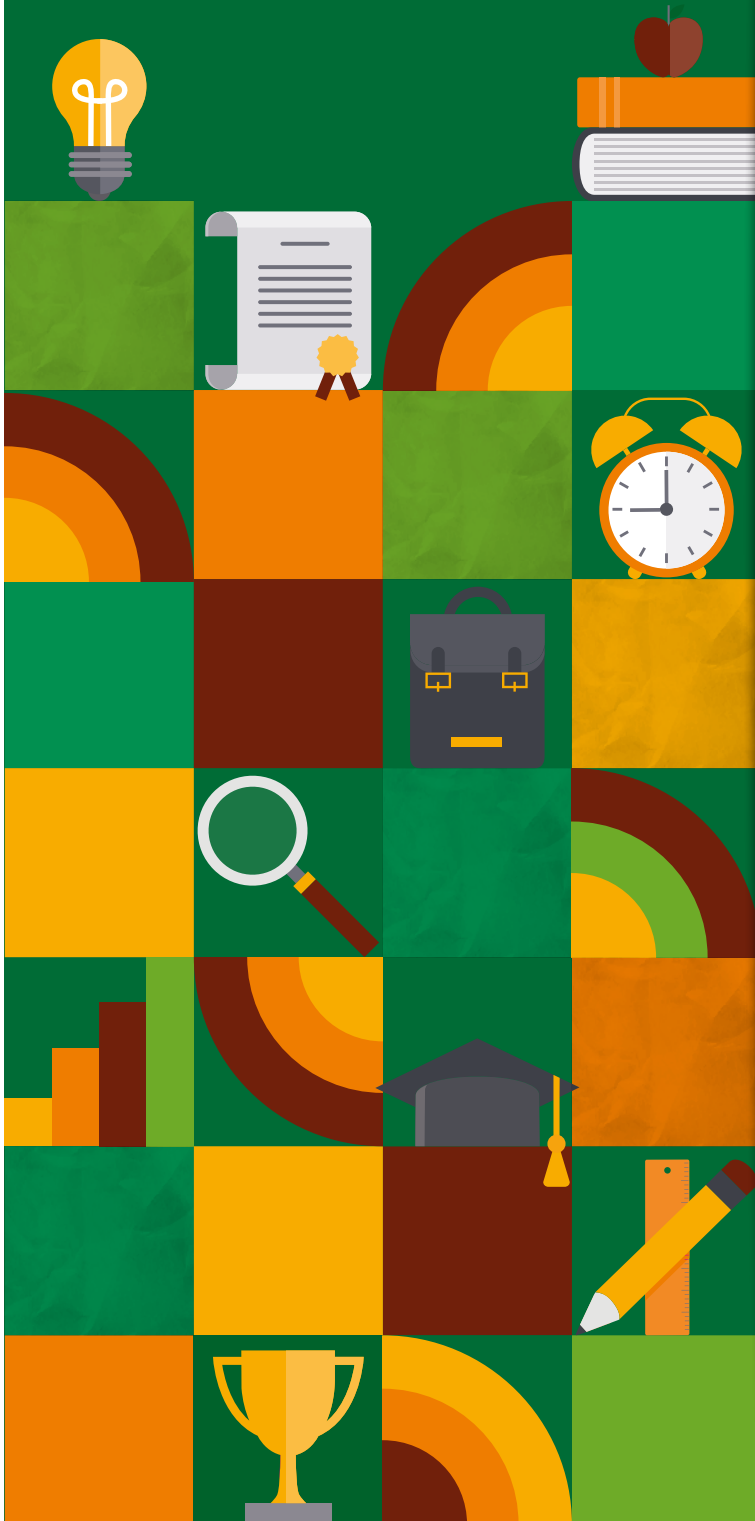


MAY 2024

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, with particular emphasis on education and training. The analysis of the labour force 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, especially increased shares 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 2022:Q3 to 2023:Q3.



higher education
& training

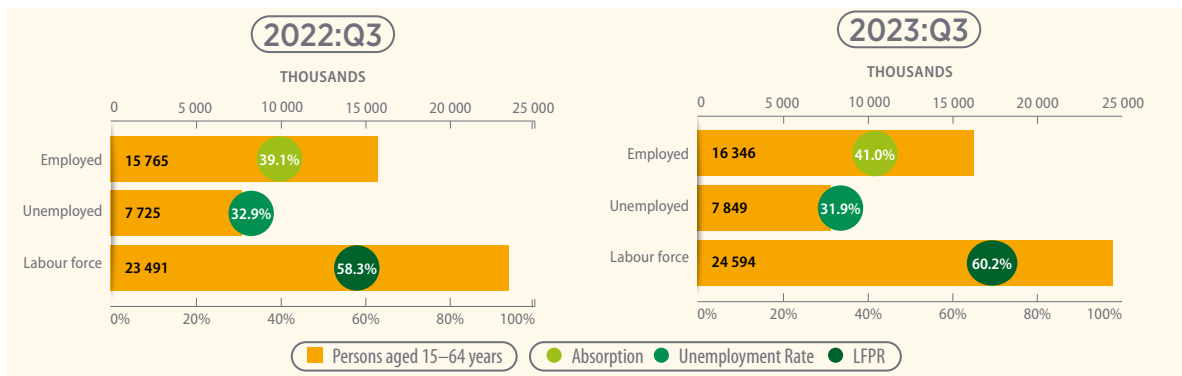
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



SUMMARY OF FINDINGS¹

Figure 1 offers a profile of the labour force (persons aged 15–64 years). In 2023, the South African labour force comprised 16.3 million employed persons and 7.8 million unemployed² persons. The employment rate (also referred to as the absorption rate) increased by 1.9 percentage points, from 39.1% in 2022 to 41.0% in 2023, while the unemployment rate declined by 1 percentage point over the two years, from 32.9% to 31.9% (Figure 1).

