

unemployment
employment

Employment and unemployment in South Africa
A brief description

© Business Trust
P O Box 294, Auckland Park 2006, South Africa
Tel (011) 482-5317
Fax (011) 482-6633

www.btrust.org.za

Edited by Helene Perold and Philanie Jooste, Helene Perold & Associates, Johannesburg, South Africa

Design and typesetting by Manik Design, Johannesburg, South Africa

Employment and unemployment in South Africa

A brief description

November 2004

Contents

	Introduction	4
1	Population and labour force participation	6
2	Employment trends	9
3	Unemployment	12
4	Data	15
5	Conclusion	17
6	Challenges	18
	Appendix	20
	Table 1 Labour supply, 1995 to 2002	23
	Table 2 Labour force participation rates (using official definition of unemployment), 1995 to 2002	24
	Table 3 Economically active population (using official definition of unemployment), 1995 to 2002	25
	Table 4 Employment, 1995 to 2002	27
	Table 5 Formal sector employment (by industry), 1997 to 2002	28

Table 6	Sectoral shares of formal sector employment (by industry), 1997 to 2002	29
Table 7	Informal sector employment (by industry) 1997 to 2002	30
Table 8	Informal and formal sector employment (by industry), excluding domestic workers and agriculture, 1995 to 2002	31
Table 9	Sectoral shares of non-agricultural informal and formal sector employment (by industry), 1995 to 2002	32
Table 10	Share of employment by three skills categories and sector, 1995 and 2002	33
Table 11	Unemployment rates (official definition), 1995 to 2002	34
Table 12	Labour market status of those under 30 and over 30, 2002	35
Table 13	Average years of education by labour market status and age, 2002	35
Table 14	Unemployment rates by education level and age, 1995 and 2002	36

References

Acronyms

HSRC	Human Sciences Research Council
LFPR	labour force participation rate
SEE	Survey of Employment and Earnings
STEE	Survey of Total Employment and Earnings
Stats SA	Statistics South Africa

Introduction

This document was prepared jointly by economists from business, labour and government under the auspices of the Business Trust. It is based on inputs from Haroon Borhat of the Development Policy Research Unit and Ingrid Woolard of the Human Sciences Research Council (HSRC).¹

In light of the persistent debate about labour market data, the document provides baseline information about major trends in unemployment, labour force participation and employment. It aims to be concise and accessible to the non-technical reader while remaining consistent with the underlying data.

Definitions are kept to a minimum. The main features are shown in boxes followed by supporting points. Further definitions and data tables are confined to the Appendix.

Conclusions relate to:

- population growth and labour force participation;
- trends in employment creation;
- levels of unemployment by different definitions and by age, skills, race and gender; and
- some problem areas in the data on employment.

¹ The steering committee for the project comprised Iraj Abedian, Alan Hirsch, Gavin Keeton and Neva Makgetla and was convened by Brian Whittaker.

The data presented here generally focus on the period 1995 to 2002. The 2003 data are not used because they are weighted with the 2001 Census, while the previous ones are weighted on the basis of the 1996 Census. Also, while acknowledging that comparisons with data collected before 1998 are imperfect because Statistics South Africa (Stats SA) used different

definitions in different years, we try to give a sense of the underlying trends over the post-apartheid period. In all cases, the data comes directly from the electronic data-sets provided by Stats SA, rather than published tabulations. The data is adjusted somewhat to improve comparability over time. These adjustments are explained in detail in the Appendix.

one
1

Population and labour force participation

The number of people seeking work has risen far more rapidly than the population itself.

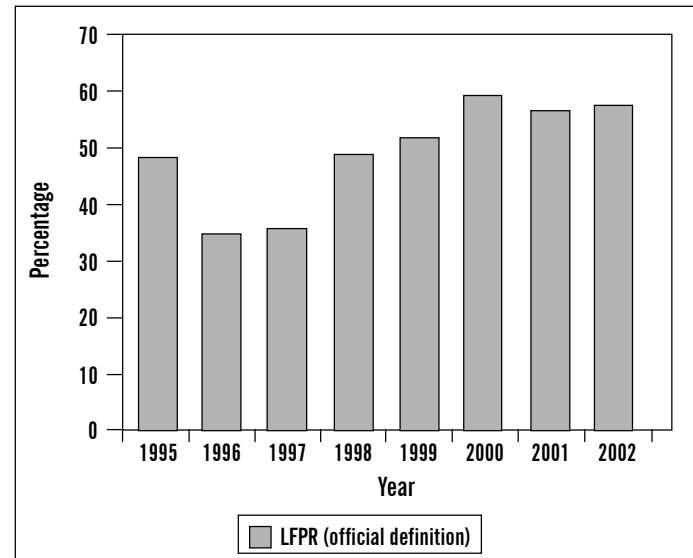
The number of people who need jobs is determined by the number of people in the working-age population who are employed or are seeking work. A substantial number of working-age people do not participate in the labour market, mostly because they are studying, disabled, working in the home or have become discouraged and are no longer seeking work. This group is termed 'economically inactive'. The ratio of 'economically active' adults – that is, the employed and those seeking work – to the total working-age population is called the 'labour force participation rate'. The labour force participation rate has increased, and the number of economically inactive people has shrunk.

- We can infer from Stats SA's weighting of the household surveys that the number of people aged between 15 and 64 years increased by 3.9 million (from 23.9 million to 27.8 million) between 1995 and 2002, representing a growth rate of 2.2% per year.
- Over the same period, the economically active population grew by 4.4 million. That represents an increase of 4.8% per year.
- Only part of the growth in the number of economically active population can thus be attributed to population growth. The rest is a

result of an increase in the proportion of the population who are economically active, i.e. an increase in the labour force participation rate.

