

# Methodological paper on the South African working population 2000

Bill Freund, University of KwaZulu-Natal, Durban, South Africa, October 2012

## Estimation of the entire population

### Sources

The figures that belong to this contribution relate alone to the Republic of South Africa and are confined to the population within its borders. I have largely used figures from the Labour Force and Household Survey for 2004.<sup>1</sup>

At first sight, the possibility of a reasonably finely etched account of the work situation of South Africans in 2000 coming directly from the Census of 2001<sup>2</sup> seemed very real to me. The situation at present is that there is much assistance and some pressure for all countries to establish a reliable and systematic statistical service based on regular household and labour based censuses. You can see the standardised systems on the Internet and clearly international organisations such as the UNO pay much attention to training 3rd world statisticians and demographers. The South African state statisticians have sophisticated equipment and tools at their disposal. However this does not necessarily solve census problems. In fact the 2001 census was strongly criticised (the 2011 census has only come out in November 2012).

I quote from *Business Day* 1 September 2011 under the by-line of Linda Ensor:

'Statistician-general Pali Lehohla is aiming to reduce the undercount in next month's census to 2% but has cautioned that a number of challenges remain, particularly getting access to the walled houses of the wealthy and the poor residents of informal dwellings....the undercount in 1996 was 10%, and an unacceptably high 17% in 2001, which was due to a lack of access and a lack of proper organisation by Statistics SA. Mr. Lehohla said yesterday Stats SA was much better prepared this year.'

We would have to agree that 17% is not very impressive as a measure of accuracy.

Despite this, I had originally thought that it would be quite easy (and easiest) to use the census figures for our purposes for two reasons. One is that the nine occupational HISCO figures are actually taken from international best practice today and are used directly in the census with sub-division by sex and race so they can simply be copied. The other is that pre-capitalist forms of social organisation have virtually died away in South Africa which meant, as far as I understood it, that labour relations (labrels) would be very easy to figure out with everyone working involved in the market except for a very small number of black African households, maybe generously estimated at 2% of the total.

There are however, several problems that came up. The first is the availability of figures. The census office produces a booklet of approximately 100 pages which provides a great

<sup>1</sup> [www.statssa.gov.za/.../PO210](http://www.statssa.gov.za/.../PO210) September 2000,2001,2002,2003,2004...

<sup>2</sup> [www.statssa.gov.za/census01/html/C2001](http://www.statssa.gov.za/census01/html/C2001) pubs.asp

deal of [admittedly not perfectly accurate] information in a very user-friendly format showing superb mastery of statistical forms, very easy to access over the Internet. However, if one wants information that probes more deeply, my preliminary queries suggest that this requires a powerful computer that can deal with complex software and might involve substantial payment. It is possible to find occupational categories by magisterial district, to find numerous occupations as opposed to the nine HISCO categories and reclassify if desired but the work involved would be massive and time-consuming.

Finally, there are certain formal problems. Unemployment figures are given in bar graphs with percentages so figures based on this can only be approximate. Not using these figures also enabled me to design a different way of measuring working age adults who were not employed.

The classic categories of urban/rural have collapsed. Urban is related to function rather than form and it is not often clear how the term reflects the residence of millions in inchoate extensive settlements with virtually no infrastructure. If such communities were counted as urban, the urban figure would be very much higher. In fact, in 2011 the urban/rural distinction has been virtually eliminated.<sup>3</sup> The network of almost 300 municipalities blanketing the country includes urban and rural populations.

Given these qualifications, I turned to the 2004 labour force survey based on a large sample of households and generally considered better than the 2000 survey in discussions with economists. It is also rich in different sorts of data available on the Internet though in certain areas it is incomplete. For instance, in order to estimate student numbers, I had additionally to go to Ministry of Education figures which are not available for that year although not far off. Thus there are some incompatible results which required estimation on my part based on some extrapolation.

### **Estimation of the economically active proportion of the population**

The figures come from the same source measuring the population over 15 and under 65. Child labour is hardly a serious issue in a country where unemployment is almost the norm amongst the poor although it presumably can be found somewhere. Women are evaluated as workers exactly as are men although their access to the workplace is not as good. There is no such category as a 'housewife' although, notably amongst people of Indian origin but also the other racial categories, this certainly exists.

