

HIGHLIGHTS

- The Eastern Cape recorded the highest unemployment rate of 39.5%.
- Formal sector (non-agricultural) employment increased by 0.6%.
- The number of the not economically active population declined by 19.8%.
- The youth unemployment rate increased by 3.0 percentage points to 53.3%.
- Over 50% of discouraged job seekers have not completed matric.

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 2019 (2019Q4).

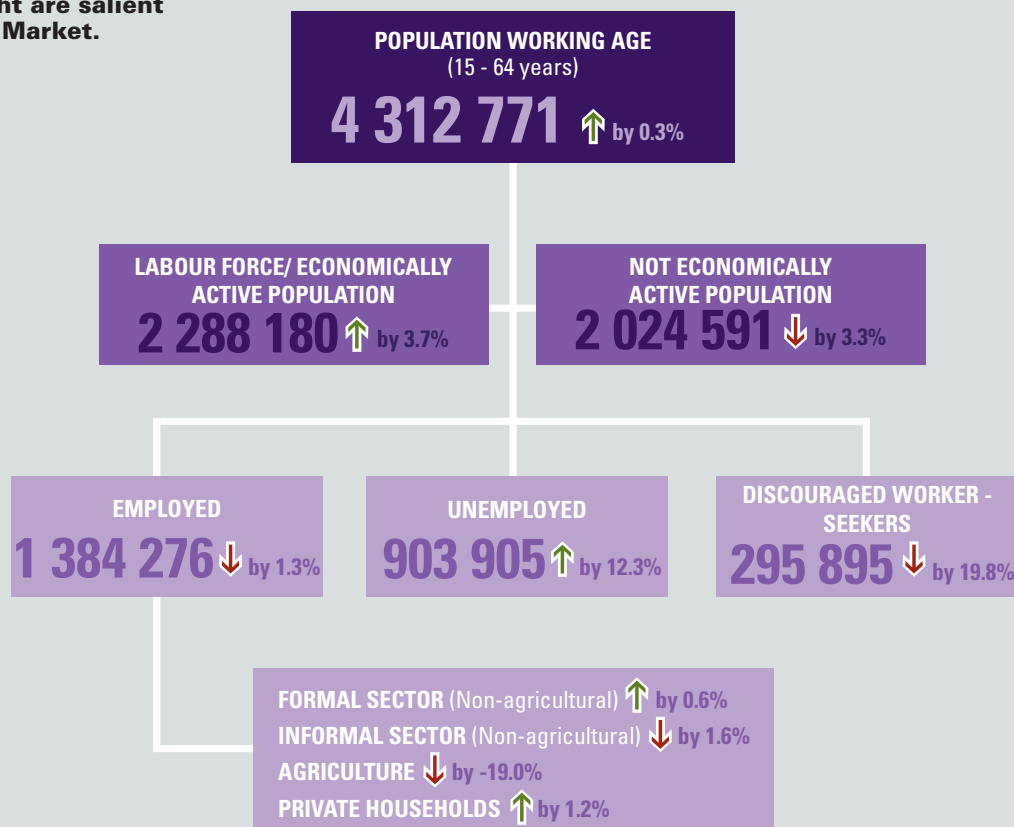
EASTERN CAPE OVERVIEW

Changes in the Eastern Cape Labour Market: QoQ % changes, 2019Q4

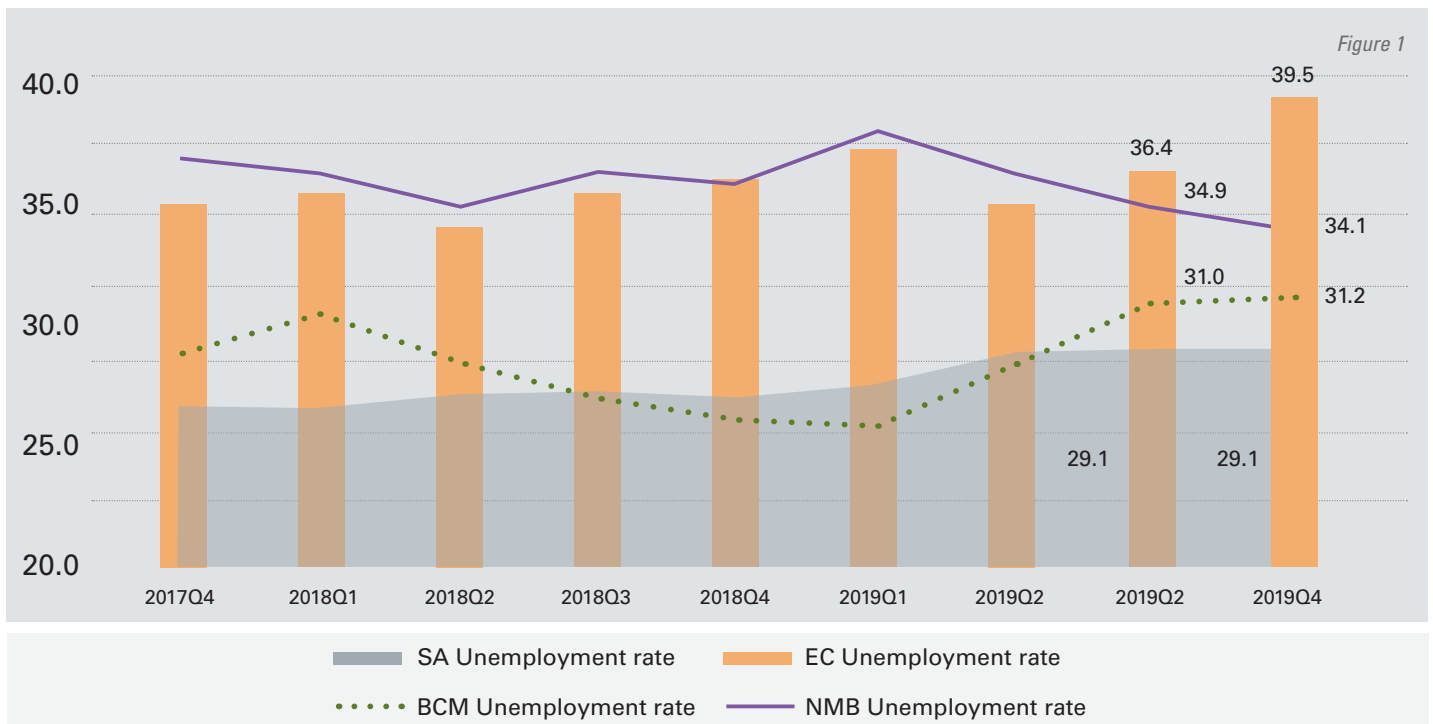
Emerging from the Figure on the right are salient changes in the Eastern Cape Labour Market.

Between 2019Q3 and 2019Q4:

- The working age population (15 – 64 years) increased by 0.3% to 4.313 million.
- The labour force increased by 3.7% to 2.288 million.
- The not economically active population declined by 3.3% to 2.025 million.
- The number of employed people declined by 1.3% to 1.384 million.
- The number of unemployed people increased by 12.3% to 903 905.
- The number of discouraged work-seekers declined by 19.8% to 295 895.
- The decline in employment was mainly driven by a decrease in the agriculture sector (down by 19.9%) and non-agriculture informal sector (down by 1.6%).
- Employment in the formal sector (non-agricultural) increased by 0.6%, whilst employment in private households increased by 1.2%.



Buffalo City Metro unemployment rate increased for the third consecutive quarter



Source: Statistics South Africa Labour Force Survey, 2019

The official unemployment rate for South Africa remained unchanged at 29.1% during the third and fourth quarters of 2019. This rate is above the national unemployment rate of 27.3% projected for 2019 by the World Employment Social Outlook (WESO, 2019). The number of employed persons in South Africa increased by 45 000 while the number of unemployed persons decreased by 8 000 resulting in an increase of 37 000 in the number of people in the labour force.

The provincial unemployment rate increased by 3.4 percentage points from 36.1% in 2018Q4 to 39.5% in 2019Q4.

