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MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



PROVINCIAL LABOUR BULLETIN

MARCH 2023



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TABLE OF CONTENTS

KEY FINDINGS	1
1. INTRODUCTION.....	2
2. LABOUR FORCE PROFILE	2
3. EMPLOYMENT	3
4. UNEMPLOYMENT	12
5. CONCLUDING REMARKS	19

KEY FINDINGS

- South Africa's employment figure increased from 14.5 million in Q4 2021 to 15.9 million in Q4 2022. The national economy gained 1.4 million jobs on an annual basis and 169 089 on a quarterly basis.
- The provincial employment number was 1 186 271 in Q4 2022, which was 133 812 more on an annual basis, however, it was 12 508 less on a quarterly basis.
- On a quarterly basis, employment levels increased in five provinces. Mpumalanga (-12 508) recorded the second lowest decline in quarterly job numbers. On an annual basis all the provinces recorded job gains. Mpumalanga recorded the third highest number of annual job gains.
- Mpumalanga's latest employment level of 1.18 million was still 59 444 jobs short of the 1.25 million persons employed in Q1 2020 before the lockdown was instituted.
- In Mpumalanga, the formal employees' share of total employment increased from 55.7% in Q4 2021 to 59.2% in Q4 2022. The informal sector's share increased from 24.7% to 25.6% on an annual basis. The share of agriculture declined to 7.7% in Q4 2022, whereas private households' share decreased to 7.5% from 9.5% in Q4 2021.
- In Q4 2022, community services (22.6%), trade (20.9%), and finance (11.0%) made the largest contributions to employment in the province.
- Mpumalanga's strict unemployment rate increased/deteriorated by 1.0 percentage point on a quarterly basis from 35.1% in Q3 2022 to 36.1% in Q4 2022. Mpumalanga's unemployment rate declined/improved by 3.6 percentage points over the last twelve months.
- In Q4 2022, the 40.2% unemployment rate of females was higher than the male unemployment rate of 32.0%.
- The unemployment rate of youth of working age (15-34 years) was 48.4%, whilst the unemployment rate of adults (35-64 years) was 25.4%. The female youth unemployment rate of 56.0% was considerably higher than the male youth unemployment rate of 42.6%.
- In Q4 2022, Mpumalanga recorded a ratio of 46.6% not in employment and education (NEET), which was lower/better than the 47.4% recorded in Q4 2021.
- On an annual basis, Mpumalanga's expanded unemployment rate declined by 4.2 percentage points to 48.2%. On a quarterly basis, Mpumalanga's expanded unemployment rate increased by 1.7 percentage points.

1. INTRODUCTION

The purpose of the quarterly Provincial Labour Bulletin of the Economic Analysis Unit (Department of Economic Development and Tourism) is to provide an essential reference to policy makers by providing the latest labour data and analysis with specific reference to Mpumalanga. The data and analysis in this report is based on the *Quarterly Labour Force Survey (QLFS)*, *Quarter 4, 2022* published by Statistics South Africa (Stats SA) on 28 February 2023.

2. LABOUR FORCE PROFILE

South Africa's employment figure increased from 14.5 million in Q4 2021 to 15.9 million in Q4 2022. The national economy gained 1.4 million jobs on an annual basis. The national economy recorded an unemployment rate (strict definition) of 32.7% in Q4 2022, which was a decrease/improvement from the 35.3% in Q4 2021. The unemployment rate according to the expanded definition also decreased/improved to 42.6% in Q4 2022 from 46.2% in Q4 2021.

The provincial labour force (strict definition) of 1.86 million individuals was 109 161 more in Q4 2022 than a year earlier (Table 1). Mpumalanga's provincial labour force also increased by 7 011 on a quarterly basis. The provincial employment figure was 1 186 271 in Q4 2022, which was 133 812 more on an annual basis, but 12 508 less on a quarterly basis.

Table 1: Labour force profile of Mpumalanga, 2021-2022

Indicator	Q4 2021	Q3 2022	Q4 2022	Year-on-year changes	Q3 2022 to Q4 2022 changes
Working age population (15-64 years)	3 056 638	3 090 897	3 102 017	45 380	11 121
Not economically active	1 310 648	1 242 758	1 246 867	-63 781	4 109
Labour Force/EAP	1 745 990	1 848 139	1 855 150	109 161	7 011
Employment	1 052 459	1 242 758	1 186 271	133 812	-12 508
Unemployed	693 531	649 360	668 880	-24 651	19 520
Discouraged work-seekers	403 878	340 233	359 813	-44 064	19 580
Rates	%	%	%	%	%
Unemployment rate (strict)	39.7	35.1	36.1	-3.6	1.0
Unemployment rate (expanded)	52.4	46.5	48.2	-4.2	1.7
Labour force participation rate (EAP/pop)	57.1	59.8	59.8	2.7	0.0
Absorption rate (employed/pop ratio)	34.4	38.8	38.2	3.8	-0.6

Source: Statistics South Africa – QLFS, 2023

The number of unemployed people (strict definition) in the province increased by 19 520 on a quarterly basis, however, it decreased by 24 651 on an annual basis. The strict unemployment rate of the province decreased/improved from 39.7% in Q4 2021 to 36.1% in Q4 2022. The provincial unemployment rate according to the expanded definition improved to 48.2% in Q4 2022 from 52.4% in Q4 2021. In Q4 2022, the strict as well as the expanded unemployment rate in Mpumalanga, were lower than the record highs recorded in Q4 2021.

The labour force participation rate is the proportion of the working-age population that is either employed or unemployed. Mpumalanga's participation rate remained unchanged at 59.8% on

a quarterly basis. On an annual basis, it improved from 57.1% in Q4 2021 to 59.8% in Q4 2022. The absorption rate is the proportion of the working-age population that is employed. Mpumalanga's absorption rate decreased/deteriorated on a quarterly basis from 38.8% to 38.2% in Q4 2022, however, it was 3.8 percentage points higher/better than the 34.4% recorded in Q4 2021.

3. EMPLOYMENT

On a quarterly basis, the South African economy gained 169 089 jobs in Q4 2022 (Table 2). On a quarterly basis, employment levels increased in five provinces and declined in four. Mpumalanga (-12 508) recorded the second lowest/third highest quarterly decline in job numbers. Western Cape (167 315) showed the largest quarterly gain in employment numbers and Limpopo (-19 916) the largest decline.

On an annual basis, the South African economy recorded 1.39 million job gains and all the provinces gained jobs. Mpumalanga (133 812) gained the third highest number of jobs, whilst the most significant annual job gains were observed in Gauteng (380 857).

Table 2: Changes in employment in South Africa and provinces, 2021-2022

Region	Q4 2021	Q3 2022	Q4 2022	Year-on-year changes	Q3 2022 to Q4 2022 changes
Western Cape	2 262 688	2 428 470	2 595 785	333 097	167 315
Eastern Cape	1 247 462	1 360 039	1 379 792	132 330	19 753
Northern Cape	264 234	323 816	335 532	71 298	11 715
Free State	727 270	797 542	794 138	66 868	-3 404
KwaZulu-Natal	2 423 659	2 538 576	2 540 535	116 876	1 958
North West	858 281	858 411	880 993	22 712	22 582
Gauteng	4 523 841	4 923 105	4 904 699	380 857	-18 406
Mpumalanga	1 052 459	1 198 779	1 186 271	133 812	-12 508
Limpopo	1 184 238	1 336 667	1 316 750	132 512	-19 916
South Africa	14 544 131	15 765 404	15 934 493	1 390 362	169 089

Source: Statistics South Africa – QLFS, 2023

Table 3: Employment change of South Africa and provinces, 2021-2022

Region	Q3 2022 to Q4 2022 % change	Year-on-year % change
Western Cape	6.9%	14.7%
Eastern Cape	1.5%	10.6%
Northern Cape	3.6%	27.0%
Free State	-0.4%	9.2%
KwaZulu-Natal	0.1%	4.8%
North West	2.6%	2.6%
Gauteng	-0.4%	8.4%
Mpumalanga	-1.0%	12.7%
Limpopo	-1.5%	11.2%
South Africa	1.1%	9.6%

Source: Statistics South Africa – QLFS, 2023

Employment in Mpumalanga represented 7.4% of the South African employment number in Q4 2022, which was lower than the 7.6% in Q3 2022, but higher than the 7.2% in Q4 2021. Between Q3 2022 and Q4 2022, employment numbers increased by 1.1% in South Africa (Table 3). In Q4 2022, Mpumalanga (-1.0%) recorded the second highest quarterly loss in

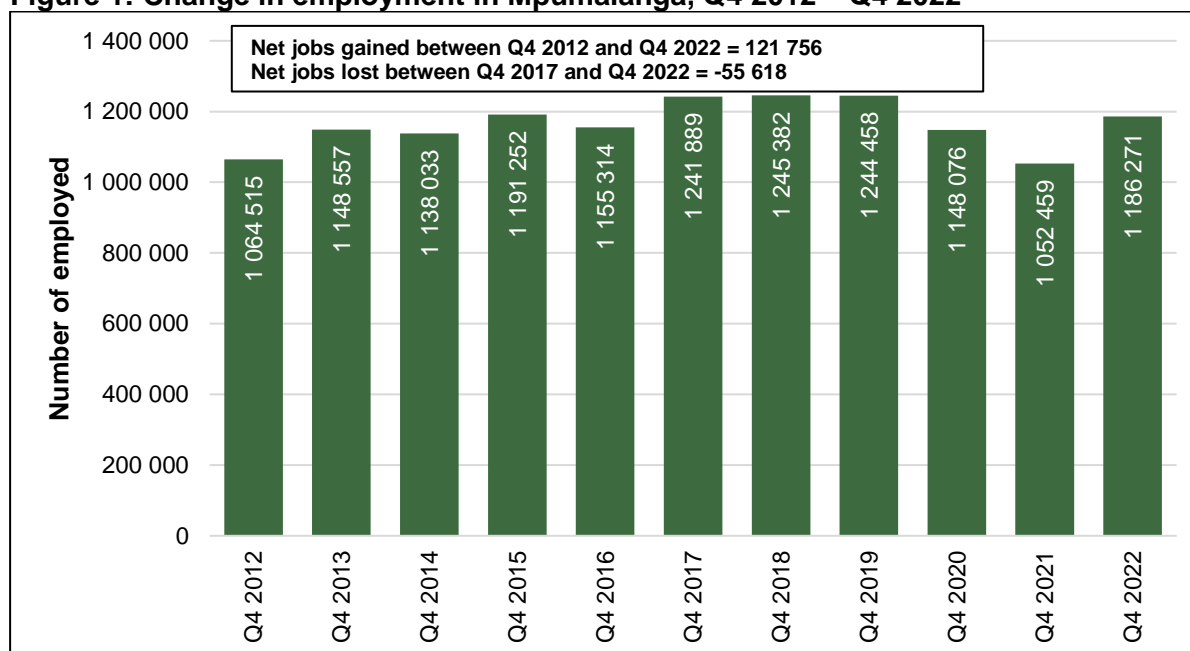
percentage terms, whilst the most significant quarterly employment growth was observed in Western Cape (6.9%).

