

FREE STATE PROVINCE

QUARTERLY LABOUR MARKET REVIEW

SECOND QUARTER
2024

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Definitions of Labour Market Terms and Indicators

1. **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.
2. **Economic activities** are those that contribute to the production of goods and services in the country. There are two types of economic activities, namely: (1) Market production activities (work done for others and usually associated with pay or profit); and (2) Non-market production activities (work done for the benefit of the household, e.g. subsistence farming).
3. **Employed persons** are those aged 15–64 years who, during the reference week, did any work for at least one hour, or had a job or business but were not at work (temporarily absent).
4. **Employment-to-population ratio** (labour absorption rate) is the proportion of the working-age population that is employed.
5. **Informal employment** identifies persons who are in precarious employment situations irrespective of whether the entity for which they work is in the formal or informal sector. Persons in informal employment, comprise all persons in the informal sector, employees in the formal sector, and persons working in private households who are not entitled to basic benefits such as pension or medical aid contributions from their employer, and who do not have a written contract of employment.
6. **Informal sector** has two components, namely:
 - a) Employees working in establishments that employ fewer than five employees, who do not deduct income tax from their salaries/wages; and
 - b) Employers, own-account workers and persons who are helping and getting unpaid in their household business and are not registered for either income tax or value-added tax.
7. The **labour force** comprises all persons who are employed plus all unemployed persons.
8. **Labour force participation rate** is the proportion of the working-age population that is either employed or unemployed.
9. **Long-term unemployment** refers to persons among the unemployed who were without work and trying to find a job or start a business for one year or more.
10. **Not in education and not in employment (NEET)** comprises persons who are not in any form of education or training and not in employment.
11. **Not economically active** refers to persons aged 15–64 years who are neither employed nor unemployed in the reference week.
12. **Underemployment** (time-related) includes employed persons who were willing and available to work additional hours, whose total number of hours worked during the reference period was below 35 hours per week.
13. **Underutilized labour** comprises three groups that are defined as follows: under-employed, persons who are unemployed, and persons who are discouraged.
14. **Unemployed persons** are those (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 where available.
15. **Unemployment rate** is the proportion of the labour force that is unemployed.
 - a) **Official unemployment rate** includes only the unemployed who are actively searching for work, thus excluding the discouraged.
 - b) **The expanded unemployment rate** includes the unemployed who are actively searching for work and those who are not actively searching.
16. The **working-age population** comprises all persons aged 15–64 years.

Source: Statistics South Africa

Quick hard facts

- The official unemployment rate in South Africa increased to 33.5% in 2024:Q2 from 32.9% in 2024:Q1. The decrease in employment and the increase in unemployment resulted in an increase of 0.6 of a percentage point in the unemployment rate. The labour force participation rate decreased by 0.1 of a percentage point to 60.6%, while the absorption rate decreased by 0.4 of a percentage point to 40.3%. Based on a year-on-year analysis, the official unemployment rate increased by 0.9 of a percentage point when compared to the previous year.
- At the national level (i.e., South Africa), the formal, agricultural and private household sectors shed jobs in the second quarter of 2024 compared to the previous quarter. The formal sector shed the highest number of jobs (about 77 000), while the agriculture sector shed about 45 000 jobs and the private household sector shed 18 000 jobs. However, the informal sector generated about 47 000 jobs.
- Across the country, the number of employed persons decreased in five provinces between 2024:Q1 and 2024:Q2, with the largest employment shedding recorded in the Western Cape (65 000), followed by Mpumalanga (50 000) and KwaZulu-Natal (49 000). Most jobs were created in Gauteng (42 000), Limpopo (31 000) and in the Eastern Cape (25 000). The Free State province created about 3 000 jobs.
- The Free State's official unemployment rate decreased by 0.4 of a percentage point from 38.0% in 2024:Q1 to 37.6% in 2024:Q2. The rate of unemployment amongst women declined by 0.5 of a percentage point (from 42.4% to 41.9%), while the unemployment rate among men decreased by 0.4 of a percentage point (from 34.2% to 33.8%) over the same period.
- Total employment in the Free State increased slightly between 2024:Q1 and 2024:Q2. Notably, the informal and agricultural sectors created about 3 000 and 6 000 jobs respectively, while the formal and private household sectors shed about 5 000 and 1 000 jobs, respectively.
- Five of the ten industries in the Free State province recorded an increase in employment, on quarter-to-quarter basis. In this case, finance (17 000), agriculture (6 000), and construction (4 000) generated the most jobs in the province, however, trade (18 000), community and social services (6 000) and mining (2 000) shed most jobs in 2024:Q2.
- On employment by industry and gender in the Free State, more men (421 000) were employed relative to women (324 000). In 2024:Q2, female employment increased by 4 000, while male employment decreased by less than 1 000, compared to the previous quarter. Based on a year-on-year analysis, the number of women in employment increased by 20 000, whereas the number of employed men decreased by 6 000.
- The youth aged 15 to 34 years continued to be the most vulnerable group with the high level of unemployment in the provincial labour market given an official unemployment rate of 51.9% in 2024:Q2, which is 14.3 percentage points above the provincial rate (37.6%).

