Labour market dynamics in South Africa 2010

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Foreword

As you are all aware, 2011 is the Census year and Statistics South Africa will be conducting a big count for all who live in South Africa, over the period 10–31 October 2011. In some countries, during the census year, all surveys are put on hold and focus is placed on the census. In South Africa, we have decided that all other products are equally important and we don't want to have a break in series for any of these products. We want our users to continue to access the data that they usually get from Stats SA, and use Census 2011 data to get lower level estimates than they get in our surveys. Stats SA is therefore publishing this annual report on labour market dynamics in South Africa in 2010.

This report looks at trends in the labour market over a six-year period, from 2005 to 2010. It outlines the important aspects of the three labour market components, namely the employed, unemployed and the inactive - which constitute the working age population (15 – 64 years).

The relevance of age, sex, population group, and education to labour market outcomes in the South African economy over the six-year period is also discussed. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. It also highlights differences of the workforce by province and level of education, and signals the importance of the latter for the quality of labour supply.

It is the first time that the annual report on labour market includes monthly earnings of South Africans and selected decent work indicators. From now on, these will form the core of the annual report. A comprehensive country profile on decent work is being prepared in collaboration with the ILO and Department of Labour.

As you all know, 2009 was a year of economic recession when a lot of people lost their jobs. It is believed that 2010 was a year of economic recovery. Did the economy really recover? I invite you to read through this report and decide for yourself and I believe that this report will inform the policy and academic discourse on labour market and job creation in our country.

Pali Lehohla
Statistician-General

Highlights

- Employment contracted by 2,9% or 395 000 jobs during 2010. All industries lost jobs except Community and social services where employment grew by 2,1%, and Transport with employment growth of 1,3%. Utilities suffered the most with a decline of 7,6%, followed by Agriculture, and Construction which contracted by 6,9% and 6,4% respectively.

- Job losses were experienced across all provinces between 2009 and 2010. The provinces that suffered the most job losses were North West, Mpumalanga and Gauteng where employment contracted by 5,1%, 4,2% and 3,7% respectively.

- Employment in the formal sector contracted by 3,5% or 330 000 jobs in 2010. In the same period, informal sector increased by 1,4% or 30 000 jobs, after it had been declining in the previous three years.

- Employment contracted by 3,5% for women own-account workers and 20,2% among those who are employed as unpaid household members, while men gained employment as own-account workers (6 000 jobs or 1,0%) and unpaid household members (9 000 jobs or 30,1%), suggesting that male employees who could've lost or left their jobs had moved into starting their own businesses or helping unpaid in household businesses.

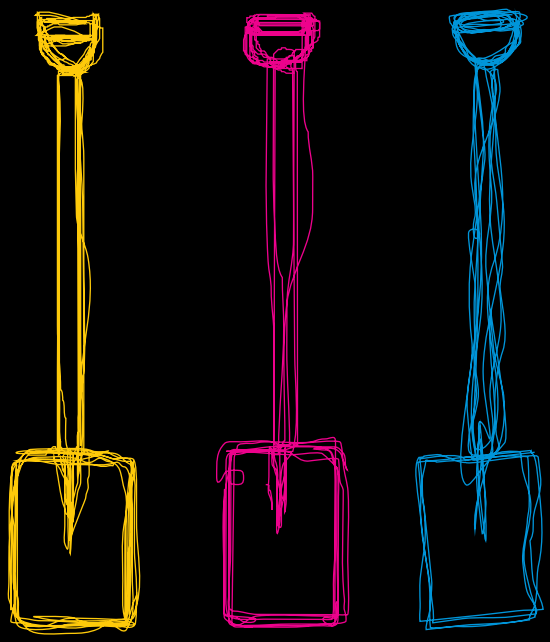
- Employment in the formal sector contracted by 3,5% and the hours of work contracted by 0,8%, while employment in the informal sector grew by 1,4% and hours of work increased by only 0,2%.

- Employed women were less likely to have access to benefits compared to their male counterparts.

- Women were less likely to occupy managerial positions. However, education played a significant role in increasing the chances of women filling these positions. Women with tertiary education were more likely to be in managerial occupations compared to women without tertiary education.

- The impact of the 2009 economic recession continued to be felt in 2010 as the economy struggled to create jobs.

Chapter 1
Introduction



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Chapter 1: Introduction

Background

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

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

This report is the third annual report on the labour market in South Africa produced by Stats SA. The analysis is based on annual labour market data from 2005 to 2010. The report also includes a statistical appendix with historical data dating back to 2005 on an annual basis.

Objective

The objective of this report is two-fold: first, to present annual labour market data backcast to 2005, and second, to analyse important aspects of the labour market in South Africa over the past five years.

Data sources

Labour Force Survey – 2005 to 2007 (March and September each year)
QLFS – 2008 to 2010 (Quarters 1 to 4)

Data issues

Missing values

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

Differences between the QLFS and LFS questionnaires

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

Breaks in series

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

Not included in the QLFS questionnaire
Only those LFS questions which were suitable for a quarterly labour market survey were replicated in the QLFS questionnaire. Perhaps the most significant of questions not carried over were questions to determine income from employment. In response to stakeholder demands they have been included from Quarter 3 of 2009 and the results will be published from Quarter 3 of 2010 and quarterly thereafter.

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

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

Technical notes

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

- LFS historically-revised data covering the period 2005–2007 are averages of the revised March and September LFS results each year.
- QLFS data covering the period 2008–2010 are averages of the results obtained for the four quarters of 2008 and 2010.

Rounding

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

Master Sample design

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

1999 Master Sample

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

2004 Master Sample

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

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

Current Master Sample

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

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

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

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

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

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

Linking the LFS and the QLFS

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

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

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

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

Layout of the remainder of the report

Chapter 2: The South African labour market

This chapter first outlines important aspects of the three major groups which constitute the working-age population and discusses the relevance of age and population group to labour market outcomes in the South African economy over the period 2004 to 2009. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. Finally, the chapter highlights differences in the composition of the workforce by province and level of education, and signals the importance of the latter for the quality of the labour supply.

Chapter 3: Summary labour market measures

The discussion in this chapter focuses on summary labour market variables that are intrinsically linked: the unemployment rate, the labour force participation rate, and the employment-to-population ratio (absorption rate). In recognition that the trends and patterns of these labour market aggregates at national level often conceal wide variations for different groups, this chapter also explores other pertinent factors such as age, sex, population group, and location that contributed to the performance of the South African labour market over the period 2004 to 2009. Given the importance of education and training in determining labour market outcomes, the education profile of labour market groups is also examined.

Chapter 4: Employment

This chapter presents a detailed analysis of the levels and trends in employment over the period 2004 to 2009 in terms of age, sex, population group, province, and education. The analysis will first focus on employment trends followed by a discussion of various descriptors of employment. The industrial and occupational structure of the economy will be assessed, followed by an analysis of the status in employment of people with jobs in terms of whether or not they are employers, employees, own-account or unpaid household members. The analysis in this chapter will then focus on time-related underemployment.

Analysis of the formal and informal sectors, with specific emphasis on sex, age, population group, educational level, province, occupation and industry is also undertaken in this chapter. On a high level, all sector employment attributes will be presented, including agriculture and private households.

It is always good to know the earnings of those who are employed. The analysis in this chapter will also focus on relative earnings and earnings distributions. Median earnings are compared across socio-demographic groups: female to male earnings ratios, population group ratios, and so forth as well as geographic location. Emphasis is also placed on the distribution of earnings by industry and occupation.

Given the importance that the South African government places on decent work, some selected decent work indicators will also be reported on in this chapter.

Chapter 5: A profile of the unemployed

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

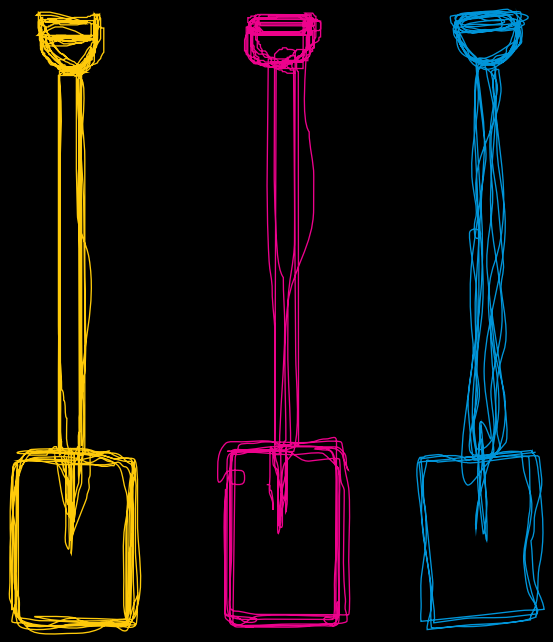
Chapter 6: A profile of the not economically active population

Given the importance of the not economically active population in the South African labour market, this chapter first analyses reasons for economical inactivity over the period 2004 to 2009. Two aspects of the economically inactive population, namely discouraged work-seekers and other not economically active, will be discussed. In this analysis, the socio-economic variables such as gender, age, population group, educational background, and marital status will be examined. Province will be another variable to be discussed in concluding our analysis.

Statistical appendix

This appendix includes annual labour market indicators based on the historically revised LFS (2005–2007) and the QLFS (2008–2010).

Chapter 2
The South African labour market



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Chapter 2: The South African labour market

Key labour market concepts

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

Employed persons are those who were engaged in market production activities in the week prior to the survey interview (even if only for one hour) as well as those who were temporarily absent from their activities.

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

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

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

Background

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

Against this background, labour market information is the body of knowledge that describes employment, unemployment and the factors that relate to labour demand and supply. The analysis that follows focuses on these factors in the context of the labour market outcomes in the South African economy over the period 2005 to 2010. These labour market developments are the result of long-term demographic and socio-economic changes.

Introduction

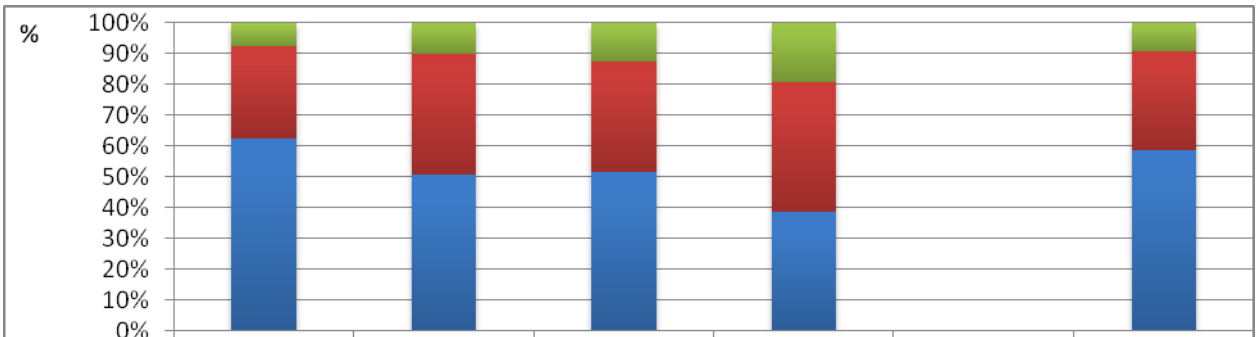
This chapter first outlines important aspects of the three major groups which constitute the working-age population and discusses the relevance of age and population group to labour market outcomes in the South African economy over the period 2005 to 2010. The analysis then focuses on variations in the sex structure of the three groups and examines how these have been changing over time. Finally, the chapter concludes with an analysis of the differences in the composition of the workforce by level of education, and signals the importance of the latter for the quality of the labour supply.

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

The age profile of the working-age population in South Africa reflects the age structure of the four population groups. The black African population group is more youthful than the other groups; more than 62% are 15–34 years old (Figure 2.1).

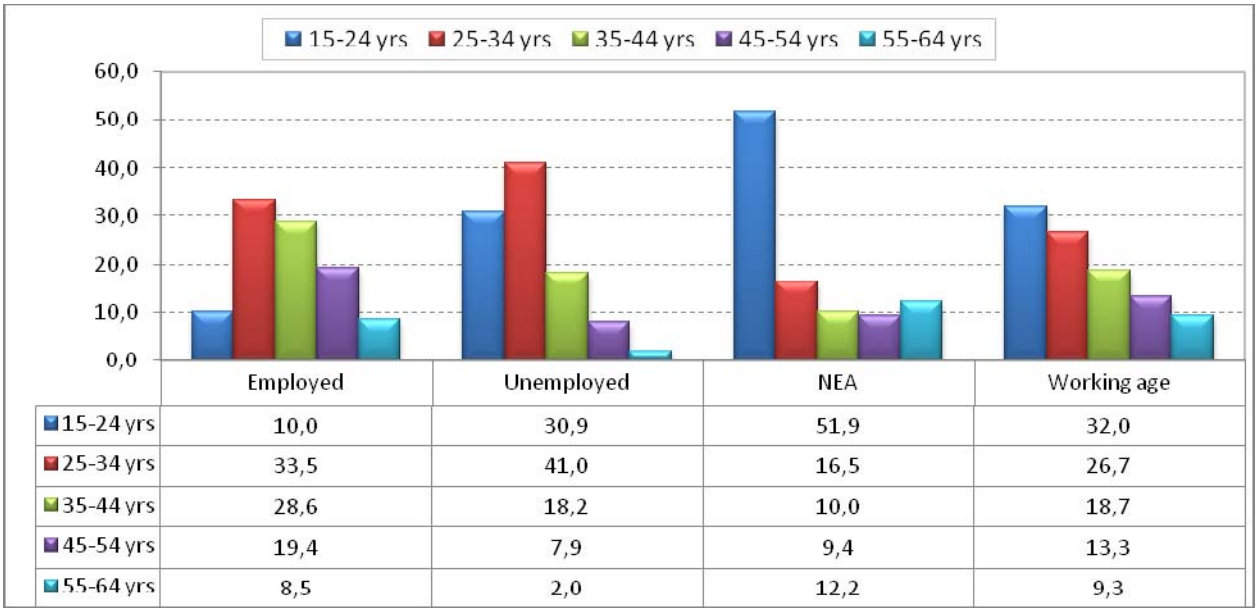
[1] Hussmanns, Ralf. Measurement of employment, unemployment and underemployment – Current international standards and issues in their application, ILO Bureau of Statistics, Geneva

Figure 2.1: The age profile of persons in the working-age population, 2010



	Black African	Coloured	Indian/Asian	White		All population groups
55-64 yrs	7,8	10,0	12,7	19,5		9,3
35-54 yrs	29,7	39,3	35,8	42,0		32,0
15-34 yrs	62,5	50,7	51,5	38,5		58,7

Figure 2.2: The age profile of persons in each component of the working-age population, 2010



	Employed	Unemployed	NEA	Working age
15-24 yrs	10,0	30,9	51,9	32,0
25-34 yrs	33,5	41,0	16,5	26,7
35-44 yrs	28,6	18,2	10,0	18,7
45-54 yrs	19,4	7,9	9,4	13,3
55-64 yrs	8,5	2,0	12,2	9,3

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

- One in every three working-age persons (32,0%) is 15–24 years old.
- More than three-quarters (78,0%) of the working-age population is black African.

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

Table 2.1: The population group of persons in the working-age population, 2010

	Employed	Unemployed	Not economically active	Working age
	Per cent			
Black African	69,3	86,3	83,4	78,0
Coloured	11,5	9,7	7,4	9,4
Asian/Indian	3,8	1,1	2,5	2,9
White	15,4	2,8	6,8	9,8
All population groups	**100,0**	**100,0**	**100,0**	**100,0**

A striking feature of the profile of persons in the labour market based on population group is that while 78,0% of working-age people are black African, this group is under-represented among the employed (69,3%) and over-represented among both the unemployed (86,3%), and the not economically active (83,4%). On the other hand, the white population group accounts for 9,8% of the working-age population, but as much as 15,4% of total employment and only 2,8% of unemployment (Table 2.1).

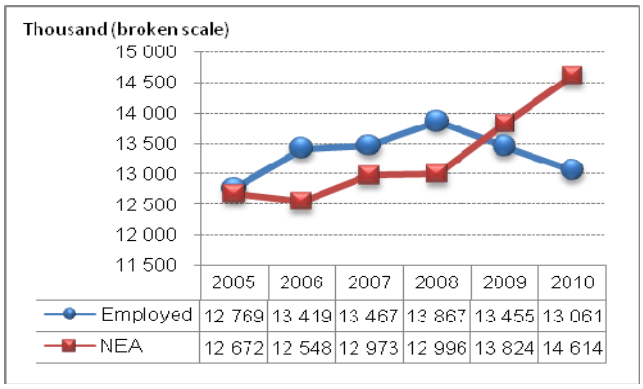
The South African working-age population by sex

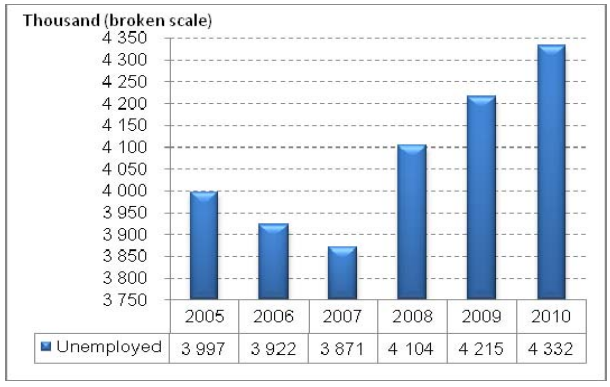
This section first discusses overall developments in the three components of the working-age population and then examines various aspects of female and male labour market indicators as well as the disparity between the two.

Table 2.2: Key labour market indicators, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Employed	12 769	13 419	13 467	13 867	13 455	13 061
Unemployed	3 997	3 922	3 871	4 104	4 215	4 332
Not economically active	12 672	12 548	12 973	12 996	13 824	14 614
Labour force	16 766	17 340	17 338	17 971	17 670	17 393
Working age	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**

Figure 2.3: Trends in the components of the working-age population, 2005–2010





NEA: not economically active

Since 2007, the performance of the South African labour market has been weaker than in previous years. However, 2009 was a year when the economy was in the middle of a recession. In that year, employment declined for three consecutive quarters, it only showed some recovery in the 4th quarter (Stats SA, 2009 Statistical releases). On average, between 2008 and 2009, employment contracted by 3,0%. Employment continued to contract in 2010 but at a slightly lower rate (2,9%) than a year before. Unemployment levels have been on an increase since 2008 – 118 000 more people became unemployed in 2010 compared to 2009 (Figure 2.3, Table 2.2 and Tables 2.3).

Table 2.3: Annual change in key labour market indicators, 2005–2010

	2006	2007	2008	2009	2010
	Thousand				
Employed	650	48	399	- 411	- 395
Unemployed	- 75	- 51	233	110	118
Not economically active	- 123	424	23	828	790
Labour force	575	- 2	633	- 301	- 277
Working age	451	422	656	528	513
	Percentage change				
Employed	5,1	0,4	3,0	-3,0	-2,9
Unemployed	-1,9	-1,3	6,0	2,7	2,8
Not economically active	-1,0	3,4	0,2	6,4	5,7
Labour force	3,4	0,0	3,6	-1,7	-1,6
Working age	1,5	1,4	2,2	1,7	1,6

Employment contracted by 2,9%, while unemployment increased by 2,8% and the not economically active population grew by 5,7% between 2009 and 2010.

Table 2.4: Key labour market indicators by sex, 2005–2010

	2005	2006	2007	2008	2009	2010
Men	Thousand					
Employed	7 167	7 483	7 523	7 866	7 562	7 390
Unemployed	1 797	1 710	1 739	1 948	2 128	2 184
Not economically active	4 983	4 989	5 145	5 107	5 524	5 926
Labour force	8 964	9 193	9 262	9 815	9 689	9 574
Working age	**13 947**	**14 182**	**14 407**	**14 922**	**15 214**	**15 500**
Women						
Employed	5 602	5 936	5 944	6 000	5 894	5 671
Unemployed	2 200	2 212	2 132	2 156	2 087	2 148
Not economically active	7 689	7 559	7 828	7 888	8 300	8 688
Labour force	7 802	8 147	8 076	8 156	7 981	7 819
Working age	**15 491**	**15 706**	**15 904**	**16 045**	**16 280**	**16 507**

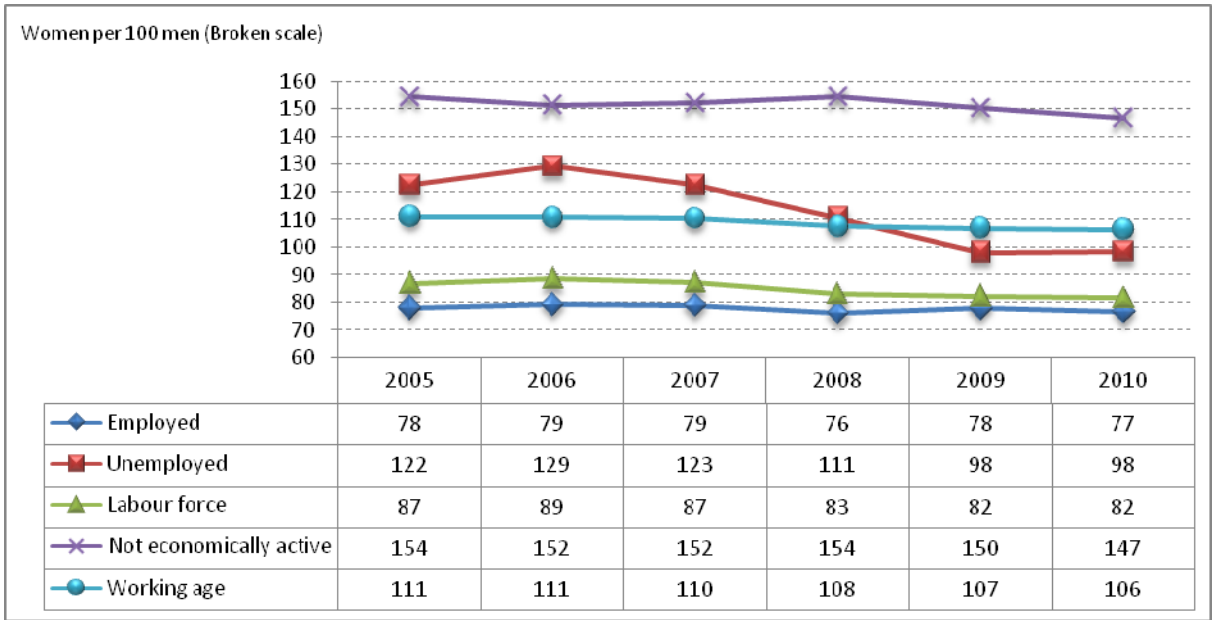
The not economically active population grew by 8,2% and 5.2% among men and women respectively. This led to a contraction in the labour force by 1,3% among men and 2,2% among women. Employment, unemployment and inactivity, including discouragement during 2010, are discussed in detail later in the report.

Table 2.5: Annual percentage change in key labour market variables, 2005–2010

	2006	2007	2008	2009	2010
	Percentage change				
Men					
Employed	4,4	0,5	4,6	-3,9	-2,3
Unemployed	-4,8	1,7	12,0	9,2	2,7
Not economically active	0,1	3,1	-0,7	8,2	7,3
Labour force	2,6	0,8	6,0	-1,3	-1,2
Working age	**1,7**	**1,6**	3,6	2,0	1,9
Women					
Employed	6,0	0,1	0,1	0,9	-1,8
Unemployed	0,5	-3,6	-3,6	1,1	-3,2
Not economically active	-1,7	3,6	3,6	0,8	5,2
Labour force	4,4	-0,9	-0,9	1,0	-2,2
Working age	**1,4**	**1,3**	1,3	0,9	1,5

Table 2.5 shows that for both men and women, employment declined in 2010, with a drop in employed men being higher (2,3%) than that of women (1,8%). The contraction in the number of employed men was accompanied by an increase in unemployment levels (2,7%) while women unemployment levels declined (3,2%). It is not uncommon for unemployment to decline with a loss in employment as it is the case with women. This is usually caused by movement from employment into inactivity rather than into unemployment.

Figure 2.4: Number of women per hundred men in the working-age population, 2005–2010

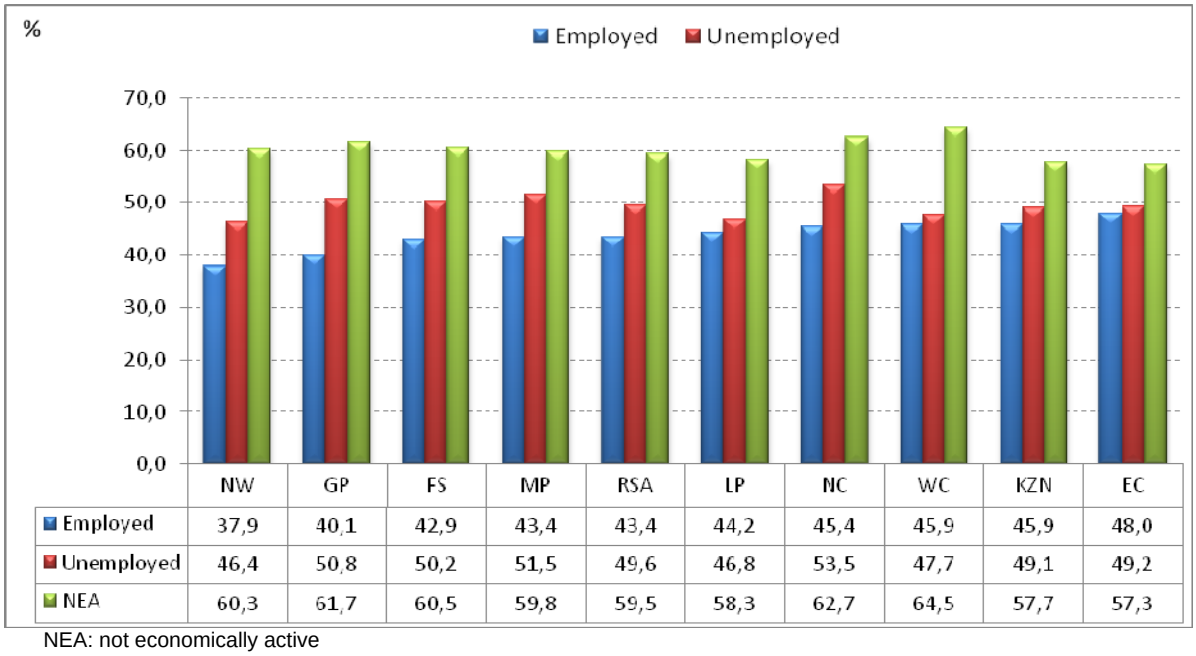


	2005	2006	2007	2008	2009	2010
Employed	78	79	79	76	78	77
Unemployed	122	129	123	111	98	98
Labour force	87	89	87	83	82	82
Not economically active	154	152	152	154	150	147
Working age	111	111	110	108	107	106

Another dimension of the scale of the gender inequalities in the South African labour market is the number of women per 100 men in each labour market category. In 2008, for example, for every 100 employed men there were only 76 employed women, this ratio remained virtually unchanged in 2010 (77). For every 100 unemployed men there were 129 unemployed women in 2006, but the growth in unemployment among men and a decline among women brought the ratio of women to men at almost par (to 98) in 2010. Among the not economically active, the gender gap remains wider – 147 women per 100 not economically active men in 2010. Over the period 2005 to 2010, the number of women per 100 men was relatively unchanged for all labour market groups except the unemployed (Figure 2.4).

The South African working-age population by province

Figure 2.5: Female share of the working-age population by province, 2010



	NW	GP	FS	MP	RSA	LP	NC	WC	KZN	EC
Employed	37,9	40,1	42,9	43,4	43,4	44,2	45,4	45,9	45,9	48,0
Unemployed	46,4	50,8	50,2	51,5	49,6	46,8	53,5	47,7	49,1	49,2
NEA	60,3	61,7	60,5	59,8	59,5	58,3	62,7	64,5	57,7	57,3

NEA: not economically active

In 2010, women accounted for fewer than 40% of the employed in North West, but for more than 45% in provinces such as Eastern Cape, KwaZulu-Natal, Western Cape and Northern Cape. In provinces such as Northern Cape and Mpumalanga more than 51% of the unemployed were women (Figure 2.5).

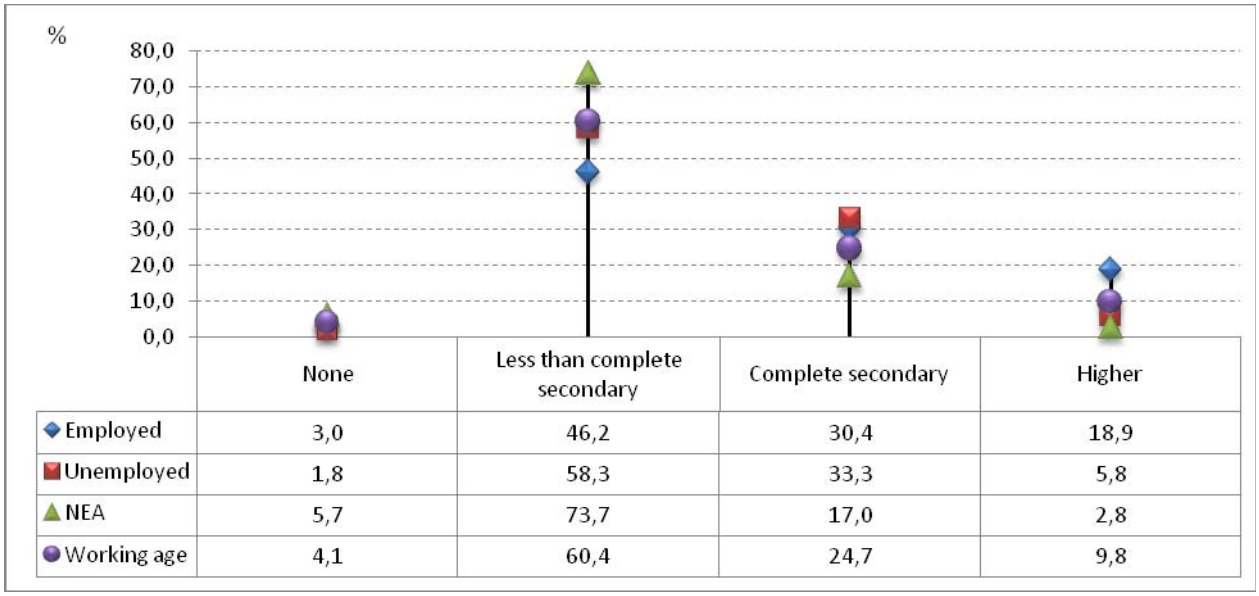
Level of educational attainment

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

In the South African context, the challenges posed by the education system are acknowledged by government: “The most difficult aspects of the legacy of apartheid to unwind arise from its deliberately inferior system of education and irrational patterns of population settlement. In a period of growth it is evident that we lack sufficient skilled professionals, managers and artisans, and that the uneven quality of education remains a contributory factor. In addition, the price of labour of the poor is pushed up by the fact that many live a great distance from their places of work” (AsgiSA[3]). The irrational patterns of population settlement is also likely to affect the readiness of large segments of the unemployed black African population to engage in some of the job-search activities discussed in greater detail in Chapter 5 and contribute to the disproportionate share of black Africans among the discouraged work-seekers discussed in Chapter 6.

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

Figure 2.6: Components of the working-age population by level of educational attainment, 2010

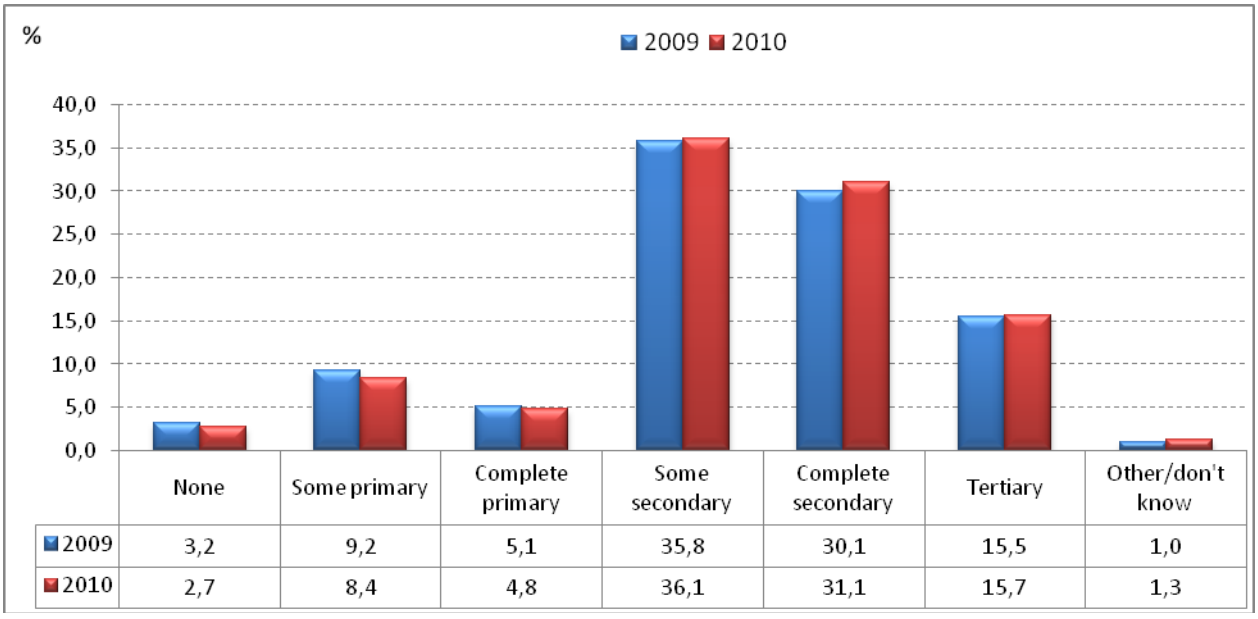


	None	Less than complete secondary	Complete secondary	Higher
Employed	3,0	46,2	30,4	18,9
Unemployed	1,8	58,3	33,3	5,8
NEA	5,7	73,7	17,0	2,8
Working age	4,1	60,4	24,7	9,8

NEA: not economically active

Figure 2.6 shows that there are variations in the educational profile of the working-age population when each of the three components (employed, unemployed and not economically active) is considered. In 2010, a larger proportion of the employed (3,0%) than the unemployed (1,8%) had no education. And while 18,9% of those with jobs had tertiary (higher) qualifications, as many as 5,8% of those without jobs and looking for work also had tertiary qualifications (Figure 2.6).

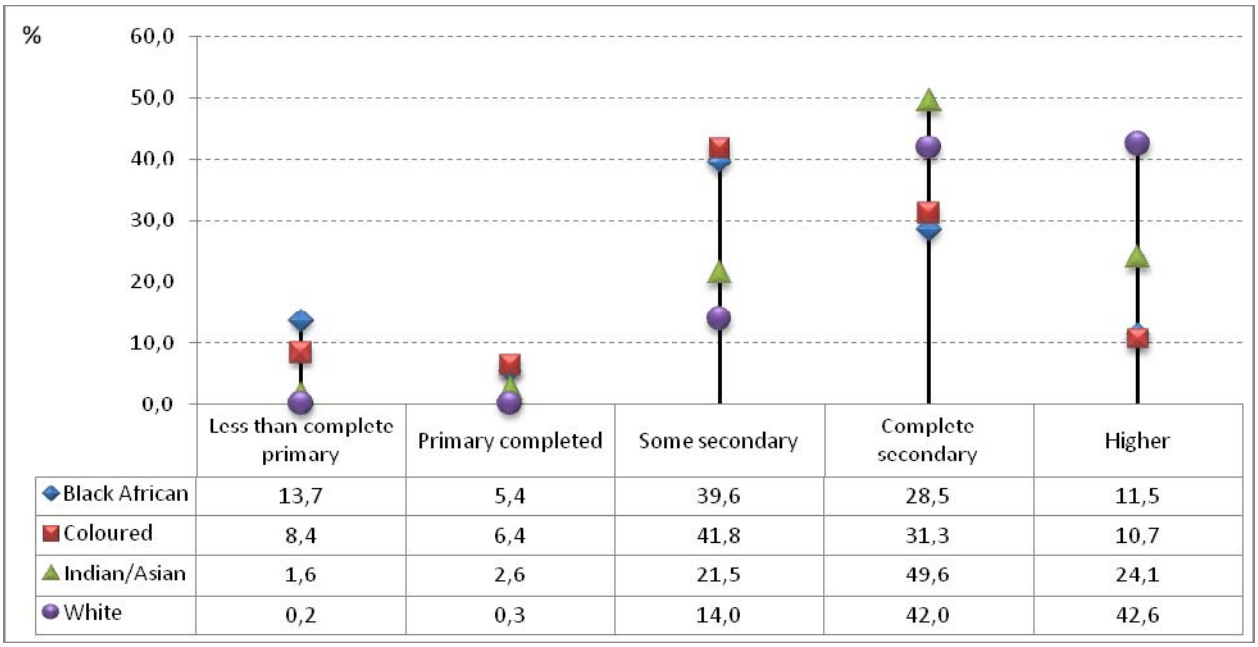
Figure 2.7: The labour force by level of educational attainment, 2009 and 2010



	None	Some primary	Complete primary	Some secondary	Complete secondary	Tertiary	Other/don't know
2009	3,2	9,2	5,1	35,8	30,1	15,5	1,0
2010	2,7	8,4	4,8	36,1	31,1	15,7	1,3

Figure 2.7 shows that those who had completed matric or higher slightly increased their share of the labour force in the year ended December 2010. For example, those with matric increased their share of the labour force by 1 percentage point to 31,1% and those with tertiary qualification increased their share slightly by 0,2 of a percentage point to 15,7%. On the other hand those in lower education categories decreased their share of the labour force.

Figure 2.8: The labour force by level of educational attainment and population group, 2010



	Less than complete primary	Primary completed	Some secondary	Complete secondary	Higher
Black African	13,7	5,4	39,6	28,5	11,5
Coloured	8,4	6,4	41,8	31,3	10,7
Indian/Asian	1,6	2,6	21,5	49,6	24,1
White	0,2	0,3	14,0	42,0	42,6

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

Although the educational level of the labour force improved over the six years (2005–2010), significant differences still existed for various population groups. These included higher shares of the black African population in the labour force whose educational attainment was primary education or lower (19,1% in 2010) compared with Indians (4,2%) and whites (0,5%). Also there was relatively larger proportions of the white and Indian labour force with completed secondary education (over 40%) for both population groups compared with Africans (under 30%), and markedly different proportions of the labour force with higher education across the four population groups. In this regard, 42,6% of the white labour force had higher education compared with 24,1% of the Indian labour force, 11,5% of the black African labour force and 10,7% of the coloured labour force (Figure 2.8).

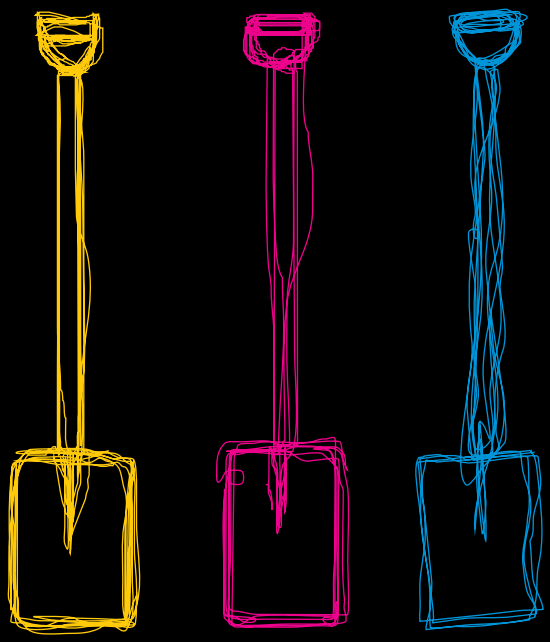
Summary and conclusion

The analysis in this chapter has shown that in the South African economy, variations in the age structure and the quality of labour supply by population group have been important explanatory factors in the labour market outcomes over the period 2005 to 2010. So too are the differences in the composition of the workforce by sex and province.

In 2009, when South Africa experienced the economic recession, employment contracted by 3,0%. Employment continued to contract in 2010 – by 2,9% or 395 000 jobs.

In terms of educational attainment, the underlying differences among various population groups were still well entrenched in 2009. In this regard, 42,6% of the white labour force had higher education qualifications (either a degree or a certificate/diploma of at least six months duration with matric) compared with 24,1% of the Indian labour force, 11,5% of the black African labour force and 10,7% of the coloured labour force. The dominance of black Africans in the working-age population, coupled with their educational outcomes, is likely to put a deterrent on the speed of labour market adjustment that is necessary to align supply to changing market demands.

Chapter 3
Summary labour market measures



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Chapter 3: Summary labour market measures

Key labour market concepts

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

The **labour force participation rate** is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the relative size of the supply of labour available to engage in the production of goods and services[4].

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

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

Background

The analysis in this chapter focuses on three important summary labour market measures that are intrinsically linked: the unemployment rate, the labour force participation rate and the employment-to-population ratio (absorption rate). Each measure reflects a different perspective on the degree to which individuals of working age are represented in the labour market, and together they contribute to a better understanding of how the labour market functions (Lestrade-Jefferis, 2002[5]).

Introduction

An analysis of the trends and patterns in various labour market aggregates at national level often conceals wide variations for different groups. In light of this, the analysis in this chapter explores pertinent factors such as age, sex, population group, and marital status that contributed to the labour market outcome over the period 2005 to 2010.

Table 3.1: Summary labour market measures by sex, 2005–2010

	2005	2006	2007	2008	2009	2010
Unemployment rate	Per cent					
Men	20,0	18,6	18,8	19,8	22,0	22,8
Women	28,2	27,2	26,4	26,4	26,1	27,5
Both sexes	**23,8**	**22,6**	**22,3**	**22,8**	**23,9**	**24,9**
Labour absorption rate						
Men	51,4	52,8	52,2	52,7	49,7	47,7
Women	36,2	37,8	37,4	37,4	36,2	34,4
Both sexes	**43,4**	**44,9**	**44,4**	**44,8**	**42,7**	**40,8**
Labour force participation rate						
Men	64,3	64,8	64,3	65,8	63,7	61,8
Women	50,4	51,9	50,8	50,8	49,0	47,4
Both sexes	**57,0**	**58,0**	**57,2**	**58,0**	**56,1**	**54,3**

South Africa has a steadily growing population. As a result, in order for the absorption rate (employment-to-population ratio) to just remain steady, employment must grow at the same rate as the working-age population. Even if employment is growing, but not as fast as the population, then the absorption rate will decline. In order for the absorption rate to increase, employment has to grow faster than the population.

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

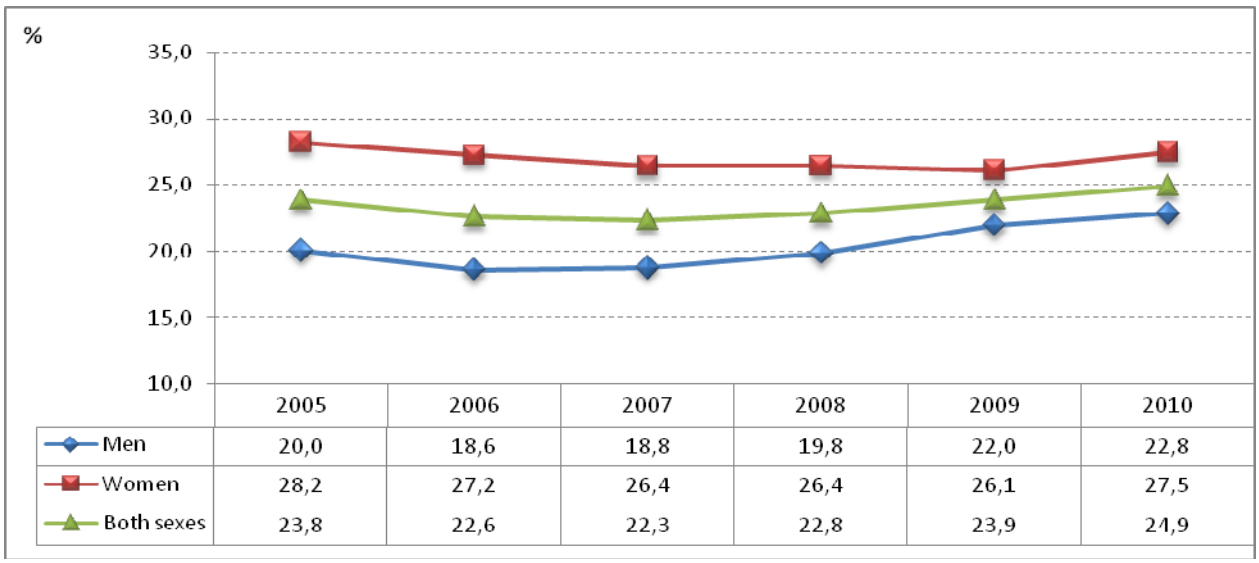
Between 2005 and 2010, South Africa's working-age population grew by 8,7% but employment grew by 2,3%. The result was that the absorption rate fell from 43,4% to 40,8%.

Why should this matter? It matters because the absorption rate is one of the measures of economic dependency in society. The lower the absorption rate, the greater the proportion of the population depending on those with jobs.

As noted in the box at the beginning of this chapter, the labour force participation rate also uses the working-age population as the denominator. The numerator includes not only the employed but also the unemployed. Because of the inclusion of the unemployed, the labour force participation rate will always be higher than the absorption rate. The greater the difference between the two the larger is the number of the unemployed relative to the population (Table 3.1, Figures 3.1, 3.2 and 3.3).

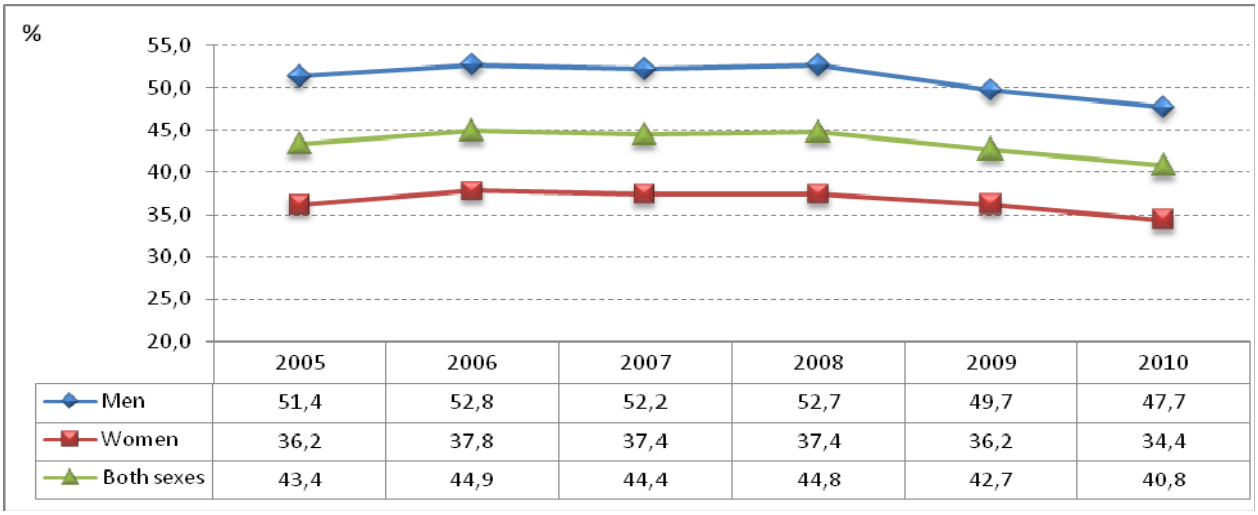
There was also a reversal in the downward trend in the unemployment rate among men in 2007 while the rate among women declined steadily until 2009 and started to increase in 2010 (Figure 3.1).

Figure 3.1: Unemployment rate by sex, 2005–2010



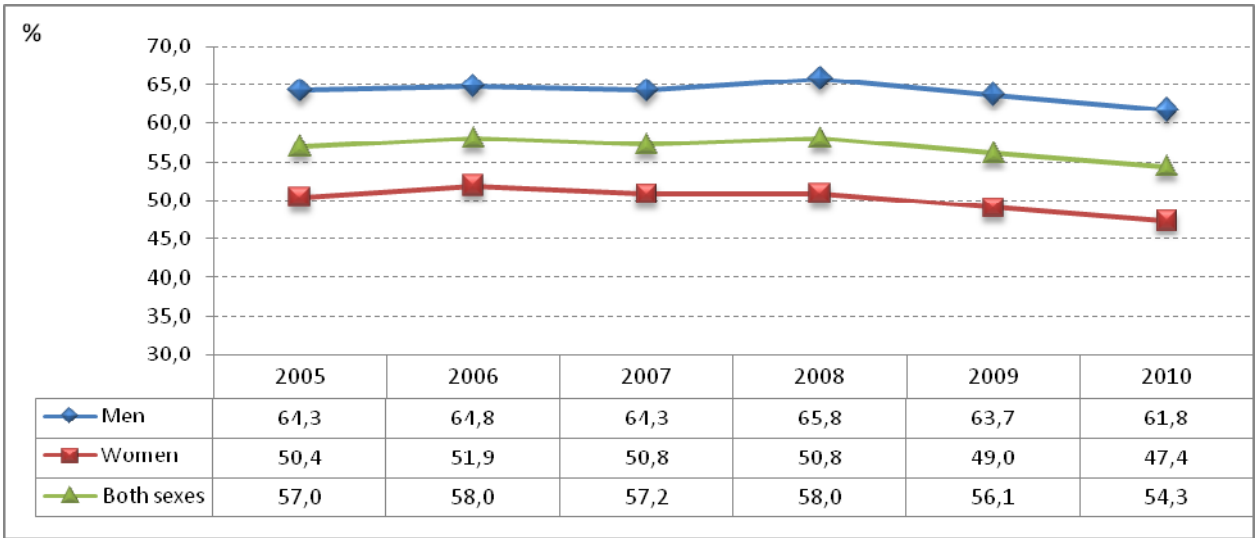
	2005	2006	2007	2008	2009	2010
Men	20,0	18,6	18,8	19,8	22,0	22,8
Women	28,2	27,2	26,4	26,4	26,1	27,5
Both sexes	23,8	22,6	22,3	22,8	23,9	24,9

Figure 3.2: Labour absorption rate by sex, 2005–2010



	2005	2006	2007	2008	2009	2010
Men	51,4	52,8	52,2	52,7	49,7	47,7
Women	36,2	37,8	37,4	37,4	36,2	34,4
Both sexes	43,4	44,9	44,4	44,8	42,7	40,8

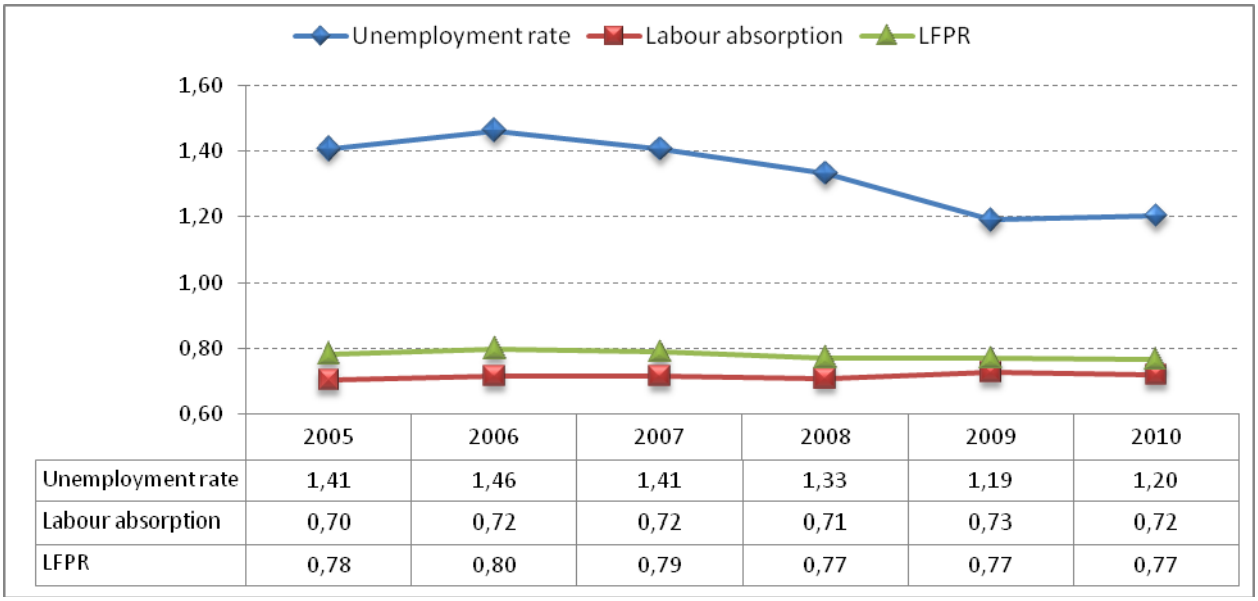
Figure 3.3: Labour force participation rate by sex, 2005–2010



	2005	2006	2007	2008	2009	2010
Men	64,3	64,8	64,3	65,8	63,7	61,8
Women	50,4	51,9	50,8	50,8	49,0	47,4
Both sexes	57,0	58,0	57,2	58,0	56,1	54,3

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

Figure 3.4: The gender gap in key labour market variables, 2005–2010



	2005	2006	2007	2008	2009	2010
Unemployment rate	1,41	1,46	1,41	1,33	1,19	1,20
Labour absorption	0,70	0,72	0,72	0,71	0,73	0,72
LFPR	0,78	0,80	0,79	0,77	0,77	0,77

LFPR: labour force participation rate

In 2005 and 2006, female unemployment rates were higher than male rates by an increasingly larger margin. Although the gap has narrowed since 2006, the unemployment rate among women was still higher than that of men in 2010. While female unemployment rates were higher than male rates, female labour absorption and labour force participation rates were lower than that of their male counterparts throughout the period under review (Figure 3.4).

Population group

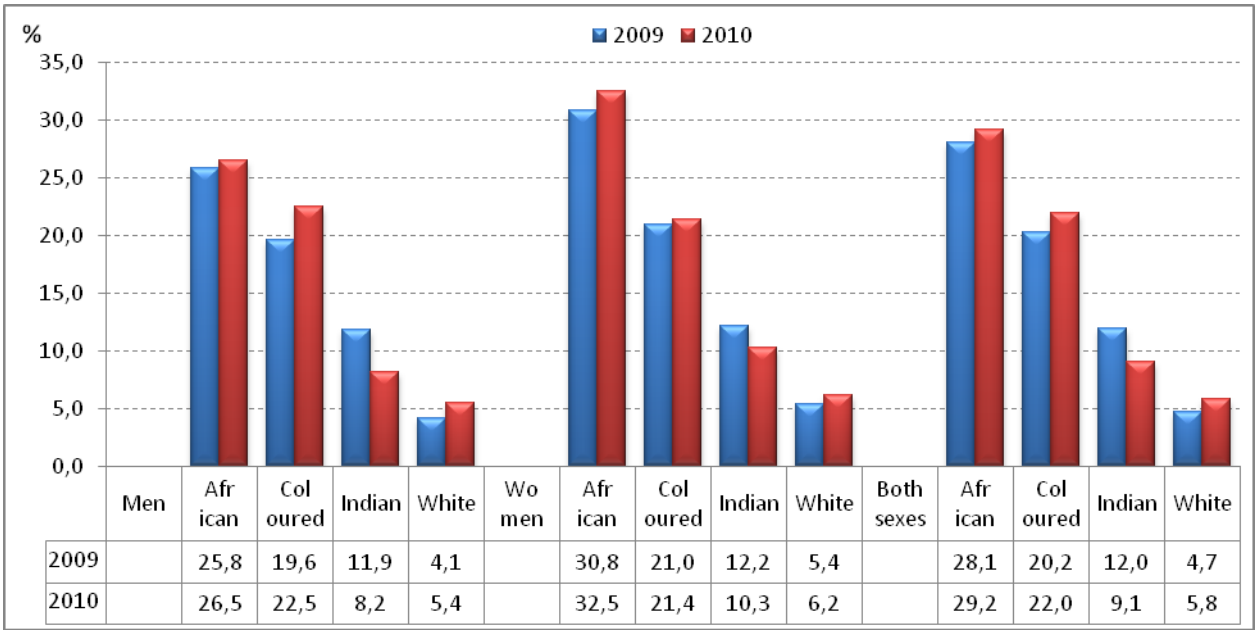
The extent of labour market disparities may be analysed through several indicators, including the rate of unemployment, the absorption rate, and the labour force participation rate among various population groups. High levels of unemployment and low levels of employment among various population groups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

Table 3.2: Labour market variables by population group, 2005–2010

	2005	2006	2007	2008	2009	2010
Unemployment rate	Per cent					
Black African	27,7	26,3	25,8	27,0	28,1	29,2
Coloured	22,1	20,7	22,4	18,8	20,2	22,0
Indian/Asian	15,4	9,4	10,1	11,9	12,0	9,1
White	5,4	5,0	4,3	4,2	4,7	5,8
All population groups	**23,8**	**22,6**	**22,3**	**22,8**	**23,9**	**24,9**
Absorption rate						
Black African	39,1	40,9	40,5	40,5	38,3	36,3
Coloured	52,1	53,3	52,2	52,9	52,1	49,9
Indian/Asian	52,2	53,9	51,9	53,7	51,4	55,0
White	63,9	63,9	64,4	67,0	66,2	64,3
All population groups	**43,4**	**44,9**	**44,4**	**44,8**	**42,7**	**40,8**
Labour force participation rate						
Black African	54,0	55,6	54,6	55,5	53,2	51,2
Coloured	66,9	67,3	67,2	65,2	65,3	64,0
Indian/Asian	61,7	59,5	57,8	61,0	58,4	60,5
White	67,6	67,3	67,3	69,9	69,5	68,2
All population groups	**57,0**	**58,0**	**57,2**	**58,0**	**56,1**	**54,3**

Table 3.2 shows that the unemployment rate was on a decline until 2008 when it increased slightly by 0,5 of a percentage point and then increased by 1,1 percentage points between 2008 and 2009 and increased by 1,0 percentage point between 2009 and 2010. There was an increase in the unemployment rate among all population groups except among Indians/Asians where it decreased by 2,9 percentage points between 2009 and 2010. There was some decrease in the unemployment rate among the white population until 2008 but this population group also experienced an increase in 2009 and 2010.

