

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 this publication is to analyze the latest developments in the Eastern Cape labour market, including employment and unemployment dynamics for the two metropolitan cities in the province. The data used in the report are drawn from Statistics South Africa's Quarterly Labour Force Survey (QLFS). This issue covers key findings of the QLFS conducted from April to June 2024 (2024Q2).

HIGHLIGHTS 2024Q2

The official unemployment rate in the Eastern Cape **DECREASED** to

40.1%

Employment in the private households sector **INCREASED** by

23.7%



The Eastern Cape youth unemployment rate (aged 15 - 34 years) **DECREASED** by **1.2 PERCENTAGE POINTS** to

53.2%

The unemployment rate for those with tertiary education was recorded at

18.7%

The **MALE** unemployment rate was higher

42.2%

than that of **FEMALES**

39.6%

NMB UNEMPLOYMENT RATE DECREASED TO 30.9% IN 2024Q2

Official Unemployment Rates (%)

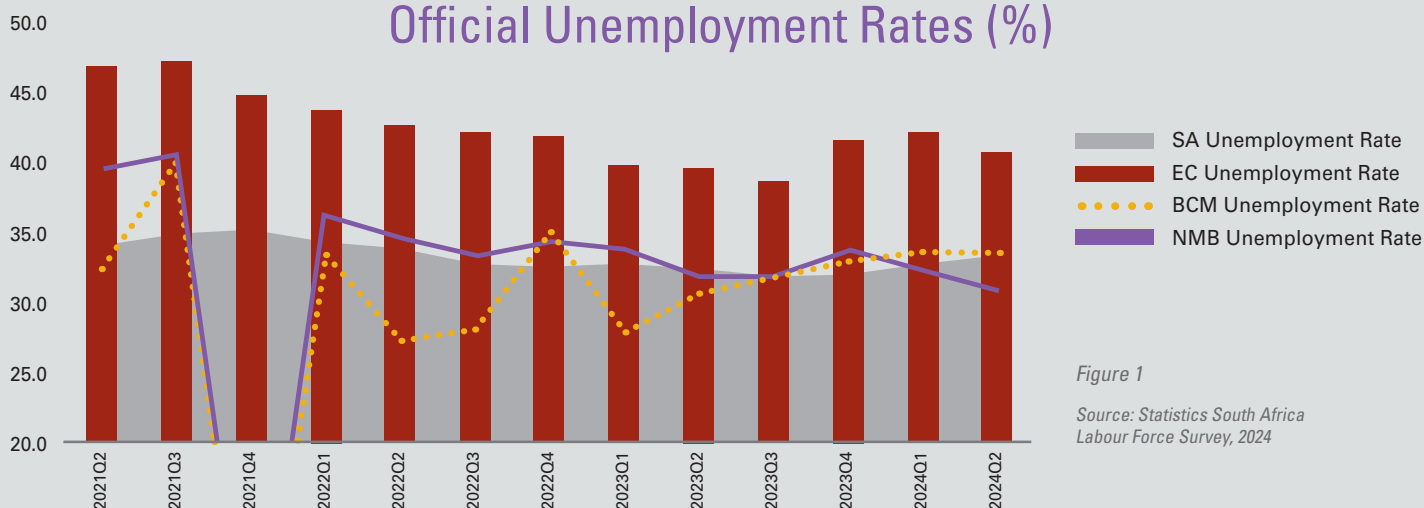


Figure 1

Source: Statistics South Africa Labour Force Survey, 2024

The official unemployment rate for South Africa increased to 32.9% in 2024Q1. However, this rate is 0.6 of a percentage point lower than the 33.5% unemployment rate forecasted by the International Monetary Fund for 2024.

