



THE QLFS AND US: *Quarterly Labour Force Survey 2nd Quarter 2013*



‘The employment picture as strike season begins’

Most labour trends, namely labour force, employment, unemployment (the number and the rate), discouragement, and labour absorption and participation, are on the rise ahead of SA’s ‘strike season’. This paints a highly dynamic labour picture, but overall the ‘unemployment crisis hue’ remains.

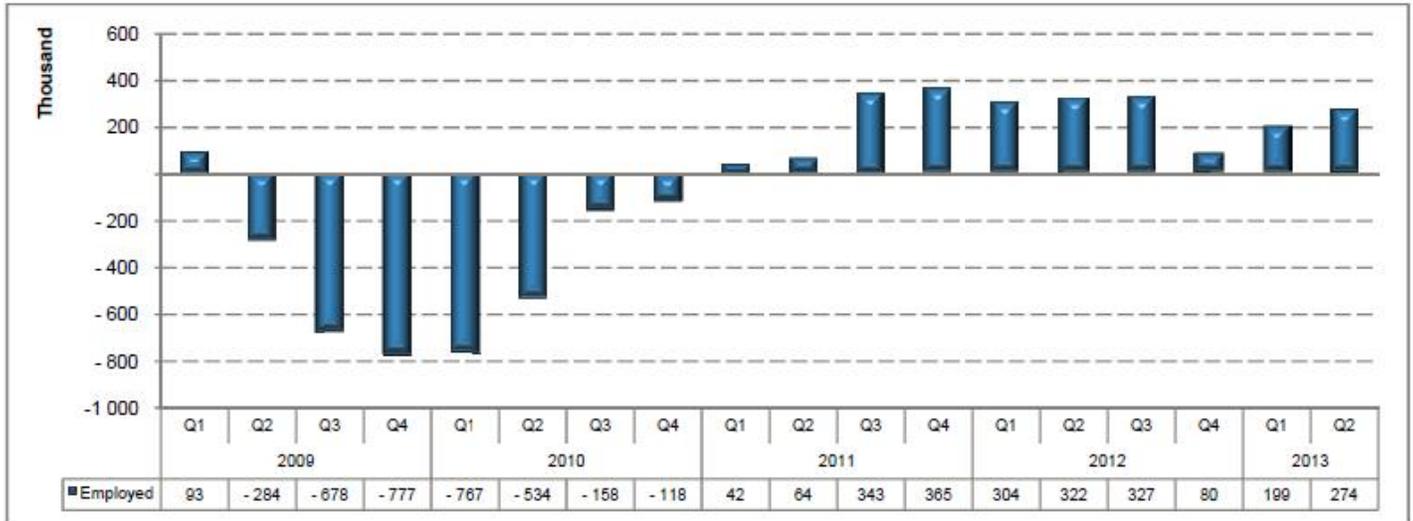
Key National Points:

- *Quarter-on-quarter the labour force increased by 222 000 persons (1.2%), including a rise in both employed and unemployed individuals. In fact there were slightly more unemployed people entering the labour force (122 000). The **unemployment rate continues to rise and is almost at 26%.***



- As indicated in the Graph below taken directly from the QLFS Q2:2013 release, since the beginning of 2011 the *economy has continued to create jobs*. Although this is a positive trend and indicates recession recovery, this is currently *not at the rate required to address the unemployment crisis*.

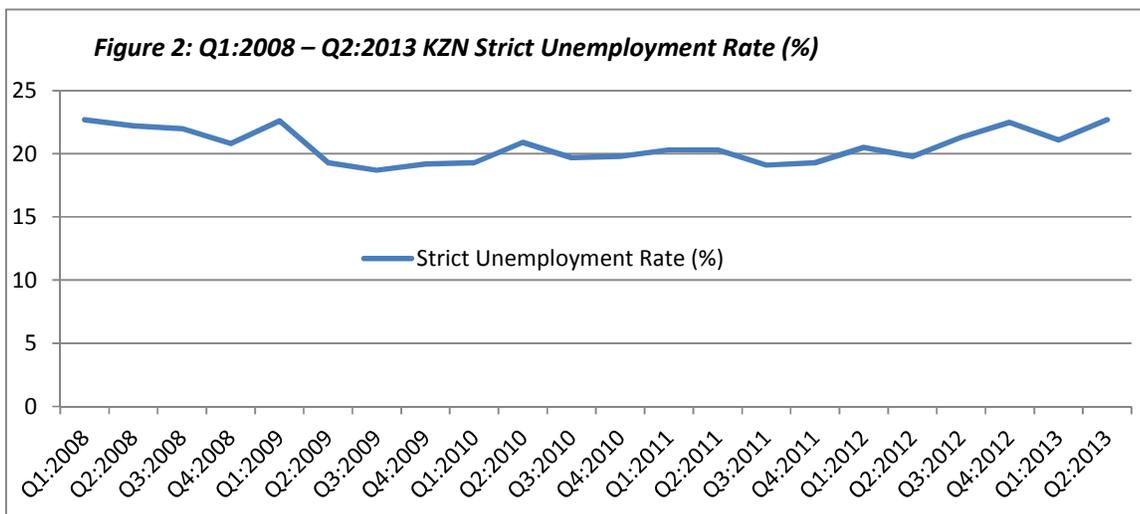
Figure 1: Year-on-year change in employment, Quarter 1:2008 to Quarter 2:2013