On an annual basis, employment numbers increased by 9.6% in South Africa. In percentage terms, Mpumalanga recorded the third fastest annual increase in employment of 12.7%. The fastest annual job gains were recorded in Northern Cape (27.0%), whereas North West (2.6%) recorded the slowest annual employment growth rate.

Employment changes over a 10-year period

In Q4 2012, Mpumalanga's employment level was recorded at 1.06 million and it increased to 1.19 million in Q4 2022 (Figure 1). Mpumalanga's employment therefore increased only by 121 756 in the 10-year period. In Q4 2022, Mpumalanga's employment number was more or less on par with the employment level achieved in Q3 2015 (1 184 086).

Figure 1: Change in employment in Mpumalanga, Q4 2012 – Q4 2022



Source: Statistics South Africa – QLFS, 2023

The average annual job gain during the 10-year period was only 12 176 jobs, which was far less than the annual provincial job creation target. Over the 10-year period, no province recorded job losses and Mpumalanga's job gains were the sixth highest among the provinces.

Employment changes over a 5-year period

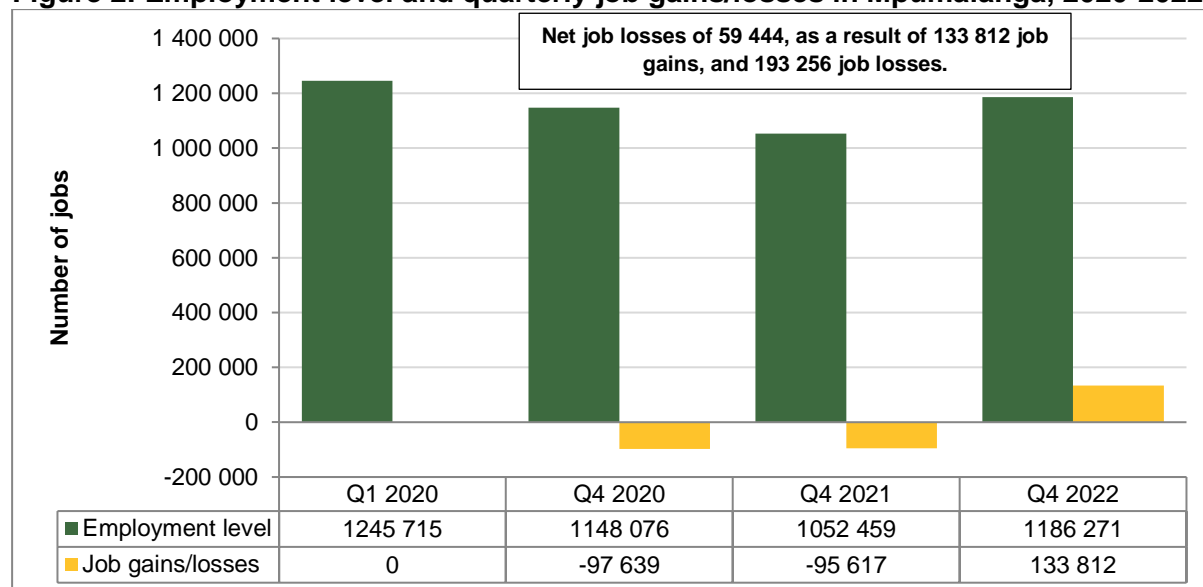
Mpumalanga shed 55 618 jobs between Q4 2017 and Q4 2022. The average annual job losses was 11 124 over the 5-year period. Over the 5-year period, employment numbers declined in six provinces and the national employment number declined by 236 533.

Impact of COVID-19 on employment

To demonstrate the employment change in Mpumalanga since before the COVID-19

lockdown, Figure 2 presents the quarterly employment changes up to Q4 2022. Over the eleven quarters under consideration, job gains were recorded in five quarters. Despite cumulative job gains of 133 812, the latest employment level of 1.186 million was still 59 444 jobs short of the 1.25 million persons employed in Q1 2020 before the lockdown was instituted.

Figure 2: Employment level and quarterly job gains/losses in Mpumalanga, 2020-2022



Source: Stats SA – QLFS, 2023

Aggregate employment

Table 4 shows the aggregated employment composition of employment in South Africa and the province from Q4 2021 to Q4 2022. In Mpumalanga, the formal employees' share of total employment increased from 55.7% in Q4 2021 to 59.2% in Q4 2022. The formal sector in Mpumalanga (59.2%) recorded a significantly smaller share of total employment than was the case nationally (68.9%).

In Mpumalanga, the informal sector's share increased from 24.7% to 25.6% on an annual basis. The shares of agriculture and private households, respectively, decreased to 7.7% and 7.5% in Q4 2022. Over and above the 91 704 persons employed in Mpumalanga's agriculture industry in Q4 2022, an additional 165 902 citizens were involved in subsistence farming.

Table 4: Aggregate employment in South Africa & Mpumalanga, 2021-2022

Sector	Q4 2021		Q3 2021		Q4 2022	
	SA	MP	SA	MP	SA	MP
Formal sector	67.2%	55.7%	68.7%	59.2%	68.9%	59.2%
Informal sector ¹	18.2%	24.7%	18.8%	25.9%	18.5%	25.6%
Agriculture	6.0%	10.1%	5.5%	7.7%	5.4%	7.7%
Private households	8.7%	9.5%	6.9%	7.2%	7.2%	7.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa – QLFS, 2023

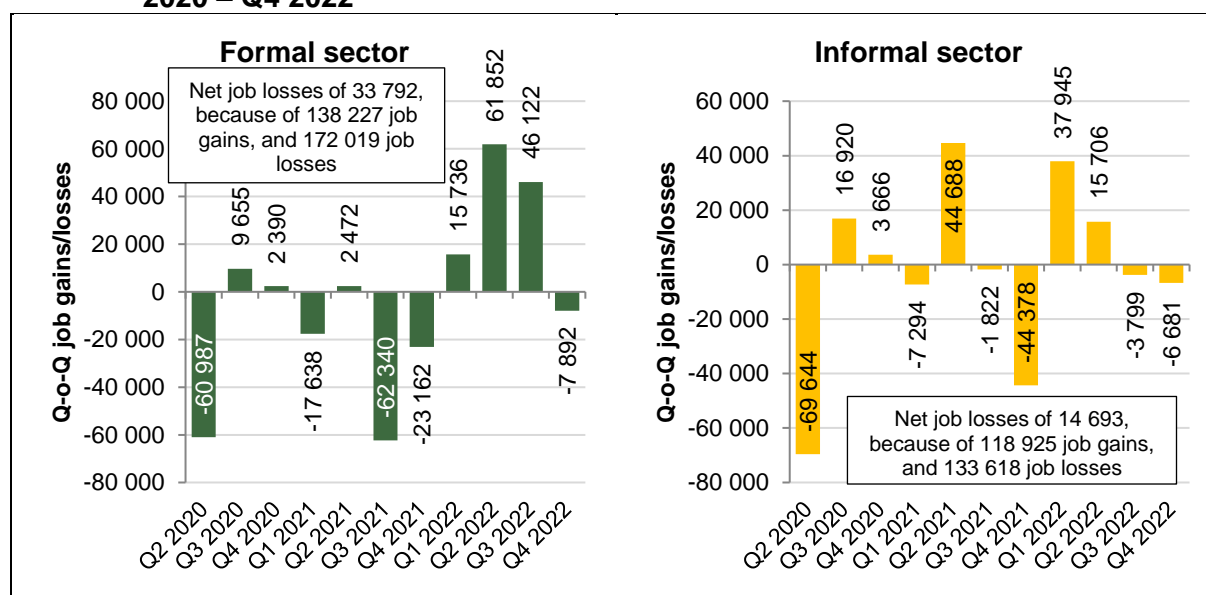
¹ The informal sector comprises i) Employees working in establishments that employ less than 5 employees, who do not deduct income tax from their salaries & ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added tax.

The formal sector and informal sector posted combined job gains of 158 989 job losses over the 1 year period, whereas agriculture and private households recorded combined job losses of 25 177. On a quarterly basis, Mpumalanga recorded 12 508 net job losses. The formal sector, informal sector, and agriculture combined to post job losses of 15 641, whereas private households posted 3 133 job gains.

Impact of COVID-19 on formal and informal employment

Figure 3² presents the quarterly aggregate employment changes up to Q4 2022. It is clear that, the formal and informal sectors are both moving back to levels before the COVID-19 pandemic.

Figure 3: Quarterly job gains/losses in Mpumalanga's formal and informal sectors, Q2 2020 – Q4 2022



Source: Stats SA – QLFS, 2023

The informal sector recorded job losses in six quarters (-133 618) and job gains in five quarters (118 925) for net job losses of 14 693. The formal sector recorded net job losses of 33 792 over the period under review with a combined 172 019 job losses over five quarters and combined job gains over five quarters of 138 227.

