

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 data used in the report is drawn from Statistics South Africa's Quarterly Labour Force Survey (QLFS). This issue covers the fourth quarter of 2021 (2021Q4).

HIGHLIGHTS

The Eastern Cape unemployment rate **DECREASED** to

45.0%

The number of employed people **INCREASED** by

2.6%

to **1.2 MILLION**



Employment **INCREASED** in the agricultural sector by

1.1%

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

47.9%

The labour force has a large share of people who have not completed secondary education

45.4%

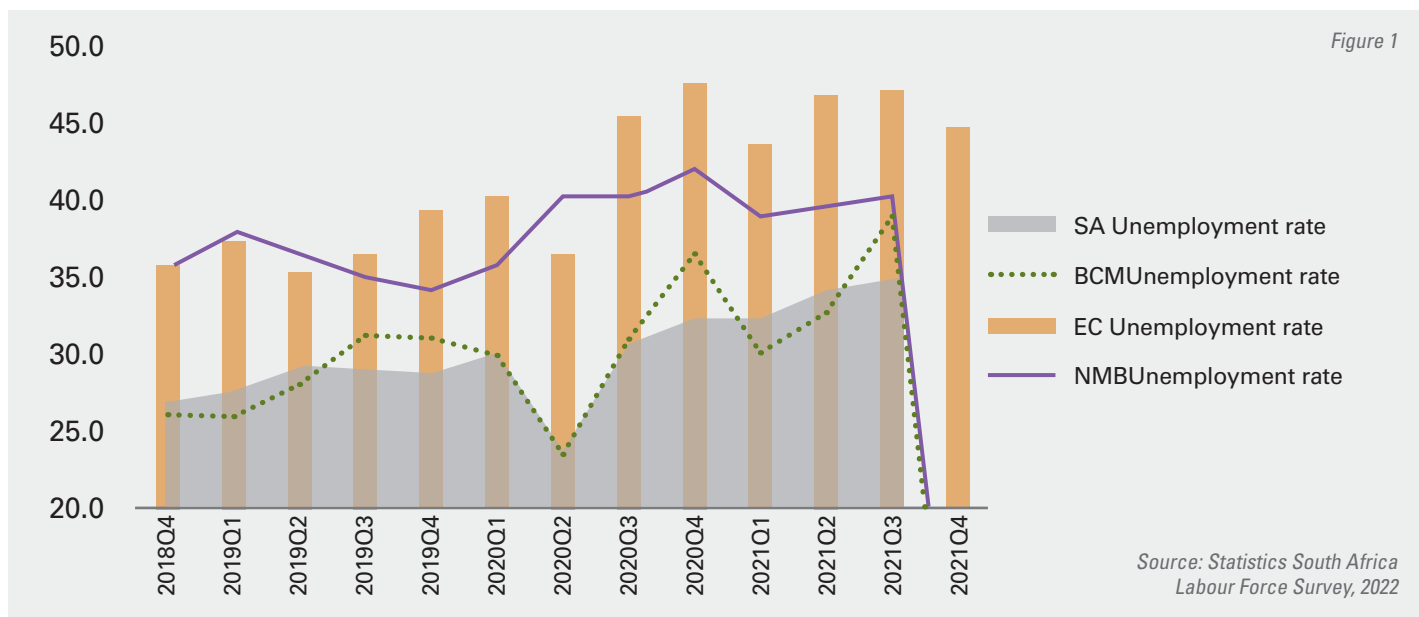
In 2021Q4, **FEMALE** unemployment rate was

48.1%

In 2021Q4, **MALE** unemployment rate was

42.3%

PROVINCIAL UNEMPLOYMENT RATE INCREASED IN 2021Q4



According to Stats SA Quarterly Labour Force Survey (QLFS) for the fourth quarter of 2021, the number of employed persons increased by 262 000 to 14.5 million on a national level. While the number of unemployed persons simultaneously increased by 278 000 to 7.9 million compared to the third quarter of 2021. The number of discouraged work-seekers decreased by 56 000 (16.4%) and the number of people who were not economically active for reasons other than discouragement increased by 341 000 (2.4%). Overall, this led to an increase in the official unemployment from 34.9% in 2021Q3 to 35.3% in 2021Q4 (new record high since the start of the QLFS in 2008). On a year-on-year basis, the national unemployment rate increased by 2.8 percentage points from

32.5% in 2020Q4. Moreover, this rate is higher than the 33.5% unemployment rate for 2021 forecasted by the International Monetary Fund¹.

