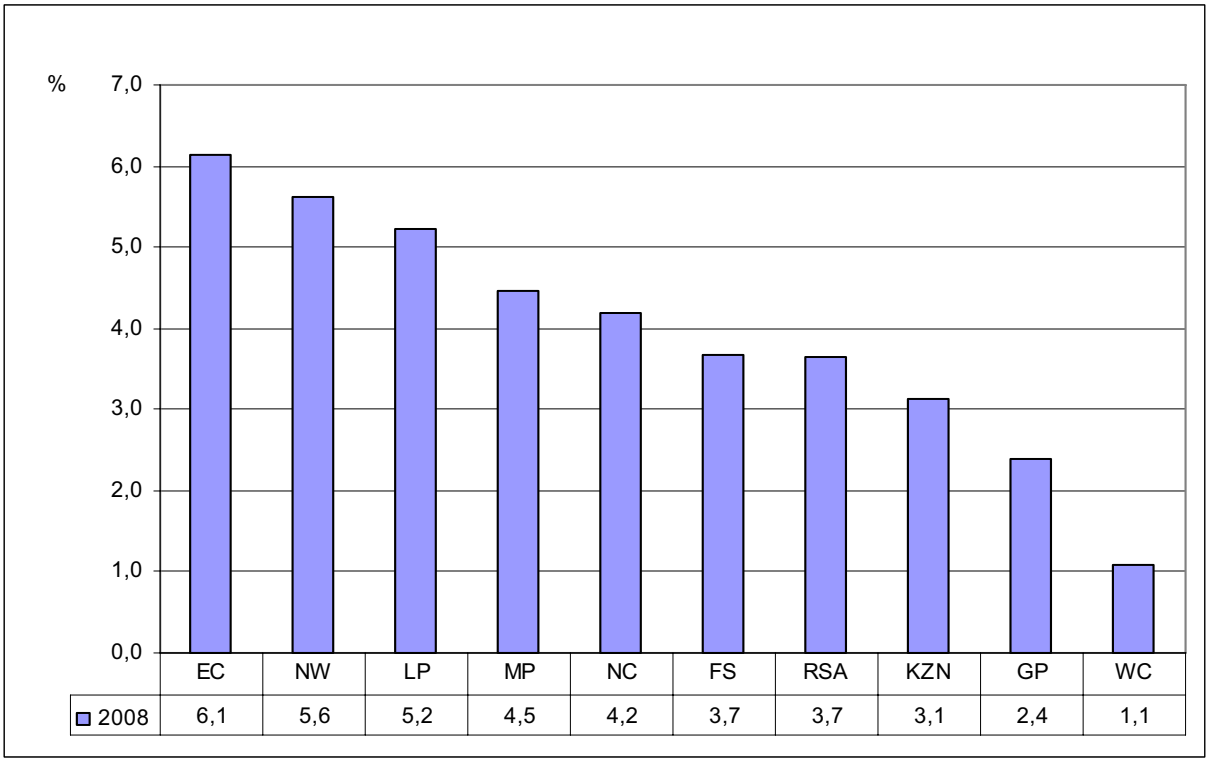
| 2008 | Men | Women | Both sexes |
|---|---|---|---|
| | **Thousand** | | |
| Black African | 419 | 646 | 1 065 |
| Other groups | 21 | 37 | 59 |
| **Total** | **440** | **683** | **1 124** |
| | **As a percentage of working age** | | |
| Black African | 3,7 | 5,1 | 4,5 |
| Other groups | 0,6 | 1,1 | 0,8 |
| **Total** | **3,0** | **4,2** | **3,7** |
| | **As a percentage of NEA** | | |
| Black African | 9,9 | 10,1 | 10,0 |
| Other groups | 2,6 | 2,5 | 2,5 |
| **Total** | **8,7** | **8,6** | **8,7** |

Table 7.5 shows that in 2008 among the black African population group, discouraged female work-seekers constituted a higher percentage of the total working age (5,1%) than men (3,7%). Among the other groups, women were still prominent with 1,1% whilst men accounted for 0,6%. However, the gender gap was almost eliminated when the proportion of discouraged work-seekers was taken off the total of not economically active persons. This reflects the higher male labour force participation rates for all population groups analysed in Chapter 3.

**Table 7.6: Discouraged work-seekers by province, 2008**

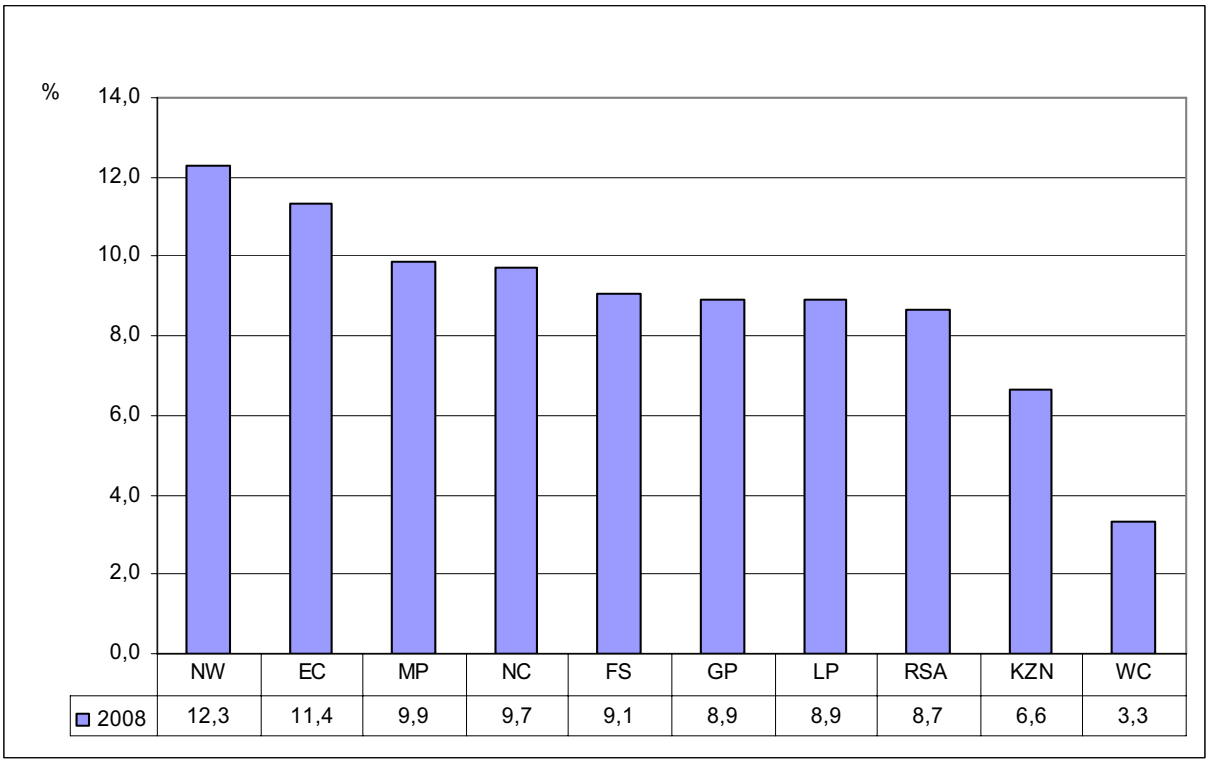
| 2008 | Thousand | As a percentage of working age | As a percentage of NEA |
|---|---|---|---|
| Western Cape | 37 | 1,1 | 3,3 |
| Eastern Cape | 243 | 6,1 | 11,4 |
| Northern Cape | 29 | 4,2 | 9,7 |
| Free State | 68 | 3,7 | 9,1 |
| KwaZulu-Natal | 197 | 3,1 | 6,6 |
| North West | 122 | 5,6 | 12,3 |
| Gauteng | 170 | 2,4 | 8,9 |
| Mpumalanga | 97 | 4,5 | 9,9 |
| Limpopo | 160 | 5,2 | 8,9 |
| **RSA** | **1 124** | **3,7** | **8,7** |

**Figure 7.11: Discouraged work-seekers as a percentage of working age by province, 2008**




Eastern Cape had the largest proportion of discouraged work-seekers from the total working age within each province, followed by North West. Gauteng, Western Cape and KwaZulu-Natal had the lowest proportions which were also lower than the national ratio of 3,7% (Table 7.6 and Figure 7.11).

**Figure 7.12: Discouraged work-seekers as a percentage of NEA by province, 2008**




North West had the largest proportion of discouraged work-seekers from the total not economically active population within each province, followed by Eastern Cape. Western Cape and KwaZulu-Natal had the lowest proportions which were also lower than the national ratio of 8,7% (Table 7.6 and Figure 7.12).

## Comparison between discouraged and other NEA, 2008

**Table 7.7: Desegregation of NEA by province, 2008**

| 2008 | WC | EC | NC | FS | KZN | NW | GP | MP | LP | RSA |
|---|---|---|---|---|---|---|---|---|---|---|
| Discouraged work-seekers | 37 | 243 | 29 | 68 | 197 | 122 | 170 | 97 | 160 | 1 124 |
| Other NEA | 1 093 | 1 895 | 273 | 686 | 2 761 | 868 | 1 734 | 890 | 1 641 | 11 840 |
| Total | **1 130** | **2 137** | **303** | **754** | **2 957** | **990** | **1 904** | **988** | **1 801** | **12 964** |
| | | | | | | | | | | |
| Discouraged work-seekers | 3,3 | 11,4 | 9,7 | 9,1 | 6,6 | 12,3 | 8,9 | 9,9 | 8,9 | 8,7 |
| Other NEA | 96,7 | 88,6 | 90,3 | 90,9 | 93,4 | 87,7 | 91,1 | 90,1 | 91,1 | 91,3 |
| Total | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** | **100,0** |

Western Cape (3,3%) showed a low level of discouraged work-seekers compared to other provinces, followed by KwaZulu-Natal. North West had the highest proportion of discouraged work-seekers (12,3%), followed by Eastern Cape with 11,4% (Table 7.7).

## Summary and conclusion

This chapter analysed the economically inactive group in terms of socio-demographic characteristics like sex, age and population group.

Prime-aged (25–54) persons are expected to be in the labour force; as a result prime-age inactivity rates were observed by various characteristics. Another reason for focusing on those aged 25–54 years is that 15–24 and 55–64 are ages of transition. For 15–24, many are still in school and others are making the transition from school to work. This clouds the meaning of NEA. For 55-64 years, the transitions are out of the labour force and into some form of retirement, or they have already made an age-related move out of the labour force. This means that the composition of the NEA group is not like that of younger groups.

The situation for 25–54-year-olds is much more homogeneous across the component age groups. As a result, meaningful statements can be made about the whole group.

Analysis was also performed on discouraged work-seekers, as this group is characterised by potential workers who want to work but are not looking for work.

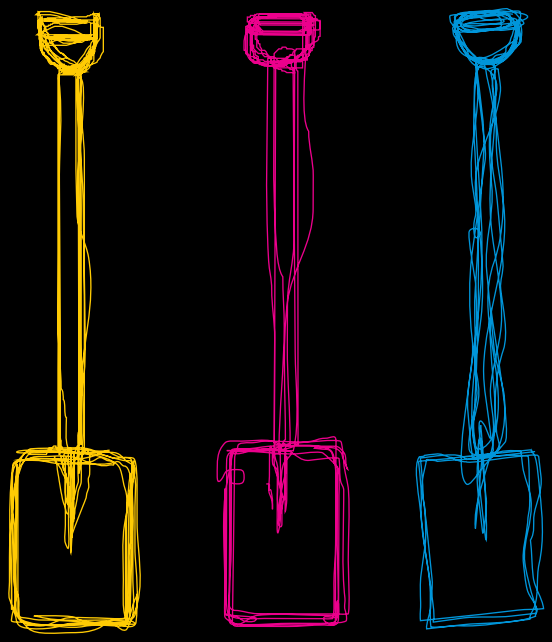
It was noted that women constituted larger numbers than their counterparts, and black Africans made up almost the whole of the inactive population. This gives an indication that black Africans remain a disadvantaged population.

The youth accounted for high numbers of inactivity, and Limpopo, Eastern Cape and KwaZulu-Natal were the provinces most affected by this inactivity, while Western Cape had the lowest rate of inactivity. This suggests that in Limpopo, Eastern Cape and KwaZulu Natal there are large rural areas, and there are no job creation and training programmes, which attributed to low job influx.

The not economically active widowed group aged 25–54 years had the highest inactivity proportions. However, there were fewer discouraged work-seekers among the widowed group compared to other marital statuses.

Low educational qualifications explained the high rate of inactivity. An inverse relationship between the two was obvious. It was also established in Chapter 3, that education is positively correlated with labour force participation rates. This implies that labour force participation rates are inversely correlated with inactivity rates. Taking note of the black African population (as they make up almost all of the inactive population and the lower labour force participation rate among black Africans), suggests that educational attainment of black Africans is lower than that of other population groups.

# Chapter 8
# Underutilised labour



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# Chapter 8: Underutilised labour

### Key labour market concepts

Employed persons may be fully employed, that is, they do not want to work more hours than they currently do, or they may be underemployed, that is, they would like to work more hours, either at their current job or at another job. This measure of time-related underemployment indicates the number of people whose hours of work are less than what that person is willing and available to work. In essence, time-related underemployment measures situations of partial lack of work, and thus complements statistics on unemployment that measure situations of total lack of work.

Stats SA has developed a new variable that is intended to provide an indicator of 'labour market slack'. In this report, this new variable is referred to as underutilised labour and is measured as the sum of the following:

1. Persons who are employed for less than 35 hours per week but would like to work longer hours and are available to do so (time-related underemployment);
2. Persons who are unemployed;
3. Persons who are discouraged work-seekers.

The **underemployment rate** refers to the proportion of the labour force that is in time-related underemployment.

## Background

The ILO says that '… the problem in developing countries is not so much unemployment but rather the lack of decent and productive work, which results in various forms of labour underutilisation'[25]. In this regard, it is widely recognised that the unemployment rate has limitations as a measure of labour market slack for two crucial reasons. Firstly, it excludes discouraged workers – persons without work who would like to work, but who have stopped looking actively for a job, and secondly, it also does not take into account persons who have jobs but would prefer to work longer hours and are available to do so. As a result of these limitations, and to provide a more comprehensive measure of additional labour market slack not captured by the unemployment rate, a new labour market variable has been developed as an indicator of underutilisation. It too has limitations. As noted by the ILO, '... visible underemployment can be measured in terms of hours of work (time-related underemployment), whereas invisible underemployment, which is measured in terms of income earned from the activity, low productivity or the extent to which education or skills are underutilized or mismatched, are much more difficult to quantify.'

Against this background, the supplementary measure of labour market slack or underutilisation adopted by Stats SA excludes a measure of invisible underemployment but includes the most vulnerable groups from each of the three components of the working age population as follows:

1. It includes persons who are employed but are in time-related underemployment;
2. It includes all of the unemployed; and
3. It includes discouraged work-seekers from among those that are not economically active.

[25] Key Indicators of the Labour Market, ILO, Geneva, 2002

## Introduction

This chapter highlights the limitations of the unemployment measurement and signals the need for a broader measure of labour market slack. Each of the above elements of the new measure of labour market slack or labour underutilisation has already been discussed in earlier chapters. This chapter will therefore examine various aspects of the group as a whole in terms of sex, age, population group, province, and level of educational attainment with a view to providing a comprehensive profile of persons in the labour market who are underutilised. Finally, given the importance of underemployment in the discussion of underutilised labour, this chapter provides a brief overview of the underemployment rate and its association with the unemployment rate for various groups.

Changes over the five-year period 2003 to 2008 are not discussed in this chapter, since a consistent time series of discouraged work-seekers cannot be established between the QLFS and the LFS because discouraged job-seekers were not one of the controlled variables when the link factors between QLFS and LFS were computed.

## Underutilised labour by sex

Women are at a disadvantage in the South African labour market because their employment opportunities are more limited than those of men (Chapter 4). Even for those lucky enough to have jobs – as discussed in Chapter 4 – a larger percentage of women (6,4%) would like to work longer hours and are available to do so compared to men (3,1%). While many working-age women may not wish to work, the higher level of female unemployment relative to men indicates that there are many who would like to work but are unable to find a job. In addition, discouragement is higher among working-age women than among working age men – women would like to work but have given up hope of finding suitable work. Taken together, these patterns are reflected in the broader measure of labour market slack or underutilised labour (Table 8.1).