FIGURE 1: Profile of the South African labour force (persons aged 15–64 years) by employment status, 2022:Q3 versus 2023:Q3

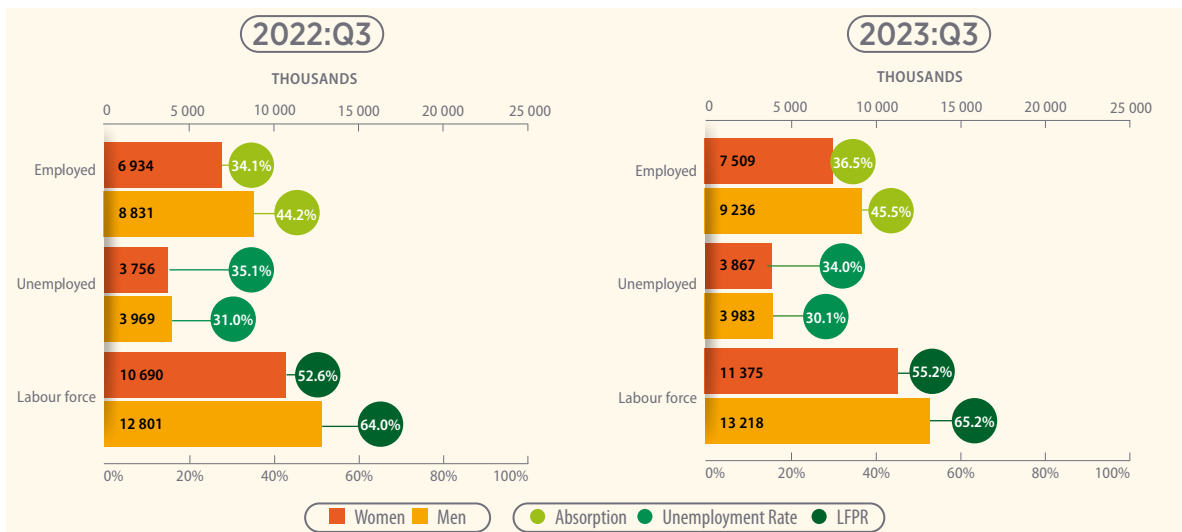


Note 1: LFPR stands for labour force participation rate.

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 males than females were employed in both 2022 and 2023, according to Figure 2. Furthermore, the absorption rate of males into employment remained substantially higher than that of their female counterparts, while more females than males were unemployed.

FIGURE 2: Profile of the labour force (persons aged 15–64 years) by employment status and gender, 2022:Q3 versus 2023:Q3