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.

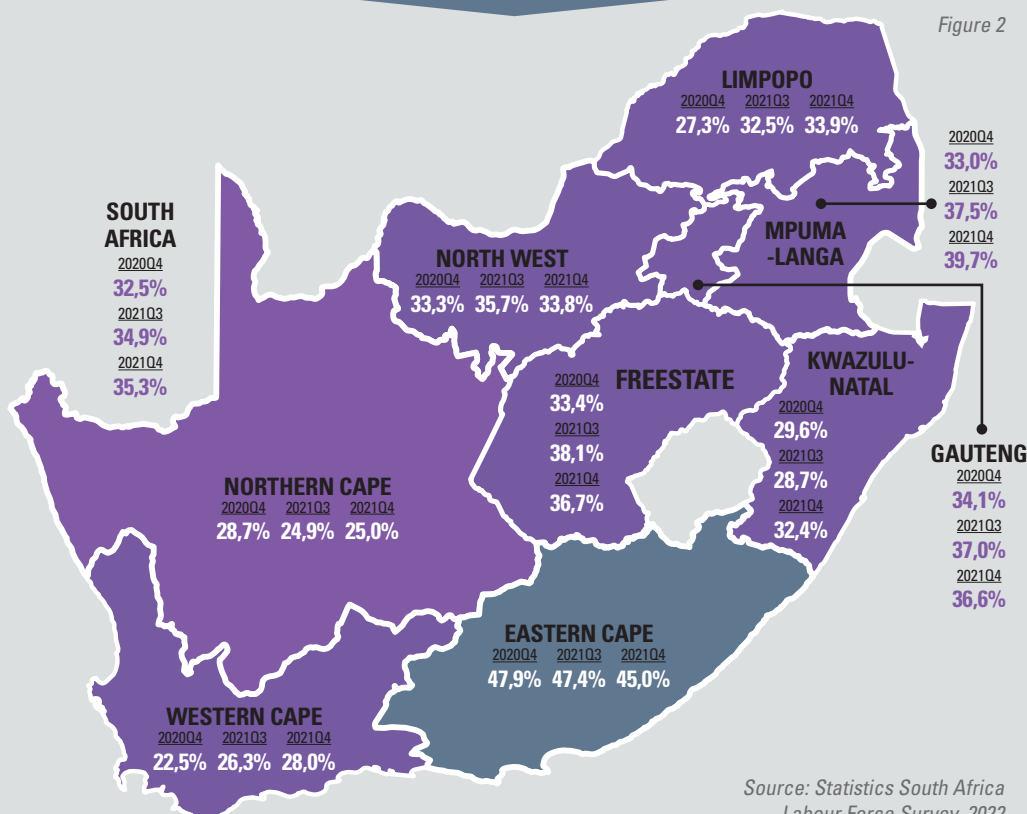
¹ World Economic Outlook (October 2021), The International Monetary Fund.

In 2021Q4, the South African official unemployment rate increased by 0.4 of a percentage point to 35.3% (from 34.9% in 2021Q3). This is the highest unemployment rate since the start of the QLFS in 2008. In the fourth quarter of 2021, the unemployment rate decreased in only three out of nine provinces, namely: Eastern Cape (down by 2.4 percentage points to 45.0%), North West (down by 1.9 percentage points to 33.8%) and Free State (down by 1.4 percentage points to 36.7%). The Eastern Cape province recorded the decline in the unemployment rate; however the province still has the highest unemployment in the country.

