

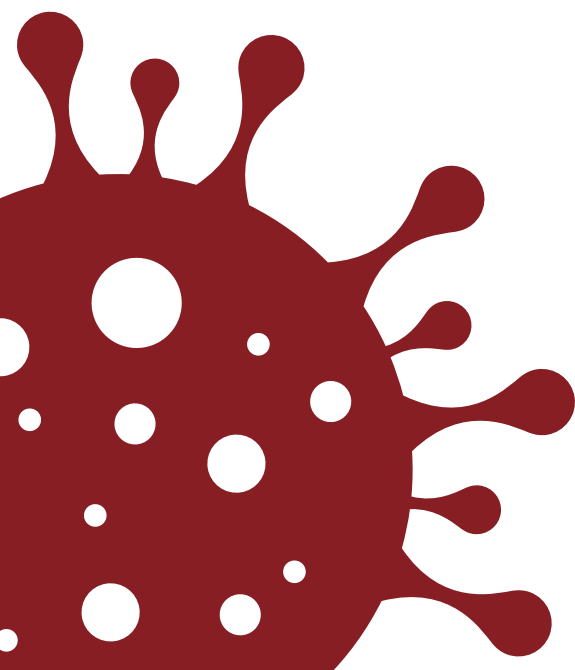


**STUDIES IN POVERTY AND
INEQUALITY INSTITUTE**

UNEMPLOYMENT ANALYSIS POLICY BRIEF: COVID-19 BASELINE

QUARTER: ONE 2020

Quarterly Labour Force Survey, P0211. Statistics South Africa



INTRODUCTION

As a contribution to the national, regional and global understanding of the impact of COVID-19 on our already stressed society, SPSI has produced a selection of the quarterly analysis of the critical unemployment figures, trends and trajectories from the last quarter of the Labour Force Survey to report before the impact of Covid-19 would have had a significant impact. The broad definition of unemployment is 39.7%. It has risen by 1% from the last quarter and by 1.7% from the last year.

HIGHLIGHT OF THE RESULTS

Table 1:
KEY LABOUR MARKET INDICATORS: Q1 2020

	JAN-MAR 2019	OCT-DEC 2019	JAN-MAR 2020	QTR-TO-QTR CHANGE	YEAR-ON-YEAR CHANGE	QTR-TO-QTR CHANGE	YEAR-ON-YEAR CHANGE
	Thousand			Per cent			
POPULATION 15-64 YRS	38 283	38 727	38 874	147	591	0.4	1.5
LABOUR FORCE	22 492	23 146	23 452	306	960	1.3	4.3
EMPLOYED	16 291	16 420	16 383	-38	91	-0.2	0.6
Formal sector (non-agricultural)	11 220	11 331	11 282	-50	61	-0.4	0.5
Informal sector (non-agricultural)	2 993	2 918	2 921	3	-13	0.1	-0.4
Agriculture	837	885	865	-21	27	-2.3	3.3
Private households	1 301	1 286	1 316	30	15	2.3	1.2
UNEMPLOYED	6 201	6 726	7 070	344	869	5.1	14.0
NOT ECONOMICALLY ACTIVE	15 791	15 581	15 422	-159	-369	-1.0	-2.3
Discouraged work-seekers	2 997	2 855	2 918	63	-79	2.2	-2.6
Other (not economically active)	12 793	12 726	12 504	-222	-290	-1.7	-2.3
RATES (%)							
Narrow unemployment rate	27.6	29.1	30.1	1.0	2.5		
Employment/population ratio (absorption)	42.6	42.4	42.1	-0.3	-0.5		
Labour Force participation rate	58.8	59.8	60.3	0.5	1.5		

