



*Building up knowledge
to break down Poverty*

SPII Unemployment Analysis Policy Brief: Third Quarter Labour Force Survey

Quarterly Labour Force Survey, P0211. Statistics South
Africa

For comments, please contact:

Isobel Frye: isobel@spii.org.za / 084 504 1271

Lelona Mxesibe lelona@spii.org.za / 074 443 5661

Danita Hingston danita@spii.org.za / 073 166 4170

SPII Unemployment Analysis Policy Brief: third Quarter Labour Force Survey during Covid-19

Quarter: Three 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, SPII has produced a 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.

Statistics South Africa has released its latest Quarterly Labour Force Survey (QLFS) which accentuates the 52% quarterly increase in the unemployment figures of the third quarter. This indicates how the national lockdown has impacted on employment in South Africa

Highlights of the results

Table One: Key Labour Market Indicators: Q3 2020

Table A: Key labour market indicators

	Jul-Sep 2019	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on- year change	Qtr-to-qtr change	Year-on- year change
	Thousand				Per cent		
Population 15–64 yrs	38 582	39 021	39 167	146	585	0,4	1,5
Labour force	23 109	18 443	21 224	2 781	-1 885	15,1	-8,2
Employed	16 375	14 148	14 691	543	-1 684	3,8	-10,3
Formal sector (non-agricultural)	11 214	10 064	10 306	242	-908	2,4	-8,1
Informal sector (non-agricultural)	2 995	2 280	2 456	176	-539	7,7	-18,0
Agriculture	880	799	808	9	-72	1,1	-8,2
Private households	1 286	1 005	1 121	116	-165	11,5	-12,9
Unemployed	6 734	4 295	6 533	2 238	-201	52,1	-3,0
Not economically active	15 474	20 578	17 944	-2 634	2 470	-12,8	16,0
Discouraged work-seekers	2 793	2 471	2 696	225	-97	9,1	-3,5
Other (not economically active)	12 681	18 107	15 248	-2 859	2 567	-15,8	20,2
Rates (%)							
Unemployment rate	29,1	23,3	30,8	7,5	1,7		
Employed/population ratio (absorption)	42,4	36,3	37,5	1,2	-4,9		
Labour force participation rate	59,9	47,3	54,2	6,9	-5,7		

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

QLFS Q32020, P0211. Statistics South Africa

Table A: Key labour market indicators

SPII Analysis: The ongoing effects of COVID-19 have resulted in a significant increase of 2, 2 million people in the unemployed population since the previous quarter. The official unemployment rate was 23.3 % in the last quarter and has since moved to a record high of 30.8% in the third quarter. Table 2: Proportion of the unemployed by education level, Q3, 2020

Education Level	Percentage of unemployed population (%)
Less than matric	53.2
Matric	36.4
Other	0.5
Graduate	2.1
Other tertiary	7.9

QLFS Q12020, P0211. Statistics South Africa

Figure 13: Proportion of the unemployed by education level, Q3: 2020

SPII Analysis: The figures indicate that the disproportionate numbers of the unemployed population are people who possess less than a matric accounting for 53.2% of the unemployed population. While 36.4% of the unemployed are in possession of a senior certificate and only 2.1% of the unemployed are graduates.

Table 3: Expanded unemployment rate by province ranked highest to lowest

	Expanded unemployment rate				
	Jul-Sep 2019	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on-year change
	Percent			Percentage points	
South Africa	38.5	42.0	43.1	1.1	4.6
Eastern Cape	46.5	52.8	51.2	-1.6	4.7
KwaZulu-Natal	41.4	46.2	47.5	1.3	6.1
Limpopo	41.9	46.5	46.9	0.4	5.0
North West	45.1	46.3	46.5	0.2	1.4
Mpumalanga	43.9	45.4	45.6	0.2	1.7
Northern Cape	43.0	45.1	44.0	-1.1	1.0
Free State	42.5	41.2	42.6	1.4	0.1
Gauteng	35.1	38.7	41.0	2.3	5.9
Western Cape	24.5	27.3	29.1	1.8	4.6

QLFS Q32020, P0211. Statistics South Africa

Table F: Unemployment rate by province

SPII Analysis: The Eastern Cape continues to be the province with the highest expanded unemployment rate; however, the unemployment rate in the province has decreased by 1.6%. This could be likely as a result of the reopening of interprovincial travel and economic activities, thus allowing people in the province to either migrate to another province for work or to acquire a job in an industry that was operating during lockdown.