The provincial unemployment rate stood at 41.0% in 2024Q2, decreasing by 1.4 percentage points from 42.4% in 2024Q1. At the sub-provincial level, the unemployment rate in Buffalo City Metropolitan Municipality (BCM) decreased by 0.1 of a percentage point to 33.7% in 2024Q2, reaching the level recorded in 2022Q1. Nelson Mandela Bay (NMB) experienced a larger unemployment rate decrease of 1.5 percentage points, dropping from 32.4% in 2024Q1 to 30.9% in 2024Q2.

OFFICIAL UNEMPLOYMENT RATE

Eastern Cape and North West recorded the highest unemployment rates in 2024Q2

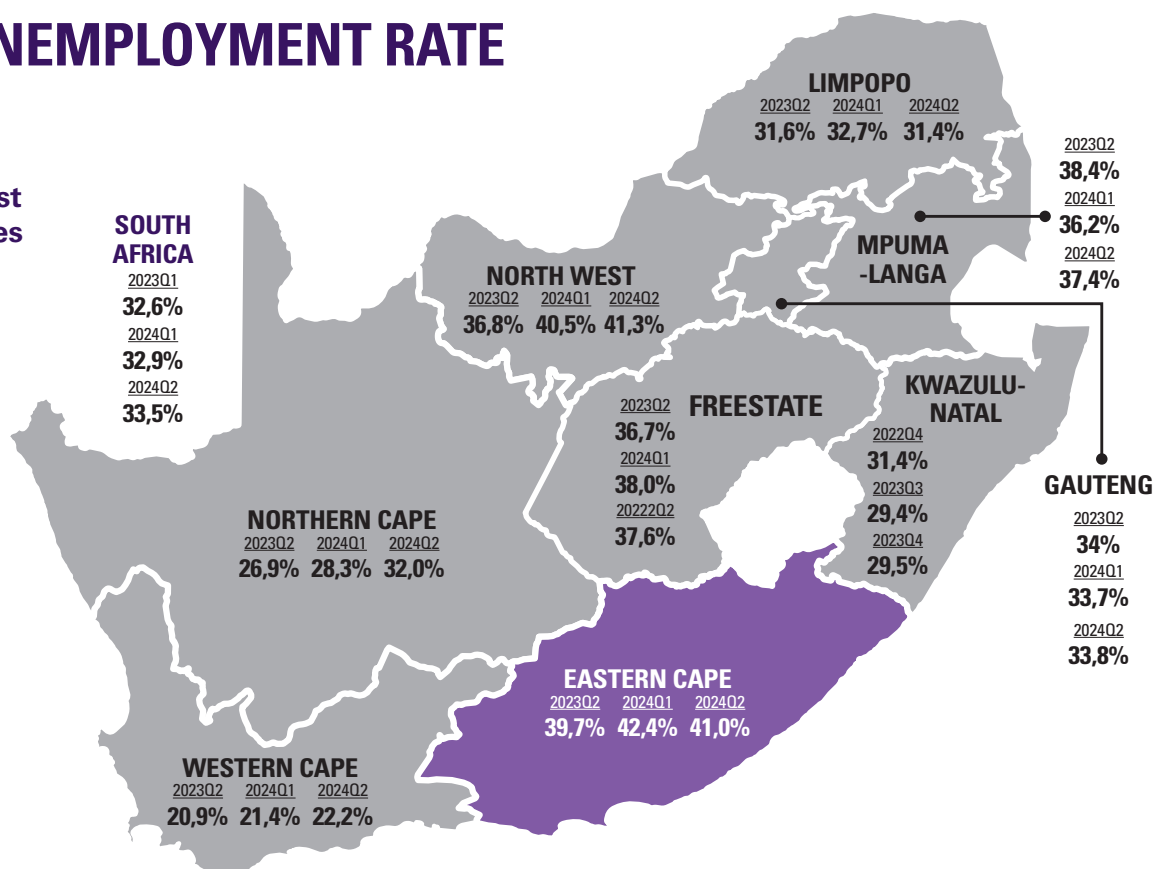


Figure 2

Source: Statistics South Africa Labour Force Survey, 2024

The official unemployment rate in South Africa increased by 0.6 of a percentage point to 33.5% in 2024Q2. During the same quarter, the number of unemployed persons rose to 8.4 million, while the number of employed persons decreased to 16.7 million. Additionally, the number of not economically active persons reached 16.3 million in the second quarter of 2024. These labor market dynamics contributed to the changes in the unemployment rate for 2024Q2.

