

### HIGHLIGHTS

- Eastern Cape has the highest unemployment rate in South Africa of 36.1% in 2018Q4.
- Youth unemployment is at its record high of 49.9%.
- Work experience will no longer be a requirement for recruitment for entry-level jobs in the public sector and an e-Recruitment system has been launched.

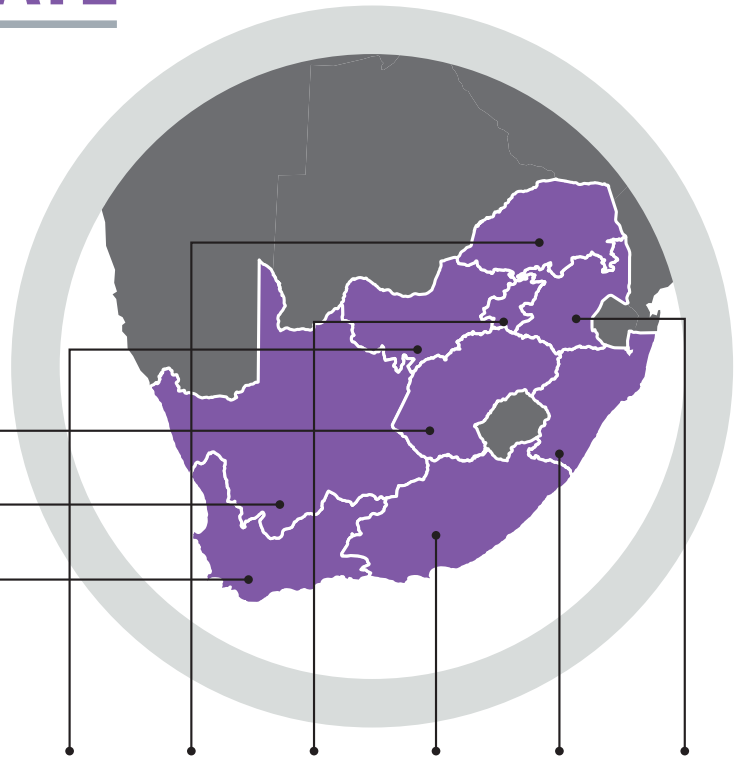
The Eastern Cape Quarterly Review of the Labour Market is a statistical publication compiled by the Eastern Cape Socio Economic Consultative Council (ECSECC). The aim of the publication is to analyse the latest developments in the Eastern Cape labour market. The analysis is extended to include employment 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 2018 (2018Q4).

## UNEMPLOYMENT RATE

### South Africa and Provinces

The official unemployment rate at national level decreased by 0.4 of a percentage point from 27.5% in 2018Q3 to 27.1% in 2018Q4. The official unemployment rate increased in the Eastern Cape by 0.5 of a percentage point QoQ and the province continues to have the highest unemployment rate in the country at 36.1% in 2018Q4. On a year-on-year basis, the Eastern Cape's official unemployment rate increased by 1.0 of a percentage point from 35.1% in 2017Q4. The unemployment rate declined in seven provinces: Free State (by 3.4 percentage points), Limpopo (by 2.4 percentage points), Northern Cape (by 2.0 percentage points), North West (by 1.4 percentage points), Western Cape (by 1.1 percentage points), Gauteng (by 0.6 of a percentage point) and Mpumalanga (by 0.5 of a percentage point). For the two EC metros, the official unemployment rate was low in the BCM (26.1%) and high in the NMB (35.6%).