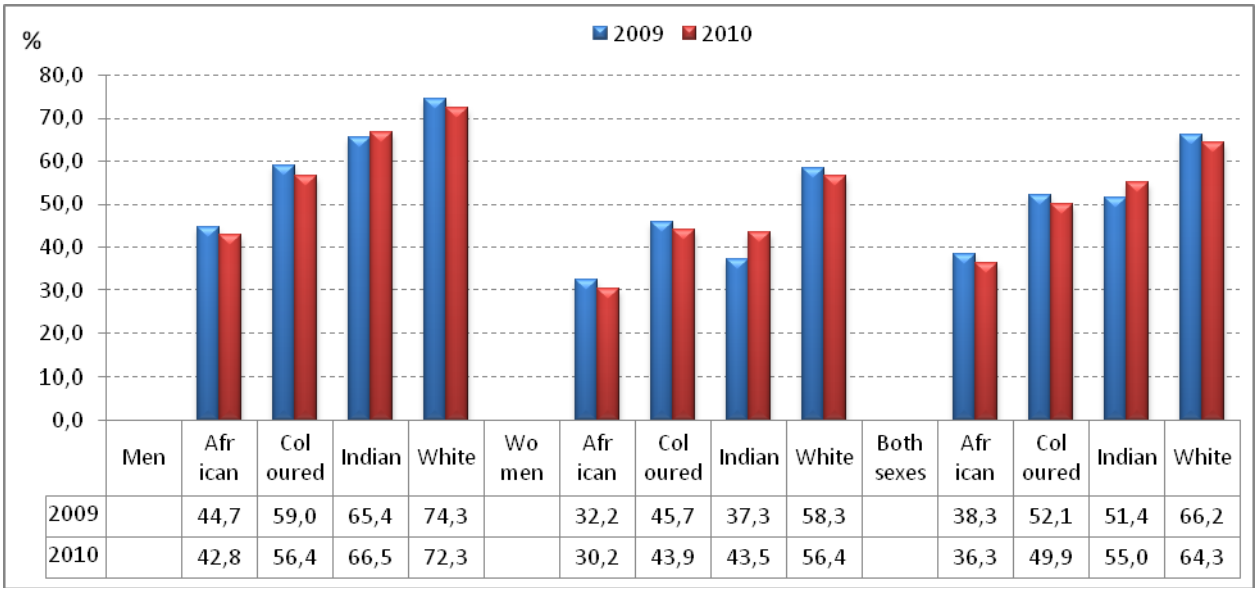
Figure 3.5: Unemployment rates by population group, 2009 and 2010



	Men	African	Coloured	Indian	White	Women	African	Coloured	Indian	White	Both sexes	African	Coloured	Indian	White
2009		25,8	19,6	11,9	4,1		30,8	21,0	12,2	5,4		28,1	20,2	12,0	4,7
2010		26,5	22,5	8,2	5,4		32,5	21,4	10,3	6,2		29,2	22,0	9,1	5,8

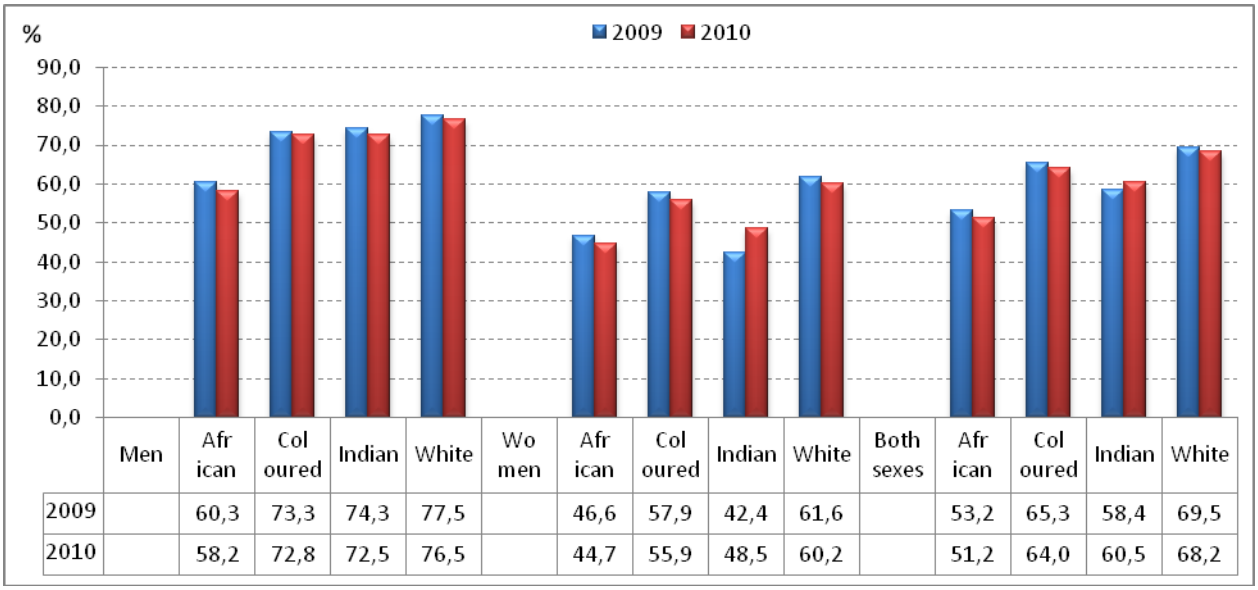
The increase in unemployment rate was matched by a decline in absorption rates and labour force participation rate among most population groups except among Indians/Asians where they both increased as a result of a decrease in unemployment rate (Figures 3.5 and 3.6).

Figure 3.6: Absorption rates by population group, 2009 and 2010



	Men	African	Coloured	Indian	White	Women	African	Coloured	Indian	White	Both sexes	African	Coloured	Indian	White
2009		44,7	59,0	65,4	74,3		32,2	45,7	37,3	58,3		38,3	52,1	51,4	66,2
2010		42,8	56,4	66,5	72,3		30,2	43,9	43,5	56,4		36,3	49,9	55,0	64,3

Figure 3.7: Labour force participation rates by population group, 2009 and 2010



	Men	African	Coloured	Indian	White	Women	African	Coloured	Indian	White	Both sexes	African	Coloured	Indian	White
2009		60,3	73,3	74,3	77,5		46,6	57,9	42,4	61,6		53,2	65,3	58,4	69,5
2010		58,2	72,8	72,5	76,5		44,7	55,9	48,5	60,2		51,2	64,0	60,5	68,2

Although between 2009 and 2010 the key labour market rates moved in the same direction for both sexes and all population groups except Indians/Asians, Figures 3.5, 3.6 and 3.7 highlight important gender differences by population group as follows:

- Black African women had the highest unemployment rate (32,5% in 2010).
- White men had the lowest unemployment rate (5,4% in 2010).
- The highest increase in the unemployment rate between 2009 and 2010 was observed among the coloured population (up by 1,8 percentage points).
- Absorption rates were highest among white men (72,3% in 2010) and lowest among black African women (30,2% in 2010).
- Labour force participation rates were higher among men than among women for all population groups.
- In 2010, the labour force participation rate was only higher than in 2009 among Indian/Asian communities.

Youth in the labour market

It is widely recognised that young people are often at a disadvantage in labour markets because they lack the necessary education and training, work experience, job-search ability, and the requisite skills for the jobs that are available. As noted by Gallart, 2008[6], although young people now stay longer in the educational system than in the past, for many of them this does not guarantee mastery of the skills needed for employability or ensure a competitive place in the queue of people seeking their first job.

A similar picture emerges in the South African labour market where in 2008, youth aged 15–24 years accounted for one-third of all working-age persons, a similar proportion of the unemployed, 52,8% of the not economically active, but only 11,0% of those who were employed (Figure 2.1). This indicates possible demand-side deficiencies in two respects: firstly, the inability of the economy to generate enough employment opportunities to absorb all the new entrants into the labour market, and secondly, the apparent preference by employers for older workers who often have the relevant work experience and training that better suit the employment opportunities that are available. However, it needs to be stated that the majority of those aged 15–24 years are still in school and this may prevent them from participating in the labour force.

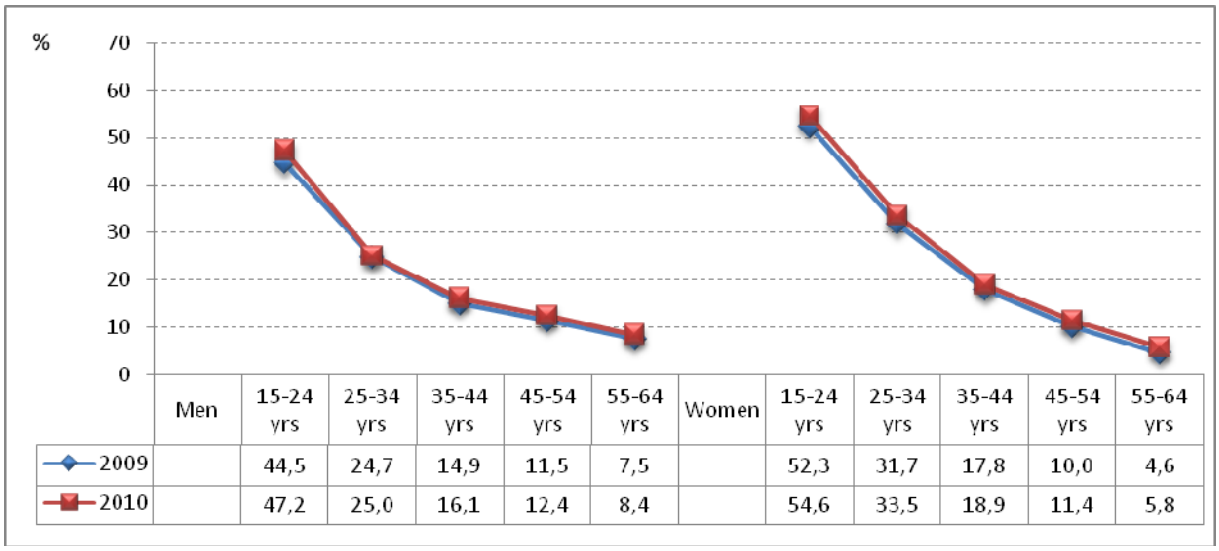
Table 3.3: Summary labour measures by age, 2005–2010

Unemployment rate	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
	Per cent					
15–24 yrs	48,3	46,7	46,5	45,5	48,1	50,5
25–34 yrs	28,1	26,0	26,0	26,0	27,9	28,9
35–44 yrs	14,7	14,7	13,5	15,7	16,2	17,4
45–54 yrs	10,6	10,0	10,4	10,0	10,8	12,0
55–64 yrs	6,9	5,2	5,6	6,8	6,3	7,3
All ages	**23,8**	**22,6**	**22,3**	**22,8**	**23,9**	**24,9**
Labour force participation rate						
15–24 yrs	29,1	30,0	29,3	30,4	27,8	25,9
25–34 yrs	74,4	75,5	74,6	76,2	73,9	71,8
35–44 yrs	77,0	78,2	77,8	78,3	77,2	75,6
45–54 yrs	70,1	71,3	70,1	69,9	69,0	67,6
55–64 yrs	45,4	46,0	44,8	43,9	41,9	40,2
All ages	**57,0**	**58,0**	**57,2**	**58,0**	**56,1**	**54,3**
Absorption rate						
15–24 yrs	15,0	16,0	15,7	16,5	14,4	12,8
25–34 yrs	53,5	55,9	55,2	56,4	53,3	51,1
35–44 yrs	65,7	66,7	67,3	66,0	64,7	62,4
45–54 yrs	62,7	64,2	62,8	63,0	61,5	59,6
55–64 yrs	42,2	43,6	42,2	40,9	39,2	37,3
All ages	**43,4**	**44,9**	**44,4**	**44,8**	**42,7**	**40,8**

Over the period 2005 to 2010, the unemployment rate among persons aged 15–24 years declined steadily each year until 2008, then it started to increase until 2010, while the absorption rate among this age group was generally on an upward trend until it started to decline from 2009 to 2010, which might have been caused by the economic recession. In the year ended December 2010, the unemployment rate increased from 2009 among all age groups, at the same time the labour force participation rate and the absorption rate declined among all age groups.

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

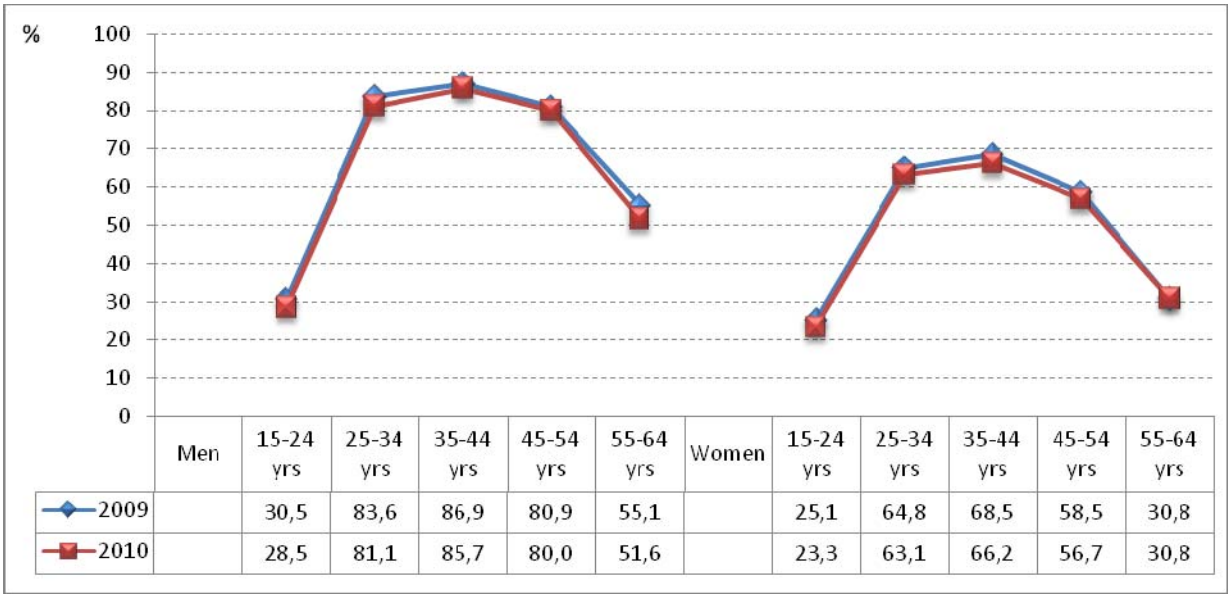
Figure 3.8: Unemployment rate by age and sex, 2009 and 2010



	Men	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs	Women	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs
2009		44,5	24,7	14,9	11,5	7,5		52,3	31,7	17,8	10,0	4,6
2010		47,2	25,0	16,1	12,4	8,4		54,6	33,5	18,9	11,4	5,8

In almost all age groups, the unemployment rate was generally higher in 2010 than in 2009 (Table 3.3 and Figure 3.8).

Figure 3.9: Labour force participation rate by age and sex, 2009 and 2010



	Men	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs	Women	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs
2009		30,5	83,6	86,9	80,9	55,1		25,1	64,8	68,5	58,5	30,8
2010		28,5	81,1	85,7	80,0	51,6		23,3	63,1	66,2	56,7	30,8

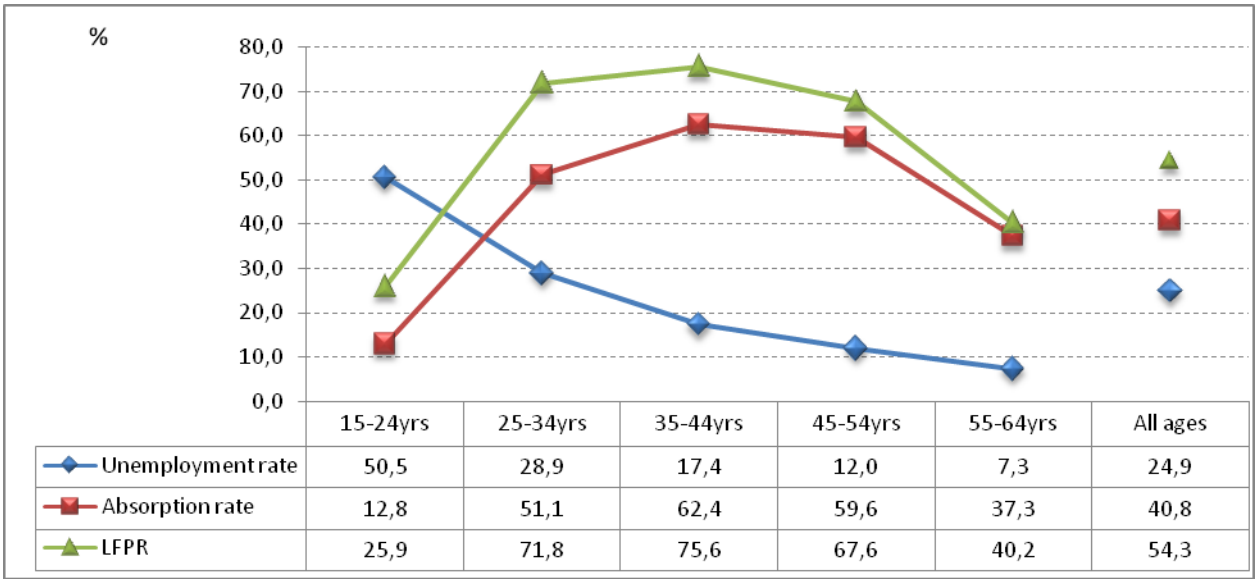
For the country as a whole in 2010; 47,4% of all working-age women were either looking for work or working – which is what labour force participation measures. This was 1,6 percentage points lower than in 2009. There was a decrease not only in prime-age participation among women and men (aged 25–54 years) but also among young women and men aged 15–24 years (Figure 3.9). However, the participation rates were higher among men than among women in all age groups. Among the 15–24 year olds this probably reflects an increase in the number of young people staying in the education system for longer periods to hopefully improve their chances in the labour market at a later stage.

The ILO[7] notes that unemployment is by no means the only labour market challenge facing youth in Africa. With prospects comparatively low in many African countries, jobs in agriculture and the informal sector are often the only choice available to youth seeking employment, and they must

[7] African employment trends, ILO, April 2007

either take menial, low-paying jobs or leave the labour force altogether. This is also true of the South African labour market where in 2010 one in every four employed persons aged 15–24 years worked either in the informal sector or in agriculture.

Figure 3.10: Key labour market rates by age, 2010



	15-24yrs	25-34yrs	35-44yrs	45-54yrs	55-64yrs	All ages
Unemployment rate	50,5	28,9	17,4	12,0	7,3	24,9
Absorption rate	12,8	51,1	62,4	59,6	37,3	40,8
LFPR	25,9	71,8	75,6	67,6	40,2	54,3

LFPR: labour force participation rate

Despite an increase in the unemployment rate among men and women in every age group over the period 2005 to 2010 discussed earlier, Figure 3.10 shows that in 2010, the rate among persons aged 15–24 years was nonetheless substantially higher than that for older age groups, and as much as twice the national average, which is common in many other countries including the industrialised ones. In addition, absorption and participation rates among persons aged 15–24 years were considerably lower than those for older age groups reflecting, in part, the high proportion of persons aged 15–24 years who are still in full-time education.

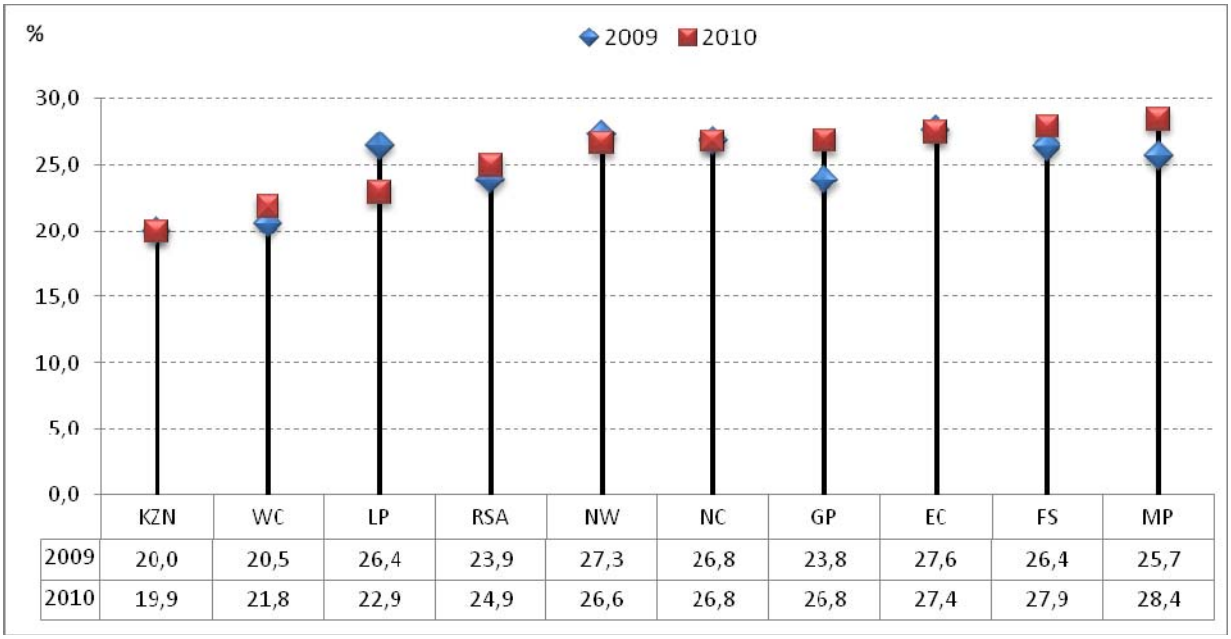
The labour market situation in other countries suggests that since the 1990s labour markets have been demanding skills that can be acquired only through long years of schooling, and also social skills that enable a worker to perform in labour contexts that are relatively complex and involve common technologies. Since there are numerous young people seeking jobs, access to formal employment is restricted to those who have been able to complete a sufficient number of years of schooling and obtain at least a secondary education certificate and preferably higher education qualifications (Gallart, 2008[8]). A similar picture emerges with respect to the South African labour market where, as discussed in Chapter 2, the vast majority of young people also do not have such qualifications, and their options are therefore restricted to either unemployment or precarious jobs without benefits such as medical aid, paid leave or written contracts of employment.

Provincial labour market indicators

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

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

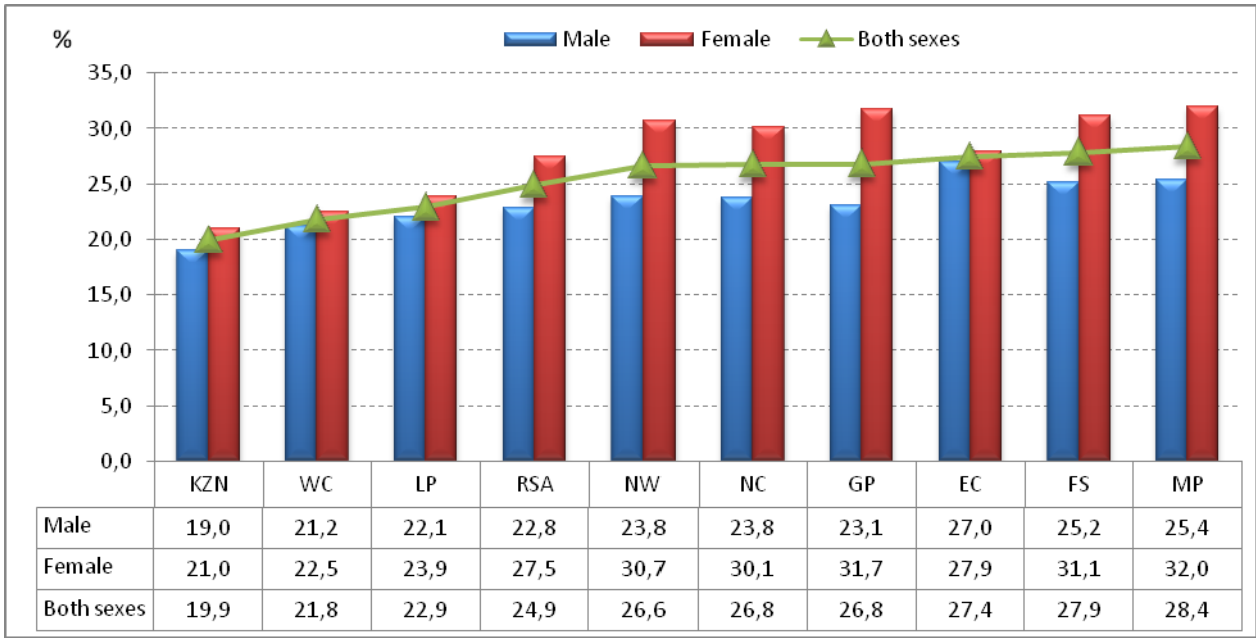
Figure 3.11: Unemployment rate by province, 2009 and 2010



	KZN	WC	LP	RSA	NW	NC	GP	EC	FS	MP
2009	20,0	20,5	26,4	23,9	27,3	26,8	23,8	27,6	26,4	25,7
2010	19,9	21,8	22,9	24,9	26,6	26,8	26,8	27,4	27,9	28,4

The unemployment rate was lowest in KwaZulu-Natal and Western Cape and highest in Mpumalanga and Free State. Although the gap between the highest and lowest provincial unemployment rates narrowed over the period 2005 to 2010, there was still a difference of 8,5 percentage points between KwaZulu-Natal and Mpumalanga in 2010 (Figure 3.11).

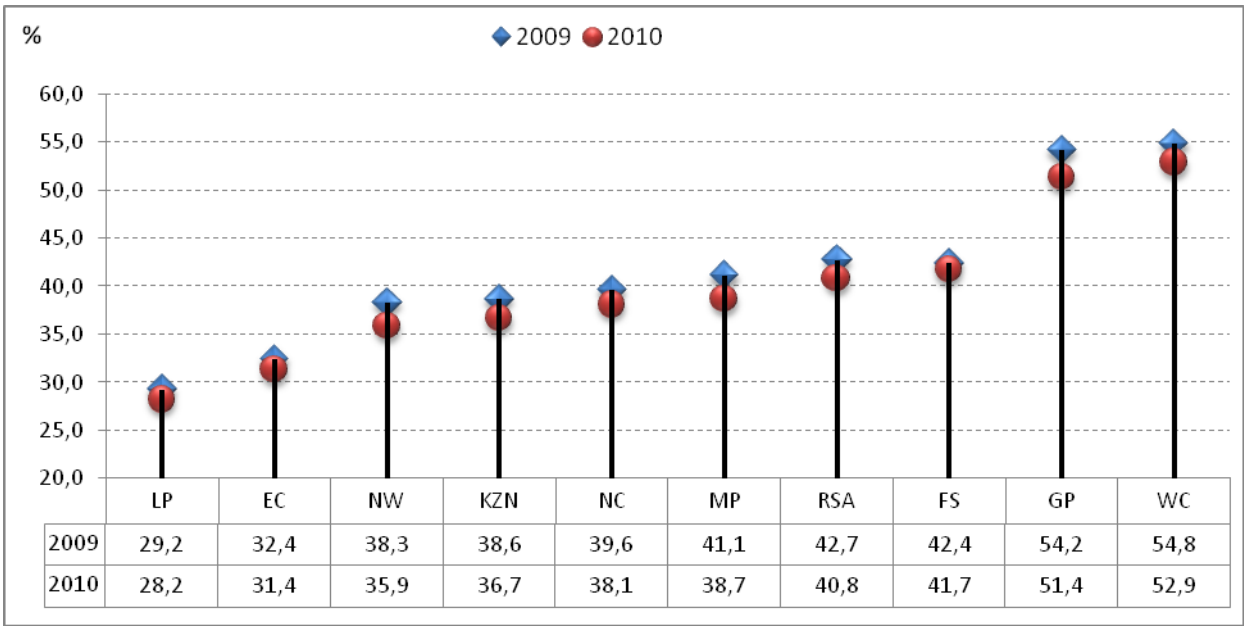
Figure 3.12: Unemployment rate by province and sex, 2010



	KZN	WC	LP	RSA	NW	NC	GP	EC	FS	MP
Male	19,0	21,2	22,1	22,8	23,8	23,8	23,1	27,0	25,2	25,4
Female	21,0	22,5	23,9	27,5	30,7	30,1	31,7	27,9	31,1	32,0
Both sexes	19,9	21,8	22,9	24,9	26,6	26,8	26,8	27,4	27,9	28,4

In every province, the unemployment rate among women was higher than that of men in 2010 (Figure 3.12). The gap between male and female unemployment rates was highest in Gauteng, Northern Cape and North West where the number of employed women per 100 employed men was lowest. The labour market situation of women was better in provinces such as Eastern Cape, Western Cape, Limpopo, Mpumalanga and KwaZulu-Natal where the gap in male/female unemployment rates was less than 4 percentage points, and the number of employed women per 100 employed men was among the highest of all the provinces.

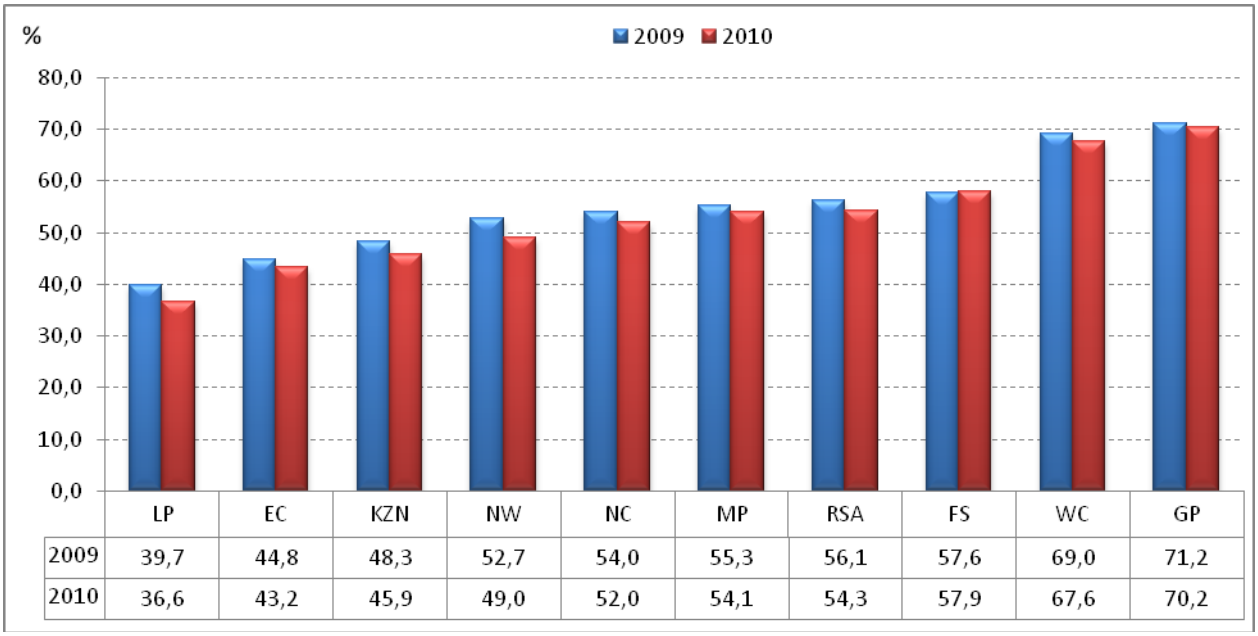
Figure 3.13: Absorption rate by province, 2009 and 2010



	LP	EC	NW	KZN	NC	MP	RSA	FS	GP	WC
2009	29,2	32,4	38,3	38,6	39,6	41,1	42,7	42,4	54,2	54,8
2010	28,2	31,4	35,9	36,7	38,1	38,7	40,8	41,7	51,4	52,9

Figure 3.13 indicates that absorption rates were generally lower in 2010 than in 2009 in all provinces The highest reduction in absorption rate was observed in Gauteng, North West, KwaZulu-Natal and Western Cape where it declined by 2,8 percentage points, 2,4 percentage points, 1,9 percentage points and 1,9 percentage points respectively between 2009 and 2010 on account of the reduction in employment opportunities during this period.

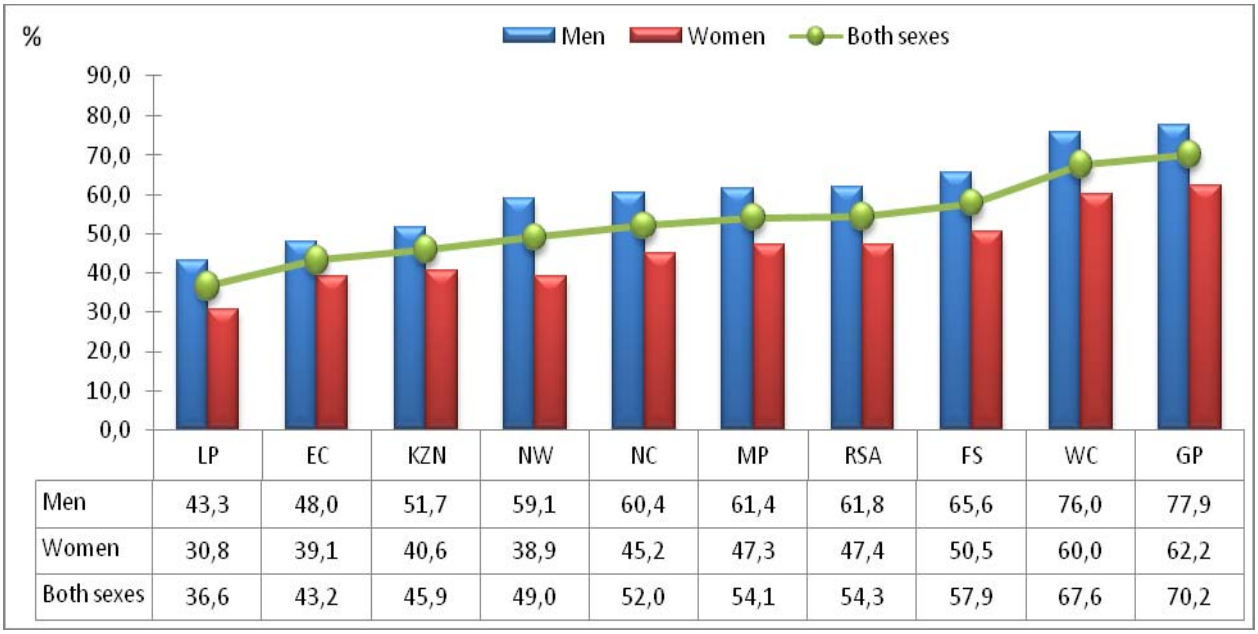
Figure 3.14: Labour force participation rate by province, 2009 and 2010



	LP	EC	KZN	NW	NC	MP	RSA	FS	WC	GP
2009	39,7	44,8	48,3	52,7	54,0	55,3	56,1	57,6	69,0	71,2
2010	36,6	43,2	45,9	49,0	52,0	54,1	54,3	57,9	67,6	70,2

The labour force participation rates were highest in the more urbanised provinces (Gauteng and Western Cape) and lowest in Limpopo and Eastern Cape in both 2009 and 2010. Six of the nine provinces had participation rates lower than the national average in the same period (see Figure 3.14).

Figure 3.15: Labour force participation rate by province and sex, 2010



	LP	EC	KZN	NW	NC	MP	RSA	FS	WC	GP
Men	43,3	48,0	51,7	59,1	60,4	61,4	61,8	65,6	76,0	77,9
Women	30,8	39,1	40,6	38,9	45,2	47,3	47,4	50,5	60,0	62,2
Both sexes	36,6	43,2	45,9	49,0	52,0	54,1	54,3	57,9	67,6	70,2

Gender differences in the labour force participation rate were largest in provinces such as Western Cape and North West where male rates were 20 percentage points or more higher than female rates in 2010 (Figure 3.15).

Educational attainment

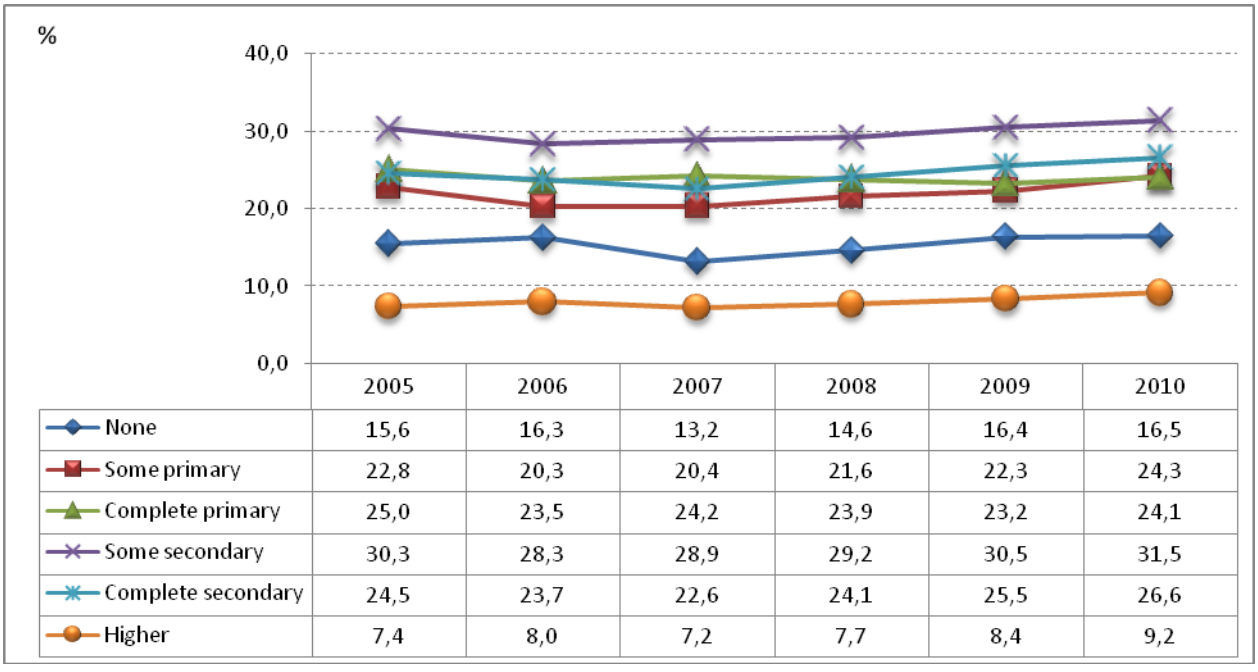
It is generally expected that the completion of higher levels of education improves job prospects. In South Africa, the unemployment rate was lower among people who had no education than among individuals in every other education category except those with higher educational qualifications (Table 3.4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

Among those with jobs, the group with no formal education comprises mainly older people, many of whom may have experience which substitutes for formal qualifications. As shown in Figure 3.10, older people also have much lower labour force participation rates. They may view the labour market in very stark terms. That is they remain in the labour market only as long as they are employed. Once they cease to be employed, many may simply move into economic activities. In 2010, seven out of every ten employed women with no education were either domestic workers or else had jobs categorised as elementary, and which required few skills and little education.

Table 3.4: Summary measures by level of educational attainment, 2005–2010

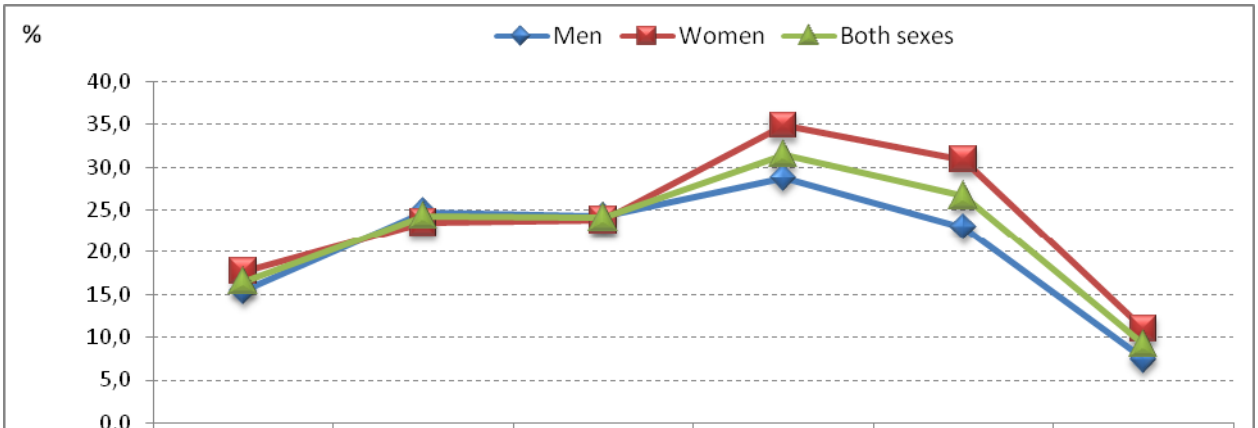
	2005	2006	2007	2008	2009	2010
	Per cent					
Unemployment rate						
None	15,6	16,3	13,2	14,6	16,4	16,5
Some primary	22,8	20,3	20,4	21,6	22,3	24,3
Complete primary	25,0	23,5	24,2	23,9	23,2	24,1
Some secondary	30,3	28,3	28,9	29,2	30,5	31,5
Complete secondary	24,5	23,7	22,6	24,1	25,5	26,6
Higher	7,4	8,0	7,2	7,7	8,4	9,2
RSA	**23,8**	**22,6**	**22,3**	**22,8**	**23,9**	**24,9**
Labour force participation rate						
None	45,9	48,1	44,1	43,2	39,6	36,2
Some primary	51,0	52,4	51,0	49,5	45,6	42,1
Complete primary	48,7	49,0	49,4	47,4	45,6	42,1
Some secondary	48,3	49,3	48,4	48,4	46,5	45,1
Complete secondary	71,8	72,2	71,7	73,6	70,8	68,6
Higher	86,8	87,7	88,3	89,9	88,7	87,1
RSA	**57,0**	**58,0**	**57,2**	**58,0**	**56,1**	**54,3**
Absorption rate						
None	38,8	40,2	38,2	36,9	33,1	30,2
Some primary	39,3	41,8	40,6	38,8	35,4	31,9
Complete primary	36,5	37,5	37,4	36,1	35,0	31,9
Some secondary	33,6	35,3	34,4	34,3	32,4	30,9
Complete secondary	54,2	55,1	55,5	55,9	52,7	50,3
Higher	80,4	80,6	82,0	83,0	81,3	79,1
RSA	**43,4**	**44,9**	**44,4**	**44,8**	**42,7**	**40,8**

Figure 3.16: Trend in unemployment rate by level of education, 2005–2010



	2005	2006	2007	2008	2009	2010
None	15,6	16,3	13,2	14,6	16,4	16,5
Some primary	22,8	20,3	20,4	21,6	22,3	24,3
Complete primary	25,0	23,5	24,2	23,9	23,2	24,1
Some secondary	30,3	28,3	28,9	29,2	30,5	31,5
Complete secondary	24,5	23,7	22,6	24,1	25,5	26,6
Higher	7,4	8,0	7,2	7,7	8,4	9,2

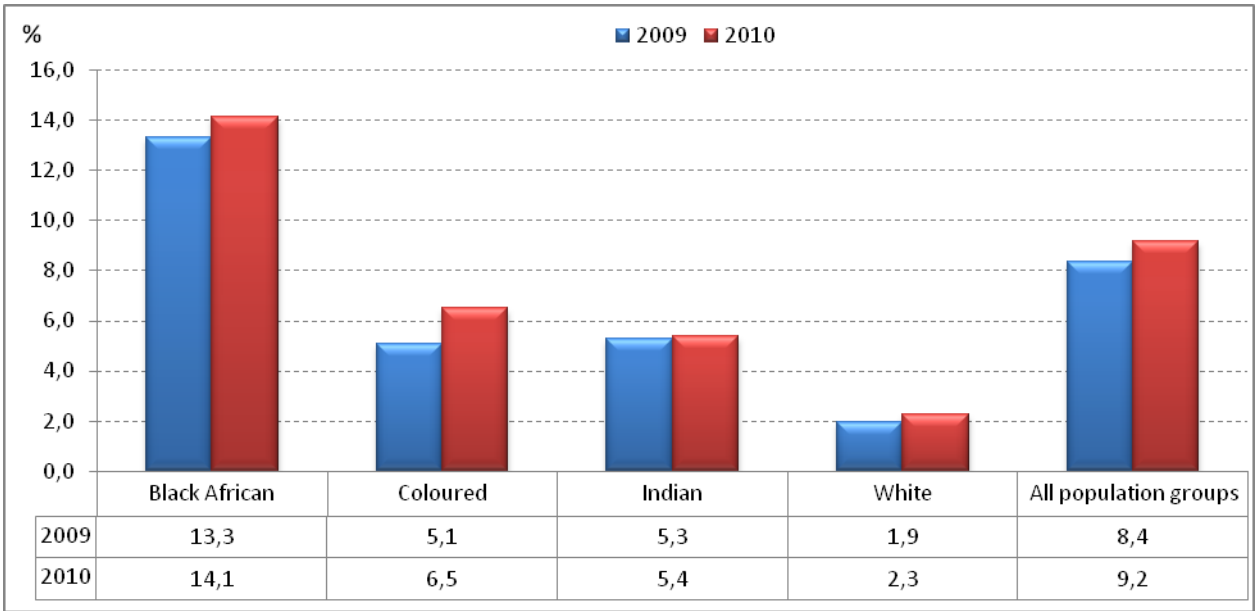
Figure 3.17: Unemployment rate by level of education and sex, 2010



	None	Some primary	Complete primary	Some secondary	Complete secondary	Higher
Men	15,4	24,8	24,3	28,8	23,0	7,4
Women	17,7	23,5	23,8	34,9	30,9	10,9
Both sexes	16,5	24,3	24,1	31,5	26,6	9,2

There is a gender-specific pattern in the unemployment rate by level of education (Figure 3.17). The unemployment rate is higher for women than for men at education levels higher than complete primary. Although the gender gap is largest among those with secondary education completed, in the higher education category rates converge to 10,9% among women and 7,4% among men in 2010.

Figure 3.18: The graduate unemployment rate by population group, 2009 and 2010



	Black African	Coloured	Indian	White	All population groups
2009	13,3	5,1	5,3	1,9	8,4
2010	14,1	6,5	5,4	2,3	9,2

An increase in the unemployment rate did not only occur among those without tertiary education but among graduates (persons with degrees, or with matric and either a certificate or a diploma of at least six months' full-time duration) as well where it increased from 8,4% in 2009 to 9,2% in 2010, reflecting an increase among all population groups (Figure 3.18). But importantly, in 2010 the unemployment rate among black African graduates was still more than six times that of white graduates, suggesting that there is perhaps still a large mismatch between the educational outcomes of the four population groups and the labour market opportunities available to each group.

Summary and conclusion

The reduction in employment, coupled with an increase in the number of people who were unemployed, contributed to the increase in the unemployment rate from 23,9% in 2009 to 24,9% in 2010. The absorption rate and the labour force participation rate decreased in the same period.

The labour market performance was poor between 2009 and 2010 due to the global economic recession. Over the period 2005–2006, female unemployment rates were higher than male rates by an increasingly larger margin. Although the gap has narrowed since 2007, the unemployment rate among women was still more than 4 percentage points higher than that of men in 2010. While female unemployment rates were higher than male rates, female labour absorption and labour force participation rates were lower than that of their male counterparts throughout the period under review.

There was also a gender-specific dimension to absorption rates and labour force participation rates as represented by the gap between male and female rates. In 2010 the absorption rate was 47,7% for men compared to 34,4% for women.

There was an increase in the unemployment rate among all population groups except among Indians/Asians where it remained virtually unchanged. There was some decrease in the unemployment rate among the white population in 2008 but this population group also experienced an increase in 2009 and 2010. The increase in unemployment rate was matched by a decline in absorption rates and labour force participation rates among most population groups. The labour force participation rate remained virtually unchanged among the coloured population group

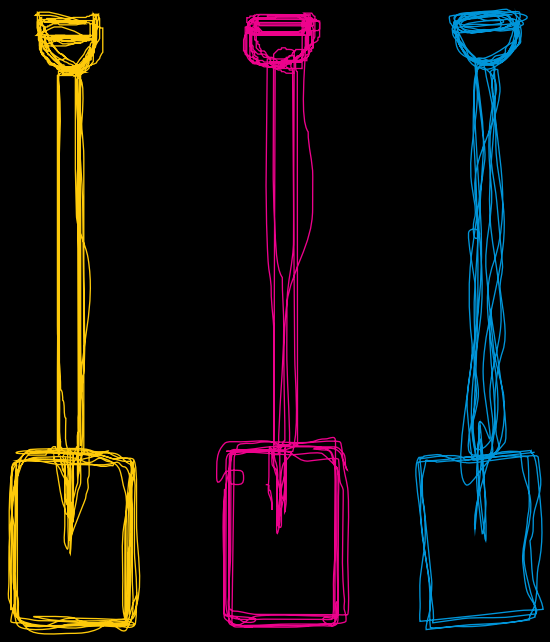
The analysis in this chapter also highlighted the plight of the youth in the labour market. Although younger people were generally better educated than older people, this has not always assisted their job prospects, and in 2010, the unemployment rate among youth aged 15–24 years was 50,5%, still twice the national average.

Gender differences in the labour force participation rate were largest in provinces such as Gauteng, Northern Cape and North West where male rates were 4 percentage points or more higher than female rates.

An increase in the unemployment rate did not only occur among those without tertiary education but also among graduates (persons with degrees, or with matric and either a certificate or a diploma of at least six months' full-time duration) as well where it increased from 8,4% in 2008 to 9,2% in 2009, reflecting an increase among all population groups.

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

Chapter 4
Employment



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Chapter 4: Employment

4.1 A profile of the employed

Key labour market concepts

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

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

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

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

Occupations[9] in this chapter have been grouped by hierarchy from the way they appear in QLFS statistical release publications. The two main categories consist of:

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

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

Background

In South Africa, as in most countries with labour force surveys, only individuals that are engaged in market production activities are considered to be employed (see QLFS Guide[10]).

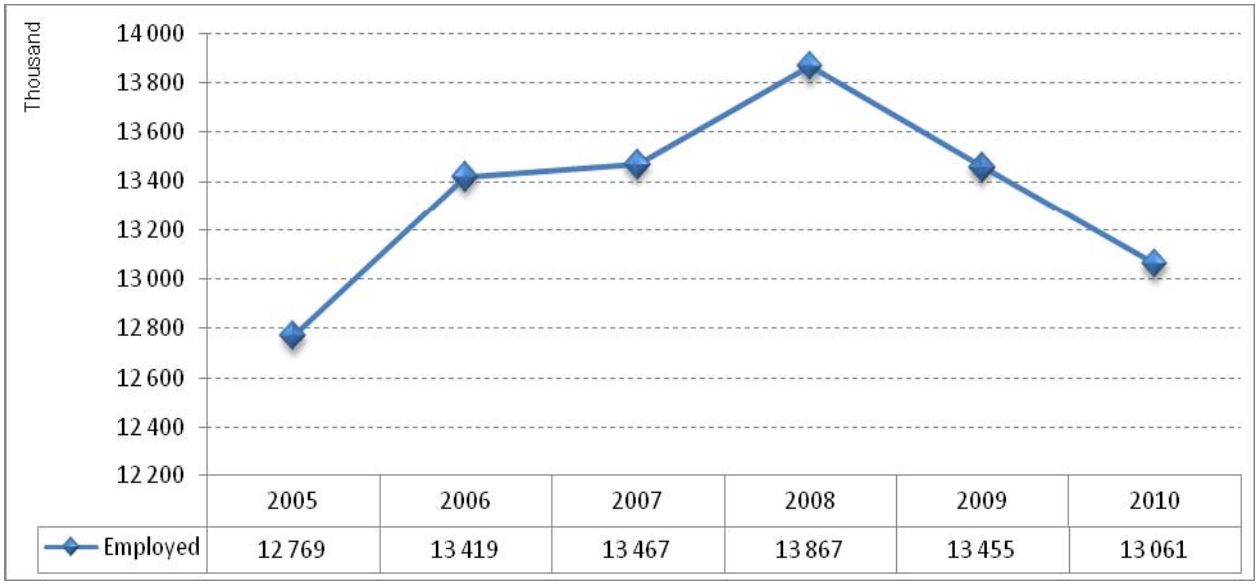
People counted as employed therefore are those who did one or more hours of work in the reference week (the week before the interview). Also the employed are those who were temporarily absent from a job or business to which they would definitely return.

Introduction

The objective of this chapter is to provide an analysis of employed individuals in 2010. Furthermore, in order to ascertain how employment in the country has evolved, where applicable, the analysis will also examine trends in employment by making comparisons between the years from 2005 to 2010. These trends are assessed with reference specifically to industry and occupational categories as well as by various other descriptors of employment. In addition, the analysis also includes demographic variables (age, sex and population group) and a geographic variable (province).

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

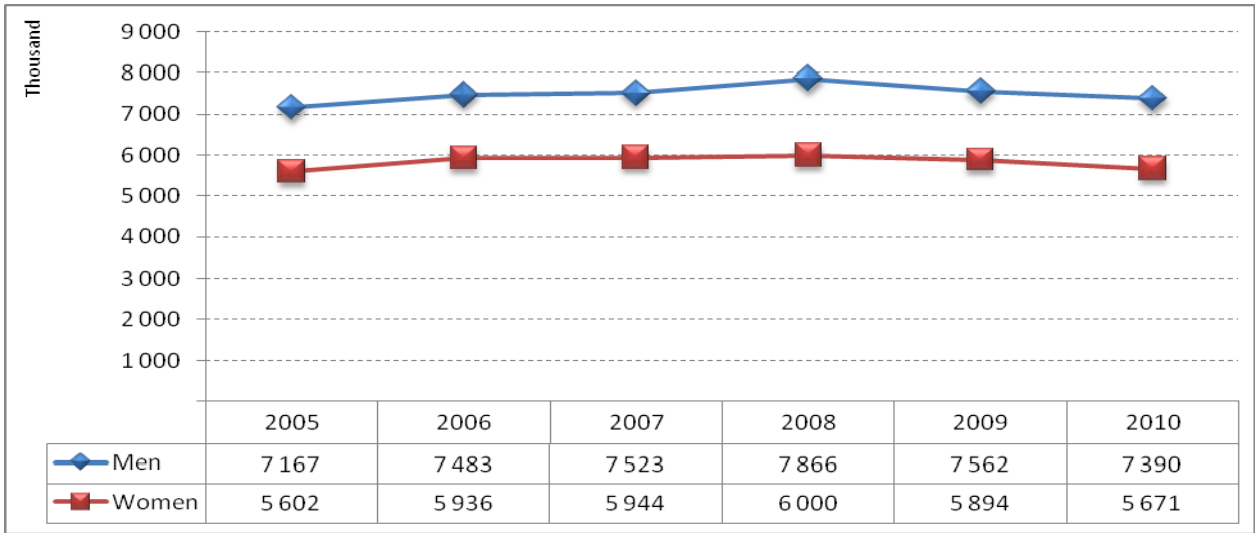
Figure 4.1: Employment trends, 2005–2010



	2005	2006	2007	2008	2009	2010
Employed	12 769	13 419	13 467	13 867	13 455	13 061

Figure 4.1 shows that the number of employed persons in South Africa has increased from 2005 to 2008, and has been consistently declining thereafter. In 2005 there were over 12,7 million employed persons in the country, and by 2008 the number had increased to about 13,9 million – a net gain of approximately 1,1 million jobs. The biggest growth in employment occurred between the years 2005 to 2006 when a total of 698 000 jobs were created. However, a noticeable drop in levels of employment can be observed after the year 2008. In 2010, there were 395 000 fewer employed persons in the country compared to 2009 (13,1 million in 2010 as opposed to 13,5 million in 2009), indicating that the country has not fully recovered from the economic recession experienced in 2009.

Figure 4.2: Employment by sex, 2005–2010



	2005	2006	2007	2008	2009	2010
Men	7 167	7 483	7 523	7 866	7 562	7 390
Women	5 602	5 936	5 944	6 000	5 894	5 671

The employment gap between women and men persists. Figure 4.2 above indicates that since 2005 the number of employed men has consistently been higher than that of women. In 2010, only about 5,7 million women aged 15–64 were working compared to 7,4 million men and this is despite women comprising 52% of the working-age population. Employment among both men and women has been gradually decreasing since 2008, though fewer women than men were employed.

When gender distributions are further disaggregated by age groups, Table 4.1, below, shows that among both men and women, a higher proportion of employed individuals were aged between 25 and 34 years. Among employed women and men, the proportion of those aged 55–64 years, was relatively small, as expected.

Table 4.1: Age distribution of those in employment, 2010

	Men	Women	Both sexes	Men	Women	Both sexes
Age groups	Thousand			Percentage share		
15–24 yrs	773	538	1 311	10,5	9,5	10,0
25–34 yrs	2 519	1 855	4 373	34,1	32,7	33,5
35–44 yrs	2 061	1 677	3 738	27,9	29,6	28,6
45–54 yrs	1 397	1 133	2 530	18,9	20,0	19,4
55–64 yrs	640	469	1 109	8,7	8,3	8,5
Total	**7 390**	**5 671**	**13 061**	**100,0**	**100,0**	**100,0**

Employment by age, 2009 and 2010

Individuals aged 15–24 years were the hardest hit with job losses as their employment contracted by 10,2% between 2009 and 2010. For those aged 25–34 years employment declined by 3,1%. The older age groups were not as affected as the younger age groups by job losses (see Table 4.2 below). It seems the older individuals fared better than their younger counterparts during the year of economic recession.

Table 4.2: Changes in employment by age group, 2009 and 2010

	2009	2010	Change	Percentage change
	Thousand			Per cent
15-24 yrs	1 460	1 311	- 150	-10,2
25-34 yrs	4 513	4 373	- 139	-3,1
35-44 yrs	3 753	3 738	- 15	-0,4
45-54 yrs	2 593	2 530	- 63	-2,4
55-64 yrs	1 137	1 109	- 28	-2,5
Total	**13 455**	**13 061**	**- 395**	**-2,9**

Changes in employment by province, 2009 and 2010

Job losses were experienced across all provinces between 2009 and 2010. The provinces that suffered the most job losses were North West, Mpumalanga and Gauteng where employment contracted by 5,1%, 4,2% and 3,7% respectively. KwaZulu-Natal and Northern Cape were also not spared from job losses as their employment contracted by 3,2% and 2,8% respectively (see Table 4.3 below).

Table 4.3: Changes in employment by province, 2009 and 2010

	2009	2010	Change	Percentage change
	Thousand			Per cent
Western Cape	1 825	1 789	- 36	-2,0
Eastern Cape	1 317	1 294	- 23	-1,8
Northern Cape	279	271	- 8	-2,8
Free State	781	775	- 6	-0,8
KwaZulu-Natal	2 522	2 441	- 81	-3,2
North West	763	724	- 39	-5,1
Gauteng	4 101	3 951	- 150	-3,7
Mpumalanga	926	887	- 39	-4,2
Limpopo	940	928	- 12	-1,3
RSA	**13 455**	**13 061**	**- 395**	**-2,9**

The economic recession in South Africa did not discriminate geographically in terms of job losses as they were experienced by small and big (in terms of the population size) provinces alike. However, the biggest impact was felt in the smaller provinces such as North West and Mpumalanga.

Employment by industry and occupation

Between 2009 and 2010, employment decreased in most industries but increased in Community and social services and Transport industries. Table 4.4 shows that in South Africa, Trade has consistently maintained the largest contribution to total employment, followed by Community and social services and Manufacturing. Compared to 5 years ago, in 2010 there ware noticeable increases in the number of employed persons in three of the ten industries, with the biggest increase occurring in Community and social services (up by 406 000 from 2,3 million in 2005 to 2,7 million in 2010) followed by Finance (up by 318 000 from 1,3 million in 2005 to 1,7 million in 2010) and Construction (up by 123 000 from 937 000 in 2005 to 1,1 million in 2010).

Table 4.4: Employment by industry, 2005–2010

Industry	2005	2006	2007	2008	2009	2010
	Thousand					
Agriculture	740	859	737	786	686	639
Mining	343	339	367	330	317	305
Manufacturing	1 860	1 922	1 960	1 990	1 853	1 739
Utilities	93	97	86	97	98	90
Construction	937	1 016	1 051	1 161	1 133	1 060
Trade	3 180	3 450	3 342	3 179	2 975	2 927
Transport	705	684	717	785	764	774
Finance and other business service	1 338	1 361	1 459	1 691	1 768	1 656
Community and social services	2 321	2 379	2 490	2 634	2 670	2 727
Private households	1 252	1 311	1 258	1 209	1 187	1 140
Total	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**

Annual rate of change in employment by industry, 2005–2010

Table 4.5: Annual rate of change in employment by industry, 2005–2010

Industry	2005	2006	2007	2008	2009	2010
		Per cent				
Agriculture	..	16,1	-14,3	6,8	-12,7	-6,9
Mining	..	-1,0	8,0	-10,0	-4,0	-3,8
Manufacturing	..	3,4	2,0	1,5	-6,9	-6,2
Utilities	..	3,5	-11,2	12,7	1,1	-7,6
Construction	..	8,4	3,5	10,4	-2,4	-6,4
Trade	..	8,5	-3,1	-4,9	-6,4	-1,6
Transport	..	-3,0	4,9	9,4	-2,7	1,3
Finance and other business services	..	1,7	7,2	15,9	4,5	-6,3
Community and social services	..	2,5	4,7	5,8	1,4	2,1
Private households	..	4,8	-4,0	-3,9	-1,8	-4,0
Total	..	**5,1**	**0,4**	**3,0**	**-3,0**	**-2,9**

Table 4.5 shows the annual rate of change in employment by industry from 2005 to 2010. The trend in Agriculture shows that this industry has been volatile over the past 6 years. Between 2006 and 2007, the Agricultural industry contracted by 14,3%, then expanded by 6,8% in the year that followed; thereafter it contracted by 12,7% in 2009 and in 2010 it contracted by 6,9%. Compared to other industries, Agriculture contracted at much higher rate. The Mining industry has been losing jobs since 2008 but the rate of job losses decreased over time. Employment in the Trade industry had also been declining since2007. Finance and other business services experienced its first contraction in 2010 at a rate of 6,3% after a succession of growth between 2005 and 2009. Community and social services was the only industry showing positive growth in employment year after year since 2005.

