

SOUTH AFRICA

Statistical Profile

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INTRODUCTION TO SOUTH AFRICA



About this Statistical Profile -

Organizations striving to be employers-of-choice in different countries around the world need access to current information about the economic, social, political, and demographic characteristics of the countries where their employees live and work.

The Country Profile Series focuses on statistics that can guide decision-making at the workplace: workforce highlights, economic highlights, and population highlights. This Country Profile is part of a set of resources about South Africa available on the website of the Global Perspectives Institute: www.bc.edu/agingandwork.

South Africa is characterized as a middle income country with an emerging market economy.¹ The country's economy is supported by the availability of natural resources, and established and modern financial, legal, communications, energy, and transport sectors.¹ South Africa is among the richest in Africa, however, the average income of white South Africans is still several times higher than of black South Africans. According to UN's Human Development Index, white South Africa is in line with Spain, while black South Africa remains at the absolute bottom. The spread of property ownership has not changed significantly either, even if a black elite has been fostered, and the black middle class continues to grow.²

These inequalities are the legacy of the Apartheid State (1948-1994), which was characterized by racial discrimination, social inequality, and oppression. During the early years of democracy the government instituted various pro-social policies and laws to address past injustices and inequalities. Today, South Africa has a very liberal labor law that protects and advances labor rights. However, the responsibility of the state to provide universal system of social security support is abrogated, making South Africa a typical "lean social democracy."³

Economically, South Africa has experienced robust growth from 2004 to 2008. This growth is attributed to the benefits of macroeconomic stability and a global commodities boom. Growth began to slow in the second half of 2008 due to the global financial crisis' impact on commodity prices and demand, and the local electricity crises that inhibited productive economic activity from late 2007.^{1,4}

Even though the country has experienced unprecedented economic growth, unemployment remains high. Daunting social and economic problems remain from the apartheid era — especially low education, poverty, lack of skills, and economic empowerment among the disadvantaged groups.

The country is also the epicenter of the HIV/AIDS epidemic in the region with an estimated total population prevalence rate of 11%.⁵ Employers have identified that HIV/AIDS and associated funding are one of the top three strategic issues faced every year since 1997.⁶

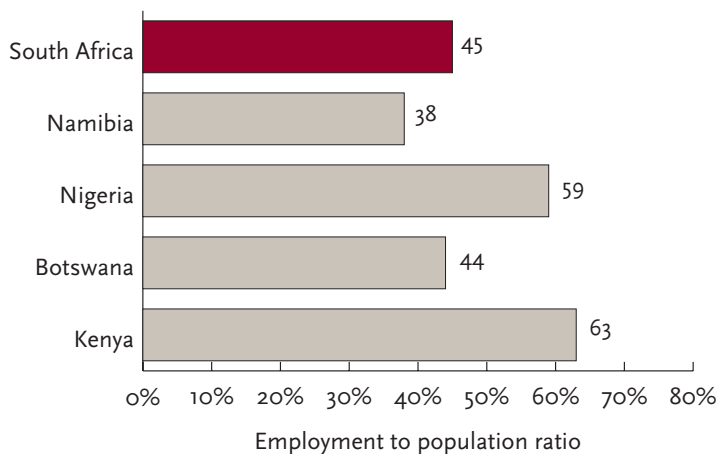
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LABOR FORCE HIGHLIGHTS

- ① The South African labor force includes persons ages 15-64, which makes up 44.5% of the total South African population.⁷
- ① Economically active population in South Africa is projected to increase from 4,857,700 (53.4%) in 2007 to 5,128,100 (53.1%) in 2020.⁸ The “economically active population” comprises all persons of either sex over the age of 15 who furnish the supply of labor for the production of goods and services during a specified time reference period.
- ① The unemployment rate during the first quarter of 2009 was 23.5%. Compared to first quarter in 2008 there was an annual increase of 0.1% in employment. Although employment fell by a substantial 208,000 from the last quarter in 2008 to the first quarter in 2009 due to the economic global downturn, this decline was not sufficient to erase the gains that occurred over the course of 2008.⁷
- ① In 2009, 84.5% of South African employees reported to have worked 40 hours or more in a given week.⁷
- ① In 2009, 2.0% of South African employees worked less than 15 hours in a given week. Whereas, 11.18% of employees worked between 15 and 29 hours per week.⁷
- ① Self-employment as a percentage of total non-agricultural employment is generally higher among the Organization for Economic Co-operation and Development (OECD) countries. South Africa is seemingly more comparable to less industrialized than to more advanced OECD economies. According to the 2003 Labour Force Survey, self-employment constituted 14.2% (approximately 1.3 million workers) of total non-agricultural employment in September 2003. In 2005 almost two out of every three persons (67.2%) mentioned unemployment as their main reason for starting a business.⁹

