

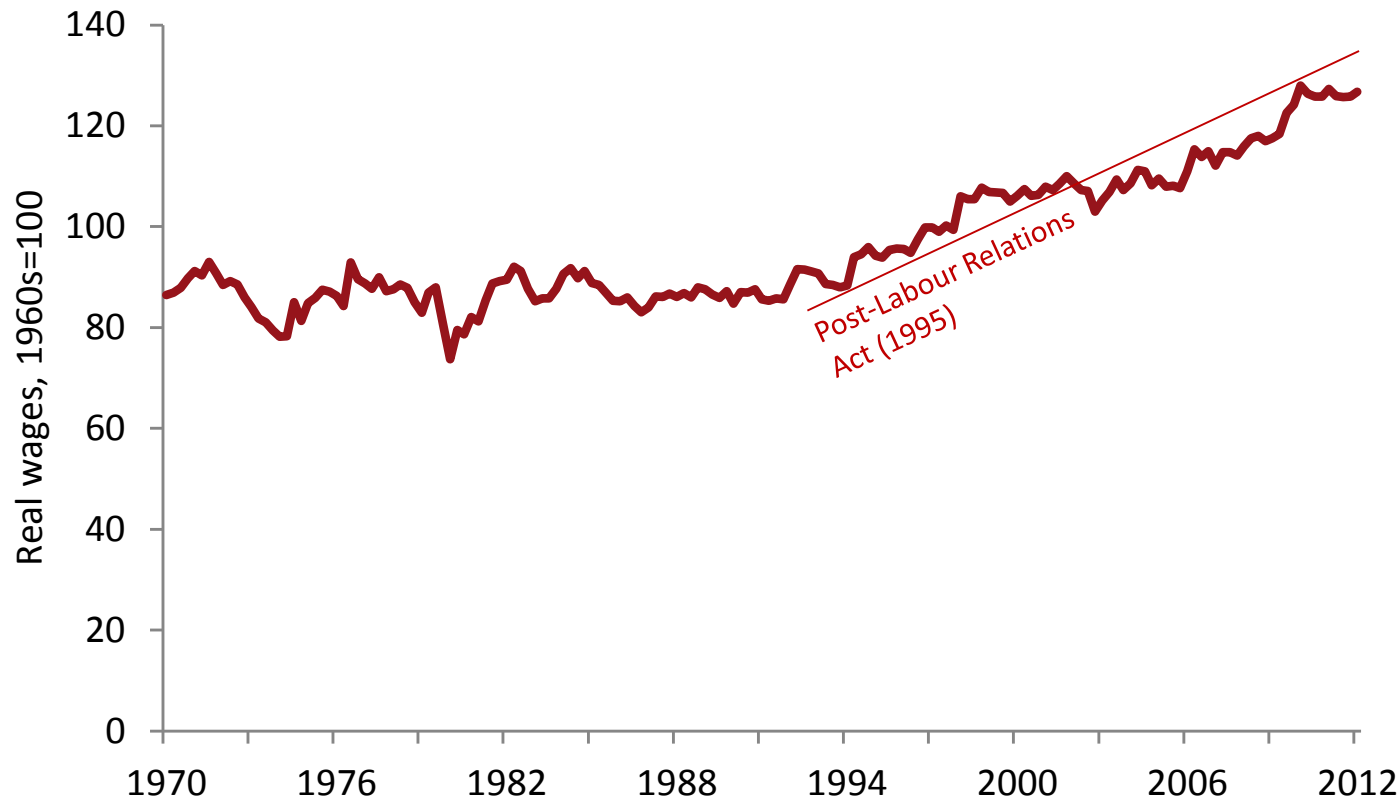
# Adcorp Employment Index

2013 Labour Market Update

# Unemployment remains SA's major challenge

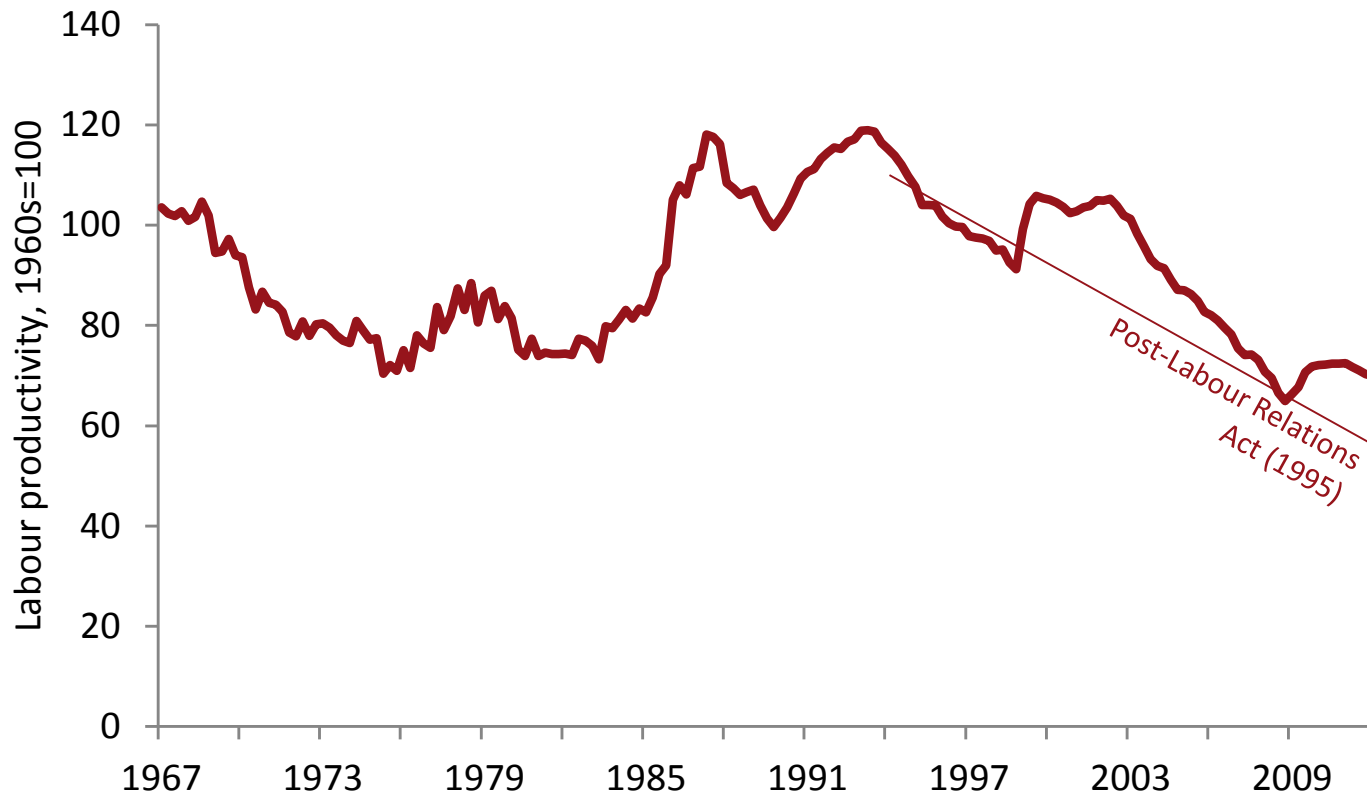
- One of post-apartheid's greatest disappointments is the economy's failure to create jobs – **13%** unemployment in 1994 to **37%** currently
- Official labour force size: **17.4** million of which **13** million formally employed
  - **4.4 million** South Africans are currently unemployed
  - **2.0 million** permanently discouraged about their prospects of finding work
  - **2.1 million** people underemployed (*Stats SA*)