**Table 8.1: The components of underutilised labour, 2008**

| | Men | Women | Total |
|---|---|---|---|
| | Thousand | | |
| Time-related underemployment | 240 | 385 | 625 |
| Unemployed | 1 917 | 2 158 | 4 075 |
| Discouraged work-seekers | 441 | 683 | 1 124 |
| **Total underutilised labour** | **2 598** | **3 226** | **5 824** |
| | Per cent share | | |
| Time-related underemployment | 9,2 | 11,9 | 10,7 |
| Unemployed | 73,8 | 66,9 | 70,0 |
| Discouraged work-seekers | 17,0 | 21,2 | 19,3 |
| **Total underutilised labour** | **100,0** | **100,0** | **100,0** |

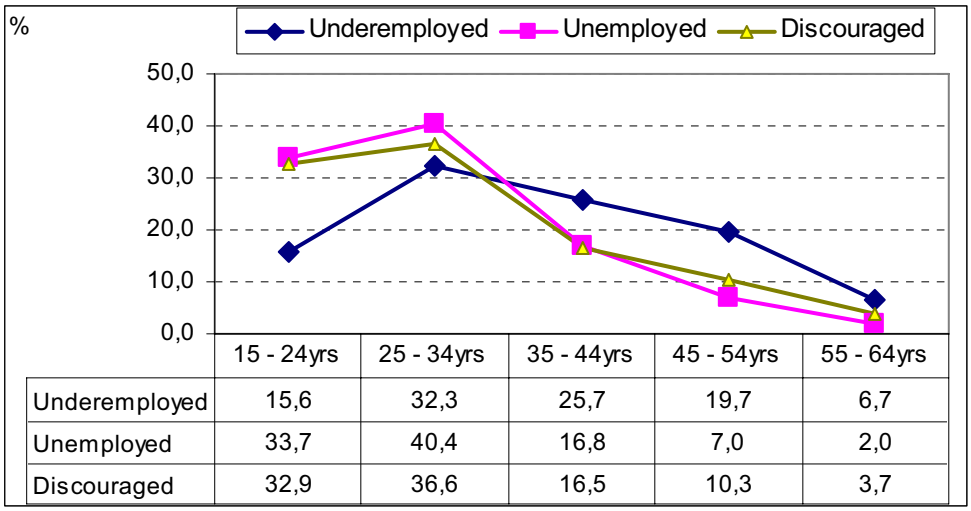
Among the 5,8 million persons categorised as underutilised in 2008, as many as 4,1 million (70%) were unemployed (Table 8.1). This dominance of the unemployed has a large influence on the overall distribution of underutilised persons. As result, the analysis that follows will sometimes focus on comparing the profile of persons that fall within each of the three groups that together make up underutilised labour.

Table 8.1 also shows the gender dimension of underutilised labour and highlights that time-related underemployment and discouragement are more of a problem among women than among men.

## The age profile of underutilised labour

The age profile of persons in the 'underutilised labour' category in 2008, suggests that the unemployed and the discouraged were more youthful compared with those in time-related underemployment.

**Figure 8.2: The components of underutilised labour, 2008**

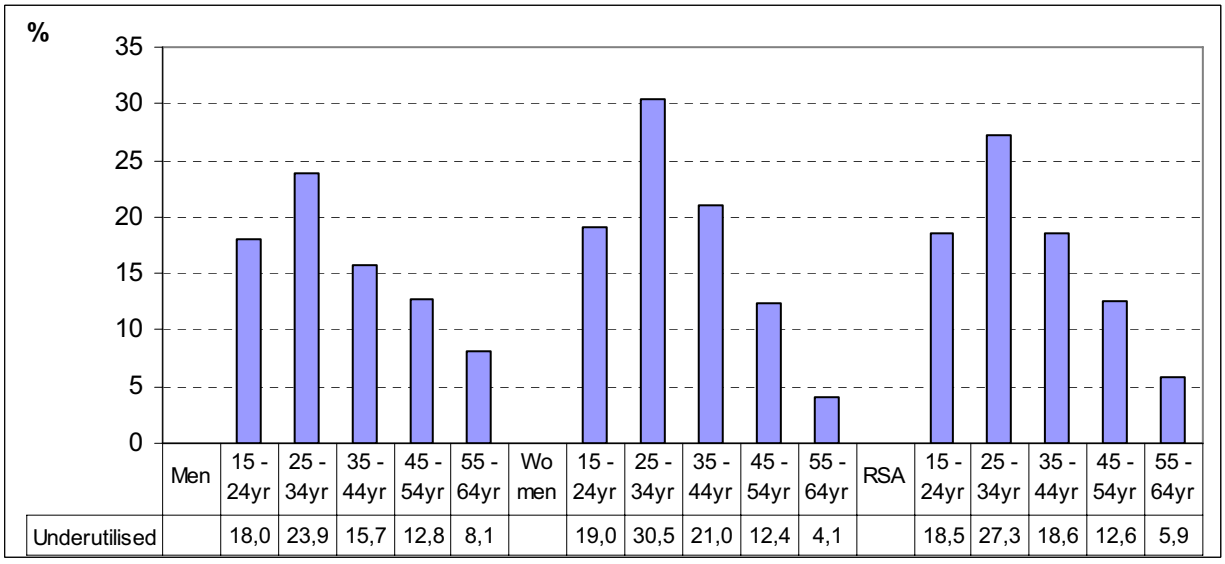



| | 15 - 24yrs | 25 - 34yrs | 35 - 44yrs | 45 - 54yrs | 55 - 64yrs |
|---|---|---|---|---|---|
| Underemployed | 15,6 | 32,3 | 25,7 | 19,7 | 6,7 |
| Unemployed | 33,7 | 40,4 | 16,8 | 7,0 | 2,0 |
| Discouraged | 32,9 | 36,6 | 16,5 | 10,3 | 3,7 |

Note: Time-related underemployment is abbreviated as underemployment

Figure 8.2 shows that in 2008, over 30% of the unemployed and the discouraged were 15–24 years old, whereas among those in time-related underemployment only 15,6% fell in that age category (Figure 8.2).

**Figure 8.3: Underutilised labour as percentage of the working-age population by age group, 2008**



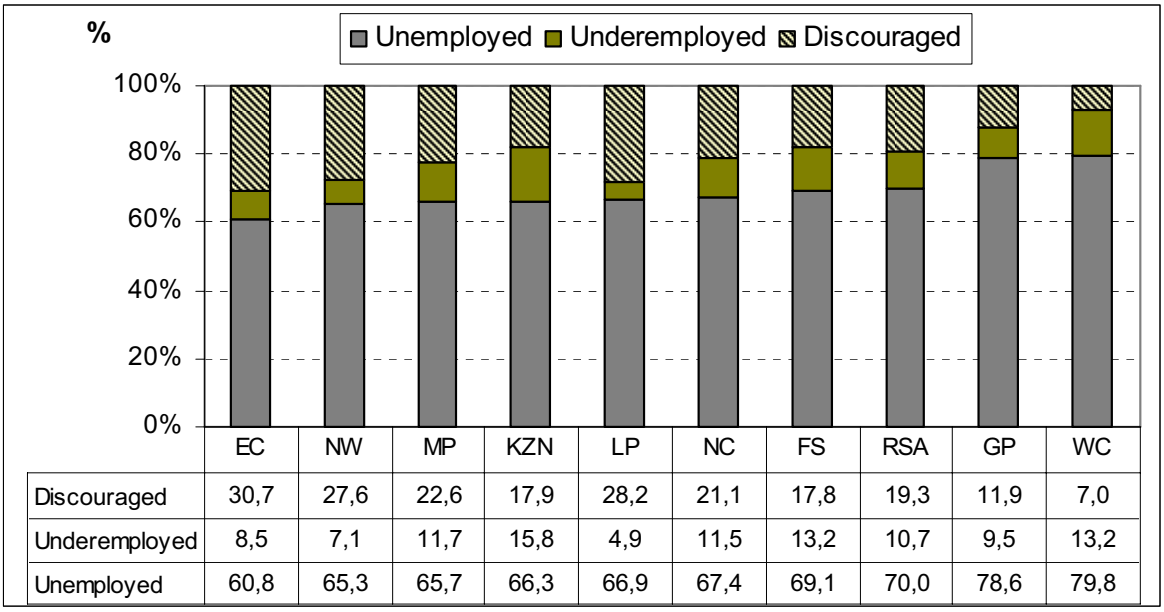

| | Men | 15 - 24yr | 25 - 34yr | 35 - 44yr | 45 - 54yr | 55 - 64yr | Wo men | 15 - 24yr | 25 - 34yr | 35 - 44yr | 45 - 54yr | 55 - 64yr | RSA | 15 - 24yr | 25 - 34yr | 35 - 44yr | 45 - 54yr | 55 - 64yr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Underutilised | | 18,0 | 23,9 | 15,7 | 12,8 | 8,1 | | 19,0 | 30,5 | 21,0 | 12,4 | 4,1 | | 18,5 | 27,3 | 18,6 | 12,6 | 5,9 |

An alternative view of the age profile of those in underutilised labour is illustrated in Figure 8.3, where it is evident that, except in the oldest age groups, a higher percentage of working-age women were underutilised compared with working-age men.

## Provincial profile of underutilised labour

As discussed in Chapter 3, provincial differences in labour market outcomes depend on a whole range of factors, such as the level of urbanisation, the economic structure and natural resource endowment of the province, and socio-demographic factors such as the age structure, population group mix, and level of educational attainment. In terms of underutilised labour, the provincial employment picture is also of particular importance since, as discussed earlier, it is from among the employed that persons in time-related underemployment are identified.

**Figure 8.4: Components of underutilised labour by province, 2008**

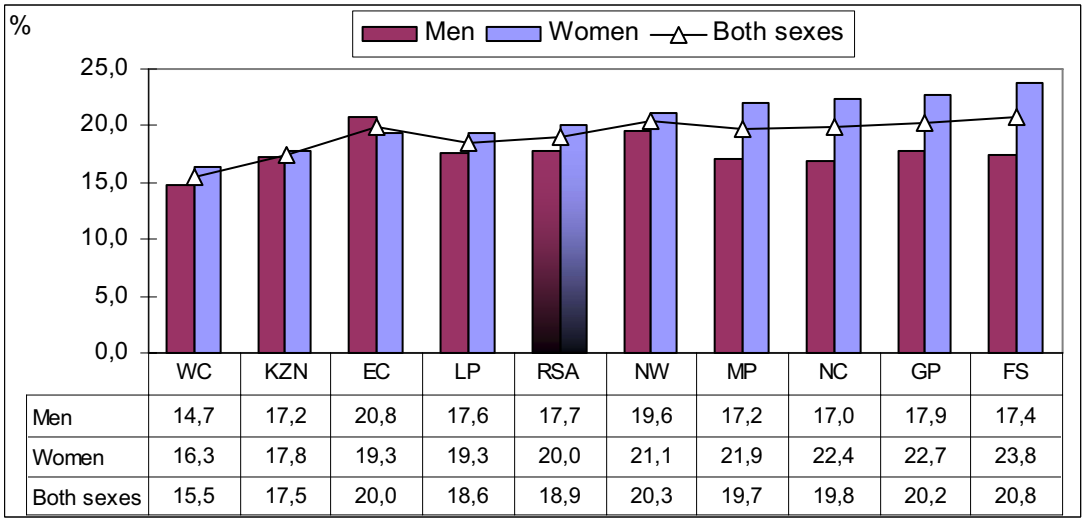



| | EC | NW | MP | KZN | LP | NC | FS | RSA | GP | WC |
|---|---|---|---|---|---|---|---|---|---|---|
| Discouraged | 30,7 | 27,6 | 22,6 | 17,9 | 28,2 | 21,1 | 17,8 | 19,3 | 11,9 | 7,0 |
| Underemployed | 8,5 | 7,1 | 11,7 | 15,8 | 4,9 | 11,5 | 13,2 | 10,7 | 9,5 | 13,2 |
| Unemployed | 60,8 | 65,3 | 65,7 | 66,3 | 66,9 | 67,4 | 69,1 | 70,0 | 78,6 | 79,8 |

Note: Time-related underemployment is abbreviated as underemployment

In provinces such as Eastern Cape, North West and Limpopo, discouraged work-seekers accounted for over 25% of those regarded as underutilised, while unemployment accounted for 60% to 65%. In the more urbanised provinces (Gauteng and Western Cape), discouragement was substantially lower than in the other provinces (under 12%) while unemployment accounted for more than 75% of underutilised labour (Figure 8.4).

**Figure 8.5: Underutilised labour as a percentage of the working-age population by province, 2008**




| | WC | KZN | EC | LP | RSA | NW | MP | NC | GP | FS |
|---|---|---|---|---|---|---|---|---|---|---|
| Men | 14,7 | 17,2 | 20,8 | 17,6 | 17,7 | 19,6 | 17,2 | 17,0 | 17,9 | 17,4 |
| Women | 16,3 | 17,8 | 19,3 | 19,3 | 20,0 | 21,1 | 21,9 | 22,4 | 22,7 | 23,8 |
| Both sexes | 15,5 | 17,5 | 20,0 | 18,6 | 18,9 | 20,3 | 19,7 | 19,8 | 20,2 | 20,8 |

Nationally, 18,9% of working-age individuals were regarded as underutilised, because they were in time-related underemployment, or they were discouraged or they were unemployed. A higher percentage of working-age women (20,0%) than men (17,7%) were underutilised – a situation reflected in all the provinces except Eastern Cape, where the reverse was true. In Northern Cape and Gauteng, more than 22% of working-age women were underutilised compared with only 17% to 18% of working-age men – as a result, the gender gap is largest in these provinces (Figure 8.5).

## The population group of underutilised labour

The analysis elsewhere in this report signalled disparities by population group in a number of labour market outcomes. There are equally notable variations by population group with regard to underutilised labour.

**Table 8.2: Underutilised labour by population group, 2008**

| | Underemployed | Unemployed | Discouraged | Underutilised |
|---|---|---|---|---|
| | Thousand | | | |
| Black African | 532 | 3 557 | 1 065 | **5 154** |
| Coloured | 56 | 362 | 44 | **461** |
| Indian/Asian | 11 | 64 | 5 | **80** |
| White | 26 | 92 | 10 | **129** |
| **Total** | **625** | **4 075** | **1 124** | **5 824** |
| | Per cent | | | |
| Black African | 10,3 | 69,0 | 20,7 | **100,0** |
| Coloured | 12,1 | 78,5 | 9,5 | **100,0** |
| Indian/Asian | 14,1 | 80,1 | 5,7 | **100,0** |
| White | 20,4 | 71,5 | 8,2 | **100,0** |
| **Total** | **10,7** | **70,0** | **19,3** | **100,0** |

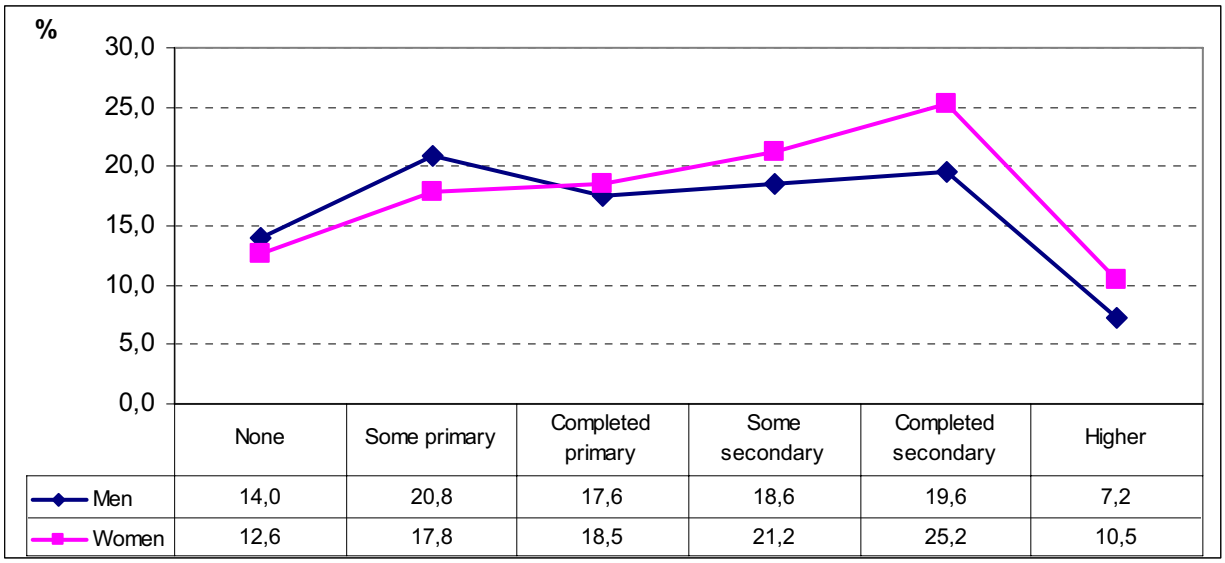
Note: Time-related underemployment is abbreviated as underemployment

Irrespective of population group, in 2008 unemployment was the most serious issue among those regarded as underutilised. But whereas discouragement is the second most important issue among the black African population group – accounting for 20,7% of all those regarded as underutilised – among the white population group, underemployment (20,4%) accounts for the second largest share of underutilised labour. This suggests that one in every five underutilised whites at least have access to employment opportunities, albeit not for as many hours as desired, whereas a similar number of black Africans have no jobs and have given up hope of finding a suitable job in the areas in which they live.

## Level of educational attainment

At national level, gender differences in the proportion of men and women that are underutilised, mask important patterns by level of educational attainment.

