

FREE STATE PROVINCE

QUARTERLY LABOUR MARKET REVIEW

FOURTH 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 declined from 32.1% in 2024:Q3, to 31.9% in 2024:Q4, marking a decrease of 0.2 of a percentage point. This improvement was driven by a rise in employment and a decrease in unemployment. Against this backdrop, the labour force participation rate marginally increased by 0.1 of a percentage point to 60.3%, while the absorption rate increased by 0.2 of a percentage point to 41.1%. On a year-on-year basis, the unemployment rate declined by 0.2 of a percentage point.
- At the national level, the formal, informal, and private household sectors collectively contributed to job creation in 2024:Q4 compared to the previous quarter. The formal sector recorded the largest growth, adding approximately 90 000 jobs, followed by the informal sector with an increase of 33 000 jobs, and the private household sector, which contributed 18 000 jobs. In contrast, the agricultural sector experienced a decline, shedding about 11 000 jobs during the same period.
- Across South Africa, employment increased in six provinces between 2024:Q3 and 2024:Q4. The Western Cape led job creation with 63 000 jobs, followed by KwaZulu-Natal with 52 000 jobs, and Gauteng with 44 000 jobs. In contrast, jobs were shed in Free State (25 000 jobs) and North-West with 21 000 jobs, while Limpopo shed about 16 000 jobs.
- In the Free State, the official unemployment rate increased by 1.9 percentage points, rising from 36.0% in 2024:Q3 to 37.9% in 2024:Q4. The unemployment rate among women increased by 0.4 of a percentage point (from 41.5% to 41.9%), while the rate for men increased by 3.0 percentage points (from 31.4% to 34.4%).
- Total employment in the Free State declined over the quarter, driven primarily by losses in the informal sector, agriculture and private households' sectors. Informal sector shed approximately 22 000 jobs, while agriculture sector shed about 12 000 jobs, and private households shed 6 000 jobs. Nevertheless, the formal sector created about 14 000 jobs.
- In the Free State province, seven out of the ten industries shed jobs. The agriculture sector shed with 12 000 jobs, followed by manufacturing (7 000 jobs) and trade (7 000 jobs). In the fourth quarter of 2024, the finance sector added 7,000 jobs, while the community and social services sector contributed 5,000 jobs.
- Employment by gender, more men were employed than women in the Free State, with 429 000 men employed compared to 320 000 women. From quarter three to quarter four of 2024, male employment declined by 24 000, while female employment decreased slightly by 1 000. On a year-on-year basis, the number of employed men decreased by 10 000, and the number of employed women grew by 18 000.
- The youth aged 15 to 34 years remain the most vulnerable demographically in the provincial labour market, facing a notably high unemployment rate of 52.5% in 2024:Q4, which is 14.6 percentage points higher than the overall provincial unemployment rate of 37.9%.

1.1 Economic Growth Outlook

Global economic growth is stabilizing as inflation gradually returns to target levels, with monetary easing bolstering activity in both Advanced Economies and Emerging Market and Developing Economies (EMDEs). Global growth is projected to remain steady at 2.7% in 2025. However, the global economy is expected to settle into a low growth trajectory that is insufficient to drive sustained economic development. Further challenges may arise from heightened policy uncertainty, adverse shifts in trade policies, geopolitical tensions, persistent inflation, and climate-related natural disasters (World Bank, 2025).

Growth in Advanced Economies is expected to stabilize at around 1.7% in 2025, driven by a projected slowdown in the United States and modest recoveries in the Euro area and Japan. This outlook assumes no major shifts in trade or fiscal policies. In EMDEs, growth is projected to remain around 4.0% in 2025. In China, after a moderate deceleration in the previous year, weak consumption amid a continuing structural slowdown is expected to further constrain growth in 2025 to 2026. While inflation continues to decline overall, its uneven path in certain EMDEs suggests that monetary policymakers may need to reduce the pace of monetary easing or even tighten policies, as needed, to maintain credibility in their inflation-targeting frameworks (World Bank, 2025).

In Sub-Saharan Africa (SSA), growth is expected to strengthen to an average of 4.2% in 2025, primarily driven by an improved outlook for industrial-commodity-exporting countries, including the region's largest economies. However, high government debt and elevated interest rates have reduced fiscal space, prompting consolidation efforts in many countries, while financing needs remain substantial. Growth in Nigeria and South Africa, the region's two largest economies, rose to an average of 2.2% in 2024, supported by improvements in electricity supply in South Africa and increased oil production in Nigeria (World Bank, 2025).