On a year-on-year basis, the South African unemployment rate decreased by 2.9 percentage points from 32.5% in 2020Q4. On provincial levels, large increases in the unemployment rate were recorded in Mpumalanga (up by 6.7 percentage points), followed by Limpopo (up by 6.6 percentage points), Western Cape (up by 6.2 percentage point) and Western Cape (up by 4.7 percentage points). The Northern Cape and Eastern Cape province are the only provinces which recorded a decline in the unemployment rate, by 3.7 and 2.9 percentage points respectively.

UNEMPLOYMENT RATE

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



UNEMPLOYMENT RATE (%) BY AGE GROUP

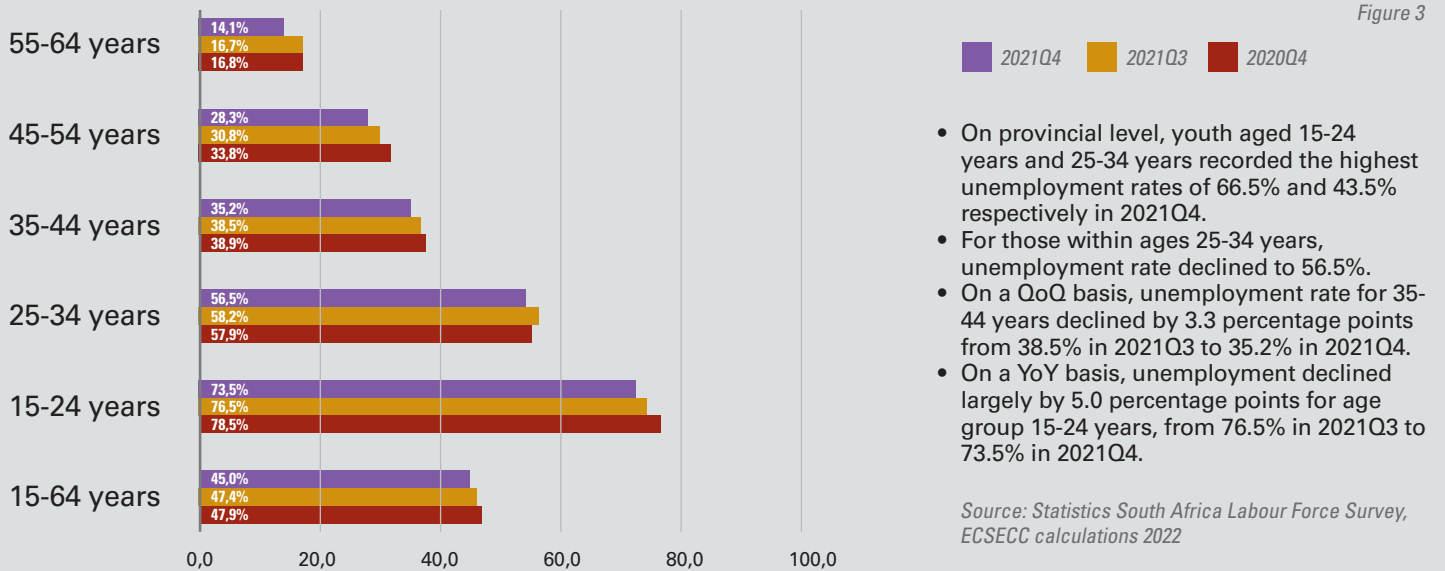


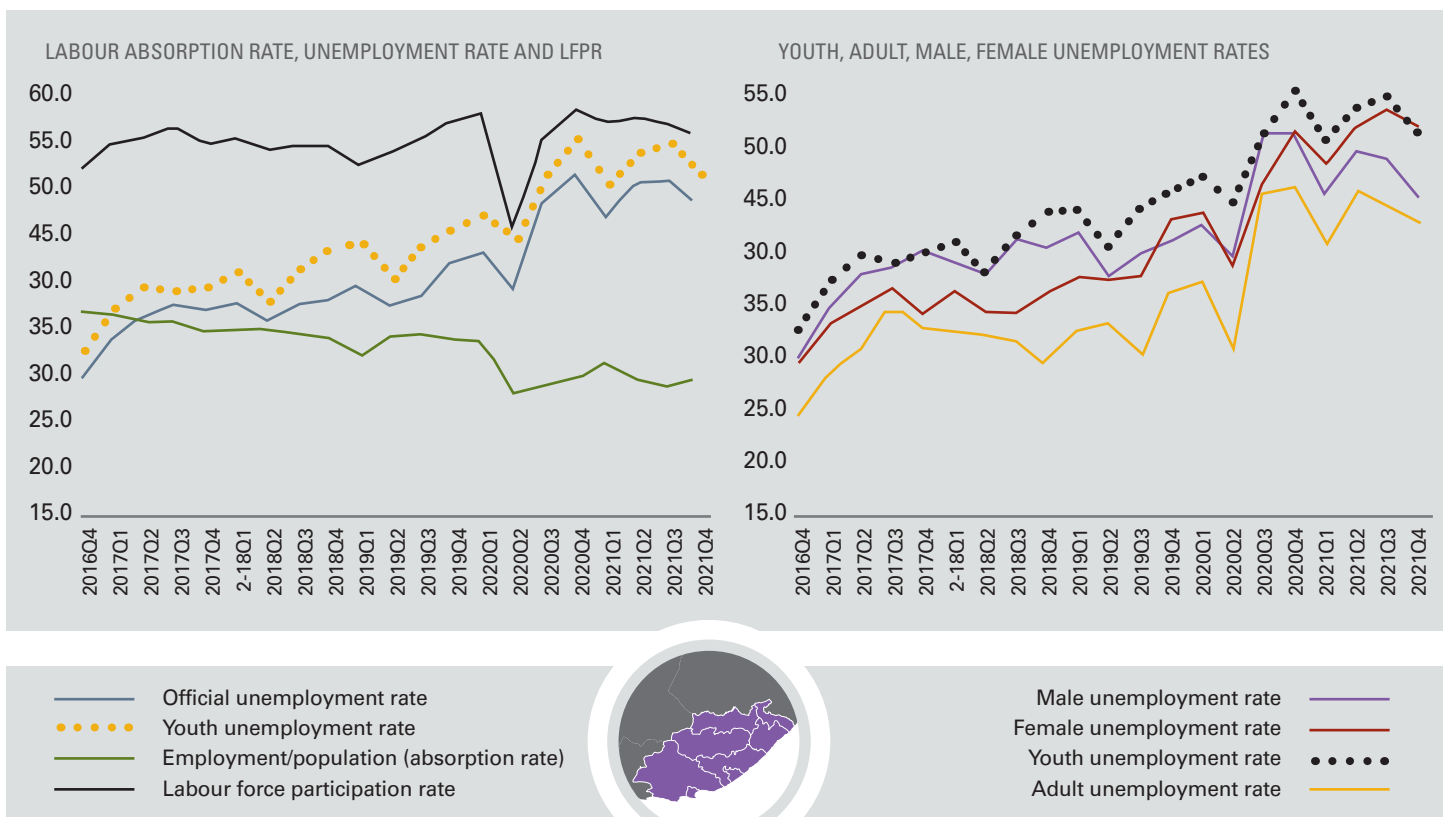
Figure 3

- On provincial level, youth aged 15-24 years and 25-34 years recorded the highest unemployment rates of 66.5% and 43.5% respectively in 2021Q4.
- For those within ages 25-34 years, unemployment rate declined to 56.5%.
- On a QoQ basis, unemployment rate for 35-44 years declined by 3.3 percentage points from 38.5% in 2021Q3 to 35.2% in 2021Q4.
- On a YoY basis, unemployment declined largely by 5.0 percentage points for age group 15-24 years, from 76.5% in 2021Q3 to 73.5% in 2021Q4.

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

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 show a slight improvement in the labour market situation of the Eastern Cape. Even though job creation improved in the fourth quarter, the most vulnerable groups continue to struggle especially females and youth. At provincial level, the labour force participation rate decreased by 1.3 percentage points to 51.4% in 2021Q4. The absorption rate showed a decreasing trend from 2021Q2. On a QoQ basis the absorption rate decreased by 0.6 of a percentage points to 28.3% in 2021Q4.

