

Indicators to Monitor the Progressive Realisation of the Right to Decent Work in South Africa

September 2017

Daniel McLaren



The Socio-Economic Rights Monitoring Tool

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*Building up knowledge
to break down Poverty*

Project made possible with funding from the



Recommended citation: Daniel McLaren 'Indicators to Monitor the Progressive Realisation of the Right to Decent Work in South Africa' (2017) Studies in Poverty and Inequality Institute, Working Paper 15.

Contact: advocacy@spii.org.za or daniel.mclaren.za@gmail.com

ISBN number: (E-document): 978-0-6399059-1-4

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Introduction

South Africa's ratification of the International Covenant on Economic, Social and Cultural Rights (the ICESCR, or Covenant) in 2015 signalled a renewed commitment by the government to the progressive realisation of socio-economic rights for all its citizens, as required by the post-apartheid Constitution. Ratification of the Covenant, which makes its provisions binding on the country, joined South Africa with 165 other nations (including 50 in Africa) who have recognised that the rights in the ICESCR – to education, health care, social security, food, adequate housing, decent work and others – are essential for their citizens to live lives of dignity and opportunity.

However, while there are many similarities in the rights and obligations set out in the ICESCR and the Constitution (with the drafters of the latter taking much inspiration from the former), there are also some important differences. The Constitution, for example, took its cue from South Africa's deeply divided past, and therefore places great emphasis on the achievement of substantive equality, including through redress for past discrimination. On the other hand, the Covenant recognises that everyone has the right to an adequate standard of living for themselves and their family, something which could be read into the Constitution, but is not expressed as such.

However, perhaps the most apparent difference is the Covenant's recognition of a fundamental right to work, which like every other socio-economic right, must be implemented by the government over time, utilising the maximum of its available resources. While the Constitution recognises rights to fair labour practices and to choose one's occupation freely, it does not place an obligation on the government to ensure that everyone has the right to *work*.

Conceptual misunderstandings driven by opposite interpretations of this right by the Soviet Union and the United States during (and in the case of the US, after) the Cold War have been cited in conversations with constitution drafters as the main reason behind their failure to expressly include a positive right to work in the constitution. However, these misunderstandings now seem out of date. The United Nations Committee on Economic, Social and Cultural Rights (CESCR) has given much greater clarity on the content of this right since 1994.¹ Moreover, the right to work has now been embraced in many countries around the world – both by governments seeking new ways to deal with unemployment and poverty (as in India²), and by peoples' movements of all descriptions who have in many cases linked the right to work with the right to dignity, as well as to a livelihood and to participate in economic development (as with informal workers in Brazil³).

Even in South Africa, the Constitutional Court has recognised key components of the right to work. In *South African Informal Traders Forum and Others v City of Johannesburg and Others*,⁴ for example, the Court found in favour of informal traders who were being forcibly removed from their trading stations by the City of Johannesburg in a series of actions called 'Operation Clean Sweep'. In its judgement, the Court emphasised that 'The ability of people to earn money and support themselves and their families is an important component of the right to human dignity. Without it [the traders] faced 'humiliation and degradation.' And at 'The Unemployed Peoples Assembly for the Right2Work' in Johannesburg in August 2017, various movements of unemployed people came together to demand the right to work.⁵

¹ See 'General Comment No. 18: The right to work' Adopted 2005, Geneva, UN doc: E/C.12/GC/18. Available at: http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fGC%2f18&Lang=en.

² For brief background on India's right to work law, see Jenkins 'A grassroots revolution' Hindu Business Line 01 March 2016. Available at: www.thehindubusinessline.com/opinion/a-grassroots-revolution/article8300813.ece.

³ See Gaspar Garcia 'Informal Work and the Right to the City' (2012) Sao Paulo. Available at: <http://gaspargarcia.org.br/wp-content/uploads/2014/03/INFORMAL-WORK-AND-THE-RIGHT-TO-THE-CITY.pdf>

⁴ (CCT 173/13; CCT 174/14) [2014] ZACC 8; 2014 (6) BCLR 726 (CC); 2014 (4) SA 371 (CC) (4 April 2014). Available at: www.seri-sa.org/images/SAITF_Judgment_CC.pdf.

⁵ See <https://aidc.org.za/unemployed-peoples-assembly-right2work-2017>.

Inspired by the government's ratification of the ICESCR, and the obligation it is now under to fulfil the right to work, SPII's Socio-Economic Rights Monitoring Tool⁶ set out to unpack the core content of this right and to develop indicators which could be used to monitor the progressive realisation of the right to work in South Africa. A sister publication, 'Realising the Right to Work in South Africa'⁷ explores what policy and budgetary steps may need to be taken to ensure that this right is respected and fulfilled both in law and in practice.

The purpose of this work goes beyond building a framework for the assessment of constitutional and human rights compliance, and aims to achieve specific objectives. These include, *first*, to clarify and unpack the content of socio-economic rights (SERs) and the concomitant obligations they place on the state, and in so doing, to move the country towards greater consensus on what progressive realisation of socio-economic rights means and requires in South Africa. *Second*, to develop an efficient and useful method for monitoring and evaluating progress made in realising SERs to date and in the future, to create an evidence-base for socio-economic policy-making, advocacy initiatives and legal interventions. *Third*, to determine the extent to which organs of the state have respected, protected, promoted and fulfilled their obligations to rights-holders. This involves identifying achievements, deprivations, disparities, and regression to illuminate both causation and accountability in terms of policies, resources spent, implementation and institutional capacity. *Lastly*, the Tool seeks to make recommendations to broaden and accelerate the progressive – and ultimately universal – enjoyment of all SERs.⁸

1. Structure of the paper

This paper will begin by describing the process that was undertaken to develop indicators for the right to decent work. In so doing, the core content of the right will be set out. The final choice of indicators will then be set out, as well as our 'wish-list' of indicators for which no data was available. The paper will then provide a summary of the key findings from the indicators. Finally, the indicators themselves will be presented for analysis by readers.

⁶ See www.spii.org.za/index.php/ser-monitoring-tool.

⁷ Forthcoming in October 2017.

⁸ For more information on the background and objectives of the Tool see: Dawson and McLaren 'A Framework for Monitoring and Evaluating the Progressive Realisation of Socio-Economic Rights in South Africa' (2015). Studies in Poverty and Inequality Institute. Available at: <http://spii.org.za/wp-content/uploads/2015/03/SPII-A-Framework-for-Monitoring-the-Progressive-Realisation-of-SERs-....pdf>.

The process of developing indicators

2.1 From legal 'content' to measurable 'components'

The right to work was first recognised in the Universal Declaration of Human Rights in 1948. The Universal Declaration – now signed by all 193 member states of the United Nations – included the right to work alongside other fundamental human rights, recognising that “freedom from fear and freedom from want has been proclaimed as the highest aspiration of the common people.”⁹

Although the Declaration established the key components of the right, it was given a fuller expression in the International Covenant on Economic, Social and Cultural Rights¹⁰ (ICESCR, or the Covenant), two decades later in . It is this Covenant, now ratified by 165 nations (including 50 in Africa) that provides the best starting point for establishing the content of the right to work. This is because the ICESCR is legally binding on state's parties, and is enforced by a specialised UN body: the Committee on Economic, Social and Cultural Rights (CESCR, or the Committee), whose mandate is monitor and promote compliance with the Covenant and issue 'general recommendations' which provide more detailed interpretations of the various rights contained in the Covenant.

South Africa ratified the ICESCR in 2015, which means that government is obligated to give full effect to the rights it contains, including the right to work. This is important because, as we will see, despite recognising most internationally accepted socio-economic rights, the Constitution of South Africa does not contain a right to work. The Constitution does, however, guarantee several components of the right to work, including the right not to be subjected to slavery, servitude or forced labour, the right to choose one's trade or occupation freely, the right to fair labour practices and rights relating to trade unions and employer organisations.

While these rights are vital elements of the right to work, the ICESCR goes further by requiring states to ensure that people have *rights to work* as well as *rights at work*. The South African government's ratification of the ICESCR therefore introduces new elements of work-related rights into domestic law and practice, which the government (and non-governmental actors) has to act upon in order to comply with its obligations under the Covenant.

To this end, it is worth repeating the full text of the right as it is proclaimed in the Covenant:

2.2 International Covenant on Economic, Social and Cultural Rights¹¹

Article 6

1. The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.
2. The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.

Article 7

The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

- (a) Remuneration which provides all workers, as a minimum, with:
 - (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;

⁹ Available at: www.un.org/en/universal-declaration-human-rights.

¹⁰ Available at: www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx.

¹¹ Adopted 16 Dec 1966, entered into force 1976, GA Res 2200 A (XXI) UN Doc A/6316, 993. Available at: www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx.

- (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;
- (b) Safe and healthy working conditions;
- (c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;
- (d) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays.

Article 8

1. The States Parties to the present Covenant undertake to ensure:

- a. The right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned, for the promotion and protection of his economic and social interests. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;
- b. The right of trade unions to establish national federations or confederations and the right of the latter to form or join international trade-union organizations;
- c. The right of trade unions to function freely subject to no limitations other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;
- d. The right to strike, provided that it is exercised in conformity with the laws of the particular country.

From Articles 6-8, one can see that the right to work is clearly a *right to decent work*, as the Covenant recognises that employment must be based on just and favourable conditions of work. The right to decent work can therefore be conceived in three parts: rights to work, individual rights at work, and collective rights at work (which may also be described as freedom of association and collective bargaining (FACB) rights). Table 1 below summarises these key components of the right as expressed in the Covenant.

Table 1: Key components of the right to work in the ICESCR

Article 6 <i>Rights to work</i>	Article 7 <i>Rights at work (individual)</i>	Article 8 <i>Rights at work (collective) / freedom of association and collective bargaining rights</i>
The opportunity to work	Rights to just and favourable conditions of work, including:	Right to associate freely
The freedom to choose, accept or decline work	Fair and equal wages (for work of equal value) which provide for an adequate standard of living	Right to form and join trade unions and other associations
Right to education, training, skills development and other forms of support	Equal opportunity to be promoted	Right of trade unions to function freely
	Protection against unemployment (and social security rights)	Right to strike
	Safe and healthy working conditions	
	Rest, leisure and holidays with pay	

In developing indicators to monitor the progressive realisation of the right to work, it is therefore crucial to scope available data and information that can track the enjoyment of these different components. However, it is also important to track these components in the context of the broader obligations imposed by the South African Constitution. In this context, SPII has adapted international best practice in socio-economic rights monitoring to our own unique context in order to provide a framework for monitoring these rights that is based on three dimensions: access, adequacy and quality (AAQ).

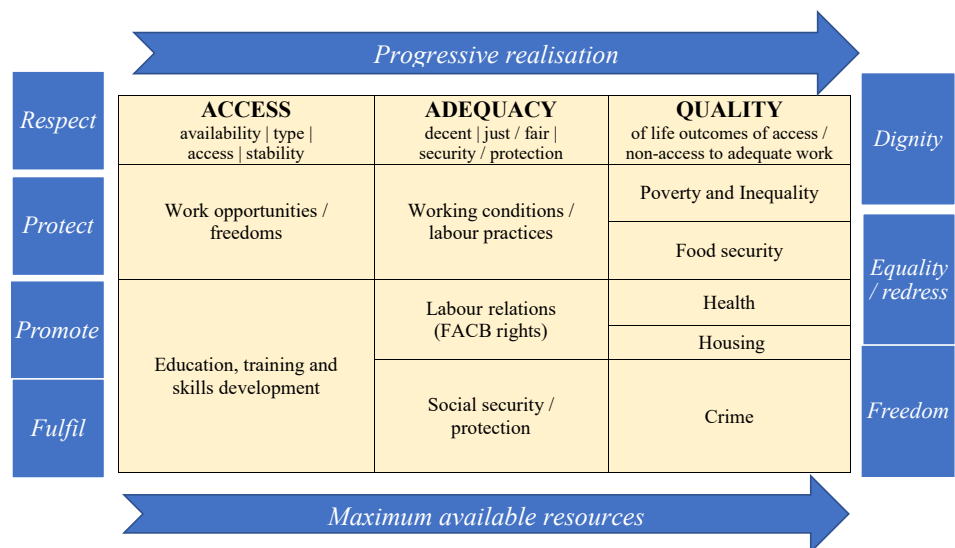
Access indicators cover *rights to work*, and therefore measure the availability, type, stability and security of employment opportunities as well as levels of support to enter the labour market in terms of education, training and skills development.

Adequacy indicators focus on *individual and collective rights at work and measure* the adequacy (decency) and acceptability of working conditions, social security protections and labour relations, and include indicators on: safe and healthy working conditions; adequacy of wages; employment equity; hours, rest, leisure and holiday's with pay; parental leave; protection from unemployment; access to and adequacy of social security.

Quality indicators focus on the outcomes of access/non-access to decent work on broader measures of development and well-being. They measure the outcome and impact of access and non-access to adequate and inadequate work on individuals and households, and are therefore tied to broader questions of dignity / well-being / quality of life.

Combining this AAQ approach with the principles underlying the Constitution and the core content of the right to work allows us to think of a framework for the right to work that can be illustrated in the following figure.

Figure 1: A framework for the right to work in South Africa



In brief, the state must respect, protect, promote and fulfil the right to work by taking steps, using the maximum of it's available resources, to ensure the right is progressively achieved. This must be done in the context of the fundamental rights to dignity, substantive equality and redress, and freedom.

A further source of inspiration for the right to work indicators has been the 'Decent Work Agenda'¹² of the International Labour Organisation (ILO). This has led the ILO to develop a 'Decent Work Country Profile' for each ILO member-state, including South Africa.¹³ This process led to the development of decent work indicators for South Africa which have proved useful as a starting point for right to work indicators.

Crucially, the indicators presented in this paper have their basis in international human rights and constitutional law. They are 'rights-based' indicators in that each of them measures a specific (and sometimes more general) component of the right to work.

¹² See www.ilo.org/global/topics/decent-work/lang--en/index.htm.

¹³ Available at: www.ilo.org/integration/resources/pubs/WCMS_232765/lang--en/index.htm.



The research team established a reference group to assist with the development of indicators which included Statistics South Africa, relevant government departments, the ILO in South Africa, the Congress of South African Trade Unions, the South African Federation of Trade Unions, Women in Informal Employment Globalizing and Organising (WIEGO) and renowned expert on the right to decent work, Jan Theron. A roundtable discussion was hosted by SPII with these and other interested organisations and individuals. The feedback we received from these interactions was extremely helpful in directing us towards choices of the most relevant indicators that would both cover the broadest scope of the right, as well as provide unique rights-based information on specific matters of importance. Statistics South Africa in particular provided great assistance by tailoring the information collected in the Quarterly Labour Force Survey to our rights-based approach.

Figure 2 Summary of the process of developing indicators

Summary of the process of developing indicators

- 1. Literature and jurisprudence review to unpack the normative content of the right** – this entails looking at South African and international jurisprudence as well as academic and other literature which deals with the content of the right to work
- 2. Identify and analyse key reporting formats and indicators that exist** – this step aims to draw upon existing reporting formats and indicators that may have been developed by government, international bodies or civil society for evaluating performance and/or the attainment of the right to work
- 3. Develop a list of conceptual indicators**– this is an 'ideal' list of indicators that we would like to measure for the right
- 4. Host initial meeting with sectoral content and rights-specific experts and civil society partners** – this step aims to incorporate the perspectives and experience of as wide a range of stakeholders as possible, both to draw upon their knowledge and to ensure the indicators are accessible and relevant to their needs
- 5. Identification of potential indicators** – at this stage the conceptual indicators identified in step 3 have been refined based on the feedback and insights received from stakeholders
- 6. Verification of the existence of reliable data sets for each indicator** – indicators must be populated with data that is reliable and freely available, ideally on an annual basis, and from a baseline that allows for an analysis of trends over time. Data should also be capable of being disaggregated by region, race, gender, age and other sub-sets, where necessary or useful
- 7. Hosting of subsequent meeting with initial group of sectoral experts to present verified indicators** – this allows for further feedback to be incorporated before the indicators are finalised
- 8. Final set of indicators developed and populated with data**

2.3 Indicator ‘wish-list’

Inevitably, there were some indicators that we wanted to measure but for which there was either no data currently collected, or the data that does exist is not easily available, provided annually, reliable or capable of being disaggregated. We urge government, statistical agencies and other responsible for data collection to consider how the information for the following indicators might be made available:

Access indicators wish-list:

- Average length of time unemployed (median person)
- Total number of employment opportunities advertised per year
- Proximity of RDP housing to work opportunities
- Amount of time spent looking for work by work-seekers
- Amount of time spent travelling to and from work per day
- Number of workers in a temporary employment relationship facilitated by a labour broker
- Cost of looking for work (e.g. transport, phone and internet use)
- Number of workers benefiting from a transport allowance to get to work
- Financial inclusion and access to credit for micro, informal and small-businesses
- Number of places available annually on adult education, training and skills development programmes (including internships and apprenticeships)
- Number of applications made and places offered to study in higher education and technical training institutions
- Percentage of job losers receiving unemployment insurance
- Percentage of job losers receiving education, (re) training and/or skills development in the first six months of unemployment
- Percentage of long-term unemployed people who were able to enrol in an adult education, training and/or skills development programme in the previous year

Adequacy indicators wish-list

- Number of labour inspections made each year *per industry*
- Number of under-age workers in the country
- Number of full-time jobs vs the number of part-time jobs created each year
- Percentage of workers who fear they will lose their job in the next 12 months
- Amount of time spent by household members on unpaid work
- Percentage of workers with access to child care
- Number of occupational injuries suffered per year (both fatal and non-fatal)
- Productive time lost in the economy due to illness/injury
- Frequency and number of people participating in strike action per year
- Productive time lost in the economy due to strikes
- Percentage of formal *and informal* workers who are members of a trade union
- Membership of worker organisations other than trade unions
- Percentage of workers with any access to a pension/retirement fund
- Percentage of the unemployed receiving any state benefits (unemployment insurance, social security)

Quality indicators wish-list

- Annual data for the number of children who are stunted (malnourished) or wasted (under-nourished)
- Data on the prevalence of mental health problems, including amongst the unemployed¹⁴
- Levels of drug abuse, including amongst the unemployed
- The percentage of workers reporting that they get to spend enough time with their family

¹⁴ Poor mental health outcomes are associated with precarious employment (e.g. non-fixed term temporary contracts, being employed with no contract, and part-time work) (Artazcoz et al., 2005; Kim et al., 2006). CSDH: Final Report of the Commission on Social Determinants of Health (2008) Geneva, World Health Organization at 5.

- The number of (internal) migrant workers living away from their family
- The percentage of workers who report being satisfied or unsatisfied with their job, and why

2.4 Limitations of indicators

Quantitative indicators can never capture the actual experiences of people nor many qualitative aspects of many components of the right to work. Trade union density, for example, gives no indication of the quality of services provided by a trade union or whether unions are democratic or not in their organisation.

Understanding how those without access to decent work deal with their situation is nevertheless vital if policy solutions are to be geared to their needs. To this extent, some research has been conducted by Webster, Budlender and Orkin¹⁵ on how workers in Gauteng province perceive decent work – however, much more needs to be done.

Another limitation of the indicators is their coverage of what is happening in the informal economy. Data here is scarce and yet more than 2.5 million people work in this part of the economy. The increasing casualisation of work has also led to some measures of unemployment and underemployed becoming outdated, and in need of review. Moreover, the coverage of key legislation such as the Labour Relations Act is being diluted by the rise of labour-brokering and outsourcing of workers, yet indicators which can specifically track the employment conditions of workers affected by this trend are hard to find.

2.5 Final list of indicators

The various components and dimensions of the right to decent work are very broad, necessitating a comprehensive suite of indicators. Drawing on the core content of the right, provisions of the constitution, guidance from the ILO and CESC and other stakeholders, we have categorised our indicators into the following areas:

Access indicators (rights to work):

- Unemployment
- Employment opportunities
- Government support for work-seekers
- Access to education, training and skills development

Adequacy indicators (rights at work):

- Labour administration
- Stability and security at work
- Employment equity
- Adequate and equitable earnings
- Combining work, family and personal life
- Freedom of association and collective bargaining rights
- Social security

Quality indicators (outcomes of access/non-access to work):

- Poverty and inequality
- Food security
- Health
- Housing
- Crime

The final indicators have been populated with data back to 2008 where possible in order to allow for a trend analysis, and have been disaggregated by region, sex, population group and age wherever possible and useful. Table 2 lists the full set of indicators.

¹⁵ 'Developing a diagnostic tool and policy instrument for the realisation of decent work' *International Labour Review* Vol 154 (2015) No. 2.

Table 2: Indicators to monitor the progressive realisation of the right to decent work

ACCESS to work	
Unemployment indicators	
1.	a. Labour-force participation rate (expanded and narrow)
	b. Employment-to-population ratio (labour absorption rate)
	c. Underutilized labour
	d. Unemployment rate (expanded and narrow)
2.	Percentage of the unemployed (narrow) in short-term or long-term unemployment
3.	Number of discouraged work-seekers
4.	Proportion of the unemployed (expanded) that have not worked in the past 5 years
5.	Percentage of workers in time-related underemployment
6.	Unemployment (expanded) by province
7.	Employment-to-population ratio by sex
8.	Unemployment and underutilization rates (expanded) by sex
9.	Unemployment rate (expanded) by population group
10.	Youth unemployment
11.	Percentage of children living in homes without an employed adult
Employment opportunities	
12.	Number of people employed per sector and the absorption rate
13.	Number of people employed per industry
14.	Number of people employed by occupation
15.	Share of private and public sector employment in total employment
16.	Number of employment opportunities created in public works programmes (EPWP and CWP) and the percentage of the unemployed who could potentially benefit from such work opportunities
Government support for work-seekers	
17.	Number and percentage of work-seekers benefiting from government employment services
18.	Number of work-seekers per employment opportunity registered with government employment services
19.	Access to the internet at home or at an internet café / education facility
20.	Percentage of workers using public transport to get to work
Access to education, training and skills development	
21.	Percentage of children aged 0-4 attending an early learning centre
22.	Percentage of persons aged 20 years and older with no formal schooling
23.	Adult literacy rate
24.	Percentage of persons aged 20 years and older with a Matric or post-school qualification
25.	Educational attainment of the labour force, the unemployed and the employed
26.	Percentage of the 18-29 year old population enrolled in higher education institutions
27.	Percentage of the employed and unemployed attending an education institution
28.	Percentage of the working-age population that is not in employment and not in education
ADEQUACY of labour administration, decent and equitable working conditions, labour relations and social security	
Labour administration	
29.	Number of labour inspectors per 10,000 employees
30.	Number of unfilled labour inspector posts
31.	Number of workplaces inspected per year for compliance with labour legislation, the compliance rate and the percentage of non-compliant workplaces dealt with in terms of relevant legislation
32.	Percentage of the employed registered for unemployment insurance
33.	Percentage of UIF claims processed within 5 weeks
34.	Number of complaints submitted by workers annually referred to the CCMA, the proportion that were settled, and the percentage of settlements that included a return to work for the affected employee
35.	Number of large and small-scale retrenchments handled by the CCMA and the number and percentage of jobs saved
Stability and security at work	
36.	Number and proportion, of people employed as an employee, employer, own-account worker or unpaid household member
37.	Status of employment for women and men
38.	Percentage of workers with a written contract of employment
39.	Percentage of workers employed on a permanent contract
40.	Percentage of workers employed in the informal economy
41.	Percentage of workforce in each industry that is employed informally

Employment equity
42. Structure of the employed by sex and population group
43. Proportion of women in the workforce, per industry
44. Proportion of women in the workforce, per occupation
45. Percentage of women and men employed on a permanent contract
46. Representation of designated groups in top management, senior management and unskilled positions
Adequate and equitable earnings
47. Median monthly earnings growth, comparison by sex and population group
48. Median monthly earnings for population groups divided by the wage dependency ratio for each group, and the upper-bound poverty line
49. Median monthly earnings by earnings band
50. Median monthly earnings by sex and earnings band
51. Median monthly earnings for workers with different skills
52. Ratio of CEO and Executive Director remuneration to median earnings
Combining work, family and personal life
53. Percentage of workers working excessive hours (> 45 per week)
54. Percentage of workers entitled to any paid leave
55. Percentage of workers entitled to maternity/paternity leave
Freedom of association and collective bargaining (FACB) rights
56. Trade union density
57. Representation of women in trade union membership
58. Percentage of workers whose salary increment is determined by their employer only
59. Number of labour rights violations in law and in practice, compared with other countries
60. Overall labour rights score in law and in practice, compared with other countries
Social security
61. Percentage of households receiving income from a salary, business or grant
62. Percentage of households whose main source of income is a salary
63. Percentage of workers entitled to paid sick leave
64. Percentage of workers whose employer contributes to the Unemployment Insurance Fund
65. Approved UIF claimants as a percentage of the short and long-term unemployed
66. Percentage of workers whose employer contributes to a retirement fund
67. Percentage of workers entitled to medical aid benefits from their employer
QUALITY of life outcomes of access / non-access to decent work
Poverty and Inequality
68. Number and percentage of people living in poverty and the poverty gap
69. Household debt as a percentage of disposable income
70. Share of income going to the bottom 40% and top 60% of income earners
71. GINI coefficient
Food security
72. Percentage of households with inadequate / severely inadequate access to food
Health
73. Percentage of women and men with signs of problem drinking
Housing
74. Percentage of households living in informal dwellings
Crime
75. Percentage of households who were prevented from engaging in work-related activities when alone as a result of crime in their area

Before delving into these indicators, however, it will be useful for readers to have a background understanding of the composition of South Africa's working-age population and labour force.

2.6 The working-age population¹⁶

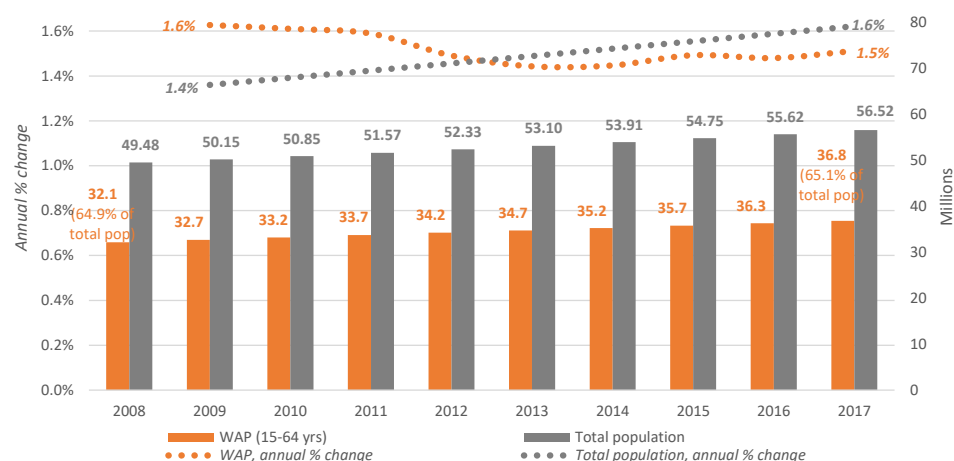
	2008	2017	Difference	Percentage change
Total population	49,479,270	56,521,948	+ 7,042,678	+ 14.2%
<i>Annual growth rate</i>	1.4%	1.6%		
Working-age population (WAP)	32,129,856	36,806,037	+ 4,676,181	+ 14.6%
<i>Annual growth rate</i>	1.6%	1.5%		
<i>Percentage of total population</i>	64.9%	65.1%		
Sex				
Women	16,504,039	18,710,546	+ 2,206,507	+ 13.4%
<i>Percentage of WAP</i>	51.4%	50.8%		
Men	15,625,816	18,095,490	+ 2,469,674	+ 15.8%
<i>Percentage of WAP</i>	48.6%	49.2%		
Population group				
Black	25,008,927	29,498,650	+ 4,489,722	+ 18.0%
<i>Percentage of WAP</i>	77.8%	80.1%		
Coloured	2,979,338	3,307,724	+ 328,386	+ 11.0%
<i>Percentage of WAP</i>	9.3%	9.0%		
Indian/Asian	897,616	1,017,706	+ 120,091	+ 13.4%
<i>Percentage of WAP</i>	2.8%	2.8%		
White	3,243,975	2,981,957	- 262,018	- 8.1%
<i>Percentage of WAP</i>	10.1%	8.1%		
Age				
Youth (15-34 years old)	18,058,209	19,867,866	+ 1,809,657	+ 9.1%
<i>Percentage of WAP</i>	58.6%	55.4%		
Non-youth (35-64 years old)	13,531,663	16,576,235	+ 3,044,572	+ 18.4%
<i>Percentage of WAP</i>	41.4%	44.6%		
Province				
Eastern Cape	3,863,913	3,866,356	+ 2,443	+ 0.1%
<i>Percentage of provincial population</i>	59.6%	59.5%		
Free State	1,763,645	1,843,358	+ 79,713	+ 4.5%
<i>Percentage of provincial population</i>	65.2%	64.3%		
Gauteng	8,144,262	10,090,892	+ 1,946,630	+ 23.9%
<i>Percentage of provincial population</i>	71.9%	70.7%		
KwaZulu-Natal	6,279,917	6,994,506	+ 714,589	+ 11.4%
<i>Percentage of provincial population</i>	62.2%	63.2%		
Limpopo	3,104,952	3,454,541	+ 349,589	+ 11.3%
<i>Percentage of provincial population</i>	59.1%	59.8%		
Mpumalanga	2,408,181	2,839,394	+ 431,212	+ 17.9%
<i>Percentage of provincial population</i>	63.0%	63.9%		
Northern Cape	699,340	776,020	+ 76,680	+ 11.0%
<i>Percentage of provincial population</i>	64.0%	63.9%		
North West	2,157,840	2,479,804	+ 321,964	+ 14.9%
<i>Percentage of provincial population</i>	64.8%	64.3%		
Western Cape	3,707,659	4,461,049	+ 753,390	+ 20.3%
<i>Percentage of provincial population</i>	68.8%	68.5%		

¹⁶ All data from Statistics South Africa, Mid-Year Population Estimates, 2017, and Quarterly Labour Force Survey, 2008-2017.

2.6.1 Breakdown of the working-age population (WAP)

The working-age population (WAP) consists of everyone in South Africa between the ages of 15-64. Between 2008 – 2017, the total population of South Africa increased steadily at a rate of between 1.4% and 1.6% per year, from 49.5 million to 56.5 million people. Until 2012, the number of working-age people was increasing at a slightly faster rate than the total population, with the result that the share of the population that was working age increased by about half a percentage point between 2008 – 2012. However, this trend reversed from 2012 onwards, with the total population growing slightly faster (1.6% per year) than the WAP (1.5% per year).

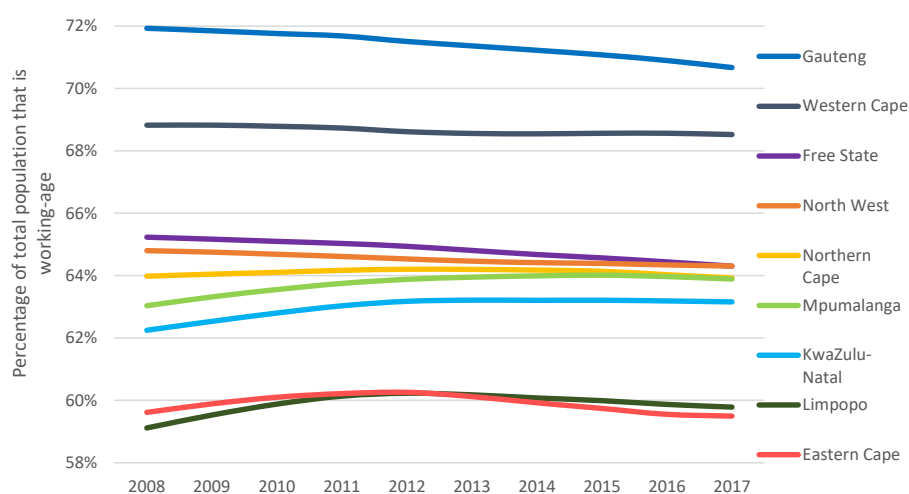
Figure 3: Total population and working-age population of South Africa, 2008-2017¹⁷



There is therefore a trend towards a relatively decreasing number of working-age people (36.8 million in 2017) potentially having to economically support a relatively increasing number of non-working age people (19.7 million people in 2017). If current levels of production are thus to be maintained or increase, either the proportion of the WAP in productive work will have to increase, or levels of productivity and efficiency in the economy will have to increase (or both).

With the exception of KwaZulu-Natal, Limpopo and Mpumalanga, all provinces have seen their WAP shrink as a percentage of their total population between 2008 and 2017, with Gauteng and Free State experiencing the most rapid decrease. However, even KZN, LP and MP have experienced decreases since 2014.

Figure 4: Percentage of each provinces population that is of working-age, 2008-2017¹⁸



¹⁷ StatsSA 'Mid-Year Population Estimates' Statistical Release P0302 (2017) Pretoria. Available at: www.statssa.gov.za/?page_id=1854&PPN=P0302&SCH=7048.

¹⁸ Ibid.

This demographic variation among the provinces – with Gauteng and Western Cape having substantially higher shares of their population of working age than all other provinces – is further demonstrated when those aged 0-14 and 65+ are included in the picture.

Figure 5: Share of each provinces population that is aged 0-14, 15-64 and 65+, 2008-2017¹⁹

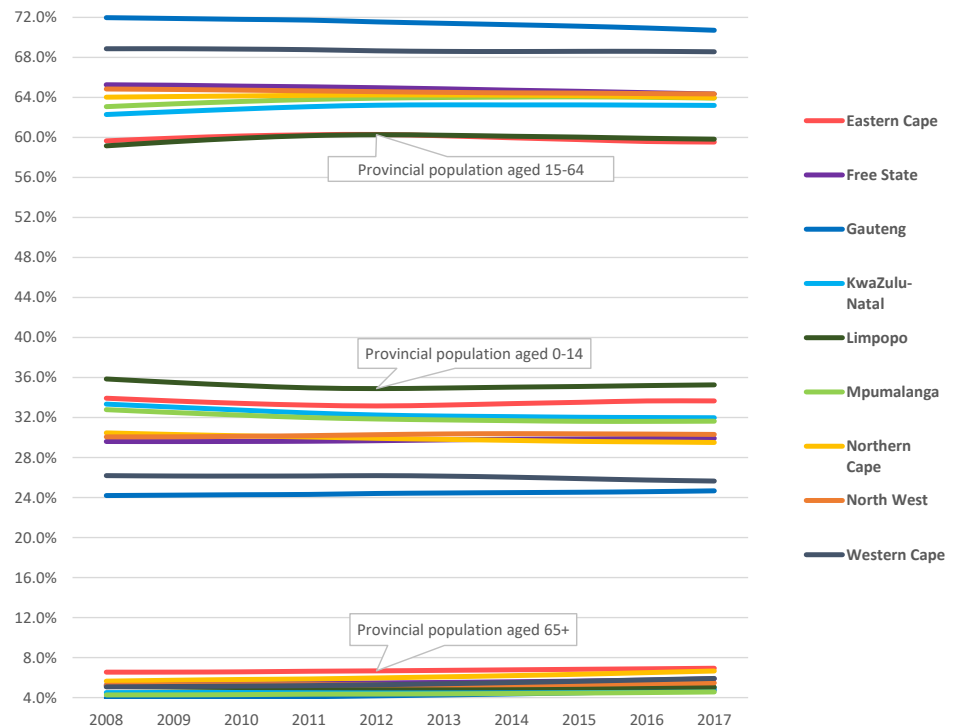


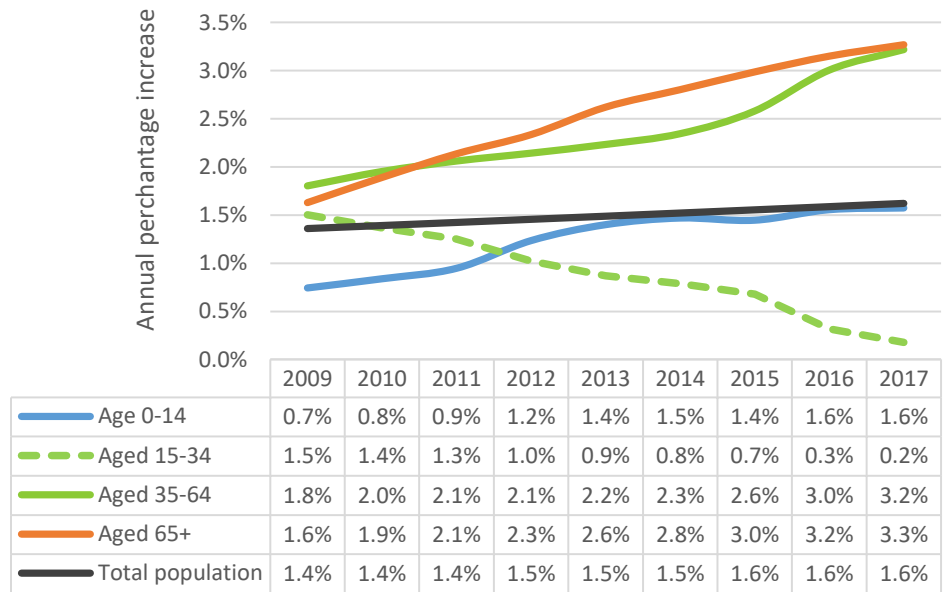
Figure 5 vividly illustrates South Africa's overwhelmingly young population, as well as the variation among the provinces. Gauteng and Western Cape have both the highest share of their populations that are working-age, and the lowest share of their populations that are aged 0-14, while the reverse is true for Eastern Cape and Limpopo. No province has more than 8% of its population aged over 65, although this population group is increasing its share of the total population gradually.

A key driver of the differences in the proportion of each provinces population that is working-age, is the ongoing migration of working-age people from poorer, more rural provinces, to wealthier, more urban provinces, which have more work opportunities. For example, StatsSA estimates that from 2011 – 2016, 0.5 million people out-migrated from the Eastern Cape and 0.4 million people out-migrated from Limpopo province. During the same period, Gauteng experienced in-migration of 1.5 million people, while 0.45 million people in-migrated to the Western Cape.²⁰ StatsSA expects this trend to continue into the foreseeable future.

South Africa thus has a young, but slightly aging population, with the 35-64 and 65+ age groups growing the fastest since 2009 (over 3% annually compared to 1.6% for the 0-14 age group and 0.2% for the 15-34 age group).

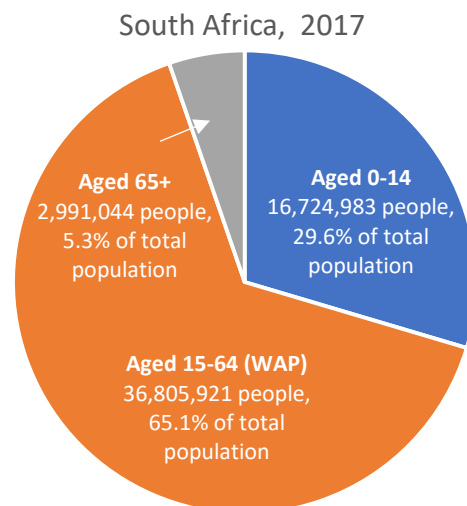
¹⁹ Ibid.
²⁰ Ibid.

Figure 6: Annual percentage change in the number of people aged 0-14, 15-34, 35-64 and 65+, 2009-2017



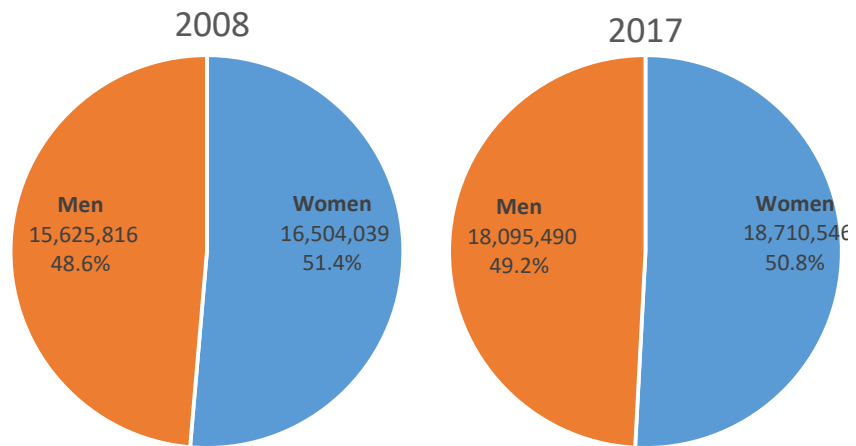
However, the proportion of the population that is working-age remains high by international comparison, and almost a third of the population remains under 15 years of age. This 'demographic dividend' should be good for the economy, as more people are able to work and contribute to the economic development of the country. Whether this is borne out in practice, however, will depend on a number of factors, including how many working-age people are able to find productive employment and what education and skills they are equipped with.

Figure 7: Share of South Africa's population that is aged 0-14, 15-64 (working-age) and 65+, 2017



In terms of gender, South Africa has slightly more working-age women than men, although the male population is growing at a slightly faster rate than the female population.

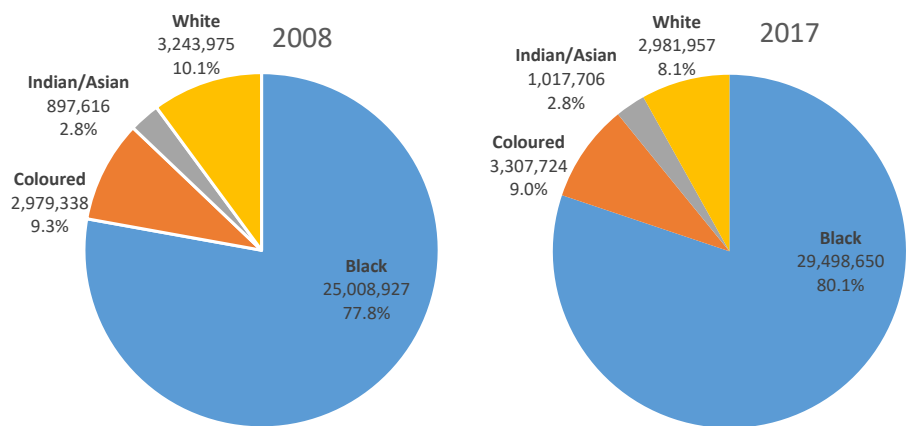
Figure 8: Working-age population by gender, 2008 and 2017²¹



South Africa's population groups are classified by statistical agencies as Black, Coloured, Indian/Asian and White. Although any classification of such large numbers of people into simple groups is bound to have its faults, with much diversity within each of these groups, for example, South Africa's history of racial segregation and oppression requires analysis of how these population groups are faring economically and socially. Sex, race and class continue to play a key role in access to employment, yet the Constitution commits the country to levelling access to all socio-economic rights.

Figure 9 shows that Black South Africans have increased as a share of the total population since 2008, while the share of the population that is White has declined, and the population that is Coloured has declined slightly.

Figure 9: Working-age population by population group, 2008 and 2017²²



Reasons for the decline in the number of White South Africans include lower birth rates, an older population and emigration.²³ The numbers and percentages in the figures above will be important to remember as we explore access to decent work for people of different genders, population groups and provinces, in the indicators that follow.

²¹ Ibid.

²² StatsSA, Mid-Year Population Estimates, 2017.

²³ <https://businesstech.co.za/news/general/145347/how-south-africas-white-population-has-declined-every-year-over-the-past-decade>

2.7 The labour force

	2008	2017	Difference	Percentage change
Working-age population	32,129,856	36,806,037	+ 4,676,181	+ 14.6%
Labour force (expanded)	20,734,940	25,453,347	+ 4,718,407	+ 22.8%
<i>Labour force participation rate (expanded)</i>	65.3%	68.8%		
Employed	14,584,861	16,156,125	+ 1,571,264	+ 10.8%
<i>Employment-to-population ratio (labour absorption rate)</i>	45.9%	43.5%		
Unemployed (expanded)	6,150,079	9,297,554	+ 3,147,475	+ 51.2%
<i>Unemployment rate (expanded)</i>	29.7%	36.5%		
Outside the labour force (expanded)	11,029,928	11,375,147	+ 345,219	+ 3.1%
Labour force (narrow)	18,831,026	22,351,472	+ 3,520,446	+ 18.7%
<i>Labour force participation rate (narrow)</i>	59.3%	60.2%		
Unemployed (narrow)	4,246,165	6,195,493	+ 1,949,328	+ 45.9%
<i>Unemployment rate (narrow)</i>	22.5%	27.7%		
Other outside the labour force (narrow)	12,933,842	14,787,354	+ 1,853,512	+ 14.3%
Of which, discouraged work-seekers	1,145,985	2,319,010	+ 1,173,025	+ 102.4%

2.7.1 Outside the labour force

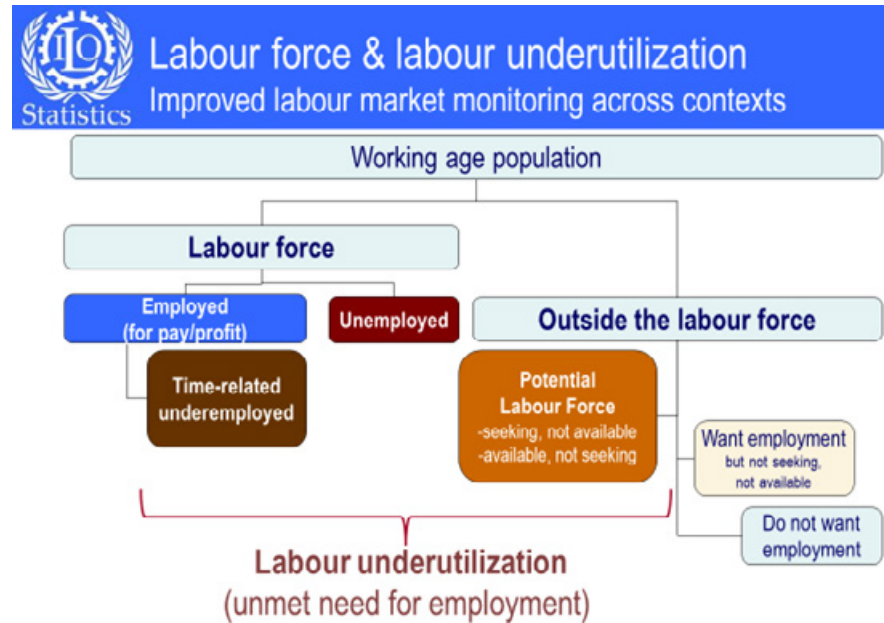
Before we move on to our right to decent work indicators, it is important to get a sense of who is considered to be inside and outside of the labour force. Within the working-age population is the 'labour force', which can be defined in a narrow or an expanded sense. In the expanded version, the labour force consists of everyone who is employed, everyone who is unemployed and looking for work, as well as 'discouraged work-seekers', that is, people who are unemployed but who had given up looking for work because of a lack of work opportunities, as well as those who were willing but not able to work during the reference period of the Quarterly Labour Force Survey (the 4 weeks prior to the survey). The narrow definition of the labour force excludes discouraged work-seekers and those unable to work during the reference period.

Until recently, working-age people who were outside the labour force, were considered to be 'not economically active'. In fact, this term is still used by many statistical agencies, including Statistics South Africa. However, the idea that this group of people, which currently includes more than 11 million South Africans, is not economically active, has increasingly come to be seen as a misnomer and indeed a mistake. Although this group is not classified as employed or unemployed, they are undertaking activities which are important to recognise as part of a broader understanding of the labour market.

New ILO definitions therefore refer to this group as 'outside the labour force'. Within this group, is the 'potential labour force'. This group of people are currently not captured as such by Statistics

South Africa, although this is likely to change in 2018 as new classifications of groups within the working-age population are incorporated. The potential labour force are those people who are outside the labour force on the narrow definition, who are seeking but not currently available to work, or are available for work but not actively seeking work opportunities. This division of the working-age population is expressed in the following figure provided by the ILO.

Figure 10: The working-age population as defined by the ILO at the 18th International Conference of Labour Statisticians, 2008²⁴



This figure includes other definitions of groups within the working-age population and the labour force that are important to recognise:

The labour force consists of everyone who is employed and unemployed (defined in the narrow sense of people actively looking for and available for employment).

Outside the labour force consists of the *potential labour force* and those who are seeking employment but are not available and those who are available for work but not seeking, as well as those who want employment but are not seeking and not available, and finally those who do not want employment.

As StatsSA definitions have not yet adjusted to this new typology of the working-age population and the labour force, this paper chooses to use the expanded definition of the labour force for the majority of indicators. This is because this expanded definition includes both the current and the potential labour force, as defined by new ILO definitions.

Those who are 'outside the labour force' on this understanding therefore include mainly students, home-makers, the ill-disabled and those who consider themselves too old or young to work.

Figure 11: Number of working-age people outside the labour force who are a student, home-maker, ill/disabled or too old/young to work, 2008-2017²⁵

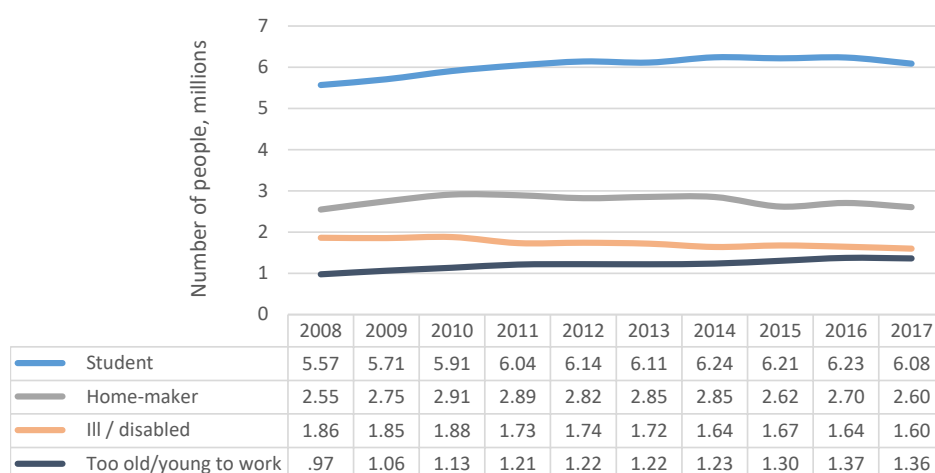


Figure 11 shows that the student population (which includes anyone aged 15-64 whose main activity is studying) has increased by about 0.5 million people since 2008. There are 0.26 million fewer ill/disabled people, while the number of people who consider themselves too old or too young to work has increased by almost 0.4 million and the number of home-makers has increased very slightly. The increase in student numbers (which peaked in 2014) is certainly impressive and important. Policies to increase access to education thus seem to have been successful in increasing student numbers. On the other hand, these policy commitments have not yet been supported by adequate long-term funding reforms and measures. In the absence of proper financial support for the tertiary education sector, for example, universities are now experiencing budgetary constraints of 'crisis proportions'.²⁶

Interestingly, despite the growth in student numbers, the proportion of the WAP that is studying has declined, from 17.5% in 2008 to 16.4% in 2017, as the following graph illustrates (note that for the purposes of this graph, I have included the employed and unemployed, to give a fuller picture of the WAP).

Figure 12: Proportion of the WAP that is employed, unemployed, student, home-maker, ill/disabled and too old/young to work, 2008-2017²⁷

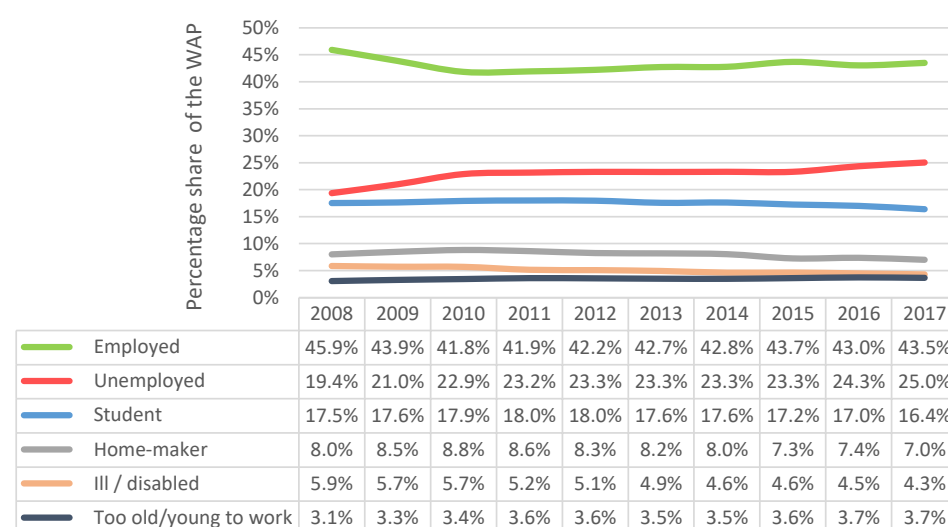


Figure 12 shows that the unemployed have been taking up an ever-greater share of the WAP. In fact, only those who consider themselves too old/young to work have also grown as a share of the total WAP. All other categories: the employed (45.9% to 43.5%), students (17.5% to

²⁵ StatsSA, Quarterly Labour Force Survey (QLFS), 2008 Q1 – 2017 Q2.

²⁶ www.dailymaverick.co.za/article/2017-08-02-op-ed-tough-choices-for-south-africas-research-intensive-universities/#.WYLgXVEJGUk.

²⁷ StatsSA, Quarterly Labour Force Survey (QLFS), 2008 Q1 – 2017 Q2.

16.4%), home-makers (8% to 7%) and the ill/disabled (5.9% to 4.3%) have declined as a share of the WAP between 2008 and 2017. The decline in the number of home-makers potentially correlates with a relative increases in women's employment over the same period, as will be discussed in the next section of this paper.