On a quarter-on-quarter (QoQ) basis, the official unemployment rate decreased in only three provinces. The decreases were recorded in the Eastern Cape (down by 1.4 percentage points to 41.0%), followed by Limpopo (down by 1.3 percentage points to 31.4%) and the Free

State (down by 0.4 percentage points to 37.6%). Both the Eastern Cape and North West provinces reported unemployment rates above the 40% mark in 2024Q2.

On a year-on-year (YoY) basis, the South African official unemployment rate increased by 0.9 percentage points to 33.5%. At the provincial level, the unemployment rate declined in only two provinces: Mpumalanga (down by 1.0 percentage point) and Limpopo (down by 0.2 of a percentage point). The largest increases were recorded in the Northern Cape (up by 5.1 percentage points), followed by North West (up by 4.5 percentage points), and both the Eastern Cape and Western Cape (each up by 1.3 percentage points)

CHANGES IN THE EASTERN CAPE LABOUR MARKET

QoQ% changes, 2024Q2

Emerging from the figure above are salient changes in the Eastern Cape labour market between 2024Q1 and 2024Q2:

- The working age population (15 - 64 years) increased by 0.3% to 4.6 million.
- The labour force decreased by 0.5% to 2.3 million.
- The not economically active population increased by 1.2% to 2.2 million.
- The number of employed people increased by 1.8% to 1.4 million.
- The number of unemployed people decreased by 3.8% to 950 587.
- The number of discouraged work-seekers increased significantly by 33.6% to 299 845.
- Employment decreased largely in the private households' sector by 23.7%.

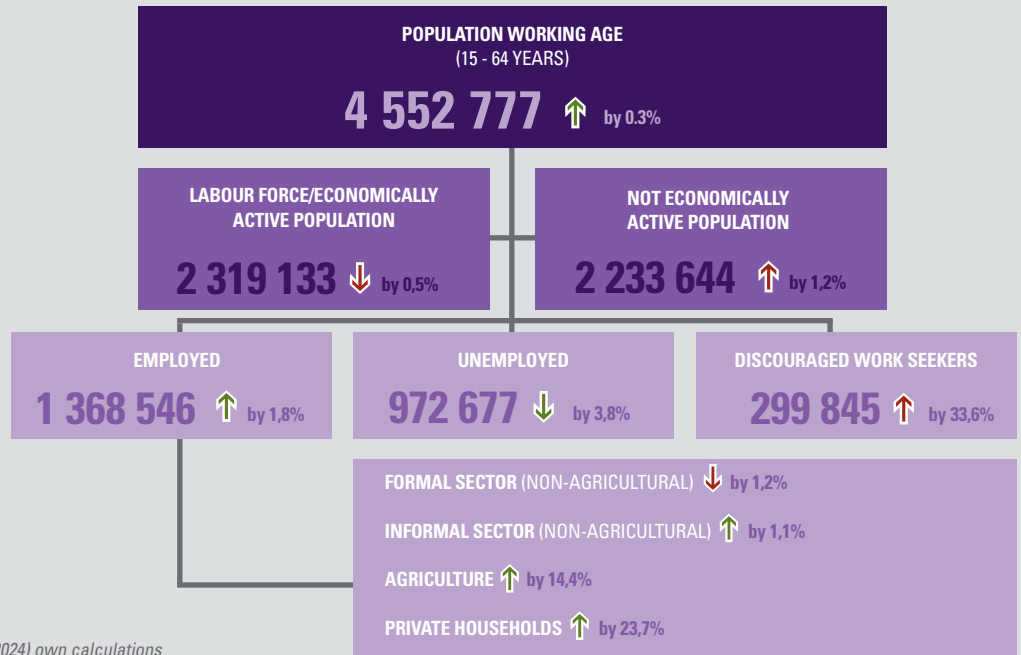
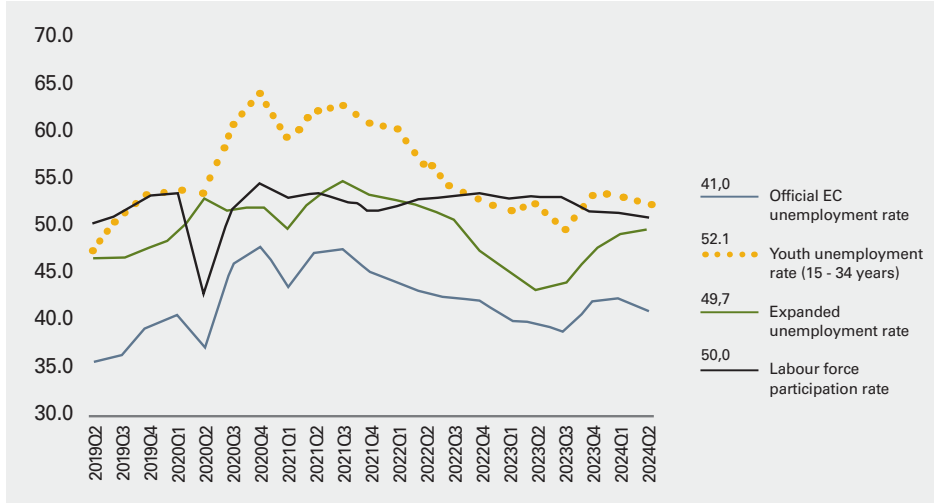


