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National and provincial labour market outcomes among youth

This report is the second which examines in detail various aspects of the situation faced by youth aged 15–34 years in the South African labour market. It is intended to enhance policy formulation and implementation as the country reflects on the role played by youth in the transition to democracy. The analysis is based on the first quarter results of the QLFS each year over the period 2008 to 2015.

Youth aged 15–34 years are not a homogenous group and their labour market prospects differ markedly when 5-year age cohorts are examined. In this regard, the youngest age categories tend to be more disadvantaged – especially younger women.

The recent crisis marked the largest shock to the world economy in the post-war era. And in common with countries across the globe, South Africa did not escape the impact of the crisis. This report suggests that young people in the South African labour market bore the brunt of the crisis. Over the period 2008–2015, key labour market rates deteriorated by a larger margin among youth compared with adults, and the frustration of not finding employment has led many young people to become discouraged and exit the labour force altogether.

Provincial labour markets were also not immune to global economic downturn. In 2009 the unemployment rate among youth increased in seven provinces. In that year, in every province except Western Cape and Gauteng youth unemployment rates were 21,0–25,0 percentage points higher than those of adults. In 2010 the rate among youth rose again in six of the nine provinces – to over 40,0% in provinces such as Eastern Cape (40,3%), Free State (40,5%) and Mpumalanga (41,1%). The following year also saw an increase in youth unemployment rates in six of the nine provinces.

Entrenched structural weaknesses in the labour market due to the mismatch between skills and available jobs are reflected in the high incidence of long-term unemployment among both youth and adults – at over 65,0% most years in the aftermath of the recession. This highlights the challenges faced by youth in finding employment given that as many as 55,0% of young people who are actively looking for jobs have education levels below matric while an additional 36,4% only have a matric qualification. Even among young people who are lucky to have a job, the level of education for many poses a serious constraint to their position on the occupational ladder. Despite the improvement in the education profile of employed youth over the period 2008–2015, in 2015 as many as 44,5% had an education level below matric while an additional 36,9% had only matric. Relatively few employed youth (21,2%) had a tertiary education. Large differences in the education profile by population group resulted in only 13,1% of black African youth and 10,5% of coloured youth having skilled occupations while one in every three Indian/Asian youth (36,2%) and 53,4% of white youth had such occupations.

In terms of access to benefits such as medical aid cover from their employers, youth are clearly at a huge disadvantage relative to adults. And compared to adults, a substantially larger proportion of youth have contracts of a limited duration, with an increase over the period 2008–2015 more pronounced among young women than among young men.

PJ Lehohla
Statistician-General: Statistics South Africa

Key labour market concepts

The **working-age population** comprises everyone aged 15–64 years who fall into each of the three labour market components (employed, unemployed, not economically active).

Employed persons are those who were engaged in market production activities in the week prior to the survey interview (even if only for one hour) as well as those who were temporarily absent from their activities. Market production employment refers to those who:

a) Worked for a wage, salary, commission, or payment in kind.
b) Ran any kind of business, big or small, on their own, or with one or more partners.
c) Helped without being paid in a business run by another household member.

In order to be considered **unemployed based on the official definition**, three criteria must be met simultaneously: a person must be completely without work, currently available to work, and taking active steps to find work. The **expanded definition** excludes the requirement to have taken steps to find work.

The **labour force** comprises people that are employed plus those who are unemployed.

A person who reaches working age may not necessarily enter the labour force. He/she may remain outside the labour force and would then be regarded as inactive **(not economically active)**. This inactivity can be voluntary – if the person prefers to stay at home or to begin or continue education – or involuntary, where the person would prefer to work but is **discouraged** and has given up hope of finding work.

Not economically active persons are those who did not work in the reference week because they either did not look for work or start a business in the four weeks preceding the survey, or they were not available to start work or a business in the reference week. The not economically active is composed of two groups: discouraged work-seekers and other (not economically active, as described above).

Discouraged work-seekers are persons who wanted to work but did not try to find work or start a business because they believed that there were no jobs available in their area, or were unable to find jobs requiring their skills, or they had lost hope of finding any kind of work.

The **unemployment rate** measures the proportion of the labour force that is trying to find work.

The **labour force participation rate** is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the relative size of the supply of labour available to engage in the production of goods and services (ILO, KILM 2013).

The **absorption rate** (employment-to-population ratio) measures the proportion of the working-age population that is employed.

Graduates/Tertiary education (individuals who have qualifications categorised as 'higher' education) are persons who have obtained an undergraduate or post-graduate degree or have completed secondary school and in addition obtained a certificate or diploma of at least six months' full-time duration.

Youth: Youth are regarded as persons aged 15–34 years and **adults** are aged 35–64 years.

Skilled occupations are Managers; Professionals; and Technicians grouped. **Semi-skilled occupations** are Clerks; Sales; Skilled agriculture; Craft and Machine operators grouped. **Low-skilled occupations** are Elementary and Domestic work.

Primary industries are Agriculture and Mining. **Secondary industries** are Manufacturing; Utilities; and Construction. **Tertiary industries** are Trade; Transport; Finance; Community and social services; and Private households.

Introduction

"Young men and women today face increasing uncertainty in their hopes of undergoing a satisfactory entry to the labour market, and this uncertainty and disillusionment can, in turn, have damaging effects on individuals, communities, economies and society at large. Unemployed or underemployed youth are less able to contribute effectively to national development and have fewer opportunities to exercise their rights as citizens. They have less to spend as consumers, less to invest as savers and often have no "voice" to bring about change in their lives and communities." ILO (KILM 2014)[1].

This report highlights key differences in the labour market situation of youth aged 15–34 years relative to adults and provides insight into the extent to which the youngest age cohorts are the most vulnerable in the South African labour market. The analysis is based on the first quarter results of the Quarterly Labour Force Survey (QLFS) over the period 2008 to 2015.

Characteristics of the working-age population

Table 1: South African working-age population by age group, 2008–2015

Age group	2008	2009	2010	2011	2012	2013	2014	2015
	Thousand							
15-19 years	4 989	5 047	5 095	5 130	5 156	5 167	5 164	5 147
20-24 years	4 704	4 752	4 806	4 871	4 940	5 009	5 075	5 134
25-29 years	4 441	4 515	4 580	4 635	4 688	4 744	4 806	4 876
30-34 years	4 075	4 091	4 127	4 188	4 269	4 363	4 460	4 550
Youth (15-34 years)	**18 209**	**18 405**	**18 608**	**18 824**	**19 053**	**19 283**	**19 505**	**19 707**
35-39 years	3 431	3 590	3 720	3 812	3 868	3 902	3 937	3 992
40-44 years	2 740	2 780	2 850	2 957	3 098	3 260	3 420	3 556
45-49 years	2 435	2 479	2 516	2 547	2 573	2 601	2 646	2 720
50-54 years	1 978	2 049	2 116	2 180	2 238	2 291	2 338	2 380
55-59 years	1 561	1 601	1 646	1 697	1 758	1 825	1 896	1 965
60-64 years	1 189	1 233	1 276	1 318	1 357	1 395	1 435	1 479
Adults (35-64 years)	**13 334**	**13 732**	**14 124**	**14 511**	**14 892**	**15 274**	**15 672**	**16 092**
Youth and adults	**31 544**	**32 135**	**32 732**	**33 335**	**33 945**	**34 558**	**35 177**	**35 799**

Young people aged 15–34 years account for a larger share of the working-age population than adults with 4,5–5,2 million in each of the youngest age cohorts in 2015. Of the 31,5 million working-age people aged 15–64 years in 2008, 18,2 million were youth aged 15–34 years while 13,3 million were adults aged 35–64 years. Population growth over the subsequent years, meant that by 2015 the working-age population stood at 35,8 million of which 19,7 million (55,0%) were youth and 16,1 million (45,0%) were adults.

Table 2: Labour market status of the working-age population, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Youth aged 15–34 years							
Working-age population	**18 209**	**18 404**	**18 608**	**18 824**	**19 053**	**19 283**	**19 504**	**19 706**
Labour force	**9 596**	**9 489**	**9 005**	**8 923**	**9 146**	**9 171**	**9 390**	**9 885**
Employed	6 460	6 296	5 789	5 704	5 874	5 850	6 000	6 239
Unemployed	3 136	3 194	3 215	3 220	3 273	3 321	3 390	3 646
Not economically active	8 612	8 915	9 603	9 901	9 907	10 112	10 114	9 821
Rates (%)								
Unemployment rate	32,7	33,7	35,7	36,1	35,8	36,2	36,1	36,9
Employed/population ratio (Absorption)	35,5	34,2	31,1	30,3	30,8	30,3	30,8	31,7
Labour force participation rate	52,7	51,6	48,4	47,4	48,0	47,6	48,1	50,2
	Adults aged 35–64 years							
Working-age population	**13 336**	**13 731**	**14 125**	**14 511**	**14 892**	**15 275**	**15 672**	**16 092**
Labour force	**9 212**	**9 493**	**9 405**	**9 577**	**9 907**	**10 249**	**10 732**	**11 109**
Employed	7 977	8 320	8 008	8 200	8 410	8 708	9 054	9 220
Unemployed	1 235	1 173	1 397	1 378	1 496	1 541	1 677	1 889
Not economically active	4 124	4 238	4 720	4 933	4 985	5 026	4 941	4 983
Rates (%)								
Unemployment rate	13,4	12,4	14,9	14,4	15,1	15,0	15,6	17,0
Employed/population ratio (Absorption)	59,8	60,6	56,7	56,5	56,5	57,0	57,8	57,3
Labour force participation rate	69,1	69,1	66,6	66,0	66,5	67,1	68,5	69,0
	All ages 15–64 years							
Working-age population	**31 545**	**32 135**	**32 733**	**33 335**	**33 945**	**34 558**	**35 176**	**35 798**
Labour force	**18 808**	**18 982**	**18 410**	**18 500**	**19 053**	**19 420**	**20 122**	**20 994**
Employed	14 437	14 616	13 797	13 904	14 284	14 558	15 054	15 459
Unemployed	4 371	4 367	4 612	4 598	4 769	4 862	5 067	5 535
Not economically active	12 736	13 153	14 323	14 834	14 892	15 138	15 055	14 804
Rates (%)								
Unemployment rate	23,2	23,0	25,1	24,9	25,0	25,0	25,2	26,4
Employed/population ratio (Absorption)	45,8	45,5	42,2	41,7	42,1	42,1	42,8	43,2
Labour force participation rate	59,6	59,1	56,2	55,5	56,1	56,2	57,2	58,6

[1] Key indicators of the labour market, KILM eight edition, ILO, 2014 at http://kilm.ilo.org/2011/download/kilmcompleteEN.pdf

The working-age population comprises three groups: those who have jobs, those who are unemployed and actively looking for work, and those who are not economically active such as discouraged work-seekers, full-time students, homemakers and retired people. The national picture masks large and persistent differences in labour market outcomes when disaggregated among youth (aged 15–34 years) and adults (aged 35–64 years). Whereas in 2015 as many as 3,6 million young people were unemployed and actively looking for work, a substantially lower number of adults (1,9 million) were in that situation. And only 6,2 million youth had jobs as against 9,2 million adults who were employed (Table 2).

Table 3: Annual change in the working-age population by labour market status, 2008–2015

	2009	2010	2011	2012	2013	2014	2015	Change 2008–2015
				Youth aged 15–34 years				
Working-age population	**195**	**204**	**216**	**229**	**230**	**221**	**202**	**1 497**
Labour force	**-107**	**-484**	**-82**	**223**	**25**	**219**	**495**	**289**
Employed	-164	-507	-85	170	-24	150	239	-221
Unemployed	58	21	5	53	48	69	256	510
Not economically active	303	688	298	6	205	2	-293	1 209
Rates (Percentage points)								
Unemployment rate	1,0	2,0	0,4	-0,3	0,4	-0,1	0,8	
Employed/population ratio (Absorption)	-1,3	-3,1	-0,8	0,5	-0,5	0,5	0,9	
Labour force participation rate	-1,1	-3,2	-1,0	0,6	-0,4	0,5	2,1	
				Adults aged 35–64 years				
Working-age population	**395**	**394**	**386**	**381**	**383**	**397**	**420**	**2 756**
Labour force	**281**	**-88**	**172**	**330**	**342**	**483**	**377**	**1 897**
Employed	343	-312	192	210	298	346	166	1 243
Unemployed	-62	224	-19	118	45	136	212	654
Not economically active	114	482	213	52	41	-85	42	859
Rates (Percentage points)								
Unemployment rate	-1,0	2,5	-0,5	0,7	-0,1	0,6	1,4	
Employed/population ratio (Absorption)	0,8	-3,9	-0,2	0,0	0,5	0,8	-0,5	
Labour force participation rate	0,0	-2,5	-0,6	0,5	0,6	1,4	0,5	
				All ages 15–64 years				
Working-age population	**590**	**598**	**602**	**610**	**613**	**618**	**622**	**4 253**
Labour force	**174**	**-572**	**90**	**553**	**367**	**702**	**872**	**2 186**
Employed	179	-819	107	380	274	496	405	1 022
Unemployed	-4	245	-14	171	93	205	468	1 164
Not economically active	417	1 170	511	58	246	-83	-251	2 068
Rates (Percentage points)								
Unemployment rate	-0,2	2,0	-0,2	0,2	0,0	0,1	1,2	
Employed/population ratio (Absorption)	-0,3	-3,3	-0,4	0,4	0,0	0,7	0,4	
Labour force participation rate	-0,6	-2,8	-0,7	0,6	0,1	1,0	1,4	

Bloom (2012)[2] notes that "Adolescents and young adults are especially vulnerable to macroeconomic downturns, and have borne the brunt of the global economic crisis that began in 2008 and the subsequent sluggish employment recovery." This is also evident in the South African labour market. Over the period 2008–2015, the increase in employment by 1,0 million was solely on account of job gains among adults (up by 1,2 million) while among youth job losses of 221 000 occurred (Table 3). The patterns and trends in other labour market variables shown in Table 2 and Table 3 will be discussed fully in the sections that follow.

Figure 1: Labour market status of youth (15–34 years), 2008–2015

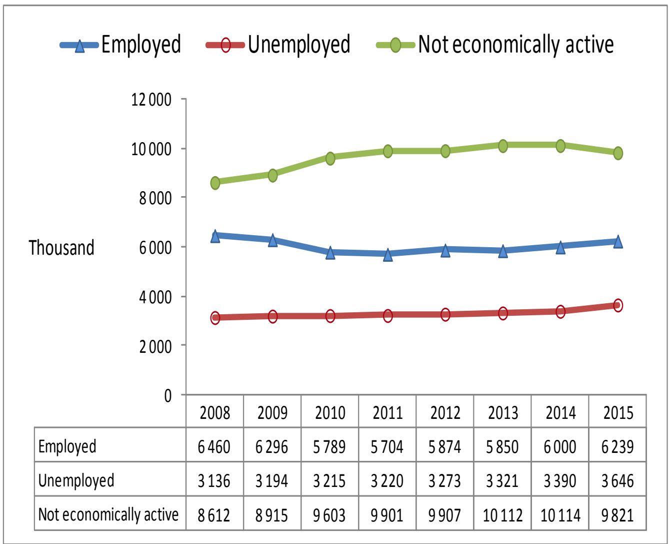

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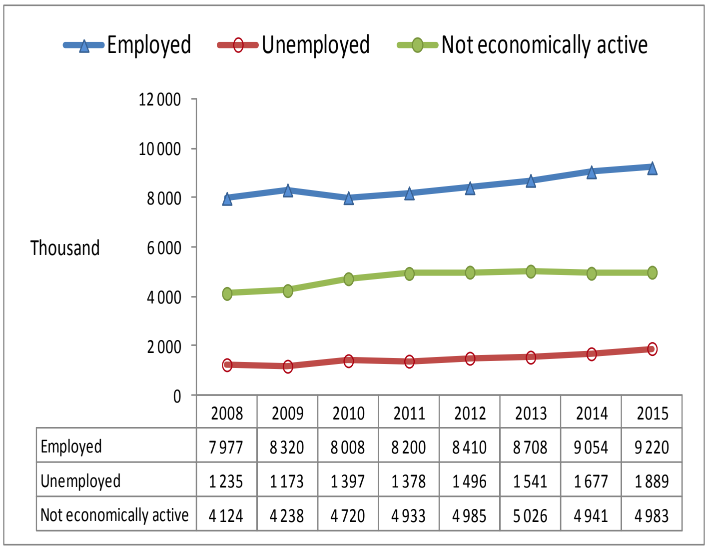
Figure 2: Labour market status of adults (35–64 years), 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Employed	7 977	8 320	8 008	8 200	8 410	8 708	9 054	9 220
Unemployed	1 235	1 173	1 397	1 378	1 496	1 541	1 677	1 889
Not economically active	4 124	4 238	4 720	4 933	4 985	5 026	4 941	4 983

[2] David E. Bloom, Youth in the balance in FINANCE & DEVELOPMENT, IMF, March 2012, Vol. 49, No. 1

Trends over the period 2008–2015 underscore that the global recession had a more severe impact on the labour market situation of youth compared to adults. Table 3, Figure 1 and Figure 2 show that job losses among youth were 164 000 in 2009 and 507 000 in 2010. In contrast, employment rose by 343 000 among adults in 2009 and declined less sharply than among youth (by 312 000) the following year. Apart from this, increases in employment over the period 2011–2014 among adults were not matched by equivalent increases among youth. In fact, job losses among youth occurred again in 2011 (85 000) and in 2013 (24 000).

Figure 3: Trend in the labour force, 2008–2015

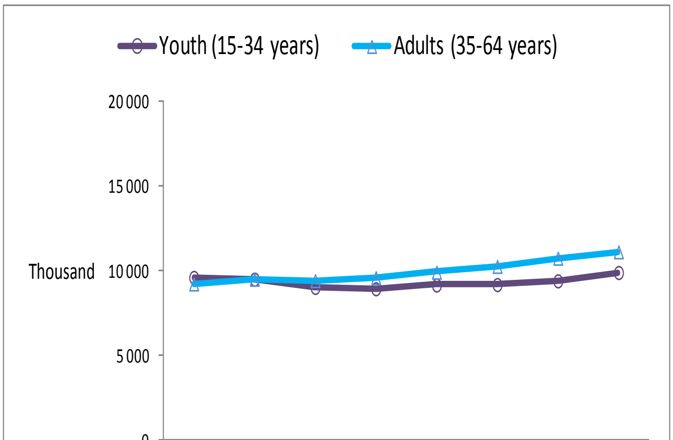


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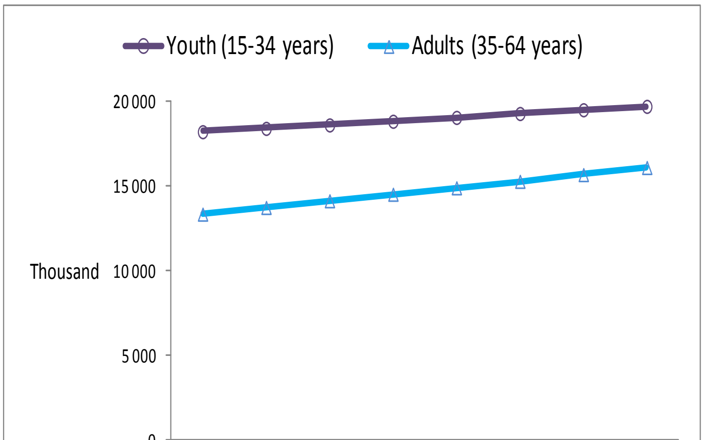
Figure 4: Trend in the working-age population, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
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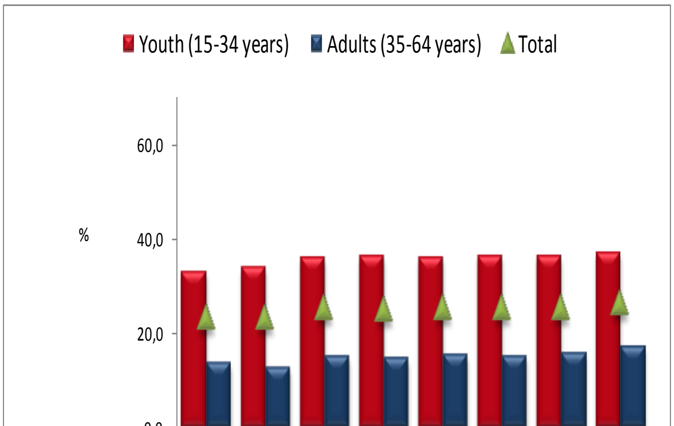
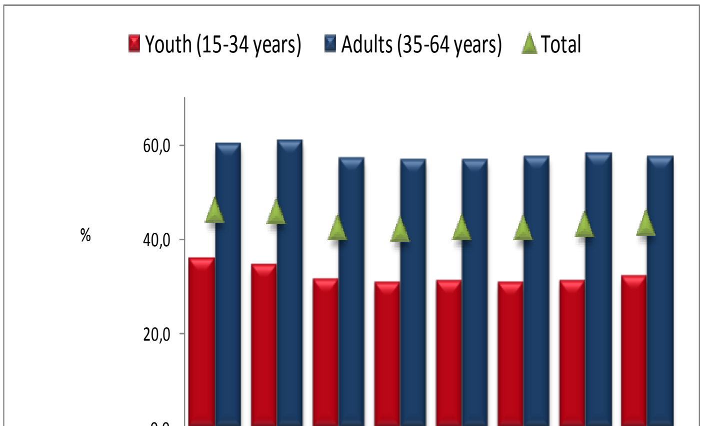
Trends in the labour force depicted in Figure 3 reflect the employment and unemployment outcomes discussed earlier. In the aftermath of the recession, a gap emerged between the youth and adult labour force mostly on account of the relatively large increases in employment levels among adults. As a consequence, whereas in 2009 the youth and adult labour force were similar in size at 9,5 million, by 2015 it rose to only 9,9 million among youth but to 11,1 million among adults. Figure 4 shows that as discussed earlier, the working-age population among youth is higher than that of adults by a large margin. This is a direct reflection of the relative sizes of the labour force and the not economically active population among youth and adults. In this regard, although the adult labour force is higher than that of youth, inactivity among youth is substantially higher than that of adults as many youth prefer to continue their education in the hope of enhancing their labour market prospects at a later stage.

Figure 5: Trend in the unemployment rate, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	32,7	33,7	35,7	36,1	35,8	36,2	36,1	36,9
Adults (35-64 years)	13,4	12,4	14,9	14,4	15,1	15,0	15,6	17,0
Total	23,2	23,0	25,1	24,8	25,0	25,0	25,2	26,4

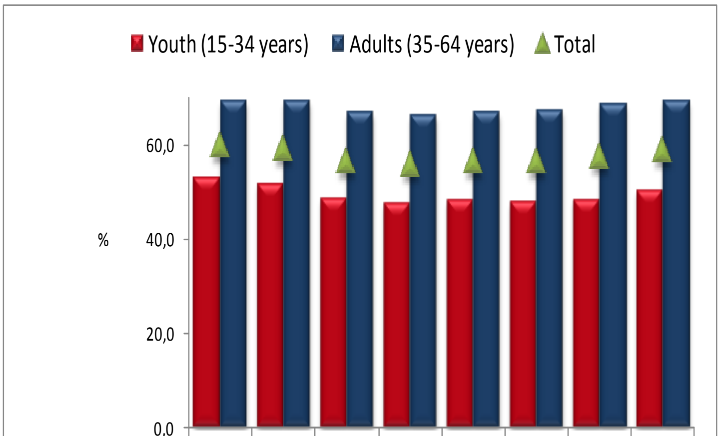
Figure 6: Trend in the absorption rate, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	35,5	34,2	31,1	30,3	30,8	30,3	30,8	31,7
Adults (35-64 years)	59,8	60,6	56,7	56,5	56,5	57,0	57,8	57,3
Total	45,8	45,5	42,2	41,7	42,1	42,1	42,8	43,2

Figure 5 and Figure 6 highlight the disparities in key labour market rates among youth and adults and reflect the trends in employment and unemployment discussed earlier. The unemployment rate among youth is more than twice that of adults each year while the absorption rate for youth is substantially lower than that of adults. As a result of the global recession, the unemployment rate among youth rose from 32,7% in 2008 to 36,1% in 2011 and remained between 35,0–37,0% in subsequent years. The rate also increased among adults in the aftermath of the recession but by a somewhat smaller margin, and since 2012, adult unemployment rates have ranged between 15,1% and 17,0%. The scarcity of job opportunities for youth in the South African labour market is also reflected in lower absorption rates among youth than among adults and the larger decline in the absorption rate among youth (by 5,2 percentage points over the period 2008–2011) than among adults (by 3,3 percentage points over the same period) as a result of the recession. Klein (2012[3]) argues that “Although, in terms of the GDP growth, the South African economy did not stand out compared to its emerging market peers, the loss of employment (as a percent of total employment) was the highest, and similar to that in advanced economies at the epicenter of the crisis.”

Figure 7: Trend in the labour force participation rate among youth and adults, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	52,7	51,6	48,4	47,4	48,0	47,6	48,1	50,2
Adults (35-64 years)	69,1	69,1	66,6	66,0	66,5	67,1	68,5	69,0
Total	59,6	59,1	56,2	55,5	56,1	56,2	57,2	58,6

The ILO (2014: op cit) defines the labour force participation rate as a measure of the proportion of a country’s working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the size of the supply of labour available to engage in the production of goods and services, relative to the population at working age. Labour force participation rates among youth are 16,0–21,0 percentage points lower than that of adults over the period 2008–2015, signalling the poor labour market options available to young people.

Provincial labour market rates

The national labour market results mask provincial differences that are often quite large. This section analyses the patterns and trends in key labour market rates in the nine provinces to provide insight regarding the extent to which the global crisis had a varied impact on provincial economies.

The contribution that each province makes to national output varies from as little as 2,2% in Northern Cape to as much as 34,7% in Gauteng. Provincial differences in employment reflect the employment intensity of various industries and differences in the economic structure of the provinces. The industrial base varies hugely across the nine provinces. In 2012, value added by the Agriculture industry accounted for 6,2% of the goods and services produced in Northern Cape, but less than 1% in Gauteng. And whereas the Mining industry accounted for 33,1% of the value of goods and services produced in North West and 24,0–29,0% in Northern Cape, Mpumalanga and Limpopo, in other provinces such as Western Cape and Eastern Cape there was little such industrial activity. Manufacturing accounted for 11,0–15,0% of output in Eastern Cape, Western Cape, KwaZulu-Natal, Gauteng and Mpumalanga, but less than 5% in provinces such as North West, Limpopo and Northern Cape. And the Finance

[3] Nir Klein, 2012, IMF Working Paper, African Department, Real Wage, Labor Productivity, and Employment Trends in South Africa: A Closer Look

industry featured prominently in the goods and services produced in Western Cape (25,7%) and Gauteng (23,0%) but accounted for 11–12% in provinces such as Mpumalanga, North West and Northern Cape. General government services also played an important role in the economic fortunes of the provinces, contributing 21,8% to output in Eastern Cape and 10,0–17,0% in the other provinces.