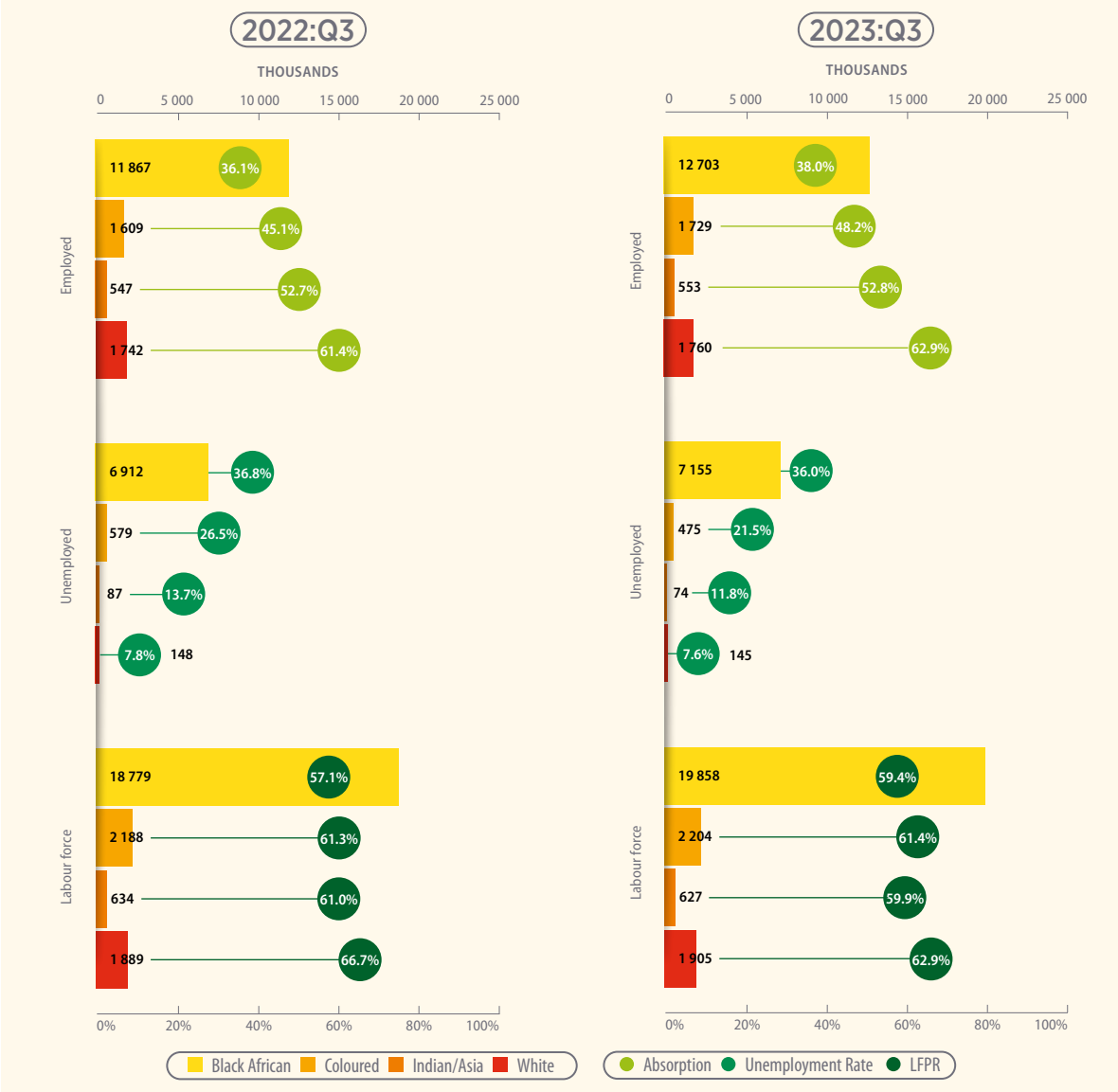


Note 1: LFPR stands for labour force participation rate.

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

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 rate 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, 2022:Q3 versus 2023:Q3

