

# QLFS 11: Third Quarter 2010

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## Key Findings from the Official Statistical Release, Po211<sup>1</sup>

The labour market continues to feel the impact of the current global economic turmoil. Employment continues to fall and unemployment is rising. As noted in *Factsheet 1*, covering the year ending in the second quarter of 2010, the labour market impact has been seen primarily in a rapid rise in the number of discouraged workseekers. Estimates for 2010 Q3 indicate that the year-on-year fall in employment has been balanced out by a rise in unemployment. The size of the (narrow) labour force has therefore remained static on a year-on-year basis, although the expanded labour force has grown.

Table 1: Key Labour Market Aggregates

	2010 Q3	Q-on-Q Change		Y-o-Y Change	
	'000s	'000s	Percent	'000s	Percent
<b>Aggregates</b>					
Labour Force	17 371	-91	-0.5	-3	-0.0
Employment	12 975	-86	-0.7	-158	-1.2
Unemployment	4 396	-5	-0.1	155	3.7
Discouraged	2 033	95	4.9	379	22.9
<b>Rates</b>					
Unemployment Rate	25.3	0.1		0.9	
Labour Force Participation	54.2	-0.5		-0.8	

- **Employment has contracted by 158 000 year-on-year**, principally due to a drop in formal non-agricultural employment of 248 000. Informal non-agricultural employment is up by 143 000 year-on-year, with agricultural and private household employment declining by three percent over the year.
- **Unemployment is up by 155 000 over the period.** As a consequence, the unemployment rate now stands at 25.3 percent, 0.9 percentage points higher than a year ago. The expanded unemployment rate has risen 2.3 percentage points to 36.6 percent. Expanded unemployment has grown most rapidly in Mpumalanga (+15.9 percent), North West (+14.6 percent), Gauteng (+8.2 percent) and KwaZulu-Natal (+7.9 percent).

<sup>1</sup> It should be noted that this release coincides with the introduction of new population weights to reflect our most recent estimates of the size of the South African population. However, the 2010 Q3 release makes no explicit mentioning of this fact, nor has any information been found regarding this change on Statistics South Africa's website. Currently available raw datasets still contain their original weights and we are therefore totally reliant on the latest release. This change impacts on estimates of labour market aggregates, e.g. employment in the second quarter of 2010 is reported at 12.975 million in the latest release, up from 12.742 million in the previous release.

- **Labour force participation continues to fall, reaching 54.2 percent in the third quarter.** Declines are observed for all races (except Asians), and in the Western Cape, KwaZulu-Natal, North West and Limpopo. The expanded labour force participation rate remains steady year-on-year at 63.2 percent, again confirming that the main impact of the recession has been the increase in the number of discouraged workseekers.
- **Employment of women declined** by 181 000 year-on-year (-3.1 percent), while that of men is barely changed (up 21 000).
- **The number of discouraged workseekers has grown** by almost one-quarter since 2009 Q3.
- **Most jobs were lost in finance** (-110 000 or -6.3 percent year-on-year), in manufacturing (-58 000 or -3.3 percent) and in private households (-35 000 or -3.0 percent). Employment in trade increased by 44 000 or 1.5 percent. Most of the jobs lost by women were in finance (-95 000 or -12.4 percent), while men gained 70 000 jobs in trade (4.7 percent).
- **KwaZulu-Natal lost 125 000 jobs** at a rate of -4.9 percent over the period, while slight declines in employment were recorded in the Western Cape, North West, Mpumalanga and Limpopo. In Gauteng, there seems to have been a shift out of formal and into informal non-agricultural employment over the year: 107 000 formal jobs were lost, while 126 000 informal jobs were gained.
- **Most jobs lost belonged to technicians (-100 000 jobs), elementary occupations (-70 000) and clerks (-49 000).** Losses amongst females were spread across most occupations, but concentrated in sales and services occupations (-62 000) and clerks (-57 000). Males lost 71 000 technician jobs, but gained 93 000 sales and services jobs over the period.
- **Of the unemployed, 1.9 million were new labour market entrants and 1.4 million were job losers.** The number of new entrants has grown each quarter since 2009 Q3, and is up 19 percent year-on-year. The number of job losers is down 112 000 year-on-year, while the number of new entrants is up 311 000.
- **The incidence of long-term unemployment is worsening.** The number of individuals unemployed for one year or more stood at 2.9 million, up 367 000 (or 14.5 percent) year-on-year. Overall, 65.8 percent of the unemployed are long-term unemployed, up 6.3 percentage points since 2009 Q3.
- **Amongst those unemployed who have previously worked, most were previously employed as elementary workers (524 000), craft and related trades workers (348 000), sales and service workers (262 000) and clerks (231 000).**
- **Job losses remain concentrated amongst the youth:** 86 000 jobs were lost amongst 15 to 24 year olds and 51 000 jobs were lost amongst 25 to 34 year olds. Growth in unemployment has been highest in absolute terms amongst 15 to 24 year olds, growing by 79 000 year-on-year.
- **Employment has fallen most for those with low levels of education.** Employment amongst those with incomplete primary education or less fell by 152 000 over the period. Interestingly, employment of tertiary educated individuals fell by 79 000 year-on-year.