- This is accounted for mainly by the fact that while labour force participation rates remain higher for men than women, there has been a rapid rise in the female labour force participation rates for all age cohorts. Three-fifths of new labour market entrants between 1995 and 2002 were women.
- Notwithstanding the rapid rise in labour force participation rates they remain low by international standards, suggesting that further increases may occur in the coming years. Labour force participation in 2002 stood at 56% in South Africa, compared to 75% for middle-income countries as a whole (World Bank 2003).

Labour force participation rate (LFPR), 1995 to 2002



Tables 1, 2 and 3 in the Appendix show labour supply, labour force participation rates for various categories of people, and the economically active population in various categories.

Employment and unemployment in South Africa

A brief description

There is no comprehensive study of the motivations for why more adults are seeking work. Possible explanations include:

- The increase in opportunities, especially for African women, with the ending of apartheid. The participation of women has risen more rapidly than that of men in all age cohorts.
- Increased migration to the urban areas where job opportunities are more plentiful and alternative livelihood strategies more restricted than in rural areas.
- Rising education levels. Young people have substantially more years of schooling than older people, and educated people – especially women – are statistically more likely to be economically active than those with less education.
- As discussed below, the increase in unemployment itself combined with largely stagnant real incomes, may force more household members to seek paid employment.

2 | Employment trends

A person is considered to be employed if they have engaged in any kind of economic activity for at least one hour in the previous week.

Employment is categorised as:

- formal sector employment including the private formal sector, commercial agriculture and the public sector;
- informal sector employment;
- domestic workers; and
- small-scale (subsistence) farmers.

The number of people finding work has increased, but at a much slower rate than the increase in those seeking work. Nevertheless, almost one million new jobs were created in the formal non-agricultural private sector between 1997 and 2002.

The number of people finding work has increased, but at a much slower rate than the increase in those seeking work. Nevertheless, almost one million new jobs were created in the formal non-agricultural private sector between 1997 and 2002.

While the economically active population grew by 4.4 million people between 1995 and 2002, aggregate measured employment grew by 1.4 million jobs from 9.6 million to 11.0 million over the same period.

- **Private formal sector non-agricultural** employment increased from 4.7 million in 1997 to 5.6 million in 2002.
- At the same time, **public sector employment** had been falling steadily with job losses of more than 100 000 between 1995 and 2002.

Employment and unemployment in South Africa

A brief description

- **While the informal sector** showed significant growth in the late 1990s, this growth slowed after 2000 and the number of informal sector workers declined in 2002. If we exclude small-scale farmers and domestic workers from this category, there were about 1.4 million workers in the informal sector in 2002, up from 900 000 in 1997.
- **The number of domestic workers** seems to have stabilised around the 1 million mark, accounting for about 9% of total employment.
- **Small-scale (subsistence) farming** is extremely difficult to measure. The numbers fluctuate considerably, varying from 300 000 in 1999 to 1 million in 2000. Given the large fluctuations in this category of employment, it seems judicious to focus on non-agricultural employment in the short-run.

The sectors in which employment has been found between 1995 and 2002 have shifted from community services and mining and quarrying toward internal trade and finance, real estate and business services. The structure of employment also shifted both between and within sectors, with a move toward more skilled jobs.

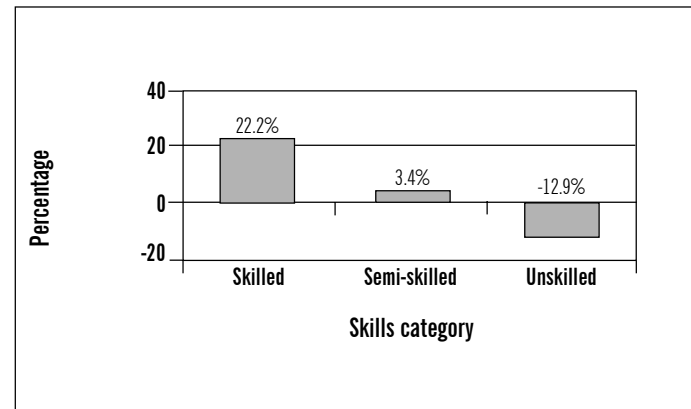
- Finance and business services climbed from 8% to 12% of non-agricultural employment and internal trade from 22% to 25%. The increase in internal trade largely resulted from the growth in the informal sector, which is dominated by hawking.
- By contrast, employment in community services (which is dominated by the public sector) fell from 29% to 24% of non-agricultural employment.

The sectors in which employment has been found between 1995 and 2002 have shifted and the share of unskilled people who find work has continued to decline.

- The share of unskilled workers in the labour force declined by 4 percentage points, from 31% in 1995 to 27% in 2002. The share of unskilled workers tended to drop faster in sectors that reported overall employment losses. This aligns with the common perception that job losses have most affected lower-level African workers.
- The share of skilled and semi-skilled employment each rose by 2% in this period.

Tables 4 to 10 in the Appendix show employment and a breakdown of employment by industry for the formal and informal sectors and skills categories.

