

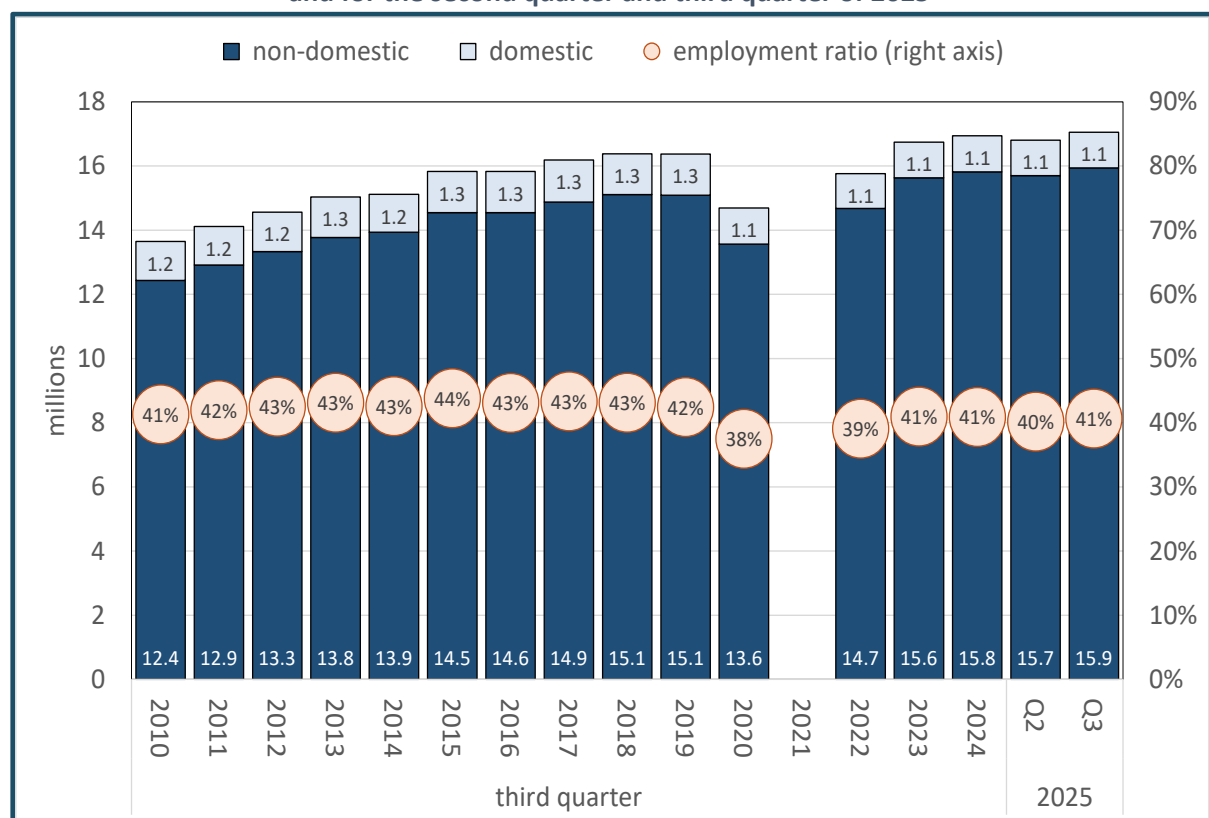
Employment

In the year to the third quarter of 2025, employment grew by 109 000 jobs, or 0.6%. While total employment has risen 4.2% since the 2020 COVID-19 pandemic, it has lagged behind the working-aged population. Methodological changes in the Quarterly Labour Force Survey this quarter have been accompanied by delayed publication of some details, however.

Employment expanded by 109 000 jobs in the year to the third quarter of 2025. Employment data is not seasonally adjusted, so quarterly trends are not reliable. The growth in employment, at 0.6% over the year to the third quarter, was around half the increase in the working-aged population. As a result, the share of all adults with employment dropped slightly to 40.7% (Graph 6). A similar picture merged for jobs growth since the pandemic.

