

### HIGHLIGHTS

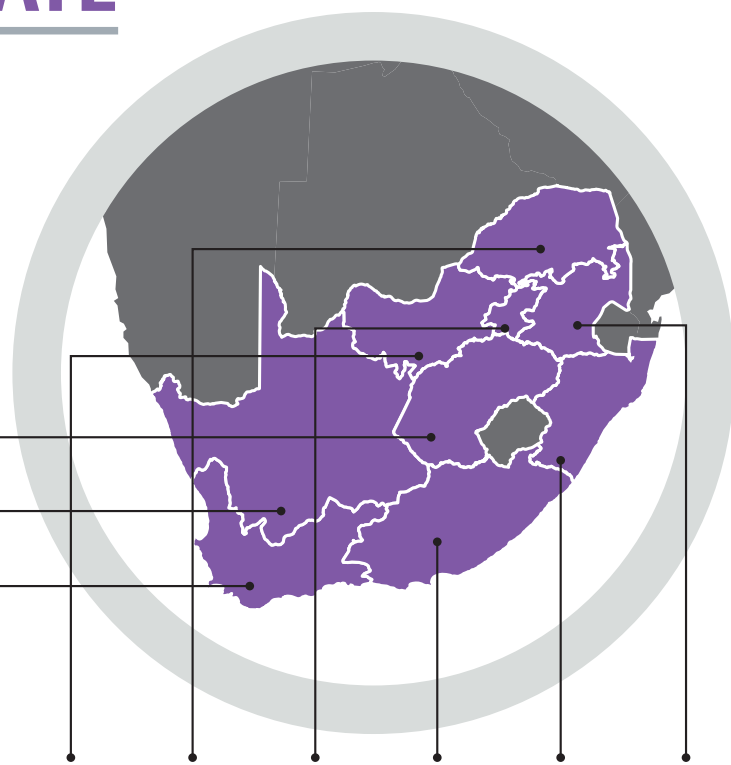
- The Eastern Cape had the highest unemployment rate (37.4%) in the country.
- Youth unemployment rate had its record high of 50.8%.
- Sector employment in “Plant and machine operators and assemblers” increased by 13.5%.

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 first quarter of 2019 (2019Q1).

## UNEMPLOYMENT RATE

### Unemployment rate in the Eastern Cape remains the highest in the country

In 2019Q1, the Eastern Cape province recorded the highest unemployment rate (37.4%) in the country. It was up by 1.3 percentage points on a quarter-on-quarter basis (QoQ) and by 1.8 percentage points on a year-on-year (YoY) basis. Out of the nine provinces, the unemployment rate increased in six provinces on a QoQ basis. However, it decreased in three provinces: KwaZulu-Natal (by 0.5 of a percentage point), North West (by 0.2 of a percentage point) and Gauteng (by 0.1 percentage points). In two consecutive quarters, Limpopo province had the lowest unemployment rate in the country. However, Mpumalanga province had the highest increase (up by 2.2 percentage points) from 32.0% in 2018Q4 to 34.2% in 2019Q1.



OFFICIAL UNEMPLOYMENT RATE	SOUTH AFRICA	WESTERN CAPE	NORTHERN CAPE	FREE STATE	NORTH WEST	LIMPOPO	GAUTENG	EASTERN CAPE	KWAZULU NATAL	MPUMALANGA
QUARTER 3 2018	26,7%	19,7%	29,5%	32,8%	25,8%	19,9%	28,6%	35,6%	22,3%	32,4%
QUARTER 4 2018	27,5%	19,3%	25,0%	32,9%	26,6%	16,5%	29,0%	36,1%	25,6%	32,0%
QUARTER 1 2019	27,1%	19,5%	26,0%	34,9%	26,4%	18,5%	28,9%	37,4%	25,1%	34,2%

