



# ANNUAL LABOUR MARKET BULLETIN 2012/13







labour

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA

# ANNUAL LABOUR MARKET BULLETIN 2012/13

Labour Market Policy  
Labour Market Information and Statistics

## **Publisher**

Department of Labour  
Chief Directorate of Communication  
Private Bag X117  
Pretoria0001

## **Contributors**

Abrahams Mutedi and Chaemell Smith: Section 1  
Lephina Mayekiso and Abrahams Mutedi: Section 2  
Millicent Sermono: Section 3

## **Editor-in-Chief**

Setsomi Molapo

## **Editor**

Abrahams Mutedi

## **Editing, layout and design, photography and distribution**

Media Production Unit  
Chief Directorate of Communication  
Department of Labour

ISBN: 978-0-621-42086-9



# Contents

LIST OF FIGURES.....	
LIST OF TABLES.....	
<b>INTRODUCTION.....</b>	<b>1</b>
<b>SECTION 1: PERFORMANCE OF THE SOUTH AFRICAN ECONOMY.....</b>	<b>2</b>
<b>1.1. FOREIGN EXCHANGE RATES.....</b>	<b>2</b>
<b>1.2. GROSS DOMESTIC PRODUCT (GDP).....</b>	<b>3</b>
<b>1.3. PROVINCIAL INITIATIVES TO THE COUNTRY JOB CREATION TARGETS.....</b>	<b>5</b>
1.3.1 KWAZULU-NATAL.....	6
1.3.2 MPUMALANGA.....	6
1.3.3 NORTH WEST.....	7
1.3.4. LIMPOPO.....	7
1.3.5 EASTERN CAPE.....	8
1.3.6 GAUTENG.....	9
1.3.7. FREE STATE.....	10
1.3.8 WESTERN CAPE.....	11
1.3.9 NORTHERN CAPE.....	11
<b>SECTION 2: LABOUR MARKET TRENDS.....</b>	<b>13</b>
<b>2.1. THE SOUTH AFRICAN LABOUR FORCE.....</b>	<b>14</b>
2.1.1. EMPLOYMENT.....	14
2.1.2. UNEMPLOYMENT.....	18
2.1.3. YOUTH (15-34 YEARS) WHO HAVE NEVER WORKED BEFORE.....	20
2.1.4 . WORK SEEKER REGISTRATION.....	24
<b>SECTION 3: INDUSTRIAL RELATIONS.....</b>	<b>27</b>
<b>3.1. COLLECTIVE BARGAINING.....</b>	<b>27</b>
<b>3.2. DISPUTE RESOLUTION.....</b>	<b>27</b>
3.2.1. REFERRALS.....	28
3.2.2. CONCILIATIONS AND ARBITRATIONS.....	30
<b>CONCLUSION.....</b>	<b>33</b>
POLICY IMPLICATIONS.....	33

## LIST OF FIGURES

FIGURE 1: TRENDS IN THE AVERAGE RAND/DOLLAR (\$) EXCHANGE RATES .....	3
FIGURE 2: REAL ANNUAL PERCENTAGE CHANGE IN GDP AT CONSTANT 2005 PRICES .....	4
FIGURE 3: PERIOD OF BEING UNEMPLOYED .....	20
FIGURE 4: DISTRIBUTION OF YOUTH AND ADULTS RECORDED AS HAVING NEVER WORKED BEFORE IN 2012 .....	21
FIGURE 5: DISTRIBUTION OF YOUTH (15-34 YEARS) WHO HAVE NEVER WORKED BEFORE BY GENDER AND EDUCATION ('000).....	22
FIGURE 6: YOUTH (15-34 YEARS) WHO HAVE NEVER WORKED BEFORE BY EDUCATION, POPULATION GROUP AND QUARTER	23
FIGURE 7: BLACK YOUTH (15-34 YEARS) WHO HAVE NEVER WORKED BEFORE BY EDUCATION AND PROVINCE .....	24
FIGURE 8: REFERRALS BY ISSUE .....	29
FIGURE 9: REFERRALS BY SECTOR.....	29

## LIST OF TABLES

TABLE 1: SEASONALLY ADJUSTED AND ANNUALISED QUARTERLY VALUE ADDED BY INDUSTRY AND GDP AT CONSTANT 2005 PRICES (R MILLION) .....	5
TABLE 2: LIMPOPO PROJECTS AND JOB OPPORTUNITIES .....	7
TABLE 3: QUARTERLY EPWP TARGETS AND JOB OPPORTUNITIES.....	8
TABLE 4: NORTHERN CAPE PROJECTS BY DISTRICT MUNICIPALITY .....	12
TABLE 5: ECONOMICALLY ACTIVE POPULATION (EAP- 15TO 64 YEARS) BY PROVINCE ('000) .....	13
TABLE 6: LABOUR FORCE ABSORPTION RATES* (%).....	14
TABLE 7: NUMBER OF EMPLOYED BY PROVINCE ('000).....	15
TABLE 8: NUMBER EMPLOYED BY INDUSTRY.....	16
TABLE 9: NUMBER OF EMPLOYED BY INDUSTRY AND GENDER .....	16
TABLE 10: EMPLOYED BY OCCUPATION AND GENDER ('000) .....	17
TABLE 11: HOURS WORKED BY GENDER ('000).....	18
TABLE 12: UNEMPLOYMENT RATES (%) BY PROVINCE .....	18
TABLE 13: EDUCATIONAL LEVEL OF THE UNEMPLOYED ('000) .....	19
TABLE 14: NUMBER OF WORK SEEKERS REGISTERED PER PROVINCE .....	25
TABLE 15: NUMBER OF WORK SEEKERS PLACED BY PROVINCE.....	26
TABLE 16: COMPANIES THAT REGISTERED WORK OPPORTUNITIES.....	26
TABLE 17: REGISTERED EMPLOYER AND EMPLOYEE ORGANISATIONS .....	27
TABLE 18: REFERRAL OF CASES BY REGION.....	28
TABLE 19: CONCILIATION HEARD AND FINALISED .....	30
TABLE 20: ARBITRATIONS HEARD AND FINALISED .....	31
TABLE 21: AWARDS RENDERED BY PARTICIPANTS IN PROVINCES.....	32

## ACRONYMS USED

ANC – AFRICAN NATIONAL CONGRESS  
MDG's – MILLENNIUM DEVELOPMENT GOALS  
CCMA – COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION  
ESSA – EMPLOYMENT SERVICES OF SOUTH AFRICA  
GDP – GROSS DOMESTIC PRODUCT  
ILO – INTERNATIONAL LABOUR ORGANISATION  
UIF- UNEMPLOYMENT INSURANCE FUND  
NGP – NATIONAL GROWTH PATH  
EPWP- EXPANDED PUBLIC WORKS PROGRAMME  
BBBEE – BROAD BASED BLACK ECONOMIC EMPOWERMENT  
LED – LOCAL ECONOMIC DEVELOPMENT  
NDP- NATIONAL DEVELOPMENT PLAN  
SMME – SMALL MEDIUM AND MICRO ENTERPRISES  
IDZ – INDUSTRIAL DEVELOPMENT ZONE  
STATS SA – STATISTICS SOUTH AFRICA

## Introduction

At the beginning of the 1990s, the World Bank redefined its mandate, declaring that sustainable poverty reduction was to be its overarching objective and tying loan approvals to a country's commitment to poverty reduction. This is the first of eight goals comprising the Millennium Development Goals (MDGs). This goal puts greater emphasis on reducing poverty and improved wellbeing culminated in the commitment by the international community in 2000 to halve the number of people living in absolute poverty by 2015<sup>1</sup>.

The amount and degree of poverty in a country is also associated with the level of income in that country and how the income is distributed amongst citizens. A country like South Africa whose distribution of income is highly unequal is likely to have a share of population in relative poverty in particular amongst women and men, rural and urban areas. Widespread poverty has a potential of giving rise to social upheaval and instability in society. For this reason, policy makers recognise the importance of considering the degree of poverty, unemployment and inequality in a country when analysing and implementing social and economic policies.

The South African Government priorities of halving poverty and unemployment gave rise to the formulation of macroeconomic policies aimed at spurring economic growth that leads to more gainful opportunities for all, where the poor would be able to access the necessary services and resources that are needed to take advantage of the economic opportunities and to increase the standard of living for all. The Government had also introduced job creation policies that will provide long term sustainable jobs and establishing support measures for SMMEs. Short-term poverty alleviation programmes like public works programmes were also introduced to tackle poverty in the country.

The Annual Labour Market Bulletin (ALMB) 2012/13 presents the labour market and economic indicators to show how far the South African Government has gone in halving the unemployment rate and improving the standard of living among its citizens. The report is structured in three sections. The **first** section looks at the performance of the South African economy viewing indicators like, the foreign exchange rates, Gross Domestic Products, and provincial employment opportunities and projects. The **second** section of the report looks at the labour market trends over three years (July 2010 to September 2012 and January to March 2013).

Section **three** of the report presents industrial relations over strike activities including trade union registration and referrals to the CCMA in the 2012/13 financial year. Lastly the report provides a conclusion on the findings from the information and data analysed. Views on the policy implications are also highlighted for policy and decision making.

<sup>1</sup> International Labour Organisation, Perspective on Labour economics for development, 2013.

## Section 1: Performance of the South African Economy

According to the Minister of Finance's assessment, South Africa's economic outlook is improving, but requires that we actively pursue a different trajectory if we are to address the challenges ahead. He noted in his budget speech that "a significant increase in private sector investment and competitiveness is needed in the wider economy: agriculture, manufacturing tourism, and communications. This means every sector has to play its part in expanding trade, investment and job creation...<sup>2</sup>".

Looking at the financial year 2012/13, it appears that the South African economy was relatively stable but at a lower growth rate than projected at the time of 2012 budget. If one considers the correlation between growth and employment, it was also observed that the South African labour market performed poorly over the same period. For example, the 0.9% economic growth in the first quarter of 2013 could also be associated with the 44 000 jobs created in the same quarter while unemployment has remained stubborn at 25.2%. Notwithstanding this, there is a need for higher economic growth in order to respond to the Government's New Growth Path (NGP) economic blueprint, which envisages annual economic growth of 7%; "...Without faster growth we cannot succeed in reducing unemployment, poverty and inequality...<sup>3</sup>"

In addition to the above, the following challenges in the South African economy can be highlighted:

- It is reported that the South African labour market was disrupted by labour unrest in the last quarter of 2012 which originated from the platinum mining sector before spreading to other mining sectors and subsequently to other sectors of the economy, such as the road freight transportation and agricultural sectors in the Western Cape. Out of 99 strikes recorded in 2012, about 45% of strikes were "unprotected or un-procedural" with more than 17 million working days lost
- On the one hand, inflation stayed within the inflation target range of 3-6% with consumer price rising by 5.7% in 2012 and projected to increase by an average of 5.5% a year, over the period ahead
- On the other hand, it is noted that the deepening crisis in the Eurozone, slow growth in other advanced economies such as United States and Japan, could increase the risk of a slow economic growth in South Africa in future. If so, it will also affect the projected economic growth of 2.7% in 2013 and employment growth.

Following this, it could be noted that the South African economy has been slow with a relatively small employment growth during the period under review. Nevertheless, the Minister of Finance<sup>4</sup> emphasises that the National Development Plan (NDP) presents a new trajectory to move beyond the constraints of the present to the transformation imperatives of the next twenty and thirty years. Thus, the South African Government remains hopeful and the NDP is regarded as the point of departure where it:

- Recognises that our medium-term plans are framed in the context of a long-term vision and strategy
- Focuses on strengthening growth and employment creation
- Prioritises improvements in education and expansion of training opportunities
- Promotes progress towards a more equal society and an inclusive growth path.

### 1.1. Foreign exchange rates

Various factors can explain the volatility of the Rand in the foreign exchange market. These factors are mostly associated with endogenous and exogenous factors. For example, in the domestic economy (endogenous factors), the mining sector was largely affected by a wildcat strike which spilled also to other sectors in the economy in the last quarter of 2012. This incident had adversely affected international investor confidence to invest in South Africa, which in turn affected the value of the Rand against the US Dollar due to lower demand. Furthermore, the exchange rate of the Rand depreciated further in January 2013 and became the worst-performing emerging market currency against the US Dollar. The decline in the external value of the Rand was largely attributable to the downgrading of South Africa's sovereign credit rating and the widening of the deficit on current account<sup>5</sup>.

