



Briefing to the Portfolio Committee on Employment and Labour on the Quarterly Labour Force Survey

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#StatsSA





COVID-19 Impact on Data Collection

Restrictions necessary to combat COVID-19 created an obstacle to normal data collection approaches and operations, exactly when there was a massive increase in demand for information.

Stats SA changed the mode of collection for collecting QLFS data to **Computer Assisted Telephone Interviewing (CATI)**. To facilitate CATI, the sample that was used for QLFS Q1:2020 was also used in Q2:2020.

Not all dwelling units on the sample had contact numbers resulting in data being collected from part of the sample where contact numbers were available for QLFS Q2:2020.

This introduced bias in the estimates. Details on how the **bias adjustment** was done is contained in the report.

Unemployed Or Not Economically Active?



Unemployed

For a person to be regarded as unemployed according to the official definition of unemployment, a person should be of working age; not employed in the reference week; **and actively looked for work** or tried to start a business in the four weeks preceding the survey interview; and was available for work.

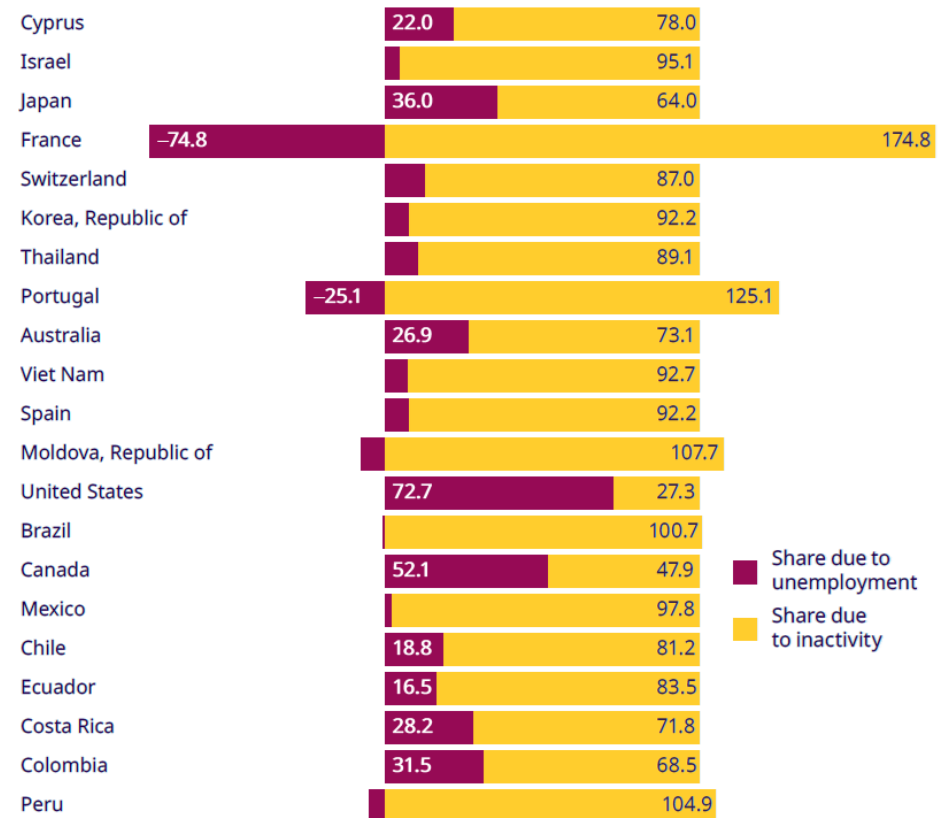
Not all active search requires physical movement

- Waited/registered at employment agency/trade union
- Enquired at workplaces, farms, factories or called on other possible employers
- Placed/answered advertisement(s)
- Searched through job advertisement(s) / searched the internet
- Sought assistance from relatives or friends
- Looked for land, building, equipment or applied for permit to start own business or farming
- Waited at the street side where casual workers are found
- Sought financial assistance to look for work or start a business

Increases in the **not economically active** population is a **global phenomenon** as seen in SA in Q2:2020.

According to the ILO monitor:
COVID-19 and the world of
work. Sixth edition:

“..... the decline in employment in the second quarter of 2020 has been accompanied by a larger increase in inactivity in all countries, apart from Canada and the United States. In other words, the decline in employment in most countries has led to a substantial increase in inactivity, *while changes in unemployment are smaller*”



Source: ILO Monitor: COVID-19 and the world of work. Sixth edition Updated estimates and analysis

Should we use
change
methods
during a
pandemic?



Stats SA cannot act on its own

The QLFS estimates are produced using the ILO internationally agreed upon definition of unemployment, which Stats SA has been using for many years

Stats SA must uphold and abide and comply with principles, legislation, guidelines, statistical methods and procedures From a range of agencies such as UN, African Charter on Statistics, and Strategies for Harmonisation of Statistics in Africa.

Stats SA must be informed by science based methods and applies advanced statistical techniques and procedures in the design, collection and estimation procedures in the production of statistics

The methods we apply and results derived should be internationally comparable.

Concerns about funding affecting the output of Stats SA



We only release, data that can stand up to quality standards

Stats SA has managed to maintain the standard of its core data outputs.

However, it has not been possible to launch surveys into under-covered sectors or improve geographic or other disaggregation. Reports with in-depth analysis, or which combine data from different surveys, have been cut back.

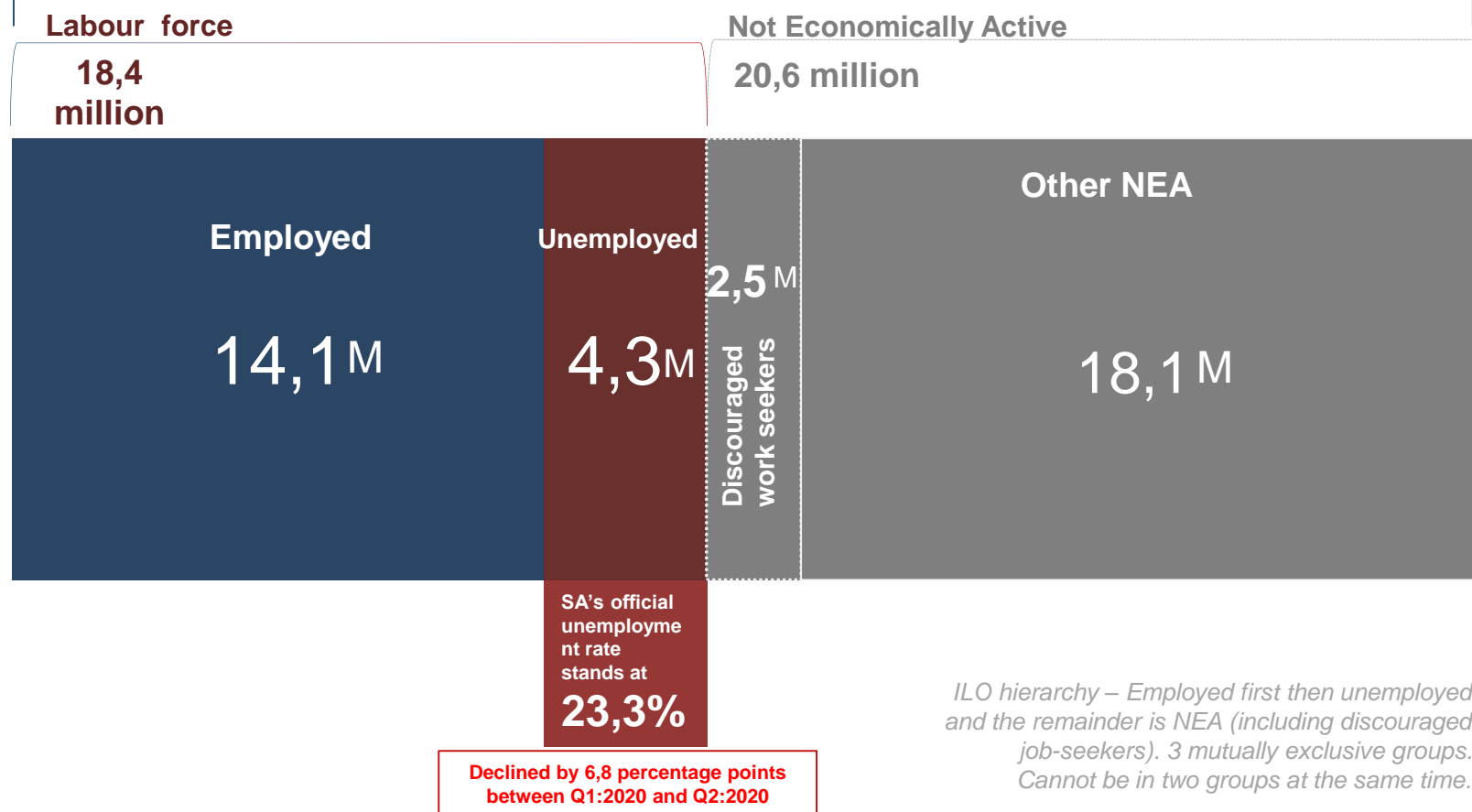
Stats SA will continue to address these concerns with National Treasury in an effort to get funding for key surveys and statistical products.

There were 2,2 million less people Employed in Q2:2020

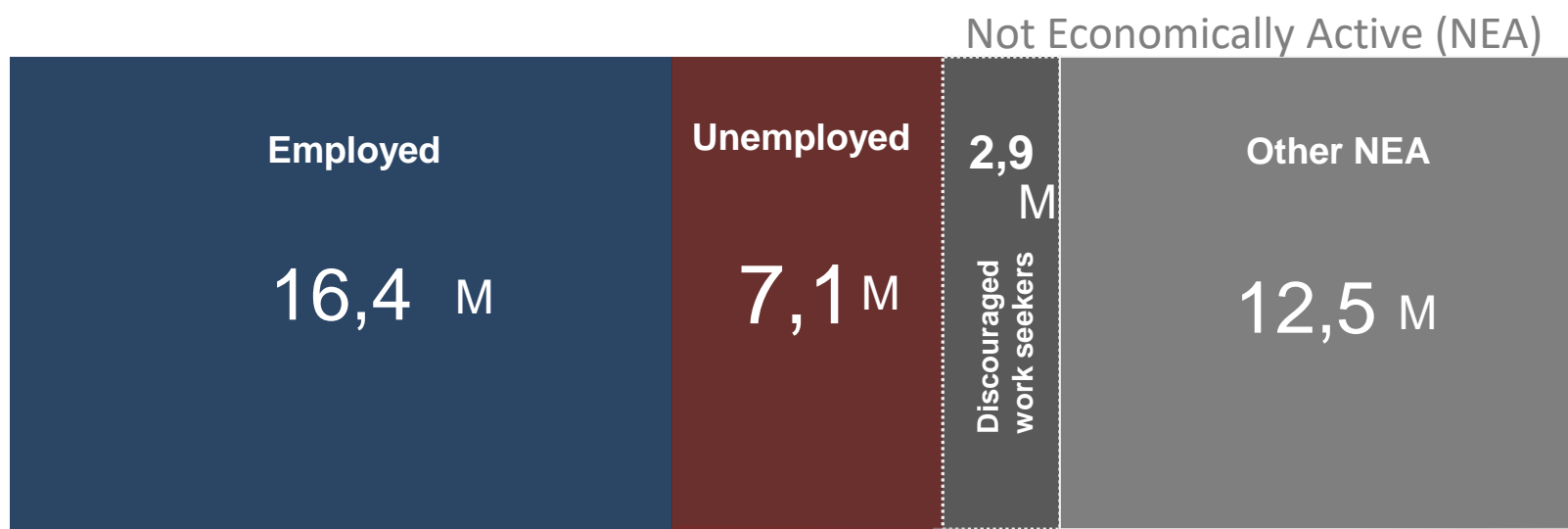


39,0 million

People of working age in South Africa (15 – 64 - year olds)