Employment distribution by industry and province

Table 4.6 (below) indicates that in 2010, Trade was the biggest contributor of employment across all provinces, except in the Eastern Cape, Northern Cape and Free State, where Community and social services made the largest contribution to employment.

Table 4.6: Employment by industry and province, 2010

	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Industry	**Per cent**									
Agriculture	8,1	5,0	15,8	9,1	4,9	5,0	0,8	8,3	6,1	4,9
Mining	0,1	0,1	3,8	4,1	0,4	15,9	0,7	6,3	5,7	2,3
Manufacturing	15,2	11,5	4,3	8,7	15,7	9,8	16,3	8,8	6,7	13,3
Utilities	0,5	0,3	0,4	0,5	0,4	0,3	0,9	1,9	0,8	0,7
Construction	7,9	9,1	6,6	6,5	9,6	6,1	7,2	7,9	10,9	8,1
Trade	21,4	24,3	15,8	21,8	21,2	21,3	22,3	24,2	26,6	22,4
Transport	5,8	5,5	3,6	5,2	7,2	3,1	6,9	4,5	4,3	5,9
Finance	14,1	8,6	8,1	9,1	11,6	8,4	18,1	9,6	6,2	12,7
Community and social services	20,5	26,2	30,7	23,5	20,1	21,0	18,6	19,4	22,2	20,9
Private households	6,3	9,5	10,8	11,5	9,0	9,1	8,2	9,1	10,6	8,7
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

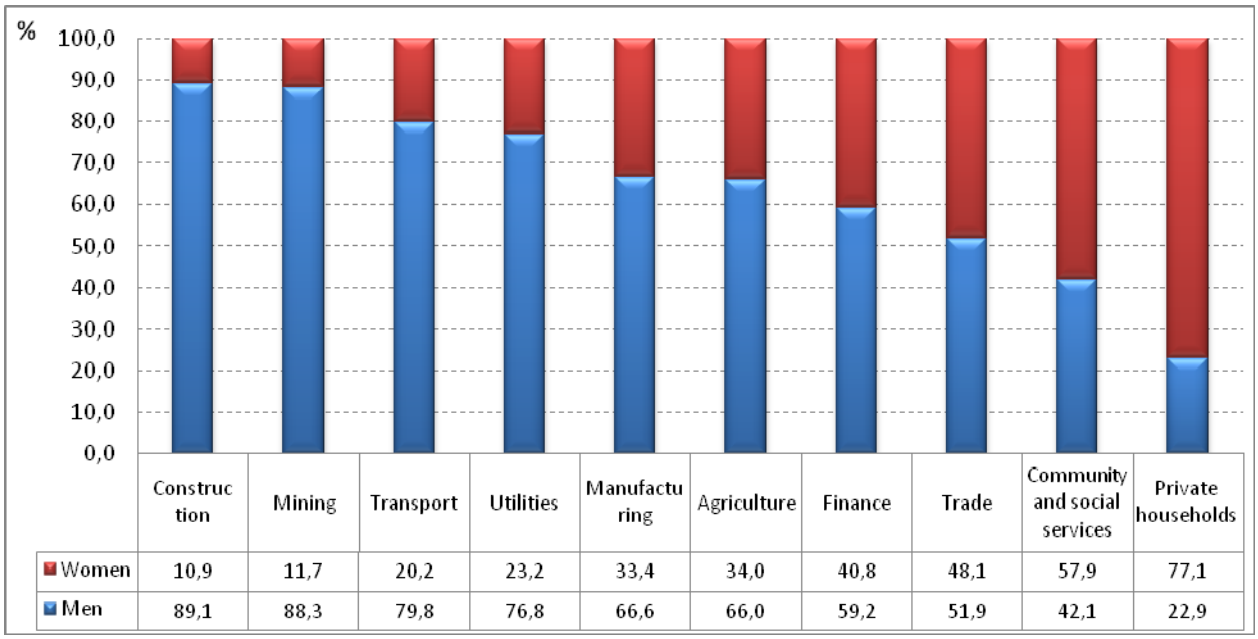
Table 4.7 (below) depicts employment of men and women by industry for 2009 and 2010. Employment among men contracted in all industries except Transport and Community and social services, while that of women grew only in Community and social services. Employment among men in Finance declined by 0,9% or 9 000 jobs and a relatively higher contraction of 13,3% was observed among women. Manufacturing declined by 7,7% or 96 000 jobs among men, while among women employment in Manufacturing contracted by 3,0% or 18 000 jobs. Overall employment among men declined by 2,3% while among women it declined by 3,8%. However, employment among men still remained higher than employment among women.

Table 4.7: Employment by industry and sex: 2009 and 2010

	Men				Women			
	2009	2010	Change	% Change	2009	2010	Change	% Change
	Thousand			Per cent	Thousand			Per cent
Agriculture	467	422	- 45	-9,7	219	217	- 2	-1,1
Mining	277	269	- 8	-3,0	39	36	- 4	-9,4
Manufacturing	1 255	1 159	- 96	-7,7	599	580	- 18	-3,0
Utilities	77	69	- 7	-9,6	21	21		-0,4
Construction	1 004	944	- 60	-6,0	128	116	- 12	-9,7
Trade	1 524	1 520	- 4	-0,2	1 451	1 407	- 44	-3,1
Transport	602	618	16	2,6	162	156	- 6	-3,4
Finance	989	980	- 9	-0,9	779	676	- 103	-13,3
Community and social services	1 103	1 147	44	4,0	1 567	1 580	13	0,9
Private households	262	261		-0,1	926	879	- 47	-5,0
Total	**7 562**	**7 390**	**- 172**	**-2,3**	**5 894**	**5 671**	**- 223**	**-3,8**

Figure 4.3 shows that in 2010, an equal share of men and women were employed in the Trade industry. However, men dominated in all other industries except in Community and social services, and Private households. A higher proportion of men were employed in goods-producing industries such as Construction, Mining and Transport. In the year 2010, 89,1% of all persons that were employed within the Construction industry were men. Similarly, among those who were employed in Mining, 88,3% were also men while in Private households, 77,1% of all persons employed were female.

Figure 4.3: Employment by industry and sex, 2010



Between 2009 and 2010, employment contracted in all occupations except among managers, professionals and those in Sales & services (see Tables 4.8 and 4.9). This is after a decline in these occupations in the previous year except for Sales and services. In 2010, the highest rate of loss was experienced among those employed in Craft and related trade occupations (7,8%), followed by employment of Plant and machine operators which contracted by 5,7%. After four years of successive growth in employment in the Technicians occupations, 2010 showed a decline in this occupation by 5,2%. In terms of growth, the increase in the number of Professionals in South Africa in 2005–2006, 2006–2007 and 2007–2008 was noticeably high. Even in 2009 to 2010, the small growth is significant since as indicated above, most other occupations experienced declines. The significance of these results is that the results provide strong evidence that there is indeed far more demand for highly educated, highly skilled occupations than for other occupations.

Table 4.8: Employment by occupation, 2009–20010

	2005	2006	2007	2008	2009	2010
	Thousand					
Manager	878	908	976	1 048	1 041	1 051
Professional	435	479	563	764	716	730
Technician	1 404	1 429	1 439	1 488	1 538	1 459
Clerk	1 295	1 344	1 380	1 475	1 463	1 447
Sales and services	1 684	1 779	1 755	1 784	1 838	1 869
Skilled agriculture	98	144	105	108	90	88
Craft and related trade	1 858	2 020	1 995	1 956	1 732	1 597
Plant and machine operator	1 132	1 119	1 176	1 205	1 184	1 116
Elementary	3 020	3 183	3 059	3 083	2 920	2 824
Domestic worker	965	1 013	1 019	954	935	880
Total	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**

4.9 Annual rate of change in employment by occupation, 2005–2010

	2005	2006	2007	2008	2009	2010
	Annual rate of change					
Manager		3,4	7,5	7,3	-0,7	1,0
Professional		10,1	17,5	35,7	-6,3	1,9
Technician		1,8	0,7	3,4	3,4	-5,2
Clerk		3,8	2,7	6,9	-0,9	-1,1
Sales and services		5,6	-1,3	1,6	3,0	1,7
Skilled agriculture		46,9	-27,1	3,2	-17,1	-1,8
Craft and related trade		8,7	-1,2	-2,0	-11,4	-7,8
Plant and machine operator		-1,1	5,1	2,5	-1,8	-5,7
Elementary		5,4	-3,9	0,8	-5,3	-3,3
Domestic worker		5,0	0,6	-6,4	-2,0	-5,8
Total		**5,1**	**0,4**	**3,0**	**-3,0**	**-2,9**

Figure 4.4: Employment by occupation and province, 2010

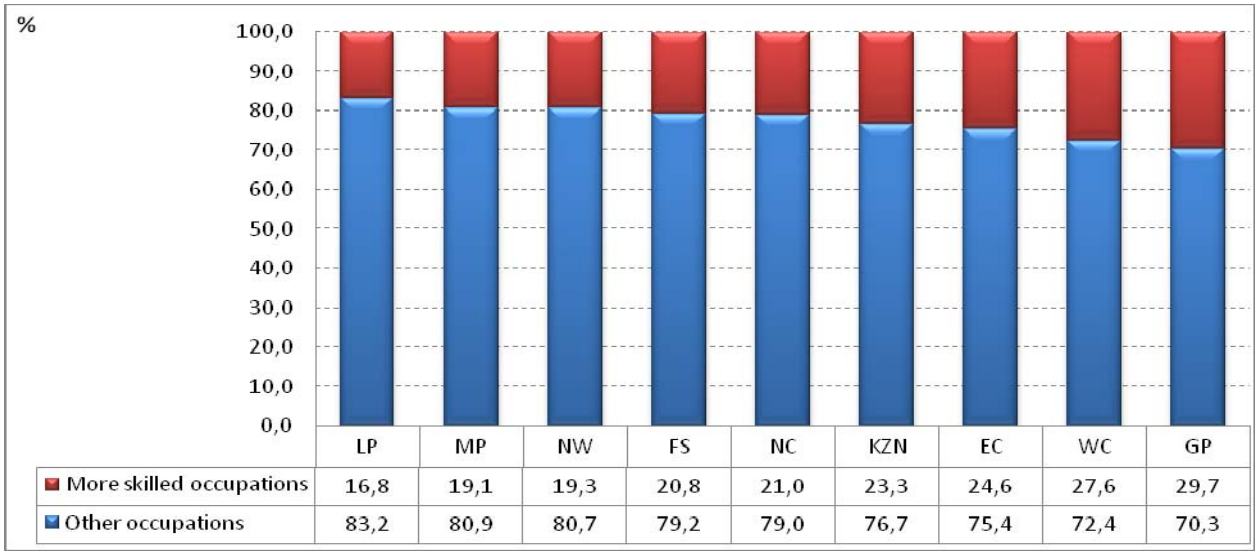


Figure 4.4 shows that in 2010, across all provinces, a lower proportion of individuals were employed in more skilled occupations[11]. However, Gauteng recorded the highest proportion (29,7%) of more skilled occupations when compared to other provinces, followed by Western Cape (27,6%) and Eastern Cape (24,6%).

[11] More skilled occupations include Manager, Professional and Technician occupations.

Occupation by sex, level of education, age and population group

In 2010, the proportion of men employed in both occupational categories (more skilled occupations and other occupations) was higher than that of women. However, this section only highlights gender disparities in the more skilled occupations.

Figure 4.5: Persons in more-skilled occupations by sex, 2010

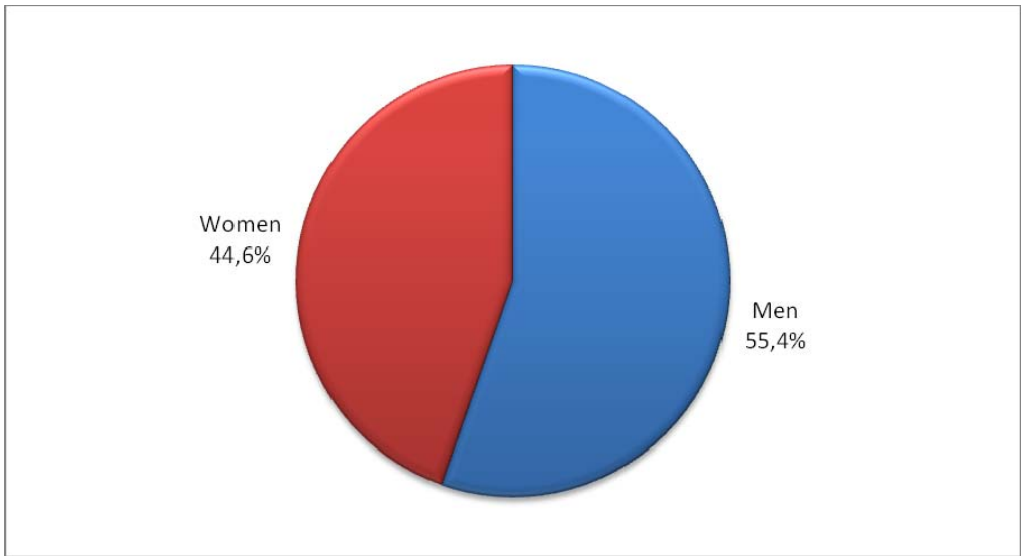
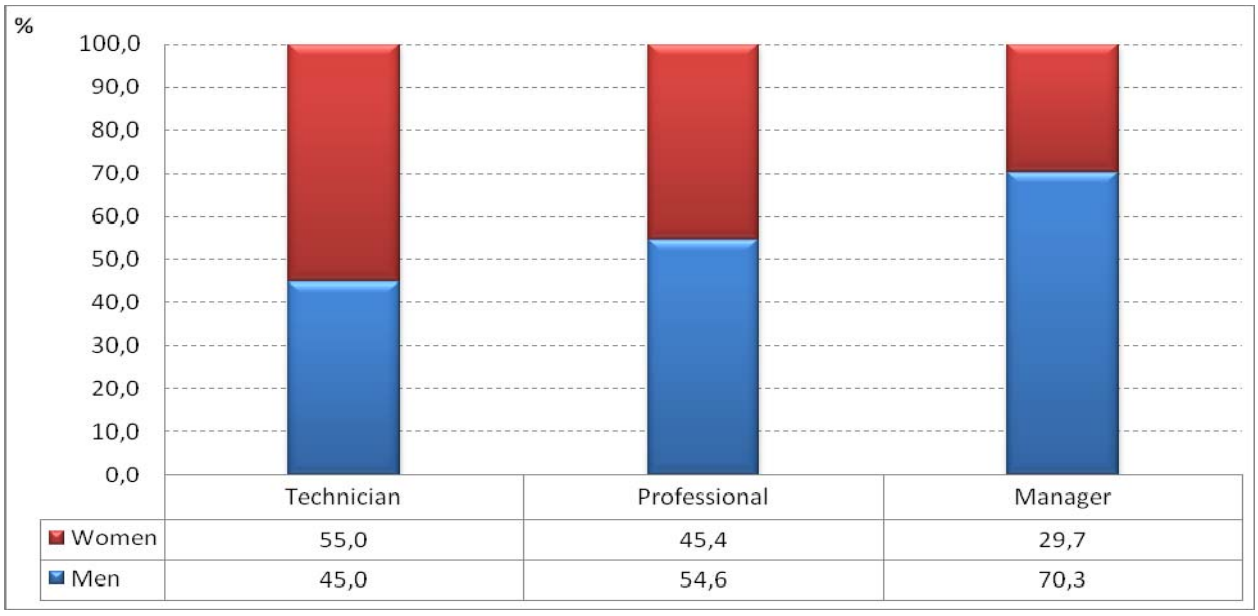


Figure 4.5 shows that in 2010, among those in more skilled occupations, men accounted for a larger proportion compared to women. Furthermore, when occupation categories were disaggregated at a lower level (Figure 4.6), there were more than twice as many male Managers than there were women Managers (70,3% as opposed to 29,7%). In addition, men accounted for a higher proportion among Professionals (54,6%) compared to women (45,4%). In contrast, however, there were more female Technicians (55,0%) than there were male Technicians (45,0%).

Figure 4.6: Managers, professionals and technicians by sex, 2010



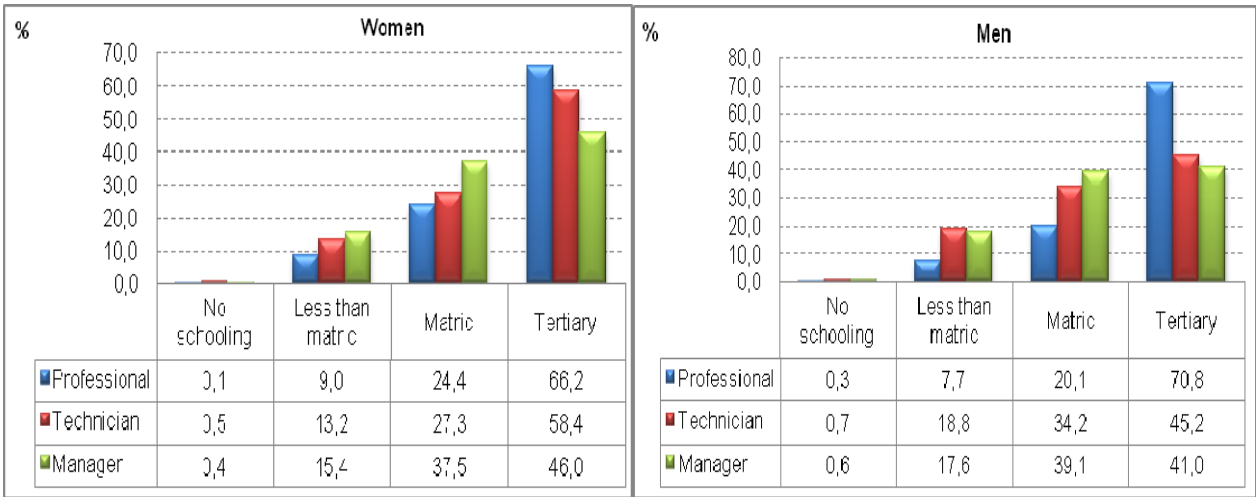
	Technician	Professional	Manager
Women	55,0	45,4	29,7
Men	45,0	54,6	70,3

Table 4.10 indicates that there has hardly been any change in the proportion of women managers over the past 6 years over the period 2005 to 2010; the proportion of women managers seems to have stabilised at around 30%. On the other hand more women than men have consistently been in Technician occupations but somehow very little inroads have been made by women in management occupations. This is an indication of gender disparities that continue to exist in the country where women are not visible in decision making positions in the labour market.

Table 4.10: Managers, professionals and technicians, 2005–2010

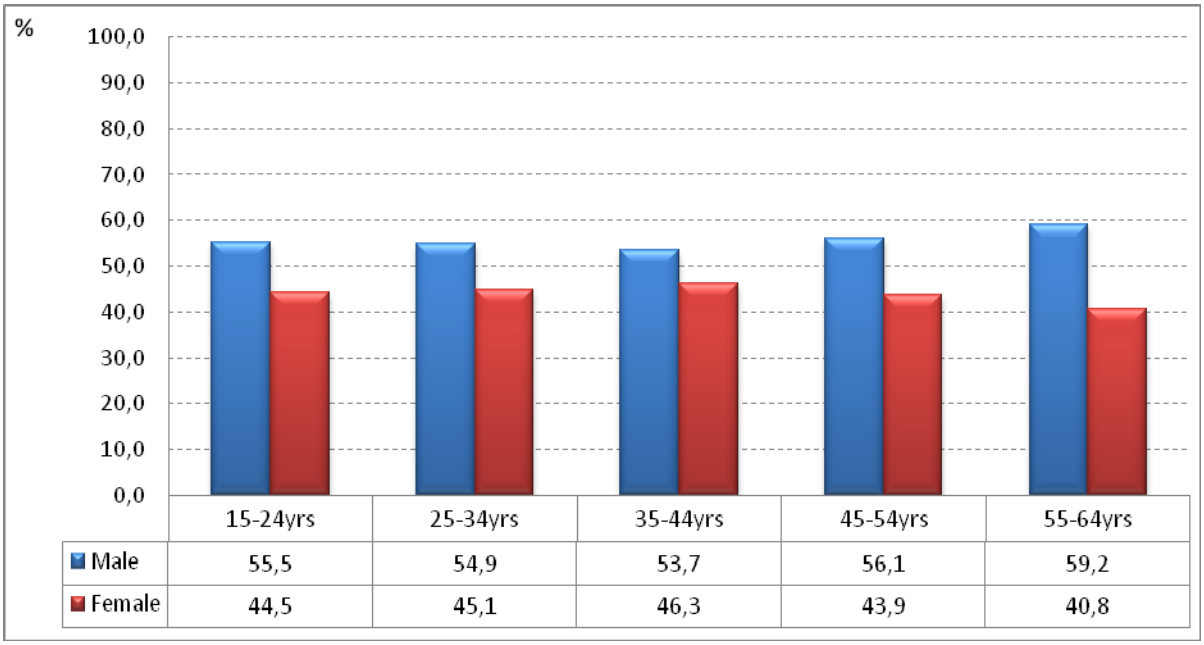
	2005	2006	2007	2008	2009	2010
Women			Thousand			
Manager	257	280	309	311	314	312
Professional	202	230	284	353	331	332
Technician	762	768	791	813	823	802
Men						
Manager	621	628	667	736	727	738
Professional	234	249	279	411	385	398
Technician	643	661	648	676	716	657
All						
Manager	878	908	976	1 048	1 041	1 051
Professional	435	479	563	764	716	730
Technician	1 404	1 429	1 439	1 488	1 538	1 459
			Per cent			
Proportion of women						
Manager	29,3	30,9	31,7	29,7	30,2	29,7
Professional	46,3	48,1	50,4	46,2	46,2	45,4
Technician	54,2	53,7	55,0	54,6	53,5	55,0

Figure 4.7: Persons in more-skilled occupations by education and sex, 2010



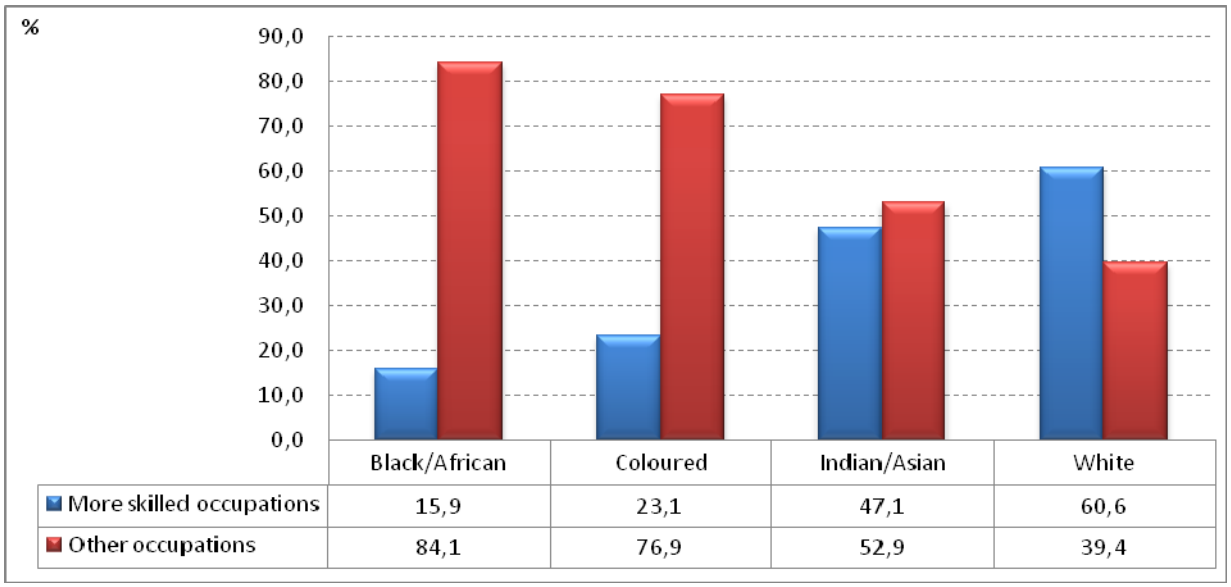
The likelihood of being in more skilled occupations such as managerial, professional and technical occupations generally increases with the level of educational attainment. Gender disparities, however, seem noticeable. For example, Figure 4.7 shows that among women, a higher proportion (46,0%) in managerial positions had tertiary education, compared to men (41,0%). In addition, Figure 4.8 below indicates a narrow gap among men and women aged 15–44 years with tertiary level education. This reflects that over the last few years, younger employed women have become as educated as their male counterparts. Since the above results suggest that tertiary education plays an important role in increasing chances of women occupying managerial positions, education can be used as a tool to bridge the gender gap that exists within higher level occupations.

Figure 4.8: Persons in more-skilled occupations with tertiary qualification by age and sex, 2010



	15-24yrs	25-34yrs	35-44yrs	45-54yrs	55-64yrs
Male	55,5	54,9	53,7	56,1	59,2
Female	44,5	45,1	46,3	43,9	40,8

Figure 4.9: Employment by occupation and population group, 2010



	Black/African	Coloured	Indian/Asian	White
More skilled occupations	15,9	23,1	47,1	60,6
Other occupations	84,1	76,9	52,9	39,4

Figure 4.9 shows that in 2010, among employed Black Africans, a higher proportion (84,1%) was employed in less skilled occupations when compared with persons in other population groups. Coloured persons followed closely at 76,9%. In contrast, a substantially higher proportion of the white population group (60,6%) was employed in occupations requiring higher skills, compared to all the other population groups, with Black Africans least likely to be in such occupations.

Figure 4.10: Employment by occupation and industry, 2010

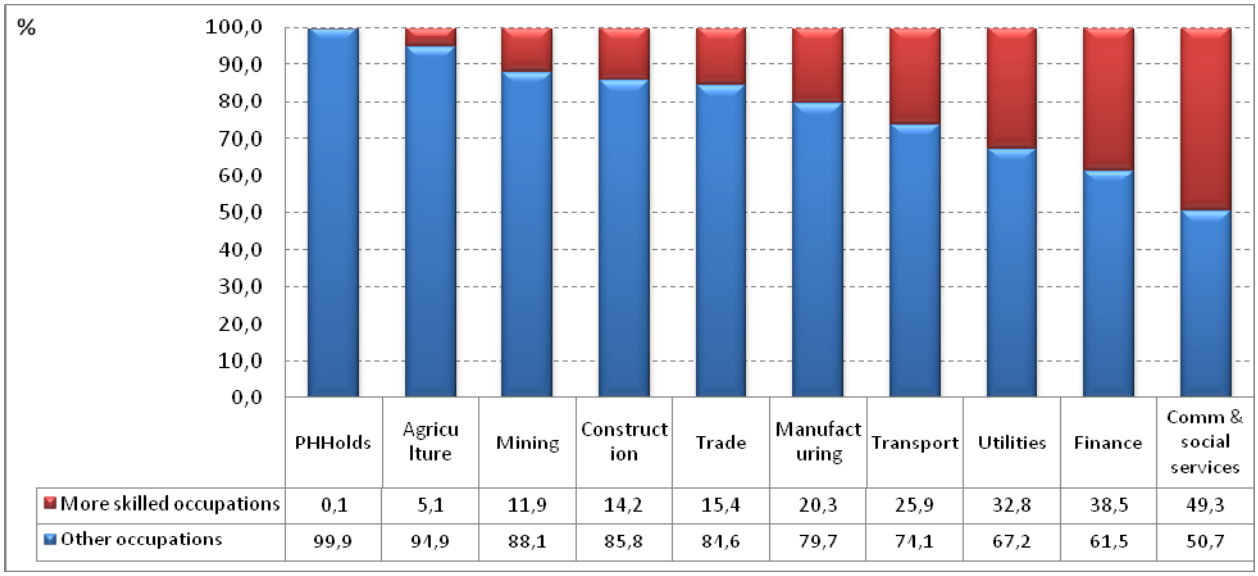


Figure 4.10 shows the occupation breakdown within each industry. In 2010, the less skilled occupations group comprised individuals working in Private households (99,9%), Agriculture (94,9%) and Mining (88,1%). On the contrary, individuals in more skilled occupations were mostly concentrated in Community and social services (49,3%), followed by Finance (38,5%) and Utilities (32,8%) (see Figure 4.10).

Status in employment

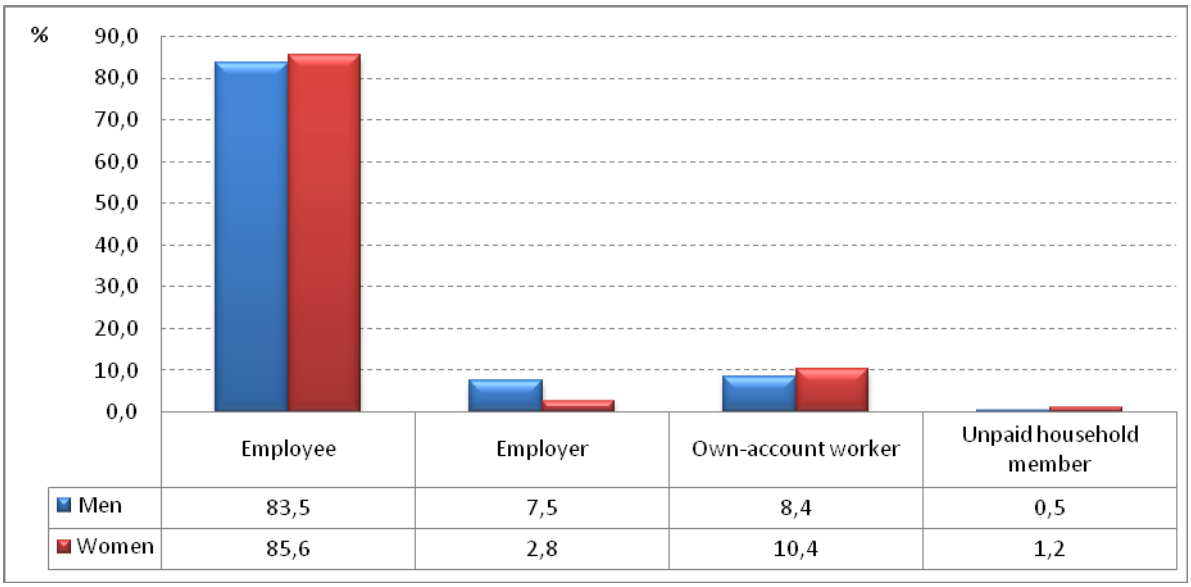
Table 4.11 (below) shows that between 2009 and 2010 both men and women lost jobs as employees. However, while employment contracted by 3,1% for male employers, employment of female employers grew by a rate of 5,9%. On the other hand, employment contracted by 3,5% for women own-account workers and 20,2% among those who are employed as unpaid household members, while men gained employment as own-account workers (6 000 jobs or 1,0%) and unpaid household members (9 000 jobs or 30,1%), suggesting that male employees who could've lost or left their jobs had moved into starting their own businesses or helping unpaid in household businesses.

Table 4.11: Status in employment by sex, 2009 and 2010

	2009	2010	Change	% Change
	Thousand			Per cent
Men				
Employee	6 343	6 174	- 169	-2,7
Employer	570	552	- 18	-3,1
Own-account worker	618	624	6	1,0
Unpaid household member	31	40	9	30,1
Total	**7 562**	**7 390**	**- 172**	**-2,3**
Women				
Employee	5 045	4 852	- 193	-3,8
Employer	149	157	9	5,9
Own-account worker	613	592	- 21	-3,5
Unpaid household member	87	69	- 18	-20,2
Total	**5 894**	**5 671**	**- 223**	**-3,8**
Both sexes				
Employee	11 388	11 026	- 362	-3,2
Employer	719	709	- 9	-1,3
Own-account worker	1 232	1 216	- 15	-1,2
Unpaid household member	118	109	- 8	-7,0
Total	**13 455**	**13 061**	**- 395**	**-2,9**

Comparisons in Figure 4.11 below show that between 2009 and 2010, while men and women were predominantly employed as employees, the proportion of women employees was slightly higher than that of men in 2010. While men were far more likely to be employers than women, the proportion of women own-account workers was higher than that of men at 10,4% compared to 8,4% for men.

Figure 4.11: Status in employment by sex, 2010



	Employee	Employer	Own-account worker	Unpaid household member
Men	83,5	7,5	8,4	0,5
Women	85,6	2,8	10,4	1,2

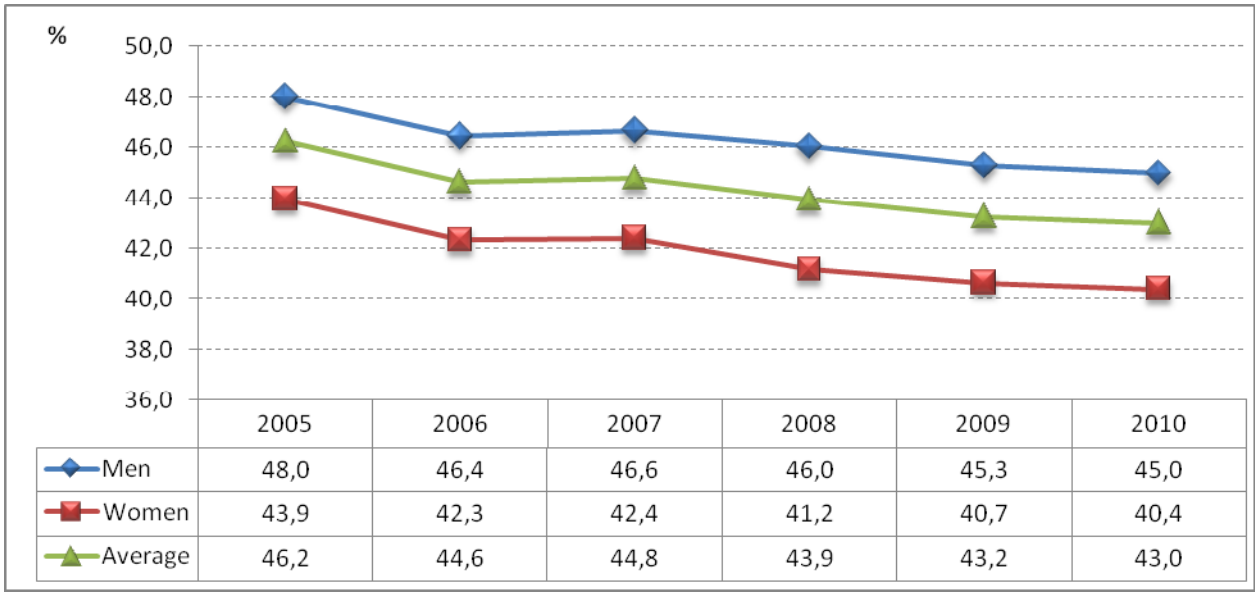
Hours of work

The routinely published employment estimates show the number of persons aged 15–64 years who worked for *one or more hours* in the reference week, or who were temporarily absent from work. This means that not every employed person supplies the same volume of work to the South African economy. Some people work 5 hours in the reference week and some work 55 hours. Those temporarily absent from work do not contribute any hours at all. To measure the volume of work absorbed by the South African economy more precisely, it is necessary to consider the hours that people work.

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

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

Figure 4.12: Average weekly hours worked by sex, 2005–2010

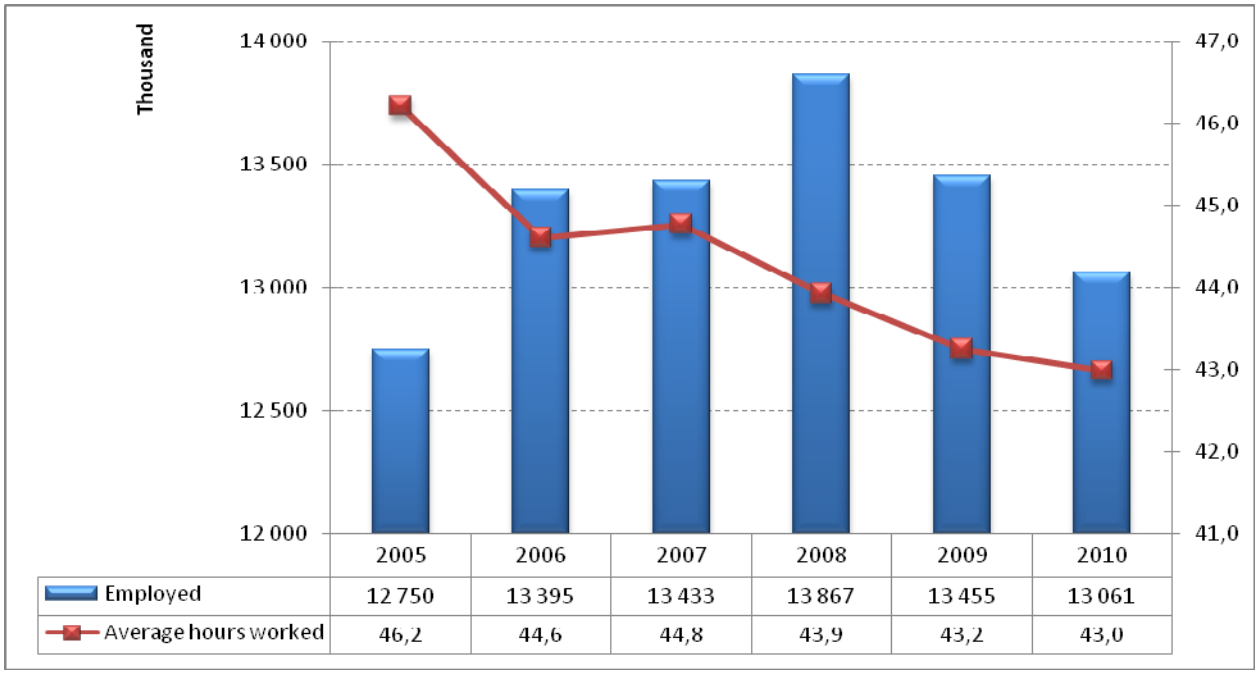


	2005	2006	2007	2008	2009	2010
Men	48,0	46,4	46,6	46,0	45,3	45,0
Women	43,9	42,3	42,4	41,2	40,7	40,4
Average	46,2	44,6	44,8	43,9	43,2	43,0

The change in average hours worked shown in Figures 4.12 and 4.13 might seem to be too small to be analytically significant. However, even a change as small as half an hour represents a substantial change in the total volume of work supplied.

For example, between 2009 and 2010, overall average hours declined by 0,2 of an hour (approximately 12 minutes). At the 2010 employment level of 13,1 million, this decrease of 0,2 of an hour suggests a loss of 2 612 200 hours to the total hours supplied to the economy. These 2,6 million hours are equivalent to 104 488 fewer persons working a 40-hour week.

Figure 4.13: Total employment and average weekly hours worked, 2005–2010



	2005	2006	2007	2008	2009	2010
Employed	12 750	13 395	13 433	13 867	13 455	13 061
Average hours worked	46,2	44,6	44,8	43,9	43,2	43,0

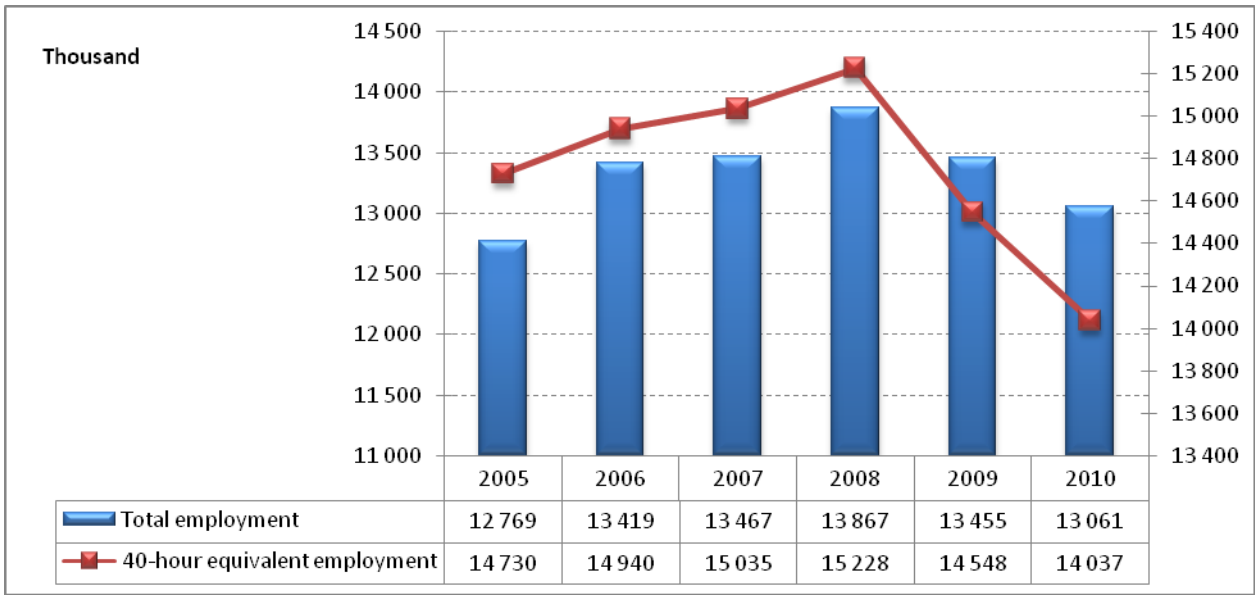
The period 2006 to 2008 saw an increase in the number of persons employed in the country at the same time as the total average hours worked was declining, suggesting that employers were more likely to cut the number of hours worked in order to keep individuals employed. After 2008 however, employment and average hours worked were moving in tandem. As employment levels started to decline in 2008, the average hours worked also decreased. This could point to the aftermath of the recession period in that the country's economy is not only able to keep people employed but is also cutting the working hours of those that are employed.

Table 4.12: Employment, average weekly hours and aggregate hours, levels and percentage change, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Employment	12 769	13 419	13 467	**13 867**	**13 455**	**13 061**
Average hours	46,2	44,6	44,8	43,9	43,2	43,0
Total hours	**589 192**	**597 588**	**601 397**	**609 104**	**581 922**	**561 463**
	Percentage change					
		2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Employment		5,1	0,4	3,0	-3,0	-2,9
Average hours		-3,5	0,4	-1,9	-1,5	-0,6
Total hours		**1,4**	**0,6**	**1,3**	**-4,5**	**-3,5**

The 2007–2008 and 2009–2010 changes illustrate how changes in employment and average hours worked interact to determine changes in total labour input to the economy (Table 4.12). In 2007–2008, while employment increased by 3,0%, average hours worked declined by 1,9 and so the labour input to the economy still managed to grow slightly by 1,3% even though average hours worked declined. In contrast in 2009–2010, both employment and average hours worked declined (by 2,9% and 0,6% respectively). The combination resulted in a 3,5 percentage decrease in aggregate hours worked.

Figure 4.14 Total employment and 40-hour equivalent employment, 2005–2010



While total hours worked shows the labour input to the economy, they are extremely large and difficult to comprehend. On average, a total of 561 463 000 hours per week were worked in 2010. One of the ways of making them more understandable is to express them as the number of persons working a 40-hour week. This is simply a matter of dividing the total hours by 40. This hypothetical employment number is called the 40-hour equivalent employment. This was 14 037 000 in 2010 (Figure 4.14).

Because of the interaction between changes in employment and changes in average hours worked, the relationship between employment as conventionally measured and 40-hour equivalent employment varies considerably over time. For example, in 2009–2010, because of the 0,6% decrease in hours worked, the decline in 40-hour equivalent employment was even greater than the decline in employment.

Between 2007 and 2008, the 40-hour equivalent increased and so aggregate hours must have increased.

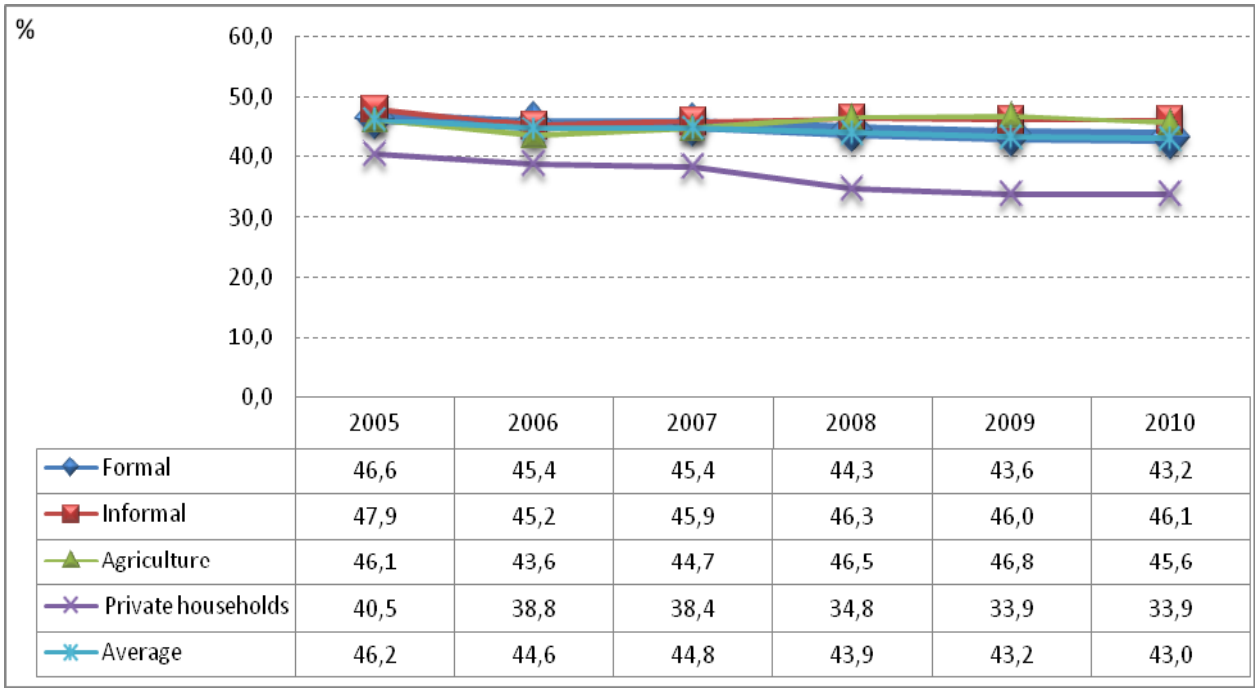
Table 4.13: Average hours worked in a week by industry, 2005–2010

Industry	2005	2006	2007	2008	2009	2010
	Average hours worked					
Agriculture	46,1	43,6	44,7	46,5	46,8	45,6
Mining	48,6	46,9	48,3	45,7	44,7	45,1
Manufacturing	45,4	44,5	44,4	43,2	42,6	42,4
Utilities	47,3	43,4	43,4	42,7	42,1	42,8
Construction	45,7	43,6	43,9	42,5	41,7	40,6
Trade	49,3	47,3	47,3	47,8	47,6	47,5
Transport	52,6	51,3	50,7	51,9	50,9	50,2
Finance	47,3	46,3	46,7	45,3	44,8	44,5
Community and social services	42,9	41,7	41,9	40,4	39,5	39,4
Private households	40,5	38,8	38,4	34,8	33,9	33,9
Total	**46,2**	**44,6**	**44,8**	**43,9**	**43,2**	**43,0**

Persons working within the Transport industry have continuously worked the most hours relative to other industries, while individuals employed in Private households worked the least hours (Table 4.13). In 2010, individuals working in Transport worked 50,2 hours a week, followed by persons working in Trade (47,5 hours) and Agriculture (45,6 hours). As reported above, the period 2009–2010 was marked by decreases in the number of hours worked in all industries except Mining and Utilities which increased by 0,4 and 0,7 hours respectively. The biggest decline was observed within the Agricultural (decreased by 1,2) and Construction (decreased by 1,1) industries.

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

Figure 4.15: Average hours worked in a week by sector, 2005–2010



	2005	2006	2007	2008	2009	2010
Formal	46,6	45,4	45,4	44,3	43,6	43,2
Informal	47,9	45,2	45,9	46,3	46,0	46,1
Agriculture	46,1	43,6	44,7	46,5	46,8	45,6
Private households	40,5	38,8	38,4	34,8	33,9	33,9
Average	46,2	44,6	44,8	43,9	43,2	43,0

Figure 4.15 (above) shows that the period 2009 to 2010 was marked by decreases in average hours worked in the formal sector and agricultural sector, while virtually no change was observed in the informal sector and private households.

Table 4.14: Formal sector employment and average hours worked in a week by industry, 2009 and 2010

Industry	Employment				Average hours worked			
	2009	2010	Change	% change	2009	2010	Change	% change
	Thousand			Per cent	Thousand			Per cent
Mining	315	303	-12	-3,9	44,7	45,2	0,5	1,1
Manufacturing	1 652	1 527	-125	-7,5	43,0	42,9	-0,1	-0,3
Utilities	95	89	-6	-6,8	42,2	42,7	0,5	1,1
Construction	847	758	-89	-10,6	43,1	42,0	-1,2	-2,7
Trade	1 975	1 915	-60	-3,0	46,3	45,8	-0,5	-1,0
Transport	566	571	6	1,0	47,5	46,9	-0,5	-1,2
Finance	1 629	1 511	-118	-7,3	45,1	45,0	-0,1	-0,1
Community and social services	2 370	2 445	76	3,2	39,7	39,6	-0,1	-0,3
Total	**9 453**	**9 123**	**-330**	**-3,5**	**43,6**	**43,2**	**-0,3**	**-0,8**

Table 4.15: Informal sector employment and average hours worked in a week by industry, 2009 and 2010

Industry	Employment				Average hours worked			
	2009	2010	Change	% change	2009	2010	Change	% change
	Thousand			Per cent	Thousand			Per cent
Mining	2	2		7,9	43,8	32,9	-10,9	-24,9
Manufacturing	202	212	10	5,1	38,7	39,1	0,4	0,9
Utilities	3	2	-1	-36,9	38,3	50,9	12,7	33,1
Construction	285	302	17	5,9	37,6	37,3	-0,3	-0,8
Trade	999	1 011	12	1,2	50,1	50,7	0,6	1,2
Transport	199	203	4	2,2	60,7	59,4	-1,3	-2,2
Finance	139	145	6	4,5	41,6	39,5	-2,1	-5,1
Community and social services	300	282	-19	-6,2	37,6	38,0	0,4	1,0
Total	**2 129**	**2 159**	**30**	**1,4**	**46,0**	**46,1**	**0,1**	**0,2**

Employment in the formal sector contracted by 3,5% and the hours of work contracted by 0,8%, while employment in the informal sector grew by 1,4% and hours of work increased by only 0,2%. This could suggest that even with the reduction of hours of work in most industries in the formal sector, the sector could still not avoid the shedding of jobs after the recession. Figures in Table 4.14 further suggest that two industries, Transport and Community and social services managed to reduce hours of work as an alternative to shedding jobs. For example, employment in the formal Transport industry increased by 1,0% and average hours of work decreased by 1,2%.

Of interest is the inter-play between the informal and the formal sector. For example, results depicted in Tables 4.14 and 4.15 seem to suggest that, when overall formal sector employment declines, informal sector employment and hours may increase. Possible reasons are offered below as an attempt to explain this inter-play:

Employment: It is suspected that very few people working in the informal sector would not instantaneously take a job in the formal sector if they could. For them, working in the informal sector is a last resort. However, for retrenched formal sector workers, especially those not covered by UIF, there may be no alternative but to work in the informal sector following a formal sector job loss. Another dimension also relating to flows relates to the fact that, while tragically, many informal workers spend their lives in the informal sector, there must be some flow into the formal sector. When the formal sector stops hiring, this flow stops and a force that would otherwise help to shrink the informal sector ceases to do so.

Hours: In terms of hours worked, the informal sector is overwhelmingly composed of own-account workers who earn extremely little. If, for example, an individual selling vegetables on the sidewalk, sells fewer vegetables per hour, they would have no choice but to continue selling for more hours to make up for any loss of income. Hence, the increase of average hours worked in the informal sector could merely reflect the aforementioned scenario rather than individuals earning more.

Table 4.16: Employment and average hours worked in a week by province, 2009 and 2010

Province	Employment				Average hours worked			
	2009	2010	Change	% change	2009	2010	Change	% change
	Thousand			Per cent	Thousand			Per cent
Western Cape	1 825	1 789	-36	-2,0	41,6	41,5	-0,1	-0,4
Eastern Cape	1 317	1 294	-23	-1,8	43,6	42,3	-1,4	-3,1
Northern Cape	279	271	-8	-2,8	41,9	41,1	-0,8	-1,9
Free State	781	775	-6	-0,8	42,2	41,8	-0,4	-1,0
KwaZulu-Natal	2 522	2 441	-81	-3,2	42,4	42,8	0,4	0,9
North West	763	724	-39	-5,1	43,0	43,4	0,4	0,8
Gauteng	4 101	3 951	-150	-3,7	44,3	43,8	-0,6	-1,3
Mpumalanga	926	887	-39	-4,2	44,3	44,8	0,5	1,1
Limpopo	940	928	-12	-1,3	43,9	43,7	-0,2	-0,4
South Africa	**13 455**	**13 061**	**-395**	**-2,9**	**43,2**	**43,0**	**-0,3**	**-0,6**

The provincial picture shows a similar pattern to the formal sector. Employment declined across all provinces at the same time that hours worked were also declining, except in KwaZulu-Natal, North West and Mpumalanga where the average hours worked increased at the same time as employment levels within those provinces were decreasing (Table 4.16).

Underemployment

Underemployment reflects an insufficiency in the volume of work[12]. Adopted by the Sixteenth International Conference of Labour Statisticians in October 1998, the resolution concerning the measurement of underemployment and inadequate employment situations provides guidelines on two types of underemployment, namely time-related underemployment, which is due to insufficient hours of work, and inadequate employment situations, which are due to other limitations in the labour market which limit the capacities and well-being of workers. Stats SA, like many other national statistical offices, measures only time-related underemployment (see Guide to QLFS[13]).

Table 4.17: Underemployment, 2009 and 2010

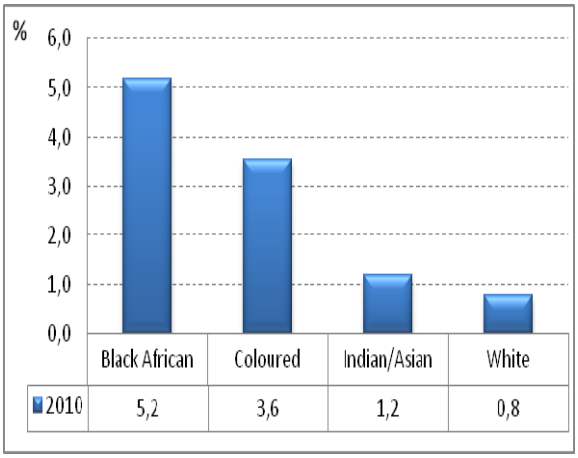
	2009			2010		
	Men	Women	Both sexes	Men	Women	Both sexes
	Thousand			Thousand		
Total employment	**7 562**	**5 894**	**13 455**	**7 390**	**5 671**	**13 061**
Underemployment	238	400	637	210	334	544
% underemployed	3,1	6,8	4,7	2,8	5,9	4,2

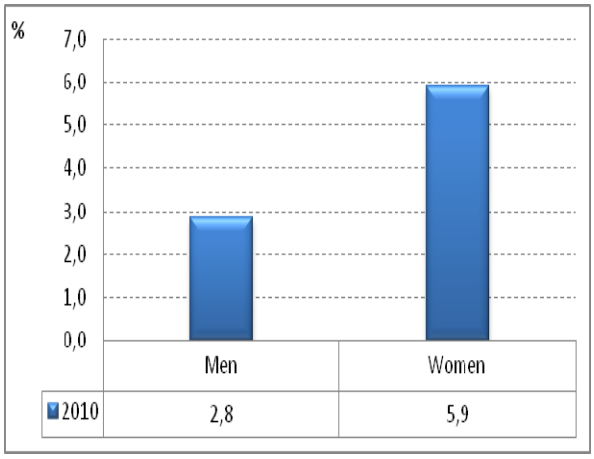
Table 4.17 shows that in 2010, out of the 13 061 million employed people in South Africa, 544 000 persons were underemployed (4,2%) a decrease of 0,5 of a percentage point since 2009. Furthermore, between the years 2009 and 2010 among men, underemployment decreased by 0,3 of a percentage point and decreased by 0,9 of a percentage point among women (from 6,8% in 2009 to 5,9% in 2010).

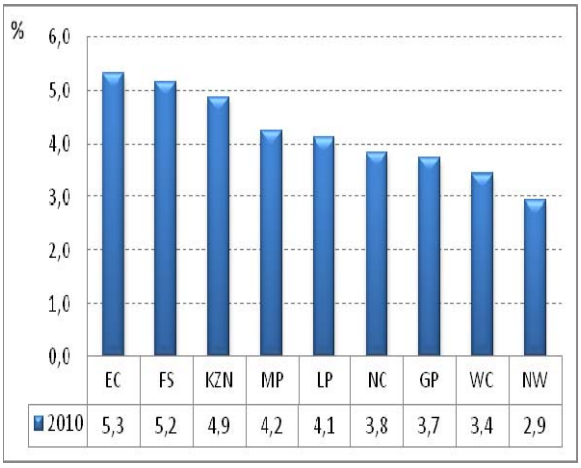
[12] International Labour Office. Resolution Concerning Statistics of the Economically Active Population, Employment, Unemployment and Underemployment, adopted by the Thirteenth International Conference of Labour Statisticians (October 1982). The Thirteenth International Conference of Labour Statisticians.

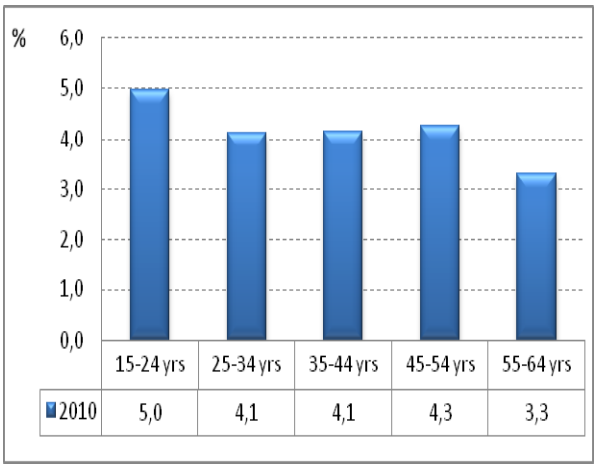
[13] Report-02-11-01 - Guide to the Quarterly Labour Force Survey (QLFS), August 2008. http://statssa-web:9999/publications/Report-02-11-01/Report-02-11-01August2008.pdf

Figure 4.16: Underemployment by age, sex, population group and province, 2010









Characteristics of the underemployed

Figure 4.16 (above) indicates that in 2010, obvious gender disparities existed between underemployed men and women. This is evident in the fact that the proportion of women who were underemployed was almost twice as much as that of men (5,9% as opposed to 2,8%). In addition, the proportion of employed black Africans who were underemployed was more than five times higher than that of employed white individuals (5,2% as opposed to 0,8%). Further analysis also shows that younger workers between the ages of 15 and 24 years were most likely to be underemployed than employed individuals in other age-group categories. In terms of location, the Eastern Cape had the highest proportion of underemployed workers (5,3%), followed by Free State (5,2%), while North West and the Western Cape had the lowest numbers (2,9% and 3,4% respectively).

