

**What has the Feminisation of the Labour Market 'Bought'  
Women in South Africa?  
Trends in Labour Force Participation, Employment and  
Earnings, 1995-2001**

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## Abstract

There has been a dramatic increase in the labour force participation of women in South Africa since the mid-1990s. Male participation has also been increasing but at a substantially slower rate, such that a *feminisation* of the labour force has occurred, mirroring a more general global trend that has been occurring since World War Two. Unlike the experience in many other countries, however, the rise in the labour force participation of women in South Africa has translated mainly into an increase in unemployment. Nonetheless, there has also been some increase in employment among women over the same period. This paper analyses what this rise in employment has 'bought' women in South Africa in terms of access to different types of employment and earnings for the period 1995 to 2001. The analysis suggests that the nature of the feminisation of the labour market in South Africa has been such that the disadvantaged position of women in the labour market relative to that of men has not been fundamentally challenged. Women continue to be over-represented in low-income, less secure employment. Where there has been some opportunity for advancement over the period, white women seem to have been the main beneficiaries.

## Acknowledgements

The author would like to thank Dori Posel for her invaluable guidance over the years, as well as Tom Hertz and Colette Muller for their comments on this work. Funding from the IRD (Paris) is also gratefully acknowledged. The DPRU would also like to acknowledge the ongoing support it receives from the Secretariat for Institutional Support through Economic Research in Africa (SISERA).

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## 1. Introduction

The rise in women's participation in the labour market, since World War Two especially, has been documented for many countries around the world. A similar 'feminisation' of the labour force has been identified in South Africa. Standing *et al* (1996) and Barker (1999) provide some evidence of rising female labour force participation rates coupled with increases in women's share of the labour force occurring from as early as 1960 in South Africa using the five-yearly census data up to 1996. Although the data from this earlier period in South Africa are recognised as being problematic<sup>1</sup>, the evidence provided nonetheless led Standing *et al* (1996: 60), in the International Labour Organisation's review of the South African labour market, to remark that "[p]erhaps the most important change in labour supply over recent years has been the rising labour force participation rate of women".

Using nationally representative and detailed household survey data (that became available for the first time in South Africa in the 1990s), Casale and Posel (2002) found a continued and dramatic feminisation of the labour market occurring in South Africa over the period 1995 to 1999. It was noted, however, that the nature of this recent feminisation in South Africa differs substantially from that occurring in many other countries around the world, where the rise in female labour force participation has been driven largely by an increase in the demand for female labour, *pulling* women into the labour market (see, for example, Standing, 1989, 1999; Mehra and Gammage, 1999). In South Africa, the rise in female labour force participation of the second half of the 1990s translated predominantly into a rise in *unemployment* among women and has been associated rather with women being *pushed* into the labour market out of economic need (Casale and Posel, 2002).

It was also found, however, that there was some increase in *employment* among women over the same period in South Africa. A large proportion of this was due to the increase in self-employment in the informal sector in particular, a type of employment that has been traditionally associated with lower earnings and more insecure working conditions (Casale and Posel, 2002). It is here that there are similarities with rest of the world. The international literature has documented that the more recent rise in female labour force participation has been driven to a large extent by women being pulled into the labour market as low-paid workers, often in more irregular and insecure forms of employment (Standing, 1989, 1999; Chen *et al*, 1999; Mehra and Gammage, 1999). This would suggest that the recent feminisation of the labour force has not 'bought' women very much in terms of access to secure employment and earnings, and in fact may have reinforced women's disadvantaged position in the labour market.

The main objective of this paper is to examine in more detail how the feminisation of the labour force has benefited women in South Africa, with the focus here being on access to different types of employment and the returns to this employment among those women that did have work over the period 1995 to 2001. The first part of this paper (Section 2) updates the information provided in Casale and Posel (2002) by presenting briefly the broad trends in labour force participation and its two main components – unemployment and employment – for men and women between 1995 and 2001. Section 3 then provides a detailed descriptive analysis of the employment and earnings changes that have been associated with women's increased participation in the labour market in South Africa over this period. The data used in the analysis come from the October Household Surveys of 1995, 1997 and 1999 and

<sup>1</sup> For example, the census did not capture all the race groups in South Africa in a representative manner before 1996. See Casale and Posel (2002) for a discussion of the problems with South Africa's various data sources for a study of labour force participation.

the Labour Force Survey of September 2001, the years in which the national surveys prove to be most compatible for the purposes here (Casale, 2003).<sup>2</sup>

## 2. Labour Force Participation Trends in South Africa, 1995 – 2001

Using the national survey data for the period 1995 to 2001, there is clear evidence of a feminisation of the labour force over this period. An increasing proportion of both women and men of working age were working or were willing to work over the years, but the increase for women was greater than the increase for men. The share/proportion of the labour force (or the economically active population) made up of women therefore increased over the period. The data on the working age population (i.e. all those between the ages of 15 and 65 years) and the labour force – comprising the employed and the unemployed – are presented in Table 1. It has become customary in South Africa to include in labour market analyses measures of both the strict and the broad/expanded definitions of unemployment. Because there is a strict and a broad definition of unemployment, there is therefore also a strict and a broad definition of the labour force. Strict and broad labour force participation rates are calculated by dividing the respective labour forces by the working age population.<sup>3</sup>

**Table 1: The Working Age and Economically Active Populations**

|                                  | Female |        |        |        | Male   |        |        |        |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                  | 1995   | 1997   | 1999   | 2001   | 1995   | 1997   | 1999   | 2001   |
| <b>Absolute numbers (1000s):</b> |        |        |        |        |        |        |        |        |
| Working age population           | 12 686 | 13 295 | 13 656 | 14 364 | 11 545 | 12 212 | 12 607 | 12 957 |
| Strict labour force              | 4 857  | 4 999  | 6 375  | 7 280  | 6 771  | 6 832  | 7 708  | 8 256  |
| Broad labour force               | 6 067  | 6 576  | 8 287  | 9 235  | 7 606  | 7 917  | 8 904  | 9 349  |
| Employed                         | 3 785  | 3 561  | 4 368  | 4 779  | 5 858  | 5 543  | 6 022  | 6 035  |
| Strictly unemployed              | 1 071  | 1 438  | 2 006  | 2 501  | 913    | 1 288  | 1 686  | 2 220  |
| Broadly unemployed               | 2 282  | 3 015  | 3 918  | 4 456  | 1 748  | 2 373  | 2 882  | 3 313  |
| <b>Rates:</b>                    |        |        |        |        |        |        |        |        |
| Strict participation rate        | 38.3   | 37.6   | 46.7   | 50.7   | 58.6   | 55.9   | 61.2   | 63.8   |
| Broad participation rate         | 47.8   | 49.5   | 60.8   | 64.4   | 65.9   | 64.8   | 70.7   | 72.2   |
| Strict unemployment rate         | 22.1   | 28.8   | 31.5   | 34.4   | 13.5   | 18.9   | 21.9   | 26.9   |
| Broad unemployment rate          | 37.6   | 45.8   | 47.3   | 48.2   | 23.0   | 30.0   | 32.4   | 35.4   |
| <b>Shares/proportions of:</b>    |        |        |        |        |        |        |        |        |
| Working age population           | 52.4   | 52.1   | 52.0   | 52.6   | 47.6   | 47.9   | 48.0   | 47.4   |
| Strict labour force              | 41.8   | 42.3   | 45.3   | 46.9   | 58.2   | 57.7   | 54.7   | 53.1   |
| Broad labour force               | 44.4   | 45.4   | 48.2   | 49.7   | 55.6   | 54.6   | 51.8   | 50.3   |
| Employment                       | 39.3   | 39.1   | 42.0   | 44.2   | 60.7   | 60.9   | 58.0   | 55.8   |
| Strict unemployment              | 54.0   | 52.7   | 54.3   | 53.0   | 46.0   | 47.3   | 45.7   | 47.0   |
| Broad unemployment               | 56.6   | 56.0   | 57.6   | 57.4   | 43.4   | 44.0   | 42.4   | 42.6   |

Source: Own calculations using OHS 1995, 1997, 1999 and LFS 2001:2

2 These surveys conducted by Statistics South Africa (Stats SA) are based on a nationally representative sample, and in all four years consisted of around 30 000 households (10 households from each of 3000 primary sampling units).

3 Note that all data presented in this paper are weighted using the population weights of Stats SA and, for all four years under review, are based on the Census 1996. Also, adjustments have been made to the data to ensure that the definitions of employment and unemployment (and hence the labour force) are consistent across the survey years. These adjustments are detailed in Casale and Posel (2002) and Casale (2003).

Considering the increase in the labour force in absolute numbers highlights the extent of this dramatic rise in the participation of women. Between 1995 and 2001, the female population of working age increased by close to 1.7 million women, but the number of strictly defined economically active women increased by around 2.4 million and the number of broadly defined economically active women increased by about 3.2 million over the same period. This indicates that the growth in the female labour force cannot simply be attributed to an increase in the number of 15 to 65 year-old women. Rather, a considerably large number of women who had not been economically active in 1995 were being reported as either working or wanting to work in 2001.