Percentage change in share of employment by skills categories between 1995 and 2002

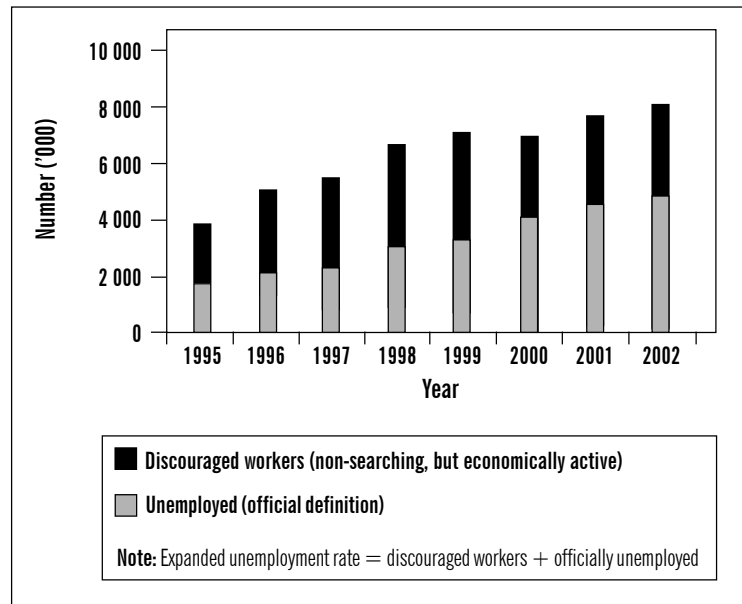


three 3 | Unemployment

Unemployment is described according to one of two definitions:

- **The terms 'strict' or 'narrow' or 'official' are used interchangeably.** The term 'official' is used in this document. A person is regarded as unemployed (according to the official definition) if he or she did not work in the previous week, wants to work, is available to begin work within a week and has taken active steps to look for employment or self-employment in the previous four weeks.
- **The terms 'expanded' or 'broad' are also used interchangeably.** The term 'expanded' is used in this document. A person is regarded as unemployed (according to the expanded definition) if he or she

Unemployment, 1995 to 2002



Unemployment for those under 30 years of age has been significant since 1995 and has been rising steadily. More than half of the unemployed are under the age of 30.

did not work in the previous week, wants to work and is available to begin work within a week.

With a working age population of 27.8 million in September 2002:

- On the expanded definition, 19.1 million were economically active and 8.1 million unemployed.
- On the official definition, 15.8 million were economically active and 4.8 million unemployed.

With the number of work seekers increasing and employment growth at less than the population growth rate, the official unemployment rate almost doubled between 1995 and 2002, rising from 15.9% to 30.5%.

The unemployed are differentiated by age, education and skills, race, gender and location. Based on the official unemployment figure the following points are noteworthy.

- In September 2002:
 - 56% of the unemployed were aged between 15 and 30. (The unemployed include only those actively seeking, but unable to find paid work. Learners are generally considered economically inactive.)
 - The unemployment rate for those aged under 30 was 49%, compared with 21% for those aged over 30.
 - The under-30s made up only 26% of the employed, and 35% of the labour force as a whole.
- The concentration of unemployment among the youth means that the unemployed have had rising levels of education, although not experience.
- Adults over 30 averaged eight years of education in September 2002, compared to

Employment and unemployment in South Africa

A brief description

nine for those aged under 30. Amongst the unemployed, those aged over 30 had eight years of education, while those under 30 had ten years. In both cases, the employed and unemployed had virtually the same average education, whilst the economically inactive had substantially less (six years for inactive adults over 30, and nine for those under 30).

- A particular concern has been the rapid increase in unemployment levels for people with tertiary qualifications, especially diplomas. The main problem appears to be the mushrooming of new tertiary qualifications. In 2002, the unemployment rate among young people (under 30) with diplomas stood at 35%, up from 10% in 1995. By comparison, the unemployment rate stood at 14% among those with university degrees, up from 6% in 1995.
- Unemployment rates among Africans were higher than for all other race groups in 1995 and remained so in 2002.

Unemployment still has the greatest impact on African people, those in rural areas and especially African women.

- Using the official definition, African unemployment rose from 19.6% in 1995 to 36.8% in 2002.
- In the same period, it rose from 14.2% to 21.3% for coloureds, 9.6% to 21.3% for Asians, and 3.3% to 6.2% for whites.
- Similar differentials emerged by gender.
 - In 1995, unemployment for women was 20.2%, rising to 34.7% in 2002. For men, it was 12.7% in 1995 and rose to 26.8% in 2002.
 - While the unemployment 'rate' is slightly higher in rural than urban areas, two-thirds of the unemployed now reside in urban areas.

Table 11 shows unemployment rates for various categories. Tables 12, 13 and 14 compare under 30-year-olds and over 30-year-olds in terms of employment and unemployment, average years of education and education levels.

4 | Data

Official labour force data are collected through three primary survey instruments:

- the bi-annual Labour Force Survey, which surveys around 30 000 households;
- the Survey of Employment and Earnings (SEE, formerly the Survey of Total Employment and Earnings or STEE), which surveys a sample of large employers; and
- the Population Census.

There have been explicit and possibly implicit shifts in definitions, especially around informal work, leading to discontinuities in the data.

- Under apartheid, information on African workers was collected sporadically or not at all, and from the mid-1970s surveys excluded the TBVC states (Transkei, Bophuthatswana,

Venda and Ciskei). The development of inclusive series since 1994 has thus required a steep learning curve. Three major factors already referred to affect the reliability of the data:

- The initial October Household Surveys included only the self-employed in the informal sector and it was not possible to determine the full extent of informal sector employment.
- In the late 1990s, the definition of informal sector employment was changed to include subsistence farmers and unpaid workers in family businesses. This re-categorisation accounts for a large share of the increase in informal sector employment between 1999 and 2000. The problem is aggravated by the extraordinary fluctuations in reported subsistence agriculture in this period, with an initial steep rise followed by a gradual decline from 2000.