Figure 1a. Employment as Ratio of Total Population - Selected Regional Countries Medium Income, 2006

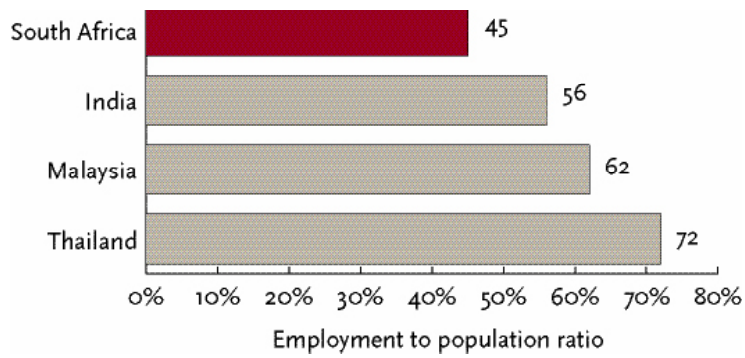


45% of the South African population is employed which is higher than neighboring countries such as Botswana (44%) and Namibia (38%). The percentage of South Africans employed is much lower than regional counterparts such as Nigeria (59%) and Kenya (63%).

Source: UN Statistic Division, 2006¹⁰

The percentage of South Africans employed (45%) is considerably lower than similar newly industrialized countries (NIC) such as India (56%) Malaysia (62%) and Thailand (72%).

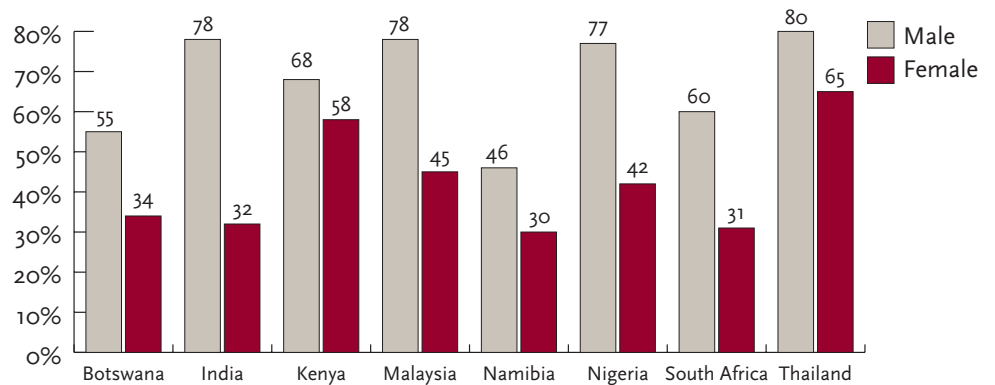
Figure 1b. Employment as Ratio of Total Population - Selected NIC Countries, 2006



Source: UN Statistic Division, 2006¹⁰

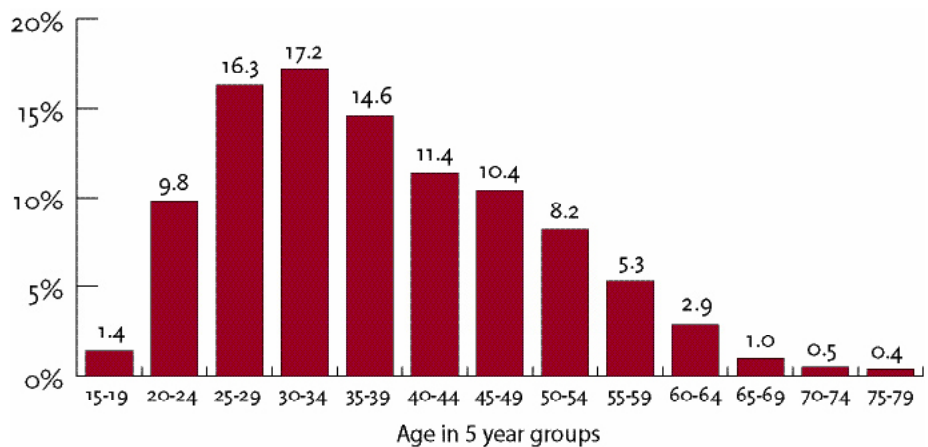
The percentage of population employed by gender clearly illustrates the gender inequality in South Africa (see Figure 2).