The male population of working age increased by around 1.4 million men between 1995 and 2001, while the strictly defined male labour force increased by close to 1.5 million men and the broadly defined male labour force by just over 1.7 million men. These increases are presented as percentage changes between 1995 and 2001 in Figure 1. The figure shows clearly that while the percentage increases in the working age population between 1995 and 2001 were almost the same for men and women, the percentage increases in the strict and broad labour forces were over twice the size for women compared to men.

**Figure 1: Percentage increase in the working age and economically active populations: 1995-2001**



As would be expected then, labour force participation rates for both men and women increased, but among women the increase was considerably higher. Table 1 shows that, according to the strict definition, some 38 percent of all women of working age were economically active in 1995, while nearly 51 percent were active in 2001. In terms of the broad definition, this increase is more pronounced: while approximately 48 percent of all women of working age were economically active in 1995, just over 64 percent were part of the economically active population in 2001.

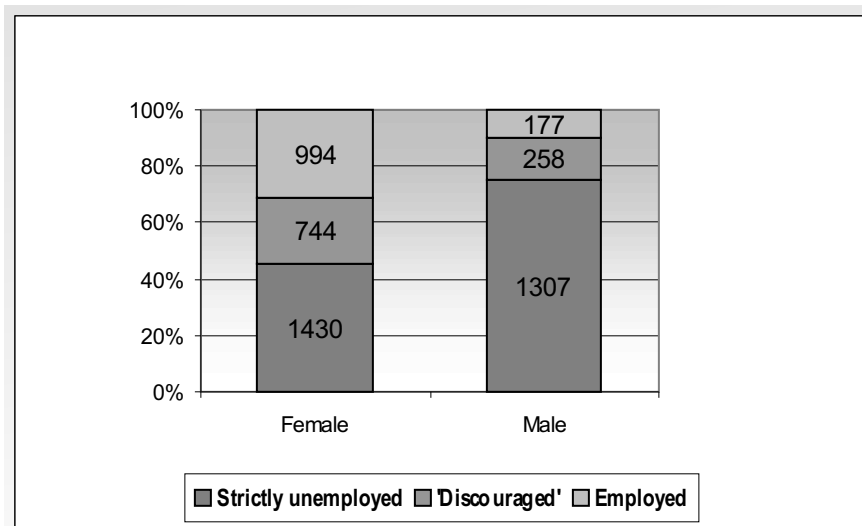
Although male participation rates were still significantly higher than female participation rates in 2001, the gap narrowed over the period, as has been the case in many other developed and developing countries that have been reviewed (Standing, 1999). Consequently, while women's share of the working age population remained relatively constant, their share of both the strict and broad labour forces increased over the years (see Table 1). To take the broad definition as an example: in 1995 approximately 44 percent of the labour force consisted of women, by 2001 half of all those recorded as working or willing to work were women.

Disaggregating the broad trends in labour force participation into trends in unemployment and employment reveals that the nature of the recent feminisation of the labour force in South Africa is different from many other countries around the world. Most of the increase in labour force participation translated into an increase in *unemployment*. This is illustrated in Figure 2, which presents the *change* in the male and female labour forces between 1995 and 2001, disaggregated by employment status. There were an additional 2.2 million broadly unemployed women (i.e. including the searching and the non-searching unemployed) in 2001 compared to 1995, which accounts for approximately 69 percent of the additional 3.2 million female labour force participants that were reported over the period. The unemployed make up a larger percentage component of the change in the male labour force (close to 90 percent) because of the much lower reported increase in employment for men between 1995 and 2001. Because the majority of the increase in labour force participation translated into unemployment for both men and women, strict and broad unemployment rates rose dramatically over the period (see Table 1).<sup>4</sup>

Also illustrated in Figure 2 is the rise in *employment* that occurred over the period. In South Africa, rising unemployment rates have often been associated with jobless growth (Barker, 1999; Hofmeyr, 2001). The household survey data, however, suggest that there has been a net increase in employment over this period, albeit small in relation to the growth in labour supply. Taking the data at face value, total recorded employment grew by approximately 1.17 million between 1995 and 2001.<sup>5</sup> Close to 85 percent of this increase (994 000 workers) reflects greater female employment. Women's share of overall employment therefore also increased over the period. In 1995 the proportion of the employed who were women was approximately 39 percent; by 2001 this had risen to 44 percent (from Table 1).

4 Figure 2 also illustrates that not only did more women than men join the ranks of the unemployed over the period in absolute terms, but that they were also more likely than men to become 'discouraged'. That a larger proportion of the additional women recorded as unemployed are not searching for work compared to men, could suggest that women entering the labour market are less optimistic about their employment prospects. It could also mean that women who have been searching for some time and have not found work have 'given up' searching, again perhaps because of dismal job opportunities. The fact that more women are not actively searching for work is also likely to be due to the constraints on job-search posed by children and lack of finances. Why so many more women still reported wanting to work over this period despite the high probability that they would not find employment, and the factors affecting the decision to search actively or not, are dealt with in detail in Casale and Posel (2002) and Casale (2003).

5 Table 1 shows that for men and women total employment was generally increasing over the period 1995 to 2001. However between 1995 and 1997 there was a decline in total employment. It seems that this was mainly due to the lower numbers of domestic workers and unskilled agricultural workers (excluding own-account/subsistence farmers) captured in 1997 (Casale, 2003). There is no obvious reason for why this year in particular should lie outside of the trend. Also, no visible changes were made over this earlier period to the questionnaires that would account for these lower figures in 1997. It therefore seems sensible to approach the 1997 employment data with some caution (see also Muller, 2003).

**Figure 2: The distribution of the change in the labour force between 1995 and 2001 (1000s)**

It has been documented, however, that the growth in recorded employment derives principally from a considerable growth in the number of people who are *self-employed* and particularly in the *informal sector* of the economy (Casale and Posel, 2002). Of the total increase in employment of approximately 1.17 million jobs between 1995 and 2001, just over 900 000 were due to an increase in unregistered self-employment (including own-account/subsistence farming), and around 510 000 of these jobs were held by women. Slightly over half of the growth in female employment between 1995 and 2001 can be attributed to the growth in women 'making work' for themselves in the informal sector (Casale and Posel, 2002; Casale, 2003).

An important qualification needs to be made here though. There are problems of comparability with the estimates of unregistered self-employment produced by the household surveys over the years (Casale and Posel, 2002; Casale, 2003; Devey *et al.*, 2003; Muller, 2003). Not only is this type of work generally prone to measurement error, but Stats SA also sought to improve their capture of small-scale, own-account work over the years by asking more probing questions in the surveys (and particularly with the move to the Labour Force Survey). Some (unquantifiable) portion of the recorded increase in this type of work is therefore likely to be the result of better data collection.

However, it is also likely that there has been a considerable *real* increase in informal self-employment over this period, in light of the low labour absorption capacity of the formal economy in the face of large increases in labour supply. In addition, there has been a relaxation of controls in urban areas that in the past would have served to discourage (what now seem to be common forms of) informal activity, such as street trading, hawking and peddling.<sup>6</sup> Finally, between 1997 and 1999, the two years in which the questionnaires were almost identical in the way in which they asked for information on employment, a large increase in informal self-employment was

6 In addition to increases in the more common types of informal activity, new types of informal activity have sprung up. A highly visible example of this is 'car guarding'. In 1995 informal car guarding was not at all common in South Africa; by 2001 there would have been a car guard (and often more than one) on almost every busy street in an urban area in South Africa.



recorded (even excluding subsistence farming), suggesting that the rise in this type of work is unlikely to be purely an artefact of better data collection (Casale, 2003). Despite the data concerns, the evidence would therefore seem to suggest that the continued feminisation of the labour force in South Africa between 1995 and 2001 has been associated principally with rapidly rising rates of female unemployment as well as some growth in informal self-employment, generally considered to be a low-paying and insecure form of work.

### 3. Trends in Employment and Earnings

This section presents a more detailed analysis of the trends in employment and the returns to this employment for the period 1995 to 2001 for both men and women. The aim here is to provide a descriptive analysis of how the position of women in the labour market differs from that of men on average, how this position changed between 1995 and 2001 as female employment rose, and to suggest some possible factors driving the changes. In this section only data from the OHS 1995 and the LFS 2001:2 are used, as these are the years in which the earnings data are most comparable for the purposes here (Casale, 2003).<sup>7</sup>

Table 2 shows the mean and median monthly earnings for women and men in both nominal and real terms for 1995 and 2001.<sup>8</sup> Figures are presented for all races and for Africans and whites specifically. What is immediately clear from the data is that among the employed as a whole as well as among the employed within each race group, women consistently earn less than men. Also, as expected, earnings are lower for Africans compared to whites. These patterns are evident in both 1995 and 2001, highlighting persisting earnings differentials along both gender and racial lines in South Africa.

