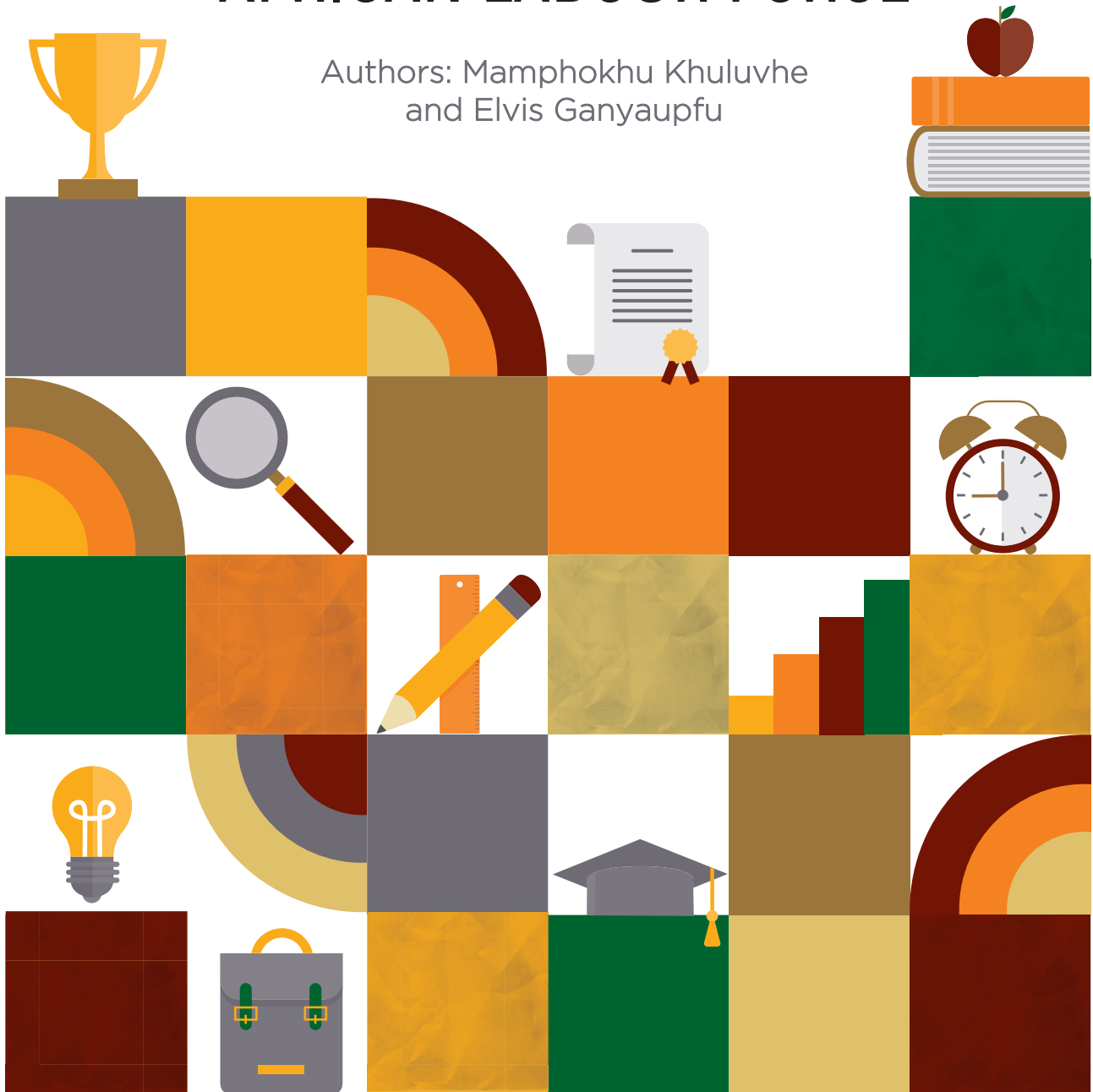


MAY 2022

FACT SHEET

CHARACTERISTICS OF THE SOUTH AFRICAN LABOUR FORCE

Authors: Mamphokhu Khuluvhe
and Elvis Ganyaupfu



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Department of Higher Education and Training
123 Francis Baard Street
Pretoria
South Africa

