

**Moses Kotane
Research Institute**

Research • Innovation • Excellence

INFOGRAPHIC

KZN LABOUR MARKET ANALYTICS

This summary highlights key labour market trends in KwaZulu–Natal between **Q1:2025** and **Q1:2026**, providing context for understanding graduate unemployment within the broader provincial labour market environment.



1 – PROVINCIAL LABOUR MARKET CONTEXT

OVERVIEW



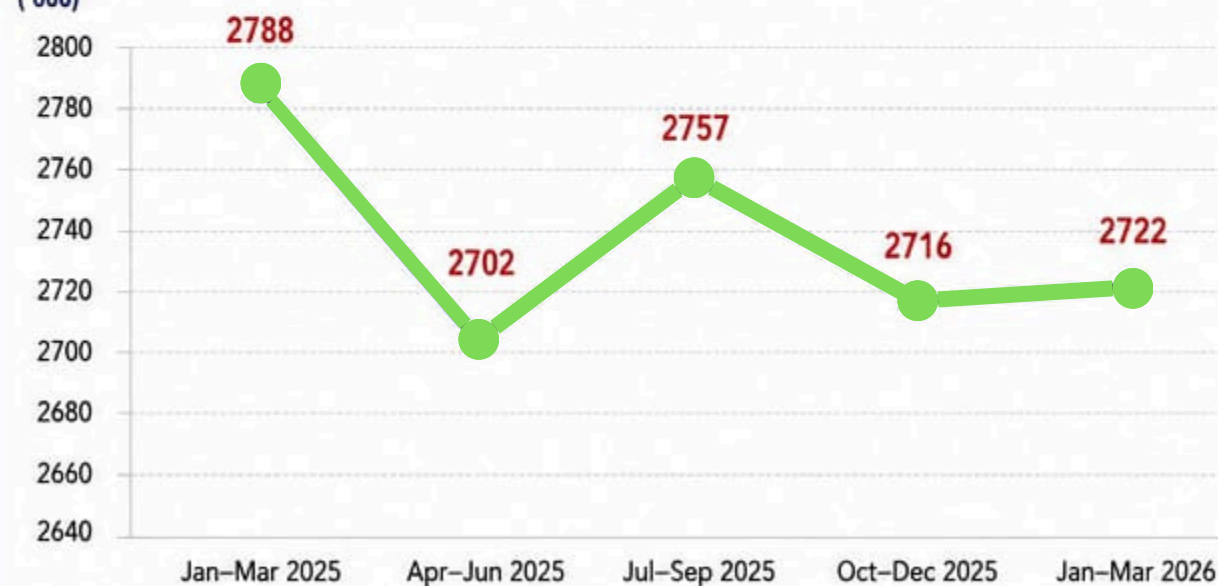
KwaZulu–Natal continues to experience significant labour market pressures, including high unemployment, high labour underutilisation, declining labour force participation and weak employment absorption. While the official unemployment rate improved slightly, broader labour underutilisation indicators remained high, and the number of people outside the labour force continued to increase.

This section provides the provincial context for understanding the broader labour market environment within which graduate unemployment occurs.

1.1

EMPLOYMENT TREND IN KWAZULU–NATAL (Q1:2025 – Q1:2026)

EMPLOYMENT LEVEL
(‘000)



