

FREE STATE PROVINCE

QUARTERLY LABOUR MARKET REVIEW

FIRST QUARTER
2025

TABLE OF CONTENTS

1	Global Economic Growth Outlook	5
2	South African Labour Market Overview	6
2.1	Cross-Provincial Labour Market Performance	7
2.1.1	<i>Employment Levels</i>	7
2.1.2	<i>Unemployment Rate</i>	7
3	Decomposition of the Free State Labour Market	8
3.1.1	<i>Employment in the Free State Province</i>	9
3.1.2	<i>Unemployment in the Free State Province</i>	11
3.1.3	<i>Not in Education, Employment or Training (NEET)</i>	13
3.1.4	<i>Not Economically Active (NEA) in the Free State Province</i>	14
4	Concluding Remarks and Policy Recommendation	15
5	References	15

LIST OF TABLES

Table 1:	South Africa's Labour Market at a Glance.....	6
Table 2:	Employment by Province	7
Table 3:	Unemployment Rates by Province	8
Table 4:	Free State Labour Force Characteristics	9
Table 5:	Free State Employment by Industry/Sector.....	10
Table 6:	Free State Characteristics of the Unemployed.....	12
Table 7:	Free State Official Unemployment Rate by Age Group	12
Table 8:	The Highest Level of Education of the Unemployed	13
Table 9:	Free State Profile of Economically Active Groups Not in Education and Not in Employment (NEET)	14
Table 10:	Free State Characteristics of the Not Economically Active (NEA) Population.....	14

LIST OF FIGURES

Figure 1:	Free State Employment by Occupation and Gender (numbers in thousands).....	11
-----------	--	----

APPENDIX

Diagram 1:	Summary of Free State's Labour Market - 2025: Q1.....	16
------------	---	----

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) **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 unemployment rate in South Africa increased to 32.9% in 2025:Q1 from 31.9% in 2024:Q4. A decrease in employment and an increase in unemployment resulted in an increase of 1.0 percentage point in the unemployment rate to 32.9% in the first quarter of 2025. The labour force participation rate decreased by 0.3 of a percentage point to 60.0%, and the absorption rate decreased by 0.8 of a percentage point to 40.3% between 2024:Q1 and 2025:Q1. According to the latest labour data, the number of discouraged work-seekers increased by 7 000 (up by 0.2%), and the number of people who were not economically active for reasons other than discouragement increased by 177 000 (up by 1.4%) between the two quarters, resulting in a net increase of 184 000 in the not economically active population.
- At the national level (i.e., South Africa), employment losses were observed in the formal sector (down by 245 000) and Private households (down by 68 000), while the informal sector and Agricultural sector employment increased by 17 000 and 6 000 respectively in 2025:Q1.
- Across the country, the number of employed persons decreased in six provinces between 2024:Q1 and 2025:Q1. Employment losses were recorded in KwaZulu-Natal (104 000), Eastern Cape (83 000), North West (57 000), Limpopo (55 000), Mpumalanga (43 000) and Northern Cape (12 000). Employment increases were recorded in Western Cape (49 000), Gauteng (9 000) and Free State (4 000) during the same period.
- The Free State's official unemployment rate has remained unchanged at 37.9% in 2025:Q1 and the same rate was reported in 2024:Q4. The provincial unemployment rate of both women and men increased by 0.1 of a percentage point respectively.
- Total employment in the Free State increased by 4 000 between 2024:Q4 and 2025:Q1 which translates to 0.5 of a percentage point. Jobs were created in the formal sector (14 000) and private households (5 000), while jobs were shed in the informal (13 000), agricultural (2 000) sectors.
- On employment by industry, the biggest employer in the province in the first quarter of 2025 was the community and social services industry, which accounted for 201 000 jobs, followed by trade (148 000), and finance (101 000) industries.
- Considering employment by gender during the period under review, few women were employed in the province relative to men. Women accounted for 42.0% of total employment, while men accounted for 58.0% in the first quarter of 2025.
- Free State Province is dominated by semi-skilled workers who accounted for 48.7% of the total workforce, followed by low-skilled workers (34.2%) and skilled workers (17.1%).
- The overall official unemployment rate in the province was 37.9%, with the youth unemployment rate (i.e., 15 to 24 years) being the highest at about 69.4%, followed by 45.4% among the 25 to 34 years age group.

1 Global Economic Growth Outlook

The global economy is at a critical juncture and signs of stabilization were emerging through much of 2024, after a prolonged and challenging period of unprecedented shocks. However, the swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Major policy shifts are resetting the global trade system and giving rise to uncertainty that is once again testing the resilience of the global economy (IMF, 2025).

