

QLFS 12: Fourth Quarter 2010

Prepared by the Development Policy Research Unit, University of Cape Town
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Key Findings from the Official Statistical Release, Po211

The labour market has continued to weaken over the last year, with employment and the narrow labour force declining, while the number of discouraged workseekers increased rapidly. The expanded unemployment rate increased by 1.8 percentage points to end 2010 at 35.8 percent.

Table 1: Key Labour Market Aggregates

	2010 Q4	Q-on-Q Change		Y-o-Y Change	
	'000s	'000s	Percent	'000s	Percent
Aggregates					
Labour Force	17 476	-102	-0.6	-207	-1.2
Employment	13 250	157	1.2	-118	-0.9
Narrow Unemployment	4 226	-259	-5.9	-89	-2.1
Discouraged Workseekers	1 710	117	5.8	440	25.7
Rates					
Narrow Unemployment Rate	24.2		-1.3 p.p.		-0.2 p.p.
Labour Force Participation	55.1		-0.6 p.p.		-1.5 p.p.

- **Employment contracted by 118 000 year-on-year**, predominantly due to a decline in formal non-agricultural employment of 181 000. The decline in formal employment was partially mitigated by rising informal non-agricultural employment (+71 000). Agricultural employment and employment in private households remained unchanged over the period.
- **Unemployment declined by 89 000, or 2.1 percent over the period.** The unemployment rate, though, was virtually unchanged from a year earlier, and declined by 0.2 percentage points over the year, and currently stands at 24.2 percent. The expanded unemployment rate, on the other hand, increased by 1.8 percentage points to 35.8 percent over the year due to the continued rise in discouraged workseekers. The provinces that experienced the most rapid increases in expanded unemployment rates are Mpumalanga (+5.8 percent), KwaZulu-Natal (+2.7 percent), and the North West (+2.3 percent).
- **Narrow labour force participation continues to fall, reaching 54.2 percent in the fourth quarter of 2010.** Declines in narrow labour force participation rates (LFPR) are observed for all races except Asians, and across all provinces with the exception of the Free State. The expanded labour force participation rate, in contrast, was stable at 63.5 percent.
- **Women accounted for the bulk of the decline in employment**, while male employment was only marginally down.. Overall, women lost around four jobs for every one job lost by men between 2009Q4 and 2010Q4.
- **The number of discouraged workseekers continues to grow**, increasing by 440 000 individuals, equivalent to a rate of 25.7 percent between 2009Q4 and 2010Q4.

- **Most jobs were lost in finance** (-218 000, at a rate of -12.0 percent year-on-year), and construction (-71 000 or -6.3 percent). Despite this, some sectors did experience employment growth over the period. Employment in community, social and personal (CSP) services increased by 165 000 (or 6.2 percent), while wholesale and retail trade saw growth of 42 000 (or 1.4 percent). Most of the jobs lost by women were in finance (-128 000), while men gained 90 000 jobs in CSP services.
- **The province which experienced the most job losses was Gauteng** (-43 000 or -1.1 percent), followed by KwaZulu-Natal (-37 000 or -1.5 percent) and Mpumalanga (-34 000 or -1.6 percent). The Eastern Cape on the other hand saw employment rise of 37 000 individuals, or 2.9 percent.
- **Employment in elementary occupations contracted the most during 2010** (-107 000 jobs), while considerable declines were noted amongst technicians (-78 000) and clerks (-65 000). Managers and professionals on the other hand saw their employment rise over the year by 112 000 and 101 000 jobs respectively.
- **Of the 4.2 million unemployed, 1.8 million were new labour market entrants and 1.3 million were job losers. The remainder of the unemployed are made up of job leavers (6.1 percent), re-entrants (4.1 percent), and others (15.4 percent).** The number of new entrants has grown by 4.6 percent, and with the exception of 2010Q4, has increased each quarter since 2009Q4. The number of job losers declined by 159 000 year-on-year, while the number of new entrants increased by 78 000 over the year.
- **Long-term unemployment remains a serious concern**, with the long-term unemployed (those unemployed for one year or more) numbering 2.8 million individuals and accounting for 68.0 percent of the unemployed. Moreover, this group grew by 308 000, or 12.3 percent over the year, while those in short-term unemployment decreased by 23.1 percent, or 398 000 individuals over the year.
- **Amongst the unemployed who had previously worked, 30.4 percent (522 000 individuals) were previously employed as elementary workers.** A further 17.4 percent had been employed as craft and related trades workers, 15.3 percent as sales and service workers, and 12.5 percent as clerks.
- **More than two-fifths (42.0 percent) of the unemployed were aged between 25 and 34 years, while more jobs were lost amongst 15 to 24 year olds (-138 000) than amongst any other age-group.** At the same time, there has been a considerable decline of 72 000 in the number of unemployed 15 to 24 year olds, representing 81 percent of the total decline in unemployment over the period.
- **Employment has fallen most for those with low levels of education.** Employment amongst those with incomplete primary education or less fell by 205 000 over the period, and employment for those with completed primary education dropped by 47 000 individuals. Employment for all other educational categories increased over the year. This was particularly true for those with tertiary education, which increased by 86 000 over the period.