Figure 2. Percentage of Population Employed, Ages 15+, by Gender, South Africa and Comparable Regional and International Nations



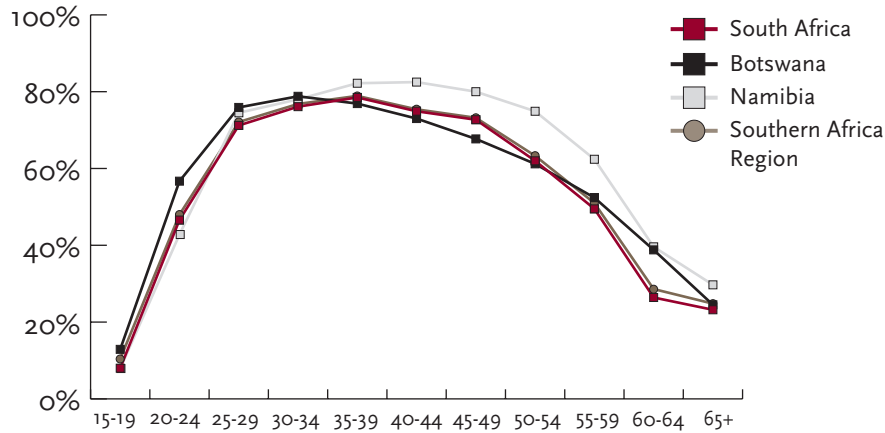
Source: UN Statistic Division, 2006¹⁰

Figure 3. Percentage people employed by age group, 2007



Source: Stats South Africa, Labor Force Survey September 2007¹¹

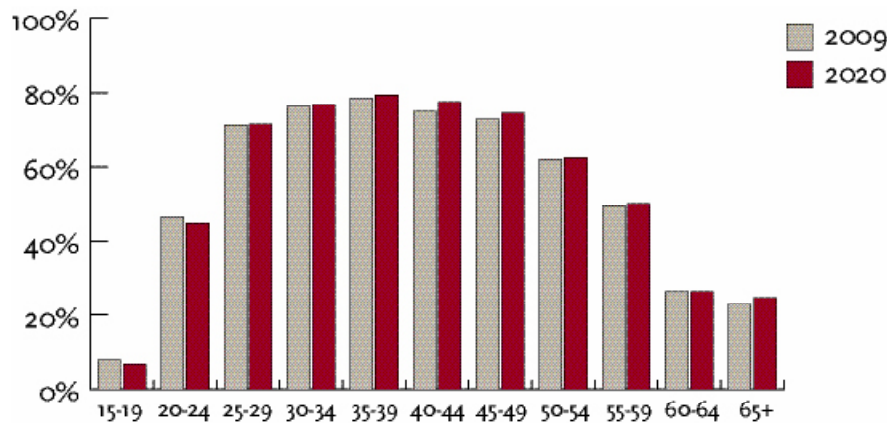
Figure 4. Economically Active Rates in South Africa Compared to Selected Regional Countries, within age group, 2009



In 2009, the economically active population rate for people age 55+ was lowest in South Africa (66.6%) and highest in Namibia. The rates for these age groups were also lower than the regional average. (See Figure 4)

Source: ILO, 2009⁸

Figure 5a. Current & Projected Economically Active Population Estimates and Projections in South Africa, within age group, 2009-2020



Employment rates for 2009 and 2020 showed little variation over time. Although the differences are small, the projected slight drop in economic activity amongst young adults is concerning. Note that a slight increase in economic activity is projected for people 65+.

Source: ILO, 2009⁸

Figure 5b. Current & Projected % of Total Population Economically Active in South Africa, 2009-2020