In the near term, under the reference forecast, global growth is projected to fall from an estimated 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. The downgrades are broad-based across countries and reflect in large part the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty, and deteriorating sentiment (IMF, 2025).

Growth for Advanced Economies (AE) is projected to drop from an estimated 1.8% in 2024 to 1.4% in 2025 and 1.5% in 2026. The forecasts for 2025 include significant downward revisions for Canada, Japan, the United Kingdom, and the United States and an upward revision for Spain (IMF, 2025).

Emerging Market and Developing Economies (EMDEs) growth is projected to drop to 3.7% in 2025 and 3.9% in 2026, following an estimated 4.3% in 2024. This is 0.5 and 0.4 percentage point lower, respectively, compared with the rate projected in the January 2025 WEO Update (IMF, 2025).

In Sub-Saharan Africa (SSA), growth is expected to decline slightly from 4% in 2024 to 3.8% in 2025 and recover modestly in 2026, lifting to 4.2%. The deteriorating sentiment is due to heightened uncertainty, the intensification of protectionist policies, and a deeper slowdown in major economies (IMF, 2025).

South Africa's economic growth for 2025 is expected to range between 1.0% and 1.8%, depending on policy implementation and external risks. National Treasury has recently revised the growth forecast down from 1.9% to 1.4% (National Treasury, 2025).

According to the IMF (2025), growth in South Africa is revised downward by 0.5 percentage point for 2025 and 0.3 percentage point for 2026, reflecting slowing momentum from a weaker-than-expected 2024 outturn, deteriorating sentiment due to heightened uncertainty, the intensification of protectionist policies, and a deeper slowdown in major economies.

While South Africa's economy is projected to grow modestly in 2025, achieving higher growth rates will depend on addressing structural issues such as energy reliability, infrastructure development, and favourable trade relations. Continued efforts in policy implementation and economic reforms are essential to enhance growth prospects.

2 South African Labour Market Overview

South Africa's official unemployment rate continued its upward trajectory in the first quarter of 2025 and increased to 32.9% as the economy lost 291 000 jobs (Jammine, 2025) The percentage rise in the first-quarter unemployment level again raises another red flag about South Africa's weak growth performance. With GDP growth forecasts for 2025 having been progressively reduced by various institutions and economists to about 1.5% and below, it is not unexpected that this should now be reflected in higher unemployment levels (Parker, 2025).

Recently, Statistics South Africa (2025) reported that South Africa's official unemployment rate grew from 31.9% in 2024:Q4 to 32.9% in 2025:Q1. Using the expanded definition (which includes discouraged job-seekers), the national unemployment rate grew by 1.2 of a percentage point from 41.9% to 43.1%, as the number of discouraged work-seekers increased (StatsSA, Quarterly Labour Force Survey , 2025)

Table 1: South Africa's Labour Market at a Glance

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	41,158	41,561	41,691	130	532	0.3	1.3
Labour Force	24,971	25,069	25,015	-54	44	-0.2	0.2
Employed	16,745	17,078	16,787	-291	43	-1.7	0.3
Formal sector (Non-agricultural)	11,544	11,679	11,434	-245	-110	-2.1	-1.0
Informal sector (Non-agricultural)	3,082	3,328	3,345	17	264	0.5	7.9
Agriculture	941	924	930	6	-11	0.7	-1.2
Private households	1,178	1,146	1,078	-68	-100	-6.0	-8.5
Unemployed	8,226	7,991	8,228	237	2	3.0	0.0
Not economically active	16,188	16,492	16,676	184	488	1.1	3.0
Discouraged work-seekers	3,048	3,466	3,473	7	425	0.2	14.0
Other(not economically active)	13,140	13,026	13,203	177	63	1.4	0.5
Rates (%)							
Unemployment rate	32.9	31.9	32.9	1.0	0.0		
Employed / population ratio (Absorption)	40.7	41.1	40.3	-0.8	-0.4		
Labour force participation rate	60.7	60.3	60.0	-0.3	-0.7		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

As shown in Table 1, the working-age population increased by 130 000 or 0.3% in the first quarter of 2025 compared with the fourth quarter of 2024. The number of employed persons decreased by 291 000 to 16.8 million in 2025:Q1, while the number of unemployed persons increased by 237 000 to 8.2 million compared with 2024:Q4 resulting in a decrease of 54 000 (down by 0.2%) in the labour force. The number of discouraged work-seekers increased by 7 000 (up by 0.2%), and the number of people who were not economically active for reasons other than discouragement increased by 177 000 (up by 1.4%) between the two quarters, resulting in a net increase of 184 000 in the not economically active population.