Source: Statistics South Africa Labour Force Survey, 2019

Figure.1



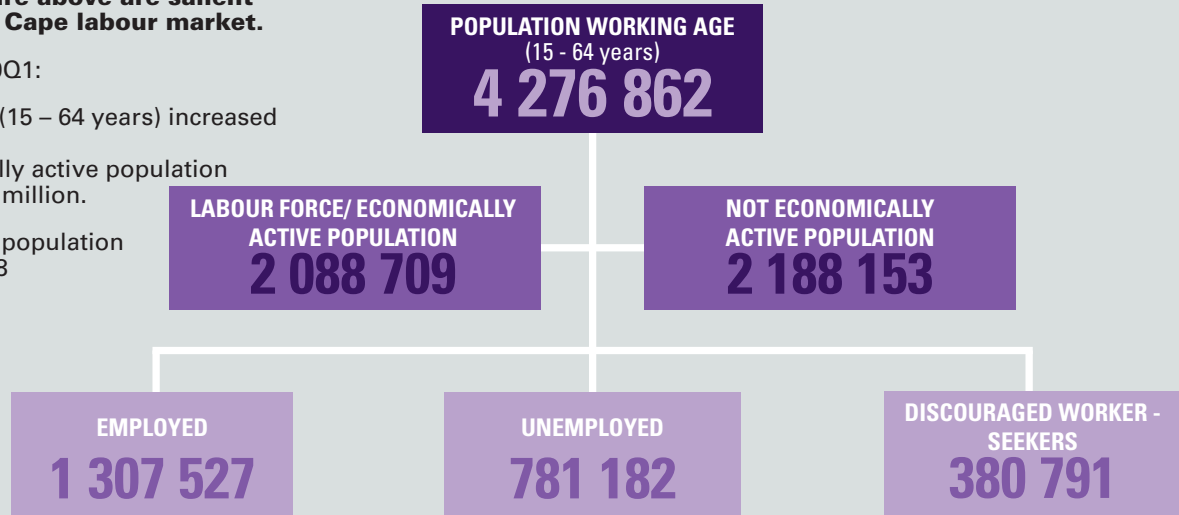
# EASTERN CAPE OVERVIEW

## Changes in the Eastern Cape Labour Market: QoQ% Changes, 2019Q1

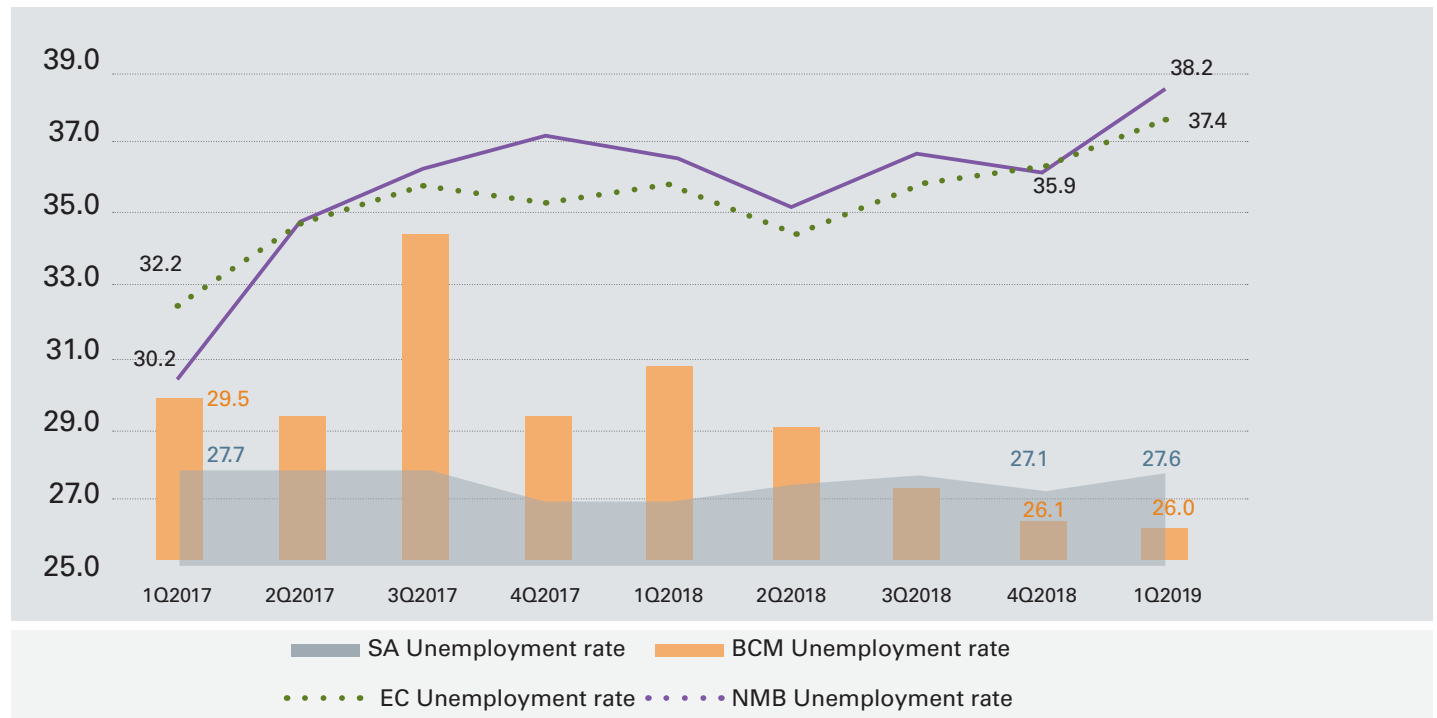
Emerging from the figure above are salient changes in the Eastern Cape labour market.