The expanded unemployment rate in South Africa declined by 0.3 of a percentage point from 37.3% in 2018Q3 to 37.0% in 2018Q4. The expanded unemployment rate in EC (46.8%), KZN (41.3%) and LP (38.8%) provinces increased by 0.8, 0.1 and 0.7 of a percentage point in 2018Q4 respectively. On a year-on-year basis, NW recorded the largest increase of 2.3 percentage points. The NMB metro recorded the highest expanded unemployment rate of 36.0% in 2018Q4 compared to the BCM with



OFFICIAL UNEMPLOYMENT RATE	SOUTH AFRICA	WESTERN CAPE	NORTHERN CAPE	FREE STATE	NORTH WEST	LIMPOPO	GAUTENG	EASTERN CAPE	KWAZULU NATAL	MPUMA-LANGA
QUARTER 4 2017	26,7%	19,5%	27,1%	32,6%	23,9%	19,6%	29,1%	35,1%	24,1%	28,9%
QUARTER 3 2018	27,5%	20,4%	27,0%	36,3%	28,0%	18,9%	29,6%	35,6%	23,0%	32,5%
QUARTER 4 2018	27,1%	19,3%	25,0%	32,9%	26,6%	16,5%	29,0%	36,1%	25,6%	32,0%

EXPANDED UNEMPLOYMENT RATE	SOUTH AFRICA	WESTERN CAPE	NORTHERN CAPE	FREE STATE	NORTH WEST	LIMPOPO	GAUTENG	EASTERN CAPE	KWAZULU NATAL	MPUMA-LANGA
QUARTER 4 2017	36,3%	23,0%	40,5%	39,0%	40,6%	36,8%	33,7%	44,8%	41,0%	39,7%
QUARTER 3 2018	37,3%	23,7%	40,1%	41,5%	43,9%	38,1%	34,3%	46,0%	41,2%	41,3%
QUARTER 4 2018	37,0%	23,1%	38,6%	39,3%	42,9%	38,8%	33,6%	46,8%	41,3%	41,1%

Figure 1

Source: Statistics South Africa Labour Force Survey, 2019

# EASTERN CAPE OVERVIEW

Estimates from the Stats SA Quarterly Labour Force Survey show the following changes in the EC labour market, between October and December 2018:

- Working age population increased by 0.3% to 4.265 million.
- Labour force/economically active population declined by 0.2% to 2.153 million.
- Not economically active population increased by 0.8% to 2.112 million.
- Number of employed declined by 1.5% to 1.375 million.
- Number of unemployed increased by 1.2% to 778 000.
- Number of discouraged work-seekers increased by 2.3% to 373 000.

