

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 2022 (2022Q2).

HIGHLIGHTS 2022Q2

The Eastern Cape unemployment rate **DECREASED** by **1.2 PERCENTAGE POINTS** to

42.8%

Employment **INCREASED** in the agricultural sector by

18.6%

The Eastern Cape youth unemployment rate (aged 15 - 34 years) **DECREASED** to

56.1%

The province has more people **UNEMPLOYED** than employed.

In 2022Q2, **FEMALE** unemployment rate was

40.6%

In 2022Q2, **MALE** unemployment rate was

44.7%

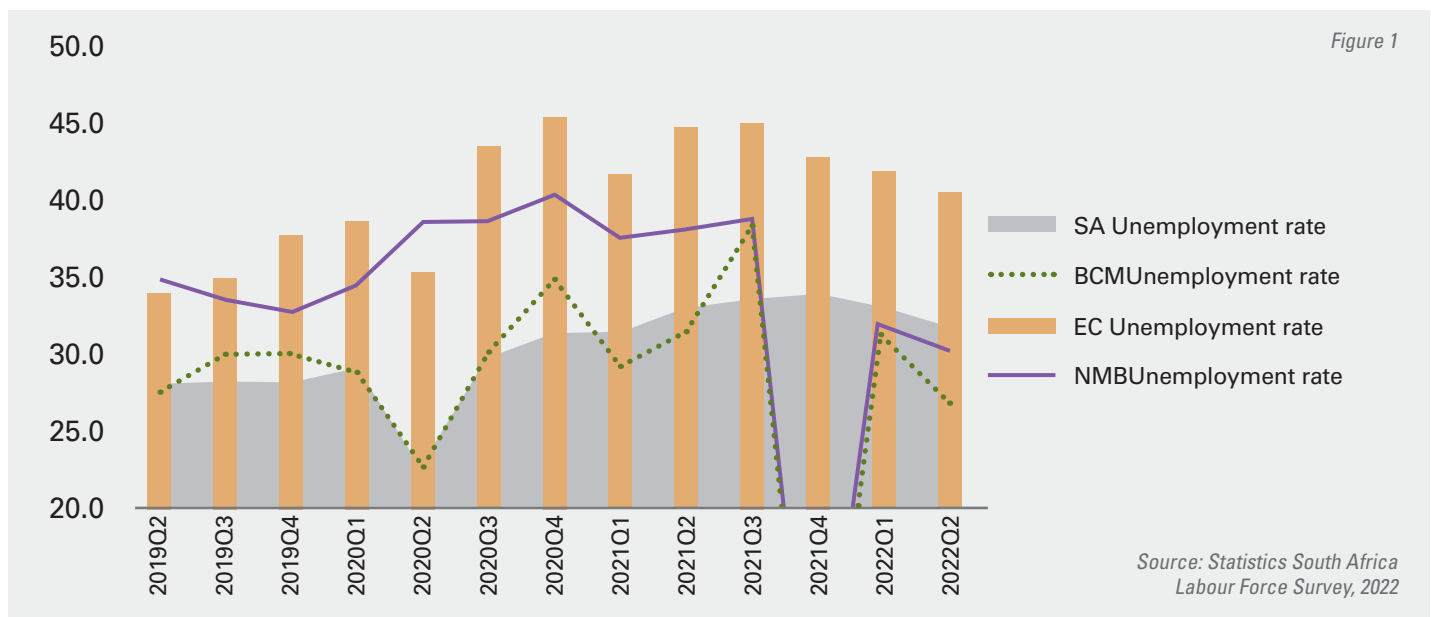
Within the unemployed people in the province,

54.0%

have not completed secondary education



PROVINCIAL UNEMPLOYMENT RATE DECREASED IN 2022Q2



The official unemployment rate for South Africa decreased by 0.6 of a percentage point to 33.9% in 2022Q2 compared to 2022Q1. However, this rate is lower the 35.2% unemployment rate forecasted by the International Monetary Fund¹ for 2022, indicating that South Africa is performing better than expected. On a year-on-year basis, the national unemployment rate increased by 0.5 of a percentage point from 34.4% in 2021Q1.

