



NATIONAL YOUTH DEVELOPMENT AGENCY
OUR YOUTH. OUR FUTURE.

Quarterly Labour Force Survey (QLFS) Q 1: 2023

YOUTH PERSPECTIVE SUMMARY

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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 – March 2023 (Q1 2023).

2. General highlights of the results

This section focuses on the general key labour indicators. The working-age population increased by 141 000 or 0,3% in the first quarter of 2023 compared to the fourth quarter of 2022. Compared to Q1: 2022, the working-age population increased by 571 000 or 1,4%. The number of employed persons increased by 258 000 to 16,2 million in Q1: 2023, and the number of unemployed persons increased by 179 000 to 7,9 million compared to Q4: 2022,

resulting in an increase of 437 000 (up by 1,8%) in the number of people in the labour force. The number of discouraged work-seekers decreased by 87 000 (down by 2,6%) and the number of people who were not economically active for reasons other than discouragement also decreased by 209 000 (down by 1,6%) between the two quarters, resulting in a net decrease of 296 000 in the not economically active population. It was observed that many persons moved from the "not economically active" category to "employed" and "unemployed" statuses between the two quarters, which resulted in an increase of 0,2 of a percentage point in the unemployment rate to 32,9%. The labour force participation rate in Q1: 2023 was higher than that reported in Q4: 2022 because of these movements – increasing by 0,9 of a percentage point to 59,4%. The absorption rate increased by 0,5 of a percentage point to 39,9% in the first quarter of 2023 compared to the fourth quarter of 2022. Employment gains were observed in the formal sector (up by 209 000), the informal sector (up by 107 000) and Agricultural sector (up by 27 000), while losses were observed in Private households (down by 85 000) in Q1: 2023. STATISTICS SOUTH AFRICA 2 P0211 Quarterly Labour Force Survey, Quarter 1: 2023 Compared to a year ago, total employment increased by 1,3 million persons (or 8,6%). The number of unemployed persons increased by 71 000 (or 0,9%), while the number of persons who were not economically active decreased by 778 000 (or 4,5%).

The results of the Quarterly Labour Force Survey (QLFS) indicate that the number of employed persons increased by 258 000 to 16,2 million in the first quarter of 2023 compared to the fourth quarter of 2022.

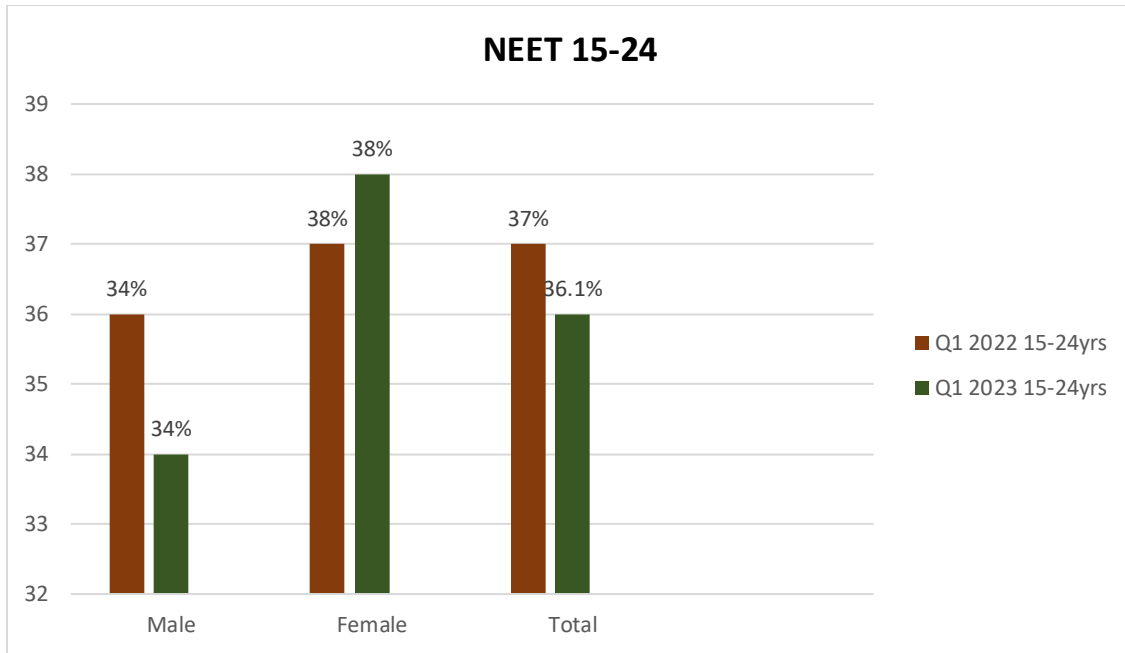
The number of unemployed persons increased by 179 000 to 7,9 million during the same quarter. Additionally, the number of people who were not economically active for reasons other than discouragement decreased by 209 000 to 13,2 million. The discouraged work-seekers decreased by 87 000 in the first quarter of 2023 compared to the fourth quarter of 2022 resulting in a net decrease of 296 000 in the not economically active population.