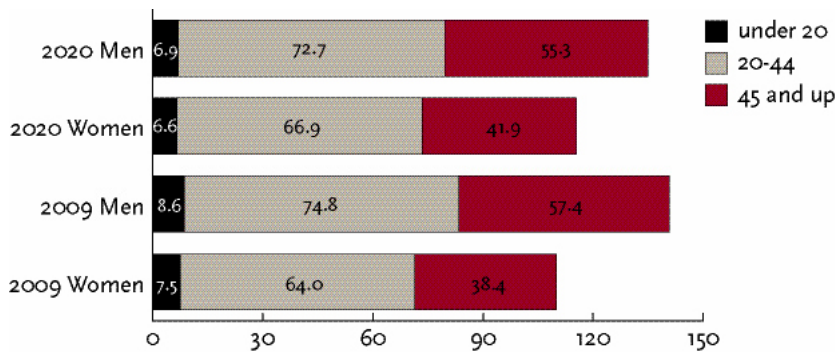


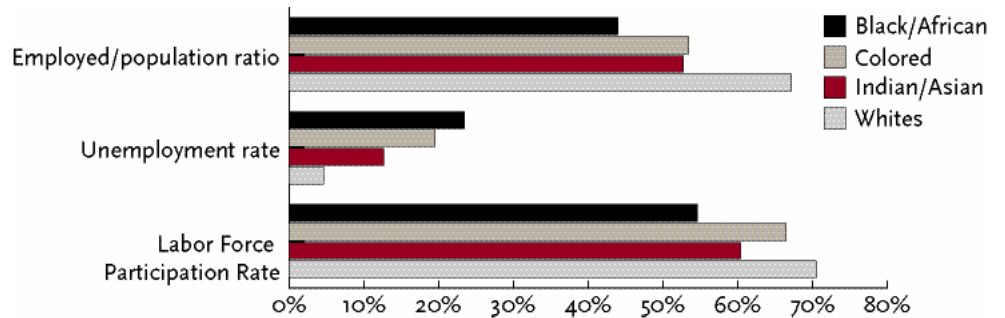
Figure 5b shows the current and projected economic activity of South Africans in 2009 and 2020 by age and gender. For the cohort age 45 and up men will become less economically active from 57.5% to 55.32% and women will become more economically active 38.44% and 42.95%. This trend is similar amongst the 20-44 age cohorts. Economic activity will decrease for both men and women under 20.

Source: ILO, 2009⁸

Labor trends by population group and age

Since South Africa has a high unemployment rate it is necessary to investigate the demographic make up of the unemployed. Labor force trends are highlighted by population groups and age in the figures below (see Figure 5c and 5d).

Figure 5c. Employment and Unemployment Rates by Population Groups

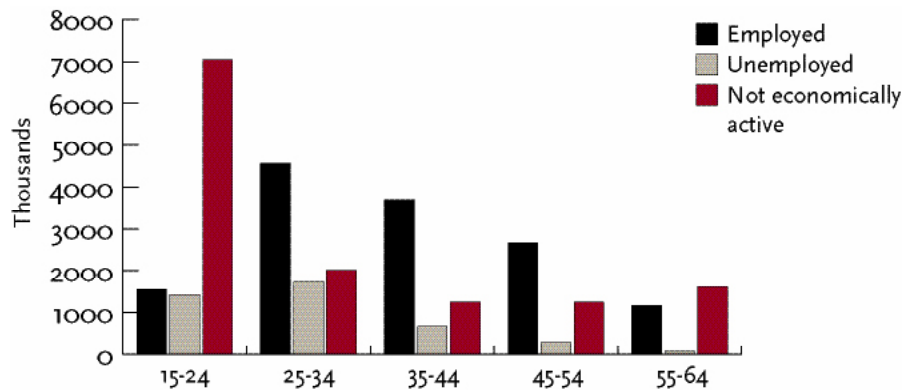


Source: Stats SA, Quarterly Labour Force Survey, Quarter 1, 2009⁷

Figure 5c illustrates labor force participation, unemployment, and employment by population group. The labor force participation rates of white South Africans (70.5%) are slightly higher than coloured (mix race) South Africans (66.5%) and Indian/Asian South Africans (60.4%), but much higher than black South Africans (54.6%). A reverse trend is observed when looking at unemployment rates where black South Africans have the highest unemployment rate (23.5%) as compared to coloured (19.5%), Indian/Asian (12.7%) and white (4.6%). The employment rate as ratio of population size further illustrates the divisions by population group in South Africa. This division is illustrative of the legacy of apartheid.

Figure 5d. Labor Status by Age Groups

Figure 5d shows the concerning trend of high economic inactivity amongst young adults age 15 – 24. Unemployment is the highest amongst young adults age 15 – 24 and 25 – 34.