Employment and unemployment in South Africa

A brief description

- The line between underemployed, unemployed and economically inactive proves difficult to define. People are regarded as employed if they engaged in any kind of economic activity for at least one hour in the previous week. They are unemployed in the 'official' sense if they actively sought work, but unemployed in the 'expanded' sense if they would take a job immediately.
 - The Census accepted individuals' own definition of whether they had employment and found a higher unemployment rate than the Labour Force Survey.
- rate, from 31% to 28%, while the expanded rate remained virtually unchanged, because around 680 000 people had apparently stopped looking for work.
- Analysing trends based on beginning and end years may lead to substantial differences, depending on which beginning year is chosen. Thus, formal unemployment reportedly declined between 1995 and 2002, but rose from 1997 to 2002.

The manner in which the data are treated has a significant impact on the portrait of unemployment.

- By contrast, the Labour Force Survey does not rely on the respondent's own description of his or her employment status, but uses a lengthy series of questions to determine labour force status. In 2003, the Labour Force Survey found a substantial fall in the official unemployment

5 Conclusion

This brief review of employment and unemployment shows that between 1995 and 2002:

- The supply of labour has escalated more rapidly than the growth of the population.
- The economy has created jobs, but at a slower rate than the growth in the demand for jobs.
- The main shifts in employment have been toward service industries, skilled workers and the informal sector.
- There have been increases in
 - the overall unemployment rate;
 - the level of education of the unemployed;
 - the unemployment rate of those with tertiary qualifications;
- the unemployment rate for Africans;
- the unemployment rate for women; and
- unemployment rates in urban and rural areas with the rate of unemployment increasing fastest in urban areas.

6

Challenges

The steering committee that guided the process of preparing this document agreed that in the light of the information presented here, key challenges on the path to faster job creation include:

1. The need to improve the quality, consistency and reliability of employment data to support agreement among the major stakeholders about the facts of employment and unemployment.
2. The need to set objectives and targets based on the agreement of the Growth and Development Summit, backed by clear strategies and instruments for achieving a higher level of employment growth.
3. The objectives and targets to strengthen the ability of the economy to create jobs should take account of the facts that:
 - a. Low levels of job creation result from a combination of slow economic growth and particularly slow growth in labour intensive sectors. Growth must be raised above 5% per year.
 - b. At the same time, attention must be given to the poor performance of sectors that could create jobs on a large scale through targeted sector strategies and concomitant skills development programmes.
 - c. In order to achieve the level of growth required, more high level skills will be needed. As the growth accelerates, the demand for high level skills will grow much faster than that for low level skills. This points to:
 - i. The need for improvements in the quality

and relevance of education. This is reinforced by rising unemployment of matriculants and graduates in the presence of unfilled vacancies in a range of semi-skilled and skilled sectors.

- ii. The need for continuing support for low-skilled people who are unlikely to be absorbed, even in a growing economy.
 - d. Increased employment is also hampered by infrastructural services of uneven quality and sometimes excessive cost – improvement in the quality and efficiency of these services is a key to higher employment.
4. Stakeholders in the President's Joint Working Group should receive regular reports containing updates of the employment and unemployment situations, and the implementation of the strategies.

This review has shown that while a broad description of the facts can be made, South Africa

has some way to go before it will have consistent data at a sufficiently disaggregated level on a stable basis, over time, to make a crisp presentation of the facts and clear identification of trends easily available. It also shows the willingness of business, government and labour to work toward that end.

November 2004

Appendix

All the tables contained in this appendix were created using the raw survey data made available electronically by Stats SA. The definitions of employed and unemployed which are used here differ slightly from those used by Stats SA. These categorisations are based on the definitions originally used by Klasen and Woolard (1999) and subsequently refined by Altman and Woolard (2004).

Each individual in the dataset is classified as being in one of the following states:

- working in the formal sector;
- working in the informal sector, but not as an unpaid family member or as a domestic worker or in subsistence farming;
- working in a private household;
- working as an unpaid family worker;

- working in small-scale (subsistence) agriculture;
- 'discouraged' work-seeker (i.e. unemployed in terms of the expanded definition, but not officially unemployed);
- unemployed (in terms of the official definition); and
- not economically active.

Individuals may have stated that they were doing more than one activity – for example, someone could have been working as a domestic in a private household and growing crops on his or her own piece of land. In this event, it is assumed that activities supersede each other according to the (somewhat arbitrary) hierarchy given above. For example, if a person is classified as a 'subsistence' farmer, this implies that he or she is not in paid work or working as a domestic or working as an

unpaid family member.

A person is regarded as **employed** if he or she:

- worked in the past seven days; or
- has a 'job attachment' and did not work in the last seven days because he or she was ill, on vacation/ study leave, attending to family responsibilities, etc.

A person who said he or she has a job attachment, but did not work in the past seven days because of having been temporarily laid off or as a result of a reduction in economic activity, was classified as 'not working'. (Whether he or she was then classified as 'unemployed' or 'not economically active' depends on other responses.)

This differs from the Stats SA methodology which classifies as 'unemployed' people who have a job attachment, but did not work in the past week because of transport problems, unrest or being temporarily laid off/reduction in economic activity or any unspecified reason. It is not immediately apparent why someone who did not work in the

last week because of transport problems (but said he or she has a job) should be unemployed.

The definition of 'informal' used here is slightly different from the self-classification used by Stats SA. According to the definition used here, a person is regarded as working in the informal sector if all of the following criteria are met:

- the person does not regard his or her employment as being in the formal sector;
- no UIF payments are being made on behalf of the worker (or the individual doesn't know if payments are being made);
- no medical aid payments are being made by the employer (or the individual doesn't know);
- the employer is not central, provincial or local government or a parastatal; and
- the business is not registered with the Registrar of Companies (or the individual doesn't know).

All workers employed by private households were

Employment and unemployment in South Africa

A brief description

grouped together – i.e. no distinction was made between domestic workers and other employees in private households. All people coded as being domestic workers (9131) or gardeners (6113) were classified as working for private households.