Underemployment and hours worked

Figure 4.17: Underemployment by hours worked per week, 2010

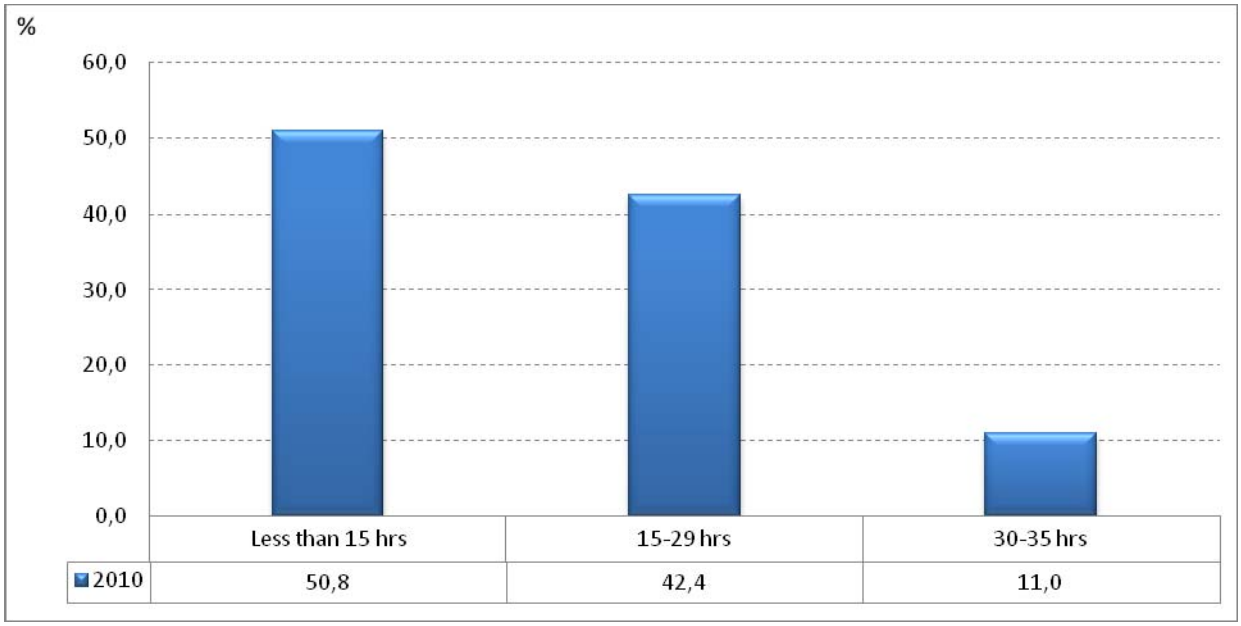
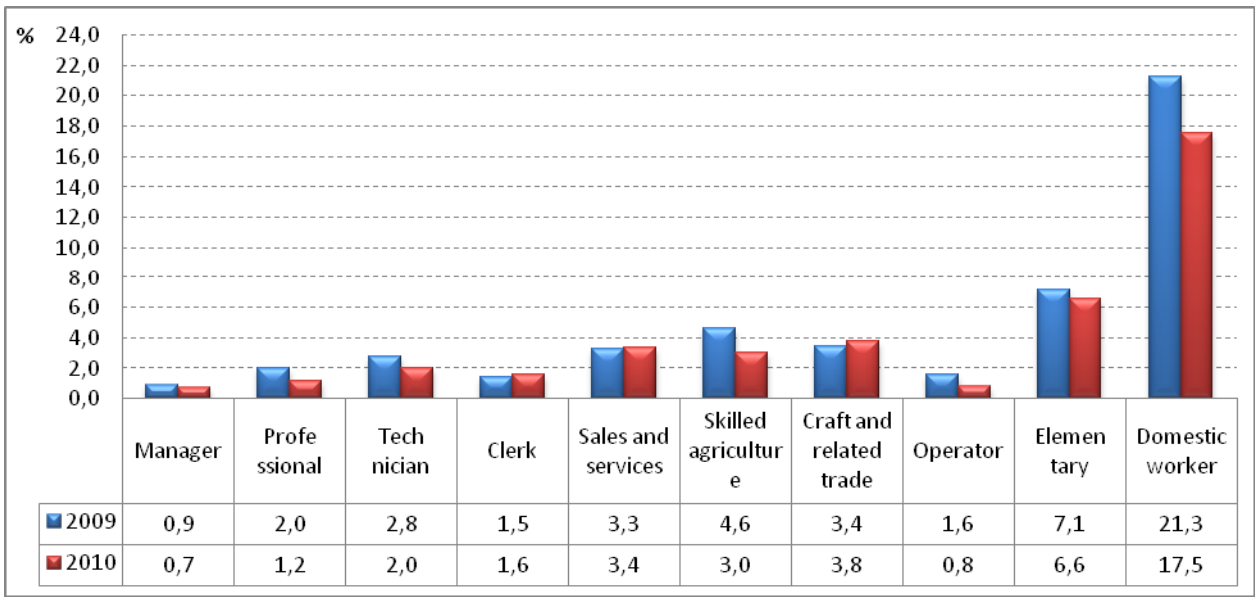


Figure 4.17 above shows that in 2010, over half of all underemployed workers (50,8%) worked less than 15 hours per week, followed by individuals who worked 15-29 hours per week (42,4%).

Figure 4.18: Underemployment by occupation, 2009 and 2010



	Manager	Professional	Technician	Clerk	Sales and services	Skilled agriculture	Craft and related trade	Operator	Elementary	Domestic worker
2009	0,9	2,0	2,8	1,5	3,3	4,6	3,4	1,6	7,1	21,3
2010	0,7	1,2	2,0	1,6	3,4	3,0	3,8	0,8	6,6	17,5

Table 4.18: Underemployment by occupation, 2010

	Total employment	Underemployed	
Occupation	**Thousand**	**Thousand**	**Per cent**
Manager	1 051	8	0,7
Professional	730	9	1,2
Technician	1 459	30	2,0
Clerk	1 447	23	1,6
Sales and services	1 869	63	3,4
Skilled agriculture	88	3	3,0
Craft and related trade	1 597	61	3,8
Plant and machine operator	1 116	9	0,8
Elementary	2 824	185	6,6
Domestic worker	880	154	17,5
Total	**13 061**	**544**	**4,2**

Figure 4.18 and Table 4.18 show that in 2010, underemployment tended to be concentrated in the less skilled occupation groups. In 2010, a higher proportion of individuals employed in low-skilled occupations such as Elementary (17,5%) and Domestic work (6,6%) were underemployed, whereas people employed in more skilled occupations such as Managers were least likely to be underemployed (0,7%). In addition noticeable decreases of underemployed persons were observed among Skilled agriculture, and Domestic workers - which showed the biggest decreases (see Figure 4.18).

Underemployed workers and industry

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

Figure 4.19: Underemployment by industry, 2010

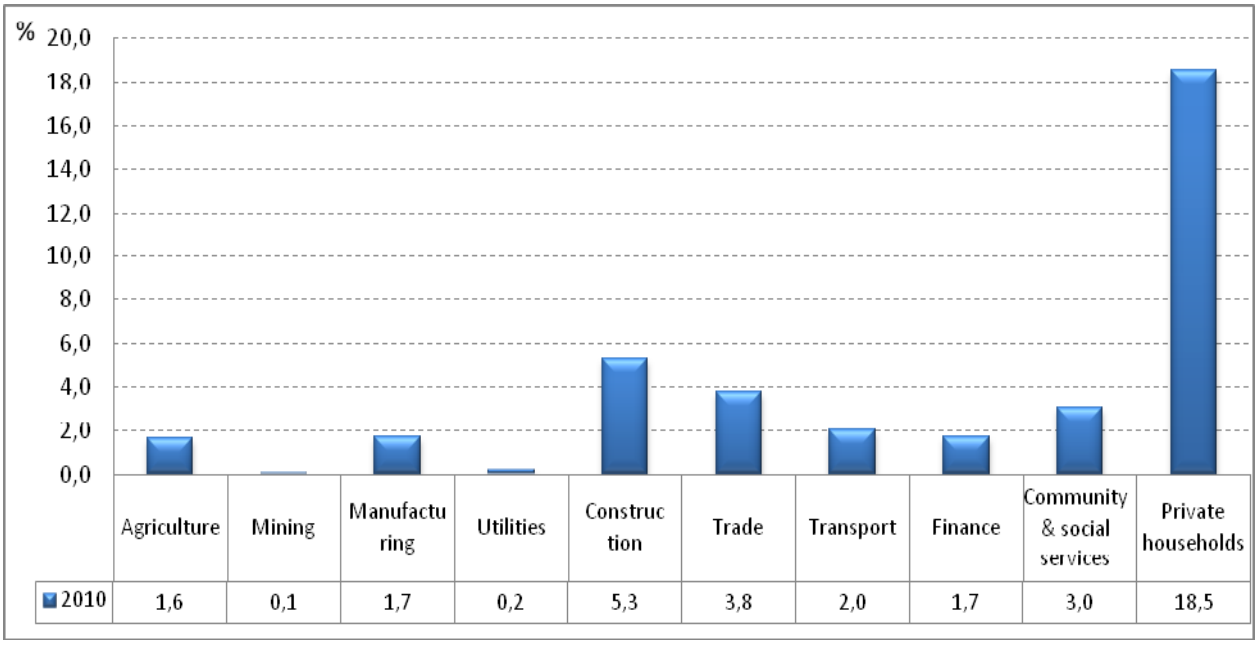
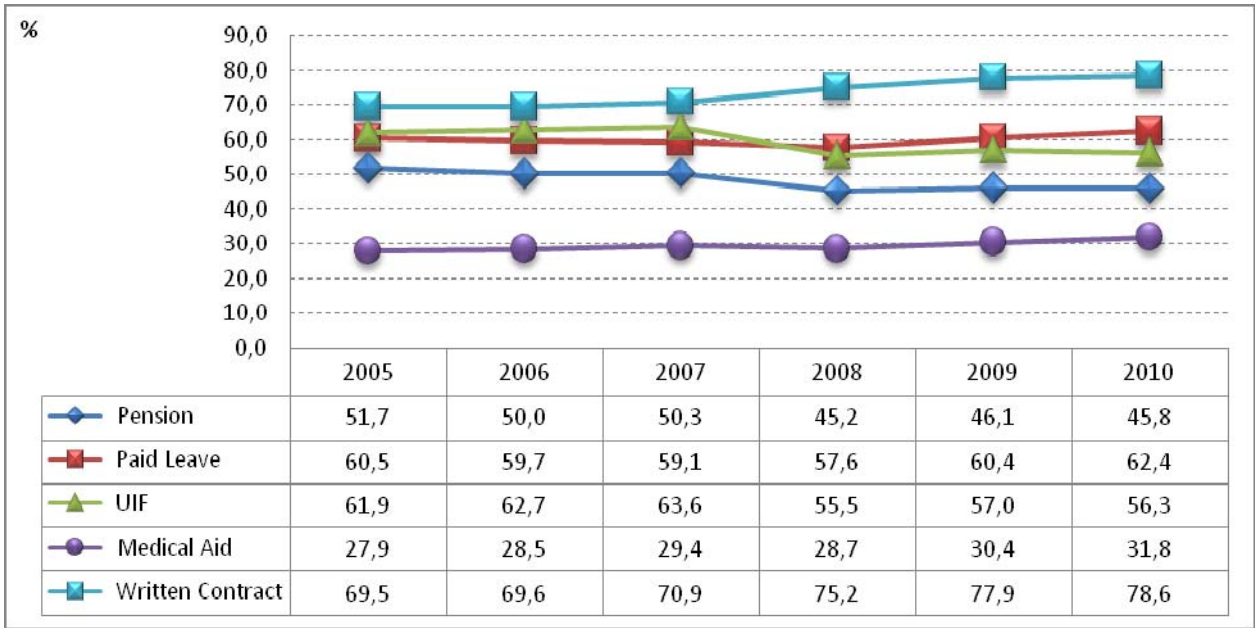


Figure 4.19 shows that in the year 2010, the highest proportion of underemployed workers were concentrated in three industries, namely Private households, Construction and Trade. Within the same year of reporting, Private households contributed 18,5% of all underemployed workers in the country. This was followed by workers in Construction (5,3%) and Trade (3,8%). Underemployment was less prevalent in the Mining (0,1%) and Utilities (0,2%) industries.

Employee benefits

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

Figure 4.20: Access to benefits, 2005–2010

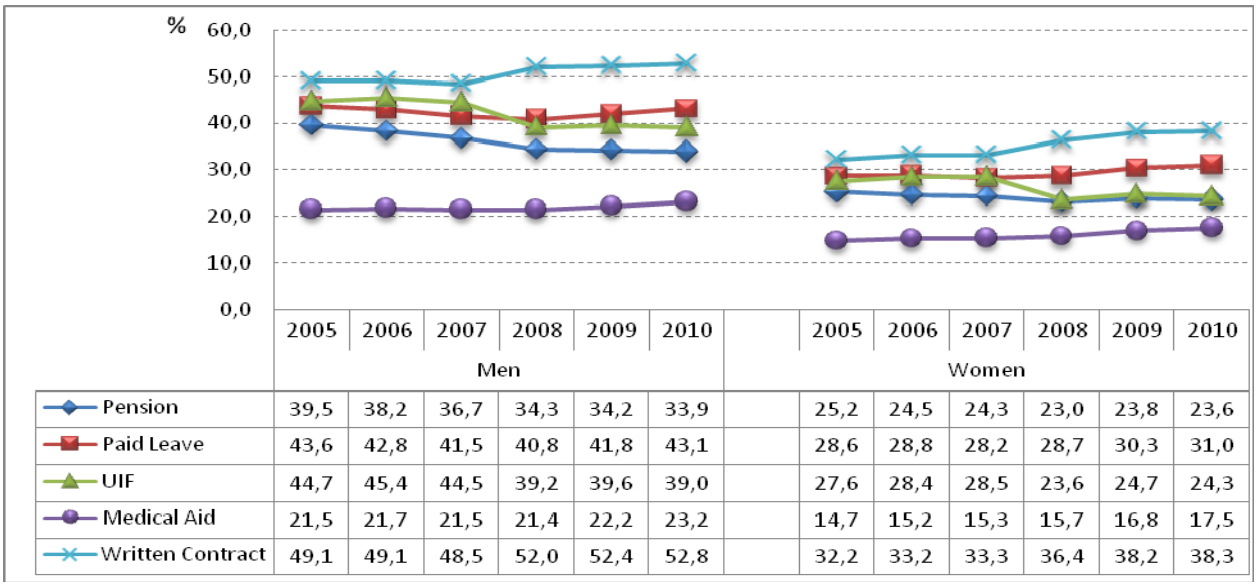


	2005	2006	2007	2008	2009	2010
Pension	51,7	50,0	50,3	45,2	46,1	45,8
Paid Leave	60,5	59,7	59,1	57,6	60,4	62,4
UIF	61,9	62,7	63,6	55,5	57,0	56,3
Medical Aid	27,9	28,5	29,4	28,7	30,4	31,8
Written Contract	69,5	69,6	70,9	75,2	77,9	78,6

Figure 4.20 shows that over the period 2005 to 2010, the most accessible entitlement of employees has been a written contract, followed by paid leave and UIF. The benefit that has been the least accessible to employees has been medical aid. While total number of employees decreased between 2009 and 2010, so did the proportion of employed persons with access to pension and UIF. In the previous section, it was noted that the period 2009 and 2010 saw a decline in the number of employed persons in the country, the increases in the proportions with employment benefit shown above could suggest that the jobs that were lost between 2009 and 2010 were unprotected.

Employee benefits by sex, age and hours worked

Figure 4.21: Proportion of employees with access to benefits by sex, 2005–2010 (formal sector excluding agriculture and private households)



	Men							Women					
	2005	2006	2007	2008	2009	2010		2005	2006	2007	2008	2009	2010
Pension	39,5	38,2	36,7	34,3	34,2	33,9		25,2	24,5	24,3	23,0	23,8	23,6
Paid Leave	43,6	42,8	41,5	40,8	41,8	43,1		28,6	28,8	28,2	28,7	30,3	31,0
UIF	44,7	45,4	44,5	39,2	39,6	39,0		27,6	28,4	28,5	23,6	24,7	24,3
Medical Aid	21,5	21,7	21,5	21,4	22,2	23,2		14,7	15,2	15,3	15,7	16,8	17,5
Written Contract	49,1	49,1	48,5	52,0	52,4	52,8		32,2	33,2	33,3	36,4	38,2	38,3

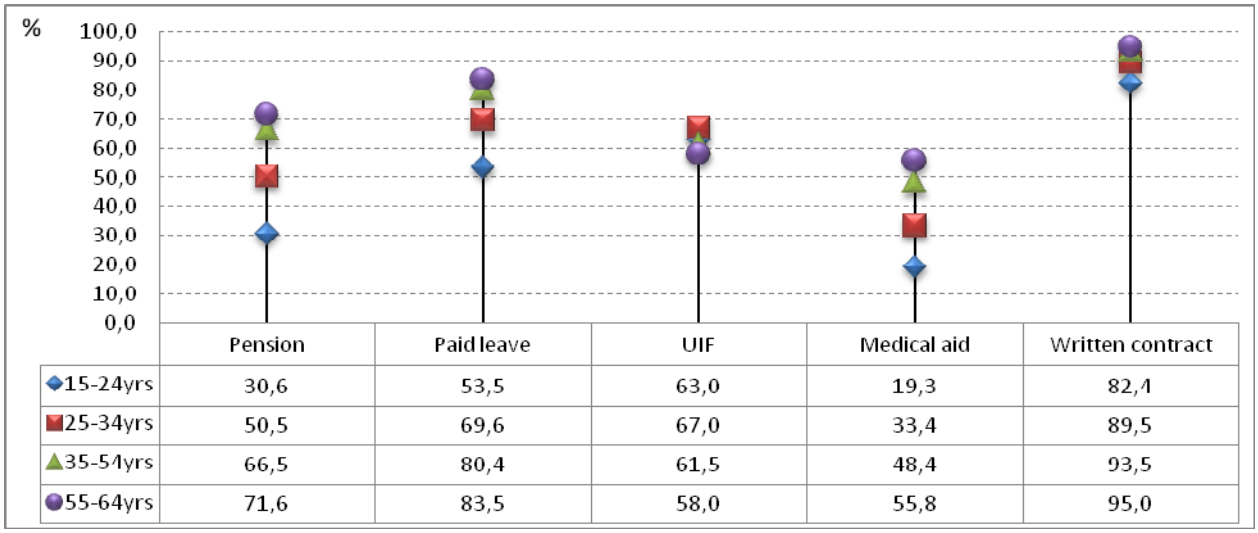
Disparities in conditions of employment between women and men are pervasive. Figure 4.21 above indicates that since 2005, the proportion of male employees with access to each type of benefit has consistently been above that of women. In 2010, just over a third (38,3%) of women employed in the formal sector were entitled to a written contract compared to over half (52,8%) of employed men (a difference of 14,5 percentage points). Likewise men were about 10,3 percentage points more likely to have access to pension (33,9% compared to 23,6%), paid leave (43,1% compared to 31,0%), UIF (39,0% compared to 24,3%) and medical aid (23,2% compared to 17,5%).

Table 4.19: Employees with benefits by hours worked, 2009 and 2010 (formal sector excluding agriculture and domestic work)

Hours worked per week	Pension	Paid leave	UIF	Medical aid	Written contract
	Per cent				
2009					
Less than 30 hrs	17,9	31,1	36,9	11,7	80,3
30-39 hrs	63,6	74,3	27,1	56,1	91,9
40-45 hrs	64,0	78,2	67,7	44,0	93,2
More than 45 hrs	47,7	62,4	68,6	26,9	85,4
Total	**58,0**	**72,1**	**64,3**	**39,1**	**90,6**
2010					
Less than 30 hrs	14,6	30,7	31,8	10,7	78,7
30-39 hrs	61,0	73,3	28,1	54,7	91,7
40-45 hrs	63,2	79,6	66,8	45,8	93,9
More than 45 hrs	48,2	66,2	67,3	28,5	85,5
Total	**57,5**	**74,1**	**63,3**	**40,6**	**91,1**

The types of benefits that employees are entitled to vary considerably by the number of hours they worked in a week. Table 4.19 indicates that between 2009 and 2010, those who worked 40 to 45 hours per week were more likely to have access to all benefits than people working less than 40 hours or more and up to 45 hours per week in total. In addition, Table 4.19 further shows that between 2009 and 2010 there was a decline in the number of people with access to benefits across all types of benefit except medical aid and written contract.

Figure 4.22: Employees with benefits by age, 2010 (formal sector non-agriculture)

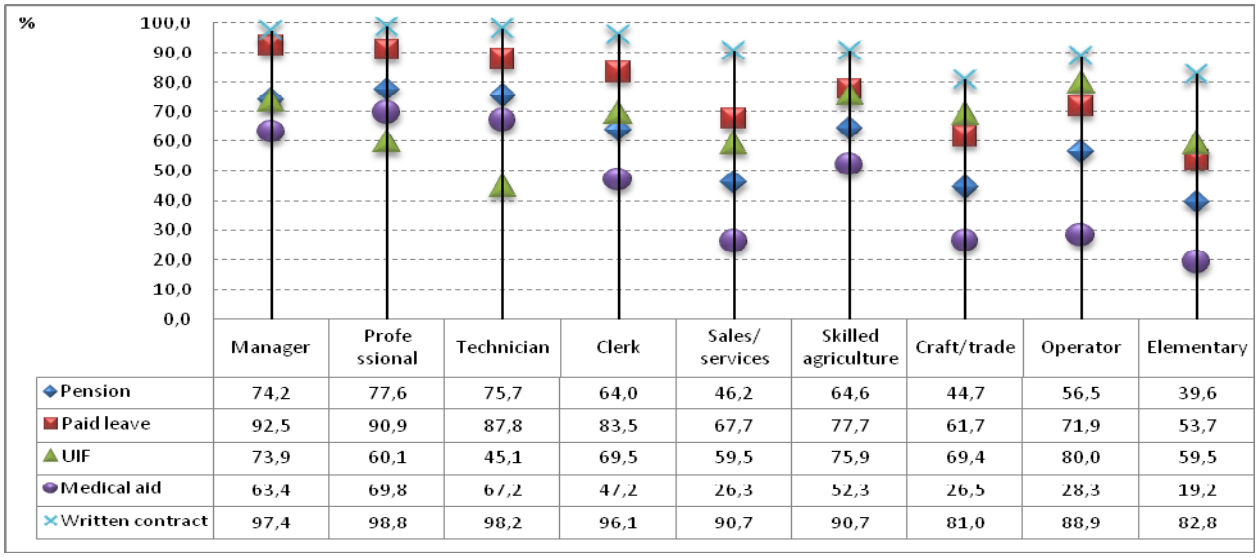


	Pension	Paid leave	UIF	Medical aid	Written contract
15-24yrs	30,6	53,5	63,0	19,3	82,4
25-34yrs	50,5	69,6	67,0	33,4	89,5
35-54yrs	66,5	80,4	61,5	48,4	93,5
55-64yrs	71,6	83,5	58,0	55,8	95,0

Figure 4.22 shows that in 2010, younger people (particularly those aged 15 to 24 years), were most likely to be working with fewer benefits than people in other age groups. One reason for this is related to the number of hours worked. As was previously indicated, a higher proportion of employees within this age group worked less than 29 hours per week compared to individuals in other age groups.

Access to benefits by occupation and industry

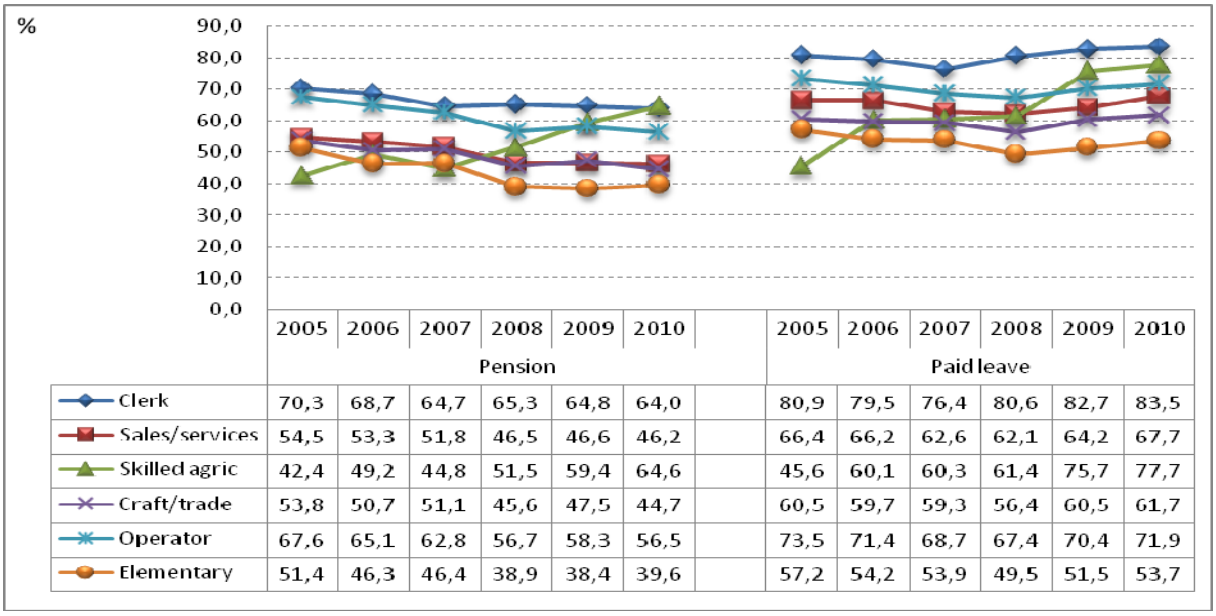
Figure 4.23: Employees with benefits by occupation, 2010 (formal sector non-agriculture)



	Manager	Professional	Technician	Clerk	Sales/ services	Skilled agriculture	Craft/trade	Operator	Elementary
Pension	74,2	77,6	75,7	64,0	46,2	64,6	44,7	56,5	39,6
Paid leave	92,5	90,9	87,8	83,5	67,7	77,7	61,7	71,9	53,7
UIF	73,9	60,1	45,1	69,5	59,5	75,9	69,4	80,0	59,5
Medical aid	63,4	69,8	67,2	47,2	26,3	52,3	26,5	28,3	19,2
Written contract	97,4	98,8	98,2	96,1	90,7	90,7	81,0	88,9	82,8

The lesser the skills that an occupation requires, the less likely it is that persons working in those occupations will be entitled to benefits. Figure 4.23 shows that employees without entitlements tend to be concentrated in lower skills occupations such as Elementary and Craft and related trade, followed by Plant and machine operator, Sales and services, and Clerical occupations. In the year 2010, persons in Elementary occupations were least likely to have access to all benefits, except UIF. This was followed by persons in Craft and related trade occupations. On the other hand, persons working in higher skilled occupations were most likely to have access to benefits such as a written contract, paid leave and pension. In 2010 Managers (74,2%), Professionals (77,6%) and Technicians (75,7%) were most likely to have access to pension benefits compared to persons working in Elementary (39,6%), Craft and related trade (44,7%) and Sales (46,2%) occupations. A similar pattern can also be observed in access to paid leave benefits, where Managers (92,5%), Professionals (90,9%) and Technicians (87,8%) were most likely to have paid leave compared to individuals in Elementary (53,7%), Craft and related trade (61,7%) and Sales (67,7%).

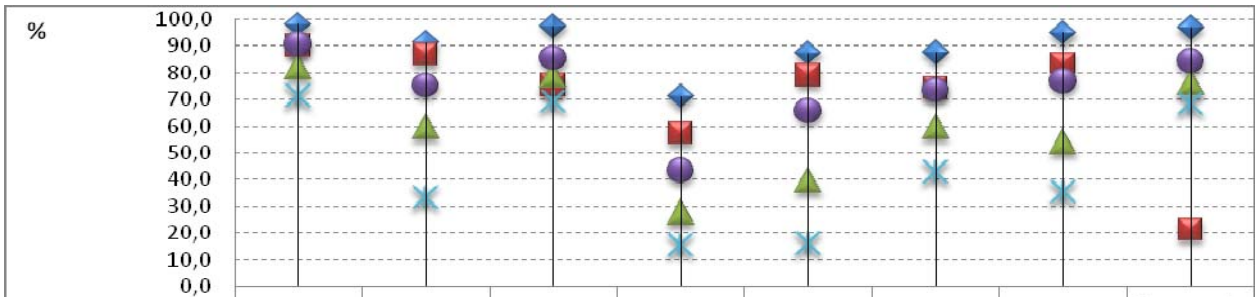
Figure 4.24: Occupation and access to benefits: pension and paid leave, 2005–2010



	Pension						Paid leave					
	2005	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009	2010
Clerk	70,3	68,7	64,7	65,3	64,8	64,0	80,9	79,5	76,4	80,6	82,7	83,5
Sales/services	54,5	53,3	51,8	46,5	46,6	46,2	66,4	66,2	62,6	62,1	64,2	67,7
Skilled agric	42,4	49,2	44,8	51,5	59,4	64,6	45,6	60,1	60,3	61,4	75,7	77,7
Craft/trade	53,8	50,7	51,1	45,6	47,5	44,7	60,5	59,7	59,3	56,4	60,5	61,7
Operator	67,6	65,1	62,8	56,7	58,3	56,5	73,5	71,4	68,7	67,4	70,4	71,9
Elementary	51,4	46,3	46,4	38,9	38,4	39,6	57,2	54,2	53,9	49,5	51,5	53,7

Figure 4.24 illustrates that since 2007, there was a decline in access to pension in clerical, sales, craft and related trade. On the other hand, a noticeable increase can be observed among persons working in skilled agriculture occupations over the last three years, while access to pension appears to have remained virtually unchanged within the same period of reporting for those working in elementary occupations. The period, 2008 to 2010 saw a slight increase in paid leave benefits across all above-mentioned occupations.

Figure 4.25: Employees with benefits by industry, 2010



	Mining	Manufacturing	Utilities	Construction	Trade	Transport	Finance	Community & social services
Written contract	98,0	91,3	97,4	71,2	87,2	87,6	94,9	96,8
UIF	90,0	86,8	75,4	57,3	78,9	74,2	83,5	21,1
Pension	81,7	59,5	78,6	27,6	39,4	59,5	54,0	76,1
Paid leave	90,5	75,2	85,4	43,2	65,7	73,5	76,8	84,5
Medical aid	71,4	33,3	69,3	15,3	16,0	42,8	35,3	68,4

In 2010, the proportion of employees without entitlements was lowest in three main industries: Construction, Trade, and Transport, with Construction being at the bottom of the three. As indicated in Figure 4.25, only 15,3% of employees working in Construction had access to medical aid, 27,6% had pension benefits and 43,2% were entitled to paid leave. The proportions of employees working within the three above-mentioned industries were also prone to be working without a written contract. Industries with the largest proportion of employees with pension, paid leave, and medical aid entitlements were Mining, Utilities and Community and social services[14].

[14] Note: The low percentage for UIF in Community and social services is due to the fact that government employees who make up a sizeable proportion in the industry are not entitled to UIF.

Summary and conclusion

The results indicate that employment levels in the country had been steadily increasing from 2005 to 2008. Since 2009, however, the country has experienced declines in employment that was defined by job losses across major industries such as Manufacturing and Trade. In addition, the highest rate of job losses continues to be highest among persons employed in low skilled occupations such as Craft and related trade and Plant and machine operators.

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

One of the main analyses in this chapter involved the assessment of benefits that employees were entitled to. In both 2009 and 2010, the most accessible benefit for employees was a written contract, followed by paid leave and UIF, while medical aid was recorded as the least accessible benefit. Figures in this chapter also showed that the period 2009 to 2010 has been characterised by a decline in access to pension and UIF benefits and that persons working fewer hours were less likely to be entitled to all types of benefits.

Gender disparities were apparent between employed men and women during the period 2005 to 2010; the proportion of employed men has consistently been higher than that of women. Further analysis also indicated that employed women were also less likely to have access to benefits compared to their male counterparts. Similarly, women were less likely to occupy high-level skills occupations such as managerial positions. However, education played a significant role in increasing the chances of women filling these positions. The results indicated that women with tertiary education were more likely to be in managerial occupations when compared to women without tertiary education. This suggests that education can be used as a tool to bridge the gender gap that exists within levels of occupations.

4.2 The formal/informal sector in South Africa

Key labour market concepts

Formal sector is defined as establishments that are registered for income tax, plus establishments that are not registered for income tax but employ more than five persons. It also includes employers and own-account workers who are registered for income tax or value added tax (VAT).

Informal sector is characterised firstly, by establishments that are not registered for income tax, or VAT and normally these establishments employs less than five people Secondly the informal sector comprises employers, own-account workers and persons helping unpaid in their household business who are not registered for income tax or VAT

Background

In the history of South African labour markets, the formal sector has been dominant. Informal sector employment on the other hand, is small and contributes 16,5% to the labour market and is survivalist in nature – and according to Fryer and Vencatachellum (2004) it is largely unskilled. It is usually an alternative when formal sector jobs are hard to find (Blaauw, 2005). It is also an alternative for vulnerable groups including women, and those with little or no education who have lost hope in finding work in the formal sector.

Although the informal sector is small, it is important as it can provide employment to the most vulnerable groups. It is also included in the estimates of GDP. Goods and services that are produced in this sector are completely legal and are aimed at providing employment and income (OECD, 2002).

Introduction

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

Employment by sector

Table 4.20: Employment by sector, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Formal	8 336	8 675	9 147	9 572	9 453	9 123
Informal	2 441	2 573	2 325	2 298	2 129	2 159
Agriculture	740	859	737	786	686	639
Private households	1 252	1 311	1 258	1 209	1 187	1 140
Total	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
	Annual Changes					
Formal		339	472	425	-119	-330
Informal		132	-247	-27	-170	30
Agriculture		119	-123	50	-100	-48
Private households		60	-53	-49	-22	-47
Total		**650**	**48**	**399**	**-411**	**-395**
	Annual rate of change (%)					
Formal		4,1	5,4	4,7	-1,2	-3,5
Informal		5,4	-9,6	-1,2	-7,4	1,4
Agriculture		16,1	-14,3	6,8	-12,7	-6,9
Private households		4,8	-4,0	-3,9	-1,8	-4,0
Total		**5,1**	**0,4**	**3,0**	**-3,0**	**-2,9**

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

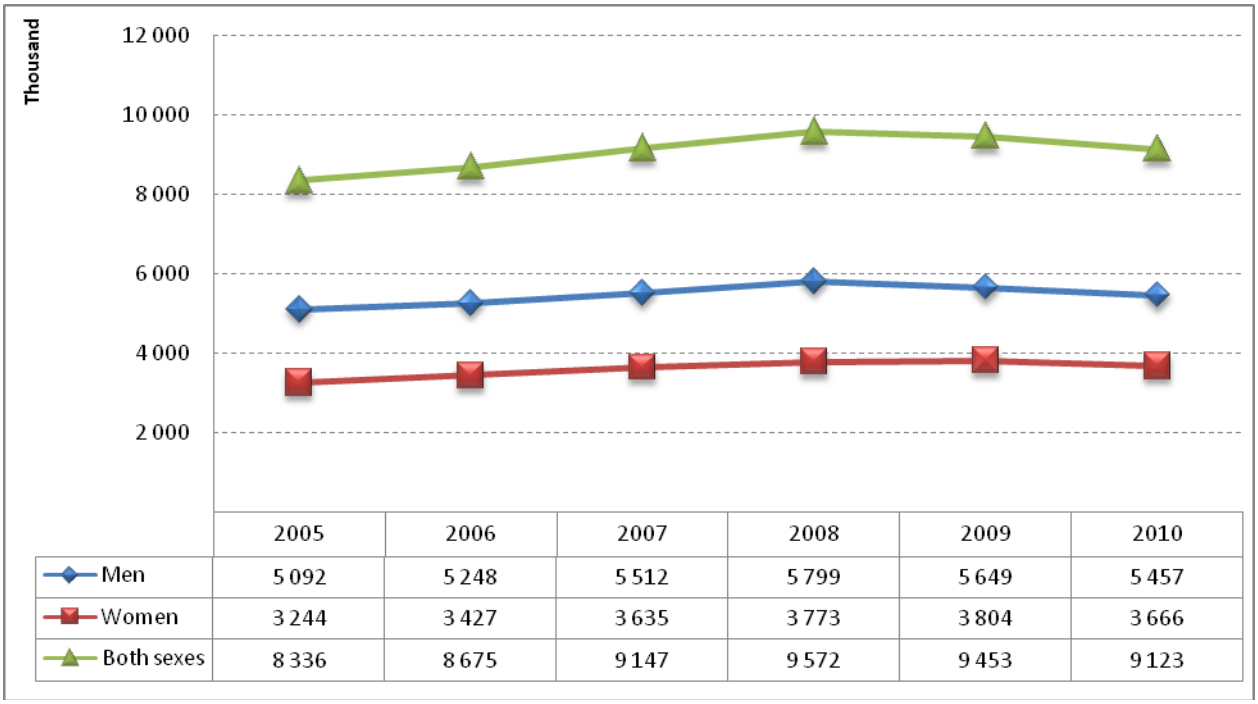
Employment in the formal sector contracted by 3,5% or 330 000 jobs in 2010. In the same period, informal sector increased by 1,4% or 30 000 jobs, after it had been declining in the previous three years.

In the year ended December 2010, employment in private households contracted by 4,0% after three successive contractions of 1,8%, 3,9% and 4,0 % in 2009, 2008 and 2007 respectively.

Employment in agriculture also contracted by 6,9% in the year ended December 2010. This was after it had contracted by 12,7% or 100 000 jobs in the year ended December 2009.

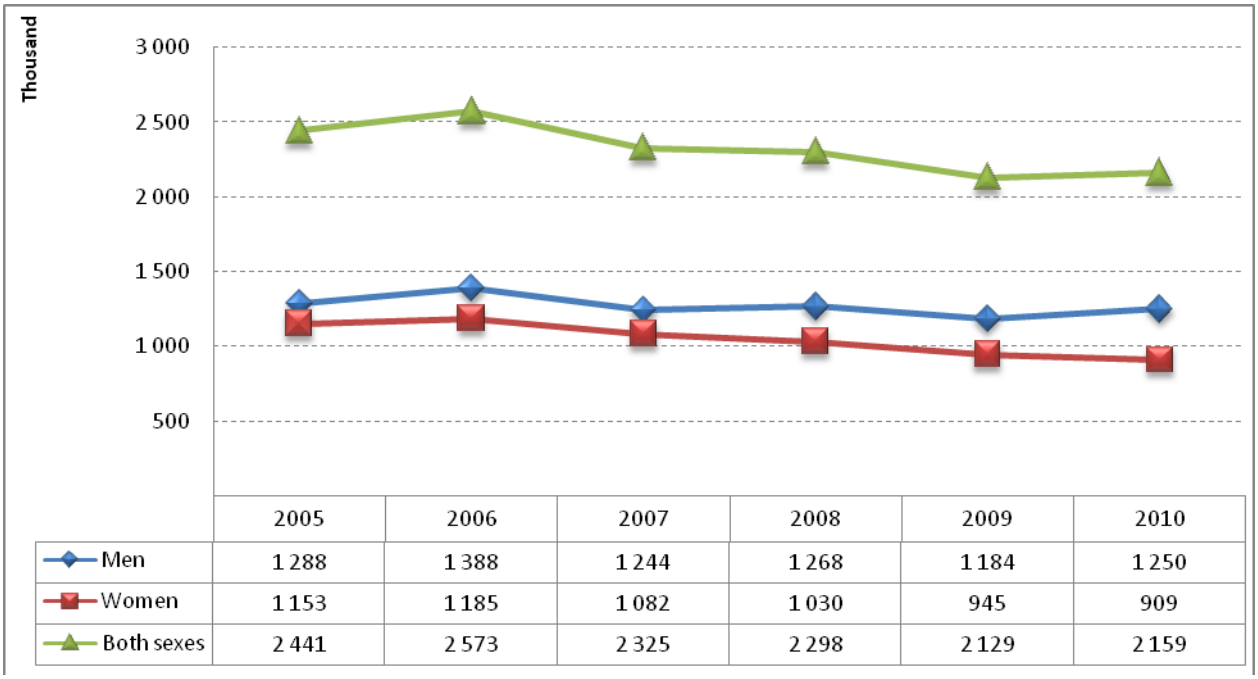
Employment by sector and sex

Figure 4.26: Formal sector employment by sex, 2005–2010



	2005	2006	2007	2008	2009	2010
Men	5 092	5 248	5 512	5 799	5 649	5 457
Women	3 244	3 427	3 635	3 773	3 804	3 666
Both sexes	8 336	8 675	9 147	9 572	9 453	9 123

Figure 4.27: Informal sector employment by sex, 2005–2010



	2005	2006	2007	2008	2009	2010
Men	1 288	1 388	1 244	1 268	1 184	1 250
Women	1 153	1 185	1 082	1 030	945	909
Both sexes	2 441	2 573	2 325	2 298	2 129	2 159

Figure 4.26 shows that after four successive years of growth in the formal sector, employment declined in the year ended December 2010 for both men and women. However, the number of men employed in the formal sector remained higher than that of women. The number of women employed in the formal sector increased from approximately 3,2 million in 2005 to approximately 3,8 million in 2009 and decreased in 2010.

On the other hand informal sector employment reached a peak for both men and women in 2006 but since then, employment for women in the informal sector has been decreasing while employment for men has been fluctuating between increases and decreases whilst still maintaining its level.

Table 4.21: Employment by sector and sex, 2009 and 2010

	Formal sector				Informal sector			
	2009	2010	change	% change	2009	2010	change	% change
	Thousand			Per cent	Thousand			Per cent
Men	5 649	5 457	- 192	-3,4	1 184	1 250	66	5,5
Women	3 804	3 666	- 139	-3,6	945	909	- 35	-3,7
Total	**9 453**	**9 123**	**- 330**	**-3,5**	**2 129**	**2 159**	**30**	**1,4**

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

In the year ended December 2010 formal sector employment among men contracted by 3,4 % or 192 000 jobs while that of women contracted by 3,6 % or 139 000 jobs.

On the other hand informal sector employment contracted among women by 3,7% but increased by 5,5% among men.

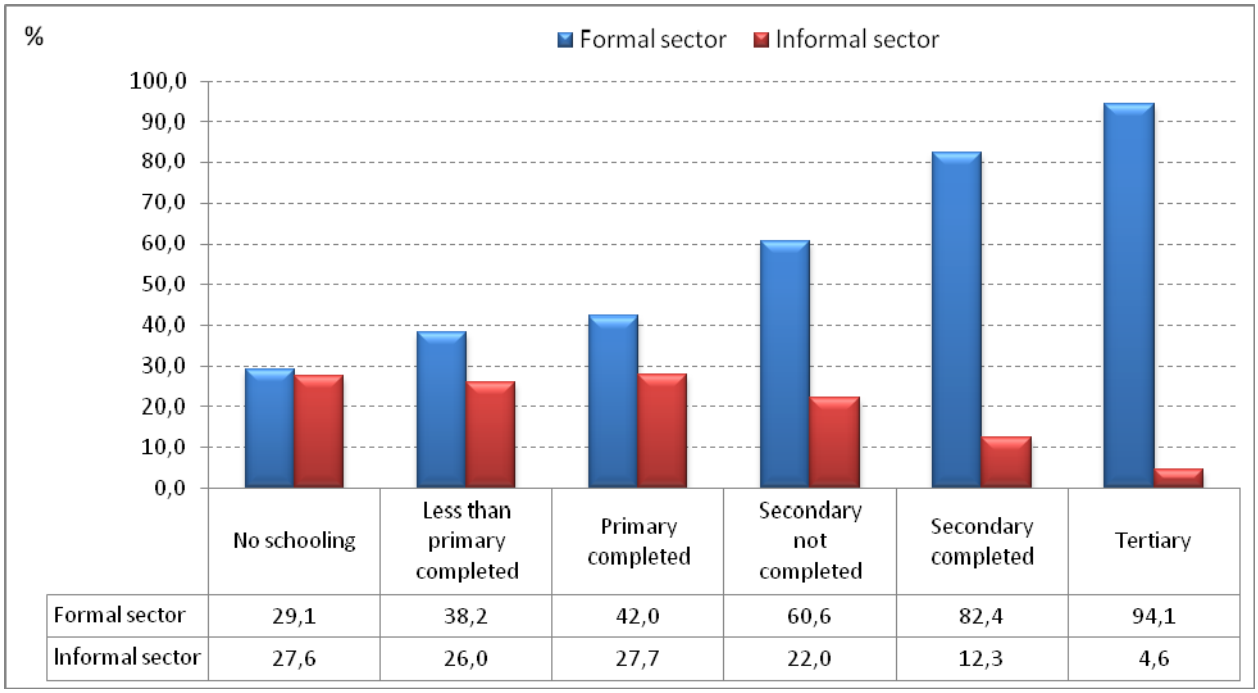
Formal and informal sector employment by education

Table 4.22: Formal and informal sector employment (excluding agriculture and private households) by education, 2009 and 2010

	Formal sector			Informal sector		
	2009	2010	% change	2009	2010	% change
	Thousand		Per cent	Thousand		Per cent
No schooling	149	115	-22,8	125	109	-13,1
Less than primary completed	504	421	-16,4	315	286	-9,2
Primary completed	324	265	-18,2	159	175	10,2
Secondary not completed	2 719	2 608	-4,1	941	945	0,4
Secondary completed	3 287	3 273	-0,4	471	488	3,7
Tertiary	2 376	2 326	-2,1	90	114	26,9
Total	**9 453**	**9 123**	**-3,5**	**2 129**	**2 159**	**1,4**

Table 4.22 shows that in the year ended 2010 employment contracted among all levels of education attainment in the formal sector with tertiary education decreasing by 2,1%. In contrast, informal sector increased, except for the no schooling and less than primary completed categories. The tertiary category increased by 26,9%, although this should be treated with caution since the base (90 000) is small. Those without schooling suffered the most in the formal sector since it contracted by 22,8% and decreased by 13,1% among those in the informal sector.

Figure 4.28: Formal and informal sector employment (excluding agriculture and private households) by education, 2010



	No schooling	Less than primary completed	Primary completed	Secondary not completed	Secondary completed	Tertiary
Formal sector	29,1	38,2	42,0	60,6	82,4	94,1
Informal sector	27,6	26,0	27,7	22,0	12,3	4,6

Note: Percentages were calculated based on total employment, which includes agriculture and private households

Figure 4.28 shows that among those with tertiary education, 94,1% were employed in the formal sector and only 4,6% were employed in the informal sector in 2010. As educational attainment increases, the likelihood of being in the formal sector increases, and the likelihood of being in the informal sector decreases.

Informal sector employment by population group

Table 4.23: Formal and informal sector employment by population group (numbers), 2005–2010

	2005	2006	2007	2008	2009	2010
Formal sector			**Thousand**			
Black African	4 972	5 284	5 738	6 022	5 935	5 705
Coloured	1 090	1 125	1 136	1 172	1 167	1 118
Indian/Asian	388	406	398	429	420	453
White	1 886	1 859	1 874	1 950	1 931	1 847
Total	**8 336**	**8 675**	**9 147**	**9 572**	**9 453**	**9 123**
Informal sector						
Black African	2 172	2 280	2 065	2 007	1 848	1 864
Coloured	127	146	125	146	154	148
Indian/Asian	40	44	36	37	37	46
White	102	102	100	108	89	101
Total	**2 441**	**2 573**	**2 325**	**2 298**	**2 129**	**2 159**

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

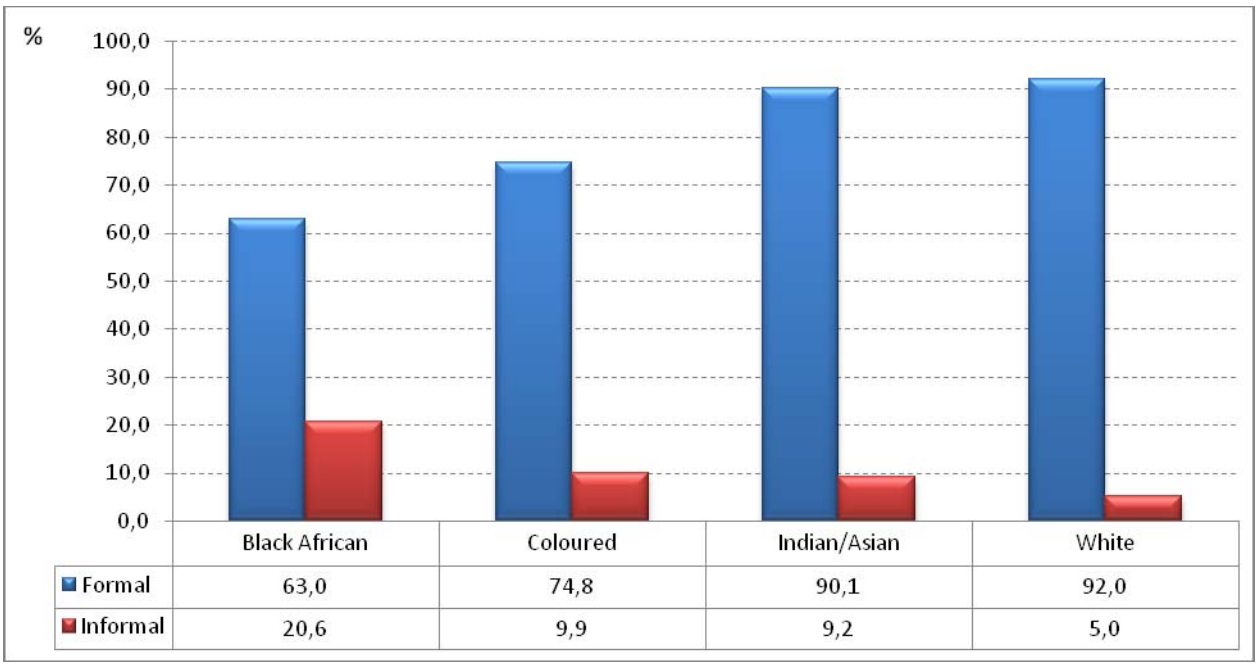
Table 4.24: Formal and informal sector employment by population group (percentages), 2005–2010

	2006	2007	2008	2009	2010
Formal sector	**Annual percentage change**				
Black/African	6,3	8,6	4,9	-1,4	-3,9
Coloured	3,2	1,0	3,1	-0,4	-4,2
Indian/Asian	4,8	-2,0	7,8	-2,1	7,8
White	-1,4	0,8	4,0	-1,0	-4,3
Total	4,1	5,4	4,7	-1,2	-3,5
Informal sector	**Annual percentage change**				
Black/African	5,0	-9,5	-2,8	-7,9	0,9
Coloured	15,1	-14,8	16,8	5,7	-3,7
Indian/Asian	12,2	-18,2	3,1	0,3	23,4
White	0,1	-2,0	8,0	-17,2	13,0
Total	5,4	-9,6	-1,2	-7,4	1,4

Tables 4.23 and 4.24 show that formal sector employment among black Africans grew from approximately 5 million in 2005 to approximately 5,7 million in 2010. However, in the year ended December 2010, employment among black Africans in the formal sector contracted by 3,9% or 230 000 jobs when compared with the year ended December 2009. Formal sector employment increased by 7,8% among Indians/Asians in 2010, while, their employment in the informal sector increased by 23,4%.

Formal sector employment among the coloured population decreased by 4,2% between 2009 and 2010, and their informal sector employment also decreased by 3,7% in the same period and this was after a 5,7% growth in the previous year.

Figure 4.29: Distribution of formal and informal sector employment by population group as a percentage of total employment, 2010



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

About 63,0% of the black Africans were working in the formal sector in 2010 and 20,6% were employed in the informal sector. On the other hand only 5,0% of the employed white population were working in the informal sector compared to 9,2% of Indian/Asians.

Formal and informal sector employment by age

Table 4.25: Formal and informal sector employment by age, 2009 and 2010

	Formal				Informal			
	2009	2010	Change	% change	2009	2010	Change	% change
	Thousand			Per cent	Thousand			Per cent
15-24 yrs	1 012	899	- 113	-11,2	275	255	-20	-7,3
25-34 yrs	3 265	3 102	- 163	-5,0	717	745	28	3,9
35-44 yrs	2 598	2 642	44	1,7	577	571	-6	-1,1
45-54 yrs	1 807	1 738	- 69	-3,8	386	403	18	4,6
55-64 yrs	772	742	- 29	-3,8	174	185	11	6,5
Total	**9 453**	**9 123**	**- 330**	**-3,5**	**2 129**	**2 159**	**30**	**1,4**

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

Table 4.25 shows that the biggest contributor to the overall decline of 330 000 jobs was the youth between the ages of 25 and 34 years which declined by 163 000 jobs in the formal sector between 2009 and 2010, with the 15-24 age category showing the biggest relative decline .Formal sector employment among the 35-44 year age group grew by 1,7%.

Informal sector employment increased in all age category except 15–24 and 35–44 years, which decreased by 7,3% and 1,1% respectively.

Formal and informal sector employment by province

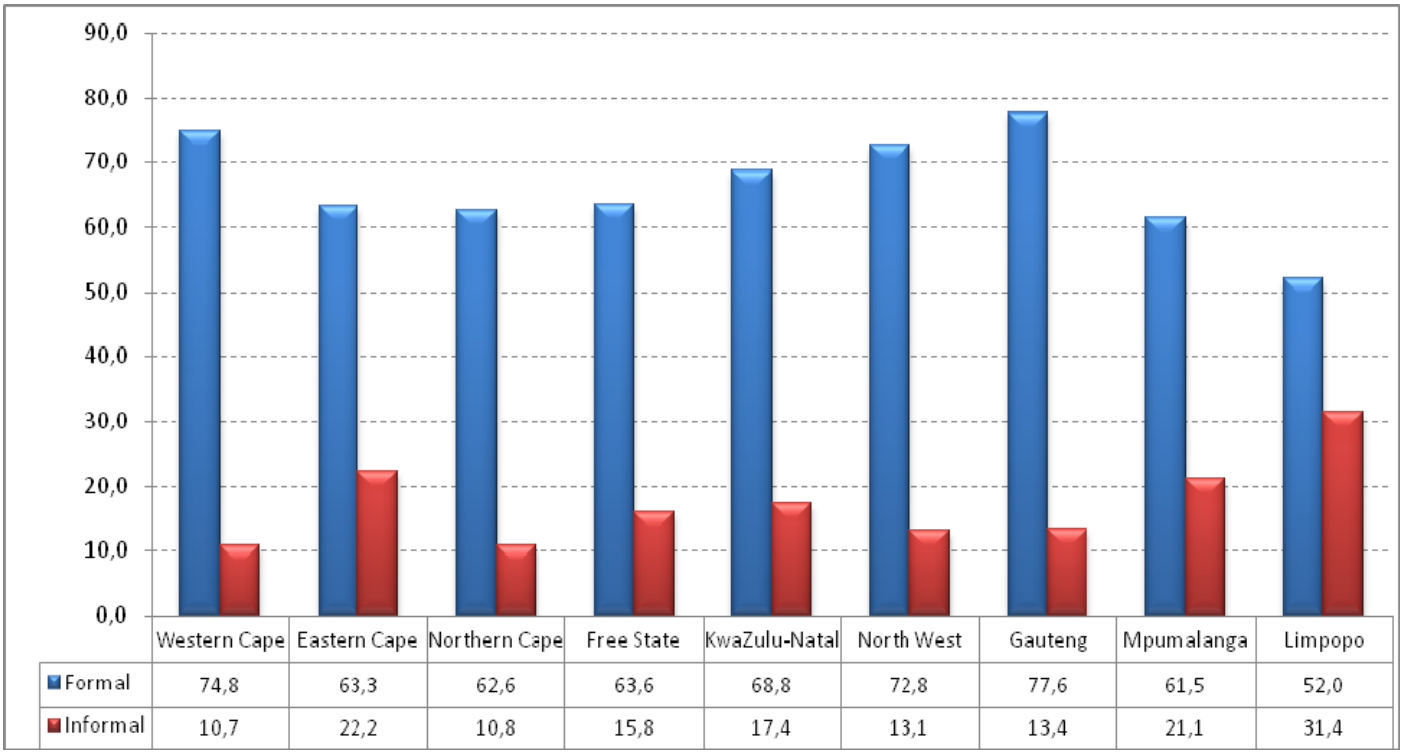
Table 4.26: Formal and informal sector employment by province, 2009 and 2010

	Formal sector				Informal sector			
	2009	2010	Change	% change	2009	2010	Change	% change
	Thousand			Per cent	Thousand			Per cent
Western Cape	1 384	1 339	- 45	-3,3	185	192	7	3,9
Eastern Cape	830	819	- 11	-1,3	286	287	1	0,5
Northern Cape	174	170	- 5	-2,7	28	29	1	4,8
Free State	478	493	15	3,2	131	123	- 8	-6,1
KwaZulu-Natal	1 692	1 679	- 13	-0,8	464	425	- 39	-8,5
North West	551	527	- 24	-4,3	101	95	- 6	-6,1
Gauteng	3 247	3 068	- 179	-5,5	480	529	49	10,2
Mpumalanga	560	545	- 15	-2,7	199	188	- 11	-5,7
Limpopo	536	482	- 54	-10,0	255	291	36	14,3
South Africa	**9 453**	**9 123**	**- 330**	**-3,5**	**2 129**	**2 159**	**30**	**1,4**

Formal sector employment decreased in all provinces except Free State where it increased by 3,2% or 15 000 jobs. Gauteng lost, by far, the most jobs and Limpopo suffered the largest **relative** decline.

The hardest hit provinces with job losses in the informal sector were Gauteng, KwaZulu-Natal, and Limpopo. Most of the provinces had an increase in the informal sector employment resulting in the number of jobs being created: with Gauteng creating 49 000 more jobs, followed by Limpopo which created 10,2% or 36 000 jobs between the year 2009 to 2010.

Figure 4.30: Formal and informal sector employment by province as a percentage of total employment, 2010



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
Formal	74,8	63,3	62,6	63,6	68,8	72,8	77,6	61,5	52,0
Informal	10,7	22,2	10,8	15,8	17,4	13,1	13,4	21,1	31,4

Note: Percentages were calculated based on total employment (which includes agriculture and private households), but the chart or figure above excludes agriculture and private households hence the percentages do not add up to 100

Figure 4.30 shows that the formal sector contributed 77,6% to total employment in Gauteng and 74,8 % to that of Western Cape, while the informal sector contributed only between 13,4% and 10,7% to the total employment of these two provinces.