- **2.7** million (**61%**) of those officially unemployed have been out of work for more than a year
- Nearly half (**46%**) of the economically active population is idle, with a staggering proportion (**74%**) of these under the age of **24**
- By any measure, unemployment is easily South Africa's **most pressing socioeconomic problem**
- Who are the unemployed?
  - Youth, black African, never worked before

# Real wages in South Africa



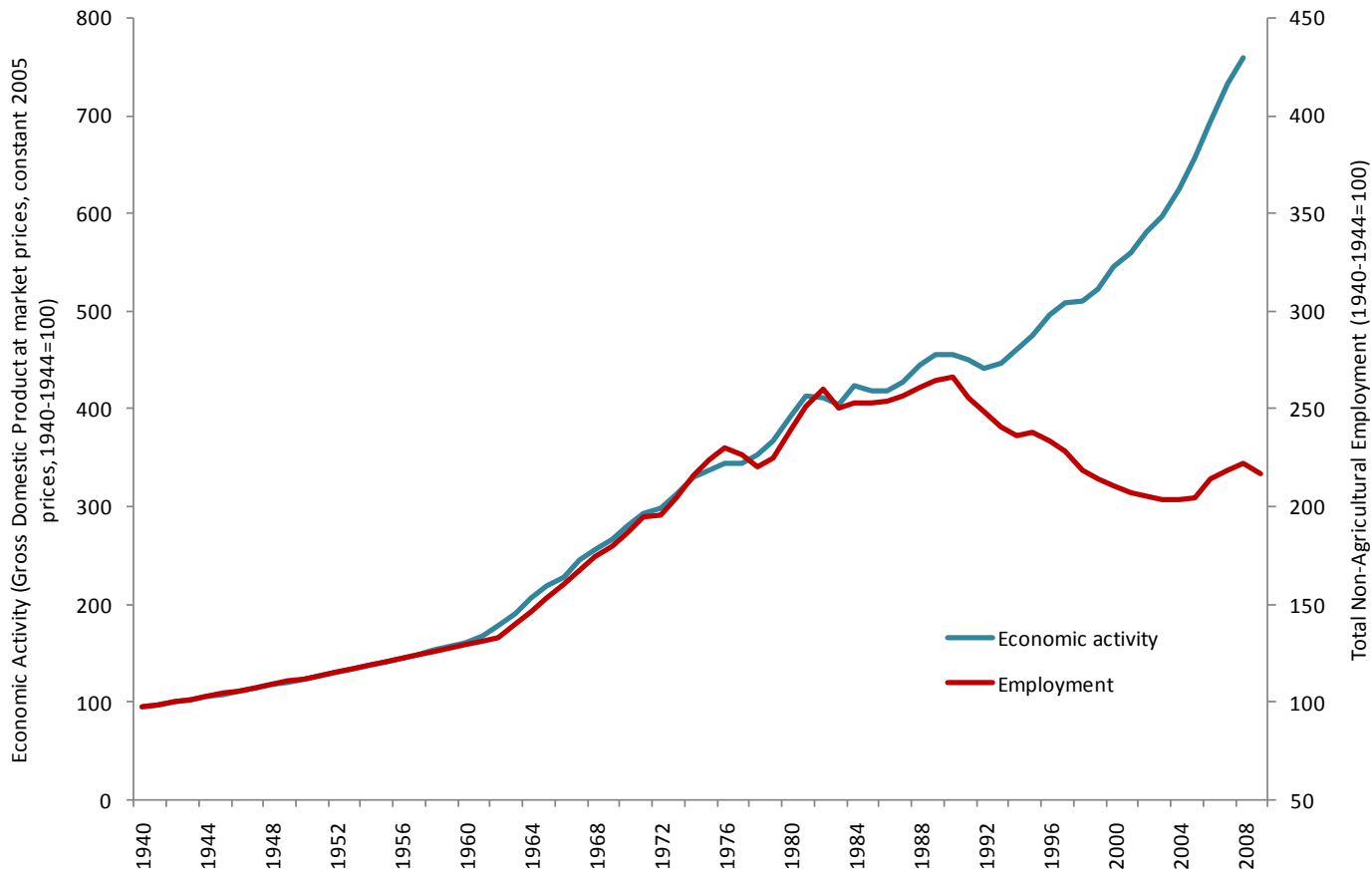
Note: \* After-inflation wages in the non-agricultural private sector.  
Source: South African Reserve Bank (2012).

