



Tuesday 29 March 2022

Figure 1: Unemployment levels ('000) and rates

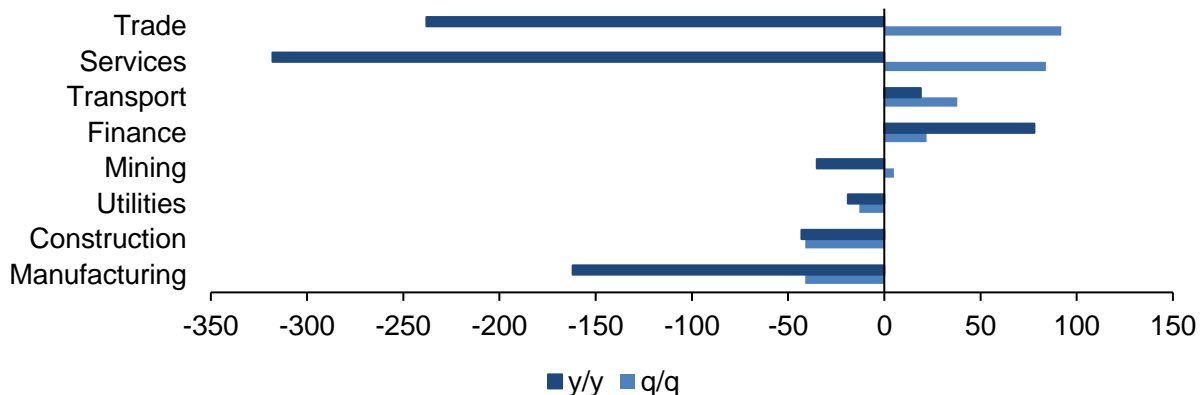
	Q2.21	Q3.21	Q4.21
Economically Active Population – labour force	22 768	21 925	22 466
Not Economically Active Population	16 832	17 820	17 423
Employed	14 942	14 282	14 544
Unemployed (official/ strict definition)	7 826	7 643	7 921
Unemployment rate (official/ strict) definition)	34.4%	34.9%	35.3%
Unemployed (expanded definition)	11 923	12 484	12 492
Unemployment rate (expanded definition)	44.4%	46.6%	46.2%

Source: Stats SA

\*Numbers are rounded

- COVID-19 has taken a severe toll on South Africa over the last two years. The unemployment rate which was already at a critical level before the onset of the pandemic has reached new highs. Indeed, the official unemployment rate rose by a further 0.4% points in Q4.21 and by a notable 2.8% y/y to 35.3%, the highest rate since the commencement of the QLFS in 2008.
- A breakdown of the numbers reveals that the labour force grew by 2.5% q/q, with fewer individuals previously characterised as “not economically active”, while the number of those employed only rose by 1.8% y/y leading to the raised unemployment figure.
- The informal sector was however the only segment of the economy to record a decline in employment numbers during the quarter. Specifically, the number of employed within this category fell by 48 000 or -1.8% q/q. When measured on a year-on-year basis however informal sector employment has grown by a notable 5.0%, attracting those who perhaps lost their formal sector jobs or businesses during the severe lockdown restrictions imposed by the State.
- Conversely formal sector, non-agricultural employment rose by 1.5% when measured on a quarter-on-quarter basis, but is down a marked -6.9% y/y.
- A disaggregation of the data on an industry basis, indicates that five of the eight industries surveyed within the formal sector (non-agriculture) reported a lift in employment. The trade sector recorded the largest number of job gains at 92 000 over the quarter, followed by the community and social services sector (84 000). Q4.21 generally sees a seasonal pick-up in employment, particularly in the tourism, hospitality and related sectors.

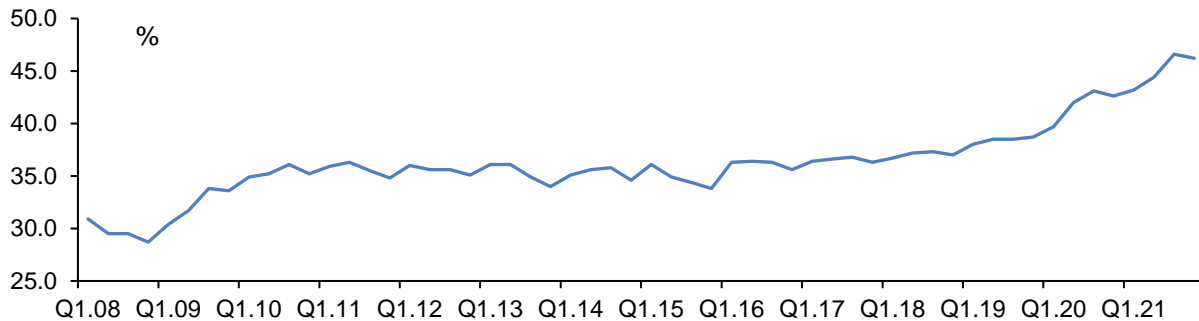
Figure 2: Employment levels by industry (Formal Sector) ('000)



Source: Stats SA



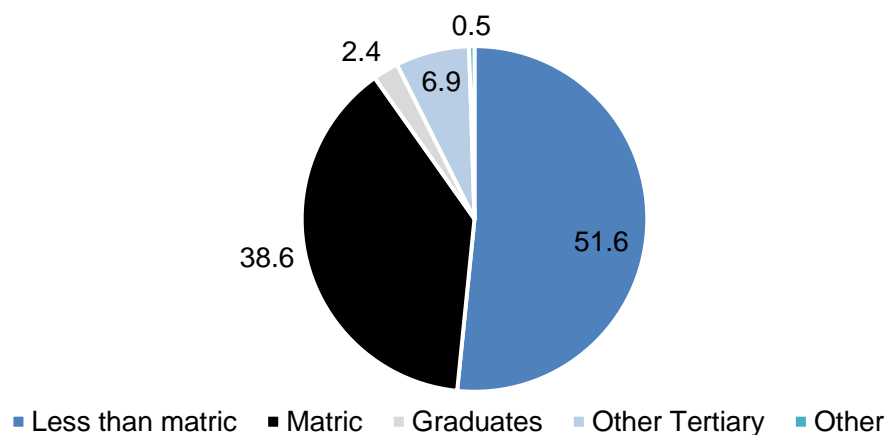
Figure 3: Expanded Unemployment Rate Trend



Source: Stats SA

- The expanded unemployment rate, (which includes individuals who desire employment regardless of whether they are actively seeking work) declined marginally to 46.2% but is a marked 17.5 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 remained elevated at 66.5% in Q4.21. Indeed, a focus on improving the quality of and access to education remains essential. Indeed, according to Stats SA of the 7.9 million unemployed persons in Q4.21 “as many as 51,6% had education levels below matric”.
- Government outlined measures to increase employment in its State of the Nation Address, stating that a primary “task of government is to create the conditions that will enable the private sector – both big and small – to emerge, to grow, to access new markets, to create new products, and to hire more employees.”
- February’s Budget Review followed on from this tabling expenditure priorities in this regard.

Figure 4: Proportion of the unemployed by education level – Q4.21 (%)



Source: Stats SA



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