Formal and informal sector employment by industry

Table 4.27: Formal and informal sector employment 2009 and 2010

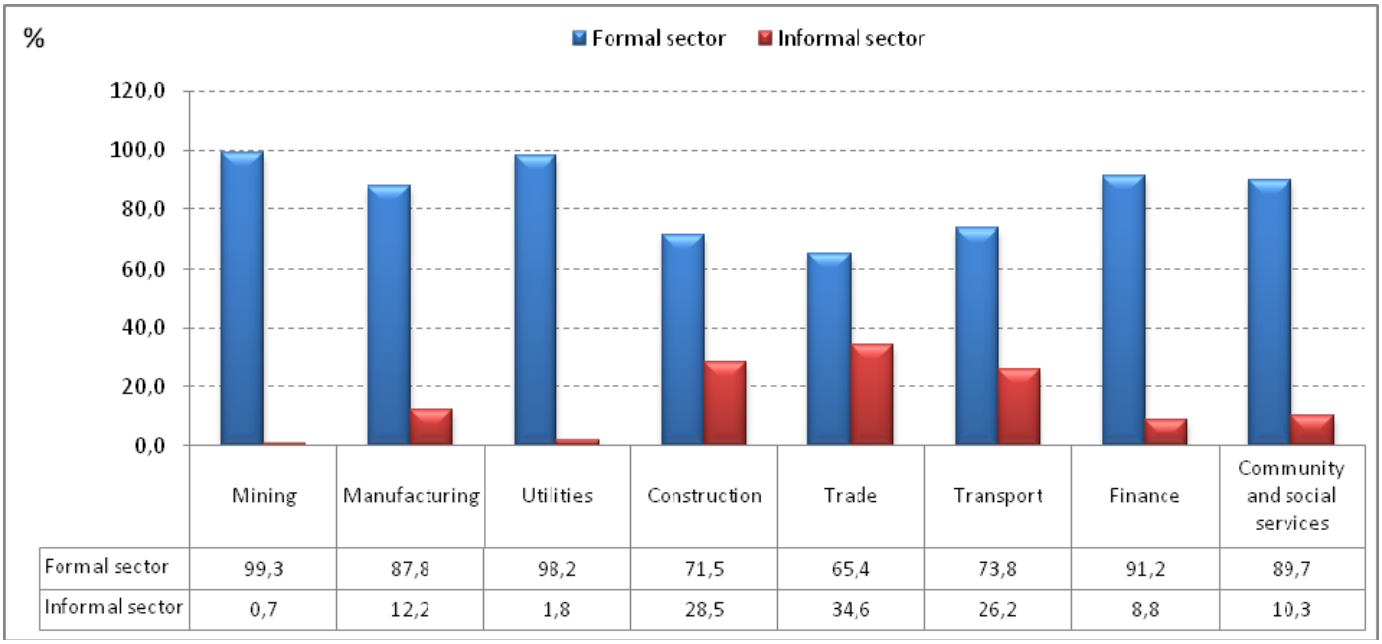
	Formal				Informal			
	2009	2010	change	% change	2009	2010	change	% change
Industry	Thousand			Per cent	Thousand			Per cent
Mining	315	303	-12	-3,9	2	2	0	7,9
Manufacturing	1 652	1 527	-125	-7,5	202	212	10	5,1
Utilities	95	89	-6	-6,8	3	2	-1	-36,9
Construction	847	758	-89	-10,6	285	302	17	5,9
Trade	1 975	1 915	-60	-3,0	999	1 011	12	1,2
Transport	566	571	6	1,0	199	203	4	2,2
Finance and other business services	1 629	1 511	-118	-7,3	139	145	6	4,5
Community and social services	2 370	2 445	76	3,2	300	282	-19	-6,2
Total	**9 453**	**9 123**	**-330**	**-3,5**	**2 129**	**2 159**	**30**	**1,4**

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

In the year ended December 2010 formal sector employment contracted in all industries except in community and social services (which includes government), and transport which created 3,2% and 1,0% jobs respectively. Construction was the hardest hit industry which contracted by 10,6% or 89 000 jobs followed by manufacturing which lost 7,5% or 125 000 jobs

On the other hand informal sector employment increased in all industries except in the Community and social services, and Utilities industries which decreased by 19 000 and 1 000 jobs respectively; with Construction and Trade creating 17 000 and 12 000 jobs respectively between the year 2009 and 2010.

Figure 4.31: Formal and informal sector employment (excluding agriculture and private households) by industry, 2010



	Mining	Manufacturing	Utilities	Construction	Trade	Transport	Finance	Community and social services
Formal sector	99,3	87,8	98,2	71,5	65,4	73,8	91,2	89,7
Informal sector	0,7	12,2	1,8	28,5	34,6	26,2	8,8	10,3

Figure 4.31 shows that the formal sector accounted for 99,3% of total employment in the Mining industry while Utilities accounted for 98,2%. The informal sector accounted for relatively high proportions of total employment in the Trade, Construction and Transport industries.

Summary and conclusion

After three successive years of growth from 2006 to 2008, employment in the formal sector contracted by 1,2% between 2008 and 2009 and contracted again with 3,5% between 2009 and 2010. Informal sector employment contracted by 1,4% between 2009 and 2010 after declining in the previous three consecutive years.

Men accounted for the largest portion of both formal and informal sector employment. There was a greater chance of people being employed in the formal sector as their level of education increases rather than informal sector. Between 2009 and 2010 about 2,1% of those with tertiary education have lost their jobs in the formal sector of the economy while 26,9% were employed in the informal sector. Among Indian/Asian and white population groups, informal sector employment increased by 23,4% and 13,0% respectively

Between 2009 and 2010, formal sector employment decreased across all provinces except Free State where it increased by 3,2% or 15 000 jobs.

Between 2009 and 2010, formal sector employment contracted in all industries except in community and social services, and transport which grew by 3,2% and 1,0% respectively. The informal sector gained jobs across all industries except Community and social services, and Utilities

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4.3 Monthly earnings of South Africans

Key labour market concepts

Status in employment
There are four statuses in employment which, when added together, are equal to the employed.

Employee: A person who works for a public sector or private sector employer and receives remuneration in wages, salary, commission, tips, piece-rates or pay in kind.

Employer: (employing one or more employees): a person who operates his/her own economic enterprise or engages independently in a profession or trade, and hires one or more employees.

Own-account worker: (not employing any employees): a person who operates his/her own economic enterprise or engages independently in a profession or trade, and hires no employees.

Unpaid in a household business: Because these workers are not paid, they are excluded from the earnings questions.

Employed persons are those aged 15-64 years who, during the reference week: did any work for at least one hour; or had a job or business to go back to but were not at work (temporarily absent).

Distributions:

Top 5 (or 10 or 25) %: The earnings level at which 5% (or 10% or 25%) of all of the records have higher earnings.

Bottom 5 (or 10 or 25) %: The earnings level at which 5% (or 10% or 25%) of all the records have lower earnings

Median: when the QLFS records are arranged from the one with the lowest earnings to the one with the highest, the median is the record where half the records have lower earnings than the median and half the records have higher earnings.

Distinguishing between earnings and incomes:

What the QLFS measures are the gross earnings of employees and the net earnings of employers and own-account workers. It is essential to distinguish this concept or earnings from the concept of income.

- Income is inclusive; it covers all sources of household revenue and includes not only earnings but also grants, other sources of revenue from government such as UIF, as well as investment income.
- Income is generally measured at the household level (household income) while earnings are usually, as is the case here, measured for individual employed persons.

The degree of inequality observed in earnings distributions is almost certain to be less than the degree of inequality observed in income distributions. There are two reasons for this:

- The entire population aged 15 years and over is included in the income statistics, not just the employed population. The not employed portion of the population (about 60% of the population) will generally have much lower incomes because they have no earnings.
- People at the high end of the earnings distribution are more likely to also have investment income.

It is appropriate to compare the degree of inequality between income and earnings distributions if the objective is to measure that difference. However, it is inappropriate to judge the validity of income data or earnings data by comparing the two.

Background

Stats SA added earnings questions to the QLFS questionnaire from the third quarter of 2009. This was done with the aim of producing relative earnings data and earnings distributions. Relative earnings relate to the comparisons of the earnings of one socio-demographic group with earnings of other groups, for example, female to male earnings ratios, population group ratios, and so forth, while earnings distributions measure inequality in the earnings distribution of any socio-demographic group, for example, are the earnings of men more unequally distributed than the earnings of women, or how does earnings inequality vary by province.

Because of their superiority when describing the distribution of earnings, and because of their much greater stability through time, Stats SA will use only medians and other quintiles in published data.

Introduction

The analysis in this section of the chapter focuses on relative earnings and earnings distributions. The analysis will be done by demographic characteristics (sex, age and population group) as well as by industry, occupation and province.

Distinguishing properties of medians and means

The two most frequently used statistics for summarising distribution data are the median and the mean.

The **median** is the earnings level that divides the population in half. The median says that half the population earns less than the median and half earns more.

The **mean** (or average) is the sum of all the earnings in the population divided by the number of people receiving those earnings.

To better appreciate the distinction between the median and the mean: take the two hypothetical and extremely simplistic distributions of monthly earnings shown in Figures A and B below.

Figure A: Individual monthly earnings (Rand)

106	220	376	412	566	670	752	867	978	1113	1693	1289	1360	1551	1692
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Mean = R 910
Median = R 867

Figure B: Individual monthly earnings (Rand)

106	220	376	412	566	670	752	867	978	1113	1693	1289	1360	**2296**	**3289**
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Mean = R 1 066
Median = R 867

The earnings in Figure B are the same as in Figure A, except that last two records have substantially higher earnings.
The presence of additional earnings in these two records changes the mean from R910 to R1 066 while leaving the median unchanged.

The mean suggests that something significant has happened in the earnings distribution but the median implies that most earners are not better off – a more appropriate representation of reality.

The vulnerability of the mean to being substantially affected by just a few extremely high earnings records is why the mean is so unstable from quarter to quarter. With the QLFS, one quarter of the sample is replaced each quarter and so the entrance or departure of high earning respondents moves the mean back and forth but not the median.

How to interpret medians and other quintiles

Tables and figures in this report generally have the following layout to portray the shape of the earnings distribution.

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand						
South Africa	11 012	600	850	1 500	2 900	6 999	13 000	17 500

The median of R2 900 indicates that half of the employees earned less than R2 900 and the other half earned more than R2 900.The number R600 under “Bottom 5%” indicates that 5% of employees earned R600 or less. Similarly, the number R17 500 indicates that the top 5% of all employees earned R17 500 or more. The other headings (e.g. “Bottom 25%”) can be interpreted in the same way.

It should be also be noted that for both the “Bottom” and the “Top”, the 25% levels include the 10% and 5% level and the 10% level includes the 5% level.

Table 4.28: Distribution of monthly earnings by status in employment, 2010

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand						
Total	**12 926**	**500**	**800**	**1 500**	**3 000**	**7 000**	**13 500**	**19 000**
Employees	11 012	600	850	1 500	2 900	6 999	13 000	17 500
Employers	701	700	1 200	3 000	7 916	15 166	35 000	60 000
Own-account workers	1 212	250	433	866	1 950	4 500	10 000	16 000

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

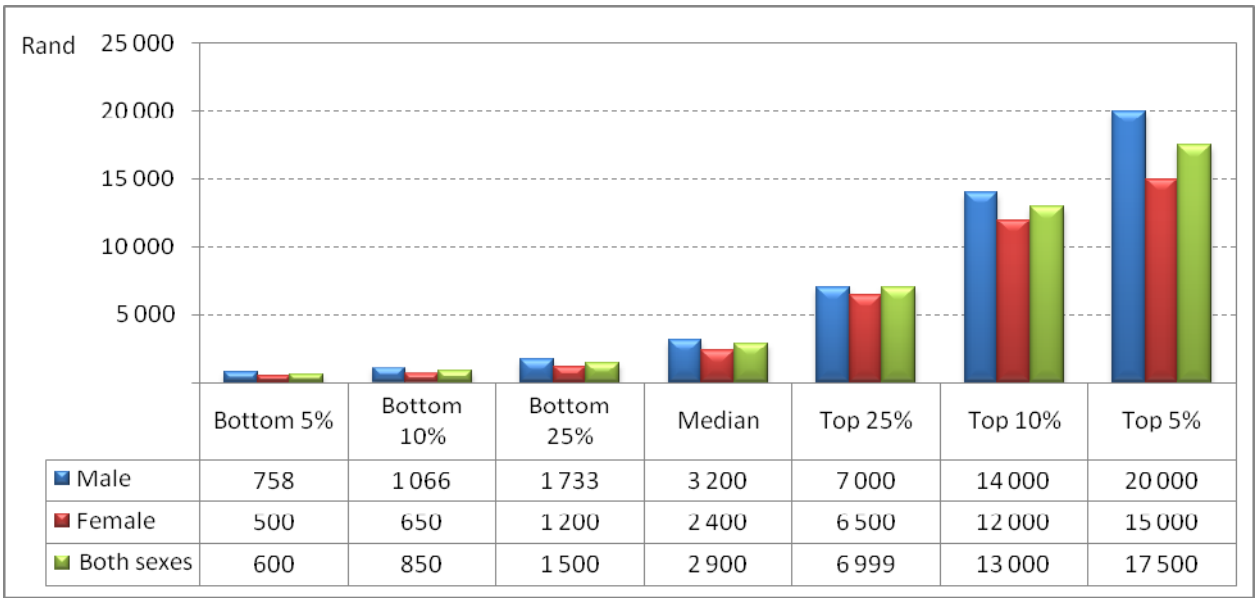
Table 4.28 shows that of the 12,9 million paid workers in 2010; 11,1 million (or 85,2%) were employees, while own-account workers and employers accounted for 9,4% and 5,4% of total paid employment respectively. The median monthly earnings were highest for employers at R7 916, followed by employees with their median at R2 900 and the lowest median monthly earnings were observed among the own-account workers at R1 950.

The analysis based on Table 4.28 has shown that the shapes of the distributions of employers and own-account workers differ substantially from those of employees. (The distributions of employers and own-account workers also differ substantially from each other.)

Analysis based on all the employed would therefore yield less informative information on the relationship between socio-demographic characteristics and earnings since these relationships are different for each status in employment. The analysis that follows will therefore be based on employees only.

Median earnings by sex

Figure 4.32: Distribution of monthly earnings for employees by sex, 2010

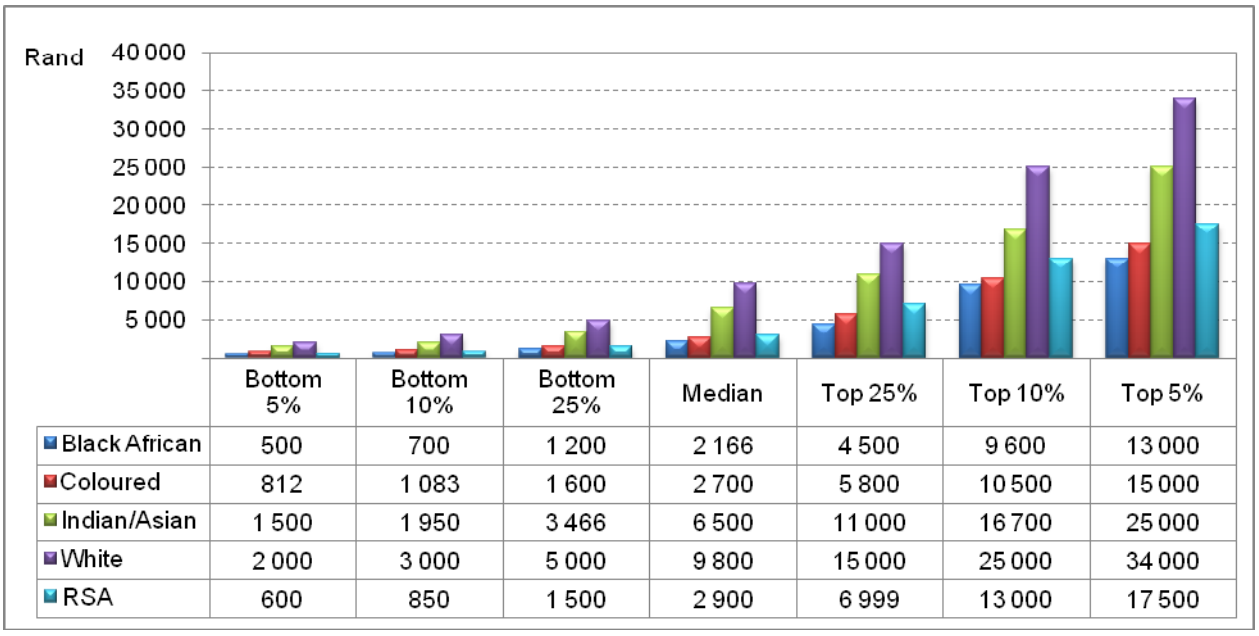


	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
Male	758	1 066	1 733	3 200	7 000	14 000	20 000
Female	500	650	1 200	2 400	6 500	12 000	15 000
Both sexes	600	850	1 500	2 900	6 999	13 000	17 500

Figure 4.32 shows that in 2010, employees who were in paid employment had median monthly earnings of R2 900. The median earnings for men (R3 200) were higher than that for women (R2 400) – women in paid employment earned 75,0% of the R3 200 median earnings of their males counterparts. In the bottom 10% women earn R650 or less per month while their male counterparts earn R1 066 or less. In the top 10% women earn R12 000 or more compared men who earn R14 000 or more per month.

Median earnings by population group, employees

Figure 4.33: Distribution of monthly earnings for employees by population group, 2010

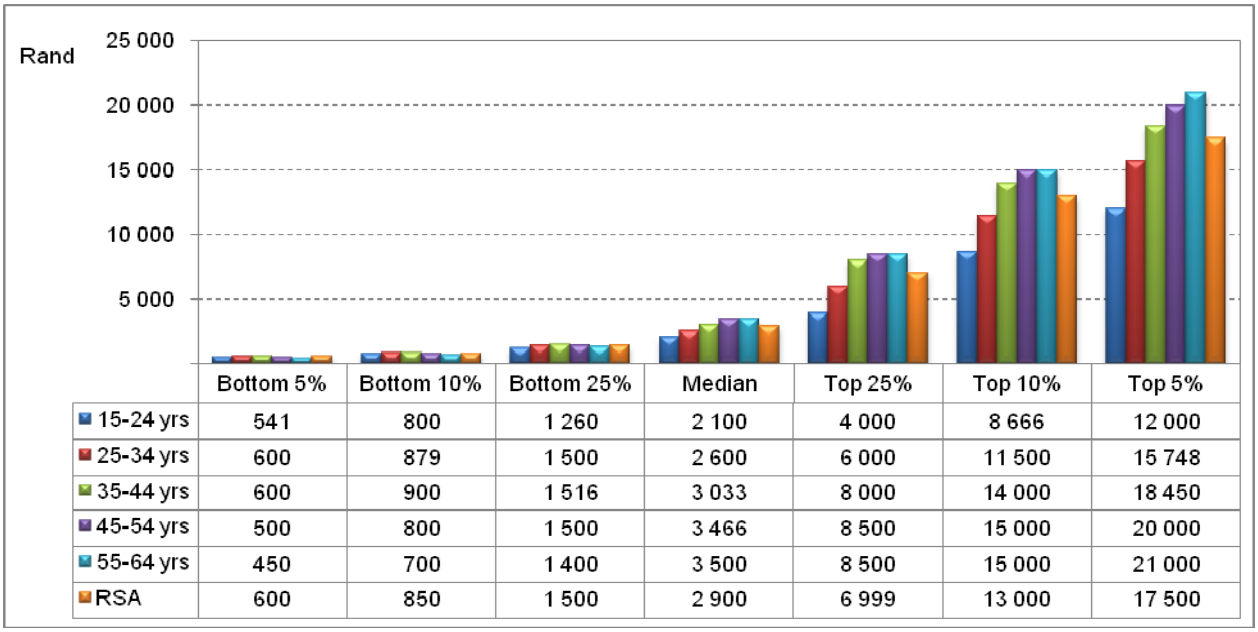


	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
Black African	500	700	1 200	2 166	4 500	9 600	13 000
Coloured	812	1 083	1 600	2 700	5 800	10 500	15 000
Indian/Asian	1 500	1 950	3 466	6 500	11 000	16 700	25 000
White	2 000	3 000	5 000	9 800	15 000	25 000	34 000
RSA	600	850	1 500	2 900	6 999	13 000	17 500

Figure 4.33 indicates that the median monthly earnings of white (R9 800) and Indian/Asian (R6 500) employees were substantially higher than the median monthly earnings of their coloured and (R2 700) and black African (R2 166) counterparts. Black Africans earned 22,1% of what the white population earned; 33,3% of what Indian/Asians earned; and 80,2% of what the coloured population earned. In the bottom 5% black Africans earn R500 or less per month while the white population earned R2 000 or less per month, the top 5%, black Africans earned R13 000 or more compared to the white population who earned R34 000 or more per month.

Median earnings by age, employees

Figure 4.34: Distribution of monthly earnings for employees by age, 2010



	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
15-24 yrs	541	800	1 260	2 100	4 000	8 666	12 000
25-34 yrs	600	879	1 500	2 600	6 000	11 500	15 748
35-44 yrs	600	900	1 516	3 033	8 000	14 000	18 450
45-54 yrs	500	800	1 500	3 466	8 500	15 000	20 000
55-64 yrs	450	700	1 400	3 500	8 500	15 000	21 000
RSA	600	850	1 500	2 900	6 999	13 000	17 500

Figure 4.34 indicates that the median monthly earnings for paid employees generally increased with age in 2010. The lowest median earnings was observed among employees aged 15–24 years (R2 100) and the highest was observed among employees aged 55–64 years (R3 500).

Employees in the prime age group (25–54 years) who were in the bottom 25% of the earnings scale earned R1 500 or less per month while those in the younger or older ages earned R1 400 or less.

When comparing the youngest (15–24 years) and the oldest (55–64 years) employees, in the bottom 5% the younger employees earned more than the older employees, but in the top 5%, older employees earned more than the younger ones. Specifically, those aged 15–24 earned R12 000 per month while those aged 55–64 years earned R21 000 per month.

Distribution of earnings by province, employees

Table 4.29: Distribution of monthly earnings by province, 2010

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand						
South Africa	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Western Cape	1 604	950	1 213	1 733	2 816	6 000	12 000	17 000
Eastern Cape	1 074	480	600	1 200	2 253	5 500	11 450	15 000
Northern Cape	249	520	800	1 213	2 007	5 800	11 000	15 000
Free State	666	433	600	1 040	2 000	5 200	11 500	16 000
KwaZulu-Natal	2 044	500	750	1 300	2 500	6 000	12 000	16 000
North West	627	600	800	1 386	3 000	6 066	12 000	15 600
Gauteng	3 326	866	1 200	2 000	3 750	8 500	15 000	20 800
Mpumalanga	724	600	800	1 400	2 800	7 700	13 000	18 000
Limpopo	699	400	550	900	1 800	4 400	11 000	14 800

Table 4.29 shows that of the 11 012 000 paid employees in South Africa, those in the bottom 5% had monthly earnings that were R600 or less. In contrast, the top 5% had monthly earnings that were R17 500 or more.

Median earnings was highest for 3,3 million employees in Gauteng at R3 750, followed by North West at R3 000, Western Cape at R2 816 and Mpumalanga at R2 800. The 699 000 employees in Limpopo had the lowest median earnings, at R1 800, followed by Free State at R2 000, and Northern Cape at R2 007.

Earnings by occupation, employees

Table 4.30: Distribution of monthly earnings by occupation, 2010

Occupation	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand						
All Occupations	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Manager	626	2 000	3 200	6 000	11 000	18 000	31 000	50 000
Professional	649	1 500	2 700	6 000	10 600	17 300	28 000	35 000
Technician	1 333	1 200	1 733	3 206	7 800	12 000	16 000	20 000
Clerk	1 414	1 040	1 500	2 400	4 500	8 000	12 000	15 000
Sales and services	1 539	600	900	1 516	2 500	4 400	9 000	12 000
Skilled agriculture	45	500	693	1 083	1 900	5 598	15 000	16 700
Craft and related trade	1 210	800	1 083	1 733	3 000	5 200	10 000	15 000
Plant and machine operator	1 064	850	1 120	1 733	3 000	4 502	7 000	9 300
Elementary	2 254	450	600	1 040	1 516	2 600	4 485	5 700
Domestic worker	879	300	411	650	1 000	1 500	2 000	2 500

Table 4.30 shows that monthly earnings were highest among managers and lowest among elementary workers including domestic workers. The managers had median monthly earnings of R11 000 while elementary employees had median monthly earnings of R1 516.

The difference in earnings seems to be higher among the top occupations. For example, the top 10% of managers earn R31 000 or more per month, while the bottom 10% managers earn R3 200 or less per month.

Table 4.31: Median monthly earnings by occupation and sex, 2010

	No. of employees (Thousand)		Median earnings (Rand)		Women-to-men ratio earnings
	Women	Men	Women	Men	
All occupations	**4 848**	**6 165**	**2 400**	**3 200**	0,75
Manager	212	415	9 000	12 000	0,75
Professional	309	340	10 000	12 000	0,83
Technician	748	585	7 500	8 000	0,94
Clerk	972	441	4 000	5 000	0,80
Sales and services	647	892	2 000	2 800	0,71
Skilled agriculture	16	29	1 560	2 166	0,72
Craft and related trade	130	1 080	2 067	3 000	0,69
Plant and machine operator	145	918	1 950	3 033	0,64
Elementary	824	1 430	1 451	1 630	0,89
Domestic worker	844	35	1 000	996	1,00

The earnings gap between women and men is evident in all occupations except domestic work. Overall, women had median monthly earnings of R4 848 or about 75% of the R6 615 median earnings of their male counterparts.

Among managers, women with a median earnings of R9 000 earned 75% as much as men managers with median monthly earnings of R12 000. The biggest gap between women and men is among plant and machine operator employees. The gap between the two groups narrows among technicians where women earn 94% as much as their male counterparts.

Earnings by industry, employees

Table 4.32: Distribution of monthly earnings by industry, 2010

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand						
All Industries	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Agriculture	572	500	700	1 000	1 278	1 560	2 800	4 766
Mining	303	1 200	1 800	3 033	5 000	9 549	16 000	21 000
Manufacturing	1 524	866	1 200	1 800	3 250	6 283	12 700	17 763
Utilities	88	1 000	1 500	2 700	6 000	11 100	18 000	23 333
Construction	800	470	800	1 500	2 400	4 000	9 000	13 000
Trade	1 978	750	1 000	1 600	2 500	4 700	9 800	14 000
Transport	637	700	1 083	1 950	3 500	8 000	14 000	18 675
Finance	1 475	1 000	1 400	2 000	3 640	9 000	16 000	25 000
Community and social services	2 505	650	1 050	2 500	6 000	11 000	16 000	20 000
Private households	1 127	300	400	650	1 000	1 500	2 100	2 600

Table 4.32 shows that the median monthly earnings were highest for employees in Community and social services and Utilities (R6 000), followed by Mining at R5 000 and Finance at R3 640. The lowest median earnings were for employees in Private households (R1 000), followed by Agriculture at R1 278 and Construction at R2 400. In the bottom 5%, employees in Private households earned R300 or less while those in Mining earned R1 200 or less per month. In the top 5% employees in Private households earned R2 600 or more compared to employees in Mining who earned R21 000 or more per month.

Summary and conclusion

In 2010, the monthly earnings for men were higher than those for women – women in paid employment earned 75,0% of the median earrings of their male counterparts. The results further showed that median monthly earnings for white and Indian/Asian populations were higher than the median earnings of their coloured and black African counterparts.

The analysis also showed that the median earnings for paid employees increased with age. The highest median earnings was observed among employees aged 55–64 years and the lowest was observed among employees aged 15–24 years.

The province with the highest median earnings for employees was Gauteng, followed by North West while Limpopo and Free State had the lowest median earnings. In the year ended December 2010, the top 5% of employees in all occupations earned R17 500 or more while the bottom 5% earned R600 or less per month.

4.4 Decent work

Key labour market concepts

According to the International Labour Organization (ILO), **Decent Work** involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men[15].

Background

Decent work as a concept was formulated by ILO constituents. According to ILO, decent work is based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development. Decent work has four broad components, namely;

- Equal employment and income opportunities
- Standards and rights at work
- Social protection
- Social dialogue

Several indicators have been proposed by ILO; however, a few will be presented in this report. A comprehensive country profile report on decent work is being prepared in collaboration with the ILO and the Department of Labour.

Equal employment and income opportunities

Employment and unemployment was discussed in chapters 4 and 5 respectively. Disparities were evident in terms of gender, age and education. Those disparities are indicators of employment opportunities. For example:

- employment is higher among men compared to women;
- More than 70% of managers are men
- Labour force participation rate of women is lower than that of men
- Unemployment rate for women is higher than that for men
- Women in paid employment earn 75% of what men earn
- Unemployment is higher among black Africans than among other population groups
- Unemployment is highest among the youth (aged 15-34 years).

All the above measure whether different groups have equal employment and income opportunities but these will not be repeated in this section of the chapter as they have already been covered elsewhere in the report.

[15] Report on the EU contribution to the promotion of decent work in the world, SEC 2184, Brussels, 2008

Figure 4.35: Proportion of workers with monthly earnings below 2/3 of median monthly earnings, excl. Agriculture

An important attribute of decent work is that workers should benefit from “remunerative” employment, which is one element in the “quality” of work. The determining figure that contitutes remunerative employment therefore, mostly depends on each country’s prevailing societal values and material prosperity[16]. In this chapter, the proportion of workers with monthly earnings below two-thirds (2/3) of median monthly earnings, excluding agriculture is used to measure the adequacy of remuneration.

Figure 4.35, suggests that 34,0% of workers in the country earned below 2/3 of median monthly earnings (excluding agriculture). Again, gender disparities appear to be prominent with a higher proportion among women reporting monthly earnings below 2/3 of the median monthly earnings compared to men.

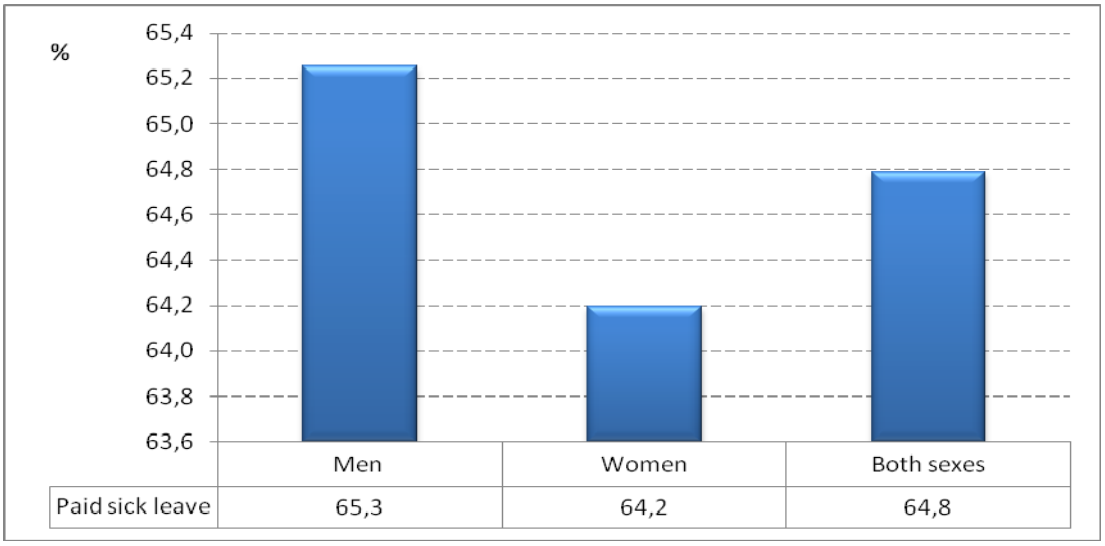
Rights and standards at work

According to ILO, all workers, and in particular disadvantaged or poor workers, need representation, participation, and laws that work for their interests. Indicators which can be used to measure standards and rights at work include;

- Sick leave
- Maternity leave
- Hours of work
- Right of association like union membership

[16] http://www.ilo.org/public/english/revue/download/pdf/ghai.pdf

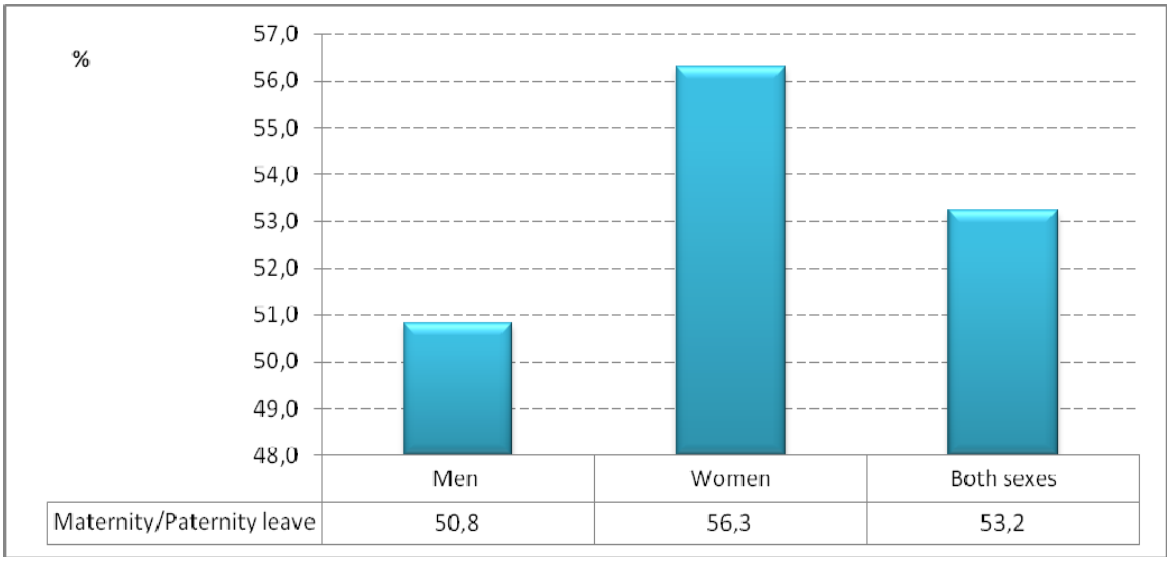
Figure 4.36: Proportions of employees who are entitled for paid sick leave



	Men	Women	Both sexes
Paid sick leave	65,3	64,2	64,8

Employees were asked if they are entitled to paid sick leave. Figure 4.36 indicates that in 2010, as many as 64,8% South African employees were entitled to paid leave benefits, leaving approximately 35% without this benefit.

Figure 4.37: Proportions of employees who are entitled to maternity/paternity leave



	Men	Women	Both sexes
Maternity/Paternity leave	50,8	56,3	53,2

Studies on the impact of maternity leave on health has found that maternity leave is associated with increased breastfeeding, lower infant mortality, higher rates of immunizations and health visits for babies, and lower risk of postpartum depression[17]. Female employees without this benefit are most likely to return to work early or are at the risk of losing their jobs when they fall pregnant. Figure 4.37 shows that a little more than half (53,2%) of South African employees in 2010, were entitled to maternity/paternity leave. As expected, a higher proportion among women was entitled to maternity benefits compared to men who were entitled to paternity leave. However this leaves almost 43% of women work in jobs which have no provision for them to take maternity leave.

[17] Source URL: http://www.hrw.org/news/2011/02/23/us-lack-paid-leave-harms-workers-children

Figure 4.38: Excessive hours (workers with more than 48 hours per week),

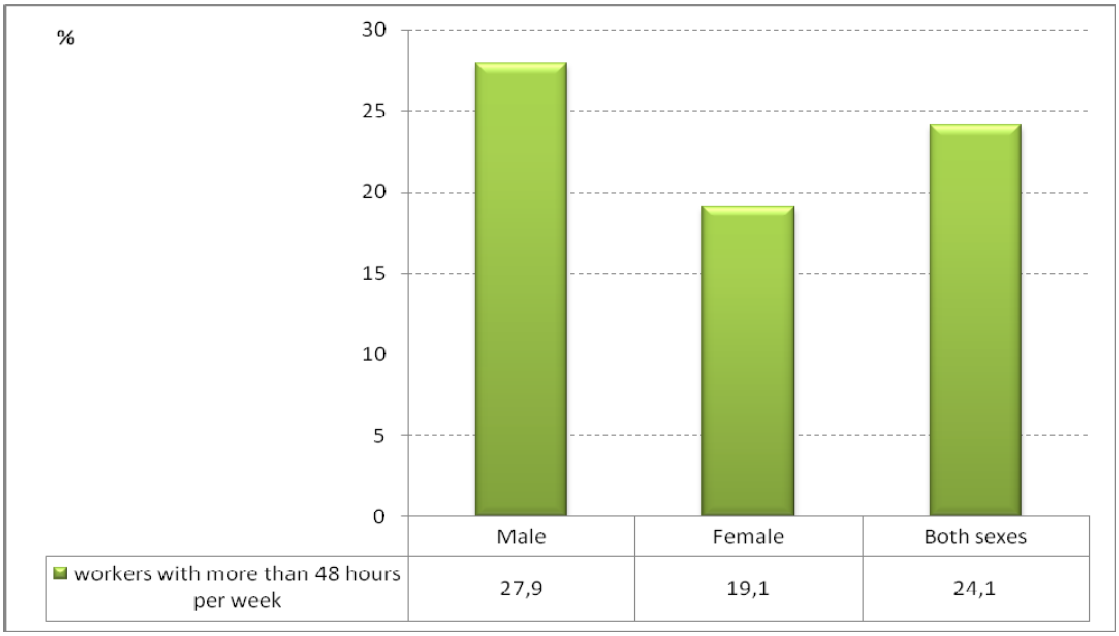
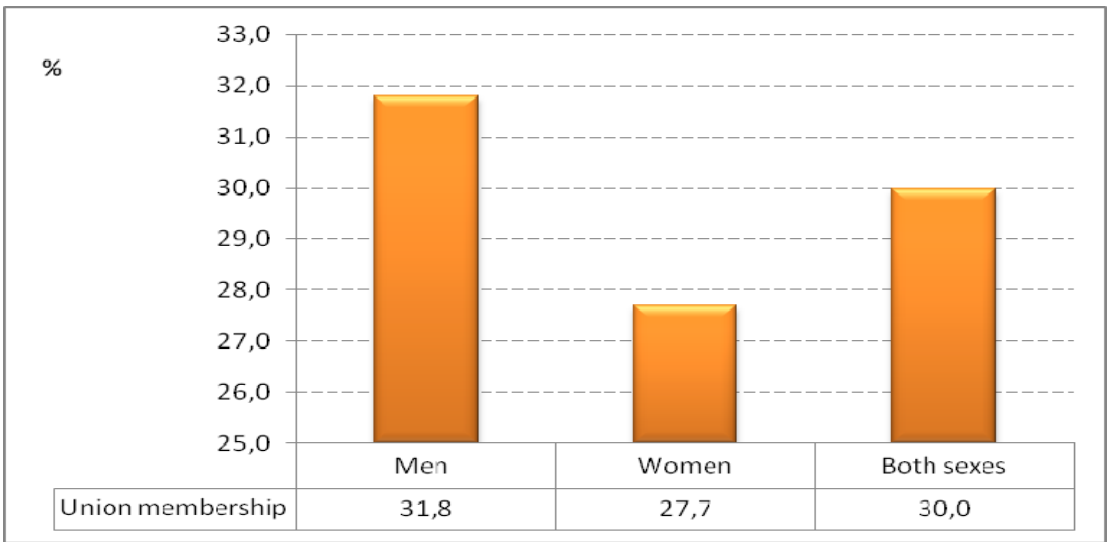


Figure 4.38 shows that 24,1% of South African employees worked more than 48 hours per week. The proportion among women employees working excessive hours was lower compared to men.

Figure 4.39: Proportion of employees who are members of a trade union



Right of association is important for workers. On average only 30% of employees were members of a trade union in 2010. The proportion among women employees is lower compared to men.

Social Protection

This seeks to promote women and men to enjoy working conditions that are safe, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare. Indicators which can be used to measure the extent of social protection include: access to medical aid, and contribution to a pension fund

Figure 4.40: Proportion of employees whose employer contribute to a pension/retirement fund for them by sex

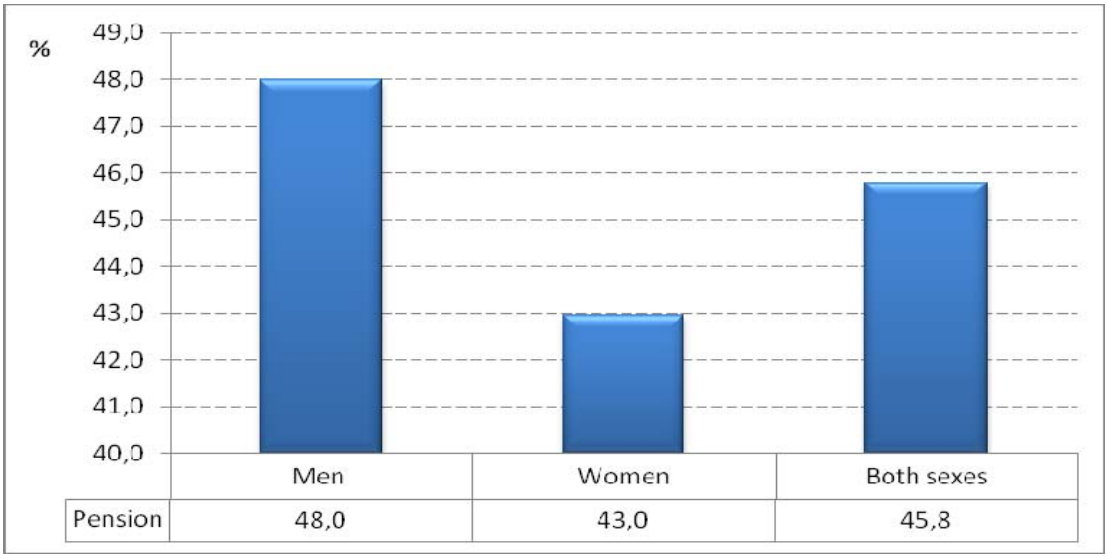


Figure 4.40 suggests that only 45,8% of the employees contribute or their employers contribute to a pension fund. The remaining 54,2% do not contribute . The proportion among women employees is lower than that of men by 5 percentage points.

Figure 4.41: Proportion of employees who are entitled to medical aid benefit from the employer

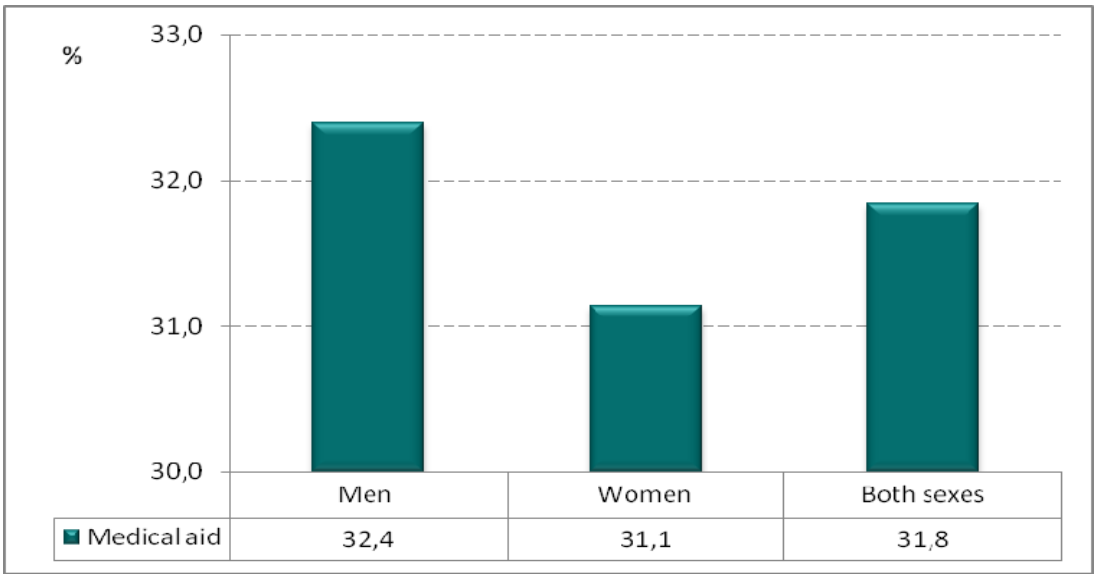
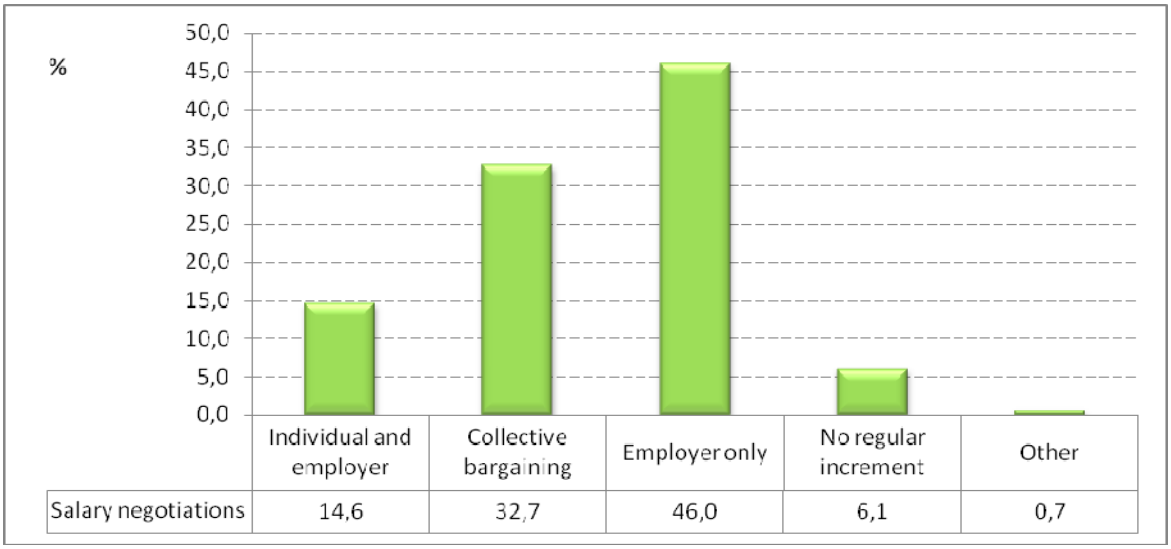


Figure 4.41 shows that medical protection is far lower among South African employees. Only 31,8% of employees reported that they are entitled to medical benefits from their employers. Like in pension, the proportion is lower among women by 1.3 percentage points compared to men.

Figure 4.41 further indicates that in 2010, a higher proportion among men were entitled to medical aid from the employer compared to women (32,4% compared to 31,1%).

Social Dialogue

Figure 4.42: Proportions of employees by how annual salary increment is negotiated



	Individual and employer	Collective bargaining	Employer only	No regular increment	Other
Salary negotiations	14,6	32,7	46,0	6,1	0,7

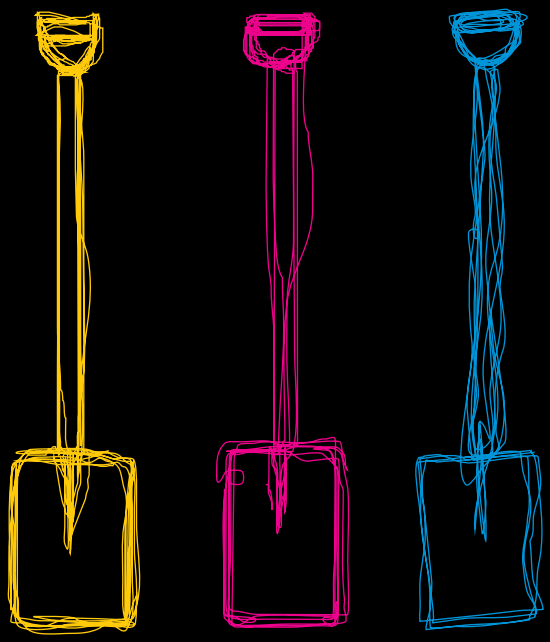
All employees were asked how their annual salary increment is determined. Only 32,7% indicated that it is negotiated by either a union or other collective bargaining councils; 46,0% indicated that the employer determines the increment unilaterally; while 6,1% indicated that they do not get regular increments.

Summary and conclusion

The analysis in this section indicates that:

- a higher proportion among women reported monthly earnings below 2/3 of the median monthly earnings compared to men;
- 35% of South African employees were without paid sick leave benefit;
- almost 43% of women work in jobs which have no provision for them to take maternity leave;
- the proportion of employees working excessive hours was lower among women compared to men;
- only 30% of employees were members of a trade union in 2010;
- 54,2% of employees don't contribute towards pension fund; and
- only 31,8% of employees reported that they are entitled to medical benefits from their employers.

Chapter 5
A profile of the unemployed



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Chapter 5: A profile of the unemployed

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

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

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

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

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

The categories of job losers, job leavers, re-entrants and new entrants reflect the person's situation at the time that they became unemployed.

Job losers and job leavers are those who were employed and started their job search immediately following separation from their last job. **Job losers** are those who separated from their last job involuntarily. They could have been retrenched, the employer may have gone bankrupt, the production could have moved to a different location and so forth.

Job leavers are those who initiated the job separation for personal reasons. These reasons include:

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

Re-entrants are those who were not employed at the time they started to look for work, but had worked at some time in the previous five years. Since they were neither employed nor, obviously, unemployed, at the time that they started to look for work, they must have been not economically active. However, since they had worked previously, by becoming unemployed they are re-entering the labour force.

New entrants are those who have never worked before, that is, they are looking for their first job. It is possible that they have been unemployed in the past but it is assumed that this is their first entry into the labour force.

Because these disaggregations express transitions into unemployment, they are sometimes referred to as flows into unemployment.

The QLFS asks the reason for separating from the last job only for those who have worked in the past five years. The reason for separating from the last job is required to make the distinction between job losers and job leavers. Therefore, unemployed persons who have worked before but not in the past five years are excluded from this disaggregation. Those who **last worked more than five years ago** are not included in any of the above four categories since their previous employment experience is likely to be difficult to recall. In light of this, persons who last worked more than five years ago were not required to answer questions that would place them into any of the above categories. In addition, since they last worked more than five years ago, the reasons for stopping work are now largely irrelevant.

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

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

Background

The unemployment rate is one of the trinity of critical statistics along with the CPI and GDP. This is true in South Africa and most other countries where these and other statistics are produced. However, unemployment rate is only one of many labour market measures produced by the QLFS.

To fully understand the meaning of the unemployment rate it should be interpreted in the context of other measures such as those presented in this report. For example, rising unemployment accompanied by rising employment and labour force participation describes a very different labour market than one where unemployment is rising but employment and the labour force are shrinking.

It is equally important to go beyond the single aggregate unemployment rate and to decompose it into all of categories shown in this chapter. Something as simple as separating the overall unemployment rate into the rates for males and females provides relevant information not provided by the total.

This chapter focuses on these decompositions of unemployment.

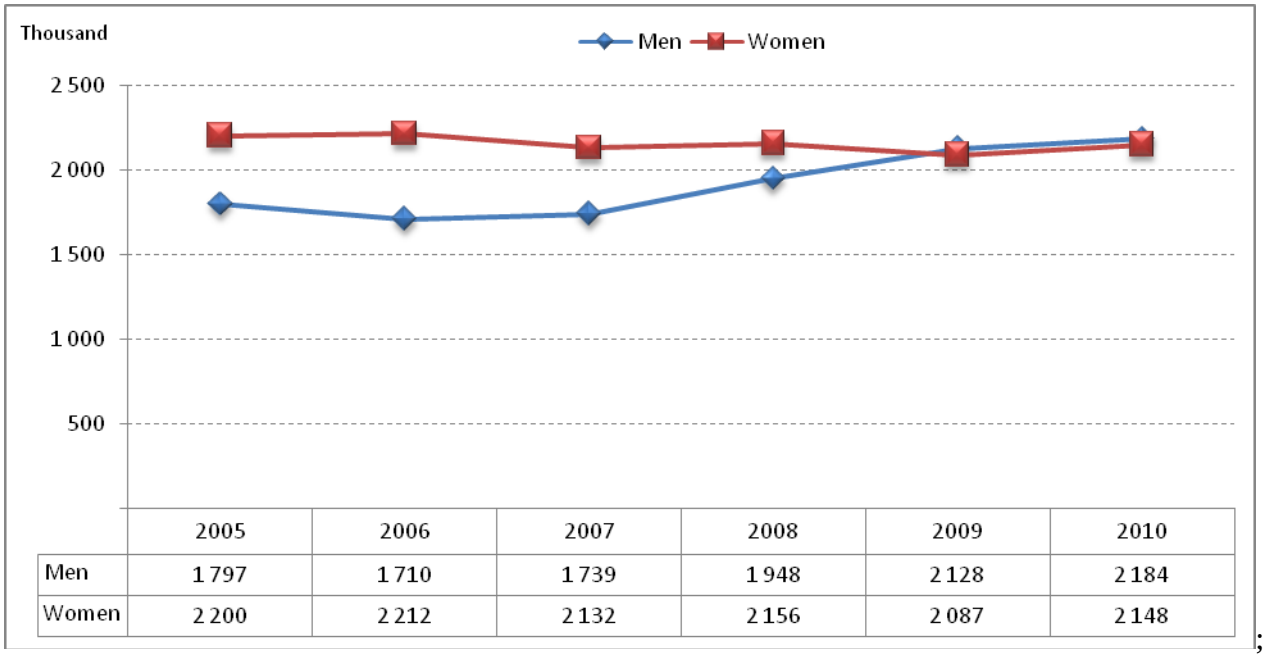
Introduction

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

Demographic characteristics of the unemployed

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

Figure 5.1: Unemployed by sex, 2005–2010

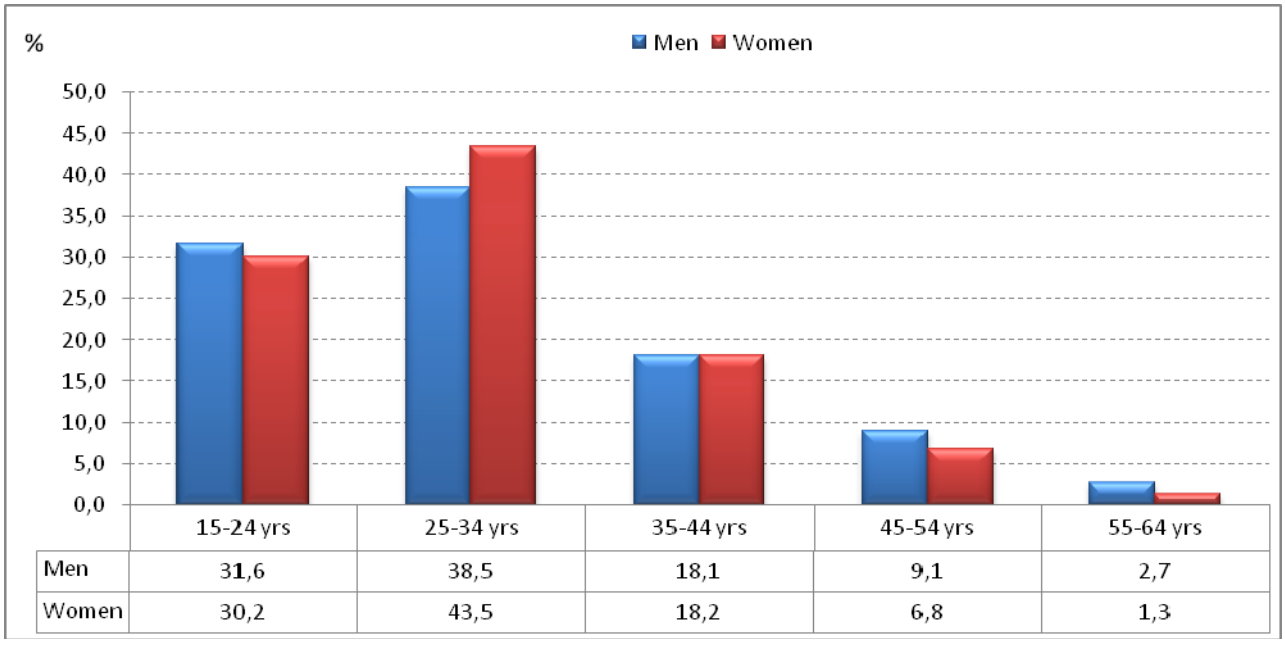


	2005	2006	2007	2008	2009	2010
Men	1 797	1 710	1 739	1 948	2 128	2 184
Women	2 200	2 212	2 132	2 156	2 087	2 148

;

Unemployment does not affect all demographic groups equally. More women than men were unemployed each year over the period 2005 to 2008. In 2009 and 2010 the pattern changed where we find that more men than women were unemployed. This increase in unemployment among men could be due to the deterioration in labour market conditions that became worse in 2009 during the recession (Figure 5.1).

Figure 5.2: Age profile of the unemployed by sex, 2010



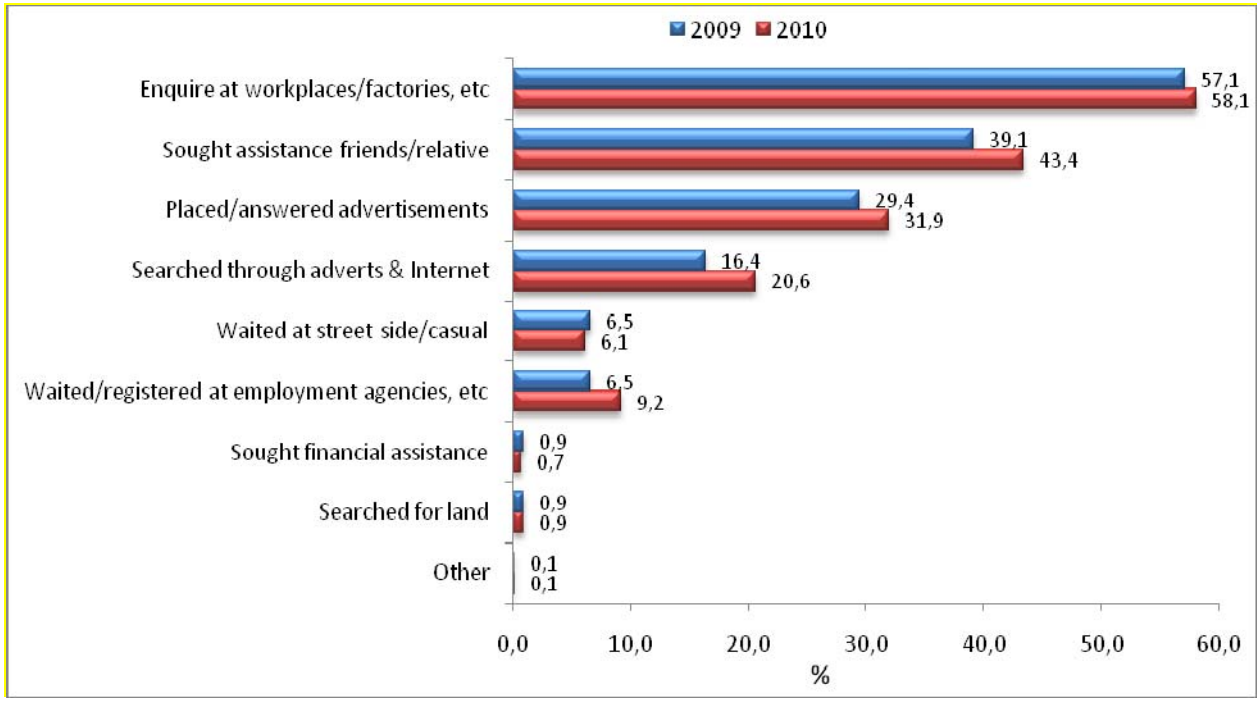
	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs
Men	31,6	38,5	18,1	9,1	2,7
Women	30,2	43,5	18,2	6,8	1,3

Among both men and women, the bulk of the unemployed were below the age of 35 years in 2010. Men aged 25–34 years made up a small percentage of male unemployment than women of the same age. In 2010, 43,5% of women aged 25–34 years were unemployed than women aged 15–24 years (30,2%); women aged 35–44 years (18,2%) compared to women aged 45–54 years (6,8%) and women aged 55–64 years (1,3%). A similar pattern is observed with men, where 38,5% of men aged 25–34 were more likely to unemployed compared to other age groups.