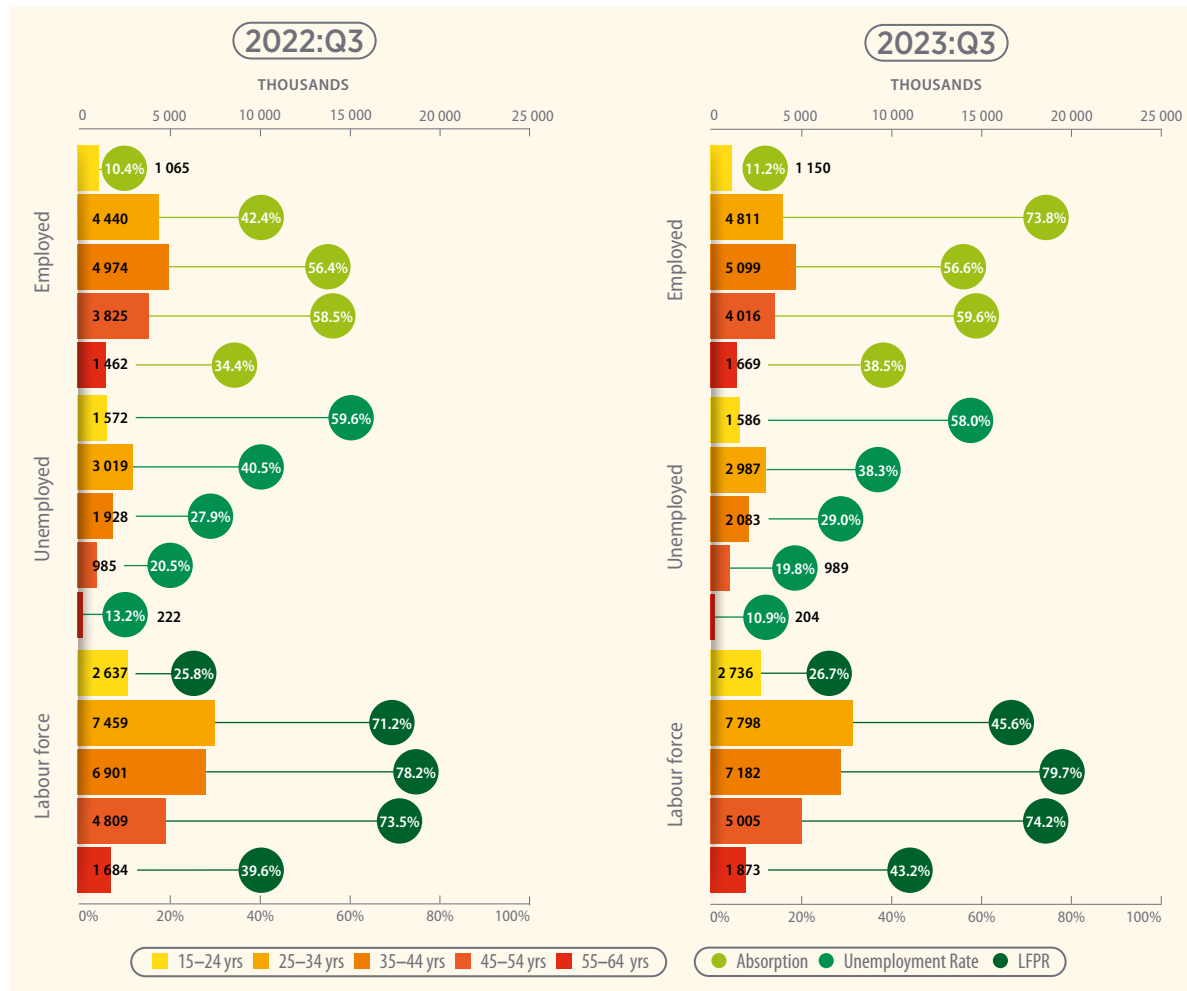


Source: Stats SA QLFS, 2022:Q3

Note 1: LFPR stands for labour force participation rate.
 Note 2: The unemployed are those defined according to the official definition of unemployment.

Lastly, with regards to age, absorption rates into employment remained highest among persons aged 25–34 years, followed by those aged 45–54 years, while the unemployment rate was highest among the younger age groups, 15–24 years (58.0%) and 25–34 years (38.3%), in 2023.

FIGURE 4: Profile of the labour force (persons aged 15–64 years) by employment status and age group, 2022:Q3 versus 2023: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.








According to Figure 5, the highest share of employed persons had ‘secondary completed’ (36.4%) and ‘secondary not completed’ (30.5%) as their highest level of educational attainment, while the highest share of unemployed persons had tertiary education as their highest level of educational attainment, followed by those with a matric. This means that higher levels of education lead to better employment prospects.

Although the unemployment rate of those who completed a tertiary qualification has increased over the last decade, it has remained relatively low compared to those with lower levels of educational attainment. The unemployment rate for persons who attained a tertiary qualification was 15.4% in 2023, 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, 2022:Q3 versus 2023:Q3

HIGHEST LEVEL OF EDUCATION OF THE EMPLOYED	2022:Q3			2023:Q3		
	'000'	Share (%)	Absorption (%)	'000'	Share (%)	Absorption (%)
 No schooling	157	1.0%	21.9%	189	1.1%	0.6%
 Less than primary completed	680	4.3%	30.3%	673	4.0%	2.1%
 Primary completed	458	2.9%	27.7%	481	2.9%	1.5%
 Secondary not completed	4 716	29.9%	27.9%	5 100	30.5%	16.2%
 Secondary completed	5 871	37.2%	44.5%	6 093	36.4%	19.3%
 Tertiary	3 651	23.2%	71.9%	3 984	23.8%	12.6%
 Other	233	1.5%	47.2%	224	1.3%	0.7%
TOTAL	15 765	100.0%	39.1%	16.744	100.0%	53.1%

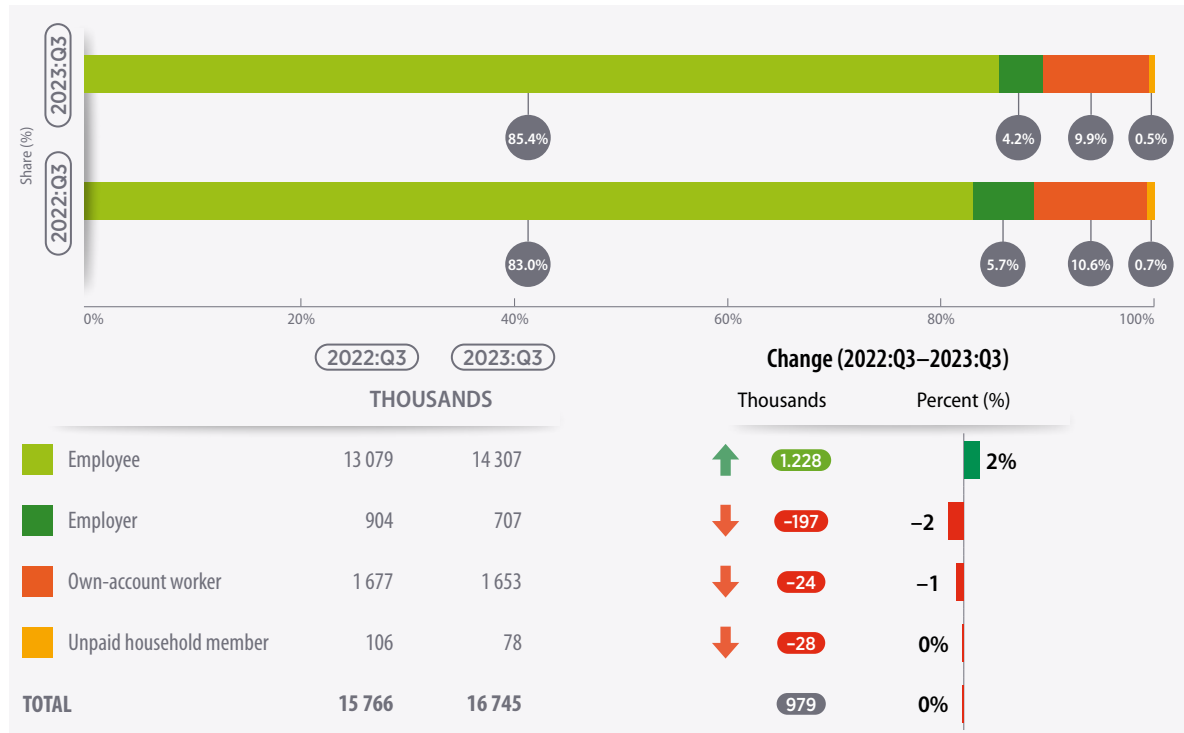
HIGHEST LEVEL OF EDUCATION OF THE UNEMPLOYED	2022:Q3			2023:Q3		
	'000'	Share (%)	Unemployment rate (%)	'000'	Share (%)	Unemployment rate (%)
 No schooling	50	0.6%	24.2%	64	0.8%	25.3%
 Less than primary completed	332	4.3%	32.8%	304	3.9%	31.1%
 Primary completed	245	3.2%	34.8%	287	3.7%	37.4%
 Secondary not completed	3 365	43.6%	41.6%	3 413	43.5%	40.1%
 Secondary completed	2 949	38.2%	33.4%	3 007	38.3%	33.0%
 Tertiary	730	9.5%	16.7%	725	9.2%	15.4%
 Other	53	0.7%	18.6%	49	0.6%	17.9%
TOTAL	7 725	100.0%	32.9%	7.849	100.0%	31.9%