2 Minister of Finance, Budget speech, 7 February 2013, p. 6

3 President Zuma's argument, Business Day, 31 May, 2013

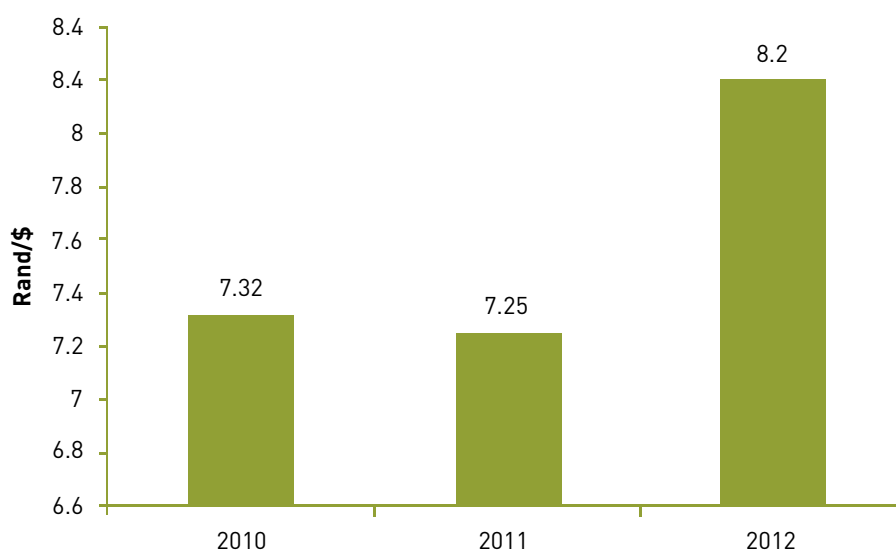
4 Minister of Finance, op cit., p.8

5 The South African Reserve Bank, Quarterly Bulletin, March 2013, p.40



In **Figure 1** below the trends in the average Rand and US Dollar exchange rates are shown from 2010 to 2012. The key question is that what could happen in the presence of weak currency regarding growth and job creation given the cost of labour in many areas of the production sector? Noting different views amongst economists, one might argue that it is about the rand competitiveness in the market of foreign exchange. It is argued that continued Rand devaluation runs the risk of entrenching South Africa as a country with a substantial export share but one that still remains poor, with a high unemployment rate<sup>6</sup>.

**Figure 1: Trends in the average Rand/Dollar (\$) exchange rates**



Source: South African Reserve Bank, Quarterly Bulletin; March 2013

In addition to fragile global economic recovery, it is also noted that the local socio-economic factors contributed to the Rand volatility in the country. These factors include:

- The spread of labour unrest and un-procedural strikes that commenced in the mining sector
- The downgrading of the country's sovereign ratings
- The release of economic data showing a rising trade deficit and
- The indications of a renewed pickup in inflation.

**Figure 1** shows that the Rand was trading at an average of R7.25 against the US Dollar at the end of 2011 and depreciated further to R8.25 in December 2012, partly due to the large deficit on current account and social unrest in the mining sector that spilled over other sectors in October 2012. The global economic recession, in particular in the Euro-Zone resulted in lower demand for South Africa's minerals by its major trading partners, reducing exports and income. The exchange rate of the Rand depreciated further in January 2013 and became the worst performing emerging market currency against the US Dollar<sup>7</sup>.

## 1.2. Gross Domestic Product (GDP)

While the South African economy growth is relatively positive, the global demand remains a challenge, in particular with the Euro-Zone declining output. It is reported that Euro-Area output shrank in the first three months of this year by 0.2% compared with its level in the final quarter of 2012. That decline, which was a bit worse than expected left GDP at 1% lower than a year ago. Furthermore, it is stressed that the biggest risk stems from unemployment, which now stands at 12.1% in the Euro-Area, the highest on record going back to 1995<sup>8</sup>.

<sup>6</sup> Bishop. A, Business Report, 13 February 2013

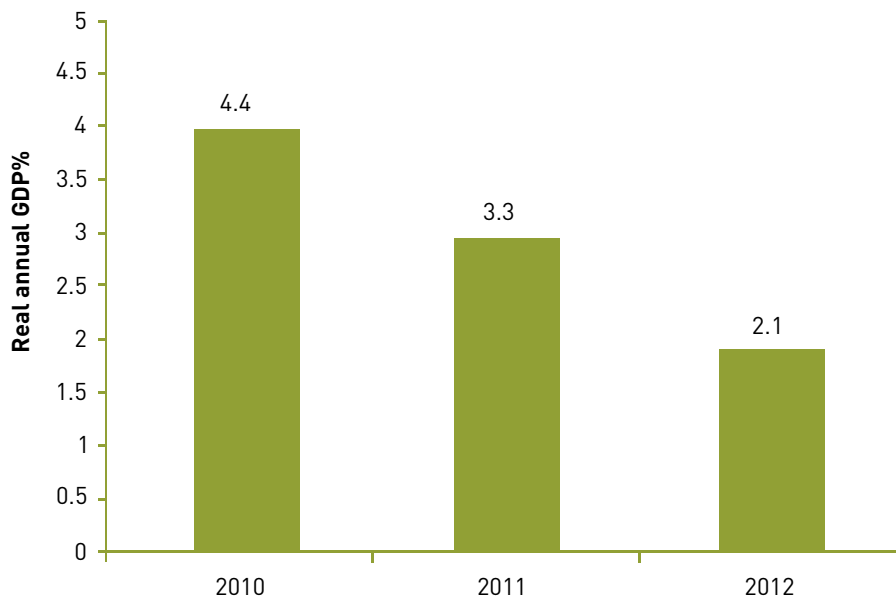
<sup>7</sup> The South African Reserve Bank, Quarterly Bulletin, March 2013, p.40

<sup>8</sup> The Economist, May 18, 2013, p.68

With this in mind, the Minister of Finance reckoned that the South African trade performance is holding us back. Export grew by just 1.1% in real terms last year, while imports increased by 7.2%. The deficit on the current account of the balance of payments was 6.1% of GDP. This trend on high imports will definitely impact on labour costs. While unions are demanding high wage increases at the same time companies might find it difficult to increase the price of their products to match the rise in labour costs.

The trends in the domestic activities are presented in **Figure 2** to examine the contribution of each industry into the GDP. The GDP growth rates are based on seasonally adjusted data.

**Figure 2: Real annual percentage change in GDP at constant 2005 prices**



Source: Statistics South Africa, *Gross Domestic Products, 4<sup>th</sup> Quarter 2012*, p.11

The trade market statistics<sup>9</sup> indicate that the total exports from South Africa to the rest of the world amounted to a cumulative R520.5 billion over the first three quarters of 2012, representing a 3.6% increase relative to the corresponding period in 2011. The expansion was mainly propelled by increased export values of coal, machinery and equipment, as well as coke and refined petroleum products.

The value of exports to the EU declined by 5.5% year-on-year to approximately R109.2 billion in the first quarters of 2012, with Germany (-15.3% to R28.3 billion), Italy (-14.8%), Spain (-13%) and the United Kingdom (-3.1%) contributing most to this decline. On the other hand, imports from the rest of the world rose to a cumulative R614.7 billion in the first quarters of 2012, representing an 18% increase on the level attained over the same period a year earlier. The principal contributors to this growth, as well as the largest import categories during this period, were: crude oil; original motor vehicle components and equipment; motor vehicles; and refined petroleum products.

According to **Figure 2**, the economy showed a decline in the domestic output from 4.4% in the fourth quarter of 2010 to 2.1% in the fourth quarter of 2012. As reported, this is due partly to the lower demand in the international market and the local socioeconomic problems, in particular the labour unrest in the mining and other sectors in the economy in the last quarter of 2012.

**Table 1: Seasonally adjusted and annualised quarterly value added by industry and GDP at constant 2005 prices (R million)**

Industry	2010	Change	2011	Change	2012
Agriculture	43 278	-2 557	40 721	3 205	43 926
Mining	104 103	-7 203	96 900	-3 052	93 848
Manufacturing	285 558	8 663	294 221	8 548	302 769
Electricity	34 709	5	34 714	-500	34 214
Construction	57 650	423	58 073	1 737	59 810
Wholesale	229 576	10 378	239 954	5 461	245 415
Transport	168 928	5 360	174 288	3 339	177 627
Finance	391 145	16 873	408 018	11 450	419 468
Community	252 797	10 795	263 592	6 353	269 945
Personal services	102 756	2 461	105 217	2 103	107 320
Taxes less subsidies on	198 184	10 354	208 538	6 303	214 841
<b>GDP at market prices</b>	<b>1 868 683</b>	<b>55 553</b>	<b>1 924 236</b>	<b>44 947</b>	<b>1 969 183</b>

Source: Statistics South Africa, *Gross Domestic Product, 4<sup>th</sup> Quarter 2012*, p. 10

**Table 1** shows the contribution of each industry to the GDP growth from 2010 to 2012. The majority of industries contributed positively to the growth of the economy, except the mining and utilities<sup>10</sup> (electricity, gas and water) sectors. The contraction in mining output in the fourth quarter mainly resulted from lower production volumes in the gold mining industry and slower growth in production in the platinum group metals sector: both sectors were adversely affected by strike activity in the fourth quarter of 2012.

Despite the challenging economic climate and operating conditions, including disruptive industrial action, employment in the mining sector increased by 11 575 in the second quarter of 2012 relative to the previous quarter. Agricultural and manufacturing employment, in turn, declined by 18 000 and 11 254, respectively, over this period. However, compared to the same period in 2011, agricultural employment was 40 000 higher and mining employment increased by 19 890, but manufacturing employment recorded a marginal decline of 2 524 jobs.

### 1.3. Provincial initiatives to the country job creation targets

In the State of the Nation speech 2013, President Jacob Zuma re-emphasised the vision for job creation for the next 20 years as outlined in the NDP. The focus then and now is on tackling the problems of poverty, inequality and unemployment. To tackle the problems, the President further state that it is important for the economy to grow three-fold in order to create 11 million jobs by 2030.

In reflecting on the past year, the President made various references to employment initiatives. This section will highlight a few successes and will then consider provincial initiatives. Infrastructure development in different provinces ranging from the building of schools, roads and clinics in the North West to the 28 projects in wind, solar and small hydro technologies in the Eastern Cape, Western Cape, Northern Cape and the Free State. Reference was again made to the Job Fund, which is directed at creating jobs in the country and the allocated R3 billion that was approved. Other initiatives include the apprenticeships and learnerships of state owned enterprises and the training programmes of the Department of Rural Development and Land Reform<sup>11</sup>.

<sup>10</sup> The decline in electricity production could be attributed primarily to lower demand from the manufacturing and mining sectors, which were both adversely affected by planned and unplanned shutdowns of operations during the period ( SA Reserve Bank, Quarterly Bulletin, March 2013, p.7)

<sup>11</sup> <http://www.timelive.co.za/politics/2013/02/14/full-text-of-President-Jacob-Zuma's-State-of-the-Nation-Speech>, 2013

The rest of the section will focus on job creation initiatives of the provinces to contribute to the NDP targets. There is clear distinction between the provinces concerning where their focus will be, however it is evident that the majority focused on skills development, the Expanded Public Works Programme, infrastructure development and tourism.

### 1.3.1 KwaZulu-Natal

KwaZulu-Natal province has aligned its growth strategies to the national vision of creating five million jobs by 2020 that is outlined in the NGP and the NDP. The province further envisions becoming the 'Gateway to South and Southern Africa'. This fulfillment of the provincial vision relies on infrastructure developments that will ensure that KwaZulu-Natal becomes the connecting point to global and regional markets.

The province tackled various projects to address the challenges of unemployment and to contribute to the targets of the NGP. The first was the Expanded Public Work programme (EPWP) that since 2009 created 89 455 full-time jobs and 324 951 work opportunities. The second initiative was the Regional Bulk Infrastructure Projects that focuses on water and sanitation in the province as well as the construction of dams. This project to date has resulted in 3 631 direct project construction jobs. In the ICT sector the office of the premier facilitated investment of more than R2.4 billion which created over 10 000 jobs. The Richards Bay Industrial Development Zone will conclude in the near future and agreements have been reached for investment to be over R3.5 billion. In addition the TATA Steel manufacturing plant will be providing 400 jobs<sup>12</sup>.

There are various future initiatives from the KZN spectrum which includes the stimulation of growth in the tourism sector. KZN is the third destination of choice for international visitors. The province approved the Provincial Tourism Master Plan that is set to increase tourism jobs to 180 000 by 2020 and to the number of domestic arrivals to more than 24.1 million by 2030.

### 1.3.2 Mpumalanga

According to the 2011 Census, Mpumalanga is a youthful province with nearly 70% of its population being below the age of 35. National statistics highlighted numerous times that the highest number of unemployed people in the country are South African youth. The focus of unemployment initiatives thus need to focus on youth development within this province.

The different job creation initiatives for 2012-2013 included SMME development. 85 Cooperatives were trained in business management with the assistance of the Small Enterprise Development Agency to promote entrepreneurship. The construction of the Mkhondo local municipality water bottling plant created 25 temporary jobs for the youth and when fully operational will allow for the filling of 23 permanent jobs.

The Expanded Public Work Programme (EPWP) created 974 permanent-equivalent jobs, e.g. the fire management and infrastructure upgrade at four nature reserves. The EPWP was also responsible for the creation of an additional 199 permanent jobs during the refurbishment of the Zithabiseni Resort and Conference Centre.

During the first three quarters of 2012, Mpumalanga received more than one million international visitors. The Department for Economic Development, Environment and Tourism contributed to skills development in the province by funding nine students with under graduate studies. During the 2012-2013 financial year, the two of the nine students received permanent employment, six students decided to continue with their studies and the last one will be placed in an internship programme.

