

Labour update: The unemployment rate climbed to 34.9% in Q3.21, evincing the effects of the pandemic on the already dire unemployment situation

Tuesday 30 November 2021



Figure 1: Unemployment levels ('000) and rates

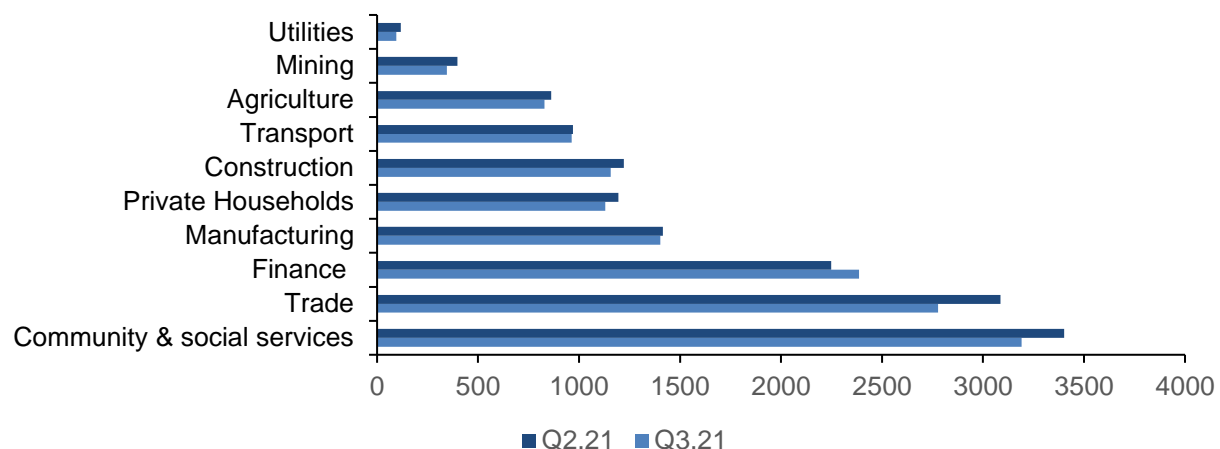
	Q1.21	Q2.21	Q3.21
Economically Active Population – labour force	22 237	22 768	21 925
Not Economically Active Population	17 218	16 832	17 820
Employed	14 995	14 942	14 282
Unemployed (official/ strict definition)	7 242	7 826	7 643
Unemployment rate (official/ strict) definition)	32.6%	34.4%	34.9%
Unemployed (expanded definition)	11 422	11 923	12 484
Unemployment rate (expanded definition)	43.2%	44.4%	46.6%

Source: Stats SA

*Numbers are rounded

- The official unemployment rate rose by 0.5% points in Q3.21 to 34.9% the highest rate since the commencement of the QLFS in 2008, evidencing the dire effects of COVID-19 on South Africa's already fragile economy pre-pandemic.
- Special tabulations done by Stats SA to ascertain "movements between labour market status categories" revealed that "a large number of persons moved from the "employed" and "unemployed" statuses to the "not economically active" categories between the two quarters". As a consequence of these movements, the labour force participation rate declined by 2.3% points to 55.2% in Q3.21.
- Formal sector, non-agricultural employment fell by a notable -5.6% measured on a quarter-on-quarter basis. Specifically, 571 000 formal sector jobs were shed during the quarter as unrest and looting in parts of the country, coupled with stringent lockdown measures hindered economic activity, weighing on already struggling businesses. While the informal sector of the economy registered a marginal gain of 0.3% q/q, total employment (incl. agriculture and private households) still fell by -4.4% q/q.
- A disaggregation of the data on an industry basis, indicates that the decrease in formal sector (non-agricultural) employment was broad based with seven out of the eight industry categories surveyed reporting declines. The trade sector recorded the largest number of job losses at 272 000 over the quarter, followed by the community and social services sector (226 000).

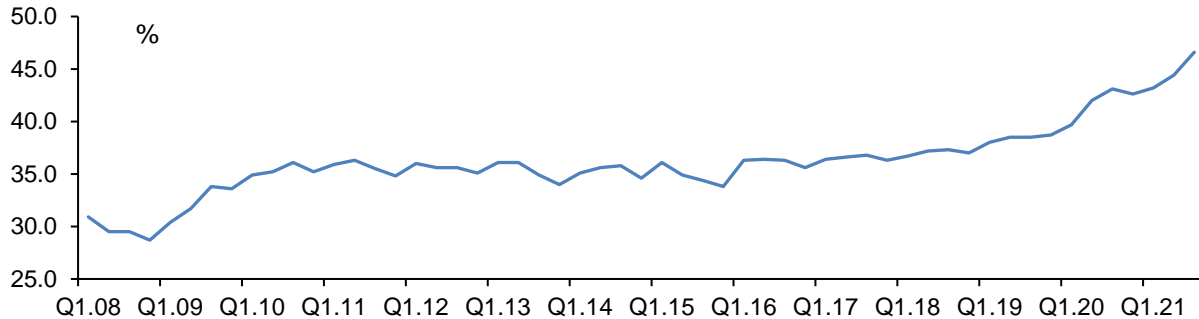
Figure 2: Employment levels by industry ('000)



Source: Stats SA



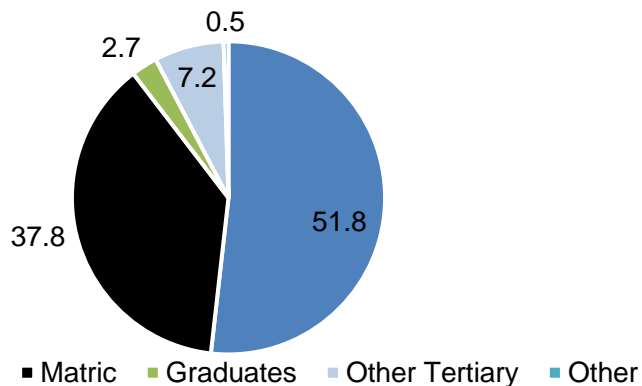
Figure 3: Expanded Unemployment Rate Trend



Source: Stats SA

- The expanded unemployment rate, (which includes individuals who desire employment regardless of whether they are actively seeking work) climbed 2.2% points in Q3.21 to 46.6%, from 44.4% previously and is a marked 17.1 percentage points higher than the rate logged during the same period in 2008, evincing the extent of SA’s growing unemployment crisis.
- The youth category (15-24 years), a priority area of government, which has been particularly affected by the country’s mounting unemployment problem rose further to 66.5% in Q3.21, from 64.4% in Q2.21. Indeed, a focus on improving the quality of and access to education remains essential. Indeed, according to Stats SA of the 7.6 million unemployed persons in Q3.21 “as many as 51,8% had education levels below matric”.
- Q4.21 generally sees a seasonal pick-up in employment. However, travel bans put in place by a number of important SA tourist markets, following the discovery of the Omicron variant is likely to dampen the level of economic activity anticipated. Additionally, while SA is currently still on lockdown level one, the President could enforce further lockdown measures in response to a spike in cases.

Figure 4: Proportion of the unemployed by education level – Q3.21 (%)



Source: Stats SA

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