The table below further illustrates this picture, by showing the difference in the number of people who fall into each category, next to the percentage change in the number of people, between 2008 and 2017.

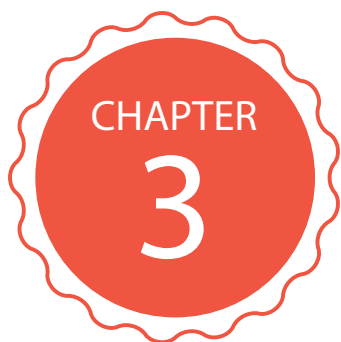
Table 3: Difference and % change in the number of people employed, unemployed, student, home-maker, ill/disabled, too old/young to work, from 2008 to 2017

Millions	2008	2017	difference	% change
Working-age population (15-64 yrs)	31.76	37.14	+ 5.37	+ 14.5%
Employed	14.58	16.16	+ 1.57	+ 9.7%
Unemployed	6.15	9.30	+ 3.15	+ 33.9%
Student	5.57	6.08	+ 0.52	+ 8.5%
Home-maker	2.55	2.60	+ 0.06	- 2.2%
Ill / disabled	1.86	1.60	- 0.26	- 16.5%
Too old/young to work	0.97	1.36	+ 0.39	+ 28.3%

Table 3 illustrates that, while the WAP has grown by 5.37 million people since 2008, by far the fastest growing share of the WAP has been unemployed people, of which there are 3.15 million more people in 2017 than there were in 2008. The number of unemployed people has grown by 33.9% since 2008, while the number of employed people has grown by only 9.7%, and the number of students has grown by 8.5%.

These national statistics are very worrying, highlighting as they do that access to work has declined over the past 10 years. Put simply: a smaller share of the working-age population is employed in 2017 compared to 2008, while a far greater share of the WAP is now unemployed.

The right to decent work indicators which follow will shed some light as to why this has been the case.



Summary of key findings

3 The working-age population

Key findings

- South Africa has an overwhelmingly young population. However, the 'youth bulge' seems to have come to an end, and the population is now aging slowly, with the 35-64 year old and 65+ age groups growing at more than twice the rate of the 0-14 and 15-34 age groups.
- The number of working-age people who are studying increased by 0.5 million between 2008 and 2017.

Access to decent work

Key findings – unemployment

- The proportion of the working-age population that is employed has decreased since 2008, to only 43.5% by 2017. At the same time, the unemployment rate by both the narrow and the expanded definition has increased significantly, to 36.5% of the expanded labour force. When time-related under-employment is accounted for, the 'underutilized labour' in the labour force stands at 39.4%.
- The number of South Africans who are unemployed (using the expanded definition of the potential labour force, which includes discouraged work-seekers) increased by 3.2 million between 2008 and 2017, to a total of 9.3 million people. During the same period, the number of people employed increased by 1.6 million.
- The failure of the economy to provide jobs for large numbers of new entrants to the jobs market (mainly young people) is the single largest factor behind the rise in unemployment, accounting for 42% of the unemployed. The second biggest factor is people losing their jobs (22% of the total).
- At the same time, the number of people who have become discouraged from looking for work due to a lack of employment opportunities has more than doubled, from 1.15 million people in 2008 to 2.32 million people by 2017.
- Using the narrow definition of unemployment (which excludes these discouraged work-seekers), the number of people slipping into long-term unemployment (more than one year) has increased by 4.1 million people in 2017. The long-term unemployed now make up 66.5% (two-thirds) of the narrowly defined unemployed.
- When the expanded definition of unemployment is used, we find that a total of 5.6 million people in have not worked in the past five years, equating to 60.5% of the expanded labour force.
- At the provincial level, only one province has managed to decrease its unemployment rate since 2008: Limpopo, which in this period moved from having the worst unemployment rate to having the third best rate. However, at 37.6% unemployment (expanded) in 2017, this is as much a reflection of the gains made by Limpopo, as the employment losses suffered by other provinces, with every province except the Western Cape and Gauteng now having an unemployment rate above 40% (the rate in Western Cape is 24.7% and in Gauteng it is 32.5% in 2017).
- Women remain less likely to be employed and more likely to be unemployed than men. In 2017, 38% of women in the working-age population were employed compared to 49% of men. Women also experience greater levels of time-related underemployment, which means that labour underutilization stood at 44% for women (expanded) in 2017 compared to 33.3% for men.
- At the level of the population group, access to work remains starkly unequal along racial lines, although unemployment has increased for every population group since 2008. The expanded unemployment rate was 40.9% for Black South Africans in 2017, 29.4% for Coloured South Africans, 17.8% for Indian/Asian South Africans and 8.2% for White South Africans. The fastest rise in unemployment since 2008 was experienced by Coloured South Africans, followed by Black, Indian/Asian and White South Africans.

- Youth unemployment remains a huge and worsening challenge for South Africa, with almost 49.1% of under-35's now out of work (up from 40.2% in 2008). This is a result of the number of young people who are employed reducing by 280,000 since 2008, while the number of unemployed youth has increased by 1.6 million people. In addition, almost one in three youth live in households without an employed adult (a number which has declined slightly since 2008).

Key findings – employment opportunities

- The fastest rise in employment since 2008 has been in the informal sector, where employment increased by 14.3% between 2008 and 2017, compared to 11.7% for the formal sector, 4.5% for agriculture, and 8.1% for private households. Overall in 2017, 70% of jobs were in the formal sector, 17% in the informal sector, 5.3% in agriculture, and 8.1% in private households.
- Men dominate those employed in all of these sectors except in private households, although women have caught up slightly in the formal sector during this period.
- The industries which have created the most jobs since 2008 are Community, social and personal services (which is comprised mainly of government employees), Finance, real estate and business services, and Construction. At the other end of the scale, there have been 296,000 jobs lost in manufacturing over the past decade, and 80,000 jobs lost in trade industries.
- The fastest rising job occupation has been the manager, followed by sales and services, and elementary (unskilled) occupations. The steepest decline has been seen in skilled agriculture (with 43% of jobs lost between 2008 and 2017) and technicians (7.7% of jobs lost).
- Government and its state-owned enterprises (SOEs) have played an increasingly important role in providing access to work for South Africans. Although 59% of the jobs created since 2008 were created by the private sector, government employment has increased by 29%, employment in SOEs has increased by 37%, while employment in the private sector has increased by only 7.5% over the ten year period.
- Public works programmes have also become an increasingly important intervention by the state in terms of providing work opportunities to the unemployed. The Expanded Public Works Programme now creates more than 1 million work opportunities per year, while the Community Works Programme is creating more than 200,000 work opportunities annually. These programmes therefore have the potential to impact significantly on poverty and unemployment, although to do so, many aspects of the programmes will have to be improved (such as the low value of stipends, the lack of training and skills development being transferred through the programmes, and the uncertainty around what a 'work opportunity' actually entails).

Key findings – government support for work-seekers

- An area where it is clear that major improvements need to be made is in government employment services. As of 2017, only 12% of the unemployed were registered with government employment services provided by the Department of Labour, and only 0.2% were referred to employment opportunities through the service. The system also fails to capture many of the jobs that are actually available in the country.
- Access to work can also be improved by improving people's own access to information about skills development and employment opportunities. The internet is now a key means of accessing such information, and can also promote entrepreneurial activity. Yet the percentage of households with access to the internet at home decreased between 2013 and 2016, to less than 10%, the same proportion of households who report having access to the internet at internet cafes or educational facilities.
- Another means of promoting access to work is safe, accessible and affordable public transport. Yet the percentage of households who report using public transport (a bus or train) to get to work has also decreased, from 9.8% in 2009 to 7.8% in 2016.

Key findings – access to education, training and skills development

- The percentage of children aged 0-4 attending an early learning centre has increased since 2009, although more than 60% of children still do not have access. At the same time, the proportion of the population aged 20 years and older that has received no formal schooling is now at an all-time low of 4.9%, and almost 100% of South Africans are literate.
- Similarly, the percentage of persons aged 20 years and older who have a Matric qualification – increasingly a minimum requirement for many jobs – has also increased, although 70% of people remain without this qualification. Only 14% of South Africans hold a post-school qualification, despite increases in attendance at post-school educational institutions.
- Levels of education are generally improving in the labour force, although the majority of people have an incomplete secondary school education as their highest level of education. Nonetheless, this seems to be changing over time as the fastest growing segments of the labour force are those with a completed secondary school education (an increase of 36% since 2008) and a tertiary education (an increase of 46%).
- However, the economy has not been producing enough jobs to provide employment for these increasingly better educated people. As a result, there has been a 157% increase in the number of unemployed people who have a tertiary education since 2008. Nonetheless, completing secondary school and / or gaining access to tertiary education does increase one's likelihood of employment, with workers with these educational backgrounds comprising more than 50% of the employed since 2012.
- Access to higher education does remain divided along racial lines however, with 17.5% of White South Africans and 18.8% of Indian/Asian South Africans aged 18-29 enrolled in a higher education institution, compared to 3.3% of Black South Africans and 3.5% of Coloured South Africans.
- The number of employed and unemployed people attending an education institution has declined since 2012, with only 2.2% of the employed and 3.3% of the unemployed boosting their education and skills through attendance at an educational institution. This shows that South Africa is very far from the ideal of 'lifelong education' which is so essential in a rapidly changing labour market.
- Meanwhile, the percentage of the working-age population that is not in education or employment stood at 40% in 2017, with women more likely than men to be in this position (although men are catching up).



Adequate working conditions

Key findings – adequacy of labour administration

- After increasing the number of labour inspector posts between 2011/12 and 2014/15, the Department of Labour now has 10% of labour inspector posts not filled. Unfilled labour inspector posts reduce the Department's ability to carry out its crucial mandate of monitoring and enforcing compliance with various labour legislation.
- The Department of Labour carried out 172,000 labour inspections in 2011/12, but this number dropped steeply the following year, followed by an increase to 146,000 inspection in 2015/16. The rate of non-compliance with labour legislation overall has dropped during this period to 18.7%, while the percentage of non-complying employers that are being dealt with in terms of the legislation has increased to almost 100%. However, it is important to note that these statistics vary according to the piece of labour legislation that is being inspected and the province (readers can turn to indicator 31 to view these different results). A key piece of legislation where there has been growing findings of non-compliance among employers is the Employment Equity Act.
- The crucial role of the Commission for Conciliation, Mediation and Arbitration (CCMA) has been emphasised in recent years as labour relations and conditions have been under strain. The CCMA now handles more than 700 referrals of disputes between employees and employers every working day. Despite these rising numbers, the CCMA has been able to consistently meet its 75% settlement rate target and its turnaround timeframe target, while ensuring a right to return to work for around 15% of employees affected by those settlements.
- The CCMA has also been able to help save tens of thousands of jobs threatened by retrenchment in the past four years. More than 50% of jobs threatened by retrenchment in cases referred to the CCMA were saved in 2016/17.

Key findings – adequacy of stability and security at work

- 20% of South Africans were working without a written contract of employment in 2017, although this percentage has decreased from 25% in 2008. Women have caught up with men in terms of their working under conditions set out in a written as opposed to a verbal contract.
- Since 2008, there has been a slight decrease in the percentage of workers employed on a permanent contract, from 62.7% in 2008 to 61.8% in 2017. This means that 38.2% of workers are now employed on more precarious contracts of an unspecified or limited duration.

Key findings – employment equity

- Although women and Black South Africans have increased their share of overall employment since 2008, both groups remain under-represented, with Black women the most under-represented. Women, Black and Coloured South Africans continue to fare worse than their counterparts in the vast majority of employment equity indicators reviewed.
- Women make up the majority of workers in only two industries: Private households and Community, social and personal services, while making up one fifth or less of the employed in the Transport, storage and communication, Mining and quarrying and the Construction industries.
- Only 33% of manager positions in the economy are filled by women, and only 17% of skilled agricultural jobs employ women. Women do now make up 50% of professional jobs, however.
- Women are less likely to be employed on a permanent contract than men.
- Top management positions in the economy are dominated by men in general and White men in particular. Women held only 31% of top management positions in the public sector, and 21% of top management positions in the private sector in 2017.

- On every employment equity indicator, the public sector has achieved far greater results than the private sector, although neither has achieved close to equitable employment, as required by the Constitution and the EEA.
- Despite making up 41% of the working age population, Black women held only 4.5% of top management positions across the economy, while Black men held 9.8% of top management positions. At the other end of the scale, White men, who make up only 4.4% of the working-age population, held on to 55.6% of top management positions, a percentage that has decreased only slightly from 59.9% in 2008.
- At the level of senior management, women held slightly less than a third of senior management positions in the private sector in 2017, and slightly more than a third of these positions in the public sector.
- A key finding at both top and senior management level, is that the percentage of these positions held by Black South Africans in the private sector actually *decreased* between 2008 and 2017. This poses serious questions about the private sectors approach to employment equity at senior and top management level.
- At the opposite end of the employment market, White South Africans held only 1.2% of unskilled jobs in 2017, while Black South Africans held 83.2% and Coloured South Africans 11.4%. The apartheid structure of the work-force along racial lines thus remains largely in place, with historically disadvantaged groups undertaking the majority of unskilled work, and historically advantaged groups undertaking the majority of higher skilled (and better paid) work in the economy.

Key findings – adequate and equitable earnings

- Median monthly earnings increased by 7% in real times between 2010 and 2015. However, far greater increases were recorded for those at the upper-end of the median earnings scale than for those at the bottom, further exacerbating earnings inequality.
- Women's median earnings amounted to 77 cents for every R1 earned by men in 2015. Men also had higher median earners at every earnings band than women, meaning that the goal of equal pay remains unrealised.
- White South Africans median earnings were almost four time the median in 2015, while Black and Coloured South Africans median earnings were below the overall median.
- When wage dependency ratios are taken into account Black South Africans earn median wages which are below the upper-bound poverty line, leaving at least 50% of Black South Africans and their dependents in working-poverty. The median earnings of Coloured South Africans only R24 above the poverty line when the wage dependency ratio is accounted for.
- Median earnings for the bottom 5% and bottom 10% of wage earners decreased in real terms between 2010 and 2015, while median earnings for the top 10% of South Africans increased by 16% and median earnings for the top 5% of South Africans increased by 40%. The top 25%, 10% and 5% of wage earners increased their median earnings relative to the overall median wage during this period.
- A key reason behind these trends is that high-skilled workers have seen their median wages increase at a much faster rate than semi and low-skilled workers. High-skilled median wages more than doubled between 2010-2015, while low and semi-skilled earnings increased by 21% and 36% respectively.
- CEO's and Executive Director's increased their average remuneration during this period to 419 times and 288 times the median wage respectively.

Key findings – combining work, family and personal life

- While the vast majority of indicators show that women experience inferior working conditions to men, indicator 53 showed that men were more likely to be working excessive hours than women in both 2008 and 2017. Women, on the other hand, were more likely to be working limited hours of less than 29 per week.
- Fewer women than men are entitled to any paid leave at work, with 33.2% of workers reporting that they do not enjoy this basic entitlement in 2017, which is an improvement from 42.1% of workers in 2008.
- Unlike the remaining adequacy indicators, women were slightly more likely to have an entitlement to maternity/paternity leave than their male counterparts, with 59.4% of women and 57.4% of men enjoying this basic right in 2017.

Key findings – freedom of association and collective bargaining (FACB) rights

- The percentage of workers who report being members of a trade union has decreased since 2010, from 30.1% to 28.8% of employed workers. Women made up only 42.2% of trade union membership in 2017, although their numbers are increasing at a faster rate than men.
- In 2017, more than 55% of workers had their salary increment determined by their employer only, up from 45% in 2010. Only 22.5% of workers had their salary increment determined through negotiation between their employer and their trade union, while 7.8% benefited from a bargaining council arrangement. The greatest decrease was seen in the percentage of workers who negotiate their salary increment with their employer, from 14.6% in 2010 to 8.1% in 2017. Despite this, almost 95% of workers did receive some salary increment in 2017. Women were more likely than men to have their salary increment determined by their employer only.
- South African law provides more FACB rights protection than many other countries. However, in practice, South Africa's protection of these rights has worsened between 2012 and 2015, according to the Labour Rights Indicators developed by the Centre for Global Workers Rights (see indicator 60).

Key findings – adequate social security

- 58% of South Africans rely on a salary as their main source of income, while 21% rely on a social grant as their main source of income. Combined with the high unemployment rate and low wages for the majority of workers, this makes access to adequate social security an essential part of the right to decent work.
- Almost 30% of workers reported having no entitlement to paid sick leave in 2017, an indicator which is worse for women than men. Almost 40% of workers report that their employer does not make unemployment insurance fund contributions, meaning that they will not be eligible to claim for this critical insurance if they are made unemployed. Again, less women than men report that working for employers who ensure that they can benefit from unemployment insurance. Only 30.2% of workers reported in 2017 that they are entitled to medical aid benefits from their employer.
- Unemployment insurance claimants represented only 30.5% of the total number of short-term unemployed people in 2017, while only 6.7% of the total unemployed potentially have access to this insurance. The vast majority of workers therefore lack access to unemployment insurance, a crucial safety net when one's income from work is withdrawn.
- Men were more likely than women to work for an employer who contributes to a pension/retirement fund on their behalf. Despite a small increase since 2008, less than half of workers reported in 2017 that their employer contributes to a pension/retirement fund, putting these workers at high risk of having inadequate savings when they reach old age.

Quality of life outcomes of access/non-access to decent work

Key findings – poverty and inequality

- After a reduction in poverty between 2006 and 2011, poverty increased between 2011 and 2015. Using the upper-bound poverty line as a measure, 55.5% – 30.4 million people – could not afford to purchase the most basic food and non-food items each month in 2015. Moreover, on average, those living in poverty were further away from reaching the poverty line in 2015 than they were in 2011. Black South Africans are the most affected by poverty (64.2% in 2015), followed by Coloured (41.3%), Indian/Asian (5.9%) and White South Africans (1.0%).
- While South Africa's GINI coefficient has reduced very slightly by 0.04 between 2006 and 2015, the top 60% of income earners shared in 91.7% of total income in 2015, with the bottom 40% barely increasing their share of income since 2006 – a key marker of ongoing income inequality.

Key findings – food security, health, housing and crime

- The percentage of South African's with adequate access to food decreased between 2009 and 2016. More than one fifth households had inadequate or severely inadequate access to food in 2016.
- 16% of men and 3% of women were found to demonstrate signs of problem drinking in 2016, a percentage which has decreased for both sexes since 2003.
- 13.9% of South African households lived in informal dwellings in 2016, a percentage which has remained stable over the past decade.
- 13.8% of people reported that they would not invest in/start a home business in 2016 because of crime in their area, up from 8.1% in 2011.

CHAPTER 4

Access indicators

4.1 Unemployment

4.1.1 National averages

Indicator 1a: Labour force participation rate (expanded and narrow)

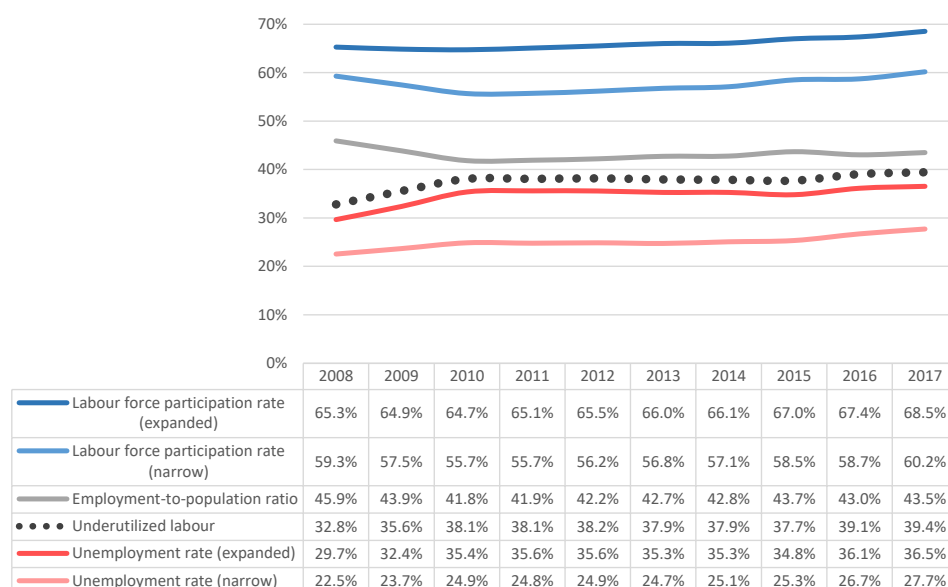
Indicator 1b: Employment-to-population ratio (labour absorption rate)

Indicator 1c: Underutilized labour

Indicator 1d: Unemployment rate (expanded and narrow)

Description: This indicator includes a total of six measurements of labour utilization and unemployment. The labour force participation rate (expanded) counts the proportion of the WAP that is potentially employable (currently employed, unemployed and discouraged work-seekers). The narrow version of this indicator does not include discouraged work-seekers in the labour force. The employment-to-population ratio (also known as the labour absorption rate) counts the proportion of the WAP that is employed. Underutilized labour refers to the number of people who are unemployed, in time-related underemployment, and discouraged work-seekers (expanded unemployed), and divides this number by the expanded labour force. Time-related under-employment refers to people who are working less than 35 hours per week, but want to and are available to work additional hours. The underutilized labour rate thus gives the fullest picture of labour underutilization in the country. The unemployment rate (expanded) does not include those who are in time-related underemployment, and the unemployment rate (narrow) also excludes discouraged work-seekers.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



As the working-age population has grown, so too has the labour force participation rate. The expanded version of this indicator has grown quicker than the narrow version for a simple reason: as will be seen in indicators that follow, the number of discouraged work-seekers has grown substantially since 2008, and these people are included in the expanded definition of the labour force but not in the narrow definition. An expanded labour force participation rate of 68.5% in 2017 means that there are potentially 25.4 million people in South Africa who could be employed. In reality, however, only 16.1 million people were employed in 2017. This equates to 43.5% of the total WAP (37.1 million people).

The employment-to-population ratio has thus decreased since 2008, from 45.9% to 43.5%. This decrease goes hand-in-hand with an increase in the unemployment rate. South Africa's expanded unemployment rate now stands at 36.5% (27.7% on the narrow definition). This means that least one in three people in the total labour force are unable to find work.

Underutilized labour has also increased since 2008, from 32.8% to 39.4%. That equates to 10 million people whose labour is currently underutilized.

Figure 13: Year on year change in the number of people employed and unemployed



The rise in unemployment since 2008 has been partly the result of major job losses in 2009 and 2010, and then again in 2016. In the intervening years (2011 – 2015) more jobs were created than lost, and in 2017, very slightly more jobs were created than lost. The best year for employment by far was 2015, but this was immediately followed by a sharp rise in unemployment the following year, cancelling out any gains that were made.

Table 4: Difference in the number of people employed and unemployed, 2008 to 2017

	2008	2017	difference	% change
Employed	14,584,861	16,156,125	+ 1,571,264	10.8%
Unemployed	6,150,079	9,297,554	+ 3,147,475	51.2%

Over the whole ten-year period (2008-2017), we can see that while the number of people employed increased by 10.8% (1.57 million people), the number of people unemployed increased by a much higher 51.2% (3.15 million people). By 2017, there were 9.3 million people who were available and wanted to work, but whose labour was not utilised.

But who are the unemployed, and why are their numbers increasing so rapidly? The following figures provide some answers to this question.

Figure 14: Characteristics of the unemployed in numbers and percentages

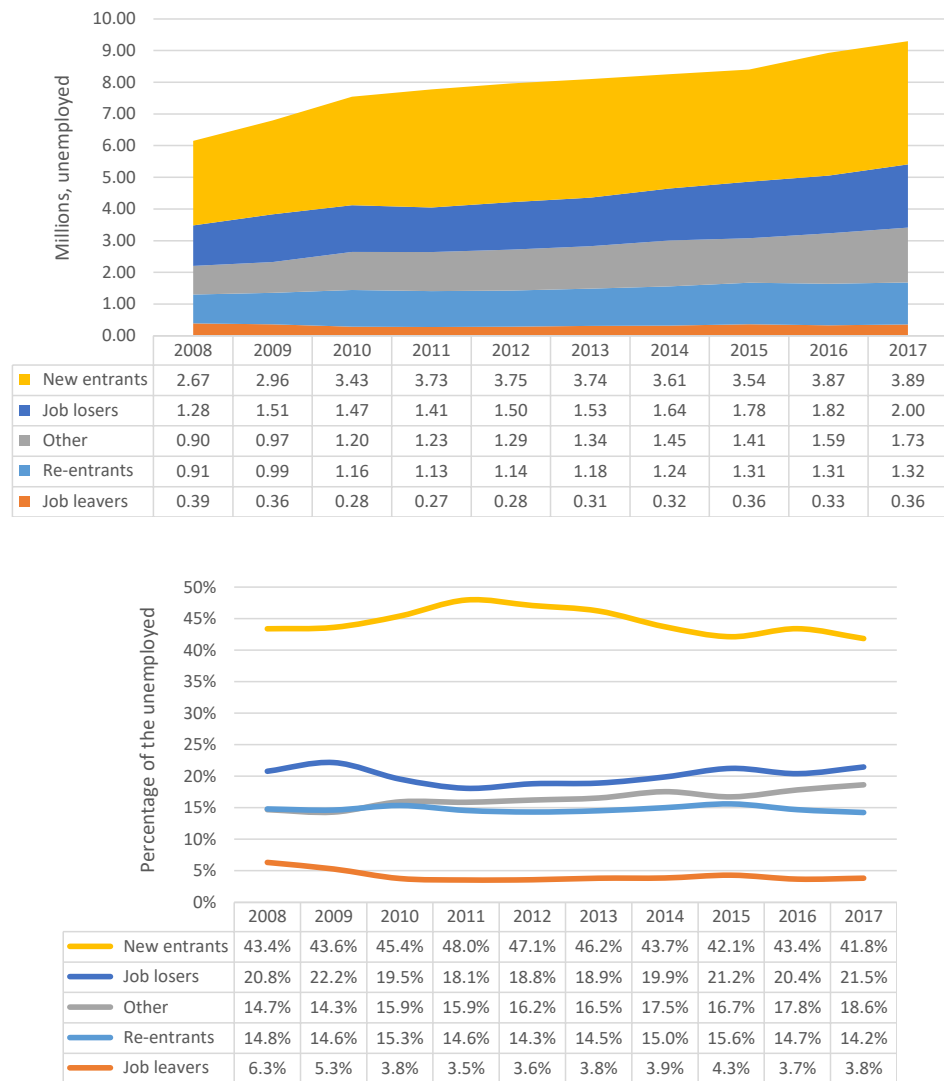


Table 5: Difference in the characteristics of the unemployed, 2008 to 2017

Millions	Difference	% change
New entrants	+ 1.22	+ 46%
Job losers	+ 0.72	+ 56%
Other	+ 0.83	+ 92%
Re-entrants	+ 0.41	+ 45%
Job leavers	- 0.03	- 9%

Figures 14 and table 5 look at whether a person is unemployed because they are a new entrant to the labour market, they lost their job, they re-entered the job market after a period outside the labour force, or they left their job. There are a number of important trends to consider here. First, the greatest share of the unemployed has consistently been 'new entrants' to the labour force. Typically, these are young people who have just finished their education or training and have entered the labour force to look for work. However, after peaking at 48% of the unemployed in 2011, the share of the unemployed that are 'new entrants' has gradually dropped since, to a ten-year low of 41.8% in 2017.

Meanwhile, two other groups of unemployed people have been increasing their share over time: job losers and the 'other' category. Job losers are people who involuntarily lost their jobs and state this as the reason for their unemployment. As a percentage of the unemployed, job losers have consistently numbered at around one fifth of the unemployed in any given year.



However, a job loser eventually turns into something else, usually either someone who is once again employed, or someone who becomes long-term unemployed. In the case of the latter, they would join the 'other' category, which is mainly (but not completely) made up of people who have worked before, but lost their job and have now not worked in more than 5 years. This 'other' category has increased sharply since 2009, with almost one fifth of the unemployed falling into this category by 2017. A small and declining percentage of people are unemployed because they chose to leave their job, only 3.8% of the total in 2017.

Table 5 shows that this 'other' group almost doubled in size since 2008, while the number of new entrants increased by 46% and the number of job losers increased by 56%. Clearly, the rate of employment creation will have to pick up considerably if the 3.9 million new entrants to the labour market are going to have a hope of finding decent work.

Indicator 2 below looks at how many people are short-term and long-term unemployed.

Indicator 2:

Percentage of the unemployed (narrow) in short-term and long-term unemployment

Description:

This indicator uses the narrow definition of unemployment (which does not include discouraged work-seekers). Short-term unemployment refers to unemployment of less than one year, whereas long-term unemployment refers to unemployment of one year or more. The effects of unemployment tend to worsen the longer one is unemployed, in terms of both a person's ability to survive financially (which is especially true in South Africa where those who have access to UIF only do so for limited period), as well as their prospects of finding another job.²⁸

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2

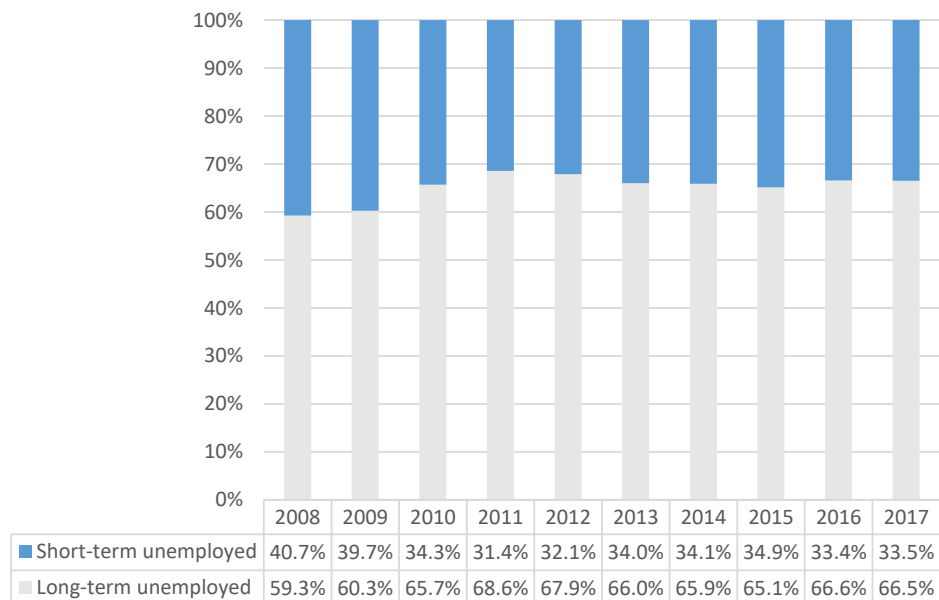


Table 6: Difference in the number of people in short and long-term unemployment, 2008 to 2017

(Millions)	2008	2017	Difference	% change
Short-term unemployed	1.73	2.07	+ 0.35	+ 20%
Long-term unemployed	2.52	4.12	+ 1.60	+ 64%

The number of people in long-term unemployment increased by 64% between 2008 and 2017, from 2.52 million to 4.12 million people. This is more than three-times the rate of increase as the number of people in short-term unemployment, and indicates a severe worsening of labour market conditions over the past decade. The long-term unemployed now represent two-thirds of the total unemployed. This is high by international standards,²⁹ and puts extreme strain on those who despite persistence, cannot find a job. It is these extremely tough conditions which have led many of the unemployed simply to give up looking for work, even though they retain a desire to work. These people are referred to as discouraged work-seekers (DWS).

Indicator 3:

Number of discouraged work-seekers and percentage of the labour force (narrow)

Description:

A discouraged work-seeker is a person who was not employed during the reference week, wanted to work, was available to work/start a business, but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was because there were no jobs available in the area, they were unable to find work based on their skills, and/or they had lost hope of finding any kind of work.

²⁹ The long-term unemployed comprised 47.8% of the total unemployed in the Europe in 2016, for example. ILO 'World Employment and Social Outlook: Trends 2017' Geneva: ILO 2017 at 28.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2

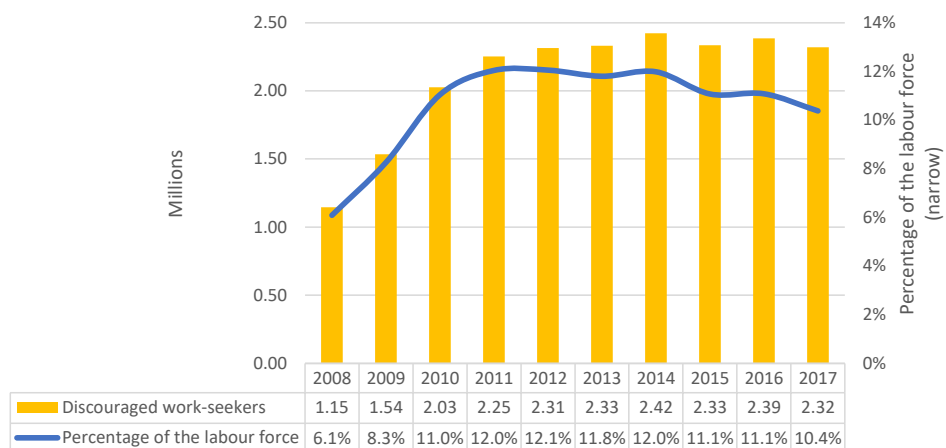


Table 7: Difference in the number of discouraged work-seekers, 2008 to 2017

Millions	Difference	% change
Discouraged work-seekers	+ 1.17	+ 102.4%

The number of DWS has doubled since 2008. The fastest increase came between 2008 and 2011. Since 2011 the rate of increase has been slower, and in 2017, the number of DWS returned to its 2013 level. However, DWS now make up 10% of the labour force (narrowly defined). Many of these people will not have worked in the past 5 years, which means that getting them back into employment will be a major challenge.

Indicator 4:

Percentage of the unemployed (expanded) that have not worked in the past 5 years

Definition:

This indicator uses the expanded definition of unemployment (which includes discouraged work-seekers) to determine what proportion of the total unemployed have not worked in the past 5 years.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2

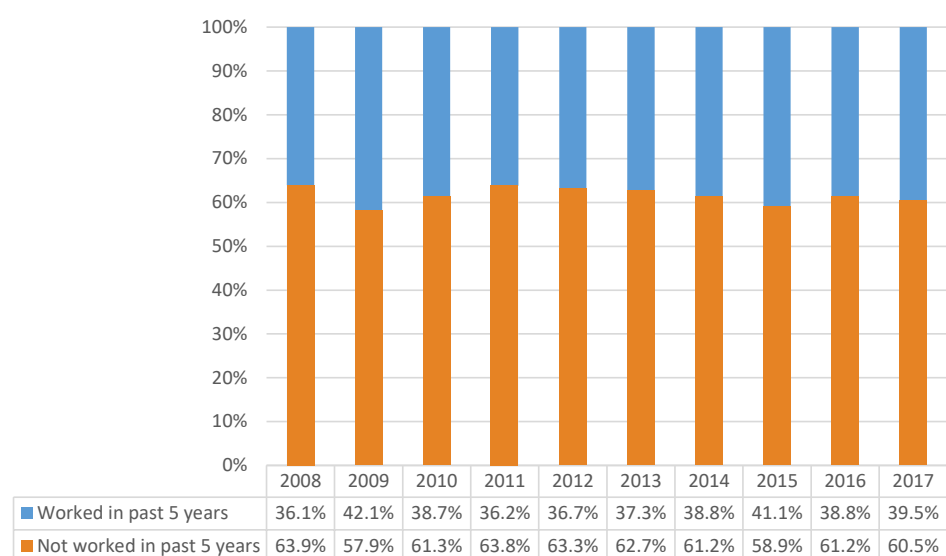


Table 8: Difference in the number of people in short and long-term unemployment, 2008 to 2017

(Millions)	2008	2017	Difference	% change
Worked in the past 5 years	2.22	3.68	+ 1.46	+ 66%
Not worked in the past 5 years	3.93	5.62	+ 1.69	+ 43%

More than 60% of the potential labour force (the expanded unemployed) has not worked in the past five years. In 2017, this equated to 5.6 million people, a number which has increased by 43% since 2008. This is a very large number of people for whom fulfilment of the right to decent work is an urgent, but under current conditions, distant possibility.

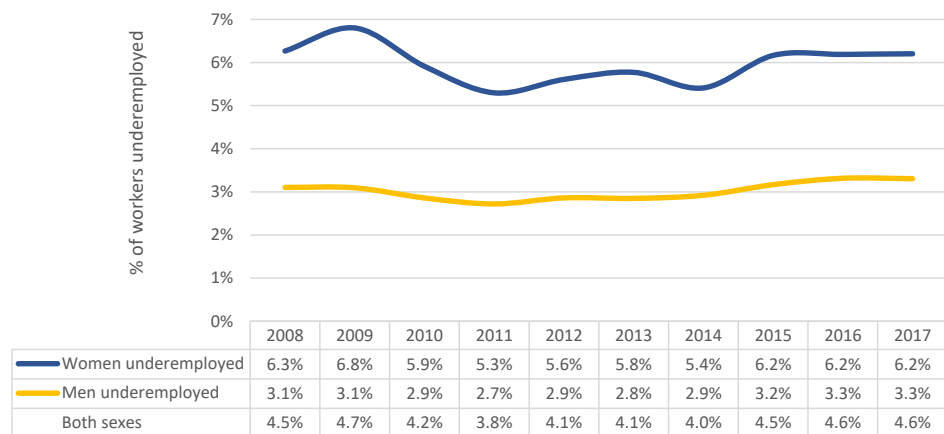
Indicator 5:

Percentage of workers in time-related under-employment

Description:

This indicator measures the percentage of workers who worked less than 35 hours in the reference week, but who were willing and available to work additional hours.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Time-related underemployment is a measure of labour underutilization. Indicator X shows that there was a slight increase overall in the proportion of the unemployed who worked less than 35 hours per week, but wanted and were available to work more hours. More women than men are underemployed, although men are slightly catching up, as the number of women underemployed increased by 12% between 2008 and 2017, compared to a 16% increase for men.



4.1.2 Unemployment – provincial averages

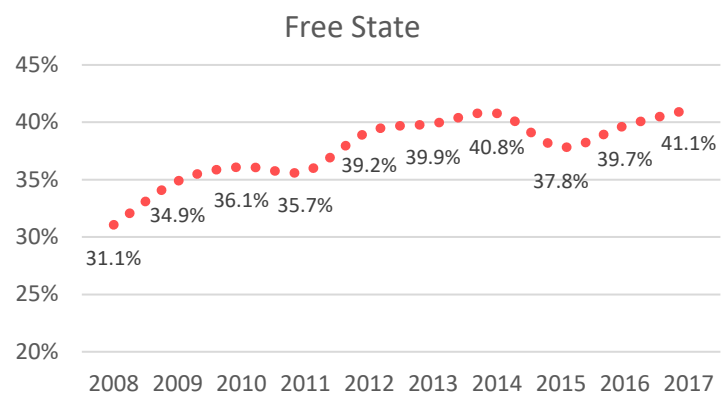
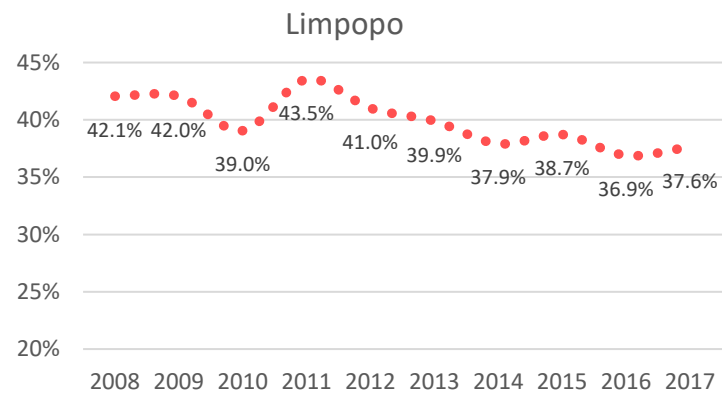
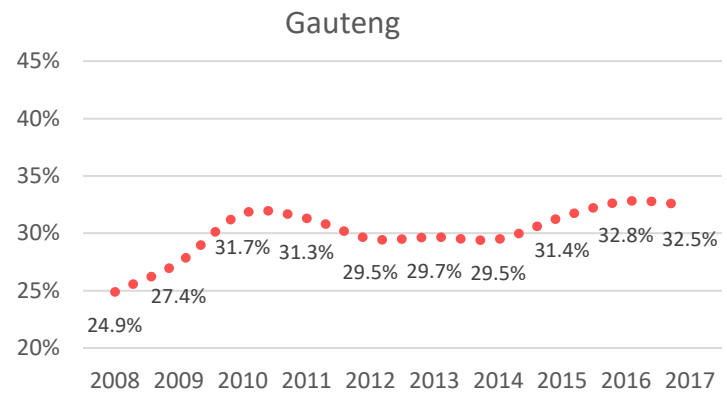
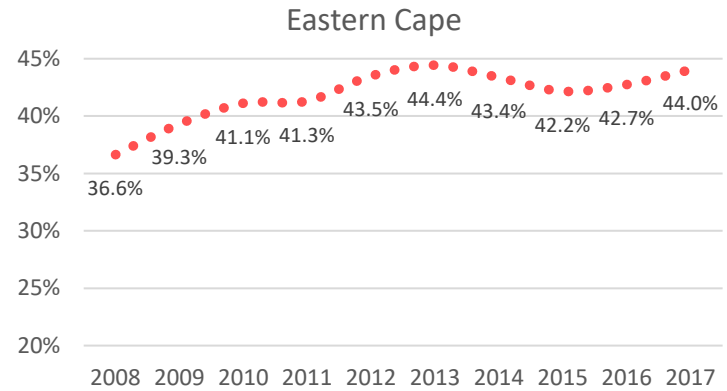
Indicator 6:

Unemployment rate (expanded) per province

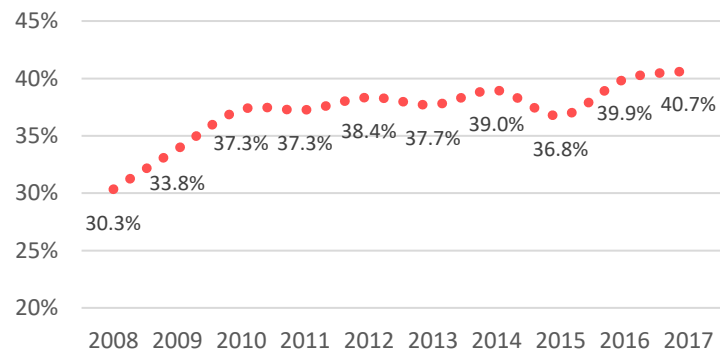
Description:

This indicator tracks the expanded unemployment rate in each province

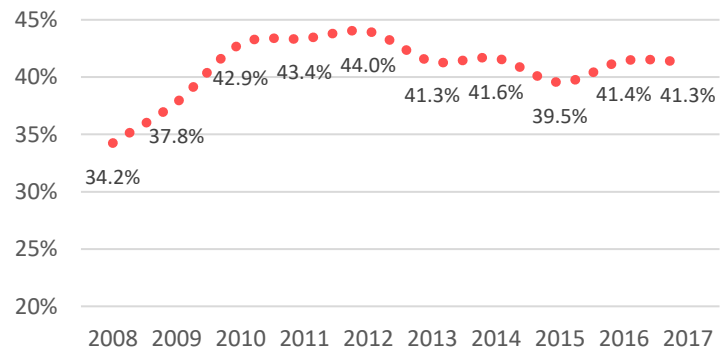
Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



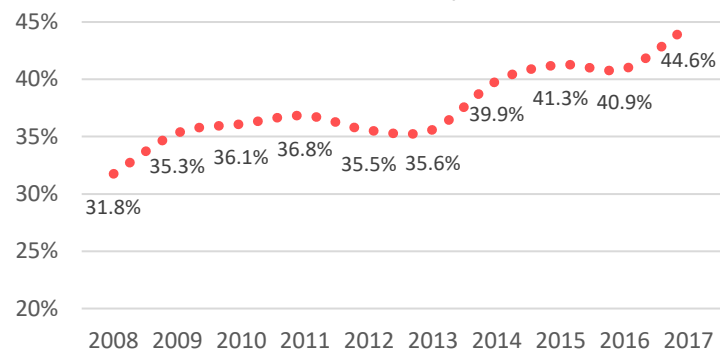
KwaZulu-Natal



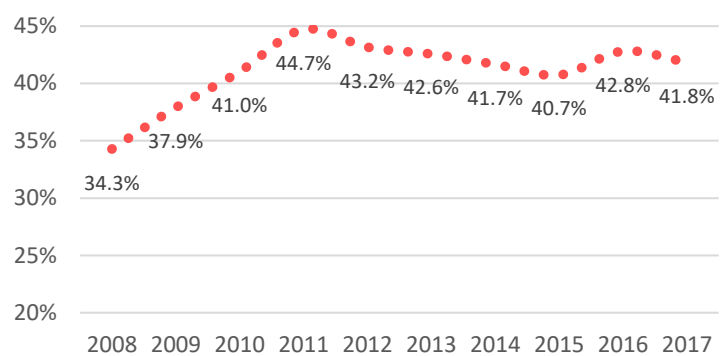
Mpumalanga



Northern Cape



North West



Western Cape

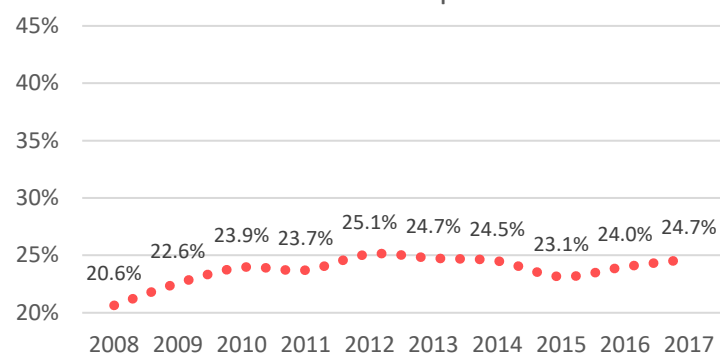


Table 9: Unemployment rate per province, 2008 and 2017

	2008	2017
Western Cape	20.6%	24.7%
Gauteng	24.9%	32.5%
Limpopo	42.1%	37.6%
KwaZulu-Natal	30.3%	40.7%
Free State	31.1%	41.1%
Mpumalanga	34.2%	41.3%
North West	34.3%	41.8%
Eastern Cape	36.6%	44.0%
Northern Cape	31.8%	44.6%
SOUTH AFRICA	29.7%	36.5%

The unemployment rate increased in every province between 2008 and 2017 with one notable exception: Limpopo province decreased its unemployment rate by 4.5% during this period, lifting the province from having the highest unemployment rate in 2008, to the third lowest in 2017. However, the fact that a province with an unemployment rate of 37.6% now has the third lowest rate of unemployment, perhaps says as much about the general decline in employment in the country as about any major improvements to the labour market in Limpopo. Nevertheless, Limpopo's ability to buck the general trend of rising unemployment deserves credit and attention, so that the reasons behind this development can be understood.

The greatest rise in unemployment can be found in the Northern Cape, which, in moved in the opposite direction to Limpopo, from having the fourth lowest unemployment rate in 2008, to the highest unemployment rate in 2017, at 44.6%. The other provinces where the unemployment rate has increased by 10% points or are KwaZulu-Natal and Free State.

As well as having the largest share of their total populations that are of working-age, Western Cape and Gauteng also have the highest share of their working-age population in employment, and the lowest unemployment rates, making these provinces highly attractive to those seeking work from provinces where fewer jobs are available. However, unemployment has also increased in Gauteng and Western Cape since 2008, with Gauteng experiencing the larger increase of 7.6% compared to a 4.1% increase for the Western Cape.

Figure 15: Change in the number of people employed and unemployed per province, from 2008 to 2017

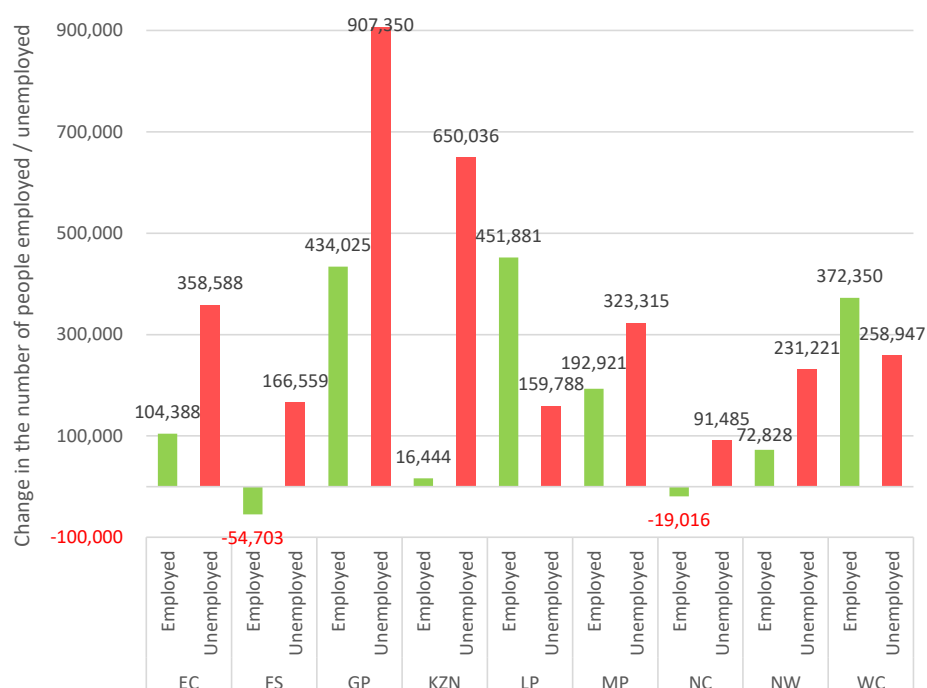


Table 10: Number of people employed, unemployed per province and the percentage change, 2008 to 2017

		2008	2017	% change
Eastern Cape	Employed	1,324,359	1,428,747	+ 7.9%
	Unemployed	765,771	1,124,359	+ 46.8%
Free State	Employed	826,386	771,683	- 6.6%
	Unemployed	372,310	538,869	+ 44.7%
Gauteng	Employed	4,687,612	5,121,636	+ 9.3%
	Unemployed	1,553,285	2,460,635	+ 58.4%
KwaZulu-Natal	Employed	2,552,636	2,569,080	+ 0.6%
	Unemployed	1,111,914	1,761,950	+ 58.5%
Limpopo	Employed	922,001	1,373,882	+ 49.0%
	Unemployed	669,099	828,888	+ 23.9%
Mpumalanga	Employed	1,021,375	1,214,296	+ 18.9%
	Unemployed	531,807	855,122	+ 60.8%
Northern Cape	Employed	314,196	295,180	- 6.1%
	Unemployed	146,174	237,659	+ 62.6%
North West	Employed	904,159	976,987	+ 8.1%
	Unemployed	471,552	702,773	+ 49.0%
Western Cape	Employed	2,032,137	2,404,487	+ 18.3%
	Unemployed	528,166	787,113	+ 49.0%

Figure 15 and table 10 show that while the largest increase in unemployment in absolute numbers has occurred in Gauteng, which shed 907,000 jobs over the past decade, while creating only 434,000 jobs, the Northern Cape has seen the largest percentage increase in unemployment, followed by Mpumalanga, with Gauteng close behind. Although the number of people employed grew faster than the number of people unemployed in the Western Cape in absolute terms, as a percentage, the number of unemployed people rose faster increasing by 49.0% between 2008 and 2017, compared to an increase of 18.3% in the number of employed people, hence the increase in the unemployment rate in this province.

The smallest percentage increase in the number of jobs was in KwaZulu-Natal, which increased employment by only 0.6% between 2008 and 2017, while unemployment increased by 58.5%. Limpopo's decreasing unemployment rate can be attributed to the fact that the number of employed people in the province increased by 49%, while the number of unemployed people increased by 23.9%. While in the Free State, the number of people employed decreased by -6.6% and the number of people unemployed increased by 44.7%.

The difficulty experienced by most provinces of creating enough new jobs (or any at all) to meet the rising demand for employment caused by the demographic dividend the country is experiencing, is a major concern. With 4 out of every 10 people in the labour force unemployed in 6 out of the 9 provinces, outward migration from these provinces to the wealthier Western Cape and Gauteng provinces is highly likely to continue, which in turn increases pressure on those provinces to create more jobs. Neither of these provinces has been able to create jobs at the pace that is necessary to fully absorb either the demographic dividend or this inward migration, which has led to the increase in the unemployment rate in these provinces.

4.1.3 Unemployment – by sex

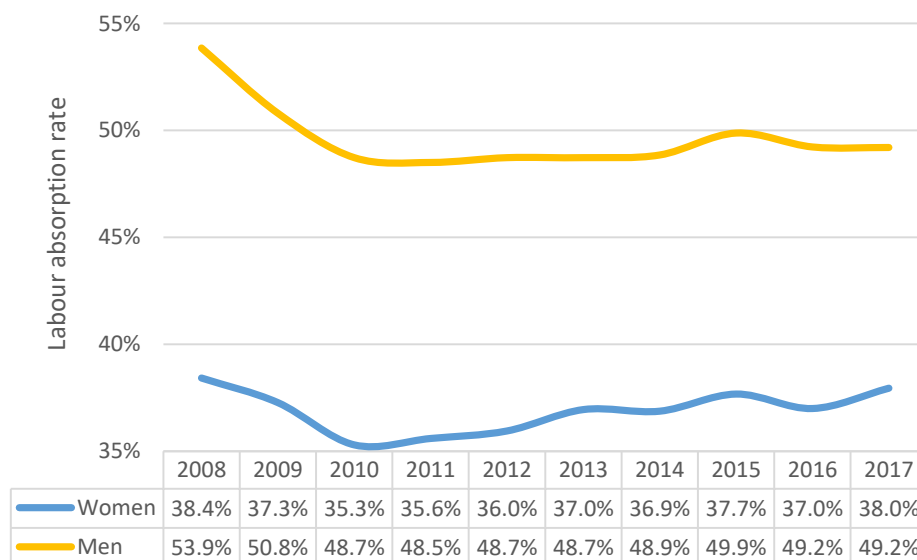
Indicator 7:

Employment-to-population ratio (labour absorption rate) for women and men

Description:

The employment-to-population ratio (also known as the labour absorption rate) refers to the percentage of the WAP that is employed.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.