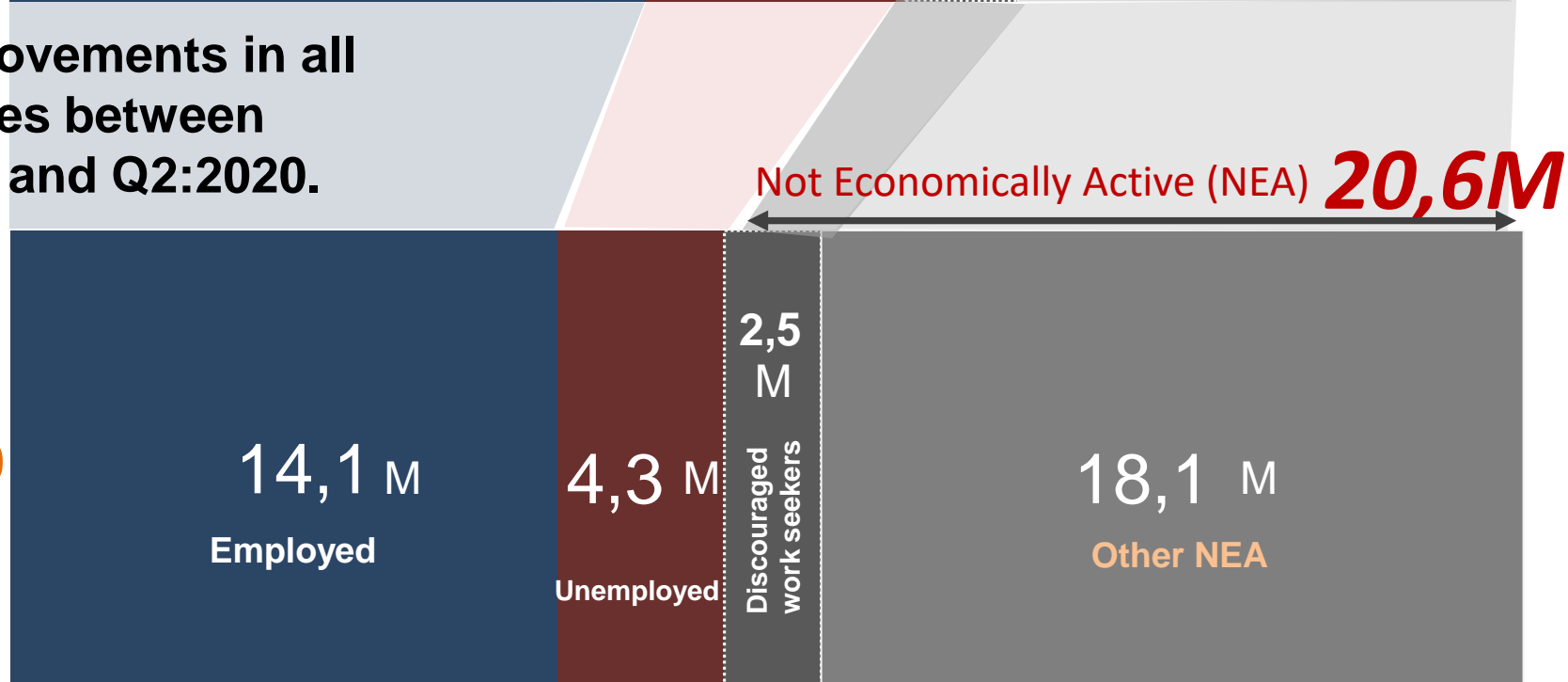


Q1:2020



Large movements in all categories between Q1:2020 and Q2:2020.

Q2:2020



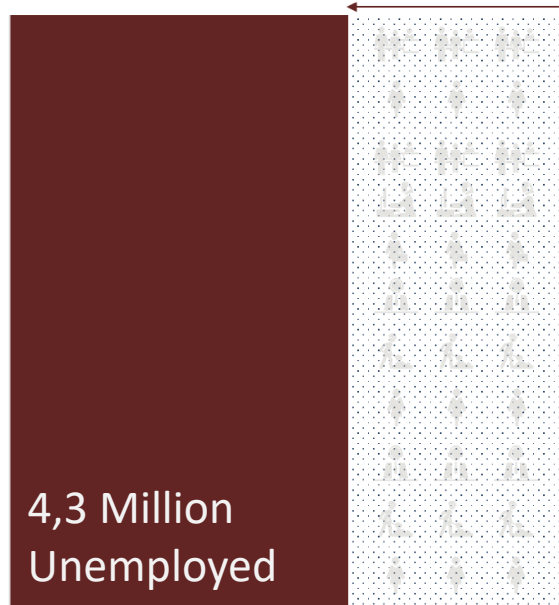
Large movements in all categories between Q1:2020 and Q2:2020.

ILO hierarchy – Employed first then unemployed and the remainder is NEA (including discouraged job-seekers). 3 mutually exclusive groups. Cannot be in two groups at the same time.

13,6% Fewer Employed

39,2% Fewer Unemployed

33,4% More Not Economically Active



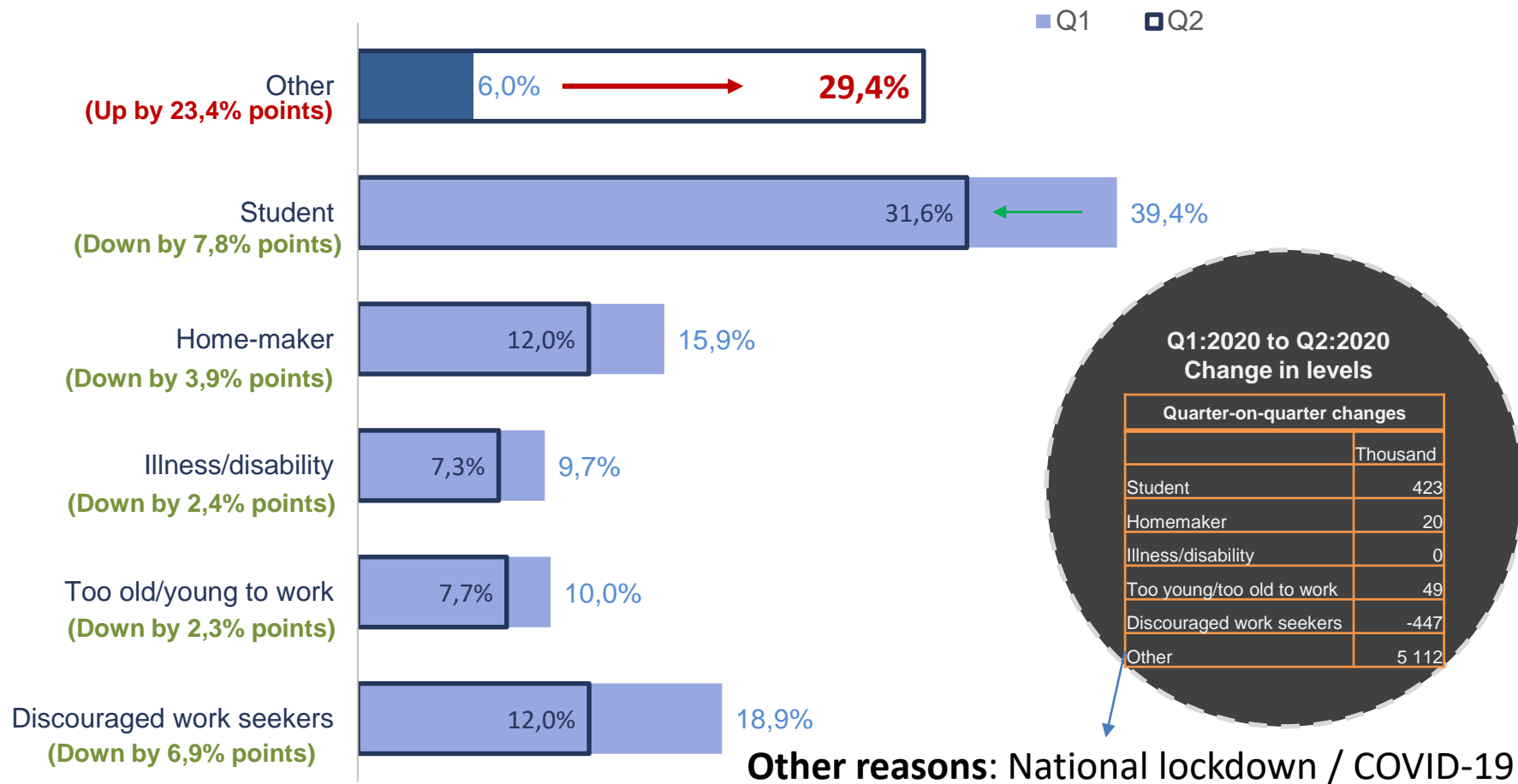
2,2 Million Fewer Employed between Q1 and Q2 2020

2,8 Million Fewer Unemployed between Q1 and Q2 2020

5,2 Million More *Not Economically Active* between Q1 and Q2 2020

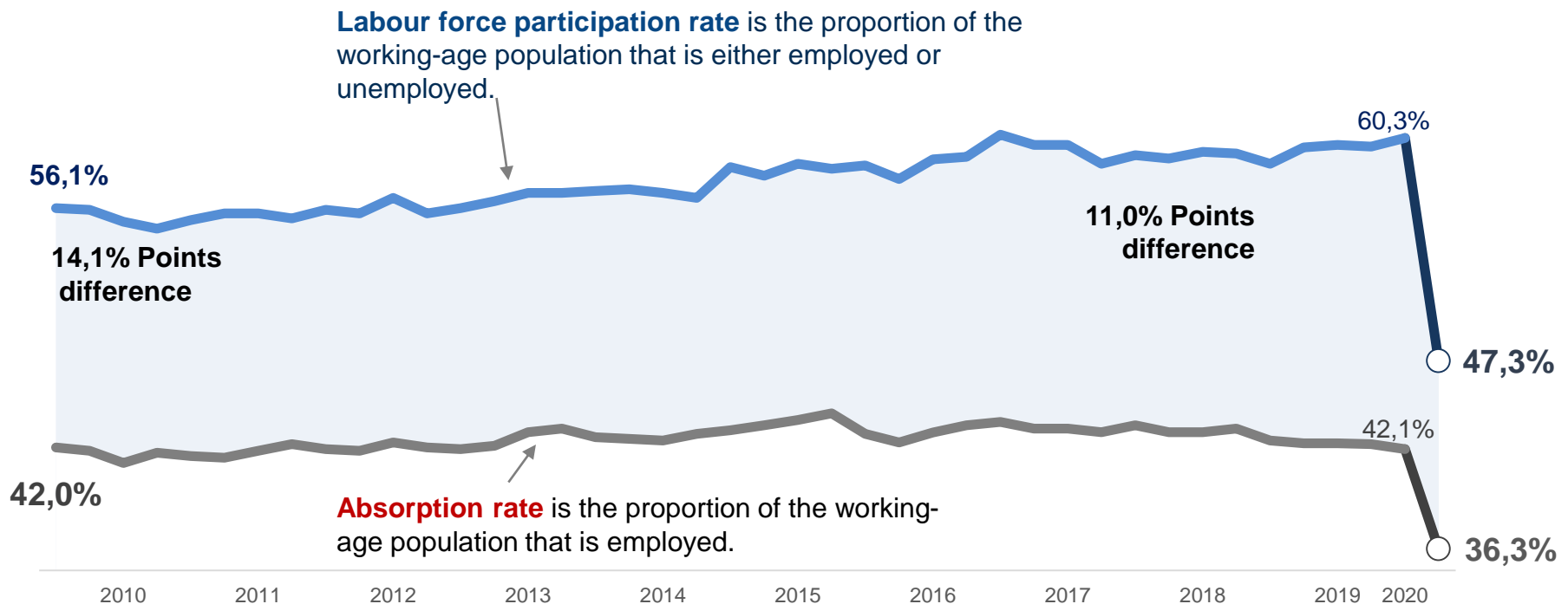
20,6 million people aged 15 – 64 years were not economically active in Q2:2020. This is an increase of 5,2 million q/q

Characteristics of the not economically active, Q1 vs Q2



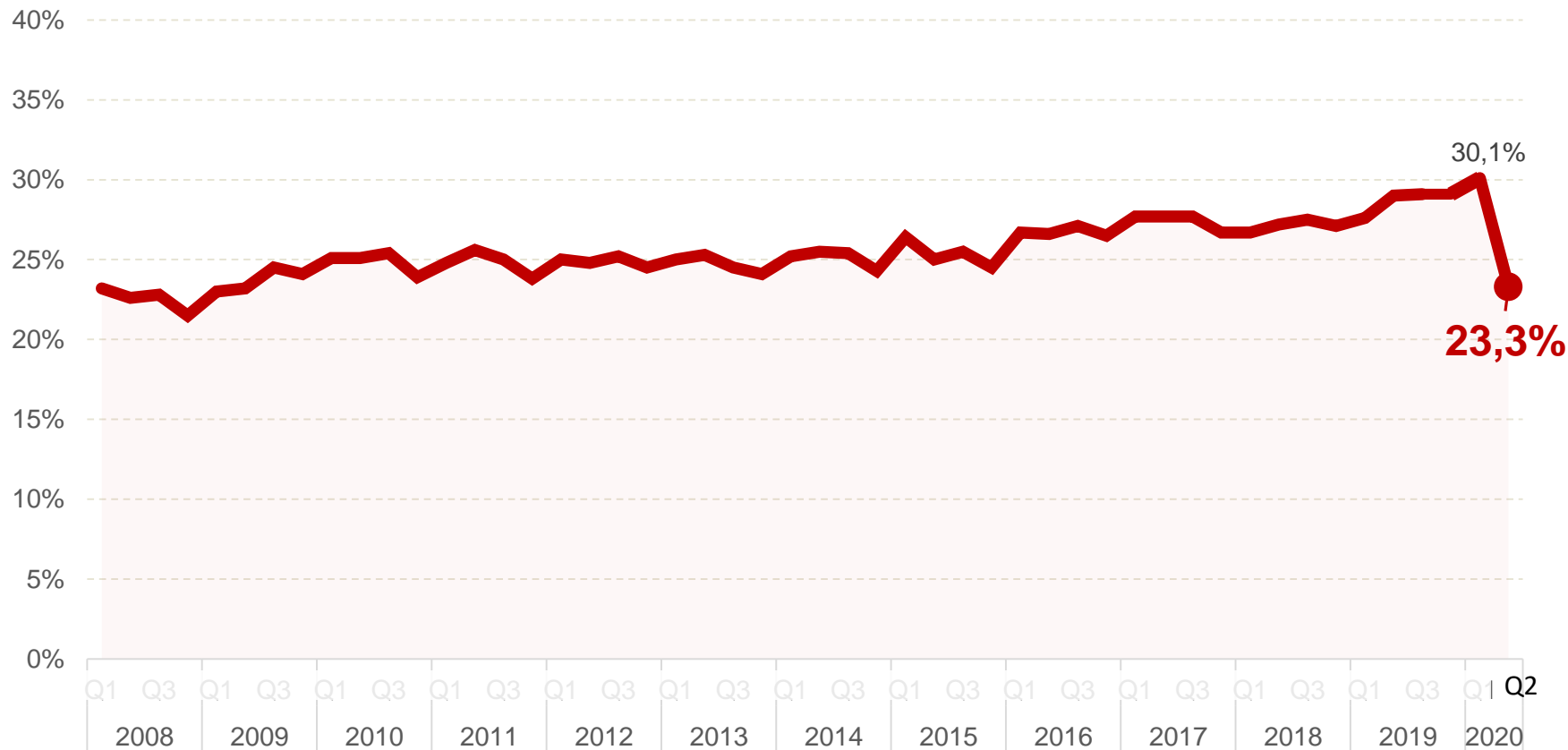
The Labour force participation rate decreased by 8,8 percentage points from 56,1% in Q2:2010 to 47,3% in Q2:2020