Job-search activities of the unemployed

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

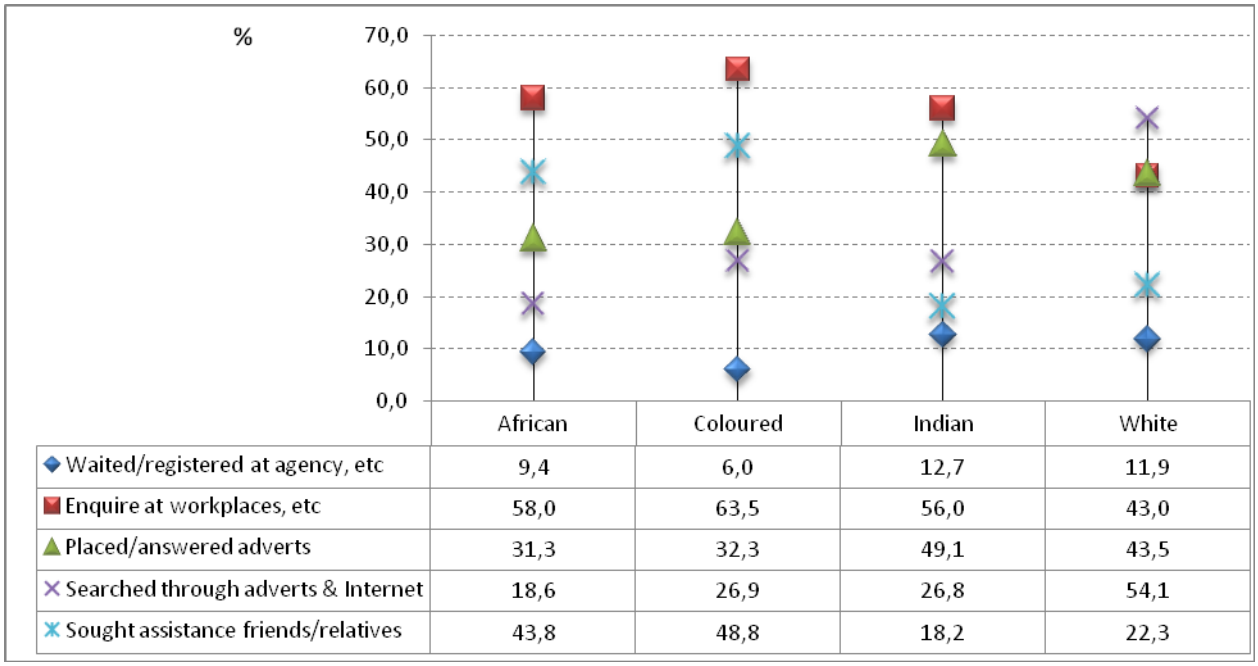
Figure 5.3 Types of job-search activities, 2009 and 2010



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

In 2010 more than half (58,1%) of all unemployed persons enquired at workplaces or factories, etc. in search of a job compared to 57,1% in 2009. More than 40% of unemployed persons sought the assistance of friends or relatives in 2010 compared to 39,1% in 2009. As many as 20,6% of all unemployed persons searched through advertisements or the internet in their quest for a job in 2010 and only 16,4% in 2009. The least methods used were sought financial assistance and search for land for a business in both years.

Figure 5.4: Job-search activities by population group, 2010

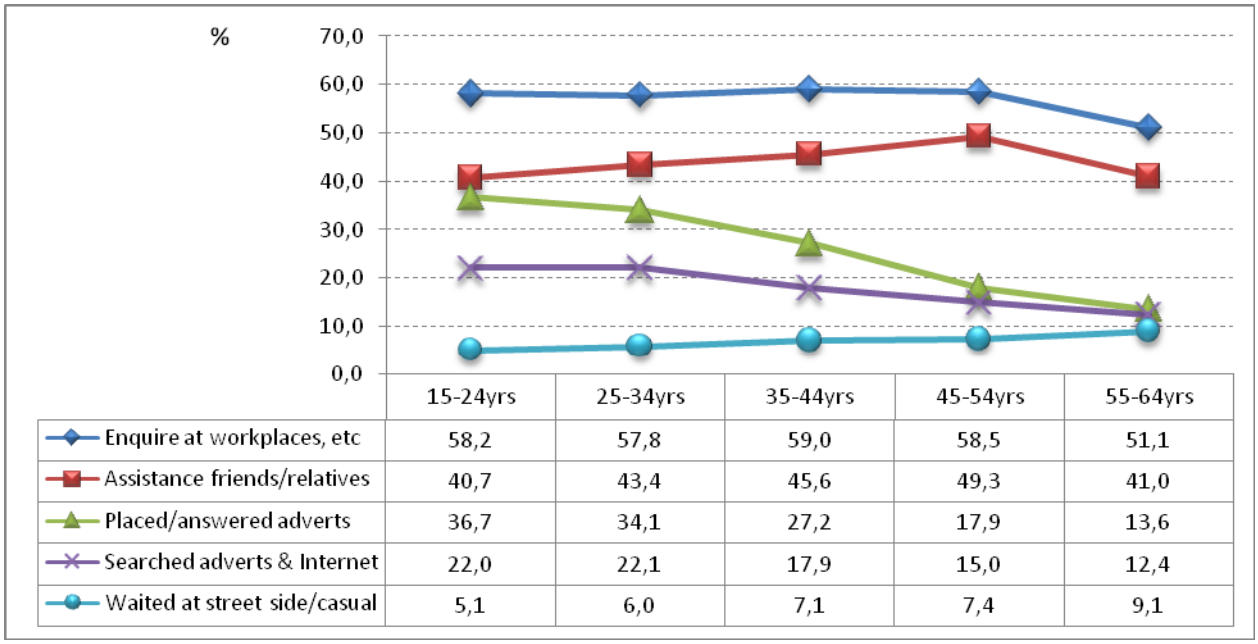


	African	Coloured	Indian	White
Waited/registered at agency, etc	9,4	6,0	12,7	11,9
Enquire at workplaces, etc	58,0	63,5	56,0	43,0
Placed/answered adverts	31,3	32,3	49,1	43,5
Searched through adverts & Internet	18,6	26,9	26,8	54,1
Sought assistance friends/relatives	43,8	48,8	18,2	22,3

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

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

Figure 5.5: Job-search activities by age, 2010



	15-24yrs	25-34yrs	35-44yrs	45-54yrs	55-64yrs
Enquire at workplaces, etc	58,2	57,8	59,0	58,5	51,1
Assistance friends/relatives	40,7	43,4	45,6	49,3	41,0
Placed/answered adverts	36,7	34,1	27,2	17,9	13,6
Searched adverts & Internet	22,0	22,1	17,9	15,0	12,4
Waited at street side/casual	5,1	6,0	7,1	7,4	9,1

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

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

Table 5.1: Job-search activities by province, 2010

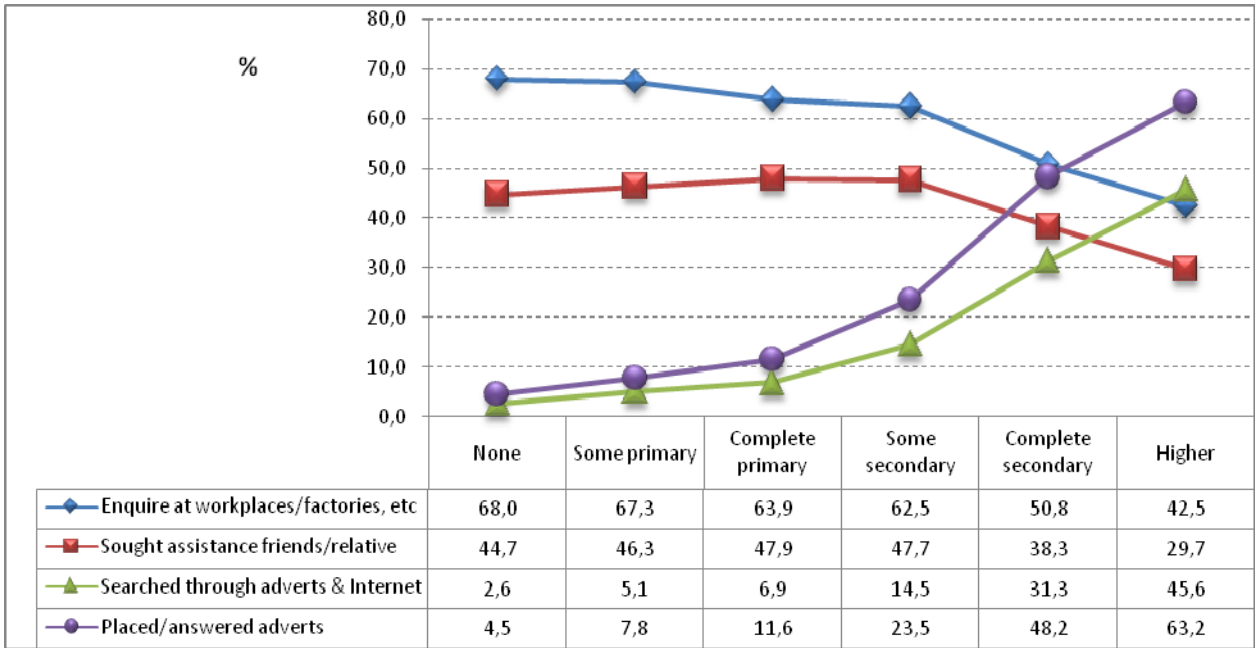
	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
	Per cent									
Waited/registered at employment agency, etc.	15,9	5,4	6,1	6,7	5,6	7,2	12,9	6,9	0,4	**9,2**
Enquired at workplaces/factories, etc.	69,4	45,6	62,8	78,4	56,2	77,2	49,5	69,8	51,7	**58,1**
Placed/answered advertisements	37,3	28,3	20,4	32,9	36,3	23,2	31,6	41,4	19,9	**31,9**
Searched through adverts and the Internet	30,0	15,7	4,7	21,9	13,2	18,9	26,8	16,2	7,1	**20,6**
Sought assistance of friends/relatives	58,6	52,5	0,8	25,5	29,7	48,2	52,3	37,8	20,1	**43,4**
Searched for land for a business, etc.	1,0	0,5	0,4	1,2	0,7	1,7	1,0	0,6	0,4	**0,9**
Waited at street side for casual jobs	3,8	3,5	0,2	8,3	4,7	2,4	6,9	13,9	7,1	**6,1**
Sought financial assistance	0,4	0,2	0,8	0,8	0,5	0,8	0,7	1,3	0,6	**0,7**
Other	0,2	0,1	0,0	0,2	0,1	0,1	0,1	0,1	0,3	**0,1**

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

Two patterns emerge from the provincial distribution of job-search activities: firstly, except in Eastern Cape and Gauteng, more than 50% of all unemployed persons favoured enquiring at workplaces, farms and factories, or calling on other possible employers as their preferred job-search method. Most unemployed persons in Western Cape (58,6%), Eastern Cape (52,5%) and Gauteng (52,3%) also sought assistance of friends and relatives in search of jobs.

Searching through job advertisements and the Internet featured more prominently in provinces such as Western Cape and Gauteng than elsewhere.

Figure 5.6: Job-search activities by education, 2010



	None	Some primary	Complete primary	Some secondary	Complete secondary	Higher
Enquire at workplaces/factories, etc	68,0	67,3	63,9	62,5	50,8	42,5
Sought assistance friends/relative	44,7	46,3	47,9	47,7	38,3	29,7
Searched through adverts & Internet	2,6	5,1	6,9	14,5	31,3	45,6
Placed/answered adverts	4,5	7,8	11,6	23,5	48,2	63,2

Figure 5.6 shows a strong association between certain types of job-search activities and the level of educational attainment. The percentage of unemployed persons with post-primary education who either enquired at workplaces/factories, etc., or sought the assistance of friends and relatives, declined as their qualifications increased. In contrast, the percentage of unemployed persons who placed and answered advertisements as well as those who searched through job advertisements or looked for jobs on the Internet increased with the increase in level of educational attainment.

Characteristics of the unemployed by origin of unemployment

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

Since not all of the relevant questions to determine these groups were included in the LFS, it is not possible to establish an historical series for these indicators. As a result, the analysis in this section will focus solely on patterns in 2009 and 2010.

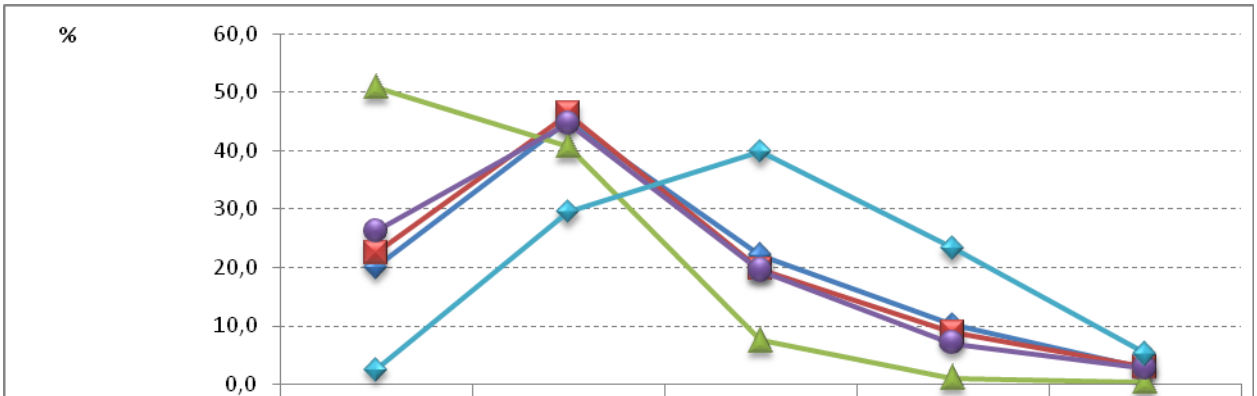
Table 5.2: Characteristics of the unemployed by origin and sex, 2009 and 2010

	2009			2010		
	Men	Women	Total	Men	Women	Total
	Thousand					
Job loser	861	578	1 440	829	564	1 393
Job leaver	155	191	346	112	161	273
New entrant	757	948	1 705	841	999	1 840
Re-entrant	91	96	187	94	100	194
Worked > 5 years ago	264	274	537	309	324	633
Total	**2 128**	**2 087**	**4 215**	**2 184**	**2 148**	**4 332**
	Per cent					
Job loser	40,5	27,7	34,2	37,9	26,3	32,1
Job leaver	7,3	9,1	8,2	5,1	7,5	6,3
New entrant	35,6	45,4	40,4	38,5	46,5	42,5
Re-entrant	4,3	4,6	4,4	4,3	4,7	4,5
Worked > 5 years ago	12,4	13,1	12,8	14,2	15,1	14,6
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

On average in 2010, over 4,3 million persons (50,4% men) and (49,6% women) experienced unemployment in South Africa. Of the total, the largest group comprised those who were new entrants to the labour market. This clearly shows the effects of the relatively young labour force in South Africa as described in Chapter 2. Slightly less than one-third (1,4 million or 32,1%) comprised those who had had lost their jobs and about 14,6% last worked more than five years ago.

In the same year (2010), there was a increase in the percentage of unemployed women (46,5%) who were new entrants to the labour market than in 2009, where 45,4% of women were unemployed new entrants. With regard to the unemployed men, 38,5% were new entrants in 2010 compared to 35,6% in 2009. A larger percentage of unemployed men (37,9%) than women (26,3%) lost their jobs in 2010 compared to 40,5% of men and 27,7% of women in 2009 (Table 5.2).

Figure 5.7: Age profile of the unemployed by origin of unemployment, 2010



	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs
Job loser	20,0	45,1	22,1	10,1	2,7
Job leaver	22,4	46,2	19,7	8,7	2,9
New entrant	50,7	40,6	7,4	1,0	0,2
Re-entrant	26,2	44,6	19,4	7,0	2,8
Worked>5yrs ago	2,4	29,5	39,8	23,2	5,1

The age structure of the various unemployment categories highlights an important pattern. Whereas new entrants, not surprisingly, were predominantly young people (over 90% were below the age of 35 years) more than two-thirds of those who were unemployed were aged between 15–34 years.

This is also noticeable in the origin of unemployment, as more than two-thirds of all job losers, job leavers, new entrants and re-entrants are between the ages 15–34 years. The older age group (45–64 years) were less affected by unemployment in all the flows into unemployment (Figure 5.7).

Table 5.3: Education profile of the unemployed by origin of unemployment and sex, 2010

	Job loser	Job leaver	New entrant	Re-entrant	Last worked >5 yrs ago	Total
	Thousand					
Men						
No schooling	41,4	6,7	15,0	3,6	33,3	100,0
Less than primary completed	42,2	5,8	27,7	4,0	20,3	100,0
Primary completed	42,1	4,1	21,5	7,2	25,0	100,0
Secondary not completed	39,3	4,7	36,5	4,4	15,1	100,0
Secondary completed	33,2	4,8	49,4	3,7	8,8	100,0
Tertiary	38,3	10,4	39,9	3,8	7,5	100,0
Total	**37,9**	**5,1**	**38,5**	**4,3**	**14,2**	**100,0**
Women						
No schooling	21,0	6,8	29,9	5,9	36,4	100,0
Less than primary completed	29,1	8,0	26,3	4,6	32,0	100,0
Primary completed	29,7	6,6	33,7	4,5	25,4	100,0
Secondary not completed	28,8	7,9	43,0	5,0	15,3	100,0
Secondary completed	21,5	6,8	56,9	3,9	10,9	100,0
Tertiary	31,1	8,9	46,8	6,5	6,7	100,0
Total	**26,3**	**7,5**	**46,5**	**4,7**	**15,1**	**100,0**

Both education and gender have an impact on which flow into unemployment a person takes.

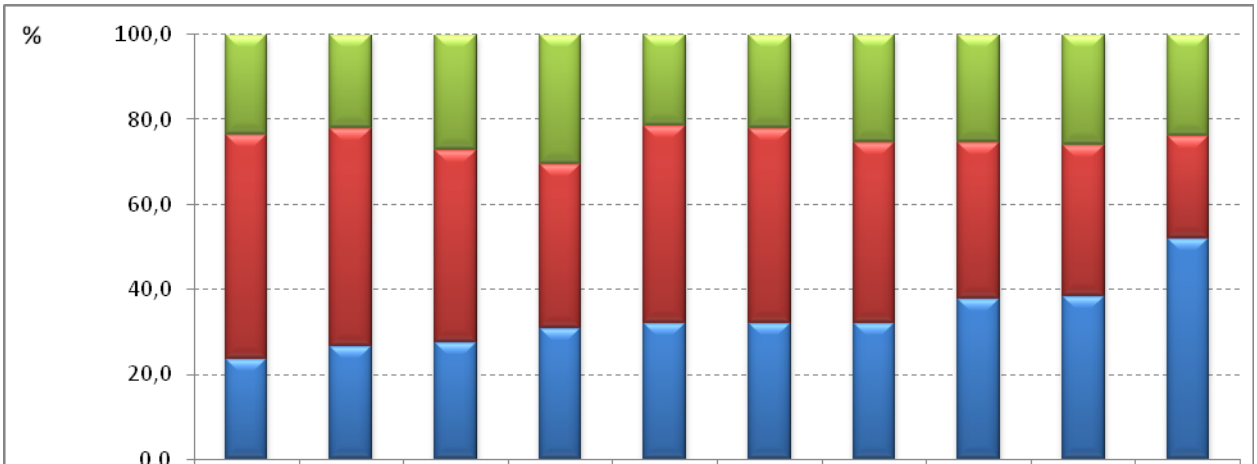
Those who have less than secondary education completed are most likely to have become unemployed because they lost their last job (42%). In contrast, 38,3% of men with tertiary education are least likely (among men) to end up unemployed for that reason.

However, even men with a tertiary education are more likely to have entered unemployment through losing their jobs than unemployed women, regardless of their education. Overall, 37,9% of unemployed men became that way because of job loss, but only 26,3% of unemployed women did.

In fact, men were more likely to have been employed just before becoming unemployed (sum of job losers and job leavers) than women. At 43,0% the proportion of previously employed men considerably exceeds the proportion of women (33,8%).

Partly this reflects that unemployed women are more likely to be new entrants to the labour market (46,5%) than unemployed men (38,5%). The higher the percentage in the new-entrant path, the lower will be the percentages in other paths.

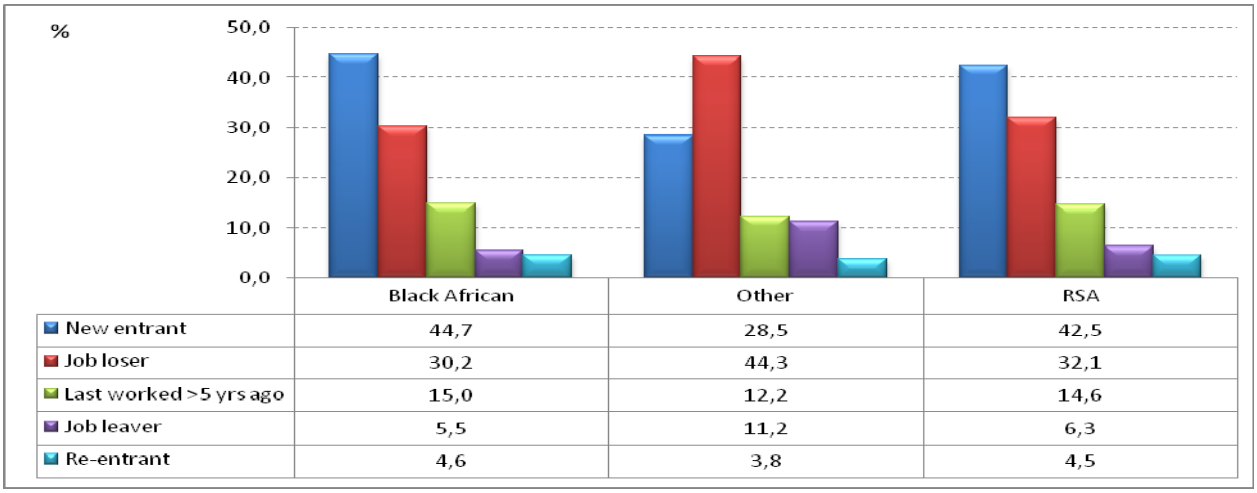
Figure 5.8: Provincial profile of the unemployed by origin of unemployment, 2010



	MP	NW	GP	EC	LP	KZN	RSA	FS	NC	WC
Other	23,7	22,0	27,1	30,7	21,5	22,1	25,4	25,5	25,9	24,0
New entrant	52,7	51,5	45,5	38,5	46,5	45,8	42,5	36,9	35,6	24,1
Job loser	23,6	26,5	27,4	30,8	32,0	32,1	32,1	37,7	38,5	51,9

The provincial profile of the unemployed, by various characteristics, highlights the following interesting patterns: More than 40% of the unemployed were new entrants into the labour market in five of the nine provinces. Western Cape recorded the highest number of job losers (51,9%) (See Figure 5.8).

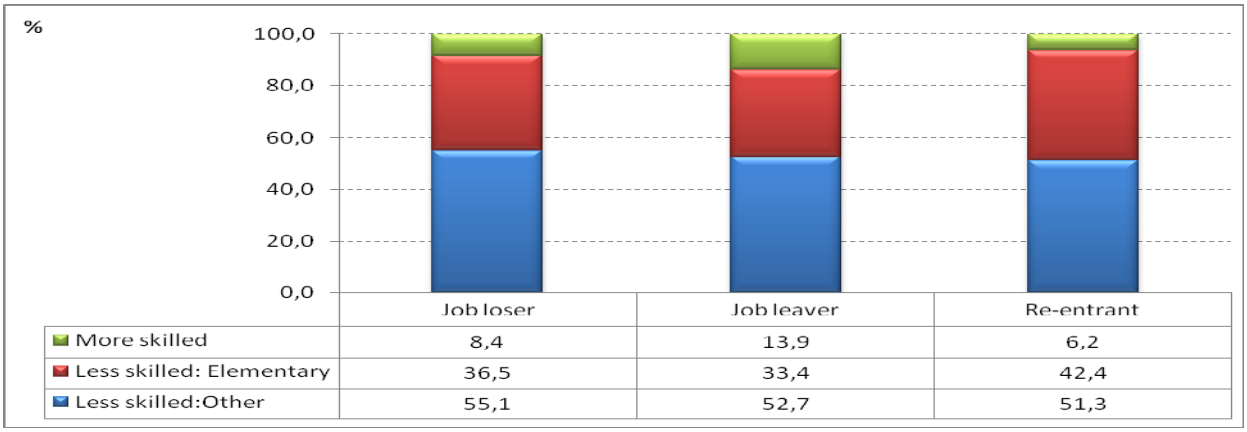
Figure 5.9: Population group of the unemployed by origin of unemployment, 2010



	Black African	Other	RSA
New entrant	44,7	28,5	42,5
Job loser	30,2	44,3	32,1
Last worked >5 yrs ago	15,0	12,2	14,6
Job leaver	5,5	11,2	6,3
Re-entrant	4,6	3,8	4,5

Reflecting the youthfulness of the black African population, Figure 5.9 indicates that new entrants to the labour force accounted for over 40% of total unemployment among the black African population followed by job losers (30,2%). However among the 'other' (combined coloured, Indian/Asian and white group) population group job losers accounted for over 40% of the unemployed and new entrants accounted for 28,5% of total unemployment.

Figure 5.10: Previous occupation of the unemployed by origin of unemployment, 2010



	Job loser	Job leaver	Re-entrant
More skilled	8,4	13,9	6,2
Less skilled: Elementary	36,5	33,4	42,4
Less skilled:Other	55,1	52,7	51,3

Figure 5.10 depicts that job leavers are more likely to be more skilled. This is as one would expect. South Africa, like many other countries faces shortages of skilled workers, therefore the demand for these workers is very high. More skilled workers can more confidently leave a job to look for another since their chances of finding a new job are much better than for those who are less skilled.

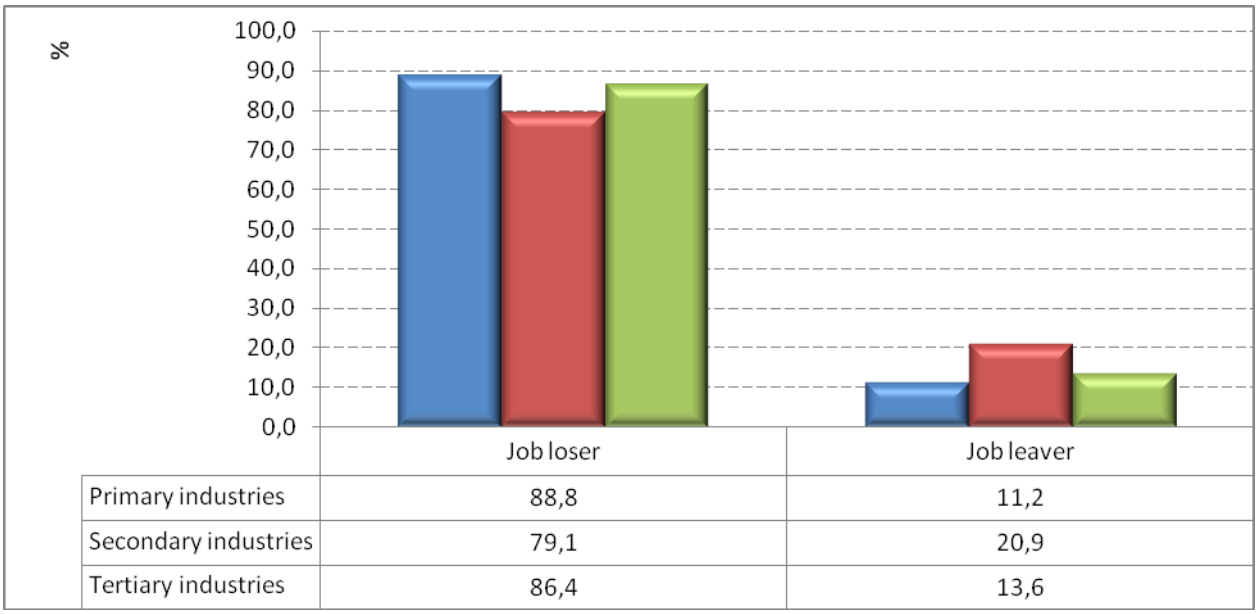
Table 5.5: Previous industry[1] of the unemployed by origin of unemployment, 2010

	Job loser	Job leaver	Total
Major industry category		**Thousand**	
Agriculture	79	10	89
Mining	24	6	30
Primary industries	**102**	**16**	**119**
Manufacturing	220	33	253
Utilities	5		6
Construction	257	22	279
Secondary industries	**482**	**55**	**537**
Trade	322	92	415
Transport	63	11	74
Finance	166	35	202
Social	126	29	156
Private households	130	34	164
Other	0		
Tertiary industries	**808**	**202**	**1 010**
Total	**1 393**	**273**	**1 666**

Note: [1]Since industry of last employment is only recorded for those who have worked within the past five years, this table excludes new entrants, re-entrants and those who last worked more than five years ago.

Most of the unemployed persons had previously worked in the tertiary industries. Trade is the single biggest industry that most of the job losers, job leavers and re-entrant had previously worked. Finance was the second industry in the tertiary industries to record the highest proportions of job losers and job leavers.

Figure 5.11: Previous industry[1] of the unemployed by origin of unemployment, 2010



	Job loser	Job leaver
Primary industries	88,8	11,2
Secondary industries	79,1	20,9
Tertiary industries	86,4	13,6

Note: [1]Since industry of last employment is only recorded for those who have worked within the past five years, this table excludes new entrants, re-entrants and those who last worked more than five years ago.

Persons in primary industries (88,8%) are more likely to lose their jobs than persons in tertiary (86,4%) and secondary (79,1%) industries. However, persons in secondary industries were more likely to leave their jobs and become unemployed than persons in tertiary and primary industries.

Unemployment duration

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

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

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

1 Total Includes 'don't know' and 'unspecified'
18 OECD Economic Survey, Paris, 1991
19 World Economic Outlook: International Financial Contagion, Chronic unemployment in the Euro area: Causes and Cures, IMF, May 1999
20 Barker. F S. The South African Labour Market, Critical Issues for reconstruction, Pretoria, 1995

Table 5.6: The duration of unemployment, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Less than 3months	649	780	1 030	620	604	493
3months – less than 6mths	341	361	318	428	418	362
6mths – less than 1year	458	434	407	644	678	649
1year – less than 3years	993	934	858	971	992	1 100
3years and over	1 480	1 337	1 159	1 436	1 516	1 725
Total*	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**

*Total includes 'don't know' and 'unspecified'

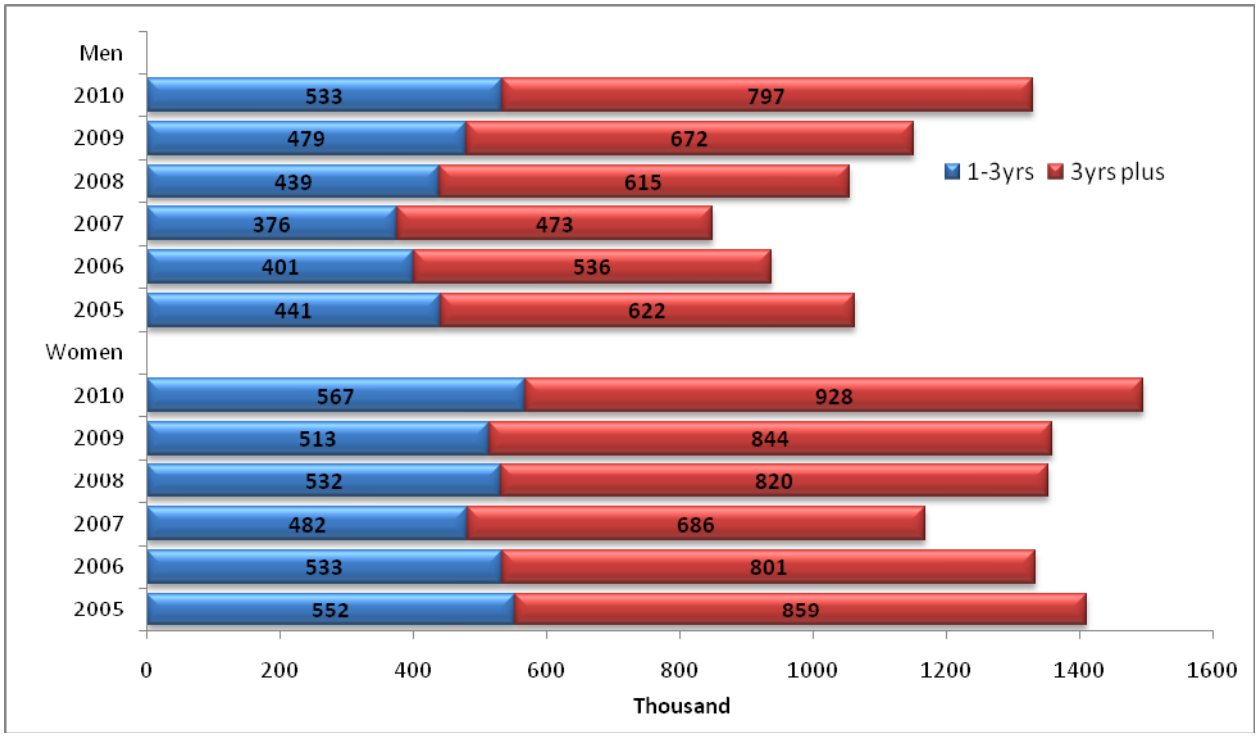
Table 5.7: The incidence of unemployment, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Short-term	**1 448**	**1 575**	**1 754**	**1 691**	**1 700**	**1 503**
Long-term	**2 549**	**2 347**	**2 117**	**2 406**	**2 508**	**2 824**
1yr – less than 3 years	993	934	858	971	992	1 100
3yrs and over	1 556	1 413	1 259	1 436	1 516	1 725
Total*	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
	Per cent					
Short-term	36,2	40,2	45,3	41,2	40,3	34,7
Long-term	63,8	59,8	54,7	58,6	59,5	65,2

In the year ended December 2010, unemployment levels increased from approximately 4,2 million to 4,3 million. The increase in the number of persons that were unemployed reflected an increase in those that were in long-term unemployment (up from 2,5 million in 2009 to 2,8 million in 2010). The incidence of long-term unemployment rose from 59,5% in 2009 to 65,2% in 2010 (Tables 5.6 and 5.7).

Research in other countries shows that the longer a person remains unemployed, the less likely he/she is to find a job in the next interval of time (e.g., quarter.)

Figure 5.12: Long-term unemployment by duration of job search, 2005–2010



A challenging aspect of the profile of persons in long-term unemployment is that among both men and women, the majority have been looking for work for three years or more (Table 5.7 and Figure 5.12).

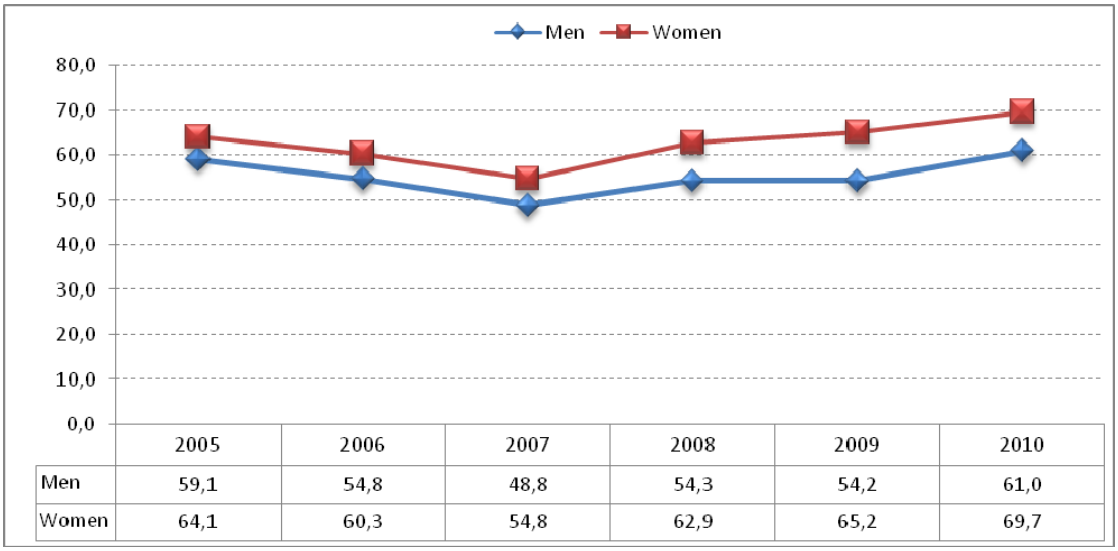
Table 5.8: Annual changes in the duration of unemployment, 2005–2010

	2006	2007	2008	2009	2010
	Thousand				
Short-term	**127**	**179**	**- 63**	**9**	**- 197**
Long-term	**- 203**	**- 254**	**390**	**102**	**316**
1 yr – less than 3 yrs	- 60	- 76	113	21	108
3 yrs and longer	- 143	- 178	277	81	208
Total unemployment*	**- 75**	**- 51**	**233**	**110**	**118**

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

In 2010, 316 000 persons have been looking for work for more than a year compared to 102 000 in 2009. Of the 316 000 who were looking for work, 208 000 have been unemployed and looking for work for more than three years compared to 81 000 in 2009.

Figure 5.13: Incidence of long-term unemployment by sex, 2010



	2005	2006	2007	2008	2009	2010
Men	59,1	54,8	48,8	54,3	54,2	61,0
Women	64,1	60,3	54,8	62,9	65,2	69,7

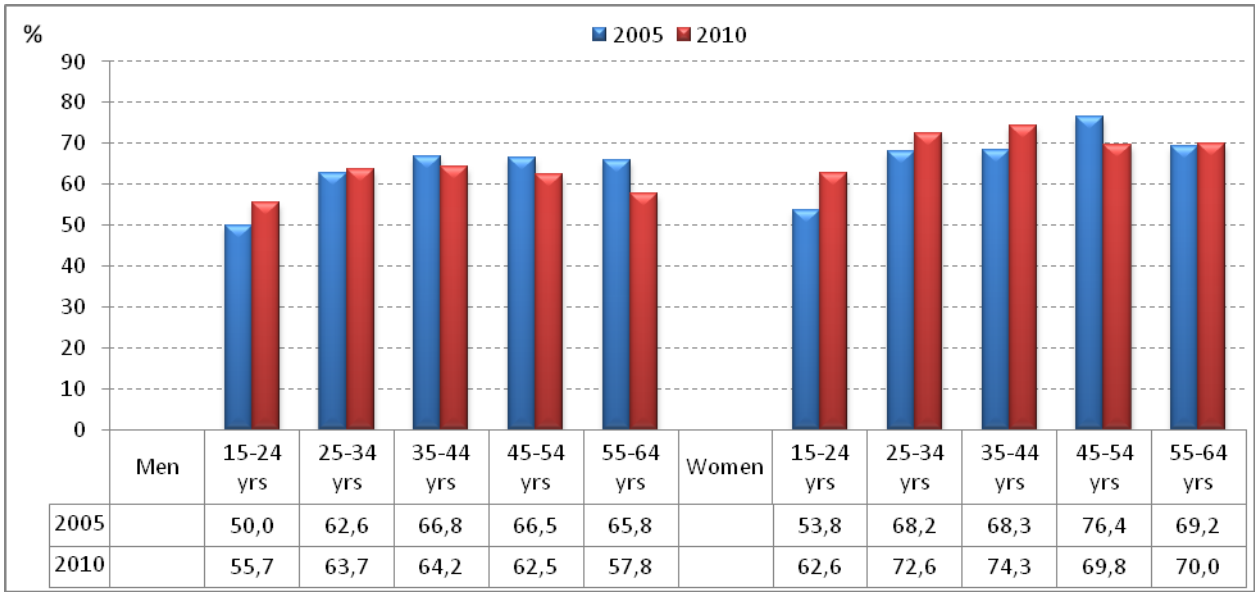
Among unemployed women, from 2005 to 2007, the incidence of long term unemployment declined from 64,1% to 54,8%. However from 2008 to 2010, the incidence of long-term unemployment increased from 62,9% to 69,7%. Among unemployed men the incidence of long-term unemployment slightly dropped from 54,3% to 54,2% in 2008 and 2009, and increased to 61,0% in 2010.

Table 5.9: The duration of unemployment by sex, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Men						
Short-term	701	737	840	891	974	852
Long-term	1 063	937	849	1 054	1 151	1 329
Total	**1 797**	**1 710**	**1 739**	**1 948**	**2 128**	**2 184**
Women						
Short-term	746	837	914	801	727	651
Long-term	1 411	1 334	1 168	1 352	1 358	1 495
Total	**2 200**	**2 212**	**2 132**	**2 156**	**2 087**	**2 148**
Both sexes						
Short-term	1 448	1 575	1 754	1 691	1 700	1 503
Long-term	2 473	2 271	2 016	2 406	2 508	2 824
Total	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**

Incidentally, from 2009 to 2010, more men than women were recorded to be unemployed. However, more women (69,7%) were unemployed for more than a year as compared to 61,0% among men (see Table 5.9 and Figure 5.13).

Figure 5.14: The incidence of long-term unemployment by age and sex, 2005 and 2010



	Men	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs	Women	15-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55-64 yrs
2005		50,0	62,6	66,8	66,5	65,8		53,8	68,2	68,3	76,4	69,2
2010		55,7	63,7	64,2	62,5	57,8		62,6	72,6	74,3	69,8	70,0

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

For example, if a 22-, 23-, or 24-year old becomes unemployed, they will be 25 (in the next age group) by the time that they will have become unemployed for 3 years or more. So, 24-year olds have no chance of spending a year in unemployment before moving out of the 15–24 age category.

Long-term unemployment by population group

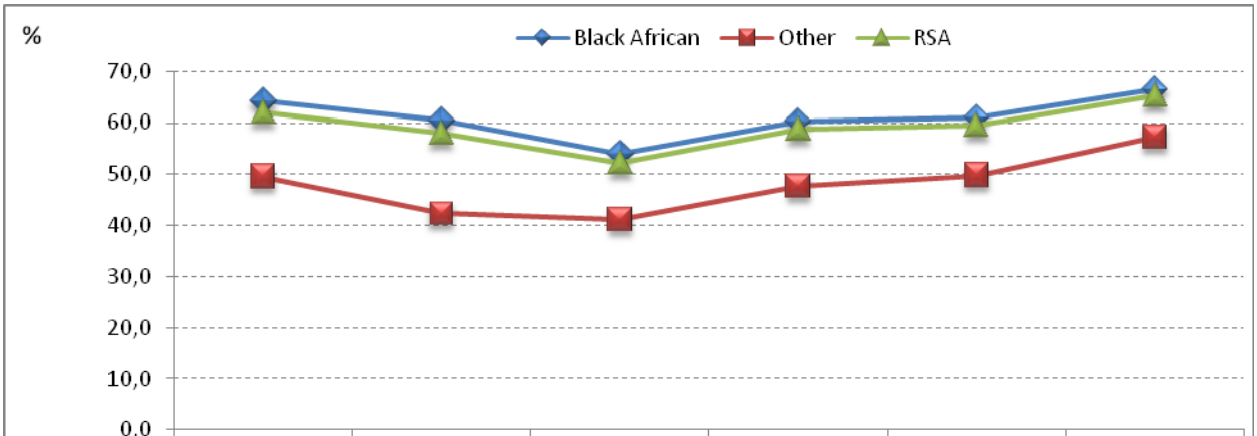
In 2010, black Africans accounted for 78% of persons aged 15–64 years (the working-age population), but over 85% of the unemployed. Table 5.6 and Figure 5.17 show that, in addition to being disproportionately represented among the unemployed by a large margin, the incidence of long-term unemployment among black Africans is higher than that of the other groups. Because Indians/Asians and whites are mostly employed, their small numbers among the unemployed make it difficult to obtain an accurate measure of the incidence of long-term unemployment for these groups. As a result, only black Africans are identified separately.

Table 5.10: The incidence of long-term unemployment by population group, 2005–2010

	2005	2006	2007	2008	2009	20010
	Thousand					
Long-term unemployment						
Black African	2 171	2 038	1 779	2 160	2 231	2 484
Other	302	233	237	247	277	341
RSA	**2 473**	**2 271**	**2 016**	**2 406**	**2 508**	**2 824**
Total unemployment						
Black African	3 387	3 371	3 294	3 587	3 658	3 737
Other	610	550	577	518	557	595
RSA	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
Incidence of long-term unemployment	Per cent					
Black African	64,1	60,4	54,0	60,2	61,0	66,5
Other	49,5	42,3	41,1	47,7	49,8	57,3
RSA	**61,9**	**57,9**	**52,1**	**58,6**	**59,5**	**65,2**

Over the period 2005 to 2007, there has been a steady decline in the number of black Africans in long-term unemployment, as well as in the incidence of long-term unemployment among persons in that population group. However, from 2008 through to 2010, the incidence of long-term unemployment among black Africans started to increase, from 60,2% to 66,5%.

Figure 5.15: The incidence of long-term unemployment by population group, 2005–2010



	2005	2006	2007	2008	2009	2010
Black African	64,1	60,4	54,0	60,2	61,0	66,5
Other	49,5	42,3	41,1	47,7	49,8	57,3
RSA	61,9	57,9	52,1	58,6	59,5	65,2

Long-term unemployment by level of educational attainment

Qualifications may be viewed as an indication of the level of skills. As a result, people's educational attainment may also have an impact on their likelihood of becoming unemployed and the length of unemployment if they do become unemployed.

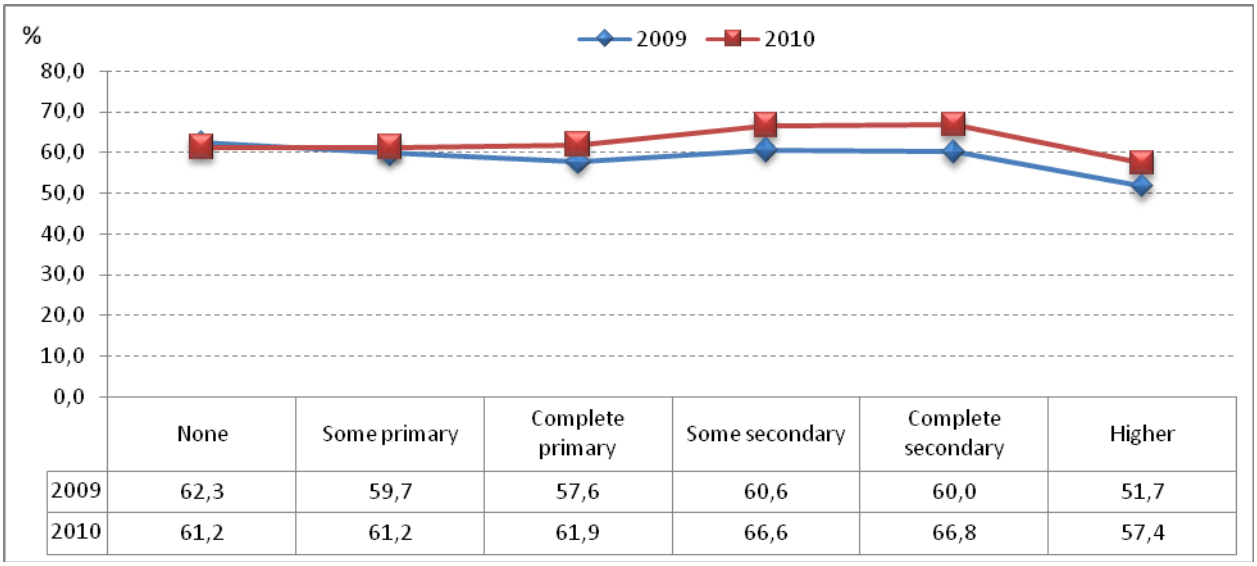
Table 5.11: Long-term unemployment by level of educational attainment, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Men						
None	41	30	27	28	28	22
Some primary	150	118	117	132	126	121
Complete primary	76	69	62	70	67	67
Some secondary	468	413	375	490	527	636
Complete secondary	290	268	233	289	351	419
Higher	33	38	33	36	44	52
Total (incl. 'other' and 'don't know')	**1 063**	**937**	**849**	**1 054**	**1 151**	**1 329**
Women						
None	47	52	31	29	31	25
Some primary	155	128	101	104	91	95
Complete primary	89	76	78	66	54	57
Some secondary	642	603	555	637	638	676
Complete secondary	418	413	343	442	463	542
Higher	57	58	56	68	73	91
Total (incl. 'other' and 'don't know')	**1 411**	**1 334**	**1 168**	**1 352**	**1 358**	**1 495**

Compared with 2005, in 2010, the number of men and women in long-term unemployment declined in each education category except in those who completed secondary and tertiary education.(Table 5.11). Extreme caution is required in interpreting the results at both ends of the educational spectrum because of small numbers.

Figure 5.17 shows that in 2010 more than half (57,4%) of persons with higher educational qualifications had been unemployed for one year or more. The lower skills level of a significant fraction of the workforce is reflected in a low employment/population ratio (Table 3.4) and a high incidence of long-term unemployment among less educated individuals.

Figure 5.17: Incidence of long-term unemployment by education, 2009 and 2010



	None	Some primary	Complete primary	Some secondary	Complete secondary	Higher
2009	62,3	59,7	57,6	60,6	60,0	51,7
2010	61,2	61,2	61,9	66,6	66,8	57,4

The duration of unemployment by other characteristics of the unemployed

Demand patterns heavily influence structural change and employment dynamics, since labour shedding in one sector can be absorbed in other sectors. The process is of course not instantaneous and frictions in the market (e.g. skill matching, wages, differences in labour and product market regulation) mean that labour requires time to adjust (ILO[21]). Against this background, a useful dimension to the analysis of the unemployed is with reference to the five groups presented in Table 5.12.

Table 5.12: Duration of unemployment by origin of unemployment, 2010

	Short-term	Long-term	Total*	Incidence: long-term
	Thousand			Per cent
Job loser	844	549	1 393	39,4
Job leaver	154	119	273	43,6
New entrant	363	1 477	1 840	80,3
Re-entrant	111	83	194	42,7
Last worked more than 5 yrs ago	31	602	633	95,1
Total	**1 503**	**2 829**	**4 332**	**65,3**
	Percentage share			
Job loser	56,2	19,4	32,1	-
Job leaver	10,2	4,2	6,3	-
New entrant	24,2	52,2	42,5	-
Re-entrant	7,4	2,9	4,5	-
Last worked more than 5 yrs ago	2,1	21,3	14,6	-
Total	**100,0**	**100,0**	**100,0**	-

*Total includes 'don't know' and 'unspecified'

[21] World Employment Report. ILO, 2007.

The impact of work history on the likelihood of falling into long-term unemployment is substantial. If a person last worked more than five years ago, such a person is almost certain (95,1%) to end up in long-term unemployment.

There is a high probability that those with no work history (new entrants) will also face long-term unemployment (80,3%).

Because they have recent work experience, job losers and job leavers are least likely to be unemployed for a long time. It is also of interest to note that those who leave their jobs are slightly more likely to face long-term unemployment than those who lost their last job.

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

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

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

Long-term unemployment by province

Historically, the incidence of long-term unemployment has generally been higher in Gauteng, North West and Limpopo than in the other provinces. However, in 2010 the incidence of long-term unemployment was highest in Gauteng, Mpumalanga and North West, while it was lowest in Western Cape and Northern Cape.

Table 5.13: The incidence of long-term unemployment by province, 2005–2010

Province	2005	2006	2007	2008	2009	2010
	Per cent					
Western Cape	46,4	40,6	30,3	46,3	49,7	54,6
Eastern Cape	60,4	59,3	58,0	55,9	58,9	60,9
Northern Cape	49,8	42,1	49,6	57,2	54,0	57,7
Free State	63,5	56,9	56,7	56,1	55,1	58,4
KwaZulu-Natal	58,8	54,6	44,6	51,4	54,7	63,9
North West	67,0	62,9	56,4	62,7	60,8	67,3
Gauteng	69,8	65,2	60,2	70,8	69,3	73,4
Mpumalanga	51,6	56,0	48,0	51,5	55,8	68,1
Limpopo	70,9	60,8	59,5	58,3	55,4	58,1
South Africa	**61,9**	**57,9**	**52,1**	**58,8**	**59,7**	**65,3**

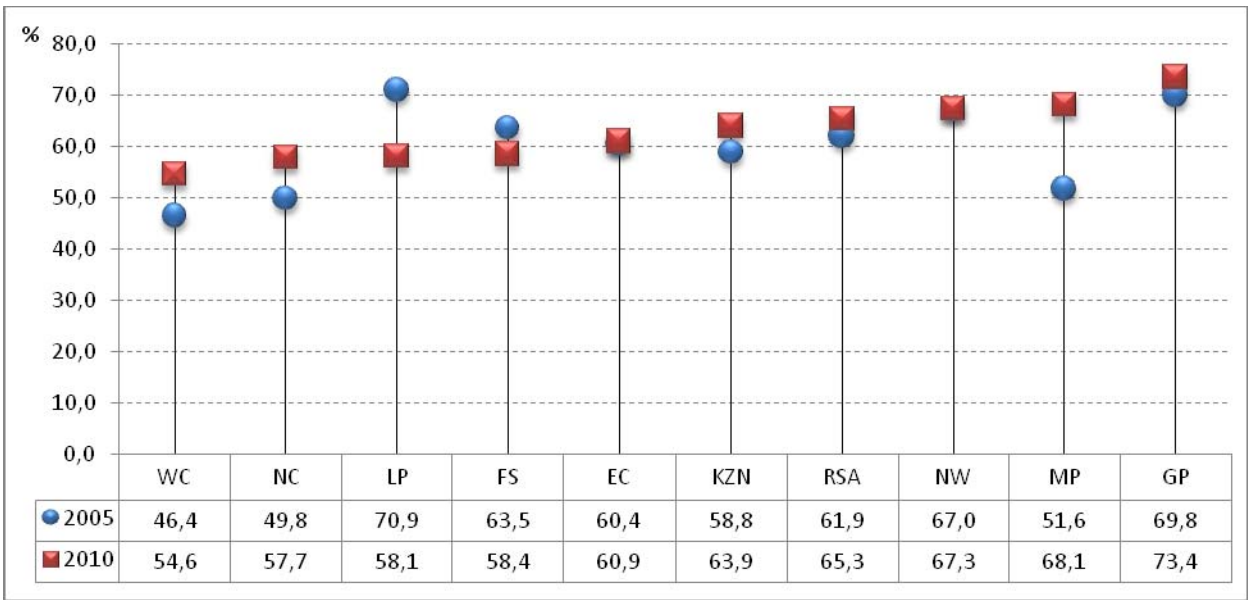
The weakening of the labour market in 2010 was reflected in an increase in the incidence of long-term unemployment in all the nine provinces. The largest increases between 2009 and 2010 occurred in Mpumalanga (12,3 percentage points), KwaZulu-Natal (9,2 percentage points) and North West (6,5 percentage points).

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

Over the same period, the lowest increase in the incidence of long-term unemployment occurred in Eastern Cape (2,0 percentage points), Limpopo (2,7 percentage points) and Free State (3,3 percentage points). In KwaZulu-Natal the increase in the incidence of long-term unemployment occurred despite a decline in the unemployment rate, suggesting particularly serious employment constraints in those labour markets.

However, research in Canada and the US has shown that with every increase in the number of weeks of unemployment, the probability of remaining unemployed for an additional week increases. If it is the short-term unemployed who do indeed get jobs at the expense of the long-term unemployed, those in long-term unemployment will increase as a percentage of total unemployment.

Figure 5.18: Incidence of long-term unemployment by province, 2005 and 2010



	WC	NC	LP	FS	EC	KZN	RSA	NW	MP	GP
2005	46,4	49,8	70,9	63,5	60,4	58,8	61,9	67,0	51,6	69,8
2010	54,6	57,7	58,1	58,4	60,9	63,9	65,3	67,3	68,1	73,4

Over a longer timeframe (2005 to 2010), the percentage of unemployed persons in long-term unemployment was virtually unchanged in North West and Eastern Cape, but declined in the provinces: Limpopo and Free State; while it increased in Mpumalanga, Western Cape, Northern Cape, KwaZulu-Natal and Gauteng (Figure 5.18).

Summary and conclusion

Unemployment is a central risk factor for young people, which in the long-term threatens the overall integration of young people into the society.

This chapter analysed various aspects of the unemployed in terms of their socio-demographic characteristics such as age and sex and variations in their job-search behaviour, followed by an analysis of unemployment duration – and in that context a discussion of the long-term unemployment rate. In 2010 more men were unemployed than women, but the number of unemployed women increased while the number of unemployed men decreased. Among both men and women, the bulk of the unemployed were below the age of 35 years in 2010.

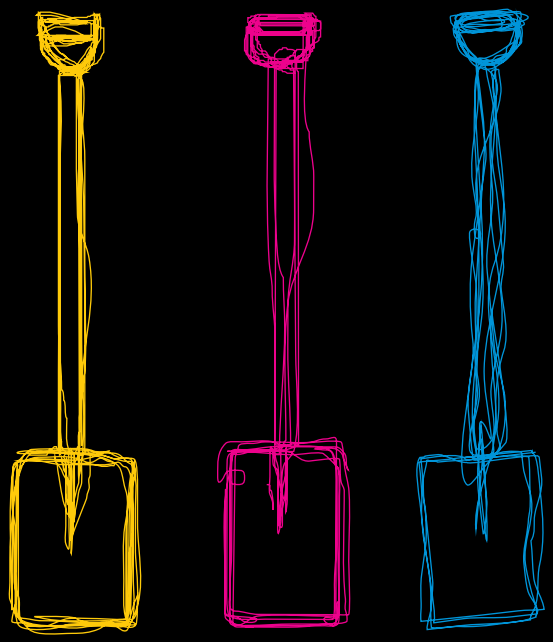
Job-search patterns among the unemployed were concentrated in a narrow range of activities. In 2010 more than one half of all unemployed persons enquired at workplaces/factories, etc., in search of work.

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

Over the period 2005–2010 there was an increase in long-term unemployment. In 2010 the incidence of long-term unemployment increased among both men and women to such an extent that over 47% of unemployed men and over 52% of unemployed women were actively looking for a job for one year or longer.

In addition to demographic variables such as age, race and sex, research has shown that asymmetries in the occupational structure are also associated with the duration of job searching among unemployed persons, because there is greater demand for some occupations than for others. Individuals who are in occupations that are in low demand have a difficult time finding a job.