A worker was coded as a subsistence farmer if he or she works on his or her own farm, has done any construction work on their farm or attached property, or caught fish or animals for food or sale.

Unpaid family workers are people who describe themselves as such.

Table 1 Labour supply, 1995 to 2002

Year	1995 ('000)	1996 ('000)	1997 ('000)	1998 ('000)	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)
Working age population (15 to 65)	23 930	24 703	25 307	25 484	26 039	26 714	27 162	27 787
Unemployed (official definition)	1 814	2 183	2 374	3 024	3 204	4 137	4 596	4 827
Discouraged workers (non-searching, but wanting to work)	2 186	2 887	3 151	3 264	3 640	2 410	3 143	3 307
Unemployed (expanded definition)	3 999	5 070	5 525	6 288	6 844	6 547	7 740	8 134
Economically active population - official	11 434	11 087	11 456	12 398	13 569	15 833	15 414	15 840
Economically active population - expanded	13 620	13 974	14 607	15 662	17 210	18 242	18 558	19 148
Year	1995 %	1996 %	1997 %	1998 %	1999 %	2000 %	2001 %	2002 %
Unemployment rate (official)	15.9	19.7	20.7	24.4	23.6	26.1	29.8	30.5
Unemployment rate (expanded)	29.4	36.3	37.8	40.2	39.8	35.9	41.7	42.5
LFPR (official definition)	47.8	44.9	45.3	48.7	52.1	59.3	56.7	57.0
LFPR (expanded definition)	56.9	56.6	57.7	61.5	66.1	68.3	68.3	68.9

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Employment and unemployment in South Africa

A brief description

Table 2 Labour force participation rates (using official definition of unemployment), 1995 to 2002

	1995		1996		1997		1998		1999		2000		2001		2002	
	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %
Race group																
African	52.9	34.0	47.5	32.5	49.3	32.7	53.0	36.6	54.9	41.2	62.7	52.0	59.4	48.3	59.8	49.1
Coloured	70.2	51.6	68.4	51.1	67.4	47.6	67.7	49.6	72.0	55.9	73.8	57.5	72.5	57.1	72.9	56.3
Indian/Asian	77.5	38.5	71.0	39.7	72.2	38.7	74.6	39.4	75.0	49.8	76.5	48.0	78.3	50.8	77.2	53.5
White	77.8	52.8	75.3	53.8	74.8	50.9	75.3	56.9	77.6	60.2	77.2	60.4	78.0	60.8	76.5	59.6
All	58.5	38.1	53.9	36.9	54.9	36.4	57.8	40.3	59.8	45.0	65.9	53.3	63.5	50.6	63.6	51.0
Area type																
Urban	65.6	47.7	62.3	47.3	63.3	45.8	64.5	47.8	67.4	53.5	72.0	59.8	70.9	59.3	71.0	59.7
Rural	48.1	26.7	40.6	23.4	41.4	23.7	47.1	29.7	47.9	33.3	56.5	44.1	52.2	38.5	52.5	39.4
Age group																
15 to 19	7.5	5.8	6.7	5.4	6.1	6.1	7.7	6.5	9.8	7.9	13.6	11.0	11.3	9.9	10.8	10.0
20 to 24	40.5	32.1	38.0	30.6	40.1	29.4	43.6	33.9	46.2	40.8	54.2	47.2	52.4	46.4	56.3	47.4
25 to 34	75.8	52.2	70.6	50.1	70.9	49.4	76.1	55.8	78.0	61.0	84.2	68.4	82.8	67.1	82.6	67.0
35 to 44	85.2	55.0	80.1	55.1	78.5	53.5	82.0	57.7	83.3	63.6	88.7	72.3	86.7	68.3	86.0	68.4
45 to 54	80.3	46.4	73.2	43.1	73.8	43.3	77.1	48.9	78.5	53.4	83.6	64.1	79.8	57.3	78.4	58.4
55 to 65	52.9	21.4	48.7	19.5	49.6	19.3	49.0	21.5	52.5	24.9	62.9	36.2	58.7	30.0	56.4	30.0
Education																
No schooling	60.7	27.7	51.9	24.0	53.3	25.5	59.0	31.5	59.2	33.8	67.7	47.3	68.5	38.6	63.5	40.2
Incomplete primary	58.0	36.1	50.7	31.9	50.6	31.1	54.6	36.5	55.4	38.7	64.8	51.3	58.6	44.6	58.5	45.2
Complete primary	53.4	33.1	46.9	33.0	49.3	29.5	49.7	33.8	50.8	36.4	56.7	48.3	55.3	42.0	53.9	44.0
Incomplete secondary	48.5	30.8	45.1	30.0	46.5	37.3	47.7	30.9	50.7	37.6	56.9	45.6	54.5	43.6	54.2	42.9
Matric	70.9	52.4	50.9	35.2	71.2	54.2	71.4	58.3	74.2	61.6	78.2	64.3	79.4	65.5	79.0	66.6
Diploma	85.6	73.5	65.5	51.6	82.4	73.2	85.9	77.7	87.9	81.8	91.3	83.1	87.8	83.3	89.5	81.3
Degree	89.2	77.6	59.2	37.8	88.1	76.6	90.6	80.0	91.4	79.4	92.3	84.3	92.7	86.5	93.2	85.0

Table 3 Economically active population (using official definition of unemployment), 1995 to 2002

