THE SOUTH AFRICAN LABOUR MARKET

Selected time-based social and international comparisons

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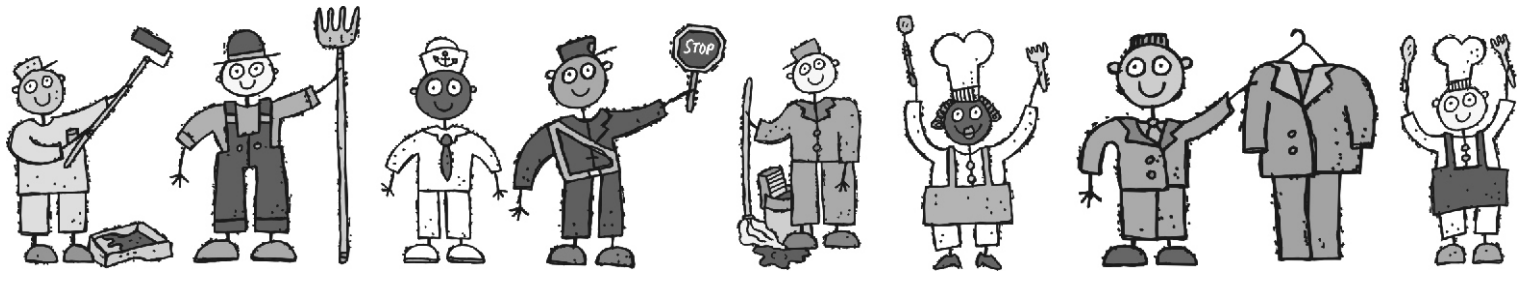

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Selected time-based social and international comparisons

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EXECUTIVE SUMMARY

This report analyses labour market patterns and trends based primarily on the results of the October Household Survey (OHS) conducted by Statistics South Africa (Stats SA) in 1995 and 1999. Where possible, international comparisons are included for both developing and developed countries. Such comparisons rely on information published by international organisations such as the International Labour Organisation (ILO), the United Nations (UN) and the World Bank.

Labour market information is the body of knowledge that describes employment, unemployment and the factors that relate to the demand and supply of labour. The labour market plays a crucial role in the operation of the economy because labour is a major input into the production process.

The analysis presented in this report seeks to provide a better understanding of how and why employment opportunities have changed in South Africa over the period 1995 to 1999. And since labour markets do not function in isolation, but are closely linked to the rest of the economy, the analysis is also relevant for other policy concerns such as education, migration, and poverty.

In the summary below, we present the overall findings for South Africa and describe the changes that have occurred between 1995 and 1999 based on the results of the October Household Surveys conducted in those years. International comparisons are introduced where these are available.

Key concepts and definitions used in this summary (and also in other chapters) are reported on page 11. And a statistical appendix is included on page 203 for readers who might like additional information on key labour market variables as measured by the Labour Force Survey in September 2000 and 2001.

Demographic characteristics

- Similar to other countries in Sub-Saharan Africa, the relatively high annual rate of population growth in South Africa has implications for the number of young people entering the labour force each year.

- Countries with a rapidly expanding labour force are under pressure to embark on effective job creation programmes to avoid the problems of crime, poverty and drug abuse that tend to be associated with high unemployment rates among youth.

Education

- The African and coloured labour force in South Africa has the highest percentage of people with no education or with incomplete primary and secondary education.

- In the more industrialised countries, the chance of being unemployed tends to be lower the higher the level of education attainment. In contrast, in many developing countries (including South Africa) this relationship does not hold. Instead, there appears to be a curvilinear relationship. Unemployment rates tend to be lower for those with no or low levels of education compared with those who have at least 12 years of education.

Unemployment

- The unemployment rate for women is generally higher than that for men – and often by a large margin. In South Africa the official unemployment rate among women (in 1999) was 27,8% and among men 19,8%. This difference of eight percentage points between the two rates is smaller than the difference recorded in 1997 in Spain (12,5 percentage points) and Dominican Republic (19,1 percentage points).

- Unemployment rates are substantially higher in South Africa and Spain (at over 15%), than in countries such as Norway and USA where rates are below 10%.

- Since the mid-1980s, youth unemployment has been high in many countries and consistently higher than the overall unemployment rate. In South Africa (1995) the unemployment rate of youth aged 15-24 years (33,0%) was more than double that of adults aged 25-65 years (12,7%) – similar to the pattern found in developed countries such as Portugal and Spain in 1997.

- In South Africa, of the 3,2 million people who were unemployed in 1999, 54% reported that a lack of skills was the most important reason for being unemployed. Among the 2,7 million discouraged job-seekers an even higher proportion (62%) stated a lack of skills as the main reason for not having employment.

- In contrast, among the 10,0 million people who were not economically active, around half (52%) were out of the labour force because they were full-time scholars or students.

- In North America and Europe, there is a large variation among countries in terms of the importance of education and training as the main reason for not being in the labour force, ranging from 8% of not economically active women in Turkey, to 67% of not economically active men in Czech Republic. In South Africa, 37% of not economically active men and 58% of not economically active women give education and training as the main reason for being out of the labour force.

- Among unemployed people in South Africa the proportion seeking work for three years or more has risen – among men from 32% in 1995 to 42% in 1999 and among women from 35% to 51% over the same period.

- In Belgium, Germany, Greece, Ireland, Italy, Spain, Romania, and Slovakia one out of two unemployed people were without work for more than a year. In South Africa, seven in every ten unemployed men (69%) and a similar proportion of unemployed women (71%) were out of work for 12 months or more. In contrast, long-term unemployment is much lower in the USA and Norway, where less than 10% of unemployed people did not have work for 12 months or more.

- In countries such as Denmark, Austria, Germany and the USA less than 10% of the unemployed have no previous work experience, whereas in Spain, Israel, Greece and South Africa more than 45% of unemployed people have had no work experience.

Labour force participation/activity rate

- In South Africa, irrespective of population group, labour force participation/activity rates among women tend to be lower than among men. This pattern is also a common feature of labour markets elsewhere in the world despite the increasing numbers of women entering the labour force in Europe and North America.

- Among selected developing countries, in the late 1990s, the labour force participation/ activity rate among women ranged from a high of 80,5% in Uganda to a low of 12,7% in Pakistan, with most rates generally within the 40-50% band. In contrast, activity rates for men tended to vary within a higher range of 60-80%.

- In South Africa, whereas the male activity rate (59,4% in 1999) was relatively low compared with other countries, the female activity rate (44,2%) was higher than in countries such as Turkey (27,8% in 1997) and Italy (34,8% in 1997).

Labour absorption

- Labour absorption rates among white men were three times that of African women in 1999.

- In both 1995 and 1999, the most rural provinces, i.e. Northern Province and Eastern Cape, had the lowest labour absorption rates in the country (under 30%).

- Among countries for which data is readily available, absorption rates of men tend to lie in the 50% to 70% range while those of women generally cluster in the lower range of 30% to 50%. In countries such as Bulgaria, Finland and Sweden gender differences tend to be less pronounced than in Pakistan, Egypt and Turkey.

Employment

- In South Africa, agriculture accounts for a larger percentage of total employment among Africans and coloureds than among either Indians or whites. And, except for KwaZulu-Natal, in every province employment in agriculture declined between 1995 and 1999.

- The rise in employment between 1995 and 1999 in South Africa has been accompanied by an important shift within the professional occupation category that benefited women. In 1999 a larger proportion of professionals were women than in 1995.

- In South Africa in the late 1990s, and similar to Portugal, under 25% of employed women were managers, compared with countries such as Finland, Netherlands and Estonia, where over 40% of employed women held managerial jobs.

Part-time and casual work

- In both the 1995 and 1999 OHS, respondents were asked whether they worked 'full-time' or 'part-time'. And in 1999, the question included a separate category 'casual work'. In the absence of the specific 'casual work' category in 1995, it is difficult to establish the extent to which some such workers may have categorised themselves as 'full-time' that year. As a result, caution is required in interpreting the data.

- Although part-time employment in South Africa – particularly among men – rose in 1999 compared with 1995, the percentage of women engaged on a part-time or casual basis is substantially higher than that of men.

- The shift towards part-time and casual employment in South Africa was largest among Africans. At the provincial level, Eastern Cape and KwaZulu-Natal had the largest proportion of part-time and casual workers in their respective workforces in 1999.

- In South Africa, construction, trade and agriculture are particularly dependent on part-time and casual employment. For example, in 1999 more than one in every three construction workers (38%) was employed on a part-time or casual basis.

- On the basis of a cut-off of less than 30 hours per week, the proportion of women in part-time employment in South Africa in 1999 was comparable to countries such as Bahamas and Portugal, while only in Belize was the proportion of men working part-time greater than 15%.

Informal sector

- Despite the growing importance of the informal sector to both employment and output – particularly in developing countries – definition and measurement of the sector are fraught with difficulty.

- In South Africa, since 1995, the number of own-account workers (excluding agriculture) in the informal sector has more than doubled – from 413 000 in 1995 to 888 000 in 1999. Excluding employees, non-agricultural employment in the sector has risen by 41,3% between 1995 and 1999, from 1,2 million to 1,7 million.

- A more comprehensive picture of the informal sector in South Africa (including employees) suggests that in 1999 the informal sector accounted for 27% of total non-agricultural employment.

- Informal sector employment in South Africa is dominated by women – particularly African women – largely on account of the inclusion of domestic workers. And Northern Province and Eastern Cape have larger percentages of employed people working in the informal sector than Western Cape and Gauteng.

- In South Africa, the service and trade industries provide the greatest opportunities for informal sector employment, and more than one in every two jobs in the informal sector are elementary or routine, requiring few skills and little education.

- International comparisons of informal sector employment are particularly difficult given the variety of definitions used by different countries. However, the available information suggests that the percentage of workers employed in the informal sector in South Africa may be similar to that in Mauritius and somewhat smaller than elsewhere in Africa.

Disability and labour market status in South Africa

- The official unemployment rate of disabled men rose from 15,2% in 1995 to 21,0% in 1999 and among disabled women from 18,5% in 1995 to 21,0% in 1999.

- The increase in the female unemployment rate (official) of disabled women was substantially smaller than the increase in the unemployment rate among women who were not disabled, which rose from 19,7% in 1995 to 28% in 1999.

- In 1995 the industrial distribution of jobs among disabled people was virtually identical with the distribution of other employed people. By 1999 however, among employed disabled people, a larger percentage were employed in the agricultural sector (16%) than among other employed people (11%).

- In common with the trend among other employed people, the percentage of employed disabled people in managerial, professional and technical positions increased over the period 1995 to 1999.

Income and poverty

- In South Africa, real wages of employees have risen between 1995 and 1999 – particularly among less-skilled workers. Although this is likely to have shifted low-income workers into higher income bands, a substantial proportion of the workforce still earned very low wages in 1999.

- For those without employment, financial support from other household members was the single most important source of income. And notably, a substantial minority still relied on pensions as the main source of income.

- In terms of incomes-based measures of poverty, such as GDP per capita and the percentage of the population below the US$1 per day poverty line, South Africa performs better than many countries. Nonetheless, the degree of inequality in South Africa is similar to Brazil and substantially higher than other developing countries.

- The Human Poverty Index developed by the UN suggests that under 20% of the population in South Africa is poor, compared with over 35% in countries such as Nigeria and Pakistan.

Conclusion

- The annual growth rate of the labour force is relatively low in European countries (ranging from 0,0 - 0,1% in Moldovia and Russian Federation, to 0,9% in Spain). At the same time, the proportion of the population younger than 15 years is generally below 20% in those countries. Over the last decade, the annual growth of South Africa's labour force (2,4%)[1] was similar to upper-middle-income African countries such as Botswana, and lower-middle-income countries in Latin America such as Costa Rica. In these countries, more than one third of the total population was below the age of 15 years in 1999.

[1] The UN estimate of the average annual growth rate of the labour force over the period 1990-99 is somewhat lower than that (4,3%) estimated on the basis of OHS 1995 and 1999. See also Chapter 2.

- High-income countries in Europe generally had relatively high proportions of the labour force that had completed tertiary education while the proportion with less than primary education was in most cases zero. To the extent that the level of educational attainment provides a good indication of skills levels in the labour force, the data suggests that high-income countries may be better positioned to take advantage of global technological changes than countries elsewhere. In addition, the need to enhance the skills base of the labour force is well recognised internationally. But given the large global variation in the level of educational attainment, many countries (including South Africa) perhaps need to be better equipped to take advantage of global technological changes that require higher qualifications and skills levels than are currently available. In many developing countries (including South Africa) the situation is compounded by the relatively high growth rates of the population, which means larger numbers of new entrants into the labour force each year and greater pressure on education budgets.

- Over the past decade the relatively high unemployment rates in many countries, averaging over 15% in countries such as Italy, Bahamas, Spain, Barbados, Jamaica and South Africa, were accompanied by relatively low growth in annual per capita GDP in most of these countries. In contrast, despite the financial crisis in South-east Asia in the late 1990s, the growth in per capita income in Singapore, Indonesia and Thailand was relatively strong, and the average unemployment rate remained below 4%.

- Meanwhile, the economic reforms underway in many countries in eastern Europe resulted in economic recession and closure of state plants, with the result that per capita income declined sharply while unemployment rates rose to historically high levels. In Sub-Saharan Africa, Uganda and Mauritius stand out for their steady growth performance, with per capita GDP rising by an annual 4,0% and 3,9% respectively in the 1990s. In contrast, in Zambia, per capita income declined markedly.

- Even in high-income countries (with relatively low labour force growth) the structure of unemployment involving high rates for women and youth is also a pressing issue.

- Of serious concern too, is that in many countries (including South Africa), the rise in unemployment rates during the 1990s has been accompanied by an increase in the incidence of long-term unemployment. As a result, while the generation of jobs will be a difficult enough task, achieving this also entails implementing strategies to bring long-term unemployed individuals back into the workforce.

- And in many countries, even having a job is no guarantee against poverty. In several developing countries economic growth has been too low to expand employment opportunities in the formal sector and to the extent that employment growth has occurred, it has been mainly in the informal sector or in agriculture, where productivity is generally low.

CHAPTER
One

INTRODUCTION

Background

Labour market information is the body of knowledge that describes employment, unemployment and the factors that relate to labour demand and supply. These factors include: the socio-demographic profile of individuals that fall into the relevant age group (for some countries 15 years and above, for others 15-64 years, or as in the case of South Africa, 15-65 years) and of the overall population, the industrial and occupational structure of the economy and how these have been changing, and related issues such as hours of work, the informal sector and the level and distribution of wages.

Objectives of the report

Labour is a major input into the production process. Thus the labour market plays a crucial role in the operation of the economy. An efficient labour market enables a country to successfully expand its production and exports, which in turn may generate an expansion in the income and welfare of its people. As a consequence, the analysis presented in this report seeks to provide a better understanding of how and why employment opportunities are changing in South Africa. It provides information as the basis for developing strategies to address employment and unemployment issues. And since labour markets do not function in isolation, but are closely linked to the rest of the economy, the analysis presented in this report is also relevant for other policy concerns such as education, migration, and poverty.

Data sources

The analysis in this report is based primarily on the results of the October household survey (OHS) conducted by Stats SA in 1995 and 1999. The data are weighted up to represent the entire population in the country, using the results of the 1996 population census. Cross-country comparisons rely on data published by various international organisations including the International Labour Organisation (ILO), the United Nations (UN) and the World Bank, as reported in detail in the list of references.

Data quality issues

To the extent possible, the analysis includes a comparison of South Africa (based on OHS 1995 and 1999) with other countries for which data are readily available. In this respect a number of issues arise.

- Few developing countries collect labour market data on a regular basis, and to the extent that data are available, issues of data quality and comparability loom large – particularly when comparing developing countries with the developed countries of Europe, North America and the industrialised countries belonging to the Organisation for Economic Co-operation and Development (OECD).

- As noted by the World Bank, many factors affect data availability, comparability, and reliability: statistical systems in many developing economies are still weak; statistical methods, coverage, practices, and definitions differ widely; and cross-country and inter-temporal comparisons involve complex technical and conceptual problems (see also ILO, 1999).

- In developing countries, large gender differences in key labour market variables may partly be a reflection of weaknesses in the data associated with the under-reporting of women's work in agriculture and informal household enterprises.

Technical notes

- An analysis of the results of the OHS in intervening years (1996-1998) is not undertaken in this report because differences in the survey methodology and variation in the sample size each year may be too large for meaningful comparison of the results on an annual basis.

- For key labour market variables, more up-to-date labour market information (September 2000 and September 2001) based on the new labour force survey (LFS) is presented in Appendix 1 of this report. Analysis of the LFS is not undertaken in this report but selected data are presented in Appendix 1 for readers who might like additional information. Details of the sampling methodology and weighting procedures used in the LFS are provided in Stats SA, Statistical release P0210, *Labour force survey February 2001* and *Labour force survey September 2001*.

- In both OHS 1995 and 1999, the sample size was 30 000 households and the sampling methodology and weighting procedures were similar. Although the 1995 OHS results were subsequently weighted up to the 1996 population, the sampling frame for the OHS 1995 was based on the 1991 population census, where the demarcation of areas was different from that of the 1996 population census on which the OHS 1999 was based. Detailed descriptions of the methodologies concerning how these surveys were conducted are provided in Statistics South Africa (2001).

- Since 1995, the OHS questionnaire has been substantially improved. It is not possible to determine the degree to which changes in the reported distributions over the period 1995 to 1999 are the result of differences in the wording and ordering of questions or the degree to which they reflect actual change over time. In addition, for many key labour market variables, the 1999 questionnaire includes more detailed questions than were asked in 1995.

- Improvements in the OHS questionnaire since 1995 means that it is not possible to compute unemployment rates in exactly the same manner in 1995 and 1999. Specifically, the 1995 OHS questionnaire did not include a question regarding the availability of unemployed individuals to begin work within a particular time span. Thus, in 1999 the restriction of availability to begin work within a week is imposed on unemployed people. This restriction cannot be imposed in 1995.

- The difficulty in gaining access to mining hostels in 1995 means that there is an under-reporting of miners in that year. This has to be borne in mind when comparing the results of OHS 1995 with OHS 1999, where coverage of the mining sector was complete.

- To qualify as 'employed' in the OHS 1995, individuals were required to have worked at least five hours during the previous seven days. In the 1999 OHS the cut-off is lower – at least one hour during the previous seven days.

- There are differences in the coding of occupations in 1995 and 1999 with respect to skilled agricultural and elementary workers. For comparability, this report groups skilled agricultural workers with elementary workers in a single category.

- Questions regarding income from employment in the OHS relate to both an absolute level of income and an income band. Some respondents indicated their actual level of income, while others indicated the band into which their income fell. For the purpose of analysing mean hourly wages, respondents who only reported an income band are given an average income – calculated as the logarithmic mean of the end-points of the relevant income band. Respondents in the last (open-ended) category are given an income level that is twice the penultimate average income. Having derived a level of income for those who only reported an income category, it is now possible to add those respondents that did report an income level to obtain an income level for all employees. People who reported no income are excluded.

- The distributions presented in this report exclude unspecified categories.

Layout of the remainder of the report

Chapter 2 analyses key demographic characteristics of the labour market in South Africa in the context of the overall age/sex composition and size of the population in the country and drawing on the experience of other regions in the world. The chapter then focuses on the age distribution of the working-age population by population group and province. This is followed by a comparison of sex ratios of the three broad labour market categories (the employed, the unemployed and the not economically active population, which together comprise the working age population).

Chapter 3 compares the education profile of the various labour market categories in 1995 and 1999 with a view to identifying important patterns and trends. The chapter first highlights differences in the educational profile of labour market participants by population group and sex and then presents unemployment rates by level of educational attainment. The discussion then focuses on differences in unemployment rates by education in terms of the four major population groups and by age.

Given the policy significance of job creation in avoiding high levels of unemployment or under-employment and the associated consequences of crime and poverty, **Chapter 4** provides an in-depth analysis of the labour market using three summary labour market measures – the unemployment rate, the labour force participation/activity rate and the labour absorption rate. Youth unemployment is discussed in a separate section, while throughout, the analysis compares the situation in South Africa to countries elsewhere.

Chapter 5 analyses the particular situation faced by individuals who are not engaged in economic activities, i.e. the unemployed, the discouraged job-seekers and those who are not economically active. The chapter first discusses the reasons for not being employed among individuals in the relevant labour market categories. In the subsequent section, issues relating to the duration of unemployment are discussed, followed by an analysis of people without work in terms of their previous work experience.

Chapter 6 provides an in-depth review of the industrial and occupational structure of employed people over the period 1995 to 1999. Gender differences are of great importance in considering the occupations and industries that offer the most employment opportunities, as is the distribution of employed people by population group and province. The sectoral and occupational distributions of jobs in South Africa are also compared with a selection of other countries.

Chapter 7 focuses on the extent to which work opportunities have become increasingly casual – an issue that has become increasingly important in analysing labour market patterns and trends in recent years. The chapter discusses definitional issues regarding hours of work and self-perception as alternative operational criteria for determining 'part-time' work. It reviews the age profile, population group and province of part-time and casual workers and then provides insight into the distribution of part-time and casual employment by industry and occupation.

Chapter 8 provides a review of the informal sector in South Africa, noting the wide variety of operational criteria that may be used in determining the size and structure of the sector. The chapter then discusses gender differences in the employment opportunities available in the informal sector as against the formal sector, by industry and occupation. Finally an attempt is made to compare South Africa's informal sector with other countries in Africa.

Chapter 9 discusses various aspects of the situation faced by youth in terms of their ability to participate in the labour market. The focus of the analysis is youth aged 15-24 years in order to ensure international comparability. The chapter first discusses the various labour market categories into which individuals aged 15-24 years fall. The trend in unemployment rates by age is then analysed, and comparisons made between 1995 and 1999. Urban and non-urban unemployment rates of youth are compared with other age groups, while international comparisons focus on differences in youth unemployment rate versus adult rates, trends over time and gender differences in unemployment rates. The discussion then focuses on the industry and occupation of employed youth relative to the remainder of the employed workforce, and the chapter concludes with an assessment of the reasons for youth not having employment and work experience.

Chapter 10 analyses the situation faced by disabled people in the South African labour market. A relatively small percentage of the overall population are disabled and caution is required in interpreting the data. Caution is also required because the disabled population are self-determined and the results are therefore only broadly indicative. The chapter first analyses unemployment rates of the disabled population by gender compared with the rest of the population. The relative position of disabled people in terms of the percentage employed in the three broad industry groupings (agriculture, industry and services) is then discussed, followed by a comparison of the occupational structure of disabled people with the rest of the workforce.

Chapter 11 makes important links between the labour market and poverty issues. The initial focus of the discussion is the pattern and distribution of average hourly wages of employees. The chapter then analyses trends in the real monthly income distribution of employees to provide a gauge of how the percentage of people in various income categories has changed between 1995 and 1999. A brief overview of the means of financial support of the other components of the labour market is then presented, and this is followed by international comparisons using a wider range of poverty indicators.

Chapter 12 highlights important aspects of how the South African labour market has changed over the period 1995-1999 in comparison with labour markets in other countries. Linkages are made between various aspects of the labour market in the wider context of the overall global economic climate. In earlier chapters, a broad international comparison was used and South Africa was compared with all countries for which data were available for the particular topic under discussion. Instead, this chapter focuses on a narrower range of countries, with a view to assessing how South Africa compares with specific countries that are much richer than itself (high-income countries), countries that are at a similar level (middle-income countries) and countries that are much poorer (low-income countries).

Definitions

Population projections are calculations that show the future development of a population when certain assumptions are made about the future course of population change, usually with respect to fertility, mortality and migration.

Fertility refers to live births that occur within a population. There are different measures of fertility, for example age specific and total fertility rates.

Age specific fertility rates refer to the number of live births in a particular year by women in a particular age or age group.

Total fertility rate is an estimate of the number of children a woman would have at the end of her reproductive life, given a set of age-specific fertility rates.

Age dependency ratio is the ratio of persons aged under 15 years and over 64 years to those aged between 15 and 64 years in a population.

Sex ratio is the number of females per hundred males.

The labour market in South Africa refers to the working-age population aged 15-65 years. It comprises three broad categories of individuals – the employed, the unemployed and the not economically active population. For some countries the age restriction is 15 years and above, while for others the age restriction is 15-64 years.

The labour force or economically active population comprises all individuals of working age (15-65 years for South Africa) who are either employed or unemployed.

The labour absorption rate measures the proportion of the working-age population that is employed.

Under-employment refers to a situation when the hours of work of an employed person are not enough in relation to an alternative employment situation in which the person is willing and available to engage.

The unemployment rate is the proportion of the economically active population that is unemployed. Statistics South Africa (Stats SA) computes two unemployment rates using two definitions, the official and the expanded definition. Under the official definition the unemployed are those individuals who (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within a week of the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. Under the expanded definition, criterion (c) is not required.

Discouraged job seekers are unemployed individuals who would like to work and who are available for work, but who have not taken active steps to find work. If the number of discouraged job seekers is added to the number of unemployed individuals who have taken active steps to find work (official definition) then we get the number of individuals in the labour market that are unemployed based on the expanded definition.

The labour force activity/participation rate (LFPR) is measured as the sum of those who are employed and those who are unemployed, expressed as a percentage of the total working-age population (those aged 15-65 years in South Africa).

Employed on the basis of OHS 1995 includes all individuals aged 15-65 years who worked for pay, profit or family gain for at least **five** hours in the specific seven-day period prior to the conducting of the survey. On the basis of OHS 1999, the requirement is that individuals worked for at least **one** hour in the specific seven-day period prior to the conducting of the survey.

Economic sector is the main economic activity or industry in which people work, for example, agriculture or mining. The three broad industry groupings used in this report are agriculture, industry (mining, manufacturing, construction and utilities), and services (trade, transport, finance, and community, social and personal services).

Inactivity rate is defined as the percentage of the population within a given age group that is neither working nor seeking work (that is, not in the labour force). These people are regarded as the not economically active population.

The four broad categories of **education attainment** used are as follows:
1. those without any formal schooling,
2. those who have some primary or some secondary education (also referred to as 'less than matric')
3. those with Standard 10/Grade 12 (also referred to as 'matric' or 'complete secondary'),
4. those with higher education.

Higher education does not necessarily mean that formal schooling has been completed, since diplomas and post-school certificates are sometimes available to those without matric.

Informal sector includes all employed people, whether self-employed or employees, who define themselves as working in the informal sector, irrespective of whether or not the business is registered for the purpose of value added taxes.

Gross Domestic Product (GDP) measures the total value of domestic output produced by residents of a country. For international comparisons, a country's GDP is converted into **purchasing power parities (PPP)**, where the purchasing power of a country's currency is the number of units of that currency required to purchase the same representative basket of goods and services that a US dollar (the reference currency) would buy in the USA (or a similar basket of goods and services).

GDP per capita is defined as GDP divided by the total population. For international comparisons, the GDP per capita of a country is converted into US dollars on the basis of the **purchasing power parity (PPP)** of the country's currency. The system of purchasing power parities has been developed by the United Nations International Comparison programme (ICP) to make more accurate international comparisons of GDP and its components than those based on official exchange rates, which can be subject to considerable fluctuation.

The Gini co-efficient is an index that measures the degree of income inequality. The index has a value of zero for perfect equality and 100 for perfect inequality.

The Human Poverty Index (HPI) developed by the UN measures the backlog of deprivations that exist in a country. It focuses on deprivations in three areas: longevity (as measured by the probability of not surviving to age 40 years); knowledge (measured by the adult illiteracy rate); and overall economic provisioning (as measured by the percentage of people without improved water sources and the percentage of children under five who are underweight).

CHAPTER
Two

DEMOGRAPHIC CHARACTERISTICS

Introduction

Labour is an important input in the production of goods and services in any economy and the two principal sources of labour demand are private firms and the government. In any specific period, this demand is met by the supply of labour from individuals in the population – usually above some minimum age (typically 15 years and above, or from 15 to 64 or 65 years) who are referred to as the working-age population or labour market. Labour supply thus depends on the size of the overall population. Labour market developments in areas such as employment, unemployment and related issues of education and welfare generally require an analysis within a framework of the age/sex structure and distribution of the population, so that programmes may be tailored to meet the needs of the intended beneficiaries or targeted to specific groups.

The age/sex structure and overall size of the population is determined by the three components of population growth: fertility, mortality and migration. Although these demographic processes influence the size and age/sex structure of the labour market, participation in the labour force (employed plus unemployed individuals) is also closely associated with various economic and cultural factors. For example, as discussed in Chapter 4, men tend to have higher labour force participation rates than women, irrespective of age, a phenomenon that is associated at least in part with cultural factors.

Demographic features of various regions in the world

Table 2.1 provides insight into the linkages between key demographic and labour market variables that underpin many of the labour market outcomes discussed in the rest of this report.

Table 2.1: The total population, working-age population and labour force in various regions of the world

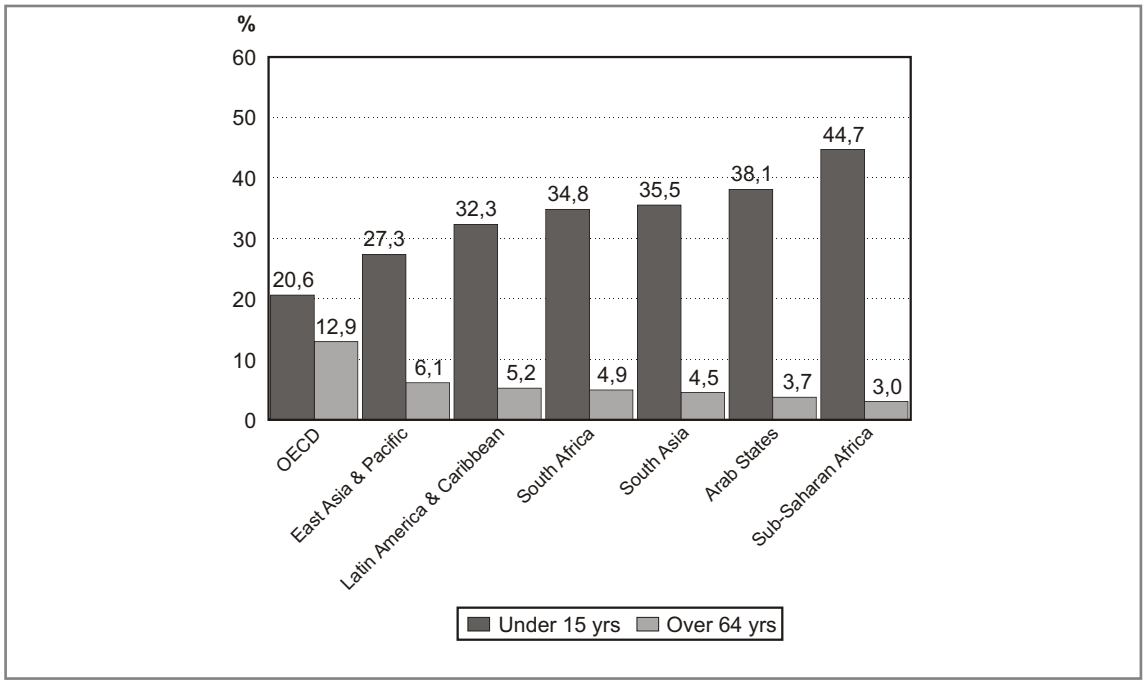
	Total population (millions) 1999	Working age population 15-64 yrs (millions) 1999	Labour force 15-64 yrs (millions) 1999	Average annual growth rate (per cent)		Total fertility rate (per cent) 1998
				Total population 1990-99	Labour force 1990-99	
High-income countries[1]	891	596	433	0,6	0,9	1,7
Low- & middle-income countries	**5 084**	**3 166**	**2 459**	**1,6**	**1,9**	**2,9**
- East Asia & Pacific	1 837	1 220	1 038	1,3	1,5	2,1
- Europe & Central Asia	475	318	238	0,2	0,6	1,6
- Latin America & Caribbean	509	319	219	1,7	2,5	2,7
- Middle East & N. Africa	291	171	97	2,2	3,1	3,5
- South Asia	1 329	797	585	1,9	2,5	3,4
- Sub-Saharan Africa[2]	642	340	282	2,6	2,6	5,4
- South Africa[3]	43	26	14	2,0[a]	4,3[a]	3,2[b]
World	**5 975**	**3 761**	**2 892**	**1,0**	**1,7**	**2,7**

[1] High-income countries have a 1999 GNP per capita of US$ 9 266 or more. [2] Including South Africa. [3] The size and growth rate of the labour force is based on the official definition of unemployment. [a] 1995-1999. [b] 1995 (Udjo, 1997).
Sources: World Bank, 2001; OHS, 1995 and 1999

On the basis of World Bank estimates, Table 2.1 shows that over the period 1990-1999 high-income countries had a lower population growth rate and total fertility rate (TFR) than low- and middle-income countries. In addition, among low- and middle-income countries, the annual rate of population growth and the TFR were highest in Sub-Saharan Africa (SSA) and lowest in Europe and Central Asia. Population projections for South Africa by Stats SA suggest an annual population growth of 2,0% over the period 1995-1999 and Udjo (1997) estimates a TFR of 3,2 in 1995. The annual rate of growth of the population below the age of 15 years has a large impact on the overall population growth rate and also has implications for the number of young people entering the labour force each year.

The youthfulness of the population in SSA relative to developing countries in Europe and Central Asia[1] is illustrated in Figure 2.1 and is reflected in large differences in the age dependency ratios between these two regions. Against this background, and the rapid expansion of the labour force by an annual 2,6% in the last decade, SSA countries are likely to have experienced greater pressure to embark on effective job creation programmes than countries where labour force growth is less pronounced. This is also true for South Africa, where the annual rate of growth of the labour force (4,3%) between 1995 and 1999 was estimated to be particularly high, although the magnitude of the increase in South Africa may be partly due to unresolved data issues (discussed in the technical notes).

Figure 2.1: Percentage of the population that are young and old in selected regions of the world, 1999



Note: East Asia & the Pacific includes only developing countries in those regions. Sub-Saharan Africa includes South Africa.
Sources: UNDP, 2001; OHS, 1999

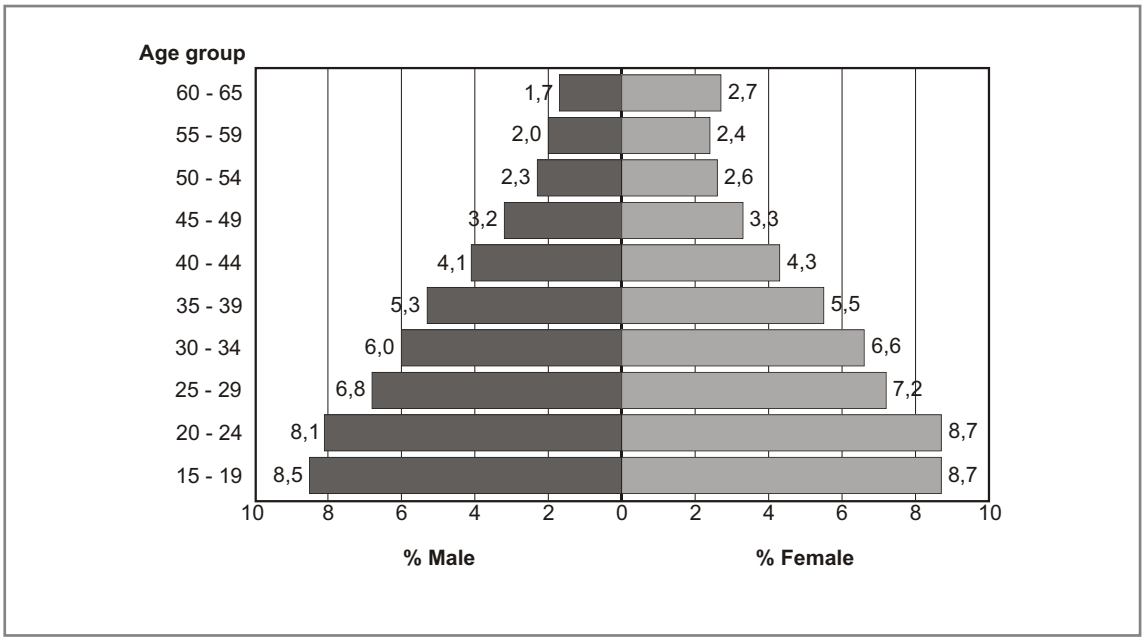
[1] A detailed list of countries in each grouping is given in *Human Development Report, 2001*, UNDP, 2001, p. 258; and *World Development Report, 2000/2001*, World Bank, 2001, p. 335.

Figure 2.1 shows that in Sub-Saharan Africa, 45% of the population was below the age of 15 years in 1999 – more than twice the percentage in this age group in OECD countries (21%). The results of the OHS 1999 suggest that in South Africa more than one-third of the overall population is below the age of 15 years (ranging from 37% among Africans to 22% among whites). To the extent that the opportunities for employment are scarce, and opportunities to continue education are also restricted, new entrants into the labour market often face the prospect of unemployment. As discussed in Chapter 4, high levels of unemployment – especially among youth – may have profound effects, given the strong association between high youth unemployment rates and serious social problems such as crime, poverty and drug abuse.

The age distribution of the labour market in South Africa

This section presents an overview of various aspects of the youthfulness of the working-age population (15-65 years) in South Africa.

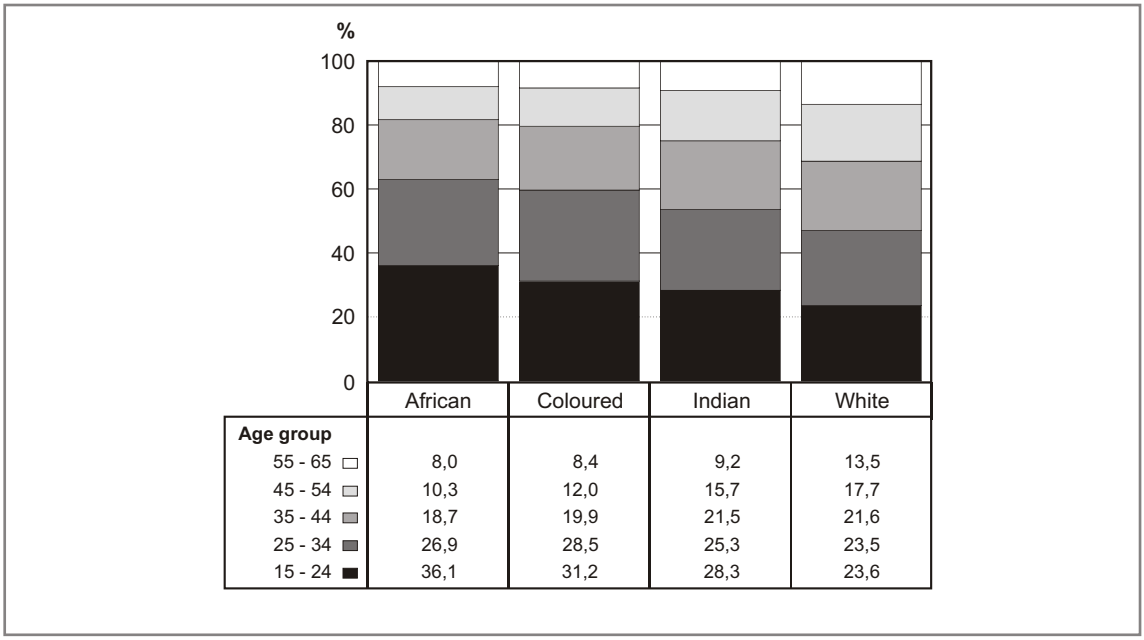
Figure 2.2: Age distribution of the working-age population, 1999



Source: OHS, 1999

Figure 2.2 shows that in South Africa, 17,2% of working-age individuals are aged 15-19 years (8,5% are male and 8,7% are female); the percentages generally decline as age increases. Notably, in each age group, there is a higher percentage of females than males.

Figure 2.3: Age distribution of the working-age population by population group, 1999

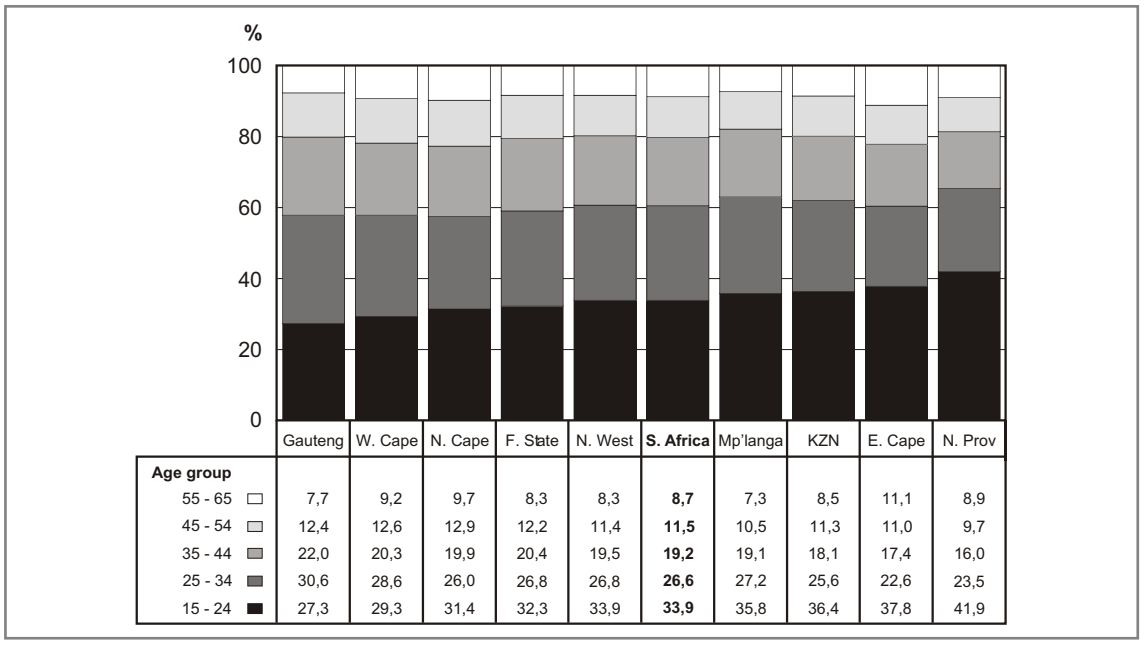


Age group	African	Coloured	Indian	White
55 - 65	8,0	8,4	9,2	13,5
45 - 54	10,3	12,0	15,7	17,7
35 - 44	18,7	19,9	21,5	21,6
25 - 34	26,9	28,5	25,3	23,5
15 - 24	36,1	31,2	28,3	23,6

Source: OHS, 1999

As discussed earlier, in terms of the four major population groups, working-age Africans have a younger age profile than the other groups (Figure 2.3). For example, 36% of all working-age Africans are 15-24 years old, compared with 31% of coloureds, 28% of Indians and 24% of whites. And whereas under 10% of working age Africans, coloureds and Indians are aged 60-65 years, 14% of working-age whites fall into this age category. A more detailed analysis of the age distribution by population group is presented in the Census '96 *Summary report* (Stats SA, 2000). As discussed in that report, the age distribution of the African population is similar to that of other African countries, while whites in South Africa have a similar age distribution to that found in many countries in Europe.

Figure 2.4: Age distribution of the working-age population by province, 1999



Age group	Gauteng	W. Cape	N. Cape	F. State	N. West	**S. Africa**	Mp'langa	KZN	E. Cape	N. Prov
55 - 65	7,7	9,2	9,7	8,3	8,3	**8,7**	7,3	8,5	11,1	8,9
45 - 54	12,4	12,6	12,9	12,2	11,4	**11,5**	10,5	11,3	11,0	9,7
35 - 44	22,0	20,3	19,9	20,4	19,5	**19,2**	19,1	18,1	17,4	16,0
25 - 34	30,6	28,6	26,0	26,8	26,8	**26,6**	27,2	25,6	22,6	23,5
15 - 24	27,3	29,3	31,4	32,3	33,9	**33,9**	35,8	36,4	37,8	41,9

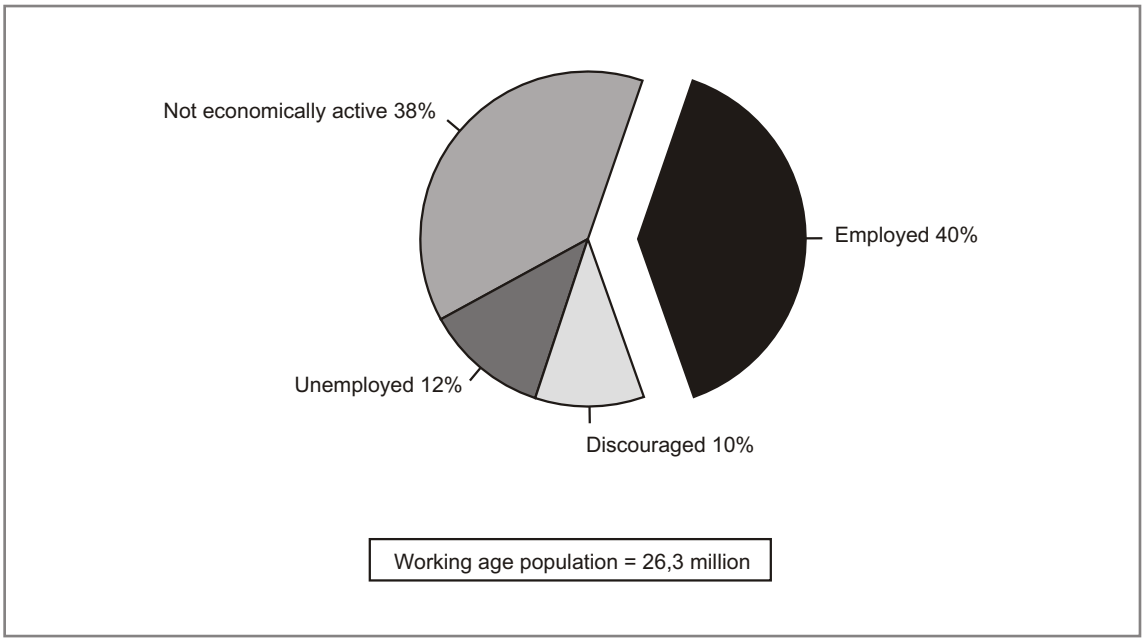
Source: OHS, 1999

Reflecting the distribution and fertility, mortality and migration patterns of the four major population groups across the provinces, there is a wide variation in the age distribution of the working-age population by province in South Africa. More than two out of every five working-age people in Northern Province (Limpopo) are aged 15-24 years (42%), while in Gauteng (27%) and Western Cape (29%) the percentages in the corresponding age group are smaller (Figure 2.4).

Age and sex differences in the labour market

In terms of the labour market, it is useful to focus on the demographic characteristics of various categories of the working-age population as illustrated in Figure 2.5. Unemployment is measured on the basis of the official definition, which includes only those unemployed individuals who took specific steps to find employment in the four weeks prior to the interview. In this report, instead of making comparisons with the expanded definition of unemployment, 'discouraged job-seekers' (those individuals that are unemployed but did not take specific steps to find work) are analysed separately (except in Chapter 4). As a result of this configuration, the not economically active population excludes discouraged job-seekers (and is thus equivalent to the expanded definition of unemployment). And the four groups – employed, unemployed, not economically active and discouraged job seekers – together sum to the working-age population.

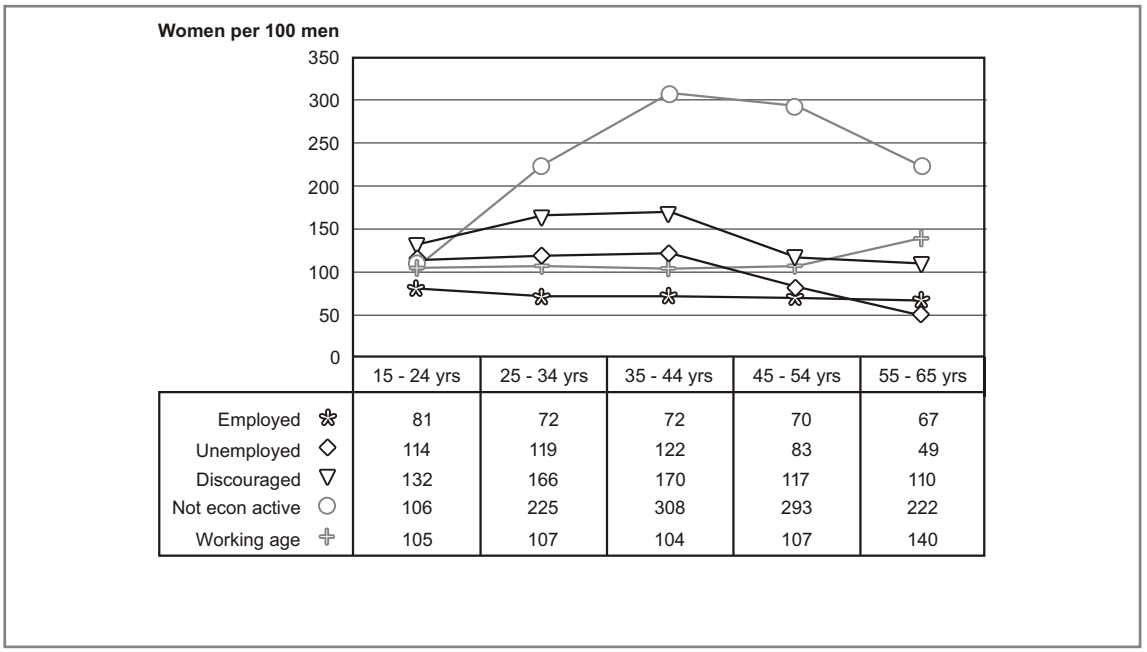
Figure 2.5: Percentage of the working-age population in main labour market categories, 1999



Source: OHS, 1999

Sex ratios provide important insight into the relative numbers of men and women in each of the four major labour market categories. In this analysis the sex ratio is measured as the number of females per hundred males of the relevant categories. This is different from the usual demographic definition of the sex ratio used in other Stats SA publications, which measures the number of males per hundred females.

Figure 2.6: Age/sex differences in the labour market, 1999



	15 - 24 yrs	25 - 34 yrs	35 - 44 yrs	45 - 54 yrs	55 - 65 yrs
Employed	81	72	72	70	67
Unemployed	114	119	122	83	49
Discouraged	132	166	170	117	110
Not econ active	106	225	308	293	222
Working age	105	107	104	107	140

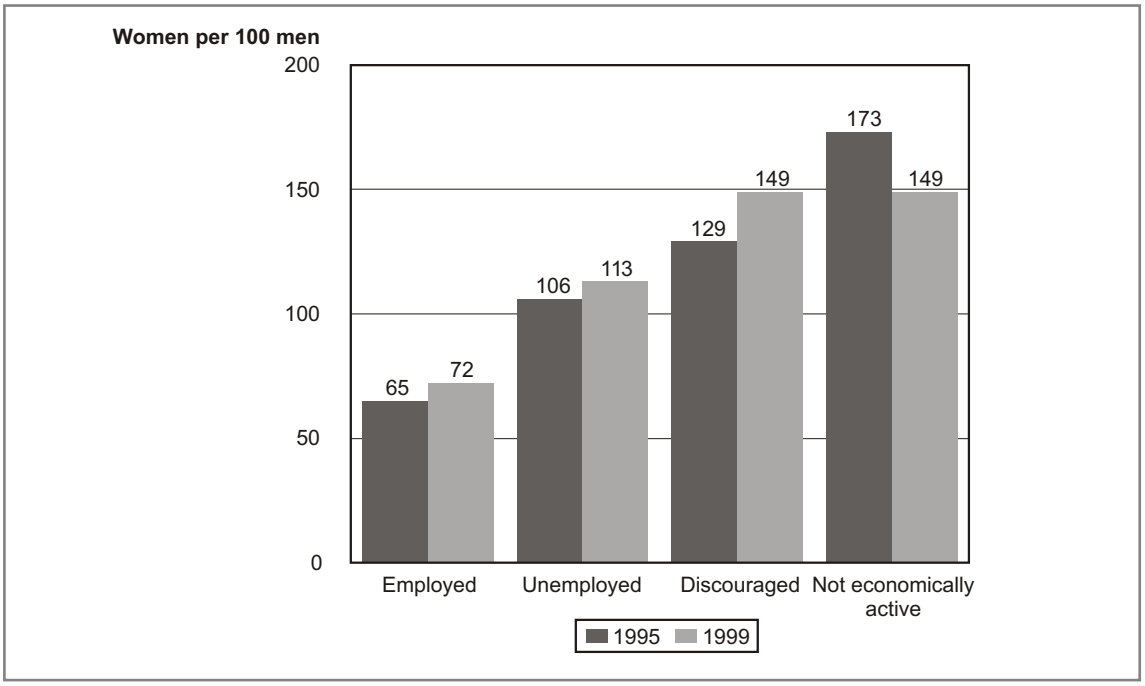
Source: OHS, 1999

Figure 2.6 is read as follows with regard to respondents in the age category 15-24 years. For every hundred men there are 105 women. For every 100 not economically active men there are 106 not economically active women. For every 100 discouraged male job-seekers there are 132 discouraged female job-seekers. For every 100 unemployed men there are 114 unemployed women, and for every 100 employed men aged 15-24 years there are only 81 employed women of a similar age. The other points for various age groups are read in a similar way.

Figure 2.6 shows that, irrespective of age group, in 1999 there were generally more women per hundred men among unemployed people, discouraged job-seekers and not economically active individuals. Among employed people the reverse is true, with as few as 81 women per hundred men in the 15-24 year age group falling to 67 per hundred in the oldest age group (55-65 years). Notably, among those aged above 24 years who are not economically active, the number of women per hundred men rises to over 300 in the 35-44 year age category, before declining to 222 in the oldest age group. This is a reflection of the larger percentage of female than male homemakers among the not economically active.

Figure 2.7 shows that the number of women per hundred men increased in 1999 compared with 1995 in all labour market categories except the not economically active. The largest increase over the period was among discouraged job-seekers – from 129 women per hundred men in 1995 to 149 per hundred in 1999. However, there was a decline in the number of women relative to men among the not economically active. Notably, the relative scarcity of employment opportunities available to women is reflected in the low number of employed women per hundred men, although there has been an improvement from 65 women per hundred men in 1995 to 72 per hundred in 1999.

Figure 2.7: Sex ratios in the labour market, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Summary

The analysis in this chapter suggests that, in common with other countries in Sub-Saharan Africa, the rate of increase of the working-age population and labour force in South Africa is somewhat higher than in industrial countries. The youthfulness of the population typically found in developing countries has implications for the ability of the economy to provide enough jobs to absorb new entrants into the labour force.

Against this background, the analysis suggests that the problem is likely to be more acute among African youth, since more than one in every three working-age Africans (36%) are in the 15-24 year age group. In terms of the provinces, the working-age populations in Northern Province, Eastern Cape and KwaZulu-Natal have relatively large proportions of young people compared with provinces such as Gauteng and Western Cape.

Gender differences in employment opportunities available in the South African economy suggest that although women still lag behind men in getting jobs, there has been an improvement since 1995. There has also been a substantial decline in the ratio of women to men among the not economically active population over the period 1995-1999.

CHAPTER
Three

EDUCATION AND THE LABOUR MARKET

Introduction

The level of education of individuals in the labour market (the working-age population) is an important policy variable because education is a determining factor in gaining access to employment and earnings. The challenge for policy-makers is to have a flow of labour with an appropriate mix of skills to match the demand for labour by private and public sector employers. It is in this way that labour supply policies are intrinsically linked with education policies and the demographic issues discussed in Chapter 2.

In South Africa, as elsewhere, an important labour supply issue is the degree to which participants in the labour market have equal opportunities to use their skills and to obtain equal rewards for doing so. Segmentation, discrimination and duality of the labour market are terms that have frequently been used to refer to the situation where opportunities in the South African labour market have not been equal and where the rewards are lower for various categories of individuals such as women, the disabled and people from particular population groups. This chapter assesses the education profile of labour market participants with a view to providing insights into such concerns.

Education profile of main labour market categories

The analysis will (where relevant) focus on the educational profile of individuals using the 'official' definition of unemployment, which includes only those unemployed individuals who took specific steps to find employment in the four weeks prior to the OHS survey in 1995 and 1999. In addition, instead of making comparisons with the expanded definition of unemployment, 'discouraged job-seekers' are analysed separately, as explained in Chapter 2.

Table 3.1: Distribution of working-age people in main labour market categories by highest level of education, 1995 compared with 1999

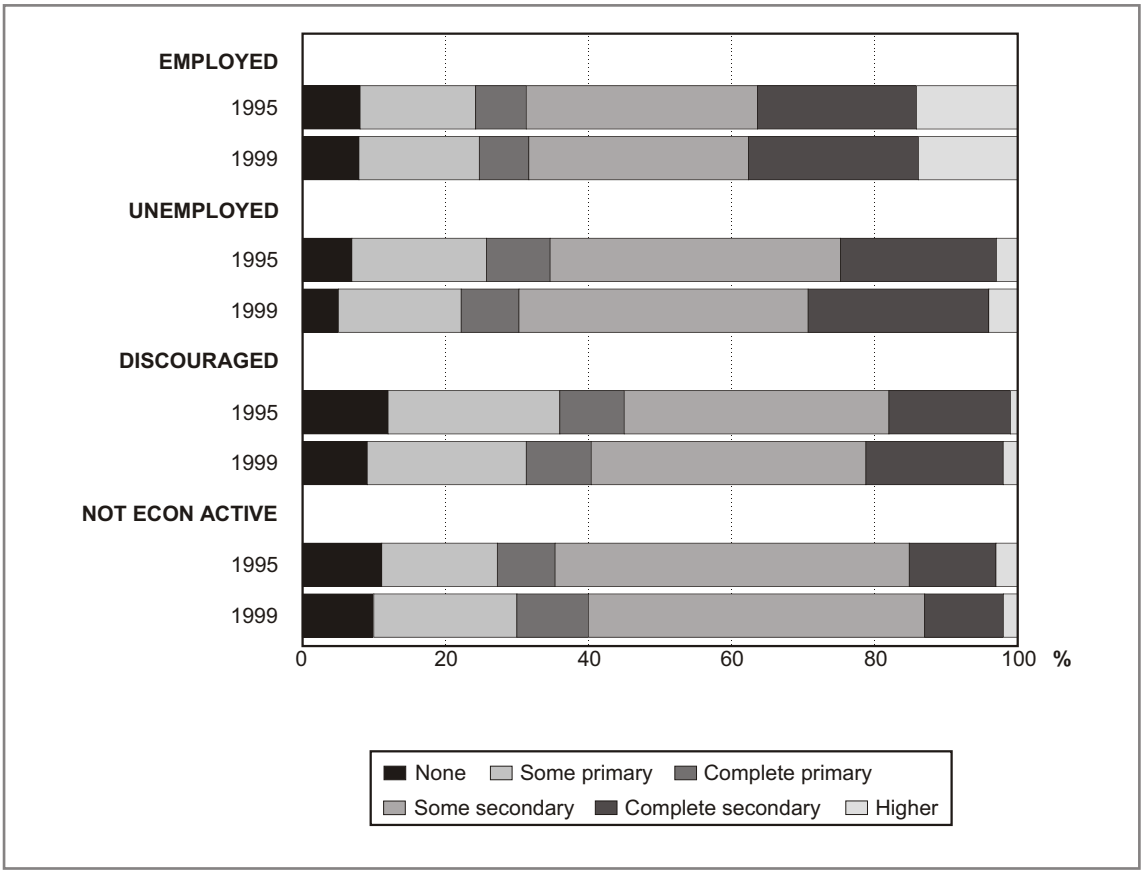
	Employed		Unemployed		Discouraged		Not economically active		Working age (15-65 years)	
	1995 ('000)	1999 ('000)	1995 ('000)	1999 ('000)	1995 ('000)	1999 ('000)	1995 ('000)	1999 ('000)	1995 ('000)	1999 ('000)
No education	780	770	118	159	214	238	1 168	980	**2 280**	**2 147**
Some primary	1 551	1 726	337	546	432	603	1 779	1 972	**4 099**	**4 847**
Complete primary	643	697	153	258	169	253	920	1 016	**1 885**	**2 224**
Some secondary	3 080	3 094	740	1 250	666	1 025	5 363	4 646	**9 849**	**10 015**
Complete secondary	2 131	2 405	390	783	299	523	1 312	1 079	**4 132**	**4 790**
Higher	1 365	1 422	50	134	24	52	323	237	**1 762**	**1 845**
Total (excl unsp)	**9 551**	**10 113**	**1 788**	**3 129**	**1 804**	**2 695**	**10 865**	**9 931**	**24 008**	**25 868**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 3.1 and Figure 3.1 illustrate the eduction profile of people in the main labour market categories. As shown in Table 3.1, in 1999, of the 25,9 million people aged 15-65 years (the working-age population), 10,0 million (39%) fall into the category 'some secondary education'. If these are added to the people with no education (2,1 million), those with only some primary education (4,8 million), and those who have completed primary education (2,2 million), then altogether there are 19,2 million (74%) of working-age people in South Africa without complete secondary education.

Knowledge about the educational and skill levels of unemployed people can provide guidance on how training programmes or employment-creation programmes may be improved. In addition, data on employment at different levels of educational attainment allows policy-makers to gauge how education and training strategies can be improved to ensure better employment outcomes for workers.

Figure 3.1: Distribution of working-age people in main labour market categories by highest level of education, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

- As illustrated in Figure 3.1, the percentage of each of the four labour market categories (employed, unemployed, discouraged and not economically active) with no education is highest among discouraged job-seekers and those that are not economically active, while a substantial percentage of each of the four labour market categories had also not completed primary education.

- In both 1995 and 1999 the percentage of people with only some secondary education ranges from around one in every three among the employed, to around one in every two among the not economically active.

- A large proportion of each of the four major labour market groups (employed, unemployed, discouraged and not economically active) had not completed secondary education – ranging from around 10% of the not economically active to over 20% among the employed and unemployed.

- As expected, the largest proportion of people with higher education were among the employed in both 1995 (14%) and 1999 (14%).

Education profile of people in the labour force

Table 3.2: Level of educational attainment of people in the labour force by population group, 1995 compared with 1999

	African		Coloured		Indian		White		Total	
	1995 %	1999 %	1995 %	1999 %	1995 %	1999 %	1995 %	1999 %	1995 %	1999 %
None	11	9	6	5	1	1	-	-	**8**	**7**
Some primary	21	22	19	17	3	4	-	-	**17**	**17**
Complete primary	8	9	11	10	4	1	-	-	**7**	**7**
Some secondary	35	35	42	42	36	34	22	18	**34**	**33**
Complete secondary	16	19	16	20	42	43	46	47	**22**	**24**
Higher	9	7	6	6	16	17	31	34	**13**	**12**
Total (per cent)*	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Total (thousands)*	**7 634**	**9 226**	**1 358**	**1 477**	**400**	**454**	**1 948**	**2 066**	**11 339**	**13 223**

* Excluding unspecified
Note: Miners are under-reported in 1995. The labour force is defined as the employed plus the unemployed according to the official definition of unemployment.
Sources: OHS, 1995 and 1999

Table 3.2 shows the distribution of the labour force (employed plus unemployed) by level of educational attainment for each population group.

- Reflecting South Africa's political past, the African and coloured labour force have the highest percentage of people with no education or with incomplete primary and secondary education.

- For example, among employed and unemployed Africans as a group, one in every ten (11%) in 1995 and a similar percentage (9%) in 1999 had no education.

- An additional 21% of the African labour force in both years had not completed primary education.

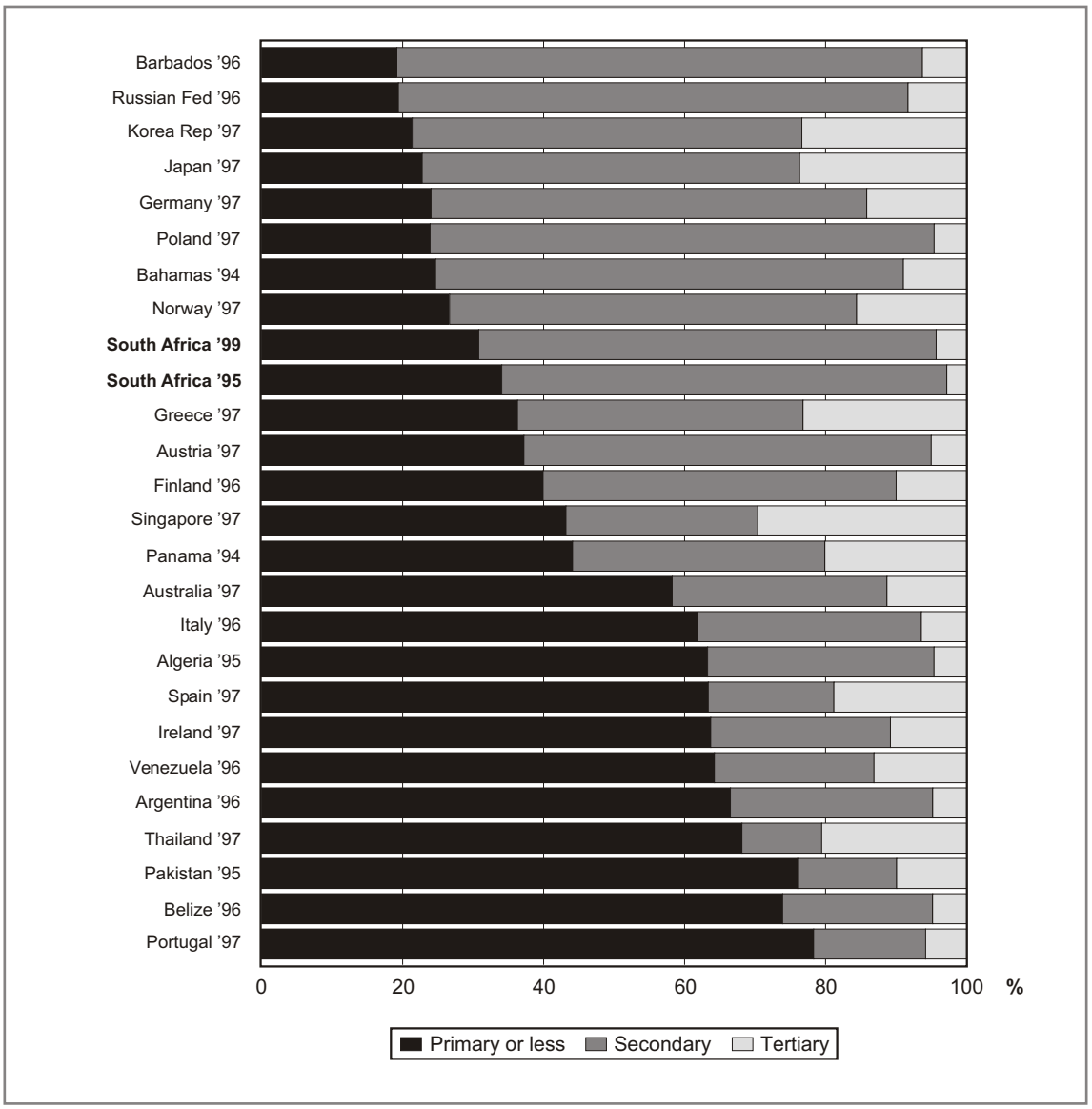
- By comparison, in the Indian and white labour force, less than 1% had no education. Conversely, over 30% of the white labour force and over 15% of the Indian labour force had completed higher education.

Education and unemployment

The data presented in this section should be interpreted with caution since in some countries the completion of an educational level is required for a person to be classified as having attained that level of education while in other countries the educational level may be defined by the highest level attained, whether completed or not. In addition there are methodological and definitional differences in determining the various labour market categories (see ILO, 1999, and Chapters 4 and 5 of this report, in which some of these difficulties are discussed in greater detail).

As noted by the ILO, focusing on the educational characteristics of unemployed individuals as illustrated in Figure 3.2 'can aid in analyses designed to shed light on how significant long-term events in the economy, such as ongoing skill-based technological change, increased trade openness or shifts in the sectoral structure of the economy, alter the experience of high- and low-skilled workers in the labour market' (ILO, 1999, p. 266).

Figure 3.2: Distribution of unemployed people by highest level of education attained, in selected countries

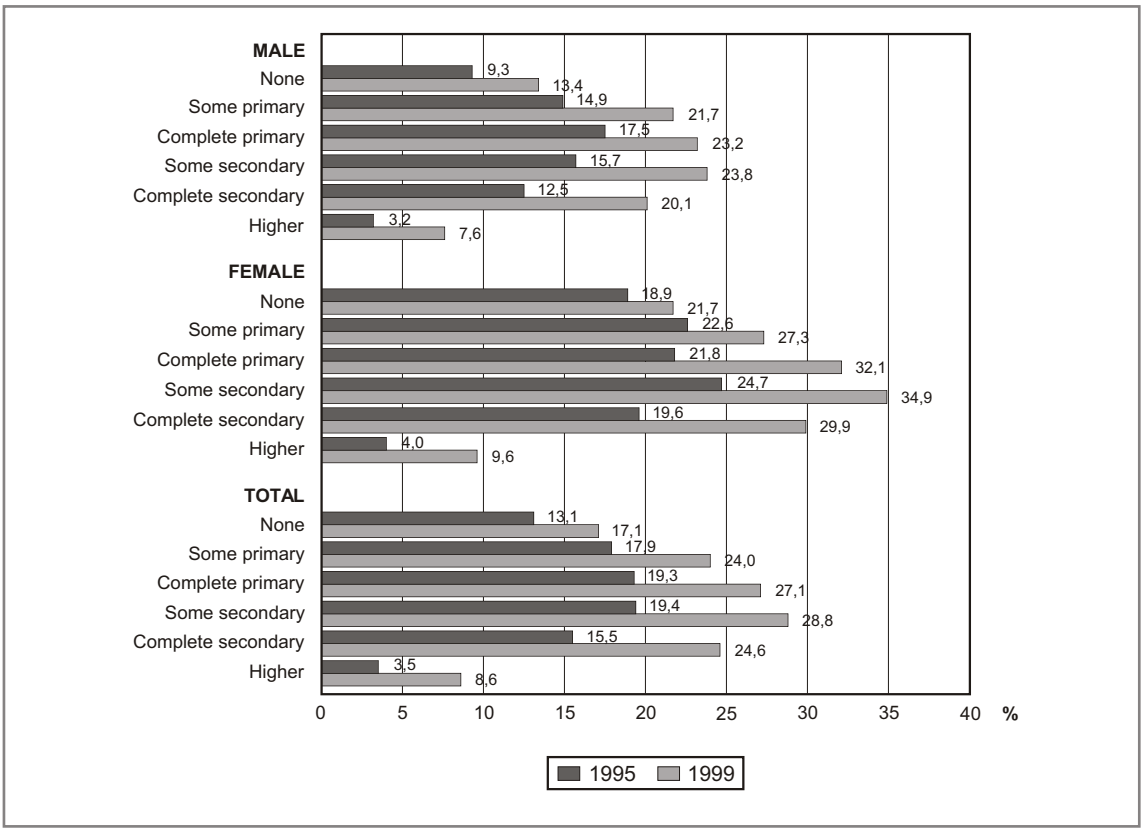


Sources: ILO, 1999; OHS, 1995 and 1999

Figure 3.2 shows that a substantially larger percentage of unemployed people had tertiary education in Japan (24%) than in countries such as Italy (6%). In South Africa, a relatively low percentage (4,3%) of unemployed people had tertiary education in 1999. This reflects the relatively low percentage of the overall labour force (12%) that had such qualifications, similar to countries such as Portugal and Poland in 1997.

It is generally expected that the completion of higher levels of education would improve job prospects in the labour market and that people with little or no education would be particularly at risk of being unemployed. However, in the South African labour market the quality and relevance of education received is perhaps as important as the level of educational attainment in explaining labour market outcomes.

Figure 3.3: Official unemployment rate by highest education level and sex, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 3.3 shows unemployment rates for different levels of educational attainment. The following are noteworthy.

- Among men and women, unemployment rates were higher at each educational level in 1999 than in 1995. For example, among people with no education the unemployment rate was 13,1% in 1995, rising to 17,1% in 1999.

- People with education beyond matric had the lowest unemployment rates in both 1995 and 1999 - among men from 3,2% in 1995 to 7,6% in 1999 and among women from 4,0% in 1995 to 9,6% in 1999.

- Notably, the unemployment rate among people in educational categories below that of complete secondary education was higher than for those who had no education.

Table 3.3: Official unemployment rate by population group and highest level of education, 1995 compared with 1999

1995	African	Coloured	Indian	White	Total
No education	13,4	10,6	-	-	**13,1**
Some primary	19,0	11,6	11,8	-	**17,9**
Complete primary	20,3	15,8	6,8	-	**19,3**
Some secondary	22,4	17,9	10,2	5,9	**19,4**
Complete secondary	25,9	14,1	9,3	2,4	**15,5**
Higher	6,1	5,3	2,4	0,6	**3,5**
Total	**19,7**	**14,7**	**8,5**	**2,6**	**15,8**
1999	**African**	**Coloured**	**Indian**	**White**	**Total**
No education	18,3	5,4	-	-	**17,1**
Some primary	25,6	12,8	9,9	-	**24,0**
Complete primary	29,0	17,0	12,7	-	**27,1**
Some secondary	33,7	18,9	17,7	8,5	**28,8**
Complete secondary	37,8	14,7	18,2	5,2	**24,6**
Higher	15,7	6,4	9,1	2,0	**8,6**
Total	**29,6**	**15,4**	**15,9**	**4,8**	**23,6**

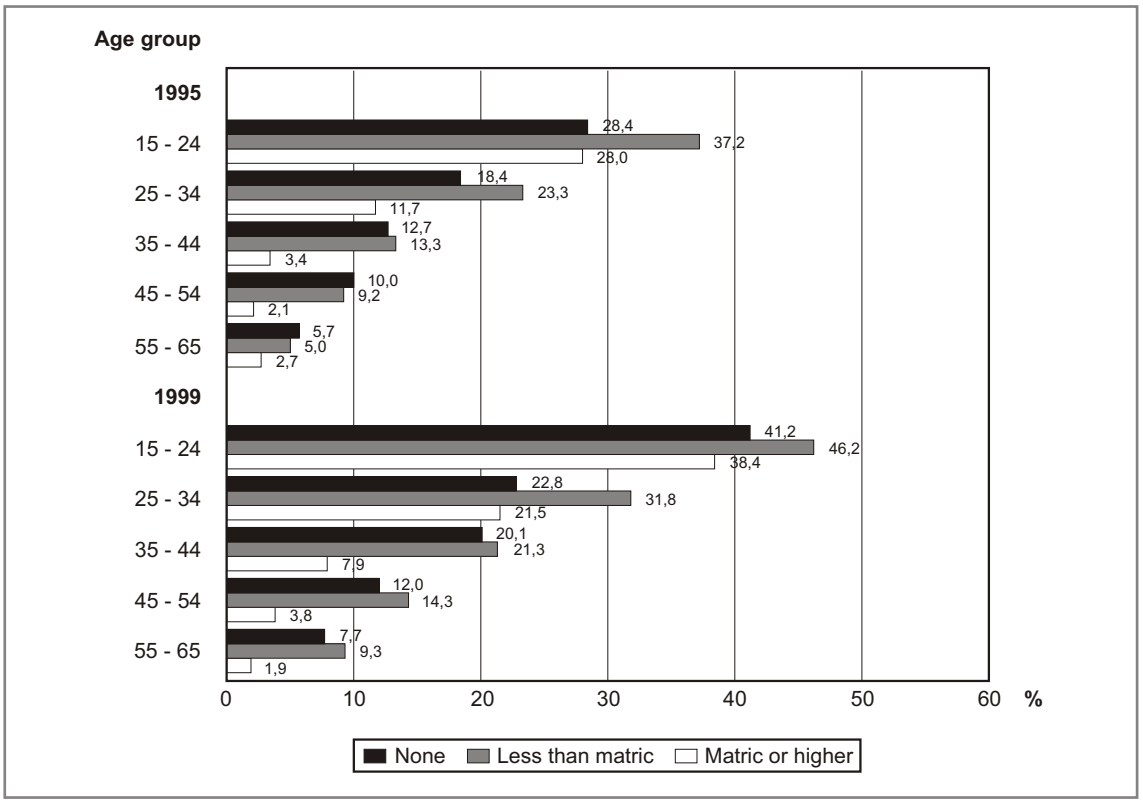
Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 3.3 shows a large variation in unemployment rates by level of educational attainment and population group. The unemployment rate among Africans who had completed secondary education was about double that of Africans with no education in both 1995 and 1999. In comparison, the variation in unemployment rates for different educational categories was less marked among the other population groups. Among whites, unemployment rates were below 10% in each education category and particularly low in the higher education category (0,6% in 1995 and 2,0% in 1999).