1.1 Economic Growth Outlook in South Africa

Global growth is projected to stabilize at 3.2% this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. Given continued inflationary pressures, central banks in both advanced economies (AEs) and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. Despite the advantageous progress, numerous challenges remain, and decisive actions are needed. At the global level, priorities include safeguarding trade, supporting green and digital transitions, delivering debt relief, and improving food security (IMF, 2024).

In the Advanced Economies (AEs), growth is projected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. AEs are expected to see growth rise slightly, with the increase mainly reflecting a recovery in the euro area from low growth in 2023. Households in advanced economies supported their spending by drawing down accumulated pandemic-era savings. Larger-than-expected government spending further supported the expansion of aggregate demand in most regions. The overall budgetary stance, measured by the structural fiscal balance, was more expansionary than expected, on average (IMF, 2024).

Emerging Markets and Developing Economies (EMDEs) are expected to experience stable growth through 2024 and 2025, with regional differences. On average, regional growth in EMDEs is expected to be stable at 4.2% in 2024 and 2025 (from 4.3% in 2023). Aggregate EMDEs output is projected to remain on a path notably below its pre-pandemic trajectory, indicating sizable long-term scarring from the crises of the past four years. Economic conditions have nonetheless continued to diverge, with ongoing weakness among vulnerable EMDEs.

In Sub-Saharan Africa (SSA), growth is projected to rise from 3.4% in 2023 to an estimated 3.8% in 2024 and 4.0% in 2025, as the negative effects of earlier weather shocks subside, and supply issues gradually improve. The projected recovery is somewhat weaker than January's forecast, largely reflecting the damaging effects of recent increases in political instability and conflict that have delayed recovery in parts of the region. Growth in the region's three largest economies (Angola, Nigeria, and South Africa) remained weak, holding back growth in the region.

According to the IMF (2024), growth in South Africa is expected to increase to 0.9% in 2024 (from 0.6% in 2023), followed by a slight increase to 1.2% in 2025. National Treasury has also estimated South Africa's 2023 growth to 0.6% due to operational and maintenance failures in freight rail and at ports, and high living costs. National Treasury projected the GDP growth to increase to 1.3% in 2024 and rise further to 1.6% in 2025 with the reforms that are put into place.

South Africa has experienced over a decade of weak economic growth. GDP growth has averaged 0.8% annually since 2012, entrenching high levels of unemployment and poverty. To turn the tide and raise economic growth sustainably, the government is prioritising energy and logistics reforms, along with measures to arrest the decline in state capacity. Successful efforts to improve the fiscal position, complete structural reforms and bolster the capacity of the state will, in combination, reduce borrowing costs, raise confidence, increase investment and employment, and accelerate economic growth (National Treasury, 2024).

1.2 South Africa Labour Market Overview

The second quarter of 2024 has been marked by a period of substantially less load shedding compared with the same period last year. The country has close to five months without load shedding, the longest streak in more than a year. However, the electricity stability seems to have had little effect on South Africa's unemployment rate, as the unemployment rate increased across most provinces, except for Eastern Cape, Free State and Limpopo.

Recently, Statistics South Africa (2024) reported that South Africa's official unemployment rate grew from 32.9% in 2024:Q1 to 33.5% in 2024:Q2 (StatsSA, 2024). Using the expanded definition (which includes discouraged job-seekers), the national unemployment rate grew by 0.7 of a percentage point from 41.9% to 42.6%, as the number of discouraged work-seekers increased drastically.

Table 1: South Africa's labour market at a glance

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	40 746	41 158	41 296	138	550	0,3	1,3
Labour Force	24 268	24 971	25 036	65	768	0,3	3,2
Employed	16 346	16 745	16 652	-93	306	-0,6	1,9
Formal sector (Non-agricultural)	11 329	11 544	11 467	-77	138	-0,7	1,2
Informal sector (Non-agricultural)	3 029	3 082	3 129	47	100	1,5	3,3
Agriculture	894	941	896	-45	2	-4,8	0,2
Private households	1 093	1 178	1 160	-18	67	-1,5	6,1
Unemployed	7 921	8 226	8 384	158	463	1,9	5,8
Not economically active	16 478	16 188	16 260	72	-218	0,4	-1,3
Discouraged work-seekers	3 182	3 048	3 195	147	13	4,8	0,4
Other (not economically active)	13 296	13 140	13 065	-75	-231	-0,6	-1,7
Rates (%)							
Unemployment rate	32,6	32,9	33,5	0,6	0,9		
Employed / population ratio (Absorption)	40,1	40,7	40,3	-0,4	0,2		
Labour force participation rate	59,6	60,7	60,6	-0,1	1,0		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

As shown in Table 1, the working-age population increased by 138 000 (or 0.3%) in 2024:Q2 compared to 2024:Q1. Many people moved from the "employed" category to the "unemployed" category between the two quarters. The number of the economically active population increased by 65 000 (or 0.3%), whereas the number of the not economically active population increased by 72 000 (or 0.4%), resulting in an increase of 147 000 in the number of discouraged work-seekers during the period under review.