# Labour productivity in South Africa



Note: \* The marginal productivity of labour, after removing the effect of capital equipment, machinery and other technologies. Source: Statistics South Africa (2012).

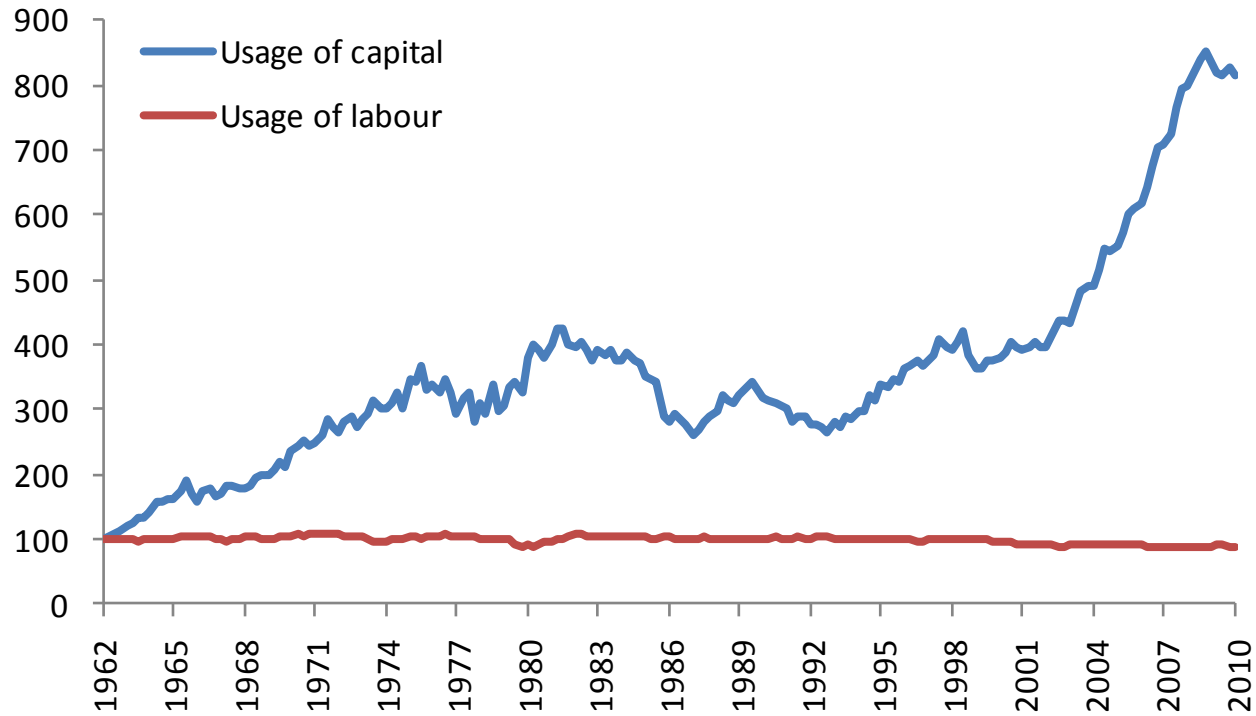
# Economic activity and employment



Data sources: South African Reserve Bank, Statistics SA.

# Labour vs. capital

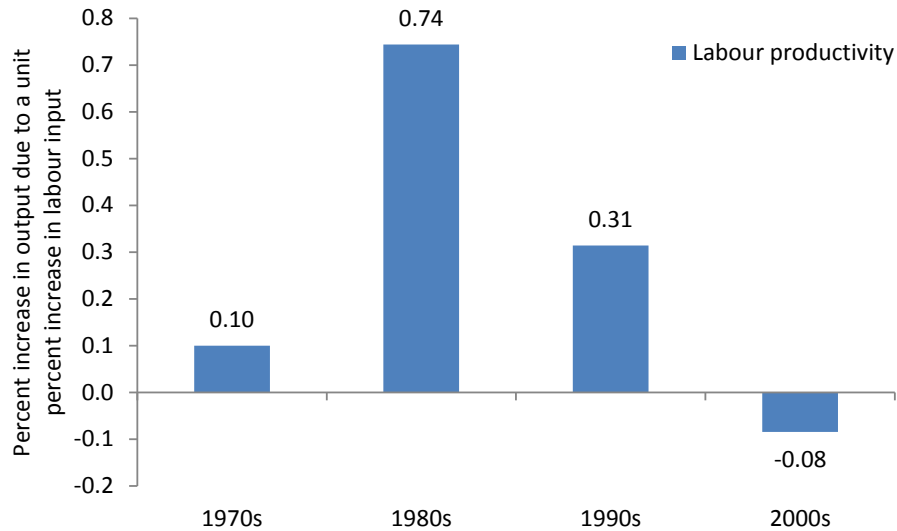
Usage of labour and capital



Data sources: South African Reserve Bank, Statistics SA.