In 2022Q2, the provincial unemployment rate (42.8%) was above the national level of 33.9%. At the sub-provincial level, the unemployment rate declined in both metros: On a QoQ basis, BCM (down by 6.4 percentage points) to 27.3% and NMB (down by 1.7 percentage points) to 34.7% in 2022Q2.

¹ World Economic Outlook (April 2022), The International Monetary Fund.

Due to the change in methodology to Computer Assisted Telephone Interviewing (CATI) to adapt to Covid-19 lockdown restrictions has had its limitations to the data collected. Low response rates were observed with national rates declining from an average of 76,9% in 2020Q2 to a low of 44.6% in 2021Q4. Metro-level data is not available for the fourth quarter of 2021.

UNEMPLOYMENT RATE

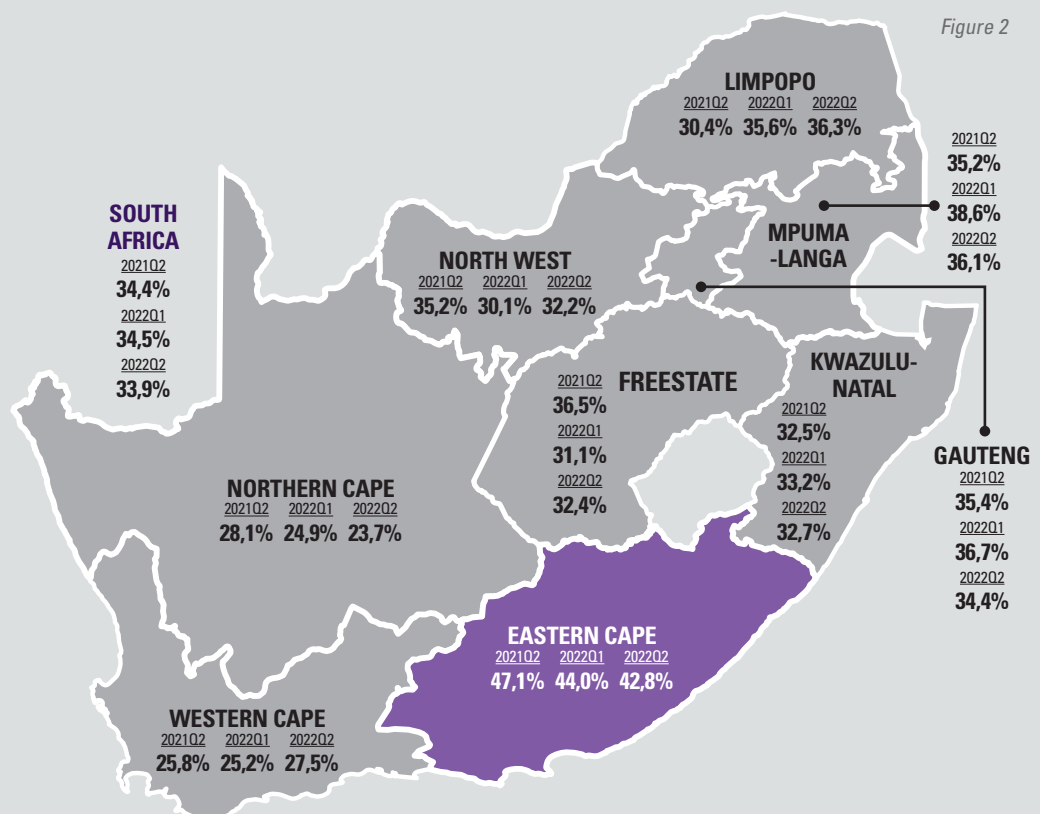
The unemployment rate in the Eastern Cape remains the highest in the country

During the second quarter of 2022, the number of employed persons in the country reached 15.6 million and the unemployed persons increased to 8.0 million.