Source: Stats SA QLFS, 2022:Q3

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

Figure 6 shows that about 14.3 million persons (85.4%) who were employed were employees in 2023, while 1.65 million persons (9.9%) were own-account workers, and 707 000 persons (4.2%) were employers.

FIGURE 6: Classification of the employed by status in employment, 2022:Q3 versus 2023:Q3

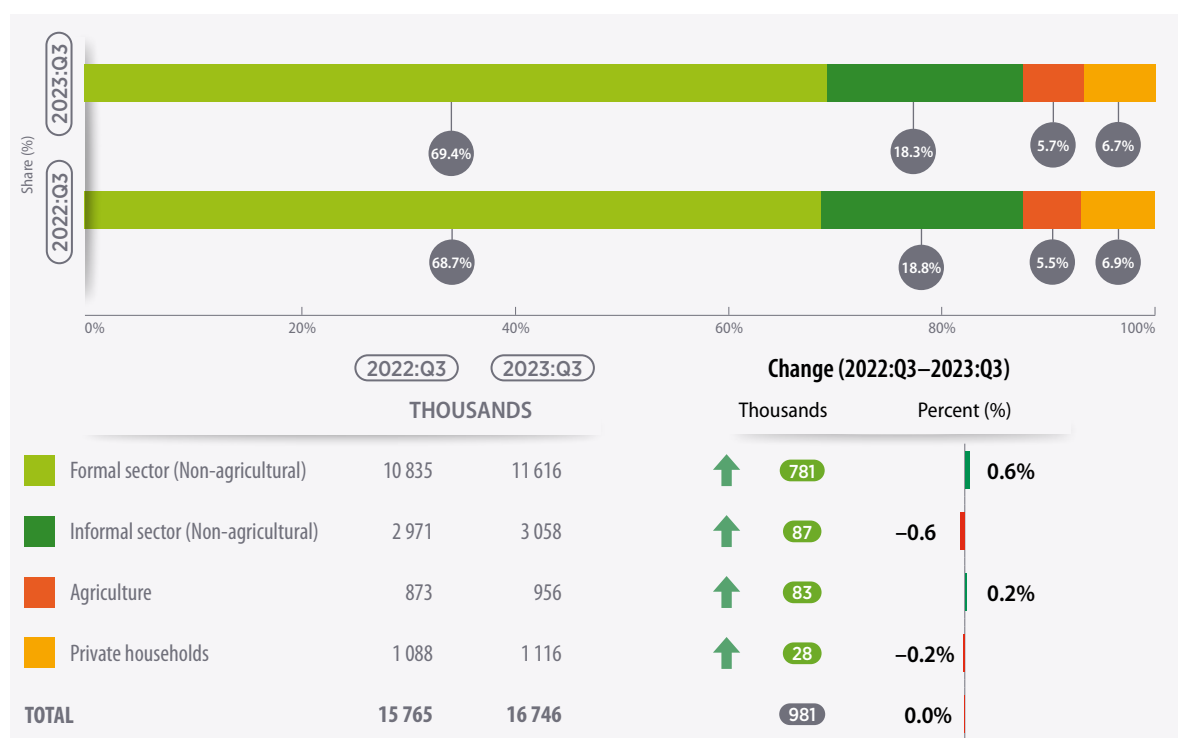


Source: Stats SA QLFS, 2022:Q3

- Note 1: 'Employee' refers to 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' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires one or more employees.
- Note 3: 'Own-account worker' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires no employees.

In terms of the characteristics of the employed, Figure 7 shows that 11.6 million persons (69.4%) worked in the formal sector, while 3.0 million persons (18.3%) worked in the informal sector in 2023. Employment levels increased in both the formal and informal sectors from 2022 to 2023; however, the growth rate in the formal sector (7.2%) was higher than that experienced by the informal sector (2.9%).

FIGURE 7: Classification of the employed by sector, 2022:Q3 versus 2023:Q3



Source: Stats SA QLFS, 2022:Q3

- Note 1: 'Employee' refers to 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' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires one or more employees.
- Note 3: 'Own-account worker' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires no employees.