A decrease in employment and an increase in unemployment resulted in an increase of 1.0 percentage point in the unemployment rate of 32.9% in the first quarter of 2025. The labour force participation rate decreased by 0.3 of a percentage point to 60.0%, and the absorption rate decreased by 0.8 of a percentage point to 40.3% between 2024:Q4 and 2025:Q1.

Employment losses were observed in the formal sector (down by 245 000) and private households (down by 68 000), while the informal sector and agricultural sector employment increased by 17 000 and 6 000, respectively in 2025:Q1.

Compared with Q1:2024, the working-age population increased by 532 000 or 1.3%. Total employment increased by 43 000 persons (or 0.3%), the number of unemployed persons increased by 2 000 and the number of persons who were not economically active increased by 488 000 (or 3.0%).

2.1 Cross-Provincial Labour Market Performance

Table 2 shows that the number of employed persons decreased in six provinces between 2024:Q4 and 2025:Q1. Employment losses were recorded in KwaZulu-Natal (104 000), Eastern Cape (82 000), North West (56 000), Limpopo (55 000), Mpumalanga (43 000) and Northern Cape (12 000). Employment increases were recorded in Western Cape (49 000), Gauteng (10 000) and Free State (4 000) during the same period.

2.1.1 Employment Levels

Compared with 2024:Q1 the notable increases in employment in the first quarter of 2025 were recorded in Western Cape (49 000), Gauteng (10 000) and Free State (4 000). The rest of the provinces recorded decreases in employment with the largest decreases recorded in KwaZulu-Natal (104 000), and Eastern Cape (82 000).

Table 2: Employment by Province

Province	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
South Africa	16,745	17,078	16,787	-291	42	-1.7	0.3
Western Cape	2,740	2,812	2,861	49	121	1.7	4.4
Eastern Cape	1,344	1,455	1,373	-82	29	-5.6	2.2
Northern Cape	331	355	343	-12	12	-3.4	3.6
Free State	742	750	754	4	12	0.5	1.6
KwaZulu-Natal	2,891	2,892	2,788	-104	-103	-3.6	-3.6
North West	899	935	879	-56	-20	-6.0	-2.2
Gauteng	5,061	5,081	5,091	10	30	0.2	0.6
Mpumalanga	1,242	1,255	1,212	-43	-30	-3.4	-2.4
Limpopo	1,495	1,543	1,488	-55	-7	-3.6	-0.5

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

Compared to 2024:Q1, only 42 000 more jobs were created in the first quarter of 2025, with the largest employment growth increase recorded in provinces such as Western Cape (121 000), Gauteng (30 000) and Eastern Cape (29 000). During this period, Free State and Northern Cape created about 12 000 jobs, respectively.

2.1.2 Unemployment Rate

The official unemployment rate increased by 1.0 percentage point to 32.9% in 2025:Q1 compared with 2024:Q4. The official unemployment rate increased in six of the nine provinces. The largest increases

were recorded in KwaZulu-Natal (3.7 percentage points), followed by Eastern Cape (2.7 percentage points) and Northern Cape (2.1 percentage points). A decrease in the unemployment rate was recorded only in North West (0.9 of a percentage point), while Western Cape and Free State remained unchanged.

Year-on-year, the official unemployment rate remained unchanged. The official unemployment rate decreased in five provinces. The decreases in the unemployment rate were recorded in Eastern Cape (3.1 percentage points), followed by Western Cape (1.8 percentage points), Mpumalanga (0.8 of a percentage point), Free State and North West (0.1 of a percentage point each). The increases in the unemployment rate were recorded in KwaZulu-Natal (2.4 percentage points), Northern Cape (1.2 percentage points), Limpopo (0.6 of a percentage point) and Gauteng (0.5 of a percentage point).

Table 3: Unemployment Rates by Province

Province	Official unemployment rate					Expanded unemployment rate				
	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change
	Percent			Percentage points		Percent			Percentage points	
South Africa	32,9	31,9	32,9	1,0	0,0	41,9	41,9	43,1	1,2	1,2
Western Cape	21,4	19,6	19,6	0,0	-1,8	26,1	24,8	24,7	-0,1	-1,4
Eastern Cape	42,4	36,6	39,3	2,7	-3,1	49,1	47,6	49,0	1,4	-0,1
Northern Cape	28,3	27,4	29,5	2,1	1,2	41,7	39,7	43,0	3,3	1,3
Free State	38,0	37,9	37,9	0,0	-0,1	45,1	44,2	44,8	0,6	-0,3
KwaZulu-Natal	29,9	28,6	32,3	3,7	2,4	43,7	44,7	46,9	2,2	3,2
North-West	40,5	41,3	40,4	-0,9	-0,1	53,6	52,8	56,0	3,2	2,4
Gauteng	34,2	34,4	34,7	0,3	0,5	38,9	39,9	40,0	0,1	1,1
Mpumalanga	36,2	34,7	35,4	0,7	-0,8	47,0	47,2	49,3	2,1	2,3
Limpopo	32,7	31,9	33,3	1,4	0,6	47,8	46,5	48,6	2,1	0,8