At sub-provincial level, the unemployment rate in BCM reflects an increasing trend, reaching 31.2% in 2019Q4 while that in the NMB declined for the third consecutive quarter to 34.1% in the same period.

Table 1

Education Status

	Working population (age 15+)	Labour force / economically active	Employed	Unemployed	Not economically active	Discouraged job seeker
No schooling	2.4%	1.4%	1.5%	1.3%	3.6%	3.1%
Less than primary completed	11.8%	9.4%	9.2%	9.8%	14.4%	16.8%
Primary completed	6.9%	5.5%	4.6%	7.1%	8.5%	7.4%
Secondary not completed	49.7%	43.6%	38.7%	51.3%	56.6%	54.0%
Secondary completed	20.9%	27.2%	28.8%	24.7%	13.8%	16.6%
Tertiary	8.0%	12.7%	17.1%	5.8%	2.8%	2.1%
Other	0.3%	0.2%	0.2%	0.1%	0.5%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa Labour Force Survey, 2019

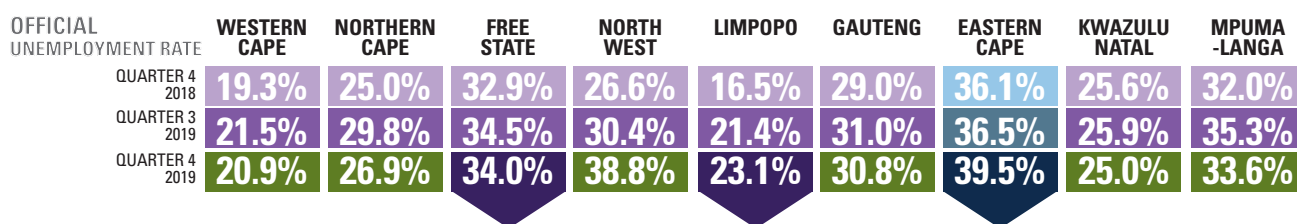
Table above shows that of the 4 312 771 working age population, the majority (49.7%) has not completed secondary schooling. However, of the 903 905 unemployed persons, more than half (51.3%) had secondary not completed, followed by those with matric at 24.7% in 2019Q4. Only 5.8% of the unemployed persons were graduates while 0.1% had other qualifications as their highest level of education. Over 50% of discouraged job seekers in the province are persons who have not completed matric.

UNEMPLOYMENT RATE

Unemployment rate in the Eastern Cape remains the highest in the country

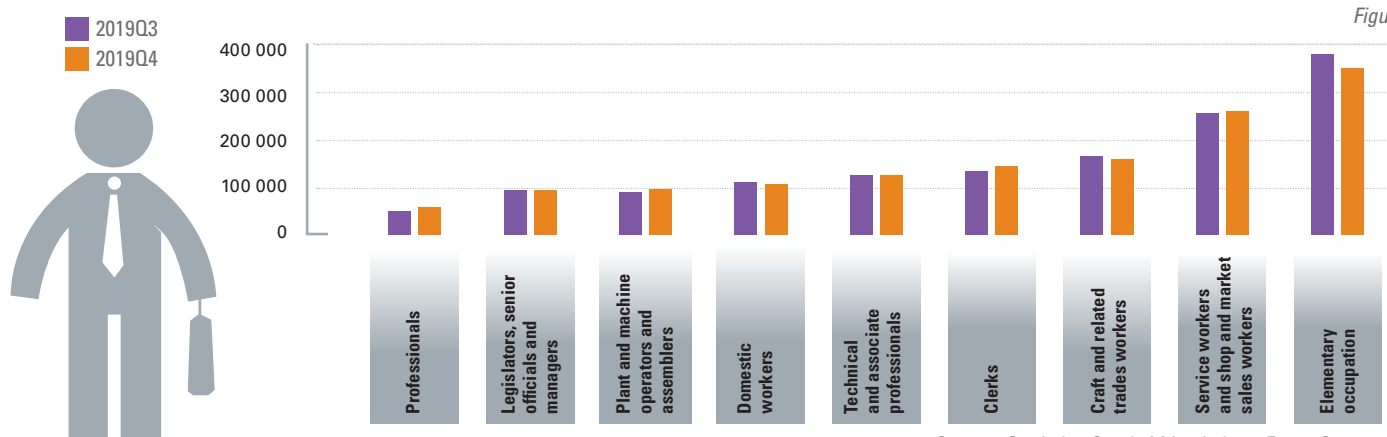
Unemployment remains one of the main macroeconomic crises facing South Africa. On a QoQ basis, North West province had the largest unemployment rate decline of 2.9 percentage points in 2019Q4. In the third quarter, five out of nine provinces recorded an unemployment rate below the national level of 29.1%, namely: Western Cape (20.9%), Limpopo (23.1%), KwaZulu-Natal (25.0%), Northern Cape (26.9%) and North West (28.8%). Employment increased in three out of the nine provinces: North West (up by 19 000), KwaZulu-Natal (up by 16 000) and Northern Cape (up by 13 000).