Table 4: Expanded definition of Labour force characteristics by population group

	Jul-Sep 2019	Oct-Sep 2019	Jan-Mar 2019	Apr-Jun 2020	Jul-Sep 2020	Qtr-to- qtr. change	Year-to- year change	Qtr-to- qtr. change	Year-on- year change
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	%	%
South Africa									
Population 15-64 yrs.	38 582	38 727	38 874	39 021	39 167	146	585	0.4	1.5
Unemployment Rate	38.5	38.7	39.7	42.0	43.1	1.1	4.6		
Blacks/African									
Population 15-65 yrs.	31 140	31 284	31 429	31 575	31 720	145	580	0.5	1.9
Unemployment rate	43.1	43.0	44.1	46.3	47.4	1.1	4.3		
Coloured									
Population 15-64 yrs.	3 485	3 493	3 500	3 508	3 517	8	32	0.2	0.9
Unemployment rate	28.6	30.1	31.0	33.1	34.9	1.8	6.3		
Indian/Asian									
Population 15-64 yrs.	1 013	1 016	1 018	1 020	1 022	2	9	0.2	0.9
Unemployment rate	17.6	20.6	18.7	26.2	26.5	0.3	8.9		
White									
Population 15-64 yrs.	2 944	2 935	2 926	2 918	2 909	-9	-35	-0.3	-1.2
Unemployment rate	9.3	9.8	10.1	14.3	13.0	-1.3	3.7		

QLFS Q32020, P0211. Statistics South Africa

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 47.4 % which surpasses the national unemployment rate of 43.1%. 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 13.0% which has decreased compared to the last quarter.

Table 5: Expanded definition of Labour force characteristics by age group

	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 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.	38 582	38 727	38 874	39 021	39 167	146	585	0.4	1.5
Unemployment Rate	38.5	38.7	39.7	42.0	43.1	1.1	4.6		
15 – 24 years									
Population 15-24 yrs.	10 286	10 280	10 273	10 266	10 259	-7	-27	-0.1	-0.3
Unemployment rate	70.0	69.5	70.0	73.4	74.1	0.7	4.1		
25 – 34 years									
Population 25-34 yrs.	10 105	10 139	10 173	10 208	10 241	33	135	0.3	1.3
Unemployment rate	45.2	45.2	46.9	48.6	49.8	1.2	4.6		
35 – 44 years									
Population 35-44 yrs.	8 294	8 335	8 376	8 418	8 460	43	166	0.5	2.0
Unemployment rate	26.6	30.4	31.5	31.4	36.7	1.3	7.1		
45 – 54 years									
Population 45-54 yrs.	5 923	5 974	6 026	6 078	6 130	52	207	0.9	3.5
Unemployment rate	24.7	25.2	24.8	28.6	29.9	1.3	5.2		
55 – 64 years									
Population 55-64 yrs.	3 973	3 999	4 025	4 051	4 076	25	103	0.6	2.6
Unemployment rate	17.8	17.0	17.6	23.9	22.7	-1.2	4.9		

QLFS Q32020, P0211. Statistics South Africa

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

South Africa's expanded unemployment rate continues to steadily rise. The expanded unemployment rate has increased to 43.1% from 42.1% in the second quarter. There is a direct relationship between the unemployment rate and age group as there is a steady decrease in the unemployment rate as the age cohort increases. This could indicate those in the respective age cohorts of 15-24 and 25-34 who are recent high school leavers and graduates could not secure any form of employment. Additionally, this pattern does not simply imply that you are more likely to be employed the older you are but rather as people advance to higher level positions, or retire; their jobs are being replaced by the people in the previous age cohort.

