

Labour market dynamics in South Africa 2009

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Foreword

Statistics South Africa started publishing an annual report on labour market dynamics in South Africa in 2009. The report looked at trends in the labour market over a five year period from 2003 to 2008. The current report looks at trends in the labour market over the period 2004 to 2009. It outlines important aspects of the three labour market groups: the employed, unemployed and the inactive, which constitutes 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 5-year period is 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. The report also talks to the downturn in the labour market in 2009 which was caused by the economic recession that the country experienced.

I trust that this report will inform the policy and academic discourse on labour market and job creation in our country. Stakeholders are invited to receive and study this report.



Pali Lehohla
Statistician-General



Highlights

- After four years of growth in employment, the trend was reversed in the year ended December 2009. The South African labour market suffered due to the economic recession experienced in the country in 2009.
- Employment contracted by 3,6% or 497 000 jobs. All industries lost jobs except Finance and other business services where employment grew by 3,8% and Community & social services with employment growth of 1%. Agriculture suffered the most with a decline of 12,9%, followed by Manufacturing and Trade which contracted by 7,6 and 7,1 respectively.
- Formal sector employment declined by 2,0% or 185 000 while the informal sector employment declined by 7,9% or 179 000 jobs.
- All provinces lost jobs except Limpopo and the Western Cape. The impact of job losses was felt more by the smaller provinces for example employment in the Northern Cape contracted by 9,7% or 30 000 jobs and employment in North West contracted by 7,1% or 64 000 jobs.
- There is evidence to suggest that some industries in the formal sector could have reduced hours of work rather than shed jobs during the recession. For example, employment in the formal Transport industry declined by 2,6% or 14 000 jobs and average hours of work declined by 2,8% or 1,3 hours while in the Trade industry which contracted by 6,9% or 143 000 jobs, the average hours of work per week declined by only 0,5% or 0,3 of an hour.
- 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 22,9% in 2008 to 24,0% in 2009. The absorption rate and the labour force participation rate decreased in the same period.
- Unemployment rate among Black/Africans rose from 27,0% in 2008 to 28,2% in 2009. Black/African women had the highest unemployment rate (30,6% in 2009) while white men had the lowest (4,1% in 2009).
- 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.
- For the country as a whole in 2009, 49,1% of all working-age women were either looking for work or working – which is what the labour force participation measures. This was 1,9 percentage points lower than in 2008.
- In almost all age groups, the unemployment rate was generally higher in 2009 than in 2008. The unemployment rate declined among men and women aged 55-64 years as well as among women aged 35-44 years in the year ended December 2009.
- A striking feature of the profile of persons in the labour market based on population group is that while 77,7% of working-age people are black African, this group is under-represented among the employed (69,4%) and over-represented among both the unemployed (86,6%), and the not economically active (82,9%). On the other hand, the white population group accounts for 9,9% of the working-age population, but as much as 15,4% of total employment and only 2,4% of unemployment.
- 43,6 percent of the white labour force had higher education compared with 24,6 percent of the Indian labour force and around 10 percent of the coloured and Black/African labour force.
- Due to the economic recession, 2009 seems to have reversed the job gains made in previous years.

Chapter 1

Introduction

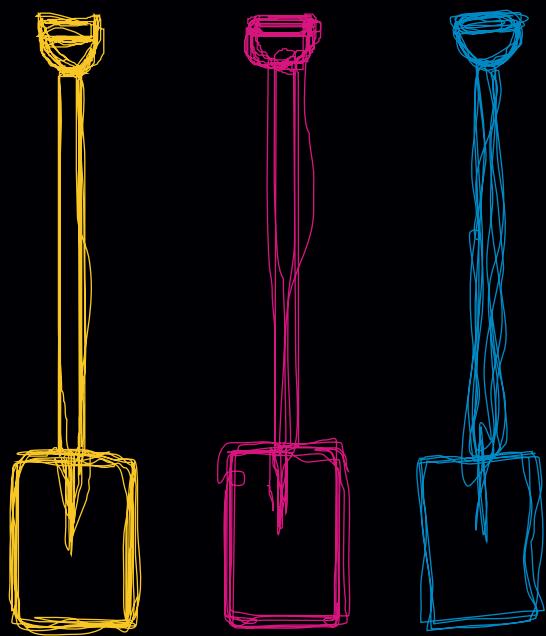




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Chapter 1: Introduction

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 was 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 second annual report on the labour market in South Africa produced by Stats SA. The analysis is based on annual labour market data from 2004 to 2009. The report also includes a statistical appendix with historical data dating back to 2004 on an annual basis.

Objective

The objective of this report is two-fold: first, to present annual labour market data backcast to 2004, and second, to analyse important aspects of the labour market in South Africa over the past five years.

Data sources

Labour Force Survey – 2004 to 2007 (March and September each year)

QLFS – 2008 to 2009 (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 in 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 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 2004–2007 are averages of the revised March and September LFS results each year.
- QLFS data covering the period 2008–2009 are averages of the results obtained for the four quarters of 2008 and 2009.

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 $\frac{1}{4}$ 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/index.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: A profile of the employed

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.

Chapter 5: The formal/informal sector in South Africa

This chapter focuses on analysing the formal and informal sectors, with specific emphasis on sex, age, population group, educational level, province, occupation and industry. On a high level, all sector employment attributes will be presented, including agriculture and private households.

Chapter 6: 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 7: 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 (2004–2007) and the QLFS (2008–2009).

Chapter 2

The South African labour market

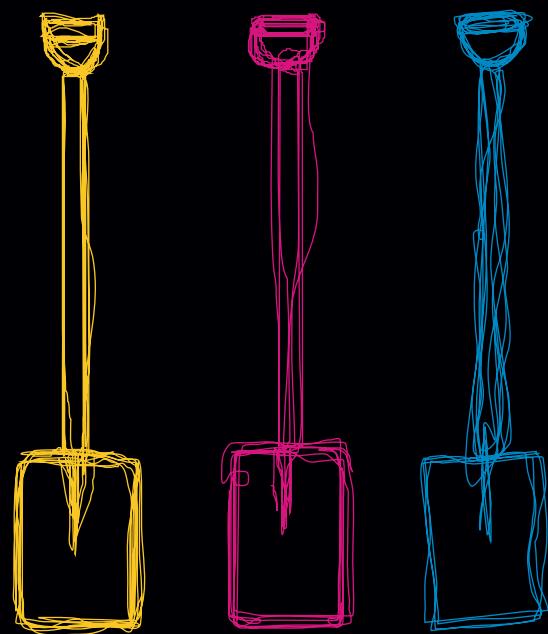




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Chapter 2: The South African labour market

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, 2007¹). 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 2004 to 2009. These labour market developments are the result of long-term demographic and socio-economic changes.

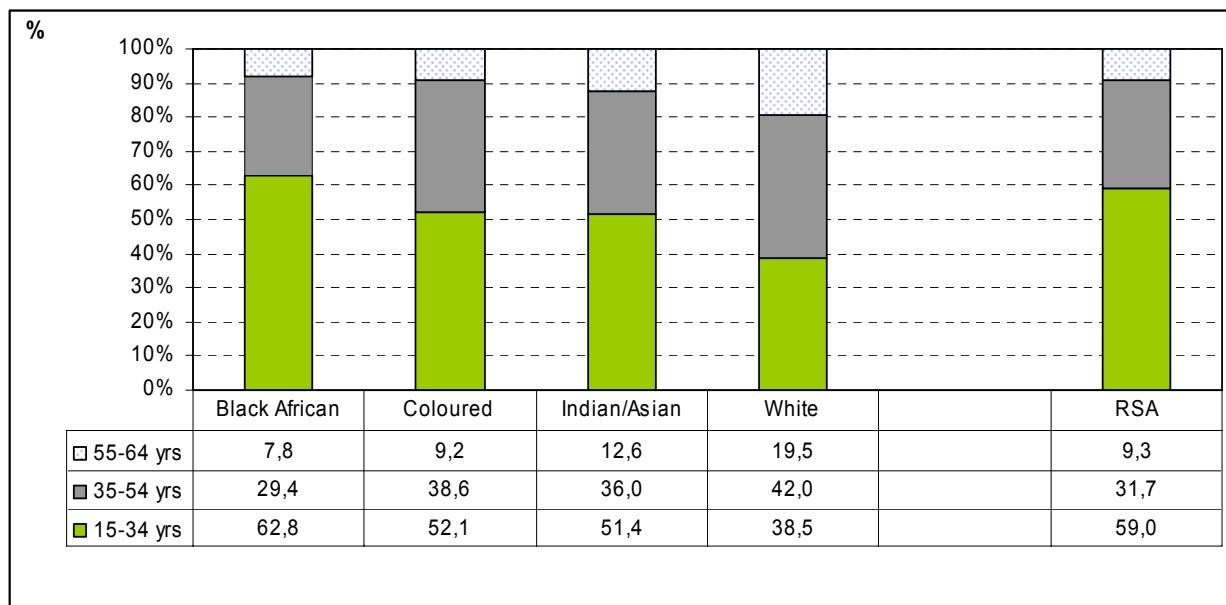
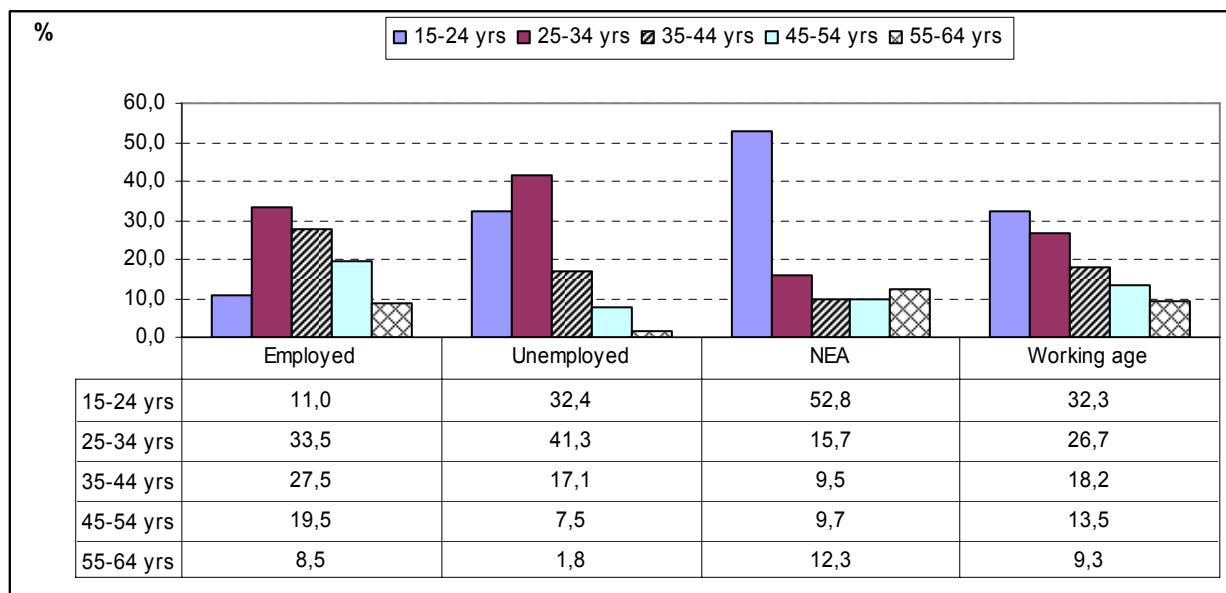
Introduction

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 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 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, 2009**Figure 2.2: The age profile of persons in each component of the working-age population, 2009**

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 (32,3%) is 15–24 years old.
- More than three-quarters (77,7%) 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, 2009

	Employed	Unemployed	Not economically active	Working
				age
	Per cent			
Black African	69,4	86,6	82,9	77,7
Coloured	11,7	9,5	7,5	9,6
Asian/Indian	3,5	1,5	2,7	2,9
White	15,4	2,4	6,9	9,9
Total	100,0	100,0	100,0	100,0

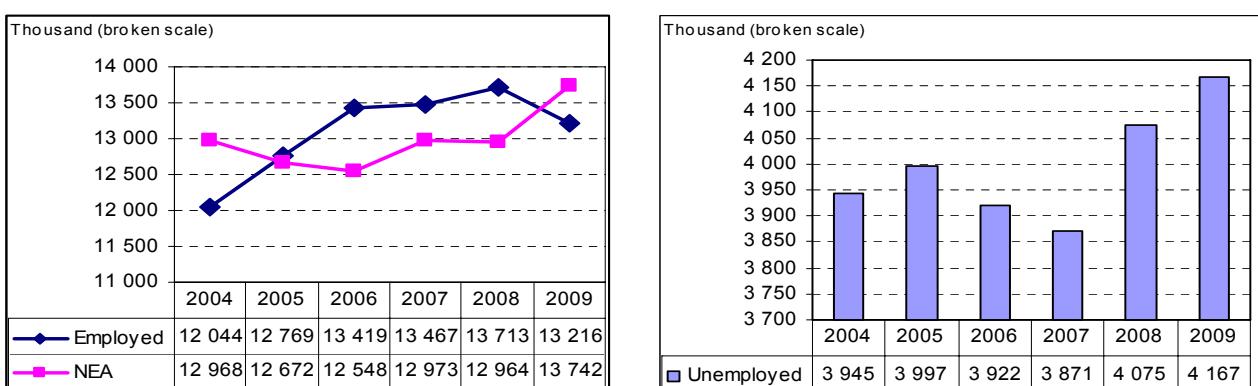
A striking feature of the profile of persons in the labour market based on population group is that while 77,7% of working-age people are black African, this group is under-represented among the employed (69,4%) and over-represented among both the unemployed (86,6%), and the not economically active (82,9%). On the other hand, the white population group accounts for 9,9% of the working-age population, but as much as 15,4% of total employment and only 2,4% 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, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousand					
Employed	12 044	12 769	13 419	13 467	13 713	13 216
Unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Labour force	15 989	16 766	17 340	17 338	17 788	17 383
Working age	28 957	29 438	29 889	30 311	30 752	31 125

Figure 2.3: Trends in the components of the working-age population, 2004–2009

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. Employment declined for three consecutive quarters, it only showed some recovery in the 4th quarter (Stats SA, 2009 Statistical releases). When an average of the four quarters is derived, employment contracted by 3,6% to 13 216 thousand. Unemployment levels went up to 4.1 million (Figure 2.3 and Tables 2.2).

Table 2.3: Annual change in key labour market indicators, 2004–2009

	2005	2006	2007	2008	2009
Employed	725	650	48	246	- 497
Unemployed	52	- 75	- 51	204	91
Not economically active	- 296	- 123	424	- 9	778
Labour force	777	575	- 2	450	- 405
Working age	481	451	422	441	373
Percentage change					
	2005	2006	2007	2008	2009
Employed	6,0	5,1	0,4	1,8	-3,6
Unemployed	1,3	-1,9	-1,3	5,3	2,2
Not economically active	-2,3	-1,0	3,4	-0,1	6,0
Labour force	4,9	3,4	0,0	2,6	-2,3
Working age	1,7	1,5	1,4	1,5	1,2

Employment contracted by 3.6 %, unemployment grew by 2.2 % and the economically active population grew by 6,0% on average. Table 2.5 shows that for both men and women, employment declined in 2009, with a drop in employed men being higher (4,7%) than that of women (2,3%). The contraction in the number of employed men was accompanied by an increase in unemployment levels (8,8%) while women unemployment levels declined. 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.

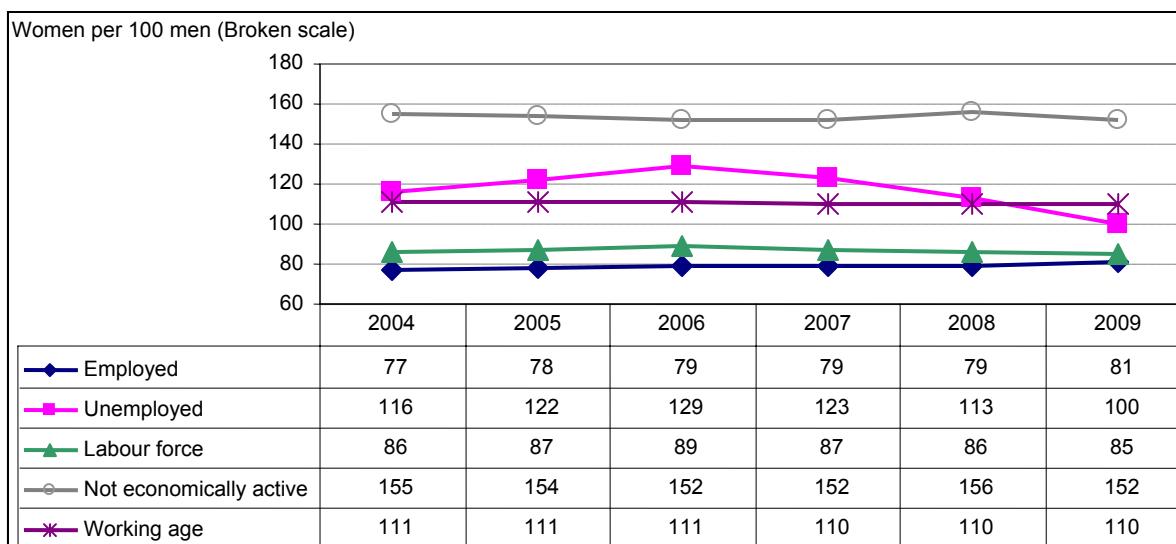
Table 2.4: Key labour market indicators by sex, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousand					
Men						
Employed	6 788	7 167	7 483	7 523	7 672	7 315
Unemployed	1 830	1 797	1 710	1 739	1 917	2 085
Not economically active	5 081	4 983	4 989	5 145	5 058	5 453
Labour force	8 618	8 964	9 193	9 262	9 589	9 400
Working age	13 699	13 947	14 182	14 407	14 647	14 853
Women						
Employed	5 256	5 602	5 936	5 944	6 041	5 901
Unemployed	2 115	2 200	2 212	2 132	2 158	2 081
Not economically active	7 887	7 689	7 559	7 828	7 906	8 290
Labour force	7 371	7 802	8 147	8 076	8 199	7 982
Working age	15 257	15 491	15 706	15 904	16 105	16 272

The economically inactive population grew by 7,8% and 4,9% among men and women respectively. This led to a contraction in the labour force by 2,0% among men and 2,6% among women. Employment, unemployment and inactivity, including discouragement during 2009, are discussed in details later in the report.

Table 2.5: Annual percentage change in key labour market variables, 2004–2009

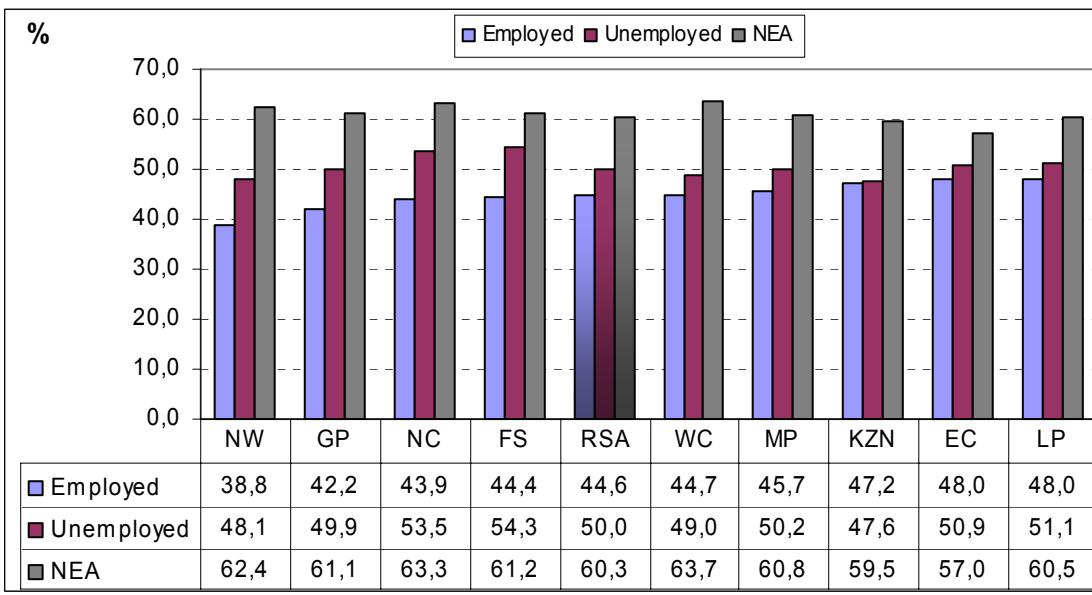
	2005	2006	2007	2008	2009
	Percentage change				
Men					
Employed	5,6	4,4	0,5	2,0	-4,7
Unemployed	-1,8	-4,8	1,7	10,2	8,8
Not economically active	-1,9	0,1	3,1	-1,7	7,8
Labour force	4,0	2,6	0,8	3,5	-2,0
Working age	1,8	1,7	1,6	1,7	1,4
Women					
Employed	6,6	6,0	0,1	1,6	-2,3
Unemployed	4,0	0,5	-3,6	1,2	-3,6
Not economically active	-2,5	-1,7	3,6	1,0	4,9
Labour force	5,9	4,4	-0,9	1,5	-2,6
Working age	1,5	1,4	1,3	1,3	1,0

Figure 2.4: Number of women per hundred men in the working-age population, 2004–2009

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 79 employed women, this ratio increased to 81 in 2009. For every 100 unemployed men there were 113 unemployed women in 2008, but the growth in unemployment among men and a decline among women brought the ratio of women to men at par to 100 in 2009. Among the not economically active, the gender gap remains wider – 152 women per 100 not economically active men in 2009. Over the period 2004 to 2009, 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, 2009



NEA: not economically active

In 2009, women accounted for fewer than 40% of the employed in North West, but for more than 45% in provinces such as Mpumalanga, Eastern Cape, KwaZulu-Natal and Limpopo. And in provinces such as Northern Cape and Free State more than 55% 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, 2008², 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" (AsgISA³). 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 6 and contribute to the disproportionate share of black Africans among the discouraged work-seekers discussed in Chapter 7.

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, 2009

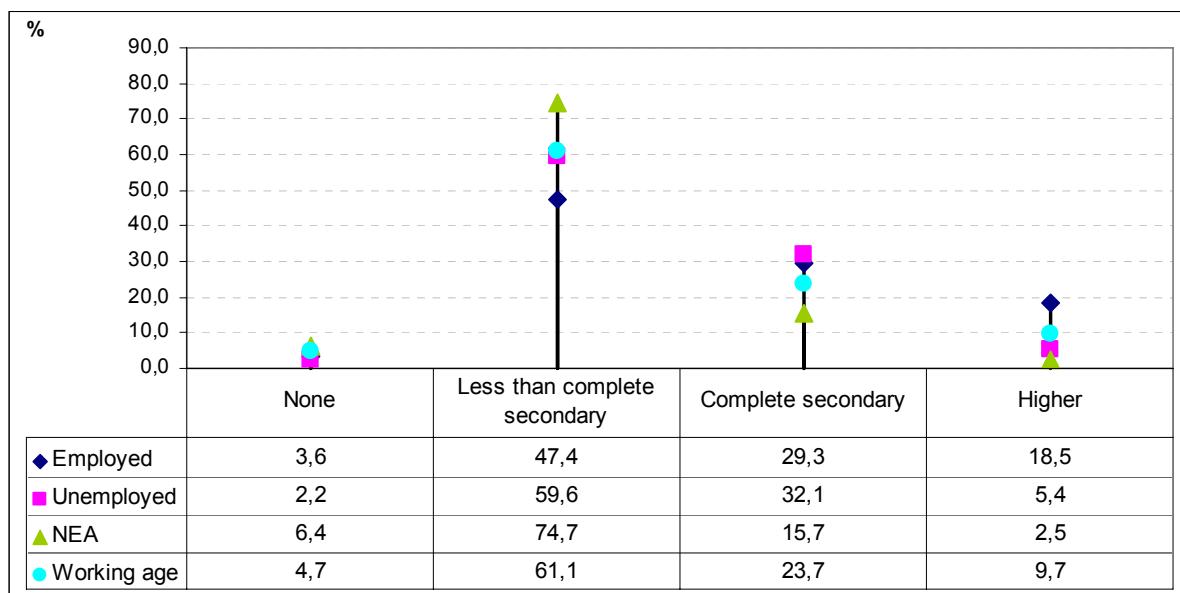


Figure 2.6 shows that there are variations in the educational profile of the working-age population when each of the three components (employed, unemployed and not economically active) is considered. In 2009, a larger proportion of the employed (3,6%) than the unemployed (2,2%) had no education. And while 18,5% of those with jobs had higher qualifications, as many as 5,4% of those without jobs and looking for work also had higher qualifications (Figure 2.6).

Figure 2.7: The labour force by level of educational attainment, 2008 and 2009

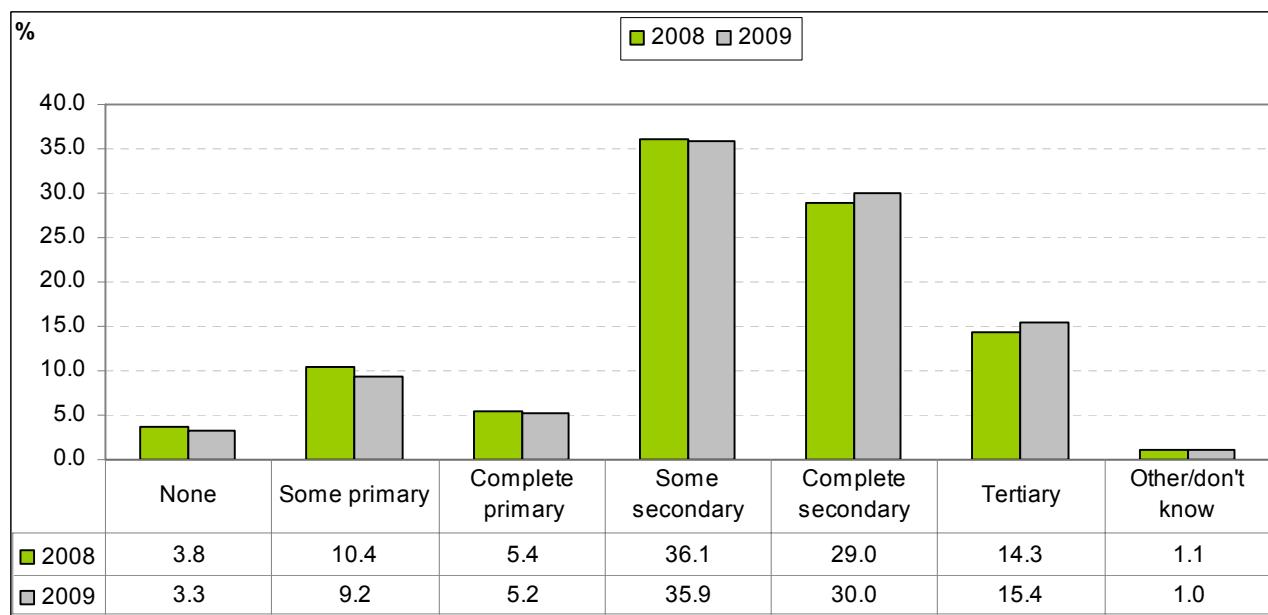
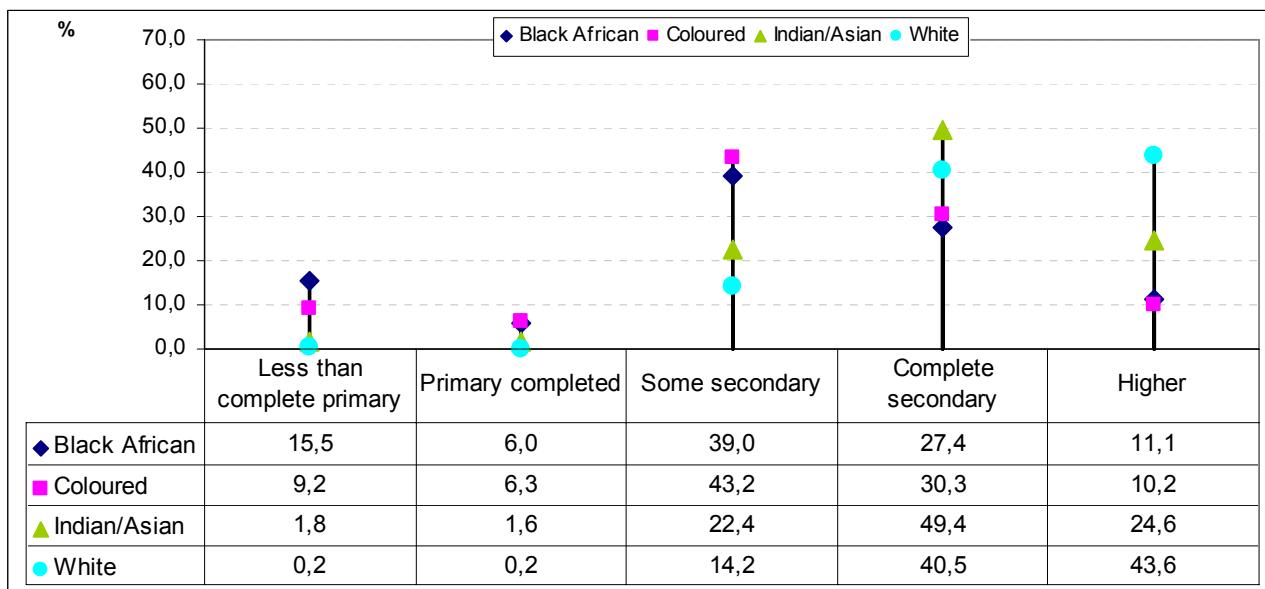


Figure 2.7 show that those who had completed matric or higher slightly increased their share of the labour force in the year ended December 2009. For example, those with matric increased their share of the labour force by 1 percentage point to 30% and those with tertiary increased their share by 1,1 percentage points to 15,4%. 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, 2009

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

Although the educational level of the labour force improved over the five years (2004–2009), significant differences still existed for various groups. These included higher shares of the black African population in the labour force whose educational attainment was primary education or lower (21,5% in 2009) compared with Indians (3,4%) and whites (0,4%). 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, 43,6% of the white labour force had higher education compared with 24,6% of the Indian labour force and around 10% of the coloured and black African labour force (Figure 2.8).

Against this background, it is widely acknowledged that the advance of complex organisations and knowledge requirements, as well as the introduction of sophisticated machinery and technology, means that economic growth and improvements in welfare increasingly depend on the degree of literacy and educational attainment of the population (ILO, KILM 2001–2002⁴).

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 2004 to 2009. So too are the differences in the composition of the workforce by sex and province.

During the recession, employment contracted by 3,6% in the year ended December 2009 – equivalent to 497 000 jobs.

In terms of educational attainment, the underlying differences among various groups were still well entrenched in 2009. In this regard, 43,6% 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 24,6% of the Indian labour force and around 10% of the coloured and black African labour force. The dominance of black Africans in the working-age population, coupled with the difference in their educational outcomes, is likely put a damper on the speed of labour market adjustment that is necessary to align supply to changing market demands.

⁴ Key Indicators of the Labour Market 2001-2002, ILO, Geneva, 2002

Chapter 3

Summary labour market measures

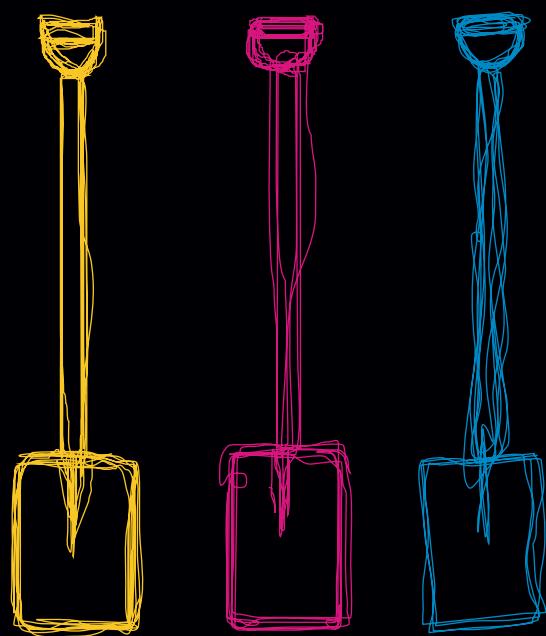




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Chapter 3: Summary labour market measures

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 services⁵.

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, 2002⁶).

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 2004 to 2009.

Table 3.1: Summary labour market measures by sex, 2004–2009

	2004	2005	2006	2007	2008	2009
	Per cent					
Unemployment rate						
Men	21,2	20,0	18,6	18,8	20,0	22,2
Women	28,7	28,2	27,2	26,4	26,3	26,1
Both sexes	24,7	23,8	22,6	22,3	22,9	24,0
Labour absorption rate						
Men	49,6	51,4	52,8	52,2	52,4	49,2
Women	34,4	36,2	37,8	37,4	37,5	36,3
Both sexes	41,6	43,4	44,9	44,4	44,6	42,5
Labour force participation rate						
Men	62,9	64,3	64,8	64,3	65,5	63,3
Women	48,3	50,4	51,9	50,8	50,9	49,1
Both sexes	55,2	57,0	58,0	57,2	57,8	55,8

The growth in employment over the five years to 2009 resulted in a slight increase in the labour absorption rate from 41,6% in 2004 to 42,5% in 2009. This expansion in employment, coupled with a decline in the number of people that were unemployed, contributed to the decline in the unemployment rate from 24,7% in 2004 to 24,0% in 2009, but only a minimal increase of 0,6 of a percentage point in the labour force participation rate (Table 3.1, Figures 3.1, 3.2 and 3.3).

⁵ Key Indicators of the Labour Market, ILO, Geneva 2005

⁶ Lestrade-Jefferis JP. The South African Labour Market, Statistics South Africa, 2002

There was also a reversal in the downward trend in the unemployment rate among men in 2007 while the rate among women declined steadily over the entire period (Figure 3.1).

Figure 3.1: Unemployment rate by sex, 2004–2009

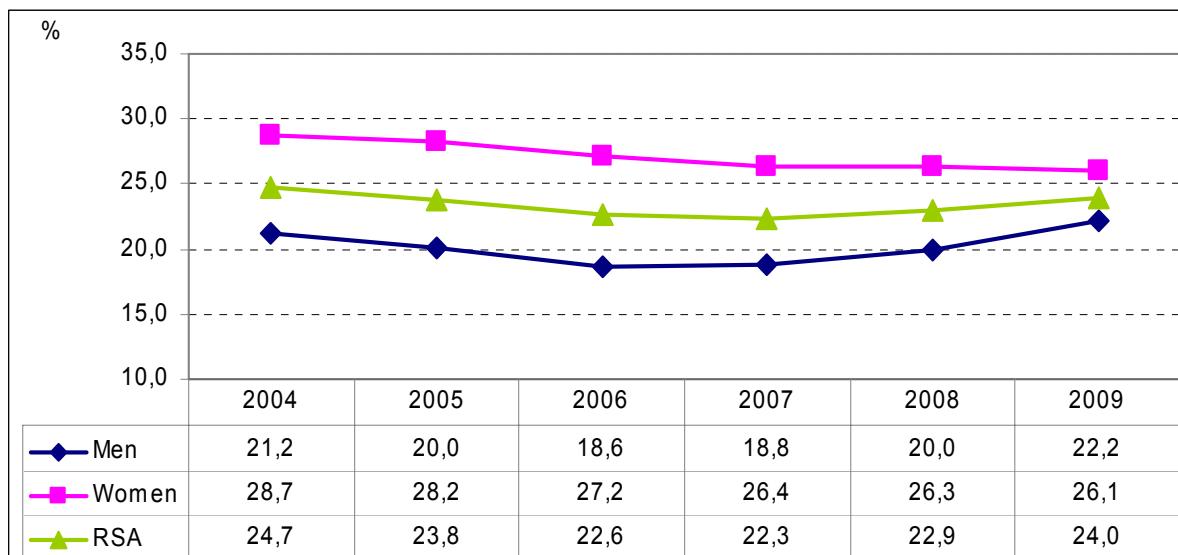


Figure 3.2: Labour absorption rate by sex, 2004–2009

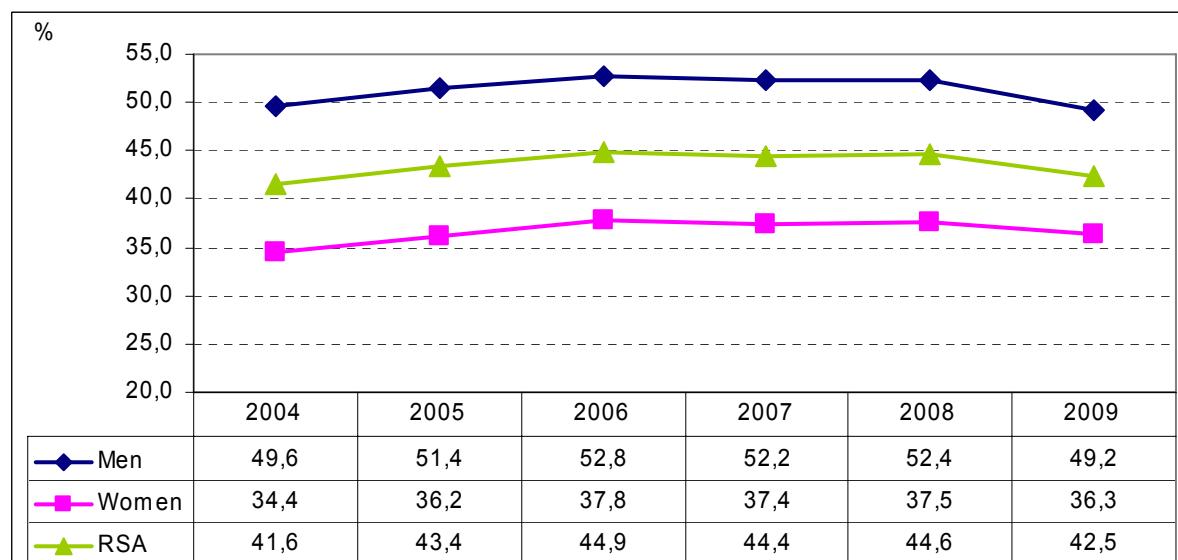
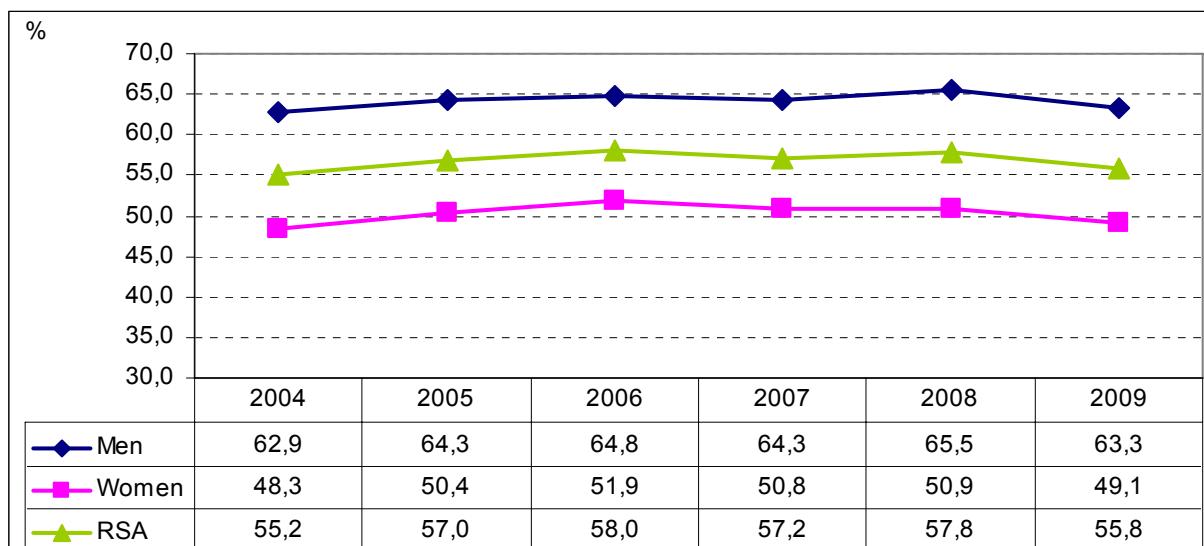
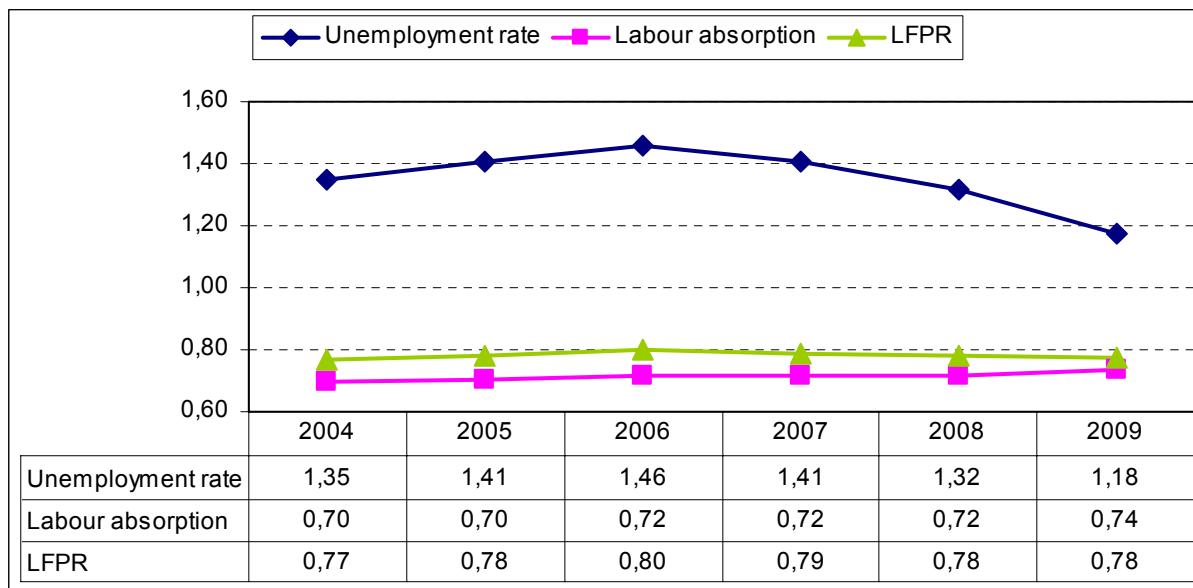


Figure 3.3: Labour force participation rate by sex, 2004–2009

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

Figure 3.4: The gender gap in key labour market variables, 2004–2009

LFPR: labour force participation rate

Over the period 2004–2006, 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 higher than that of men in 2009. 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 groups. High levels of unemployment and low levels of employment among various population groups indicate that certain groups of workers are not able to effectively use their labour in order to better their living conditions.

Table 3.2: Labour market variables by population group, 2004–2009

	2004	2005	2006	2007	2008	2009
	Per cent					
Unemployment rate						
Black African	29,1	27,7	26,3	25,8	27,0	28,2
Coloured	22,0	22,1	20,7	22,4	18,9	20,3
Indian/Asian	14,3	15,4	9,4	10,1	12,0	11,9
White	5,4	5,4	5,0	4,3	4,2	4,7
RSA	24,7	23,8	22,6	22,3	22,9	24,0
Absorption rate						
Black African	36,8	39,1	40,9	40,5	40,4	38,0
Coloured	51,8	52,1	53,3	52,2	52,8	52,0
Indian/Asian	50,8	52,2	53,9	51,9	53,7	51,3
White	63,7	63,9	63,9	64,4	66,7	66,0
RSA	41,6	43,4	44,9	44,4	44,6	42,5
Labour force participation rate						
Black African	51,9	54,0	55,6	54,6	55,3	52,9
Coloured	66,4	66,9	67,3	67,2	65,1	65,3
Indian/Asian	59,3	61,7	59,5	57,8	61,0	58,2
White	67,4	67,6	67,3	67,3	69,7	69,3
RSA	55,2	57,0	58,0	57,2	57,8	55,8

Table 3.2 shows that the unemployment rate was on a decline until 2008 when it increased slightly by 0,6 of a percentage point and then increased by 1,1 percentage points between 2008 and 2009. There was an increase in the unemployment rate among all population groups except among Indians/Asians where it remained virtually unchanged in the year ended December 2009. There was some stability in the unemployment rate among the white population 2008 but this population group also experienced an increase in 2009. The increase in unemployment rate was matched by a decline in absorption rates and labour force participation rate among most population groups. The labour force participation rate remained virtually unchanged among the coloured population group (Table 3.2, Figures 3.5 and 3.6).

