OVERVIEW

The Quarterly Review of the Eastern Cape Labour Market (QRELM) is a statistical release compiled by the Eastern Cape Socio Economic Consultative Council (ECSECC). The aim of the publication is to analyse the latest developments in the Eastern Cape labour market. The analysis is extended to include employment and unemployment dynamics for the two metropolitan cities in the province. The data used in the report is drawn from Statistics South Africa’s Quarterly Labour Force Survey (QLFS). This issue covers the fourth quarter of 2020 (2020Q4).

HIGHLIGHTS

The Eastern Cape recorded the HIGHEST UNEMPLOYMENT RATE in the country of 47.9%.

The number of employed workers INCREASED by 1.9% to 1.2 MILLION.

The number of discouraged work-seekers in the province INCREASED by 6.0% to 172 191.

The EC youth unemployment rate reached an ALL-TIME HIGH of 63.6%.

The labour force has a large share of people who have not completed secondary education 44.0%.

In 2020Q2, the FEMALE unemployment rate was 48.0%.

In 2020Q2, the MALE unemployment rate was 47.9%.
The official unemployment rate for South Africa increased to a new record high level of 32.5% since the Quarterly Labour Force Survey started in 2008. This rate is however below the 37.0% unemployment rate forecasted by the International Monetary Fund. On a year-on-year basis, the national unemployment rate increased by 3.4 percentage points from 29.1% in 2019Q4. The number of employed persons increased to 15 million in the fourth quarter of 2020, and the number of unemployed persons also increased by 701,000, resulting in an increase of 1.0 million in the number of people in the labour force.

The provincial unemployment rate (47.9%) is above the national level of 32.5% in 2020Q4. At sub-provincial level, the unemployment rate in BCMM increased to 36.3% (up by 5.3 percentage points), while that in the NMB increased to 42.3% (up by 1.8 of a percentage points) on a QoQ basis. On a YoY basis, the unemployment rate in BCMM increased by 5.1 percentage points whilst in NMB the rate increased largely, by 8.25. The large increases in the unemployment rate throughout the year are mainly a result of the coronavirus pandemic.

The Eastern Cape province continued to record the highest unemployment rate in the country, with an unemployment rate of 47.9% in 2020Q4. In the fourth quarter of 2020, four out of nine provinces had an unemployment rate below the national level (32.4%), namely: KwaZulu-Natal (29.6%), Northern Cape (28.7%), Limpopo (27.3%) and Western Cape (22.5%).

Meanwhile, the rest of the provinces recorded an unemployment rate above national level, namely: Eastern Cape (47.9%), Gauteng (34.1%), Free State (33.4%), North West (33.3%) and Mpumalanga (33.0%).

In 2020Q4 the unemployment rate decreased only in the Free State province on a QoQ basis by 2.1 percentage points, from 35.5% in 2020Q3 to 33.4% in 2020Q4. Large unemployment rate increases were recorded in Northern Cape (up by 5.6 percentage points), Mpumalanga (5.2 percentage points) and North West (5.0 percentage points) QoQ.

On a year-on-year basis, the South African unemployment rate increased by 3.4 percentage points. On provincial levels, the unemployment rate increased largely in the Eastern Cape (up by 8.4 percentage points), KwaZulu-Natal (up by 4.6 percentage points), North West (up by 4.5 percentage points) and Limpopo (up by 4.2 percentage points).

Meanwhile, the unemployment rate declined only in Mpumalanga by 0.6 of a percentage point during the same period.

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Meanwhile, the unemployment rate declined only in Mpumalanga by 0.6 of a percentage point during the same period.
The Eastern Cape youth unemployment rate (aged 15 - 34 years) reached an all-time high of 63.6% in 2020Q4. Youth unemployment increased by 10.3 percentage points on a YoY basis from 53.3% in 2019Q4. Youth unemployment remains one of the macroeconomic problems of the province—since 2019Q3 this rate has remained above the 50.0% mark. Meanwhile the unemployment rate among adults (aged 35–64 years) was 33.6% in 2020Q4, a 7.2 percentage point increase from 2019Q4.

In terms of gender, the male unemployment rate in the province increased by 9.3 percentage points in 2020Q4 to 47.9% from 38.6% in 2019Q4. The unemployment rate for females remained stubbornly high at 48.0% in 2020Q4. From 2017Q1, the female unemployment rate has remained above 30% mark and further increased above 40% from 2019Q4. Compared to male unemployment, females remain vulnerable in the labour market.

Moreover, the labour force participation rate was higher in 2020Q4 as compared to 2020Q3, increasing by 2.8 percentage points to 54.3%. The absorption rate increased by 0.4 of a percentage point in 2020Q4 to 28.3%. On a YoY basis absorption rate decreased by 3.8 percentage points from 32.1% in 2019Q4.