Between 2018Q4 and 2019Q1:

- Working age population (15 – 64 years) increased by 0.3% to 4.276 million.
- Labour force/Economically active population declined by 3.0% to 2.088 million.
- Not economically active population increased by 3.6% to 2.188 million.
- Number of employed declined by 4.9% to 1.307 million.
- Number of unemployed increased by 0.4% to 781 182.
- Number of discouraged work-seekers increased by 2.1% to 380 791.



## Rising unemployment rate in the Eastern Cape:



Source: Statistics South Africa Labour Force Survey, 2019

Figure.2

Emerging from the figure above is an incessant upsurge in the Eastern Cape's unemployment rate from 32.2% in 2017Q1 to 37.4% in 2019Q1. A more than 10 percent unemployment rate gap exists between the BCM and the Eastern Cape as well as the BCM and the NMB.

The unemployment rate in the BCM reflects a declining trend from 29.5% in 2017Q1 to 26.0% in 2019Q1 while that of the NMB displays a continuous increasing trend.

# Prominent trends in the Eastern Cape labour markets

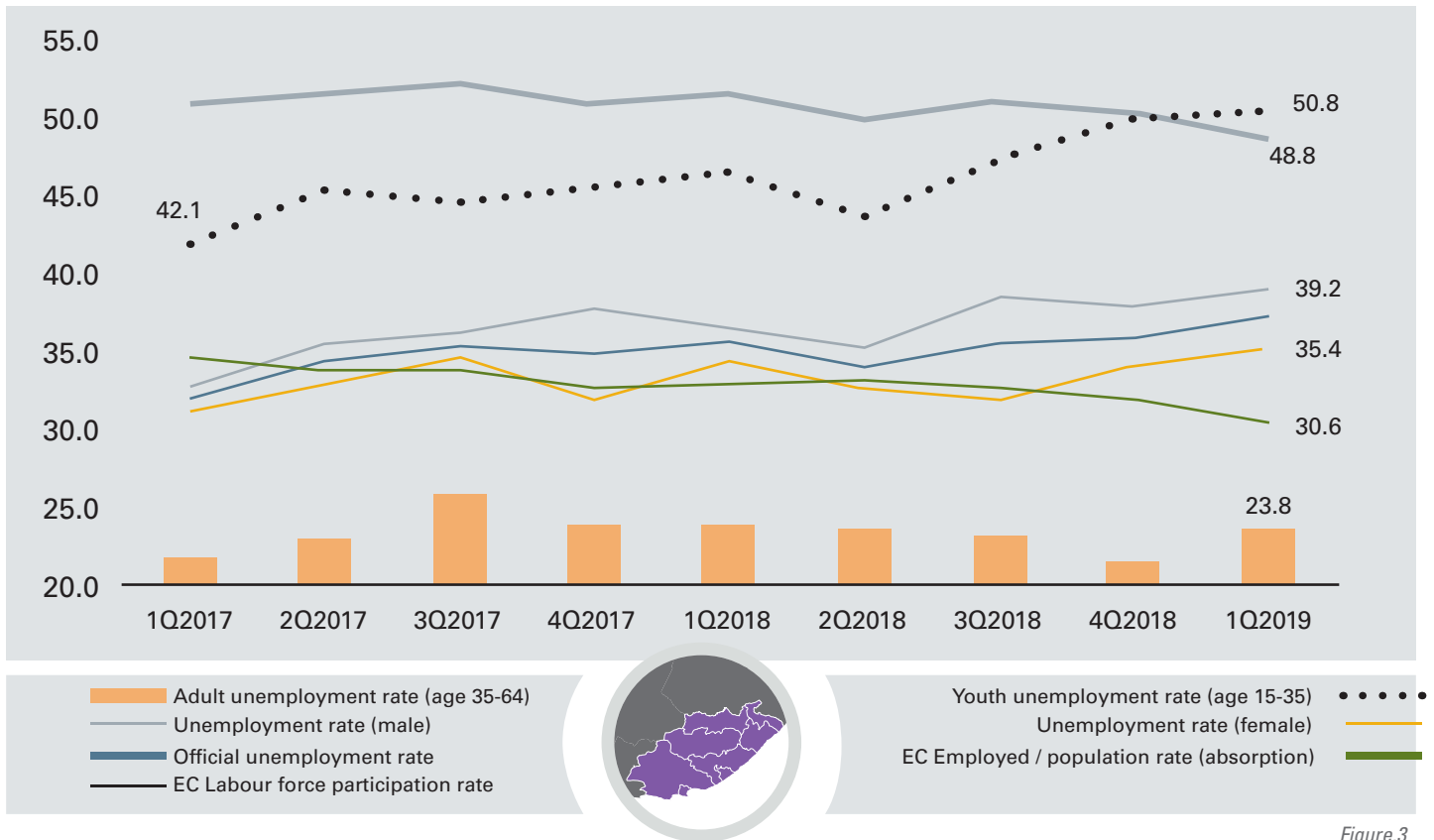


Figure.3

While the Eastern Cape economy dwindled considerably during the first quarter of 2019, the youth unemployment rate crossed the 50% boundary. It rapidly escalated by 8.7 percentage points between the first quarter of 2017 and the first quarter of 2019. The adult unemployment rate is less than half that of youth. Closing the gap between youth and adult unemployment rates is an incessant battle that might take a decade of strategic interventions.

In terms of gender, unemployment rate for males (39.2%) is higher than that of females (35.4%).

The labour force participation rate in the province has declined, from 50.5% in 2018Q4 to 48.8% in 2019Q1. Similarly, the labour absorption rate declined to 30.6% in 2019Q1. The decline in economic activity worsened the ability of the province to absorb labour into the main stream economy.