Figure 3.4 illustrates important patterns in the unemployment rate for various age groups. Irrespective of age, the unemployment rate among people who have less than secondary education (i.e. less than matric) is generally higher than among those with no formal education at all. For example, in 1999, the unemployment rate was 41,2% for individuals in the 15-24 year age group with no formal education, compared to 46,2% for those in the same age group who had less than matric. Among individuals in the 25-34 year age group, there was an even larger difference in unemployment rates – 22,8% for those with no formal education, compared with 31,8% for those with less than matric.

This is consistent with the findings of a Stats SA study (2001), suggesting that more than one in every ten South Africans aged 35-54 years have no education, rising to more than one in every four in higher age groups. Moreover, that study also suggests that there was great variation in the ability to read in at least one language across the population groups.

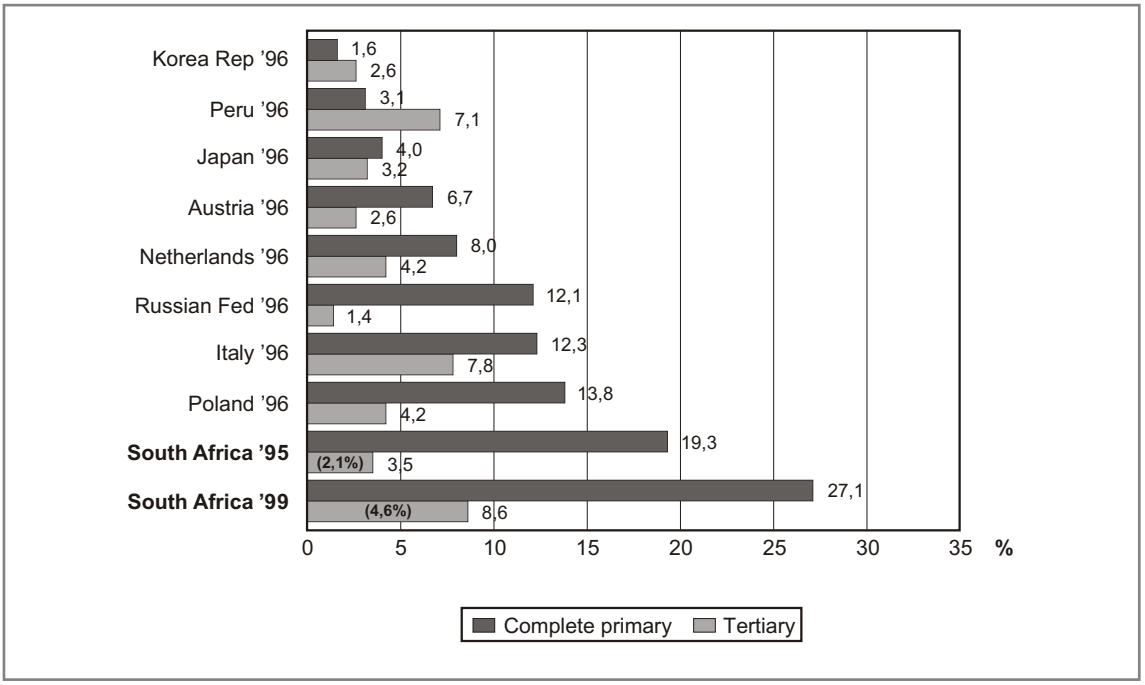
Figure 3.4: Official unemployment rate by age and education, 1995 compared with 1999



Sources: OHS, 1995 and 1999

Figure 3.5 shows a large disparity in the relationship between the unemployment rate and the level of education for industrialised countries compared with developing countries.

Figure 3.5: Unemployment rate by education in selected countries



Note: Unemployment rates for South Africa refer to the official definition. Figures in parentheses for South Africa refer to the official unemployment rate for those with under-graduate and/or post-graduate degrees only.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 3.5 suggests that, in the more industrialised countries, the chance of being unemployed tends to be lower the higher the level of education attainment. In contrast, in many developing countries this relationship may not hold, as a consequence of the labour-intensive nature and dominance of the agriculture sector. In countries where the agriculture sector provides jobs for a relatively large proportion of employed people (see also Chapter 6), then job opportunities for highly educated people may often be scarce, resulting in a relatively high unemployment rate among people with tertiary education.

The figures shown for South Africa may overstate the true picture since, in addition to university degree holders, they include people who have completed secondary education and hold a certificate or diploma. The figures in parentheses (2,1% in 1995 and 4,6% in 1999) indicate the percentage of the labour force that hold a degree (under-graduate and/or postgraduate) that are unemployed. Notably, the rising tertiary unemployment rate between 1995 and 1999 is an indication of the challenges faced in creating employment.

Summary

Education is an important policy variable because it is a determining factor in gaining access to employment and earnings. Knowledge about the educational and skill levels of unemployed people can provide guidance on how training programmes or employment-creation programmes may be improved.

The analysis in this chapter shows that the opportunities for achieving high levels of education have not been equal for various categories of individuals. Almost three in every four people aged 15-65 years (74%) – the working-age population – had not completed secondary education (including those with no education). This is reflected in the relatively high percentages of people in all labour market categories who fall into the education category 'less than complete secondary education'.

Reflecting South Africa's political past, the African and coloured labour force had the highest percentage of people with no education or with incomplete school education (primary and secondary). And while it is generally expected that the completion of higher levels of education would improve job prospects in the labour market, the unemployment rate was higher among people who had some education but had not completed secondary education, than among those who had no education – particularly among Africans and coloureds.

Issues of data quality and comparability loom large in making international comparisons. However, quality issues aside, the unemployment rate of people with complete primary education is somewhat higher in South Africa (1995) than in countries such as Poland (1997), Italy (1996) or the Russian Federation (1996).

CHAPTER
Four

SUMMARY LABOUR MARKET MEASURES

Introduction

This chapter discusses three important summary labour market measures that are intrinsincally linked: unemployment, labour force participation/activity and labour absorption rates. Each measure reflects a different perspective on the degree to which individuals of working age (15-65 years) are represented in the labour market, and together they contribute to a better understanding of how the labour market functions. They are measured as follows:

- Unemployment rates measure the proportion of the economically active population of working age that are unemployed – where the economically active population includes the employed and the unemployed.

- Labour force participation/activity rates measure the proportion of the working-age population that is economically active.

- Labour absorption is an alternative measure of unemployment, computed as the proportion of the working-age population that is employed.

These measures provide a gauge of how different socio-economic groups and types of individuals are able to participate in the labour market. When participation is not complete, this is reflected in high unemployment rates, and low labour absorption and labour force participation/activity rates. In such circumstances, programmes may focus on encouraging working-age individuals who are out of the labour force (for example because they are home-makers or are attending school) to enter the labour force when economic conditions change, since their effective participation in productive activity may contribute to an expansion in economic growth and to higher standards of living.

On the other hand, when participation is regarded as 'too high' for certain types of individuals such as children, and people working long hours because they are engaged in low productivity employment, the issues tend to be very different. In such situations, the task is to reduce participation in the labour market. For example, it may become necessary to increase the income of certain households so that the need for child labour diminishes, or measures may be taken to enhance productivity – providing education and training or other productive assets such as land or machinery – for individuals who work long hours at low productivity.

Data quality issues loom large for each measure. There is international recognition that, particularly in developing countries, large gender differentials in unemployment rates, labour force participation/activity rates and labour absorption rates may partly be a reflection of weaknesses in the data. In many countries 'many women work in agriculture and informal household enterprises where their contributions are underreported' even though the international guidelines recognise such activities as 'economic' (UN, 1995). South Africa is no exception. The extent to which such activities are not recorded, depending on, among other things, the timing of various surveys that collect labour market information, is an additional problem (see Stats SA & Dept of Agric, 2000).

Table 4.1: Major labour market categories and rates, 1995 compared with 1999

	1995		1999	
	Official ('000)	Expanded ('000)	Official ('000)	Expanded ('000)
Employed	9 632	9 632	10 369	10 369
Unemployed	1 800	3 632	3 155	5 876
Not economically active	12 797	10 965	12 733	10 012
Working age (15-65 yrs)	**24 229**	**24 229**	**26 257**	**26 257**
Labour force/economically active	**11 432**	**13 264**	**13 524**	**16 245**
Unemployment rate	15,7	27,4	23,3	36,2
Labour force activity/participation rate	47,2	54,7	51,5	61,9
Labour absorption rate	39,8	39,8	39,5	39,5

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 4.1 shows the levels of and relationship between key labour market categories (employed, unemployed, not economically active and total working-age population). For example, in 1995, of the 24,2 million working-age individuals, 9,6 million were employed, 1,8 million were unemployed using the official definition and the remaining 12,8 million were not economically active. In that year, on the basis of the official definition, the labour force or economically active population was 11,4 million (employed plus unemployed). The summary labour market measures computed on the basis of these labour market categories are discussed in greater detail later in this chapter. However, as shown in Table 4.1, in 1999 the unemployment rate and the labour force participation rate rose compared with 1995, while the labour absorption rate remained virtually unchanged over the period.

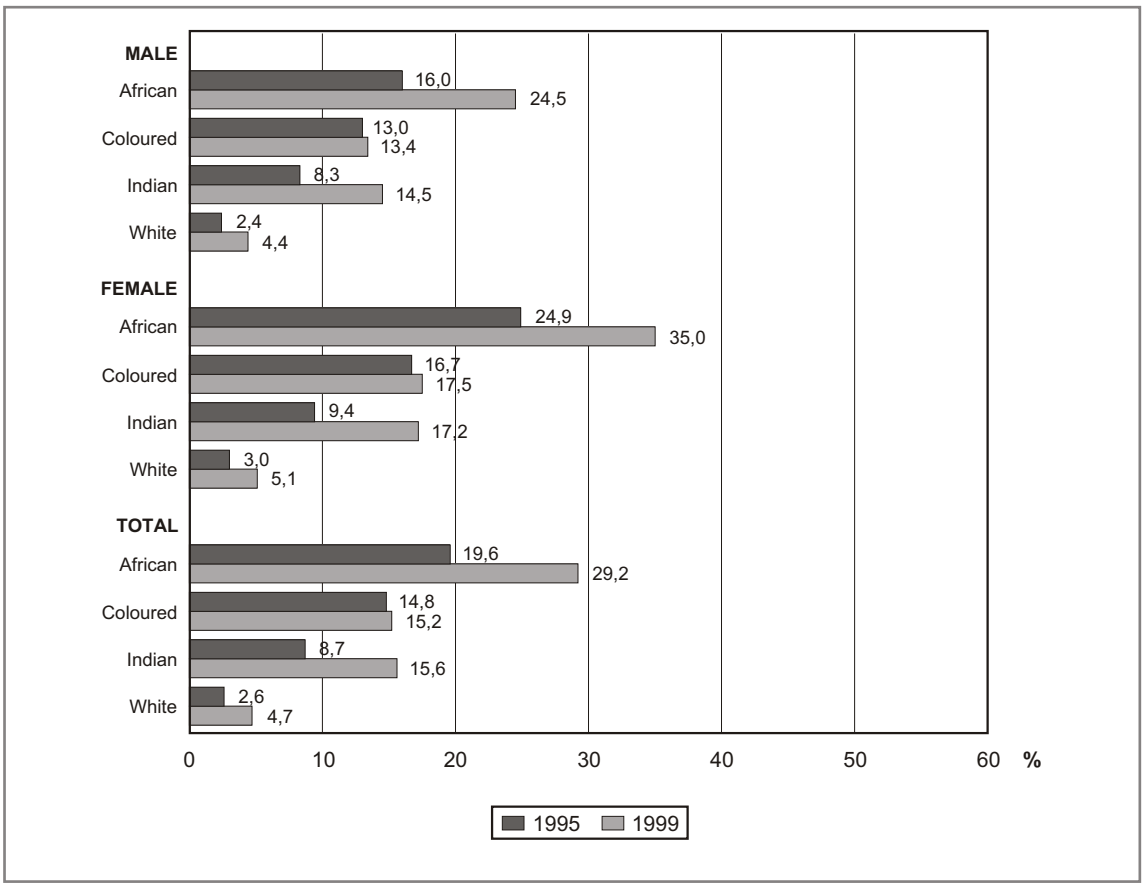
Unemployment rates

The unemployment rate is an indicator that is widely used to assess labour market performance. However, it needs to be used in conjunction with other indicators in order to fully understand any shortcomings in the labour market. As noted by the ILO, most developing countries lack unemployment support programmes. As a consequence, rather than face unemployment, many people engage in any activity merely to survive, even if it does not use their skills adequately or generate sufficient income. Low unemployment rates in developing countries can also be the result of traditional work arrangements that are typically found in many rural communities, whereby the available tasks are absorbed by the community as a whole. Under such circumstances, a substantial proportion of the labour force in developing countries that are classified as employed, tend to work fewer hours than they would choose, earn lower incomes, use their skills less and in general work less productively than they could and would like to (ILO, 1999, p. 192).

In addition, problems of definition and measurement abound, given the complexity of distinguishing between the concepts of work, employment, and unemployment. Given the nature of the South African labour market, Stats SA publishes two unemployment rates. The official definition regards as unemployed only those who state they were unemployed in the four weeks prior to the survey and took specific steps to find employment. The expanded version of unemployment includes 'discouraged job-seekers' (individuals who state they are unemployed and available for work but have not taken active steps to seek work during the reference period). Both definitions are in line with international recommendations.

The difficulty in gaining access to mining hostels in 1995 and the under-reporting of miners in that year had the largest impact on the unemployment rate of African men and in the predominantly mining provinces such as Gauteng, Mpumalanga, Free State and North West.

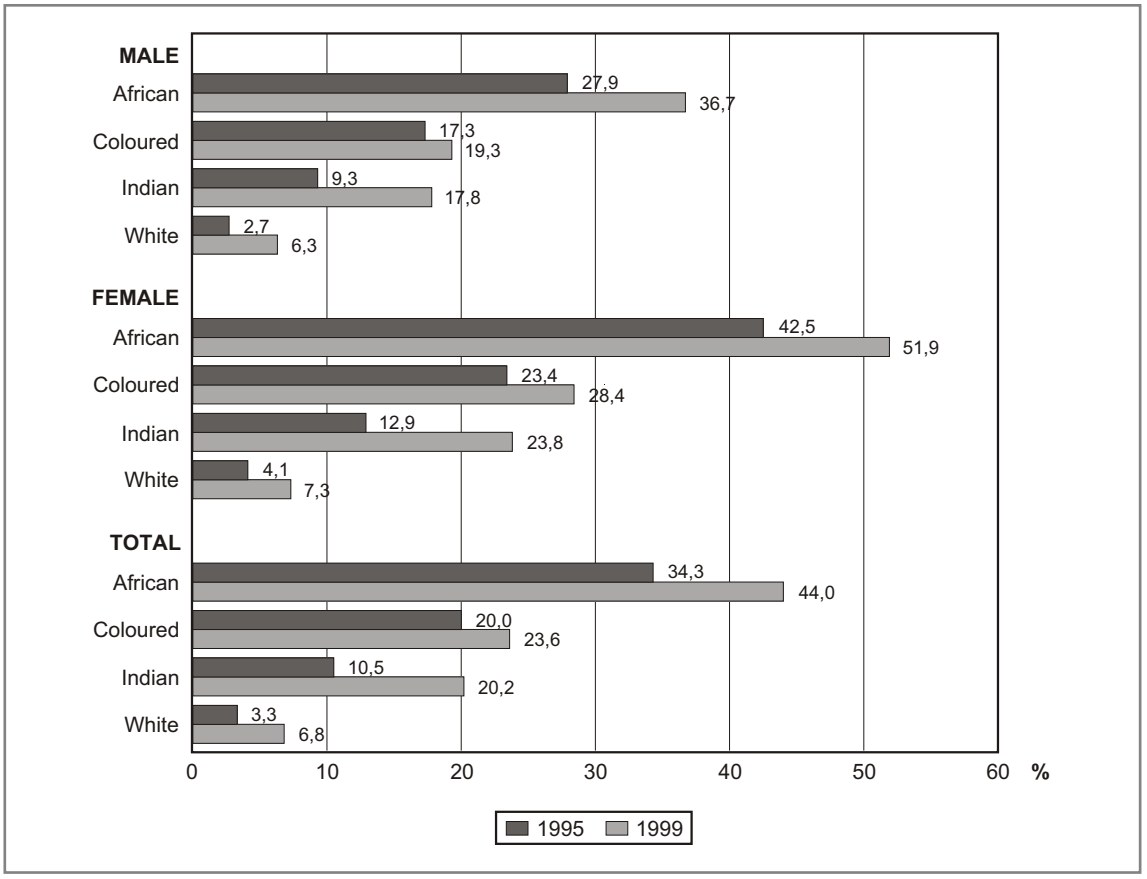
Figure 4.1: Unemployment rate (official definition) by population group and sex, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Source: OHS, 1995 and 1999

Figure 4.1 illustrates the differences in unemployment rates for men and women and for each population group, using the official definition of unemployment, in 1995 and 1999. Gender differences are marked, with female unemployment rates higher than those of men for all population groups. However, the unemployment rate among Africans, at over 20% in both years, is substantially higher than that among the other population groups. Among whites the unemployment rate is lowest – under 5% each year.

Figure 4.2: Unemployment rate (expanded definition) by population group and sex, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Source: OHS, 1995 and 1999

On the basis of the expanded definition, Figure 4.2 shows that while the overall pattern and trend in unemployment rates are similar to those illustrated in Figure 4.1, the inclusion of unemployed people who did not take active steps to find work produces somewhat higher unemployment rates for all groups. For example, 44,0% of the African labour force were unemployed in 1999 according to the expanded definition (Figure 4.2), compared with 29,2% using the official definition (Figure 4.1).

Table 4.2 shows unemployment rates in each province using both the expanded and the official definitions. At the national level, the official unemployment rate was 15,7% in 1995 compared with 27,4% on an expanded basis. By 1999 the official rate rose to 23,3%, compared with a rise to 36,2% using the expanded definition.

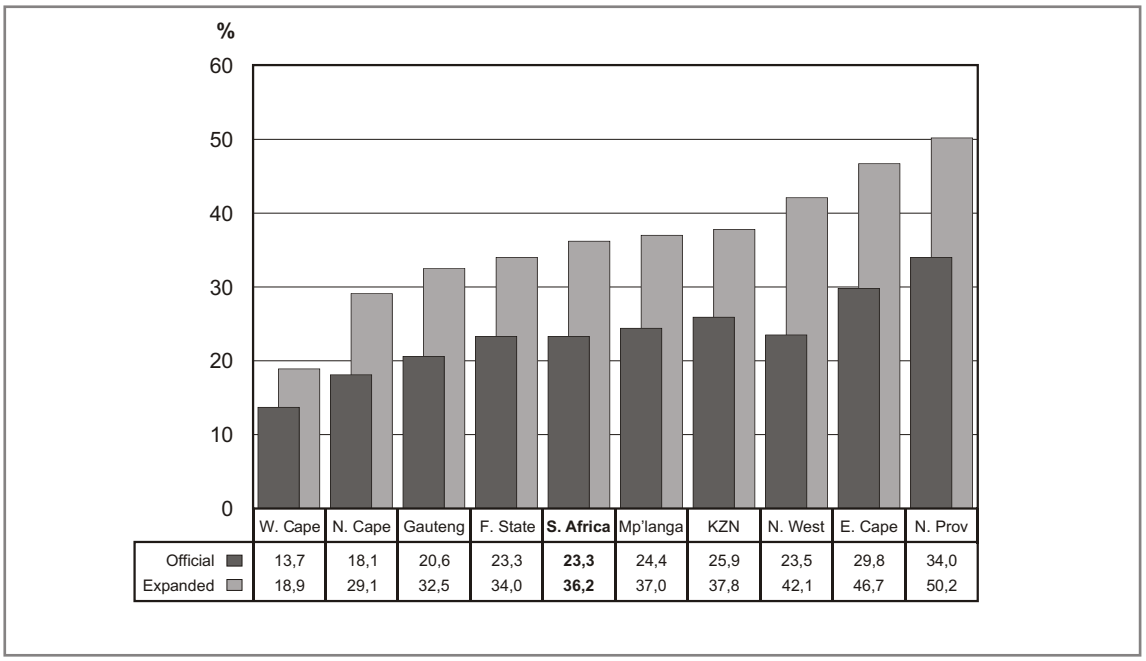
Some of the variation in provincial unemployment rates shown in Table 4.2 is attributable to the exclusion of some miners in 1995. This will tend to overstate the unemployment rate differentials between mining and non-mining provinces and blur the comparability between provinces in 1995 and 1999.

Table 4.2: Unemployment rate by province (official and expanded definitions), 1995 compared with 1999

	1995		1999	
	Official	(Expanded)	Official	(Expanded)
Western Cape	12,0	(16,6)	13,7	(18,9)
Eastern Cape	22,5	(39,0)	29,8	(46,7)
Northern Cape	18,3	(26,1)	18,1	(29,1)
Free State	10,6	(23,7)	23,3	(34,0)
KwaZulu-Natal	18,3	(29,7)	25,9	(37,8)
North West	15,9	(31,1)	23,5	(42,1)
Gauteng	14,4	(21,8)	20,6	(32,5)
Mpumalanga	14,8	(31,8)	24,4	(37,0)
Northern Province	16,8	(37,2)	34,0	(50,2)
South Africa	**15,7**	**(27,4)**	**23,3**	**(36,2)**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 4.3: Official and expanded unemployment rate by province, 1999



Source: OHS, 1999

Figure 4.3 shows that on the basis of both the official and the expanded definitions, Northern Province and Eastern Cape had the highest unemployment rates in 1999. The largest differentials between the expanded and official definitions were in North West (19 percentage points), Northern Province (16 percentage points) and Eastern Cape (17 percentage points), suggesting that job search arrangements and/or the availability of jobs may be particularly difficult in these provinces.

International comparability of unemployment rates is constrained by the differences in the concepts, definitions, data collection procedures and estimation methods used in different countries. It is difficult to make accurate comparisons even among those countries where

unemployment is very carefully measured, because of variations in sources and methods, and small but important differences in the definitions used by some countries. In Mexico, for example, the national statistics agency has developed 10 alternative measures of urban unemployment that resulted in unemployment rates for 1999 ranging from 2,5% to 19,1% (Martin, 2000).

In the light of the difficulties with cross-country comparisons and the limitation inherent in comparing different years, Table 4.3 is intended only to provide an indication of the differences between the restricted (regarded as 'official' in South Africa) and expanded definition in selected countries.

Table 4.3: Comparison of unemployment rates in selected countries (restricted and expanded definitions), 1990

	Women		Men		Women	Men
	Restricted	Expanded	Restricted	Expanded	Difference: Expanded less restricted	
	%	%	%	%	Percentage points	
Jamaica	10,1	23,1	4,4	9,3	13,0	4,9
Sri Lanka	21,1	24,1	11,1	12,4	3,0	1,3
Thailand	0,7	5,7	0,7	4,0	5,0	3,3
Trinidad & Tobago	16,6	24,2	13,4	17,9	7,6	4,5
South Africa	19,7	34,1	13,0	22,2	14,4	9,2

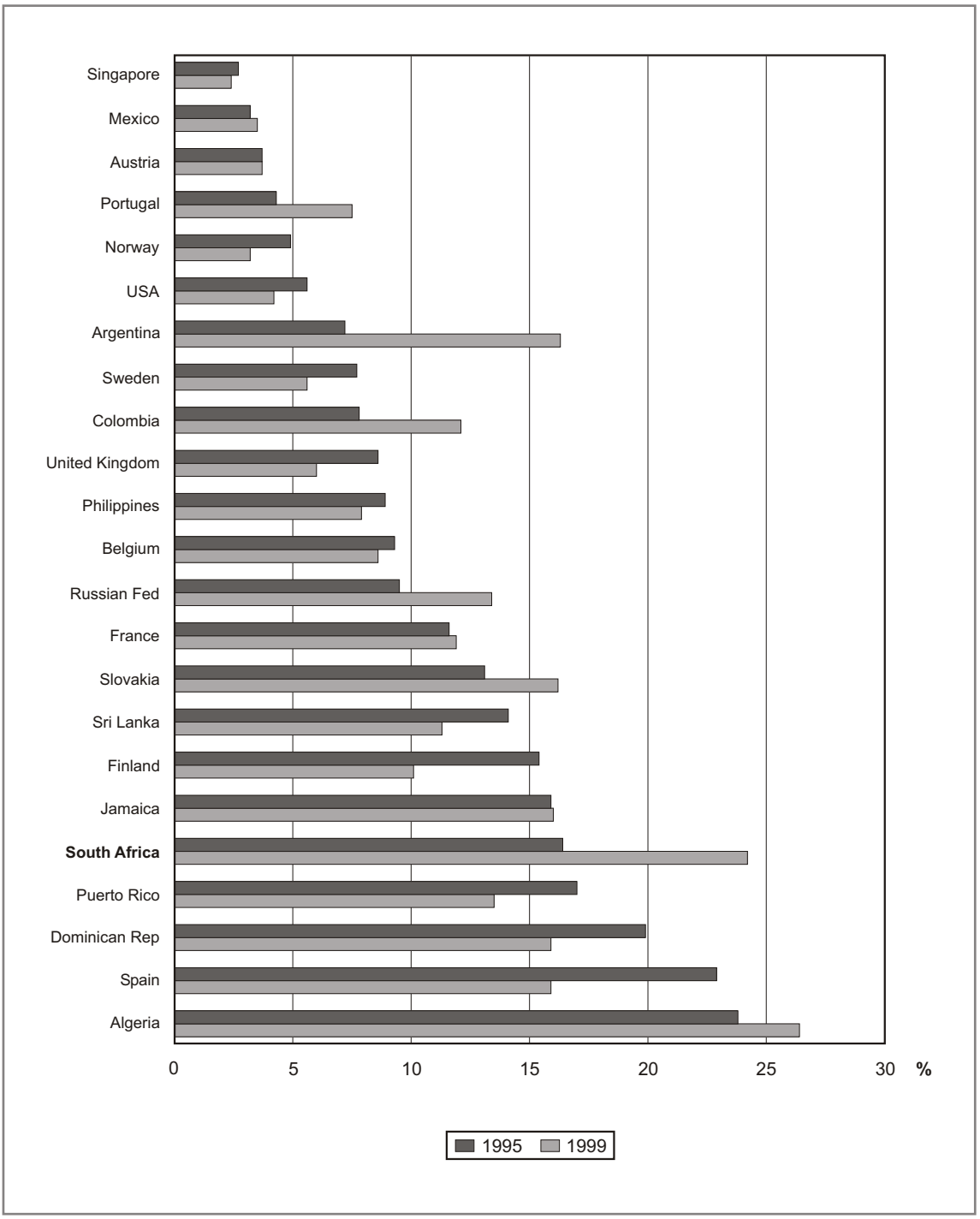
Note: Data for South Africa refer to 1995 and miners are under-reported. Data for all other countries refer to 1990.
Sources: United Nations, 1995, p.124; OHS, 1995

The restricted measurement of unemployment works against counting women as unemployed; instead, they are included in the not economically active population. When the job-seeking criterion is relaxed to obtain the expanded definition, in every country for which data are available the unemployment rate is higher for both men and women but the impact of including this group is greater for women than for men. One reason is that many people without work – women more than men – do not take active steps to 'seek work' if they believe none is available at a given time. They are therefore not counted as unemployed under the restricted definition (official), but are instead regarded as not economically active.

As noted by the UN (1995), developing countries in particular tend to have a high proportion of own-account workers and unpaid family workers, who typically do not 'seek work' outside the household enterprise, even though they might well wish to do more work (see also Chapter 8). In rural areas in particular, employment opportunities for women may be very limited in agricultural off-season periods, which makes it unclear whether rural women would be 'seeking work' during these periods. In addition, in some countries, women do not have easy access to formal employment channels, and they often face social and cultural barriers when seeking employment. In such circumstances, it is perhaps more appropriate to use the less limiting criterion of 'available for work but not necessarily seeking work', when computing unemployment rates.

Stats SA will therefore continue to use and report on both definitions of unemployment. In certain circumstances it is more appropriate to use the official definition of unemployment. For example, in this report, when comparing South Africa with developed countries, the official definition is used. In other circumstances, for example the ones discussed above, the expanded definition is more appropriate. In addition, the discouraged job-seekers, i.e. those who are unemployed but have not taken active steps to find work in the four weeks prior to the interview, are specifically dealt with in this report.

Figure 4.4: Trend in unemployment rate in selected countries, 1995 compared with 1999



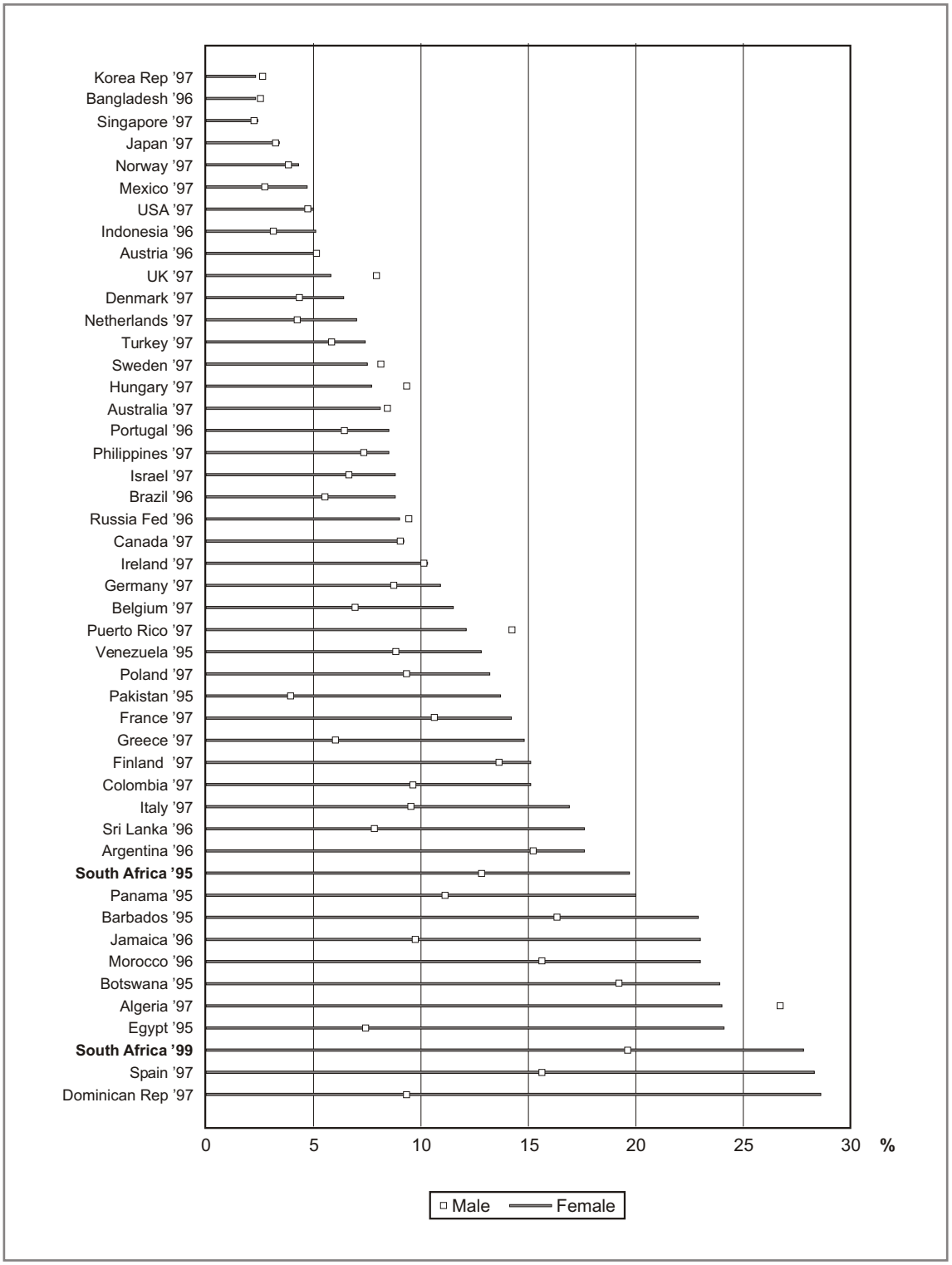
Note: Data refer to 1993 and 1997 for Singapore, Mexico, Philippines, Colombia, Puerto Rico, Dominican Republic and Algeria, and to 1992 and 1996 for Portugal, Sri Lanka, Jamaica and Argentina. Data for South Africa refer to the official definition of unemployment.
Sources: UN, 2001; ILO, 1999; OHS, 1995 and 1999

- Figure 4.4 illustrates the upward trend in the unemployment rate in South Africa over the five years to 1999 – from 15,7% in 1995 to 23,3% in 1999. Over a similar period the unemployment rate also rose in the Russian Federation (from 9,5% to 13,4%) and Slovakia (13,1% to 16,2%). And in the early 1990s a large increase in the unemployment rate also occurred in Argentina – from 7,2% in 1992 to 16,3% in 1996.

- Unemployment rates have, however, declined over the period 1995 to 1999 in many countries in North America and Europe. In countries such as Finland and Spain the decline has been very pronounced.

- Figure 4.4 also shows that unemployment rates are substantially higher in South Africa and Spain (at over 15% both years), than countries such as Norway and USA, where rates are below 10%.

Figure 4.5: Unemployment rate by sex in selected countries



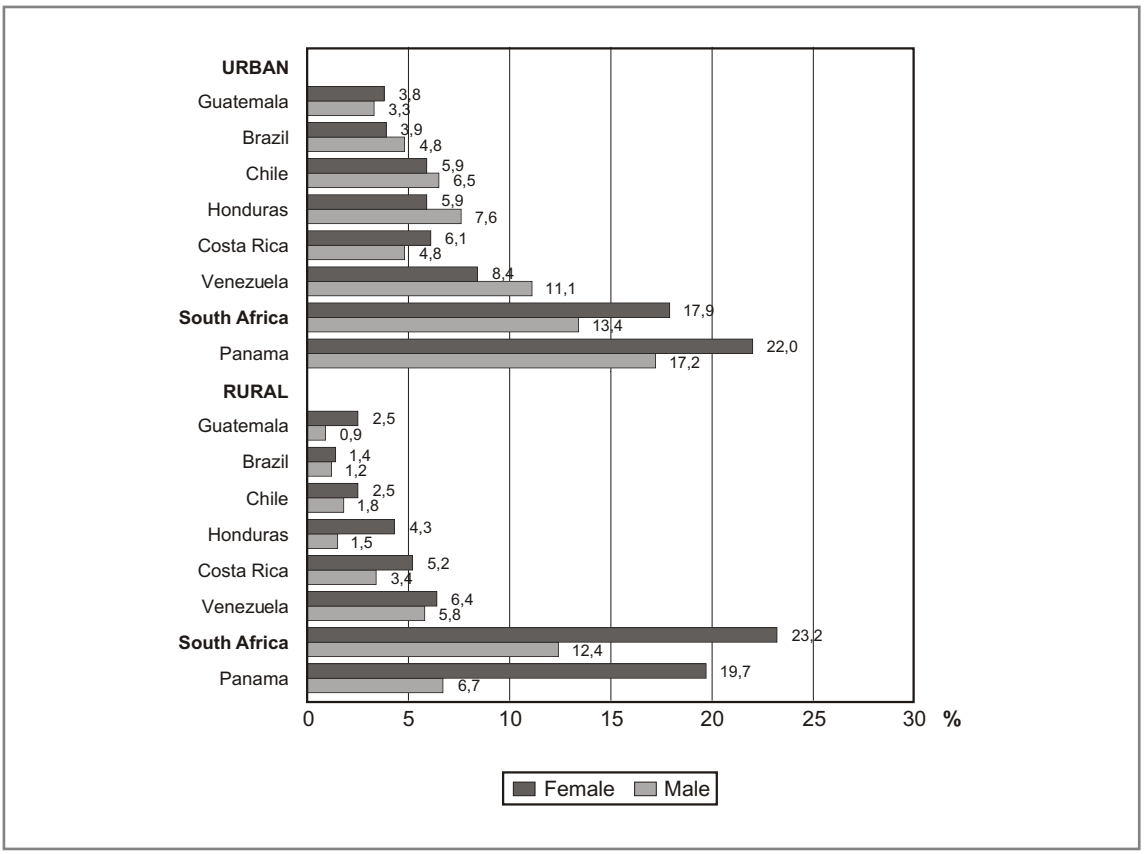
Note: Data for South Africa refer to the official definition.
Sources: ILO, 1999; OHS, 1999

As noted earlier, the unemployment rates illustrated in Figure 4.5 for selected countries are only broadly indicative of the gender differences in various countries. Figure 4.5 shows that the unemployment rate for women is generally higher than that for men – and often by a large margin. In South Africa the official unemployment rate among women (in 1999) was 27,8% and among men 19,8%. The difference between the two rates was thus eight percentage points, smaller than that recorded in 1997 in Spain (12,5 percentage points) and Dominican Republic (19,1 percentage points).

Methodological and timing differences aside, few developing countries for which data are available have significantly higher rates for men than for women. A notable exception is Puerto Rico, where the male unemployment rate (14,4%) in 1997 is higher than the female rate (12,1%) by 2,3 percentage points. In South Africa, the gender gap in unemployment rates is largest among Africans and smallest among whites (see also Figure 4.2).

Figure 4.6 suggests that in developing countries rural unemployment rates among both men and women are generally lower than rates in urban locations. For example, whereas the urban rate in Panama in 1989/90 among women was 22,0% and among men 17,2%, in rural areas the female unemployment rate was 19,7% whilst the male unemployment rate was 6,7%.

Figure 4.6: Urban and rural unemployment rate in selected countries, 1989/90



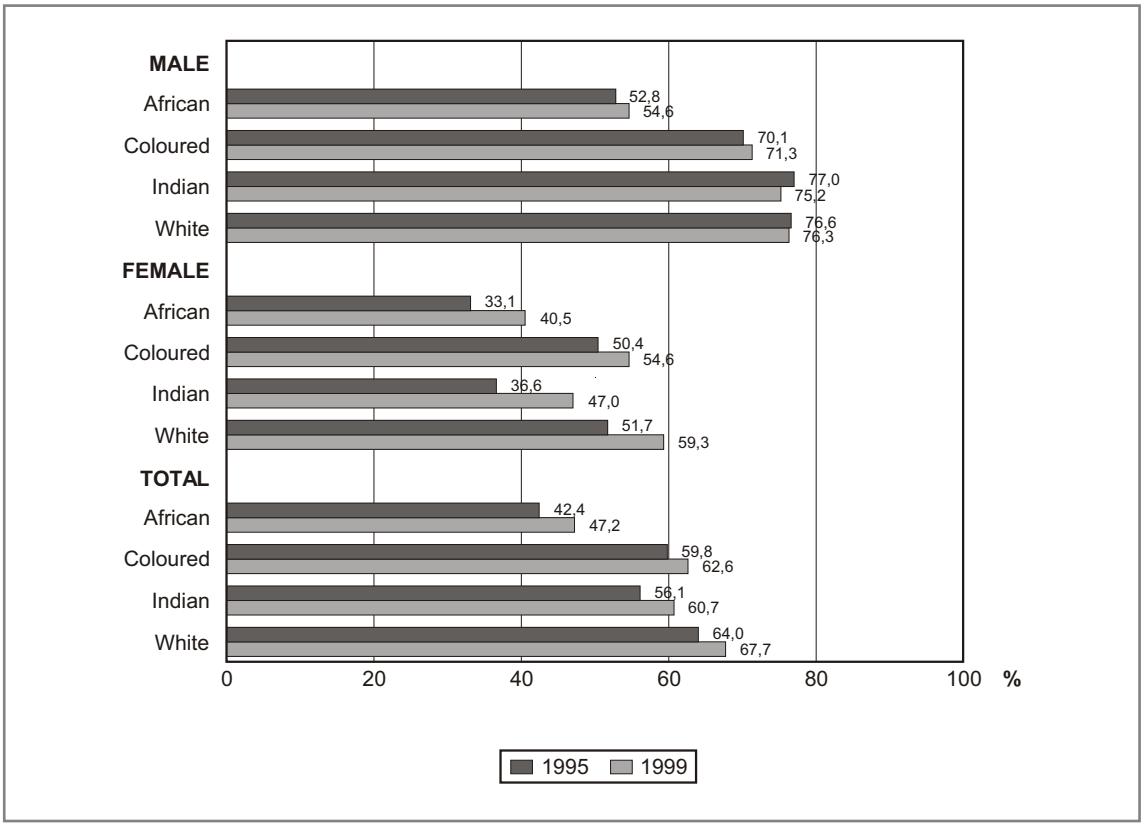
Note: Latest available year between 1989 and 1990. Data for South Africa refer to 1995 (official definition) and miners are under-reported.
Sources: UN, 1995; OHS, 1995

In South Africa the reverse is true. Since 1995, unemployment rates in urban South Africa have been lower than among non-urban residents. For example, the urban rate was 15,3% in 1995 compared with a non-urban rate of 16,6%. By 1999, whereas the urban unemployment rate had risen to 21,7%, in non-urban areas the unemployment rate had risen to 27,0%, with the result that the difference between the rate in non-urban areas and that in urban areas had increased substantially.

Labour force activity/participation rates

The labour force activity/participation rate distinguishes between economic activity (the employed plus the unemployed) and non-activity (including full-time students, homemakers and pensioners). The lower the activity rate, the larger the proportion of people that are out of the labour force. This labour market measure is therefore useful for targeting individuals in the working-age population who might be encouraged to move into the economically active population.

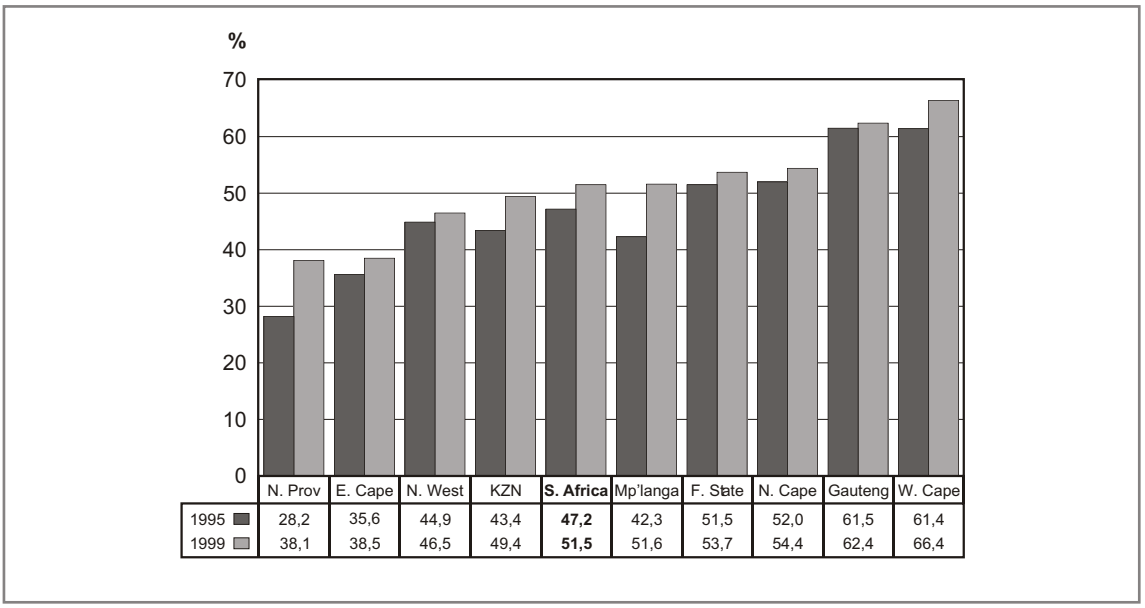
Figure 4.7: Labour force participation rate (official definition) by population group and sex, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

In South Africa, irrespective of population group, labour force activity/participation rates among women tend to be lower than among men, ranging between 30% and 60%, compared with 50% and 80% among men (Figure 4.7). In general, activity rates were higher for all population groups in 1999 than in 1995 but female activity rates increased by a larger margin than male rates.

Figure 4.8: Labour force participation rate (official definition) by province, 1995 compared with 1999



	N. Prov	E. Cape	N. West	KZN	**S. Africa**	Mp'langa	F. State	N. Cape	Gauteng	W. Cape
1995	28,2	35,6	44,9	43,4	**47,2**	42,3	51,5	52,0	61,5	61,4
1999	38,1	38,5	46,5	49,4	**51,5**	51,6	53,7	54,4	62,4	66,4

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

National labour force participation rates mask large provincial differences. In both 1995 and 1999, Northern Province and Eastern Cape had the lowest labour force participation rates, with under 40% of the working-age population reported as being economically active (Figure 4.8). During the same period, economic activity rates were highest in Western Cape and Gauteng (over 60%).

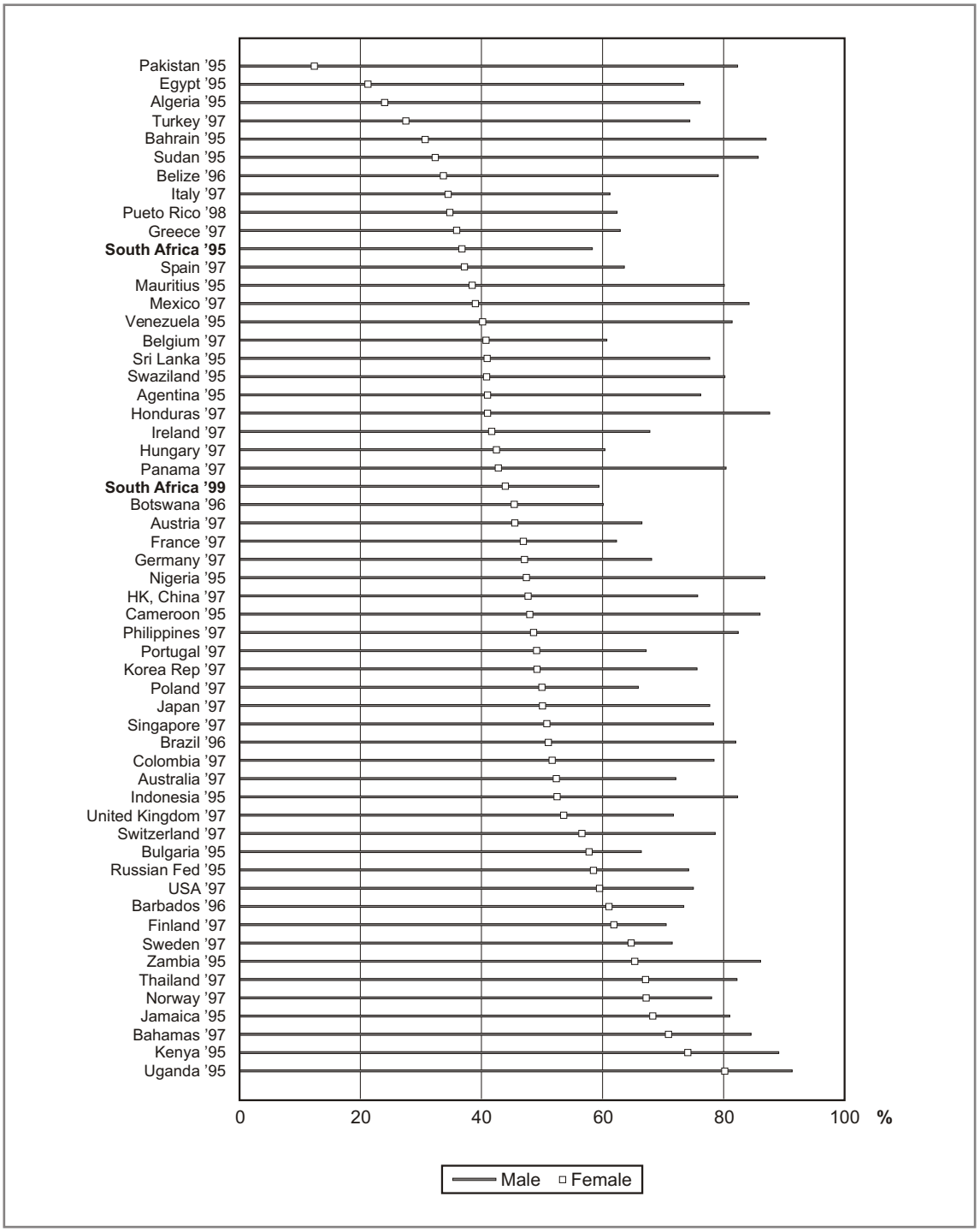
International comparisons of labour force activity rates

As noted earlier, in developing countries many women work in agriculture and informal household enterprises where their contributions are under-reported, and their recorded rates of economic activity should therefore be higher. A notable example is Pakistan, where according to the 1981 population census the official participation rate for women was 3% but according to the labour force survey of the same year it was 12%. In addition, also in Pakistan, the labour force survey in 1990/91 showed women's economic activity rates of 7% when using the conventional questionnaire and 31% when questions on specific activities such as transplanting rice, picking cotton, grinding, drying seeds and tending livestock were also included. In Bangladesh an even larger difference between female activity rates emerged. According to the labour force survey of 1985/86, the activity rate of women was 10%. When, in 1989, the survey included questions on specific activities such as threshing, food-processing and poultry rearing, the economic activity rate rose to 63%.

Against this background, Figure 4.9 and Figure 4.10, which illustrate cross-country labour force activity rates, should be interpreted with extreme caution. In addition, for most developing countries, the labour force activity rates illustrated in Figure 4.9 are based on projections by the United Nations.

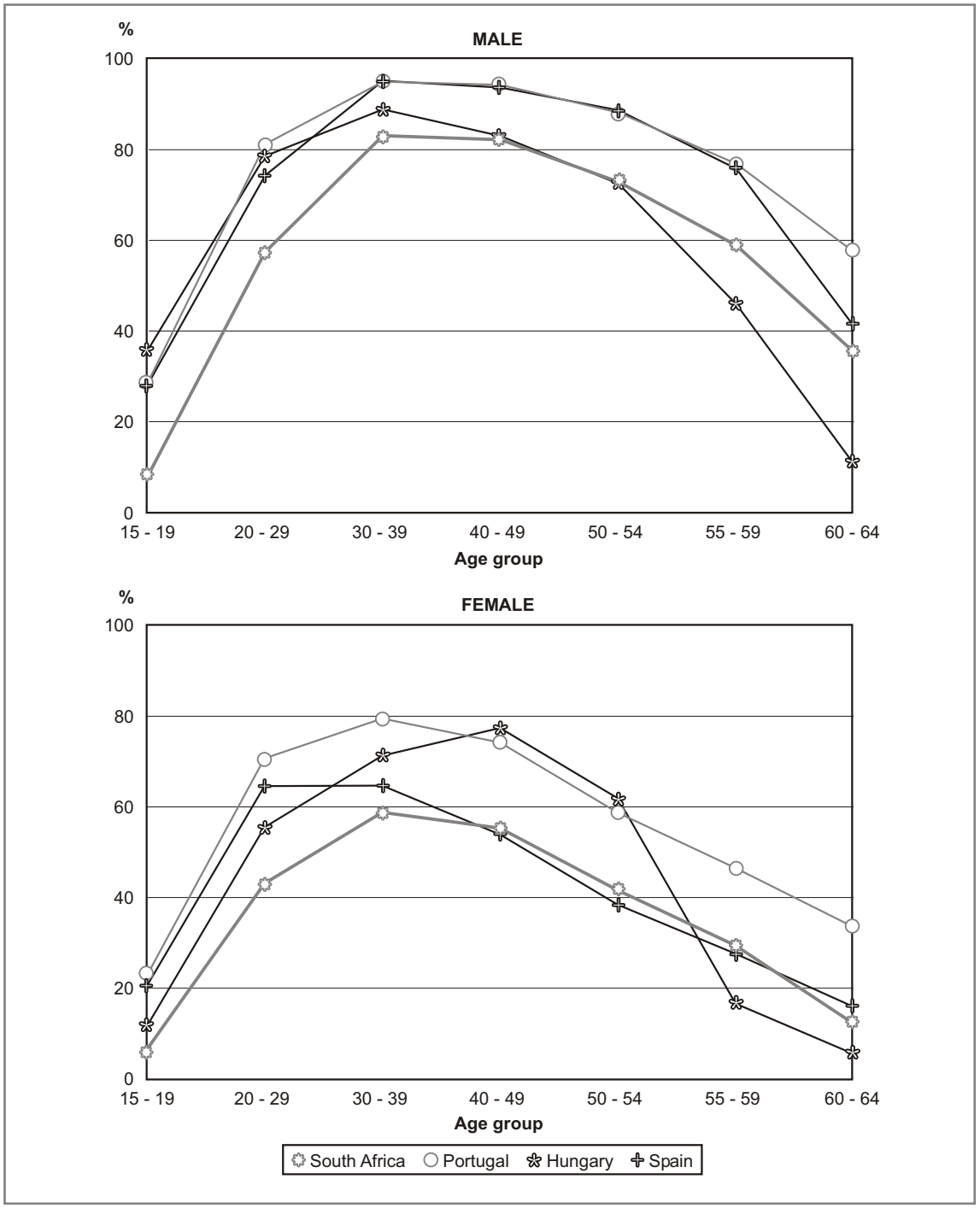
Despite the increasing feminisation of the labour force in Europe and North America, gender differences between activity rates for men and women still persist. However, the UN suggests that women will remain an important source of new labour in Europe, and female activity rates will continue to increase until 2010 in most western countries while male rates will continue to decline (UN, 2000). In the late 1990s the activity rate among women ranged from a high of 80,5% in Uganda to a low of 12,7% in Pakistan, with most rates within the 40-50% band shown in Figure 4.9. In contrast, activity rates for men tended to vary within a higher range of 60-80%. In South Africa, whereas the male activity rate (59,4% in 1999) is the lowest of the countries shown in Figure 4.9, the female activity rate (44,2%) is higher than Turkey (27,8% in 1997) and Italy (34,8% in 1997). While female activity rates are lowest in Pakistan (12,7%) and Egypt (21,6%), in several developing countries they are substantially higher than in developed countries in Europe and North America.

Figure 4.9: Labour force participation rate in selected countries



Note: Data for most developing countries are based on UN labour-force projections. Data for South Africa refer to the official definition.
Sources:, ILO, 1999; OHS, 1995 and 1999

Figure 4.10: Labour force participation rate by age in selected countries, 1998/99



Note: Data for Hungary and South Africa refer to 1999 and data for Spain and Portugal to 1998. Data for South Africa refer to the official definition of unemployment.
Sources: UNECE, 2000; OHS 1999

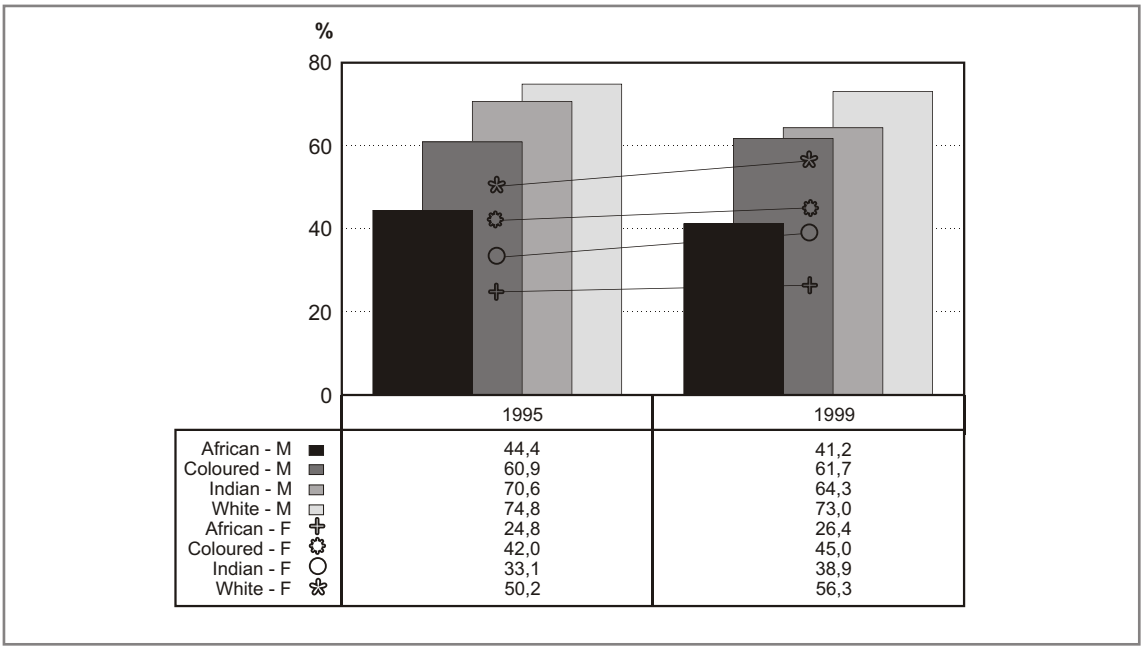
As illustrated in Figure 4.10, the highest activity rates for both women and men generally occur after age 29 when education and training have usually been completed. Women in the 30-39 year age group have the highest activity rates in South Africa (58,8%), Portugal (79,5%) and Spain (64,7%). In Nordic countries such as Hungary, the peak in female activity rates occurs in the 40-49 year age group. The largest differences between male and female rates generally occur in the older age groups since in most countries women tend to retire earlier than men. In every age group, male rates are higher and peak at the younger age group 30-39 years.

Labour absorption

Labour absorption provides an alternative and wider measure of unemployment than either the official or expanded definition. The importance of this summary measure is that it avoids the controversy surrounding whether or not 'discouraged' individuals should or should not be included among the unemployed since it measures only those individuals who meet the criterion of 'employed' expressed as a proportion of all people aged 15-65 years. In line with international norms, the employed are defined in this report as people aged 15-65 years who during the reference week did any work for pay, profit or family gain, including unpaid family workers.

Labour absorption is indicative of employment opportunities in the economy and the level of economic growth. The higher the labour absorption rate the greater the degree to which people are engaged in productive economic activities. The age distribution of the population is another important factor associated with labour absorption.

Figure 4.11: Labour absorption rate by sex and population group, 1995 compared with 1999



	1995	1999
African - M	44,4	41,2
Coloured - M	60,9	61,7
Indian - M	70,6	64,3
White - M	74,8	73,0
African - F	24,8	26,4
Coloured - F	42,0	45,0
Indian - F	33,1	38,9
White - F	50,2	56,3

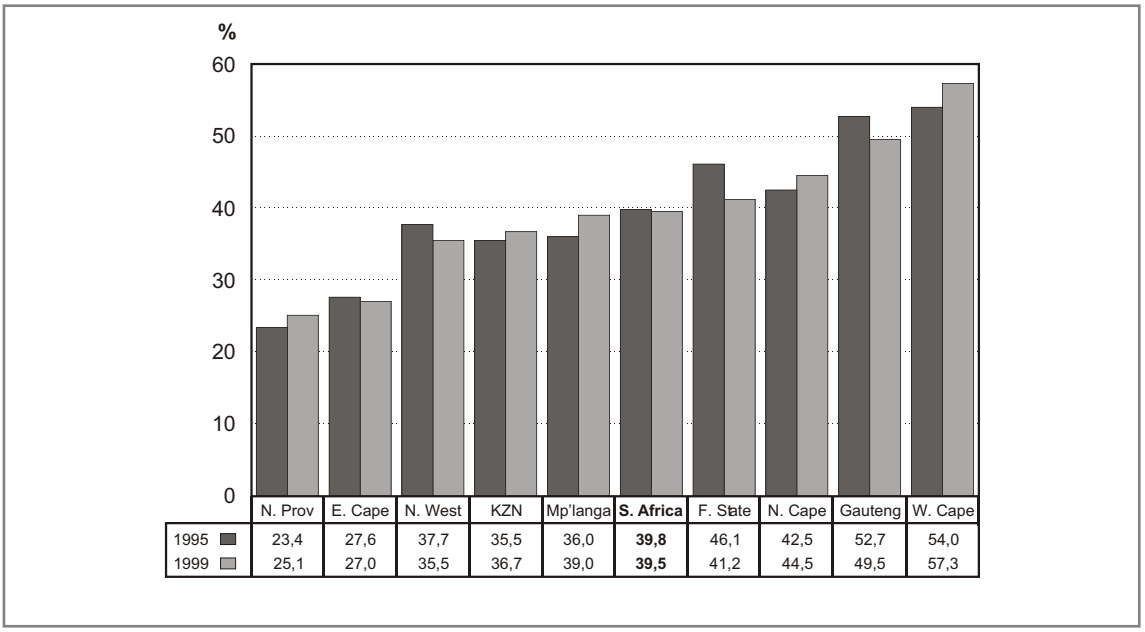
Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

In Figure 4.11, the male labour absorption rate in 1995 and 1999 in each population group is shown as bars, while the female labour absorption rate in each population group is shown as lines. The wide variation in labour absorption rates illustrated in Figure 4.11 reflects the differences in unemployment and labour force activity rates discussed earlier.

- African women had the worst employment opportunities in both 1995 and 1999. Only one in every four working-age African women was employed compared with more than one in every two white women and almost three in every four white men.

- Although the proportion of coloured men aged 15-65 years that were employed was the second lowest of all the population groups, the difference between this group and employed Indian men has tended to narrow over the years. For example, in 1995 the labour absorption rate among coloured and Indian men was 61% and 70% respectively. By 1999 the gap had narrowed because of a decline in the absorption rate among Indian men to 64%.

Figure 4.12: Labour absorption rate by province, 1995 compared with 1999



	N. Prov	E. Cape	N. West	KZN	Mp'langa	**S. Africa**	F. State	N. Cape	Gauteng	W. Cape
1995	23,4	27,6	37,7	35,5	36,0	**39,8**	46,1	42,5	52,7	54,0
1999	25,1	27,0	35,5	36,7	39,0	**39,5**	41,2	44,5	49,5	57,3

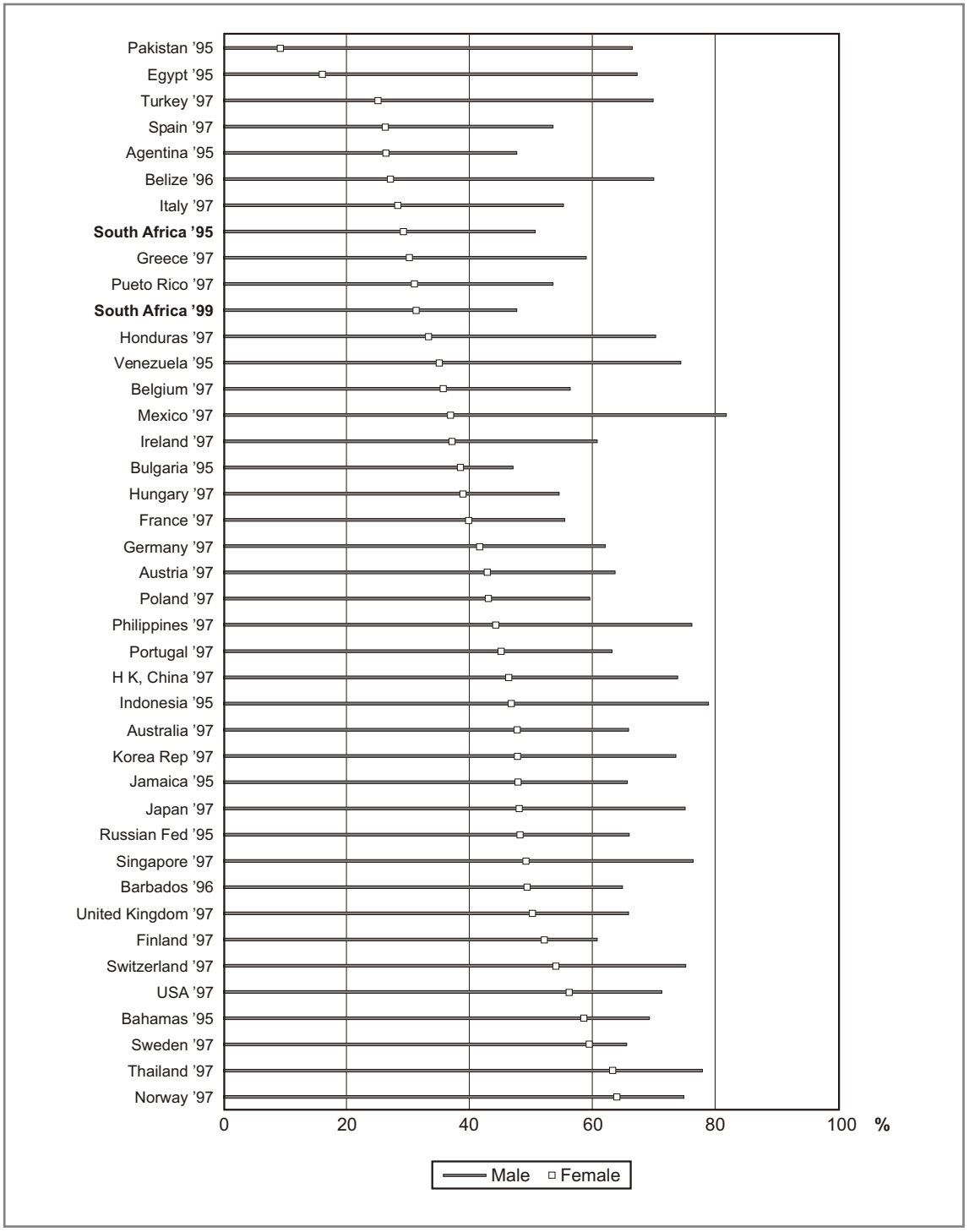
Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Differences in absorption rates across the provinces are related to differences in the age structure of the population and the proportion of the population still in education in the various provinces (Figure 4.12).

- In both 1995 and 1999 the predominantly rural provinces of Northern Province and Eastern Cape had the lowest labour absorption rates in the country (under 30%).

- At the same time, labour absorption was highest in the more urbanised Gauteng and Western Cape provinces, where 50% or more of the working-age population were employed.

Figure 4.13: Labour absorption rate in selected countries



Note: Miners are under-reported in 1995.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 4.13 illustrates large gender differences in labour absorption rates in selected countries. Absorption rates of men (represented as lines in the graph) tend to lie in the 50% to 70% range, while those of women (represented by squares) generally cluster in the lower range of 30% to 50%. In countries such as Bulgaria, Finland and Sweden, gender differences tend to be less pronounced than in Pakistan, Egypt and Turkey.

In South Africa two in every five of the male working-age population were employed compared with less than one in every three among the female working-age population. Reflecting South Africa's political past and the quality of the education available to the majority African population, in both 1995 and 1999 the labour absosrption rate among white men was three times that of African women.

Summary

This chapter considers three summary labour market measures that are indespensable for analysing important patterns and trends in the labour market. In conjunction, the unemployment rate, the labour force participation/activity rate and the labour absorption rate provide insight into related aspects of the labour market. A high unemployment rate is reflected in low labour force participation and absorption rates.

In both 1995 and 1999 unemployment rates were highest among African women and lowest among white men. And among the nine provinces, the predominantly rural provinces – Eastern Cape and Northern Province – had unemployment rates substiantially higher than the more urbanised Gauteng and Western Cape. Data quality issues indicate that cross-country comparisons should be treated with caution. However, in 1995 the unemployment rate in South Africa was lower than Spain (1997), but by 1999 it had increased substantially and surpassed the figure for Spain. Indeed, in many countries – particularly in Europe and North America – unemployment rates have been on a downward trend in the 1990s, but for others such as South Africa, Argentina, the Russian Federation and Portugal unemployment rates have been rising.

Irrespective of population group, in South Africa, labour force activity/participation rates among women tend to be lower than among men. This pattern is also a common feature of labour markets elsewhere in the world, with female participation rates typically between 40-50% while those of men tend to be in a higher range of 60-80%. Age-specific labour force participation rates suggest that the peak in both male and female activity rates occurs after age 29 years, when education and training has usually been completed.

Labour absorption is a useful labour market measure since it provides a good indication of the extent to which people are engaged in productive economic activities. As a consequence of South Africa's political past, labour absorption rates among white men is three times that of African women.

PLEASE TURN THE PAGE

CHAPTER
Five

PEOPLE WHO ARE WITHOUT EMPLOYMENT

Introduction

In addition to the levels of and trends in unemployment rates (discussed in Chapter 4), policy-makers need information on various other aspects of the situation facing those without employment. This will enable answers to be found for important questions, such as which groups in the population are looking for work, the length of time they have been without employment, and what measures are being taken to find jobs.

Definition of people who are without employment

The purpose of this chapter is to provide a detailed analysis of the individuals of working age (15-65 years) who are not employed. Everyone of working age who is not employed is either unemployed or not economically active (see also Figure 2.4). The analysis presented in this chapter will focus on the official definition of unemployment, which includes only those unemployed individuals who took specific steps to find employment in the four weeks prior to the survey. And instead of making comparisons with the expanded definition of unemployment, 'discouraged job-seekers' are analysed as a separate group.

As discussed in Chapters 3 and 4, unemployment rates vary with age, education, skills and location and they often differ greatly for women and men for many reasons. These factors also explain variations in the actual numbers of those who have no employment as measured by the level of unemployment, the numbers of discouraged job-seekers and the size of the not economically active population.

Table 5.1: Distribution of people without employment, 1995 compared with 1999

	1995 ('000)	1999 ('000)
Unemployed: official definition		
Male	875	1 478
Female	925	1 677
Total	**1 800**	**3 155**
Unemployed: expanded definition		
Male	1 673	2 570
Female	1 959	3 306
Total	**3 632**	**5 876**
Discouraged job-seekers (difference between expanded and official unemployment)		
Male	798	1 092
Female	1 034	1 629
Total	**1 832**	**2 721**
Not economically active (excluding discouraged job-seekers)		
Male	4 016	4 026
Female	6 949	5 996
Total	**10 965**	**10 012**
Total working age 15-65 years		
Male	**11 544**	**12 605**
Female	**12 685**	**13 645**
Total	**24 229**	**26 250**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 5.1 shows the gender distribution of people aged 15-65 years who were not employed. On the basis of the official definition, a total of 1,8 million men and women were unemployed in 1995; this rose to 3,2 million in 1999. When discouraged individuals are added to those 'officially unemployed' we get the expanded definition of unemployment and a lower number of people not economically active.

Reasons for not being employed

Table 5.2 highlights the most important reasons stated by respondents for not being employed in 1999.

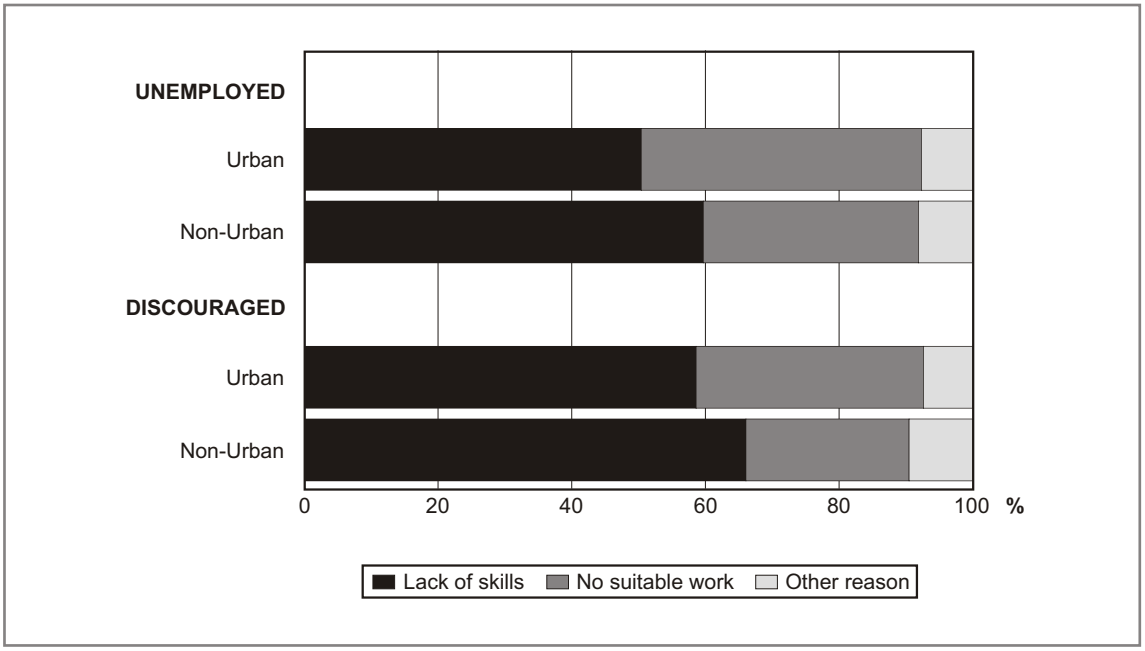
Table 5.2: Main reason for not being employed, 1999

	Unemployed (official) %	Discouraged %	Not economically active %
Lack of skills	54	62	9
No suitable work	38	29	4
Other reason	4	4	2
Homemaker	1	1	13
Seasonal/contract worker	1	1	0
Scholar/student	1	1	52
Ill/invalid/disabled	0	1	8
Too young/old	0	0	7
Retired	0	0	5
Total (per cent)	**100**	**100**	**100**
Total ('000 people)	**3 155**	**2 721**	**10 012**

Source: OHS, 1999

Of the 3,2 million unemployed people, 54% reported that a lack of skills was the most important reason for being unemployed. Among the 2,7 million discouraged job-seekers an even higher proportion (62%) stated a lack of skills as the main reason (Table 5.2). In contrast, being a scholar or student was the most important reason among the 10,0 million people who were not economically active. Around half (52%) of those who were not economically active were out of the labour force because they were scholars or students, 13% because they were homemakers, and 8% because of illness or disabilities (see Figure 5.2 for gender).

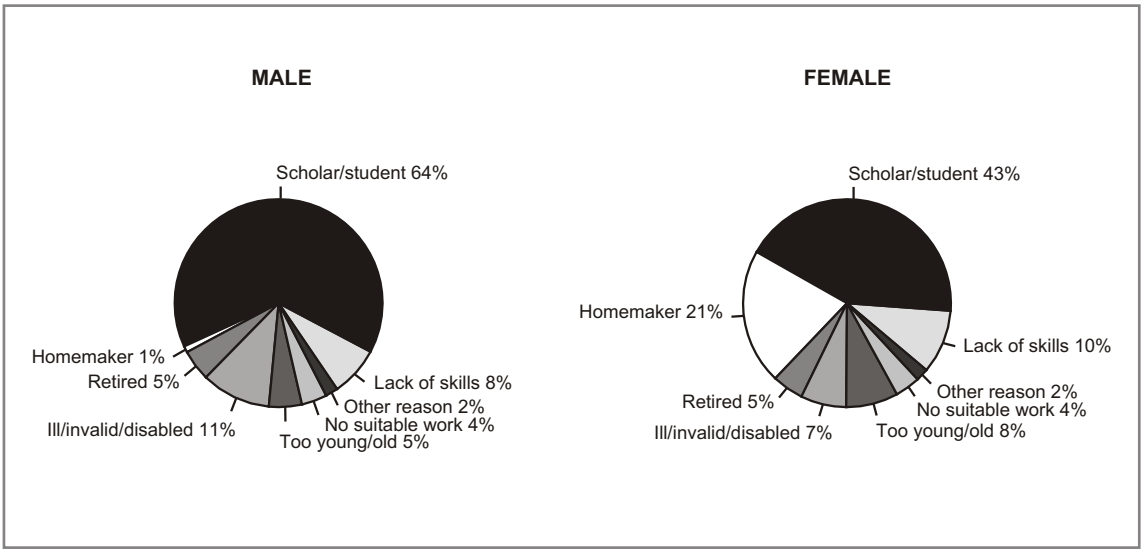
Figure 5.1: Main reason for not being employed, by location, 1999



Source: OHS, 1999

In both urban and non-urban areas, the main reason for not working among unemployed and discouraged job-seekers was lack of skills (Figure 5.1). However, a larger percentage of non-urban than urban residents felt that lack of skills had kept them out of the labour force, among both the unemployed (60%) and the discouraged job-seekers (66%). Among the unemployed and the discouraged job-seekers, similar proportions of men and women lacked skills or could not find suitable work.