Meanwhile, both the absorption rate and the labour force participation rate decreased by 0.4 of a percentage point and 0.1 of a percentage point respectively, while the unemployment rate increased by 0.6 of a percentage point.

1.3 Cross-Provincial Labour Market Performance

Most provinces have been slowly returning to the levels of employment seen at the end of 2019, before the outbreak of COVID-19, while some are yet to recover. The employment growth of the country is recovering from the gaps that were created by the COVID-19 pandemic. Thus, in 2024:Q2, employment in South Africa was 16.7 million compared to 16.4 million in 2019:Q4, prior to the pandemic outbreak and the hard lockdown. Regrettably, Eastern Cape (*1 384 000 in 2019:Q4 and 1 369 000 in 2024:Q2*), Northern Cape (*335 000 in 2019:Q4 and 314 000 in 2024:Q2*) and Free State (*785 000 in 2019:Q4 and 745 000 in 2024:Q2*) provinces have not yet recovered from the COVID-19 pandemic disruption of employment.

1.3.1. Employment Levels

Employment across the country decreased slightly by 0.6% in the second quarter of 2024 compared to the first quarter of 2024. Considering the labour data displayed in Table 2, employment decreased in five provinces, between 2024:Q1 and 2024:Q2, with about 93 000 jobs shed. A significant job shedding was recorded by the Western Cape province (65 000), followed by Mpumalanga (50 000) and KwaZulu-Natal (49 000). On the other hand, the largest employment growth recorded occurred in Gauteng (42 000), Limpopo (31 000) and Eastern Cape (25 000). The number of jobs in the Free State increased slightly by 3 000.

Table 2: Employment by Province

Province	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
South Africa	16 346	16 745	16 652	-93	306	-0,6	1,9
Western Cape	2 711	2 740	2 675	-65	-36	-2,4	-1,3
Eastern Cape	1 444	1 344	1 369	25	-75	1,9	-5,2
Northern Cape	322	331	314	-17	-8	-5,1	-2,5
Free State	730	742	745	3	15	0,4	2,1
KwaZulu-Natal	2 642	2 891	2 842	-49	200	-1,7	7,6
North-West	881	899	887	-12	6	-1,3	0,7
Gauteng	4 988	5 061	5 103	42	115	0,8	2,3
Mpumalanga	1 158	1 242	1 192	-50	34	-4,0	2,9
Limpopo	1 469	1 495	1 526	31	57	2,1	3,9

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

Compared to 2023:Q2, approximately 306 000 more jobs were created in the second quarter of 2024, with the largest employment growth increase recorded in provinces such as KwaZulu-Natal (200 000), Gauteng (115 000) and Limpopo (57 000). During this period, the Free State province created about 15 000 jobs. Jobs were shed only in three provinces, Eastern Cape (75 000), Western Cape (36 000) and Northern Cape (8 000).

1.3.2. Unemployment Rate

The number of unemployed people in South Africa increased from 5.2 million in 2014:Q2 to 8.4 million in 2024:Q2, an increase of about 3.2 million people in a period of 10 years. The proportion of those in the long-term unemployment increased from 65.8% in 2014:Q2 to 76.2% in 2024:Q2. Thus, almost four out of five unemployed people have been without work, looking for work and available for work for a year or longer. Less than one out of five (23.8%) unemployed people were in short-term unemployment.

Considering the labour data presented in Table 3, South Africa's official unemployment rate increased by 0.6 of a percentage point, and the quarterly increase in the official unemployment rate was observed in six provinces. The official unemployment rate of the Northern Cape increased the most by 3.7 percentage points, followed by KwaZulu-Natal (1.2 percentage points) and Mpumalanga (1.2 percentage points). The official unemployment rate declined in Eastern Cape (-1.4 percentage point), Limpopo (-1.3 percentage point) and Free State (-0.4 of a percentage point).

In comparison to the same period last year, the national official unemployment rate increased by 0.9 of a percentage point. The official unemployment rate increased in seven provinces, with the largest increase recorded in the Northern Cape (5.1 percentage points), followed by North-West (4.5 percentage points). On the other hand, Free State experienced an official unemployment rate increase of 0.9 of a percentage point. The only provinces that recorded a decline were Mpumalanga and Limpopo by 1.0 percentage point and 0.2 of a percentage point, respectively.

While the official unemployment rate in Western Cape, Northern Cape, KwaZulu-Natal and Limpopo have consistently been below the official unemployment rate in South Africa, other provinces have continuously exceeded it. North-West province recorded the highest official unemployment rate in the country (41.3%), followed by Eastern Cape (41.0%) and Free State (37.6%).

