



## THE QLFS AND US: *Quarterly Labour Force Survey 3<sup>rd</sup> Quarter 2013*



### ‘The case for cautious optimism’

There are some positive signs in the labour market this quarter, but any optimism around these needs to be balanced within the context of the massive unemployment challenge South Africa faces.

#### *Key National Points:*

- *This quarter, employment figures are looking more positive as they increased for the third consecutive quarter to reach the 2008 peak of 14 million employed persons. (See Figure 1 extracted from the QLFS:Q3 publication on the following page)*
- *However, factoring in demographics provides a bleaker view - although employment is rising, it is not fast enough. The working age population has increased by 2,3 million since the peak in employment. This resulted in a decline in the percentage of South Africans aged 15-64 with jobs (the absorption rate) from 45,0% in Q4: 2008 to 41,9% in Q3: 2013.*

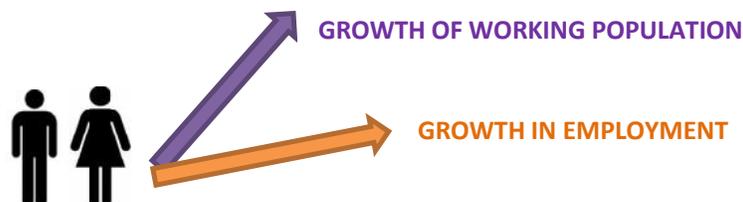
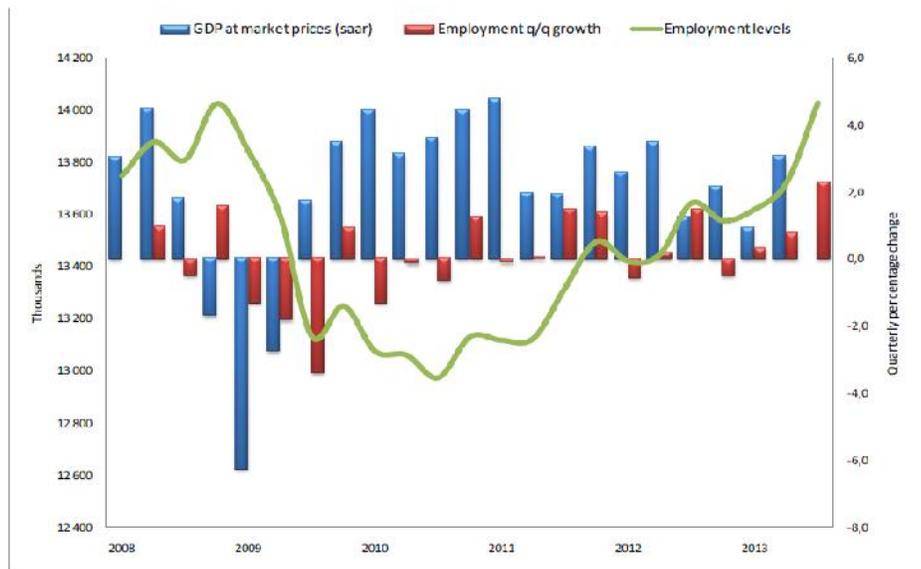
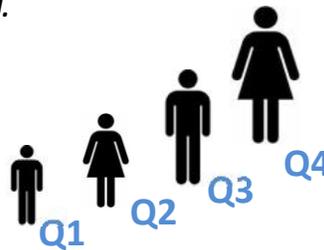


Figure 1: Employment and economic growth by quarter



Note: GDP figures for Q3 2013 are not yet available

- Due to the effect of **seasonality** on quarter-to-quarter employment changes, employment (formal and informal) usually increases in the fourth quarter of every year; while job losses are observed in the first quarter of every year. Hence, employment is most likely to rise from this peak as we close the year. However, last year Q4 proved an exception to this pattern which hopefully will not be repeated.



- Although it is a good sign that all industries except one had year-on-year job gains, it was **Manufacturing which recorded year-on-year job losses** in Q3: 2013 (47 000). This is concerning given the importance of Manufacturing for mass job creation.



- The **official unemployment rate dipped slightly** this quarter which is the first time it has decreased quarter-on-quarter this year. However at 24.7% it remains hovering around the persistent 25% mark.