The number of discouraged work seekers also decreased to 3.6 million and the number of people who were not economically active for reasons other than discouragement decreased to 13.5 million.

In 2022Q2 (QoQ), the unemployment rate decreased in five out of nine provinces: Mpumalanga (down by 2.5 percentage points to 36.1%), Gauteng (down by 2.3 percentage points to 34.4%), Northern Cape (down by 1.2 percentage points to 23.7%), Eastern Cape (down by 1.2 percentage points to 42.8%) and KwaZulu-Natal (down by 0.5 of a percentage point to 32.7%). However, it increased in Western Cape by 2.3 percentage points.

In 2022Q2 (YoY), the unemployment rate decreased in the Northern Cape (down by 4.4 percentage points), Eastern Cape (down by 4.3 percentage points), Free State (down by 4.1 percentage points) and North West (down by 3.0 percentage points). However, it increased in Limpopo by 5.9 percentage points.



Source: Statistics South Africa Labour Force Survey, 2022

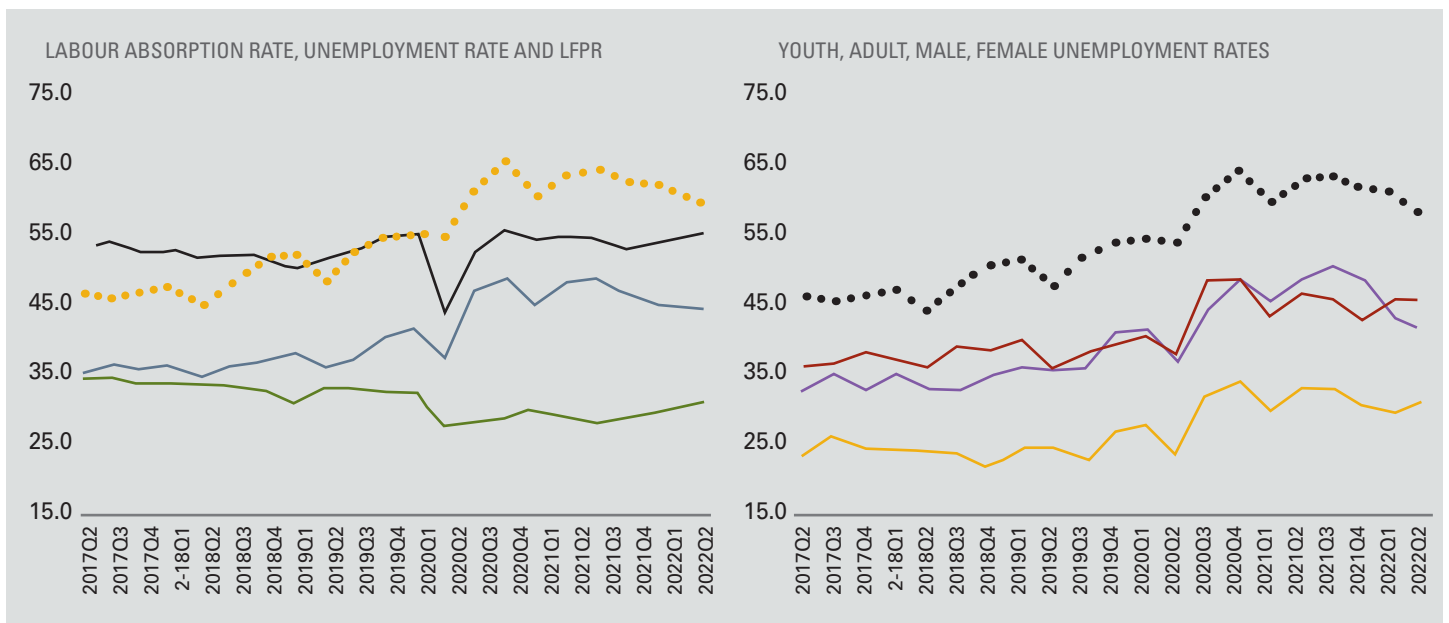
UNEMPLOYMENT RATE (%) BY AGE GROUP

Figure 3

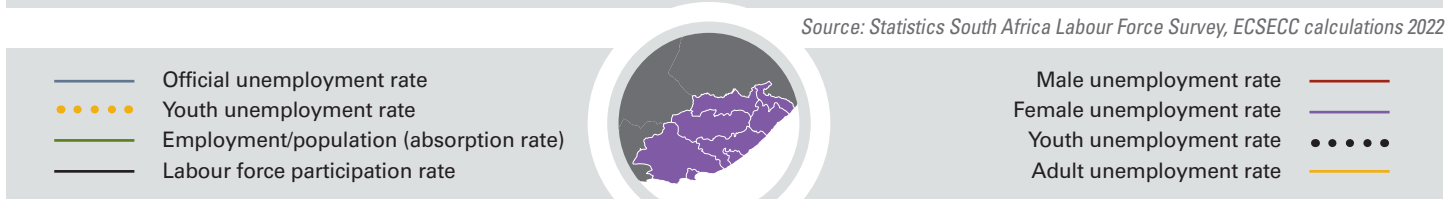


PERFORMANCE AND PROMINENT TRENDS of the Eastern Cape Labour Market (%)

Figure 4



Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022



