

**Women in the South African Labour Market  
1995-2005**

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## **Are Women Equally Represented and Equally Treated in the Labour Market?**

Since 1994, gender equality has been high on the government's agenda; particularly with regard to eradicating discrimination within the workplace and promoting equality within the work force.

While most people would probably agree that women generally enjoy better opportunities and are better treated in the labour market than ten years ago, this study seeks to establish the precise extent and nature of the changes that have occurred by looking at:

- changes in the labour force between 1995 and 2005
- characteristics of the employed
- male and female unemployment rates
- returns to employment by gender
- outcomes when applying a multivariate analysis of labour market participation

Please note, unless otherwise stated, figures stated are for the period from 1995 to 2005.

## **Much Progress have been made, but Challenges Remain**

Overall there has been increased feminisation of the labour force between 1995 and 2005. Women have been benefiting more from the increased demand for labour than men, accounting for 55 per cent of the increase in employment between 1995 and 2005.

On the downside, however, the labour market is not growing fast enough to keep pace with the increasing labour force participants and, as a result, women are overrepresented amongst the unemployed, especially young women and even more so, young African women. Women are also overrepresented in unskilled, low-paid Elementary positions.

Delving further, we discover that discrimination by gender and race is still a problem, with women earning less than men in all years (when comparing real mean monthly earnings) and African women earning less than their cohorts of other races – the gap is particularly big when we look at the earnings of African and White women at lower skill levels.

## **How has the Labour Force Changed?**

### **The labour force increased:**

- **The working age population** (people between the ages of 15 and 65 years) **has grown by 5.5 million**
- **The broad labour force increased by 6,3 million.** Unfortunately, only 2,8 million new jobs were created, leading to an increase in unemployment.
- **Women enjoyed higher increases in the labour force than men.** The labour force grew by about 60 per cent for women and by about 35 per cent for men. Despite this, **men accounted for a greater share of the labour force** in 2005 than women across all races.
- **It increased across all provinces** with the highest growth rates in Limpopo, Mpumalanga and the Eastern Cape.

### **The labour force became more skilled:**

- **Women with degrees** experienced the highest increase in labour force participation (when measuring by highest level of education) followed by women with Matric and then those who completed General Education and Training ( those who have completed either Grade 9, 10 or 11).
- **There are, however, relatively few women with degrees** in the labour force in 2005. They only account for about 327 000 labour force participants.

### **The labour force aged**

- **45 to 65 year olds accounted for 44 per cent of the growth** in employment.
- **Women were particularly highly represented** in the two oldest age groups across all age groups (45-54 years and 55-65 years) which may mean that they are staying in the labour force longer out of choice or need. Male participation rates, however, were still higher across all age categories.

### **There has been increased feminisation of the labour force**

- **Participation rates for females have increased**, far more than for males. However; the actual participation rates still remained higher for males in 2005 (72 per cent compared to 64 per cent.)
- **Participation rates were higher for African women**, with an increase of 17,1 per cent. (when looking at participation by race – male and female participation)
- **Women, however, remain underrepresented** in the labour force, as compared to men, despite entering the labour force at a faster rate than men.

## **Creating a Profile of the Employed**

### **Between 1995 and 2005 employment increased:**

- **Total employment increased by 22 per cent** with females accounting for 55 per cent of the growth in total employment.
- **The demand for labour increased in all occupation groups** except for domestic workers,

- **The number of female managers has more than doubled.** But, since this increase was from a very low base, women still occupied only 28.9 per cent of management positions in 2005.
- **Women accounted for more than half the workers** in only three occupation groups: Domestic workers (97 per cent), professionals (just over half) and clerks (almost 70 per cent.)

**We see a skills bias in the demand for labour:**

- **The increase in employment was highest** for people with degrees.

**There was exceptional growth in African employment:**

- **The increase in African employment accounted for 85 per cent** of the total growth in employment.

**The primary sector was not a significant source of employment:**

- **Most new jobs were created in the tertiary sector** (it grew at an average rate of 3.7 per cent per annum) while the secondary sector increased slightly (at an average annual rate of 3.4 per cent) and the primary sector shed jobs. In fact, between 1995 and 2003, the tertiary sector contributed more than 94 per cent to the total increase of 2.1 million jobs in the economy. The primary sector by contrast experienced huge job losses.
- **There was a significant increase in women working the secondary sector (in construction)** and in the tertiary sector overall.
- **Females in Elementary Occupations experienced the largest growth** in employment with an average annual increase of almost 10 per cent. Elementary Occupations also accounted for the largest share by occupation group of women employees, with 22 per cent of females employed in this category.

### **The majority of women were employed in the formal sector:**

- **In 2000 55 per cent** of women were employed in the formal sector; this number rose to 61 per cent in 2005. The informal sector employed 28 per cent of women in 2000 and 23 per cent in 2005, while 17 per cent in 2000 and 16 per cent in 2005 were employed as domestic workers.