Labour force participation and absorption rate, 2010-2020

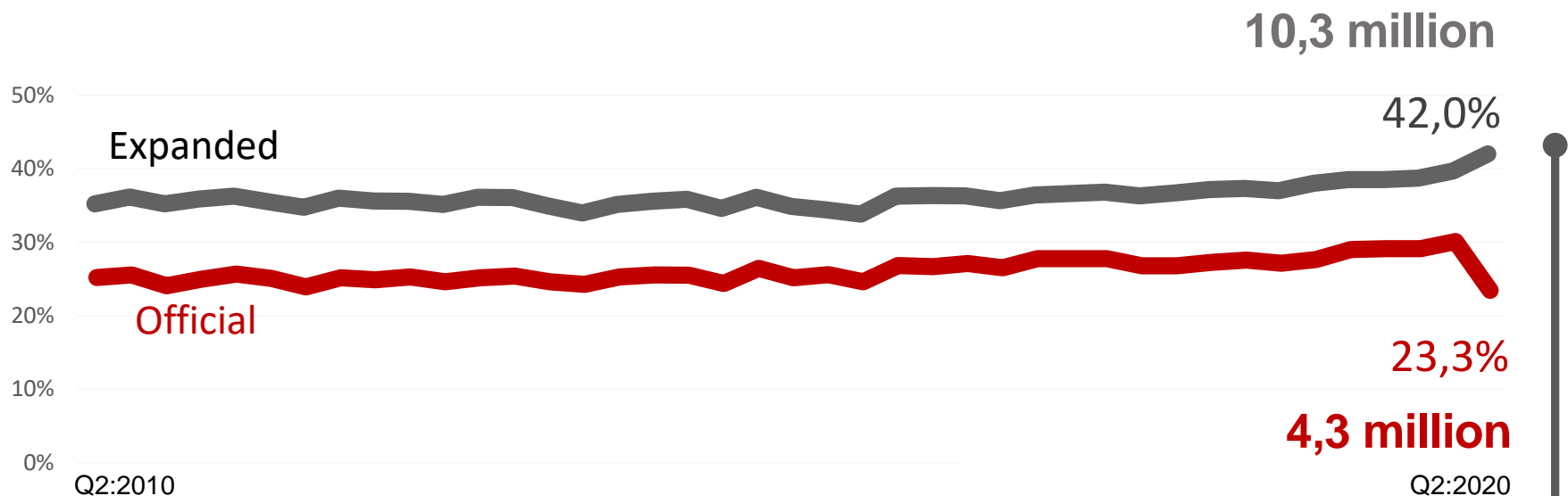


South Africa's unemployment rate **declined by 6,8** percentage points to **23,3%** in Q2:2020 compared to Q1:2020.

Unemployment rate from Q1:2008 to Q2:2020



The Expanded definition which **includes those discouraged and those having other reasons for not searching (e.g. Lockdown)** showed a **2,3 percentage points increase to 42,0%.**

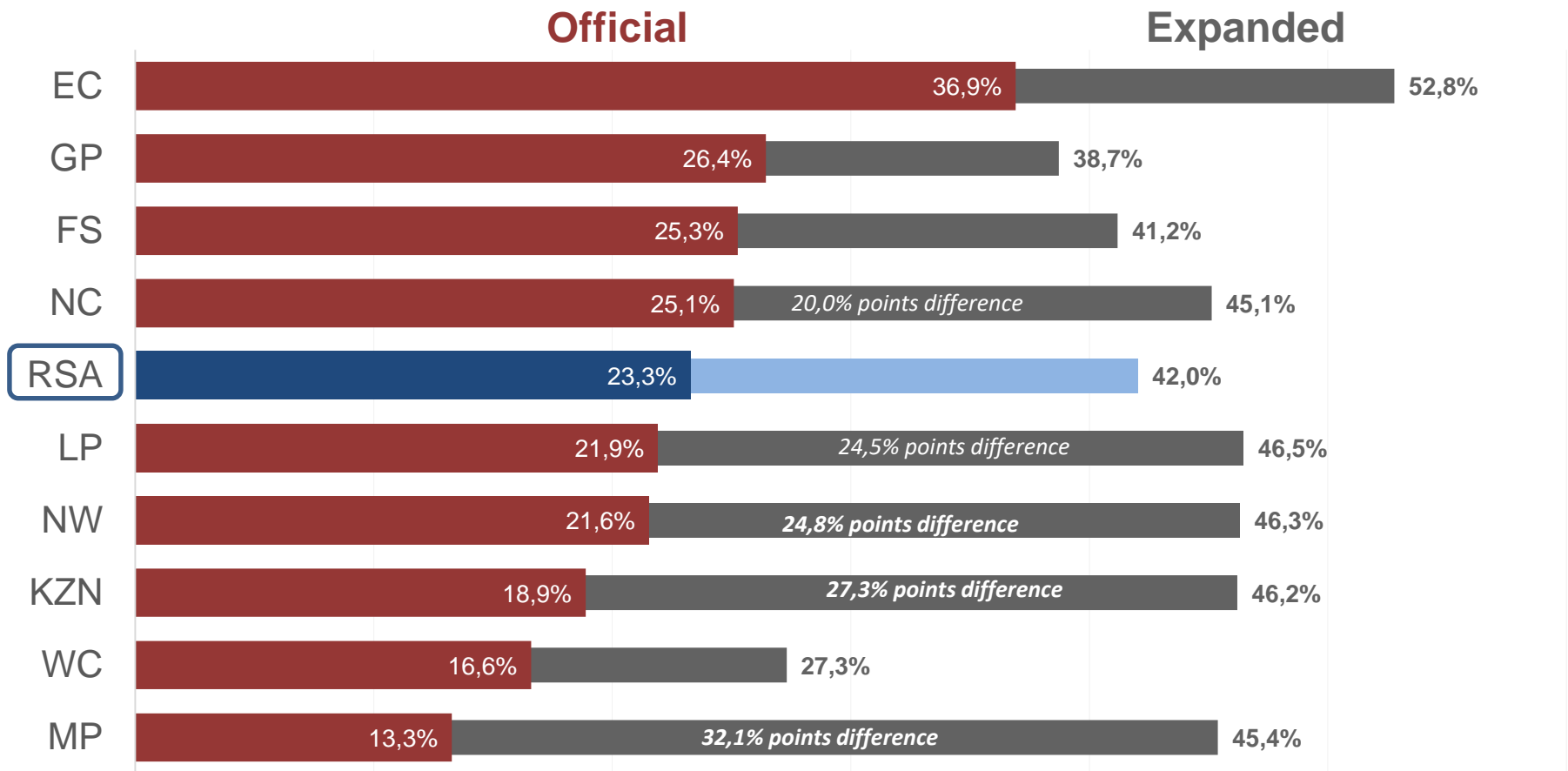


Expanded Definition includes the following

- Official unemployment (searched and available) **4,3 M**
- Available to work **but are/or**
 - Discouraged work-seekers **2,5 M**
 - Have other reasons for not searching **3,5 M**

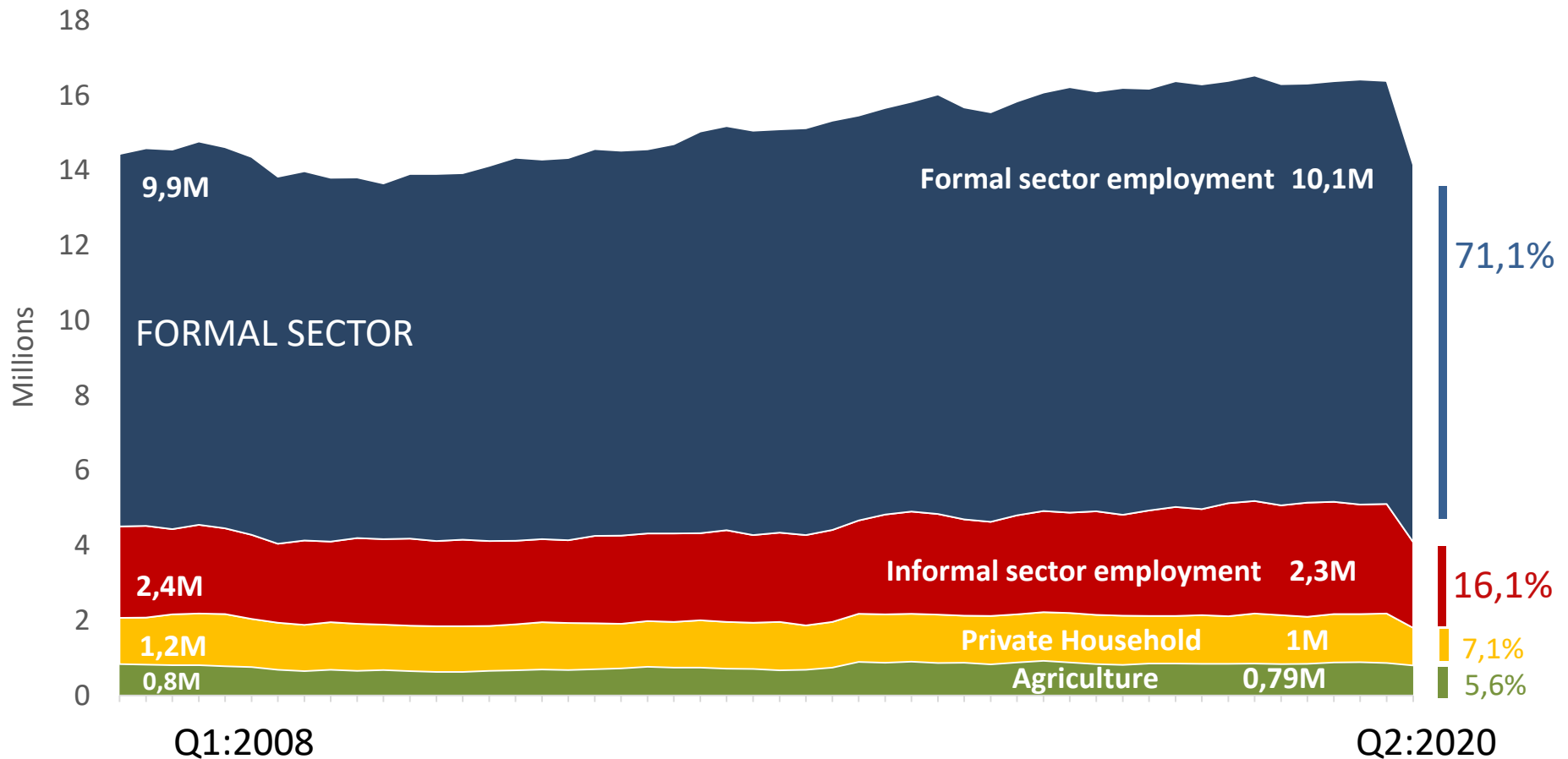
EC recorded the highest official and expanded unemployment rates. MP, KZN, NW and LP provinces have more than 20,0 percentage points difference between their expanded and official unemployment rates