Table 3: Unemployment Rates by Province

Province	Official unemployment rate					Expanded unemployment rate				
	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change
	Percent			Percentage points		Percent			Percentage points	
South Africa	32,6	32,9	33,5	0,6	0,9	42,1	41,9	42,6	0,7	0,5
Western Cape	20,9	21,4	22,2	0,8	1,3	25,3	26,1	27,3	1,2	2,0
Eastern Cape	39,7	42,4	41,0	-1,4	1,3	43,3	49,1	49,7	0,6	6,4
Northern Cape	26,9	28,3	32,0	3,7	5,1	43,3	41,7	44,9	3,2	1,6
Free State	36,7	38,0	37,6	-0,4	0,9	44,0	45,1	45,1	0,0	1,1
KwaZulu-Natal	31,0	29,9	31,1	1,2	0,1	46,7	43,7	44,9	1,2	-1,8
North-West	36,8	40,5	41,3	0,8	4,5	53,5	53,6	54,2	0,6	0,7
Gauteng	34,4	34,2	35,1	0,9	0,7	39,3	38,9	39,2	0,3	-0,1
Mpumalanga	38,4	36,2	37,4	1,2	-1,0	49,5	47,0	48,7	1,7	-0,8
Limpopo	31,6	32,7	31,4	-1,3	-0,2	47,9	47,8	47,1	-0,7	-0,8

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

The national expanded unemployment rate increased by 0.7 of a percentage point from 41.9% to 42.6% between 2024:Q1 and 2024:Q2. During the same period, the expanded unemployment rate increased in eight provinces, except for Limpopo, with the largest increase of 3.2 percentage points recorded in the Northern Cape, followed by Mpumalanga (1.7 percentage points) and Western Cape and KwaZulu-Natal (1.2 percentage points, respectively).

On a year-on-year basis, the expanded unemployment rate increased nationally by 0.5 of a percentage point, as five provinces recorded the increase. Eastern Cape recorded the highest increase of 6.4 percentage points, while Western Cape increased by 2.0 percentage points and Northern Cape increased by 1.6 percentage point. Free State increased by 1.1 percentage point.

1.4 Decomposition of the Free State Labour Market

The Free State labour force decreased from 1 197 000 to 1 194 000 persons, representing a decrease of 2 000 economically active population between 2024:Q1 and 2024:Q2. Within the provincial labour force, the number of unemployed decreased by 5 000 people (from 455 000 to 449 000), while the number of the employed increased by 3 000 in 2024:Q2. These changes translated into an official unemployment rate of 37.6%, along with an employment rate (or absorption rate) of 38.4% and the labour force participation rate of 61.6% for the Free State province.

As illustrated in Table 4, the inactive population in Free State increased by 0.5% in 2024:Q2, which translates to 4 000 more inactive population in the province.

Table 4: Free State Labour Force Characteristics

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand					Percent	
Population 15-64 years	1 934	1 938	1 939	1	5	0,1	0,3
Labour Force	1 153	1 197	1 194	-2	41	-0,2	3,6
Employed	730	742	745	3	15	0,4	2,0
Formal sector (Non-agricultural)	456	440	435	-5	-21	-1,2	-4,6
Informal sector (Non-agricultural)	149	150	153	3	4	2,2	2,8
Agriculture	71	79	84	6	13	7,1	18,2
Private households	54	73	73	-1	19	-1,0	34,7
Unemployed	423	455	449	-5	27	-1,2	6,3
Not economically active	781	741	745	4	-36	0,5	-4,6
Discouraged work-seekers	120	125	129	4	9	3,5	7,9
Other (not economically active)	661	616	615	-1	-45	-0,1	-6,9
Rates (%)							
Unemployment rate	36,7	38,0	37,6	-0,4	0,9		
Employed / population ratio (Absorption)	37,8	38,3	38,4	0,1	0,6		
Labour force participation rate	59,6	61,8	61,6	-0,2	2,0		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

Compared to 2023:Q2, the provincial labour force in 2024:Q2 increased by about 41 000 economically active population. Consequently, the number of employed increased by 2.0% (or 15 000 workers), while the province's unemployment level increased by 6.3% (or 27 000 workers).

1.4.1. Employment in the Free State Province

A closer look at the labour data in Table 5, shows that the Free State Province had about 745 000 people employed in 2024:Q2, of which 58.4% (435 000) were in the formal sector, 20.6% (153 000) were in the informal sector, 11.3% (84 000) were in the agricultural sector and 9.7% (73 000) in the private households. During the period under review, jobs were created in the informal (3 000) and agricultural (6 000), whereas jobs were shed in the formal sector (5 000) and private households sector with less than 1 000 jobs.

On a year-on-year basis, about 15 000 jobs were created in the Free State. The informal (4 000), agricultural (13 000) and private households sectors (19 000) generated jobs. The formal sector shed about 21 000 jobs during this period.

Considering employment by industry, the biggest employer in the province in the second quarter of 2024 was the community and social services industry which accounted for 195 000 jobs, followed by trade industry (146 000), and finance industry (92 000). The utilities (water, gas and electricity) industry remained the smallest employer with about 6 000 workers followed by mining (16 000) and transport (33 000) industries (see Table 5).