## Employed by occupation

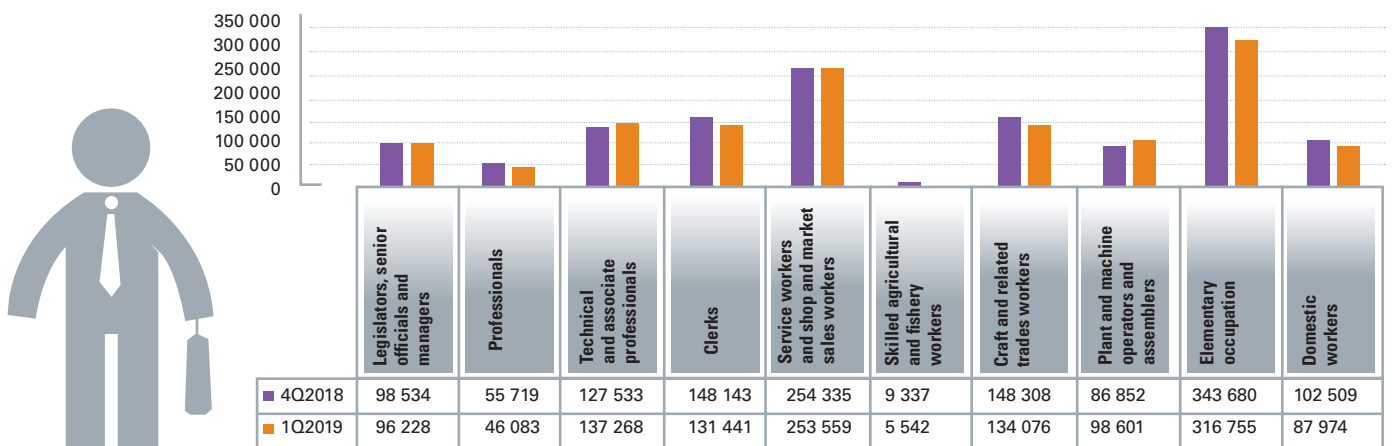


Figure.4

The occupation which gained the most jobs during the first quarter of 2019 was the "plant and machine operators and assemblers". Workers in this occupation category increased by 11 749, from 86 852 in 2018Q4 to 98 601 in 2019Q1. Similarly, employment within "technical and associate professionals" occupation grew from 127 533 in 2018Q4 to 137 268 in 2019Q1. Looking at employment by skill levels, of the 67 424 jobs lost in the province in 2019Q1, 61.1% were lost among low-skilled workers, 35.2% among semi-skilled workers, and 3.3% among highly skilled workers.

