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NATIONAL YOUTH DEVELOPMENT AGENCY
OUR YOUTH. OUR FUTURE.

Quarterly Labour Force Survey (QLFS) Q2: 2023

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1. Introduction

The Quarterly Labour Force Survey (QLFS) is a household-based sample survey conducted by Statistics South Africa (Stats SA). It collects data on the labour market activities of individuals aged 15 years and older who live in South Africa. In each quarter of the financial year, the Statistics South Africa releases a survey to inform and educate public about employment and unemployment rate across the country. The survey covers variety of variables, such as demographics, provincial statistics representation, and various sectors of industries. In no uncertain terms, the primary purpose of quarterly surveys is to inform the public about the country's status of employment. In the main, such report helps government decision-makers to make an informed decisions and to know vividly on how to formulate new ideas, plans and strategies to propel a country into greater advances of developments. The survey caters for individuals between the ages of 15-64, however this report will focus mainly on young people between the ages of 15-34. The report presents the key findings of the QLFS conducted from January – August 2023 (Q1 2023).

2. General highlights of the results for Q2

The working-age population increased by 142 000 or 0,3% in the second quarter of 2023 compared to the first quarter of 2023. Compared to Q2: 2022, the working-age population increased by 568 000 or 1,4%. The number of employed persons increased by 154 000 to 16,3 million in Q2: 2023, while the number of unemployed persons decreased by 11 000 to 7,9 million compared to Q1: 2023, resulting in an increase of 143 000 (up by 0,6%) in the number of people in the labour force. The number of discouraged work-seekers decreased by 94 000 (down by 2,9%) whereas the number of people who were not economically active for reasons other than discouragement increased by 93 000 (up by 0,7%) between the two

quarters, resulting in a net decrease of 1 000 in the not economically active population. It was observed that several persons moved from the "not economically active" and "unemployed" statuses to the "employed" category between the two quarters, which resulted in a decrease of 0,3 of a percentage point in the unemployment rate to 32,6%. The labour force participation rate in Q2: 2023 was higher than that reported in Q1: 2023 as a result of these movements – increasing by 0,2 of a percentage point to 59,6%. The absorption rate increased by 0,2 of a percentage point to 40,1% in the second quarter of 2023 compared to the first quarter of 2023. Employment gains were observed in the formal sector (up by 143 000), Private households (up by 37 000) and Agricultural sector (up by 7 000), while losses were observed in the informal sector (down by 33 000) in Q2: 2023. STATISTICS SOUTH AFRICA 2 P0211 Quarterly Labour Force Survey, Quarter 2: 2023 Compared to a year ago, total employment increased by 784 000 persons (or 5,0%). The number of unemployed persons decreased by 73 000 (or 0,9%), while the number of persons who were not economically active decreased by 143 000 (or 0,9%).