Youth (aged 15 - 34 years) unemployment problem persists at both national and provincial levels. Since 2018Q4, provincial youth unemployment rate stagnated above the

40% mark and was recorded at 47.9% in 2021Q4. Meanwhile, the unemployment rate among adults (aged 35-64 years) was lower at 40.2% in 2021Q4. On a YoY basis, youth unemployment declined by 3.5 percentage points, from 51.3% in 2020Q4. In terms of gender, females remained at a disadvantage in the labour market. The females recorded a higher unemployment rate of 48.1% (down by 1.6 percentage points) than the unemployment rate for males of 42.3% (down by 3.1 of a percentage point) in 2021Q4.

On a YoY basis, female unemployment increased largely by 6.2 percentage points, from 43.5% in 2020Q4. Whilst male unemployment rate declined by 2.5 percentage points from 47.9% in 2020Q4.

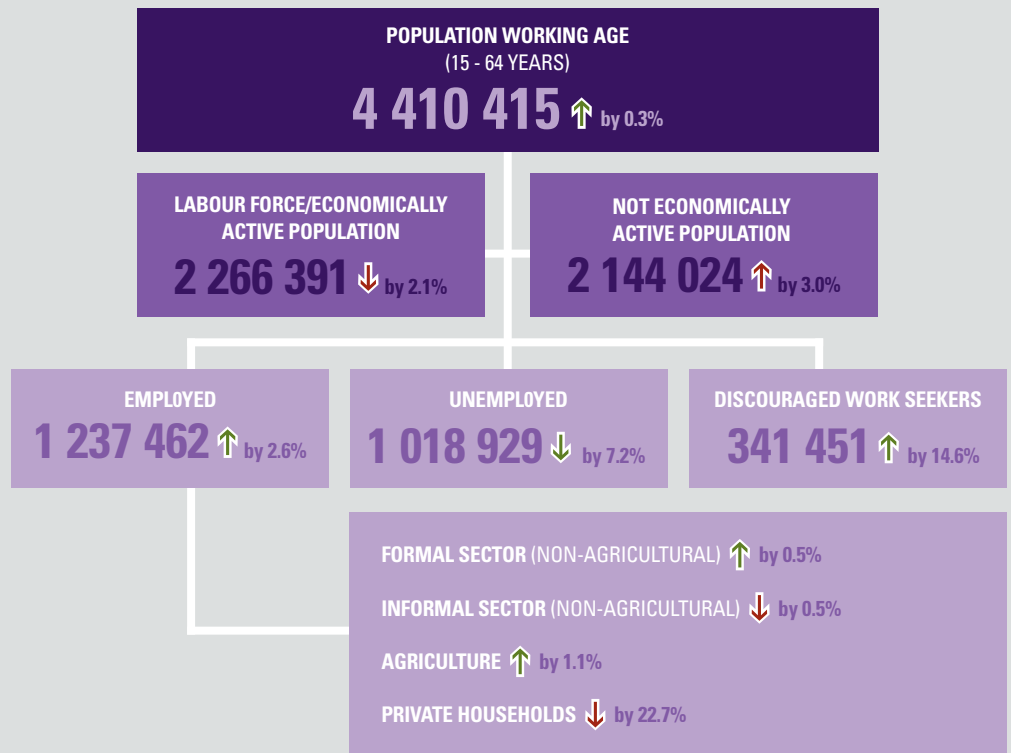
CHANGES IN THE EASTERN CAPE LABOUR MARKET

QoQ% changes, 2021Q4

Figure 5

Emerging from the figure above are salient changes in the Eastern Cape labour market. Between 2021Q3 and 2021Q4:

- The working age population (15 – 64 years) increased by 0.3% to 4.4 million.
- The labour force decreased by 2.1% to 2.3 million.
- The not economically active population increased by 3.0% to 2.1 million.
- The number of employed people increased by 2.6% to 1.2 million.
- The number of unemployed people decreased by 7.2% to 1.0 million.
- The number of discouraged work-seekers increased by 14.6% to 341 451.
- Employment declined significantly in the private households sector by 22.7% and increased by 1.1% in the agricultural sector.