However my figures try to go further by eliminating the following from the working age population: First, those who describe themselves as carers, overwhelmingly women. It is not certain to what extent such individuals would be uninterested in employment were it available but the figure is taken as read that they are not available for work outside the home. They have been given label 5. Second, the disabled who are not employed are noted. Of course this includes also individuals who would like to work. Third, those under 65 who have retired—a rather small number. Finally, there is a large category of those over 15 who are in institutions of learning. (All of them have label 1). For modern figures, one needs to consider that at least until 20 or more, this is going to be the majority and especially those 15-18, even in South Africa. I have used 2001 Department

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<sup>3</sup> The most striking feature reported in the newly released 2011 figures show the extent to which the population is shifting towards the two wealthiest provinces, Gauteng and the Western Cape which include Johannesburg, Pretoria and Cape Town.

of Education statistics available on the Internet in order to get approximate figures here.<sup>4</sup> I have also noted a small number of those listed as workers over the age of 65. All these figures were available in the Labour Force Survey other than the schooling one.

### **Estimation of the working population**

A very small category that is enumerated but undoubtedly not especially accurate counts those who work for themselves in agriculture and in effect are largely subsistence farmers. They are also listed in the database (label 4 and 5) but in contemporary South Africa their numbers are very small.

The big issue however is the nature of the working population itself these days. There has been confusion and surprise at how few South Africans are actually employed, no more than 20-25% of the total population. If one searches for micro-studies, a recent published example can be found giving the background to two impoverished parts of the Ethekwini (Greater Durban) municipality in the *Journal of Southern African Studies*:

‘By 2001 Enhlalake was home to 7,027 people of whom 1,770 were employed and 2,948 were unemployed. Mpumalanga had a population of 26,496 of whom 4,227 were employed and 13,146 were unemployed.’

The latter community was once a kind of dormitory town for textile workers who are now unemployed in the conventional sense as understood in Europe or America. The former community simply reflects the general picture. Another recently published monographic study (2007) by a German researcher concentrated on violence in the district of Inchanga nearby.<sup>5</sup> Here in 1996 there were 1,474 men and 2,008 women unable to find work as opposed to 1,576 men and 1,220 women who were employed. Claire Cerruti's studies of Soweto, Gauteng Province in the recent and still unpublished research project under the supervision of Peter Alexander of the University of Johannesburg give similar figures to these and many more out of the way places would reveal worse results. Prof. Owen Crankshaw of the University of Cape Town, has very recently estimated an unemployment rate of about 40% in poor sections of South Africa's richest (in per capita terms) and about the fastest growing city.<sup>6</sup>

Figures of this sort are highly charged politically in South Africa. Above all, the question of unemployment is highly contentious as it is acknowledged to be the greatest failure of the African National Congress in power. The 'strict' unemployed figure preferred by the census refers to those considered at least to be in the job market, that is to say, describe themselves as having been looking actively for work within the past year. However this figure, although large (i.e. more than 20% of all adults), is maybe only half or less the size needed to cover all those who are not working. If one asks from what does this population live, the answer from those without jobs is that the large majority seem to have access to several households (or a romantic partner in a more stable or unstable relationship) which/who will offer some food and a bed for the night pretty

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<sup>4</sup> Educational Statistics in South Africa 2001. [www.education.gov.za/LinkClick.aspx...](http://www.education.gov.za/LinkClick.aspx...)

<sup>5</sup> Mario Krämer, *Violence as Routine; Transformations of Local-Level Politics in KwaZulu-Natal (South Africa)*, University of Bonn dissertation, Rüdiger Köppe Verlag, Köln, 2007

<sup>6</sup> Owen Crankshaw, 'Deindustrialization, Professionalization and Racial Inequality in Cape Town', *Urban Affairs Review*, XLVIII, 6, 836-42.

unconditionally but often not consistently enough to feel comfortable defining as an inclusive household.

