

FREE STATE PROVINCE

QUARTERLY LABOUR MARKET REVIEW

SECOND QUARTER
2025

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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) **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 33.2 percent in 2025:Q2 compared to 32.9 percent in 2025:Q1. Nationwide, the number of unemployed people increased by 140,000 from 5.2 million to 8.4 million in the second quarter.
- Nationally, employment increased in the formal sector (by 34,000) and private households (by 28,000), while it declined in the agricultural sector and the informal sector by 24,000 and 19,000, respectively, in 2025:Q2.
- Employment gains were recorded in Gauteng (95,000), Eastern Cape (89,000), Limpopo (27,000), North West (16,000), Free State (12,000), and Mpumalanga (11,000). Decreases occurred in Western Cape (117,000), KwaZulu-Natal (86,000), and Northern Cape (28,000) during the same period.
- The overall official unemployment rate in the Free State province was 38.5 percent in 2025:Q2. This has increased by 0.6 percentage points compared to 2025:Q1. Youth unemployment (i.e., 15 to 24 years) remained the highest at approximately 72.4 percent, followed by 47.1 percent among those aged 25 to 34.
- Regarding employment by industries, the community and social services sector remained the largest employer in the province in 2025:Q2, employing about 214,000 people, followed by the trade sector (144,000) and the finance sector (99,000).
- In terms of employment by gender in 2025:Q2, comparatively few women were employed compared to men. Women accounted for 42.2 percent of total employment, whereas men made up 57.8 percent in the second quarter of 2025.
- Employment among women rose by 37,000, whereas employment among men fell by about 25,000 compared to 2024:Q1. Currently, there are 354,000 women who are employed, and 412,000 men who are employed. Overall, the provincial unemployment rate for women decreased by 1.6 percentage points, while the unemployment rate for men increased by 2.2 percentage points.
- The vulnerability of youth (15–34 years) remains a persistent challenge in the labour market. With an overall provincial unemployment rate of 38.5 percent in 2025:Q2, youth unemployment (i.e., 15 to 24 years) was the highest at approximately 72.4 percent, followed by 47.1 percent among those aged 25 to 34.

1.1 Global Economic Growth Outlook

The global economy faces unprecedented headwinds of uncertainty. The main challenges to this increasing uncertainty include the escalation of trade barriers, persistent policy uncertainty, rising geopolitical tensions, and an increase in extreme climate events (World Bank, 2025). Global growth is expected to slow down in both 2025 and 2026. Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026. While these figures represent a deceleration compared to 2024's 3.3 percent and the pre-pandemic average of 3.7 percent, they also indicate a degree of resilience as trade-related disruptions ease. This growth is also higher than the assumed April forecast by the IMF, indicating a positive revision (IMF, 2025).

Growth in the advanced economies is forecasted at 1.5 percent in 2025 and 1.6 percent in 2026 (IMF, 2025). In the United States, with tariff rates stabilising at lower levels than those announced on April 2 and with looser financial conditions, the economy is expected to grow at 1.9 percent in 2025. This is 0.1 percentage points higher than the April forecast, although some downside risks remain from private demand cooling faster than expected and weaker immigration.

Among emerging markets and developing economies (EMDEs), growth is projected to be 4.1 percent in 2025 and 4.0 percent in 2026. Compared to the forecast in April, China's growth in 2025 has been revised upward by 0.8 percentage points to 4.8 percent. This revision reflects stronger-than-expected activity in the first half of 2025 and a significant reduction in US–China tariffs. In India, growth is projected at 6.4 percent for 2025 and 2026, with both figures slightly revised upward, reflecting a more benign external environment than assumed in April this year (IMF, 2025).

The economic outlook for Sub-Saharan Africa (SSA) this year and next is expected to be weaker than previously predicted, due to the worsening global environment and domestic challenges. High government debt, persistently high interest rates, and increasing debt-servicing costs have reduced fiscal space, leading many countries to pursue fiscal consolidation, especially as international development assistance continues to decline. Per capita income gains will remain insufficient to have a significant impact on reducing extreme poverty in the region, which is home to the majority of the world's poor. SSA's growth is forecasted to reach 3.5 percent in 2025, with an acceleration to 4.3 percent in 2026-27, driven by increased private consumption and investment as inflation eases. Nonetheless, these growth rates are deemed inadequate to substantially lower poverty levels. Progress may also be hampered by the upcoming jobs challenge, anticipated to be most acute in SSA compared to other regions, as the pace of job creation struggles to keep up with the rapidly growing working-age population (World Bank 2025).