Furthermore, according to Figure 8, in 2023, close to one-quarter (23.5 %) of all those who were employed worked as elementary workers, followed by those who worked in sales and services related occupations (17.6%), and crafts and related trades (10.3%).

FIGURE 8: Classification of the employed by occupation, 2022:Q3 versus 2023:Q3



Source: Stats SA QLFS, 2022:Q3

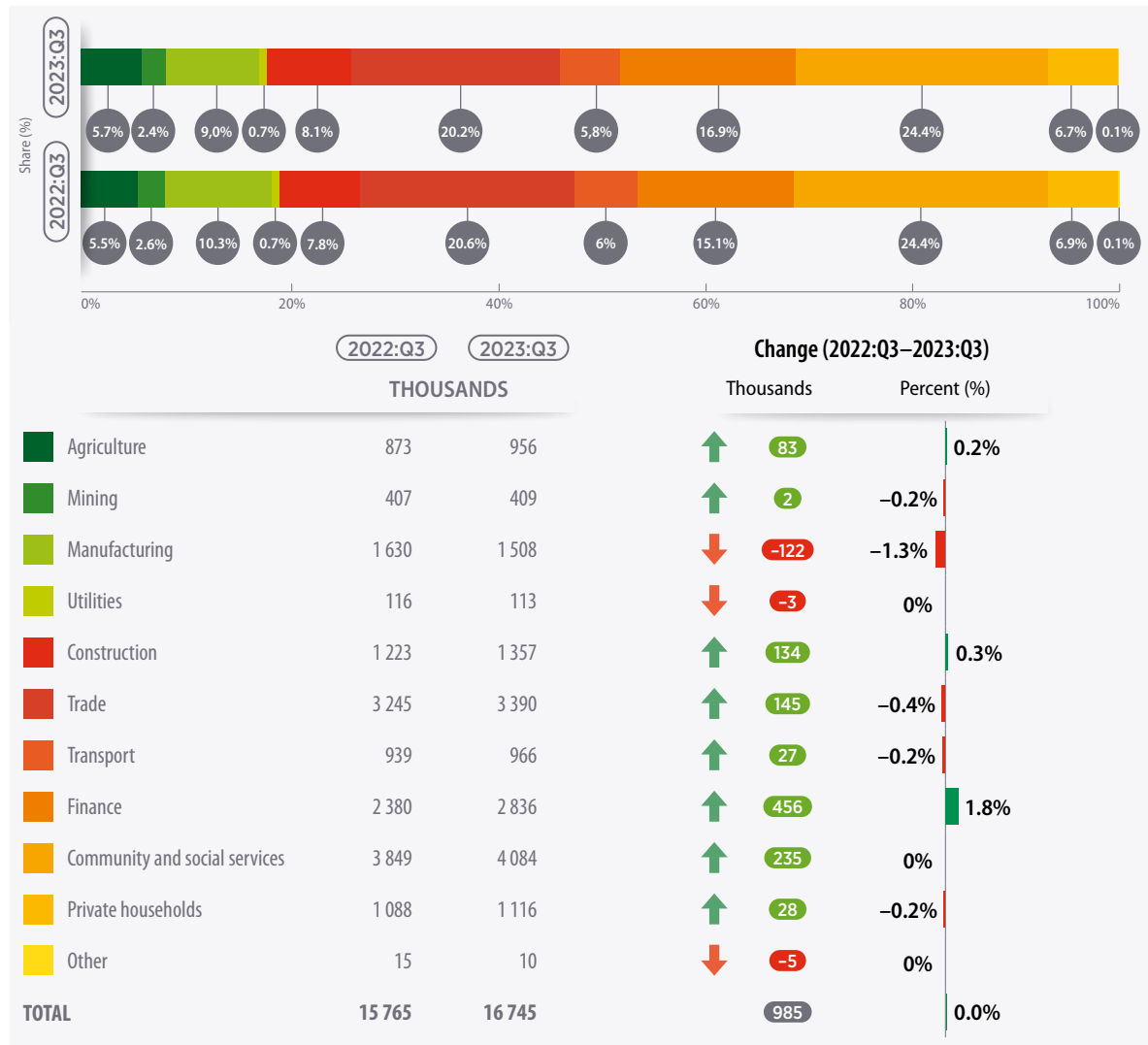
Note 1: 'Employee' refers to a person who works for a public sector or private sector employer and receives remuneration in wages, salary, commission, tips, piece-rates or pay in kind.

Note 2: 'Employer' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires one or more employees.

Note 3: 'Own-account worker' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires no employees.

In terms of the type of industry in which the employed worked, in 2023, almost a quarter of all workers (24.4%) were employed in the community and social services sector,³ followed by the trade (20.2%) and finance sectors (16.9%).

FIGURE 9: Classification of the employed by industry, 2022:Q3 versus 2023:Q3



Source: Stats SA QLFS, 2022:Q3

Note 1: 'Employee' refers to 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' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires one or more employees.