The province has great initiatives for the 2013-2014 financial years which include further SMME and cooperative development, tourism and skills development<sup>13</sup>.

12 State of the Province Address by Dr Zweli Mkhize, Premier of the province of KwaZulu-Natal, Royal Show grounds

13 Phosa, YN. (2013) Vote 6: Policy and Budget Speech (2013-2014) presented by the MEC for Economic Development, Environment and Tourism.

### 1.3.3 North West

The North West province consists of four district municipalities, Dr Modiri Molema, Bonjanala, Dr Kenneth Kaunda and Dr Ruth Mompoti. The main economic drivers in the province are mining, agriculture and tourism.

There were various initiatives concerning job creation in the North West. However some areas were prioritised. During the 2012/13 and 2013/14 the focus will be on infrastructure and road development in the province. Nearly R80 million was envisioned to be spent in 2012/13 and R200 million during 2013/14 on road rehabilitation and maintenance through contract work.

According to the State of the Province speech, 3 172 jobs were created in infrastructure projects which include the building of school sanitation, libraries, renovations and class rooms<sup>14</sup>.

The North West is currently the only province in the country where the Comprehensive African Agricultural Development Programme (CAADP) has been launched and Provincial CAADP Team established comprising of representatives from various key sector role players. CAADP is an initiative of the African Union Commission (AUC) and NEPAD Planning and Coordinating Agency (NPCA), which seeks to bring agriculture to all African countries.

The Provincial Aquaculture and Fisheries programme was launched in partnership with the Rhodes University in the six identified dams, to promote inland fisheries and aquaculture. The programme was started by the Department of Agriculture in November 2012. This programme has identified the need for working relations between the Department of Water Affairs and Economic Development, Environment, Conservation and Tourism in order as to strengthen institutional arrangements in these six identified dams<sup>15</sup>.

As part of North West's support towards employment creation through agriculture, a total of 1 502 jobs were created by implementing 401 projects and over 19 681 farming community beneficiaries were supported as part of the departmental job creation plan during the period under review.

### 1.3.4. Limpopo

Limpopo experienced significant economic growth in the following economic sectors, i.e. Agriculture and agriculture processing, mining and tourism.

The province has agricultural land with vast tracts of fertile soil that allow for profitable commercial farming. As of 2012 agriculture contributed 13% to the Provincial Gross Domestic Product (PGDP). It produces 75% of South Africa's mangoes, 65% of papayas, 36% of tea, 25% of citrus fruits (bananas and litchis), 60% of avocados and 67% of tomatoes.

On the other side, cattle and game farming is also growing. The project is said to be having a potential of creating more than 5 500 direct jobs and develop entrepreneurial talent of many people in the farming sector. This is done as part of the initiative to support women in the farming sector, not to only become small crop farmers but also to be successful commercial farmers. Here follows a list of the projects during the financial period under review with the number of people that are actively employed.

**Table 2: Limpopo projects and job opportunities**

Name	Type	Workforce
Medupe power	Electricity	18 000
Mankele Bridge (Oliphant River)	Construction	30
Seshego (Community project)	Housing	18

Source: *Limpopo Mining and Industries magazine 2012/2013*

14 State of the North West Province Address delivered by Premier Thandi Modise in the North West Provincial Legislature Chambers, Mafikeng, North West Province

15 State of the North West Province Address, op. cit

The Expanded Public Works Program (EPWP) also created various employment opportunities during the period under review.

**Table 3: Quarterly EPWP targets and job opportunities**

Name of Sector	Targets	Q1 Work	Q2 Work Created	Q3 Work Created (validated)	Q4 Work	(%) vs. targets
Infrastructure departments	32 347	3 071	3 853	4 807	6 558	20%
Municipalities	42 072	9 544	11 948	14 831	19 138	45%
Total provincial infrastructure sector	74 419	12 615	15 801	19 638	25 696	45%
Social sector	15 225	2 177	9 631	14 926	14 926	35%
Environment and culture sector	13 119	2 661	6 832	8 215	12 558	98%
Non-state sector	-	2 661	5 194	6 300	6 300	-
Total: provincial	102 763	22 544	37 458	49 079	59 480	58%
National funded:	-	6 200	14 869	20 780	22 780	-
National funded: environment	-	2 946	7 446	8 890	11 117	-
<b>Grand Total</b>	<b>102 763</b>	<b>31 690</b>	<b>59 773</b>	<b>78 749</b>	<b>93 377</b>	<b>91%</b>

Source: Limpopo Public Works EPWP 2012/13

According to **Table 3** the environment and cultural sector with contributed 98% of the EPWP jobs in the province. Then Municipalities and infrastructure only accounted for less than 50%. Of the jobs created in the infrastructure municipality accounts for 45% while department infrastructure accounts for 20%. It is worth mentioning that all EPWP jobs has a life span of a maximum of 12 months. Amongst the project indicated in **Table 3**, some are funded provincially while other are funded nationally. The data also reflects quarterly targets even though the last quarter data is not yet validated due to protocol and that the validation competencies is at national level. The quarterly trends depicts an increase in jobs from quarter one to quarter four respectively.

### 1.3.5 Eastern Cape

The Eastern Cape, as the rest of South Africa, has a “dual economy” with both developed and underdeveloped regions. The two urban industrial manufacturing centres (Nelson Mandela Bay and Buffalo City) have first-world components, while the rural land, particularly in the former homeland areas of the Transkei and the Ciskei, is characterised by poverty and is generally underdeveloped.

The Eastern Cape labour force is mostly dominated by youth (15-34 years). They represented 53% of the labour force. In other words, there is a high proportion of youth unemployed (72%) from the total unemployed people in the province. At provincial level, GDP growth has again dropped from the recovery figure of 3,4% in 2011, and is expected to remain at below 3% for this year<sup>16</sup>.

The report of the Minister of Economic Development, indicated that since 2010, 387 000 youth in the Eastern Cape have been employed. This represents an increase of more than 25 000 per annum, thus placing the province as number three in youth employment in the country. In addition, a total of 1 623 young people against a target of 1 600 benefited in the Government’s Household Contractor Programme. With the assistance of Old Mutual, the province managed to train 444 National Youth Service students on business skills. Through the Government’s Amathuba Jobs Portal, 10 578 job opportunities were matched with relevant skills, against a target of 8 500.

Through the Public Works Programme, Eastern Cape managed to employ 19 369 youth, far surpassing the set target of 10 000. Of the young people who were recruited and skilled by the Department of Social

Development and Special Programmes, through the Masupatsela Youth Pioneer programme, 351 were absorbed by the Department. Furthermore, 29 261 youth have participated in the provincial Community Works Programme. Through the NARYSEC programme, which is coordinated by the national Department of Rural Development and Land Reform, 1 700 young people in the province received training in various skills.

The Coega IDZ is at an advanced stage of facilitation. It has reached on site private investment of more than R1.2 billion. In addition, secured private investments of R5, 4 billion are currently being implemented, with investments of more than R8 billion in the project pipeline. The East London IDZ is also working well, and has to date secured R2.2 billion of current investment, with a project pipeline of R12.7 billion<sup>17</sup>.

The province initiated different job strategies which include the Jobs Summit in June 2012 and the Provincial Industrial Jobs Stimulus programme. Between October 2011 and November 2012, a total of R24.6 million has been approved to support 27 companies and R10.5 million of this money has already been disbursed to 20 of these companies and 2 460 jobs were saved.

### 1.3.6 Gauteng

Gauteng has a population of 12.3 million people, which makes it the largest population that accounts for 24% of the national population in South Africa.

One cannot deny the fact that Gauteng is found to be the most economically active province with 35% of the national economy compares to other provinces such as KwaZulu-Natal which stand at 15.7% and followed by Western Cape with 14.2%. Secondly, Gauteng has become the economic hub and destination of attraction in terms of various opportunities that exists in the country. "The Growth Domestic Product by Region of Gauteng grew by 3.3% in 2011 and is foreseen to have grown at 3% in 2012.

Gauteng assisted over 5 000 young people through making internships available in public and private sectors, which also include critical skills in areas such as ICT and artisan programmes.

Other achievements that Gauteng did managed well, was the creation of over 22 000 direct permanent jobs, 44 000 direct temporary jobs and 151 000 work opportunities through EPWP during 2012/13 financial year. The number of funded vacancies filled by Gauteng provincial departments increased by 2 075 from 3 346 in December 2012 to 5421 at the end of January 2013.

Gauteng in its strive for reviving industrialisation and the development of SMMEs opportunities, have partnered with Century Property Development Company (CPDC) to establish an industrial park in Diepsloot. The project is estimated to be worth R1.6 billion and will create about 15 000 jobs once completed.

The province committed itself in supporting and collaborating with strategic partners in the automotive industry, hence it has continued with the investment support programmes with Ford and Nissan. The investment support programme between the two companies has leveraged over R5.5 billion investment in the economy, and both companies supports over 15 000 direct jobs and will increase over the next three years. It has further raised R127 million from the Jobs Fund, and also managed to protect around 2 500 jobs by Nissan winning the contract to produce a pickup truck for domestic and export markets.

In the year ahead, Gauteng in collaboration with business and SETAs, will ensure that a further 6 500 young people are placed in the learnerships, internships and workplace to gain experiential learning; this will at least lessen the burden of youth unemployment. In 2012/13, the Gauteng premier announced that the Gauteng Government will offer 300 unemployed graduates work-experience in its offices. The graduates will be placed various departments in areas such as tourism, engineering, information and communication technology, design, food and beverages. In the past financial year, 7 986 internships and learnerships were provided in the provincial government<sup>18</sup>.

Future initiatives of the province include the creation of 196 000 EPWP work opportunities at both provincial and municipal levels and also to create 51 000 temporary and permanent jobs in 2013/2014 financial year. In terms of youth employment, Gauteng revised the target of creating six Township Enterprise Hubs in 2013 focusing on the refining operating model, starting with the automotive related aspects of those hubs, ICT, services and light manufacturing.

### 1.3.7. Free State

17 State of the Eastern Cape Province Address, op. cit

18 The Citizen, 22 April 2013

The province of the Free State decided to revise the Growth and Development Strategy which recognises the value of inclusive growth and development. The Free State Vision 2030 was developed in alignment to the NDP.

The different areas that were highlighted with clear job opportunity estimations were the EPWP and the CWP. From the 2009/10 financial year to date, the provincial Expanded Public Works Programme has created 157 396 work opportunities. The target for the 2013/14 financial year is the creation of 48 124 work opportunities. The Community Works Programme (CWP) implemented by the Department of Cooperative Governance and Traditional Affairs is being implemented in 13 municipalities and it is envisaged that the programme will create 22 000 jobs per annum.

The cleaning services at hospitals will result in the filling of 373 posts. This includes 277 cleaners at Universitas Hospital, 53 at the National Hospital, 26 at the Phekolong Hospital and 17 at the Nketoana Local Hospital.

The Free State identified various projects that will unlock the economic potential of the province. The first is the Durban – Free State – Gauteng Development Corridor which forms part of the Strategic Infrastructure Projects of the Presidential Infrastructure Coordinating Commission. The second project is the Maluti-a-Phofung Special Economic Zone which constitutes a critical part of the Free State's share of this logistics and industrial corridor. Progress on this project can be monitored with the launch of the Vehicle Distribution Centre during November last year. This project is established in partnership with the German Bremen Logistics Group who has already committed R60 million towards this project.<sup>19</sup>

The Ingula Pumped Storage Scheme forms part of Eskom's capital expansion programme and is nearing completion. This major energy infrastructure project is located in the Phumelela Local Municipality in the the border of Free State and KwaZulu-Natal.

An estimated R3.5 billion has been injected into the local economies of the Phumelela and Maluti-a-Phofung Local Municipalities in the Free State as well as the eMnambithi Local Municipality and the UThukela District Municipality in KwaZulu-Natal. Environmental management has also formed a critical part of this project and specific benefits have been derived for the birdlife, wildlife, wetlands and grasslands in the area.

Furthermore the Grain Field Poultry Production in partnership with Agribusiness VKB and the IDC, have established a chicken broiler project and built a state-of-the-art chicken abattoir in Reitz in the Eastern Free State. Production commenced early in 2012. Grain Fields Chickens is the fifth largest chicken broiler supplier in the country and makes a significant contribution to food security. This initiative has created more than 560 job opportunities directly and has the potential of creating more than 800 jobs once in full operation.

The following future initiatives were identified in conjunction with current projects already running within the province. The mining sector potential was redefined as a job intervention zone in the NDP. Secondly, the green economic solar zone in the Xhariep district will result in the establishment of the Xhariep Solar Park that will harness the excellent solar radiation in the southern part of the Free State that is suitable for the deployment of solar electricity generation technologies. Thirdly, the N8 corridor as a transnational development corridor connecting Bloemfontein and Maseru, located in the Mangaung Metropolitan municipality, were also identified.

The industrial and commercial enterprise development in the Botshabelo and Thaba Nchu development nodes will also be undertaken by the Mangaung Metro. Fourthly, various water resource interventions throughout the Free State, including those identified in the NDP relating to the Mantsopa and Setsoto local municipalities, will be unfolding throughout the Free State. The municipalities of Mohokare, Letsemeng, Tokologo, Dihlabeng, Phumelela and the Sterkfontein Dam Water Scheme are included in Strategic Infrastructure Project 18 of the Presidential Infrastructure Coordinating Commission<sup>20</sup>.