Meanwhile, the South African economy has been stuck in a low-level equilibrium, characterised by low GDP growth, stagnant fixed capital formation, and declining GNI per capita. These dynamics have led to steadily rising unemployment and increasing inequality. Over the past thirty years, total savings and investment have been insufficient to sustain the growth rate and employment creation needed. Structural constraints have, in part, imposed significant limits on potential economic growth, causing a downturn in new investment within the economy (Loewald *et al.*, 2020). Both the global and domestic economies continue to experience heightened volatility, making the 2025 forecasts highly uncertain. Therefore, the South African real GDP is estimated to grow at 1.4 percent in 2025 and over the next two years, it is projected to rise moderately to 1.6 percent in 2026 and 1.8 percent in 2027 (National Treasury, 2025).

1.2 South African Labour Market Overview

The South African unemployment rate increased by 0.3 percentage points, rising from 32.9 percent in 2025:Q1 to 33.2 percent in 2025:Q2. This increase indicates a worsening of the unemployment situation in the country, despite a slight increase in the number of employed individuals, according to Stats SA. According to the figures released in 2025:Q2, there was an increase of 19,000 in the number of employed persons to 16.8 million, while the number of unemployed persons rose by 140,000 to 8.4 million.

The employment gains were observed in the formal sector (up by 34,000) and private households (up by 28,000), while the Agricultural sector and the informal sector employment decreased by 24,000 and 19,000, respectively, in 2025:Q2.

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

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand			Percentage			
Population 15-64 yrs	41 296	41 691	41 822	131	526	0,3	1,3
Labour Force	25 036	25 015	25 174	159	138	0,6	0,6
Employed	16 652	16 787	16 807	19	154	0,1	0,9
Formal sector (Non-agricultural)	11 467	11 434	11 468	34	2	0,3	0,0
Informal sector (Non-agricultural)	3 129	3 345	3 326	-19	197	-0,6	6,3
Agriculture	896	930	906	-24	10	-2,6	1,1
Private households	1 160	1 078	1 106	28	-54	2,6	-4,7
Unemployed	8 384	8 228	8 367	140	-16	1,7	-0,2
Not economically active	16 260	16 676	16 648	-28	388	-0,2	2,4
Discouraged work-seekers	3 195	3 473	3 445	-28	250	-0,8	7,8
Other (not economically active)	13 065	13 203	13 203	0	138	0,0	1,1
Rates (%)							
Unemployment rate	33,5	32,9	33,2	0,3	-0,3		
Employed / population ratio (Absorption)	40,3	40,3	40,2	-0,1	-0,1		
Labour force participation rate	60,6	60,0	60,2	0,2	-0,4		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

As shown in Table 1, the working-age population increased by 131,000, or 0.3 percent, in 2025:Q2 compared to 2025:Q1. The number of employed individuals rose by 19,000 to 16.8 million in 2025:Q2. In contrast, the number of unemployed persons grew by 140,000 to 8.4 million. These changes caused both the unemployment rate and the labour force participation rate to increase by 0.3 percent and 0.2 percent, respectively, while the employment rate (or absorption rate) decreased by 0.1 percent. The number of discouraged work-seekers decreased by 28,000 (a 0.2 percent decrease), and those not economically active for reasons other than discouragement remained unchanged between the two quarters, resulting in a net reduction of 28,000 in the not economically active population.

Compared with 2024:Q2, the working-age population in 2025:Q2 increased by 526,000 or 1,3 percent. Total employment increased by 154,000 persons (or 0,9 percent), the number of unemployed persons decreased by 16,000 and the number of persons who were not economically active increased by 388,000 (or 2,4 percent).

1.2.1 Cross-Provincial Labour Market Performance

The employment rate in South Africa decreased to 40.20 percent in the second quarter of 2025, from 40.30 percent in the first quarter of 2025 (Statistics South Africa, 2025).

1.2.1.1 Employment Levels

Between 2025:Q1 and 2025:Q2, employment grew in six provinces, as shown in Table 2. The employment gains were recorded in Gauteng (95,000), Eastern Cape (89,000), Limpopo (27,000), North West (16,000), Free State (12,000), and Mpumalanga (11,000). Employment decreases were observed in the Western Cape (117,000), KwaZulu-Natal (86,000), and Northern Cape (28,000) during the same period.