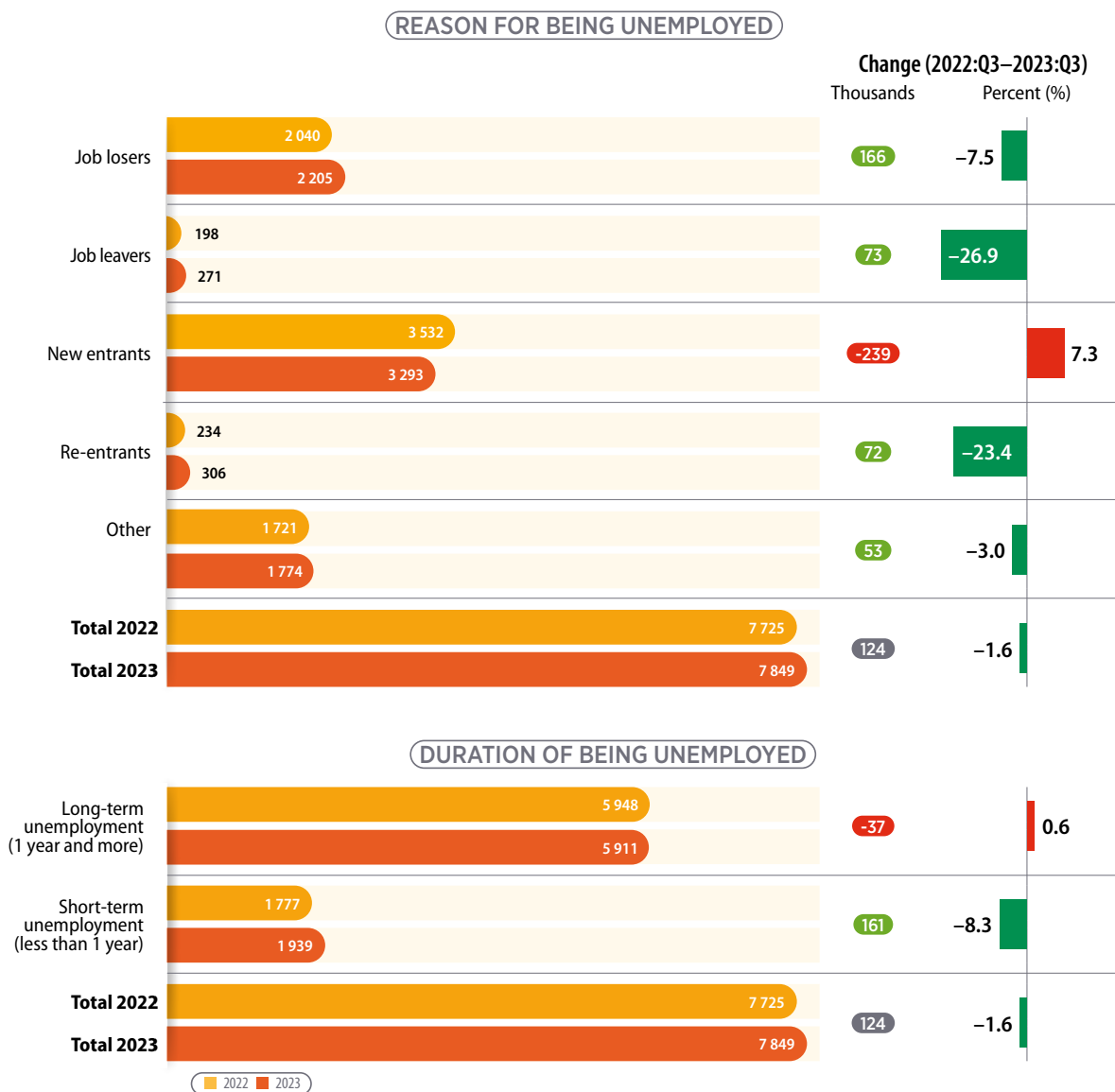
Note 3: 'Own-account worker' refers to a person who operates their own economic enterprise, or engages independently in a profession or trade, and hires no employees.

Figure 10 illustrates the reasons for, and duration of, unemployment. The main reasons for unemployment was that unemployed persons were new entrants into the labour market and could not be absorbed into employment, while others were previously employed and had since lost their jobs, in both in 2022 and 2023.

The number of new entrants into the labour market was 3.2 million in 2023, reflecting a decrease of 7.3% from 3.5 million in 2022. On the other hand, the number of those who lost their jobs worsened by 7.5% from 2.0 million in 2022 to over 2.2 million in 2023.

Although the number of persons who were unemployed for one year and more (long-term unemployment) declined slightly by 0.6% from 2022 to 2023, it is worrying that more than three out of four persons who were unemployed in the period under review were unemployed for a year or longer. According to the OECD,⁴ long-term unemployment causes significant mental and material stress for those affected and their families. It 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 term find it more difficult to find employment as time goes by, due to their low levels of educational attainment and lack of required skills.

FIGURE 10: Numbers and changes of the unemployed by reason for, and duration of, being unemployed, 2022:Q3 versus 2023:Q3



Source: Stats SA QLFS, 2022:Q3

- Note 1: The unemployed are those defined according to the official definition of unemployment.
- Note 2: 'Job losers' are unemployed persons who were working when they became unemployed and lost their job, were laid off, or the business in which they had previously worked had been sold or had closed.
- Note 3: 'Job leavers' are those among the unemployed who were working when they became unemployed and 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 and who were currently looking for work. Their 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 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 of South Africa's labour force was employed in 2023 (16.3 million), while one-third (7.8 million) was unemployed. However, there was a substantial increase in the number of persons employed in 2023 compared with 2022. This was due largely to recovery from the Covid-19 pandemic. The increase in employment levels was mainly driven by gains in the community and social services, trade and manufacturing sectors. Although there was a slight recovery in employment, the number of persons employed remain staggeringly low and represents a major social risk for South Africa. 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, as well as grow the economy to absorb both new entrants and long-term unemployed persons.