The above changes in employment and unemployment resulted in the official unemployment rate increasing by 0,2 of a percentage point from 32,7% in the fourth

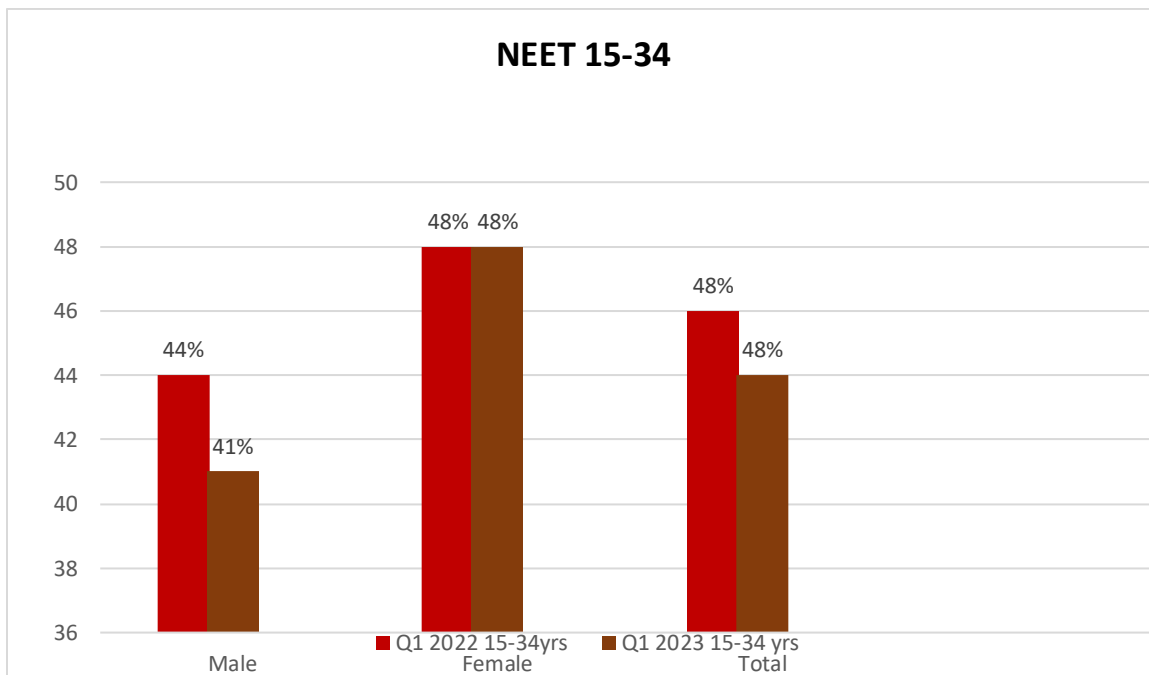
quarter of 2022 to 32,9% in the first quarter of 2023. The unemployment rate according to the expanded definition decreased by 0,2 of a percentage point to 42,4% in Q1:2023 compared to Q4:2022.

2.1 Not in Employment, Education, or Training

The report indicates that 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. There were about 10,2 million young people aged 15–24 years in Q1: 2023, of which 36,1% were not in employment, education, or training. This is 0,8 of a percentage point lower than the NEET rate in Q1: 2022. In this age group, the NEET rate for males decreased by 2,3 percentage points while for females it increased by 0,6 of a percentage point. The NEET rate for females was higher than that of their male counterparts in both years. Compared to Q1: 2022, the percentage of young persons aged 15–34 years who were NEET decreased by 1,6 percentage points from 46,3% to 44,7% in Q1: 2023. The NEET rate for males decreased by 2,7 percentage points, and for females the rate decreased by 0,5 of a percentage point. In both Q1: 2022 and Q1: 2023, more than four in every ten young males and females were not in employment, education or training.



NEET rate for youth aged 15-24yrs by sex.