Table 2: Employment by Province

Province	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand			Percent			
South Africa	16 652	16 787	16 807	19	154	0,1	0,9
Western Cape	2 675	2 861	2 744	-117	69	-4,1	2,6
Eastern Cape	1 369	1 373	1 462	89	93	6,5	6,8
Northern Cape	314	343	314	-28	0	-8,3	0,1
Free State	745	754	766	12	21	1,6	2,8
KwaZulu-Natal	2 842	2 788	2 702	-86	-140	-3,1	-4,9
North West	887	879	895	16	8	1,8	0,9
Gauteng	5 103	5 091	5 186	95	83	1,9	1,6
Mpumalanga	1 192	1 212	1 223	11	31	0,9	2,6
Limpopo	1 526	1 488	1 515	27	-11	1,8	-0,7

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Compared to 2024:Q2, the largest employment increases were recorded in Eastern Cape (93,000), Gauteng (83,000), and Western Cape (69,000). North West experienced the lowest employment growth with 8,000 during the same period. Employment declined in KwaZulu-Natal (140,000) and Limpopo (11,000), while Northern Cape remained unchanged. During this period, the Free State created approximately 21,000 jobs.

1.2.1.2 Unemployment Rate

Compared to 2025:Q1, the national official unemployment rate decreased by 0.3 percentage points to 33.2 percent in 2025:Q2 compared to 32.9 percent in 2025:Q1. During this period, six provinces experienced increases. The most substantial increases were recorded in the Northern Cape (3,2 percentage points), followed by Limpopo (1,7 percentage points) and the Western Cape (1,5 percentage points). Kwazulu-Natal, Free State and Eastern Cape also recorded an increase in the unemployment rate of 1.1 percent, 0.6 percent and 0.2 percent, respectively, during this period. Conversely, a decrease in the unemployment rate was recorded in Mpumalanga (1,4 percentage points), followed by Gauteng (0,9 of a percentage point) and North West (0,3 of a percentage point).

As compared to the same time last year, the national official unemployment rate decreased by 0,3 of a percentage point. During this period, the official unemployment rate fell in five provinces. The decreases in the unemployment rate were recorded in Mpumalanga (3,4 percentage points), followed by Eastern Cape (1,5 percentage points), Gauteng (1,3 percentage points), North West (1,2 percentage points) and Western Cape (1,1 percentage points). The increases in the unemployment rate were recorded in Limpopo (3,6 percentage points), KwaZulu-Natal (2,3 percentage points), Free State (0,9 of a percentage point) and Northern Cape (0,7 of a percentage point).

Table 3: Unemployment Rates by Province

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change
	Percentage			Percentage points		Percentage			Percentage points	
South Africa	33,5	32,9	33,2	0,3	-0,3	42,6	43,1	42,9	-0,2	0,3
Western Cape	22,2	19,6	21,1	1,5	-1,1	27,3	24,7	27,0	2,3	-0,3
Eastern Cape	41,0	39,3	39,5	0,2	-1,5	49,7	49,0	47,6	-1,4	-2,1
Northern Cape	32,0	29,5	32,7	3,2	0,7	44,9	43,0	46,9	3,9	2,0
Free State	37,6	37,9	38,5	0,6	0,9	45,1	44,8	43,8	-1,0	-1,3
KwaZulu Natal	31,1	32,3	33,4	1,1	2,3	44,9	46,9	47,9	1,0	3,0
North West	41,3	40,4	40,1	-0,3	-1,2	54,2	56,0	54,7	-1,3	0,5
Gauteng	35,1	34,7	33,8	-0,9	-1,3	39,2	40,0	39,2	-0,8	0,0
Mpumalanga	37,4	35,4	34,0	-1,4	-3,4	48,7	49,3	48,4	-0,9	-0,3
Limpopo	31,4	33,3	35,0	1,7	3,6	47,1	48,6	47,7	-0,9	0,6

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

The national expanded unemployment rate fell by 0,2 of a percentage point from 43.1 percent in 2025:Q2 compared with 42.9 percent in 2025:Q1. During the same period, the expanded unemployment rate decreased in six provinces. The largest decreases were recorded in Eastern Cape (1,4 percentage points), followed by North West (1,3 percentage points), Free State (1,0 percentage point), Mpumalanga and Limpopo (0,9 percentage points each). The increases were recorded in Northern Cape (3,9 percentage points), Western Cape (2,3 percentage points) and KwaZulu-Natal (1,0 percentage point).

As compared to the same period last year (i.e., 2024:Q2), the expanded unemployment rate increased by 0,3 of a percentage point in 2025:Q2. The increase in the expanded unemployment rate was recorded in four out of the nine provinces, while Gauteng remained unchanged. The largest increases in the expanded unemployment rate were recorded in KwaZulu-Natal (3,0 percentage points), followed by Northern Cape (2,0 percentage points). Decreases in the expanded unemployment rate were recorded in the Eastern Cape (2,1 percentage points), Free State (1,3 percentage points), the Western Cape and Mpumalanga (0,3 of a percentage point each).