Provincial unemployment rate: Official vs Expanded Q2:2020



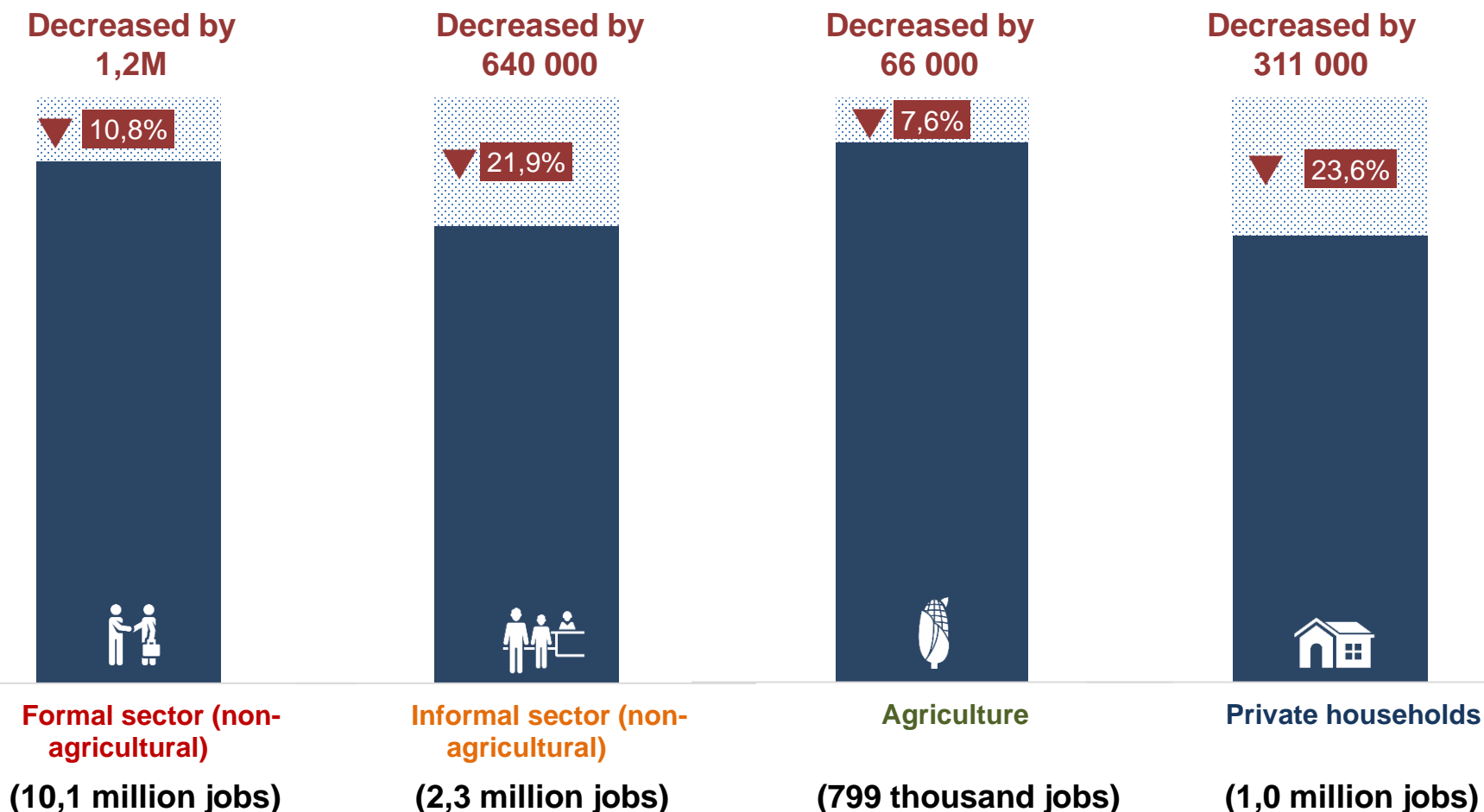
The **formal sector** in South Africa accounts for **71,1%** of total employment.

Employment share by sector, Q1:2008 to Q2:2020



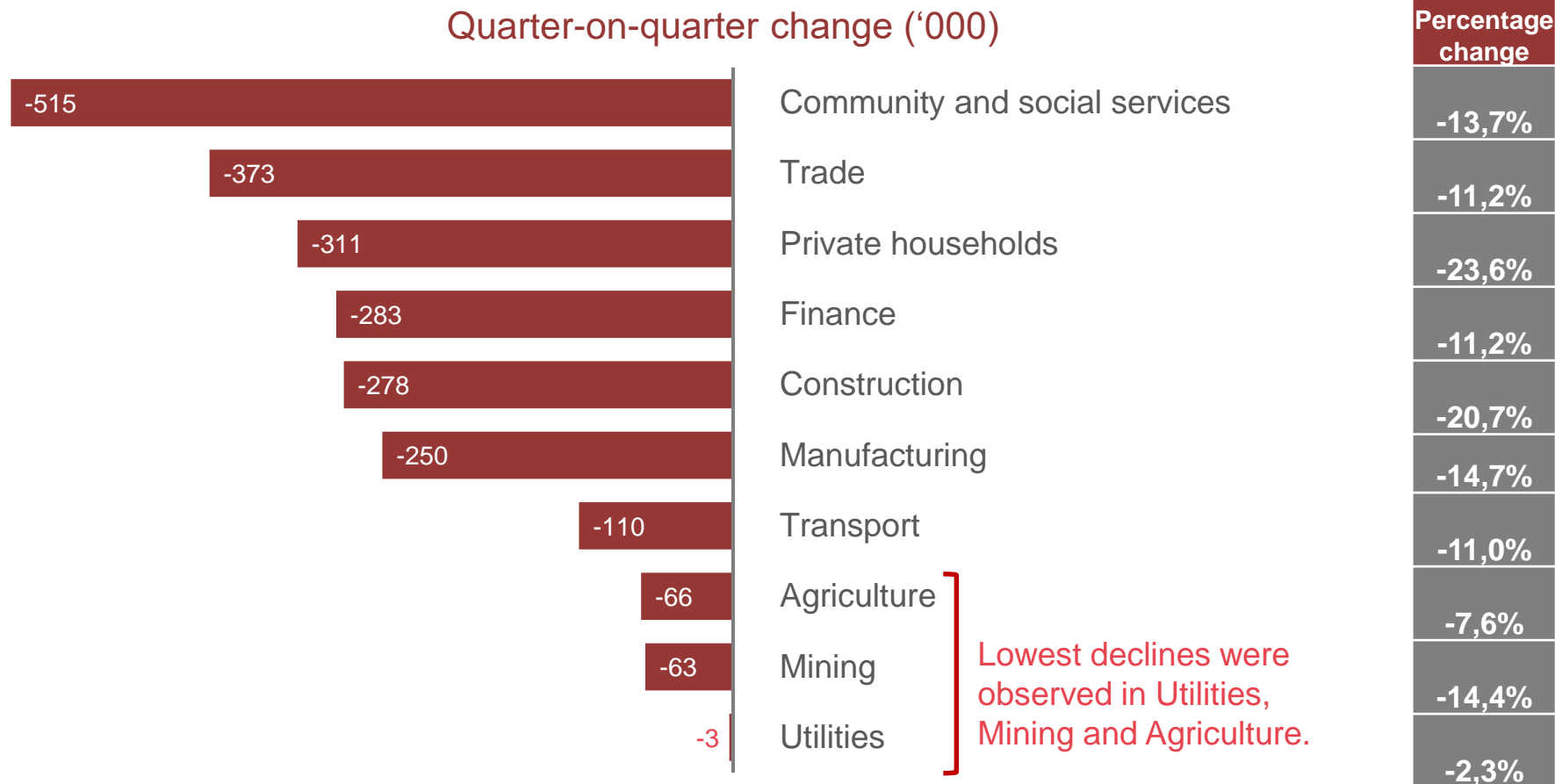
The number of persons employed decreased by 2,2 million in Q2:2020 to 14,1 million q/q.

Employment changes by sector, (▼ Quarter-on-quarter)



Employment losses were observed across all industries.

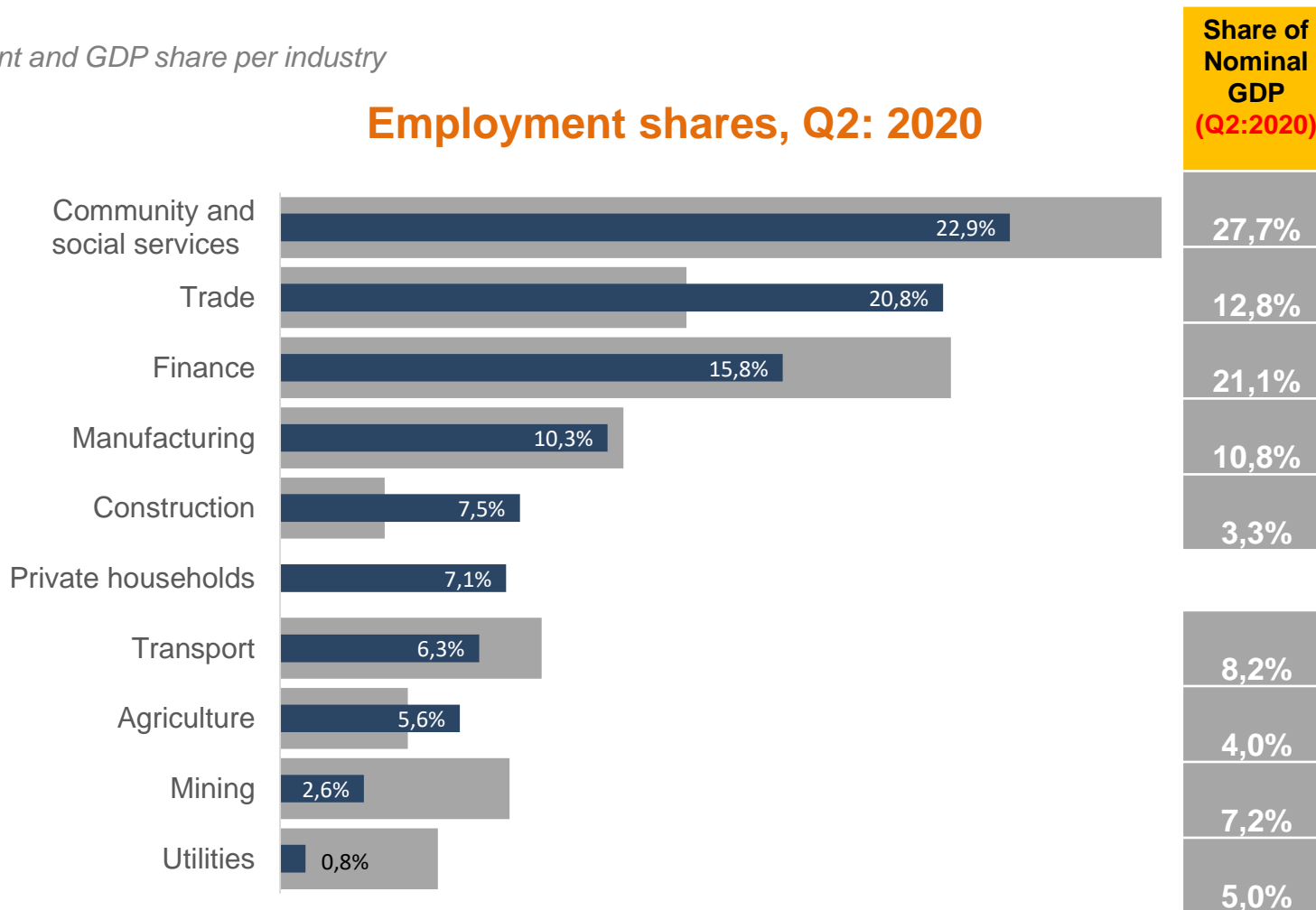
Employment changes by industry



Trade, construction and agriculture have higher employment shares relative to their GDP contribution.

Employment and GDP share per industry

Employment shares, Q2: 2020



The unemployment rate for those aged 15-24 (52,3%) declined by 6,7 percentage points.

