

Monitoring the Performance of the South African Labour Market

An overview of the South African labour market from Quarter 3 of 2010 to Quarter 3 of 2011



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Recent Labour Market Trends

Figure 1: Quarterly Estimates of Labour Market Aggregates



Source: Own calculations, Statistics South Africa, various years.

- Notes:
1. The expanded definition of unemployment is utilised here.
 2. Shaded bands represent the 95 percent confidence intervals around the estimates.
 3. See appendix for further details of estimates.

Having reached a post-recession peak of 4.6 percent in the first quarter of 2011, annual real GDP growth has weakened once again. The South African economy managed to expand by only 1.4 percent on a seasonally adjusted and annualised basis in 2011Q3 (Statistics South Africa, 2011b). Given the significant labour market reaction to the 2009 recession, such a weak growth performance is cause for some concern.

Figure 1 depicts the trends in employment and unemployment since 2008. Having lost more than one million jobs within the seven quarters after 2008Q4, it is clear that the labour market has not yet seen any significant improvement. Employment has stagnated at around 13 million since 2010, although estimates from the past two quarters have pointed to possible improvements within the labour market. Such a lagged reaction to GDP trends points to the importance of sustained economic growth in the year ahead.

Unemployment, both its level and rate, has risen significantly since the end of 2008. However, the expanded unemployment rate has declined slightly to 33.2 percent in 2011Q3, from 33.9 percent a year earlier. In absolute terms, this means that 6.6 million people in South Africa are unemployed.

The working age population grew by 1.4 percent, or 450 000 individuals, between 2010Q3 and 2011Q3, while employment is estimated to have grown almost twice as fast, at a rate of 2.6 percent, to 13.3 million. Although this change is not statistically significant, it marks a continuation of and, potentially, an improvement in the trend observed in 2011Q2, where employment growth was estimated at a statistically insignificant 0.5 percent.

Narrow unemployment totalled 4.4 million, only marginally higher than a year earlier, while growth in expanded unemployment is half that observed in 2011Q2. Most importantly, growth in the number of discouraged workseekers is stalling and is statistically insignificant for the first time since the recession. This weakening of the upward trend in discouragement and, by extension, in expanded unemployment points to a slowly improving labour market.

Labour force participation rates have remained largely unchanged between 2010Q3 and 2011Q3: 54.3 percent of the working age population are members of the narrow labour force, while 61.0 percent are broad labour market participants. Both the narrow and expanded unemployment rates are essentially unchanged since 2010Q3 at 25.0 percent and 33.2 percent respectively.

A Brief Labour Market Overview

Table 1: Labour Market Overview, 2010 Quarter 3 – 2011 Quarter 3

	2009 Quarter 3	2010 Quarter 3	2011 Quarter 3	Change ('10-'11)	
				Absolute	Relative
Labour Market Aggregates (Thousands)					
Working Age Population	31 750	32 318	32 765	447	1.4
Employment	13 157	13 009	13 344	335	2.6
Narrow Unemployment	4 241	4 397	4 442	46	1.0
Narrow Labour Force	17 398	17 406	17 786	381	2.2
Expanded Unemployment	5 895	6 431	6 646	215	3.4
Expanded Labour Force	19 052	19 440	19 990	550	2.8
Discouraged Workseekers	1 654	2 034	2 204	170	8.4
Labour Force Participation Rate (Percent)					
Narrow LFPR	54.8	53.9	54.3	0.4	0.8
Expanded LFPR	60.0	60.2	61.0	0.9	1.4
Unemployment Rate (Percent)					
Narrow Unemployment Rate	24.4	25.3	25.0	-0.3	-1.1
Expanded Unemployment Rate	30.9	33.1	33.2	0.2	0.5

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

- Notes:
1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.
 2. The working age population includes all individuals aged between 15 years and 65 years inclusive.