2.1 Not in Employment, Education, or Training

Some young people have been disengaged from the labour market and they are also not building on their skills base through education and training – they are not in employment, education, or training (NEET). The NEET rate serves as an important additional labour market indicator for young people.
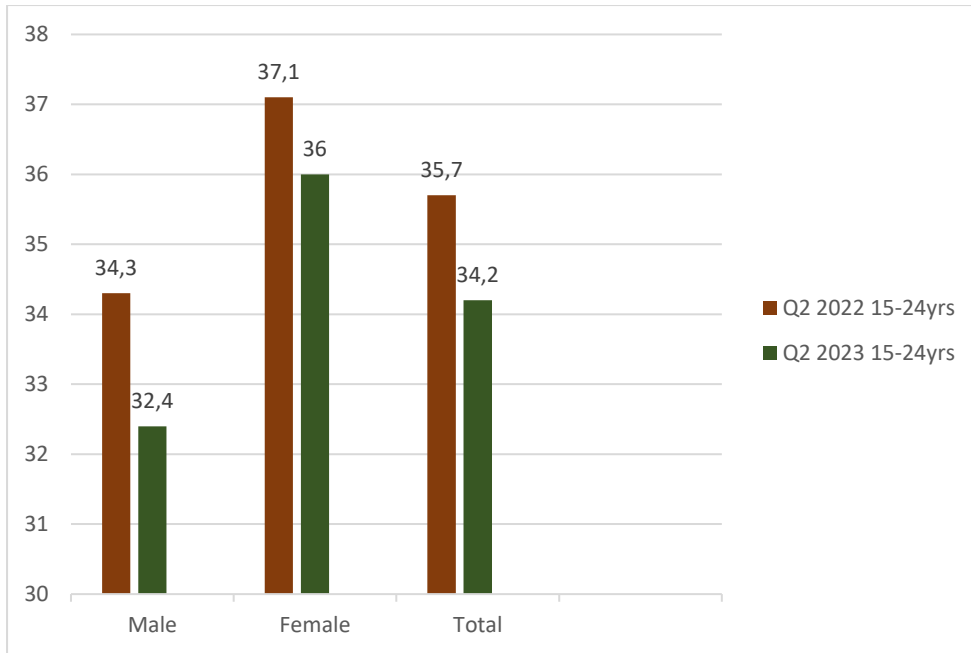
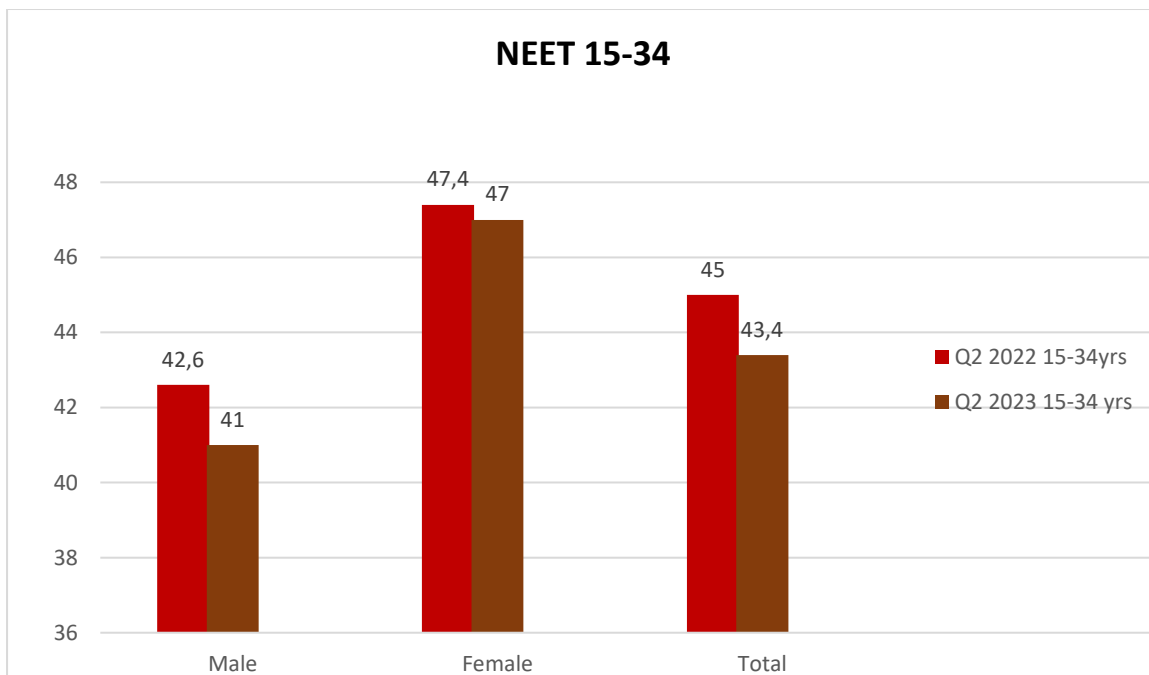*Figure 9a NEET rate for youth aged 15-24yrs by sex.*

Figure 9b NEET rate for youth aged 15-34yrs by sex.

There were about 10,2 million young people aged 15–24 years in Q2: 2023, of which 34,2% were not in employment, education, or training. This is 1,5 percentage points lower than the NEET rate in Q2: 2022. In this age group, the NEET rate for males decreased by 1,9 percentage points and for females it decreased by 1,2 percentage points. The NEET rate for females was higher than that of their male counterparts in both years (Figure 9a). Compared

to Q2: 2022, the percentage of young persons aged 15–34 years who were NEET decreased by 1,5 percentage points from 45,0% to 43,4% in Q2: 2023. The NEET rate for males decreased by 2,7 percentage points, and for females the rate decreased by 0,3 of a percentage point. In both Q2: 2022 and Q2: 2023, more than four in every ten young people were not in employment, education or training (Figure 9b).

2.2   Labour characteristics by age group

	Jan-Mar 2022	Apr-Jun 2023	Qtr- to - qtr change	Year on year change	Qtr-to-qtr change	Year on year change
	Thousand	Thousand	Thousand	Thousand	Per cent	Per cent
15-24yrs						
Population 15-24 yrs	10 232	**10 234**	2	7	0,0	0,1
Labour Force	2 823	**2 786**	-37	66	-1,3	2,4
Employed	1069	**1 095**	26	45	2,4	4,3
Unemployed	1754	**1 691**	-63	21	-3,6	1,2
Not economically active	7409	**7 448**	40	-59	0,5	-6,8
Rates %						
Unemployment Rate	62,1	**60,7**	-1,4	-0,7		
Employed/population ratio (absorption)	10,4	**10,7**	0,3	0,4		
Labour force participation rate	27,6	**27,2**	0,4	0,6		
25-34yrs						
Population 25-34yrs	10 520	**10 542**	21	89	0,2	0,9
Labour Force	7674	**7685**	11	152	0,1	2,0
Employed	4554	**4629**	79	199	1,7	4,5
Unemployed	3124	**3056**	-68	-47	-2,2	-1,5
Not economically active	2846	**2857**	10	-63	0,4	-2,2
Rates %						
Unemployed Rate	40,7	**39,8**	-0,9	-1,4		
Employed/population ratio (absorption)	43,3	**43,9**	0,6	1,5		
Labour force participation rate	72,9	**72,9**	0,0	0,8		

Table 2.2 Labour characteristics by age group Q2 2023 (Stats Sa)

The table above gives an overview of the labour characteristics by age group within the context of employment between different ages groupings, as well as the rates amongst the

unemployed, employed/population by ratio and labour force for Q1 and Q2 2023 comparatively.