Figure 5.2: Main reason for not being employed among not economically active men and women (excluding discouraged job-seekers), 1999



Source: OHS, 1999

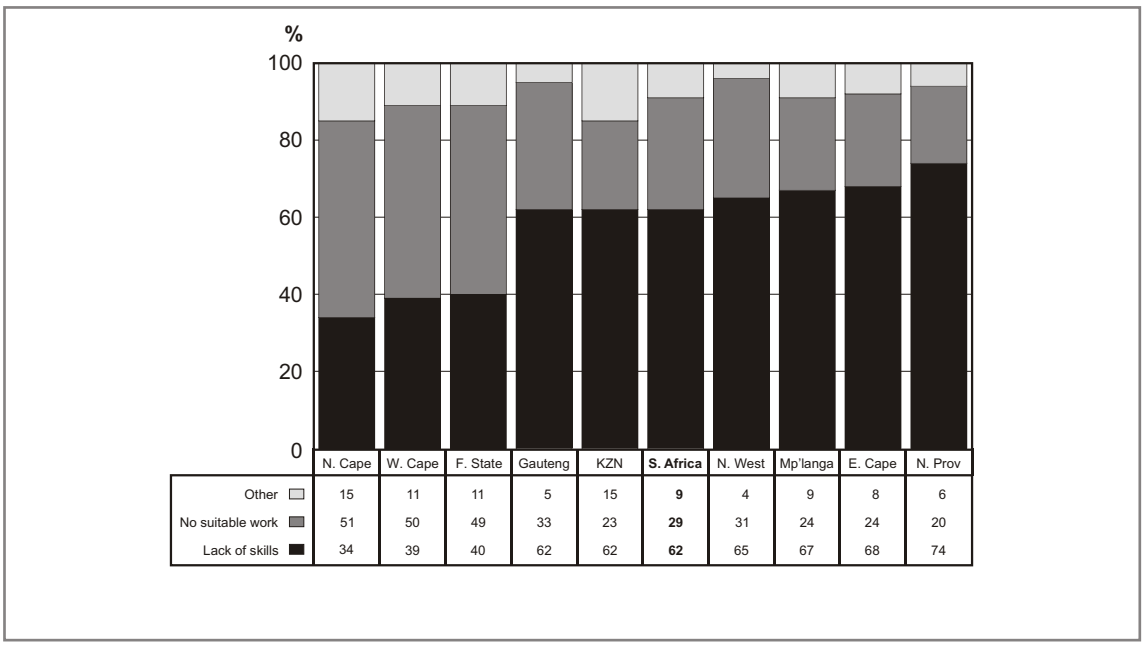
While gender differences are minimal in terms of the perception of not having the requisite skills and qualifications among both discouraged job-seekers and the unemployed, Figure 5.2 illustrates large gender differences among the not economically active. In addition, people who are not economically active tend to have very different reasons from the other two groups for not being in the labour force.

- As illustrated in Figure 5.2, 64% of the not economically active male population are scholars or students compared with 43% of not economically active women. The vast majority of students and scholars are aged 15-24 years.

- Similar proportions of not economically active men and women lacked skills (8%-10%), could not find suitable work (4%) or were retired (5%).

- One in every five not economically women (21%) were homemakers compared with only 1% of men, and 11% of men fell into the category 'ill/invalid/disabled' compared with 7% of women.

Figure 5.3: Main reason for not being employed among discouraged job-seekers in each province, 1999



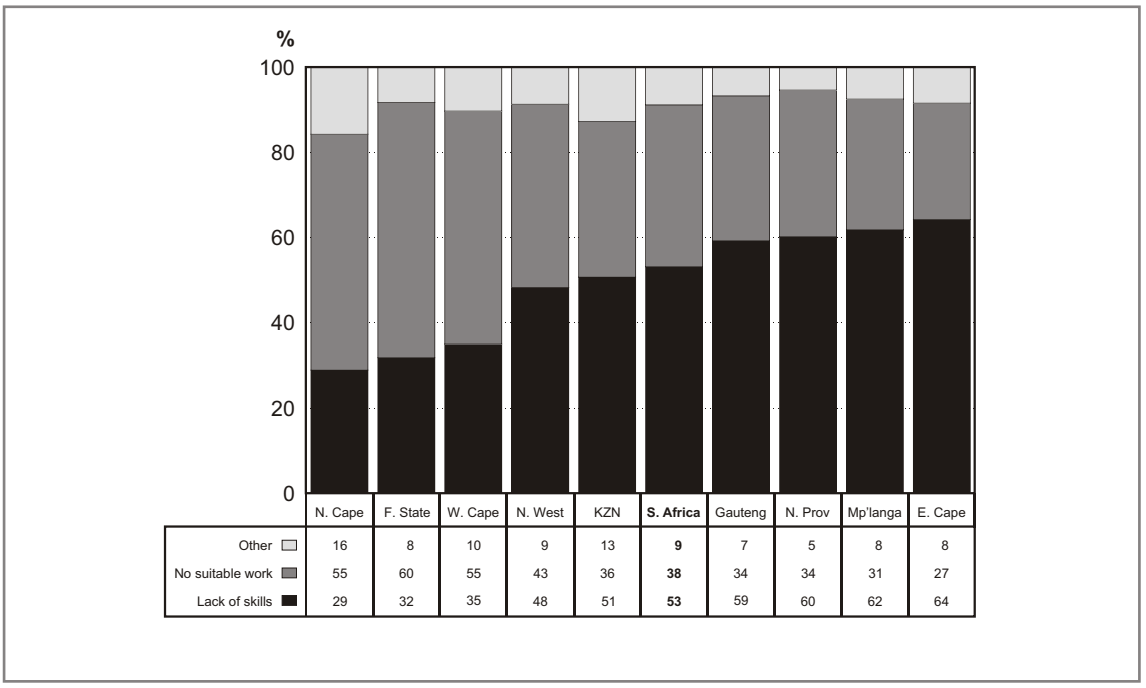
	N. Cape	W. Cape	F. State	Gauteng	KZN	**S. Africa**	N. West	Mp'langa	E. Cape	N. Prov
Other	15	11	11	5	15	**9**	4	9	8	6
No suitable work	51	50	49	33	23	**29**	31	24	24	20
Lack of skills	34	39	40	62	62	**62**	65	67	68	74

Source: OHS, 1999

Provincial disparities are large, as shown in Figure 5.3.

- Lack of skills is viewed as the main reason for not being employed by 74% of discouraged job-seekers in Northern Province, as against 34% in Northern Cape.
- Around two in every three discouraged job-seekers in six of the nine provinces reported a lack of skills as the main reason for not being employed.
- In contrast, Figure 5.4 shows that a smaller proportion of unemployed people (official definition) reported a lack of skills as the main reason for not being employed – ranging from 29% in Northern Cape to 64% in Eastern Cape.

Figure 5.4 Main reason for not working among the unemployed (official definition) in each province, 1999



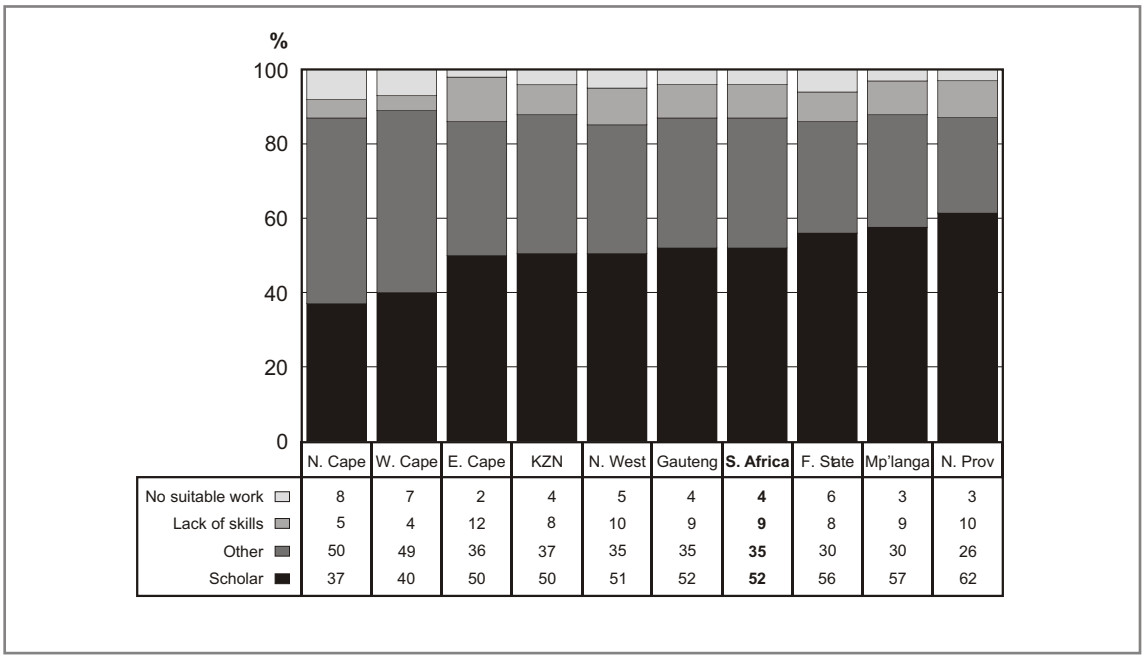
	N. Cape	F. State	W. Cape	N. West	KZN	**S. Africa**	Gauteng	N. Prov	Mp'langa	E. Cape
Other	16	8	10	9	13	**9**	7	5	8	8
No suitable work	55	60	55	43	36	**38**	34	34	31	27
Lack of skills	29	32	35	48	51	**53**	59	60	62	64

Source: OHS, 1999

Since differences in the gender distributions of unemployed people by reasons for not working are minimal, the overall distribution by province illustrated in Figure 5.4 provides a good indication of the distribution by sex.

In each province, similar proportions of unemployed men and women tend to report a lack of skills as the main reason for not being employed (Figure 5.4). For example, in Northern Cape, 29% of unemployed men and 30% of unemployed women state lack of skills as the reason for their situation. In Northern Province, 58% of unemployed men and 62% of unemployed women state lack of skills as the reason. As a result, nationally, around one in every two men and a similar proportion of women state lack of skills as the reason for unemployment.

Figure 5.5: Main reason for not working among the not economically active (excluding discouraged job-seekers) in each province, 1999



	N. Cape	W. Cape	E. Cape	KZN	N. West	Gauteng	S. Africa	F. State	Mp'langa	N. Prov
No suitable work	8	7	2	4	5	4	**4**	6	3	3
Lack of skills	5	4	12	8	10	9	**9**	8	9	10
Other	50	49	36	37	35	35	**35**	30	30	26
Scholar	37	40	50	50	51	52	**52**	56	57	62

Source: OHS, 1999

Figure 5.5 shows the provincial variations in the main reasons for not working among not economically active people.

- Except for Northern and Western Cape, in every province one in every two not economically active people is not in the labour force because they are scholars or students.

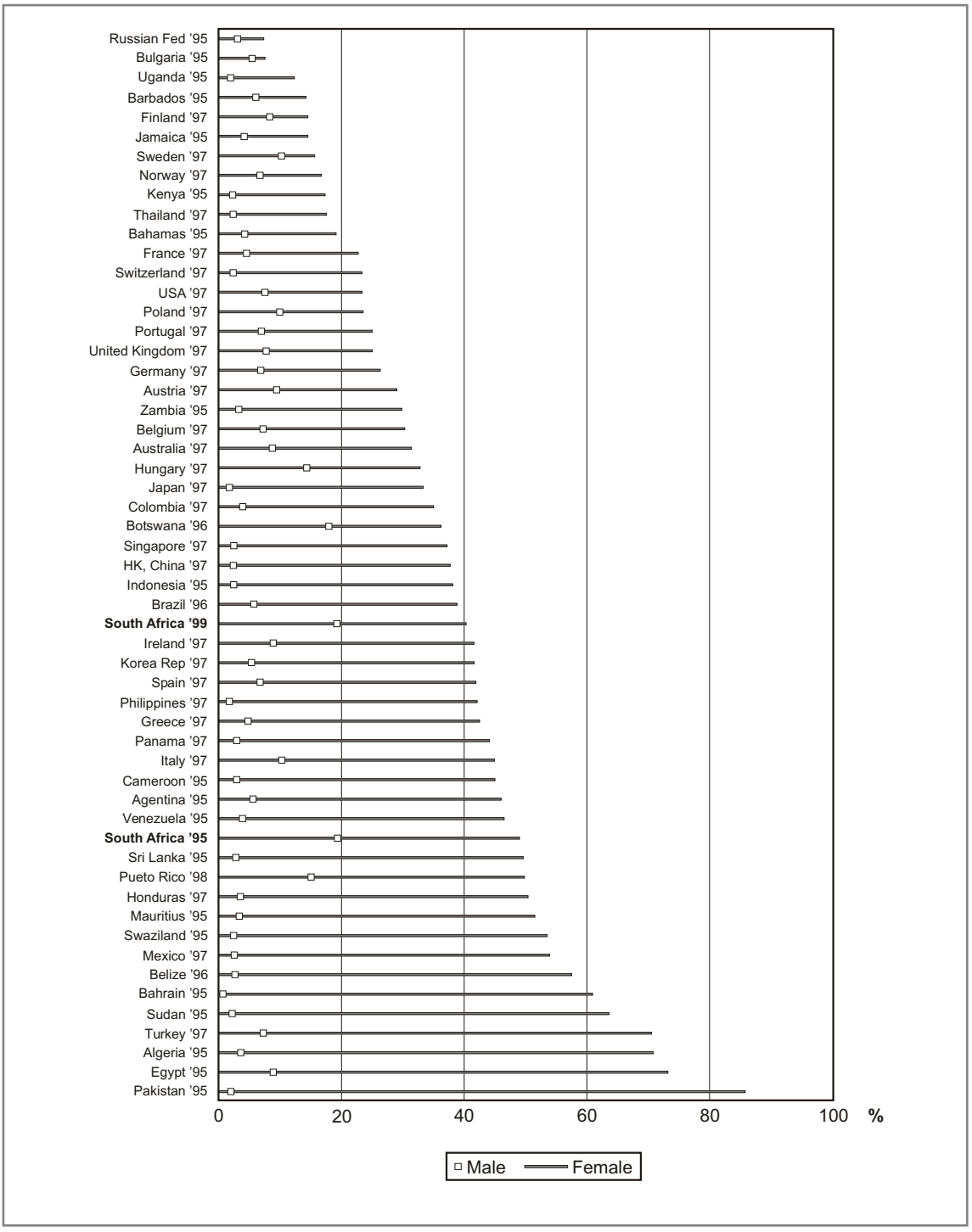
- And in every province only about one in ten not economically active people give lack of skills or lack of suitable work as the main reason for not working.

Inactivity rates

The inactivity rate measures the proportion of the working-age population that is not economically active. It is limited to the 25-54 year age group since this age group is regarded as the prime-age category, because it tends to exclude most individuals who are still participating in full-time education and training and also people who are eligible for retirement.

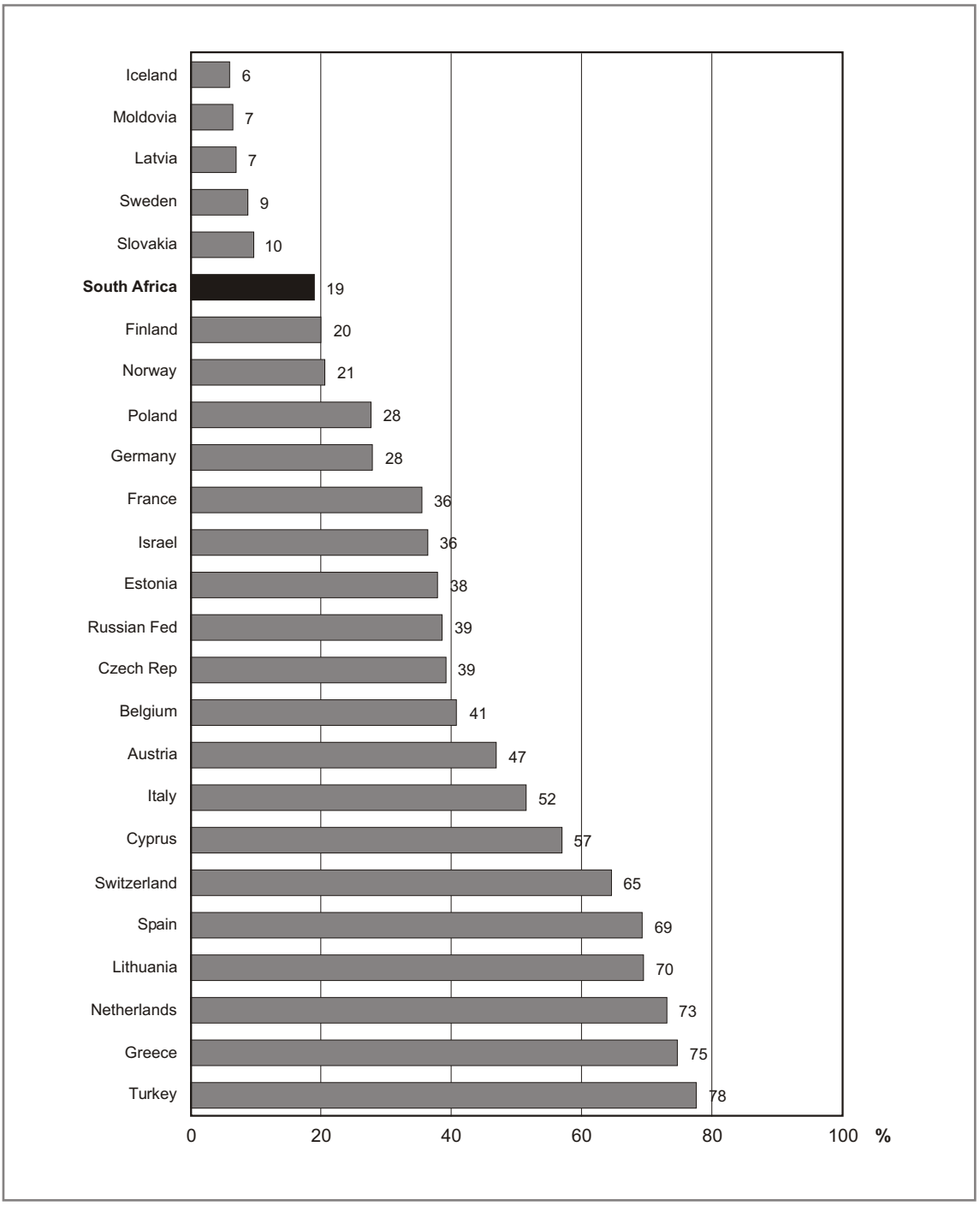
The largest range in inactivity rates between men and women aged 25-54 years occurs in countries in the Middle East and North Africa, probably because of very low labour force participation rates among women (Figure 5.6). For example, the inactivity rate among women is as high as 85,5% in Pakistan, while in developed countries it is generally below 40%. Male inactivity rates are generally below 20% except for South Africa (42%). The high male inactivity rate in South Africa in both 1995 and 1999 is in part a consequence of the large proportion of the not economically active population that are still full-time students and scholars (see also Figure 5.8).

Figure 5.6: Inactivity rate among men and women aged 25-54 years in selected countries



Note: For international comparability, the not economically active population in South Africa includes discouraged job-seekers.
Sources: ILO, 1999; OHS, 1995 and 1999

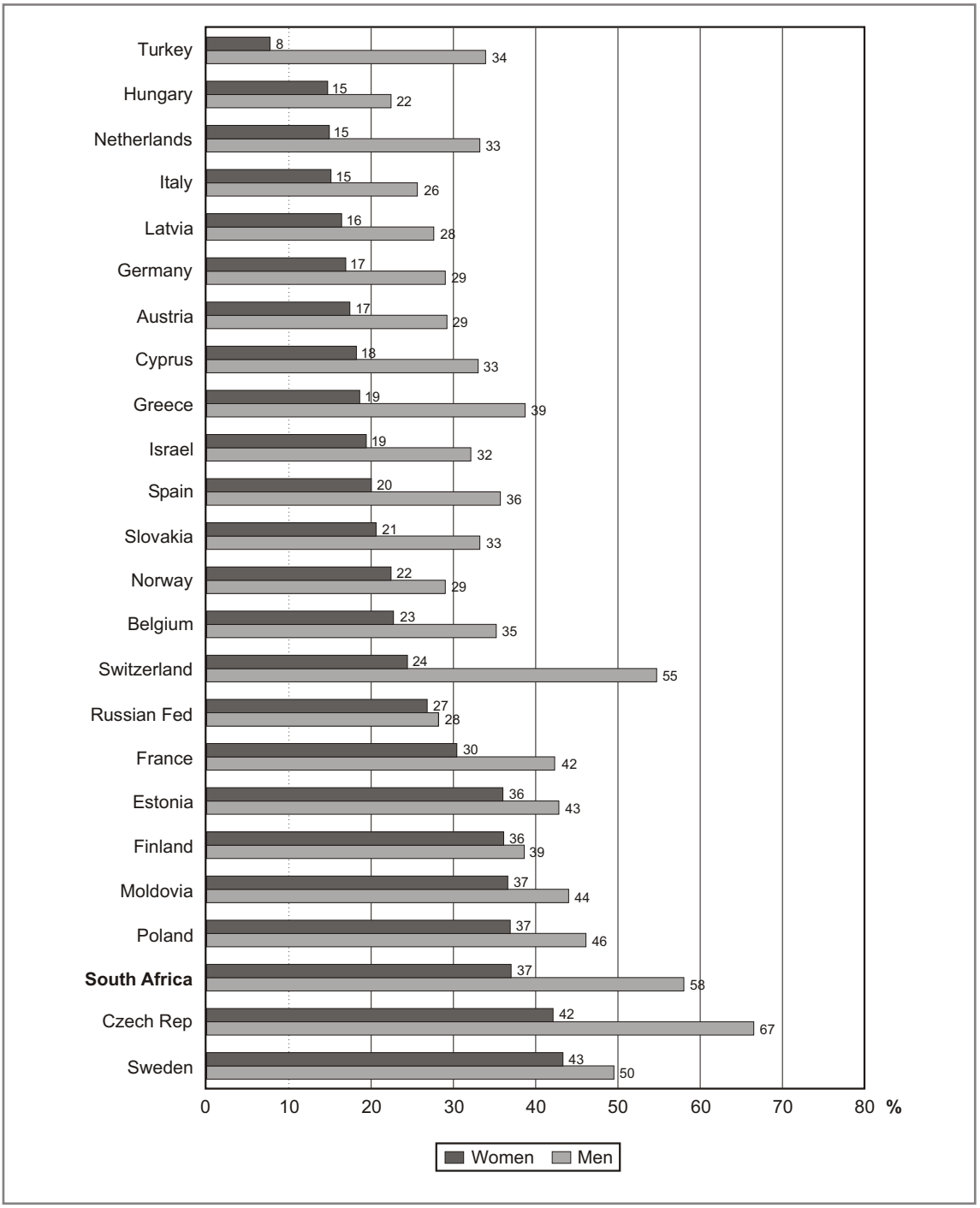
Figure 5.7: Percentage of women not in the labour force because of home-making in selected countries, 1998



Note: Data refer to 1996 for Cyprus and to 1997 for Austria, Greece, Germany and Estonia. Data for South Africa refer to 1999, and for all other countries to 1998. For international comparability, the figure for South Africa includes discouraged job-seekers.
Sources: UNECE, 2000; OHS, 1999

Internationally, home-making is regarded as an important reason for women being unable to participate in the labour force. Figure 5.7 shows that in 1998 the proportion of women that reported home-making as the reason for being out of the labour force ranged from less than one in every ten not economically active women in Sweden (9%), Latvia and Moldovia (7%) and Iceland (6%), to over 70% in the Netherlands, Greece and Turkey. By comparison, one in every five (19%) not economically active women in South Africa gave this as the reason for not being in the labour force.

Figure 5.8: Percentage giving education or training as the reason for not being in the labour force in selected countries, 1998



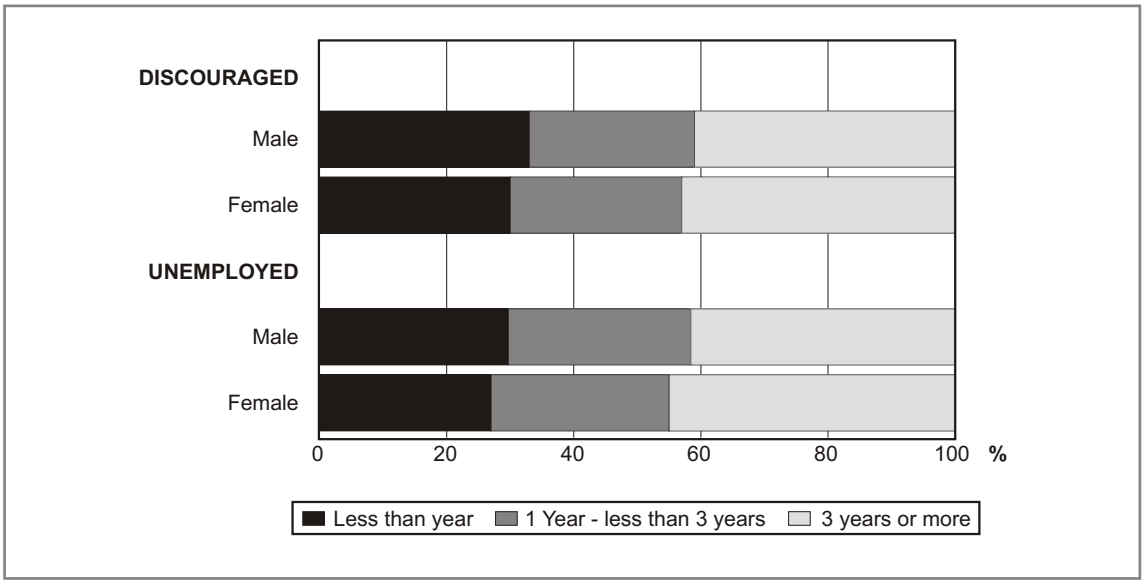
Note: Data refer to 1996 for Cyprus and to 1997 for Austria, Greece, Germany and Estonia, to 199 for South Africa, to 1998 for all other countries. For international comparability, the figures for South Africa include discouraged job-seekers.
Sources: UNECE, 2000; OHS, 1999

In North America and Europe, there is a large variation among countries in terms of the percentage who cite education or training as the main reason for not being in the labour force. The percentage ranges from 8% of not economically active women in Turkey, to 67% of not economically active men in the Czech Republic (Figure 5.8). Gender differences are marked in most countries. In every country illustrated in Figure 5.9, a larger proportion of men than women state that education or training is the main reason for not being in the labour force. For example, in Switzerland 55% of not economically men were undergoing training or were in education, whereas only 24% of women were doing likewise. Gender differences in South Africa tend to be less pronounced although still significant. In 1999, 58% of men gave education or training as the main reason for not being in the labour force, compared with 36% of women.

Duration of unemployment

The length of time that an unemployed person has been looking for work is an important indicator of labour market performance and that person's prospects. The longer the duration of unemployment, the worse the unemployment situation becomes for people who have been seeking work without success. The higher the percentage of unemployed people who have been seeking work for a long period, the greater the pressure for effective job-creation programmes. Many countries (particularly developed countries) provide some form of financial support for the unemployed. In South Africa, only those who have worked before and have earned below a certain minimum may receive money from the Unemployment Insurance Fund, and then only for a limited period of time. In addition, coverage is not complete since domestic workers and people engaged in the informal sector are not included.

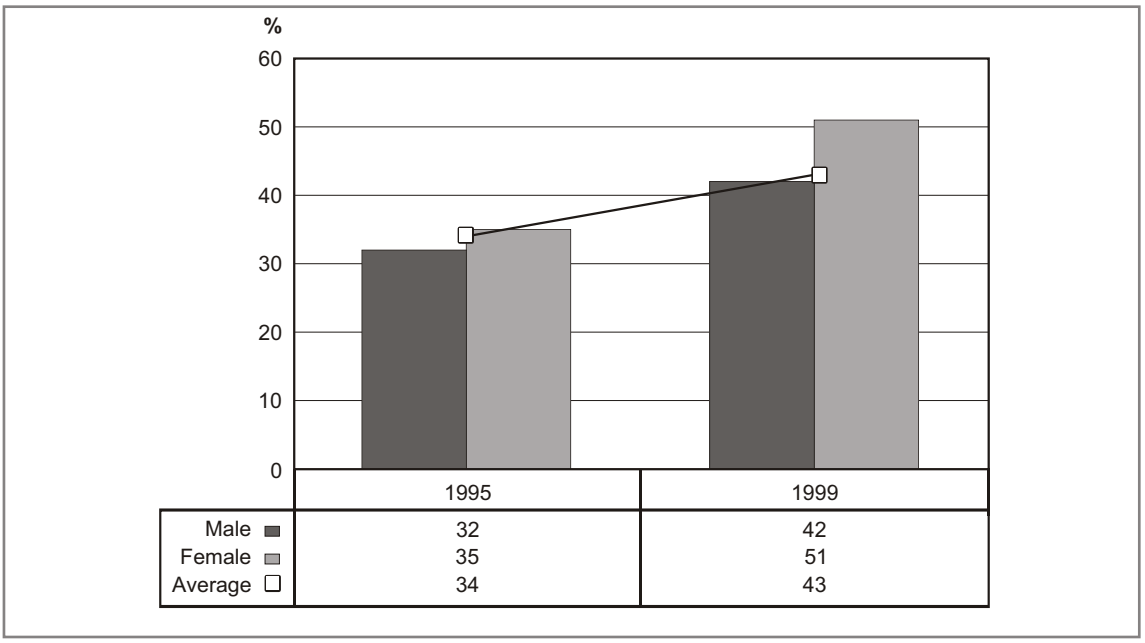
Figure 5.9: Length of time out of work, 1999



Source: OHS, 1999

There is a noticeable difference in the duration of job search among the three groups of working-age people who are not employed. Figure 5.9 shows that 67% of male discouraged job seekers, 71% of male unemployed people and 58% of not economically active males had been looking for jobs for one year or more. By comparison, percentages tend to be higher among women for all groups: 70% of discouraged job-seekers, 73% of the unemployed and 61% of not economically active women had been looking for work for one year or more.

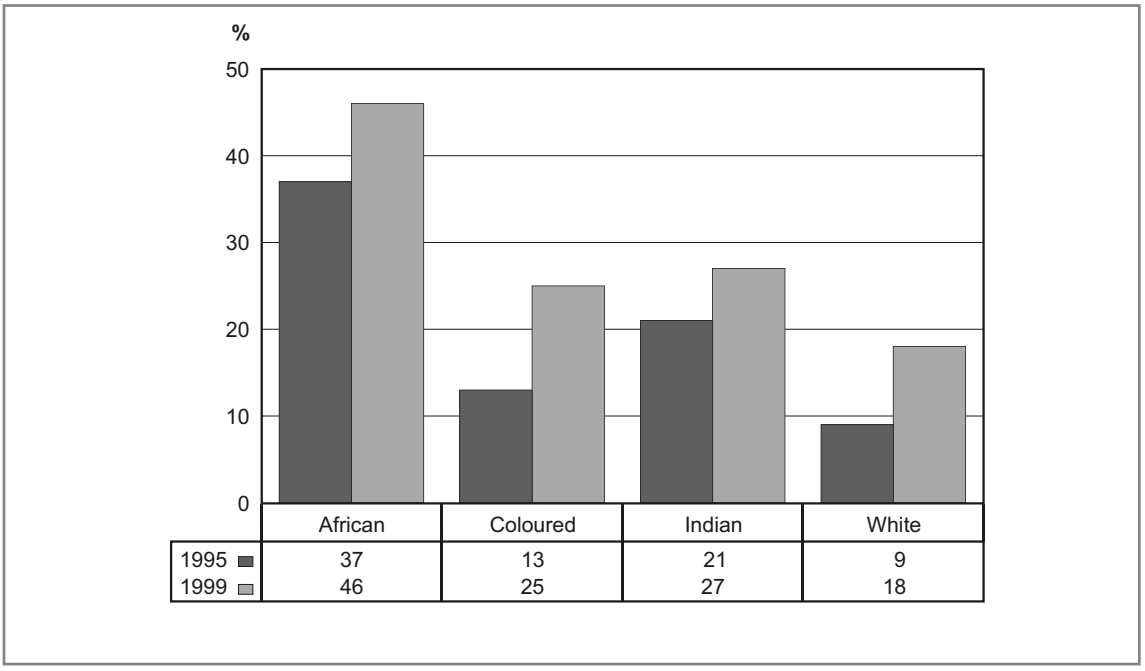
Figure 5.10: Percentage of unemployed men and women (official definition) seeking work for three years or more, 1995 compared with 1999



Source: OHS, 1999

As indicated in Figure 5.10, long-term unemployment has been increasing over time. A large proportion of unemployed people had been seeking work for three years or more – among men the percentage rose from 32% in 1995 to 42% in 1999 and among women from 35% to 51% over the same period.

Figure 5.11: Percentage of the unemployed (official definition) in each population group seeking work for three years or more, 1995 compared with 1999



Sources: OHS, 1995 and 1999

The variation in the proportions seeking work for three years or more among the four main population groups is illustrated in Figure 5.11:

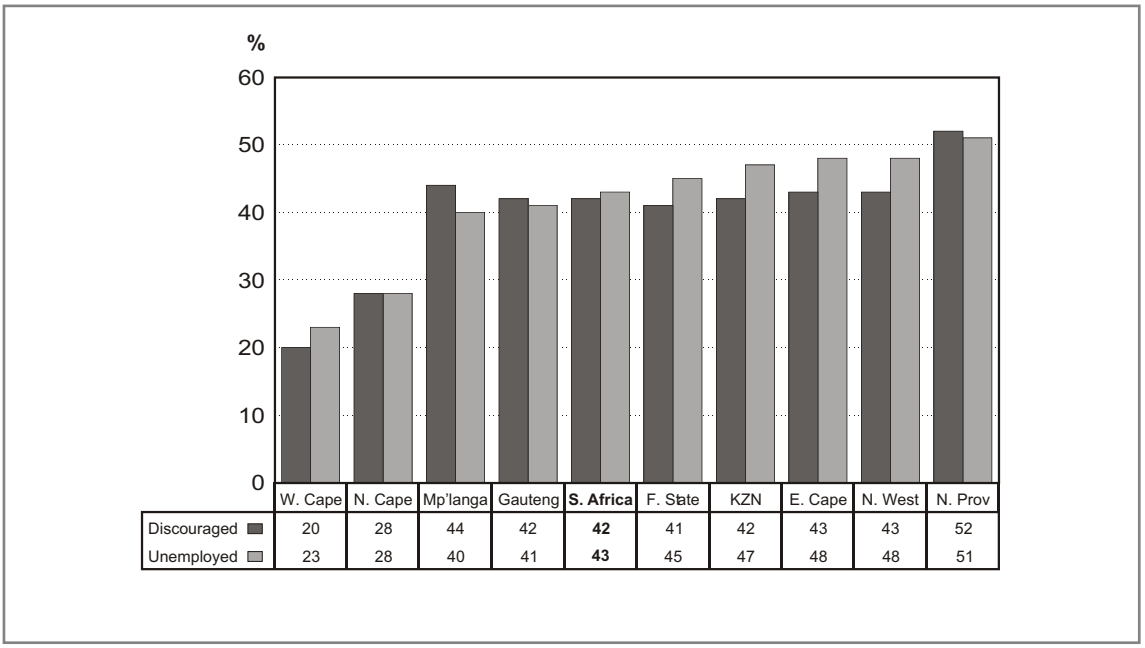
- Irrespective of population group, there was an increase in the proportion of unemployed people seeking work for three years or more in 1999 compared with 1995.

- A larger proportion of unemployed Africans than of any other population group had been seeking work for three years or more, prior to both the 1995 and 1999 October household surveys.

- In 1995, 37% of unemployed Africans had been seeking work for three years or longer prior to the OHS survey. By 1999 this had risen to nearly one in every two (46%). Among unemployed white people, the proportion seeking work for three years or more rose from 9% in 1995 to 18% in 1999.

- The increase was highest among unemployed coloured people, and lowest among unemployed Indians – from 13% in 1995 to 25% in 1999 among coloureds, and from 21% to 27% among Indians.

Figure 5.12: Percentage of the unemployed seeking work for three years or more in each province, 1999



	W. Cape	N. Cape	Mp'langa	Gauteng	**S. Africa**	F. State	KZN	E. Cape	N. West	N. Prov
Discouraged	20	28	44	42	**42**	41	42	43	43	52
Unemployed	23	28	40	41	**43**	45	47	48	48	51

Source: OHS, 1999

Figure 5.12 shows that the national averages mask important variations in the duration of job search by province.

- Nationally, in 1999, 42% of the 2,7 million discouraged job-seekers, 43% of the 3,2 million unemployed individuals and 37% of the 10,0 million people that were not economically active had been seeking work for three years or more.

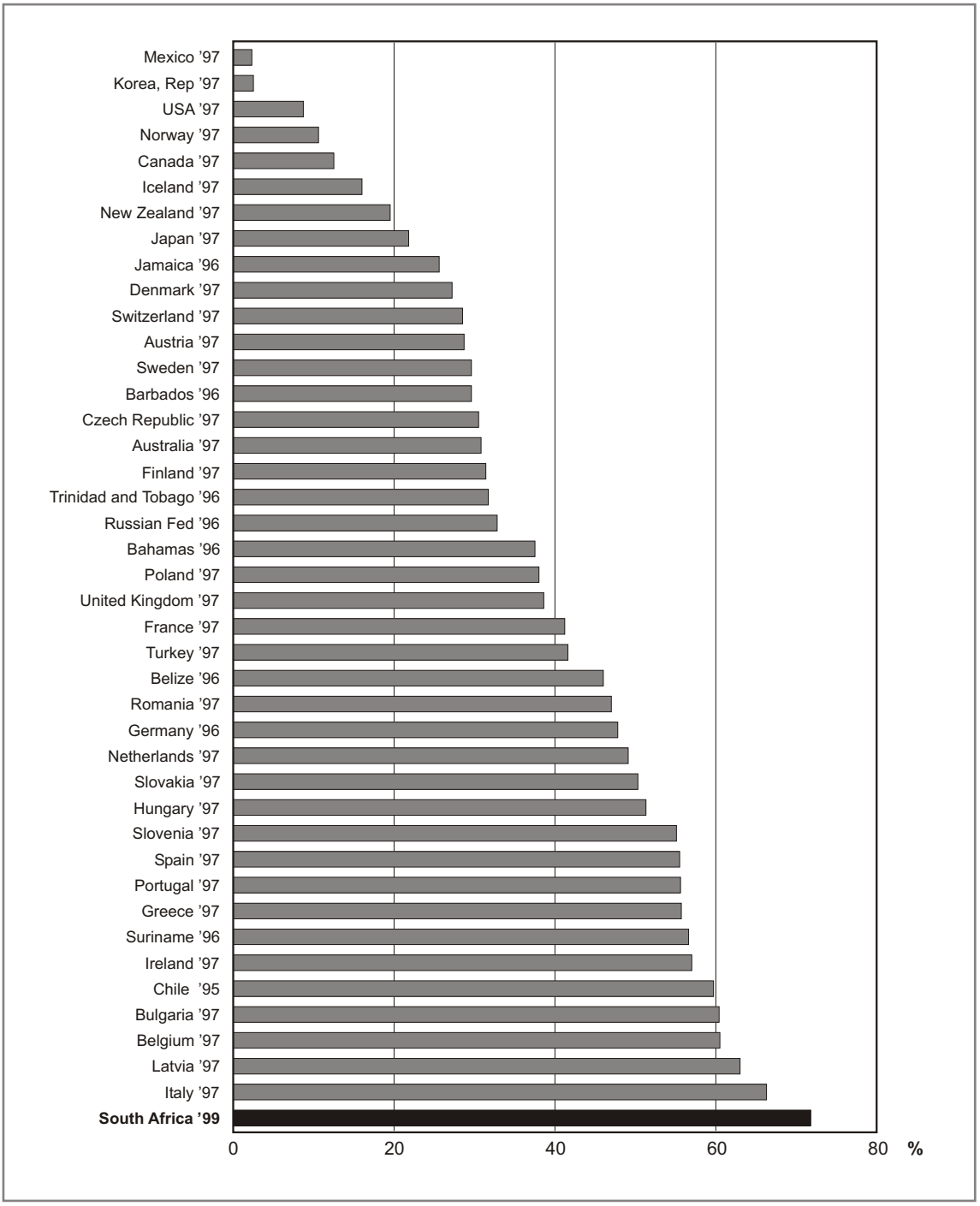
- In Western Cape one in five discouraged job-seekers (20%) and almost a quarter of unemployed people (23%) had searched for jobs for three years or more. Among not economically active people, an even higher percentage (26%) had been looking for employment for three years or more.

- In other provinces the proportions were substantially higher. In Northern Province one in every two discouraged job-seekers (52%) and a similar percentage of unemployed people (51%) had been searching for work for three years or more.

Long-term unemployment was relatively high in Europe and North America throughout the 1990s (UN, 2001). In addition, the proportion of unemployed people that had been without work for at least twelve months varied substantially across countries, as illustrated in Figure 5.13.

Figure 5.13 shows that in Belgium, Germany, Greece, Ireland, Italy, Spain, Romania and Slovakia one out of two unemployed people had been without work for more than a year. In South Africa, an even higher number of unemployed people – seven in every ten men (69%) and women (71%) – were out of work for 12 months or more. In contrast, long-term unemployment was much lower in the USA and Norway, where less than 10% of unemployed had been without work for 12 months or more.

Figure 5.13: Long-term unemployed (12 months or more) as percentage of total unemployed



Note: Data for South Africa refer to the official definition of unemployed.
Sources: ILO, 1999; OHS, 1999

Previous work

Work experience is as an important determinant of wages and other labour market outcomes because it reflects opportunities that people may have had to acquire on-the job training or to increase wages by moving from one job to another. In addition, employers generally prefer to hire people with work experience.

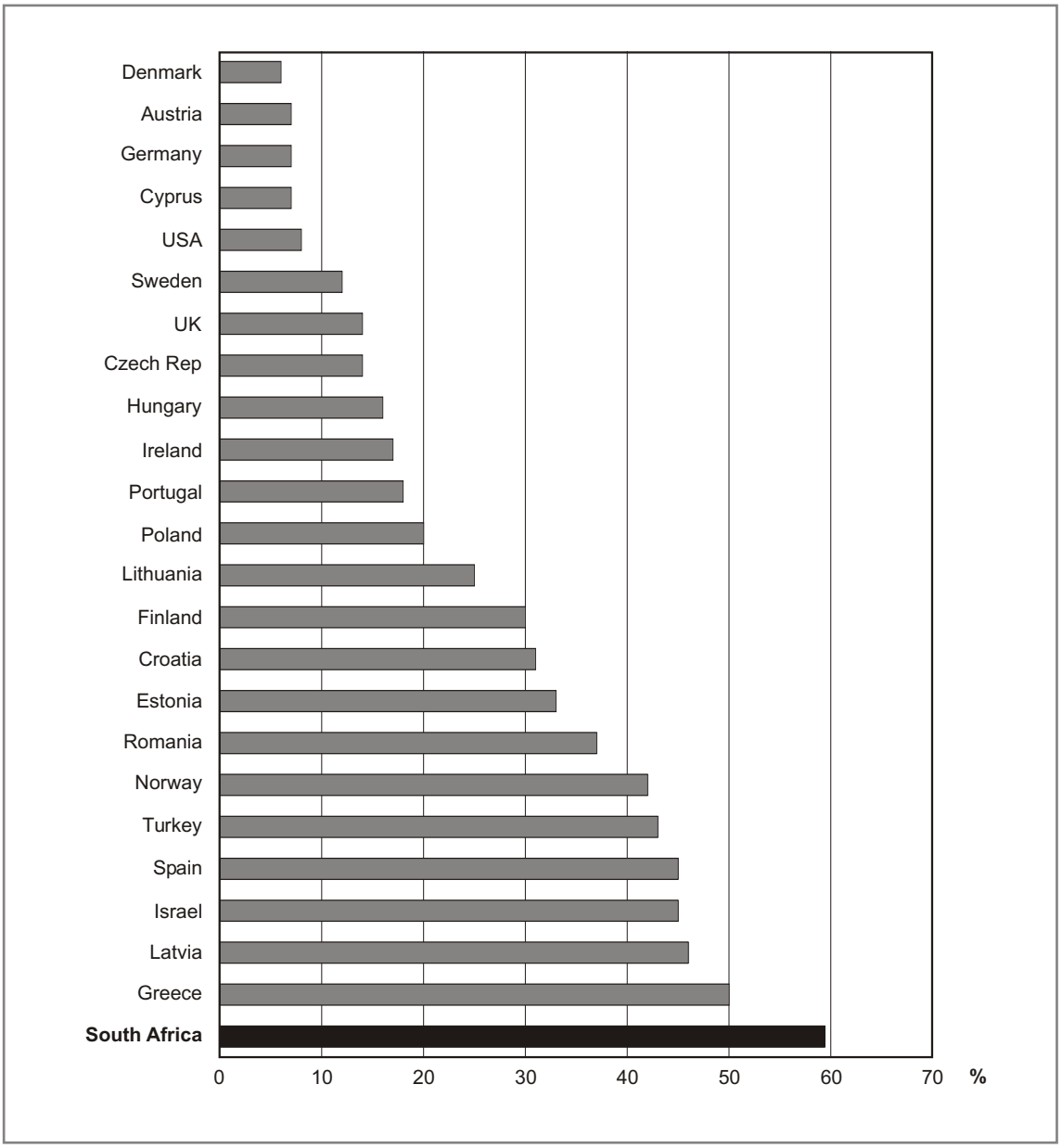
Table 5.3: People with no employment and no work experience, 1999

	Male ('000)	Female ('000)	Total ('000)
No work experience			
Unemployed (official)	899	1 125	2 024
Discouraged	791	1 250	2 041
Not economically active	3 411	4 861	8 272
Total			
Unemployed (official)	1 463	1 658	3 121
Discouraged	1 093	1 628	2 721
Not economically active	3 989	5 946	9 935
Percentage with no work experience			
Unemployed (official)	61,4	67,9	64,9
Discouraged	72,4	76,8	75,0
Not economically active	85,5	81,8	83,3

Source: OHS 1999

- Table 5.3 shows that a larger proportion of discouraged job-seekers (75%) and not economically active people (83%) had no work experience than of the unemployed (65%) according to the official definition.
- There are also notable gender disparities among the three groups of people who were not employed. Whereas 61% of unemployed men had never worked, a larger proportion of unemployed women (68%) had never worked.
- An even larger proportion of female discouraged job-seekers (77%) had no work experience, as against 72% of male discouraged job-seekers.
- And more than four in every five not economically active men (86%) and women (82%) had no work experience. Notably, students aged 15-24 years in full-time education or training accounted for the bulk of the not economically active who had never worked.

Figure 5.14: Percentage of unemployed people with no work experience in selected countries, 1998



Note: Data refer to 1995 for Norway, 1996 for Estonia, 1997 for Ireland and Czech Republic; to 1999 for South Africa, and to 1998 for all other countries. In Spain, Latvia and South Africa (official definition), the long-term unemployed (longer than 3 years) are included in the category 'no work experience'.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 5.14 shows a wide variation in the percentage of unemployed people with no work experience. In 1998, under 10% of the unemployed in Denmark, Austria, Germany, Cyprus and USA had no work experience, compared with over 40% in countries such as Norway, Turkey, Spain, Israel and Greece. South Africa (1999) had the largest proportion of unemployed people without work experience.

Summary

This chapter provides important patterns and trends regarding those working-age individuals who are not employed. These fall into three groups, unemployed people who had taken specific steps to find work in the month prior to the OHS, discouraged job-seekers (those who were not employed but had not taken specific steps to find work), and not economically active people (such as full-time students, pensioners and homemakers). In identifying these three non-overlapping groups of individuals that were not employed, the analysis presented in this chapter suggests the following:

- Lack of skills and qualifications is the major reason among unemployed people and discouraged job-seekers for their not being employed. In contrast, more than half of the individuals that were not economically active were in full-time education or training.

- The duration of job search is an important indicator of labour market performance. In South Africa the proportion of unemployed people that had been seeking work for three years or more rose from 34% in 1995 to 43% in 1999.

- Job search patterns internationally show a wide variation. The percentage of unemployed individuals who have been looking for work for twelve months or more has been relatively high in Europe and North America throughout the 1990s.

- In the late 1990s, in countries such as Bulgaria, Belgium, Latvia, Italy and South Africa, three out of every five unemployed people had been unemployed for 12 months or more.

- Previous work experience is an important determinant of wages and other labour market outcomes, because it reflects opportunities that people may have had to acquire on-the-job training or to increase wages by moving from one job to another. In South Africa (1999), almost one in every three unemployed individuals (65%), three in every four discouraged job-seekers (75%), and an even higher proportion of not economically active individuals (83%) had no work experience.

- In countries such as Denmark, Austria, Germany and the USA, less than 10% of the unemployed had no previous work experience, compared with Spain, Israel, Greece and South Africa where more than 45% of unemployed people had no work experience.

CHAPTER
Six

INDUSTRY AND OCCUPATION OF EMPLOYED PEOPLE

Introduction

In South Africa, the distribution of work activities by province, age and population group are very important considerations for planning purposes. In the context of globalisation, it is also important to know the proportion of the workforce engaged in the economic sectors that are most likely to be affected by changes in the international economy.

Overall trends in employment

Against this background, this chapter discusses various aspects of the patterns and trends in employment by industry and occupation on the basis of the October household surveys of 1995 and 1999, and to the extent possible, makes comparisons with other countries (mainly in Europe and North America) for which data are readily available.

Table 6.1: Total employment by sex, 1995 compared with 1999

	1995 ('000)	1999 ('000)
Male		
1. Miners (Dept. Minerals and Energy)	n.a.	n.a.
2. Miners estimated in OHS	430	452
Total employed including (2)	**5 855**	**6 009**
Female		
1. Miners (Dept. Minerals and Energy)	n.a	n.a.
2. Miners estimated in OHS	19	24
Total employed including (2)	**3 777**	**4 353**
Total employed		
1. Miners (Dept. Minerals and Energy)	593	428
2. Miners estimated in OHS	449	476
Total employed including (2)	**9 632**	**10 369**

One of the limitations of the OHS data is the under-coverage of miners in 1995. Table 6.1 shows that the overall level of employment rose from 9,6 million in 1995 to 10,4 million in 1999. But since miners are under-reported in 1995 (by about approximately 140 000) the actual increase is slightly lower. On the basis of data from the South African Chamber of Mines for 1995 (which only provides overall totals), miners account for a declining share of employment since 1995 – from 6,1% of total employment in 1995 to 4,5% in 1999. But because they are predominantly African men, the exclusion of some miners in 1995 is likely to alter the overall distribution by industry, occupation, status in employment and type of employment, by population group and by sex. And as noted earlier, given the importance of the mining industry in particular provinces, the under-reporting of miners in 1995 also distorts the proportions of various employment categories by province discussed in this chapter.

Caution is also required in interpreting changes in the industrial structure between 1995 and 1999, since gardeners may be incorrectly coded as domestic workers or elementary workers, particularly in 1995, resulting in an over-estimate of elementary workers in the community, social and personal services sector and an under-estimate of employment in the agricultural sector.

Bearing the above limitations in mind, we can assume that the rise in employment between 1995 and 1999 is equivalent to an annual increase of 1,9% over the period and less than half the 4,3% annual increase in the labour force. As a result, there has been an overall increase in unemployment rates since 1995, as discussed in Chapter 4. But as shown in Table 6.1, the number of employed women rose from 3,8 million to 4,4 million in 1999, with the result that the percentage of employed people that were women rose from 39% in 1995 to 42% in 1999. The increasing feminisation of the workforce is also reflected in the increase in female labour absorption rates discussed in Chapter 4.

Industrial sector of employed people

Analysis of the industry in which employed people work is made difficult by the fact that population surveys and censuses generally tend to under-report the participation of women in agriculture. For example, two different sources of data in India suggest contradicting results. According to the 1991 Indian Census, 73% of rural women were not economically active. But an earlier survey in 1987/88 showed that, of women engaged in housework and classified as not economically active, 60% of rural and 15% of urban women collected firewood, fodder or foodstuffs, maintained kitchen gardens or fruit trees, or raised poultry or cattle (UN, 1995, p.114).

In South Africa, the problems of comparing data based on different survey instruments or, indeed, using the same instrument but at a different time of the year are also onerous (see Stats SA & Dept of Agric, 2000). The results of the more recent labour force survey (LFS) suggest that the greater detail and larger number of probing questions included in that survey made possible the capturing of a substantially bigger subsistence agricultural sector than was possible using the OHS.

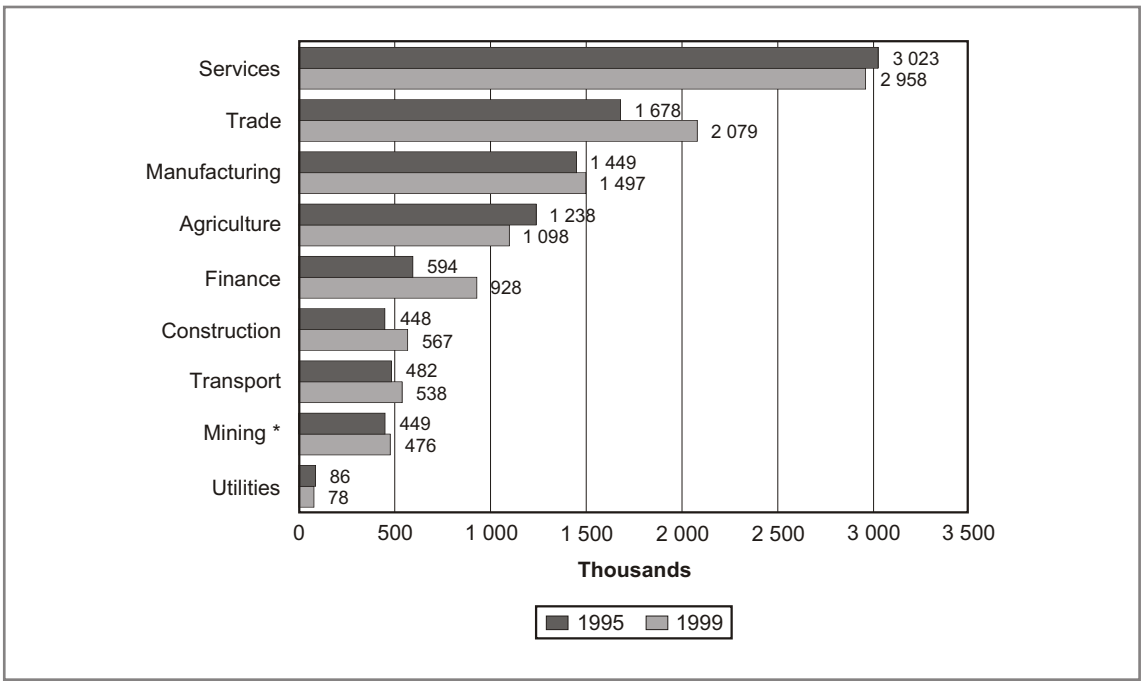
Table 6.2: Employment by industry and sex, 1995 compared with 1999

	1995 ('000)				1999 ('000)			
	Male	**Female**	**Total**	**% Total**	**Male**	**Female**	**Total**	**% Total**
Agriculture	982	255	**1 238**	**13**	721	377	**1 098**	**11**
Mining *	430	19	**449**	**5**	452	24	**476**	**5**
Manufacturing	982	466	**1 449**	**15**	986	511	**1 497**	**15**
Utilities	75	11	**86**	**1**	65	14	**78**	**1**
Construction	420	28	**448**	**5**	523	44	**567**	**6**
Trade	926	752	**1 678**	**18**	1 087	991	**2 079**	**20**
Transport	409	73	**482**	**5**	449	89	**538**	**5**
Finance	323	271	**594**	**6**	535	393	**928**	**9**
Services	1 193	1 830	**3 023**	**32**	1 110	1 848	**2 958**	**29**
Total (excl unspecified)	**5 740**	**3 706**	**9 446**	**100**	**5 928**	**4 291**	**10 218**	**100**

* Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 6.2 highlights important gender differences in the work opportunities available in the South African economy in 1995 and 1999. Over 40% of employed women worked in community, personal and social services in 1995 and 1999, compared with around 20% of men. Mining, construction, and to a lesser extent manufacturing are male-dominated industries. Table 6.2 also suggests that the overall rise in employment in the trade and finance sectors benefited men and women equally. For example, the rise in the number of men employed in the trade sector from 0,9 million to 1,1 million was similar to the increase among women in the sector – from 0,8 million in 1995 to 1,0 million in 1999.

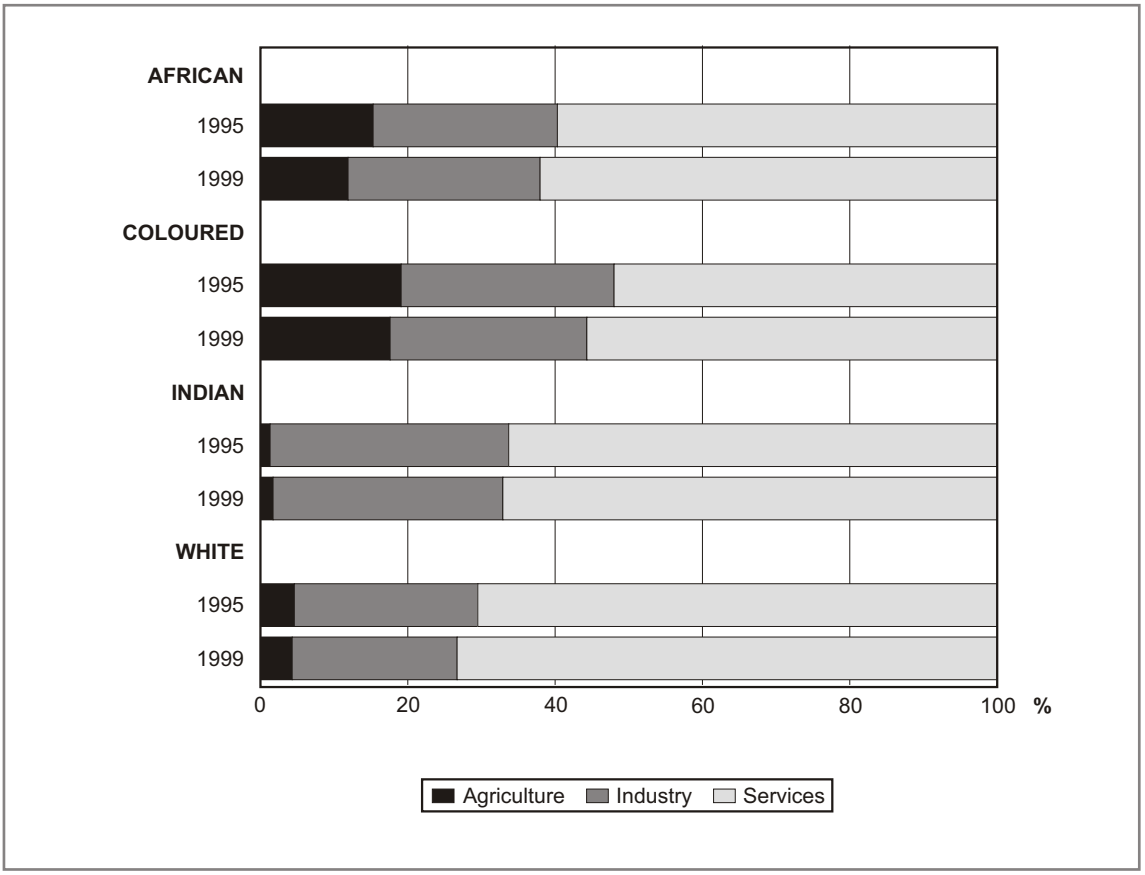
Figure 6.1: Employment by industry, 1995 compared with 1999



* Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 6.1 shows that employment in the trade sector rose from 1,6 million in 1995 to 2,1 million in 1999 and in finance from 0,6 million to 0,9 million over a similar period. As noted earlier, the under-reporting of miners in 1995 suggests that difference in mining employment shown in Figure 6.3 should be viewed with caution – alternative figures based on Chamber of Mines estimates indicate that the mining industry lost around 120 000 jobs between 1995 and 1999.

Figure 6.2: Employment in broad industrial sectors by population group, 1995 compared with 1999



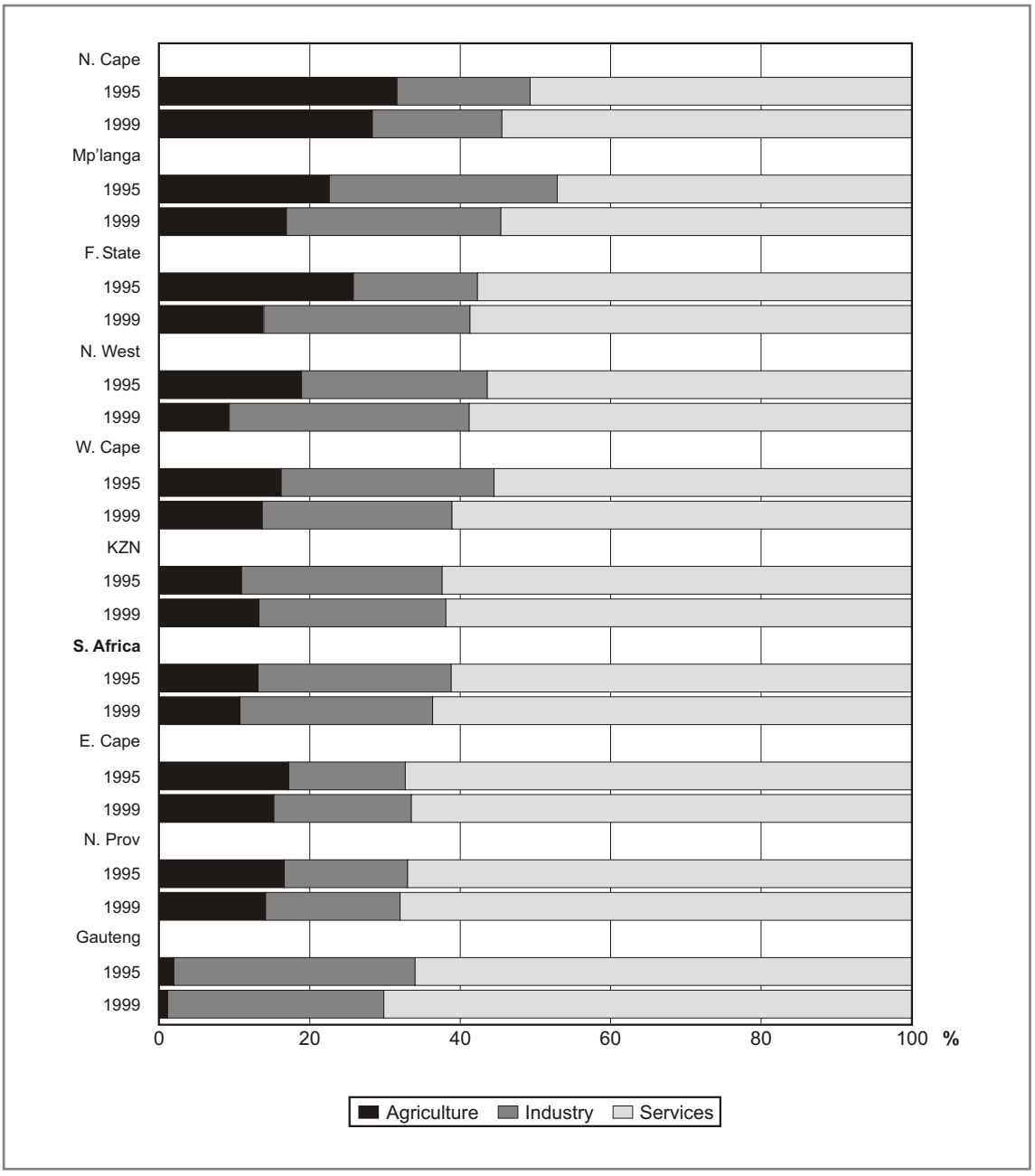
Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 6.2 shows a large variation in the distribution of employment in the three broad industrial groupings – agriculture, industry (which comprises mining, manufacturing, utilities and construction), and services (comprising wholesale and retail trade, financial and business services, and personal and community services).

Agriculture accounts for a larger percentage of total employment among African and coloured workers than either Indian or white (Figure 6.2). In both 1995 and 1999, more than one in every ten employed African and coloured people worked in the agriculture sector, compared with 5% or less among Indians and whites. Although services dominated the work opportunities available for all population groups, around seven in every ten employed white people had jobs in the service sector in 1995 (71%) rising to 73% in 1999.

As noted earlier, the under-reporting of miners in 1995 will affect the industry rankings across the provinces, as will the under-estimate of agricultural employment. Bearing these cautions in mind, Figure 6.3 shows that in every province the service sector provides more than 50% of all jobs. The percentage of workers employed in the agriculture sector is largest in Northern Cape and Free State and smallest in Gauteng. Except in KwaZulu-Natal, the percentage of people employed in agriculture declined between 1995 and 1999 in every province.

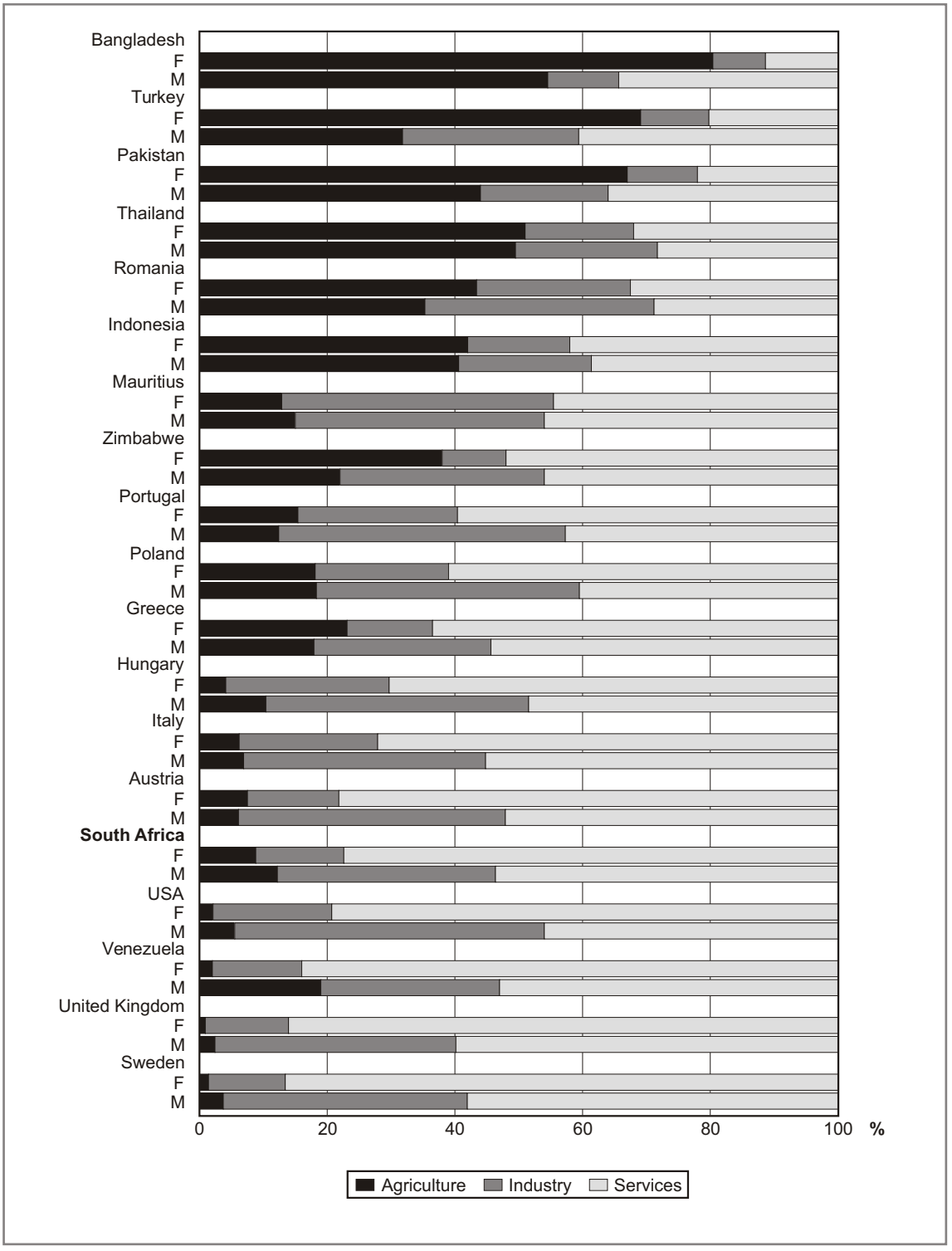
Figure 6.3: Sectoral distribution of employment by province, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

In terms of industry, the overall increase in jobs between 1995 and 1999 was equivalent to an annual 1,8% expansion in employment opportunities in the sector. North West and Free State benefited most from this expansion, with the percentage of people employed in industry rising from 25% in 1995 to 32% in 1999 in North West, and from 15% to 27% in Free State. The contribution of industry to employment is under 20% in Northern Cape, Eastern Cape and Northern Province.

Figure 6.4: Sectoral distribution of employment in selected countries, 1998



Note: Data for Bangladesh, Pakistan, Thailand, Indonesia, Mauritius, Zimbabwe and Venezuela refer to the most recent year available between 1994 and 1997. Data for South Africa refer to 1999.
Sources: UNDP, 2001; OHS 1999

Figure 6.4 shows that, among developing countries, agriculture accounts for the largest share of female employment in Bangladesh, Turkey and Pakistan (over 65%), while the service sector accounts for the largest proportion in South Africa (78%) and in Latin American countries such as Venezuela (84%). In high-income countries such as UK, USA and Sweden, the percentage employed in the service sector is also relatively large (79-87%). The rapid increase in service sector employment in Europe over the past 30 years has been to the advantage of women more than men. Several factors explain the rising importance of service jobs among women. First, many jobs in the service sector – such as nursing and social and clerical work – are considered 'feminine' because of a perceived similarity with the roles with which women have been traditionally associated. In addition, women may lag behind men in receiving the training required to take advantage of changing employment opportunities in non-service sectors. Also, the extent to which part-time work in service industries is available, may encourage more women into the sector – though the UN notes that this could equally be a cause as an effect (UN, 2001).

Internationally, women are under-represented in industry and the decline in industry in western countries as a consequence of structural changes in the methods of production is reflected in a steady decline in the importance of the industrial sector over several decades. Transition countries are only now experiencing this phenomenon, and some countries have witnessed large contractions in employment in the industrial sector.

Distribution of employment by occupation

The distribution of occupations in any economy provides a useful indicator of the type of production and the level of technology and automation on which economies are based. The occupational structure also provides a gauge about the potential for future economic growth. Economies that are heavily reliant on information technology tend to have a greater demand for a more skilled workforce.

Table 6.3 groups the nine major occupational groups of employed people into four broad categories as follows:
1. Managers plus professionals plus semi-professionals plus technicians.
2. Clerical workers plus sales/service workers.
3. Craft workers plus machine/assembly workers.
4. Elementary workers and skilled agricultural workers.

Caution is required in interpreting the data, since particularly in 1995 gardeners may have been coded as domestic workers in private households or as elementary workers, instead of in the higher occupational group 'skilled agricultural workers'. For comparability between 1995 and 1999, the elementary occupation category shown in Table 6.3 therefore groups skilled agricultural workers with domestic workers and other people engaged in routine tasks in the elementary category.

Table 6.3: Distribution of occupations among employed people, 1995 compared with 1999

	1995 ('000)	1999 ('000)	1995 %	1999 %
Male				
Manager/professional/semi-professional/technician	1 097	1 299	19	22
Clerk/service	1 056	1 055	18	18
Craft/operator	1 952	2 086	34	35
Elementary (incl skilled agric workers)	1 665	1 451	29	25
Total (excluding unspecified)	**5 770**	**5 890**	**100**	**100**
Female				
Manager/professional/semi-professional/technician	823	977	22	23
Clerk/service	1 194	1 239	32	29
Craft/operator	295	360	8	8
Elementary (incl skilled agric workers)	1 426	1 718	38	40
Total (excluding unspecified)	**3 736**	**4 294**	**100**	**100**
Total				
Manager/professional/semi-professional/technician	1 920	2 276	20	22
Clerk/service	2 250	2 294	24	23
Craft/operator	2 247	2 446	24	24
Elementary (incl skilled agric workers)	3 091	3 169	33	31
Total (excluding unspecified)	**9 507**	**10 184**	**100**	**100**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

- Table 6.3 shows large differences in the distribution of occupations of employed men and employed women.

- Across all broad occupational groupings, jobs are more evenly distributed among employed men than among women. For example, among men the proportions in each broad occupational group range between 18% and 35%, whereas among women the range is much larger (between 8% and 40%). This in part reflects the dominance of men in occupations such as craft and assembly work and the dominance of women in occupations such as domestic work.