South Africa now has around 680 000 more jobs than in 2019, for growth of 4.2%. Employment has, however, plateaued over the past three years. Moreover, the population has climbed by 8% since 2019. As a result, the share of adults with employment fell from 42.4% in the third quarter of 2019 to 40.7% six years later. For comparison, internationally the share of working-aged adults with employment hovers around 60%.

Graph 6. Employment numbers and the employment ratio (a), third quarter 2010 to 2024 and for the second quarter and third quarter of 2025

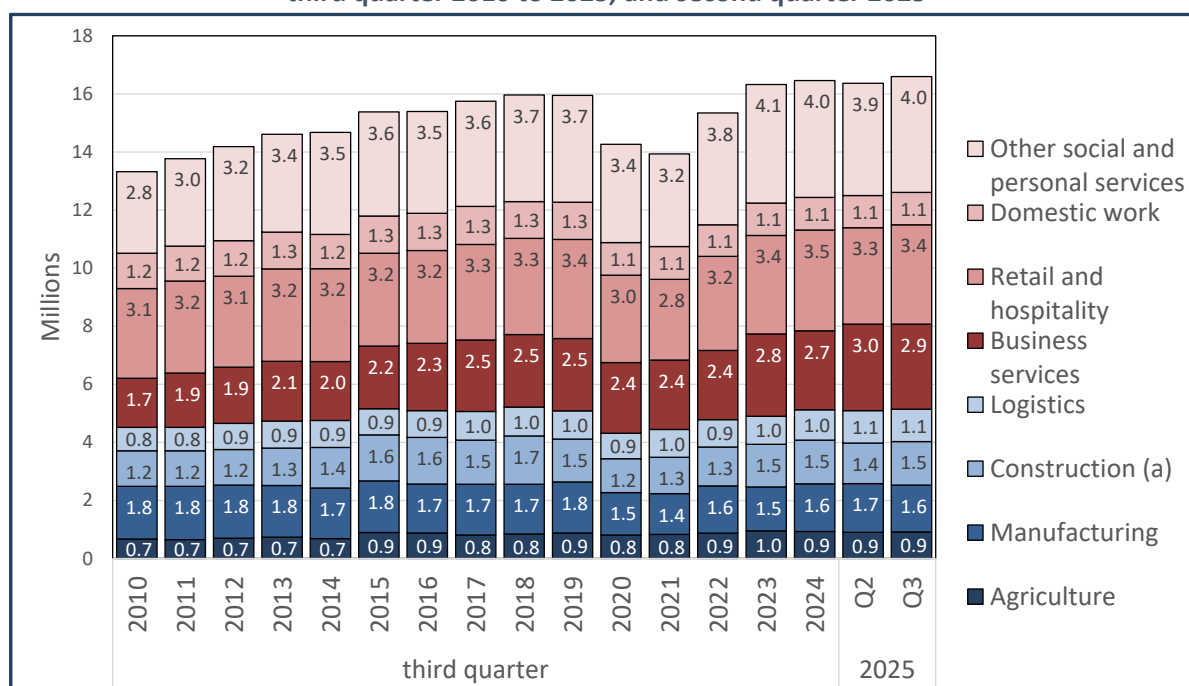


Note: (a) The employment ratio equals the number employed as a percentage of the total working-age population. Source: Statistics South Africa. Quarterly Labour Force Survey (QLFS). QLFS Trends 2008-2025 Q3. Excel spreadsheet. Downloaded at statssa.gov.za in November 2025.

Only business services and logistics created any employment in the year to the third quarter of 2025, with job losses reported in every other sector. (Graph 7). Business services added 214 000 positions and logistics 66 000. But retail and hospitality dropped 45 000 and community and personal services 33 000. Manufacturing shed 15 000 jobs over the year.