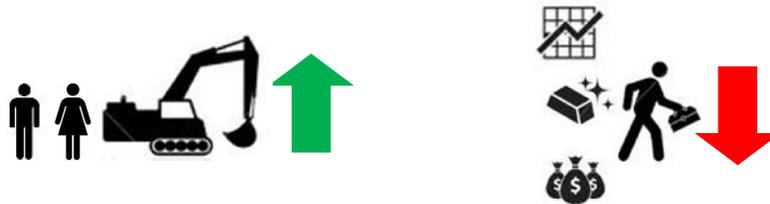
Excerpt from QLFS Q2:2013

Situation in KZN:

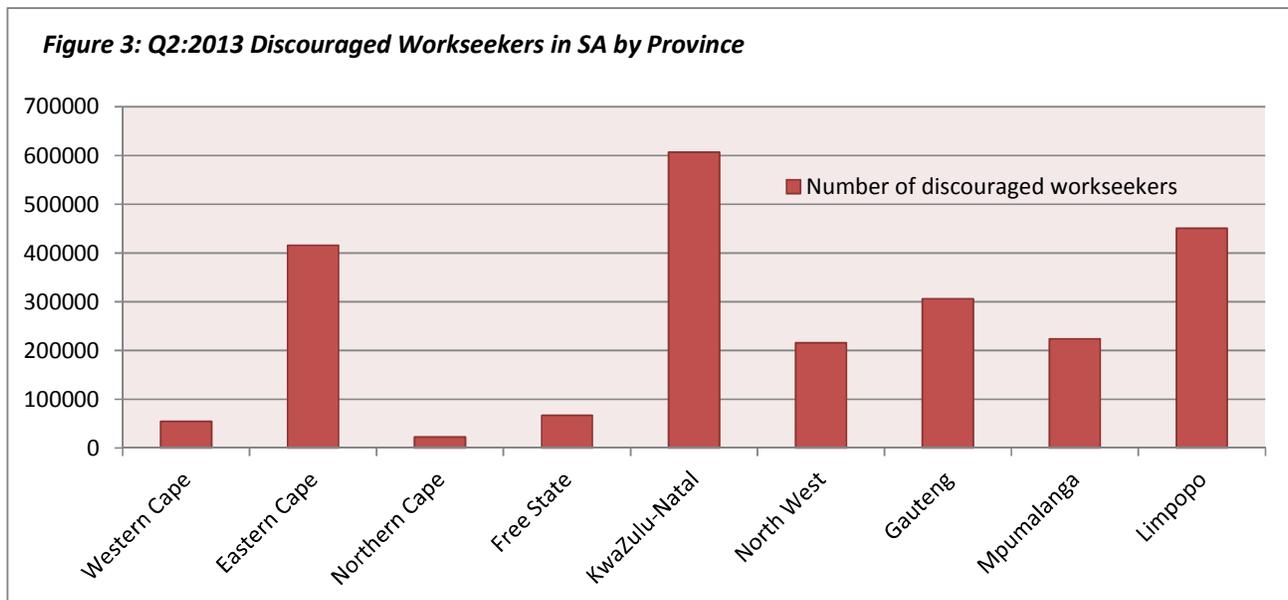
- Mirroring the national trend, the *KZN strict unemployment rate has risen to almost 23% this quarter*.
- Below is a simple 2008 – 2013 trend analysis of the strict unemployment rate in KZN, which demonstrates the following:
 - This quarter (Q2:2013) the *strict unemployment rate in KZN has reached its highest level since early 2008*.
 - The average strict unemployment rate experienced over this 5 year period is 20.6%, which is persistently high but still lower than the national average.
 - There was a general dip in the rate from early 2009 to the end of 2011, but since then it has generally been on the rise.