Based on a quarter-to-quarter analysis, total employment increased mostly in the finance (17 000), agriculture (6 000) and construction (4 000) industries. In contrast, employment was shed mostly in trade (18 000), community and social services (6 000) and mining (2 000) industries.

Based on a year-on-year analysis, total employment in the Free State province increased by 2.0%, and the largest increases were recorded in private households (34.7%), finance (24.8%), and agriculture (18.2%) industries. Conversely, most jobs were shed in mining (-26.7%) and construction (-23.8%) and trade (-9.3%) industries.

Table 5: Free State Employment by Industry/Sector

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Industry	730	742	745	3	15	0,4	2,0
Agriculture	71	79	84	6	13	7,1	18,2
Mining	21	18	16	-2	-6	-11,3	-26,7
Manufacturing	51	60	61	1	9	2,0	18,1
Utilities	5	3	6	3	1	97,3	10,6
Construction	52	35	39	4	-12	12,0	-23,8
Trade	161	163	146	-18	-15	-10,8	-9,3
Transport	36	35	33	-1	-2	-3,6	-6,4
Finance	74	76	92	17	18	22,2	24,8
Community and social services	205	201	195	-6	-10	-3,0	-4,8
Private households	54	73	73	-1	19	-1,0	34,7

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

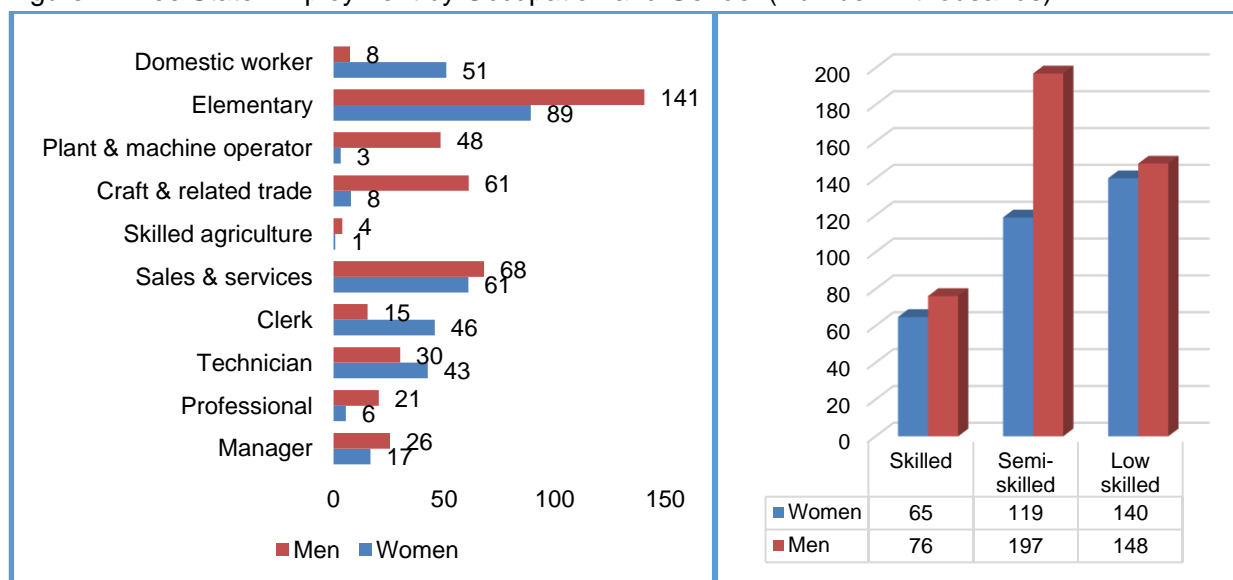
Figure 1 presents employment by gender and occupation in the Free State Province in 2024:Q2. As can be seen, women are dominant in three occupations (most notably, technician, clerical, and domestic), while men lead in seven occupations, namely; management, professional, sales and services, skilled agriculture, craft and related trade, plant and machine operator and elementary in the province¹.

Notably, few women were employed in the province relative to men. Thus, women accounted for 43.5% of total employment, while men accounted for 56.5% in the second quarter of 2024. Free State Province is dominated by semi-skilled workers who accounted for 42.4% of the total workforce, followed by low-skilled workers (38.7%) and skilled workers (18.9%).

During the second quarter of 2024, there were 65 000 women employed as skilled workers (20.0%), 119 000 women employed as semi-skilled workers (36.7%) and 140 000 women employed as low-skilled workers (43.3 %). In the same period, the employment of women increased by 4 000, whereas the employment of men increased by less than 1 000 persons in comparison to 2024:Q1.

Currently, employment among women stands at 324 000, whereas employment among men stands at 421 000. Overall, the official unemployment rate of women decreased by 0.5 of a percentage point, while the unemployment rate of men decreased by 0.4 of a percentage point.