**Figure 8.6: Underutilised labour as a percentage of the working-age population in each education category, 2008**



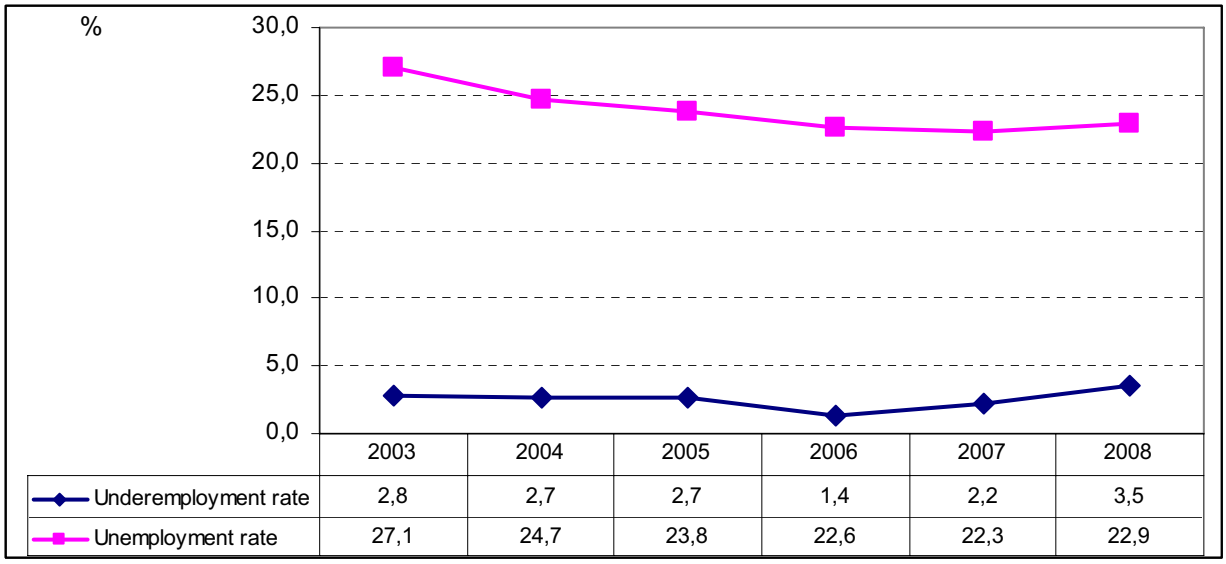

| | None | Some primary | Completed primary | Some secondary | Completed secondary | Higher |
|---|---|---|---|---|---|---|
| Men | 14,0 | 20,8 | 17,6 | 18,6 | 19,6 | 7,2 |
| Women | 12,6 | 17,8 | 18,5 | 21,2 | 25,2 | 10,5 |

Figure 8.6 highlights the gender disparities among persons in the working-age population that are regarded as underutilised when education levels are assessed. As noted earlier, in 2008, a higher percentage of working-age women was underutilised (20,0%) compared with working-age men (17,7%). This was largely due to the higher percentage of women compared with men who had completed post-primary levels of education but found themselves underemployed, discouraged or unemployed. One in every four working-age women who had completed secondary school (25,2%) was underutilised, as against one in every five (19,6%) working-age men with similar qualifications. Whereas 10,5% of working-age women with higher qualifications were underutilised, only 7,2% of their male counterparts fell into the 'underutilised labour' category.

## The underemployment rate

The ILO notes that the falling unemployment rates in a number of industrialised economies following the relatively sound period of economic growth in the last half-decade of the 1990s were nonetheless associated with an increase or at least a stabilisation of rates of time-related underemployment, indicating perhaps that the manner in which people attempted to adjust to downward changes in labour demand was to accept short-time work rather than not to work at all. The same appears to be true in the context of the South African labour market.

**Figure 8.7: The underemployment rate compared with the unemployment rate, 2003–2008**




| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| Underemployment rate | 2,8 | 2,7 | 2,7 | 1,4 | 2,2 | 3,5 |
| Unemployment rate | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |

Note: Underemployed refers to time-related underemployment only

The decline in the unemployment rate from 27,1% in 2003 to 22,9% in 2008 is associated with an increase in the underemployment rate from 2,8% to 3,5% over the same period (Figure 8.7).

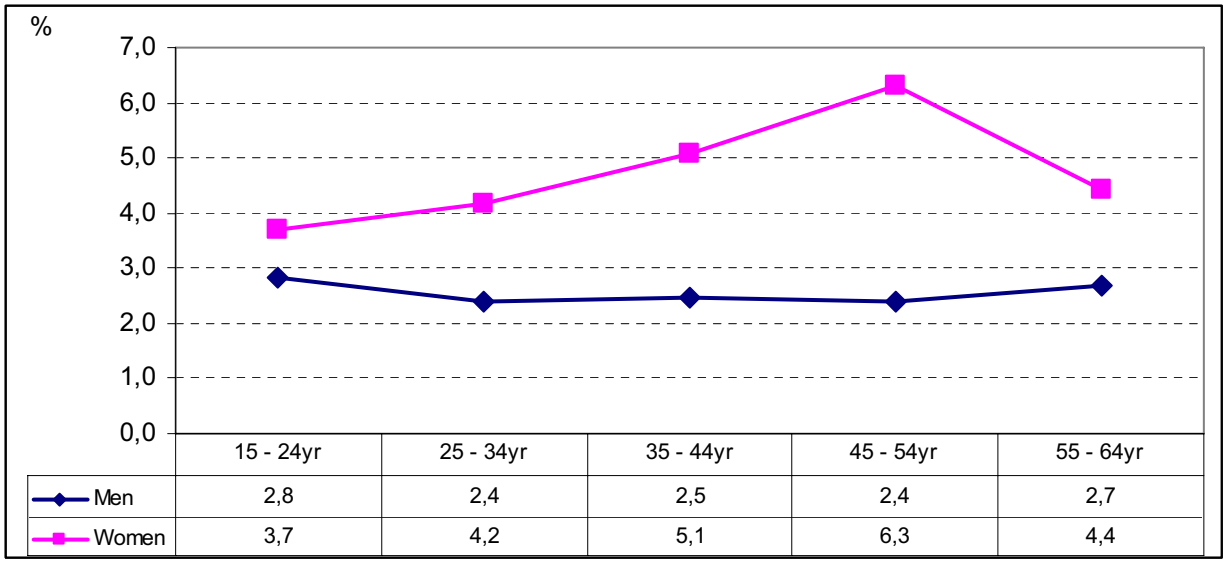
**Table 8.4: Underemployment rate by sex, 2003–2008**

| | 2 003 | 2 004 | 2 005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| | Thousand | | | | | |
| **Underemployed** | | | | | | |
| Men | 174 | 188 | 197 | 195 | 155 | 240 |
| Women | 275 | 246 | 255 | 272 | 225 | 385 |
| **Both sexes** | **449** | **434** | **452** | **467** | **380** | **625** |
| **Labour force** | | | | | | |
| Men | 8 634 | 8 618 | 8 964 | 9 193 | 9 262 | 9 589 |
| Women | 7 573 | 7 371 | 7 802 | 8 147 | 8 076 | 8 199 |
| **Both sexes** | **16 207** | **15 989** | **16 766** | **17 340** | **17 338** | **17 788** |
| | Percentage of the labour force | | | | | |
| **Underemployment rate** | | | | | | |
| Men | 2,0 | 2,2 | 2,2 | 2,1 | 1,7 | 2,5 |
| Women | 3,6 | 3,3 | 3,3 | 3,3 | 2,8 | 4,7 |
| **Both sexes** | **2,8** | **2,7** | **2,7** | **2,7** | **2,2** | **3,5** |

Note: Underemployed refers to time-related underemployment only

Table 8.4 shows that the percentage of the female labour force that was underemployed (4,7%) was higher than that of the male labour force (2,5%). Reflecting the onset of adverse labour market developments, the underemployment rate was higher in 2008 than in 2007 among both men and women.

**Figure 8.8: Underemployment rate by age and sex, 2008**

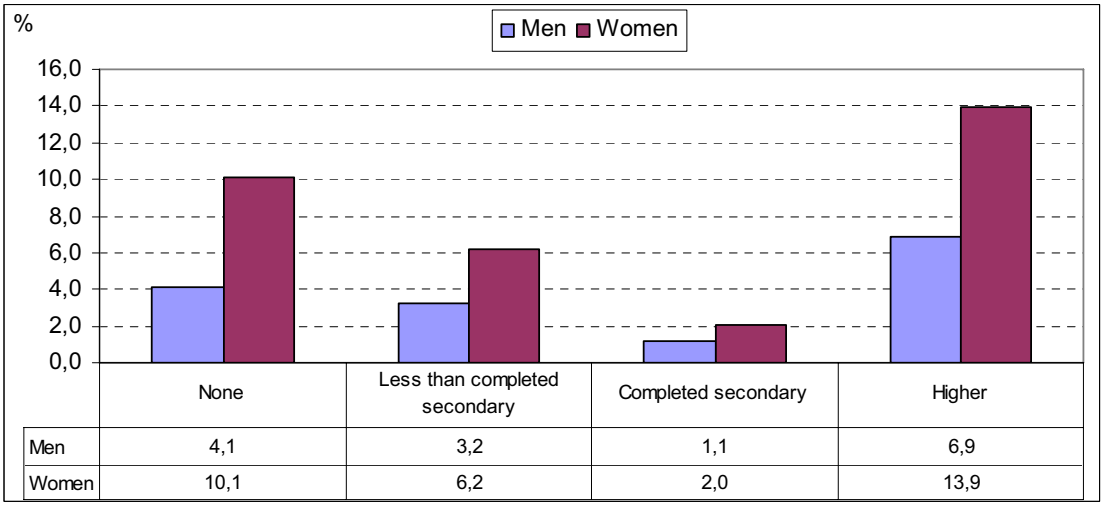



| | 15 - 24yr | 25 - 34yr | 35 - 44yr | 45 - 54yr | 55 - 64yr |
|---|---|---|---|---|---|
| Men | 2,8 | 2,4 | 2,5 | 2,4 | 2,7 |
| Women | 3,7 | 4,2 | 5,1 | 6,3 | 4,4 |

Note: Underemployed refers to time-related underemployment only

The underemployment rate was highest among women aged 45–54 years (6,3%) and lowest among men in the prime working age group of 25–54 years (2,4%) (Figure 8.8).

**Figure 8.9: Underemployment rate by level of educational attainment, 2008**




| | None | Less than completed secondary | Completed secondary | Higher |
|---|---|---|---|---|
| Men | 4,1 | 3,2 | 1,1 | 6,9 |
| Women | 10,1 | 6,2 | 2,0 | 13,9 |

Note: Underemployed refers to time-related underemployment only

The underemployment rate by level of educational attainment highlights large gender disparities as follows:

- The underemployment rate was highest among both men (6,9%) and women (13,9%) with higher education, suggesting a greater preference for shorter than desired working hours rather than unemployment among people with higher education (Figure 8.9).
- The underemployment rate among women with no education was more than twice as high (10,1%) as that among men with no education (4,1%).

## Summary and conclusion

Labour underutilisation or the new measure of additional labour market slack includes persons in time-related underemployment, plus the unemployed, plus the discouraged. Together they provide a broader measure of labour market slack than the conventional unemployment rate discussed elsewhere in this report. In 2008, 18,9% of working-age individuals were underutilised in the South African labour market because they were either underemployed, or unemployed or discouraged.

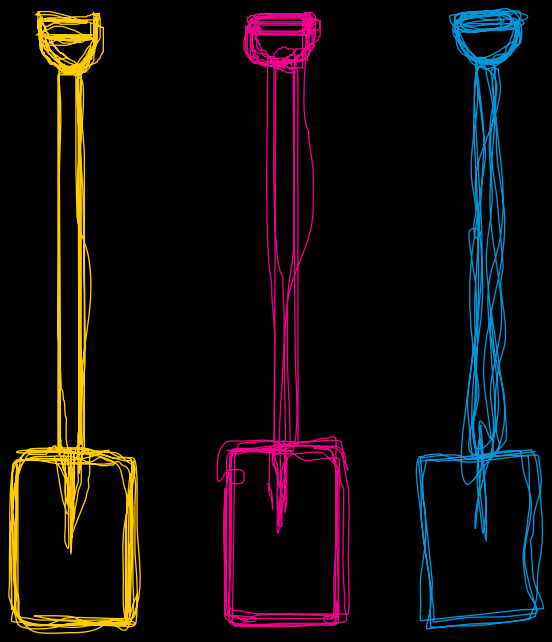
There were important gender differences in the percentage of men and women who were underutilised in 2008. Whereas one in every five working-age women (20,0%) was underutilised, a smaller proportion of working-age men (17,7%) fell into the 'underutilised labour' category. Discouragement and time-related underemployment feature more prominently among women than among men who fall into the 'underutilised labour' category. Gender issues also loomed large with respect to the educational profile of men and women who were underutilised. A larger percentage of women compared with men had completed post-primary levels of education but found themselves underemployed.

In terms of age, a higher percentage of underemployed persons were 35–54 years old compared with the discouraged or the unemployed. In terms of population group, discouragement was more a feature of the black African population group than the other population groups, although unemployment was the most serious issue across all groups.

Reflecting the weaknesses in the labour market that surfaced in 2008, the underemployment rate rose from 2,2% in 2007 to 3,5% in 2008 (the highest rate over the period 2003–2008). This occurred despite the relative stability in the unemployment rate which remained virtually unchanged in 2008 compared with 2007.

In 2008, the underemployment rate was highest among both men (6,9%) and women (13,9%) with higher education, suggesting a preference for shorter than desired working hours rather than facing unemployment among people with higher education.