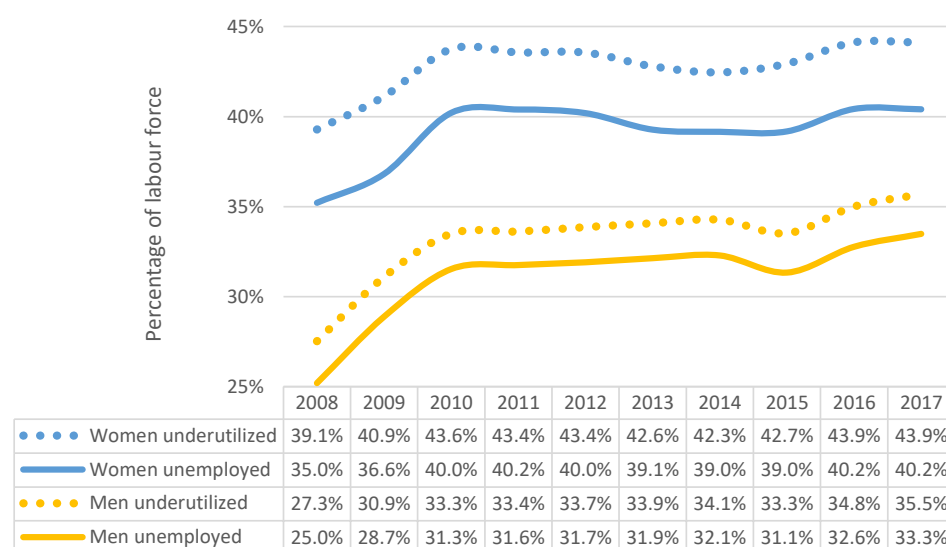


The percentage of women and men of working-age that were employed dropped sharply between 2008 and 2010 after the country experienced a period of economic recession. The employment gap between the sexes decreased slightly over the past decade, however, from 15.5% in 2008 to 11.2% in 2017. This reflects a general trend in the statistics in which unemployment has grown at a faster rate for men than women over the past decade, as the following indicators confirm.

Indicator 8:

Unemployment and underutilization rates for women and men.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.



While the unemployment and underutilization rates for women and men have followed similar patterns since 2008, with sharp rises until 2010, for example, there are some notable differences. Unemployment grew faster for men between 2008 and 2010 (by 6.3%) compared to women (4.5%). And while men then experience a slight decrease in unemployment between 2010 and 2014, they experienced a drop of 1% in 2015, followed by an increase of 1.5% in 2016 and a further increase of 0.9% in 2017. Women, on the other hand, experienced gradually falling unemployment rates from 2010 all the way to 2016, when unemployment for women rose by 1.2% and then remained stable in 2017.

The underutilization rates follow very similar patterns to the unemployment rate for both sexes, indicating that falling demand for employment results in both the loss of jobs and a loss of hours for people in work.

Inequality in access to work remains high, with 3 out 10 men unemployed compared to 4 out of 10 women.

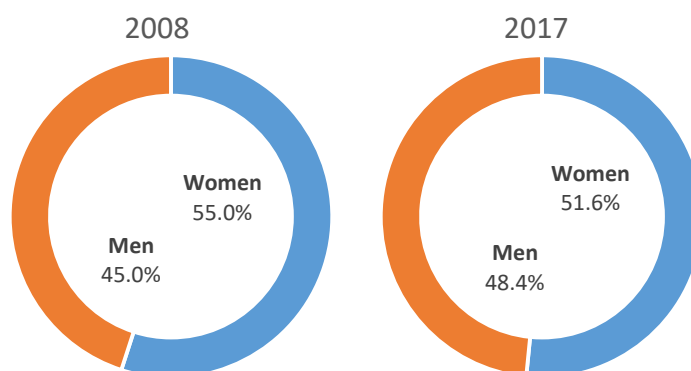
Figure 16: Number of women and men employed and unemployed



Table 11: Number of women and men employed and unemployed (StatsSA, QLFS 2008-2017)

	difference	% change
Women employed	+ 853,015	+ 13.6%
Women unemployed	+ 1,412,633	+ 41.8%
Men employed	+ 718,103	+ 8.6%
Men unemployed	+ 1,734,656	+ 62.7%

Figure 17: Structure of the unemployed, by sex (StatsSA, QLFS, 2008-2017)



While men are still more likely to find employment than women, this gap is slowly decreasing over time. This is because unemployment is rising faster for men than for women (62.7% between 2008 to 2017 for men compared to a 41.8% increase for women). The gender gap has therefore narrowed slightly since 2008. Any celebration of this achievement is however, constrained by the fact that unemployment for both women and men has increased significantly since 2008, with the rate of growth for women just undercutting the rate of unemployment growth for men.

4.1.4 Unemployment – by population group

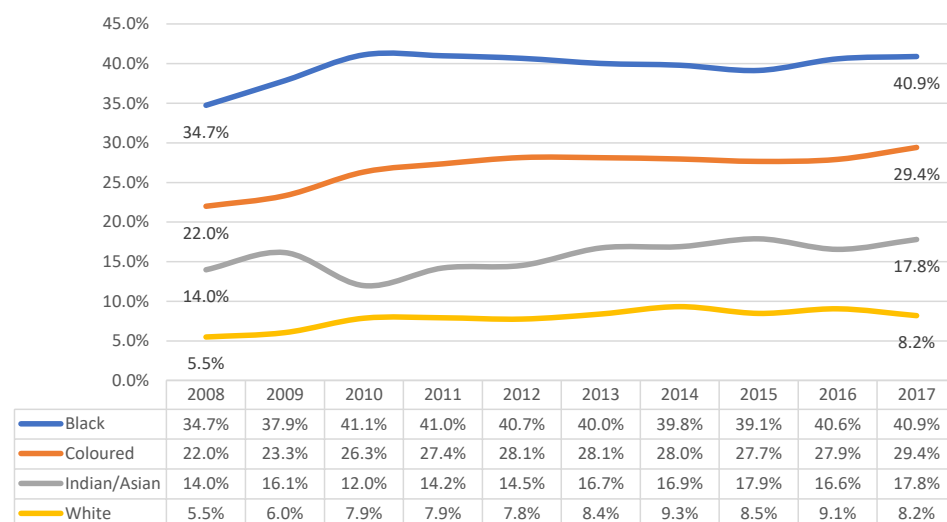
Indicator 9:

Unemployment rate (expanded) by population group

Description:

This indicator illustrates the unemployment rate for different population groups.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.

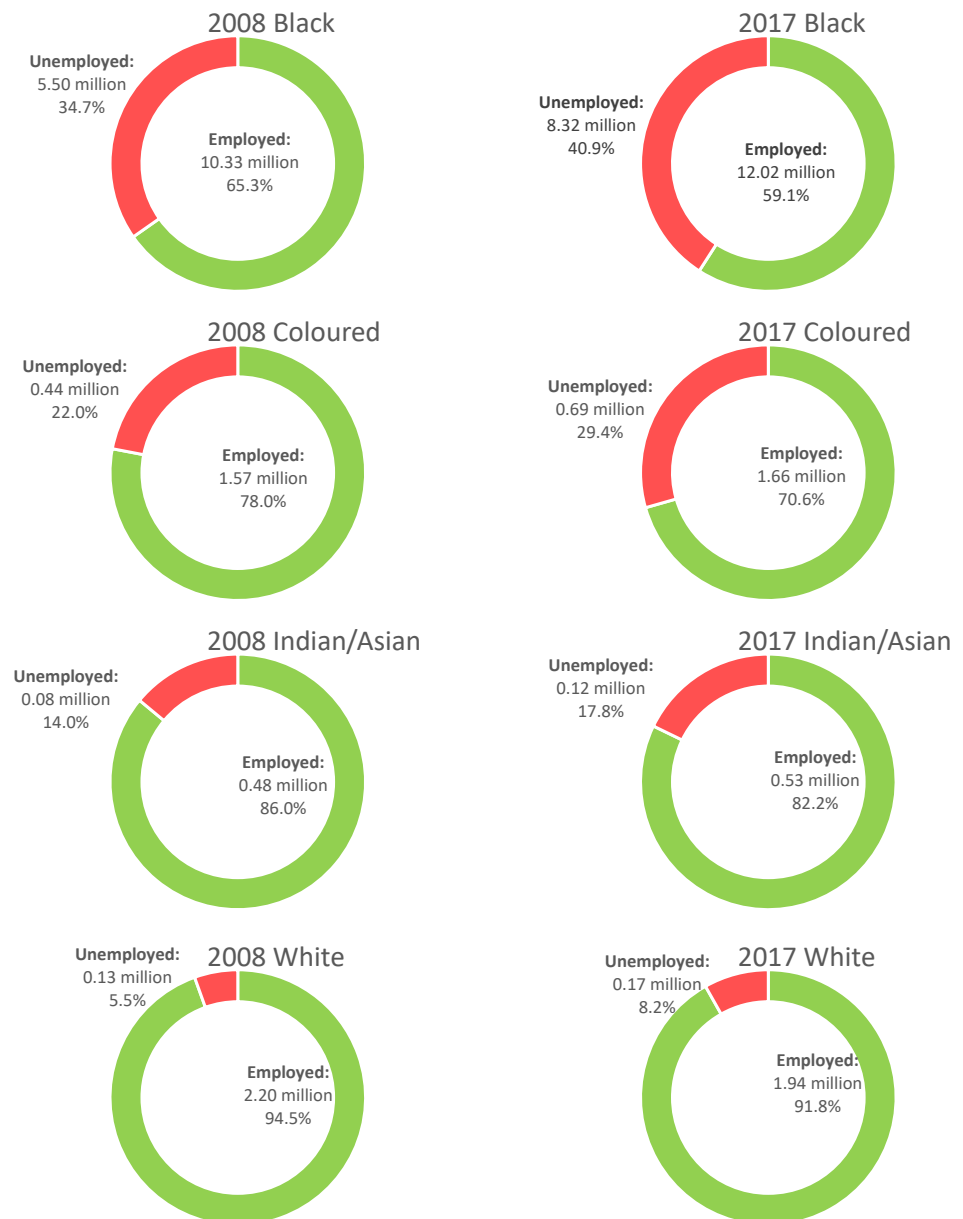


Unemployment rates have increased for every population group since 2008. However, Black and Coloured South Africans have experienced the greatest increase (their rates increasing by 6.2% and 7.4% respectively). While Indian/Asian South Africans experienced a decrease in unemployment in 2010, and White South Africans a small decrease in 2015 and 2017, unemployment has generally increased steadily for these groups as well.

What is striking is the inequality in access to employment that is illustrated by this indicator. In particular, the unemployment rate for the Black, Coloured and Indian groups is significantly higher than for the White group (4 times higher for Black South Africans, almost 3 times higher for Coloured South Africans, and 2 times higher for Indian/Asian South Africans). Another point to note is that, while unemployment grew steadily for the Coloured group from 2008 onwards, it decreased for the Black group between 2010 and 2015. Unfortunately however, the decline

in economic conditions from 2015 onwards was most sharply felt by the Black group, with unemployment increasing again in 2016 and 2017.

Figure 18: Number and percentage of people employed, unemployed per population group, 2008 and 2017



As a result of the decrease in the White South African working-age population, Whites are the only group who have less people employed in 2017 compared to 2008. Black South Africans have had the largest increase in unemployment: 16.3% since 2008 (or 1.7 million people), while only 5.5% more Coloured South Africans are employed in 2017 compared to 2008.

Table 12: Difference and percentage change in the no. of people employed, per population group, 2008- 2017

	2008	2017	difference	% change
Black	10,333,965	12,017,168	+ 1,683,202	+ 16.3%
Coloured	1,573,898	1,660,523	+ 86,625	+ 5.5%
Indian/Asian	479,486	534,680	+ 55,194	+ 11.5%
White	2,197,512	1,943,609	- 253,903	- 11.6%

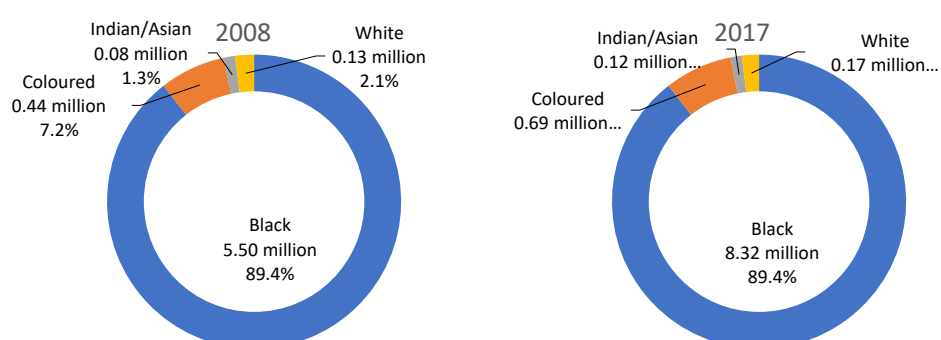
Table 13 shows that the fastest rise in unemployment has been within the Coloured population group, for whom the number of people unemployed grew by 56.0%. The Black group not far behind, however, at 51.2% with Indian/Asian's seeing unemployed people grow by 48.7% and White's by 35.7%.

Table 13: Difference and percentage change in the no. of people unemployed, per population group, 2008- 2017

	2008	2017	difference	% change
Black	5,500,745	8,316,124	+ 2,815,380	+ 51.2%
Coloured	443,775	692,165	+ 248,390	+ 56.0%
Indian/Asian	77,897	115,809	+ 37,912	+ 48.7%
White	127,662	173,270	+ 45,608	+ 35.7%

Although some of these changes are significant, their impact on the overall structure of the unemployed has been minimal. Black South Africans make up 89.4% of the unemployed, a number that has not changed since 2008. This is despite Black South Africans constituting 80.1% of the population. Having the fastest rate of growth of unemployment has meant that the Coloured group now makes up 7.4% of the unemployed, up from 7.2% in 2017.

Figure 19: Structure of the unemployed, by population group



The burden of unemployment thus continues to fall disproportionately on Black South Africans. Only White South Africans have an unemployment rate which is low enough to compare favourably with general unemployment rates in other upper-middle income countries. South Africa's high levels of inequality mean that all other groups experience levels of unemployment which by any standard remain unacceptably high.

4.1.5 Unemployment – youth

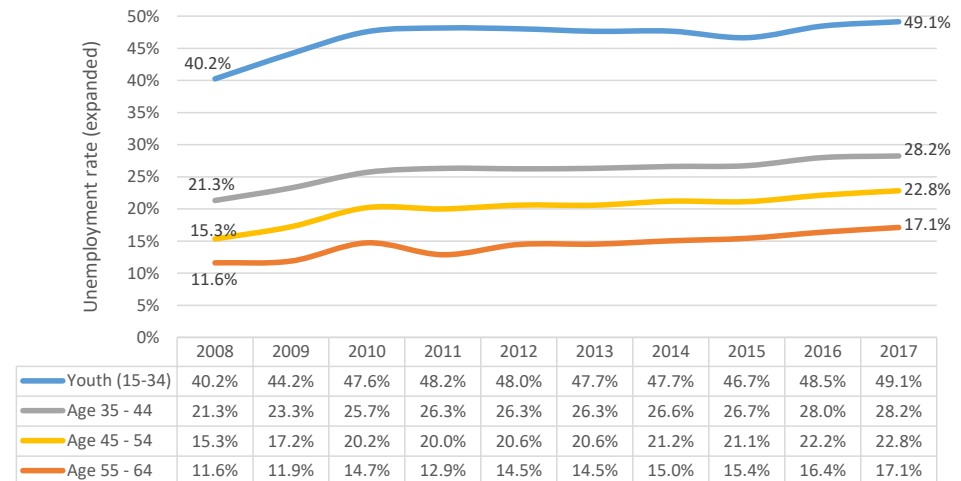
Indicator 10:

Youth unemployment, 2008-2017

Description:

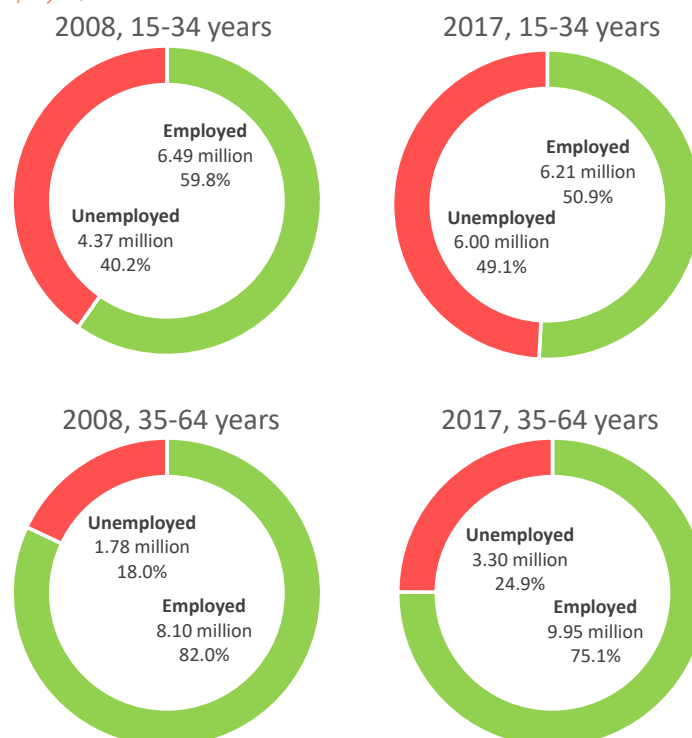
Indicator 10 turns the focus to youth unemployment, using the expanded definition, with youth being defined as those in the labour force aged 15-34.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.



Unemployment affects and has increased for all age groups, but there is no doubt that the youth experience the highest rates of unemployment. By 2017, almost 50% of 15-34 year olds were unemployed. Many of these youth will be new entrants to the labour market, having completed their education. However, the longer that unemployment prevails among the youth, the higher the chances become that many youth will become long-term unemployed and even discouraged from looking for work. This trend is no doubt reflected in indicators 2, 3 and 4.

Figure 20: Number and percentage of 15-34 year olds and 35-64 year olds employed and unemployed, 2008 and 2017



Tables 14 and 15 below show that there were in fact *less* youth employed in 2017 than in 2008, while during the same period, the number of unemployed youth increased by 1.6 million. These statistics are particularly troubling given the inequitable access to work that we have seen occurring along sex and racial lines. This means that historically disadvantaged groups will be experiencing unemployment rates as youth of far more than 50%.

Those aged 35 years and older have also experienced a large rise in unemployed, of 85.4% during the past 10 years, but this group has at least been able to take advantage of 1.85 million new employment opportunities. In fact, of the 16.16 million jobs available in the country in 2017, 61.6% were filled by those aged 35-64 years.

This leads to questions about the impact of government's flagship initiative to improve the employment prospects of the youth: the Employment Tax Incentive (ETI). The ETI was introduced in 2014 as a means to lower the cost of employing youth for employers.³⁰ It effectively reduces the amount of Pay-As-You-Earn (PAYE) that employers pay for youth in their employ who qualify for the subsidy, with the main requirements being that they are 18-29 years old and were recruited after 01 October 2013. A 2015 analysis by National Treasury³¹ of the impact of the ETI found that the incentive had been claimed by 32,368 firms in its first three years of operation, equivalent to 15% of all firms registered with SARS. This had impacted upon 645,973 youth in employment, or 17% of all 18 to 29 year olds.

Returning to indicator 10, we can see that unemployment among youth in 2014 was unchanged from 2013, at 47.7%, dropped to 46.7% in 2015, and then increased dramatically to 48.5% in 2016, with a further increase to 49.1% in 2017. While the ETI has therefore undoubtedly had some impact on youth unemployment, this has been more palliative than transformative. It will have incentivised some employers to hire youth when they otherwise may not have, and incentivised other to keep on employing youth whom they may have let go, were it not for the subsidy. Yet youth unemployment has continued to rise since the implementation of the ETI, confirming that much more will have to be done to tackle the underlying causes of youth unemployment, including vastly scaling up and improving the quality of education and training opportunities, as well as providing more accessible support for youth who want to start their own businesses.

Table 14: Difference and percentage change in the number of people employed, and the percentage of total people employed, by age group, 2008 to 2017

	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
15 – 34 years	6,487,539	44.5%	6,206,934	38.4%	- 280,605	- 4.3%
35 – 64 years	8,097,322	55.5%	9,949,045	61.6%	+ 1,851,723	+ 22.9%

Table 15: Difference and percentage change in the number of people unemployed, and the percentage of total people unemployed, by age group, 2008 to 2017

	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
15 – 34 years	4,369,933	71.1%	5,996,995	51.7%	+ 1,627,061	+ 37.2%
35 – 64 years	1,780,146	28.9%	3,300,373	48.3%	+ 1,520,228	+ 85.4%

³⁰ For more information see: SARS' guide to the ETI at: www.sars.gov.za/TaxTypes/PAYE/ETI/Pages/default.aspx.
³¹ Available at: http://www.treasury.gov.za/comm_media/press/2016/20160810%20-%20ETI%20descriptive%20memo%20With%20Exec%20summ%20For%20Nedlac.pdf.

Indicator 11: Percentage of children living in households without an employed adult

Description: In this indicator, children refers to all persons aged 0-17 years.

Source: Statistics South Africa, Profile of Vulnerable Groups in South Africa, 2012 and 2016

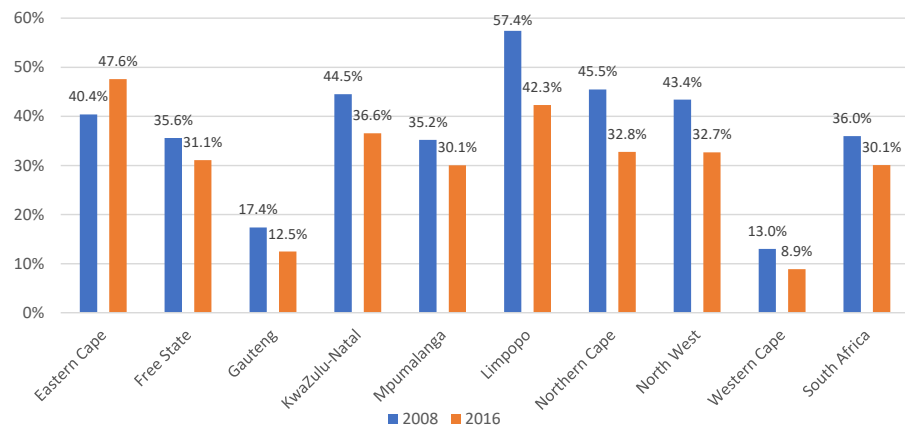


Table 16: Number and percentage of children living in households without an employed adult, 2016

	Number	Percentage
Eastern Cape	1,254,000	47.6%
Limpopo	932,000	42.3%
KwaZulu-Natal	1,490,000	36.6%
Northern Cape	133,000	32.8%
North West	419,000	32.7%
Free State	276,000	31.1%
Mpumalanga	459,000	30.1%
Gauteng	454,000	12.5%
Western Cape	170,000	8.9%
Total	5,587,000	30.1%

In 2016, there were a total of 5.59 million children living in households without an employed adult. While this indicator shows some improvement since 2008, this remains an extremely high number, with almost a third of children affected. In Eastern Cape and Limpopo, the figure for 2016 was 47.6% and 42.3% respectively, while KwaZulu-Natal alone has 1.49 million children growing up in households where no adults are employed.

The Children's Institute at the University of Cape Town has noted that, as well as providing a regular and (at least in theory) secure income, employed adults bring other benefits to a household, including health insurance and paid maternity/paternity leave.³² Living with an employed adult also exposes the child to the work of work, making work a familiar concept and even inspiring the child to want to work, all of which are essential to the healthy development of the child. The Institute also notes how this indicator ties in with income inequality, as more than two-thirds of children in households that fall into the poorest income quintile have no employed adult in the home.

³² See Hall and Sambu, 2016 at www.childrencount.org.za/indicator.php?id=2&indicator=52.

4.2 Employment opportunities

4.2.1 Employment per sector

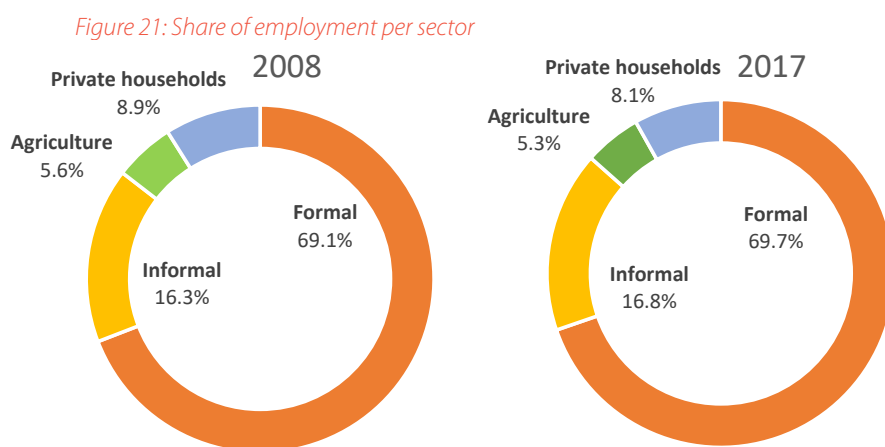
Indicator 12:

Number of people employed per sector and the absorption rate

Description:

This indicator tracks the total number of people employed, and the employment-to-population ratio (labour absorption rate), while also showing which sectors people are employed in. The formal and informal sectors exclude agricultural work, which is instead captured under agriculture. Agriculture includes market-orientated hunting, forestry and fishing (not for household consumption).

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.



The steep decline in the labour absorption rate between 2008 and 2010 was accompanied by widespread job losses all sectors of the labour market. Agriculture saw the biggest decline in percentage terms, while employment in private households took 10 years to recover to its 2008 level. The informal sector had recovered by 2014 but the formal sector recovered quickest, returning to its 2008 level of employment by 2012. Still, the job losses suffered from 2008-2010 have had a lasting impact on labour absorption, with the rate of labour absorption of 43.5% in 2017 still far below its 2008 high of 45.9%.

During this 10 year period, employment has grown by only 11.7% in the formal sector, 14.3% in the informal sector, 4.5% in the agricultural sector, and a tiny 0.9% in private households. As a result of these varying growth rates, both the formal and informal sectors have increased their share of total employment slightly (by 0.5%-0.6%, while the share of employment found in agriculture has decreased to 5.3% of total employment, and private household employment has also shrunk as a share of total employment.

South Africa's informal sector now employs 2.72 million people, this is significant as this sector is known to have lower and less secure wages, fewer employment benefits and worse labour conditions than the formal sector. However, it is also a place where people who have not been able to find formal employment can at least make a living for themselves and their family. What is clear is that informal employment is not shrinking as a percentage of total employment and is in fact a permanent and important sector of the economy. With the livelihoods of 2.72 million people (plus their dependents) relying on informal sector work, it is crucial that the government accepts not only the legitimacy of the informal economy but takes positive steps to support and improve working conditions in this sector.

Figure 22: Sectors in which women and men work, 2008 and 2017

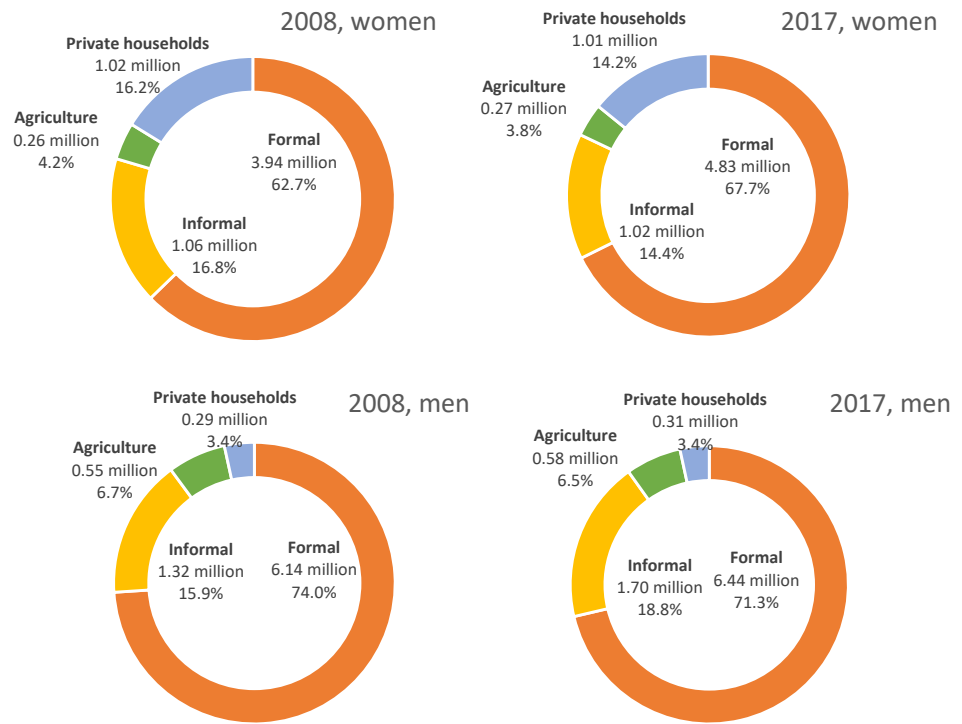


Figure 22 looks at the where women and men are working, and Table 17 shows what the gender make up of each sector, and how this has changed over time. They show that men are more likely to be employed in the formal, informal and agricultural sectors compared to women, while women are more likely to be employed in private households (1 in 7 employed women were working in private households in 2017). However, where women are working has changed somewhat over the past decade, with relatively less working in private households, the informal sector or in agriculture, and many more working in the formal sector (67.7% in 2017 compared to 62.7% in 2008). On the face of it, this is a positive development for women, as the formal sector is associated with better and more secure employment conditions than those found in other sectors.

For men, the opposite has been the case, with the percentage of employed men working in agriculture and private households remaining stable, while the percentage working in the informal economy has increased significantly and the percentage in the formal sector has decreased. This would imply that a number of male workers who were formerly employed in the formal sector, are now working in the informal sector instead. This 'informalisation' of work for men is likely to have gone hand-in-hand with a worsening of employment conditions for men, which will be explored in our 'adequacy' indicators.

Indeed, the greatest change in sectoral employment over the past decade has been the increase of men working in the informal sector (28.2%) followed by the increase in the number of women working in the formal sector (22.5%).

Table 17: Difference in the number and proportion of women and men employed per sector, 2008-2017

Formal sector	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	3,938,828	39.1%	4,826,419	42.8%	+ 887,591	+ 22.5%
Men	6,144,348	60.9%	6,438,374	57.2%	+ 294,026	+ 4.8%
Informal sector	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	1,056,013	44.4%	1,023,707	37.6%	- 32,306	- 3.1%
Men	1,323,971	55.6%	1,696,987	62.4%	+ 373,016	+ 28.2%
Private households	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	1,017,792	78.1%	1,009,026	76.7%	- 8,766	- 0.9%
Men	285,293	21.9%	306,328	23.3%	+ 21,035	+ 7.4%
Agriculture, hunting, forestry and fishing	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	264,549	32.3%	271,044	31.7%	+ 6,495	+ 2.5%
Men	554,066	67.7%	584,092	68.3%	+ 30,026	+ 5.4%



4.2.2 Employment per industry

Indicator 13:

Number of people employed by industry

Description:

This indicator looks at how many people are employed in each industry over the same 10 year period. Industries are classified according to ILO definitions.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



Tracking employment per industry allows us to assess which industries employment opportunities have been created and lost, and each industry's share of the total workforce.

Between 2008 and 2017, employment grew fastest in the Electricity, gas and water supply (which grew by 41.9%), Finance, real estate and business services (33.9%) and Community, social and personal services (28.4%) industries. The latter is made up mostly of government employees, indicating that government employment has grown significantly over the past decade (this will be explored further in indicator 15). The rise of employment in these 'services' industries is counter posed by a decline in employment in manufacturing (which has experienced a sharp decline in employment over the period of -14.2%) and in trade (the only other industry where employment actually declined, by -2.4%).

However, broader labour trends over the past decade are suggestive of a phenomenon whereby increasing numbers of jobs have been 'outsourced' to service providers. When this happens, jobs that were previously classified in goods-producing industries are now being classified in services industries. The trend has also been matched by a growing financialisation of the economy, whereby resources (including workers and investment) have become increasingly concentrated in financial services rather than in the productive sectors of the economy, thereby also contributing to the decline in manufacturing employment.

South Africa's industrial policies have consistently targeted the manufacturing industry as a key locus of potential growth (both in employment and in production). However, lack of targeted support for manufacturing industries coupled with South Africa's liberal trade and investment policies have made it extremely difficult for manufacturers to compete and build their capacity. Chinese manufactured products now dominate goods-markets across the country with local businesses competing for trade opportunities, rather than try to compete with these cheap goods.

As a result of these trends, the share of manufacturing jobs in total employment has declined from 14.3% to 11.1% since 2008 as 296,136 manufacturing jobs have been shed. Improved support and incentives for the car manufacturing industry may be behind the upturn in manufacturing employment which finally occurred in 2017. However, if the manufacturing industry is to recover the jobs lost and indeed become a major employer of South Africa's millions of semi-skilled unemployed, further collaboration between government, business and labour on more interventionist strategies will have to be secured.

Although much has been made of the job losses in the mining industry over the past decade, it is important to note that mining accounts for less than 3% of total employment in the country (not including downstream goods and services providers who service the mining industry). Therefore, while ongoing support for this industry will be crucial to South Africa's economic growth, it is unlikely to provide a significant number of the jobs required to begin bringing the country's unemployment rate down.

It is therefore essential that meaningful industrial policies are drawn up and supported with appropriate budgets and implementation plans for all industries.

Table 18: Difference in the number of people employed per industry, 2008 to 2017

	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Community, social and personal services	2,775,941	19.0%	3,564,674	22.1%	+ 788,733	+ 28.4%
Trade	3,315,783	22.7%	3,236,074	20.0%	- 79,708	- 2.4%
Finance, real estate and business services	1,782,462	12.2%	2,386,700	14.8%	+ 604,238	+ 33.9%
Manufacturing	2,090,704	14.3%	1,794,568	11.1%	- 296,136	- 14.2%
Construction	1,214,742	8.3%	1,450,354	9.0%	+ 235,612	+ 19.4%
Private households	1,303,085	8.9%	1,315,355	8.1%	+ 12,270	+ 0.9%
Transport, storage and communication	823,190	5.6%	959,249	5.9%	+ 136,060	+ 16.5%
Agriculture, hunting, Forestry and fishing	818,615	5.6%	855,136	5.3%	+ 36,521	+ 4.5%
Mining and quarrying	353,689	2.4%	440,443	2.7%	+ 86,754	+ 24.5%
Electricity, gas and water supply	103,278	0.7%	146,537	0.9%	+ 43,260	+ 41.9%

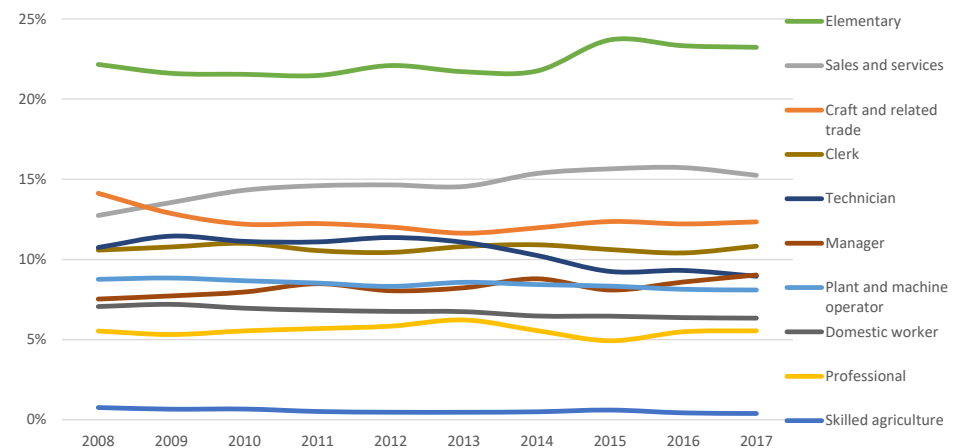
Indicator 14:

Number of people employed by occupation

Description:

This indicator also uses ILO definitions counted in StatsSA survey to track the main occupations in which people are employed, the change in the level of employment in each occupation, which occupations which have been growing and shrinking in number, and each occupations share of the workforce.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



Occupations which have experienced a decline over the past decade include domestic work (-0.6%), craft and related trade (-3.2%), technician's (-7.7%) and most drastically, skilled agriculture (-43.0%). Almost 250,000 jobs have been lost in these occupations since 2008. The decline in technician's (of which there are 120,938 less in 2017 compared with 2008) may be particularly damaging for South Africa's hopes for economic development in an era of increased technological complexity. For this trend to be reversed, investments must be made into technical and vocational education and training institutions and standards in these institutions improved. The decline in skilled agriculture clearly affects rural communities the most, where unemployment is already highest.

The occupations which have seen the greatest growth since 2008 are manager's (classified as high-skilled workers) and sales and services (semi-skilled workers). The decline in technicians looks especially glaring next to the rise of the manager. Next on the list are elementary occupations (low-skilled workers), followed by clerk's (semi-skilled) and professionals (high-skilled).

Table 19: Difference and percentage change in employment by occupation, 2008 to 2017

Occupation	Difference	% change
Manager	+ 360,496	+ 32.8%
Sales and services	+ 604,428	+ 32.5%
Elementary	+ 520,110	+ 16.1%
Clerk	+ 205,568	+ 13.3%
Professional	+ 89,068	+ 11.0%
Plant and machine operator	+ 29,598	+ 2.3%
Domestic worker	- 6,100	- 0.6%
Craft and related trade	- 66,480	- 3.2%
Technician	- 120,938	- 7.7%
Skilled agriculture	- 47,873	- 43.0%

4.2.3 Employment opportunities – public and private sectors

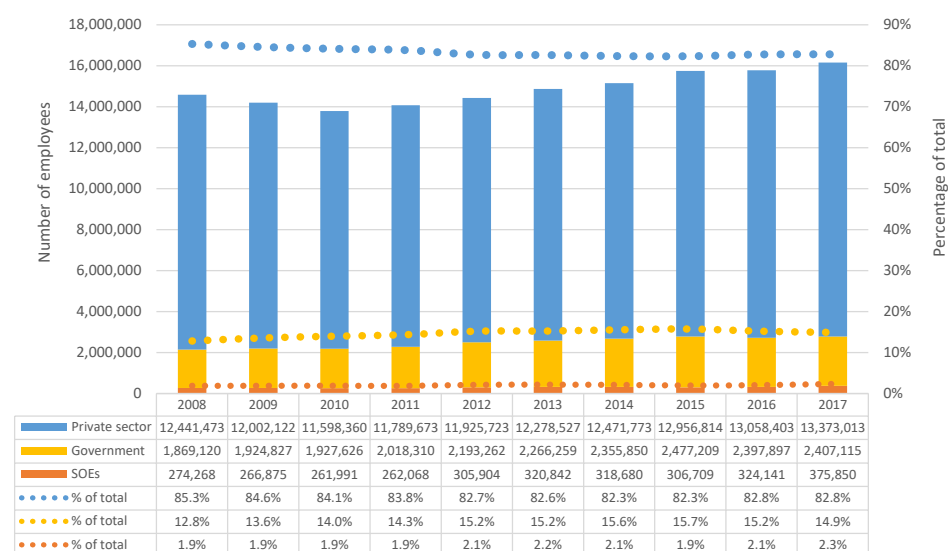
Indicator 15:

Share of private and public sector employment in total employment

Description:

This indicator looks at the share of public sector employment, including employment in state-owned enterprises (SOEs), in total employment. Government includes local, provincial and national government employees.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



Employment in government and SOEs has increased as a percentage of total employment since 2008, with a combined share of 17.2% of all jobs in 2017, while the private sector now employs 82.5% of workers, down from 85.3% in 2008. While some people may argue that public sector employment is too high, in the absence of the increases in public sector employment over the past decade, the unemployment rate would be even higher. The largest increase in employment occurred in the SOEs, whose workforce expanded by 37.0% between 2008 and 2017, followed by a 28.8% increase in government and only a 7.5% increase in employment in the private sector. Nonetheless, the private sector still contributed 59.3% of all new jobs created since 2008, with government providing 34.2% and SOEs 6.5%.

Table 20: Difference in employment in the private sector, government and SOEs, 2008 to 2014

	Difference from 2008 - 2017	Percentage change	Share of jobs created between 2008 - 2017
Private sector	+ 931,540	+ 7.5%	59.3%
Government	+ 537,996	+ 28.8%	34.2%
SOEs	+ 101,582	+ 37.0%	6.5%
Total employment	+ 1,571,118	+ 10.8%	100%

4.2.3 Employment opportunities – public works programmes

Indicator 16a:

Number of work opportunities (WO) created in public works programmes (Expanded Public Works Programme, EPWP)

Description:

Administered by the Department for Public Works, the Expanded Public Works Programme (EPWP) is government's flagship public works and employment programme. Ambitious targets have been set for this programme, including the creation of over 6 million work opportunities between 2014/15 and 2018/19. The programme has been implemented in three phases, starting in 2004/05. Indicator 16a shows how many work opportunities have been created each year across the various implementation areas (infrastructure, environment and culture, social, economic and non-state actors), as well as the cumulative total work opportunities created during each phase. The figures for 2015/16 to 2018/19 are targets rather than audited outcomes.

A key challenge in assessing the performance of the EPWP is the determining the precise definition of a 'work opportunity' (WO). This is because a WO can be anything from a few weeks to a few years employment, and workers can benefit from more than one WO during the course of a year. What the number of WOs created in any given year tells us then is debatable. An increase in WOs could mean that more people benefitted from the programme, for example, or it could mean that more people who were already benefiting were able to exploit more work opportunities than in the previous year. The numbers in Indicator 16a thus have to be read with some caution, as absent of further details provided by the Department of Public Works, it is difficult to know just how to interpret them.

Certainly, the steady increase in the number of WO is welcome. Since its introduction, the EPWP has gone from delivering 223,410 WOs per year to delivering 1,103,983 WOs in 2014/15 (the last year for which there is an audited outcome). The majority of WOs are contributing the maintenance and development of infrastructure, which no doubt has positive spill over effects for the economy. The work being undertaken in the Environment and Culture and Social sectors is also likely to be having positive impacts. The increase in EPWP work opportunities related to non-stage actors requires further investigation to determine what these workers are doing and for whom.

What also needs be further determined is the extent to which an EPWP work opportunity provides skills development and training to enhance the employability of the worker after they have participated in the EPWP.

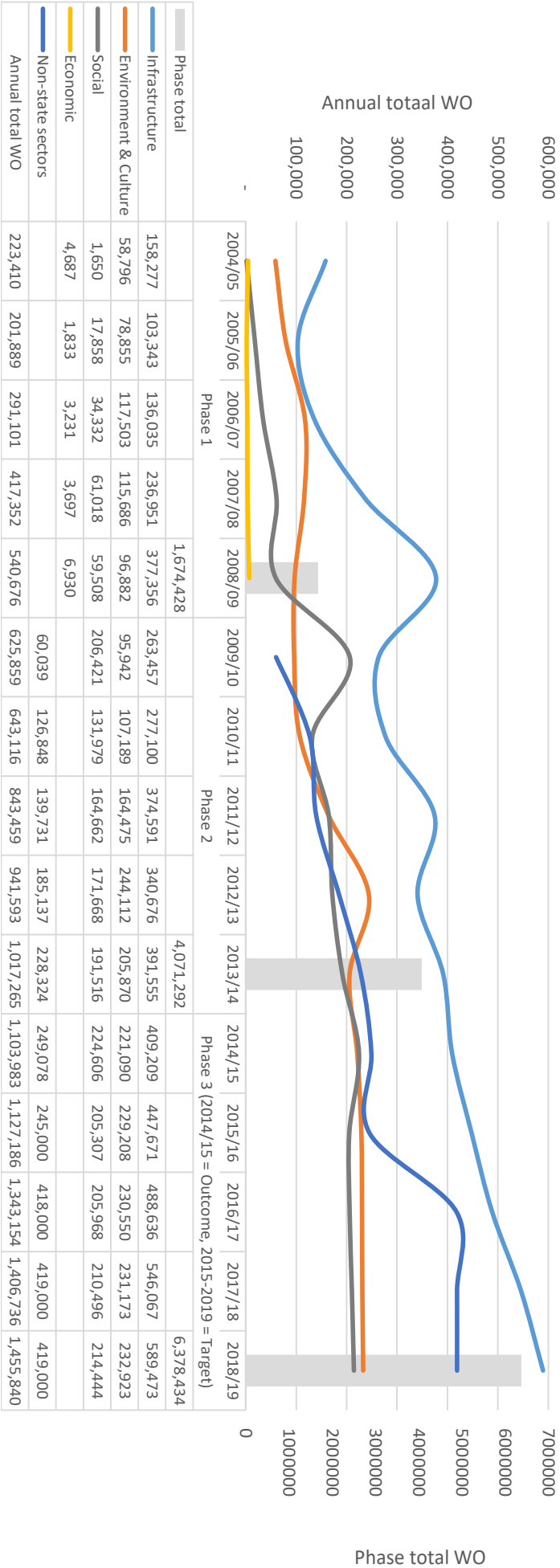
As a purely social safety net intervention, an evaluation of the EPWP (Social Sector) carried out for the government in 2015 found that the stipend paid to EPWP workers, despite being lower than any sectoral minimum wage determination, provides relief from poverty for the workers and their families.³³ However, this was measured by the ability of the stipend to ensure that workers have enough income to move beyond the food poverty line, which means only that they would have enough money to spend on the most basic foodstuffs if no other expenses are accounted for. Therefore, any EPWP workers who rely on the stipend as a main source of income, would still be living in poverty more broadly defined.

In terms of impacts on unemployment, the evaluation found that any impact on unemployment was strongly associated to the extent to which EPWP workers were employed according to the MD, which stipulates minimum stipends, working hours and leave days, among other conditions of employment.³⁴ Those workers who were benefiting from such 'formal' work conditions would also often be employed for longer periods of time, and hence could be said to be enjoying some elements of 'decent work'. However, there is a lack of information on how much such WO provide these kinds of conditions, and how many are temporary work experiences with poor working conditions. Until such information is available, any assessment of the impact of the EPWP on levels of unemployment will be difficult to assess.

One aspect of the EPWP that is performing well is the share of women, youth and people with disabilities in the enjoyment of work opportunities.

³³ Implementation Evaluation of EPWP in the Social Sector: Phase Two (2009/10 – 2013/14), conducted by the Economic Policy Research Institute for the DPME and Department of Social Development, 2015 at 10.

³⁴ Ibid at 10-11.



35 Available at: www.dpme.gov.za/publications/Pages/Reports-and-Other-Information-Products.aspx#.

Table 21: Percentage share of women, youth and people with disabilities in EPWP opportunities, 2015/16 (Department of Public Works, Annual Report 2015/16)

	Percentage share of WO
Women	68.5%
Youth	45.9%
People with disabilities	1.7%

A more accurate measure of the extent to which EPWP is contributing to employment is to convert the number of work opportunities into full-time equivalent (FTE) years of work. An FTE year of work is equivalent to one year's full-time work. On this measure, one can see that a work opportunity does not equate to years full-time employment. In fact, in most provinces, it takes three WOs to create one FTE year of work.

Figure 23: Number of work opportunities and full-time equivalent (FTE) years of work (including training) created per province by the EPWP, 2014/15

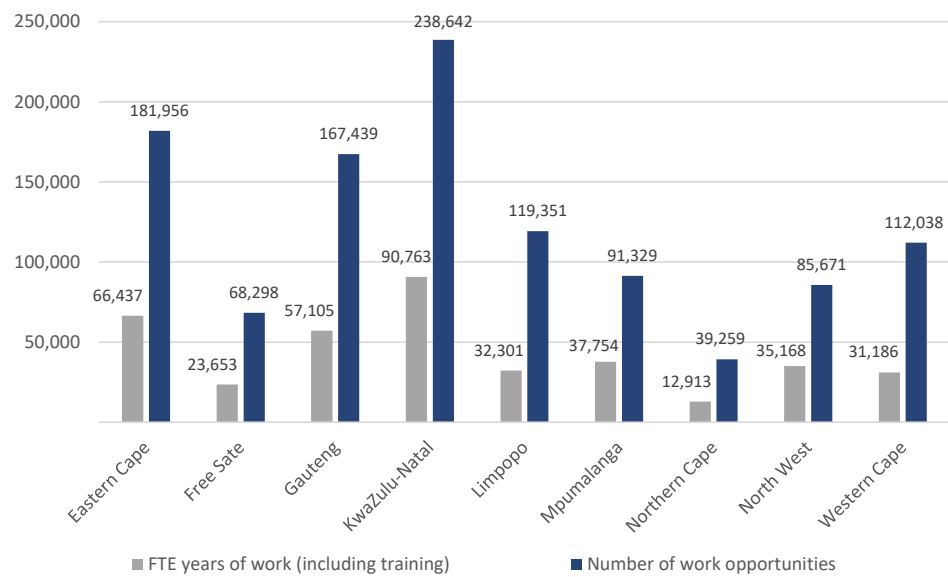


Figure 24: Reach of the EPWP: FTE years of work created and number of work opportunities created as a percentage of each provinces unemployed population, 2014/15 (i.e. the percentage of each provinces unemployed who could potentially benefit from the EPWP work opportunities)³⁶

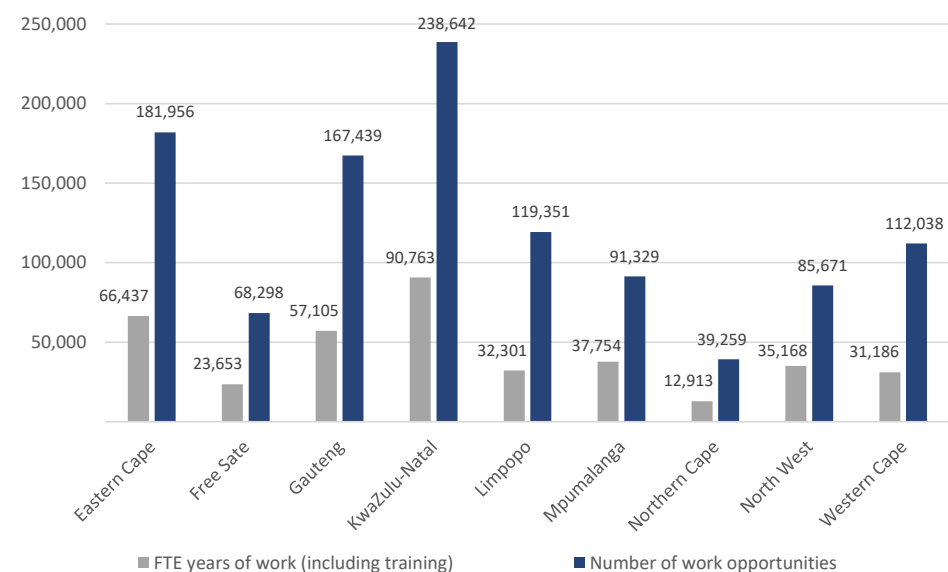


Figure 24 divides the number of FTE years of work and the number of WOs by the number of unemployed people (expanded definition) in each province and the country as a whole. This provides us with a sense of how many unemployed people may stand to benefit from EPWP opportunities. For example, the total number of WOs for the country in 2014/15 equated to 13.1% of the unemployed, meaning that potentially about 1 in 7 unemployed people could benefit from the scheme (if 1 in 7 unemployed people each benefited from one WO). Although this is unlikely to be the case in practice, in the absence of data on how many people actually benefited from WOs, this does give us an idea of the extent to which the EPWP is providing opportunities to unemployed people.

Similarly, when we divide the number of FTE years of work by the total unemployed, we can see that the penetration of the programme in terms of full years of work, is about 4.6% nationally. There is some variation among the provinces, with the Northern Cape and Eastern Cape having more FTE years of work and WOs available for their unemployed populations to exploit than other provinces, with Gauteng having by far the least opportunities available.

Figure 25 below looks at whether the spread of EPWP projects and WOs is roughly aligned to the spread of unemployment among the provinces.