Figure 1: Free State Employment by Occupation and Gender (Number in thousands)



Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

Recently, the current provincial labour force participation rate for women is about 56.2% (56.0% in 2024:Q1), whereas for men it is 67.2% (67.8% in 2024:Q1), indicating that more women relative to men, are economically inactive and have become discouraged to search for employment. The women

¹ According to Stats SA occupation classification; managers, professionals and technicians are considered skilled; clerks, sales and services, skilled agriculture, craft and related trade, and plant and machine operator are considered semi-skilled; while elementary and domestic work is considered low-skilled.

population remains highly vulnerable in the labour market. Women are more likely to be unemployed for longer periods, which eventually affects their chances of future employment.

1.4.2. Unemployment in the Free State Province

The labour statistics presented in Table 6 reflect the characteristics of the unemployed in the Free State Province. The unemployed decreased on a quarter-to-quarter basis by 5 000 (or -1.2%), mainly driven by job losers and new entrants. Whereas, a year-on-year analysis shows that unemployment has grown by 6.3%, due to job losers and 'other'.

Table 6: Free State Characteristics of the Unemployed

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Unemployed	423	455	449	-5	27	-1,2	6,3
Job losers	140	156	145	-11	5	-7,1	3,5
Job leavers	21	17	20	3	0	18,8	-2,3
New entrants	159	164	160	-4	0	-2,7	0,2
Re-entrants	1	1	1	0	0	-6,0	19,1
Other	102	116	123	7	22	6,1	21,2

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

Table 7 depicts the unemployment rate by age group in the Free State Province. Out of the 449 000 unemployed people in the province, 262 000 are under the age of 35 years, which is equivalent to 58.3% of the unemployed population.

The overall official unemployment rate in the province was 37.6%, with the youth unemployment rate (i.e., 15 to 24 years) being the highest at about 63.1%, followed by 48.0% among the 25 to 34 years age group. Compared to the previous quarter, the official unemployment rate decreased by 0.4 of a percentage point in the Free State Province. This decrease was due to the unemployment rate of the youth in the age group of 15 to 24 years, which declined by 8.1 percentage points, and the age group of 45 to 54 years, which decreased by 0.8 of a percentage point.

Based on a year-on-year analysis, the unemployment rate increased by 0.9 of a percentage point, owing to an increase of 7.0 percentage points among the 55 to 64 years age group, and 3.9 percentage points among those in the 35 to 44 years age group.

Table 7: Free State official unemployment rate by age group

Age categories	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change
	Per cent			Percentage change	
15-64 years	36,7	38,0	37,6	-0,4	0,9
15-24 years	61,3	71,2	63,1	-8,1	1,8
25-34 years	48,1	48,3	48,0	-0,3	-0,1
35-44 years	29,6	31,2	33,5	2,3	3,9
45-54 years	23,8	23,3	22,5	-0,8	-1,3
55-64 years	9,8	10,6	16,8	6,2	7,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

In this context, data displayed in Table 8 reveals that out of 449 000 unemployed population in 2024:Q2, with 4 000 with *no schooling*, 15 000 had *less than primary completed*, 17 000 had *primary completed*, and 181 000 had *secondary not completed*. Those with post-secondary (*tertiary education*) amounted to 45 000 in 2024:Q2. About 48.1% of the unemployed in the province have pre-secondary education, while about 51.9% have post-secondary education.

Table 8: The Highest Level of Education of the Unemployed

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
The highest level of education of the unemployed	423	455	449	-5	27	-1,2	6,3
No schooling	4	1	4	3	0	419,4	-5,4
Less than primary completed	16	14	15	1	-1	9,5	-5,4
Primary completed	16	11	17	6	0	57,9	3,0
Secondary not completed	164	205	181	-24	16	-11,9	9,8
Secondary completed	190	174	188	14	-2	8,2	-1,0
Tertiary	31	50	45	-5	14	-10,8	43,8
Other	1	1	1	0	-1	0,0	0,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2)

Education and training is found to be important in labour force participation, finding employment and, in alleviating poverty. Across both genders, individuals with a low level of education have less chance of finding employment than those with a higher level. Insufficient skills for the job market contribute to high unemployment rates. Secondary and tertiary institutions often fail to provide adequate post-graduation guidance, leaving students unprepared for the workforce. Those who drop out of school are more likely to be unemployed and less likely to secure good jobs. Limited resources and poverty could lead to issues in education, including increased dropout rates of the youth, impacting the overall quality of education and unemployment.

1.4.3. Not in Education, Employment or Training (NEET)

NEETs could be early school leavers who lack the literacy or numeracy skills required for work or training and graduates who do not have the necessary skills and training needed by employers. In the case of Free State, half of the NEETs are youth. Young people today struggle in the labour market despite being the most highly educated generation in history. Unemployment is generally higher among young people than adults, and those who do work tend to have poorer-quality jobs and are much more likely to be on temporary contracts or to earn low wages than older workers. Young people who are unemployed or inactive differ greatly in personal characteristics, family background, and the barriers to their securing a place in education or work.