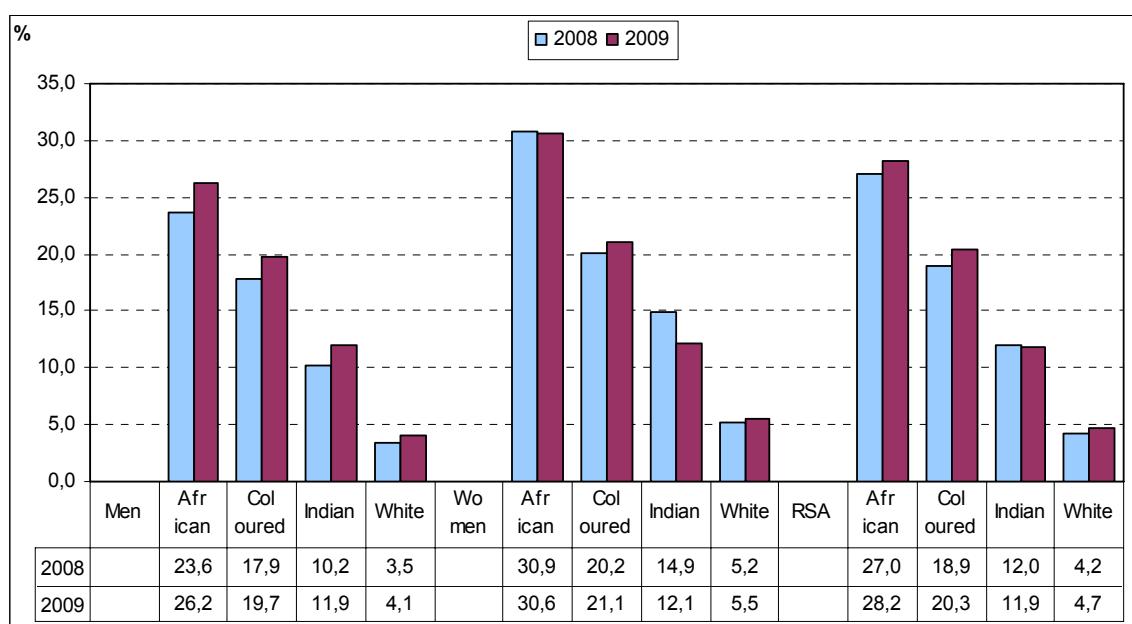
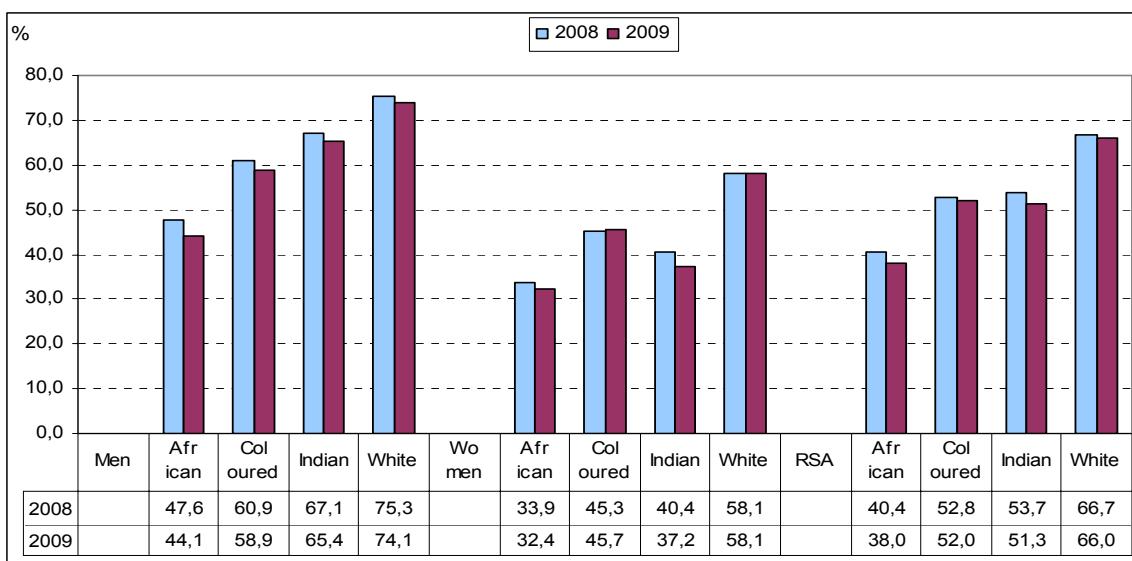
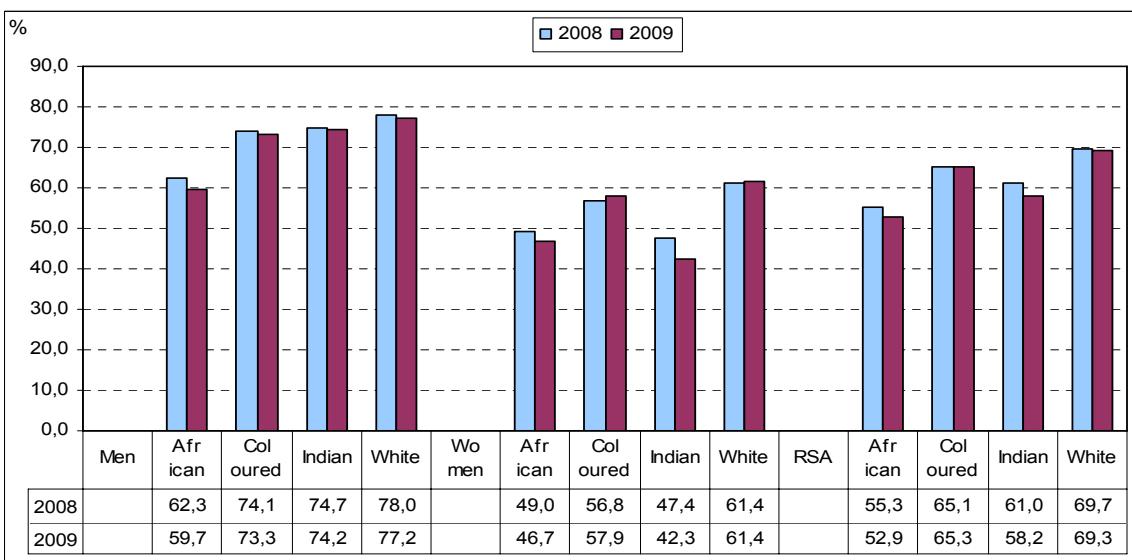
Figure 3.5: Unemployment rates by population group, 2008 and 2009

Figure 3.6: Absorption rates by population group, 2008 and 2009**Figure 3.7: Labour force participation rates by population group, 2008 and 2009**

Although between 2008 and 2009 the key labour market rates moved in the same direction for both sexes and all population groups, 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 (30,6% in 2009).
- White men had the lowest unemployment rate (4,1% in 2009).
- The highest increase in the unemployment rate between 2008 and 2009 was observed among the coloured population (up by 1,4 percentage points).
- Absorption rates were highest among white men (74,1% in 2009) and lowest among black African women (32,4% in 2009).
- Labour force participation rates were higher among men than among women for all population groups.
- In 2009, the labour force participation rate was only higher than in 2008 among coloured women.

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, 2008⁷, 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.

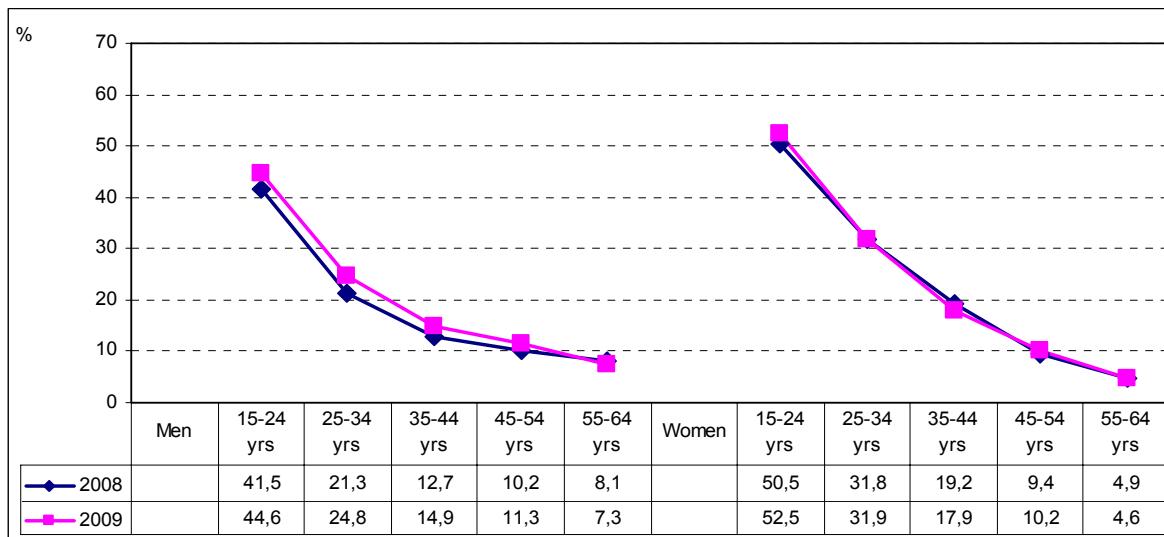
A similar picture emerges in the South African labour market where in 2008, youth aged 15–24 years accounted for one-third of all working-age persons, a similar proportion of the unemployed, 52,8% of the not economically active, but only 11,0% of those who were employed (Figure 2.1). This indicates possible 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, 2004–2009

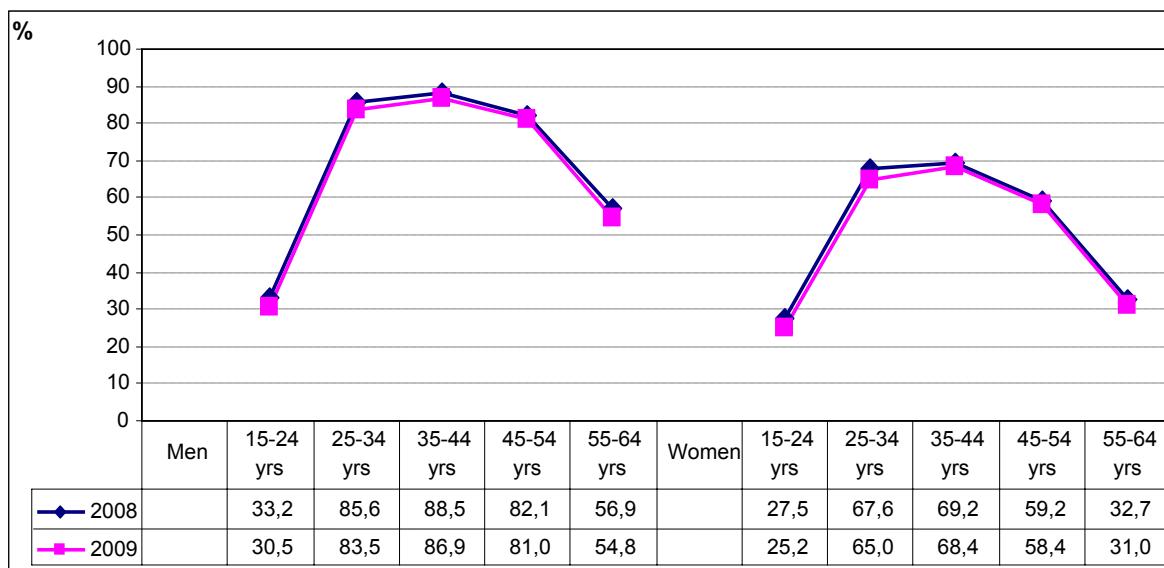
Unemployment rate	2004	2005	2006	2007	2008	2009
	Percent					
15–24 yrs	51,0	48,3	46,7	46,5	45,5	48,2
25–34 yrs	28,6	28,1	26,0	26,0	26,1	28,0
35–44 yrs	15,3	14,7	14,7	13,5	15,8	16,4
45–54 yrs	10,6	10,6	10,0	10,4	9,9	10,8
55–64 yrs	6,5	6,9	5,2	5,6	6,8	6,2
RSA	24,7	23,8	22,6	22,3	22,9	24,0
Labour force participation rate						
15–24 yrs	28,3	29,1	30,0	29,3	30,4	27,9
25–34 yrs	72,2	74,4	75,5	74,6	76,4	74,0
35–44 yrs	75,5	77,0	78,2	77,8	78,0	76,9
45–54 yrs	68,0	70,1	71,3	70,1	69,5	68,5
55–64 yrs	42,3	45,4	46,0	44,8	43,4	41,5
RSA	55,2	57,0	58,0	57,2	57,8	55,8
Absorption rate						
15–24 yrs	13,8	15,0	16,0	15,7	16,5	14,4
25–34 yrs	51,5	53,5	55,9	55,2	56,5	53,3
35–44 yrs	63,9	65,7	66,7	67,3	65,7	64,3
45–54 yrs	60,7	62,7	64,2	62,8	62,6	61,1
55–64 yrs	39,6	42,2	43,6	42,2	40,5	38,9
RSA	41,6	43,4	44,9	44,4	44,6	42,5

Over the period 2004 to 2009, the unemployment rate among persons aged 15–24 years declined steadily each year, except for 2007 where it remained virtually unchanged and in 2009 it was similar to the one observed in 2005, when the absorption rate among this age group was generally on an upward trend. In the year ended December 2009, the unemployment rate increased among all age groups except among 55-64 year olds where it declined by 0,6 of a percentage point, the labour force participation rate and the absorption rate declined among all age groups.

⁷ Gallart, Maria Antonia, ILO/Cinterfor, 2008. Skills, Productivity and Employment Growth: The case of Latin America

Figure 3.8: Unemployment rate by age, 2008 and 2009

In almost all age groups, the unemployment rate was generally higher in 2009 than in 2008. The unemployment rate declined among men and women aged 55-64 years as well as among women aged 35-44 years in the year ended December 2009 (Table 3.3 and Figure 3.8).

Figure 3.9: Labour force participation rate by age, 2008 and 2009

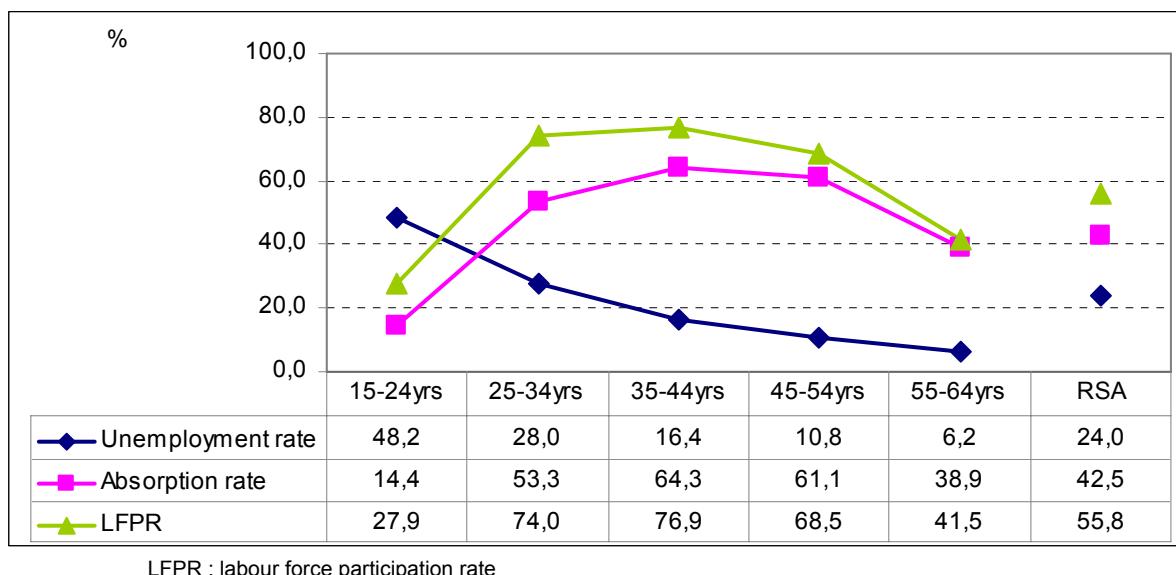
For the country as a whole in 2009; 49,1% of all working-age women were either looking for work or working – which is what labour force participation measures. This was 1,9 percentage points lower than in 2008. There was a decrease not only in prime-age participation among women and men (aged 25–54 years) 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 education for longer periods to hopefully improve their chances in the labour market at a later stage.

The ILO⁸ 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

⁸ 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 2009 one in every four employed persons aged 15–24 years worked either in the informal sector or in agriculture, and as many as 39,3% of all employed persons aged 15–24 years had jobs regarded as informal, – without benefits such as medical aid, paid leave or written contracts of employment – an improvement from a year ago where as many as 42,4% were in such situations (see also Chapter 5).

Figure 3.10: Key labour market rates by age, 2009



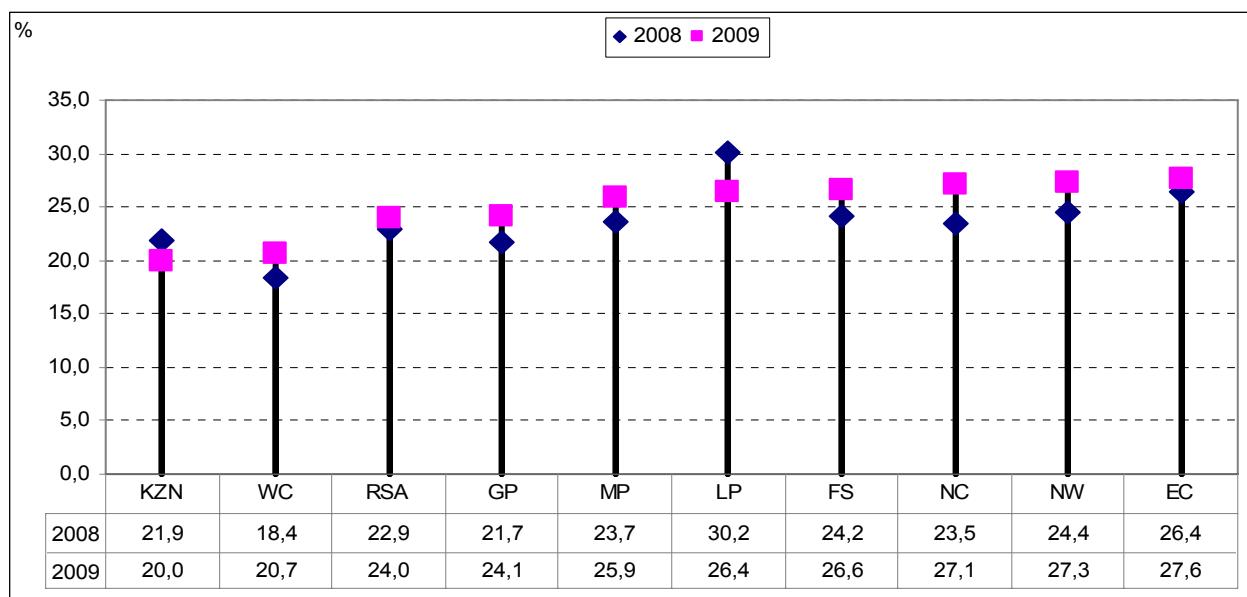
Despite an increase in the unemployment rate among men and women in every age group over the period 2004 to 2009 discussed earlier, Figure 3.10 shows that in 2009, the rate among persons aged 15–24 years was nonetheless substantially higher than that for older age groups, and as much as twice the national average. In addition, absorption and participation rates among persons aged 15–24 years were considerably lower than those for older age groups reflecting 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, 2008⁹). 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.

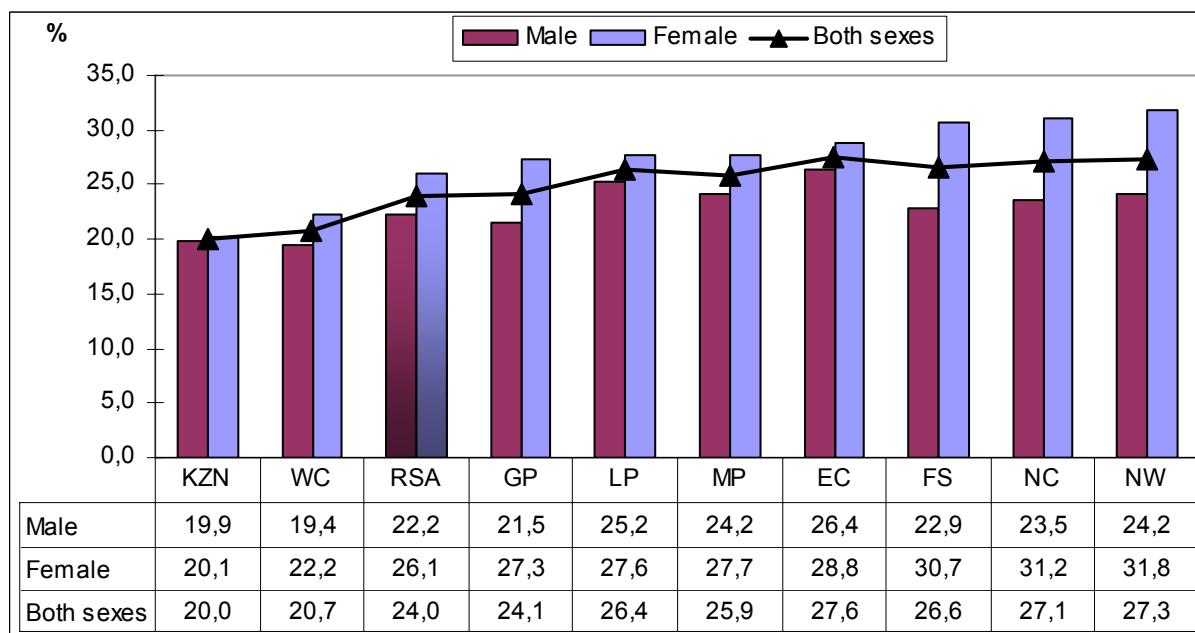
Provincial labour market indicators

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.

⁹ Gallart, Maria Antonia, ILO/Cinterfor, 2008, op cit

Figure 3.11: Unemployment rate by province, 2008 and 2009

The unemployment rate tended to be lowest in the more urbanised provinces where the industrial structure is better diversified. In contrast, the provinces that were hardest hit by unemployment tended to be the more rural ones such as Eastern Cape and Limpopo. Although the gap between the highest and lowest provincial unemployment rates narrowed over the period 2004 to 2009, there was still a difference of 7,6 percentage points between KwaZulu-Natal and Eastern Cape in 2009 (Figure 3.11).

Figure 3.12: Unemployment rate by province and sex, 2009

In every province, the unemployment rate among women was higher than that of men in 2009 (Figure 3.12). The gap between male and female unemployment rates was highest in Northern Cape, North West and Gauteng where the number of employed women per 100 employed men was lowest. The labour market situation of women was better in provinces such as KwaZulu-Natal, Eastern Cape, Limpopo, Western Cape and Mpumalanga 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, 2008 and 2009

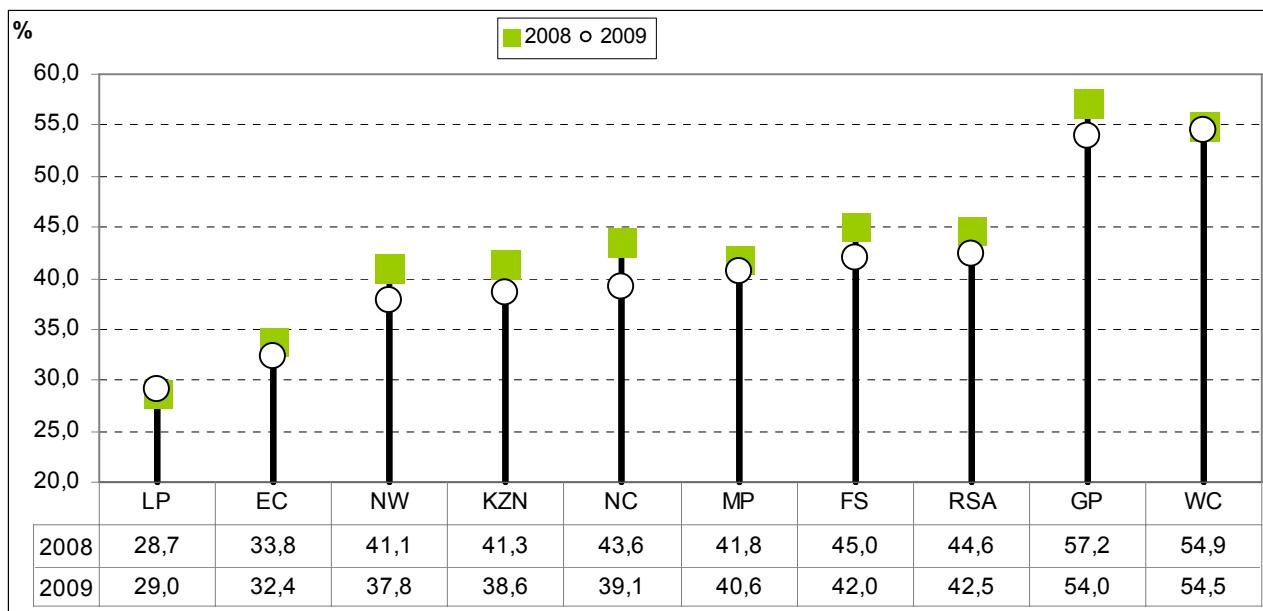
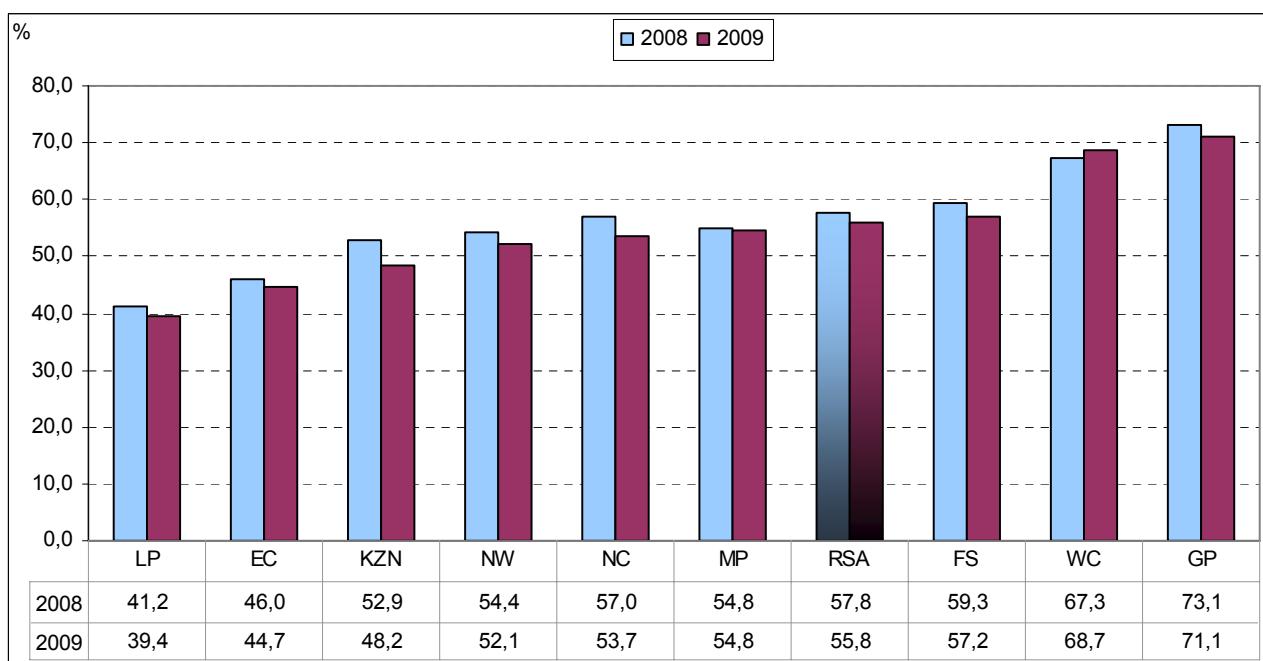
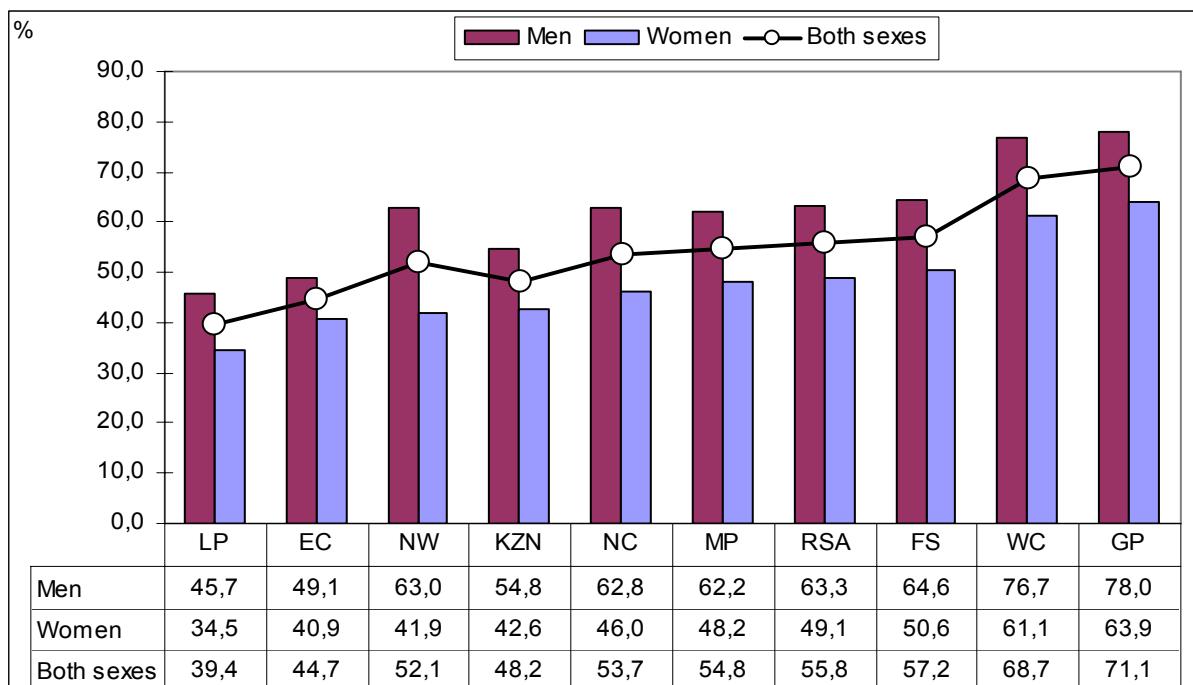


Figure 3.13 indicates that absorption rates were generally lower in 2009 than in 2008 in all provinces. The highest reduction in absorption rate was observed in Western Cape, Gauteng, North West and Free State where it declined by 4,5 percentage points, 3,3 percentage points, 3,3 points and 3,0 percentage points respectively between 2008 and 2009 on account of the reduction in employment opportunities due to global economic recession experienced during this period.

Figure 3.14: Labour force participation rate by province, 2008 and 2009



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 2008 and 2009. Six of the nine provinces had participation rates lower than the national average in the same period.

Figure 3.15: Labour force participation rate by province and sex, 2009

Gender differences in the labour force participation rate were largest in provinces such as North West, Northern Cape and Western Cape where male rates were 15 percentage points or more higher than female rates (Figure 3.15).

Educational attainment

It is generally expected that the completion of higher levels of education improves job prospects. Yet 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 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. In 2009, 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. Against this background, it is clear that the lower unemployment rates and higher employment-to-population ratios among those with less than a complete primary education say little about job quality. Issues relating to job quality will be discussed in greater detail in Chapter 5 where the analysis specifically focuses on persons in informal employment.

Table 3.4: Summary measures by level of educational attainment, 2004–2009

	2004	2005	2006	2007	2008	2009
	Per cent					
Unemployment rate						
None	13,1	15,6	16,3	13,2	14,6	16,2
Some primary	22,5	22,8	20,3	20,4	21,6	22,4
Complete primary	25,1	25,0	23,5	24,2	23,8	23,2
Some secondary	31,9	30,3	28,3	28,9	29,3	30,6
Complete secondary	26,4	24,5	23,7	22,6	24,2	25,7
Higher	7,6	7,4	8,0	7,2	7,7	8,4
RSA	24,7	23,8	22,6	22,3	22,9	24,0
Labour force participation rate						
None	43,0	45,9	48,1	44,1	42,9	39,3
Some primary	48,3	51,0	52,4	51,0	49,3	45,2
Complete primary	46,9	48,7	49,0	49,4	47,3	45,3
Some secondary	46,6	48,3	49,3	48,4	48,3	46,4
Complete secondary	70,9	71,8	72,2	71,7	73,6	70,7
Higher	87,5	86,8	87,7	88,3	89,8	88,6
RSA	55,2	57,0	58,0	57,2	57,8	55,8
Absorption rate						
None	37,4	38,8	40,2	38,2	36,7	33,0
Some primary	37,4	39,3	41,8	40,6	38,6	35,1
Complete primary	35,1	36,5	37,5	37,4	36,0	34,8
Some secondary	31,7	33,6	35,3	34,4	34,2	32,2
Complete secondary	52,1	54,2	55,1	55,5	55,8	52,6
Higher	80,9	80,4	80,6	82,0	83,0	81,2
RSA	41,6	43,4	44,9	44,4	44,6	42,5

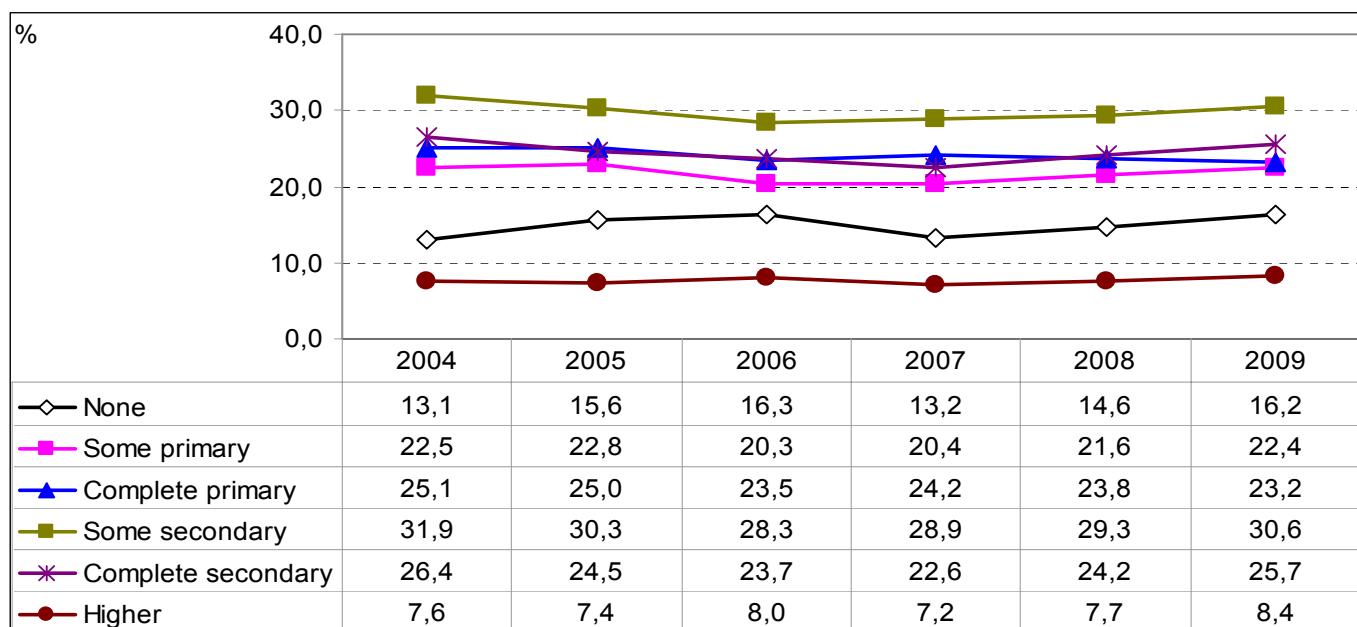
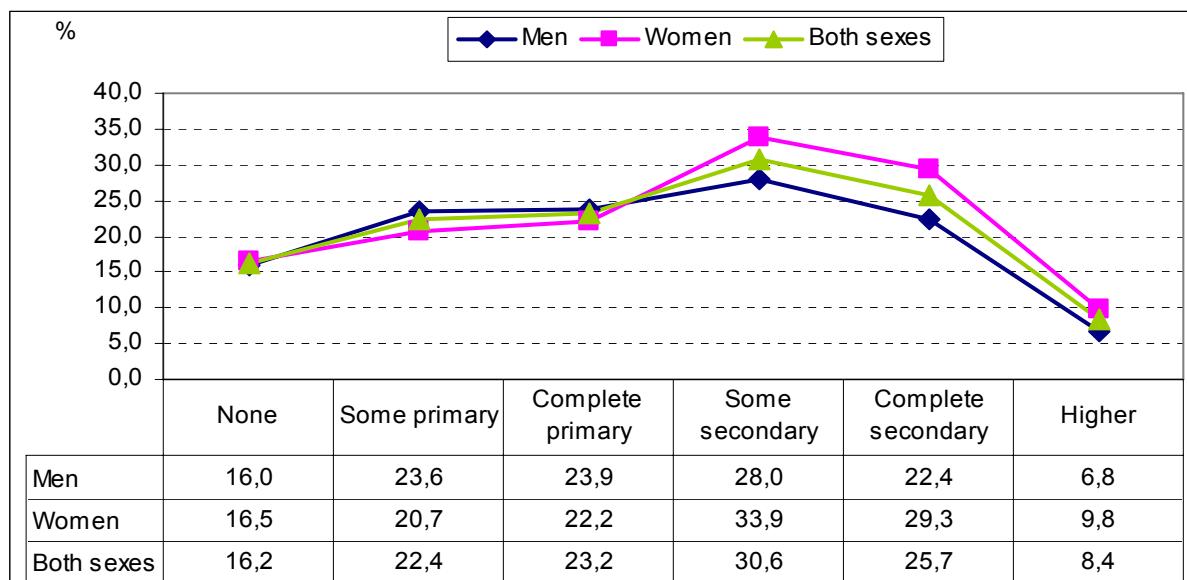
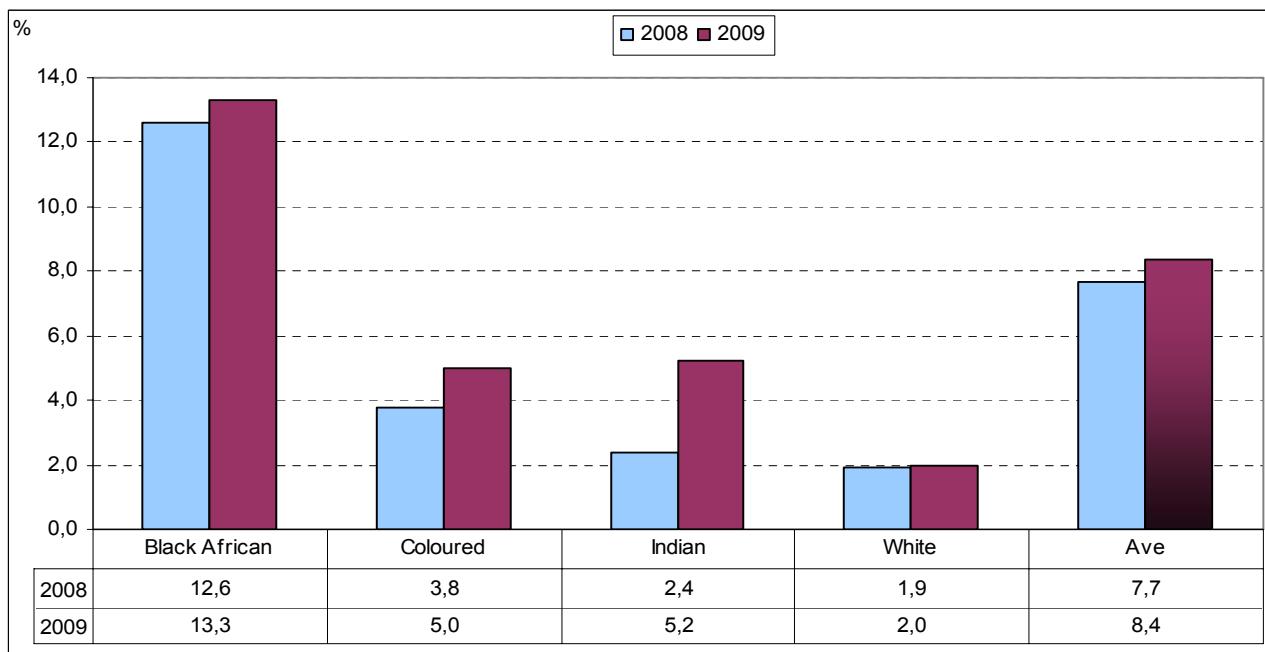
Figure 3.16: Trend in unemployment rate by level of education, 2004–2009

Figure 3.17: Unemployment rate by level of education and sex, 2009

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 only some secondary education, in the higher education category rates converge to 9,8% among women and 6,8% among men in 2009.

Figure 3.18: The graduate unemployment rate by population group, 2008 and 2009

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 7,7% in 2008 to 8,4% in 2009, reflecting an increase among all population groups (Figure 3.18). But importantly, in 2009 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 22,9% in 2008 to 24,0% in 2009. The absorption rate and the labour force participation rate decreased in the same period.

The labour market performance was poor between 2008 and 2009 due to the global economic recession. Over the period 2004–2006, 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 15% higher than that of men in 2009. 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 2009 the absorption rate was 49,2% for men compared to 36,3% 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 stability in the unemployment rate among the white population 2008 but this population group also experienced an increase in 2009. The increase in unemployment rate was matched by a decline in absorption rates and labour force participation rate 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 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 2009, the unemployment rate among youth aged 15–24 years was 48,2%, still twice the national average.

Throughout the period 2004 to 2009, unemployment rates were lowest in the more urbanised provinces (Western Cape and Gauteng) and highest in Limpopo and Eastern Cape. Gender differences in the labour force participation rate were largest in provinces such as North West, Northern Cape and Western Cape where male rates were 15 percentage points or more higher than female rates

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 is increased from 8,4% in 2008 to 7,7% 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 elsewhere, 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

A profile of the employed

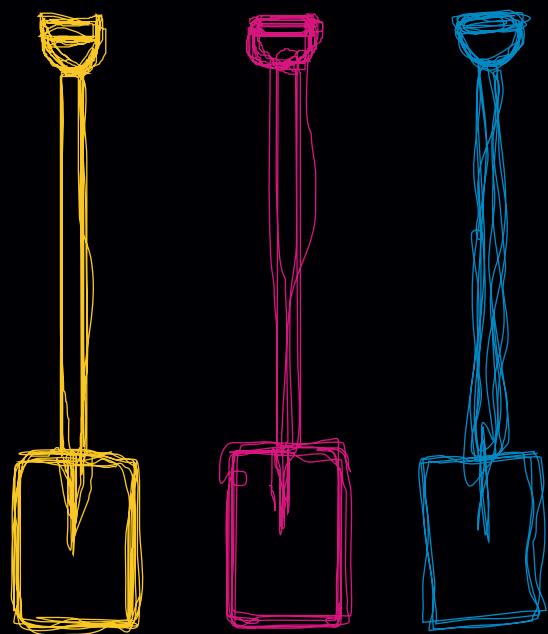




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Chapter 4: Employment

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** 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 **non-market production** 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.

Occupations¹⁰ 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 fully employed, that is, they do not want to work more hours than they currently do, or underemployed, that is, they would like to work more hours. 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 Guide¹¹).

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 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 2009. Furthermore, in order to ascertain how employment in the country has evolved, where applicable, the analysis will also focus on trends in employment by making comparisons between the years 2004 and 2009. These trends are assessed with reference specifically to industry and occupational categories as well as by other various descriptors of employment. In addition, the analysis also includes demographic variables (age, sex and population group) and a geographic variable (province).

¹⁰ Stats-SA classifies occupations as prescribed by the South African Standard Classification of Occupations (SASCO).

¹¹ 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>

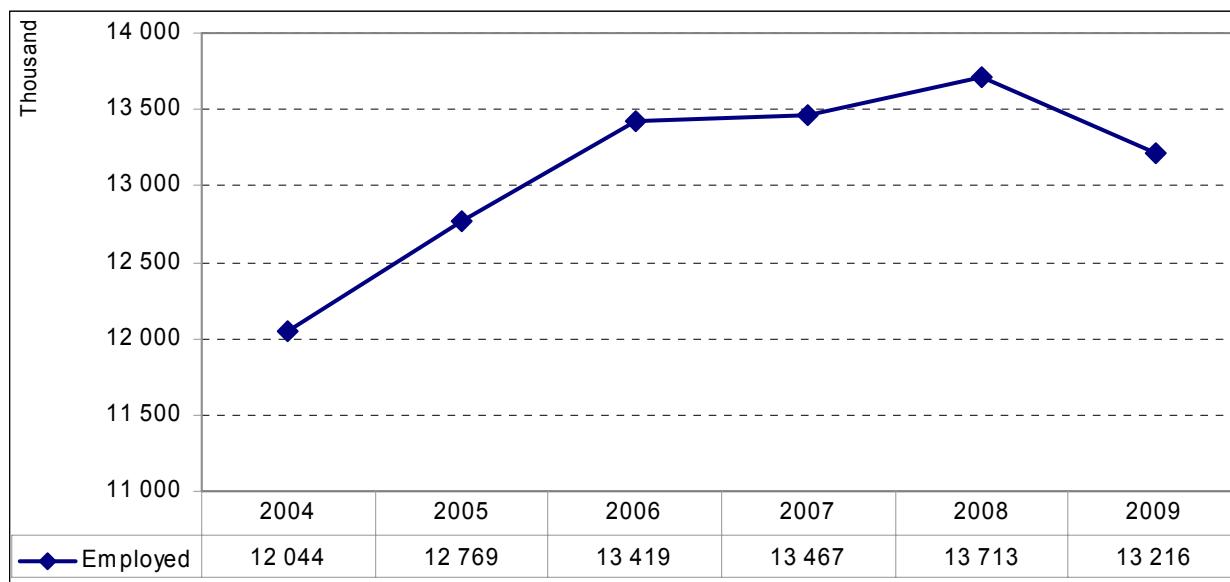
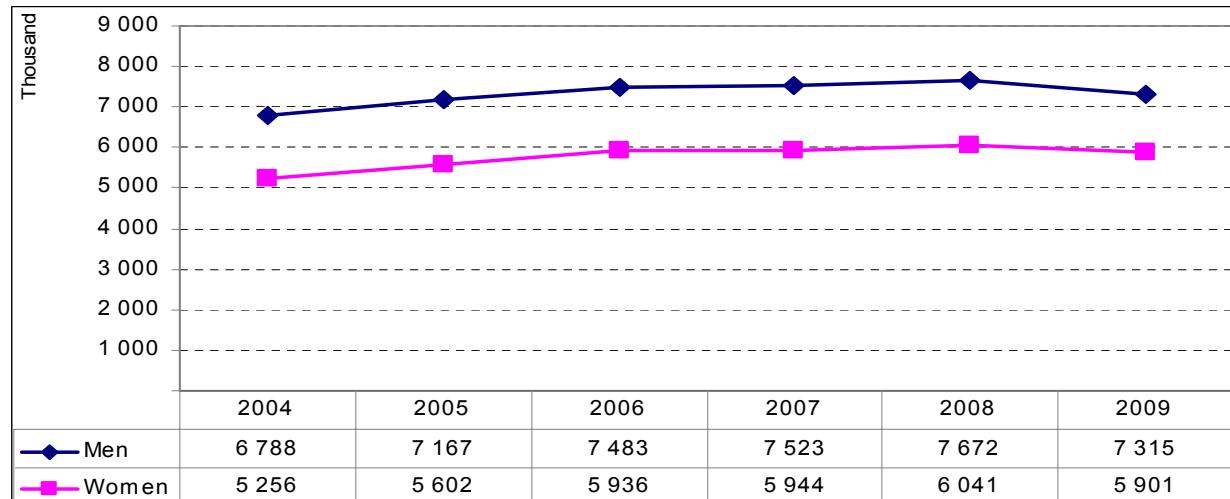
Figure 4.1: Employment trends, 2004–2009

Figure 4.1 shows that the number of employed persons in South Africa increased from 2004 to 2008, after which it declined. In 2004 there were over 12 million employed persons in the country, and by 2008 the number had increased to 13,7 million – a net gain of approximately 1,7 million jobs. The biggest growth in employment occurred between the years 2004 to 2006 when a total of 1,4 million jobs were created. However, a noticeable drop in levels of employment can be observed after the year 2008. In 2009, there was a total number of 497 000 fewer employed persons in the country compared to 2008 (13,2 million in 2009 as opposed to 13,7 million in 2008). This decline can be linked to the overall economic recession experienced by the country in 2009.