According to the World Bank, growth in South Africa is expected to rise to an average of 1.9% annually during 2025, reflecting a modest upward revision from the June 2024 forecast. This growth is anticipated to be supported by improved energy availability and continued reforms in the transport sector. Household consumption is projected to rebound, supported by lower inflation and interest rates, while private investment may gain momentum amid rising business confidence. Fiscal policy is expected to remain prudent, aiming to stabilize the public debt-to-GDP ratio by 2026.

Recent data from Statistics South Africa indicates that real Gross Domestic Product (GDP) measured by production, increased by 0.6% in the fourth quarter of 2024, following a decrease of 0.1% in the third quarter of 2024. Three industries recorded growth between the third and fourth quarters of 2024. The agriculture industry was the largest positive contributor, increasing by 17.2% and contributing 0.4 of a percentage point to the positive GDP growth. The finance industry increased by 1.1%, contributing 0.3 of a percentage point. The trade industry increased by 1.4%, contributing 0.2 of a percentage point. The transport industry was the largest negative contributor, decreasing by 1.0% and contributing -0.1 of a percentage point.

1.2 South Africa Labour Market Overview

According to the Quarterly Labour Force Survey (QLFS) results for 2024:Q4, the number of employed persons increased by 132 000, reaching a total of 17.1 million. Conversely, the number of unemployed persons decreased by 20 000, bringing the total to 8.0 million. As a result, the overall labour force expanded by 112 000 (or 0.4%) during this period.

In terms of economic inactivity, the number of discouraged work-seekers rose by 111 000 (or 3.3%). In comparison, those not economically active for reasons other than discouragement declined by 93 000 (or -0.7%) between the third and fourth quarter of 2024. These changes resulted in an increase of 18 000 in the not economically active population, which reached a total of 16.5 million.

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

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	41 022	41 431	41 561	130	539	0,3	1,3
Labour Force	24 619	24 957	25 069	112	450	0,4	1,8
Employed	16 723	16 946	17 078	132	355	0,8	2,1
Formal sector (Non-agricultural)	11 488	11 589	11 679	90	191	0,8	1,7
Informal sector (Non-agricultural)	3 181	3 295	3 328	33	147	1,0	4,6
Agriculture	920	935	924	-11	4	-1,2	0,4
Private households	1 134	1 128	1 146	18	12	1,6	1,1
Unemployed	7 895	8 011	7 991	-20	96	-0,2	1,2
Not economically active	16 403	16 474	16 492	18	89	0,1	0,5
Discouraged work-seekers	3 049	3 355	3 466	111	417	3,3	13,7
Other (not economically active)	13 354	13 119	13 026	-93	-328	-0,7	-2,5
Rates (%)							
Unemployment rate	32,1	32,1	31,9	-0,2	-0,2		
Employed / population ratio (Absorption)	40,8	40,9	41,1	0,2	0,3		
Labour force participation rate	60,0	60,2	60,3	0,1	0,3		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

As a result of these shifts in employment and unemployment, the official unemployment rate decreased by 0.2 of a percentage point, from 32.1% in the third quarter of 2024 to 31.9% in the fourth quarter of 2024. The expanded unemployment rate remained unchanged at 41.9% in the fourth quarter of 2024.

The labour force participation rate increased by 0.1 of a percentage point to 60.3%, while the absorption rate was 41.1%, an increase of 0.2 of a percentage point.

1.3 Cross-Provincial Labour Market Performance

Employment increased by 132 000 in the last quarter of 2024, following an increase of 294 000 in the third quarter of 2024. Employment in the formal sector in South Africa accounts for 68.4% (11.7 million jobs) of total employment, while the informal sector accounts for 19.5% (3.3 million jobs), private households' jobs accounts for 6.7% (1.1 million jobs), whereas agriculture holds 5.4% (924 000 jobs) of jobs. Employment increased in all sectors between 2024:Q3 and 2024:Q4, except in agriculture, which decreased by 11 000 jobs.

1.3.1. Employment Levels

Western Cape, KwaZulu-Natal and Gauteng recorded the largest increases in employment in 2024:Q4, while Free State, North-West and Limpopo recorded decreases. Employment rose by 0.8% in 2024:Q4 compared to 2024:Q3. As shown in Table 2, six provinces contributed to the increase of 132 000 jobs during this period. The Western Cape led with 63 000 new jobs, followed by the KwaZulu-Natal (52 000) and Gauteng (44 000). However, job losses were recorded in Free State (25 000) and North-West (21 000) and Limpopo (16 000).