# Statistical appendix



# Appendix 1

**Table 1: Population of working age (15-64 years)**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Women | 15 011 | 15 257 | 15 491 | 15 706 | 15 904 | 16 105 |
| Men | 13 445 | 13 699 | 13 947 | 14 182 | 14 407 | 14 647 |
| | | | | | | |
| **Population groups** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Black/African | 21 722 | 22 182 | 22 623 | 23 036 | 23 423 | 23 827 |
| Coloured | 2 711 | 2 756 | 2 801 | 2 846 | 2 891 | 2 940 |
| Indian/Asian | 788 | 805 | 823 | 840 | 857 | 876 |
| White | 3 234 | 3 213 | 3 191 | 3 167 | 3 141 | 3 109 |
| | | | | | | |
| **South Africa** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Western Cape | 3 133 | 3 207 | 3 280 | 3 349 | 3 403 | 3 456 |
| Eastern Cape | 3 698 | 3 751 | 3 801 | 3 847 | 3 898 | 3 955 |
| Northern Cape | 673 | 680 | 686 | 692 | 698 | 703 |
| Free State | 1 774 | 1 793 | 1 811 | 1 826 | 1 841 | 1 855 |
| KwaZulu Natal | 5 792 | 5 895 | 5 993 | 6 084 | 6 180 | 6 284 |
| North West | 2 056 | 2 082 | 2 107 | 2 130 | 2 150 | 2 169 |
| Gauteng | 6 557 | 6 679 | 6 797 | 6 911 | 6 999 | 7 085 |
| Mpumalanga | 2 008 | 2 046 | 2 082 | 2 115 | 2 148 | 2 184 |
| Limpopo | 2 765 | 2 824 | 2 881 | 2 935 | 2 994 | 3 060 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 2: Labour force characteristics by sex - All population groups**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | | | | | | |
| **Population 15-64 yrs** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Labour Force | 16 207 | 15 989 | 16 766 | 17 340 | 17 338 | 17 788 |
| Employed | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Formal sector (Non-agricultural) | 7 725 | 8 039 | 8 336 | 8 675 | 9 147 | 9 433 |
| Informal sector (Non-agricultural) | 2 006 | 1 998 | 2 441 | 2 573 | 2 325 | 2 270 |
| Agriculture | 851 | 800 | 740 | 859 | 737 | 780 |
| Private households | 1 230 | 1 206 | 1 252 | 1 311 | 1 258 | 1 230 |
| Unemployed | 4 395 | 3 945 | 3 997 | 3 922 | 3 871 | 4 075 |
| Not economically active | 12 249 | 12 968 | 12 672 | 12 548 | 12 973 | 12 964 |
| Discouraged work-seekers | 2 234 | 2 429 | 2 337 | 2 331 | 2 557 | 1 124 |
| Other(not economically active) | 10 015 | 10 539 | 10 335 | 10 217 | 10 416 | 11 840 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |
| Employed / population ratio (Absorption) | 41,5 | 41,6 | 43,4 | 44,9 | 44,4 | 44,6 |
| Labour force participation rate | 57,0 | 55,2 | 57,0 | 58,0 | 57,2 | 57,8 |
| | | | | | | |
| **Women** | | | | | | |
| **Population 15-64 yrs** | **15 011** | **15 257** | **15 491** | **15 706** | **15 904** | **16 105** |
| Labour Force | 7 573 | 7 371 | 7 802 | 8 147 | 8 076 | 8 199 |
| Employed | 5 220 | 5 256 | 5 602 | 5 936 | 5 944 | 6 041 |
| Formal sector (Non-agricultural) | 3 033 | 3 158 | 3 244 | 3 427 | 3 635 | 3 771 |
| Informal sector (Non-agricultural) | 967 | 906 | 1 153 | 1 185 | 1 082 | 1 041 |
| Agriculture | 274 | 272 | 250 | 310 | 269 | 259 |
| Private households | 946 | 920 | 955 | 1 013 | 959 | 970 |
| Unemployed | 2 353 | 2 115 | 2 200 | 2 212 | 2 132 | 2 158 |
| Not economically active | 7 438 | 7 887 | 7 689 | 7 559 | 7 828 | 7 906 |
| Discouraged work-seekers | 1 410 | 1 516 | 1 484 | 1 466 | 1 603 | 683 |
| Other(not economically active) | 6 028 | 6 371 | 6 205 | 6 093 | 6 225 | 7 222 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 31,1 | 28,7 | 28,2 | 27,1 | 26,4 | 26,3 |
| Employed / population ratio (Absorption) | 34,8 | 34,4 | 36,2 | 37,8 | 37,4 | 37,5 |
| Labour force participation rate | 50,4 | 48,3 | 50,4 | 51,9 | 50,8 | 50,9 |
| | | | | | | |
| **Men** | | | | | | |
| **Population 15-64 yrs** | **13 445** | **13 699** | **13 947** | **14 182** | **14 407** | **14 647** |
| Labour Force | 8 634 | 8 618 | 8 964 | 9 193 | 9 262 | 9 589 |
| Employed | 6 592 | 6 788 | 7 167 | 7 483 | 7 523 | 7 672 |
| Formal sector (Non-agricultural) | 4 692 | 4 881 | 5 092 | 5 248 | 5 512 | 5 662 |
| Informal sector (Non-agricultural) | 1 039 | 1 093 | 1 288 | 1 388 | 1 244 | 1 229 |
| Agriculture | 577 | 528 | 490 | 549 | 467 | 521 |
| Private households | 284 | 286 | 297 | 298 | 300 | 260 |
| Unemployed | 2 042 | 1 830 | 1 797 | 1 710 | 1 739 | 1 917 |
| Not economically active | 4 811 | 5 081 | 4 983 | 4 989 | 5 145 | 5 058 |
| Discouraged work-seekers | 824 | 913 | 854 | 865 | 954 | 440 |
| Other(not economically active) | 3 987 | 4 168 | 4 129 | 4 124 | 4 191 | 4 618 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 23,7 | 21,2 | 20,0 | 18,6 | 18,8 | 20,0 |
| Employed / population ratio (Absorption) | 49,0 | 49,5 | 51,4 | 52,8 | 52,2 | 52,4 |
| Labour force participation rate | 64,2 | 62,9 | 64,3 | 64,8 | 64,3 | 65,5 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 2.1: Labour force characteristics by population group**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **South Africa** | | | | | | |
| **Population 15-64 yrs** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Labour Force | 16 207 | 15 989 | 16 766 | 17 340 | 17 338 | 17 788 |
| Employed | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Unemployed | 4 395 | 3 945 | 3 997 | 3 922 | 3 871 | 4 075 |
| Not economically active | 12 249 | 12 968 | 12 672 | 12 548 | 12 973 | 12 964 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |
| Employed / population ratio (Absorption) | 41,5 | 41,6 | 43,4 | 44,9 | 44,4 | 44,6 |
| Labour force participation rate | 57,0 | 55,2 | 57,0 | 58,0 | 57,2 | 57,8 |
| | | | | | | |
| **Black/African** | | | | | | |
| **Population 15-64 yrs** | **21 722** | **22 182** | **22 623** | **23 036** | **23 423** | **23 827** |
| Labour Force | 11 662 | 11 517 | 12 226 | 12 797 | 12 785 | 13 175 |
| Employed | 7 933 | 8 160 | 8 839 | 9 426 | 9 490 | 9 617 |
| Unemployed | 3 729 | 3 357 | 3 387 | 3 371 | 3 294 | 3 557 |
| Not economically active | 10 060 | 10 664 | 10 397 | 10 239 | 10 638 | 10 652 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 32,0 | 29,1 | 27,7 | 26,3 | 25,8 | 27,0 |
| Employed / population ratio (Absorption) | 36,5 | 36,8 | 39,1 | 40,9 | 40,5 | 40,4 |
| Labour force participation rate | 53,7 | 51,9 | 54,0 | 55,6 | 54,6 | 55,3 |
| | | | | | | |
| **Coloured** | | | | | | |
| **Population 15-64 yrs** | **2 711** | **2 756** | **2 801** | **2 846** | **2 891** | **2 940** |
| Labour Force | 1 857 | 1 830 | 1 875 | 1 914 | 1 944 | 1 913 |
| Employed | 1 417 | 1 427 | 1 460 | 1 517 | 1 508 | 1 551 |
| Unemployed | 440 | 402 | 415 | 397 | 436 | 362 |
| Not economically active | 854 | 927 | 926 | 932 | 947 | 1 026 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 23,7 | 22,0 | 22,1 | 20,8 | 22,4 | 18,9 |
| Employed / population ratio (Absorption) | 52,3 | 51,8 | 52,1 | 53,3 | 52,2 | 52,8 |
| Labour force participation rate | 68,5 | 66,4 | 66,9 | 67,2 | 67,2 | 65,1 |
| | | | | | | |
| **Indian/Asian** | | | | | | |
| **Population 15-64 yrs** | **788** | **805** | **823** | **840** | **857** | **876** |
| Labour Force | 494 | 477 | 508 | 500 | 495 | 534 |
| Employed | 407 | 409 | 430 | 453 | 445 | 470 |
| Unemployed | 87 | 68 | 78 | 47 | 50 | 64 |
| Not economically active | 295 | 328 | 314 | 340 | 361 | 341 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 17,5 | 14,3 | 15,4 | 9,3 | 10,2 | 12,0 |
| Employed / population ratio (Absorption) | 51,6 | 50,8 | 52,3 | 54,0 | 52,0 | 53,7 |
| Labour force participation rate | 62,6 | 59,3 | 61,8 | 59,5 | 57,8 | 61,0 |
| | | | | | | |
| **White** | | | | | | |
| **Population 15-64 yrs** | **3 234** | **3 213** | **3 191** | **3 167** | **3 141** | **3 109** |
| Labour Force | 2 194 | 2 164 | 2 156 | 2 130 | 2 114 | 2 166 |
| Employed | 2 055 | 2 047 | 2 040 | 2 024 | 2 024 | 2 074 |
| Unemployed | 139 | 117 | 117 | 107 | 90 | 92 |
| Not economically active | 1 040 | 1 049 | 1 035 | 1 037 | 1 027 | 944 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 6,3 | 5,4 | 5,4 | 5,0 | 4,3 | 4,2 |
| Employed / population ratio (Absorption) | 63,5 | 63,7 | 63,9 | 63,9 | 64,4 | 66,7 |
| Labour force participation rate | 67,8 | 67,4 | 67,6 | 67,3 | 67,3 | 69,7 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 2.2: Labour force characteristics by province**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **South Africa** | | | | | | |
| **Population 15-64 yrs** | **28 456** | **28 957** | **29 438** | **29 889** | **30 311** | **30 752** |
| Labour Force | 16 207 | 15 989 | 16 766 | 17 340 | 17 338 | 17 788 |
| Employed | 11 812 | 12 044 | 12 769 | 13 419 | 13 467 | 13 713 |
| Unemployed | 4 395 | 3 945 | 3 997 | 3 922 | 3 871 | 4 075 |
| Not economically active | 12 249 | 12 968 | 12 672 | 12 548 | 12 973 | 12 964 |
| Discouraged work-seekers | 2 234 | 2 429 | 2 337 | 2 331 | 2 557 | 1 124 |
| Other | 10 015 | 10 539 | 10 335 | 10 217 | 10 416 | 11 840 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 27,1 | 24,7 | 23,8 | 22,6 | 22,3 | 22,9 |
| Employed / population ratio (Absorption) | 41,5 | 41,6 | 43,4 | 44,9 | 44,4 | 44,6 |
| Labour force participation rate | 57,0 | 55,2 | 57,0 | 58,0 | 57,2 | 57,8 |
| | | | | | | |
| **Western Cape** | | | | | | |
| **Population 15-64 yrs** | **3 133** | **3 207** | **3 280** | **3 349** | **3 403** | **3 456** |
| Labour Force | 2 147 | 2 124 | 2 178 | 2 254 | 2 308 | 2 326 |
| Employed | 1 678 | 1 697 | 1 734 | 1 857 | 1 875 | 1 897 |
| Unemployed | 470 | 427 | 444 | 396 | 433 | 429 |
| Not economically active | 985 | 1 083 | 1 102 | 1 095 | 1 095 | 1 130 |
| Discouraged work-seekers | 94 | 121 | 93 | 109 | 138 | 37 |
| Other | 891 | 962 | 1 009 | 986 | 957 | 1 093 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 21,9 | 20,1 | 20,4 | 17,6 | 18,8 | 18,4 |
| Employed / population ratio (Absorption) | 53,6 | 52,9 | 52,9 | 55,5 | 55,1 | 54,9 |
| Labour force participation rate | 68,5 | 66,2 | 66,4 | 67,3 | 67,8 | 67,3 |
| | | | | | | |
| **Eastern Cape** | | | | | | |
| **Population 15-64 yrs** | **3 698** | **3 751** | **3 801** | **3 847** | **3 898** | **3 955** |
| Labour Force | 1 637 | 1 584 | 1 800 | 1 937 | 1 762 | 1 818 |
| Employed | 1 114 | 1 079 | 1 291 | 1 423 | 1 290 | 1 338 |
| Unemployed | 523 | 504 | 509 | 514 | 472 | 480 |
| Not economically active | 2 061 | 2 167 | 2 001 | 1 910 | 2 136 | 2 137 |
| Discouraged work-seekers | 388 | 381 | 386 | 305 | 402 | 243 |
| Other | 1 673 | 1 785 | 1 615 | 1 604 | 1 735 | 1 895 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 31,9 | 31,8 | 28,3 | 26,5 | 26,8 | 26,4 |
| Employed / population ratio (Absorption) | 30,1 | 28,8 | 34,0 | 37,0 | 33,1 | 33,8 |
| Labour force participation rate | 44,3 | 42,2 | 47,4 | 50,4 | 45,2 | 46,0 |
| | | | | | | |
| **Northern Cape** | | | | | | |
| **Population 15-64 yrs** | **673** | **680** | **686** | **692** | **698** | **703** |
| Labour Force | 407 | 380 | 372 | 400 | 400 | 401 |
| Employed | 313 | 305 | 285 | 311 | 309 | 307 |
| Unemployed | 94 | 75 | 86 | 89 | 91 | 94 |
| Not economically active | 266 | 299 | 315 | 292 | 297 | 303 |
| Discouraged work-seekers | 55 | 85 | 73 | 52 | 63 | 29 |
| Other | 210 | 214 | 242 | 240 | 234 | 273 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 23,2 | 19,7 | 23,2 | 22,2 | 22,8 | 23,5 |
| Employed / population ratio (Absorption) | 46,5 | 44,9 | 41,6 | 45,0 | 44,3 | 43,6 |
| Labour force participation rate | 60,5 | 56,0 | 54,2 | 57,8 | 57,4 | 57,0 |
| | | | | | | |
| **Free State** | | | | | | |
| **Population 15-64 yrs** | **1 774** | **1 793** | **1 811** | **1 826** | **1 841** | **1 855** |
| Labour Force | 1 115 | 1 073 | 1 107 | 1 052 | 1 073 | 1 101 |
| Employed | 831 | 817 | 806 | 803 | 832 | 835 |
| Unemployed | 285 | 256 | 301 | 249 | 241 | 266 |
| Not economically active | 659 | 720 | 704 | 774 | 768 | 754 |
| Discouraged work-seekers | 133 | 133 | 91 | 140 | 134 | 68 |
| Other | 526 | 587 | 612 | 635 | 633 | 686 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 25,5 | 23,9 | 27,2 | 23,7 | 22,5 | 24,2 |
| Employed / population ratio (Absorption) | 46,8 | 45,6 | 44,5 | 44,0 | 45,2 | 45,0 |
| Labour force participation rate | 62,9 | 59,8 | 61,1 | 57,6 | 58,3 | 59,3 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 2.2: Labour force characteristics by province (concluded)**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **KwaZulu Natal** | | | | | | |
| **Population 15-64 yrs** | **5 792** | **5 895** | **5 993** | **6 084** | **6 180** | **6 284** |
| Labour Force | 3 014 | 2 919 | 3 101 | 3 208 | 3 239 | 3 327 |
| Employed | 2 233 | 2 237 | 2 346 | 2 549 | 2 512 | 2 597 |
| Unemployed | 781 | 681 | 755 | 660 | 727 | 730 |
| Not economically active | 2 778 | 2 976 | 2 891 | 2 876 | 2 942 | 2 957 |
| Discouraged work-seekers | 469 | 498 | 492 | 506 | 549 | 197 |
| Other | 2 309 | 2 478 | 2 400 | 2 370 | 2 393 | 2 761 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 25,9 | 23,3 | 24,4 | 20,6 | 22,4 | 21,9 |
| Employed / population ratio (Absorption) | 38,6 | 38,0 | 39,1 | 41,9 | 40,6 | 41,3 |
| Labour force participation rate | 52,0 | 49,5 | 51,7 | 52,7 | 52,4 | 52,9 |
| | | | | | | |
| **North West** | | | | | | |
| **Population 15-64 yrs** | **2 056** | **2 082** | **2 107** | **2 130** | **2 150** | **2 169** |
| Labour Force | 1 040 | 1 046 | 1 124 | 1 167 | 1 161 | 1 179 |
| Employed | 737 | 773 | 845 | 839 | 858 | 891 |
| Unemployed | 302 | 273 | 280 | 328 | 303 | 288 |
| Not economically active | 1 016 | 1 036 | 983 | 962 | 988 | 990 |
| Discouraged work-seekers | 185 | 210 | 189 | 179 | 199 | 122 |
| Other | 831 | 826 | 793 | 783 | 789 | 868 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 29,1 | 26,1 | 24,9 | 28,1 | 26,1 | 24,4 |
| Employed / population ratio (Absorption) | 35,9 | 37,1 | 40,1 | 39,4 | 39,9 | 41,1 |
| Labour force participation rate | 50,6 | 50,3 | 53,4 | 54,8 | 54,0 | 54,4 |
| | | | | | | |
| **Gauteng** | | | | | | |
| **Population 15-64 yrs** | **6 557** | **6 679** | **6 797** | **6 911** | **6 999** | **7 085** |
| Labour Force | 4 622 | 4 660 | 4 819 | 4 977 | 4 975 | 5 181 |
| Employed | 3 324 | 3 470 | 3 783 | 3 914 | 3 972 | 4 056 |
| Unemployed | 1 298 | 1 190 | 1 035 | 1 063 | 1 003 | 1 126 |
| Not economically active | 1 935 | 2 019 | 1 979 | 1 934 | 2 024 | 1 904 |
| Discouraged work-seekers | 332 | 387 | 401 | 436 | 445 | 170 |
| Other | 1 603 | 1 632 | 1 578 | 1 498 | 1 579 | 1 734 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 28,1 | 25,5 | 21,5 | 21,4 | 20,2 | 21,7 |
| Employed / population ratio (Absorption) | 50,7 | 52,0 | 55,7 | 56,6 | 56,8 | 57,2 |
| Labour force participation rate | 70,5 | 69,8 | 70,9 | 72,0 | 71,1 | 73,1 |
| | | | | | | |
| **Mpumalanga** | | | | | | |
| **Population 15-64 yrs** | **2 008** | **2 046** | **2 082** | **2 115** | **2 148** | **2 184** |
| Labour Force | 1 039 | 1 039 | 1 084 | 1 176 | 1 149 | 1 196 |
| Employed | 824 | 839 | 856 | 899 | 923 | 913 |
| Unemployed | 214 | 200 | 228 | 277 | 225 | 283 |
| Not economically active | 969 | 1 007 | 998 | 939 | 1 000 | 988 |
| Discouraged work-seekers | 185 | 218 | 191 | 158 | 208 | 97 |
| Other | 785 | 788 | 806 | 781 | 792 | 890 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 20,6 | 19,3 | 21,0 | 23,5 | 19,6 | 23,7 |
| Employed / population ratio (Absorption) | 41,0 | 41,0 | 41,1 | 42,5 | 43,0 | 41,8 |
| Labour force participation rate | 51,7 | 50,8 | 52,1 | 55,6 | 53,5 | 54,8 |
| | | | | | | |
| **Limpopo** | | | | | | |
| **Population 15-64 yrs** | **2 765** | **2 824** | **2 881** | **2 935** | **2 994** | **3 060** |
| Labour Force | 1 185 | 1 163 | 1 181 | 1 170 | 1 271 | 1 260 |
| Employed | 757 | 826 | 823 | 823 | 896 | 880 |
| Unemployed | 428 | 337 | 358 | 346 | 375 | 380 |
| Not economically active | 1 580 | 1 661 | 1 701 | 1 766 | 1 723 | 1 801 |
| Discouraged work-seekers | 394 | 395 | 421 | 447 | 419 | 160 |
| Other | 1 186 | 1 266 | 1 280 | 1 319 | 1 304 | 1 641 |
| **Rates (%)** | | | | | | |
| Unemployment rate | 36,1 | 29,0 | 30,3 | 29,6 | 29,5 | 30,2 |
| Employed / population ratio (Absorption) | 27,4 | 29,2 | 28,6 | 28,0 | 29,9 | 28,7 |
| Labour force participation rate | 42,9 | 41,2 | 41,0 | 39,8 | 42,4 | 41,2 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 3.1: Employed by industry and sex - South Africa**

