

HIGHLIGHTS

- The Eastern Cape recorded the highest unemployment rate (36.5%) in the country.
- Formal sector (non- agricultural) employment declined by 1.0%.
- North West province had the largest unemployment rate decline of 2.6 percentage points.
- The number of not economically active population declined by 2.2%.
- Youth unemployment rate increased by 3.9 percentage points.
- Over 55% 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 third quarter of 2019 (2019Q3).

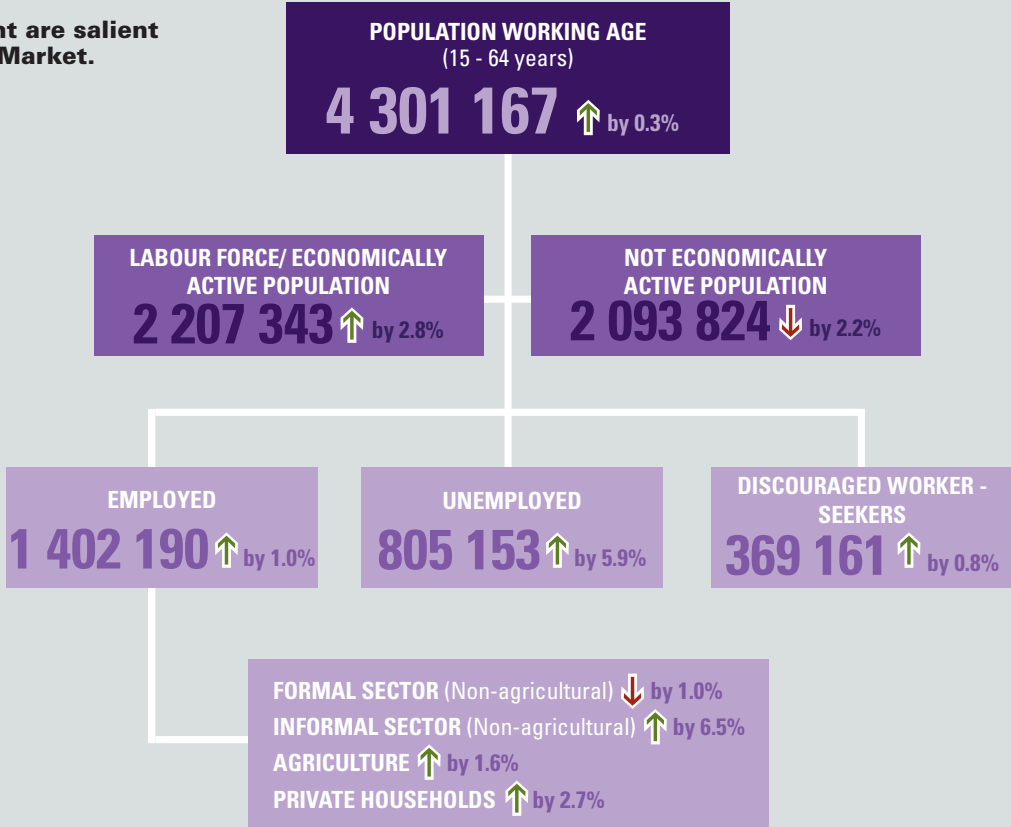
EASTERN CAPE OVERVIEW

Changes in the Eastern Cape Labour Market: QoQ % changes, 2019Q3

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

Between 2019Q2 and 2019Q3:

- Working age population (15 – 64 years) increased by 0.3% to 4.301 million.
- Labour force/ Economically active population increased by 2.8% to 2.207 million.
- Not economically active population declined by 2.2% to 2.094 million.
- Number of people employed increased by 1.0% to 1.402 million.
- Number of people unemployed increased by 5.9% to 805 153.
- Number of discouraged work-seekers increased by 0.8% to 369 161.
- Increased employment was mainly driven by an increase in employment in private households (up by 2.7%) and non-agriculture informal sector agriculture (up by 6.5%).
- Employment in the formal sector (non-agricultural) declined by 1.0%.