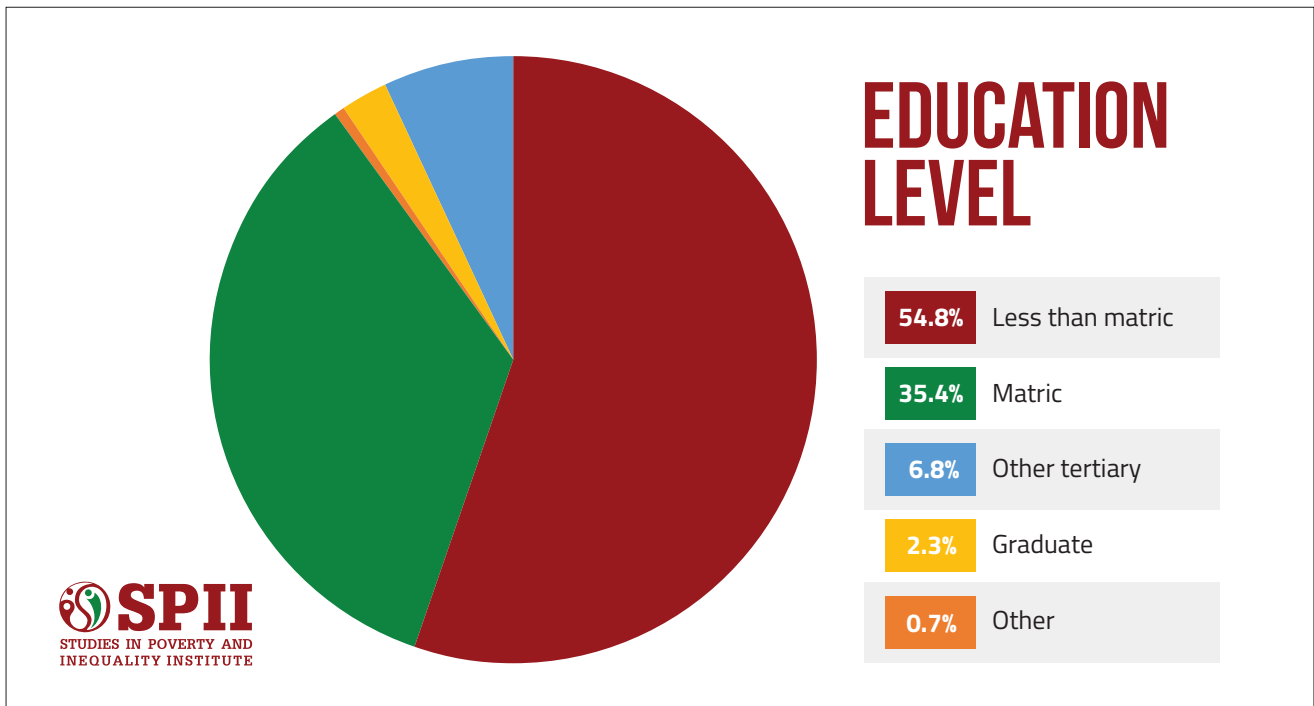
Due to rounding numbers do not necessarily add up to totals.

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Table A: Key labour market indicators

There has been an increase of 306 000 people into the Labour Force since last quarter. 38 000 jobs were lost. 344 000 more people were unemployed than in the last quarter. The narrow unemployment rate rose by 1 % to 30.1%, while the expanded definition of unemployment also increased by 1 % to 39.7%.

Almost 3 million of the employed were employed in the informal sector, which we expect will have been severely affected by the lockdown restrictions on informal workers.

Table 2:
PROPORTION OF THE UNEMPLOYED BY EDUCATION LEVEL,
Q1, 2020



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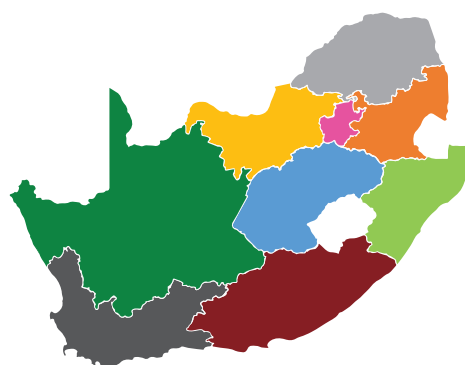
Figure 8: Proportion of the unemployed by education level, Q1: 2020

Those with less than a matric comprise a disproportionate percentage (55%) of the 7.1 million unemployed persons. 2.3% of the unemployed had a degree while 6.8% of the unemployed had another qualification from a tertiary education or training institution.