Private Bag X174
Pretoria
0001

Tel: 0800 87 22 22

www.dhet.gov.za

© Department of Higher Education and Training

The ideas, opinions, conclusions and policy recommendations expressed in this Fact Sheet are strictly those of the authors and do not necessarily represent those of the Department of Higher Education and Training (DHET). The DHET will not be liable for any incorrect data and for errors in conclusions, opinions and interpretations emanating from the information.

Khuluvhe, M. and Ganyaupfu, E. (2022). Fact Sheet on *Characteristics of the South African Labour Force*. Department of Higher Education and Training, Pretoria.

This Fact Sheet is available on the Department of Higher Education and Training's website:
www.dhet.gov.za

Enquiries:

Tel.: 012 312 5465/5735

Fax: 086 457 0289

Email: khuluvhe.m@dhet.gov.za and ganyaupfu.e@dhet.gov.za

Date of publication: May 2022



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

1 Background

The analysis of labour force characteristics provides crucial insights into the formulation and monitoring of policy measures aimed at boosting skills development and job creation. As underscored by the International Labour Organisation¹, information, knowledge and insights into the labour force enables policy makers to engage in informed policy dialogues on employment and skills development policy, make informed decisions in setting national employment and skills development targets, and evaluate the costs and benefits of policies, measures and programmes aimed at improving employment and skills levels in an economy.

According to Statistics South Africa², the labour force consists of all persons who are employed as well as those who are unemployed and seeking work. As a result, this fact sheet provides data and information on the following categories and elements to characterise the labour force:

- a) Characteristics of the labour force disaggregated by:
 - gender
 - population group, and
 - age group.
- b) Numbers and rates of employed and unemployed persons, by highest level of education
- c) Characteristics of the employed, disaggregated by:
 - status in employment,
 - sector (formal and informal),
 - occupation, and
 - industry.
- d) Reasons for unemployment, disaggregated by:
 - reasons for unemployment and
 - duration of unemployment.

2 Purpose

This Fact Sheet aims to provide information about the characteristics of the South African labour force from 2020:Q4 to 2021:Q4. It is intended to be used by policymakers, researchers, the media, and the public in general to reflect on the size and shape of the South African labour force and arrive at evidence-based decisions on how to address the challenges inherent in the South African Labour Force, particularly in relation to skills and employment issues.

¹ International Labour Organisation (2015). National employment policies: A guide for workers' organisations. Gathering and analysing labour market data. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/documents/publication/wcms_334917.pdf

² Statistics South Africa (2021). Quarterly Labour Force Survey. Quarter 2: 2021. Statistical Release P0211.

3 Data and Methodology

This Fact Sheet uses quarterly labour force survey (QLFS) data obtained from Statistics South Africa for the period 2020:Q4 to 2021:Q4. Absolute numbers and some relative proportions were used precisely as obtained from the QLFS data, while some percentages or relative changes between the periods were calculated using MS Excel.

4 Profile of the Labour Force (persons aged 15-64 years – for the period 2020: Q4 to 2021 Q4)

Table 1 shows that the number of **employed persons** waned by 3.2% (from 15.0 million to 14.5 million persons), while the number of **unemployed persons** increased by 9.5% (from 7.2 million to 7.9 million persons) during the period under review. The significant gap between changes in the numbers of the employed and unemployed persons during this period can largely be attributed to the impact of Covid-19, which resulted in an increase in the unemployment rate from 32.5% to 35.3% in just one year. The size of the labour force increased by 0.9% of a percentage point (209 000 persons) from 22.3 million to 22.5 million, while the labour force participation rate declined slightly by 0.3 of a percentage point from 56.6% to 56.3% over the period under review.

