

**05 November 2013**

*LABOUR MARKET DYNAMICS in SOUTH AFRICA, 2012 report*  
*And*  
*NATIONAL AND PROVINCIAL LABOUR MARKET TRENDS OVER THE LAST DECADE,*  
*2003–2013, report*

**PRESS STATEMENT**

Statistics South Africa (Stats SA) released two labour market publications on the 5<sup>th</sup> of November 2013, namely, the “*Labour Market Dynamics in South Africa, 2012*”, and the “*National and Provincial Labour Market Trends over the last decade, 2003–2013*” reports. This press statement is divided into two parts, following the sequence in which the reports were released.

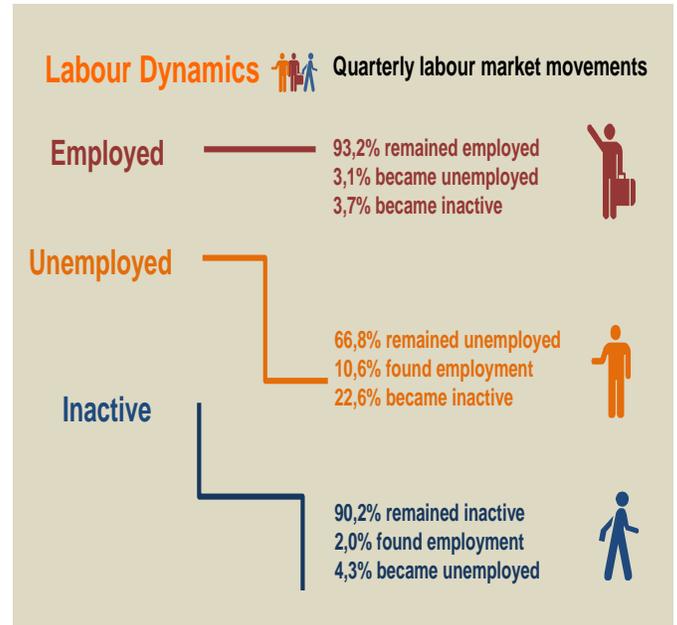
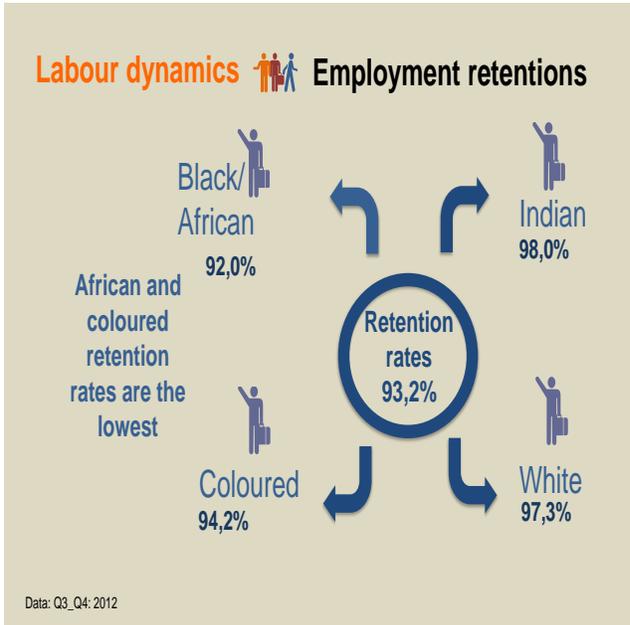
**Part A: LABOUR MARKET DYNAMICS IN SOUTH AFRICA, 2012**

Published for the first time in 2008, this report mainly covers labour market levels and trends in South Africa. Analyses in the publication also ascertains additional aspects of employment such as earnings, hours worked and decent work. Five years on, the report has grown to provide wider labour market analyses in the country. In this respect, the 2012 report both updates some of the statistics presented in the earlier publications and presents statistics on some new features namely: analysis of Panel data, Migration, analysis on Government job creation programmes such as Expanded Public Works Programmes (EPWP), Labour market from a Census perspective and Other forms of work.

