



THE QLFS AND US: *Quarterly Labour Force Survey 1st Quarter 2013*

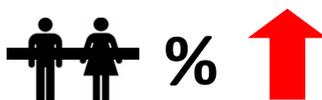


‘A shaky start...’

Employment in 2013 has seen a shaky start. From poor performance at the end of last year (2012), many crucial sectors are still shedding jobs, and although the labour force is growing, these individuals are not being fully absorbed into employment (formal or informal). However, a small employment increase was experienced in KZN (and two other Provinces) from the last quarter of 2012. Rates of discouragement and the number of persons (especially youth) not involved in employment, education or training in KZN is alarming. All of this has enormous implications for eThekwini.

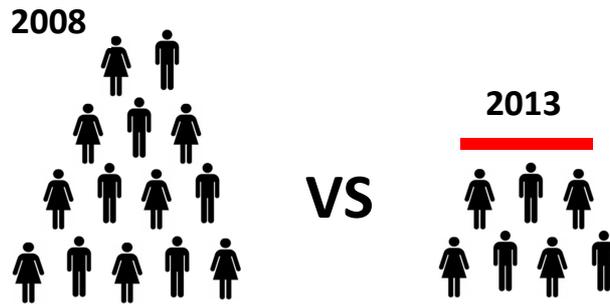
Key National Points:

- *Between Q1:2012 and Q1:2013 the labour force increased by 274 000 persons (1.5%), the number of unemployed persons increased by 75 000 (1.7%), and the number of employed persons increased by 199 000 year-on-year (1.5%). This quarter also saw the **unemployment rate increase** by 0,3 of a percentage point from 24,9% to 25,2% in Q1:2013.*

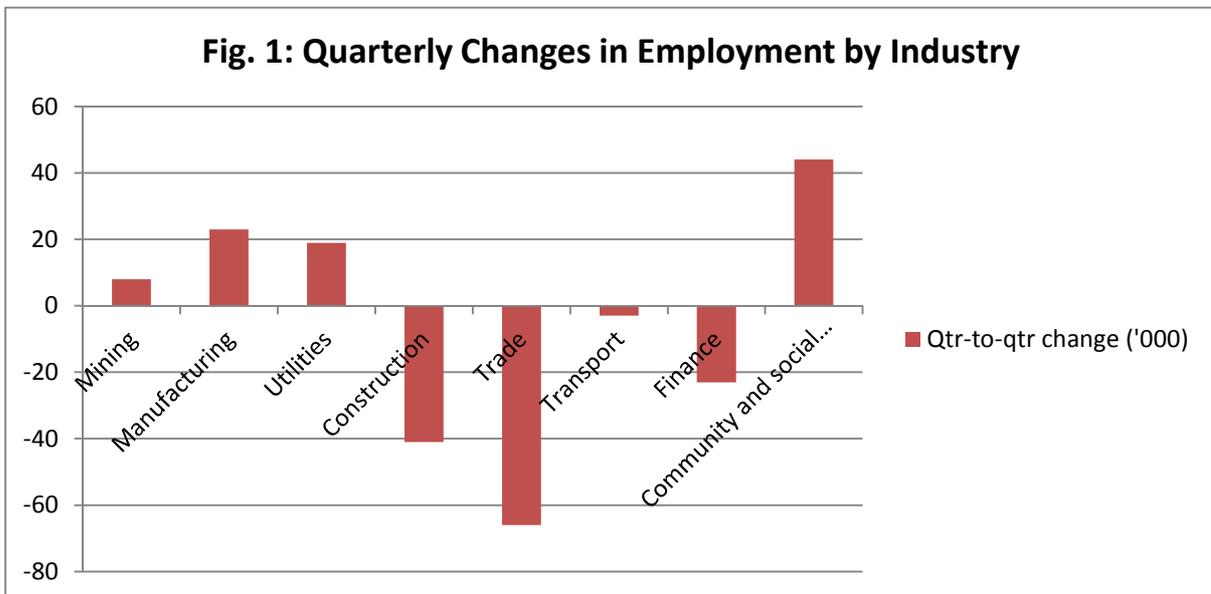


UNEMPLOYMENT RATE

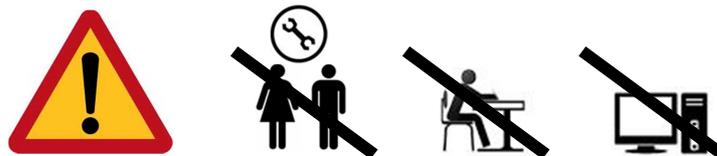
- In Q1:2013 employment levels *were still 406 000 jobs lower than the levels observed in Q4:2008.*



- From last quarter, the *highest job losses in total employment were concentrated in Trade (66 000) and Construction (41 000).* See Figure 1 below.