On employment by industry, employment increases were mainly in the finance and manufacturing industries. However, the largest decreases in employment were recorded in community & social services and trade industries.

Table 2: Employment by Province

Province	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
South Africa	16 723	16 946	17 078	132	355	0,8	2,1
Western Cape	2 757	2 749	2 812	63	55	2,3	2,0
Eastern Cape	1 348	1 452	1 455	3	107	0,2	7,9
Northern Cape	327	337	355	18	28	5,3	8,6
Free State	742	775	750	-25	8	-3,2	1,1
KwaZulu-Natal	2 856	2 840	2 892	52	36	1,8	1,3
North-West	912	956	935	-21	23	-2,2	2,5
Gauteng	5 034	5 037	5 081	44	47	0,9	0,9
Mpumalanga	1 250	1 241	1 255	14	5	1,1	0,4
Limpopo	1 498	1 559	1 543	-16	45	-1,0	3,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

In the fourth quarter of 2024, approximately 355 000 more jobs were created compared to the same period in 2023. Job growth was recorded in all provinces. The Eastern Cape led the growth with an increase of 107 000 jobs, followed by Western Cape (55 000) and Gauteng (47 000). Free State created about 8 000 jobs, an increase of 1.1%.

1.3.2. Unemployment Rate

The number of unemployed people in South Africa rose from 4.9 million in the fourth quarter of 2014 to 8.0 million in the fourth quarter of 2024, marking an increase of 3.1 million over a decade. The proportion of individuals in long-term unemployment increased from 65.9% in 2014:Q4 to 77.7% in

2024:Q4, indicating that nearly four out of five unemployed individuals had been without work for a year or longer. In contrast, only 22.3% of the unemployed were in short-term unemployment during 2024:Q4.

According to the labour data in Table 3, South Africa's official unemployment rate decreased by 0.2 of a percentage point quarter-on-quarter, with declines recorded in five provinces. The largest decreases were observed in the Northern Cape, where the unemployment rate fell by 3.0 percentage points, followed by KwaZulu-Natal (2.6 percentage points) and Mpumalanga (1.5 percentage points). In contrast, increases in the unemployment rate were observed in North-West (4.5 percentage points), Free State (1.9 percentage point) and Gauteng (0.4 of a percentage point). Western Cape remained unchanged.

Year-on-year, the national official unemployment rate decreased by 0.2 of a percentage point. Four provinces' rates decrease, with the most significant decrease in the Eastern Cape (5.3 percentage points), followed by KwaZulu-Natal (0.9 of a percentage point) and Western Cape (0.7 of a percentage point). North-West, Limpopo and Free State provinces recorded increases of 2.3 percentage points and 1.6 percentage points and 0.9 of a percentage points, respectively.

The official unemployment rates in the Western Cape, Northern Cape, and KwaZulu-Natal were below the national average. However, other provinces exceeded this benchmark. North-West recorded the highest official unemployment rate in the country at 41.3%, followed by the Free State at 37.9% and Eastern Cape at 36.6%.

Table 3: Unemployment Rates by Province

Province	Official unemployment rate					Expanded unemployment rate				
	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change
	Percent			Percentage points		Percent			Percentage points	
South Africa	32,1	32,1	31,9	-0,2	-0,2	41,1	41,9	41,9	0,0	0,8
Western Cape	20,3	19,6	19,6	0,0	-0,7	25,6	25,6	24,8	-0,8	-0,8
Eastern Cape	41,9	37,2	36,6	-0,6	-5,3	47,1	47,4	47,6	0,2	0,5
Northern Cape	26,9	30,4	27,4	-3,0	0,	42,9	43,1	39,7	-3,4	-3,2
Free State	37,0	36,0	37,9	1,9	0,9	43,9	43,3	44,2	0,9	0,3
KwaZulu-Natal	29,5	31,2	28,6	-2,6	-0,9	43,4	45,6	44,7	-0,9	1,3
North-West	39,0	36,8	41,3	4,5	2,3	52,2	51,5	52,8	1,3	0,6
Gauteng	33,8	34,0	34,4	0,4	0,6	38,4	39,2	39,9	0,7	1,5
Mpumalanga	34,9	36,2	34,7	-1,5	-0,2	45,8	47,8	47,2	-0,6	1,4
Limpopo	30,3	32,6	31,9	-0,7	1,6	46,7	46,3	46,5	0,2	-0,2

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Expanded definition includes the *official unemployment* (sought and available) 8.0 million people, available to work but are *discouraged work-seekers* (3.5 million) and those who have *other reasons* for not searching (800 000). Nationally, the expanded unemployment rate remained unchanged at 41.9%, quarter on quarter. Over the same period, North-West (52.8%) recorded the highest expanded unemployment rate in 2024:Q4, followed by Eastern Cape (47.6%) and Mpumalanga (47.2%). KwaZulu-Natal recorded the highest difference between expanded and official unemployment rates of 16.1 percentage points.