Table 4: Provincial unemployment rate among youth (15–34 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	25,9	27,4	27,6	32,1	31,6	33,2	31,0	29,9
Eastern Cape	37,6	39,2	40,3	37,0	38,1	39,8	40,7	41,0
Northern Cape	33,8	38,4	39,3	41,5	36,2	40,4	42,4	45,1
Free State	34,9	36,1	40,5	39,7	44,4	43,4	48,2	39,4
KwaZulu-Natal	30,5	32,1	27,1	29,7	29,8	30,5	30,5	33,4
North West	30,9	38,2	37,3	38,2	41,1	38,0	38,4	39,7
Gauteng	32,4	31,6	39,1	39,3	36,9	37,7	36,4	39,8
Mpumalanga	32,9	36,0	41,1	42,9	42,5	40,5	42,8	38,8
Limpopo	43,5	40,5	39,2	28,3	31,2	29,5	28,6	30,4
South Africa	**32,7**	**33,7**	**35,7**	**36,1**	**35,8**	**36,2**	**36,1**	**36,9**

Table 5: Provincial unemployment rate among adults (35–64 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	9,3	9,1	13,0	12,4	14,4	14,6	12,4	13,6
Eastern Cape	16,6	16,4	17,5	15,0	17,0	18,9	17,3	18,3
Northern Cape	13,9	14,3	14,2	19,8	13,6	17,8	15,4	22,3
Free State	13,9	12,7	13,7	16,6	19,7	19,0	22,0	21,3
KwaZulu-Natal	12,8	10,0	10,2	9,4	9,5	10,3	10,7	13,8
North West	13,2	15,2	15,4	13,1	13,6	16,2	18,5	17,7
Gauteng	13,3	12,5	17,1	16,7	17,1	15,6	18,1	19,5
Mpumalanga	13,6	11,3	15,3	17,8	16,3	17,0	16,8	17,5
Limpopo	18,0	15,6	14,5	10,6	12,8	11,9	9,7	11,0
South Africa	**13,4**	**12,4**	**14,9**	**14,4**	**15,1**	**15,0**	**15,6**	**17,0**

In every province, the unemployment rate among youth is substantially higher than among adults (Table 4 and Table 5). And reflecting the impact of the global recession which affected young people a year earlier than it did adults, in 2009 the provincial unemployment rate among youth increased in seven provinces. In that year, in every province except Western Cape and Gauteng youth unemployment rates were 21,0–25,0 percentage points higher than those of adults. In 2010 the rate among youth rose again in six of the nine provinces – to over 40,0% in provinces such as Eastern Cape (40,3%), Free State (40,5%) and Mpumalanga (41,1%). The following year also saw an increase in youth unemployment rates in six of the nine provinces. In contrast, among adults, only in Northern Cape and North West was the rate higher in 2009 compared to a year earlier. And although in 2010 adult unemployment rates rose in seven provinces, over the period 2008–2011 the increases were generally smaller than occurred among youth.

Figure 8: Unemployment rate for youth (15–34 years) by province, 2008 and 2015

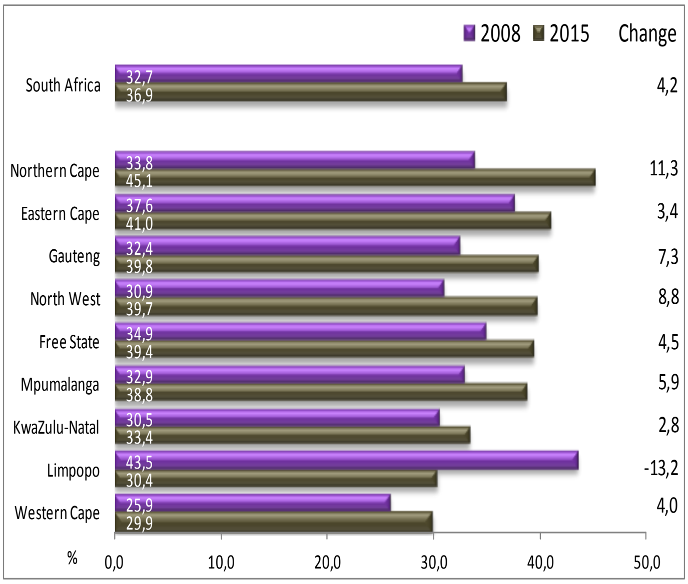
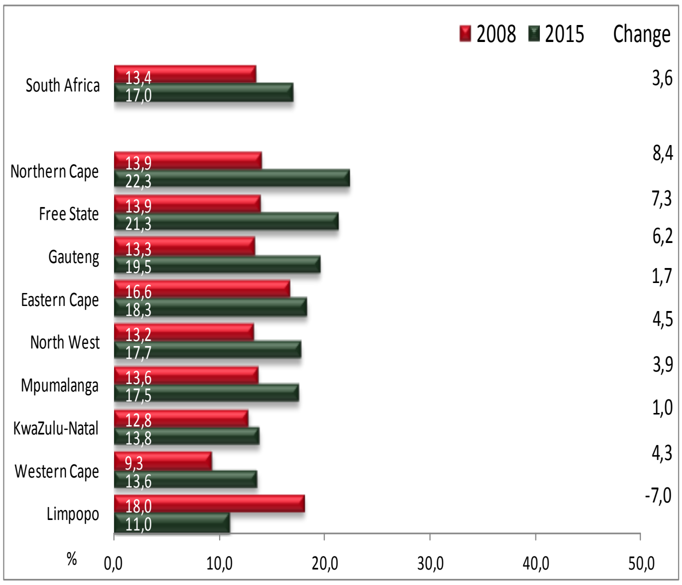


Figure 9: Unemployment rate for adults (35–64 years) by province, 2008 and 2015



Trends over the period 2008–2015 highlight that the youth unemployment rate increased by the largest amount in Northern Cape (by 11,3 percentage points) and North West (by 8,8 percentage points). Among adults the increases were smaller, at 8,4 percentage points in Northern Cape and 4,5 percentage points in North West. Limpopo stands out as the province in which the unemployment rate was among the lowest for youth and adults. It was also the only province in which over the period 2008–2015 the rate declined (by 13,2 percentage points among youth and by 7,0 percentage points among adults). But this outcome has to be viewed in the context of a shift into discouragement among workers – young and old – who gave up hope of finding employment and exited the labour force altogether.

Table 6: Provincial absorption rate among youth (15–34 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	48,2	47,4	46,1	41,8	43,8	40,5	43,2	43,2
Eastern Cape	26,4	24,4	23,4	24,2	22,6	23,2	23,4	22,9
Northern Cape	37,4	32,6	30,7	30,2	32,5	31,1	30,9	32,0
Free State	35,8	34,8	29,5	30,8	29,0	30,1	26,9	34,0
KwaZulu-Natal	33,9	32,1	30,4	27,9	28,7	27,7	28,6	28,1
North West	33,0	31,5	26,9	25,5	22,7	25,0	26,3	28,3
Gauteng	45,2	44,1	38,6	38,3	40,2	38,2	37,9	38,9
Mpumalanga	30,9	31,9	27,4	26,7	27,7	29,8	30,5	31,4
Limpopo	19,7	18,9	17,4	19,4	20,0	20,7	20,9	22,6
South Africa	**35,5**	**34,2**	**31,1**	**30,3**	**30,8**	**30,3**	**30,8**	**31,7**

Table 7: Provincial absorption rate among adults (35–64 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	63,9	66,8	63,2	63,0	62,4	62,5	64,4	63,1
Eastern Cape	46,5	48,6	44,5	45,8	44,6	44,7	47,3	48,8
Northern Cape	53,4	50,1	48,8	45,2	49,2	49,8	52,8	50,0
Free State	60,7	58,3	59,1	57,2	54,3	54,6	54,3	54,1
KwaZulu-Natal	54,8	54,4	50,9	51,1	51,8	51,7	52,8	52,7
North West	55,5	54,5	48,6	49,5	49,3	48,7	49,4	49,2
Gauteng	70,8	71,5	65,9	65,9	65,4	66,4	65,4	64,2
Mpumalanga	59,3	61,3	57,4	55,6	56,5	57,7	58,7	57,6
Limpopo	49,5	51,1	48,9	47,2	49,1	50,5	52,3	52,8
South Africa	**59,8**	**60,6**	**56,7**	**56,5**	**56,5**	**57,0**	**57,8**	**57,3**

In every province, the percentage of the working-age population that have jobs (the absorption rate) is substantially lower among youth compared to adults. Compared to the other provinces, the rate in Gauteng and Western Cape is higher among both youth and adults (Table 6 and Table 7). This reflects the better employment opportunities that are available in these provinces. Over the period 2008–2011, the rate among youth declined for three successive years in provinces such as Western Cape, Northern Cape, KwaZulu-Natal, North West and Gauteng. This outcome signals that the impact of the crisis was widespread across the country. (Morsy, 2012[4]) finds that "Underutilization of young people in the labor market can result in a vicious circle of intergenerational poverty and social exclusion." Lack of employment opportunities may trigger violence and juvenile delinquency. Recent high youth unemployment has contributed to social unrest in many countries – advanced, emerging, and developing."

Figure 10: Absorption rate for youth (15–34 years) by province, 2008 and 2015

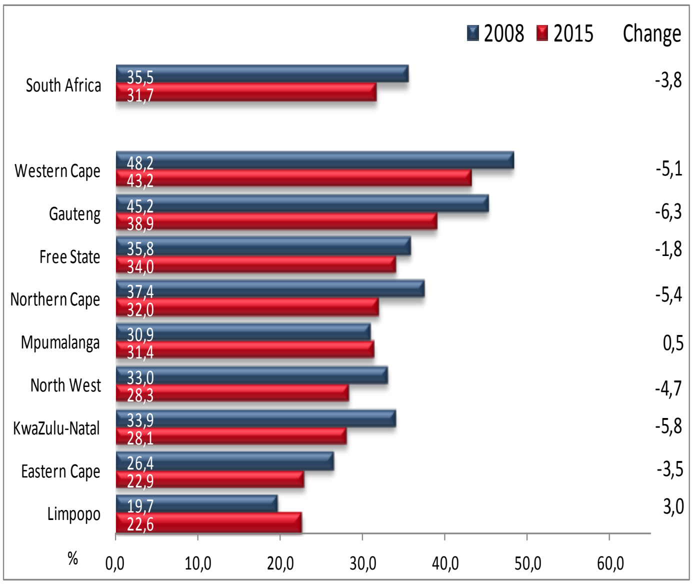
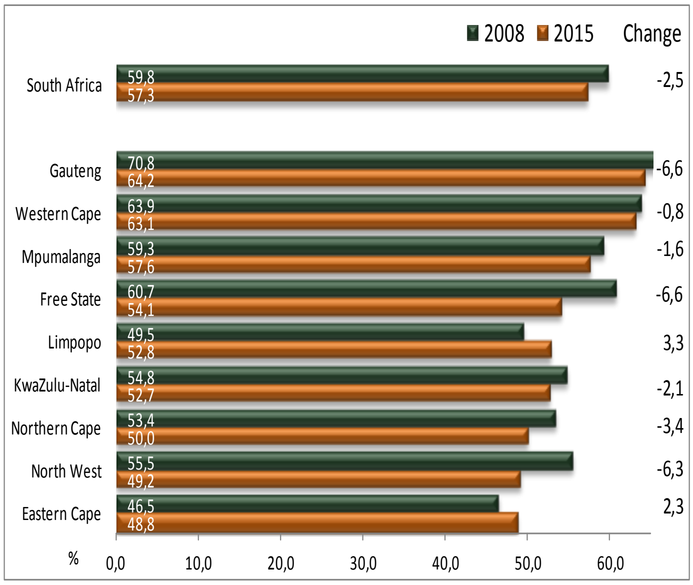


Figure 11: Absorption rate for adults (35–64 years) by province, 2008 and 2015



The decline of 3,8 percentage points over the period 2008–2015 in the absorption rate among youth masks large provincial changes. In five provinces, the decline in the rate was higher than the national average, ranging from 4,7 percentage points in North West to as high as 6,3 percentage points in Gauteng. Compared to youth, adult absorption rates declined by a smaller amount (2,5 percentage points) over the period with the largest declines in Gauteng and Free State (by 6,6 percentage points). In both provinces the decline was larger than occurred among youth. But

[4] Hanan Morsy, Scarred Generation in FINANCE & DEVELOPMENT, IMF, March 2012, Vol. 49, No. 1

whereas the deterioration in job prospects among youth in Eastern Cape led to a decline in the absorption rate by 3,5 percentage points, among adults the rate increased by 2,3 percentage points. The rate in Limpopo among both youth and adults increased over the period but the capacity of the province to provide young people with jobs is the lowest of all the provinces.

Discouraged work-seekers

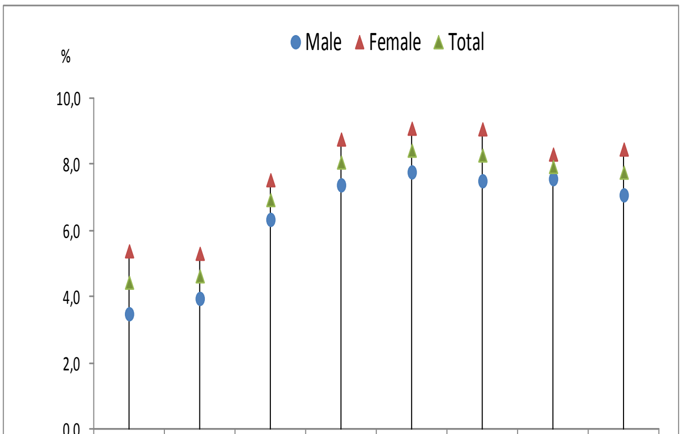
Morsy (2012)[5] notes that "The global crisis also produced more "discouraged" workers, young and old, who dropped out of the labor force, which likely further exacerbated income disparity." Increases in the number of discouraged work-seekers mask the extent of unemployment in any economy since, had they not given up hope of finding employment, they would continue to be counted as unemployed and would therefore be included in the calculation of the unemployment rate.

Table 8: Discouraged work-seekers, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008–2015
					Youth 15–34 years (Thousand)				
Male	316	363	591	698	746	730	745	704	**388**
Female	493	490	700	822	861	869	804	827	**334**
Total	**809**	**853**	**1 291**	**1 520**	**1 607**	**1 598**	**1 549**	**1 531**	**722**
					Adults 35–64 years (Thousand)				
Male	148	146	239	302	332	329	367	355	**206**
Female	245	233	360	421	440	474	439	511	**266**
Total	**393**	**379**	**599**	**723**	**773**	**802**	**806**	**866**	**473**
					All ages 15–64 years (Thousand)				
Male	465	509	830	1 000	1 078	1 058	1 112	1 059	**594**
Female	737	723	1 060	1 243	1 302	1 342	1 243	1 338	**600**
Total	**1 202**	**1 233**	**1 890**	**2 243**	**2 380**	**2 401**	**2 355**	**2 397**	**1 195**

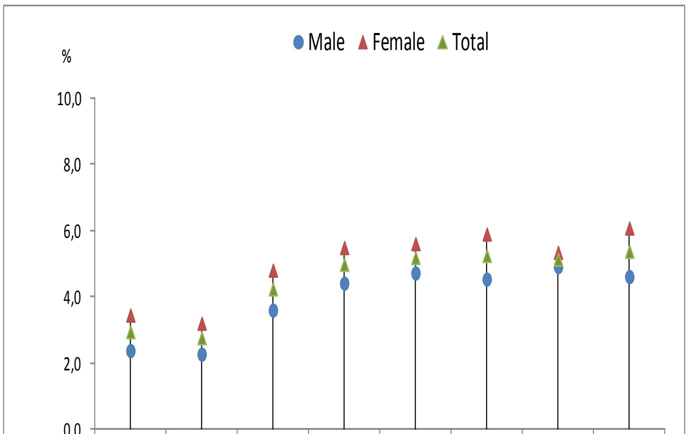
Discouragement is more of a problem among women than among men. Over the period 2008–2015, the number of discouraged work-seekers rose by 1,2 million of which 594 000 were men and 600 000 were women (Table 8). Most of the increase occurred in 2010 and 2011 when 657 000 and 353 000 respectively of unemployed people became discouraged. Young men and women together accounted for the bulk of the increase in both years (438 000 in 2010 and 229 000 in 2011).

Figure 12: Proportion of working-age youth (15–34 years) that is discouraged by sex, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Male	3,5	4,0	6,3	7,4	7,8	7,5	7,6	7,1
Female	5,4	5,3	7,5	8,8	9,1	9,1	8,3	8,5
Total	4,4	4,6	6,9	8,1	8,4	8,3	7,9	7,8

Figure 13: Proportion of working-age adults (35–64 years) that is discouraged by sex, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Male	2,4	2,3	3,6	4,4	4,7	4,5	4,9	4,6
Female	3,4	3,2	4,8	5,5	5,6	5,9	5,3	6,1
Total	2,9	2,8	4,2	5,0	5,2	5,3	5,1	5,4

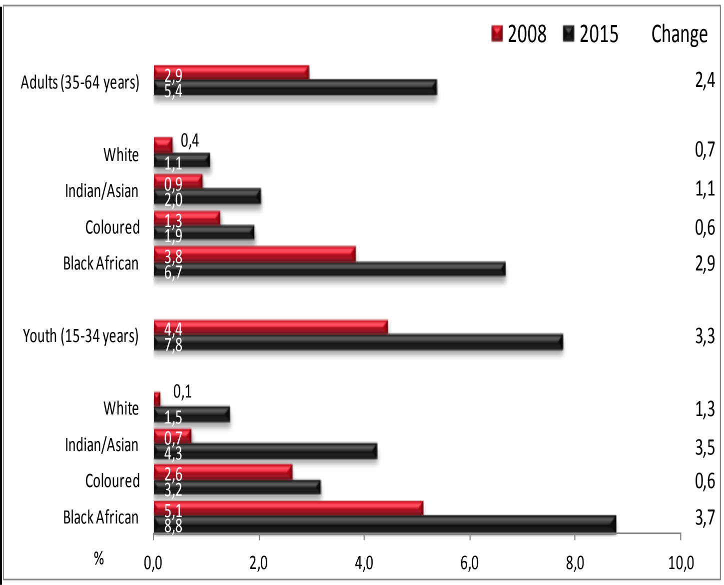
[5] Hanan Morsy, Scarred Generation in FINANCE & DEVELOPMENT, IMF, March 2012, Vol. 49, No. 1

Expressed as a proportion of the working-age population, Figure 12 and Figure 13 show that young women are the most likely to become discouraged. In the aftermath of the recession, in both 2012 and 2013, almost one in every ten (9,1%) working-age young women had become discouraged and had given up hope of finding employment. In contrast, the percentage among young men at 7,8% and 7,5% in those years was somewhat smaller. Another notable feature of Figure 12 and Figure 13 is that the difference in the proportions of young men and women that are discouraged narrowed in 2014 but in 2015 a relatively large gap re-emerged. This gap is also evident among adults.

Table 9: Proportion of the working-age population that is discouraged by population group, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
			Youth 15–34 years (Per cent)					
Black African	5,1	5,5	7,9	9,3	9,7	9,6	9,0	8,8
Coloured	2,6	1,0	3,6	3,0	3,2	2,4	3,5	3,2
Indian/Asian	0,7	1,5	1,9	1,7	1,0	3,0	3,3	4,3
White	0,1	0,4	0,8	1,2	1,1	1,2	1,0	1,5
Total	**4,4**	**4,6**	**6,9**	**8,1**	**8,4**	**8,3**	**7,9**	**7,8**
			Adults 35–64 years (Per cent)					
Black African	3,8	3,6	5,5	6,5	6,7	6,7	6,5	6,7
Coloured	1,3	1,0	1,8	1,2	1,5	2,0	1,6	1,9
Indian/Asian	0,9	0,4	1,0	1,7	0,6	1,8	2,4	2,0
White	0,4	0,2	0,4	0,6	0,8	0,5	0,6	1,1
Total	**2,9**	**2,8**	**4,2**	**5,0**	**5,2**	**5,3**	**5,1**	**5,4**

Figure 14: Proportion of the working-age population that is discouraged by population group, 2008 and 2015



Compared to the other population groups, over the period 2008–2015, a larger proportion of working-age black African adults and youth were discouraged. The impact of the global recession resulted in an increase of 4,6 percentage points in the proportion of black African youth that became discouraged over the period 2008–2012. As a result, over the longer period (2008–2015) Figure 14 shows that the largest increase occurred among black African youth (3,7 percentage points), followed by Indian/Asian youth (3,5 percentage points) with smaller increases among youth from the coloured and white population groups.

Table 10: Proportion of working-age youth (15–34 years) that is discouraged by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
				Per cent				
Western Cape	1,8	0,7	1,9	0,7	1,1	1,2	0,8	1,2
Eastern Cape	7,1	7,5	10,3	10,4	11,6	12,2	12,2	12,4
Northern Cape	5,8	3,9	7,9	6,9	5,6	3,5	7,5	6,6
Free State	3,3	5,2	6,6	5,2	4,0	4,6	4,0	5,2
KwaZulu-Natal	3,3	5,1	9,5	10,4	10,0	9,7	10,6	10,2
North West	9,0	6,3	7,7	10,4	14,7	11,6	12,0	12,0
Gauteng	3,8	2,3	3,7	4,8	4,1	4,7	4,2	3,3
Mpumalanga	5,3	5,3	8,1	10,7	12,7	11,5	8,5	8,8
Limpopo	4,3	7,6	8,6	13,4	13,7	13,8	12,1	12,0
South Africa	**4,4**	**4,6**	**6,9**	**8,1**	**8,4**	**8,3**	**7,9**	**7,8**

Table 11: Proportion working-age adults (35–64 years) that is discouraged by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
				Per cent				
Western Cape	0,9	0,6	0,9	0,5	0,5	0,8	0,7	0,8
Eastern Cape	5,5	5,0	6,9	7,0	6,8	8,1	8,9	7,2
Northern Cape	4,4	2,3	4,6	3,1	3,0	2,6	3,0	3,6
Free State	2,8	3,5	3,9	4,0	3,3	4,1	4,5	4,6
KwaZulu-Natal	2,4	3,0	4,8	6,1	6,5	6,4	7,7	6,0
North West	5,1	3,1	4,9	7,3	9,1	6,5	8,4	9,7
Gauteng	2,0	1,5	2,9	3,4	3,3	3,7	2,6	3,6
Mpumalanga	4,6	4,0	6,1	6,5	8,6	8,7	6,5	8,1
Limpopo	3,8	5,4	7,7	10,7	10,7	9,4	8,8	10,7
South Africa	**2,9**	**2,8**	**4,2**	**5,0**	**5,2**	**5,3**	**5,1**	**5,4**

Increases in the number of people that became discouraged was also a feature of several provincial labour markets. For the country as a whole, in the period after the crisis, the proportion of working-age people that were discouraged peaked in 2012 among youth and 2013 among adults. Between 2008 and 2013, the proportion rose by 6,0–10,0 percentage points among youth in Limpopo, KwaZulu-Natal and Mpumalanga. This was larger than the increase of 4,0–6,0 percentage points among adults in these provinces over the same period.

Figure 15: Proportion of working-age youth (15–34 years) that is discouraged by province, 2008 and 2015

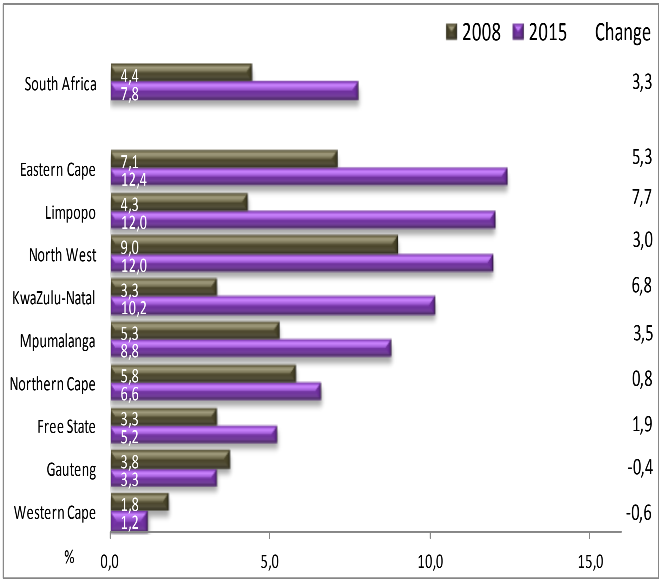
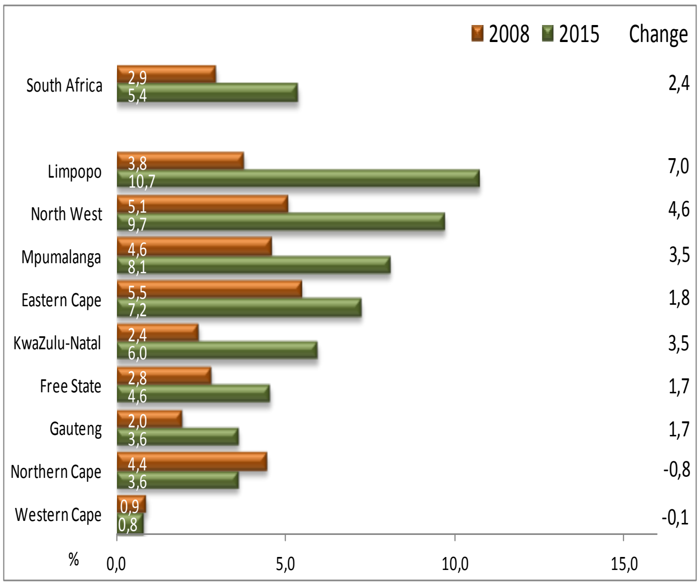


Figure 16: Proportion of working-age adults (35–64 years) that is discouraged by province, 2008 and 2015

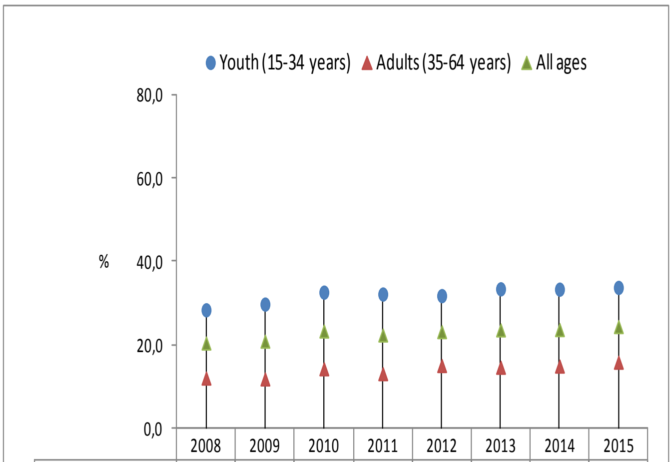


Provincial differences in the proportion of the working-age population that is discouraged are large. In every province, discouragement is more of a problem among young people than among adults. In Eastern Cape, Limpopo, North West and KwaZulu-Natal one in every ten working-age youth gave up looking for work and become discouraged in 2015. In contrast, discouragement among working-age youth in Western Cape and Gauteng at 1,2% and 3,3% in 2015 is the lowest of all the provinces. In Limpopo, the proportion of discouraged youth and adults rose by the largest amount over the period 2008–2015. This is linked to the decline in the unemployment rate in the province discussed earlier.