Employment by sex, age and province

This section covers employment by demographic variables, i.e. sex, age and province.

Figure 4.2: Employment by sex, 2004–2009

The employment gap between women and men persists. Figure 4.2 above indicates that since 2004 the number of employed men has consistently been higher than that of women. In 2009, only 5,9 million women aged 15–64 were working compared to 7,3 million men and this is despite women comprising 52% of the population of working age. While employment trend has been gradually increasing from 2004, it is only in 2009 where a decrease was observed when compared

with 2008. While a similar pattern was observed for males and females since 2004, female employment remains lower than that of men.

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

Table 4.1: Age distribution of those in employment, 2009

Age groups	Men	Women	Both sexes	Men	Women	Both sexes
	Thousand			Percentage share		
15–24 yrs	854	599	1 453	11,7	10,2	11,0
25–34 yrs	2 539	1 887	4 426	34,7	32,0	33,5
35–44 yrs	1 924	1 716	3 640	26,3	29,1	27,5
45–54 yrs	1 352	1 222	2 574	18,5	20,7	19,5
55–64 yrs	647	476	1 123	8,8	8,1	8,5
Total	7 315	5 901	13 216	100,0	100,0	100,0

Employment by age: 2008 and 2009

Individuals aged between 15 and 24 years were the hardest hit with job losses as their employment contracted by 11,6% between 2008 and 2009. For those aged between 25 and 34 years employment declined by 5,3%. 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 Employment changes by age group: 2008 and 2009

	2008	2009	Change	Percentage change
15-24 yrs	1 644	1 453	- 191	-11,6
25-34 yrs	4 674	4 426	- 248	-5,3
35-44 yrs	3 636	3 640	4	0,1
45-54 yrs	2 619	2 574	- 45	-1,7
55-64 yrs	1 140	1 123	- 17	-1,5
Total	13 713	13 216	- 497	-3,6

Changes in employment by provinces: 2008 and 2009

The provinces that did not suffer from job losses in the 2008/2009 period were Limpopo and the Western Cape. The provinces that suffered the most job losses were Northern Cape, North West and Free State where employment contracted by 9,7%, 7,1% and 6,2% respectively. KwaZulu-Natal and Gauteng were not spared from job losses as their employment contracted by 5,3% and 4,8% respectively (see Table 4.3 below).

Table 4.3: Change in employment by province: 2008 and 2009

	2008	2009	Change	Percentage change
Western Cape	1 897	1 906	9	0.5
Eastern Cape	1 338	1 296	- 42	-3.1
Northern Cape	307	277	- 30	-9.7
Free State	835	783	- 52	-6.2
KwaZulu Natal	2 597	2 459	- 138	-5.3
North West	891	827	- 64	-7.1
Gauteng	4 056	3 863	- 193	-4.8
Mpumalanga	913	899	- 14	-1.5
Limpopo	880	905	25	2.9
RSA	13 713	13 216	- 497	-3.6

The economic recession in South Africa did not discriminate in job losses as they were experienced by small and big provinces alike. However, the biggest impact was felt in the smallest provinces such as Northern Cape and North West.

Employment by industry

Over the past four years (2004 to 2008), employment in a number of major industries increased, although at different magnitudes. 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. However, in the year 2009, there was a decline in the number of employed persons in eight of the ten industries, with the biggest decline occurring in Trade (down by 223 000) followed by Manufacturing (down by 149 000).

Table 4.4: Employment by industry, 2004–2009

Industry	2004	2005	2006	2007	2008	2009
	Thousand					
Agriculture	800	740	859	737	780	679
Mining	384	343	339	367	329	312
Manufacturing	1 833	1 860	1 922	1 960	1 954	1 805
Utilities	87	93	97	86	94	93
Construction	783	937	1 016	1 051	1 136	1 096
Trade	2 748	3 180	3 450	3 342	3 150	2 927
Transport	678	705	684	717	766	740
Finance and other business service	1 228	1 338	1 361	1 459	1 656	1 719
Community and social services	2 295	2 321	2 379	2 490	2 616	2 642
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Total	12 044	12 769	13 419	13 467	13 713	13 216

Annual rate of in employment by industry 2004 – 2009

Table 4.5 shows the annual rate of change in employment by industry from 2004 to 2009. The trend in Agriculture shows that this has been a volatile industry over the past 5 years. The highest contraction in employment was observed in this industry which contracted by 12,9% in 2009 compared to other industries which contracted by less than 8,0%. However, this contraction was lower than the contraction experienced by this industry in 2007 when employment contracted by 14,2%. It was also observed that the Mining industry started losing jobs in 2008 and the rate of loss in 2009 was actually half that of 2008 at 5,2%. Employment in the Trade industry has been increasing since 2007 but the contraction was highest in 2009 at 7,6%. Only Community and social services and Finance and other business services industries showed positive growth in employment from 2004. However, the growth in employment in these industries in 2009 not as high as in the preceding years.

On the other hand after four years of successive growth, employment in the Construction industry contracted by 3,4 % in the year ended December 2009.

Table 4.5: Annual rate of change in employment by industry: 2004 to 2009

	2004	2005	2006	2007	2008	2009
Agriculture		-7,5	16,1	-14,2	5,8	-12,9
Mining		-10,7	-1,2	8,3	-10,4	-5,2
Manufacturing		1,5	3,3	2,0	-0,3	-7,6
Utilities		6,9	4,3	-11,3	9,3	-1,1
Construction		19,7	8,4	3,4	8,1	-3,5
Trade		15,7	8,5	-3,1	-5,7	-7,1
Transport		4,0	-3,0	4,8	6,8	-3,4
Finance and other business services		9,0	1,7	7,2	13,5	3,8
Community and social services		1,1	2,5	4,7	5,1	1,0
Private households		3,8	4,7	-4,0	-2,2	-2,5
Total		6,0	5,1	0,4	1,8	-3,6

Employment distribution by industry and province

Table 4.6 below indicates that in 2009, 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, 2009

Industry	WC	EC	NC	FS	KZN	NW	GP	MP	LP	Total
	Per cent									
Agriculture	7,2	5,9	17,0	10,7	4,6	5,2	1,1	8,3	6,9	5,1
Mining	0,2	0,2	3,8	4,1	0,3	14,9	0,7	6,2	5,2	2,4
Manufacturing	15,9	13,7	4,6	9,9	16,1	10,1	15,7	8,6	7,8	13,7
Utilities	0,4	0,3	1,3	0,5	0,3	0,4	1,1	1,8	0,8	0,7
Construction	9,4	8,0	6,4	7,4	9,3	6,5	7,3	9,3	9,8	8,3
Trade	22,0	23,0	15,7	21,1	21,1	21,2	22,0	24,2	26,4	22,1
Transport	4,6	5,7	4,1	5,2	6,9	2,8	6,6	4,5	4,2	5,6
Finance	14,2	9,5	7,6	7,9	11,8	8,7	19,1	9,5	6,3	13,0
Community and social services	19,3	24,2	29,3	21,4	19,4	20,4	18,0	17,4	23,4	20,0
Private households	6,8	9,6	10,3	11,6	10,0	9,7	8,3	10,2	9,3	9,1
Total	100,0									

Employment by industry and sex

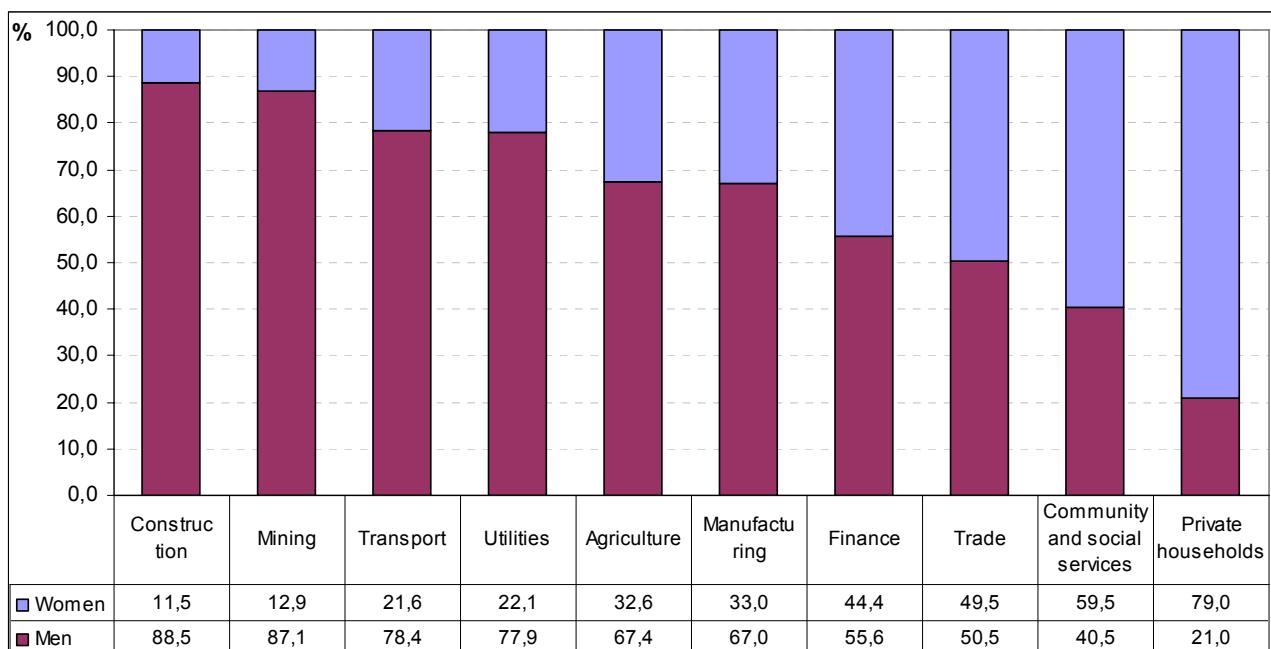
Table 4.7 below, shows the employment of men and women by industry for 2008 and 2009. Employment among men contracted in all industries except finance and utilities in the year ended December 2009, while that of women grew in four of the ten industries. Employment among men in agriculture declined by 12,1% or 63 000 jobs and a relatively higher contraction of 14,6% was observed among women. Manufacturing declined by 8,8% or 117 000 among men, while among women employment in manufacturing contracted by 5,1% or 32 000 jobs. Surprisingly employment in construction grew among women by 12,3% and contracted among men in 2009. Overall men employment declined by 4,7% while that of women declined by 2,3%. However, employment among men remained higher than employment among women.

Table 4.7: Employment by industry and sex: 2008–2009

	Men				Women			
	2008	2009	Change	% Change	2008	2009	Change	% Change
Agriculture	521	458	- 63	-12,1	259	221	- 38	-14,6
Mining	293	271	- 21	-7,3	36	40	4	12,3
Manufacturing	1 326	1 209	- 117	-8,8	628	596	- 32	-5,1
Utilities	69	73	4	5,4	25	21	- 5	-18,5
Construction	1 023	970	- 53	-5,2	112	126	14	12,3
Trade	1 566	1 477	- 89	-5,7	1 584	1 450	- 134	-8,5
Transport	614	580	- 34	-5,5	152	159	7	4,9
Finance	918	955	37	4,1	738	764	26	3,5
Community and social services	1 082	1 069	- 12	-1,1	1 534	1 573	39	2,5
Private households	260	251	- 9	-3,4	970	947	- 22	-2,3
Total	7 672	7 315	- 357	-4,7	6 041	5 901	- 140	-2,3

Figure 4.3 shows that in 2009, 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 2009, 88,5% of all persons that were employed within the Construction industry were men. Similarly, among those who were employed in Mining, 87,1% were also men while in Private households, 79% of all persons employed were female.

Figure 4.3: Employment by industry and sex, 2009



Employment by occupation

Employment contracted in all occupations in the year ended December 2009 except among Technicians and those in Sales & services (see tables 4.8 and 4.9). This is after a growth in all occupation in the previous year except for Craft & related trade and Domestic workers. In 2009 employment of Skilled agriculture contracted by 16,8% and that of Craft and related trade declined by 12,2%. After four years of successive growth in employment in Professional occupations, 2009 showed a decline in this occupation by 6,9%.

Table 4.8: Employment by occupation, 2004–2009

	2004 Thousand	2005 Thousand	2006 Thousand	2007 Thousand	2008 Thousand	2009 Thousand
Manager	935	878	908	976	1 021	1 012
Professional	382	435	479	563	752	700
Technician	1 348	1 404	1 429	1 439	1 473	1 515
Clerk	1 285	1 295	1 344	1 380	1 456	1 434
Sales and services	1 528	1 684	1 779	1 755	1 766	1 805
Skilled agriculture	86	98	144	105	107	89
Craft and related trade	1 601	1 858	2 020	1 995	1 915	1 681
Plant and machine operator	1 103	1 132	1 119	1 176	1 179	1 146
Elementary	2 829	3 020	3 183	3 059	3 063	2 881
Domestic worker	948	965	1 013	1 019	981	954
Total	12 044	12 769	13 419	13 467	13 713	13 216

4.9 Annual rate of change in employment by occupation

	2004	2005	2006	2007	2008	2009
	Annual rate of change					
Manager		-6,1	3,4	7,5	4,6	-0,9
Professional		13,9	10,1	17,5	33,6	-6,9
Technician		4,2	1,8	0,7	2,4	2,9
Clerk		0,8	3,8	2,7	5,5	-1,5
Sales and services		10,2	5,6	-1,3	0,6	2,2
Skilled agriculture		14,0	46,9	-27,1	1,9	-16,8
Craft and related trade		16,1	8,7	-1,2	-4,0	-12,2
Plant and machine operator		2,6	-1,1	5,1	0,3	-2,8
Elementary		6,8	5,4	-3,9	0,1	-5,9
Domestic worker		1,8	5,0	0,6	-3,7	-2,8
Total		6,0	5,1	0,4	1,8	-3,6

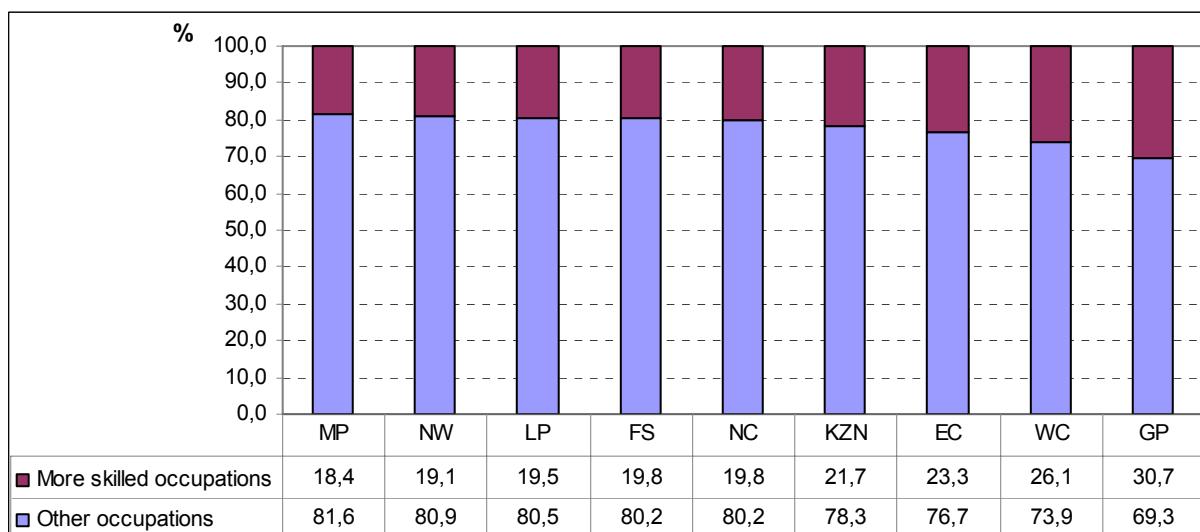
Figure 4.4: Employment by occupation and province, 2009

Figure 4.4 shows that in 2009, across all provinces, a lower proportion of individuals were employed in more skilled occupations. However, Gauteng recorded the highest proportion (30,7%) of more skilled occupations when compared to other provinces, followed by Western Cape (26,1%) and Eastern Cape (23,3%).

Occupation by sex, education, age and population group

In 2009, the proportion of men employed in both occupational categories was higher than that of women. However, this section only highlights gender disparities in the more skilled occupations.

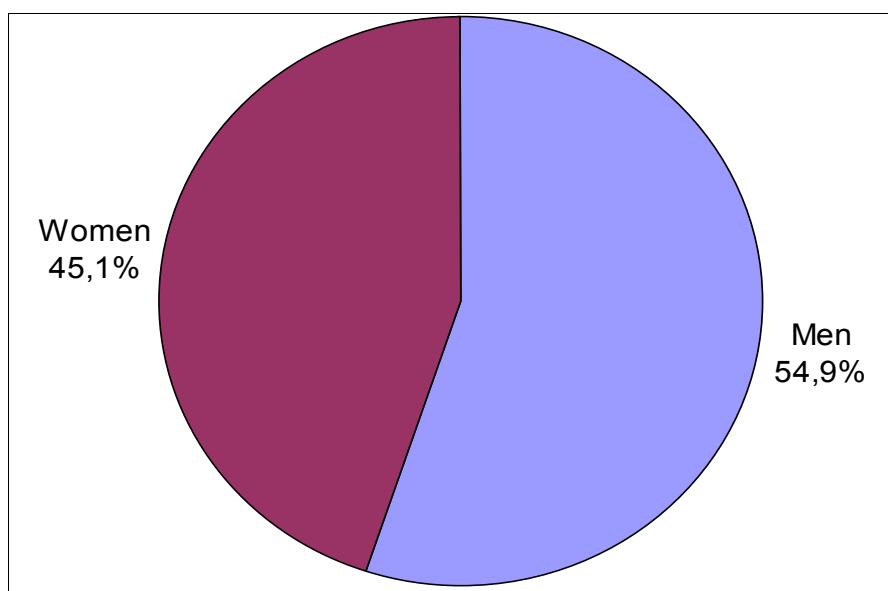
Figure 4.5: Persons in more-skilled occupations by sex, 2009

Figure 4.5 shows that in 2009, 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 (69,6% as opposed to 30,4%). In addition, men contributed a higher proportion among Professionals (53,5%) compared to women (46,5%). In contrast, however, there were more female Technicians (54,3%) than there were male Technicians (45,7%).

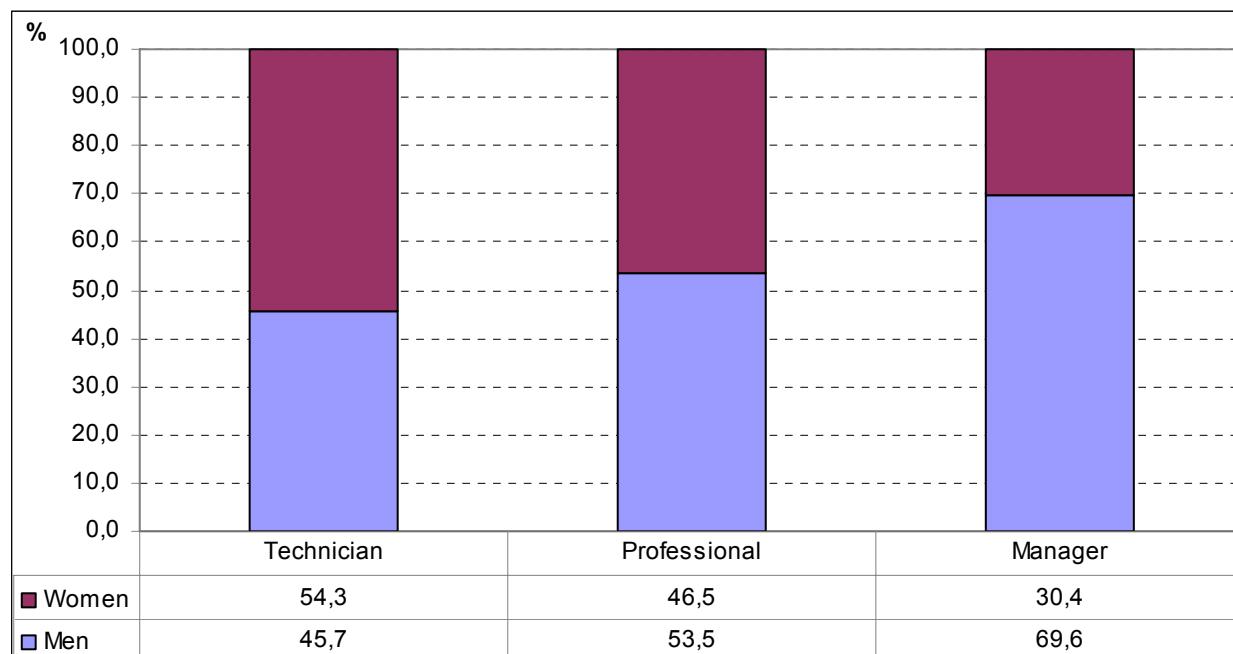
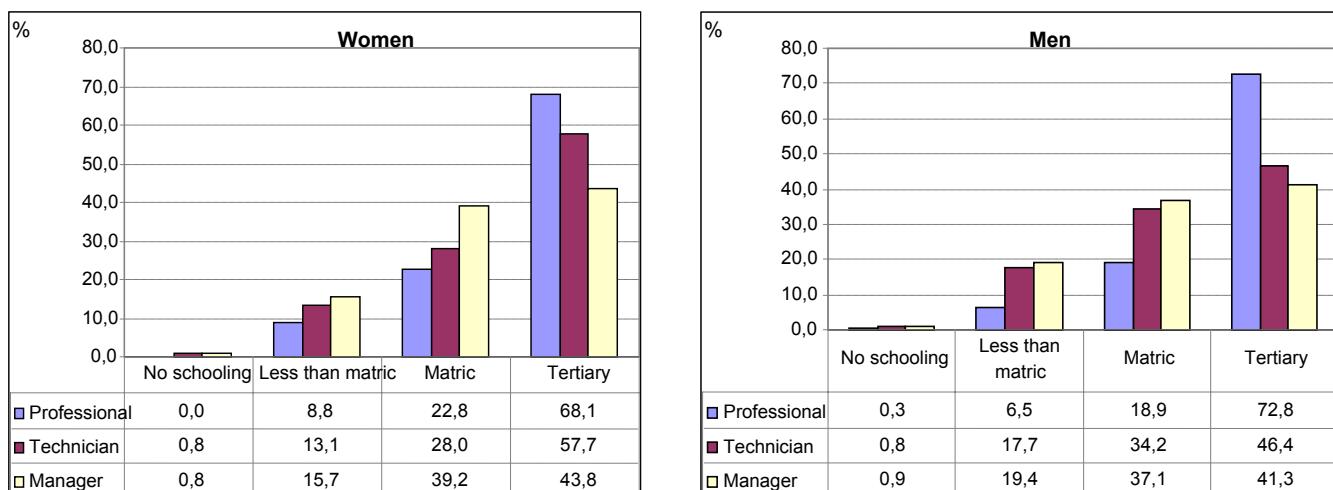
Figure 4.6: Managers, professionals and technicians by sex, 2009

Table 4.10 indicates that there has hardly been any change in the proportion of women managers over the past 5 years over the period 2004 to 2009; 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: 2004 to 2009

	2004	2005	2006	2007	2008	2009
Women		Thousands				
Manager	250	257	280	309	306	307
Professional	185	202	230	284	350	326
Technician	730	762	768	791	815	823
Men		685	621	628	667	715
Manager	197	234	249	279	402	374
Professional	618	643	661	648	657	692
All		935	878	908	976	1 021
Manager	382	435	479	563	752	700
Professional	1 348	1 404		1 439	1 473	1 515
Per cent						
Proportion of women		26,7	29,3	30,8	31,7	30,0
Manager	48,4	46,4	48,0	50,4	46,5	46,6
Professional	54,2	54,3	53,7	55,0	55,3	54,3

Figure 4.7: Persons in more-skilled occupations by education and sex, 2009

The likelihood of being in more skilled occupations such as managerial, professional and technical occupations generally increases with the level of educational attainment. Gender contradictions, however, seem noticeable. For example, Figure 4.7 shows that among women, a higher proportion (43,8%) in managerial positions had tertiary education, compared to men (41,3%). In addition, Figure 4.8 below indicates that in 2009, among the 15–24 year age group a higher proportion of women had tertiary level education compared to men. This reflects that over the last few years younger employed women have become better educated than 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.

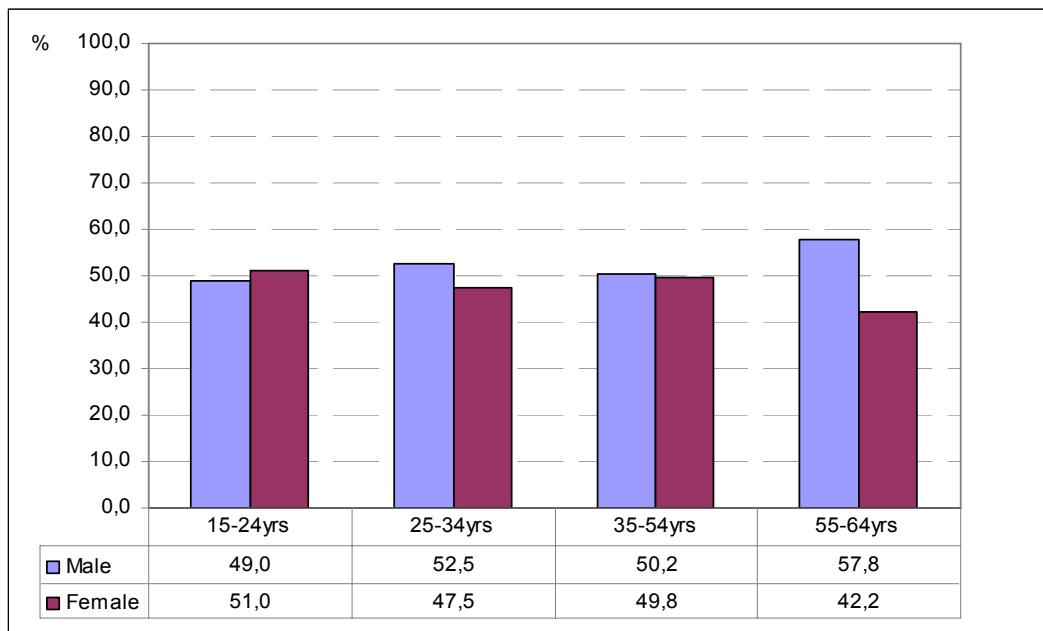
Figure 4.8: Persons in more-skilled occupations by age, education and sex, 2009

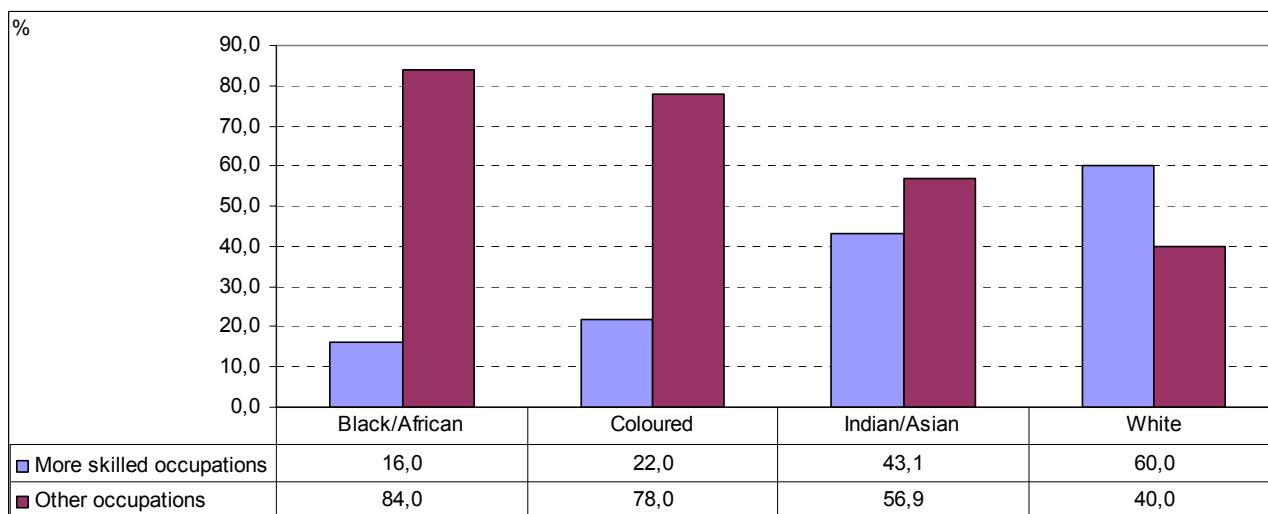
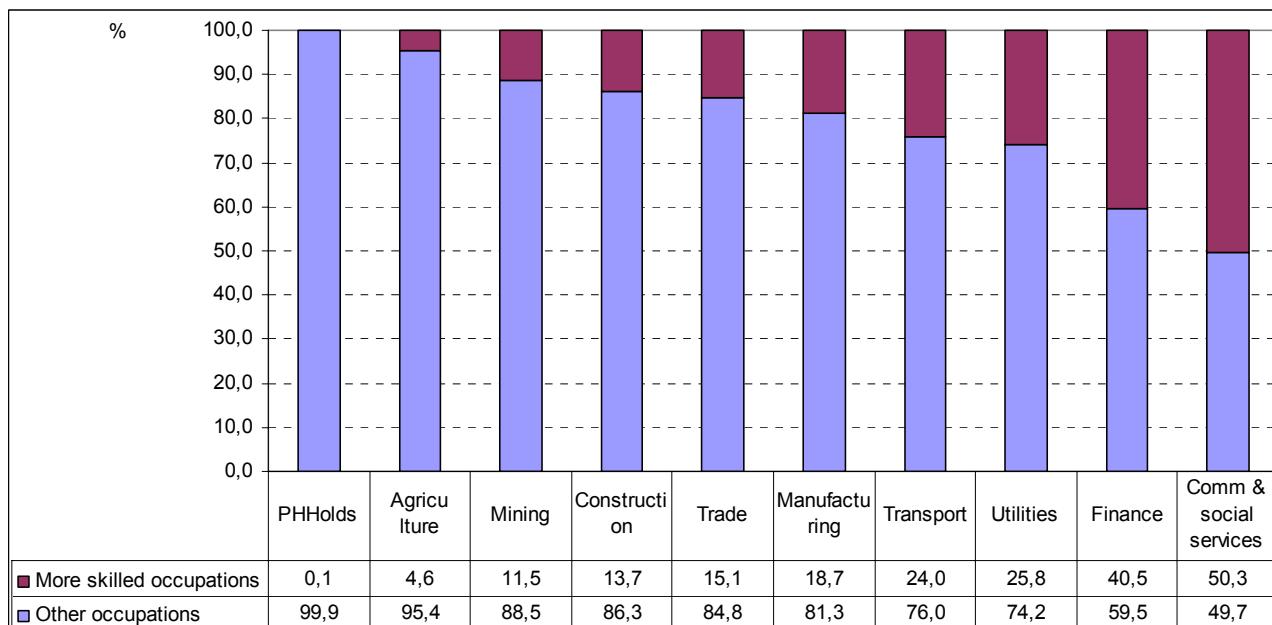
Figure 4.9: Employment by occupation and population group: 2009

Figure 4.9 shows that in 2009, among employed Black Africans (84,0%), a higher proportion was employed in less skilled occupations when compared with persons in other population groups. Coloured persons followed closely at 78,0%. In contrast, a substantially higher proportion of the white population group (60,0%) was employed in occupations requiring higher skills, compared to all the other population groups, with Black Africans least likely to be in such occupations.

Occupation and industry

Figure 4.10: Employment by occupation and industry, 2009



In 2009, the less skilled occupation group comprised individuals working in Private households (99,9%), Agriculture (95,4%) and Mining (88,5%). On the contrary, individuals in more skilled occupations were mostly concentrated in Community and social services (50,3%), followed by Finance (40,5%) and Utilities (25,8%) (Figure 4.10).

Status in employment

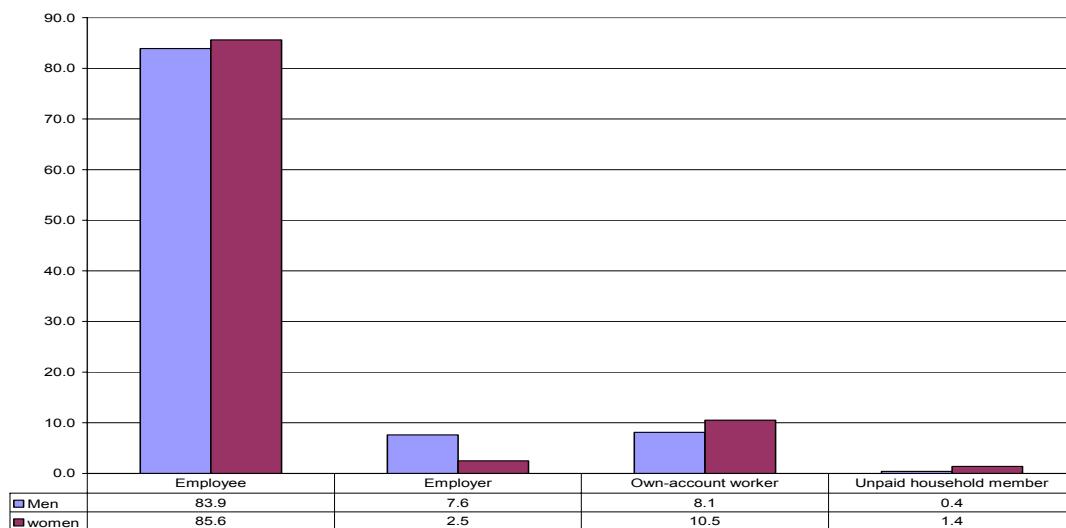
Table 4.11 (below) shows that between 2008 and 2009 both men and women lost jobs as employees, employers, and unpaid household members. However, while employment contracted by 9,6% for women own-account workers there is evidence to suggest that men gained employment as own-account workers. This may mean that men became own-account workers in 2009 in order to survive the economic recession.

More alarming in 2009 is that employment for women employers contracted by more than 5 times that of men employers (18,3%), however women employees do not seem to have been affected as much as men in job losses as their employment declined by 0,8 of a percent compared to a 5,3% contraction in employment of male employees.

Table 4.11: Status in employment by sex, 2008 and 2009

	2008	2009	change	% change
	thousand	thousand	thousand	percent
Men				
Employee	6486	6141	-345	-5,3
Employer	573	554	-19	-3,3
Own-account worker	579	590	11	1,9
Unpaid household member	34	30	-4	-11,8
Total	7672	7315	-357	-4,7
Women				
Employee	5088	5049	-39	-0,8
Employer	180	147	-33	-18,3
Own-account worker	687	621	-66	-9,6
Unpaid household member	86	84	-2	-2,3
Total	6041	5901	-140	-2,3
Both sexes				
Employee	11573	11190	-383	-3,3
Employer	753	701	-52	-6,9
Own-account worker	1267	1211	-56	-4,4
Unpaid household member	120	114	-6	-5,0
Total	13713	13216	-497	-3,6

Comparisons in figure 4.11 below show that between 2008 and 2009, while men and women were predominantly employed as employees, the proportion of women employees was slightly higher than that of men in 2009. 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 10,5% compared to 8,1% for men. However, the proportion of male employers was more than three times higher than that of female employers (7,6% and 2,5% respectively).

Figure 4.11: Status in employment by sex: 2009

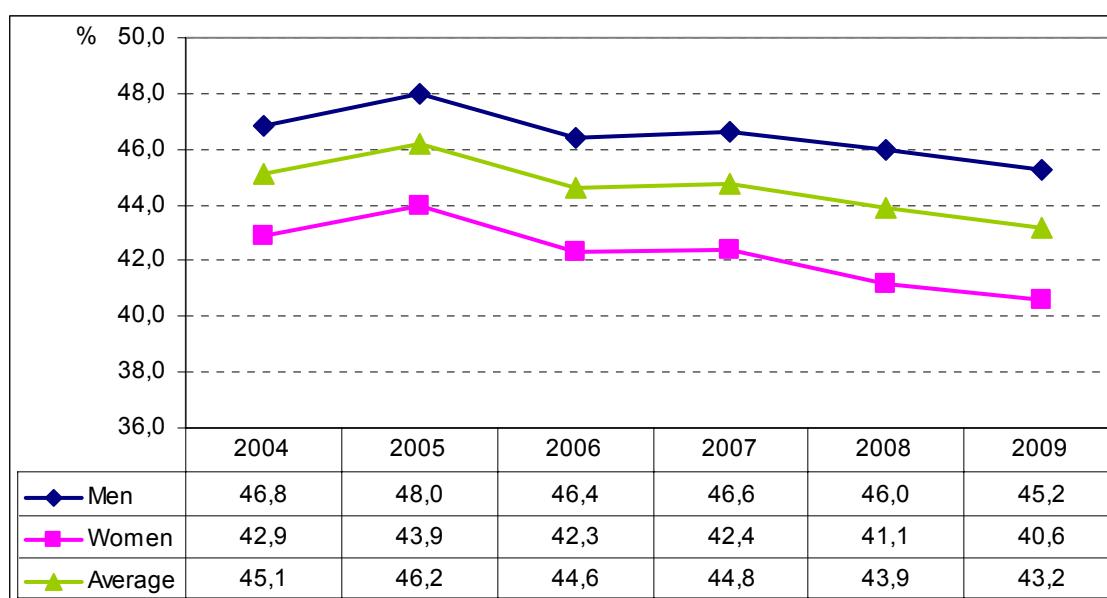
Average weekly hours worked

The routinely published employment estimates show the number of persons aged 15 and older 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. 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.)

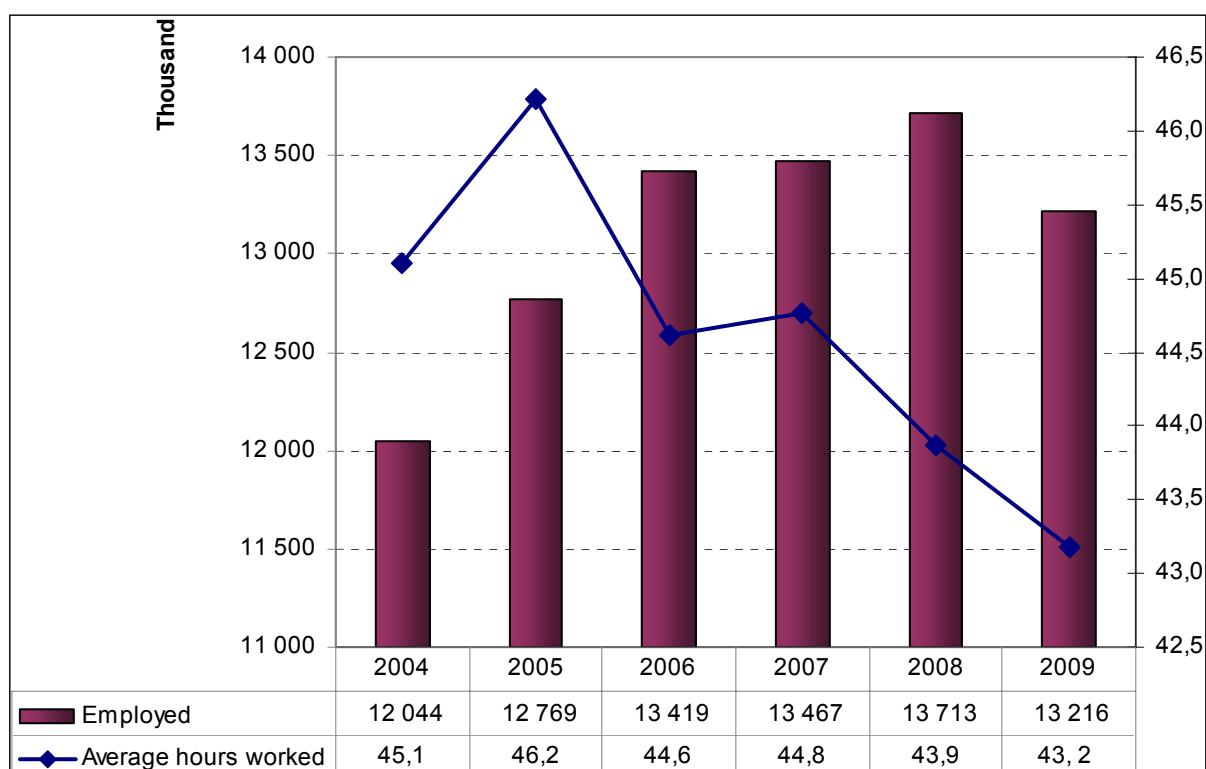
This chapter looks at trends in average hours worked and the relationship between changes in employment and changes in average hours worked.

Figure 4.12: Average weekly hours worked by sex, 2004-2009



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 2008 and 2009, overall average hours declined by 0,7 of an hour (approximately 42 minutes). At the 2009 employment level of 13,2 million, this decrease of 0,7 of an hour suggests a loss of 9 251 200 hours to the total hours supplied to the economy. These 9,3 million hours are equivalent to 230 000 fewer persons, working a 40-hour week.

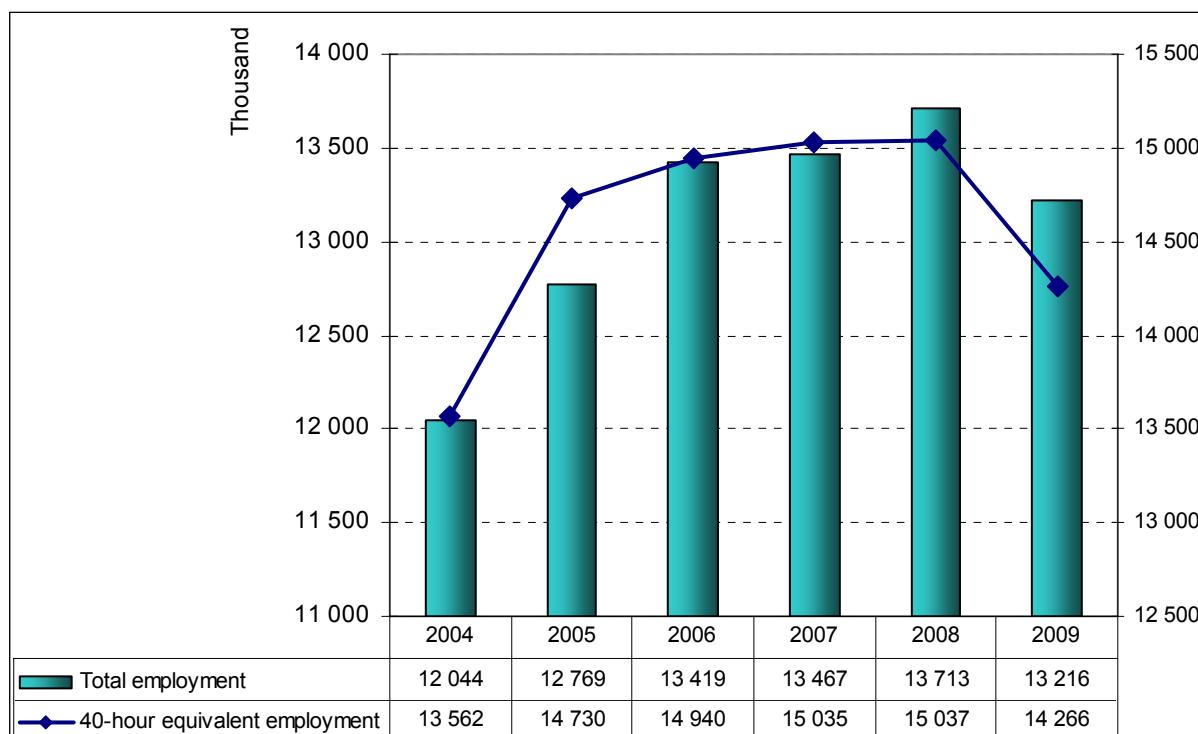
Figure 4.13: Total employment and average weekly hours worked

Employment and average hours worked do not necessarily move in tandem. When both increase, the total volume of work increases by more than the increase in either employment or hours. On the other hand, when average hours worked declines, the increase in the total volume of work supplied to the economy is smaller than the increase in employment.

Table 4.8 Employment, average weekly hours and aggregate hours, levels and percentage change

	2004	2005	2006	2007	2008	2009
Employment	12 044	12 769	13 419	13 467	13 713	13 216
Average hours	45,1	46,2	44,6	44,8	43,9	43,2
Total hours	542 499	589 192	597 588	601 397	601 486	570 642
Percentage change						
Employment		6,0	5,1	0,4	1,8	-3,6
Average hours		2,5	-3,5	0,4	-2,0	-1,6
Total hours		8,6	1,4	0,6	0,0	-5,1

The 2004–2005 and 2006–2007 changes illustrate how changes in employment and average hours worked interact to determine changes in total labour input to the economy (Table 4.8). In 2004–2005, both employment and average hours worked increased (by 6,0% and 2,5% respectively). The combination resulted in a 8,6 percentage increase in aggregate hours worked. In contrast, in 2005–2006, while employment increased by a healthy 5,1%, average hours worked declined by 3,5, and so the labour input to the economy grew by only 1,4%.

Figure 4.14 Total employment and 40-hour equivalent employment

While total hours worked shows the labour input to the economy, they are extremely large and difficult to comprehend. A total of 570 642 000 hours were worked in 2009. 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 employment equivalent. It always moves by exactly the same percentage as total or aggregate hours worked (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 2004–2005, because of the 2,5% increase in hours worked, the growth in 40-hour equivalent employment was even greater than the growth in employment.

In contrast, in 2007–2008, the decline in average hours worked meant that in spite of the increase in employment, the total supply of labour to the South African economy did not change.