### 1.3.8 Western Cape

19 State of the Free State Province Address by the Premier E.S. Magashule, 2013

20 State of the Free State Province Address, op cit., 2013



According to StatsSA the majority of people are employed in the manufacturing, finance, trade and community and social services in the Western Cape<sup>21</sup>. However, the economic drivers within the province include finance, real estate and business services.

The Western Cape Premier in the State of the Province address highlighted the following initiatives that were streamlined to look at the role of the Western Cape in achieving the objectives of the NDP. The initiatives of the province are fourfold, namely, the reduction of red tape, the creation of an Economic Development Partnership to facilitate growth and jobs, an afterschool programme and an expanded version of the Youth Wage Subsidy.

The projects that focus on skills and youth development were the Premiers Advancement Project that provided 750 young people with on the job training where another 750 will start this year. The young people received the opportunity to work in a government department and to receive the necessary skills. The learners were also offered permanent jobs after the completion of the project. The Masak'hiSizwe programme provided 220 bursaries in the engineering and building environment. The extension of the Youth Wage Subsidy which has been running since 2009 has provided 2 810 job opportunities and 60% of the participants have been offered permanent employment when they completed the programme<sup>22</sup>.

The business process outsourcing sector contributed R8.6 billion to the provincial GDP and a growth of 52% between the 2011/2012 and 2012/2013 financial years. Furthermore, the sector also provides 38 000 job opportunities. It is also estimated that a further 10 000 off-shore jobs will be expected over the coming few years. The future initiatives of the province include the Saldanha IDZ project which will be finalised in the coming months and will create thousands of job opportunities.

### 1.3.9 Northern Cape

The exceptional mineral wealth of the Northern Cape has ensured the importance, both nationally and internationally, of the province's mining industry. The minerals economy of the Northern Cape remains the mainstay of the provincial economy contributing 28.9% to GDP in 2002 and 27.6% in 2008.

The Northern Cape produced around 37% of South Africa's diamond output, 44% of its zinc, 70% of its silver, 84% of its iron-ore, 93% of its lead and 99% of its manganese. Certain sub-sectors of the mining industry in the Northern Cape are approaching maturity with downscaling already having commenced in the copper and diamond mining industries.

The State of the Province Address focused on the role of mining within the province and its mineral resources which included over 80% of the world's manganese resource, ample iron ore, diamonds, lime, granite and much more. It is envisioned that the sintering plant owned by women will assist in the tackling of poverty within the area.

Other potential investment opportunities include the Sishen/Saldanha Rail Investment that has the potential to create 16 000 jobs in the province. Future initiatives include solar and wind renewable energy projects. This will lead to numerous jobs within the province and it will also contribute to clean energy being transferred to electricity grid. Renewable energy is a sector within the Green Economy and the province has managed to create 4 709 jobs in the second Bid window.

The State of the Province Address<sup>21</sup> highlights the following contributions to the job creation targets. Firstly, concerning agro-processing, the pasteurisation of tea that started in May 2011 and created 20 permanent jobs. On average, 23 seasonal jobs are created annually during the tea in-take season. In addition, the project aims to increase tea production by smallholder farmers.

Secondly, the revitalisation of Warrenton Super-Chicken Project: A chicken abattoir and five houses with a total capacity of 45 000 birds per cycle were renovated and temporary jobs were created for the local community. Ten permanent jobs were created with the commencement of slaughtering and the packaging of birds for local consumption.

21 State of the Northern Cape Province Address by the Acting Premier Ms Grizelda Cjiekella at the Mittah Seperepere Convention Centre, Kimberley, 2013

Thirdly, The Tshwaraganang Hydroponics in Windsorton project was supported to put up a packaging facility to package the cucumbers which they sell to Shoprite/Checkers through FreshMark and 18 permanent jobs have been created.

Fourthly, the Bloodhound Land Speed Record is an initiative that will strengthen the tourism sector in the province. The preparation for the track is underway and the project has managed to create about 300 job opportunities thus far. Furthermore, the Northern Cape Government has developed a Local Economic Development (LED) strategy to guide economic development and employment creation initiatives in the province. This report serves as a summary of the main LED strategy outcomes and serves as a platform for coordinated planning and economic development<sup>22</sup>.

Following the above, the district municipalities in the Northern Cape envisage achieving the following:

**Table 4: Northern Cape projects by district municipality**

District Municipality	Potential Anchor Projects
John Taolo Gaetsewe DM	<ul style="list-style-type: none"> <li>• Abattoir</li> <li>• Iron smelter (a feasibility study as to be undertaken to establish the availability of water, coal and electricity)</li> <li>• Manganese smelter (a feasibility study has to be undertaken to establish the availability of water, coal and electricity)</li> </ul>
Namakwa DM	<ul style="list-style-type: none"> <li>• Fishing and mariculture sector</li> <li>• Wind/wave electricity plant</li> <li>• Redundant mining infrastructure refurbishment</li> </ul>
Pixley ka Seme DM	<ul style="list-style-type: none"> <li>• Iron smelter (a feasibility study has to be undertaken to establish the availability of water, coal and electricity).</li> <li>• Agricultural hub (sheep, beef, venison processing)</li> <li>• Hydro-electricity plant</li> <li>• Square kilometre array (MeerKAT)</li> <li>• Renewable energy hub</li> <li>• Lake gariiep initiative</li> </ul>
Siyanda DM	<ul style="list-style-type: none"> <li>• Solar electricity plant</li> <li>• Cargo hub and IDZ</li> <li>• Electronics hub</li> <li>• Vehicle testing</li> <li>• Tourism</li> <li>• Manufacturing</li> <li>• Planes mothballing</li> </ul>
Frances Baard DM	<ul style="list-style-type: none"> <li>• Agro-processing hub</li> <li>• Diamond trader relocation</li> <li>• Diamond and Jewellery beneficiation strategy</li> </ul>

## Section 2: Labour Market Trends

There is a sign that South African labour market situation may not improve soon to the level of before the economic crises of 2008. The quality of jobs had deteriorated and the type of jobs created by the economy is temporal and not sustainable. Prolonged labour market under-performance leads to long-term unemployment and many workers could become excluded from the labour market. This will result in young people being at risk to remain unemployed or inactive for the rest of their lives.

Well-designed active labour market programmes that are aimed at making sure that young people are not trapped in precarious jobs could play an instrumental role in promoting job recovery. If Government does not effectively implement and monitor some of the policies that are aimed at reducing youth unemployment rate, it will increase social unrest and erode citizens' confidence in the National Government and the financial system.

By repairing the financial system, promoting productive investment, reinforcing effective employment programmes, maintaining social protection and undertaking job-friendly fiscal plans, it would bring the labour market out of the austerity trap and pave the way for sustainable recovery with social cohesion<sup>23</sup>.

**Table 5: Economically Active Population (EAP: 15 to 64 years) by province ('000)**

Provinces	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2012	Jan-Mar 2013
Eastern Cape	1 793	1 781	1 870	1 881
Free State	1 091	1 109	1 081	1 104
Gauteng	5 402	5 517	5 576	5 590
KwaZulu-Natal	2 990	3 103	3 218	3 192
Limpopo	1 208	1 271	1 394	1 321
Mpumalanga	1 243	1 285	1 345	1 374
North West	991	925	994	995
Northern Cape	372	387	414	406
Western Cape	2 281	2 356	2 421	2 361
<b>South Africa</b>	<b>17 371</b>	<b>17 269</b>	<b>18 313</b>	<b>18 222</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

**Table 5** shows that the total number of economically active population had increased by 851 000 people from September 2010 to March 2013. The provincial breakdown shows that Gauteng and Mpumalanga's economically active population had been constantly increasing since September 2010 to March 2013. While other provinces' economically active population had been unstable. The economy had created 649 000 jobs from September 2010 to March 2013, while the economically active population had grown by 851 000 people in the same period. This might prove the notion that the economy is not creating enough jobs to cater for the growing economically active population. This gap between employment growth and labour force growth has resulted in rapidly rising numbers of unemployed individuals.

**Table 6: Labour force Absorption rates\* (%)**

Provinces	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2012	Jan-Mar 2013
Eastern Cape	31.6	31.1	31.5	30.9
Free State	41.3	44.1	39.0	39.8
Gauteng	51.4	50.9	52.9	52.4
KwaZulu-Natal	36.0	37.3	36.8	36.4
Limpopo	27.5	30.5	31.6	30.5
Mpumalanga	38.7	39.0	39.1	40.5
North West	35.9	33.3	36.0	35.2
Northern Cape	38.7	38.6	39.7	39.0
Western Cape	51.7	52.4	51.6	51.4
<b>South Africa</b>	<b>40.5</b>	<b>40.5</b>	<b>41.3</b>	<b>41.0</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

Note: The rate is the percentage of all persons aged between 15-64 years of working age population who are employed.

**Table 6** illustrates that overall the labour absorption rate was relatively stagnant at 41% from September 2010 to March 2013. It also shows that urban provinces, like Gauteng and Western Cape, have been able to create the jobs required by the growing labour force than rural provinces. However, the South African labour absorption standard remains very low as compared to other developed countries.

## 2.1. The South African Labour Force

### 2.1.1. Employment

As stated above, it is widely argued that the positive economic growth rates have not been matched by increased utilisation of South Africa's labour resources. With slow rates of employment expansion, much of which tends to be in the informal sector, Government has come under increasing pressure to correct the situation with appropriate policies. This is because various stakeholders still believed that the South African economy has experienced 'jobless growth'.

Nevertheless, the intuition that jobs matter for development has not been lost by the Government of South Africa, hence the majority of development strategies look into employment generation as a major channel for poverty reduction<sup>24</sup>. A successful strategy of poverty reduction must have its core measure to promote rapid and sustained economic growth. The challenge for policy developers is to combine growth promoting policies with policies that allow the poor to participate fully in the opportunities unleashed and so contribute to the inclusive economic growth<sup>25</sup>.

24 Katy Hull, understanding the relationship between economic growth, employment and poverty reduction; 2009  
 25 DFID; Growth; building jobs and prosperity in developing countries, Undated

**Table 7: Number of employed by province ('000)**

Provinces	Jul-Sep 2010	Changes 2011-2010	Jul-Sep 2011	Changes 2012-2011	Jul-Sep 2012	Jan-Mar 2013
Eastern Cape	1 306	-8	1 298	32	1 330	1 312
Free State	768	58	826	-90	736	754
Gauteng	3 958	25	3 983	211	4 194	4 184
KwaZulu-Natal	2 401	109	2 510	23	2 533	2 520
Limpopo	905	121	1 026	58	1 084	1 053
Mpumalanga	890	21	911	17	928	970
North West	276	2	278	12	290	286
Northern Cape	714	-34	680	65	745	731
Western Cape	1 754	52	1 806	0	1 806	1 810
<b>South Africa</b>	<b>12 972</b>	<b>346</b>	<b>13 318</b>	<b>327</b>	<b>13 645</b>	<b>13 621</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211 (own calculations)

**Table 7** shows that nationally, employment increased from 12 972 000 in 2010 to a high 13 645 000 in September 2012 before it declined to 13 621 000 in March 2013.

Provincially, the Free State recorded employment loss of 90 000 jobs between September 2011 and 2012. On the other hand, Gauteng recorded employment gains of 211 000 jobs over the same period.

Inadequate physical infrastructure resulting in high transport and communication costs in rural areas, causes the influx of people from rural areas to urban areas like Gauteng, KwaZulu-Natal, and the Western Cape. This labour migration is worsening inequality within the country. To lessen this influx, Government must invest in improving the physical infrastructure in rural areas in order to improve labour productivity in agriculture and rural industries.

The 32 000 employment gains in the Eastern Cape between 2010 and 2011 were due to 72 339 job opportunities that were created through the Expanded Public Works Programme. Of these job opportunities, 28 089 jobs benefited young people, while 28 336 women and 424 people with disabilities have also benefited. Industrial unrest in mining and agricultural industries contributed to job losses in Limpopo, Gauteng, KwaZulu-Natal and North West between September 2012 and March 2013.

**Table 8: Number employed by industry**

Industries	Jul-Sep 2010	Changes 2011-2010	Jul-Sep 2011	Changes 2012-2011	Jul-Sep 2012	Jan-Mar 2013
Agriculture	640	-16	624	37	661	739
Mining	303	21	324	25	349	365
Manufacturing	1 713	24	1 737	-10	1 727	1753
Utilities	99	-26	73	32	105	117
Construction	1 076	10	1 086	-40	1 046	1 020
Trade	2 947	65	3 012	-50	2 962	2 855
Transport	773	-17	756	78	834	813
Finance	714	143	1 768	43	1 811	1 781
Community	1 119	158	2 836	189	3 025	3 072
Private households		-21	1 098	26	1 124	1 105
<b>South Africa</b>	<b>12 973</b>	<b>345</b>	<b>13 318</b>	<b>327</b>	<b>13 645</b>	<b>13 621</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211 (own calculations)

According to **Table 8**, industries that created more jobs are community, transport and finance between September 2012 and 2011. In March 2013, most industries except in trade, transport and finance have shown an increase in job creation from September 2012.