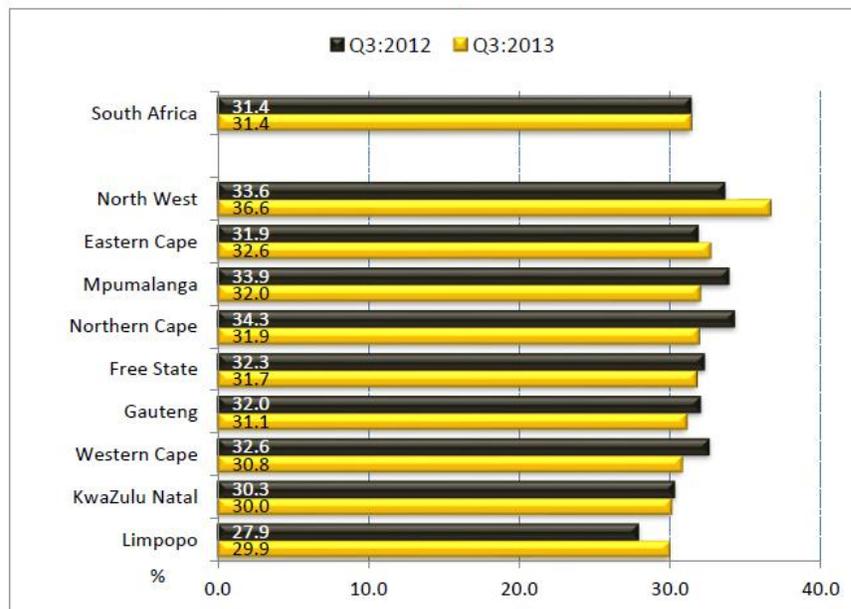
## Situation in KZN:

- The **biggest increase in employment quarter-on-quarter** occurred in KwaZulu-Natal (134 000), followed by Gauteng (54 000) and Limpopo (51 000). The year-on-year employment increase also had KwaZulu-Natal (134 000) as the largest contributor, followed by Mpumalanga (105 000) and Western Cape (43 000).
- The **number of discouraged workseekers in KZN decreased** by 39 000 from last quarter. However, year-on-year they only decreased by 3000. KZN remains the province with the largest number of discouraged workseekers.



- Interestingly, KZN has the **lowest 'NEET rate'** (as demonstrated below in Figure 17 extracted from the Q3:2013 publication). The NEET rate refers to the rate of youth not in employment, education or training.

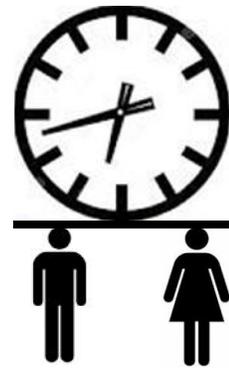
Figure 17: NEET rate<sup>1</sup> of youth aged 15–24 years by province



<sup>1</sup>Note: NEET rate = (Number of unemployed youth + number of youth not in the labour force) – (number of unemployed youth and youth not in the labour force who are in education or training) / Total number of youth x 100.

- The **KZN strict unemployment rate decreased slightly year-on-year and quarter-on-quarter** by 0.4% and 1.8% respectively. It currently stands at 20.9%.

## *A closer look at time-related underemployment:*



Time-related underemployment refers to “employed persons who were willing and available to work additional hours, whose total number of hours actually worked during the reference period was below 35 hours per week.” (StatsSA, Q3:2013)

In SA this appears to be a challenge which affects a proportional small percentage of the employed population; however, it is important to understand as it forms a part of what constitutes ‘underutilised labour’ along with the unemployed and discouraged workseekers.

- **Just over 600 000 people are ‘underemployed’ (612 000).** This has risen from last quarter by 47 000 and from last year by 63 000. This represents 3.3% of the labour force.
- **386 000 women experience underemployment.** This is almost double that of men (225 000).
- Unsurprisingly the industry with the **most underemployed individuals is Private Households while the least is Manufacturing.**
- From an Occupation perspective, **most of the underemployed are Elementary (226 000) and Domestic workers (161 000)** which together represent approximately 63% of the underemployed. Skilled occupations (Manager, Professional and Skilled agriculture) have the least underemployment.

### *Source:*

Stats SA. (2013). *QLFS 3<sup>rd</sup> Quarter*. Downloaded from:  
<http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2013.pdf>

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