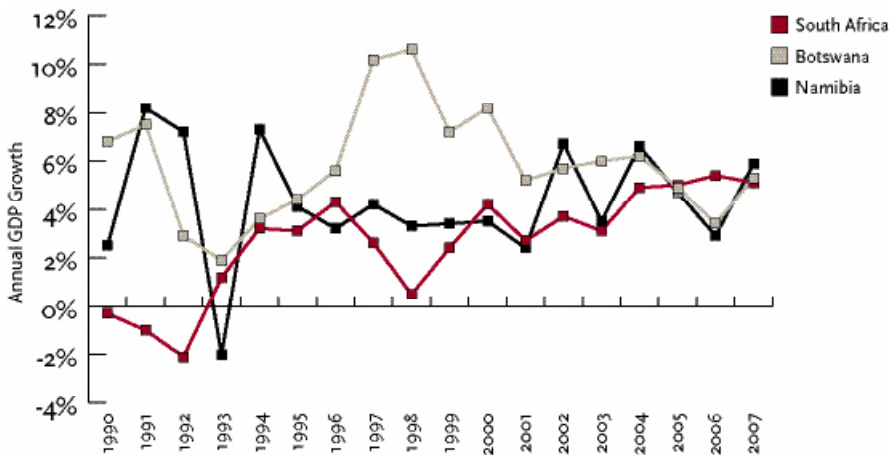


Source: Stats SA, Quarterly Labour Force Survey, Quarter 1, 2009⁷

ECONOMIC HIGHLIGHTS

- Gross Domestic Product per capita in South Africa was \$10,000 (2008 est.)¹², while it was \$13,300 (2008 est.) for Botswana and \$5,400 (2008 est.) for Namibia.¹
- The gross domestic product of South Africa shrunk since 2006 from a maximum of 5.3% to 2.8% in 2008. This notable drop in GDP reflects the global economic downturn that took in effect in late 2007.¹ In addition, at the end of 2007, South Africa began to experience an electricity crisis because state power supplier Eskom suffered supply problems with aging plants, necessitating “load-shedding” cuts to residents and businesses in the major cities. It is estimated that the electricity crises has contributed to a significant decrease in economic activity and GDP growth.⁴

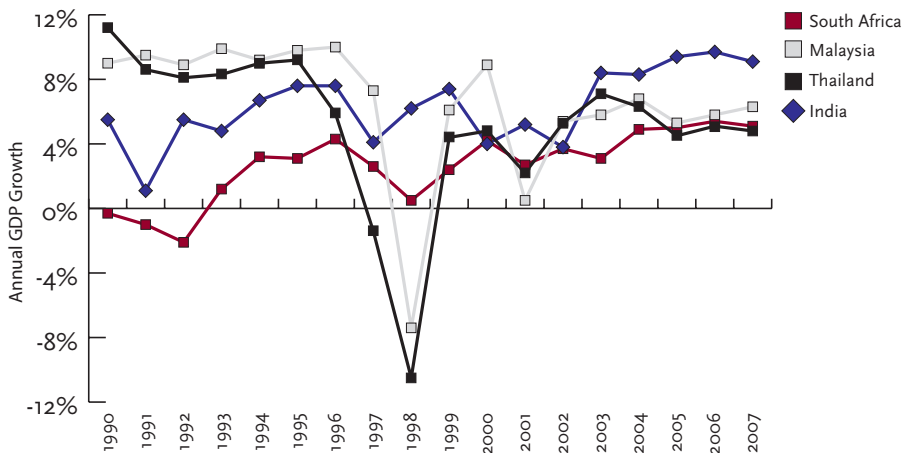
Figure 6a. GDP Growth, Regional Comparisons, 1990 - 2007



Source: World Development Indicators, World Bank Database, 2009¹³

The annual growth in GDP was negative in the early 1990s. During this time South Africa transitioned from the apartheid regime to a democracy. During the early years of democracy the country experienced exceptional growth until late 1990s. Ever since 1999 South Africa has experienced a stable increase in GDP growth, whereas its regional counterparts such as Namibia experienced random highs and lows, and Botswana experienced a steady decrease.