Chapter 6
A profile of the not economically active population



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Chapter 6: A profile of the not economically active

Key labour market concepts

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

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

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

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

Background

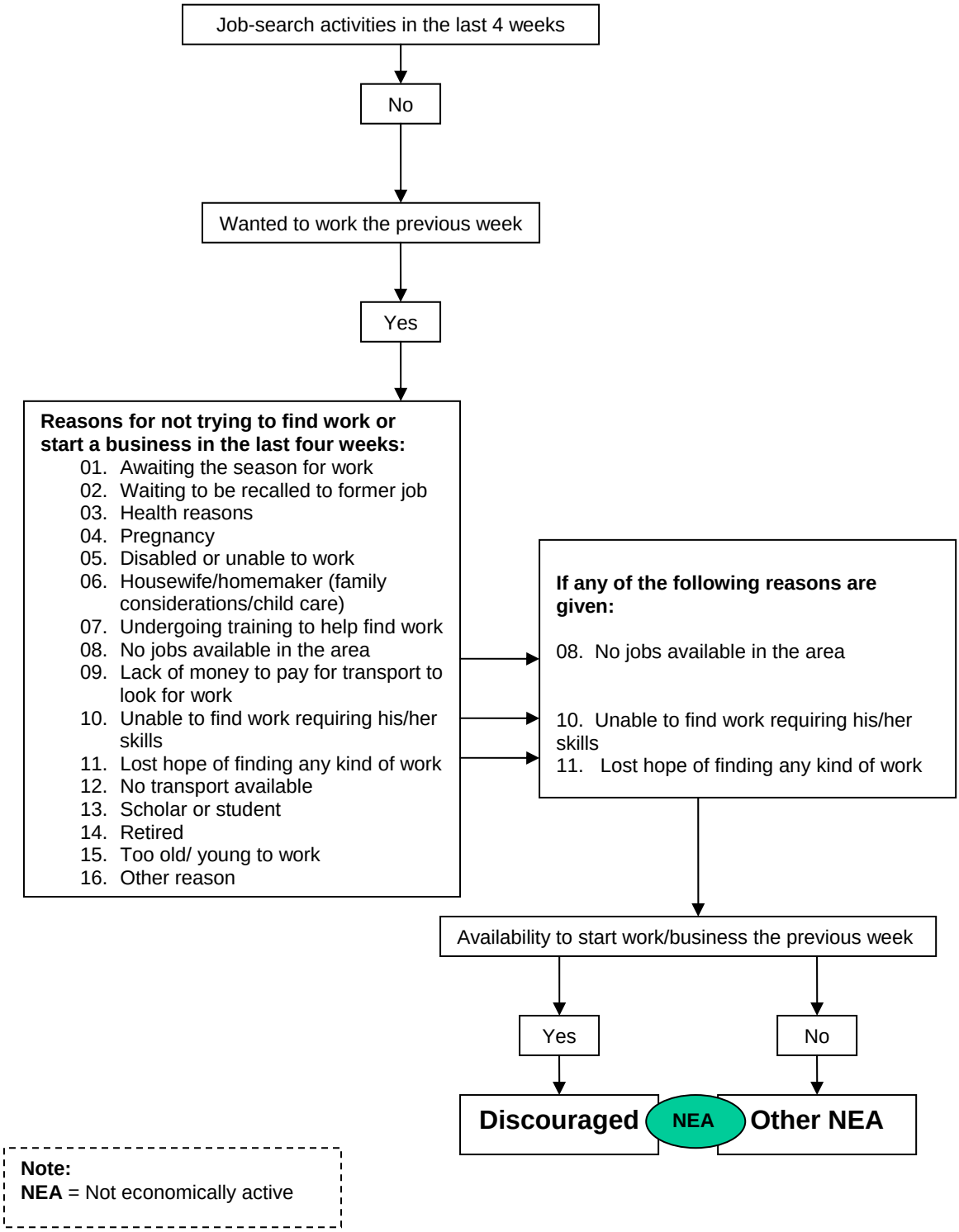
The not economically active are those persons who, during the reference week, were neither employed nor unemployed. More specifically, they are those who did not have a job in the reference week, did not look for work or try to start a business in the four weeks ending with the reference week, or were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

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

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

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

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



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

Introduction

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

The not economically active population

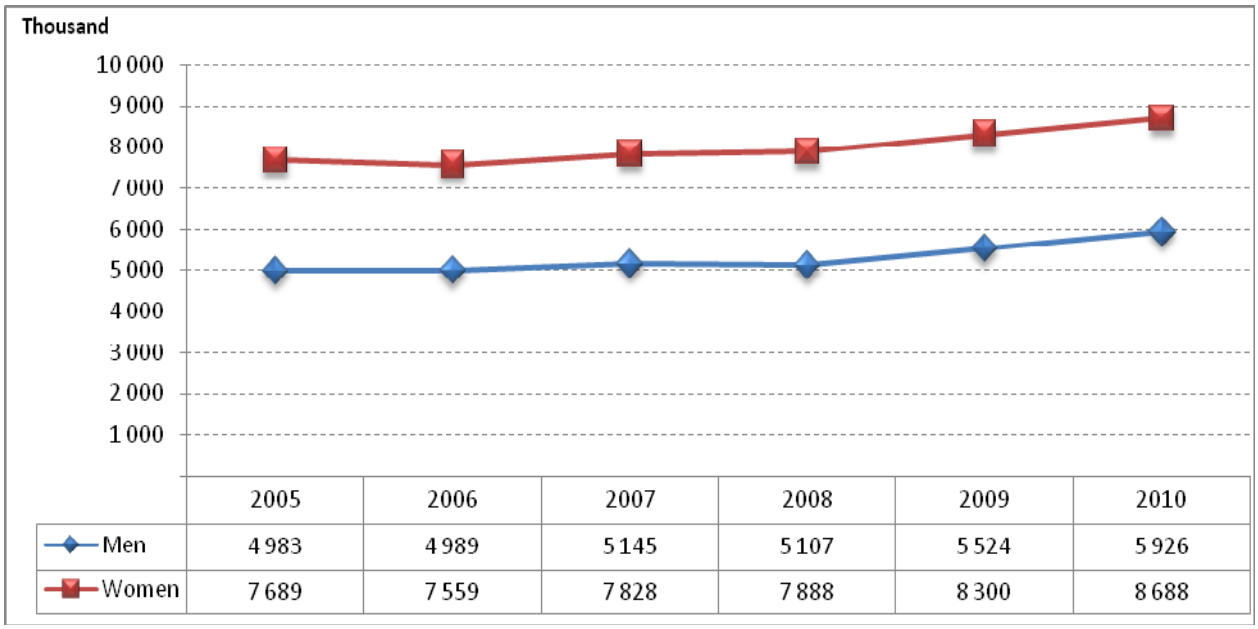
This section looks at the evolution of the not economically active group and seeks to analyse the trends over the period 2005–2010.

Not economically active population by sex, 2005–2010

Table 6.1: Not economically active population by sex, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
Men	4 983	4 989	5 145	5 107	5 524	5 926
Women	7 689	7 559	7 828	7 888	8 300	8 688
Total	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
	Percentage share					
Men	39,3	39,8	39,7	39,3	40,0	40,5
Women	60,7	60,2	60,3	60,7	60,0	59,5
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Figure 6.1: Distribution of the NEA population by sex, 2005–2010



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

Earlier chapters showed that more men than women are in the labour force and so, as the above chart shows (Figure 6.1), there are more women than men who are not economically active.

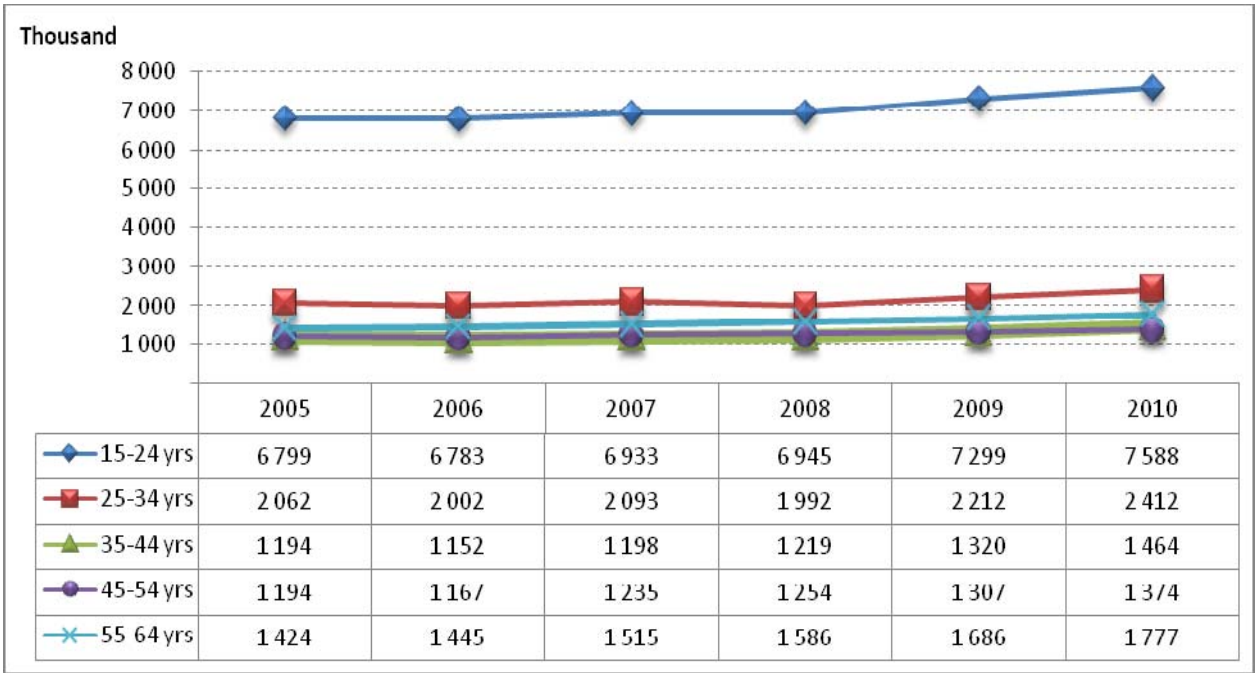
The number of economically inactive persons increased at a barely perceptible upward trend since 2005 in spite of the growth of the working-age population in that period. This is due to increasing proportions of both men and women in the labour force (participation rate). However, in the year 2009 the economically inactive population grew by 828 000 to approximately 13,8 million after remaining virtually unchanged in the previous year. This population further showed an upturn by 790 000 persons (5,7%) in 2010 to approximately 14,6 million – a figure less than the growth in 2009 of 6,4 %. This could have been due to the recession experienced in the country during this period.

Age profile of the not economically active population, 2005–2010

Table 6.2: Not economically active population by age, 2005–2010

	2005	2006	2007	2008	2009	2010
	Thousand					
15–24 yrs	6 799	6 783	6 933	6 945	7 299	7 588
25–34 yrs	2 062	2 002	2 093	1 992	2 212	2 412
35–44 yrs	1 194	1 152	1 198	1 219	1 320	1 464
45–54 yrs	1 194	1 167	1 235	1 254	1 307	1 374
55–64 yrs	1 424	1 445	1 515	1 586	1 686	1 777
Total	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
	Percentage share					
15–24 yrs	53,7	54,1	53,4	53,4	52,8	51,9
25–34 yrs	16,3	16,0	16,1	15,3	16,0	16,5
35–44 yrs	9,4	9,2	9,2	9,4	9,6	10,0
45–54 yrs	9,4	9,3	9,5	9,7	9,5	9,4
55–64 yrs	11,2	11,5	11,7	12,2	12,2	12,2
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Figure 6.2: Distribution of the NEA population by age, 2005–2010



	2005	2006	2007	2008	2009	2010
15-24 yrs	6 799	6 783	6 933	6 945	7 299	7 588
25-34 yrs	2 062	2 002	2 093	1 992	2 212	2 412
35-44 yrs	1 194	1 152	1 198	1 219	1 320	1 464
45-54 yrs	1 194	1 167	1 235	1 254	1 307	1 374
55 64 yrs	1 424	1 445	1 515	1 586	1 686	1 777

Table 6.2 and Figure 6.2 show that inactivity was highest among persons aged from 15 to 24 years. The number of inactive persons aged 15–24 went up from 6,8 million in 2005 to 7,6 million in 2010. There was a persistent increase in the same age group since 2009. It is clear from the table that the youth (15–34 years, in the South African context) in general were the most affected, from 2009 till 2010, especially among the 25–34 where inactivity grew by 11,1% in 2009 and 9,0% in 2010. This was after a reduction in inactivity in this age group by 4,8% in 2008 (see Table 6.3)

Table 6.3: Annual rate of change in the not economically active population by age, 2005–2010

	2005	2006	2007	2008	2009	2010
		Rate of change (per cent)				
15–24 yrs		-0,2	2,2	0,2	5,1	4,0
25–34 yrs		-2,9	4,5	-4,8	11,1	9,0
35–44 yrs		-3,6	4,0	1,7	8,4	10,9
45–54 yrs		-2,2	5,8	1,6	4,2	5,1
55–64 yrs		1,5	4,8	4,7	6,3	5,4
Total		**-1,0**	**3,4**	**0,2**	**6,4**	**5,7**

Inactivity rates

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

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

Inactivity rates for all age groups, 2005–2010

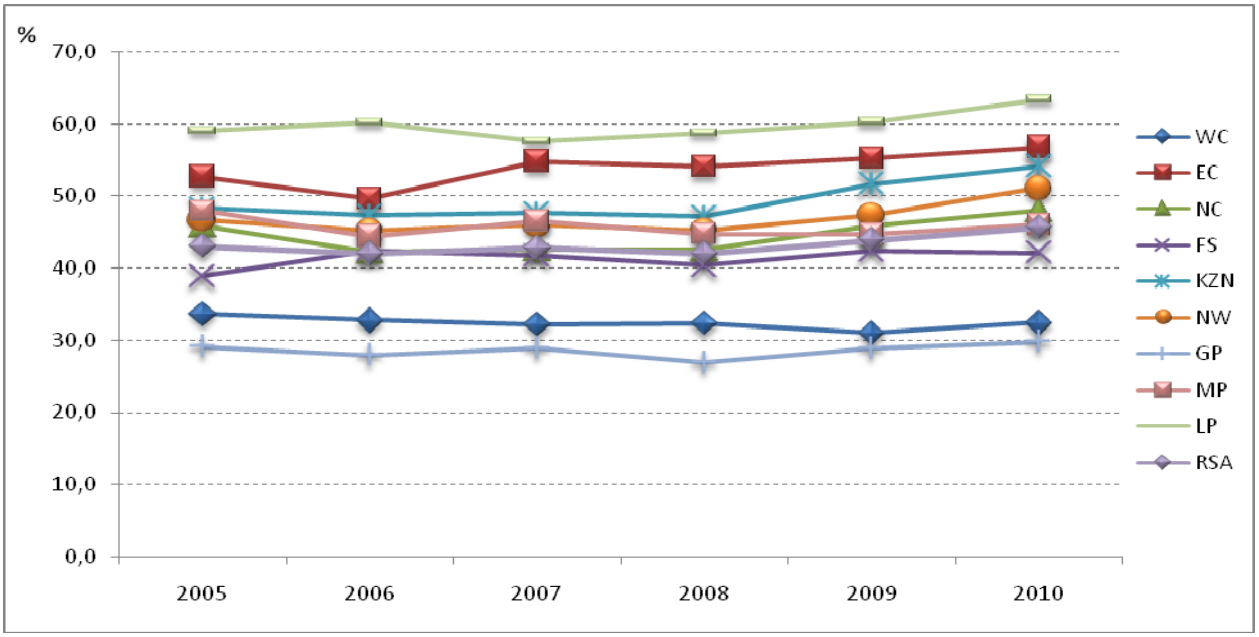
Inactivity rates for all age groups by province, 2005–2010

Table 6.4: Proportion of the not economically active population (all age groups) by province, 2005–2010

	2005	2006	2007	2008	2009	2010
	Inactivity rates					
Western Cape	33,6	32,7	32,2	32,3	31,0	32,4
Eastern Cape	52,6	49,6	54,8	54,1	55,2	56,8
Northern Cape	45,8	42,2	42,6	42,5	45,9	48,0
Free State	38,9	42,4	41,7	40,3	42,4	42,1
KwaZulu-Natal	48,3	47,3	47,6	47,1	51,7	54,1
North West	46,6	45,2	46,0	45,2	47,3	51,1
Gauteng	29,1	28,0	28,9	26,9	28,8	29,8
Mpumalanga	47,9	44,4	46,5	44,8	44,7	46,0
Limpopo	59,0	60,2	57,6	58,6	60,3	63,4
South Africa	**43,0**	**42,0**	**42,8**	**42,0**	**43,9**	**45,7**

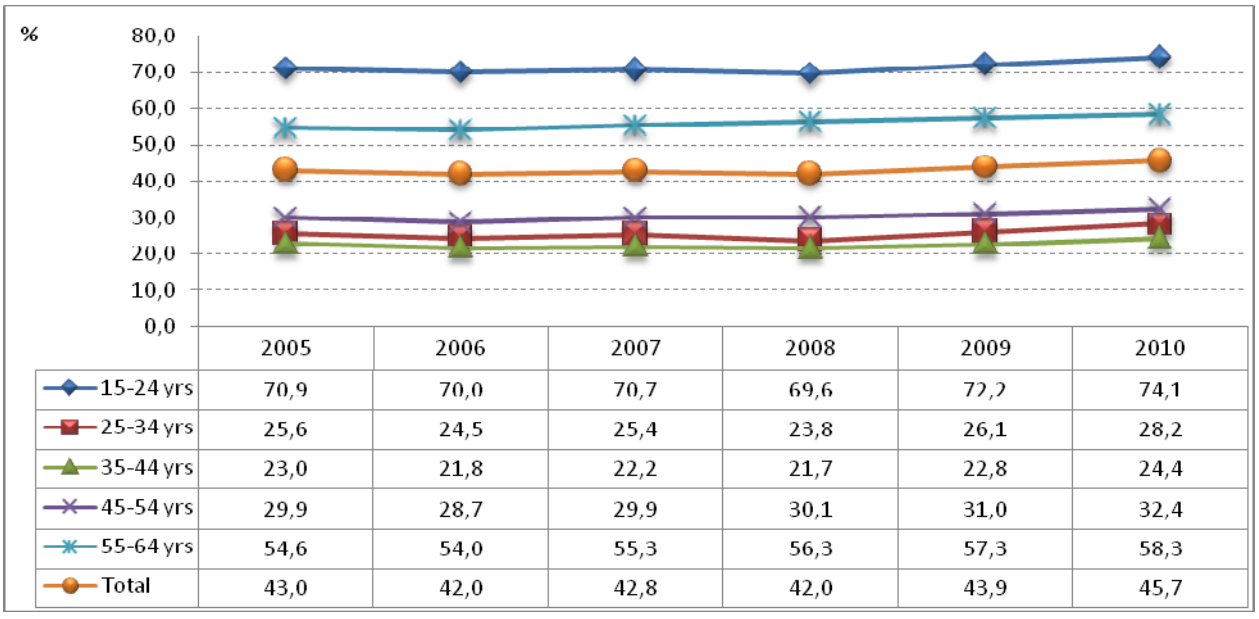
Limpopo and Eastern Cape had the most economically inactive people as a proportion of the working age population among the provinces, while Western Cape and Gauteng had the smallest proportions of inactive populations (below national level). In the year 2009, which also experienced a recession, inactivity rate went up by 1,9 percentage points and went up by almost the same percentage points in 2010. In 2009, during recession, the inactivity rates increased in all provinces except Western Cape and Mpumalanga. Limpopo experienced the highest ever economic inactivity throughout the series and recorded the highest in 2010 at 63,4% (Figure 6.3).

Figure 6.3: Inactivity rates by province, 2005–2010



Inactivity rates for all age groups by age, 2005–2010

Figure 6.4: Inactivity rates by age, 2005–2010



	2005	2006	2007	2008	2009	2010
15-24 yrs	70,9	70,0	70,7	69,6	72,2	74,1
25-34 yrs	25,6	24,5	25,4	23,8	26,1	28,2
35-44 yrs	23,0	21,8	22,2	21,7	22,8	24,4
45-54 yrs	29,9	28,7	29,9	30,1	31,0	32,4
55-64 yrs	54,6	54,0	55,3	56,3	57,3	58,3
Total	43,0	42,0	42,8	42,0	43,9	45,7

In Figure 6.4, inactivity rates for all age groups are illustrated. This figure shows that the youngest age group (15–24 years) constituted a higher proportion of persons without work and not seeking work, followed by those aged between 54 and 64 years. The high inactivity rate for 15–24-year-olds reflects in part the fact that many people in this age group are in school, and so have not yet started looking for work. As for 55–64-year-olds, many will already have entered retirement either voluntarily or involuntarily (e.g. due to illness or disability).

Those aged 25–34 are supposed to be highly active and indeed they have one of the lowest inactivity rates. However, in 2010 the inactivity rate among this group increased by 2,1 percentage points. It suggests that the effects of economic recession experienced in 2009 are still felt in 2010, though with a decreasing rate. In 2009, inactivity rate rose by 2,6 percentage points compared to 2,1 percentage points in 2010 for those aged 15–24. The same was noticed for 25–34 year-olds, where in 2009 the rates went up by 2,4 percentage points compared to 2010 where they went up by 2,1 percentage points. Older age groups were the most severely hit with inactivity as their rates of change were higher in 2010 compared to 2009.

Prime-age (25–54 years) inactivity rates, 2005–2010

Prime-age inactivity rates by province, 2005–2010.

Figure 6.5: Provincial distribution of prime-age inactivity rates, 2005–2010

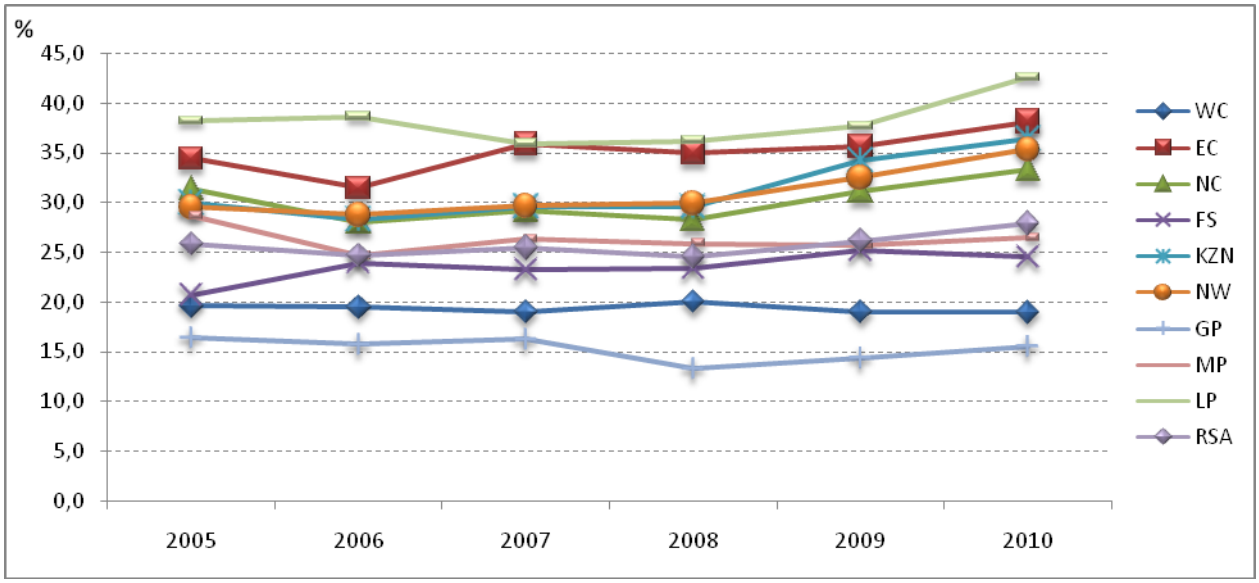
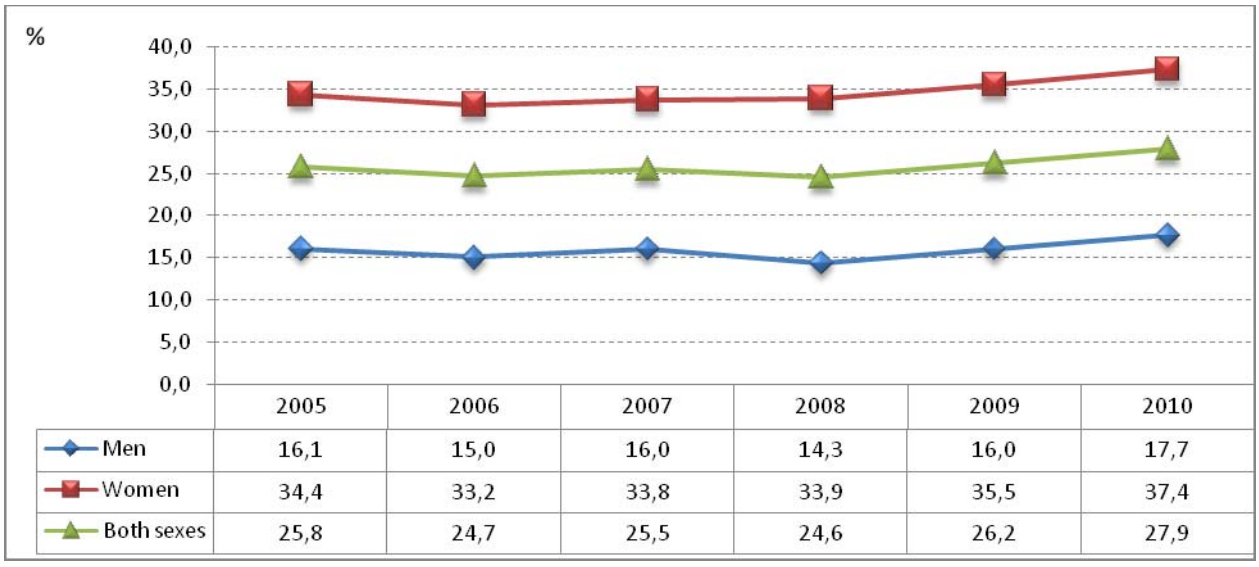


Figure 6.5 shows that Gauteng, Western Cape and Free State experienced lower than national inactivity rates for the prime-age group. Limpopo had the highest inactivity rate throughout the period under review compared to all the other provinces with over 35% (and over 40% in 2010). This was followed by Eastern Cape. These two provinces had the largest proportions of persons out of the labour force and also had the same rate of inactivity in 2007 (35,9%).

In 2010 the national inactivity rate among the prime age increased by 1,7 percentage points. Limpopo experienced the largest change, the inactivity rate went up by 4,9 percentage points to reach the highest peak of 42.6%. On the other hand, inactivity rate among the prime age remained virtually unchanged in Western Cape.

Prime-age inactivity rates by sex, 2005–2010

Figure 6.6: Prime-age inactivity rates by sex, 2005–2010

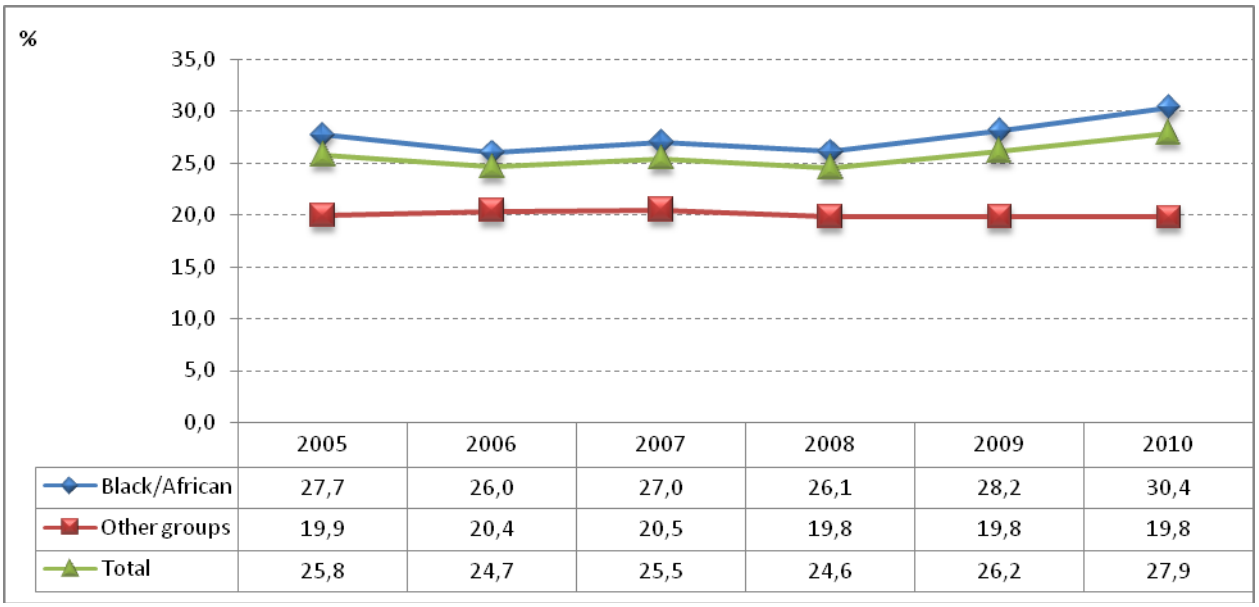


	2005	2006	2007	2008	2009	2010
Men	16,1	15,0	16,0	14,3	16,0	17,7
Women	34,4	33,2	33,8	33,9	35,5	37,4
Both sexes	25,8	24,7	25,5	24,6	26,2	27,9

The same pattern of prime-age inactivity rates is observed for both men and women. Women who were not economically active accounted for about twice as much as the men who were not economically active over the period 2005–2010. The rate for men showed a down-turn in 2008 whilst those for women remained stable. In 2009, the opposite was realised when both men and women inactivity rates went up from the 2008 rates, men up by 1,7 percentage points to 16,0% and women up by 1,6 percentage points to 35,5%. However, in 2010 both men and women showed an upturn, men steadily up by 1,7 percentage point to 17,7 % and women up by 1,9 percentage points to 34,4% (Figure 6.6).

Prime-age inactivity rates by population group, 2005–2010

Figure 6.7: Proportion of the prime-age inactive population by population group, 2005–2010

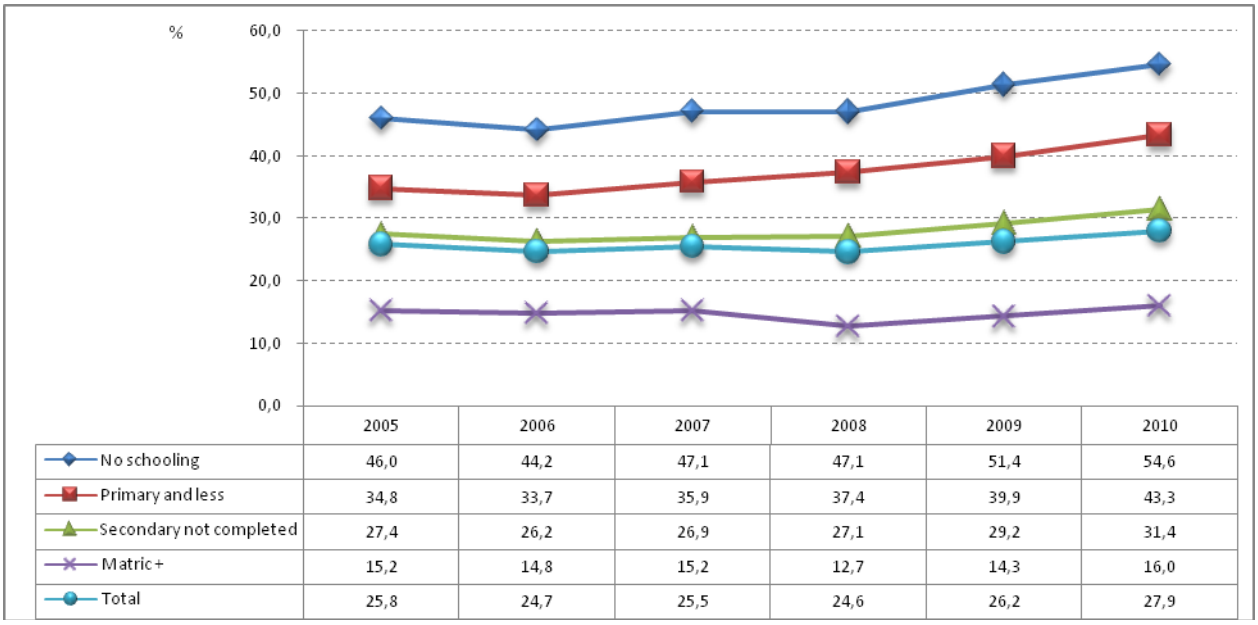


	2005	2006	2007	2008	2009	2010
Black/African	27,7	26,0	27,0	26,1	28,2	30,4
Other groups	19,9	20,4	20,5	19,8	19,8	19,8
Total	25,8	24,7	25,5	24,6	26,2	27,9

Figure 6.7 shows that other population groups had a smaller percentage of inactive persons, and this remained stable throughout the period under review. In 2010 inactivity rate among black Africans of prime age increased by 2,2 percentage points to 30,4%; while that of other population groups remained unchanged.

Prime-age inactivity rates by level of education, 2005–2010.

Figure 6.8: Proportion of the prime-age not economically active population by level of education, 2005–2010

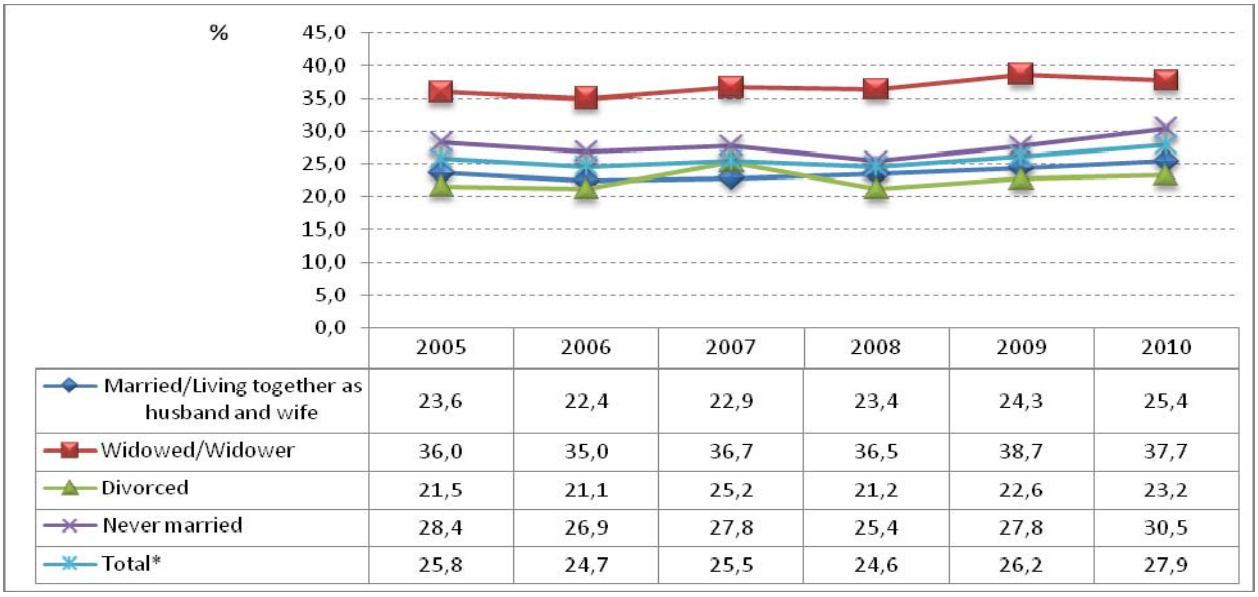


	2005	2006	2007	2008	2009	2010
No schooling	46,0	44,2	47,1	47,1	51,4	54,6
Primary and less	34,8	33,7	35,9	37,4	39,9	43,3
Secondary not completed	27,4	26,2	26,9	27,1	29,2	31,4
Matric+	15,2	14,8	15,2	12,7	14,3	16,0
Total	25,8	24,7	25,5	24,6	26,2	27,9

Persons with higher qualifications recorded the lowest inactivity rates. This reflects the fact that education is positively correlated with labour force participation rates (see Chapter 3), and so is inversely correlated with inactivity. It was evident that persons without schooling constituted the highest rates of inactivity, which reflects in part that those with no schooling tend to be older and have lower participation rates. Different educational categories displayed similar trends over the period 2005–2010, with only those who had matric or higher falling below the average inactivity rate. However, there is a noticeable change since 2008 through to 2010 where inactivity increased irrespective of education level. For example inactivity among those with no schooling increased by 3,2 percentage points between 2009 and 2010 after an increase of 4,3 percentage points between 2008 and 2009. Inactivity rates among those with higher education increased by 1,7 percentage points to 16,0% in the year 2010 after an increase of 1,6 percentage points in the previous year.

Prime-age inactivity rates by marital status, 2005–2010

Figure 6.9: Proportion of the prime-age not economically active population by marital status, 2005–2010



	2005	2006	2007	2008	2009	2010
Married/Living together as husband and wife	23,6	22,4	22,9	23,4	24,3	25,4
Widowed/Widower	36,0	35,0	36,7	36,5	38,7	37,7
Divorced	21,5	21,1	25,2	21,2	22,6	23,2
Never married	28,4	26,9	27,8	25,4	27,8	30,5
Total*	25,8	24,7	25,5	24,6	26,2	27,9

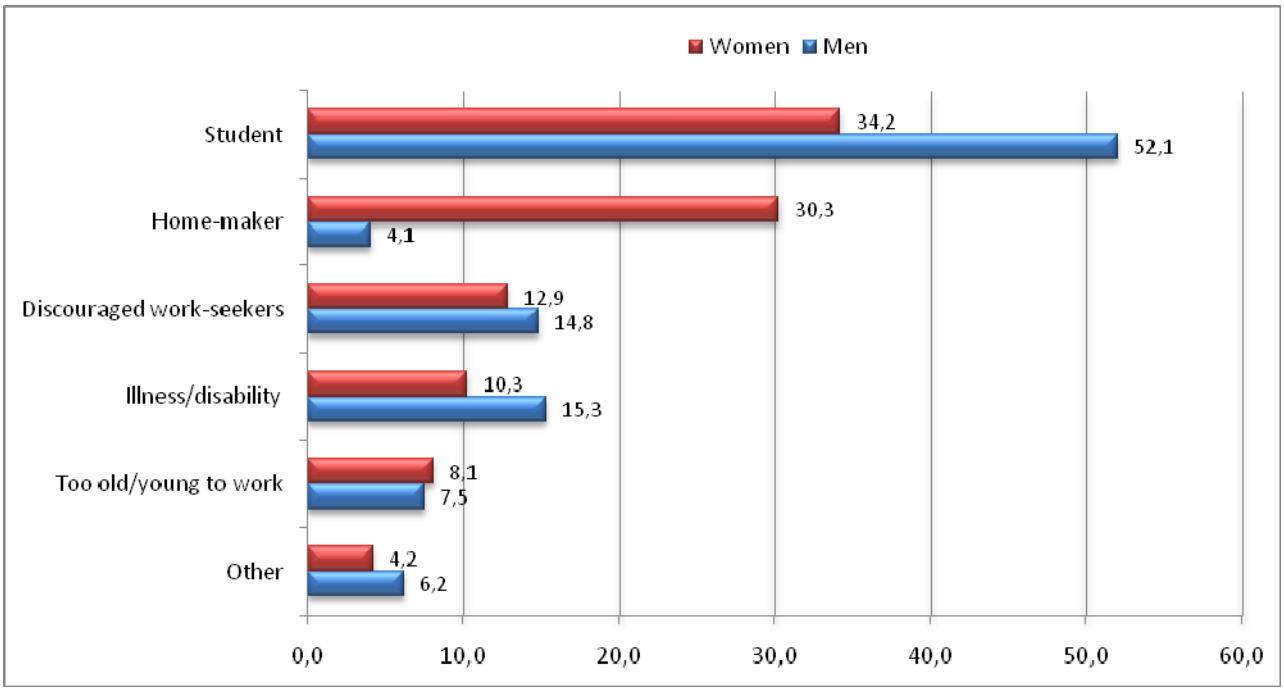
Figure 6.9 shows that among the not economically active persons, those whose spouses had died were the highest in inactivity. This largely reflects the fact that they are considerably older on average than the others. On the other hand, those who had separated from their spouses through divorce had the lowest inactivity rate, followed by those married or living together as husband and wife. Over the period 2005–2010, all marital classes evolved in the same pattern. In the year ended December 2010, the inactivity rate increased at a national level as well as among all marital classes, except for the widowed, the proportion went down by one percentage point to 37,7%.

Reasons for not being economically active, 2010

Table 6.5: Characteristics of the not economically active by sex, 2008–2010

	2008			2009			2010		
	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes
	Thousand								
Student	2 921	2 782	5 702	3 000	2 834	5 834	3 085	2 972	6 057
Home-maker	135	2 405	2 539	192	2 548	2 740	243	2 633	2 876
Illness/disability	877	926	1 803	876	916	1 792	908	891	1 799
Too old/young to work	332	658	991	391	689	1 080	444	704	1 148
Discouraged work-seekers	448	681	1 129	648	883	1 532	877	1 121	1 998
Other	394	437	831	417	429	845	369	367	736
Total	**5 107**	**7 888**	**12 996**	**5 524**	**8 300**	**13 824**	**5 926**	**8 688**	**14 614**

Figure 6.10: Characteristics of the NEA by sex, 2010



Students constituted more than 40,0% of the economically inactive group in 2010. Men (52,1%) accounted for a larger proportion of students than women (34,2%). Home-making was the second reason cited by women for their inactivity; they accounted for 30,3% of all the not economically active women. The gender gap was small among discouraged work-seekers and among those who are too old or too young to work. The same pattern was observed in 2008 and in 2009. This further quantify that school going is the main reason for low participation rate of persons aged 15-24, since students remained above 40,0% of the inactive group throughout the period (2008-2010) (see Table 6.5 and Figure 6.10).

Discouraged work-seekers, 2008–2010

Analysis in this section focuses on the number of discouraged work-seekers as a percentage of the total not economically active persons, from 2008 through to 2010. It should be noted that, the period in this section has only three points. (See breaks in series under Data issues in Chapter 1: Introduction)

Table 6.6: Discouraged work-seekers by sex and population group, 2008–2010

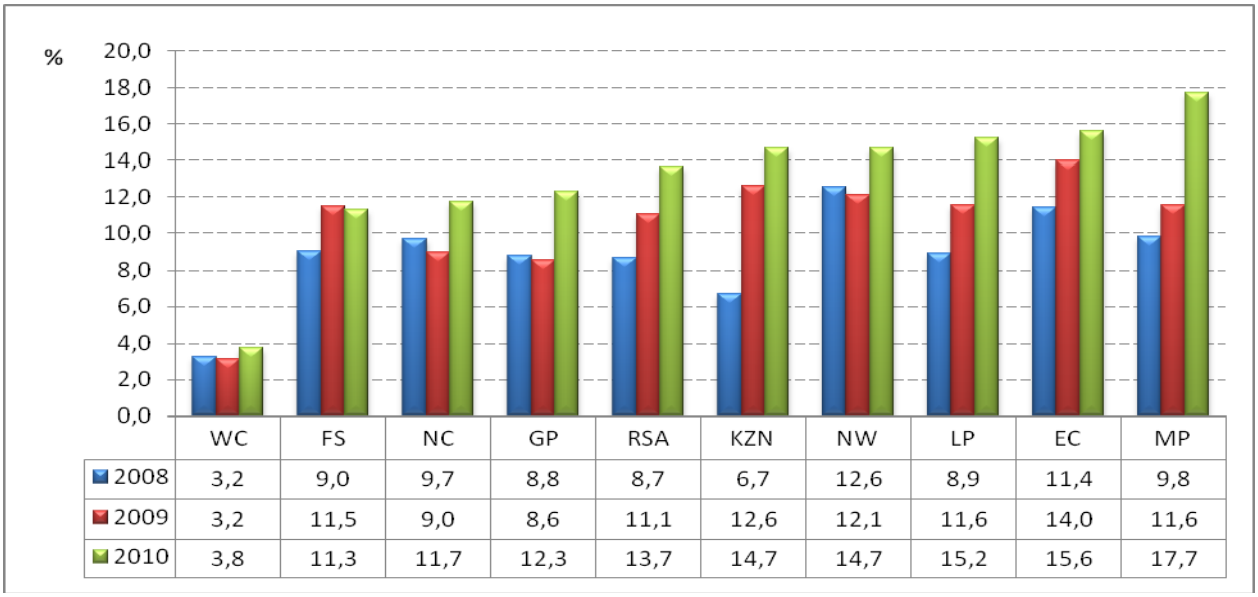
	2008			2009			2010		
	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes
	Thousand								
Black African	427	644	1 071	612	839	1 452	821	1 060	1 880
Other groups	22	37	58	36	44	80	56	61	117
Total	**448**	**681**	**1 129**	**648**	**883**	**1 532**	**877**	**1 121**	**1 998**
	As a percentage of the not economically active								
Black African	9,9	10,1	10,0	13,1	12,4	12,7	16,3	14,9	15,4
Other groups	2,6	2,4	2,5	4,3	2,9	3,4	6,4	3,9	4,8
Total	**8,8**	**8,6**	**8,7**	**11,7**	**10,6**	**11,1**	**14,8**	**12,9**	**13,7**

Table 6.6 shows that the number of discouraged persons went up in 2010 compared to 2008 and 2009. The rate of change increased steadily by 2,7 percentage points between 2008 and 2009 as well as between 2009 and 2010. Men and women had almost the same proportions of discouraged work-seekers in both Black Africans and the other groups in 2008. However, in 2009 through to 2010, there was a gender disparity among these groups. Men had been the most discouraged of the two sexes irrespective of population group except in 2008.

Table 6.7: Discouraged work-seekers by province, 2008–2010

	2008		2009		2010	
	Thousand	As a percentage of NEA	Thousand	As a percentage of NEA	Thousand	As a percentage of NEA
Western Cape	34	3,2	32	3,2	41	3,8
Eastern Cape	247	11,4	313	14,0	365	15,6
Northern Cape	29	9,7	29	9,0	40	11,7
Free State	66	9,0	90	11,5	88	11,3
KwaZulu-Natal	202	6,7	425	12,6	528	14,7
North West	112	12,6	114	12,1	151	14,7
Gauteng	177	8,8	187	8,6	281	12,3
Mpumalanga	97	9,8	116	11,6	187	17,7
Limpopo	165	8,9	224	11,6	317	15,2
South Africa	**1 129**	**8,7**	**1 532**	**11,1**	**1 998**	**13,7**

Figure 6.11: Discouraged work-seekers as a percentage of NEA by province, 2008–2010



	WC	FS	NC	GP	RSA	KZN	NW	LP	EC	MP
2008	3,2	9,0	9,7	8,8	8,7	6,7	12,6	8,9	11,4	9,8
2009	3,2	11,5	9,0	8,6	11,1	12,6	12,1	11,6	14,0	11,6
2010	3,8	11,3	11,7	12,3	13,7	14,7	14,7	15,2	15,6	17,7

Figure 6.11 shows that in 2010, there was an upturn by 2,6 percentage points to 13,7% of discouraged work-seekers, of those who were not economically active following an increase by 2,4% in 2009 to 11,1%. In 2010 all provinces experienced increases in the discouraged work-seekers population except in Free State where the share remained virtually unchanged.

Mpumalanga had the largest proportion of discouraged work-seekers from the total not economically active population in 2010, followed by Eastern Cape. Western Cape and Free State had the lowest proportions which were also lower than the national average of 13,7% (see Table 6.7 and Figure 6.11).

Summary and conclusion

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

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

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

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

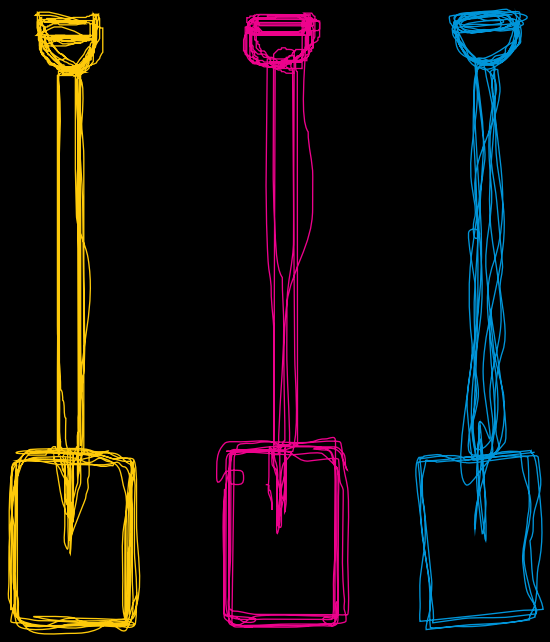
It was noted that women constituted larger numbers than men, and black Africans in particular made up almost the whole of the inactive population. This gives an indication that black Africans remain a disadvantaged population.

The youth accounted for high numbers of inactivity. Throughout the period 2008 to 2010, over 40% were attending school. Limpopo, Eastern Cape and KwaZulu-Natal were the provinces most affected by this inactivity, while Western Cape had the lowest rate of inactivity. This suggests that in Limpopo, Eastern Cape and KwaZulu-Natal there are large rural areas which contribute to low employment growth.

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

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

Statistical appendix



Statistical appendices

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

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Women	15 491	15 706	15 904	16 045	16 280	16 507
Men	13 947	14 182	14 407	14 922	15 214	15 500
Population groups	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Black/African	22 623	23 036	23 423	23 985	24 483	24 973
Coloured	2 801	2 846	2 891	2 922	2 961	2 998
Indian/Asian	823	840	857	879	897	912
White	3 191	3 167	3 141	3 180	3 154	3 125
South Africa	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Western Cape	3 280	3 349	3 403	3 273	3 328	3 383
Eastern Cape	3 801	3 847	3 898	3 996	4 063	4 123
Northern Cape	686	692	698	695	705	712
Free State	1 811	1 826	1 841	1 821	1 843	1 858
KwaZulu-Natal	5 993	6 084	6 180	6 411	6 528	6 649
North West	2 107	2 130	2 150	1 962	1 991	2 016
Gauteng	6 797	6 911	6 999	7 446	7 568	7 687
Mpumalanga	2 082	2 115	2 148	2 213	2 252	2 292
Limpopo	2 881	2 935	2 994	3 149	3 215	3 287

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

Table 2: Labour force characteristics by sex - All population groups						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes						
Population 15-64 yrs	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Labour Force	16 766	17 340	17 338	17 971	17 670	17 393
Employed	12 769	13 419	13 467	13 867	13 455	13 061
Formal sector (Non-agricultural)	8 336	8 675	9 147	9 572	9 453	9 123
Informal sector (Non-agricultural)	2 441	2 573	2 325	2 298	2 129	2 159
Agriculture	740	859	737	786	686	639
Private households	1 252	1 311	1 258	1 209	1 187	1 140
Unemployed	3 997	3 922	3 871	4 104	4 215	4 332
Not economically active	12 672	12 548	12 973	12 996	13 824	14 614
Discouraged work-seekers	2 337	2 331	2 557	1 129	1 532	1 998
Other(not economically active)	10 335	10 217	10 416	11 867	12 292	12 616
Rates (%)						
Unemployment rate	23,8	22,6	22,3	22,8	23,9	24,9
Employed / population ratio (Absorption)	43,4	44,9	44,4	44,8	42,7	40,8
Labour force participation rate	57,0	58,0	57,2	58,0	56,1	54,3
Women						
Population 15-64 yrs	**15 491**	**15 706**	**15 904**	**16 045**	**16 280**	**16 507**
Labour Force	7 802	8 147	8 076	8 156	7 981	7 819
Employed	5 602	5 936	5 944	6 000	5 894	5 671
Formal sector (Non-agricultural)	3 244	3 427	3 635	3 773	3 804	3 666
Informal sector (Non-agricultural)	1 153	1 185	1 082	1 030	945	909
Agriculture	250	310	269	256	219	217
Private households	955	1 013	959	941	926	879
Unemployed	2 200	2 212	2 132	2 156	2 087	2 148
Not economically active	7 689	7 559	7 828	7 888	8 300	8 688
Discouraged work-seekers	1 484	1 466	1 603	681	883	1 121
Other(not economically active)	6 205	6 093	6 225	7 208	7 416	7 568
Rates (%)						
Unemployment rate	28,2	27,2	26,4	26,4	26,1	27,5
Employed / population ratio (Absorption)	36,2	37,8	37,4	37,4	36,2	34,4
Labour force participation rate	50,4	51,9	50,8	50,8	49,0	47,4
Men						
Population 15-64 yrs	**13 947**	**14 182**	**14 407**	**14 922**	**15 214**	**15 500**
Labour Force	8 964	9 193	9 262	9 815	9 689	9 574
Employed	7 167	7 483	7 523	7 866	7 562	7 390
Formal sector (Non-agricultural)	5 092	5 248	5 512	5 799	5 649	5 457
Informal sector (Non-agricultural)	1 288	1 388	1 244	1 268	1 184	1 250
Agriculture	490	549	467	531	467	422
Private households	297	298	300	268	262	261
Unemployed	1 797	1 710	1 739	1 948	2 128	2 184
Not economically active	4 983	4 989	5 145	5 107	5 524	5 926
Discouraged work-seekers	854	865	954	448	648	877
Other(not economically active)	4 129	4 124	4 191	4 659	4 876	5 049
Rates (%)						
Unemployment rate	20,0	18,6	18,8	19,8	22,0	22,8
Employed / population ratio (Absorption)	51,4	52,8	52,2	52,7	49,7	47,7
Labour force participation rate	64,3	64,8	64,3	65,8	63,7	61,8

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

Table 2.1: Labour force characteristics by population group						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
South Africa						
Population 15-64 yrs	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Labour Force	16 766	17 340	17 338	17 971	17 670	17 393
Employed	12 769	13 419	13 467	13 867	13 455	13 061
Unemployed	3 997	3 922	3 871	4 104	4 215	4 332
Not economically active	12 672	12 548	12 973	12 996	13 824	14 614
Rates (%)						
Unemployment rate	23,8	22,6	22,3	22,8	23,9	24,9
Employed / population ratio (Absorption)	43,4	44,9	44,4	44,8	42,7	40,8
Labour force participation rate	57,0	58,0	57,2	58,0	56,1	54,3
Black/African						
Population 15-64 yrs	**22 623**	**23 036**	**23 423**	**23 985**	**24 483**	**24 973**
Labour Force	12 226	12 797	12 785	13 305	13 023	12 792
Employed	8 839	9 426	9 490	9 719	9 365	9 054
Unemployed	3 387	3 371	3 294	3 587	3 658	3 737
Not economically active	10 397	10 239	10 638	10 679	11 459	12 181
Rates (%)						
Unemployment rate	27,7	26,3	25,8	27,0	28,1	29,2
Employed / population ratio (Absorption)	39,1	40,9	40,5	40,5	38,3	36,3
Labour force participation rate	54,0	55,6	54,6	55,5	53,2	51,2
Coloured						
Population 15-64 yrs	**2 801**	**2 846**	**2 891**	**2 922**	**2 961**	**2 998**
Labour Force	1 875	1 914	1 944	1 904	1 933	1 917
Employed	1 460	1 517	1 508	1 546	1 542	1 496
Unemployed	415	397	436	359	391	422
Not economically active	926	932	947	1 018	1 028	1 081
Rates (%)						
Unemployment rate	22,1	20,7	22,4	18,8	20,2	22,0
Employed / population ratio (Absorption)	52,1	53,3	52,2	52,9	52,1	49,9
Labour force participation rate	66,9	67,3	67,2	65,2	65,3	64,0
Indian/Asian						
Population 15-64 yrs	**823**	**840**	**857**	**879**	**897**	**912**
Labour Force	508	500	495	536	523	552
Employed	430	453	445	472	461	502
Unemployed	78	47	50	64	63	50
Not economically active	314	340	361	343	373	360
Rates (%)						
Unemployment rate	15,4	9,4	10,1	11,9	12,0	9,1
Employed / population ratio (Absorption)	52,2	53,9	51,9	53,7	51,4	55,0
Labour force participation rate	61,7	59,5	57,8	61,0	58,4	60,5
White						
Population 15-64 yrs	**3 191**	**3 167**	**3 141**	**3 180**	**3 154**	**3 125**
Labour Force	2 156	2 130	2 114	2 225	2 191	2 132
Employed	2 040	2 024	2 024	2 130	2 088	2 009
Unemployed	117	107	90	94	103	123
Not economically active	1 035	1 037	1 027	955	963	992
Rates (%)						
Unemployment rate	5,4	5,0	4,3	4,2	4,7	5,8
Employed / population ratio (Absorption)	63,9	63,9	64,4	67,0	66,2	64,3
Labour force participation rate	67,6	67,3	67,3	69,9	69,5	68,2

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

Table 2.2: Labour force characteristics by province

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
South Africa						
Population 15-64 yrs	**29 438**	**29 889**	**30 311**	**30 967**	**31 494**	**32 007**
Labour Force	16 766	17 340	17 338	17 971	17 670	17 393
Employed	12 769	13 419	13 467	13 867	13 455	13 061
Unemployed	3 997	3 922	3 871	4 104	4 215	4 332
Not economically active	12 672	12 548	12 973	12 996	13 824	14 614
Discouraged work-seekers	2 337	2 331	2 557	1 129	1 532	1 998
Other	10 335	10 217	10 416	11 867	12 292	12 616
Rates (%)						
Unemployment rate	23,8	22,6	22,3	22,8	23,9	24,9
Employed / population ratio (Absorption)	43,4	44,9	44,4	44,8	42,7	40,8
Labour force participation rate	57,0	58,0	57,2	58,0	56,1	54,3
Western Cape						
Population 15-64 yrs	**3 280**	**3 349**	**3 403**	**3 273**	**3 328**	**3 383**
Labour Force	2 178	2 254	2 308	2 215	2 297	2 288
Employed	1 734	1 857	1 875	1 809	1 825	1 789
Unemployed	444	396	433	406	472	498
Not economically active	1 102	1 095	1 095	1 058	1 031	1 095
Discouraged work-seekers	93	109	138	34	32	41
Other	1 009	986	957	1 024	999	1 054
Rates (%)						
Unemployment rate	20,4	17,6	18,8	18,3	20,5	21,8
Employed / population ratio (Absorption)	52,9	55,4	55,1	55,3	54,8	52,9
Labour force participation rate	66,4	67,3	67,8	67,7	69,0	67,6
Eastern Cape						
Population 15-64 yrs	**3 801**	**3 847**	**3 898**	**3 996**	**4 063**	**4 123**
Labour Force	1 800	1 937	1 762	1 835	1 820	1 783
Employed	1 291	1 423	1 290	1 350	1 317	1 294
Unemployed	509	514	472	485	503	489
Not economically active	2 001	1 910	2 136	2 161	2 243	2 340
Discouraged work-seekers	386	305	402	247	313	365
Other	1 615	1 604	1 735	1 914	1 930	1 976
Rates (%)						
Unemployment rate	28,3	26,5	26,8	26,4	27,6	27,4
Employed / population ratio (Absorption)	34,0	37,0	33,1	33,8	32,4	31,4
Labour force participation rate	47,4	50,4	45,2	45,9	44,8	43,2
Northern Cape						
Population 15-64 yrs	**686**	**692**	**698**	**695**	**705**	**712**
Labour Force	372	400	400	400	381	371
Employed	285	311	309	307	279	271
Unemployed	86	89	91	92	102	99
Not economically active	315	292	297	295	323	342
Discouraged work-seekers	73	52	63	29	29	40
Other	242	240	234	267	294	302
Rates (%)						
Unemployment rate	23,2	22,3	22,8	23,1	26,8	26,8
Employed / population ratio (Absorption)	41,5	44,9	44,3	44,2	39,6	38,1
Labour force participation rate	54,1	57,8	57,3	57,4	54,0	52,0
Free State						
Population 15-64 yrs	**1 811**	**1 826**	**1 841**	**1 821**	**1 843**	**1 858**
Labour Force	1 107	1 052	1 073	1 087	1 062	1 075
Employed	806	803	832	826	781	775
Unemployed	301	249	241	261	280	300
Not economically active	704	774	768	734	782	783
Discouraged work-seekers	91	140	134	66	90	88
Other	612	635	633	668	692	695
Rates (%)						
Unemployment rate	27,2	23,7	22,5	24,0	26,4	27,9
Employed / population ratio (Absorption)	44,5	44,0	45,2	45,4	42,4	41,7
Labour force participation rate	61,1	57,6	58,3	59,7	57,6	57,9

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

Table 2.2: Labour force characteristics by province (concluded)