	1995		1996		1997		1998		1999		2000		2001		2002	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Race group																
African	4 505 249	3 211 868	4 103 863	3 232 909	4 491 967	3 268 043	4 877 372	3 693 302	5 187 434	4 255 398	5 995 304	5 588 594	5 753 309	5 263 832	5 990 553	5 457 873
Coloured	756 613	604 490	766 614	617 562	772 023	589 449	763 674	619 257	830 079	698 314	867 495	799 516	870 974	775 253	883 080	765 487
Indian/Asian	264 594	139 745	241 784	144 852	257 633	145 576	263 370	149 361	278 080	193 841	302 546	194 528	351 627	239 544	315 817	230 932
White	1 155 362	808 473	1 145 740	836 421	1 136 495	794 279	1 148 689	879 730	1 171 941	926 617	1 137 861	909 422	1 208 880	925 325	1 216 335	940 154
All	6 681 818	4 764 576	6 258 001	4 831 744	6 658 118	4 797 347	7 053 105	5 341 650	7 467 534	6 074 170	8 303 206	7 492 060	8 184 790	7 203 954	8 405 785	7 394 446
Area type																
Urban	4 455 060	3 230 241	4 423 949	3 498 125	4 730 975	3 468 809	4 836 728	3 688 653	5 138 580	4 173 069	5 530 568	4 949 112	5 553 460	4 907 214	5 639 435	4 963 592
Rural	2 226 758	1 534 335	1 834 052	1 333 619	1 927 143	1 328 538	2 229 592	1 654 763	2 342 818	1 907 223	2 796 573	2 555 493	2 645 750	2 307 687	2 786 397	2 446 118
Age group																
15 to 19	152 748	123 402	142 672	114 856	128 893	133 022	166 254	145 367	217 744	178 858	312 062	255 046	270 039	229 629	263 038	234 569
20 to 24	784 011	675 350	760 976	674 548	788 380	616 658	903 800	756 605	978 090	925 324	1 100 992	998 591	1 060 564	997 691	1 167 152	1 015 892
25 to 34	2 331 255	1 745 557	2 102 244	1 734 316	2 300 075	1 737 455	2 495 952	1 972 226	2 624 911	2 204 978	2 810 710	2 600 496	2 792 706	2 592 622	2 876 714	2 594 167
35 to 44	1 917 702	1 310 017	1 814 242	1 397 293	1 896 508	1 386 562	1 974 374	1 460 239	2 054 216	1 634 195	2 229 102	2 063 579	2 244 897	1 964 994	2 269 179	2 059 701
45 to 54	1 070 415	667 812	1 013 142	676 892	1 108 138	702 531	1 102 769	748 914	1 144 000	831 993	1 324 600	1 167 126	1 312 220	1 083 451	1 342 103	1 151 461
55 to 65	425 687	242 438	424 725	233 839	436 124	221 119	423 171	260 065	462 437	304 944	549 675	419 767	518 784	346 514	507 646	353 920

Continues on page 26.

Employment and unemployment in South Africa

A brief description

Table 3 (continued) Economically active population (using official definition of unemployment), 1995 to 2002

	1995		1996		1997		1998		1999		2000		2001		2002	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Education																
No schooling	528 263	359 683	504 139	353 213	545 122	360 665	602 075	442 916	485 526	396 568	510 572	530 096	499 896	432 811	464 027	447 478
Incomplete primary	1 145 730	740 393	461 877	310 958	464 945	264 642	1 231 887	802 474	1 344 718	946 942	1 558 397	1 232 797	1 398 003	1 048 162	1 360 884	1 040 439
Complete primary	464 589	332 089	232 908	179 223	255 186	152 823	514 813	384 144	542 986	414 857	627 507	586 630	631 612	529 352	578 236	512 559
Incomplete secondary	2 257 649	1 575 910	2 101 144	1 592 955	3 018 975	2 714 725	2 225 245	1 640 051	2 392 162	1 975 059	2 825 359	2 582 378	2 711 291	2 477 859	2 856 126	2 534 206
Matric	1 454 275	1 078 639	682 547	521 283	1 685 993	1 253 607	1 545 354	1 298 418	1 746 611	1 485 782	1 754 550	1 570 044	2 002 173	1 737 372	2 135 329	1 870 539
Diploma	485 439	462 120	1 333 143	1 107 645	384 669	394 395	644 566	563 204	378 695	470 872	509 059	587 374	476 133	562 177	503 382	599 843
Degree	298 254	171 190	28 678	14 859	283 047	181 211	288 922	195 607	417 212	291 316	450 414	358 070	431 213	362 136	441 216	347 863

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 4 Employment, 1995 to 2002

	1995 ('000)	1996 ('000)	1997 ('000)	1998 ('000)	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)
Private formal non-agricultural employment ^a	-	-	4 660	4 801	5 107	5 419	5 471	5 615
Public sector employment (including parastatals)	1 684	1 770	1 754	1 731	1 668	1 611	1 592	1 556
Commercial agricultural workers	1 212	704	504	693	769	702	702	839
Informal sector workers	-	-	937	1 091	1 460	1 525	1 537	1 380
Domestic workers	830	940	1 057	855	1 063	1 324	1 039	1 023
Unpaid family workers ^b	-	-	-	-	-	147	130	111
Small-scale farmers ^c	-	-	169	202	299	968	347	488
Total number of workers	9 621	8 904	9 081	9 373	10 365	11 696	10 818	11 014
Total number of non-agricultural workers	8 408	8 200	8 409	8 478	9 297	10 026	9 769	9 686

Notes

^a For 1995 and 1996 it is not possible to distinguish between private formal non-agricultural employment and informal employment as only the self-employed can be split between the formal and informal sector.

^b The October Household Survey did not have an employment category called 'unpaid family workers' in 1995, 1996, 1997, 1998 and 1999.

^c Over time, Stats SA has altered its questionnaires and trained field workers to probe for more types of employment. The increase in small-scale farmers is thus likely to be largely the result of better data, rather than a real increase.