Table 6: Employment by sex in numbers:

Table 3.6: Employed by sex and status in employment – South Africa									
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Per cent	Per cent
Both sexes	16 375	16 420	16 383	14 148	14 691	543	-1 684	3,8	-10,3
Employee	13 739	13 868	13 789	11 720	12 323	603	-1 416	5,1	-10,3
Employer	941	898	866	1 011	823	-188	-119	-18,6	-12,6
Own-account worker	1 609	1 589	1 647	1 313	1 439	126	-170	9,6	-10,5
Unpaid household member	86	65	81	105	106	1	21	1,1	24,0
Women	7 242	7 220	7 234	6 170	6 410	240	-831	3,9	-11,5
Employee	6 268	6 313	6 307	5 348	5 592	244	-676	4,6	-10,8
Employer	209	209	199	230	168	-62	-41	-26,9	-19,6
Own-account worker	703	656	683	543	601	58	-102	10,7	-14,6
Unpaid household member	61	41	44	50	50	0	-12	-0,8	-19,2
Men	9 133	9 201	9 149	7 978	8 281	303	-853	3,8	-9,3
Employee	7 471	7 555	7 481	6 372	6 731	359	-740	5,6	-9,9
Employer	732	689	667	781	655	-126	-78	-16,2	-10,6
Own-account worker	905	933	963	770	838	68	-67	8,9	-7,4
Unpaid household member	24	25	37	55	57	2	32	2,8	133,0

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

QLFS Q32020, P0211. Statistics South Africa

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

SPII Analysis: Males disproportionately represent the employed workforce compared to females, with just over 2 million more males employed than females. It is also interesting to note that there has been a rise in the number of males that are unpaid household members while for females there has been no increase in the unemployed household member population.

Table 7: Long term unemployed

	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 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	6 734	6 726	7 070	4 295	6533	2238	-201	-52.1	-3.0
Long-term unemployment (1 year and more)	4 773	4 931	5 071	2 878	4537	1659	-236	57,6	-4,9
Long-term unemployment (%)									
Proportion of the labour force	20.7	21.3	21.6	15.6	21.4	5.8	0.7		
Proportion of the unemployed	70.9	73.3	71.7	67.0	69.4	2.4	-1.5		

QLFS Q32020, P0211. Statistics South Africa

Table 4: Characteristics of the unemployed – South Africa

SPII Analysis: Only a small proportion of those who have experienced long-term unemployment are part of the current employed labour force. A possible contributing factor to this might be the emotional discouragement of remaining positive about future employment prospects. Nearly 70% of the unemployed have been unemployed for longer than one year, the international marker of increased obstacles to entering the labour market.

Table 8: characteristics of the not economically active

Table 5: Characteristics of the not economically active – South Africa									
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Per cent	Per cent
Not economically active	15 474	15 581	15 422	20 578	17 944	-2 634	2 470	-12,8	16,0
Student	6 307	6 235	6 083	6 506	6 691	185	384	2,8	6,1
Homemaker	2 604	2 574	2 448	2 468	2 579	111	-25	4,5	-0,9
Illness/disability	1 451	1 498	1 504	1 503	1 476	-27	25	-1,8	1,7
Too old/young to work	1 498	1 547	1 540	1 589	1 506	-83	8	-5,2	0,5
Discouraged work-seekers	2 793	2 855	2 918	2 471	2 696	225	-97	9,1	-3,5
Other	820	872	929	6 041	2 995	-3 046	2 174	-50,4	265,1
Inactivity rate by age (both sexes)	40,1	40,2	39,7	52,7	45,8	-6,9	5,7		
15–24 yrs	74,4	73,8	72,8	84,3	79,9	-4,4	5,5		
25–54 yrs	23,1	23,6	23,2	38,2	29,7	-8,5	6,6		
55–64 yrs	55,5	55,5	55,3	61,6	58,2	-3,4	2,7		
Inactivity rate by age (women)	46,2	46,2	45,5	58,3	52,1	-6,2	5,9		
15–24 yrs	76,8	76,1	75,2	85,7	81,9	-3,8	5,1		
25–54 yrs	30,2	30,6	29,9	45,1	37,3	-7,8	7,1		
55–64 yrs	63,0	63,2	63,0	68,6	66,2	-2,4	3,2		
Inactivity rate by age (men)	33,9	34,1	33,7	47,0	39,4	-7,6	5,5		
15–24 yrs	71,9	71,5	70,4	82,9	78,0	-4,9	6,1		
25–54 yrs	16,0	16,6	16,6	31,3	22,1	-9,2	6,1		
55–64 yrs	46,1	46,0	45,9	52,9	48,4	-4,5	2,3		

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

QLFS Q32020, P0211. Statistics South Africa

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

SPII Analysis: The not-economically active population has decreased by 2,6 million from the previous quarter. This is an indication that the reopening of most economic activities in the third quarter meant that job seekers who could not look for a job during lockdown and were classified as non-economically active have now moved back to the unemployed population.