Figure 25: Spread of EPWP projects and work opportunities across the provinces, compared to each provinces share of the total unemployed, 2014/15³⁷

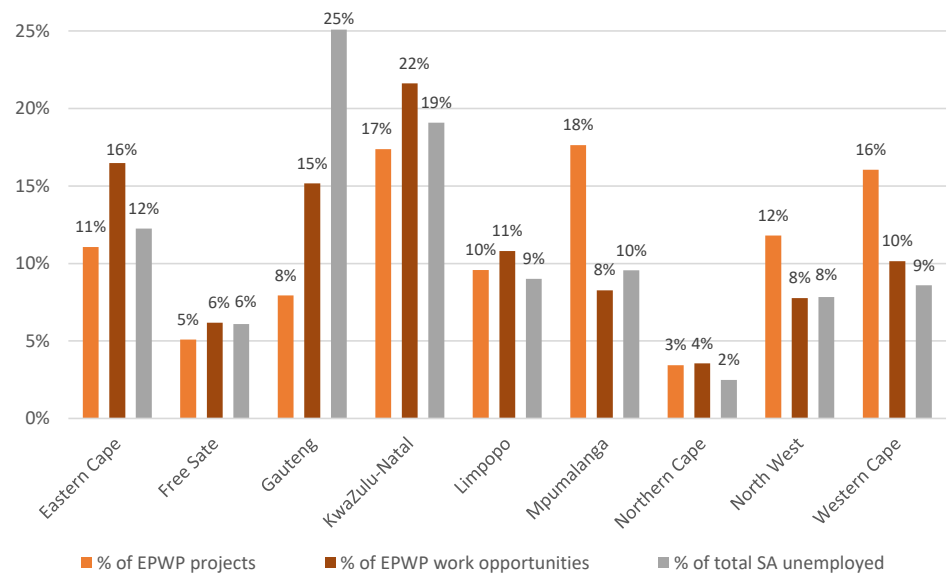


Figure 25 shows that the EPWP could be better aligned to the actual spread of unemployment around the country. This is particularly true of Gauteng Province, which is home to 25% of the nation's unemployed, but had only 8% of EPWP projects and 15% of EPWP WOs in 2014/15, while most other provinces had more projects and WOs than their share of the unemployed.

Indicator 16b:

Number of work opportunities (WO) created in public works programmes (Community Works Programme, CWP), 2009/10 – 2015/16

Description:

The Community Works Programme (CWP) has similar objectives to the EPWP but is run by the Department for Cooperative Governance and Traditional Affairs (CoGTA), and has some differences. In particular, CWP projects are based on work that is identified as being useful and necessary by the community and local municipality which stands to benefit from the intervention. Participants also receive a stipend that is below minimum wage and should be

viewed both as a safety net for the unemployed and an opportunity to gain work exposure, experience and training.

Source: DPME Development Indicators, 2015/16 and CoGTA Annual Reports.

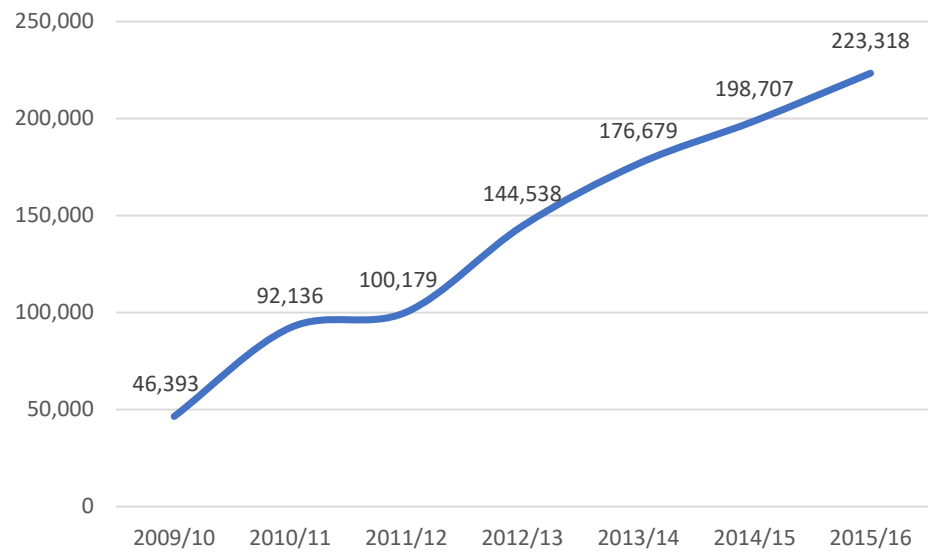
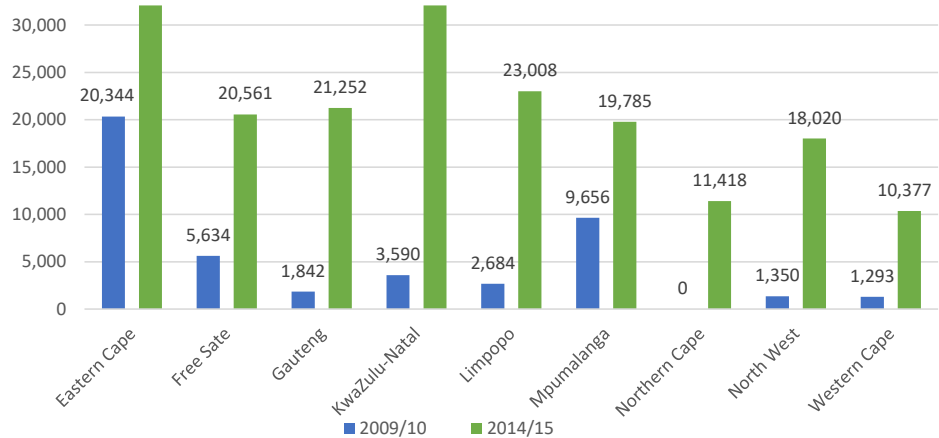


Figure 26: Number of work opportunities created by the CWP per province, 2009/10 and 2014/15



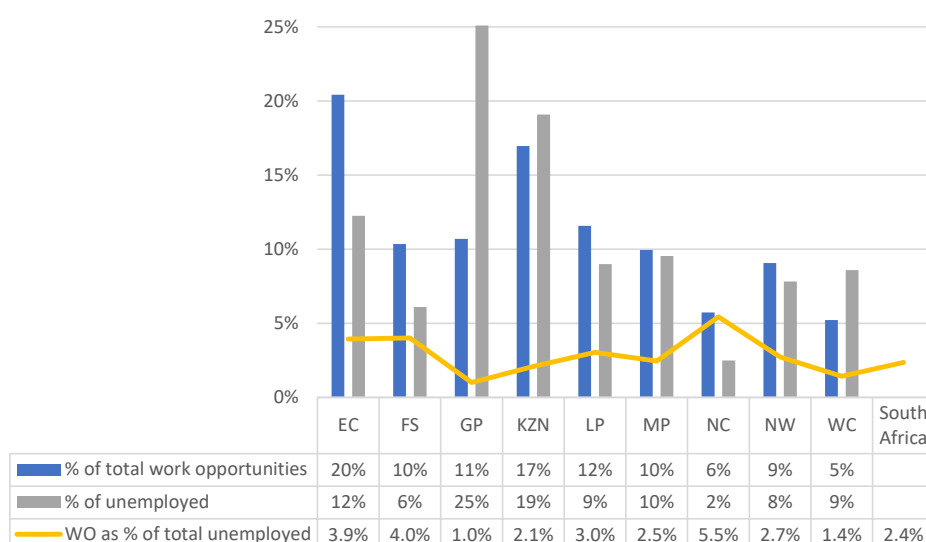
The CWP has been able to increase the number of WOs in the programme consistently each year since its launch, to over 200,000 per year in 2015/16. It is now working with 170 municipalities across the country who are able to implement the programme. Eastern Cape has the largest amount of CWP opportunities, followed by KwaZulu-Natal province.

Table 22: Percentage share of women, youth and people with disabilities (PWD) in CWP opportunities, 2014/15 (DPME Development Indicators, 2015/16)

	2014/15		
	Women	Youth	PWD
Eastern Cape	47%	62%	0.6%
Free State	60%	71%	0.4%
Gauteng	52%	70%	1.0%
KwaZulu-Natal	51%	70%	0.3%
Limpopo	51%	74%	0.5%
Mpumalanga	52%	70%	0.5%
Northern Cape	56%	69%	0.5%
North West	51%	68%	1.8%
Western Cape	52%	64%	1.2%

The majority of CWP participants in 2014/15 were women, with the exception of the Eastern Cape. Moreover, the vast majority (two-thirds in most provinces) of participants were youth. This is an excellent achievement in light of the problem of youth unemployment in the country. Representation of people with disabilities in the programme is also generally high.

Figure 27: Reach of the CWP: Percentage of total work opportunities created in each province compared to each provinces share of total unemployment, and the percentage of each provinces unemployed population who could potentially benefit from CWP work opportunities, 2014/15³⁸



The CWP seems to have been most vigorously implemented in the Eastern Cape, which had 20% of the WOs provided by the CWP in 2014/15. Like the EPWP, Gauteng province had the fewest WOs relative to the size of its unemployed population. This also brings down the national average of WOs available to the number of unemployed people in the country, which stood at 2.4% in 2014/15.

Combined, the WOs afforded by the CWP and EPWP now have the potential to reach around 10% of South Africa's unemployed. This is a credible percentage given that more than 9 million South Africans now lack work. This means that there is a lot of potential for these programmes to be upscaled and improved in order to impact on more lives in a more meaningful way, by providing a safety net against poverty while also providing skills and employment experience and contributing to the development of the country.

As an intervention that can promote the right to decent work, the CWP and EPWP therefore offer much hope and potential.

4.3 Government support for work-seekers

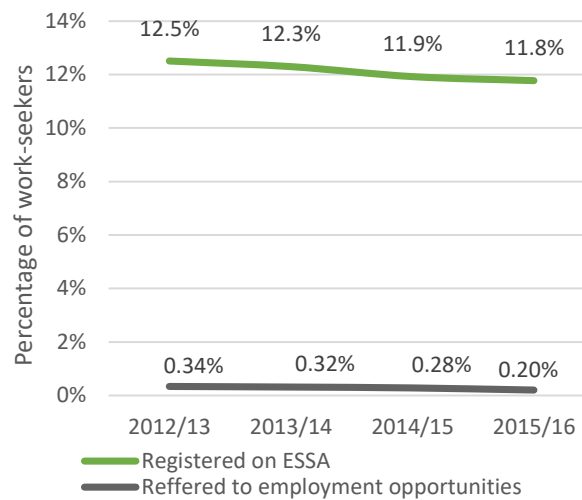
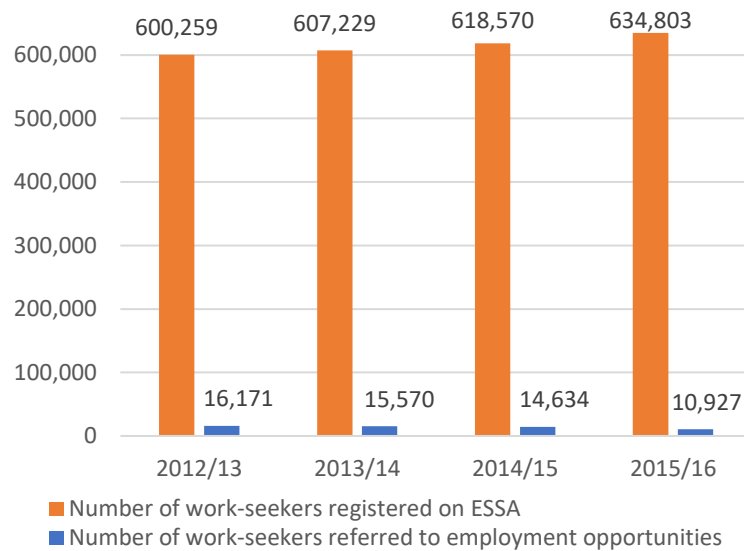
Indicator 17a: Number and percentage of work-seekers registered on government employment services system (ESSA – Employment Services South Africa)

Indicator 17b: Number and percentage of work-seekers referred to registered employment opportunities via ESSA

Indicator 18: Number of work-seekers per employment opportunity registered on ESSA

Description: This indicator looks at the reach of the government's employment services, by comparing the percentage of work-seekers (narrowly defined) who are registered and referred to employment opportunities through this service. It also looks at the number of work-seekers per employment opportunity registered on the employment services system (ESSA), to determine the availability of employment opportunities.

Source: Department of Labour (DoL) Annual Reports, 2012/13 – 2015/16



ESSA is administered by the Department of Labour, with the important goal of assisting work-seekers to find employment opportunities that are relevant to their skills. Employment services are a fundamental part of the government's obligation to ensure access to decent work. Looking for a job increasingly takes time, involving scouring the internet and newspapers for opportunities and tailoring applications based on a curriculum vitae (CV). Governments can provide many kinds of support to work-seekers, such as helping them to write their CV and supporting their search for work as well as training opportunities. It is therefore crucial that government employment services are able to reach as many work-seekers as possible.

Despite a steady increase in the number of work-seekers registered on ESSA, from 600,259 work-seekers in 2012/13 to 634,803 work-seekers by 2015/16, the percentage of the total work-

seekers registered on this system has been falling, from 12.5% in 2012/13 to 11.8% in 2015/16. This means that almost 9 out of 10 work-seekers are not registered and can therefore not benefit from government employment services.

Furthermore, the number of work-seekers who are actually referred to employment opportunities through the government's employment services is very low, and decreasing year on year, from 16,171 work-seekers in 2012/13 to 10,927 work-seekers by 2015/16. This represents a tiny 0.2% of work-seekers nationally who have been referred to employment opportunities by the Department of Labour.

In terms of the registration of employment opportunities on ESSA, this also remains very low. Part of the reason for this is that the Department of Labour only started capturing and registering vacancies that were advertised on the internet in 2015/16. Until then, the Department had only been capturing vacancies advertised in major newspapers. The move towards recognising vacancies advertised online comes many years (at least a decade) after the majority of recruiters began using online services to promote their vacancies. Why it has taken the Department so long to recognise this trend is unclear. To fast-track this process, the Department should establish partnerships with all online recruiters (starting with the largest but also incorporating smaller website) to ensure that their own employment services are able to expose work-seekers to the maximum number of employment opportunities.

Figure 28: Percentage of work-seekers registered on ESSA, per province, 2014/15 and 2015/16³⁹

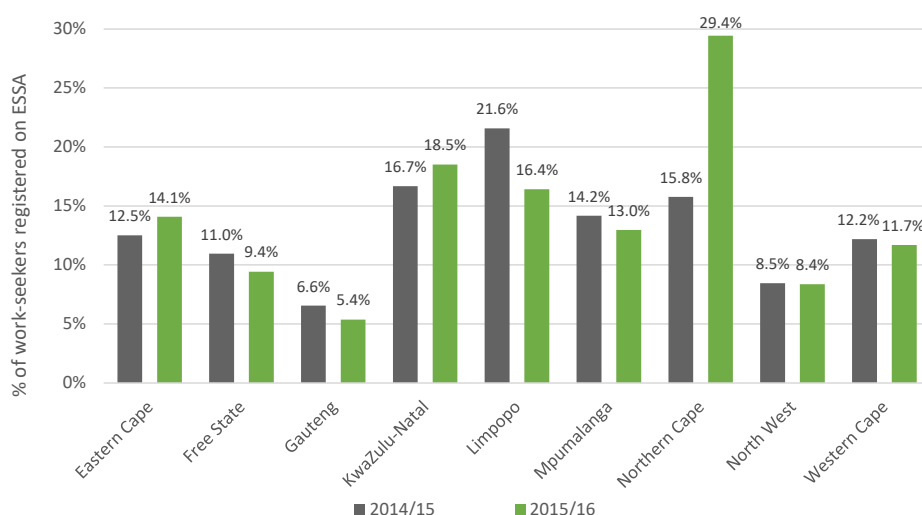
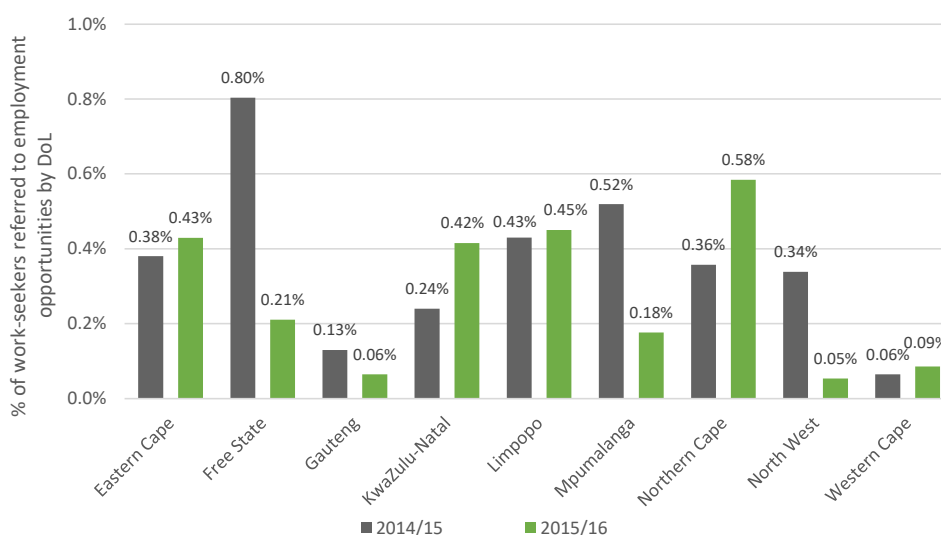


Figure 29: Percentage of work-seekers referred to registered employment opportunities by the DoL via ESSA⁴⁰

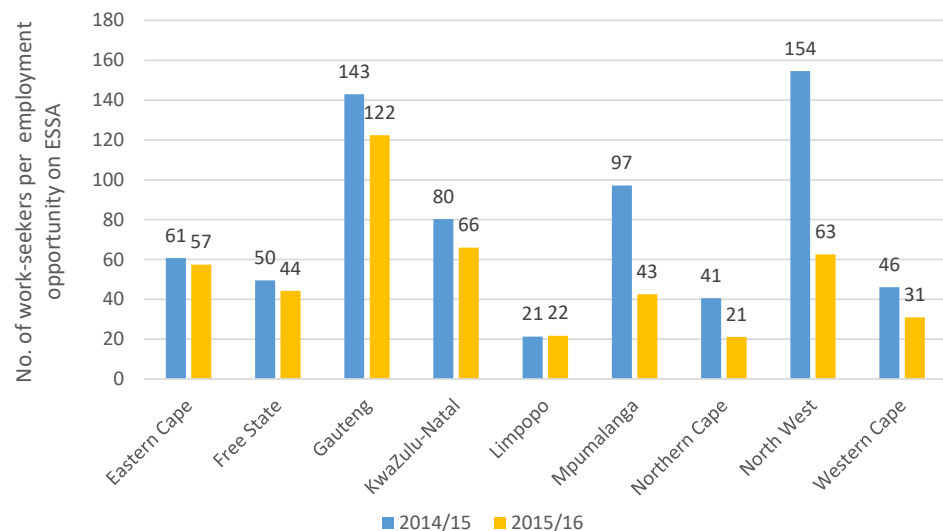


³⁹ DoL, Annual Reports, 2014/15-2015/16
⁴⁰ DoL, Annual Reports, 2014/15-2015/16

At the provincial level, the Northern Cape was outperforming all other provinces in terms of the registration of work-seekers on their system as well as on referral rates, in 2015/16. Almost a third of work-seekers in the Northern Cape are registered on ESSA. Most other provinces have between 10% - 20% of their work-seekers registered on ESSA. However, referral rates are extremely low in every province, as no province has been able to refer more than 0.58% of its unemployed to employment opportunities. Gauteng has both the least of its work-seekers registered on ESSA (at only 5.4%) as well as the lowest referral rate.

Gauteng also had the largest number of work-seekers per employment opportunity registered on ESSA (122 work-seekers per opportunity in 2015/16. Analysis of the ratio of work-seekers to employment opportunities is of course distorted by two factors: the limited amount of online advertised vacancies on ESSA (as previously mentioned), and the fact that this comparison does not refer to whether the employment opportunities in any way match the skill sets of the work-seekers. In reality therefore, there are more employment opportunities available in the country than are registered on ESSA, but at the same time, the number of opportunities available that work-seekers may actually be able to apply for (given their skills sets) is likely to be much lower. This ratio should therefore be seen only as a guide, subject to further information and analysis, of the number of employment opportunities that might be available for any single work-seekers. With an average of 53 work-seekers per vacancy, however, the best possible performance of this system at present would be to help only 1 in every 53 work-seekers (1.9% of the total) finding an employment opportunity to apply for.

Figure 30: Number of work-seekers per employment opportunity registered on ESSA⁴¹



Government therefore needs to take its role as a supporter of work-seekers to find and prepare for employment opportunities much more seriously. Employment services is another area that has the potential be scaled up to meet the demands of work-seekers for support and assistance, which in the absence of a comprehensive approach to this role by the state, greatly outstrips the supply of assistance presently available.

Indicator 19:

Access to the internet at home or at an internet café / educational facility

Description:

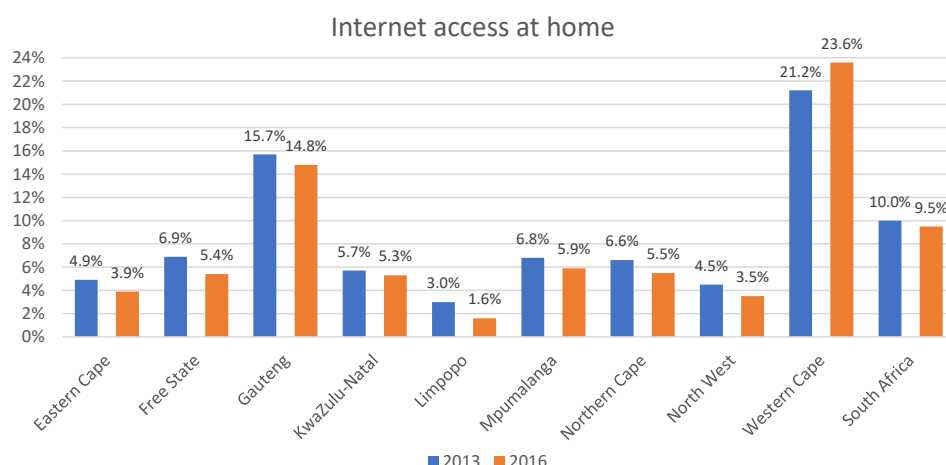
Over the past decade, the internet has increasingly become the main avenue through which people search for source of work and training opportunities. A single online recruitment site (PNet) now has more than three times as many vacancies advertised as all the newspapers in the country put together.⁴² Moreover, work-seekers can use the internet to find out more about the vacancy and the potential employer, get advice on how to improve their CV, qualifications and skills and find information on training and skills development opportunities. The internet has also become central to both basic and higher education. Access to the internet is therefore

⁴¹ DoL, Annual Reports, 2014/15-2015/16

⁴² Own calculations based on figures provided by the Department of Labour in 'Job Opportunities and Unemployment in the South African Labour Market 2015-2016'. Available at: www.labour.gov.za/DOL/documents/annual-reports/annual-reports.

important to work-seekers, with those connected having an immediate upper-hand over those who remain at the wrong end of any 'digital divide'.

Source: Statistics South Africa, General Household Survey, 2013 and 2016



Despite repeated commitments by government to fast-track the roll-out of broadband connectivity and internet access, and the increasing recognition that access to the internet is a basic right because of its central role in modern communications,⁴³ the percentage of South African households reporting that they had access to the internet at home actually declined from 10.0% in 2013 to 9.5% in 2016. This means that 9 out of every 10 South Africans must leave their home in order to get online. However, the situation is much more severe in the rural areas of the country, and in the more rural provinces, where as few as 1.6% of households in Limpopo had access to the internet at home in 2016.

Internet access at internet cafes or educational facilities is therefore crucial to help bridge this divide. Yet, only 1 in 10 households reported that they could access the internet at an internet café or educational facility.

These statistics demonstrate that while the internet has great potential to increase work-seekers access to information and improve learning outcomes for people in education, very few households have internet access. A major effort is going to be necessary from the Department of Communications, in partnership with the private sector, to ensure that internet access is rapidly expanded to the majority of South Africans as soon as possible.

⁴³ Right2Know 'Expanding the right to communicate' 2015. Available at: www.r2k.org.za/wp-content/uploads/R2K-activist-guide-internet-access.pdf.

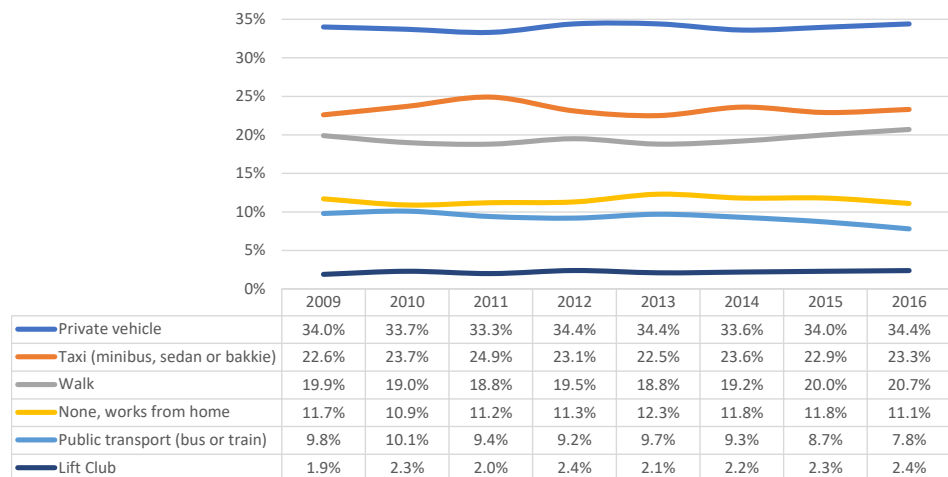
Indicator 20:

Percentage of workers using public transport to get to work

Description:

Safe, convenient and affordable public transport is vitally important for workers in any context. South Africa's racially segregated, highly unequal spatial geography, with often large distances between employment opportunities and the areas where most people live, makes the provision of public transport an even greater necessity, however. Furthermore, low wages further contribute to making transport costs make up an unusually large portion of many worker and work-seekers budget.

Source: Statistics South Africa, General Household Survey, 2009-2016



Between 2009 and 2016, there was a decline in the use of public transport as a means of getting to work, from 9.8% of workers to 7.8% of workers. This is a very low percentage of total workers who are benefiting from public transport (either bus or trains) to get to work. Further complicating South Africa's efforts to improve public transport offering is the widespread use of minibus taxis, which were one of the few areas of the economy where Black South Africans were able to own and grow businesses in the pre-democratic era. Attempts to integrate these services have thus far proved difficult and often futile, as taxi owners use a variety of means (including violence) to hold on to important routes and transport nodes. Yet, while generally affordable, minibus taxis are often unsafe (with a high number of accidents involving minibus taxis recorded every day) and tend to be concentrated along high density routes, with many areas and routes either not covered by these taxis at all. Getting to work via minibus taxi is therefore often takes time, as travellers often need to get one taxi to one node, and then another taxi to their final destination (which may still include a long walk).

Improving public transport options is therefore critical, if the costs (both financial, time and safety) of accessing work are to be lowered for the majority of people.

4.4 Access to education, training and skills development

Access to quality education, training and skills development is a crucial component of improving people's ability to find and secure decent work. This is especially so in the context of a fast-changing economy where the impact of technology in particular is rapidly altering the skill sets that are valued in the economy. At a minimum, workers need to be literate, should have completed a secondary education and had some form of further work-experience, training and/or higher education if they are to stand a good chance of finding work. The following indicators provide a snapshot of whether sufficient education opportunities are available to people, from early child-development onwards.

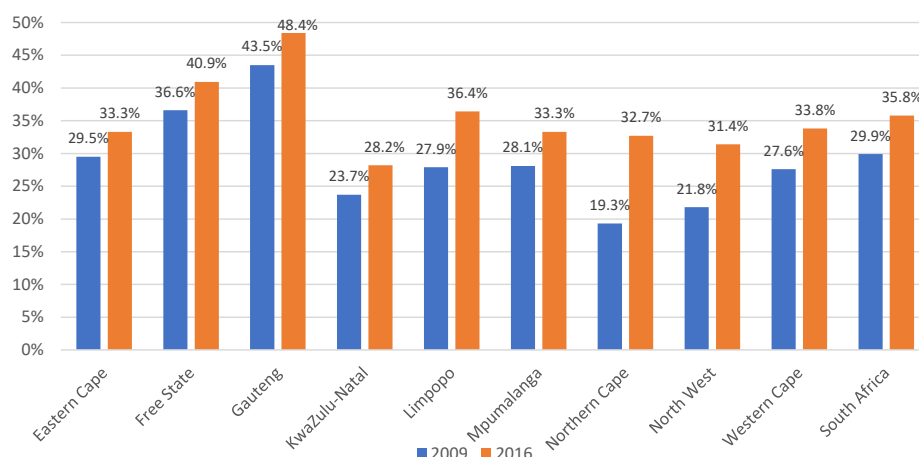
Indicator 21:

Percentage of children aged 0-4 attending an early learning centre

Description:

Access to early childhood development (ECD) has increasingly become seen as an hitherto overlooked part of a child's upbringing that can dramatically improve psychological, social and cognitive development at a crucial stage in a child's life. Improving access to ECD has therefore become a priority for government.

Source: Statistics South Africa, General Household Survey, 2009-2016



From 2009 to 2016, all provinces recorded an increase in the percentage of children attending an early learning centre. While not equivalent to recognised early childhood development, access to an early learning centre is an indicator of how many children have some access to ECD services and facilities. The province where the most children have access to early learning is Gauteng, which almost reached 50% of children by 2016. However, significant improvements in access to early learning have been recorded in many other provinces, particularly Northern Cape and Limpopo.

Nonetheless, more than two thirds of South African children do not have access to early learning and this is a significant marker of inequality of opportunity at the earliest stages of child's life. Much more therefore need to be done to expand access to early learning by the Department of Basic Education and the Department of Social Development, if the majority of South Africa's youngest are to be given the best chance of developing their potential.

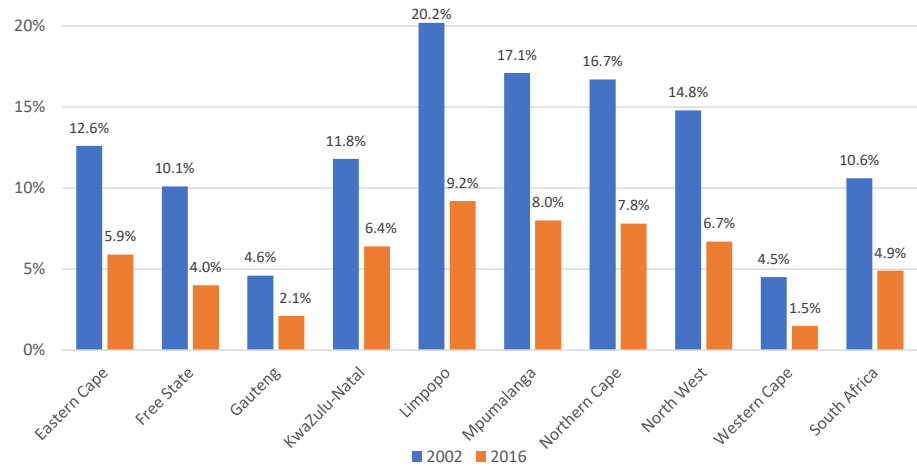
Indicator 22:

Percentage of persons aged 20 years and older with no formal schooling

Description:

Some form of formal schooling is a prerequisite for almost any work opportunity today. Anyone without formal schooling will therefore find it almost impossible to access anything other than the most basic forms of elementary work. This indicator is therefore an important measure of whether South Africans have at least the bare minimum of exposure to education necessary for them to find work.

Source: Statistics South Africa, General Household Survey, 2002-2016



Since the end of apartheid, South Africa has made great strides at expanding a universal curriculum of education that is accessible in public schools across the country, more than two-thirds of which are now free to attend. This has resulted in almost universal enrolment of children in primary school, and as a result, the percentage of South Africans without any formal education has dropped significantly over the past two decades. Since 2002, the number of South Africans aged 20 years and older with no formal schooling has halved, from 10.6% to 4.9% by 2016. The provinces with the highest rates of adults with no formal schooling in 2016 were Limpopo (9.2%), Mpumalanga (8.0%) and Northern Cape (7.8%), yet all of these provinces have reduced their percentages by more than half since 2002. This is an important trend, signalling that the vast majority of South Africans now have access to formal schooling, a basic requirement of almost any work opportunity in the 21st century.

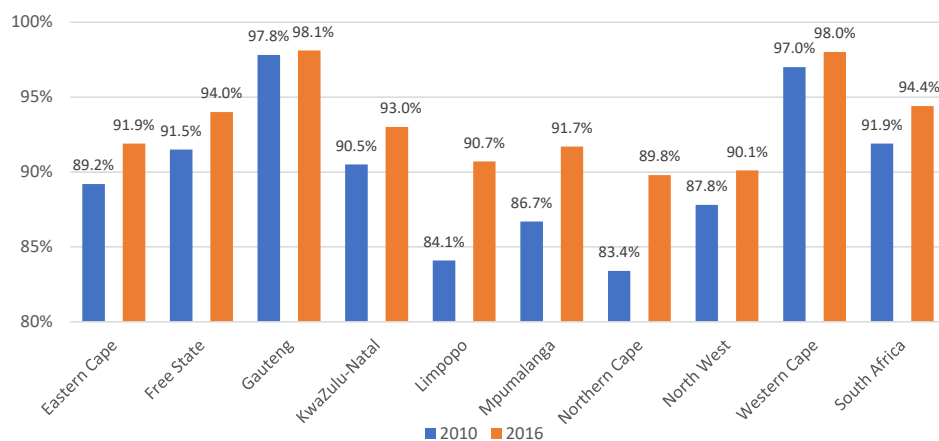
Indicator 23:

Adult literacy rate

Description:

A person is understood to be literate if they have no difficulty reading a newspaper or writing a letter in at least one language.

Source: Statistics South Africa, General Household Survey, 2010-2016



Just as the percentage of people with no formal schooling dropped to below 5% by 2016, the adult literacy rate has increased from 91.9% of South Africans in 2010 to 94.4% of South Africans in 2016. The vast majority of South Africans therefore possess the minimum literacy skills necessary to read a newspaper or write a letter, both of which are essential to making a job application. However, further exposure to the internet would greatly enhance many South Africans ability to search and apply for jobs.

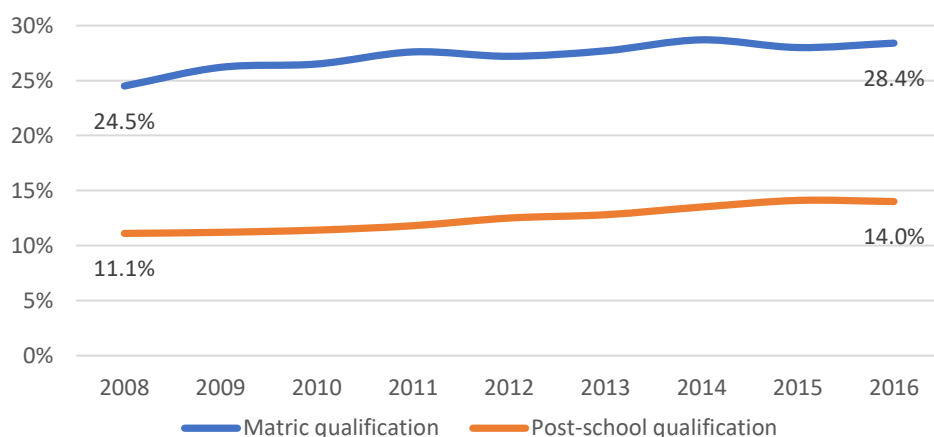
Indicator 24:

Percentage of persons aged 20 years and older with a Matric or post-school qualification

Description:

Some formal schooling is, however, not sufficient for the majority of employment opportunities in the economy today. As the economy becomes more advanced, and the use of technology intensifies, employers increasingly require a Matric or post-school qualification as a minimum requirement for job applicants.

Source: Statistics South Africa, General Household Survey, 2008-2016



The percentage of South Africans with a Matric and/or a post-school qualification has increased steadily since 2008, however, at less than half a percentage point a year, arguably not fast enough. More than two thirds of South Africans still have less than a Matric qualification, and this is likely to be a barrier to decent employment for many. The percentage with a post-school qualification is even lower, at 14%, although this is a requirement for the majority of professional occupations. Unequal access to quality education, which can bring even the most disadvantaged learners through to the completion of their Matric, is therefore a fundamental marker of inequality for the remainder of one's life. It affects not only the ability of someone to find and secure decent work, but also to have the skills necessary (such as through a vocational post-school qualification) to start their own business or engage in some form of productive economic activity that can generate decent income for themselves and their family. Few jobs which require the use of technology will accept applicants without a Matric qualification, yet the majority of jobs are being affected by technology and increasingly require a familiarity with at least basic computer and internet use skills.

Lowering the pre-Matric drop-out rate and increasing the number of learners who achieve a Matric qualification must therefore be an urgent priority for the government, if access to decent work is to be expanded.

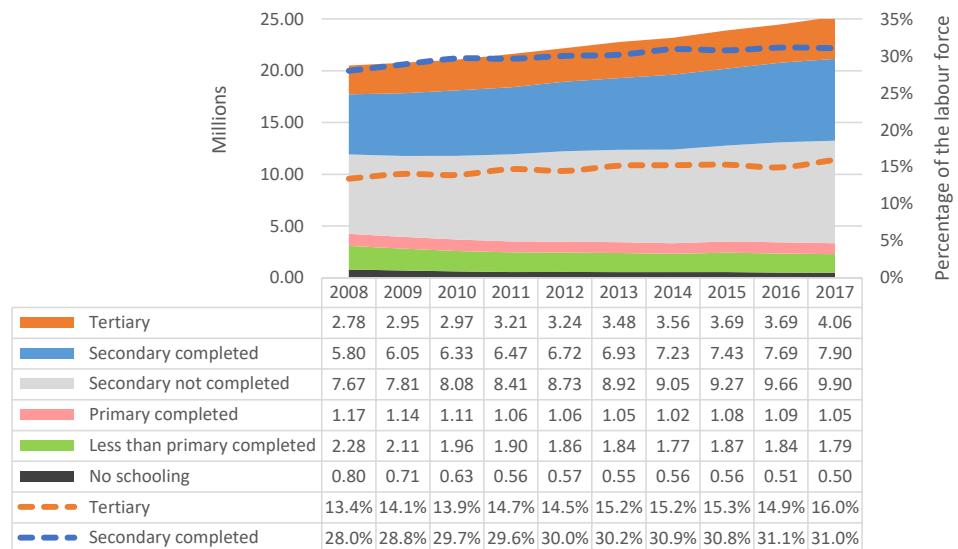
Indicator 25a:

Educational attainment of the labour force (expanded)

Description:

This indicator describes the highest level of educational attainment of people in the expanded labour force, as well as the percentage of the labour force whose highest level of education is the completion of secondary school or tertiary education.

Source: Statistics South Africa, General Household Survey, 2008-2016



The majority of people in the labour force (9.9 million people in 2017) had an incomplete secondary school education as their highest level of education. As discussed above, with an increasing number of jobs requiring a Matric qualification as a minimum requirement, the failure to complete secondary school can become a barrier to employment for many people in the labour force. Fortunately, the next two largest groups are those who have completed secondary school (7.9 million people) – although this doesn't mean they achieved a Matric qualification as it is possible to graduate with other qualifications – and those who have a tertiary education (4.06 million people) – although this also does not mean that they have necessarily achieved a post-school qualification. Those in the labour force with either a completed secondary or a tertiary education are therefore now effectively in the majority (at almost 50% of the total labour force).



In a mirroring trends, the number of people whose highest level of education is an incomplete primary education has been gradually falling, as has the number of people with a complete primary education, and with no formal schooling. Many of those who had formerly no schooling, an incomplete primary education or a complete primary education will now be attending secondary schools, but in many cases, not completing their secondary education.

Table 23: Difference in the highest level of educational attainment of people in the labour force, 2008- 2017

	difference	% change
No schooling	- 305,488	- 38%
Less than primary completed	- 491,354	- 22%
Primary completed	- 112,552	- 10%
Secondary not completed	+ 2,237,271	+ 29%
Secondary completed	+ 2,098,904	+ 36%
Tertiary	+ 1,284,945	+ 46%

Table 23 shows that in fact, the fast growing cohort of the labour force is those who have a tertiary education, followed by those who have completed secondary school. This is an important trend, highlighting overall that South Africans are entering the labour market with higher levels of education than ever before. For many then, the difficulty in finding employment may therefore be more a factor of the lack of jobs in the economy, rather than their ability and willingness to find and engage in productive work.

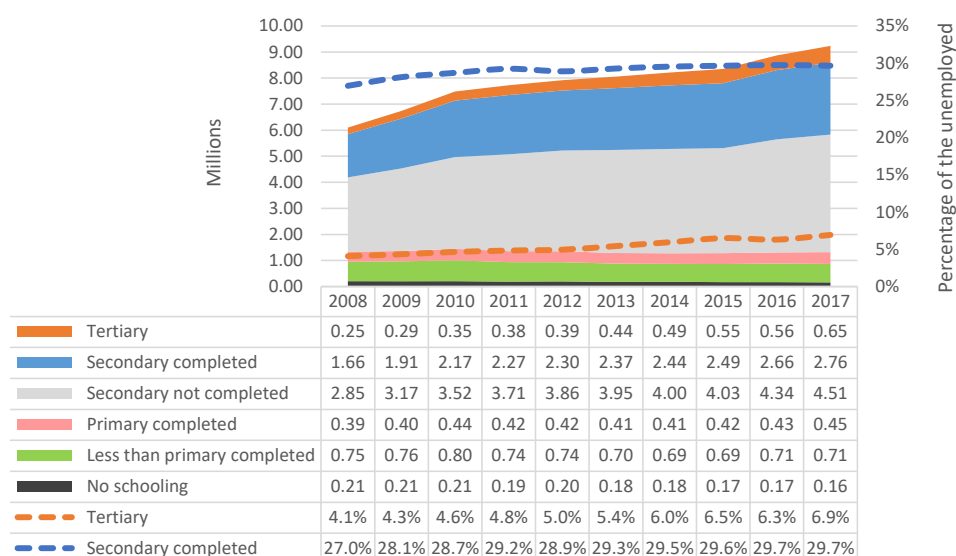
Indicator 25b:

Educational attainment of the unemployed

Description:

This indicator describes the highest level of educational attainment of people who are unemployed (expanded definition), as well as the percentage of the unemployed who's highest level of education is the completion of secondary school, or tertiary education.

Source: Statistics South Africa, General Household Survey, 2008-2016



The vast majority of unemployed South Africans have attended secondary school (78% of the total), but of those, only 38% completed their secondary school education. This means that by far the largest portion of the unemployed have an incomplete secondary education as their highest educational attainment (48.5% of the unemployed, a number which has been growing from 46.3% in 2008). Failure to complete secondary school is therefore one marker of the likelihood of not finding employment. However, almost 1 in 3 unemployed people have completed secondary school, but are still without work.

Table 24: Difference in the highest level of educational attainment of people who are unemployed, 2008-2017

	difference	% change
No schooling	- 45,499	- 22%
Less than primary completed	- 41,596	- 6%
Primary completed	+ 68,974	+ 18%
Secondary not completed	+ 1,660,114	+ 58%
Secondary completed	+ 1,099,411	+ 66%
Tertiary	+ 393,584	+ 157%

The number of unemployed people who have a tertiary education has increased by more than 150% since 2008. Many of these unemployed are likely to be 'new entrants' to the labour market who, despite being among only a small group (less than 5%, see indicator 26 below) of people who have accessed tertiary education, are still nevertheless without employment. The percentage of the unemployed who have a tertiary education has therefore increased from 4.1% in 2008 to 6.9% by 2017. However, this is still a relatively small portion of the total unemployed, who remain by and large comprised of people who have attended, but not completed secondary school.

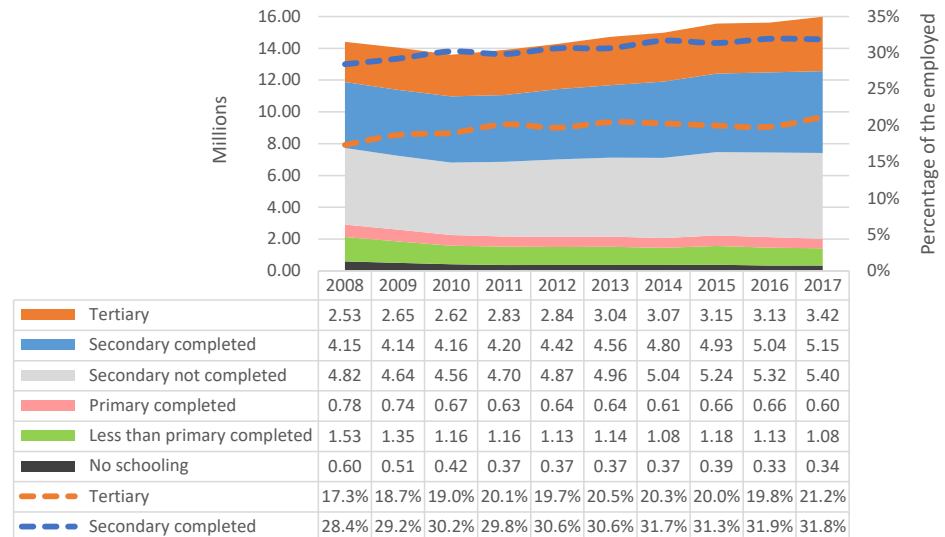
Indicator 25c:

Educational attainment of the employed

Description:

This indicator describes the highest level of educational attainment of people who are employed, as well as the percentage of the employed who's highest level of education is the completion of secondary school, or tertiary education.

Source: Statistics South Africa, General Household Survey, 2008-2016



While those who didn't complete secondary school still comprise 33.4% of the employed, employed people are much more likely to have completed secondary school (31.8% of the total) or have a tertiary education (21.2%) compared to those who are unemployed. This indicates that completing secondary school and / or accessing tertiary education greatly increases ones chances of finding employment.

Table 25: Difference in the highest level of educational attainment of people who are employed, 2008-2017

	difference	% change
No schooling	- 259,989	- 44%
Less than primary completed	- 449,758	- 29%
Primary completed	- 181,526	- 23%
Secondary not completed	+ 577,157	+ 12%
Secondary completed	+ 999,493	+ 24%
Tertiary	+ 891,361	+ 35%

The level of education attainment of the labour force as a whole, but also of unemployed and employed people, has grown higher since 2008, with those with no schooling declining rapidly, and those with a primary or less than primary education also declining, while the number of people attending and completing secondary school, and those accessing tertiary education, have all increased. This is encouraging for the labour force, which is therefore more highly educated than in previous generations. This should be a boost for the economy, which requires increasing numbers of semi and high-skilled workers.

However, questions about the quality of education that is accessible to the majority of South Africans persist. With so few jobs available compared to the growing number of unemployed people, it is those with better educations and higher qualifications that are most likely to access work, now and in the future, making the completion of secondary school in particular vitally important for young South African work-seekers.

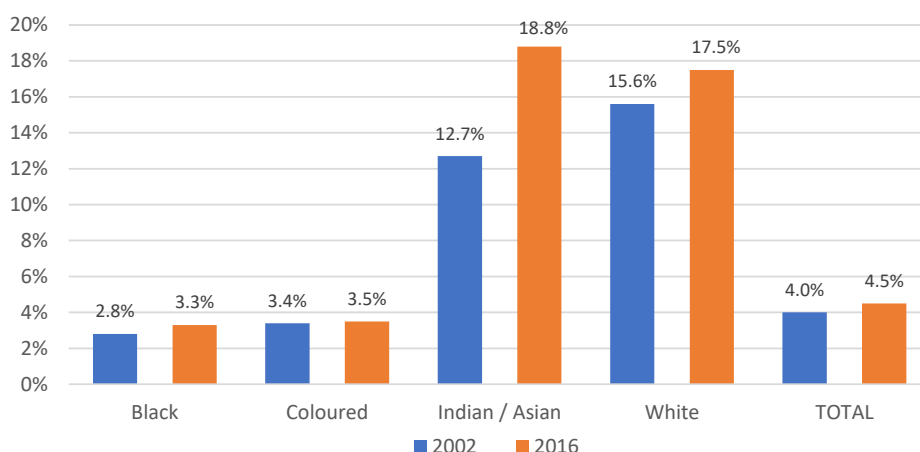
Indicator 26:

Percentage of the 18-29 year old population that is enrolled in higher education institutions

Description:

The General Household Survey asks if any household members are enrolled in a higher education institution. This indicator has been disaggregated by population group in order to assess whether access to higher education has been expanded to historically disadvantaged groups or not, and is therefore a key indicator in the assessment of who is most likely to find decent work in the future.

Source: Statistics South Africa, General Household Survey, 2002-2016



Despite the general expansion higher education since 2002 (and before since 1994) and the steady growth in the number of people with post-school qualifications, access to higher education remains starkly divided along racial lines. In total, only 4.5% of the 18-29 year old population is enrolled in a higher education institution. But Indian/Asian and White South Africans are more than four times more likely to be enrolled than Black and Coloured South Africans. If access to work is to be equalized over time, the proportion of Black and Coloured South Africans who are attending higher education institutions will have to increase dramatically. This will require removing barriers that continue to impact upon Black and Coloured students

(and poorer students generally) ability to access higher education, including fees and other expenses related to successfully completing a course of higher education.

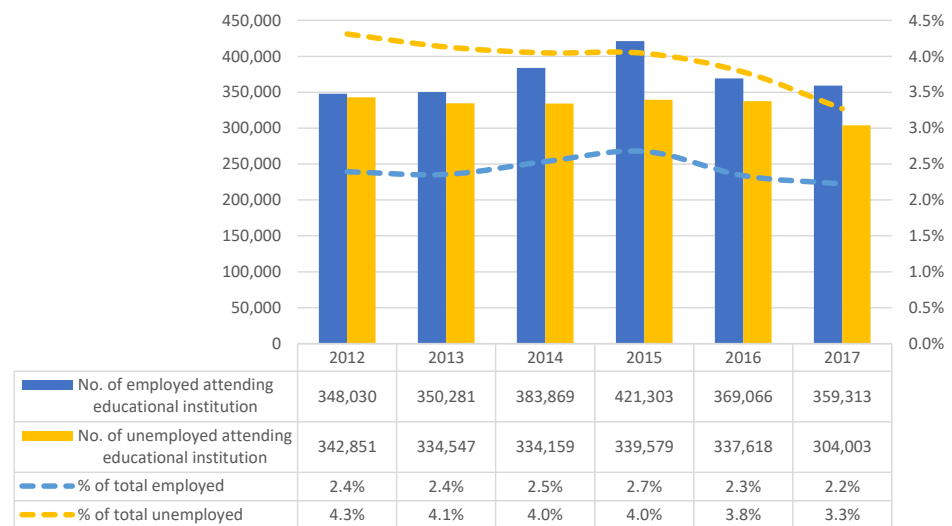
Indicator 27:

Number and percentage of the employed and unemployed attending an education institution

Description:

A key element of ensuring that workers have the opportunity to adjust and improve their skills in a fast-changing economy, is their ability to access education and training throughout their working lives. This indicator tracks the number and percentage of the employed and unemployed who are attending an educational institution, and is therefore a useful marker of the extent to which the concept of 'lifelong learning' is a reality for people in the labour force.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2012-2017



Indicator 27 shows that very few people who are employed or unemployed are accessing education through an educational institution. Indeed, fewer unemployed people were attending an educational institution in 2017 than in 2012, while only slightly more employed people were. The percentage of employed people attending an educational institution has nevertheless declined from an already small starting point of 2.4% in 2012 to 2.2% in 2017. A slightly higher percentage of the unemployed is attending an educational institution, but this has also declined, from 4.3% in 2012 to 3.3% in 2017. Clearly, the concept of lifelong learning, at least as it applies to attendance at an educational institution, remains out of reach of the vast majority of the employed and the unemployed. An expansion of adult education and training opportunities (including through the SETA system (the Skills, Education and Training Authorities), which receive billions of Rand in funding through the Skills Development Levy), is necessary to increase the number of people in the labour force who have the opportunity to improve their skills and education.