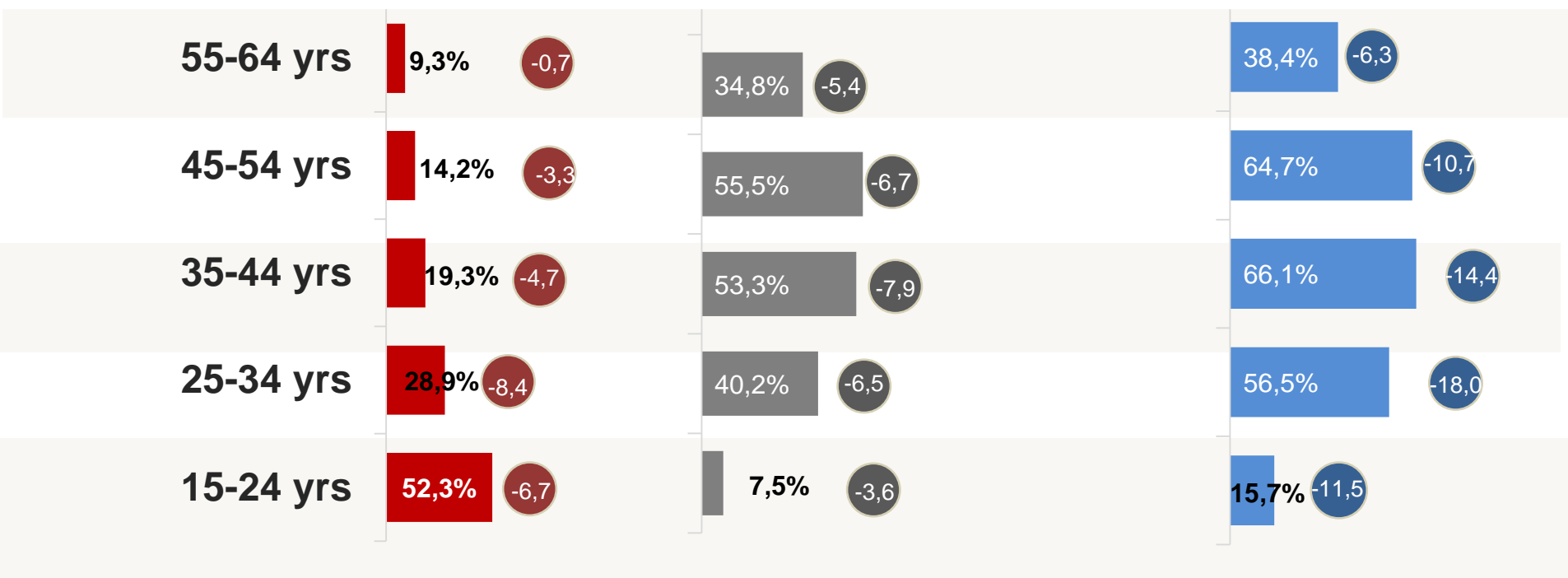
Labour market rates by age group, Q2:2020

Change: Percentage points
Q1:2020 to Q2:2020

Unemployment rate

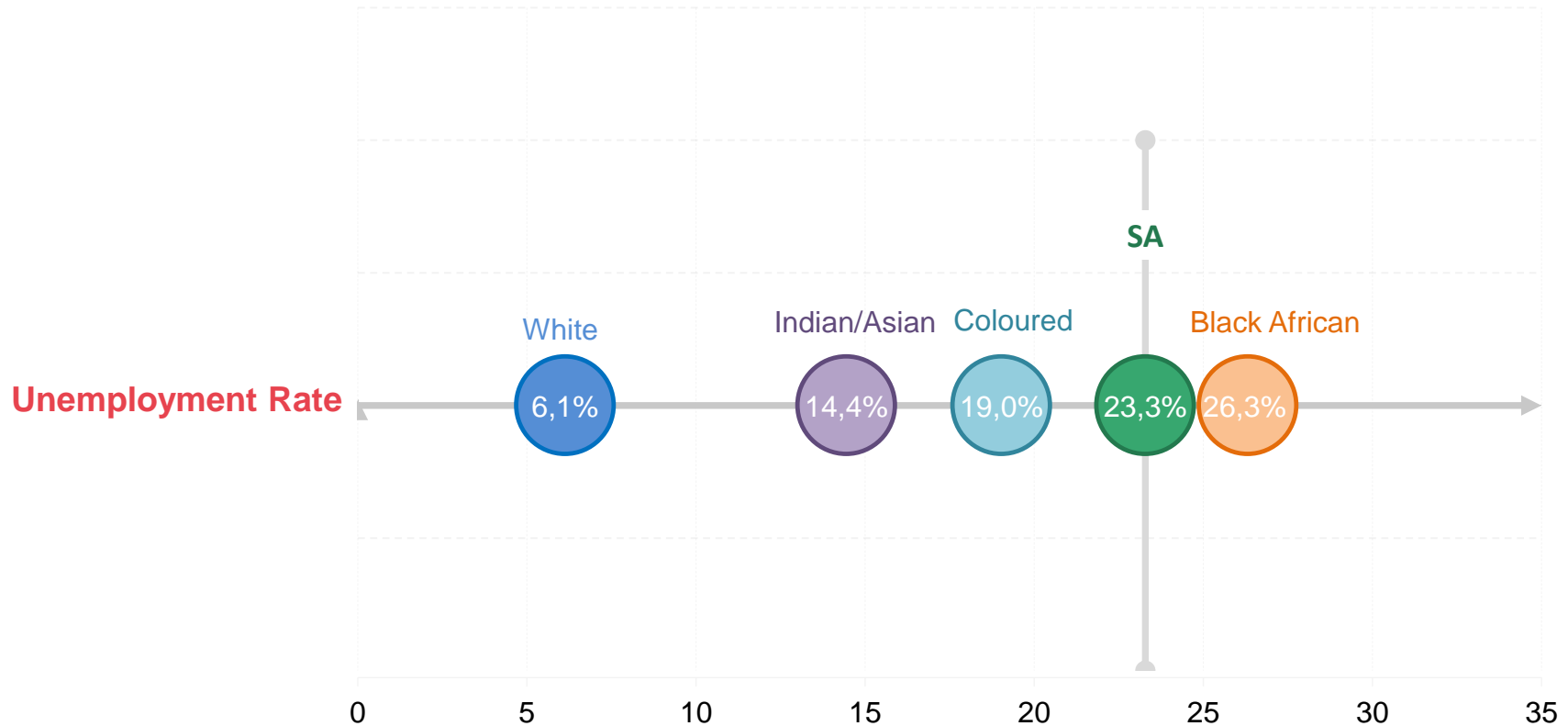
Absorption rate

Participation rate



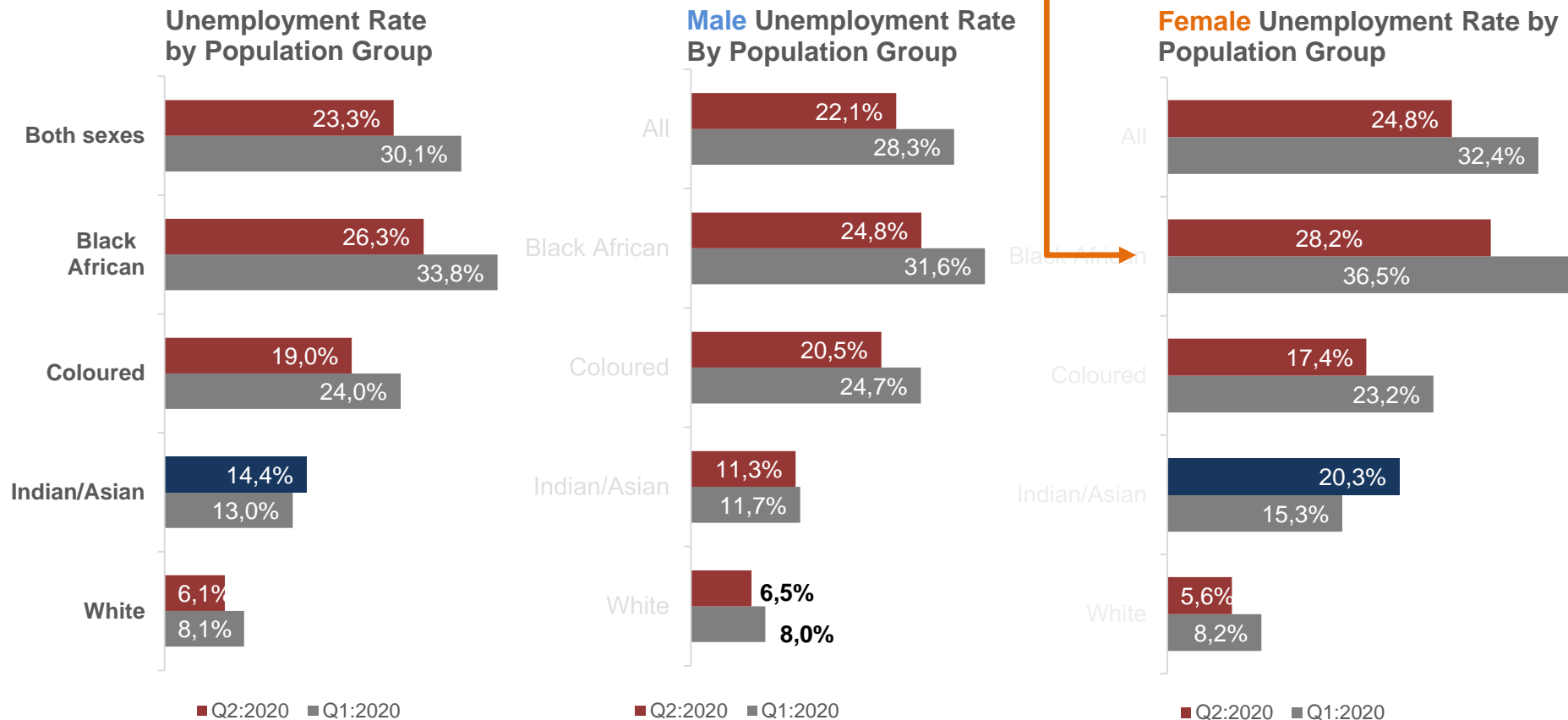
Unemployment amongst the Black African population group remains higher than the national average and other population groups.

OFFICIAL unemployment rate by population group



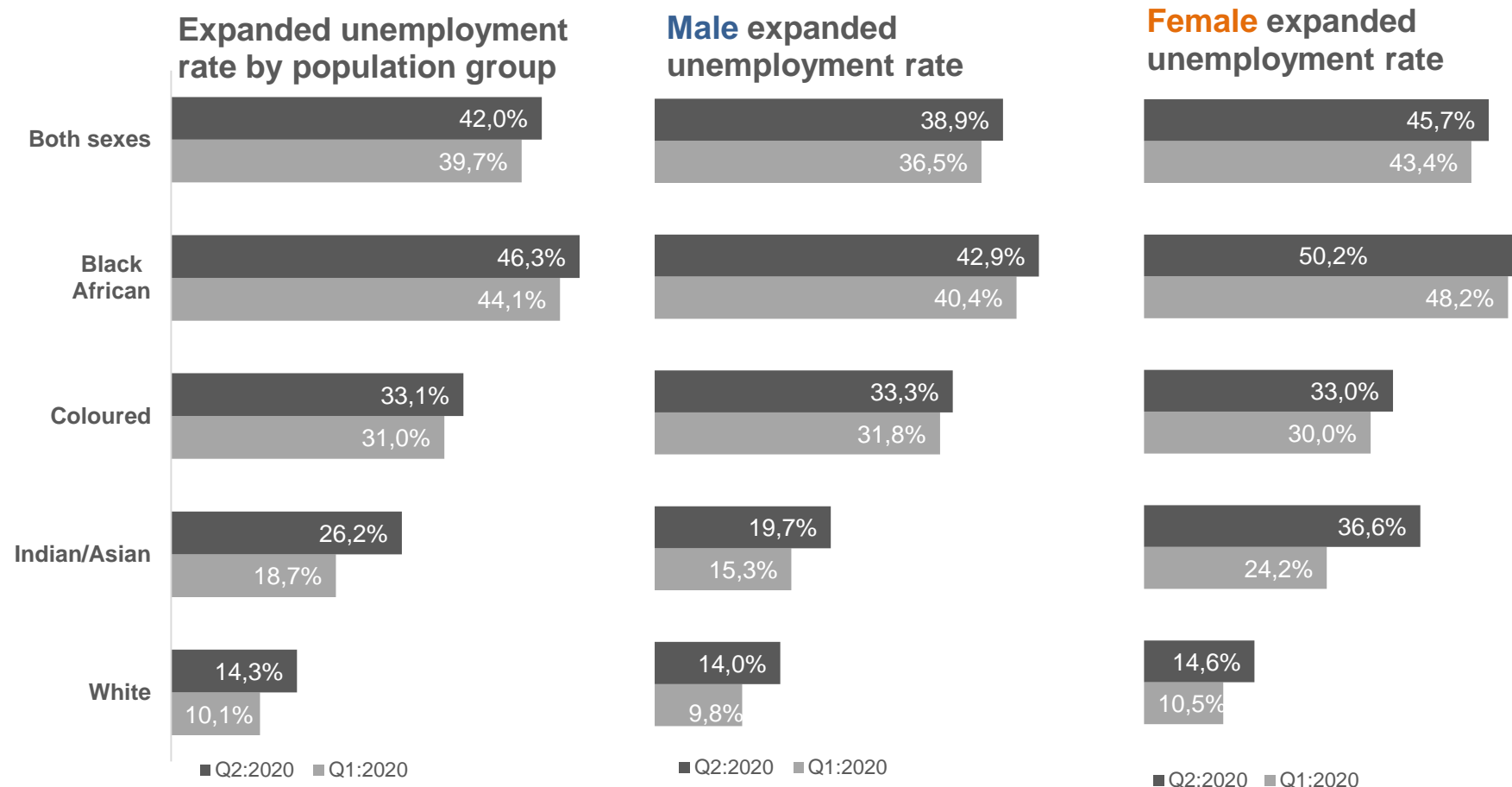
Black African women are the most vulnerable with an unemployment rate above 28,0%.

