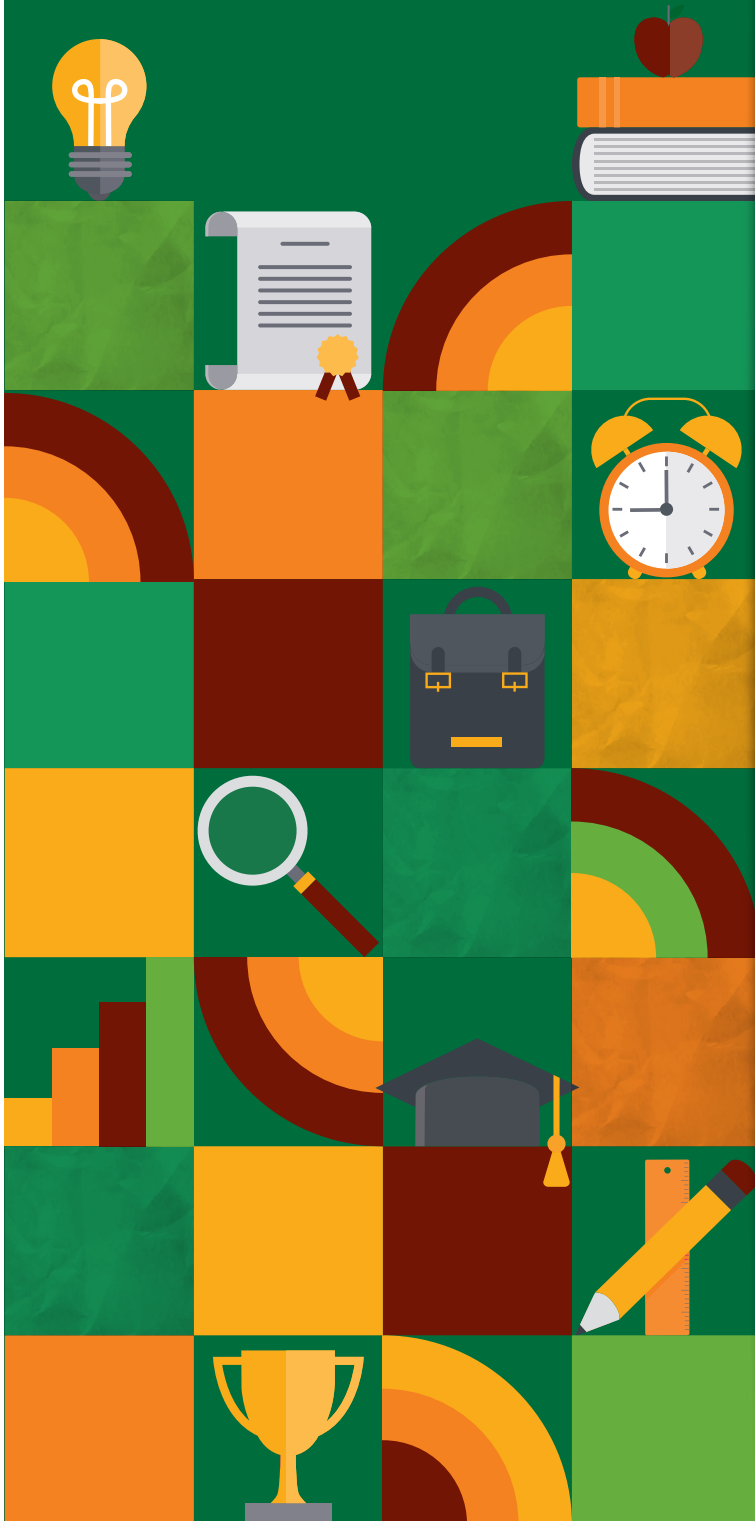


MARCH 2023

FACT SHEET



CHARACTERISTICS OF THE SOUTH AFRICAN LABOUR FORCE



BACKGROUND

This Fact Sheet provides information about the size and shape of the South African labour force in relation to skills and employment issues. The analysis of this information provides crucial insights into the development and monitoring of policy measures aimed at boosting skills development and job creation. Improved and inclusive access to post-school education and training opportunities, and especially increasing the share of those with degrees in the labour force, contributes positively towards the growth of the economy and its global competitiveness.

This Fact Sheet uses Quarterly Labour Force Survey (QLFS) data obtained from Statistics South Africa (Stats SA) for the period 2021:Q3 to 2022:Q3.



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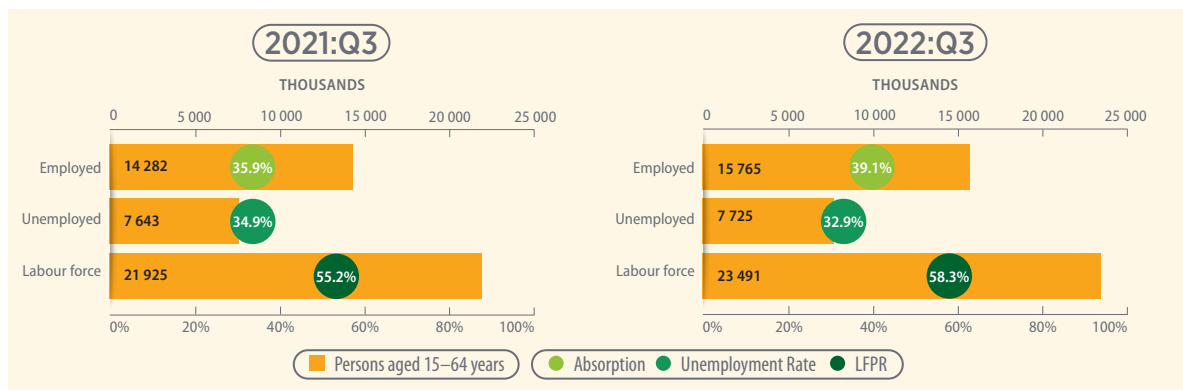
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