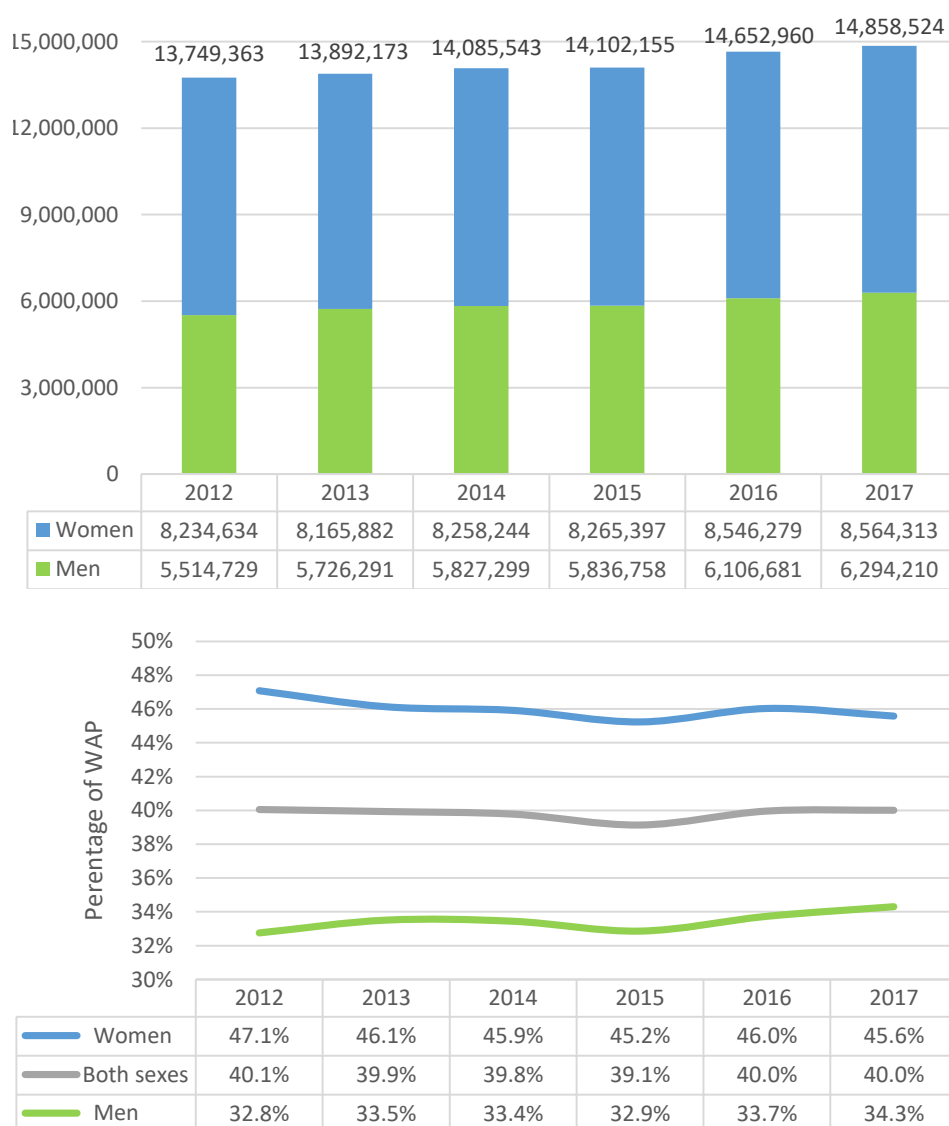
Indicator 28:

Number and percentage of the working-age population not in employment and not in education

Description:

Perhaps the worst position for a working-age person to be in is not in employment and also not in education. Ideally, those who are unemployed would have access to a range of educational opportunities which would enable them to improve their skills and qualifications in order to facilitate their re-entry to work. This indicator assesses the extent to which the working-age population as a whole is neither benefiting from employment or from education.

Source: Statistics South Africa, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2



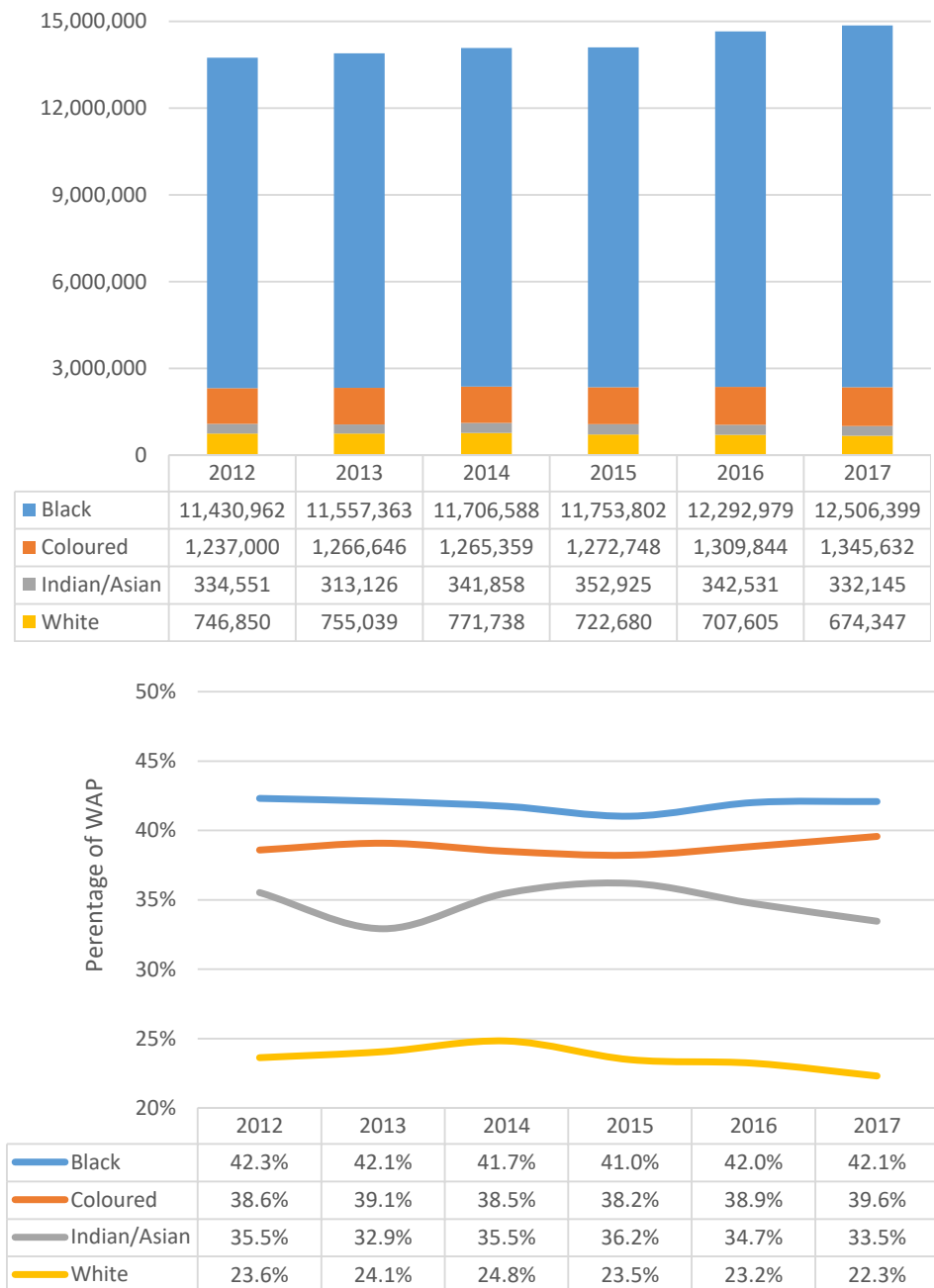
The number of people not in employment or education has increased by 8.1% since 2012, to a total of 14.9 million people, or 40.0% of the working-age population. This percentage has remained stubbornly high over a long period of time, and reflects the dearth of work and education opportunities available to people. Notably, women are more likely than men to be not in education or training, although men are catching up in this regard.

Table 26: Difference in the number of working-age people not in employment & not in education

	Difference from 2012 to 2017	Percentage change
Women	+ 329,679	+ 4.0%
Men	+ 779,481	+ 14.1%
Total	+ 1,109,161	+ 8.1%

Figure 31 below looks at the number and percentage of people in different population groups that are out of employment and education.

Figure 31: Not in employment and not in education, by population group, 2012-2017⁴⁴



While the number and proportion of Indian/Asian and White South Africans not in employment and not in education has reduced since 2012, an almost identical proportion of the Black population and an increasing number of the Coloured population is in this position. As of 2017, about 4 out of every 10 Black and Coloured South Africans were not in employment or education, compared to 3 out of every 10 Indian/Asian and 2 out of every 10 White South Africans. This is yet another market of the impact of past racial policies and the difficulty experienced in reversing these outcomes since the democratic transition. It is particularly disappointing to note that the fastest rate of growth of people not in employment and not in education has been among the Black and Coloured groups, who were already the most likely to be in this position. Only the White population group has experienced a decrease in its working-age population that is not in employment or education.

Table 27: Difference in the number of working-age people in each population group that are not in employment and not in education, 2012-2017

	Difference from 2012 to 2017	Percentage change
Black	+ 1,075,437	+ 9.4%
Coloured	+ 108,632	+ 8.8%
Indian/Asian	- 2,406	- 0.7%
White	- 72,503	- 9.7%

Table 28 looks at this indicator at a provincial level, with the provinces ranked in order from the most to the least proportion of their populations that is not in employment or education.

Table 28: Not in employment and not in education, by province, 2012-2017⁴⁵

	2012		2017		Difference	Percentage change
	No. of working-age people NEE	Share of provincial population	No. of working-age people NEE	Share of provincial population		
Northern Cape	321,238	43.4%	384,002	49.0%	+ 62,765	+ 19.5%
Eastern Cape	1,875,403	46.7%	1,937,242	46.3%	+ 61,839	+ 3.3%
North West	1,065,613	46.2%	1,129,343	45.1%	+ 63,730	+ 6.0%
KwaZulu-Natal	2,758,177	42.8%	3,039,859	44.2%	+ 281,682	+ 10.2%
Free State	789,910	43.1%	793,183	42.0%	+ 3,272	+ 0.4%
Mpumalanga	1,083,125	41.5%	1,163,835	40.9%	+ 80,711	+ 7.5%
Limpopo	1,386,564	40.9%	1,458,683	39.7%	+ 72,120	+ 5.2%
Gauteng	3,028,276	33.8%	3,475,379	35.0%	+ 447,103	+ 14.8%
Western Cape	1,441,057	35.8%	1,476,997	33.2%	+ 35,940	+ 2.5%

The Northern Cape has the largest share of its working-age population that is not in employment and not in education, at almost 50%. However, Gauteng province, while having the second lowest proportion of its population in this position, has seen the second sharpest rise of people not in employment or education since 2012, of 14.8%. The other province to have seen the share of its working-age population not in employment and not in education increase by more than 10% since 2012 is KwaZulu-Natal.

45 StatsSA, QLFS, 2012-2017.



CHAPTER 5

Adequacy indicators

Adequacy indicators focus on whether people are enjoying rights at work, and are broken up into seven areas:

- **Labour administration** indicators look at the extent to which government authorities mandated to protect and fulfil labour rights and labour relations are undertaking their mandates effectively.
- **Stability and security at work** indicators look at whether workers enjoy a stable and secure working life, by looking at what kinds of contracts workers have and their status of employment, for example.
- **Employment equity** indicators consider whether historically disadvantaged people designated by the Constitution have experienced improving opportunities and outcomes in terms of their representation in various positions in the work-force.
- **Adequate and equitable earnings** indicators continue from employment equity indicators but with a focus on the relative earnings over time of women, men, population groups and earnings bands.
- **Freedom of association and collective bargaining rights (FACB)** indicators look at membership of trade unions and the percentage of employees whose rights at work are determined by their employer only, or by various forms of collective bargaining, as well as how South Africa compares to other countries in terms of its protection and promotion of FACB rights at work.
- **Social security** indicators look at the number and percentage of workers who have access to various forms of social security, including unemployment insurance and entitlements to paid leave.

5.1 Labour administration

Indicator 29: Number of labour inspectors per 10,000 employees

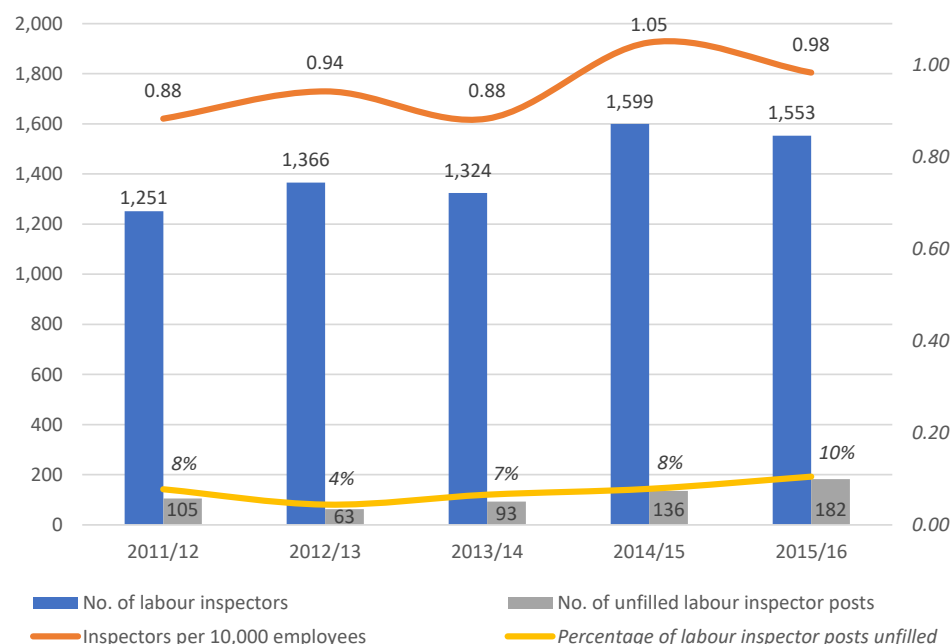
Indicator 30:

Number of unfilled labour inspector posts

Description:

The Department of Labour has a central role to play in the development and enforcement of compliance with decent working conditions. Labour inspectors are a particularly important part of the compliance process, and when operating effectively, can have a great impact on the promotion and enjoyment of decent work. Having at least 1 labour inspector per 10,000 employees is considered to be good practice by the ILO. In order to reach and maintain this level of inspectors, it is crucial that labour inspector vacancies are filled. Indicators 29 and 30 assess whether South Africa has achieved these targets.

Source: Department of Labour Annual Reports, 2011/12 – 2015/16



After a mixed performance between 2011/12 and 2013/14, the Department of Labour increased the number of labour inspectors in 2014/15 to slightly more than 1 inspector per 10,000 employees. However, since 2012/13 there have been a rising number of unfilled labour inspector posts, reaching 10% of the total number of allocated posts by 2015/16. As a result, there were slightly less than 1 inspector per 10,000 employees in 2015/16. The Department entered 2016/17 with 182 labour inspector posts to fill, and it is hoped that a substantial number of these will have been filled during the course of that year so that the Department can better fulfil its labour inspection mandate.

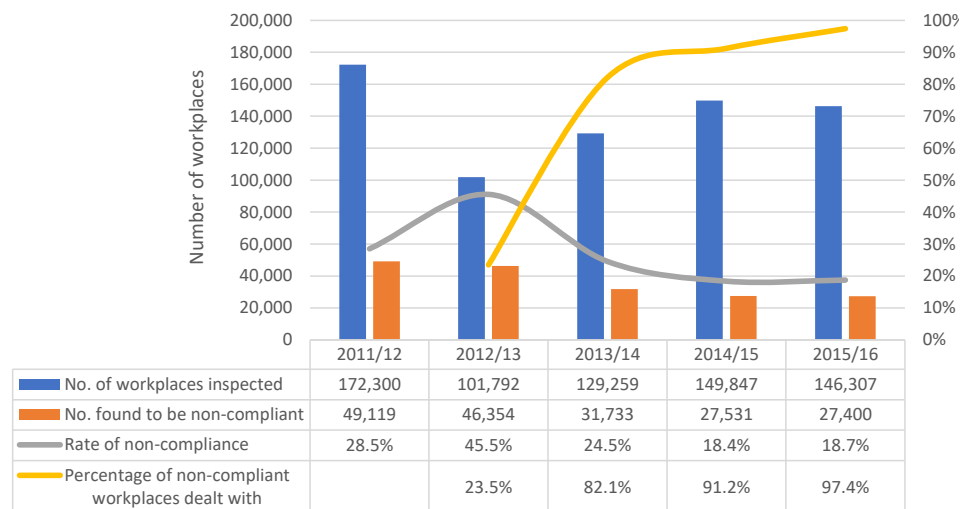
Indicator 31:

Number of workplaces inspected per year for compliance with labour legislation, the compliance rate, and the percentage of non-compliant workplaces dealt with in terms of labour legislation

Description:

Indicator 31 assesses the number of workplaces inspected per year for compliance with various labour legislation, including the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, the Occupational Health and Safety Act and the Unemployment Insurance Fund Act. We also look at the compliance rate of employers with this legislation, and the percentage of non-compliant employers that were dealt with in terms of the relevant legislation. This indicator therefore gives a broad picture of the extent to which rights to decent work are implemented by employers and protected and promoted by the Department of Labour.

Basic Conditions of Employment Act and the Labour Relations Act



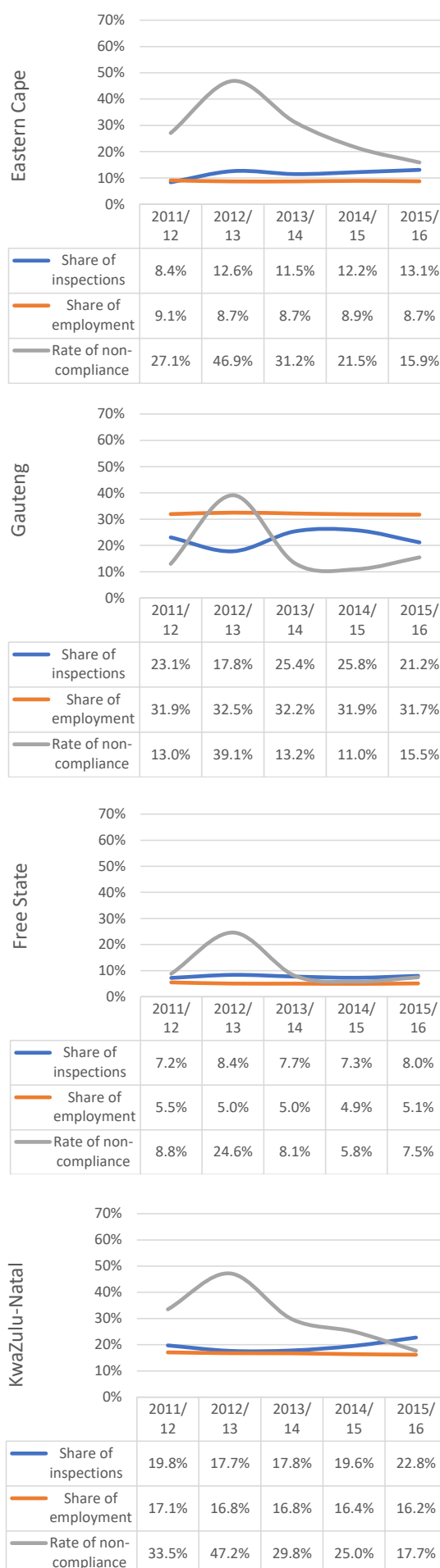
Most of the Department's labour inspections check for compliance with the Basic Conditions of Employment Act and the Labour Relations Act, the two pieces of legislation which give broad recognition for a number of fundamental workplace rights, including protections against unemployment and rights to various forms of paid leave. The number of workplaces inspected for compliance with these key pieces of labour legislation was highest in 2011/12 and has declined since then. After a very sharp decline in the number of inspections in 2012/13, the number of inspections picked up until 2014/15, and then dropped slightly again in 2015/16.

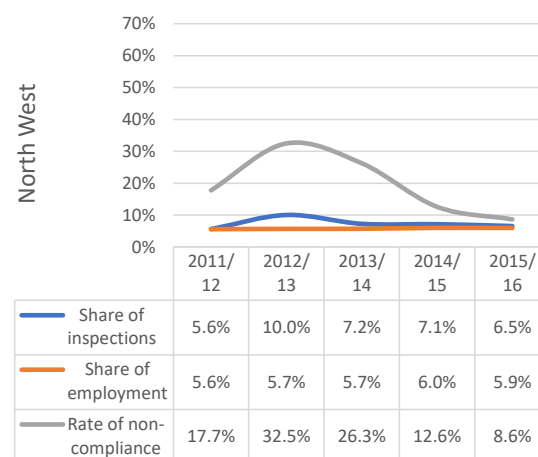
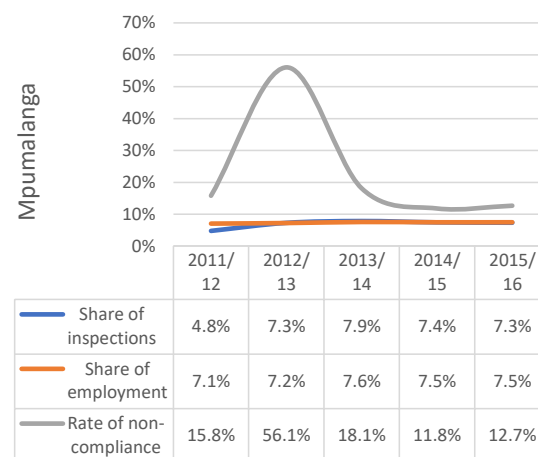
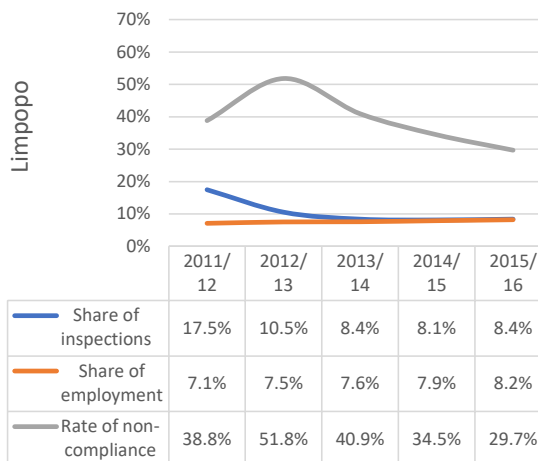
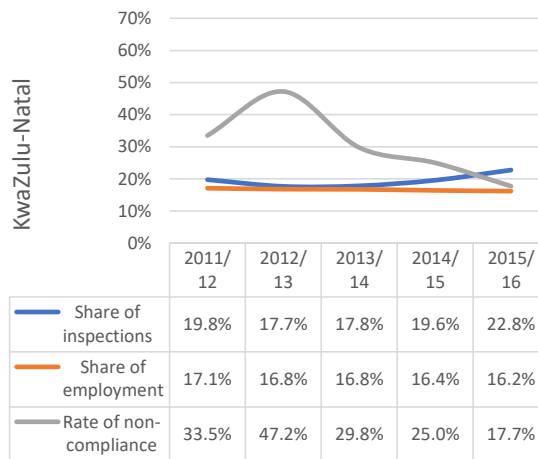
During the same period, the number of workplaces found to be non-compliant with this legislation declined, from 49,119 in 2011/12 to 27,400 in 2015/16, with a rate of non-compliance just above 18% in both 2014/15 and 2015/16. As well as recording the lowest number of inspection in 2012/13, the Department also only dealt with 23.5% of non-compliant workplaces during that year. The percentage of non-compliant workplaces dealt with by the Department in terms of the relevant legislation then increased rapidly to 82.1% in 2013/14 and to 97.4% in 2015/16 (although it should be noted that less employers have been found to be non-compliant during these years).

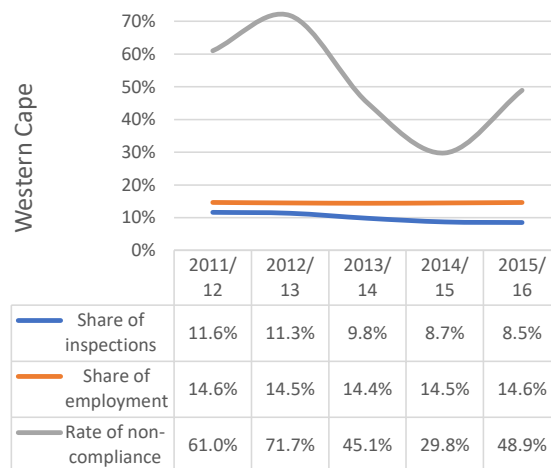
It is hard to determine whether the decrease in the number of workplaces found to be non-compliant is a result of employers increasing the level of protection of employees rights, perhaps as a result of past action by the Department of Labour to promote greater compliance, or if the reduced number of inspections by the Department has resulted in less non-compliant workplaces being found and dealt with. The Department of Labour was asked and invited on several occasions to participate in and provide information to the research for this paper, but did not do so.

The Department has offices around the country and in every province, who carry out labour inspections in their jurisdictions. Figure 32 examines whether each provinces share of inspections correlates to its share of employment, and thus provides an indication both of the extent to which labour inspections are happening in roughly equal measure to the number of employees and employers in each province, as well as the performance of provincial offices of the Department. The figures also include the rate of non-compliance of employers with labour legislation in each province.

Figure 32: Share of inspections compared to the share of employment in each province, and the rate of non-compliance, 2011/12 – 2015/16





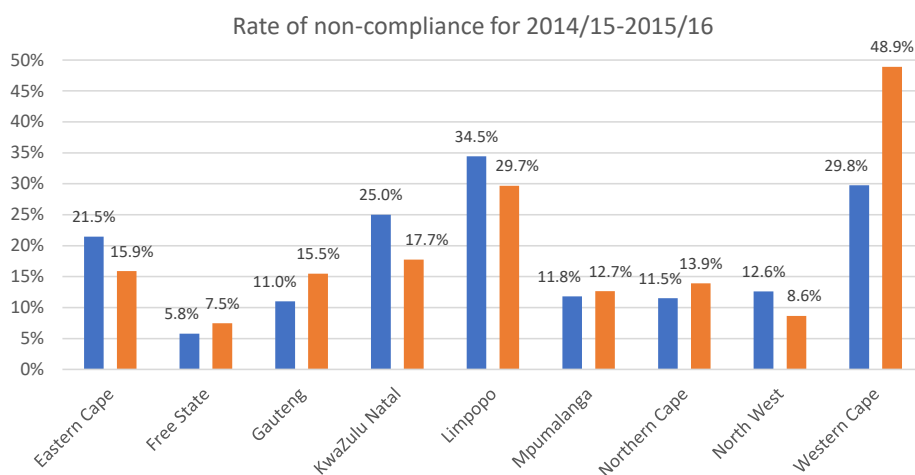


Only Gauteng and the Western Cape had less inspections than their share of total employment. All other provinces had either a proportional amount of inspections compared to their number of workers, or more inspections than their share of employment.

The Western Cape has consistently had the highest rate of non-compliance with labour legislation, in all of the years under review except for 2014/15, when Limpopo had the highest rate. As many as 61.0% of Western Cape employers in 2011/12 and 71.7% of employers in 2012/13 failed to comply with key labour legislation. Although compliance improved in 2014/15, the Western Cape still had the second highest rate of non-compliance in that year, and in 2015/16, the rate of non-compliance increased again to almost 50%.

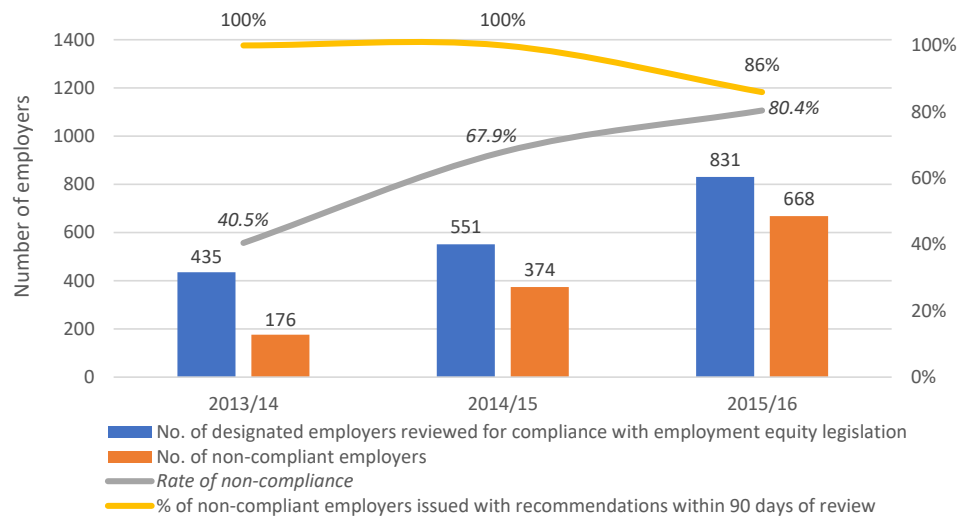
At the opposite end of the scale, Free State has consistently had the lowest rate of non-compliance, with a low of only 5.8% of employers being found to be non-compliant with labour legislation in 2014/15, and 5.1% in 2015/16.

Figure 33: Rate of non-compliance with labour legislation, per province, 2014/15 – 2015/16



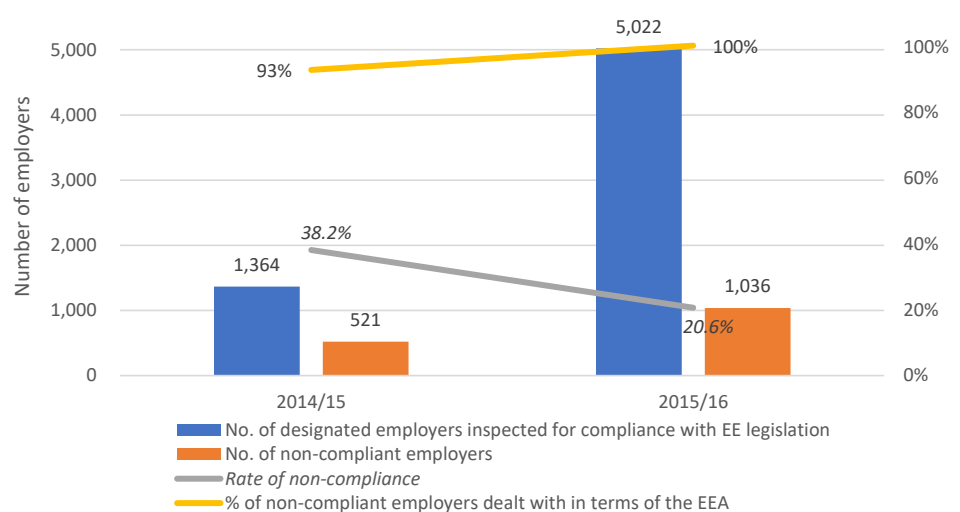
5.1.1 Employment Equity Act

Figure 34: Number of designated employers reviewed for compliance with the Employment Equity Act, the compliance rate, and the percentage of non-compliant employers issued with recommendations within 90 days



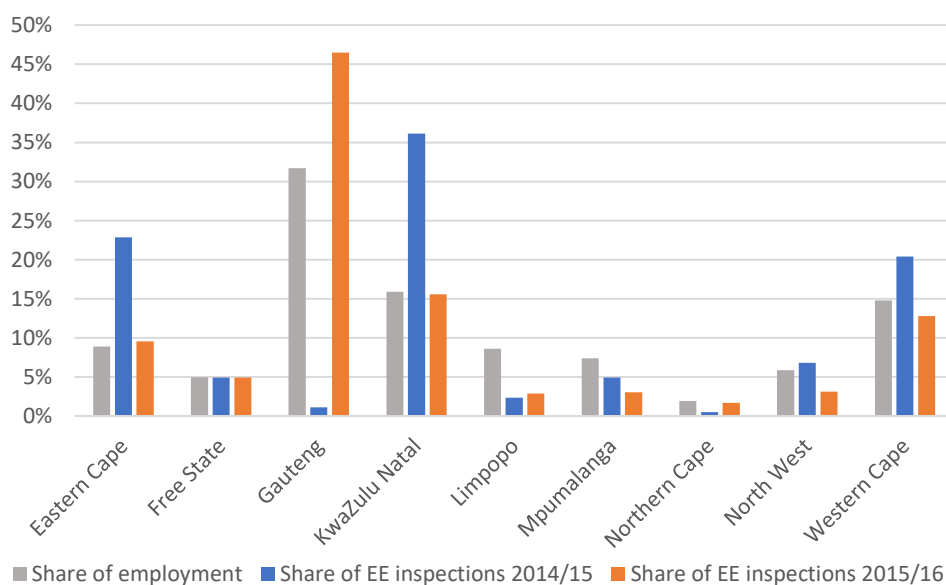
While the rate of non-compliance with the Basic Conditions and Labour Relations legislation has steadily declined since 2012/13, non-compliance with the Employment Equity Act (EEA) has increased for employers that were reviewed during this period. Since 2013/14, the number of designated employers reviewed for compliance with the EEA has almost doubled, from 435 in 2013/14 to 831 in 2015/16. The increase in the number of reviews undertaken has also led to an almost four-fold increase number of employers found to be non-compliant, from just 176 in 2013/14 to 668 in 2015/16. The rate of non-compliance with the EEA after a review by the Department has also increased, from 40.5% to 67.9% to 80.4% by 2015/16. This high level of non-compliance by employers with the EEA is cause for great concern, given the lack of transformation in terms of representation of designated groups in senior and top management positions, as our employment equity indicators demonstrate.

Figure 35: Number of designated employers inspected for compliance with the Employment Equity Act, the compliance rate, and the percentage of non-compliant employers dealt with in terms of the Act



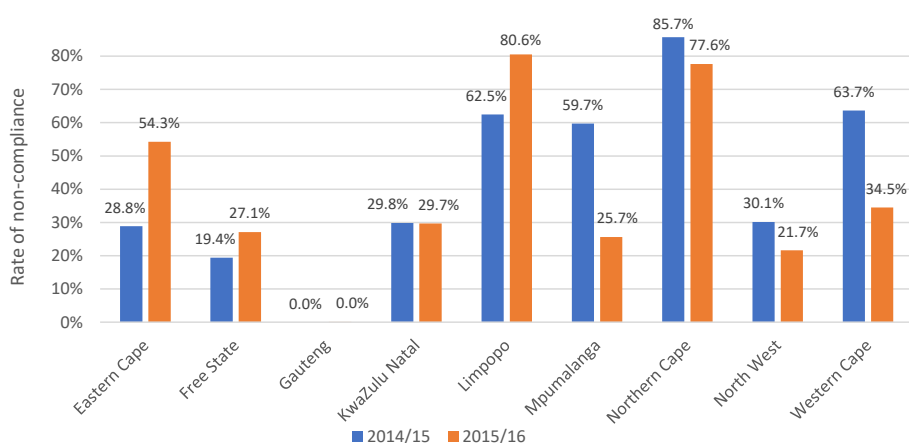
As well as reviewing the Employment Equity Reports of designated employers, the Department also conducts inspections which provide an opportunity to delve deeper into employers' compliance with the EEA. The number of such inspections increased by four times between 2014/15 and 2015/16, resulting in the number of employers found to be non-compliance doubling from 521 to 1,036. The Department dealt with 100% of non-compliant employers in 2015/16 which means that the rate of non-compliance should continue to drop in 2016/17.

Figure 36: Share of inspections compared to the share of employment in each province, and the rate of non-compliance, 2014/15 – 2015-16



Employers in Gauteng received the vast majority of EEA inspections in 2015/16, after receiving very few inspections the previous year, making the share of inspections across the provinces much closer aligned to the spread of employment across the country.

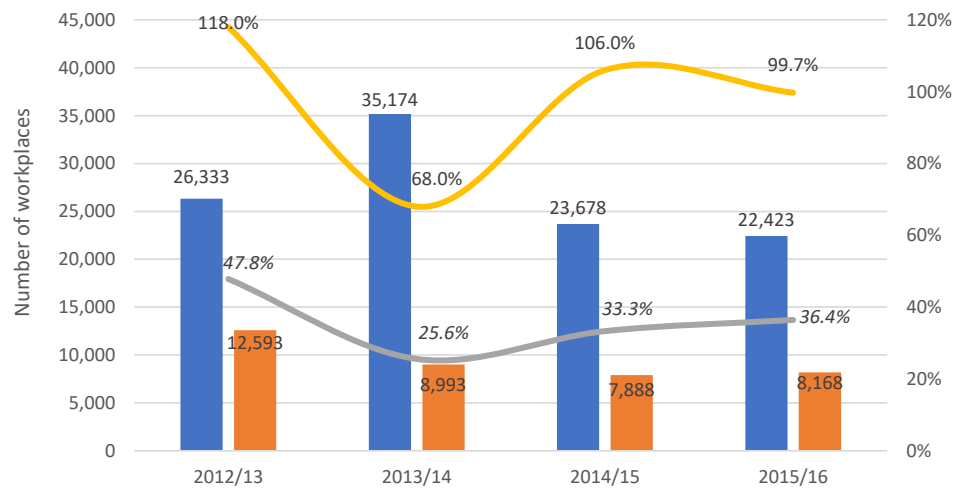
Figure 37: Rate of non-compliance per province, 2014/15 – 2015/16



Limpopo and Northern Cape had by far the highest rates of non-compliance with employment equity legislation in 2015/16, while the Western Cape also had a high rate of non-compliance in 2014/15, but improved its compliance rate the following year. Non-compliance increased substantially in the Eastern Cape while remaining at 0% in Gauteng two years in a row, despite the increased number of inspections in that province.

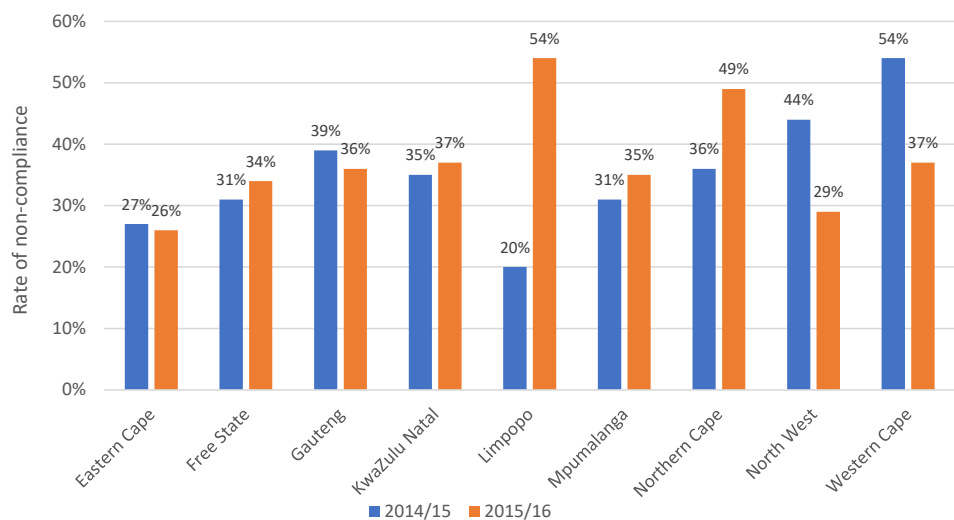
5.1.2 Occupational Health and Safety Act

Figure 38: Number of designated employers inspected for compliance with the Occupational Health and Safety Act, the compliance rate, and the percentage of non-compliant employers dealt with in terms of the Act



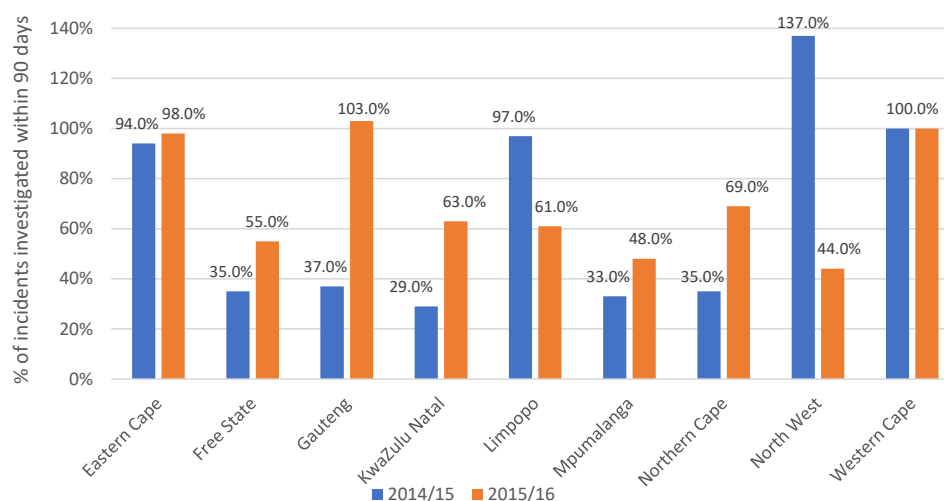
The number of employers inspected for compliance with the Occupational Health and Safety Act (OHSa) was at a four-year low in 2015/16, at 22,423 employers. The rate of non-compliance has varied from a high of 47.8% in 2012/13 to 36.4% in 2015/16. This remains a relatively high number of employers that are not complying with the act. The Department dealt with all (or almost all) non-compliant employers in every year under review except for 2013/14, when only 68% of non-compliant employers were dealt with in terms of the legislation.

Figure 39: Rate of non-compliance per province, 2014/15 – 2015/16



As with the rate of non-compliance with the EEA, Limpopo and Northern Cape had the highest rates of non-compliance with the OHSa in 2015/16. Eastern Cape had the lowest rate and North West and Western Cape were able to reduce their non-compliance rates significantly in 2015/16. Around a third of employers in most other provinces failed to comply with the OHSa upon inspection.

Figure 40: Percentage of reported incidents investigated within 90 days, per province

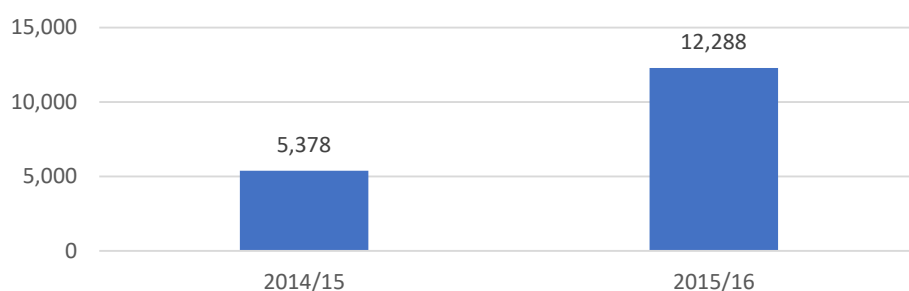


It is critical that the Department respond appropriately and within prescribed timeframes to health and safety incidents that occur at workplaces. The target in this regard is to respond within 90 days. This target was met or almost met in the Eastern Cape, Gauteng and Western Cape in 2015/16, but no other province managed to respond to such incidents within 90 days more than 70% of the time. The worst performer in this regard was the North West, despite a solid performance on this indicator the previous year. In Mpumalanga, less than half of reported incidents were responded to within the 90 day timeframe.

5.1.3 Unemployment Insurance Fund Act

The Unemployment Insurance Fund Act (UIF) relies on contributions from employers who are registered with the Department. It is therefore critical to the operation of the Fund that all eligible employers are registered and paying UIF on behalf of their employees. Employer payroll audits help the Department to monitor and enforce this legislation. In 2015/16, the number of employer payroll audits by the Department of Labour more than doubled to 12,288, a sign that the Department is committed to improving the percentage of employers who are paying UIF as required by the legislation.

Figure 41: Number of employer payroll audits conducted to determine employers contribution to the UIF



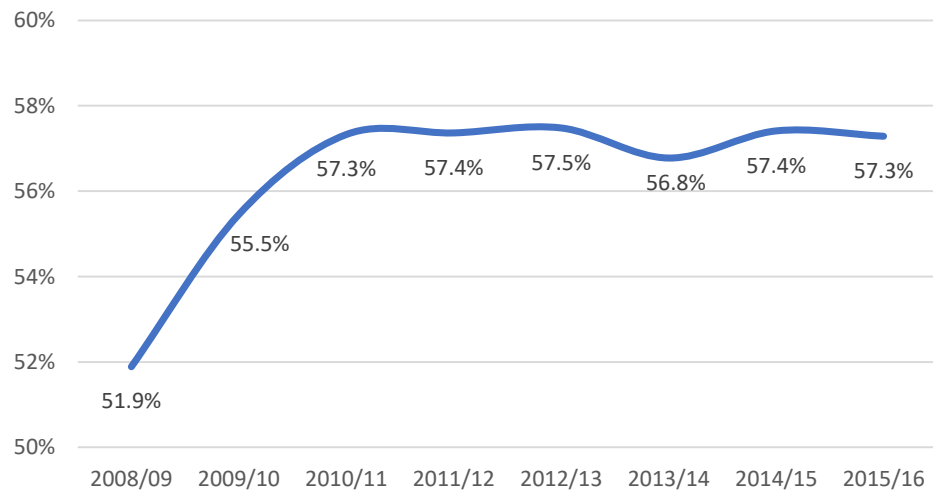
Indicator 32:

Percentage of the employed registered for UIF

Description:

With such high unemployment rates, it is critical that all employers who are eligible for UIF contributions make those contributions so that all unemployed people who are eligible for benefits through the fund can access those benefits.

Source: Department of Labour, Annual Reports 2008/09 – 2015/16



Between 2008/09 and 2015/16, the percentage of the employed registered for UIF through their employer increased from 51.9% to 57.3%. However, after a large increase until 2010/11, the percentage of employees registered with the fund has not increased any further, meaning that more than 4 out of every 10 employees is not registered and therefore cannot benefit from any unemployment insurance.

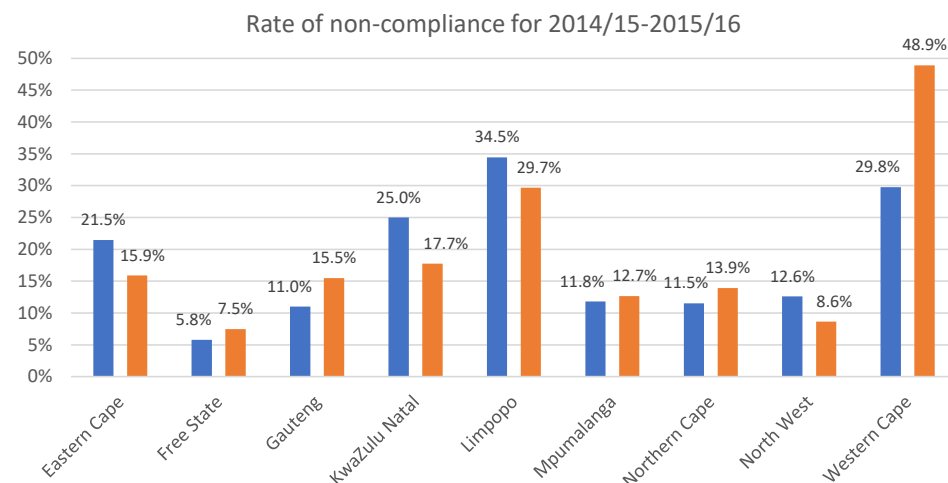
Indicator 33:

Percentage of UIF claims processed within 5 weeks

Description:

If those who are subjected to unemployment are to avoid the worst impacts of their loss of income, it is critical that those who are registered with the UIF receive their benefits timeously. This indicator therefore tracks the percentage of UIF claims that are processed within the maximum 5 week target timeframe.

Source: Department of Labour Annual Reports, 2008/09 – 2015/16



From only 51.5% of UIF claims being processed within 5 weeks in 2009/10, the Department of Labour has improved its performance significantly in recent years, with 90% of claims processed within 5 weeks in 2014/15. This is an important achievement which should be reflected in a lowering of the target timeframe now to 4 weeks, so that more newly unemployed people can be assured of their unemployment benefits within a timeous period after becoming unemployed.

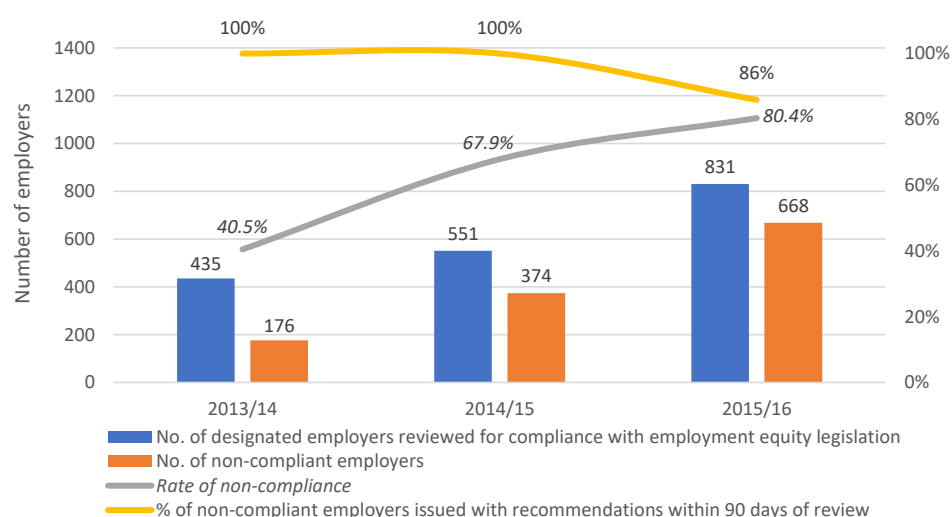
Indicator 34:

Number of complaints submitted by workers referred to the CCMA annually, the proportion that were settled, and the percentage of settlements that included a return to work for the affected employee

Description:

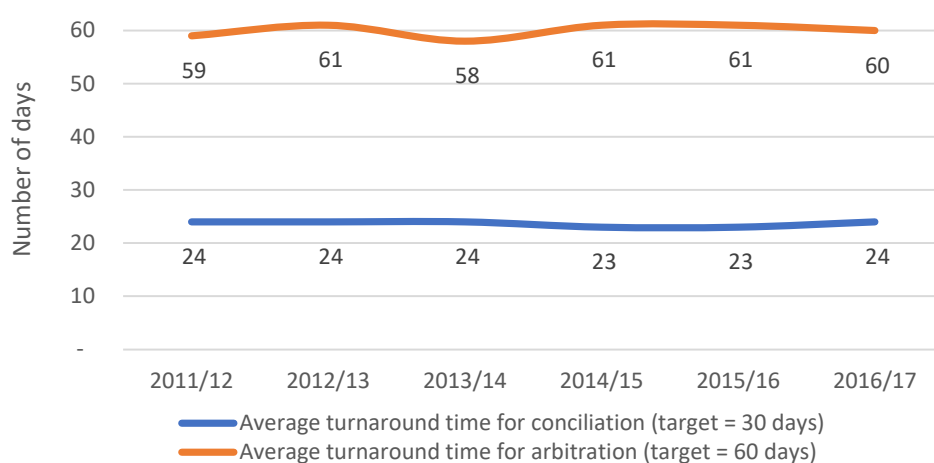
The CCMA plays an vital role in the labour relations of South Africa. By hearing and mediating complaints and disputes between employees and employers, including in relation to all of the legislation mentioned in indicator 31, the CCMA is able to 'level the playing field' and ensure that in as many cases as possible, the rights of both employees and employers are protected and enforced. The settlement rate indicates the percentage of disputes which were settled after conciliation, mediation or arbitration was conducted by the CCMA. The return to work index measures the percentage of employees who, after having their disputes heard by the CCMA, received a settlement that included a right to return to work with their employer (many of these cases would therefore have been in relation to unfair dismissal).

Source: Commission for Conciliation, Mediation and Arbitration (CCMA), Annual Reports, 2013-2017



The number of employee-employer disputes referred to the CCMA has increased every year since 2011/12, reflecting the difficult labour market and labour relations conditions over the past several years. The CCMA now hears more than 700 referral cases every single working day, which has put significant pressures on the capacity of the Commission deal with every case appropriately. Despite this, the Commission has maintained a settlement rate of around 75% since 2013/14 and a right to return to work was achieved in around 15% of those settlements.

Figure 42: Average turnaround time for conciliation and arbitration



The CCMA is required to respond and deal with the referrals it receives timeously, with a target turnaround time for conciliations of 30 days and of 60 days for more complex arbitrations. The target for conciliations has been consistently met by the Commission, despite the increase in the number of cases, while the arbitration turnaround time has been close to or just above the 60 day target since 2011/12.

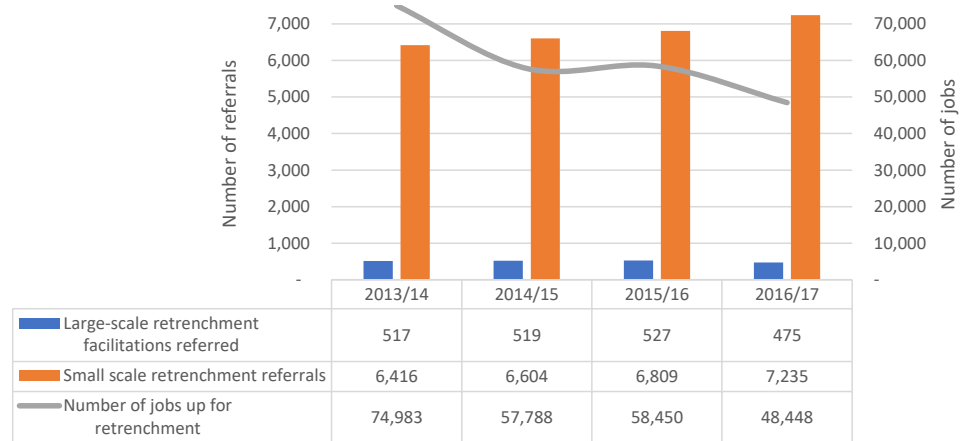
Indicator 35a:

Number of retrenchments handled by the CCMA

Description:

Dealing with retrenchments is a core function of the CCMA, and presents perhaps its biggest opportunity to ensuring that workers' rights are respected and upheld during difficult retrenchment processes. It also presents an opportunity, through skills mediation and arbitration, to find solutions with employers that allow jobs to be saved. This role has become all the more critical as more and more workers have joined the ranks of the unemployed in recent years.

Source: Commission for Conciliation, Mediation and Arbitration (CCMA), Annual Reports, 2013-2017



Tracking the number of retrenchments over time (and the number of jobs affected by those retrenchments) provides a picture of the state of the labour market. Since 2013/14, the number of both large-scale and small-scale retrenchments has increased every year. The number of jobs affected by these retrenchments has reduced however from a high of 74,983 jobs in 2013/14 to 48,448 jobs in 2016/17. This is still a large number of jobs however, affecting many more family members and dependents who rely on the income from the employed person.