Table 9: socio-economic characteristics of the unemployed

	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 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	6 734	6 726	7 070	4 295	6 533	2 238	-201	-52,1	-3,0
15 – 24 yrs.	1 536	1 565	1 647	845	1 261	416	-275	49,3	-17,9
25 – 34 yrs.	2 716	2 673	2 828	1 670	2 598	928	-118	55,6	-4,3
35 – 44 yrs.	1 538	1 538	1 619	1 076	1 639	562	101	52,2	6,6
45 – 54 yrs.	768	786	797	559	821	262	52	46,8	6,8
55 – 64 yrs.	175	164	179	145	214	69	39	48,1	22,2
Age group of the employed	16 375	16 420	16 383	14 148	14 691	543	-1 684	3,8	-10,3
15 – 24 yrs.	1 102	1 127	1 143	769	796	27	-306	3,5	-27,7
25 – 34 yrs.	4 803	4 839	4 747	4 100	4 280	180	-523	4,4	-10,9
35 – 44 yrs.	5 174	5 143	5 126	4 491	4 650	159	-524	3,5	-10,1
45 – 54 yrs.	3 702	3 695	3 747	3 376	3 476	99	-226	2,9	-6,1
55 – 64 yrs.	1 595	1 616	1 619	1 412	1 489	78	-105	-5,5	-6,6
Age group of the not economically active	15 474	15 581	15 422	20 578	17 944	-2 634	2 470	-12,8	16,0
15 – 24 yrs.	7 648	7 588	7 483	8 652	8 202	-450	554	-5,2	7,2
25 – 34 yrs.	2 586	2 627	2 598	4 437	3 363	-1 074	776	-24,2	30,0
35 – 44 yrs.	1 583	1 654	1 631	2 850	2 172	-679	589	-23,8	37,2

45 – 54 yrs.	1 453	1 493	1 482	2 143	1 834	-309	381	-14,4	26,2
55 – 64 yrs.	2 203	2 219	2 227	2 495	2 373	-122	170	-4,9	7,7
Highest level of education of the unemployed	6 655	6 734	6 726	7 070	4 295	-2 755	-2 360	-39.2	-35.5
No schooling	80	72	59	84	36	-48	-44	-57.0	-55.0
Less than primary	353	353	351	334	205	-129	-148	-38.6	-41.9
Primary completed	270	241	276	242	163	-79	-107	-32.6	-39.5
Secondary not completed	3 102	3 128	3 085	3 224	1 879	-1 345	-1 223	-41.7	39.4
Secondary completed	2 224	2 298	2 336	2 504	1 561	-944	-663	-37.7	-29.8
Tertiary	596	606	579	633	415	-218	-181	-34.4	-30.3
Others	30	37	40	48	35	-13	5	26.7	15.4
Highest level of education of the employed	16 375	16 420	16 383	14 148	14 691	543	-1 684	3.8	-10.3
No schooling	291	270	232	165	167	2	-124	1.3	-42.5
Less than primary completed	957	960	939	685	718	33	-240	4.8	-25.1
Primary completed	622	587	573	479	455	-24	-167	-5.1	-26.8
Secondary not completed	5 360	5 323	5 440	4 443	4 786	343	-574	7.7	-10.7
Secondary completed	5 416	5 532	5 483	4 846	5 178	331	-238	6.8	-4.4
Tertiary	3 526	3 592	3 531	3 390	3 295	-95	-231	-2.8	-6.6
Other	203	156	183	139	92	-47	-111	-33.8	-54.6

Highest level of education of the not economically active	15 474	15 581	15 422	20 578	17 944	-2 634	2 470	-12.8	16.0
No schooling	590	551	539	449	452	2	-138	0.5	-23.5
Less than primary completed	1 445	1 456	1 324	1 538	1 353	-185	-92	-12.0	-6.4
Primary completed	960	996	876	1 105	1 001	-104	41	-9.4	4.3
Secondary not completed	8 180	8 281	7 998	10 301	9 321	-979	1 142	-9.5	14.0
Secondary completed	3 489	3 452	3 804	5 693	4 804	-889	1 316	-15.6	37.7
Tertiary	652	689	718	1 257	836	-422	183	-33.5	28.1
Other	158	156	163	235	177	-58	19	-24.6	11.9

QLFS Q32020, P0211. Statistics South Africa

Table 6: Sociodemographic characteristics – South Africa

SPII Analysis: The largest unemployment number is seen among the 25-34 years age group, whereas the lowest number is seen among the 55-64 year age. The age group 25-34 experienced the largest increase in unemployment from the previous quarter, with a nearly 1 million rise in the unemployment figure. The general trend is the unemployment rate decreases with the increase of the age cohort. This does not mean that older people are the ones being employed but rather that those who are employed remain employed as they enter into a new age cohort.