SUMMARY OF FINDINGS

Figure 1 offers a profile of the labour force (persons aged 15–64 years). In 2022, the South African labour force comprised just under 15.8 million employed persons and 7.7 million unemployed persons. The employment rate (also referred to as the absorption rate) increased by 3.2 percentage points, from 35.9% in 2021 to 39.1% in 2022, while the unemployment rate decreased by 2 percentage points over the two years from 34.9% to 32.9%.

FIGURE 1: Profile of the South African labour force (persons aged 15–64 years) by employment status, 2021:Q3 versus 2022:Q3



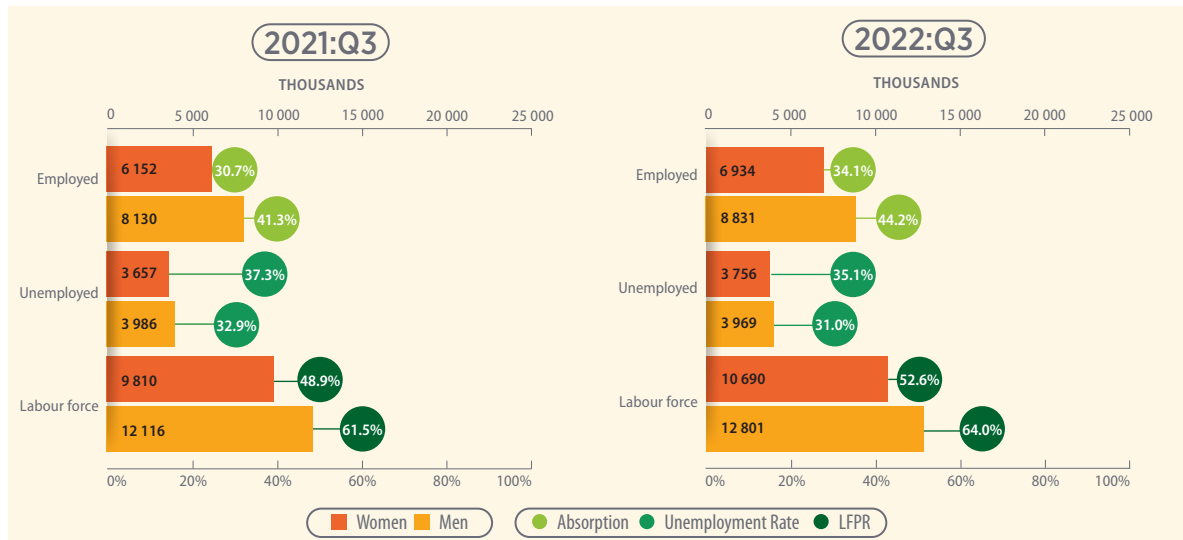
Source: Stats SA QLFS, 2022:Q3

Note 1: LFPR stands for labour force participation rate.

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

With regards to the gender profile of the labour force, more men than women were employed in both 2021 and 2022, according to Figure 2. Furthermore, the absorption rate of men into employment remained substantially higher than that of their women counterparts.