1.3 Decomposition of the Free State Labour Market

The Free State labour force stood at 1,245,000 in 2025:Q2, reflecting an increase of 31,000 from 1,214,000 in 2025:Q1, as shown in Table 4. Within this force, the number of unemployed individuals rose from 460,000 in 2025:Q1 to 479,000 in 2025:Q2, while employment grew by 12,000, from 754,000 to 766,000 in the same period. These changes resulted in an official unemployment rate of 38.5 percent, an employment (or absorption) rate of 39.4 percent, and a labour force participation rate of 64.1 percent for the province.

As shown in Table 4, the number of inactive individuals (NEA) in the Free State decreased by 4.2 percent in 2025:Q2, leading to 47,000 fewer inactive individuals in the province.

Table 4: Free State Labour Force Characteristics

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Population 15-64 yrs	1 939	1 942	1 943	1	4	0,0	0,2
Labour Force	1 194	1 214	1 245	31	51	2,6	4,2
Employed	745	754	766	12	21	1,6	2,8
Formal sector (Non-agricultural)	435	464	471	6	35	1,3	8,1
Informal sector (Non-agricultural)	153	153	139	-14	-14	-9,0	-9,0
Agriculture	84	64	85	21	1	32,6	1,0
Private households	73	72	71	-1	-2	-1,1	-2,1
Unemployed	449	460	479	19	30	4,1	6,6
Not economically active	745	729	698	-30	-47	-4,2	-6,3
Discouraged work-seekers	129	127	87	-40	-43	-31,3	-32,9
Other(not economically active)	615	602	611	9	-4	1,5	-0,7
Rates (%)							
Unemployment rate	37,6	37,9	38,5	0,6	0,9		
Employed / population ratio (Absorption)	38,4	38,8	39,4	0,6	1,0		
Labour force participation rate	61,6	62,5	64,1	1,6	2,5		

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Year-on-year comparison (i.e., 2024:Q2) shows that the provincial labour force in 2025:Q2 increased by approximately 51,000 economically active people. As a result, the number of employed individuals rose by 21,000 (or 2.8 percent), while the number of unemployed grew by 30,000 (or 6.6 percent) during this period.

1.3.1 Employment in the Free State Province

In the Free State Province, approximately 766,000 people were employed in 2025:Q2. The total employment increased by 12,000 during this quarter. Around 471,000 individuals were employed in the formal sector in 2025:Q2, showing an increase of 6,000 workers during this period. Meanwhile, employment in the informal sector was 139,000 in 2025:Q2, with a decrease of 14,000 during the same quarter.

On a year-on-year basis, roughly 21,000 jobs were created in the Free State. The formal sector contributed 35,000 jobs during this period, while the informal sector shed approximately 14,000 jobs. The agricultural sector created 1,000 jobs, and private households reduced employment by 2,000 jobs.

Meanwhile, the community and social services sector, which employed about 214,000 people, remained the largest employer in the province in the second quarter of 2025, followed by the trade sector (144,000) and the finance sector (99,000). Utilities (water, gas, and electricity) remained the smallest employer, with about 2,000 workers, followed by the mining (25,000) and transport (29,000) industries, as illustrated in Table 5.

Based on a quarter-to-quarter analysis, total employment increased by 1.6 percent. Most jobs were created in agriculture (21,000), followed by community and social services (13,000), mining (4,000), and transport (2,000) industries. Conversely, the largest losses were recorded in manufacturing (10,000), construction (9,000), trade (4,000), utilities and finance (2,000), and private households (1,000) industries.

Considering year-on-year analysis, total employment in the Free State province increased by 2.8 percent, with the largest gains recorded in community and social services (19,000), mining (9,000), finance (7,000), and construction (5,000) industries. Conversely, jobs were lost in manufacturing (9,000), utilities, and transport (4,000) industries.