Key labour market rates by sex

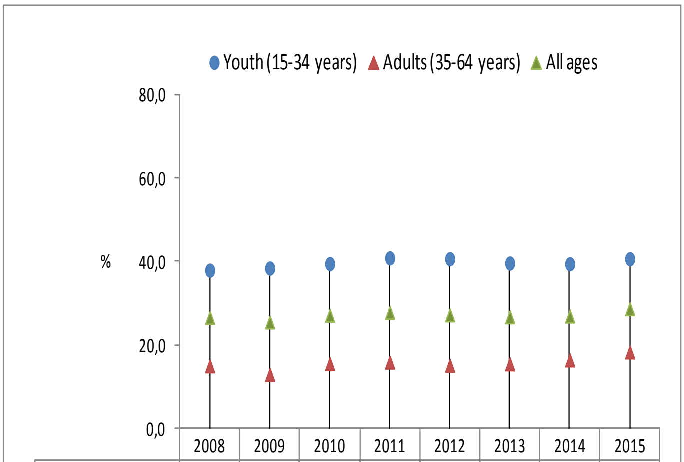
"Gender diversity is now not just an issue of fairness, but also one of performance and outcomes. The question is no longer whether gender diversity matters, but how it can be achieved (May: 2013)[6]."

Figure 17: Trend in the male unemployment rate of youth compared with adults, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	28,4	29,8	32,7	32,2	31,8	33,5	33,4	33,8
Adults (35-64 years)	12,0	11,8	14,3	13,1	15,1	14,6	14,9	15,9
All ages	20,5	20,9	23,3	22,4	23,2	23,6	23,7	24,4

Figure 18: Trend in the female unemployment rate of youth compared with adults, 2008–2015

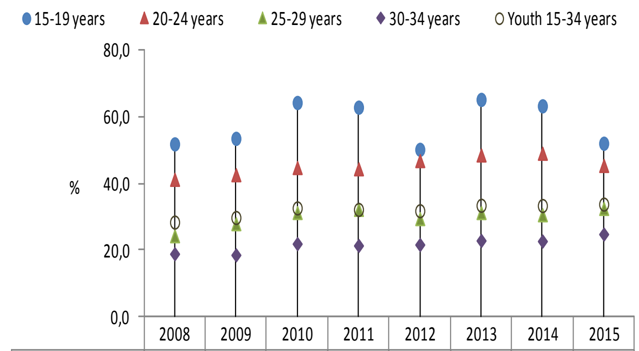


	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	38,0	38,5	39,5	40,9	40,7	39,7	39,5	40,7
Adults (35-64 years)	15,0	13,0	15,6	15,9	15,2	15,5	16,5	18,4
All ages	26,6	25,6	27,2	27,9	27,3	26,8	27,0	28,7

Although the unemployment rate among female youth is higher than that of male youth, the gap has narrowed from 9,6 percentage points in 2008 to 6,9 percentage points in 2015 (Figure 17 and Figure 18).

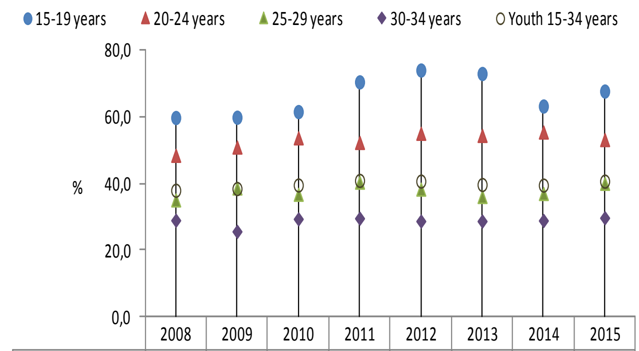
[6] Ann Mari May, Different Sight Lines, IMF, FINANCE & DEVELOPMENT, June 2013, Vol. 50, No. 2

Figure 19: Trend in the male unemployment rate for youth in 5-year age groups, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
15-19 years	51,9	53,5	64,3	62,9	50,2	65,2	63,3	52,1
20-24 years	41,3	42,6	44,8	44,4	46,9	48,6	49,1	45,4
25-29 years	24,3	28,0	31,3	32,2	29,5	31,3	30,6	32,5
30-34 years	18,9	18,6	22,0	21,4	21,7	22,9	22,7	24,8
Youth 15-34 years	28,4	29,8	32,7	32,2	31,8	33,5	33,4	33,8

Figure 20: Trend in the female unemployment rate among youth in 5-year age groups, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
15-19 years	59,8	59,9	61,5	70,5	74,0	73,0	63,2	67,7
20-24 years	48,4	50,9	53,7	52,3	55,1	54,4	55,4	53,2
25-29 years	35,1	38,6	36,8	40,4	38,3	36,1	37,0	40,1
30-34 years	29,0	25,6	29,4	29,6	28,7	28,7	28,9	29,7
Youth 15-34 years	38,0	38,5	39,5	40,9	40,7	39,7	39,5	40,7

A disaggregation of the unemployment rate into 5-year age groups reveals that the global recession had a more profound negative impact on the unemployment rate of young women aged 15–19 years compared to young men in the same age cohort. Figure 19 and Figure 20 show that not only is the rate substantially higher among young women aged 15–19 years compared with their male counterparts, but that whereas among young men in that age cohort it increased from 51,9% in 2008 to 62,9% in 2011, among young women the increase was much larger – from 59,8% to 70,5% over the same period. Figure 19 and Figure 20 also highlight that except for those in the two oldest age cohorts, in 2015 the rate declined among male youth. In contrast, among young women it increased for all age cohorts except those aged 20–24 years.

Table 12: Male unemployment rate for youth (15–34 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	23,6	24,8	27,2	29,5	32,2	31,9	29,6	27,6
Eastern Cape	37,2	34,4	37,4	38,4	34,5	39,1	39,4	39,3
Northern Cape	28,4	30,7	37,2	34,9	29,8	35,8	39,5	38,1
Free State	28,7	30,9	38,2	35,1	35,6	39,7	45,5	35,1
KwaZulu-Natal	26,1	29,1	26,0	25,9	26,9	28,8	27,7	30,5
North West	24,0	34,3	30,0	33,4	37,6	33,7	34,5	36,8
Gauteng	27,7	27,3	34,8	34,5	31,5	35,2	33,2	37,5
Mpumalanga	27,8	31,2	36,7	35,3	36,6	34,5	38,9	33,2
Limpopo	39,2	38,6	35,7	24,9	28,8	24,3	25,8	25,6
South Africa	**28,4**	**29,8**	**32,7**	**32,2**	**31,8**	**33,5**	**33,4**	**33,8**

Table 13: Male unemployment rate for adults (35–64 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	8,5	8,9	13,7	12,9	15,9	17,0	13,6	13,8
Eastern Cape	14,6	16,0	19,4	13,6	17,7	18,1	18,1	18,6
Northern Cape	12,2	12,4	14,3	15,7	14,0	14,6	14,1	20,0
Free State	11,9	11,0	11,4	13,3	17,7	15,8	19,4	18,1
KwaZulu-Natal	13,1	10,9	11,1	10,0	10,4	10,9	11,8	13,9
North West	12,8	13,7	14,6	11,5	13,6	16,5	14,9	15,8
Gauteng	11,4	11,5	15,1	14,2	16,7	14,5	16,7	17,3
Mpumalanga	13,3	12,5	14,5	16,0	12,3	14,2	12,7	17,4
Limpopo	15,7	15,5	13,7	11,4	13,4	12,1	10,6	9,0
South Africa	**12,0**	**11,8**	**14,3**	**13,1**	**15,1**	**14,6**	**14,9**	**15,9**

Table 14: Female unemployment rate for youth (15–34 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	28,6	30,3	28,1	35,2	30,9	34,7	32,6	32,4
Eastern Cape	38,1	44,7	43,4	35,5	42,1	40,8	42,4	42,8
Northern Cape	40,1	48,6	41,5	49,6	43,7	45,6	46,0	52,6
Free State	41,8	42,4	43,4	45,5	55,2	47,5	51,8	45,5
KwaZulu-Natal	36,0	35,8	28,4	34,1	33,5	32,6	34,1	36,8
North West	42,9	44,3	49,1	45,4	46,1	44,2	43,7	44,4
Gauteng	38,6	37,3	45,0	45,6	43,7	40,8	40,5	42,6
Mpumalanga	39,5	41,5	46,3	51,7	50,2	48,9	48,1	46,9
Limpopo	47,9	42,7	44,6	33,4	34,8	37,2	32,4	37,2
South Africa	**38,0**	**38,5**	**39,5**	**40,9**	**40,7**	**39,7**	**39,5**	**40,7**

Table 15: Female unemployment rate for adults (35–64 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	10,4	9,5	12,1	11,8	12,8	11,8	11,1	13,4
Eastern Cape	18,7	16,7	15,6	16,5	16,4	19,7	16,6	18,0
Northern Cape	16,5	16,4	14,2	24,7	13,0	22,1	17,1	24,9
Free State	16,4	14,9	16,7	20,2	22,1	22,5	24,7	24,8
KwaZulu-Natal	12,4	9,0	9,1	8,8	8,6	9,6	9,4	13,7
North West	13,9	17,0	16,6	15,5	13,6	15,8	22,9	20,5
Gauteng	15,9	13,8	19,8	20,1	17,6	17,1	19,9	22,4
Mpumalanga	14,1	9,8	16,3	19,7	20,5	20,3	21,4	17,6
Limpopo	20,2	15,7	15,3	9,7	12,1	11,6	8,9	13,3
South Africa	**15,0**	**13,0**	**15,6**	**15,9**	**15,2**	**15,5**	**16,5**	**18,4**

Table 12 to Table 15 show interesting patterns and trends in the provincial unemployment rate by sex. In every province, the difference between male and female unemployment rates among young people is much larger than among male and female adults. In 2008, the unemployment rate among young women was higher than the rate among young men by 9,6 percentage points. This reflects relatively large differences between male and female rates in provinces such as North West (18,9 percentage points), Free State (13,1 percentage points), Mpumalanga and Northern Cape (each with an 11,7 percentage point difference). Over the period 2008–2015, the gap has narrowed in five provinces (Western Cape, Free State, KwaZulu-Natal, North West and Gauteng). The biggest improvement over the period occurred in North West where the difference between male and female rates among young people narrowed to 7,6 percentage points. There was also a marked decline in Gauteng – from 10,9 percentage points in 2008 to 5,1 percentage points in 2015. In contrast, over the same period, in provinces such as Limpopo, Northern Cape and Eastern Cape the unemployment rate among young women was higher than that of young men by 2,5–3,0 percentage points. Among adults, Eastern Cape, KwaZulu-Natal and Limpopo stand out as the provinces in which the difference between male and female rates has been below 5,0 percentage points each year over the period 2008–2015. And notably, since 2010, in provinces such as Western Cape and KwaZulu-Natal the male unemployment rate among adults is actually higher than that of women.

Figure 21: Male unemployment rate for youth (15–34 years) by province, 2008 and 2015

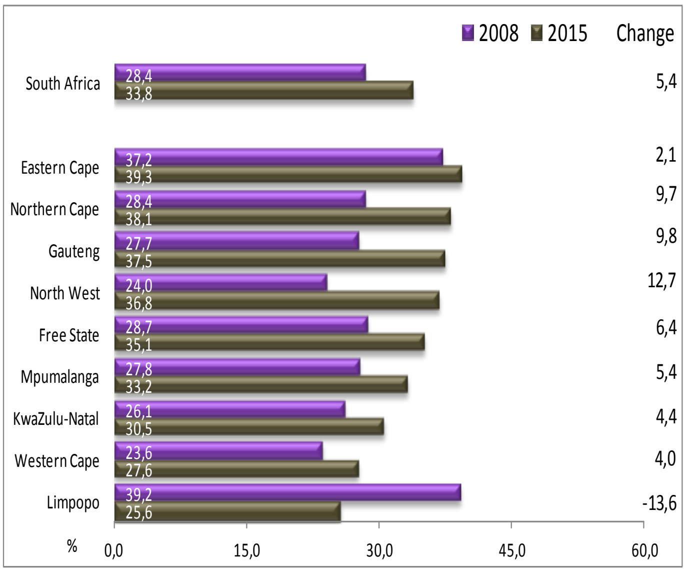


Figure 22: Male unemployment rate for adults (35–64 years) by province, 2008 and 2015

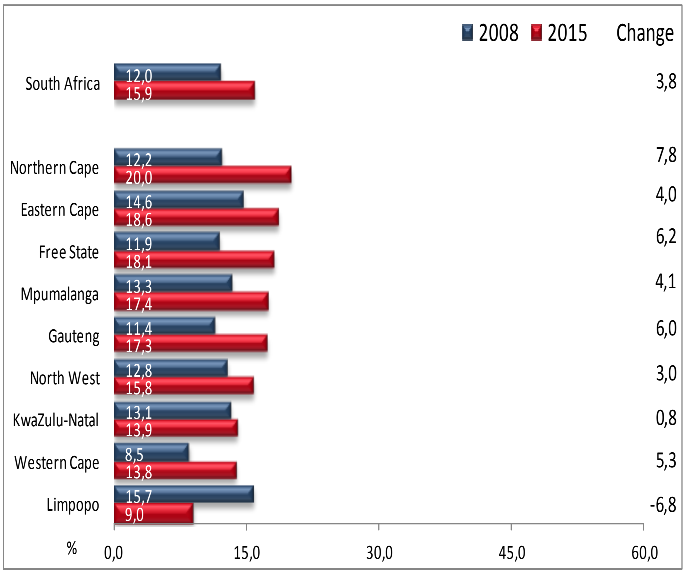


Figure 23: Female unemployment rate for youth (15–34 years) by province, 2008 and 2015

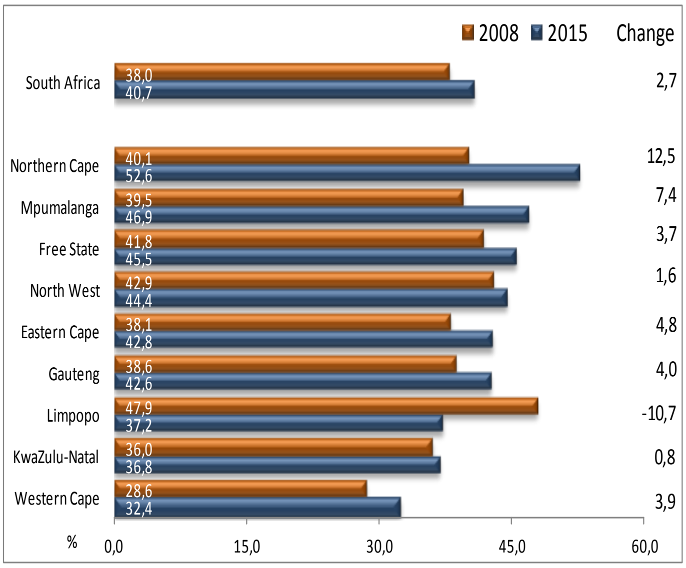
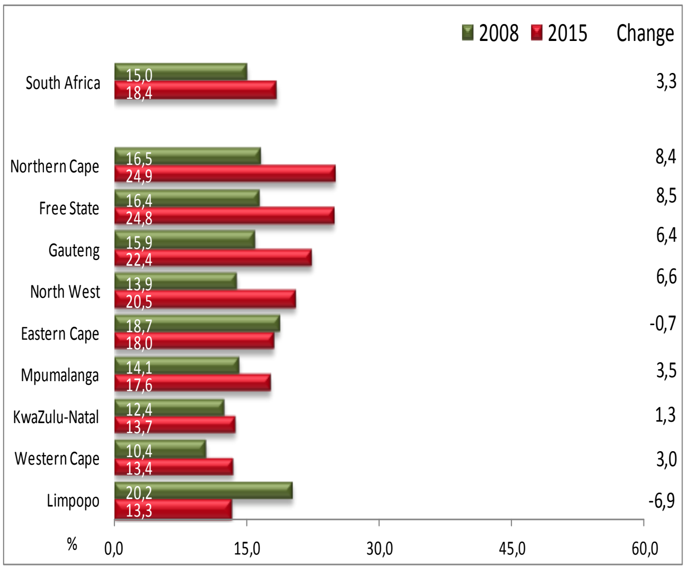


Figure 24: Female unemployment rate for adults (35–64 years) by province, 2008 and 2015



Trends over the period 2008–2015 shown in Figure 21 to Figure 24 indicate that except in Limpopo (and in Eastern Cape among adult women) there was an increase in the unemployment rate among both youth and adults irrespective of their sex. The largest increases occurred among male youth in North West (up 12,7 percentage points) and female youth in Northern Cape (up 12,5 percentage points).

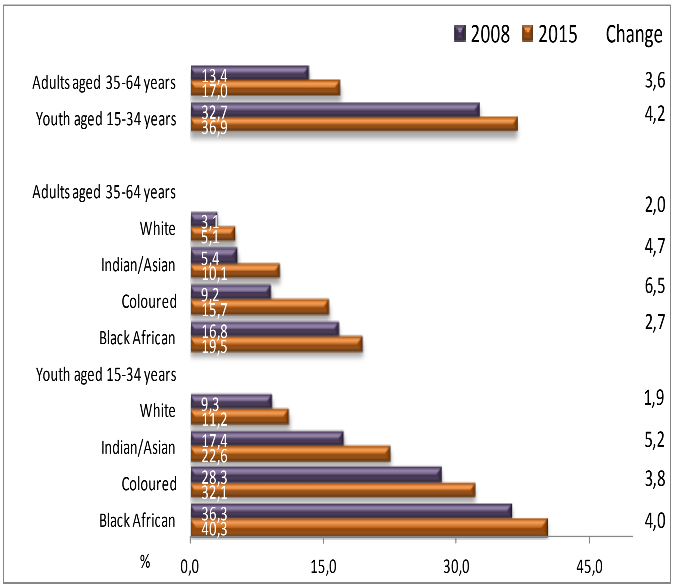
Key labour market rates by population group

National labour market outcomes also mask variations by population group that are quite large. The analysis in this section thus focuses on key labour market rates by population group to highlight differences in impact that the global crisis had on the labour market situation of the four population groups.

Table 16: Unemployment rate among youth and adults by population group, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
			Youth 15-34 years (Per cent)					
Black African	36,3	37,5	39,9	39,5	39,4	39,6	39,4	40,3
Coloured	28,3	27,5	30,4	32,9	33,1	33,7	35,3	32,1
Indian/Asian	17,4	17,2	12,5	19,7	13,3	16,5	15,7	22,6
White	9,3	9,7	10,8	11,6	10,4	12,5	9,6	11,2
Total	**32,7**	**33,7**	**35,7**	**36,1**	**35,8**	**36,2**	**36,1**	**36,9**
			Adults 35–64 years (Per cent)					
Black African	16,8	15,3	18,0	17,3	17,7	17,4	18,1	19,5
Coloured	9,2	10,7	13,3	14,1	16,0	14,6	13,5	15,7
Indian/Asian	5,4	6,6	6,0	3,8	6,0	8,4	9,8	10,1
White	3,1	1,9	4,0	3,4	4,0	4,7	5,1	5,1
Total	**13,4**	**12,4**	**14,9**	**14,4**	**15,1**	**15,0**	**15,6**	**17,0**
			All ages 15–64 years (Per cent)					
Black African	27,3	27,0	29,3	28,7	28,7	28,3	28,5	29,7
Coloured	19,2	19,2	21,7	23,0	24,1	23,6	23,5	23,3
Indian/Asian	11,7	11,9	9,1	11,3	9,3	12,1	12,4	15,7
White	5,2	4,4	6,2	6,0	6,1	7,3	6,6	7,2
Total	**23,2**	**23,0**	**25,1**	**24,8**	**25,0**	**25,0**	**25,2**	**26,4**

Figure 25: Unemployment rate of youth and adults by population group, 2008 and 2015



Black African youth and adults have higher unemployment rates than the other population groups. And for every population group, the unemployment rate among youth is higher than it is among adults. The difference in the rate among youth and adults is highest among black Africans, ranging between 19,5–23,0 percentage points each year over the 2008–2015 period. In contrast, the difference between youth and adult rates among the white population group is between 6,1 and 8,2 percentage points over the same period. In the aftermath of the global recession, the rate among black African youth rose from 36,3% in 2008 to almost 40,0% each year over the period 2010–2014, peaking at 40,3% in 2015. And as shown in Figure 25, whereas the adult rate among black African adults increased by 2,7 percentage points, the increase among black African youth was higher at 4,0 percentage points

Table 17: Male unemployment rate for youth and adults by population group, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
			Male youth 15–34 years (Per cent)					
Black African	31,2	32,5	35,9	34,9	34,4	36,1	36,2	36,7
Coloured	27,4	27,8	31,1	31,5	34,7	34,3	35,0	29,1
Indian/Asian	14,0	17,0	9,8	17,8	12,5	14,6	13,4	24,4
White	7,4	8,3	10,3	10,4	9,4	11,9	8,6	11,5
Total	**28,4**	**29,8**	**32,7**	**32,2**	**31,8**	**33,5**	**33,4**	**33,8**
			Male adults 35–64 years (Per cent)					
Black African	15,3	14,8	17,6	15,7	17,6	16,8	17,3	18,4
Coloured	8,7	11,7	12,6	14,5	17,1	17,4	13,2	15,2
Indian/Asian	5,9	6,9	6,7	3,9	7,4	9,6	11,8	7,5
White	2,4	1,3	3,5	3,1	3,6	3,5	4,8	4,4
Total	**12,0**	**11,8**	**14,3**	**13,1**	**15,1**	**14,6**	**14,9**	**15,9**

Table 18: Female unemployment rate for youth and adults by population group, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
			Female youth 15–34 years (Per cent)					
Black African	42,8	43,9	45,0	45,5	45,8	44,2	43,5	44,8
Coloured	29,4	27,1	29,7	34,3	31,3	33,1	35,6	35,5
Indian/Asian	21,9	17,5	16,0	22,4	14,7	19,1	18,9	20,2
White	11,4	11,3	11,5	12,9	11,5	13,1	10,7	10,8
Total	**38,0**	**38,5**	**39,5**	**40,9**	**40,7**	**39,7**	**39,5**	**40,7**
			Female adults 35–64 years (Per cent)					
Black African	18,4	15,9	18,4	19,2	17,7	18,1	18,9	20,7
Coloured	9,9	9,5	14,1	13,6	14,5	11,3	13,8	16,3
Indian/Asian	4,5	6,0	4,5	3,6	3,7	6,1	5,6	15,0
White	4,0	2,7	4,7	3,8	4,5	6,2	5,4	6,1
Total	**15,0**	**13,0**	**15,6**	**15,9**	**15,2**	**15,5**	**16,5**	**18,4**

There are large gender-related differences in the unemployment rate by population group. Young women from the black African population group are the most vulnerable in the South African labour market. Their unemployment rate at 42,0–46,0% each year over the period 2008–2015 is substantially higher than that of black African male youth (30,0–37,0%) and more so with respect to the rate among youth from the white male population group (7,0–12,0%).

Figure 26: Male unemployment rate for youth (15–34 years) and adults (35–64 years) by population group, 2008–2015

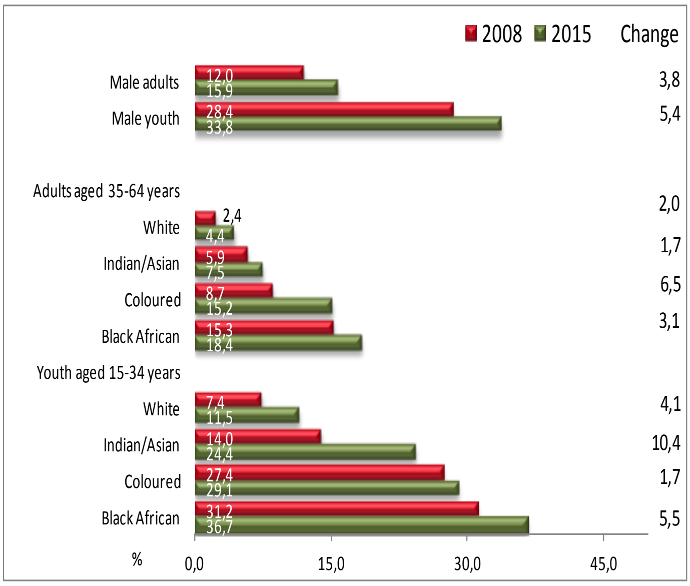
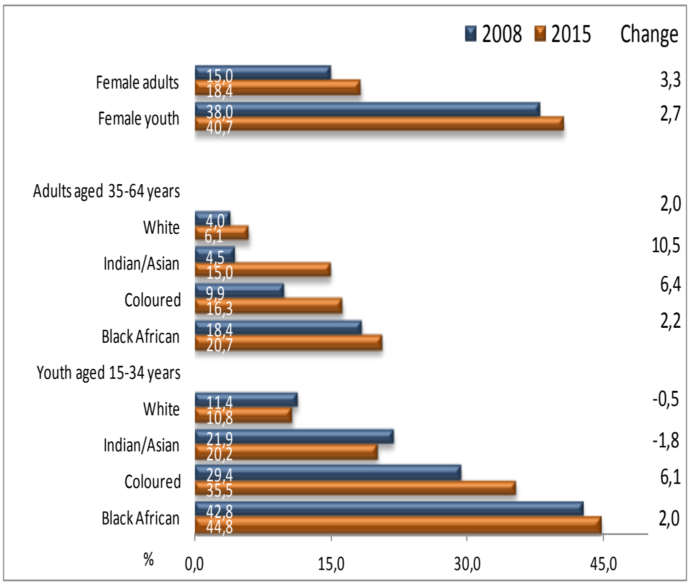


Figure 27: Female unemployment rate for youth (15–34 years) and adults (35–64 years) by population group, 2008–2015



Note: the sample size for the Indian/Asian population is too small for reliable estimates.

Over the period 2008–2015, the unemployment rate increased among black African young men by 5,5 percentage points – higher than the increase that occurred among their female counterparts (2,0 percentage points). Over the same period, the rate among young women from the coloured population group rose by a substantially larger margin (6,1 percentage points) than among young men from that population group. In contrast, the rate declined among female youth from the Indian/Asian and white population groups but rose among their male counterparts.