Figure 6b. GDP Growth, International Comparisons, 1990 - 2007

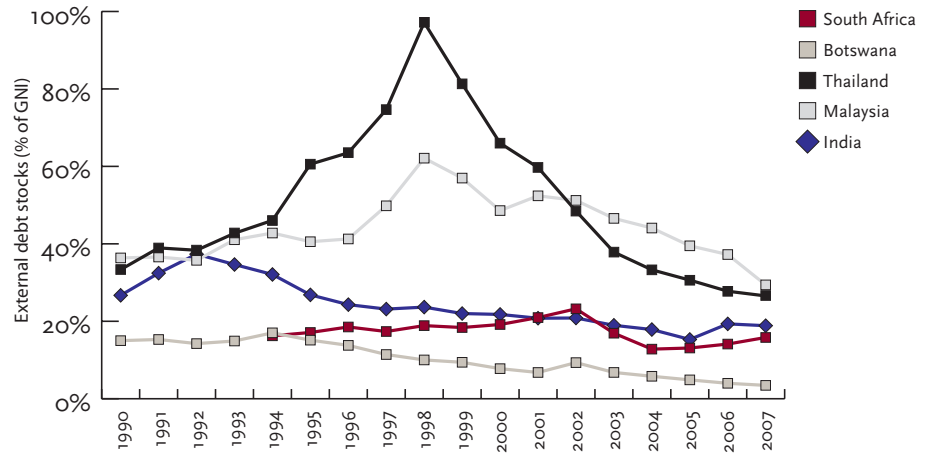


Source: World Development Indicators, World Bank Database, 2009¹³

Figure 6b shows South Africa's steady GDP growth from its lowest point in 1990 to a comparative high point in 2006 against other middle income newly industrialized counterparts.

South Africa's external debt (as percentage of GNI) is relatively low compared to international medium income countries. No data was available from 1990 – 1994.

Figure 7. Total External Debt as Percentage of GNI, selected Regional and International middle income Countries, (1990 – 2007)

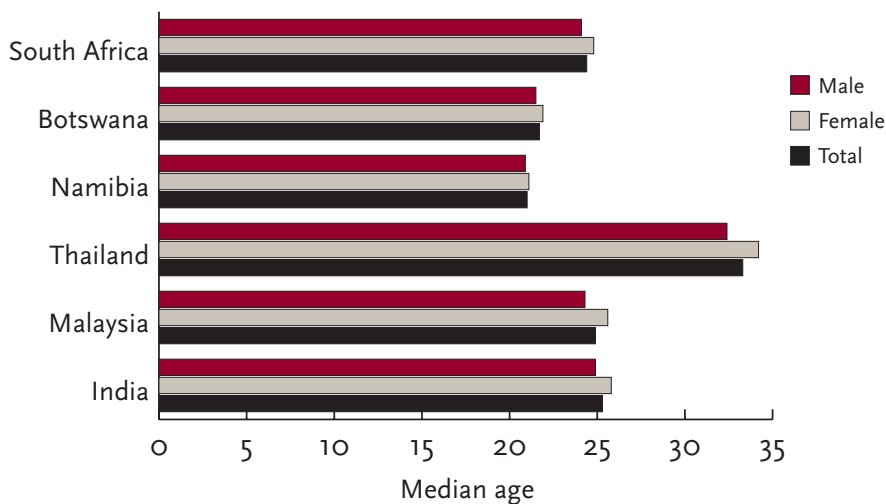


Source: World Development Indicators, World Bank Database, 2009¹³

DEMOGRAPHIC HIGHLIGHTS

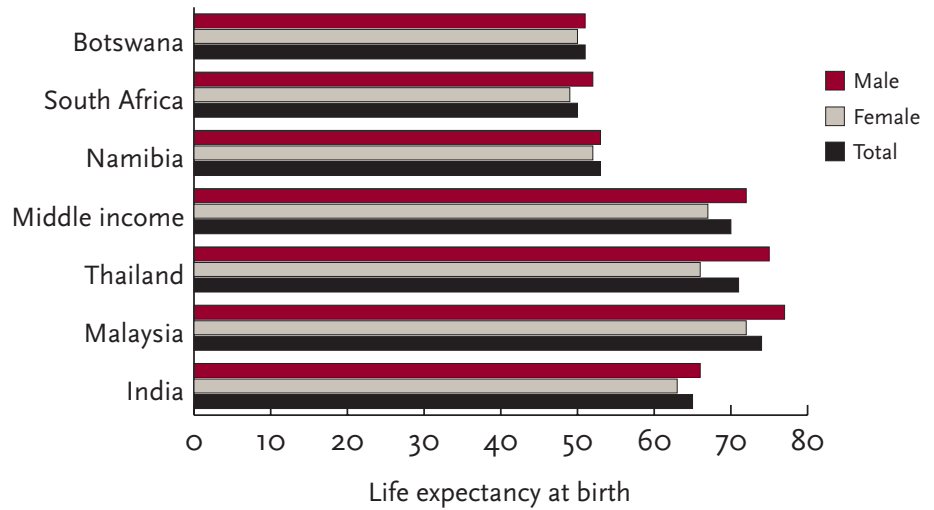
- 🌐 The medium variant for the 2008 mid-year population is estimated at 48.7 million. The high and low variant estimates are 49.0 million and 47.8 million respectively.⁵ Compared to 2 million for Namibia¹ and 1.9 for Botswana,¹ the population of South Africa is significantly larger than its regional counterparts. There is considerable migration into South Africa from countries in Southern Africa, particularly from Zimbabwe.¹
- 🌐 Compared to international NICs South Africa has a larger population than Malaysia (26 million) but smaller than Thailand (66 million) and India (1.2 billion).¹
- 🌐 South Africa has a diverse ethnic, racial, and cultural population. In 2008 it was estimated that 79.2% of the South African population is considered as black/African, 9.2% is white, 9% is coloured and 2.6% is Indian/Asian.⁵ The term coloured is used to refer to people of mix race.
- 🌐 It was estimated that fertility has declined from an average of 2.9 children per woman in 2001 to 2.4 children by 2008.⁵
- 🌐 The median age of the South African population in 2009 was 24 for men, 25 for women and 24 on average. The median age is slightly higher than 22 for Botswana and 21 for Namibia.¹ (See Figure 8).
- 🌐 Life expectancy at birth for the South African population in 2007 was 49 years for men and 52 years for women and on average 50 years. Regional counterparts such as Botswana and Namibia have similar life expectancies. This is evidence of the impact of the HIV/AIDS epidemic in the region.¹ (See Figure 9)