Employment by industry

Table 5 summarises the performance in employment by industry in Mpumalanga between Q4 2012 and Q4 2022. Over the 10-year period, six employment industries recorded job gains. Over the 5-year period only three industries recorded job gains, whereas over the last year seven industries recorded job gains. On an annual basis, the net job gains was 133 812 between Q4 2021 and Q4 2022.

The provincial employment number increased by 1.1% per annum over the 10-year period, in

² Excludes agriculture and private households, the other two components of aggregate employment that are addressed in Table 6.

contrast to a job decline of 0.9% per annum over the 5-year period. Mpumalanga's employment increased by 12.7% between Q4 2021 and Q4 2022.

Over the 10-year period, utilities (5.9%) achieved the fastest average annual employment growth, whereas agriculture and private households (both -1.4%) jointly recorded the sharpest annual job decline in percentage terms. Transport (3.0% per annum) recorded the highest growth over the 5-year period, whereas construction (-5.8% per annum) registered the largest annual job decline in percentage terms.

Table 5: Changes in employment by industry in Mpumalanga, 2012-2022

Industry	Employment number Q4 2022	10-year change in		5-year change in:		1-year change in:	
		Number	Average annual %	Number	Average annual %	Number	Average annual %
Agriculture ³	91 704	-14 201	-1.4%	-12 771	-2.6%	-14 106	-13.3%
Mining ⁴	71 837	9 111	1.4%	8 220	2.5%	7 183	11.1%
Manufacturing ⁵	105 452	255	0.0%	-569	-0.1%	27 500	35.3%
Utilities ⁶	32 472	14 109	5.9%	-3 768	-2.2%	5 013	18.3%
Construction ⁷	79 665	-743	-0.1%	-27 591	-5.8%	-155	-0.2%
Trade ⁸	247 338	-3 797	-0.2%	-6 852	-0.5%	62 134	33.5%
Transport ⁹	69 045	10 494	1.7%	9 558	3.0%	9 624	16.2%
Finance ¹⁰	129 683	39 953	3.8%	-1 945	-0.3%	4 456	3.6%
Community services ¹¹	267 673	77 517	3.5%	3 823	0.3%	40 795	18.0%
Private households	88 964	-13 379	-1.4%	-26 161	-5.0%	-11 071	-11.1%
Total	1 186 271	121 756	1.1%	-55 618	-0.9%	133 812	12.7%

Source: Statistics South Africa – QLFS, 2023

Over the last year since Q4 2021, seven employment industries recorded job gains and the other three registered declines in employment numbers (Figure 4). The largest employment increase between Q4 2021 and Q4 2022 was in trade (62 134) and the largest decline in agriculture (-14 106). Figure 4 further depicts that over the last twelve months, the highest employment increase in percentage terms was in manufacturing (35.3%) and the largest decline was registered in agriculture (-13.3%).

Between Q3 2022 and Q4 2022, the provincial economy lost 12 508 jobs. Manufacturing (-17 647) and construction (-10 020) registered the highest quarterly job losses, whereas the largest quarterly job gains were recorded in mining (14 409) and transport (9 838).

Figure 5 displays the contribution by each industry to total employment in the province in the respective fourth quarters of 2021 and 2022. In Q4 2022, community services (22.6%), trade (20.9%), and finance (11.0%) made the largest contributions to employment in the province. The shares of community services, trade, manufacturing, transport, and utilities increased between Q4 2021 and Q4 2022, whereas the contribution of finance, agriculture, private

³ ISIC detailed description = Agriculture, forestry and fishing

⁴ ISIC detailed description = Mining and quarrying

⁵ ISIC detailed description = Manufacturing

⁶ ISIC detailed description = Electricity, gas and water

⁷ ISIC detailed description = Construction

⁸ ISIC detailed description = Wholesale and retail trade, catering and accommodation

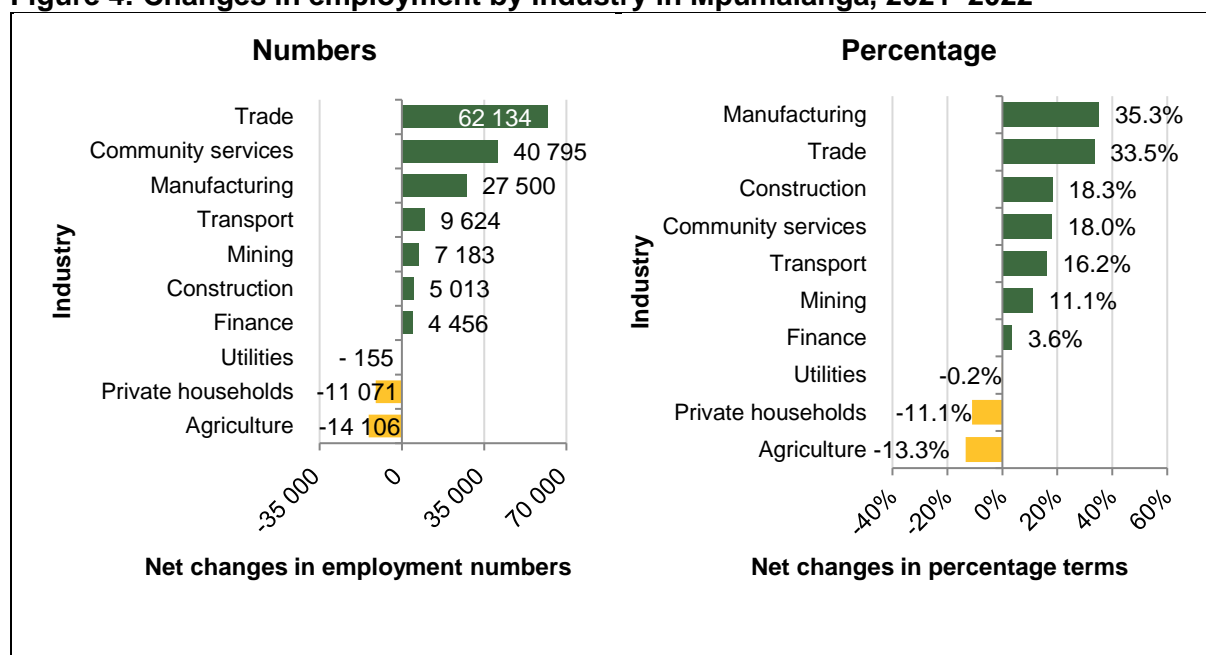
⁹ ISIC detailed description = Transportation, storage and communication

¹⁰ ISIC detailed description = Finance, insurance, real estate and business services

¹¹ ISIC detailed description = Community, health and personal services

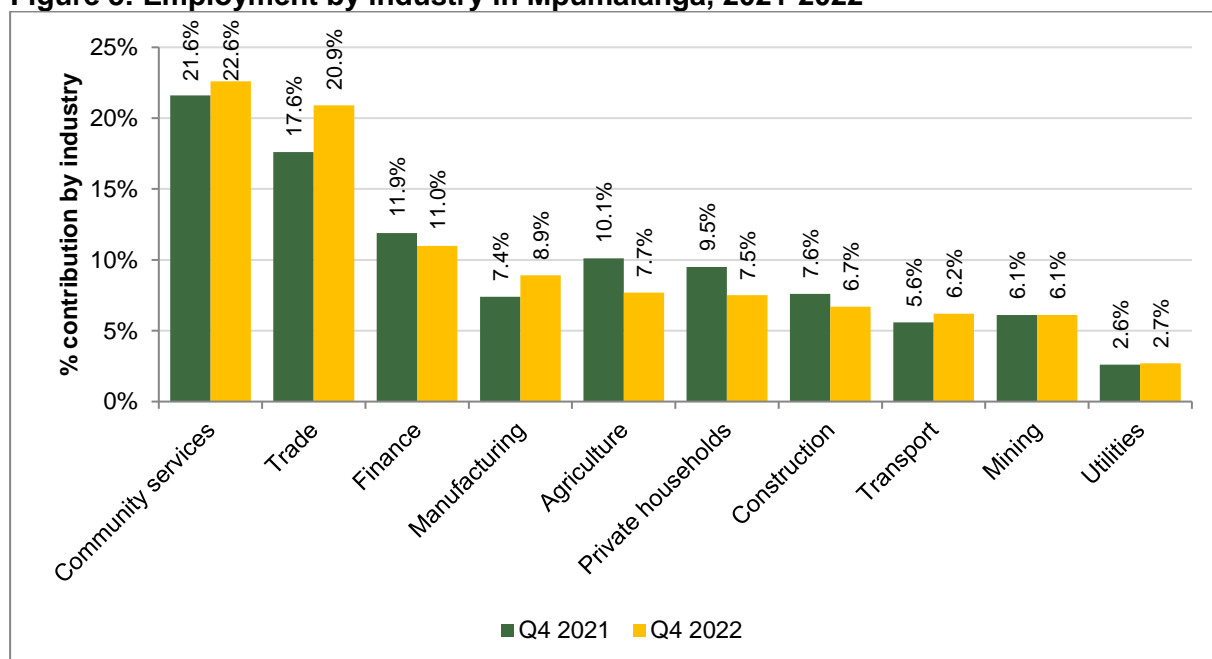
households, and construction declined in share. The share of mining remained unchanged at 6.1%.

Figure 4: Changes in employment by industry in Mpumalanga, 2021–2022



Source: Stats SA – QLFS, 2023

Figure 5: Employment by industry in Mpumalanga, 2021–2022



Source: Statistics South Africa – QLFS, 2023

Impact of COVID-19 on employment by industry

Table 6 presents the combined quarterly employment changes since the start of the COVID-19 lockdown up to Q4 2022. The employment numbers of agriculture, mining, manufacturing, utilities, and transport were higher in Q4 2022 than in Q1 2020. Utilities (6 101) recorded the highest net job gains, which was the result of combined quarterly job gains over the period

under review of 34 552 and combined quarterly job losses of 28 451. Construction recorded combined quarterly job losses of 62 277 and combined quarterly job gains of 41 345 to record the highest net job losses (-20 933) over the period under review. Finance (-20 251) and trade (-17 521) also recorded considerable net job losses.