Table 3:
EXPANDED UNEMPLOYMENT RATE BY PROVINCE RANKED HIGHEST TO LOWEST



EXPANDED UNEMPLOYMENT RATE



SOUTH AFRICA	EXPANDED UNEMPLOYMENT RATE				
	Jan- Mar 2019	Oct-Dec 2019	Jan-Mar 2020	Qtr-to-qtr change	Year-on-year change
	Percent			Percentage points	
	38.0	38.7	39.7	1.0	1.7
Eastern Cape	48.3	47.7	48.9	1.2	0.6
North West	44.4	43.0	45.1	2.1	0.7
Free State	40.1	42.3	44.5	2.2	4.4
Limpopo	43.1	44.0	44.4	0.4	1.3
Mpumalanga	43.0	43.8	43.9	0.1	0.9
KwaZulu-Natal	42.4	41.9	43.0	1.1	0.6
Northern Cape	41.5	39.2	40.0	0.8	-1.5
Gauteng	33.6	35.3	36.3	1.0	2.7
Western Cape	22.7	24.1	24.8	0.7	2.1

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Table 2.7: Expanded unemployment rate by province

All provinces recorded an increase in the expanded unemployment rate. However, Free State recorded the largest increase of 4.4 percent (%) year-on-year.

Table 4:
EXPANDED DEFINITION OF LABOUR FORCE
CHARACTERISTICS BY POPULATION GROUP

	JAN-MAR 2019	APR-JUN 2019	JUL-SEP 2019	OCT- DEC 2019	JAN-MAR 2020	QT-TO-QTR CHANGE	YEAR- TO-YEAR CHANGE	QT-TO-QTR CHANGE	YEAR- ON-YEAR CHANGE
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
SOUTH AFRICA									
Population 15-64 yrs	38 283	38 433	38 582	38 727	38 874	147	591	0.4	1.5
Unemployment Rate	38.0	38.5	38.5	38.7	39.7	1.0	1.7		
BLACK AFRICAN									
Population 15-65 yrs	30 844	30 992	31 140	31 284	31 429	146	586	0.5	1.9
Unemployment Rate	42.5	43.0	43.1	43.0	44.1	1.1	1.6		
COLOURED									
Population 15-64 yrs	3 468	3 477	3 485	3 493	3 500	8	32	0.2	0.9
Unemployment Rate	28.8	29.2	28.6	30.1	31.0	0.9	2.2		
INDIAN/ASIAN									
Population 15-64 yrs	1 009	1 011	1 013	1 016	1 018	2	9	0.2	0.9
Unemployment Rate	15.9	15.5	17.6	20.6	18.7	-1.9	2.8		
WHITE									
Population 15-64 yrs	2 961	2 953	2 944	2 935	2 926	-9	-35	-0.3	-1.2
Unemployment Rate	9.4	9.8	9.3	9.8	10.1	0.3	0.7		

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Table 2.5: Labour force characteristics by population group – Expanded definition of unemployment

SPII Analysis: The expanded unemployment rate among the Black African population is 44.1 % which surpasses the national unemployment rate of 39.7%. There is a gross disparity between the respective unemployment rate of the Black African population and the White population. The unemployment rate among White people is 10.1%.