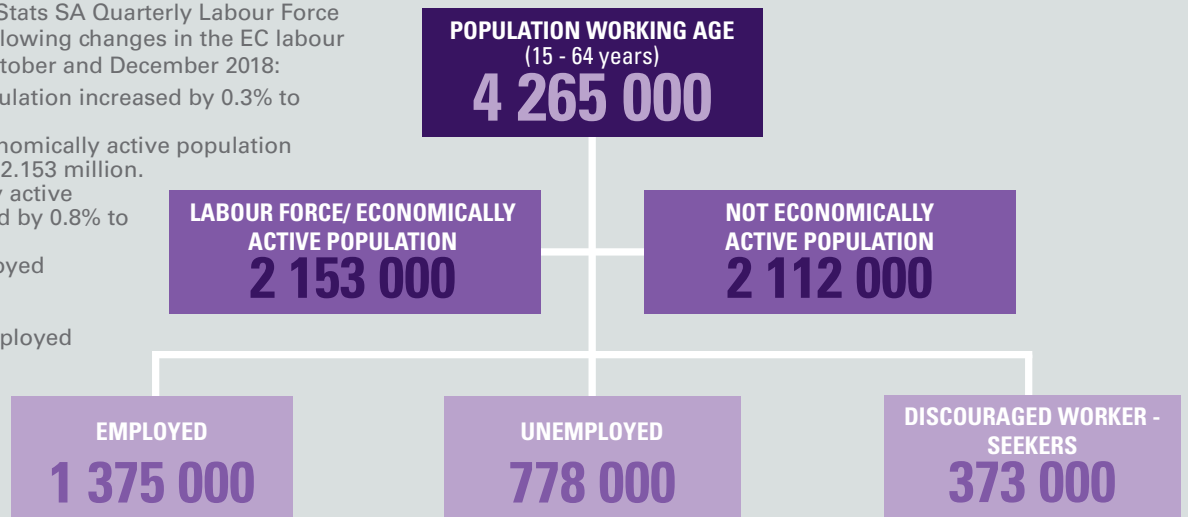


Figure 2

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

## Post-recession labour market dynamics and youth unemployment rate:

### Performance and trends (2008Q1- 2018Q4)

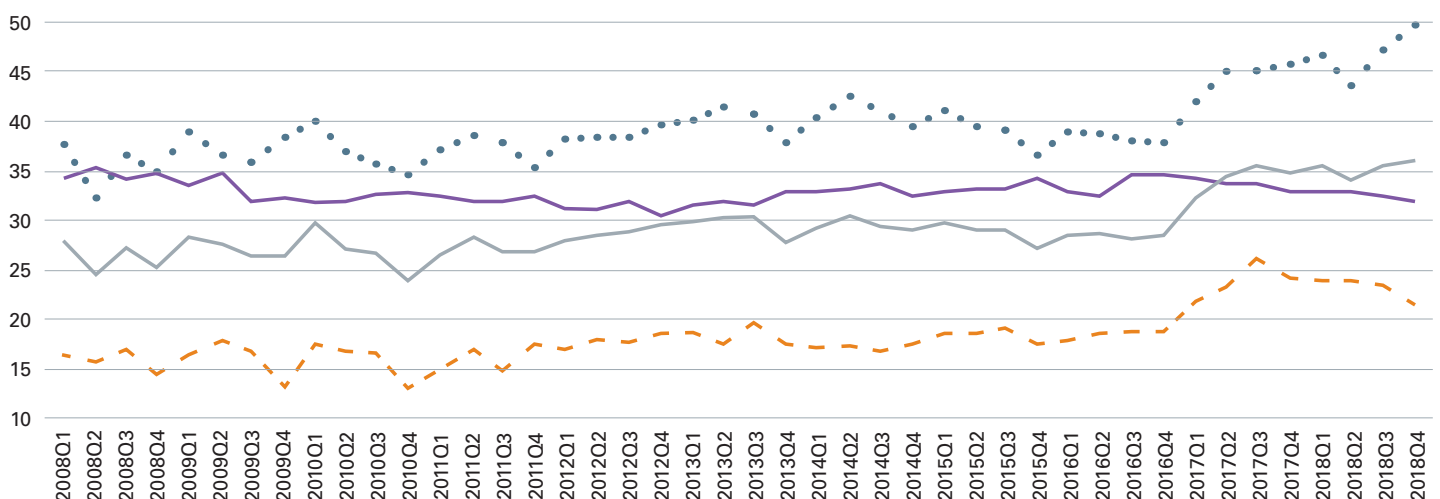


Figure 3

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

The figure above presents the post-recession labour market dynamic with special emphasis on youth unemployment trends. The official unemployment rate increased from 25.2% in 2008Q4 to 36.1% in 2018Q4. Post-2008 recession labour market rates have not improved as both youth and adult unemployment rates have increased. The adult unemployment rate remained slightly lower than the youth unemployment rate. EC working employees are mostly older persons. The unemployment rate among young people aged 15–34 was 34.6% in 2008Q4 and was 49.9% in 2018Q4, implying that one in two young people in the labour force did not have a job.

The number of employed people increased from 1.344 million in 2008Q4 to 1.374 million in 2018Q4. The employment increases however, did not keep pace with the increase in the working age population. Thus, the absorption rate at 32.2% in 2018Q4 was only 2.1 percentage points above the 2008Q1 recessionary low of 16.6%. Overall, EC labour market is not youth driven and growth in the economy is sluggish. Over time, with the Fourth Industrial Revolution, more jobs losses are expected in the local economy.

# EASTERN CAPE METROS

Labour market characteristics remain uneven between the two EC metros. Working age population is higher in NMB than in the BCM. On a QoQ basis, in 2018Q4, the working age group increased by 3000 in NMB and 1 000 in BCM. The labour force grew in NMB to 568 000 whilst it fell in BCM to 315 000 in the period under review.