Eastern Cape unemployment rate declined after increasing for three consecutive quarters



Source: Statistics South Africa Labour Force Survey, 2019

The official unemployment rate for South Africa was recorded at 29.1%. 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 62 000 while the number of unemployed persons increased by 78 000 resulting in an increase of 141 000 in the labour force.

In the Eastern Cape, quarterly unemployment rate continued to rocket above its levels a year ago, soaring from 35.6%

in 2018Q3 to 36.5% in 2019Q3. On a quarter-on-quarter (QoQ) basis, provincial unemployment rate increased by 1.1 percentage points.

At sub-provincial level, high unemployment rate in NMB compared to BCM is sighted. Unemployment rate in BCM reflects an increasing trend reaching 31.0% in 2019Q3 while that in the NMB declined for the second consecutive quarter to 34.9% 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%	2.0%	0.5%	3.4%	1.6%
Less than primary completed	11.8%	9.7%	9.1%	10.8%	14.0%	14.1%
Primary completed	6.9%	4.8%	4.8%	4.8%	9.1%	9.5%
Secondary not completed	49.9%	43.3%	38.6%	51.6%	56.8%	56.1%
Secondary completed	20.5%	26.8%	27.5%	25.6%	13.8%	16.6%
Tertiary	8.2%	13.7%	17.8%	6.6%	2.4%	1.7%
Other	0.4%	0.3%	0.3%	0.2%	0.5%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa Labour Force Survey, 2019

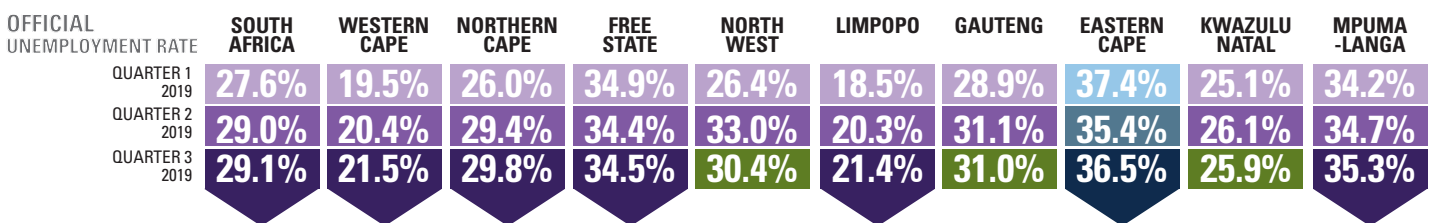
Table above shows that of the 4 301 167 working age population, the majority (49.9%) has not completed secondary schooling. However, of the 805 153 unemployed persons, 51.6% had education levels below matric, followed by those with matric at 25.6% in 2019Q3. Only 6.6% of the unemployed persons were graduates while 0.2% had other tertiary qualifications as their highest level of education. Over 55% 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