Compared to the third quarter of the year, large unemployment rate increases were recorded in Eastern Cape (3.0 percentage points), Limpopo (1.7 percentage points) and Free State (0.5 of a percentage point).



Source: Statistics South Africa Labour Force Survey, 2019

EMPLOYED BY OCCUPATION



Source: Statistics South Africa Labour Force Survey, 2019

The occupation which gained most jobs during the fourth quarter of 2019 was the “clerks” occupational category. Workers in this occupational category increased by 12 371, from 131 553 in 2019Q3 to 143 924 in 2019Q4. The “elementary occupation” is the occupation which shed most jobs (28 809 jobs) during the fourth quarter of 2019.

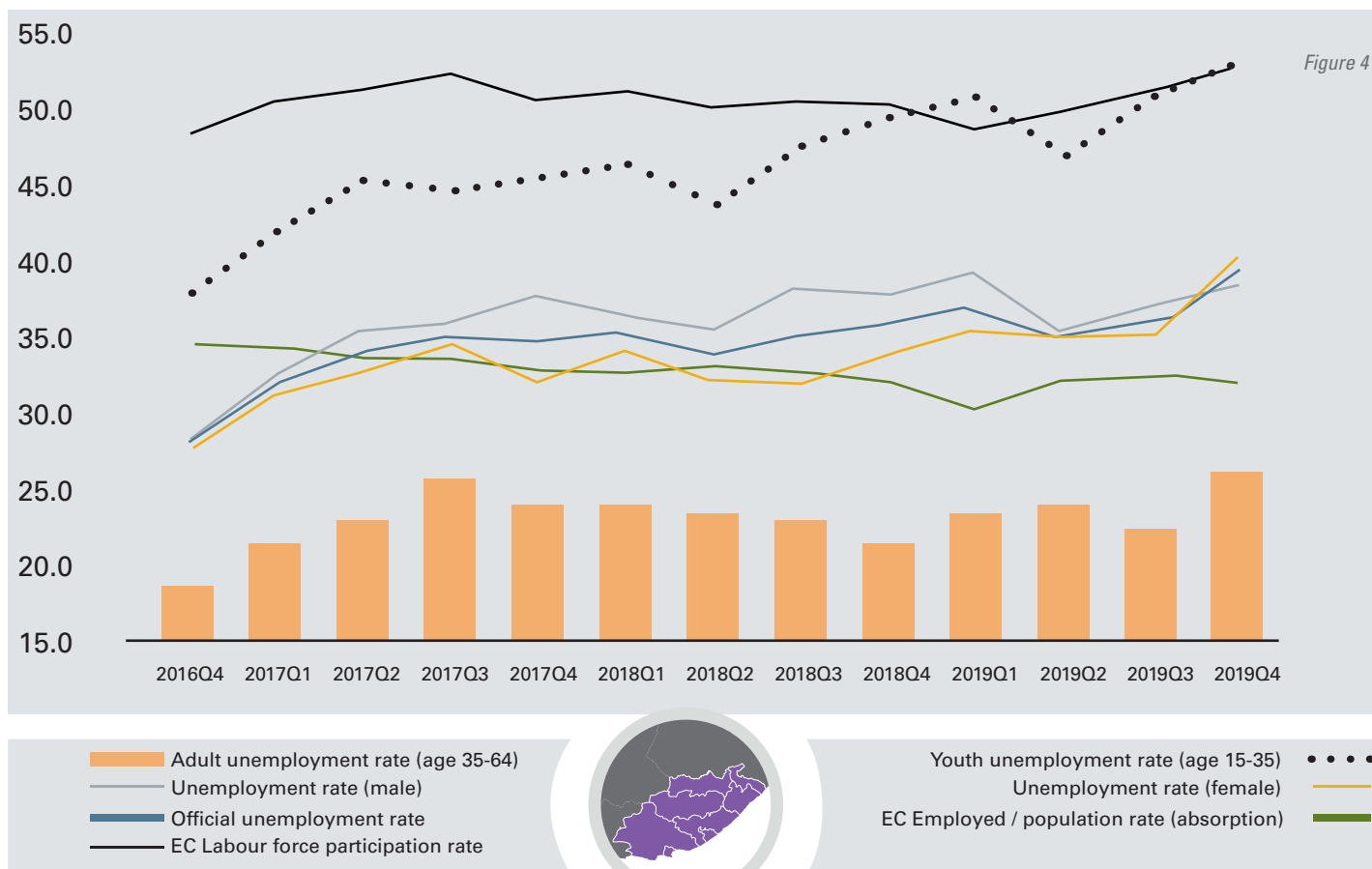
Looking at employment by skill levels: for low skilled occupations, 2 355 jobs were lost, semi-skilled occupations gained 9 879 jobs and high skilled occupations gained 4 764 jobs QoQ.

