



EDGE

Economic Development
& Growth in EThekweni

THE QLFS AND US: *Quarterly Labour Force Survey 3rd Quarter 2012*



‘Employment Ebbs and Flows’

The 3rd quarter QLFS illustrates the dynamism found in the employed-unemployed-discouraged work seekers nexus. The increase in the strict unemployment rate has been highlighted as a major disappointment by many stakeholders.

Key National points:

- Changes in Quarter 3 show some of the interesting dynamics between groups in the labour market which could indicate that some discouraged workers who were not economically active have started to look for and obtain work.
 - *The labour force (both employed and unemployed persons) has grown by just over 500 000 since last year.*



- *Overall employment increased by 198 000 from the last quarter and the number of unemployed people rose by 197 000.*



- **Simultaneously discouraged work seekers decreased by 141 000.**



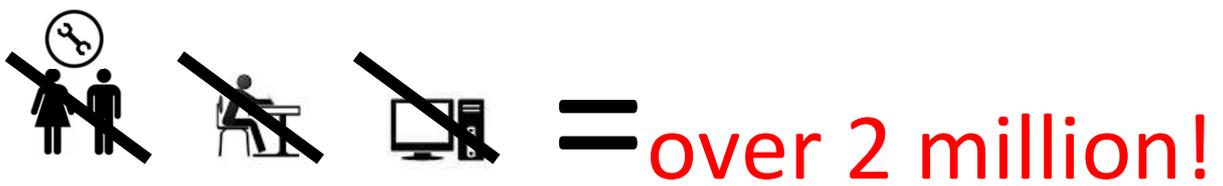
- All sectors (excl private households) drove the rise in employment experienced this last quarter.
- **The strict unemployment rate has picked up again to 25.5%.** The expanded unemployment rate (which takes into account discouraged work seekers) has remained relatively constant at 36.3%. Stats SA has announced that these figures for labour are more accurate than those in the recently released Census data.

And in KZN?:

- From the 2nd to the 3rd quarter 2012, employment has risen marginally (13 000), unemployment has risen by more (62 000), and discouraged work seekers has decreased slightly (by 15 000); however year-on-year discouraged work seekers has increased by 21 000. This **does not paint a good picture for the Province's labour market.**



- KZN's labour absorption rate (employed people/population ratio) has remained constant at 36.8% while the labour force participation rate (labour force/entire working age population) has increased slightly by 1% to 46.8%. These are lower than the national rates (41.3% and 55.5% respectively), and are among the lowest of the Provinces. The higher these rates are the better and as an international benchmark, countries such as Canada and the USA have labour participation rates in the high 60% range.
- **KZN has the highest number of people who are not in employment, education or training.** Of the national total of 13 213 000, KZN has 2 889 000 followed by Gauteng (2 671 000), Eastern Cape (1 904 000), Limpopo (1 415 000), and Western Cape (1 274 000). The rest of the Provinces have below 1 million people in these circumstances. This interesting mix of Provinces which have the biggest share of this group could possibly be explained by a combination of urbanisation to the Metros in search of opportunities, lack of basic service provision, and poverty and the associated lack of opportunities.



A closer look:

The *South African not economically active population* of 14 705 000 in the 3rd quarter consists of the following:

- 42% are students,
- 19% are home makers,
- 15% are discouraged work seekers,
- 11% have an illness/disability which prevents them from working,
- 8% are too old or too young to work,
- and other are 5%.



There are 13 213 000 South Africans who are not in employment, education or training. Of these over half are women, 7 273 000 are youth (15 – 34 years old), and 10 963 000 are black. This strongly emphasises that *the most vulnerable group in terms of employment and education is still young black women.*

Sources:

Stats SA. (2012). QLFS 3rd Quarter. Downloaded from:

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<http://www.iol.co.za/business/business-news/census-jobless-data-came-in-too-high-1.1416287>

<http://www.bdlive.co.za/national/labour/2012/11/01/unemployment-rises-in-third-quarter>

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