Of greater interest here though is the *change* in earnings that took place between 1995 and 2001 for women and men (last two columns of Table 2). In nominal terms, mean reported earnings of the employed as a whole (all races) increased by around 25 percent for both women and men over the six-year period; however, the median earnings of women *decreased* (by 16.5 percent) while the median earnings of men *increased* (by 19.3 percent). In real terms, however, both mean and median earnings declined for women and men. Average real earnings fell by around 14 percent for both the sexes over the six-year period, while median real earnings for women fell by more than twice as much as for men, i.e. a fall of 43 percent as opposed to 18 percent for men. For women, the much larger decline in median real earnings compared to mean real earnings also suggests growing inequality *among* women.

7 In the OHS 1999, the self-employed are asked to give a *gross* earnings estimate only and are not asked for an estimate of their expenses. It is therefore not possible to use 1999 in an earnings analysis of this kind, as it would require excluding self-employment which is recorded by the surveys as being the fastest growing type of work over the period. It was also decided not to use 1997 because of the concern about the employment figures, which seem unusually low given the overall trend between 1995 and 2001.

8 Earnings figures here refer to monetary earnings only as both surveys do not provide information on the value of in-kind payments/subsistence production. If respondents did not provide an actual earnings estimate in 1995 or 2001, but instead chose to indicate an income bracket that their earnings fell within, then they were given the midpoint value of that bracket. In both years, though, around 70 percent of the employed provided an actual earnings estimate. Note also that the small group of workers with more than one job (around two percent of the employed) were excluded from the analysis because no information on earnings from secondary work is available in the LFS 2001:2, and because it is not possible to ascertain with certainty which activity was the individual's main employment in 1995.

**Table 2: Mean and Median Monthly Earnings by Gender and Race, 1995-2001 (Rands)<sup>a</sup>**

|                                  | Female                       |                              | Male                         |                              | % Change 1995-2001 |                    |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------|--------------------|
|                                  | 1995                         | 2001                         | 1995                         | 2001                         | Female             | Male               |
|                                  | Mean<br>(Std dev.)<br>Median | Mean<br>(Std dev.)<br>Median | Mean<br>(Std dev.)<br>Median | Mean<br>(Std dev.)<br>Median | Mean<br><br>Median | Mean<br><br>Median |
| <b>Nominal earnings</b>          |                              |                              |                              |                              |                    |                    |
| All races                        | 1646<br>(2400)<br>1125       | 2070<br>(3163)<br>939        | 2519<br>(4523)<br>1478       | 3154<br>(4652)<br>1764       | 25.7<br><br>-16.5  | 25.2<br><br>19.3   |
| African                          | 1239<br>(1727)<br>800        | 1313<br>(2044)<br>600        | 1564<br>(2031)<br>1200       | 1828<br>(2292)<br>1250       | 6.0<br><br>-25.0   | 16.8<br><br>4.2    |
| White                            | 3073<br>(3775)<br>2500       | 5057<br>(5184)<br>4000       | 6168<br>(8322)<br>4917       | 8268<br>(7839)<br>6000       | 64.6<br><br>60.0   | 34.1<br><br>22.0   |
| <b>Real earnings<sup>b</sup></b> |                              |                              |                              |                              |                    |                    |
| All races                        | 2274<br>(3315)<br>1554       | 1958<br>(2993)<br>889        | 3479<br>(6247)<br>2042       | 2984<br>(4401)<br>1669       | -13.9<br><br>-42.8 | -14.2<br><br>-18.3 |
| African                          | 1711<br>(2386)<br>1105       | 1242<br>(1934)<br>568        | 2161<br>(2806)<br>1657       | 1729<br>(2169)<br>1183       | -27.4<br><br>-48.6 | -20.0<br><br>-28.7 |
| White                            | 4245<br>(5214)<br>3453       | 4784<br>(4905)<br>3784       | 8519<br>(11495)<br>6791      | 7823<br>(7416)<br>5676       | 12.7<br><br>9.6    | -8.2<br><br>-16.4  |

Source: Own calculations using OHS 1995 and LFS 2001:2

<sup>a</sup> Standard deviations of mean earnings in parentheses. The differences between male and female mean earnings are significant at the one percent level in both years.

<sup>b</sup> The base year for real earnings calculations is 2000.

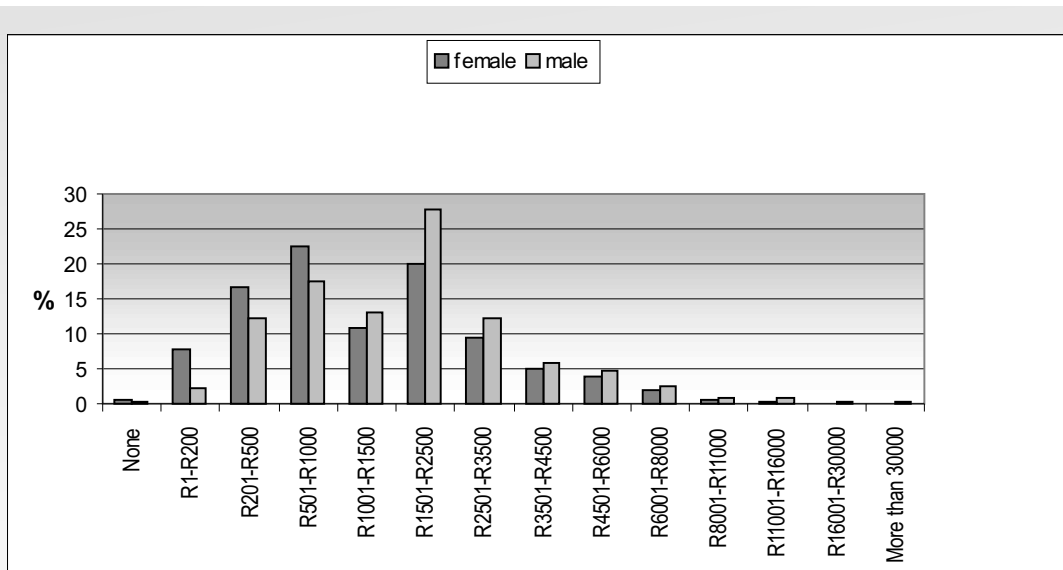
Analysing the changes between 1995 and 2001 for all the employed masks some important differences between the race groups. Looking at real incomes for instance, it is evident that the fall in female earnings is driven largely by the fall in earnings among African women. Mean real earnings fell by 27.4 percent from R1711 in 1995 to R1242 in 2001, while median real earnings fell by 48.6 percent from R1105 in 1995 to R568 in 2001 among African women. In sharp contrast to the dramatic decline in real earnings experienced by African women, among white women both average and median real earnings increased by 12.7 and 9.6 percent respectively. Interestingly, among men, real earnings fell for both race groups, although the fall in earnings was much larger among African men than among white men.

Nonetheless, it is clear that women were still earning substantially less than men on average in 2001 as in 1995, regardless of race group. In 1995, for the employed as a whole, the ratio of female to male average earnings was 0.654, and by 2001 it had hardly changed at 0.656. Again, there are large differences between Africans and whites. The position of African women 'deteriorated' relative to African men – there was a substantial decline in the ratio of female to male earnings among Africans from 0.792 in 1995 to 0.718 in 2001, while the position of white women 'improved' relative to white men – the female to male earnings ratio among whites increased considerably from 0.498 to 0.612.

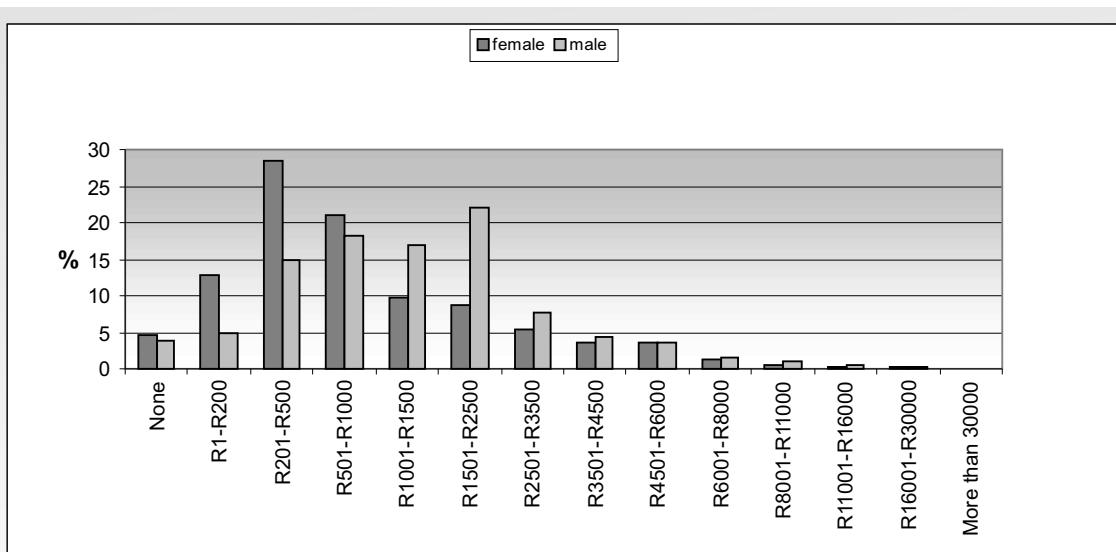
As shown in Figures 3 to 6, these changes in relative earnings positions are clearly visible when comparing the income distributions of African women and men, and white women and men in the two years. Examining figures 3 and 4 for Africans, it is evident that a greater proportion of both employed women and men were concentrated in the lower income categories in 2001 compared to 1995, but that the crowding was relatively larger for women.