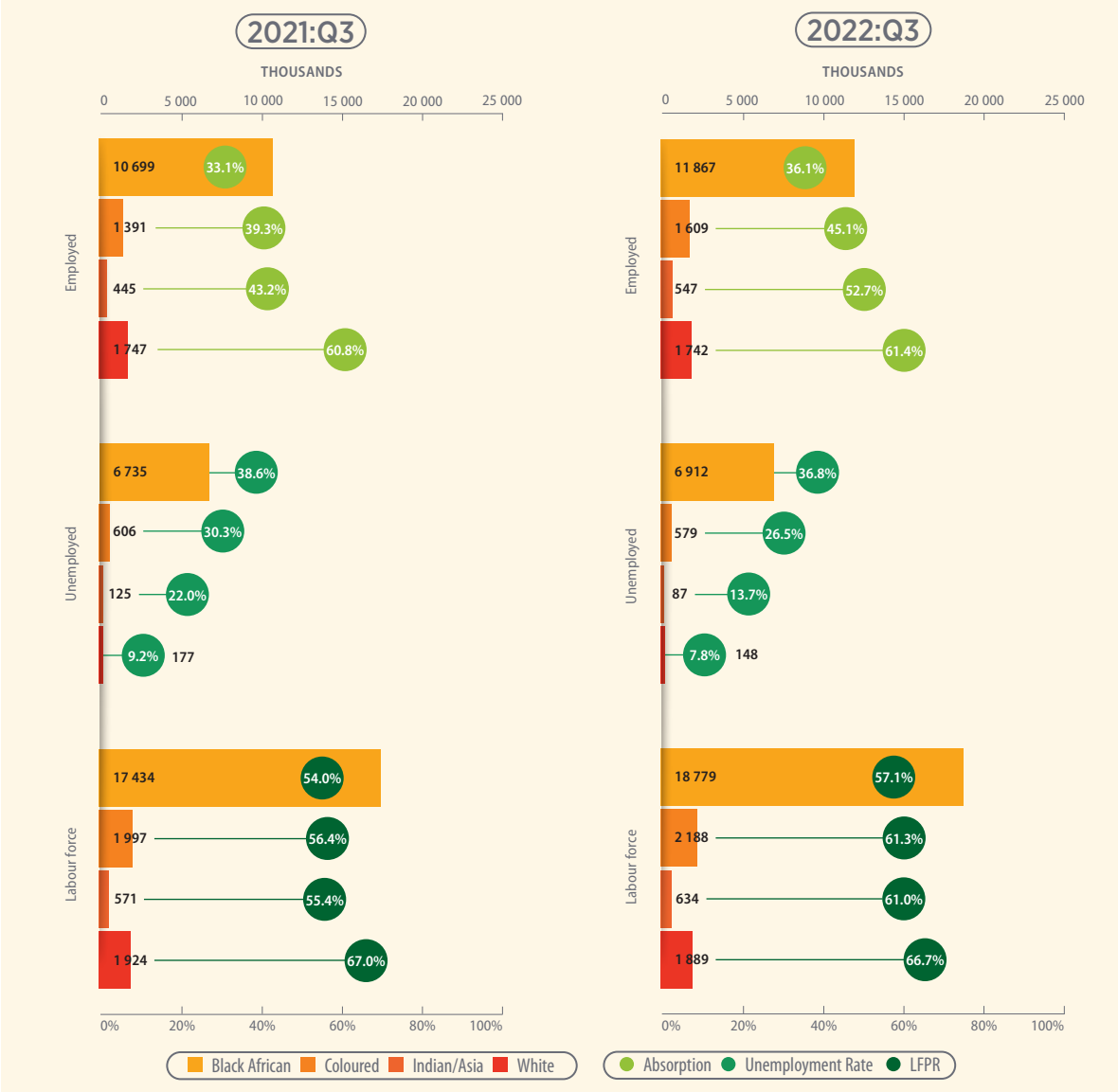
FIGURE 2: Profile of the labour force (persons aged 15–64 years) by employment status and gender, 2021:Q3 versus 2022:Q3



Source: Stats SA QLFS, 2022:Q3

Figure 3 offers a racial profile of the labour force. Absorption rates into employment remained highest among whites and lowest among black Africans, while the unemployment rates remained highest among black Africans and lowest among whites in the same period.

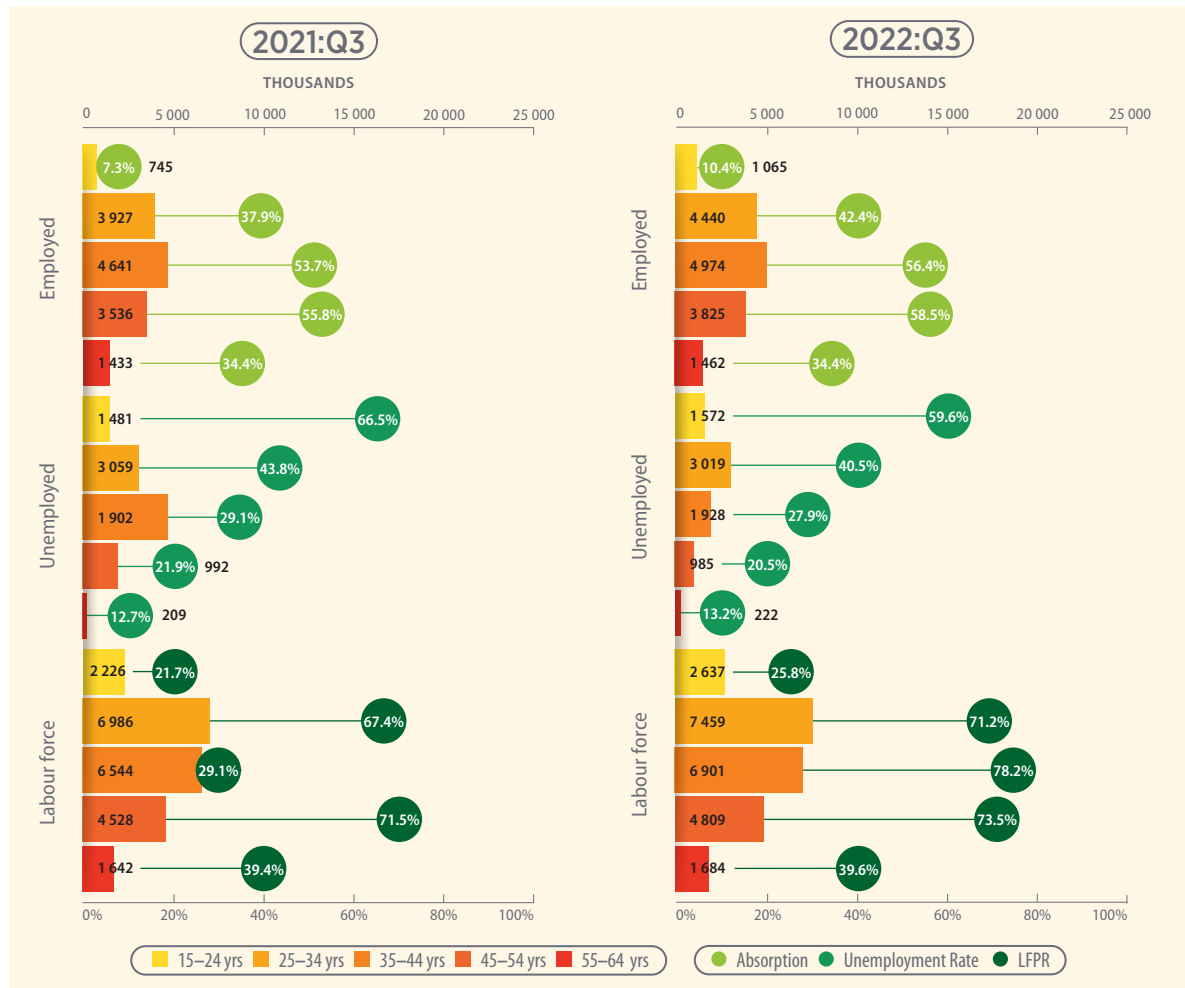
FIGURE 3: Profile of the labour force (persons aged 15–64 years) by employment status and race, 2021:Q3 versus 2022:Q3