However, the number of the not economically active (15 – 64 years) grew to 201 000 in BCM and fell to 251 000 in NMB.

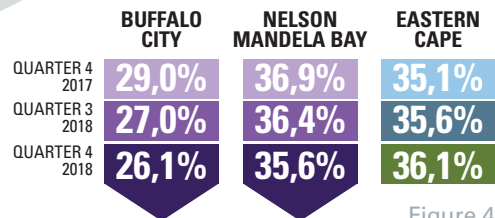


Figure 4

Labour force characteristics by Metro	BCM			NMB		
	2018Q3	2018Q4	Quarter-to-quarter change	2018Q3	2018Q4	Quarter-to-quarter change
<b>Population 15-64 years ('000)</b>	514	<b>515</b>	1	815	<b>818</b>	3
Labour Force	339	<b>315</b>	-24	548	<b>568</b>	20
Employed	247	233	-14	348	364	16
Unemployed	91	82	-9	200	204	4
Not economically active	175	201	26	267	251	-16
Discouraged work-seekers	15	32	17	2	0	-2
Other	161	168	7	266	251	-15
<b>Rates (%)</b>						
Unemployment rate	27.0	26.1	-0.9	36.4	35.9	-0.5
Employed / population ratio (Absorption)	48.1	45.1	-3.0	42.7	44.5	1.8
Labour force participation rate	65.9	61.1	-4.8	67.2	69.4	2.2