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

The expanded unemployment rate increased by 1.2 percentage points in 2025:Q1 compared with 2024:Q4. The expanded unemployment rate increased in all provinces except Western Cape, where it decreased by 0.1 of a percentage point. The largest increases were recorded in Northern Cape (3.3 percentage points), followed by North West (3.2 percentage points), KwaZulu-Natal (2.2 percentage points), Mpumalanga and Limpopo (2.1 percentage points each).

Compared with the same period last year, the expanded unemployment rate increased by 1.2 percentage points in 2025:Q1. Six out of the nine provinces recorded increases in the expanded unemployment rate. The largest increases in the expanded unemployment rate were recorded in KwaZulu-Natal (3.2 percentage points), followed by North West (2.4 percentage points) and Mpumalanga (2.3 percentage points). Decreases in the expanded unemployment rate were recorded in Western Cape (1.4 percentage points), Free State (0.3 of a percentage point) and Eastern Cape (0.1 of a percentage point).

3 Decomposition of the Free State Labour Market

The Free State labour force increased from 1 207 000 to 1 214 000 persons, representing an increase of 7 000 economically active population between 2024:Q4 and 2025:Q1. Within the provincial labour

force, the number of unemployed increased by 3 000 people (from 457 000 to 460 000), while the number of the employed increased by 4 000 from 750 000 in 2024:Q4 to 754 000 in 2025:Q1. These changes translated into an official unemployment rate of 37.9%, along with an employment rate (or absorption rate) of 38.8% and the labour force participation rate of 62.5% for the Free State.

As illustrated in Table 4, the inactive population in Free State decreased by 0.8% in 2025:Q1, which translates to 6 000 less inactive population in the province.

Table 4: Free State Labour Force Characteristics

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	1,938	1,941	1,942	1	4	0.0	0.2
Labour Force	1,197	1,207	1,214	7	17	0.6	1.4
Employed	742	750	754	4	12	0.5	1.6
Formal sector (Non-agricultural)	440	451	464	14	24	3.1	5.5
Informal sector (Non-agricultural)	150	166	153	-13	3	-7.9	2.2
Agriculture	79	66	64	-2	-14	-3.3	-18.4
Private households	73	67	72	5	-1	8.1	-1.9
Unemployed	455	457	460	3	5	0.7	1.1
Not economically active	741	735	729	-6	-13	-0.8	-1.7
Discouraged work-seekers	125	109	127	18	2	16.4	1.2
Other(not economically active)	616	626	602	-24	-14	-3.8	-2.3
Rates (%)							
Unemployment rate	38.0	37.9	37.9	0.0	-0.1		
Employed / population ratio (Absorp	38.3	38.6	38.8	0.2	0.5		
Labour force participation rate	61.8	62.2	62.5	0.3	0.7		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

Compared to 2024:Q1, the provincial labour force in 2025:Q1 expanded by about 17 000 economically active population. Consequently, the number of employed increased by 12 000 workers (or 1.6%), while the province's unemployment level increased by 5 000 (or 1.1%).

3.1.1 Employment in the Free State Province

A closer look at the labour data in Table 5, shows that the Free State Province had about 754 000 people employed in 2025:Q1, of which 61.5% (464 000) were in the formal sector, 20.2% (153 000) were in the informal sector, 8.4% (64 000) were in the agricultural sector and 9.7% (72 000) in the private households. During the period under review, jobs were created in the formal sector (14 000) and private households (5 000), while jobs were shed in the informal (13 000), agricultural (2 000) sectors.

On a year-on-year basis, about 12 000 jobs were created in Free State. Formal and informal sectors created most jobs (24 000) and (3 000) respectively. Agricultural (14 000) and private households (1 000) sectors shed jobs.