From this, it is observed that most workers are employed through casual wage employment in the trade, finance and construction industries. Some of the workers employed in the community industry are in the short-term employment programmes initiated by the Government to alleviate poverty.

These kinds of employment do not improve people's lives because the salaries that they earn do not take them out of poverty. Thus, there is a need for the economy to create sustainable and higher productive jobs that will integrate these under-employed people. From this, they may earn a higher income that will uplift their lives and take them out of poverty.

**Table 9: Number of employed by industry and gender ('000)**

Industries	Jul-Sep 2010		Jul-Sep 2011		Jul-Sep 2012		Jan-Mar 2013	
	Male	Female	Male	Female	Male	Female	Male	Female
Agriculture	395	208	419	205	440	221	491	248
Mining	276	37	292	31	302	47	316	49
Manufacturing	1 174	629	1 156	-580	1 166	561	1 170	583
Utilities	99	28	60	13	78	27	83	34
Construction	923	110	975	112	919	127	900	120
Trade	1 565	1 397	1 599	1 414	1 564	1 398	1 484	1 370
Transport	597	130	616	140	669	165	659	153
Finance	969	662	987	781	1 072	739	1 044	736
Community	1 207	1 621	1 164	1 672	1 227	1 798	1 267	1 805
Private households	255	863	239	860	268	857	238	867
<b>South Africa</b>	<b>7 427</b>	<b>5 685</b>	<b>7 507</b>	<b>5 808</b>	<b>7 705</b>	<b>5 940</b>	<b>7 652</b>	<b>5 965</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211, (own calculations)

**Table 9** shows that a large number of females are still being employed in industries like private households and community industry. While male are concentrated in high productive industries like, manufacturing and finance.

On the other hand, the quantity and quality of female employment does not provide an avenue for the improvement of women's economic position. This might be an indication that poverty amongst women would remain higher than amongst men. Thus, by integrating women into decent and high productive work can boost economic growth, human resource development and reduce the degree of poverty amongst women in the country.

**Table 10: Employed by occupation and gender ('000)**

Occupations	Jul-Sep 2010		Jul-Sep 2011		Jul-Sep 2012		Jan-Mar 2013	
	Male	Female	Male	Female	Male	Female	Male	Female
Manager	741	328	781	349	789	346	786	329
Professional	378	327	390	373	455	343	497	373
Technician	645	773	643	796	664	859	681	823
Clerk	441	969	437	988	420	970	424	1 011
Sales and services	1 032	826	1100	875	1 092	969	1 000	951
Skilled agriculture	54	22	41	20	46	22	48	21
Craft and related trade	1 430	177	1471	185	1 494	168	1 396	178
Plant and machine operator	991	171	931	166	995	155	1 057	165
Elementary	1 632	1 150	1683	1 211	1 711	1 271	1 737	1 268
Domestic	29	858	34	843	39	837	29	849
<b>South Africa</b>	<b>7 427</b>	<b>5 601</b>	<b>7 511</b>	<b>5 807</b>	<b>7 706</b>	<b>5 940</b>	<b>7 654</b>	<b>5 967</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

The differences in employment distributions of women and men within occupations have been, and continue to be, a prominent feature of the South African labour market. The pace of change in women's movement into the male dominated occupation is very slow although government came up with policies like the Employment Equity Act and Broad Based Black Economic Empowerment (BBBEE) that prohibiting gender discrimination in the work place.

Gender discrimination persists in the labour force despite shifts over recent years that have desegregated certain occupations from being dominated by one gender. According to **Table 10**, Women continue to be highly overrepresented in clerical, service, and health-related occupations, while men tend to be overrepresented in management, professional, craft, operator and elementary occupations.

**Table 11: Hours worked by gender ('000)**

Hours of work (per week)	Jul-Sep 2010		Jul-Sep 2011		Jul-Sep 2012		Jan-Mar 2013	
	Male	Female	Male	Female	Male	Female	Male	Female
← 15 hrs.	92	139	87	140	88	160	70	175
15-29 hrs	250	495	293	293	269	528	281	538
30-39 hrs	355	609	371	371	389	602	346	598
40-45 hrs	4 080	3 051	4 157	4 157	4 257	3 197	4 317	3 275
→ 45 hrs	2 596	1 308	2 602	2 602	2 703	1 453	2 632	1 380
<b>South Africa</b>	<b>7 373</b>	<b>5 602</b>	<b>7 511</b>	<b>5 807</b>	<b>7 706</b>	<b>5 940</b>	<b>7 654</b>	<b>5 967</b>

Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

The share of employed men and women regularly working for 45 hours and for more than 45 hours per week had been fluctuating from September 2010 to March 2013 as shown in

**Table 11.** People who work for 45 hours or more are expected to be educated, salaried and have sustainable jobs. School drop outs, on the other hand, are having unsustainable jobs and work for less than 45 hours per week. More women than men are still working for less than 40 hours per week.

### 2.1.2. Unemployment

South Africa's unemployment rate remains far too high by historical and international standards, and clearly contributes too much to the social tension experienced in South Africa. Youth unemployment, on the other hand, tends to perpetuate a cycle of social and economic exclusion which often leads to the germination of civil unrest and criminal activity. As such, combating youth unemployment with the use of policy tools and through strategic interventions remains a major focus of government. Strategically, implementation of job creation policies such as skills development, competition policy, infrastructure development and trade policy plays a crucial role in enabling job creation. The private sector's role is also required to deal with the high unemployment rate.

**Table 12: Unemployment rates (%) by province**

Provinces	Jul-Sep 2010	2011-2010 Change	Jul-Sep 2011	2012-2011 Change	Jul-Sep 2012	Jan-Mar 2013
Eastern Cape	27.2	-2.5	24.7	4.1	28.8	30.2
Free State	29.5	-2.4	27.1	4.9	32.0	31.6
Gauteng	26.7	0	26.7	-1.9	24.8	25.2
KwaZulu-Natal	26.7	0.1	19.8	1.5	21.3	21.2
Limpopo	25.1	-8.2	16.9	5.3	22.2	20.3
Mpumalanga	28.4	0.3	28.7	2.4	31.1	29.4
Northern Cape	25.8	-1.5	24.3	5.7	30.0	26.5
North West	28.0	-3.8	24.2	0.8	25.0	29.6
Western Cape	23.1	-1.2	21.9	3.5	25.4	23.3
<b>South Africa</b>	<b>25.3</b>	<b>-1.3</b>	<b>24.0</b>	<b>1.5</b>	<b>25.5</b>	<b>25.2</b>

Source: Statistics South Africa, Quarterly Labour force Survey (QLFS) Stats release P0211

Unemployment rate averaged to 25.2% in the March 2013, which is 0.3% lower than the average of 25.5% of



September 2012. Unemployment figures in **Table 12** show that KwaZulu-Natal, Limpopo and Western Cape Province had the unemployment levels lower than the country's average rate in March 2013.

The Free State, Northern Cape, Mpumalanga, Gauteng and North West provinces are the worst affected provinces, as these have recently seen reductions in their provincial work forces that resulted to the average unemployment that is higher than the national average unemployment rate.

For South Africa to succeed its goal of halving unemployment by 2020, it is predicted that 700,000 new jobs need to be created each year, with an economic country growth rate between 6% to 9% per year, which is far too high unattainable than the current rate.

**Table 13: Educational level of the unemployed ('000)**

Level of education	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2012	Jan-Mar 2013
No schooling	79	81	73	68
Less than primary completed	370	302	319	287
Primary completed	213	205	208	169
Secondary not completed	2 028	2 085	2 246	2 209
Secondary completed	1 424	1 476	1 531	1 547
Tertiary	248	260	276	295
Other	35	34	15	26
<b>South Africa</b>	<b>4 397</b>	<b>4 443</b>	<b>4 501</b>	<b>4 601</b>

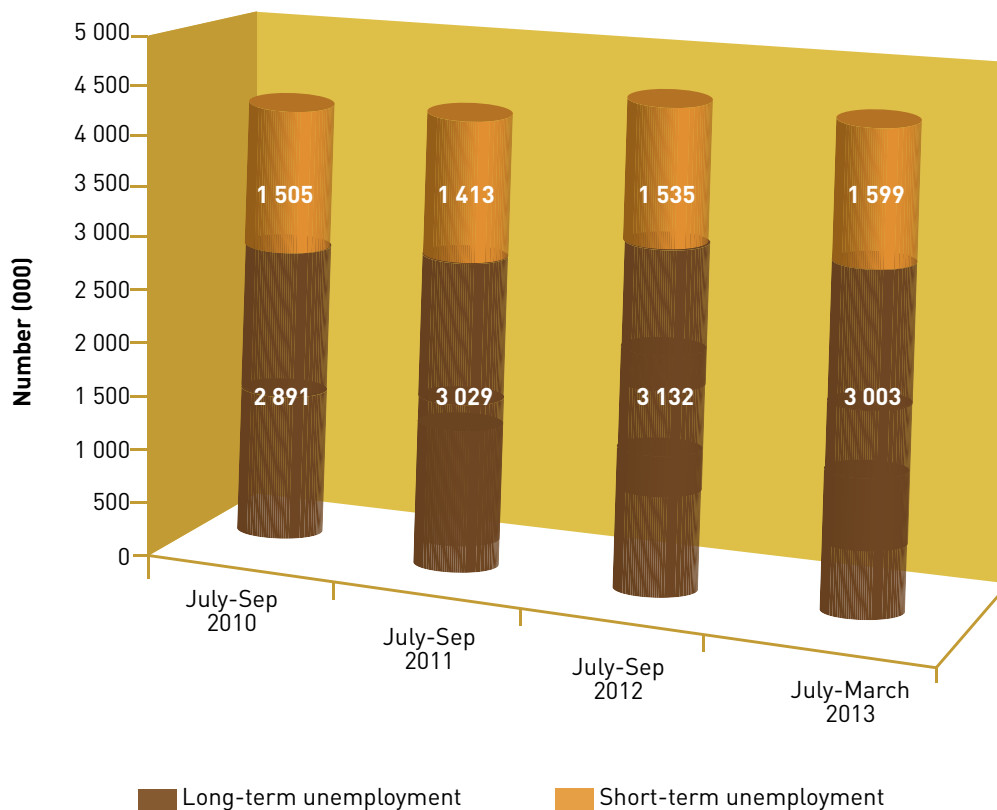
Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

**Table 13** shows that the number of unemployed people who had completed secondary school and tertiary education had been constantly increasing from September 2010 to March 2013.

People who had not completed secondary school and who had completed secondary education skills were worse hit by unemployment, because of increasing technical knowledge and experience needed in South Africa's industries, even in farming, mining, manufacturing and service industries.

Employers' requirements have increased as the economy has developed and matured. A matric qualification has changed from being a high-end signal of higher productivity to now being a minimum qualification requirement to enter the Labour market.

**Figure 3: Period of being unemployed**



Source: Statistics South Africa, Quarterly Labour Force Survey, Stats release P0211

There were 3 million persons classified as long-term unemployed and only 1.5 million persons classified as short-term unemployment in 2013 as shown in **Figure 3**.

Long-term unemployment is one of the main concerns of policymakers. Not only does it affect people's personal lives, it may also impact negatively on social cohesion and has the potential to act as an obstacle to economic growth.

#### 2.1.4. Youth (15-34 years) who have never worked before

Recently, the main story in the Economist was on "**generation jobless**" where it is argued that more young people are idle than ever. The OECD figures reported that 26 million in the age group 15-24 years in developed countries are not in employment, education or training; the number of young people without a job has risen by 30% since 2007. The International Labour Organisation (ILO) reports that 75 million young people globally are looking for a job. World Bank surveys suggest that 262 million young people in emerging markets are economically inactive. Depending on how you measure then, the number of young people without a job is nearly as large as the population of America (311 million)<sup>26</sup>. These statistics are impressive and there signal an alarming negative trends among youth in the labour market in future. It is for this reason that this section examines the situation of youth in the South African labour market who never worked before.

Prior to this analysis, there are various factors to explain the higher likelihood of unemployment among young people. First, youth entering the labour market for the first time lack labour market experience and this may hamper their ability to quickly find a job. Second, in some G20 countries youth tend to change jobs more frequently than adults as they go through the process of identifying the best match for their competences and aspirations, and these job changes are often interspersed with unemployment spells. Finally, youth are likely to be over represented in precarious jobs, e.g., temporary and informal jobs, of short duration and limited stability<sup>27</sup>.