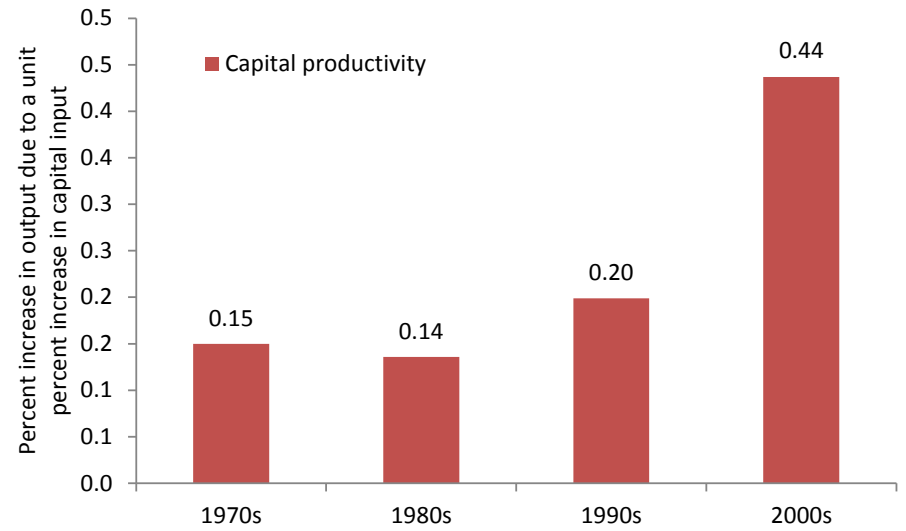
# Labour vs. capital productivity

## Labour productivity



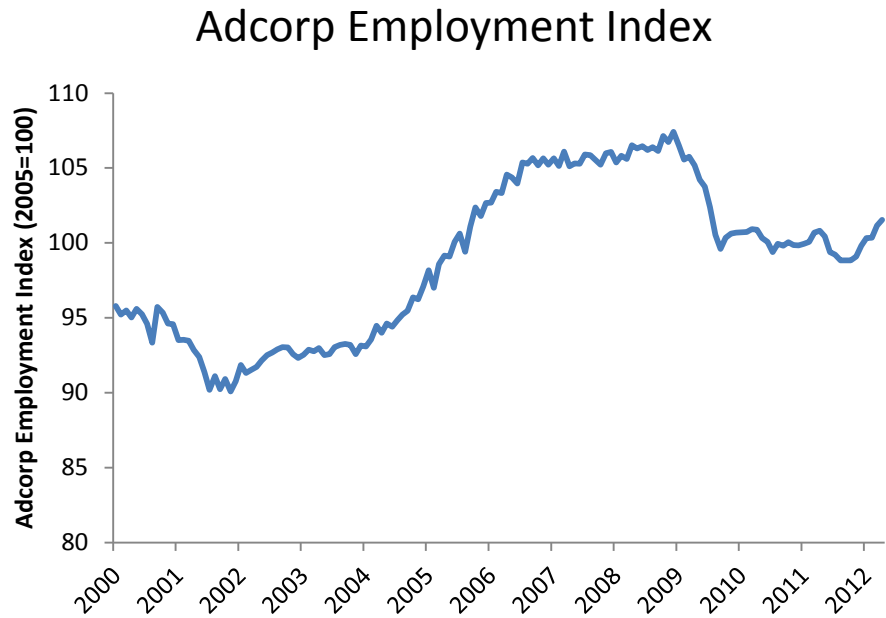
Data sources: South African Reserve Bank, Statistics SA.

## Capital productivity



Data sources: South African Reserve Bank, Statistics SA.

# Adcorp Employment Index



Data source: Adcorp Analytics.



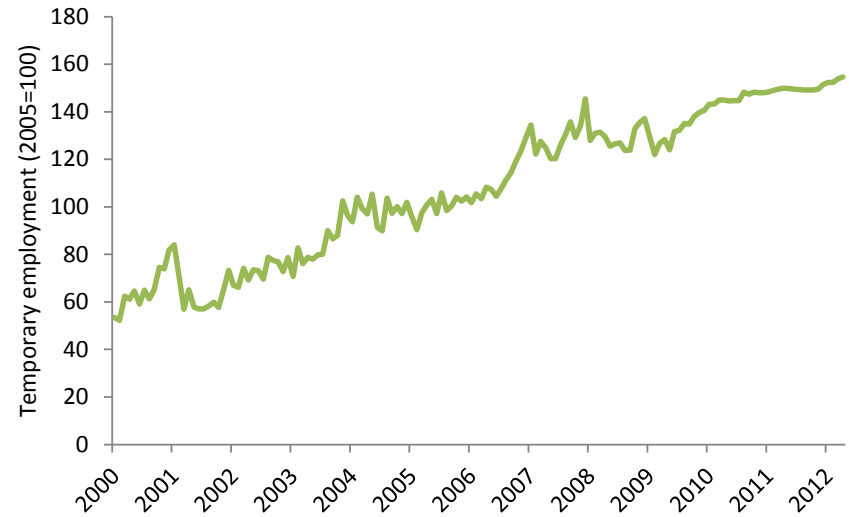
# Typical and atypical employment

## Typical employment



Data source: Adcorp Analytics.