Figure 8. Median Age by Gender for South Africa and Regional and International counterparts, 2009



Source: CIA World Fact Book, 2009¹

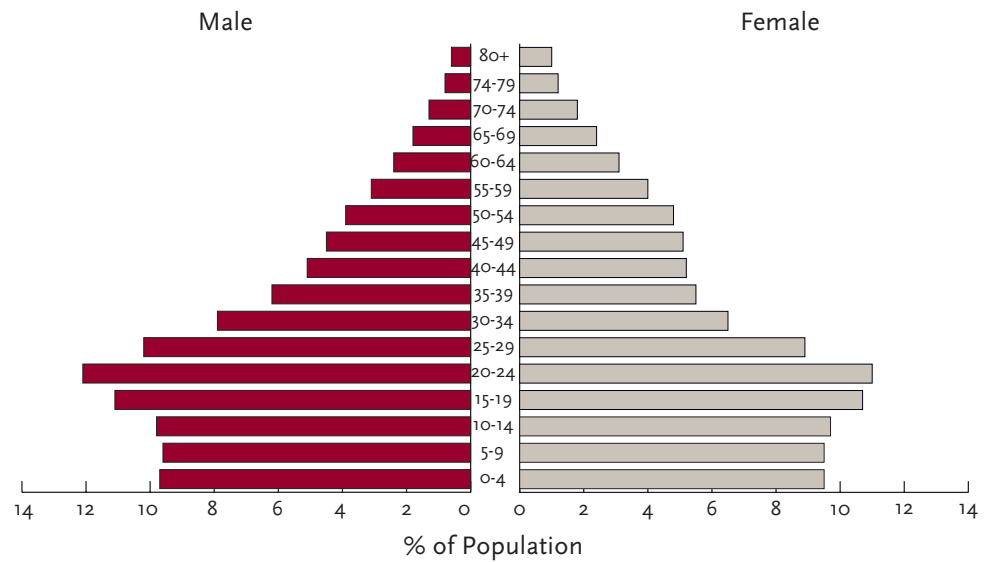
Figure 9. Life Expectancy at Birth Regional and International Comparisons, 2009