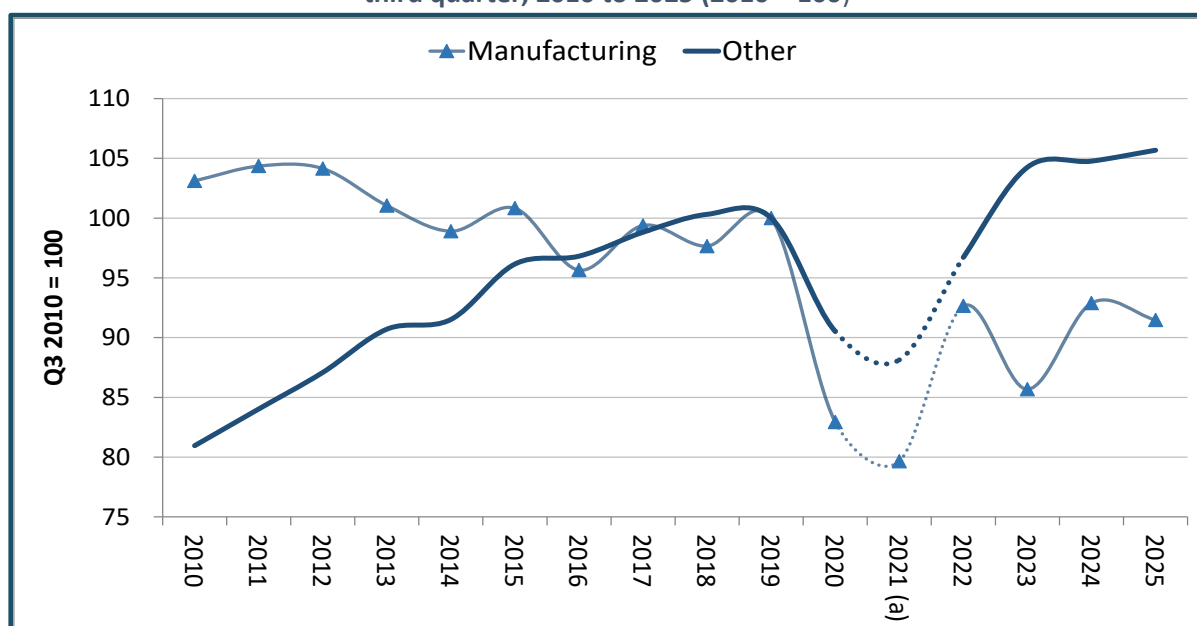
Employment trends in manufacturing continue to lag the rest of the economy. Through the 2010s, manufacturing gradually shed jobs, largely because the metals value chain, especially downstream metal products and machinery, never fully recovered from a steep downturn during the global financial crisis. Since the pandemic crisis, the recovery in manufacturing jobs has fallen behind the rest of the economy. (Graph 8)

Graph 7. Employment by sector (excluding mining), in millions, third quarter 2010 to 2025, and second quarter 2025



Source: Statistics South Africa. Quarterly Labour Force Survey (QLFS). QLFS Trends 2008-2025 Q3. Excel spreadsheet. Downloaded at statssa.gov.za in November 2025.

Graph 8. Indices of employment in manufacturing and in the rest of the economy, third quarter, 2010 to 2025 (2010 = 100)



Note: The QLFS for 2021 had very low response rates. For this reason, the figures for the third quarter of 2021 are not reliable. Source: Calculated from Statistics South Africa. Quarterly Labour Force Survey. QLFS Trends 2008-2025 Q3. Excel spreadsheet. Downloaded at statssa.gov.za in November 2025.

The changing definition of informal employment and industry-level data

In the third quarter of 2025, the adoption of a new definition for “informal employment” in the Quarterly Labour Force Survey effectively reallocated around 400 000 workers from formal to informal employment. The new definition means that the figures for the quarter are not comparable to earlier findings. It results in a 15% increase in reported informal employment over the previous quarter, and a 3% fall in formal employment. As a result, the reported share of informal workers in the third quarter of 2025 is 23% of total employment, compared to 21% under the definition used in the second quarter.

In addition, the publication of the database for the third quarter has been delayed by over a month. As a result, it is not yet possible to recreate the previous definition of informality or to analyse changes in employment by industry within manufacturing and services.

The new definition of “informal employment” includes workers that do not have a private pension or, where that information is not available, do not get paid leave and other basic benefits (presumably payment into the Unemployment Insurance Fund and other legal requirements). The aim is to identify workers in precarious conditions even if their employer is a formal company. This definition aligns with the latest prescripts from the International Labour Organization.