| Market production activities | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Agriculture | 851 | 800 | 740 | 859 | 737 | 780 |
| Mining | 428 | 384 | 343 | 339 | 367 | 329 |
| Manufacturing | 1 779 | 1 833 | 1 860 | 1 922 | 1 960 | 1 954 |
| Utilities | 77 | 87 | 93 | 97 | 86 | 94 |
| Construction | 656 | 783 | 937 | 1 016 | 1 051 | 1 136 |
| Trade | 2 675 | 2 748 | 3 180 | 3 450 | 3 342 | 3 150 |
| Transport | 656 | 678 | 705 | 684 | 717 | 766 |
| Finance | 1 173 | 1 228 | 1 338 | 1 361 | 1 459 | 1 656 |
| Community and social services | 2 288 | 2 295 | 2 321 | 2 379 | 2 490 | 2 616 |
| Private households | 1 230 | 1 206 | 1 252 | 1 311 | 1 258 | 1 230 |
| Other | | | | | | 3 |
| | | | | | | |
| **Women** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |
| Agriculture | 274 | 272 | 250 | 310 | 269 | 259 |
| Mining | 20 | 16 | 19 | 18 | 23 | 36 |
| Manufacturing | 636 | 642 | 670 | 680 | 662 | 628 |
| Utilities | 21 | 22 | 18 | 23 | 23 | 25 |
| Construction | 68 | 78 | 86 | 113 | 114 | 112 |
| Trade | 1 349 | 1 359 | 1 591 | 1 730 | 1 690 | 1 584 |
| Transport | 131 | 142 | 153 | 120 | 146 | 152 |
| Finance | 491 | 499 | 574 | 577 | 612 | 738 |
| Community and social services | 1 286 | 1 305 | 1 286 | 1 351 | 1 446 | 1 534 |
| Private households | 946 | 920 | 955 | 1 013 | 959 | 970 |
| Other | | | | | | 2 |
| | | | | | | |
| **Men** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| Agriculture | 577 | 528 | 490 | 549 | 467 | 521 |
| Mining | 408 | 368 | 324 | 321 | 344 | 293 |
| Manufacturing | 1 143 | 1 191 | 1 190 | 1 243 | 1 298 | 1 326 |
| Utilities | 56 | 65 | 76 | 73 | 63 | 69 |
| Construction | 588 | 705 | 851 | 903 | 937 | 1 023 |
| Trade | 1 326 | 1 389 | 1 589 | 1 720 | 1 652 | 1 566 |
| Transport | 525 | 536 | 552 | 564 | 572 | 614 |
| Finance | 682 | 729 | 763 | 783 | 847 | 918 |
| Community and social services | 1 002 | 990 | 1 035 | 1 029 | 1 045 | 1 082 |
| Private households | 284 | 286 | 297 | 298 | 300 | 260 |
| Other | | | | | | 1 |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

| Table 3.2: Employed by industry and province | | | | | | |
|---|---|---|---|---|---|---|
| **Market production activities** | **Lfs 2003** | **Lfs 2004** | **Lfs 2005** | **Lfs 2006** | **Lfs 2007** | **Qlfs 2008** |
| | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
| | | | | | | |
| **Agriculture** | **851** | **800** | **740** | **859** | **737** | **780** |
| Western Cape | 178 | 142 | 118 | 135 | 132 | 148 |
| Eastern Cape | 121 | 96 | 135 | 183 | 84 | 78 |
| Northern Cape | 62 | 52 | 38 | 48 | 44 | 58 |
| Free State | 94 | 78 | 55 | 51 | 54 | 80 |
| KwaZulu Natal | 159 | 165 | 152 | 190 | 177 | 152 |
| North West | 56 | 54 | 59 | 54 | 50 | 57 |
| Gauteng | 16 | 40 | 39 | 48 | 44 | 62 |
| Mpumalanga | 84 | 84 | 85 | 88 | 88 | 78 |
| Limpopo | 80 | 90 | 58 | 62 | 62 | 66 |
| | | | | | | |
| **Mining** | **428** | **384** | **343** | **339** | **367** | **329** |
| Western Cape | 1 | 2 | 1 | 1 | 4 | 1 |
| Eastern Cape | 1 | 2 | 3 | 1 | 2 | 2 |
| Northern Cape | 24 | 24 | 24 | 19 | 21 | 14 |
| Free State | 86 | 78 | 68 | 61 | 61 | 27 |
| KwaZulu Natal | 4 | 5 | 6 | 6 | 12 | 8 |
| North West | 122 | 120 | 117 | 132 | 131 | 147 |
| Gauteng | 104 | 76 | 38 | 34 | 40 | 28 |
| Mpumalanga | 64 | 47 | 32 | 34 | 40 | 59 |
| Limpopo | 22 | 32 | 52 | 51 | 54 | 42 |
| | | | | | | |
| **Manufacturing** | **1 779** | **1 833** | **1 860** | **1 922** | **1 960** | **1 954** |
| Western Cape | 313 | 335 | 289 | 327 | 287 | 333 |
| Eastern Cape | 136 | 149 | 164 | 179 | 174 | 187 |
| Northern Cape | 19 | 22 | 15 | 19 | 18 | 14 |
| Free State | 83 | 86 | 89 | 82 | 85 | 87 |
| KwaZulu Natal | 412 | 410 | 404 | 419 | 434 | 416 |
| North West | 79 | 72 | 68 | 63 | 82 | 81 |
| Gauteng | 587 | 590 | 646 | 664 | 712 | 686 |
| Mpumalanga | 97 | 103 | 110 | 109 | 106 | 81 |
| Limpopo | 52 | 67 | 75 | 60 | 62 | 69 |
| | | | | | | |
| **Utilities** | **77** | **87** | **93** | **97** | **86** | **94** |
| Western Cape | 7 | 10 | 8 | 11 | 13 | 11 |
| Eastern Cape | 4 | 3 | 6 | 7 | 6 | 3 |
| Northern Cape | 2 | 2 | 3 | 2 | 2 | 1 |
| Free State | 3 | 2 | 4 | 2 | 3 | 5 |
| KwaZulu Natal | 16 | 15 | 18 | 14 | 13 | 14 |
| North West | 3 | 4 | 3 | 2 | 4 | 6 |
| Gauteng | 22 | 33 | 35 | 39 | 28 | 31 |
| Mpumalanga | 13 | 13 | 12 | 16 | 12 | 17 |
| Limpopo | 8 | 7 | 4 | 3 | 6 | 6 |
| | | | | | | |
| **Construction** | **656** | **783** | **937** | **1 016** | **1 051** | **1 136** |
| Western Cape | 122 | 141 | 156 | 145 | 160 | 185 |
| Eastern Cape | 98 | 97 | 92 | 136 | 131 | 111 |
| Northern Cape | 10 | 15 | 14 | 19 | 23 | 20 |
| Free State | 32 | 42 | 48 | 55 | 58 | 59 |
| KwaZulu Natal | 120 | 129 | 158 | 187 | 168 | 223 |
| North West | 28 | 36 | 48 | 50 | 51 | 59 |
| Gauteng | 150 | 202 | 300 | 303 | 301 | 309 |
| Mpumalanga | 49 | 68 | 75 | 73 | 92 | 84 |
| Limpopo | 47 | 53 | 46 | 49 | 66 | 85 |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

**Table 3.2: Employed by industry and province (concluded)**

| Market production activities | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Trade** | **2 675** | **2 748** | **3 180** | **3 450** | **3 342** | **3 150** |
| Western Cape | 355 | 338 | 416 | 465 | 464 | 410 |
| Eastern Cape | 255 | 236 | 341 | 359 | 332 | 317 |
| Northern Cape | 57 | 59 | 64 | 71 | 65 | 55 |
| Free State | 171 | 177 | 187 | 192 | 188 | 195 |
| KwaZulu Natal | 480 | 481 | 597 | 660 | 616 | 597 |
| North West | 152 | 173 | 197 | 187 | 183 | 189 |
| Gauteng | 751 | 819 | 899 | 1 018 | 975 | 919 |
| Mpumalanga | 224 | 218 | 218 | 232 | 243 | 243 |
| Limpopo | 230 | 248 | 262 | 267 | 275 | 222 |
| | | | | | | |
| **Transport** | **656** | **678** | **705** | **684** | **717** | **766** |
| Western Cape | 101 | 94 | 92 | 83 | 94 | 91 |
| Eastern Cape | 54 | 54 | 60 | 64 | 68 | 72 |
| Northern Cape | 11 | 12 | 12 | 13 | 14 | 11 |
| Free State | 29 | 33 | 41 | 35 | 36 | 41 |
| KwaZulu Natal | 144 | 151 | 148 | 153 | 137 | 173 |
| North West | 28 | 34 | 32 | 27 | 30 | 30 |
| Gauteng | 231 | 240 | 240 | 235 | 265 | 267 |
| Mpumalanga | 34 | 34 | 46 | 46 | 47 | 43 |
| Limpopo | 23 | 27 | 34 | 29 | 25 | 39 |
| | | | | | | |
| **Finance** | **1 173** | **1 228** | **1 338** | **1 361** | **1 459** | **1 656** |
| Western Cape | 180 | 209 | 212 | 235 | 245 | 257 |
| Eastern Cape | 61 | 64 | 85 | 88 | 101 | 116 |
| Northern Cape | 12 | 16 | 15 | 17 | 19 | 24 |
| Free State | 48 | 50 | 51 | 54 | 63 | 67 |
| KwaZulu Natal | 198 | 184 | 198 | 214 | 236 | 280 |
| North West | 36 | 50 | 64 | 57 | 67 | 72 |
| Gauteng | 565 | 563 | 602 | 588 | 607 | 707 |
| Mpumalanga | 51 | 54 | 67 | 64 | 71 | 79 |
| Limpopo | 23 | 37 | 44 | 44 | 50 | 53 |
| | | | | | | |
| **Community and social services** | **2 288** | **2 295** | **2 321** | **2 379** | **2 490** | **2 616** |
| Western Cape | 293 | 292 | 311 | 313 | 326 | 341 |
| Eastern Cape | 229 | 246 | 269 | 271 | 276 | 327 |
| Northern Cape | 64 | 66 | 67 | 70 | 72 | 75 |
| Free State | 169 | 175 | 170 | 178 | 191 | 181 |
| KwaZulu Natal | 429 | 429 | 434 | 464 | 490 | 483 |
| North West | 133 | 134 | 151 | 152 | 155 | 158 |
| Gauteng | 641 | 632 | 621 | 604 | 643 | 694 |
| Mpumalanga | 132 | 133 | 118 | 135 | 131 | 142 |
| Limpopo | 198 | 187 | 179 | 191 | 206 | 215 |
| | | | | | | |
| **Private households** | **1 230** | **1 206** | **1 252** | **1 311** | **1 258** | **1 230** |
| Western Cape | 126 | 135 | 131 | 142 | 148 | 117 |
| Eastern Cape | 157 | 132 | 135 | 134 | 114 | 125 |
| Northern Cape | 50 | 38 | 34 | 34 | 30 | 33 |
| Free State | 115 | 98 | 93 | 94 | 93 | 93 |
| KwaZulu Natal | 270 | 269 | 230 | 240 | 228 | 251 |
| North West | 102 | 97 | 105 | 116 | 106 | 91 |
| Gauteng | 258 | 276 | 364 | 381 | 357 | 350 |
| Mpumalanga | 77 | 85 | 91 | 102 | 93 | 87 |
| Limpopo | 75 | 77 | 68 | 68 | 90 | 82 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 3.3: Employed by sector and industry - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Total employed** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| **Formal and informal sector (Non-agricultural)** | **9 731** | **10 037** | **10 777** | **11 248** | **11 472** | **11 703** |
| Mining | 428 | 384 | 343 | 339 | 367 | 329 |
| Manufacturing | 1 779 | 1 833 | 1 860 | 1 922 | 1 960 | 1 954 |
| Utilities | 77 | 87 | 93 | 97 | 86 | 94 |
| Construction | 656 | 783 | 937 | 1 016 | 1 051 | 1 136 |
| Trade | 2 675 | 2 748 | 3 180 | 3 450 | 3 342 | 3 150 |
| Transport | 656 | 678 | 705 | 684 | 717 | 766 |
| Finance | 1 173 | 1 228 | 1 338 | 1 361 | 1 459 | 1 656 |
| Community and social services | 2 288 | 2 295 | 2 321 | 2 379 | 2 490 | 2 616 |
| Other | | | | | | 3 |
| | | | | | | |
| **Formal sector (Non-agricultural)** | **7 725** | **8 039** | **8 336** | **8 675** | **9 147** | **9 433** |
| Mining | 425 | 383 | 339 | 337 | 364 | 326 |
| Manufacturing | 1 540 | 1 589 | 1 579 | 1 638 | 1 675 | 1 718 |
| Utilities | 75 | 85 | 90 | 94 | 80 | 90 |
| Construction | 390 | 477 | 581 | 589 | 674 | 821 |
| Trade | 1 618 | 1 728 | 1 902 | 2 143 | 2 195 | 2 085 |
| Transport | 499 | 522 | 526 | 504 | 562 | 562 |
| Finance | 1 082 | 1 149 | 1 244 | 1 256 | 1 383 | 1 508 |
| Community and social services | 2 098 | 2 107 | 2 077 | 2 114 | 2 215 | 2 320 |
| Other | | | | | | 3 |
| | | | | | | |
| **Informal sector (Non-agricultural)** | **2 006** | **1 998** | **2 441** | **2 573** | **2 325** | **2 270** |
| Mining | 3 | 2 | 4 | 3 | 2 | 2 |
| Manufacturing | 239 | 244 | 281 | 285 | 285 | 236 |
| Utilities | 2 | 2 | 3 | 2 | 6 | 4 |
| Construction | 266 | 307 | 356 | 426 | 378 | 314 |
| Trade | 1 057 | 1 020 | 1 279 | 1 307 | 1 146 | 1 065 |
| Transport | 157 | 156 | 179 | 180 | 155 | 205 |
| Finance | 91 | 80 | 94 | 105 | 76 | 148 |
| Community and social services | 190 | 187 | 244 | 265 | 276 | 296 |
| Other | | | | | | 0 |
| | | | | | | |
| **Agriculture** | **851** | **800** | **740** | **859** | **737** | **780** |
| **Private households** | **1 230** | **1 206** | **1 252** | **1 311** | **1 258** | **1 230** |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

**Table 3.4: Employed by province and sector**

| Market production activities | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **South Africa** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Formal sector (Non-agricultural) | 7 725 | 8 039 | 8 336 | 8 675 | 9 147 | 9 433 |
| Informal sector (Non-agricultural) | 2 006 | 1 998 | 2 441 | 2 573 | 2 325 | 2 270 |
| Agriculture | 851 | 800 | 740 | 859 | 737 | 780 |
| Private households | 1 230 | 1 206 | 1 252 | 1 311 | 1 258 | 1 230 |
| | | | | | | |
| **Western Cape** | **1 678** | **1 697** | **1 734** | **1 857** | **1 875** | **1 897** |
| Formal sector (Non-agricultural) | 1 222 | 1 285 | 1 316 | 1 378 | 1 406 | 1 444 |
| Informal sector (Non-agricultural) | 151 | 135 | 170 | 203 | 188 | 187 |
| Agriculture | 178 | 142 | 118 | 135 | 132 | 148 |
| Private households | 126 | 135 | 131 | 142 | 148 | 117 |
| | | | | | | |
| **Eastern Cape** | **1 114** | **1 079** | **1 291** | **1 423** | **1 290** | **1 338** |
| Formal sector (Non-agricultural) | 576 | 617 | 678 | 741 | 777 | 825 |
| Informal sector (Non-agricultural) | 261 | 234 | 342 | 365 | 315 | 310 |
| Agriculture | 121 | 96 | 135 | 183 | 84 | 78 |
| Private households | 157 | 132 | 135 | 134 | 114 | 125 |
| | | | | | | |
| **Northern Cape** | **313** | **305** | **285** | **311** | **309** | **307** |
| Formal sector (Non-agricultural) | 179 | 197 | 183 | 200 | 210 | 185 |
| Informal sector (Non-agricultural) | 22 | 18 | 31 | 29 | 25 | 31 |
| Agriculture | 62 | 52 | 38 | 48 | 44 | 58 |
| Private households | 50 | 38 | 34 | 34 | 30 | 33 |
| | | | | | | |
| **Free State** | **831** | **817** | **806** | **803** | **832** | **835** |
| Formal sector (Non-agricultural) | 507 | 519 | 519 | 516 | 555 | 522 |
| Informal sector (Non-agricultural) | 114 | 123 | 139 | 141 | 129 | 140 |
| Agriculture | 94 | 78 | 55 | 51 | 54 | 80 |
| Private households | 115 | 98 | 93 | 94 | 93 | 93 |
| | | | | | | |
| **KwaZulu Natal** | **2 233** | **2 237** | **2 346** | **2 549** | **2 512** | **2 597** |
| Formal sector (Non-agricultural) | 1 411 | 1 434 | 1 491 | 1 586 | 1 661 | 1 691 |
| Informal sector (Non-agricultural) | 392 | 369 | 472 | 533 | 446 | 503 |
| Agriculture | 159 | 165 | 152 | 190 | 177 | 152 |
| Private households | 270 | 269 | 230 | 240 | 228 | 251 |
| | | | | | | |
| **North West** | **737** | **773** | **845** | **839** | **858** | **891** |
| Formal sector (Non-agricultural) | 463 | 500 | 530 | 527 | 561 | 619 |
| Informal sector (Non-agricultural) | 117 | 121 | 151 | 141 | 142 | 124 |
| Agriculture | 56 | 54 | 59 | 54 | 50 | 57 |
| Private households | 102 | 97 | 105 | 116 | 106 | 91 |
| | | | | | | |
| **Gauteng** | **3 324** | **3 470** | **3 783** | **3 914** | **3 972** | **4 056** |
| Formal sector (Non-agricultural) | 2 550 | 2 623 | 2 734 | 2 766 | 2 931 | 3 122 |
| Informal sector (Non-agricultural) | 501 | 531 | 646 | 719 | 640 | 521 |
| Agriculture | 16 | 40 | 39 | 48 | 44 | 62 |
| Private households | 258 | 276 | 364 | 381 | 357 | 350 |
| | | | | | | |
| **Mpumalanga** | **824** | **839** | **856** | **899** | **923** | **913** |
| Formal sector (Non-agricultural) | 449 | 451 | 452 | 506 | 548 | 537 |
| Informal sector (Non-agricultural) | 214 | 219 | 227 | 203 | 195 | 211 |
| Agriculture | 84 | 84 | 85 | 88 | 88 | 78 |
| Private households | 77 | 85 | 91 | 102 | 93 | 87 |
| | | | | | | |
| **Limpopo** | **757** | **826** | **823** | **823** | **896** | **880** |
| Formal sector (Non-agricultural) | 369 | 410 | 433 | 454 | 499 | 489 |
| Informal sector (Non-agricultural) | 233 | 248 | 263 | 240 | 245 | 243 |
| Agriculture | 80 | 90 | 58 | 62 | 62 | 66 |
| Private households | 75 | 77 | 68 | 68 | 90 | 82 |