Table 5: Free State Employment by Industry/Sector

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Industry	745	754	766	12	21	1,6	2,8
Agriculture	84	64	85	21	1	32,6	1,0
Mining	16	21	25	4	9	17,8	57,3
Manufacturing	61	62	52	-10	-9	-16,1	-14,1
Utilities	6	4	2	-2	-4	-48,5	-67,5
Construction	39	53	45	-9	5	-16,0	13,2
Trade	146	148	144	-4	-1	-2,7	-1,0
Transport	33	28	29	2	-4	6,8	-12,0
Finance	92	101	99	-2	7	-1,6	7,1
Community and social services	195	201	214	13	19	6,3	9,6
Private households	73	72	71	-1	-2	-1,1	-2,1

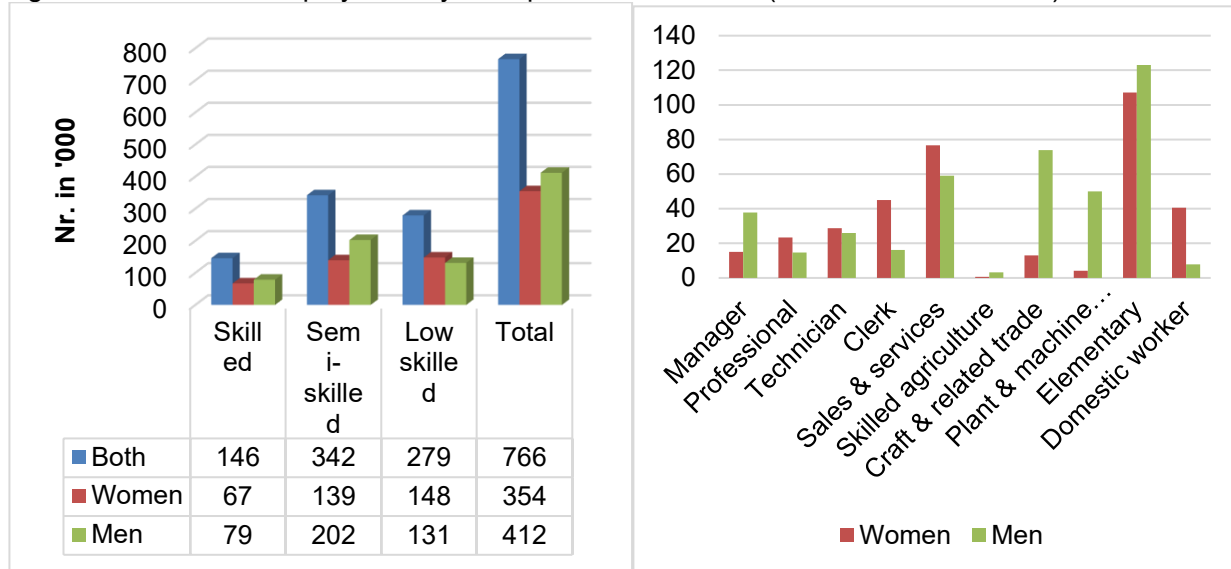
Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Figure 1 illustrates employment by gender and occupation in the Free State Province in 2025:Q2. Women dominate five occupations, namely, professional, technician, clerical, sales & service, and domestic roles, while men lead in four occupations, specifically manager, skilled agricultural crafts and related trades, plant and machine operation, and elementary roles in the province.

Notably, in 2025:Q2, there were relatively fewer women employed compared to men. Women accounted for 42.2 percent of total employment, while men made up 57.8 percent in the second

quarter of 2025. Employment among women increased by 37,000, whereas employment among men decreased by approximately 25,000 compared to 2024:Q1. Currently, employment for women stands at 354,000, and for men at 412,000. Overall, the provincial unemployment rate for women decreased by 1.6 percentage points, while the unemployment rate for men rose by 2.2 percentage points.

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



Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

The current provincial labour force participation rate for women is approximately 58.3 percent (54.6 percent in 2025:Q1), whereas for men it stands at 70.4 percent (70.9 percent in 2024:Q1). This indicates that relatively more women are neither actively seeking employment nor discouraged from searching for work compared to men.

1.3.2 Unemployment in the Free State Province

Table 6 shows the characteristics of the unemployed in the Free State Province. The number of unemployed individuals rose by 19,000 (or 4.1 percent) quarter-to-quarter, mainly due to people leaving their jobs. Meanwhile, year-on-year analysis indicates that unemployment has increased by 6.6 percent, driven solely by new entrants.

Table 6: Free State Characteristics of the Unemployed

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand			Percent			
Unemployed	449	460	479	19	30	4,1	6,6
Job losers	145	154	159	5	14	3,2	9,4
Job leavers	20	9	21	12	1	130,4	3,2
New entrants	160	181	180	-1	20	-0,5	12,8
Re-entrants	1		3	3	2		172,0
Other	123	116	116	0	-7	0,4	-5,5

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Table 7 presents the unemployment rate by age group in the Free State Province. The overall official unemployment rate in the province was 38.5 percent in the second quarter, with youth unemployment (i.e., 15 to 24 years) being the highest at approximately 72.4 percent, followed by 47.1 percent among those aged 25 to 34.