Considering employment by industry, the biggest employer in the province in the first quarter of 2025 was the community and social services industry which accounted for 201 000 jobs, followed by trade

(148 000), and finance (101 000) industries. While, utilities (water, gas and electricity) sector remained the smallest employer with about 4 000 workers followed by mining (21 000) and transport (28 000) industries (see Table 5).

On a quarter-to-quarter analysis, total employment experienced a slight increase (0.5%), however, there were changes within the industries, whereby, some industries shed jobs while some created jobs. Most jobs were shed in the community and social services (15 000), transport (11 000) and agriculture (2 000) industries. In contrast, employment gains were recorded in manufacturing (17 000), finance (7 000) trade and private households (5 000) industries.

Furthermore, on a year-on-year analysis, total employment in the Free State province increased by 1.6%, and the largest gains were recorded in finance (25 000), construction (18 000), and mining & manufacturing (3 000) industries. Conversely, jobs were shed in trade (15 000), agriculture (14 000), and transport (7 000) industries.

Table 5: Free State Employment by Industry/Sector

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Industry	742	750	754	4	12	0.5	1.6
Agriculture	79	66	64	-2	-14	-3.3	-18.4
Mining	18	20	21	0	3	2.3	18.4
Manufacturing	60	46	62	17	3	36.6	4.4
Utilities	3	5	4	-1	1	-27.9	24.7
Construction	35	54	53	-1	18	-1.9	51.0
Trade	163	144	148	5	-15	3.2	-9.2
Transport	35	38	28	-11	-7	-27.9	-20.5
Finance	76	94	101	7	25	7.2	33.1
Community and social services	201	216	201	-15	0	-6.8	0.1
Private households	73	67	72	5	-1	8.1	-1.9

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

Figure 1 presents employment by gender and occupation in the Free State Province in 2025:Q1. As can be seen, women are dominant in four occupations (most notably on clerical, sales & service, and domestic), while men lead in six occupations, namely; management, technician, skilled agriculture craft and related trade, plant and machine operator and elementary in the province¹.

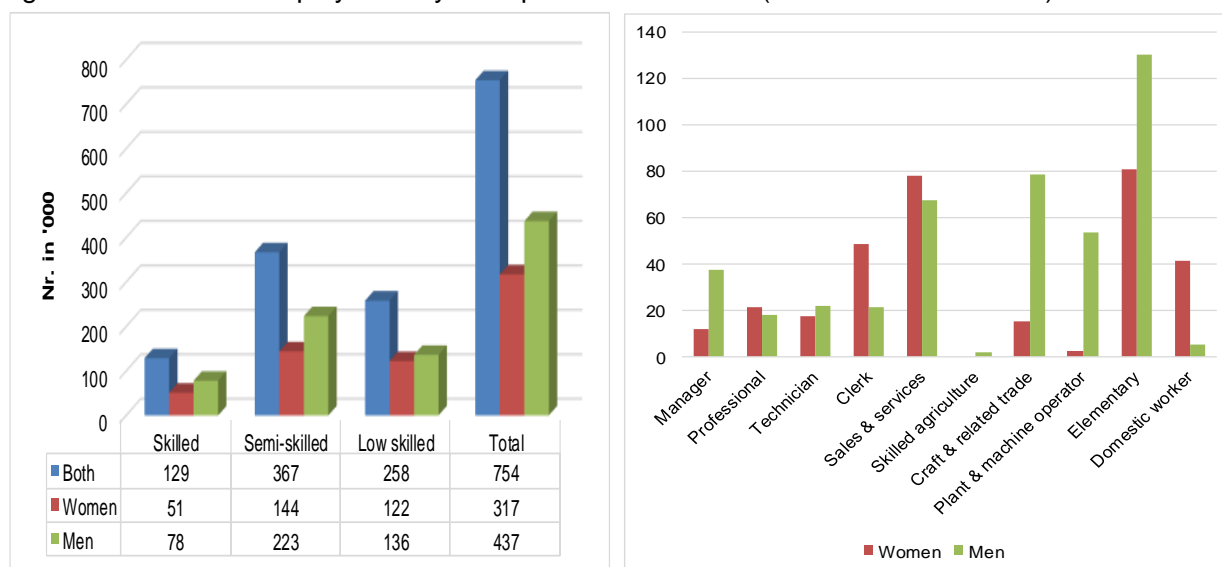
During the period under review, few women were employed in the province relative to men. Thus, women accounted for 42.0% of total employment, while men accounted for 58.0% in the first quarter of 2025. Free State Province is dominated by semi-skilled workers who accounted for 48.6% of the total workforce, followed by low-skilled workers (34.3%) and skilled workers (17.1%).

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.