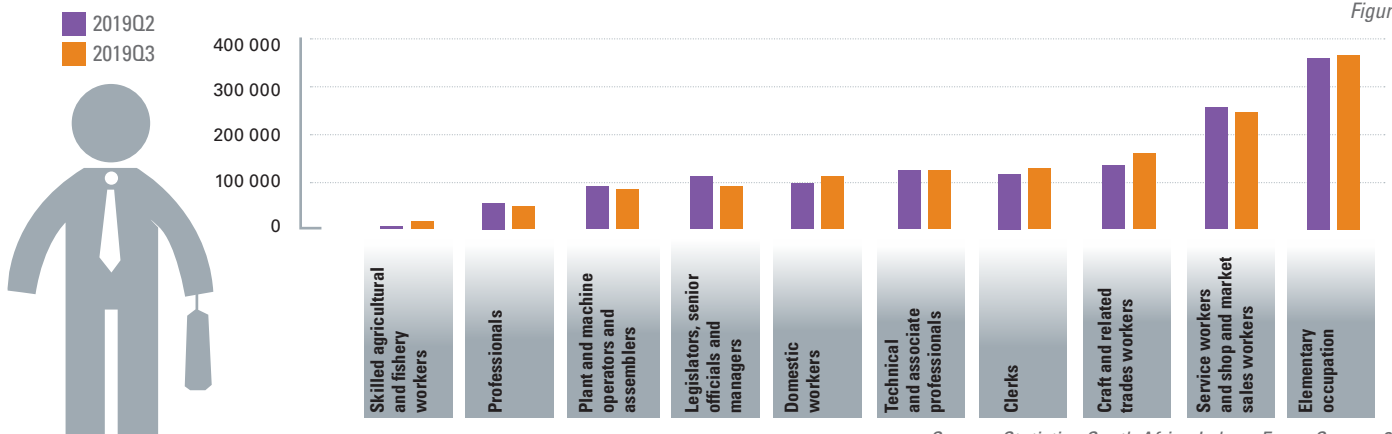
Unemployment remains one of the macroeconomic problems South Africa is facing. On a QoQ basis, North West province had the largest unemployment rate decline of 2.6 percentage points in 2019Q3. In the third quarter of 2019, three out of nine provinces, namely: Limpopo (21.4%), Western Cape (21.5%) and KwaZulu Natal (25.9%) recorded unemployment rates below the national level of 29.1%.

Employment increased in four out of the nine provinces. Increases were recorded in North West (up by 42 000), KwaZulu-Natal (up by 39 000), Northern Cape (up by 20 000) and Eastern Cape (up by 15 000).