'... growth in the number of discouraged workseekers is stalling and is statistically insignificant for the first time since the recession'

Labour Force Participation

Table 2: Labour Force Participation Rates (Percent), 2010 Quarter 3– 2011 Quarter 3

Percent / Percentage Points	2009 Quarter 3	2010 Quarter 3	2011 Quarter 3	Change ('10-'11)	
				Absolute	Relative
Overall LFPR	60.0	60.2	61.0	0.9	1.4
By Race					
African	58.3	58.5	59.6	1.1	1.8
Coloured	65.9	65.6	66.4	0.8	1.2
Asian	59.2	62.7	58.1	-4.6	-7.4
White	68.1	67.3	68.5	1.2	1.8
By Gender					
Male	66.8	67.1	67.2	0.1	0.2
Female	53.6	53.7	55.2	1.5	2.8
By Age Group					
15 to 24 year olds	31.8	32.5	32.4	-0.1	-0.2
25 to 34 year olds	80.0	80.4	81.4	1.0	1.2
35 to 44 year olds	82.1	80.8	82.6	1.8	2.2
45 to 54 year olds	71.3	72.0	73.2	1.3	1.8
55 to 65 year olds	40.6	40.2	40.2	0.0	-0.1
By Educational Attainment					
No education	42.2	40.5	39.9	-0.6	-1.5
Grades 0 – 7	50.7	49.1	50.4	1.3	2.7
Grades 8 – 11	50.6	51.8	52.4	0.5	1.0
Grade 12	74.4	74.1	74.5	0.3	0.4
Diploma/Certificate	88.6	87.3	88.5	1.2	1.3
Degree	89.0	88.0	90.0	2.1	2.3

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

- Notes:
1. The expanded definition of unemployment is utilised here in defining the labour force.
 2. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

Three-fifths (61 percent) of working age adults participate in the broad labour force, a proportion that has remained virtually unchanged for the last three years. There are, though, substantial differences across demographic covariates. Participation rates range from 59.6 percent amongst Africans to more than two-thirds amongst Coloureds and Whites. Similarly, there is a gap of 12 percentage points between the LFPRs of men and women, the latter being less likely to be active in the labour force.

The young (15 to 24 years) and the old (55 to 65 years) have the lowest LFPRs, due to educational enrolment and retirement or ill health respectively, while participation is highest amongst those aged 25 to 44 years, at over 80 percent. Just 32.4 percent of 15 to 24 year olds are labour force participants, as were 40.2 percent of 55 to 65 year olds.

Educational attainment is correlated with rates of labour market participation, with higher levels of education associated with higher participation rates. Amongst those with primary or incomplete secondary education, labour force participation is around 50 percent, rising to 75 percent amongst those with completed secondary education and to around 90 percent of those with post-secondary education. This is partly related to the age distribution of individuals within these educational categories.

In total, in 2011Q3, 13.3 million individuals were employed, up 335 000 over the year, although this change is statistically insignificant. Put differently, roughly two in five working age adults were employed, a relatively low proportion by international standards.

‘While it appears that both genders saw additions in jobs... the increase was stronger for females’

Africans account for an estimated 70.2 percent of total employment, compared with 15.0 percent for Whites, 11.2 percent for Coloureds and 3.5 percent for Asians. The trend in employment levels is upwards for Africans, although there is little evidence of growth compared with 2009Q3. Indeed, year-on-year changes for all race groups are statistically insignificant, while extending the period back to 2009Q3 has no impact on this finding.

Total employment is dominated by men, who account for 56.4 percent compared to 43.6 percent for women. In absolute terms, men outnumber women in employment by roughly 1.7 million. It is estimated that female employment grew by approximately 200 000, while that of males grew by >>>