Table 4.9: Average hours worked in a week by industry

Industry	2004	2005	2006	2007	2008	2009
	Average hours worked					
Agriculture	46,3	46,1	43,6	44,7	46,5	46,8
Mining	48,3	48,6	46,9	48,3	45,7	44,6
Manufacturing	44,9	45,4	44,5	44,4	43,2	42,5
Utilities	43,8	47,3	43,4	43,4	42,8	42,0
Construction	44,6	45,7	43,6	43,9	42,5	41,7
Trade	47,9	49,3	47,3	47,3	47,8	47,5
Transport	50,4	52,6	51,3	50,7	51,9	50,9
Finance	45,5	47,3	46,3	46,7	45,3	44,8
Community and social services	42,0	42,9	41,7	41,9	40,3	39,4
Private households	40,0	40,5	38,8	38,4	34,8	33,9
Total	45,1	46,2	44,6	44,8	43,9	43,2

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 4.9). In 2009, individuals working in Transport worked 50,9 hours a week, followed by persons working in Trade (47,5 hours) and Agriculture (46,8 hours). As reported above, the period 2008–2009 was marked by decreases in the number of hours worked in all industries except Agriculture which increased by 0,3 hours. The biggest decline was observed within Mining (decreased by 1,1) and Transport (decreased by 1,0) 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

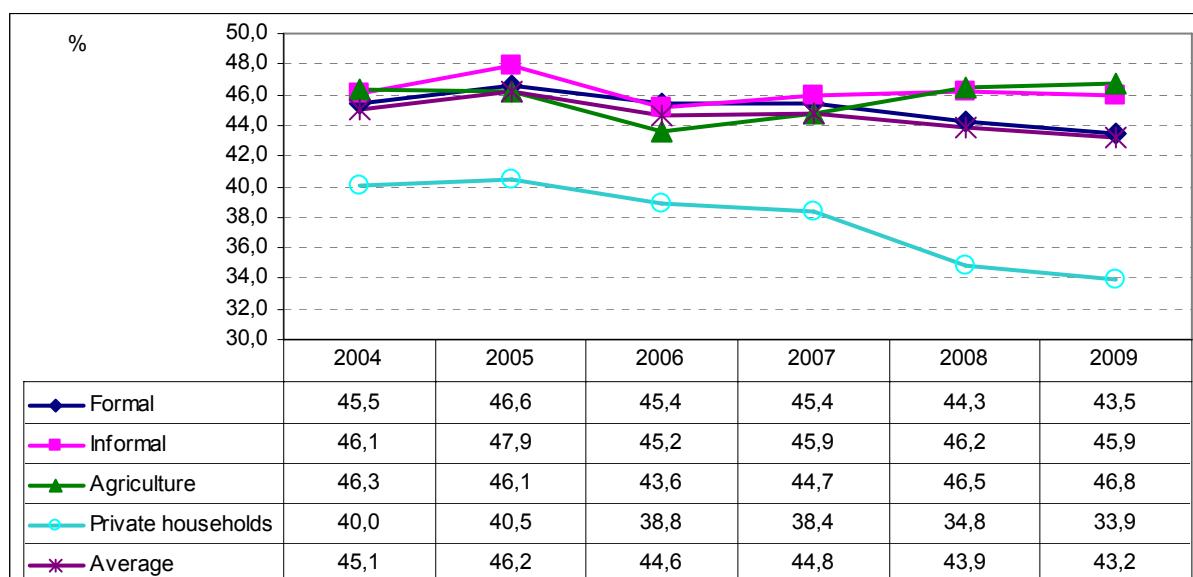


Figure 4.15 above shows that the period 2007 to 2009 was marked by decreases in average hours worked across all sectors except for agriculture which has been slightly increasing. While up and down movement is observed for most industries from 2004 to 2009, Private household has been consistently declining from 2005 to 2009.

Table 4.10: Formal sector employment and average hours worked in a week by industry

Formal sector	Employment				Average hours worked			
	2008	2009	Change	% change	2008	2009	Change	% change
Mining	326	310	-17	-5,2	45,7	44,6	-1,1	-2,4
Manufacturing	1 718	1 606	-112	-6,5	44,0	43,0	-1,0	-2,3
Utilities	90	91	1	0,6	43,1	42,1	-1,0	-2,3
Construction	821	821	0	0,0	43,8	43,1	-0,7	-1,7
Trade	2 085	1 942	-143	-6,9	46,5	46,2	-0,3	-0,5
Transport	562	547	-14	-2,6	48,8	47,4	-1,3	-2,8
Finance	1 508	1 583	75	5,0	45,4	45,0	-0,4	-0,8
Community and social services	2 320	2 344	24	1,0	40,6	39,7	-0,9	-2,3
Total	9 433	9 248	-185	-2,0	44,3	43,5	-0,8	-1,7

Table 4.11: Informal sector employment and average hours worked in a week by industry

Industry	Employment				Average hours worked			
	2008	2009	Change	% change	2008	2009	Change	% change
Mining	2	2		1,1	47,6	44,1	-3,5	-7,4
Manufacturing	236	199	- 37	-15,8	37,2	38,6	1,5	3,9
Utilities	4	2	- 1	-37,5	34,7	38,4	3,6	10,4
Construction	314	275	- 39	-12,4	39,1	37,6	-1,6	-4,0
Trade	1 065	984	- 80	-7,5	50,3	50,0	-0,3	-0,6
Transport	205	193	- 12	-5,7	60,4	60,8	0,4	0,7
Finance	148	136	- 11	-7,8	43,5	41,4	-2,1	-4,8
Community and social services	296	298	2	0,8	38,1	37,7	-0,5	-1,2
Total	2 270	2 091	- 179	-7,9	46,2	45,9	-0,3	-0,6

Employment in the formal sector contracted by 2,0% and the hours of work contracted by 1,7%, while employment in the informal sector contracted by 7,9% and hours of work contracted by only 0,6%. This could suggest that some industries in the formal sector reduced hours of work rather than shedding jobs during the recession. For example, employment in the formal Transport industry declined by 2,6% and average hours of work declined by 2,8%, while Trade which contracted by 6,9%, the average hours of work per week declined by only 0,5%.

Table 4.12: Employment and average hours worked in a week by province

Province	Employment				Average hours worked			
	2008	2009	Change	% change	2008	2009	Change	% change
Western Cape	1 897	1 906	9	0,5	42,7	41,6	-1,1	-2,5
Eastern Cape	1 338	1 296	- 42	-3,1	44,1	43,6	-0,6	-1,3
Northern Cape	307	277	- 30	-9,7	42,6	41,8	-0,8	-1,9
Free State	835	783	- 52	-6,2	42,3	42,1	-0,2	-0,4
KwaZulu-Natal	2 597	2 459	- 138	-5,3	43,3	42,4	-0,9	-2,2
North West	891	827	- 64	-7,1	44,1	42,9	-1,2	-2,7
Gauteng	4 056	3 863	- 193	-4,8	44,9	44,3	-0,6	-1,3
Mpumalanga	913	899	- 14	-1,5	44,1	44,2	0,1	0,2
Limpopo	880	905	25	2,9	44,4	43,9	-0,5	-1,2
RSA	13 713	13 216	- 497	-3,6	43,9	43,2	-0,7	-1,6

The provincial picture shows a similar pattern to the formal sector. Employment in Western Cape remained virtually unchanged in the year ended December 2009. However, the average hours of work in Western Cape declined by 2,5% or 1,1 hours. On the other hand in Gauteng employment contracted by 4,8% or 193 000 but the average hours of work declined by 1,3% or 0,6 of an hour. This suggests that even at a provincial level some employers were willing to reduce the number of hours of work than to shed jobs.

Underemployed workers

Underemployment reflects an insufficiency in the volume of work¹². 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

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.

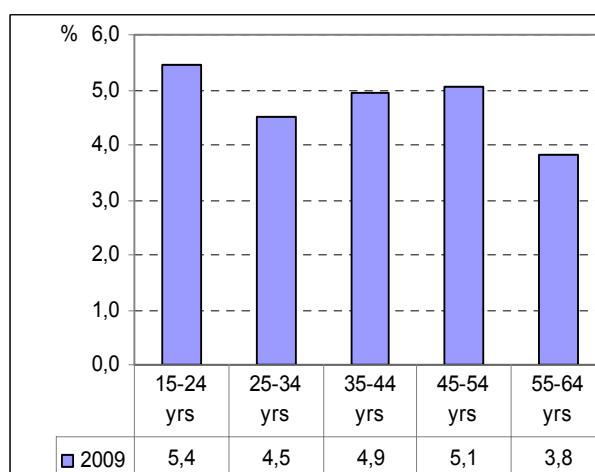
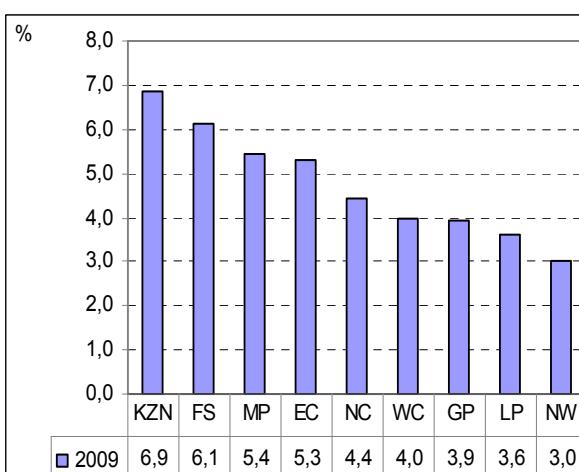
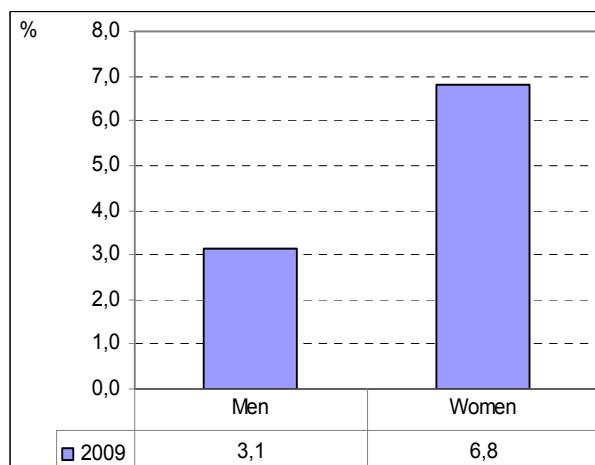
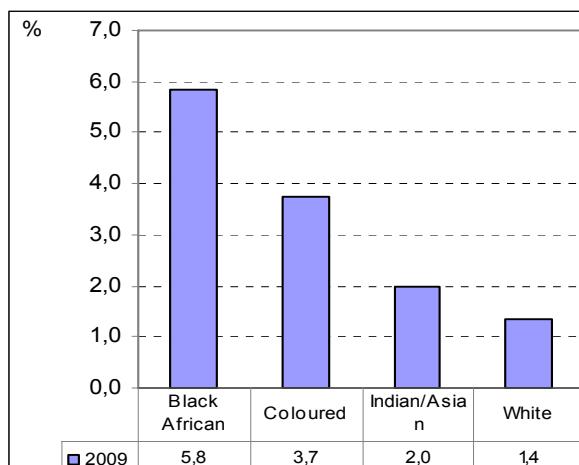
two types of underemployment, namely time-related underemployment, which is due to insufficient hours of work, and inadequate employment situations, which are due to other limitations in the labour market which limit the capacities and well-being of workers. Stats SA, like many other national statistical offices, measures only time-related underemployment (see Guide to QLFS¹³).

Table 4.13: Underemployment, 2008 and 2009

	2008			2009		
	Men	Women	Both sexes	Men	Women	Both sexes
	Thousand			Thousand		
Total employment	7 672	6 041	13 713	7 315	5 901	13 216
Underemployment	240	385	625	228	402	631
% underemployment	3,1	6,4	4,6	3,1	6,8	4,8

Table 4.13 shows that in 2009, out of the 13 216 million employed people in South Africa, 631 000 persons were underemployed (4,8%) an increase of 0,2 of a percentage point since 2008. Furthermore, between the years 2008 and 2009 among men, underemployment remained the same at 3,1% while among women the proportion of underemployed has increased by 0,4 of a percentage point (from 6,4% in 2008 to 6,8% in 2009).

Figure 4.16: Underemployment by age, sex, population group and province, 2009



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>

Characteristics of the underemployed

Figure 4.16 above indicates that in 2009, 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 (6,8% as opposed to 3,1%). In addition, the proportion of employed black Africans who were underemployed was more than four times higher than that of employed white individuals (5,8% as opposed to 1,4%). 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, KwaZulu-Natal had the highest proportion of underemployed workers (6,9%), followed by Free State (6,1%), while Limpopo and North West had the lowest numbers (3,6% and 3,0% respectively).

Underemployment and hours worked

Figure 4.17: Underemployment by hours worked per week, 2009

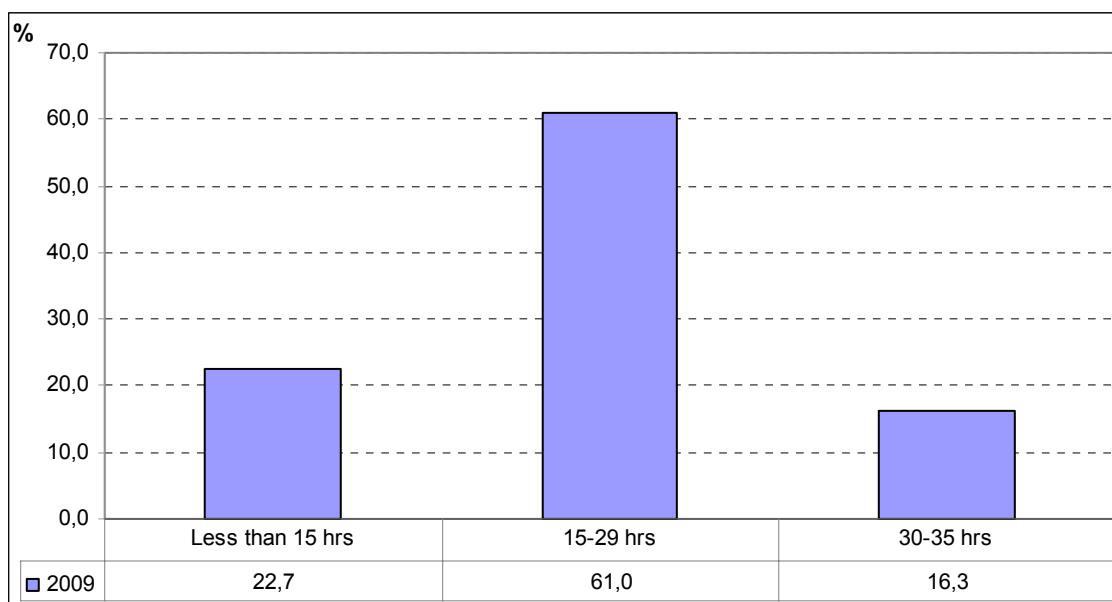


Figure 4.17 above shows that in 2009, over half of all underemployed workers (61,0%) worked 15-29 hours per week, followed by individuals who worked less than 15 hours per week (22,7%).

Underemployed workers and occupation

Figure 4.18: Underemployment by occupation, 2008 and 2009

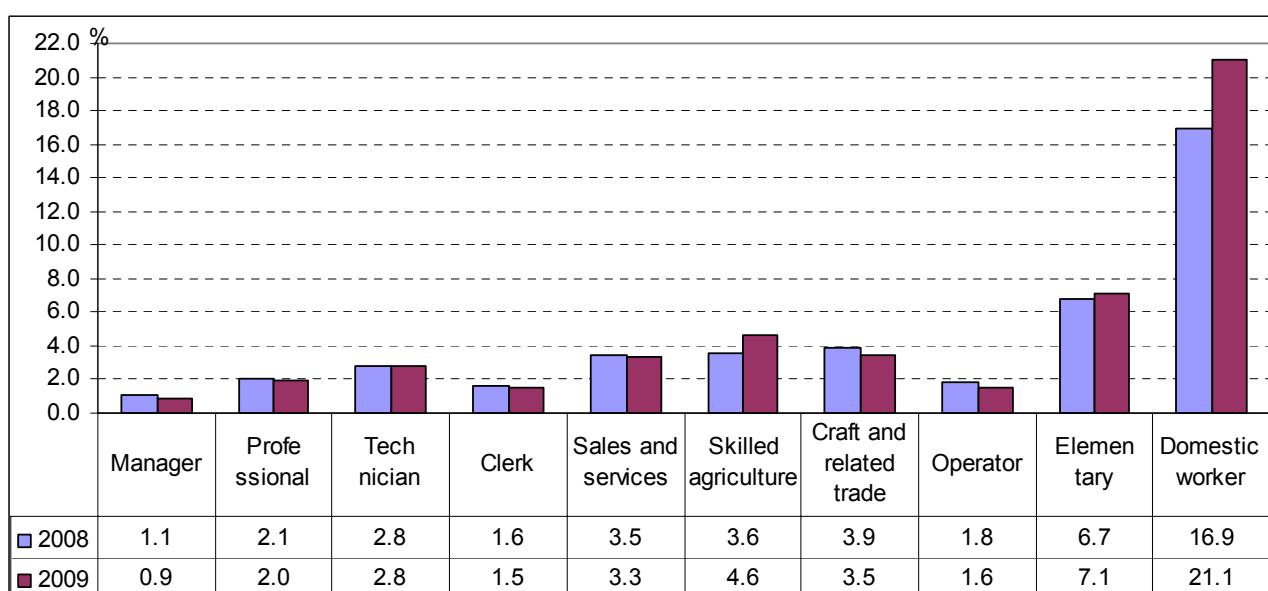


Table 4.14: Underemployment by occupation, 2009

Occupation	Total employment	Underemployed	
	Thousand	Thousand	Per cent
Manager	1 012	9	0,9
Professional	700	14	2,0
Technician	1 515	42	2,8
Clerk	1 434	21	1,5
Sales and services	1 805	60	3,3
Skilled agriculture	89	4	4,6
Craft and related trade	1 681	58	3,5
Plant and machine operator	1 146	18	1,6
Elementary	2 881	204	7,1
Domestic worker	954	201	21,1
Total	13 216	631	4,8

Figure 4.18 and Table 4.14 show that in 2009, underemployment tended to be concentrated in the less skilled occupation groups. In 2009, a higher proportion of individuals employed in low-skilled occupations such as Elementary (7,1%) and Domestic work (21,1%) were underemployed, whereas people employed in more skilled occupations such as Managers and Professionals were least likely to be underemployed (0,9% and 2,0% respectively). In addition noticeable increases of underemployed persons were observed among Skilled agriculture, Elementary and Domestic workers - which showed the biggest increases.

Underemployed workers and industry

As with occupation, 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

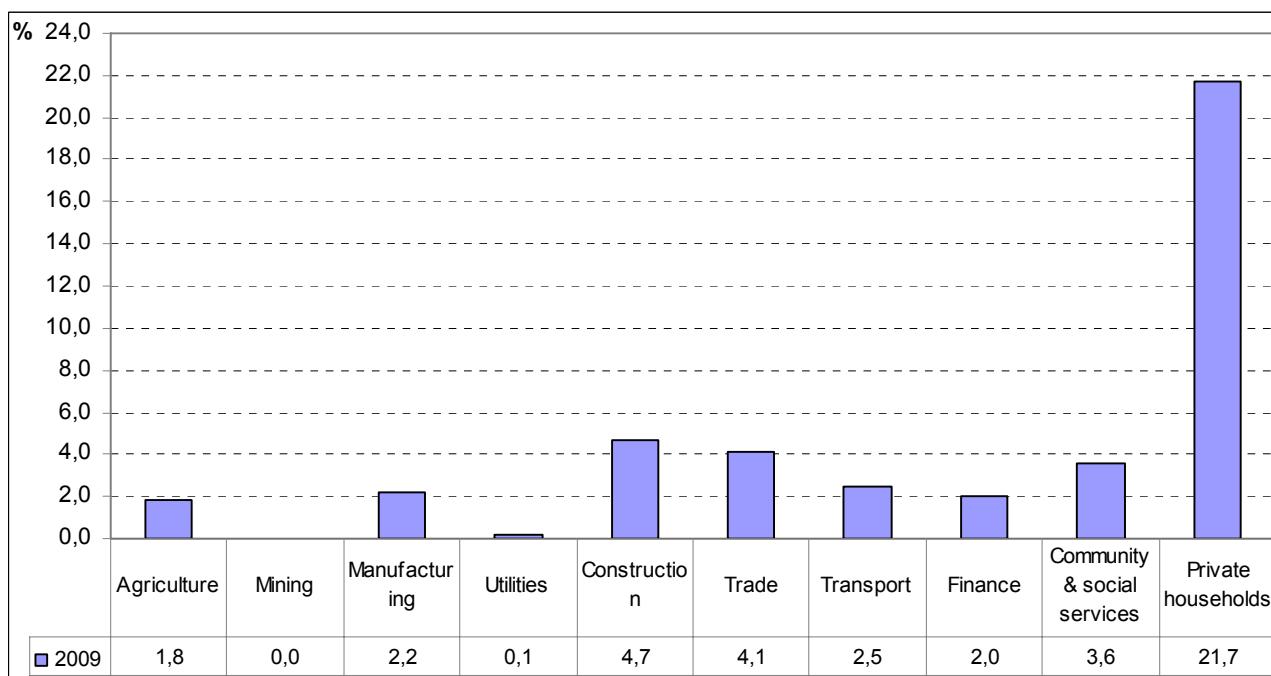
Figure 4.19: Underemployment by industry, 2009

Figure 4.19 shows that in the year 2009, 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 21,7% of all underemployed workers in the country. This was followed by workers in Construction (4,7%) and Trade (4,1%). Underemployment was much less prevalent in the Mining (0,0%) and Utilities (0,1%) 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 as well as benefits by sector in Chapter 5). 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, 2004–2009

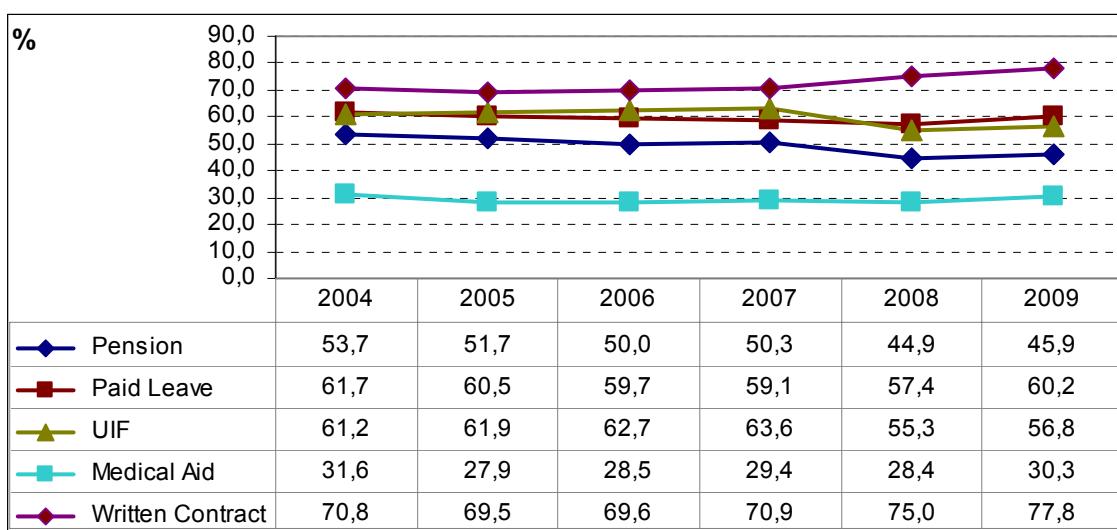
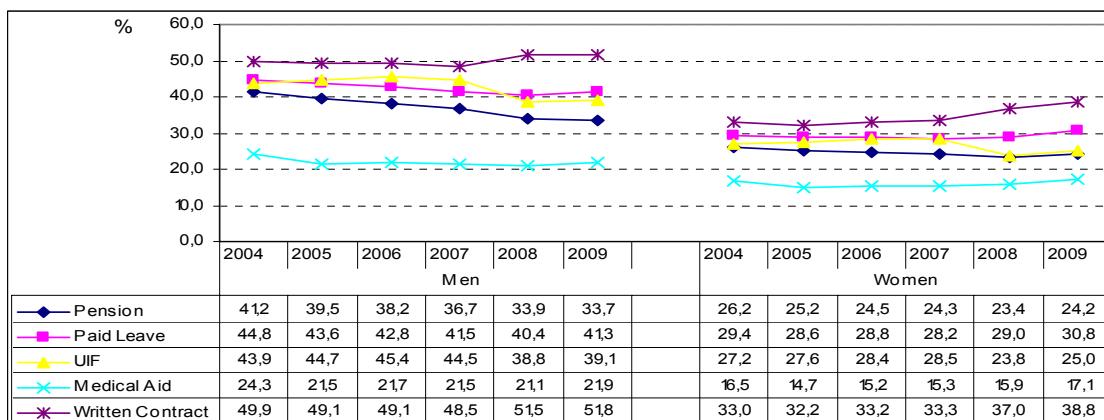


Figure 4.20 shows that over the period 2004 to 2009, the most accessible entitlement of employees has been a written contract, followed by paid leave and UIF. The benefit that has been the least accessible to employees has been medical aid. While total number of employment decreased between 2008 and 2009, the proportion of the employed with access to employment benefit increased across all types of benefit with medical aid and written contract increasing by 1,8 and 2,7 percentage points respectively. In the previous section it was noted that the period 2008 and 2009 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 2008 and 2009 were unprotected.

Employee benefits by sex, age and hours worked

Figure 4.21: Proportion of employees with access to benefits by sex, 2004–2009 (formal sector excluding agriculture and private households)



Disparities in conditions of employment between women and men persist. Figure 4.21 above indicates that since 2004, the proportion of male employees with access to each type of benefit has consistently been above that of women. In 2009, just over a third (38,8%) of women employed in the formal sector were entitled to a written contract compared to over half (51,8%) of employed men (a difference of 13,0 percentage points). Likewise men were about 10% more likely to have access to pension (33,7% compared to 24,2%), paid leave (41,3% compared to 30,8%), UIF (39,1% compared to 25,0%) and medical aid (21,9% compared to 17,1%).

Table 4.15: Employees with benefits by hours worked, 2008 and 2009 (formal sector excluding agriculture and domestic work)

Hours worked per week	Pension	Paid leave	UIF	Medical aid	Written contract
2008					
Less than 30 hrs	19,8	30,6	32,9	13,0	73,7
30-39 hrs	62,4	70,3	29,4	52,2	89,2
40-45 hrs	63,7	76,1	65,7	42,4	91,7
More than 45 hrs	47,1	59,9	66,7	25,3	83,2
Total	57,2	69,4	62,6	37,0	88,4
2009					
Less than 30 hrs	18,0	31,2	37,0	11,7	80,3
30-39 hrs	63,8	74,5	27,0	56,4	92,0
40-45 hrs	63,8	78,1	67,5	43,9	93,2
More than 45 hrs	47,7	62,4	68,5	26,9	85,5
Total	57,9	72,1	64,1	39,0	90,6

The types of benefits that employees are entitled to vary considerably by the number of hours they worked in a week. Table 4.15 indicates that between 2008 and 2009, 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 than 45 hours per week and in total, an increased number of people with access to benefits have been observed across all types of benefit when comparing 2008 and 2009. Paid leave and written contract have increased when comparing within the groups of hours worked per week.

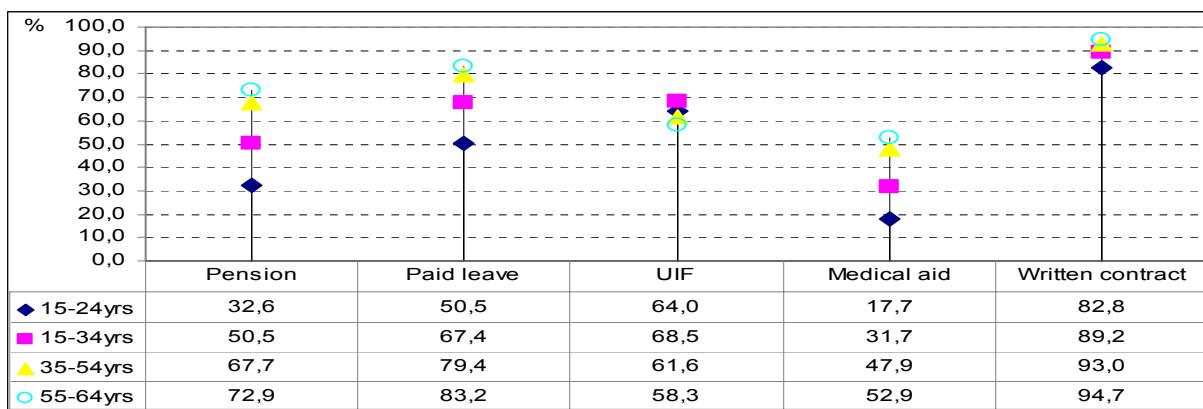
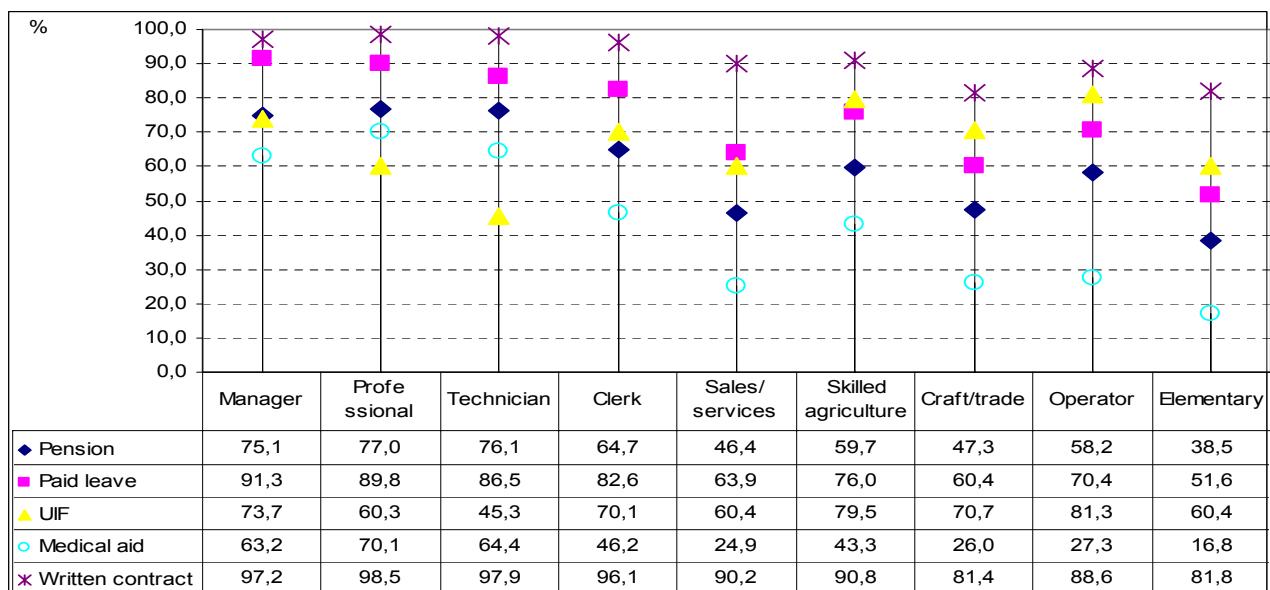
Figure 4.22: Employees with benefits by age, 2009 (formal sector non-agriculture)

Figure 4.22 shows that in 2009, younger people (particularly those aged 15 to 24 years), were most likely to be working without 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, 2009 (formal sector non-agriculture)

The lesser the skills that an occupation requires, the more unlikely 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, Craft and trade, and Skilled agriculture, followed by Operators, Sales, and Clerks. In the year 2009, persons in Elementary occupations were least likely to have access to all benefits, except UIF. This was followed by persons in Craft and 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 2009 Managers (75,1%), Professionals (77,0%) and Technicians (76,1%) were most likely to have access to pension benefits compared to persons working in Elementary (38,5%), Craft and related trade (47,3%) and Skilled agriculture (59,7%) occupations. A similar pattern can also be observed in access to paid leave benefits, where Managers (91,3%), Professionals (89,8%) and Technicians (86,5%) were most likely to have paid leave compared to individuals in Elementary (51,6%), Craft and related trade (60,4%) and Skilled agriculture (76,0%).

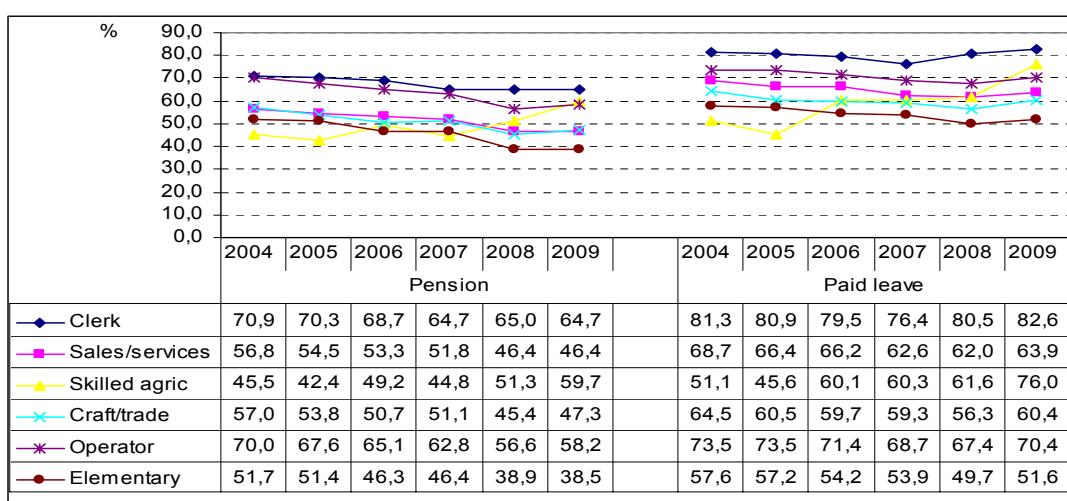
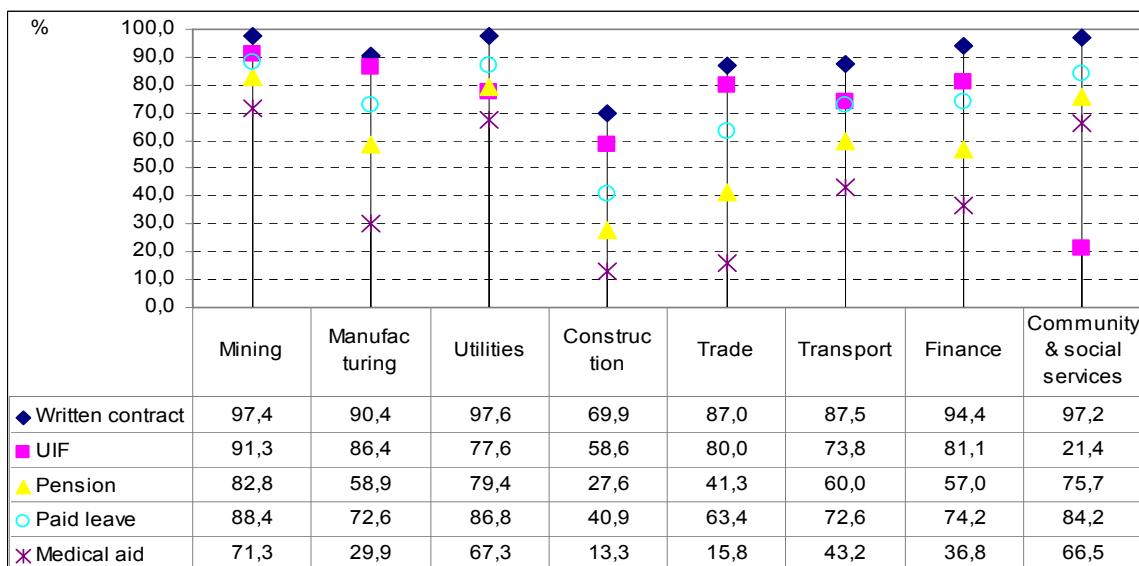
Figure 4.24: Occupation and access to benefits: pension and paid leave, 2004–2009

Figure 4.24 illustrates that in 2009 there was a slight decrease in access to pension and slight increase in paid leave benefits for clerks, while pension and paid leave benefits for persons working in Sales and as Operators increased. There was an increase in pension benefits across all occupations between 2008 and 2009 except for Elementary which decreased by 0,4 of a percentage point and paid leave benefit increased across all occupations in the same period.

Figure 4.25: Employees with benefits by industry, 2009

In 2009, the proportion of employees without entitlements was highest in three main industries: Construction, Trade, and Transport, with Construction being at the bottom of the three. As indicated in Figure 4.25, only 13,3% of employees working in Construction had access to medical aid, 27,6% had pension benefits and 40,9% 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.

Summary and conclusion

The results in this chapter indicated that employment levels in the country have been steadily increasing from 2004 to 2008. The period 2008 to 2009 showed a decline in the level of employment as the country went through a period of recession that was defined by job losses across major industries such as Manufacturing and Trade. In addition, although levels of employment had been increasing, between 2004 and 2008 the majority of South Africans were still employed in low-skilled occupations, with black Africans constituting the highest proportion in this occupation category.

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 2008 and 2009, the most accessible benefit for employees was a written contract, followed by paid leave and UIF, with medical aid recorded as the least accessible benefit. Moreover, the fewer hours a person worked, the less likely the person was entitled to all benefits.

Gender disparities were apparent between employed men and women during the period 2004 to 2009; 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.

Chapter 5

The formal/informal sector in South Africa

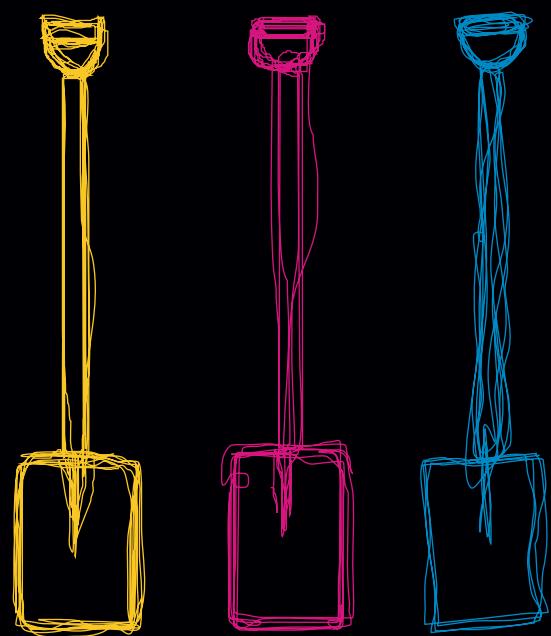




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Chapter 5: South African formal and informal sector

Key labour market concepts

Formal sector is characterised by establishments that are registered for income tax, and establishments that employ more than five persons. It also comprises employers and own-account workers who are registered for income tax and value added tax.

Informal sector is characterised firstly, by establishments that are not registered for income tax, and establishments that employ less than five persons. 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 value added tax.

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 survivalist in nature, and according to Fryer and Vencatachellum (2004) it is largely unskilled. It is 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 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, and then be concluded by establishing the industry in which people work by sector.

Employment by sector

Table 5.1: Employment by sector, 2004–2009

	2004	2005	2006	2007	2008	2009
Thousands						
Formal	8 039	8 336	8 675	9 147	9 433	9 248
Informal	1 998	2 441	2 573	2 325	2 270	2 091
Agriculture	800	740	859	737	780	679
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Total	12 044	12 769	13 419	13 467	13 713	13 216
Annual Changes						
Formal		297	339	472	286	-185
Informal		443	132	-248	-55	-179
Agriculture		-60	119	-122	43	-101
Private households		46	59	-53	-28	-31
Total		725	650	48	246	-497
Annual rate of change						
Formal		3,7	4,1	5,4	3,1	-2,0
Informal		22,2	5,4	-9,6	-2,4	-7,9
Agriculture		-7,5	16,1	-14,2	5,8	-12,9
Private households		3,8	4,7	-4,0	-2,2	-2,5
Total		6,0	5,1	0,4	1,8	-3,6

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

After four successive years of growth, employment in the formal sector contracted by 2,0% or 185 000 jobs in 2009. In the same period, informal sector contracted by 7,9% or 179 000 jobs, after declining in the previous two years.

In the year ended December 2009 employment in private households contracted by 2,5% after two successive contractions of 2,2% and 4,0% in 2008 and 2007 respectively.

After recovering in 2008 with a growth of 5,8%, employment in agriculture contracted by 12,9% in the year ended December 2009. This was after it had contracted by 14,5% or 122 000 jobs in the year ended December 2007.

Employment by sector and sex

Figure 5.1: Formal sector employment by sex, 2004–2009

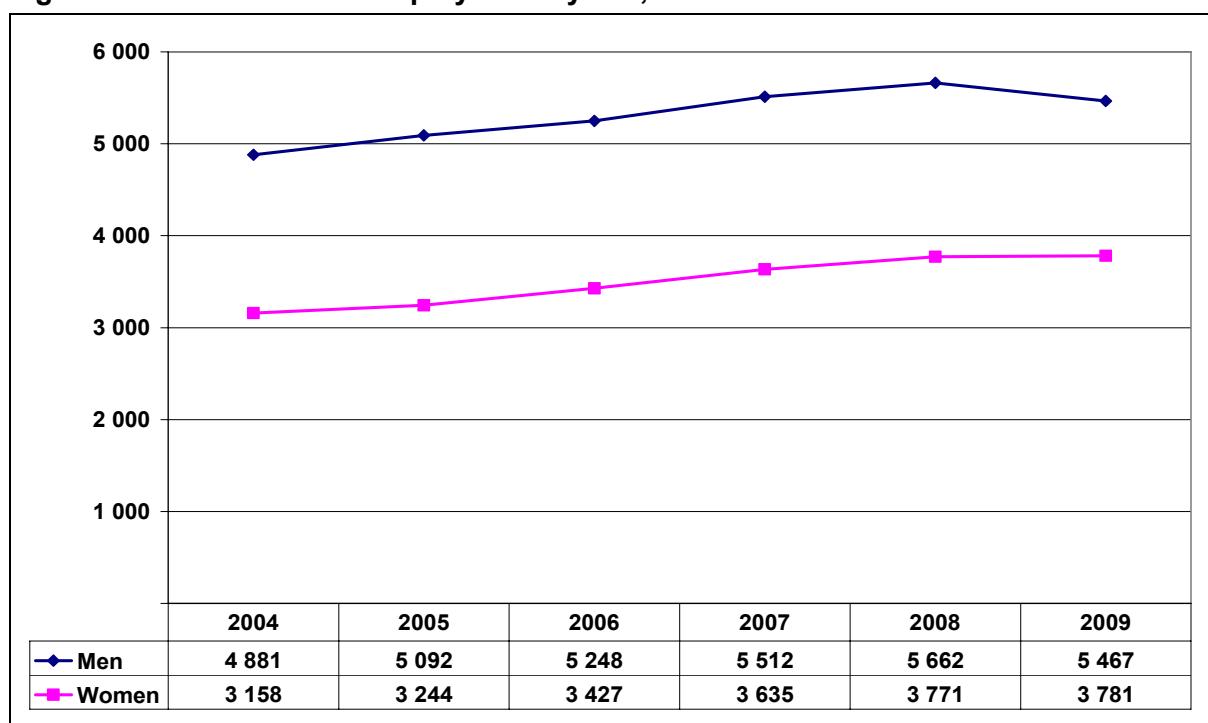


Figure 5.2: Informal sector employment by sex, 2004–2009

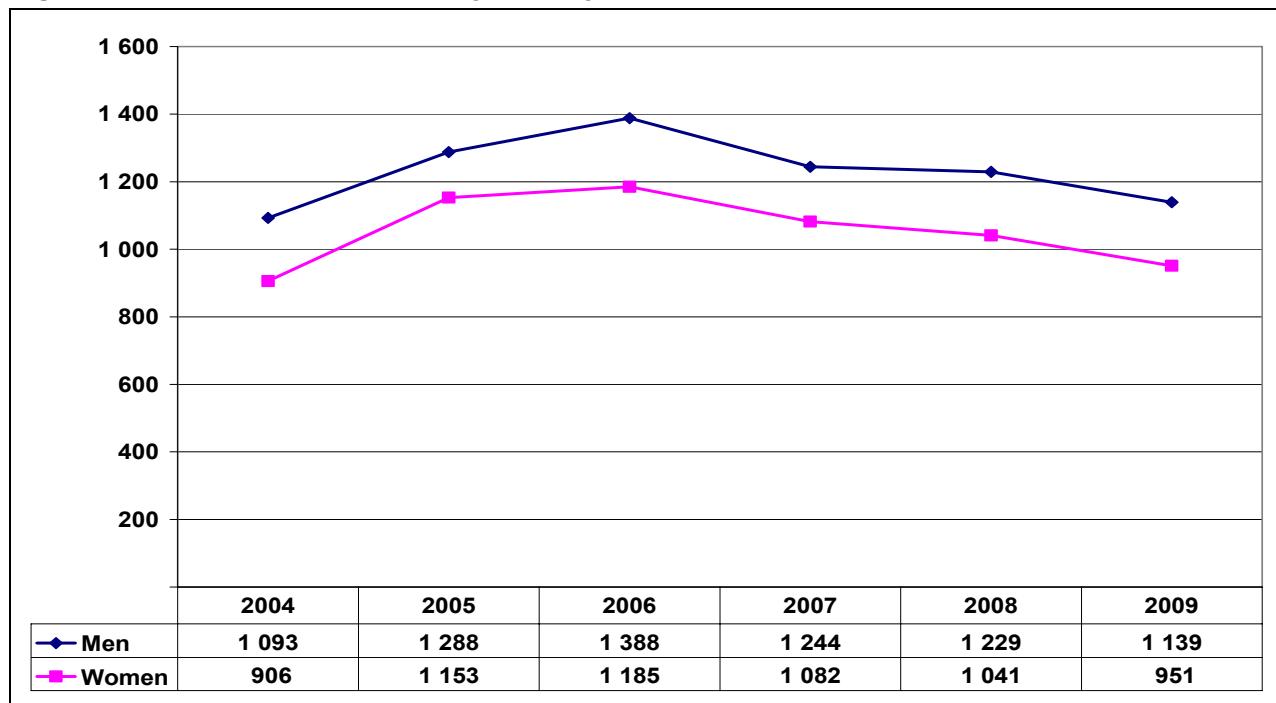


Figure 5.1 shows that after four successive years of growth in the formal sector, employment declined in the year ended December 2009 for men. However, the number of men employed in the formal sector remained higher than that of women. The number of women employed in the formal sector increased from approximately 3,2 million in 2004 to approximately 3,8 million in 2009.

On the other hand informal sector employment reached a peak for both men and women in 2006 and started to decline from 2007 until 2009.