Table 6: Quarterly job gains/losses in Mpumalanga's industries, Q1 2020-Q4 2022

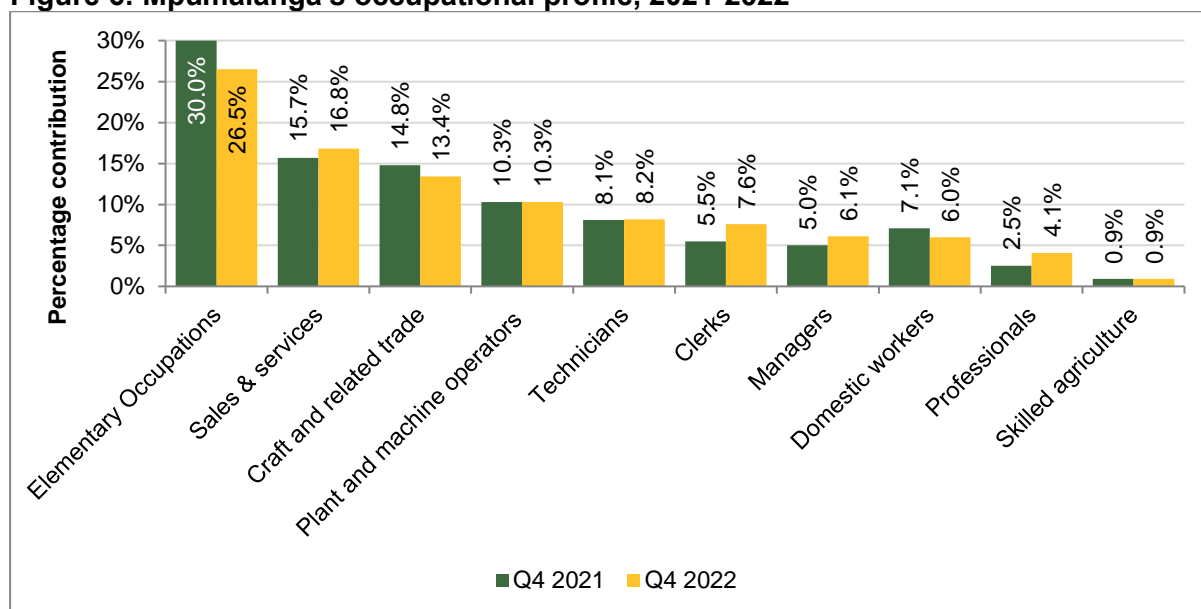
Industry	Employment numbers		Combined quarterly		Net job gains/(losses)
	Q1 2020	Q4 2022	Job gains	Job losses	
Agriculture	86 188	91 704	66 139	-60 624	5 515
Mining	68 782	71 837	46 151	-43 096	3 055
Manufacturing	104 829	105 452	73 557	-72 935	623
Utilities	26 371	32 472	34 552	-28 451	6 101
Construction	100 598	79 665	41 345	-62 277	(20 933)
Trade	264 859	247 338	104 264	-121 785	(17 521)
Transport	64 837	69 045	46 114	-41 906	4 208
Finance	149 934	129 683	45 070	-65 322	(20 251)
Community services	273 877	267 673	91 935	-98 139	(6 204)
Private households	105 439	88 964	28 609	-45 084	(16 475)
Total	1 245 715	1 186 271	228 145	-287 589	(59 444)

Source: Stats SA – QLFS, 2023

Occupational profile

Figure 6 illustrates the occupational profile of Mpumalanga in the fourth quarters of 2021 and 2022, respectively. The occupational profile is an indicator of the quality of the labour force. It provides information on the proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply.

Figure 6: Mpumalanga's occupational profile, 2021-2022



Source: Statistics South Africa – QLFS, 2023

The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) increased from 15.6% in Q4 2021 to 18.4% in Q4 2022. The share of semi-skilled occupations increased

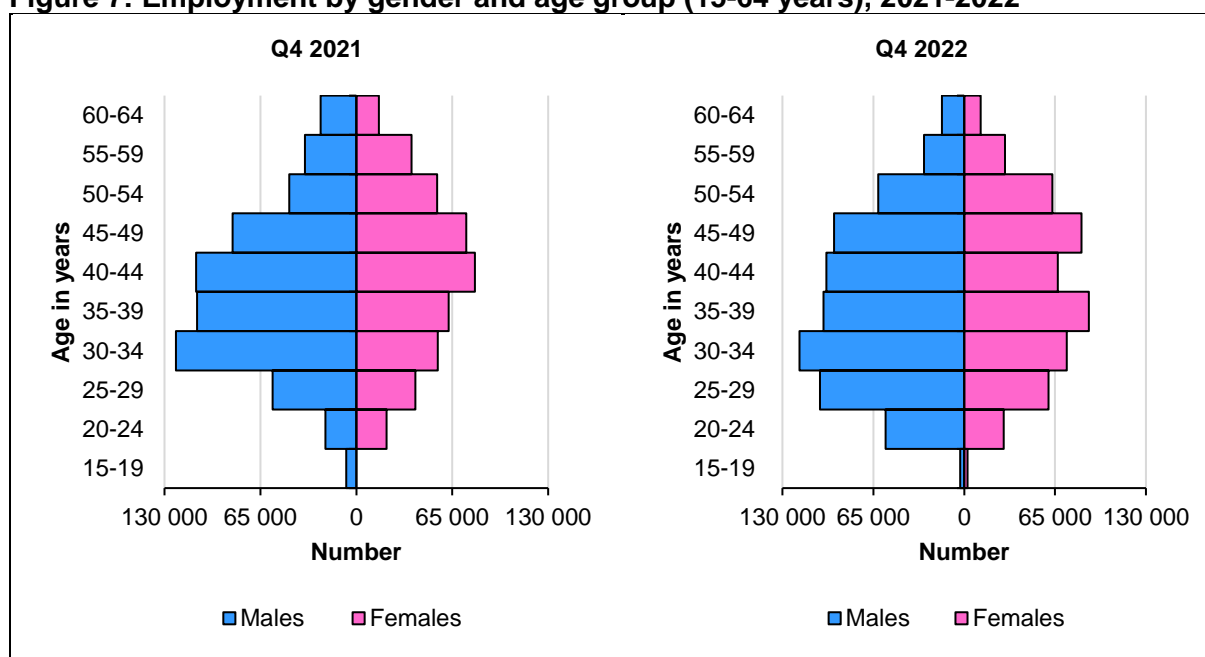
from 47.2% to 49.0% over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 32.5% in Q4 2022, down from the 37.1% share of one year earlier.

Employment by gender and age

Figure 7 displays the employment by gender and age for Q4 2021 and Q4 2022, respectively. There were more males (57.2%) employed in Mpumalanga in Q4 2022 than females. Over the past year, the male employment number increased to 663 453, an increase of 66 536. In comparison, female employment numbers increased by 67 276 to 507 931, and therefore recorded a slightly higher share in Q4 2022 (42.8%) than a year earlier (41.9%).

In Q4 2022, adults (35-64 years) held the majority of jobs in Mpumalanga with a share of 62.6%. The adult employment numbers increased by 12 228 from a year earlier, however, and the share declined from 69.4% in Q4 2021 to the current 62.6%. The youth (15-34 years) employment numbers increased by 121 584 and therefore the youth share increased from 30.6% in Q4 2021 to 37.4% in Q4 2022.

Figure 7: Employment by gender and age group (15-64 years), 2021-2022



Source: Statistics South Africa – QLFS, 2023

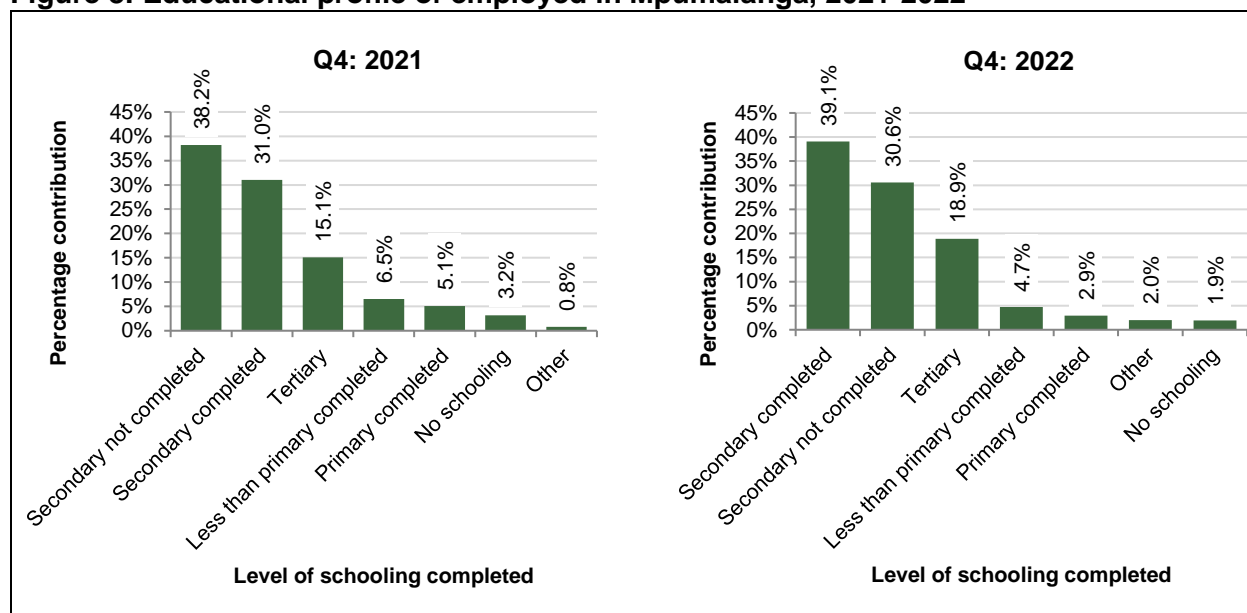
Educational profile of employed

In Q4 2022, some 39.1% of the employed in Mpumalanga indicated that they have completed their secondary education (Figure 8). In Q4 2021, this figure was lower at 31.0% and therefore increased/improved to the current level. In Q4 2022, those that have not completed their secondary education made up 30.6%, whereas 18.9% of the employed completed some post matric education.