Figure 3 Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

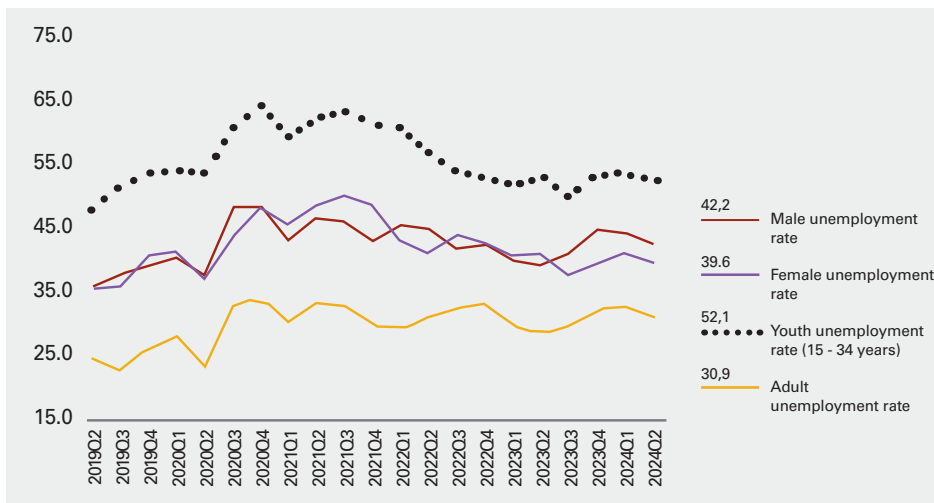
PERFORMANCE AND PROMINENT TRENDS

in the Eastern Cape Labour Market (%)



The figures above depict the trend in the overall labour market status of the Eastern Cape between 2019Q2 and 2024Q2. The labor participation rate rose by 0.5 percentage points to 50.9% in the second quarter of 2024, up from 50.4% in the first quarter.