On a year-on-year basis, the national expanded unemployment rate increased by 0.8 of a percentage point, with six provinces recording increases. Gauteng experienced the highest unemployment increase at 1.5 percentage points, followed by Mpumalanga at 1.4 percentage points and KwaZulu-Natal at 1.3 percentage points. Conversely, Northern Cape, Western Cape and Limpopo rates declines by 3.2 percentage points, 0.8 of a percentage point and 0.2 of a percentage point, respectively.

1.4 Decomposition of the Free State Labour Market

The Free State labour force decrease from 1 212 000 to 1 207 000 individuals, reflecting a decrease of 5 000 in the economically active population between 2024:Q3 and 2024:Q4. Within this group, employment declined by 25 000, from 775 000 to 750 000, while unemployment increased by 20 000. These changes resulted in an official unemployment rate increase of 37.9%, an employment rate decline (absorption rate) of 38.6%, and a labour force participation rate decline of 62.2% for the province.

As illustrated in Table 4, the inactive population in Free State increased by 0.8% in 2024:Q4, which translates to 6 000 more inactive population in the province.

Table 4: Free State Labour Force Characteristics

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	1 937	1 940	1 941	1	5	0,0	0,2
Labour Force	1 178	1 212	1 207	-5	29	-0,4	2,5
Employed	742	775	750	-25	8	-3,3	1,1
Formal sector (Non-agricultural)	457	437	451	14	-6	3,2	-1,4
Informal sector (Non-agricultural)	145	189	166	-22	22	-11,8	15,0
Agriculture	73	78	66	-12	-7	-15,0	-9,7
Private households	67	72	67	-6	0	-7,9	-0,1
Unemployed	436	436	457	20	21	4,7	4,8
Not economically active	759	729	735	6	-24	0,8	-3,2
Discouraged work-seekers	117	118	109	-9	-8	-7,8	-6,7
Other (not economically active)	642	611	626	15	-17	2,5	-2,6
Rates (%)							
Unemployment rate	37,0	36,0	37,9	1,9	0,9		
Employed / population ratio (Absorption)	38,3	40,0	38,6	-1,4	0,3		
Labour force participation rate	60,8	62,4	62,2	-0,2	1,4		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Compared to 2023:Q4, the provincial labour force in 2024:Q4 increased by about 29 000 economically active population. Consequently, the number of employed increased by 1.1% (or 8 000 workers), while the province's unemployment level increased by 4.8% (or 21 000 persons).

1.4.1. Employment in the Free State Province

An analysis of the labour data in Table 5 reveals that the Free State Province had approximately 750 000 workers in 2024:Q4. Of these, 60.1% (451 000) were employed in the formal sector, 22.2% (166 000) in the informal sector, 8.9% (67 000) in private households, and 8.8% (66 000) in agriculture. During this period, the formal sector added 14 000 jobs. However, jobs were shed in the informal sector (22 000), agriculture (12 000 jobs) and the private households' sectors (6 000 jobs).

On a year-on-year basis, about 8 000 jobs were created in the Free State. The informal sector generated 14 000 jobs, while the formal sector (6 000) and the agricultural sector shed 7 000 jobs. Private households' sector remained unchanged during this period.

In the fourth quarter of 2024, the community and social services industry was the largest employer in the Free State, accounting for 216 000 jobs. This was followed by the trade industry with 144 000 jobs and the finance industry with 94 000 jobs. The utilities industry (water, gas, and electricity) remained the smallest employer, with approximately 5 000 workers, followed by the mining (20 000) and transport (38 000) industries (refer to Table 5).

On a quarter-to-quarter basis, the large number of employment declines were observed in the agriculture (12 000), trade (7 000), and manufacturing (7 000) industries. Conversely, significant job increases were observed in finance (7 000) and community and social services (5 000) industries.

Year-on-year, total employment in the Free State increased by 1.1%. The most notable growth was recorded in the construction (60.4%), transport (12.7%), and finance (10.2%) industries. However, the utilities industry (-41.7%), manufacturing (-10.3%) and agriculture (-9.7%) experienced declines in employment during this period.