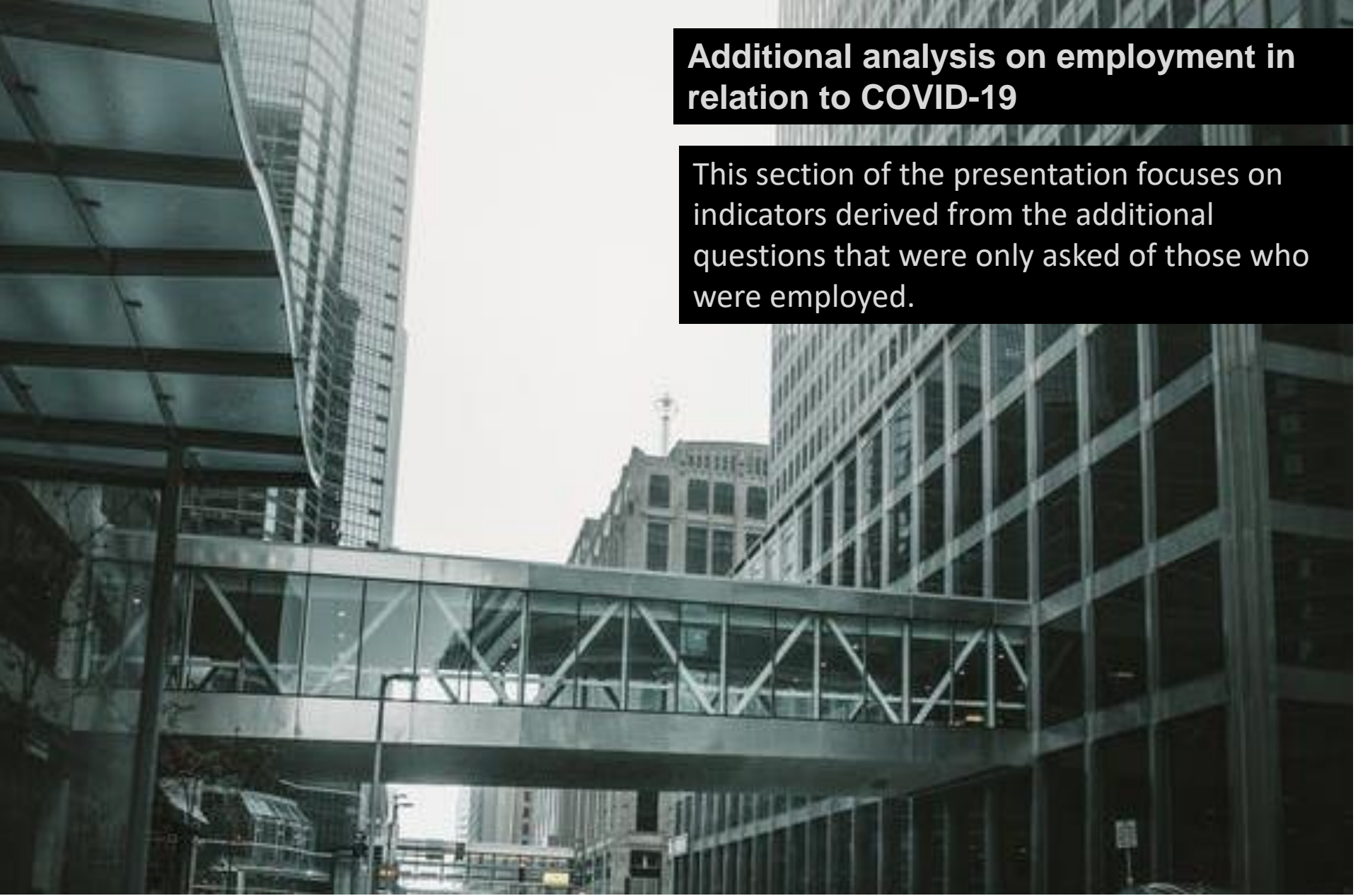
OFFICIAL unemployment rate by population group and sex



Irrespective of gender, the **black African and coloured** population groups **remain vulnerable** in the labour market.

EXPANDED unemployment rate by population group and sex



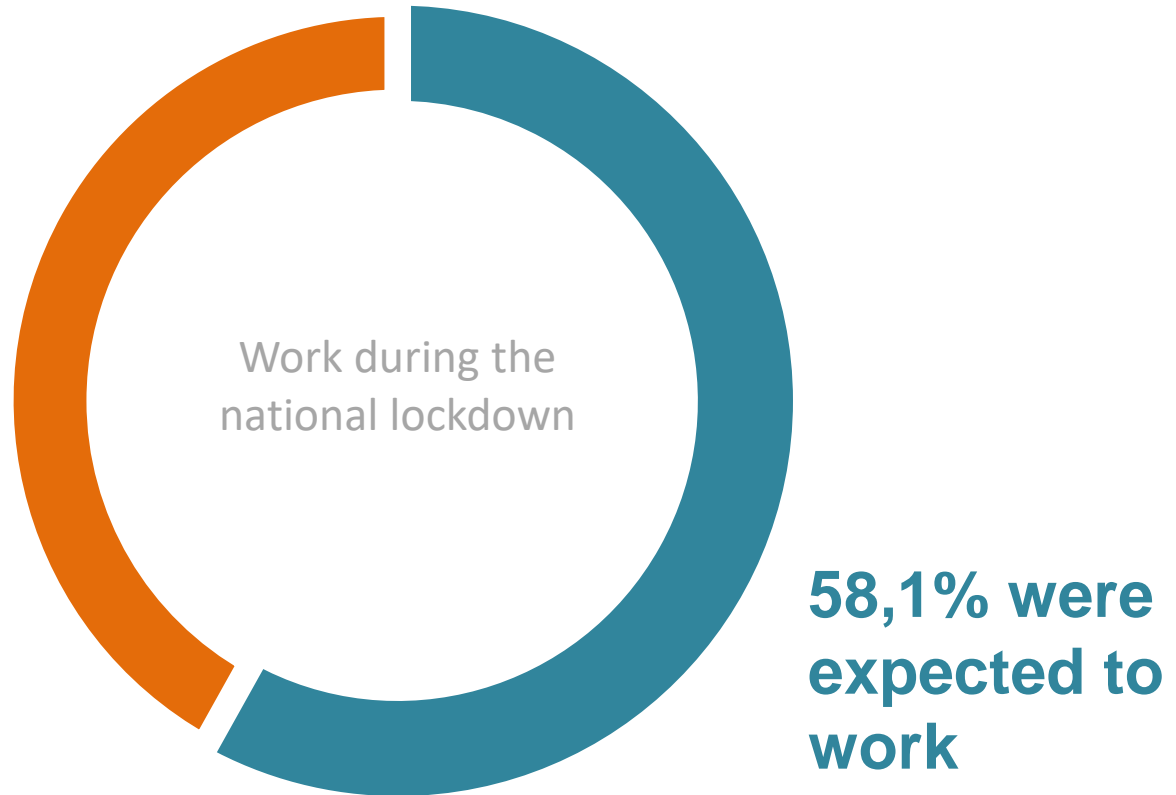


Additional analysis on employment in relation to COVID-19

This section of the presentation focuses on indicators derived from the additional questions that were only asked of those who were employed.

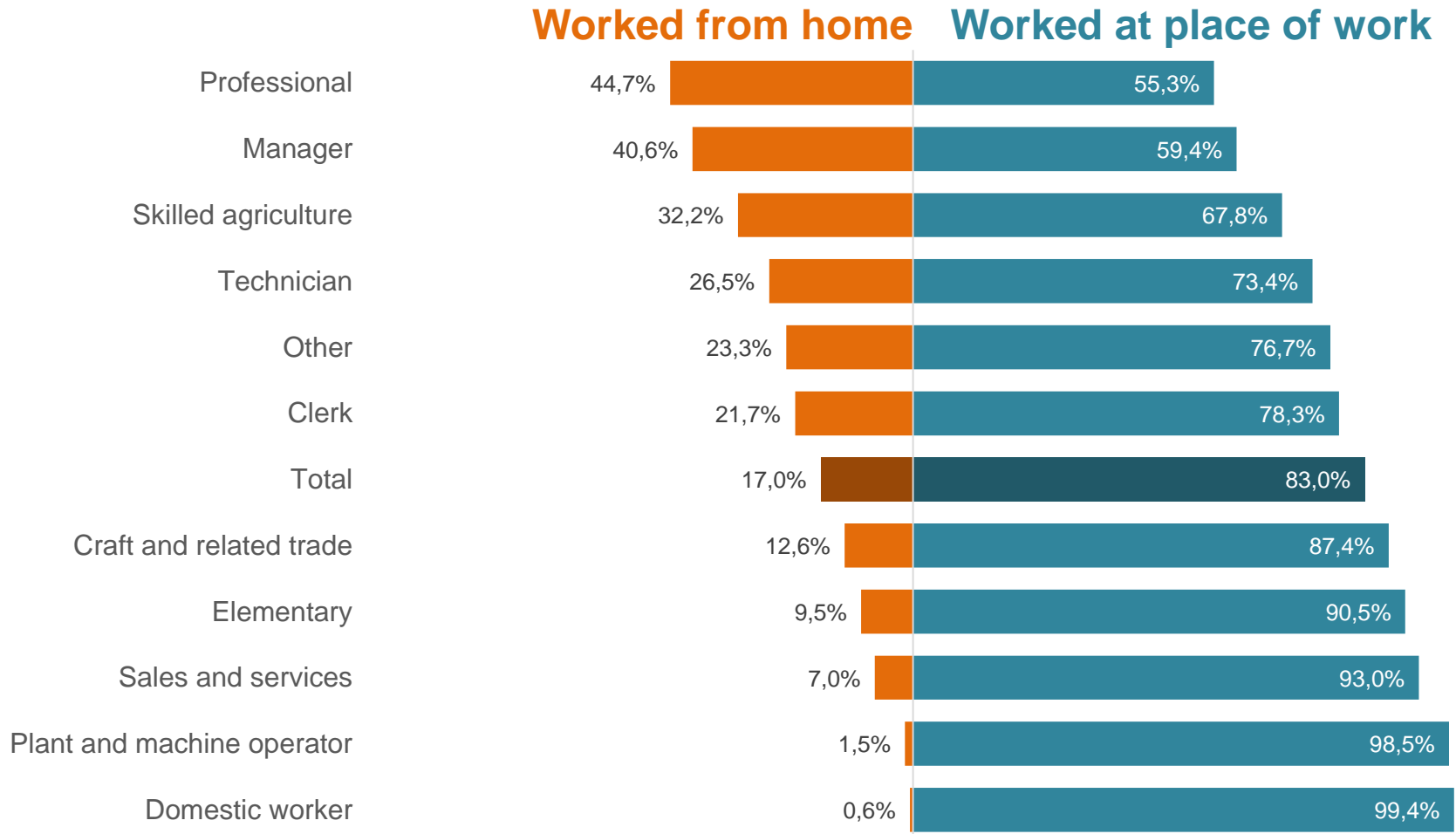
Of the 14,2 million persons who were employed in Q2: 2020, more than half (58,1%) were expected to work during the national lockdown by the companies/organisations they work for.

Place of work for persons who did any work by occupation, Q2: 2020



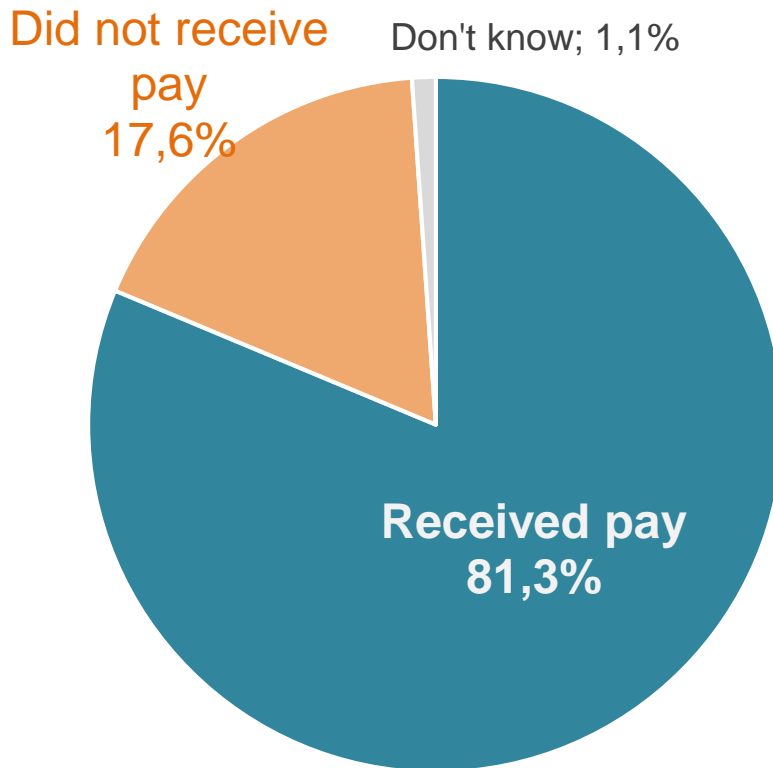
Professionals and Managers were more likely than all other occupations to be working from home.