In Q4 2022, more of the employed indicated that they obtained a qualification higher than

matric than was the case in Q4 2021 (15.1%). It is apparent that in total, 11.5% of the employed have not completed any level of schooling higher than primary¹² in Q4 2022.

Figure 8: Educational profile of employed in Mpumalanga, 2021-2022



Source: Statistics South Africa – QLFS, 2022

Non-market activities

Economic activities are those that contribute to the production of goods and services in the country. There are two types of economic activities, namely:

- Market production activities (work done for others and usually associated with pay or profit).
- Non-market production activities (work done for the benefit of the household, e.g. subsistence farming).

Table 7: Involvement in non-market activities in Mpumalanga, 2021-2022

Non-market activities	Q4 2021	Q3 2022	Q4 2022	Year-on-year changes	Q3 2022 to Q4 2022 changes
Subsistence farming	157 933	147 446	165 902	7 969	18 456
Fetching water or collecting wood/dung	369 978	435 176	427 881	57 903	-7 296
Produce other goods for household use	20 568	20 179	15 356	-5 212	-4 824
Construction or major repairs to own household	41 448	17 317	3 376	-38 072	-13 941
Hunting or fishing for household use	773	-	2 632	1 859	2 632

Source: Statistics South Africa – QLFS, 2023

Table 7 shows the figures of the involvement in non-market activities in Mpumalanga. On an annual basis, involvement in subsistence farming, fetching water/wood/dung as well as hunting/fishing increased, whereas involvement in the other two non-market activities decreased. On a quarterly basis, the involvement in subsistence farming, as well as hunting/fishing for household use increased. Involvement in the other three non-market activities declined on a quarterly basis.

¹² Not completed higher than primary school includes Primary completed, Less than primary completed, No schooling & Other.

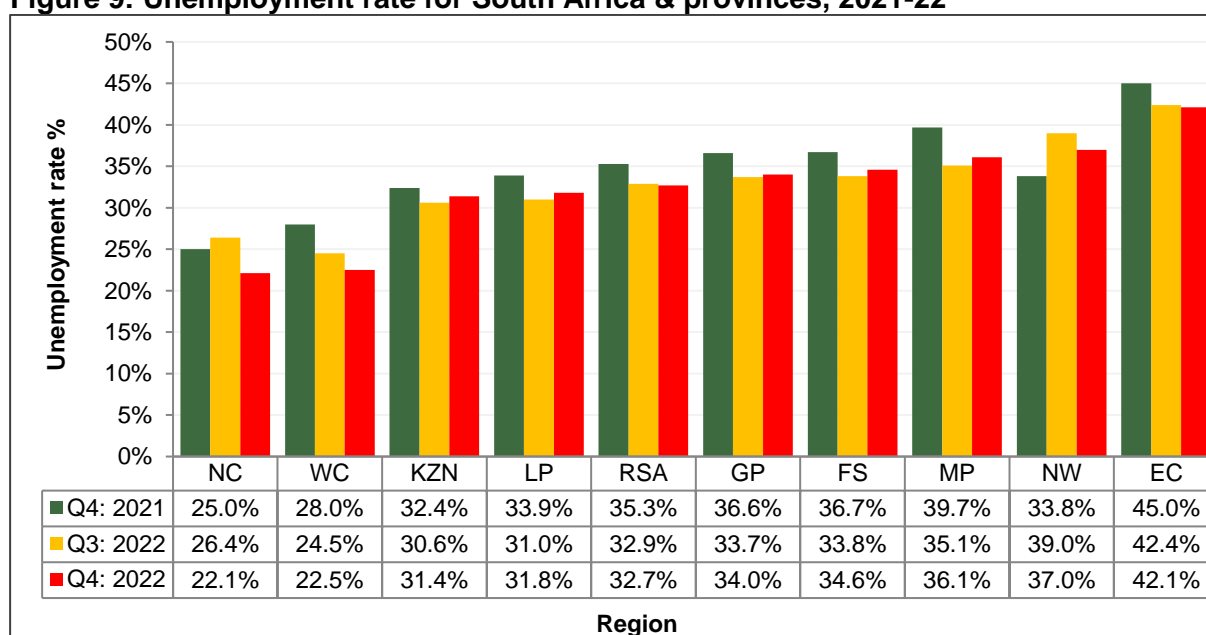
4. UNEMPLOYMENT

Strict definition of unemployment

According to Statistics South Africa's latest QLFS, the number of unemployed in the province (according to the strict definition) increased by 19 520 on a quarterly basis to 668 880. On an annual basis, the number of the unemployed in the province, decreased/improved by 24 651.

The graphical illustration of the provincial and national unemployment figures is presented in Figure 9. The strict unemployment rate in Mpumalanga increased/deteriorated by 1.0 percentage points on a quarterly basis from 35.1% in Q3 2022 to 36.1% in Q4 2022. Mpumalanga's unemployment rate declined/improved by 3.6 percentage points over the last twelve months from 39.7% in Q4 2021. The provincial unemployment rate was higher/worse than the national average of 32.7% in Q4 2022. The province recorded the third highest unemployment rate among the nine provinces. Eastern Cape recorded the highest unemployment rate of 42.1% and Northern Cape recorded the lowest unemployment rate of 22.1% in Q4 2022. Over the last year, only the unemployment rate of North West increased/deteriorated.

Figure 9: Unemployment rate for South Africa & provinces, 2021-22



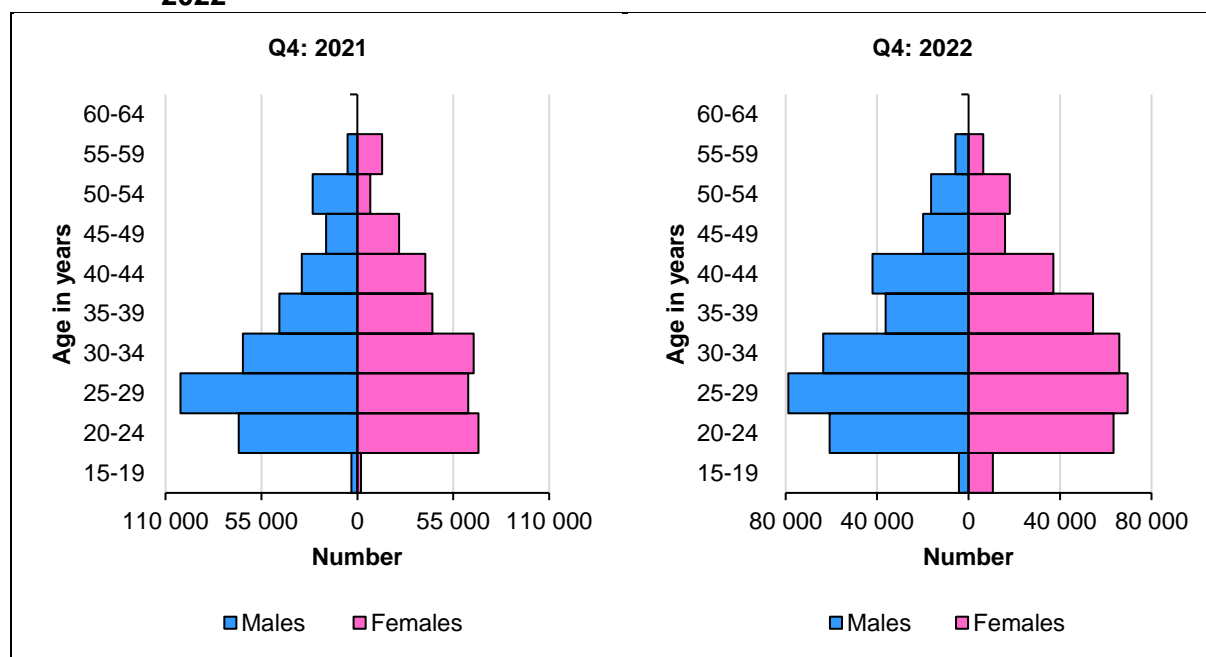
Source: Statistics South Africa – QLFS, 2023

Strict unemployment by gender and age

Figure 10 displays the unemployment by gender and age for the fourth quarters of 2021 and 2022, respectively. In Q4 2022, females contributed 51.0% to the number of unemployed and males 49.0%. The female share was higher than twelve months earlier when females contributed 47.5%. The youth cohort added 62.3% to the total number of unemployed in the province, which was lower than the share in Q4 2021 (63.5%).

In Q4 2022, the unemployment rate of males (32.0%) was lower than the female unemployment rate of 40.2%. The unemployment rate of youth of working age (15-34 years¹³) was 48.4%, whilst the unemployment rate of adults (35-64 years) was 25.4%. The female youth unemployment rate of 56.0% was considerably higher than the male youth unemployment rate of 42.6%. The unemployment rate of the 18-24 year age cohort was 60.5% in Q4 2022 and the 18-24 year old female unemployment rate was 70.5%.