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
KwaZulu-Natal						
Population 15-64 yrs	**5 993**	**6 084**	**6 180**	**6 411**	**6 528**	**6 649**
Labour Force	3 101	3 208	3 239	3 392	3 153	3 049
Employed	2 346	2 549	2 512	2 645	2 522	2 441
Unemployed	755	660	727	747	630	608
Not economically active	2 891	2 876	2 942	3 019	3 375	3 600
Discouraged work-seekers	492	506	549	202	425	528
Other	2 400	2 370	2 393	2 817	2 950	3 072
Rates (%)						
Unemployment rate	24,3	20,6	22,4	22,0	20,0	19,9
Employed / population ratio (Absorption)	39,1	41,9	40,6	41,3	38,6	36,7
Labour force participation rate	51,7	52,7	52,4	52,9	48,3	45,9
North West						
Population 15-64 yrs	**2 107**	**2 130**	**2 150**	**1 962**	**1 991**	**2 016**
Labour Force	1 124	1 167	1 161	1 075	1 049	987
Employed	845	839	858	815	763	724
Unemployed	280	328	303	260	286	263
Not economically active	983	962	988	887	943	1 030
Discouraged work-seekers	189	179	199	112	114	151
Other	793	783	789	776	828	878
Rates (%)						
Unemployment rate	24,9	28,1	26,1	24,2	27,3	26,6
Employed / population ratio (Absorption)	40,1	39,4	39,9	41,5	38,3	35,9
Labour force participation rate	53,4	54,8	54,0	54,8	52,7	49,0
Gauteng						
Population 15-64 yrs	**6 797**	**6 911**	**6 999**	**7 446**	**7 568**	**7 687**
Labour Force	4 819	4 977	4 975	5 443	5 385	5 400
Employed	3 783	3 914	3 972	4 270	4 101	3 951
Unemployed	1 035	1 063	1 003	1 173	1 284	1 449
Not economically active	1 979	1 934	2 024	2 003	2 183	2 287
Discouraged work-seekers	401	436	445	177	187	281
Other	1 578	1 498	1 579	1 826	1 996	2 006
Rates (%)						
Unemployment rate	21,5	21,4	20,2	21,6	23,8	26,8
Employed / population ratio (Absorption)	55,7	56,6	56,8	57,3	54,2	51,4
Labour force participation rate	70,9	72,0	71,1	73,1	71,2	70,2
Mpumalanga						
Population 15-64 yrs	**2 082**	**2 115**	**2 148**	**2 213**	**2 252**	**2 292**
Labour Force	1 084	1 176	1 149	1 222	1 246	1 239
Employed	856	899	923	935	926	887
Unemployed	228	277	225	287	320	352
Not economically active	998	939	1 000	991	1 006	1 053
Discouraged work-seekers	191	158	208	97	116	187
Other	806	781	792	894	890	867
Rates (%)						
Unemployment rate	21,0	23,6	19,6	23,5	25,7	28,4
Employed / population ratio (Absorption)	41,1	42,5	43,0	42,3	41,1	38,7
Labour force participation rate	52,1	55,6	53,4	55,2	55,3	54,1
Limpopo						
Population 15-64 yrs	**2 881**	**2 935**	**2 994**	**3 149**	**3 215**	**3 287**
Labour Force	1 181	1 170	1 271	1 303	1 278	1 204
Employed	823	823	896	909	940	928
Unemployed	358	346	375	393	337	276
Not economically active	1 701	1 766	1 723	1 847	1 937	2 084
Discouraged work-seekers	421	447	419	165	224	317
Other	1 280	1 319	1 304	1 682	1 713	1 767
Rates (%)						
Unemployment rate	30,3	29,6	29,5	30,2	26,4	22,9
Employed / population ratio (Absorption)	28,6	28,0	29,9	28,9	29,2	28,2
Labour force participation rate	41,0	39,8	42,5	41,3	39,7	36,6

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

Table 3.1: Employed by industry and sex - South Africa

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Agriculture	740	859	737	786	686	639
Mining	343	339	367	330	317	305
Manufacturing	1 860	1 922	1 960	1 990	1 853	1 739
Utilities	93	97	86	97	98	90
Construction	937	1 016	1 051	1 161	1 133	1 060
Trade	3 180	3 450	3 342	3 179	2 975	2 927
Transport	705	684	717	785	764	774
Finance	1 338	1 361	1 459	1 691	1 768	1 656
Community and social services	2 321	2 379	2 490	2 634	2 670	2 727
Private households	1 252	1 311	1 258	1 209	1 187	1 140
Other				3	4	4
Women	**5 602**	**5 936**	**5 944**	**6 000**	**5 894**	**5 671**
Agriculture	250	310	269	256	219	217
Mining	19	18	23	36	39	36
Manufacturing	670	680	662	627	599	580
Utilities	18	23	23	25	21	21
Construction	86	113	114	113	128	116
Trade	1 591	1 730	1 690	1 576	1 451	1 407
Transport	153	120	146	153	162	156
Finance	574	577	612	749	779	676
Community and social services	1 286	1 351	1 446	1 523	1 567	1 580
Private households	955	1 013	959	941	926	879
Other				2	2	3
Men	**7 167**	**7 483**	**7 523**	**7 866**	**7 562**	**7 390**
Agriculture	490	549	467	531	467	422
Mining	324	321	344	294	277	269
Manufacturing	1 190	1 243	1 298	1 364	1 255	1 159
Utilities	76	73	63	71	77	69
Construction	851	903	937	1 048	1 004	944
Trade	1 589	1 720	1 652	1 603	1 524	1 520
Transport	552	564	572	632	602	618
Finance	763	783	847	942	989	980
Community and social services	1 035	1 029	1 045	1 111	1 103	1 147
Private households	297	298	300	268	262	261
Other				1	2	1

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

Table 3.2: Employed by industry and province						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Agriculture	**740**	**859**	**737**	**786**	**686**	**639**
Western Cape	118	135	132	143	133	145
Eastern Cape	135	183	84	79	78	65
Northern Cape	38	48	44	59	49	43
Free State	55	51	54	80	84	70
KwaZulu-Natal	152	190	177	156	118	119
North West	59	54	50	54	40	36
Gauteng	39	48	44	67	43	31
Mpumalanga	85	88	88	80	77	73
Limpopo	58	62	62	69	64	57
Mining	**343**	**339**	**367**	**330**	**317**	**305**
Western Cape	1	1	4	1	3	2
Eastern Cape	3	1	2	2	2	1
Northern Cape	24	19	21	15	11	10
Free State	68	61	61	27	33	32
KwaZulu-Natal	6	6	12	8	9	9
North West	117	132	131	138	118	115
Gauteng	38	34	40	31	31	27
Mpumalanga	32	34	40	62	59	56
Limpopo	52	51	54	45	51	52
Manufacturing	**1 860**	**1 922**	**1 960**	**1 990**	**1 853**	**1 739**
Western Cape	289	327	287	318	290	273
Eastern Cape	164	179	174	189	182	149
Northern Cape	15	19	18	14	13	12
Free State	89	82	85	87	78	68
KwaZulu-Natal	404	419	434	424	406	383
North West	68	63	82	74	78	71
Gauteng	646	664	712	728	652	644
Mpumalanga	110	109	106	84	81	78
Limpopo	75	60	62	71	73	63
Utilities	**93**	**97**	**86**	**97**	**98**	**90**
Western Cape	8	11	13	11	7	9
Eastern Cape	6	7	6	3	3	4
Northern Cape	3	2	2	1	4	1
Free State	4	2	3	5	4	4
KwaZulu-Natal	18	14	13	14	9	10
North West	3	2	4	5	3	2
Gauteng	35	39	28	33	44	36
Mpumalanga	12	16	12	17	17	17
Limpopo	4	3	6	7	7	8
Construction	**937**	**1 016**	**1 051**	**1 161**	**1 133**	**1 060**
Western Cape	156	145	160	177	172	142
Eastern Cape	92	136	131	113	106	118
Northern Cape	14	19	23	20	18	18
Free State	48	55	58	60	59	50
KwaZulu-Natal	158	187	168	230	238	234
North West	48	50	51	55	51	44
Gauteng	300	303	301	327	305	283
Mpumalanga	75	73	92	87	89	70
Limpopo	46	49	66	91	94	101

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

Table 3.2: Employed by industry and province (concluded)

Market production activities	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Trade	**3 180**	**3 450**	**3 342**	**3 179**	**2 975**	**2 927**
Western Cape	416	465	464	390	402	383
Eastern Cape	341	359	332	321	304	314
Northern Cape	64	71	65	55	44	43
Free State	187	192	188	193	165	169
KwaZulu-Natal	597	660	616	608	530	518
North West	197	187	183	173	162	154
Gauteng	899	1 018	975	963	899	882
Mpumalanga	218	232	243	247	222	214
Limpopo	262	267	275	229	247	247
Transport	**705**	**684**	**717**	**785**	**764**	**774**
Western Cape	92	83	94	87	84	103
Eastern Cape	60	64	68	74	76	71
Northern Cape	12	13	14	11	11	10
Free State	41	35	36	40	41	40
KwaZulu-Natal	148	153	137	177	176	176
North West	32	27	30	27	21	22
Gauteng	240	235	265	283	272	272
Mpumalanga	46	46	47	44	43	40
Limpopo	34	29	25	41	40	40
Finance	**1 338**	**1 361**	**1 459**	**1 691**	**1 768**	**1 656**
Western Cape	212	235	245	246	260	252
Eastern Cape	85	88	101	118	125	111
Northern Cape	15	17	19	24	21	22
Free State	51	54	63	66	63	71
KwaZulu-Natal	198	214	236	284	298	283
North West	64	57	67	66	67	61
Gauteng	602	588	607	748	787	714
Mpumalanga	67	64	71	83	89	85
Limpopo	44	44	50	56	59	57
Community and social services	**2 321**	**2 379**	**2 490**	**2 634**	**2 670**	**2 727**
Western Cape	311	313	326	325	351	366
Eastern Cape	269	271	276	326	316	338
Northern Cape	67	70	72	75	81	83
Free State	170	178	191	178	166	182
KwaZulu-Natal	434	464	490	491	490	491
North West	151	152	155	141	151	152
Gauteng	621	604	643	733	735	736
Mpumalanga	118	135	131	144	160	172
Limpopo	179	191	206	220	219	206
Private households	**1 252**	**1 311**	**1 258**	**1 209**	**1 187**	**1 140**
Western Cape	131	142	148	110	124	113
Eastern Cape	135	134	114	122	123	123
Northern Cape	34	34	30	32	28	29
Free State	93	94	93	89	88	89
KwaZulu-Natal	230	240	228	252	248	219
North West	105	116	106	81	70	66
Gauteng	364	381	357	354	330	323
Mpumalanga	91	102	93	86	90	81
Limpopo	68	68	90	82	85	98

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

Table 3.3: Employed by sector and industry - South Africa

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Total employed	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Formal and informal sector (Non-agricultural)	**10 777**	**11 248**	**11 472**	**11 871**	**11 582**	**11 282**
Mining	343	339	367	330	317	305
Manufacturing	1 860	1 922	1 960	1 990	1 853	1 739
Utilities	93	97	86	97	98	90
Construction	937	1 016	1 051	1 161	1 133	1 060
Trade	3 180	3 450	3 342	3 179	2 975	2 927
Transport	705	684	717	785	764	774
Finance	1 338	1 361	1 459	1 691	1 768	1 656
Community and social services	2 321	2 379	2 490	2 634	2 670	2 727
Other				3	4	4
Formal sector (Non-agricultural)	**8 336**	**8 675**	**9 147**	**9 572**	**9 453**	**9 123**
Mining	339	337	364	328	315	303
Manufacturing	1 579	1 638	1 675	1 753	1 652	1 527
Utilities	90	94	80	93	95	89
Construction	581	589	674	837	847	758
Trade	1 902	2 143	2 195	2 105	1 975	1 915
Transport	526	504	562	575	566	571
Finance	1 244	1 256	1 383	1 542	1 629	1 511
Community and social services	2 077	2 114	2 215	2 337	2 370	2 445
Other				3	4	4
Informal sector (Non-agricultural)	**2 441**	**2 573**	**2 325**	**2 298**	**2 129**	**2 159**
Mining	4	3	2	2	2	2
Manufacturing	281	285	285	237	202	212
Utilities	3	2	6	4	3	2
Construction	356	426	378	324	285	302
Trade	1 279	1 307	1 146	1 074	999	1 011
Transport	179	180	155	210	199	203
Finance	94	105	76	149	139	145
Community and social services	244	265	276	298	300	282
Other	.					
Agriculture	**740**	**859**	**737**	**786**	**686**	**639**
Private households	**1 252**	**1 311**	**1 258**	**1 209**	**1 187**	**1 140**

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

Table 3.4: Employed by province and sector						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
South Africa	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Formal sector (Non-agricultural)	8 336	8 675	9 147	9 572	9 453	9 123
Informal sector (Non-agricultural)	2 441	2 573	2 325	2 298	2 129	2 159
Agriculture	740	859	737	786	686	639
Private households	1 252	1 311	1 258	1 209	1 187	1 140
Western Cape	**1 734**	**1 857**	**1 875**	**1 809**	**1 825**	**1 789**
Formal sector (Non-agricultural)	1 316	1 378	1 406	1 377	1 384	1 339
Informal sector (Non-agricultural)	170	203	188	178	185	192
Agriculture	118	135	132	143	133	145
Private households	131	142	148	110	124	113
Eastern Cape	**1 291**	**1 423**	**1 290**	**1 350**	**1 317**	**1 294**
Formal sector (Non-agricultural)	678	741	777	834	830	819
Informal sector (Non-agricultural)	342	365	315	315	286	287
Agriculture	135	183	84	79	78	65
Private households	135	134	114	122	123	123
Northern Cape	**285**	**311**	**309**	**307**	**279**	**271**
Formal sector (Non-agricultural)	183	200	210	186	174	170
Informal sector (Non-agricultural)	31	29	25	30	28	29
Agriculture	38	48	44	59	49	43
Private households	34	34	30	32	28	29
Free State	**806**	**803**	**832**	**826**	**781**	**775**
Formal sector (Non-agricultural)	519	516	555	518	478	493
Informal sector (Non-agricultural)	139	141	129	138	131	123
Agriculture	55	51	54	80	84	70
Private households	93	94	93	89	88	89
KwaZulu-Natal	**2 346**	**2 549**	**2 512**	**2 645**	**2 522**	**2 441**
Formal sector (Non-agricultural)	1 491	1 586	1 661	1 722	1 692	1 679
Informal sector (Non-agricultural)	472	533	446	515	464	425
Agriculture	152	190	177	156	118	119
Private households	230	240	228	252	248	219
North West	**845**	**839**	**858**	**815**	**763**	**724**
Formal sector (Non-agricultural)	530	527	561	566	551	527
Informal sector (Non-agricultural)	151	141	142	114	101	95
Agriculture	59	54	50	54	40	36
Private households	105	116	106	81	70	66
Gauteng	**3 783**	**3 914**	**3 972**	**4 270**	**4 101**	**3 951**
Formal sector (Non-agricultural)	2 734	2 766	2 931	3 303	3 247	3 068
Informal sector (Non-agricultural)	646	719	640	546	480	529
Agriculture	39	48	44	67	43	31
Private households	364	381	357	354	330	323
Mpumalanga	**856**	**899**	**923**	**935**	**926**	**887**
Formal sector (Non-agricultural)	452	506	548	556	560	545
Informal sector (Non-agricultural)	227	203	195	213	199	188
Agriculture	85	88	88	80	77	73
Private households	91	102	93	86	90	81
Limpopo	**823**	**823**	**896**	**909**	**940**	**928**
Formal sector (Non-agricultural)	433	454	499	510	536	482
Informal sector (Non-agricultural)	263	240	245	249	255	291
Agriculture	58	62	62	69	64	57
Private households	68	68	90	82	85	98

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

Table 3.5: Employed by sex and occupation - South Africa						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Manager	878	908	976	1 048	1 041	1 051
Professional	435	479	563	764	716	730
Technician	1 404	1 429	1 439	1 488	1 538	1 459
Clerk	1 295	1 344	1 380	1 475	1 463	1 447
Sales and services	1 684	1 779	1 755	1 784	1 838	1 869
Skilled agriculture	98	144	105	108	90	88
Craft and related trade	1 858	2 020	1 995	1 956	1 732	1 597
Plant and machine operator	1 132	1 119	1 176	1 205	1 184	1 116
Elementary	3 020	3 183	3 059	3 083	2 920	2 824
Domestic worker	965	1 013	1 019	954	935	880
Other				1		
Women	**5 602**	**5 936**	**5 944**	**6 000**	**5 894**	**5 671**
Manager	257	280	309	311	314	312
Professional	202	230	284	353	331	332
Technician	762	768	791	813	823	802
Clerk	888	910	952	1 010	1 025	996
Sales and services	764	825	793	843	884	841
Skilled agriculture	53	83	52	29	20	25
Craft and related trade	309	327	337	285	222	185
Plant and machine operator	155	166	184	171	171	156
Elementary	1 285	1 347	1 296	1 270	1 203	1 175
Domestic worker	928	1 000	945	916	902	846
Other						
Men	**7 167**	**7 483**	**7 523**	**7 866**	**7 562**	**7 390**
Manager	621	628	667	736	727	738
Professional	234	249	279	411	385	398
Technician	643	661	648	676	716	657
Clerk	407	434	428	466	438	451
Sales and services	920	954	962	941	954	1 028
Skilled agriculture	45	61	53	80	69	64
Craft and related trade	1 549	1 693	1 657	1 671	1 510	1 412
Plant and machine operator	977	953	992	1 034	1 013	960
Elementary	1 735	1 836	1 763	1 813	1 717	1 648
Domestic worker	37	13	74	38	33	35
Other				1		

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

Table 3.7: Employed by sex and status in employment - South Africa

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Employee	10 330	10 740	11 038	11 690	11 388	11 026
Employer	875	973	917	772	719	709
Own-account worker	1 426	1 623	1 452	1 282	1 232	1 216
Unpaid household member	138	83	59	123	118	109
Unspecified			1			
Women	**5 602**	**5 936**	**5 944**	**6 000**	**5 894**	**5 671**
Employee	4 401	4 653	4 786	5 050	5 045	4 852
Employer	262	293	278	182	149	157
Own-account worker	847	933	843	680	613	592
Unpaid household member	91	56	35	88	87	69
Unspecified			1			
Men	**7 167**	**7 483**	**7 523**	**7 866**	**7 562**	**7 390**
Employee	5 928	6 086	6 252	6 640	6 343	6 174
Employer	612	679	639	590	570	552
Own-account worker	580	691	608	602	618	624
Unpaid household member	46	27	24	34	31	40
Unspecified						

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

Table 3.8: Employed by sex and usual hours of work - South Africa						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Working less than 15 hours per week	376	459	358	311	272	240
Working 15-29 hours per week	693	750	709	796	823	780
Working 30-39 hours per week	1 057	1 123	985	1 039	984	959
Working 40-45 hours per week	5 086	6 232	6 861	7 011	7 168	7 117
Working more than 45 hours per week	5 557	4 854	4 554	4 709	4 208	3 964
Women	**5 602**	**5 936**	**5 944**	**6 000**	**5 894**	**5 671**
Working less than 15 hours per week	237	287	233	195	171	143
Working 15-29 hours per week	455	489	471	528	548	515
Working 30-39 hours per week	622	659	594	640	619	600
Working 40-45 hours per week	2 172	2 692	2 995	2 974	3 069	3 042
Working more than 45 hours per week	2 117	1 810	1 652	1 663	1 487	1 371
Men	**7 167**	**7 483**	**7 523**	**7 866**	**7 562**	**7 390**
Working less than 15 hours per week	139	172	126	116	101	97
Working 15-29 hours per week	238	261	238	268	275	265
Working 30-39 hours per week	435	464	391	399	365	360
Working 40-45 hours per week	2 915	3 541	3 866	4 037	4 099	4 075
Working more than 45 hours per week	3 440	3 045	2 902	3 047	2 721	2 593

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

Table 3.9: Time-related underemployment - South Africa

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**452**	**468**	**380**	**626**	**637**	**544**
Women	255	272	225	380	400	334
Men	197	195	155	247	238	210
As percentage of the labour force (Both sexes)	**2,7**	**2,7**	**2,2**	**3,5**	**3,6**	**3,1**
Women	3,3	3,3	2,8	4,7	5,0	4,3
Men	2,2	2,1	1,7	2,5	2,5	2,2
As percentage of total employment (Both sexes)	**3,5**	**3,5**	**2,8**	**4,5**	**4,7**	**4,2**
Women	4,6	4,6	3,8	6,3	6,8	5,9
Men	2,7	2,6	2,1	3,1	3,1	2,8
Industry	**452**	**468**	**380**	**626**	**637**	**544**
Agriculture	17	19	16	21	13	10
Mining	1		0	1		0
Manufacturing	42	40	25	43	40	30
Utilities	1	1	.	2	0	0
Construction	38	39	37	58	53	56
Trade	124	135	103	128	122	110
Transport	11	12	16	22	19	15
Finance	23	18	13	38	35	28
Community and social services	58	55	51	91	96	83
Private households	137	149	120	223	260	211
Occupation	**452**	**468**	**380**	**626**	**637**	**544**
Manager	7	6	7	12	9	8
Professional	4	5	3	16	14	9
Technician	39	30	26	41	42	30
Clerk	21	16	19	23	21	23
Sales and services	46	49	38	61	60	63
Skilled agriculture	9	13	8	4	4	3
Craft and related trade	64	68	53	76	59	61
Plant and machine operator	14	15	17	22	19	9
Elementary	162	162	126	208	208	185
Domestic worker	86	105	83	163	199	154
Other				0		

For all values of 10 000 or lower the sample size is too small for reliable estimates.

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

Table 3.10: Employed by industry and volume of hours worked - South Africa

Market production activities	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**589 192**	**597 588**	**601 397**	**609 104**	**581 922**	**561 463**
Agriculture	34 082	37 372	32 940	36 559	32 120	29 114
Mining	16 579	15 874	17 659	15 098	14 171	13 745
Manufacturing	84 370	85 451	86 797	85 987	78 902	73 820
Utilities	4 420	4 199	3 726	4 136	4 116	3 869
Construction	42 843	44 145	46 140	49 363	47 267	43 071
Trade	156 677	162 693	157 488	152 021	141 465	139 007
Transport	37 047	35 089	36 303	40 772	38 924	38 880
Finance	63 133	62 754	68 033	76 603	79 184	73 698
Community and social services	99 427	99 118	104 057	106 350	105 403	107 509
Private households	50 615	50 892	48 255	42 086	40 200	38 605
Women	**245 798**	**250 637**	**251 245**	**247 090**	**239 583**	**229 058**
Agriculture	10 314	11 948	11 078	11 075	9 683	9 409
Mining	850	819	1 030	1 531	1 648	1 539
Manufacturing	28 679	28 693	27 409	25 770	24 452	23 729
Utilities	805	975	919	1 011	867	809
Construction	3 342	3 876	4 046	4 066	4 580	4 003
Trade	77 010	79 700	78 274	73 502	67 100	65 100
Transport	6 829	5 430	6 182	6 601	6 992	6 446
Finance	25 492	24 653	26 433	31 113	32 468	27 726
Community and social services	52 827	54 716	58 684	59 337	60 041	60 145
Private households	39 650	39 827	37 190	33 021	31 658	30 046
Men	**343 394**	**346 951**	**350 151**	**362 014**	**342 339**	**332 405**
Agriculture	23 768	25 423	21 862	25 484	22 437	19 705
Mining	15 729	15 055	16 628	13 567	12 522	12 206
Manufacturing	55 691	56 759	59 388	60 217	54 450	50 092
Utilities	3 614	3 224	2 807	3 125	3 250	3 059
Construction	39 501	40 269	42 094	45 297	42 687	39 067
Trade	79 667	82 993	79 213	78 519	74 365	73 907
Transport	30 218	29 659	30 121	34 171	31 932	32 434
Finance	37 641	38 102	41 600	45 490	46 717	45 972
Community and social services	46 600	44 402	45 372	47 013	45 362	47 364
Private households	10 965	11 065	11 065	9 065	8 543	8 559

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

Table 3.11: Employed by industry and average hours of work						
Market production activities	**LFS 2005**	**LFS 2006**	**LFS 2007**	**QLFS 2008**	**QLFS 2009**	**QLFS 2010**
	Thousand	**Thousand**	**Thousand**	**Thousand**	**Thousand**	**Thousand**
Both sexes	**46**	**45**	**45**	**44**	**43**	**43**
Agriculture	46	44	45	46	47	46
Mining	49	47	48	46	45	45
Manufacturing	45	44	44	43	43	42
Utilities	47	43	43	43	42	43
Construction	46	44	44	43	42	41
Trade	49	47	47	48	48	47
Transport	53	51	51	52	51	50
Finance	47	46	47	45	45	45
Community and social services	43	42	42	40	39	39
Private households	40	39	38	35	34	34
Women	**44**	**42**	**42**	**41**	**41**	**40**
Agriculture	41	39	41	43	44	43
Mining	45	44	45	43	42	43
Manufacturing	43	42	42	41	41	41
Utilities	45	42	41	40	41	39
Construction	39	35	35	36	36	35
Trade	48	46	47	47	46	46
Transport	45	45	43	43	43	41
Finance	44	43	43	42	42	41
Community and social services	41	41	41	39	38	38
Private households	42	39	39	35	34	34
Men	**48**	**46**	**47**	**46**	**45**	**45**
Agriculture	49	46	47	48	48	47
Mining	49	47	48	46	45	45
Manufacturing	47	46	46	44	43	43
Utilities	48	44	44	44	42	44
Construction	46	45	45	43	43	41
Trade	50	48	48	49	49	49
Transport	55	53	53	54	53	52
Finance	49	49	49	48	47	47
Community and social services	45	43	43	42	41	41
Private households	37	37	37	34	33	33

Table 3.12: Employed by occupation and volume of hours worked

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**589 192**	**597 588**	**601 397**	**609 104**	**581 922**	**561 463**
Manager	43 374	43 077	46 554	49 328	48 810	48 085
Professional	18 578	20 074	23 859	32 303	29 394	29 936
Technician	60 081	59 846	60 010	59 087	59 930	56 680
Clerk	56 988	58 089	59 362	62 842	61 196	60 239
Sales and services	86 969	88 503	88 325	90 195	91 010	91 404
Skilled agriculture	2 644	3 115	2 731	5 007	4 017	3 822
Craft and related trade	84 723	88 648	87 252	83 593	73 507	67 060
Plant and machine operator	57 335	55 523	57 551	58 850	56 394	53 435
Elementary	138 237	140 917	136 211	134 417	125 723	120 898
Domestic worker	40 262	39 796	39 542	33 452	31 937	29 904
Women	**245 798**	**250 637**	**251 245**	**247 090**	**239 583**	**229 058**
Manager	12 048	12 864	13 682	13 785	13 665	13 446
Professional	8 161	9 249	11 559	14 137	13 124	13 149
Technician	31 505	31 474	32 017	30 900	30 956	30 076
Clerk	38 487	38 720	40 451	42 275	42 323	40 856
Sales and services	37 670	38 740	37 999	39 777	40 676	38 059
Skilled agriculture	1 234	1 589	1 118	1 164	753	984
Craft and related trade	12 810	12 333	13 052	11 186	8 855	7 438
Plant and machine operator	7 119	7 601	8 204	7 375	7 263	6 451
Elementary	58 046	58 788	56 515	54 442	51 200	49 879
Domestic worker	38 719	39 278	36 649	32 044	30 767	28 721
Men	**343 394**	**346 951**	**350 151**	**362 014**	**342 339**	**332 405**
Manager	31 326	30 212	32 872	35 543	35 145	34 638
Professional	10 417	10 825	12 300	18 166	16 269	16 788
Technician	28 576	28 372	27 993	28 187	28 974	26 605
Clerk	18 501	19 369	18 911	20 567	18 873	19 383
Sales and services	49 299	49 763	50 327	50 418	50 334	53 345
Skilled agriculture	1 410	1 526	1 613	3 843	3 264	2 838
Craft and related trade	71 913	76 315	74 199	72 407	64 652	59 622
Plant and machine operator	50 216	47 922	49 347	51 476	49 130	46 984
Elementary	80 191	82 129	79 696	79 975	74 523	71 019
Domestic worker	1 543	518	2 893	1 408	1 170	1 183

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

Table 3.13: Employed by occupation and average hours of work						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**46**	**45**	**45**	**44**	**43**	**43**
Manager	50	48	48	47	47	46
Professional	43	42	42	42	41	41
Technician	43	42	42	40	39	39
Clerk	44	43	43	43	42	42
Sales and services	52	50	51	51	50	49
Skilled agriculture	27	22	26	46	45	43
Craft and related trade	46	44	44	43	42	42
Plant and machine operator	51	50	49	49	48	48
Elementary	46	44	45	44	43	43
Domestic worker	42	39	39	35	34	34
Women	**44**	**42**	**42**	**41**	**41**	**40**
Manager	47	46	45	44	44	43
Professional	41	40	41	40	40	40
Technician	41	41	41	38	38	37
Clerk	43	43	43	42	41	41
Sales and services	49	47	48	47	46	45
Skilled agriculture	24	19	22	40	37	40
Craft and related trade	42	38	39	39	40	40
Plant and machine operator	46	46	45	43	42	41
Elementary	45	44	44	43	43	42
Domestic worker	42	39	39	35	34	34
Men	**48**	**46**	**47**	**46**	**45**	**45**
Manager	51	48	49	48	48	47
Professional	45	44	44	44	42	42
Technician	45	43	43	42	40	41
Clerk	45	45	44	44	43	43
Sales and services	54	52	52	54	53	52
Skilled agriculture	32	25	31	48	47	45
Craft and related trade	46	45	45	43	43	42
Plant and machine operator	51	50	50	50	49	49
Elementary	46	45	45	44	43	43
Domestic worker	42	40	39	37	36	34

Table 3.14: Employed by sector and volume of hours worked

Market production activities	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**589 192**	**597 588**	**601 397**	**609 104**	**581 922**	**561 463**
Formal sector (Non-agricultural)	387 753	393 682	414 189	424 006	411 695	394 271
Informal sector (Non-agricultural)	116 742	115 642	106 012	106 453	97 907	99 474
Agriculture	34 082	37 372	32 940	36 559	32 120	29 114
Private households	50 615	50 892	48 255	42 086	40 200	38 605
Women	**245 798**	**250 637**	**251 245**	**247 090**	**239 583**	**229 058**
Formal sector (Non-agricultural)	142 614	148 093	155 430	157 656	156 869	149 513
Informal sector (Non-agricultural)	53 220	50 769	47 548	45 338	41 373	40 090
Agriculture	10 314	11 948	11 078	11 075	9 683	9 409
Private households	39 650	39 827	37 190	33 021	31 658	30 046
Men	**343 394**	**346 951**	**350 151**	**362 014**	**342 339**	**332 405**
Formal sector (Non-agricultural)	245 139	245 590	258 760	266 350	254 826	244 758
Informal sector (Non-agricultural)	63 522	64 873	58 465	61 115	56 534	59 383
Agriculture	23 768	25 423	21 862	25 484	22 437	19 705
Private households	10 965	11 065	11 065	9 065	8 543	8 559

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

Table 3.15: Employed by sector and average hours of work

Market production activities	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**46**	**45**	**45**	**44**	**43**	**43**
Formal sector (Non-agricultural)	47	45	45	44	44	43
Informal sector (Non-agricultural)	48	45	46	46	46	46
Agriculture	46	44	45	46	47	46
Private households	40	39	38	35	34	34
Women	**44**	**42**	**42**	**41**	**41**	**40**
Formal sector (Non-agricultural)	44	43	43	42	41	41
Informal sector (Non-agricultural)	46	43	44	44	44	44
Agriculture	41	39	41	43	44	43
Private households	42	39	39	35	34	34
Men	**48**	**46**	**47**	**46**	**45**	**45**
Formal sector (Non-agricultural)	48	47	47	46	45	45
Informal sector (Non-agricultural)	49	47	47	48	48	48
Agriculture	49	46	47	48	48	47
Private households	37	37	37	34	33	33

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

Table 3.16: Employment by sex and province

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Western Cape	1 734	1 857	1 875	1 809	1 825	1 789
Eastern Cape	1 291	1 423	1 290	1 350	1 317	1 294
Northern Cape	285	311	309	307	279	271
Free Sate	806	803	832	826	781	775
KwaZulu-Natal	2 346	2 549	2 512	2 645	2 522	2 441
North West	845	839	858	815	763	724
Gauteng	3 783	3 914	3 972	4 270	4 101	3 951
Mpumalanga	856	899	923	935	926	887
Limpopo	823	823	896	909	940	928
Women	**5 602**	**5 936**	**5 944**	**6 000**	**5 894**	**5 671**
Western Cape	793	873	867	793	814	821
Eastern Cape	634	688	626	629	621	621
Northern Cape	118	132	123	124	120	123
Free Sate	353	351	360	352	338	333
KwaZulu-Natal	1 088	1 219	1 179	1 197	1 177	1 121
North West	340	323	337	311	285	274
Gauteng	1 517	1 571	1 605	1 762	1 694	1 583
Mpumalanga	357	382	397	400	409	385
Limpopo	403	397	451	432	436	410
Men	**7 167**	**7 483**	**7 523**	**7 866**	**7 562**	**7 390**
Western Cape	941	984	1 008	1 016	1 012	968
Eastern Cape	658	735	664	721	696	672
Northern Cape	167	179	186	183	159	148
Free Sate	453	452	472	474	444	443
KwaZulu-Natal	1 258	1 330	1 333	1 448	1 345	1 320
North West	505	516	521	504	478	450
Gauteng	2 267	2 343	2 367	2 508	2 407	2 369
Mpumalanga	499	517	527	536	517	502
Limpopo	420	426	445	478	504	518

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

Table 3.17: Employees Access to benefits by sex						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes						
Pension	5 341	5 372	5 552	5 284	5 253	5 047
Paid Leave	6 252	6 416	6 526	6 729	6 873	6 877
UIF	6 394	6 730	7 019	6 483	6 492	6 212
Medical Aid	2 884	3 057	3 241	3 350	3 465	3 511
Written Contract	7 182	7 470	7 822	8 789	8 872	8 661
Women						
Pension	2 115	2 141	2 255	2 126	2 159	2 084
Paid Leave	2 570	2 669	2 736	2 838	2 944	2 946
UIF	2 541	2 695	2 860	2 564	2 612	2 500
Medical Aid	1 173	1 265	1 354	1 418	1 494	1 511
Written Contract	2 948	3 122	3 309	3 718	3 830	3 725
Men						
Pension	3 226	3 231	3 298	3 158	3 094	2 963
Paid Leave	3 682	3 748	3 791	3 891	3 929	3 931
UIF	3 853	4 035	4 159	3 919	3 879	3 712
Medical Aid	1 711	1 792	1 887	1 932	1 971	2 000
Written Contract	4 234	4 347	4 513	5 071	5 041	4 936

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

Table 3.18: Time-related underemployment by population group

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Population group	**452**	**468**	**380**	**626**	**637**	**544**
Black African	384	414	318	534	543	470
Coloured	46	36	39	55	58	53
Indian/Asian	3	5	6	11	9	6
White	19	12	16	26	27	15
As a percentage of the labour force (Both population group)	**2,7**	**2,7**	**2,2**	**3,5**	**3,6**	**3,1**
Black African	3,1	3,2	2,5	4,0	4,2	3,7
Coloured	2,5	1,9	2,0	2,9	3,0	2,8
Indian/Asian	0,6	1,0	1,2	2,1	1,7	1,1
White	0,9	0,6	0,8	1,2	1,2	0,7
As a percentage of total employment (Both population group)	**3,5**	**3,5**	**2,8**	**4,5**	**4,7**	**4,2**
Black African	4,3	4,4	3,4	5,5	5,8	5,2
Coloured	3,2	2,4	2,6	3,6	3,8	3,5
Indian/Asian	0,7	1,1	1,3	2,3	2,0	1,2
White	0,9	0,6	0,8	1,2	1,3	0,7

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

Table 3.19: Distribution of monthly earnings for employees by selected demographic variables

	R0- R500	R501-R1 00	R1001-R4 500	R4 501-R8 000	R8 001 or more	Total
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Sex	**495**	**1 108**	**5 570**	**1 578**	**2 261**	**11 012**
Male	173	422	3 298	936	1 336	6 165
Female	323	686	2 272	642	925	4 848
Population group	**495**	**1 108**	**5 570**	**1 578**	**2 261**	**11 012**
Black/African	451	1 008	4 245	931	967	7 602
Coloured	33	79	848	212	229	1 401
Indian/Asian	4	6	150	93	160	414
White	8	15	327	342	905	1 596
Age group	**495**	**1 108**	**5 570**	**1 578**	**2 261**	**11 012**
15-24 yrs	56	153	709	135	124	1 177
25-34 yrs	145	374	2 102	543	666	3 830
35-44 yrs	125	289	1 542	456	735	3 148
45-54 yrs	109	200	877	310	521	2 018
55-64 yrs	60	91	339	134	215	840

Table 3.20: Distribution of monthly earnings for employees by selected population group and sex

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Both sexes	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Black African	7 602	500	700	1 200	2 166	4 500	9 600	13 000
Coloured	1 401	812	1 083	1 600	2 700	5 800	10 500	15 000
Indian/Asian	414	1 500	1 950	3 466	6 500	11 000	16 700	25 000
White	1 596	2 000	3 000	5 000	9 800	15 000	25 000	34 000
Women	**4 848**	**500**	**650**	**1 200**	**2 400**	**6 500**	**12 000**	**15 000**
Black African	3 250	450	600	1 000	1 785	4 000	9 575	12 700
Coloured	662	606	1 000	1 400	2 426	5 000	10 000	14 000
Indian/Asian	175	1 500	1 950	3 000	6 200	10 500	15 000	16 889
White	761	1 700	2 500	4 000	7 900	12 000	18 000	25 000
Men	**6 165**	**758**	**1 066**	**1 733**	**3 200**	**7 000**	**14 000**	**20 000**
Black African	4 352	650	910	1 500	2 600	4 983	9 700	14 000
Coloured	739	1 000	1 300	1 733	3 185	6 060	11 000	16 000
Indian/Asian	239	1 400	2 000	3 500	6 500	12 000	20 000	33 000
White	835	2 500	3 466	6 500	11 916	18 000	30 000	40 000

Table 3.21: Distribution of monthly earnings for employees by province and sex

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Both sexes	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Western Cape	1 604	950	1 213	1 733	2 816	6 000	12 000	17 000
Eastern Cape	1 074	480	600	1 200	2 253	5 500	11 450	15 000
Northern Cape	249	520	800	1 213	2 007	5 800	11 000	15 000
Free State	666	433	600	1 040	2 000	5 200	11 500	16 000
KwaZulu-Natal	2 044	500	750	1 300	2 500	6 000	12 000	16 000
North West	627	600	800	1 386	3 000	6 066	12 000	15 600
Gauteng	3 326	866	1 200	2 000	3 750	8 500	15 000	20 800
Mpumalanga	724	600	800	1 400	2 800	7 700	13 000	18 000
Limpopo	699	400	550	900	1 800	4 400	11 000	14 800
Women	**4 848**	**500**	**650**	**1 200**	**2 400**	**6 500**	**12 000**	**15 000**
Western Cape	760	800	1 083	1 516	2 500	5 500	10 006	13 682
Eastern Cape	517	400	500	1 000	2 000	5 500	11 000	14 200
Northern Cape	116	433	600	1 083	1 733	5 411	11 000	13 750
Free State	289	400	500	866	1 700	4 500	10 000	15 000
KwaZulu-Natal	938	450	594	1 000	1 950	6 000	11 000	15 000
North West	239	433	600	1 000	2 123	6 000	11 000	14 000
Gauteng	1 376	750	1 000	1 700	3 466	8 166	13 300	17 090
Mpumalanga	305	500	650	1 100	2 000	5 700	12 000	14 000
Limpopo	309	400	500	700	1 200	3 500	11 000	13 000
Men	**6 165**	**758**	**1 066**	**1 733**	**3 200**	**7 000**	**14 000**	**20 000**
Western Cape	845	1 083	1 321	1 950	3 200	6 500	13 600	20 000
Eastern Cape	557	500	780	1 300	2 400	5 500	12 000	17 000
Northern Cape	133	693	1 000	1 315	2 400	6 000	11 000	16 666
Free State	376	500	780	1 200	2 400	6 000	12 000	17 000
KwaZulu-Natal	1 106	700	1 000	1 516	2 816	6 066	12 000	18 000
North West	388	800	1 000	1 733	3 466	6 500	12 500	18 000
Gauteng	1 951	1 040	1 450	2 200	4 000	8 900	16 000	25 000
Mpumalanga	419	800	1 000	1 600	3 400	8 800	15 461	20 800
Limpopo	390	500	650	1 200	2 200	4 800	11 500	15 000

Table 3.22: Distribution of monthly earnings for employees by occupation and sex

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Both sexes	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Manager	626	2 000	3 200	6 000	11 000	18 000	31 000	50 000
Professional	649	1 500	2 700	6 000	10 600	17 300	28 000	35 000
Technician	1 333	1 200	1 733	3 206	7 800	12 000	16 000	20 000
Clerk	1 414	1 040	1 500	2 400	4 500	8 000	12 000	15 000
Sales and services	1 539	600	900	1 516	2 500	4 400	9 000	12 000
Skilled agriculture	45	500	693	1 083	1 900	5 598	15 000	16 700
Craft and related trade	1 210	800	1 083	1 733	3 000	5 200	10 000	15 000
Plant and machine operator	1 064	850	1 120	1 733	3 000	4 502	7 000	9 300
Elementary	2 254	450	600	1 040	1 516	2 600	4 485	5 700
Domestic worker	879	300	411	650	1 000	1 500	2 000	2 500
Women	**4 848**	**500**	**650**	**1 200**	**2 400**	**6 500**	**12 000**	**15 000**
Manager	212	1 500	2 500	5 000	9 000	15 000	25 000	32 000
Professional	309	1 000	1 950	5 000	10 000	14 300	24 000	30 000
Technician	748	1 000	1 500	3 000	7 500	11 000	14 650	16 835
Clerk	972	1 000	1 400	2 253	4 000	8 000	11 500	15 000
Sales and services	647	500	600	1 200	2 000	3 500	7 000	10 000
Skilled agriculture	16	500	600	1 000	1 560	6 000	16 700	16 700
Craft and related trade	130	650	850	1 300	2 067	3 683	9 000	11 040
Plant and machine operator	145	520	800	1 300	1 950	3 202	4 400	6 500
Elementary	824	450	500	1 000	1 451	2 200	3 780	4 766
Domestic worker	844	300	400	650	1 000	1 500	2 000	2 500
Men	**6 165**	**758**	**1 066**	**1 733**	**3 200**	**7 000**	**14 000**	**20 000**
Manager	415	2 500	3 700	7 500	12 000	20 000	35 000	62 500
Professional	340	2 166	3 500	7 000	12 000	20 000	30 000	45 000
Technician	585	1 400	2 000	3 466	8 000	13 000	18 000	25 000
Clerk	441	1 200	1 700	2 600	5 000	8 900	13 000	16 000
Sales and services	892	950	1 300	1 900	2 800	5 000	10 000	14 000
Skilled agriculture	29	500	800	1 083	2 166	5 000	12 600	16 000
Craft and related trade	1 080	866	1 191	1 800	3 000	5 500	10 600	15 000
Plant and machine operator	918	900	1 200	1 800	3 033	4 900	7 366	9 533
Elementary	1 430	480	650	1 083	1 630	3 000	4 700	6 170
Domestic worker	35	300	433	650	996	1 430	2 000	2 600

Table 3.23: Distribution of monthly earnings for employees by industry and sex

	No. of employees	Bottom 5%	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 5%
	Thousand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Both sexes	**11 012**	**600**	**850**	**1 500**	**2 900**	**6 999**	**13 000**	**17 500**
Agriculture	572	500	700	1 000	1 278	1 560	2 800	4 766
Mining	303	1 200	1 800	3 033	5 000	9 549	16 000	21 000
Manufacturing	1 524	866	1 200	1 800	3 250	6 283	12 700	17 763
Utilities	88	1 000	1 500	2 700	6 000	11 100	18 000	23 333
Construction	800	470	800	1 500	2 400	4 000	9 000	13 000
Trade	1 978	750	1 000	1 600	2 500	4 700	9 800	14 000
Transport	637	700	1 083	1 950	3 500	8 000	14 000	18 675
Finance	1 475	1 000	1 400	2 000	3 640	9 000	16 000	25 000
Community and social services	2 505	650	1 050	2 500	6 000	11 000	16 000	20 000
Private household	1 127	300	400	650	1 000	1 500	2 100	2 600
Other	4	1 500	15 000	19 500	22 500	32 000	47 500	47 500
Women	**4 848**	**500**	**650**	**1 200**	**2 400**	**6 500**	**12 000**	**15 000**
Agriculture	200	500	650	900	1 200	1 408	2 097	3 500
Mining	36	1 500	2 020	3 500	5 700	9 100	14 000	16 000
Manufacturing	486	700	920	1 500	2 500	4 800	10 000	15 000
Utilities	20	1 083	1 500	3 000	9 000	13 000	17 000	18 000
Construction	104	450	450	470	1 700	3 466	9 000	15 000
Trade	904	650	980	1 500	2 300	4 000	8 000	11 000
Transport	139	470	750	1 800	5 000	9 800	15 000	18 000
Finance	629	1 000	1 300	2 000	4 500	9 000	15 000	20 000
Community and social services	1 454	520	900	2 000	5 416	10 000	14 000	17 000
Private household	874	300	400	650	1 000	1 500	2 000	2 500
Other	3	16 000	16 000	19 500	21 400	22 500	47 500	47 500
Men	**6 165**	**758**	**1 066**	**1 733**	**3 200**	**7 000**	**14 000**	**20 000**
Agriculture	371	500	758	1 000	1 300	1 650	3 046	5 500
Mining	267	1 200	1 733	3 000	5 000	9 700	16 000	22 000
Manufacturing	1 038	1 000	1 300	2 100	3 700	7 000	14 000	19 000
Utilities	68	800	1 300	2 700	5 200	11 000	20 000	25 000
Construction	696	650	1 000	1 516	2 500	4 000	9 000	13 000
Trade	1 074	800	1 083	1 733	2 800	5 200	11 000	16 000
Transport	498	866	1 200	1 950	3 466	7 000	13 600	18 950
Finance	846	1 083	1 500	2 000	3 500	8 333	17 800	30 000
Community and social services	1 051	1 000	1 500	3 000	6 500	12 000	18 000	25 000
Private household	253	300	400	650	1 040	1 733	2 600	3 466
Other	1	1 500	1 500	15 000	32 000	32 000	32 000	32 000

Table 3.24: Employment opportunities					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010**
	Per cent	**Per cent**	**Per cent**	**Per cent**	**Per cent**
Unemployment rate by level of education	**22,6**	**22,3**	**22,8**	**23,9**	**24,9**
None	16,3	13,2	14,6	16,4	16,5
Less than primary completed	20,3	20,4	21,6	22,3	24,3
Primary completed	23,5	24,2	23,9	23,2	24,1
Secondary not completed	28,3	28,9	29,2	30,5	31,5
Secondary completed	23,7	22,6	24,1	25,5	26,6
Tertiary	8,0	7,2	7,7	8,4	9,2
Other	13,9	9,8	15,4	16,8	16,5

Table 3.25: Adequate earnings and productive work – Low pay rate (below 2/3 of median monthly earnings)					
Decent work indicators	**2006**	**2007**	**2008**	**2009†**	**2010**
Low pay rate (proportion of workers with monthly earnings below 2/3 of median monthly earnings, excl. agriculture)				**Per cent**	**Per cent**
All workers	..	..	..	**32,5**	**34,0**
Male	..	..	..	25,7	27,0
Female	..	..	..	41,1	43,0

† Quarter 4 2009

Table 3.26: Proportion of employees who are entitled to paid sick leave					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010***
					Per cent
Both sexes	**..**	**..**	**..**	**..**	**64,8**
Male	**..**	**..**	**..**	**..**	65,3
Female	**..**	**..**	**..**	**..**	64,2

* Quarter 4 2010

Table 3.27: Proportion of employees who are entitled to maternity/paternity leave					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010***
					Per cent
Both sexes	**..**	**..**	**..**	**..**	**53,2**
Male	**..**	**..**	**..**	**..**	50,8
Female	**..**	**..**	**..**	**..**	56,3

* Quarter 4 2010

Table 3.28: Decent hours					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010**
	Per cent	**Per cent**	**Per cent**	**Per cent**	**Per cent**
Excessive hours (workers with more than 48 hours per week)	**28,9**	**27,2**	**28,0**	**25,5**	**24,1**
Male	32,4	31,1	32,0	29,3	27,9
Female	24,5	22,2	22,7	20,5	19,1
Time-related underemployment rate	**3,5**	**2,8**	**4,5**	**4,7**	**4,2**
Male	2,6	2,1	3,1	3,1	2,8
Female	4,6	3,8	6,3	6,8	5,9
Rate of workers with decent hours	**67,6**	**70,0**	**67,5**	**69,9**	**71,7**
Male	64,9	66,8	64,8	67,7	69,3
Female	71,0	74,0	71,0	72,8	75,0

Table 3.29: Rights at work and social dialogue					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010***
	Per cent	**Per cent**			**Per cent**
Trade union members	**3 106**	**3 347**	**..**	**..**	**3 311**
Male	1 887	2 026	..	..	1 966
Female	1 219	1 321	..	..	1 345
Trade union density rate	**28,9**	**30,3**	**..**	**..**	**30,0**
Male	31,0	32,4	..	..	31,8
Female	26,2	27,6	..	..	27,7

* Quarter 4 2010

Table 3.30: Proportion of employees whose employer contributes to a pension/retirement fund for them by sex					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010**
			Per cent	**Per cent**	**Per cent**
Both sexes	**..**	**..**	**45,2**	**46,1**	**45,8**
Male	..	..	47,6	48,8	48,0
Female	..	..	42,1	42,8	43,0

Table 3.31: Proportion of employees who are entitled to medical aid benefit from their employer by sex					
Decent work indicators	**2006**	**2007**	**2008**	**2009**	**2010**
			Per cent	**Per cent**	**Per cent**
Both sexes	**..**	**..**	**28,7**	**30,4**	**31,8**
Male	..	..	29,1	31,1	32,4
Female	..	..	28,1	29,6	31,1

Table 3.32: Proportion of employees by how their annual salary increase is negotiated

Decent work indicators	2006	2007	2008	2009	2010*
					Per cent
Individual and employer	..	..	..	..	14,6
Collective bargaining	..	..	..	..	32,7
Employer only	..	..	..	..	46,0
No regular increment	..	..	..	..	6,1
Other	..	..	..	..	0,7

* Quarter 4 2010

Table 4: Characteristics of the unemployed - South Africa						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Unemployed	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
Short-term unemployment (less than 1 year)	1 448	1 575	1 754	1 691	1 700	1 503
Long-term unemployment (1 year and more)	**2 473**	**2 271**	**2 016**	**2 413**	**2 515**	**2 829**
1year less than 3years	993	934	858	971	992	1 100
3years and over	1 480	1 337	1 159	1 436	1 516	1 725
Long-term unemployment (%)						
Proportion of the labour force	14,8	13,1	11,6	13,4	14,2	16,3
Proportion of the unemployed	61,9	57,9	52,1	58,8	59,7	65,3

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

Table 4.1: Characteristics of the unemployed by province						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Long-term unemployment	**2 473**	**2 271**	**2 016**	**2 413**	**2 515**	**2 829**
Western cape	206	161	131	188	235	272
Eastern Cape	308	305	274	271	296	298
Northern Cape	43	37	45	53	55	57
Free State	191	142	137	146	154	175
KwaZulu-Natal	444	360	324	384	345	388
North West	187	207	171	163	174	177
Gauteng	723	693	603	831	890	1 063
Mpumalanga	118	155	108	148	178	239
Limpopo	254	211	223	229	187	160
Long-term unemployment (%)	**61,9**	**57,9**	**52,1**	**58,8**	**59,7**	**65,3**
Western cape	46,4	40,6	30,3	46,3	49,7	54,6
Eastern Cape	60,4	59,3	58,0	55,9	58,9	60,9
Northern Cape	49,8	42,1	49,6	57,2	54,0	57,7
Free State	63,5	56,9	56,7	56,1	55,1	58,4
KwaZulu-Natal	58,8	54,6	44,6	51,4	54,7	63,9
North West	67,0	62,9	56,4	62,7	60,8	67,3
Gauteng	69,8	65,2	60,2	70,8	69,3	73,4
Mpumalanga	51,6	56,0	48,0	51,5	55,8	68,1
Limpopo	70,9	60,8	59,5	58,3	55,4	58,1
Short-term unemployment	**1 448**	**1 575**	**1 754**	**1 691**	**1 700**	**1 503**
Western cape	221	220	276	218	237	226
Eastern Cape	195	203	187	214	207	191
Northern Cape	42	50	44	40	47	42
Free State	104	103	100	115	126	125
KwaZulu-Natal	290	286	381	363	285	219
North West	89	116	126	97	112	86
Gauteng	303	350	385	342	394	386
Mpumalanga	105	117	108	139	141	112
Limpopo	99	129	146	164	151	116
Short-term unemployment (%)	**36,2**	**40,2**	**45,3**	**41,2**	**40,3**	**34,7**
Western cape	49,8	55,6	63,8	53,7	50,3	45,4
Eastern Cape	38,3	39,5	39,7	44,1	41,1	39,1
Northern Cape	48,6	55,9	48,1	42,8	46,0	42,3
Free State	34,5	41,5	41,6	43,9	44,9	41,6
KwaZulu-Natal	38,4	43,3	52,4	48,6	45,3	36,1
North West	31,7	35,5	41,5	37,3	39,2	32,7
Gauteng	29,2	33,0	38,4	29,2	30,7	26,6
Mpumalanga	46,2	42,2	47,8	48,5	44,2	31,9
Limpopo	27,6	37,4	39,0	41,7	44,6	41,9

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

Table 4.2: The duration of unemployment

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
Less than 3 months	649	780	1 030	620	604	493
3 months less than 6 months	341	361	318	428	418	362
6 months less than 1 year	458	434	407	644	678	649
1 year less than 3 years	993	934	858	971	992	1 100
3 years and over	1 480	1 337	1 159	1 436	1 516	1 725
Women	**2 200**	**2 212**	**2 132**	**2 156**	**2 087**	**2 148**
Less than 3 moths	328	414	547	265	240	200
3 months less than 6 months	175	199	161	204	179	157
6 months less than 1 year	243	224	206	332	307	294
1 year less than 3 years	552	533	482	532	513	567
3 years and over	859	801	686	820	844	928
Men	**1 797**	**1 710**	**1 739**	**1 948**	**2 128**	**2 184**
Less than 3 moths	321	366	482	355	364	292
3 months less than 6 months	166	161	157	224	239	205
6 months less than 1 year	215	210	201	312	371	355
1 year less than 3 years	441	401	376	439	479	533
3 years and over	622	536	473	615	672	797

Table 5: Characteristics of the not economically active - South Africa						
	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Not economically active	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
Student	4 991	5 065	5 178	5 702	5 834	6 057
Home-maker	1 235	1 196	1 178	2 539	2 740	2 876
Illness/disability	1 400	1 338	1 411	1 803	1 792	1 799
Too old/young to work	1 021	1 072	1 035	991	1 080	1 148
Discouraged work seekers	2 337	2 331	2 557	1 129	1 532	1 998
Other	1 687	1 547	1 614	831	845	736
Inactivity rate by age (Both sexes)	**43,0**	**42,0**	**42,8**	**42,0**	**43,9**	**45,7**
15-24 yrs	70,9	70,0	70,7	69,6	72,2	74,1
25-54 yrs	25,8	24,7	25,5	24,6	26,2	27,9
55-64 yrs	54,6	54,0	55,3	56,1	58,1	59,8
Inactivity rate by age (Women)	**49,6**	**48,1**	**49,2**	**49,2**	**51,0**	**52,6**
15-24 yrs	73,2	71,4	73,4	72,5	74,9	76,7
25-54 yrs	34,4	33,2	33,8	33,9	35,5	37,4
55-64 yrs	66,8	65,1	66,7	67,3	69,2	69,2
Inactivity rate by age (Men)	**35,7**	**35,2**	**35,7**	**34,2**	**36,3**	**38,2**
15-24 yrs	68,5	68,4	68,0	66,7	69,5	71,5
25-54 yrs	16,1	15,0	16,0	14,3	16,0	17,7
55-64 yrs	39,5	40,1	40,9	42,7	44,9	48,4

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

Table 6: Socio-demographic characteristics - South Africa

	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009	QLFS 2010
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Age group of the employed	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
15-24 yrs	1 442	1 554	1 538	1 650	1 460	1 311
25-34 yrs	4 309	4 565	4 547	4 728	4 513	4 373
35-44 yrs	3 415	3 526	3 633	3 707	3 753	3 738
45-54 yrs	2 501	2 607	2 592	2 625	2 593	2 530
55-64 yrs	1 102	1 167	1 158	1 157	1 137	1 109
Age group of the unemployed	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
15-24 yrs	1 348	1 359	1 336	1 379	1 351	1 339
25-34 yrs	1 682	1 600	1 598	1 661	1 744	1 776
35-44 yrs	589	609	568	690	728	787
45-54 yrs	295	289	300	290	315	344
55-64 yrs	82	64	69	84	77	88
Age group of the not economically active	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
15-24 yrs	6 799	6 783	6 933	6 945	7 299	7 588
25-34 yrs	2 062	2 002	2 093	1 992	2 212	2 412
35-44 yrs	1 194	1 152	1 198	1 219	1 320	1 464
45-54 yrs	1 194	1 167	1 235	1 254	1 307	1 374
55-64 yrs	1 424	1 445	1 515	1 586	1 686	1 777
Highest level of education of the employed	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
No schooling	695	691	627	574	480	395
Less than primary completed	1 632	1 671	1 598	1 455	1 267	1 101
Primary completed	810	820	793	734	696	631
Secondary not completed	4 098	4 431	4 501	4 585	4 402	4 304
Secondary completed	3 598	3 787	3 814	3 964	3 960	3 974
Tertiary	1 841	1 958	2 054	2 385	2 503	2 473
Other	96	62	80	169	148	184
Highest level of education of the unemployed	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
No schooling	128	134	96	98	94	78
Less than primary completed	483	425	409	401	364	353
Primary completed	270	252	254	230	210	200
Secondary not completed	1 785	1 753	1 833	1 890	1 931	1 975
Secondary completed	1 170	1 176	1 112	1 256	1 358	1 441
Tertiary	146	171	159	198	228	250
Other	13	10	9	31	30	36
Highest level of education of the not economically active	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
No schooling	969	892	918	883	875	835
Less than primary completed	2 035	1 905	1 925	1 893	1 949	2 000
Primary completed	1 137	1 117	1 074	1 068	1 083	1 144
Secondary not completed	6 296	6 365	6 759	6 893	7 273	7 630
Secondary completed	1 870	1 913	1 944	1 870	2 197	2 480
Tertiary	303	300	293	291	346	403
Other	61	57	60	99	102	123
Current marital status of the employed	**12 769**	**13 419**	**13 467**	**13 867**	**13 455**	**13 061**
Married or living together like husband and wife	7 136	7 300	7 275	7 333	7 199	7 022
Widow/widower	482	538	492	464	431	449
Divorced or separated	508	474	447	499	477	453
Never married	4 643	5 106	5 248	5 571	5 349	5 137
Unspecified	1	1	5			
Current marital status of the unemployed	**3 997**	**3 922**	**3 871**	**4 104**	**4 215**	**4 332**
Married or living together like husband and wife	1 166	1 033	1 047	1 144	1 164	1 168
Widow/widower	63	71	66	62	57	51
Divorced or separated	83	69	61	77	66	74
Never married	2 684	2 750	2 696	2 822	2 928	3 039
Unspecified	1					
Current marital status of the not economically active	**12 672**	**12 548**	**12 973**	**12 996**	**13 824**	**14 614**
Married or living together like husband and wife	3 327	3 167	3 244	3 472	3 589	3 698
Widow/widower	541	567	592	593	623	631
Divorced or separated	227	209	235	233	231	230
Never married	8 571	8 605	8 892	8 697	9 381	10 055
Unspecified	6	1	10			

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