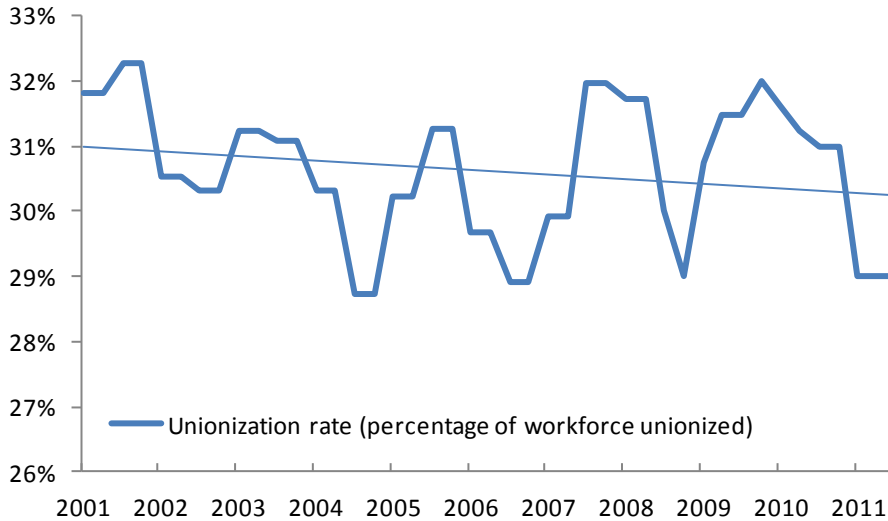
## Atypical employment



Data source: Adcorp Analytics.

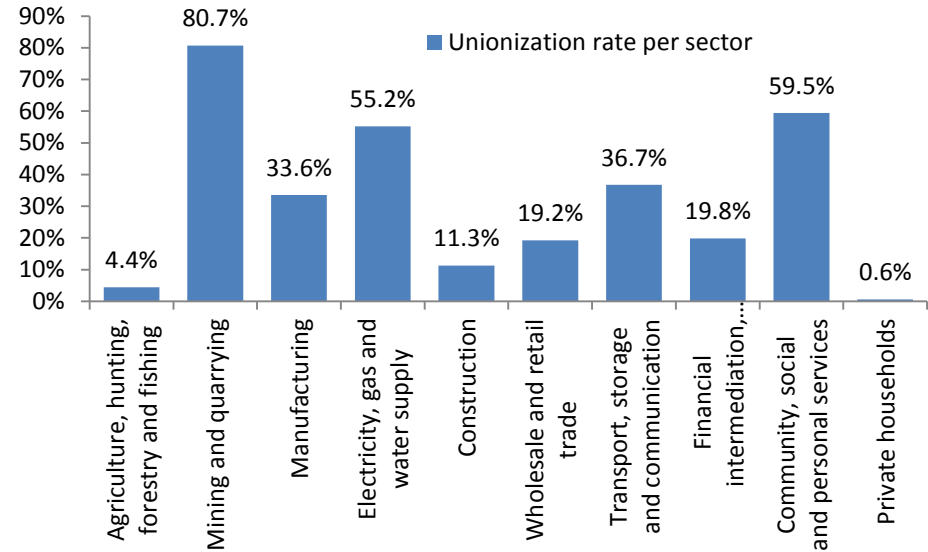
# Declining union membership

## Unionization rate



Data source: Statistics SA.

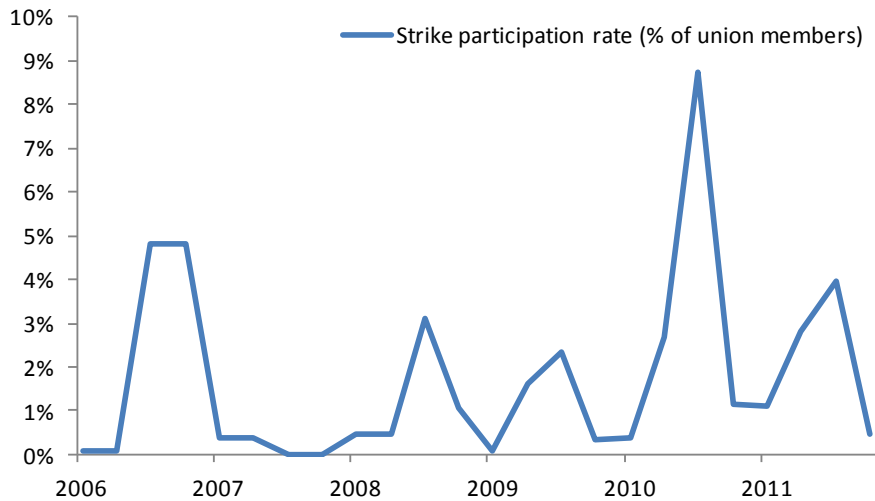
## Unionization rate by sector



Data source: Statistics SA.