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Employment and unemployment in South Africa

A brief description

Table 5 Formal sector employment (by industry), 1997 to 2002

	1997 ('000)	1998 ('000)	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)
Agriculture	504	693	769	702	702	839
Mining and quarrying	381	427	468	526	486	498
Manufacturing	1 374	1 249	1 301	1 347	1 412	1 459
Electricity, gas and water distribution	108	106	75	79	94	80
Construction and related engineering	352	383	323	378	345	352
Wholesale/retail/repair of goods	1 164	1 259	1 379	1 479	1 469	1 376
Transport and communications	445	469	447	457	456	465
Financial/insurance/real estate/computer and related	662	798	867	887	912	974
Community, social and personal services	1 661	1 702	1 790	1 842	1 864	1 912
Unspecified	267	143	117	32	19	41
Total formal sector employment	6 918	7 229	7 544	7 733	7 761	8 002

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 6 Sectoral shares of formal sector employment (by industry), 1997 to 2002

	1997 %	1998 %	1999 %	2000 %	2001 %	2002 %
Agriculture	7.3	9.6	10.2	9.1	9.0	10.5
Mining and quarrying	5.5	5.9	6.2	6.8	6.3	6.2
Manufacturing	19.9	17.3	17.2	17.4	18.2	18.2
Electricity, gas and water distribution	1.6	1.5	1.0	1.0	1.2	1.0
Construction and related engineering	5.1	5.3	4.3	4.9	4.4	4.4
Wholesale/retail/repair of goods	16.8	17.4	18.3	19.1	18.9	17.2
Transport and communications	6.4	6.5	5.9	5.9	5.9	5.8
Financial/insurance/real estate/computer and related	9.6	11.0	11.5	11.5	11.8	12.2
Community, social and personal services	24.0	23.5	23.7	23.8	24.0	23.9
Unspecified	3.9	2.0	1.6	0.4	0.2	0.5
Total formal sector employment^a	100.0	100.0	100.0	100.0	100.0	100.0

Note

^a Numbers may not add up exactly due to rounding.

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Employment and unemployment in South Africa

A brief description

Table 7 Informal sector employment (by industry), 1997 to 2002

	1997 ('000)	1998 ('000)	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)
Agriculture	504	693	769	702	702	839
Mining and quarrying	8	4	5	4	1	1
Manufacturing	117	122	182	198	177	168
Electricity, gas and water distribution	2	5	3	1	1	0
Construction and related engineering	157	163	237	228	223	197
Wholesale/retail/repair of goods	364	531	697	819	830	732
Transport and communications	79	83	91	86	85	80
Financial/insurance/real estate/computer and related	40	52	55	29	54	42
Community, social and personal services	96	114	168	154	131	135
Unspecified	74	20	21	6	4	4
Total informal sector employment (excluding agriculture and domestics)	937	1 094	1 459	1 525	1 506	1 359

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 8 Informal and formal sector employment (by industry), excluding domestic workers and agriculture, 1995 to 2002

	1995 ('000)	1996 ('000)	1997 ('000)	1998 ('000)	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)
Mining and quarrying	389	246	389	431	473	530	487	499
Manufacturing	1 433	1 361	1 491	1 371	1 483	1 545	1 589	1 627
Electricity, gas and water distribution	84	124	110	111	78	80	95	80
Construction and related engineering	444	411	509	546	560	606	568	549
Wholesale/retail/repair of goods	1 681	1 352	1 528	1 790	2 076	2 298	2 299	2 108
Transport and communications	482	470	524	552	538	543	541	545
Financial/insurance/real estate/computer and related	594	736	702	850	922	916	966	1 016
Community, social and personal services	2 201	1 964	1 757	1 816	1 958	1 996	1 995	2 047
Unspecified	271	596	341	156	146	41	60	81
Total employment (excluding agriculture, domestics and unpaid family workers)	7 579	7 260	7 351	7 623	8 234	8 555	8 600	8 552

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Employment and unemployment in South Africa

A brief description

Table 9 Sectoral shares of non-agricultural informal and formal sector employment (by industry), 1995 to 2002

	1995 %	1996 %	1997 %	1998 %	1999 %	2000 %	2001 %	2002 %
Mining and quarrying	5.1	3.4	5.3	5.7	5.7	6.2	5.7	5.8
Manufacturing	18.9	18.7	20.3	18.0	18.0	18.1	18.5	19.0
Electricity, gas and water distribution	1.1	1.7	1.5	1.5	0.9	0.9	1.1	0.9
Construction and rel. engineering	5.9	5.7	6.9	7.2	6.8	7.1	6.6	6.4
Wholesale/retail/repair of goods	22.2	18.6	20.8	23.5	25.2	26.9	26.7	24.7
Transport and communications	6.4	6.5	7.1	7.2	6.5	6.3	6.3	6.4
Financial/insurance/real estate/computer and related	7.8	10.1	9.5	11.2	11.2	10.7	11.2	11.9
Community, social and personal services	29.0	27.1	23.9	23.8	23.8	23.3	23.2	23.9
Unspecified	3.6	8.2	4.6	2.0	1.8	0.5	0.7	0.9
Total employment (excluding agriculture, domestics and unpaid family workers)^a	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note

^a Numbers may not add up exactly due to rounding.