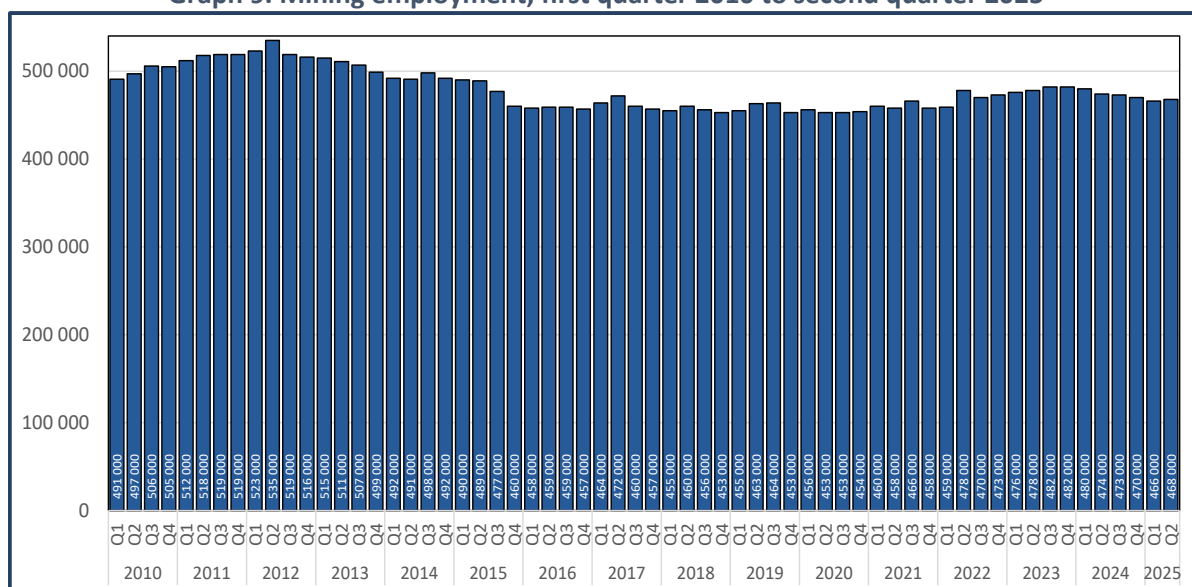
Unfortunately, the focus on precarity of individual workers is more aligned to European realities than to the economics of the global South. There are two main dimensions to the disjuncture.

First, in South Africa, as in most of the world, the informal sector differs qualitatively from core formal businesses in their access to assets and technology; reliance on self-employment and unpaid family labour; the nature of products and their ability to compete on export markets; access to financial, retail and other support systems; and incomes. These systemic differences reflect the effective marginalisation of informal enterprises from the core economy, which is much more integrated into global value chain. In contrast, in Europe the informal economy is often identified more narrowly with unregistered and often semi-legal or illegal activities and consequently relatively precarious employment relationships.

Second, using private pension contributions as the key marker of informal work does not make much sense in South Africa. Most old-age support here comes from the state pension, which is not financed through a dedicated tax or fund. Because it is provided out of the general fiscus, its benefits cannot be tracked to payments by individual workers. In the second quarter of 2025, only 44% of all waged workers said they had a private pension fund. In 2024, according to the General Household Survey, of households where the “head” was 65 or older, only 13% relied primarily on a private pension, while over 60% depended on social grants. Given these realities, it is not clear how pension payments can be used effectively to understand “informality”. In practice, the figure given by Statistics South Africa for informal employment under the new definition is far below the share of workers who do not have a separate pension fund. Until the database is published, however, it is impossible to understand just how Statistics South Africa arrived at its figure.

Statistics South Africa recommends the Quarterly Employment Survey, which surveys formal business, for mining employment, due to the difficulty of including mining settlements in the national household survey. The Quarterly Employment Survey is, however, published one quarter behind the Labour Force Survey. It found that the mines had shed 6000 jobs over the year to the second quarter of 2025, although there was small recovery in the second quarter alone (Graph 9).

Graph 9. Mining employment, first quarter 2010 to second quarter 2025



Source: Statistics South Africa. Quarterly Employment Statistics. Detailed breakdown. Second Quarter 2025. Excel spreadsheet. Downloaded at statssa.gov.za in November 2025.