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

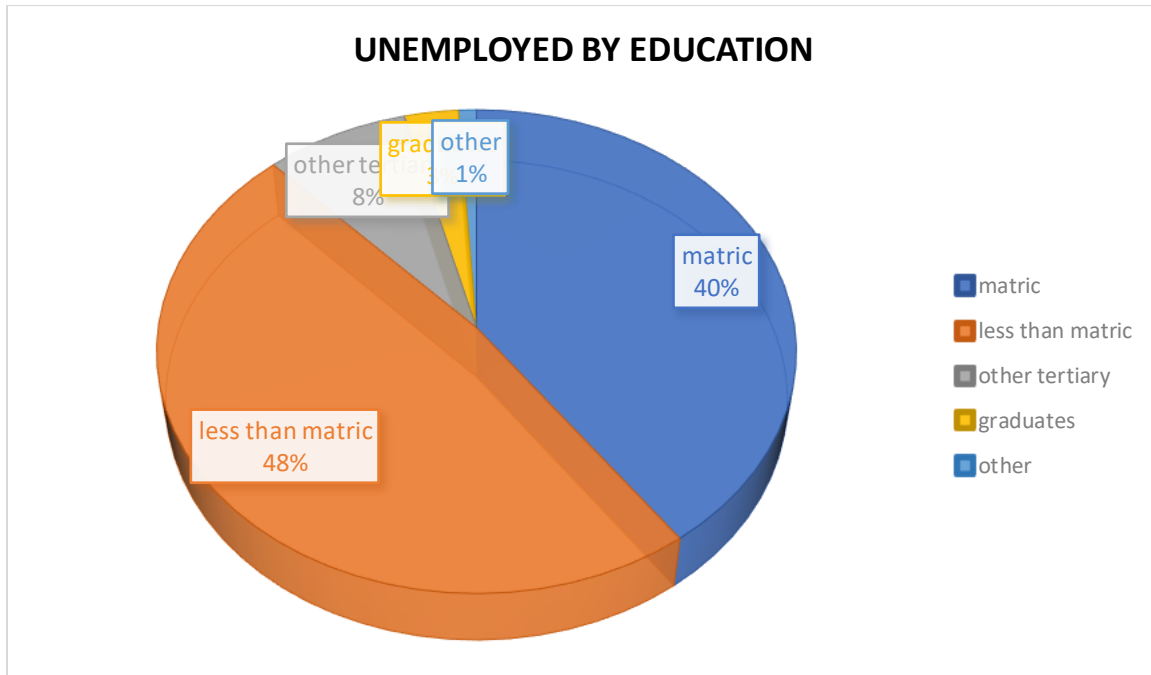
2.2 Labour characteristics by age group

| | Oct-Dec 2022 | Jan-Mar 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 | 10 229 | 10 232 | 2 | 2 | 0,0 | 0,0 |

| | | | | | | |
|--|--------|--------|------|------|------|-------|
| Labour Force | 2 634 | 2 823 | 189 | 274 | 7,2 | 10,8 |
| Employed | 1 027 | 1069 | 42 | 150 | 4,1 | 16,3 |
| Unemployed | 1606 | 1754 | 147 | 124 | 9,2 | 7,6 |
| Not economically active | 7595 | 7409 | -187 | -273 | -2,5 | -3,6 |
| Rates % | | | | | | |
| Unemployment Rate | 61,0 | 62,1 | 1,1 | -1,8 | | |
| Employed/population ratio (absorption) | 10,0 | 10,4 | 0,4 | 1,4 | | |
| Labour force participation rate | 25,7 | 27,6 | 1,9 | 2,7 | | |
| 25-34yrs | | | | | | |
| Population 25-34yrs | 10 499 | 10 520 | 21 | 96 | 0,2 | 0,9 |
| Labour Force | 7594 | 7674 | 80 | 431 | 1,1 | 6,0 |
| Employed | 4564 | 4554 | -13 | 359 | -0,3 | 8,6 |
| Unemployed | 3030 | 3124 | 94 | 73 | 3,1 | 2,4 |
| Not economically active | 2905 | 2846 | -59 | -336 | -2,0 | -10,5 |
| Rates % | | | | | | |
| Unemployed Rate | 39,9 | 40,7 | 0,8 | -1,4 | | |
| Employed/population ratio (absorption) | 43,5 | 43,3 | -0,2 | 3,1 | | |
| Labour force participation rate | 72,3 | 72,9 | 0,6 | 3,4 | | |

Labour characteristics by age group Q1 2023 (StatsSa)

The table above gives an overview of the labour characteristics by age groups within the context of employment between different ages groupings, as well as the rates amongst the unemployed, employed/population by ratio and labour force. The quarter1 2023 QLFS results also provides a differentiation with quarter4 2022 QLFS outcomes as depicted comprehensively on the table.