In contrast, figures 5 and 6 show that by 2001 the income distribution of employed white females had moved towards the higher income categories, so that although inequality still existed between the earnings distributions of white women and men in 2001, this inequality had fallen over the six-year period.

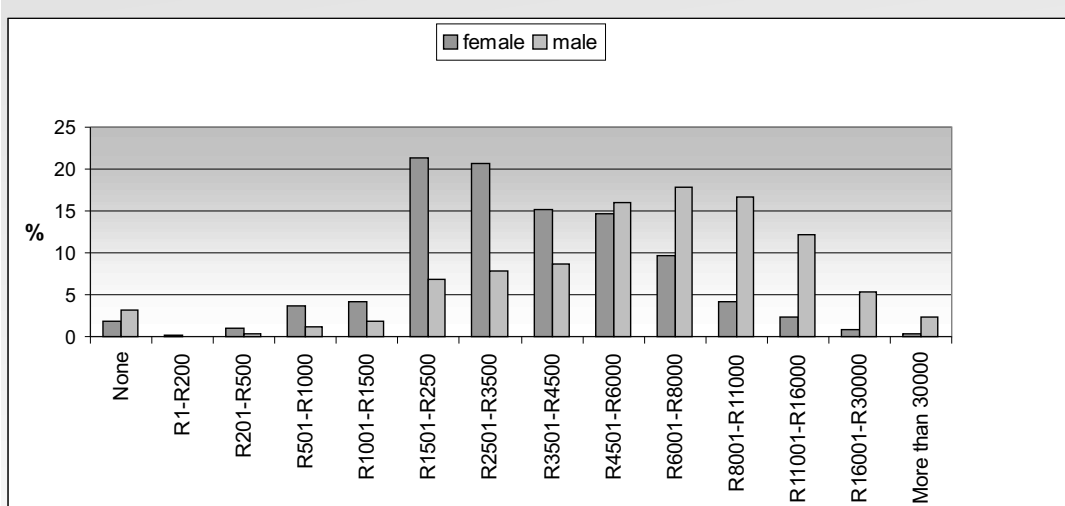
**Figure 3: Real monthly earnings categories: African women and men in 1995**



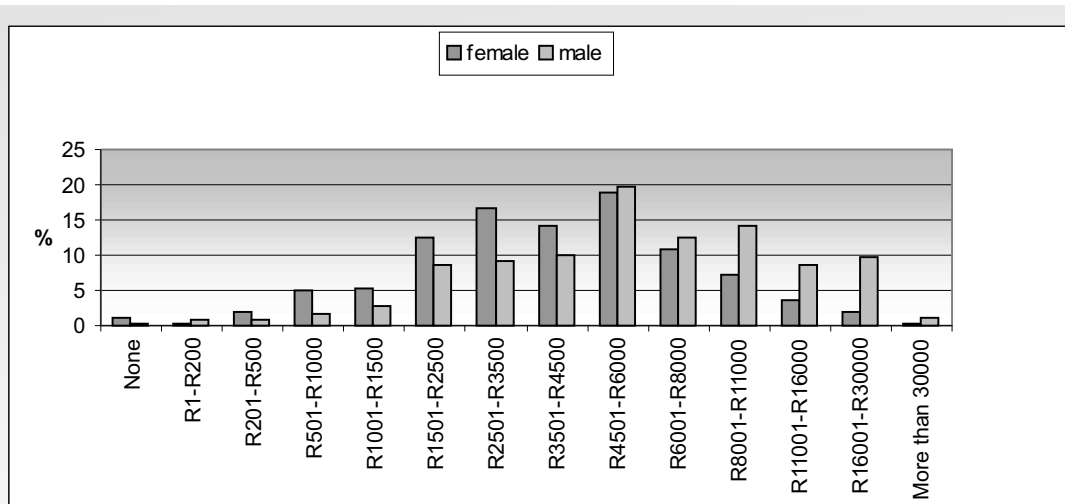
**Figure 4: Real monthly earnings categories: African women and men in 2001**



**Figure 5: Real monthly earnings categories: white women and men in 1995**



**Figure 6: Real monthly earnings categories: white women and men in 2001**



Based on the earnings information from the household survey data, the evidence suggests that not only do women continue to earn on average less than men, but that for the majority of the population this disadvantaged position has worsened over the period 1995 to 2001. The remainder of this section explores descriptively some of the possible reasons for this earnings disparity, and for the changes in the relative earnings position of women over the period. In particular, employment and earnings are examined for individuals in a univariate context by education level, employment type and occupation. While the focus will be on comparing African women to African men, data on white women and men will also be provided. This comparison will not only highlight continued inequality between the two race groups, but will also provide an example of where the position of women relative to that of men in terms of average earnings actually improved over the period.

### **3.1 Earnings by Education Level**

The human capital literature emphasises the strong positive effect of educational attainment on the earnings of the employed (Mincer, 1958; Becker, 1964). In South Africa, the empirical literature on the determinants of earnings has confirmed that for men and women and for the different race groups, education is indeed an important factor in explaining earnings (see, among others, Mwabu and Schultz, 1996; 2000; Bhorat and Leibbrandt, 2001; Rospabé, 2001a; 2001b; Chamberlain and van der Berg, 2002). This is also illustrated in Table 3, which presents the distribution of the employed across various levels of formal education and their average monthly real earnings in 1995 and 2001.<sup>9</sup> Looking down each earnings column shows that for both African and white women and men, average earnings increase with the level of education completed.

One might expect then that the large racial and gender earnings differentials that exist would be partly the result of considerable differences in educational attainment. However, while the disparity in educational attainment *across* the race groups is large and no doubt accounts for some of the racial inequality in earnings, there is not a very substantial difference in the educational attainment between men and women *within* race groups. The figures in Table 3 show that the distributions of employed men and women across the various education categories are not that much different in either of the two years.

Differences in educational attainment do not therefore appear to be the only determinant of the substantial earnings disparity that exists on average between women and men. This is particularly evident when examining earnings by education level. Looking across the rows highlights that returns to education are not only lower for

<sup>9</sup> Note that the total employment figures in Tables 3 to 6 (which follow the same format) do not always correspond because of missing values for education, employment type and occupation. Also note that the differences between male and female average real earnings are significant at the one percent level for all education levels, employment types, and occupations for both races and in both years (except for formal self-employment earnings among African men and women in 1995, Table 4).

African women and men compared to white women and men, but that within each race group women receive significantly lower returns to their education than men, at every level of education.<sup>10</sup>

Table 3 also shows the percentage changes between 1995 and 2001 in the number of employed in each category of completed education (columns 5 and 6) and in their average real earnings (the last two columns). Particularly noteworthy are the changes over the period at the upper end of the educational distribution. There were large percentage increases in the number of employed African and white men and women with a degree, but for both race groups the increases were substantially greater for *women*. Also, African and white women with degrees experienced average real earnings increases over the period, but African and white men did not.

Nonetheless, large percentage decreases in average real earnings were experienced among employed African women in all the other categories of education. In addition, in each of the categories (except for the degree category) the decline in average real earnings between 1995 and 2001 was relatively larger for employed African women than for African men. This underscores the importance of higher education in providing women with the opportunity to obtain better earnings.

This point is reiterated when looking at the average real earnings changes among employed white women. Between 1995 and 2001, there was a rise of about 17 percent in the average real earnings of white women with a degree, the category of education that exhibited the largest absolute and percentage increase of employed white women. What is interesting though, is that unlike for African women, white women with a matric or a diploma also experienced increases on average in real earnings over the period (while white men with the same levels of education experienced considerable decreases in earnings on average). This indicates that although women in general earn less than men on average, among women, some are more disadvantaged than others. Not only do white women earn higher returns to their education than equally educated African women, but the percentage increase (decrease) in their earnings over the period was greater (smaller) than that of African women at all levels of education.

It seems possible then that there may be wage discrimination at play here at both the gender and racial level, in that equally educated workers appear to be earning significantly different returns to their education as a result of their group affiliation. Of course, there are a number of other factors that might account for earnings disparities in South Africa by race and gender, one of which is that these groups of individuals are employed in different types of jobs and occupations. This might be because groups of individuals have different preferences for certain types of jobs or occupations. Or, it may be that as a result of their race or gender, they have differential access to certain types of jobs or occupations, referred to as occupational segregation or job discrimination. It has been documented in the international literature that women are generally crowded into occupations which involve low pay, little prospect of promotion or on-the-job training, and that tend to coincide with their gender roles in society. There is some evidence of this type of occupational segregation by gender in South Africa as well (Winter, 1999; Rospabé, 2001b). And, of course, occupational segregation was institutionalised in South Africa along racial lines

10 Some qualifications apply. Only formal education is analysed here. On-the-job training and work experience are also important human capital variables however, and it is generally the case that women on average acquire less human capital through these means than men because of the interruptions of childbirth. This could be part of the reason for the disparity in earnings between the sexes. Unfortunately, there is no information in the surveys on these variables to test this possibility. Also, measuring formal education by levels of completed education does not take into account differences in the *quality* of education in South Africa. Quality differences are likely to be of greater concern though when comparing race groups (due to the racial inequality in the apartheid education system) than when comparing men and women within a race group. Information that could be used to proxy for the quality of education is also not available in the surveys.