Labour market outcomes by level of education

Jimenez et al (2012)[7] find that "Because many young people are poorly educated when they leave school, they enter the world of work without the knowledge, skills, or behaviors necessary to adapt to changes in the economy and their lives. Moreover, within countries, learning levels are highly unequal, which points to a need not only for relevant and high-quality education at all levels, but also for basic education for hard-to-reach or disadvantaged groups. Research indicates that learning inequality more depends on the design and effectiveness of education policies than on income."

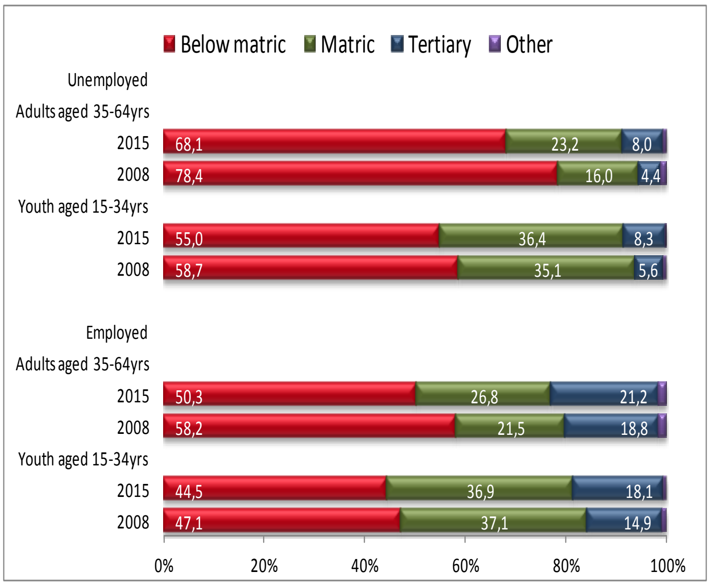
Table 19: Distribution of the working-age population among youth (15–34) by education level, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
				Employed 15–34 years (Thousand)					
Primary and lower	700	686	510	465	469	422	424	502	**-198**
Secondary incomplete	2 346	2 221	2 016	2 074	2 131	2 131	2 156	2 274	**-73**
Secondary complete	2 397	2 328	2 229	2 176	2 182	2 194	2 301	2 300	**-97**
Tertiary	961	1 013	962	934	1 024	1 057	1 084	1 130	**169**
Total (incl other)	**6 460**	**6 296**	**5 789**	**5 704**	**5 874**	**5 850**	**6 000**	**6 239**	**-221**
				Unemployed 15–34 years (Thousand)					
Primary and lower	370	304	323	243	244	226	259	322	**-47**
Secondary incomplete	1 471	1 524	1 474	1 510	1 543	1 570	1 558	1 682	**210**
Secondary complete	1 101	1 170	1 175	1 260	1 255	1 297	1 286	1 327	**226**
Tertiary	176	179	209	194	210	217	276	304	**128**
Total (incl other)	**3 136**	**3 194**	**3 215**	**3 220**	**3 273**	**3 321**	**3 390**	**3 646**	**510**
				Not economically active 15–34 years (Thousand)					
Primary and lower	1 422	1 391	1 388	1 403	1 306	1 261	1 187	1 116	**-306**
Secondary incomplete	5 491	5 616	5 903	6 069	6 099	6 309	6 232	6 089	**597**
Secondary complete	1 494	1 710	2 057	2 136	2 219	2 227	2 372	2 283	**788**
Tertiary	148	146	195	216	210	233	255	267	**118**
Total (incl other)	**8 612**	**8 915**	**9 603**	**9 901**	**9 907**	**10 112**	**10 114**	**9 821**	**1 209**
				Working-age population 15–34 years (Thousand)					
Primary and lower	2 492	2 381	2 221	2 111	2 019	1 909	1 869	1 940	**-551**
Secondary incomplete	9 309	9 362	9 393	9 653	9 773	10 010	9 946	10 044	**735**
Secondary complete	4 992	5 207	5 461	5 572	5 656	5 719	5 960	5 910	**917**
Tertiary	1 286	1 338	1 367	1 345	1 444	1 507	1 615	1 701	**415**
Total (incl other)	**18 209**	**18 404**	**18 608**	**18 824**	**19 053**	**19 283**	**19 504**	**19 706**	**1 498**

[7] Emmanuel Jimenez, Elizabeth M. King, and Jee-Peng Tan, Making the grade, FINANCE & DEVELOPMENT, March 2012, IMF, Vol. 49, No. 1

Table 19 shows that over the period 2008–2015, job losses among youth occurred at every education level except among those with tertiary qualifications. Over the same period, unemployment levels rose for all youth except those with primary education or lower. The largest increase in unemployment among youth occurred among those who had not completed their secondary education (up 210 000) as well as those whose highest level of educational attainment was matric/secondary complete (up (226 000).

Figure 28: Level of education of the employed and unemployed, 2008 and 2015



Over the period 2008–2015, the level of education has improved among both youth and adults with a shift in the proportions from the lowest education levels into higher categories. Despite this improvement, in 2015 as many as 44,5% of employed youth and 50,3% of employed adults had education levels below matric. And notably, Figure 28 shows that one out of every two (55,0%) youth and more than two out of every three adults (68,1%) who were unemployed and looking for work only had education below the matric level.

Figure 29: Level of education of employed youth in 5-year age groups, 2008 and 2015

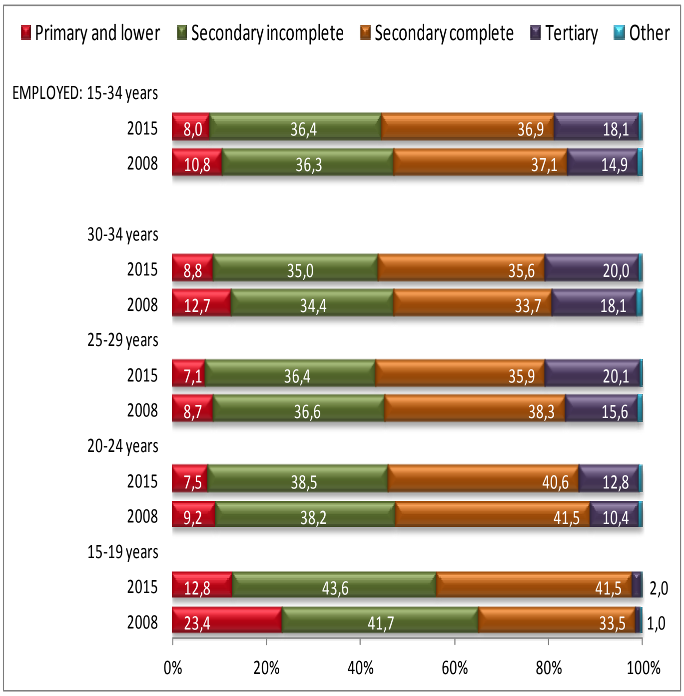
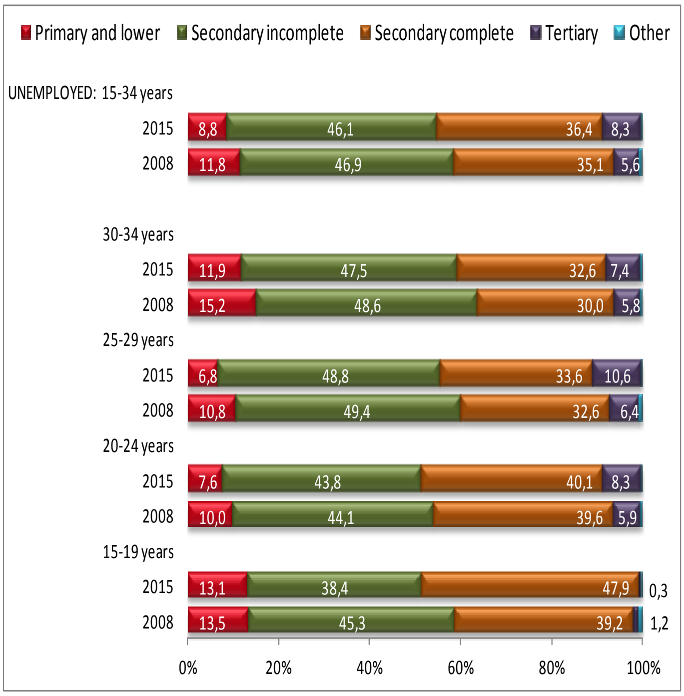


Figure 30: Level of education of unemployed youth in 5-year age groups, 2008 and 2015



The disaggregation of youth into 5-year age cohorts reveals that in 2015, among youth who had jobs, one in every ten (12,8%) aged 15–19 years only had an education level of primary or lower. In the highest age cohort (30–34 years) as many as 8,8% also had that level of education while an additional 35,0% had not completed their secondary education

(Figure 29). And, the education profile of youth who were unemployed and looking for work is cause for even greater concern. Figure 30 shows that despite the improvements in the education profile of unemployed youth over the period 2008–2015, in 2015, as many as 43,0–49,0% of youth in every age cohort except the youngest (15–19 years) had not completed their secondary education.

Figure 31: Level of education of employed youth aged 15–24 years by population group, 2008 and 2015

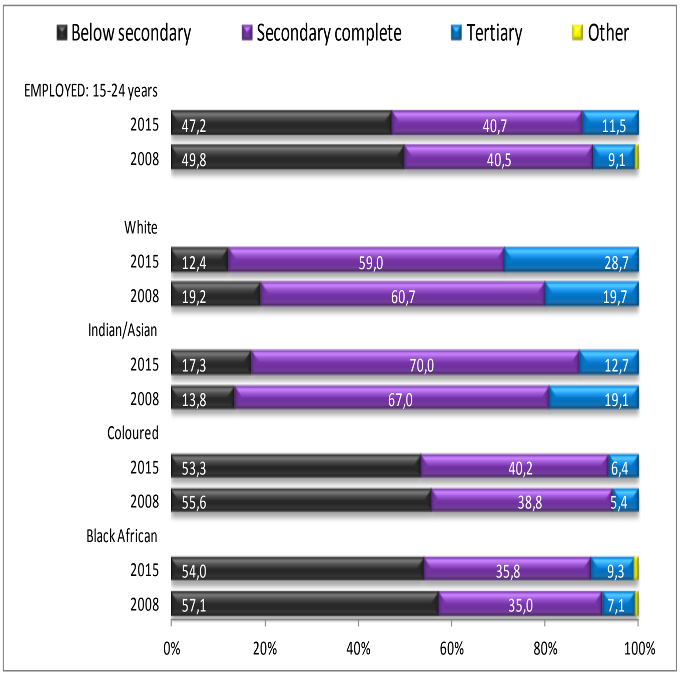
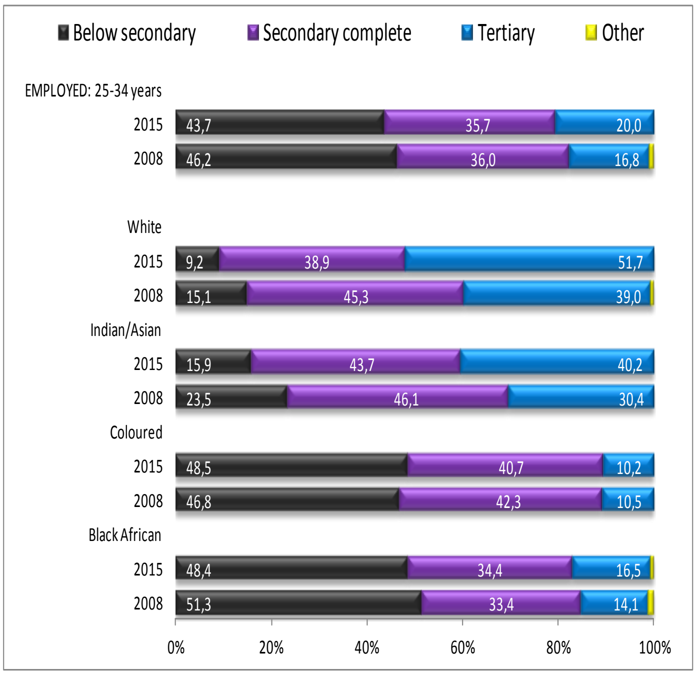


Figure 32: Level of education of employed youth aged 25–34 years by population group, 2008 and 2015



The education level of employed youth has a direct influence on the types of jobs they are able to get. In 2015, one in every two black African (54,0%) and coloured (53,3%) youth aged 15–24 years who had jobs, had education levels below the secondary level (matric). In contrast, the proportion of the Indian/Asian and white population groups with that education level was substantially smaller at 17,3% and 12,4% respectively. Among youth aged 25–34 years the pattern is similar but the percentages in the lowest education categories are smaller. In 2015, among employed black African and coloured youth aged 25–34 years, 48,4% and 48,5% respectively had education below the secondary level while an additional 16,5% and 10,2% had a tertiary qualification. Among the employed white and Indian/Asian population groups aged 25–34 years, 40,0–52,0% had a tertiary qualification.

Figure 33: Level of education of unemployed youth aged 15–24 years by population group, 2008 and 2015

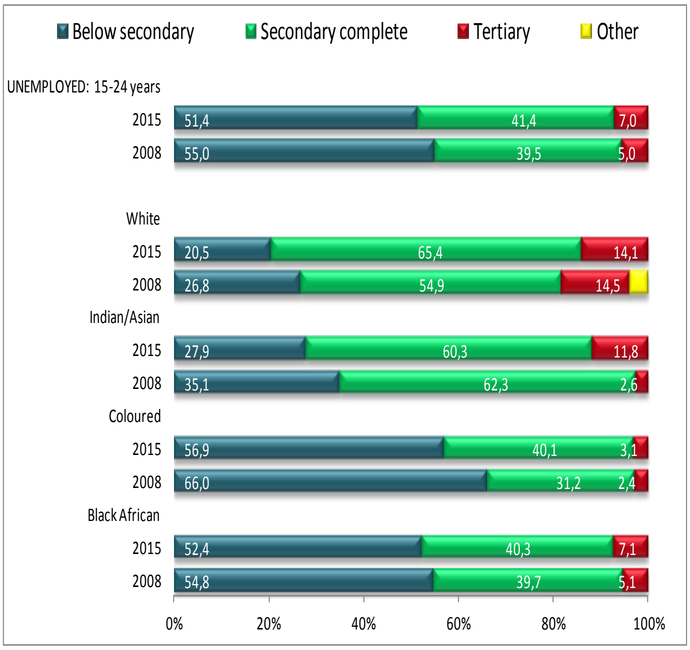
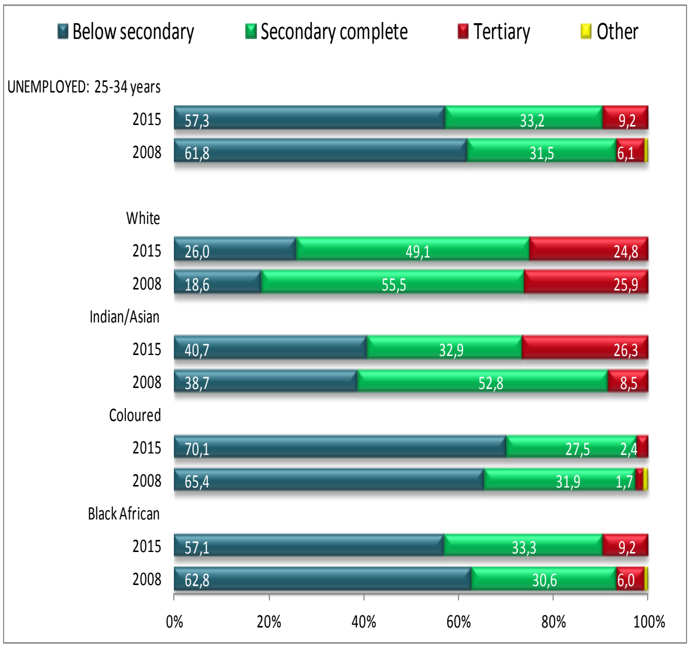


Figure 34: Level of education of unemployed youth aged 25–34 years by population group, 2008 and 2015



The improvement in education levels over the period 2008–2015 for all population groups is also reflected in the education profile of unemployed youth aged 15–24 years and those aged 25–34 years in each population group. Despite this, in 2015 among unemployed black African youth aged 15–24 years who were looking for work, as many as 52,4% had education levels below matric and an even higher proportion (56,9%) of youth from the coloured population group had that level of education (Figure 33). This proportion falls to 27,9% and 20,5% among the Indian/Asian and white population groups respectively. Figure 34 shows that the situation is substantially worse among unemployed youth aged 25–34 years who are actively looking for work. As many as 57,1% of such youth within the black African and 70,1% within the coloured population group only have education below the matric level. Smaller proportions of such youth in the Indian/Asian (40,7%) and white (26,0%) population groups have those qualifications.

Figure 35: Share of employed youth (15–34 years) with levels of education below matric by province, 2008 and 2015

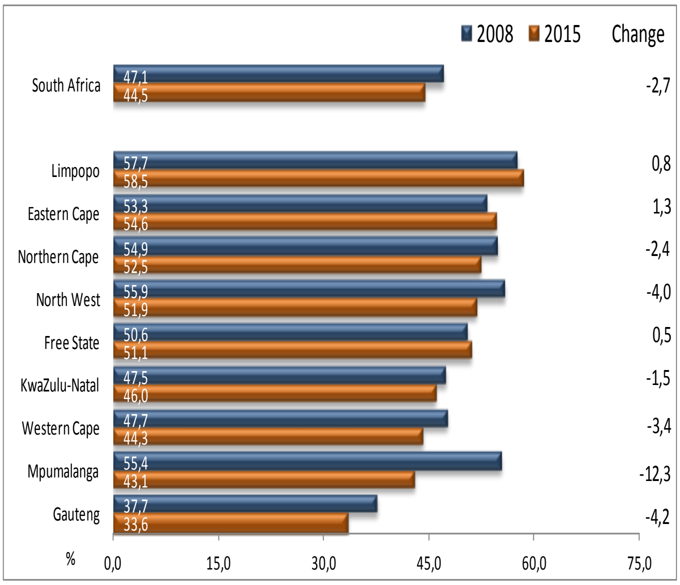
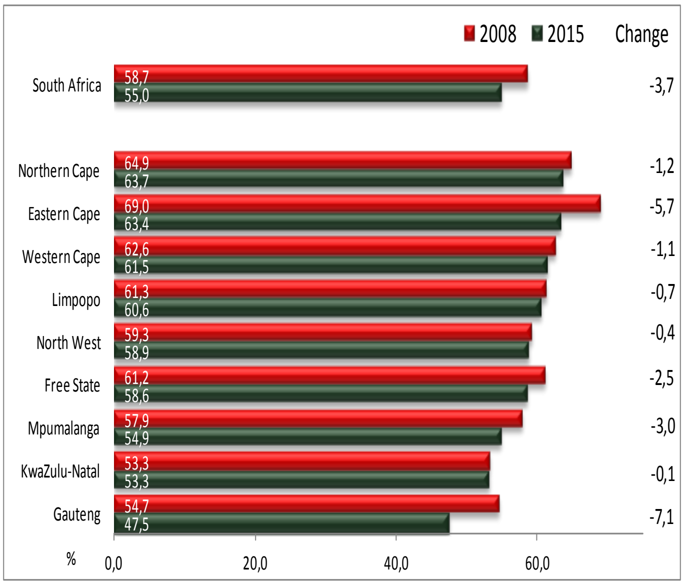


Figure 36: Share of unemployed youth (15–34 years) with levels of education below matric by province, 2008 and 2015



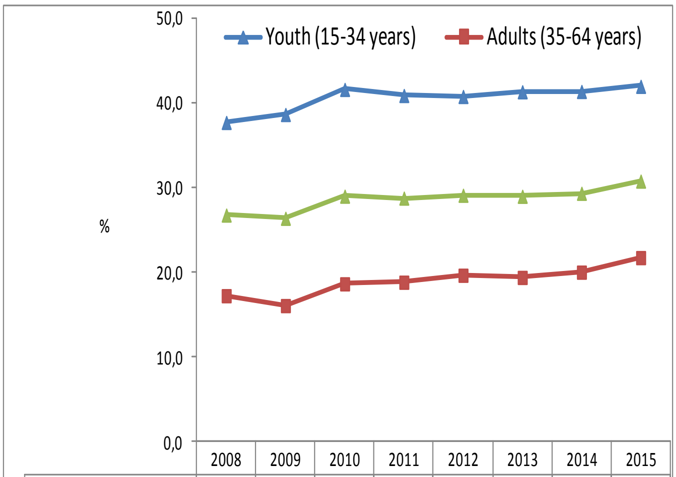
There are large provincial differences in the proportion of employed youth aged 15–34 years that have education levels below matric (Figure 35). A declining share over the period 2008–2015 of youth with such qualifications suggests that there has been an improvement in the education profile of employed youth over the past seven years. This is evident in several provinces (Mpumalanga, Gauteng, North West, Western Cape, Northern Cape and KwaZulu-Natal). Nonetheless, in 2015, in provinces such as Limpopo, Eastern and Northern Cape more than one in every two employed youth (52,0–59,0%) only had education levels below matric. In contrast, in Gauteng, Mpumalanga and Western Cape a smaller proportion of youth (33,0–45,0%) had that level of education. The percentage of unemployed youth who were unemployed and looking for work but only had an education level below matric ranged from 47,5% in Gauteng to over 60,0% in Northern Cape (63,7%), Eastern Cape (63,4%) and Western Cape (61,5%).

Table 20: Unemployment rate by level of education, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
				Youth aged 15–34 years (Per cent)				
Below secondary	37,7	38,6	41,6	40,9	40,7	41,3	41,3	41,9
Secondary complete	31,5	33,4	34,5	36,7	36,5	37,1	35,8	36,6
Tertiary	15,5	15,0	17,9	17,2	17,0	17,0	20,3	21,2
Total	**32,7**	**33,7**	**35,7**	**36,1**	**35,8**	**36,2**	**36,1**	**36,9**
				Adults aged 35–64 years (Per cent)				
Below secondary	17,2	16,1	18,6	18,8	19,7	19,4	20,0	21,7
Secondary complete	10,3	10,1	14,6	13,8	13,6	13,3	14,3	15,0
Tertiary	3,5	2,9	3,9	3,3	4,5	4,9	5,6	7,2
Total	**13,4**	**12,4**	**14,9**	**14,4**	**15,1**	**15,0**	**15,6**	**17,0**
				All ages (15–64 years)				
Below secondary	26,7	26,4	29,0	28,8	29,1	29,0	29,3	30,8
Secondary complete	24,0	24,9	26,5	27,5	26,9	27,1	26,4	27,0
Tertiary	8,6	7,9	9,6	8,4	9,4	9,6	11,4	12,9
Total	**23,2**	**23,0**	**25,1**	**24,8**	**25,0**	**25,0**	**25,2**	**26,4**

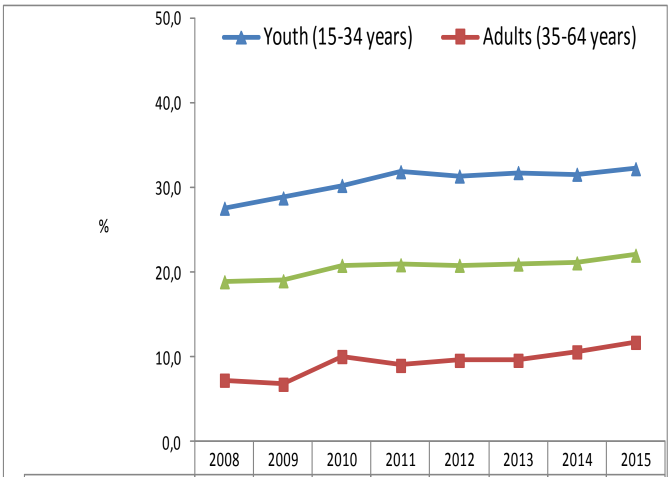
The unemployment rates by level of education shown in Table 20 reflect the education profile of the employed and unemployed discussed in the previous section. As expected, among both youth and adults, the rate is substantially lower for those who have a tertiary education compared with those with lower levels of education.

Figure 37: Unemployment rate of those with levels of education below the secondary (matric) level, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	37,7	38,6	41,6	40,9	40,7	41,3	41,3	41,9
Adults (35-64 years)	17,2	16,1	18,6	18,8	19,7	19,4	20,0	21,7
Total (15-64 years)	26,7	26,4	29,0	28,8	29,1	29,0	29,3	30,8

Figure 38: Unemployment rate of those with completed secondary (matric) or higher levels of education, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Youth (15-34 years)	27,6	28,8	30,2	31,9	31,4	31,8	31,6	32,2
Adults (35-64 years)	7,3	6,8	10,1	9,0	9,6	9,6	10,6	11,7
Total (15-64 years)	18,9	19,0	20,8	20,9	20,8	21,0	21,1	22,0

Figure 37 and Figure 38 highlight the strong association between unemployment rates and the level of education. The rate is substantially higher among youth and adults with education levels below matric compared with those who have completed their secondary education (matric) or have higher levels of education. But whereas the global recession resulted in an increase in the rate from 37,7% in 2008 to 41,6% in 2010 (up by 3,9 percentage points) among youth with below matric education levels, among adults with a similar level of education it increased by a smaller amount (from 17,2% to 18,6%) over the same period.

Employment by industry

According to the IMF (2010)[8] "The recent crisis marked the largest shock to the world economy in the post-war era. After years of strong global growth, the implosion in advanced economy financial centers quickly affected emerging market economies."

This section analyses the impact of the crisis on the various industries in South Africa. In this regard, and as acknowledged by Hyun-Sung Khang (2009)[9], "The slump in global demand, coupled with a sharp decline in the prices of some major commodities, pushed the continent's largest economy, South Africa, into its first recession in almost two decades."