In terms of gender distribution with occupations, female workers are most dominant as domestic workers (93.7%), clerks (74.4%) and technical and associate professionals (65.8%). Male workers are dominant as plant, machine operators and assemblers (94.1%); craft and related trade workers (85.4%); and legislators, senior officials and managers (61.9%).

Figure 2

Figure 3

Performance and prominent trends in the Eastern Cape Labour Market (%)



Source: ECSECC & Statistics South Africa Labour Force Survey, 2019

The Eastern Cape youth unemployment rate increased by 2.0 percentage points from 51.3% in 2019Q3 to 53.3% in 2019Q4. The adult unemployment rate was recorded at 26.4% in 2019Q4.

In terms of gender, there is an increasing trend of female unemployment compared with that of males. The unemployment rate for males increased by 1.2 percentage point to 38.6% and for females, it increased by 4.9

percentage points to 40.4% in 2019Q4. With a history of female labour market exclusion and gender inequality in South Africa, a higher female unemployment rate indicates not only sluggish economic growth but also possible failures to address gender equality.

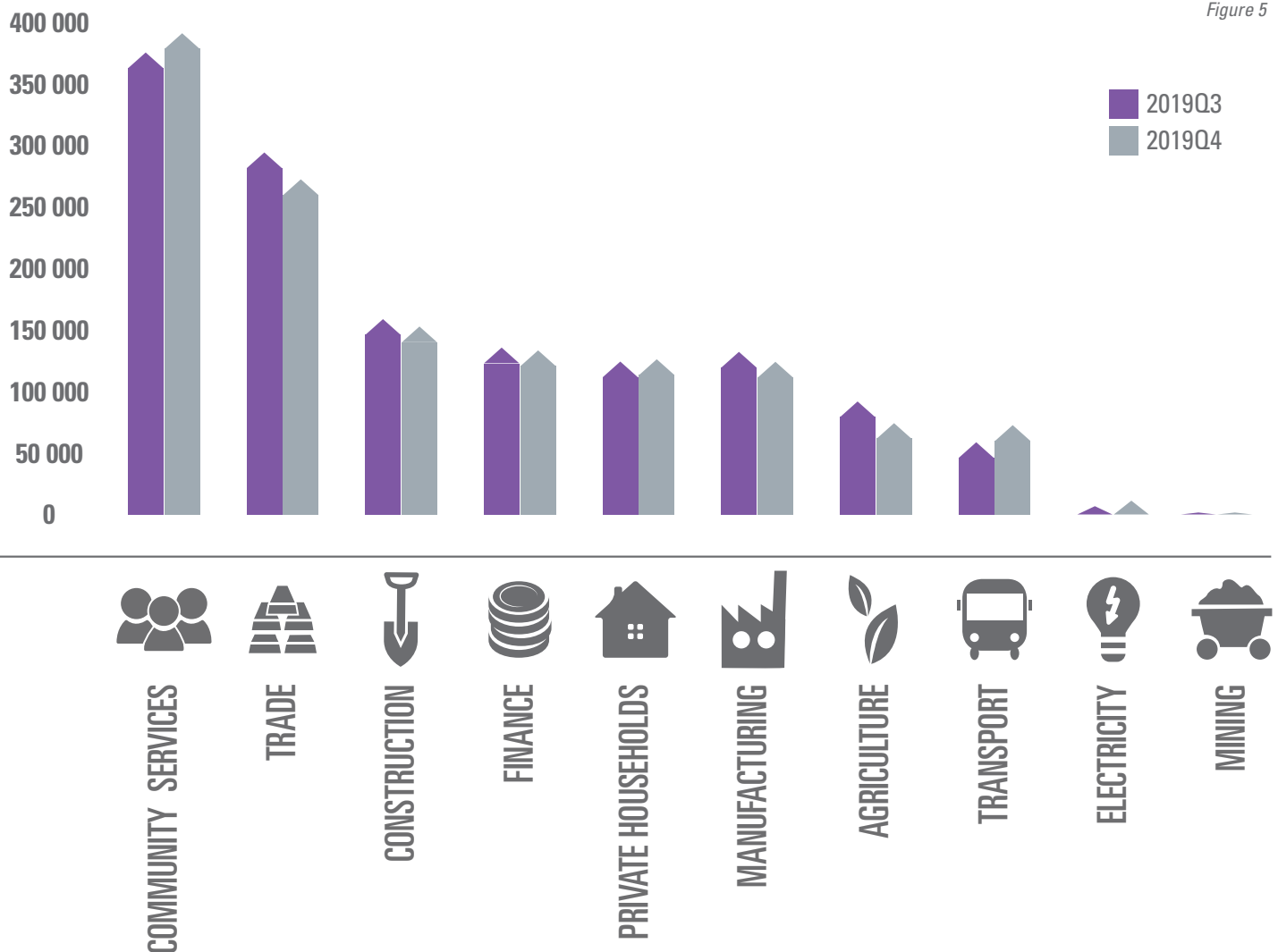
The labour force participation rate in the province remained the same between 2019Q3 and 2019Q4, while the labour absorption rate declined to 32.1% in 2019Q4.

Vacancies in the provinces can be found on the following websites

	http://www.dpsa.gov.za/dpsa2g/vacancies.asp
	https://www.pnet.co.za/jobs/Eastern-Cape.html
	https://www.careerjunction.co.za/jobs/eastern-cape
	https://www.careers24.com/jobs/lc-eastern-cape/

Government, trade, and construction sectors employ more than half of workers in the province

Figure 5



Source: Statistics South Africa Labour Force Survey, 2019

In 2019Q4, the Eastern Cape had a total of 1 384 276 employees. Community services (government) was the largest employer in the province, hiring 28.6% of workers. This was followed by trade (20.0%) and construction (11.2%). Together these three industries employ over 50% of the Eastern Cape's employees.

The EC province lost 17 914 workers in 2019Q4 (QoQ). Jobs were lost in trade (-21 050), construction (-6 047), manufacturing (-7 293), mining (-307) and finance (-218). The biggest job gains were in the community services industry (18 037), transport (12 598) and electricity (3890).

DEFINITIONS

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.

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.

Unemployment and Not in Employment, Education or Training (NEET)- Those young people (15-24 years) who are categorised as NEET are considered to be disengaged from both work and education.

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

Unemployed persons (aged 15–64 years) who:

- a) Were not employed in the reference week; and
- b) Actively looked for work or tried to start a business in the four weeks preceding the survey interview; and
- c) Were available for work, i.e. would have been able to start work or a business in the reference week; or
- d) 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.