**Table 3: The distribution of the employed and real monthly earnings (2000 Rands) across education levels, 1995-2001**

|                      | Female           |             |            | Male             |            |             | Female                       |                |                               | Male          |                              |                |                |
|----------------------|------------------|-------------|------------|------------------|------------|-------------|------------------------------|----------------|-------------------------------|---------------|------------------------------|----------------|----------------|
|                      | Employed (1000s) |             | % of total | Employed (1000s) |            | % of total  | % change 1995-2001, employed |                | Mean earnings (Std deviation) |               | % change 1995-2001, earnings |                |                |
|                      | 1995             | 2001        |            | 1995             | 2001       |             | 1995                         | 2001           | 1995                          | 2001          | 1995                         | 2001           |                |
| <b>AFRICAN</b>       |                  |             |            |                  |            |             |                              |                |                               |               |                              |                |                |
| No schooling         | 262              | 302         | 9.9        | 435              | 11.7       | 325         | 8.7                          | 15.3           | -25.3                         | 716           | 416                          | 1263           | 898            |
| Incomplete primary   | 463              | 613         | 20.2       | 831              | 22.3       | 855         | 22.9                         | 32.5           | 2.9                           | 723           | 545                          | 1265           | 1103           |
| Primary              | 194              | 277         | 9.1        | 310              | 8.3        | 360         | 9.7                          | 43.1           | 16.1                          | 1099          | 638                          | 1505           | 1214           |
| Incomplete secondary | 737              | 964         | 31.7       | 1245             | 33.4       | 1203        | 32.2                         | 30.9           | -3.4                          | 1480          | 835                          | 2120           | 1502           |
| Metric               | 344              | 485         | 16.0       | 569              | 15.3       | 678         | 18.2                         | 40.8           | 19.1                          | 2274          | 1603                         | 3042           | 2308           |
| Diploma              | 267              | 274         | 9.0        | 258              | 6.9        | 205         | 5.5                          | 2.6            | -20.5                         | 3903          | 3381                         | 4098           | 3631           |
| Degree               | 61               | 122         | 4.0        | 82               | 2.2        | 105         | 2.8                          | 100.0          | 29.3                          | 5032          | 5553                         | 6689           | 6100           |
| <b>Total</b>         | <b>2328</b>      | <b>3039</b> | <b>100</b> | <b>3731</b>      | <b>100</b> | <b>3733</b> | <b>100</b>                   | <b>30.5</b>    | <b>0.05</b>                   | <b>(2130)</b> | <b>(4615)</b>                | <b>(4874)</b>  | <b>(4650)</b>  |
| <b>WHITE</b>         |                  |             |            |                  |            |             |                              |                |                               |               |                              |                |                |
| No schooling         | 0                | 1           | 0.1        | 0.6              | 0.1        | 0           | 0.0                          | - <sup>a</sup> | -                             | -             | -                            | -              | -              |
| Incomplete primary   | 3                | 1           | 0.1        | 2                | 0.2        | 2           | 0.2                          | -              | -                             | -             | -                            | -              | -              |
| Primary              | 0.1              | 3           | 0.3        | 0.5              | 0.0        | 4           | 0.4                          | -              | -                             | -             | -                            | -              | -              |
| Incomplete secondary | 139              | 122         | 14.8       | 231              | 21.1       | 200         | 18.1                         | -12.3          | -13.5                         | 3592          | 3155                         | 6313           | 4916           |
| Metric               | 369              | 378         | 45.9       | 491              | 44.9       | 482         | 43.7                         | 2.4            | -1.8                          | 8029          | 2569                         | 10319          | 4670           |
| Diploma              | 161              | 168         | 20.3       | 202              | 18.5       | 193         | 17.5                         | 4.2            | -4.4                          | 3858          | 4113                         | 7721           | 6508           |
| Degree               | 86               | 152         | 18.4       | 167              | 15.2       | 222         | 20.1                         | 77.0           | 33.4                          | 4570          | 5270                         | 9360           | 8417           |
| <b>Total</b>         | <b>758</b>       | <b>824</b>  | <b>100</b> | <b>1095</b>      | <b>100</b> | <b>1104</b> | <b>100</b>                   | <b>8.7</b>     | <b>0.8</b>                    | <b>(8091)</b> | <b>(5504)</b>                | <b>(13997)</b> | <b>(10887)</b> |

Source: Own calculations using OHS 1995 and LFS 2001:2

<sup>a</sup> – indicates less than ten observations in that category.

during the apartheid regime. Varying distributions across types of employment and occupational levels are therefore likely to help explain why these groups in South Africa receive significantly different earnings on average.

### 3.2 Earnings by Employment Type

In this section the employed are disaggregated into five main types of employment<sup>11</sup>: 'employees' (those employed by registered and unregistered businesses, but excluding domestic workers and unskilled agricultural workers)<sup>12</sup>, the self-employed in the informal sector (including subsistence farmers), the self-employed in the formal sector, domestic workers, and unskilled agricultural workers. The data are presented in Table 4.

Looking at the figures for Africans initially, it is evident from the distributions across categories that men and women are not evenly spread across the various segments of the labour force. In 1995, the vast majority of employed African women were working either as employees (61.8 percent) or as domestic workers (25.7 percent), with a similar proportion of women working in informal self-employment and unskilled agriculture (around 6 percent each). A much larger proportion of African men were found working as employees (79.6 percent) or in unskilled agriculture (14.8 percent), with a smaller proportion in informal self-employment (4.1 percent).

By 2001, these distributions had changed quite substantially, and for African women in particular. The biggest change was that a much larger proportion of employed women (20 percent), and employed men (13.6 percent) were found in informal self-employment by 2001 because of the large (absolute and percentage) increases in this type of employment. (There were also large percentage increases in formal self-employment for African men and women, but from a small base, and as such, in terms of absolute numbers and proportions of the total employed, the figures remained very small in 2001.) While the proportion of women in domestic work stayed the same, it is important to note that there were an additional 160 000 female domestic workers in 2001.

Table 4 also shows that not only do African women generally earn lower returns to these types of employment than African men, but a disproportionately larger number of women are found in the categories (informal self-employment and domestic work) in which the returns to employment are amongst the lowest. The only low-paying employment in which men are predominant is unskilled agriculture, a sector that is rapidly declining in size.

11 Details of how these various categories were defined for comparability across the years are available in Casale (2003).

12 The 1995 OHS did not distinguish between those employees working for registered/formal versus unregistered/informal businesses. The data for 1997 to 2001 however provide no evidence of an increase in the proportion of 'employees' (as they are defined here excluding domestic and unskilled agricultural workers) employed by unregistered businesses. For the years 1997, 1999 and 2001 a relatively consistent eight percent of female 'employees' and ten percent of male 'employees' were being employed in unregistered businesses. Note also that, using these surveys, there is no satisfactory way of identifying the 'casualisation' of work, such as outsourced and (sub-)contracted work, which is believed to be on the increase in South Africa, and which may be captured within this category of 'employees' if respondents still considered themselves to be working 'for someone else'. (See Esselaar, 2003, for a detailed discussion of the problems with identifying these forms of employment in household surveys.)