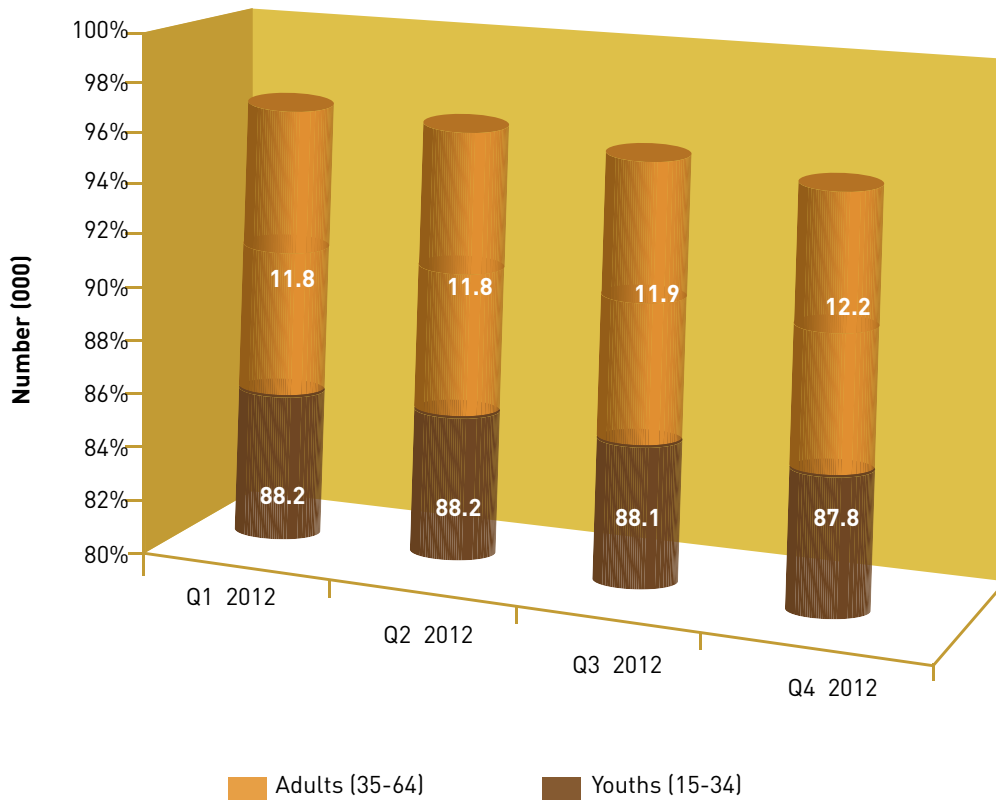
The analysis below presents interesting results to regarding the trends in the large number of people

<sup>26</sup> The Economist, April 27<sup>th</sup> 2013, p. 9

<sup>27</sup> ILO and OECD, Giving youth a better start, A policy for the G20 meeting of labour and employment ministries, Sept 2011

as having never worked after they either left or not being at school. The emphasis is on youth in order to investigate the possibility of giving them a better chance in future. As noted<sup>28</sup>, various strategies and programmes have been conceptualized, experimented with and implemented since 1994 in order to advance youth development in South Africa. Despite all these efforts though, a closer look at youth development indicators reveals that some progress has been made but many developmental confrontations still prevent South African youth development over time.

**Figure 4: Distribution of youth and adults recorded as having never worked before in 2012**



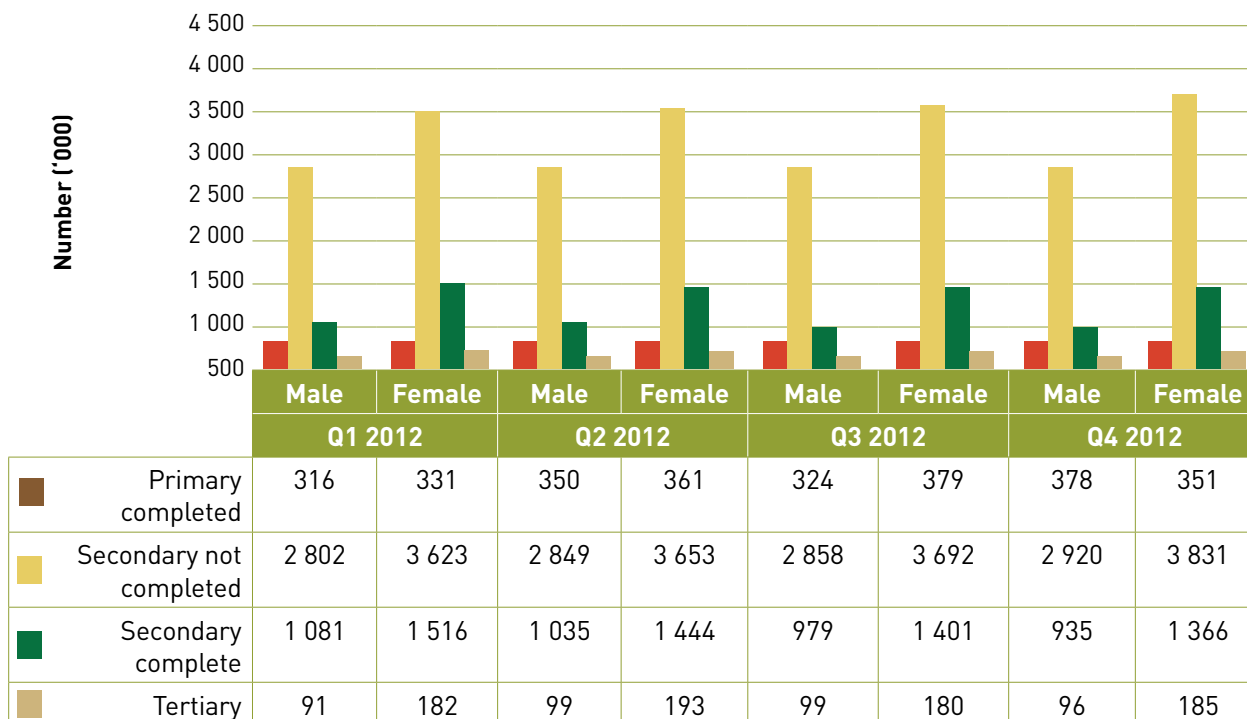
Source: Statistics South Africa, QLFS, all quarters of 2012, own calculations

**Figure 4** illustrates the percentage distribution of the EAP (15-64 years) who responded to the QLFS questionnaire as having never worked before in 2012 irrespective of the completion of school or not. Interestingly, the results confirm our suspicions that a large number of young people were recorded as having never worked before. This trend has been virtually the same (above 80%) in all quarters of 2012 for the youth in the country. With this in mind, it might be required for researchers and policy makers to conduct in-depth study to understand country specific policies issues and impacts in society<sup>29</sup>.

28 National Youth Development Agency (NYDA), The Integrated Youth Development Strategy (IYDS) of South Africa 2012-2016, p.9

29 The emphasis is put for an Integrated Youth Development Strategy and Plan for South Africa. However, the South African government was taking a significant step and acknowledging the fact that it is not possible for a single institution such as NYDA on its own to implement youth development programmes that will completely integrate South African youth into the economy and society in general, ( NYDA, op. cit.)

**Figure 5: Distribution of youth (15-34 years) who have never worked before by gender and education ('000)**

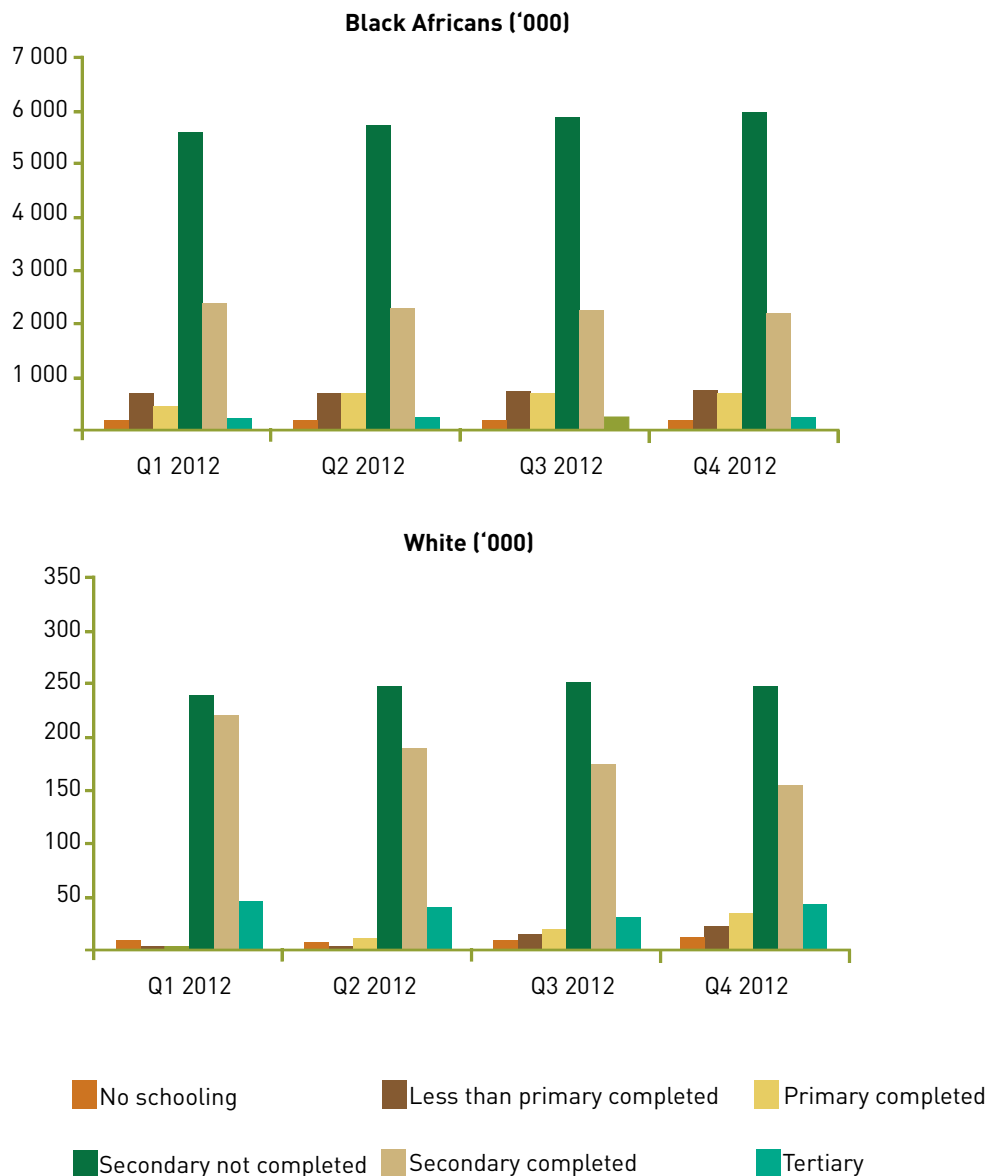


Source: Statistics South Africa, QLFS, all quarters of 2012

**Figure 5** presents the distribution of those youth who never worked before by gender and education. Youth must be given the opportunities to integrate into the labour force in order to effectively contribute to the economy and improve social cohesion. As explained above, a slow economic growth is not really helping the South African economy to achieve the national government targets of halving unemployment rate by 2020. Thus, it is of fundamental importance to ensure that youth acquire the basic foundation skills that will assist the young people to succeed in the labour market. **Figure 5** shows that there are more women than men who have completed either secondary or tertiary educational level in 2012 but they have never worked before. This trend is also observed across all quarters in the previous year. If this is true, then it can be said that most of female are idle now. Or else, what matters is not just number of years of education people get but its content<sup>30</sup>.

30 The effort of the Department of Higher education and Training in South Africa to improve artisan skills is noted here as it will close the gap between the Further Education and Training College and labour market. This is also the case with the new Public Employment services in the Department of Labour where the matching of job seekers skills and employers opportunities are being facilitated without costs.