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

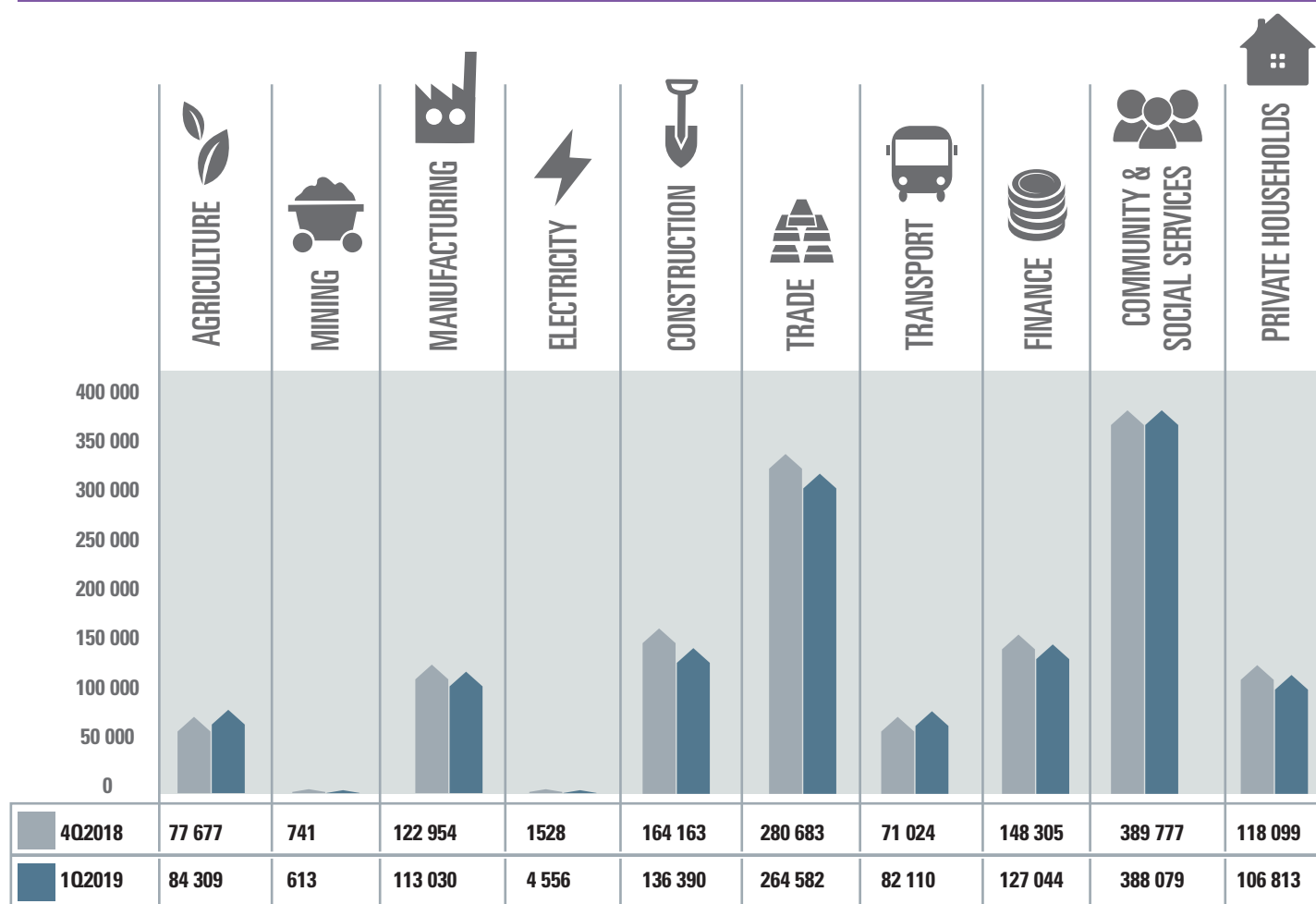


Figure.5

The Eastern Cape had 1 307 527 employees in 2019Q1. The community services industry is the largest employer in the province, employing 29.9% of workers followed by trade (20.2%) and construction (10.4%).

The EC province lost 67 424 workers in 2019Q1 (QoQ). The biggest job losses occurred in the construction industry (-27 773). Jobs were also lost in finance (-21 261), trade (-16 101), private households (-11 286), manufacturing (-9 924), community services (-1 698) and mining (-127).

The agriculture industry is the only industry where 6 632 jobs were gained.

## Summary of Eastern Cape key labour market indicators



	Eastern Cape		Buffalo City		Nelson Mandela Bay	
	2018Q4	2019Q1	2018Q4	2019Q1	2018Q4	2019Q1
<b>Population working age (15-64 yrs)</b>	<b>4 264 731</b>	<b>4 276 862</b>	515 436	516 943	818 424	821 518
<b>Labour force/ EAP</b>	2 152 827	2 088 709	314 898	323 479	567 882	543 998
<b>Total Employment</b>	<b>1 374 951</b>	<b>1 307 527</b>	232 647	239 433	364 003	336 038
Formal (non-agricultural)	881 736	809 508	167 161	164 018	<b>282 755</b>	<b>242 885</b>