Furthermore, the expanded definition of the unemployment, which includes discouraged job seekers, rose by 0.6 percentage points to 49.7% on a quarter-on-quarter (QoQ) basis. On YoY basis the same increased largely by 6.4 percentage points from 43.3% in 2023Q2. For the youth (aged 15 - 34 years), the youth unemployment rate decreased by 1.2 percentage points to 52.1% in the second quarter of 2024. The unemployment rate among adults (aged 35-64 years) decreased by 1.3 of percentage points to 30.9% during the same period. On a year-on-year (YoY) basis, youth unemployment rate decreased slightly by 0.3 of a percentage point from 52.4%, while the adult unemployment rate increased by 2.7 percentage points from 28.2% over the same period.



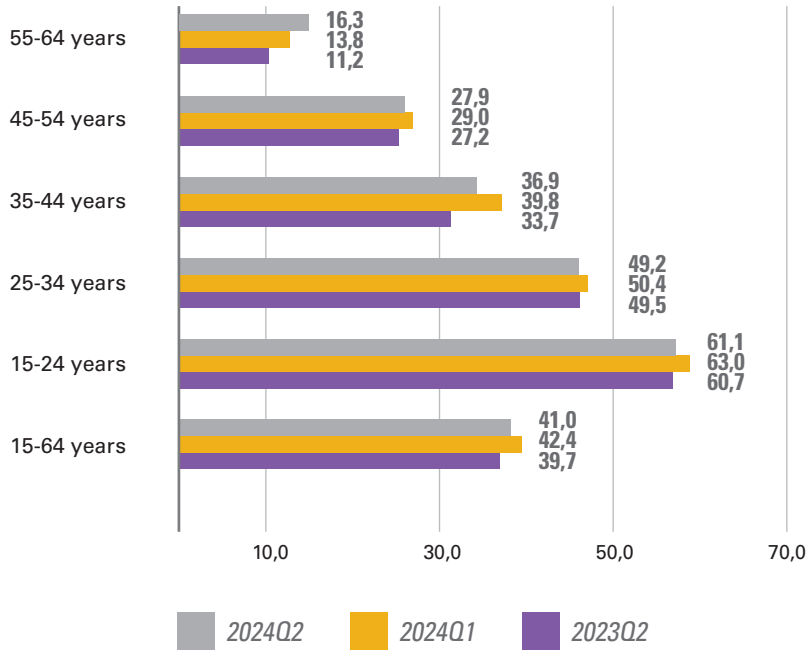
In terms of gender disparity, on a QoQ basis, females recorded an unemployment rate of 39.6% (down by 1.2 percentage points) in 2024Q2. This rate was lower than the unemployment rate for males, which stood at 42.2% (down by 1.6 percentage points QoQ) during the same period. On a YoY basis, male unemployment increased significantly by 3.3 percentage points, from 39.0% in 2023Q2, and has remained above 40% for four consecutive quarters.

Figure 4

Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

UNEMPLOYMENT RATE

(%) by age group



- At the provincial level, the unemployment rate for the age group 15 – 24 years is the highest at 61.1% in 2024Q2.
- For youth aged 25 – 34 years, the unemployment rate declined significantly by 2.9 percentage points, from 39.8% in 2024Q1 to 36.9% in 2024Q2.
- On a YoY basis, the unemployment rate only decreased for the 25 – 34 age group by 0.3 of a percentage point. The age group 55 – 64 years recorded the highest increase of 5.1 percentage points.