The above figures present a trend of the overall labour market status of the Eastern Cape from 2017Q2 to 2022Q2. Job creation improved in the second quarter especially for youth (aged 15 – 34 years) who usually counted amongst vulnerable groups in the labour market. The youth unemployment rate declined for the fourth consecutive quarter, from 61.9% in 2021Q2 to 56.1% in 2022Q2.

For youth (aged 15 - 34 years), the unemployment rate declined largely and was recorded below the 60% mark for the first time after four consecutive quarters since 2021Q2. The youth unemployment rate declined by 4.1 percentage points to 56.1% in the second quarter of 2022. Meanwhile, that of adults (aged 35-64 years) increased by 1.5 percentage points to 30.6% (QoQ) and decreased by 2.1 percentage points from 32.7% (YoY).

In terms of gender, on a QoQ basis, females recorded an unemployment rate of 40.6% (down by 2.2 percentage points). This rate was lower than the unemployment rate for males of 44.7% (down by 0.4 of a percentage point) in 2022Q2.

On a YoY basis, female unemployment decreased significantly by 7.6 percentage points, from 48.2% in 2021Q2. Whilst male unemployment rate declined only by 1.4 percentage points from 46.1% in 2021Q2.

At provincial level, on a QoQ basis the labour force participation rate was increased by 0.8 of a percentage point to 52.9% in 2022Q2, from 52.1% 2022Q1. The absorption rate increased by 1.0 percentage point to 30.2% in 2022Q2 (from 29.2% in 2022Q1).