The pattern is similar when the data is disaggregated by gender, race and age groups. In terms of gender, higher numbers of males were employed in both 2020:Q4 (8.4 million) and 2021:Q4 (8.3 million) compared to females (6.6 million in 2020:Q4 and 6.3 million in 2021:Q4). Table 1 indicates that male labour force absorption and participation rates remained substantially higher than those of their female counterparts.

In terms of race, labour force absorption and participation rates remained highest among Whites and lowest among Black Africans, while unemployment rates remained highest among Black Africans and lowest among Whites.

In terms of age groups, absorption rates remained highest among persons aged 45-54 years followed by those aged 35-44 years, while labour force participation rates were highest among persons aged 35-44 years followed by those aged 45-54 years. Unemployment rates were highest at 63.2% in 2020:Q4 and 66.5% in 2021:Q4 among those aged 15-24 years relative to those in other age groups.

Table 1: Profile of the labour force by employment status, gender, race and age group; 2020:Q4 vs 2021:Q4

	2020:Q4						2021:Q4					
	Employed		Unemployed		Labour force		Employed		Unemployed		Labour force	
	'000'	Absorption	'000'	Unemployment rate	'000'	LFPR	'000'	Absorption	'000'	Unemployment rate	'000'	LFPR
National												
Persons aged 15-64 yrs	15 024	38.2%	7 233	32.5%	22 257	56.6%	14 544	36.5%	7 921	35.3%	22 466	56.3%
By gender (15-64 yrs)												
Female	6 592	33.2%	3 445	34.3%	10 036	50.6%	6 274	31.2%	3 876	38.2%	10 150	50.5%
Male	8 432	43.3%	3 789	31.0%	12 221	62.8%	8 270	32.8%	4 046	32.8%	12 316	62.3%
By race (15-64 yrs)												
Black African	11 228	35.2%	6 468	36.5%	17 696	55.5%	10 875	33.5%	6 970	39.1%	17 845	55.0%
Coloured	1 528	43.4%	527	25.7%	2 055	58.3%	1 453	40.9%	618	29.8%	2 072	58.3%
Indian/Asian	512	50.0%	68	11.8%	580	56.7%	423	41.0%	161	27.5%	584	56.5%
White	1 756	60.6%	170	8.8%	1 926	66.4%	1 793	62.6%	1 793	8.8%	1 965	68.7%
By age group												
15-24 yrs	776	7.6%	1 335	63.2%	2 111	20.6%	778	7.6%	1 543	66.5%	2 321	22.7%
25-34 yrs	4 298	41.8%	3 006	41.2%	7 304	71.1%	4 088	39.3%	3 142	43.5%	7 231	69.6%
35-44 yrs	4 760	56.0%	1 799	27.4%	6 559	77.1%	4 665	53.7%	1 999	30.0%	6 664	76.8%
45-54 yrs	3 656	59.1%	875	19.3%	4 531	73.3%	3 574	56.0%	1 053	22.8%	4 627	72.4%
55-64 yrs	1 533	37.4%	219	12.5%	1 752	42.7%	1 439	34.3%	184	11.4%	1 623	38.7%

Source: StatsSA Quarterly Labour Force Survey, 2021: Quarter 4

Note:

Note 1: LFPR stands for labour force participation rate

Note 2: The unemployed are those defined according to the official definition of unemployment.

Table 2 shows that the highest share of **employed** persons in the period under review had 'secondary completed' and 'secondary not completed' as their highest level of education attainment, at 34.7% (5.1 million) and 33.1% (4.8 million), respectively in 2021.

Of those **unemployed** in 2021:Q4, 43.0% (3.4 million) had 'secondary not completed' as their highest level of education attainment, while 38.6% (3.1 million) had 'secondary completed' as their highest level of education attainment.