Table 5:
EXPANDED DEFINITION OF LABOUR FORCE
CHARACTERISTICS BY AGE GROUP

	JAN-MAR 2019	APR-JUN 2019	JUL-SEP 2019	OCT-DEC 2019	JAN-MAR 2020	QTR- TO-QTR CHANGE	YEAR- TO-YEAR CHANGE	QTR- TO-QTR CHANGE	YEAR- ON-YEAR CHANGE
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
15 – 64 YEARS									
Population 15-64 yrs	38 283	38 433	38 582	38 727	38 874	147	591	0.4	1.5
Unemployment Rate	38.0	38.5	38.5	38.7	39.7	1.0	1.7		
15 – 24 YEARS									
Population 15-24 yrs	10 297	10 292	10 286	10 280	10 273	-7	-25	-0.1	-0.2
Unemployment rate	69.1	68.3	70.0	69.5	70.0	0.5	0.9		
25 – 34 YEARS									
Population 25-34 yrs	10 035	10 070	10 105	10 139	10 173	34	139	0.3	1.4
Unemployment rate	44.0	45.1	45.2	45.2	46.9	1.7	2.9		
35 – 44 YEARS									
Population 35-44 yrs	8 215	8 254	8 294	8 335	8 376	41	161	0.5	2.0
Unemployment rate	29.5	30.4	29.6	30.4	31.5	1.1	2.0		
45 – 54 YEARS									
Population 45-54 yrs	5 819	5 871	5 923	5 974	6 026	52	208	0.9	3.6
Unemployment rate	24.2	24.8	24.7	25.2	24.8	-0.4	0.6		
55 – 64 YEARS									
Population 55-64 yrs	3 917	3 945	3 973	3 999	4 025	26	108	0.7	2.8
Unemployment rate	17.5	17.9	17.8	17.0	17.6	0.6	0.1		

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Table 2.6: Labour force characteristics by age group – Expanded definition of unemployment

SPII analysis: There is a direct relationship between the unemployment rate and the age cohort. Comparing the Jan-Mar 2020 figures for the different age cohorts beginning with 15 -24 years till 55-64 years we can see a decrease in unemployment as the age cohort increases. This could indicate that new jobs are not being created but rather as people advance to higher level positions, or retire their jobs are replaced by the people in the previous age cohort.

Table 6:
EMPLOYMENT BY SEX IN NUMBERS

	JAN-MAR 2019	APR-JUN 2019	JUL-SEP 2019	OCT-DEC 2019	JAN-MAR 2020	QTR- TO-QTR CHANGE	YEAR- TO-YEAR CHANGE	QTR- TO-QTR CHANGE	YEAR- ON-YEAR CHANGE
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
BOTH SEXES	16 291	16 313	16 375	16 420	16 383	-38	91	-0.2	0.6
Employees	13 735	13 653	13 739	13 868	13 789	-79	54	-0.6	0.4
Employer	832	901	941	898	866	-32	34	-3.6	4.0
Own-account worker	1 617	1 657	1 609	1 589	1 647	57	29	3.6	1.8
Unpaid household member	107	102	86	65	81	16	-25	24.8	-23.6
WOMEN	7 192	7 133	7 242	7 220	7 234	14	42	0.2	0.6
Employees	6 288	6 183	6 268	6 313	6 307	-6	19	-0.1	0.3
Employer	150	182	209	209	199	-10	49	-4.9	32.7
Own-account worker	674	698	703	656	683	27	9	4.1	1.4
Unpaid household member	80	70	61	41	44	4	-35	8.7	-44.4
MEN	9 100	9 180	9 133	9 201	9 149	-52	49	-0.6	0.5
Employees	7 447	7 470	7 471	7 555	7 481	-73	34	-1.0	0.5
Employer	682	719	732	689	667	-22	-15	-3.2	-2.3
Own-account worker	943	959	905	933	963	30	20	3.3	2.1
Unpaid household member	27	32	24	25	37	13	10	51.4	37.9

For all values of 10 000 or lower, the sample size is too small for the reliable estimates. Due to rounding, numbers do not necessarily add up to totals.

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Table 3.6: Employed by sex and status in employment – South Africa

SPII analysis: Males disproportionately represent the workforce compared to females. On the other hand, females comprise the majority of people in the unpaid household member population (44 000 compared to 37 000). This category has increased by 13 000 for males in the last quarter compared to 4 000 for females. 73 000 fewer males were employed in the last quarter compared to 6 000 fewer females.