Compared with other metropolitan cities in the country, NMB had the highest unemployment rate (42.3%) in 2020Q4, followed by the City of Tshwane (37.0%) and Mangaung (26.2%). The BCMM has the third lowest unemployment rate (36.3%) and eThekwini has the lowest sitting at 20.6%.
In 2020Q4, the Eastern Cape had a total of 1,235,808 employees. Community services (government) was the largest employer in the province, hiring 29.0% of workers. This was followed by trade (18.7%) and finance (10.1%). Together these three industries employ over half (58.6%) of the Eastern Cape's employees.

On a QoQ basis, the largest job losses were recorded from the following industries: Trade (-17,850), finance (-25,039) and manufacturing (-5,174). Whilst community services (government) finance industry gained the most jobs (25,314).
Emerging from the Figure on the right are salient changes in the Eastern Cape Labour Market.

Between 2020Q3 and 2020Q4:

- The working age population (15 – 64 years) increased by 0.5% to 4.4 million.
- The labour force grew by 6.1% to 2.4 million.
- The not economically active population declined by 5.5% to 2.0 million.
- The number of employed people increased by 1.9% to 1.2 million.
- The number of unemployed people declined by 11.0% to 1.1 million.
- The number of discouraged work-seekers increased by 6.0% to 172 191.
- Employment increased significantly in the private households sector by 11.7% and the agricultural sector by 3.0%.

The occupation that gained most jobs during the fourth quarter of 2020 was the “Plant and machine operators and assemblers” category, followed by “Service workers and shop and market sales workers”. Workers in “Plant and machine operators and assemblers” category increased by 15 008, from 91 073 in 2020Q3 to 106 081 in 2020Q4. The “Craft and related trades workers” is the occupation which shed most jobs (22 646 jobs) during the fourth quarter of 2020.

Looking at employment by skill levels, 14 360 jobs were created for semi-skilled occupations, low-skilled occupations gained 8 642 jobs and 3 951 skilled jobs were lost on QoQ basis.
The labour force comprises all persons who are employed plus all persons who are unemployed. The working-age population comprises all persons aged 15–64 years.

Unemployment rate is the proportion of the labour force that is unemployed.

Labour force participation rate is the proportion of the working-age population that is either employed or unemployed

Employment-to-population ratio (labour absorption rate) is the proportion of the working-age population that is employed.

Unemployed persons (aged 15–64 years) who:

- Were not employed in the reference week; and
- Actively looked for work or tried to start a business in the four weeks preceding the survey interview; and
- Were available for work, i.e. would have been able to start work or a business in the reference week; or
- Had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future and were available.

Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2021

Table 1 above shows that of the 4 368 908 working age population, the majority (50.7%) has not completed secondary schooling. However, of the 1 138 027 unemployed persons, 50.6% had secondary not completed, whilst 5.6 have tertiary education in 2020Q4. Overall, the labour force has a large share of people who have not completed secondary (44.0%) education, followed by those who completed secondary education (29.7%). Only 0.9% of the labour force had no schooling in 2020Q4.

Vacancies in the provinces can be found on the following websites:

2. [https://www.pnet.co.za/jobs/Eastern-Cape.html](https://www.pnet.co.za/jobs/Eastern-Cape.html)
3. [https://www.careerjunction.co.za/jobs/eastern-cape](https://www.careerjunction.co.za/jobs/eastern-cape)

### Table 1

<table>
<thead>
<tr>
<th>EDUCATION STATUS</th>
<th>Working population (age 15+)</th>
<th>Labour force / economically active</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Not economically active</th>
<th>Discouraged job seeker</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO SCHOOLING</td>
<td>1.3%</td>
<td>0.8%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>1.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>LESS THAN PRIMARY COMPLETED</td>
<td>10.4%</td>
<td>8.1%</td>
<td>6.8%</td>
<td>9.6%</td>
<td>13.0%</td>
<td>18.5%</td>
</tr>
<tr>
<td>PRIMARY COMPLETED</td>
<td>72.0%</td>
<td>5.2%</td>
<td>4.7%</td>
<td>5.7%</td>
<td>9.6%</td>
<td>10.9%</td>
</tr>
<tr>
<td>SECONDARY NOT COMPLETED</td>
<td>50.7%</td>
<td>44.0%</td>
<td>38.0%</td>
<td>50.6%</td>
<td>58.7%</td>
<td>52.5%</td>
</tr>
<tr>
<td>SECONDARY COMPLETED</td>
<td>22.6%</td>
<td>29.7%</td>
<td>31.4%</td>
<td>27.7%</td>
<td>14.1%</td>
<td>15.3%</td>
</tr>
<tr>
<td>TERTIARY</td>
<td>7.6%</td>
<td>11.9%</td>
<td>17.7%</td>
<td>5.6%</td>
<td>2.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>OTHER</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>0.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>99.8%</td>
<td>100.0%</td>
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