**Table 4: The distribution of the employed and real monthly earnings (2000 Rands) across employment type, 1995-2001**

|                        | Female                         |              | Male                           |              | Female                          |       | Male                            |                | Female                           |                | Male                             |       |
|------------------------|--------------------------------|--------------|--------------------------------|--------------|---------------------------------|-------|---------------------------------|----------------|----------------------------------|----------------|----------------------------------|-------|
|                        | 1995                           | 2001         | 1995                           | 2001         | 1995                            | 2001  | 1995                            | 2001           | 1995                             | 2001           | 1995                             | 2001  |
|                        | Employed (1000s)<br>% of total |              | Employed (1000s)<br>% of total |              | % change 1995-2001,<br>employed |       | % change 1995-2001,<br>employed |                | Mean earnings<br>(Std deviation) |                | Mean earnings<br>(Std deviation) |       |
|                        |                                |              |                                |              |                                 |       |                                 |                |                                  |                |                                  |       |
| <b>AFRICAN</b>         |                                |              |                                |              |                                 |       |                                 |                |                                  |                |                                  |       |
| Employees              | 1459<br>61.8                   | 1500<br>48.9 | 2997<br>79.6                   | 2929<br>77.4 | 2.8                             | -2.3  | 2243<br>(1685)                  | 1995<br>(2176) | 2332<br>(1954)                   | 1929<br>(2085) | -11.1                            | -17.3 |
| Informal self-employed | 142<br>6.0                     | 632<br>20.6  | 155<br>4.1                     | 516<br>13.6  | 346.2                           | 232.0 | 1868<br>(5442)                  | 458<br>(574)   | 3687<br>(7167)                   | 940<br>(1357)  | -75.5                            | -74.5 |
| Formal self-employed   | 11<br>0.5                      | 43<br>1.4    | 36<br>1.0                      | 71<br>1.9    | 281.3                           | 97.1  | 8875<br>(17225)                 | 3565<br>(7150) | 8785<br>(15035)                  | 4442<br>(6386) | -59.8                            | -49.4 |
| Domestic workers       | 607<br>25.7                    | 768<br>25.0  | 19<br>0.5                      | 23<br>0.6    | 26.6                            | 23.4  | 561<br>(724)                    | 474<br>(357)   | 675<br>(546)                     | 618<br>(334)   | -15.5                            | -8.4  |
| Unskilled agriculture  | 143<br>6.1                     | 126<br>4.1   | 558<br>14.8                    | 244<br>6.4   | -11.8                           | -56.3 | 558<br>(1184)                   | 357<br>(249)   | 538<br>(813)                     | 386<br>(329)   | -36.0                            | -28.3 |
| Total                  | 2362<br>100                    | 3070<br>100  | 3764<br>100                    | 3783<br>100  | 30.0                            | 0.5   |                                 |                |                                  |                | -27.4                            | -20.0 |
| <b>WHITE</b>           |                                |              |                                |              |                                 |       |                                 |                |                                  |                |                                  |       |
| Employees              | 685<br>89.8                    | 718<br>86.8  | 907<br>82.3                    | 839<br>75.5  | 4.9                             | -7.6  | 4114<br>(3595)                  | 4756<br>(4794) | 7698<br>(6819)                   | 7578<br>(7128) | 15.6                             | -1.6  |
| Informal self-employed | 29<br>3.7                      | 23<br>2.8    | 30<br>2.7                      | 45<br>4.1    | -18.5                           | 48.5  | 3165<br>(4743)                  | 2694<br>(3209) | 6177<br>(7078)                   | 4063<br>(4636) | -14.9                            | -34.2 |
| Formal self-employed   | 48<br>6.2                      | 81<br>9.8    | 162<br>14.7                    | 223<br>20.1  | 69.8                            | 37.4  | 7275<br>(15954)                 | 6036<br>(6036) | 14442<br>(25840)                 | 9706<br>(8547) | -17.0                            | -32.8 |
| Domestic workers       | 2<br>0.2                       | 5<br>0.6     | 0<br>0.0                       | 0<br>0.0     | -                               | -     | -                               | -              | -                                | -              | -                                | -     |
| Unskilled agriculture  | 0.1<br>0.0                     | 0.5<br>0.1   | 2<br>0.2                       | 4<br>0.4     | -                               | -     | -                               | -              | -                                | -              | -                                | -     |
| Total                  | 763<br>100                     | 828<br>100   | 1102<br>100                    | 1110<br>100  | 8.5                             | 0.8   |                                 |                |                                  |                | 12.7                             | -8.2  |

Source: Own calculations using OHS 1995 and LFS 2001:2

While African women and men in all employment categories experienced a decline on average in real earnings over the period (with the fall generally larger for women), the greatest decline was recorded in the fastest growing category of employment – informal self-employment. The larger increase in the number of women in this category over time would also help to account for why overall African women experienced a decline in average earnings relative to African men between 1995 and 2001.<sup>13</sup>

In contrast, hardly any whites, women or men, are found in domestic and unskilled agricultural work, while a very small absolute number and proportion of the total employed are found in informal self-employment. White women and men both work predominantly as employees, with the remainder of the employed mostly involved in formal self-employment. By 2001 there were an additional 33 000 white women in each of the two categories of employees and formal self-employment. Although, because the latter started from a much smaller base the percentage increase in formal self-employment was much larger between 1995 and 2001 (70 percent compared to 4.9 percent in the employee category). For white men there was a decline in the number of employees between 1995 and 2001, although this was offset by the additional 60 000 men recorded in formal self-employment and 15 000 men in informal self-employment, such that there was hardly any change in the overall number of white males employed over the period.

Linking this to the earnings information in Table 4, it is evident that white women earn *substantially* lower returns to all types of employment than white men. In fact, the earnings disparity between men and women is much greater (by employment type and by education level) within the white race group than within the African race group (a finding supported by Winter, 1999 and Rospabé, 2001b). However, while the earnings gap is widening between African men and women, it is narrowing between white men and women. Contributing to this is the increase of nearly 16 percent over the period in the average real earnings experienced by white women working as employees. This reiterates the point that not all women are equally disadvantaged in the labour market. The relative rise in the earnings of white women on average and the relative fall in the earnings of African women on average, has also resulted in the earnings gap between African and white women broadening.

### 3.3 Earnings by Occupation

Within the broad categories of 'employees', 'informal self-employment' and 'formal self-employment' analysed above, women and men are also likely to be unevenly distributed across occupations, and average earnings (levels and changes) are likely to differ considerably by occupation. These possibilities are examined for Africans *and* whites working as employees, but for Africans only in informal self-employment and for whites only in formal self-employment.<sup>14</sup>

13 Again some caution is required. If the types of informal self-employment that were better captured by the 2001 survey were also those associated with lower earnings, overall average earnings in this sector would be biased downwards in 2001, and the decline over the years over-estimated. Nonetheless, the fall in informal self-employment earnings between 1995 and 2001 is unlikely to be the result of improved data collection alone, as more and more people crowding into already low income-generating informal activities would be expected to depress average earnings even further.

14 The figures for informal self-employment are very small for the white race group, while the figures for formal self-employment are very small for the African race group, resulting in many of the categories containing less than 10 observations when disaggregated by occupation.

Table 5 provides disaggregated employment and earnings figures at the one-digit International Standard Classification of Occupations (ISCO) level for the group of employed hired as 'employees' (again excluding those in the categories of domestic work and unskilled agriculture). A more detailed analysis of those working for someone else is of interest here, not only because they comprise the single biggest category of employment for both African and white women and men, but also because it provides an example of where the average earnings of African women fell over the period while the average earnings of white women rose.

To begin with, it is clear from the distributions that men and women are employed in different types of occupations. African women working for someone else, for example, are found predominantly in the following occupations in order of importance: elementary occupations (noting that if domestic workers were included, this category would triple in absolute numbers); technical and associate professionals (keeping in mind that this is dominated by teachers and nurses); service, shop and sales workers; and clerks. African men are found working predominantly in the following occupations in this order: as plant and machine operators and assemblers; in elementary occupations; as craft and related trade workers; and as service, shop and sales workers.

For African women there was not much change over the period in the distribution of employees across occupations. An examination of the absolute figures illustrates though that there were increases of about 33 000 and 37 000 African women employed in service/sales and craft/related trade occupations respectively. Linking this to the earnings information, it is evident that African women in *all* of the occupational categories in which they were dominant experienced a decline in real earnings on average, but that for these two occupations in which there were the largest absolute increases in employment, the declines in average earnings were also among the largest. In addition, it is interesting to note that there was quite a substantial fall in the number of women employed as technical and associate professionals (45 000 less women), an occupational category which offers African women on average the opportunity to earn relatively high wages. This decline could be the result of cutbacks in the public sector (Bhorat, 2001).

Table 5: The distribution of employees and real monthly earnings (2000 Rands) across occupations, 1995-2001