Table 7:
LONG TERM UNEMPLOYED

	JAN-MAR 2019	APR-JUN 2019	JUL-SEP 2019	OCT-DEC 2019	JAN-MAR 2020	QTR- TO-QTR. CHANGE	YEAR- TO-YEAR CHANGE	QTR- TO-QTR. CHANGE	YEAR- ON-YEAR CHANGE
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
UNEMPLOYED	6 201	6 655	6 734	6 726	7 070	344	869	5.1	14.0
LONG-TERM UNEMPLOYMENT (1 YEAR AND MORE)	4 278	4 757	4 773	4 931	5 071	139	793	2.8	18.5
LONG-TERM UNEMPLOYMENT (%)									
PROPORTION OF THE LABOUR FORCE	19.0	20.7	20.7	21.3	21.6	0.3	2.6		
PROPORTION OF THE UNEMPLOYED	69.0	71.5	70.9	73.3	71.7	-1.6	2.7		

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Table 4: Characteristics of the unemployed – South Africa

SPII Analysis: Just under 72% of the unemployed have been unemployed for longer than one year, the international marker of increased obstacles to entering the labour market. This is an indication of the critical nature of the unemployment crisis in South Africa.

Table 8:
CHARACTERISTICS OF THE NOT ECONOMICALLY ACTIVE

	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
NOT ECONOMICALLY ACTIVE	15 791	15 465	15 474	15 581	15 422	-159	-369	-1.0	-2.3
Student	6 135	6 278	6 307	6 235	6 083	-151	-52	-2.4	-0.8
Homemaker	2 602	2 516	2 604	2 574	2 448	-126	-154	-4.9	-5.9
Illness/ disability	1 640	1 554	1 451	1 498	1 504	5	-136	0.3	-8.3
Too old/ young to work	1 543	1 501	1 498	1 547	1 540	-7	-3	-0.5	-0.2
Discouraged work-seekers	2 997	2 749	2 793	2 855	2 918	63	-79	2.2	-2.6
Other	874	867	820	872	929	58	55	6.6	6.3
INACTIVITY RATE BY AGE (BOTH SEXES)	41.2	40.2	40.1	40.2	39.7	-0.5	-1.5		
15-24 yrs	75.2	74.0	74.4	73.8	72.8	-1.0	-2.4		
25-54 yrs	24.3	23.5	23.1	23.6	23.2	-0.4	-1.1		
55-64 yrs	56.3	54.7	55.5	55.5	55.3	-0.2	-1.0		
INACTIVITY RATE BY AGE (WOMEN)	47.4	46.5	46.2	46.2	45.5	-0.7	-1.9		
15-24 yrs	77.8	76.6	76.8	76.1	75.2	-0.9	-2.6		
25-54 yrs	31.5	30.9	30.2	30.6	29.9	-0.7	-1.6		
55-64 yrs	63.9	62.5	63.0	63.2	63.0	-0.2	-0.9		
INACTIVITY RATE BY AGE (MEN)	35.0	33.8	33.9	34.1	33.7	-0.4	-1.3		
15-24 yrs	72.6	71.4	71.9	71.5	70.4	-1.1	-2.2		
25-54 yrs	17.1	16.2	16.0	16.6	16.6	0.0	-0.5		
55-64 yrs	46.8	45.2	46.1	46.0	45.9	-0.1	-0.9		

Due to rounding numbers do not necessarily add up to totals.

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Table 5: Characteristics of the not economically active – South Africa

Analysis: Discouraged jobseekers have grown to just under 3 million people, which need to be added to the general army of unemployed people in terms of policy solutions. Table 8 also shows us that inactivity remains extremely high at 72.8%.