Figure 5
Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

CHARACTERISTICS OF THE EMPLOYED AND EMPLOYMENT IN THE EASTERN CAPE, 2024Q2 (%)

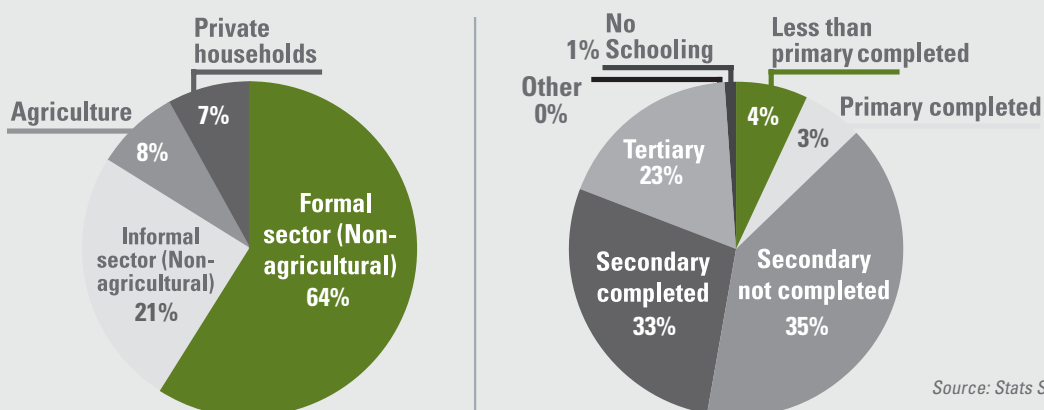
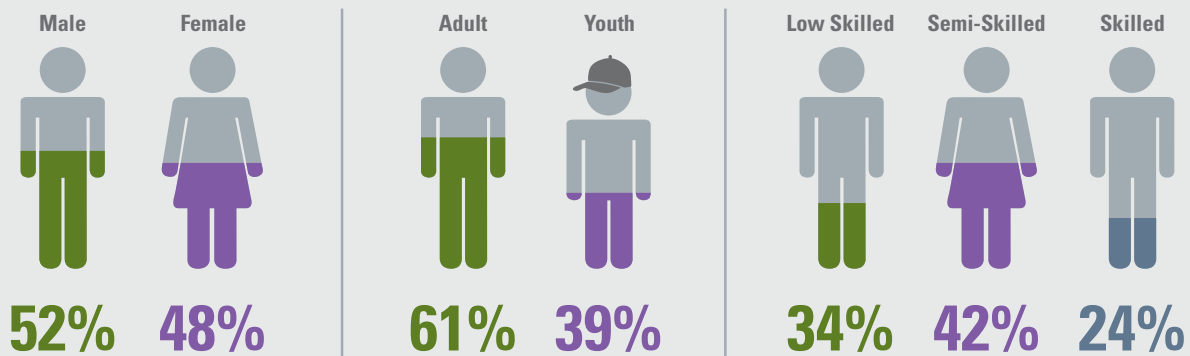


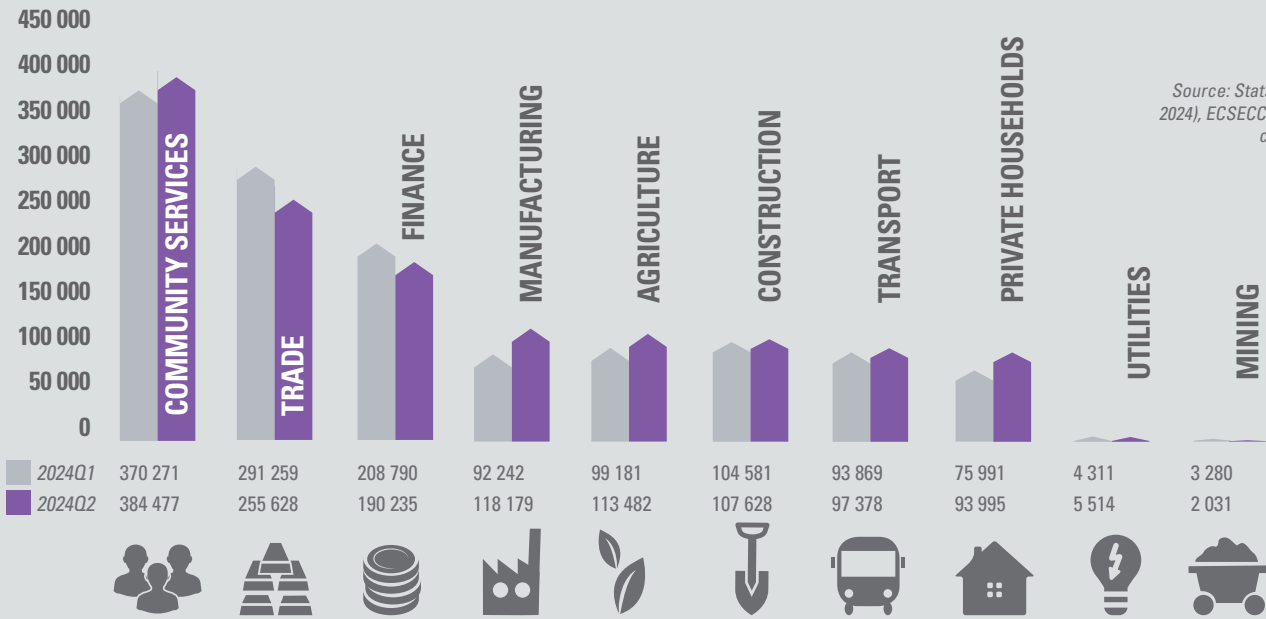
Figure 6
Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