According to Stats SA there has been an increase in employment of those who have completed Secondary Schooling but there has been a decline in the employment figure of the population with a tertiary qualification.

Table 10: profile of those not in employment, education or training

	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Qtr-qtr change	Year-on- year change	Qtr-to- qtr. chang e	Year- on-year change
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	%	%
Both sexes	15 895	15 971	16 406	18 363	17 802	-561	1 907	-3,1	12,0
Women	9 028	9 109	9 319	10 239	9 976	-263	949	-2,6	10,5
Men	6 783	6 868	6 863	7 087	7 825	-298	958	-3,7	13,9
Age group	15 895	15 971	15 406	18 363	17 802	-561	1 907	-3,1	12,0
15 – 24 yrs.	3 324	3 286	3 498	3 477	3 272	-205	-52	-5,9	-1,6
25 – 34 yrs.	4 919	4 901	5 031	5 683	5 539	-144	620	-2,5	12,6
35 – 44 yrs.	3 066	3 135	3 201	3 872	3 760	-111	694	-2,9	22,6
45 – 54 yrs.	2 208	2 267	2 269	2 694	2 644	-49	436	-1,8	19,8
55 – 64 yrs.	2 377	2 382	2 406	2 637	2 586	-51	208	-1,9	8,8
Population groups	15 895	15 971	16 406	18 363	17 802	-561	1 907	-3,1	12,0
Black/African	13 499	13 488	13 918	15 500	15 021	-478	1 522	-3,1	11,3
Coloured	1 338	1 390	1 430	1 637	1 597	-41	259	-2,5	19,3
Indian/Asian	347	376	366	411	409	-1	62	-0,3	17,9
White	711	717	691	815	774	-40	63	-4,9	8,9

QLFS Q32020, P0211. Statistics South Africa

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

SPII Analysis: The population Not in Employment, Education and Training (NEET) has decreased by 500, 000 from the previous quarter. This could likely be explained by the government removing further restrictions on economic activities such as opening international travel. Moreover, vocational schools have also opened. As a result of this, more training and employment opportunities are now available. The black population still remains the disproportionate number of people in the NEET population which reflects South Africa's legacy of Apartheid.

Table 11: involvement in non-market activities and labour market status

	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Qtr-to- qtr. change	Year-to- year change	Qtr-to- qtr. change	Year-on- year change
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	%	%
South Africa									
Subsistence Farming	1 907	1 725	2 058	2 357	2969	612	1 062	26,0	55,7
Fetching water or collecting wood/dung	3 990	4 433	4 238	4 142	4 998	857	1 009	20,7	25,3
Hunting and fishing for household use	35	22	31	55	57	3	23	5.1	65.0

QLFS Q32020, P0211. Statistics South Africa

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

SPII Analysis: The year-to-year change in subsistence farming has increased by 1 million. Additionally, the year-to-year change in fetching water or collecting wood/dung has also increased by 1 million. This is an interesting trend as it could possibly be an indicator that as the price of food items increase and in the context of high unemployment more households could be inclined to engage in subsistence farming. It is therefore worth further investigation into access to land, water and other food inputs. Hunting and fishing for household use has risen by over 65% in the past year.

Definitions:**Employment**

Employment can be defined as an agreement between individuals and an entity which is recognized by the government. It takes to account the responsibilities, workplace rules and payment agreements between the employer and the employee.

Not Economically Active (NEA)

A person is considered to be economically inactive if they were able and available to work in the week prior to the survey being conducted but did not work, did not look for work and did not try to start their own business.

Discouraged work seekers

There are various reasons why people choose not to seek employment and one of the main reasons for not seeking employment is either because jobs are not available or the individuals do not have the necessary skills needed to enter into the market. These persons are then regarded as discouraged work-seekers.

Informal/ formal sector

The informal sector encompasses all jobs which are not officially recognized as being a formal source of income and does not include payment of taxes. Formal sector encompasses the payment of tax, normal work hours and regular wage payments.