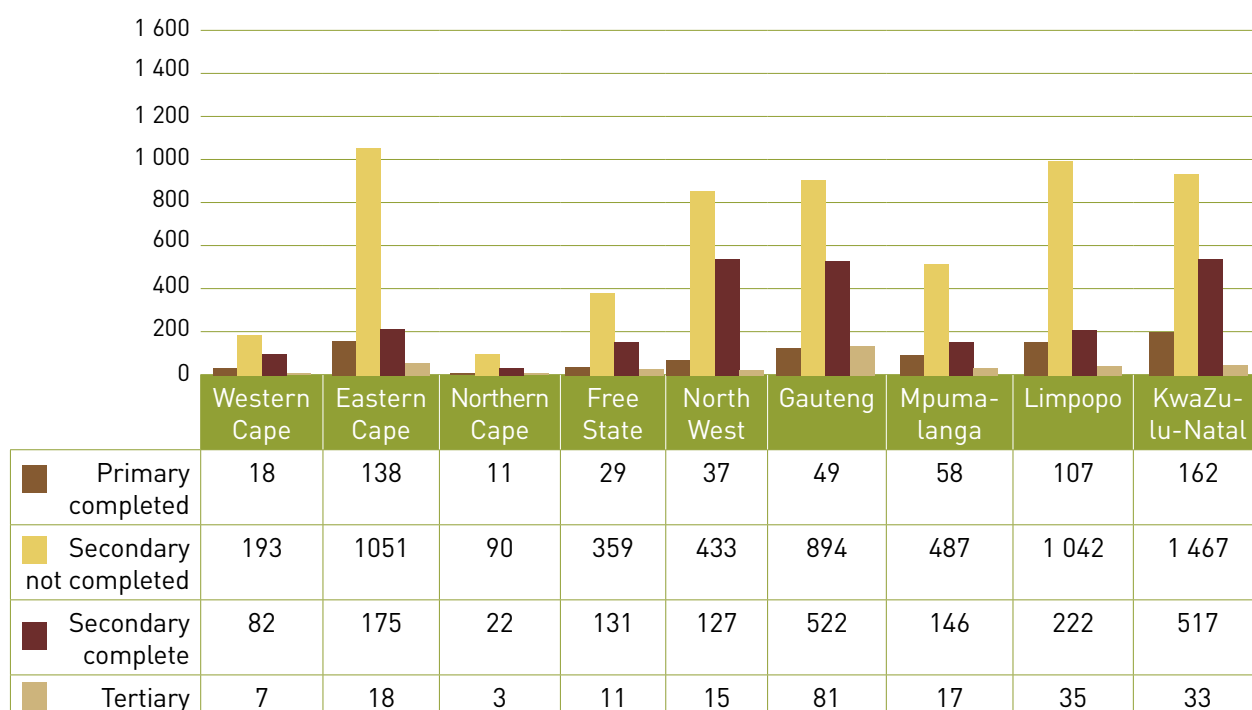
**Figure 6: Youth (15-34 years) who have never worked before by education, population group and quarter**



Source: Statistics South Africa, QLFS, all quarters of 2012

**Figure 6** illustrates a possible long term challenge that need to be addressed to achieve labour equality and stability in the country. It is known from the Commission of Employment Equity that the South African labour market is well imbalanced in terms of its occupational distribution. Not surprisingly, those White people who reported as they have never worked before continued to represent a small proportion as compared to Black Africans in all quarters of 2012. The results indicate that inequality in the labour market as one of the triple challenge to be addressed in the country is still being reflected in different facets. Thus, one might say that to close the gap will also require a change of attitude from all parties, in particular business since it is shown that government has continuously leading on job creation in the past year up to now.

**Figure 7: Black African youth (15-34 years) who have never worked before by education and province ('000)**



Source: Statistics South Africa, QLFS, 4<sup>th</sup> quarter of 2012

Looking closely into the Black Africans youth group who responded as never worked before, **Figure 7** provides the distribution by education and province. KwaZulu Natal represented a larger number of people (1 467 000) who did not complete secondary school and never worked before, followed by Eastern Cape (1 051 000), Limpopo (1 042 000) and Gauteng (894 000). However, Gauteng recorded the highest number (522 000) and the lowest was in Northern Cape (22 000) of Black Africans youth who have never worked before but they have completed secondary school and tertiary education in quarter four of 2012.

Overall, the above analysis on youth never worked before has again provided in depth understanding that the current unemployment rate in the country (25.2% in quarter one of 2013) will probably remain stubborn in future short and medium-term<sup>31</sup>. The capacity of the South African economy to attract new entrants in employment has remained weak to respond to the NGP expectations. Thus, there is a need to improve competitiveness, to invest in big infrastructure projects, to raise productivity and to diversify our economy in order to create more jobs and raise living standards of our people. Public sector is likely to drive employment by rolling out its infrastructure programme<sup>32</sup>.

### 2.1.3 Work seeker registration

Young people need to be equipped with the relevant skills that are in demand in the economy so that they contribute to their own wellbeing against unemployment, inequality and poverty. First and foremost, policies that promote youth integration into the labour market should be encouraged. Thus, in fighting high unemployment rate that is faced by South Africa, the DoL will continue to play a pivotal role in the area of job creation. The Unemployment Insurance Fund (UIF) in partnership with the Industrial Development Corporation (IDC), has created 21 234 new jobs and 20 161 jobs were saved for the period up to 31 March 2013<sup>33</sup>. This was achieved by means of the issuance of total bond of R4 billion from UIF to IDC. In return, the money was borrowed to businesses that aimed to create or save jobs.

31 Nevertheless, it is also critical for Statistics South Africa to look at this question carefully as it might also send different signal when one considers "subsistence work" in particular in the rural areas. If people have done such work in the past year, they should be classified as "worked" and not never worked. Further details will again be explored in the next edition of this annual report.

32 Business report, 07 May 2013.

33 Minister of Labour, Budget speech, op. cit.

Furthermore, the department officially launched the “Jobs Fairs and Summits” that were conducted in all nine provinces in June 2012. These fairs were intended to provide an opportunity for work seekers to meet prospective employers, in both private and public sectors, and other organizations that can assist with placement in different forms of employment or in learning opportunities.

In so doing, the Public Employment Service (PES) branch within the department launched a job search and matching system, Employment Services of South Africa (ESSA). This system is an electronic system that supports employment services and provides a national database platform that matches job-seekers with the prospective employers for placement opportunities.

**Table 14: Number of work seekers registered in by province**

Provinces	Actual Registration	Percentages (%)
Eastern Cape	68 380	11.3%
Free State	43 586	7.3%
Gauteng	152 065	25.4%
KwaZulu-Natal	116 560	19.4%
Limpopo	60 791	10.1%
Mpumalanga	50 524	8.4%
Northern Cape	17 992	3.1%
North West	20 514	3.4%
Western Cape	69 847	11.6%
<b>Total</b>	<b>600 259</b>	<b>100%</b>

Source: Department of Labour, *Employment Services for SA, Apr 2012- March 2013*

**Table 14** depicts the total number of work seekers registered in the department’s work seeker database. A total of 600 259 work seekers were registered with Gauteng province at the highest recording of 25.4% followed by KwaZulu-Natal at 19.4%. The provinces with the lowest recording were North West and Northern Cape at 3.4% and 3.1% respectively. The department out-performed against its target of 450 000 following the registration of 600 259 work seekers from their database. One can relate the high number of registrations from the Job Fairs initiative under the leadership of the Department’s Minister in 2012, a national call to fight unemployment. The Job Fairs were an important platform to raise awareness on PES functionality.

**Table 15: Number of work seekers placed by province**

Provinces	Actual Placement	Percentages (%)
Eastern Cape	1 865	11.5%
Free State	1 445	9.1%
Gauteng	5 050	31.2%
KwaZulu-Natal	1 158	7.2%
Limpopo	893	5.5%
Mpumalanga	2 603	16.1%
Northern Cape	1 093	6.7%
North West	1 103	6.8%
Western Cape	961	5.9%
<b>Total</b>	<b>16 171</b>	<b>100%</b>

Source: Department of Labour, Employment Services for SA, Apr 2012 – March 2013

Nationally, the department was entrenched with placing 18 000 of work-seekers registered during the financial year 2012/2013. However, as shown in **Table 15**, only 16 171 job seekers were placed. This amounts to 90% placement rate. It is perceived a larger amount of work seekers could not be properly matched due to low level skills for job opportunities. Of all the provinces, Gauteng afforded more job opportunities to job seekers at 31.2% followed by Mpumalanga at 16.1% and Eastern Cape at 11.5% despite it being a small sized economic hub. On the other side, it is strongly recommended that young people should be provided with good education and good job opportunities even though it is a challenge everywhere in the world.

**Table 16: Companies that registered work opportunities**

Provinces	No of companies	Percentages (%)
Eastern Cape	162	6.2%
Free State	193	7.4%
Gauteng	769	29.3%
KwaZulu-Natal	224	8.5%
Limpopo	310	11.8%
Mpumalanga	277	10.6%
Northern Cape	162	6.2%
North West	182	7.0%
Western Cape	341	13.0%
<b>Total</b>	<b>2 620</b>	<b>100%</b>

Source: Department of Labour, Employment Services for SA, Apr 2012- March 2013

A total of 2 620 companies registered job opportunities with the department during the financial year under review as shown in **Table 16**. This was aimed at placing registered work seekers with the department's ESSA system. Most companies who availed job opportunities were from Gauteng (29.3%), Western Cape (13%) and Limpopo (11.8%). It is perceived that the number of companies registering job opportunities will escalate following the Job Fairs Summits that were held during the period under review.



## Section 3: Industrial relations

During the last financial year, South Africa had to cope with a wave of strikes legal and illegal from different sectors. Sadly, one of the defining features of these strikes has been the unacceptable and unjustifiable level of violence. With regards to labour relations, the past year raised a number of challenges and on that note the department acknowledges to continue working with social partners in order to stabilize areas where there is conflict in relation to labour unrests.

In her 2013/14 budget vote speech, the Minister of Labour acknowledged the important work that was carried out by the CCMA in mediating and conciliating disputes and providing other support, including to platinum mining companies<sup>34</sup>. The section below involves comparisons of industrial relations dispute cases between employers and their employees as addressed by the Commission for Conciliation Mediation and Arbitration (CCMA), which are indications of a breakdown in that relationship.

### 3.1. Collective bargaining

**Table 17: Registered employer and employee organisations**

Unions	2010	% Changes	2011	% Changes	2012
Registered trade unions	191	-1.5%	194	-1%	196
Membership of trade unions	3 028 400	-10.7%	3 392 149	11%	3 057 772
Registered employer organisations	164	-1.2%	166	1.2%	164
Bargaining Councils	47	2.1%	46	-2.1%	47

Source: Department of Labour, *Collective Bargaining, Apr 2012-Mar 2013*

As shown in **Table 17**, trade union membership and employer organizations registered had a decline in the last financial year as oppose to 2011. The decline in trade union membership was realized during and after the violent strikes in 2012 where members lost trust in their trade unions. For example, NUM lost all credibility after it failed to defuse an increasingly violent strike at Lonmin's mine in Marikana near Rustenburg in North West province. Another instance was where strikers who belonged to a union chose not to be represented by unions and preferred to be represented by a lawyer instead. During illegal strikes in the mining sector last year, many workers voiced dissatisfaction with their trade union leaders, accusing them of being too close to management and too willing to compromise on worker's demands<sup>35</sup>.

### 3.2. Dispute resolution

The Commission for Conciliation, Mediation and Arbitration (CCMA) is a dispute resolution body established in terms of the Labour Relations Act, 66 of 1995 (LRA).

34 Minister of Labour, , op. cit.,

35 Gordon. S. (2012), HSRC survey report

### 3.2.1. Referrals

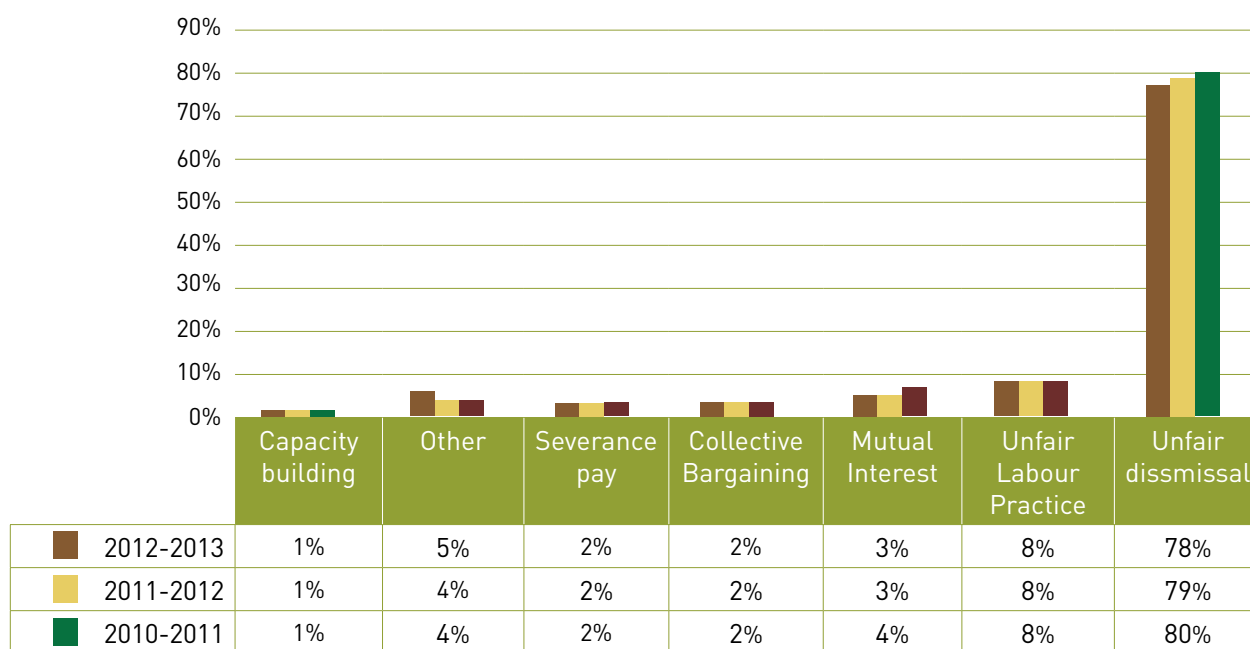
**Table 18: Referral of cases by region**

Provinces	Jurisdictional referrals			Non-jurisdictional	Condi nation Pending/unknown	Total referrals
	2012-13	2011-12	2010-11			
Eastern Cape	8 221	7 368	9 471	1 364	62	9 647
Free State	6 769	6 402	8 023	2 007	65	65 574
Gauteng	37 884	48 238	59 093	17 224	48	27 142
KwaZulu-Natal	20 440	19 646	25 757	6 650	52	9 064
Limpopo	6 761	6 533	7 756	2 286	17	9 193
Mpumalanga	7 679	8 120	8 984	1 466	48	
Northern Cape	2 289	2 298	2 842	806	22	
North West	6 508	5 900	8 077	1 853	51	8 412
Western Cape	19 255	18 673	21 348	3 333	71	22 659
Head Office	4 754	2 862	2 928	25	6	4 785
<b>Total</b>	<b>130 978</b>	<b>126 040</b>	<b>154 279</b>	<b>37 014</b>	<b>440</b>	<b>168 434</b>

Source: CCMA, Operations Apr 2012-Mar 2013

**Table 18** shows the distribution of cases on jurisdiction referred to CCMA across provinces in South Africa. Looking at **Table 18**, the size of jurisdictional cases referred has increased from 126 040 in 2011 -12 to 130 978 in 2012/13, representing 3.7% increase between the two financial years. Greater provinces Gauteng, KwaZulu-Natal and Western Cape referred more cases during the financial year 2012/13. In line with challenges faced by business in the workplace, it is of importance that all role-players engage in social dialogue and collectively bargain to avert the labour relations dispute in the workplace. This will assist in reducing conflict resolution challenges faced at different levels.