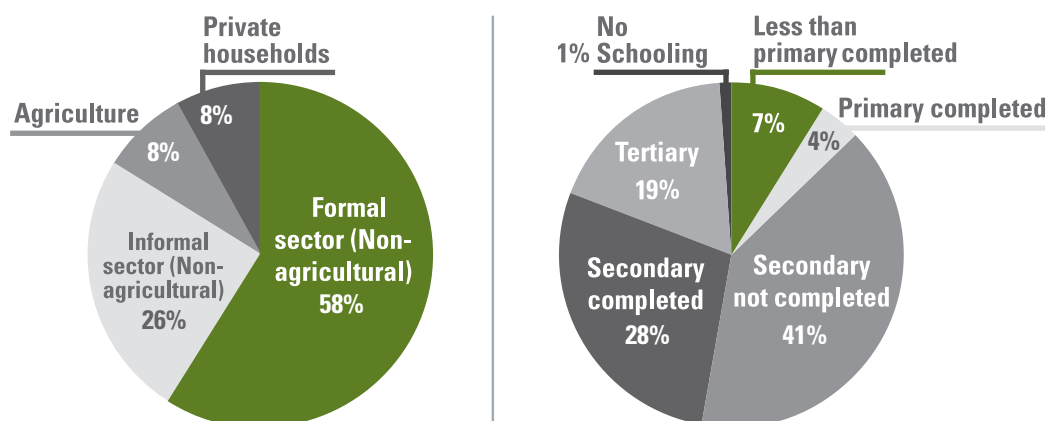
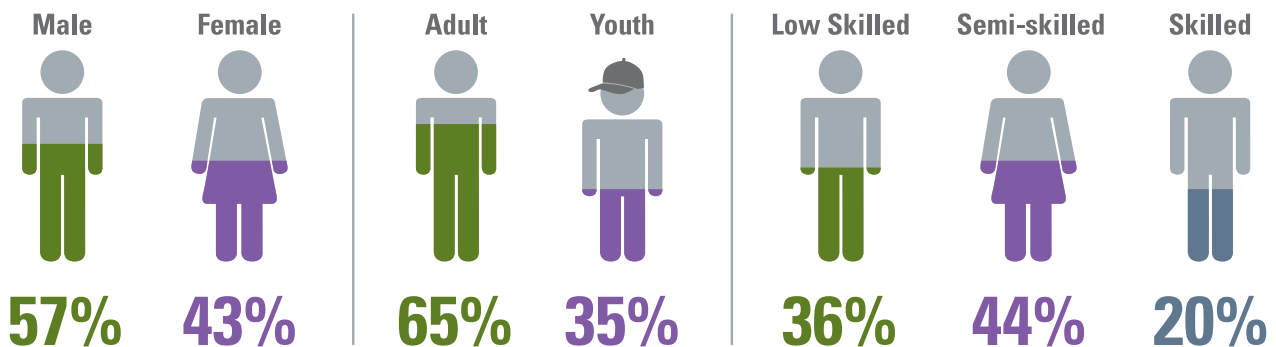