CHANGES IN THE EASTERN CAPE LABOUR MARKET

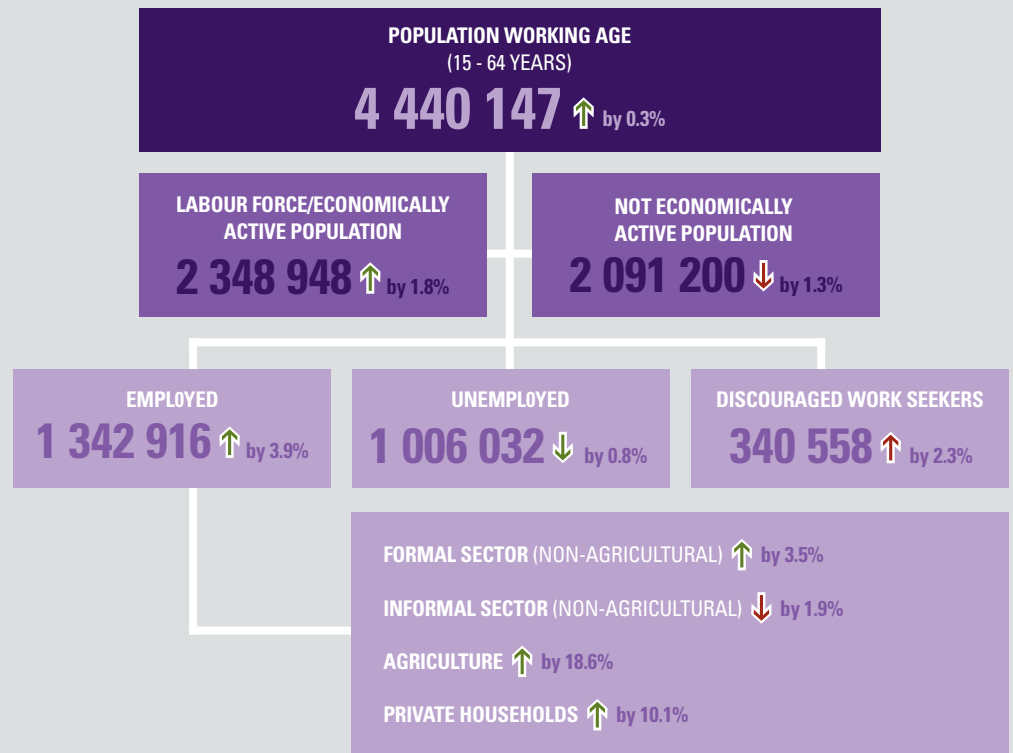
QoQ% changes, 2022Q2

Figure 5

The Covid 19 pandemic outbreak has contributed to a shift in the labour market. Figure 5 reflects on some of the salient changes in the ECLM.

Between 2022Q1 and 2022Q2,:

- The EC had more unemployed than employed.
- The working age population (15 - 64 years) increased by 0.3% to 4.4 million.
- The labour force increased by 1.8% to 2.3 million.
- The not economically active population decreased by 1.3% to 2.1 million.
- The number of employed people increased by 3.9% to 1.3 million.
- The number of unemployed people decreased by 0.8% to 1.0 million.
- The number of discouraged work-seekers increased by 2.3% to 340 558.
- Employment increased significantly in the agriculture sector by 18.6%. However, jobs in the private households declined by 10.1%.