EASTERN CAPE EMPLOYMENT BY INDUSTRY

Finance industries gained most jobs in the first quarter

Figure 7

Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations



In 2024Q2, the Eastern Cape had a total of 1 368 546 employed persons. Community services (government) remained the largest employer in the province, accounting for 28.1% of the total workforce, followed by trade (18.7%) and finance (13.9%). Together, these three industries employed 60.7% of the Eastern Cape's workforce.

On a quarter-on-quarter (QoQ) basis, the largest job increases were recorded in the following industries: manufacturing (25 937), private households (18 004), and agriculture (14 301). Conversely, the trade, finance and mining industries experienced significant job losses, with 35 632, 18 555, and 1 249 jobs lost, respectively, in 2024Q2. The community services sector (government) remains the biggest employer in the province, followed by trade and finance.

EC EMPLOYED BY OCCUPATION

QoQ changes 2024Q2

Figure 8

Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

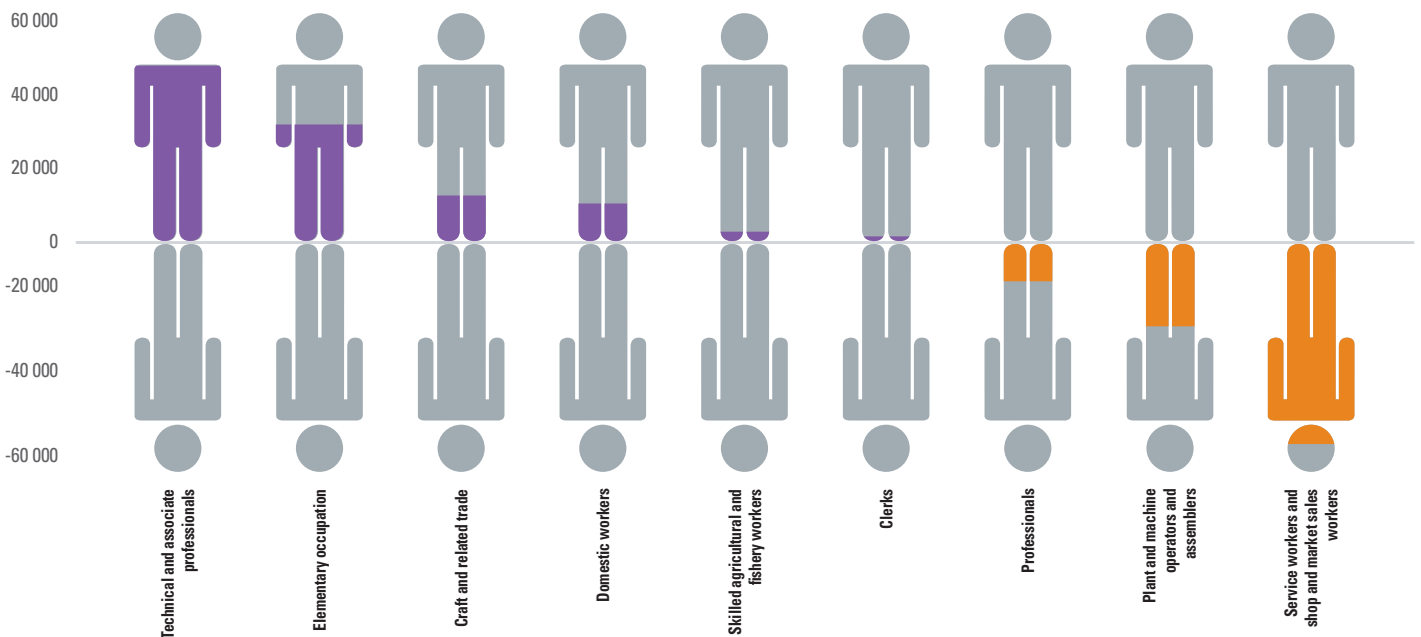


Figure 6 shows that between 2024Q1 and 2024Q3, seven out of the ten occupational categories recorded employment gains. Significant employment increases were recorded in the technician occupation category (47 079), elementary occupation (32 349), and craft and related trades (14 074). During the same period, job losses were observed in the sales and services occupation (down by 53 152), plant and machine operator (down by 29 177) and professionals (down by 12 639).

Looking at new jobs created by skill level categories, 42 881 jobs were gained for semi-skilled workers in 2024Q1. In contrast, 45,029 and 1,687 jobs were lost in the low-skilled and high-skilled categories on a QoQ basis, respectively. The semi-skilled occupation category accounted for 47.3% of total employment in 2024Q1, followed by low-skilled workers (31.0%) and skilled workers (21.7%).