Employment Trends

Table 3: Employment Trends, 2010 Quarter 2 – 2011 Quarter 2

	2009	2010	2011	Change ('10-'11)	
	Quarter 3 (‘000s)	Quarter 3 (‘000s)	Quarter 3 (‘000s)	Absolute (‘000s)	Relative (Percent)
Overall Employment	13 157	13 009	13 344	335	2.6
By Race					
African	9 144	8 988	9 372	384	4.3
Coloured	1 505	1 493	1 497	4	0.3
Asian	457	518	471	-47	-9.1
White	2 052	2 010	2 004	-6	-0.3
By Gender					
Male	7 365	7 392	7 530	138	1.9
Female	5 792	5 617	5 814	197	3.5
By Age Group					
15 to 24 year olds	1 381	1 295	1 297	3	0.2
25 to 34 year olds	4 416	4 365	4 417	51	1.2
35 to 44 year olds	3 710	3 707	3 847	139	3.8
45 to 54 year olds	2 523	2 501	2 596	95	3.8
55 to 65 year olds	1 128	1 140	1 187	47	4.2
By Educational Attainment					
No education	447	371	345	-25	-6.9
Grades 0 – 7	1 852	1 749	1 763	14	0.8
Grades 8 – 11	4 150	4 186	4 344	158	3.8
Grade 12	3 909	3 941	3 966	25	0.6
Diploma/Certificate	1 696	1 601	1 711	110	6.9
Degree	928	978	1 051	74	7.5

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

140 000, although both are statistically insignificant.

In total, individuals aged between the ages of 25 and 44 years account for 61.9 percent of employment and number almost 8.3 million. Those under the age of 25 account for 9.7 percent of employment, compared to 8.9 percent for those aged 55 years and above. Again, changes over the period are statistically insignificant, although they point to higher growth in both absolute and relative terms amongst relatively older groups within employment, with employment of those younger than 35 years unchanged over the year.

‘Africans, women and those aged 35 to 54 years appear to have gained the most in employment terms between 2010Q3 and 2011Q3...’

The workforce is evenly split in terms of educational attainment with half having incomplete secondary education or less, and half having complete secondary and above. A total of 4.3 million individuals have incomplete secondary education, while a further 4.0 million have complete secondary education. The number of employed individuals with tertiary education has

surpassed one million, accounting for 7.9 percent of total employment. Employment of those with no formal education continues to decline, reaching just 345 000 in 2011Q3.

Although none of the results in Table 4 are statistically significant, the economy’s skills-biased growth path remains in evidence in the data. Thus, the data suggests that half of employment growth over the year was concentrated in the two uppermost educational categories (diplomas, certificates and degrees), which account for just 13 percent of employment in 2011Q3. In contrast, employment growth in the lowest two categories was negligible or even negative (although nearly half of employment growth appears to have accrued to those with incomplete secondary education). Africans, women and those aged 35 to 54 years appear to have gained the most in employment terms between 2010Q3 and 2011Q3, while 15 to 24 year olds have missed out on the slight expansion in employment over the period. Overall, African employment growth exceeded total employment growth for the period.

Table 4: Composition of Employment Change

<i>Absolute Change</i>	<i>Thousands</i>
<i>Total Employment</i>	335
<i>Share of Change</i>	<i>Percent</i>
By Race	
African	114.6
Coloured	1.3
Asian	-14.1
White	-1.8
By Gender	
Male	41.2
Female	58.8
By Age Group	
15 to 24 year olds	0.8
25 to 34 year olds	15.3
35 to 44 year olds	41.5
45 to 54 year olds	28.3
55 to 65 year olds	14.1
By Educational Attainment	
No education	-7.6
Grades 0 – 7	4.3
Grades 8 – 11	47.1
Grade 12	7.6
Diploma/Certificate	32.8
Degree	22.0

Source: Own calculations, Statistics South Africa 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes in employment levels at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

Of the 13.3 million individuals employed in South Africa in 2011Q3, 7.1 percent are employed in the primary sector, making it the smallest of the three major sectors. The secondary sector employs 2.9 million people (21.8 percent of total employment), while over 70 percent of total employment is located within the tertiary sector.

The largest individual industries in employment terms are wholesale and retail trade (22.6 percent of employment) and CSP services, which includes government (21.3 percent), while financial and business services and manufacturing each account for around 13 percent of employment. Together, these four industries employ nearly 9.4 million people, or 70 percent of all jobs.