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 third quarter of 2019 was the "craft and related trades workers". Workers in this occupation category increased by 22 046, from 139 654 in 2019Q2 to 161 700 in 2019Q3. However, 20 712 jobs were shed in the "legislators, senior officials and managers" occupation.

Looking at employment by skill levels, in 2019Q3, 29 266 jobs were lost amongst skilled workers. However, low-skilled workers gained 14 994 jobs. Statistics shows that the province has the largest proportion of low-skilled workers in the country.

In terms of gender distribution, female workers were most dominant in the following occupation categories:

- Domestic workers (92.8%),
- Professionals (70.6%) and
- Clerks (67.7%).

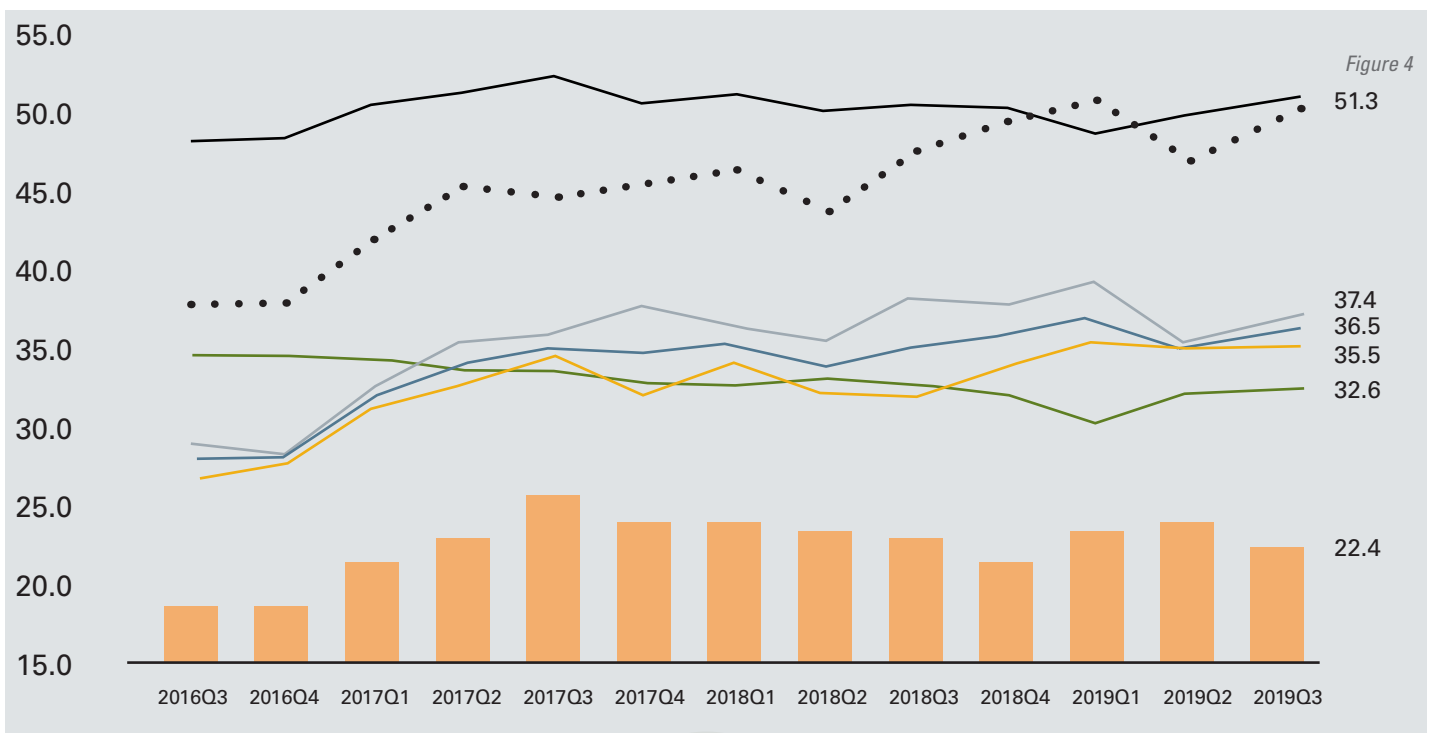
Whilst male workers were more dominant in