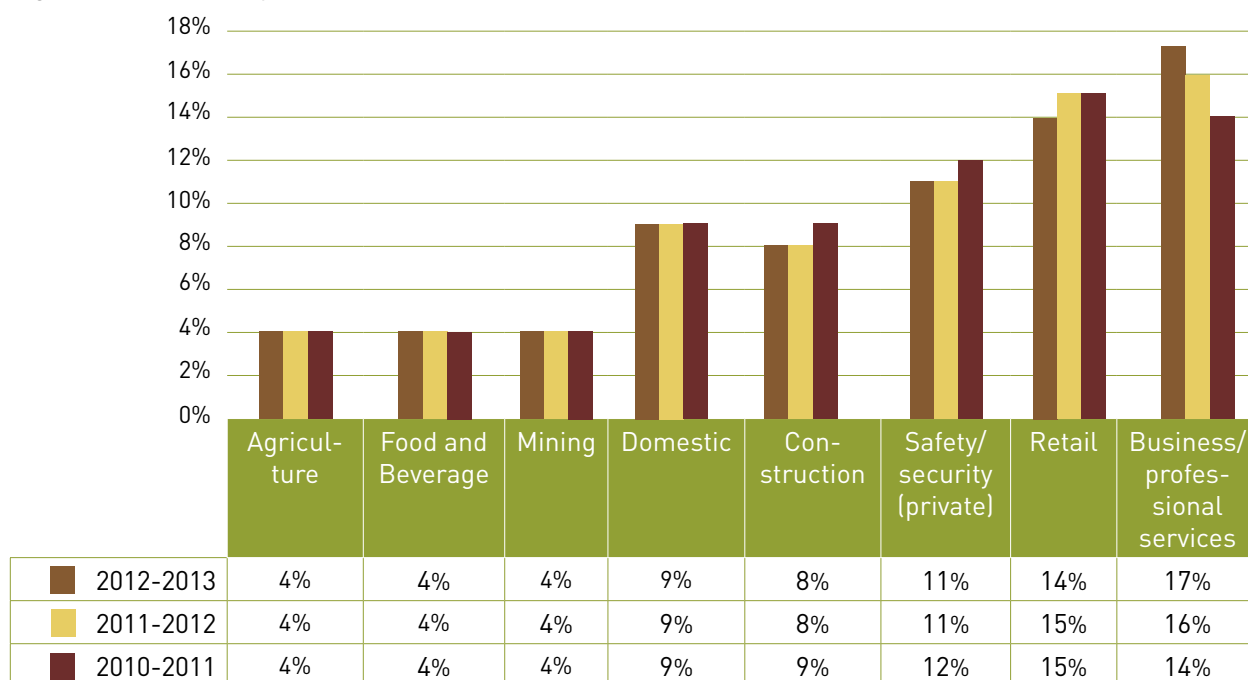
**Figure 8: Referrals by issue**



Source: CCMA, Operations, April 2012-Mar 2013

**Figure 8** presents the trend of referrals by issue respectively. According to the CCMA report, referred cases in respect of unfair dismissals were predominant in the last financial years. An average of 79% cases on unfair dismissal were dealt with in the financial years 2011/12/13 as compared to unfair labour practice, mutual interest, collective bargaining respectively. Amongst others, it can be assumed that referred cases of unfair dismissal could result from events of illegal strikes that took place in the mining sector during 2012 where most illegal strikers were reported dismissed. South Africa has well-defined processes for launching strikes wherein those who fail to get formal approval for striking legally could face being sacked but often employers re-hire most or all the dismissed workers.

**Figure 9: Referrals by sector**



Source: CCMA, Operations, April 2012-Mar 2013

\* Referrals for top 8 referring sectors

As with referrals by sector, from **Figure 9** above, business and professional services continues to be the sector with more dispute cases that seek intervention for resolution. During the last financial year 2012/13, the sector recorded 17% with regards to cases referred to the CCMA. Drawn from the figure above, it can be suggested that trade unions take a measure step in pre-screening cases prior to referral as thus will reduce the possibility of referring un-merited cases.

A stricter screening process would be the single largest contributor to prevent referral of insignificant cases that can be easily resolved between the employer and employee.

### 3.2.2. Conciliations and arbitrations

#### 3.2.2.1. Conciliations heard and finalised

**Table 19: Conciliation heard and finalised**

Provinces	Arbitrations heard and closed (90% of total arbitrations heard)		2011-12	2010-11	Total arbitrations heard	Percentage arbitrations settled
	Count 2010-11	Percentage 2010-11				
Eastern Cape	3 324	94%	93%	91%	3 511	51%
Free State	2 244	97%	95%	94%	2 303	50%
Gauteng	16 697	95%	96%	94%	17 623	49%
KwaZulu-Natal	7 108	96	93%	96%	7 373	55%
Limpopo	2 384	93	93%	93%	2 567	43%
Mpumalanga	2 500	95%	96%	96%	2 628	50%
Northern Cape	747	96%	97%	95%	778	57%
North West	2 005	94%	98%	96%	2 129	53%
Western Cape	3 770	98%	98%	97%	3 843	52%
Head Office	44	0%	0%	0%	45	0%
<b>Total</b>	<b>40 823</b>	<b>95%</b>	<b>95%</b>	<b>94%</b>	<b>42 800</b>	<b>50%</b>

Source: CCMA, Operations Apr 2012-Mar 2013

Note: Settled includes only closed cases and those that were settled, by parties or withdrawn.

It is noticed from **Table 19** that the percentage on conciliation on cases heard and closed remained the same at 96% during the financial year 2011/12 and 2012/13. Following the wildcat labour unrest in the last quarter of 2012, the above results reflects on how resourceful the process of bargaining council was applied to resolve cases raised against prospective employers. However, during the Farlam Commission of Inquiry and in the months afterwards, one need to recognise the changing dynamics of the labour market, heed the realities of corporate South Africa in the current economic environment, recognize the expectations of workers who may not feel adequately represented in the present collective bargaining framework and re-examine the role of the state in regulating industrial relations<sup>36</sup>.

One profound lesson the CCMA has taken from Marikana is that the dream of collective bargaining structures, its voluntarism system and the manner in which collective bargaining is conducted, no longer meets the aspirations of the lowest-paid workers.

### 3.2.2.2. Arbitrations heard and finalised

**Table 20: Arbitrations heard and finalised**

Provinces	Arbitrations heard and closed (90% of total arbitrations heard)		2011-12	2010-11	Total arbitrations heard	Percentage arbitrations settled
	Count 2010-11	Percentage 2010-11				
Eastern Cape	3 324	94%	93%	91%	3 511	51%
Free State	2 244	97%	95%	94%	2 303	50%
Gauteng	16 697	95%	96%	94%	17 623	49%
KwaZulu-Natal	7 108	96	93%	96%	7 373	55%
Limpopo	2 384	93	93%	93%	2 567	43%
Mpumalanga	2 500	95%	96%	96%	2 628	50%
Northern Cape	747	96%	97%	95%	778	57%
North West	2 005	94%	98%	96%	2 129	53%
Western Cape	3 770	98%	98%	97%	3 843	52%
Head Office	44	0%	0%	0%	45	0%
<b>Total</b>	<b>40 823</b>	<b>95%</b>	<b>95%</b>	<b>94%</b>	<b>42 800</b>	<b>50%</b>

Source: CCMA, Operations, April 2012-Mar 2013

The settlement rate of arbitration cases heard and closed as shown in **Table 20**, remained the same at 95% for both financial years 2011 - 2012 and 2012 - 2013. The percentage exceeded the national settlement rate of 90% per annum. Of the cases heard and closed, Gauteng dealt with more as compared to Northern Cape and Head Office. From one study conducted, it was often found that trade unions do not have the heart to tell their members they have no case, they just refer the matter anyway, further entrenching the belief that trade union membership entitles one to CCMA representation.

### 3.2.2.3. Awards rendered

**Table 21: Awards rendered by participants in provinces**

Province	Employee -March 2013		Employer Count	March 2013		Other	Total Awards
	Count	%		%			
Eastern Cape	638	61%	402	38%	7	1 047	
Free State	956	71%	393	29%	1	1 350	
Gauteng	5 152	61%	3 184	38%	4	8 340	
KwaZulu-Natal	1 391	66%	595	32%	123	2 109	
Limpopo	885	66%	462	34%	1	1 348	
Mpumalanga	795	73%	301	27%	0	1 096	
Northern Cape	202	62%	126	38%	0	328	
North West	518	64%	295	36%	0	813	
Western Cape	1 244	51%	1 045	47%	61	2 350	
Head Office	9	0%	10	0%	1	20	
<b>Total</b>	<b>11 790</b>	<b>63%</b>	<b>6 813</b>	<b>36%</b>	<b>198</b>	<b>18 801</b>	

Source: CCMA, Operations, April 2012-Mar 2013

\*Resultant is awards rendered in favour of other parties

**Table 21** presents the distribution of awards rendered per province. Awards were rendered in favour of employees at 63% as oppose to employers at 36% in March 2013. It sounds to assume that employees comply with labour issues at a workplace as oppose to employers. Most awards were awarded to both employers and employees in Gauteng and Western Cape. Head Office recorded fewer awards for both status employees and employers.

## Conclusion

All sections covered in this Annual Labour Market Bulletin 2012/13 report have shown different statistical trends and highlighted important issues to be noted for labour market policies interventions. With regard to the performance of the South African economy, it appears that the economy is relatively stable but at a lower growth rate from the recession of 2008. However, the GDP growth rate recorded in 2012/13 financial year does not bring much hope of tackling the high unemployment rate of 25.2% in March 2013. The unemployment rate has remained stubborn over the years. Nevertheless, the Minister of Finance stressed that the NDP presents a new trajectory to move beyond the constraints of the present to the transformation imperatives of the next twenty and thirty years.

In section two, when the trends of various labour market indicators were presented, it is noted that the Department of labour has played a pivotal role in response to the Presidency call on job creation. In the financial year 2012/13, the Unemployment Insurance Fund (UIF) in partnership with the Industrial Development Corporation (IDC), has created 21 234 new jobs and 20 161 jobs were saved. Furthermore, a total of 600 259 work seekers were registered in the Public Employment Service System with Gauteng at the highest recording of 25.4% followed by KwaZulu-Natal at 19.4%. This system is an electronic system that supports employment services and provides a national database platform that matches job-seekers with the prospective employers for placement opportunities.

Interestingly in section two, the results have also confirm our suspicions that a large number of young people were recorded as never worked before. This trend has been virtually the same (above 80%) in all quarters of 2012 in particular for the youth in the country. Furthermore, KwaZulu-Natal represented a larger number of Black Africans (1 467 000) who did not complete secondary school and never worked before, followed by Eastern Cape (1 051 000), Limpopo (1 042 000) and Gauteng (894 000).

In section three, it was stressed that the past year was encountered with a number of challenges regarding labour unrests which have affected productivity in many ways. It was also emphasized that the DoL has acknowledged these challenges but it will continue to work with social partners in order to stabilize areas where there is conflict in relation to labour unrests. Thus, it is of importance that all role-players engage in social dialogue and collectively bargain to avert the labour relations dispute in the workplace.

### Policy implications

As previously indicated, the following can be noted:

- It is important to remain focused on the goal of achieving faster and more sustainable economic growth and the creation of decent jobs particularly for the low skilled and young people
- In relation to labour disputes, while it is hard to pinpoint the appropriate level of the minimum wage in various economic sectors, it is critical that all factors such as the wage distribution, the degree of employer power in setting wages and the nature of other labour institutions<sup>37</sup> be considered amongst all social partners during the negotiation forums
- Training of the unemployed should continue through the Department's initiatives in collaboration with various government training institutions.