

QLFS Second Quarter 2017: Key Results

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Key Findings from the Official Statistical Release, P0211

The number of individuals employed decreased marginally in the second quarter to 16.1 million, while the number of unemployed remained stagnant at 6.2 million. The number of discouraged workseekers increased marginally, although the figure remains below that of a year ago. Between 2016Q2 and 2017Q2, the narrow unemployment rate increased by 1.1 percent to reach 27.7 percent, while the labour force participation rate increased by 2 percent to 59.9 percent.

Table 1: Key Labour Market Aggregates

	2017 Q2	Q-on-Q Change		Y-on-Y Change	
	'000s	'000s	Percent	'000s	Percent
Aggregates					
Labour Force	22 277	-150	-0.7	1 098	5.2
Employment	16 100	-113	-0.7	554	3.6
Narrow Unemployment	6 177	-37	-0.6	543	9.6
Discouraged Workseekers ¹	3 150	52	1.7	-104	-3.2
Rates					
Narrow Unemployment Rate	27.7		0.0 p.p.		1.1 p.p.
Labour Force Participation	59.9		-0.6 p.p.		2.0 p.p.

- **Employment declined by 0.7 percent on a quarterly basis** but was substantially (3.6 percent) up from a year earlier. The latter change was primarily due to growth in the formal non-agricultural sector (275 000 jobs) and informal non-agricultural sector (254 000 jobs). Agriculture and private households added 10 000 and 15 000 jobs, respectively.
- Narrow unemployment remained unchanged at 6.2 million on a quarterly basis, although this represents an increase of 543 000 from the previous year, **increasing the narrow unemployment rate by 1.1 percent**. The Eastern Cape (+5.5 percentage points) and Mpumalanga (+3.5 percentage points) experienced the most rapid increase in the narrow unemployment rate. In contrast, the Western Cape (-1.5 percentage points) and the North West (-0.1 percentage points) experienced declines in their unemployment rates over the year.

¹ Unlike Statistics South Africa, we take the conventional view that the terms *discouraged workseeker* and *non-searching unemployed* are synonymous and that they represent the difference between narrow and expanded unemployment. The total number of discouraged workseeker presented above is, therefore, larger than the figure reported by Statistics South Africa.

- **The narrow labour force participation rate increased by 2 percentage points year-on-year** to 59.9 percent. All races, with the exception of Whites, saw an increase in participation rates, with Indians experiencing the largest increase (3 percentage points).
- **Women experienced larger employment gains than men in the past year.** An additional 324 000 women were employed over the past year compared to 230 000 men. The bulk of female employment growth (58 percent) occurred within the formal non-agricultural sector. In contrast, 82 percent of male employment growth was within the informal non-agricultural sector.
- **Financial services (+175 000), trade (+129 000) and transport, storage and communication (+92 000)** added the most jobs in the past year. Construction (-110 000) and agriculture (-40 000) shed the most jobs. On a quarterly basis, trade (+58 000) was the biggest job generator, with the transport, storage and communications sector experiencing the biggest contraction in employment, shedding 110 000 jobs. Besides trade, only the manufacturing, electricity, gas and water supply, and community, social and personal services sectors created jobs between 2017Q1 and 2017Q2.
- **Employment growth was dominated by three provinces: the Western Cape (+137 000), Gauteng (+109 000) and Kwazulu-Natal (+105 000).** Only two provinces – the Free State and Northern Cape – experienced declines in employment, of 11 000 and 21 000 respectively.
- **Managers (+155 000) and clerks (+126 000)** accounted for just over half of employment growth over the past year. With the exception of technicians and skilled agricultural workers, employment in all other occupations experienced growth between 2016Q2 and 2017Q2. However, between 2017Q1 and 2017Q2, only managers, professionals, technicians and domestic workers experienced an increase in jobs. While 44 percent of male net employment growth was in managerial occupations, over half of female net employment growth was in elementary occupations.
- In terms of education, **there was a net decrease of 154 000 jobs for those with a primary education or less compared to the previous year.** Individuals with at least some secondary education saw employment increase by 703 000 jobs over the past year, with tertiary-educated individuals (+325 000) accounting for just over half of the increase.
- **New entrants (2.4 million or 39 percent) and job losers (2 million or 32 percent) account for most of the unemployed.** The number of job losers decreased by 85 000 as compared to 2017Q1, while the number of new entrants increased by 62 000 over the previous quarter.
- **Two-thirds of the unemployed have been unemployed for more than a year,** with the number having increased by approximately 386 000 over the past year to 4.2 million. Although short-term unemployment decreased by 103 000 compared to the previous quarter, it increased by 158 000 over the past year.
- **Year-on-year employment growth was highest for the 55–64 (7.8 percent), 35–44 (4.7 percent) and 45–54 (4.3 percent) age groups.** However, all age groups also experienced an increase in unemployment over the year, with the 35–44 and 45–54 age groups experiencing double-digit percentage increases in their unemployment rates.