## **The Increase in Employment and Unemployment**

While employment levels increased, so did unemployment, with both male and female unemployment rates increasing between 1995 and 2005.

### **Unemployment continued to be highest:**

- **For women**, within all races, education and provincials groups; when compared to their male counterparts.
- **More specifically for African women.** Although Coloured female unemployment increased faster than African female unemployment.
- **In the 15 to 24 and 25 to 34** age groups.
- **For those with poor education.** This is due to the increased demand for skilled labour. Higher levels of education on the other hand are related to lower unemployment rates.
- **In predominantly rural provinces** in 2005, such as Limpopo (53,4 per cent total unemployment rate) and KwaZulu-Natal (43,4 per cent total unemployment rate).
- **In provinces that now incorporate previous “homelands”** or “self-governing territories”.

*This shows us that the South African economy has not been able to create enough jobs to accommodate new job seekers. This is especially true for young females.*

## The Representation of Earnings of Women and Men

It is naturally encouraging to note that government has achieved a measure of success in its mission to ensure women are more equally represented in terms of employment.

The question now arises as to whether they are equally represented in terms of status of jobs and income.

**Women generally earned less than men in terms of both real and nominal mean monthly earning across all race groups between 1995 and 2005.**

- **White women earned less than White men** in 2001 across all occupation groups with the exception of Clerks, Craft and Trade Workers and Operators.
- **African women earned less than African Men** in 2001 across all occupation groups except Managers and Professionals.
- **Women continued to earn less** than male counterparts with the same level of education.
- **Nominal earnings increased for women** across all race groups between 2001 and 2005.
- **Real earnings increased most for African men** – an increase of 57 per cent in their real earnings.
- **Real earnings were higher for males** than their female counterparts across all occupation groups except Clerks and Domestic Workers.
- **Real earnings increased significantly** for men working as Operators and Assemblers (20 per cent) and for female Domestic Workers (25 per cent.)

### **African men and women earned less than their White counterparts**

- **Earnings were lowest for** African men and women and highest for White men and women.
- **African women earned less than White women** across occupational groups. The gap is particularly large in semi- and lower skilled occupations.
- **Nominal earnings increased most** for African and Coloured women. However, earnings for White women continued to be more than twice that of African and Coloured Females in 2005.
- **Real earnings were higher for White women** as compared to their African counterparts within every educational category, except those women with degrees. One sees how startling this difference can be when considering that (for example) White women with a complete GET (grade 8 or less) earned almost 5 times the average earnings of female Africans.

### **A higher level of education is associated with higher earnings**

- **Real earnings increased most for women with degrees** across all races – the increase amounted to almost 55 per cent.

## Multivariate Analysis of Employment and Earnings

Having undertaken a descriptive analysis of how one or two variables at a time relate to the experience of women in the labour market, the next step is now to combine the variables identified into an econometric model. This model will determine the importance of all these variables in explaining labour force participation, employment and earnings.

When including race, age, education, provincial location and number of children in home as variables, we find that outcomes are consistent with the findings in the rest of this report.

### Education:

- **A higher level of education increased** the likelihood of a woman entering the labour force.
- **Education beyond Grade 12 did not increase** the likelihood of entering the labour force.
- **Women with less than matric were less likely** to find employment over both years.
- **A higher level of education** increased the likelihood of finding employment.
- **Matric and tertiary education had a positive effect** on earnings, with the effect of education on earnings becoming stronger in 2005.

### Province:

- **Women in Gauteng were more likely to enter the labour force** over both years. In 2005 **women in the Western Cape** were *more* likely to find employment than their Gauteng counterparts.
- **Women in Gauteng earned more** than their female colleagues in other provinces.

### Household:

- **The greater the number of children** under the age of 7 years in a household, the **greater** the probability of females entering the labour market.
- **In contrast, the greater the number of children** between the ages of 8 and fifteen years in a household, the **lower** the probability of females entering the labour market.

### Race:

- **African women were least likely to find jobs** in 2001 and 2005.
- **African women earned less** than women from other population groups. This held true in 2001 and 2005, with the gap widening between the two years.

### Age:

- **Women aged 45 were more likely to be employed** than women between 15 and 24 years of age and between 25 and 34 years. (2001 and 2005)

Additional findings show that union membership increases earnings, with female union members earning 45 per cent more than non-unionised counterparts.

## **Women are Better, but not Equally, Represented in the Labour Market**

There has been rapid feminisation of the labour force. The labour force is also becoming more skilled, with massive growth occurring in youngest groups and also in the two oldest age groups (45-54 years and 55-65 years.) The high number of women in these groups suggests that women are choosing to, or are forced to remain, in the labour force longer.

Unfortunately women remain overrepresented in low income, less secure and unskilled positions. In addition, the growth in employment was not to absorb all new females entrants to the labour market. Young women, and in particular, young African women, struggled to find employment. In fact, unemployment remains higher for women than men across the race groups.

Women also earned less than men, again, with African women earning less than their White counterparts across all education groups and almost all job categories.