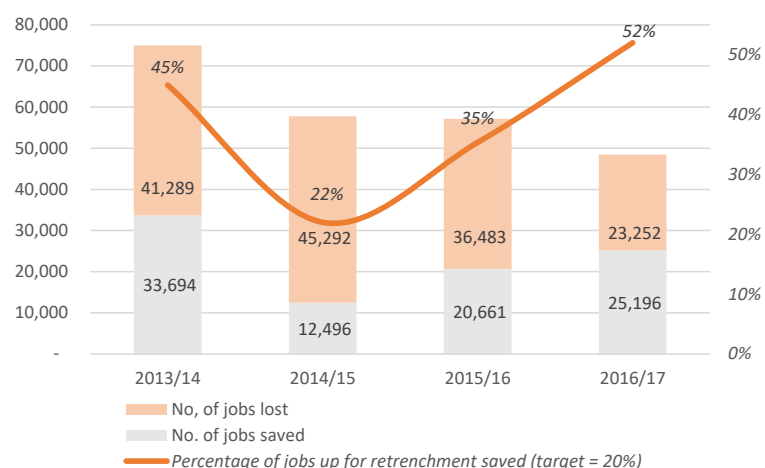
Indicator 35b:

Number and percentage of jobs saved

Description:

The CCMA has a target of saving 20% or more of the jobs that would otherwise be lost due to retrenchment. The ability of the CCMA to meet or exceed this target therefore has an important impact on the livelihoods of many workers and their dependents.

The CCMA has met or exceeded this 20% target every year since 2013/14, with more than 50% of jobs threatened by retrenchment that were referred to the CCMA saved in 2016/17. This is a considerable achievement given the tough economic climate of that year (in which the country slipped into recession).



5.2 Stability and security at work – employment status

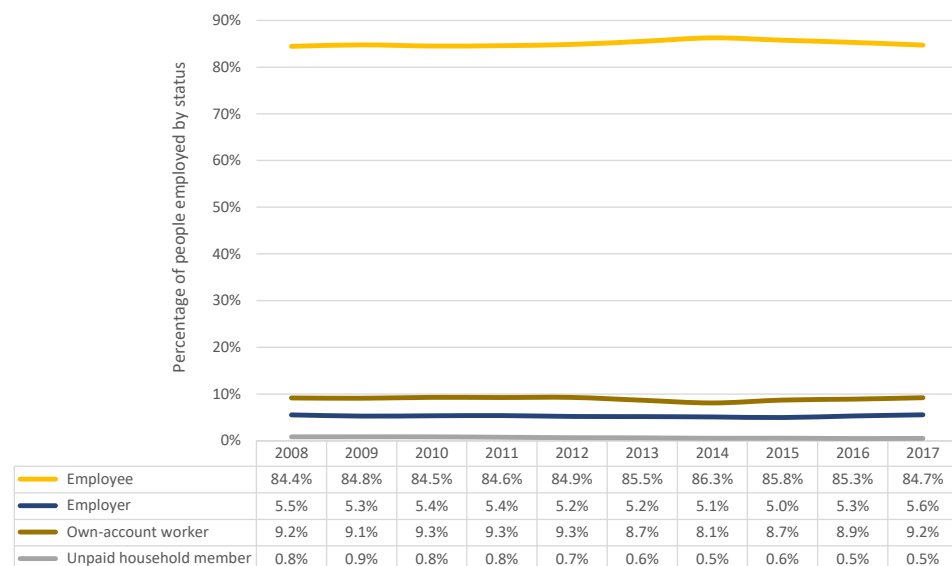
Indicator 36:

Number and proportion of people working as an employee, employer, own-account worker and unpaid household member

Description:

Status of employment is one indicator of stability and security at work, as well as providing an idea of trends that may be occurring in terms of whether people are working as an employee, employer, own-account worker or unpaid household member.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



The percentage of the work-force working as employees, employers and own-account workers has remained stable over the past 10 years. The only status which has seen significant change is the number of unpaid household members, which has decreased by 33% since 2008. This is an important trend, although this data alone cannot explain if those who used to be unpaid household members are now working as employees or own-account workers, or if they have become unemployed. With rising unemployment, one might expect the number of own-account workers to increase, however, this does not seem to have been the case.

Table 29: Difference and percentage change in the number of people employed by status, 2008 to 2017

	2008	2017	difference	% change
Employee	12,315,564	13,685,271	+ 1,369,708	+ 11.1%
Employer	808,698	898,666	+ 89,967	+ 11.1%
Own-account worker	1,336,961	1,489,182	+ 152,221	+ 11.4%
Unpaid household member	123,638	82,860	- 40,778	- 33.0%

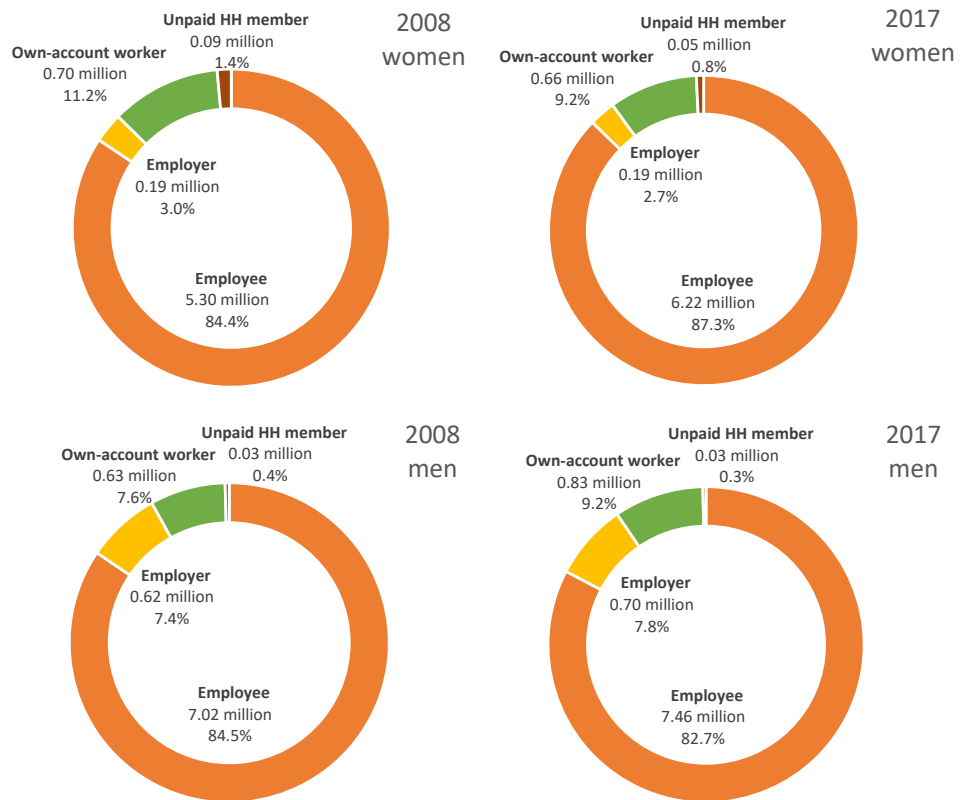
Indicator 37:

Status of employment for women and men

Description:

This following indicators allow us to assess trends in the employment status of women and men, including what percentage of women and men are employed in each status category, as well as how the proportion of employees, employers, own-account workers and unpaid household members that are women and men has changed over time.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Indicator 37 and Table 30 show that the decline in unpaid household work has affected mainly women, who still comprised 64.8% of unpaid in 2017. During the period under review, the number of women who are working as employees has increased by 17.5%, compared to only 6.3% for men, which indicates that at least some of those women who used to be unpaid household members may now be employed as an employee, with the attendant rights that this status confers. However, while the number of women working as own-account workers has decreased since 2008, the number of male own-account workers has increased significantly, by 30.7%. During the same period, the number of male employers also increased, at six times the rate of increase for women employers. As a result, 78.3% of employers in 2017 were men, a slight increase since 2008. Men also comprise the majority of employees (54.5%) although women have increase their share.

Table 30: Proportion of women and men working in each status, and the difference from 2008 to 2017

Employee	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	5,295,090	43.0%	6,222,609	45.5%	927,519	17.5%
Men	7,020,473	57.0%	7,462,662	54.5%	442,189	6.3%
Employer	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	190,475	23.6%	194,732	21.7%	4,256	2.2%
Men	618,223	76.4%	703,934	78.3%	85,711	13.9%
Own-account worker	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	702,095	52.5%	659,141	44.3%	-42,954	-6.1%
Men	634,866	47.5%	830,042	55.7%	195,175	30.7%
Unpaid household member	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	89,522	72.4%	53,716	64.8%	-35,806	-40.0%
Men	34,116	27.6%	29,144	35.2%	-4,972	-14.6%



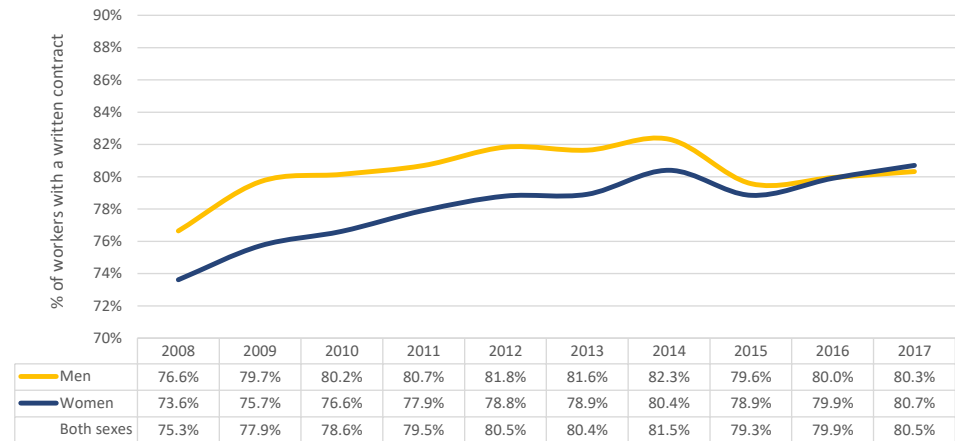
Indicator 38:

Percentage of workers with a written contract of employment.

Description:

A written (as opposed to a verbal) contract of employment is a strong indicator of workers' rights. This is because written contracts will likely contain more detail on a workers rights that a verbal contract, and will be much easier to enforce in the case of a dispute.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Until 2016, women were less likely to be working with a written employment contract, however, an equal proportion of women and men now have a written contract of employment. This is an important indicator of gender equality in terms of rights at work. Just under one fifth of workers remain without a written contract however, although with the exception of a steep drop in 2015, there has been a general trend towards more workers having written as opposed to verbal contracts of employment.

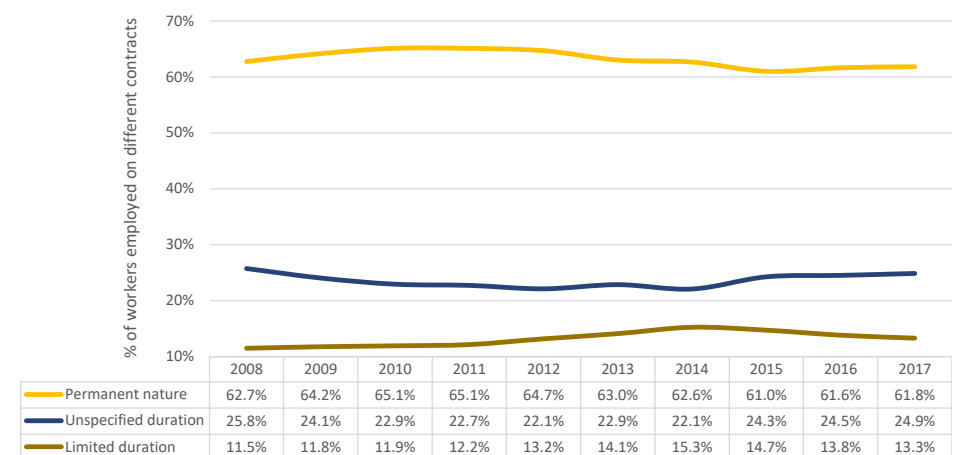
Indicator 39:

Percentage of workers employed on a permanent contract

Description:

Rising 'precariousness' of work is often associated with workers being employed on contracts which are of an unspecified or limited (i.e. temporary) nature and duration. The increase in labour brokering, for example, is often cited as going hand in hand with a reduction in workers who are employed on a permanent basis. This indicator assesses to what extent that has been the case.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



After an initial rise in the percentage of workers employed on a permanent contract to 65.1% in 2010 and 2011, this percentage has dropped since to 61.8% in 2017. At the same time, the percentage of workers on an unspecified duration contract has fell until 2014, before increasing

again to 24.9% in 2017. Meanwhile, the percentage of workers with limited duration contract rose until 2014, before dropping in 2015, 2016 and 2017.

Overall, almost 40% of South African workers now work on unspecified or limited duration contracts, with the latter temporary contracts showing the fastest rise in prominence since 2008 (increasing in number by 28.6%).

Table 31: Difference in the number of people employed on different contracts, 2008 to 2017

	2008	2017	difference	% change
Permanent nature	7,727,250	8,460,000	+ 732,750	+ 9.5%
Unspecified duration	3,171,500	3,404,000	+ 232,500	+ 7.3%
Limited duration	1,416,500	1,821,500	+ 405,000	+ 28.6%

5.3 Stability and security at work – informal employment

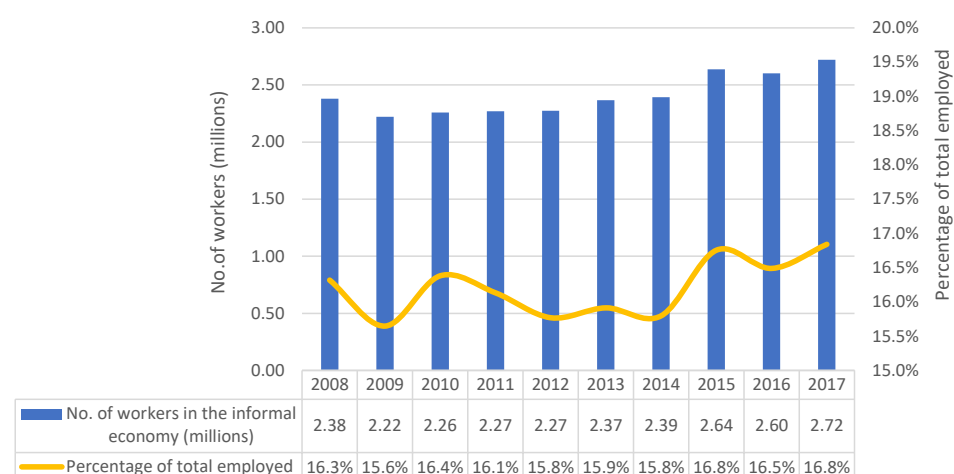
Indicator 40:

Number and percentage of workers employed in the informal economy

Description:

Despite often being overlooked or dismissed by policy-makers, the informal economy in South Africa provides various kinds of employment opportunities to millions of South Africans. This indicator tracks employment in the informal economy to see whether this is increasing or decreasing over time.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



After suffering a similar setback to employment in the formal economy in 2009, employment in the informal economy picked up in 2010, before stagnating until 2012, and then picking up in 2013 and increasing rapidly in 2015. By 2017, there were 2.7 million South Africans employed in businesses operating in the informal sector. During the same period however, the number women working in the informal economy has shrunk by 3.1%, while the number of men has increased by 28.2%. As a result of this trend, men now comprise 62.4% of all those employed in the informal economy, up from 55.6% in 2008.

Table 32: Number of women and men working in the informal sector

Informal sector	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	1,056,013	44.4%	1,023,707	37.6%	- 32,306	- 3.1%
Men	1,323,971	55.6%	1,696,987	62.4%	+ 373,016	+ 28.2%

Indicator 41:

Percentage of workforce in each industry that is employed informally

Description:

Each industry has different levels of informality that operate at various levels of integration with more formal operations. This indicator assesses which industries are most likely to provide informal employment to people rather than formal employment.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017

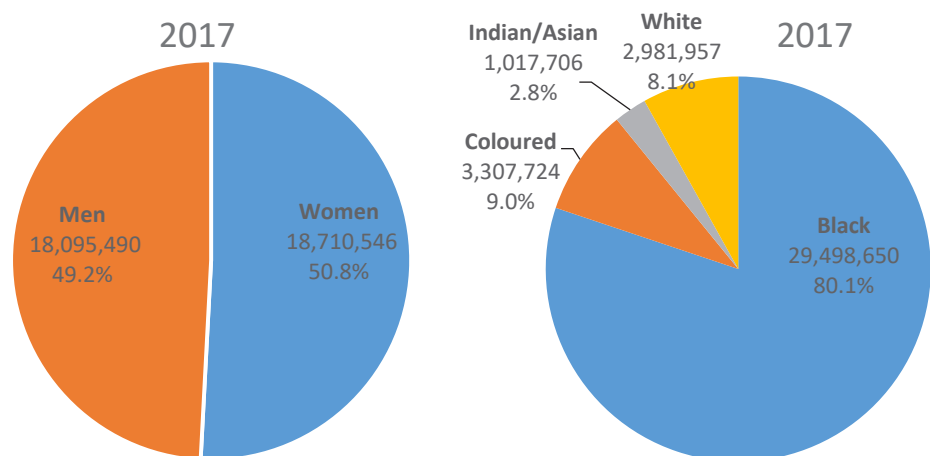
	2008	2017
Trade	33.5%	34.6%
Construction	27.8%	30.5%
Transport, storage and communication	26.4%	26.5%
Community, social and personal services	11.0%	12.8%
Manufacturing	11.9%	12.2%
Finance, real estate and business services	8.7%	9.0%
Electricity, gas and water supply	4.0%	4.1%
Mining & quarrying	0.7%	1.6%
ALL INDUSTRIES	19.1%	19.5%

Around a third of workers in the trade and construction industries are employed informally, compared to 1 in 4 transport, storage and communication workers, and 1 in 10 or less in all other industries. However, the percentage of the workforce that is employed informally has increased across all industries since 2008. Although still relatively low at 1.8%, the number of mining and quarrying workers working informally has doubled since 2008.

5.4 Employment equity

The Employment Equity Act (EEA) seeks to give effect to the transformative vision of the Constitution by requiring employers to implement and report on the steps they have taken to overcome past racial discrimination in the workplace. This includes ensuring that representation of designated groups (women, broad-based Black South Africans and people with disabilities) is improved in workplaces over time, particular in management positions. Figure 43 below reminds us of the sex and race demographics of South Africa's working-age population, as of 2017.

Figure 43: Working-age population by sex and population group⁴⁶



⁴⁶ StatsSA, Mid-Year Population Estimate, 2017.

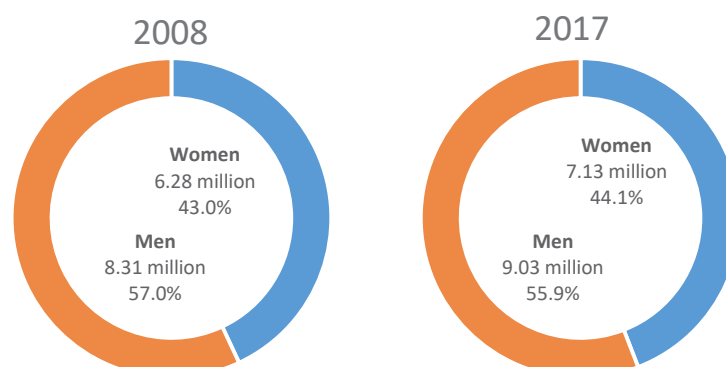
Indicator 42a:

Structure of the employed by sex

Description:

This indicator highlights the proportion of the employed that are women and men.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



The proportion of the total workforce that are women has increased slightly since 2008, from 43.0% to 44.1% by 2017. However, women still remain unrepresented, given that they represent more than half of the work-force.

Indicator 42b:

Structure of the employed by population group

Description:

This indicator highlights the proportion of the employed that are Black, Coloured, Indian/Asian and White.

	2008		2017	
	No. of people	% of total	No. of people	% of total
Black	10,333,965	70.9%	12,017,168	74.4%
Coloured	1,573,898	10.8%	1,660,523	10.3%
Indian/Asian	479,486	3.3%	534,680	3.3%
White	2,197,512	15.1%	1,943,609	12.0%

There has also been some improvement in the representation of Black South Africans in the workforce, which has increased from 70.9% in 2008 to 74.4% in 2017. Despite a drop of 3.1% since 2008, White South Africans are still over-represented, making up 12.0% of the workforce in 2017 compared to only 8.1% of the working-age population. As a result of Indian/Asian and Coloured South Africans also having slightly greater representation in the workforce than their representation in the working-age population, Black South Africans continue to be under-represented.



Indicator 43:

Proportion of women in the workforce, per industry

Description:

This indicator shows what proportion women make up of the total workforce in each industry.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017

	2008	2017
Private households	78.1%	76.7%
Community, social and personal services	57.6%	61.3%
Trade	49.1%	48.7%
Finance, real estate and business services	43.8%	42.1%
Manufacturing	31.1%	34.3%
Agriculture, hunting, forestry and fishing	32.3%	31.7%
Electricity, gas and water supply	26.3%	21.3%
Transport, storage and communication	19.5%	19.2%
Mining and quarrying	10.5%	13.7%
Construction	9.4%	12.9%

Although women made up a slightly greater share of the workforce in 2017 compared with 2008, they have actually only benefited from increased representation in 4 out of 10 industries (Community, social and personal services, Manufacturing, Mining and Quarrying and Construction). While the increased representation of women in these industries is encouraging, they remain vastly underrepresented in the majority of industries, with less than 50% representation in 8 out of the 10 industries. The industry in which women are most likely to be found working is Private households, following by Community, social and personal services (which is mainly comprised of government jobs). The sharpest decline in women's participation in the workforce has come in the Electricity, gas and water supply industry, despite this industry being dominated by state-owned companies, whose levels of oversight and democratic accountability to Parliament and the Executive means that they should be at the forefront of promoting and ensuring employment equity.

Indicator 44:

Proportion of women in the workforce, per occupation

Description:

This indicator highlights the proportion of people employed in different occupations that are women.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017

	2008	2017
Domestic worker	96.2%	95.9%
Clerk	67.9%	72.4%
Technician	54.3%	54.4%
Professional	45.9%	50.3%
Sales and services	46.5%	48.6%
Elementary	40.9%	42.5%
Manager	29.8%	32.8%
Skilled agriculture	25.8%	16.5%
Plant and machine operator	14.0%	12.6%
Craft and related trade	14.3%	10.0%

More gender transformation seems to have occurred at the level of the occupation. In 5 out of the 10 occupations, women have taken an increasing share of employment (including the Clerk, Technician, Professional, Sales and Services and Manager occupations). Almost 96% of Domestic workers remain women, and 72.4% of Clerks, while only 32.8% of Manager's are women, a statistic which clearly needs to improve. However, increases in the Professional and the Sales and Services occupations to almost or above 50% are encouraging, as these jobs tend to have decent working conditions and pay.

Indicator 45:

Percentage of women and men employed on a permanent contract

Description:

Permanent employment often represents the best change of decent work, with a secure income and protection from unemployment, as is therefore almost always preferable to a limited or unspecified duration contract for the majority of workers. This indicator assesses whether there are any differences in the likelihood of being employed on different kinds of contracts depending on whether you are female or male.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



There has been a decline in the percentage of both women and men who are employed on a permanent contract since 2008, although the decline has been steeper for women. Women also remain less likely than men to be employed on a permanent contract. At the same time, the percentage of women employed on a limited duration (temporary) contracts has increased markedly, from 11.2% in 2008 to 15.0% in 2017. All of the major changes visible above in relation to the kinds of contracts that people are employed on, have affected women more than men, with the kinds of contracts that men are employed on changing very little since 2008.

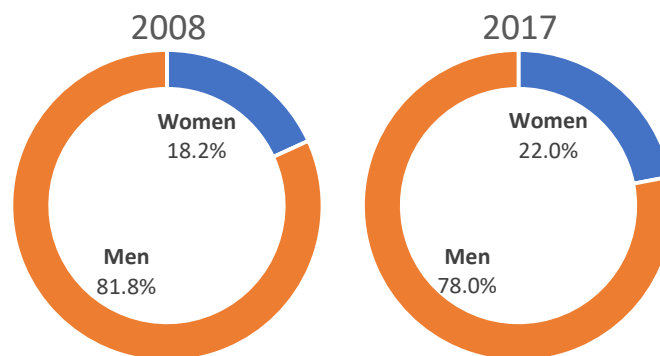
Indicator 46a:

Representation of women and men in top management positions

Description:

The next set of indicators look at the representation of women, men and each population group in top management, senior management and unskilled positions in employers who report on their employment equity targets. These are therefore critically important indicators for assessing the extent to which employment equity has in fact been achieved over the past decade. It is important to note that data for these indicators comes from all sectors of the economy (including government, the private sector, university's and non-profit organisations).

Source: Commission for Employment Equity, Annual Reports, 2008 and 2017⁴⁷



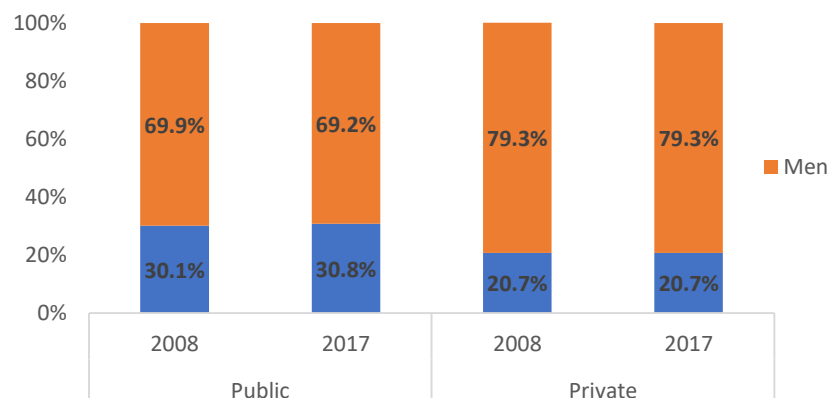
At the level of top management, where the most far-reaching and critical decisions in most companies are taken, men continue to dominate, by a factor of almost 4 to 1. Although women's representation has improved slightly, at just over 4.2%, this can hardly be taken to be a significant advance.

Indicator 46b:

Representation of women and men in top management positions, public and private sector

Description:

Data for this indicator is based on only the public and private sectors.

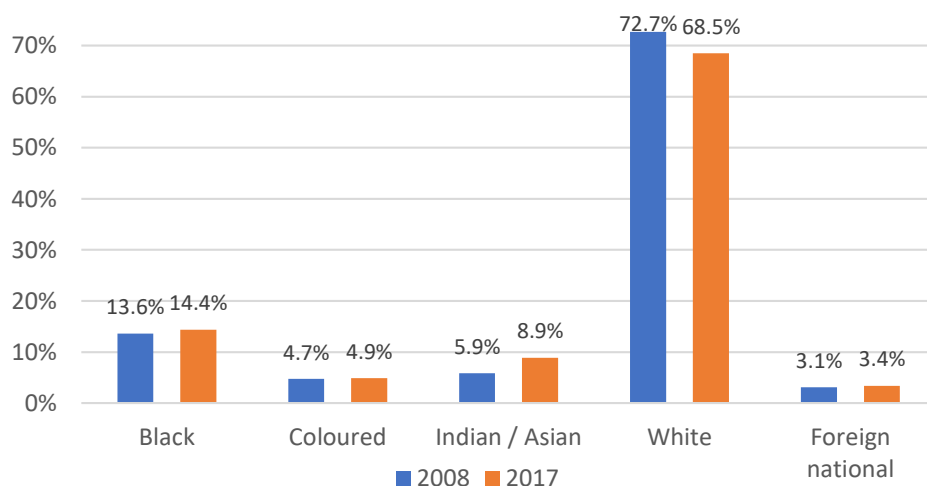


Gender transformation – a key goal of the Constitution and the EEA – has not been occurring in either the public or the private sectors at the level of top management since 2008. There are more than 3 men for every women top managers in the public sector, while in the private sector the ratio is almost 4 to 1.

⁴⁷ This is the source for all of indicator 46 data.

Indicator 46c:

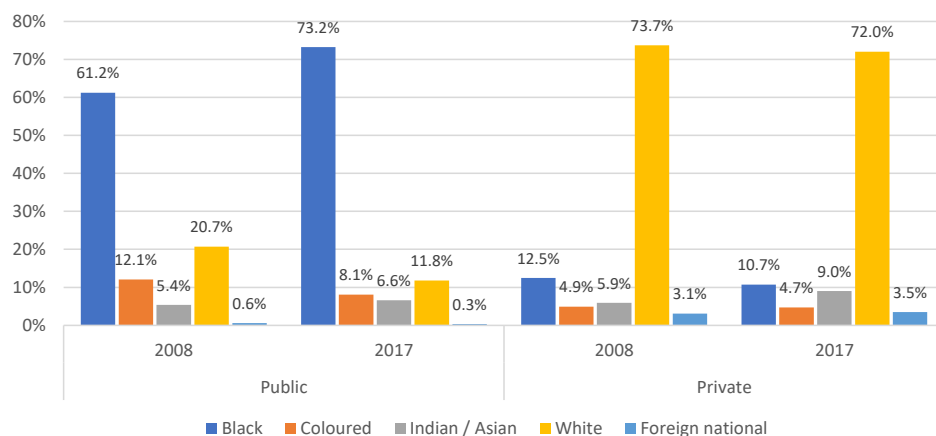
Representation of population groups in top management positions



Transformation of the racial composition of top and senior management positions is also a key goal of the Constitution and the EEA. As with gender transformation, however, there has been very little if any change in the make-up of population groups in top management positions. White South Africans continue to benefit enormously from their historical advantage under apartheid by taking up more than two-thirds of top management positions, despite making up only 8.1% of the working-age population. The reverse is true for Black South Africans, who despite making up more than 80% of the working-age population, hold only 14.4% of top management positions, a number which has increased by less than 1% since 2008.

Indicator 46d:

Representation of population groups in top management positions, public and private sectors



Any transformation that has occurred at top management level for Black and White South Africans has happened as a result of changes in the composition of top management in the public sector. Here, Black South Africans increased their representation from 61.2% to 73.2% between 2008 and 2017, while the representation of White South Africans decreased from 20.7% to 11.8%. This brings both of these population groups much closer to being fairly represented at top management level in the public sector. During the same period however, the proportion of top management in the private sector has actually decreased, from 12.5% in 2008 to 10.7% in 2017. This decrease is alarming given the obvious need for speedier transformation in the private sector, where White South Africans still hold on to almost three-quarters of top management positions, and should be comprehensively investigated by the Department of Labour.

Coloured South Africans have seen their representation at this level shrink in both the public and private sectors, with the greatest decrease being in the public sector. On the other hand, Indian/Asian South Africans have increased their representation in both sectors (by more than a third in the private sector), and are now over-represented at top management level. However, this remains far below the level of over-representation of White South Africans in the private sector.

Table 33: Employment equity gap in top management positions by sex and population group, 2008 and 2016

	2008			2016		
	Percentage of WAP	Percentage of top management	Employment equity gap	Percentage of WAP	Percentage of top management	Employment equity gap
Black women	40.0%	3.8%	- 10.5	40.7%	4.5%	- 9.0
Black men	37.8%	8.7%	- 4.3	39.2%	9.8%	- 4.0
Coloured women	4.8%	1.5%	- 3.2	4.7%	1.7%	- 2.7
Coloured men	4.5%	3.4%	- 1.3	4.4%	3.2%	- 1.4
Indian/Asian women	1.4%	1.3%	- 1.1	1.3%	2.3%	+ 1.7
White women	5.1%	13.8%	+ 2.7	4.2%	12.9%	+ 3.1
Indian/Asian men	1.4%	4.6%	+ 3.3	1.4%	6.5%	+ 4.5
White men	5.4%	59.9%	+ 11.0	4.4%	55.6%	+ 12.5

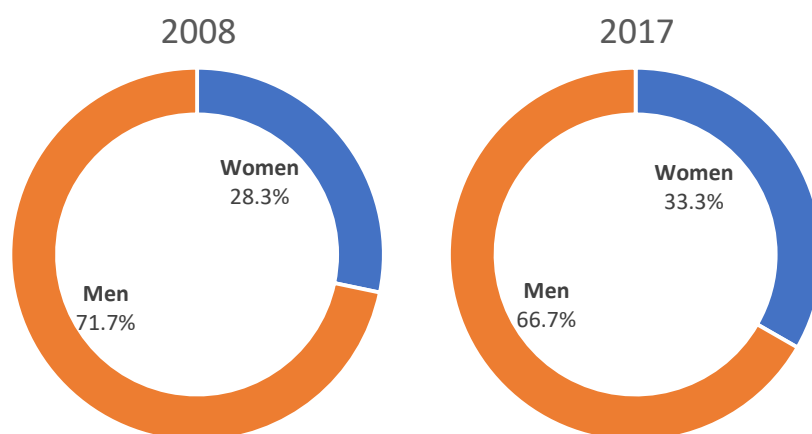
By combining sex and population group in Table 33, we can assess the impact of both inequitable gender and race under-representation in the work-place. The employment equity gap (EEG) represents the factor by which a group is under (-) or over (+) represented at top management level (this table includes all sectors of the economy). An EEG of 1 represents perfect representation (with that groups representation in the WAP), while anything below 1 signals under-representation and anything above 1 signals over-representation.

Black women remain the most under-represented group at top management level: with 9 times fewer Black women in top management positions than would be the case under perfect representation. Although the EEG has decreased slightly for Black women since 2008, it remains very high. Black men are the next most under-represented group, with about 4 times fewer people in top management than should be the case, followed by Coloured women, of whom there are 3 times less than there should be at top management level. The most over-represented group by far are White men, who actually increased their over-representation in top management positions from 11 times to 12.5 times higher than their representation in the WAP. White men comprise more than half of all top management, across the various sectors. The other over-represented groups in 2017 were Indian/Asian men, White women and Indian/Asian women.

The next series of indicators look at representation of designated group in senior management positions.

Indicator 46e:

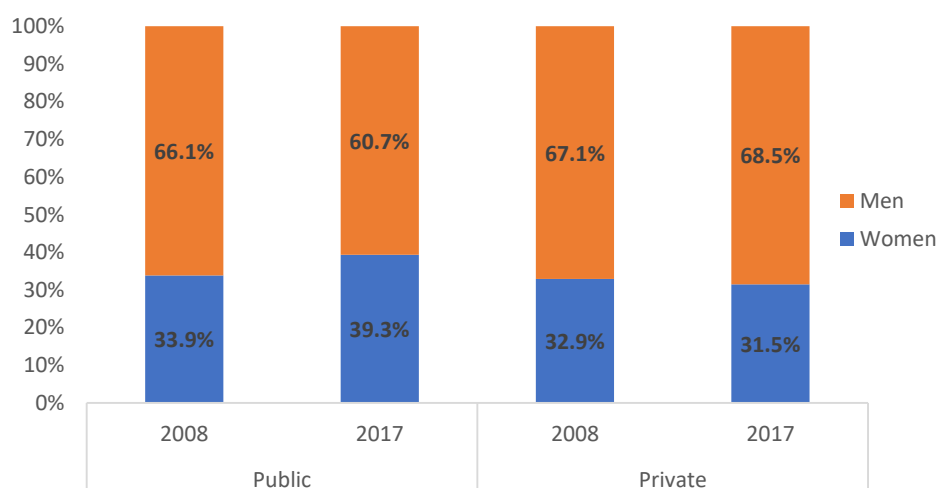
Representation of women and men in senior management positions



Many of the indicators that follow represent a similar story at senior management level as we have seen at top management level, only less extreme. Slightly more transformation may have occurred at the level of senior management, yet inequality of representation remains stark. In terms of gender across all sectors, men still hold two-thirds of all senior management positions, a number which has decreased only slightly since 2008.

Indicator 46f:

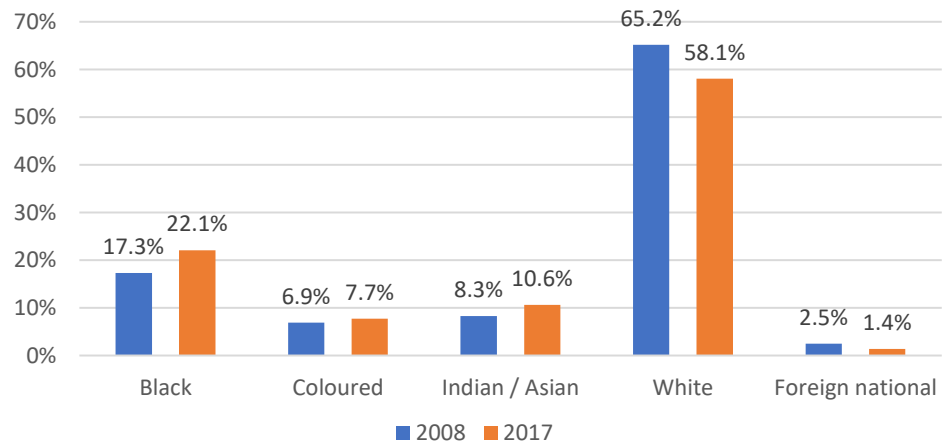
Representation of women and men in senior management positions, public and private sector



As with top management, there has been more transformation in the public sector than the private sector in terms of gender representation at senior management level. In the public sector at least, women could foreseeably attain 50% representation within the next few years if current trends are accelerated. Meanwhile in the private sector, the representation of women has decreased over the past decade, to less than one third of all senior management positions. As with the top management level, this requires serious consideration by government as to how to bring the private sector in line with employment equity, after a decade of extremely poor results.

Indicator 46g:

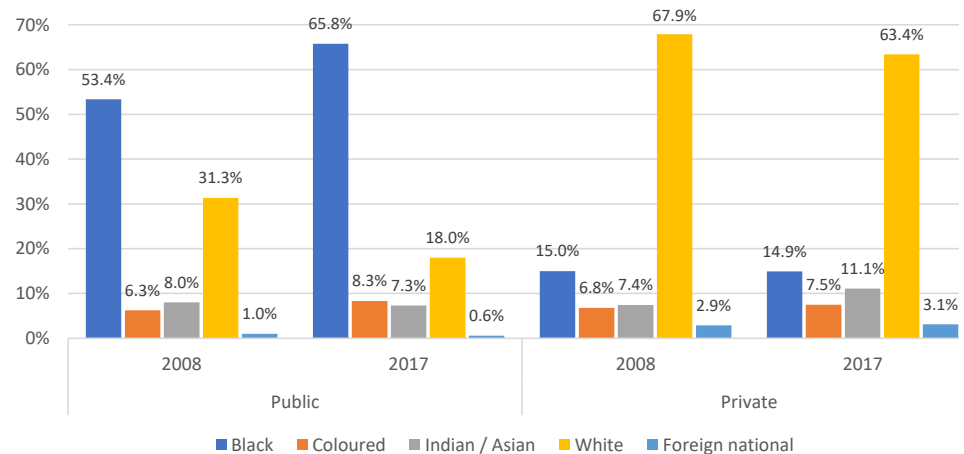
Representation of population groups in senior management positions



Both Black and Coloured South Africans remain under-represented in senior management positions across all sectors, with only minor increases in representation between 2008 and 2017. White South Africans retain more than half of senior management positions and as with top management, Indian/Asian South Africans have increased their representation during the past decade.

Indicator 46h:

Representation of population groups in senior management positions, public and private sector



Perhaps surprisingly, Black South Africans are not as well represented in public sector senior management positions as top management positions. Far worse, however, is the performance of the private sector. As with top management positions, there were less Black South Africans represented at senior management level in the private sector in 2017 than in 2008.

Table 34: Employment equity gap in senior management positions by sex and population group, 2008-2016

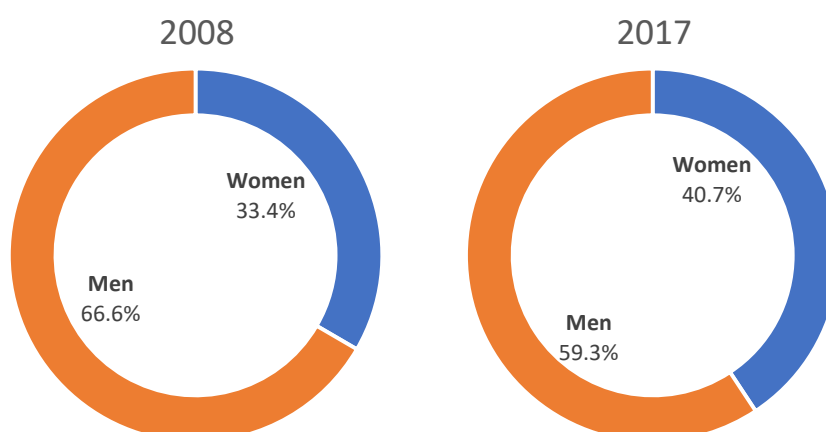
	2008			2016		
	Percentage of WAP	Percentage of senior management	Employment equity gap	Percentage of WAP	Percentage of senior management	Employment equity gap
Black women	40.0%	5.4%	- 7.4	40.7%	7.8%	- 5.2
Black men	37.8%	11.9%	- 3.2	39.2%	13.9%	- 2.8
Coloured women	4.8%	2.3%	- 2.1	4.7%	2.9%	- 1.6
Coloured men	4.5%	4.6%	1	4.4%	4.7%	+ 1.1
Indian/ Asian women	1.4%	2.3%	+ 1.7	1.3%	3.6%	+ 2.7
Indian/ Asian men	1.4%	6.0%	+ 4.3	1.4%	6.9%	+ 4.8
White women	5.1%	17.8%	+ 3.5	4.2%	18.3%	+ 4.3
White men	5.4%	47.4%	+ 8.7	4.4%	39.0%	+ 8.8

While less severe than at top management level, employment equity gaps at senior management level remain extremely high. There are still five times less Black women represented than there would be under conditions of perfect equality, and almost three times less Black men, while Coloured women remain under-represented. Representation of Coloured men is almost equal to their representation in the WAP, while all other groups have in fact increased the extent to which they are over-represented in senior management positions since 2008.⁴⁸

The remaining employment equity indicators move all the way from top and senior management level to the unskilled level of employment, to see what kinds of employment equity transformations are occurring in this section of the workforce.

Indicator 46i:

Representation of women and men in unskilled positions

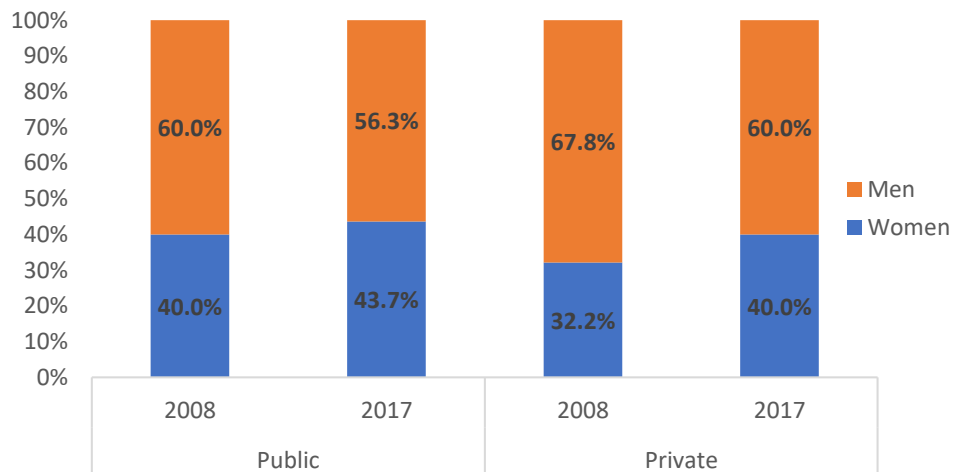


Men are also drastically over-represented in unskilled work, although there has been a marked reduction in their over-representation since 2008, with 4 out of 10 unskilled workers women in 2017 (up from just over 3 out of 10 in 2008).

⁴⁸ The reason why a decrease in the percentage of senior management that are White men between 2008 and 2017 nevertheless results in a slight increase in the over-representation of White men at senior management level is because the proportion of the working-age population that are White men has decreased, from 5.4% in 2008 to 4.4% in 2017.

Indicator 46j:

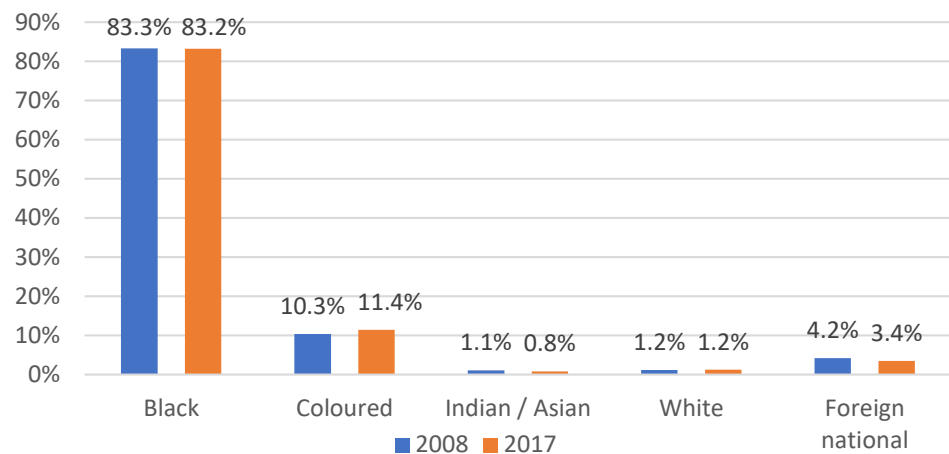
Representation of women and men in unskilled positions, public and private sector



Once again, more gender balance has been achieved in the public than in the private sector, 43.7% of unskilled public sector workers women as of 2017. Women still remain under-represented in both sectors, although there has been a steady improvement in the private sector, which nevertheless needs to speed up significantly if gender parity is to be achieved.

Indicator 46k:

Representation of population groups in unskilled positions

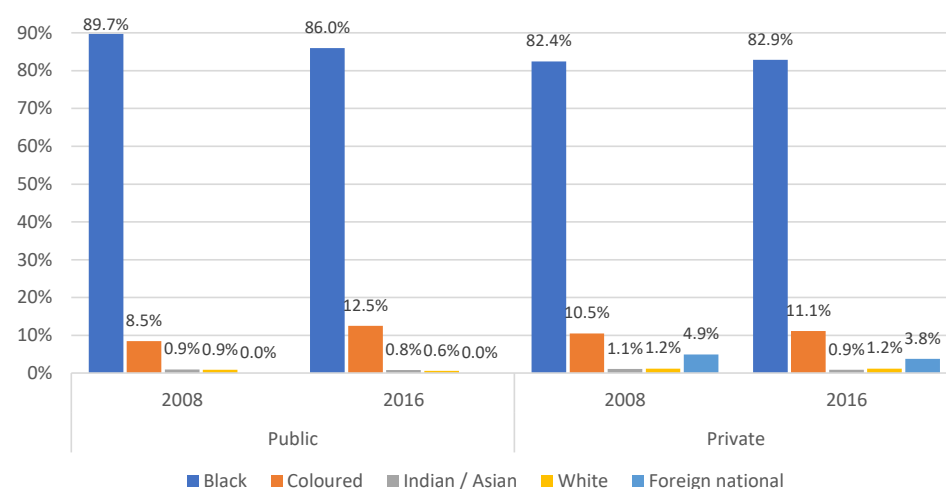


The apartheid labour system was predicated upon White South Africans having to do next to no low-paid, unskilled work while enjoying almost a complete monopoly on better-paid semi and high-skilled work. Black, Coloured and Indian/Asian South Africans on the other hand were educated and trained and generally allowed to undertake only low and unskilled work. These racial policies are what the EEA was designed in part to overcome, with a fairer spread of population groups in unskilled and skilled work throughout the economy the ultimate goal. However, the indicator 46 has shown that this goal remains very far from being achieved. This is because, while vast inequality remains (especially in the private sector) at senior and top management level, at the level of unskilled work, the apartheid labour structure essentially remains in place.

Black South Africans represented 83% of unskilled work positions, a number which has not changed since 2008. Coloured South Africans are also over-represented in the unskilled workforce, at 11.4%. The remaining 5.4% of unskilled jobs in 2017 were taken up by foreign nationals (3.4%), White South Africans (1.2%) and Indian/Asian South Africans (0.8%).

Indicator 46i:

Representation of population groups in unskilled positions, public and private sector



While the percentage of unskilled workers that are Black South Africans has decreased slightly in the public sector, the percentage of Coloured South Africans has increased by a third. The figures in the private sector have changed very little since 2008, with slightly less Black and Coloured South Africans employed, and slightly more foreign nationals employed. There are extremely few Indian/Asian or White South Africans employed as unskilled workers in the public sector, where Black Africans are over-represented.

Table 35: Employment equity gap in unskilled positions by sex and population group, 2008 and 2016

	2008			2016		
	Percentage of WAP	Percentage of unskilled workers	Employment equity gap	Percentage of WAP	Percentage of unskilled workers	Employment equity gap
Black women	40.0%	27.3%	- 0.7	40.7%	33.9%	- 1.2
Black men	37.8%	56.0%	+ 1.5	39.2%	49.4%	+ 1.3
Coloured women	4.8%	5.0%	1	4.7%	5.5%	+ 1.2
Coloured men	4.5%	5.3%	+ 1.2	4.4%	5.9%	+ 1.3
Indian/Asian women	1.4%	0.4%	- 3.5	1.3%	0.3%	- 4.4
Indian/Asian men	1.4%	0.6%	- 2.4	1.4%	0.5%	- 2.9
White women	5.1%	0.4%	- 12.8	4.2%	0.4%	- 10.6
White men	5.4%	0.8%	- 6.8	4.4%	0.8%	- 5.6

The most under-represented group at the level of unskilled employment is White Women, followed by White men. Indian/Asian men and women are also under-represented while in the Black and Coloured population groups, only Black women are under-represented slightly at the level of unskilled employment.

5.5 Adequate and equitable earnings

The lack of transformation that is evident – most starkly in the private sector – in all aspects of the labour market considered thus far, including employment equity, makes a massive contribution to unequal earnings outcomes. The under-representation of women across the workforce, and of historically marginalised population groups in management positions, combined with the over-representation of Black and Coloured South Africans in unskilled work, ensures that the wages earned by these workers varies enormously.

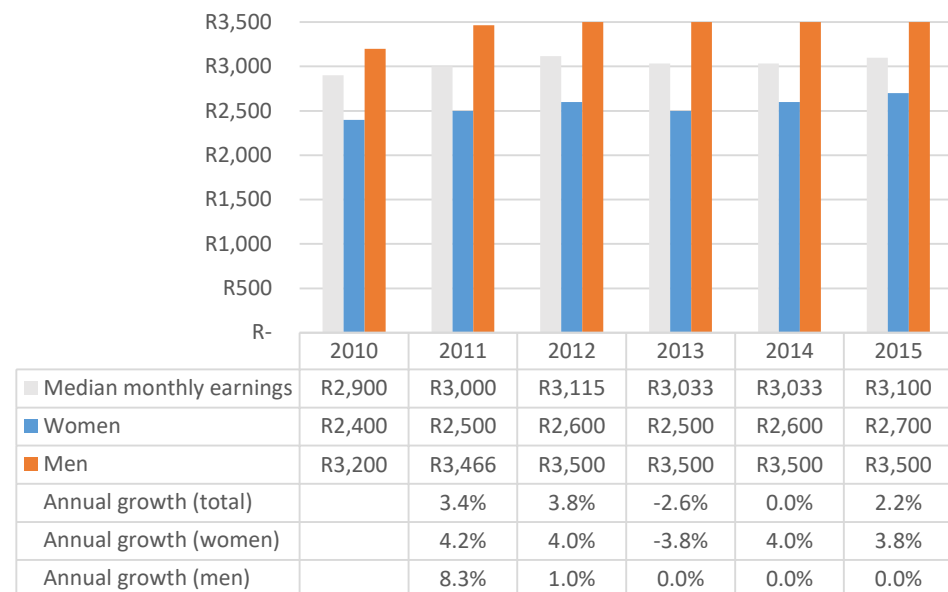
Our *adequate and equitable earnings* indicators use median wages recorded by Statistics South Africa to assess the extent of earnings inequality (another target of the EEA) in the country and how this has changed over the past decade, both in terms of gender and population group, as well as by earnings band (i.e. the top 5%, 10% and 25% compared to the median earners and the bottom 5%, 10% and 25% of earners).

Indicator 47a: Median monthly earnings, total and by sex

Description:

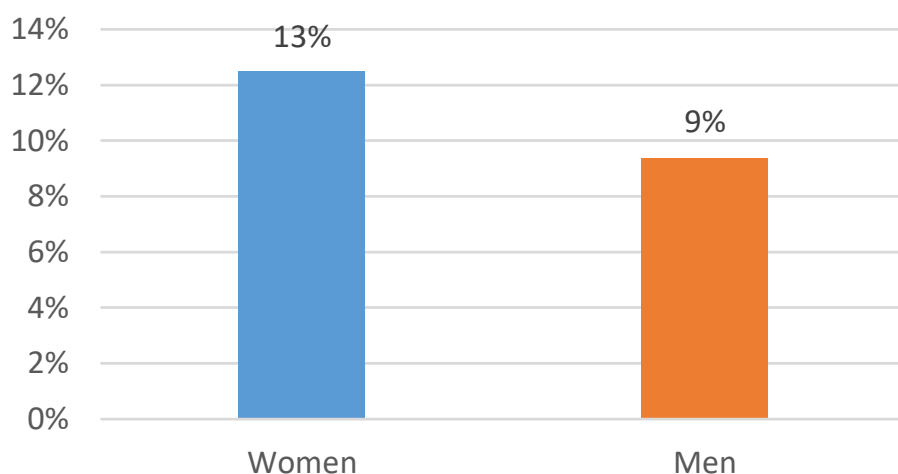
Median monthly earnings are calculated as the middle earnings of people in the middle earnings band, meaning that approximately 50% of people earn less than that amount and 50% earn more. It is a more useful measure than average earnings because average earnings are distorted by those who earn extremely low or extremely high amounts of money. Moreover, median earnings provide a good indicator of the middle range of earnings for people at both the bottom and the top of the earnings scale. StatsSA started asking respondents in the Quarterly Labour Force Survey how much they were earning per month in 2010, and publish them as real (inflation adjusted) amounts in their Labour Market Dynamics publication, which was last released in 2016.

Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 - 2016



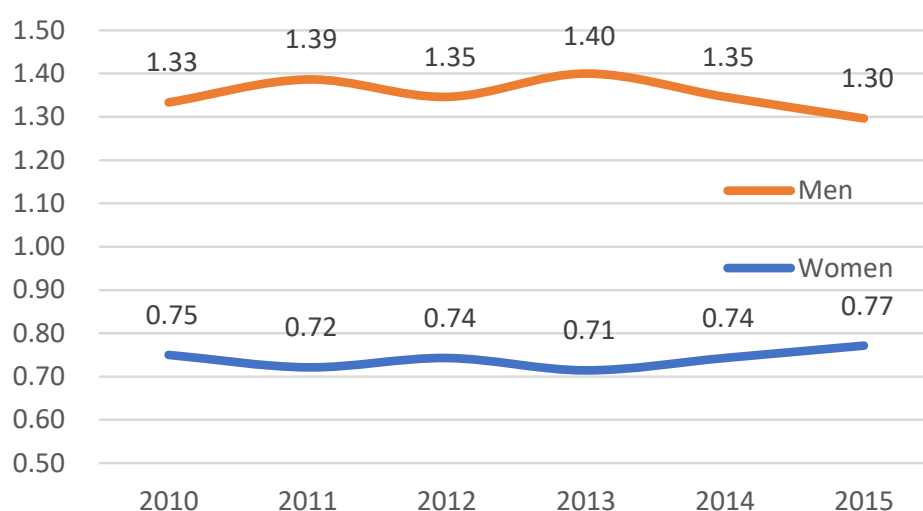
Indicator 47a looks at median monthly earnings for all workers, as well as by sex, and shows the annual growth rate. After some real growth in 2011 and 2012, median earnings dropped in 2013, before rising again in 2014 and 2015. Women continue to earn less than their male counterparts, although, as Figure 44 shows, their median wages increased more than men between 2010 and 2015.

Figure 44: Median monthly earnings growth from 2010 to 2015, by sex



This has resulted in the ratio of median earnings by women closing slightly since 2013, with women now earning 77 cents for every R1 earned by men. This is still a significant gap however, and falls far short of the right to decent work concept of equal pay.

Figure 45: Ratio of median earnings for women compared to men and vice versa



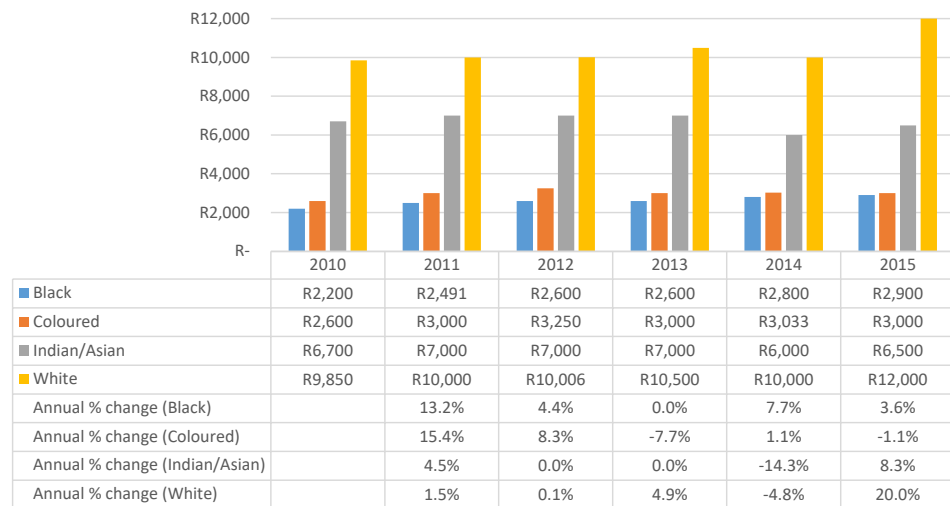
Indicator 47b:

Median monthly earnings by population group

Description:

Earnings inequality plays a central role in overall income inequality, therefore, it is important to consider whether the gap between median earnings of different population groups is widening or closing over time.

Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 - 2015



Black and Coloured South Africans continue to earn much less than their Indian/Asian and White counterparts. This is in part because, while Black South Africans median wages increased by 32% and Coloured South Africans by 15% between 2010 and 2015, White South African earnings also increased, by 22%. If earnings are to become equalised over time, the rate of growth of Coloured earnings will have to at least double. Even then, if White South Africans continue to benefit from rising median earnings to the same degree as they have done in the period under review, it will take many years before median earnings start to get closer. Median earnings for Indian/Asian South Africans actually reduced in real terms between 2010 and 2015, although Indian/Asian median earnings were still more than double that of their Black and Coloured counterparts.



Figure 46: Median monthly earnings growth from 2010 to 2015, by population group

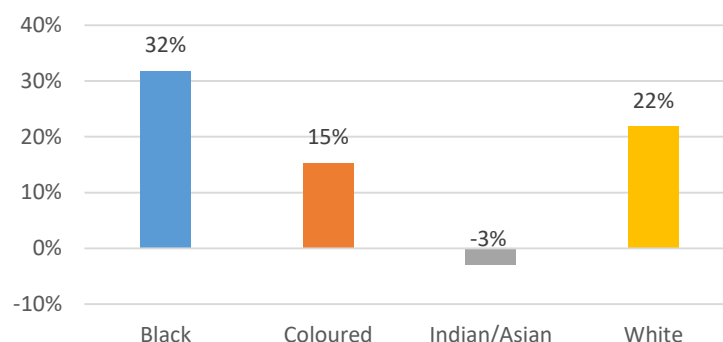


Figure 47 looks at how each population group's median earnings compare to the overall median. It shows that White South Africans increased their wages relative to median earnings in the period under review, so that by 2015, they were earning 3.87 times more than the overall median wage. Indian/Asian South Africans, despite experiencing a decline in median wages, were still earning more than twice the overall median, but almost half that of White South Africans. Both Black and Coloured South Africans earn less than the median.

Figure 47: Ratio of the median earnings for each population group to the overall median for all groups

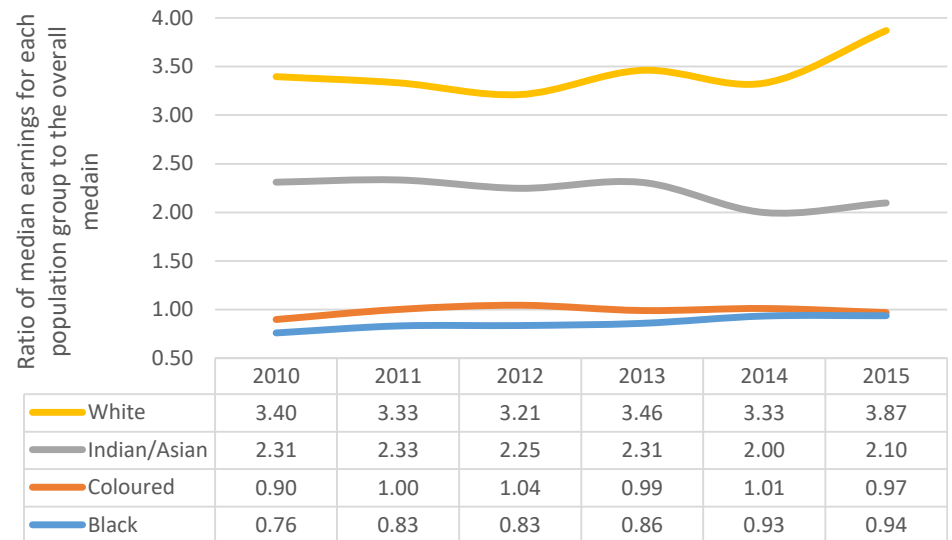


Figure 48 looks at the how different populations groups compare to the White group in terms of median earnings. It shows that Black and Coloured South Africans earn about a quarter of White South Africans earnings, while Indian/Asian South Africans earn about half.

Figure 48: Ratio of median earnings for Black, Coloured and Indian/Asian groups compared to the White group



Indicator 48:

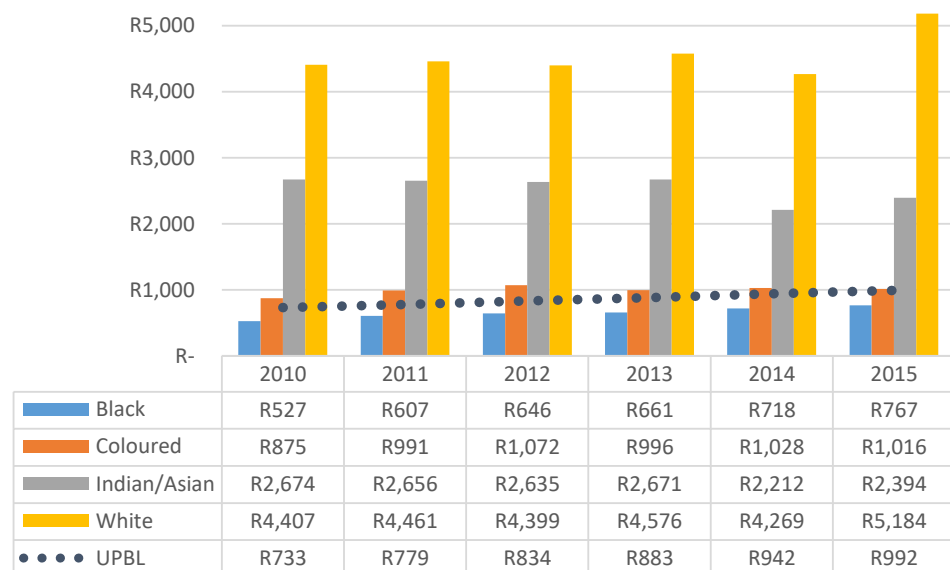
Median monthly earnings for population groups divided by the wage dependency ratio for each group, comparison with the upper-bound poverty line

Description:

Indicator 48 must be read with Table 36 (below). As each population group experiences very different rates of unemployment (see indicator 9), every employed person in each group has a different number of people who depend on their earnings for income. The wage dependency ratio is calculated by dividing the total population of each population group by the number of people employed in each population group. This provides an approximate measure of 'how far' the earnings of each employed person must go. Of course, not all households are the same size so different households will have different dependency ratios. Other factors such as family size will affect the real ratio for any given earner. However, the wage dependency ratio formula used below nevertheless reveals that on average, Black South Africans wage earners have to ensure that their earnings support a higher number of people than other population groups (3.8 people in 2015). They are followed by Coloured South Africans (3 dependents), Indian/Asian South Africans (2.7 dependents) and White South Africans (2.3 dependents). By dividing the median earnings of each population group by this amount plus 1 (to account for the wage earner as well), we can get a picture of what the real earnings are for each population group, when those earnings are divided amongst an average number of dependents.

The upper-bound poverty line (UBPL) is calculated by Statistics South Africa, most recently in their 2017 Poverty Trends Report.⁴⁹ The UBPL is based on the absolute minimum amount of Rands that is necessary for an individual to afford to purchase essential food and non-food items each month.

Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 - 2015



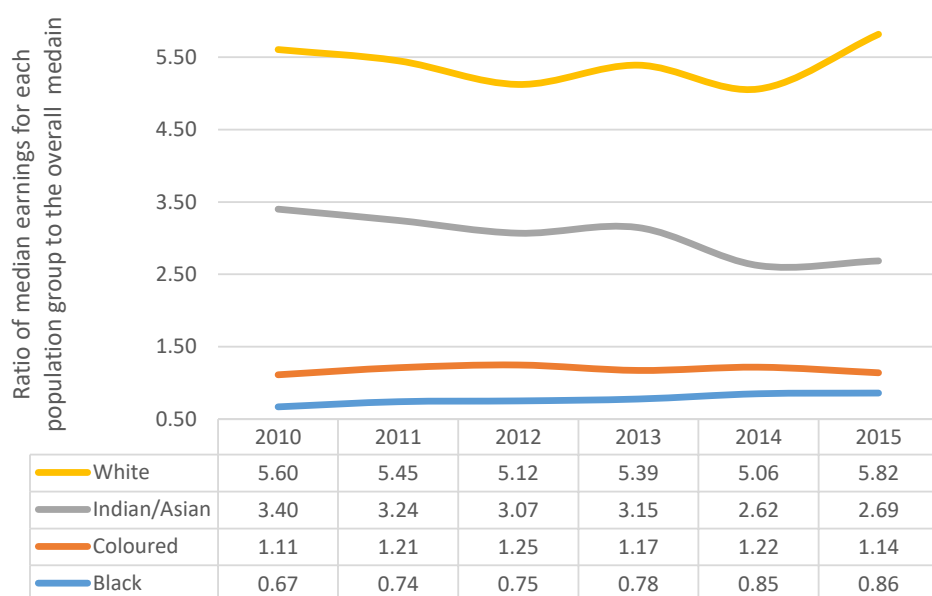
When the wage dependency ratio is taken into account, one can see that the median earnings of Black South Africans are insufficient to ensure that those dependent on those earnings can afford the most basic food and non-food items, and therefore are likely to be living below the poverty line. Meanwhile, Coloured South Africans are earning only very slightly more than the UBPL and are therefore also at very high risk of experiencing poverty. Median monthly earnings of Black and Coloured South Africans are therefore too low to be considered as adequate, equitable or decent.

Table 36: Wage dependency ratio for different population groups

	2010	2011	2012	2013	2014	2015
Black	4.2	4.1	4.0	3.9	3.9	3.8
Coloured	3.0	3.0	3.0	3.0	3.0	3.0
Indian/Asian	2.5	2.6	2.7	2.6	2.7	2.7
White	2.2	2.2	2.3	2.3	2.3	2.3
Total	3.7	3.7	3.6	3.6	3.6	3.5

Figure 49 looks at what impact the inclusion of the wage dependency ratio has on each population groups median earnings relative to the overall median. Compared with Figure 48 (above), we can see that the median earnings of White South Africans increase significantly compared to the median, reaching almost 6 times the overall median by 2015. The earnings of Indian/Asian and Coloured South Africans also go slightly further per person once the number of people potentially dependent on those earnings is taken into account. However, Black South Africans experience a decrease relative to the overall median wage once the number of dependents it accounted for, down to 0.86 of the overall median.

Figure 49: Ratio of the median earnings for each population group to the overall median for all groups after the wage dependency ratio is accounted for



As a result of having a higher number of dependents per employed wage earner, the median earnings of Indian/Asian, Coloured and Black South Africans decrease relative to White South Africans, once this is taken account of. For Indian/Asian South Africans, median earnings drop to below half that of White South Africans, while Coloured South Africans earn one fifth and Black South Africans earned almost one seventh of White median earnings per person in 2015.

Figure 50: Ratio of median earnings for Black, Coloured and Indian/Asian groups compared to the White group after the wage dependency ratio is accounted for



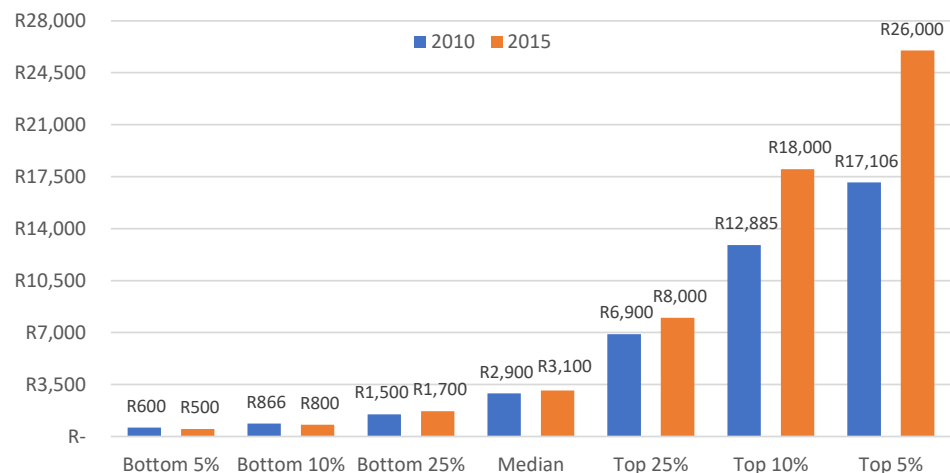
Indicator 49:

Median monthly earnings by earnings band

Description:

Indicator 49 disaggregates people by earning band, to assess what changes there have been among and between median earners and the bottom 5%, bottom 10%, bottom 25%, top 25%, top 10% and top 5% of earners. If income inequality is to be reduced, the gaps between these difference median earnings bands should be reducing over time.

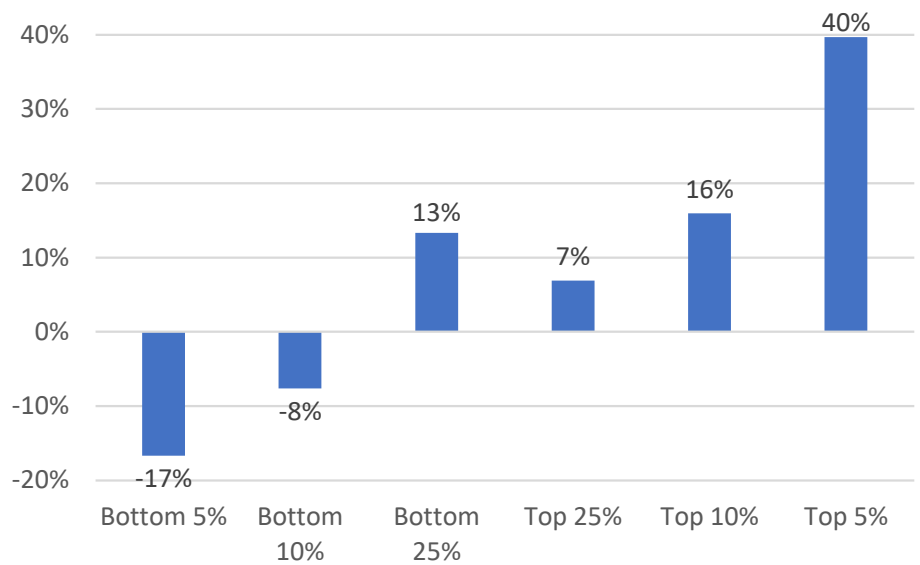
Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 - 2015



Between 2010 and 2015, the median earnings of those in the bottom 5% and bottom 10% of earners actually reduced by 17% and 8% respectively. Only when we expand to the bottom 25% of earners do we see an improvement in median earnings during this period. Meanwhile, the top 5% of earners saw their earnings increase by 40% and the top 10% by 16%. The top 10% of earners had a median income of R18 000 per month in 2015, compared to R800 per month for the bottom 10%. This means that those in the bottom 10% bracket are earning wages that are insufficient to lift themselves or their families out of poverty. If the wage dependency ratios were added to this indicator, the bottom 25% of income earners would also not be earning wages above the upper-bound poverty line, and many even in the median earnings bracket would also be close to or below the poverty line. These levels of extremely low earnings for the

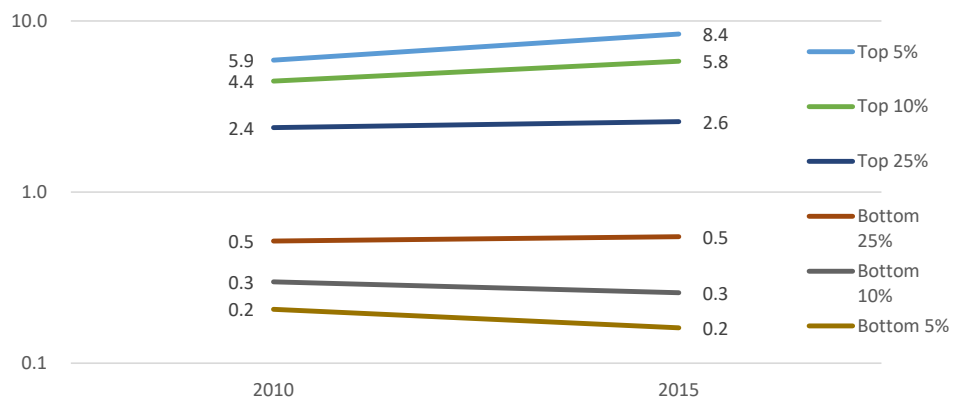
bottom 50% of earners and high earnings for the top 10% and above in particular, do not seem to be equalising over time.

Figure 51: Percentage change in median earnings, 2010 to 2015



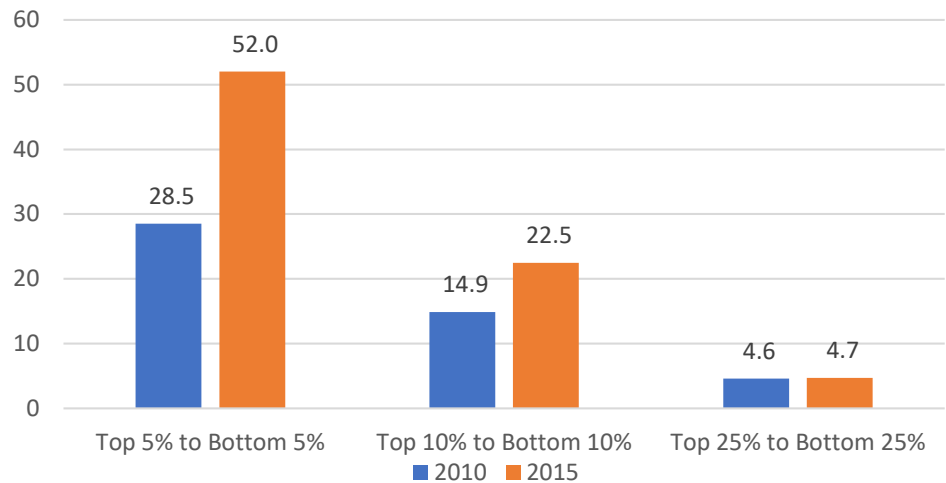
As a result of these trends, the bottom 25% of earners and below saw their median earnings stay stagnant or reduce compared to the overall median between 2010 and 2015. The bottom 5% of earners earn only one fifth of the median income, while the bottom 10% earn only one third of the median income and the bottom 25% earn half of the median monthly earnings. This compares to the top 25% of earners taking home 2.6 times the median monthly earnings, the top 10% taking home 5.8 times median earnings and the top 5% taking home 8.4 times the median earnings, ratios which have all increased since 2010. This indicates that wages for those earning above the median wage have increased at a much faster rate than median wages and below.

Figure 52: Ratio of median earnings for people in different earning bands compared to the overall median



The fact that earnings gaps are not reducing is exemplified by Figure 52. The median wage of the top 5% of earners increased from 28.5 to 52.0 times the median wage of the bottom 5% of wage earners, while the median wage of the top 10% of earners increased from 14.9 to 22.5 times that of the bottom 10%. The top 25% earned 4.6 times the bottom 25% of earners in 2010, increasingly slightly to 4.7 times by 2015.

Figure 53: Ratio of median earnings for people in different earning bands compared to one another



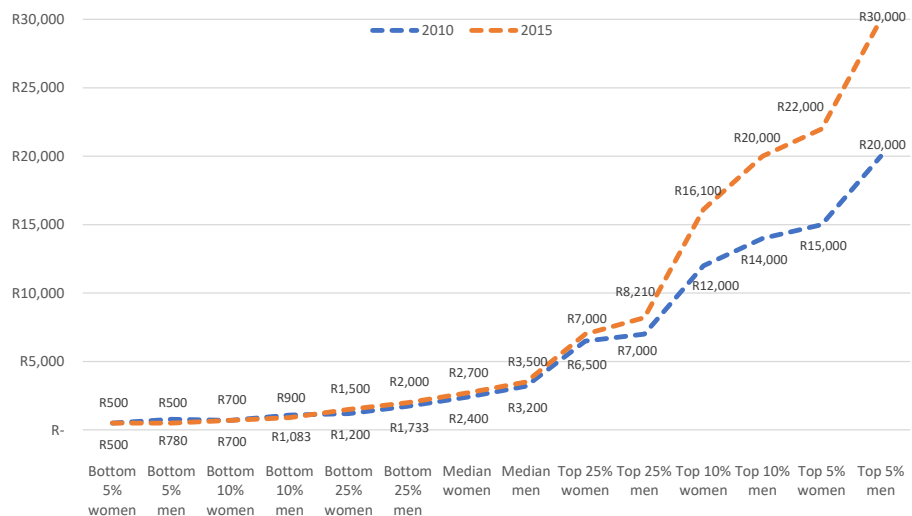
Indicator 50:

Median monthly earnings by sex and earnings band

Description:

Indicator 48 showed that median monthly earnings are less for women than for men. In this indicator, we look at whether that is true in each of the earnings bands, or if women have caught up with men in any of these earnings bands.

Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 - 2015

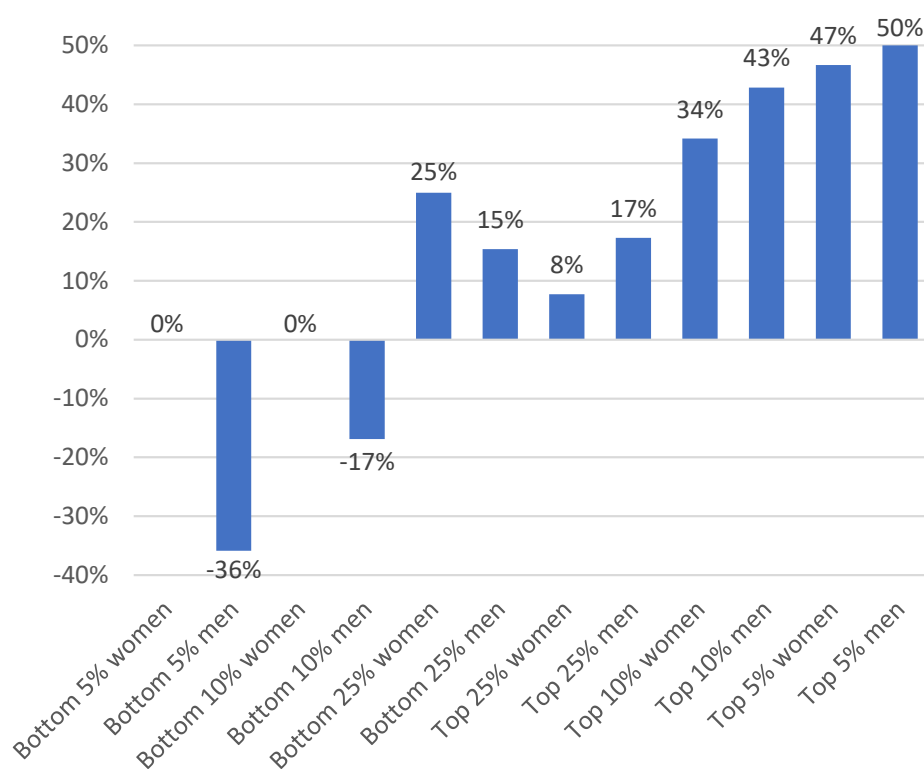


Indicator 50 confirms that the median earnings of women is less than their male counterparts in all of the earning bands under consideration, with one exception: the bottom 5% of women earners have seen their earnings stagnate between 2010 and 2015, while the bottom 5% of male earners saw their earnings reduced in real terms by 36%. As a result, the bottom 5% of female and male earners earned the same median wage of R500 per month in 2015. Notably, the bottom 10% of male earners also saw their median earnings decrease over the five year period, by 17%, while the bottom 10% of female earners also saw their earnings stagnate.



Both indicator 50 and Figure 54 show that earnings increased faster the further up the earnings scale one sits, peaking at a 50% increase in median earnings for the top 5% of male earners. This further confirms that wage inequality is not only persisting in South Africa, but actually getting worse.

Figure 54: Percentage change in median earnings by sex and earnings band, 2010 to 2015



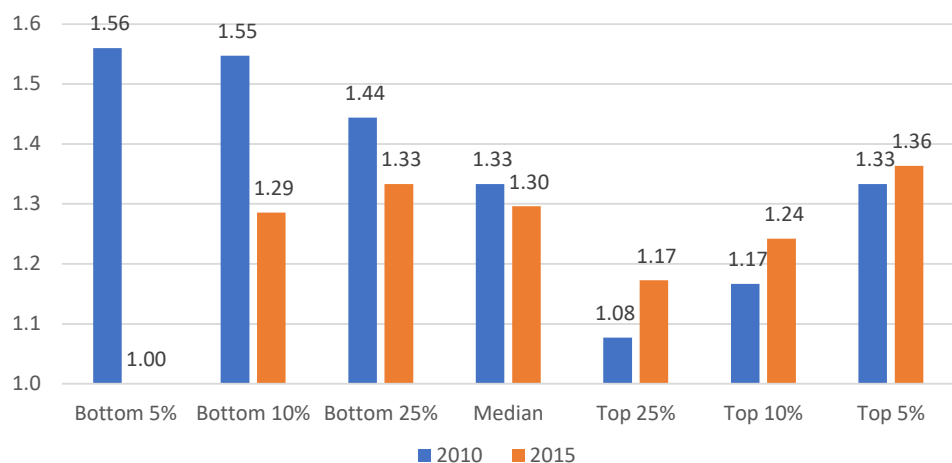
The median earnings of the bottom 5% and 10% of women and men therefore decreased relative to the overall median wage. The bottom 10% of women earned only 23 cents per R1 earned by the median earner, while the bottom 10% of male earners earned only 29 cents per R1 earned by the median earner. At the other end of the scale, everyone from the top 25% of earners upwards saw their real median earnings increase faster than median earnings. As a result, in 2015, the top 5% of men earned almost 10 times the median wage, with the top% of women earning 7.1 times the median wage.

Figure 55: Ratio of median earnings for people in different earning bands compared to the overall median



Figure 55 compares the median earnings of men compared to women in each of the earning bands. It shows that for the bottom 50% of earners (everyone at the median or below), women caught up with men between 2010 and 2015, reach an equal level of pay however only in the bottom 5% earnings band. Above the median however, men increased their earnings advantage, earning between 1.17 and 1.36 times more than their female counterparts in each of the top 25%, top 10% and top 5% earnings bands.

Figure 56: Ratio of median earnings for men compared to women, in different earnings bands, 2010 and 2015



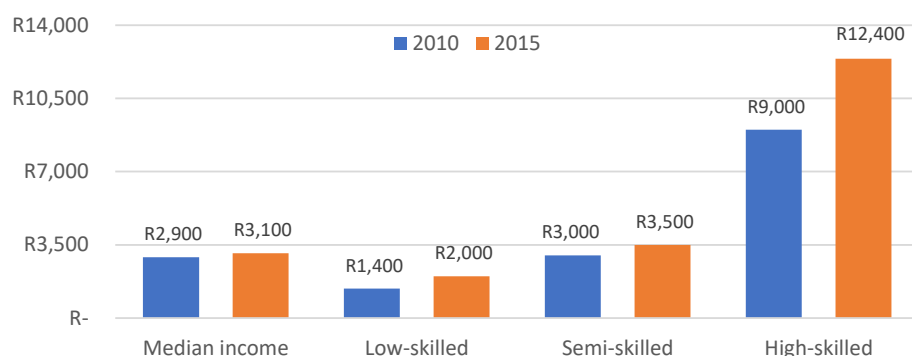
Indicator 51:

Median monthly earnings for workers with different skills

Description:

A major driver of rising incomes at the top end of the earnings scale compared to the bottom is the increasing demand for a scarce supply of higher skilled workers. As technology displaced low and unskilled jobs, wages are depressed as the supply of labour outstrips the demand for those positions. But workers with higher level skills are required to develop and use these new technologies, with the result that demand for their labour increases.

Source: Statistics South Africa, Labour Market Dynamics in South Africa, 2010 – 2015



While median earnings for low-skilled and semi-skilled workers increased above inflation between 2010 and 2015, high-skilled workers saw their median wages increase the fastest, more than doubling during that period. This is an important factor in the persistence of earnings inequality. Given that White and Indian/Asian South Africans are more likely to have higher levels of education, especially tertiary education, they are best placed to take advantage of the demand for high-skilled workers. Without transformation in access to quality education (including post-school education), therefore, Black and Coloured South Africans will find it extremely difficult to compete with their counterparts for higher-skilled and better paid employment in the economy.

Figure 57: Percentage change in median earnings for workers with different skills, 2010 to 2015

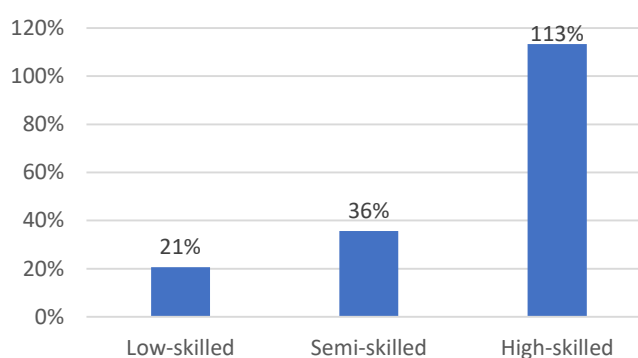
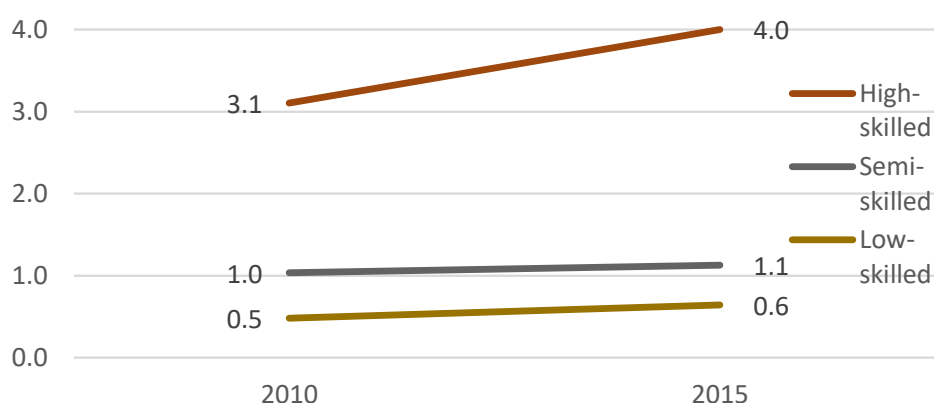


Figure 58 shows that high-skilled workers have increased their earnings advantage from three times the median wage in 2010 to four times the median wage in 2015. Semi-skilled workers earn almost the same as the median wage, while low-skilled workers earn only 0.6 of the median monthly wage.

Figure 58: Ratio of median earnings for people with different skills compared to the overall median, 2010-2015



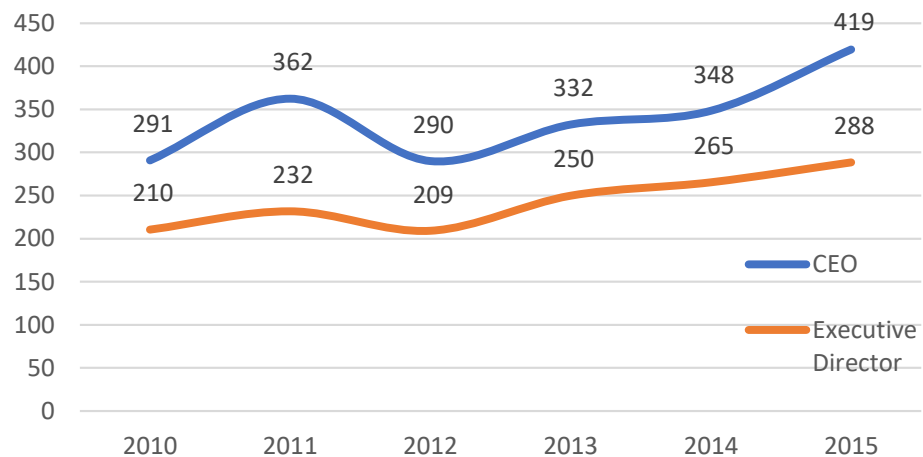
Indicator 52:

Ratio of average CEO and Executive Director Remuneration to median monthly earnings

Description:

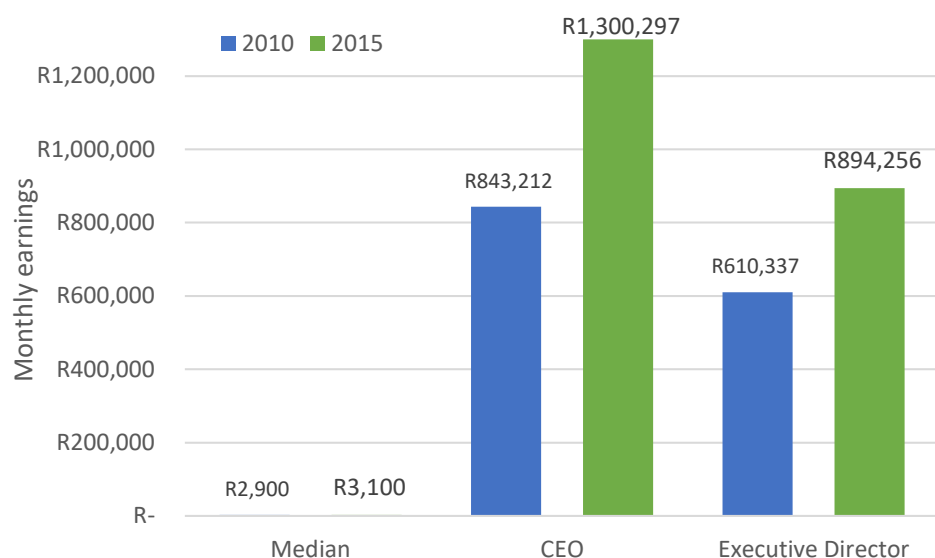
Particularly since the global financial crisis and ensuing recession of 2007, it has become commonplace to compare CEO and Executive Director remuneration with median wages, as these business and financial leaders were seen to have increased their remuneration and share of wealth further even as they brought about the worst financial crisis since the Great Depression, leading to rising unemployment across the globe.

Source: Labour Research Service, Bargaining Indicators 2014 and Statistics South Africa, Labour Market Dynamics in South Africa, 2010 – 2015



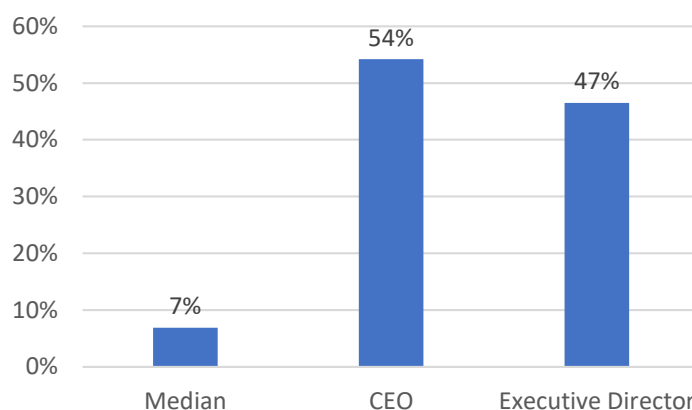
Despite a dip in 2012, CEO and Executive Director remuneration has been increasing relative to the median wage for many years. In South Africa, CEO's earned 419 times the median wage of workers in 2015, while Executive Director's earned 288 times the median monthly wage.

Figure 59: Median monthly earnings compared to average CEO and Executive Director Remuneration, 2010-2015



Between 2010 and 2015, CEO pay increased 54% and Executive Director pay increased by 47%, far outstripping median monthly earnings, which increased by only 7%. By this measure as well, South Africa's world-beating earnings and income inequality looks set to rise even further, unless interventions are made by the state.

Figure 60: Growth in median earnings and average CEO and Executive Director remuneration, 2010-2015



5.6 Combining work, family and personal life

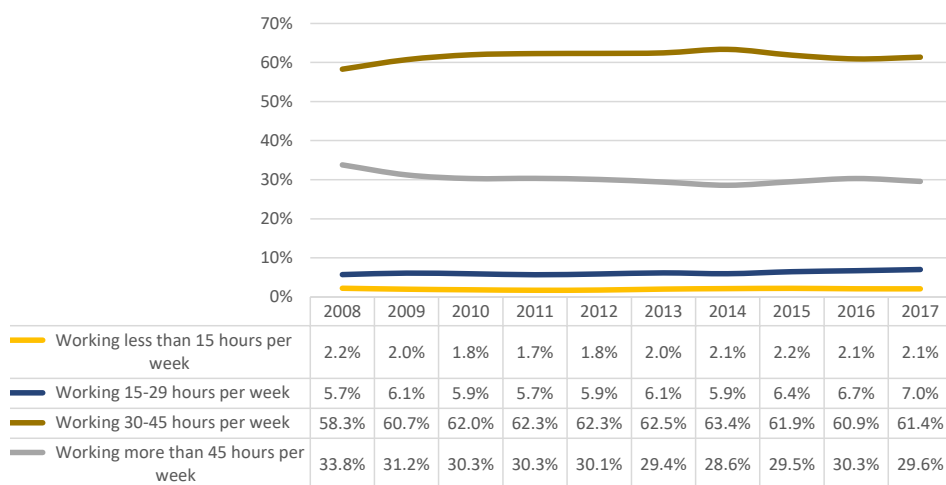
Indicator 53:

Percentage of workers working excessive hours (more than 45 hours per week)

Description:

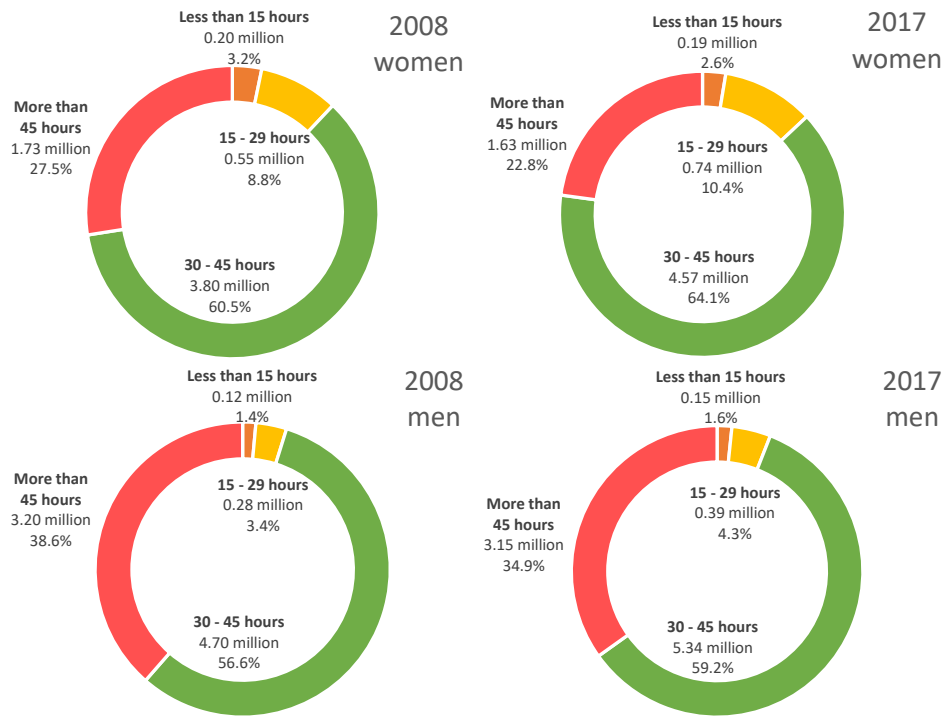
Excessive hours is defined as more than 45 hours per week. Indicator shows what percentage of workers are working excessive hours and how this has changed since 2008.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



There has been a slight decrease in the percentage of workers working more than 45 hours per week, from 33.8% in 2008 to 29.6% in 2017. This is still a high percentage however in terms of the goal of decent work for all. The vast majority of workers work 30-45 hours per week, a percentage which has increased to 61.4% by 2017. A small minority of workers work 15 hours or less per week, although the percentage of workers working 15-29 hours per week has increased, signalling a small increase in the percentage of workers working on a part-time basis.

Figure 61: Number of hours worked per week by women and men, 2008 and 2017



Men are more likely than women to work excessive hours, although the percentage of both women and men working excessive hours decreased between 2008 and 2017. Women on the other hand are much more likely to be working part time hours of 15 or less or 15-29 hours per week.

Table 37: Difference in the number and proportion of women and men working different hours per week

Less than 15 hours	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	202,904	62.9%	186,848	55.9%	- 16,056	- 7.9%
Men	119,768	37.1%	147,376	44.1%	+ 27,608	+ 23.1%
15 – 29 hours	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	552,303	66.3%	741,885	65.5%	+ 189,583	+ 34.3%
Men	280,646	33.7%	390,640	34.5%	+ 109,994	+ 39.2%
30 – 45 hours	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	3,796,299	44.7%	4,572,524	46.1%	+ 776,224	+ 20.4%
Men	4,704,524	55.3%	5,340,591	53.9%	+ 636,067	+ 13.5%
More than 45 hours	2008		2017		difference	% change
	No. of people	% of total	No. of people	% of total		
Women	1,725,676	35.0%	1,628,940	34.1%	- 96,736	- 5.6%
Men	3,202,741	65.0%	3,147,175	65.9%	- 55,566	- 1.7%

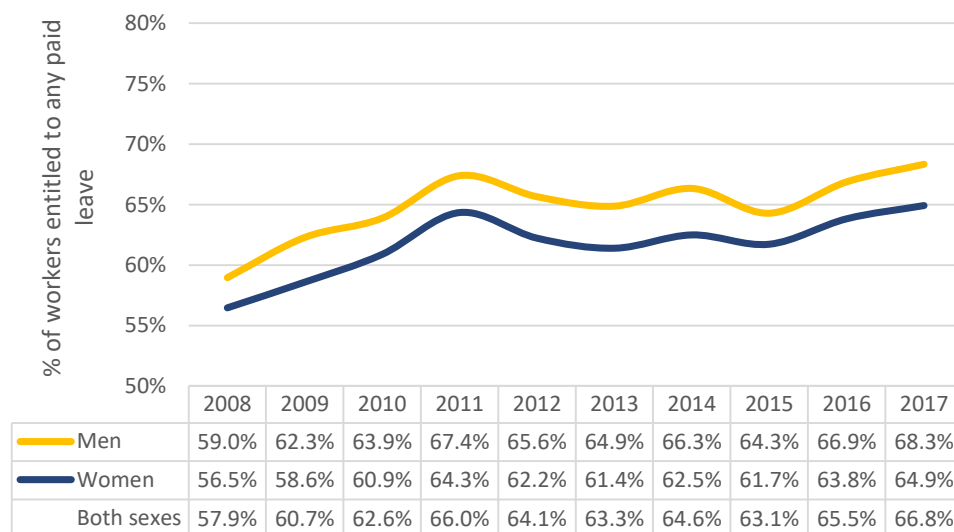
Indicator 54:

Percentage of workers entitled to any paid leave

Description:

Paid leave is a basic entitlement in the Basic Conditions of Employment Act, and a basic standard of decent work.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Although the percentage of women and men with paid leave entitlements has increased over the past decade, more than 35% of women and 33% of men are still unable to take paid leave from work.

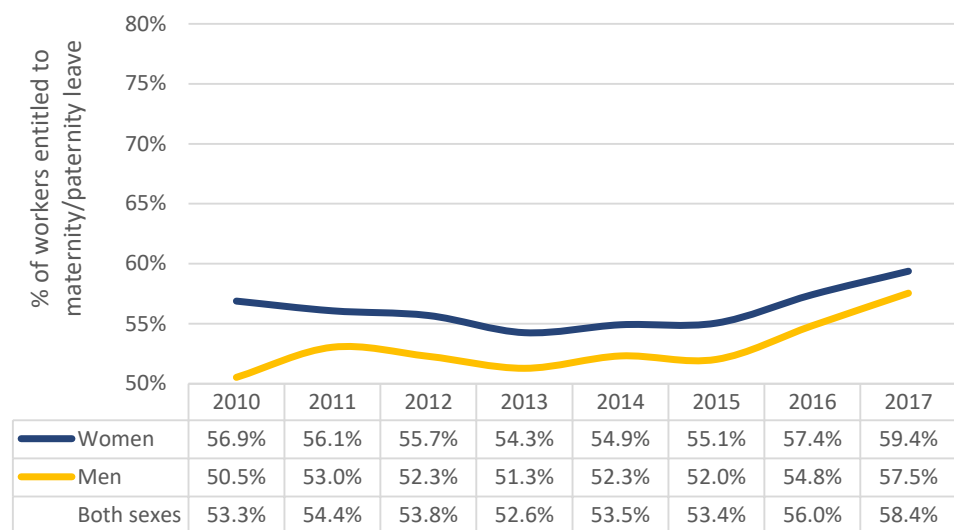
Indicator 55:

Percentage of workers entitled to maternity/paternity leave

Description:

Workers in South Africa are also entitled to maternity/paternity leave in law. This indicator assesses whether workers report being entitled to such leave in practice.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Indicator 55 is one of the few indicators where women have greater enjoyment of their decent work rights than men, although men are catching up. For both sexes, more than 40% of workers report that they are not entitled to take maternity/paternity leave at work, which puts them in a very difficult situation if they decide to have children.

5.7 Freedom of association and collective bargaining (FACB) rights

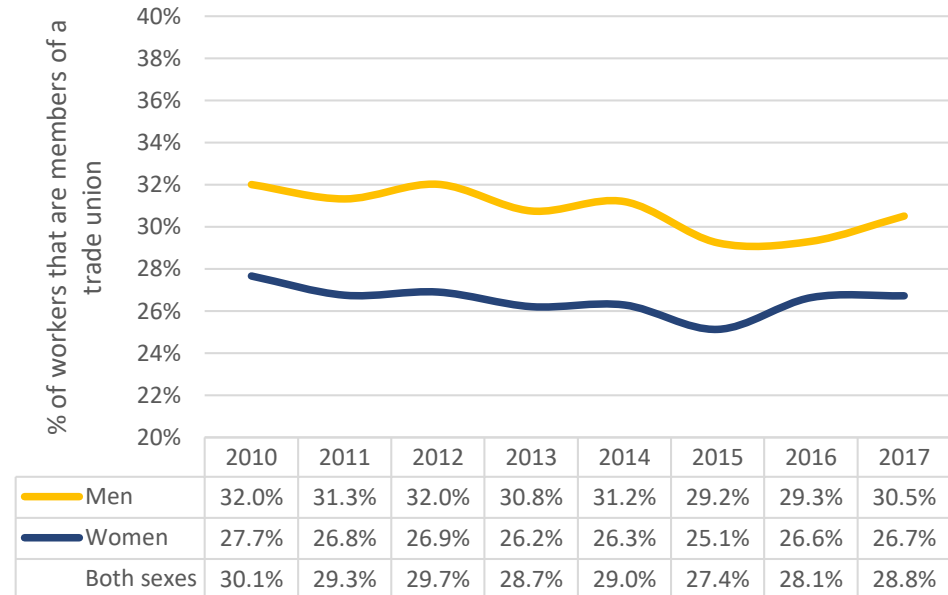
Indicator 56:

Trade union density

Description:

Trade union density refers to the percentage of workers who are members of a trade union, and is therefore a good indicator of the extent to which workers are organised.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q3 2010 – Q2 2017



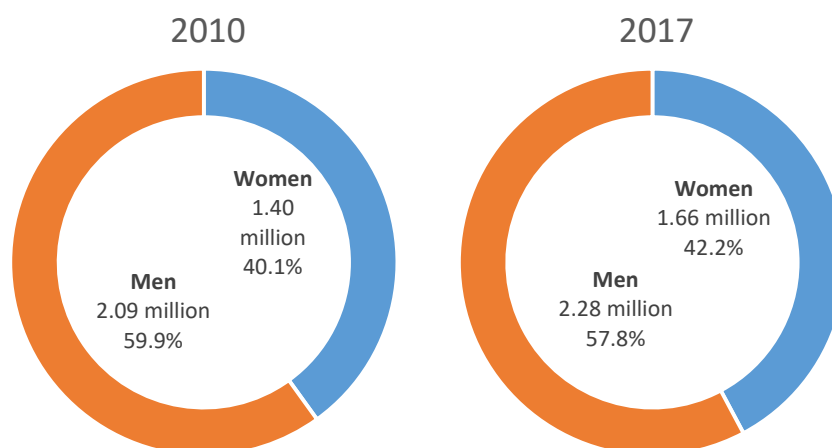
There has been a decline in the percentage of workers reporting that they are members of a trade union, from 30.1% in 2010 to 28.8% in 2017, despite a slight increase in 2016 and 2017. Men are more likely than women to be members of a trade union, although more women than men have become trade union members since 2008. However, the indicator shows that more than 70% of workers are not members of any trade union. It is important to note that this indicator provides no information on the quality of trade union organisation or bargaining power.

