

Quarterly Labour Force Survey:

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The key messages from the Quarterly Labour Force Survey Q4 2020:

Labour market ratios	Number (thousands)			Number change q/q Dec-20	Ratio (%)			Ratio % point change q/q Dec-20
	Dec-19	Sep-20	Dec-20		Dec-19	Sep-20	Dec-20	
Working-age population (15-64 years)	38 727	39 167	39 311	143				0,4
Employment	16 420	14 691	15 024	333				2,3
Unemployment (official, % of labour force)	6 726	6 533	7 233	701	29,1	30,8	32,5	1,7
Unemployment (broad, % of labour force)	10 381	11 145	11 156	11	38,7	43,1	42,6	-0,5
Absorption Rate					42,4	37,5	38,2	0,7
Labour force (off., % of working-age population)	23 146	21 224	22 257	1 033				4,9
Labour force participation Rate					29,1	30,8	32,5	1,7
Not Economically Active (NEA)	15 581	17 944	17 054	-890				-5,0
Discouraged workers (% of working-age population)	2 855	2 696	2 930	234	7,4	6,9	7,5	0,6

- In the fourth quarter of 2020 the number of employed persons increased by 333 000 (2.2% q/q) to 15.0 million.
- Unemployment increased by 701 000 to 7.2 million in comparison with Q3 2020, with the number of people in the labour force increasing by 4.9%. The number of discouraged workers increased by 8.7% in Q4 2020.
- The number of people who were not economically active for reasons other than discouragement by contrast decreased by 1.1 million between the two quarters, resulting in a net decrease of 890 000 in the not economically active population.
- The official unemployment rate increased by 1.7 percentage points from 30.8% in Q3 2020 to 32.5% in Q4 2020. This is the highest unemployment rate recorded since 2008 when the QLFS began, as lockdown restrictions remained in place.
- The unemployment rate based on the expanded definition, which includes those who are no longer actively looking for work, decreased by 0.5 percentage points to 42.6% in Q4 2020, which indicates that numerous people were still available for work but not actively looking for it.

Characteristics	Unemployed (official definition)					Employed				
	Number (thousands)			% change q/q Dec-20	% change y/y Dec-20	Number (thousands)			% change q/q Dec-20	% change y/y Dec-20
	Dec-19	Sep-20	Dec-20			Dec-19	Sep-20	Dec-20		
Age group										
15 - 24 yrs	1 565	1 261	1 335	6%	-15%	1 127	796	776	-3%	-31%
25 - 34 yrs	2 673	2 598	3 006	16%	12%	4 839	4 280	4 298	0%	-11%
35 - 64 yrs	2 488	2 674	2 893	8%	16%	10 454	9 615	9 950	3%	-5%
Highest level of education										
Primary education or less	686	613	608	-1%	-11%	1 816	1 340	1 431	7%	-21%
Secondary not completed	3 085	2 879	3 181	10%	3%	5 323	4 786	4 825	1%	-9%
Secondary completed	2 336	2 377	2 739	15%	17%	5 532	5 178	5 328	3%	-4%
Tertiary	579	633	670	6%	16%	3 592	3 295	3 327	1%	-7%
Other	40	31	36	17%	-10%	156	92	112	22%	-28%
Sectoral employment										
Formal (non-agriculture)						11 331	10 306	10 495	2%	-7%
Informal (non-agriculture)						2 918	2 456	2 521	3%	-14%
Agriculture						885	808	810	0%	-8%
Private households						1 286	1 121	1 197	7%	-7%
Unemployed by duration										
Long term unemployed (> 1 year)	4 931	4 537	5 199	15%	5%					
Short term unemployed (< 1 year)	1 795	1 996	2 034	2%	13%					
Province										
Western Cape	665	612	680	11%	2%	2 518	2 216	2 338	5%	-7%
Eastern Cape	904	1 025	1 138	11%	26%	1 384	1 212	1 236	2%	-11%
Northern Cape	123	86	124	44%	0%	335	287	308	7%	-8%
Free State	423	398	374	-6%	-12%	785	723	745	3%	-5%
KwaZulu-Natal	890	856	1 034	21%	16%	2 664	2 389	2 454	3%	-8%
North West	401	368	472	28%	18%	992	930	944	2%	-5%
Gauteng	2 271	2 291	2 365	3%	4%	5 098	4 506	4 570	1%	-10%
Mpumalanga	629	446	566	27%	-10%	1 244	1 161	1 148	-1%	-8%
Limpopo	421	452	481	6%	14%	1 400	1 266	1 281	1%	-9%

- Long-term unemployment increased from 4.5 million in Q3 2020 to 5.2 million in Q4 2020 (15% q/q).
- The number of employed people with no matric increased by 1% q/q; for people with matric the number of employed people increased by 3% q/q and for graduates, this increased by 1% q/q.
- **All provinces saw an increase in employment in Q4 2020 except for Mpumalanga which recorded a decline of 1% q/q.** Large increases in other provinces were mainly driven by Northern Cape 21 000 (7% q/q), Western Cape 121 000 (5% q/q) as well as Free State 22 000 and KwaZulu-Natal 66 000 which both increased by 3% q/q.