|  | Female            |      |            | Male              |      |            | Female                        |                               |                              | Male                          |                               |                              |
|--|-------------------|------|------------|-------------------|------|------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|------------------------------|
|  | 1995              | 2001 | % of total | 1995              | 2001 | % of total | 1995                          | 2001                          | % change 1995-2001, employed | 1995                          | 2001                          | % change 1995-2001, earnings |
|  | Employed (1'000s) |      |            | Employed (1'000s) |      |            | Mean earnings (Std deviation) | Mean earnings (Std deviation) |                              | Mean earnings (Std deviation) | Mean earnings (Std deviation) |                              |
| <b>AFRICAN</b>                             |                   |      |            |                   |      |            |                               |                               |                              |                               |                               |                              |
| Legislators, senior officials, managers    | 13                | 18   | 0.9        | 53                | 49   | 1.8        | 4128 (3044)                   | 5210 (2762)                   | -36.1                        | 5383 (5094)                   | 6602 (4846)                   | 26.2                         |
| Professionals                              | 56                | 90   | 3.9        | 65                | 66   | 2.2        | 4771 (2058)                   | 5541 (4181)                   | 60.6                         | 6066 (4036)                   | 6091 (4042)                   | 16.2                         |
| Technical and associate professionals      | 343               | 298  | 23.8       | 236               | 210  | 8.0        | 3653 (1855)                   | 3405 (1855)                   | -13.1                        | 4041 (2103)                   | 3554 (1847)                   | -6.8                         |
| Clerks                                     | 243               | 241  | 16.9       | 256               | 175  | 8.7        | 2173 (1320)                   | 2081 (1705)                   | -0.8                         | 2774 (1618)                   | 2588 (1847)                   | -4.3                         |
| Service, shop and market sales workers     | 268               | 301  | 18.6       | 420               | 424  | 14.3       | 1601 (1235)                   | 1117 (1322)                   | 12.3                         | 2321 (1542)                   | 1878 (2362)                   | -30.3                        |
| Skilled agriculture and fishery workers    | 3                 | 18   | 0.2        | 24                | 165  | 0.8        | 667 (485)                     | 502 (537)                     | 522.3                        | 1179 (1043)                   | 744 (769)                     | -24.7                        |
| Craft and related trade workers            | 55                | 92   | 3.8        | 465               | 622  | 15.8       | 1479 (1261)                   | 1109 (1755)                   | 67.8                         | 2153 (1606)                   | 1557 (1174)                   | -25.1                        |
| Plant and machine operators and assemblers | 100               | 92   | 6.9        | 747               | 713  | 25.4       | 1725 (1059)                   | 1184 (953)                    | -7.8                         | 2024 (1347)                   | 1678 (1257)                   | -31.4                        |
| Elementary occupations                     | 358               | 348  | 24.9       | 673               | 497  | 22.9       | 1265 (870)                    | 1007 (768)                    | -2.8                         | 1483 (1173)                   | 1279 (1487)                   | -20.3                        |
| <b>Total</b>                               | 1439              | 1498 | 100        | 2938              | 2921 | 100        |                               |                               | 4.1                          |                               |                               | -11.1                        |
| <b>WHITE</b>                               |                   |      |            |                   |      |            |                               |                               |                              |                               |                               |                              |
| Legislators, senior officials, managers    | 27                | 54   | 4.0        | 141               | 165  | 15.8       | 5310 (3367)                   | 7368 (4886)                   | 101.7                        | 11777 (10398)                 | 11179 (8151)                  | 38.8                         |
| Professionals                              | 50                | 94   | 7.4        | 83                | 103  | 9.3        | 7145 (9413)                   | 7201 (4972)                   | 87.6                         | 11201 (6579)                  | 12842 (11270)                 | 0.8                          |
| Technical and associate professionals      | 148               | 172  | 21.9       | 172               | 157  | 19.2       | 5237 (3184)                   | 4959 (3317)                   | 16.2                         | 8961 (8468)                   | 7299 (5606)                   | -5.3                         |
| Clerks                                     | 355               | 305  | 52.7       | 76                | 72   | 8.5        | 3538 (1830)                   | 4116 (5444)                   | -14.1                        | 4952 (2891)                   | 5012 (3969)                   | 16.3                         |
| Service, shop and market sales workers     | 75                | 69   | 11.2       | 114               | 103  | 12.7       | 2545 (1653)                   | 2465 (2514)                   | -7.9                         | 4939 (2958)                   | 4670 (3995)                   | -3.1                         |
| Skilled agriculture and fishery workers    | 0.4               | 1    | 0.1        | 15                | 1    | 1.7        |                               |                               | -                            | 5317 (3558)                   |                               | -                            |
| Craft and related trade workers            | 8                 | 10   | 1.2        | 216               | 162  | 24.2       | 3186 (2221)                   | 3746 (2360)                   | 25.9                         | 6355 (3079)                   | 5448 (3706)                   | 17.6                         |
| Plant and machine operators and assemblers | 5                 | 3    | 0.8        | 64                | 50   | 7.1        | 2871 (1975)                   | 2685 (2369)                   | -40.1                        | 5077 (3246)                   | 4037 (2882)                   | -6.5                         |
| Elementary occupations                     | 5                 | 9    | 0.8        | 14                | 25   | 1.5        | 1591 (792)                    | 2375 (1217)                   | 77.9                         | 3515 (2198)                   | 4683 (2425)                   | 49.3                         |
| <b>Total</b>                               | 674               | 717  | 100        | 895               | 837  | 100        |                               |                               | 6.5                          |                               |                               | 15.6                         |

Source: Own calculations using OHS 1995 and LFS 2001:2

There was some *limited* opportunity for African women over this period to find employment in the highly skilled occupational categories. Between the top two categories of managers and professionals an additional 39 000 women were recorded by 2001 (mostly in the professional category). These were also the only two occupational categories in which African women experienced increases on average in real earnings. Also interesting is that while there were increases in the average earnings in these types of highly skilled occupations among African men, there was hardly any change over the period in the number of African men employed in these categories. This suggests that perhaps affirmative action has served to benefit African *women* in particular at these levels. Nonetheless, as in 1995, male African employees still received significantly higher returns to their work, in all the occupational categories than female African employees in 2001

In light of apartheid job reservation policies, there are, as would be expected, some very clear racial differences in the types of jobs that have been made available to white men and women compared to African men and women, and in all occupational categories white men and women earn significantly more than African men and women respectively. White female employees are found working predominantly as clerks (around half of female employees in both years) and technical/associate professionals, with hardly any white women in the last four (lower-skill) occupational categories. White male employees are more evenly spread over the occupational categories than white female employees (with a larger proportion working in the high-skill managerial occupations especially), but again there are clear racial differences. A very small proportion of white men work in the lower-skill categories.

Of more interest here, though, are the changes that took place over the period which resulted in white female employees earning significantly higher wages on average in 2001 compared to 1995 (an increase of just under 16 percent), while white male wages declined (although by not very much; about 2 percent on average). Among white women there were significant increases in the number of employees in the managerial, professional and technical/associate professional categories, with the growth in these three top occupational categories amounting to about 100 000 additional women over the period. This suggests that, among women, affirmative action may have served to benefit *white* women relatively more than African women.

These are also the occupational categories in which white women earn the highest returns. In addition, there was a large increase in the average real earnings of white women in the managerial category in particular between 1995 and 2001 (of around 39 percent). Interestingly, women working as clerks, the single largest occupational category for white women, also experienced very large real earnings increases on average over the period (of around 16.3 percent). White men in contrast experienced real average earnings decreases between 1995 and 2001 in almost all occupational groups.<sup>15</sup> While this would help to explain why the earnings position of white women relative to that of white men improved on average between 1995 and 2001, it is important to note that in all the occupational categories, the mean wages of white women were still significantly lower than that of white men in 2001.

15 There were very large mean earnings increases for both white men and women in elementary occupations, but the absolute numbers involved in this type of employment are too small to be of much interest here.

The occupational distributions of those working for themselves are presented next. The top frame of Table 6 presents the category of *informal* self-employment disaggregated by occupation for *Africans* in particular, as this was the fastest growing type of employment for both African women and men between 1995 and 2001 (although more so for women), as well as the category of employment in which earnings declined the most for these groups. Most self-employed men and women in the informal sector are found in the semi-skilled and unskilled occupational categories, working as service/sales workers; skilled agriculture/fishery workers (note that this ISCO category contains subsistence farmers); craft/related trade workers and in elementary occupations.<sup>16</sup> In both 1995 and 2001 a greater proportion of African women compared to men were found working in service/sales occupations and in elementary occupations. In fact almost half of the African women working in the informal sector were crowded into elementary occupations.

16 It is not clear why so many men and women were classified as being in managerial occupations in 1995 but not in 2001. It is possible that individuals who were inclined to identify themselves in this position as they owned their own business, were coded differently in 2001 by interviewers (or the respondents themselves).