Figure 10: Mpumalanga's unemployed by gender and age group (15-64 years), 2021-2022



Source: Statistics South Africa – QLFS, 2023

Change in strict unemployment numbers over a 10-year period

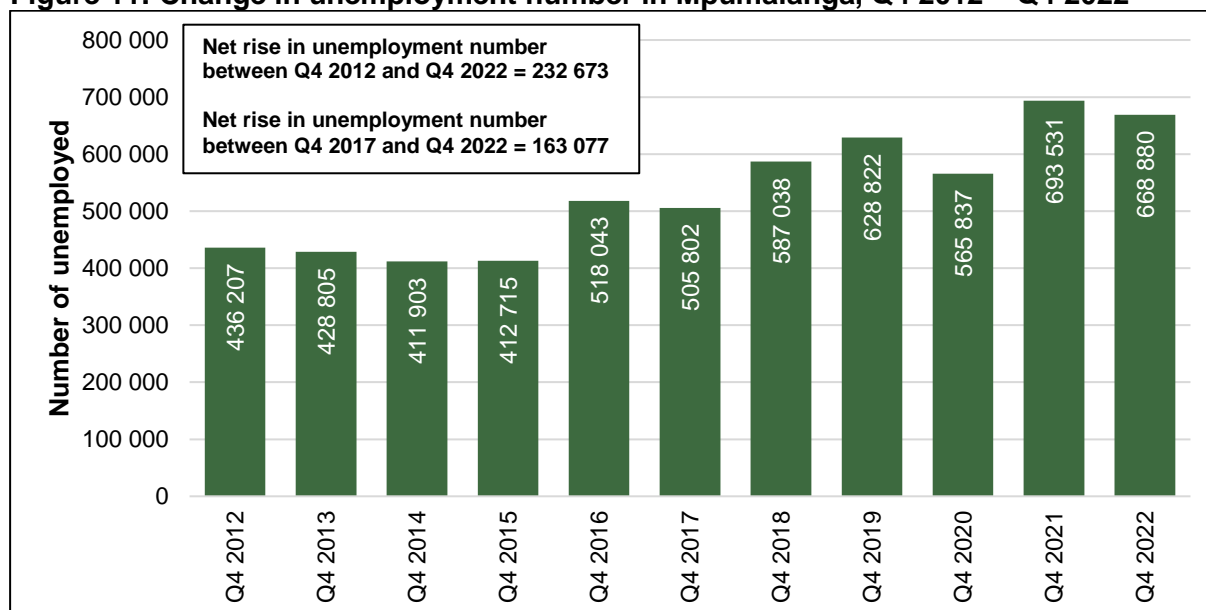
In Q4 2012, Mpumalanga's unemployed numbered 436 207 and it increased to 668 880 in Q4 2022 (Figure 11). Mpumalanga's unemployment number therefore increased by 232 673 in the 10-year period. The rise in unemployment over the 10-year period was 110 917 more than the increase in employment over the same period. In Q4 2022, Mpumalanga's number of unemployed was 24 651 lower than the record unemployment number recorded in Q4 2021 (693 531).

Change in strict unemployment numbers over a 5-year period

Between Q4 2017 and Q4 2022, the unemployment number in Mpumalanga increased by 163 077. In contrast over the 5-year period, employment numbers in Mpumalanga declined by 55 618.

¹³ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years, which is also therefore used in this report.

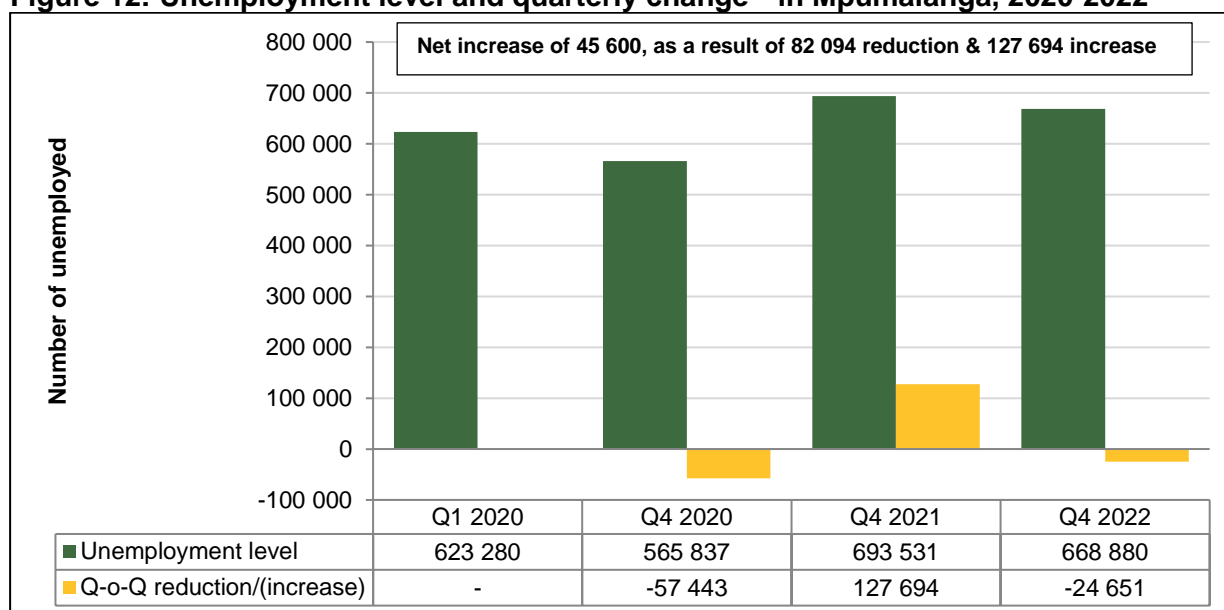
Figure 11: Change in unemployment number in Mpumalanga, Q4 2012 – Q4 2022



Source: Statistics South Africa – QLFS, 2023

Impact of COVID-19 on strict unemployment numbers

Figure 12: Unemployment level and quarterly change¹⁴ in Mpumalanga, 2020-2022



Source: Stats SA – QLFS, 2023

To demonstrate the change in unemployment numbers since before the COVID-19 lockdown, Figure 12 presents the quarterly changes in unemployment numbers up to Q4 2022. Over the period under consideration¹⁵, reductions in unemployment numbers were recorded between Q1 2020 and Q4 2020 as well as in 2022. However, the large increase in unemployment numbers in 2021 resulted in the net increase in unemployment numbers since before the

¹⁴ A quarterly reduction in unemployment numbers is positive and an increase is negative, therefore in this figure the negative sign is assigned to increases in unemployment numbers.

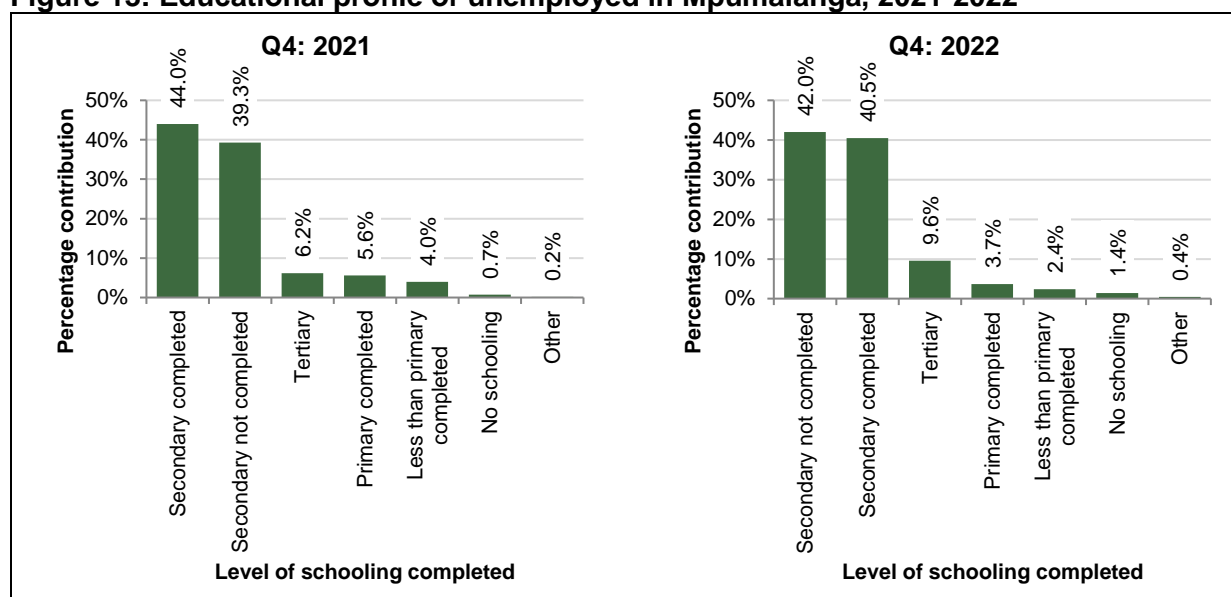
¹⁵ The period since before the COVID-19 lockdown, which for all intents and purposes is the period from Q1 2020, up to the latest data release.

COVID-19 lockdown. As a result, the latest unemployment number of 668 880 was 45 600 higher than the 623 280 unemployed before the lockdown was instituted.

Educational profile of unemployed

In Q4 2022, some 42.0% of the unemployed in Mpumalanga indicated that they have not completed their secondary education. It is apparent from Figure 13 that 7.9% of the unemployed in Q4 2022 has not completed any level higher than primary¹⁶ education. Particularly worrying is the fact that 9.6% of the unemployed obtained a qualification higher than matric.

Figure 13: Educational profile of unemployed in Mpumalanga, 2021-2022



Source: Statistics South Africa – QLFS, 2022

Those not in employment and not in education

There is an increasing interest in the challenges faced by non-participating people in the labour market. This resulted in a demand for more data/information on the dynamics of the labour force of those not in employment and education. This category is considered to be disengaged from both employment and education.

