

10 February 2015

QUARTERLY LABOUR FORCE SURVEY: Quarter 4 (October to December), 2014

PRESS STATEMENT

Table A: Key labour market indicators

	Oct-Dec 2013	Jul-Sept 2014	Oct-Dec 2014	Q/Q change	Y/Y change	Q/Q change	Y/Y change
	Thousand				Per cent		
Population aged 15–64 yrs	35 022	35 489	35 643	155	622	0,4	1,8
Labour force	20 007	20 268	20 228	-39	221	-0,2	1,1
Employed	15 177	15 117	15 320	203	143	1,3	0,9
Formal sector (non-agricultural)	10 773	10 843	10 911	68	138	0,6	1,3
Informal sector (non-agricultural)	2 446	2 407	2 448	41	2	1,7	0,1
Agriculture	713	686	742	56	28	8,2	4,0
Private households	1 244	1 180	1 219	38	-26	3,2	-2,1
Unemployed	4 830	5 151	4 909	-242	79	-4,7	1,6
Not economically active	15 015	15 221	15 415	194	400	1,3	2,7
Discouraged job-seekers	2 200	2 514	2 403	-111	203	-4,4	9,2
Other (not economically active)	12 815	12 707	13 012	305	198	2,4	1,5
Rates (%)							
Unemployment rate	24,1	25,4	24,3	-1,1	0,2		
Employment/population ratio (absorption rate)	43,3	42,6	43,0	0,4	-0,3		
Labour force participation rate	57,1	57,1	56,8	-0,3	-0,3		

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

Employment increased by 203 000 between Q3: 2014 and Q4: 2014, while unemployment decreased by 242 000, resulting in a decline in the labour force by 39 000. Consequently, over the same period, the unemployment rate declined by 1,1 percentage points to 24,3%; the lowest level since Q4: 2013 (24,1%).

Table A shows that the expansion in employment between the third and fourth quarter of 2014 was supported by both the formal (68 000) and the informal sectors (41 000), while seasonal factors underpinned the rise in employment levels in Agriculture (56 000 quarterly increase). Employment in Private households increased by 38 000 on a quarterly basis.

A year-on-year increase of 221 000 in the labour force was the result of an increase in both employment and unemployment by 143 000 and 79 000 respectively. The formal sector was the main driver of the annual employment gain.

Employment

Figure 1: Trends in employment and the absorption rate, Q1: 2008 to Q4: 2014

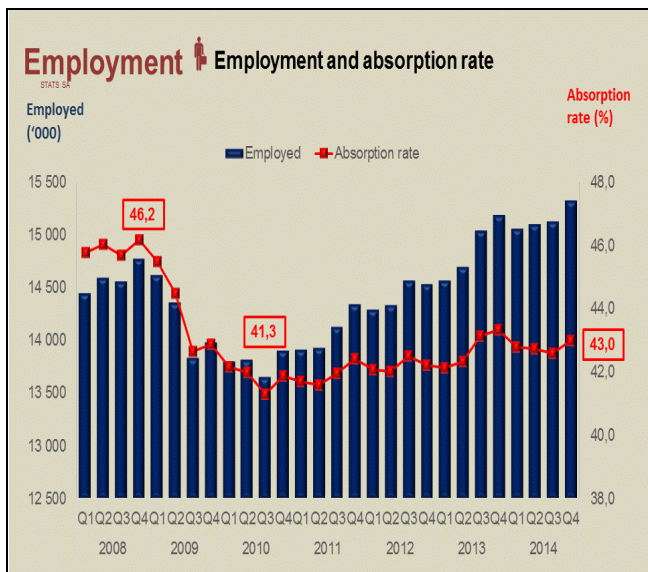
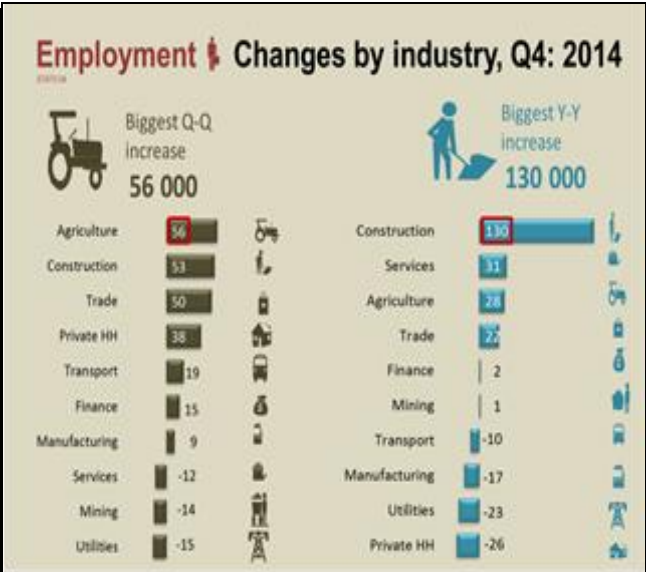