Table 21: Trends in employment by industry among youth (15–34 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015	2008–2015
	Thousand								Annual change (Thousand)							
Agriculture	382	354	307	282	297	372	283	436	-28	-48	-24	15	75	-89	152	**54**
Mining	156	154	123	128	154	150	154	171	-2	-30	4	26	-4	4	17	**15**
Manufacturing	883	847	744	784	752	765	681	750	-36	-103	39	-32	14	-84	69	**-133**
Utilities	41	35	28	41	36	40	51	51	-7	-6	13	-5	4	11	0	**10**
Construction	613	608	549	535	457	468	586	571	-4	-59	-14	-78	11	118	-15	**-42**
Trade	1 759	1 644	1 521	1 503	1 590	1 440	1 541	1 452	-114	-124	-17	87	-151	101	-89	**-306**
Transport	356	365	328	317	340	348	372	355	9	-37	-11	23	8	24	-16	**-1**
Finance	956	944	872	796	893	863	915	997	-12	-73	-75	96	-30	52	82	**41**
Services	924	905	928	949	960	1 075	1 109	1 116	-19	23	21	11	115	34	7	**192**
Private households	391	436	388	363	394	330	307	339	45	-48	-25	31	-64	-24	33	**-52**
Total (incl other)	**6 460**	**6 296**	**5 789**	**5 704**	**5 874**	**5 850**	**6 000**	**6 239**	**-165**	**-506**	**-85**	**170**	**-24**	**150**	**239**	**-221**

[8] International Monetary Fund, How Did Emerging Markets Cope in the Crisis? Prepared by the Strategy, Policy, and Review Department In consultation with other departments, June 15, 2010
[9] Hyun-Sung Khang, Surviving the Third Wave, in FINANCE & DEVELOPMENT, IMF, December 2009, Volume 46, Number 4

The impact of the global recession affected some industries more than others. Among youth, in 2009, job losses occurred in every industry except in Transport and Private Households. In 2010 youth employed in every industry except the Community and social services industry also lost jobs. The largest job losses in those two years occurred in the Trade industry (down by 114 000 and 124 000 in 2009 and 2010 respectively) followed by Manufacturing (down by 36 000 and 103 000). Over the longer period 2008–2015, job losses occurred in five industries.

Table 22: Trends in employment by industry among adults (35–64 years), 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015	2008–2015
	Thousand								Annual change (Thousand)							
Agriculture	456	424	376	345	397	392	425	456	-32	-47	-31	52	-5	34	30	**0**
Mining	197	208	201	208	209	244	270	272	11	-7	7	1	35	27	2	**75**
Manufacturing	1 228	1 184	1 102	1 122	1 086	1 091	1 123	1 028	-44	-82	20	-36	5	32	-95	**-200**
Utilities	61	78	50	58	58	84	78	92	17	-28	8	0	26	-6	13	**31**
Construction	568	613	556	558	585	616	613	751	45	-57	3	27	31	-3	138	**183**
Trade	1 560	1 562	1 501	1 615	1 617	1 593	1 645	1 594	3	-62	115	2	-24	53	-52	**34**
Transport	452	454	510	458	493	524	523	543	3	56	-52	34	32	-1	20	**91**
Finance	824	920	908	942	963	1 053	1 131	1 198	96	-11	34	20	91	77	67	**374**
Services	1 790	1 919	1 915	2 040	2 134	2 221	2 319	2 334	129	-4	125	94	87	98	15	**544**
Private households	842	957	883	851	863	889	924	949	116	-74	-32	12	26	35	25	**107**
Total (incl other)	**7 977**	**8 320**	**8 008**	**8 200**	**8 410**	**8 708**	**9 054**	**9 220**	**343**	**-312**	**192**	**210**	**298**	**346**	**166**	**1 243**

Among adults, in 2009 only the Agriculture and Manufacturing industries suffered job-losses. But in 2010 every industry except Transport lost jobs. Such losses were highest in the Manufacturing industry and for people working in Private households (down by 82 000 and 74 000 respectively). But unlike the situation among youth and reflecting the less precarious labour market situation of adults, over the longer period 2008–2015, employment levels rose in every industry except Manufacturing while Agriculture remained unchanged.

Figure 39: Share in employment by industry among youth, 2008 and 2015

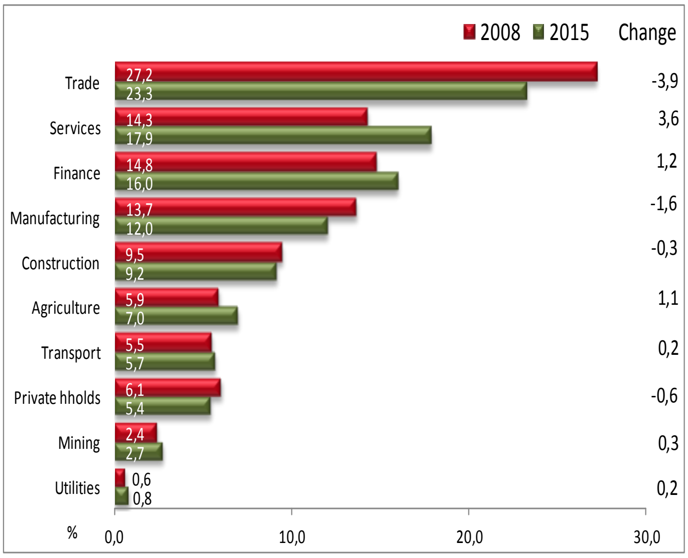
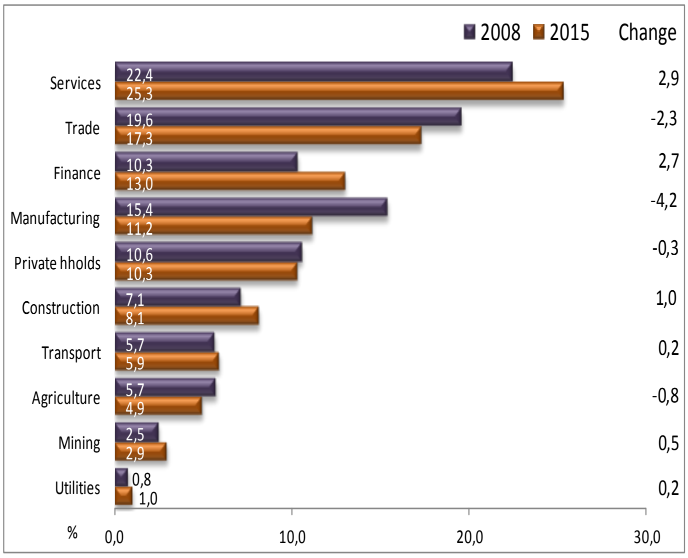


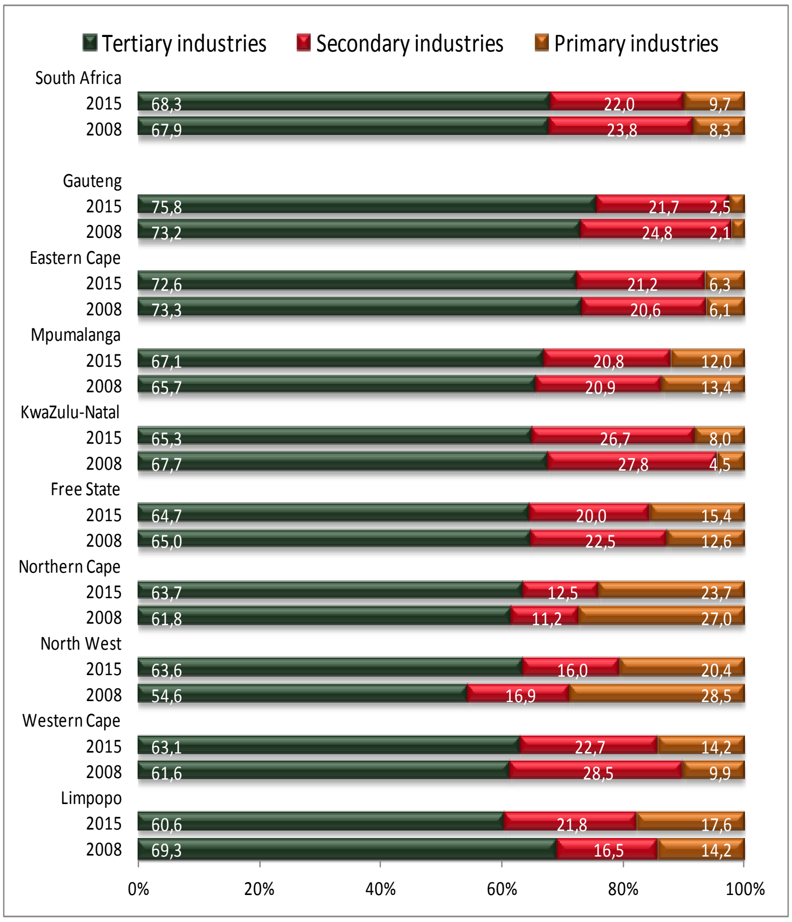
Figure 40: Share in employment by industry among adults, 2008 and 2015



The Trade industry is the major source of employment for youth, accounting for 23,3% of their employment in 2015. As a result of the recession, the share of that industry declined by the largest amount over the period 2008–2015 (down by 3,9 percentage points). In comparison, among adults, the decline in the share of Trade over the period was lower at 2,3 percentage points. The Manufacturing industry suffered the second highest job losses among youth over the period and its share in total employment declined by 1,6 percentage points compared to 4,2 percentage points among adults. The Community and social services industry is the second most important source of jobs among youth but provides the most jobs among adults. And as shown in Figure 39 and Figure 40, job gains in that industry among both youth and adults resulted in a larger increase in the share among youth (up by 3,6 percentage points) compared to adults (up 2,9 percentage points).

With regards to the other industries, among both youth and adults, increases of under 1,0 percentage point occurred in the shares of the Transport, Mining and Utilities industries in total employment. But whereas the share of young people in the construction industry declined over the period, among adults there was an increase.

Figure 41: Provincial employment shares by industry among youth (15–34 years), 2008 and 2015



Note: **Primary industries** are Agriculture and Mining. **Secondary industries** are Manufacturing; Utilities, and Construction. **Tertiary industries** are Trade; Transport; Finance; Community and social services; and Private households.

The impact of the crisis on industry shares varied across the provinces. The tertiary industry accounts for the largest share of total employment in every province, ranging from 60,6% in Limpopo to 75,8% in Gauteng in 2015. Over the period 2008–2015, that industry's share declined in four provinces (Limpopo by 8,7 percentage points, KwaZulu-Natal by 2,4 percentage points and in Eastern Cape and Free State by less than one percentage point.) In contrast, employment shares in the secondary industry declined in seven provinces and generally by larger amounts than occurred in the tertiary industry.

Employment by occupation

As discussed earlier, there is a strong association between the jobs people do and their level of education and training. In light of this, the analysis in this section should therefore be viewed in the context of the education profile of employed youth and adults discussed earlier. And as acknowledged by the ILO (KILM 2024 op cit), "Occupational information is particularly important for the identification of changes in skill levels in the labour force."

Table 23: Change in employment by occupation among youth and adults, 2008–2015

	2008	2015	Change	2008	2015	Change	2008	2015	Change
	Youth 15–34 yrs (Thousand)			Adults 35–64 yrs (Thousand)			Total 15–64 yrs (Thousand)		
Manager	289	341	52	730	911	181	1 019	1 252	233
Professional	333	263	-70	459	519	60	792	782	-10
Technician	560	502	-58	967	917	-50	1 527	1 419	-108
Clerk	877	834	-43	679	836	157	1 556	1 670	114
Sales	1 101	1 191	90	789	1 258	469	1 889	2 449	559
Skilled agric	28	24	-4	102	59	-43	129	83	-47
Craft	977	794	-184	1 105	1 079	-26	2 082	1 873	-209
Operator	501	472	-29	740	853	112	1 241	1 324	83
Elementary	1 516	1 588	71	1 705	2 012	307	3 221	3 600	378
Domestic work	279	233	-46	701	776	75	980	1 009	29
Total	**6 460**	**6 239**	**-221**	**7 977**	**9 220**	**1 243**	**14 438**	**15 459**	**1 022**

Among young people, managers, sales personnel and elementary workers were the only occupations in which employment increased over the period 2008–2015. Job losses among youth over the period were the most acute among craft workers (down by 184 000) and professionals (down by 70 000). Among adults, job losses affected fewer occupation groups and were generally lower than those among youth.

Figure 42: Share in employment by occupation among youth, 2008 and 2015

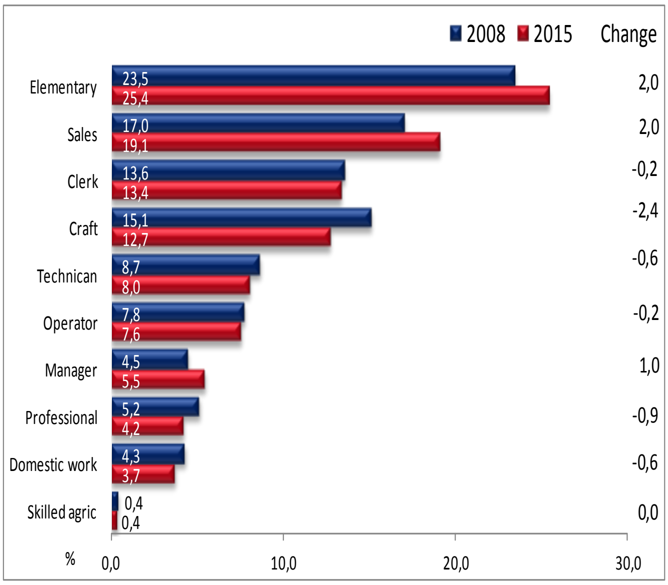
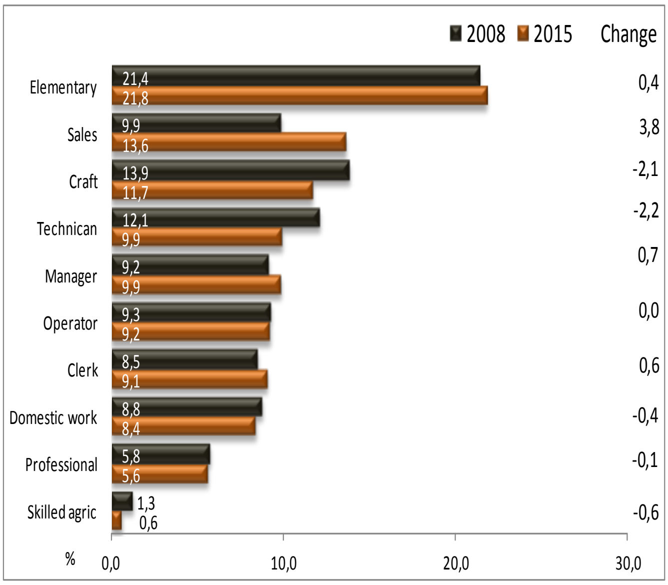
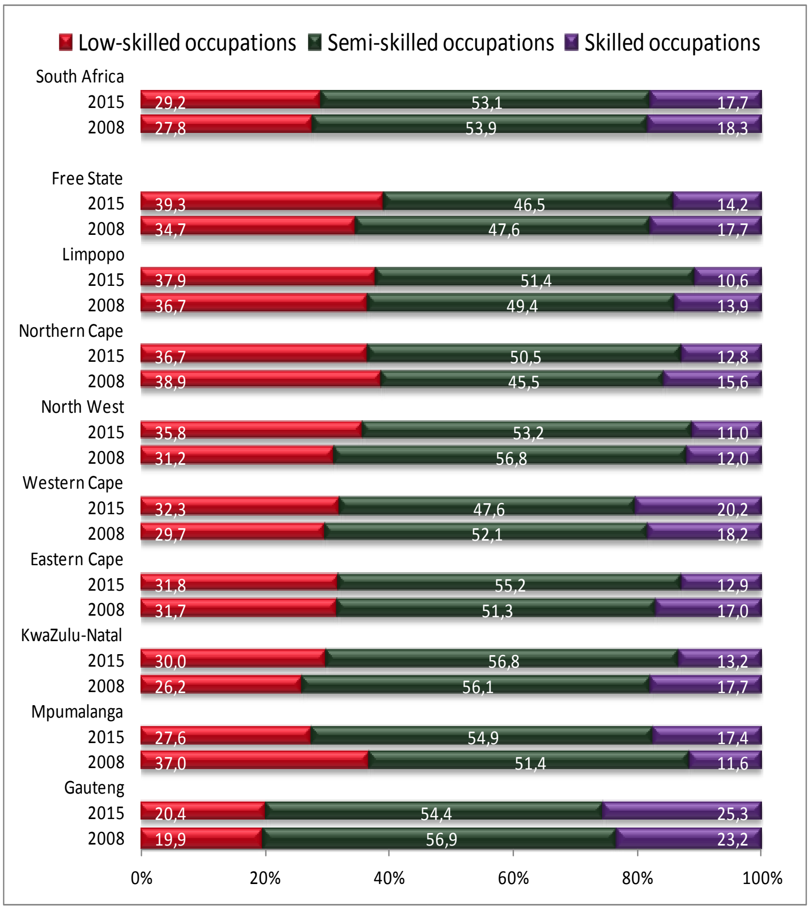


Figure 43: Share in employment by occupation among adults, 2008 and 2015



Elementary jobs dominate the occupational profile of both youth and adults, accounting in 2015 for one in every four jobs among youth (25,4%) and one in every five (21,8%) among adults. Sales occupations rank second among both youth and adults, but this occupation accounts for a larger share of employment among youth (19,1% in 2015) compared to adults (13,6%). Over the period 2008–2015, among youth, the largest decline in occupational shares occurred among craft workers while for adults it occurred among technicians.

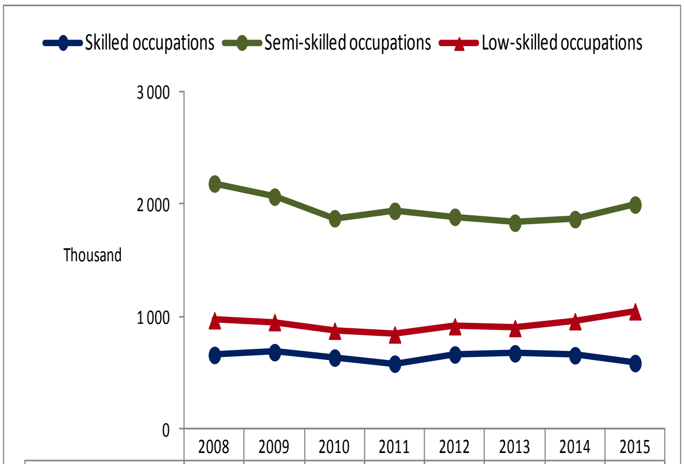
Figure 44: Provincial employment shares by occupation among youth (15–34 years), 2008 and 2015



Note: **Skilled occupations** are Managers; Professionals; and Technicians grouped. **Semi-skilled occupations** are Clerks; Sales; Skilled agriculture; Craft and Machine operators grouped. **Low-skilled occupations** are Elementary and Domestic work grouped.

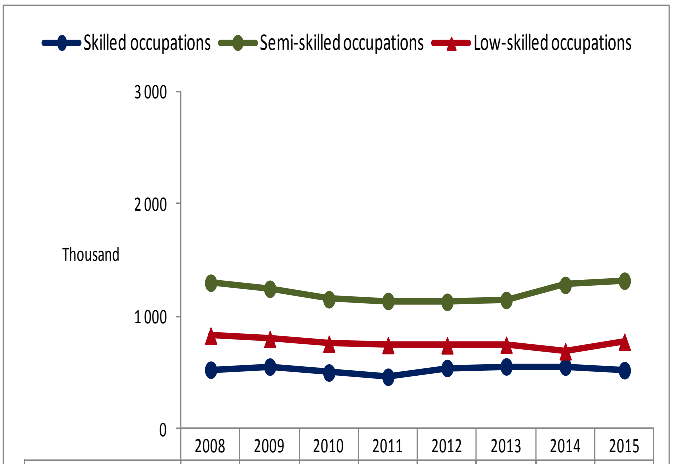
At national level, the vast majority of employed youth have either semi-skilled (53,1% in 2015) or low-skilled occupations (29,2% in 2015). A relatively small proportion have skilled positions (17,7%). Compared with the other provinces, in 2015, a higher proportion of employed youth in Gauteng (25,3%) and Western Cape (20,2%) had skilled positions while the lowest proportions with such positions occurred in Limpopo (10,6%) and North West (11,0%).

Figure 45: Employment by occupation among male youth (15–34 years), 2008 and 2015



	2008	2009	2010	2011	2012	2013	2014	2015
Skilled occupations	658	683	634	580	662	672	655	586
Semi-skilled occupations	2 184	2 067	1 875	1 941	1 888	1 835	1 867	1 997
Low-skilled occupations	967	950	874	840	914	898	958	1 046

Figure 46: Employment by occupation among female youth (15–34 years), 2008 and 2015



	2008	2009	2010	2011	2012	2013	2014	2015
Skilled occupations	524	552	499	462	540	553	552	520
Semi-skilled occupations	1 299	1 245	1 152	1 137	1 129	1 146	1 280	1 317
Low-skilled occupations	829	798	756	744	742	746	688	774

Figure 45 and Figure 46 show that irrespective of their sex, semi-skilled occupations are the jobs held by the majority of youth. The lowest employment levels for both male and female youth who had skilled positions occurred in 2011. And the steady increase in low-skilled occupations for two consecutive years in 2014 and 2015 among male youth has been accompanied by a decline in skilled occupations and an increase in semi-skilled positions. Among female youth, over the same period, job losses occurred among those with skilled and low-skilled occupations in 2014. The situation improved in 2015 among those with low and semi-skilled occupations but there was a further decline among those in skilled positions that year.

Figure 47: Employment shares by occupation among male and female youth, 2008 and 2015

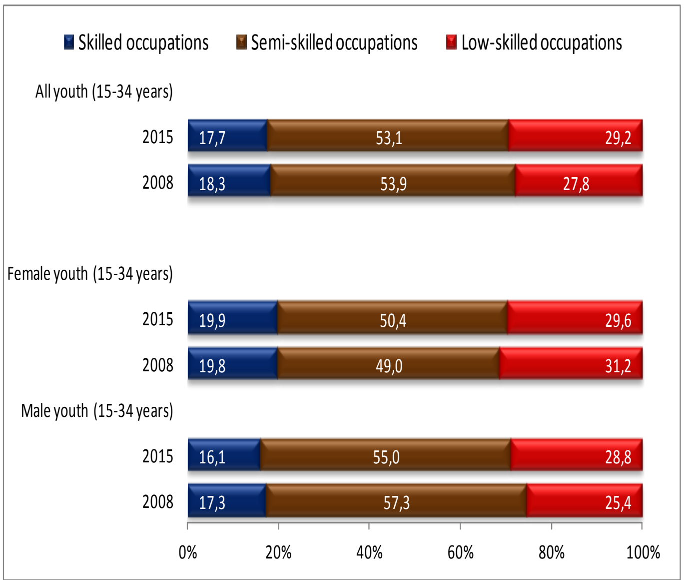
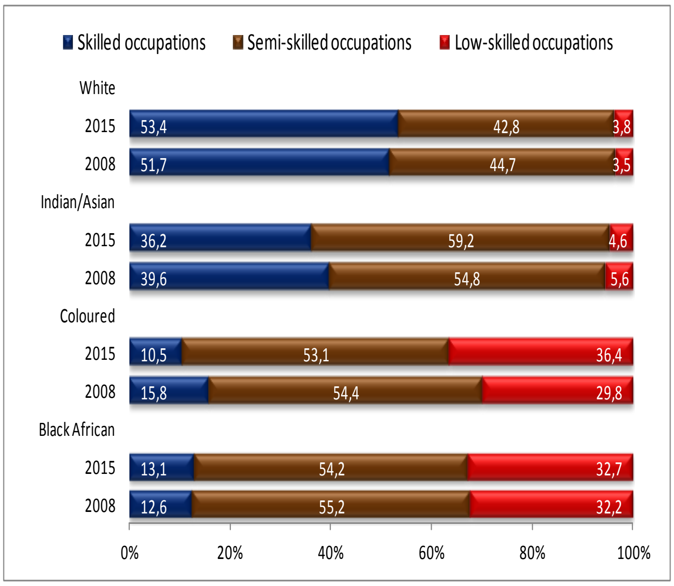


Figure 48: Employment shares by occupation and population group among youth, 2008 and 2015



Compared with male youth (16,1%), a larger proportion of female youth (19,9%) have skilled occupations (Figure 47). Trends over the period 2008–2015 indicate that the proportion of male youth in low-skilled occupations increased from 25,4% to 28,8% while among female youth the proportion declined from 31,2% to 29,6%. The distribution of occupations by population group shown in Figure 48 reflects the differences in the education profile among the four groups discussed earlier. Whereas in 2015, only 13,1% of black African youth and 10,5% of coloured youth had skilled occupations, one in every three (36,2%) of Indian/Asian youth and 53,4% of white youth had such occupations.

Employment by sector

According to the ILO (KILM 7th Edition) “The informal sector represents an important part of the economy, and certainly of the labour market, in many countries and plays a major role in employment creation, production and income generation.” In the aftermath of the global recession Klein (2012)[10] finds that “The large loss of employment (in RSA) has been broad-based, and has affected both the formal and informal sectors. It occurred despite the government’s aggressive counter-cyclical fiscal policy, which was reflected in a substantial increase in the public sector’s employment.”

Table 24: Employment by sector among youth and adults, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Youth 15–34 years (Thousand)							
Formal sector	4 555	4 507	4 150	4 034	4 222	4 182	4 388	4 434
Informal sector	1 132	999	944	1 025	961	965	1 022	1 030
Agriculture	382	354	307	282	297	372	283	436
Private households	391	436	388	363	394	330	307	339
Total	**6 460**	**6 296**	**5 789**	**5 704**	**5 874**	**5 850**	**6 000**	**6 239**
	Adults 35–64 years (Thousand)							
Formal sector	5 379	5 654	5 545	5 751	5 899	6 059	6 391	6 362
Informal sector	1 301	1 285	1 204	1 253	1 251	1 369	1 314	1 453
Agriculture	456	424	376	345	397	392	425	456
Private households	842	957	883	851	863	889	924	949
Total	**7 977**	**8 320**	**8 008**	**8 200**	**8 410**	**8 708**	**9 054**	**9 220**
	Total 15–64 years (Thousand)							
Formal sector	9 934	10 161	9 695	9 785	10 121	10 242	10 780	10 796
Informal sector	2 433	2 284	2 148	2 277	2 212	2 334	2 336	2 483
Agriculture	838	778	683	627	694	764	709	891
Private households	1 233	1 393	1 271	1 214	1 257	1 219	1 231	1 288
Total	**14 438**	**14 616**	**13 797**	**13 904**	**14 284**	**14 558**	**15 055**	**15 459**

Table 25: Change in employment by sector among youth and adults, 2008–2015

	2009	2010	2011	2012	2013	2014	2015	2009–2015
	Youth 15–34 years (Thousand)							
Formal sector	-48	-357	-116	188	-40	206	46	**-121**
Informal sector	-134	-54	80	-64	5	57	8	**-102**
Agriculture	-28	-48	-24	15	75	-89	152	**54**
Private households	45	-48	-25	31	-64	-24	33	**-52**
Total	**-165**	**-506**	**-85**	**170**	**-24**	**150**	**239**	**-221**
	Adults 35–64 years (Thousand)							
Formal sector	275	-109	207	148	160	332	-29	**983**
Informal sector	-16	-82	49	-1	117	-55	140	**152**
Agriculture	-32	-47	-31	52	-5	34	30	**0**
Private households	116	-74	-32	12	26	35	25	**107**
Total	**343**	**-312**	**192**	**210**	**298**	**346**	**166**	**1 243**
	Total 15–64 years (Thousand)							
Formal sector	227	-466	90	335	121	538	17	**863**
Informal sector	-149	-136	129	-65	122	2	147	**50**
Agriculture	-60	-95	-56	66	70	-55	183	**53**
Private households	160	-122	-57	44	-38	12	58	**55**
Total	**178**	**-818**	**106**	**380**	**274**	**496**	**405**	**1 022**

Youth bore the brunt of the global recession. Informal sector jobs among them fell by 134 000 from 1,1 million in 2008 to 999 000 thousand in 2009, whereas job losses in that sector among adults amounted to only 16 000. In the formal sector, 357 000 youth lost their jobs in 2010 compared to job losses of only 109 000 among adults. When in 2011 adult employment in the formal sector rose by 207 000, there was a further decline in formal sector jobs among youth (by 116 000).