It is interesting to note that less than 10% (731 000) of those who had tertiary education were unemployed in 2021. This finding is consistent with the similar finding reported in the DHET (2021:35)³ post-school education and training (PSET) monitor report which indicates that over the last decade (2010 – 2020), higher levels of educational attainment have been correlated with higher employment rates.

Table 2: Numbers and shares of the employed and the unemployed persons by highest level of education, 2020:Q4 vs 2021:Q4

Highest level of education of the employed	2020:Q4		2021:Q4	
	'000''	Share (%)	'000''	Share (%)
No schooling	178	1.2%	212	1.5%
Less than primary completed	741	4.9%	737	5.1%
Primary completed	512	3.4%	428	2.9%
Secondary not completed	4 825	32.1%	4 819	33.1%
Secondary completed	5 328	35.5%	5 051	34.7%
Tertiary	3 327	22.1%	3 188	21.9%
Other	112	0.7%	109	0.8%
Total	15 024	100.0%	14 544	100.0%

Highest level of education of the unemployed	2020:Q4		2021:Q4	
	'000''	Share (%)	'000''	Share (%)
No schooling	36	0.5%	63	0.8%
Less than primary completed	322	4.5%	333	4.2%
Primary completed	249	3.4%	291	3.7%
Secondary not completed	3 181	44.0%	3 410	43.0%
Secondary completed	2 739	37.9%	3 056	38.6%
Tertiary	670	9.3%	731	9.2%
Other	36	0.5%	37	0.5%
Total	7 233	100.0%	7 921	100.0%

Source: StatsSA Quarterly Labour Force Survey, 2021: Quarter 4

Note: The unemployed are those defined according to the official definition of unemployment.

4.1 Classification of the employed

Table 3 shows that employment levels in the **formal sector** decreased from 10.5 million to 9.8 million, while employment levels in the **informal sector** increased from 2.5 million to 2.6 million over the period under review. Furthermore, employment levels between

³ Khukuvhe, M., Netshifhefhe, E., Ganyaupfu, E. and Negogogo, V. (2021). Department of Higher Education and Training. Post-School Education and Training Monitor. Macro-Indicator Trends. Republic of South Africa.

2020:Q4 and 2021:Q4 increased from 1.2 million to 1.3 million in the private households sector, and from 810 000 to 868 000 in the agricultural sector.

In terms of occupational categories, the number of elementary workers increased the most from 2020 to 2021 by 237 000 (an increase of 7.0%), while the largest declines occurred in clerical (208 000) and sales and services (160 000) occupational categories. In terms of industry, the largest declines in the number of employed persons occurred in the community and social services (286 000) and manufacturing industries (174 000).

Table 3: Classification of the employed by status in employment, sector, occupation and industry; 2020:Q4 vs 2021:Q4