Compared to the previous quarter, the official unemployment rate increased by 0.6 percentage points in the Free State Province. The rate increased across all age categories, except for the 45-54 year age group, which decreased by 3.8 percentage points during this period. Looking at a year-on-year comparison, the unemployment rate rose by 0.9 percentage points. The largest increase was recorded in the 15-24 years age group for the period examined.

Table 7: Free State Official Unemployment Rate by Age Group

Age categories	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change
	Percent			Percentage change	
15-64 years	37,6	37,9	38,5	0,6	0,9
15-24 years	63,1	69,4	72,4	3,0	9,3
25-34 years	48,0	45,4	47,1	1,7	-0,9
35-44 years	33,5	30,5	32,4	1,9	-1,1
45-54 years	22,5	29,6	25,8	-3,8	3,3
55-64 years	16,8	14,0	18,2	4,2	1,4

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Equally important, limited educational attainment combined with social and economic disadvantages are the main factors driving high unemployment rates and the significant proportion of youth not in employment, education, or training (NEET) in South Africa. Young women often face more challenges in securing decent employment compared to their male counterparts. Education plays a crucial role in improving access to better job opportunities (Statistics South Africa, 2025). As shown in Table 8, out of 479,000 unemployed people in 2025:Q2, 2,000 had no schooling, 18,000 had less than primary education, 13,000 had completed primary education, and 188,000 had not finished secondary education. Those with post-secondary (tertiary education numbered 48,000 in 2025:Q2. About 46.6 percent of the unemployed in the province have completed 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	449	460	479	19	30	4,1	6,6
No schooling	4	3	2	0	-1	-2,7	-29,5
Less than primary completed	15	19	18	-1	3	-4,6	18,6
Primary completed	17	17	13	-4	-4	-22,9	-21,7
Secondary not completed	181	176	188	12	8	6,8	4,3
Secondary completed	188	197	209	11	21	5,7	11,0
Tertiary	45	48	48	0	3	-0,1	6,6
Other	1		1				

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

Similarly, education plays a crucial role in equipping young people with the skills and competencies necessary to succeed in the workforce (Statistics South Africa, 2025). Education acts as a vital infrastructure for job creation, and secure employment remains the most dependable way out of poverty. As a powerful development tool, education ranks among the strongest means to reduce poverty and improve health, gender equality, peace, and stability. It delivers considerable and consistent returns in income and is essential for fostering equity and inclusion (World Bank, 2025). A person's chances of securing and maintaining employment are also significantly influenced by their level of education. Compared to individuals without matric, those with tertiary education are more likely to transition from unemployment or inactivity into employment (Statistics South Africa, 2025). This is supported by figures in Table 8, which show that only 9.9 percent of the unemployed in the Free State for the second quarter of 2025 were graduates.

1.3.3 Not in Education, Employment, or Training (NEET)

The importance of addressing this phenomenon cannot be overstated, as young people who are NEET are highly vulnerable in the labour market and face an increased risk of ongoing social exclusion, especially when they have been NEET for an extended period. In fact, existing research shows that long-term disconnection from the labour market and education or training opportunities significantly raises the chances of persistent income poverty and mental health problems (Branson et al., 2019; Rahmani and Groot, 2023). More broadly, a high NEET rate and low youth unemployment may indicate significant discouragement among young people. A high NEET rate among young women suggests their involvement in household chores and/or the presence of strong institutional barriers restricting female participation in labour markets (Statistics South Africa, 2024).

The number of people Not in Education and Not in Employment (NEET) in 2025:Q2 is currently 854,000. This NEET cohort comprises 49.5 percent of the province's working-age population, with 57.2 percent being female, 94.5 percent African, and 49.5 percent aged between 15 and 34 years.

Compared to 2025:Q1, the NEET population in the Free State Province decreased by 26,000 (3.0 percent) from 880,000 in 2025:Q1 to 854,000 in 2025:Q2. About 25,000 women and 1,000 men exited NEET during this period. Additionally, approximately 423,000 young people aged 15 to 34 in the Free State were classified as NEET in the second quarter of 2025. Of these, 171,000 were aged 15 to 24, and 252,000 were aged 24 to 34.

Compared with 2024:Q2, the NEET count in the Free State decreased by 41,000 (4.6 percent). The NEET rate for females was highest during this period, declining by 6.1 percent, while the rate for males declined by 2.5 percent.