Table 9:
SOCIODEMOGRAPHIC CHARACTERISTICS OF THE UNEMPLOYED

	JAN-MAR 2019	APR-JUN 2019	JUL-SEP 2019	OCT-DEC 2019	JAN-MAR 2020	QTR-TO-QTR CHANGE	YEAR-TO-YEAR CHANGE	QTR-TO-QTR CHANGE	YEAR-ON-YEAR CHANGE
	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
Age group of the unemployed	6 201	6 655	6 734	6 726	7 070	344	869	5.1	14.0
15 – 24 yrs	1 409	1 511	1 536	1 565	1 647	82	237	5.2	16.8
25 – 34 yrs	2 524	2 655	2 716	2 673	2 828	155	304	5.8	12.0
35 – 44 yrs	1 414	1 545	1 538	1 538	1 619	81	205	5.2	14.5
45 – 54 yrs	679	758	768	786	797	10	117	1.3	17.2
55 – 64 yrs	174	187	175	164	179	16	6	9.7	3.3
Age group of the employed	16 291	16 313	16 375	16 420	16 383	-38	91	-0.2	0.6
15 – 24 yrs	1 143	1 168	1 102	1 127	1 143	16	0	1.5	0.0
25 – 34 yrs	4 815	4 797	4 803	4 839	4 747	-92	-104	-1.9	-2.1
35 – 44 yrs	4 851	5 088	5 174	5 143	5 126	-17	36	-0.3	0.7
45 – 54 yrs	3 666	3 661	3 702	3 695	3 747	52	81	1.4	2.2
55 – 64 yrs	1 540	1 599	1 595	1 616	1 619	3	78	0.2	5.1
Age group of the not economically active	15 791	15 465	15 474	15 581	15 422	-159	-369	-1.0	-2.3
15 – 24 yrs	7 745	7 614	7 648	7 588	7 483	-105	-262	-1.4	-3.4
25 – 34 yrs	2 659	2 619	2 586	2 627	2 598	-29	-61	-1.1	-2.3
35 – 44 yrs	1 710	1 622	1 583	1 654	1 631	-23	-79	-1.4	-4.6
45 – 54 yrs	1 473	1 451	1 453	1 493	1 482	-10	9	-0.7	0.6
55 – 64 yrs	2 203	2 159	2 203	2 219	2 227	8	24	0.3	1.1

Highest level of education of the unemployed	6 201	6 655	6 734	6 726	7 070	344	869	5.1	14.0
No schooling	75	80	72	59	84	24	9	41.3	12.0
Less than primary	337	353	353	351	334	-16	-3	-4.6	-0.9
Primary completed	237	270	241	276	242	-34	4	-12.3	1.8
Secondary not completed	2 825	3 102	3 128	3 085	3 224	140	399	4.5	14.1
Secondary completed	2 142	2 224	2 298	2 336	2 504	168	362	7.2	16.9
Tertiary	547	596	606	579	633	54	86	9.3	15.8
Others	37	30	37	40	48	7	11	18.1	29.3
Highest level of education of the employed	16 291	16 313	16 375	16 420	16 383	-38	91	-0.2	0.6
No schooling	303	295	291	270	232	-38	-71	-14.0	-23.5
Less than primary completed	913	961	957	960	939	-21	26	-2.2	2.8
Primary completed	652	624	622	587	573	-14	-79	-2.3	-12.1
Secondary not completed	5 363	5 361	5 360	5 323	5 440	117	77	2.2	1.4
Secondary completed	5 325	5 347	5 416	5 532	5 483	-49	158	-0.9	3.0
Tertiary	3 533	3 511	3 526	3 592	3 531	-61	-1	-1.7	0.0
Other	202	214	203	156	183	28	-18	17.9	-9.1
Highest level of education of the not economically active	15 791	15 465	15 474	15 581	15 422	-159	-369	-1.0	-2.3
No schooling	616	575	590	551	539	-12	-77	-2.2	-12.5
Less than primary completed	1 387	1 396	1 445	1 456	1 324	-132	-63	-9.0	-4.5
Primary completed	899	934	960	996	876	-120	-22	-12.0	-2.5
Secondary not completed	8 280	8 142	8 180	8 281	7 998	-283	-283	-3.4	-3.4
Secondary completed	3 790	3 616	3 489	3 452	3 804	351	13	10.2	0.3
Tertiary	662	647	652	689	718	29	56	4.3	8.4
Other	156	155	158	156	163	7	8	4.4	4.9

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Table 6: Sociodemographic characteristics – South Africa

Analysis: The largest unemployment number is seen among the 25-34 years age group, whereas the lowest number is seen among the 45-54 year age group, this corresponds with the previous figures given that the unemployment rate decreases with the increase of the age cohort.