LABOUR MARKET EDUCATION STATUS 2024Q3

EDUCATION STATUS	Working population (age 15+)	Labour force / economically active	Employed	Unemployed	Not economically active	Discouraged job seeker	Unemployment Rate%
NO SCHOOLING	1,8%	0,6%	0,7%	0,4%	3,1%	1,0%	27,4
LESS THAN PRIMARY COMPLETED	9,9%	6,8%	4,4%	10,3%	13,1%	9,9%	61,8
PRIMARY COMPLETED	4,7%	3,7%	3,5%	4,1%	5,8%	7,4%	45,2
SECONDARY NOT COMPLETED	47,3%	40,6%	34,7%	49,2%	54,2%	56,3%	49,6
SECONDARY COMPLETED	25,5%	31,0%	33,1%	27,9%	19,9%	22,9%	37,0
TERTIARY	10,0%	16,7%	23,0%	7,6%	3,1%	2,1%	18,7
OTHER	0,7%	0,5%	0,6%	0,0%	0,9%	0,4%	33,9
TOTAL	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	41,0

Table 2 Source: Stats SA (QLFS, 2024), ECSECC (2024) own calculations

Table 2 above presents the labor market status by education levels of the population in the EC province. The table shows that in 2023Q4, the majority (49.2%) of the working population age have not completed secondary schooling. Of the 972 677 unemployed people in the province, only 7.6% held tertiary education, with the unemployment rate for this group recorded at 18.7% (a decrease of 1.4 percentage points from 20.1% in 2024Q1). The unemployment rate is notably high for those with less than primary education (61.8%), followed by those who have not completed secondary school (49.6%) and those who have completed primary education (45.2%). This data underscores the importance of higher education levels in reducing the likelihood of unemployment and unemployability.

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.

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REPUBLIC OF SOUTH AFRICA

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



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

PNET

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

Career Junction.co.za
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