Place of work for persons who did any work by occupation, Q2: 2020

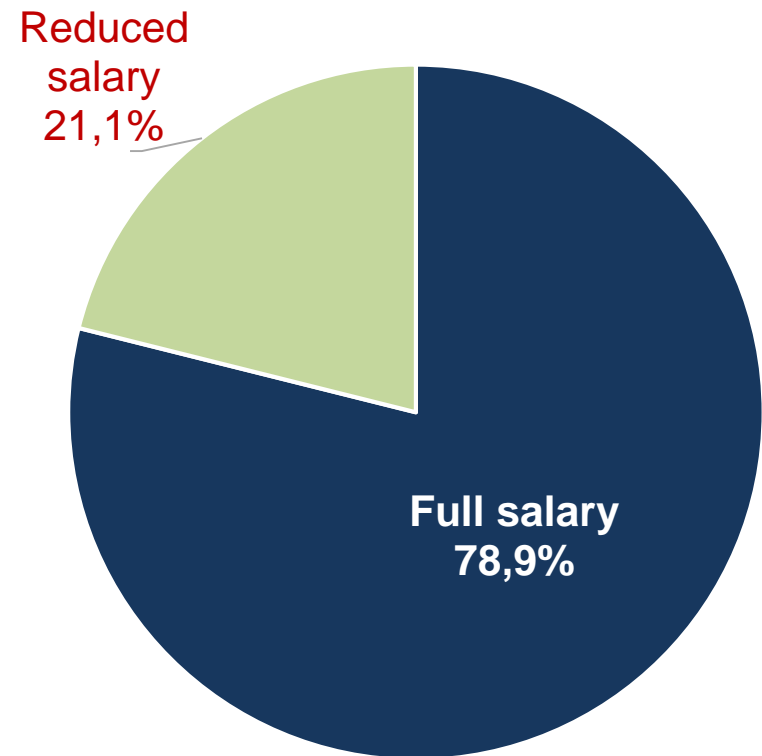


81,3% of the **employed** continued to receive pay during lockdown

Q2:2020

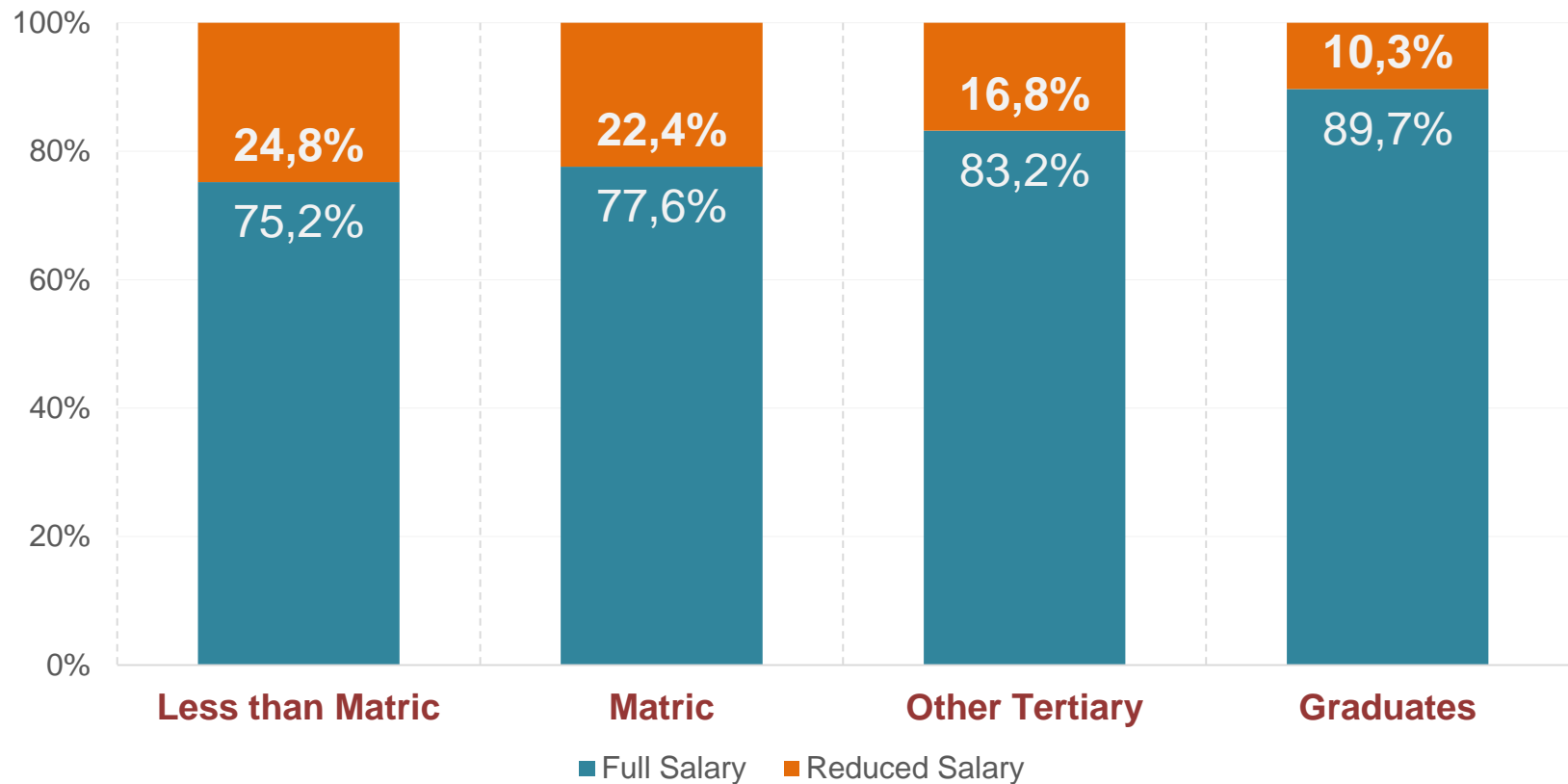


Of those who **received pay** during lockdown, for about 21,1% it was a reduced pay



At 24,8%, those with less than matric were more likely to have a reduced salary.

Full or reduced salary by level of education, Q2: 2020



Recap QLFS Q2:2020



Unemployment rate



Unemployment rate (23,3%) decreased by 6,8 percentage points.

Absorption rate decreased by 5,8 percentage points and Labour force participation rate decreased by 13 percentage points

Employment losses



All industries recorded employment losses with the largest decline **Community and social services** (515 000), **Trade** (373 000) and **Private households** (311 000).

Not economically active



The number of those not economically active **increased by 5,3 million** in Q2: 2020 compared to Q1:2020

Recap of Previous Questions



Questions on Labour Market Definition

The labour market in South Africa refers to the working-age population aged 15-65 years. It comprises three broad categories of individuals – the employed, the unemployed and the not economically active population. For some countries the age restriction is 15 years and above, while for others the age restriction is 15-64 years.

Compulsory attendance Act No. 84 of 1996: South African Schools Act, 1996.

(1) Subject to this Act and any applicable provincial law, every parent must cause every learner for whom he or she is responsible to attend a school from the first school day of the year in which such learner reaches the age of seven years until the last school day of the year in which such learner reaches the age of fifteen years or the ninth grade, whichever occurs first

The BCEA makes it a criminal offence to employ a child under 15 years of age or under the minimum school-leaving age, if this is older. Beyond the age of 15 years, no person may employ a child for work that is inappropriate or that place his/her well-being, education, physical or mental health or spiritual, moral or social development.

The Constitution goes further by giving children further protection from exploitative labour practices – Section 28 (1) (e) and (f).

Source: https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158919/lang--en/index.htm

Children engaged in economic activity



Economic activity

Specifically contributing or available to contribute to the production of goods and services according to the United Nations System of National Accounts (SNA, 1993).

This includes:

- work for pay or in-kind;
- unpaid work in a family business
- domestic work in households
- Production for own consumption

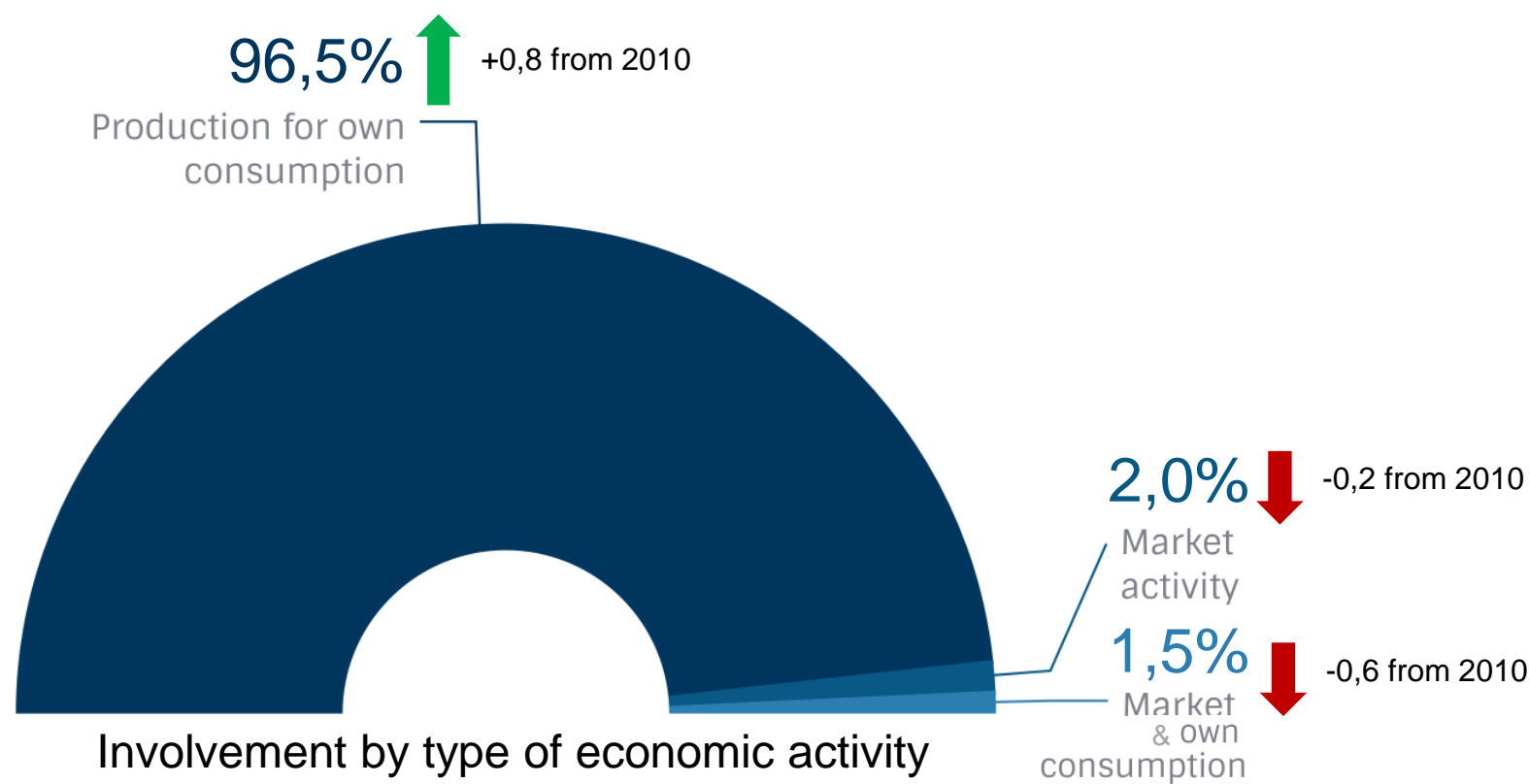
Survey of Activities of Young People, 2015



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Children 7 – 17 years old engaged in economic activity by type of economic activity



Involvement in economic activities by sex

97,4% of girls were involved in production for own consumption only, slightly more than the **95,6%** of boys.