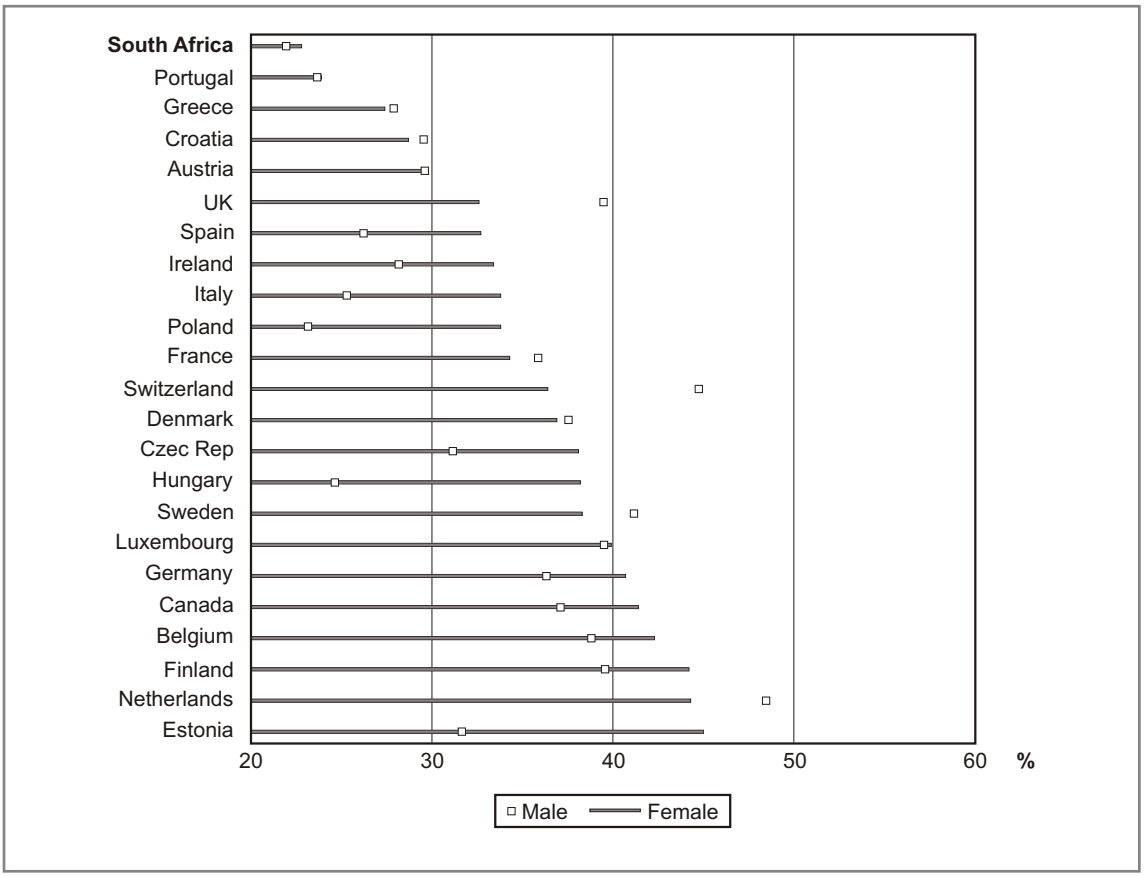
- In both 1995 and 1999, elementary work (the lowest occupation category) provided the most work opportunities available to women, with two in every five employed women (38% in 1995 and 40% in 1999) with jobs at that level.

- In comparison, the largest percentage of men is found in the higher occupation category, which groups craft workers with people engaged as operators or doing assembly work – more than one third of employed men (34% in 1995 and 35% in 1999) were in this occupation category.

- However, in 1999, in the highest occupation category, which groups managers with professionals, semi-professionals and technicians, there were similar proportions of employed men (22%) and women (23%).

- Clerical work was relatively more important for women than for men in both 1995 and 1999.

Figure 6.5: Percentage of employed men and women that are managers, professionals and technicians, 1998



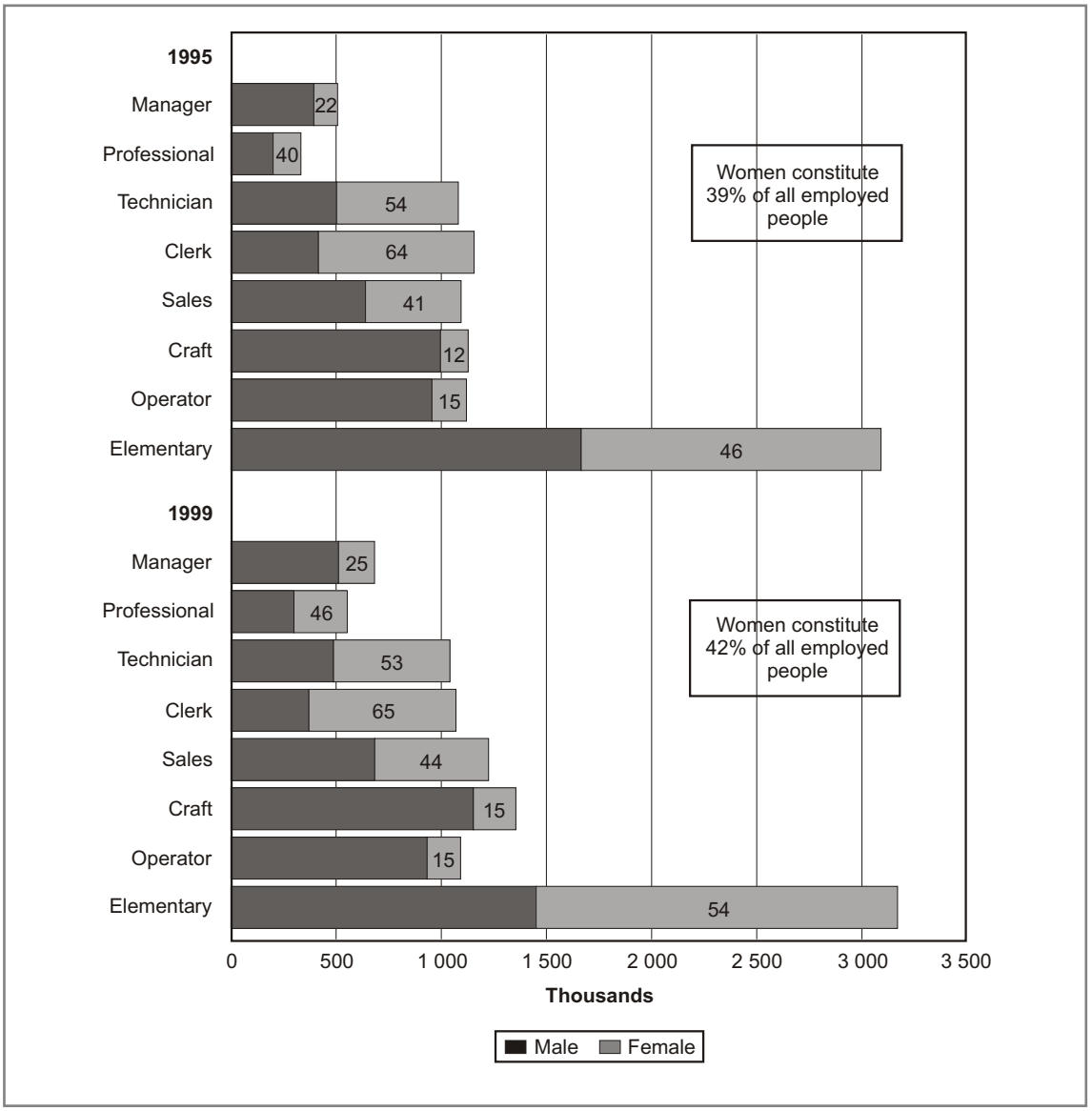
Note: Data refer to 1997 for Austria, Denmark, Germany, Greece, Ireland, Portugal, UK and Estonia, and to 1999 for South Africa.
Including semi-professionals.
Sources: UNECE, 2000; OHS, 1999.

In Figure 6.5, managers, professionals, semi-professionals and technicians are grouped together as one broad category and taken as a percentage of the total number of employed people, for men and women separately (see also Table 6.3).

In South Africa, 23% of employed women and 22% of employed men were in this broad occupation category – similar to the proportions found in Portugal (Figure 6.5). In UK, Switzerland and Netherlands the percentage of men in the group is somewhat higher than that among women. The reverse is true in countries such as Poland, Hungary and Estonia. For example, in Poland 34% of employed women fall into the category 'manager, professional, technician' compared with only 23% of men.

The gender distribution of occupations at lower levels of aggregation in South Africa shows some interesting patterns. Figure 6.6 shows a more detailed breakdown of occupations than discussed in earlier graphs and tables. In 1995 women constituted 39% of all employed people, rising to 42% in 1999, which suggests an improvement in women's participation in employment over the past five years. One would expect similar representation in each occupation category, but as shown in Figure 6.6, some occupations – particularly at lower levels of the occupational hierarchy – are female dominated.

Figure 6.6: Distribution of employed women and men across occupational groups, 1995 compared with 1999



Note: Miners are under-reported in 1995. Technicians include semi-professionals. Elementary workers include skilled agricultural workers, many of whom are gardeners in private households.
Sources: OHS, 1995 and 1999

- The increase in the number of managers from 507 000 in 1995 to 682 000 in 1999 was accompanied by an increase in the proportion of women in managerial posts. Though still unequal, in 1999 women had 25% of all managerial positions compared with 22% in 1995.
- Similar inroads have been made by women in the professional sphere. The rise in professional jobs from 332 000 in 1995 to 553 000 in 1999 was also accompanied by an increase in the proportion of women in professional occupations – with 46% of all professional jobs being occupied by women in 1999 compared with 40% in 1995.
- The over-representation of women in certain occupations is most evident at the clerical level. In both years, more than two out of every three clerical jobs (over 60%) were held by women.

- A relatively large shift appears to have taken place in the elementary occupational category – the lowest occupational category – which generally requires few skills and little education. Whereas in 1995, 46% of such jobs were filled by women, by 1999 the proportion had risen to 54%.

The concentration of either men or women in a narrow range of occupations or industries reduces the capacity of the economy to adapt to a changing environment. This segregation tends to have the greatest impact on women, who generally have fewer choices in the labour market. But recent experience in many countries suggests that segregation may also act against the interests of men when job losses occur in male-dominated industries, and increases in employment occur mainly in services, where women are concentrated.

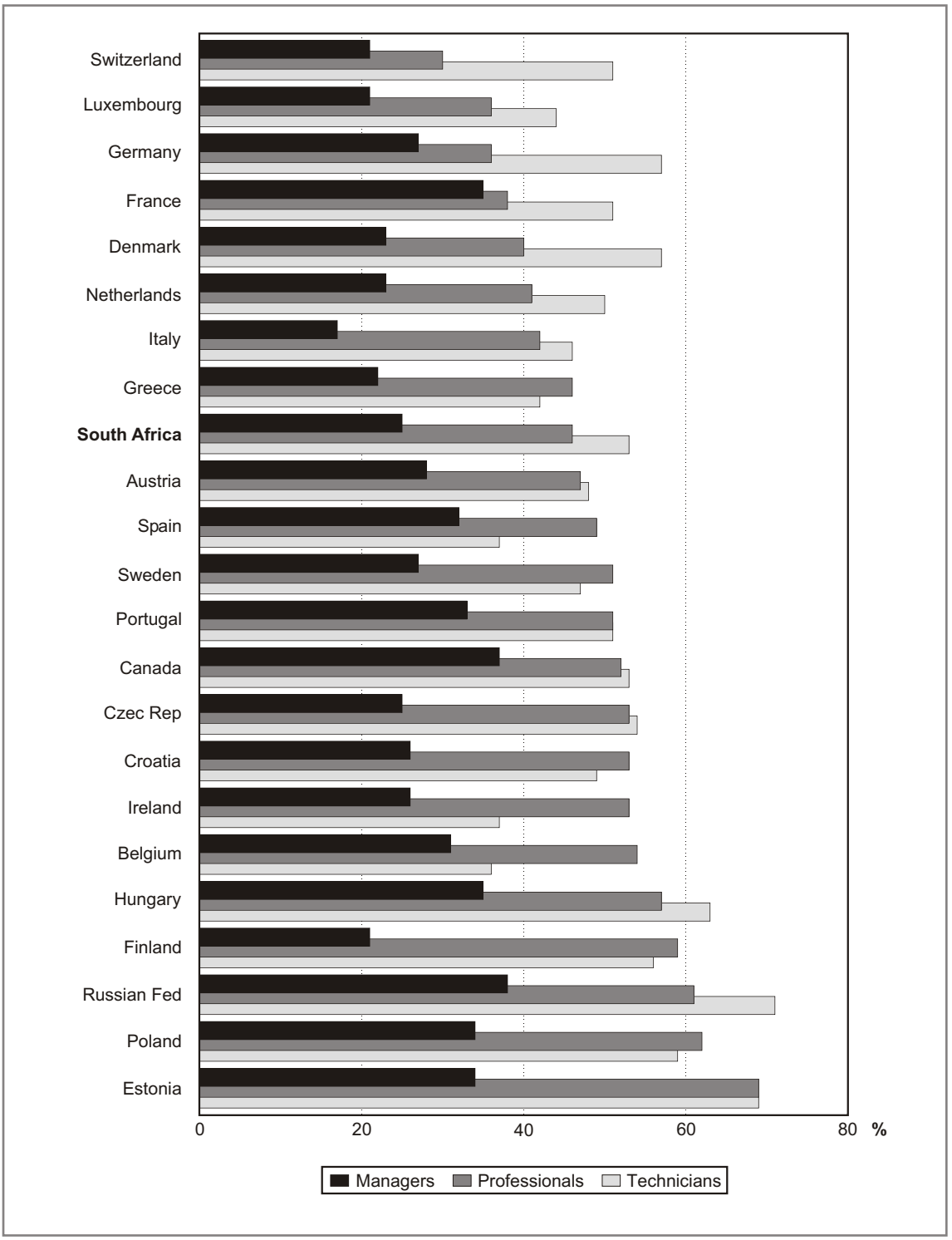
Figure 6.7 shows how South Africa compares with countries in Europe and North America in terms of the three highest occupational groups (managers, professionals and technicians). The distributions are ranked in ascending order by the proportion of women in the professional category.

- As discussed earlier, 25% of all managers in South Africa are women, which is similar to the situation found in countries such as Netherlands and Denmark. In Italy, less than 20% of managers are women, compared with over 35% in Canada and the Russian Federation.

- In 1999, 46% of all professional jobs in South Africa were taken by women – similar to countries such as Greece (46%) and Italy (44%). The percentage of professionals that are women tends to be above 50% in Eastern European countries while in western countries such as Switzerland (30%) and Germany (36%) it is lower.

- Among technicians in South Africa, the percentage that are women (53%) is similar to Czech Republic, Finland and Germany.

Figure 6.7: Percentage of women among all employed people in the highest occupation categories in selected countries, 1998

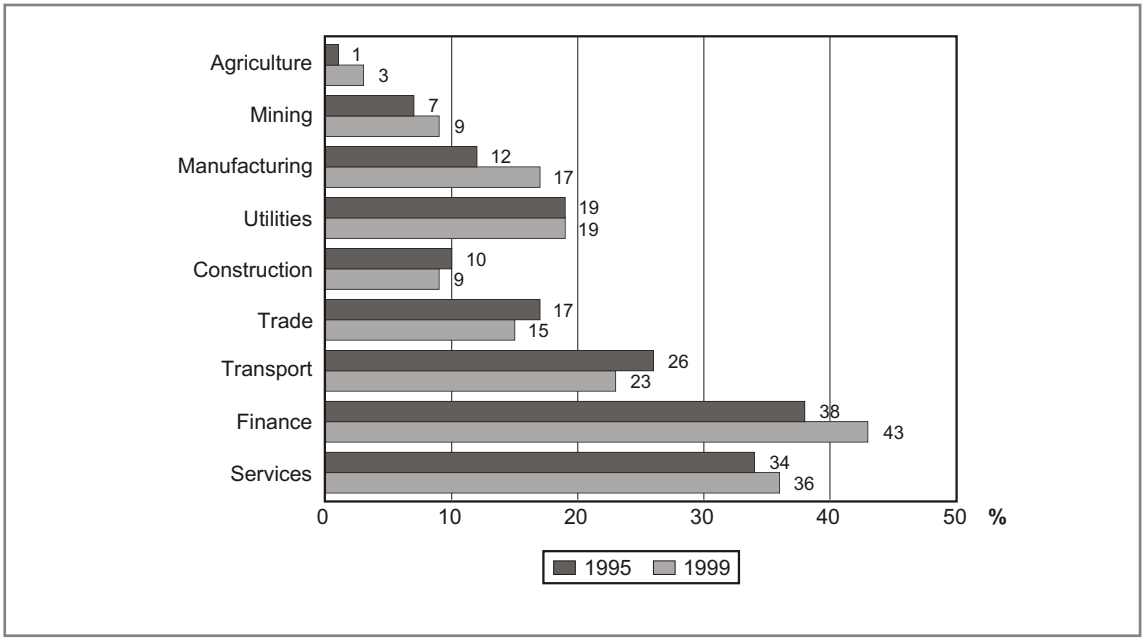


Note: Data refer to 1999 for South Africa and to 1997 for Germany, Denmark, Greece, Austria, Ireland, and Estonia.
Sources: UNECE, 2000; OHS, 1999

Occupation and industry

The rise in employment between 1995 and 1999 was most pronounced in the finance and trade sectors. Figure 6.8 suggests that there were also important shifts in occupations in terms of the proportion of managers, professionals and technicians within each industrial sector.

Figure 6.8: Percentage of managers, professionals and technicians in each industry, 1995 compared with 1999



Note: Miners are under-reported in 1995. Including semi-professionals
Sources: OHS, 1995 and 1999

- The rise in employment in the finance sector (Figure 6.1) was accompanied by a substantial increase in the proportion of managers, professionals, semi-professionals and technicians (grouped) in the finance industry – from 38% in 1995 to 43% in 1999 (Figure 6.8).

- Although there was only a slight increase in employment in the manufacturing sector between 1995 and 1999, the proportion of people in managerial, professional or technical positions in manufacturing rose from 12% in 1995 to 17% by 1999.

- Notably, there was a modest increase in the percentage of people employed in managerial, professional or technical posts in the service industry from 34% in 1995 to 36% by 1999. At the same time, the proportion of people employed in the broad occupational group 'clerical/sales/services' fell from 25% in 1995 to 20% in 1999.

- As discussed earlier, employment in the trade sector rose from 1,7 million to 2,1 million over the period 1995 to 1999. However, the benefits from this increase were not reflected in an increase in managerial, professional and technical posts in the sector. Instead, there was an expansion of elementary jobs – from 19% of all jobs in the trade sector in 1995 to 27% in 1999.

Summary

Policy-makers require information on workers and the type of work they do in order to answer policy questions such as what share of the working-age population has gainful employment and which productive sectors of the economy employ the most people.

The analysis presented in this chapter suggests that agriculture accounts for a larger percentage of total employment in the African and coloured population groups than among either Indians or whites. In terms of the provincial distribution of employment, the percentage of workers employed in agriculture is largest in Northern Cape and Free State and smallest in Gauteng. Except in KwaZulu-Natal, employment in agriculture declined between 1995 and 1999 in every province.

The rise in employment between 1995 and 1999 was accompanied by an important shift benefiting women within the professional occupation category. In 1999 a larger percentage of professionals were women than in 1995. Although women were still under-represented in the managers group in 1999 there was also an increase in the percentage of managers that were women over the period. However, women continue to be under-represented in other occupation groups such as craft and assembly/operator workers, whereas in both 1995 and 1999 they were over-represented in clerical occupations.

In South Africa, as in Portugal, about 25% of employed women are managers, professionals or technicians. But this is low compared with some other countries in Europe and North America. In countries such as Finland, Netherlands and Estonia over 40% of such jobs are held by women.

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CHAPTER

Seven

PART-TIME AND CASUAL VERSUS FULL-TIME WORK

Introduction

In principle, part-time work and other arrangements such as casual, seasonal and piece-work should offer people a wider choice of working hours, depending on their particular circumstances. In many countries in Europe and North America, women in particular have been interested in working part-time since the greater flexibility in working hours allows them to cope better with their multiple roles, and combine family responsibilities with the opportunity for paid work. On the other hand, part-time work is usually associated with a lack of various benefits that are typically available to full-time workers (for example, medical aid cover, paid leave and written employment contracts).

In both the 1995 and 1999 OHS, respondents were asked whether they worked 'full-time' or 'part-time'. In 1999, the question included a separate category 'casual work'. In the absence of the specific 'casual work' category in 1995, it is difficult to establish the extent to which some casual workers may have categorised themselves as 'full-time' in that year. As a result, caution is required in interpreting the data.

In the analysis that follows, those who defined themselves as casual workers in 1999 have been included with part-time workers for purposes of comparison with 1995. Box 7.1 explains why this approach has been adopted.

Box 7.1: A profile of casual and part-time workers in 1999

Table 7a provides insight into how casual workers have a similar profile to part-time workers in relation to a number of important benefits that are generally available to full-time workers.

Table 7a: Status in employment based on self-perceptions

%	No paid leave	No medical aid	No employer pension	No written contract
Full-time	33	61	40	40
Part-time	86	95	91	76
Casual	91	96	94	83
Total	41	67	48	45

As shown in Table 7a, the vast majority of part-time workers, and an even larger proportion of casual workers, did not have access to a number of benefits usually associated with full-time employment. For example, 86% of employed people who defined their work situation as part-time did not have benefits such as paid leave, while an even larger proportion of self-defined casual workers (91%) also did not have access to paid leave. The profile of casual workers is also similar to that of part-time workers with respect to access to medical aid, pension contributions made by the employer, and whether or not they had a written contract of employment. More than nine out of every ten (90%) part-time workers and casual workers did not have access to medical aid or pension contributions while eight out of every ten of each group did not have a written contract of employment. This suggests that determining part-time and casual work in the South African economy simply in terms of hours worked ignores important information regarding the situation faced by workers employed on a part-time or casual basis as compared with workers in full-time employment.

Table 7b: Status in employment based on self-perceptions among those working less than 30 hours

%	No paid leave	No medical aid	No employer pension	No written contract
Full-time	47	74	58	45
Part-time	85	94	90	76
Casual	93	97	94	90
Total	71	87	78	67

Against this background, Table 7b shows that if the restriction of a working week of less than 30 hours is imposed to determine a part-time cut-off, it would result in the inclusion of (self-defined) full-time workers with entitlements that are very different from those of self-defined part-time and casual workers. For example, among self-defined full-time workers who worked less than a 30-hour week, only around two in every five did not have paid leave (47%) or did not have a written contract (45%), compared with a substantially larger proportion of part-time and casual workers that did not have such entitlements.

It would appear that to a large extent, respondents' perceptions of their status in employment are informed by whether or not they receive various benefits, irrespective of the length of their work-week. And since OHS 1995 does not distinguish between part-time and casual work, it would seem appropriate, given the similarity in entitlements of these two groups, to group self-defined part-time and casual workers in 1999, for a more meaningful discussion of casualisation in the workforce over the period 1995 to 1999.

Full-time, part-time and hours actually worked

This section should be read bearing in mind the approach outlined in Box 7.1. Note also that in 1995 respondents were only asked about hours actually worked, not about hours usually worked. For comparability therefore data reported for both 1995 and 1999 are for actual hours worked.

Table 7.1: Full-time and part-time employment, 1995 compared with 1999

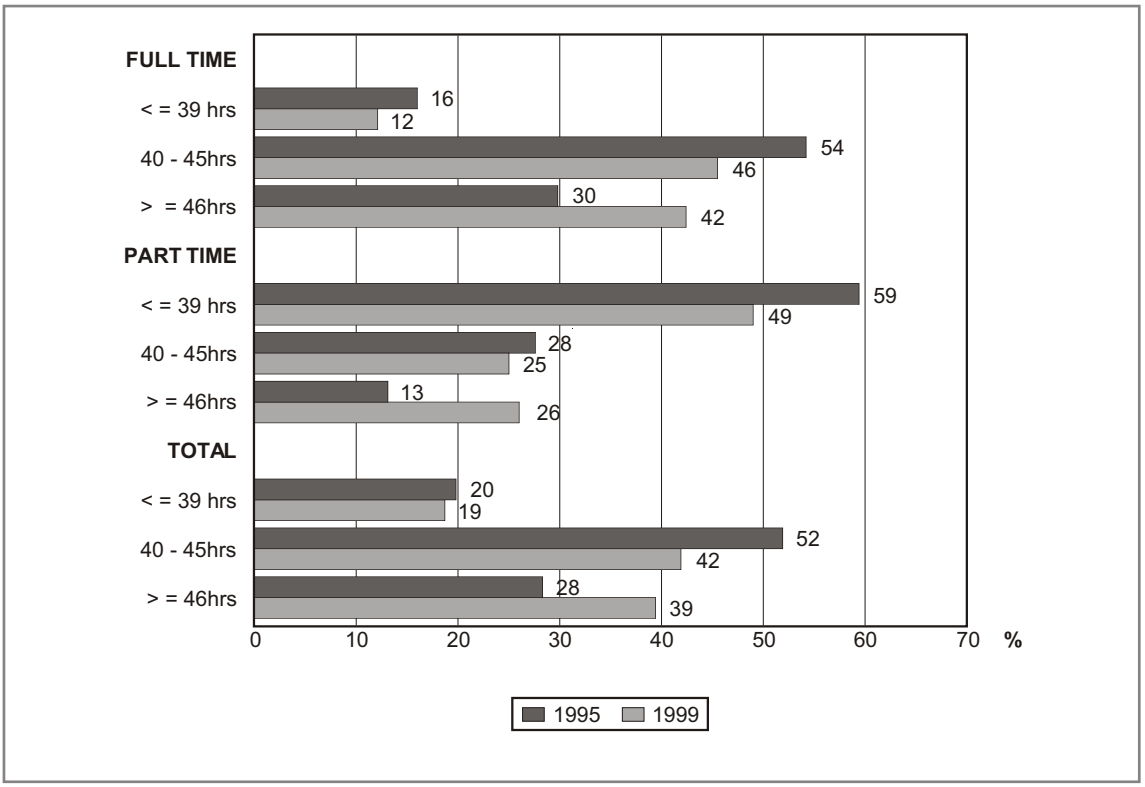
	1995 ('000)	1999 ('000)	1995 %	1999 %
Male				
Full-time	5 455	5 039	94	84
Part-time	344	524	6	9
Casual	n.a	411	n.a	7
Total	**5 798**	**5 974**	**100**	**100**
Female				
Full-time	3 232	3 414	87	79
Part-time	485	522	13	12
Casual	n.a	383	n.a	9
Total	**3 717**	**4 319**	**100**	**100**
Total				
Full-time	8 686	8 453	91	82
Part-time	829	1 046	9	10
Casual	n.a	794	n.a	8
Total	**9 515**	**10 291**	**100**	**100**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999.

Table 7.1, which is based on respondents' interpretation of their personal work situations, shows that the number of full-time jobs declined from 8,7 million in 1995 to 8,5 million in 1999, while over the same period, part-time employment rose from 0,8 million to 1,0 million. If in 1999 the number of people doing 'casual' work is included with those engaged on a part-time basis, then the rise in part-time employment is even more pronounced – from 0,8 million in 1995 to 1,8 million in 1999 (see also Box 7.1). The shift away from full-time employment is also reflected in the decline in the percentage of employed people working on a full-time basis from 91% in 1995 to 82% in 1999, and an increase in the percentage of people working part-time from 9% in 1995 to 18% in 1999.

But the overall totals mask the progress that women appear to have made in gaining full-time employment. Whereas the number of men working full-time fell from 5,5 million in 1995 to 5,0 million in 1999, over the same period full-time jobs among women rose from 3,2 million to 3,4 million. Part-time employment among both men and women was on an upward trend over the period, but the increase was more pronounced among men.

Figure 7.1: Employment by hours worked among full-time and part-time workers, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 7.1 provides an indication of the extent of casualisation of the workforce based on the number of hours actually worked, relative to respondents' evaluation of their jobs in terms of being full-time, part-time or casual. Casual work is grouped with part-time work in 1999 (see Box 7.1).

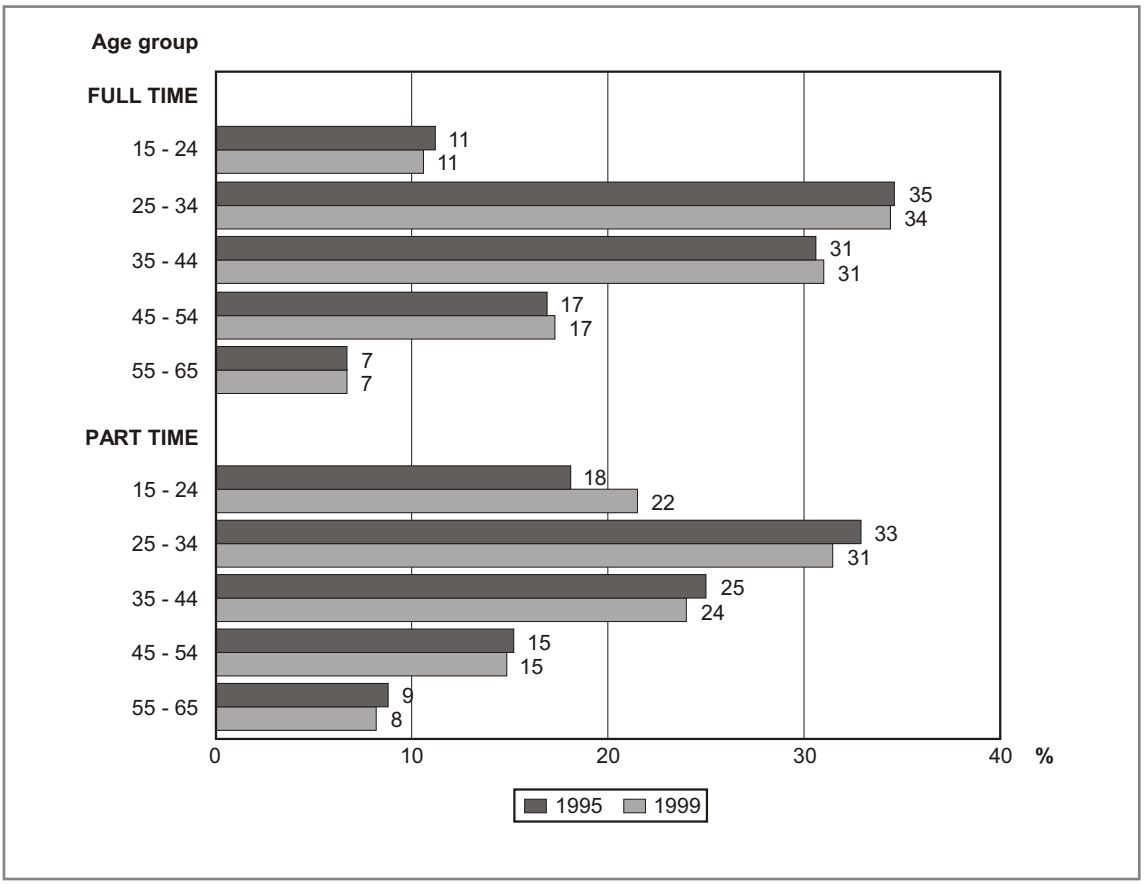
Figure 7.1 suggests, on the basis of the number of hours actually worked, that people working less than a 40-hour week tend to regard their employment as part-time. However, there has been an increase in the percentage of 'part-time' workers that have a longer working week, since 26% worked more than 46 hours per week in 1999, compared with 13% in 1995.

There is also an increase in the percentage of self-defined full-time workers who have a longer working week. In 1999, nearly three in every five full-time workers (58%) had a working week of 45 hours or less, compared with 1995 when 70% of those employed on a full-time basis worked 45 hours or less each week. This means that the percentage of full-time people whose working week was above 45 hours in 1999 was 42%, compared with 30% in 1995.

Age profile of full-time and part-time workers

Figure 7.2 suggests that the age profile of full-time workers hardly changed between 1995 and 1999, with similar proportions of full-time workers in each age group in both years.

Figure 7.2: Age profile of full-time, part-time and casual workers, 1995 compared with 1999



Note: Miners are under-reported in 1995. In 1999, part-time includes casual workers.
Sources: OHS, 1995 and 1999

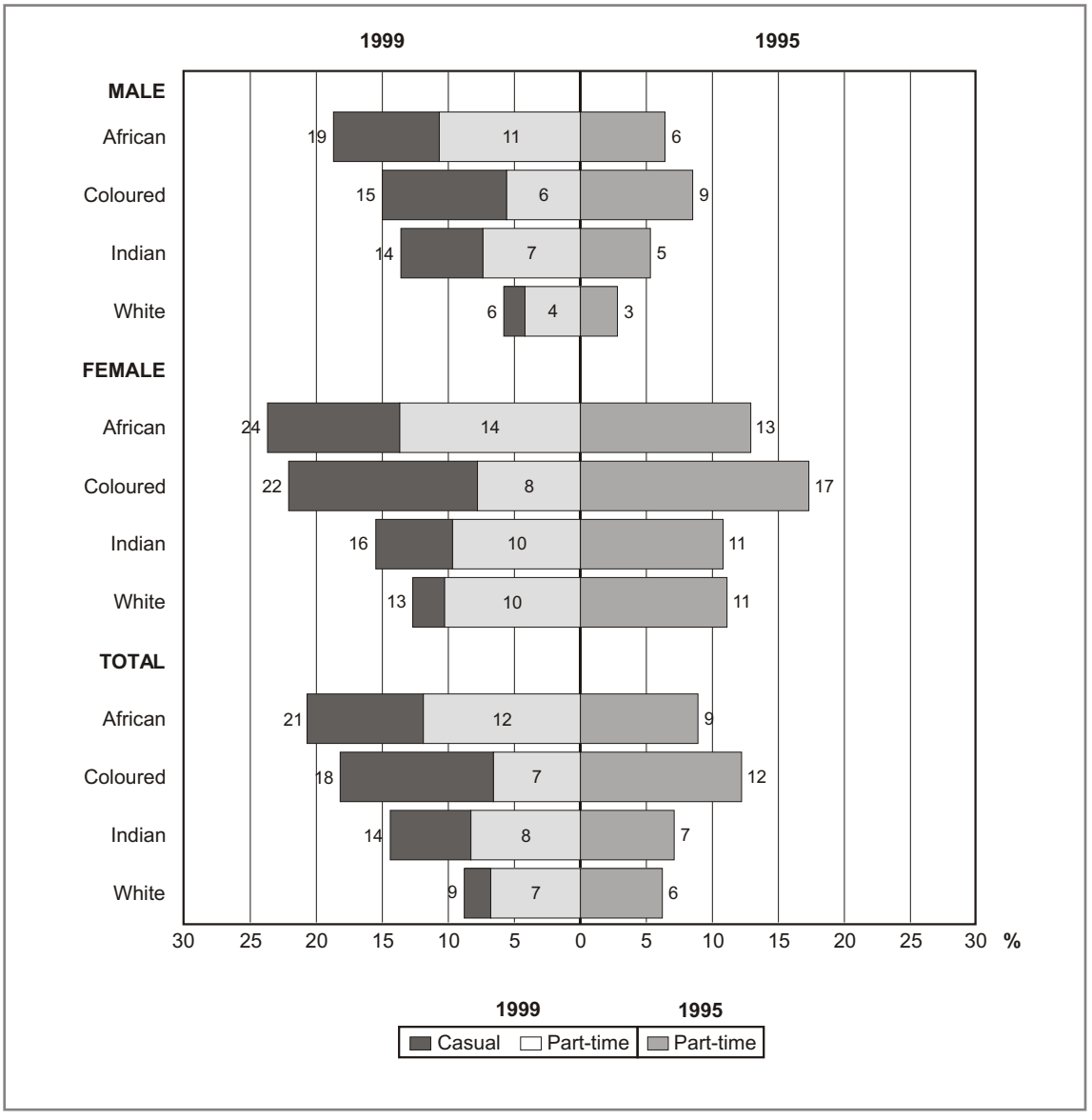
- As shown in Figure 7.2, among the employed, youth aged 15-24 years accounted for a larger proportion of part-time employment than they did of full-time employment. For example, in 1995, 11% of full-time jobs were held by youth compared with 18% of part-time jobs.

- In 1999, 22% of people employed on a part-time (including casual) basis were youth aged 15-24 years – up from 18% in 1995.

Full-time and part-time work by population group and province

The distribution of full-time and part-time jobs by population group and province highlights differences in the employment opportunities available to various groups.

Figure 7.3: Percentage of people in part-time and casual employment by population group, 1999 compared with 1995

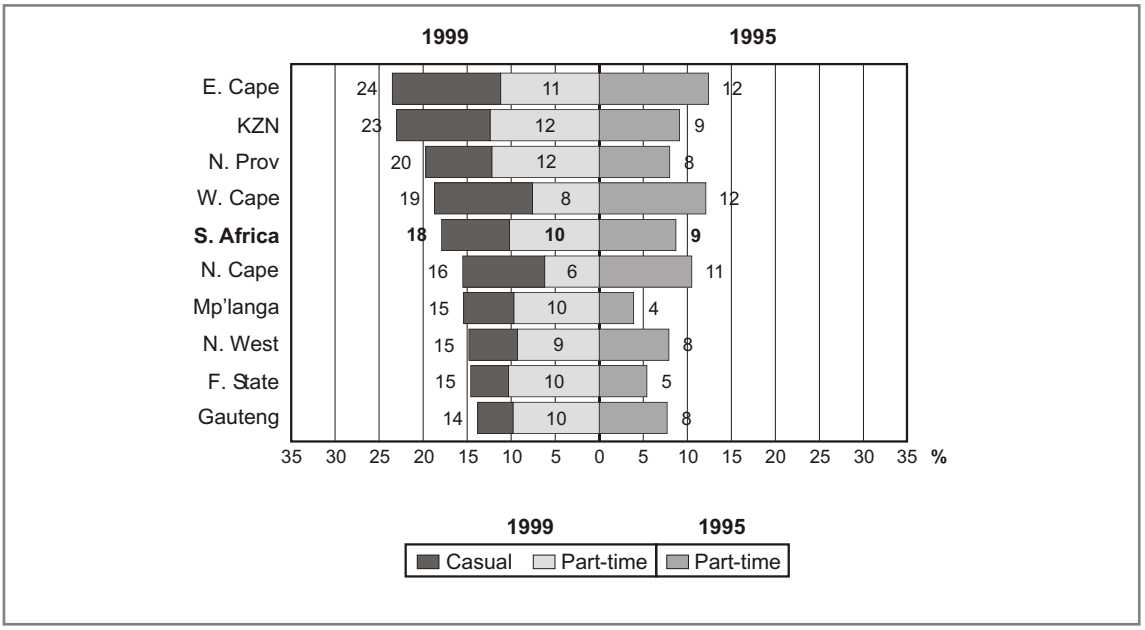


Note: Miners are under-reported in 1995. Source: OHS, 1995 and 1999

Figure 7.3 shows important gender and population group differences in the proportion of employed people engaged in part-time work in 1999 compared with 1995. The figures shown for 1999 distinguish part-time from casual workers in addition to providing the grouped percentage. For example, in 1999, 11% of employed African men worked part-time and an additional 8% were casual, such that part-time and casual employment together accounted for 19% of the work opportunities available to African men. By comparison, only 6% of employed African men worked on a part-time basis in 1995.

Irrespective of population group, the percentage of women engaged on a part-time or casual basis is substantially higher than that of men. And irrespective of population group, the percentage of workers employed on a part-time or casual basis rose in 1999 compared with 1995, although the shift was less pronounced among whites. The shift in status of employment towards part-time or casual work was particularly a feature of employment among African men (as discussed above) and women, more so than for any other population group. For example, in 1995, 13% of employed African women worked part-time; by 1999 this percentage had more than doubled to 24% (14% part-time and an additional 10% casual).

Figure 7.4: Percentage of people in part-time and casual employment by province, 1999 compared with 1995



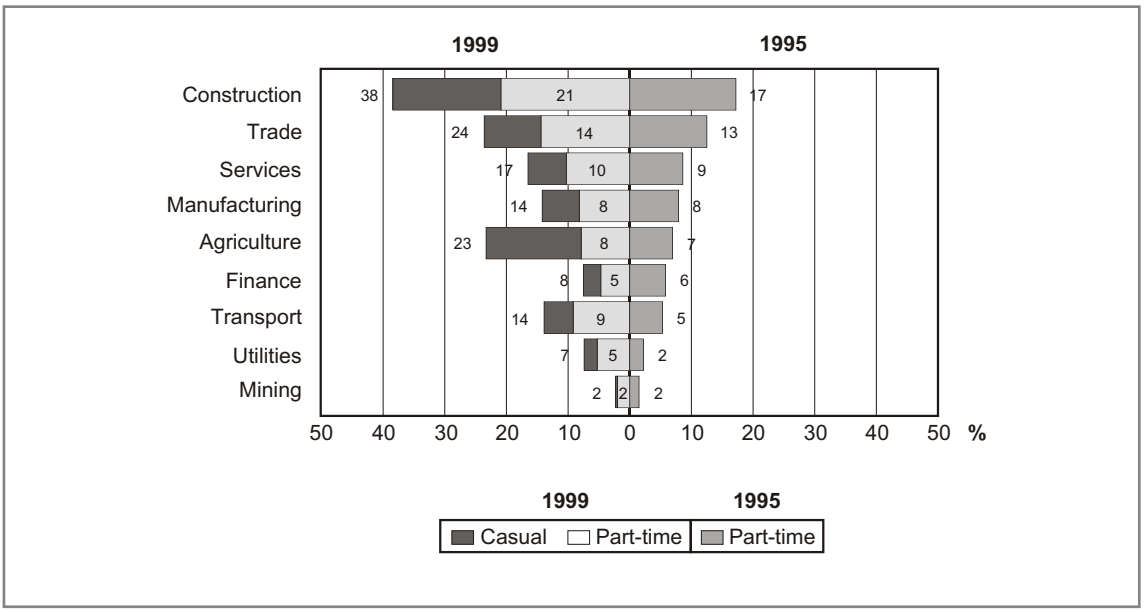
Note: Miners are under-reported in 1995. Source: OHS, 1995 and 1999

Reflecting the dominance of certain industrial sectors (see also Figure 7.5) in the various provinces, there is a wide variation in the provincial distribution of people employed on a part-time or casual basis (Figure 7.4). In 1999 Eastern Cape and KwaZulu-Natal had the largest proportion of part-time and casual workers in their respective workforces. In both provinces the percentage of employed people that were engaged on a part-time and casual basis doubled between 1995 and 1999, so that by 1999 one in every four workers were either part-time or causal. In comparison, the opportunities for part-time and casual employment were the most limited in Gauteng (14%), Free State (15%) and North West (15%).

Full-time and part-time employment by industry and occupation

It is useful to understand which industries and occupational groups in the economy are more prone to offer part-time or casual employment.

Figure 7.5: Percentage of part-time and casual jobs by industry, 1999 compared with 1995



Note: Miners are under-reported in 1995. Source: OHS, 1995 and 1999

Figure 7.5 suggests that the construction, trade and agriculture industries are particularly dependent on part-time and casual employment.

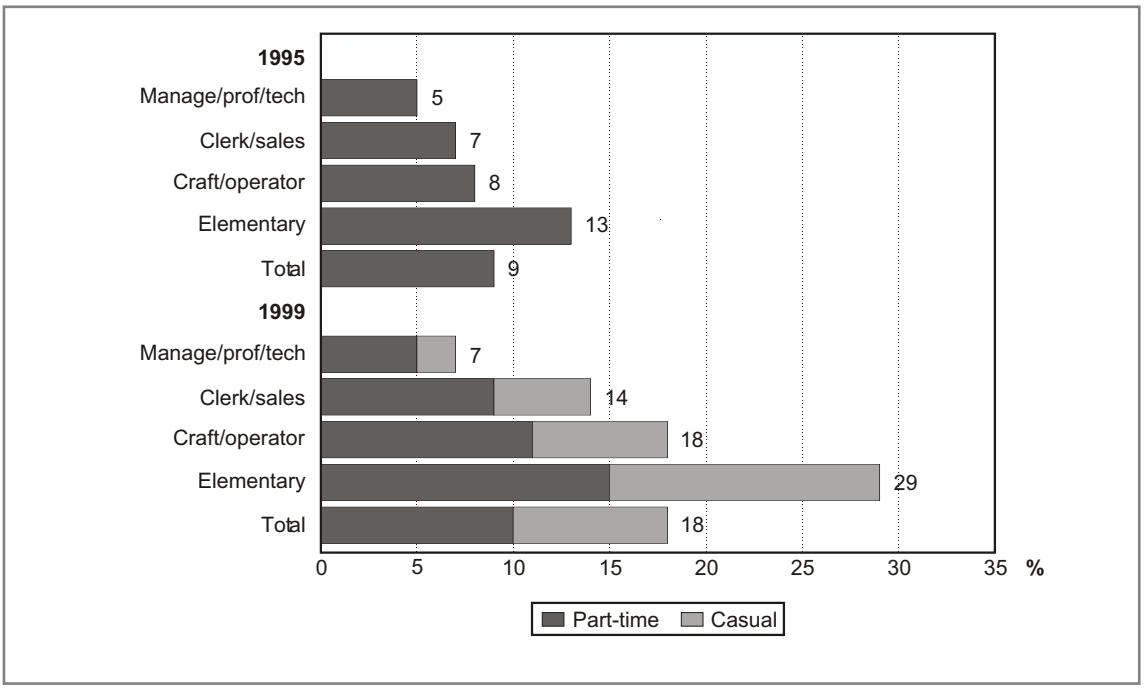
- In 1995, 17% of employed people working in the construction industry did so on a part-time basis; by 1999 this had risen to 21%, and an additional 17% were employed as casual workers. As a result, in 1999 more than one in every three (38%) construction workers were either part-time or casual.

- In the trade and agriculture sectors one in every four workers (24% and 23% respectively) were employed on a part-time or casual basis in 1999.

- The opportunities for part-time employment appear to be fewer in the finance, mining and utilities sectors, with under 10% of employed people in these sectors working on a part-time or casual basis in either 1995 or 1999.

In terms of the occupational distribution of part-time and casual jobs, Figure 7.6 shows some interesting trends. Except among people employed in the highest occupation group (managers, professionals and technicians), the proportion employed on a part-time and casual basis in each broad occupation group doubled between 1999 and 1995.

Figure 7.6: Percentage in each occupational category that is part-time and casual, 1999 compared with 1995



Note: Miners are under-reported in 1995. Elementary includes skilled agricultural workers
Source: OHS, 1995 and 1999

In 1999, three out of every ten elementary workers (29%) were part-time or casual while nearly two out of every ten craft and assembly workers had this type of work arrangement. In comparison, in 1995, 13% of elementary occupations and 8% of the broad occupational group that includes craft and assembly workers were part-time. This suggests that the shift towards part-time and casual employment was more pronounced in the lower occupation categories.

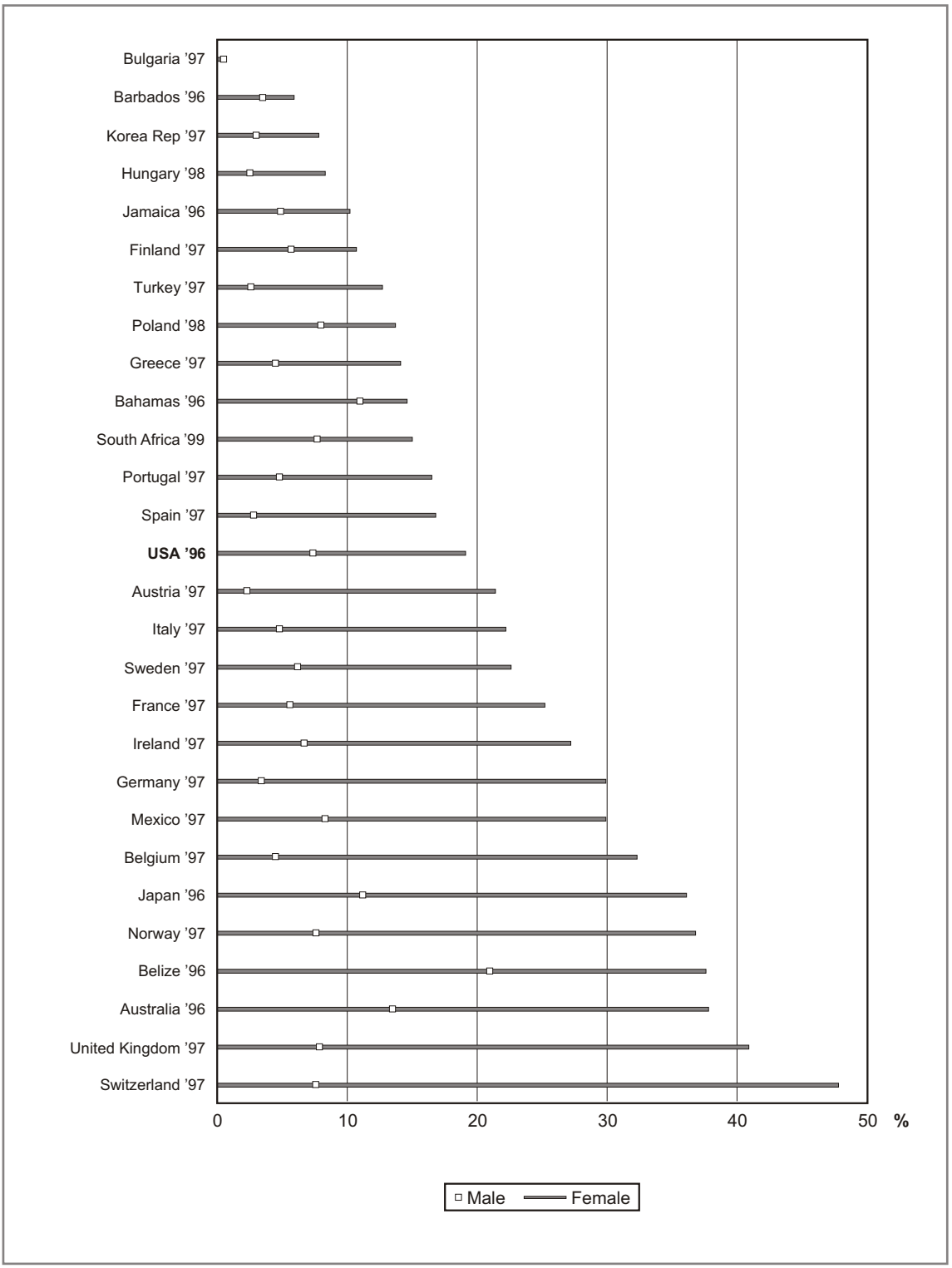
International comparisons

There is no official ILO definition as to the point at which full-time work begins, largely because it varies from country to country. In common with many countries, the OHS in South Africa establishes a dividing line based on respondents' interpretation of their personal work situations, rather than utilising a measure of full-time and part-time employment based on the number of hours worked in a specific time period. As indicated earlier, in South Africa (see Box 7.1), using a cut-off based on the number of hours in the working week does not capture distinctive features of the situation faced by part-time and casual workers with regard to certain benefits.

But since part-time work is also associated with less than a certain maximum number of hours of work, the OECD and ILO tend to use a standard measure of less than 30 hours per week as their operational definition for cross-country comparisons. Based on this international definition of less than 30 hours per week, part-time employment in South Africa in 1999 among women (15%) was comparable to countries such as Bahamas and Portugal. And only in Belize was the proportion of men working part-time greater than 15%.

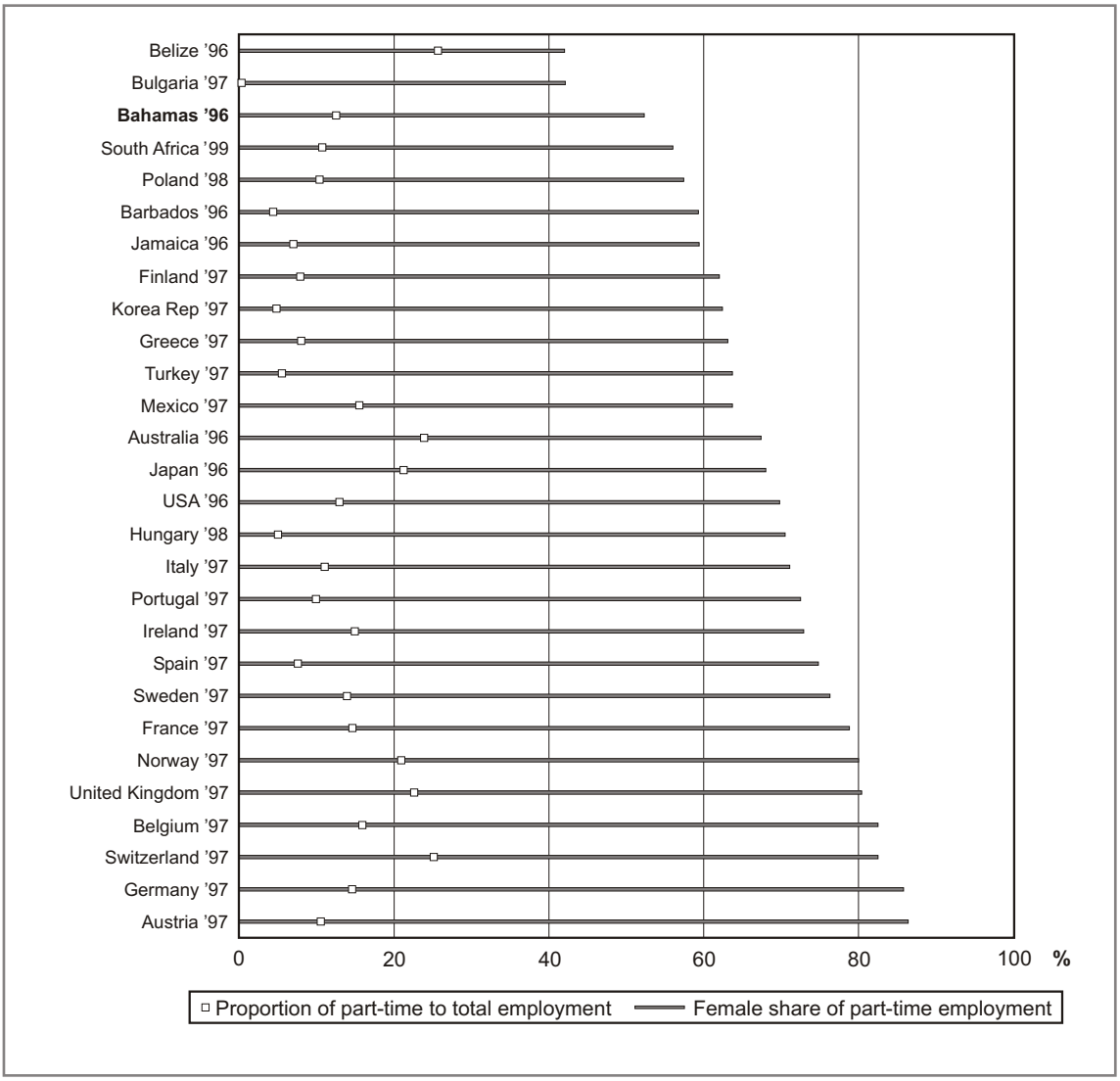
Figure 7.7 shows that part-time employment (based on a 30-hour week in most countries) remained largely female dominated, but varied considerably across countries. In Switzerland, more than 50% of all employed women worked part-time but this percentage falls to under 10% in Barbados, Republic of Korea and Eastern European countries such as Bulgaria and Hungary. Part-time work featured much less in transition economies (Bulgaria and Hungary). Because of the full-employment policy in the former communist countries, such atypical work arrangements were virtually non-existent before 1990. With the increase in private sector activity following the breakdown of state employment, part-time work has increased rapidly in these countries, but is still relatively uncommon for both men and women (UNECE, 2000).

Figure 7.7: Percentage of people working part-time (less than 30 hours per week) in selected countries



Note: For OECD countries part-time employment is generally defined in terms of a 'usual/normal' work-week of less than 30 hours, excluding over-time work. However, for South Africa, Korea Rep, Hungary, Japan and Australia data refer to 'actual' hours worked. The cut-off for part-time work for Caribbean countries varies from 24 to 35 hours per week, for Poland is 39 hours per week, for Austria 36 hours per week and for Japan 35 hours per week.
Sources: ILO, 1999; OHS, 1999

Figure 7.8: Female share of part-time employment (less than 30 hours per week) in selected countries

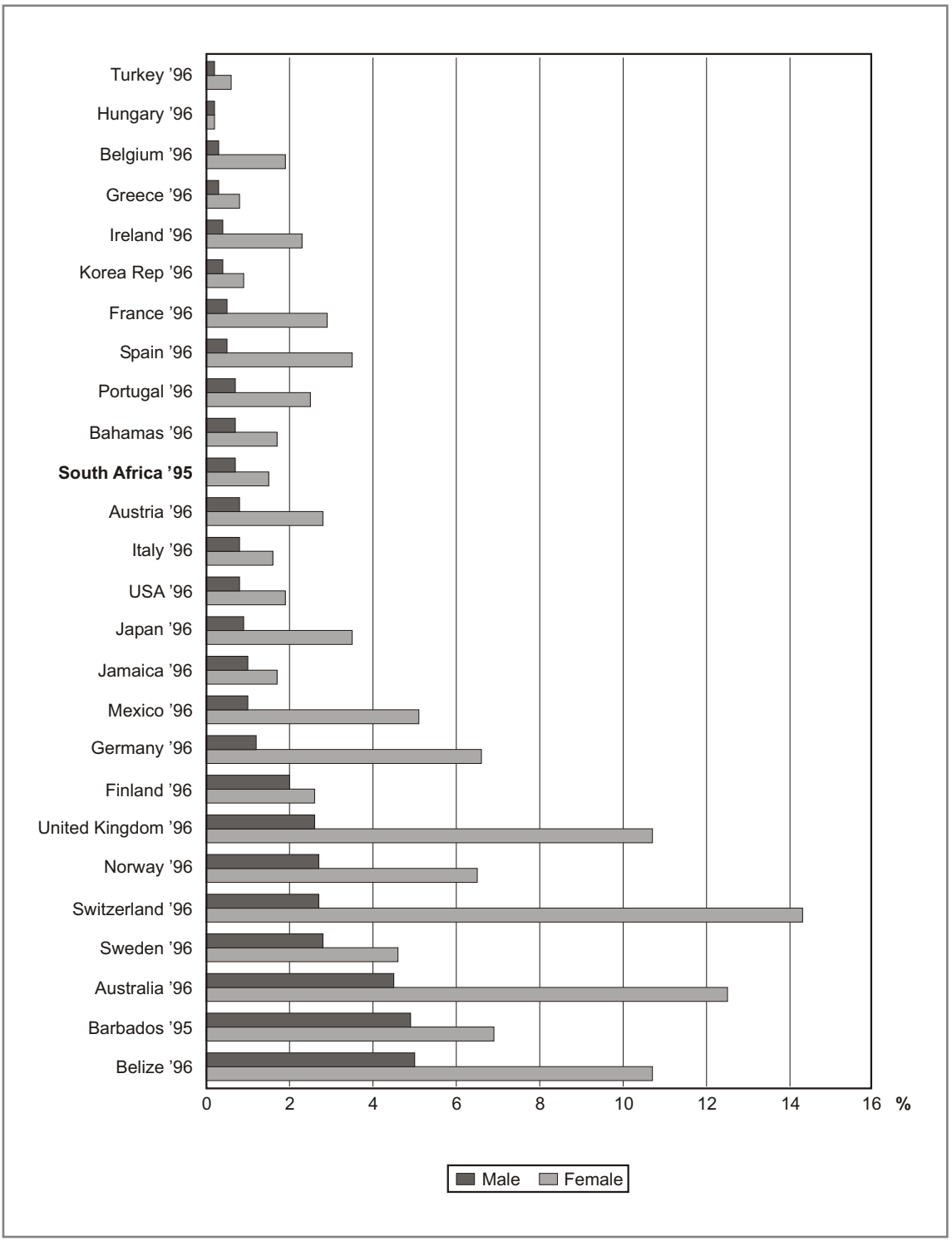


Note: For OECD countries part-time employment is generally defined in terms of a 'usual/normal' work-week of less than 30 hours, excluding overtime. However, for South Africa, Korea Rep, Hungary, Japan and Australia data refer to 'actual' hours worked. The cut-off for part-time work for Caribbean countries varies from 24 to 35 hours per week, for Poland is 39 hours per week, for Austria 36 hours per week and for Japan 35 hours per week.
Sources: ILO, 1999; OHS, 1999

Among all those who worked for less than 30 hours per week (Figure 7.8), the percentage of women varies from just over 40% in Bulgaria (1997) and Belize (1996) to over 85% in Austria (1997) and Germany (1997). South Africa lies towards the bottom of this range – women accounted for 56% of people who were employed for less than 30 hours per week.

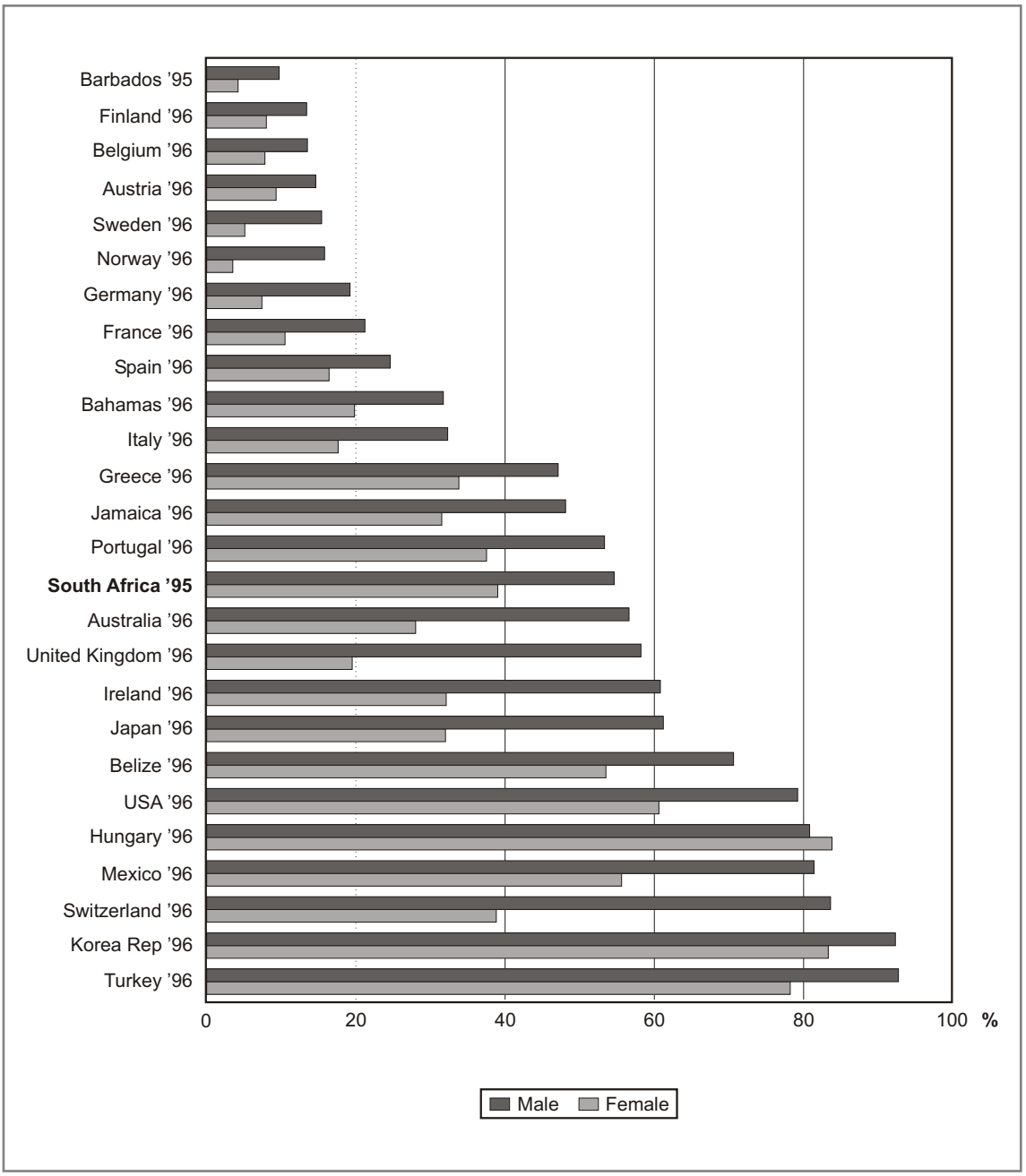
Except in Hungary, the percentage of women who worked less than 10 hours per week was higher than the percentage of men who did so (Figure 7.9). In South Africa (1995), as in countries such as Portugal and Bahamas (1996), the percentage of men with a working week of less than 10 hours was less than 1%. And the percentage of women working less than 10 hours per week in South Africa (2%) was similar to countries such as Bahamas, USA, and Italy. Notably, the percentage of women working less than a 10-hour week was highest in Switzerland and Australia.

Figure 7.9: Percentage of employed people working less than ten hours per week in selected countries



Note: Data refer to usual hours worked, except for South Africa, Korea Rep, Hungary, Japan and Australia where data refer to 'actual' hours worked.
Sources: ILO, 1999; OHS, 1999

Figure 7.10: Percentage of employed people working more than 40 hours per week in selected countries



Note: Data refer to usual hours worked, except for South Africa, Korea Rep, Hungary, Japan and Australia where data refer to 'actual' hours worked.
Sources: ILO, 1999; OHS, 1999

In common with countries elsewhere in the world (except Hungary), in South Africa a working week longer than 40 hours was more frequent among men than among women. In South Africa (1995), slightly more than one in every two employed men (54%) worked more than 40 hours per week, similar to countries such as Portugal (1996) and Australia (1996). In comparison, less than 40% of employed women in South Africa worked more than 40 hours each week (Figure 7.10).

The gender gap in longer working hours per week was largest in Switzerland, where 84% of employed men worked more than 40 hours per week compared with only 39% of employed women who did so.

Summary

Although part-time and casual work may offer greater flexibility – particularly to women – in terms of a wider choice of working hours, part-time and casual workers are often at a disadvantage in comparison with colleagues who work full-time. Because part-time and casual workers do not generally qualify for certain work-related benefits, this type of work arrangement may be less beneficial to many who need full-time jobs.

The analysis presented in this chapter shows that part-time employment – particularly among men – rose in 1999 compared with 1995. This was accompanied by a fall in full-time employment overall. Whereas full-time employment among men declined between 1995 and 1999, among women, full-time jobs increased during the period.

Irrespective of population group, the percentage of women engaged on a part-time or casual basis was substantially higher than that of men. Irrespective of population group, the percentage of workers employed on a part-time or casual basis rose in 1999 compared with 1995, although the shift was less pronounced among whites. The shift towards part-time and casual employment was largest among Africans.

In terms of the provinces, in 1999 Eastern Cape and KwaZulu-Natal had the largest proportion of part-time and casual workers in their respective workforces. In both provinces, by 1999 one in every four workers was either part-time or casual.

The industrial and occupational distributions of part-time and casual jobs also show some interesting patterns. Construction, trade and agriculture are particularly dependent on part-time and casual employment. For example, in 1999 one in every three construction workers (38%) was employed on a part-time or casual basis. In terms of occupation, except for the highest occupation category (managers, professionals and technicians), there was a sharp increase in the proportion of part-time and casual workers over the period 1995 to 1999.

Because of large variations in definitions across countries, there is no official ILO definition as to the point at which part-time work begins. However, for cross-country comparisons, a 30-hour working week is used as an operational cut-off. On the basis of this definition, female part-time employment in South Africa in 1999 was comparable to countries such as Bahamas and Portugal in 1997 while only in Belize was the proportion of men working part-time greater than 15%.

PLEASE TURN THE PAGE

CHAPTER
Eight

THE INFORMAL SECTOR

Introduction

In many developing countries people rely on the informal sector for a livelihood when opportunities for formal sector employment are scarce. The lack of specialist skills, non-requirement of large capital investment and the ease with which businesses can be set up without being subject to government licences, supervision, control and reporting, all lead to increased scope for informal sector employment. But despite the growing importance of the informal sector to both employment and output – particularly in developing countries – definition and measurement of the sector are fraught with difficulty.

Definition of the informal sector

Table 8.1 shows a number of measures that have been developed over the years to quantify the size of the informal sector. Combinations of the criteria identified in Table 8.1 have also been used. Depending on which criterion is used, estimates of the informal sector can vary. For example, in Peru, estimates range from 31% to 60% of the economically active population in the country. As noted by Surez-Berenguela of the World Bank (1987), 'the disparity of these results shows the sensitivity of the measurement of the size and composition of the informal sector to the operational criterion chosen to define the sector'.

Table 8.1: Operational criteria commonly used in defining the informal sector

Criterion	Details
1. Firm size	Maximum of 10 workers
2. Occupational status/ Income level	Below legal minimum wage Below poverty line Underemployed workers
3. Occupational category	Self-employed or own-account workers (professionals might be excluded) Independent workers (domestic servants and non-remunerated family workers)
4. Legal criteria	Illegal unregistered business Activity and/or economic status - no well-defined property rights - no legal contractual agreements - tax evasion - non-enumerated enterprises

Source: Adapted from Surez-Berenguela and Ruben, 1987

The situation is equally difficult in South Africa. Since the inception of the household survey programme, questions have been included in the OHS to gain insight into the size and structure of the sector. In 1995, the definition used was similar to criterion 3 in Table 8.1 but incorporating an element of criterion 4. At that time, self-employed people and employers who were defined as working in the informal sector were those who were not registered for value added tax (VAT). Employees were not asked to indicate whether they were employed in the informal sector, nor were they asked about VAT registration. By default they were

counted as part of the formal sector. Modification of the OHS questionnaire to include employees meant that in 1999 VAT registration status was no longer a deciding factor and inclusion in the sector was solely by self-definition. Thus, comparisons across the two time periods should be regarded with caution.

Socio-economic characteristics

Agriculture is sometimes excluded from informal sector statistics since informal activities in agriculture tend to be of a different nature and surveys often exclude them. Whether or not domestic workers are included as part of the informal sector depends on specific country circumstances. Against this background, the analysis in this chapter excludes agriculture but includes domestic workers as part of the informal sector and where necessary identifies them as a separate group.

Table 8.2: Employment in the informal sector, 1995 compared with 1999

	Total ('000)	Agriculture ('000)	Total excluding agriculture ('000)
1995			
Employees	n.a	n.a	n.a
Own-account workers	431	18	413
Both	118	8	110
Domestic workers	704	0	704
Total including employees	**n.a**	**n.a**	**n.a**
Total excluding employees	**1 253**	**26**	**1 227**
1999			
Employees	813	143	670
Own-account workers	1 030	142	888
Both	64	11	53
Domestic workers	799	0	799
Total including employees	**2 706**	**296**	**2 410**
Total excluding employees	**1 893**	**153**	**1 734**

Sources: OHS, 1995 and 1999

As discussed earlier, in 1999 Stats SA used a modified OHS questionnaire, in which the informal sector includes employees working for informal businesses. Since the relevant questions were not asked to employees in 1995, it is only possible to provide a comparative analysis of the sector in 1995 and 1999 with regard to own-account workers.

Table 8.2 shows that, excluding agriculture, the number of own-account workers in the informal sector more than doubled between 1995 and 1999 – from 413 000 in 1995 to 888 000 in 1999. Excluding employees, non-agricultural informal employment rose by 41,3% between 1995 and 1999 from 1,2 million to 1,7 million.

Table 8.3 provides an alternative and more complete picture of the relative sizes of the formal and informal sectors in 1999 (including employees).

Table 8.3: Employment in the informal and formal sectors of the economy, 1999

	Informal ('000)	Domestic ('000)	Formal ('000)	Unsp ('000)	Total ('000)
Including agriculture					
Male	1 126	36	4 777	70	6 009
Female	781	763	2 769	41	4 353
Total	**1 907**	**799**	**7 546**	**111**	**10 362**
Agriculture					
Male	165	0	550	6	721
Female	131	0	242	3	377
Total	**296**	**0**	**793**	**9**	**1 098**
Excluding agriculture					
Male	961 (18%)	36 (1%)	4 227 (81%)	64	5 288 (100%)
Female	650 (16%)	763 (19%)	2 527 (64%)	38	3 976 (100%)
Total	**1 611 (18%)**	**799 (9%)**	**6 753 (74%)**	**102**	**9 264 (100%)**

Note: Totals exclude unspecified sex.
Source: OHS, 1999

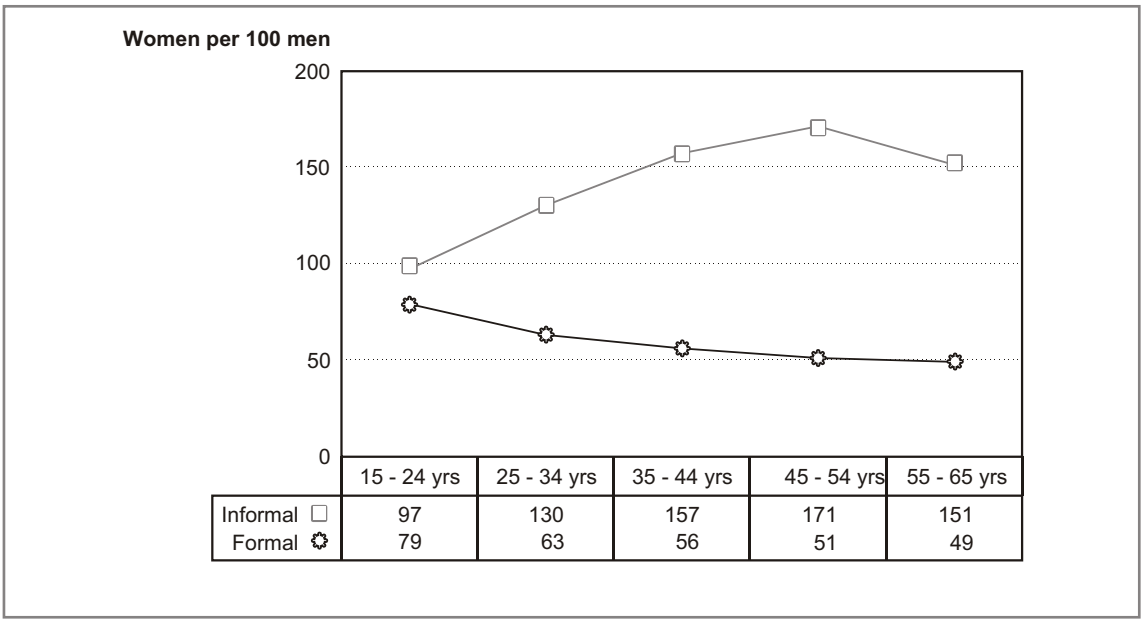
Of the 10,4 million employed people aged 15-65 years in 1999, 1,1 million worked in agriculture (296 000 in informal agriculture and 793 000 in formal agriculture). When agriculture is excluded from the overall employment total, there were 9,3 million people aged 15-65 years employed in non-agricultural activities, of whom 1,6 million were in the informal sector, 799 000 were domestic workers and 6,8 million were engaged in activities in the formal sector.

- Gender differences in employment in the informal sector are large on account of the inclusion of domestic workers, who tend to be mostly women.

- For example, excluding domestic work, the informal sector accounts for 18% of non-agricultural employment among men and a slightly lower proportion (16%) among women. However, the inclusion of domestic workers pushes up the proportion of men engaged in non-agricultural activities in the informal sector to 19% compared with 35% among women (Table 8.3).

- In contrast, the formal sector, excluding agriculture, provides jobs for 81% of employed men compared with only 64% of employed women.

Figure 8.1: Gender differences in non-agricultural employment in the formal and informal sector, 1999



	15 - 24 yrs	25 - 34 yrs	35 - 44 yrs	45 - 54 yrs	55 - 65 yrs
Informal □	97	130	157	171	151
Formal ✿	79	63	56	51	49

Source: OHS, 1999

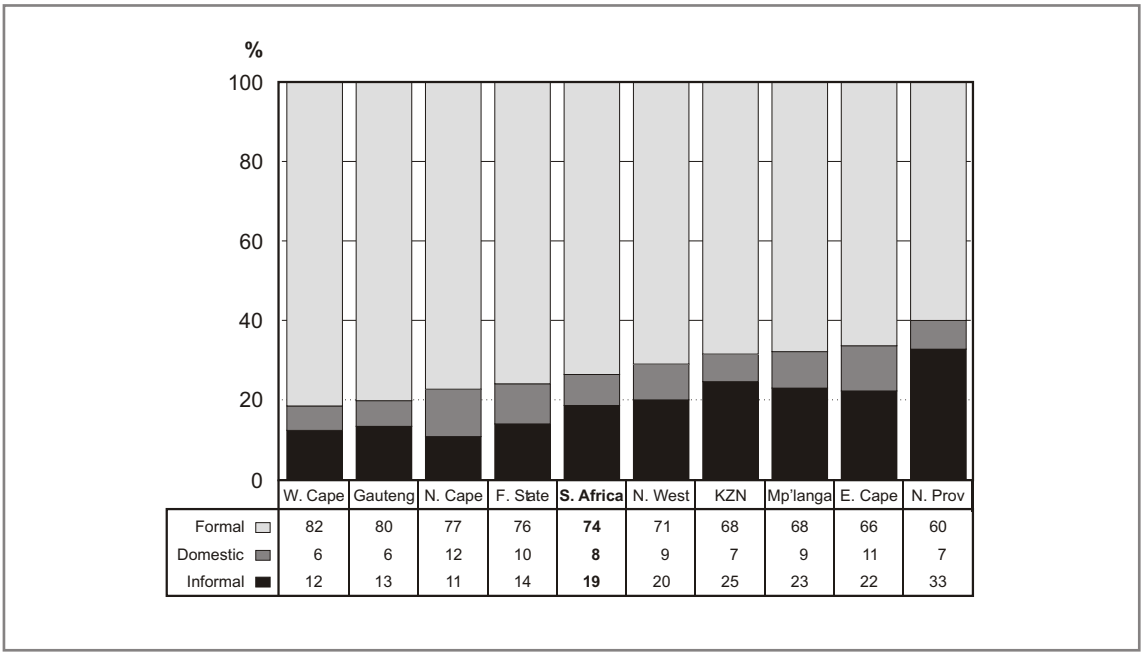
Striking gender differences in the age profile of non-agricultural workers in the formal and informal sectors are illustrated in Figure 8.1.