Source: Stats SA QLFS, 2022:Q3

Lastly, with regards to age, absorption rates into employment remained highest among persons aged 45–54 years (58.5%), followed by those aged 35–44 years (56.4%), as indicated in Figure 4. On the other hand, in 2022, unemployment rates were highest among the younger age groups aged 15–24 years (59.6%) and 25–34 years (40.5%).

FIGURE 4: Profile of the labour force (persons aged 15–64 years) by employment status and age group, 2021:Q3 versus 2022:Q3










Source: Stats SA QLFS, 2022:Q3








According to Figure 5, the highest share of the employed persons had ‘secondary completed’ (37.2%) and ‘secondary not completed’ (29.9%) as their highest level of education attainment in 2022. Conversely, the reverse was true for unemployed persons: the highest share of the unemployed had ‘secondary not completed’ (43.6%) and ‘secondary completed’ (38.2%) as the highest level of education attainment in 2022.

Although the unemployment rate of those who have completed a tertiary qualification has increased over the last decade, it has remained relatively low compared to those who have lower levels of education attainment. Figure 5 indicates that the unemployment rate for persons who have attained a tertiary qualification was 16.7% in 2022, which is almost half of the national average.

These findings suggest a positive correlation between higher levels of education and higher employment rates.

FIGURE 5: Numbers, shares and absorption of the employed, and the unemployment rate of the unemployed persons by highest level of education, 2021:Q3 versus 2022:Q3

HIGHEST LEVEL OF EDUCATION OF THE EMPLOYED	2021:Q3			2022:Q3		
	'000'	Share (%)	Absorption (%)	'000'	Share (%)	Absorption (%)
 No schooling	209	1.5%	26.8%	157	1.0%	21.9%
 Less than primary completed	662	4.6%	29.1%	680	4.3%	30.3%
 Primary completed	424	3.0%	26.5%	458	2.9%	27.7%
 Secondary not completed	4 613	32.3%	26.2%	4 716	29.9%	27.9%
 Secondary completed	5 043	35.3%	40.3%	5 871	37.2%	44.5%
 Tertiary	3 229	22.6%	68.6%	3 651	23.2%	71.9%
 Other	102	0.7%	35.8%	233	1.5%	47.2%
TOTAL	14 282	100.0%	35.9%	15 765	100.0%	39.1%