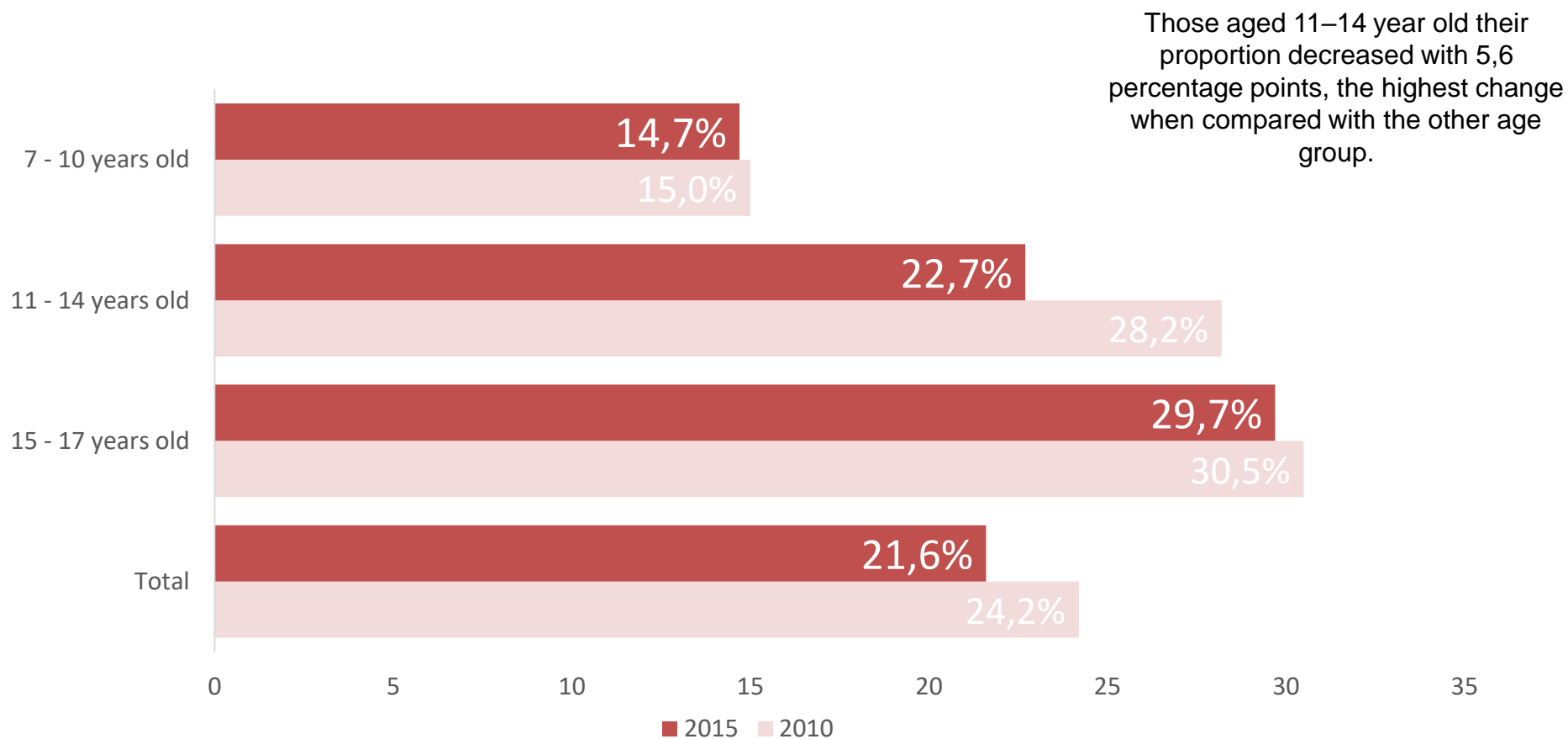
More **boys** were engaged in economic activity for both market and own production than **girls**.

Boys were also more likely to have participated in market activity only.

Survey of Activities of Young People, 2015

The 15-17 year old had the highest proportion among those engaged in economic activity.

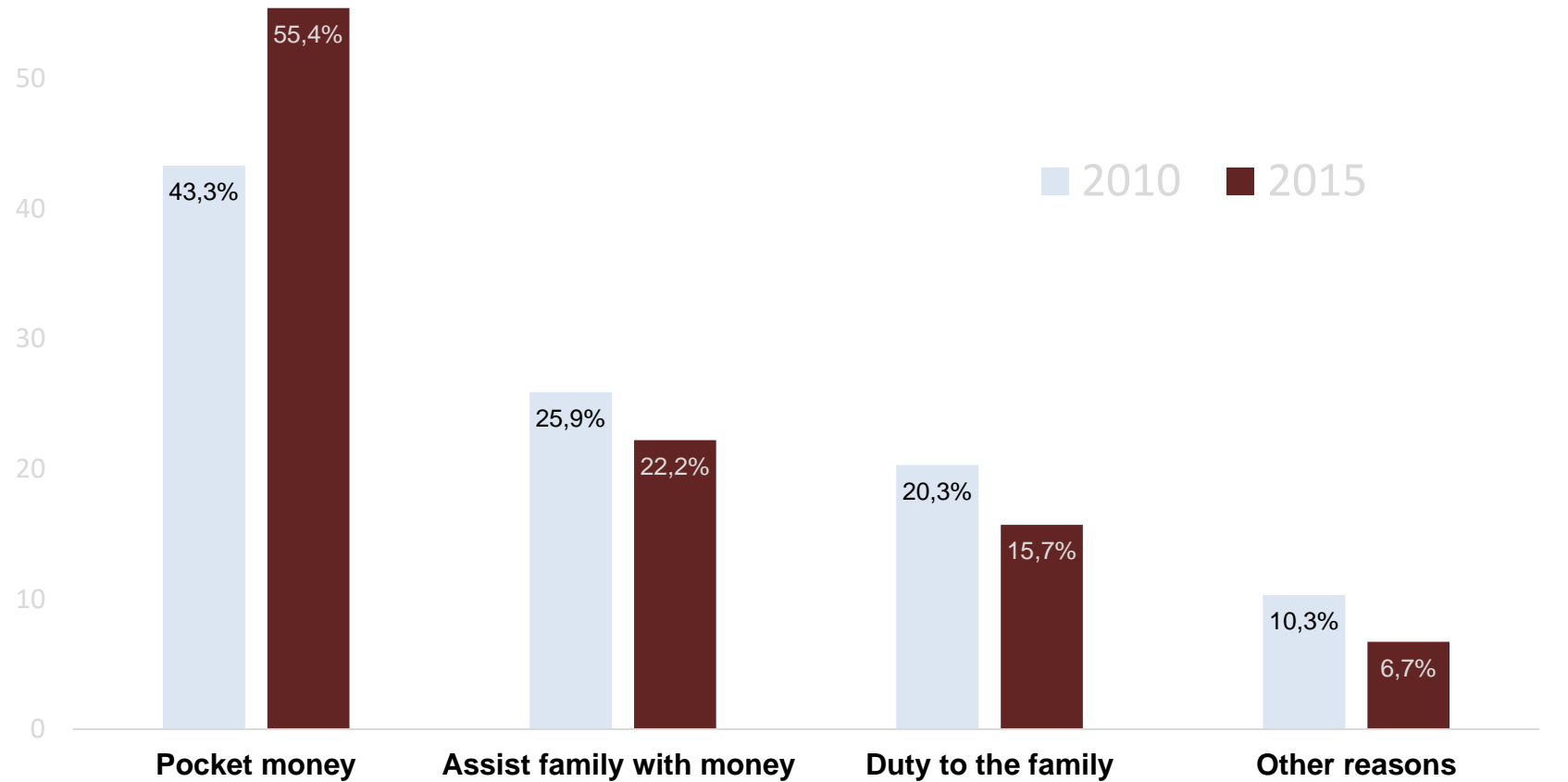
Children aged 7 – 17 years old engaged in economic activity by age



Survey of Activities of Young People, 2015

The main reasons why children worked was for pocket money, and this reason increased with 8,8 percentage points in 2015

Reasons of children aged 7-17 years for doing economic work



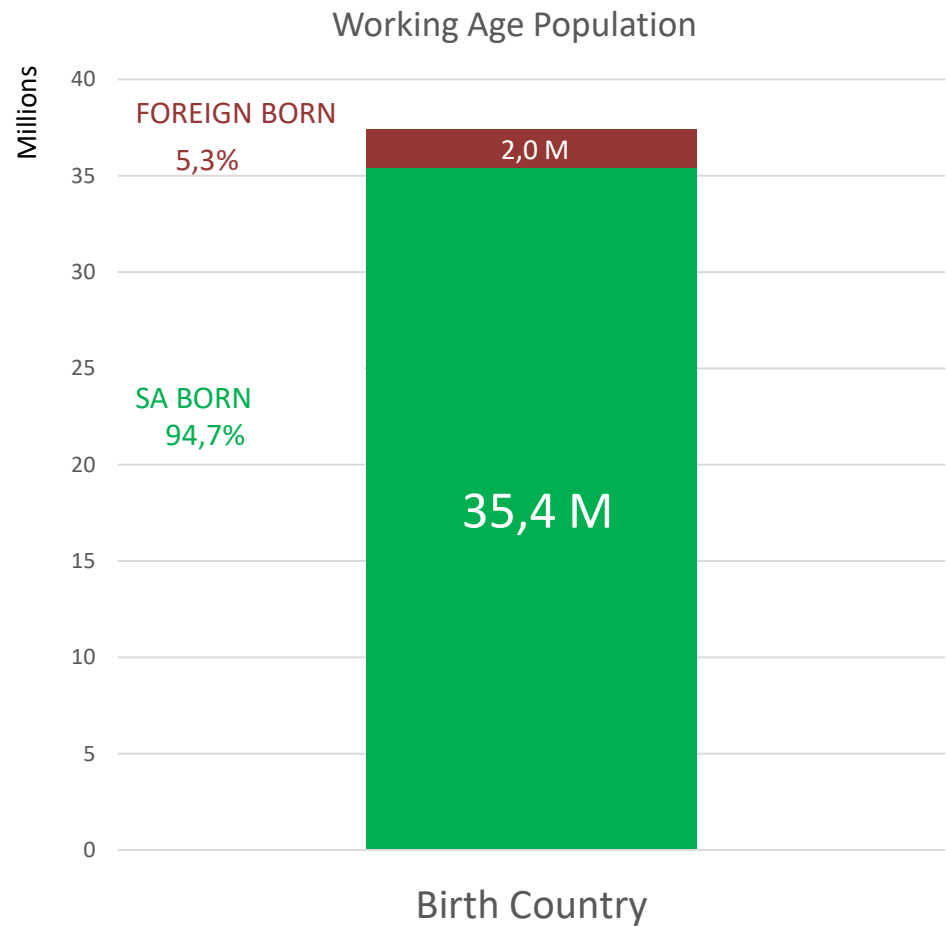
Survey of Activities of Young People, 2015

Questions on Foreign Workforce

In 2017, just around 5% of the 37,4 Million persons in the working age population were foreign born

Migration Module in the QLFS

Distribution of the population age 15 - 64 years by place of birth, 2017



Source: Labour Dynamics 2017



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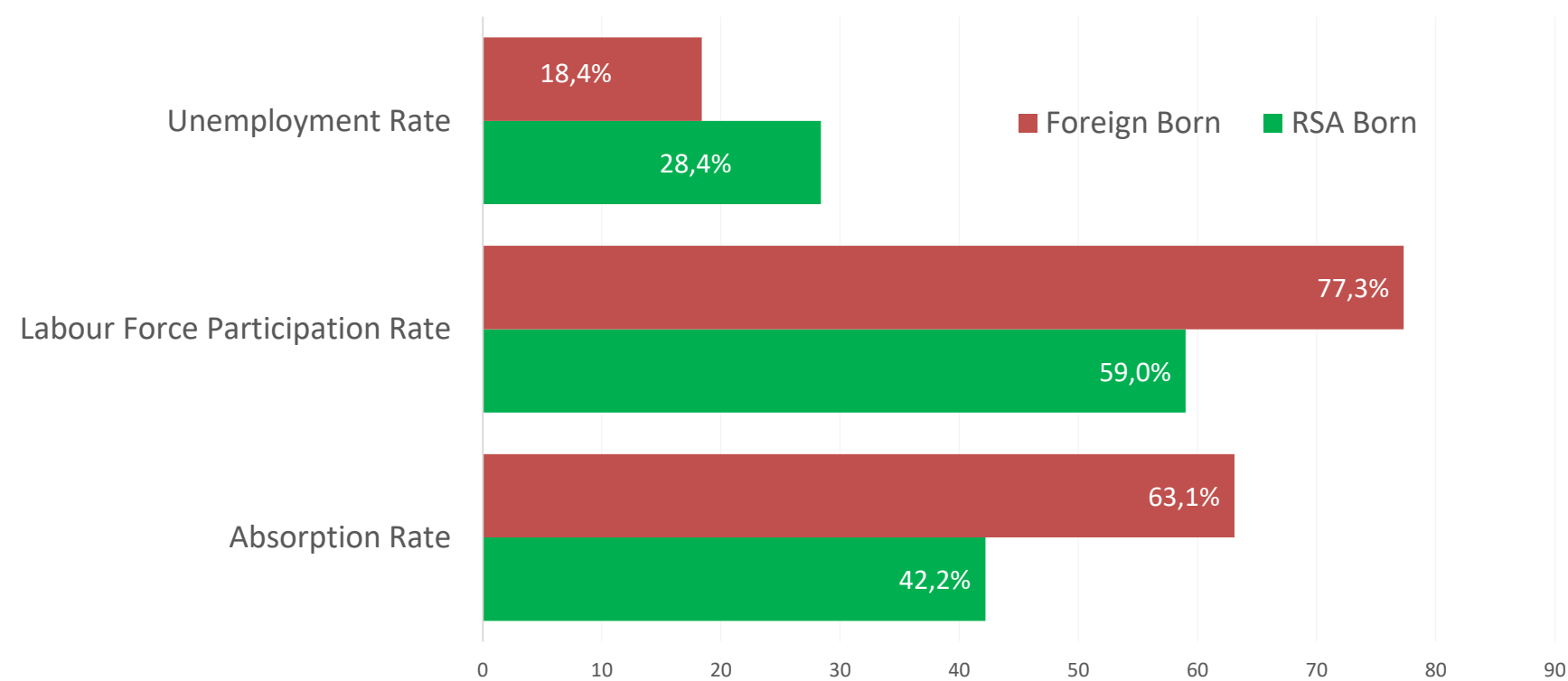
Labour market status by place of birth, 2017



Source: Labour Dynamics 2017

Migration Module in the QLFS

Labour market rates for RSA and foreign born individuals aged 15 - 64 years, 2017



Source: Labour Dynamics 2017



Thank You



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