Table 9: Free State Profile of Economically Active Groups Not in Education and Not in Employment (NEET)

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Both sexes	895	880	854	-26	-41	-3,0	-4,6
Women	520	513	488	-25	-32	-4,9	-6,1
Men	375	366	366	-1	-9	-0,2	-2,5
Age group	895	880	854	-26	-41	-3,0	-4,6
15-24 years	166	186	171	-16	5	-8,4	3,0
25-34 years	281	247	252	5	-30	2,1	-10,5
35-44 years	181	174	176	1	-5	0,7	-2,9
45-54 years	131	148	136	-11	6	-7,8	4,3
55-64 years	136	124	119	-5	-17	-4,3	-12,3
Population groups	895	880	854	-26	-41	-3,0	-4,6
Black/African	836	825	807	-18	-29	-2,1	-3,4
Coloured	36	17	15	-3	-21	-15,4	-59,4
Indian/Asian	1	2	1	-2	0	0,0	0,0
White	22	35	31	-4	9	-11,4	43,3

Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

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

According to the NEA population data, as shown in Table 10, about 35.9 percent of the working-age population in the province was not economically active in Q2 2025. Specifically, the main reasons for economic inactivity included groups such as students and discouraged work seekers. In 2025:Q2, students comprised 46.3 percent of the inactive population, while those considered too old or too young made up 9.8 percent, and discouraged work seekers accounted for 12.4 percent.

Overall, the NEA population of the province declined by 47,000 (6.3 percent) between 2024:Q2 and 2025:Q2, mainly due to a significant decrease in individuals who are ill or have some form of disability. Compared to the first quarter of 2024, discouraged work seekers fell by 43,000 (32.9 percent).

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

	Apr-Jun 2024	Jan-Mar 2025	Apr-Jun 2025	Qrt to Qrt change	Year on year change	Qrt to Qrt change	Year on year change
	Thousand				Percent		
Not economically active	745	729	698	-30	-47	-4,2	-6,3
Student	294	311	323	12	29	3,8	9,9
Home-maker	60	72	81	9	21	12,1	34,9
Illness/disability	128	80	85	5	-42	6,5	-33,1
Too old/young to work	71	82	69	-13	-3	-16,1	-3,8
Discouraged work seekers	129	127	87	-40	-43	-31,3	-32,9
Other	62	56	53	-3	-9	-6,1	-14,9

Source: Statistics South Africa (Quarterly Labour Force Survey, 2025:Q2)

1.4 Concluding Remarks and Policy Recommendation

The South African unemployment rate increased by 0.3 percentage points, rising from 32.9 percent in the first quarter (Q1) of 2025 to 33.2 percent in the second quarter (Q2) of 2025. This increase indicates a deteriorating unemployment situation in the country, despite a slight rise in the employed individuals. The National Treasury (2025) projects that South Africa's real GDP will grow by 1.4 percent in 2025 and continue to expand modestly over the next two years, reaching 1.6 percent in 2026 and 1.8 percent in 2027 (National Treasury, 2025). These projections are too low to motivate economic activities that could generate jobs; as a result, they are unlikely to reduce the current unemployment rate, which remains above 30 percent if this trend persists. This situation calls for urgent government intervention through the implementation of pro-growth and job-creating strategies.

Similarly, analysis within this document indicates a high unemployment rate in the Free State Province, which rose from 37,9 percent in 2025:Q1 to 38,5 percent in 2025:Q2. This elevated rate is associated with declines in the primary sector, particularly mining and agriculture, along with limited industrialisation. Currently, the main sources of formal employment are community and social services, the trade sector, and the finance sector. Youth and women have been disproportionately affected by unemployment. The unemployment rate for youth and women exceeds that of men in the province, with averages of 66.4 percent for youth and 38.6 percent for women during the period examined, compared to an average of 29.9 percent for men.