- Nationally, among all age groups there are 142 women per hundred men in non-agricultural employment in the informal sector (including domestic workers) compared with 60 women per hundred men in the formal sector.

- Figure 8.1 shows that, except for the oldest age group (55-65 years), the number of women relative to men employed in the informal non-agricultural sector rises with increasing age, reaching 171 per hundred men in the 45-54 year age group, then decreases to 151 women per hundred men in the 55-65 year age group.

- In contrast, in the formal non-agricultural sector, apart from men outnumbering women by a large margin, there is a steady decline in the number of women per hundred men as age increases.

Figure 8.2: Non-agricultural employment in the formal and informal sector by province, 1999



	W. Cape	Gauteng	N. Cape	F. State	**S. Africa**	N. West	KZN	Mp'langa	E. Cape	N. Prov
Formal	82	80	77	76	**74**	71	68	68	66	60
Domestic	6	6	12	10	**8**	9	7	9	11	7
Informal	12	13	11	14	**19**	20	25	23	22	33

Source: OHS, 1999

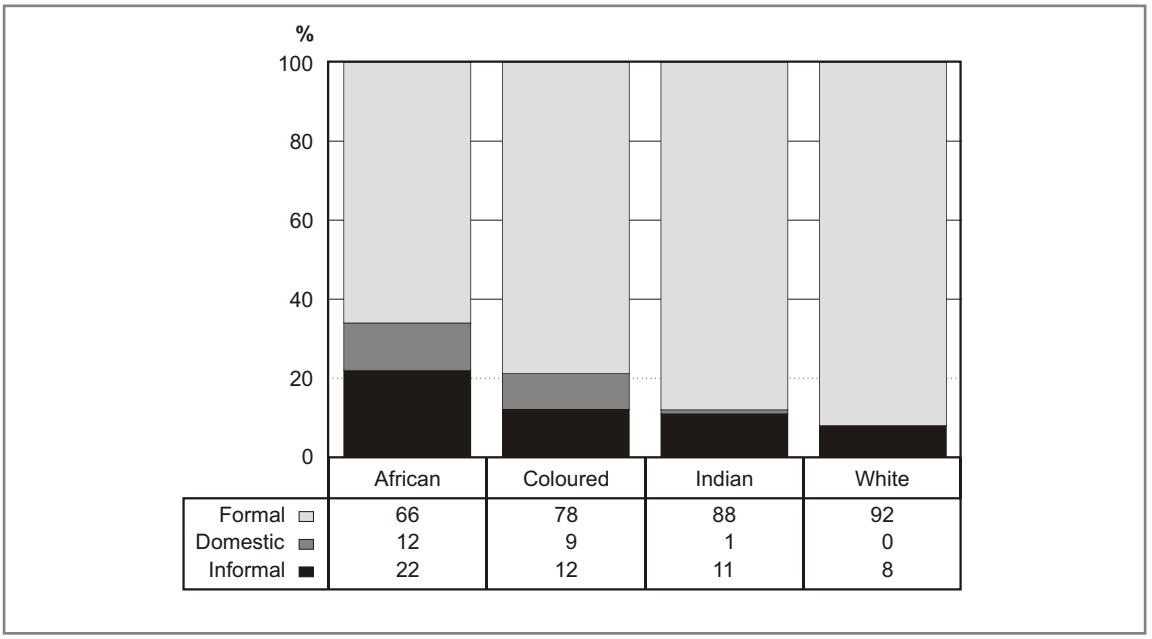
Figure 8.2 shows a large provincial variation in the relative sizes of the formal and informal sectors. Nationally, of the 9,2 million non-agricultural workers in 1999, 74% were employed in the formal sector, 19% were in the informal sector and 8% were domestic workers. Thus, if domestic workers are included, the informal sector accounted for 27% of total non-agricultural employment in 1999.

- In the more urbanised provinces, four in every five non-agricultural jobs were in the formal sector. For example, in Gauteng 80% of the employed (excluding agriculture) had jobs in the formal sector, and in Western Cape 82%, compared with 60% in Northern Province.

- Reflecting the large provincial variation in formal sector work opportunities, the informal sector (including domestic workers) was largest in Northern Province, accounting for 40% of non-agricultural employment, followed by Eastern Cape (33%) and KwaZulu-Natal (32%).

- Domestic workers accounted for the largest share of employment in Northern Cape (12%), Eastern Cape (11%) and Free State (10%).

Figure 8.3: Non-agricultural employment in the formal and informal sector by population group, 1999

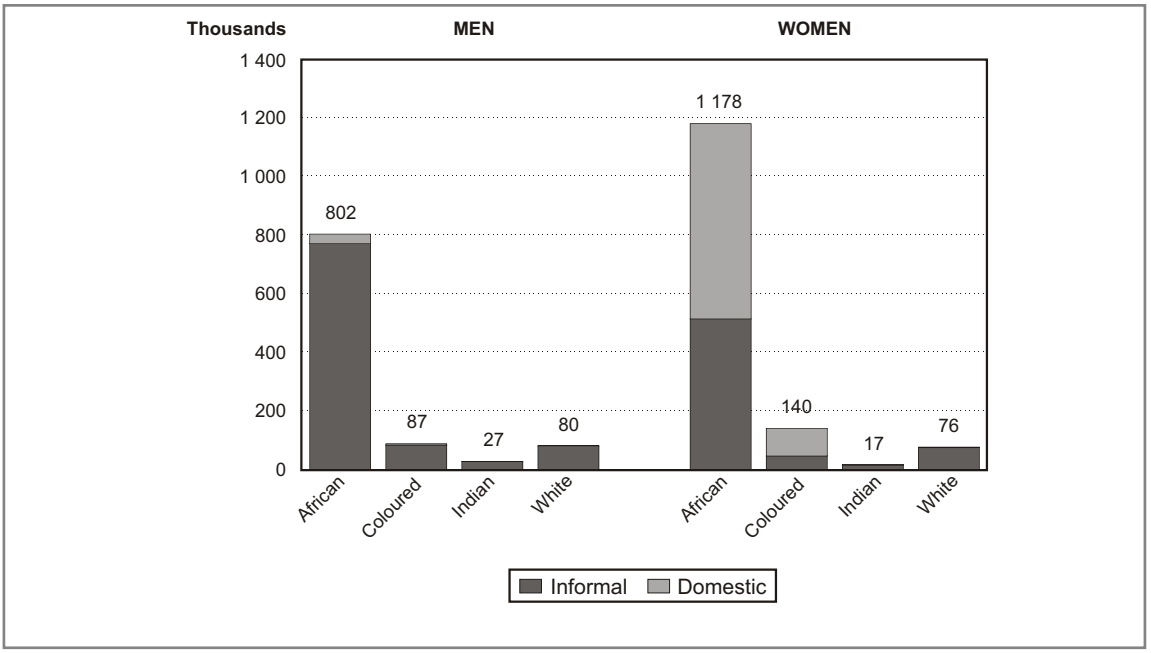


	African	Coloured	Indian	White
Formal	66	78	88	92
Domestic	12	9	1	0
Informal	22	12	11	8

Source: OHS, 1999

In 1999 approximately nine out of every ten employed whites (92%) and Indians (88%) worked in the formal sector (excluding agriculture), compared with 66% of Africans and 78% of coloureds. In comparison, one in every three employed Africans (34%) worked in the informal sector, among coloureds one in five (21%) and among Indians one in ten (12%) (see Figure 8.3).

Figure 8.4: Gender differences in non-agricultural employment in the informal sector by population group



Source: OHS, 1999

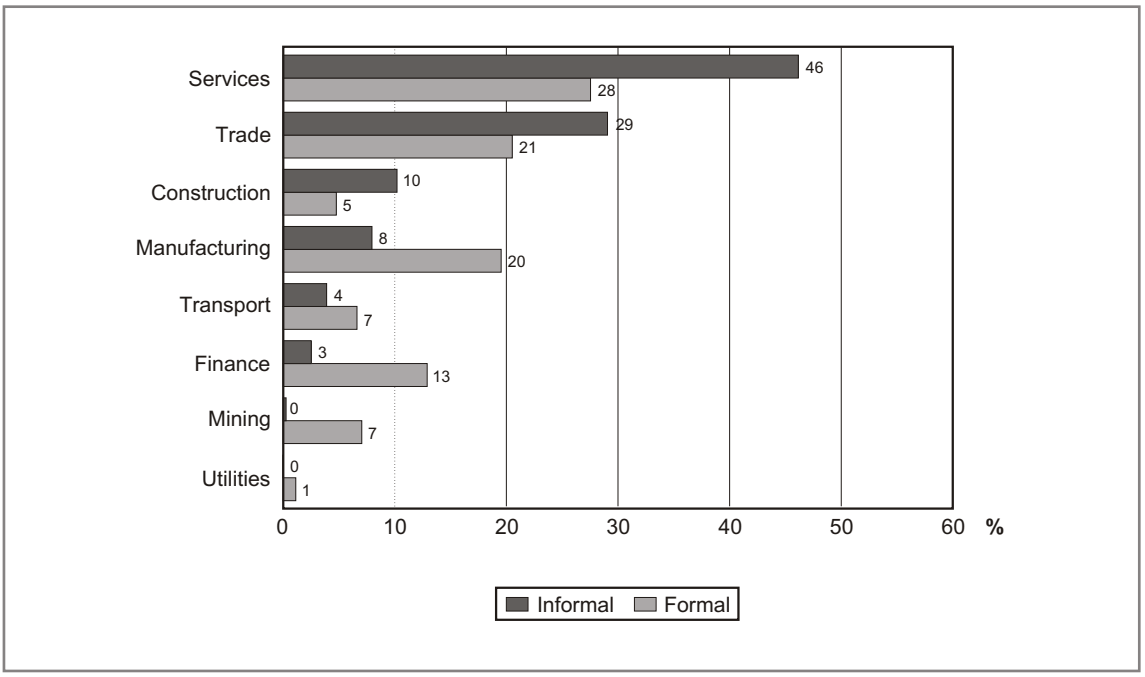
Figure 8.4 shows the dominance of Africans (in particular female domestic workers) in the distribution of informal sector workers by population group. The relatively small size of the informal sector means that provincial and population group distributions must be interpreted with caution.

- In 1999, of the 2,4 million people (including 799 000 domestic workers) in informal non-agricultural employment 2,0 million (82%) were African, 227 000 were coloured (9%), 44 000 (2%) were Indian and 155 000 (6%) were white.

- Non-agricultural employment in the informal sector was dominated by African women. Among the 1,2 million African women employed in the informal sector, more than half (665 000) were domestic workers.

The distribution of formal and informal sector jobs by industry also shows some interesting patterns (Figure 8.5).

Figure 8.5: Non-agricultural employment in the formal and informal sector by industry, 1999

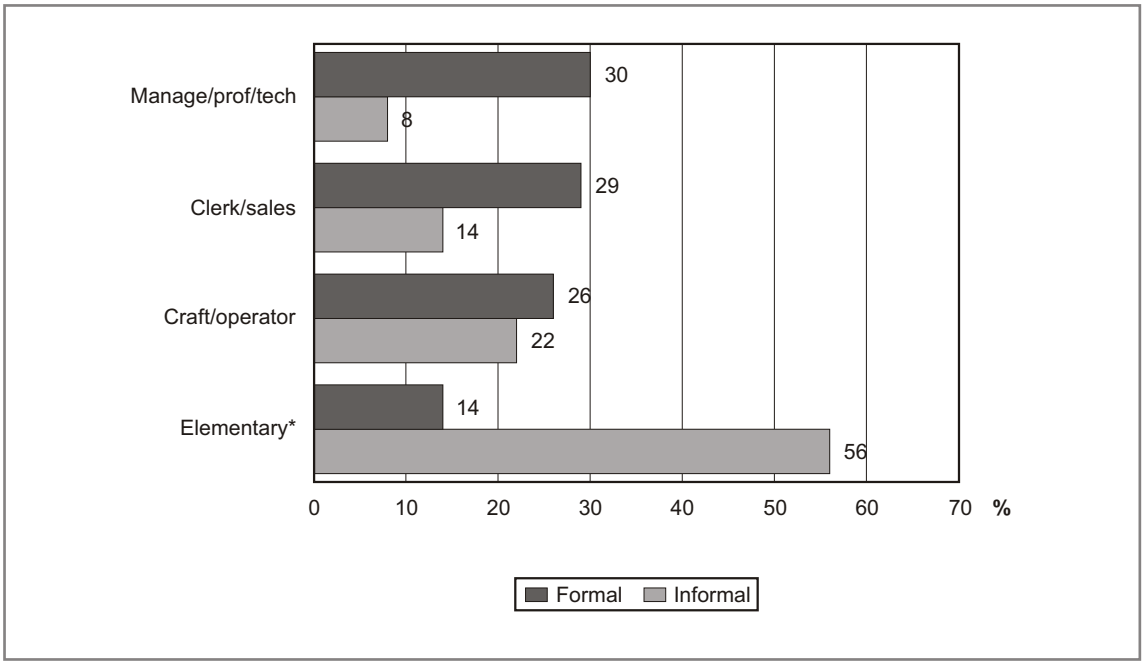


Source: OHS, 1999

- The service industry provides the largest percentage of jobs in both the informal (46%) and formal sectors (28%) of the economy. The relatively large size of the service industry in the informal sector is attributable to the inclusion of domestic workers.

- As illustrated in Figure 8.5, trade is the second largest industry among workers in both sectors – accounting for 29% of employment opportunities in the informal sector and 21% in the formal sector.

Figure 8.6: Non-agricultural employment in the formal and informal sector by occupation, 1999



Source: OHS, 1999

The distribution of non-agricultural employment by occupation in the informal sector is markedly different from that in the formal sector (Figure 8.6). Non-agricultural employment in the formal sector is more evenly distributed across occupational groups than in the informal sector.

- Whereas managers, professionals or technicians account for 30% of non-agricultural employment in the formal sector, only 8% of informal sector workers fall into that category.

- Reflecting the dominance of domestic workers in the activities of the informal sector, 56% of workers in the informal sector are engaged in routine jobs in the elementary occupation category, compared with 14% of workers in elementary positions in the formal sector.

- Craft and assembly/operator jobs account for the second highest percentage of jobs in the informal sector (22%).

International comparisons

Table 8.4 provides an indication of the size of the informal sector in selected countries, while Figure 8.7 shows important gender differences. Extreme caution is required when making cross-country comparisons since, as shown in Table 8.4, the definitions (and time-frames) vary across countries and it is difficult to gauge the extent to which these differences influence the reported figures. In addition, the relative sizes of the urban and rural populations may be based on different concepts.

Table 8.4: Percentage of people employed in the informal sector in selected countries

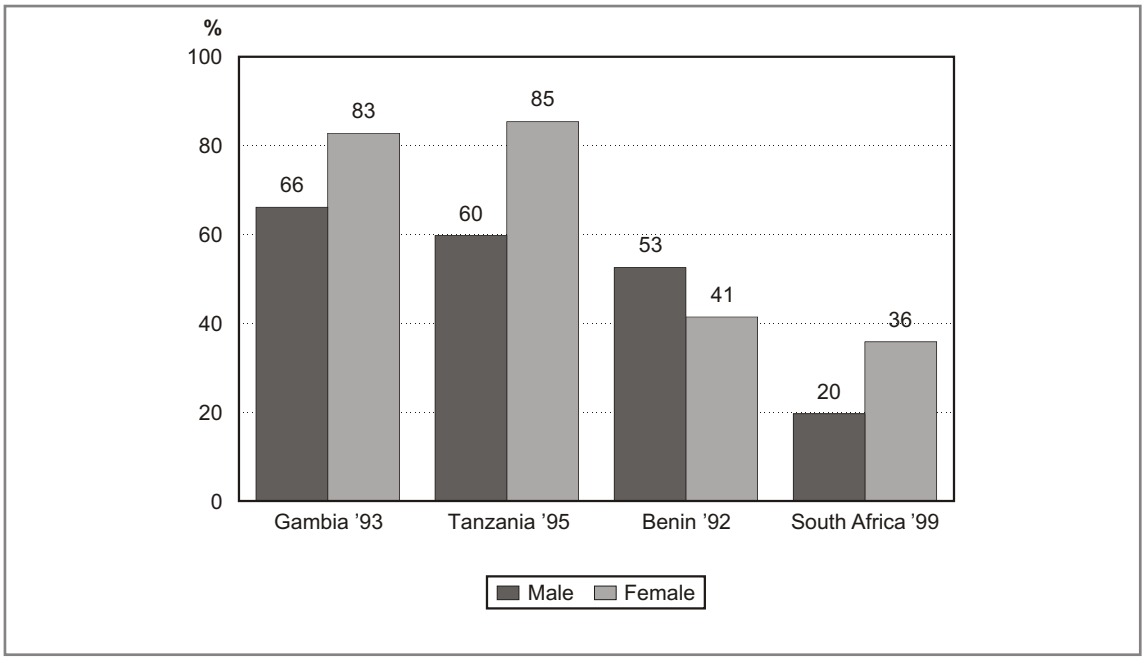
Country	% of total employ-ment	Coverage	Definition
Kenya '95	58,1	Urban and rural (excl. agriculture, mining, utilities, finance)	Small scale activities in market stalls, on underdeveloped plots, on pavements, without fixed location
Madagascar '95	57,5	Urban (excl. agriculture)	Without statistical number and/or without formal written accounts
Mauritius '92	24,0	Urban and rural (excl. agriculture and utilities)	Small and itinerant units with less than ten people engaged and without a fixed location
Tanzania '95	67,0	Urban (agriculture partly excluded)	No complete accounts, less than six employees
Benin '92	47,9	Urban (incl. manufacturing, trade, transport, services)	Mobile or with a semi-fixed location, plus fixed location, but no formal accounts or not registered
Gambia '93	72,4	Urban (excl. agriculture)	Less than six workers or no fixed location
Mali '96	71,0	Urban (excl. agriculture)	No complete accounts, less than eleven persons engaged, no registration, including domestic workers
South Africa '99	26,4	Urban and non-urban (excl agriculture)	Self-definition, including domestic workers
- Urban	21,5	(excl. agriculture)	"
- Non-urban	37,8	(excl. agriculture)	"

Sources: ILO, 1999; OHS, 1999

In countries such as Gambia (1993) and Mali (1996) nearly three out of every four workers in urban areas were employed in the informal sector. In comparison, urban informal sector employment accounted for 22% of urban employment in South Africa (1995), 48% in Benin (1992) and 67% in Tanzania (1995).

Based on the definitions reported in Table 8.4, the gender breakdown of informal sector employment is illustrated in Figure 8.7 for a small group of African countries for which broadly comparable data are available.

Figure 8.7: Informal sector employment as a percentage of total employment by sex

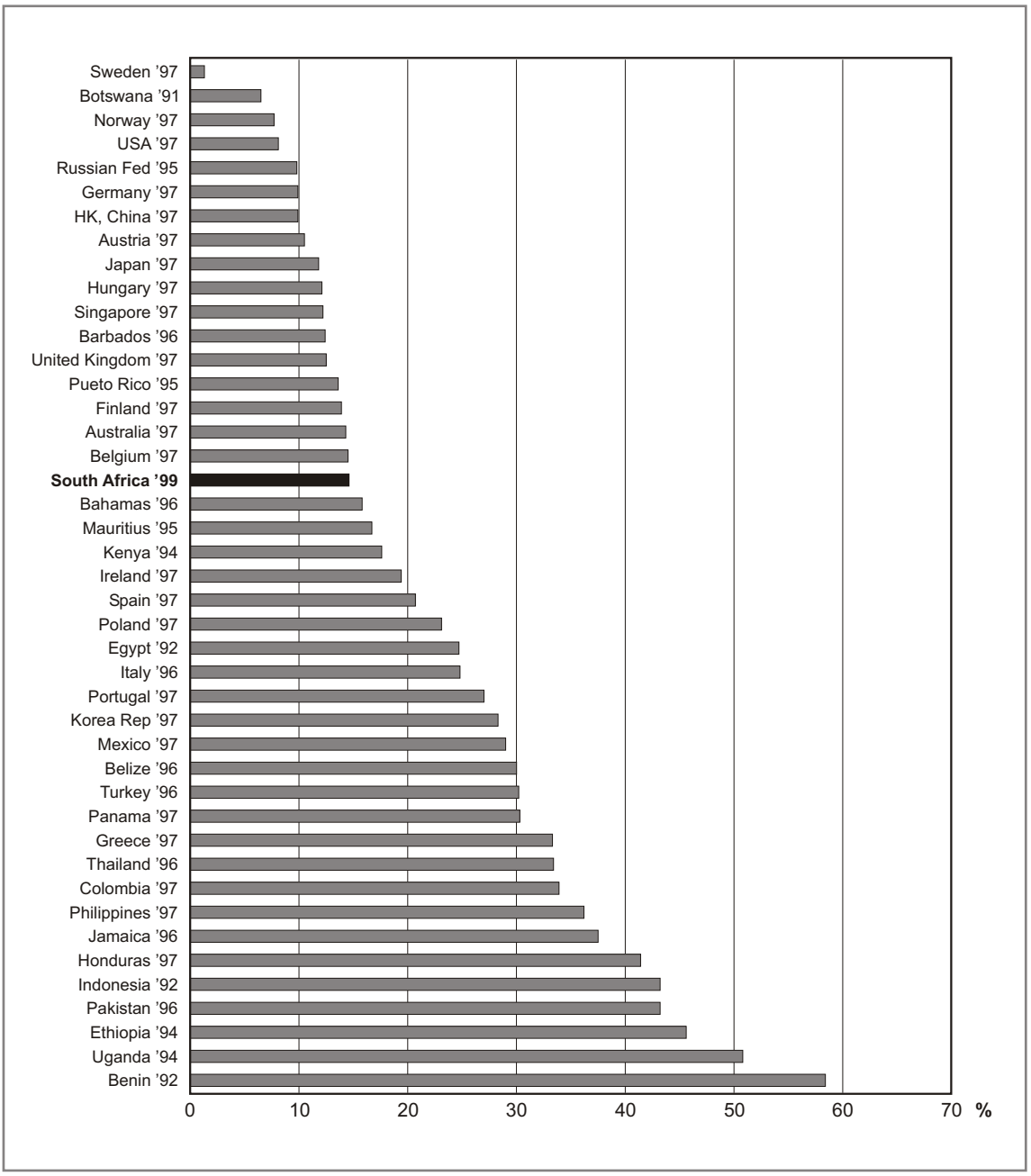


Note: For definitions of informal sector see Table 8.4.
Source: ILO, 1999; OHS, 1999

As illustrated in Figure 8.7, and similar to the situation found in South Africa (1999), women feature prominently in the informal sector in Gambia (1993) and Tanzania (1995). However, over 80% of employed women were engaged in activities in the informal sector in Gambia and Tanzania, compared with 36% in South Africa. In Benin, whereas one in every two employed men (53%) were engaged in activities in the informal sector, only two in every five employed women (43%) worked in the informal sector.

As indicated earlier, in many countries (and also in South Africa in 1995), the percentage of employed people that are self-employed is the basis for defining the informal sector, since it is among this group that distinctions are often made in relation to who is considered formal or not (see also Table 8.1 criterion 3). In the light of this, Figure 8.8 may provide a useful indication of the countries likely to have a sizeable informal sector.

Figure 8.8: Proportion of employed people that are self-employed in selected countries



Sources: ILO, 1999; OHS, 1999

Figure 8.8 shows that, with few exceptions, in the mid-1990s in developing countries there was typically a higher percentage of employed people who were self-employed than in industrial countries. The percentage of employed people who were self-employed (including employers and own-account workers) was 30% or more for most developing countries shown in Figure 8.8, compared with under 10% in countries such as Sweden, Norway and USA. South Africa is one of the few developing countries where self-employment is a relatively low percentage of total employment (14%). This would suggest that, to the extent that 'self-employed' does indeed provide a reasonable basis for gauging the size of the informal sector, employment in the informal sector in South Africa is perhaps similar to other developing countries such as Mauritius (1995) and Bahamas (1996).

Summary

In many developing countries people rely on the informal sector for a livelihood when opportunities for formal-sector employment are scarce. But despite the growing importance of the informal sector to employment and output, definition and measurement of the sector are fraught with difficulty.

The questions relating to informal sector activities in OHS 1999 were asked of employees of people working in the informal sector as well as own-account workers. In OHS 1995 only own-account workers were required to specify if their employment was in the formal or informal sector. As a consequence, it is not possible to make comparisons between 1995 and 1999 except in respect of own-account workers. In terms of this group, the analysis in this chapter shows that the number of informal own-account workers in non-agricultural employment more than doubled – from 413 000 in 1995 to 888 000 in 1999. When domestic workers (and those who work in both the informal and formal sector) are included in the informal sector, the numbers increase from 1,2 million in 1995 to 1,7 million in 1999.

A more comprehensive picture of the informal sector (including employees) suggests that in 1999 informal sector employment accounted for 27% of total non-agricultural employment. The sector is dominated by women – particularly African women – largely on account of the inclusion of domestic workers. And in Northern Province and Eastern Cape a large proportion of employed people work in the informal sector compared with in Western Cape and Gauteng.

The service and trade industries provide the greatest opportunities for non-agricultural employment in both the formal and informal sectors. In terms of occupation, more than one in every two jobs in the informal sector are elementary or routine, requiring few skills and little education, whereas only 14% of workers in the formal sector are in the elementary category.

International comparisons of informal sector employment are particularly difficult given the variety of definitions used from one country to another. However, the available information suggests that the percentage of workers employed in the informal sector in South Africa may be similar to that in Mauritius and somewhat smaller than elsewhere in Africa.

PLEASE TURN THE PAGE

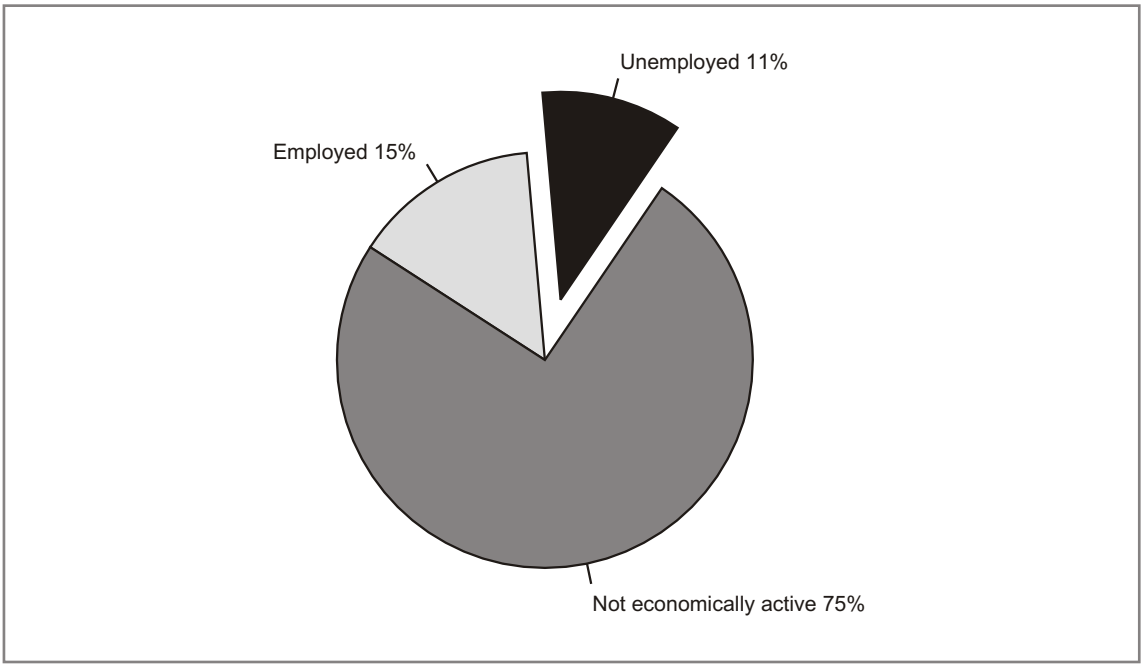
CHAPTER
Nine

YOUTH IN THE LABOUR MARKET

Introduction

The many obstacles to employment faced by youth often have profound effects. For the purpose of this report and to allow meaningful international comparisons, youth are defined as those aged 15-24 years.

Figure 9.1: Distribution of youth aged 15-24 years in the labour market in South Africa, 1999 (official definition)

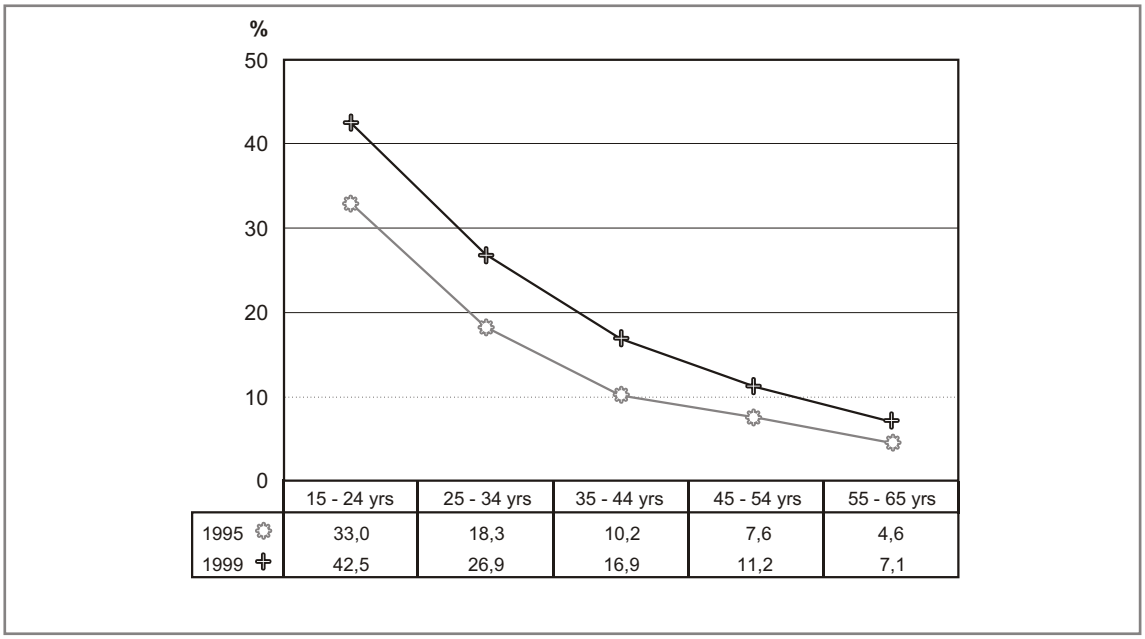


Source: OHS, 1999

In 1999, there were 26,3 million working-age people in South Africa, of which 8,9 million (34%) were aged 15-24 years. As indicated in Figure 9.1, three out of every four youth aged 15-24 years (75%) were not economically active. An additional 15% were employed and the remaining 11% were unemployed, according to the official definition. The vast majority of youth aged 15-24 years who were not economically active were students in various types of educational institutions (schools, colleges or universities).

Unemployment rates among youth

Figure 9.2: Trend in official unemployment rate by age, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Since the mid-1980s, youth unemployment rates have been high in most countries and consistently higher than the overall unemployment rate (UNECE, 2001, p. 97). As illustrated in Figure 9.2, in both 1995 and 1999, youth unemployment rates in South Africa were higher than for other age groups. Figure 9.2 also shows the rapid decline in unemployment rates as age increases. In 1995 the unemployment rate among 15-24 year old youth (33,0%) was more than seven times higher than the rate among people aged 55-65 years (4,6%). In 1999, although rates were higher for all age groups than in 1995, the youth unemployment rate of 42,5% was six times higher than among people aged 55-65 years.

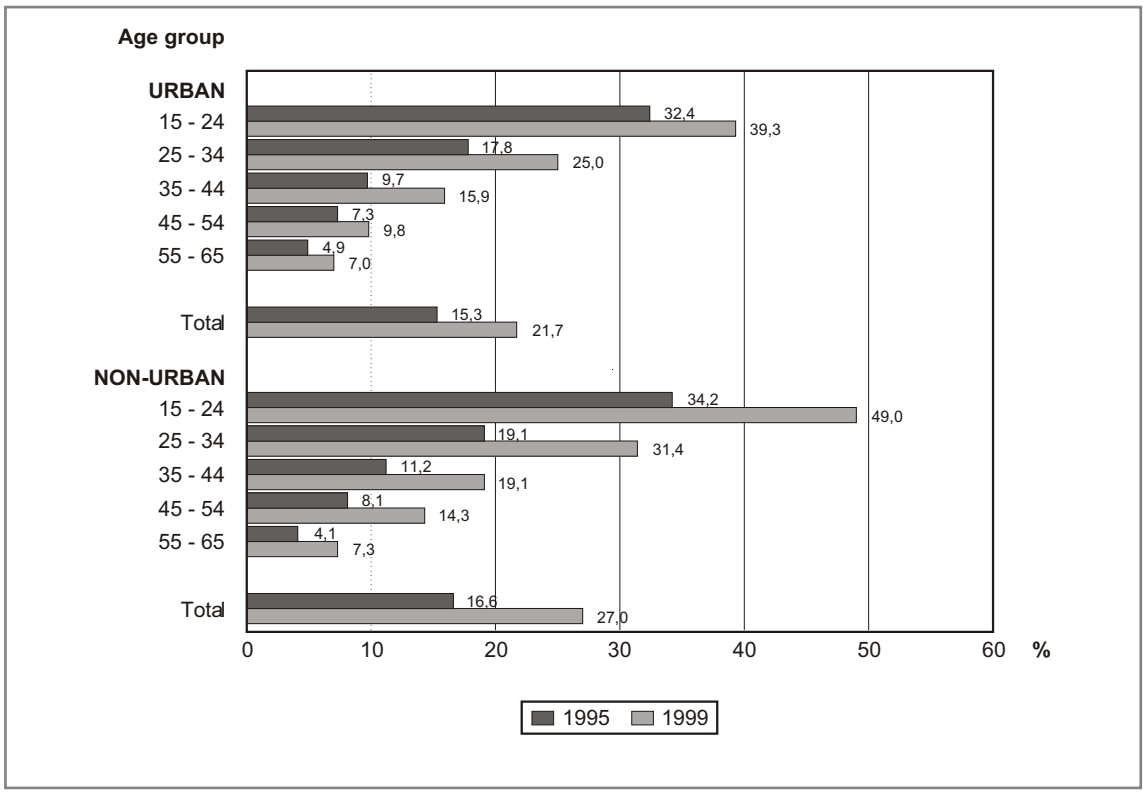
Table 9.1: Official unemployment rate by age and level of education, 1995 compared with 1999

	15-24yrs	25-34yrs	35-44yrs	45-54yrs	55-65yrs	Total
1995 (unemployment rate %)						
No education	28,4	18,4	12,7	10,0	5,7	13,1
Less than matric	37,2	23,3	13,3	9,2	5,0	18,9
Matric or higher	28,0	11,7	3,4	2,1	2,7	11,2
Total	**33,0**	**18,3**	**10,2**	**7,5**	**4,6**	**15,7**
1999 (unemployment rate %)						
No education	41,2	22,8	20,1	12,0	7,7	17,1
Less than matric	46,2	31,8	21,3	14,3	9,3	27,1
Matric or higher	38,4	21,5	7,9	3,8	1,9	19,3
Total	**42,5**	**26,9**	**16,9**	**11,2**	**7,1**	**23,3**

Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Table 9.1 highlights the relationship between education and unemployment. The official unemployment rate among youth aged 15-24 years with no education rose from 28,4% in 1995 to 41,2% in 1999 – the largest increase in unemployment rates in any education category. Irrespective of age group, in 1999 the unemployment rate among people with no education was lower than those who had less than matric. (See also Figure 3.5.)

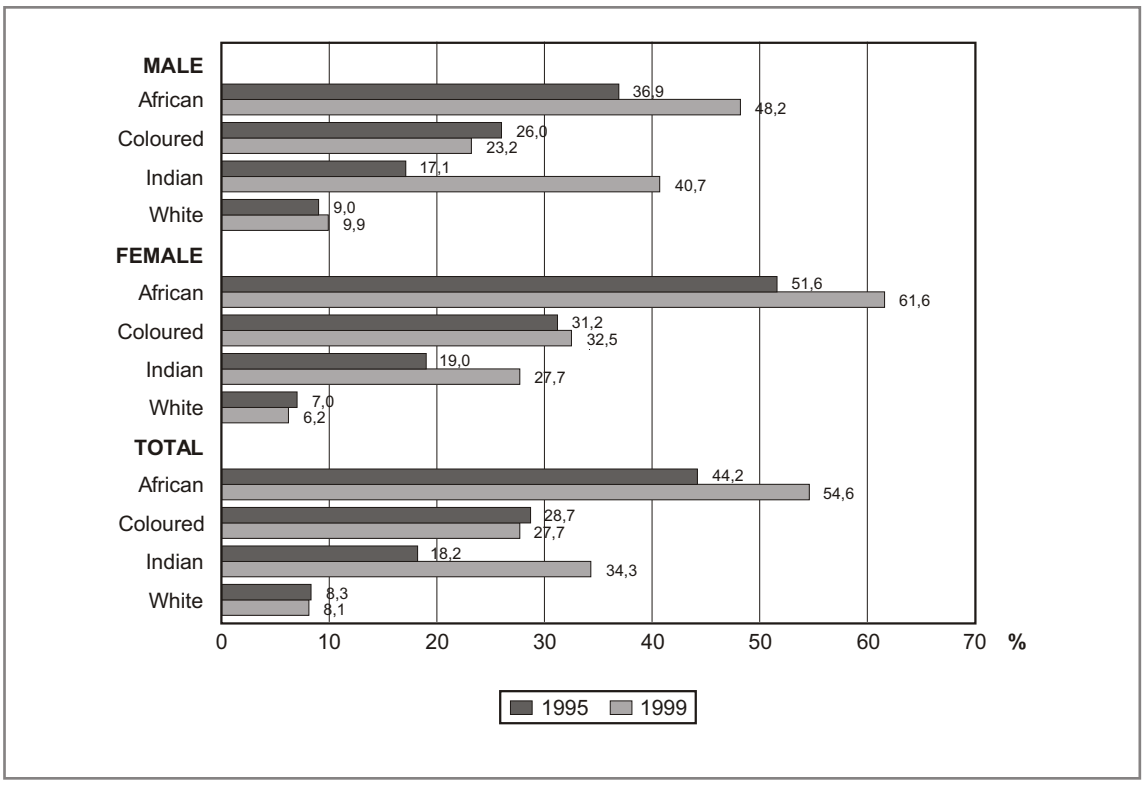
Figure 9.3: Official unemployment rate by age in urban and non-urban locations, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 9.3 shows that over the period 1995 to 1999, the unemployment rate for non-urban youth aged 15-24 years rose from 39,3% to 49,0%. This was the most rapid increase in either urban or non-urban areas. For all age groups, non-urban unemployment rates were generally higher than urban rates in 1995 and 1999.

Figure 9.4: Official unemployment rate among youth aged 15-24 years by sex and population group, 1995 compared with 1999

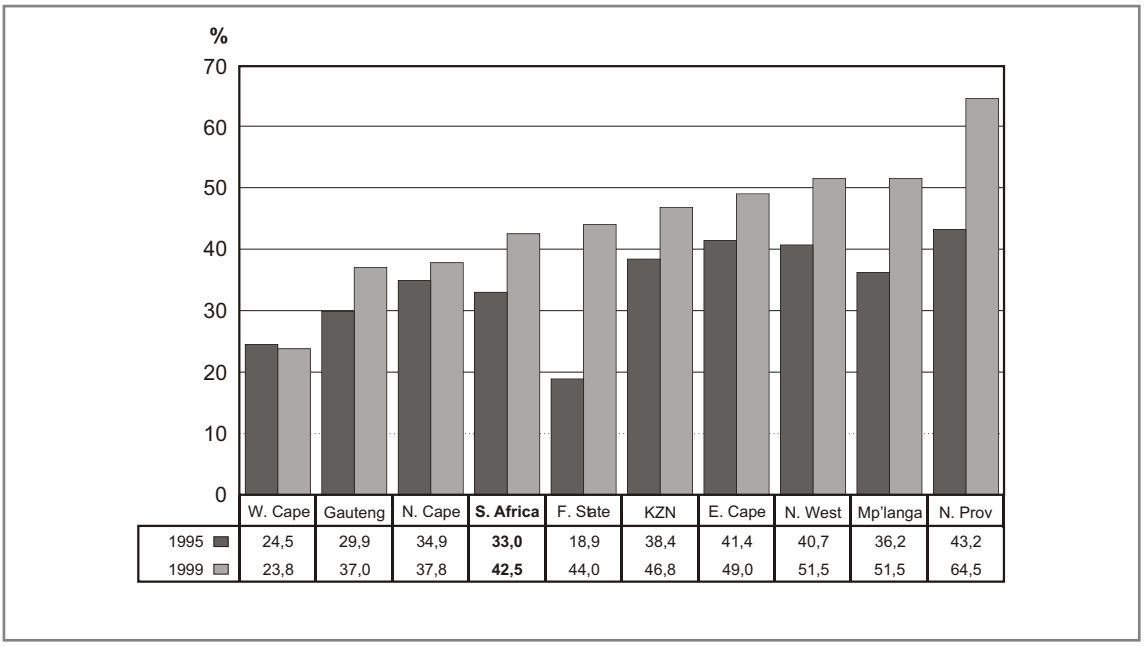


Note: Miners are under-reported inn 1995.
Sources: OHS, 1995 and 1999

Differences in unemployment rates by population group among youth are stark. Figure 9.4 shows that:

- In both 1995 and 1999 the unemployment rate among female African youth aged 15-24 was higher than male or female rates in the other major population groups in South Africa.
- Youth unemployment rates were generally higher in 1999 than in 1995 for all population groups and irrespective of sex, except in the case of coloured males and white females.
- The doubling of the unemployment rate among male Indian youth between 1995 and 1999 (from 17,1% to 40,7%) needs to be interpreted with caution; this could be unreliable as a result of the relatively small sample size of that group.
- Not only were youth unemployment rates among whites substantially lower than those of any other population group in both years, but there was also little change over the period.

Figure 9.5: Official unemployment rate among youth aged 15-24 years by province, 1995 compared with 1999



	W. Cape	Gauteng	N. Cape	**S. Africa**	F. State	KZN	E. Cape	N. West	Mp'langa	N. Prov
1995	24,5	29,9	34,9	**33,0**	18,9	38,4	41,4	40,7	36,2	43,2
1999	23,8	37,0	37,8	**42,5**	44,0	46,8	49,0	51,5	51,5	64,5

Note: Miners are under-reported in 1995
Sources: OHS, 1995 and 1999

The differences in provincial unemployment rates should be interpreted with caution given that miners are under-reported in 1995 and also because of the problem of the small sample size in Northern Cape.

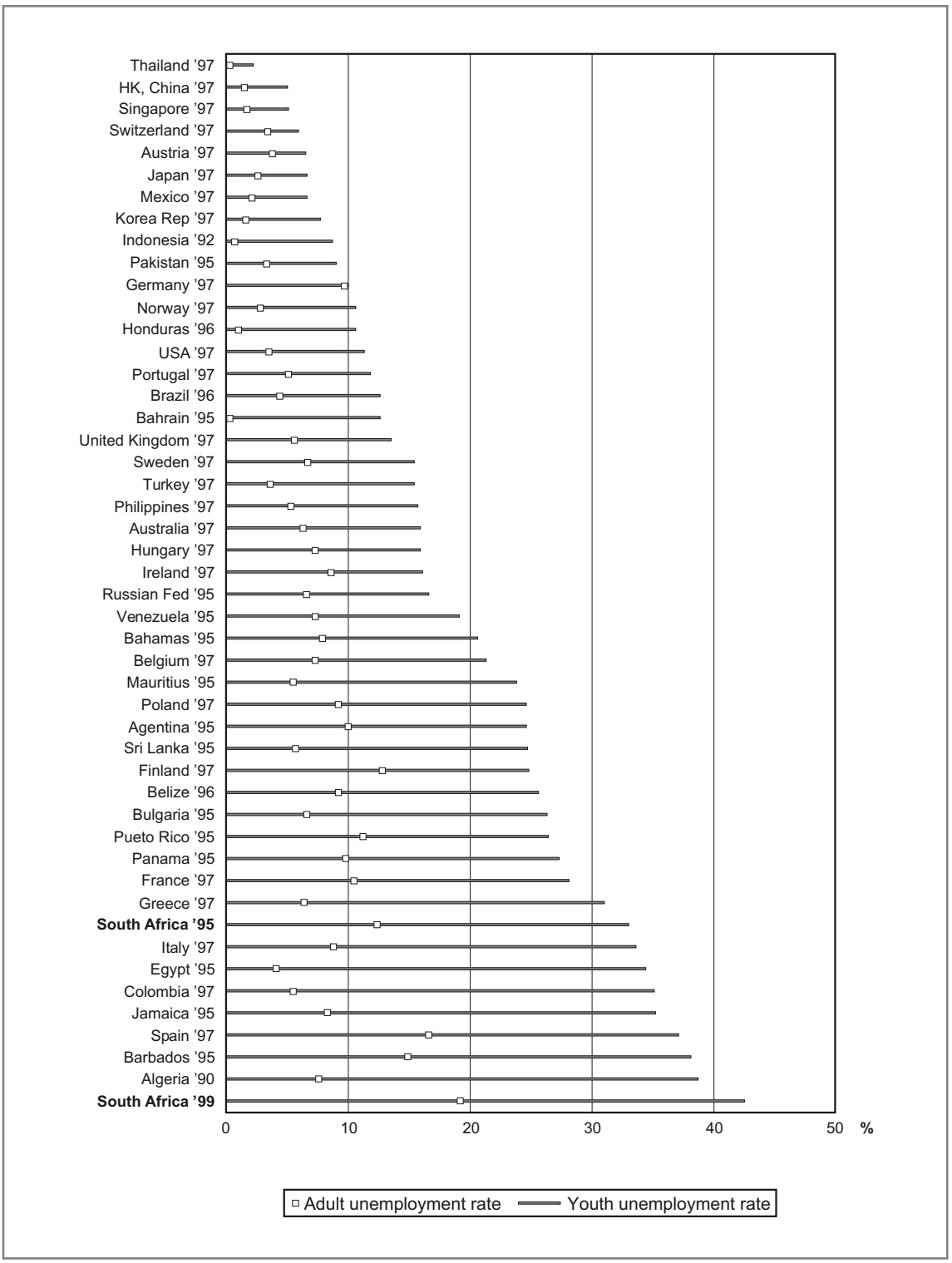
- Figure 9.5 shows that in every province except Western Cape, youth unemployment rates were higher in 1999 than in 1995.
- With the exception of Western Cape, more than one in every four economically active youth in each province was unemployed in both 1995 and 1999.
- The largest rise in youth unemployment rates occurred in provinces where mining activity is dominant, but given the under-reporting of miners in 1995, these results need to be interpreted with caution.
- For example, the youth unemployment rate rose in Free State from 18,9% in 1995 to 44,0% in 1999 and in Mpumalanga from 36,2% to 51,5% over a similar period.

International comparisons

This section reviews various aspects of the situation faced by youth aged 15-24 years in the South African labour market compared with other countries for which data are readily available. As discussed in Chapter 4, international comparisons need to be viewed with caution given the differences in definition, methodology and timing of various survey instruments used in collecting labour market data.

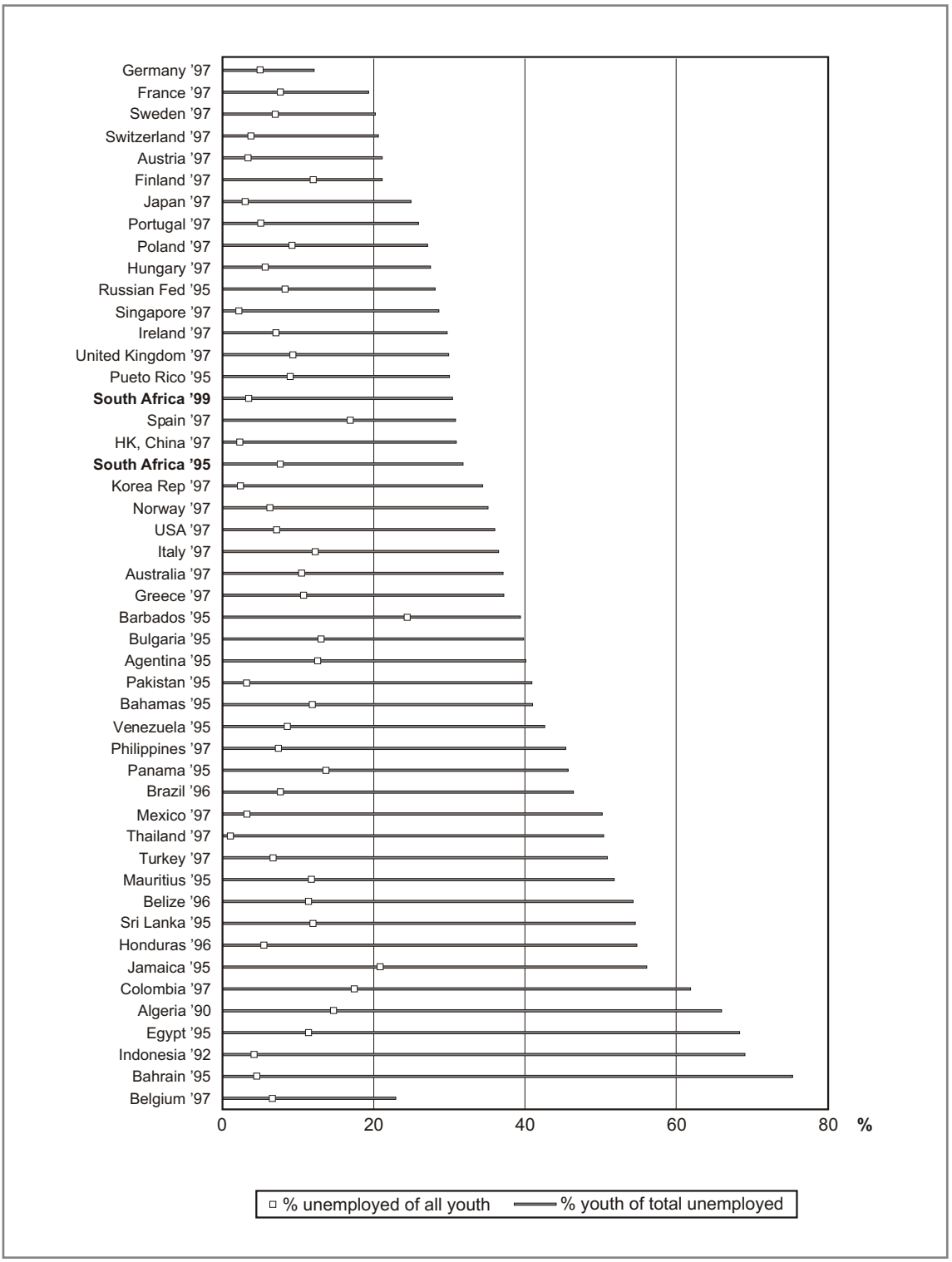
Figure 9.6 shows that, for most countries, youth unemployment rates (represented by lines) are typically two times or more higher than adult unemployment rates (squares). In countries such as Germany, Austria and Switzerland, the widespread apprenticeship programmes offer a protected entry point into employment, which results in similar unemployment rates for youth and adults, so that the ratio of youth-to-adult unemployment rates is relatively low. In Germany, for example, the youth unemployment rate of 10,0% in 1997 was the same as that for adults. In South Africa (1995) the unemployment rate of youth aged 15-24 years (33,0%) was more than double that of adults aged 25-65 years (12,7%); these proportions are similar to countries such as Portugal (1997) and Spain (1997).

Figure 9.6: Youth unemployment rate compared with adult unemployment rate in selected countries



Note: In South Africa miners are under-reported in 1995 and data refer to the official definition in both years.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 9.7: Percentage of unemployed that are youth and percentage of youth that are unemployed, in selected countries

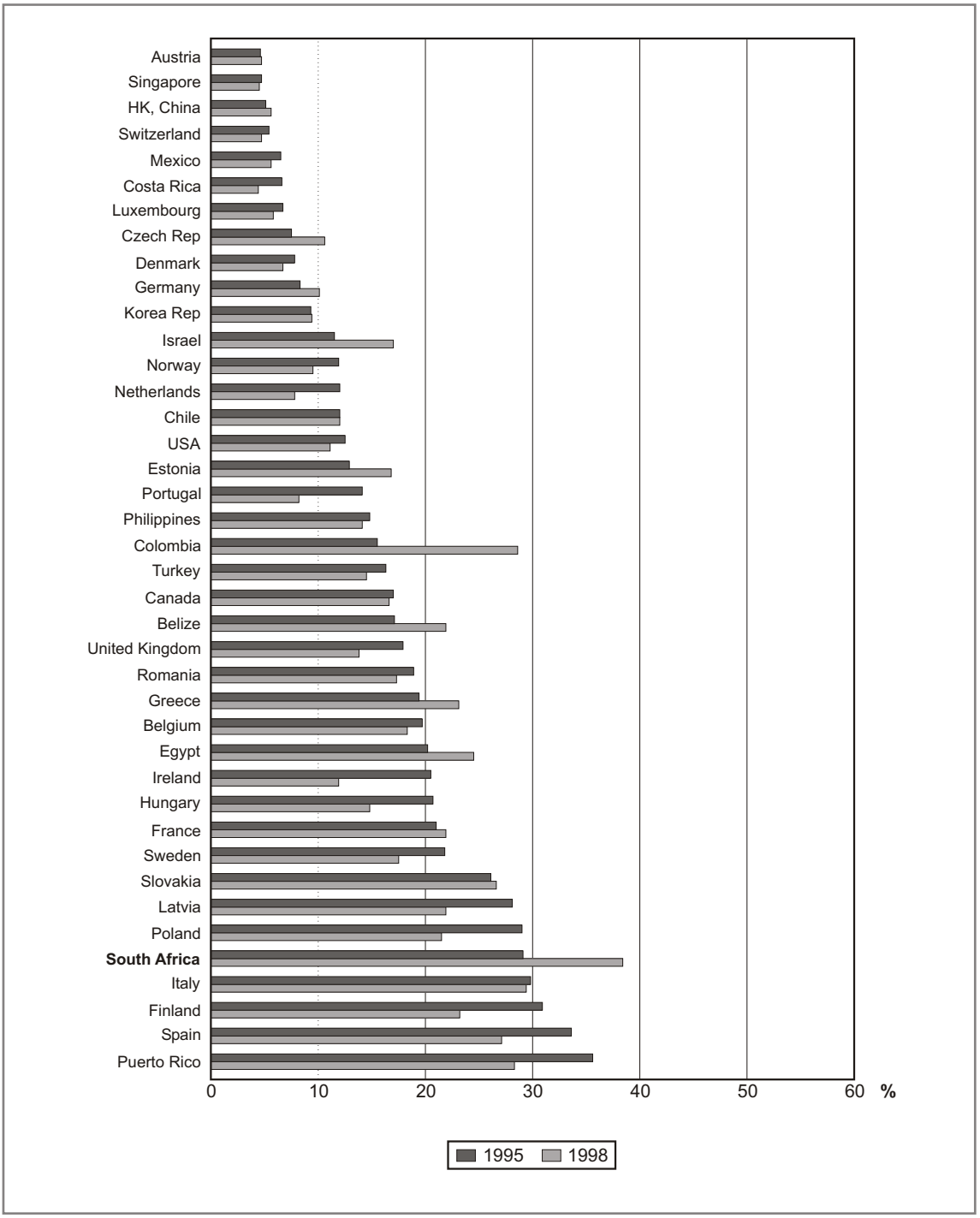


Note: In South Africa miners are under-reported in 1995 and data refer to the official definition in both years.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 9.7 is read as follows: In Germany, for example, the line shows that in 1997, among all unemployed people, 12,1% are youth aged 15-24 years. The square shows that of the youth population in Germany aged 15-24 years, 5,2% were unemployed. As illustrated earlier (Figure 9.6), in 1999 South Africa had the highest unemployment rate among youth aged 15-24 years, yet, as illustrated in Figure 9.7, compared with many countries, in South Africa a lower percentage of the youth is unemployed. This is largely because in South Africa, a large number of youth are in full-time education or training, while at the same time those young people who are in a position to enter the labour market face great difficulty in finding employment.

It is possible to find a situation where a low level of youth unemployment coexists with a high youth unemployment rate relative to the adult unemployment rate. This would suggest that while unemployment may not be very serious overall, in so far as a problem exists it is heavily concentrated among youth. As a consequence, one needs to look not only at the levels of and trends in youth unemployment rates, but also at the proportion of unemployed people that are youth, and the youth unemployment rate relative to the adult rate.

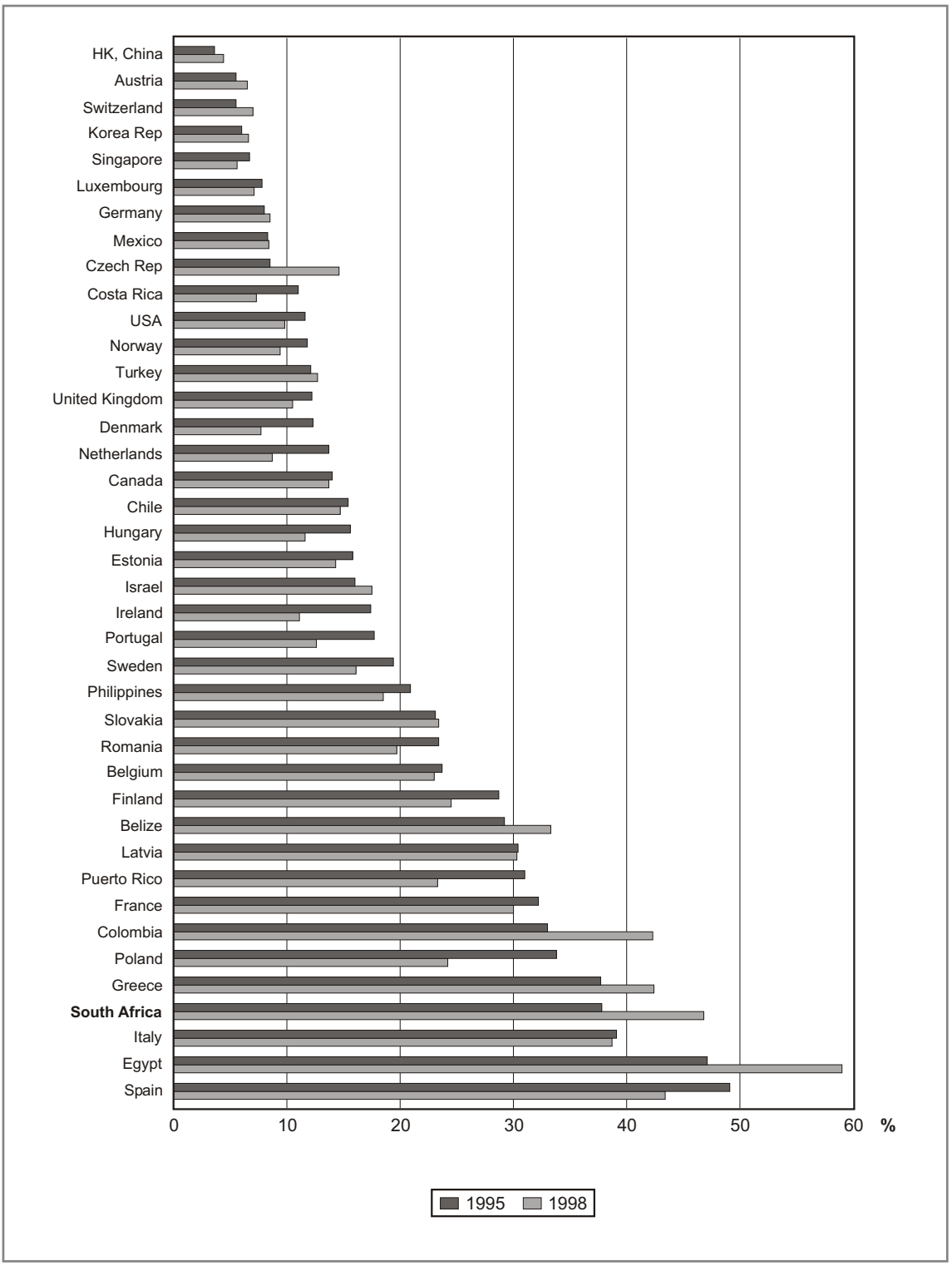
Figure 9.8: Unemployment rate among male youth aged 15-24 years in selected countries, 1995 compared with 1998



Note: For South Africa, data refer to 1995 and 1999 (official definition). Data refer to 1994 and 1997 for Hong Kong China, Korea Republic, Philippines, Singapore, Chile, Costa Rica, Mexico and Colombia; to 1994 and 1996 for Belize; and to 1992 and 1995 for Puerto Rico and Egypt.
Sources: UNECE, 2001; ILO, 1999; OHS, 1995 and 1999

Figure 9.8 shows that in most of the 29 countries for which data are available, unemployment rates among male youth aged 15-24 years declined between 1995 and 1998. In only seven countries was there an increase in unemployment rates over the period among male youth - with South Africa, Greece, Israel and Estonia showing the largest increases. Figure 9.8 also shows that in 1995 the unemployment rate among male youth was higher in Finland (30,9%) and Spain (33,6%) than in South Africa (29,1%). However, by 1999 South Africa had the highest male youth unemployment rate (38,4%) among the countries shown.

Figure 9.9: Unemployment rate among female youth aged 15-24 years in selected countries, 1995 compared with 1998



Note: For South Africa, data refer to 1995 and 1999 (official definition). Data refer to 1994 and 1997 for Hong Kong China, Korea Republic, Philippines, Singapore, Chile, Costa Rica, Mexico and Colombia. Data refer to 1994 and 1996 for Belize, and to 1992 and 1995 for Puerto Rico and Egypt.
Sources: ILO, 1999; OHS, 1995 and 1999

Figure 9.9 shows that, in Europe and North America, unemployment rates among female youth aged 15-24 years are generally higher than the male rates shown in Figure 9.8. In both 1995 and 1998, the highest unemployment rates are found among young women in Italy, Greece, Spain and South Africa. And among female youth aged 15-24 years, the unemployment rate rose in nine countries between 1995 and 1998, with the largest increases over the period occurring in South Africa (from 37,8% to 46,8%), Greece (from 37,7% to 42,4%), and the Czech Republic (from 8,5% to 14,6%).

Table 9.2: Unemployment rate among urban and rural youth in selected developing countries, 1991/92

	Urban areas				Rural areas			
	15-24 years		All ages		15-24 years		All ages	
	Women	Men	Women	Men	Women	Men	Women	Men
Brazil	7,6	8,8	3,9	4,8	2,0	2,0	1,4	1,2
Chile	13,2	16,2	5,9	6,5	4,6	4,0	2,5	1,8
Costa Rica	11,6	9,8	6,1	4,8	8,4	6,4	5,2	3,4
Guatemala	7,0	7,2	3,8	3,3	4,4	1,3	2,5	0,9
Honduras	10,7	11,4	5,9	7,6	10,8	2,5	4,3	1,5
Panama	43,7	32,9	22,0	17,2	38,7	13,6	19,7	6,7
Venezuela	18,0	20,0	8,4	11,1	16,1	10,1	6,4	5,8
South Africa	34,9	30,2	17,9	13,4	42,9	27,3	23,1	12,4

Note: In South Africa, data refer to 1995 (official definition) and miners are under-reported.
Sources: UN, 1995; OHS, 1995

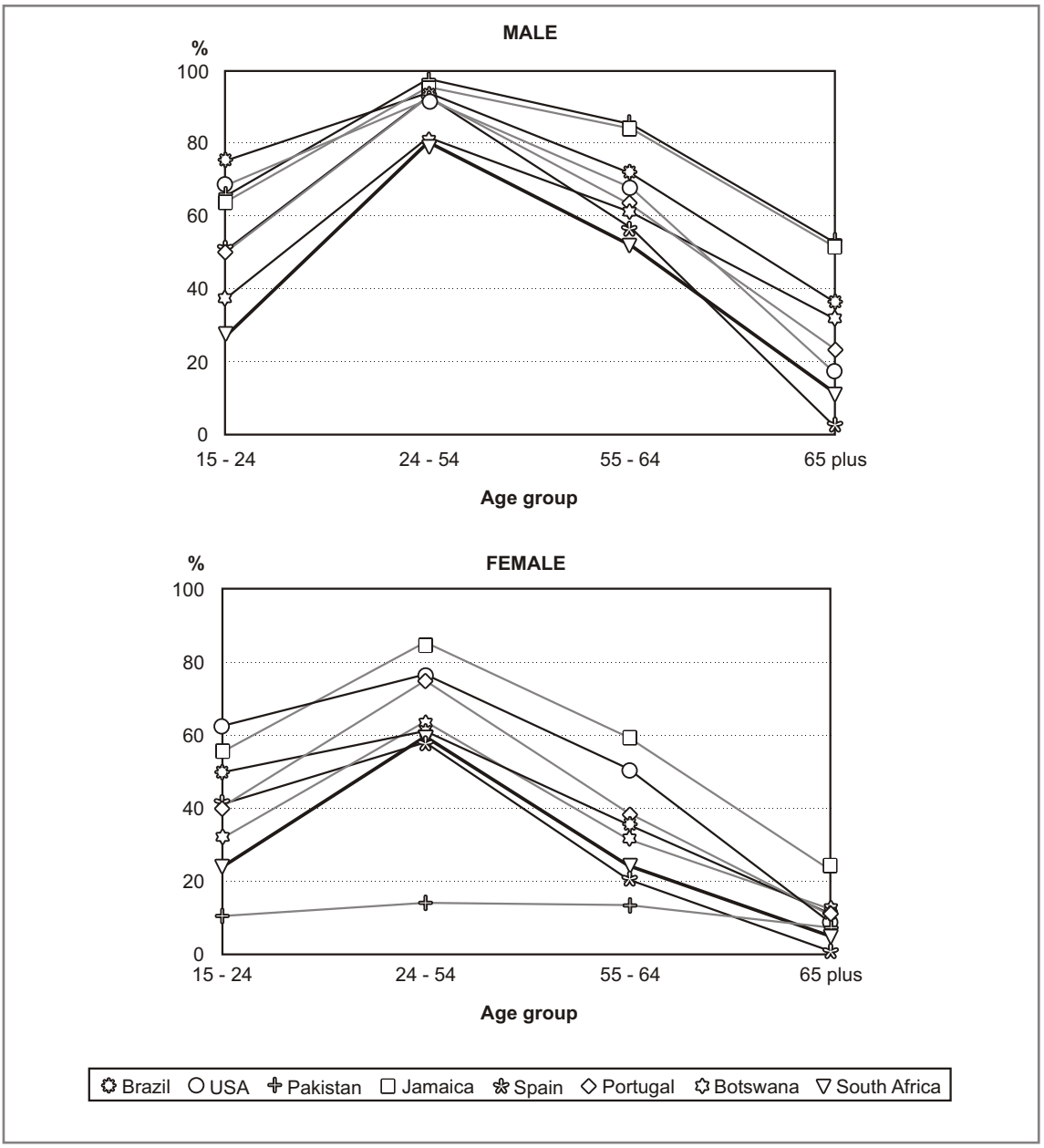
Reflecting the differences in urban and non-urban rates discussed earlier (see also Figure 4.7), Table 9.2 shows that in South Africa in 1995 the non-urban unemployment rates for male (27,3%) and female youth (42,9%) were higher than for youth in urban areas of the country. This is in stark contrast to other developing countries, where urban rates (overall as well as among youth) tend to be higher than in rural areas. For example, in Panama in 1991/92, the rural unemployment rate among female youth was 38,7%, compared with 43,7% among female youth in urban areas.

Labour force activity/participation rates

Figure 9.10 compares age-specific labour force activity rates in selected developing countries in various regions of the world with some developed countries (see also Figure 4.19).

As expected, for all countries shown in Figure 9.10, labour force participation rates among youth aged 15-24 years are lower than for other age groups. But they are also lower in South Africa than all other countries shown in Figure 9.10. For all countries participation rates are highest in the prime working-age group (25-54 years). And notably, in Pakistan the participation rate among women is below 20%, irrespective of age.

Figure 9.10: Labour force activity rate among youth in selected countries, 1997

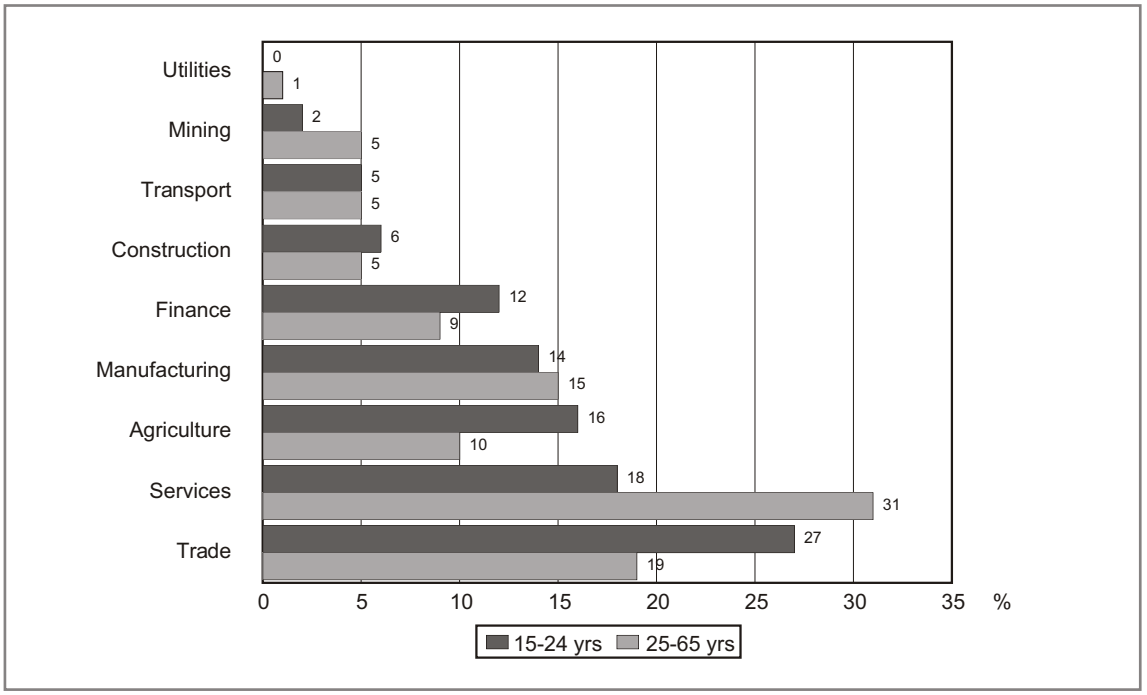


Note: Data for South Africa (official definition) refer to 1999. For Spain and Portugal data refer to 1998.
Sources: ILO, 1999; OHS, 1999

Industry and occupation of employed youth

Figures 9.11 and 9.12 show marked differences in the industries and occupations of youth aged 15-24 years compared with the rest of the employed work force.

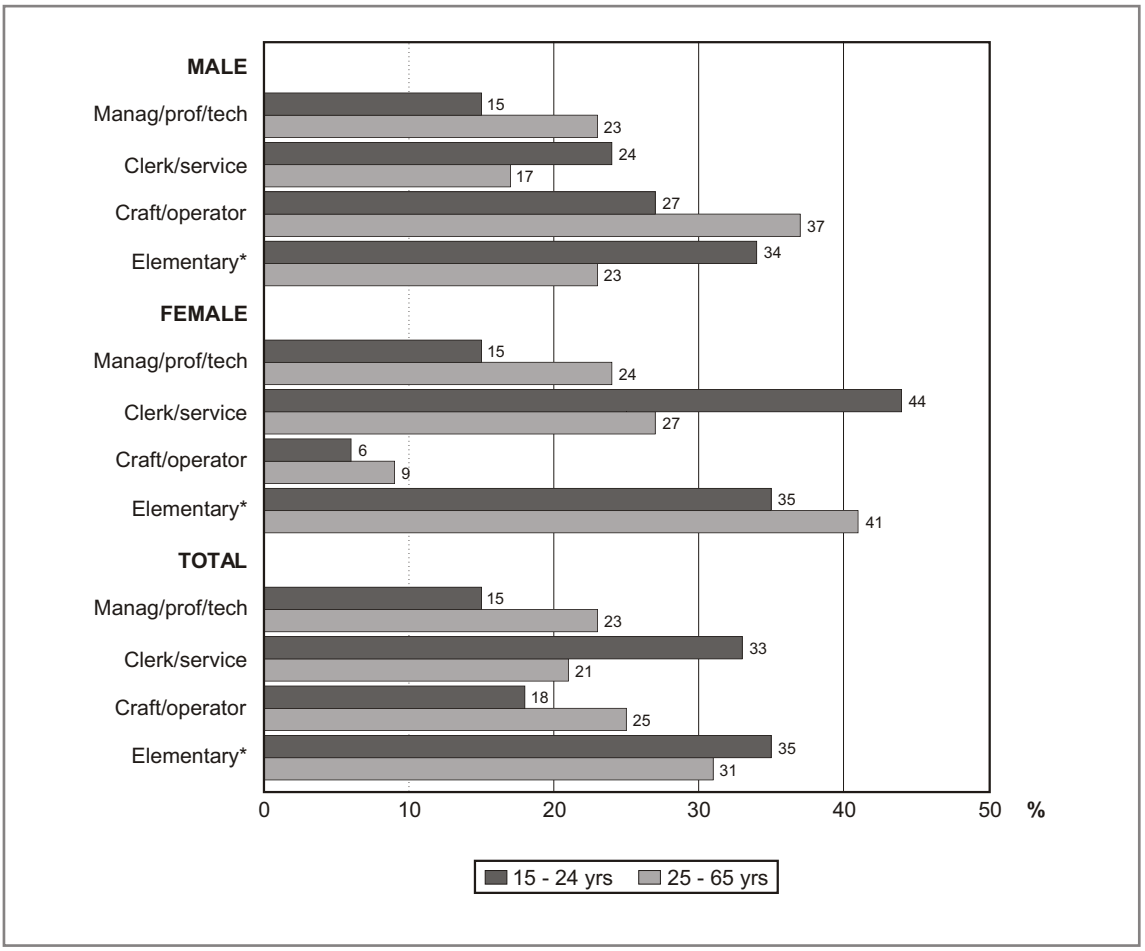
Figure 9.11: Employment by sector among youth and the older work force, 1999



Source: OHS, 1999

Figure 9.11 shows that in 1999 the sectors that offered the greatest employment opportunities to youth were trade, where 27% of employed youth had jobs, followed by services (18%) and agriculture (16%).