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 (e.g., tertiary), compared to those who had lower levels of educational attainment. Improved equitable access to post-school education and training opportunities, especially higher levels of educational attainment like tertiary education, can increase the chances of the unemployed to secure better employment opportunities.



APPENDIX

TERMS AND DEFINITIONS

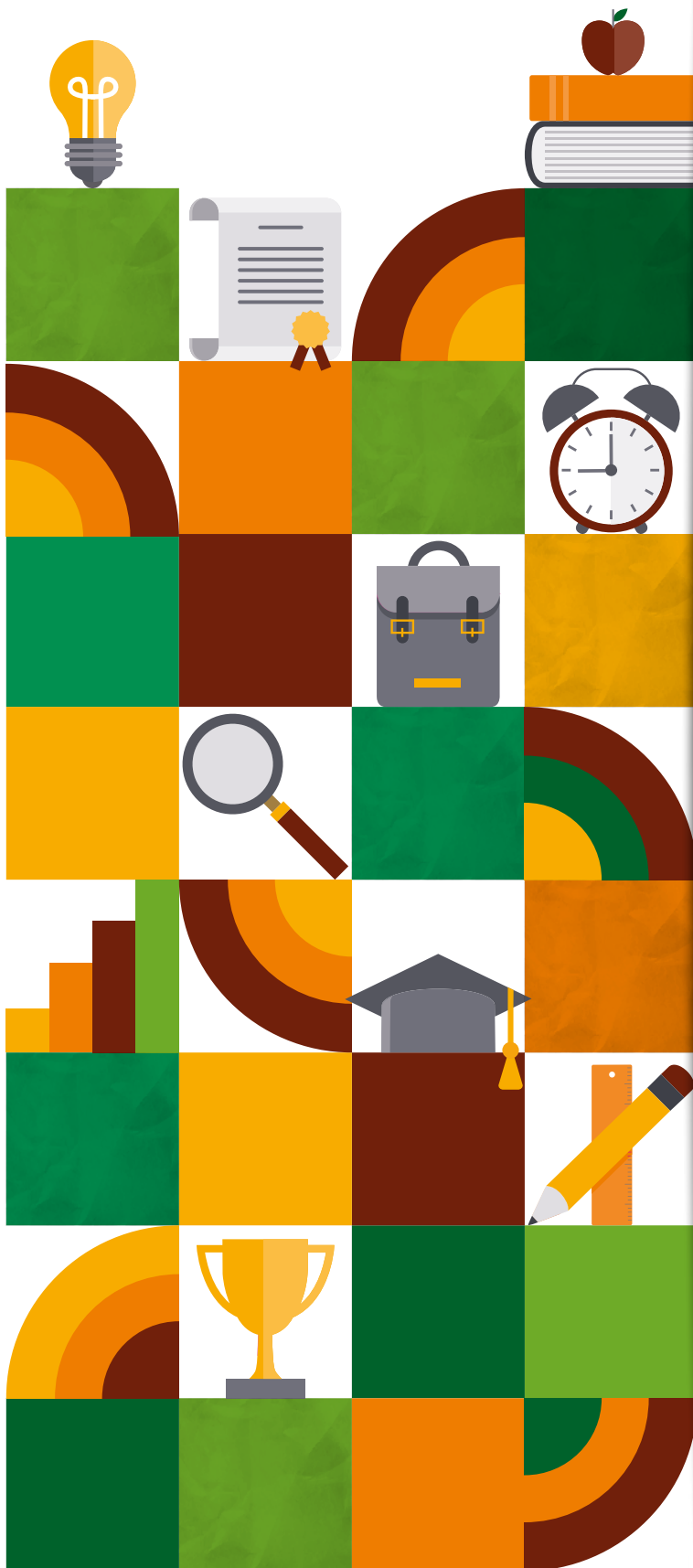
1. Employed: persons aged 15–64 years who, during the reference week, did any work for at least one hour.
2. Unemployed: there are two definitions of the unemployed – the official definition and the expanded definition.
 - 2.1. According to the official definition, unemployed persons are those aged 15–64 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.⁵
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. Definitions of key terms and concepts are provided in the Appendix.
2. In this instance, 'unemployed' refers to persons aged 15–64 years who were not employed in the reference week, and who actively looked for work or tried to start a business in the four weeks preceding the survey interview.
3. The community and social services sector includes all levels of government.
4. OECD (2023), Long-term unemployment rate (indicator). Doi: 10.1787/76471ad5-en (Accessed on 10 October 2023)
5. Lehohla, P. 2012. Standard Industrial Classification of all Industrial Activities (Seventh Edition). Stats SA. Report No. 09-90-02.



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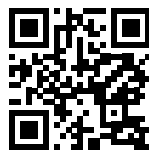
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