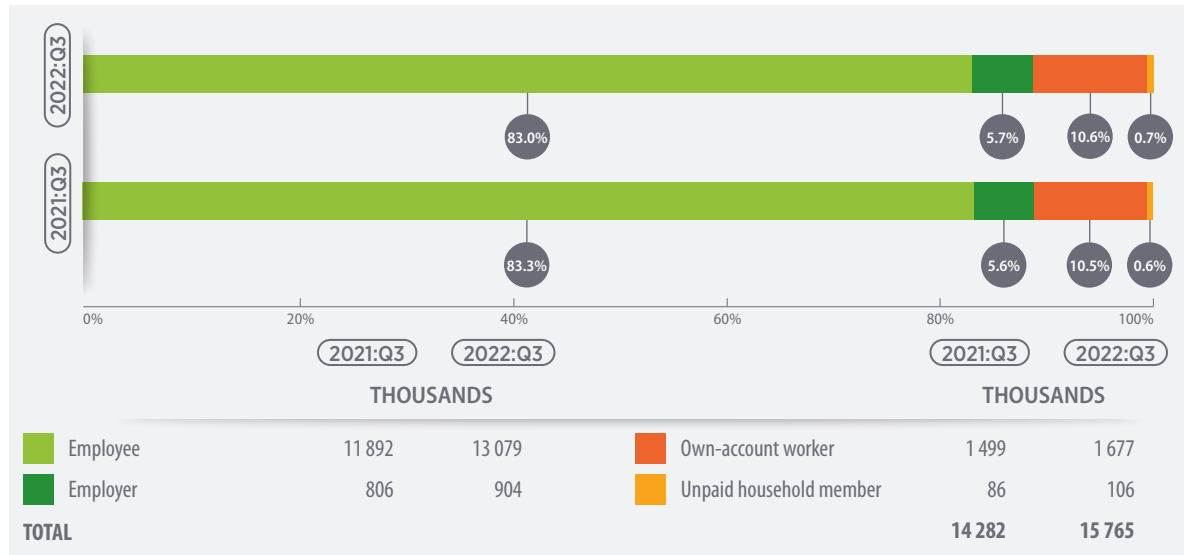
HIGHEST LEVEL OF EDUCATION OF THE UNEMPLOYED	2021:Q3			2022:Q3		
	'000'	Share (%)	Unemployment rate (%)	'000'	Share (%)	Unemployment rate (%)
 No schooling	49	0.6%	19.1%	50	0.6%	24.2%
 Less than primary completed	286	3.7%	30.2%	332	4.3%	32.8%
 Primary completed	267	3.5%	38.7%	245	3.2%	34.8%
 Secondary not completed	3 365	44.0%	42.2%	3 365	43.6%	41.6%
 Secondary completed	2 893	37.8%	36.5%	2 949	38.2%	33.4%
 Tertiary	748	9.8%	18.8%	730	9.5%	16.7%
 Other	35	0.5%	25.6%	53	0.7%	18.6%
TOTAL	7 643	100.0%	34.9%	7 725	100.0%	32.9%

Source: Stats SA QLFS, 2022:Q3

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

Figure 6 shows that about 13.1 million persons (83.0%) who were employed were employees in 2022, while almost 1.7 million persons (10.6%) were own-account workers, and 904 000 persons (5.7%) were employers.

FIGURE 6: Classification of the employed by status in employment, 2021:Q3 versus 2022:Q3

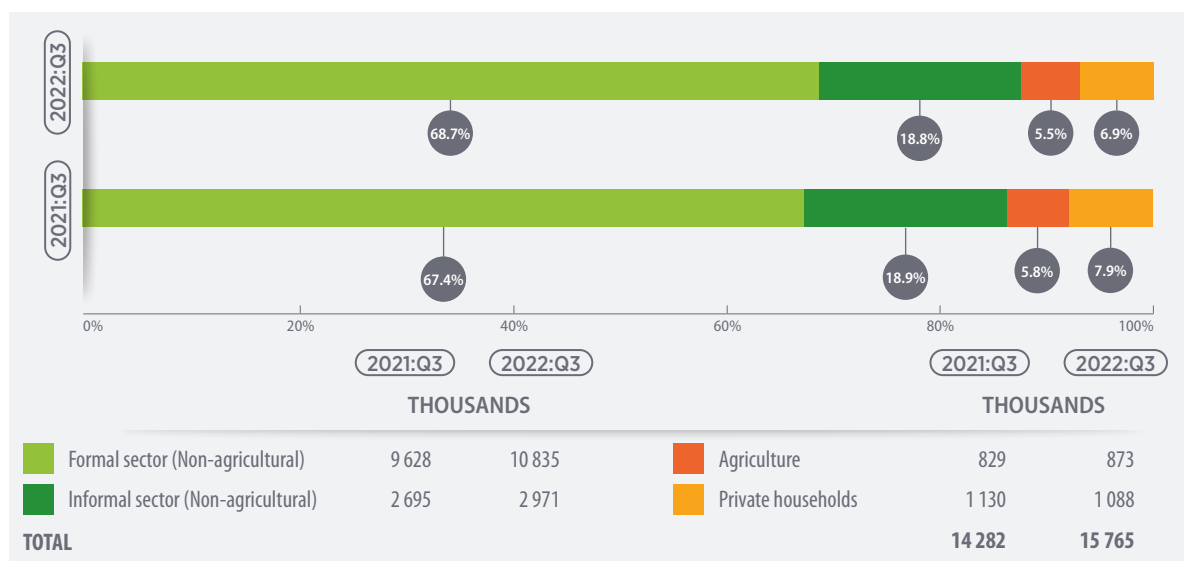


Source: Stats SA QLFS, 2022:Q3

- 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.

According to Figure 7, in 2022, 10.8 million persons (68.7%) worked in the formal sector, while almost 3 million persons (18.8%) worked in the informal sector. Employment levels increased in both the formal and informal sectors from 2021 to 2022; however the growth in the formal sector (12.5%) was higher than that experienced by the informal sector (10.2%).