What is termed in South Africa ‘social grants’, especially pensions but also disability grants and child support grants, are the main sustenance of many millions, especially in the bottom two or three income deciles of the population. The most important is the pension available to anyone over 65 on a means-tested basis. The pension now constitutes an income of over R1000 p.m. or about \$120 and is regularly raised. Pensions are probably equivalent to the lowest wages. The also universal child support grant by contrast is quite small, only one-fifth or so of this but it has been extended to children of up to 15 years. The disability grant is in between the two but nearer in size to the pension. Households may bunch around those who do collect a grant.

In effect, the main difference, according to Natrass and Seekings’ important overview, between the desperately poor and the less poor is that the former are totally grant dependent while the latter, as you move up the household income level, will have at least one working member in a household containing non-working adults also.<sup>7</sup> The job however may be at very low pay. The census and even the labour force survey cannot capture this level of ambiguity and variability too well, the census even counting hundreds of thousands of households with no visible income whatsoever, an impossibility in practice, of course.

The unemployed (labrel 3) are not really a reserve army of labour although they would mostly like to be. Their situation has been basically unchanged for a long time and realistically there is little reason to see it changing, as for instance Franco Barchiesi captures in his recent book on working class life on the Rand.<sup>8</sup> Moreover this kind of situation is not unique to South Africa. Look at the Caribbean countries, for instance. On a smaller scale, it has been adopted in Namibia, Lesotho and elsewhere in southern Africa. Moreover, the system of social grants, which to a certain extent is being supplemented by extending ‘aid’- driven free feeding systems, is not just South African. It is yet more important in parts of the Americas, notably Venezuela and Brazil, (the *Bolsa*) and an equivalent entitlement recently introduced in China albeit for the very poorly paid generally. This kind of long-term unemployed and very poorly paid sustained by state and charitable intervention on a big scale is a feature of our changing world.

Indeed, the refined categories of the labour force survey raise various new questions. What is the informal sector, which is carefully enumerated, and to what extent is casual or part-time or temporary work to be counted? What about activities which are illegal and kept underground? From the point of view of the time-line project of the IISG, however, I have chosen myself to ignore the many conflicting figures for unemployed

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<sup>7</sup> Nicoli Natrass and Jeremy Seekings, *Class, Race and Inequality in South Africa*, Yale University Press, 2006. In the first three-quarter s of the twentieth century, the main support for poor black South Africans consisted of remittance payments by migrant workers. This remains significant but it is now overshadowed by social grants.

<sup>8</sup> These commonplace observations are confirmed in many studies. For a few of these beyond Seekings & Natrass, see the major monographs by Franco Barchiesi, *Precarious Liberation; The State and Contested Citizenship in Post-Apartheid South Africa*, University of KwaZulu-Natal Press, Pietermaritzburg, 2011 and Mark Hunter, *Love in the Time of AIDS; Inequality, Gender and Rights in South Africa*, University of KwaZulu-Natal Press, Pietermaritzburg, 2010. For recent articles, sample Alison Goebel, “Our Struggle is for the Full Loaf”; Protests, Social Welfare and Gendered Citizenship in South Africa, *Journal of Southern African Studies*, XXXVII, 2011, 369-88 and Sarah Mathis, ‘Disobedient Daughters; Changing Women’s Roles in Rural KwaZulu-Natal’, *Journal of Southern African Studies*, XXVII, 2011, 832-48.

and instead as noted above took the entire working age population and then eliminated some categories of non- workers as discussed above. Thus I came up with my own figures for the large *residual core group*, largely black, disproportionately young and female, included in labrel 3. It accords with the general drift of descriptive and quantitative studies available elsewhere.

In the working population, I was able to distinguish between the employed and employers (labrels 14 and 13). This latter category does not consist mostly of affluent people, however. The South African economy is dominated by big companies and is weak in the presence of small to medium enterprises. However it includes many contract workers of all sorts. The employer group includes the self-employed (so no distinction could be made between labrels 12 and 13) and thus many poor people in fact who would prefer to be employed. In addition, it was possible to get figures for those employed in the public sector (and thus, by implication, in the private sector, labrels 14 and 18) so these are also recorded on the spreadsheet. All these figures are available divided by sex and in most but not all cases also by the four conventional racial categories established during the apartheid period and retained largely for affirmative action juridical purposes.