No sectoral shifts in employment between 2010Q3 and 2011Q3 were statistically significant. It appears that any jobs created over the period were concentrated within the tertiary sector, with CSP services (a net gain of 155 000 jobs) and financial and business services (139 000 jobs) seemingly responsible for the bulk of employment growth. Both primary and secondary employment remained stagnant, with little change in employment overall or for the separate industries. Compared with 2009Q3, it is only CSP services and wholesale and retail trade that has registered any type of growth.

Sectoral Employment Trends

Table 5: Employment Trends by Industry, 2010 Quarter 3 – 2011 Quarter 3

	2009	2010	2011 Quarter 3		Change ('10-'11)	
	Quarter 3 (`000s)	Quarter 3 (`000s)	Total (`000s)	Share (Percent)	Absolute (`000s)	Relative (Percent)
Overall Employment	13 157	13 009	13 344	100.0	335	2.6
Agriculture, forestry and fishing	662	641	625	4.7	-16	-2.5
Mining and quarrying	304	303	324	2.4	20	6.7
Primary Sector	966	944	948	7.1	4	0.5
Manufacturing	1 776	1 721	1 742	13.1	21	1.2
Electricity, gas and water	86	100	74	0.6	-25	-25.3
Construction	1 099	1 076	1 088	8.2	11	1.1
Secondary Sector	2 960	2 897	2 904	21.8	7	0.2
Wholesale and retail trade	2 905	2 952	3 016	22.6	64	2.2
Transport, storage and communication	760	775	757	5.7	-19	-2.4
Financial and business services	1 741	1 632	1 771	13.3	139	8.5
Community, social and personal (CSP) services	2 662	2 686	2 841	21.3	155	5.8
Private households	1 156	1 121	1 103	8.3	-18	-1.6
Tertiary Sector	9 224	9 167	9 488	71.1	321	3.5

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

Sectoral Employment Trends

Table 6: Employment Trends by Sector, 2010 Quarter 3 – 2011 Quarter 3

	2009	2010	2011 Quarter 3		Change ('10-'11)	
	Quarter 3 (‘000s)	Quarter 3 (‘000s)	Total (‘000s)	Share (Percent)	Absolute (‘000s)	Relative (Percent)
Overall Employment	13 157	13 009	13 344	100.0	335	2.6
<i>Agriculture</i>	662	641	625	4.7	-16	-2.5
- Formal agriculture	584	555	543	4.1	-12	-2.1
- Informal agriculture	78	86	82	0.6	-5	-5.3
<i>Non-agricultural employment</i>	11 340	11 246	11 616	87.1	369	3.3
- Formal non-agricultural	9 307	9 067	9 451	70.8	384	4.2
- Informal non-agricultural	2 033	2 179	2 164	16.2	-15	-0.7
<i>Private households</i>	1 156	1 121	1 103	8.3	-18	-1.6

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

Table 6 provides a breakdown of employment by sectors, focussing on the distinction between agricultural, non-agricultural and private household employment, on the one hand, and between formal and informal employment on the other hand.

With agriculture accounting for less than one in 20 jobs in South Africa, non-agricultural employment is the dominant source of employment for South Africans, accounting for 87.1 percent of employment. The remaining 8.3 percent of employment is accounted for by private households (domestic workers). Within both agricultural and non-agricultural employment, the formal sector dominates. In total, the formal sector accounts for three-quarters of employment, compared to just 16.8 percent for the informal sector. This is relatively low compared with other African and developing countries.

While none of the changes presented in Table 6 are statistically significant, it appears that job creation was firmly located within the formal non-agricultural sector. This is certainly an encouraging trend if it continues. The formal non-agricultural economy grew employment by almost 400 000, or 4.2 percent, between 2010Q3 and 2011Q3, equivalent to 115 percent of economy-wide employment growth.