Proportion of the unemployed by education level quarter 1 2023

Data shows that of the 7,9 million unemployed persons in the first quarter of 2023, as many as 48,3% did not have matric, and 40,7% had completed matric. Almost 8% of the unemployed had other tertiary qualifications, while only 2,7% of unemployed persons were graduates. This picture clearly shows a significant number of people without matric.

The figures presented in the pie chart above illustrate that persons who form part of the big percentage (48%) of the unemployment rate are those who do not have matric. Acquiring an education still makes people stand a better chance to be employed. The focus must therefore be channelled/dedicated to education. It would be limiting to think that all the social ills faced by young people are the results of skills mismatch or low levels of education. In reiterating, education will not resolve all the problems faced by the young people of South Africa. The government will have to undertake vigorous, radical, and equitable economic reforms so that everyone fully participates in the economy, otherwise, if things remain unchanged the livelihood of the subalterns would remain untransformed.

3. Status of young women within the prevailing youth unemployment

The employment survey illustrates that 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.

In addition, the unemployment by comparing males and females as presented where all group population are segmented, even in this group cohort, similar trends have been observed, whereby females are affected the most by the level of unemployment as opposed to males.

Employment by industry and sex depicts a picture wherein sectors such as, agriculture, mining, manufacturing, utilities, construction, trade, transport, finance, private households, community, and social services are still male dominated.

Changing the current situation for young women will require coordinated efforts by all individuals' organisations that are specialising in gender parity advocacies. The department of women, youth and persons with disabilities, and the department of social development should take a lead in this gender parity activism.

4. State intervention in jobs creation.

South Africa has a high rate of unemployment, there are many people who are not working as a result they 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. How to reduce unemployment in South Africa? we must come with strategy that will help reduce unemployment in our country. People must have skills so that they will be able to develop themselves in the country and generally skills that we have can help us to create something that will help our society.

Encourage entrepreneurship to reduce unemployment in South Africa

People must be encouraged through government initiatives on entrepreneurship and entrepreneurship development. This would assist young people immensely and they would not have to rely solely on government to provide for jobs. This would enable young people to start small businesses and able to create job opportunities for themselves and others.

Entrepreneurship would also bring stability in our economy. When many people have businesses, our economy will be stable and parents must teach their children about business from early stages of childhood development when they are still young so that they would grow up knowing the importance of entrepreneurship, we have seen this in East and West Africa as well as in Europe.

Education and training

Education and training is essential in our society, when people particularly young people are educated it would be easier for them to get jobs, because they would possess the necessary knowledge that employers require to be employed. Young people should be encouraged to study because it has been proven that education will open doors and it will reduce the high rate of unemployment in the country. The government through multifaceted stakeholder initiatives must provide training centres so that we will be trained for jobs, internships and learnerships that are sustainable.

In concluding, how to reduce unemployment in South Africa in a long term, if we prepare our children from an early age about business and entrepreneurship this would make them not to lose focus when they grow up. They will grow up having knowledge about business and the importance of entrepreneurship, universities and colleges must equally offer entrepreneurship development courses so that students do not primarily rely on government for jobs and able to start their own business after they have graduated.

It is a false notion that state/government authority cannot intervene in a nation's economy in response to job creation, especially for youth. Majority of young people particularly graduates and those who have had gone through tertiary education level often want work exposure. The state can do so much in ensuring that these young people are absorbed in employment. The current prevailing material conditions dictate that the state cannot leave everything to the dictatorship of business conglomerates and to the whims of market capitalism. The state must dictate the terms and conditions for doing business and developing a business in South Africa.

The government has been waiting for far too long for businesses to create employment opportunities, but it is now history that nothing impeccable has been done by the private sector. At the same time, the government will have to start to explore the phenomena of what could possibly be executed by the government and minimise the function of outsourcing, because this is another element that unwittingly or wittingly land the government into unfavourable conditions in governing and managing its public affairs.

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 first 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. The analysis also pointed out that 'education' still plays an important role in social standing, for instance, a tiny 2.7 % of graduates and 48% of those without matric. Finally, it would perhaps be a good idea to make education compulsory, because without education the country will not prosper.

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