

**A STUDY OF THE LABOUR MARKET IN SOUTH AFRICA****Zelege Worku**Tshwane University of Technology Business School  
Pretoria, SOUTH AFRICA**ABSTRACT**

This is a study of the labour market in South Africa. The study aims to highlight the existing conditions of labour in South Africa as well as the impact of labour-related conditions and legislation in South Africa on the South African economy. The South African job market is characterized by inflexible labour laws, lack of technical and artisan skills, and high levels of unemployment. Those unemployed are mostly unskilled and often have low level of formal education and artisan skills that are required for securing employment opportunities. The South African labour law seems to be restrictive and inflexible in the eyes of potential employers. Although labour market policies that were introduced after April 1994 have managed to change the structure of the South African labour market, unemployment rates have not been reduced to date. The rate at which the economy has grown since April 1994 has been significantly smaller than the rate at which jobs had to be created in order to absorb the unemployed into the economy. This paper investigates factors that affect the duration of employment and job mobility in the South African labour market by using the South African Labour Force Survey data set of 2007. The study shows that union membership and ownership of pension funds are negatively associated with job mobility. The study has found that workers (*ceteris paribus*) workers who belong to pension funds are, on average, twice as likely to stay on their jobs. The results for union members are similar. The study shows that job mobility is significantly influenced by age, race, level of skills training, level of household income and province of residence. The results show that the Province of Mpumalanga was most significantly affected by job mobility. The provinces that were least affected by job mobility were the Western Cape, Gauteng and Limpopo in a decreasing order. The study provides an exploratory analysis of the labour market in South Africa, and proposes remedial actions to policy makers and planners.

**Keywords:** South Africa, Labour law, Unemployment, Skills, Job market, Probit regression.

JEL classification: J21, J60