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 second quarter of 2021 (2021Q2).

HIGHLIGHTS

- The Eastern Cape unemployment rate INCREASED to 47.1%.
- The number of employed people DECREASED by 5.1% to 1.2 MILLION.
- Employment DECLINED in the agricultural sector by 18.4%.
- The EC youth (15-34) unemployment rate reached 61.9%.
- The labour force has a large share of people who have not completed secondary education 45.5%.

In 2021Q2, the FEMALE unemployment rate was 48.2%.

In 2021Q2, the MALE unemployment rate was 46.1%.
The labour market conditions worsened in South Africa as the official unemployment rate increased by 1.8 percentage points, from 32.6% in 2021Q1 to 34.4% in 2021Q2. According to Stats SA, this rate has been the highest since the quarterly labour market survey started in 2008. This rate is higher than the 29.7% unemployment rate forecasted by the International Monetary Fund\(^1\). On a year-on-year basis, the national unemployment rate increased by 11.1 percentage points from 23.3% in 2020Q2. The number of employed persons decreased by 54,000 to 14.9 million in 2021Q2, while the number of unemployed persons increased by 584,000 to 7.8 million compared to 2021Q1, resulting in an increase of 530,000 (up by 2.4%) in the number of people in the labour force.

As reported by Stats SA, the official unemployment rate for the Eastern Cape province increased by 3.3 percentage points to 47.1% in the second quarter of 2021. At the sub-provincial level, the unemployment rate increased in both metros: BCM unemployment rate increased to 32.6% (up by 6.0 percentage points) and NMB unemployment rate increased to 39.8% (up by 0.7 of a percentage point) on a quarter-on-quarter basis. On a YoY basis, the unemployment rate in BCM increased by 9.5 percentage points whilst in NMB the rate declined by 0.6 of a percentage point.

\(^1\)World Economic Outlook (April 2021), The International Monetary Fund.
PERFORMANCE AND PROMINENT TRENDS in the Eastern Cape Labour Market (%)

It remains evident in the labour market trends that the global pandemic has had a severe impact on the employment and labour market status of individuals remains evident in the labour market trend. South Africa and the Eastern Province struggle to retain the unemployment rates from increasing. Moreover, the labour force participation rate was slightly higher in 2021Q2 as compared to 2021Q1, increasing by 0.4 of a percentage point to 53.3%. The absorption rate showed a decreasing trend from 2021Q1 after increasing from 2020Q2. On a QoQ basis, the absorption rate decreased by 1.6 percentage points to 28.2% in 2021Q2.

Youth (aged 15 - 34 years) unemployment remains one of the macroeconomic problems of South Africa and the province. Since 2018Q4, it stagnated above the 40% mark and was recorded above the 60% mark (61.9%) in 2021Q2. Meanwhile, the unemployment rate among adults (aged 35–64 years) was 32.7% in 2021Q2. On a YoY basis, youth unemployment rate increased by 8.6 percentage points, from 53.3% in 2020Q2. Compared with 2020Q3, youth unemployment rate decreased by 1.7 percentage points. Following the same trend, adult, female and male unemployment rates increased in the second quarter of 2021. Females remained at a disadvantage in the labour market, with a higher unemployment rate (48.2%) than males (46.1%).
In 2021Q2, the Eastern Cape had a total of 1,234,848 employed workers. Community services (government) was the largest employer in the province, hiring 35.0% of total employed workers. This was followed by trade (20.4%) and finance (9.5%). Together these three industries employed 60.4% of the Eastern Cape's employees.

On a QoQ basis, the largest job gains were recorded in the following industries: Community services sector (11,568), trade (7,441), and manufacturing (6,610). The finance industry lost 39,155 jobs.
The occupation that gained most jobs during the second quarter of 2021 was the “Elementary occupation” category, followed by the “Technical and associate professionals” category. Workers in the “Elementary occupation” category increased by 43,602, from 334,405 in 2021Q1 to 378,007 in 2021Q2. There was a significant decline in the number of workers in the “Craft and related trade workers” occupation, where 37,604 jobs were shed during the second quarter of 2021.

Looking at new jobs created by skill levels, 21,208 jobs were gained for skilled workers, and 45,953 jobs for semi-skilled workers. However, low-skilled workers lost 2,243 jobs on a 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.

### Definitions

**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. **Expanded unemployment** is the unemployment rate which includes the discouraged work seekers.

**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.

The table above shows that in 2021Q2, the majority (50.2%) of the working age population have not completed secondary schooling. Of the 1 099 800 unemployed people in the province, 53.8% have secondary not completed, whilst only 4.7% have tertiary education. Overall, the labour force has a large share of people who have not completed secondary education (45.5%), followed by those who completed secondary education (27.9%). Only 0.9% of the labour force had no schooling in 2021Q2. This indicates that an increasing number of people have obtained matric and tertiary education to improve their chances of securing employment.

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

- https://www.pnet.co.za/jobs/Eastern-Cape.html
- https://www.careerjunction.co.za/jobs/eastern-cape

<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>
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<tr>
<td>NO SCHOOLING</td>
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<td>0.9%</td>
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<td>2.6%</td>
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<td>LESS THAN PRIMARY COMPLETED</td>
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<td>78%</td>
<td>7.2%</td>
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<td>PRIMARY COMPLETED</td>
<td>6.4%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>5.3%</td>
<td>7.9%</td>
<td>8.7%</td>
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<td>SECONDARY NOT COMPLETED</td>
<td>50.2%</td>
<td>45.5%</td>
<td>38.2%</td>
<td>53.8%</td>
<td>55.5%</td>
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<tr>
<td>SECONDARY COMPLETED</td>
<td>22.4%</td>
<td>279%</td>
<td>28.9%</td>
<td>26.8%</td>
<td>16.2%</td>
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<td>TERTIARY</td>
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<td>12.5%</td>
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<tr>
<td>OTHER</td>
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<td>0.3%</td>
<td>0.2%</td>
<td>0.0%</td>
<td>0.7%</td>
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<tr>
<td>TOTAL</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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