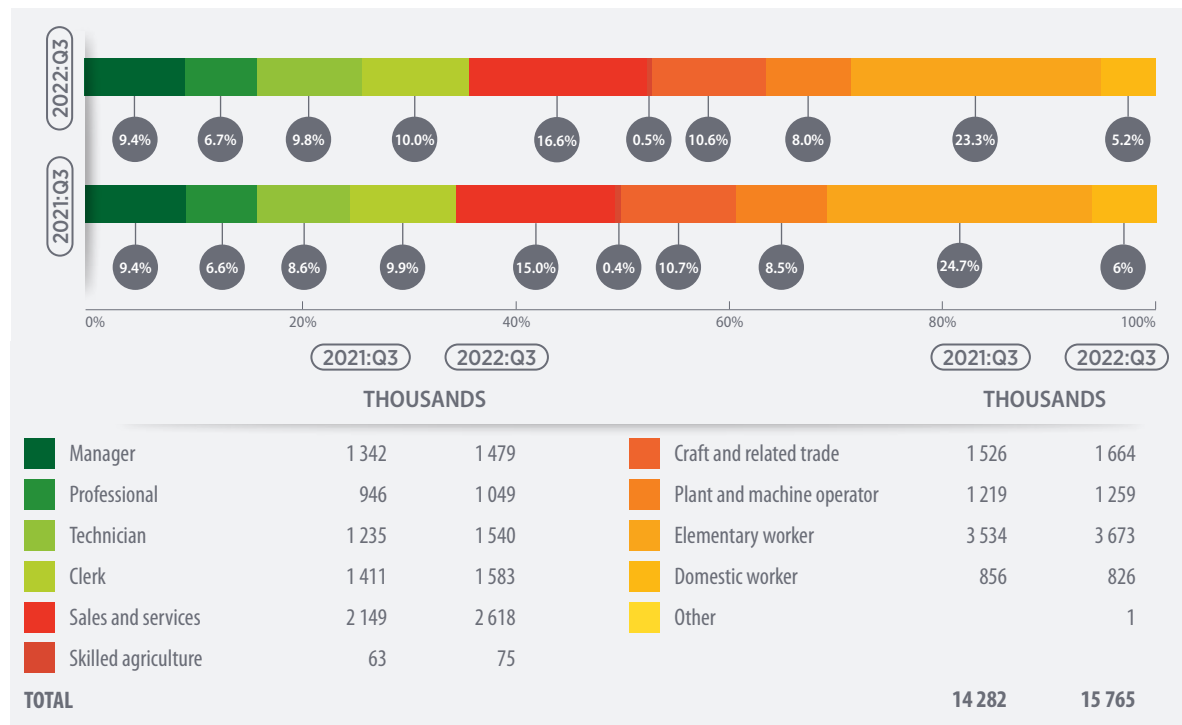
FIGURE 7: Classification of the employed by sector, 2021:Q3 versus 2022:Q3



Source: Stats SA QLFS, 2022:Q3

According to Figure 8, in 2022, close to one-quarter (23.3%) of all those who were employed worked as elementary workers, followed by those who worked in sales and services-related occupations (16.6%), and crafts and related trades (10.6%).

FIGURE 8: Classification of the employed by occupation, 2021:Q3 versus 2022:Q3



Source: Stats SA QLFS, 2022:Q3

In terms of the type of industry in which the employed worked, as illustrated in Figure 9, in 2022, almost one-quarter of all workers (24.4%) were employed in the community and social services industry, followed by the trade (20.6%) and the finance (15.1%) industries.

