Work/Jobs
Labour force participation rates

Jakkie Cilliers
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The labour force participation rate, calculated as the number of people employed as a percentage of the total working-age population (typically 15–64 years of age), is generally used to indicate the ratio of active workers in an economy. Because of the inclusion of employment in the informal sector discussed in a previous section, the 2019 rate for Africa was high, at 65%, and set to increase to 67% by 2043. Outside Africa, labour participation rates are lower and slowly declining (from a current rate of 61% for the world except Africa), largely determined by the increase in population above the retirement age of 64, when people exit the labour market. The increase in the labour force participation rate in Africa indicates that more young Africans are joining the labour market than leaving.

The labour force participation rate in low-income countries (which typically have a large informal sector) is often higher than in middle- or high-income countries, because workers in poor countries tend to take any job to earn a living, regardless of the quality of that employment, and also because low-income countries generally have younger populations.

Reflected in Chart 2, Africa had a total population of 1,309 million in 2019, of whom 733 million (56%) were of working age (15–64 years). With the labour participation rate at 65%, the estimated total labour force amounted to 503 million people (also evident in Chart 3), of whom about 58% were employed in the informal rather than the formal sector.

Chart 2: Total population, working-age population and labour force in Africa, 2019, 2033 and 2043

Typically, labour participation is higher among men than women and cultural factors also play a role. In North Africa, the difference is about 47 percentage points, compared with a much smaller difference of 11 percentage points in sub-Saharan Africa. Women struggle to find employment in North Africa given the numerous barriers placed on female advancement in most Muslim countries where the role of women is still generally stereotyped as main caregivers and that
of men as the main breadwinners. In this region, and in the Arab States generally, female labour underutilisation is therefore particularly pronounced.

Other than for its poor gender equality, North Africa does much better than sub-Saharan Africa on most other counts. Unemployment in North Africa is at ‘only’ 12.3%, whereas West, Central and East Africa experience rates of double that. The share of workers in the formal sector is also higher and poverty rates much lower. In fact, North Africa has already achieved the Sustainable Development Goal of eliminating extreme poverty (meaning a national rate below 3% using US$1.90 per person per day), whereas extreme poverty in sub-Saharan Africa was at 41% in 2019.
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About the authors

**Dr Jakkie Cilliers** is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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