- *3.5million (33.5%) of the 10.4million of youth aged 15 – 24 years were neither in employment, education nor training (NEET) in Q1:2013.*

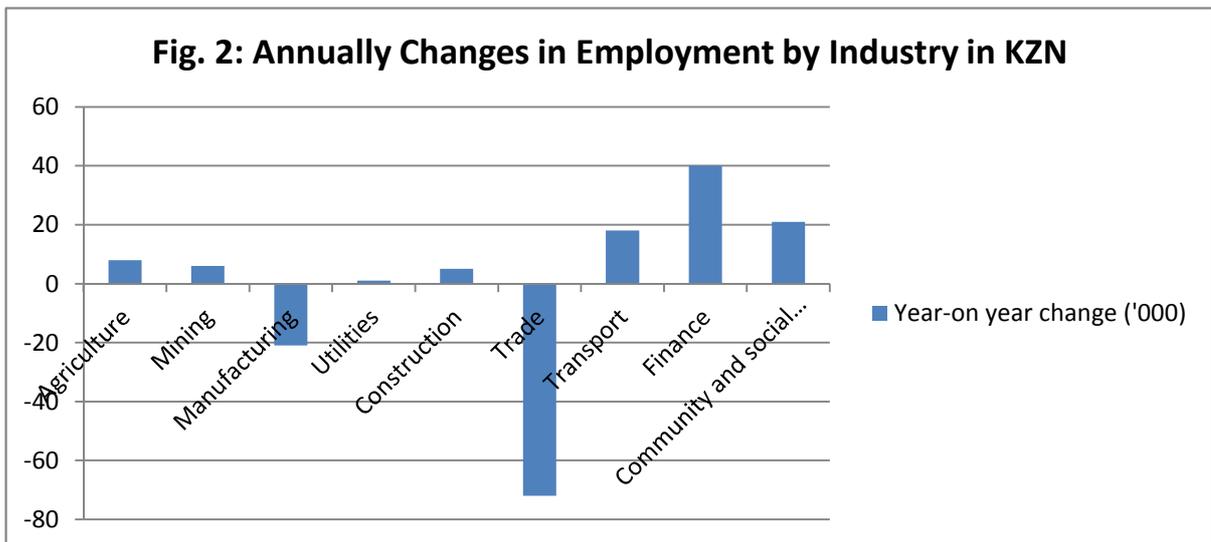


Situation in KZN:

- **Year-on-year labour trends** indicate that the number of employed persons in KZN remained consistent; the number of unemployed persons rose by 23 000 (3.5%), and the number of discouraged workseekers decreased by 5 000 to a total of 574 000 persons (the highest out of all of the Provinces).
- The **strict unemployment rate** increased by 0.6% to 21.1% this year. This is still below the national rate and one of the lowest from a provincial point of view; however, it is one of the highest when including discouraged workseekers (**expanded/broad unemployment**) at 38.8%.



- However, **from the last quarter** it is important to note that **employment increases** were observed in KZN (27 000; 1.1% increase) and only 2 of the other provinces.
- **Relatively heavy job losses in KZN** were experienced year-on-year of 21 000 in Manufacturing (5.6%) and 74 000 in Trade (12.6%). Off the losses in manufacturing from the last quarter, this is not good news. **Highest job growth** (an increase of 40 000; 14.5%) was experienced in finance. See Figure 2 below.



- The number of **people neither in education, employment nor training (NEETs)** decreased by 21 000 in KZN from last quarter. However, KZN still has the highest number of NEETs out of all the Provinces at 2 939 000, which is 22% of the national total.

A closer look at the informal sector:



The informal economy, although difficult to measure, is widely accepted as an important part of the South African economy (as in most developing economies), and a crucial component in the livelihood strategies of thousands of South Africans.

The Stats SA QLFS defines informality as follows:

- **Informal employment** identifies persons who are in **precarious employment situations** irrespective of whether or not the entity for which they work is in the formal or informal sector. Persons in informal employment therefore consist of all persons in the informal sector; employees in the formal sector; and persons working in private households who are not entitled to basic benefits such as pension or medical aid contributions from their employer, and who do not have a written contract of employment.
- The **informal sector** has the following two components:
Employees working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wages and; ii) Employers, own-account workers and persons helping unpaid

The informal sector (non-agricultural) **employs just over 2 million people nationally**. The vast majority of these (936 000) are in Trade. From 2012 – 2013, 86 000 more people were employed in the informal sector representing a 4.1% increase. However, from last quarter the number of individuals working in this sector decreased by 13 000.

In KZN, the informal sector (non-agricultural) contracted quite significantly year-on-year with a decrease of 68 000 persons (14.8%). Despite this, **KZN still has one of the largest informal sectors** in the country (392 000 persons employed) representing 18% of the national informal sector total and being surpassed only by Gauteng.

Sources:

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Contact Details:

If you have any comments/queries/suggestions please do not hesitate to contact Caili Forrest:

Caili.Forrest@durban.gov.za ; 031 311 4247

Policy, Strategy, Information and Research Department

Economic Development and Investment Promotion Unit; EThekweni Municipality