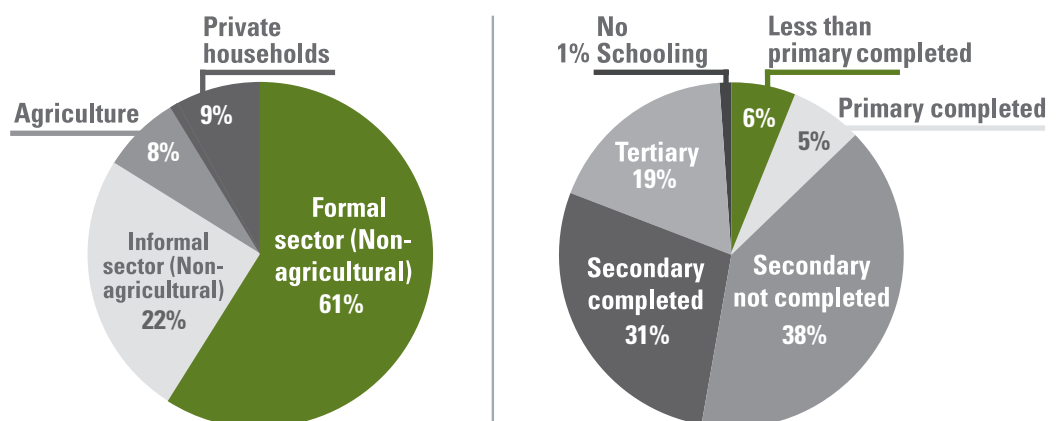
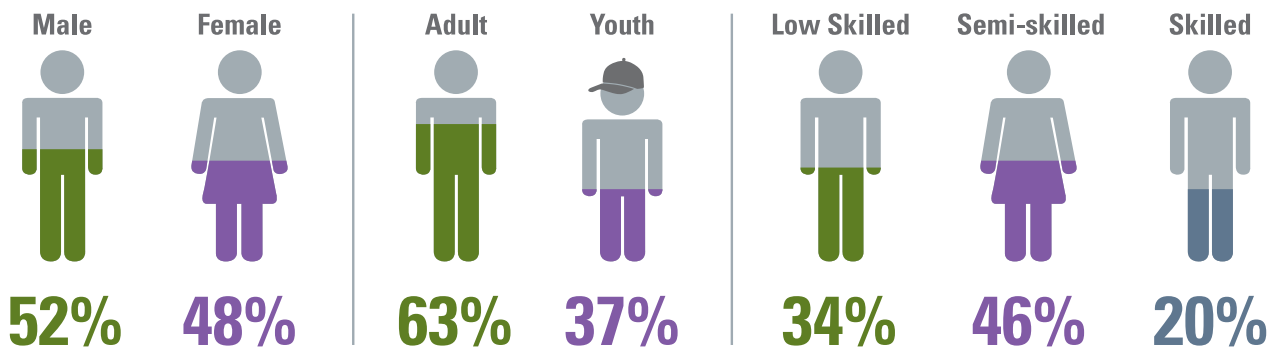


Source: Stats SA (QLFS, 2022), ECSECC (2022) own calculations

CHARACTERISTICS OF EMPLOYMENT IN THE EASTERN CAPE

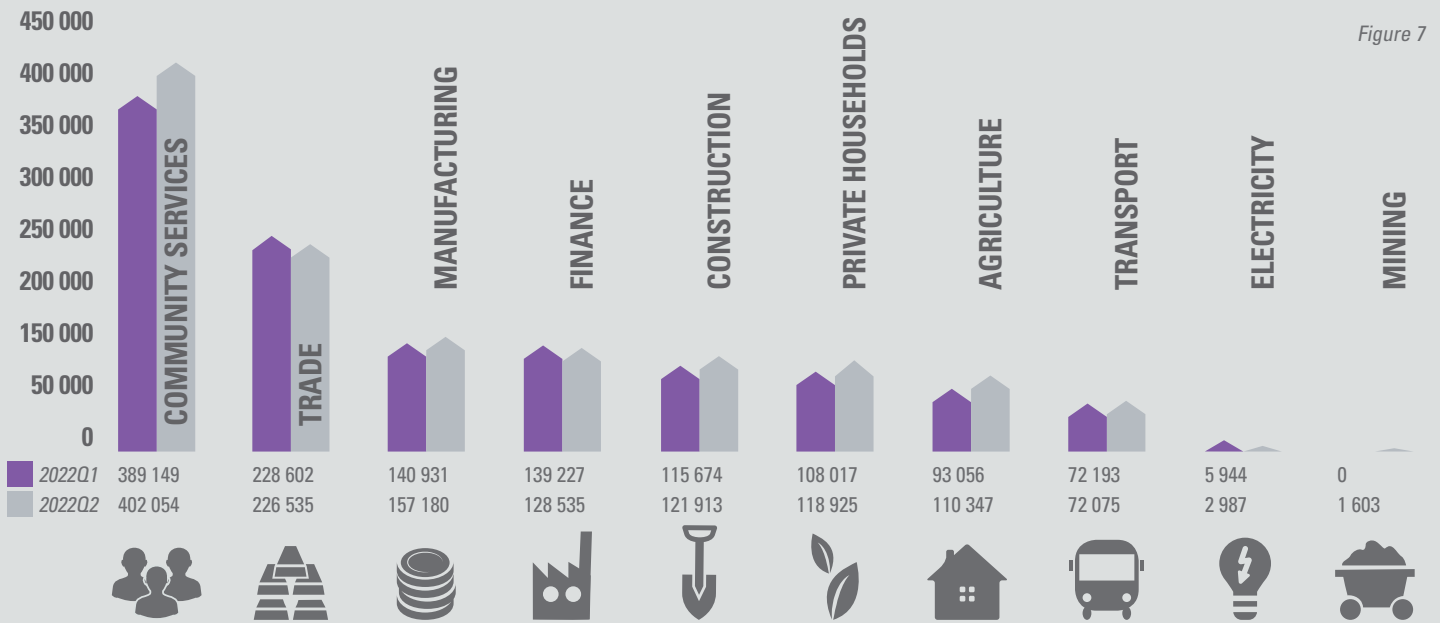
2022Q2 (%)