Table 10:
**PROFILE OF THOSE NOT IN EMPLOYMENT, EDUCATION
OR TRAINING**

	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Qtr- to-qtr change	Year- on-year change	Qtr- to-qtr change	Year- on-year change
								%	%
BOTH SEXES	15 868	15 870	15 895	15 971	16 406	434	538	2.7	3.4
Women	9 048	9 086	9 028	9 109	9 319	210	271	2.3	3.0
Men	6 820	6 783	6 868	6 863	7 087	224	267	3.3	3.9
AGE GROUP	15 868	15 870	15 895	15 971	16 406	434	538	2.7	3.4
15 – 24 yrs	3 423	3 327	3 324	3 286	3 498	212	76	6.5	2.2
25 – 34 yrs	4 843	4 883	4 919	4 901	5 031	129	188	2.6	3.9
35 – 44 yrs	3 083	3 120	3 066	3 135	3 201	66	118	2.1	3.8
45 – 54 yrs	2 144	2 197	2 208	2 267	2 269	2	125	0.1	5.8
55 – 64 yrs	2 375	2 343	2 377	2 382	2 406	25	32	1.0	1.3
POPULATION GROUPS	15 868	15 870	15 895	15 971	16 406	434	538	2.7	3.4
Black/African	13 399	13 384	13 499	13 488	13 918	430	520	3.2	3.9
Coloured	1 377	1 386	1 338	1 390	1 430	40	53	2.9	3.9
Indian/Asian	368	367	347	376	366	-10	-2	-2.6	-0.6
White	724	732	711	717	691	-26	-33	-3.6	-4.5

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Table 7: Profile of those not in employment, education or training – South Africa

Table 11:

INVOLVEMENT IN NON-MARKET ACTIVITIES AND LABOUR MARKET STATUS

Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar	Qtr-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	THOUSAND	%	%
SUBSISTENCE FARMING								
2 054	1 907	1 725	2 058	2 357	298	303	14.5	14.7
FETCHING WATER OR COLLECTING WOOD/DUNG								
4 220	3 990	4 433	4 238	4 142	-96	-78	-2.3	-1.8
HUNTING OR FISHING FOR HOUSEHOLD USE								
28	35	22	31	55	23	26	75.7	92.0

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Table 8: Involvement in non-market activities and labour market status by province

Analysis: The year-to-year change in subsistence farming has increased by 303 000. However, the year-to-year change in fetching water or collecting wood/dung has declined by 78 000. It is interesting that relatively few households are involved in subsistence farming given the high levels of hunger in South Africa. It is worth further investigation into access to land, water and other food inputs. Hunting and fishing for household use has risen by over 75%.

DEFINITIONS

FN Statistics

South Africa P0211

EMPLOYED persons are those aged 15-64 years who, during the reference week, did any work for at least one hour, or had a job or business but were not at work (i.e were temporarily absent).

DISCOURAGED WORK-SEEKER is a person who was not employed during the reference period, 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 any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.

INFORMAL SECTOR the informal sector has the following two components:

- i) Employees working in establishments that employ fewer than five employees, who do not deduct income tax from their salaries/wages; and
- ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added tax.

The **LABOUR FORCE** comprises all persons who are employed plus all persons who are unemployed.

LONG-TERM UNEMPLOYMENT: Persons in long-term unemployment are those individuals among the unemployed who were without work and trying to find a job or start a business for one year or more.

NOT ECONOMICALLY ACTIVE: Persons aged 15-64 years who are neither employed nor unemployed in the reference week.



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