**Table 6: The distribution of the self-employed and real monthly earnings (2000 Rands) across occupations, 1995-2001**

|  | Female           |            |            | Male             |            |            | Female                        |                              |                               | Male                         |                               |                              |       |
|--|------------------|------------|------------|------------------|------------|------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------|
|  | 1995             |            | 2001       | 1995             |            | 2001       | 1995                          |                              | 2001                          | 1995                         |                               | 2001                         |       |
|  | Employed (1000s) | % of total | % of total | Employed (1000s) | % of total | % of total | Mean earnings (Std deviation) | % change 1995-2001, employed | Mean earnings (Std deviation) | % change 1995-2001, earnings | Mean earnings (Std deviation) | % change 1995-2001, earnings |       |
| <b>INFORMAL: AFRICAN</b>                   |                  |            |            |                  |            |            |                               |                              |                               |                              |                               |                              |       |
| Legislators, senior officials, managers    | 25               | 17.8       | 7          | 51               | 33.1       | 29         | 4394 (1742)                   | -72.3                        | 1079 (1037)                   | -43.4                        | 6442 (10786)                  | 2851 (2754)                  | -75.4 |
| Professionals                              | 0.4              | 0.3        | 0          | 0                | 0.0        | 0.6        | -                             | -18.6                        | -                             | -                            | -                             | -                            | -     |
| Technical and associate professionals      | 10               | 7.2        | 18         | 8                | 5.0        | 22         | 1645 (1687)                   | 81.6                         | 670 (485)                     | 188.1                        | 4107 (5179)                   | 994 (762)                    | -59.3 |
| Clerks                                     | 0.3              | 0.2        | 0.5        | 0                | 0.0        | 2          | -                             | 58.9                         | -                             | -                            | -                             | -                            | -     |
| Service, shop and market sales workers     | 7                | 4.9        | 135        | 3                | 2.1        | 70         | 2138 (3164)                   | 1879.7                       | 608 (719)                     | 2097.3                       | 2667 (1864)                   | 1150 (1493)                  | -71.5 |
| Skilled agriculture and fishery workers    | 5                | 3.9        | 77         | 3                | 2.1        | 95         | 691 (805)                     | 1348.0                       | 54 (192)                      | 2810.9                       | 627 (516)                     | 142 (688)                    | -92.1 |
| Craft and related trade workers            | 29               | 20.7       | 88         | 58               | 38.1       | 159        | 1074 (1371)                   | 206.6                        | 523 (598)                     | 173.1                        | 2521 (4198)                   | 1088 (1125)                  | -51.3 |
| Plant and machine operators and assemblers | 0                | 0.0        | 5          | 0                | 0.0        | 11         | -                             | -                            | 747 (912)                     | -                            | -                             | 1431 (1219)                  | -     |
| Elementary occupations                     | 62               | 45.0       | 296        | 30               | 19.5       | 126        | 1373 (2708)                   | 374.5                        | 446 (478)                     | 321.3                        | 1539 (2000)                   | 724 (616)                    | -67.5 |
| <b>Total</b>                               | 139              | 100        | 627        | 153              | 100        | 514        |                               | 352.3                        |                               | 255.9                        |                               |                              | -75.5 |
| <b>FORMAL: WHITE</b>                       |                  |            |            |                  |            |            |                               |                              |                               |                              |                               |                              |       |
| Legislators, senior officials, managers    | 23               | 47.8       | 33         | 61               | 37.9       | 110        | 9953 (21865)                  | 45.3                         | 5912 (4605)                   | 81.7                         | 14374 (27287)                 | 9662 (7335)                  | -40.6 |
| Professionals                              | 3                | 6.0        | 10         | 16               | 9.7        | 25         | 6128 (7876)                   | 246.0                        | 6397 (8433)                   | 59.8                         | 20178 (21399)                 | 15179 (12428)                | 4.4   |
| Technical and associate professionals      | 4                | 9.0        | 11         | 11               | 6.6        | 19         | 3871 (4644)                   | 163.6                        | 6238 (4776)                   | 77.7                         | 20345 (37174)                 | 9943 (7414)                  | 61.1  |
| Clerks                                     | 3                | 7.1        | 5          | 0                | 0.0        | 1          | 3920 (1986)                   | 58.4                         | 3808 (2077)                   | -                            | -                             | -                            | -2.9  |
| Service, shop and market sales workers     | 5                | 9.5        | 8          | 3                | 1.6        | 6          | 6648 (11082)                  | 73.6                         | 10855 (13490)                 | -                            | -                             | -                            | 63.3  |
| Skilled agriculture and fishery workers    | 5                | 9.6        | 9          | 45               | 27.8       | 40         | 5011 (5435)                   | 90.0                         | 4548 (5070)                   | -11.0                        | 14573 (24124)                 | 9610 (10571)                 | -9.3  |
| Craft and related trade workers            | 4                | 9.0        | 0.9        | 24               | 15.0       | 19         | 2564 (1682)                   | -                            | -                             | -22.0                        | 10307 (23286)                 | 6488 (6351)                  | -     |
| Plant and machine operators and assemblers | 0                | 0.0        | 2          | 0                | 0.0        | 2          | -                             | -                            | -                             | -                            | -                             | -                            | -     |
| Elementary occupations                     | 0.9              | 1.9        | 2          | 2                | 1.4        | 1          | -                             | -                            | -                             | -                            | -                             | -                            | -     |
| <b>Total</b>                               | 48               | 100        | 81         | 160              | 100        | 223        |                               | 70.1                         |                               | 38.9                         |                               |                              | -17.0 |

Source: Own calculations using OHS 1995 and LFS 2001:2

There were also very large *increases* in the number of self-employed in these low-skill categories between 1995 and 2001 for African men and women. The percentage increases in the number of employed in the categories of service/sales and skilled agriculture/fishery in particular, suggest a phenomenal growth for both men and women in these occupations. For instance, there was an increase of nearly 1 880 percent in the number of employed women in service/sales occupations (an additional 128 000 women), while for men the percentage increase was around 2 097 percent (an additional 67 000 men). The figures for skilled agriculture and fishery are similarly large. As cautioned, however, it is likely that some of the growth is due to the more efficient collection of data on informal own-account work in the 2001 survey, and it would seem, given the dramatic percentage increases in these two occupational categories, that these were the types of employment most affected by the better data capture. In absolute terms, however, by far the largest recorded increase for women was in elementary occupations; by 2001 an additional 234 000 women were found in this category.

It is also evident from Table 6 that in all the occupational categories real average earnings declined between 1995 and 2001 for self-employed African men and women in the informal sector. While it is not possible to ascertain how much of this is driven by the more thorough capture of low-paid informal work, the decreases in average earnings were nonetheless extremely large for all four categories of self-employment into which men and women are crowded, and not just for those that exhibited phenomenal employment increases. And, in three out of four of these categories female average earnings fell by more than male average earnings. This would help to account for why the average earnings position of African women deteriorated by so much relative to that of men over the period.

The lower frame of Table 6 presents the data on *formal* self-employment among *whites*. This is the largest category of employment for white men and women, after 'employees', and it is also the fastest growing category for whites over the period. From a comparison of Africans and whites in self-employment, it is striking that not only is most self-employment among Africans in the informal sector, while most self-employment among whites is in the formal sector, but within occupations in self-employment, African men and women are found predominantly in the lowest-skill categories in the informal sector, while white men and women are found mainly in the highest-skill categories in the formal sector.<sup>17</sup>

The single largest occupation in formal self-employment among both white men and women is that of legislator/senior official/manager. Between 1995 and 2001, the largest absolute and percentage increases in employment occurred in the top three highest-skill occupations for both men and women. The earnings information shows that these increases did not necessarily translate into higher earnings for all groups though. In fact, among men in self-employment, average real earnings declined in all the occupational categories. Among women, increases in average earnings were experienced in the professional and technical/associate professional categories. This would help in explaining why the average earnings of white women in formal self-employment as a whole did not decrease by as much as that of men between 1995 and 2001 (17 percent as opposed to 33 percent). However, even in self-employment in the formal sector among these higher skill occupations, white women earn considerably lower returns to their employment than white men in the same occupations.

17 Africans have faced, and still face, a number of barriers to entry into the higher-skilled (higher-paying) occupations even in self-employment: for example, lack of education or necessary skills, lack of access to capital or credit, and often access to only limited and low-income markets.



## 4. Concluding Remarks

An increasing number of women joining the labour market in a country may be viewed as a positive trend - women's increased access to earnings independent of men might not only serve to provide them with more control over their lives, but also the earnings of women contribute significantly to the welfare levels of their households.<sup>18</sup> However, as in other parts of the world, the rise in female labour force participation in South Africa has not been an 'unqualified good'. Not only has the feminisation of the labour force been associated largely with an increase in *unemployment* among women in South Africa, but for those women who did find work over the period, this employment does not seem to have 'bought' them very much. The household survey data show that women on average continue to be crowded into specific, generally low-paying, categories of employment and occupation, and that women also still earn significantly lower returns to their work than men in the same categories of formal education, employment and occupation.

Not all groups of women are equally disadvantaged though. White women earn more than African women in all the categories analysed here, and their relative earnings position seems to be improving over time. Where there has been some opportunity for advancement at the upper end of the occupational ladder, white women seem to have been the main beneficiaries. While there has been some limited expansion over the six-year period in employment and earnings for African women in the highly skilled occupations, most of the growth in employment among African women has been in unskilled informal self-employment and domestic work that offer extremely low (and falling) returns and little security. For the majority of women, the feminisation of the labour force in South Africa has therefore been associated with a worsening of their disadvantaged position in the labour market relative to men. Even if some of the rise in employment and the fall in average earnings over the period is due to the improved collection of data on low-paid informal self-employment, what is nonetheless clear is that, having pulled a larger number of the working poor into the employment statistics, the relative position of African women in the labour market in 2001 was worse than if these workers had continued to be overlooked.

The fact that women consistently earn lower returns to their employment than men, and that for the majority of women this position has not improved on average over the period, has implications not only for women themselves, but also for the welfare of their households. This is of additional concern as traditional nuclear families fragment and households become more reliant on female earnings in South Africa.<sup>19</sup> Echoing the words of Standing (1999: 600) in his review of the global feminisation of labour markets, the rising trend of the involvement of women in the labour force should be celebrated, but perhaps one of the "most important labour market and social policy challenges" for South Africa is reversing the increased insecurity and inequality associated with this trend.

18 To give a very simple illustration, in South Africa in 2001 the proportion of households falling under an adult equivalent poverty line of R301/month was 53 percent. If female earnings are excluded from this calculation of adult equivalent household income from employment, 66 percent of households fall below the poverty line (own calculations from the LFS 2001:2). Women's earnings from employment therefore make a significant contribution towards reducing poverty rates in South Africa.

19 The percentage of households reliant on women's earnings, in that there was at least one employed woman and no employed men in the household, increased from 14.8 percent in 1995 (1.3 million out of 8.8 million households) to 21 percent in 2001 (2.1 million out of 10 million households) (own calculations from the LFS 2001:2).

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