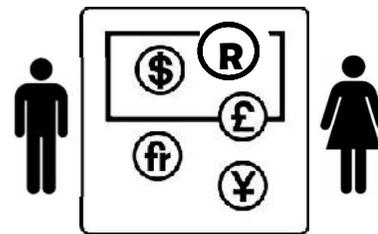
- *Compared to the beginning of 2013 (last quarter) KZN has experienced a rise in the labour force of 85 000 (2.7%) led largely by a rise in the number of unemployed (71 000).*
- *From an industry perspective, this second quarter in KZN saw some sectors remain relatively unchanged; for example, Manufacturing stabilised somewhat with a slight increase of 1.4% (5000 workers). However, there were some employment shifts in other industries, namely Construction rose by a significant 10.5% (23 000 workers), Trade rose by 2.6% (13 000 workers), and Finance decreased by 5.3% (17 000 workers).*



- *Discouraged work seekers have risen by another 33 000 (5.8%) reaching 607 000. KZN remains by far the Province with the highest number of discouraged individuals.*



A closer look at employee conditions and negotiations:



As we are heading into 'strike season', it is interesting to look at some indicators from the QLFS focusing on conditions of employment and labour-employer negotiations.

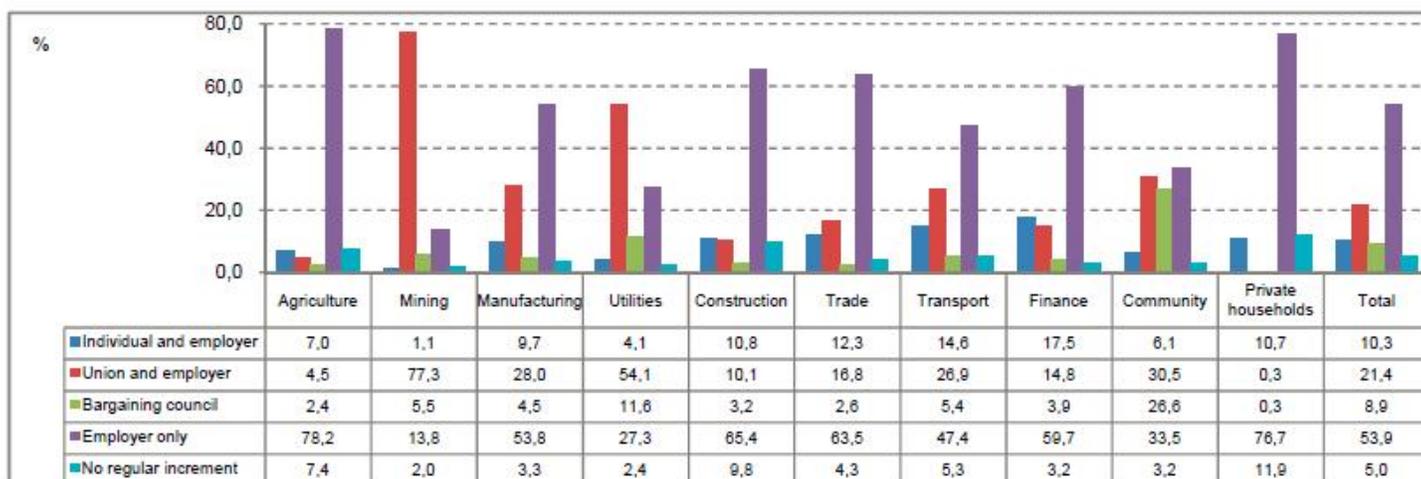
Employment conditions in SA vary across industries:

- Access to benefits (such as UIF, paid annual and sick leave, maternity/paternity leave, and Medical Aid) was least available to employees in Private households (below 25%), Construction (below 50%) and Agricultural (below 50%) industries across the 'basket, of benefits listed. This starkly compares to access to benefits for employees in the Mining (over 90%) and Utilities (over 70%) industries.
- Overall over 60% of employees are permanently employed; however, there is a lot more fluidity in Construction and Private Households. In the Construction industry, for example, contracts of limited duration are predominant compared to other industries (28, 3%).

In terms of **labour-employer salary negotiations**, the following trends are notable:

- When combined, the total shows that for employees in South Africa in Q2:2013, the 'Employer only' salary negotiations are by far the most common at 53.9%. This is followed by 'Union and employer' negotiations at 21.4%.
- Unsurprisingly, Mining is by far the most unionised with 77.3% of employees indicating salary negotiations between unions and the employer. Utilities and Manufacturing are also relatively unionised at 54.1% and 28% respectively, but these pale in comparison to Mining.

Figure 4: How annual salary increment is negotiated per industry



Excerpt from QLFS Q2:2013

Sources:

Berkowitz, P. (2013). *SA's unemployment rates rise to near-record levels*. Downloaded from: <http://www.dailymaverick.co.za/article/2013-08-02-sas-unemployment-rates-rise-to-near-record-levels/>

SabinetLaw. (2013). *Stats SA Releases Quarterly Labour Force Survey*. Downloaded from: <http://www.sabinetlaw.co.za/labour/articles/stats-sa-releases-quarterly-labour-force-survey>

Stats SA. (2013). *QLFS 2nd Quarter*. Downloaded from: <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2013.pdf>

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