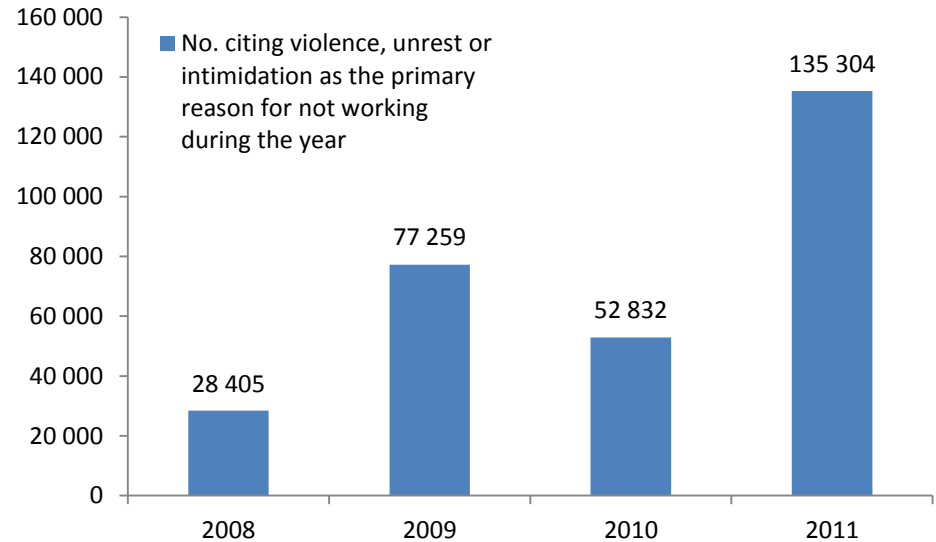
# Strikes and intimidation

## Strike participation rate



Data source: Statistics SA.

## Intimidation-related absenteeism



Data source: Statistics SA.

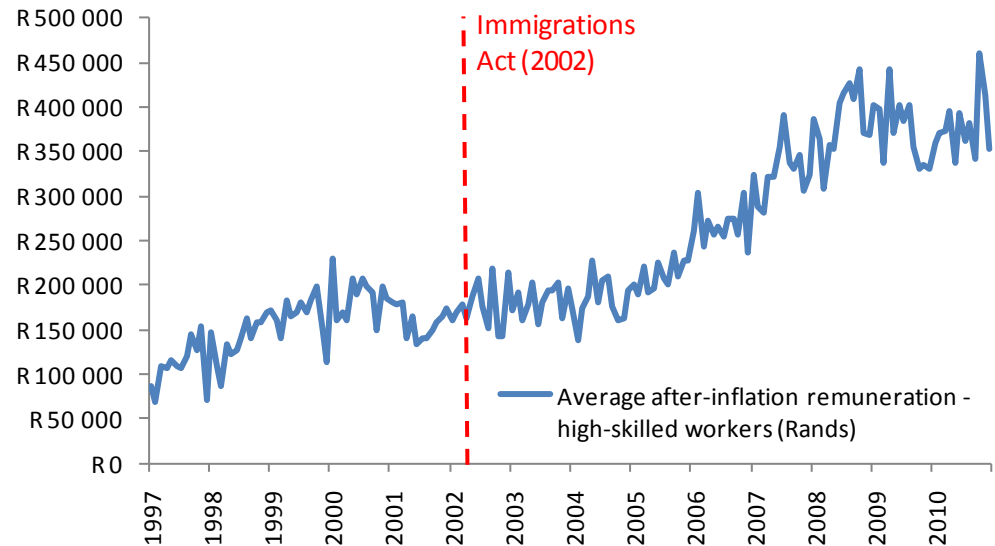
# Skills shortages

## Skills shortage by occupation

Occupation	Skills shortage (000s)*
Manager	216.2
Professional	178.4
Technician	432.1
Clerk	86.6
Sales and service worker	104.3
Skilled agriculture	3.1
Craft and related trade	65.5
Plant and machine operator	72.0
Elementary worker	-967.6
Domestic worker	-247.4
Total	-56.8

Data source: Adcorp Analytics.

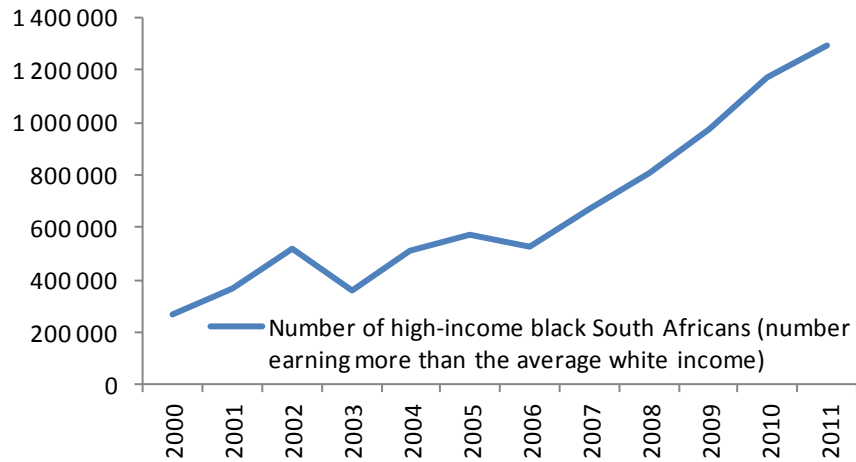
## Skilled workers' remuneration



Data source: Adcorp Analytics.

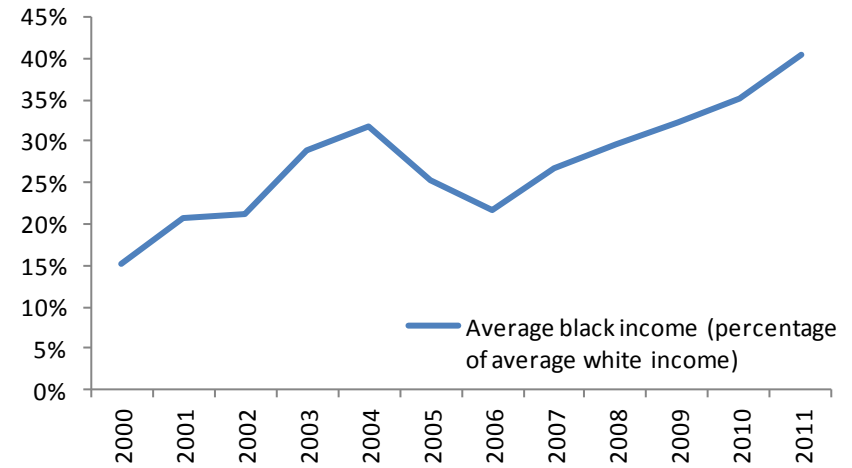
# Affirmative action

## Number of high-income Blacks



Data source: Statistics SA.