Sociodemographic by characteristics- South Africa

	Jan-Mar 2022	Apr-Jun 2023	Qtr- to -qtr change	Year on year change	Qtr-to-qtr change	Year on year change
	Thousand	Thousand	Thousand	Thousand	Per cent	Per cent
Age group of the employed						
15-24yrs	1069	**1095**	26	45	2,4	4,3
25-34yrs	4550	**4629**	79	199	1,7	4,5
Age group of the unemployed						
15-24yrs	1754	**1691**	-63	21	-3,6	1,2
25-34yrs	3124	**3056**	-68	-47	-2,2	-1,5
Age group of the not economically active						
15-24yrs	7409	**7448**	40	-59	0,5	-0,8
25-34yrs	2846	**2857**	10	-63	0,4	-2,2

Table 6

The table above illustrates the differentiation amongst youth for different age groups in terms of the employed, unemployed and the economically not active sections for Q1, 2023 and Q2, 2023 period.

Profile of those not in employment, education, or training – South Africa

	Jan-Mar 2022	Apr-Jun 2023	Qtr- to -qtr change	Year on year change	Qtr-to-qtr change	Year on year change
	Thousand	Thousand	Thousand	Thousand	Per cent	Per cent
Age Group						
15-24yrs	3697	**3496**	-201	-155	-5,4	-4,2
25-34yrs	5583	**5527**	-56	-122	-1,0	-2,2

Table 7

3. Status of women within the prevailing youth unemployment

There were 2 million less women employed in Q2 2023 than men. The total number of employed women for Q2 2023 sits at 7,2 and 4,0 million that are unemployed, the picture shows another 1,7 million which constitutes discouraged work seekers and 7,7 million of Not Economically Active (NEA). The overall picture indicates that there are more unemployed women than men.

Labour force participation by gender Q2 2013 – Q2, 2023 indicates that only 54% of women of working age in South Africa participate in the labour force either as employed or looking for work. Over the past ten years, the unemployment rate for women has been higher than for men. The female unemployment rate increased from 27,5% in Q2, 2013 to 35,7% in Q2, 2023. Black African women continue to be the most vulnerable with an unemployment rate of 39,8% in Q2, 2023. This is 4,1 percentage higher than the national average for women at 35,7%. In addition, using the expanded unemployment definition, gender disparity persists throughout all population groups, which may be illustrated as follows for Q2, 2023 12,2% White, 36,4% Indian/Asian, 31,8% Coloured and Black Africans 50,6%.

The employment survey illustrates 36,0% of young females aged 15-24 years were not in employment, education, or training (NEET) in Q2, 2023. This is a 1,2 percentage points decrease compared to Q2, 2022. Furthermore, the survey indicates that women were more likely to be employed in private households and community & social services than men. Finally, women are also more likely to be employed in domestic work occupations than men. There are many men (0,8 million) in managerial occupations than women (0,4 million). Women are the most affected by unemployment compared to men. This on its own, is an indictment as far as women's empowerment agenda is concerned. There is still lot more to be done, particularly from government level.

4. Youth unemployment

The youth remain vulnerable in the labour market, with the second quarter of 2023 results showing that the total number of unemployed youth (15-34 years) decreased by 131 000 to 4,7 million while there was an increase of 105 000 in the number of employed youths to 5,7 million during the same period. This resulted in a decrease in youth unemployment rate by 1,1 percentage points to 45,3% in Q2:2023.

The graduate unemployment rate decreased by 1,0 percentage point to 9,6 in Q2, 2023 compared to 10,6 in Q1, 2023. Youth aged 15-24 years and 25-34 years recorded the highest unemployment rate of 60,7% and 39,8% respectively. According to the survey youth aged 15-34 years are more vulnerable to unemployment when compared to older age groups. Approximately 3,5 million (34,2%) out of 10,2 million young people aged 15-24 years were not in employment, education, or training (NEET).

South Africa has a high rate of unemployment amongst young people; therefore, many young people cannot provide for their families. The result is not good for the economy, when people are not working, and the economy is no longer stable. Government must come with a viable strategy and sustainable interventions that will help reduce unemployment in our country. People must be assisted to acquire the necessary skills so that they are able to develop themselves.

5. Closing remarks

This report has covered a few important aspects of youth unemployment and unemployment for the public. What has featured strong from the second quarter of the fiscal year of 2023 is a relative decline in the unemployment rate by a few percentage points. This analysis also pointed out that women are most affected by unemployment. This implies that men are still having advantages in acquiring employment, therefore government must find ways and means to arrest such unequal job opportunities between women and men.

6. References

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