	2020:Q4		2021:Q4		Change (2020:Q4 - 2021:Q4)	
	'000''	Share (%)	'000''	Share (%)	'000''	Percentage points
By status in employment	15 024	100.0%	14 544	100.0%	-479	0.0
Employee	12 615	84.0%	12 034	82.7%	↓ -581	-1.2
Employer	808	5.4%	812	5.6%	↑ 4	0.2
Own-account worker	1 485	9.9%	1 554	10.7%	↑ 69	0.8
Unpaid household member	115	0.8%	144	1.0%	↑ 29	0.2
By sector	15 024	100.0%	14 544	100.0%	-479	0.0
Formal sector (Non-agricultural)	10 495	69.9%	9 771	67.2%	↓ -724	-2.7
Informal sector (Non-agricultural)	2 521	16.8%	2 647	18.2%	↑ 126	1.4
Agriculture	810	5.4%	868	6.0%	↑ 57	0.6
Private households	1 197	8.0%	1 258	8.7%	↑ 62	0.7
By occupation	15 024	100.0%	14 544	100.0%	-479	0.0
Manager	1 324	8.8%	1 257	8.6%	↓ -68	-0.2
Professional	952	6.3%	933	6.4%	↓ -19	0.1
Technician	1 352	9.0%	1 265	8.7%	↓ -87	-0.3
Clerk	1 579	10.5%	1 371	9.4%	↓ -208	-1.1
Sales and services	2 476	16.5%	2 316	15.9%	↓ -160	-0.6
Skilled agriculture	85	0.6%	68	0.5%	↓ -18	-0.1
Craft and related trade	1 660	11.0%	1 519	10.4%	↓ -141	-0.6
Plant and machine operator	1 257	8.4%	1 236	8.5%	↓ -22	0.1
Elementary	3 393	22.6%	3 630	25.0%	↑ 237	2.4
Domestic worker	897	6.0%	949	6.5%	↑ 52	0.6
Other	47	0.3%	0	0.0%	↓ -47	-0.3
By industry	15 024	100.0%	14 544	100.0%	-479	0.0
Agriculture	810	5.4%	868	6.0%	↑ 57	0.6
Mining	384	2.6%	370	2.5%	↓ -14	0.0
Manufacturing	1 491	9.9%	1 316	9.1%	↓ -174	-0.9
Utilities	99	0.7%	82	0.6%	↓ -18	-0.1
Construction	1 166	7.8%	1 133	7.8%	↓ -33	0.0
Trade	3 063	20.4%	2 896	19.9%	↓ -168	-0.5
Transport	943	6.3%	951	6.5%	↑ 8	0.3
Finance	2 312	15.4%	2 404	16.5%	↑ 93	1.1
Community and social services	3 551	23.6%	3 264	22.4%	↓ -286	-1.2
Private households	1 197	8.0%	1 258	8.7%	↑ 62	0.7
Other	9	0.1%	3	0.0%	↓ -6	0.0

Source: StatsSA Quarterly Labour Force Survey, 2021: Quarter 4

Notes:

Note 1: Employee – a person who works for a public sector or private sector employer and receives remuneration in wages, salary, commission, tips, piece-rates or pay in kind.








Note 2: Employer – a person who operates his/her own economic enterprise or engages independently in a profession or trade, and hires one or more employees.

Note 3: Own-account worker – a person who operates his/her own economic enterprise or engages independently in a profession or trade, and hires no employees.

5 Reasons for and duration of unemployment

Table 4 shows that the main reasons for persons being unemployed was that either they were new entrants to the labour market and could not be absorbed into employment, or that those who had been employed previously, lost their jobs. The number of new entrants to the labour market grew from 2.9 million in 2020:Q4 to 3.4 million in 2021:Q4, while the number of people who lost their jobs declined by 2.9% (64 000) from about 2 241 000 in 2020:Q4 to 2 177 000 in 2021:Q4. However, the number of job leavers waned by 31.9% from about 392 000 in 2020:Q4 to 267 000 in 2021:Q4.

Table 4: Numbers and changes of the unemployed by reason for - and duration of being unemployed, 2020:Q4 vs 2021:Q4

	2020:Q4	2021:Q4	Change (2020:Q4 - 2021:Q4)	
	000'	000'	000'	Percent (%)
Reason for being unemployed	7 233	7 921	688	9.5%
Job losers	2 241	2 177	● -64	-2.8% 
Job leavers	392	267	● -125	-31.9% 
New entrants	2 850	3 415	● 565	19.8% 
Re-entrants	358	332	● -26	-7.4% 
Other	1 392	1 730	● 338	24.3% 
Duration of being unemployed	7 233	7 921	688	9.5%
Long-term unemployment (1 year and more)	5 199	6 334	● 1 135	21.8% 
Short-term unemployment (less than 1 year)	2 034	1 587	● -447	-22.0% 

Source: StatsSA Quarterly Labour Force Survey, 2021: Quarter 4

Notes:

Note 1: The unemployed are those defined according to the official definition of unemployment.

Note 2: Unemployed job losers are unemployed persons were working when they became unemployed and had lost their job; they were laid off; the business in which they had previously worked had been sold or had closed down.