[10] Nir Klein, IMF Working Paper, African Department, Real Wage, Labor Productivity, and Employment Trends in South Africa: A Closer Look, 2012

Figure 49: Employment shares of youth (15–34 years) by sector and population group, 2008 and 2015

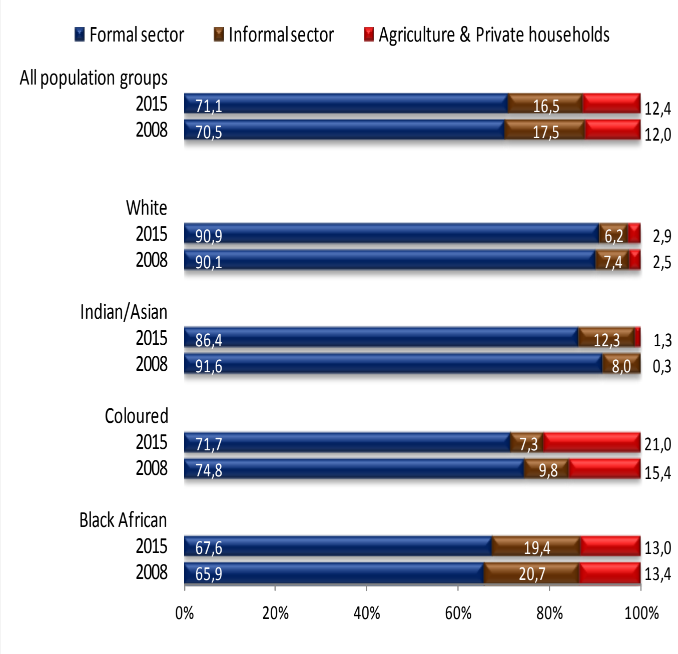
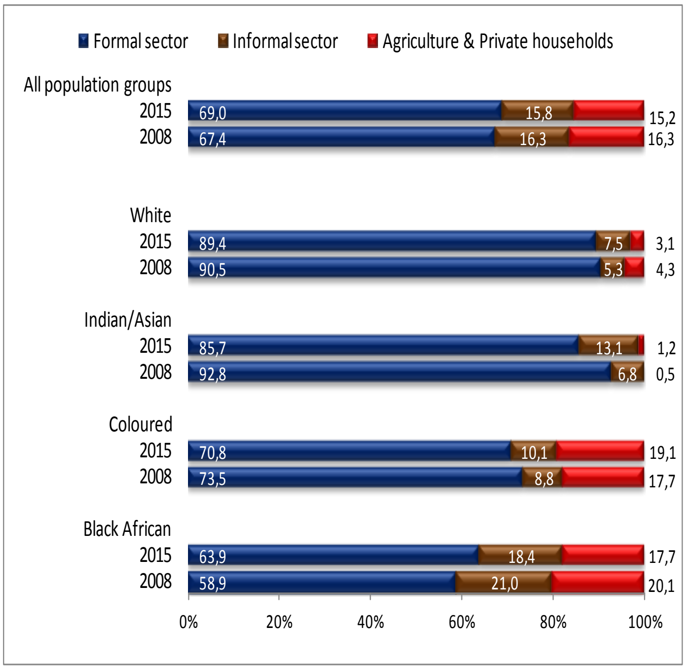


Figure 50: Employment shares of adults (35–64 years) by sector and population group, 2008 and 2015



Irrespective of population group, the formal sector provides the most employment opportunities among both youth and adults. But whereas in 2015 nine out of every ten (90,9%) youth from the white population group and 86,4% from the Indian/Asian group had jobs in the formal sector, only 71,7% of youth from the coloured population group and 67,6% from the black African group had formal sector jobs. In contrast, the informal sector provides a livelihood for almost one out of every five black African youth (19,4% in 2015) but accounts for only 6,0–13,0% of jobs among youth in the other population groups (Figure 49). Compared to youth, in 2015, smaller proportions of adults have jobs in the formal sector for every population group. And among adults, except for black Africans, the informal sector share in total employment is higher than among youth.

Figure 51: Provincial share of the informal sector in total employment among youth (15–34 years), 2008 and 2015

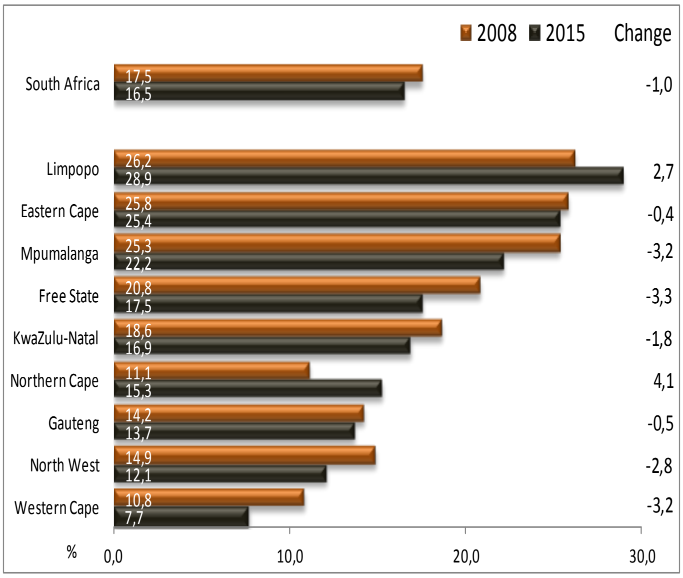
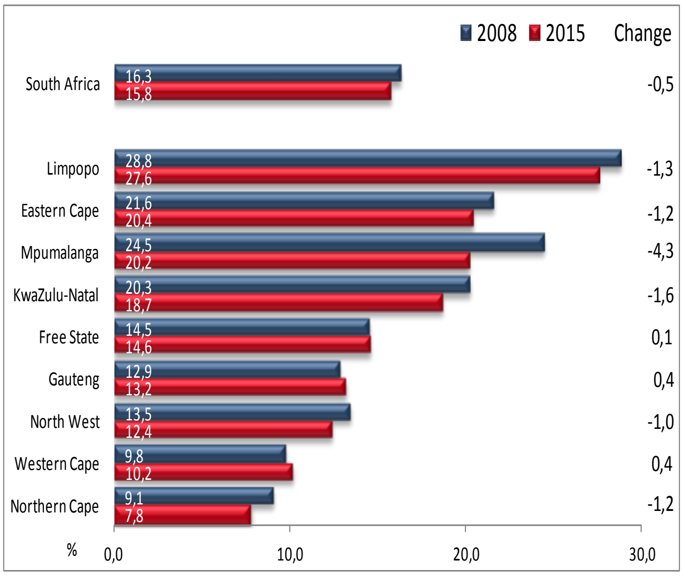


Figure 52: Provincial share of the informal sector in total employment among adults (35–64 years), 2008 and 2015



The informal sector makes a varied contribution to provincial employment outcomes. Among both youth and adults the sector accounts for the largest share of total employment in Limpopo and Eastern Cape. In these provinces, around one in every four youth had a job in the informal sector in 2015 while slightly lower proportions of adults had jobs in the sector that year. Over the period 2008–2015, the informal sector share in total employment among youth increased in Northern Cape and Limpopo by 4,1 and 2,7 percentage points respectively, but declined in every other province.

Table 26: Change in employment in the formal sector by industry, 2008–2015

	2008	2015	Change		2008	2015	Change
	Youth 15–34 years (Thousand)				Adults 35–64 years (Thousand)		
Mining	155	170	16	Mining	195	272	76
Manufacturing	779	679	-99	Manufacturing	1 066	884	-182
Utilities	37	46	9	Utilities	60	91	31
Construction	445	410	-35	Construction	390	519	129
Trade	1 253	1 049	-204	Trade	952	977	26
Transport	248	243	-5	Transport	350	405	55
Finance	852	898	46	Finance	753	1 086	333
Services	787	938	152	Services	1 614	2 124	510
Total incl other	**4 555**	**4 434**	**-121**	**Total incl other**	**5 379**	**6 362**	**983**

Table 27: Change in employment in the informal sector by industry, 2008–2015

	2008	2015	Change		2008	2015	Change
	Youth 15–34 years (Thousand)				Adults 35–64 years (Thousand)		
Mining	1	1	0	Mining	2	0	-2
Manufacturing	105	71	-33	Manufacturing	162	145	-18
Utilities	4	5	1	Utilities	1	1	-1
Construction	168	161	-7	Construction	178	232	53
Trade	506	403	-103	Trade	608	616	8
Transport	108	112	4	Transport	101	138	37
Finance	104	100	-4	Finance	71	112	40
Services	137	177	40	Services	176	210	34
Total	**1 132**	**1 030**	**-102**	**Total**	**1 301**	**1 453**	**152**

Employment levels among youth employed in the formal sector rose by the largest amount in the Community and social services industry (up by 152 000) over the period 2008–2015. There were also modest increases in the Finance industry (46 000), the Mining industry (16 000) and the Utilities industry (9 000). But these increases were more than offset by job losses in other industries (Trade down by 204 000, Manufacturing by 99 000, Construction by 35 000 and Transport by 5 000). In contrast, among adults employed in the formal sector, job losses only occurred in the Manufacturing industry (down by 182 000).

Figure 53: Employment by sector and level of education among youth (15–34 years), 2008 and 2015

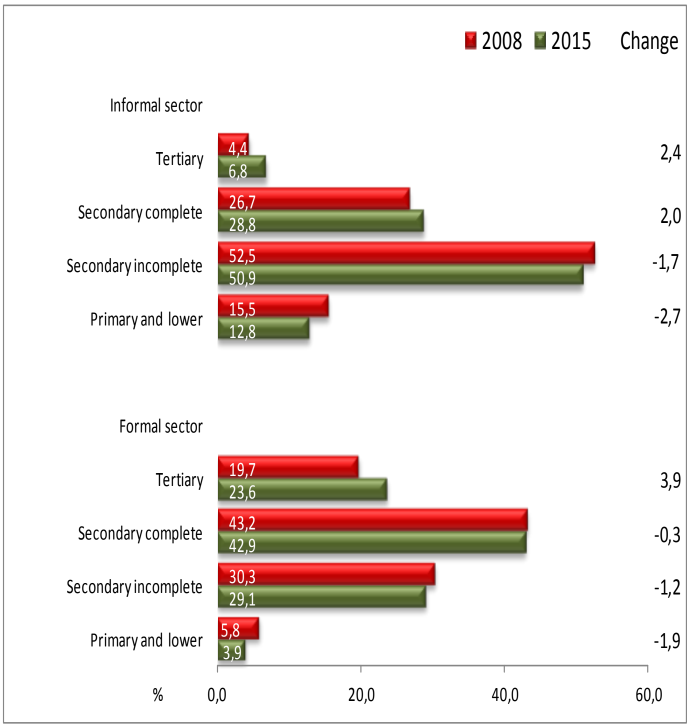
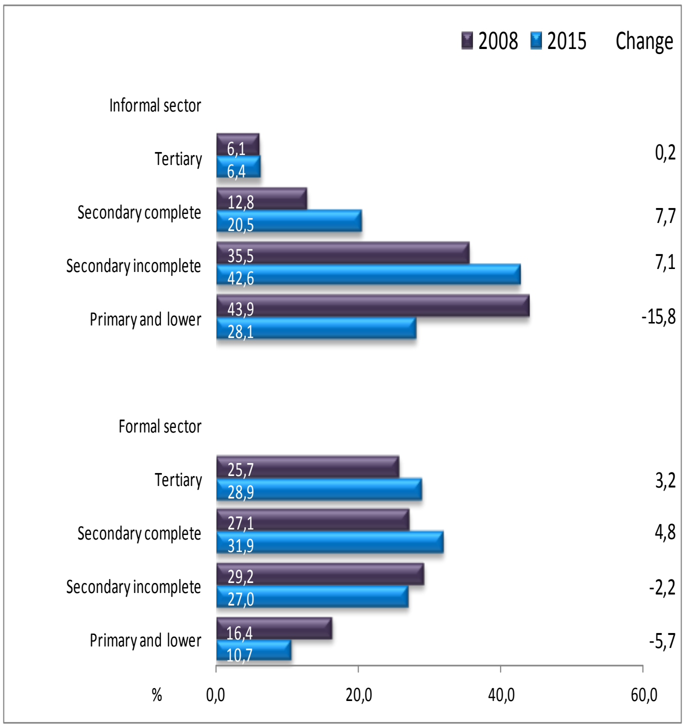


Figure 54: Employment by sector and level of education among adults (35–64 years), 2008 and 2015



The education profile of youth and adults that are employed in the informal sector confirm that the sector may be largely survivalist in nature. Relatively few youth who work in the informal sector (6,8% in 2015) have a tertiary qualification as against 23,6% of youth that work in the formal sector who have such qualifications. An additional one in every two youth (50,9%) with jobs in the informal sector have not completed matric as against 42,9% of those in the formal sector with such qualifications.

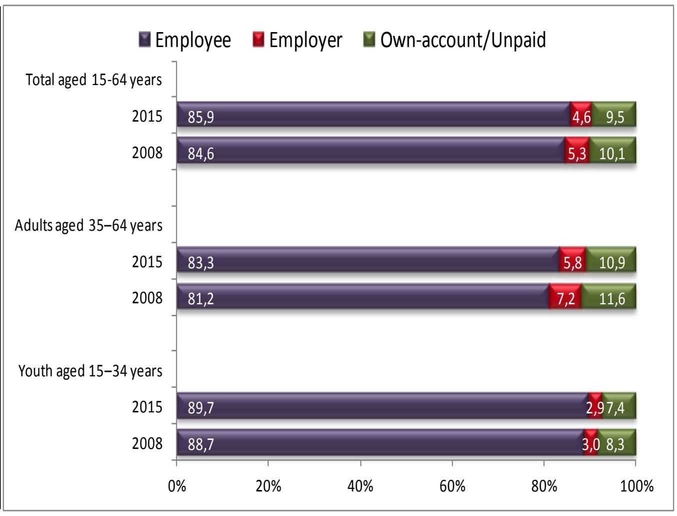
Status in employment

"Categorization by employment status can help in understanding both the dynamics of the labour market and the level of development of countries. Over the years, and with growth of the country, one would typically expect to see a shift in employment from the agriculture to the industry and services sectors, with a corresponding increase in wage and salaried workers and decreases in self-employed and contributing family workers, previously employed in the agricultural sector." (ILO: KILM 2014 op cit).

Table 28: Status in employment among youth and adults, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Youth aged 15–34 (Thousand)							
Employee	5 732	5 555	5 152	5 048	5 210	5 210	5 425	5 595
Employer	193	220	169	158	144	173	163	181
Own-account	470	450	401	424	453	430	372	411
Unpaid	66	71	66	74	67	38	41	53
Total	**6 460**	**6 296**	**5 789**	**5 704**	**5 874**	**5 850**	**6 000**	**6 239**
	Adults aged 35–64 (Thousand)							
Employee	6 477	6 761	6 580	6 678	6 944	7 115	7 610	7 684
Employer	575	614	540	609	564	629	578	535
Own-account	874	906	841	880	869	918	827	959
Unpaid	52	39	47	32	32	47	39	42
Total	**7 977**	**8 320**	**8 008**	**8 200**	**8 410**	**8 708**	**9 054**	**9 220**

Figure 55: Status in employment among youth and adults, 2008 and 2015



The vast majority of youth and adults are employees and among both groups, the number of own-account workers is higher than that of employers. At the height of the recession, the number of young employees and own-account workers declined in both 2009 and 2010. This contributed to job losses over the whole period (2008–2015) of 137 000 among young employees and 59 000 among own-account workers while as many as 12 000 young employers also lost their jobs. Many of these are likely to have been in the informal sector. In contrast, over the same period among adults, job losses which occurred among employees and own-account workers in some years were more than recovered in other years and employment levels rose by 1,2 million and 85 000 respectively for those groups. Only among adult employers was there a decline in employment (down by 40 000). In terms of employment shares, a larger proportion of youth are employees compared to adults and for both groups there has been an increase in the share of employees and a decline in the share of employers, and own-account workers/persons working unpaid in their family business.

Figure 56: Proportion of youth (15–34 years) that are own-account workers/unpaid, 2008 and 2015

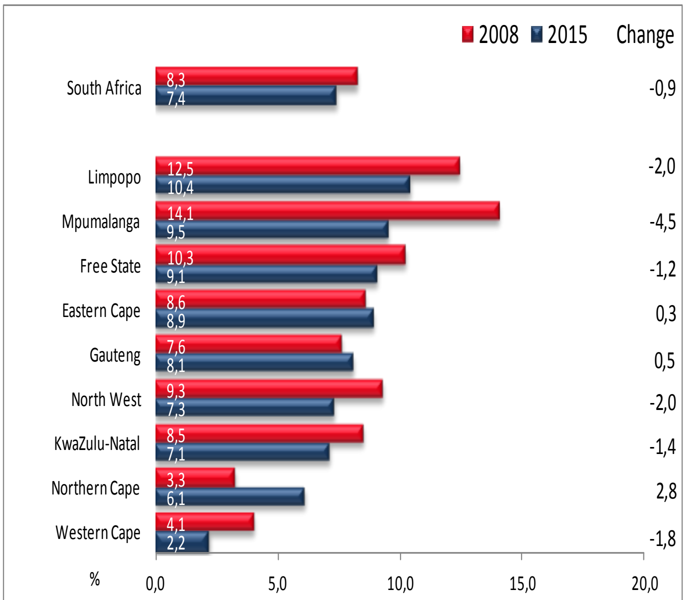
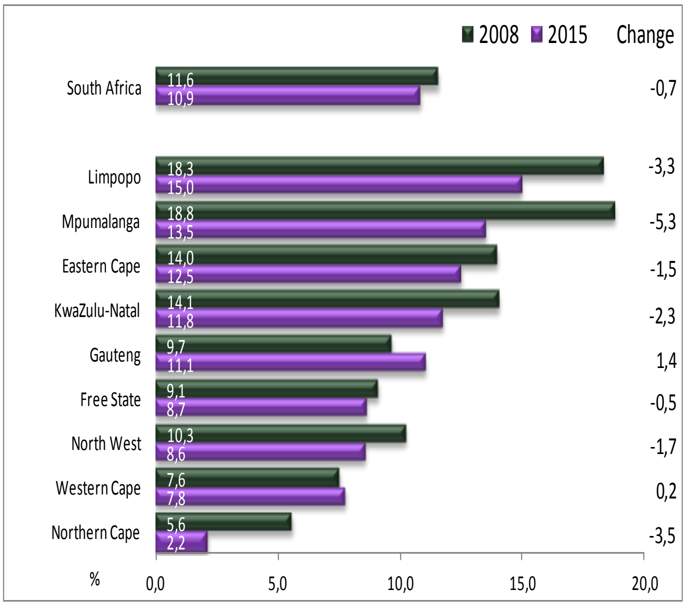


Figure 57: Proportion of adults (35–64 years) that are own-account workers/unpaid, 2008 and 2015



In every province, compared to among adults, a smaller proportion of youth are either own-account workers or work unpaid in their household business. And in several provinces, the proportion has declined over the period. In provinces such as Limpopo this decline is likely to be associated with the shift into discouragement discussed earlier. In other provinces (Eastern Cape, Gauteng and Northern Cape) the proportion of young own account/unpaid workers increased. While this may sometimes signal a heightened level of entrepreneurial activity, it is often the case that many such workers are poor and work in low productivity jobs that have little or no job security in the Agriculture industry in Private households or in the informal sector. The ILO (KILM: 2014 op cit) suggests that “Although technically employed, some self-employed workers’ or contributing family workers’ hold on employment is tenuous and the line between employment and unemployment is often thin. If and when salaried jobs open up in the formal economy, this contingent workforce will rush to apply for them”. The ILO also acknowledges that often “Own-account workers and contributing family workers have a lower likelihood of having formal work arrangements, and are therefore more likely to lack elements associated with decent employment, such as adequate social security and a voice at work.”

Type of employment contract and access to medical aid cover

Another aspect of the vulnerability of youth in labour markets across the globe, particularly during periods of an economic slowdown, is that the last hired tends to be the first to be laid off. But labour market practices can also exacerbate the situation for those youth that manage to keep their job.

Figure 58: Type of employment contract among youth (15–34 years) by sex, 2008 and 2015

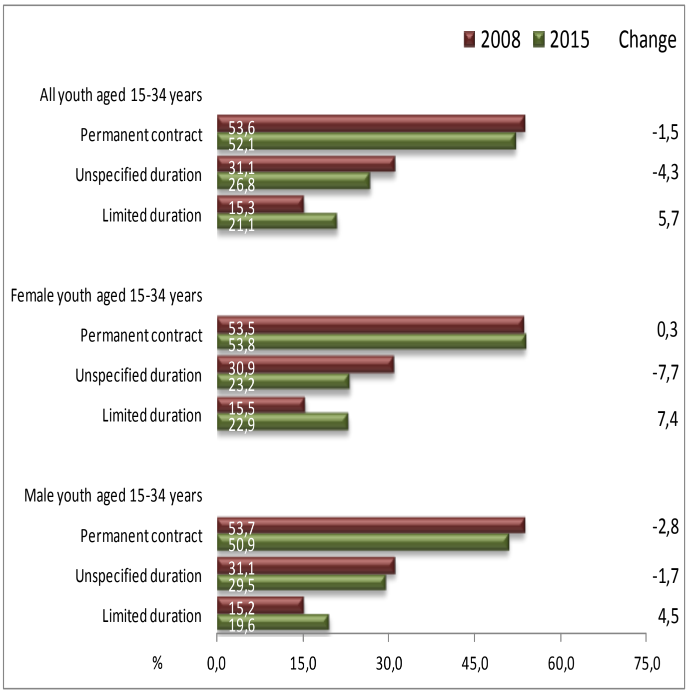
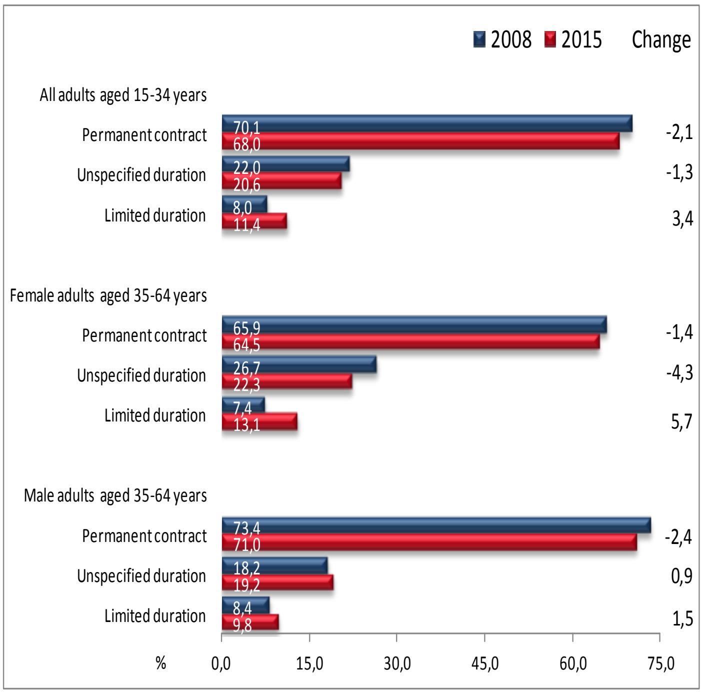


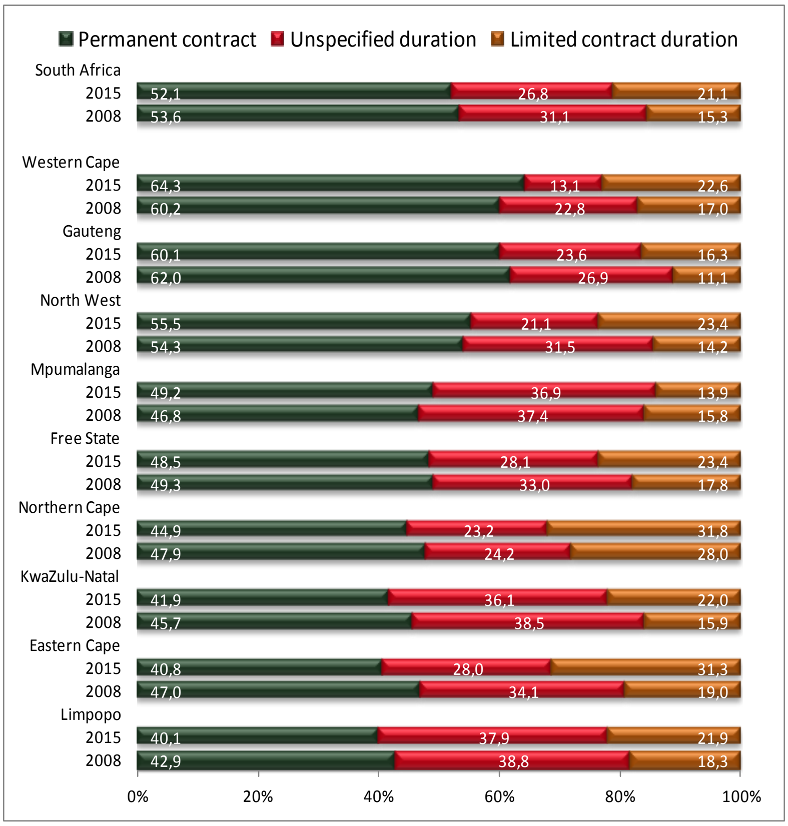
Figure 59: Type of employment contract among adults (35–64 years) by sex, 2008 and 2015



While the majority of both youth and adult employees have employment contracts of a permanent nature, a smaller proportion of youth have such contracts when compared to adults. Over the period 2008–2015 there was a relatively large shift in the type of contracts young employees had – away from permanent and unspecified duration contracts into those of a limited duration (up by 5,7 percentage points as against 3,4 percentage points among adults).