Informal (non-agricultural)	297 438	306 897	<b>44 989</b>	<b>53 418</b>	48 493	59 712
Agriculture	77 677	84 309	3 484	4 369	5 290	7 440
Private households	118 099	106 813	17 013	17 627	27 465	26 001
<b>Unemployed</b>	<b>777 877</b>	<b>781 182</b>	82 251	84 046	203 879	207 960
<b>Not economically active</b>	<b>2 111 904</b>	<b>2 188 153</b>	200 538	193 464	250 542	277 520
Discouraged work-seekers	373 105	380 791	32 332	35 819		837
Other (not economically active)	1 738 799	1 807 361	168 206	157 645	250 542	276 683

Figure.6



## Vacancies in the provinces can be found on the following websites

	<b>Career 24:</b> <a href="https://www.careers24.com/jobs/lc-eastern-cape/">https://www.careers24.com/jobs/lc-eastern-cape/</a>
	<b>The Department of Public Service and Administration (DPSA):</b> <a href="http://www.dpsa.gov.za/dpsa2g/vacancies.asp">http://www.dpsa.gov.za/dpsa2g/vacancies.asp</a>
	<b>Career Junction:</b> <a href="https://www.careerjunction.co.za/jobs/eastern-cape">https://www.careerjunction.co.za/jobs/eastern-cape</a>
	<b>PNET:</b> <a href="https://www.pnet.co.za/jobs/Eastern-Cape.html">https://www.pnet.co.za/jobs/Eastern-Cape.html</a>

## 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.