Table 5.2: Employment by sector and sex, 2008 and 2009

	Formal sector				Informal sector			
	2008	2009	change	% change	2008	2009	change	% change
Men	5 662	5 467	- 195	-3,4	1 229	1 139	- 90	-7,3
Women	3 771	3 781	10	0,3	1 041	951	- 90	-8,6
Total	9 433	9 248	- 185	-2,0	2 270	2 091	- 179	-7,9

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

In the year ended December 2009 formal sector employment among men contracted by 3,4 % or 195 000 jobs while that of women remained virtually unchanged.

On the other hand informal sector employment contracted among men and women with a decline of 7,3 % and 8,6 % respectively.

Formal and informal sector employment by education

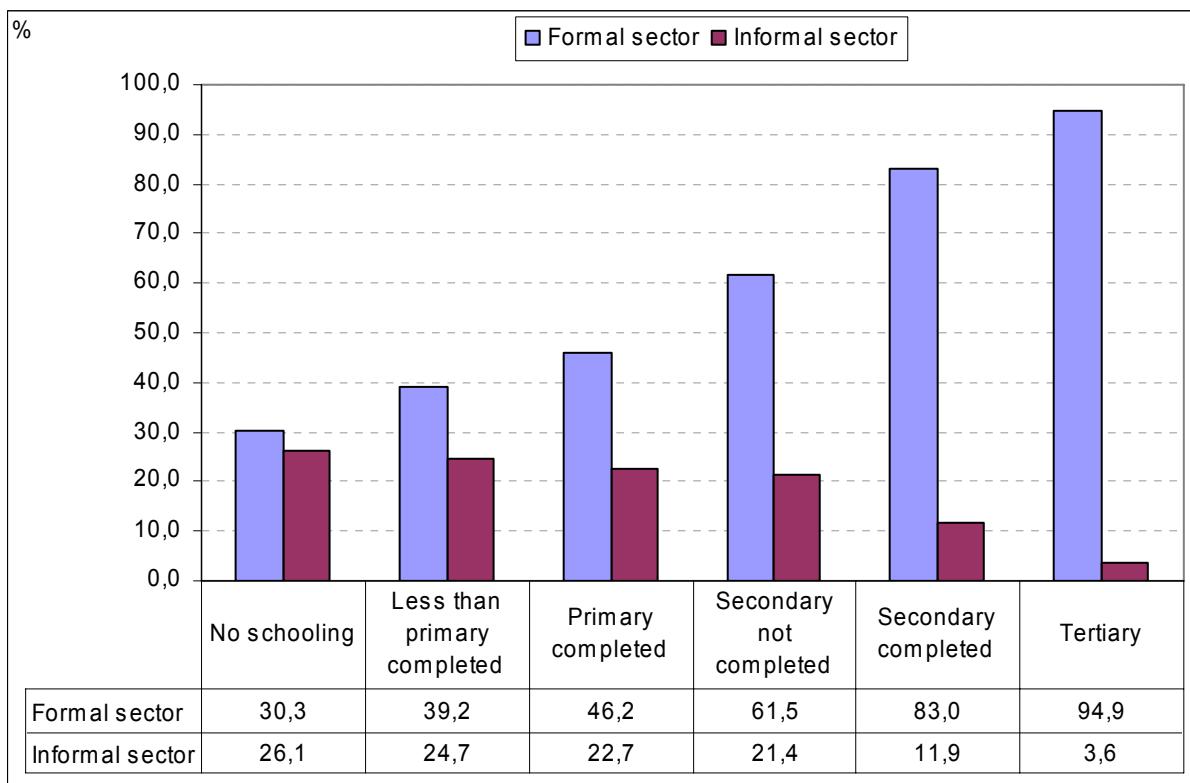
Table 5.3: Formal and informal sector employment (excluding agriculture and private households) by education, 2008 and 2009

	Formal sector			Informal sector		
	2008	2009	% change	2008	2009	% change
No schooling	175	145	-17,2	160	125	-21,8
Less than primary completed	560	489	-12,8	354	308	-13,0
Primary completed	325	317	-2,3	175	156	-11,0
Secondary not completed	2 807	2 666	-5,0	995	926	-6,9
Secondary completed	3 253	3 215	-1,2	453	460	1,6
Tertiary	2 206	2 324	5,3	99	88	-10,8
Total	9 433	9 248	-2,0	2 270	2 091	-7,9

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

Table 5.3 shows that in the year ended 2009 employment contracted among all levels of education attainment except those in the formal sector with tertiary education and those in the informal sector with secondary completed where employment grew by 5,3 % and 1,6% respectively. Those without schooling suffered the most in that their employment contracted by 17,2% among those in the formal sector and by 21,8% among those in the informal sector.

Figure 5.3: Formal and informal sector employment (excluding agriculture and private households) by education, 2009



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

Figure 5.3 shows that among those with tertiary education, 94,9% were employed in the formal sector and only 3,6% were employed in the informal sector in 2009. 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 5.4: Formal and informal sector employment by population group, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousands					
	Formal sector	Informal sector				
Black African	4 697	4 972	5 284	5 738	5 938	5 782
Coloured	1 071	1 090	1 125	1 136	1 174	1 173
Indian/Asian	375	388	406	398	427	418
White	1 896	1 886	1 859	1 874	1 894	1 875
Total	8 039	8 336	8 675	9 147	9 433	9 248
Formal sector						
Black African	1 773	2 172	2 280	2 065	1 978	1 809
Coloured	93	127	146	125	147	155
Indian/Asian	31	40	44	36	38	37
White	101	102	102	100	108	89
Total	1 998	2 441	2 573	2 325	2 270	2 091
Informal sector						
Black African						
Coloured						
Indian/Asian						
White						

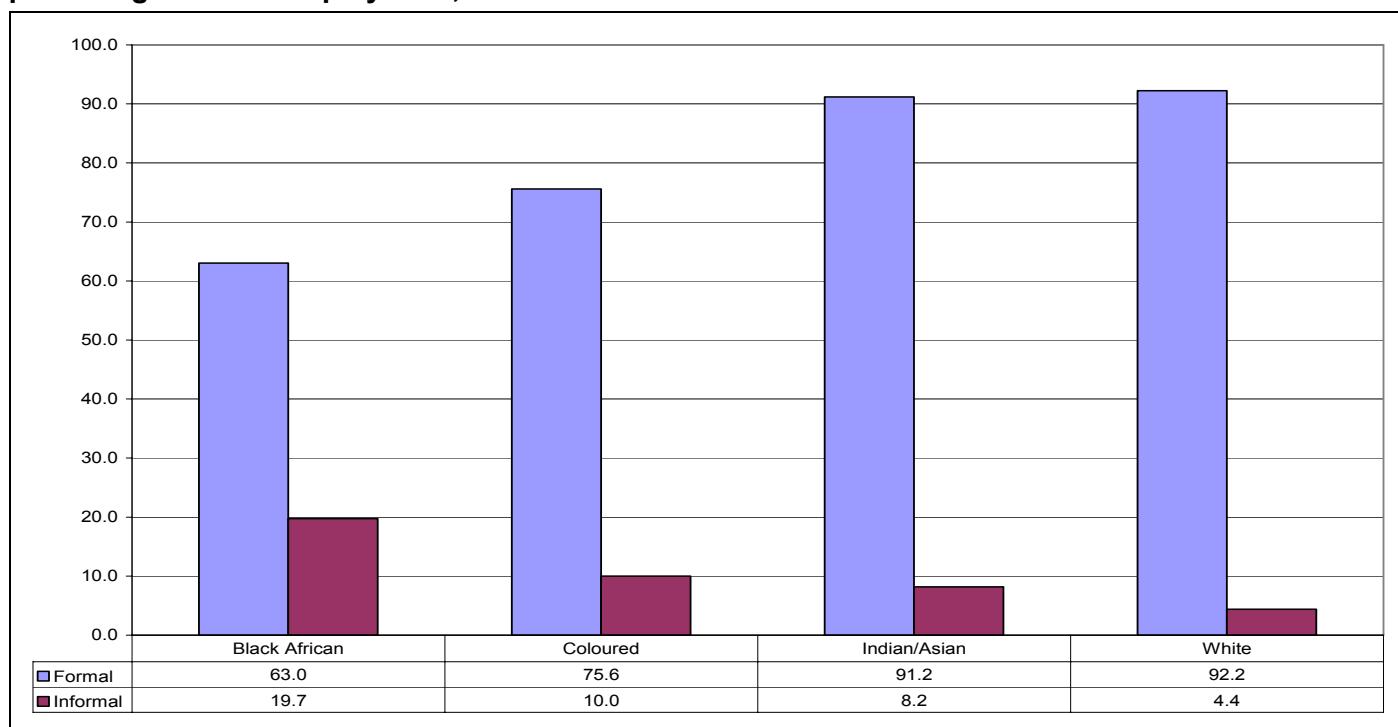
Note: Due to rounding, numbers do not necessarily add up to totals

Table 5.5: Formal and informal sector employment by population group, 2004–2009

	2005	2006	2007	2008	2009
	Annual percentage change				
Formal sector					
Black/African	5,8	6,3	8,6	3,5	-2,6
Coloured	1,8	3,2	1,0	3,3	-0,1
Indian/Asian	3,4	4,8	-2,0	7,3	-2,3
White	-0,5	-1,4	0,8	1,0	-1,0
Total	3,7	4,1	5,4	3,1	-2,0
Informal sector					
Black/African	22,5	5,0	-9,5	-4,2	-8,5
Coloured	37,2	15,1	-14,8	17,6	5,8
Indian/Asian	25,7	12,2	-18,2	3,5	-0,4
White	0,8	0,1	-2,0	7,9	-17,5
Total	22,1	5,4	-9,6	-2,4	-7,9

Tables 5.4 and 5.5 show that formal sector employment among black Africans grew from approximately 4,7 million 2004 to approximately 5,8 million in 2009. However, in the year ended December 2009 employment among black African in the formal sector contracted by 2,6% or 156 000 jobs. Formal sector employment contracted by 2,3% among Indians/Asians in 2009, while, their employment in the informal sector remained virtually unchanged in the same period.

Formal sector employment among the coloured population remained virtually unchanged between 2008 and 2009, but their informal sector employment grew by 5,8% in the same period and this was after a 17,6% growth in the previous year.

Figure 5.4: Distribution of formal and informal sector employment by population group as a percentage of total employment, 2009

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

About 6 in 10 of the employed black Africans were working in the formal sector in 2009 compared to the 9 in 10 of both the white and Indian population. On the other hand only 4,4% of employed white population were working in the informal sector compared to 19,7% of black Africans.

Formal and informal sector employment by age

Table 5.6: Formal and informal sector employment by age, 2008 and 2009

	Formal				Informal			
	2008	2009	Change	% change	2008	2009	Change	% change
15-24 yrs	1 134	1 007	- 126	-11,1	301	272	- 29	-9,5
25-34 yrs	3 314	3 202	- 112	-3,4	779	704	- 75	-9,6
35-44 yrs	2 500	2 507	6	0,3	573	559	- 13	-2,3
45-54 yrs	1 752	1 776	23	1,3	415	384	- 30	-7,3
55-64 yrs	733	757	24	3,3	203	171	- 32	-15,8
Total	9 433	9 248	- 185	-2,0	2 270	2 091	- 179	-7,9

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

Table 5.6 shows that the biggest contributor to contraction in formal sector employment in the year ended in December 2009 was among the youth (15-34). Formal sector employment among the 15-24 contracted by 11,1% or 126 000 jobs and among those aged 25-34 formal sector employment declined by 3,4% or 112 000 jobs. On the other hand formal sector employment among the 35-44 remained virtually unchanged while it grew by 1,3% among those aged 45-54 years and 3,3% among those aged 55-64 years.

Informal sector employment contracted among all age groups. Those aged 25-34 and 55-64 years suffered the most, with a decline of 9,6% or 75 000 jobs and 15,8% or 32 000 jobs respectively.

Formal and informal sector employment by province

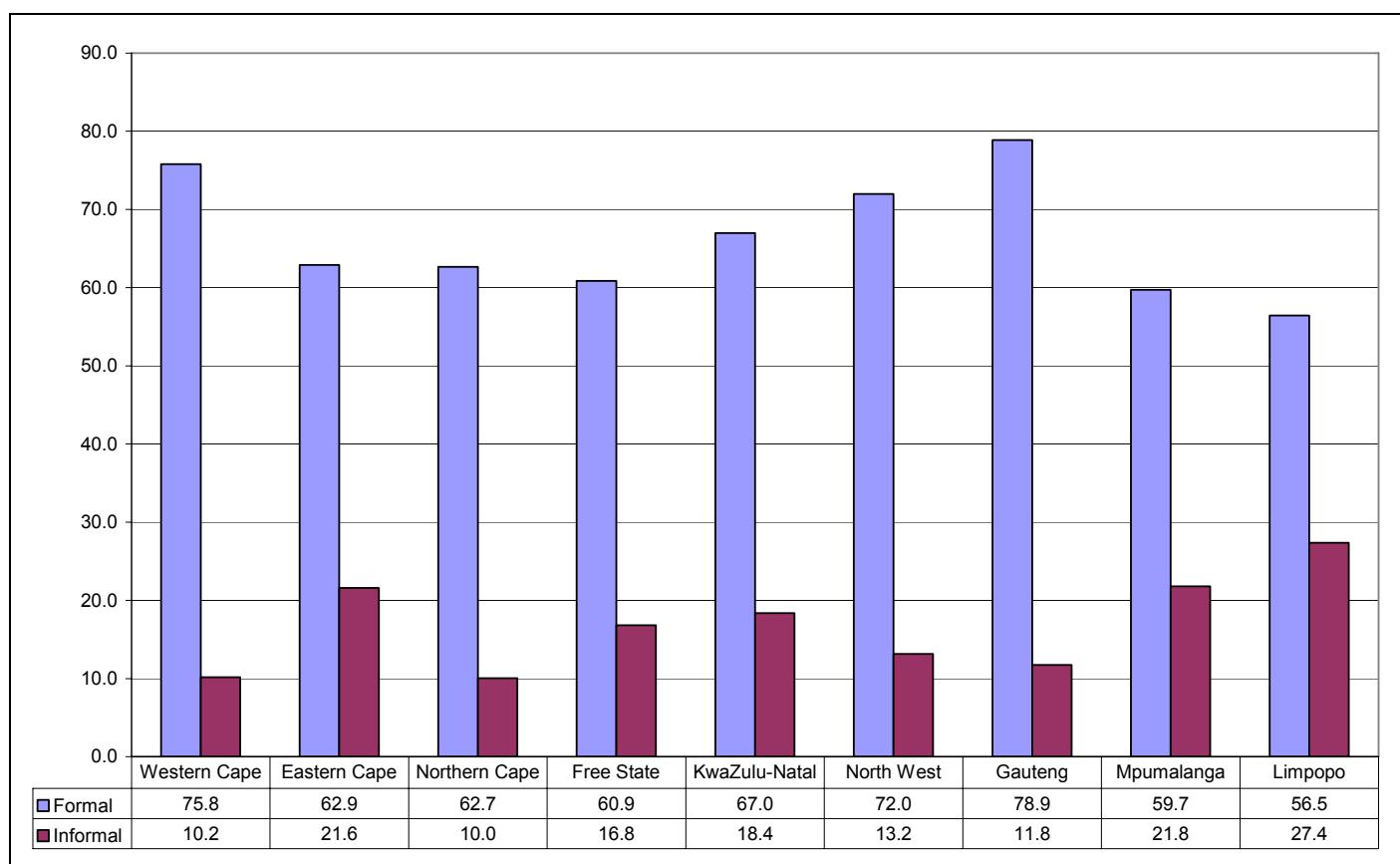
Table 5.7: Formal and informal sector employment by province, 2008 and 2009

	Formal sector				Informal sector			
	2008	2009	change	% change	2008	2009	change	% change
	thousand	thousand	thousand	Percent	thousand	thousand	thousand	Percent
Western Cape	1 444	1 445	1	0,1	187	194	6	3,4
Eastern Cape	825	815	- 9	-1,1	310	280	- 31	-9,9
Northern Cape	185	174	- 12	-6,3	31	28	- 3	-9,2
Free State	522	477	- 46	-8,7	140	132	- 8	-5,9
KwaZulu-Natal	1 691	1 648	- 43	-2,6	503	452	- 51	-10,2
North West	619	595	- 23	-3,7	124	109	- 15	-12,2
Gauteng	3 122	3 047	- 75	-2,4	521	454	- 67	-12,9
Mpumalanga	537	537	0	0,0	211	196	- 15	-7,2
Limpopo	489	511	22	4,5	243	248	5	2,1
Total	9 433	9 248	- 185	-2,0	2 270	2 091	- 179	-7,9

Formal sector employment declined in all provinces except Limpopo where it grew by 4,5 % or 22 000 jobs and Western Cape and Mpumalanga where it remained unchanged. Free State experienced the biggest impact in that formal sector contracted by 8,7% or 46 000 jobs followed by Northern Cape with 6,3% or 12 000 jobs. Gauteng experienced a decline of 2,4 % of 75 000 jobs.

Almost a similar pattern was observed in informal sector employment where all provinces lost jobs except Western Cape and Limpopo. The hardest hit provinces in job losses in the informal sector were Gauteng, North West and KwaZulu-Natal where employment contracted by 12,9%, 12,2% and 10,2% respectively.

Figure 5.5: Formal and informal sector employment by province as a percentage of total employment, 2009



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

Figure 5.5 shows that formal sector contributed 78,9 % to total employment in Gauteng and 75,8 % to that of Western Cape, while the informal sector contributed only between 10 and 11 % to the total employment of these two provinces. At the lower end formal sector employment contributed 56,5 % to total employment in Limpopo. In other provinces the contribution of the formal sector to total employment ranges between 60,9 % to 72,0 %.

Formal and informal sector employment by industry

Table 5.9: Formal and informal sector employment 2008 and 2009

	Formal				Informal					
	2008		2009		% change	2008		2009		% change
	thousand	thousand	thousand	percent	thousand	thousand	thousand	percent		
Mining	326	310	- 16	-4,9	2	2	2	*		
Manufacturing	1 718	1 606	- 112	-6,5	236	199	- 37	-15,7		
Utilities	90	91	1	1,1	4	2	- 2	*		
Construction	821	821		0,0	314	275	- 39	-12,4		
Trade	2 085	1 942	- 143	-6,9	1 065	984	- 81	-7,6		
Transport	562	547	- 15	-2,7	205	193	- 12	-5,9		
Finance and other business services	1 508	1 583	75	5,0	148	136	- 12	-8,1		
Community and social services	2 320	2 344	24	1,0	296	298	2	0,7		
Total	9 433	9 248	- 185	-2,0	2 270	2 091	- 179	-7,9		

* Very small numbers

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

In the year ended December 2009 formal sector employment contracted in all industries except in Utilities where it remained virtually unchanged. In Finance and other business services, however, employment grew by 5,0 % or 75 000 jobs and in Community and social services it grew by 1,0 %. Trade and Manufacturing suffered the most with a contraction of 6,9 % and 6,5 % respectively in employment.

On the other hand informal sector employment declined in all industries except in Community and social service industry. Employment in Manufacturing contracted by 15,7 % or 37 000 jobs followed by employment contraction in Construction of 12,4 % or 39 000 jobs while employment in Trade declined by 7,6 % or 81 000 jobs.

Figure 5.6: Formal and informal sector employment (excluding agriculture and private households) by industry, 2009

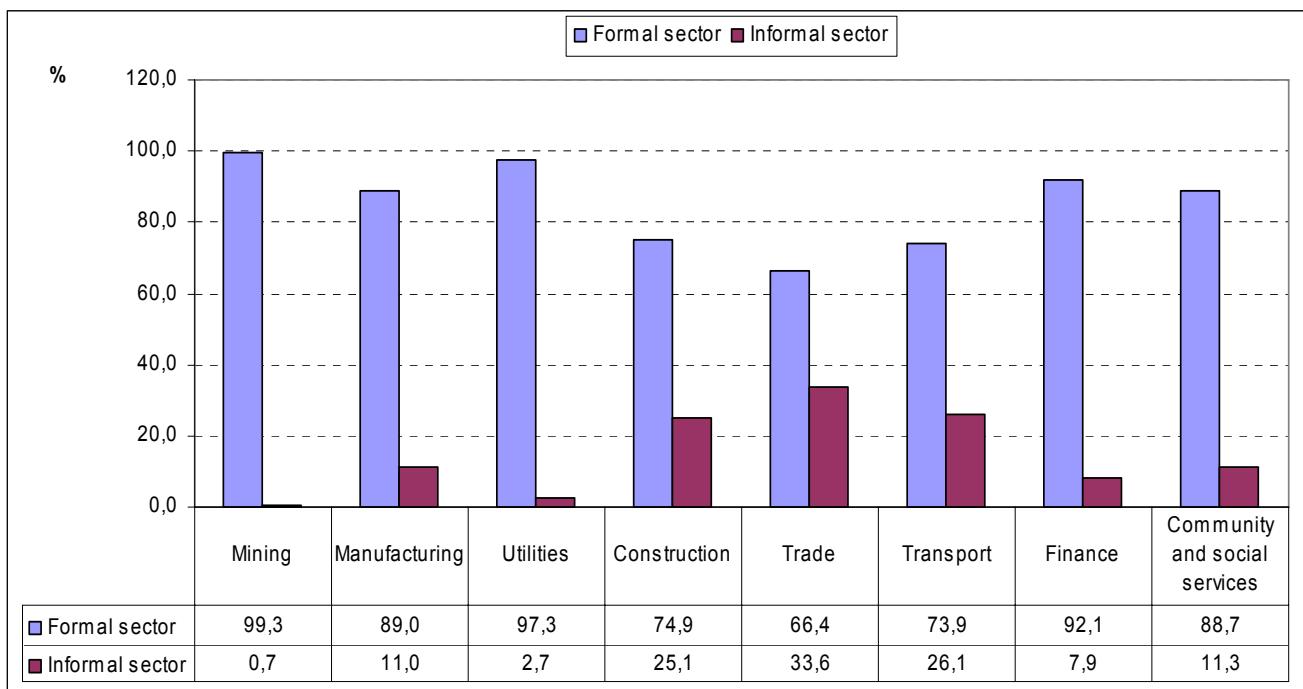


Figure 5.6 shows that the formal sector contributed 99,3 % of the total employment in the Mining industry while it contributed 66,4 % in Trade. The informal sector contributed relatively high proportions in Trade, Transport and Construction.

Summary and conclusion

The analysis in this chapter focused on employment, focusing mainly on formal and informal sector employment.

After four successive years of growth, employment in the formal sector contracted by 2,0% or 185 000 jobs in 2009. In the same period, informal sector contracted by 7,9% or 179 000 jobs, after declining in the previous two 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. In 2009, 94,9% of those with tertiary education were employed in the formal sector. Among black Africans, informal sector employment decreased from 20,6% in 2008 to 19,7% in 2009.

Between 2008 and 2009, formal sector employment decreased across all provinces except in Limpopo, Western Cape and Mpumalanga.

In the year ended December 2009 formal sector employment contracted in all industries except in Utilities where it remained virtually unchanged. In Finance and other business services, however, employment grew by 5,0 % or 75 000 jobs and in Community and social services it grew by 1,0 %. Trade and Manufacturing are the industries that suffered the most job losses.

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Chapter 6

A profile of the unemployed

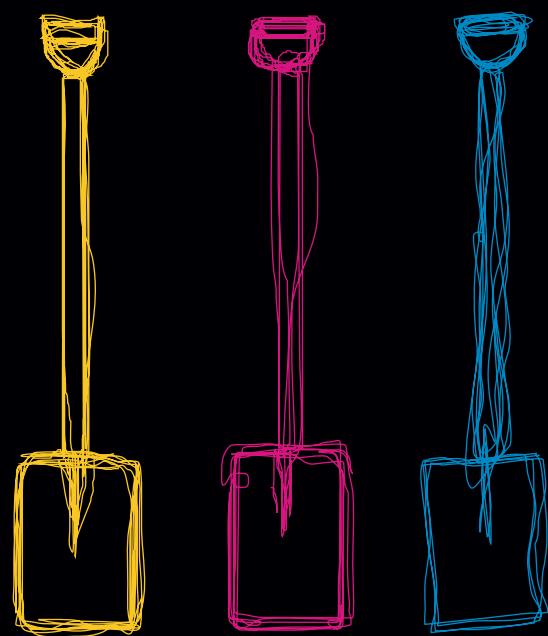




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Chapter 6: A profile of the unemployed

Other unemployment categories

New entrants into unemployment are persons who were unemployed during the reference period that had never worked before and were currently looking for their first job. It is possible for new entrants to be among those that are in long-term unemployment if the duration of their job searching was one year or longer.

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.

Job losers are unemployed persons who were working when they became unemployed due to these circumstances: They lost their job; or they were laid off; or the business in which they had previously worked had been sold or had closed down.

Unemployed job leavers are those among the unemployed who were working when they became unemployed and had stopped working at their last job for any of the following reasons:

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

Unemployed re-entrants to the labour force are unemployed persons who worked before and who were currently looking for work, whose main activity before looking for work was either managing a home or going to school.

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.

Background

The levels of and trends in unemployment are important indicators of the well-being or otherwise of persons in the labour market. In this regard, research has shown that the extent of social and economic deprivation may be analysed through several indicators, including the nature of labour contracts and the rate of unemployment, especially long-term unemployment (Villeval, 1991¹⁴).

¹⁴ Villeval Marie-Claire, 1991. Labour market restructuring and deprivation processes. ILO International Institute for labour Studies, 1991

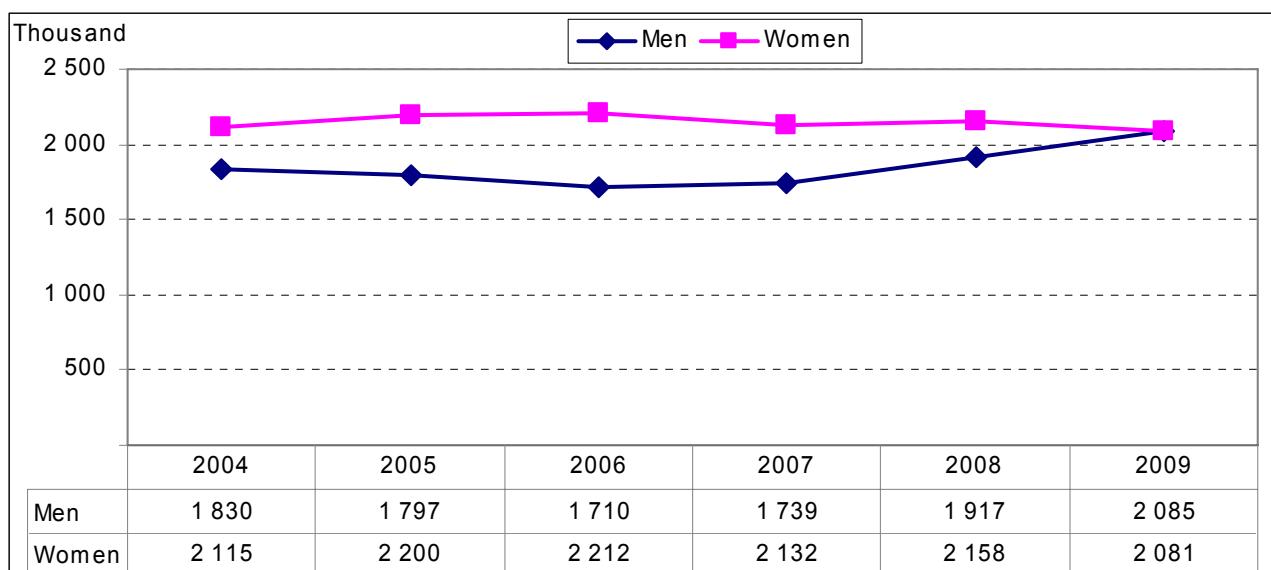
Introduction

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.

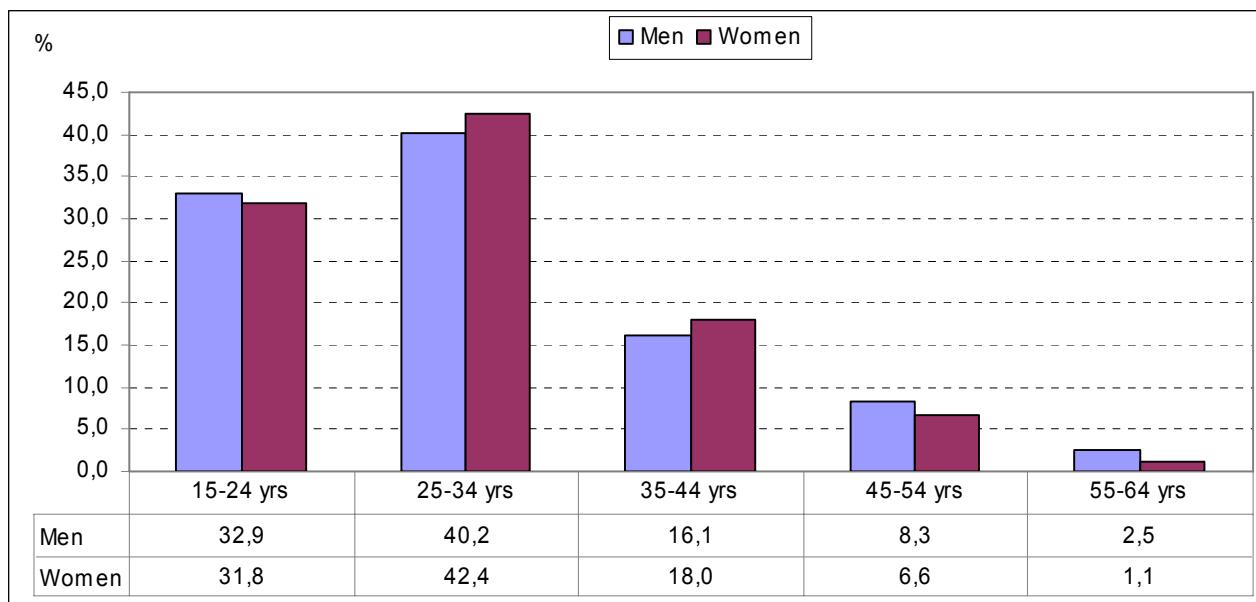
Demographic characteristics of the unemployed

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 6.1: Unemployed by sex, 2004–2009



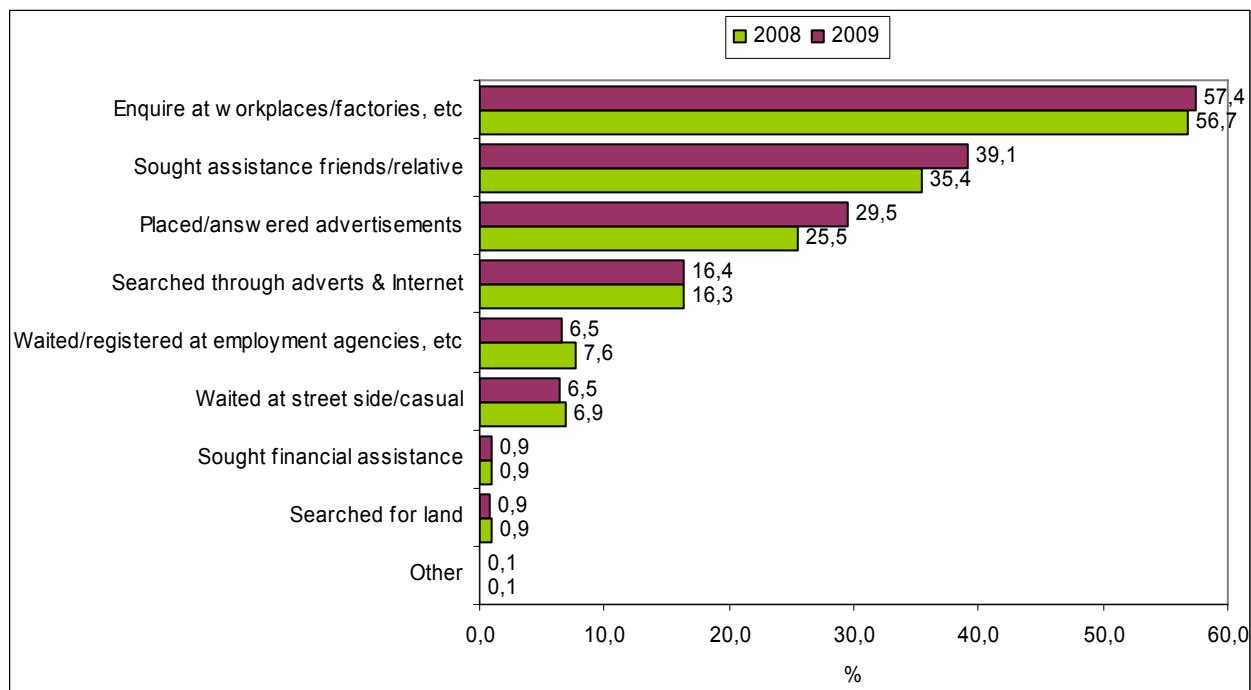
Although there were fewer women than men in the labour force, a larger number of women than men were unemployed each year over the period 2003 to 2008, but the gap narrowed somewhat from 2007 to 2009 largely because of the increase in unemployment among men as a result of the deterioration in labour market conditions that began in 2007 and became worse in 2009 during the recession (Figure 6.1).

Figure 6.2: Age profile of the unemployed by sex, 2009

Among both men and women, the bulk of the unemployed were below the age of 35 years in 2009.

Job-search activities of the unemployed

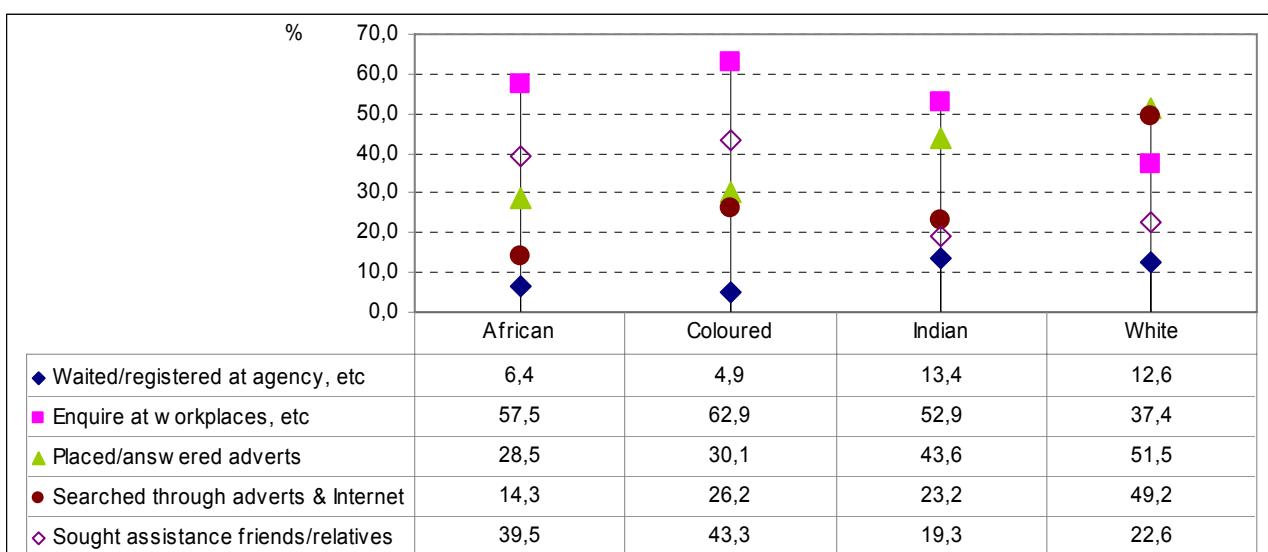
Caution is required in interpreting the job-search patterns of unemployed persons, since an unemployed person may have undertaken several types of search activities in his/her quest for a job. In addition, the survey does not determine how many times each of the job-search methods was used in the four-week 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 6.3 Types of job-search activities, 2008 and 2009

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

As shown in Figure 6.3, the most common types of job-search activities used by job seekers was to enquire at workplaces/factories etc., followed by asking friends and relatives. In 2009 more than half (57,4%) of all unemployed persons enquired at workplaces, factories, etc. in search of a job compared to 56,7% in 2008. More than one in every three (39,1%) unemployed persons sought the assistance of friends or relatives in both years and as many as 16,3% of all unemployed persons searched through advertisements or the internet in their quest for a job in 2008 and 16,4% in 2009. The least methods used were searched for land in both years.

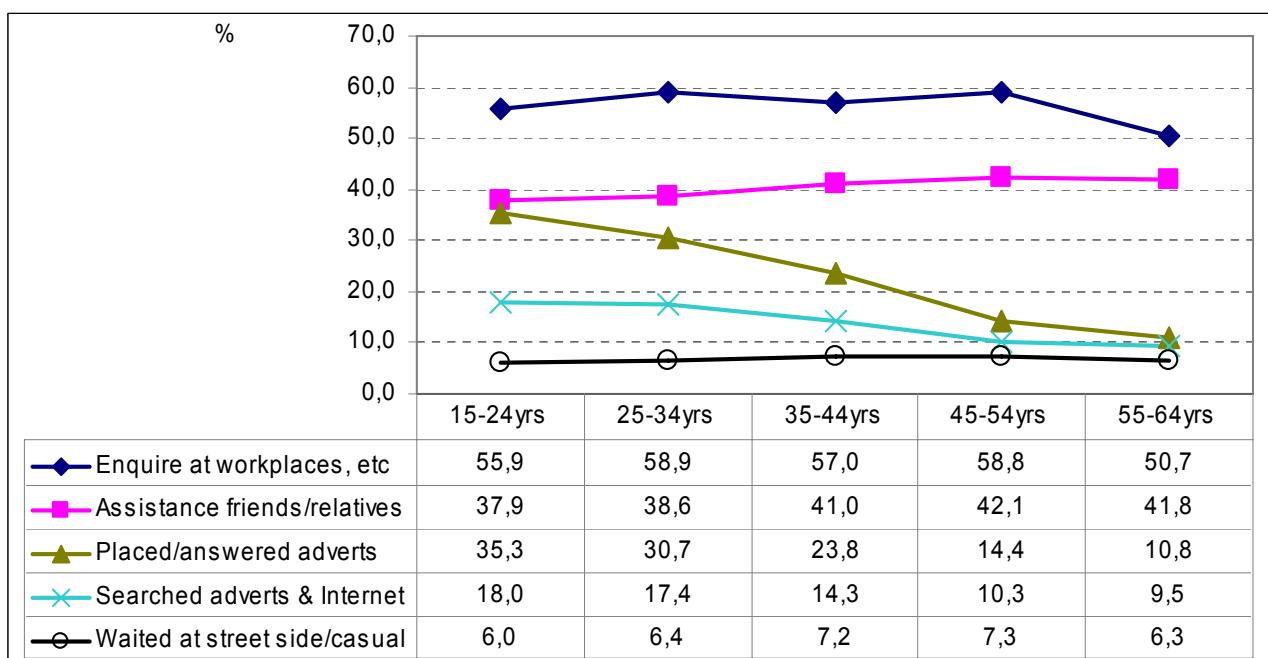
Figure 6.4: Job-search activities by population group, 2009



Note: 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, or to call on other possible employers. In contrast, among whites the most frequently used type of activity was searching through job advertisements or the Internet.

Figure 6.5: Job-search activities by age, 2009



Note: 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, or to call on other possible employers. 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 6.1: Job-search activities by province, 2009

	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
	Per cent									
Waited/registered at employment agency, etc.	9,0	5,8	1,1	6,6	5,7	7,7	8,4	5,0	0,4	6,5
Enquired at workplaces/factories, etc.	66,0	48,9	68,5	75,1	54,9	77,0	47,3	66,5	53,8	57,4
Placed/answered advertisements	31,9	26,7	18,5	32,1	34,1	25,3	29,1	42,3	14,9	29,5
Searched through adverts and the Internet	27,4	14,8	2,5	18,5	11,6	14,3	20,7	9,9	6,0	16,4
Sought assistance of friends/relatives	45,2	59,5	1,6	31,7	29,3	41,6	46,4	26,3	18,1	39,1
Searched for land, etc.	0,9	0,6	0,0	2,4	0,5	1,5	0,9	0,4	0,4	0,9
Waited at street side for casual jobs	4,6	2,9	0,4	8,9	6,9	7,8	7,8	7,0	6,8	6,5
Sought financial assistance	0,6	0,5	0,4	3,0	0,6	0,9	0,9	0,6	0,9	0,9
Other	0,3	0,0	0,0	0,1	0,0	0,0	0,1	0,1	0,2	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 55% of all unemployed persons favoured enquiring at workplaces, farms and factories, or calling on other possible employers as their preferred job-search method. Searching through job advertisements and the Internet featured more prominently in provinces such as Western Cape and Gauteng than elsewhere.

Figure 6.6: Job-search activities by education, 2009

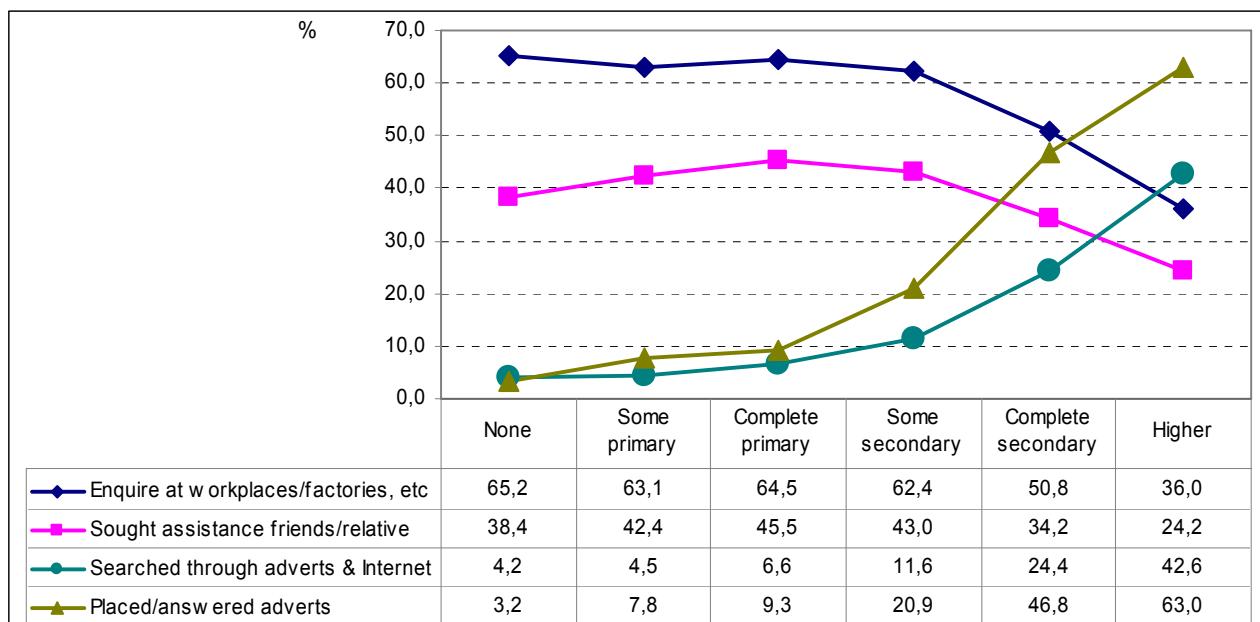


Figure 6.6 shows a strong association between certain types of job-search activities and the level of educational attainment. The percentage of unemployed persons with post-primary education who either enquired at workplaces/factories, etc., or sought the assistance of friends and relatives, declined 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 level of education.

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.

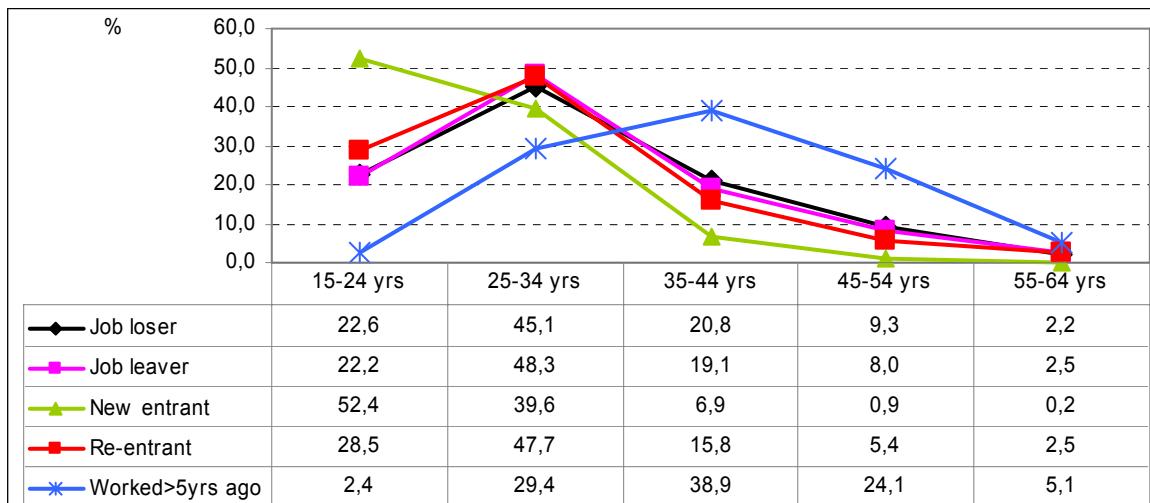
Table 6.2: Characteristics of the unemployed by origin and sex, 2008 and 2009

	2008			2009		
	Men	Women	Total	Men	Women	Total
	Thousand					
Job loser	686	532	1 219	844	580	1 423
Job leaver	152	226	378	152	191	343
New entrant	744	982	1 726	750	940	1 689
Re-entrant	86	140	225	90	95	185
Worked > 5 years ago	249	278	527	250	276	526
Total	1 917	2 158	4 075	2 085	2 081	4 167
Percent						
Job loser	35,8	24,7	29,9	40,5	27,8	34,2
Job leaver	7,9	10,5	9,3	7,3	9,2	8,2
New entrant	38,8	45,5	42,3	36,0	45,1	40,5
Re-entrant	4,5	6,5	5,5	4,3	4,5	4,4
Worked > 5 years ago	13,0	12,9	12,9	12,0	13,3	12,6
Total	100,0	100,0	100,0	100,0	100,0	100,0

Table 6.2 shows that most unemployed persons in 2008 were women (53,0%) compared to men (47,0%). However in 2009, there was a notable disparity where most unemployed persons were men (50,0%) and women decreased to 49,9%.

In the same year (2009), there was a decrease in the percentage of unemployed women (45,1%) who were new entrants to the labour market than in 2008, where 45,5% of women were unemployed new entrants. With regard to the unemployed men, 38,8% were new entrants in 2008 while in 2009 the percentage decreased to 36,0%. A larger percentage of unemployed men (40,5%) than women (27,8%) lost their jobs in 2009 compared to 35,8% of women and 24,7% men in 2008 (Table 6.2).