During the first quarter of 2025, there were 51 000 women employed as skilled workers (16.0%), 144 000 women employed as semi-skilled workers (45.4%) and 123 000 women employed as low-skilled workers (38.6 %). In the same period, the employment of women decreased by 4 000, whereas the employment of men increased by about 7 000 persons in comparison to 2024:Q4.

Currently, employment among women stands at 317 000, whereas employment among men stands at 437 000. Overall, the provincial unemployment rate of women increased by 0.1 of a percentage point, while the unemployment rate of men also grew by 0.1 of percentage point.

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



Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

The current provincial labour force participation rate for women is about 54.6% (54.6% in 2024:Q4), whereas for men it is 70.9% (70.4% in 2024:Q4), indicating that more women relative to men, are economically inactive and have become discouraged to search for employment.

The women population is frequently more vulnerable in the labour market. Women have a lower absorption rate in the labor market compared to men, meaning fewer women are employed compared to their proportion in the working-age population. Women are generally engaged in household and family responsibilities, hindering their participation in the labour market and job-search activities.

3.1.2 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 increased on a quarter-to-quarter basis by 3 000 (or 0.7%), mainly driven by new entrants and “other”. Whereas, a year-on-year analysis shows that unemployment has grown by 1.1%, due to only the new entrants.

Table 6: Free State Characteristics of the Unemployed

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand			Percent			
Unemployed	455	457	460	3	5	0.7	1.1
Job losers	156	164	154	-10	-2	-6.1	-1.3
Job leavers	17	16	9	-7	-8	-43.8	-47.1
New entrants	164	173	181	8	17	4.6	10.4
Re-entrants	1	3					
Other	116	101	116	15	0	14.9	0.0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

Table 7 illustrates the unemployment rate by age group in the Free State Province. Out of the 460 000 unemployed people in the province, 261 000 are under the age of 35 years, which translates to 56.7% of the unemployed population.

The overall official unemployment rate in the province was 37.9%, with the youth unemployment rate (i.e., 15 to 24 years) being the highest at about 69.4%, followed by 45.4% among the 25 to 34 years age group. Compared to the previous quarter, the official unemployment rate remains unchanged in the Free State Province.

Considering a year-on-year analysis, the unemployment rate decreased by 0.1 percentage points, possibly owing to a decrease of 1.8 percentage points among the 15 to 24 years age group, 2.9 percentage points among those in the 25 to 34 years age group and 0.7 percentage points among the 35 to 44 years age group.

Table 7: Free State Official Unemployment Rate by Age Group

Age categories	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change
	Per cent			Percentage change	
15-64 years	38.0	37.9	37.9	0.0	-0.1
15-24 years	71.2	68.2	69.4	1.2	-1.8
25-34 years	48.3	46.9	45.4	-1.5	-2.9
35-44 years	31.2	30.4	30.5	0.1	-0.7
45-54 years	23.3	28.4	29.6	1.2	6.3
55-64 years	10.6	16.4	14.0	-2.4	3.4

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

In this context, data displayed in Table 8 reveals that out of 460 000 unemployed population in 2025:Q1, 3 000 had *no schooling*, 19 000 had *less than primary completed*, 17 000 had *primary completed*, and 176 000 had *secondary not completed*. Those with post-secondary (*tertiary* education) amounted to 48 000 in 2025:Q1. About 42.8% of the unemployed in the province have completed the secondary education.

Table 8: The Highest Level of Education of the Unemployed

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Highest level of education of the unemployed	455	457	460	3	5	0.7	1.1
No schooling	1	5	3	-2	2	-49.0	276.1
Less than primary completed	14	17	19	2	5	11.9	36.2
Primary completed	11	18	17	-1	6	-5.3	60.3
Secondary not completed	205	190	176	-14	-28	-7.3	-13.9
Secondary completed	174	176	197	21	24	12.0	13.6
Tertiary	50	50	48	-3	-2	-5.5	-4.8
Other	1						

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

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 poor performance in education, including increased dropout rates of the youth, impacting the overall quality of education and unemployment.

3.1.3 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, 49.2% of the NEETs are youth while 50.8% are adults. Today's youth face challenges in the job market even though they are the most educated generation ever. 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. They might encounter financial difficulties, lack robust social connections for employment prospects, and have inflated expectations regarding entry-level wages.

Using the data provided in Table 9, in the first quarter of 2025, the NEET population decreased by 3 000, as about 9 000 women exited while 6 000 more men entered this category. Further, as can be seen, there are approximately 433 000 young people aged between 15 and 34 years, in the Free State Province that falls into the NEET group in 2025:Q1, with 186 000 aged 15 to 24 years and 247 000 aged 25 to 34 years.