Figure 9.12: Employment by occupation among youth and the older work force, 1999



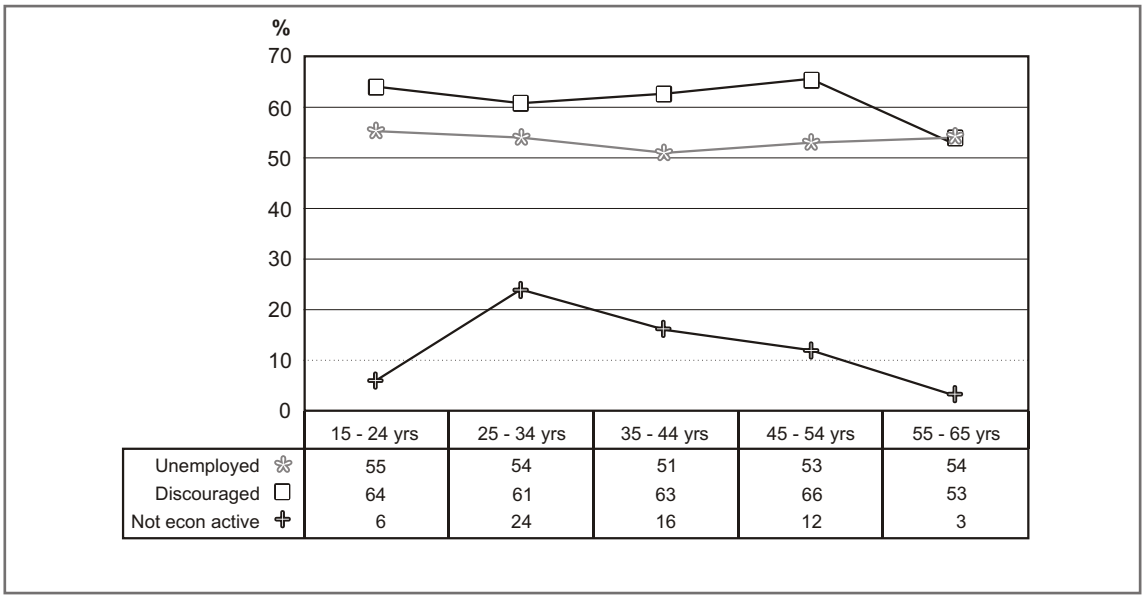
* Elementary includes skilled agricultural workers.
Source: OHS, 1999

In terms of occupations, Figure 9.12 shows that among employed women, 44% of youth aged 15-24 years had clerical or sales/service jobs, whereas only 27% of the adult work force (aged 25-65 years) had such jobs. Overall, 35% of youth had elementary or routine occupations that tend to be associated with few skills and little education.

Reasons for no employment among youth

In line with the labour market categories discussed in Chapter 5, this section analyses the situation facing youth who are not employed. As noted earlier, everyone of working age that is not employed is either unemployed or not economically active (see also Figure 2.4). The analysis presented in this section will focus on the 'official' definition of unemployment, which includes only those unemployed individuals who took specific steps to find employment in the four weeks prior to the survey. And instead of making comparisons with the expanded definition of unemployment, 'discouraged job-seekers' are analysed as a separate group.

Figure 9.13: Proportions in various labour market categories who reported lack of skills and qualifications as the main reason for not being employed, 1999



	15 - 24 yrs	25 - 34 yrs	35 - 44 yrs	45 - 54 yrs	55 - 65 yrs
Unemployed	55	54	51	53	54
Discouraged	64	61	63	66	53
Not econ active	6	24	16	12	3

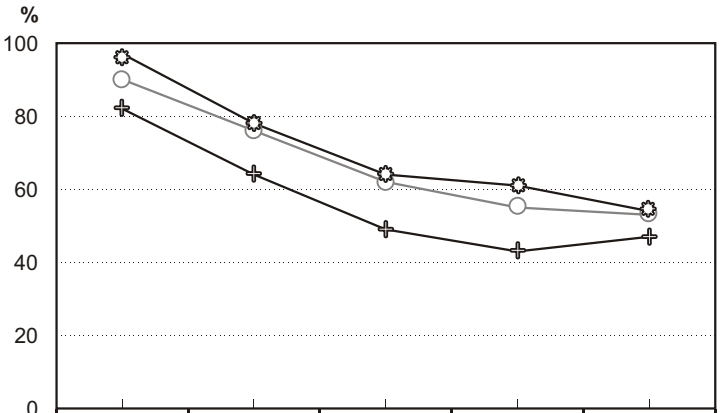
Note: In order to identify discouraged job-seekers separately and determine non-overlapping categories among those without employment, unemployed is based on the official definition of unemployment while the not economically active is based on the expanded definition of unemployment, i.e. excluding discouraged job-seekres.
Source: OHS, 1999

As discussed in Chapter 5, at the national level, two in every three discouraged job-seekers (62%), one in every two unemployed people (54%) and one in every ten not economically active people (9%) reported lack of skills/qualifications as the main reason for not being employed. Figure 9.13 shows that differences in age do not alter the overall proportions of discouraged job-seekers and unemployed people who reported a lack of skills/qualifications as the main reason for not being employed. In contrast, substantially lower proportions in each age group among the not economically active reported a lack of skills/qualifications as the reason for not being employed. Only 6% of not economically active youth aged 15-24 years stated lack of skills as the main reason for not being employed, since the vast majority are students in full-time education or training.

Previous work experience among youth

As noted earlier (Chapter 5) previous work experience is as an important determinant of wages and other labour market outcomes. For consistency with the analysis presented in Chapter 5, and in the previous section of this chapter, the analysis here will focus on the officially unemployed, discouraged job-seekers, and the not economically active excluding discouraged job-seekers.

Figure 9.14: Proportions in various labour market categories who have never worked, 1999



	15 - 24 yrs	25 - 34 yrs	35 - 44 yrs	45 - 54 yrs	55 - 65 yrs
Unemployed	82	64	49	43	47
Discouraged	90	76	62	55	53
Not econ active	97	78	64	61	54

Source: OHS, 1999

Figure 9.14 illustrates the association between work experience and age. It shows a decrease in the proportions falling into each age group as age increases.

- Based on the official definition of unemployment, in 1999 four out of every five unemployed individuals aged 15-24 years had never worked, while nine out of ten discouraged job-seekers (90%) and not economically active people (97%) of the same age also had no work experience.

- As noted earlier, not economically active people aged 15-24 years tended to be still in education and training, hence the large proportion who had no work experience. However, among discouraged job-seekers and the unemployed (official definition) in this age category, lack of skills or qualifications is a major reason for not having work experience.

- As illustrated in Figure 9.14, more than half the discouraged job-seekers in older age groups had also never worked.

- Among the unemployed who had taken specific steps to find employment, 82% of youth aged 15-24 years had no work experience, as against just under half (47%) of those aged 55-65 years.

Table 9.3: Percentage of those with no employment that had never worked, 1999

	Unemployed			Discouraged			Not economically active		
Age group	No previous work ('000)	Total unem-ployed ('000)	% no previous work %	No previous work ('000)	Total discour-aged ('000)	% no previous work %	No previous work ('000)	Total not econ. active ('000)	% no previous work %
Male									
15-24	369	446	83	326	358	91	2 742	2 803	98
25-34	360	587	61	291	392	74	278	345	81
35-44	111	277	40	111	201	55	111	191	58
45-54	44	117	38	50	104	48	103	206	50
55-65	15	36	42	14	37	37	177	444	40
Total	899	1 463	61	791	1 093	72	3 411	3 989	86
Female									
15-24	412	504	82	420	473	89	2,864	2,970	96
25-34	465	698	67	502	651	77	604	780	77
35-44	190	340	56	227	342	66	396	596	66
45-54	48	99	48	74	122	61	398	613	65
55-65	10	17	59	27	40	67	599	986	61
Total	1 125	1 658	68	1 250	1 628	77	4 861	5 946	82
Total									
15-24	781	950	82	746	831	90	5 606	5 774	97
25-34	825	1 285	64	793	1 043	76	882	1 124	78
35-44	301	617	49	338	543	62	507	787	64
45-54	92	216	43	124	226	55	501	819	61
55-65	25	53	47	40	77	53	777	1 431	54
Total	2 024	3 121	65	2 041	2 720	75	8 272	9 935	83

Note: In order to identify discouraged job-seekers separately and determine non-overlapping categories among those without employment, the unemployed population is based on the official definition while discouraged job-seekers are those who become unemployed when using the expanded definition. As a result, the not economically active population is based on the expanded definition of unemployment. Data exclude unspecified.
Source: OHS, 1999

- As indicated in Table 9.3, overall, the proportions in each age group of people without work experience decline with increasing age, except among unemployed people, where a higher proportion of those aged 55-65 years (47%) than of those aged 45-54 years (43%) had no experience.

- As noted earlier, students aged 15-24 years still in full-time education or training account for the bulk of not economically active people – hence the high percentage of not economically youth with no previous work experience (97%).

Summary

Youth unemployment is a pressing problem throughout much of the world, with unemployment rates among youth (aged 15-24 years) being typically more than twice that of adults. South Africa is no exception. But the level of unemployment rates among youth has to be seen in conjunction with other labour market information such as the proportion of youth in the population and the proportion of youth that are unemployed. In South Africa three out of every four youth aged 15-24 years are not economically active and the vast majority of these are still engaged in full-time education or training. At the same time, those young people who are in a position to enter the labour market face great difficulty in finding employment. This situation is reflected in the relatively low percentage of youth that are unemployed compared with the youth unemployment rate.

Only 6% of not economically active youth aged 15-24 years gave lack of skills as the main reason for not being employed, since the vast majority are students in full-time education or training. And in terms of work experience, not surprisingly, large proportions of youth aged 15-24 years that are officially unemployed (82%) discouraged job-seekers (90%) or not economically active (97%) have no previous work experience.

Employment opportunities for youth aged 15-24 years are concentrated in the trade, services and agriculture sectors, and in terms of occupations, the largest percentage of employed youth tend to have jobs of an elementary or routine nature.

CHAPTER
Ten

DISABILITY AND LABOUR MARKET STATUS

Introduction

Understanding the situation faced by disabled people in the labour market is of critical importance since it is widely recognised that the active participation of all members of society in the operations of the economy enables the benefits of economic growth to be more evenly distributed. As discussed elsewhere, disability might occur from birth (congenital) or might be acquired through diseases, accidents/injuries, or old age (see also Stats SA, 2000).

The disabled working-age population

In both 1995 and 1999 the OHS asked respondents whether or not each household member had a serious sight, hearing, physical or mental disability. On the basis of this 'self-definition' it is possible to gain insight into the situation faced by disabled people (excluding those in institutions) in the labour market.

Table 10.1: Distribution of disabled people by labour market category, 1995 compared with 1999

	1995			1999		
	Disabled ('000)	Total ('000)	% Disabled (%)	Disabled ('000)	Total ('000)	% Disabled (%)
Male						
Not economically active	399	4 815	8,3	403	5 109	7,9
Employed	219	5 855	3,7	112	6 006	1,9
Unemployed (official)	39	876	4,5	30	1 479	2,0
Total working-age	**657**	**11 545**	**5,7**	**545**	**12 594**	**4,3**
Female						
Not economically active	502	7 984	6,3	395	7 613	5,2
Employed	143	3 777	3,8	86	4 351	2,0
Unemployed (official)	33	925	3,5	23	1 676	1,4
Total working-age	**678**	**12 686**	**5,3**	**505**	**13 640**	**3,7**
Total						
Not economically active	900	12 799	7,0	798	12 722	6,3
Employed	363	9 632	3,8	198	10 357	1,9
Unemployed (official)	72	1 801	4,0	54	3 155	1,7
Total working-age	**1 335**	**24 231**	**5,5**	**1 050**	**26 234**	**4,0**

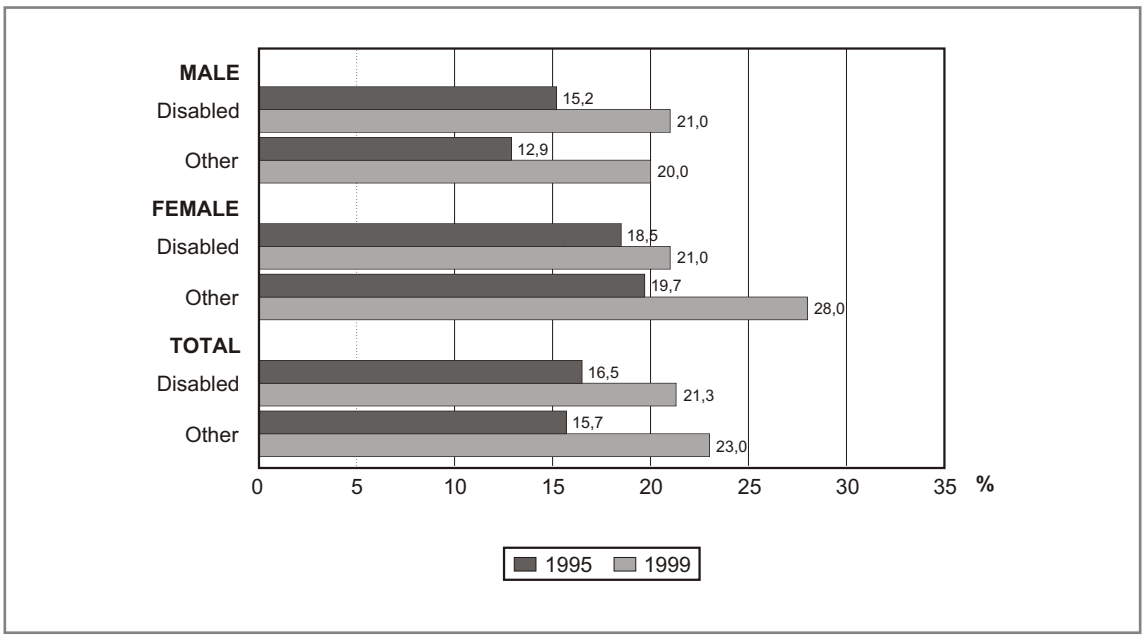
Sources: OHS, 1995 and 1999

Table 10.1 shows that in 1999, of the 26,2 million people aged 15-65 years (the working-age population) 1,1 million were disabled. Thus in 1999, people with disabilities accounted for 4,0% of the total working-age population. In 1995 a slightly higher number of disabled people, 1,3 million or 5,5% of the working-age population, was recorded as disabled. On the basis of the official definition of unemployment, in both 1995 and 1999, people with disabilities featured more prominently among the not economically active population than in other labour market categories. For example, in 1995, 8,3% of not economically active men were disabled (7,9% in 1999) compared with 3,7% of employed men (1,9 % in 1999) and 4,5% of unemployed men (2,0% in 1999).

Official unemployment rates among the disabled

Figure 10.1 illustrates important differences in unemployment rates of the disabled population compared with the rest of the labour force.

Figure 10.1 Official unemployment rate of disabled people versus the rest of the population, 1995 compared with 1999



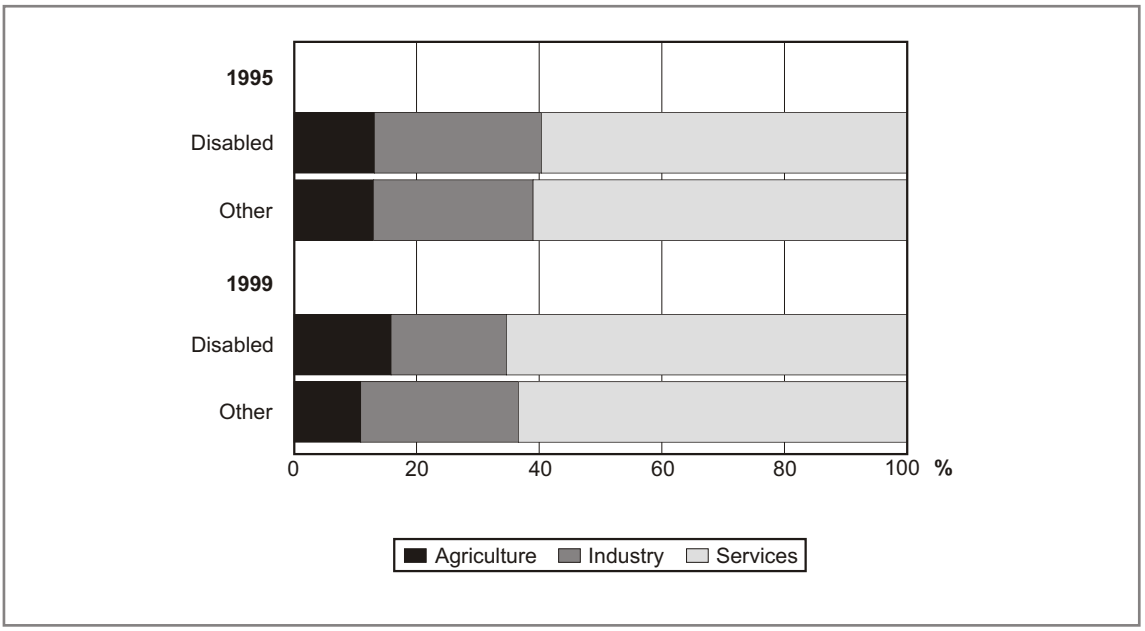
Sources: OHS, 1995 and 1999

- Reflecting the overall increase in unemployment rates between 1995 and 1999, the unemployment rate of disabled men rose from 15,2% in 1995 to 21,0% in 1999.
- In comparison, there was a larger increase in unemployment rates among people who had no disabilities (denoted 'other' in Figure 10.1) from 12,9% to 20,0% over the same period.
- While there was a substantial increase in the unemployment rate among women who were not disabled – from 19,7% in 1995 to 28% in 1999, the unemployment rate among disabled women rose less steeply – from 18,5% in 1995 to 21,0% in 1999.

Employment by industry and occupation

The industries in which disabled people work provide an important indicator as to the sectors which have made significant inroads in meeting the guidelines for employment equity in the workplace. But the occupational distribution of employment is also an important consideration.

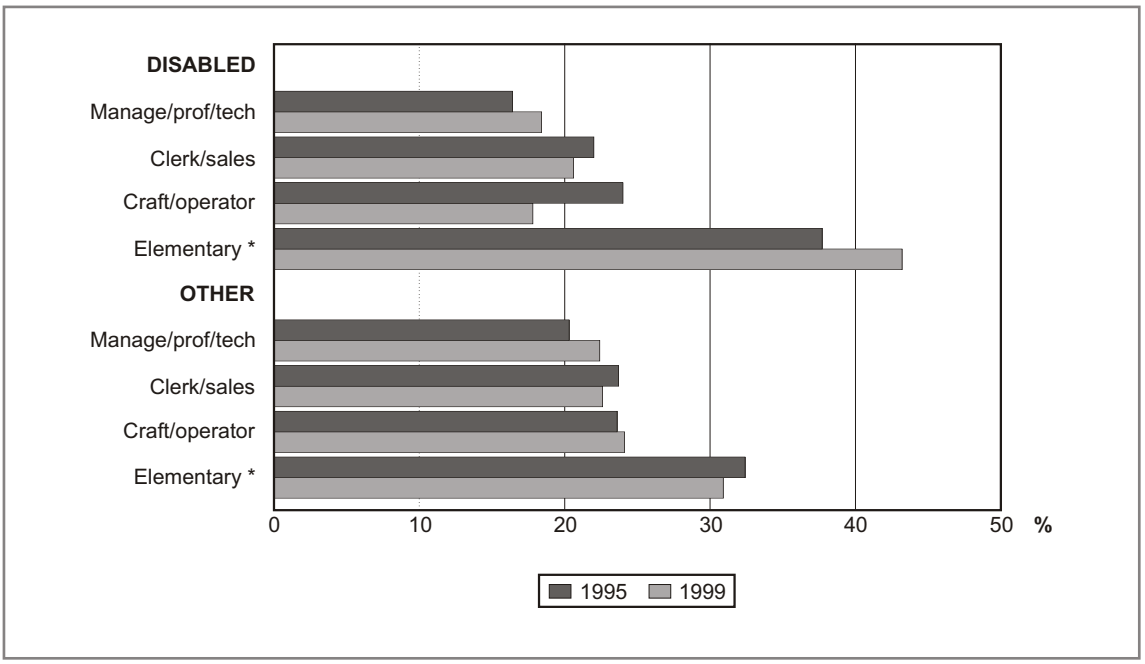
Figure 10.2: Distribution of employed disabled people by industry, 1995 compared with 1999



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

- Figure 10.2 shows very little difference in the employment shares of disabled people in 1995 relative to other employed people in the three broad sectors of the economy (agriculture, industry and services).
- However, Figure 10.2 suggests that in 1999 the agricultural sector provided proportionally more job opportunities for disabled people than for other employed people; the percentage of disabled people employed in the sector was 16% compared with 11% among other employed people.

Figure 10.3: Occupational distribution of employed disabled people, 1995 compared with 1999



* Elementary includes skilled agricultural workers.
Sources: OHS, 1995 and 1999

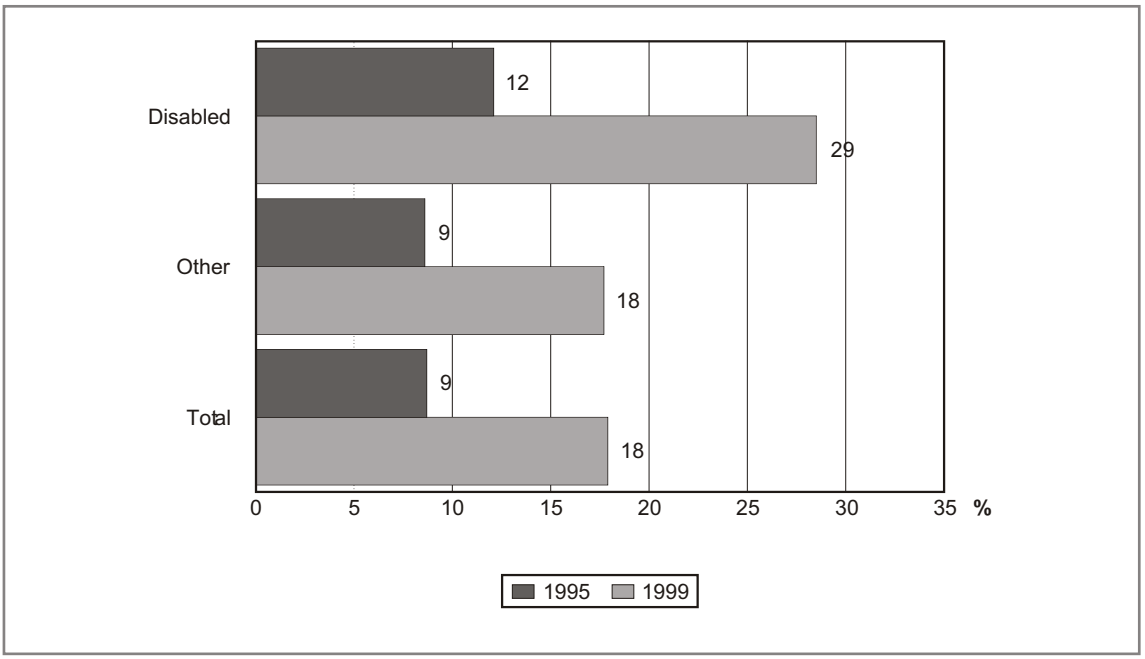
- Figure 10.3 shows that the percentage of employed disabled people in the highest occupational category (managers, professionals and technicians grouped) was 16% in 1995 and 18% in 1999. Among other employed people, a slightly largely percentage (20% in 1995 and 22% in 1999) were in this occupational category.

- However, reflecting the increase in agricultural jobs discussed earlier (see Figure 10.2), the percentage of employed disabled people in occupations classified as elementary rose from 38% in 1995 to 43% in 1999. In contrast, among other employed people as a group, there was little change in the percentage of people engaged in elementary occupations over the period, from 32% in 1995 to 31% in 1999.

Full-time and part-time work among the disabled

Part-time employment may offer disabled people the opportunity for greater flexibility in the hours they work, but this type of work arrangement may be associated with a lack of provision of important benefits such as medical aid and paid holidays.

Figure 10.4: Percentage of employed disabled people working part-time (actual work*), 1995 compared with 1999



* For comparability, both 1995 and 1999 refer to actual hours worked.
Sources: OHS, 1995 and 1999

Figure 10.4 suggests that 12,1% of employed disabled people worked on a part-time basis in 1995, as against 8,6% of employed people who were not disabled. The overall trend towards part-time work in the economy, discussed in Chapter 7, is reflected in the increase in the percentage of employed disabled people that worked on a part-time or casual basis in 1999 compared with 1995. However, because of the small sample size, the magnitude of the increase should be viewed with caution.

Summary

The analysis in this chapter shows that compared with the rest of the labour force, the unemployment rate among disabled people did not rise as sharply over the period 1995-1999. In particular, the increase in the unemployment rate of female disabled workers was substantially lower than the rise that occurred among women in the rest of the labour force.

In 1995 the industrial distribution of employed disabled people was virtually identical with the distribution of other employed people, since similar percentages were engaged in agriculture, industry and services. However, in 1999 a larger percentage of employed disabled people were working in the agricultural sector (where part-time work is a characteristic feature). This is reflected in the occupational structure of employment among disabled people, where a larger proportion of jobs were classified as elementary in 1999 than in 1995. But the percentage of employed disabled people in managerial, professional and technical positions also increased in 1999 compared with 1995, in line with the pattern for other employed people.

CHAPTER
Eleven

POVERTY AND LABOUR MARKET STATUS

Introduction

In recent years the alleviation of poverty has become a major concern of policy-makers. One important aspect of poverty is the extent to which the poor may be restricted in their access to employment. But equally important is the situation faced by poor people who are employed. In such circumstances, the concern is about the types of work most common among the poor and the extent to which their poverty is a consequence of insufficient or inadequate or poorly remunerated work.

Against this background, the unemployment rates discussed in Chapter 4 do not in isolation provide a good measure of economic hardship, since information about the economic resources at the disposal of the unemployed worker and the households in which unemployed people live is also necessary.

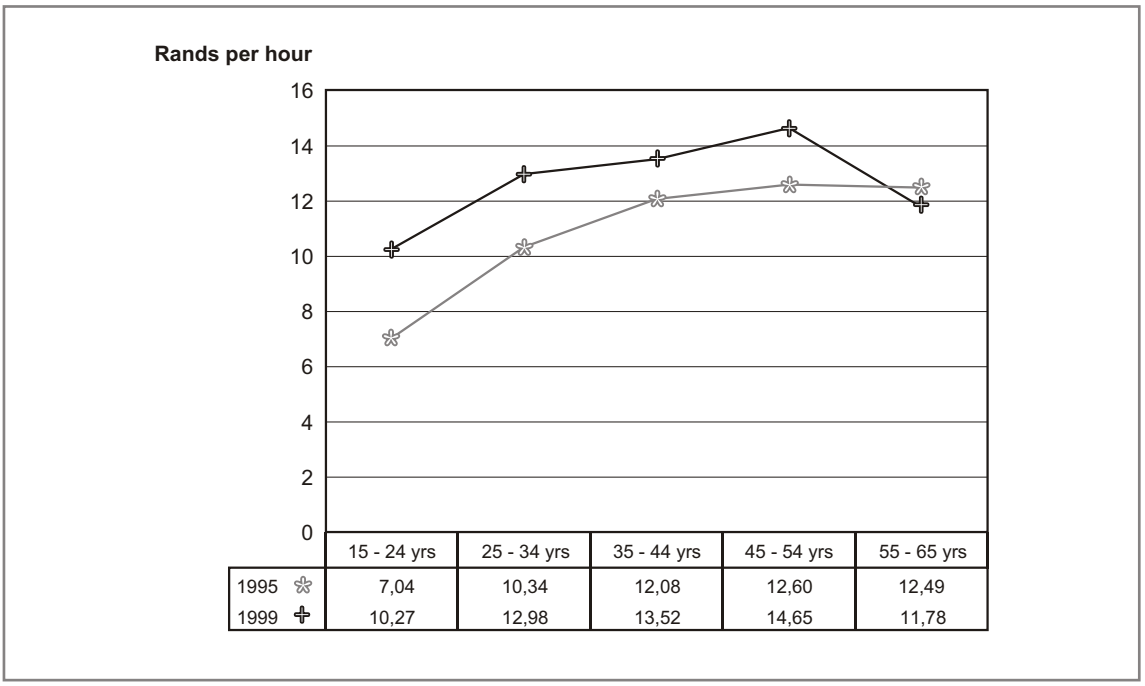
'Paradoxically, low unemployment rates may well disguise substantial poverty in a country, whereas high unemployment rates can occur in countries with significant economic development and low incidences of poverty. In countries without a safety net of unemployment insurance and welfare benefits, many individuals simply cannot afford to be unemployed. Instead they eke out a living in the informal sector. Broader measures, including income-related indicators are needed to evaluate economic hardship.' (ILO, 1999)

Hourly wages of employees

Income is an important factor in determining the poverty status of households. In particular, income from employment is typically the most important source of household income in developing countries. The analysis presented in this section provides insight into the distribution of average wages in various sectors of the economy[1]. For meaningful comparison with 1995, the value of wages in 1999 (the nominal income/wage) is deflated by the rise in inflation as measured by the consumer price index each year to determine the real income/wage in constant 1995 prices. This is useful in understanding the extent to which wage levels and the distribution of wages change as the economy opens to international trade, or undergoes structural change. The income/wages reported here are gross monthly income/wages of employees.

[1] For a discussion on methodological issues relating to the calculation of hourly wages, see technical notes.

Figure 11.1: Real average hourly wages of employees by age, 1995 compared with 1999 (in constant 1995 prices)

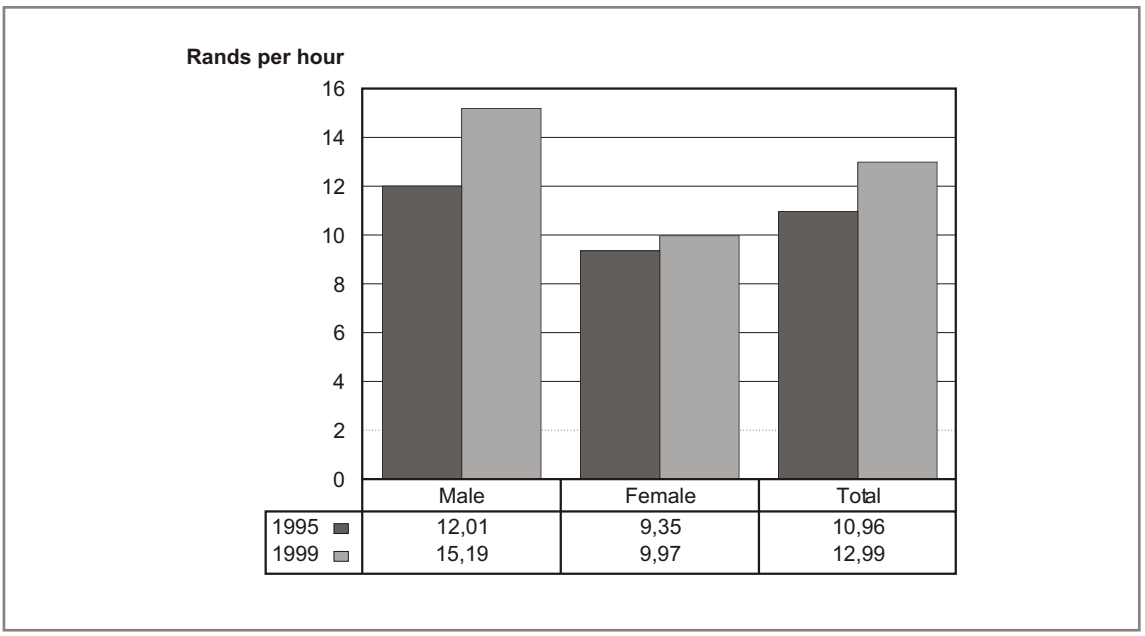


	15 - 24 yrs	25 - 34 yrs	35 - 44 yrs	45 - 54 yrs	55 - 65 yrs
1995	7,04	10,34	12,08	12,60	12,49
1999	10,27	12,98	13,52	14,65	11,78

Sources: OHS, 1995 and 1999

As illustrated in Figure 11.1, in South Africa, gross hourly wages generally increase with age but only up to a point, since people older than 54 years earn less than their younger counterparts. In addition, Figure 11.1 shows that between 1995 and 1999 the rise in nominal wages outstripped inflation in all but the oldest age group. This may partly be a reflection of the decline in real wages among professionals, many of whom are older women (see Figure 10.6).

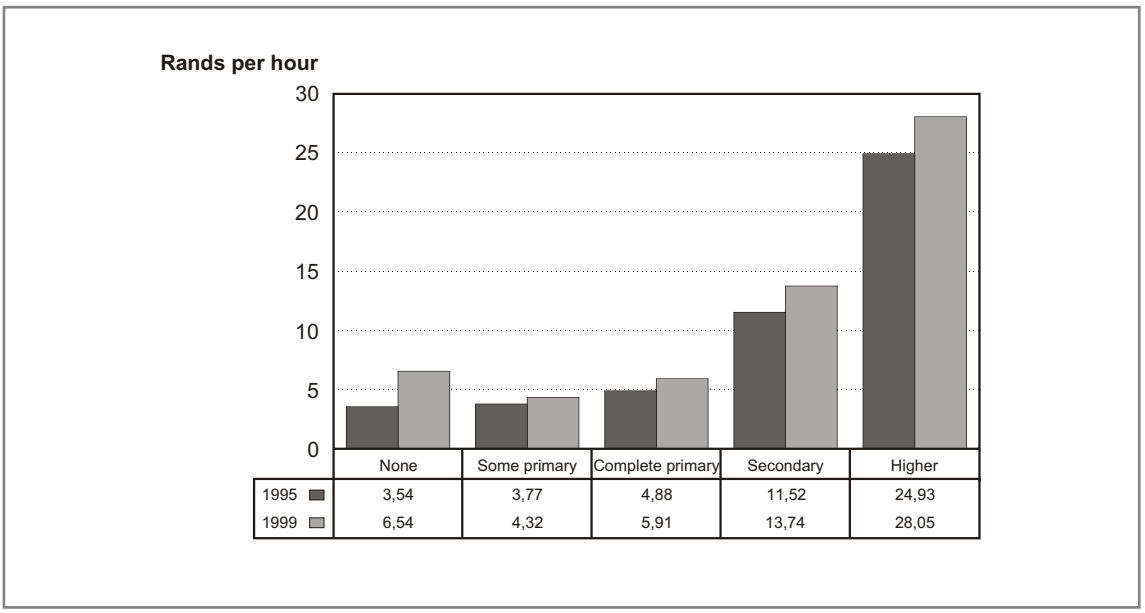
Figure 11.2: Real average hourly wages of employees by sex, 1995 compared with 1999 (in constant 1995 prices)



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

In terms of gender differences, Figure 11.2 shows that, overall, real hourly wages rose from R10,96 in 1995 to R12,99 in 1999, but that the increase was much more pronounced among men (from R12,01 in 1995 to R15,19 in 1999) than among women (from R9,35 to R9,97) over the same period.

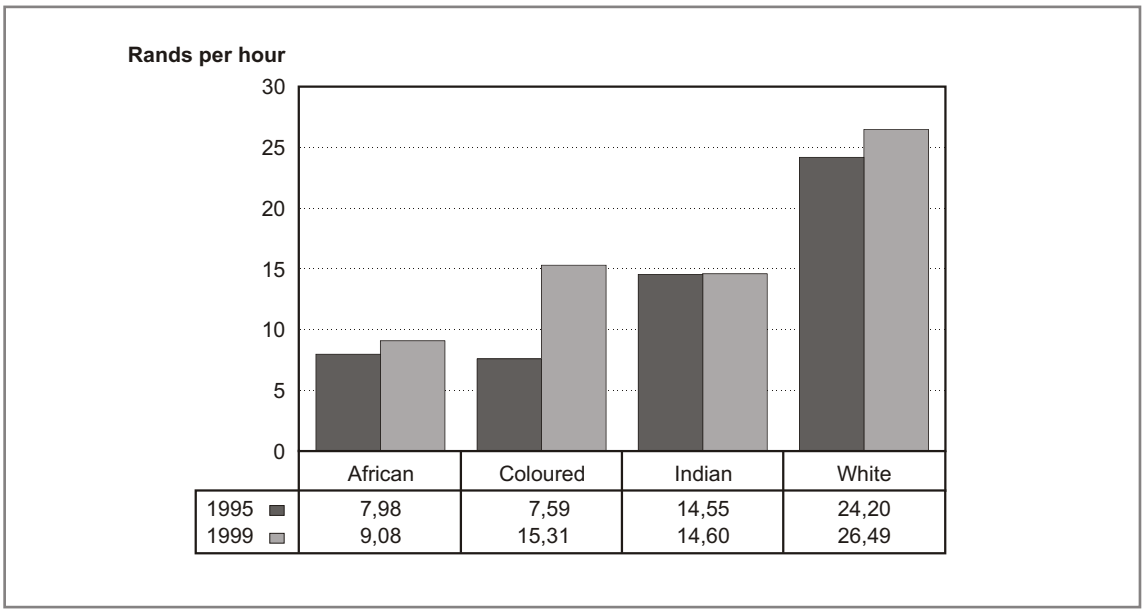
Figure 11.3: Real average hourly wages of employees by level of education, 1995 compared with 1999 (in constant 1995 prices)



Note: Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Figure 11.3 suggests that education increases the earning capacity of employees but not in a linear way. Real hourly wages among employees who had no eduction was higher in 1999 (R6,54) than among employees with some primary education (R4,32) and among those employees who had completed primary education (R4,88).

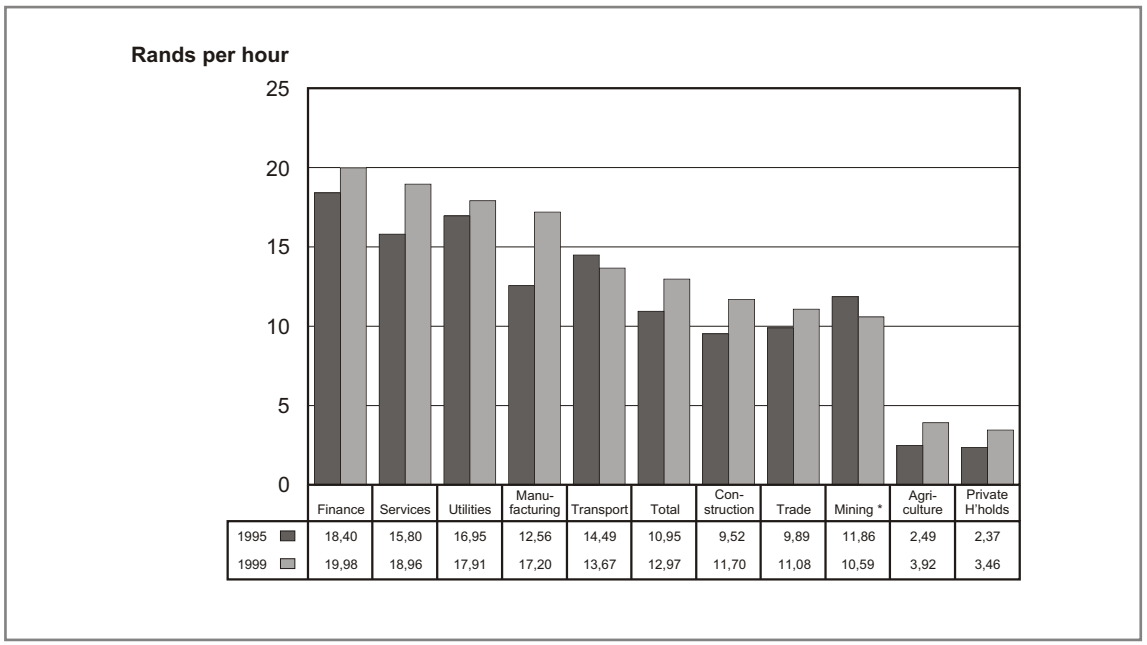
Figure 11.4: Real average hourly wages of employees by population group, 1995 compared with 1999 (in constant 1995 prices)



Note: Miners are under-reported in 1995.
Source: OHS, 1995 and 1999

In terms of the four major population groups, the nominal value of gross wages among white employees in 1999 was R34,44 per hour, more than three times that of African employees (R11,81). After taking inflation into account, Figure 11.4 shows that over the period 1995 to 1999, real wages increased by the largest amount among coloured employees, and the increase among Africans (R1,0 per hour) was less than half the increase (R2,29) among white employees.

Figure 11.5: Real average hourly wages of employees by industry, 1995 compared with 1999 (in constant 1995 prices)

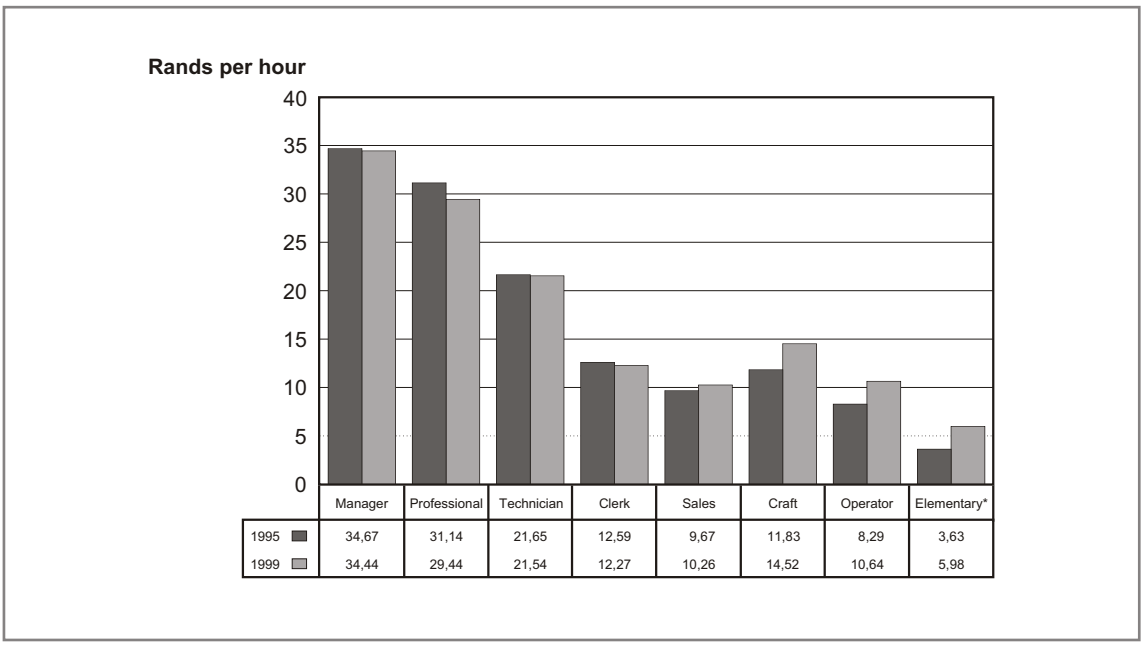


	Finance	Services	Utilities	Manu-facturing	Transport	Total	Con-struction	Trade	Mining *	Agri-culture	Private H'holds
1995	18,40	15,80	16,95	12,56	14,49	10,95	9,52	9,89	11,86	2,49	2,37
1999	19,98	18,96	17,91	17,20	13,67	12,97	11,70	11,08	10,59	3,92	3,46

* Miners are under-reported in 1995.
Sources: OHS, 1995 and 1999

Real hourly wages increased in most sectors of the economy between 1995 and 1999. Only in the mining and transport sectors did real wages decline (Figure 11.5). The increase was largest in manufacturing and services and smallest in the utilities and trade sectors. And although the real value of wages rose in the agriculture sector and in private households (predominantly domestic workers), in both these sectors wage rates remained well below average. In many developing countries, subsistence agriculture is often employment of the last resort. However, it is not enough to create employment at the subsistence agricultural level if poverty is to be eradicated.

Figure 11.6: Real average hourly wages of employees by occupation, 1995 compared with 1999 (in constant 1995 prices)



	Manager	Professional	Technician	Clerk	Sales	Craft	Operator	Elementary*
1995	34,67	31,14	21,65	12,59	9,67	11,83	8,29	3,63
1999	34,44	29,44	21,54	12,27	10,26	14,52	10,64	5,98

* Elementary includes skilled agricultural workers.
Sources: OHS, 1995 and 1999

In the more skilled occupations such as managers, professionals and technicians, the nominal value of wages in 1999 did not always keep pace with inflation. In contrast, except among clerks, less skilled workers benefited from a real increase in wages over the period. For example, real hourly wages rose from R11,83 in 1995 to R14,52 in 1999 among craft workers, and from R8,29 to R10,64 among assembly workers and machine operators over the same period (Figure 11.6).

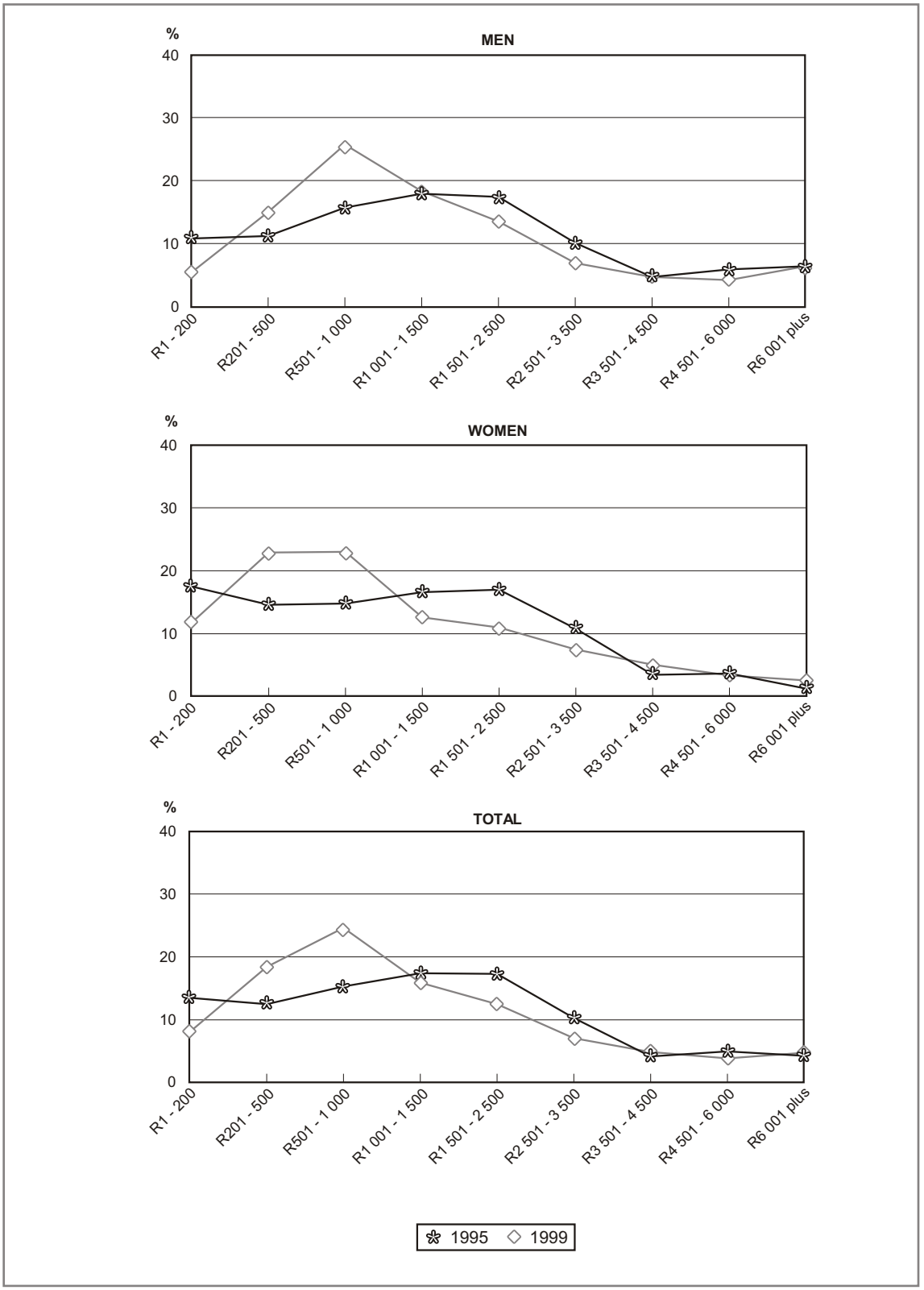
Monthly income bands

The income-based measure of the goods and services produced for any specific period (Gross Domestic Product – GDP) essentially aggregates two sets of income data – the gross operating surplus of companies and the remuneration to employees. Thus, in a given year, the amount of income received by employees makes an important contribution to the economy. Since OHS provides information about income from employment, it is useful to focus on the percentage of employees in various income categories to complement the earlier analysis based on individual wage rates.

In this section, the gross income/wage received by individual employees is derived by the same method used in the preceding section. For both 1995 and 1999, each employee who specified a gross income category is assigned a derived average income (see the technical notes for methodological details). These are added to the employees who stated their exact level of gross income and all the employees are then grouped into income bands. Employees reporting 'no income' are excluded. As in the previous section, the 1999 gross income/wage of employees is adjusted for inflation to enable meaningful comparison with 1995.

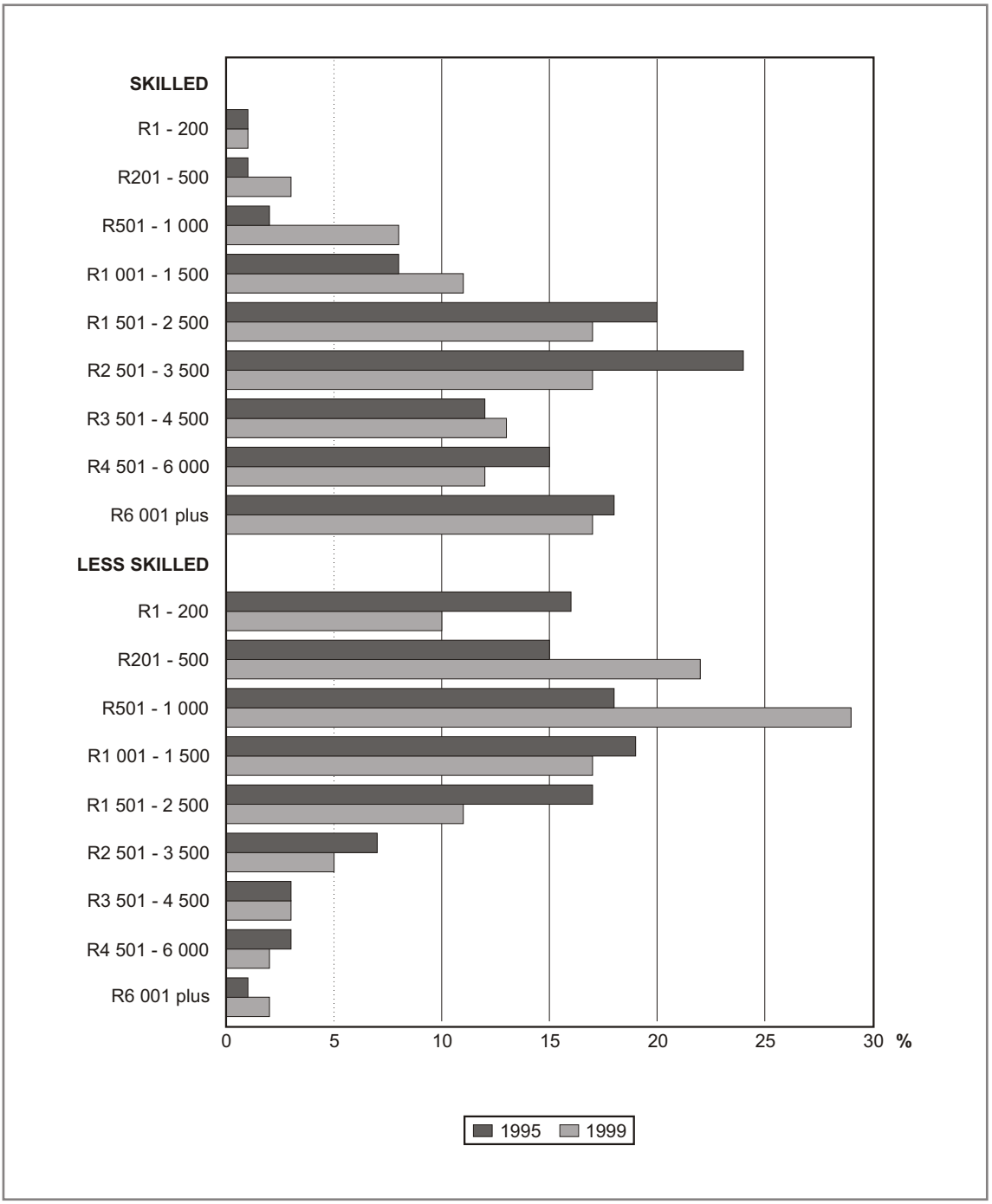
Figure 11.7 suggests a notable shift in the income distribution of employees over the period 1995 to 1999. In 1999 a smaller percentage of both men and women were in the lowest income band (R1-R200) than in 1995. This shift is reflected in the higher proportions of both men and women in the two subsequent income bands (R201-R1 000). This is perhaps partly explained by the rise in real wages of employees in low-income sectors of the economy. Nonetheless, in both years, a larger percentage of men than women were in the highest income categories. Over 15% of men earned gross monthly incomes of R3 501 or more, while around 8% of women were in that income bracket.

Figure 11.7: Real monthly income of employees by sex, 1995 compared with 1999 (in constant 1995 prices)



Sources: OHS, 1995 and 1999

Figure 11.8: Real monthly income of skilled and less-skilled employees, 1995 compared with 1999 (in constant 1995 prices)



Note: Skilled employees is the sum of managers, professionals and technicians. All other occupations are grouped in the 'less-skilled' category.
Sources: OHS, 1995 and 1999

Figure 11.8 suggests that the distribution of real monthly income was less skewed in 1999 than in 1995 – particularly among less-skilled employees. As noted earlier, except for clerks (Figure 11.6), real hourly wages of less-skilled workers increased. In contrast, real wages of professionals declined, while managers and technicians' wages barely kept pace with inflation over the period 1995-1999. Reflecting these differences, Figure 11.8 suggests a substantial shift in the percentages of less-skilled employees from the lowest income band into higher income categories (although still at the lower end of the income distribution). For example, the percentage of less-skilled employees in the R1-R200 income range fell from 16% in 1995 to 10% in 1999, and the percentage in the next income band rose from 15% in 1995 to 22% in 1999.

Means of financial support among those without employment

The aim of the analysis in this section is to provide a picture of how people who are not employed support themselves. Since 1995, the OHS has included a question in this regard. On the basis of the answers to this question, it is possible to gain important knowledge about the types of financial arrangements that enable people who have no jobs to survive.

Table 11.1: Means of financial support, 1999

	Unemployed (official) %		Not economically active (expanded) %		Discouraged %	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Support of household member	73	77	71	71	73	75
Support of person outside household	19	20	15	16	21	23
Savings	4	1	3	1	3	1
Pension	0	0	9	11	0	0
Other means	4	2	2	1	3	1
Total excl unspecified	**100**	**100**	**100**	**100**	**100**	**100**

Note: In order to identify discouraged job-seekers separately and determine non-overlapping categories among those without employment, the unemployed is based on the official definition while the not economically active is based on the expanded definition of unemployment.
Source: OHS, 1999

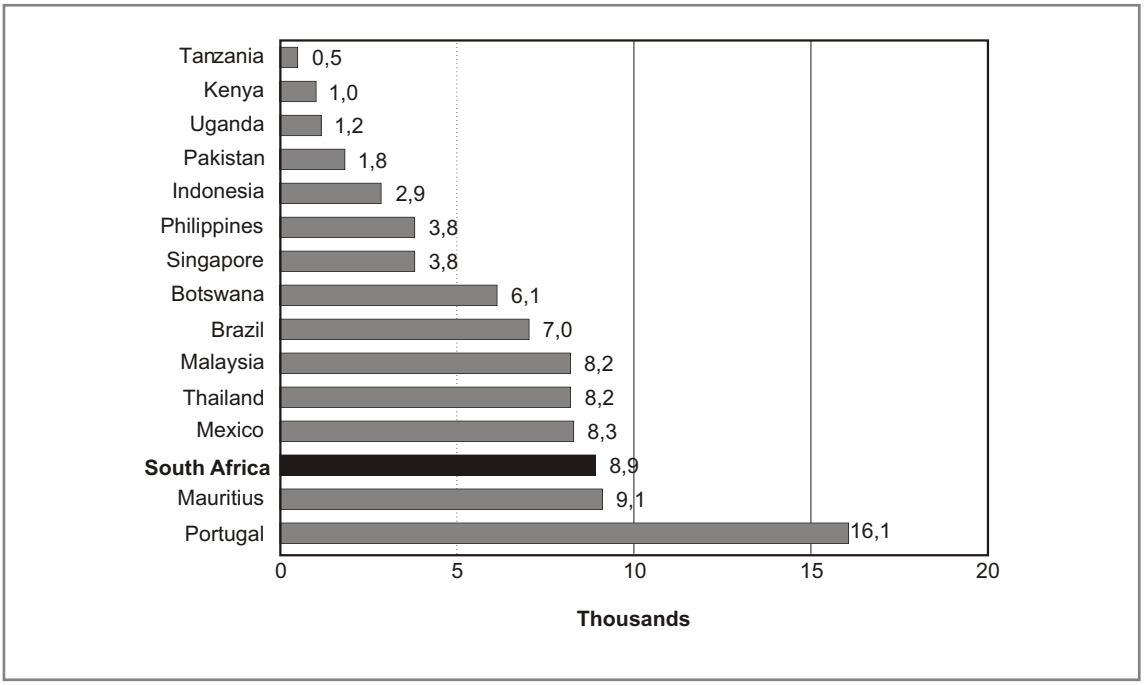
Table 11.1 shows that financial support from household members is the main source of funds among all categories of people who are not employed. The methods by which large numbers of individuals who are not employed support themselves has remained virtually unchanged since 1995. In both 1995 and 1999, one in every three discouraged job-seekers, unemployed people and not economically active people received financial support from household members. Among all three groups of people that were not working, support from persons not in the household was the second most important means of financial support. However, among not economically active people, pensions were the third most important source of finance for one in every ten people compared to among either unemployed people or discouraged job-seekers. Gender differences are minimal, as shown in Table 11.1.

International comparisons

'It is well known that both poverty and inequality impact upon, and are affected by, the functioning of labour markets and are linked to such variables as education, health, nutrition and other aspects of the quality of life' (ILO, 1999, p. 476). The analysis in this section therefore provides an indication of how many of the labour market outcomes discussed in earlier chapters are linked to internationally established poverty indicators.

The Gini index measures the degree of income inequality and is usually calculated from the distribution of household incomes rather than only the distribution of wages. The index has a value of zero for perfect equality and 100 for perfect inequality. The Human Poverty Index (HPI), developed by the UN, measures the backlog of deprivations that exist in a country. It focuses on deprivations in three areas: longevity (as measured by the probability of not surviving to age 40 years), knowledge (as measured by the adult illiteracy rate), and overall economic provisioning (as measured by the percentage of people without improved water sources and the percentage of children under five who are underweight). In contrast to the Gini index, a high HPI value indicates a high level of poverty.

Figure 11.9: GDP per capita in selected countries, 1999

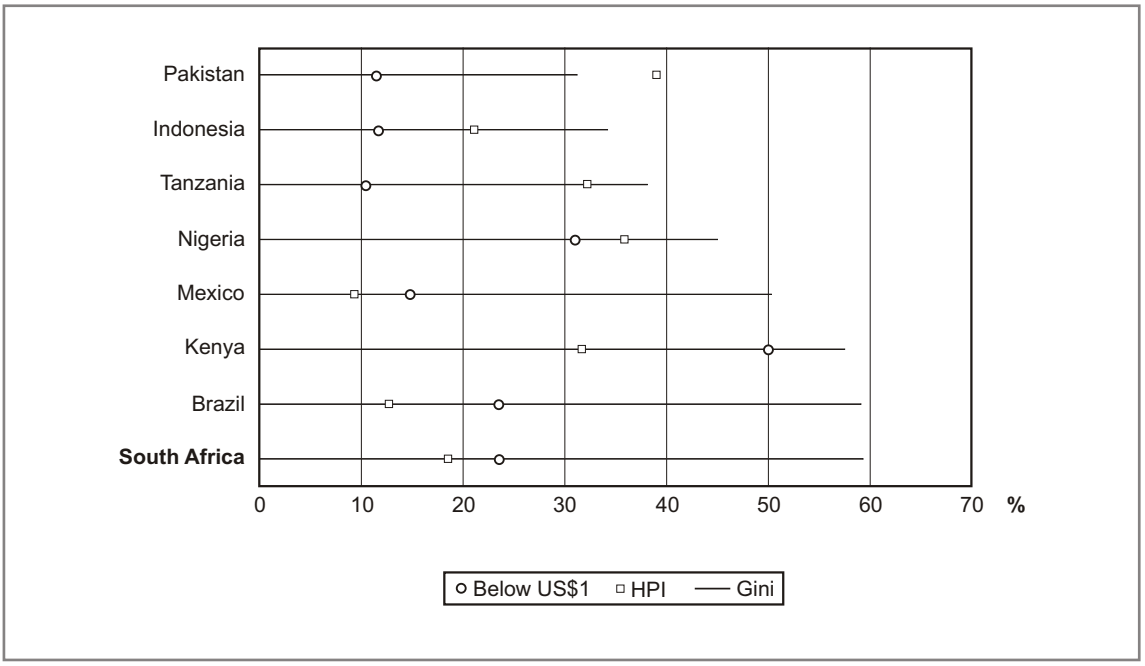


Note: GDP per capita is measured in US dollar purchasing power parities.
Source: UNECE, 2001

Comparing the level of GDP per capita (Figure 11.9) with the Human Poverty Index (HPI) and the Gini index (Figure 11.10) highlights the relationship between material wealth and income on the one hand, and poverty on the other. Some countries have relatively high inequality but a relatively low degree of poverty as measured by the HPI. This reflects differences in the use that has been made of national wealth in addressing various aspects of poverty. And using an alternative income-based measure of poverty (below US$1 per person each day) shows that some countries have high levels of inequality coexisting with a relatively low level of poverty.

As illustrated in Figure 11.9, South Africa has a relatively high level of real GDP per capita ($8 900) compared with other developing countries. Yet Figure 11.10 shows that the HPI in South Africa is higher than in countries such as Brazil and Mexico.

Figure 11.10: Poverty indicators in selected countries in the mid-1990s



Source: UNDP, 2001

Figure 11.10 also shows that as measured by the Gini index, South Africa (59,3) and Brazil (59,1) have substantially higher income inequality than countries such as Pakistan (31,2) and Indonesia (21,3). And both Pakistan and Indonesia have relatively low levels of poverty using the income based measure of below US$1 per day, compared with South Africa and Brazil where more than one-fifth of the population survive on less than US$1 per day. The more comprehensive poverty measure – HPI – developed by the UN, specifically excludes an income dimension. As shown in Figure 11.10, the HPI suggests that over 30% of the population in African countries such as Tanzania, Kenya and Nigeria are poor while nearly 40% in Pakistan are poor using this broad measure. By comparison, in countries such as Mexico, Brazil and South Africa less than 20% of the population are poor according to this measure.

Summary

Income is a key factor in determining the standard of living and poverty status of households. One important aspect of poverty is the extent to which the poor may be restricted in their access to the type of employment that provides wages beyond the subsistence level. The analysis in this chapter suggests that in South Africa, real wages of employees rose between 1995 and 1999 – particularly among less-skilled workers. Although this is likely to have shifted low-income workers into higher income bands, a substantial proportion of the workforce still earned very low wages in 1999.

For those without employment, financial support from other household members is the single most important source of income. And notably, a substantial minority still rely on pensions as the main source of income.

In terms of incomes-based measures of poverty, such as GDP per capita and the percentage of the population below the US$1 per day poverty line, South Africa out-performs many countries. Nonetheless, the degree of inequality in South Africa is similar to Brazil and substantially higher than other developing countries. A more comprehensive poverty indicator – the HPI – suggests that under 20% of the population in South Africa are poor compared with over 35% in countries such as Nigeria and Pakistan.

CHAPTER
Twelve

CONCLUSION

Introduction

The analysis presented throughout this report is intended to provide insight into how and why employment opportunities are changing in South Africa. The information provided should assist in the development of strategies to address employment and unemployment issues. In addition, the international comparisons included in each chapter are intended to provide an understanding about how the labour market in South Africa compares with countries elsewhere in the world in relation to the specific labour market issue discussed in each chapter.

The focus of this final chapter is somewhat different. The intention is to highlight important aspects of how the South African labour market has changed over the period 1995 and 1999 in comparison with labour markets in other countries. In so doing, linkages between various aspects of the labour market will be discussed in the wider context of the overall global economic climate.

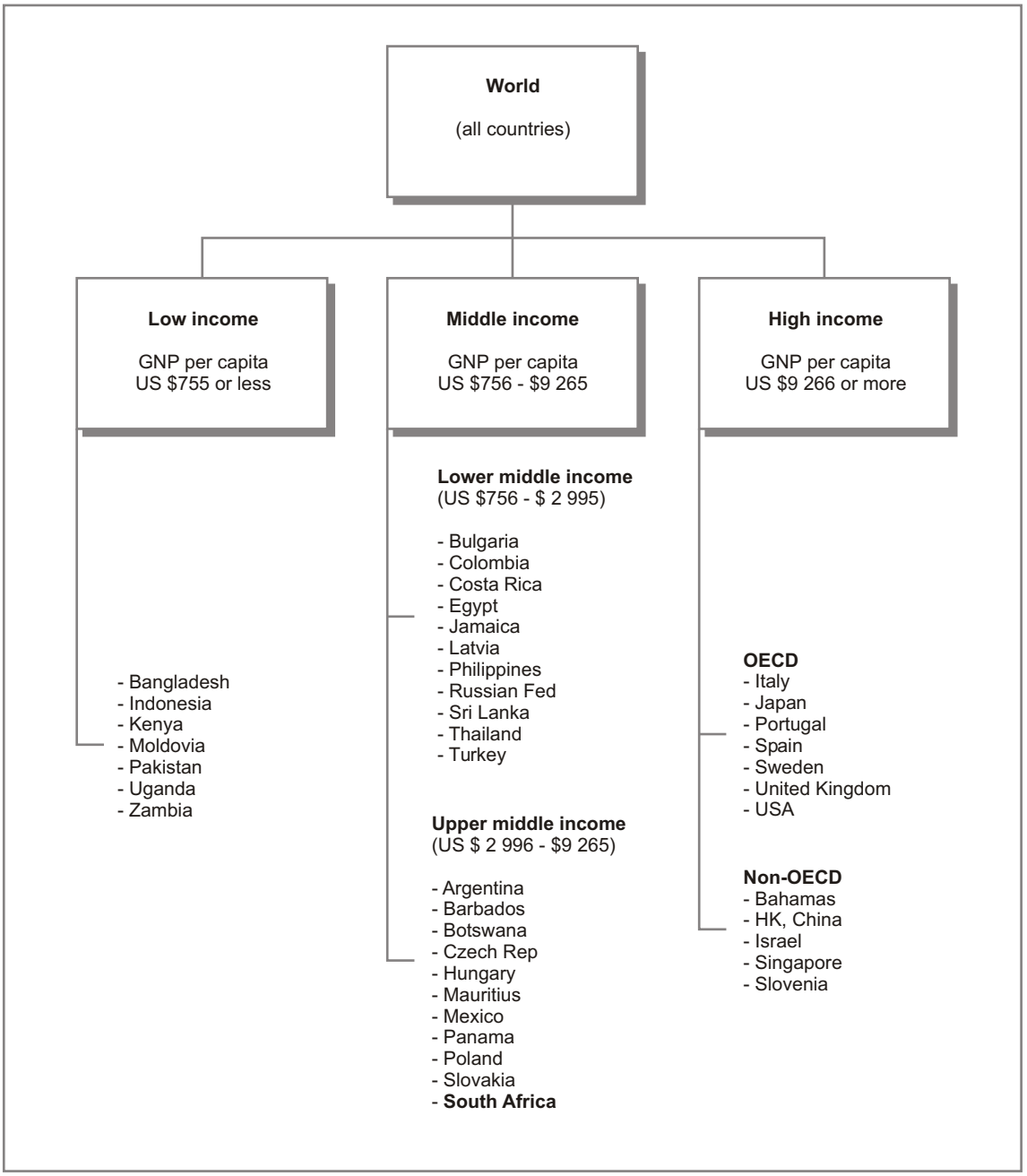
In earlier chapters, a broad international comparison was used. South Africa was compared with all countries for which data were available for the particular topic under discussion. Instead, this chapter focuses on a narrower range of countries, with a view to assessing how South Africa compares with specific countries that are much richer than itself (high-income countries), countries that are at a similar level (middle-income countries) and countries that are much poorer (low-income countries). Figure 12.1 groups selected countries into these three broad categories on the basis of the World Bank's classification of countries in 2000. Within the middle-income category, two groups of countries are identified, those in the lower-middle-income range and those in the upper-middle-income range (including South Africa).

As shown in Figure 12.1 South Africa is an upper-middle-income country with a per capita GNP (2000) in the range of US $2 996 - $9 265. Other countries whose per capita GNP is in this range include Mauritius, Czech Republic, Hungary, Slovakia, Argentina, Barbados, Mexico and Panama.

As noted elsewhere in this report, data quality issues remain unresolved[1], and caution needs to be exercised when interpreting the findings of this chapter. In making international comparisons, one complication is that data relating to various aspects of the labour market are not always available for the same country or group of countries. In addition, labour market information for most developing countries tends to be patchy and not always as up-to-date as it is for developed countries. As a consequence, the South African labour market will be compared with any of the countries identified in Figure 12.1 (for which data are available) that fall into the relevant country grouping.

[1] See data quality issues and technical notes pp. 7-9.

Figure 12.1: Classification of selected countries by income[2] and region, 2000



Source: World Bank, 2001

[2] GNP per capita is measured on the basis of the Atlas method, which uses a synthetic exchange rate commonly called the Atlas conversion factor. The Atlas conversion factor for any year is the average of a country's exchange rate (or alternative conversion factor) for that year and its exchange rates for the two preceding years, adjusted for the difference between the rate of inflation in the country and that in the Group of five (G-5) countries (France, Germany, Japan, the United Kingdom, and the USA). For more details see World Bank, 2001, p. 331.

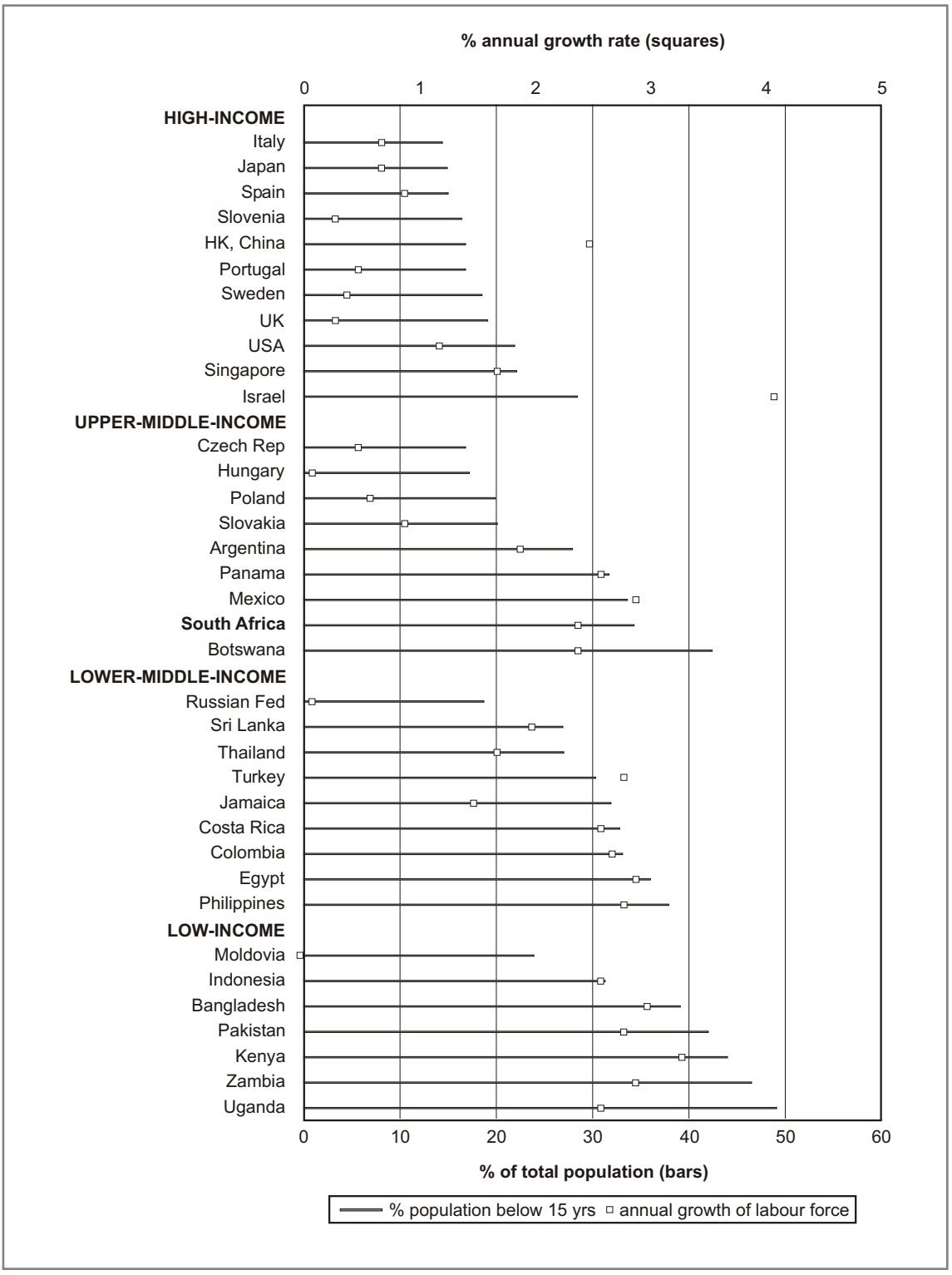
Demographic features

The annual rate of population growth in South Africa was 2,0% between 1995 and 1999, comparable to developing countries in South Asia (1,9%) and Latin America and the Caribbean (1,7%) but lower than in Sub-Saharan Africa (2,6%) as a whole and the Middle East and North Africa (2,2%) in the 1990s. The annual growth rate of the population in high-income countries was substantially lower (0,6%) during the 1990s.

Figure 12.2 shows that in the selected European countries, irrespective of income grouping, and reflecting the relatively low rates of population growth discussed earlier, the annual growth rate of the labour force (with the exception of Turkey), is relatively low (ranging from 0,0-0,1% in Moldovia and Russian Federation, to 0,9% in Spain). At the same time, the proportion of the population younger than 15 years is generally below 20% in those countries. By comparison, UN estimates suggest that over the last decade, the annual growth of South Africa's labour force (2,4%)[3] was similar to upper-middle-income African countries such as Botswana, and lower-middle-income countries in Latin America such as Costa Rica. In these countries, more than one third of the total population was below the age of 15 years in 1999. Developing countries in Asia and Africa generally have the highest annual labour force growth – 3% or more in countries such as Bangladesh and Kenya, where a relatively large proportion of the population is below the age of 15 years (around 40%), resulting in larger numbers of new entrants into the labour force each year and greater pressure on education budgets. At the same time, it is widely recognised that skills have become increasingly important in determining the employability of workers, and at the macro level, the competitiveness of the country (ILO, 2001).