Source: Stats SA (QLFS, 2022), ECSECC (2022) own calculations

CHARACTERISTICS OF EMPLOYMENT IN THE EASTERN CAPE

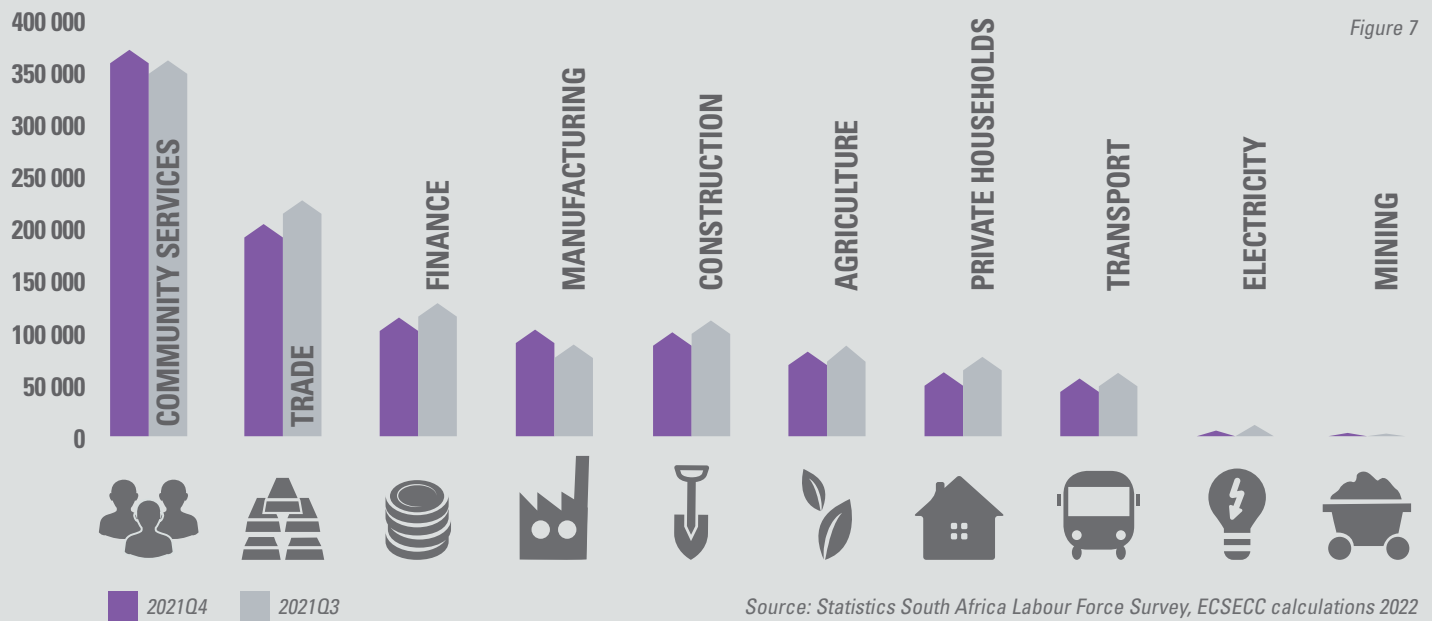
2021Q4 (%)

Figure 6



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

COMMUNITY SERVICES, TRADE, AND FINANCE SECTORS EMPLOY MORE THAN HALF OF ALL WORKERS IN THE PROVINCE



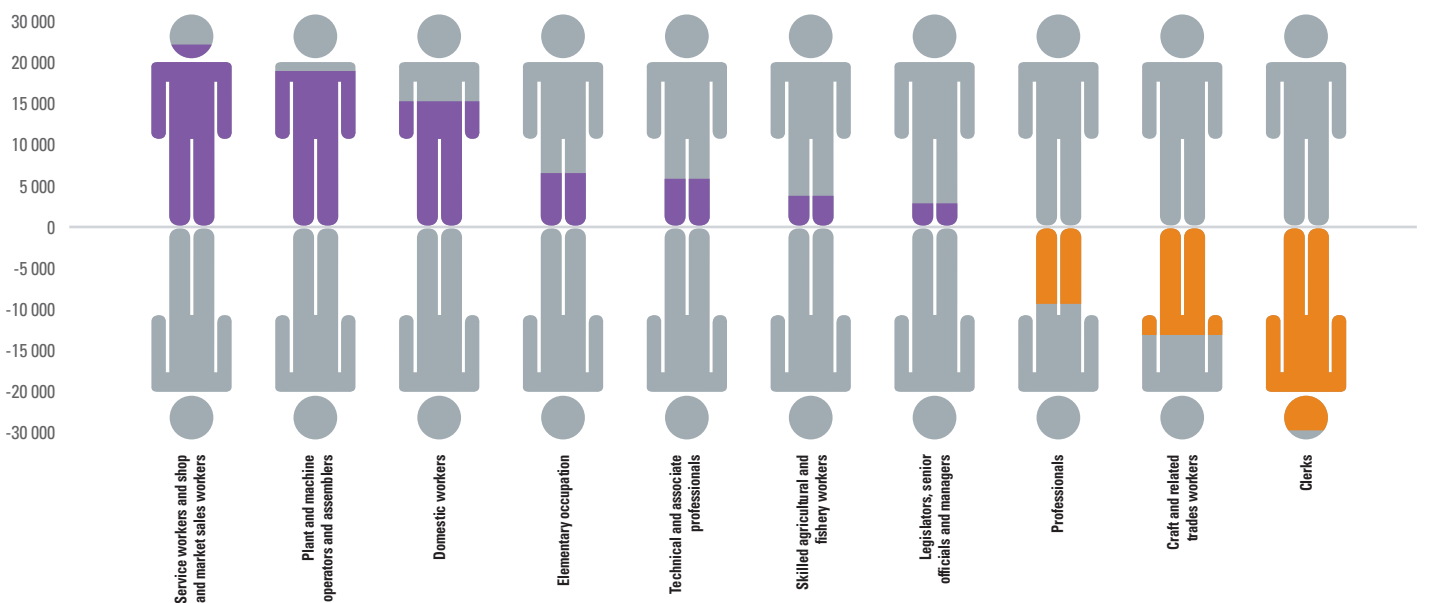
Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022