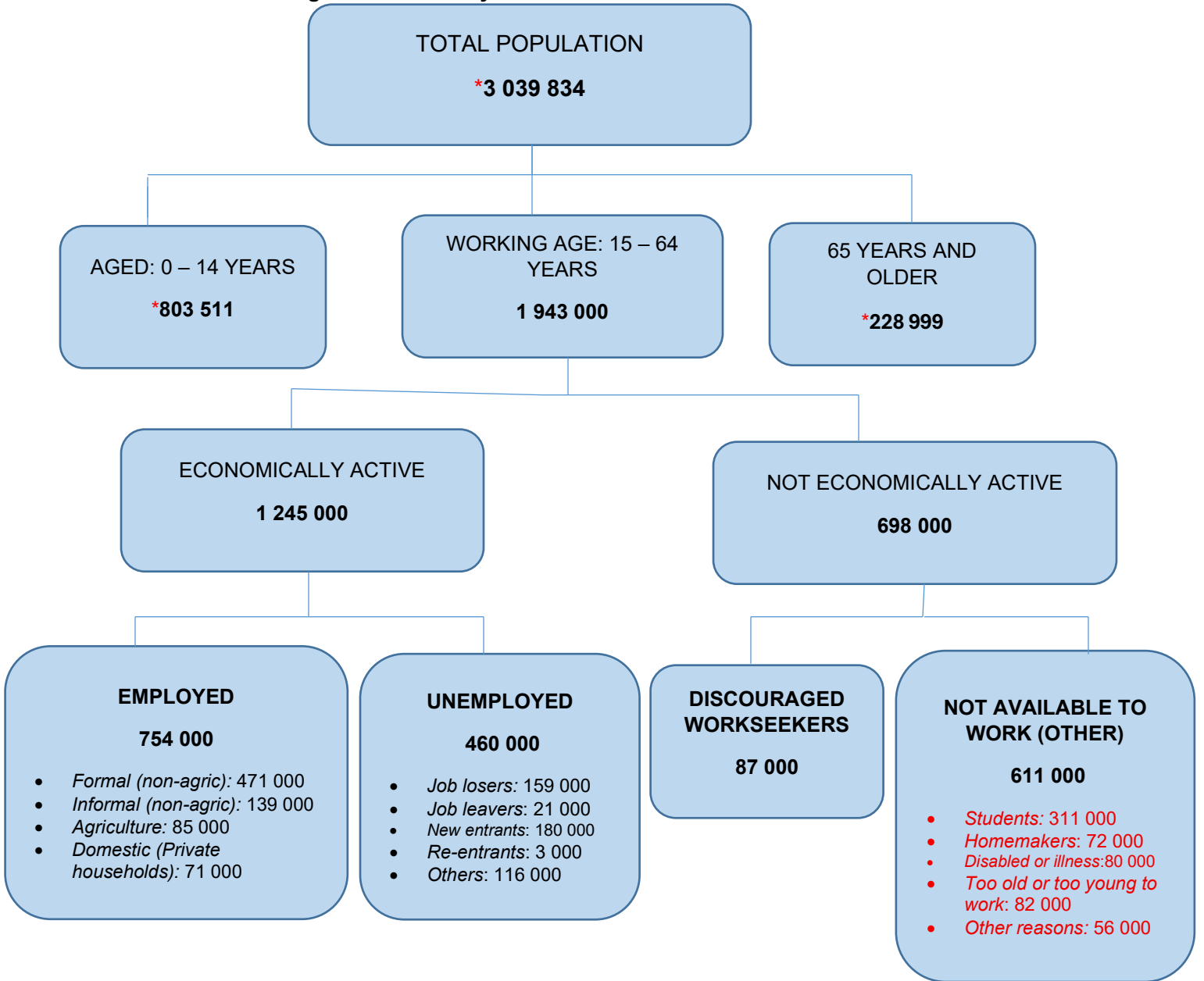
- Given the bleak economic outlook, the government must initiate significant economic reforms aimed at reducing high unemployment and poverty levels, as well as improving the currently low labour absorption rate. Therefore, based on this conclusion and analysis, the following recommendations are suggested:
- To unlock job creation and long-term growth, structural reforms should focus on enhancing institutional quality, attracting private investment, and strengthening human capital and labour markets. For example, this can be achieved by simplifying regulations on public-private partnerships to enable greater investment in both social and economic infrastructure, as well as encouraging and enabling businesses to invest in productive capacity.
- To create more job opportunities for youth and women, and to reduce the persistently high unemployment rate, the government needs to adopt and implement policies that support youth and women in becoming more employable, such as improving access to education and skills training. For instance, this can be achieved by investing in digital identity and payments, affordable broadband, and increasing training for young people in digital skills. Additionally, expanding and institutionalising the Presidential Employment Stimulus, the Expanded Public Works Programme, and other initiatives under the Presidential Youth Employment Intervention, as well as promoting growth in labour-intensive sectors such as services, agriculture, green manufacturing, and tourism.

1.5 References

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APPENDIX

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



Labour force participation rate = 64.1%
 Absorption rate = 39.4%
 Official unemployment rate = 38.5%
 Expanded unemployment rate = 44.8%

Source: Statistics South Africa, Quarterly Labour Force Survey, 2025:Q2

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, 2025)*