## Average Black income



Data source: Statistics SA.

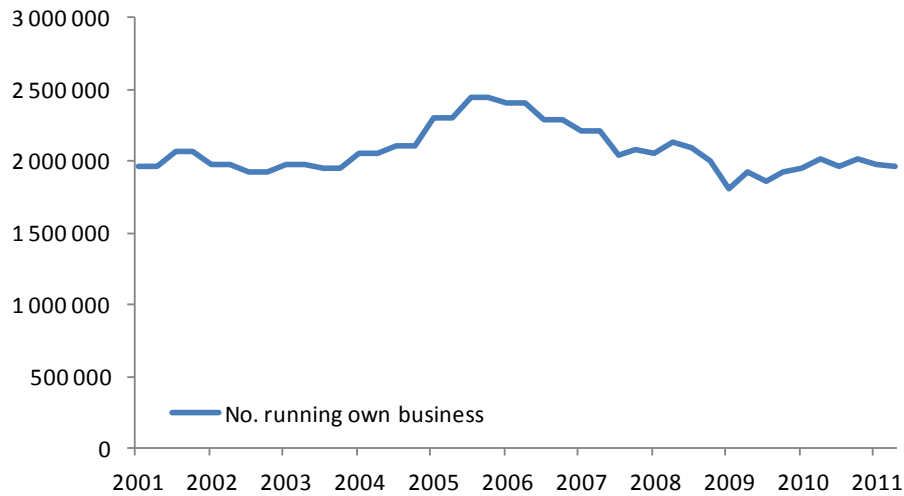
# The trouble with Statistics SA's estimates

Variable	Statistics SA estimate (QLFS Q4 2011)	Actual/verified figure	Source for actual/verified figure	Undercount (percent)
No. of taxpayers (individuals and businesses)	7 263 092	7 998 794	SA Revenue Service Tax Statistics 2011	9.2%
No. of business owners	1 969 767	5 579 767	The Business Trust (2011)	64.7%
Net new business taxpayers	354 694	–	SARS Tax Amnesty 2003-2010	17.1%
Net new individual taxpayers	2 512 397	–	SARS Tax Amnesty 2003-2010	42.2%
No. of businesses registered for VAT (active businesses only)	574 928	664 267	SA Revenue Service Tax Statistics 2011	13.4%
Percent of employees reporting PAYE/SITE deductions by their employers	57.0%	70.0%	SA Revenue Service Tax Statistics 2011	13.0%
Percent of employees reporting UIF deductions by their employers	58.0%	77.4%	SA Revenue Service Tax Statistics 2011	19.4%
No. of individual UIF contributors	6 602 197	7 919 290	Unemployment Insurance Fund Annual Report 2011	16.6%
No. of UIF recipients	80 577	183 040	Unemployment Insurance Fund Annual Report 2011	56.0%
No. of medical aid or health insurance principal members	3 712 168	3 612 062	Council for Medical Schemes Annual Report 2011	-2.8%
Compensation of employees (R millions)	1 066 370	1 317 655	Statistics SA GDP Q4 2011	19.1%
No. reporting did not know/specify or refused to disclose income	1 045 730	–	Statistics SA QLFS Q4 2011	23.7%
No. receiving wage increments in line with Bargaining Council agreements	1 035 320	1 765 230	National Association of Bargaining Councils (2011)	41.3%
No. receiving social grants (old age, veteran, child support, etc.)	11 500 132	15 028 969	SA Social Security Agency Statistical Report No. 41 (p. 8)	23.5%
No. underemployed (vs. no. willing to work additional hours/do extra work)	524 998	2 051 894	Statistics SA QLFS Q4 2011	74.4%
<b>Average undercount (percent)</b>				<b>28.7%</b>

Data sources: Statistics SA Quarterly Labour Force Survey (2001-2011). Other sources as indicated.

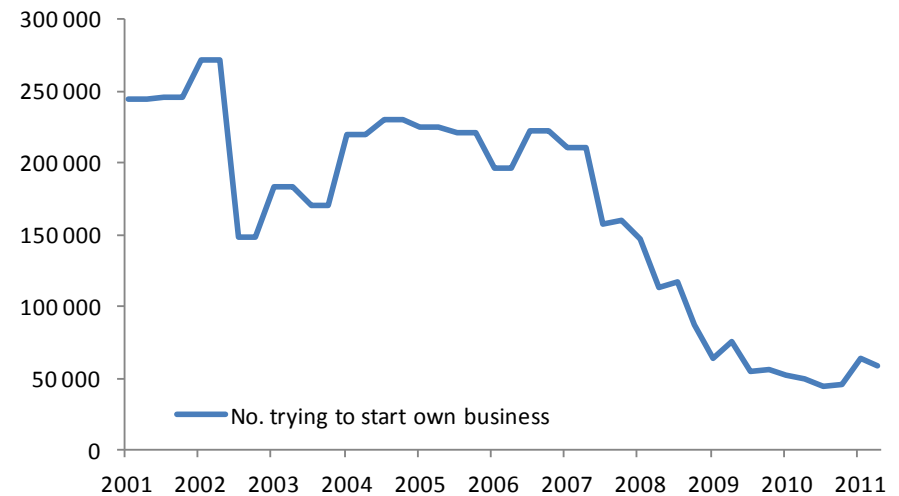
# Migrating to the informal sector?