Also there was a high percentage of new entrants for both sexes in the job market, and for both years (2008 and 2009) as shown in Table 6.2 and Figure 6.7. This clearly shows the effects of the relatively young labour force in South Africa as described in Chapter 2. Almost half (40,5%) of unemployed South Africans are looking for their first job. As studies have shown everywhere, looking for a first job is extremely challenging, if for no other reason that one has no work experience (and the references that go with them) to offer prospective employers.

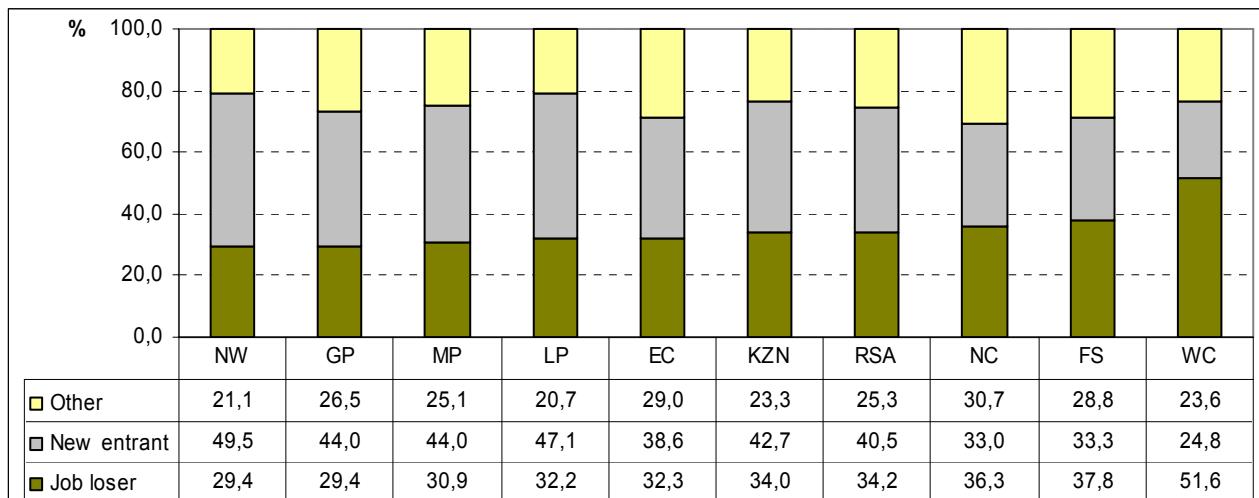
Figure 6.7: Age profile of the unemployed by origin of unemployment, 2009

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), those who last worked more than five years ago were older (over 65% were older than 35 years). Job losers, job leavers and re-entrants tended to be in between these two groups with 45,1% to 48,3% in the 25–34-year age group (Figure 6.7).

Table 6.3: Education profile of the unemployed by origin of unemployment, 2009

	Job loser	Job leaver	New entrant	Re- entrant	Last worked >5 yrs ago	Total
	Per cent					
Men						
No education	2,5	2,3	0,6	2,5	6,4	2,3
Less than complete secondary	66,6	61,9	55,5	69,1	71,7	63,0
Complete secondary	26,1	28,6	38,6	22,3	18,1	29,7
Higher	4,0	6,1	4,8	4,9	2,5	4,3
Don't know	0,8	1,0	0,4	1,2	1,4	0,8
Total	100,0	100,0	100,0	100,0	100,0	100,0
Women						
No education	2,6	1,8	1,2	2,6	4,7	2,2
Less than complete secondary	61,4	56,1	49,6	54,9	67,9	56,1
Complete secondary	29,6	33,3	41,3	34,1	23,3	34,6
Higher	5,9	8,0	7,2	8,0	3,2	6,4
Don't know	0,5	0,8	0,7	0,4	0,8	0,6
Total	100,0	100,0	100,0	100,0	100,0	100,0

Irrespective of which of the five groups they fell into (job loser, job leaver, new entrant, re-entrant, etc.), unemployed women tended to be better educated than their male counterparts – compared to men, larger proportions of women had completed secondary education or achieved higher qualifications (Table 6.3).

Figure 6.8: Provincial profile of the unemployed by origin of unemployment, 2009

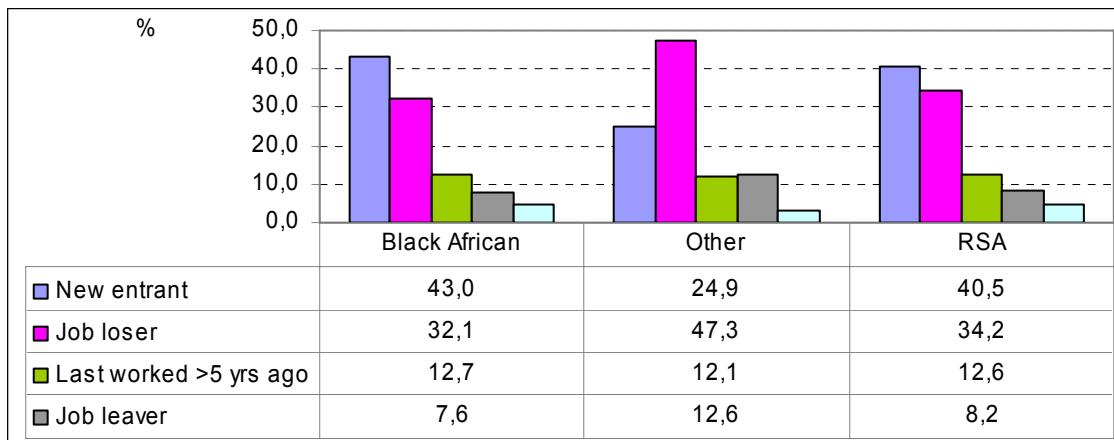
The provincial profile of the unemployed, by various characteristics, highlights the following interesting patterns:

- Over 45% of the unemployed in North West, Gauteng, Mpumalanga and Limpopo were new entrants compared with fewer than 30% in Western Cape.
- Job losers accounted for almost twice the percentage of the unemployed in Western Cape (51,6%) compared with Limpopo (32,2%).

Table 6.4: Population group of the unemployed by origin of unemployment, 2009

	Job loser	Job leaver	New entrant	Re-entrant	Last worked >5 yrs ago	Total
	Thousands					
Men						
Black African	685	122	680	82	221	1 791
Other	158	30	70	8	28	295
Total	844	152	750	90	250	2 085
Women						
Black African	474	151	870	85	237	1 816
Other	106	40	69	10	39	265
Total	580	191	940	95	276	2 081
Both sexes						
Black African	1 159	273	1 550	167	459	3 607
Other	264	71	139	18	67	560
Total	1 423	343	1 689	185	526	4 167

Among both men and women, new entrants accounted for the largest number of unemployed persons, and this pattern is reflected in the distribution by population group (Table 6.4).

Figure 6.9: Population group of the unemployed by origin of unemployment, 2009

Reflecting the youthfulness of the Black African population, Figure 6.9 indicates that new entrants to the labour force accounted for over 40% of total unemployment among the Black African population group, whereas job losers accounted for over 40% of the unemployed among the combined 'other' population group.

Figure 6.10: Previous occupation of the unemployed by origin of unemployment, 2009

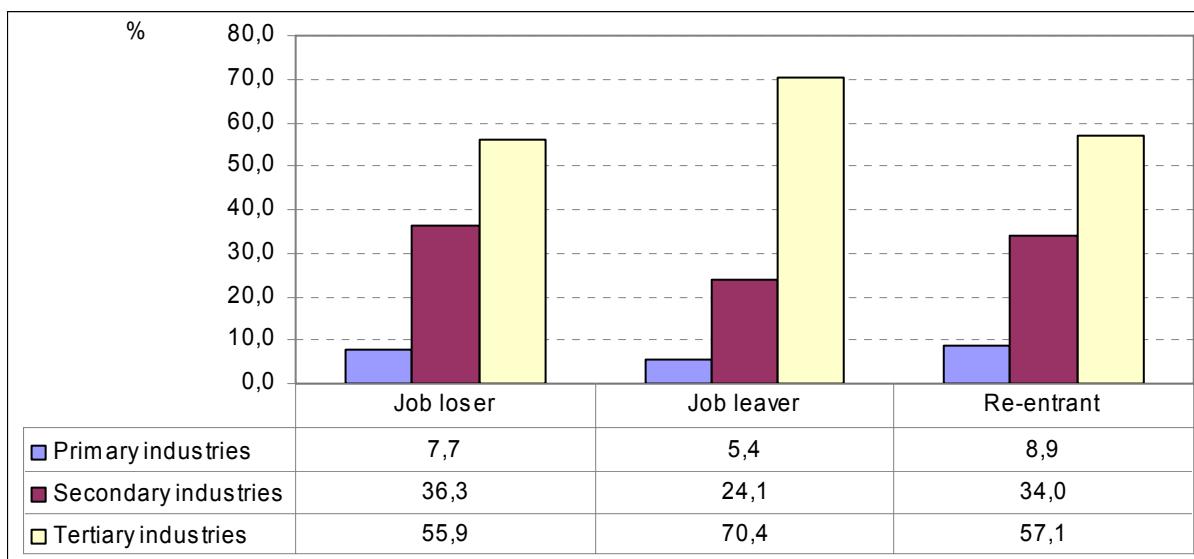
Details of the previous occupation and industry of job losers, job leavers and re-entrants suggest that for all three groups, other less skilled was the single largest occupation category (Figure 6.10).

Table 6.5: Previous industry of the unemployed by origin of unemployment, 2009

	Job loser	Job leaver	Re-entrant	
			Thousand	
Agriculture	85	15		14
Mining	25	3		3
Primary industries	110	19		16
Manufacture	233	43		28
Utilities	9	1		0
Construction	275	39		34
Secondary industries	517	83		63
Trade	305	102		50
Transport	71	14		7
Finance	164	37		16
Social	109	36		14
Private households	148	53		19
Other	0	0		0
Tertiary industries	796	242		105
Total	1 423	343		185

Wholesale and retail trade – part of the secondary industries group – accounted for the largest number of jobs previously done by unemployed persons. Among job losers, job leavers and re-entrants, 22% to 32% had previously worked in that industry. The construction industry – part of the primary industries group – was the second largest provider of jobs among job losers. Working as domestic workers, gardeners, security guards, etc. in private households – part of the tertiary industries group – was the second largest industry of both job leavers and re-entrants (Table 6.5). This is reflected in the relatively large proportions of job leavers (74,6%) and re-entrants (67,0%) whose previous occupation was in the tertiary industries (Figure 6.11).

Figure 6.11: Previous industry of the unemployed by origin of unemployment, 2009



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, 1991¹⁵). 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 1999¹⁶; Barker, 1998¹⁷).

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'

¹⁵ OECD Economic Survey, Paris, 1991

¹⁶ World Economic Outlook: International Financial Contagion, Chronic unemployment in the Euro area: Causes and Cures, IMF, May 1999

¹⁷ Barker, F S. The South African Labour Market, Critical Issues for reconstruction, Pretoria, 1995

Table 6.6: The duration of unemployment, 2004–2009

	2004	2005	2006	2007	2008	2009	Annual average change 2004-2009
Less than 3months	666	649	780	1 030	618	597	-2,2
3months less than 6mths	276	341	361	318	427	414	8,5
6mths less than 1year	408	458	434	407	641	674	10,5
1year less than 3years	973	993	934	858	961	981	0,2
3years and over	1 546	1 480	1 337	1 159	1 421	1 495	-0,7
Total*	3 945	3 997	3 922	3 871	4 075	4 167	1,1

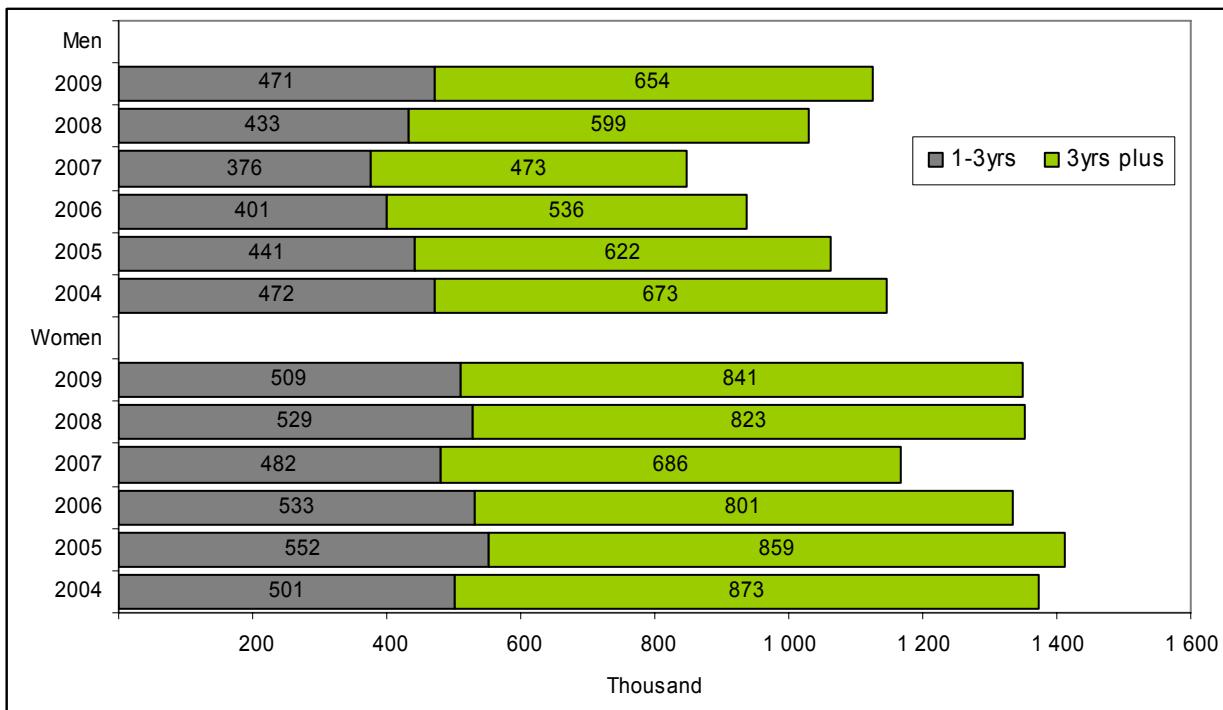
*Total includes 'don't know' and 'unspecified'

Table 6.7: The incidence of unemployment, 2004–2009

	2004	2005	2006	2007	2008	2009	Annual average change 2004-2009
Short-term	1 350	1 448	1 575	1 754	1 686	1 685	4,5
Long-term	2 519	2 473	2 271	2 016	2 383	2 476	-0,3
1yr less than 3 years	973	993	934	858	961	981	0,2
3yrs and over	1 546	1 480	1 337	1 159	1 421	1 495	-0,7
Total*	3 945	3 997	3 922	3 871	4 075	4 167	1,1
Percent							
Short-term	34,2	36,2	40,2	45,3	41,4	40,4	
Long-term	63,9	61,9	57,9	52,1	58,5	59,4	

In the year ended December 2009 unemployment levels increased from approximately 4 075 thousands to 4 167 thousands. This is after an earlier increase in the year ended in December 2008.

In year ended in December 2009, the increase in the number of persons that were unemployed reflected an increase in those that were in long-term unemployment (up from 2,4 million in 2008 to 2,5 million in 2009) to such an extent that the incidence of long-term unemployment rose from 58,6% in 2008 to 59,6% in 2009 (Tables 6.6 and 6.7).

Figure 6.12: Long-term unemployment by duration of job search, 2004–2009

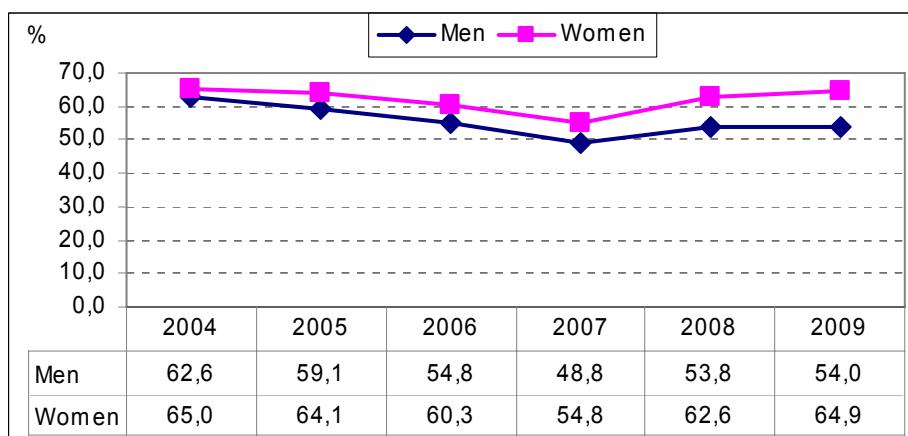
A challenging aspect of the profile of persons in long-term unemployment is that among both men and women, the majority have been looking for work for three years or more (Table 6.5 and Figure 6.12).

Table 6.8: Annual changes in the duration of unemployment, 2004–2009

	2005	2006	2007	2008	2009	Cumulative change 2004–2009
	Thousand					
Short-term	98	127	179	- 68	- 1	335
Long-term	- 46	- 203	- 254	366	93	- 43
1 yr, less than 3 yrs	20	- 60	- 76	104	19	8
3 yrs and longer	- 66	- 143	- 178	263	74	- 51
Total unemployment*	52	- 75	- 51	204	91	222

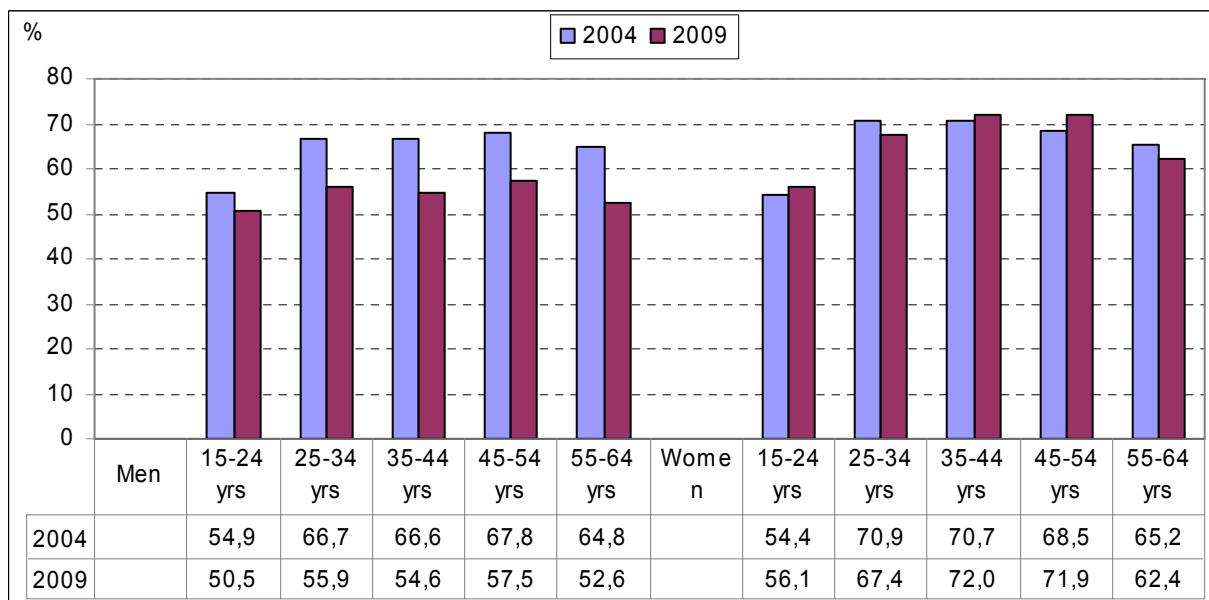
* Includes 'don't know' and 'unspecified'

Table 6.8 shows that in 2009, 93 thousands persons have been looking for work for more than a year compared to 366 thousands in 2008. Of the 93 thousands who were looking for work, 74 thousands have been jobless and looking for more than three years compared to 263 thousands in 2008.

Figure 6.13: Incidence of long-term unemployment by sex, 2009**Table 6.9: The duration of unemployment by sex, 2004–2009**

	2004	2005	2006	2007	2008	2009	Annual average change 2004–2009
							Per cent
Men							
Short-term	652	701	737	840	882	957	8,0
Long-term	1 145	1 063	937	849	1 031	1 125	-0,4
Total	1 830	1 797	1 710	1 739	1 917	2 085	2,6
Women							
Short-term	698	746	837	914	804	728	0,9
Long-term	1 374	1 411	1 334	1 168	1 351	1 351	-0,3
Total	2 115	2 200	2 212	2 132	2 158	2 081	-0,3
Both sexes							
Short-term	1 350	1 448	1 575	1 754	1 686	1 685	4,5
Long-term	2 519	2 473	2 271	2 016	2 383	2 476	-0,3
Total	3 945	3 997	3 922	3 871	4 075	4 167	1,1

The reversal of the downturn in long-term unemployment in 2009 is reflected in a rise in the incidence of long-term unemployment among both men and women in 2009 (Figure 6.14).

Figure 6.14: The incidence of long-term unemployment by age and sex, 2004 and 2009

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.

Long-term unemployment by population group

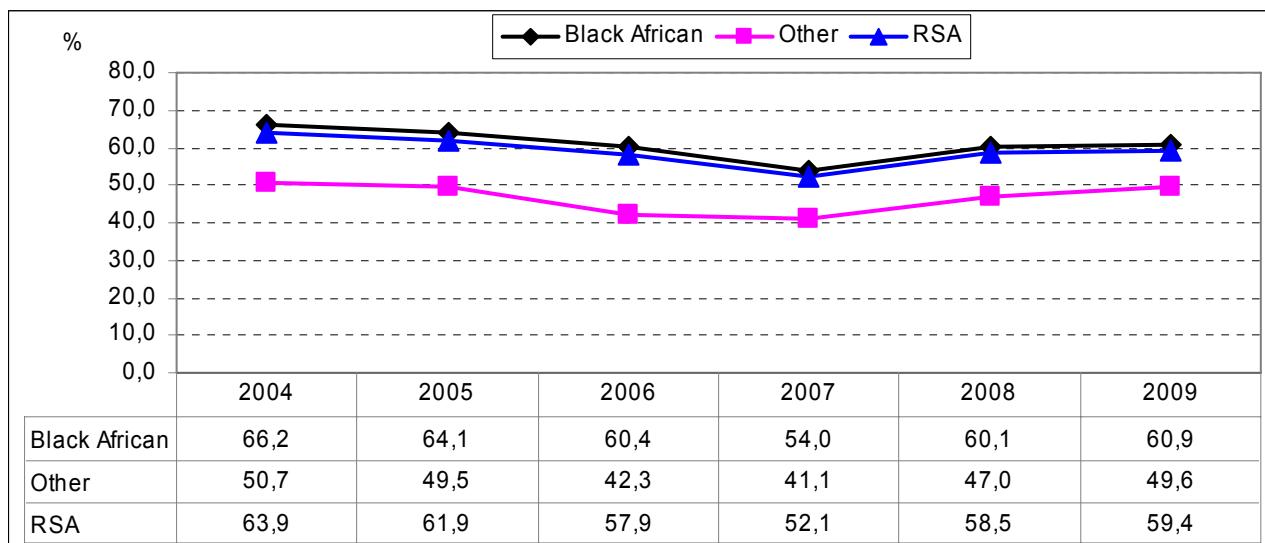
In 2009, black Africans accounted for 74% of persons aged 15–64 years (the working-age population), but over 80% of the unemployed. Table 6.6 and Figure 6.17 show that, in addition to being disproportionately represented among the unemployed by a large margin, the incidence of long-term unemployment 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 6.10: The incidence of long-term unemployment by population group, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousand					
	Long-term unemployment					
Black African	2 221	2 171	2 038	1 779	2 139	2 198
Other	298	302	233	237	244	278
RSA	2 519	2 473	2 271	2 016	2 383	2 476
Total unemployment						
Black African	3 357	3 387	3 371	3 294	3 557	3 607
Other	588	610	550	577	518	560
RSA	3 945	3 997	3 922	3 871	4 075	4 167
Incidence of long-term unemployment						
Black African	66,2	64,1	60,4	54,0	60,1	60,9
Other	50,7	49,5	42,3	41,1	47,0	49,6
RSA	63,9	61,9	57,9	52,1	58,5	59,4

Over the period 2004 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, the deterioration in the labour market in 2008 and 2009 is reflected in the upturn in the incidence of long-term unemployment among the black African population group as well as the 'other' population groups combined.

Figure 6.15: The incidence of long-term unemployment by population group, 2004–2009



Long-term unemployment by level of educational attainment

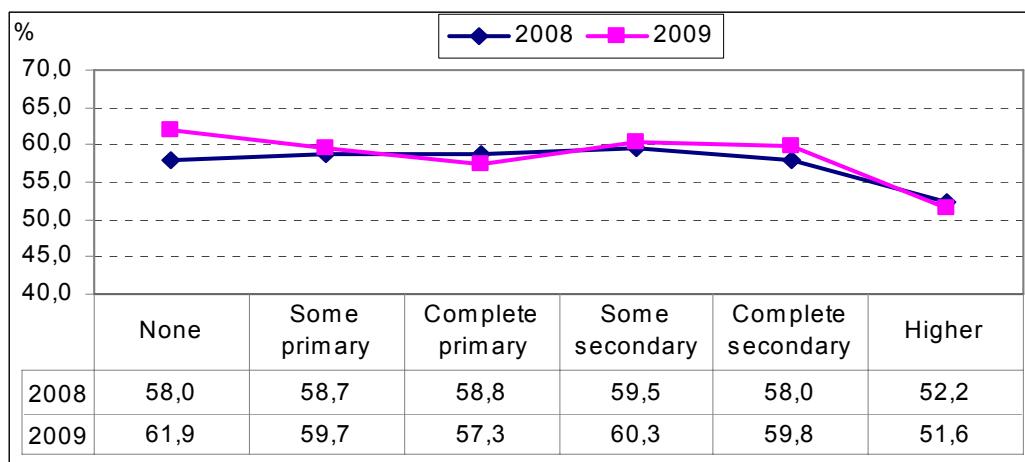
Aggregate data on education outcomes cloud the fact that not all members of society are able to participate equally at all levels of the education system. As discussed in Chapter 2 and Chapter 3, there are often large disparities in the education performance of people in the working-age population based on sex, population group, age, and location.

Table 6.11: Long-term unemployment by education, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousand					
	Men					
None	30	41	30	27	27	26
Some primary	158	150	118	117	128	123
Complete primary	82	76	69	62	67	65
Some secondary	505	468	413	375	481	517
Complete secondary	333	290	268	233	285	343
Higher	33	33	38	33	34	43
Total (incl. 'other' and 'don't know')	1 145	1 063	937	849	1 031	1 125
Women						
None	39	47	52	31	30	32
Some primary	132	155	128	101	106	92
Complete primary	79	89	76	78	67	54
Some secondary	624	642	603	555	638	636
Complete secondary	445	418	413	343	438	457
Higher	53	57	58	56	67	72
Total (incl. 'other' and 'don't know')	1 374	1 411	1 334	1 168	1 351	1 351

Compared with 2004, in 2009, the number of men and women in long-term unemployment declined in each education category (Table 6.11). Extreme caution is required in interpreting the results at both ends of the educational spectrum because of small numbers. However, it would appear that the decline was most pronounced among those with no formal education as well as those with higher education. Figure 6.17 shows that in 2004, 65,5% of unemployed persons with no formal education had been looking for work for one year or longer; by 2009 the percentage had fallen to 61,9%. At the top end of the education ladder, the incidence of long-term unemployment also declined among those with post-secondary qualifications. Despite this improvement, in 2009 more than half (51,6%) of persons with higher educational qualifications had been unemployed for one year or more (Figure 6.17). 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 6.17: Incidence of long-term unemployment by education, 2008 and 2009



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 (ILO¹⁸). Against this background, a useful dimension to the analysis of the unemployed is with reference to the five groups presented in Table 6.12.

Table 6.12: Duration of unemployment by other characteristics, 2009

	Short-term	Long-term	Total*	Incidence:
				long-term
				Per cent
Job loser	953	469	1 423	33,1
Job leaver	216	127	343	37,1
New entrant	387	1 298	1 689	77,1
Re-entrant	110	75	185	40,6
Last worked more than 5 yrs ago	19	506	526	96,3
Total	1 685	2 476	4 167	59,6
	Percentage share			
Job loser	56,5	19,0	34,2	-
Job leaver	12,8	5,1	8,2	-
New entrant	23,0	52,4	40,5	-
Re-entrant	6,5	3,0	4,4	-
Last worked more than 5 yrs ago	1,1	20,5	12,6	-
Total	100,0	100,0	100,0	-

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

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 person is almost certain (96,3%) to end up in long-term unemployment. Those with no work history (new entrants) also face a high probability of long-term unemployment (77,1%). Those who have worked before but spent some time being not economically active before starting to look for work have a much lower probability of being unemployed for a long time (40,6%). It is likely that because they have recent work experience, those least likely to be unemployed for a long time are the job losers and job leavers. Between those two groups, it is 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 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, 2008¹⁹).

¹⁸ World Employment Report. ILO, 2007.

¹⁹ Gallart Maria Antonia, 2008. ILO/Cinterfor, Skills, Productivity and Employment Growth: The case of Latin America

Long-term unemployment by province

Historically, the incidence of long-term unemployment has generally been higher in Gauteng and Limpopo than in the other provinces. However, in 2009 the incidence of long-term unemployment was highest in Gauteng and North West, while it was lowest in Western Cape.

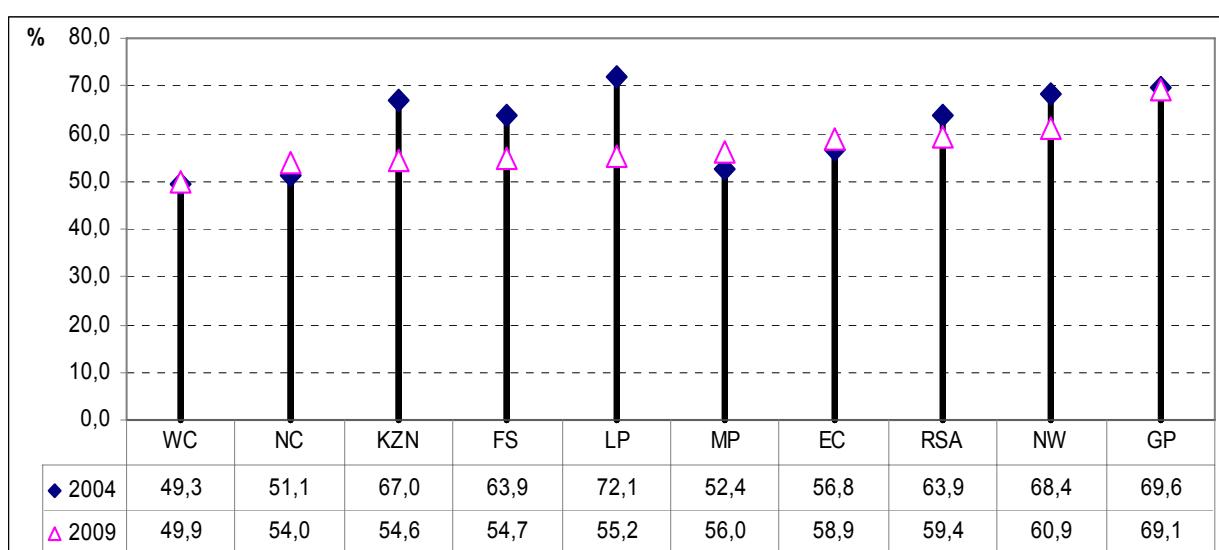
Table 6.13: The incidence of long-term unemployment by province, 2004–2009

	2004	2005	2006	2007	2008	2009	
	Per cent						
	Western Cape	49,3	46,4	40,6	30,3	45,5	49,9
Eastern Cape	56,8	60,4	59,3	58,0	55,7	58,9	
Northern Cape	51,1	49,8	42,1	49,6	57,3	54,0	
Free State	63,9	63,5	56,9	56,7	56,0	54,7	
KwaZulu-Natal	67,0	58,8	54,6	44,6	51,2	54,6	
North West	68,4	67,0	62,9	56,4	62,7	60,9	
Gauteng	69,6	69,8	65,2	60,2	70,7	69,1	
Mpumalanga	52,4	51,6	56,0	48,0	51,5	56,0	
Limpopo	72,1	70,9	60,8	59,5	58,2	55,2	
RSA	63,9	61,9	57,9	52,1	58,6	59,6	

The weakening of the labour market in 2009 was reflected in an increase in the incidence of long-term unemployment in four of the provinces. The largest increases occurred in the provinces with the lowest unemployment rates in 2009. Mpumalanga, Western Cape and KwaZulu-Natal and Eastern Cape experienced increases of between 3,3 and 4,5 percentage points in the incidence of long-term unemployment between 2008 and 2009.

Over the same period, the incidence of long-term unemployment declined in other provinces and the highest decline was experienced in Northern Cape and Limpopo with a decline of 3,3 and 3,0 percentage points respectively. In Western Cape and 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 6.18: Incidence of long-term unemployment by province, 2004 and 2009



Over a longer timeframe (2004 to 2009), the percentage of unemployed persons in long-term unemployment was virtually unchanged in Western Cape and Gauteng, but declined in the provinces, Limpopo, Free State, Kwa-Zulu Natal and North West except Northern Cape, Mpumalanga and Eastern Cape where it has increased (Figure 6.18). An examination of the shifts into and out of the labour force indicates that the provinces in which the incidence of long-term unemployment declined the most over the period 2004 to 2009, were those in which there was evidence of people giving up hope altogether of finding work and joining the ranks of the not economically active.

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 2009 more women were unemployed than men, but the number of unemployed women dropped while the number of unemployed men increased. Among both men and women, the bulk of the unemployed were below the age of 35 years in 2009.

Job-search patterns among the unemployed were concentrated in a narrow range of activities. In 2009 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 2004–2009 there was a reduction in long-term unemployment that was largely attributable to the expansion in employment opportunities over the period (especially among men). However, this good overall performance masks weaknesses in the labour market that became evident in 2008 when the number of persons in long-term unemployment increased after four successive years of decline. As a result, in 2009 the incidence of long-term unemployment increased among both men and women to such an extent that over 50% of unemployed men and over 60% 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. For example, 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.

Chapter 7

A profile of the not economically active population

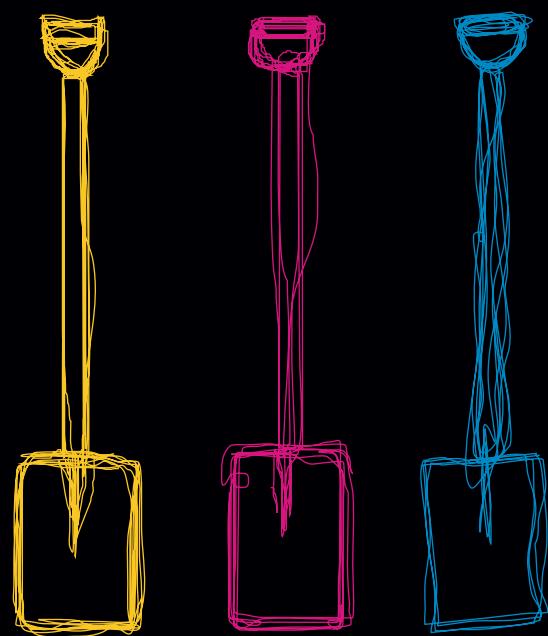




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Chapter 7: A profile of the not economically active

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. Not economically active constitutes two groups: discouraged work-seekers and other (not economically active).

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 the area, or were unable to find jobs requiring their skills, or they had lost hope 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 workers 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

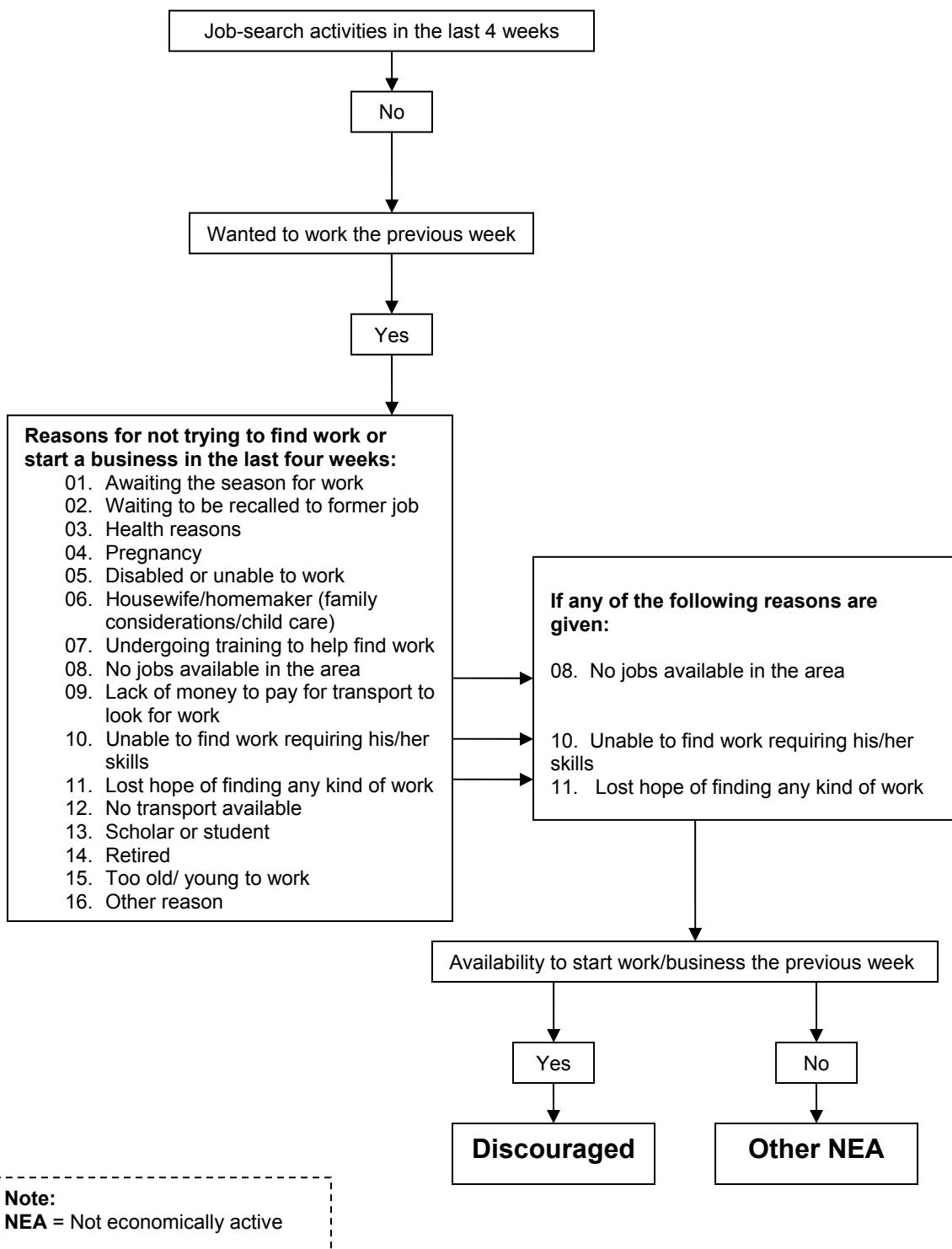
The not economically active are those persons who, during the reference week, were neither employed nor unemployed. More specifically, they are those who did not have a job in the reference week, did not look for work or try to start a business in the four weeks ending with the reference week, or were 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 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)²⁰.

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 students, home-makers, and persons who are too young or old to work, ill or disabled persons, etc. This group does not have much influence 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.

²⁰ 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 Guide²¹). The guide starts by identifying the job-search activities that household members had undertaken to find jobs.



²¹ 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

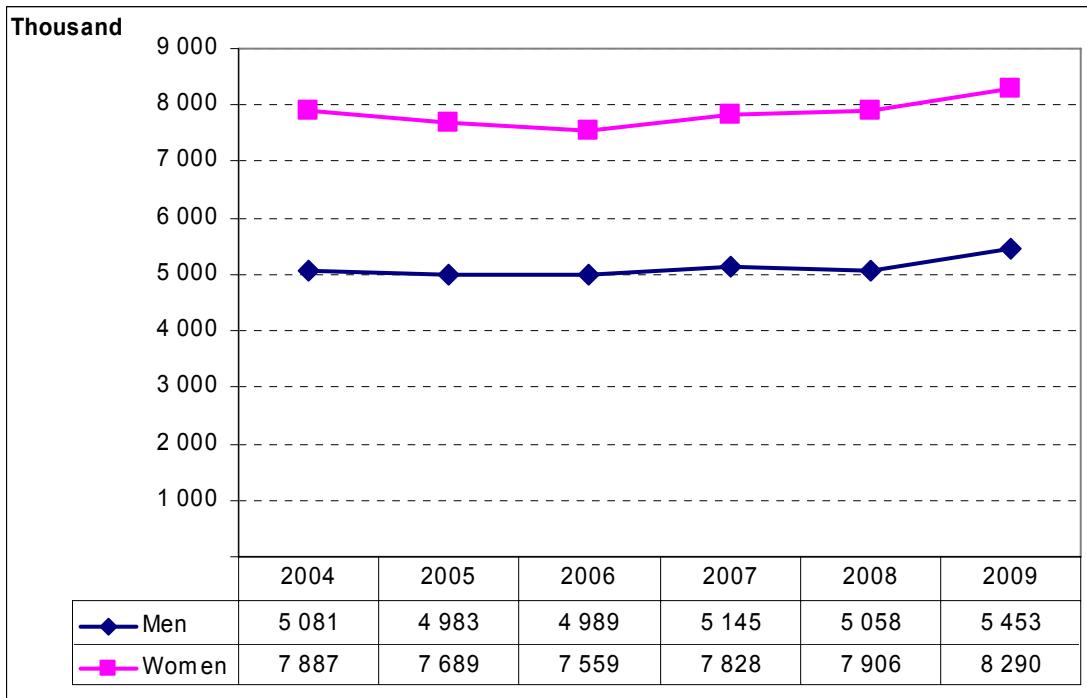
This section looks at the evolution of the not economically active group and seeks to analyse the trends over the period 2004–2009.

Not economically active by sex, 2004–2009

Table 7.1: Not economically active by sex, 2004–2009

	2004	2005	2006	2007	2008	2009
Thousands						
Men	5 081	4 983	4 989	5 145	5 058	5 453
Women	7 887	7 689	7 559	7 828	7 906	8 290
Total	12 968	12 672	12 548	12 973	12 964	13 742
Percentage share						
Men	39,2	39,3	39,8	39,7	39,0	39,7
Women	60,8	60,7	60,2	60,3	61,0	60,3
Total	100,0	100,0	100,0	100,0	100,0	100,0

Figure 7.1: Distribution of the NEA by sex, 2004–2009



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 7.1), 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 2004 in spite of 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 to December 2009 the economically inactive population grew by 778 000 to approximately 13,7 million after remaining virtually unchanged in the previous year. This could have been due to the recession experienced in the country during this period.

Age profile of the not economically active, 2004–2009

Table 7.2: Not economically active by age, 2004–2009

	2004	2005	2006	2007	2008	2009
	Thousand					
	15–24 yrs	2 196	2 062	2 002	2 093	1 958
15–24 yrs	6 796	6 799	6 783	6 933	6 919	7 260
25–34 yrs	1 260	1 194	1 152	1 198	1 217	1 308
35–44 yrs	1 251	1 194	1 167	1 235	1 276	1 326
55–64 yrs	1 465	1 424	1 445	1 515	1 594	1 687
Total	12 968	12 672	12 548	12 973	12 964	13 742
Percentage share						
15–24 yrs	52,4	53,7	54,1	53,4	53,4	52,8
25–34 yrs	16,9	16,3	16,0	16,1	15,1	15,7
35–44 yrs	9,7	9,4	9,2	9,2	9,4	9,5
45–54 yrs	9,6	9,4	9,3	9,5	9,8	9,7
55–64 yrs	11,3	11,2	11,5	11,7	12,3	12,3
Total	100,0	100,0	100,0	100,0	100,0	100,0

Figure 7.2: Distribution of the NEA by age, 2004–2009

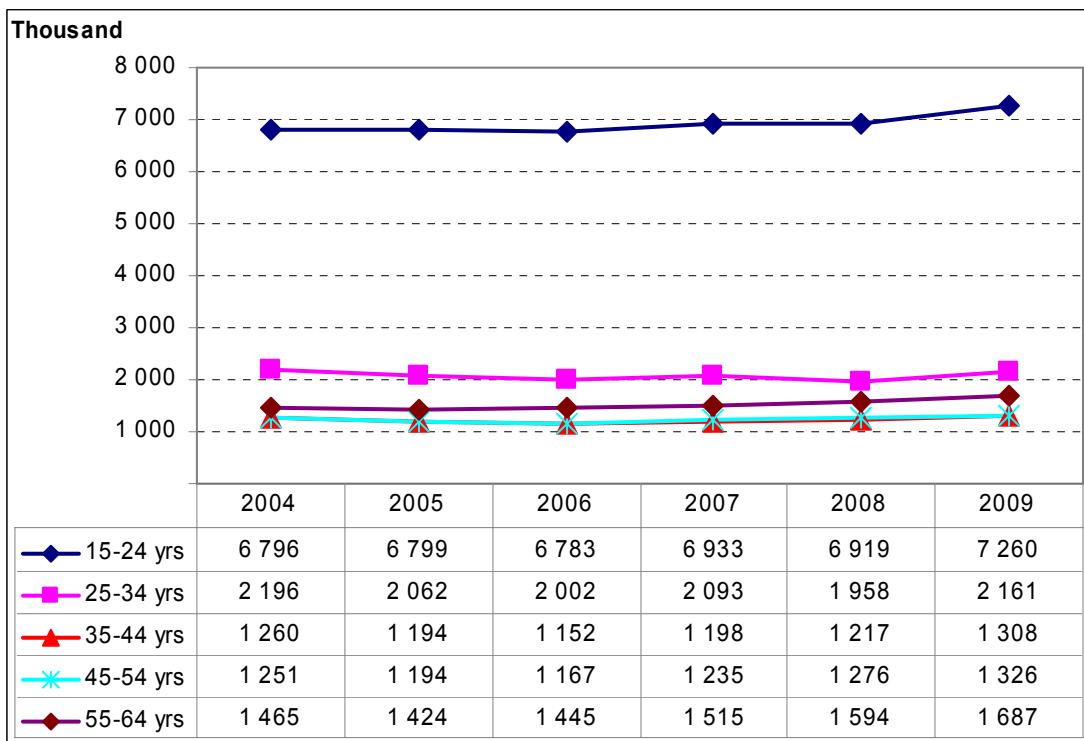


Table 7.2 and Figure 7.2 show that inactivity was high among persons aged between 15 and 24 years. The number of inactive persons aged 15–24 went up from 6,8 million in 2004 to 7,3 million in 2009. There was a decline in the same age group between 2007 and 2008. It is clear from the table that the youth (15–34 years, in South African context) in general were the most affected, in the year ended December 2009, especially among the 25–34 where inactivity grew by 10,4%. This was after a reduction in the previous year by 6,5% (see table 7.3)

Table 7.3: Annual rate of change in the not economically active by age, 2004–2009

	2004	2005	2006	2007	2008	2009
	Rate of change (per cent)					
15–24 yrs		0,0	-0,2	2,2	-0,2	4,9
25–34 yrs		-6,1	-2,9	4,5	-6,5	10,4
35–44 yrs		-5,2	-3,5	4,0	1,6	7,5
45–54 yrs		-4,6	-2,3	5,8	3,3	3,9
55–64 yrs		-2,8	1,5	4,8	5,2	5,8
Total		-2,3	-1,0	3,4	-0,1	6,0

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.