Figure 6



Source: Statistics South Africa Labour Force Survey ECSECC calculations 2022

COMMUNITY SERVICES, TRADE, & MANUFACTURING SECTORS EMPLOY MORE THAN HALF OF ALL WORKERS IN THE PROVINCE



Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022

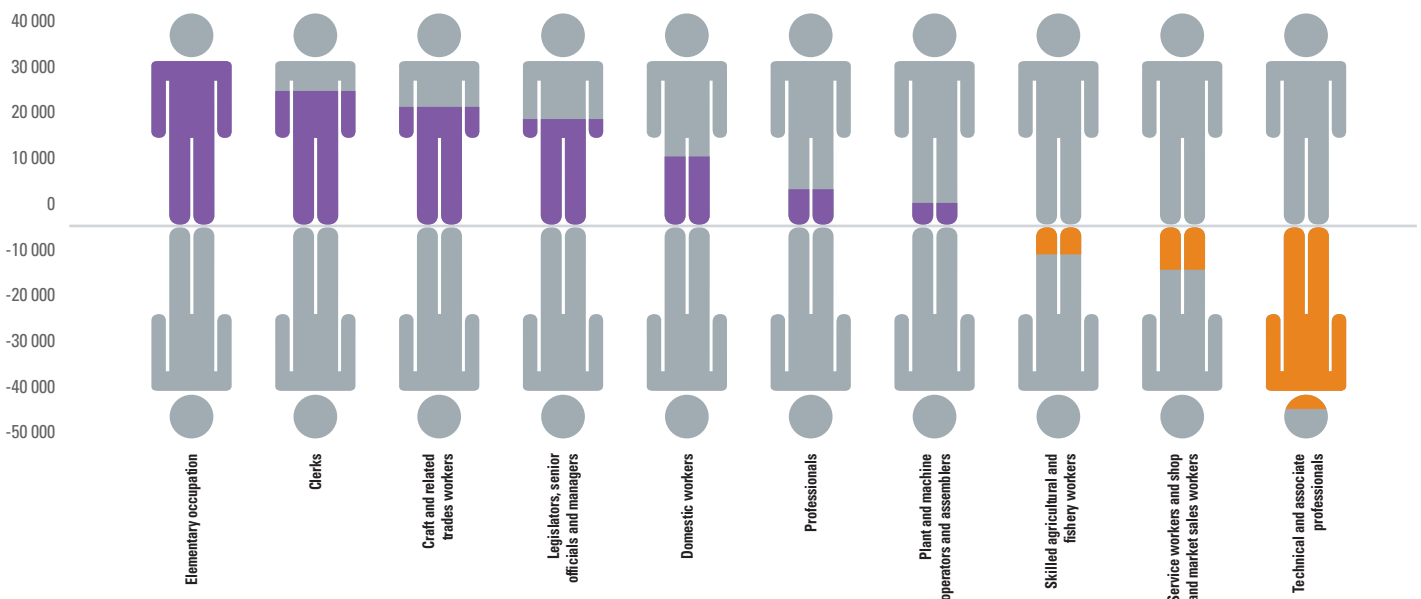
In 2022Q2, the Eastern Cape had a total of 1 342 916 employed persons. Community services (government) remained as the largest employer in the province, hiring 29.9% of total employed persons. This was followed by trade (16.9%) and manufacturing (11.7%) industries. Together these three industries employed 58.5% of the Eastern Cape’s employees.