Number of people running their own small businesses



Data source: Statistics SA.

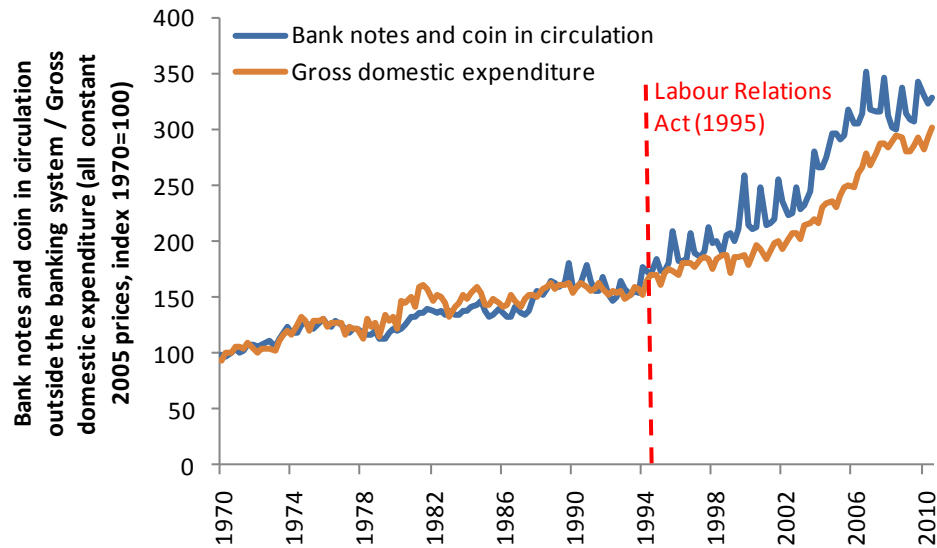
Number of people trying to start their own businesses



Data source: Statistics SA.

# The cash economy

## Notes and Coin in Circulation vs. Gross Domestic Expenditure

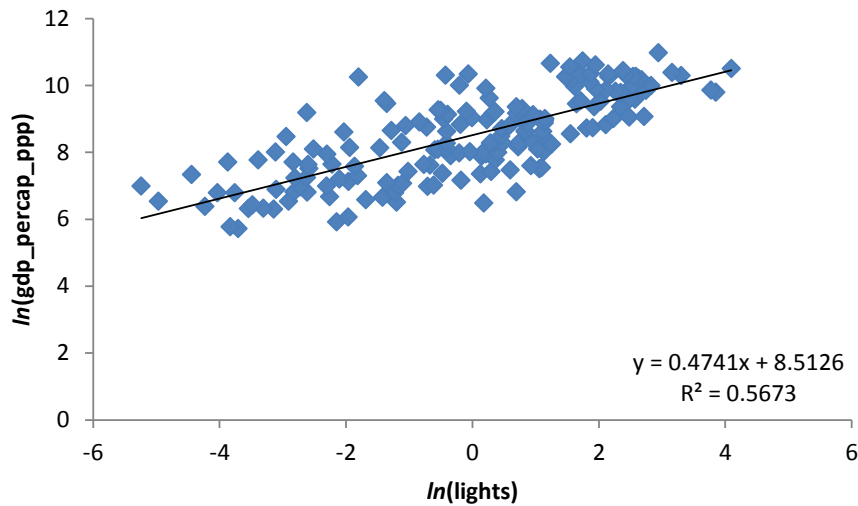


Source: South African Reserve Bank (2011)



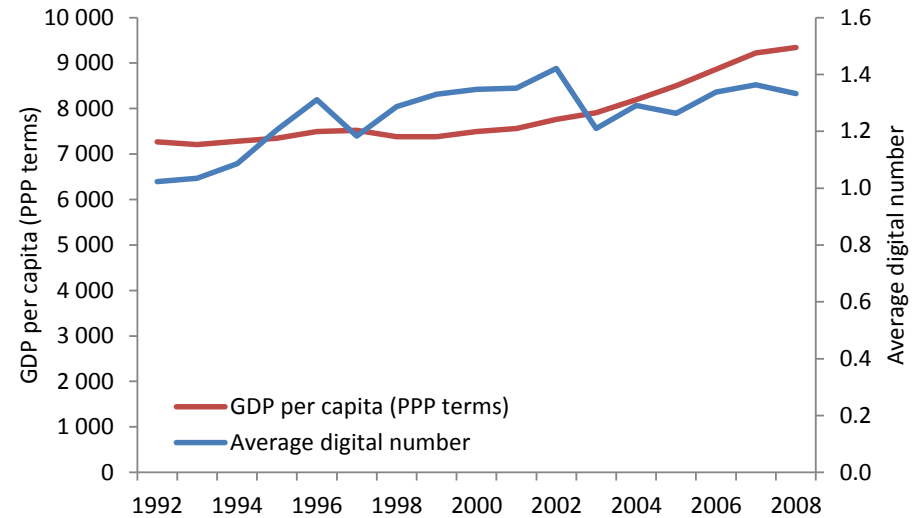
# The light economy

## GDP and AVDN for 172 countries



Data source: Henderson, V., A. Storeygard and D. N. Weil (2011). "A Bright Idea for Measuring Economic Growth". American Economic Review 101:3, 194-199

## South Africa, 1992-2008



Data source: Henderson *et al.* (*op. cit.*)