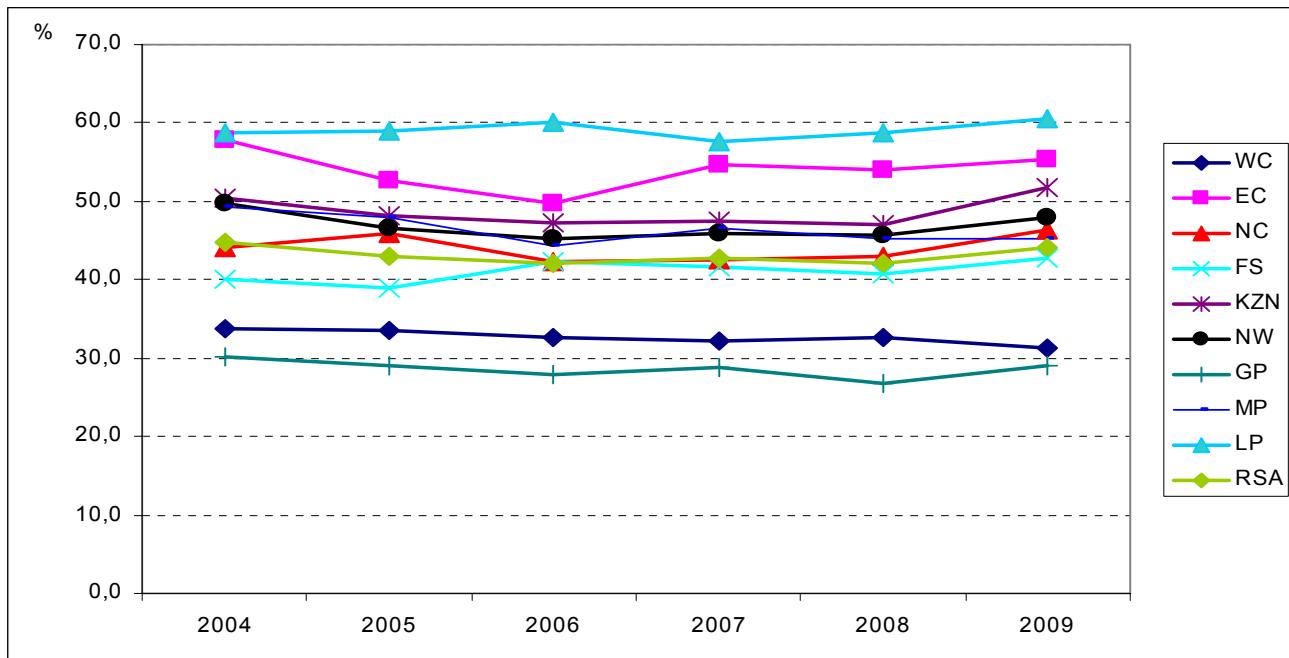
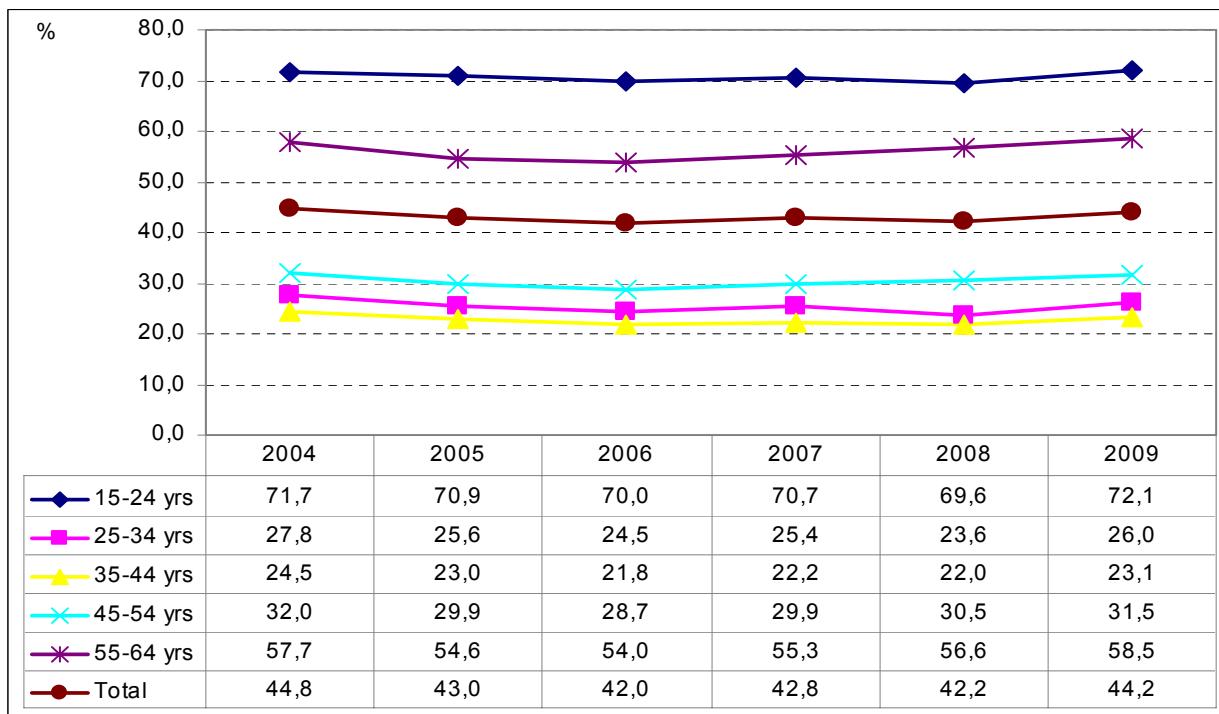
Inactivity rates for all age groups, 2004–2009

Inactivity rates for all age groups by province, 2004–2009

Table 7.4: Proportion of the not economically active (all age groups) by province, 2004–2009

	2004	2005	2006	2007	2008	2009
	Inactivity rates					
WC	33,8	33,6	32,7	32,2	32,7	31,3
EC	57,8	52,6	49,6	54,8	54,0	55,3
NC	44,0	45,8	42,2	42,6	43,0	46,3
FS	40,2	38,9	42,4	41,7	40,7	42,8
KZN	50,5	48,3	47,3	47,6	47,1	51,8
NW	49,7	46,6	45,2	46,0	45,6	47,9
GP	30,2	29,1	28,0	28,9	26,9	28,9
MP	49,2	47,9	44,4	46,5	45,2	45,2
LP	58,8	59,0	60,2	57,6	58,8	60,6
RSA	44,8	43,0	42,0	42,8	42,2	44,2

Limpopo and Eastern Cape had the most inactive population as a proportion of the working age among the provinces, while Western Cape and Gauteng had the smallest proportion of inactive populations (below national level). In the year ended December 2009, which also experienced a recession, inactivity rate went up by 2,0 percentage points. In the same period the inactivity rate increased in all provinces except Western Cape and Mpumalanga. Limpopo experienced the highest ever inactivity throughout the series and recorded the highest in 2009 at 60,6% (Figure 7.3). However, in the last year inactivity rate in KwaZulu-Natal went up by 4,7 percentage points.

Figure 7.3: Inactivity rates by province, 2004–2009**Inactivity rates for all age groups by age, 2004–2009****Figure 7.4: Inactivity rates by age, 2004–2009**

In Figure 7.4, 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 the year ended December 2009 the inactivity rate among this group increased by 2,4 percentage points.

Prime-age (25–54 years) inactivity rates, 2004–2009

Prime-age inactivity rates by province, 2004–2009.

Figure 7.5: Proportion of the not economically active by province, 2004–2009

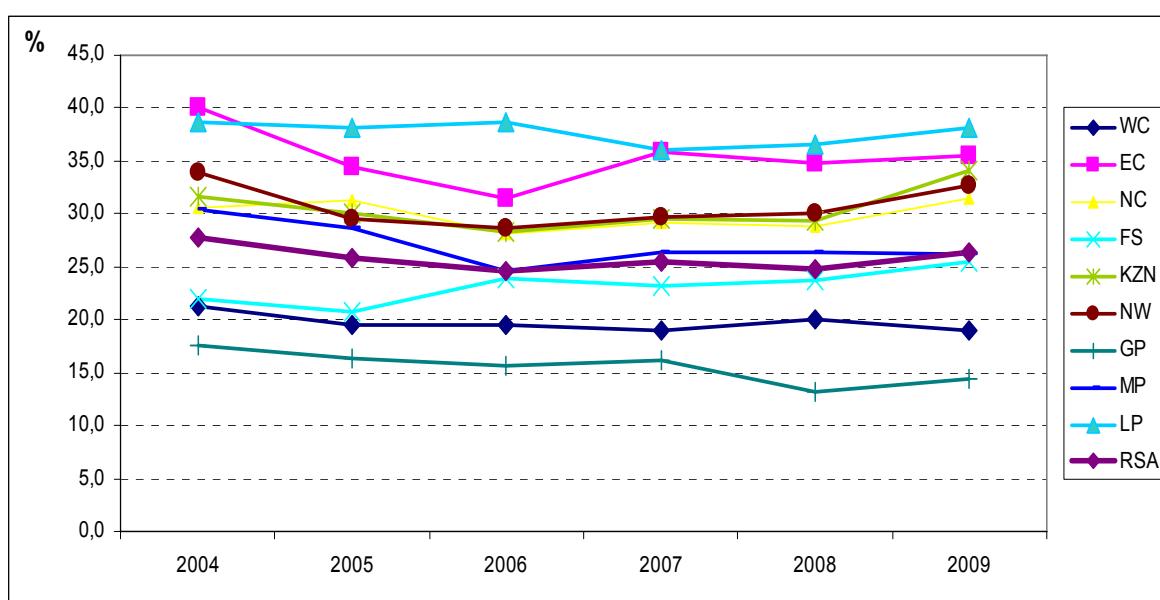
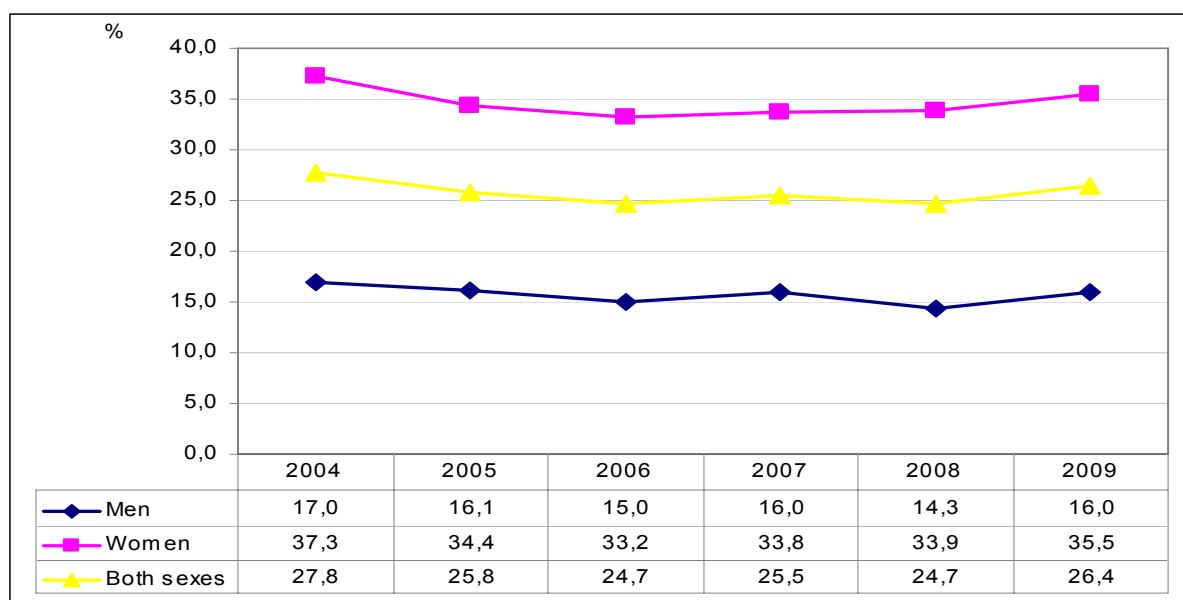


Figure 7.5 shows that Gauteng, Western Cape and Free State experienced lower than national inactivity rates for the prime-age group. Eastern Cape had a higher inactivity rate at the beginning of the period under review compared to Limpopo, but from 2005 onwards, Limpopo had higher inactivity rates than Eastern Cape. These two provinces had the largest proportion of persons out of the labour force and also had the same rate of inactivity in 2007 (35,9%).

In the year ended December 2009 the national inactivity rate among the prime age increased by 1,6 percentage points. KwaZulu-Natal experienced the largest change, the inactivity rate went up by 4,7 percentage points. On the other hand, inactivity rate among the prime age decreased by a percentage point in Western Cape.

Prime-age inactivity rates by sex, 2004–2009

Figure 7.6: Proportion of the not economically active by sex, 2004–2009



The same pattern is observed for both sexes – inactivity rates for both sexes were positively correlated. Women who were not economically active accounted for about twice as much as the men who were not economically active over the period 2004–2009. Inactivity was at its peak in 2004 where the figure for men was 17,0% and for women it was 37,3%. The rate for men showed a downturn in 2008 whilst those for women remained stable. In 2009, the opposite was realised when both men and women inactivity rates went up, men up by 1,7 percentage points to 16,0% and women up by 1,6 percentage points to 35,5% (Figure 7.6).

Prime-age inactivity rates by population group, 2004–2009

Figure 7.7: Proportion of the not economically active by population group, 2004–2009

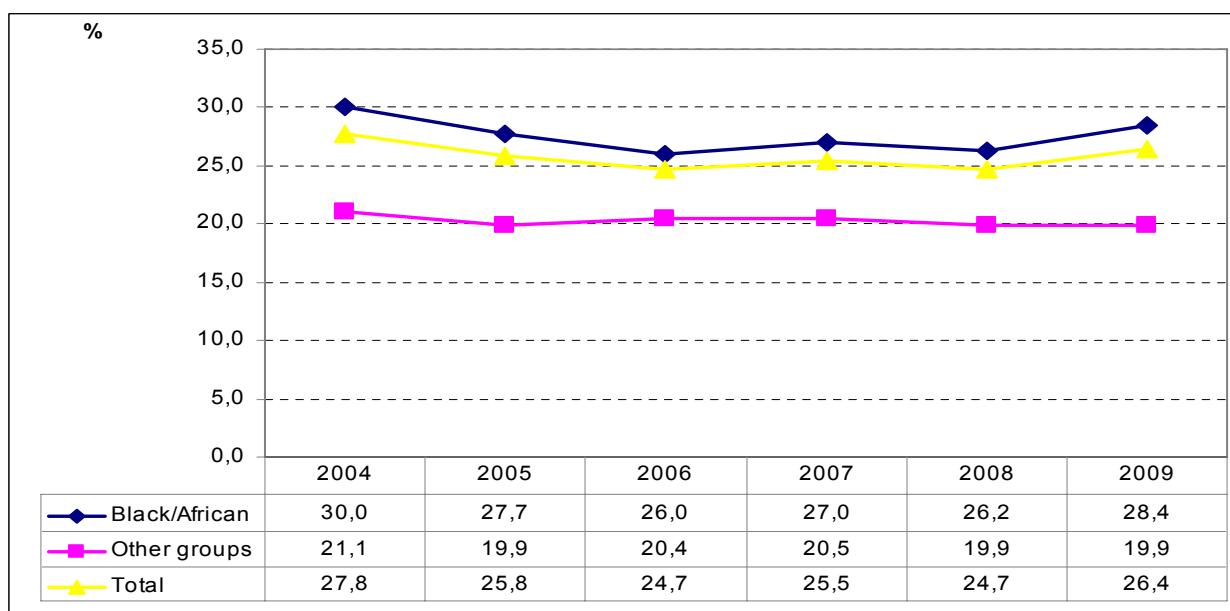
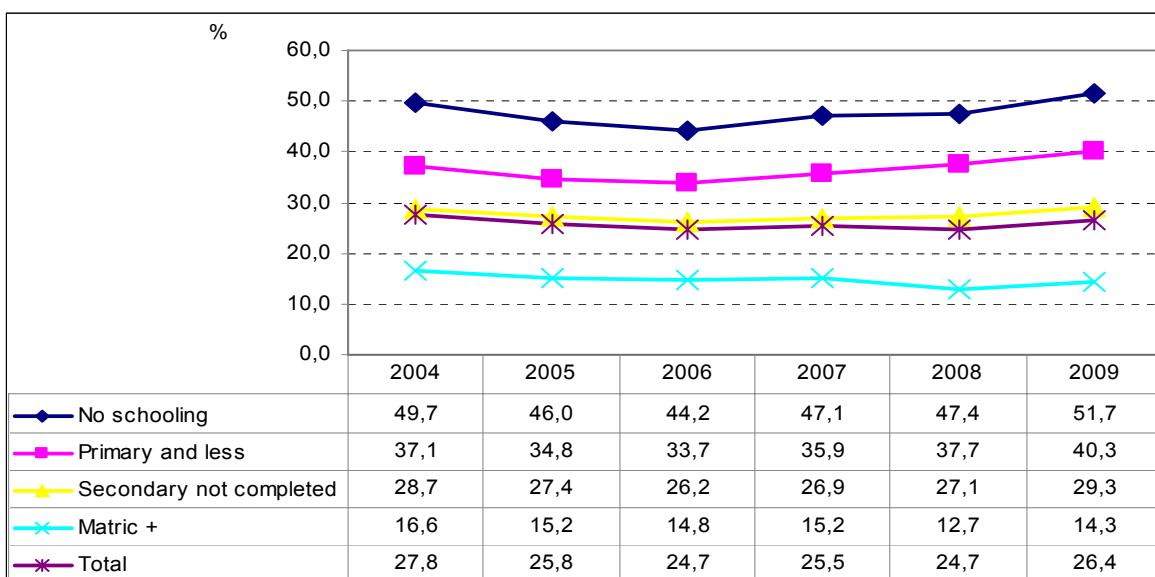


Figure 7.7 shows that irrespective of population group, inactivity was high in 2004. Other groups had a smaller percentage of inactive persons, and this remained stable throughout the period under review. In the year ended December 2009 inactivity rate among black African of prime age increased by 2,2 percentage points to 28,4% while that of other population groups remained unchanged.

Prime-age inactivity rates by education, 2004–2009.

Figure 7.8: Proportion of the not economically active by education, 2004–2009



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 2004–2009, with only those who had matric or higher falling below the average inactivity rate. However, there is a noticeable change in the year ended December 2009 where inactivity increased irrespective of education level after a slow change or a decline in the previous year. For example inactivity among those with no schooling increased by 4,2 percentage points after an increase of 0,3 of percentage point in the year before. Inactivity rate among those with higher education increased by 1,6 percentage points to 14,3% in the year ended December 2009 after a decline of 2,5 percentage points in the previous year.

Prime-age inactivity rates by marital status, 2004–2009

Figure 7.9: Proportion of the not economically active by marital status, 2004–2009

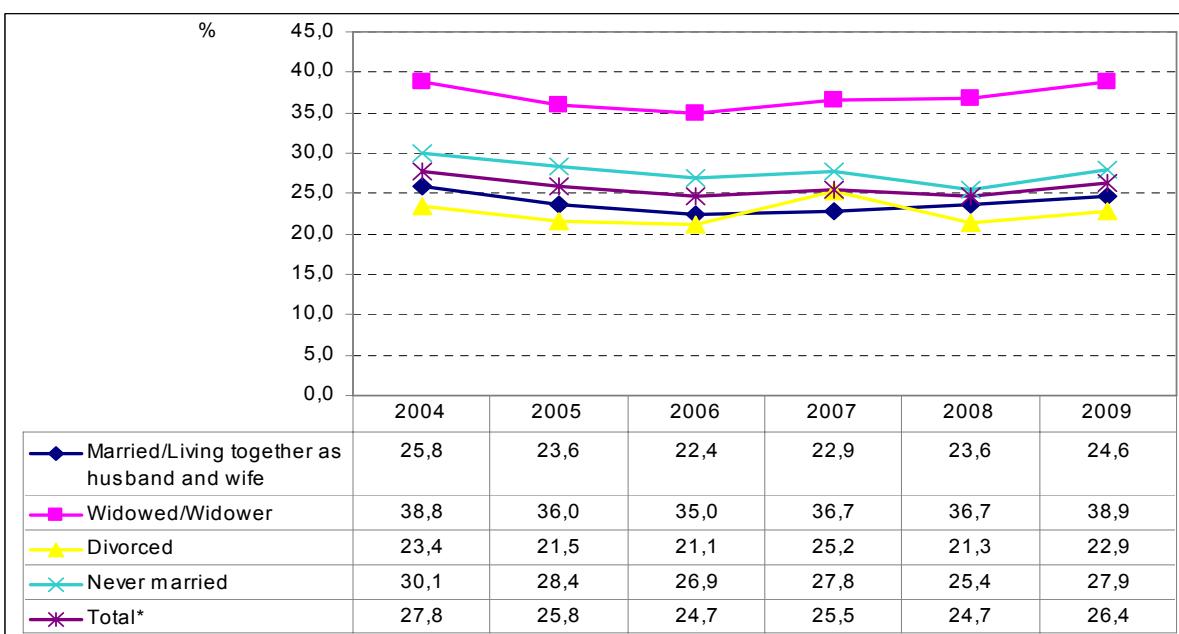


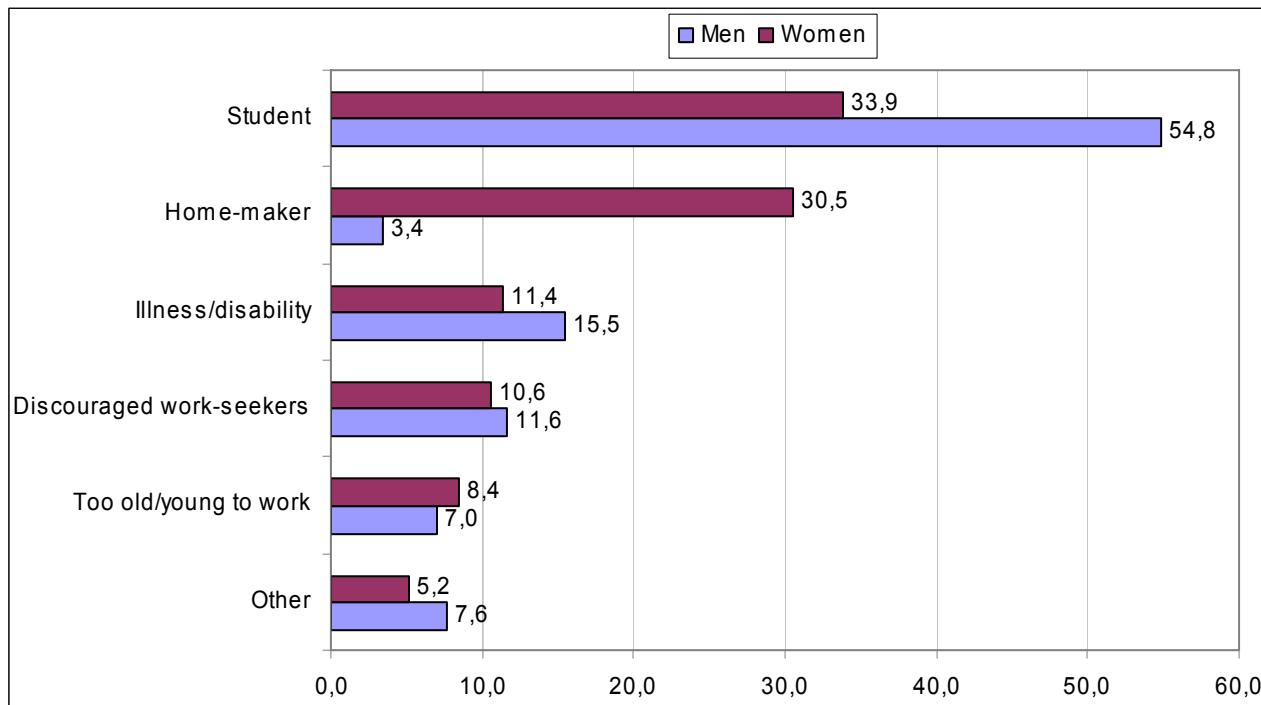
Figure 7.9 shows that among the not economically active persons, those whose spouses had died were the highest in inactivity. This largely reflects the fact that they are considerably older on average than the others. On the other hand, those who had separated from their spouses through divorce had the lowest inactivity rate, followed by married or living together as husband and wife. Over the period 2004–2009, all marital classes evolved in the same pattern. In the year ended December 2009, the inactivity rate increased at a national level as well as among all marital classes.

Reasons for inactivity, 2009

Table 7.5: Characteristics of the not economically active by sex, 2009

2009	Men	Women	Both sexes
	Thousand		
Student	2 991	2 809	5 799
Home-maker	185	2 527	2 712
Illness/disability	845	945	1 790
Too old/young to work	383	700	1 083
Discouraged work-seekers	634	879	1 513
Other	415	431	846
Total	5 453	8 290	13 742

Figure 7.10: Characteristics of the NEA by sex, 2009



Students constituted more than 40,0% of the economically inactive group. Men (54,8%) accounted for a larger proportion of students than women (33,9%). Home-making was the second reason cited by women for their inactivity; they accounted for 30,5% of all the not economically active women. The gender gap was small among discouraged work-seekers (Table 7.5 and Figure 7.10).

Discouraged work-seekers, 2008 and 2009

Analysis in this section focuses on the number of discouraged persons as a percentage of total not economically active persons, as well as a percentage of total working age in 2008 and 2009.

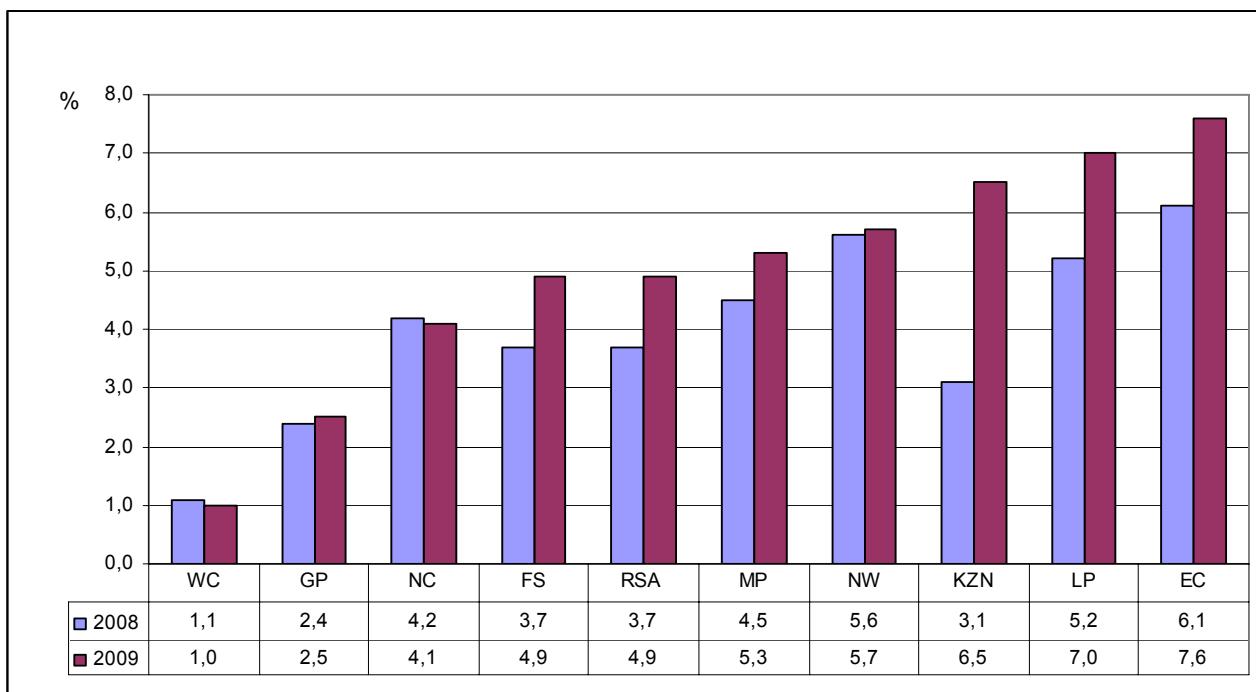
Table 7.6: Discouraged work-seekers by sex and population group, 2008 and 2009

	2008			2009		
	Men	Women	Both sexes	Men	Women	Both sexes
Thousand						
Black/African	419	646	1 065	598	835	1 433
Other groups	21	37	59	36	44	80
Total	440	683	1 124	634	879	1 513
As a percentage of working age						
Black/African	3,7	5,1	4,5	5,2	6,6	5,9
Other groups	0,6	1,1	0,8	1,1	1,2	1,1
Total	3,0	4,2	3,7	4,3	5,4	4,9
As a percentage of NEA						
Black/African	9,9	10,1	10,0	13,0	12,3	12,6
Other groups	2,6	2,5	2,5	4,2	2,9	3,4
Total	8,7	8,6	8,7	11,6	10,6	11,0

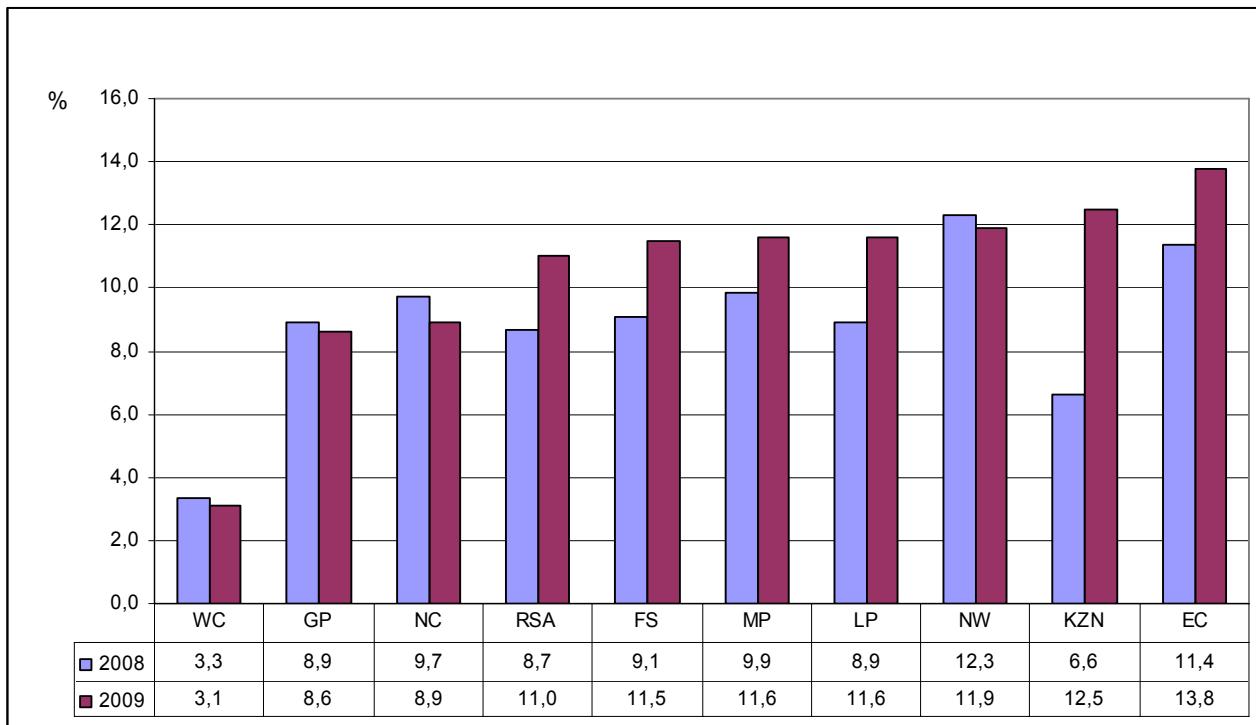
Table 7.6 shows that the number of discouraged persons went up in 2009 compared to 2008. In 2009 among the black African population group, discouraged female work-seekers constituted a higher percentage of the total working age population (6,6%) than men (5,2%). The same was observed in 2008, women at 5,1% than men who were at 3,7%. Among the other groups, women were still prominent with 1,1% whilst men accounted for 0,6% in 2008. This reflects the higher male labour force participation rates for all population groups analysed in Chapter 3. Men and women had almost the same proportions of discouraged work-seekers in the other groups in 2009. This suggests that labour force participation rate for women increased in 2009. However, the gender gap was almost eliminated when the proportion of discouraged work-seekers was taken off the total of not economically active persons in 2008. This was not the case in 2009, where men constituted 4,2% compared to women (2,9%). This point reinforces the earlier suggestion that women's participation in the labour force increased.

Table 7.7: Discouraged work-seekers by province, 2008 and 2009

	2008			2009		
	Thousands	As a percentage of Working age	As a percentage of NEA	Thousands	As a percentage of Working age	As a percentage of NEA
WC	37	1,1	3,3	34	1,0	3,1
EC	243	6,1	11,4	306	7,6	13,8
NC	29	4,2	9,7	29	4,1	8,9
FS	68	3,7	9,1	92	4,9	11,5
KZN	197	3,1	6,6	413	6,5	12,5
NW	122	5,6	12,3	125	5,7	11,9
GP	170	2,4	8,9	178	2,5	8,6
MP	97	4,5	9,9	117	5,3	11,6
LP	160	5,2	8,9	218	7,0	11,6
RSA	1 124	3,7	8,7	1513	4,9	11,0

Figure 7.11: Discouraged work-seekers as a percentage of working age by province, 2009

In 2009 Eastern Cape had the highest proportion of discouraged work-seekers (7,6%), followed by Limpopo with 7,0%. Western Cape and Gauteng had the lowest proportions which were also lower than the national average of 4,9%. The same picture is observed in the earlier year. Free State had the proportion at par with the national value in both 2009 and 2008. (Table 7.7 and Figure 7.11).

Figure 7.12: Discouraged work-seekers as a percentage of NEA by province, 2008 and 2009

Eastern Cape had the largest proportion of discouraged work-seekers from the total not economically active population, followed by KwaZulu-Natal. Western Cape and Gauteng once again had the lowest proportions which were also lower than the national average of 11,0% (Table 7.7 and Figure 7.12).

Comparison between discouraged and other NEA, 2009

Table 7.8: Desegregation of NEA by province, 2009

2009	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Discouraged work-seekers	34	306	29	92	413	125	178	117	218	1 513
	1 062	1 908	299	707	2 885	921	1 892	885	1 670	12 230
	1 096	2 214	328	799	3 298	1 046	2 070	1 002	1 889	13 742
<hr/>										
Discouraged work-seekers	3,1	13,8	8,9	11,5	12,5	11,9	8,6	11,6	11,6	11,0
	96,9	86,2	91,1	88,5	87,5	88,1	91,4	88,4	88,4	89,0
	100,0									

In 2009, Western Cape (3,1%) still showed a low level of discouraged work-seekers compared to other provinces, followed by Gauteng (8,6%). Eastern Cape had the highest proportion of discouraged work-seekers (13,8%), followed by KwaZulu-Natal with 12,5% (Table 7.8).

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) persons are expected 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 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.

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.

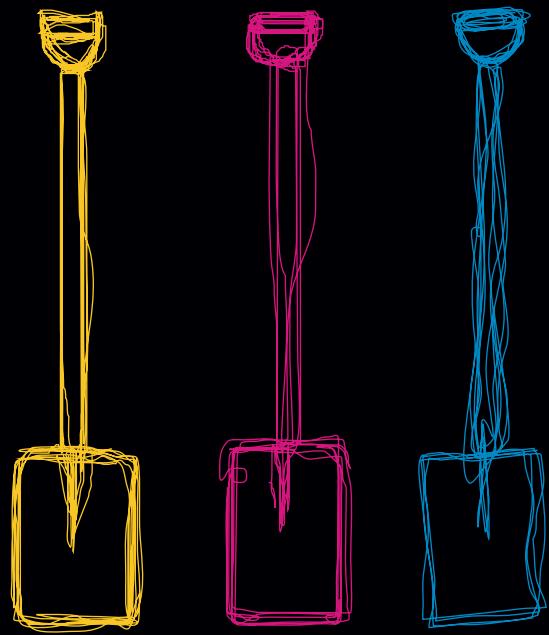
It was noted that women constituted larger numbers than their counterparts, and black Africans made up almost the whole of the inactive population. This gives an indication that black Africans remain a disadvantaged population.

The youth accounted for high numbers of inactivity, and 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, and there are no job creation and training programmes, which attributed to low job influx.

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 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	28 957	29 438	29 889	30 311	30 752	31 125
Women	15 257	15 491	15 706	15 904	16 105	16 272
Men	13 699	13 947	14 182	14 407	14 647	14 853
Population groups	28 957	29 438	29 889	30 311	30 752	31 125
Black/African	22 182	22 623	23 036	23 423	23 827	24 171
Coloured	2 756	2 801	2 846	2 891	2 940	2 982
Indian/Asian	805	823	840	857	876	893
White	3 213	3 191	3 167	3 141	3 109	3 079
South Africa	28 957	29 438	29 889	30 311	30 752	31 125
Western Cape	3 207	3 280	3 349	3 403	3 456	3 500
Eastern Cape	3 751	3 801	3 847	3 898	3 955	4 004
Northern Cape	680	686	692	698	703	708
Free State	1 793	1 811	1 826	1 841	1 855	1 866
KwaZulu Natal	5 895	5 993	6 084	6 180	6 284	6 373
North West	2 082	2 107	2 130	2 150	2 169	2 185
Gauteng	6 679	6 797	6 911	6 999	7 085	7 158
Mpumalanga	2 046	2 082	2 115	2 148	2 184	2 214
Limpopo	2 824	2 881	2 935	2 994	3 060	3 118

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

Table 2: Labour force characteristics by sex - All population groups

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes						
Population 15-64 yrs	28 957	29 438	29 889	30 311	30 752	31 125
Labour Force	15 989	16 766	17 340	17 338	17 788	17 383
Employed	12 044	12 769	13 419	13 467	13 713	13 216
Formal sector (Non-agricultural)	8 039	8 336	8 675	9 147	9 433	9 248
Informal sector (Non-agricultural)	1 998	2 441	2 573	2 325	2 270	2 091
Agriculture	800	740	859	737	780	679
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Discouraged work-seekers	2 429	2 337	2 331	2 557	1 124	1 513
Other(not economically active)	10 539	10 335	10 217	10 416	11 840	12 230
Rates (%)						
Unemployment rate	24,7	23,8	22,6	22,3	22,9	24,0
Employed / population ratio (Absorption)	41,6	43,4	44,9	44,4	44,6	42,5
Labour force participation rate	55,2	57,0	58,0	57,2	57,8	55,8
Women						
Population 15-64 yrs	15 257	15 491	15 706	15 904	16 105	16 272
Labour Force	7 371	7 802	8 147	8 076	8 199	7 982
Employed	5 256	5 602	5 936	5 944	6 041	5 901
Formal sector (Non-agricultural)	3 158	3 244	3 427	3 635	3 771	3 781
Informal sector (Non-agricultural)	906	1 153	1 185	1 082	1 041	951
Agriculture	272	250	310	269	259	221
Private households	920	955	1 013	959	970	947
Unemployed	2 115	2 200	2 212	2 132	2 158	2 081
Not economically active	7 887	7 689	7 559	7 828	7 906	8 290
Discouraged work-seekers	1 516	1 484	1 466	1 603	683	879
Other(not economically active)	6 371	6 205	6 093	6 225	7 222	7 411
Rates (%)						
Unemployment rate	28,7	28,2	27,2	26,4	26,3	26,1
Employed / population ratio (Absorption)	34,4	36,2	37,8	37,4	37,5	36,3
Labour force participation rate	48,3	50,4	51,9	50,8	50,9	49,1
Men						
Population 15-64 yrs	13 699	13 947	14 182	14 407	14 647	14 853
Labour Force	8 618	8 964	9 193	9 262	9 589	9 400
Employed	6 788	7 167	7 483	7 523	7 672	7 315
Formal sector (Non-agricultural)	4 881	5 092	5 248	5 512	5 662	5 467
Informal sector (Non-agricultural)	1 093	1 288	1 388	1 244	1 229	1 139
Agriculture	528	490	549	467	521	458
Private households	286	297	298	300	260	251
Unemployed	1 830	1 797	1 710	1 739	1 917	2 085
Not economically active	5 081	4 983	4 989	5 145	5 058	5 453
Discouraged work-seekers	913	854	865	954	440	634
Other(not economically active)	4 168	4 129	4 124	4 191	4 618	4 819
Rates (%)						
Unemployment rate	21,2	20,0	18,6	18,8	20,0	22,2
Employed / population ratio (Absorption)	49,6	51,4	52,8	52,2	52,4	49,2
Labour force participation rate	62,9	64,3	64,8	64,3	65,5	63,3

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

Table 2.1: Labour force characteristics by population group						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
South Africa						
Population 15-64 yrs	28 957	29 438	29 889	30 311	30 752	31 125
Labour Force	15 989	16 766	17 340	17 338	17 788	17 383
Employed	12 044	12 769	13 419	13 467	13 713	13 216
Unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Rates (%)						
Unemployment rate	24,7	23,8	22,6	22,3	22,9	24,0
Employed / population ratio (Absorption)	41,6	43,4	44,9	44,4	44,6	42,5
Labour force participation rate	55,2	57,0	58,0	57,2	57,8	55,8
Black/African						
Population 15-64 yrs	22 182	22 623	23 036	23 423	23 827	24 171
Labour Force	11 517	12 226	12 797	12 785	13 175	12 781
Employed	8 160	8 839	9 426	9 490	9 617	9 174
Unemployed	3 357	3 387	3 371	3 294	3 557	3 607
Not economically active	10 664	10 397	10 239	10 638	10 652	11 390
Rates (%)						
Unemployment rate	29,1	27,7	26,3	25,8	27,0	28,2
Employed / population ratio (Absorption)	36,8	39,1	40,9	40,5	40,4	38,0
Labour force participation rate	51,9	54,0	55,6	54,6	55,3	52,9
Coloured						
Population 15-64 yrs	2 756	2 801	2 846	2 891	2 940	2 982
Labour Force	1 830	1 875	1 914	1 944	1 913	1 948
Employed	1 427	1 460	1 517	1 508	1 551	1 551
Unemployed	402	415	397	436	362	396
Not economically active	927	926	932	947	1 026	1 034
Rates (%)						
Unemployment rate	22,0	22,1	20,7	22,4	18,9	20,3
Employed / population ratio (Absorption)	51,8	52,1	53,3	52,2	52,8	52,0
Labour force participation rate	66,4	66,9	67,3	67,2	65,1	65,3
Indian/Asian						
Population 15-64 yrs	805	823	840	857	876	893
Labour Force	477	508	500	495	534	520
Employed	409	430	453	445	470	458
Unemployed	68	78	47	50	64	62
Not economically active	328	314	340	361	341	373
Rates (%)						
Unemployment rate	14,3	15,4	9,4	10,1	12,0	11,9
Employed / population ratio (Absorption)	50,8	52,2	53,9	51,9	53,7	51,3
Labour force participation rate	59,3	61,7	59,5	57,8	61,0	58,2
White						
Population 15-64 yrs	3 213	3 191	3 167	3 141	3 109	3 079
Labour Force	2 164	2 156	2 130	2 114	2 166	2 134
Employed	2 047	2 040	2 024	2 024	2 074	2 033
Unemployed	117	117	107	90	92	101
Not economically active	1 049	1 035	1 037	1 027	944	945
Rates (%)						
Unemployment rate	5,4	5,4	5,0	4,3	4,2	4,7
Employed / population ratio (Absorption)	63,7	63,9	63,9	64,4	66,7	66,0
Labour force participation rate	67,4	67,6	67,3	67,3	69,7	69,3