[3] The UN estimate of the average annual growth rate of the labour force over the period 1990-99 is somewhat lower than that (4,3%) estimated on the basis of OHS 1995 and 1999. See also Chapter 2.

Figure 12.2: Annual labour force growth compared with percentage of the population aged below 15 years (1999) in selected countries



Sources: World Bank, 2001; UN, 2001

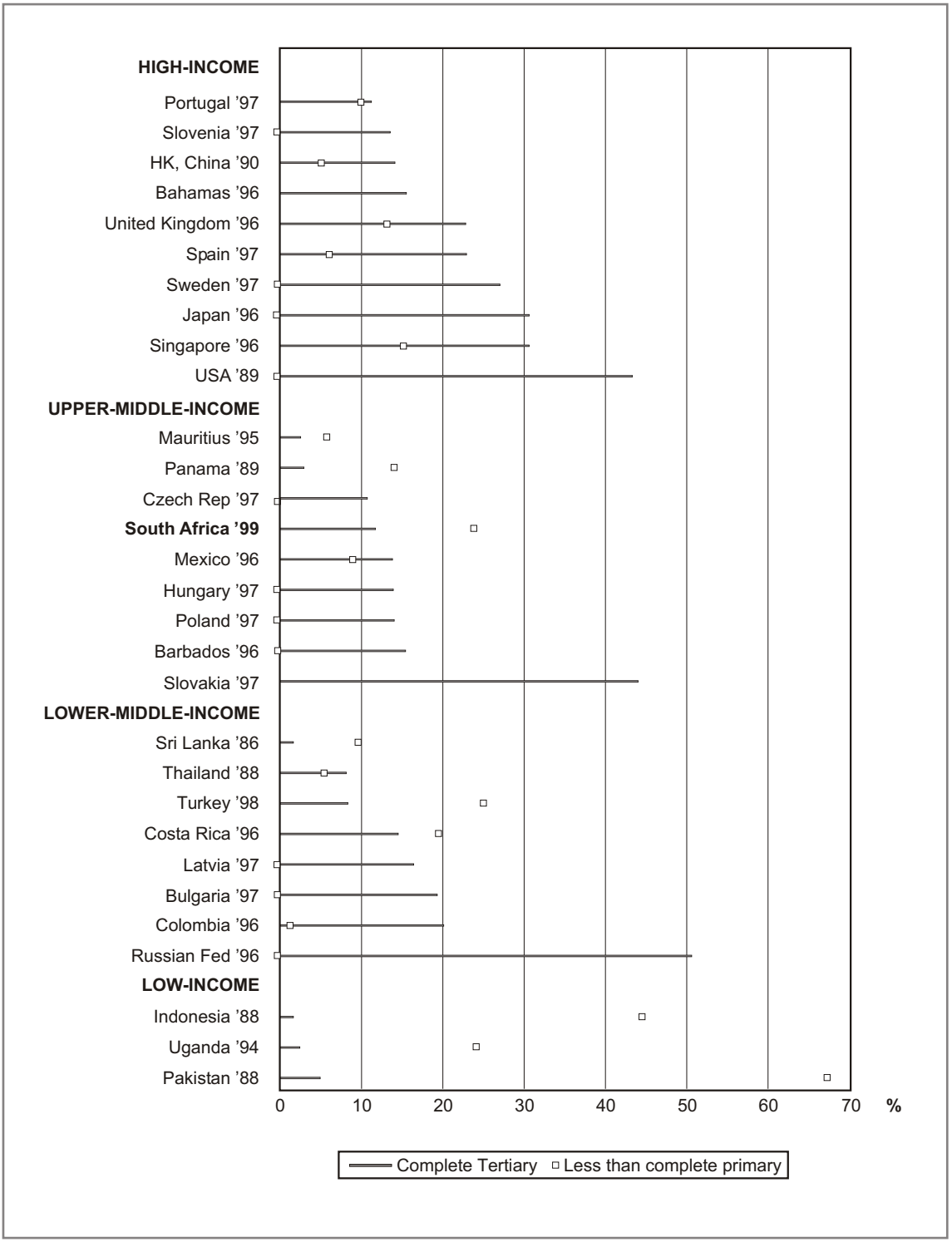
Education

'Data on educational attainment are currently the best available indicators of skill levels of the labour force. Education and skills acquisition are increasingly necessary for countries to compete successfully in the global economy and to make efficient use of rapid technological advances, and for workers to achieve a high level of employability.' (ILO, 1999, p. 327)

The level of education attainment relates only to the adult population (15 years and over) and is thus a reflection of past patterns of education. Figure 12.3 shows that in 1999, 24% of the labour force in South Africa had less than a primary level of education. But the proportions were much lower in countries such as Hong Kong China (5%), Portugal (10%) and Singapore (16%). At the same time, compared with South Africa, large proportions of the labour force in these countries had a tertiary education. High-income countries in Europe generally had relatively high proportions of the labour force with completed tertiary education, while the proportion with less than primary education was in most cases zero.

The educational achievement of the overall population and the labour force is reflected in the incidence of unemployment of various groups and sub-groups in the population. In high-income countries, unemployment rates tend to decline as the level of education attainment rises, while a shortage of skilled labour often coexists with the unemployment of unskilled workers. In South Africa, the (official) unemployment rate of people with no formal education is lower than that of people with primary education or less. This probably reflects the situation whereby the group with no formal education comprises mainly older people, many of whom have work experience that can substitute for formal education qualifications. Due to the history of education in South Africa and the relative rates of population growth, whites with any particular level of education are likely to be older than Africans. They are therefore more likely to have work experience as a substitute for formal education. Perhaps more importantly, as suggested by Unicef (1996), given the historical differences in the quality of schooling between whites and Africans, similar levels of formal qualifications are likely to represent different levels of actual achievement. As a result, unemployment rates are higher at every education level among Africans than among whites (see also Chapter 3, Table 3.3).

Figure 12.3: Percentages of the labour force (15 years and over) with completed tertiary education and with less than primary education



Note: In South Africa data refer to 1999 and individuals who hold a certificate and/or diploma with Grade 12 are included in tertiary education. Less than primary includes those with a level of education below Grade 7/ Std 5 and those with no education.
Sources: ILO, 1999; OHS, 1999

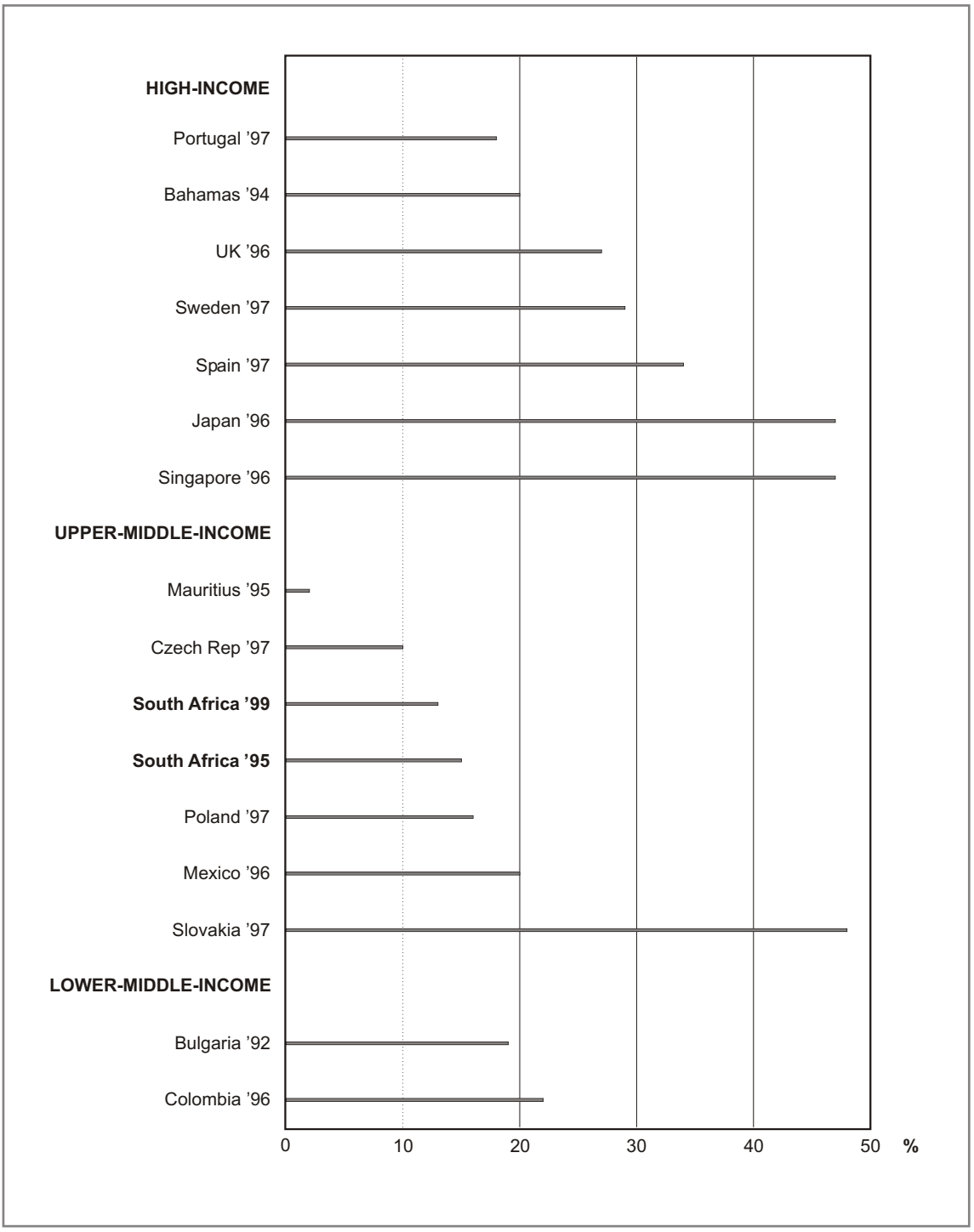
Figure 12.4 shows the percentage of the labour force aged 25-29 years in selected countries that has completed tertiary education – a narrower measure than used earlier (Figure 12.3) because in most countries individuals tend to complete formal education in their mid-twenties.

As discussed in Chapter 3, in South Africa, the proportion of the overall labour force with tertiary education[4] remained virtually unchanged in 1999 (13%) from 1995 (12%), yet the unemployment rate of individuals with tertiary education rose from 3,5% to 8,6% over the period (Figure 3.5). This perhaps suggests that people are continuing to face difficulties in completing tertiary education, and of those that do attain tertiary qualifications, many fail to do so in areas that match available job opportunities (e.g. those requiring competence in maths and sciences). This is also reflected in the increase in the percentage of individuals aged 25-29 years in the labour force with tertiary education (Figure 12.4) and the rising unemployment rate of this group over the period 1995 to 1999.

Figure 12.4 also shows that in the mid-1990s the percentage of the labour force aged 25-29 years with tertiary education ranged from under 5% in upper-middle-income countries such as Mauritius, to over 40% in countries such as Japan and Singapore and Slovakia. With few exceptions, high-income countries generally had larger percentages of 25-29 year olds in the labour force who had completed tertiary education. To the extent that the level of educational attainment provides a good indication of skills levels in the labour force, the data suggests that high-income countries may be better positioned to take advantage of global technological changes than countries elsewhere.

[4] In South Africa tertiary education includes degree holders plus people who have completed secondary education and hold a certificate or diploma. The figures in parenthesis (2,1% in 1995 and 4,6% in 1999) indicate the percentage of the labour force that holds a degree (under-graduate and/or postgraduate only) that is unemployed.

Figure 12.4: Percentage of the labour force aged 25-29 years that has completed tertiary education



Sources: ILO, 1999; OHS, 1995 and 1999

Economic growth and the labour market

As discussed earlier, a high annual rate of population growth is reflected in a relatively youthful population, and this is directly related to the size and youthful age-structure of the labour force. In any economy, work opportunities tend to increase if the growth in employment is faster than growth of the labour force. In turn, employment growth is associated with an expansion in economic activity (as measured by GDP per capita). Based on an analysis during the 1980s for 69 countries, the UN (1996) suggests that growth in employment opportunities is strongly and positively correlated with GDP per capita. A one percentage point increase in the average annual GDP per capita growth rate was associated with an 0,18 percentage point increase in the growth rate of opportunities (UN, 1996, p-88). However, an increase in per capita income does not automatically translate into an expansion of employment, since jobs may not materialise because growth has been too low. In addition, countries with similar rates of growth in per capita income often have different results in terms of employment growth. Questions also arise when an expansion in economic activity is accompanied by employment growth of mainly low-productivity or part-time jobs with little job security. Against this background, Table 12.1 and Figure 12.4 need to be interpreted with caution.

Table 12.1 Annual growth rate of GDP per capita, 1990-1999

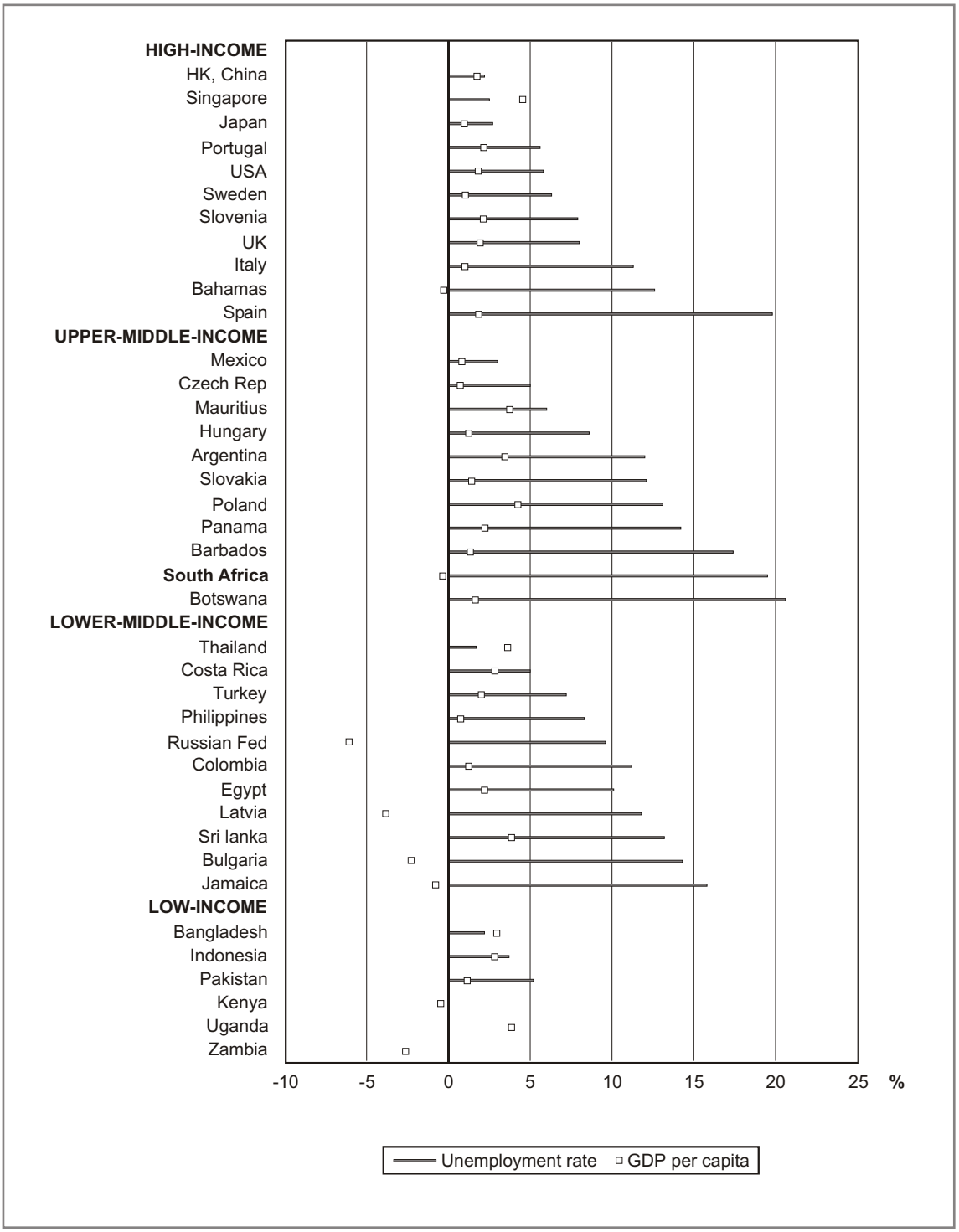
	%
By geographic region	
Developing countries	3,2
- Least developed countries	0,8
- Arab States	0,7
- East Asia & Pacific	5,9
- Latin America & Caribbean	1,7
- South Asia	3,4
- Sub-Saharan Africa	-0,4
Eastern Europe and the CIS	-3,4
OECD	1,5
By income category	
High income	1,6
Middle income	2,3
Low income	1,2
World	**1,1**

Source: World Bank, 2001

The sluggish overall growth in annual per capita incomes during the 1990s reflects the decline in major commodity prices, a slowdown in global demand following the financial crisis in south-east Asia in the latter half of the decade, and the associated spill-over effects on other countries (including South Africa). Also, in the formerly socialist countries, now in transition, per capita incomes fell sharply in the wake of radical economic reforms that began in the early 1990s.

In terms of geographic regions, the annual growth of per capita GDP relative to population growth varied substantially in the 1990s. In developing countries in East Asia and the Pacific, per capita GDP rose annually by an average 5,9% between 1990 and 1999, but in Sub-Saharan Africa, and eastern Europe and the former socialist countries, per capita GDP declined by 0,4% and 3,4% respectively.

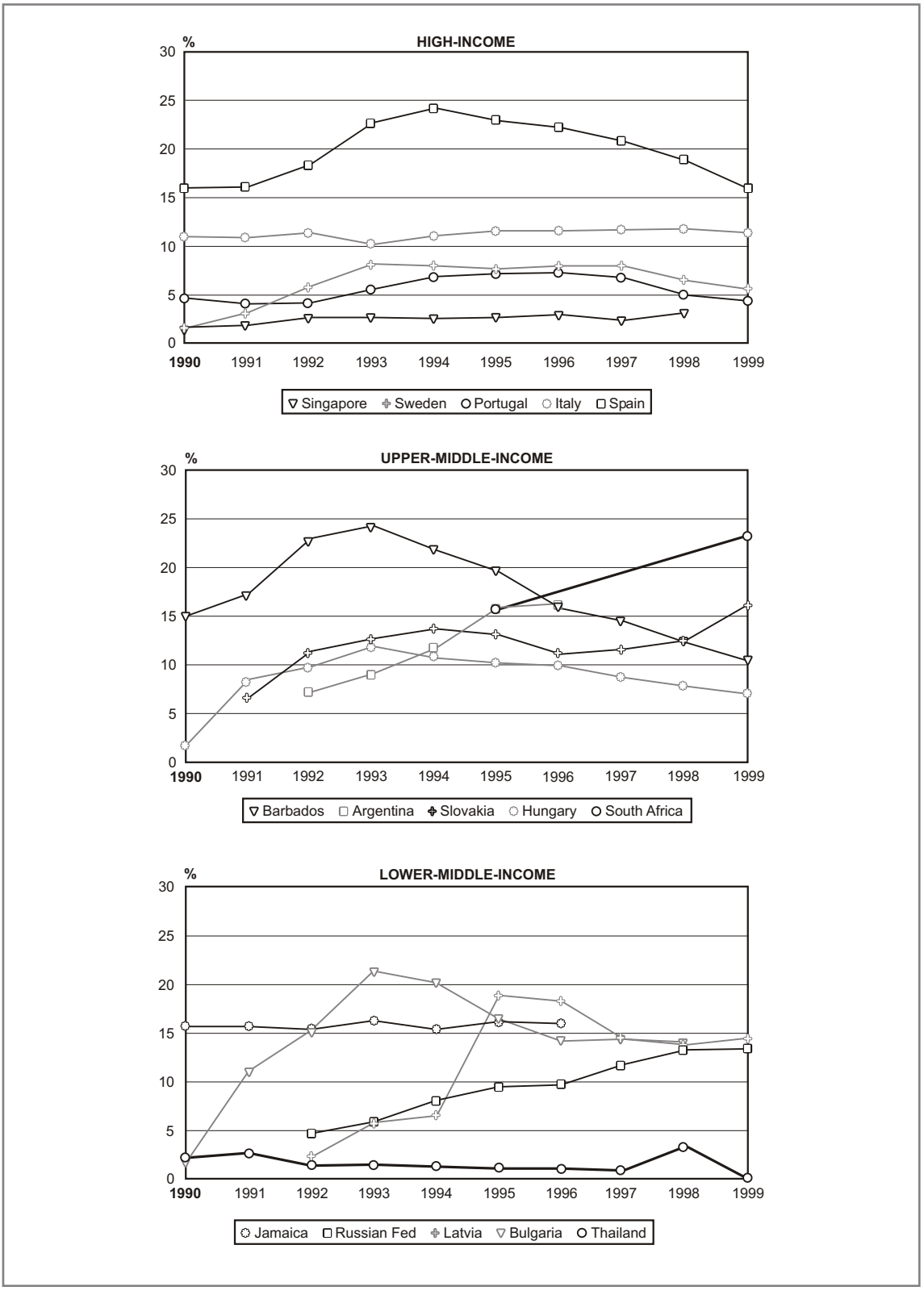
Figure 12.5: Annual GDP growth per capita and average unemployment rate in selected countries, 1990-1999



Note: The unemployment rate is an average of 1995 and 1999 for South Africa (official definition), an average of 1995 and 1998 for Botswana, and of 1995 and 1997 for Mauritius. For other developing countries the unemployment rate is based on an average of available data for any years between 1990 and 1999.
Sources: UN, 2001; IMF, 2001; Fiscu, 2000; ILO, 2001; OHS, 1995 and 1999.

Figure 12.5 shows that, over the past decade, unemployment rates were relatively high in many countries, averaging over 15% in countries such as Italy, Bahamas, Spain, Barbados, Jamaica and South Africa. This was accompanied by relatively low growth in annual per capita GDP in most of these countries. In contrast, despite the financial crisis in South-East Asia in the late 1990s, the growth in per capita income in Singapore, Indonesia and Thailand was relatively strong, and the average unemployment rate in these countries remained below 4%. However, the economic reforms underway in many countries in Eastern Europe and the former socialist countries (countries in transition) resulted in economic recession, closure of state plants and major structural changes in these economies. Per capita income declined by over 5% in the Russian Federation and by over 3% in Latvia; at the same time unemployment rates rose to historically high levels in both countries (see also Figure 12.6). In Sub-Saharan Africa, the overall economic performance was influenced by low investment ratios in most countries, while adverse shocks associated with weak international commodity prices, unfavourable weather conditions and societal conflicts in some countries, all had a negative impact. Uganda and Mauritius stand out for their steady growth performance, with per capita GDP rising by an annual 4,0% and 3,9% respectively in the 1990s. In contrast, in Zambia, per capita income declined by an annual 2,4% over the decade.

Figure 12.6: Trend in unemployment rate in selected countries



Note: Miners are under-reported in 1995 in South Africa and data refer to official definition.
Sources: ILO, 1999; IMF, 2000; UN, 2001; OHS, 1995 and 1999.

The average unemployment rates illustrated in Figure 12.6 mask important aspects of the trend in unemployment rates over the 1990s. In countries such as Russian Federation, Latvia and Bulgaria, where per capita GDP declined during the 1990s (Figure 12.5), the unemployment rate at the beginning of the decade (Figure 12.6) was relatively low compared with other lower-middle-income countries, and also substantially lower than in subsequent years. The UN suggests that in the formerly socialist countries, now in transition, per capita incomes fell by about a third since 1990 (UN, 1996). Even in high-income countries such as Sweden, where historically the unemployment rate was typically below 2,0%, by the mid-1990s there was a dramatic increase – from 1,6% in 1990 to 8,2% by 1993. A similar picture emerges in countries in East Asia and the Pacific (Indonesia, Singapore, Thailand) where the rapid pace of economic growth characteristic of previous decades was interrupted by a sharp slowdown, following the financial crisis that began in 1997. For many countries in this region, growth rates have not returned to the levels of the early 1990s and as illustrated in Figure 12.3, although still below 5%, unemployment rates are 50% or more higher than in 1990.

Labour absorption

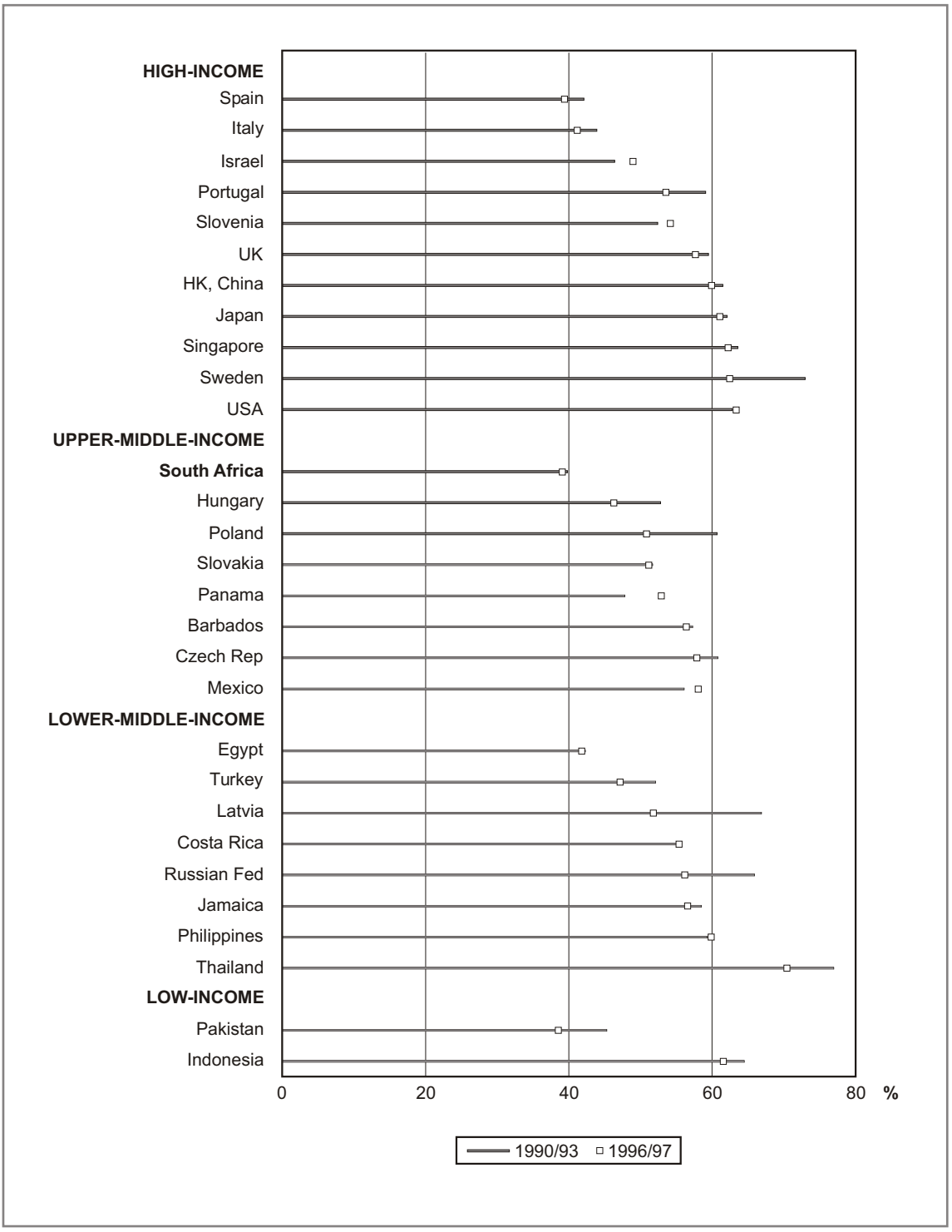
The labour absorption rate is a crude measure of expanding work opportunities in any economy. Over any given period, a rising labour absorption rate means that a larger proportion of the working age population is engaged in productive labour market activities. Conversely, a declining labour absorption rate indicates that a country has a shrinking proportion of its population engaged in productive labour market activities – because a larger proportion are either unemployed or, perhaps more likely, out of the labour force altogether.

Reflecting the contraction in economic activity and the rise in unemployment rates discussed earlier, Figure 12.7 shows that between 1990 and 1997, labour absorption rates fell substantially in transition countries such as Latvia and Russian Federation and also in eastern European countries such as Poland and Hungary. Among the high-income countries shown in Figure 12.7, the decline was particularly marked in Sweden and Portugal. But in upper-middle-income countries such as South Africa, Slovakia and Czech Republic, the relatively large increases in the unemployment rate are not reflected in a decline in the labour absorption rate, suggesting that the growth in employment in these countries was not sufficient to absorb the backlog of unemployment that had built up.

In terms of gender considerations, in South Africa, as illustrated elsewhere (Figure 4.13, Chapter 4), overall labour absorption rates remained virtually unchanged between 1995 (39,8%) and 1999 (39,5%). However, gender differences were substantial (although the under-reporting of miners in 1995 is likely to have exaggerated the difference). Male absorption rates declined from 50,7% in 1995 to 47,7% in 1999, while female rates were more stable at 29,8% in 1995 and 31,9% in 1999.

In other upper-middle-income countries such as Mexico (81,8% for men and 37,5% for women in 1997), gender differences in labour absorption rates were even more pronounced than in South Africa. In lower-middle-income countries, gender differences tended to be less pronounced in Bulgaria (47,1% for men as against 39,1% for women in 1995), than in Turkey (69,9% for men and 25,7% for women in 1997). Reflecting the generally higher level of economic development, labour absorption rates (1997) in high income countries such as United Kingdom, Japan, Portugal, Singapore and Bahamas, were generally higher for both men and women than in many low- and middle-income countries. By contrast, in the mid-1990s, the absorption rates in some low-income countries such as Pakistan (66,5% among men and 9,8% among women) and Indonesia (78,9% among men and 47,4% among women) show relatively large gender differences, due probably to cultural factors.

Figure 12.7: Labour absorption rate in selected countries, 1990/93 compared with 1995/97



Note: Miners are under-reported in 1995 in South Africa and data refer to 1995 and 1999.
Sources: ILO, 1999; OHS, 1995 and 1999

Labour force participation/activity rate

Across the globe, relative to men, female activity rates have increased dramatically since 1970. As shown in Figure 12.8, the ratio of female to male participation rates increased substantially in countries such as Mauritius, Mexico and Sri Lanka between 1970 and the late 1990s.

According to the UN (2000, p. 123), in western economies, the activity rates for women have continued to increase over the last 15-20 years. Economic growth, job creation in the service sector due to structural changes, and population aging have all contributed to furthering women's participation in the labour market. Moreover, the large increases in women's economic activity in the west have been accompanied by a drop in fertility, by increased levels of education and by increased acceptance in society of working mothers.

During the 1990s, while men's activity rates declined, female labour force participation continued to increase in both western Europe and North America. In transition economies, participation rates of both men and women fell, due to the economic restructuring, which impacted negatively on the demand for labour. The general fall in the male activity rate is in part voluntary and due to societal changes, and in part due to declines in some traditional male employment sectors (p. 125).

In South Africa, male labour force participation/activity rates increased moderately – from 58,3% in 1995 to 59,4% in 1999, but among women the increase was larger – from 37,1% to 44,2% over an equivalent period. This partly reflects the larger increase in employment among women (571 000) since 1995, than among men (133 000), but also reflects a relatively larger number of unemployed women than men in the labour force in 1999 compared with 1995. As discussed earlier, the under-reporting of miners in 1995 (who are predominantly male) is likely to understate the increase in male participation over the period.

Figure 12.8: Ratio of female to male LFPR in selected countries, 1970 compared with 1998

Note: Miners are under-reported in 1995 in South Africa and data refer to 1995 and 1999 (official definition).
Sources: World Bank, 2001; OHS, 1995 and 1999

Long-term unemployment

Long-term unemployment (of 12 months or more) has become a pressing problem in many countries. The incidence of long-term unemployment (measured as the percentage of unemployed people looking for a job for 12 months or more) in South Africa was 66% in 1995, similar to countries such as Italy (64% in 1995), but higher than Caribbean countries such as Barbados and Jamaica, and European countries such as Spain (57% in 1995) and Portugal (51% in 1995). By 1999, job opportunities in the South African labour market had become particularly scarce, and the percentage of unemployed people looking for work for one year or more had risen to over 70%.

Three issues arise from the trend in long-term unemployment illustrated in Figure 12.9:

1. countries where long-term unemployment has been relatively high throughout the 1990s (Slovenia, Spain, Portugal, Italy, South Africa and Bulgaria);

2. countries where the incidence of long-term unemployment was relatively low at the beginning of the decade, but rose sharply towards the end of the decade (Sweden, Czech Republic, Slovakia, Hungary, Russian Federation and probably Latvia); and

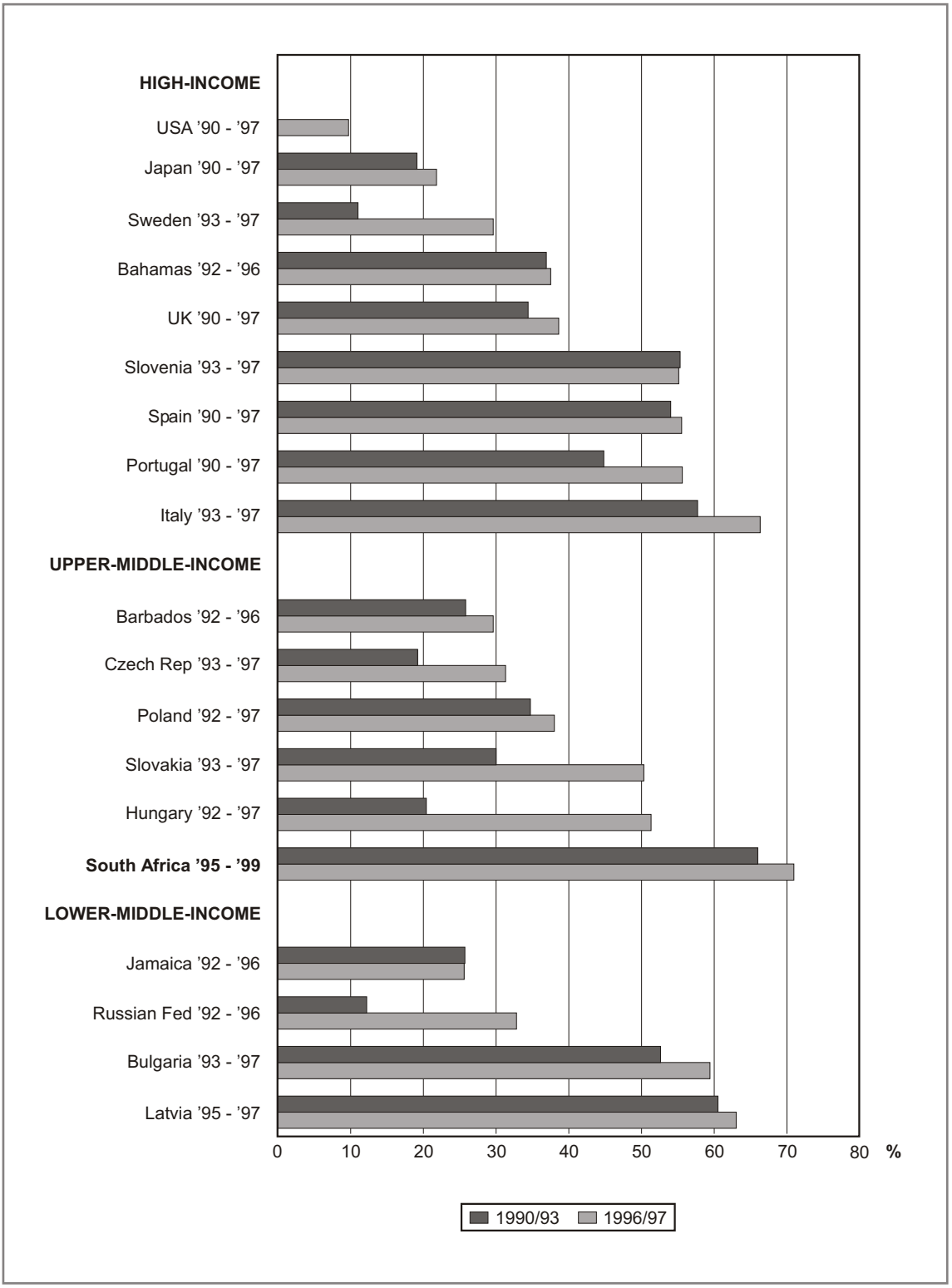
3. countries where the incidence of long-term unemployment was relatively high early in the decade and where there was also a noticeable increase towards the end of the decade (Portugal, Italy, Bulgaria and South Africa).

Long-term unemployment has been particularly acute in eastern European countries and the former socialist economies; in the past decade economic growth has been poor, labour absorption rates have fallen and unemployment rates have risen dramatically. As illustrated in Figure 12.9, by the late 1990s, in countries such as Slovenia, Slovakia, Hungary, Bulgaria and Latvia, 50% or more of unemployed individuals had been looking for a job for one year or longer. Moreover, in many of these countries, there was a sharp rise in the percentage in long-term unemployment over the decade. In economies such as Slovakia, long-term unemployment rose from 30% of the unemployed in 1993 to 50% in 1997, in Hungary the incidence of long-term unemployment more than doubled (from 20% in 1992 to 50% in 1997) and in Russian Federation it almost tripled (from 12% in 1992 to 32% in 1996). In Latvia the increase was less substantial because data are not available for years prior to 1995.

Some high-income countries did not escape the problems associated with a rapid escalation in the incidence of long-term unemployment. In both Spain and Italy the high incidence of long-term unemployment reflects relatively high unemployment rates (of over 10%) throughout the decade of the 1990s. However, in Portugal, unemployment rates were somewhat lower, yet the incidence of long-term unemployment was similar to Italy and Spain. At the same time, there was a much larger rise in the incidence of long-term unemployment over the decade in Portugal than in either Italy or Spain.

And notably, while the contraction in economic activity in eastern Europe and the former socialist countries may be largely responsible for the hike in long-term unemployment in those countries, the growth performance of Portugal, Italy and Spain was relatively better – annual per capita income over the decade of the 1990s rose by 1,2% in Italy, by 2,3% in Portugal and by 2,0% in Spain (see Figure 12.2). Among high-income countries shown in Figure 12.9, Sweden stands out as a country where there was a particularly large increase in the incidence of long-term unemployment. The economic crisis that occurred in Sweden in the early 1990s was accompanied by a sharp rise in the incidence of long-term unemployment – from 11% in 1990 to 30% in 1997. In contrast, in Caribbean countries such as Barbados and Jamaica, during the early to mid-1990s, the incidence of long-term unemployment was more stable and somewhat lower – in the 25-30% range.

Figure 12.9: Trend in long-term unemployment (12 months or more)



Note: Miners are under-reported in 1995 in South Africa and data refer to 1995 and 1999 (official definition).
Sources: ILO, 1999; OHS, 1995 and 1999

Reason for being out of the labour force

Irrespective of the income level ranking of countries, the continuation of education is a relatively more important reason for not being in the labour force among not economically active men than among not economically active women. The percentage of not economically active men in high income countries stating education or training as the reason for not being in the labour force varied from as low as 26% in countries such as Italy, to 50% in Sweden. In upper middle-income countries such as South Africa (1999) it was 58% for men (and 37% for women) and in Czech Republic (1998) the proportion was even higher (67%, and 42% for women). In other upper-middle-income countries (1998) such as Slovakia (33%) and Hungary (22%) the proportion tended to be smaller. And in lower-middle-income countries such as Russian Federation (28%) and to a lesser extent Turkey (34%), relatively low percentages of not economically active men stated 'education or training' as the reason for not being in the labour force.

Notably, in Russian Federation (an upper-middle-income country like South Africa), almost equal proportions of not economically men and women stated education or training as the reason for not being in the labour force. And similar (but higher) proportions of not economically active men and women in Finland (36% of men and 39% of women) also stated this as the main reason for not being in the labour force.

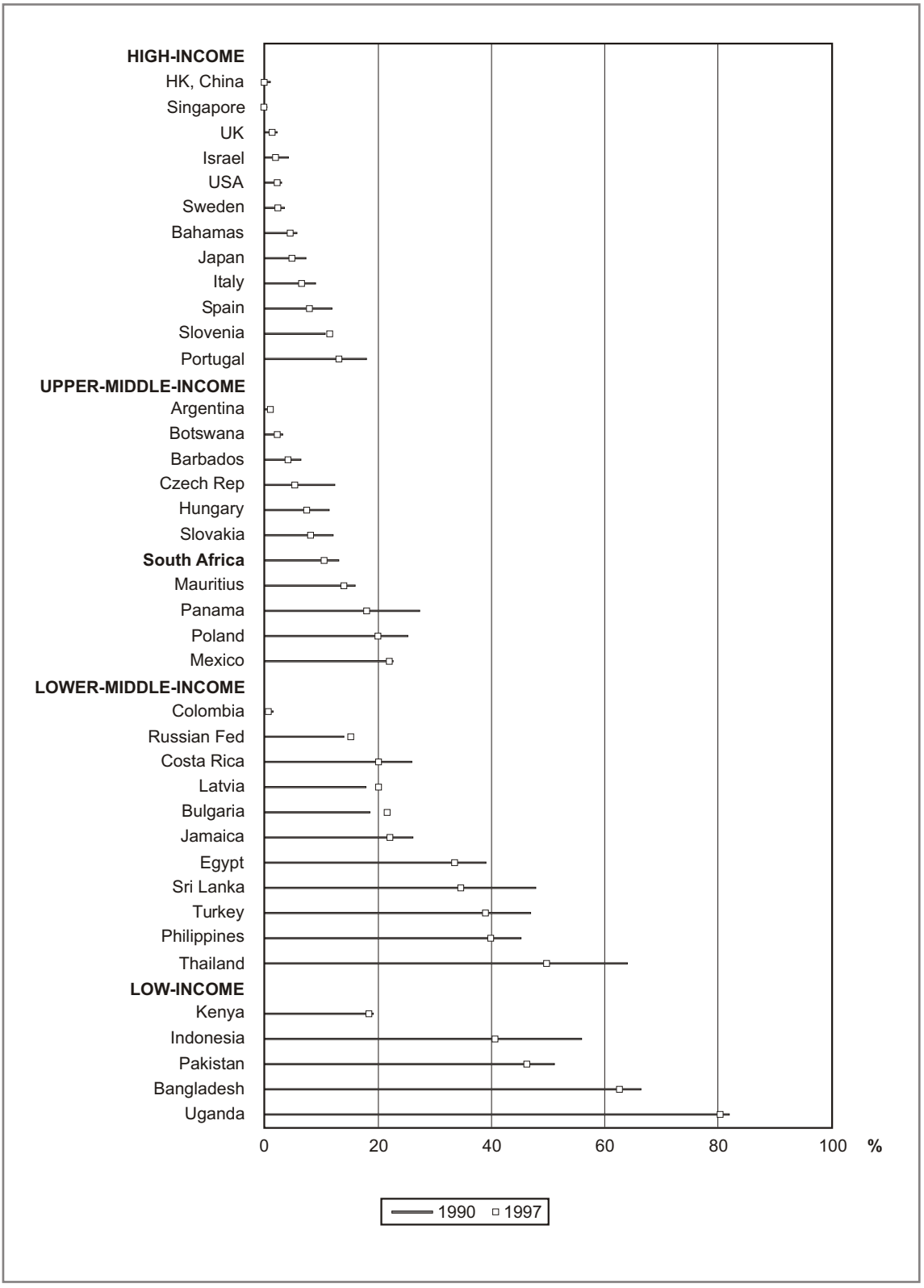
In South Africa, the bulk of not economically active men and women are aged 15-24 years and for many – particularly Africans – the continuation of education reflects the struggle that many individuals face in completing the level of education appropriate to their age.

Sectoral shifts in employment

Over the years, there has generally been a worldwide shift from the sectors that produce goods (agriculture and industry) towards the services-producing sector, with the result that the contribution of agriculture to both output and employment has tended to decline. While this shift has been very pronounced in high-income countries, it has been less marked in Sub-Saharan Africa and some Asian countries.

In terms of agricultural employment, Figure 12.10 shows that agriculture makes a relatively low contribution in high-income countries such as Hong Kong China, Singapore, United Kingdom, Israel and USA (under 5% of total employment). In upper-middle-income countries such as Argentina, Botswana and Barbados, the contribution of agriculture to total employment is also relatively low (below 10%). In South Africa, the decline in agricultural employment between 1995 and 1999 is perhaps understated, but the sector accounted for around 13% of total employment in 1995 and 11% in 1999. And for many of the former socialist countries such as Latvia, employment in the agriculture sector is more significant than for economies in central and eastern Europe such as Czech Republic, Hungary, Slovenia and Slovakia. By comparison, in most lower-middle-income and low-income countries shown in Figure 12.6, the agriculture sector accounts for over 20% of employment opportunities – and in countries such as Thailand, Bangladesh and Uganda over 50%.

Figure 12.10: Employment in agriculture as a percentage of total employment in selected countries, 1990 compared with 1997



Note: Year closest to 1990 and to 1997 for many developing countries. Data for South Africa refer to 1995 and 1999.
Sources: ILO, 1999; OHS, 1995 and 1999

With few exceptions (mainly in transition economies), over the period 1990-1997, agricultural employment has generally shrunk in most countries shown in Figure 12.10. The decline has been particularly marked in countries such as Indonesia, Thailand and Sri Lanka where annual per capita GDP growth has been relatively strong – 3% or more during the past decade.

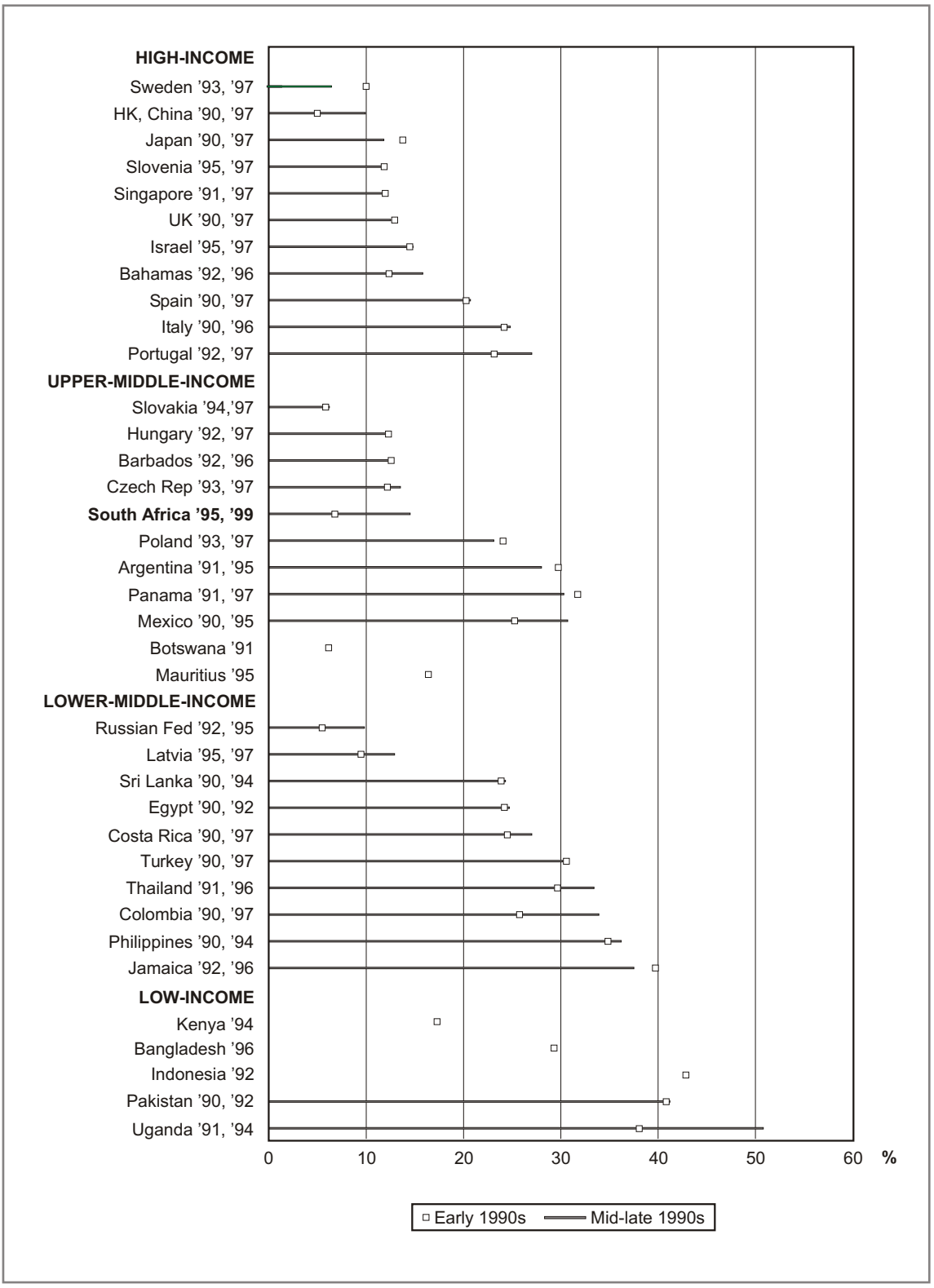
In contrast, Figure 12.10 shows that the relative importance of agriculture has increased in some transition countries (Russian Federation and Latvia) in the wake of the economic restructuring process, largely because employment in the industrial sector has shrunk dramatically.

Self-employment and the informal sector

The situation found in countries where the self-employed account for a relatively high proportion of employment is often a signal that employment growth in the formal sector is low relative to the growth rate in the informal sector. In addition, high proportions of wage and salaried workers (employees) in employment are associated with greater levels of economic development.

The ILO (1999) suggests that self-employment is growing faster than traditional employment, although its share of total employment remains relatively small. Figure 12.11 shows that in high-income countries, self-employment ranges from under 2% of total employment in countries such as Sweden to around 15% in countries such as Bahamas. In western European countries such as Italy, Turkey, Portugal and Spain, self-employment is somewhat higher, occupying 20-30% of workers. Upper-middle-income countries such as South Africa, Barbados and Hungary have between 12% and 16% of workers in self-employment compared with Botswana at one extreme (7%), and Mexico and Panama (30%) at the other extreme. The ILO (2001) notes that in Africa, the relatively high growth rate of the labour force, coupled with little job creation in the formal sector, means that most jobs are necessarily created in the informal sector, and in low-productivity agriculture. In Caribbean countries, high double-digit open unemployment is the general rule, and although in countries such as Barbados and Bahamas unemployment rates declined (see Figure 12.3), this was 'mainly due to improved economic growth and greater labour absorption in the informal sector'. The lack of formal sector opportunities means that self-employment tends to be relatively high in low-income countries such as Indonesia (1992), Pakistan (1996) and Uganda (1994), where the self-employed account for over 40% of total employment.

Figure 12.11: Percentage of workers who are self-employed in selected countries, 1990 compared with 1997



Note: Miners and the agricultural sector are under-reported in 1995. Domestic workers are included as employees.
Sources: ILO, 1999; OHS, 1995 and 1999

Table 12.2: Trend in self-employment in South Africa, 1995 compared with 1999

	Total incl. agric	Agriculture	Total excl. agric
1995			
Own account/self-employed ('000)	554	68	486
Both ('000)	123	9	114
Domestic workers ('000)	704	0	704
Others ('000)	8 251	1 161	7 090
Total employment ('000)	**9 632**	**1 238**	**8 394**
% own account	**6**	**5**	**6**
Own account+both+domestic ('000)	1 381	77	1 305
% own+both+domestic	**14**	**6**	**16**
1999			
Own account/self-employed ('000)	1 507	192	1 316
Both ('000)	107	13	94
Domestic workers ('000)	799	0	799
Others ('000)	7 956	894	7 062
Total employment ('000)	**10 369**	**1 099**	**9 270**
% own account	**15**	**17**	**14**
Own account+both+domestic ('000)	2 413	204	2 208
% own+both+domestic	**23**	**19**	**24**

Sources: OHS, 1995 and 1999

As noted earlier (see Chapter 8), definition issues preclude a comparison of non-agricultural employment in the informal sector in South Africa between 1995 and 1999, except in respect of own-account and domestic workers. In the discussion that follows, own-account workers are regarded as either employers or self-employed individuals and the terms are used interchangeably. The numbers in Table 12.2 differ from those presented earlier (Chapter 8, Table 8.2) because they include all own-account workers whether formal or informal. In terms of employment type (i.e. whether self-employed or employee), in the OHS 1995, all domestic workers were coded as self-employed, while in OHS 1999, they were regarded as employees. If in both years domestic workers are regarded as employees, then an alternative indication of the size of the informal sector, as measured solely by the percentage of own-account workers in total non-agricultural employment, suggests that informal sector employment rose from 486 000 in 1995 to 1,3 million in 1999. A crude proxy for formal sector employment based on the difference between own-account workers and total non-agricultural employment, suggests that formal sector employment rose slightly – from 7 908 000 to 7 955 000 over a similar period (Table 12.2). An alternative configuration, based on the inclusion of domestic workers and individuals who were both employers and also employees, suggests that self-employment is somewhat higher (16% in 1995, rising to 24% in 1999). On either basis, it would appear that the poor economic performance of South Africa for much of the 1990s was accompanied by an increase in the proportion of workers in self-employment, a decline in employment in the agricultural sector and an increase in informal sector activity.

Unpaid family workers

The OHS does not identify unpaid family workers as a separate group. However, even in some high-income countries such as Japan and Slovenia, unpaid family workers account for 5-8% of employment. This type of arrangement occurs on a much larger scale in developing countries such as Egypt (16%), Philippines (14%), Thailand (29%), Turkey (28%) and Uganda (35%) (ILO, 1999). As noted earlier, economic expansion tends to be accompanied by a shift in employment from the agricultural to the industry and services sectors. If at the same time the percentage of individuals engaged in the agriculture sector declines, one would expect the proportion of unpaid family workers to shrink in turn.

In countries such as Latvia and to a lesser extent Russian Federation, where economic growth was also poor, the rise in self-employment was not matched by declines in the proportion employed in agriculture (because industrial activity shrank) but by an increase in the proportion of unpaid family workers. Uganda's good economic performance was accompanied by a large rise in the proportions in self-employment and in agricultural employment – consistent with an increase in the proportion of unpaid family workers.

Occupations

The ILO (1998) identifies a rising trend in employment of skilled workers in both developed and developing countries. Between 1981 and 1996 the growth in jobs in advanced economies was highest for professionals and technicians. In developing countries, the same occupational categories also experienced high growth rates, but to a lesser degree. So too in South Africa, where employment in the managerial, professional and technician category (as a group) rose by 18,6% between 1995 and 1999 compared to total employment growth of 7,1% over an equivalent period. By contrast, and as noted by the ILO (1998), the growth in jobs for production-related workers, which include skilled manual and craft workers as well as mostly un- or semi-skilled workers, has been low, or even negative, in developed as well as developing countries. In South Africa, growth in employment in these occupational groups has also been much lower than that for the highest occupational categories. Craft/operators as a group rose by 8,9% between 1995 and 1999, while elementary workers (including skilled agricultural workers) increased by 2,5% over the period. Clerical/services/sales jobs grew more slowly over a comparable period (2,0%), unlike the trend evident in developed countries where rapid growth in this category of unskilled workers reflected a shift towards services as well as a tendency towards polarisation in skill requirements in service sector jobs (ILO, 1998).

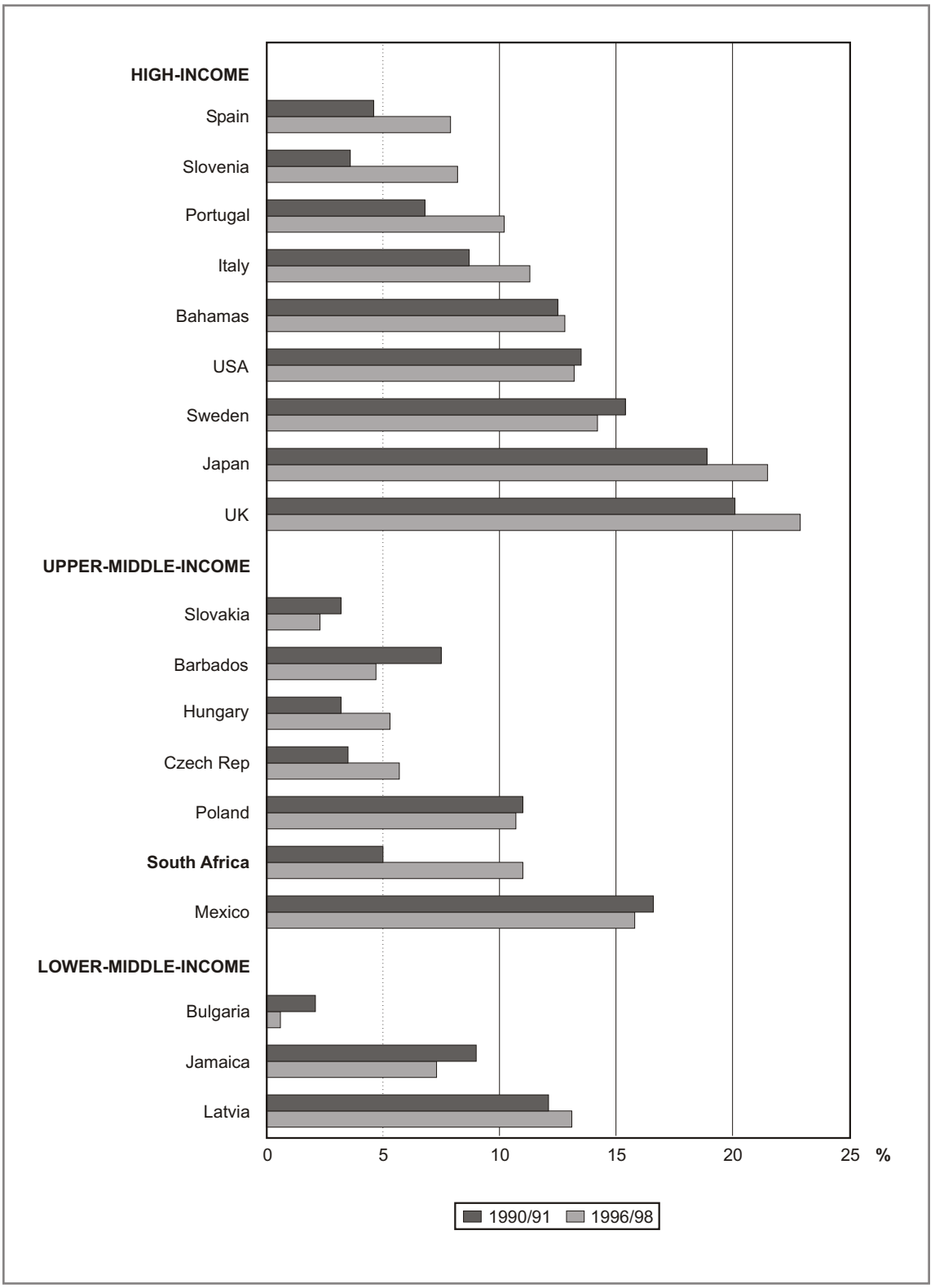
Part-time employment

According to the ILO, the diffusion of new technology requires that employees are either multi-skilled or that they have higher skill levels. But although as a consequence training has become a critical issue, many firms have shifted to the employment of part-time workers or subcontractors rather than train or retrain their workforce. The result is that 'skills have become increasingly important in determining the employability of the individual, and at the macro level, the competitiveness of the country' (ILO, 2001, p. 2).

Part-time work rose from 14% of the total OECD workforce in 1990 to 16% in 1999 and casual work and working without an explicit contract of employment has been on an upward trend worldwide, particularly in countries such as Argentina, Brazil, Pakistan and Sri Lanka (ILO, 2001, p. 3). And the UN (1996) suggests that in industrial countries, employment is increasingly part-time in nature while in developing countries it is increasingly in the informal sector.

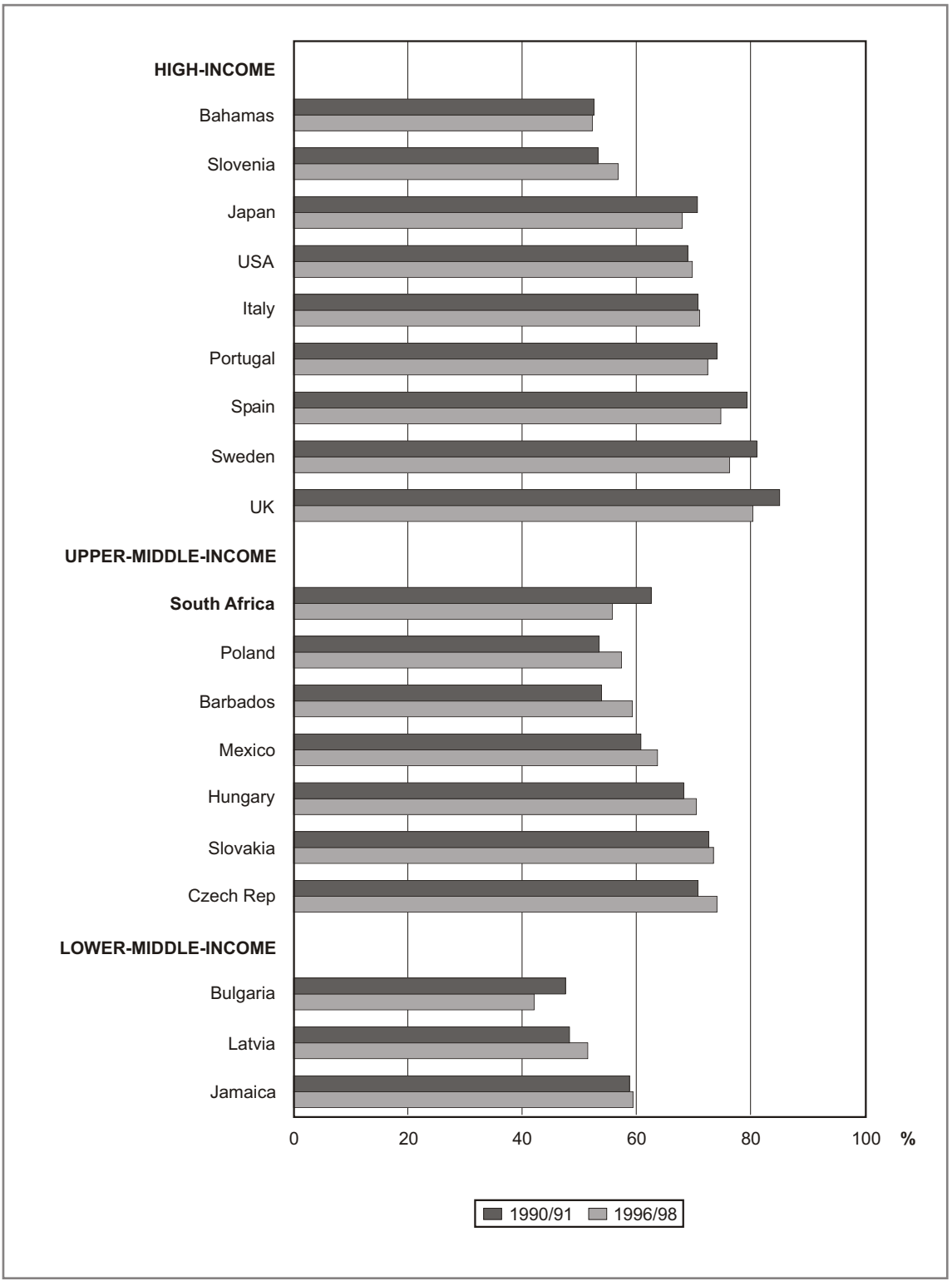
As discussed in Chapter 7, in South Africa, self-defined part-time employment is not easily reconciled with part-time employment based on the number of hours worked. However, for the purpose of international comparisons, and using a cut-off of less than 30 hours per week, Figure 12.12 shows that part-time employment in South Africa rose from 5% to 11% of total employment between 1995 and 1999. High-income countries shown in Figure 12.12 tend to have a higher proportion of part-time workers than countries in other income groupings. And particularly in Spain, Slovenia and Portugal there has been a substantial rise in part-time employment during the past decade. Part-time employment has also risen in countries such as Japan and United Kingdom, where by the late 1990s, 20% of employment was on a part-time basis.

Figure 12.12: Percentage of employment on a part-time basis (less than 30 hours per week)



Sources: ILO, 1999; OHS, 1995 and 1999

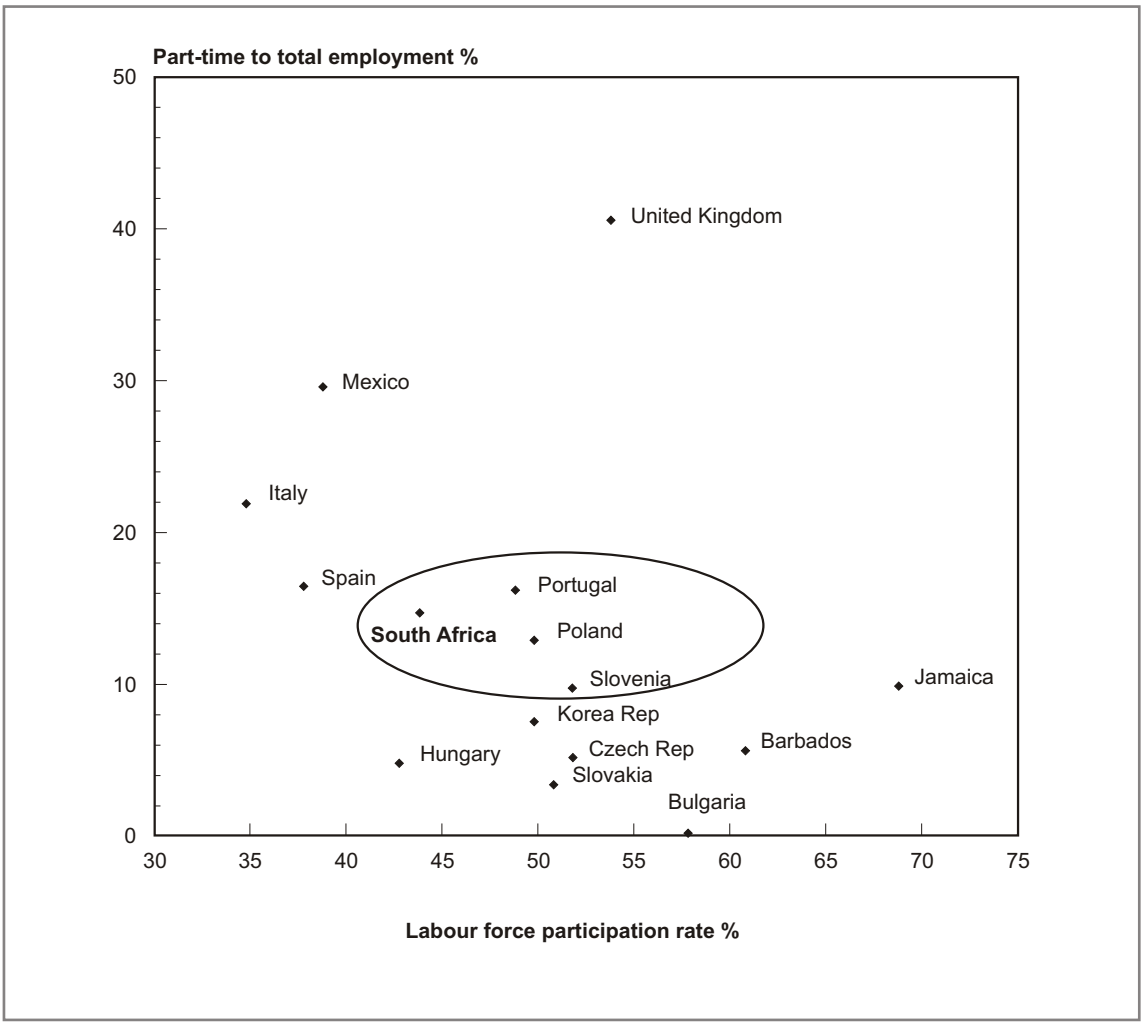
Figure 12.13: Female share of part-time employment (less than 30 hours per week)



Sources: ILO, 1999; OHS, 1995 and 1999

Figure 12.13 shows that in high-income countries such as Japan, Portugal, Spain and United Kingdom, the increase in part-time employment has been accompanied by a decline in the female share of part-time employment. A similar trend is occurred to South Africa, where the percentage of individuals in part-time employment (based on a work-week of less than 30 hours) more than doubled (from 5% in 1995 to 11% in 1999) but the percentage of women employed on a part-time basis declined from 63% in 1995 to 56% in 1999. This reflects the substantially higher increase in part-time and casual jobs among men than among women. By 1999 there were 79 men per 100 women employed on a part-time basis as against only 60 men per hundred women in 1995.

Figure 12.14: Ratio of female part-time employment to total employment and labour force participation rates in selected countries



Note: Data refer to 1996/97 for all countries except South Africa (1999).
Sources: ILO, 1999; OHS, 1999

As noted earlier, in industrial countries, large increases in women's economic activity have been accompanied by a drop in fertility, by increased levels of education and by increased acceptance in society of working mothers (UNECE, 2000, p. 123). Figure 12.14 highlights the relationship between female labour force participation rates and the percentage of employed women working on a part-time basis (less than 30 hours per week). The following is noteworthy:

- It is generally expected that the higher the share of women in part-time work, the higher their participation in the labour force. This is true of high-income countries such as United Kingdom, where part-time work is so institutionalised that a relatively high percentage of employed women work on a part-time basis and the female labour force participation rate is over 50%.

- In east European countries such as Bulgaria, Slovakia, Hungary and Czech Republic, labour force participation rates tend to be less affected by the percentage of women working part-time. This may be because in some countries part-time employment is a relatively new occurrence which has not had the effect of encouraging women into employment but may instead have been chosen by women to cope with the disappearance of previously existing childcare facilities, or have been used by employers as a method of reducing the number of hours worked.

- In Caribbean countries such as Barbados and Jamaica the relationship between women's participation in the labour force and part-time work is negative (a high labour force participation rate is associated with a relatively low percentage of women in part-time employment). This probably reflects the varying influence of the traditional role of women as homemakers, but may also reflect measurement problems; in countries where women tend to work only for a few hours per week, it is more likely that their activities may be under-reported (ILO, 1999, p. 134).

- By comparison, in countries such as South Africa, Portugal, Poland and Slovenia 10-20% of employed women work on a part-time basis (less than 30 hours per week) while female participation rates are generally in the 40-50% range.

Youth in the labour market

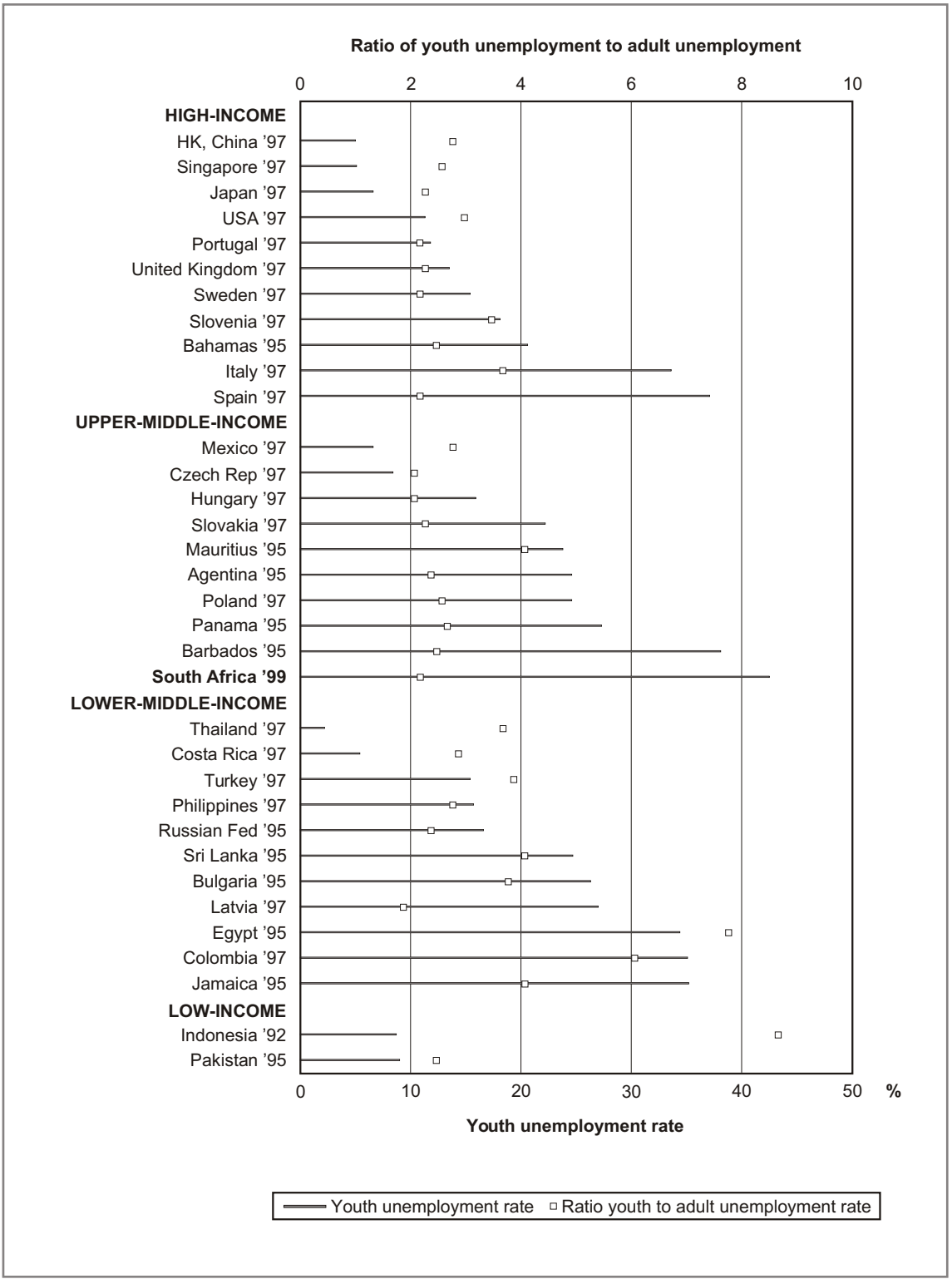
The ILO (1998) cautions that youth unemployment remains at high levels around the world, considerably higher than adult unemployment in many countries and regions. Low growth has worsened the situation in Western Europe, and economic contraction and restructuring have severely limited access to new jobs in Eastern Europe. In developing countries of Africa, Asia and Latin America, urban unemployment rates for young people often reach over 30%.

As a result, several European countries have established financial incentives for firms to hire and provide some training for young workers. In the mid-1990s, these 'youth contracts' accounted for almost 25% of youth employment in Italy, 20% in Greece and 12% in France and Spain. Despite this, as shown in Figure 12.15, the youth unemployment rate in both Italy and Spain is over 30%, and in Italy, the rate is nearly four times that of adults.

The official unemployment rate among youth (aged 15-24 years) in South Africa increased from 33,0% in 1995 to 42,5% in 1999, faster than the official rate among adults (aged 25-65 years) which increased from 12,7% in 1995 to 19,5% in 1999.