Table 38: Difference and percentage change in trade union membership, 2008 to 2017

	2008	2017	difference	% change
Women	1,399,000	1,663,000	+ 264,000	+ 18.9%
Men	2,093,500	2,277,000	+ 183,500	+ 8.8%
Total	3,492,000	3,940,000	+ 448,000	+ 12.8%

Indicator 57:

Representation of women in trade union membership

Source: Statistics South Africa, Quarterly Labour Force Survey, Q3 2010 – Q2 2017

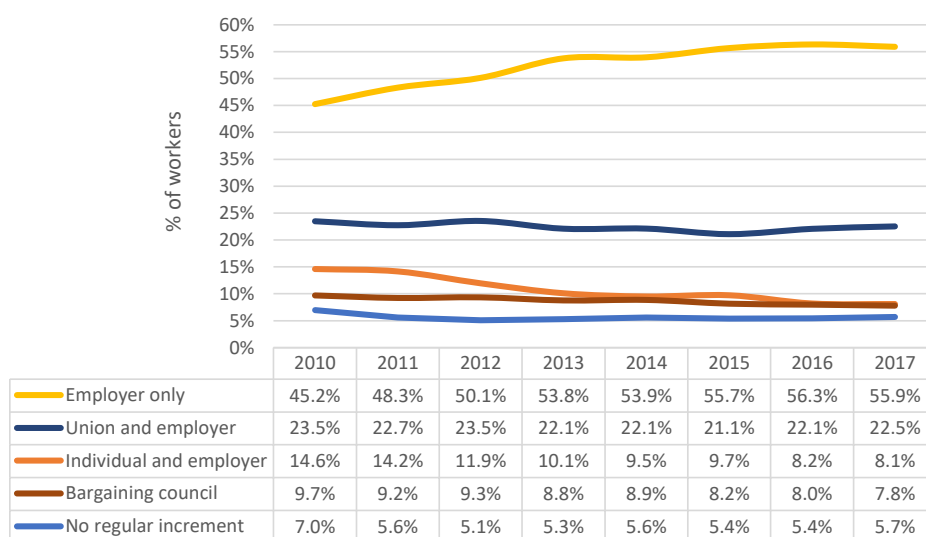
Although women have increased their share of trade union membership since 2010, men continue to make up the majority of trade union members.

Indicator 58:

Percentage of workers whose salary increment is determined by their employer only

Description:

With more than 70% of workers not members of a trade union, salary increments are other labour conditions will be determined by means other than a trade union based negotiation. Employees may find themselves with the least amount of bargaining power when their employer alone set's the terms of their employment. This indicator therefore assesses what percentage of workers have their salary increment determined by their employer only, or by other means of negotiation.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q3 2010 – Q2 2017

How a salary increment is determined is a good indicator of how other labour conditions are determined within an employment relationship. The percentage of workers reporting that their employer alone determines their salary increment has increased substantially since 2010, from 45.2% to 55.9% by 2017. That means that the majority of workers have no say in how their salary and most likely their other conditions of employment are determined.

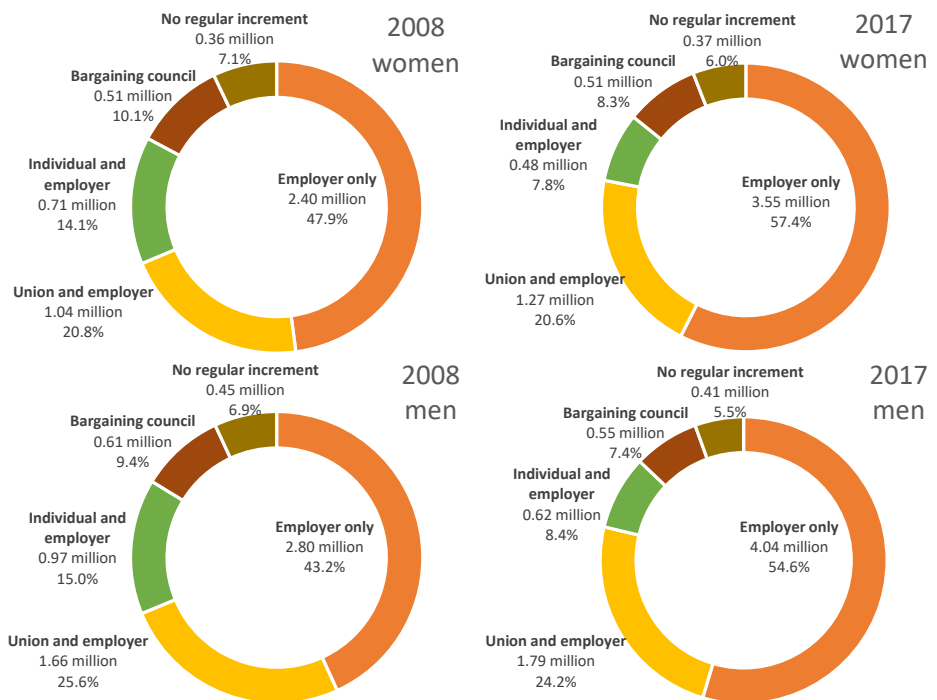
The percentage who report that a union negotiates wages on their behalf has dropped to 22.5% by 2017, while the steepest drop in salary negotiation process has been between the

individual and the employer, from 14.6% in 2010 to 8.1% in 2017. The percentage of workers benefiting from a bargaining council determination on their salary increment has also reduced, from 9.7% to 7.8% during this period. However, the percentage of workers who receive no regular salary increment has nevertheless decreased slightly, albeit from a low baseline of 7.0% in 2010 to 5.7% in 2017. Table 39 below shows that the major changes in wage negotiation have been the increase in employer only determination and the decrease in individual and employer negotiation, with unions now representing more workers but declining as a percentage of the total workforce.

Table 39: Difference and percentage change in the number of workers whose salary increment is determined by different methods, 2008 to 2017

	2008	2017	difference	% change
Employer only	5,204,000	7,585,500	+ 2,381,500	+ 45.8%
Union and employer	2,700,000	3,056,000	+ 356,000	+ 13.2%
Individual and employer	1,679,000	1,098,500	- 580,500	- 34.6%
Bargaining council	1,114,500	1,057,500	- 57,000	- 5.1%
No regular increment	803,500	773,000	- 30,500	- 3.8%

Figure 62: Number and percentage of women and men whose salary increments are determined by different methods, 2008 to 2017



Women are most likely to have their salary increment determined by their employer only, at 57.7% in 2017. Women are also less likely to be represented by a union or benefit from a bargaining council in wage negotiations.

Indicator 59:

Number of FACB rights violations in law and in practice, compared to other countries

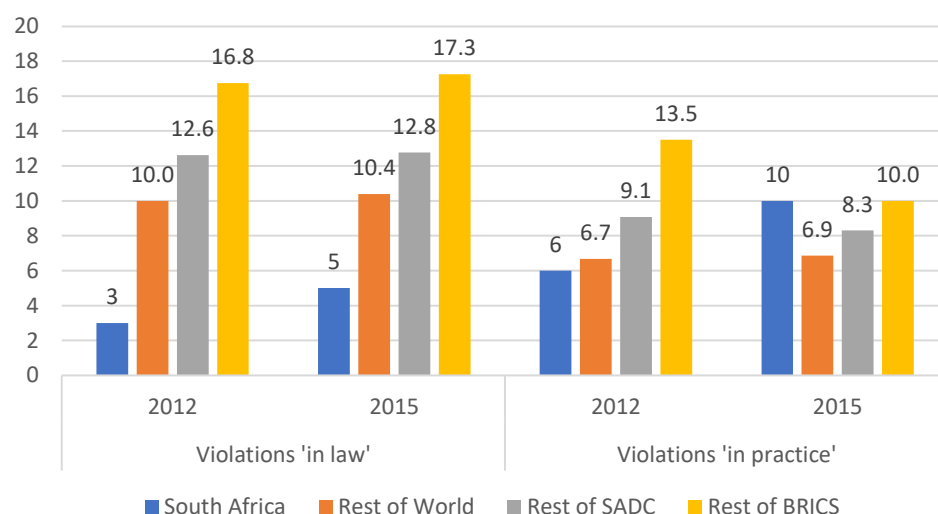
Description:

The Labour Rights Indicators is an initiative of the Global Labour University and the Centre for Global Workers' Rights at Penn State University in the US. They are based on a methodology⁵⁰ which draws on domestic and international data sources that provide comparable information on various indicators related to FACB rights in countries across the world. The indicators focus on violations of these rights 'in law' and 'in practice' and will be updated on an annual basis. 'In law' means that the legal framework itself is not respecting or protecting FACB rights, while

⁵⁰ Available at: http://labour-rights-indicators.la.psu.edu/docs/Method_paper.pdf.

'in practice' violations refer to a situation whereby, even though a right may be protected in legislation, workers nevertheless experience violations of this right. These indicators allow us to compare South Africa's protection of FACB rights with other countries. For the purposes of this paper, I have calculated the average scores for the rest of the world, the rest of SADC, and the rest of BRICS, as these are countries with which South Africa has or is building close relationships with and which SA often compares itself to.

Source: Labour Rights Indicators, Centre for Global Workers' Rights



South Africa compares favourably with other countries in terms of the number of FACB rights violations which occur and the overall FACB rights score as calculated by the Labour Rights Indicators. However, it is important to notice that the number of FACB rights violations both in law and in practice increased in South African between 2012 and 2015. This is going against international trends whereby FACB rights violations are broadly decreasing. Details of what violations these refer to can be found on the Labour Rights Indicators page for South Africa: <http://labour-rights-indicators.la.psu.edu/country/710>.

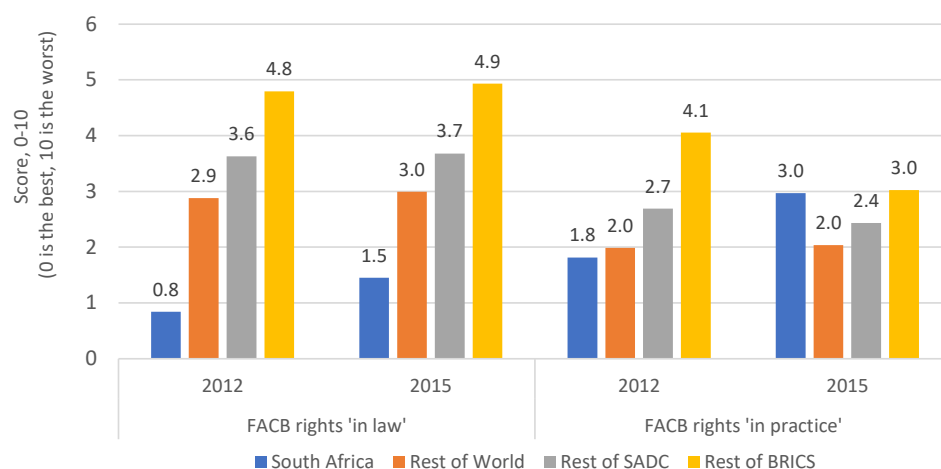
Indicator 60:

Overall FACB rights score in law and in practice, compared to other countries

Description:

The Labour Rights Indicators also provide a 'score' for each country for which there is sufficient data, with 0 being the best score and 10 being the worst possible score.

Source: Labour Rights Indicators, Centre for Global Workers' Rights



South Africa again compares favourably to many other countries in terms of its protection of FACB rights in law and in practice. However, South Africa's score has also got worse between 2012 and 2015. As a result, in 2015, South Africa scored the same as the rest of the BRICS countries for protection of FACB rights in practice, and a worse score than the global average and the average for SADC countries.

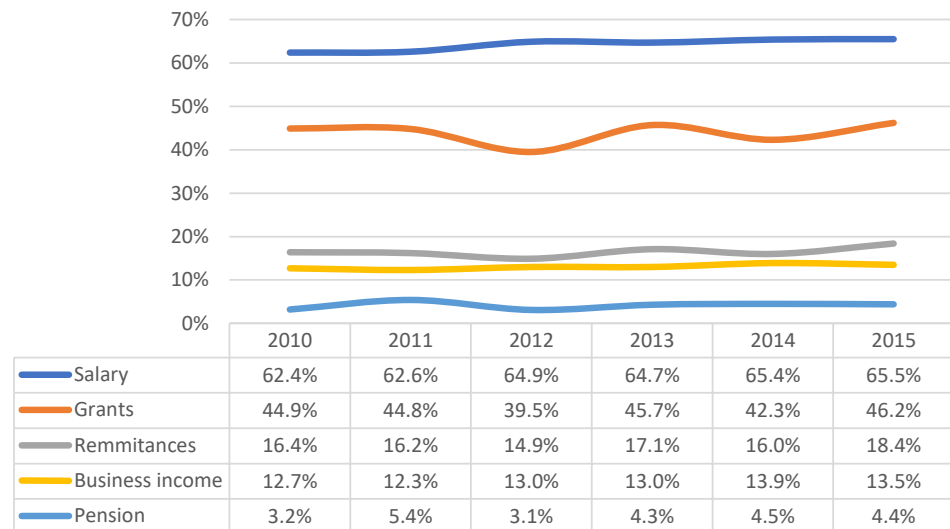
5.8 Social security

Indicator 61:

Percentage of households that receive income from a salary, business or grant

Description: Access to adequate social security is a critical element of the right to decent work, especially in the context of high unemployment and high levels of working poverty. This indicator looks at the percentage of households who report that their household receives income from various sources, with a focus on income from a salary, business or social grant provided by the state.

Source: Statistics South Africa, General Household Survey, 2010-2016



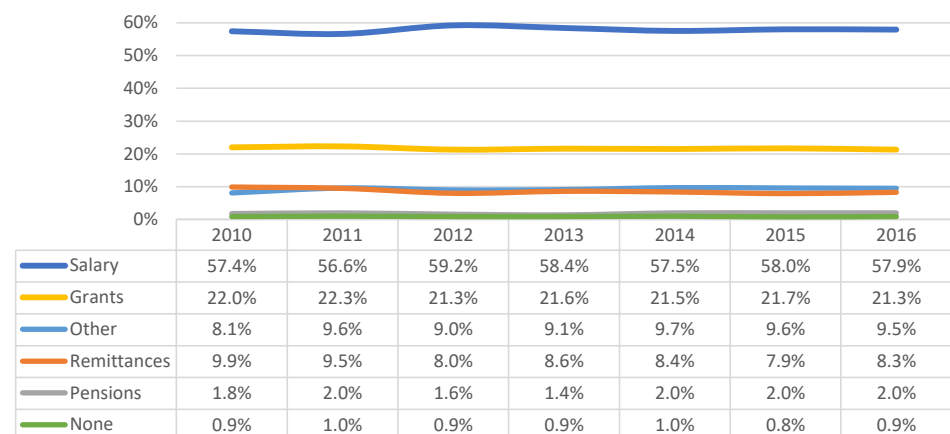
A slightly higher percentage of households reported in 2015 that they were receiving income from a salary, compared to 2010. Almost two-thirds of households now benefit from some form of income through a salary. During the same period, the percentage of households who benefit from a social grant has increased slightly, to 46.2% of households by 2015. The percentage of households who receive income from a business has also increased, to 13.5% by 2015. What this indicator doesn't tell us is whether the one-third of households who receive no income from a salary benefit from social grants or other sources of income. However, we do know that because working-age people are not eligible to benefit from social grants, there will be many unemployed people who have no income from a salary or from a grant.

Indicator 62:

Percentage of households whose main source of income is a salary

Description:

Indicator 62 uses the same data source but asks when form of income households rely on as their main source.



The percentage of households whose main source of income is from a salary was relatively stable between 2010 and 2016, with an increase in 2012 followed by a slow decline thereafter. In total, more than 40% of households do not rely on a salary for their main source of income. These households therefore have to rely on other sources of income in order to survive. The percentage of these households who rely on a grant from the government as their main source of income has also been stable over the period, with a very slight reduction of 0.7% between 2010 and 2016. One in five households rely on government grants in order to survive. This shows both the importance of social grants as a poverty alleviation measure, as well as the importance that the state is able to reliably and efficiently provide these grants to recipients on an ongoing basis.

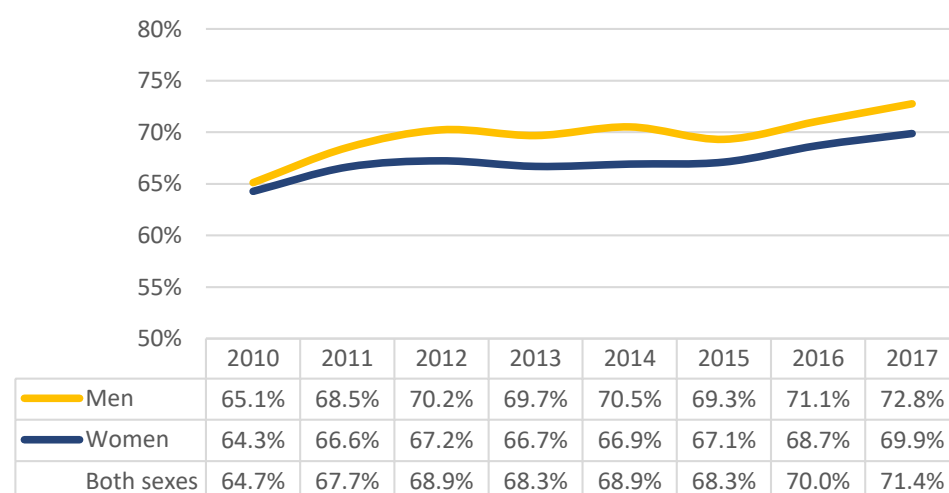
Indicator 63:

Percentage of workers entitled to paid sick leave

Description:

Paid sick leave is a basic entitlement in labour legislation, and is necessary to ensure that a sick person does not fall into destitution as a result of their illness.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Despite the existence of various labour legislation, almost 30% of women and men report that they are not entitled to paid sick leave from their employer. More men than women are entitled to this basic element of decent work.

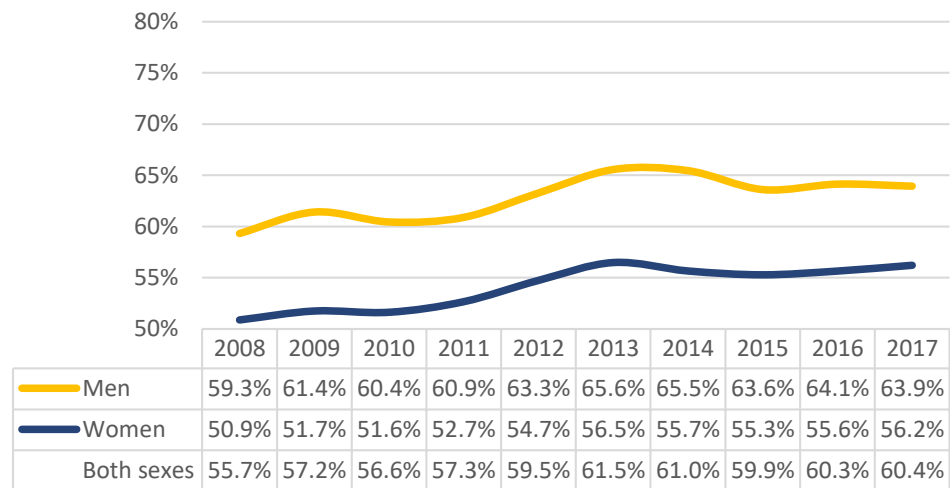
Indicator 64:

Percentage of workers whose employer contributes to the UIF (self-reported)

Description:

With the economy experiencing large numbers of job losses over the past decade, it has become more important than ever that employees are able to benefit from statutory unemployment insurance benefits when they need them.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017\



The percentage of workers reporting that their employer contributes to the UIF (which is a solid indicator that they themselves will be able to benefit from unemployment insurance in the event that they become unemployed) has increased since 2008, from 55.7% to 60.4% by 2017. However, this means that at least 40% of workers are unlikely to be able to benefit from unemployment insurance, as their employer is not contributing to the fund. Men are much more likely than women to work for an employer who contributes to the UIF.

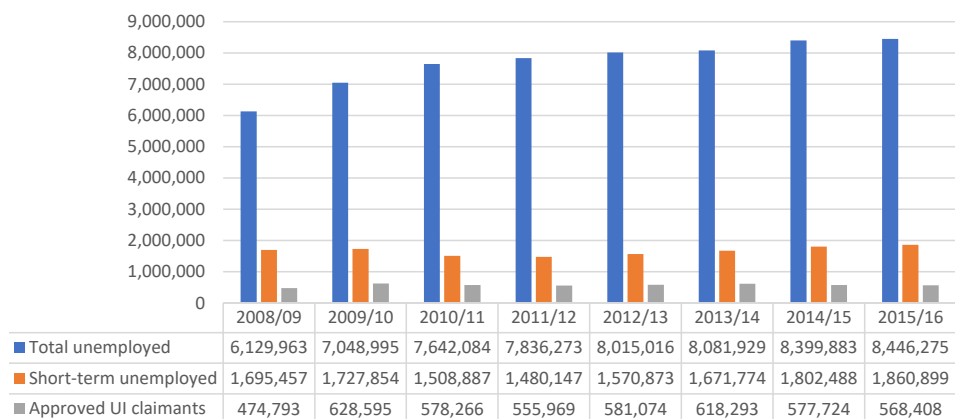
Indicator 65:

Approved UIF claimants as a percentage of the short-term and long-term unemployed

Description:

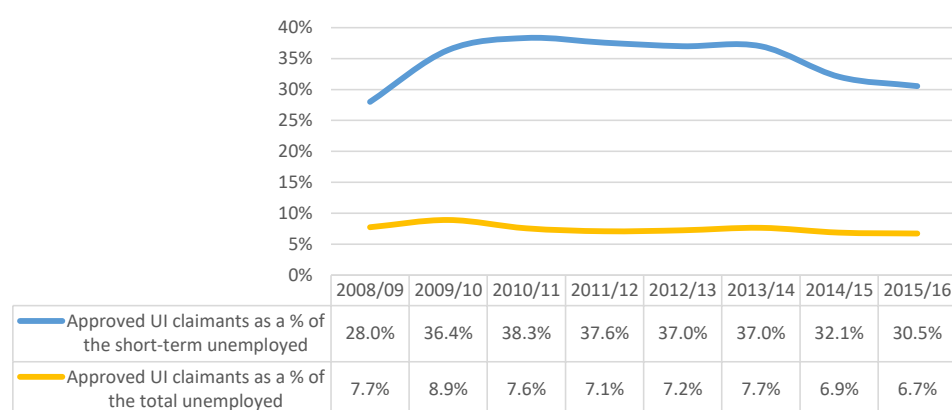
In order for UIF to be effective in protecting unemployed workers from experiencing poverty, it needs to cover as many unemployed workers as possible. This indicator looks at how many unemployment insurance claims have been made per year from the fund, and compares this to the number of people in short-term unemployment (of less than one year) narrowly defined, as well as the total unemployed (using the expanded definition).

Source: Department of Labour, Annual Reports 2008/09 – 2015/16



Indicator 66 shows that the number of approved unemployment insurance claims has fluctuated each year since 2008/09, reaching a peak of 628,595 in 2009/10 before falling to an eight year low in 2011/12, and then picking up again. There were almost 100,000 more UI claims approved in 2015/16 compared to 2008/09. However, the number of people unemployed has increased at a much faster pace during this period. As a result, the percentage of the short-term unemployed (arguably who need the short-term benefits of unemployment insurance the most) who could potentially be benefiting from the UIF has declined since 2010/11, to only 30.5% by 2015/16. Over the same period, the percentage of the total unemployed who could potentially benefit from the UIF stood at only 6.7% in 2017. There are therefore a very large

number of both short-term and other unemployed people who are not benefiting from the statutory unemployment insurance offered by the state.



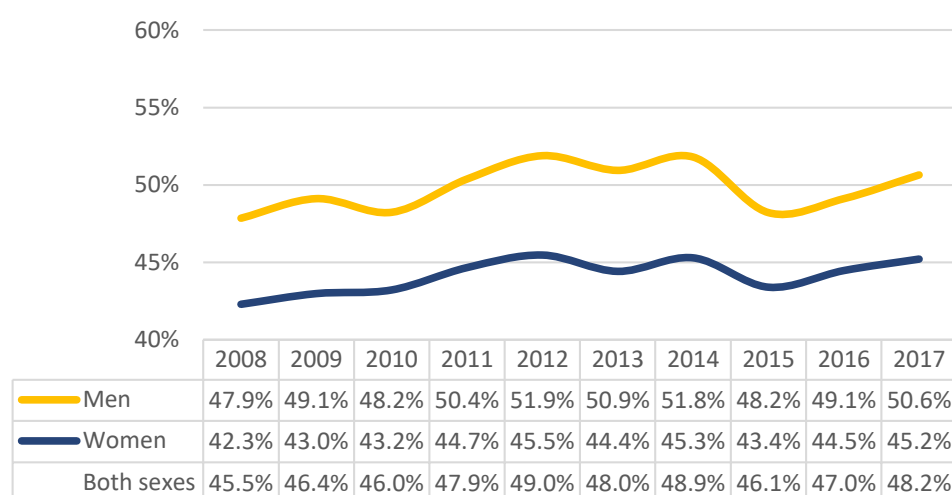
Indicator 66:

Percentage of workers whose employer contributes to a pension/retirement fund

Description:

Access to a pension/retirement fund is an essential element of the right to decent work. Without it, those who can no longer work face an extremely difficult old age in terms of having enough income to survive. Employers have a critical role to play in linking employees and making contributions to a retirement fund.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



More than 50% of the workforce reports that their employer does not contribute to a retirement fund on their behalf. This means that over 50% of the workforce is at high risk of having little or no income once they reach the statutory retirement age. This puts these former-workers into an extremely vulnerable position, with many having access only to the small Old Age Grant provided by the government. As with the other indicators above, women are less likely than men to work for an employer who contributes to a retirement fund.

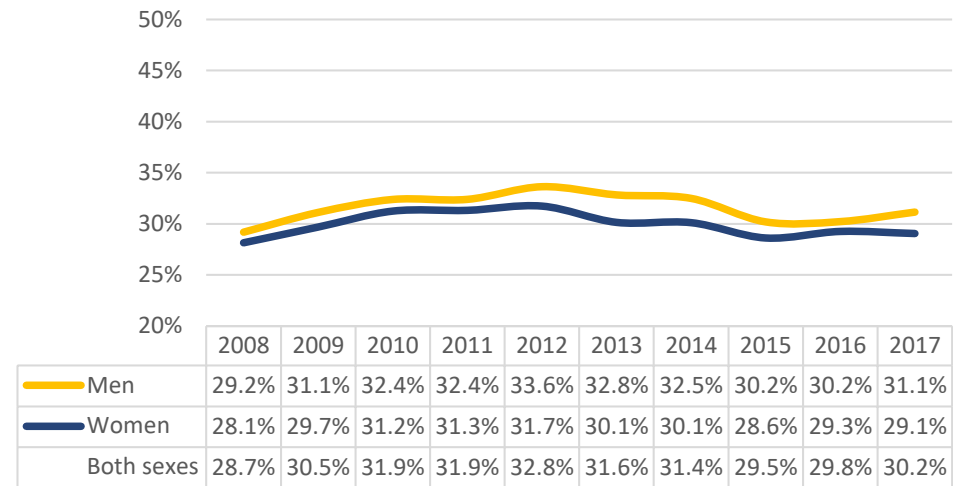
Indicator 67:

Percentage of workers entitled to medical aid benefits from their employer

Description:

Access to medical aid is also an important indicator of social security in terms of access to quality healthcare.

Source: Statistics South Africa, Quarterly Labour Force Survey, Q1 2008 – Q2 2017



Around 70% of workers report not being entitled to medical aid benefits from their employer. This means that these workers must either rely completely on the public healthcare system, or pay for their own private medical aid. Women are less likely to have medical aid benefits from their employer than men.

Quality indicators

After looking at access to decent work and the adequacy of working conditions, quality indicators look at the impact and outcomes of access / non-access to decent work on people. They therefore look at levels of poverty and inequality, food security, health, housing and crime.

6.1 Poverty and inequality

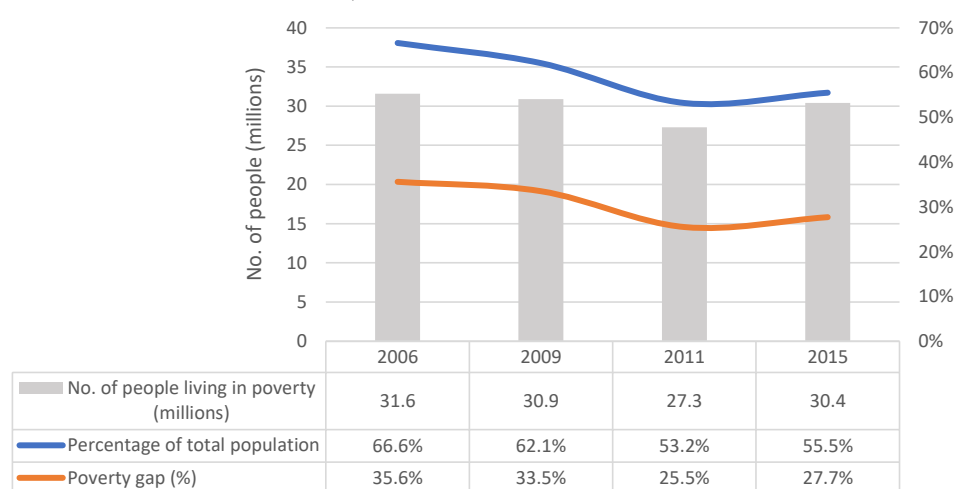
Indicator 68a:

Number and percentage of people living in poverty and the poverty gap

Description:

This indicator uses the upper-bound poverty line to determine what percentage of people have enough income to be able to afford the most basic food and non-food items necessary for survival.

Source: Statistics South Africa, Poverty Trends in South Africa, 2017

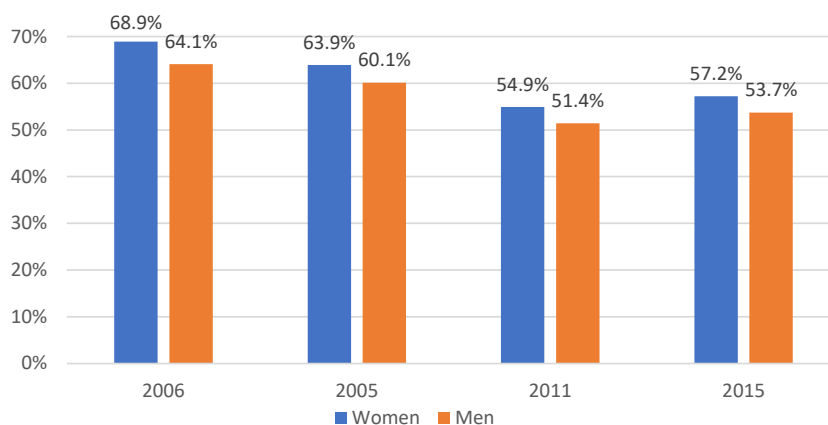


After a gradual reduction in poverty between 2006 and 2011, the number and percentage of the population living in poverty increased between 2011 and 2015, to 55.5%, or 30.4 million people. At the same time, the poverty gap also increased, which means that those who are living in poverty are further away from the poverty line than they were before. These extremely high rates of poverty are closely linked to the rising levels of unemployment and the inadequate working conditions that workers face, as described in our access and adequacy indicators.

Indicator 68b:

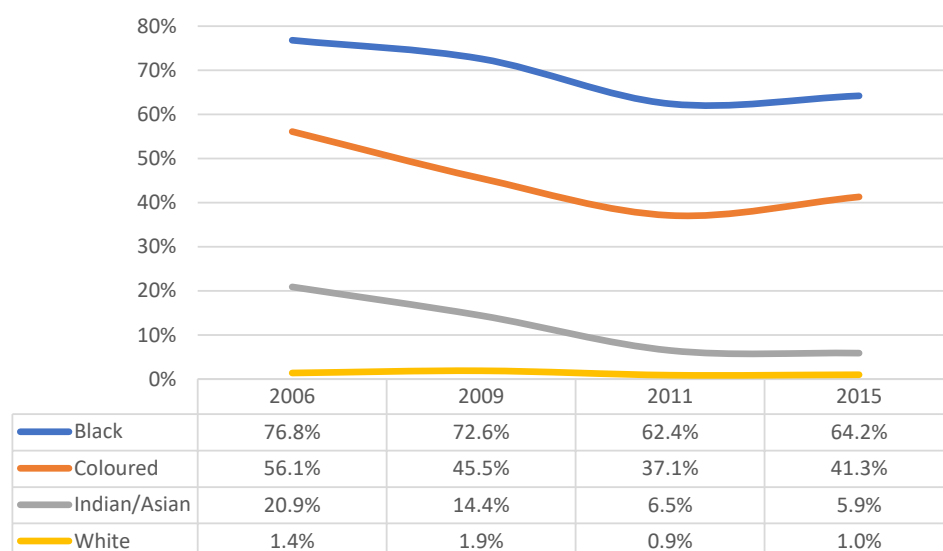
Percentage of women and men living in poverty

As women are less likely to have access to decent work, they are more likely to be living in poverty. As of 2015, 57.2% of women and 53.7% of men are unable to afford to purchase basic food and non-food items each month.



Indicator 68c:

Percentage of people living in poverty by population group



Unequal access to decent work among the population groups also contributes to unequal experiences of poverty. Black South Africans are by far the most likely population group to be living in poverty, at 64.2% in 2015, followed by Coloured South Africans, 41.3% of whom lived in poverty by 2015. Poverty is experienced far less by Indian/Asian households, at 5.9% of the population, while only 1.0% of White South Africans were living in poverty in 2015. Notably, only the Indian/Asian group experienced a decline in poverty between 2011 and 2015, while Coloured South Africans experienced the greatest rise in poverty during this period.

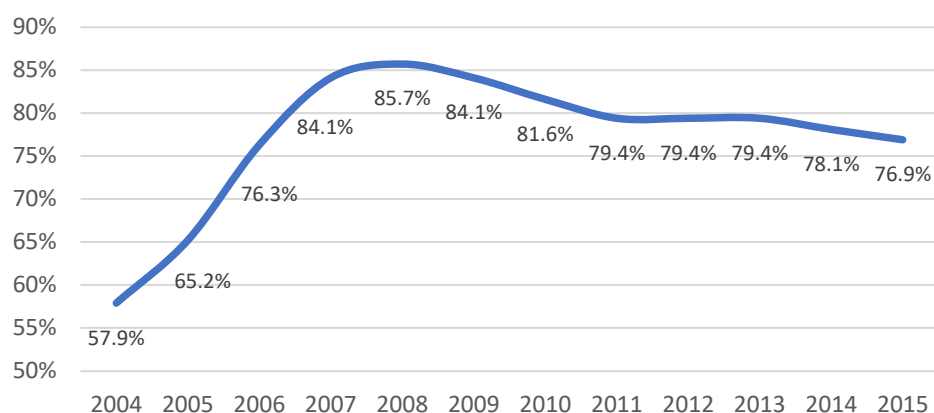
Indicator 69:

Household debt as a percentage of disposable income

Description:

When workers are not paid wages that allow them to fulfil their consumption needs, many turn to credit in an attempt to finance what they consider to be a 'decent life', as well as to pay for basic necessities. This indicator looks at household debt trends as a percentage of disposable income. The higher a percentage of disposable income a household's debt is, the more difficulty they will have paying for that debt and the less disposable income they will have left for consumption and saving.

Source: Statistics South Africa, Poverty Trends in South Africa, 2017



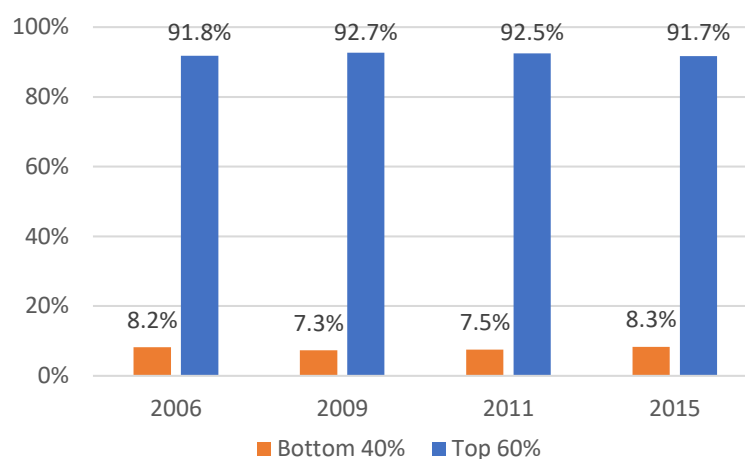
Indicator 70:

Share of income going to the bottom 40% and top 60% of income earners

Description:

Income inequality is the result of many historical and current factors in South Africa, of which a major contributor is unequal earnings by workers. Our 'adequate and equitable earnings' indicators shows that the top 5%, 10% and 25% of workers earn substantially more than median earners and below, and have seen their wages increase at a much faster rate over the past decade. This trend will make any efforts to reduce overall income inequality in the country much more difficult if not impossible.

Source: Statistics South Africa, Poverty Trends in South Africa, 2017



The share of total income going to the bottom 40% of income earners increased by only 0.1% between 2006 and 2015. The bottom 40% much share only 8.3% of total income, while the top 60% share 91.7% of income. These vast disparity in income, hardly changing over time, is a cause of generally high levels of inequality in the country.

Household debt rose considerably between 2004 and 2008, but has declined since then. However, households still had more debt as a percentage of their disposable income in 2015 than in 2006. This average obviously belies the fact that while some households will have very little debt as a percentage of their disposable income, many households will be extremely overburdened by debt. At an average of 76.9% of household disposable income, debt levels in South Africa remained very high by 2015.

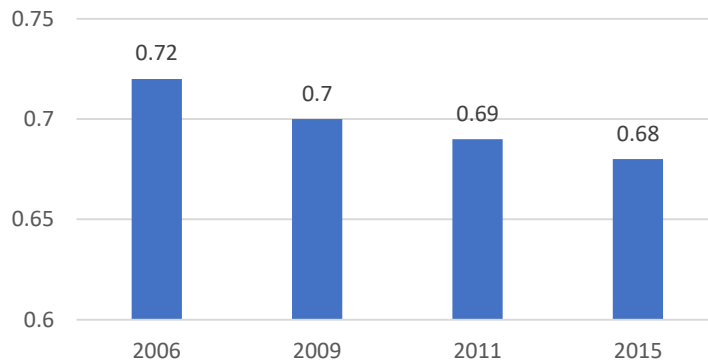
Indicator 71:

GINI coefficient

Description:

The GINI coefficient provides a good indication of the extent of income inequality in a country. A GINI coefficient of 1 would mean that all the income in the country goes to a single person (perfect inequality), while a GINI coefficient of 0 would mean that the income of the country is shared equally among all its people (perfect equality). Therefore, the higher the GINI coefficient is, the more income inequality that exists. South Africa has therefore set itself the goal of reducing the GINI coefficient over time.

Source: Statistics South Africa, Poverty Trends in South Africa, 2017



The GINI coefficient has been reducing in South Africa since 2006, but at a very slow rate of only 0.004 per year between 2006 and 2015. The coefficient of 0.68 in 2015 represents very high levels of income inequality in the country.

6.2 Food security

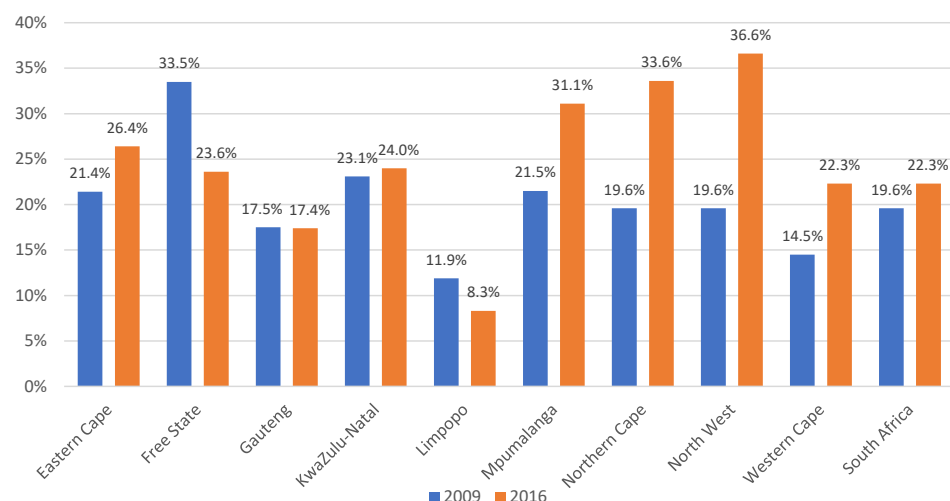
Indicator 72:

Percentage of households with inadequate / severely inadequate access to food

Description:

Access to food in South Africa is primarily a question of income and affordability, as the vast majority of households purchase rather than produce their own food. The General Household Survey began asking respondents series of questions in 2009 about their access to food, and from these has been able to calculate the percentage of household who have inadequate or severely inadequate access to food. Adding these two groups together provides us with a total portion of each provinces population that has either inadequate or severely inadequate access to food, a critical indicator for survival and well-being, among others.

Source: Statistics South Africa, General Household Survey, 2009 – 2016



Rising unemployment and unequal earnings from work mean that many South African households struggle to afford a minimum basket of essential foodstuffs each month. Moreover, deterioration in the labour market has no doubt contributed to an increase in the percentage of households with inadequate/severely inadequate access to food since 2009, reaching more than one fifth of South African households in 2016. Provinces with the highest prevalence of food insecurity are North West, Northern Cape and Mpumalanga, all of whom have seen sharp rises in food insecurity since 2009. The only provinces where food insecurity has improved or stayed the same are Free State and Gauteng.

6.3 Health

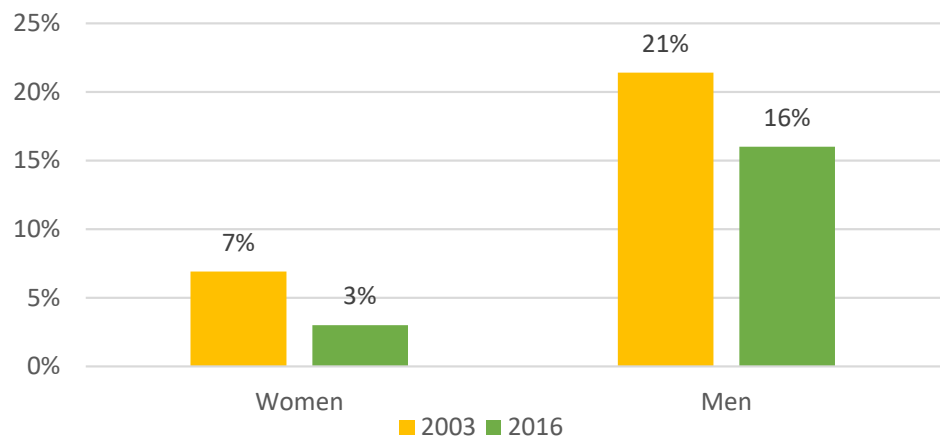
Indicator 73:

Percentage of women and men with signs of problem drinking

Description:

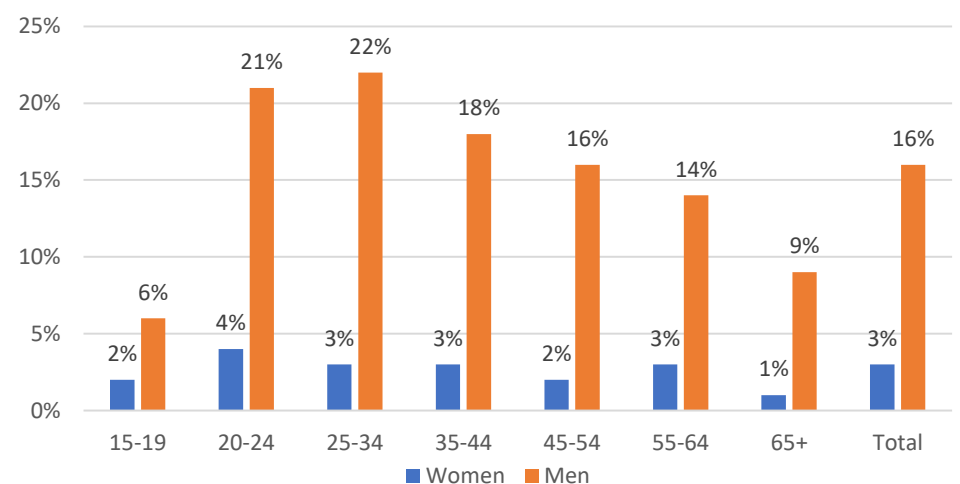
Unemployment, temporary and unspecified duration employment, as well as employment without a contract, are all associated with poor mental health and behavioural outcomes, including alcohol and drug abuse.⁵¹ In this indicator, alcohol abuse is assessed as signs of problem drinking through the CAGE test.

Source: South Africa Demographic and Health Survey, 2003 and 2016



Despite rising unemployment and poverty levels, problem drinking seems to have decreased in prevalence between 2003 and 2016. Men are much more likely than women to be problem drinkers, with around 1 in every 6 men displaying signs of problem drinking, compared to only 3% of women.

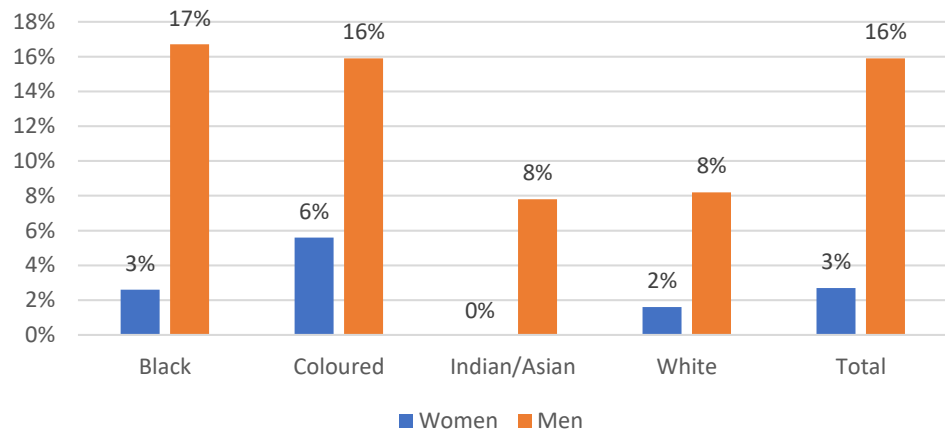
Figure 63: Percentage of persons problem drinking by sex and age, 2016



⁵¹ See Kivimäki et al., 2003; Artazcoz et al., 2005; Kim et al., 2006; and CSDH 'Final Report of the Commission on Social Determinants of Health' (2008) Geneva, World Health Organization 5.

Problem drinking does however affect the youth more than those aged 35 and older, with the highest prevalence of problem drinking in 2016 found in the 20 – 34 age group, in which more than 1 in 5 men show signs of problem drinking.

Figure 64: Percentage of persons problem drinking by sex and population group, 2016



Black and Coloured South Africans were the most likely to display signs of problem drinking in 2016. Problem drinking occurs to a similar degree among Indian/Asian and White men, but at less than half the prevalence rate of their Black and Coloured South African peers.

6.4 Housing

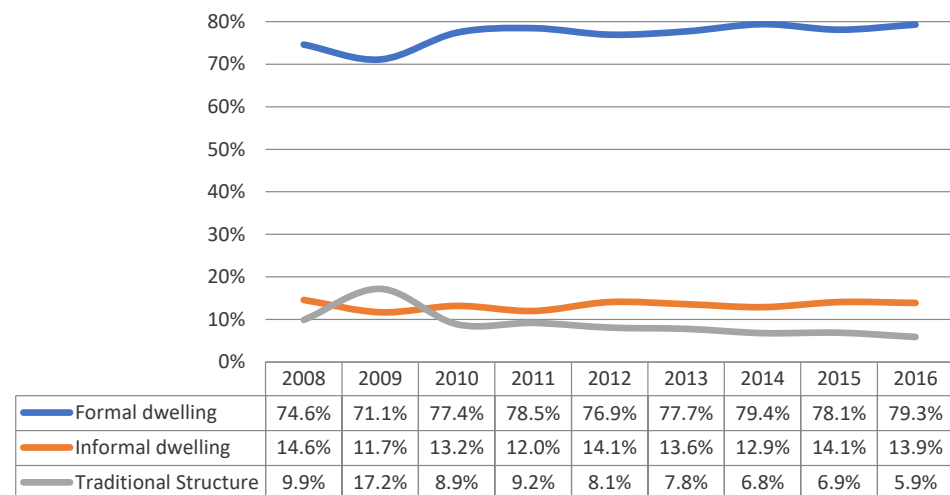
Indicator 74:

Percentage of households living in informal dwellings

Description:

Inadequate access to income forces people to live in informal dwellings, which are often closer to work opportunities than the historically segregated townships that were built on the outskirts of cities and towns. Informal dwellings however are defined by a lack of access to basic services such as clean water, electricity and refuse removal however, and the dwellings themselves may provide insufficient protection from the weather.

Source: Statistics South Africa, General Household Survey, 2008-2016



While the percentage of households living in traditional structures has declined, and the percentage living in formal dwellings has increased since 2008, the occupation of informal dwellings by South Africans continues to remain relatively constant, at 13.9% of households in 2016. Living in informal dwellings is an outcome of many factors, including the combination of low-wages, a lack of work-opportunities, the growing casualisation of work, and the lasting impact of apartheid's spacial geography. Workers often decide to live in informal dwellings in order to be closer to work and other economic opportunities, but an eviction, sudden

unemployment or a reduction in worker benefits (such as access to housing on a farm), may also force workers into informal housing. In order to gain and sustain access to decent work, workers must be able to afford or have subsidised access to more affordable housing offerings (such as inner-city social housing) within a reasonable distance of work opportunities.

6.5 Crime

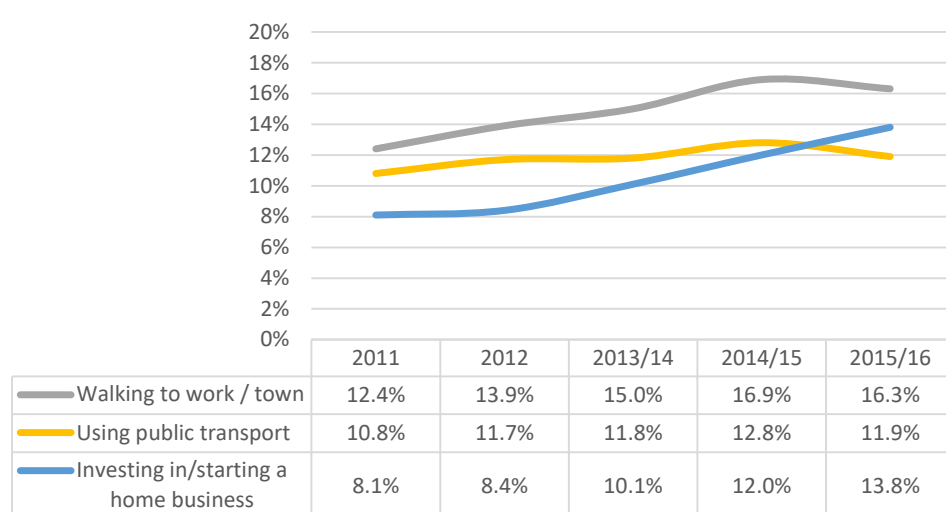
Indicator 75:

Percentage of households who were prevented from engaging in work-related activities when alone as a result of crime in their area

Description:

The Victims of Crime Survey asks respondents if they were prevented from engaging in certain activities when they were alone as a result of crime in their area. As well as being associated with inequality, poverty and unemployment, crime also has a negative impact on an individual or a community's attempts to improve their lives. In this indicator we focus on those activities which are related to work.

Source: Statistics South Africa, Victims of Crime Survey, 2016



In all of the activities listed above, people reported more instances of being prevented from engaging in these activities due to crime in 2015/16 than in 2011. More than 16% of households reported being unable to walk to work/town, while almost 12% reported that they could not use public transport due to crime in their area. An inability to engage in these basic activities is hugely disruptive to an individual's ability both to look for and to get to work. Perhaps most worryingly in terms of economic growth and recovery, almost 14% of households reported that they would not invest in or start a home business because of crime in their area, a percentage which has increased sharply since 2011.



Conclusion

The so-called ‘ticking time bomb’ of high unemployment, inequality and poverty is still ticking in South Africa. The right to decent work indicators show that access to decent work remains out of reach for the majority of people. Discussions about how to transform South Africa’s economy into one that provides greater access to decent work need to be based on evidence, both of the kind presented here, as well as the experiences of people who lack access to decent work. International comparative studies of countries which have faced similar challenges of unemployment, inequality and poverty should also be considered.

It is hoped that the information generated by these indicators can be used by a variety of actors, including: government and policy-makers, civil society, advisory and oversight bodies such as the DPME and Chapter 9 institutions, especially the South African Human Rights Commission, United Nations treaty monitoring bodies, the judiciary and public interest lawyers – to monitor and guide progress made in fulfilling the right to decent work, and as a tool for supporting development and progressive change.

To stimulate that debate further, SPII has developed a sister publication to this one, entitled ‘Realising the Right to Decent Work’, which will be available at www.spii.org.za in October 2017. In that paper we provide an overview of the current policy frameworks and resource allocations for programmes that could have an impact on access to decent work. We also provide some guidance as to where policies might be strengthened and the kinds of new policies that might be adopted.

A human or constitutional right is not a political option that governments can choose to implement or to ignore. All departments with work-related programmes must be aware of their obligations to ensure the right to decent work. The private sector too must be held accountable. SPII’s monitoring of the implementation of socio-economic rights is not simply about taking a ‘watch-dog’ role to ensure that this is the case, but to inspire and support a range of collective actions designed to guide policy and to move all actors towards developing roadmaps and time-frames for how and by when universal access to these rights for all people living in South Africa will be achieved – as guaranteed in the Constitution and international human rights instruments that we have ratified.



**STUDIES IN POVERTY AND
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*Building up knowledge
to break down Poverty*

Studies in Poverty and Inequality Institute (SPII)

31 Quinn Street, Newtown
Johannesburg
South Africa
2000

Phone: + 27 11 833 0161

Fax: + 27 11 832 3085

www.spii.org.za

For a complete list of SPII's partners, please visit www.spii.org.za

Design & layout: SUN MeDIA Bloemfontein | admin@sunbloem.co.za