In 2015, Figure 58 shows that while in 2008 the proportion of male and female youth with contracts of a limited duration was virtually the same (15,2% and 15,5% respectively) over the period 2008–2015 the proportion with such contracts rose by 7,4 percentage points among young women but by only 4,5 percentage points among young men. Research based on OECD data suggests that increases in the number of workers that are hired on a temporary contract cause a rise in the level of inequality. In the context of the already high levels of inequality in the country, the analysis in this section points to the need for serious intervention.

Figure 60: Contract duration by province among youth (15–34 years), 2008 and 2015



Western Cape and Gauteng are the provinces in which the proportion of young employees with permanent contracts is highest. But in every province except Mpumalanga, the proportion of youth on limited duration contracts increased over the period 2008–2015. The increase over the period was highest in Eastern Cape (from 19,0% to 31,3%) and in North West (from 14,2% to 23,4%).

Figure 61: Proportion of young employees (15–34 years) that have written employment contracts, 2008 and 2015

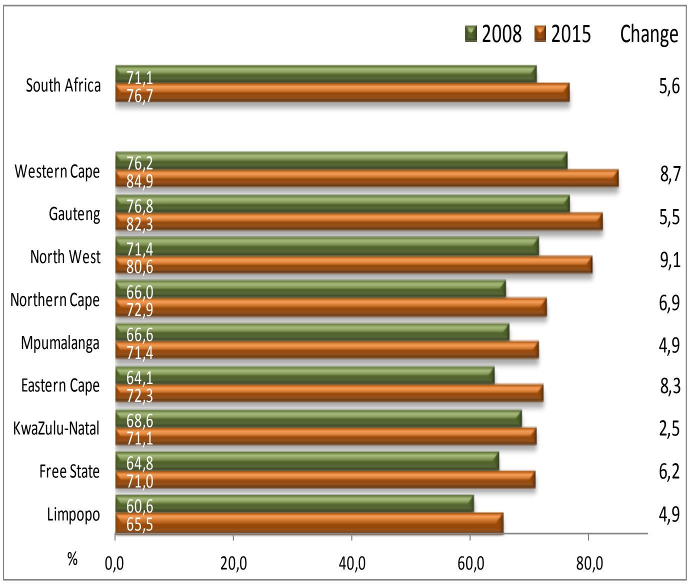
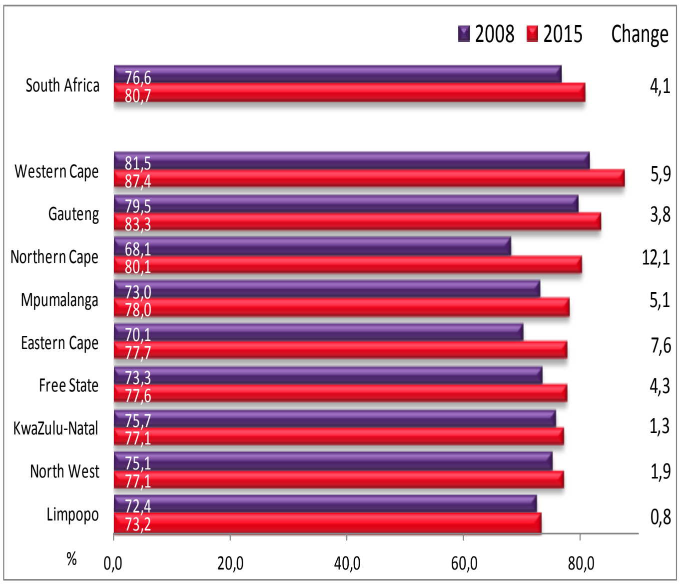


Figure 62: Proportion of adult employees (35–64 years) that have written employment contracts, 2008 and 2015



In every province except North West, in 2015 the proportion of employees that had written contracts was larger among adults compared to youth. But the gap between adults and youth narrowed over the period 2008–2015 since in most provinces (except Mpumalanga and Northern Cape) the increase in the proportion with such contracts was higher among youth than among adults.

Figure 63: Proportion of young employees (15–34 years) that have access to medical aid, 2008 and 2015

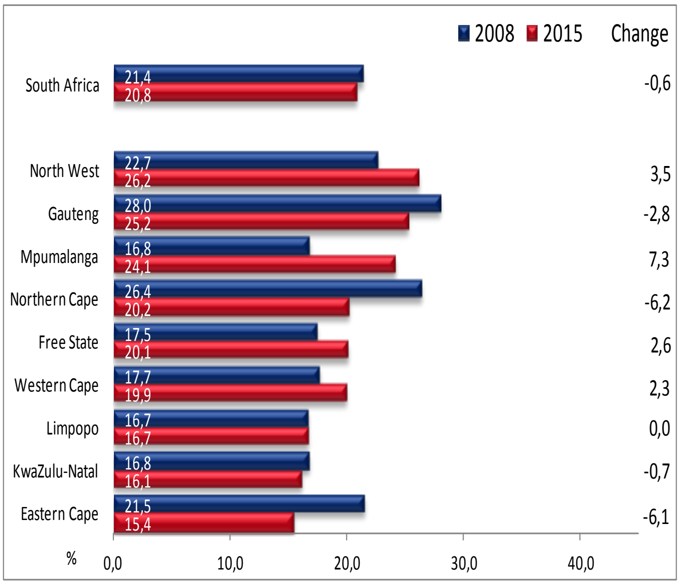
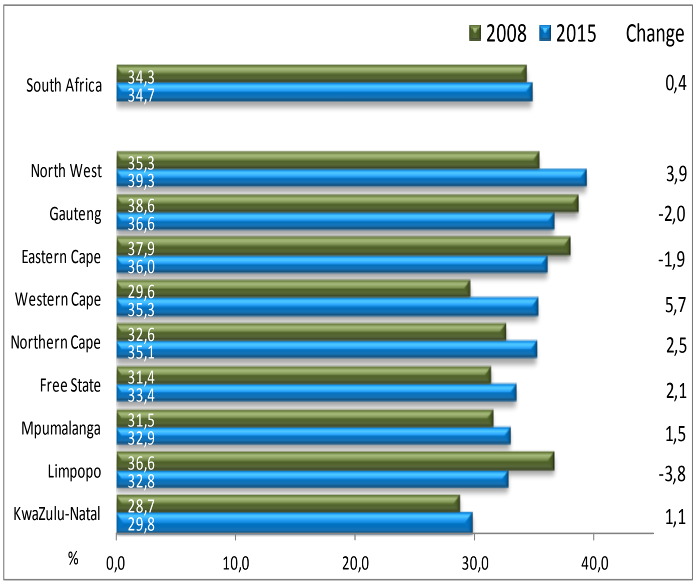


Figure 64: Proportion of adult employees (35–64 years) that have access to medical aid, 2008 and 2015



Compared to adults, substantially lower proportions of youth have access to medical aid contributions from their employer. And over the period 2008–2015, the percentage of youth with such access declined in four provinces while among adults there was a decline in only three provinces. The largest decline among youth occurred in Northern Cape (6,2 percentage points), where among adults the proportion increased by 2,5 percentage points.

Long-term unemployment

The energy, skills, and aspirations of young people are invaluable assets that no society can afford to waste. With a significant and growing proportion of young people at risk of prolonged unemployment, the potential negative long-term scars to their careers, earnings, health, and well-being could be profound. Moreover, the economic and social costs associated with youth unemployment, including greater income inequality, are high (Morsy: 2012)[11].

Table 29: Duration of unemployment among youth and adults, 2008–2015

	Youth 15-34 years	Adults 35-64 years	Total 15-64 years
	Long-term unemployed (Thousand)		
2008	1 716	778	**2 493**
2009	1 873	747	**2 620**
2010	2 039	915	**2 954**
2011	2 189	979	**3 167**
2012	2 187	1 057	**3 244**
2013	2 139	1 046	**3 185**
2014	2 203	1 139	**3 342**
2015	2 255	1 262	**3 517**
	Short-term unemployed (Thousand)		
2008	1 420	457	**1 877**
2009	1 321	426	**1 746**
2010	1 176	482	**1 659**
2011	1 031	399	**1 430**
2012	1 085	439	**1 525**
2013	1 183	495	**1 677**
2014	1 187	538	**1 725**
2015	1 390	627	**2 017**

Table 30: The incidence of long-term unemployment among youth and adults, 2008–2015

	Youth 15-34 years	Adults 35-64 years	Total 15-64 years
	Total unemployed (Thousand)		
2008	3 136	1 235	**4 371**
2009	3 194	1 173	**4 366**
2010	3 215	1 397	**4 612**
2011	3 220	1 378	**4 597**
2012	3 273	1 496	**4 769**
2013	3 321	1 541	**4 862**
2014	3 390	1 677	**5 067**
2015	3 646	1 889	**5 535**
	Incidence of long-term unemployment (Per cent)		
2008	54,7	63,0	**57,0**
2009	58,7	63,7	**60,0**
2010	63,4	65,5	**64,0**
2011	68,0	71,1	**68,9**
2012	66,8	70,6	**68,0**
2013	64,4	67,9	**65,5**
2014	65,0	67,9	**66,0**
2015	61,9	66,8	**63,6**

Table 29 and Table 30 show that in the aftermath of the global recession, a larger number of youth than adults were unemployed and looking for work for one year or longer (long-term unemployed). Since 2010 as many as 2,0–2,3 million young people were in long-term unemployment. Expressed as a percentage of the youth population that were unemployed, the incidence of long-term unemployment among youth rose from 54,7% in 2008 to a peak of 68,0% in 2011 and remained above 60,0% in subsequent years. While the incidence of long-term unemployment is higher among adults, it rose less sharply (from 63,0% to 71,1%) over the period 2008–2011.

[11] Hanan Morsy, Scarred Generation in FINANCE & DEVELOPMENT, IMF, March 2012, Vol. 49, No. 1

Figure 65: Incidence of long-term unemployment by sex, 2008 and 2015

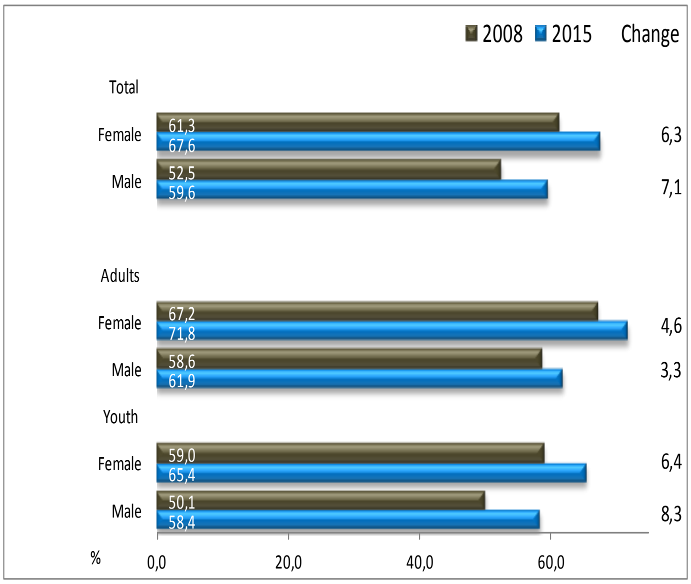
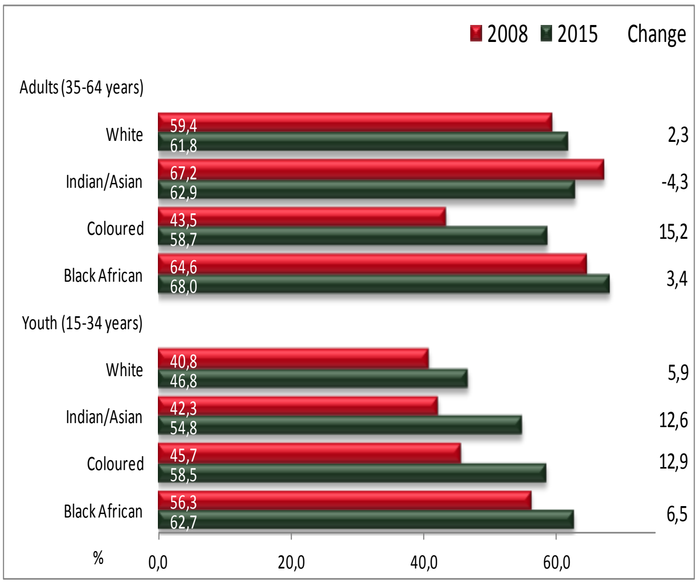


Figure 66: Incidence of long-term unemployment by population group, 2008 and 2015



Trends in the incidence of long-term unemployment by sex highlight the vulnerability of women – young and old – in the South African labour market. Compared to their male counterparts, a larger proportion of young women and adult women have been unemployed and looking for work for one year or longer (Figure 65). And increases in the incidence of long-term unemployment over the period 2008–2015 have been more pronounced among both male (8,3 percentage points) and female youth (6,4 percentage points) than among male (3,3 percentage points) and female (4,6 percentage points) adults.

There is also a large variation in the incidence of long-term unemployment by population group. Figure 66 shows that in 2015 black African youth and adults have the highest incidence of long-term unemployment compared to the other population groups. And notably, in that year, there is a difference of 15,9 percentage points between the incidence of long-term unemployment among white youth (46,8%) and that of black African youth (62,7%). This compares to a difference of only 6,2 percentage points between their adult counterparts.

Table 31: Incidence of long-term unemployment among youth (15–34 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	44,0	52,2	54,5	58,3	60,6	64,4	66,1	55,4
Eastern Cape	49,3	59,7	60,1	58,1	64,3	67,4	60,0	63,2
Northern Cape	61,1	53,5	60,7	61,2	60,5	59,1	53,1	55,8
Free State	54,0	55,2	55,4	61,3	65,3	67,9	69,4	67,5
KwaZulu-Natal	49,0	54,4	60,7	66,4	62,6	60,6	62,8	58,3
North West	52,3	58,1	67,9	66,9	65,5	53,2	60,8	64,3
Gauteng	65,5	68,3	69,6	76,1	73,3	67,5	68,9	63,6
Mpumalanga	43,9	49,9	66,2	72,6	72,4	69,1	71,3	66,4
Limpopo	57,8	55,7	59,1	66,5	56,4	52,1	50,3	58,4
South Africa	**54,7**	**58,7**	**63,4**	**68,0**	**66,8**	**64,4**	**65,0**	**61,9**

Table 32: Incidence of long-term unemployment among adults (35–64 years) by province, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
	Per cent							
Western Cape	51,3	43,6	56,3	63,1	61,4	59,3	64,8	65,6
Eastern Cape	62,4	67,9	65,5	61,2	69,0	69,5	60,9	63,7
Northern Cape	59,2	45,9	44,5	49,0	48,4	57,2	46,4	55,0
Free State	61,9	63,1	57,5	62,8	70,3	73,2	69,5	68,9
KwaZulu-Natal	51,1	57,7	64,2	69,1	72,3	68,8	60,4	66,2
North West	65,3	67,9	63,9	80,4	68,0	62,5	73,9	68,9
Gauteng	73,3	72,7	72,9	78,0	77,6	74,6	73,2	69,6
Mpumalanga	57,8	53,4	61,9	74,7	75,5	65,4	69,8	65,2
Limpopo	61,7	63,5	58,5	61,3	48,1	49,3	53,1	57,4
South Africa	**63,0**	**63,7**	**65,5**	**71,1**	**70,6**	**67,9**	**67,9**	**66,8**

The increase in the incidence of long-term unemployment among youth, from 54,7% in 2008 to a peak of 68,0% at the height of the recession in 2011, reflects a rise in the incidence in every province. The increase over the period 2008–2011 ranged from 28,7 percentage points in Mpumalanga to 10,0–18,0 percentage points in Gauteng, Western Cape, North West and KwaZulu-Natal and under 10,0 percentage points in Northern Cape, Free State, Limpopo and Eastern Cape. In contrast, over the same period, among adults the incidence of long-term unemployment declined in three provinces (Northern Cape, Limpopo and Eastern Cape) and the largest increases ranged between 4,7 percentage points in Gauteng and 18,0 percentage points in KwaZulu-Natal.

Figure 67: Incidence of long-term unemployment among youth (15–34 years) by province, 2008 and 2015

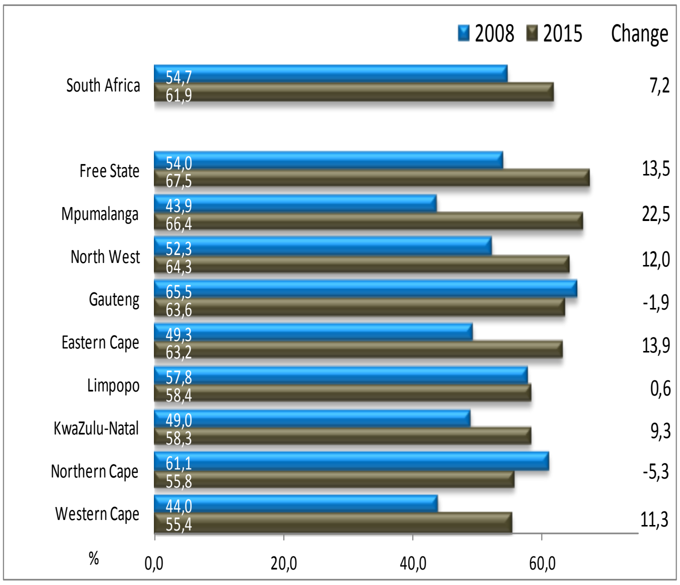
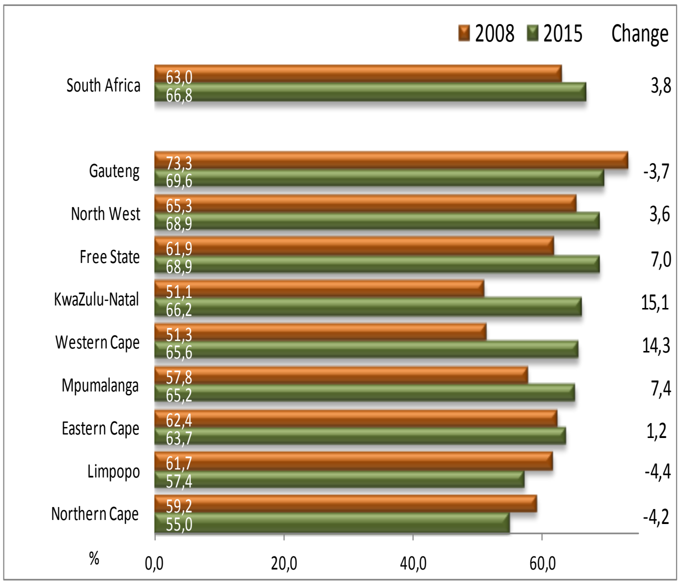


Figure 68: Incidence of long-term unemployment among adults (35–64 years) by province, 2008 and 2015



Over the period 2008–2015, in some provinces, the increase in the incidence of long-term unemployment among youth was somewhat higher than the rise at national level. The largest increases among youth occurred in Mpumalanga (22,5 percentage points), Eastern Cape (13,9 percentage points), and Free State (13,5 percentage points). In comparison, the increase among adults in these provinces was substantially smaller at 7,4, 1,2 and 7,0 percentage points respectively.

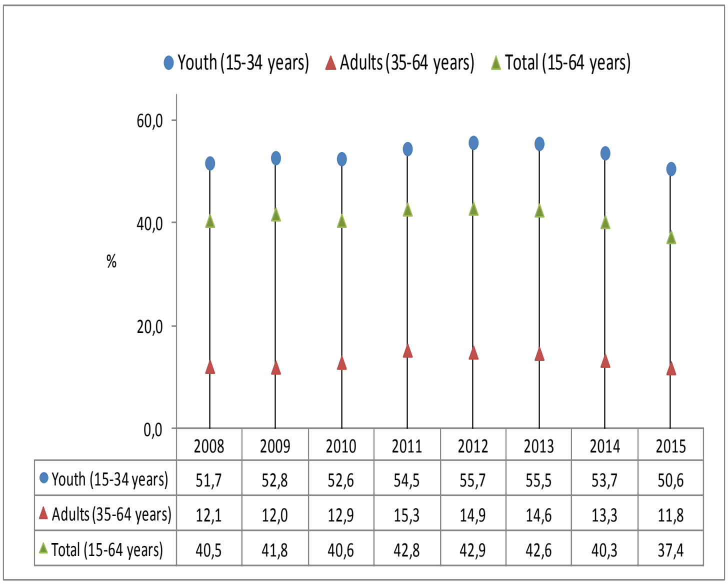
The role of work experience

"Even those who do manage to get an adequate basic education may be unable to find work because they do not possess the skills needed by today's – and, more important, tomorrow's – employers. Despite persistent joblessness among young people, surveyed employers complain that they can't find enough workers with the skills they need to grow their businesses. One problem is that young people lack the technical skills they need to be productive immediately"[12]. In South Africa, and as acknowledged in the National Development Plan, this situation is also a cause for serious concern.

Table 33: Unemployed youth and adults with no work experience, 2008–2015

	Youth 15-34 yrs	Adults 35-64 yrs	Total 15-64 yrs
	No work experience (Thousand)		
2008	1 623	150	**1 772**
2009	1 685	140	**1 825**
2010	1 691	180	**1 871**
2011	1 756	210	**1 966**
2012	1 824	223	**2 047**
2013	1 845	226	**2 070**
2014	1 821	223	**2 044**
2015	1 846	224	**2 070**
	Total unemployed (Thousand)		
2008	3 136	1 235	**4 371**
2009	3 194	1 173	**4 366**
2010	3 215	1 397	**4 612**
2011	3 220	1 378	**4 597**
2012	3 273	1 496	**4 769**
2013	3 321	1 541	**4 862**
2014	3 390	1 677	**5 067**
2015	3 646	1 889	**5 535**

Figure 69: Proportion of unemployed youth and adults with no work experience, 2008–2015



[12] Emmanuel Jimenez, op cit

Table 33 and Figure 69 show that the proportion of unemployed young people with no work experience is higher than that of adults by a large margin. Every year over the period 2008–2015, one in every two unemployed young people had no work experience as against 11,0–16,0% of adults who were in that situation. “Young people usually have more trouble finding a job than do older workers for many reasons. They have less work experience, less knowledge about how and where to look for work, and fewer job-search contacts. In addition, many young people lack the skills employers need, often because of backward-looking education systems. As a result, for many young people the transition from school to work is bumpy and sometimes long, and now is even more arduous because of the crisis.” (Morsy: 2012 op cit).

Figure 70: Percentage of unemployed youth (15–34 years) with no work experience by province, 2008 and 2015

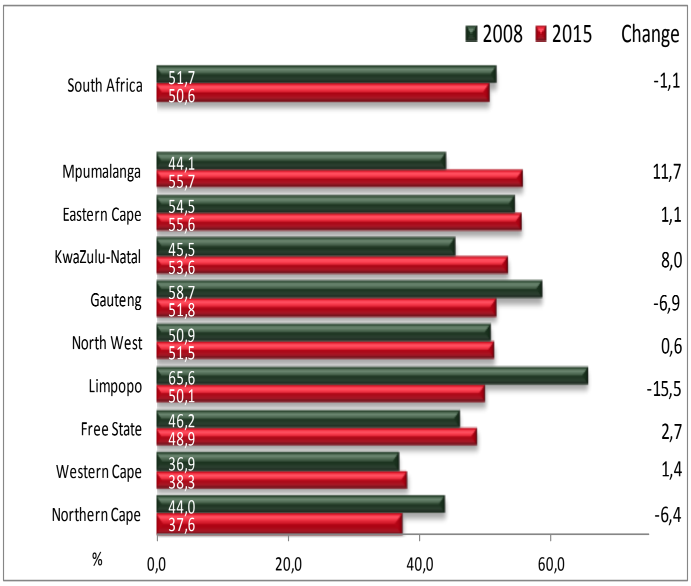


Figure 71: Percentage of unemployed adults (35–64 years) with no work experience by province, 2008 and 2015

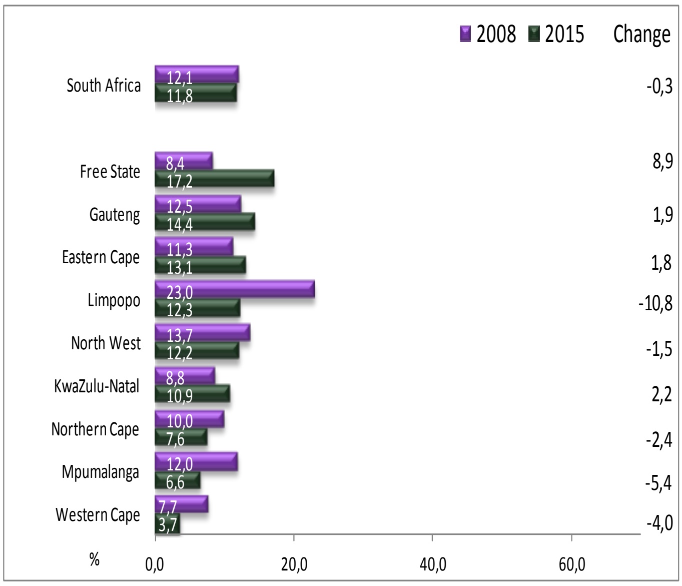
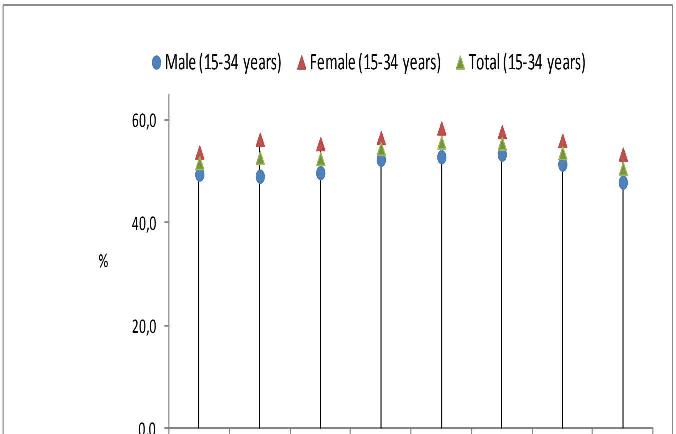


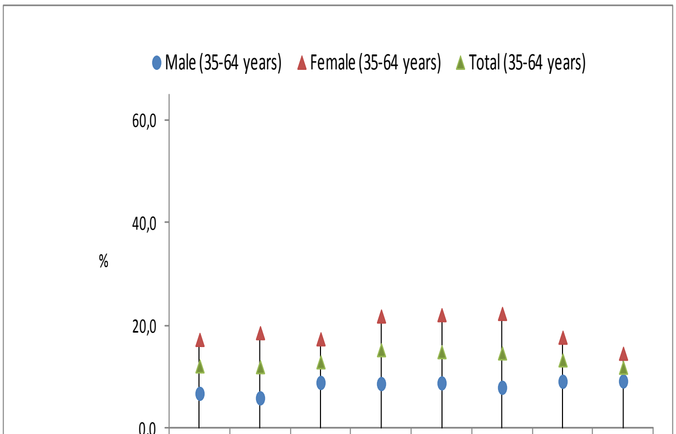
Figure 68 and Figure 69 show that in every province, the proportion of unemployed youth that have no work experience is higher than that of adults by a large margin. In 2015, the proportion among youth was highest in Mpumalanga (55,7%) and Eastern Cape (55,6%) and lowest in Northern Cape (37,6%) and Western Cape (38,3%). Among adults in these provinces the proportion was substantially smaller at 6,6% and 13,1% in Mpumalanga and Eastern Cape respectively while it was 7,6% in Northern Cape and as low as 3,7% in Western Cape.