Figure 2: Changes in employment by industry



Following a decline in the absorption rate in Q3: 2014, the rate increased by 0,4 percentage points on a quarterly basis to 43,0% in Q4: 2014 (Figure 1). However, this is still 3,2 percentage points below the peak reached in Q4: 2008 (46,2%). The labour force participation rate declined to 56,8%, and is still 2,9 percentage points below the high of 59,6% in Q1: 2008.

Since the decline in employment to its lowest level in Q3: 2010 (13,6 million), 1,7 million jobs have been created of which 1,4 million were in the formal sector. Figure 2 shows that the expansion in employment between Q3: 2014 and Q4: 2014 was driven mainly by an increase in Agriculture (56 000), Construction (53 000) and Trade (50 000). The industries that shed the most jobs between the two quarters included Utilities (15 000), Mining (14 000), and Community and social services (12 000). It is the second consecutive quarter that employment levels in Community and social services declines.

The largest contributors to the year-on-year increase in employment were Construction (130 000) and Community and social services (31 000). Employment decreased by the largest in the Private households and Utilities industries on an annual basis (26 000 and 23 000 respectively).

Unemployment

In Q4: 2014, the number of unemployed persons declined by 242 000 to 4,9 million; the lowest level since the same period in 2013. On an annual basis, the number of unemployed increased by 79 000. The unemployment rate declined by 1,1 percentage points quarter-on-quarter and increased by 0,2 percentage points on an annual basis to reach 24,3% in Q4: 2014 (Figure 3). Compared to the 3rd quarter of 2014, the unemployment rate declined in all the provinces with the exception of Limpopo and Gauteng, where the rate was unchanged. The largest declines were observed in KwaZulu-Natal (-3,3 percentage points) and Mpumalanga (-2,7 percentage points).