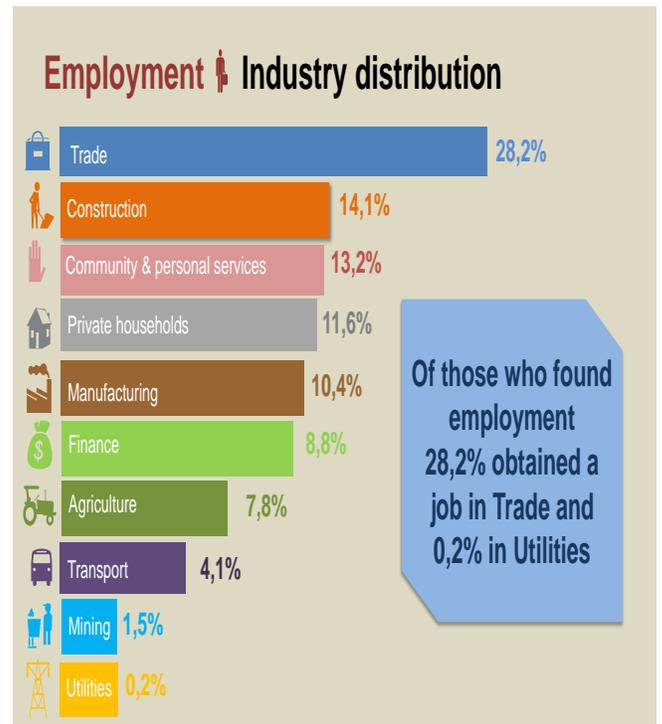
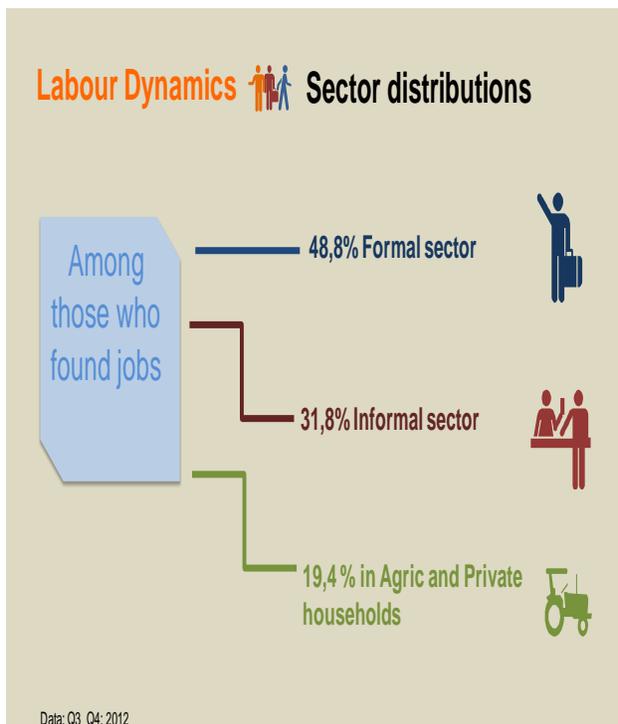
The release of panel analysis marks an important milestone in the collection of labour market information by Stats SA. Based on the Quarterly Labour Force Survey (QLFS), panel data analysis allows tracking of individuals’ movements into and out of the three labour market statuses, namely: employment, unemployment and inactivity. This was achieved by tracing the same individuals, quarter-to-quarter and establishing whether they had changed their labour market status. This type of analysis enriches our understanding of factors which influence a person’s chance of gaining or retaining employment.