Table 5: Free State Employment by Industry/Sector

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Industry	742	775	750	-25	8	-3,3	1,1
Agriculture	73	78	66	-12	-7	-15,0	-9,7
Mining	19	21	20	-1	2	-4,9	9,6
Manufacturing	51	52	46	-7	-5	-12,9	-10,3
Utilities	8	6	5	-1	-3	-19,6	-41,7
Construction	34	58	54	-3	20	-5,8	60,4
Trade	150	151	144	-7	-6	-4,8	-4,1
Transport	34	39	38	0	4	-1,1	12,7
Finance	85	87	94	7	9	8,1	10,2
Community and social services	221	211	216	5	-5	2,3	-2,3
Private households	67	72	67	-6	0	-7,9	-0,1

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Figure 1 illustrates employment by gender and occupation in the Free State Province during 2024:Q4. Women continue to be the most vulnerable with an unemployment rate of 41.9% in 2024:Q4. This is 4.0 percentage points higher than the provincial average at 37.9%. Women were predominant in three

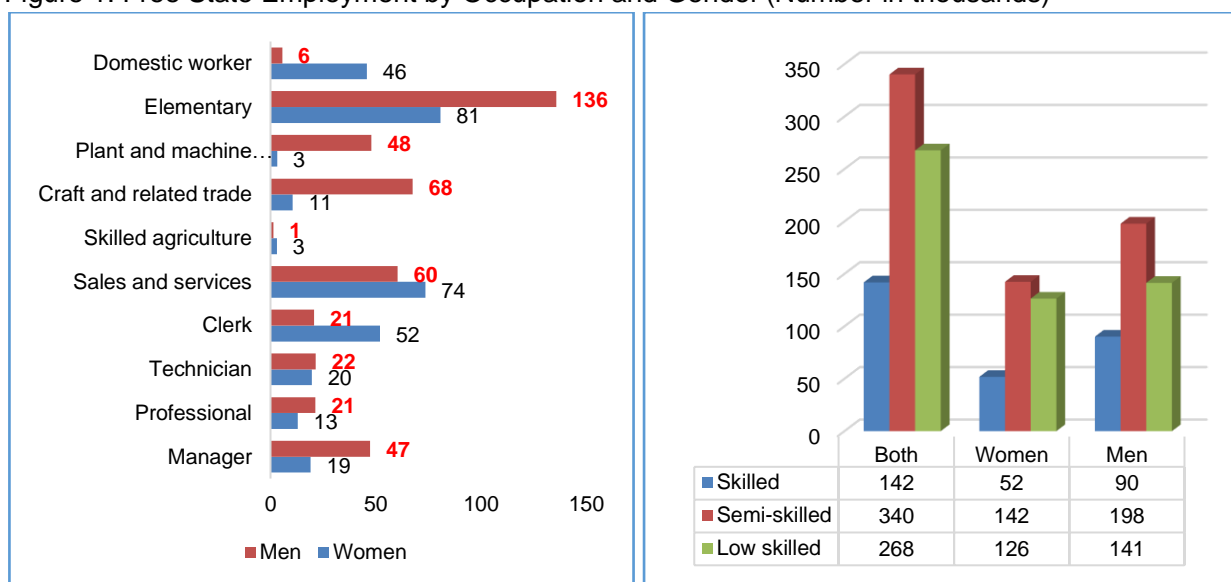
occupational categories: sales and services, clerical roles, and domestic work. In contrast, men led in seven occupational categories, including management, professional, technical, skilled agriculture, craft and related trades, plant and machine operations, and elementary occupations.

Overall, fewer women were employed in the province compared to men, with women accounting for 42.7% of total employment and men representing 57.3%. The workforce in the Free State is primarily composed of semi-skilled workers, who made up 45.4% of total employment, followed by low-skilled workers (35.7%) and skilled workers (18.9%).

Among women, 52 000 (16.1%) were employed as skilled workers, 142 000 (44.4%) as semi-skilled workers, and 126 000 (39.4%) as low-skilled workers in 2024:Q4. During this period, the employment of women decreased by 2 000, decreasing mostly in the sales & services and professional occupations.

Currently, employment among women stands at 320 000, whereas employment among men stands at 429 000. Overall, the absorption rate of women declined by 0.8 of a percentage point, while absorption rate of men declined by 1.5 percentage points. On the other hand, the official unemployment rate of women increased by 0.4 of a percentage point, while the unemployment rate of men increased by 3.0 percentage points.

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



Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

The current provincial labour force participation rate for women stands at 54.6% (55.6% in 2024:Q3), while for men it is significantly higher at 70.4% (up from 69.5% in 2024:Q3). This disparity indicates that a larger proportion of women, compared to men, are economically inactive and increasingly discouraged from seeking employment. Women remain highly vulnerable in the labour market, facing greater risks of prolonged unemployment, which adversely affects their future employability.