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 10 Share of employment by three skills categories and sector, 1995 and 2002

	Year	Skilled %	Semi-skilled %	Unskilled %	Year	Skilled %	Semi-skilled %	Unskilled %
Agriculture	1995	1	22	77	2002	1	56	43
Mining and quarrying	1995	4	77	19	2002	4	89	7
Manufacturing	1995	6	74	19	2002	10	75	15
Utilities	1995	6	79	13	2002	9	82	8
Construction	1995	6	74	19	2002	6	74	20
Internal trade	1995	14	66	20	2002	10	60	30
Transport and communication	1995	15	73	11	2002	22	67	11
• Transport	1995	19	69	12	2002	23	64	12
• Communication	1995	5	83	10	2002	17	78	5
Finance	1995	17	77	6	2002	25	67	8
Community services	1995	13	71	15	2002	19	70	11
Private households	1995	0	3	97	2002	0	16	84
Other and unspecified	1995	20	48	31	2002	22	50	28
Total	1995	9	59	31	2002	11	61	27

Note

Numbers may not add up exactly due to rounding.

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Employment and unemployment in South Africa

A brief description

Table 11 Unemployment rates (official definition), 1995 to 2002

	1995			1996	1997	1998	1999	2000	2001	2002		
	Male %	Female %	All %	All %	All %	All %	All %	All %	All %	Male %	Female %	All %
Race group												
African	15.5	25.3	19.6	32.7	26.5	30.9	35.4	31.2	36.3	32.9	41.2	36.8
Coloured	12.4	16.4	14.2	15.0	14.7	15.0	18.6	19.1	22.1	19.4	23.5	21.3
Indian/Asian	8.2	12.2	9.6	17.3	10.3	16.9	20.5	16.1	18.5	16.2	28.4	21.3
White	2.7	4.1	3.3	5.1	4.1	5.0	5.4	5.6	5.9	5.1	7.6	6.2
All	12.7	20.4	15.8	25.2	20.7	24.4	28.4	26.2	29.9	26.8	34.7	30.5
Area type												
Urban	12.9	18.7	15.3	22.5	19.1	21.8	26.4	26.0	28.2	26.4	34.2	30.0
Rural	12.1	23.3	16.7	32.2	24.7	30.1	32.7	26.3	33.1	27.6	35.6	31.4
Education												
No schooling	8.4	18.7	12.6	25.8	17.7	20.2	22.1	18.5	20.9	18.0	20.7	19.3
Incomplete primary	14.0	22.7	17.4	32.9	23.6	26.7	26.3	24.9	29.1	29.2	30.9	29.9
Complete primary	16.3	22.0	18.7	30.3	26.6	29.5	31.9	28.2	32.6	28.3	35.0	31.4
Incomplete secondary	15.4	25.3	19.5	33.1	22.1	29.8	35.4	31.0	36.6	32.8	44.0	38.1
Matric	12.5	20.7	16.0	25.4	20.2	24.6	31.7	30.5	31.2	27.2	38.1	32.3
Diploma	4.3	5.1	4.7	22.8	6.6	11.0	13.0	14.3	15.3	11.6	17.2	14.6
Degree	2.3	2.6	2.4	24.4	3.9	4.4	5.6	5.0	7.5	4.9	8.6	6.6
Age group												
15 to 19	37.9	49.7	43.1	41.9	46.5	51.0	47.9	41.4	54.6	48.5	62.4	55.1
20 to 24	27.9	36.9	32.1	39.9	39.5	42.8	47.0	49.4	54.6	52.7	61.9	56.9
25 to 34	14.3	23.1	18.1	30.0	24.2	28.3	33.1	31.5	35.4	29.7	41.7	35.4
35 to 44	8.1	12.8	10.0	18.9	14.4	16.5	21.1	18.1	20.2	17.3	24.3	20.6
45 to 54	5.5	10.3	7.4	13.7	11.0	13.6	13.0	12.6	14.3	15.4	15.8	15.6
55 to 65	4.8	4.6	4.7	9.9	7.5	10.4	7.2	7.7	11.5	11.9	8.4	10.5

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 12 Labour market status of those under 30 and over 30, 2002

	Under 30		Over 30	
	Number ('000)	%	Number ('000)	%
Employed	2 841	25.8	8 173	74.2
Unemployed	2 710	56.1	2 117	43.9
Labour force (employed and unemployed)	5 551	35.0	10 290	65.0
Not economically active	7 417	62.1	4 529	37.9
Total	18 519	42.4	25 109	57.6
Unemployment rate		48.8		20.6

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 13 Average years of education by labour market status and age, 2002

	Mean years of education	
	Under 30	Over 30
Employed	10.4	9.0
Unemployed	10.1	8.1
Labour force (employed and unemployed)	10.2	8.8
Not economically active (includes those still at school)	8.8	6.5
All	9.4	8.1

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

Table 14 Unemployment rates by education level and age, 1995 and 2002

	Under 30		Over 30	
	1995 %	2002 %	1995 %	2002 %
No schooling	31.0	34.0	12.8	17.8
Incomplete primary	27.7	49.9	13.7	24.6
Complete primary	31.1	48.7	13.8	24.8
Incomplete secondary	35.2	55.5	12.4	27.3
Matric	26.5	48.1	6.6	16.8
Diploma	9.8	34.4	2.5	7.4
Degree	5.9	13.8	1.2	4.5

Source: Own calculations based on October Household Surveys and Labour Force Surveys, Statistics South Africa.

References

Altman M & Woolard I (2004) *Employment and Unemployment Trends in South Africa, 1995-2002*, Employment and Economic Policy Research Programme (EEPR), Human Sciences Research Council: Pretoria.

Klasen S & Woolard I (1999) "Levels, trends and consistency of employment and unemployment figures in South Africa", in *Development Southern Africa*, vol. 16 no. 1, Autumn 1999.

World Bank (2003) *World Development Indicators 2003*, World Bank: Washington DC.



BUSINESS TRUST

Together, we will.

Business Trust

PO Box 294

Auckland Park

2006

South Africa

www.btrust.org.za