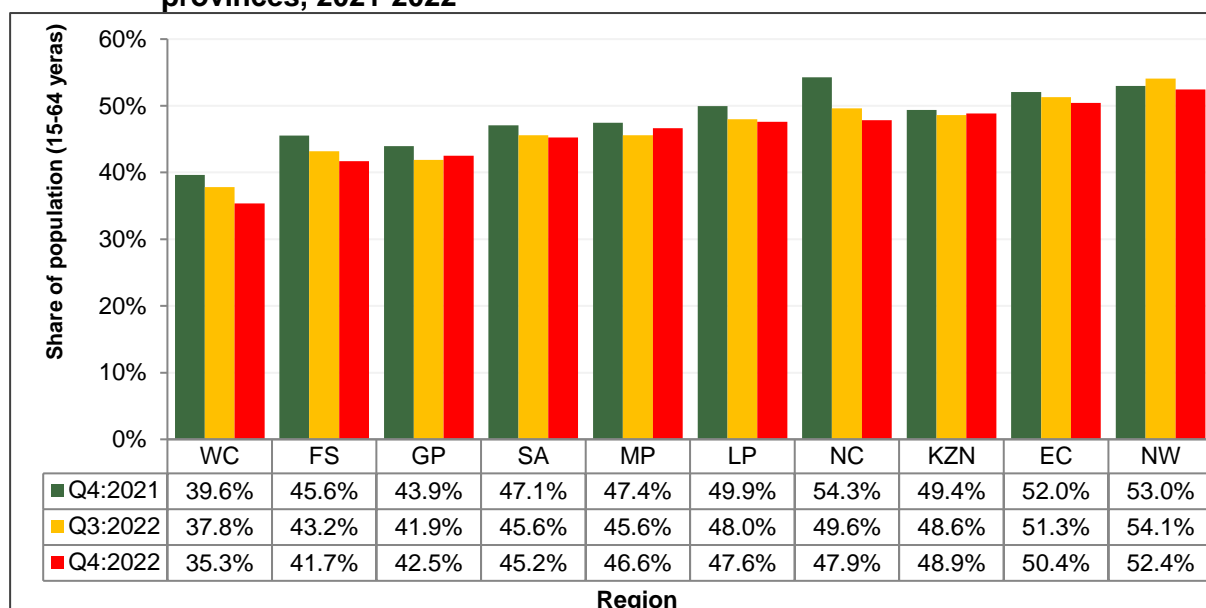
In Q4 2022, 18.3 million (45.2%) of the 40.5 million South Africans aged 15 to 64 years were not in employment and not in education (NEET) (Figure 14). This was a 1.8 percentage point decline from the 47.1% recorded in Q4 2021. North West (52.4%) registered the highest/worst ratio in this regard, while Western Cape (35.3%) registered the lowest/best ratio.

In Q4 2022, Mpumalanga recorded 1.4 million citizens aged 15 to 64 years not in employment and not in education. In Q4 2022, Mpumalanga recorded a NEET ratio of 46.6%, which was lower/better than the 47.4% recorded in Q4 2021. The NEET share in Mpumalanga

¹⁶ Not completed any level higher than primary school includes Primary completed, Less than primary completed, No schooling and Other.

increased/deteriorated by 1.0 percentage points on a quarterly basis from 45.6% in Q3 2022.

Figure 14: Those not in employment & education (15-64 years), South Africa & provinces, 2021-2022



Source: Statistics South Africa – QLFS, 2023

Expanded definition of unemployment

The expanded unemployment rate takes into account everybody who was available for work even if they did not search for work. It does however, not only include the discouraged work-seekers. In essence, it includes all persons who are unemployed according to the official definition plus the part of the inactive population (according to official definition) who indicated that they were available for work but have other reasons for not searching.

Figure 15 shows that South Africa's unemployment rate in terms of the expanded definition decreased/improved from 46.2% in Q4 2021 to 42.6% in Q4 2022. Between Q4 2021 and Q4 2022, the expanded unemployment rate in Mpumalanga declined/improved by 4.2 percentage points to 48.2%. On a quarterly basis, the expanded unemployment rate in Mpumalanga increased/deteriorated by 1.7 percentage points to 48.2% in Q4 2022.

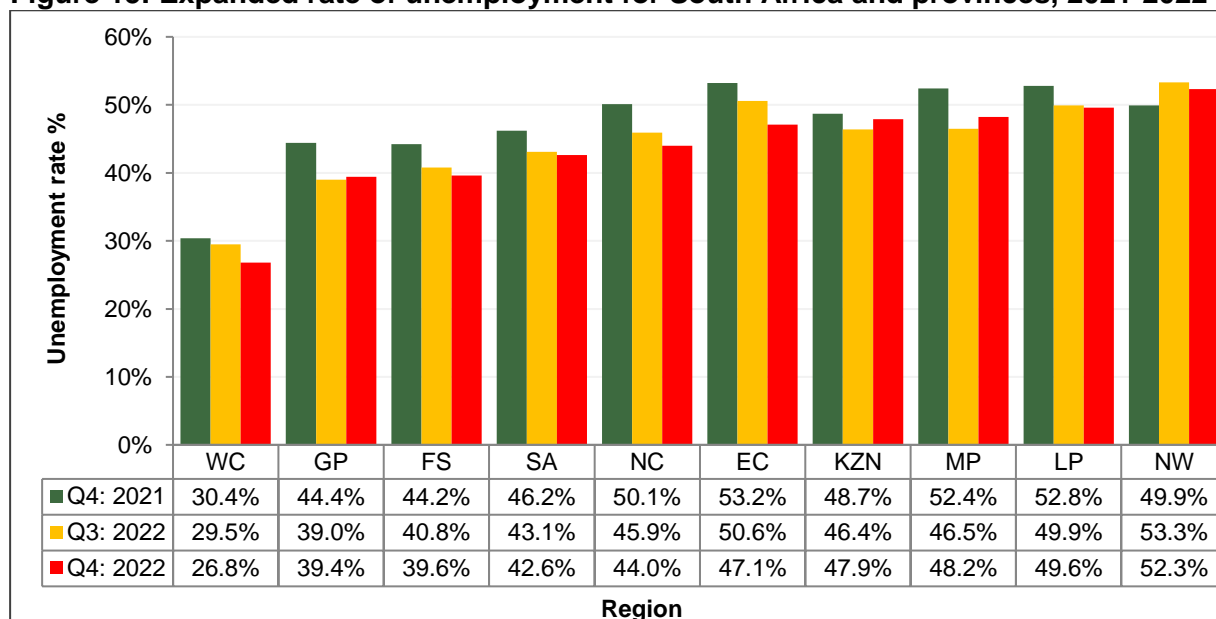
Amongst the provinces, Mpumalanga (48.2%) registered the third highest/seventh lowest expanded unemployment rate in Q4 2022 with North West registering the highest rate at 52.3% and Western Cape (26.8%) the lowest. On an annual basis, only North West registered an increase in the expanded unemployment rate.

Expanded unemployed by gender and age

Figure 16 displays the expanded unemployment by gender and age for the fourth quarters of 2021 and 2022, respectively. In Q4 2022, females contributed 54.9% to the number of unemployed and males 45.1%. The share of females was higher than twelve months earlier when females contributed 51.7%. The youth cohort added 61.3% to the total number of

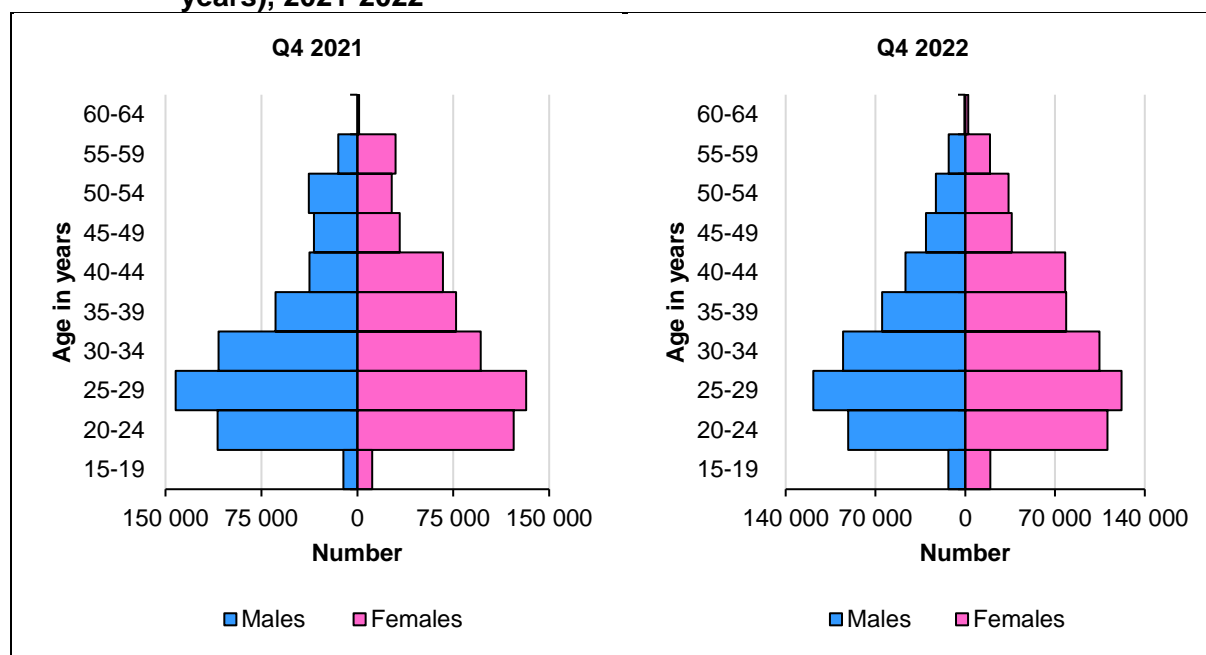
unemployed in the province, which was equal to the share in Q4 2021.

Figure 15: Expanded rate of unemployment for South Africa and provinces, 2021-2022



Source: Statistics South Africa – QLFS, 2023

Figure 16: Mpumalanga's expanded unemployed by gender and age group (15-64 years), 2021-2022



Source: Statistics South Africa – QLFS, 2023

In Q4 2022, the expanded unemployment rate of males (42.3%) was lower than the female unemployment rate of 54.4%. The expanded unemployment rate of youth of working age (15-34 years) was 60.8%, whilst the unemployment rate of adults (35-64 years) was 35.6%. The female youth unemployment rate of 68.7% was considerably higher than the male youth unemployment rate of 54.0%. The expanded unemployment rate of the 18-24 year age cohort was 74.3% in Q2 2022 and the 18-24 year old female unemployment rate was 84.7%.