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 number of unemployed increased on a quarter-to-quarter basis by 20 000 (or 4.7%), mainly driven by job losers and new entrants. Whereas, a year-on-year analysis shows that unemployment has increased by 4.8%, due to job losers and new entrants once more.

Table 6: Free State Characteristics of the Unemployed

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Unemployed	436	436	457	20	21	4,7	4,8
Job losers	154	147	164	17	10	11,9	6,7
Job leavers	16	17	16	-2	0	-9,5	-1,5
New entrants	151	155	173	18	22	11,7	14,8
Re-entrants	6	3	3	0	-3	2,5	-47,3
Other	110	114	101	-13	-9	-11,8	-8,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Table 7 highlights unemployment rates by age group in the Free State Province. Of the 457 000 unemployed individuals, 260 000 (56.9%) are under the age of 35. The overall official unemployment rate in the province is 37.9%, with youth aged 15 to 24 years experiencing the highest unemployment rate at 68.2%, followed by the 25 to 34 years age group at 46.9%.

Compared to the previous quarter, the official unemployment rate in the Free State increased by 1.9 percentage points. This growth was driven by increases in unemployment among specific age groups: a 7.1 percentage points increase for those aged 45 to 54 years, a 1.7 percentage points increase for those aged 35 to 44 years, and a 1.5 percentage points increase for the 15 to 24 years age group.

Based on a year-on-year analysis, the unemployment rate increased by 0.9 of a percentage point, due to the increase of 8.0 percentage points among the 15 to 24 years age group, 6.6 percentage points among those in the 55 to 64 years age group and 3.4 percentage points among those in the 45 to 54 years age group.

Table 7: Free State official unemployment rate by age group

Age categories	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change
	Per cent			Percentage change	
15-64 years	37,0	36,0	37,9	1,9	0,9
15-24 years	60,2	66,7	68,2	1,5	8,0
25-34 years	50,6	47,0	46,9	-0,1	-3,7
35-44 years	29,2	28,7	30,4	1,7	1,2
45-54 years	25,0	21,3	28,4	7,1	3,4
55-64 years	9,8	17,4	16,4	-1,0	6,6

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Table 8 reveals that of the 457 000 unemployed individuals in 2024:Q4, of which, 5 000 had no formal schooling, 17 000 had not completed primary education, 18 000 had completed primary education,

190 000 had not completed secondary education, 176 000 had completed matric, while 50 000 unemployed individuals had post-secondary (tertiary) education. Approximately 50.4% of the unemployed population in the province have an education level below secondary completion, while 49.6% possess secondary or higher education.

Graduate unemployment level increased by 52.8%, from 33 000 unemployed graduates in 2023:Q4 to about 50 000 in 2024:Q4. Yet, those with matric and less than matric remain vulnerable with the highest total unemployment.

Table 8: The Highest Level of Education of the Unemployed

Highest level of education of the unemployed	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
The Unemployed	436	436	457	20	21	4,7	4,8
No schooling	1	4	5	1	4	13,9	627,5
Less than primary completed	17	12	17	5	0	42,7	-0,9
Primary completed	18	16	18	2	0	9,6	0,1
Secondary not completed	184	183	190	7	6	3,8	3,2
Secondary completed	181	168	176	8	-5	5,0	-2,7
Tertiary	33	52	50	-2	17	-2,9	52,8
Other	2	1		-1	-2	0,0	0,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

Education plays a vital role in securing employment, as it provides the essential skills, knowledge, and qualifications required for various roles. It enhances an individual's competitiveness in the job market, broadens career opportunities, and often meets the minimum requirements set by employers for different positions. In essence, higher levels of education typically lead to improved job prospects and greater earning potential.

Moreover, education equips individuals with critical skills such as problem-solving, analytical thinking, effective communication, and specialized technical expertise relevant to their chosen field, thus increasing their qualifications and making them more competitive candidates in the workforce.

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

NEET include early school leavers who lack the literacy and numeracy skills required for work or further training, as well as graduates who do not possess the skills or training demanded by employers. In the Free State, half of the NEET population consists of youth. Despite being the most educated generation in history, young people face significant challenges in the labour market. Youth unemployment rates are generally higher than those of adults, and young workers often occupy lower-quality jobs, are more likely to be employed on temporary contracts, and frequently earn lower wages than older counterparts.