Figure 72: Percentage of unemployed youth with no work experience by sex, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Male (15-34 years)	49,5	49,1	49,8	52,4	52,9	53,4	51,5	48,0
Female (15-34 years)	53,8	56,3	55,5	56,6	58,5	57,8	56,1	53,4
Total (15-34 years)	51,7	52,8	52,6	54,5	55,7	55,5	53,7	50,6

Figure 73: Percentage of unemployed adults with no work experience by sex, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
Male (35-64 years)	6,8	5,9	8,9	8,7	8,8	7,9	9,1	9,2
Female (35-64 years)	17,3	18,6	17,4	21,8	22,1	22,4	17,7	14,6
Total (35-64 years)	12,1	12,0	12,9	15,3	14,9	14,6	13,3	11,8

Young men are more likely to have worked before than young women. Figure 72 shows that every year more than one in every two unemployed young women (53,0–59,0%) had no work experience, compared with 48,0–54,0% of young men who were in a similar situation. Gender differences are more pronounced among unemployed adults. The proportion that had no work experience peaked in 2011 at 15,3% but this masks a large gender gap since in that year, the proportion among women at 21,8% was more than double that of men (8,7%).

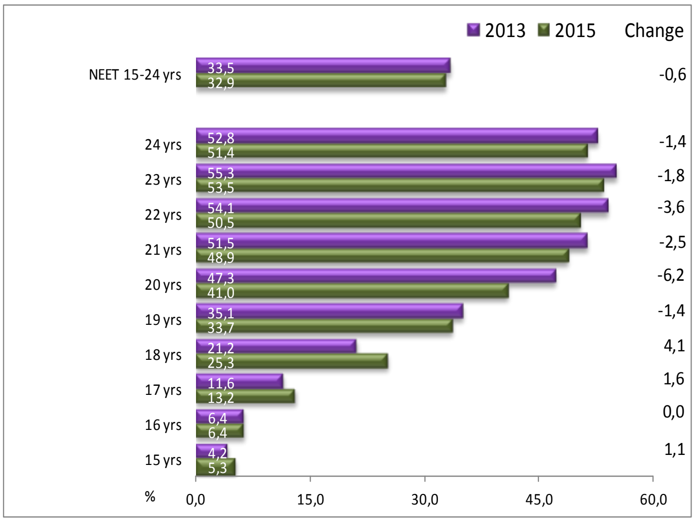
Youth (15–24 years) who are Not in Employment, Education or Training (NEET)

According to the ILO (2014: KILM)[13] "The NEET rate is a broad measure of untapped potential of youth who could contribute to national development through work. Because the NEET group is neither improving their future employability through investment in skills nor gaining experience through employment, this group is particularly at risk of both labour market and social exclusion."

Table 34: Youth who are not in employment, education or training (NEET), 2013–2015

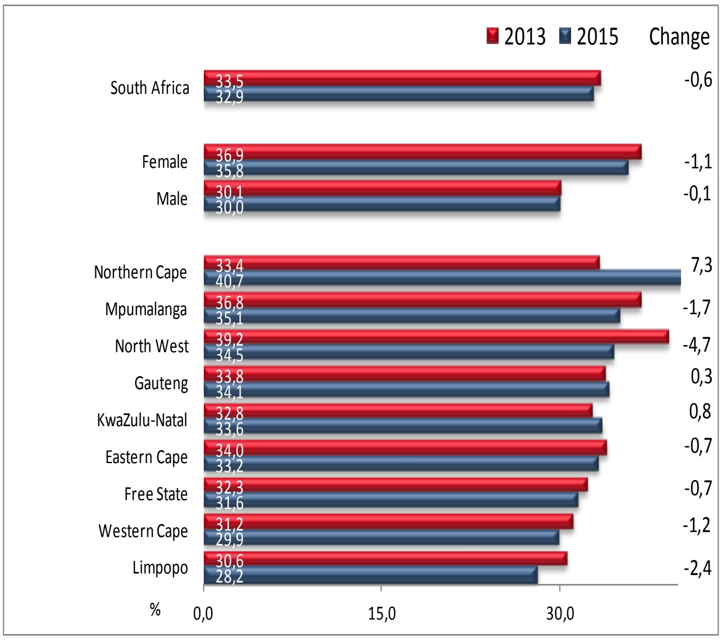
NEET 15–24 yrs	2013	2014	2015
		Thousand	
15 years	43	36	54
16 years	66	66	64
17 years	124	107	133
18 years	232	220	275
19 years	329	321	340
20 years	485	466	444
21 years	549	527	509
22 years	532	503	526
23 years	544	550	517
24 years	502	502	516
Total	**3 406**	**3 297**	**3 378**
Youth 15-24 yrs	**10 176**	**10 239**	**10 281**
% NEET	**33,5**	**32,2**	**32,9**

Figure 74: Proportion of NEET youth (15–24 years), 2013 and 2015



In 2013, of the 10,2 million young people aged 15–24 years, 3,4 million (33,5%) were Not in Employment, Education or Training (NEET). In 2014 the NEET rate declined to 32,2% after which a modest increase occurred in 2015 (32,9%). Figure 74 shows that the rate generally increases with age before declining moderately in the oldest age group.

Figure 75: Proportion of NEET youth (15–24 years) by sex and province, 2013–2015



[13] Key indicators of the labour market, KILM eight edition, ILO, 2014 at http://kilm.ilo.org/2011/download/kilmcompleteEN.pdf

The NEET rate for young women at 35,8% in 2015 is 2,9 percentage points above the average for the country (32,9%) and 5,8 percentage points higher than that of male youth (30,0%). The ILO (KILM: 2014 op cit) finds that "A high NEET rate for young women suggests their engagement in household chores, and/or the presence of strong institutional barriers limiting female participation in labour markets." At provincial level, the NEET rate is highest in Northern Cape and Mpumalanga and lowest in Limpopo and Western Cape. And whereas the rate increased in Northern Cape, KwaZulu-Natal and Gauteng, it fell in the other provinces – by as much as 4,7 percentage points in North West.

Youth living in households in which no household member is employed

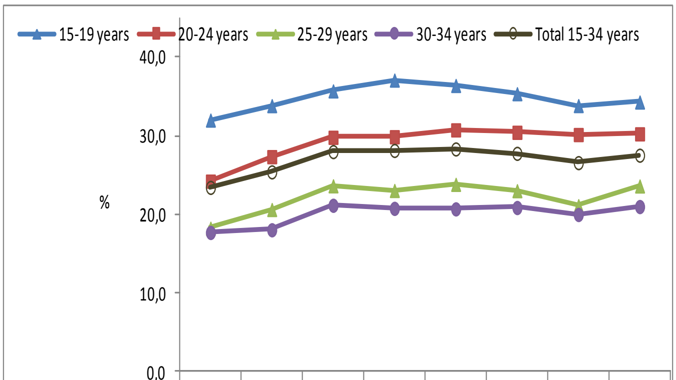
To the extent that networks are important in finding employment, youth living in households in which no other household member is employed are clearly at a more serious disadvantage than other groups in the labour market.

Table 35: Number of youth living in households in which no one is employed by age group, 2008–2015

	2008	2009	2010	2011	2012	2013	2014	2015
Number of youth living in households in which no one is employed (Thousand)								
15-19 years	1 597	1 708	1 820	1 903	1 877	1 827	1 748	1 766
20-24 years	1 141	1 300	1 433	1 456	1 520	1 525	1 531	1 553
25-29 years	811	932	1 083	1 069	1 118	1 093	1 016	1 153
30-34 years	722	739	874	871	885	912	892	956
Total 15-34 years	**4 271**	**4 679**	**5 210**	**5 299**	**5 400**	**5 357**	**5 188**	**5 428**
Number of youth living in households in which at least one person is employed (Thousand)								
15-19 years	3 392	3 339	3 275	3 227	3 279	3 340	3 415	3 381
20-24 years	3 564	3 452	3 373	3 415	3 421	3 484	3 544	3 580
25-29 years	3 630	3 583	3 497	3 566	3 570	3 651	3 790	3 723
30-34 years	3 352	3 352	3 253	3 317	3 384	3 451	3 567	3 594
Total 15-34 years	**13 938**	**13 725**	**13 397**	**13 525**	**13 654**	**13 926**	**14 317**	**14 278**
Total number of youth living in both types of households (Thousand)								
15-19 years	4 989	5 047	5 095	5 130	5 156	5 167	5 164	5 147
20-24 years	4 704	4 752	4 806	4 871	4 940	5 009	5 075	5 134
25-29 years	4 441	4 515	4 580	4 635	4 688	4 744	4 806	4 876
30-34 years	4 075	4 091	4 127	4 188	4 269	4 363	4 460	4 550
Total 15-34 years	**18 209**	**18 404**	**18 608**	**18 824**	**19 053**	**19 283**	**19 504**	**19 706**

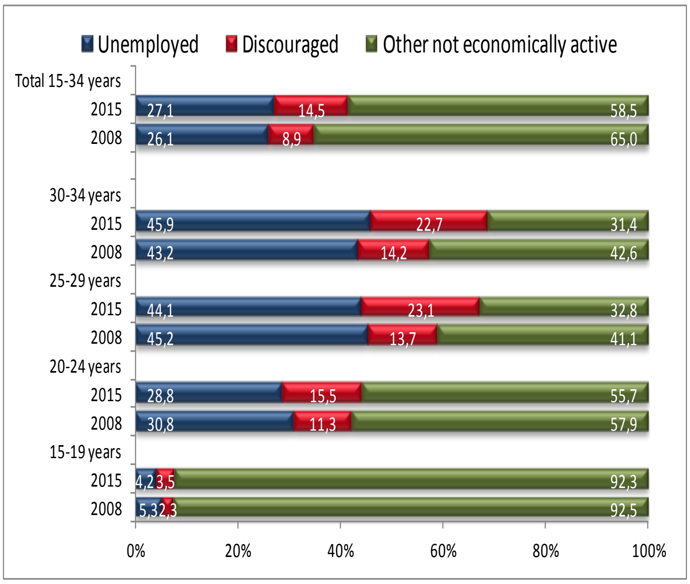
Table 35 shows that the majority of young people who live in households in which no household member is employed are in the two youngest age cohorts. The number of all such youth (15–34 years) rose from 4,3 million in 2008 to 5,4 million in 2015 (up by 1,1 million). Over the same period, youth who lived in households in which at least one person was employed increased by a smaller amount – from 13,9 million to 14,3 million (up by 340 000).

Figure 76: Proportion of youth living in households in which no one is employed by age, 2008–2015



	2008	2009	2010	2011	2012	2013	2014	2015
15-19 years	32,0	33,8	35,7	37,1	36,4	35,4	33,9	34,3
20-24 years	24,2	27,4	29,8	29,9	30,8	30,5	30,2	30,3
25-29 years	18,3	20,6	23,7	23,1	23,8	23,0	21,1	23,6
30-34 years	17,7	18,1	21,2	20,8	20,7	20,9	20,0	21,0
Total 15-34 years	23,5	25,4	28,0	28,1	28,3	27,8	26,6	27,5

Figure 77: Labour market status of youth living in households in which no one is employed, 2008 and 2015



In 2008 one in every three (32,0%) youth aged 15–19 years lived in households in which no one is employed (Figure 76). This percentage rose to 37,1% in 2011 before declining to 34,3% in 2015. In contrast, in 2008 among youth in the oldest age group (30–34 years), 17,7% lived in households in which no one was employed and the percentage peaked at 21,2% in 2010 before declining to 21,0% in 2015. In terms of their labour market status, Figure 77 shows that among those aged 15–19 years who lived in households in which no one is employed, the vast majority (92,3% in 2015) are not economically active, many of whom are likely to be pursuing their education with the hope of improving their future chances in the labour market. In the older age groups the increase in the percentage of those who were unemployed and those who were discouraged reflect the difficulty they face in entering the labour market.

Figure 78: Reason for inactivity of youth (15–34 years) by household type, 2008 and 2015

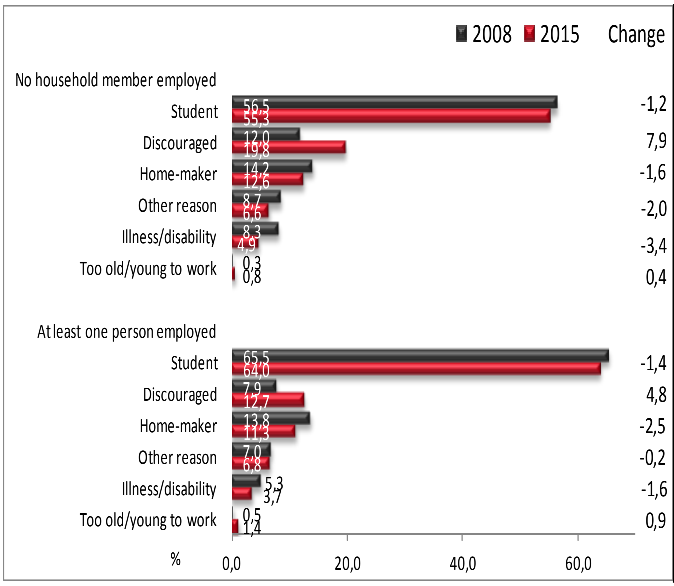


Table 36: Reason for inactivity of youth living in households in which no one is employed, 2008 and 2015

2008	15-19 years	20-24 years	25-29 years	30-34 years	Total 15-34 years
			Per cent		
Student	89,5	49,1	8,4	0,8	**56,5**
Home-maker	3,0	16,0	32,4	32,4	**14,2**
Illness/disability	1,5	6,6	16,4	27,6	**8,3**
Too old/young	0,4	0,4	0,0	0,2	**0,3**
Discouraged	2,4	16,3	24,9	24,9	**12,0**
Other	3,0	11,6	17,9	14,1	**8,7**
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**
2015					
Student	88,4	51,8	15,3	4,1	**55,3**
Home-maker	2,4	13,0	24,8	30,1	**12,6**
Illness/disability	1,3	3,5	8,9	14,4	**4,9**
Too old/young	1,2	0,8	0,2	0,0	**0,8**
Discouraged	3,6	21,8	41,3	42,0	**19,8**
Other	3,2	9,1	9,5	9,4	**6,6**
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

In 2015, among youth that were not economically active who lived in households in which no one was employed, the vast majority were students (55,3%). But as shown in Figure 78, their likelihood of being discouraged, homemakers or ill/disabled was higher than among youth living in households where at least one person was employed. Table 36 highlights the impact that age has on the reasons for inactivity among youth living in households in which no one is employed. The proportion of students declines dramatically after age 20–24 years while the proportion of youth that are homemakers or discouraged generally increases as age increases.

Figure 79: Proportion of youth (15–34 years) living in households in which no one is employed by province, 2008–2015

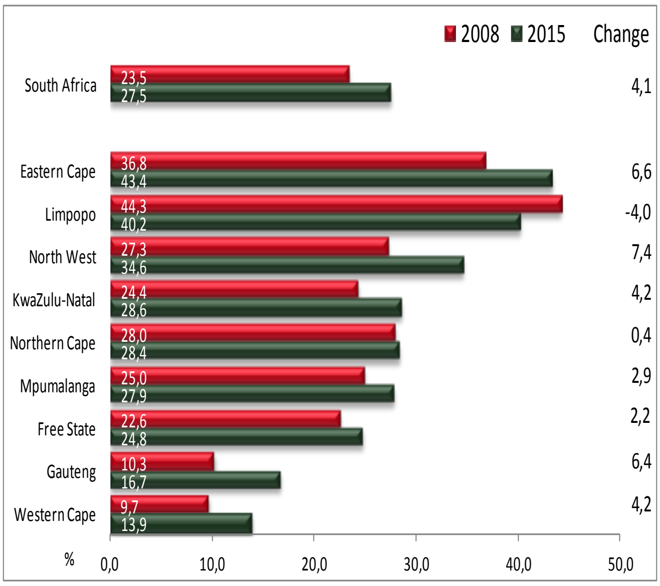
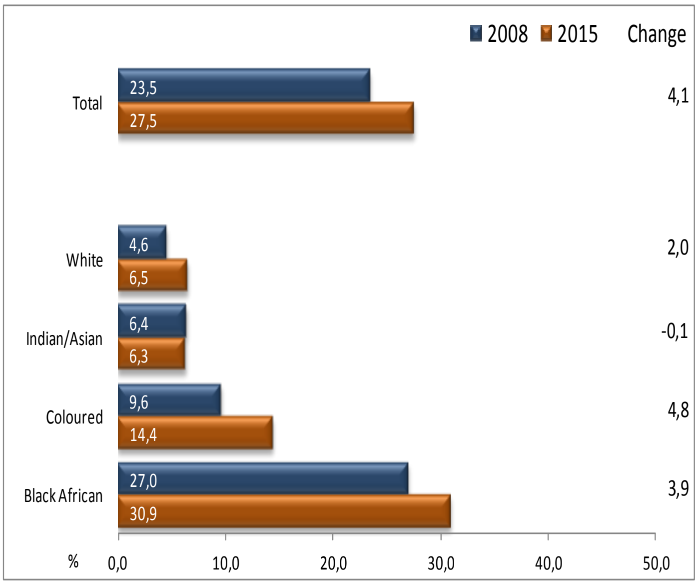


Figure 80: Proportion of youth (15–34 years) living in households in which no one is employed by population group, 2008–2015



At provincial level, the proportion of youth who live in households in which no one is employed is highest in Eastern Cape (43,4% in 2015) and Limpopo (40,2%) and lowest in Western Cape (13,9%) and Gauteng (16,7%). With regard to the population groups, black African youth who live in households in which no one is employed face the biggest challenge to their livelihoods. In 2015, as many as 30,9% lived in such households. This percentage is substantially higher than among youth from the other population groups who lived in such a situation – among youth from the coloured population group the percentage was 14,4% while among those from the Indian/Asian and white population groups it was 6,3% and 6,5% respectively.

Figure 81: Proportion of youth living in households in which no one is employed by sex, 2008–2015

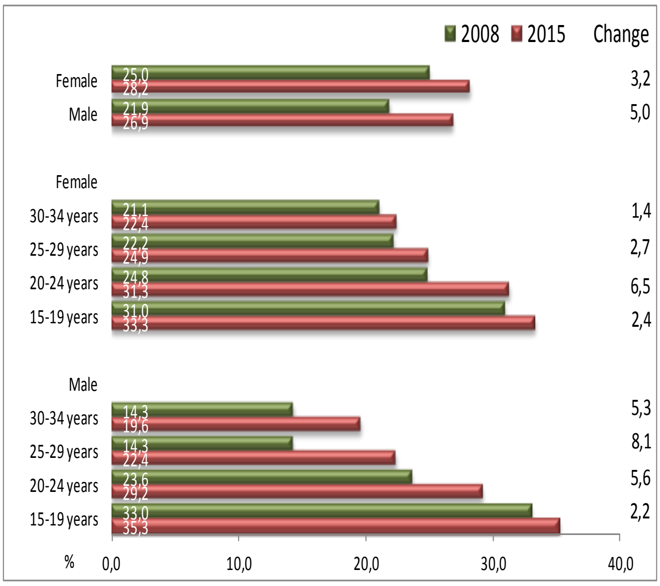
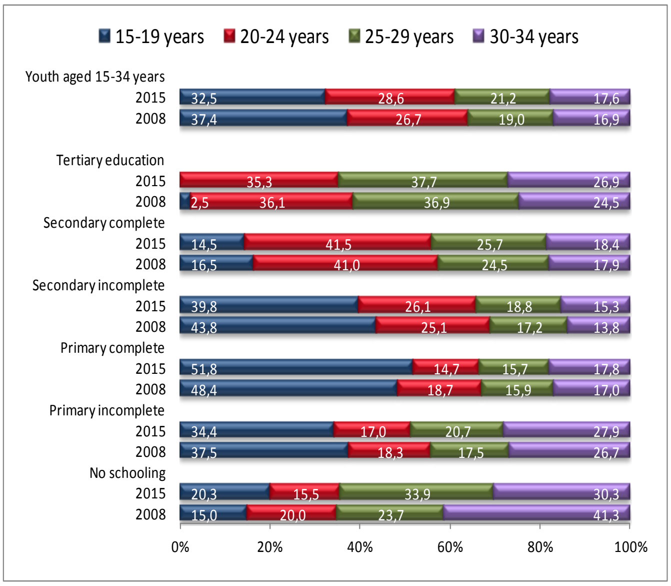


Figure 82: Education level of youth living in households in which no one is employed, 2008 and 2015



A larger proportion of male youth aged 15–19 years (35,3% in 2015) than female youth of the same age (33,3%) lived in households in which no one was employed. In the older age groups the situation is reversed and larger proportions of female youth live in such households. When viewed from the perspective of five-year age cohorts, the education level of youth who live in households in which no one is employed shows interesting patterns (Figure 82). In this regard, in 2015, among youth in the lowest education category “No schooling” as many as one in every five (20,3%) were 15–19 years old while almost one in every three (30,3%) were 30–34 years old. In the highest education category “Tertiary education” the vast majority were either 20–24 years or 25–29 years old.

Summary and conclusions

Youth aged 15–34 years account for a larger share (55,0%) of the working-age population than adults (45,0%) and their labour market situation is generally worse than adults. They bore the brunt of the global economic crisis and the subsequent sluggish employment recovery.

- As a result of the recession, the unemployment rate among youth rose from 32,7% in 2008 to 36,1% in 2011 and has remained between 35,0–37% every year. The rate also increased among adults but by a smaller margin.

- The impact of the recession also resulted in a larger decline in the absorption rate among youth (by 5,2 percentage points over the period 2008–2011) than among adults (by 3,3 percentage points over the same period). In five provinces, the decline in the rate among youth was higher than the national average, ranging from 4,7 percentage points in North West to as high as 6,3 percentage points in Gauteng.

- The vulnerability of youth in the South African labour market is also evidenced by the fact that young men and women together accounted for the bulk of the increase in discouraged work-seekers in the aftermath of the recession. As a result, the percentage of working-age youth that became discouraged rose from 4,4% in 2008 to a peak of 8,4% in 2012 before falling back moderately to 7,8% in 2015.

- The proportion of working-age young women that is discouraged is higher among young women compared to their male counterparts. Not only is it higher among black African youth than among youth in the other population groups but over the period 2008–2015, the proportion among black African youth increased by the largest amount. In Eastern Cape, Limpopo, North West and KwaZulu-Natal one in every ten working-age youth gave up looking for work and become discouraged in 2015. In contrast, discouragement among youth in Western Cape and Gauteng at 1,2% and 3,3% is the lowest of all the provinces.

- The education level of employed youth has a direct influence on the types of jobs they are able to get. In 2015, one in every two black African (54,0%) and coloured (53,3%) youth aged 15–24 years who had jobs, had education levels below the secondary level (matric). In contrast, the proportion of the Indian/Asian and white population groups with that education level was substantially smaller at 17,3% and 12,4% respectively. The disaggregation of youth into 5-year age cohorts reveals that in 2015, among youth who had jobs, one in every ten (12,8%) aged 15–19 years only had an education level of primary or lower.

- The distribution of occupations by population group reflects the differences in the education profile of each group. Whereas in 2015, only 13,1% of black African youth and 10,5% of coloured youth had skilled occupations, one in every three (36,2%) of Indian/Asian youth and 53,4% of white youth had such occupations.

- Unemployed youth aged 25–34 years who are actively looking for work are in a particularly precarious situation in the labour market. In 2015, as many as 57,1% of such youth within the black African and 70,1% within the coloured population group only have education below the matric level. Smaller proportions of such youth in the Indian/Asian (40,7%) and white (26,0%) population groups have qualifications below the matric level.

- The NEET rate for young women aged 15–24 years at 35,8% in 2015 was 2,9 percentage points above the average for the country (32,9%) and 5,8 percentage points higher than that of male youth (30,0%) of the same age.

- The Trade industry is the major source of employment for youth, accounting for 23,3% of their employment in 2015. And reflecting the impact of the recession, the share of Trade in total employment declined by the largest amount over the period 2008–2015 (down by 3,9 percentage points).

- Differences in the employment opportunities available to youth in the formal and informal sectors of the economy are large. Whereas in 2015 nine out of every ten (90,9%) youth from the white population group and

86,4% from the Indian/Asian group had jobs in the formal sector, only 71,7% of youth from the coloured population group and 67,6% from the black African group had formal sector jobs. In contrast, the informal sector provided a livelihood for one out of every five black African youth (19,4% in 2015) but accounted for only 6,0–13,0% of jobs among youth in the other population groups.

- Increases in the incidence of long-term unemployment over the period 2008–2015 have been more pronounced among both male (up by 8,3 percentage points) and female youth (up by 6,4 percentage points) than among their adult counterparts.

- The increase in the incidence of long-term unemployment among youth, from 54,7% in 2008 to a peak of 68,0% in 2011, reflects a rise in the incidence in every province. The largest increases among youth occurred in Mpumalanga (22,5 percentage points), Eastern Cape (13,9 percentage points), and Free State (13,5 percentage points). In contrast, the increase in these provinces among adults was substantially smaller at 7,4, 1,2 and 7,0 percentage points respectively.

- The proportion of unemployed young people with no work experience is higher than that of adults by a large margin. Every year over the period 2008–2015, one in every two unemployed young people had no work experience as against 11,0–16,0% of adults who were in that situation.

- Young men are more likely to have worked before than young women; over the period 2008–2015 more than one in every two unemployed young women (53,0–59,0%) had no work experience, compared with 48,0–54,0% of young men who were in a similar situation.

- Over the period 2008–2015 there was a relatively large shift in the type of contracts young employees had – away from permanent and unspecified duration contracts into those of a limited duration (up by 5,7 percentage points as against 3,4 percentage points among adults). And the increase among young female employees was higher than among their male counterparts.

- To the extent that the family network provides an important support mechanism, the livelihood of youth living in households in which no one is employed is cause for concern. In 2008, one in every four youth lived in households in which no one was employed (23,5%). This percentage rose to a peak of 28,3% in 2012 before declining to 27,5% in 2015.