SECTOR TRENDS FROM QLFS:

- Following an increase in the informal sector employment in Q3 2020 of 176 000 (8% q/q), **employment further increased by 65 000 (3% q/q) in Q4 2020 in this sector. Employment in the formal sector increased by 189 000 (2% q/q) in Q4 2020 compared to Q3 2020.**
- **Employment in the formal sector increased in most industries (quarter-on-quarter) except for two,** with the largest increase recorded in *Community and social services* 170 000 (5% q/q), followed by *Construction* 86 000 (8% q/q). The only decreases were recorded in *Finance* 123 000 and *Mining* 35 000 (10% q/q).
- **Employment contracted in all industries year-on-year. The highest job losses were observed in *Utilities* (-13% q/q), *Manufacturing* (-11% q/q) and *Construction* (-17% q/q).**

Industry	Formal Sector					Informal Sector				
	Number (thousands)			% change q/q	% change y/y	Number (thousands)			% change q/q	% change y/y
	Dec-19	Sep-20	Dec-20			Dec-19	Sep-20	Dec-20		
Mining	424	417	382	-8%	-10%	5	2	1	-15%	-75%
Manufacturing	1 488	1 289	1 317	2%	-11%	232	171	174	2%	-25%
Utilities	112	86	97	13%	-13%	8	4	2	-57%	-76%
Construction	894	687	741	8%	-17%	456	393	425	8%	-7%
Trade	2 117	2 002	2 039	2%	-4%	1 132	1 007	1 024	2%	-10%
Transport	680	604	650	8%	-4%	332	273	293	7%	-12%
Financial Services	2 282	2 165	2 074	-4%	-9%	286	270	237	-12%	-17%
Community	3 325	3 045	3 186	5%	-4%	467	337	365	8%	-22%
Total	11 331	10 306	10 495	2%	-7%	2 918	2 456	2 521	3%	-14%

- Additional questions added to the latest survey on the implications of lockdown reveal that of the 15,0 million persons who were employed in Q4 2020, almost 11.7 million equivalent to three-quarters (78,3%) were expected to work during the national lockdown by the companies/organisations they work for.
- About 66% of employed people indicated that they were unable to work due to the national lockdown while 14.6% of employed people were unable to work due to health reasons, 12% due to family responsibilities and 7.4% due to shift work arrangements.
- The majority of the employed worked from their usual place of work during Q4 2020 lockdown and about 8% worked from home.
- In the fourth quarter 88.9% of the employed received their salaries although those with lower levels of education had reduction in their pay.
- The majority of those who worked during lockdown across all industries were men except for *Community and social service* where majority were women.

Appendix 1: Comparing QES with QLFS

Stats SA also collects information regarding employment from the QLFS which is a household based survey, unlike the QES. Therefore the results of the QES and the QLFS differ in several respects and are thus not fully comparable. The table below highlights key differences between the two surveys. The sampling frames for both surveys changed recently. The QES sampling frame changed in the Q4 2014 release, while the QLFS sampling frame changed in the Q1 2014 release. We compare survey results for Q1 2015 to track the impact of sampling changes.

Key differences between the Quarterly Labour Force Survey (QLFS) and the Quarterly Employment Survey (QES)

	QLFS	QES
Coverage	Private households and worker's hostels	Payroll of VAT registered businesses
	Non-institutional population (15 years and older)	Employees only
	Employment (including the informal sector, private households, agriculture and small businesses)	Formal sector (excluding agriculture)
Sample size	30 000 dwelling units in which households reside	20 000 VAT registered businesses
Reference period	One week prior to the interview	Payroll at the end of the reference quarter
Formal sector definition (excl. agriculture and private households)	Employers and own-account workers registered for VAT or income tax	Excludes agriculture and private households
	Employees paying income tax and those not paying tax but working for firms with 5 or more workers	Employees on the payroll of VAT registered businesses

Source: Statistics South Africa, QLFS and QES