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

Table 2.2: Labour force characteristics by province

	LFS 2004 Thousand	LFS 2005 Thousand	LFS 2006 Thousand	LFS 2007 Thousand	QLFS 2008 Thousand	QLFS 2009 Thousand
South Africa						
Population 15-64 yrs	28 957	29 438	29 889	30 311	30 752	31 125
Labour Force	15 989	16 766	17 340	17 338	17 788	17 383
Employed	12 044	12 769	13 419	13 467	13 713	13 216
Unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Discouraged work-seekers	2 429	2 337	2 331	2 557	1 124	1 513
Other	10 539	10 335	10 217	10 416	11 840	12 230
Rates (%)						
Unemployment rate	24,7	23,8	22,6	22,3	22,9	24,0
Employed / population ratio (Absorption)	41,6	43,4	44,9	44,4	44,6	42,5
Labour force participation rate	55,2	57,0	58,0	57,2	57,8	55,8
Western Cape						
Population 15-64 yrs	3 207	3 280	3 349	3 403	3 456	3 500
Labour Force	2 124	2 178	2 254	2 308	2 326	2 404
Employed	1 697	1 734	1 857	1 875	1 897	1 906
Unemployed	427	444	396	433	429	498
Not economically active	1 083	1 102	1 095	1 095	1 130	1 096
Discouraged work-seekers	121	93	109	138	37	34
Other	962	1 009	986	957	1 093	1 062
Rates (%)						
Unemployment rate	20,1	20,4	17,6	18,8	18,4	20,7
Employed / population ratio (Absorption)	52,9	52,9	55,4	55,1	54,9	54,5
Labour force participation rate	66,2	66,4	67,3	67,8	67,3	68,7
Eastern Cape						
Population 15-64 yrs	3 751	3 801	3 847	3 898	3 955	4 004
Labour Force	1 584	1 800	1 937	1 762	1 818	1 790
Employed	1 079	1 291	1 423	1 290	1 338	1 296
Unemployed	504	509	514	472	480	493
Not economically active	2 167	2 001	1 910	2 136	2 137	2 214
Discouraged work-seekers	381	386	305	402	243	306
Other	1 785	1 615	1 604	1 735	1 895	1 908
Rates (%)						
Unemployment rate	31,8	28,3	26,5	26,8	26,4	27,6
Employed / population ratio (Absorption)	28,8	34,0	37,0	33,1	33,8	32,4
Labour force participation rate	42,2	47,4	50,4	45,2	46,0	44,7
Northern Cape						
Population 15-64 yrs	680	686	692	698	703	708
Labour Force	380	372	400	400	401	380
Employed	305	285	311	309	307	277
Unemployed	75	86	89	91	94	103
Not economically active	299	315	292	297	303	328
Discouraged work-seekers	85	73	52	63	29	29
Other	214	242	240	234	273	299
Rates (%)						
Unemployment rate	19,7	23,2	22,3	22,8	23,4	27,1
Employed / population ratio (Absorption)	44,9	41,5	44,9	44,3	43,7	39,1
Labour force participation rate	55,9	54,1	57,8	57,3	57,0	53,7
Free State						
Population 15-64 yrs	1 793	1 811	1 826	1 841	1 855	1 866
Labour Force	1 073	1 107	1 052	1 073	1 101	1 067
Employed	817	806	803	832	835	783
Unemployed	256	301	249	241	266	284
Not economically active	720	704	774	768	754	799
Discouraged work-seekers	133	91	140	134	68	92
Other	587	612	635	633	686	707
Rates (%)						
Unemployment rate	23,9	27,2	23,7	22,5	24,2	26,6
Employed / population ratio (Absorption)	45,6	44,5	44,0	45,2	45,0	42,0
Labour force participation rate	59,8	61,1	57,6	58,3	59,4	57,2

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

Table 2.2: Labour force characteristics by province (concluded)

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
KwaZulu Natal						
Population 15-64 yrs	5 895	5 993	6 084	6 180	6 284	6 373
Labour Force	2 919	3 101	3 208	3 239	3 327	3 074
Employed	2 237	2 346	2 549	2 512	2 597	2 459
Unemployed	681	755	660	727	730	615
Not economically active	2 976	2 891	2 876	2 942	2 957	3 298
Discouraged work-seekers	498	492	506	549	197	413
Other	2 478	2 400	2 370	2 393	2 761	2 885
Rates (%)						
Unemployment rate	23,3	24,3	20,6	22,4	21,9	20,0
Employed / population ratio (Absorption)	37,9	39,1	41,9	40,6	41,3	38,6
Labour force participation rate	49,5	51,7	52,7	52,4	52,9	48,2
North West						
Population 15-64 yrs	2 082	2 107	2 130	2 150	2 169	2 185
Labour Force	1 046	1 124	1 167	1 161	1 179	1 139
Employed	773	845	839	858	891	827
Unemployed	273	280	328	303	288	311
Not economically active	1 036	983	962	988	990	1 046
Discouraged work-seekers	210	189	179	199	122	125
Other	826	793	783	789	868	921
Rates (%)						
Unemployment rate	26,1	24,9	28,1	26,1	24,4	27,3
Employed / population ratio (Absorption)	37,1	40,1	39,4	39,9	41,1	37,8
Labour force participation rate	50,2	53,4	54,8	54,0	54,4	52,1
Gauteng						
Population 15-64 yrs	6 679	6 797	6 911	6 999	7 085	7 158
Labour Force	4 660	4 819	4 977	4 975	5 181	5 087
Employed	3 470	3 783	3 914	3 972	4 056	3 863
Unemployed	1 190	1 035	1 063	1 003	1 126	1 225
Not economically active	2 019	1 979	1 934	2 024	1 904	2 070
Discouraged work-seekers	387	401	436	445	170	178
Other	1 632	1 578	1 498	1 579	1 734	1 892
Rates (%)						
Unemployment rate	25,5	21,5	21,4	20,2	21,7	24,1
Employed / population ratio (Absorption)	52,0	55,7	56,6	56,8	57,2	54,0
Labour force participation rate	69,8	70,9	72,0	71,1	73,1	71,1
Mpumalanga						
Population 15-64 yrs	2 046	2 082	2 115	2 148	2 184	2 214
Labour Force	1 039	1 084	1 176	1 149	1 196	1 213
Employed	839	856	899	923	913	899
Unemployed	200	228	277	225	283	314
Not economically active	1 007	998	939	1 000	988	1 002
Discouraged work-seekers	218	191	158	208	97	117
Other	788	806	781	792	890	885
Rates (%)						
Unemployment rate	19,2	21,0	23,6	19,6	23,7	25,9
Employed / population ratio (Absorption)	41,0	41,1	42,5	43,0	41,8	40,6
Labour force participation rate	50,8	52,1	55,6	53,4	54,8	54,8
Limpopo						
Population 15-64 yrs	2 824	2 881	2 935	2 994	3 060	3 118
Labour Force	1 163	1 181	1 170	1 271	1 260	1 229
Employed	826	823	823	896	880	905
Unemployed	337	358	346	375	380	324
Not economically active	1 661	1 701	1 766	1 723	1 801	1 889
Discouraged work-seekers	395	421	447	419	160	218
Other	1 266	1 280	1 319	1 304	1 641	1 670
Rates (%)						
Unemployment rate	29,0	30,3	29,6	29,5	30,2	26,4
Employed / population ratio (Absorption)	29,2	28,6	28,0	29,9	28,8	29,0
Labour force participation rate	41,2	41,0	39,8	42,5	41,2	39,4

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

Table 3.1: Employed by industry and sex - South Africa

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	12 044	12 769	13 419	13 467	13 713	13 216
Agriculture	800	740	859	737	780	679
Mining	384	343	339	367	329	312
Manufacturing	1 833	1 860	1 922	1 960	1 954	1 805
Utilities	87	93	97	86	94	93
Construction	783	937	1 016	1 051	1 136	1 096
Trade	2 748	3 180	3 450	3 342	3 150	2 927
Transport	678	705	684	717	766	740
Finance	1 228	1 338	1 361	1 459	1 656	1 719
Community and social services	2 295	2 321	2 379	2 490	2 616	2 642
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Other					3	4
Women	5 256	5 602	5 936	5 944	6 041	5 901
Agriculture	272	250	310	269	259	221
Mining	16	19	18	23	36	40
Manufacturing	642	670	680	662	628	596
Utilities	22	18	23	23	25	21
Construction	78	86	113	114	112	126
Trade	1 359	1 591	1 730	1 690	1 584	1 450
Transport	142	153	120	146	152	159
Finance	499	574	577	612	738	764
Community and social services	1 305	1 286	1 351	1 446	1 534	1 573
Private households	920	955	1 013	959	970	947
Other					2	2
Men	6 788	7 167	7 483	7 523	7 672	7 315
Agriculture	528	490	549	467	521	458
Mining	368	324	321	344	293	271
Manufacturing	1 191	1 190	1 243	1 298	1 326	1 209
Utilities	65	76	73	63	69	73
Construction	705	851	903	937	1 023	970
Trade	1 389	1 589	1 720	1 652	1 566	1 477
Transport	536	552	564	572	614	580
Finance	729	763	783	847	918	955
Community and social services	990	1 035	1 029	1 045	1 082	1 069
Private households	286	297	298	300	260	251
Other					1	2

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 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Agriculture	800	740	859	737	780	679
Western Cape	142	118	135	132	148	138
Eastern Cape	96	135	183	84	78	77
Northern Cape	52	38	48	44	58	47
Free State	78	55	51	54	80	84
KwaZulu Natal	165	152	190	177	152	114
North West	54	59	54	50	57	43
Gauteng	40	39	48	44	62	41
Mpumalanga	84	85	88	88	78	75
Limpopo	90	58	62	62	66	62
Mining	384	343	339	367	329	312
Western Cape	2	1	1	4	1	3
Eastern Cape	2	3	1	2	2	2
Northern Cape	24	24	19	21	14	11
Free State	78	68	61	61	27	32
KwaZulu Natal	5	6	6	12	8	8
North West	120	117	132	131	147	124
Gauteng	76	38	34	40	28	28
Mpumalanga	47	32	34	40	59	56
Limpopo	32	52	51	54	42	47
Manufacturing	1 833	1 860	1 922	1 960	1 954	1 805
Western Cape	335	289	327	287	333	303
Eastern Cape	149	164	179	174	187	177
Northern Cape	22	15	19	18	14	13
Free State	86	89	82	85	87	78
KwaZulu Natal	410	404	419	434	416	397
North West	72	68	63	82	81	84
Gauteng	590	646	664	712	686	607
Mpumalanga	103	110	109	106	81	77
Limpopo	67	75	60	62	69	70
Utilities	87	93	97	86	94	93
Western Cape	10	8	11	13	11	7
Eastern Cape	3	6	7	6	3	3
Northern Cape	2	3	2	2	1	3
Free State	2	4	2	3	5	4
KwaZulu Natal	15	18	14	13	14	8
North West	4	3	2	4	6	4
Gauteng	33	35	39	28	31	41
Mpumalanga	13	12	16	12	17	16
Limpopo	7	4	3	6	6	7
Construction	783	937	1 016	1 051	1 136	1 096
Western Cape	141	156	145	160	185	180
Eastern Cape	97	92	136	131	111	103
Northern Cape	15	14	19	23	20	18
Free State	42	48	55	58	59	58
KwaZulu Natal	129	158	187	168	223	228
North West	36	48	50	51	59	54
Gauteng	202	300	303	301	309	284
Mpumalanga	68	75	73	92	84	84
Limpopo	53	46	49	66	85	89

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 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Trade	2 748	3 180	3 450	3 342	3 150	2 927
Western Cape	338	416	465	464	410	420
Eastern Cape	236	341	359	332	317	298
Northern Cape	59	64	71	65	55	43
Free State	177	187	192	188	195	166
KwaZulu Natal	481	597	660	616	597	518
North West	173	197	187	183	189	175
Gauteng	819	899	1 018	975	919	849
Mpumalanga	218	218	232	243	243	218
Limpopo	248	262	267	275	222	239
Transport	678	705	684	717	766	740
Western Cape	94	92	83	94	91	87
Eastern Cape	54	60	64	68	72	74
Northern Cape	12	12	13	14	11	11
Free State	33	41	35	36	41	41
KwaZulu Natal	151	148	153	137	173	171
North West	34	32	27	30	30	23
Gauteng	240	240	235	265	267	255
Mpumalanga	34	46	46	47	43	40
Limpopo	27	34	29	25	39	38
Finance	1 228	1 338	1 361	1 459	1 656	1 719
Western Cape	209	212	235	245	257	271
Eastern Cape	64	85	88	101	116	123
Northern Cape	16	15	17	19	24	21
Free State	50	51	54	63	67	62
KwaZulu Natal	184	198	214	236	280	291
North West	50	64	57	67	72	72
Gauteng	563	602	588	607	707	737
Mpumalanga	54	67	64	71	79	85
Limpopo	37	44	44	50	53	57
Community and social services	2 295	2 321	2 379	2 490	2 616	2 642
Western Cape	292	311	313	326	341	368
Eastern Cape	246	269	271	276	327	314
Northern Cape	66	67	70	72	75	81
Free State	175	170	178	191	181	168
KwaZulu Natal	429	434	464	490	483	478
North West	134	151	152	155	158	169
Gauteng	632	621	604	643	694	697
Mpumalanga	133	118	135	131	142	156
Limpopo	187	179	191	206	215	212
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Western Cape	135	131	142	148	117	130
Eastern Cape	132	135	134	114	125	124
Northern Cape	38	34	34	30	33	29
Free State	98	93	94	93	93	91
KwaZulu Natal	269	230	240	228	251	246
North West	97	105	116	106	91	80
Gauteng	276	364	381	357	350	322
Mpumalanga	85	91	102	93	87	91
Limpopo	77	68	68	90	82	84

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

Table 3.3: Employment by sex and province

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	12 044	12 769	13 419	13 467	13 713	13 216
Western Cape	1 697	1 734	1 857	1 875	1 897	1 906
Eastern Cape	1 079	1 291	1 423	1 290	1 338	1 296
Northern Cape	305	285	311	309	307	277
Free State	817	806	803	832	835	783
KwaZulu-Natal	2 237	2 346	2 549	2 512	2 597	2 459
North West	773	845	839	858	891	827
Gauteng	3 470	3 783	3 914	3 972	4 056	3 863
Mpumalanga	839	856	899	923	913	899
Limpopo	826	823	823	896	880	905
Women	5 256	5 602	5 936	5 944	6 041	5 901
Western Cape	759	793	873	867	834	853
Eastern Cape	534	634	688	626	636	622
Northern Cape	124	118	132	123	126	122
Free State	350	353	351	360	366	348
KwaZulu-Natal	1 058	1 088	1 219	1 179	1 190	1 161
North West	293	340	323	337	353	321
Gauteng	1 366	1 517	1 571	1 605	1 703	1 630
Mpumalanga	356	357	382	397	402	411
Limpopo	415	403	397	451	430	434
Men	6 788	7 167	7 483	7 523	7 672	7 315
Western Cape	937	941	984	1 008	1 063	1 053
Eastern Cape	545	658	735	664	702	674
Northern Cape	181	167	179	186	181	155
Free State	468	453	452	472	469	436
KwaZulu-Natal	1 179	1 258	1 330	1 333	1 407	1 298
North West	480	505	516	521	538	506
Gauteng	2 103	2 267	2 343	2 367	2 353	2 233
Mpumalanga	483	499	517	527	511	488
Limpopo	410	420	426	445	449	471

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

Table 3.4: Employed by sector and industry - South Africa						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Total employed	12 044	12 769	13 419	13 467	13 713	13 216
Formal and informal sector (Non-agricultural)	10 037	10 777	11 248	11 472	11 703	11 338
Mining	384	343	339	367	329	312
Manufacturing	1 833	1 860	1 922	1 960	1 954	1 805
Utilities	87	93	97	86	94	93
Construction	783	937	1 016	1 051	1 136	1 096
Trade	2 748	3 180	3 450	3 342	3 150	2 927
Transport	678	705	684	717	766	740
Finance	1 228	1 338	1 361	1 459	1 656	1 719
Community and social services	2 295	2 321	2 379	2 490	2 616	2 642
Other					3	4
Formal sector (Non-agricultural)	8 039	8 336	8 675	9 147	9 433	9 248
Mining	383	339	337	364	326	310
Manufacturing	1 589	1 579	1 638	1 675	1 718	1 606
Utilities	85	90	94	80	90	91
Construction	477	581	589	674	821	821
Trade	1 728	1 902	2 143	2 195	2 085	1 942
Transport	522	526	504	562	562	547
Finance	1 149	1 244	1 256	1 383	1 508	1 583
Community and social services	2 107	2 077	2 114	2 215	2 320	2 344
Other					3	4
Informal sector (Non-agricultural)	1 998	2 441	2 573	2 325	2 270	2 091
Mining	2	4	3	2	2	2
Manufacturing	244	281	285	285	236	199
Utilities	2	3	2	6	4	2
Construction	307	356	426	378	314	275
Trade	1 020	1 279	1 307	1 146	1 065	984
Transport	156	179	180	155	205	193
Finance	80	94	105	76	148	136
Community and social services	187	244	265	276	296	298
Other					0	
Agriculture	800	740	859	737	780	679
Private households	1 206	1 252	1 311	1 258	1 230	1 199

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 3.5: Employed by province and sector

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
South Africa	12 044	12 769	13 419	13 467	13 713	13 216
Formal sector (Non-agricultural)	8 039	8 336	8 675	9 147	9 433	9 248
Informal sector (Non-agricultural)	1 998	2 441	2 573	2 325	2 270	2 091
Agriculture	800	740	859	737	780	679
Private households	1 206	1 252	1 311	1 258	1 230	1 199
Western Cape	1 697	1 734	1 857	1 875	1 897	1 906
Formal sector (Non-agricultural)	1 285	1 316	1 378	1 406	1 444	1 445
Informal sector (Non-agricultural)	135	170	203	188	187	194
Agriculture	142	118	135	132	148	138
Private households	135	131	142	148	117	130
Eastern Cape	1 079	1 291	1 423	1 290	1 338	1 296
Formal sector (Non-agricultural)	617	678	741	777	825	815
Informal sector (Non-agricultural)	234	342	365	315	310	280
Agriculture	96	135	183	84	78	77
Private households	132	135	134	114	125	124
Northern Cape	305	285	311	309	307	277
Formal sector (Non-agricultural)	197	183	200	210	185	174
Informal sector (Non-agricultural)	18	31	29	25	31	28
Agriculture	52	38	48	44	58	47
Private households	38	34	34	30	33	29
Free State	817	806	803	832	835	783
Formal sector (Non-agricultural)	519	519	516	555	522	477
Informal sector (Non-agricultural)	123	139	141	129	140	132
Agriculture	78	55	51	54	80	84
Private households	98	93	94	93	93	91
KwaZulu Natal	2 237	2 346	2 549	2 512	2 597	2 459
Formal sector (Non-agricultural)	1 434	1 491	1 586	1 661	1 691	1 648
Informal sector (Non-agricultural)	369	472	533	446	503	452
Agriculture	165	152	190	177	152	114
Private households	269	230	240	228	251	246
North West	773	845	839	858	891	827
Formal sector (Non-agricultural)	500	530	527	561	619	595
Informal sector (Non-agricultural)	121	151	141	142	124	109
Agriculture	54	59	54	50	57	43
Private households	97	105	116	106	91	80
Gauteng	3 470	3 783	3 914	3 972	4 056	3 863
Formal sector (Non-agricultural)	2 623	2 734	2 766	2 931	3 122	3 047
Informal sector (Non-agricultural)	531	646	719	640	521	454
Agriculture	40	39	48	44	62	41
Private households	276	364	381	357	350	322
Mpumalanga	839	856	899	923	913	899
Formal sector (Non-agricultural)	451	452	506	548	537	537
Informal sector (Non-agricultural)	219	227	203	195	211	196
Agriculture	84	85	88	88	78	75
Private households	85	91	102	93	87	91
Limpopo	826	823	823	896	880	905
Formal sector (Non-agricultural)	410	433	454	499	489	511
Informal sector (Non-agricultural)	248	263	240	245	243	248
Agriculture	90	58	62	62	66	62
Private households	77	68	68	90	82	84

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

Table 3.6: Employed by sex and occupation - South Africa

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	12 044	12 769	13 419	13 467	13 713	13 216
Manager	935	878	908	976	1 021	1 012
Professional	382	435	479	563	752	700
Technician	1 348	1 404	1 429	1 439	1 473	1 515
Clerk	1 285	1 295	1 344	1 380	1 456	1 434
Sales and services	1 528	1 684	1 779	1 755	1 766	1 805
Skilled agriculture	86	98	144	105	107	89
Craft and related trade	1 601	1 858	2 020	1 995	1 915	1 681
Plant and machine operator	1 103	1 132	1 119	1 176	1 179	1 146
Elementary	2 829	3 020	3 183	3 059	3 063	2 881
Domestic worker	948	965	1 013	1 019	981	954
Other					1	
Women	5 256	5 602	5 936	5 944	6 041	5 901
Manager	250	257	280	309	306	307
Professional	185	202	230	284	350	326
Technician	730	762	768	791	815	823
Clerk	875	888	910	952	1 002	1 010
Sales and services	678	764	825	793	846	881
Skilled agriculture	42	53	83	52	29	20
Craft and related trade	248	309	327	337	286	222
Plant and machine operator	168	155	166	184	174	172
Elementary	1 171	1 285	1 347	1 296	1 289	1 216
Domestic worker	909	928	1 000	945	944	923
Other					0	
Men	6 788	7 167	7 483	7 523	7 672	7 315
Manager	685	621	628	667	715	705
Professional	197	234	249	279	402	374
Technician	618	643	661	648	657	692
Clerk	410	407	434	428	454	424
Sales and services	849	920	954	962	920	924
Skilled agriculture	44	45	61	53	78	69
Craft and related trade	1 353	1 549	1 693	1 657	1 628	1 459
Plant and machine operator	935	977	953	992	1 005	974
Elementary	1 658	1 735	1 836	1 763	1 774	1 664
Domestic worker	39	37	13	74	36	31
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 2004 Thousand	LFS 2005 Thousand	LFS 2006 Thousand	LFS 2007 Thousand	QLFS 2008 Thousand	QLFS 2009 Thousand
Both sexes	12 044	12 769	13 419	13 467	13 713	13 216
Employee	9 856	10 330	10 740	11 038	11 573	11 190
Employer	836	875	973	917	753	701
Own-account worker	1 263	1 426	1 623	1 452	1 267	1 211
Unpaid household member	88	138	83	59	120	114
Unspecified	1	0	0	1		
Women	5 256	5 602	5 936	5 944	6 041	5 901
Employee	4 245	4 401	4 653	4 786	5 088	5 049
Employer	250	262	293	278	180	147
Own-account worker	703	847	933	843	687	621
Unpaid household member	57	91	56	35	86	84
Unspecified				1		
Men	6 788	7 167	7 483	7 523	7 672	7 315
Employee	5 611	5 928	6 086	6 252	6 486	6 141
Employer	586	612	679	639	573	554
Own-account worker	560	580	691	608	579	590
Unpaid household member	30	46	27	24	34	30
Unspecified	1	0	0	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 3.8: Employed by sex and usual hours of work per week - South Africa

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	12 044	12 769	13 419	13 467	13 713	13 216
Working less than 15 hours per week	310	376	459	358	313	272
Working 15-29 hours per week	600	693	750	709	799	819
Working 30-39 hours per week	1 074	1 057	1 123	985	1 039	977
Working 40-45 hours per week	5 666	5 086	6 232	6 861	6 921	7 028
Working more than 45 hours per week	4 393	5 557	4 854	4 554	4 641	4 120
Women	5 256	5 602	5 936	5 944	6 041	5 901
Working less than 15 hours per week	182	237	287	233	199	173
Working 15-29 hours per week	395	455	489	471	537	553
Working 30-39 hours per week	656	622	659	594	651	626
Working 40-45 hours per week	2 437	2 172	2 692	2 995	2 980	3 058
Working more than 45 hours per week	1 585	2 117	1 810	1 652	1 674	1 490
Men	6 788	7 167	7 483	7 523	7 672	7 315
Working less than 15 hours per week	128	139	172	126	114	98
Working 15-29 hours per week	205	238	261	238	262	266
Working 30-39 hours per week	418	435	464	391	388	351
Working 40-45 hours per week	3 229	2 915	3 541	3 866	3 942	3 970
Working more than 45 hours per week	2 808	3 440	3 045	2 902	2 967	2 630

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

Table 3.9: Employed by industry and volume of hours worked per week - South Africa

Market production activities	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	542 499	589 192	597 588	601 397	601 486	570 642
Agriculture	37 010	34 082	37 372	32 940	36 262	31 762
Mining	18 555	16 579	15 874	17 659	15 012	13 885
Manufacturing	82 243	84 370	85 451	86 797	84 415	76 765
Utilities	3 813	4 420	4 199	3 726	4 024	3 911
Construction	34 868	42 843	44 145	46 140	48 269	45 711
Trade	131 685	156 677	162 693	157 488	150 454	138 989
Transport	34 175	37 047	35 089	36 303	39 730	37 659
Finance	55 734	63 133	62 754	68 033	74 926	76 942
Community and social services	96 205	99 427	99 118	104 057	105 463	104 236
Private households	48 211	50 615	50 892	48 255	42 811	40 619
Women	225 063	245 798	250 637	251 245	248 519	239 648
Agriculture	11 395	10 314	11 948	11 078	11 229	9 772
Mining	717	850	819	1 030	1 547	1 683
Manufacturing	27 445	28 679	28 693	27 409	25 866	24 331
Utilities	908	805	975	919	1 005	849
Construction	3 013	3 342	3 876	4 046	4 044	4 506
Trade	63 890	77 010	79 700	78 274	73 838	67 036
Transport	6 329	6 829	5 430	6 182	6 558	6 878
Finance	21 059	25 492	24 653	26 433	30 644	31 827
Community and social services	53 102	52 827	54 716	58 684	59 703	60 254
Private households	37 205	39 650	39 827	37 190	34 027	32 421
Men	317 436	343 394	346 951	350 151	352 967	330 995
Agriculture	25 615	23 768	25 423	21 862	25 032	21 990
Mining	17 839	15 729	15 055	16 628	13 465	12 202
Manufacturing	54 798	55 691	56 759	59 388	58 550	52 434
Utilities	2 904	3 614	3 224	2 807	3 019	3 062
Construction	31 855	39 501	40 269	42 094	44 224	41 205
Trade	67 795	79 667	82 993	79 213	76 616	71 953
Transport	27 846	30 218	29 659	30 121	33 172	30 782
Finance	34 676	37 641	38 102	41 600	44 282	45 115
Community and social services	43 103	46 600	44 402	45 372	45 761	43 982
Private households	11 006	10 965	11 065	11 065	8 784	8 198

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

Table 3.10: Employed by industry and average hours of work per week

Market production activities	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	45	46	45	45	44	43
Agriculture	46	46	44	45	46	47
Mining	48	49	47	48	46	45
Manufacturing	45	45	44	44	43	43
Utilities	44	47	43	43	43	42
Construction	45	46	44	44	43	42
Trade	48	49	47	47	48	47
Transport	50	53	51	51	52	51
Finance	46	47	46	47	45	45
Community and social services	42	43	42	42	40	39
Private households	40	40	39	38	35	34
Women	43	44	42	42	41	41
Agriculture	42	41	39	41	43	44
Mining	45	45	44	45	43	42
Manufacturing	43	43	42	42	41	41
Utilities	42	45	42	41	40	41
Construction	39	39	35	35	36	36
Trade	47	48	46	47	47	46
Transport	45	45	45	43	43	43
Finance	42	44	43	43	42	42
Community and social services	41	41	41	41	39	38
Private households	40	42	39	39	35	34
Men	47	48	46	47	46	45
Agriculture	49	49	46	47	48	48
Mining	48	49	47	48	46	45
Manufacturing	46	47	46	46	44	43
Utilities	44	48	44	44	44	42
Construction	45	46	45	45	43	42
Trade	49	50	48	48	49	49
Transport	52	55	53	53	54	53
Finance	48	49	49	49	48	47
Community and social services	44	45	43	43	42	41
Private households	39	37	37	37	34	33

Table 3.11: Employed by occupation and volume of hours worked per week

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Hours	Hours	Hours	Hours	Hours	Hours
Both sexes	542 499	589 192	597 588	601 397	601 486	570 642
Manager	44 774	43 374	43 077	46 554	48 115	47 481
Professional	16 156	18 578	20 074	23 859	31 770	28 717
Technician	56 161	60 081	59 846	60 010	58 384	58 953
Clerk	55 420	56 988	58 089	59 362	62 012	59 949
Sales and services	75 947	86 969	88 503	88 325	89 110	89 125
Skilled agriculture	2 291	2 644	3 115	2 731	4 940	3 990
Craft and related trade	71 312	84 723	88 648	87 252	81 812	71 261
Plant and machine operator	54 178	57 335	55 523	57 551	57 525	54 545
Elementary	127 793	138 237	140 917	136 211	133 402	124 005
Domestic worker	38 467	40 262	39 796	39 542	34 388	32 611
Women	225 063	245 798	250 637	251 245	248 519	239 648
Manager	11 259	12 048	12 864	13 682	13 585	13 389
Professional	7 407	8 161	9 249	11 559	14 010	12 914
Technician	29 559	31 505	31 474	32 017	30 952	30 920
Clerk	37 171	38 487	38 720	40 451	41 941	41 677
Sales and services	32 673	37 670	38 740	37 999	39 852	40 496
Skilled agriculture	940	1 234	1 589	1 118	1 168	746
Craft and related trade	9 864	12 810	12 333	13 052	11 249	8 875
Plant and machine operator	7 841	7 119	7 601	8 204	7 488	7 287
Elementary	51 564	58 046	58 788	56 515	55 228	51 840
Domestic worker	36 786	38 719	39 278	36 649	33 040	31 503
Men	317 436	343 394	346 951	350 151	352 967	330 995
Manager	33 515	31 326	30 212	32 872	34 530	34 092
Professional	8 749	10 417	10 825	12 300	17 759	15 803
Technician	26 602	28 576	28 372	27 993	27 432	28 033
Clerk	18 249	18 501	19 369	18 911	20 070	18 271
Sales and services	43 274	49 299	49 763	50 327	49 258	48 630
Skilled agriculture	1 352	1 410	1 526	1 613	3 771	3 244
Craft and related trade	61 448	71 913	76 315	74 199	70 563	62 385
Plant and machine operator	46 338	50 216	47 922	49 347	50 037	47 258
Elementary	76 229	80 191	82 129	79 696	78 174	72 165
Domestic worker	1 681	1 543	518	2 893	1 348	1 108

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

Table 3.12: Employed by occupation and average hours of work per week

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	45	46	45	45	44	43
Manager	48	50	48	48	47	47
Professional	42	43	42	42	42	41
Technician	42	43	42	42	40	39
Clerk	43	44	43	43	43	42
Sales and services	50	52	50	51	50	49
Skilled agriculture	27	27	22	26	46	45
Craft and related trade	45	46	44	44	43	42
Plant and machine operator	49	51	50	49	49	48
Elementary	45	46	44	45	44	43
Domestic worker	41	42	39	39	35	34
Women	43	44	42	42	41	41
Manager	45	47	46	45	44	44
Professional	40	41	40	41	40	40
Technician	41	41	41	41	38	38
Clerk	43	43	43	43	42	41
Sales and services	48	49	47	48	47	46
Skilled agriculture	22	24	19	22	40	37
Craft and related trade	40	42	38	39	39	40
Plant and machine operator	47	46	46	45	43	42
Elementary	44	45	44	44	43	43
Domestic worker	41	42	39	39	35	34
Men	47	48	46	47	46	45
Manager	49	51	48	49	48	48
Professional	44	45	44	44	44	42
Technician	43	45	43	43	42	41
Clerk	44	45	45	44	44	43
Sales and services	51	54	52	52	54	53
Skilled agriculture	31	32	25	31	48	47
Craft and related trade	45	46	45	45	43	43
Plant and machine operator	50	51	50	50	50	49
Elementary	46	46	45	45	44	43
Domestic worker	43	42	40	39	37	36

Table 3.13: Employed by sector and volume of hours worked per week

Market production activities	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both Sexes	601 486	570 642	601 486	570 642	601 486	570 642
Formal sector (Non-agricultural)	417 487	402 245	417 487	402 245	417 487	402 245
Informal sector (Non-agricultural)	104 927	96 016	104 927	96 016	104 927	96 016
Agriculture	36 262	31 762	36 262	31 762	36 262	31 762
Private households	42 811	40 619	42 811	40 619	42 811	40 619
Women	248 519	239 648	248 519	239 648	248 519	239 648
Formal sector (Non-agricultural)	157 499	155 802	157 499	155 802	157 499	155 802
Informal sector (Non-agricultural)	45 763	41 654	45 763	41 654	45 763	41 654
Agriculture	11 229	9 772	11 229	9 772	11 229	9 772
Private households	34 027	32 421	34 027	32 421	34 027	32 421
Men	352 967	330 995	352 967	330 995	352 967	330 995
Formal sector (Non-agricultural)	259 988	246 444	259 988	246 444	259 988	246 444
Informal sector (Non-agricultural)	59 163	54 363	59 163	54 363	59 163	54 363
Agriculture	25 032	21 990	25 032	21 990	25 032	21 990
Private households	8 784	8 198	8 784	8 198	8 784	8 198

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

Table 3.14: Employed by sector and average hours of work per week

Market production activities	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both Sexes	45	46	45	45	44	43
Formal sector (Non-agricultural)	45	47	45	45	44	43
Informal sector (Non-agricultural)	46	48	45	46	46	46
Agriculture	46	46	44	45	46	47
Private households	40	40	39	38	35	34
Women	43	44	42	42	41	41
Formal sector (Non-agricultural)	43	44	43	43	42	41
Informal sector (Non-agricultural)	45	46	43	44	44	44
Agriculture	42	41	39	41	43	44
Private households	40	42	39	39	35	34
Men	47	48	46	47	46	45
Formal sector (Non-agricultural)	47	48	47	47	46	45
Informal sector (Non-agricultural)	47	49	47	47	48	48
Agriculture	49	49	46	47	48	48
Private households	39	37	37	37	34	33

Table 3.15: Time-related underemployment - South Africa						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes	416	452	468	380	625	631
Women	240	255	272	225	385	402
Men	176	197	195	155	240	228
As percentage of the labour force (Both sexes)	2,6	2,7	2,7	2,2	3,5	3,6
Women	3,3	3,3	3,3	2,8	4,7	5,0
Men	2,0	2,2	2,1	1,7	2,5	2,4
As percentage of total employment (Both sexes)	3,5	3,5	3,5	2,8	4,6	4,8
Women	4,6	4,6	4,6	3,8	6,4	6,8
Men	2,6	2,7	2,6	2,1	3,1	3,1
Industry	416	452	468	380	625	631
Agriculture	16	17	19	16	21	12
Mining	1	1		0	1	
Manufacturing	36	42	40	25	42	40
Utilities	0	1	1		2	0
Construction	32	38	39	37	57	51
Trade	129	124	135	103	127	120
Transport	9	11	12	16	21	18
Finance	17	23	18	13	37	34
Community and social services	45	58	55	51	91	95
Private households	129	137	149	120	225	260
Occupation	416	452	468	380	625	631
Manager	6	7	6	7	11	9
Professional	3	4	5	3	16	14
Technician	22	39	30	26	41	42
Clerk	20	21	16	19	23	21
Sales and services	42	46	49	38	61	60
Skilled agriculture	10	9	13	8	4	4
Craft and related trade	64	64	68	53	74	58
Plant and machine operator	10	14	15	17	22	18
Elementary	152	162	162	126	207	204
Domestic worker	88	86	105	83	166	201
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 3.16: Time-related underemployment by population group						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Population group	416	452	468	380	625	631
Black African	361	384	414	318	532	536
Coloured	36	46	36	39	56	58
Indian/Asian	2	3	5	6	11	9
White	18	19	12	16	26	28
As a percentage of the labour force (Both population group)	2,6	2,7	2,7	2,2	3,5	3,6
Black African	3,1	3,1	3,2	2,5	4,0	4,2
Coloured	2,0	2,5	1,9	2,0	2,9	3,0
Indian/Asian	0,4	0,6	1,0	1,2	2,1	1,7
White	0,8	0,9	0,6	0,8	1,2	1,3
As a percentage of total employment (Both population group)	3,5	3,5	3,5	2,8	4,6	4,8
Black African	4,4	4,3	4,4	3,4	5,5	5,8
Coloured	2,5	3,2	2,4	2,6	3,6	3,7
Indian/Asian	0,5	0,7	1,1	1,3	2,3	2,0
White	0,9	0,9	0,6	0,8	1,3	1,4

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

Table 3.17: Employees Access to benefits by sex						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both sexes						
Pension	5 291	5 341	5 372	5 552	5 198	5 132
Paid Leave	6 081	6 252	6 416	6 526	6 644	6 732
UIF	6 028	6 394	6 730	7 019	6 398	6 353
Medical Aid	3 115	2 884	3 057	3 241	3 291	3 387
Written Contract	6 974	7 182	7 470	7 822	8 681	8 701
Women						
Pension	2 099	2 115	2 141	2 255	2 126	2 149
Paid Leave	2 508	2 570	2 669	2 736	2 845	2 933
UIF	2 424	2 541	2 695	2 860	2 568	2 598
Medical Aid	1 268	1 173	1 265	1 354	1 413	1 484
Written Contract	2 880	2 948	3 122	3 309	3 731	3 821
Men						
Pension	3 192	3 226	3 231	3 298	3 072	2 983
Paid Leave	3 573	3 682	3 748	3 791	3 799	3 799
UIF	3 604	3 853	4 035	4 159	3 830	3 755
Medical Aid	1 847	1 711	1 792	1 887	1 878	1 903
Written Contract	4 094	4 234	4 347	4 513	4 950	4 881

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

Table 4.1: Characteristics of the unemployed - South Africa

	LFS 2004 Thousand	LFS 2005 Thousand	LFS 2006 Thousand	LFS 2007 Thousand	QLFS 2008 Thousand	QLFS 2009 Thousand
Unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Short-term unemployment (less than 1 year)	1 350	1 448	1 575	1 754	1 686	1 685
Long-term unemployment (1 year and more)	2 519	2 473	2 271	2 016	2 383	2 476
1year less than 3years	973	993	934	858	961	981
3years and over	1 546	1 480	1 337	1 159	1 421	1 495
Long-term unemployment (%)						
Proportion of the labour force	15,8	14,8	13,1	11,6	13,4	14,2
Proportion of the unemployed	63,9	61,9	57,9	52,1	58,5	59,4

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

Table 4.2: Characteristics of the unemployed by province

	LFS 2004 Thousand	LFS 2005 Thousand	LFS 2006 Thousand	LFS 2007 Thousand	QLFS 2008 Thousand	QLFS 2009 Thousand
Long-term unemployment	2 519	2 473	2 271	2 016	2 383	2 476
Western cape	211	206	161	131	195	248
Eastern Cape	287	308	305	274	267	291
Northern Cape	38	43	37	45	54	56
Free State	163	191	142	137	149	155
KwaZulu-Natal	456	444	360	324	374	336
North West	187	187	207	171	181	190
Gauteng	829	723	693	603	796	846
Mpumalanga	105	118	155	108	146	175
Limpopo	243	254	211	223	221	179
Long-term unemployment (%)	63,9	61,9	57,9	52,1	58,5	59,4
Western cape	49,3	46,4	40,6	30,3	45,5	49,9
Eastern Cape	56,8	60,4	59,3	58,0	55,7	58,9
Northern Cape	51,1	49,8	42,1	49,6	57,3	54,0
Free State	63,9	63,5	56,9	56,7	56,0	54,7
KwaZulu-Natal	67,0	58,8	54,6	44,6	51,2	54,6
North West	68,4	67,0	62,9	56,4	62,7	60,9
Gauteng	69,6	69,8	65,2	60,2	70,7	69,1
Mpumalanga	52,4	51,6	56,0	48,0	51,5	56,0
Limpopo	72,1	70,9	60,8	59,5	58,2	55,2
Short-term unemployment	1 350	1 448	1 575	1 754	1 686	1 685
Western cape	209	221	220	276	231	249
Eastern Cape	211	195	203	187	212	202
Northern Cape	36	42	50	44	40	47
Free State	90	104	103	100	117	127
KwaZulu-Natal	207	290	286	381	355	278
North West	81	89	116	126	106	121
Gauteng	333	303	350	385	329	376
Mpumalanga	90	105	117	108	137	138
Limpopo	92	99	129	146	159	145
Short-term unemployment (%)	34,2	36,2	40,2	45,3	41,4	40,4
Western cape	49,0	49,8	55,6	63,8	53,8	50,0
Eastern Cape	41,8	38,3	39,5	39,7	44,1	41,0
Northern Cape	47,6	48,6	55,9	48,1	42,7	46,0
Free State	35,2	34,5	41,5	41,6	43,9	44,9
KwaZulu-Natal	30,4	38,4	43,3	52,4	48,7	45,3
North West	29,8	31,7	35,5	41,5	36,9	38,9
Gauteng	28,0	29,2	33,0	38,4	29,2	30,7
Mpumalanga	45,0	46,2	42,2	47,8	48,4	43,9
Limpopo	27,3	27,6	37,4	39,0	41,8	44,8

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

Totals include the 'don't know and 'other'.

Table 4.3: The duration of unemployment

	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Both Sexes	3 945	3 997	3 922	3 871	4 075	4 167
Less than 3 months	666	649	780	1 030	618	597
3 months less than 6 months	276	341	361	318	427	414
6 months less than 1 year	408	458	434	407	641	674
1 year less than 3 years	973	993	934	858	961	981
3 years and over	1 546	1 480	1 337	1 159	1 421	1 495
Women	2 115	2 200	2 212	2 132	2 158	2 081
Less than 3 months	341	328	414	547	266	240
3 months less than 6 months	140	175	199	161	204	180
6 months less than 1 year	217	243	224	206	333	308
1 year less than 3 years	501	552	533	482	529	509
3 years and over	873	859	801	686	823	841
Men	1 830	1 797	1 710	1 739	1 917	2 085
Less than 3 months	325	321	366	482	351	356
3 months less than 6 months	136	166	161	157	222	235
6 months less than 1 year	192	215	210	201	308	366
1 year less than 3 years	472	441	401	376	433	471
3 years and over	673	622	536	473	599	654

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

Totals include the 'don't know and 'other'.

Table 5: Characteristics of the not economically active - South Africa

	LFS 2004 Thousand	LFS 2005 Thousand	LFS 2006 Thousand	LFS 2007 Thousand	QLFS 2008 Thousand	QLFS 2009 Thousand
Not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Student	4 914	4 991	5 065	5 178	5 682	5 799
Home-maker	1 507	1 235	1 196	1 178	2 519	2 712
Illness/disability	1 385	1 400	1 338	1 411	1 813	1 790
Too old/young to work	1 028	1 021	1 072	1 035	997	1 083
Discouraged work seekers	2 429	2 337	2 331	2 557	1 124	1 513
Other	1 705	1 687	1 547	1 614	830	846
Inactivity rate by age (Both sexes)	44,8	43,0	42,0	42,8	42,2	44,2
15-24 yrs	71,7	70,9	70,0	70,7	69,6	72,2
25-54 yrs	27,8	25,8	24,7	25,5	24,7	26,4
55-64 yrs	57,7	54,6	54,0	55,3	56,6	58,5
Inactivity rate by age (Women)	51,7	49,6	48,1	49,2	49,1	50,9
15-24 yrs	73,7	73,2	71,4	73,4	72,5	74,8
25-54 yrs	37,3	34,4	33,2	33,8	33,9	35,5
55-64 yrs	68,0	66,8	65,1	66,7	67,3	69,0
Inactivity rate by age (Men)	37,1	35,7	35,2	35,7	34,5	36,7
15-24 yrs	69,6	68,5	68,4	68,0	66,8	69,5
25-54 yrs	17,0	16,1	15,0	16,0	14,3	16,0
55-64 yrs	44,9	39,5	40,1	40,9	43,1	45,2

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

Table 6: Socio-demographic characteristics - South Africa						
	LFS 2004	LFS 2005	LFS 2006	LFS 2007	QLFS 2008	QLFS 2009
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Age group of the employed	12 044	12 769	13 419	13 467	13 713	13 216
15-24 yrs	1 312	1 442	1 554	1 538	1 644	1 453
25-34 yrs	4 070	4 309	4 565	4 547	4 674	4 426
35-44 yrs	3 283	3 415	3 526	3 633	3 636	3 640
45-54 yrs	2 374	2 501	2 607	2 592	2 619	2 574
55-64 yrs	1 005	1 102	1 167	1 158	1 140	1 123
Age group of the unemployed	3 945	3 997	3 922	3 871	4 075	4 167
15-24 yrs	1 368	1 348	1 359	1 336	1 375	1 349
25-34 yrs	1 631	1 682	1 600	1 598	1 648	1 720
35-44 yrs	593	589	609	568	684	712
45-54 yrs	283	295	289	300	286	311
55-64 yrs	69	82	64	69	83	74
Age group of the not economically active	12 968	12 672	12 548	12 973	12 964	13 742
15-24 yrs	6 796	6 799	6 783	6 933	6 919	7 260
25-34 yrs	2 196	2 062	2 002	2 093	1 958	2 161
35-44 yrs	1 260	1 194	1 152	1 198	1 217	1 308
45-54 yrs	1 251	1 194	1 167	1 235	1 276	1 326
55-64 yrs	1 465	1 424	1 445	1 515	1 594	1 687
Highest level of education of the employed	12 044	12 769	13 419	13 467	13 713	13 216
No schooling	695	695	691	627	573	479
Less than primary completed	1 610	1 632	1 671	1 598	1 444	1 248
Primary completed	773	810	820	793	731	688
Secondary not completed	3 751	4 098	4 431	4 501	4 545	4 333
Secondary completed	3 349	3 598	3 787	3 814	3 909	3 876
Tertiary	1 774	1 841	1 958	2 054	2 345	2 449
Other	92	96	62	80	166	145
Highest level of education of the unemployed	3 945	3 997	3 922	3 871	4 075	4 167
No schooling	104	128	134	96	98	93
Less than primary completed	467	483	425	409	399	360
Primary completed	260	270	252	254	228	208
Secondary not completed	1 753	1 785	1 753	1 833	1 881	1 915
Secondary completed	1 204	1 170	1 176	1 112	1 245	1 338
Tertiary	145	146	171	159	194	223
Other	11	13	10	9	30	29
Highest level of education of the not economically active	12 968	12 672	12 548	12 973	12 964	13 742
No schooling	1 058	969	892	918	892	881
Less than primary completed	2 227	2 035	1 905	1 925	1 897	1 948
Primary completed	1 170	1 137	1 117	1 074	1 070	1 083
Secondary not completed	6 312	6 296	6 365	6 759	6 871	7 228
Secondary completed	1 870	1 870	1 913	1 944	1 848	2 158
Tertiary	275	303	300	293	287	343
Other	56	61	57	60	98	101
Current marital status of the employed	12 044	12 769	13 419	13 467	13 713	13 216
Married or living together like husband and wife	6 911	7 136	7 300	7 275	7 173	6 983
Widow/widower	464	482	538	492	479	446
Divorced or separated	508	508	474	447	504	483
Never married	4 158	4 643	5 106	5 248	5 557	5 304
Unspecified	3	1	1	5		
Current marital status of the unemployed	3 945	3 997	3 922	3 871	4 075	4 167
Married or living together like husband and wife	1 088	1 166	1 033	1 047	1 120	1 128
Widow/widower	64	63	71	66	63	58
Divorced or separated	87	83	69	61	78	65
Never married	2 707	2 684	2 750	2 696	2 815	2 915
Unspecified		1	0	0		
Current marital status of the not economically active	12 968	12 672	12 548	12 973	12 964	13 742
Married or living together like husband and wife	3 597	3 327	3 167	3 244	3 425	3 516
Widow/widower	594	541	567	592	617	649
Divorced or separated	245	227	209	235	238	235
Never married	8 530	8 571	8 605	8 892	8 684	9 342
Unspecified	2	6	1	10		

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