‘[It] appears that job creation was firmly located within the formal non-agricultural sector ... [which] grew employment by almost 400 000’

Skilled occupations dominate the occupational structure of South African employment, accounting for 57.5 percent of total employment. This is roughly twice the share of low skilled jobs in total employment (28.3 percent), which in turn is twice the share of high skilled jobs (14.2 percent). Around 2.9 million workers are employed in elementary occupations in 2011Q3, making this the largest occupational category within the South African economy representing 21.7 percent of total employment. Other important occupational categories are sales and services occupations (14.8 percent of total employment), and craft and related trades (12.4 percent).

Even though none of the occupational changes between 2010Q3 and 2011Q3 were statistically significant, the trends observed earlier in terms of educational attainment are, to a large extent, mirrored in terms of occupation. Although estimated employment growth is evenly split across high, mid- and low skilled occupations, growth rates were more rapid for higher skilled occupations (6.3 percent, compared to 2.6 percent overall). Nevertheless, service and sales and elementary occupations saw employment growth of more than 100 000 jobs each.

Occupational Employment Trends

Table 7: Employment Trends by Occupation, 2010 Quarter 3 – 2011 Quarter 3

	2009	2010	2011 Quarter 3		Change ('10-'11)	
	Quarter 3 (‘000s)	Quarter 3 (‘000s)	Total (‘000s)	Share (Percent)	Absolute (‘000s)	Relative (Percent)
Overall Employment	13 157	13 009	13 344		335	2.6
Managers	1 026	1 077	1 133		56	5.2
Professionals	723	709	766		57	8.1
<i>High Skilled</i>	1 749	1 786	1 899		113	6.3
Technicians	1 521	1 426	1 444		18	1.3
Clerks	1 464	1 414	1 427		13	0.9
Service and sales workers	1 831	1 859	1 977		118	6.3
Skilled agric. workers	73	76	61		-15	-19.2
Craft and related trades	1 622	1 609	1 658		49	3.0
Operators and assemblers	1 137	1 163	1 099		-64	-5.5
<i>Skilled</i>	7 648	7 547	7 667		120	1.6
Elementary occupations	2 855	2 788	2 897		110	3.9
Domestic workers	905	888	881		-7	-0.8
<i>Low Skilled</i>	3 760	3 675	3 778		103	2.8

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

‘Although estimated employment growth is evenly split across high, mid- and low skilled occupations, growth rates were more rapid for higher skilled occupation...’

Unemployment Trends

Table 8: Expanded Unemployment Rate Trends, 2010 Quarter 3 – 2011 Quarter 3

	2009 Quarter 3 (Percent)	2010 Quarter 3 (Percent)	2011 Quarter 3 (Percent)	Change ('10-'11)	
				Absolute (P.points)	Relative (Percent)
Overall Unemployment Rate	30.9	33.1	33.2	0.1	0.5
By Race					
African	36.3	39.0	38.6	-0.4	-1.0
Coloured	23.6	24.8	26.4	1.6	6.3
Asian	15.2	10.9	13.4	2.5	23.3
White	5.9	6.5	7.0	0.5	7.6
By Gender					
Male	28.1	29.5	29.5	0.0	0.0
Female	34.2	37.3	37.6	0.3	0.7
By Age Group					
15 to 24 year olds	57.2	61.1	61.2	0.1	0.2
25 to 34 year olds	34.9	36.7	37.7	1.0	2.7
35 to 44 year olds	22.4	23.7	24.9	1.2	4.9
45 to 54 year olds	16.2	18.3	16.9	-1.3	-7.2
55 to 65 year olds	10.3	12.1	9.5	-2.6	-21.5
By Educational Attainment					
No education	25.3	29.4	30.3	0.9	3.0
Grades 0 – 7	35.1	37.2	35.2	-1.9	-5.2
Grades 8 – 11	39.4	41.6	41.9	0.3	0.8
Grade 12	30.4	32.2	33.4	1.2	3.7
Diploma/Certificate	12.8	15.4	15.5	0.1	0.7
Degree	4.6	4.7	4.9	0.1	2.9

Source: Own calculations, Statistics South Africa 2009, 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

The high level of unemployment remains a striking characteristic of the South African labour market. Including both the searching and non-searching unemployed, the expanded unemployment rate has exceeded 30 percent since 2009Q3 and remains on a gradually upward trend. In 2011Q3, the expanded unemployment rate was 33.2 percent, virtually unchanged over the preceding year.