- Plant, machine operators and assemblers (84.5%),
- Craft and related trade workers (83.9%) and
- Skilled agricultural and fishery workers (66.9%).

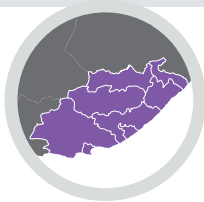
Figure 2

Figure 3

Prominent trends in the Eastern Cape labour markets



■ Adult unemployment rate (age 35-64)
— Unemployment rate (male)
— Official unemployment rate
— EC Labour force participation rate



●●●● Youth unemployment rate (age 15-35)
— Unemployment rate (female)
— EC Employed / population rate (absorption)

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

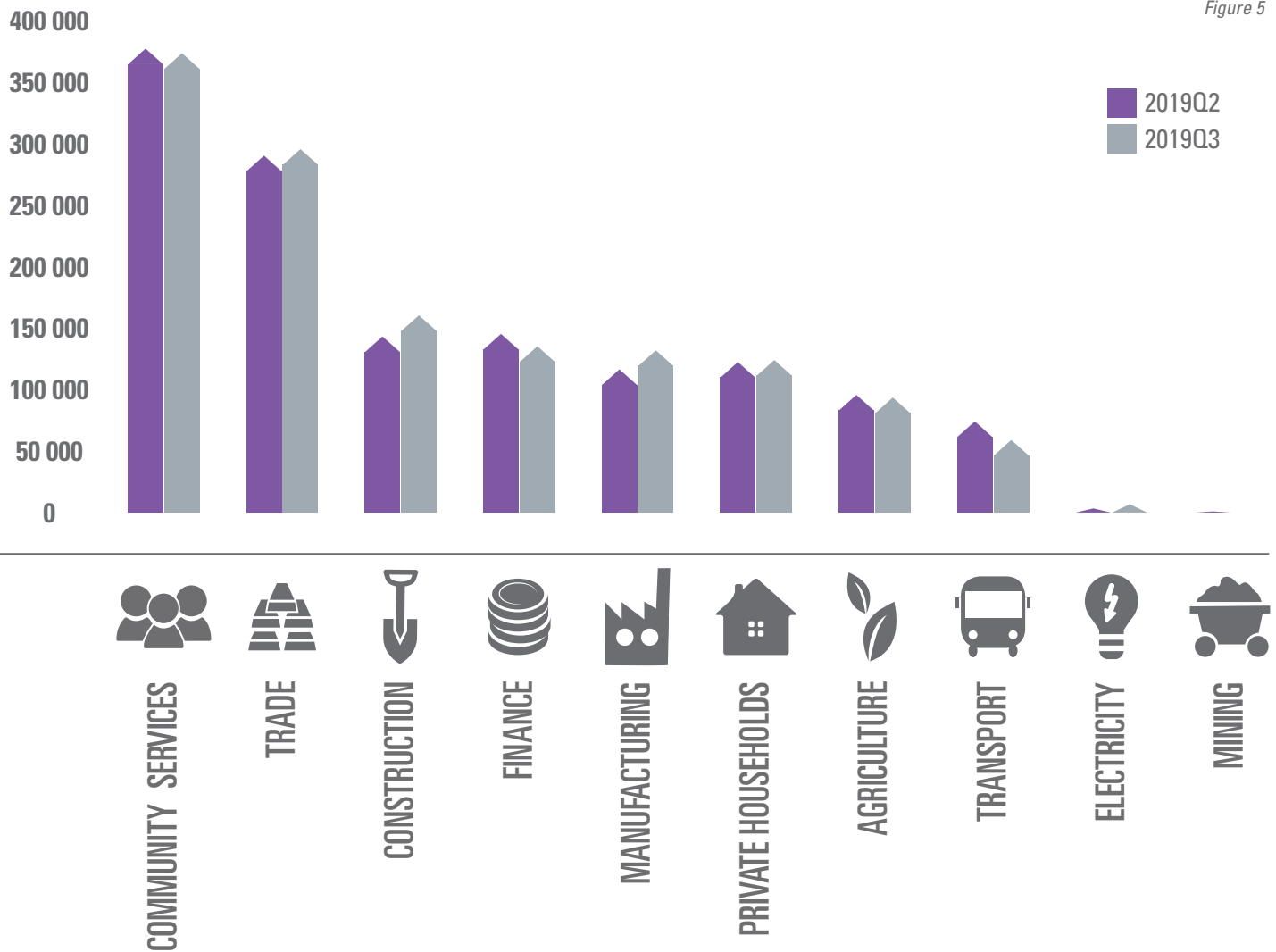
- The youth unemployment rate increased by 3.9 percentage points from 47.4% in 2019Q2 to 51.3% in 2019Q3.
- Adults unemployment rate was recorded at 22.4% in 2019Q3.
- In terms of gender, unemployment rate for males (37.4%) was higher than that of females (35.5%).
- The labour force participation rate in the province increased from 50.1% in 2019Q2 to 51.3% in 2019Q3.
- Similarly, the labour absorption rate increased to 32.6% in 2019Q3. Improved economic participation has enhanced the ability of the province to absorb labour in the economy.

Vacancies in the provinces can be found on the following websites

<p>the dpsa Department: Public Services and Administration REPUBLIC OF SOUTH AFRICA</p>	http://www.dpsa.gov.za/dpsa2g/vacancies.asp
<p>PNET</p>	https://www.pnet.co.za/jobs/Eastern-Cape.html
<p>Career Junction Better jobs. More often.</p>	https://www.careerjunction.co.za/jobs/eastern-cape
<p>careers24</p>	https://www.careers24.com/jobs/lc-eastern-cape/

Government sector and trade sector are the main employers in the province

Figure 5



Source: Statistics South Africa Labour Force Survey, 2019

In 2019Q2, the Eastern Cape had in total 1 402 190 employees. Community services (government) was the largest employer in the province, hiring 27.0% of workers. This was followed by trade (21.2%) and construction (11.5%). Together these three industries employed more than half of total labour in the province.

In 2019Q3, the EC province gained 14 524 workers in 2019Q3 (QoQ). The biggest job gains were in the manufacturing (15 301), construction (14 589), and electricity (4 504) industries. Jobs were lost in transport (-15 432), finance (-9 514), community services (-2 343) and agriculture (-1 526) industries.

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.