Using the data provided in Table 9, in the second quarter of 2024, the NEET population decreased by 14 000, as about 3 000 fewer women and 11 000 fewer men were in this category. Further, as can be seen, there are approximately 447 000 young people aged between 15 and 34 years, in the Free State Province that fall into the NEET group in 2024:Q2, with 166 000 aged 15 to 24 years and 281 000 aged 25 to 34 years.

Compared to 2023:Q2, the number of NEETs in the Free State Province decreased by 1.5%. In particular, the 895 000 of the NEET group consists of about 46.1% of the province's working-age population, of which 58.1% were female, 93.4% were African and 50.0% were between the ages of 15 and 34 years.

Table 9: Free State profile of economically active groups not in education and not in employment (NEET)

	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Both sexes	908	908	895	-14	-13	-1,5	-1,5
Women	502	523	520	-3	17	-0,6	3,5
Men	406	386	375	-11	-31	-2,8	-7,6
Age group	908	908	895	-14	-13	-1,5	-1,5
15-24 years	158	174	166	-8	7	-4,6	4,6
25-34 years	293	292	281	-10	-12	-3,5	-4,1
35-44 years	182	179	181	2	-1	1,0	-0,5
45-54 years	142	133	131	-2	-11	-1,7	-8,0
55-64 years	132	131	136	5	4	3,5	2,7
Population groups	908	908	895	-14	-13	-1,5	-1,5
Black/African	839	850	836	-15	-3	-1,7	-0,4
Coloured	23	39	36	-3	13	-7,0	57,5
Indian/Asian	2	2	1	-1	-1	0,0	0,0
White	44	18	22	4	-22	24,2	-50,3

Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2).

1.4.4. Not Economically Active (NEA) in the Free State Province

Focusing on the NEA population, as displayed in Table 10, approximately 38.4% of the working-age population in the province were not economically active in 2024:Q2. More specifically, groups consisting of *students*, those who were *ill or disabled*, and *discouraged work seekers* made up the top three reasons for economic inactivity in the province. In 2024:Q2, *students* accounted for 39.5% of the inactive population, while the *discouraged work seekers* accounted for 17.4% and those who were *ill or disabled* accounted for 17.2%.

Overall, the NEA population of the province increased by 4 000 (0.5%) between 2024:Q1 and 2024:Q2, owing to the significant increase in the number of new students and 'other'. Compared to the second quarter of 2023, 36 000 fewer people became economically inactive, especially the home-makers.

Table 10: Free State characteristics of the not economically active (NEA) population

Not economically active	Apr-Jun 2023	Jan-Mar 2024	Apr-Jun 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Not economically active	781	741	745	4	-36	0,5	-4,6
Student	300	290	294	5	-6	1,6	-2,0
Home-maker	95	75	60	-14	-35	-19,4	-36,9
Illness/disability	123	129	128	-1	4	-1,1	3,6
Too old/young to work	78	70	71	2	-7	2,5	-9,1
Discouraged work seekers	120	125	129	4	9	3,5	7,9
Other	64	53	62	9	-1	16,9	-2,3

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q2).

1.5 Concluding Remarks and Policy Recommendation

The unemployment rate in South Africa has increased from 32.9% in 2024:Q1, to 33.5% in 2024:Q2. Many people moved from the "employed" category to the "unemployed" category between these two quarters, whereby, about 93 000 less people were employed while about 158 000 more workers were unemployed across the country. And about 72 000 more people become economically inactive.

Across the nine provinces of SA, Western Cape recorded the lowest official unemployment rate of about 22.2%, followed by KwaZulu-Natal at 31.1% and Limpopo by 31,4%. North-West province recorded the highest official unemployment rate in the country (41.3%), followed by Eastern Cape (41.0%) and Free State (37.6%).

In the Free State, the number of unemployed people decreased by 5 000 (from 455 000 to 449 000) whilst the employed increased by 3 000 (from 742 000 to 745 000). Consequently, the economically active population declined by 2 000, while the not economically active population increased by 4 000. Jobs were created in the informal (3 000) and agriculture (6 000), while the formal sector shed about 5 000 jobs and private households shed 1 000 jobs.

Florida State University Professor Chad H. Van Iddekinge found through a review of 81 studies that there was no significant correlation between an employee's prior work experience and their performance in a new organization. Employers continue to rely on resumes because they mistakenly believe experience is the key to finding the right talent. However, prioritizing formal experience can lead to missed opportunities, mis-hires, and more.

One of many challenges is that employers use reputable experience (from former employer) to measure a candidate's abilities, while sometimes it's an unreliable measure. As Legal Writer Kate Stacey shared that - while formal experience can be eye-catching, it's not always the most reliable indicator of performance. Skills, on the other hand, reflect whether candidates possess the tangible abilities to excel in each role. When you require specific work experience or degrees, you unfairly exclude some candidates who are otherwise qualified – including those skilled through alternative routes. For example, a candidate without five years of coding experience might have the knowledge and skills necessary to take on a software development role. They might have developed these through self-study. Therefore, employers should look deep into the significant of prior work experience (from previous employer), qualifications and skills and knowledge (self-study); and decide on what they are in the hunt for.