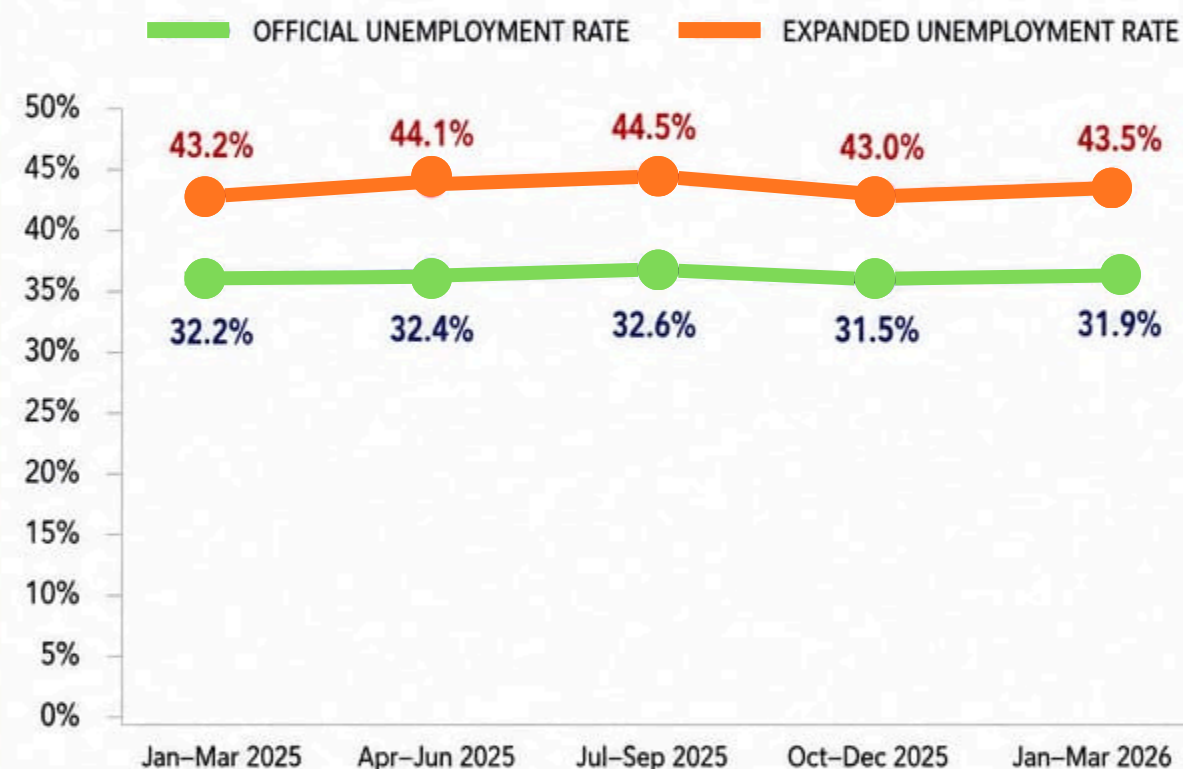
INSIGHT

Employment increased slightly by 6,000 between Q4:2025 and Q1:2026 but remained 67,000 below the level recorded in Q1:2025. This indicates that employment conditions remained unstable over the period, with no sustained recovery.

Source: Statistics South Africa, QLFS Q1:2026.

1.2

OFFICIAL AND EXPANDED UNEMPLOYMENT RATE (Q1:2025 – Q1:2026)



OFFICIAL UNEMPLOYMENT RATE

Improved slightly from 32.2% in Q1:2025 to 31.9% in Q1:2026. This shows a marginal improvement but remains at a very high level.



EXPANDED UNEMPLOYMENT RATE

Remained persistently high, at 43.5% in Q1:2026, reflecting significant underutilisation of labour in the province.



KEY TAKEAWAY:

While there are small improvements in employment and official unemployment, KwaZulu–Natal continues to face severe labour market challenges, with high underutilisation and limited evidence of sustained recovery.