Racial inequalities in the labour market are perhaps most vividly demonstrated in the unemployment rate. The unemployment rate for African labour force members is 38.6 percent, 1.5 times that of Coloureds (26.4 percent). In turn, the unemployment rate amongst Coloureds is twice that of Asians (13.4 percent) and four times that of Whites (7.0 percent). None of the changes observed by race for the year ending in 2011Q3 were found to be statistically significant.

Similar inequality in labour market outcomes is observed by gender. Three in ten male labour force participants were unemployed according to the expanded definition of unemployment, compared to almost four in ten (37.6 percent) of females. The gap between male and female unemployment rates, at 8.1 percentage points in 2011Q3, is two percentage points greater than two years earlier.

Unemployment rates are also correlated >>>

with age, younger labour force participants being more likely to be unemployed. The unemployment rate amongst 15 to 24 year olds, at 61.2 percent in 2011Q3, is almost twice the national average of 33.2 percent. The unemployment rate falls to 37.7 percent for 25 to 34 year olds – still above the national average – and further to 24.9 percent of 35 to 44 year olds. Just 9.5 percent of 55 to 65 year olds are unemployed, this low rate being related to the fact that unemployed individuals in this group often have the option of leaving the labour market entirely through retirement.

‘Three-quarters of the increase in unemployment was accounted for by women’

Not only is higher educational attainment associated with superior returns in employment, it is also associated with lower rates of unemployment, although this latter relationship is not perfect. Overall, unemployment is above 30 percent for those without post-secondary educations, peaking at 41.9 percent amongst those with incomplete secondary education. One-third of those with completed secondary education are unemployed, falling to 15.5 percent for those with diplomas or

certificates, and to under five percent for those with degrees.

Once again, none of the changes in unemployment levels over the year were found to be statistically significant, with total unemployment rising only slightly over the period. Of this observed increase, the majority of the rise in unemployment was accounted for by Africans (70.2 percent), followed by Coloureds (20.2 percent). Three-quarters of the increase in unemployment was accounted for by women, confirming a significant gender bias.

Despite their relative disadvantage in terms of employment, 15 to 24 year olds did not account for a substantial proportion of unemployment change. The brunt of unemployment growth was borne by those in the prime working ages of 25 to 44 years, who accounted for 122.0 percent of net employment change between 2010Q3 and 2011Q3.

The majority of unemployment growth appears to have been concentrated amongst those with incomplete secondary education (71.7 percent of the rise in unemployment) and those who have completed grade 12 (53.5 percent).

Table 9: Composition of Unemployment Change

<i>Absolute Change</i>	<i>Thousands</i>
Total Unemployment	215
<i>Share of Change</i>	<i>Percent</i>
By Race	
African	70.2
Coloured	20.2
Asian	4.5
White	5.1
By Gender	
Male	26.5
Female	73.5
By Age Group	
15 to 24 year olds	6.6
25 to 34 year olds	65.5
35 to 44 year olds	56.5
45 to 54 year olds	-13.6
55 to 65 year olds	-15.0
By Educational Attainment	
No education	-2.1
Grades 0 – 7	-35.2
Grades 8 – 11	71.7
Grade 12	53.5
Diploma/Certificate	10.5
Degree	2.4

Source: Own calculations, Statistics South Africa 2010, 2011.

Notes: 1. An asterisk denotes statistically significant changes in unemployment levels at the 95 percent confidence level, while a dagger (†) denotes statistically significant changes at the 90 percent confidence level.

Conclusion

Trends presented above suggest a labour market recovery that appears to be taking hold. However, a recent weakening of the macroeconomic environment presents a significant threat to the sustainability of this recovery and the possibility that current employment levels may decline further.