Due to rounding, numbers do not necessarily add up to totals.

| Table 3.5: Employed by sex and occupation - South Africa | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Manager | 806 | 935 | 878 | 908 | 976 | 1 021 |
| Professional | 421 | 382 | 435 | 479 | 563 | 752 |
| Technician | 1 366 | 1 348 | 1 404 | 1 429 | 1 439 | 1 473 |
| Clerk | 1 244 | 1 285 | 1 295 | 1 344 | 1 380 | 1 456 |
| Sales and services | 1 428 | 1 528 | 1 684 | 1 779 | 1 755 | 1 766 |
| Skilled agriculture | 96 | 86 | 98 | 144 | 105 | 107 |
| Craft and related trade | 1 556 | 1 601 | 1 858 | 2 020 | 1 995 | 1 915 |
| Plant and machine operator | 1 135 | 1 103 | 1 132 | 1 119 | 1 176 | 1 179 |
| Elementary | 2 790 | 2 829 | 3 020 | 3 183 | 3 059 | 3 063 |
| Domestic worker | 970 | 948 | 965 | 1 013 | 1 019 | 981 |
| Other | | | | | | 1 |
| | | | | | | |
| **Women** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |
| Manager | 207 | 250 | 257 | 280 | 309 | 306 |
| Professional | 190 | 185 | 202 | 230 | 284 | 350 |
| Technician | 739 | 730 | 762 | 768 | 791 | 815 |
| Clerk | 827 | 875 | 888 | 910 | 952 | 1 002 |
| Sales and services | 656 | 678 | 764 | 825 | 793 | 846 |
| Skilled agriculture | 44 | 42 | 53 | 83 | 52 | 29 |
| Craft and related trade | 255 | 248 | 309 | 327 | 337 | 286 |
| Plant and machine operator | 178 | 168 | 155 | 166 | 184 | 174 |
| Elementary | 1 203 | 1 171 | 1 285 | 1 347 | 1 296 | 1 289 |
| Domestic worker | 921 | 909 | 928 | 1 000 | 945 | 944 |
| Other | | | | | | 0 |
| | | | | | | |
| **Men** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| Manager | 599 | 685 | 621 | 628 | 667 | 715 |
| Professional | 231 | 197 | 234 | 249 | 279 | 402 |
| Technician | 627 | 618 | 643 | 661 | 648 | 657 |
| Clerk | 418 | 410 | 407 | 434 | 428 | 454 |
| Sales and services | 771 | 849 | 920 | 954 | 962 | 920 |
| Skilled agriculture | 53 | 44 | 45 | 61 | 53 | 78 |
| Craft and related trade | 1 301 | 1 353 | 1 549 | 1 693 | 1 657 | 1 628 |
| Plant and machine operator | 957 | 935 | 977 | 953 | 992 | 1 005 |
| Elementary | 1 588 | 1 658 | 1 735 | 1 836 | 1 763 | 1 774 |
| Domestic worker | 49 | 39 | 37 | 13 | 74 | 36 |
| Other | | | | | | 1 |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

**Table 3.6: Employed by sex and status in employment - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | QIfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Employee | 9 667 | 9 857 | 10 330 | 10 740 | 11 038 | 11 573 |
| Employer | 796 | 836 | 875 | 973 | 917 | 753 |
| Own-account worker | 1 259 | 1 263 | 1 426 | 1 623 | 1 452 | 1 267 |
| Unpaid household member | 91 | 88 | 138 | 83 | 59 | 120 |
| Unspecified | 0 | | 0 | 0 | 1 | |
| | | | | | | |
| **Women** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |
| Employee | 4 204 | 4 245 | 4 401 | 4 653 | 4 786 | 5 088 |
| Employer | 226 | 250 | 262 | 293 | 278 | 180 |
| Own-account worker | 732 | 703 | 847 | 933 | 843 | 687 |
| Unpaid household member | 58 | 57 | 91 | 56 | 35 | 86 |
| Unspecified | | | | | 1 | |
| | | | | | | |
| **Men** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| Employee | 5 463 | 5 612 | 5 928 | 6 086 | 6 252 | 6 486 |
| Employer | 570 | 586 | 612 | 679 | 639 | 573 |
| Own-account worker | 527 | 560 | 580 | 691 | 608 | 579 |
| Unpaid household member | 33 | 30 | 46 | 27 | 24 | 34 |
| Unspecified | 0 | | 0 | 0 | 0 | |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

**Table 3.7: Employed by sex and usual hours of work - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Working less than 15 hours per week | 369 | 310 | 376 | 459 | 358 | 313 |
| Working 15-29 hours per week | 649 | 600 | 693 | 750 | 709 | 799 |
| Working 30-39 hours per week | 1 016 | 1 074 | 1 057 | 1 123 | 985 | 1 039 |
| Working 40-45 hours per week | 5 286 | 5 666 | 5 086 | 6 232 | 6 861 | 6 921 |
| Working more than 45 hours per week | 4 493 | 4 393 | 5 557 | 4 854 | 4 554 | 4 641 |
| | | | | | | |
| **Women** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |
| Working less than 15 hours per week | 231 | 182 | 237 | 287 | 233 | 199 |
| Working 15-29 hours per week | 430 | 395 | 455 | 489 | 471 | 537 |
| Working 30-39 hours per week | 606 | 656 | 622 | 659 | 594 | 651 |
| Working 40-45 hours per week | 2 334 | 2 437 | 2 172 | 2 692 | 2 995 | 2 980 |
| Working more than 45 hours per week | 1 625 | 1 587 | 2 122 | 1 810 | 1 653 | 1 674 |
| | | | | | | |
| **Men** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| Working less than 15 hours per week | 138 | 128 | 139 | 172 | 126 | 114 |
| Working 15-29 hours per week | 219 | 205 | 238 | 261 | 238 | 262 |
| Working 30-39 hours per week | 410 | 418 | 435 | 464 | 391 | 388 |
| Working 40-45 hours per week | 2 953 | 3 229 | 2 915 | 3 541 | 3 866 | 3 942 |
| Working more than 45 hours per week | 2 873 | 2 808 | 3 440 | 3 045 | 2 902 | 2 967 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 3.8: Time-related underemployment - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **450** | **416** | **452** | **468** | **380** | **625** |
| Women | 275 | 240 | 255 | 272 | 225 | 385 |
| Men | 174 | 176 | 197 | 195 | 155 | 240 |
| | | | | | | |
| **As percentage of the labour force (Both sexes)** | **2,8** | **2,6** | **2,7** | **2,7** | **2,2** | **3,5** |
| Women | 3,6 | 3,3 | 3,3 | 3,3 | 2,8 | 4,7 |
| Men | 2,0 | 2,0 | 2,2 | 2,1 | 1,7 | 2,5 |
| | | | | | | |
| **As percentage of total employment (Both sexes)** | **3,8** | **3,5** | **3,5** | **3,5** | **2,8** | **4,6** |
| Women | 5,3 | 4,6 | 4,6 | 4,6 | 3,8 | 6,4 |
| Men | 2,6 | 2,6 | 2,7 | 2,6 | 2,1 | 3,1 |
| | | | | | | |
| **Industry** | **450** | **416** | **452** | **468** | **380** | **625** |
| Agriculture | 23 | 16 | 17 | 19 | 16 | 21 |
| Mining | 0 | 1 | 1 | | 0 | 1 |
| Manufacturing | 43 | 36 | 42 | 40 | 25 | 42 |
| Utilities | 1 | 0 | 1 | 1 | | 2 |
| Construction | 26 | 32 | 38 | 39 | 37 | 57 |
| Trade | 144 | 129 | 124 | 135 | 103 | 127 |
| Transport | 13 | 9 | 11 | 12 | 16 | 21 |
| Finance | 28 | 17 | 23 | 18 | 13 | 37 |
| Community and social services | 42 | 45 | 58 | 55 | 51 | 91 |
| Private households | 130 | 129 | 137 | 149 | 120 | 225 |
| | | | | | | |
| **Occupation** | **450** | **416** | **452** | **468** | **380** | **625** |
| Manager | 8 | 6 | 7 | 6 | 7 | 11 |
| Professional | 5 | 3 | 4 | 5 | 3 | 16 |
| Technician | 25 | 22 | 39 | 30 | 26 | 41 |
| Clerk | 22 | 20 | 21 | 16 | 19 | 23 |
| Sales and services | 44 | 42 | 46 | 49 | 38 | 61 |
| Skilled agriculture | 12 | 10 | 9 | 13 | 8 | 4 |
| Craft and related trade | 63 | 64 | 64 | 68 | 53 | 74 |
| Plant and machine operator | 15 | 10 | 14 | 15 | 17 | 22 |
| Elementary | 162 | 152 | 162 | 162 | 126 | 207 |
| Domestic worker | 94 | 88 | 86 | 105 | 83 | 166 |
| Other | | | | | | 0 |

For all values of 10 000 or lower the sample size is too small for reliable estimates.
Due to rounding, numbers do not necessarily add up to totals.

**Table 3.9: Underutilisation of labour**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **7 079** | **6 790** | **6 786** | **6 721** | **6 808** | **5 824** |
| Underemployed | 450 | 416 | 452 | 468 | 380 | 625 |
| Unemployed | 4 395 | 3 945 | 3 997 | 3 922 | 3 871 | 4 075 |
| Discouraged work-seekers | 2 234 | 2 429 | 2 337 | 2 331 | 2 557 | 1 124 |
| | | | | | | |
| **Women** | **4 039** | **3 870** | **3 939** | **3 950** | **3 960** | **3 226** |
| Underemployed | 275 | 240 | 255 | 272 | 225 | 385 |
| Unemployed | 2 353 | 2 115 | 2 200 | 2 212 | 2 132 | 2 158 |
| Discouraged work-seekers | 1 410 | 1 516 | 1 484 | 1 466 | 1 603 | 683 |
| | | | | | | |
| **Men** | **3 040** | **2 919** | **2 847** | **2 771** | **2 848** | **2 598** |
| Underemployed | 174 | 176 | 197 | 195 | 155 | 240 |
| Unemployed | 2 042 | 1 830 | 1 797 | 1 710 | 1 739 | 1 917 |
| Discouraged work-seekers | 824 | 913 | 854 | 865 | 954 | 440 |
| | | | | | | |
| **As percentage of total working age (Both sexes)** | **24,9** | **23,4** | **23,1** | **22,5** | **22,5** | **18,9** |
| Women | 26,9 | 25,4 | 25,4 | 25,1 | 24,9 | 20,0 |
| Men | 22,6 | 21,3 | 20,4 | 19,5 | 19,8 | 17,7 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 4: Characteristics of the unemployed - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | QIfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Unemployed** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| Short-term unemployment (less than 1 year) | 1 477 | 1 350 | 1 448 | 1 575 | 1 754 | 1 686 |
| **Long-term unemployment (1 year and more)** | **2 839** | **2 519** | **2 473** | **2 271** | **2 016** | **2 383** |
| 1 year to less than 3 years | 1 139 | 973 | 993 | 934 | 858 | 961 |
| 3 years and over | 1 700 | 1 546 | 1 480 | 1 337 | 1 159 | 1 421 |
| | | | | | | |
| **Long-term unemployment (%)** | | | | | | |
| Proportion of the labour force | 17,5 | 15,8 | 14,8 | 13,1 | 11,6 | 13,4 |
| Proportion of the unemployed | 64,6 | 63,9 | 61,9 | 57,9 | 52,1 | 58,5 |

Due to rounding, numbers do not necessarily add up to totals.
Totals include the ‘don’t know’ and ‘other’.

**Table 5: Characteristics of the not economically active - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Not economically active** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| Student | 4 783 | 4 914 | 4 991 | 5 065 | 5 178 | 5 682 |
| Home-maker | 1 437 | 1 507 | 1 235 | 1 196 | 1 178 | 2 519 |
| Illness/disability | 1 149 | 1 385 | 1 400 | 1 338 | 1 411 | 1 813 |
| Too old/young to work | 1 073 | 1 028 | 1 021 | 1 072 | 1 035 | 997 |
| Discouraged work seekers | 2 234 | 2 429 | 2 337 | 2 331 | 2 557 | 1 124 |
| Other | 1 573 | 1 705 | 1 687 | 1 547 | 1 614 | 830 |
| | | | | | | |
| **Inactivity rate by age (Both sexes)** | **43,0** | **44,8** | **43,0** | **42,0** | **42,8** | **42,2** |
| 15-24 yrs | 70,0 | 71,7 | 70,9 | 70,0 | 70,7 | 69,6 |
| 25-54 yrs | 25,8 | 27,8 | 25,8 | 24,7 | 25,5 | 24,7 |
| 55-64 yrs | 57,4 | 57,7 | 54,6 | 54,0 | 55,3 | 56,6 |
| | | | | | | |
| **Inactivity rate by age (Women)** | **49,6** | **51,7** | **49,6** | **48,1** | **49,2** | **49,1** |
| 15-24 yrs | 71,9 | 73,7 | 73,2 | 71,4 | 73,4 | 72,5 |
| 25-54 yrs | 34,4 | 37,3 | 34,4 | 33,2 | 33,8 | 33,9 |
| 55-64 yrs | 68,6 | 68,0 | 66,8 | 65,1 | 66,7 | 67,3 |
| | | | | | | |
| **Inactivity rate by age (Men)** | **35,8** | **37,1** | **35,7** | **35,2** | **35,7** | **34,5** |
| 15-24 yrs | 67,9 | 69,6 | 68,5 | 68,4 | 68,0 | 66,8 |
| 25-54 yrs | 15,9 | 17,0 | 16,1 | 15,0 | 16,0 | 14,3 |
| 55-64 yrs | 43,5 | 44,9 | 39,5 | 40,1 | 40,9 | 43,1 |

Due to rounding, numbers do not necessarily add up to totals.

**Table 6: Socio-demographic characteristics - South Africa**

| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
|---|---|---|---|---|---|---|
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Age group of the employed** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| 15-24 yrs | 1 269 | 1 312 | 1 442 | 1 554 | 1 538 | 1 644 |
| 25-34 yrs | 3 959 | 4 070 | 4 309 | 4 565 | 4 547 | 4 674 |
| 35-44 yrs | 3 313 | 3 283 | 3 415 | 3 526 | 3 633 | 3 636 |
| 45-54 yrs | 2 307 | 2 374 | 2 501 | 2 607 | 2 592 | 2 619 |
| 55-64 yrs | 964 | 1 005 | 1 102 | 1 167 | 1 158 | 1 140 |
| | | | | | | |
| **Age group of the unemployed** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| 15-24 yrs | 1 541 | 1 368 | 1 348 | 1 359 | 1 336 | 1 375 |
| 25-34 yrs | 1 783 | 1 631 | 1 682 | 1 600 | 1 598 | 1 648 |
| 35-44 yrs | 652 | 593 | 589 | 609 | 568 | 684 |
| 45-54 yrs | 331 | 283 | 295 | 289 | 300 | 286 |
| 55-64 yrs | 88 | 69 | 82 | 64 | 69 | 83 |
| | | | | | | |
| **Age group of the not economically active** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| 15-24 yrs | 6 548 | 6 796 | 6 799 | 6 783 | 6 933 | 6 919 |
| 25-34 yrs | 1 969 | 2 196 | 2 062 | 2 002 | 2 093 | 1 958 |
| 35-44 yrs | 1 135 | 1 260 | 1 194 | 1 152 | 1 198 | 1 217 |
| 45-54 yrs | 1 179 | 1 251 | 1 194 | 1 167 | 1 235 | 1 276 |
| 55-64 yrs | 1 418 | 1 465 | 1 424 | 1 445 | 1 515 | 1 594 |
| | | | | | | |
| **Highest level of education of the employed** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| No schooling | 693 | 695 | 695 | 691 | 627 | 573 |
| Less than primary completed | 1 717 | 1 610 | 1 632 | 1 671 | 1 598 | 1 444 |
| Primary completed | 765 | 773 | 810 | 820 | 793 | 731 |
| Secondary not completed | 3 635 | 4 280 | 4 098 | 4 431 | 4 501 | 4 545 |
| Secondary completed | 3 144 | 3 349 | 3 598 | 3 787 | 3 814 | 3 909 |
| Tertiary | 1 774 | 1 271 | 1 841 | 1 958 | 2 054 | 2 345 |
| Other | 84 | 65 | 96 | 62 | 80 | 166 |
| | | | | | | |
| **Highest level of education of the unemployed** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| No schooling | 145 | 104 | 128 | 134 | 96 | 98 |
| Less than primary completed | 575 | 467 | 483 | 425 | 409 | 399 |
| Primary completed | 327 | 260 | 270 | 252 | 254 | 228 |
| Secondary not completed | 1 879 | 1 814 | 1 785 | 1 753 | 1 833 | 1 881 |
| Secondary completed | 1 258 | 1 204 | 1 170 | 1 176 | 1 112 | 1 245 |
| Tertiary | 192 | 88 | 146 | 171 | 159 | 194 |
| Other | 19 | 8 | 13 | 10 | 9 | 30 |
| | | | | | | |
| **Highest level of education of the not economically active** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| No schooling | 1 011 | 1 058 | 969 | 892 | 918 | 892 |
| Less than primary completed | 2 116 | 2 227 | 2 035 | 1 905 | 1 925 | 1 897 |
| Primary completed | 1 135 | 1 170 | 1 137 | 1 117 | 1 074 | 1 070 |
| Secondary not completed | 5 991 | 6 392 | 6 296 | 6 365 | 6 759 | 6 871 |
| Secondary completed | 1 699 | 1 870 | 1 870 | 1 913 | 1 944 | 1 848 |
| Tertiary | 246 | 215 | 303 | 300 | 293 | 287 |
| Other | 51 | 36 | 61 | 57 | 60 | 98 |
| | | | | | | |
| **Current marital status of the employed** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Married or living together like husband and wife | 6 808 | 6 911 | 7 136 | 7 300 | 7 275 | 7 173 |
| Widow/widower | 496 | 464 | 482 | 538 | 492 | 479 |
| Divorced or separated | 499 | 508 | 508 | 474 | 447 | 504 |
| Never married | 4 006 | 4 158 | 4 643 | 5 106 | 5 248 | 5 557 |
| Unspecified | 2 | 3 | 1 | 1 | 5 | |
| | | | | | | |
| **Current marital status of the unemployed** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| Married or living together like husband and wife | 1 240 | 1 088 | 1 166 | 1 033 | 1 047 | 1 120 |
| Widow/widower | 67 | 64 | 63 | 71 | 66 | 63 |
| Divorced or separated | 102 | 87 | 83 | 69 | 61 | 78 |
| Never married | 2 986 | 2 707 | 2 684 | 2 750 | 2 696 | 2 815 |
| Unspecified | 0 | | 1 | 0 | 0 | |
| | | | | | | |
| **Current marital status of the not economically active** | **12 249** | **12 968** | **12 672** | **12 548** | **12 973** | **12 964** |
| Married or living together like husband and wife | 3 361 | 3 597 | 3 327 | 3 167 | 3 244 | 3 425 |
| Widow/widower | 573 | 594 | 541 | 567 | 592 | 617 |
| Divorced or separated | 222 | 245 | 227 | 209 | 235 | 238 |
| Never married | 8 091 | 8 530 | 8 571 | 8 605 | 8 892 | 8 684 |
| Unspecified | 2 | 2 | 6 | 1 | 10 | |