Compared to 2024:Q1, the number of NEETs in the Free State Province decreased by 3.2%. In particular, the 880 000 NEET group of the province's working-age population, 58.2% were female, 93.7% were African and 49.2% 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)

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Both sexes	908	882	880	-3	-29	-0.3	-3.2
Women	523	522	513	-9	-9	-1.6	-1.8
Men	386	361	366	6	-19	1.6	-5.0
Age group	908	882	880	-3	-29	-0.3	-3.2
15-24 years	174	169	186	18	13	10.4	7.2
25-34 years	292	274	247	-27	-45	-9.9	-15.4
35-44 years	179	172	174	3	-5	1.5	-2.6
45-54 years	133	142	148	6	15	4.4	11.3
55-64 years	131	127	124	-2	-7	-1.7	-5.1
Population groups	908	882	880	-3	-29	-0.3	-3.2
Black/African	850	839	825	-14	-26	-1.7	-3.0
Coloured	39	14	17	3	-21	20.0	-55.4
Indian/Asian	2	3	2	-1	0	0.0	0.0
White	18	27	35	8	18	30.7	100.8

Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

3.1.4 Not Economically Active (NEA) in the Free State Province

Focusing on the NEA population, as displayed in Table 10, approximately 37.5% of the working-age population in the province was not economically active in 2025:Q1. More specifically, groups consisting of *students*, and *discouraged work seekers* made up the top three reasons for economic inactivity in the province. In 2025:Q1, *students* accounted for 42.7% of the inactive population, while those who were too old/young accounted for 11.2%, and discouraged work seekers accounted for 17.4%.

Overall, the NEA population of the province decreased by 13 000 (1.7%) between 2024:Q1 and 2025:Q1, owing to the significant loss in those who are ill or have some form of disability. Compared to the first quarter of 2024, 18 000 more people became discouraged in looking for employment.

Table 10: Free State Characteristics of the Not Economically Active (NEA) Population

	Jan-Mar 2024	Oct-Dec 2024	Jan-Mar 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Not economically active	741	735	729	-6	-13	-0.8	-1.7
Student	290	314	311	-2	22	-0.8	7.5
Home-maker	75	77	72	-4	-2	-5.7	-3.0
Illness/disability	129	93	80	-13	-49	-13.5	-37.9
Too old/young to work	70	74	82	7	12	10.0	17.5
Discouraged work seekers	125	109	127	18	2	16.4	1.2
Other	53	68	56	-12	3	-17.5	6.0

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q1)

4 Concluding Remarks and Policy Recommendation

The unemployment rate in South Africa has increased to 32.9% in 2025:Q1, from 31.9% in 2024:Q4 which translates to 1.0 percentage point. Between these two quarters, 291 000 less people were employed. The number of discouraged work-seekers increased by 7 000 (up by 0.2%), and the number of people who were not economically active for reasons other than discouragement increased by 177 000 (up by 1.4%) between the two quarters, resulting in a net increase of 184 000 in the not economically active population.

Provinces that recorded the lowest unemployment are Western Cape at 19.6% and Northern Cape at 29.5%. North West recorded the highest official unemployment rate in the country (40.4%), followed by Eastern Cape (39.3%), and Free State (37.9%).

In the Free State, the number of unemployed increased by 3 000 people (from 457 000 to 460 000), while the number of the employed increased by 4 000 from 750 000 in 2024: Q4 to 754 000 in 2025: Q1. These changes translated into an official unemployment rate of 37.9%.