Note 3: 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

Note 4: New-entrants into unemployment are persons who were unemployed during the reference period, had never worked before and were currently looking for work.

Note 5: Re-entrants into unemployment are unemployed persons who worked before who were currently looking for work whose main activity before looking for work was any of the following: managing a home; going to school; other reason, i.e. they were not working.

Note 6: (a) Red circles represent an increase (unfavourable) in the number of persons unemployed, while green solid circles signify a decline (favourable) in the number of persons unemployed; and (b) Red bars and their sizes show the magnitudes of percentage upsurges (unfavourable) in persons unemployed, whereas green bars and their sizes show the magnitudes of percentage decreases (favourable) in persons unemployed.

6 Conclusion

The sizeable decline in the number of employed persons and the upsurge in the number of unemployed persons, potentially largely due to the impact of the COVID-19 pandemic, suggests the strong need for the government to formulate and implement economic stimulus measures that can enhance meaningful and prompt economic recovery. The Economic Reconstruction and Recovery Plan (ERRP) provides a strong foundation for policy makers across all sectors and industries of the economy to strengthen their collaboration with the social and private sector stakeholders in working towards ensuring equitable and inclusive growth in a manner that can profoundly reduce unemployment in the country. This report shows positive correlations between levels of education attainment and employment status, suggesting that higher levels of education is a good predictor of employment.

Improved equitable access to PSET education, especially increased shares of those with tertiary educational qualifications in the labour force can substantially contribute towards reducing job loss and long-term unemployment, as well as unemployed new entrants.

Appendix

7 Terms and Definitions

- 7.1 Employed – persons aged 15–64 years who, during the reference week, did any work for at least one hour.
- 7.2 Unemployed – there are two definitions of the unemployed: the official definition and the expanded definition.
 - 7.2.1 According to the official definition, unemployed persons are those (aged 15–64 years) who:
 - a) were not employed in the reference week; and
 - b) actively looked for work or tried to start a business in the four weeks preceding the survey interview; and
 - c) were available for work, i.e. would have been able to start work or a business in the reference week; or
 - d) had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available.
 - 7.2.2 According to the expanded definition, unemployed persons are those (aged 15–64 years) who:
 - a) fall under official unemployment (searched and available); and
 - b) were available to work but are discouraged work-seekers or have other reasons for not searching for work.
- 7.3 Labour market – a market system in which buyers of labour (employers or firms) and sellers of labour (employees or employment seekers) interact to facilitate their transactions.
- 7.4 Labour force – comprises all persons who are employed, plus all persons who are unemployed. The unemployed in this case only refers to work seekers, and excludes those who are not employed and not looking for work.
- 7.5 Labour force participation – active engagement in the labour market, either by working or looking for work in the reference week.
- 7.6 Labour force participation rate – share of the working-age population currently participating in the labour force.
- 7.7 Labour force status – status of being in employment, unemployment, or outside the labour force.
- 7.8 Absorption rate – proportion of the working-age population aged 15-64 years that is employed.
- 7.9 Working age population – persons aged 15-64 years in the population.
- 7.10 Economically active population – economically active population is synonymous with the labour force.
- 7.11 Not economically active population – persons aged 15–64 years who are not available for work, precisely full-time scholars and students, full-time homemakers, the retired and those who are unable or unwilling to work, in the reference week.
- 7.12 Occupation – set of jobs whose main tasks and duties are characterised by a high degree of similarity.

- 7.13 Industry – the set of all production units engaged primarily in the same or similar kinds of productive activity⁴.
- 7.14 Informal sector – has the following two components:
 - 7.14.1 Employees working in establishments that employ fewer than five employees, who do not deduct income tax from their salaries or wages; and
 - 7.14.2 Employers, own-account workers and persons helping others who are unpaid in their household business not registered for either income tax or value-added tax.

⁴ Statistics South Africa (2012). Standard Industrial Classification of all Industrial Activities (Seventh Edition). Report No. 09-90-02.