## Highlights:

### Panel data



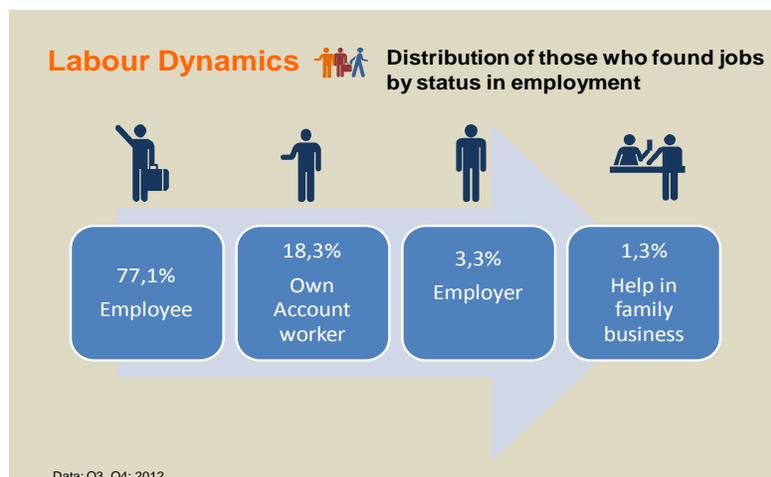
Looking at the time interval between Q3: 2012 and Q4: 2012, the employed are most likely to stay employed with as many as 93,2% keeping their jobs. More than two thirds (66,8%) of the unemployed remained without a job, while 90,2% of the inactive remained inactive. Only 10,6% of the unemployed managed to find a job. In contrast 2,0% of the inactive found employment. All population groups have employment retention rates above 90%. However, at 92,0%, Black Africans have a rate below the national average.



Those who do not have a job are most likely to find employment in the formal sector, rather than the informal sector. The formal sector supports jobs creation - Among those who found jobs, 48,8% found jobs in the formal sectors compared to 31,8% who found jobs in the informal sector. 19,4% of those who found employment, found jobs in either agriculture or private households. The informal sector serves an entry to the formal sector. Of those who were formally employed, 15,8% moved into the formal sector.

The results also suggest that experience plays a key role in finding employment as does the duration of unemployment. Unemployed persons who have worked before are 2,3 times more likely to find a job compared to those who have not worked before. Individuals who are short term unemployed are 2,4 times more likely to find a job than those in long term unemployment.

There is evidence that small firms create jobs. More than half (51,0%) of those who got a job found it in small firms that employed less than 10 employees. The results also show that of those who found employment, 28,2% obtained a job in Trade and only 0,2% found employment in Utilities.



Entrepreneurship is key to job creation. However, of those who found employment, only 21,6% were self employed (18,3% own account worker and 3,3% employer).

The 2012 report also highlights the following:

#### Job creation programmes:

- 68,3% of those who participated in government job creation programs during the past 12 months reported that they were employed in the first quarter of 2012.
- More women than men participated in Government job creation programs (59,2% vs. 40,8%) in 2012.

#### Migration:

- International and inter-provincial migration to South Africa is work related. Almost 60% of people who moved to WC and GP did so for work-related reasons. Only 42,8% moved to LP for this reason.
- Those who are foreign born are more likely to work in the informal sector compared to those born in SA (32,7% vs.15,2%).

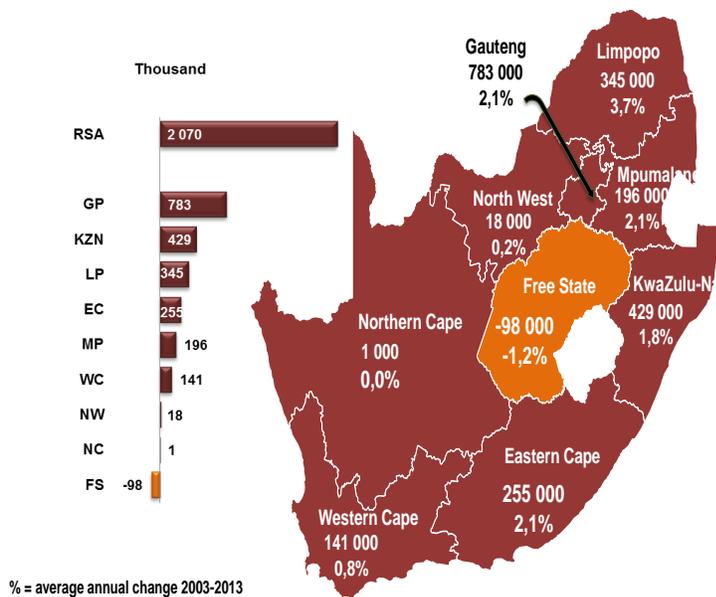
#### Earnings:

- Median monthly earnings for the employees in 2012 were R3100. This was R100 more compared to 2011. The increase was larger among men (9,4%) than women (8,3%).
- In 2012, an employee in private households earned 18,5% of what an employee earned in Services.

## Part B: NATIONAL AND PROVINCIAL LABOUR MARKET TRENDS OVER THE LAST DECADE, 2003–2013

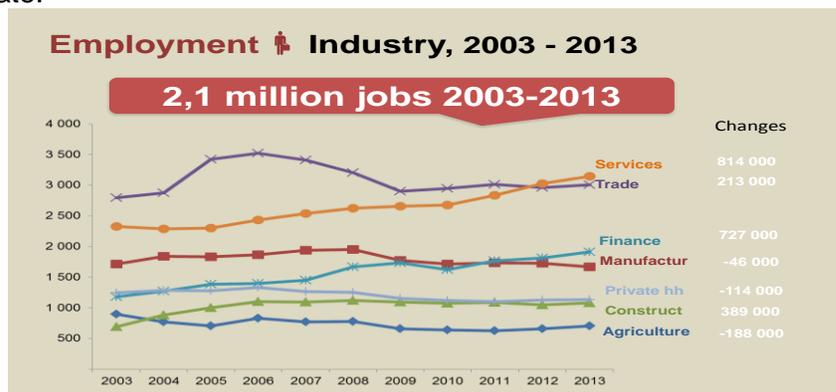
The QLFS Q3: 2013 publication which was released on the 29<sup>th</sup> of October 2013 focused on national figures. However, national labour market results mask variations at provincial level which can often be quite large. The nine provinces differ in population size; land mass; demographic profile and economic structure. This report is the first in a quarterly series which will be released when the QLFS results are reported. The aim is to provide users with an analysis of various aspects of the South African labour market at provincial level based on current labour market information.

### Employment Change between 2003 & 2013



- Between 2003 and 2013 2,1 million jobs was created, but not enough to offset growth of the working age population.
- Employment increased in all provinces, except Free State where job losses amounted to 99 000.
- Largest job gains in Gauteng (783 000) and KZN (429 000).
- But the absorption rate was virtually unchanged in both provinces (GP at 52,7% and KwaZulu-Natal at 38,2%)

And in other provinces such as Western Cape and Northern Cape the expansion in employment was also not enough to offset the expansion in the working age population resulting in a decline in the absorption rate.



- Only six out of the 10 industries had employment gains. Community and social services (up by 814 000), Finance (up by 727 000) were the biggest winners in every province.
- The biggest losers over the ten-year period were Agriculture (down 188 000); Private households (down 114 000) and Manufacturing (down 45 000).
- At provincial level the job losses in agriculture were observed in all provinces except Gauteng and Limpopo. Manufacturing shows a loss nationally and in all provinces except Limpopo and Eastern Cape.

The analysis suggests that provincial differences in the key labour market indicators are linked to various factors such as the labour intensity of the industrial base in each province and the education and skills level of the workforce.

## Unemployment ↑ Rates



- The largest increase in unemployment rate was in FS (from 23,5% in 2003 to 34,0% in 2013).
- In 2003 the gap between male and female unemployment rates was also largest in Free State (11,0 percentage points). By 2013 it had narrowed to 4,9 percentage points.
- In EC and LP the female unemployment rate in 2013 was lower than the male rate (by 1,7 and 0,2 percentage points respectively).
- In every province the youth unemployment rate was more than double that of adults. However, over the 10-year period the rate among youth declined from 35,9% in 2003 to 34,8% in 2013.

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