Between Q1 and 2022Q2, 50 122 jobs in total were created in the province. The largest job gains were recorded in the following industries: agriculture (17 290), manufacturing (16 249) and community services (12 905). The private households sector lost 10 908 jobs in 2022Q2.

EMPLOYED BY OCCUPATION

QoQ% changes 2022Q1

Figure 8



Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022

The occupation that gained most jobs during the second quarter of 2022 was the “Elementary Occupation” category, followed by the “Clerks” category. Workers in the “Elementary Occupation” category increased by 28 080, from 340 045 in 2022Q1 to 368 125 in 2022Q2. There was a significant decline in the number of workers in the “Technical and associate professionals” occupation, where 40 120 jobs were shed during the second quarter of 2022.

Looking at new jobs created by skill levels categories, 36 613 jobs were gained for semi-skilled workers, low skilled workers gained 33 698 jobs and the skills category shed 20 189 jobs on a QoQ basis. In 2022Q2, the semi-skilled occupation category accounted for 46.4% of total employment in the province.

LABOUR MARKET EDUCATION STATUS 2022Q1

Table 1

EDUCATION STATUS	Working population (age 15+)	Labour force / economically active	Employed	Unemployed	Not economically active	Discouraged job seeker
NO SCHOOLING	2,1%	1,1%	1,0%	1,3%	3,2%	0,4%
LESS THAN PRIMARY COMPLETED	9,3%	7,6%	5,9%	9,8%	11,1%	7,5%
PRIMARY COMPLETED	6,8%	4,7%	5,0%	4,4%	9,1%	9,1%
SECONDARY NOT COMPLETED	51,1%	44,9%	38,1%	54,0%	58,1%	54,7%
SECONDARY COMPLETED	22,5%	27,7%	30,5%	24,0%	16,6%	26,7%
TERTIARY	8,0%	13,7%	19,1%	6,5%	1,7%	1,3%
OTHER	0,2%	0,3%	0,4%	0,0%	0,2%	0,3%
TOTAL	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022

Table 1 shows that in 2022Q2, the majority (58.1%) of the not economically active population have not completed secondary schooling. Of the 1 006 032 unemployed people in the province, 54.0% have secondary not completed, whilst only 6.5% have tertiary education. Overall, the labour force has a small share of people who have no schooling (1.9%), followed by those who completed less than primary education (7.6%). Only 1.3% of the discouraged job seekers have completed tertiary education in 2022Q2. Attaining a higher level of education is generally associated with better employment outcomes and higher income, which are key factors in reaching economic security and independence. This also indicates that education still plays a role in determining the position one will be in the labour market, those with less education are the most vulnerable.

DEFINITIONS

The **labour force** comprises all persons who are employed plus all unemployed persons.

The **working-age population** comprises all persons aged 15–64 years.

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

The **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.

A **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.

Unemployed persons (aged 15–64 years) are those 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 where available.

Unemployment and not in employment, education, or training (NEET): Those young people (15-24 years) who are categorised as NEET are disengaged from both work and education.

Expanded unemployment is the unemployment rate that includes discouraged work-seekers.

VACANCIES

IN THE PROVINCES CAN BE FOUND ON THE FOLLOWING WEBSITES



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

<http://www.dpsa.gov.za/dpsa2g/vacancies.asp>



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

<https://www.labour.gov.za/vacancies>

PNET

<https://www.pnet.co.za/jobs/Eastern-Cape.html>

Career Junction
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<https://www.careerjunction.co.za/jobs/eastern-cape>

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