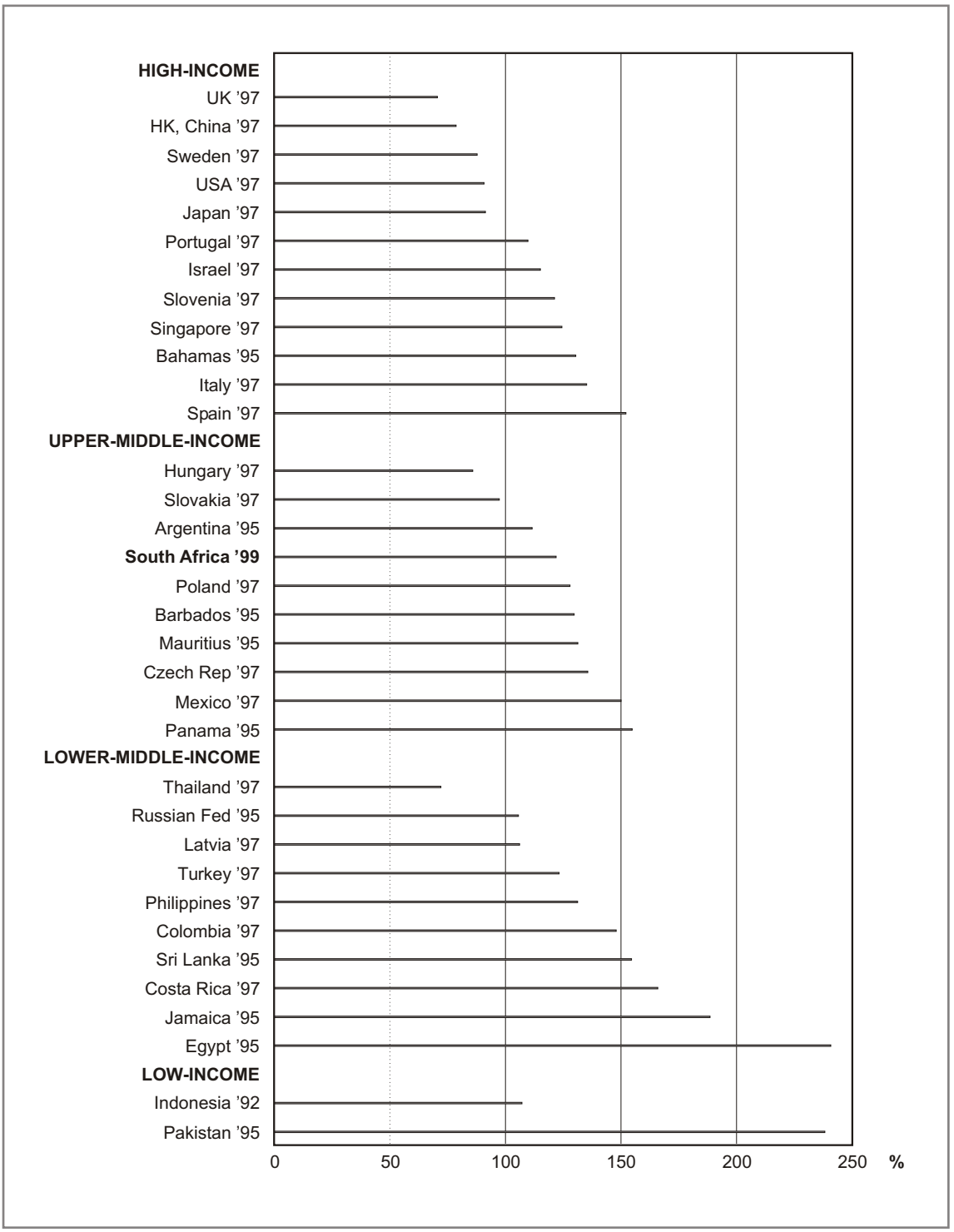
In upper- and lower-middle-income countries where the labour force tends to be young (see Figure 12.2), youth unemployment rates are generally higher than in high-income countries – above 20% in most countries and over 30% in countries such as Barbados, South Africa, Egypt, Colombia and Jamaica. Notably, in Indonesia (1992), although the youth unemployment rate is below 10%, it is nearly nine times higher than the adult rate.

Figure 12.15: Youth unemployment rate and ratio of youth to adult unemployment in selected countries



Sources: ILO, 1999; OHS, 1995 and 1999

Figure 12.16: Unemployment rate among youth aged 15-24 years in selected countries (female rate as a percentage of male rate)



Sources: ILO, 1999; OHS, 1995 and 1999

Figure 12.16 shows that female unemployment rates are generally higher than male rates except in high-income countries such as United Kingdom, Hong Kong China, Sweden, USA and Japan. Also, in former socialist countries, where prior to 1989 women enjoyed a strong position in the labour force due to a full-employment policy then in operation, the ratio of female to male rates are lower than elsewhere.

Poverty and labour market status

As discussed earlier, there is a strong association between economic growth and the expansion of employment opportunities. There is also a strong association between economic growth, labour market developments and poverty. Reductions in poverty and inequality in countries such as Hong Kong China and Singapore are associated with robust and sustained long-term growth, which expanded employment, reduced unemployment and generated increases in productivity and wages. In other countries such as Japan, Malaysia, Spain, Portugal and Botswana, the UN notes that the resources generated by economic growth have financed human development and created employment; at the same time, human development has also contributed to economic growth (UN, 1996).

In assessing changes in global poverty during the decade of the 1990s, the World Bank suggests that differences in economic growth were largely responsible for much of the difference in performance across regions and countries. The growth collapses in many countries in Africa and the former Soviet Union had a devastating impact on poverty. By contrast, the spectacular growth performance in China resulted in a sharp drop in income poverty. In the rest of East Asia, despite the financial crisis, steady growth rates also translated into significantly lower poverty over the 1990s (World Bank, 2001, p. 29).

Table 12.3: Income poverty by region – proportion of the population living on less than one US dollar per day

	1990 %	1998 %
East Asia & Pacific	27,6	15,3
Europe & Central Asia	1,6	5,1
Latin America & Caribbean	16,8	15,6
Middle East & North Africa	2,4	1,9
South Asia	44,0	40,0
Sub-Saharan Africa	47,7	46,3
Total	**29,0**	**24,0**

Source: World Bank, 2001

Table 12.3 shows that in Sub-Saharan Africa, income poverty (as measured by the proportion of the population living on less than US $1 per day) fell slightly towards the end of the 1990s. However, almost half of the population in that region remained in poverty. The largest reduction in income poverty occurred in South Asia and in East Asia and the Pacific, where economic growth was strongest (Table 12.1).

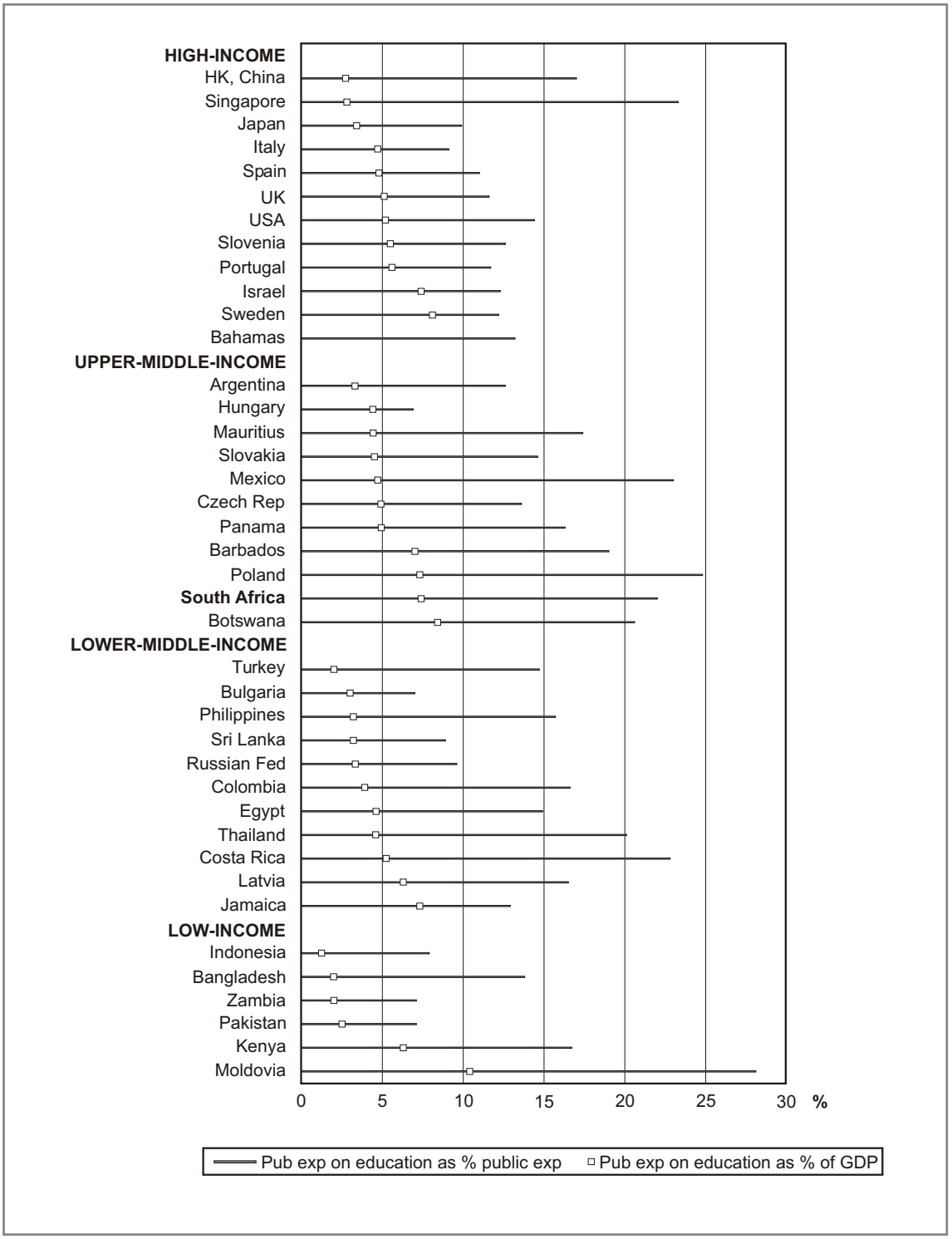
But in many Latin American countries, growth occurred mainly in capital-intensive sectors, so that even though there was an increase in employment, it occurred mostly in the service sector and without a sustained increase in productivity. As a result, human development did not expand nor did poverty decrease. In some cases jobs did not materialise because the pace of economic growth was too low to generate employment. In countries such as Russian Federation, the radical economic reforms of the early 1990s resulted in a deep recession, large increases in unemployment and poverty, and greater income inequality.

Among high-income countries, Sweden stands out as a good example of a country where, 'despite the slowdown in growth [over the past decade] and an overhaul of the welfare state, human development remains high' (UN, 1996, p-54). The ILO (2001) suggests that the persistence of long-term unemployment in other high-income countries such as Belgium, Italy and Portugal – at levels of over 50% of total unemployment – 'continues to be a fundamental economic and social problem and is still an important source of poverty'. And as noted earlier, in countries such as South Africa, Bulgaria and Latvia, the incidence of long-term employment is equally high. More generally, in developing countries where unpaid family workers account for a large share of employment, there is likely to be poor development, little job growth, widespread poverty and often a large rural economy (ILO, 1999, p. 73)

Education and poverty

The ability to generate sufficient employment opportunities is intrinsically linked with the occupational structure and level of education of the workforce. But access to education is also strongly linked to poverty issues, since it is the poor that typically have less access to education. Against this background, many of the outcomes discussed in this chapter reflecting the educational profile of labour market participants also reflect important aspects of poverty at the national level.

Figure 12.17: Public expenditure on education as a percentage of GDP and total public expenditure, 1994/97



Source: UNDP, 2001

Figure 12.17 shows that in terms of government spending on education, South Africa outperforms many countries. For example, public expenditure on education in South Africa accounted for over 7% of GDP in 1997 – more than double the proportion spent in high-income countries such as Hong Kong China and Singapore and low-income countries such as Indonesia, Bangladesh and Zambia. At the same time, and as discussed earlier, in terms of educational outcomes, South Africa's performance is relatively poor compared with either Hong Kong China or Singapore. The South African labour market is characterised by large disparities in the levels of educational attainment of Africans as against whites. This is reflected in the large disparities in unemployment rates by population group and level of education discussed in Chapter 3. High educational attainment is conducive to high earnings and at the same time, high incomes are also conducive to the purchase of high educational attainment. Thus, poverty is likely to be an important factor in restricting the educational development of Africans.

Summary

Although high-income countries such as Japan still experience unemployment rates that are low compared with most developed countries, joblessness in many countries has risen sharply in the wake of the slowdown in economic growth since the mid-1990s. The situation is particularly acute in the former socialist countries and also in many developing countries like South Africa where relatively high growth rates of the labour force exacerbate the problem. Even in high-income countries (with relatively low labour force growth) the structure of unemployment involving high rates for women and youth is also a pressing issue. Of serious concern, too, is that in many countries the rise in unemployment rates during the 1990s was accompanied by a sharp increase in the incidence of long-term unemployment. As a result, while the generation of jobs will be a difficult enough task, achieving this also entails implementing strategies to bring long-term unemployed individuals back into the workforce.

And in many countries, even having a job is no guarantee against poverty. In several developing countries economic growth has been too low to expand employment opportunities in the formal sector and to the extent that employment growth has occurred, it has been mainly in the informal sector or in agriculture, where productivity is generally low. In addition, the need to enhance the skills base of the labour force is well recognised internationally. But given the large global variation in the level of educational attainment, many countries (including South Africa) perhaps need to be better equipped to take advantage of global technological changes, which require higher qualifications and skills levels than are currently available. The situation is compounded by the relatively high growth rates of the population, which means larger numbers of new entrants into the labour force each year and greater pressure on education budgets.

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APPENDIX
One

STATISTICAL TABLES

- The OHS tables presented in this appendix are a sub-set of those used in the writing of this report.

- More up-to-date labour market information based on the labour force survey (LFS) is included here for readers who would like additional information, although the analysis in this report with respect to South Africa relies on data from OHS 1995 and 1999 only.

- LFS and OHS results are not strictly comparable because of differences in methodology and timing of the two instruments. In addition, the questionnaires are different in a number of key respects (these issues are discussed in the publications listed below).

- Even in relation to OHS, caution is needed in interpreting the results of 1995 compared with 1999. Greater caution is required when analysing the results of OHS as against LFS, since in many respects there is effectively a break in the labour market series after 1999 (and arguably after each successive OHS).

- The LFS is a twice-yearly rotating panel household survey specifically designed to measure labour market dynamics (LFS was first piloted in February 2000). Now that the results of the third full-size LFS are available, Stats SA is developing a framework for analysing movements into and out of employment and unemployment in addition to the usual labour market variables, including the unemployment rate. In the months ahead, Stats SA plans to launch a new publication in which these results are discussed.

- Detailed tables and the methodology used for each survey have been published in the following Stats SA publications (and the complete dataset on diskette is also available from Stats SA User information service):

  October Household Survey 1995, Statistical Release P0317, 31 Nov 1996[1]
  October Household Survey 1999, Statistical Release P0317, 31 July 2000
  Labour Force Survey September 2000, Discussion Paper 1: Comparative labour statistics, 26 June 2001
  Labour Force Survey September 2001, Statistical Release P0210, 26 March 2002

- In this appendix, totals may differ slightly in different tables because of the exclusion of unspecified categories and also because of rounding.

[1] The original hard-copy version is based on Census 1991 benchmarks, but Stats SA has subsequently reweighted this dataset using Census 1996 benchmarks. The new electronic version is available from Stats SA User information service.

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Table A1: Population distribution by sex

	Population ('000)				% of total population			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
Age groups	**1995**	**1999**	**2000**	**2001**	**1995**	**1999**	**2000**	**2001**
MALE								
All ages	**19 073**	**20 906**	**21 156**	**21 474**	**48,0**	**48,4**	**48,0**	**48,1**
0-4	2 021	2 216	2 929	3 134	5,1	5,1	6,7	7,0
5-9	2 475	2 714	2 342	2 283	6,2	6,3	5,3	5,1
10-14	2 382	2 611	2 423	2 372	6,0	6,0	5,5	5,3
15-19	2 027	2 224	2 300	2 385	5,1	5,1	5,2	5,3
20-24	1 939	2 123	2 035	2 026	4,9	4,9	4,6	4,5
25-29	1 633	1 788	1 794	1 848	4,1	4,1	4,1	4,1
30-34	1 446	1 584	1 553	1 523	3,6	3,7	3,5	3,4
35-39	1 269	1 391	1 368	1 408	3,2	3,2	3,1	3,2
40-44	984	1 079	1 151	1 182	2,5	2,5	2,6	2,6
45-49	775	849	904	934	2,0	2,0	2,1	2,1
50-54	560	613	681	711	1,4	1,4	1,5	1,6
55-59	471	516	511	527	1,2	1,2	1,2	1,2
60-64	334	367	367	357	0,8	0,8	0,8	0,8
65 plus	757	829	775	748	1,9	1,9	1,8	1,7
FEMALE								
All ages	**20 652**	**22 317**	**22 882**	**23 196**	**52,0**	**51,6**	**52,0**	**51,9**
0-4	2 046	2 211	2 964	3 107	5,2	5,1	6,7	7,0
5-9	2 462	2 660	2 246	2 224	6,2	6,2	5,1	5,0
10-14	2 422	2 617	2 352	2 382	6,1	6,1	5,3	5,3
15-19	2 115	2 283	2 327	2 323	5,3	5,3	5,3	5,2
20-24	2 105	2 274	2 122	2 151	5,3	5,3	4,8	4,8
25-29	1 752	1 893	2 030	2 041	4,4	4,4	4,6	4,6
30-34	1 596	1 724	1 778	1 825	4,0	4,0	4,0	4,1
35-39	1 328	1 436	1 553	1 549	3,3	3,3	3,5	3,5
40-44	1 056	1 142	1 305	1 330	2,7	2,6	3,0	3,0
45-49	813	880	1 031	1 067	2,0	2,0	2,3	2,4
50-54	630	682	795	822	1,6	1,6	1,8	1,8
55-59	584	632	605	597	1,5	1,5	1,4	1,3
60-64	552	597	556	557	1,4	1,4	1,3	1,2
65 plus	1 190	1 287	1 181	1 195	3,0	3,0	2,7	2,7

Table A2: Distribution of the total population and sex ratios

	Total population ('000)				% in each age group			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
Age groups	**1995**	**1999**	**2000**	**2001**	**1995**	**1999**	**2000**	**2001**
All ages	**39 725**	**43 223**	**44 038**	**44 671**	**100,0**	**100,0**	**100,0**	**100,0**
0-4	4 067	4 427	5 892	6 241	10,2	10,2	13,4	14,0
5-9	4 936	5 373	4 588	4 507	12,4	12,4	10,4	10,1
10-14	4 804	5 228	4 774	4 754	12,1	12,1	10,8	10,6
15-19	4 142	4 507	4 627	4 708	10,4	10,4	10,5	10,5
20-24	4 044	4 397	4 157	4 177	10,2	10,2	9,4	9,4
25-29	3 384	3 681	3 824	3 889	8,5	8,5	8,7	8,7
30-34	3 042	3 309	3 331	3 348	7,7	7,7	7,6	7,5
35-39	2 598	2 827	2 920	2 957	6,5	6,5	6,6	6,6
40-44	2 040	2 221	2 456	2 511	5,1	5,1	5,6	5,6
45-49	1 588	1 729	1 935	2 001	4,0	4,0	4,4	4,5
50-54	1 190	1 296	1 475	1 533	3,0	3,0	3,4	3,4
55-59	1 056	1 149	1 116	1 124	2,7	2,7	2,5	2,5
60-64	887	964	923	914	2,2	2,2	2,1	2,0
65 plus	1 947	2 116	1 956	1 943	4,9	4,9	4,4	4,3

	Sex ratio (females per 100 males)				Sex ratio (males per 100 females)			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
Age groups	**1995**	**1999**	**2000**	**2001**	**1995**	**1999**	**2000**	**2001**
All ages	**108,3**	**106,8**	**108,2**	**108,0**	**92,4**	**93,7**	**92,5**	**92,6**
0-4	101,2	99,8	101,2	99,1	98,8	100,3	98,8	100,9
5-9	99,5	98,0	95,9	97,4	100,5	102,0	104,3	102,6
10-14	101,7	100,2	97,1	100,4	98,3	99,8	103,0	99,6
15-19	104,3	102,7	101,2	97,4	95,9	97,4	98,9	102,7
20-24	108,6	107,1	104,3	106,2	92,1	93,4	95,9	94,2
25-29	107,3	105,9	113,2	110,4	93,2	94,5	88,4	90,5
30-34	110,4	108,9	114,5	119,8	90,6	91,9	87,4	83,5
35-39	104,6	103,2	113,5	110,0	95,6	96,9	88,1	90,9
40-44	107,3	105,8	113,3	112,5	93,2	94,5	88,2	88,9
45-49	104,9	103,6	114,1	114,3	95,3	96,6	87,7	87,5
50-54	112,5	111,3	116,8	115,7	88,9	89,9	85,6	86,4
55-59	124,0	122,4	118,2	113,3	80,7	81,7	84,6	88,3
60-64	165,2	162,6	151,6	156,0	60,5	61,5	65,9	64,1
65 plus	157,3	155,2	152,3	159,7	63,6	64,4	65,7	62,6

Table A3: Key labour market variables by education status (official definition)

	Employed ('000)			
	OHS-Oct		LFS-Sep	
	1995	1999	2000	2001
MALE				
No education	490	431	428	369
Some primary	1 913	1 963	2 190	1 912
Complete primary	370	345	413	359
Some secondary	1 005	1 044	1 143	1 096
Complete secondary	1 276	1 330	1 245	1 400
Higher	759	737	881	828
Total	**5 813**	**5 850**	**6 300**	**5 965**
FEMALE				
No education	290	311	434	325
Some primary	1 142	1 315	1 788	1 434
Complete primary	206	252	337	289
Some secondary	636	692	895	798
Complete secondary	856	1 006	995	1 096
Higher	608	685	831	786
Total	**3 738**	**4 261**	**5 280**	**4 729**
TOTAL				
No education	**780**	**742**	**862**	**694**
Some primary	**3 055**	**3 278**	**3 978**	**3 346**
Complete primary	**576**	**597**	**749**	**648**
Some secondary	**1 641**	**1 736**	**2 038**	**1 894**
Complete secondary	**2 132**	**2 336**	**2 240**	**2 496**
Higher	**1 367**	**1 422**	**1 713**	**1 615**
Total	**9 551**	**10 111**	**11 580**	**10 694**

	Unemployed ('000)			
	OHS-Oct		LFS-Sep	
	1995	1999	2000	2001
MALE				
No education	50	64	89	83
Some primary	358	566	730	773
Complete primary	79	127	159	169
Some secondary	176	298	426	498
Complete secondary	182	347	440	521
Higher	25	60	82	80
Total	**870**	**1 462**	**1 927**	**2 124**
FEMALE				
No education	68	87	102	107
Some primary	333	551	672	703
Complete primary	87	155	193	208
Some secondary	199	374	496	602
Complete secondary	209	429	551	619
Higher	25	72	116	138
Total	**921**	**1 668**	**2 130**	**2 377**
TOTAL				
No education	**118**	**151**	**191**	**189**
Some primary	**691**	**1 117**	**1 402**	**1 477**
Complete primary	**166**	**282**	**352**	**377**
Some secondary	**375**	**672**	**923**	**1 100**
Complete secondary	**391**	**776**	**991**	**1 140**
Higher	**50**	**132**	**198**	**218**
Total	**1 791**	**3 130**	**4 057**	**4 501**

	Not economically active ('000)			
	OHS-Oct		LFS-Sep	
	1995	1999	2000	2001
MALE				
No education	370	344	257	302
Some primary	1 822	2 245	1 612	2 141
Complete primary	566	556	575	577
Some secondary	1 275	1 173	1 601	1 119
Complete secondary	607	614	474	510
Higher	125	96	65	105
Total	**4 765**	**5 028**	**4 584**	**4 754**
FEMALE				
No education	1 012	824	619	737
Some primary	2 965	3 132	2 669	2 942
Complete primary	809	797	714	794
Some secondary	1 890	1 653	1 584	1 610
Complete secondary	1 004	970	888	923
Higher	222	194	189	175
Total	**7 902**	**7 570**	**6 664**	**7 181**
TOTAL				
No education	**1 382**	**1 168**	**877**	**1 039**
Some primary	**4 787**	**5 377**	**4 599**	**5 083**
Complete primary	**1 375**	**1 353**	**1 269**	**1 371**
Some secondary	**3 165**	**2 826**	**2 639**	**2 729**
Complete secondary	**1 611**	**1 584**	**1 370**	**1 433**
Higher	**347**	**290**	**278**	**280**
Total	**12 667**	**12 598**	**11 032**	**11 935**

	Unemployment rate (%)			
	OHS-Oct		LFS-Sep	
	1995	1999	2000	2001
MALE				
No education	9,3	12,9	17,3	18,3
Some primary	15,8	22,4	25,0	28,8
Complete primary	17,6	26,9	27,8	32,0
Some secondary	14,9	22,2	27,2	31,2
Complete secondary	12,5	20,7	26,1	27,1
Higher	3,2	7,5	8,5	8,8
Total	**13,0**	**20,0**	**23,4**	**26,3**
FEMALE				
No education	19,0	21,9	19,0	24,7
Some primary	22,6	29,5	27,3	32,9
Complete primary	29,7	38,1	36,4	41,8
Some secondary	23,8	35,1	35,7	43,0
Complete secondary	19,6	29,9	35,6	36,1
Higher	3,9	9,5	12,2	14,9
Total	**19,8**	**28,1**	**28,7**	**33,4**
TOTAL				
No education	**13,1**	**16,9**	**18,2**	**21,4**
Some primary	**18,4**	**25,4**	**26,1**	**30,6**
Complete primary	**22,4**	**32,1**	**31,9**	**36,8**
Some secondary	**18,6**	**27,9**	**31,2**	**36,8**
Complete secondary	**15,5**	**24,9**	**30,7**	**31,4**
Higher	**3,5**	**8,5**	**10,4**	**11,9**
Total	**15,8**	**23,6**	**25,9**	**29,6**

Table A4: Employed and unemployed by population group (official definition)

	Employed ('000)				Unemployed ('000)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**5 855**	**5 998**	**6 381**	**6 049**	**All population groups**	**876**	**1 477**	**1 938**	**2 139**
Urban	3 757	4 189	4 273	4 169	Urban	580	947	1 250	1 385
Non-urb,an	2 098	1 808	2 108	1 881	Non-urban	296	530	688	754
African	**3 818**	**3 922**	**4 280**	**3 882**	**African**	**727**	**1 274**	**1 696**	**1 848**
Urban	2 037	2 394	2 425	2 260	Urban	440	758	1 024	1 109
Non-urban	1 781	1 529	1 855	1 623	Non-urban	287	516	672	739
Coloured	**663**	**718**	**721**	**693**	**Coloured**	**99**	**111**	**147**	**178**
Urban	495	546	572	547	Urban	94	102	134	168
Non-urban	168	172	150	146	Non-urban	9	9	13	11
Indian	**244**	**239**	**260**	**302**	**Indian**	**22**	**41**	**43**	**53**
Urban	227	230	255	297	Urban	21	39	43	52
Non-urban	17	9	-	-	Non-urban	1	1	-	-
White	**1 129**	**1 118**	**1 098**	**1 159**	**White**	**28**	**52**	**50**	**60**
Urban	998	1 020	1 003	1 053	Urban	25	47	47	56
Non-urban	131	98	95	106	Non-urban	3	4	-	-
FEMALE					**FEMALE**				
All population groups	**3 777**	**4 348**	**5 331**	**4 783**	**All population groups**	**925**	**1 677**	**2 144**	**2 386**
Urban	2 557	3 065	3 486	3 344	Urban	558	1 065	1 440	1 536
Non-urban	1 221	1 283	1 845	1 439	Non-urban	367	611	704	850
African	**2 380**	**2 746**	**3 696**	**3 142**	**African**	**789**	**1 477**	**1 870**	**2 081**
Urban	1 311	1 637	2 005	1 850	Urban	429	883	1 183	1 253
Non-urban	1 069	1 109	1 691	1 292	Non-urban	360	594	687	828
Coloured	**497**	**568**	**627**	**591**	**Coloured**	**100**	**121**	**167**	**180**
Urban	406	455	526	502	Urban	94	107	156	165
Non-urban	91	113	101	89	Non-urban	6	13	11	15
Indian	**122**	**153**	**157**	**183**	**Indian**	**13**	**32**	**33**	**56**
Urban	115	151	155	179	Urban	12	30	32	56
Non-urban	7	2	-	-	Non-urban	-	2	-	-
White	**779**	**881**	**842**	**857**	**White**	**24**	**47**	**70**	**68**
Urban	725	822	791	803	Urban	23	46	65	62
Non-urban	53	59	52	54	Non-urban	1	2	-	-
TOTAL					**TOTAL**				
All population groups	**9 632**	**10 346**	**11 712**	**10 833**	**All population groups**	**1 801**	**3 154**	**4 082**	**4 525**
Urban	6 314	7 254	7 758	7 513	Urban	1 138	2 012	2 690	2 922
Non-urban	3 319	3 091	3 953	3 320	Non-urban	661	1 141	1 392	1 604
African	**6 198**	**6 668**	**7 977**	**7 024**	**African**	**1 515**	**2 751**	**3 566**	**3 929**
Urban	3 348	4 031	4 431	4 109	Urban	869	1 641	2 207	2 362
Non-urban	2 850	2 638	3 546	2 915	Non-urban	647	1 110	1 359	1 567
Coloured	**1 160**	**1 286**	**1 348**	**1 284**	**Coloured**	**199**	**232**	**314**	**358**
Urban	901	1 001	1 097	1 049	Urban	188	209	290	333
Non-urban	259	285	251	235	Non-urban	11	22	25	25
Indian	**366**	**392**	**416**	**484**	**Indian**	**35**	**73**	**75**	**109**
Urban	342	381	411	476	Urban	34	69	74	107
Non-urban	24	11	-	-	Non-urban	1	3	-	-
White	**1 908**	**1 999**	**1 940**	**2 016**	**White**	**51**	**99**	**120**	**128**
Urban	1 723	1 842	1 794	1 856	Urban	47	93	112	118
Non-urban	184	157	147	160	Non-urban	4	6	-	-

Table A5: Economically active and not economically active by population group (official definition)

	Economically active ('000)				Not economically active ('000)			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
	1995	1999	2000	2001	1995	1999	2000	2001
MALE					**MALE**			
All population groups	**6 731**	**7 475**	**8 319**	**8 188**	**All population groups**	**4 815**	**5 113**	**4 395**	**4 792**
Urban	4 337	5 136	5 522	5 554	Urban	2 285	2 532	2 210	2 320
Non-urban	2 394	2 338	2 796	2 635	Non-urban	2 530	2 581	2 185	2 472
African	**4 545**	**5 196**	**5 976**	**5 730**	**African**	**4 058**	**4 324**	**3 628**	**3 999**
Urban	2 477	3 152	3 449	3 368	Urban	1 598	1 820	1 501	1 581
Non-urban	2 068	2 045	2 527	2 362	Non-urban	2 460	2 504	2 127	2 418
Coloured	**762**	**829**	**868**	**871**	**Coloured**	**326**	**334**	**319**	**338**
Urban	589	648	705	715	Urban	297	293	284	305
Non-urban	173	181	163	156	Non-urban	28	41	35	33
Indian	**266**	**280**	**302**	**354**	**Indian**	**79**	**92**	**96**	**99**
Urban	248	269	298	348	Urban	75	90	93	98
Non-urban	18	10	-	-	Non-urban	5	2	-	-
White	**1 157**	**1 170**	**1 148**	**1 219**	**White**	**352**	**363**	**348**	**352**
Urban	1 023	1 067	1 050	1 109	Urban	316	328	329	333
Non-urban	134	102	99	110	Non-urban	37	34	19	19
FEMALE					**FEMALE**			
All population groups	**4 702**	**6 025**	**7 475**	**7 170**	**All population groups**	**7 984**	**7 615**	**6 702**	**7 214**
Urban	3 115	4 130	4 925	4 881	Urban	3 509	3 728	3 409	3 453
Non-urban	1 588	1 894	2 549	2 289	Non-urban	4 475	3 887	3 293	3 761
African	**3 169**	**4 223**	**5 567**	**5 223**	**African**	**6 412**	**6 197**	**5 258**	**5 761**
Urban	1 740	2 520	3 189	3 103	Urban	2 118	2 461	2 117	2 166
Non-urban	1 429	1 703	2 378	2 121	Non-urban	4 294	3 736	3 141	3 595
Coloured	**597**	**689**	**794**	**771**	**Coloured**	**588**	**573**	**605**	**596**
Urban	500	562	682	667	Urban	503	491	507	493
Non-urban	97	126	112	104	Non-urban	84	81	98	102
Indian	**135**	**185**	**189**	**239**	**Indian**	**234**	**208**	**218**	**237**
Urban	127	181	187	235	Urban	22	201	214	231
Non-urban	8	4	-	-	Non-urban	16	7	-	-
White	**803**	**928**	**912**	**925**	**White**	**750**	**638**	**610**	**612**
Urban	748	868	856	865	Urban	670	575	562	557
Non-urban	54	61	56	60	Non-urban	80	63	48	55
TOTAL					**TOTAL**			
All population groups	**11 433**	**13 500**	**15 793**	**15 358**	**All population groups**	**12 799**	**12 728**	**11 097**	**12 006**
Urban	7 452	9 266	10 448	10 434	Urban	5 794	6 260	5 619	5 774
Non-urban	3 982	4 232	5 346	4 924	Non-urban	7 005	6 468	5 478	6 233
African	**7 714**	**9 419**	**11 543**	**10 953**	**African**	**10 470**	**10 521**	**8 886**	**9 760**
Urban	4 217	5 672	6 638	6 471	Urban	3 716	4 281	3 618	3 747
Non-urban	3 497	3 748	4 905	4 482	Non-urban	6 754	6 240	5 268	6 014
Coloured	**1 359**	**1 518**	**1 662**	**1 642**	**Coloured**	**914**	**907**	**924**	**933**
Urban	1 089	1 210	1 387	1 382	Urban	800	784	791	798
Non-urban	270	307	275	260	Non-urban	112	122	133	136
Indian	**401**	**465**	**492**	**593**	**Indian**	**313**	**300**	**314**	**336**
Urban	375	450	485	583	Urban	292	291	307	328
Non-urban	25	14	-	-	Non-urban	21	9	-	-
White	**1 960**	**2 098**	**2 060**	**2 144**	**White**	**1 102**	**1 001**	**958**	**964**
Urban	1 771	1 935	1 906	1 974	Urban	986	903	891	890
Non-urban	188	163	155	170	Non-urban	117	97	66	74

Table A6: Working age population and unemployment rates by population group (official definition)

	Working age ('000)				Unemployment rate (%)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**11 546**	**12 588**	**12 714**	**12 981**	**All population groups**	**13,0**	**19,8**	**23,3**	**26,1**
Urban	6 622	7 668	7 733	7 874	Urban	13,4	18,4	22,6	24,9
Non-urban	4 924	4 919	4 981	5 106	Non-urban	12,4	22,7	24,6	28,6
African	**8 603**	**9 520**	**9 604**	**9 729**	**African**	**16,0**	**24,5**	**28,4**	**32,2**
Urban	4 075	4 972	4 950	4 949	Urban	17,8	24,0	29,7	32,9
Non-urban	4 528	4 549	4 654	4 780	Non-urban	13,9	25,2	26,6	31,3
Coloured	**1 088**	**1 163**	**1 187**	**1 209**	**Coloured**	**13,0**	**13,4**	**16,9**	**20,5**
Urban	886	941	989	1 020	Urban	16,0	15,7	18,9	23,5
Non-urban	201	222	198	189	Non-urban	2,9	5,0	8,1	6,7
Indian	**345**	**372**	**398**	**453**	**Indian**	**8,3**	**14,6**	**14,1**	**14,8**
Urban	323	359	391	446	Urban	8,5	14,5	14,3	14,8
Non-urban	23	12	-	-	Non-urban	4,7	11,6	-	-
White	**1 509**	**1 533**	**1 496**	**1 571**	**White**	**2,4**	**4,4**	**4,4**	**4,9**
Urban	1 339	1 395	1 379	1 442	Urban	2,4	4,4	4,4	5,1
Non-urban	171	136	114	129	Non-urban	2,2	4,4	3,5	-
FEMALE					**FEMALE**				
All population groups	**12 686**	**13 640**	**14 177**	**14 384**	**All population groups**	**19,7**	**27,8**	**28,7**	**33,3**
Urban	6 624	7 858	8 335	8 334	Urban	17,9	25,8	29,2	31,5
Non-urban	6 063	5 781	5 842	6 050	Non-urban	23,1	32,3	27,6	37,1
African	**9 581**	**10 420**	**10 825**	**10 984**	**African**	**24,9**	**35,0**	**33,6**	**39,8**
Urban	3 858	4 981	5 306	5 269	Urban	24,7	35,0	37,1	40,4
Non-urban	5 723	5 439	5 519	5 716	Non-urban	25,2	34,9	28,9	39,1
Coloured	**1 185**	**1 262**	**1 399**	**1 367**	**Coloured**	**16,8**	**17,6**	**21,1**	**23,3**
Urban	1 003	1 053	1 188	1 160	Urban	18,8	19,0	22,9	24,8
Non-urban	181	207	211	207	Non-urban	6,2	10,3	10,2	14,1
Indian	**369**	**393**	**408**	**476**	**Indian**	**9,6**	**17,3**	**17,2**	**23,6**
Urban	149	382	401	466	Urban	9,4	16,6	17,0	23,7
Non-urban	24	11	-	11	Non-urban	3,2	-	-	-
White	**1 553**	**1 566**	**1 522**	**1 537**	**White**	**3,0**	**5,1**	**7,7**	**7,4**
Urban	1 418	1 443	1 418	1 422	Urban	3,1	5,3	7,6	7,2
Non-urban	134	124	104	115	Non-urban	1,9	2,6	7.9	-
TOTAL					**TOTAL**				
All population groups	**24 232**	**26 228**	**26 891**	**27 365**	**All population groups**	**15,8**	**23,4**	**25,8**	**29,5**
Urban	13 246	15 526	16 067	16 208	Urban	15,3	21,7	25,7	28,0
Non-urban	10 987	10 700	10 824	11 156	Non-urban	16,6	27,0	26,0	32,6
African	**18 184**	**19 940**	**20 429**	**20 713**	**African**	**19,7**	**29,2**	**30,9**	**35,9**
Urban	7 933	9 953	10 256	10 218	Urban	20,6	28,9	33,3	36,5
Non-urban	10 251	9 988	10 173	10 496	Non-urban	18,5	29,6	27,7	35,0
Coloured	**2 273**	**2 425**	**2 586**	**2 576**	**Coloured**	**14,6**	**15,3**	**18,9**	**21,8**
Urban	1 889	1 994	2 178	2 180	Urban	17,3	17,3	20,9	24,1
Non-urban	382	429	408	396	Non-urban	4,1	7,2	9,0	9,7
Indian	**714**	**765**	**806**	**929**	**Indian**	**8,7**	**15,7**	**15,3**	**18,4**
Urban	667	741	792	912	Urban	8,8	15,3	15,3	18,4
Non-urban	46	23	14	18	Non-urban	4,2	-	-	-
White	**3 062**	**3 099**	**3 018**	**3 108**	**White**	**2,7**	**4,7**	**5,8**	**6,0**
Urban	2 757	2 838	2 797	2 864	Urban	2,7	4,8	5,9	6,0
Non-urban	305	260	221	224	Non-urban	2,1	3,7	5,1	-

Table A7: Labour force participation and absorption rates by population group (official definition)

	Labour force participation rate (%)				Labour absorption rate (%)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**58,3**	**59,4**	**65,4**	**63,1**	**All population groups**	**50,7**	**47,6**	**50,2**	**46,6**
Urban	65,5	67,0	71,4	70,5	Urban	56,7	54,6	55,3	52,9
Non-urban	48,6	47,5	56,1	51,6	Non-urban	42,6	36,8	42,3	36,8
African	**52,8**	**54,6**	**62,2**	**58,9**	**African**	**44,4**	**41,2**	**44,6**	**39,9**
Urban	60,8	63,4	69,7	68,1	Urban	50,0	48,1	49,0	45,7
Non-urban	45,7	45,0	54,3	49,4	Non-urban	39,3	33,6	39,9	34,0
Coloured	**70,0**	**71,3**	**73,1**	**72,1**	**Coloured**	**60,9**	**61,7**	**60,8**	**57,3**
Urban	66,5	68,9	71,3	70,1	Urban	55,9	58,0	57,8	53,7
Non-urban	86,1	81,5	82,5	82,5	Non-urban	83,6	77,5	75,7	76,9
Indian	**77,1**	**75,3**	**75,9**	**78,1**	**Indian**	**70,7**	**64,2**	**65,2**	**66,5**
Urban	76,8	74,9	76,2	78,1	Urban	70,3	64,1	65,3	66,5
Non-urban	78,3	83,3	-	-	Non-urban	73,9	75,0	-	-
White	**76,7**	**76,3**	**76,8**	**77,6**	**White**	**74,8**	**72,9**	**73,4**	**73,8**
Urban	76,4	76,5	76,1	76,9	Urban	74,5	73,1	72,7	73,0
Non-urban	78,4	75,0	84,6	85,2	Non-urban	76,6	72,1	81,2	82,5
FEMALE					**FEMALE**				
All population groups	**37,1**	**44,2**	**52,7**	**49,8**	**All population groups**	**29,8**	**31,9**	**37,6**	**33,3**
Urban	47,0	52,6	59,1	58,6	Urban	38,6	39,0	41,8	40,1
Non-urban	26,2	32,8	43,6	37,8	Non-urban	20,1	22,2	31,6	23,8
African	**33,1**	**40,5**	**51,4**	**47,6**	**African**	**24,8**	**26,4**	**34,1**	**28,6**
Urban	45,1	50,6	60,1	58,9	Urban	34,0	32,9	37,8	35,1
Non-urban	25,0	31,3	43,1	37,1	Non-urban	18,7	20,4	30,6	22,6
Coloured	**50,4**	**54,6**	**56,8**	**56,4**	**Coloured**	**41,9**	**45,0**	**44,8**	**43,2**
Urban	49,9	53,4	57,4	57,5	Urban	40,5	43,2	44,2	43,2
Non-urban	53,6	60,9	53,3	50,4	Non-urban	50,3	54,6	47,9	43,3
Indian	**36,6**	**47,1**	**46,4**	**50,2**	**Indian**	**33,1**	**38,9**	**38,4**	**38,4**
Urban	36,8	47,4	46,7	50,5	Urban	33,3	39,5	38,7	38,5
Non-urban	33,3	36,4	-	-	Non-urban	29,2	18,2	-	-
White	**51,7**	**59,3**	**59,9**	**60,2**	**White**	**50,2**	**56,3**	**55,3**	**55,7**
Urban	52,8	60,2	60,4	60,8	Urban	51,1	57,0	55,7	56,5
Non-urban	40,3	49,2	53,8	52,1	Non-urban	39,6	47,6	50,0	46,7
TOTAL					**TOTAL**				
All population groups	**47,2**	**51,5**	**58,7**	**56,1**	**All population groups**	**39,7**	**39,4**	**43,6**	**39,6**
Urban	56,3	59,7	65,0	64,4	Urban	47,7	46,7	48,3	46,4
Non-urban	36,2	39,6	49,4	44,1	Non-urban	30,2	28,9	36,5	29,8
African	**42,4**	**47,2**	**56,5**	**52,9**	**African**	**34,1**	**33,4**	**39,0**	**33,9**
Urban	53,2	57,0	64,7	63,3	Urban	42,2	40,5	43,2	40,2
Non-urban	34,1	37,5	48,2	42,7	Non-urban	27,8	26,4	34,9	27,8
Coloured	**59,8**	**62,6**	**64,3**	**63,8**	**Coloured**	**51,0**	**53,0**	**52,1**	**49,9**
Urban	57,6	60,7	63,7	63,4	Urban	47,7	50,2	50,4	48,1
Non-urban	70,7	71,6	67,4	65,8	Non-urban	67,8	66,4	61,4	59,4
Indian	**56,2**	**60,8**	**61,0**	**63,8**	**Indian**	**51,3**	**51,2**	**51,7**	**52,1**
Urban	56,2	60,7	61,3	64,0	Urban	51,1	51,4	51,9	52,2
Non-urban	54,3	65,2	-	-	Non-urban	52,2	47,8	-	-
White	**64,0**	**67,7**	**68,3**	**69,0**	**White**	**62,3**	**64,5**	**64,3**	**64,9**
Urban	64,2	68,2	68,1	68,9	Urban	62,5	64,9	64,1	64,8
Non-urban	61,6	62,7	70,1	69,6	Non-urban	60,3	60,4	66,5	65,6

Table A8: Employed and unemployed by province (official definition)

	Employed ('000)				Unemployed ('000)			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
	1995	1999	2000	2001	1995	1999	2000	2001
MALE					**MALE**			
RSA	**5 855**	**6 009**	**6 381**	**6 049**	**RSA**	**876**	**1 480**	**1 938**	**2 139**
Western Cape	811	873	840	834	Western Cape	93	127	152	165
Eastern Cape	516	517	694	629	Eastern Cape	131	212	257	284
Northern Cape	142	154	148	136	Northern Cape	21	22	34	39
Free State	469	453	463	473	Free State	41	112	141	152
KwaZulu-Natal	1 050	1 074	1 138	1 036	KwaZulu-Natal	198	311	433	472
North West	501	494	517	507	North West	74	115	174	155
Gauteng	1 612	1 658	1 667	1 587	Gauteng	225	335	438	523
Mpumalanga	395	415	445	408	Mpumalanga	45	96	125	140
Northern Province	359	370	470	438	Northern Province	47	150	184	210
FEMALE					**FEMALE**			
RSA	**3 777**	**4 353**	**5 331**	**4 783**	**RSA**	**925**	**1 678**	**2 144**	**2 386**
Western Cape	565	686	697	663	Western Cape	95	120	165	173
Eastern Cape	420	478	709	628	Eastern Cape	140	211	269	308
Northern Cape	74	90	109	93	Northern Cape	27	32	39	42
Free State	289	287	348	312	Free State	49	113	152	171
KwaZulu-Natal	695	878	1 163	918	KwaZulu-Natal	193	370	445	514
North West	257	284	330	291	North West	69	124	178	186
Gauteng	1 053	1 052	1 184	1 156	Gauteng	223	371	523	557
Mpumalanga	193	276	346	311	Mpumalanga	57	128	173	167
Northern Province	233	322	445	410	Northern Province	72	207	199	269
TOTAL					**TOTAL**			
RSA	**9 632**	**10 362**	**11 712**	**10 833**	**RSA**	**1 801**	**3 158**	**4 082**	**4 525**
Western Cape	1 376	1 559	1 537	1 497	Western Cape	188	247	317	338
Eastern Cape	936	995	1 403	1 258	Eastern Cape	271	423	526	592
Northern Cape	216	244	257	230	Northern Cape	48	54	73	81
Free State	758	740	811	785	Free State	90	225	293	323
KwaZulu-Natal	1 745	1 952	2 301	1 955	KwaZulu-Natal	391	681	878	986
North West	758	778	847	798	North West	143	239	353	340
Gauteng	2 665	2 710	2 850	2 743	Gauteng	448	706	961	1 080
Mpumalanga	588	691	791	719	Mpumalanga	102	224	298	307
Northern Province	592	692	915	848	Northern Province	119	357	383	479

Table A9: Economically active and not economically active by province (official definition)

	Economically active ('000)				Not economically active ('000)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
RSA	**6 731**	**7 489**	**8 319**	**8 188**	**RSA**	**4 815**	**5 119**	**4 395**	**4 792**
Western Cape	904	1 000	992	999	Western Cape	339	336	351	352
Eastern Cape	647	729	951	913	Eastern Cape	834	900	785	882
Northern Cape	163	176	182	176	Northern Cape	86	94	79	97
Free State	510	565	604	624	Free State	307	334	274	294
KwaZulu-Natal	1 248	1 385	1 570	1 508	KwaZulu-Natal	1 001	1 068	922	1 031
North West	575	609	691	661	North West	418	478	397	431
Gauteng	1 837	1 993	2 105	2 110	Gauteng	795	871	635	654
Mpumalanga	440	511	570	548	Mpumalanga	347	353	278	333
Northern Province	406	520	654	649	Northern Province	689	684	675	719
FEMALE					**FEMALE**				
RSA	**4 702**	**6 031**	**7 475**	**7 170**	**RSA**	**7 984**	**7 625**	**6 702**	**7 214**
Western Cape	660	806	862	835	Western Cape	645	577	551	608
Eastern Cape	560	689	977	937	Eastern Cape	1 346	1 367	1 187	1 269
Northern Cape	101	122	148	136	Northern Cape	158	156	147	155
Free State	338	400	500	484	Free State	491	498	421	429
KwaZulu-Natal	888	1 248	1 609	1 432	KwaZulu-Natal	1 782	1 622	1 358	1 589
North West	326	408	509	477	North West	690	694	615	649
Gauteng	1 276	1 423	1 706	1 713	Gauteng	1 153	1 182	964	962
Mpumalanga	250	404	520	478	Mpumalanga	594	506	449	505
Northern Province	305	529	644	678	Northern Province	1 125	1 023	1 010	1 049
TOTAL					**TOTAL**				
RSA	**11 433**	**13 520**	**15 793**	**15 358**	**RSA**	**12 799**	**12 744**	**11 097**	**12 006**
Western Cape	1 564	1 806	1 854	1 834	Western Cape	984	913	902	959
Eastern Cape	1 207	1 418	1 929	1 850	Eastern Cape	2 180	2 267	1 972	2 151
Northern Cape	264	298	330	311	Northern Cape	244	250	226	252
Free State	848	965	1 104	1 108	Free State	798	832	695	722
KwaZulu-Natal	2 136	2 633	3 179	2 940	KwaZulu-Natal	2 783	2 690	2 280	2 620
North West	901	1 017	1 200	1 139	North West	1 108	1 172	1 011	1 080
Gauteng	3 113	3 416	3 811	3 822	Gauteng	1 948	2 053	1 599	1 616
Mpumalanga	690	915	1 089	1 026	Mpumalanga	941	859	727	839
Northern Province	711	1 049	1 298	1 327	Northern Province	1 814	1 707	1 685	1 768

Table A10: Working age population and unemployment rate by province (official definition)

	Working age ('000)				Unemployment rate (%)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
RSA	**11 546**	**12 608**	**12 714**	**12 981**	**RSA**	**13,0**	**19,8**	**23,3**	**26,1**
Western Cape	1 243	1 336	1 343	1 351	Western Cape	10,3	12,7	15,3	16,5
Eastern Cape	1 481	1 629	1 736	1 796	Eastern Cape	20,2	29,1	27,0	31,1
Northern Cape	249	270	261	272	Northern Cape	12,9	12,5	18,8	22,3
Free State	817	899	878	918	Free State	8,0	19,8	23,3	24,3
KwaZulu-Natal	2 249	2 453	2 492	2 539	KwaZulu-Natal	15,9	22,5	27,6	31,3
North West	993	1 087	1 088	1 092	North West	12,9	18,9	25,2	23,4
Gauteng	2 632	2 864	2 739	2 764	Gauteng	12,2	16,8	20,8	24,8
Mpumalanga	787	864	848	882	Mpumalanga	10,2	18,8	21,9	25,6
Northern Province	1 095	1 204	1 329	1 367	Northern Province	11,6	28,8	28,2	32,4
FEMALE					**FEMALE**				
RSA	**12 686**	**13 656**	**14 177**	**14 384**	**RSA**	**19,7**	**27,8**	**28,7**	**33,3**
Western Cape	1 305	1 383	1 413	1 443	Western Cape	14,4	14,9	19,1	20,7
Eastern Cape	1 906	2 056	2 165	2 205	Eastern Cape	25,0	30,6	27,5	32,9
Northern Cape	259	278	295	291	Northern Cape	26,7	26,2	26,1	31,1
Free State	829	898	921	912	Free State	14,5	28,3	30,4	35,4
KwaZulu-Natal	2 670	2 870	2 967	3 021	KwaZulu-Natal	21,7	29,6	27,7	35,9
North West	1 016	1 102	1 123	1 127	North West	21,2	30,4	35,1	38,9
Gauteng	2 429	2 605	2 671	2 674	Gauteng	17,5	26,1	30,6	32,5
Mpumalanga	844	910	969	983	Mpumalanga	22,8	31,7	33,4	34,9
Northern Province	1 430	1 552	1 654	1 727	Northern Province	23,6	39,1	30,9	39,6
TOTAL					**TOTAL**				
RSA	**24 232**	**26 264**	**26 891**	**27 365**	**RSA**	**15,8**	**23,4**	**25,8**	**29,5**
Western Cape	2 548	2 719	2 757	2 794	Western Cape	12,0	13,7	17,1	18,4
Eastern Cape	3 387	3 685	3 900	4 001	Eastern Cape	22,5	29,8	27,3	32,0
Northern Cape	508	548	556	563	Northern Cape	18,2	18,1	22,1	26,1
Free State	1 646	1 797	1 799	1 830	Free State	10,6	23,3	26,5	29,1
KwaZulu-Natal	4 919	5 323	5 459	5 561	KwaZulu-Natal	18,3	25,9	27,6	33,5
North West	2 009	2 189	2 211	2 219	North West	15,9	23,5	29,4	29,9
Gauteng	5 061	5 469	5 410	5 438	Gauteng	14,4	20,7	25,2	28,2
Mpumalanga	1 631	1 774	1 816	1 865	Mpumalanga	14,8	24,5	27,4	29,9
Northern Province	2 525	2 756	2 983	3 094	Northern Province	16,7	34,0	29,5	36,1

Table A11: Labour force participation and labour absorption rate by province (official definition)

	Labour force participation rate (%)				Labour absorption rate (%)			
	OHS-Oct		LFS-Sep		OHS-Oct		LFS-Sep	
	1995	1999	2000	2001	1995	1999	2000	2001
MALE					**MALE**			
RSA	**58,3**	**59,4**	**65,4**	**63,1**	**RSA**	**50,7**	**47,7**	**50,2**	**46,6**
Western Cape	72,7	74,9	73,9	74,0	Western Cape	65,2	65,3	62,6	61,8
Eastern Cape	43,7	44,8	54,8	50,9	Eastern Cape	34,8	31,7	40,0	35,1
Northern Cape	65,5	65,2	69,7	64,5	Northern Cape	57,0	57,0	56,6	50,1
Free State	62,4	62,8	68,8	68,0	Free State	57,4	50,4	52,7	51,5
KwaZulu-Natal	55,5	56,5	63,0	59,4	KwaZulu-Natal	46,7	43,8	45,7	40,8
North West	57,9	56,0	63,5	60,5	North West	50,5	45,4	47,5	46,4
Gauteng	69,8	69,6	76,8	76,3	Gauteng	61,2	57,9	60,8	57,4
Mpumalanga	55,9	59,1	67,2	62,2	Mpumalanga	50,2	48,0	52,5	46,3
Northern Province	37,1	43,2	49,2	47,4	Northern Province	32,8	30,7	35,3	32,1
FEMALE					**FEMALE**			
RSA	**37,1**	**44,2**	**52,7**	**49,8**	**RSA**	**29,8**	**31,9**	**37,6**	**33,3**
Western Cape	50,6	58,3	61,0	57,9	Western Cape	43,3	49,6	49,3	45,9
Eastern Cape	29,4	33,5	45,2	42,5	Eastern Cape	22,0	23,2	32,7	28,5
Northern Cape	39,0	43,9	50,0	46,6	Northern Cape	28,6	32,4	37,0	32,1
Free State	40,8	44,5	54,3	53,0	Free State	34,9	32,0	37,8	34,2
KwaZulu-Natal	33,3	43,5	54,2	47,4	KwaZulu-Natal	26,0	30,6	39,2	30,4
North West	32,1	37,0	45,3	42,4	North West	25,3	25,8	29,4	25,9
Gauteng	52,5	54,6	63,9	64,0	Gauteng	43,4	40,4	44,3	43,2
Mpumalanga	29,6	44,4	53,6	48,6	Mpumalanga	22,9	30,3	35,7	31,7
Northern Province	21,3	34,1	39,0	39,3	Northern Province	16,3	20,7	26,9	23,7
TOTAL					**TOTAL**			
RSA	**47,2**	**51,5**	**58,7**	**56,1**	**RSA**	**39,7**	**39,5**	**43,6**	**39,6**
Western Cape	61,4	66,4	67,3	65,7	Western Cape	54,0	57,3	55,8	53,6
Eastern Cape	35,6	38,5	49,4	46,2	Eastern Cape	27,6	27,0	36,0	31,4
Northern Cape	52,0	54,4	59,3	55,3	Northern Cape	42,5	44,5	46,2	40,8
Free State	51,5	53,7	61,4	60,5	Free State	46,1	41,2	45,1	42,9
KwaZulu-Natal	43,4	49,5	58,2	52,9	KwaZulu-Natal	35,5	36,7	42,1	35,2
North West	44,8	46,5	54,3	51,3	North West	37,7	35,5	38,3	36,0
Gauteng	61,5	62,5	70,4	70,3	Gauteng	52,7	49,6	52,7	50,4
Mpumalanga	42,3	51,6	60,0	55,0	Mpumalanga	36,1	39,0	43,6	38,6
Northern Province	28,2	38,1	43,5	42,9	Northern Province	23,4	25,1	30,7	27,4

Table A12: Economically active and not economically active by population group (expanded definition)

	Employed ('000)				Unemployed ('000)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**5 855**	**5 998**	**6 381**	**6 049**	**All population groups**	**1 674**	**2 569**	**2 839**	**3 280**
Urban	3 757	4 189	4 273	4 169	Urban	948	1 491	1 648	1 842
Non-urban	2 098	1 808	2 108	1 881	Non-urban	726	1 078	1 191	1 438
African	**3 818**	**3 922**	**4 280**	**3 882**	**African**	1 479	2 270	2 508	2 881
Urban	2 037	2 394	2 425	2 260	Urban	764	1 216	1 343	1 468
Non-urban	1 781	1 529	1 855	1 623	Non-urban	715	1 054	1 165	1 413
Coloured	**663**	**718**	**721**	**693**	**Coloured**	**139**	**172**	**210**	**254**
Urban	495	546	572	547	Urban	132	156	190	235
Non-urban	168	172	150	146	Non-urban	7	16	20	18
Indian	**244**	**239**	**260**	**302**	**Indian**	**25**	**52**	**49**	**65**
Urban	227	230	255	297	Urban	24	50	47	64
Non-urban	17	9	-	-	Non-urban	1	2	-	-
White	**1 129**	**1 118**	**1 098**	**1 159**	**White**	**32**	**76**	**70**	**78**
Urban	998	1 020	1 003	1 053	Urban	28	69	65	74
Non-urban	131	98	95	106	Non-urban	3	7	-	-
FEMALE					**FEMALE**				
All population groups	**3 777**	**4 348**	**5 331**	**4 783**	**All population groups**	**1 959**	**3 306**	**3 719**	**4 418**
Urban	2 557	3 065	3 486	3 344	Urban	1 001	1 876	2 169	2 356
Non-urban	1 221	1 283	1 845	1 439	Non-urban	958	1 431	1 550	2 062
African	**2 380**	**2 746**	**3 696**	**3 142**	**African**	**1 756**	**2 963**	**3 248**	**3 893**
Urban	1 311	1 637	2 005	1 850	Urban	812	1 568	1 743	1 893
Non-urban	1 069	1 109	1 691	1 292	Non-urban	944	1 396	1 504	2 000
Coloured	**497**	**568**	**627**	**591**	**Coloured**	**152**	**225**	**303**	**328**
Urban	406	455	526	502	Urban	140	196	265	279
Non-urban	91	113	101	89	Non-urban	12	29	38	49
Indian	**122**	**153**	**157**	**183**	**Indian**	**18**	**48**	**56**	**80**
Urban	115	151	155	179	Urban	18	45	55	78
Non-urban	7	2	-	-	Non-urban	0	2	0	0
White	**779**	**881**	**842**	**857**	**White**	**33**	**70**	**107**	**115**
Urban	725	822	791	803	Urban	31	67	100	105
Non-urban	53	59	52	54	Non-urban	2	3	-	-
TOTAL					**TOTAL**				
All population groups	**9 632**	**10 346**	**11 712**	**10 833**	**All population groups**	**3 633**	**5 875**	**6 558**	**7 698**
Urban	6 314	7 254	7 758	7 513	Urban	1 949	3 366	3 817	4 198
Non-urban	3 319	3 091	3 953	3 320	Non-urban	1 684	2 509	2 741	3 500
African	**6 198**	**6 668**	**7 977**	**7 024**	**African**	**3 235**	**5 233**	**5 755**	**6 774**
Urban	3 348	4 031	4 431	4 109	Urban	1 576	2 784	3 086	3 361
Non-urban	2 850	2 638	3 546	2 915	Non-urban	1 659	2 449	2 669	3 413
Coloured	**1 160**	**1 286**	**1 348**	**1 284**	**Coloured**	**290**	**397**	**513**	**582**
Urban	901	1 001	1 097	1 049	Urban	272	352	455	514
Non-urban	259	285	251	235	Non-urban	18	45	58	67
Indian	**366**	**392**	**416**	**484**	**Indian**	**43**	**99**	**105**	**145**
Urban	342	381	411	476	Urban	42	95	103	142
Non-urban	24	11	-	-	Non-urban	1	5	-	-
White	**1 908**	**1 999**	**1 940**	**2 016**	**White**	**65**	**145**	**177**	**193**
Urban	1 723	1 842	1 794	1 856	Urban	59	136	166	179
Non-urban	184	157	147	160	Non-urban	6	10	-	-

Table A13: Economically active and not economically active by population group (expanded definition)

	Economically active ('000)				Not economically active ('000)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**7 529**	**8 567**	**9 220**	**9 330**	**All population groups**	**4 016**	**4 021**	**3 494**	**3 651**
Urban	4 705	5 680	5 921	6 011	Urban	1 917	1 988	1 812	1 863
Non-urban	2 824	2 887	3 299	3 319	Non-urban	2 099	2 033	1 682	1 788
African	**5 297**	**6 192**	**6 788**	**6 763**	**African**	**3 305**	**3 328**	**2 816**	**2 966**
Urban	2 801	3 609	3 768	3 727	Urban	1 274	1 362	1 182	1 222
Non-urban	2 496	2 582	3 020	3 036	Non-urban	2 032	1 966	1 634	1 744
Coloured	**802**	**890**	**931**	**947**	**Coloured**	**286**	**273**	**256**	**262**
Urban	627	702	761	783	Urban	259	238	228	237
Non-urban	175	188	170	164	Non-urban	27	35	28	25
Indian	**269**	**291**	**309**	**367**	**Indian**	**76**	**81**	**90**	**87**
Urban	251	280	303	360	Urban	72	80	88	86
Non-urban	18	11	-	-	Non-urban	5	1	-	-
White	**1 161**	**1 194**	**1 168**	**1 237**	**White**	**349**	**338**	**328**	**333**
Urban	1 026	1 089	1 068	1 126	Urban	312	306	310	315
Non-urban	135	105	95	106	Non-urban	36	32	18	18
FEMALE					**FEMALE**				
All population groups	**5 736**	**7 654**	**9 050**	**9 201**	**All population groups**	**6 949**	**5 986**	**5 127**	**5 183**
Urban	3 557	4 940	5 654	5 700	Urban	3 066	2 918	2 680	2 634
Non-urban	2 179	2 713	3 396	3 501	Non-urban	3 883	3 068	2 447	2 549
African	**4 136**	**5 709**	**6 944**	**7 035**	**African**	**5 445**	**4 711**	**3 881**	**3 949**
Urban	2 123	3 205	3 749	3 743	Urban	1 735	1 776	1 557	1 526
Non-urban	2 013	2 504	3 195	3 292	Non-urban	3 710	2 935	2 324	2 424
Coloured	**649**	**794**	**930**	**919**	**Coloured**	**535**	**468**	**469**	**448**
Urban	546	651	791	780	Urban	457	403	397	380
Non-urban	103	142	138	138	Non-urban	78	65	72	68
Indian	**140**	**200**	**213**	**263**	**Indian**	**228**	**192**	**195**	**214**
Urban	132	196	211	258	Urban	212	185	190	208
Non-urban	8	5	-	-	Non-urban	16	6	-	-
White	**812**	**951**	**949**	**972**	**White**	**740**	**615**	**573**	**565**
Urban	756	889	891	909	Urban	662	554	527	514
Non-urban	56	62	52	54	Non-urban	79	61	46	51
TOTAL					**TOTAL**				
All population groups	**13 265**	**16 221**	**18 270**	**18 531**	**All population groups**	**10 966**	**10 006**	**8 621**	**8 834**
Urban	8 262	10 620	11 575	11 711	Urban	4 983	4 906	4 492	4 497
Non-urban	5 003	5 600	6 695	6 820	Non-urban	5 983	5 101	4 129	4 337
African	**9 433**	**11 901**	**13 732**	**13 798**	**African**	**8 751**	**8 039**	**6 697**	**6 915**
Urban	4 924	6 814	7 517	7 470	Urban	3 009	3 138	2 739	2 747
Non-urban	4 509	5 087	6 215	6 328	Non-urban	5 742	4 901	3 958	4 167
Coloured	**1 451**	**1 684**	**1 861**	**1 866**	**Coloured**	**822**	**741**	**725**	**710**
Urban	1 173	1 353	1 552	1 563	Urban	716	641	626	617
Non-urban	278	330	308	302	Non-urban	105	100	100	93
Indian	**409**	**491**	**521**	**629**	**Indian**	**305**	**273**	**284**	**300**
Urban	383	475	513	618	Urban	284	266	278	294
Non-urban	26	16	-	-	Non-urban	21	7	-	-
White	**1 973**	**2 144**	**2 117**	**2 209**	**White**	**1 089**	**954**	**901**	**899**
Urban	1 782	1 977	1 959	2 035	Urban	974	861	838	829
Non-urban	190	167	147	160	Non-urban	115	93	63	69

Table A14: Working age population and unemployment rates by population group (expanded definition)

	Working age ('000)				Unemployment rate (%)				
	OHS-Oct		LFS-Sep			OHS-Oct		LFS-Sep	
	1995	1999	2000	2001		1995	1999	2000	2001
MALE					**MALE**				
All population groups	**11 545**	**12 587**	**12 714**	**12 981**	**All population groups**	**22,2**	**30,0**	**30,8**	**35,2**
Urban	6 622	7 668	7 733	7 874	Urban	20,2	26,2	27,8	30,6
Non-urban	4 923	4 920	4 981	5 106	Non-urban	25,7	37,4	36,1	43,3
African	**8 603**	**9 520**	**9 604**	**9 729**	**African**	**27,9**	**36,7**	**36,9**	**42,6**
Urban	4 075	4 972	4 950	4 949	Urban	27,3	33,7	35,6	39,4
Non-urban	4 528	4 548	4 654	4 780	Non-urban	28,6	40,8	38,6	46,6
Coloured	**1 088**	**1 163**	**1 187**	**1 209**	**Coloured**	**17,3**	**19,3**	**22,5**	**26,8**
Urban	886	940	989	1 020	Urban	21,1	22,3	24,9	30,1
Non-urban	202	223	198	189	Non-urban	3,8	8,4	12,0	11,3
Indian	**345**	**372**	**398**	**453**	**Indian**	**9,3**	**17,8**	**15,9**	**17,7**
Urban	323	360	391	446	Urban	9,6	17,7	15,6	17,7
Non-urban	23	12	-	-	Non-urban	5,5	19,6	-	-
White	**1 509**	**1 532**	**1 496**	**1 571**	**White**	**2,7**	**6,3**	**6,0**	**6,3**
Urban	1 338	1 395	1 379	1 442	Urban	2,8	6,3	6,1	6,5
Non-urban	171	137	113	124	Non-urban	2,5	6,4	4,2	-
FEMALE					**FEMALE**				
All population groups	**12 686**	**13 639**	**14 177**	**14 384**	**All population groups**	**34,1**	**43,2**	**41,1**	**48,0**
Urban	6 624	7 858	8 335	8 334	Urban	28,1	38,0	38,4	41,3
Non-urban	6 062	5 781	5 842	6 050	Non-urban	44,0	52,7	45,7	58,9
African	**9 581**	**10 420**	**10 825**	**10 984**	**African**	**42,5**	**51,9**	**46,8**	**55,3**
Urban	3 858	4 980	5 306	5 269	Urban	38,2	48,9	46,5	50,6
Non-urban	5 723	5 440	5 519	5 716	Non-urban	46,9	55,7	47,1	60,7
Coloured	**1 184**	**1 262**	**1 399**	**1 367**	**Coloured**	**23,4**	**28,4**	**32,6**	**35,7**
Urban	1 003	1 054	1 188	1 160	Urban	25,7	30,1	33,5	35,7
Non-urban	181	207	211	207	Non-urban	11,4	20,7	27,1	35,3
Indian	**368**	**392**	**408**	**476**	**Indian**	**12,9**	**23,8**	**26,4**	**30,5**
Urban	345	381	401	466	Urban	13,4	23,1	26,3	30,4
Non-urban	24	11	-	-	Non-urban	4,3	-	-	-
White	**1 552**	**1 566**	**1 522**	**1 537**	**White**	**4,1**	**7,3**	**11,3**	**11,9**
Urban	1 418	1 443	1 418	1 422	Urban	4,1	7,5	11,3	11,6
Non-urban	134	123	97	105	Non-urban	3,8	5,0	11,4	-
TOTAL					**TOTAL**				
All population groups	**24 231**	**26 227**	**26 891**	**27 365**	**All population groups**	**27,4**	**36,2**	**35,9**	**41,5**
Urban	13 246	15 526	16 067	16 208	Urban	23,6	31,7	33,0	35,8
Non-urban	10 986	10 701	10 824	11 156	Non-urban	33,7	44,8	40,9	51,3
African	**18 184**	**19 940**	**20 429**	**20 713**	**African**	**34,3**	**44,0**	**41,9**	**49,1**
Urban	7 933	9 952	10 256	10 218	Urban	32,0	40,9	41,1	45,0
Non-urban	10 251	9 988	10 173	10 496	Non-urban	36,8	48,1	42,9	53,9
Coloured	**2 272**	**2 425**	**2 586**	**2 576**	**Coloured**	**20,0**	**23,6**	**27,5**	**31,2**
Urban	1 889	1 995	2 178	2 180	Urban	23,2	26,0	29,3	32,9
Non-urban	383	430	408	396	Non-urban	6,6	13,7	18,8	22,3
Indian	**714**	**764**	**806**	**929**	**Indian**	**10,5**	**20,2**	**20,2**	**23,0**
Urban	667	741	792	912	Urban	10,9	19,9	20,0	23,0
Non-urban	46	23	-	-	Non-urban	5,1	29,6	-	-
White	**3 061**	**3 098**	**3 018**	**3 108**	**White**	**3,3**	**6,8**	**8,3**	**8,8**
Urban	2 756	2 838	2 797	2 864	Urban	3,3	6,9	8,5	8,8
Non-urban	305	260	210	229	Non-urban	2,9	5,8	6,8	8,2

Table A15: Employment by industry and sex

	OHS-Oct		LFS-Sep	
	1995 ('000)	1999 ('000)	2000 ('000)	2001 ('000)
MALE				
Agriculture	982	721	910	727
Mining	430	452	512	470
Manufacturing	982	986	981	1 004
Utilities	75	65	66	80
Construction	420	523	593	534
Trade	926	1 087	1 193	1 186
Transport	409	449	465	448
Finance	323	535	544	547
Services	1 193	1 110	1 069	1 028
Total	**5 740**	**5 928**	**6 333**	**6 024**
FEMALE				
Agriculture	255	377	785	324
Mining	19	24	19	17
Manufacturing	466	511	594	602
Utilities	11	14	16	15
Construction	28	44	46	60
Trade	752	991	1 232	1 212
Transport	73	89	86	94
Finance	271	393	384	428
Services	1 830	1 848	2 130	2 015
Total	**3 706**	**4 291**	**5 292**	**4 767**
TOTAL				
Agriculture	1 238	1 098	1 694	1 051
Mining	449	476	531	487
Manufacturing	1 449	1 497	1 575	1 605
Utilities	86	78	82	95
Construction	448	567	639	594
Trade	1 678	2 079	2 426	2 397
Transport	482	538	551	543
Finance	594	928	928	975
Services	3 023	2 958	3 199	3 043
Total	**9 446**	**10 219**	**11 625**	**10 791**
PERCENTAGE OF TOTAL	**%**	**%**	**%**	**%**
Agriculture	13	11	14	10
Mining	5	5	5	5
Manufacturing	15	15	14	15
Utilities	1	1	1	1
Construction	5	6	5	5
Trade	18	20	21	22
Transport	5	5	5	5
Finance	6	9	8	9
Services	32	29	28	28
Total	**100**	**100**	**100**	**100**

Table A16: Employment by occupation

	OHS-Oct		LFS-Sep	
	1995 ('000)	1999 ('000)	2000 ('000)	2001 ('000)
Manager	507	682	558	661
Professional	332	553	532	485
Technician	1 081	1 041	1 073	1 146
Clerk	1 156	1 069	1 050	1 101
Service	1 094	1 224	1 413	1 396
Craft	1 128	1 354	1 523	1 434
Operator	1 119	1 092	1 142	1 085
Elementary*	3 091	3 169	4 372	3 500
Total	**9 507**	**10 184**	**11 663**	**10 808**
	%	**%**	**%**	**%**
Manager	5	7	5	6
Professional	3	5	5	4
Technician	11	10	9	11
Clerk	12	11	9	10
Service	12	12	12	13
Craft	12	13	13	13
Operator	12	11	10	10
Elementary*	33	31	37	32
Total	**100**	**100**	**100**	**100**

* Elementary includes skilled agricultural and domestic workers.

Table A17: Employment in the formal and informal sectors by industry

	OHS-Oct		LFS-Sep	
	1995 ('000)	1999 ('000)	2000 ('000)	2001 ('000)
FORMAL				
Agriculture	n/a	802	667	666
Mining	n/a	470	514	484
Manufacturing	n/a	1 308	1 314	1 384
Utilities	n/a	75	79	93
Construction	n/a	324	348	319
Trade	n/a	1 386	1 442	1 427
Transport	n/a	445	432	429
Finance	n/a	868	860	890
Services	n/a	1 858	1 850	1 830
Total incl agriculture	**n/a**	**7 536**	**7 505**	**7 521**
Total excl agriculture	**n/a**	**6 734**	**6 838**	**6 855**
INFORMAL (incl domestic workers)				
Agriculture	n/a	296	965	359
Mining	n/a	6	10	-
Manufacturing	n/a	189	234	199
Utilities	n/a	3	-	-
Construction	n/a	243	254	258
Trade	n/a	693	932	937
Transport	n/a	93	98	104
Finance	n/a	60	49	77
Services	n/a	1 100	1 343	1 206
Total incl. agriculture	**n/a**	**2 683**	**3 885**	**3 140**
Total excl. agriculture	**n/a**	**2 387**	**2 920**	**2 781**
TOTAL				
Agriculture	1 238	1 098	1 632	1 025
Mining	449	476	524	484
Manufacturing	1 449	1 497	1 547	1 583
Utilities	86	78	79	93
Construction	448	567	603	577
Trade	1 678	2 079	2 374	2 364
Transport	482	538	529	532
Finance	594	928	909	967
Services	3 023	2 958	3 193	3 037
Total incl. agriculture	**9 447**	**10 219**	**11 390**	**10 661**
Total excl. agriculture	**8 209**	**9 121**	**9 758**	**9 636**
PERCENTAGE OF TOTAL	**%**	**%**	**%**	**%**
Agriculture	13	11	14	10
Mining	5	5	5	5
Manufacturing	15	15	14	15
Utilities	1	1	1	1
Construction	5	6	5	5
Trade	18	20	21	22
Transport	5	5	5	5
Finance	6	9	8	9
Services	32	29	28	28
Total incl. agriculture	**100**	**100**	**100**	**100**