For the past ten years about 3.2 million people across the country have been unable to find work despite actively searching for jobs. In the same period reviewed, 776 000 people have been discouraged to look for employment. This theory could reduce barriers to entry and more people could find employment.

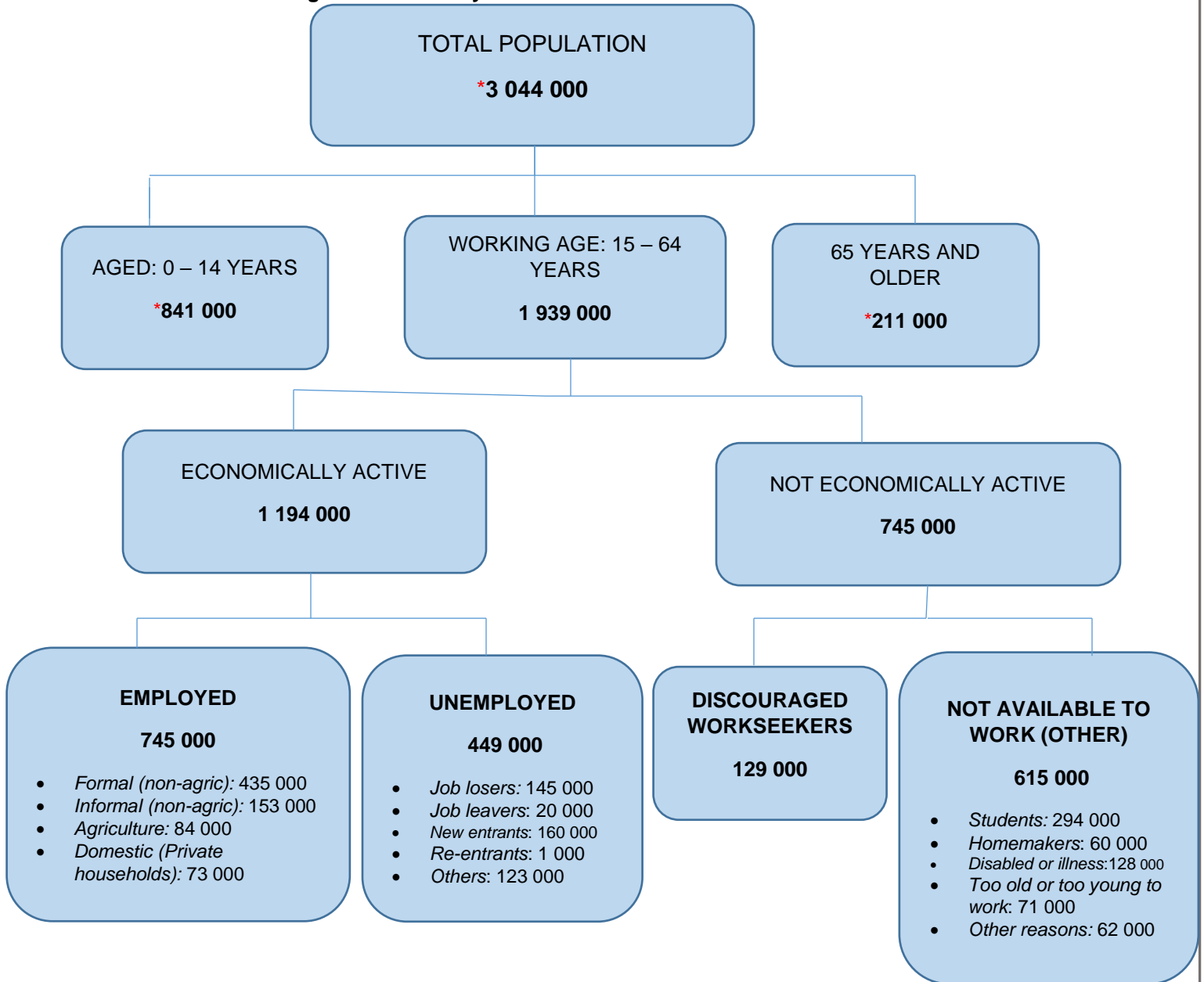
Meanwhile, most job seekers with experience, skills and knowledge without a qualification, are not aware of converting their skills into a qualification. Institutions like University of Johannesburg and University of South Africa have been formalising skills and knowledge to a qualification. To be admitted to a qualification through Recognition of Prior Learning (RPL), you need to demonstrate that you are competent in terms of relevant learning through experience and research experience. You can apply for RPL if you have developed skills and knowledge through work experience. Learning from experience refers to work experience, in-service training, self-study or life experience, such as voluntary or community work.

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APPENDIX

Diagram 1: Summary of the Free State's labour market - 2024: Q2



Labour force participation rate = 61.6%

Absorption rate = 38.4%

Official unemployment rate = 37.6%

Expanded unemployment rate = 45.1%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2024:Q2

Note: () Mid-year population estimates, July 2024 (Note: Mid-year population estimates figures do not correspond to QLFS figures (Working age population))*

QUARTERLY LABOUR MARKET REVIEW

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