Source: CIA World Fact Book, 2009¹

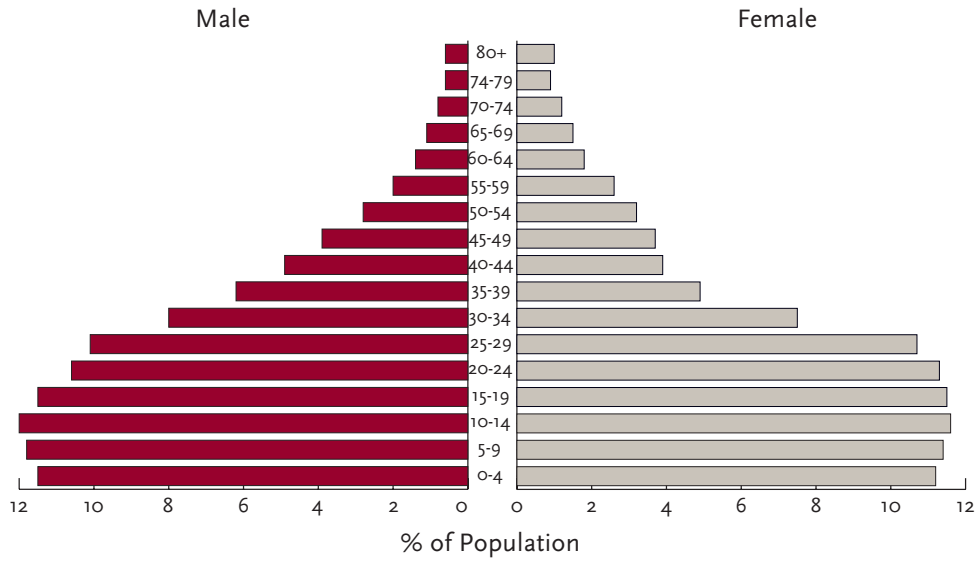
- In South African population, 6.9% of the male population and 9.5% of the female population is 60 years or older (see Figure 10a). In total 5.4% of the population is 65 years or older. In comparison:¹⁴
 - In Botswana, 4.5% of the male population and 5.5% of the female population is 60 or older (see Figure 10b)
 - In Namibia, 5.3% of the male population and 6.5% of the female population is 60 or older (see Figure 10c)

Figure 10a. Population Distribution of South Africa, 2009



Source: U.S. Census Bureau, International Data Base.¹⁴

Figure 10b. Population Distribution of Botswana, 2009



Source: U.S. Census Bureau, International Data Base.¹⁴

Figure 10c. Population Distribution of Namibia, 2009



Source: U.S. Census Bureau, International Data Base.¹⁴

The HIV/AIDS epidemic in South Africa

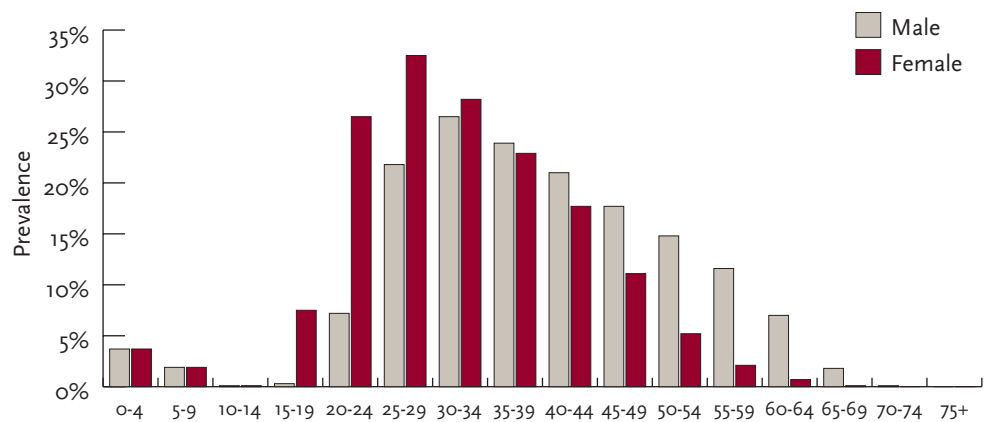
South Africa is currently experiencing one of the most severe AIDS epidemics in the world. At the end of 2007, there were approximately 5.7 million people living with HIV in South Africa, and almost 1,000 AIDS deaths occurring every day.¹⁵

The population dynamics in South Africa are greatly impacted by the effects of excess mortality due to the HIV/AIDS epidemic; this can result in lower life expectancy, higher infant mortality, higher death rates, lower population growth rates, and changes in the distribution of population by age and sex, than would otherwise be expected. In 2008 the estimated overall HIV-prevalence rate was approximately 11%.⁵ Around 600,000 people are sick with AIDS¹⁶ (11% of the HIV infected).

Figure 11 shows the prevalence rates by age group and sex.

Figure 11. Estimated prevalence of HIV by sex and age

Figure 11 shows the high prevalence amongst women age 15-24 while it is higher for men ages over 45, reaching peaks at ages 25-29 (32.5%) for women, and 30-34 for men (26.5%). It is estimated that over half of the 15 year olds are not expected to survive to age 60.



Source: Dorrington et al, 2006¹⁶

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The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

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