In 2021Q4, the Eastern Cape had a total of 1 247 462 employed workers. Community services (government) remained the largest employer in the province, hiring 26.7% of total employed workers. This was followed by trade (18.2%) and finance (11.8%). Together these three industries employed 56.7% of the Eastern Cape’s employees.

On a QoQ basis, a total of 31 165 jobs were created. The largest job gains were recorded in the following industries: trade (29 505), private households (17 967) and finance (13 787). The community services sector lost 34 132 jobs in 2021Q4

EMPLOYED BY OCCUPATION

QoQ% changes



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

The occupation that gained most jobs during the fourth quarter of 2021 was the “Service workers and shop and market sales” category, followed by the “Plant and machine operators and assemblers” category. Workers in the “Plant and machine operators and assemblers” category increased by 21 321, from 223 439 in 2021Q3 to 244 760 in 2021Q4. There was a significant decline in the number of workers in the “Clerks” occupation, where 26 220 jobs were shed during the fourth quarter of 2021.

Looking at new jobs created by skill levels, 22 328 jobs were gained for low-skilled workers, semi-skilled workers gained 6 491 jobs and high-skilled workers gained 2 346 jobs on a QoQ basis. In 2021Q4, the low skilled occupation category accounted for 36.5% of total employment in the province.

EDUCATION STATUS	Working population (age 15+)	Labour force / economically active	Employed	Unemployed	Not economically active	Discouraged job seeker
NO SCHOOLING	1,7%	0,6%	0,7%	0,4%	2,8%	1,1%
LESS THAN PRIMARY COMPLETED	10,5%	7,5%	7,3%	7,9%	13,6%	13,2%
PRIMARY COMPLETED	7,0%	5,3%	4,3%	6,5%	8,9%	7,8%
SECONDARY NOT COMPLETED	50,8%	45,4%	40,9%	50,9%	56,5%	56,3%
SECONDARY COMPLETED	21,6%	27,7%	28,3%	26,9%	15,3%	20,4%
TERTIARY	8,2%	13,5%	18,5%	7,4%	2,6%	0,9%
OTHER	0,2%	0,1%	0,1%	0,0%	0,3%	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 above shows that in 2021Q4, the majority (56.4%) of the working age population have not completed secondary schooling. Of the 1 018 929 unemployed people in the province, 50.9% have secondary not completed, whilst only 7.4% have tertiary education. Overall, the labour force has a large share of people who have not completed secondary education (45.4%), followed by those who completed secondary education (27.7%). Only 0.6% of the labour force had no schooling in 2021Q4.

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>

PNET

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

Career Junction
co.za
Better jobs. More often.

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

careers24

<https://www.careers24.com/jobs/lc-eastern-cape/>