Due to rounding, numbers do not necessarily add up to totals.

| Table A: Employed by industry and volume of hours worked - South Africa | | | | | | |
|---|---|---|---|---|---|---|
| **Market production activities** | **Lfs 2003** | **Lfs 2004** | **Lfs 2005** | **Lfs 2006** | **Lfs 2007** | **Qlfs 2008** |
| | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
| | | | | | | |
| **Both sexes** | **526 716** | **542 499** | **589 192** | **597 588** | **601 397** | **601 486** |
| Agriculture | 39 510 | 37 010 | 34 082 | 37 372 | 32 940 | 36 262 |
| Mining | 20 850 | 18 555 | 16 579 | 15 874 | 17 659 | 15 012 |
| Manufacturing | 78 262 | 82 243 | 84 370 | 85 451 | 86 797 | 84 415 |
| Utilities | 3 297 | 3 813 | 4 420 | 4 199 | 3 726 | 4 024 |
| Construction | 28 558 | 34 868 | 42 843 | 44 145 | 46 140 | 48 269 |
| Trade | 124 396 | 131 685 | 156 677 | 162 693 | 157 488 | 150 454 |
| Transport | 33 280 | 34 175 | 37 047 | 35 089 | 36 303 | 39 730 |
| Finance | 52 830 | 55 734 | 63 133 | 62 754 | 68 033 | 74 926 |
| Community and social services | 96 489 | 96 205 | 99 427 | 99 118 | 104 057 | 105 463 |
| Private households | 49 245 | 48 211 | 50 615 | 50 892 | 48 255 | 42 811 |
| | | | | | | |
| **Women** | **219 476** | **225 063** | **245 798** | **250 637** | **251 245** | **248 519** |
| Agriculture | 11 434 | 11 395 | 10 314 | 11 948 | 11 078 | 11 229 |
| Mining | 869 | 717 | 850 | 819 | 1 030 | 1 547 |
| Manufacturing | 26 592 | 27 445 | 28 679 | 28 693 | 27 409 | 25 866 |
| Utilities | 862 | 908 | 805 | 975 | 919 | 1 005 |
| Construction | 2 492 | 3 013 | 3 342 | 3 876 | 4 046 | 4 044 |
| Trade | 60 493 | 63 890 | 77 010 | 79 700 | 78 274 | 73 838 |
| Transport | 5 793 | 6 329 | 6 829 | 5 430 | 6 182 | 6 558 |
| Finance | 20 277 | 21 059 | 25 492 | 24 653 | 26 433 | 30 644 |
| Community and social services | 52 573 | 53 102 | 52 827 | 54 716 | 58 684 | 59 703 |
| Private households | 38 091 | 37 205 | 39 650 | 39 827 | 37 190 | 34 027 |
| | | | | | | |
| **Men** | **307 240** | **317 436** | **343 394** | **346 951** | **350 151** | **352 967** |
| Agriculture | 28 075 | 25 615 | 23 768 | 25 423 | 21 862 | 25 032 |
| Mining | 19 981 | 17 839 | 15 729 | 15 055 | 16 628 | 13 465 |
| Manufacturing | 51 670 | 54 798 | 55 691 | 56 759 | 59 388 | 58 550 |
| Utilities | 2 435 | 2 904 | 3 614 | 3 224 | 2 807 | 3 019 |
| Construction | 26 065 | 31 855 | 39 501 | 40 269 | 42 094 | 44 224 |
| Trade | 63 903 | 67 795 | 79 667 | 82 993 | 79 213 | 76 616 |
| Transport | 27 487 | 27 846 | 30 218 | 29 659 | 30 121 | 33 172 |
| Finance | 32 553 | 34 676 | 37 641 | 38 102 | 41 600 | 44 282 |
| Community and social services | 43 916 | 43 103 | 46 600 | 44 402 | 45 372 | 45 761 |
| Private households | 11 155 | 11 006 | 10 965 | 11 065 | 11 065 | 8 784 |

Due to rounding, numbers do not necessarily add up to totals.

| Table B: Employed by industry and average hours of work | | | | | | |
|---|---|---|---|---|---|---|
| **Market production activities** | **Lfs 2003** | **Lfs 2004** | **Lfs 2005** | **Lfs 2006** | **Lfs 2007** | **Qlfs 2008** |
| | **Hours** | **Hours** | **Hours** | **Hours** | **Hours** | **Hours** |
| | | | | | | |
| **Both sexes** | **45** | **45** | **46** | **45** | **45** | **44** |
| Agriculture | 46 | 46 | 46 | 44 | 45 | 46 |
| Mining | 49 | 48 | 49 | 47 | 48 | 46 |
| Manufacturing | 44 | 45 | 45 | 44 | 44 | 43 |
| Utilities | 43 | 44 | 47 | 43 | 43 | 43 |
| Construction | 44 | 45 | 46 | 44 | 44 | 43 |
| Trade | 47 | 48 | 49 | 47 | 47 | 48 |
| Transport | 51 | 50 | 53 | 51 | 51 | 52 |
| Finance | 45 | 46 | 47 | 46 | 47 | 45 |
| Community and social services | 42 | 42 | 43 | 42 | 42 | 40 |
| Private households | 40 | 40 | 40 | 39 | 38 | 35 |
| | | | | | | |
| **Women** | **42** | **43** | **44** | **42** | **42** | **41** |
| Agriculture | 42 | 42 | 41 | 39 | 41 | 43 |
| Mining | 44 | 45 | 45 | 44 | 45 | 43 |
| Manufacturing | 42 | 43 | 43 | 42 | 42 | 41 |
| Utilities | 41 | 42 | 45 | 42 | 41 | 40 |
| Construction | 37 | 39 | 39 | 35 | 35 | 36 |
| Trade | 45 | 47 | 48 | 46 | 47 | 47 |
| Transport | 44 | 45 | 45 | 45 | 43 | 43 |
| Finance | 41 | 42 | 44 | 43 | 43 | 42 |
| Community and social services | 41 | 41 | 41 | 41 | 41 | 39 |
| Private households | 40 | 40 | 42 | 39 | 39 | 35 |
| | | | | | | |
| **Men** | **47** | **47** | **48** | **46** | **47** | **46** |
| Agriculture | 49 | 49 | 49 | 46 | 47 | 48 |
| Mining | 49 | 48 | 49 | 47 | 48 | 46 |
| Manufacturing | 45 | 46 | 47 | 46 | 46 | 44 |
| Utilities | 43 | 44 | 48 | 44 | 44 | 44 |
| Construction | 44 | 45 | 46 | 45 | 45 | 43 |
| Trade | 48 | 49 | 50 | 48 | 48 | 49 |
| Transport | 52 | 52 | 55 | 53 | 53 | 54 |
| Finance | 48 | 48 | 49 | 49 | 49 | 48 |
| Community and social services | 44 | 44 | 45 | 43 | 43 | 42 |
| Private households | 39 | 39 | 37 | 37 | 37 | 34 |

| Table C: Employed by occupation and volume of hours worked | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **526 716** | **542 499** | **589 192** | **597 588** | **601 397** | **601 486** |
| Manager | 38 533 | 44 774 | 43 374 | 43 077 | 46 554 | 48 115 |
| Professional | 17 775 | 16 156 | 18 578 | 20 074 | 23 859 | 31 770 |
| Technician | 56 443 | 56 161 | 60 081 | 59 846 | 60 010 | 58 384 |
| Clerk | 53 383 | 55 420 | 56 988 | 58 089 | 59 362 | 62 012 |
| Sales and services | 70 056 | 75 947 | 86 969 | 88 503 | 88 325 | 89 110 |
| Skilled agriculture | 2 453 | 2 291 | 2 644 | 3 115 | 2 731 | 4 940 |
| Craft and related trade | 68 229 | 71 312 | 84 723 | 88 648 | 87 252 | 81 812 |
| Plant and machine operator | 55 687 | 54 178 | 57 335 | 55 523 | 57 551 | 57 525 |
| Elementary | 124 948 | 127 793 | 138 237 | 140 917 | 136 211 | 133 402 |
| Domestic worker | 39 210 | 38 467 | 40 262 | 39 796 | 39 542 | 34 388 |
| | | | | | | |
| **Women** | **219 476** | **225 063** | **245 798** | **250 637** | **251 245** | **248 519** |
| Manager | 9 513 | 11 259 | 12 048 | 12 864 | 13 682 | 13 585 |
| Professional | 7 579 | 7 407 | 8 161 | 9 249 | 11 559 | 14 010 |
| Technician | 29 495 | 29 559 | 31 505 | 31 474 | 32 017 | 30 952 |
| Clerk | 34 819 | 37 171 | 38 487 | 38 720 | 40 451 | 41 941 |
| Sales and services | 30 426 | 32 673 | 37 670 | 38 740 | 37 999 | 39 852 |
| Skilled agriculture | 882 | 940 | 1 234 | 1 589 | 1 118 | 1 168 |
| Craft and related trade | 9 630 | 9 864 | 12 810 | 12 333 | 13 052 | 11 249 |
| Plant and machine operator | 7 901 | 7 841 | 7 119 | 7 601 | 8 204 | 7 488 |
| Elementary | 52 148 | 51 564 | 58 046 | 58 788 | 56 515 | 55 228 |
| Domestic worker | 37 083 | 36 786 | 38 719 | 39 278 | 36 649 | 33 040 |
| | | | | | | |
| **Men** | **307 240** | **317 436** | **343 394** | **346 951** | **350 151** | **352 967** |
| Manager | 29 019 | 33 515 | 31 326 | 30 212 | 32 872 | 34 530 |
| Professional | 10 196 | 8 749 | 10 417 | 10 825 | 12 300 | 17 759 |
| Technician | 26 948 | 26 602 | 28 576 | 28 372 | 27 993 | 27 432 |
| Clerk | 18 564 | 18 249 | 18 501 | 19 369 | 18 911 | 20 070 |
| Sales and services | 39 630 | 43 274 | 49 299 | 49 763 | 50 327 | 49 258 |
| Skilled agriculture | 1 571 | 1 352 | 1 410 | 1 526 | 1 613 | 3 771 |
| Craft and related trade | 58 599 | 61 448 | 71 913 | 76 315 | 74 199 | 70 563 |
| Plant and machine operator | 47 786 | 46 338 | 50 216 | 47 922 | 49 347 | 50 037 |
| Elementary | 72 800 | 76 229 | 80 191 | 82 129 | 79 696 | 78 174 |
| Domestic worker | 2 126 | 1 681 | 1 543 | 518 | 2 893 | 1 348 |

Due to rounding, numbers do not necessarily add up to totals.

| Table D: Employed by occupation and average hours of work | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Hours | Hours | Hours | Hours | Hours | Hours |
| | | | | | | |
| **Both sexes** | **45** | **45** | **46** | **45** | **45** | **44** |
| Manager | 48 | 48 | 50 | 48 | 48 | 47 |
| Professional | 42 | 42 | 43 | 42 | 42 | 42 |
| Technician | 41 | 42 | 43 | 42 | 42 | 40 |
| Clerk | 43 | 43 | 44 | 43 | 43 | 43 |
| Sales and services | 49 | 50 | 52 | 50 | 51 | 50 |
| Skilled agriculture | 25 | 27 | 27 | 22 | 26 | 46 |
| Craft and related trade | 44 | 45 | 46 | 44 | 44 | 43 |
| Plant and machine operator | 49 | 49 | 51 | 50 | 49 | 49 |
| Elementary | 45 | 45 | 46 | 44 | 45 | 44 |
| Domestic worker | 40 | 41 | 42 | 39 | 39 | 35 |
| | | | | | | |
| **Women** | **42** | **43** | **44** | **42** | **42** | **41** |
| Manager | 46 | 45 | 47 | 46 | 45 | 44 |
| Professional | 40 | 40 | 41 | 40 | 41 | 40 |
| Technician | 40 | 41 | 41 | 41 | 41 | 38 |
| Clerk | 42 | 43 | 43 | 43 | 43 | 42 |
| Sales and services | 46 | 48 | 49 | 47 | 48 | 47 |
| Skilled agriculture | 20 | 22 | 24 | 19 | 22 | 40 |
| Craft and related trade | 38 | 40 | 42 | 38 | 39 | 39 |
| Plant and machine operator | 44 | 47 | 46 | 46 | 45 | 43 |
| Elementary | 43 | 44 | 45 | 44 | 44 | 43 |
| Domestic worker | 40 | 41 | 42 | 39 | 39 | 35 |
| | | | | | | |
| **Men** | **47** | **47** | **48** | **46** | **47** | **46** |
| Manager | 49 | 49 | 51 | 48 | 49 | 48 |
| Professional | 44 | 44 | 45 | 44 | 44 | 44 |
| Technician | 43 | 43 | 45 | 43 | 43 | 42 |
| Clerk | 44 | 44 | 45 | 45 | 44 | 44 |
| Sales and services | 51 | 51 | 54 | 52 | 52 | 54 |
| Skilled agriculture | 30 | 31 | 32 | 25 | 31 | 48 |
| Craft and related trade | 45 | 45 | 46 | 45 | 45 | 43 |
| Plant and machine operator | 50 | 50 | 51 | 50 | 50 | 50 |
| Elementary | 46 | 46 | 46 | 45 | 45 | 44 |
| Domestic worker | 44 | 43 | 42 | 40 | 39 | 37 |

| Table E: Employed by sector and volume of hours worked | | | | | | |
|---|---|---|---|---|---|---|
| **Market production activities** | **Lfs 2003** | **Lfs 2004** | **Lfs 2005** | **Lfs 2006** | **Lfs 2007** | **QIfs 2008** |
| | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** | **Thousand** |
| | | | | | | |
| **Both Sexes** | **526 716** | **542 499** | **589 192** | **597 588** | **601 397** | **601 486** |
| Formal sector (Non-agricultural) | 348 188 | 365 224 | 387 753 | 393 682 | 414 189 | 417 487 |
| Informal sector (Non-agricultural) | 89 773 | 92 054 | 116 742 | 115 642 | 106 012 | 104 927 |
| Agriculture | 39 510 | 37 010 | 34 082 | 37 372 | 32 940 | 36 262 |
| Private households | 49 245 | 48 211 | 50 615 | 50 892 | 48 255 | 42 811 |
| | | | | | | |
| **Women** | **219 476** | **225 063** | **245 798** | **250 637** | **251 245** | **248 519** |
| Formal sector (Non-agricultural) | 129 220 | 136 116 | 142 614 | 148 093 | 155 430 | 157 499 |
| Informal sector (Non-agricultural) | 40 731 | 40 347 | 53 220 | 50 769 | 47 548 | 45 763 |
| Agriculture | 11 434 | 11 395 | 10 314 | 11 948 | 11 078 | 11 229 |
| Private households | 38 091 | 37 205 | 39 650 | 39 827 | 37 190 | 34 027 |
| | | | | | | |
| **Men** | **307 240** | **317 436** | **343 394** | **346 951** | **350 151** | **352 967** |
| Formal sector (Non-agricultural) | 218 968 | 229 109 | 245 139 | 245 590 | 258 760 | 259 988 |
| Informal sector (Non-agricultural) | 49 042 | 51 707 | 63 522 | 64 873 | 58 465 | 59 163 |
| Agriculture | 28 075 | 25 615 | 23 768 | 25 423 | 21 862 | 25 032 |
| Private households | 11 155 | 11 006 | 10 965 | 11 065 | 11 065 | 8 784 |