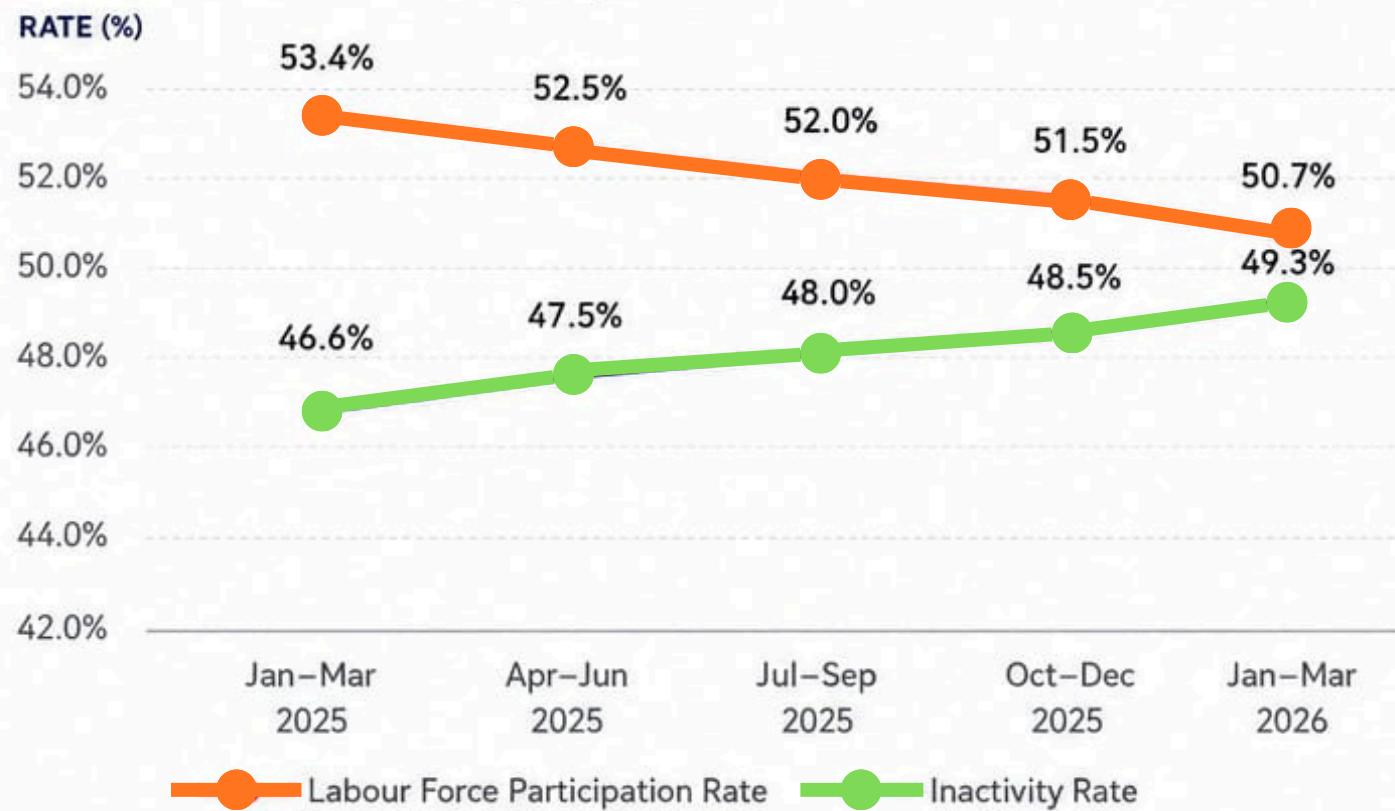
LABOUR MARKET OVERVIEW

Q1:2025 – Q1:2026



1.3 – LABOUR FORCE PARTICIPATION AND INACTIVITY RATE (Q1:2025 – Q1:2026)

Labour force participation declined consistently, while inactivity increased over the past year.



Source: Statistics South Africa, QLFS Q1:2026.



INSIGHT

Labour force participation declined consistently from 53.4% in Q1:2025 to 50.7% in Q1:2026, while inactivity increased to 49.3%. This suggests that almost half of the working-age population was outside the labour force by Q1:2026, reflecting discouragement, limited employment opportunities and reduced labour market participation.



1.4 – LABOUR UNDERUTILISATION INDICATORS (Q1:2026)

Broader labour underutilisation increased during the quarter.

Indicator	Q4:2025	Q1:2026	Change
 LU2: Unemployment and time-related underemployment	34.8%	35.2%	+0.4 percentage points
 LU3: Expanded unemployment rate	47.1%	47.2%	+0.1 percentage points
 LU4: Composite labour underutilisation	49.1%	50.3%	+1.2 percentage points

Source: Statistics South Africa, QLFS Q1:2026.



INSIGHT

The composite labour underutilisation measure rose from 49.1% to 50.3%. This indicates that although the official unemployment rate declined, labour market pressure remained high. The increase in labour underutilisation, combined with declining labour force participation, suggests challenges are reflected not only through unemployment but also through reduced participation and limited labour absorption.



KEY TAKEAWAY

South Africa’s labour market remains under significant strain. Falling participation and rising underutilisation highlight the need for targeted interventions to improve job creation, skills absorption and active labour market policies.

1.5 EMERGING LABOUR MARKET PATTERNS FROM PROVINCIAL CONTEXT

PATTERN		EVIDENCE FROM THE DATABASE	LABOUR MARKET IMPLICATION
	Spatial concentration	 37.5% of registered graduates are from eThekwin	 Graduate support and employer-matching may need strong urban coordination, while rural outreach should be strengthened.
	Female-dominated profile	 74.7% of records are females	 Graduate interventions should be gender-responsive .
	Qualification concentration	 82.7% of records are degree and diploma holders combined	 Unemployment challenge is not only low education, but weak transition into work .
	Field-of-study concentration	 36.9% of records are in Education	 Need to assess absorption pathways for education-related graduates.
	Youth concentration	 82.7% of valid age records are in the 18–34 age group	 Graduate unemployment is mainly a youth and young adult transition issue .
	Employment history captured	 89.3% have employment history information captured	 The database can support further employability and work-experience analysis .



KEY TAKEAWAY

The database highlights key provincial labour market patterns: spatial concentration in eThekwin, a female-dominated profile, high qualification concentration, strong focus on education fields, a youth-heavy age profile and rich employment history data. These patterns should inform targeted, evidence-based policy and programme design.