Table 1

Source: Statistics South Africa Labour Force Survey, 2019

## EMPLOYMENT BY SECTOR

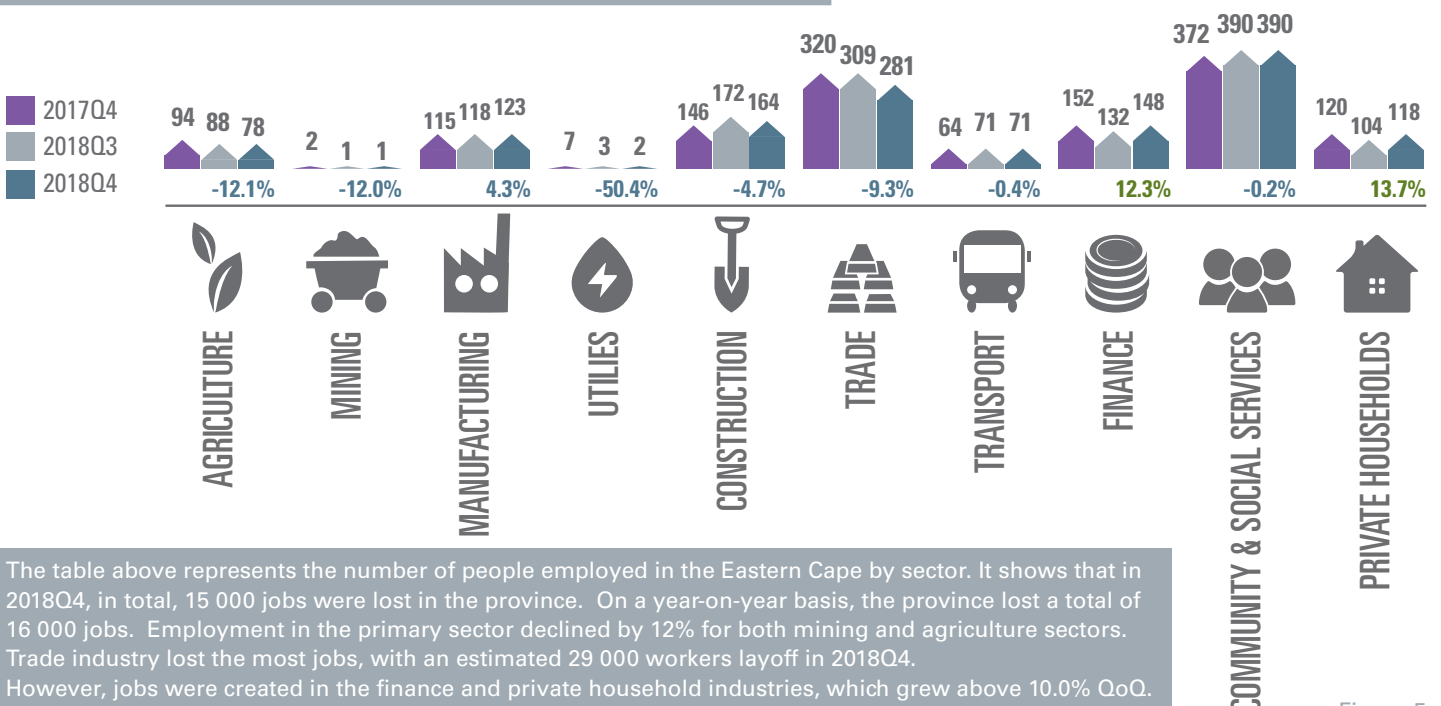


Figure 5

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

The table above represents the number of people employed in the Eastern Cape by sector. It shows that in 2018Q4, in total, 15 000 jobs were lost in the province. On a year-on-year basis, the province lost a total of 16 000 jobs. Employment in the primary sector declined by 12% for both mining and agriculture sectors. Trade industry lost the most jobs, with an estimated 29 000 workers layoff in 2018Q4. However, jobs were created in the finance and private household industries, which grew above 10.0% QoQ.

# EMPLOYMENT OPPORTUNITIES

## In the Eastern Cape



















			
<p> Banking, finance, insurance &amp; stockbroking: <b>85</b></p> <p> Engineering, technical, production &amp; manufacturing: <b>269</b></p> <p> Accounting &amp; auditing: <b>85</b></p> <p> Sales &amp; purchasing: <b>106</b></p> <p> IT &amp; telecommunications: <b>125</b></p>	<p> Business &amp; management: <b>54</b></p> <p> Finance: <b>40</b></p> <p> Information Technology: <b>33</b></p> <p> Sales: <b>31</b></p> <p> Manufacturing &amp; assembly: <b>19</b></p>	<p> Automotive: <b>46</b></p> <p> Accounting: <b>42</b></p> <p> IT: <b>36</b></p> <p> Sales: <b>36</b></p> <p> Manufacturing: <b>33</b></p>	<p>Circular date : number of posts</p> <p>15 Oct 18 : <b>267</b></p> <p>17 Oct 18 : <b>0</b></p> <p>19 Oct 18 : <b>10</b></p> <p>02 Nov 18 : <b>259</b></p> <p>09 Nov 18 : <b>0</b></p> <p>16 Nov 18 : <b>19</b></p> <p>23 Nov 18 : <b>0</b></p> <p>30 Nov 18 : <b>60</b></p> <p>07 Dec 18 : <b>0</b></p> <p>14 Dec 18 : <b>0</b></p>

Figure 6

Sources: PNet, Career Junction, Careers 24 & DPSA Online, 2019

The above table provides information of the top five jobs that were available online on the 12th of February 2019 in the Eastern Cape. The Department of Public Service and Administration (DPSA) publishes vacancies in the public sector every Friday, however, for the purposes of this publication circulars used are from October to December 2018 which is aligned to the period under review, 2018Q4. PNet published the highest number of jobs (269) in the engineering, technical, production and manufacturing sector. Career Junction advertised the highest number of jobs (54) under business and Careers24 advertised 46 jobs in the automotive sector.

Department of Public Service and Administration (DPSA) has an online system, a new e-Recruitment system that is web-based and accessible from different locations for all job seekers. The digital Z83 form is a direct response to job-seekers in South Africa who have used various platforms, including social media, to inform the DPSA about how cumbersome and unaffordable the Z83 application process is. This will also help reduce the costs for job seekers. From the 1st of April 2019, young graduates will no longer require work experience for entry level jobs in the public sector. It is expected that the number of discouraged job-seekers will also decrease as a result.

## 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.