According to Table 9, the NEET population in the Free State increased by 17 000 in 2024:Q4, with an additional 13 000 women and 4 000 men in this category. In total, approximately 442 000 young people aged 15 to 34 years in the province were classified as NEET in 2024:Q4. Of these, 169 000 were aged 15 to 24 years, and 274 000 were aged 25 to 34 years.

In particular, the 882 000 of the NEET group consists of about 45.5% of the province's working-age population, of which 59.1% were female, 95.0% were African and 50.1% were between the ages of 15 and 34 years. Compared to 2023:Q4, the number of NEET in the Free State Province increased by 0.4%, where 10 more women were classified as NEET, relative to 7 men who exited this group.

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

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Both sexes	879	865	882	17	3	2,0	0,4
Women	512	508	522	13	10	2,6	2,0
Men	367	357	361	4	-7	1,0	-1,8
Age group	879	865	882	17	3	2,0	0,4
15-24 years	138	170	169	-1	31	-0,6	22,7
25-34 years	304	275	274	-1	-30	-0,3	-9,9
35-44 years	169	158	172	14	2	8,8	1,5
45-54 years	139	130	142	11	3	8,8	2,2
55-64 years	130	133	127	-6	-3	-4,7	-2,5
Population groups	879	865	882	17	3	2,0	0,4
Black/African	816	807	839	31	23	3,9	2,8
Coloured	31	33	14	-19	-16	-56,8	-53,3
Indian/Asian	3	3	3	0	0	0,0	0,0
White	30	22	27	5	-3	22,6	-9,9

Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

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

As shown in Table 10, approximately 37.8% of the working-age population in the Free State Province were not economically active (NEA) in 2024:Q4. Among the key reasons for economic inactivity groups, students, individuals who were ill or disabled, and discouraged work seekers comprised the top three groups. In 2024:Q4, students accounted for 42.7% of the inactive population, followed by discouraged work seekers at 14.8% and those who were ill or disabled at 12.6%.

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

	Oct-Dec 2023	Jul-Sep 2024	Oct-Dec 2024	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Not economically active	759	729	735	6	-24	0,8	-3,2
Student	316	296	314	17	-2	5,9	-0,6
Home-maker	85	77	77	-1	-8	-1,0	-9,6
Illness/disability	109	100	93	-7	-16	-7,5	-14,6
Too old/young to work	76	71	74	3	-2	4,6	-2,1
Discouraged work seekers	117	118	109	-9	-8	-7,8	-6,7
Other	57	66	68	3	11	3,9	19,0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2024:Q4)

The NEA population in the province increased by 6 000 (0.8%) between the third and fourth quarters of 2024, primarily due to a significant expansion in the number of students and those who are too old or young to work. Compared to the same period in 2023, the NEA population decreased by 24 000 (-3.2%).

1.5 Concluding Remarks

In quarter four of 2024, South Africa's official unemployment rate decreased slightly from 32.1% to 31.9%, reflecting a rise in employment and a reduction in unemployment. Approximately 132 000 additional people found employment, while the number of unemployed individuals decreased by 20 000, and the economically inactive population grew by 18 000. The labour force participation rate increased by 0.1 percentage point to 60.3%, and the absorption rate rose by 0.2 percentage point to 41.1%.

Among the provinces, the Western Cape recorded the lowest official unemployment rate at 19.6%, followed by the Northern Cape at 27.4% and KwaZulu-Natal at 28.6%. In contrast, North-West had the highest unemployment rate at 41.3%, followed by Free State at 37.9% and Eastern Cape at 36.6%.

In the Free State, employment was shed in the informal, agriculture, and private household sectors, with approximately 22 000, 12 000, and 6 000 jobs lost, respectively. However, the formal sector recorded a gain of around 14 000 jobs. The number of unemployed people increased by 20 000, from 436 000 to 457 000, while the number of employed individuals decreased by 25 000, from 775 000 to 750 000. This resulted in a net decrease of 5 000 in the economically active population and an increase of 6 000 in the not economically active population.

1.6 Policy recommendation

South Africa's unemployment rate slightly decreased in the last quarter of 2024, showing a small improvement in employment and a reduction in unemployment. Overall, nationally, while there were positive signs in employment growth, significant regional and sectoral challenges remain. However, the number of economically inactive individuals grew, highlighting ongoing challenges. Provincial disparities were evident, with the Western Cape having the lowest unemployment rate, while North-West had the highest. Employment opportunities are also evident, with cities offering more job prospects compared to rural areas. To strengthen the labour market, both the private and public sectors must actively promote entrepreneurship and ensure the job market becomes more inclusive and accessible.