FIGURE 9: Classification of the employed by industry, 2021:Q3 versus 2022:Q3



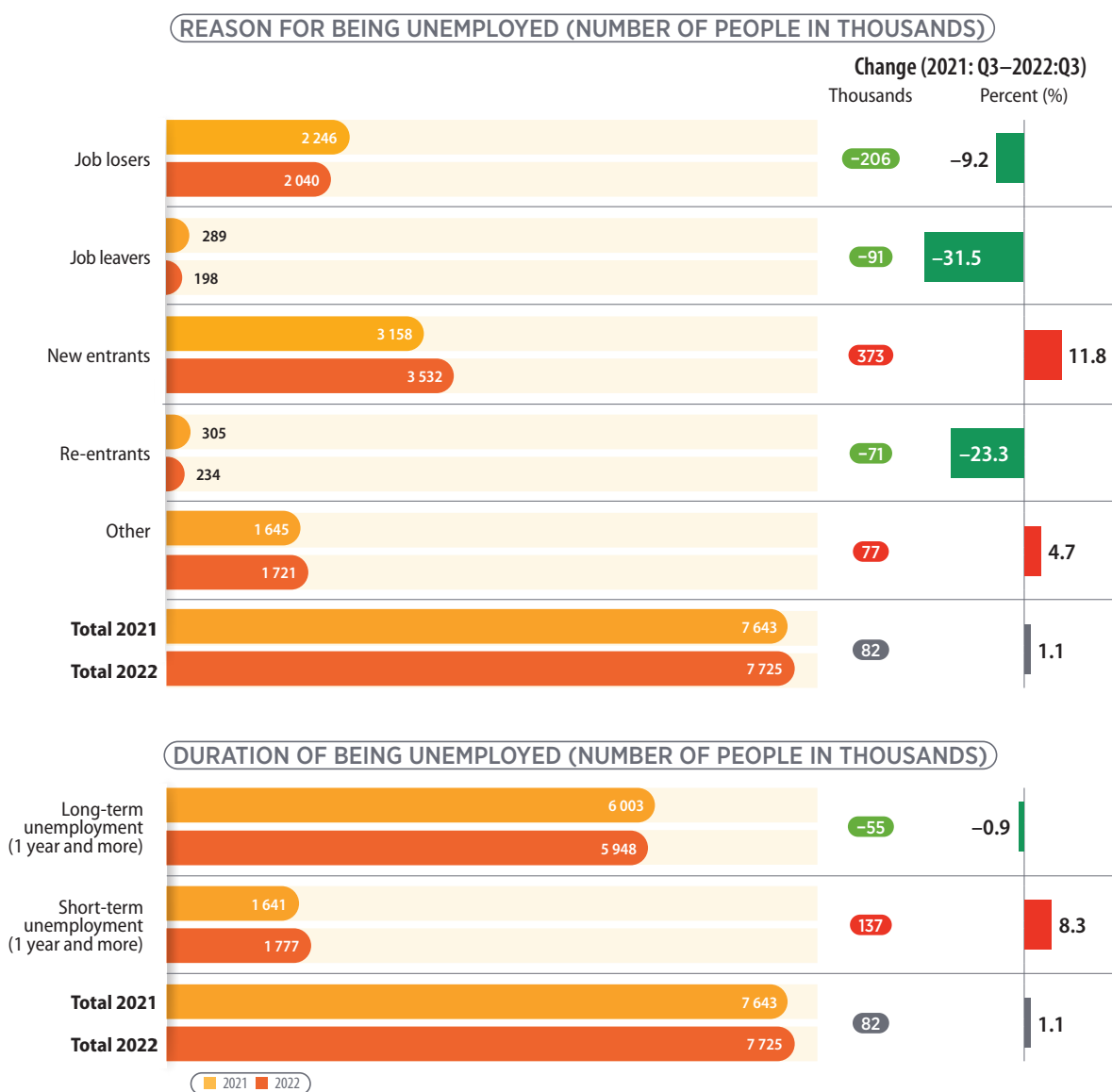
Source: Stats SA QLFS, 2022:Q3

Figure 10 illustrates the reasons for, and duration of, unemployment of the labour force. The main reasons for unemployment was that unemployed persons had newly entered the labour market and could not be absorbed into employment, while others were previously employed and had since lost their jobs, in both 2021 and 2022.

The number of new entrants to the labour market was 3.5 million in 2022, reflecting an increase of 11.8% from almost 3.2 million in 2021. On the other hand, the number of those who lost their jobs declined by 9.2% from 2.2 million in 2021 to just over 2.0 million in 2022.

Although the number of persons who have been unemployed for one year and more (long-term unemployment) declined slightly by 0.9% from 2021 to 2022, it is worrying that more than three out of four persons who were unemployed in the period under review were unemployed for one year or more. According to the Organisation for Economic Co-operation and Development (OECD),¹ long-term unemployment causes significant mental and material stress for those affected and their families. This is of particular concern to policymakers, as high rates of long-term unemployment indicate that the labour market is operating inefficiently. Furthermore, persons who are unemployed for a long period of time find it more difficult to find employment as time goes by, due to their low levels of education attainment and lack of required skills.

FIGURE 10: Numbers and changes of the unemployed by reason for, and duration of, being unemployed, 2021:Q3 versus 2022:Q3



Source: Stats SA QLFS, 2022:Q3

- Note 1: The unemployed are those defined according to the official definition of unemployment.
- Note 2: Unemployed job losers = unemployed persons who were working until they became unemployed because they lost their jobs, were laid off, or the business in which they previously worked was sold or closed down.
- Note 3: Unemployed job leavers = 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, changing residence, retiring or other reasons.
- Note 4: New entrants into unemployment = persons who were unemployed during the reference period, had never worked before and were currently looking for work.
- Note 5: Re-entrants into unemployment = unemployed persons who worked before and were currently looking for work, and whose main activity before looking for work was any of the following: managing a home, going to school or other reason, e.g., they were not working.
- Note 6: (a) Red circles represent an increase (unfavourable) in the number of unemployed persons, while green circles signify a decline (favourable) in the number of unemployed persons; and (b) Red bars and their sizes show the magnitudes of percentage upsurges (unfavourable) in unemployed persons, whereas green bars and their sizes show the magnitudes of percentage decreases (favourable) in unemployed persons.



CONCLUSION

This Fact Sheet reveals that about two-thirds (15.8 million) of South Africa's labour force was employed in 2022, while one-third (7.7 million) was unemployed. However, there was a substantial increase in the number of persons employed in 2022 compared with 2021, due largely to recovery from the Covid-19 pandemic. The increase in employment levels was driven mainly by gains in the community and social services, trade, and manufacturing industries. Although there was a slight recovery in employment, the number of persons employed are still below pre-Covid levels. As such, unacceptably high levels of unemployment continue to burden the country. This suggests a need for government to provide and prioritise initiatives that will reintegrate those who have lost jobs during the Covid-19 period back into the labour market.

The findings from this Fact Sheet also demonstrate a strong correlation between higher levels of education and higher employment rates, as the absorption rates were higher for persons with higher levels of education attainment (e.g., tertiary), compared with those who had lower levels of education attainment. Improved equitable access to post-school education and training opportunities, especially higher levels of education attainment like tertiary education, can increase the chances of the unemployed to secure better employment opportunities.