Figure 3: Official and expanded unemployment rate, Q1: 2008 to Q4: 2014

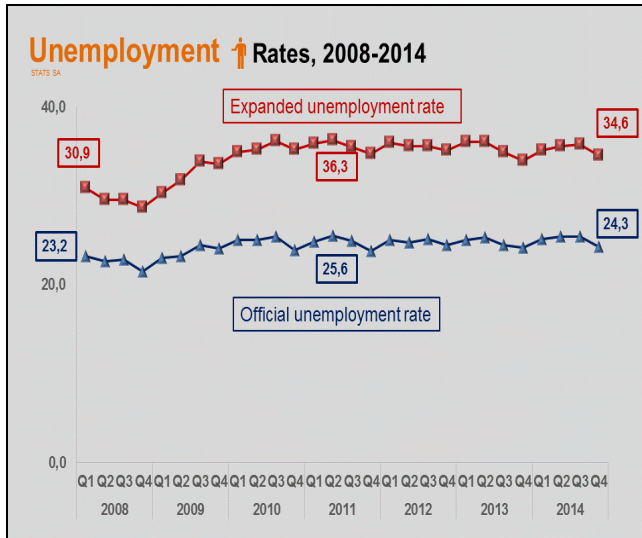


Figure 4: Provincial labour market rates, Q4: 2014



The expanded unemployment rate, which relaxes the requirement for job searchers to be classified as unemployed, declined on a quarterly basis by 1,2 percentage points to 34,6% in Q4: 2014. The expanded unemployment rate was around or above 40% in three of the nine provinces, namely Eastern Cape (41,9%), Mpumalanga (40,5%) and the North West (40,0%). On a quarterly basis, the decline in the expanded unemployment rate was more pronounced for women (-1,5 percentage points), black Africans (-1,4 percentage points), youth aged 15–24 years (-1,8 percentage points) and adults between the ages of 45 and 55 years (-1,8 percentage points).

Job tenure

The analysis this quarter focuses on median monthly job tenure of employees over the period Q4: 2008 to Q4: 2014. Job tenure is an important indicator of the degree of mobility in the labour market. It is affected by factors such as the age profile of employees as well as fluctuations in the number of hires and job losses.

Figure 5: Median monthly job tenure by province, 2008 and 2014

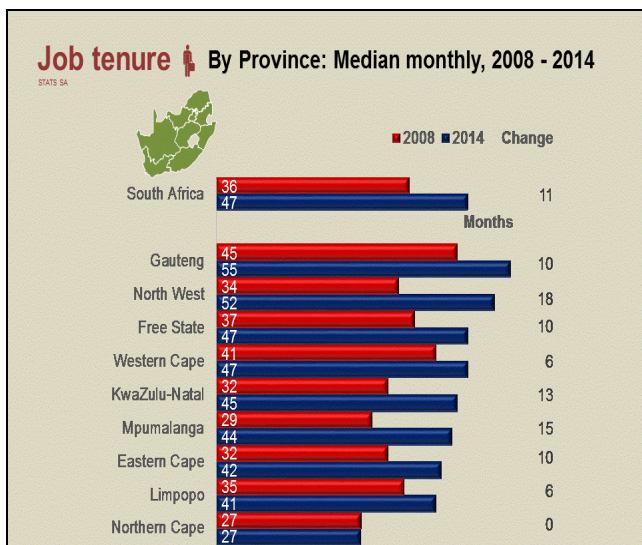
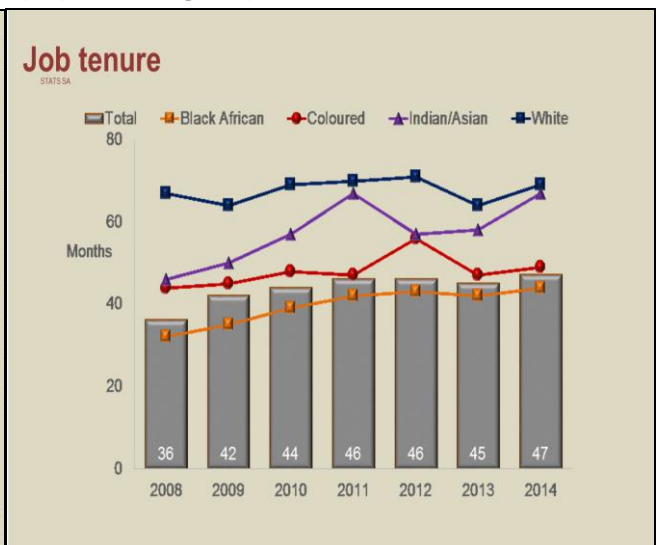


Figure 6: Median monthly job tenure by population group, 2008 to 2014



Key findings

- Between 2008 and 2014, median monthly job tenure for employees increased from 36 months to 47 months.
- Employees who have shorter job tenure are predominantly black Africans particularly in the Northern Cape), young people, employees with less than matric, employed in secondary industries, employed in low skilled occupations and those employed in the informal sector.
- Union membership increases the length of job tenure; a union member has job tenure close to three times that of a non-unionised employee.
- Smaller establishments with less than 50 employees, being employed on a verbal agreement and working in a private enterprise, are also associated with lower job tenure.

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