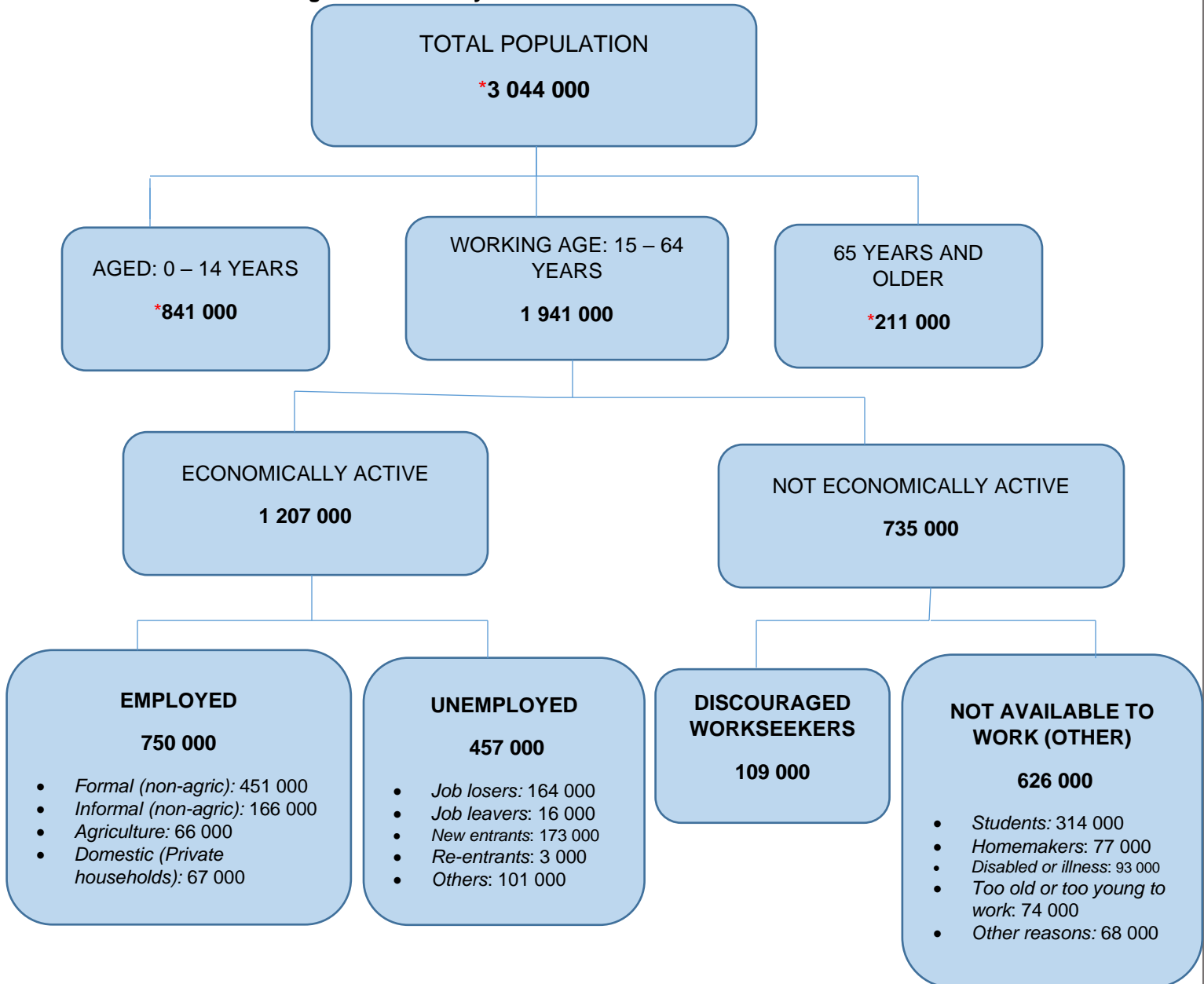
In the Free State, job losses in certain sectors contributed to a net decrease in the economically active population, despite gains in the formal sector. Significant challenges persist, particularly concerning youth unemployment and gender disparities. To improve employment outcomes, it is essential to enhance access to education, provide targeted skills training, and implement effective job readiness programs. Women face higher unemployment rates than men, influenced by educational and socio-economic barriers, which require tailored interventions to address these disparities.

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APPENDIX

Diagram 1: Summary of the Free State's labour market - 2024: Q4



Official unemployment rate = 37.9%

Absorption rate = 38.6%

Labour force participation rate = 62.2%

Expanded unemployment rate = 44.2%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2024:Q4

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