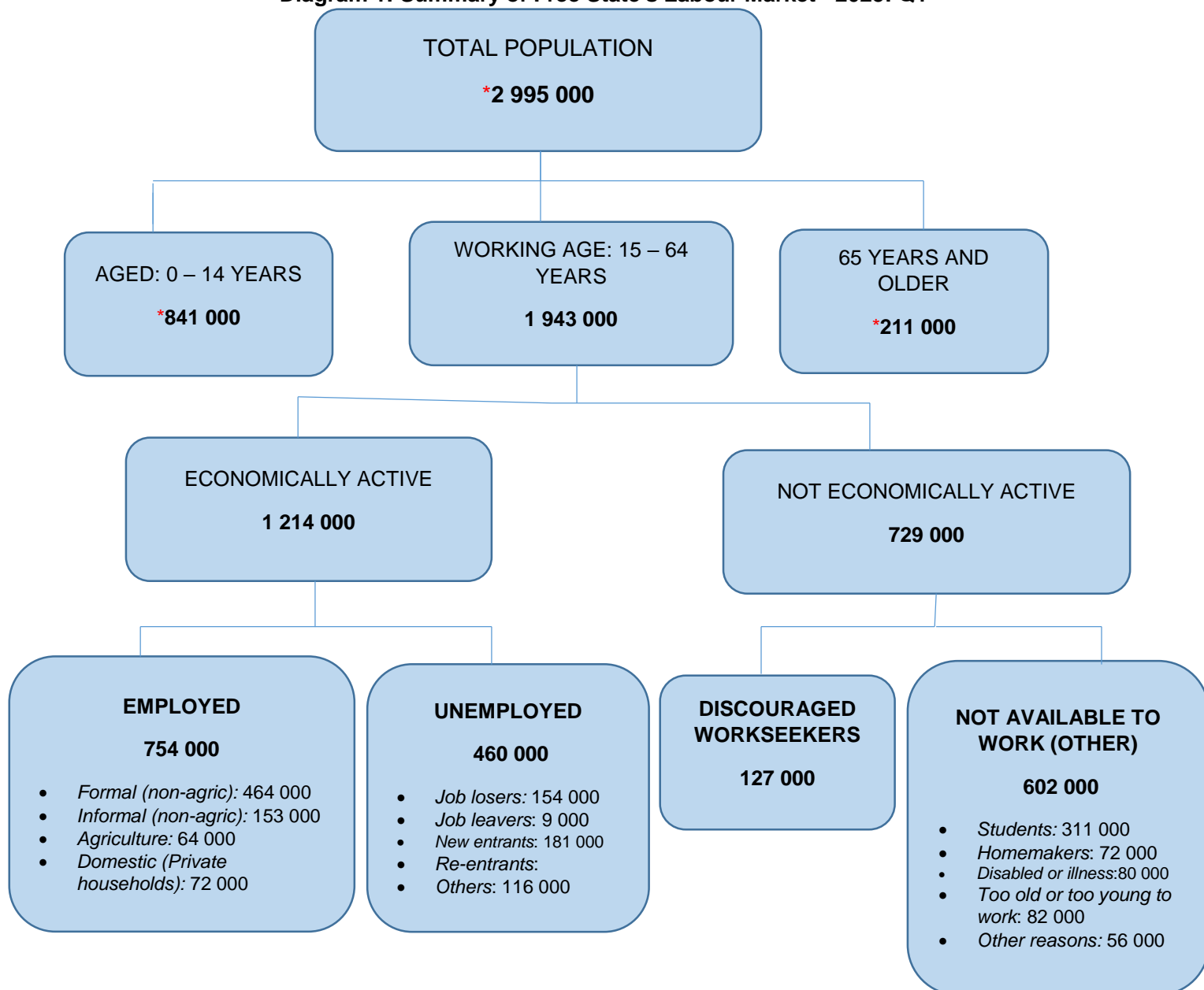
As noted in the report, South Africa faces a particularly severe problem of youth unemployment, which is the percentage of young people actively looking for work but unable to find it. This is exacerbated by limited educational attainment and economic disadvantages. However, even the ones with post matric qualification still struggle to find employment, and that raises concern if the educational institutions are producing the skills needed for the labour market or it's more of a slow economic growth issue.

5 References

1. IMF. (2025). *World Economic Outlook: A Critical Juncture Amid Policy Shifts*. Washington, DC: International Monetary Fund. Retrieved from <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>
2. Jammie, A. (2025, May 13). *Economy*. Retrieved from Business Live: <https://www.businesslive.co.za/>
3. National Treasury. (2025). *A Budget for Growth and Sustainable Public Finances*. Pretoria: National Treasury. Retrieved from <https://www.treasury.gov.za/documents/National%20Budget/2025May/2025%20Budget%20presentation.pdf>
4. Parker, D. (2025, May 13). *Economy*. Retrieved from Engineering News: <https://www.engineeringnews.co.za/>
5. StatsSA. (2024). *Mid-year Population Estimates*. Pretoria: Statistics South Africa. Retrieved from <https://www.statssa.gov.za/publications/P0302/P03022024.pdf>
6. StatsSA. (2025). *Quarterly Labour Force Survey*. Pretoria. Retrieved from <https://www.statssa.gov.za/publications/P0211/P02111stQuarter2025.pdf>

APPENDIX

Diagram 1: Summary of Free State's Labour Market - 2025: Q1



Labour force participation rate = 62.5%

Absorption rate = 38.8%

Official unemployment rate = 37.9%

Expanded unemployment rate = 44.8%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2025:Q1

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