Due to rounding, numbers do not necessarily add up to totals.

| Table F: Employed by sector and average hours of work | | | | | | |
|---|---|---|---|---|---|---|
| **Market production activities** | **Lfs 2003** | **Lfs 2004** | **Lfs 2005** | **Lfs 2006** | **Lfs 2007** | **QIfs 2008** |
| | **Hours** | **Hours** | **Hours** | **Hours** | **Hours** | **Hours** |
| | | | | | | |
| **Both Sexes** | **45** | **45** | **46** | **45** | **45** | **44** |
| Formal sector (Non-agricultural) | 45 | 45 | 47 | 45 | 45 | 44 |
| Informal sector (Non-agricultural) | 45 | 46 | 48 | 45 | 46 | 46 |
| Agriculture | 46 | 46 | 46 | 44 | 45 | 46 |
| Private households | 40 | 40 | 40 | 39 | 38 | 35 |
| | | | | | | |
| **Women** | **42** | **43** | **44** | **42** | **42** | **41** |
| Formal sector (Non-agricultural) | 43 | 43 | 44 | 43 | 43 | 42 |
| Informal sector (Non-agricultural) | 42 | 45 | 46 | 43 | 44 | 44 |
| Agriculture | 42 | 42 | 41 | 39 | 41 | 43 |
| Private households | 40 | 40 | 42 | 39 | 39 | 35 |
| | | | | | | |
| **Men** | **47** | **47** | **48** | **46** | **47** | **46** |
| Formal sector (Non-agricultural) | 47 | 47 | 48 | 47 | 47 | 46 |
| Informal sector (Non-agricultural) | 47 | 47 | 49 | 47 | 47 | 48 |
| Agriculture | 49 | 49 | 49 | 46 | 47 | 48 |
| Private households | 39 | 39 | 37 | 37 | 37 | 34 |

| Table G: The duration of unemployment | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both Sexes** | **4 395** | **3 945** | **3 997** | **3 922** | **3 871** | **4 075** |
| Less than 3 moths | 662 | 666 | 649 | 780 | 1 030 | 618 |
| 3 months less than 6 months | 347 | 276 | 341 | 361 | 318 | 427 |
| 6 months less than 1 year | 468 | 408 | 458 | 434 | 407 | 641 |
| 1 year less than 3 years | 1 139 | 973 | 993 | 934 | 858 | 961 |
| 3 years and over | 1 700 | 1 546 | 1 480 | 1 337 | 1 159 | 1 421 |
| | | | | | | |
| **Women** | **2 353** | **2 115** | **2 200** | **2 212** | **2 132** | **2 158** |
| Less than 3 moths | 344 | 341 | 328 | 414 | 547 | 266 |
| 3 months less than 6 months | 185 | 140 | 175 | 199 | 161 | 204 |
| 6 months less than 1 year | 230 | 217 | 243 | 224 | 206 | 333 |
| 1 year less than 3 years | 592 | 501 | 552 | 533 | 482 | 529 |
| 3 years and over | 962 | 873 | 859 | 801 | 686 | 823 |
| | | | | | | |
| **Men** | **2 042** | **1 830** | **1 797** | **1 710** | **1 739** | **1 917** |
| Less than 3 moths | 318 | 325 | 321 | 366 | 482 | 351 |
| 3 months less than 6 months | 162 | 136 | 166 | 161 | 157 | 222 |
| 6 months less than 1 year | 238 | 192 | 215 | 210 | 201 | 308 |
| 1 year less than 3 years | 548 | 472 | 441 | 401 | 376 | 433 |
| 3 years and over | 738 | 673 | 622 | 536 | 473 | 599 |

Due to rounding, numbers do not necessarily add up to totals.

| Table H: Employment by province and sex | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | **11 812** | **12 044** | **12 769** | **13 419** | **13 467** | **13 713** |
| Western cape | 1 678 | 1 697 | 1 734 | 1 857 | 1 875 | 1 897 |
| Eastern Cape | 1 114 | 1 079 | 1 291 | 1 423 | 1 290 | 1 338 |
| Northern Cape | 313 | 305 | 285 | 311 | 309 | 307 |
| Free State | 831 | 817 | 806 | 803 | 832 | 835 |
| KwaZulu-Natal | 2 233 | 2 237 | 2 346 | 2 549 | 2 512 | 2 597 |
| North West | 737 | 773 | 845 | 839 | 858 | 891 |
| Gauteng | 3 324 | 3 470 | 3 783 | 3 914 | 3 972 | 4 056 |
| Mpumalanga | 824 | 839 | 856 | 899 | 923 | 913 |
| Limpopo | 757 | 826 | 823 | 823 | 896 | 880 |
| | | | | | | |
| **Women** | **5 220** | **5 256** | **5 602** | **5 936** | **5 944** | **6 041** |
| Western cape | 748 | 759 | 793 | 873 | 867 | 834 |
| Eastern Cape | 553 | 534 | 634 | 688 | 626 | 636 |
| Northern Cape | 126 | 124 | 118 | 132 | 123 | 126 |
| Free State | 343 | 350 | 353 | 351 | 360 | 366 |
| KwaZulu-Natal | 1 043 | 1 058 | 1 088 | 1 219 | 1 179 | 1 190 |
| North West | 283 | 293 | 340 | 323 | 337 | 353 |
| Gauteng | 1 350 | 1 366 | 1 517 | 1 571 | 1 605 | 1 703 |
| Mpumalanga | 374 | 356 | 357 | 382 | 397 | 402 |
| Limpopo | 400 | 415 | 403 | 397 | 451 | 430 |
| | | | | | | |
| **Men** | **6 592** | **6 788** | **7 167** | **7 483** | **7 523** | **7 672** |
| Western cape | 929 | 937 | 941 | 984 | 1 008 | 1 063 |
| Eastern Cape | 561 | 545 | 658 | 735 | 664 | 702 |
| Northern Cape | 186 | 181 | 167 | 179 | 186 | 181 |
| Free State | 488 | 468 | 453 | 452 | 472 | 469 |
| KwaZulu-Natal | 1 191 | 1 179 | 1 258 | 1 330 | 1 333 | 1 407 |
| North West | 455 | 480 | 505 | 516 | 521 | 538 |
| Gauteng | 1 975 | 2 103 | 2 267 | 2 343 | 2 367 | 2 353 |
| Mpumalanga | 451 | 483 | 499 | 517 | 527 | 511 |
| Limpopo | 357 | 410 | 420 | 426 | 445 | 449 |

Due to rounding, numbers do not necessarily add up to totals.

| Table I: Employees Access to benefits by sex | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Both sexes** | | | | | | |
| Pension | 5 116 | 5 291 | 5 341 | 5 372 | 5 552 | 5 198 |
| Paid Leave | 5 883 | 6 081 | 6 252 | 6 416 | 6 526 | 6 644 |
| UIF | 5 437 | 6 028 | 6 394 | 6 730 | 7 019 | 6 398 |
| Medical Aid | 3 141 | 3 115 | 2 884 | 3 057 | 3 241 | 3 291 |
| Written Contract | 6 196 | 6 974 | 7 182 | 7 470 | 7 822 | 8 681 |
| | | | | | | |
| **Women** | | | | | | |
| Pension | 2 026 | 2 099 | 2 115 | 2 141 | 2 255 | 2 126 |
| Paid Leave | 2 433 | 2 508 | 2 570 | 2 669 | 2 736 | 2 845 |
| UIF | 2 166 | 2 424 | 2 541 | 2 695 | 2 860 | 2 568 |
| Medical Aid | 1 298 | 1 268 | 1 173 | 1 265 | 1 354 | 1 413 |
| Written Contract | 2 527 | 2 880 | 2 948 | 3 122 | 3 309 | 3 731 |
| | | | | | | |
| **Men** | | | | | | |
| Pension | 3 090 | 3 192 | 3 226 | 3 231 | 3 298 | 3 072 |
| Paid Leave | 3 450 | 3 573 | 3 682 | 3 748 | 3 791 | 3 799 |
| UIF | 3 272 | 3 604 | 3 853 | 4 035 | 4 159 | 3 830 |
| Medical Aid | 1 843 | 1 847 | 1 711 | 1 792 | 1 887 | 1 878 |
| Written Contract | 3 669 | 4 094 | 4 234 | 4 347 | 4 513 | 4 950 |

Due to rounding, numbers do not necessarily add up to totals.

| Table J: Time-related underemployment by population group | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | QIfs 2008* |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Population group** | **450** | **416** | **452** | **468** | **380** | **625** |
| Black African | 372 | 361 | 384 | 414 | 318 | 532 |
| Coloured | 46 | 36 | 46 | 36 | 39 | 56 |
| Indian/Asian | 5 | 2 | 3 | 5 | 6 | 11 |
| White | 27 | 18 | 19 | 12 | 16 | 26 |
| | | | | | | |
| **As a percentage of the labour force** | **2.8** | **2.6** | **2.7** | **2.7** | **2.2** | **3.5** |
| Black African | 3.2 | 3.1 | 3.1 | 3.2 | 2.5 | 4.0 |
| Coloured | 2.5 | 1.9 | 2.5 | 1.9 | 2.0 | 2.9 |
| Indian/Asian | 1.1 | 0.3 | 0.6 | 1.0 | 1.3 | 2.1 |
| White | 1.2 | 0.8 | 0.9 | 0.6 | 0.7 | 1.2 |
| | | | | | | |
| **As a percentage of total employment** | **3.8** | **3.5** | **3.5** | **3.5** | **2.8** | **4.6** |
| Black African | 4.7 | 4.4 | 4.3 | 4.4 | 3.4 | 5.5 |
| Coloured | 3.2 | 2.5 | 3.2 | 2.4 | 2.6 | 3.6 |
| Indian/Asian | 1.3 | 0.4 | 0.8 | 1.1 | 1.4 | 2.4 |
| White | 1.3 | 0.9 | 0.9 | 0.6 | 0.8 | 1.3 |

Due to rounding, numbers do not necessarily add up to totals.

| Table K: Characteristics of the unemployed by province | | | | | | |
|---|---|---|---|---|---|---|
| | Lfs 2003 | Lfs 2004 | Lfs 2005 | Lfs 2006 | Lfs 2007 | Qlfs 2008 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| | | | | | | |
| **Long-term unemployment** | **2 918** | **2 595** | **2 549** | **2 347** | **2 117** | **2 389** |
| Western cape | 228 | 218 | 223 | 176 | 157 | 198 |
| Eastern Cape | 349 | 293 | 314 | 311 | 284 | 268 |
| Northern Cape | 48 | 39 | 44 | 39 | 47 | 54 |
| Free State | 191 | 166 | 197 | 146 | 141 | 149 |
| KwaZulu-Natal | 522 | 474 | 465 | 374 | 346 | 374 |
| North West | 197 | 192 | 191 | 212 | 177 | 182 |
| Gauteng | 921 | 858 | 733 | 713 | 617 | 797 |
| Mpumalanga | 142 | 110 | 123 | 160 | 118 | 146 |
| Limpopo | 319 | 245 | 259 | 217 | 229 | 222 |
| | | | | | | |
| **Long-term unemployment (%)** | **66.4** | **65.8** | **63.8** | **59.8** | **54.7** | **58.6** |
| Western cape | 48.6 | 51.0 | 50.2 | 44.4 | 36.2 | 46.2 |
| Eastern Cape | 66.8 | 58.2 | 61.7 | 60.5 | 60.3 | 55.9 |
| Northern Cape | 51.1 | 52.4 | 51.4 | 44.1 | 51.9 | 57.3 |
| Free State | 67.3 | 64.8 | 65.5 | 58.5 | 58.4 | 56.1 |
| KwaZulu-Natal | 66.9 | 69.6 | 61.6 | 56.7 | 47.6 | 51.3 |
| North West | 65.1 | 70.2 | 68.3 | 64.5 | 58.5 | 63.1 |
| Gauteng | 71.0 | 72.0 | 70.8 | 67.0 | 61.6 | 70.8 |
| Mpumalanga | 66.0 | 55.0 | 53.8 | 57.8 | 52.2 | 51.6 |
| Limpopo | 74.5 | 72.7 | 72.4 | 62.6 | 61.0 | 58.2 |
| | | | | | | |
| **Short-term unemployment** | **1 477** | **1 350** | **1 448** | **1 575** | **1 754** | **1 686** |
| Western cape | 242 | 209 | 221 | 220 | 276 | 231 |
| Eastern Cape | 174 | 211 | 195 | 203 | 187 | 212 |
| Northern Cape | 46 | 36 | 42 | 50 | 44 | 40 |
| Free State | 93 | 90 | 104 | 103 | 100 | 117 |
| KwaZulu-Natal | 259 | 207 | 290 | 286 | 381 | 355 |
| North West | 105 | 81 | 89 | 116 | 126 | 106 |
| Gauteng | 376 | 333 | 303 | 350 | 385 | 329 |
| Mpumalanga | 73 | 90 | 105 | 117 | 108 | 137 |
| Limpopo | 109 | 92 | 99 | 129 | 146 | 159 |
| | | | | | | |
| **Short-term unemployment (%)** | **33.6** | **34.2** | **36.2** | **40.2** | **45.3** | **41.4** |
| Western cape | 51.4 | 49.0 | 49.8 | 55.6 | 63.8 | 53.8 |
| Eastern Cape | 33.2 | 41.8 | 38.3 | 39.5 | 39.7 | 44.1 |
| Northern Cape | 48.9 | 47.6 | 48.6 | 55.9 | 48.1 | 42.7 |
| Free State | 32.7 | 35.2 | 34.5 | 41.5 | 41.6 | 43.9 |
| KwaZulu-Natal | 33.1 | 30.4 | 38.4 | 43.3 | 52.4 | 48.7 |
| North West | 34.9 | 29.8 | 31.7 | 35.5 | 41.5 | 36.9 |
| Gauteng | 29.0 | 28.0 | 29.2 | 33.0 | 38.4 | 29.2 |
| Mpumalanga | 34.0 | 45.0 | 46.2 | 42.2 | 47.8 | 48.4 |
| Limpopo | 25.5 | 27.3 | 27.6 | 37.4 | 39.0 | 41.8 |

Due to rounding, numbers do not necessarily add up to totals.

| Appendix 2: Sampling variability for labour force characteristics by sex | |
|---|---|
| | **CV 2008** |
| **Both sexes** | |
| **Population 15-64 yrs** | |
| Labour Force | 0,3 |
| Employed | 0,4 |
| Formal sector (Non-agricultural) | 0,7 |
| Informal sector (Non-agricultural) | 1,6 |
| Agriculture | 4,1 |
| Private households | 2,0 |
| Unemployed | 1,3 |
| Not economically active | 0,5 |
| Discouraged work-seekers | 3,0 |
| Other(not economically active) | 0,5 |
| **Rates (%)** | |
| Unemployment rate | 1,2 |
| Employed / population ratio (Absorption) | 0,4 |
| Labour force participation rate | 0,3 |
| | |
| **Women** | |
| **Population 15-64 yrs** | |
| Labour Force | 0,5 |
| Employed | 0,6 |
| Formal sector (Non-agricultural) | 0,9 |
| Informal sector (Non-agricultural) | 1,9 |
| Agriculture | 5,0 |
| Private households | 2,0 |
| Unemployed | 1,7 |
| Not economically active | 0,5 |
| Discouraged work-seekers | 3,2 |
| Other(not economically active) | 0,5 |
| **Rates (%)** | |
| Unemployment rate | 1,5 |
| Employed / population ratio (Absorption) | 0,6 |
| Labour force participation rate | 0,5 |
| | |
| **Men** | |
| **Population 15-64 yrs** | |
| Labour Force | 0,3 |
| Employed | 0,5 |
| Formal sector (Non-agricultural) | 0,8 |
| Informal sector (Non-agricultural) | 2,1 |
| Agriculture | 4,5 |
| Private households | 3,9 |
| Unemployed | 1,5 |
| Not economically active | 0,6 |
| Discouraged work-seekers | 3,6 |
| Other(not economically active) | 0,6 |
| **Rates (%)** | |
| Unemployment rate | 1,5 |
| Employed / population ratio (Absorption) | 0,5 |
| Labour force participation rate | 0,3 |

| Appendix 3.3: Sampling variability for the employed by sector and industry - South Africa | |
|---|---|
| | **CV 2008** |
| **Total employed** | 0,4 |
| **Formal and informal sector (Non-agricultural)** | 0,5 |
| Mining | 7,6 |
| Manufacturing | 1,9 |
| Utilities | 8,8 |
| Construction | 2,3 |
| Trade | 1,3 |
| Transport | 2,7 |
| Finance | 2,1 |
| Community and social services | 1,5 |
| Other | 37,9 |
| | |
| **Formal sector (Non-agricultural)** | 0,7 |
| Mining | 7,6 |
| Manufacturing | 2,1 |
| Utilities | 9,1 |
| Construction | 2,8 |
| Trade | 1,6 |
| Transport | 3,4 |
| Finance | 2,2 |
| Community and social services | 1,7 |
| Other | 39,7 |
| | |
| **Informal sector (Non-agricultural)** | 1,6 |
| Mining | 29,4 |
| Manufacturing | 3,8 |
| Utilities | 25,7 |
| Construction | 3,5 |
| Trade | 2,1 |
| Transport | 4,8 |
| Finance | 5,0 |
| Community and social services | 3,6 |
| Other | 72,1 |
| | |
| **Agriculture** | 4,1 |
| **Private households** | 2,0 |