APPENDIX

TERMS AND DEFINITIONS

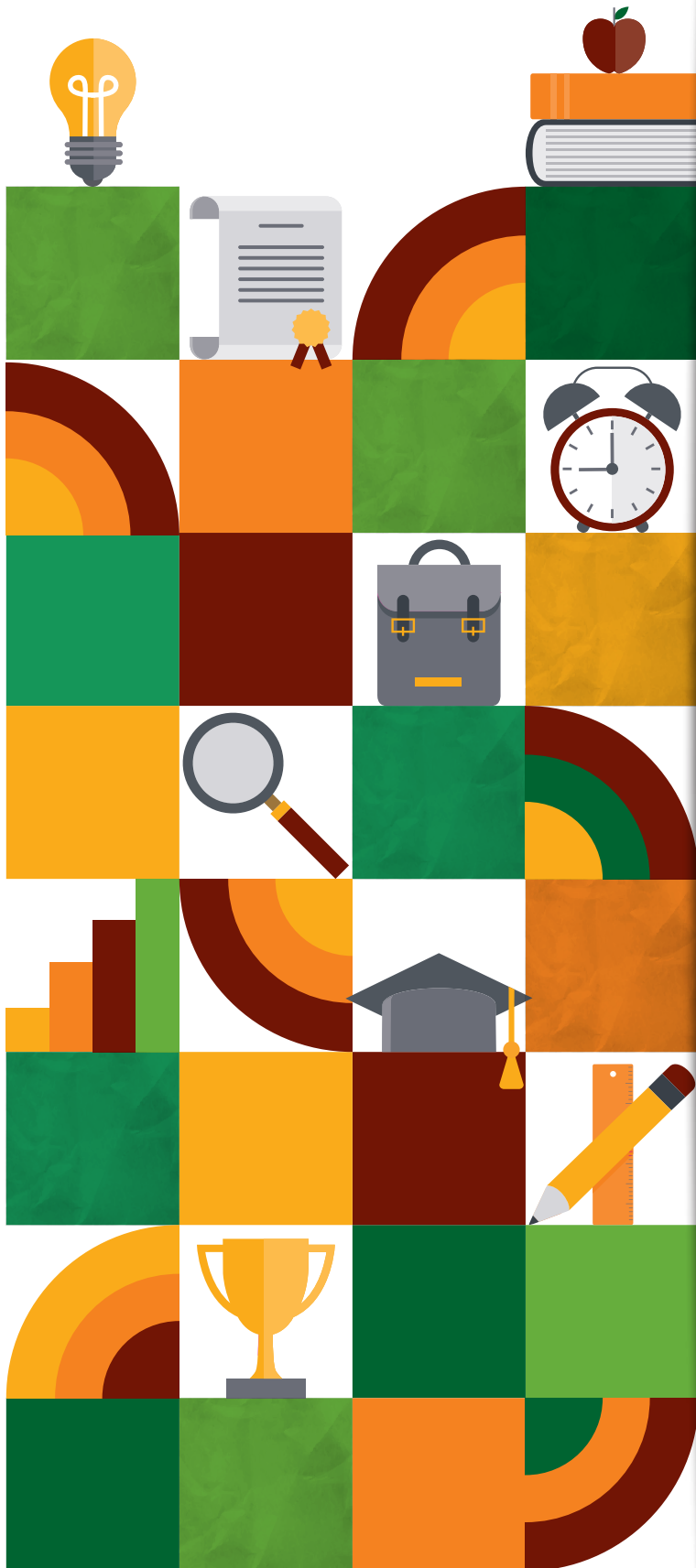
1. Employed: persons aged 15–64 years who, during the reference week, did any work for at least one hour.
2. Unemployed: there are two definitions of the unemployed – the official definition and the expanded definition
 - 2.1. According to the official definition, unemployed persons are those aged 15–64 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.
 - 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 were discouraged work-seekers, or had other reasons for not searching for work.

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.
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.
5. Labour force participation: active engagement in the labour market, either by working or looking for work in the reference week.
6. Labour force participation rate: share of the working-age population currently participating in the labour force.
7. Labour force status: status of being in employment, unemployment or outside the labour force.
8. Absorption rate: proportion of the working-age population aged 15–64 years that is employed.
9. Working-age population: persons aged 15–64 years in the population.
10. Economically active population: the population synonymous with the labour force.
11. Not economically active population: persons aged 15–64 years who are not available for work, specifically full-time scholars and students, full-time homemakers, the retired, and those who are unable or unwilling to work, in the reference week.
12. Occupation: set of jobs whose main tasks and duties are characterised by a high degree of similarity.
13. Industry: the set of all production units engaged primarily in the same or similar kinds of productive activity.²
14. Informal sector – has the following two components:
 - 14.1. Employees working in establishments that employ fewer than five employees, and that do not deduct income tax from their salaries or wages; and
 - 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.



ENDNOTES

1. OECD (2023), Long-term unemployment rate (indicator). doi: 10.1787/76471ad5-en (Accessed 2023, 13 January)
2. Statistics South Africa (2012). Standard Industrial Classification of all Industrial Activities (Seventh Edition). Report No. 09-90-02



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