Against a backdrop of sluggish growth for the year ending in 2011Q3, employment rose slightly, by 335 000, although this change is not statistically significant. Nevertheless, current trends, if maintained, suggest that statistically significant employment growth may be revealed in 2011Q4. Similarly positive developments include the marginal decline in the narrow unemployment rate to 25 percent over the year, despite the fact that unemployment numbers have edged up slightly; and a deceleration in the increase in the number of discouraged workseekers, to a statistically insignificant 8.4 percent compared to over 20 percent in the immediate aftermath of the recession.

Sectorally, the tertiary sector remains the leading source of jobs in South Africa, accounting for a net increase in employment of 320 000 over the period. It is particularly in CSP services and finance and business services essentially responsible for all net

employment growth in the economy. In contrast, employment levels were stagnant in both the primary and secondary sectors. Importantly, employment growth was driven by the formal sector over the period, with the non-agricultural formal sector adding close to 400 000 jobs. The economy continues on its skills-biased growth path, with high skilled and skilled occupations accounting for more than two-thirds of net employment growth between 2010Q3 and 2011Q3.

The well-established patterns of labour market disadvantage in South Africa remain in place over the period. Unemployment remains concentrated amongst Africans and Coloureds, females, the youth and those without post-secondary education. One break from this pattern, though, is the insulation of the youngest labour force members (aged between 15 and 24 years) from job losses. However, this is perhaps the outcome of earlier job losses, which were significant in the early stages of the labour market response to the recession.

While the labour market has shown signs of recovery, the immediate challenge remains sustainability. The severe decline in employment in response to the recession emphasises the importance of preventing the development of a double-dip recession in South Africa.

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This factsheet is available for download at <http://www.dpru.uct.ac.za/>

Appendix

Table 10: Labour Market Aggregates

Period	Employment (millions)	Expanded Unemployment (millions)	Expanded Unemployment Rate (percent)
2008 Q1	13.778 [13.434; 14.122]	5.400 [5.191; 5.61]	28.2 [27.396; 28.921]
2008 Q2	13.913 [13.548; 14.278]	5.223 [5.034; 5.411]	27.3 [26.561; 28.024]
2008 Q3	13.839 [13.481; 14.197]	5.239 [5.033; 5.445]	27.5 [26.646; 28.275]
2008 Q4	14.059 [13.7; 14.418]	5.087 [4.887; 5.287]	26.6 [25.808; 27.328]
2009 Q1	13.873 [13.516; 14.23]	5.450 [5.225; 5.676]	28.2 [27.376; 29.037]
2009 Q2	13.627 [13.264; 13.989]	5.708 [5.476; 5.94]	29.5 [28.689; 30.358]
2009 Q3	13.157 [12.795; 13.519]	5.895 [5.683; 6.107]	30.9 [30.124; 31.759]
2009 Q4	13.272 [12.909; 13.635]	5.938 [5.723; 6.154]	30.9 [30.085; 31.741]

Period	Employment (millions)	Expanded Unemployment (millions)	Expanded Unemployment Rate (percent)
2010 Q1	13.112 [12.763; 13.461]	6.267 [6.05; 6.484]	32.3 [31.532; 33.145]
2010 Q2	13.099 [12.743; 13.454]	6.340 [6.11; 6.57]	32.6 [31.765; 33.468]
2010 Q3	13.009 [12.539; 13.478]	6.431 [6.138; 6.723]	33.1 [32.028; 34.135]
2010 Q4	13.161 [12.787; 13.535]	6.289 [6.041; 6.537]	32.3 [31.459; 33.209]
2011 Q1	13.145 [12.755; 13.535]	6.588 [6.339; 6.838]	33.4 [32.532; 34.243]
2011 Q2	13.148 [12.765; 13.532]	6.745 [6.488; 7.002]	33.9 [33.063; 34.749]

Source: Own calculations, Statistics South Africa, various years.

Notes: 1. Figures in square brackets are the 95 percent confidence intervals.