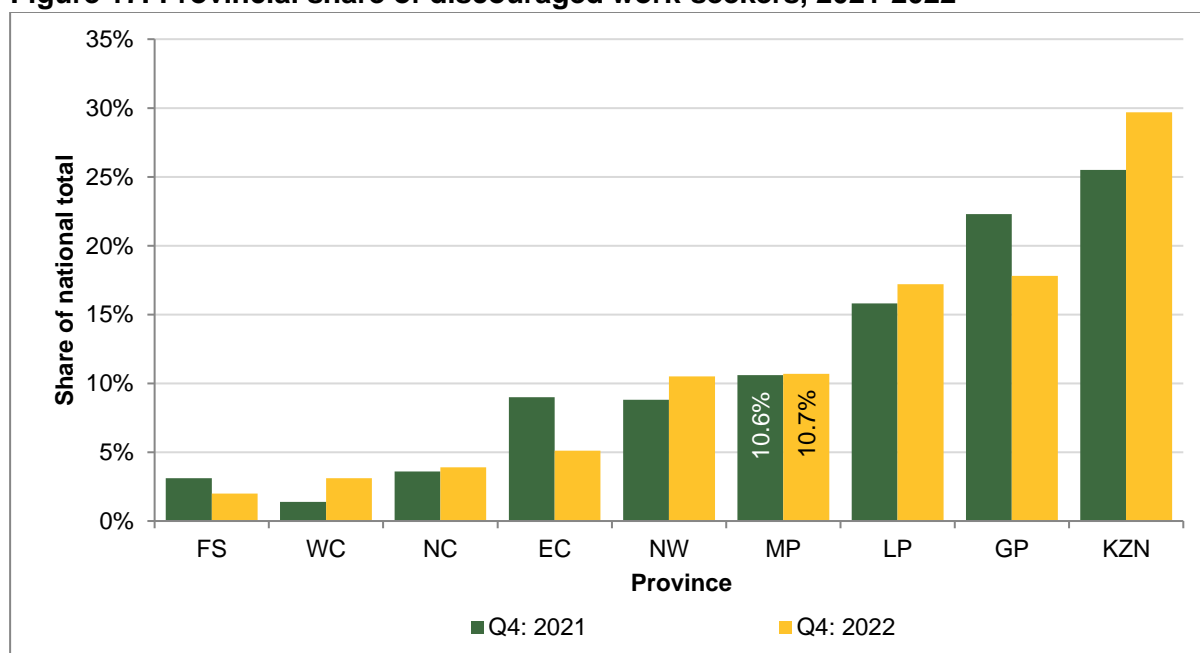
4.1. Discouraged work-seekers

Statistics South Africa defines a discouraged work-seeker as 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.

South Africa's discouraged work-seekers decreased by 151 423 workers on a quarterly basis and by 443 442 on an annual basis. The number of discouraged work-seekers in Mpumalanga increased by 19 580 on a quarterly basis and decreased by 44 064 on an annual basis.

Figure 17 indicates that Mpumalanga's share was 10.7% or some 359 813 of South Africa's discouraged work-seekers in Q4 2022. This was slightly higher than the 10.6% share a year earlier. The number of discouraged work-seekers in Mpumalanga declined by 44 064 from Q4 2021 to Q4 2022. When compared with other provinces, Mpumalanga registered the fourth highest/sixth lowest share of discouraged workers nationally.

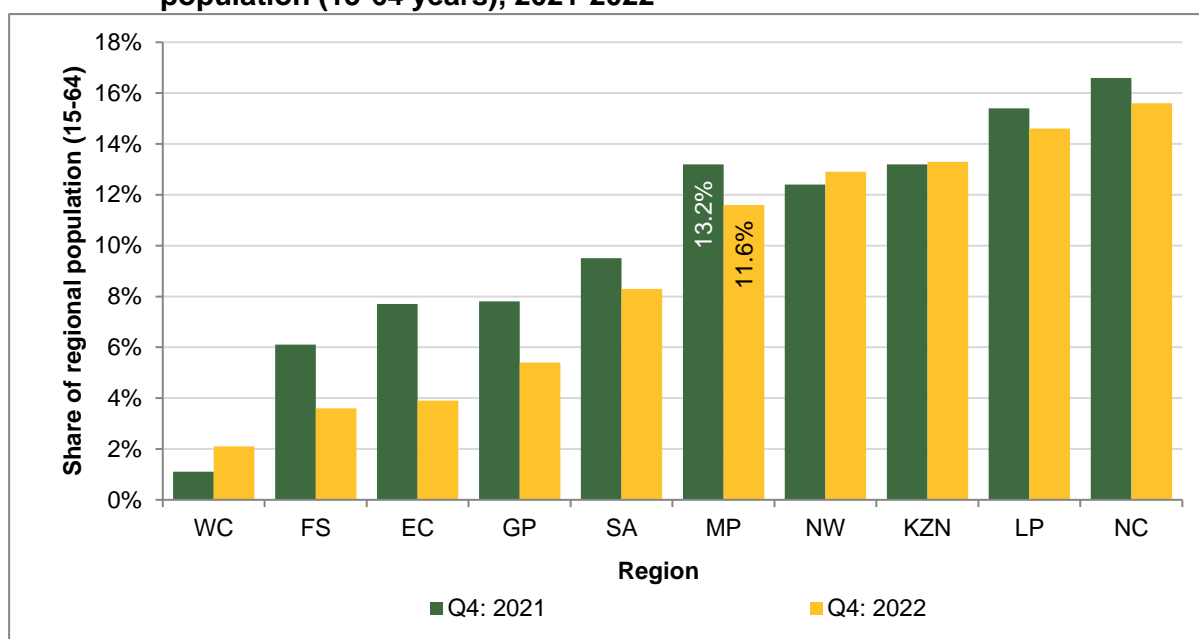
Figure 17: Provincial share of discouraged work-seekers, 2021-2022



Source: Statistics South Africa – QLFS, 2023

It is evident from Figure 18 that Mpumalanga's discouraged work-seekers as a percentage of the provincial working age population (15-64 years) decreased between Q4 2021 and Q4 2022. The discouraged work-seekers' share of working age population in Mpumalanga (11.6%) was higher than the national share (8.3%) in Q4 2022. Discouraged work-seekers in four provinces constituted a larger share of the working age population than in Mpumalanga in Q4 2022.

Figure 18: Comparison of discouraged work seekers as a ratio of regional working age population (15-64 years), 2021-2022



Source: Statistics South Africa – QLFS, 2023

5. CONCLUDING REMARKS

The South African economy expanded in 2022 by 2.0% compared with 2021. The labour market shared in the economic growth and also added to the number of employed in 2022. South Africa's strict unemployment rate declined to 32.7% in Q4 2022 from the record high of 35.3% set in Q4 2021. Mpumalanga also registered an improvement in the strict unemployment rate to 36.1% in Q4 2022 from the Q4 2021 record high of 39.7%.

On a quarterly basis, employment numbers increased in five provinces (excluding Mpumalanga) and employment increased by 1.1% in South Africa. Mpumalanga recorded the second lowest quarterly decline in employment numbers and a quarterly employment decline of 1.0%. In 2022, Mpumalanga recorded the third highest annual increase in employment numbers. Annual employment numbers also increased in all provinces and in South Africa annual employment numbers were up 9.6% between Q4 2021 and Q4 2022.

The national and provincial labour markets, with the exception of Western Cape and Free State, have not yet recovered to employment levels reached ahead of the COVID-19 pandemic by Q4 2022. In Q4 2022, the level of employment in Mpumalanga was still 59 444 jobs short of the 1.25 million jobs prior to the hard lockdown. In Mpumalanga, the employment numbers of five industries were higher in Q4 2022 than in Q1 2020.

From the labour market data analysed, it is clear that women and youth remain in the most vulnerable situation in terms of unemployment. In Q4 2022, the strict unemployment rate of males (32.0%) was substantially lower than the female unemployment rate of 40.2%. The unemployment rate of youth of working age (15-34 years) was 48.4%, whilst the

unemployment rate of adults (35-64 years) was considerably lower at 25.4%. The female youth unemployment rate of 56.0% was significantly higher than the already high male youth unemployment rate of 42.6%.

The orthodox view in Development Economics is that informal employment should act as a shock absorber for formal employment during economic crises. Employment in Mpumalanga's informal sector has recovered, however, in Q4 2022 informal sector employment was still 14 693 below the pre-pandemic level. The informal sector has thus not acted as a shock absorber for formal job losses as it has not even recovered its own pandemic induced job losses.

The decline in the unemployment rate in a challenging macroeconomic environment is encouraging. However, the outlook for the job market remains uncertain, given the prevailing economic headwinds. Business confidence deteriorate quarterly, with the RMB/BER Business Confidence Index below the neutral 50-level for the sixth consecutive quarter in Q4 2022. Internationally, the key concern is the impact of slowing global growth which will hamper the performance of export-orientated industries. Locally, adverse labour market conditions, including frequent labour strikes, high wage demands, high inputs costs and power shortages, continue to discourage private sector investment, constraining job creation.

To achieve continued, higher economic and employment growth, the province should attempt to nurture a spirit of innovation and entrepreneurship, thus creating more entrepreneurs, more enterprises and more jobs. Mpumalanga should attempt to develop niche enterprises and incorporate new technology and processes that can take the provincial economy forward. This can be accomplished by empowering citizens of the province to participate in a modern economy by addressing the skills shortage that is prevalent in the labour force.

The Mpumalanga Provincial Government adopted the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) to respond to the COVID-19 economic impact and mitigate the negative impact in the province. The plan, amongst other initiatives, aims to develop new opportunities and prospects in the Mpumalanga economy in the near future and identifies investment and specifically infrastructure investment to spur on economic growth. The provincial policy directive must embark on intensifying pockets of growth and job creation initiatives to respond to the economic challenges of the province. The quest to empower women, youth and SMMEs, to understand the informal economy better and to intensify the rural and township economy appears to be key in unlocking job creation in the province.

The implementation of governmental programmes as well as economic recovery and growth plans together with the utilisation of budgets as a tool for growth and development by all spheres of government are some of the keys to the recovery of the job market. Another crucial element is the partnership between government and business and the interaction on provincial

and local level by means of relevant forums like the Local Economic Development (LED) forums. A stronger focus must be on the implementation of the government plans through the District Delivery Model (DDM) and programmes to ensure that value is derived wherever there is expenditure and there is a lasting positive impact in the long run.