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Department:  
Finance  
MPUMALANGA PROVINCIAL GOVERNMENT



# PROVINCIAL LABOUR BULLETIN

## FEBRUARY 2014



*Working together we can do more*



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Finance  
MPUMALANGA PROVINCIAL GOVERNMENT



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## 1. INTRODUCTION

The purpose of the Provincial Labour Bulletin of the Economic Analysis Division (Department of Finance) on a quarterly basis is to provide an essential reference especially to the HOD and MEC of Finance, by providing the latest labour data and analysis with specific reference to Mpumalanga. The data/analysis in this report is based on the latest/fourth quarter 2013 Quarterly Labour Force Survey (QLFS), published in February 2014 by Statistics South Africa. It is important to note that the QLFS data has been reweighted and revised and is now based and in line with the 2011 Census figures.

## 2. KEY FINDINGS

- Nationally, job increases/gains were recorded at 141 000 in the fourth quarter of 2013, while Mpumalanga's employment remained at 1 149 000 with no net job gains/losses. On an annual basis, the province experienced a net job creation of 84 000 (the fifth highest number among the provinces) while the national figure was 653 000 jobs for the same period.
- Mpumalanga did not register any employment growth in the fourth quarter of 2013 but on an annual basis, it recorded an employment growth of 7.9 per cent, which was the third highest among the 9 provinces.
- Mpumalanga's provincial employment number of 1 149 000 at the end of the fourth quarter of 2013, was 116 000 higher than pre-recession employment level of 1 033 000.
- The unemployment rate (strict definition) of Mpumalanga increased from 26.5 in the third quarter to 27.2 per cent in the fourth quarter of 2013 - the fourth highest rate of the nine provinces behind Free State (33.0 per cent), Eastern Cape (27.8 per cent) and North West (27.3 per cent). The national figure decreased from 24.5 per cent to 24.1 per cent in the same period.
- According to the expanded definition of unemployment (also including discouraged work-seekers), Mpumalanga was ranked the fourth highest among the provinces at 40.2 per cent in the fourth quarter of 2013, remaining the same as in the third quarter. The national figure decreased from 34.9 per cent to 34.0 per cent in the same period.
- The number of provincial discouraged work-seekers decreased by 22 000 on a quarterly basis, from 236 000 to 214 000.

### 3. LABOUR FORCE PROFILE

South Africa's employment figure increased from 15.036 million in the third quarter of 2013 to 15.177 million in the fourth quarter of 2013. The national economy gained 141 000 jobs on a quarterly basis and recorded an unemployment rate (strict definition) of 24.1 per cent in the end of the fourth quarter 2013. The unemployment rate according to the expanded definition decreased to 34.0 per cent in the same period.

The provincial employment figure was estimated at 1 149 000 at the end of the fourth quarter of 2013. The unemployment rate (strict definition) of the province increased to 27.2 per cent in the fourth quarter of 2013. The provincial unemployment rate according to the expanded definition remained the same as in the previous quarter at 40.2 per cent. The number of unemployed people (strict definition) in the province showed an increase of 14 000 on a quarterly basis (Table 1).

**Table 1: Labour force profile of Mpumalanga, 2012 - 2013**

Indicator	Q4 2012	Q3 2013	Q4 2013	Q3 2013 to Q4 2013 changes	Year-on-year changes
	'000	'000	'000	'000	'000
Working age population (15-64 years)	2 616	2 656	2 669	13	54
Not economically active	1 115	1 092	1 092	0	-23
Labour Force/EAP	1 501	1 564	1 577	13	76
Employment	1 065	1 149	1 149	0	84
Unemployed	436	415	429	14	-7
Discouraged work-seekers	252	236	214	-22	-38
Rates	%	%	%	%	%
Unemployment rate (strict)	29.1	26.5	27.2	0.7	-1.9
Labour force participation rate (EAP/pop)	57.4	58.9	59.1	0.2	1.7
Absorption rate (employed/pop ratio)	40.7	43.3	43.0	-0.3	2.3
Unemployment rate (expanded)	43.4	40.2	40.2	0.0	-3.2

Source: Statistics South Africa - QLFS, Q4 of 2013

### 4. EMPLOYMENT

Total employment in the province represents 7.6 per cent of the South African employment. Table 2 shows that Mpumalanga did not register any employment growth in the fourth quarter of 2013. On a year-on-year basis, Mpumalanga's employment grew by 7.9 per cent, which was the third highest of the nine provinces.

Table 3 shows that the South African economy experienced job gains of 141 000 on a quarterly basis. Mpumalanga and Gauteng recorded no job gains in the same period. Western Cape (98 000) recorded the largest job gains, while KwaZulu-Natal (-42 000) was the only province to register net job losses.

**Table 2: Employment growth of South Africa and provinces, 2012 - 2013**

Regions	Q4 2012 '000	Q3 2013 '000	Q4 2013 '000	Q3 2013 to Q4 2013 changes (%)	Year-on-year changes (%)
Western Cape	2 103	2 138	2 235	4.6%	6.3%
Eastern Cape	1 225	1 293	1 332	3.0%	8.7%
Northern Cape	301	316	329	4.1%	9.4%
Free State	729	737	746	1.1%	2.2%
KwaZulu-Natal	2 399	2 569	2 527	-1.6%	5.3%
North West	847	851	869	2.0%	2.6%
Gauteng	4 724	4 823	4 823	0.0%	2.1%
Mpumalanga	1 065	1 149	1 149	0.0%	7.9%
Limpopo	1 130	1 159	1 168	0.8%	3.3%
South Africa	14 524*	15 036	15 177	0.9%	4.5%

Source: Statistics South Africa – QLFS, Q4 of 2013

\*Due to rounding numbers do not necessarily add up to totals

On an annual basis, a total of 653 000 jobs were created in South Africa. Employment increased in all the nine provinces, with Mpumalanga (84 000) being the fifth largest contributor to the increase. Mpumalanga's figure represents 12.9 per cent of the overall/total net job gains during the period under review. The biggest employment gains were observed in Western Cape (133 000) and the smallest job gains were recorded in Free State (16 000). There were no job losses recorded in this period among provinces.

**Table 3: Changes in employment in South Africa and provinces, 2012 - 2013**

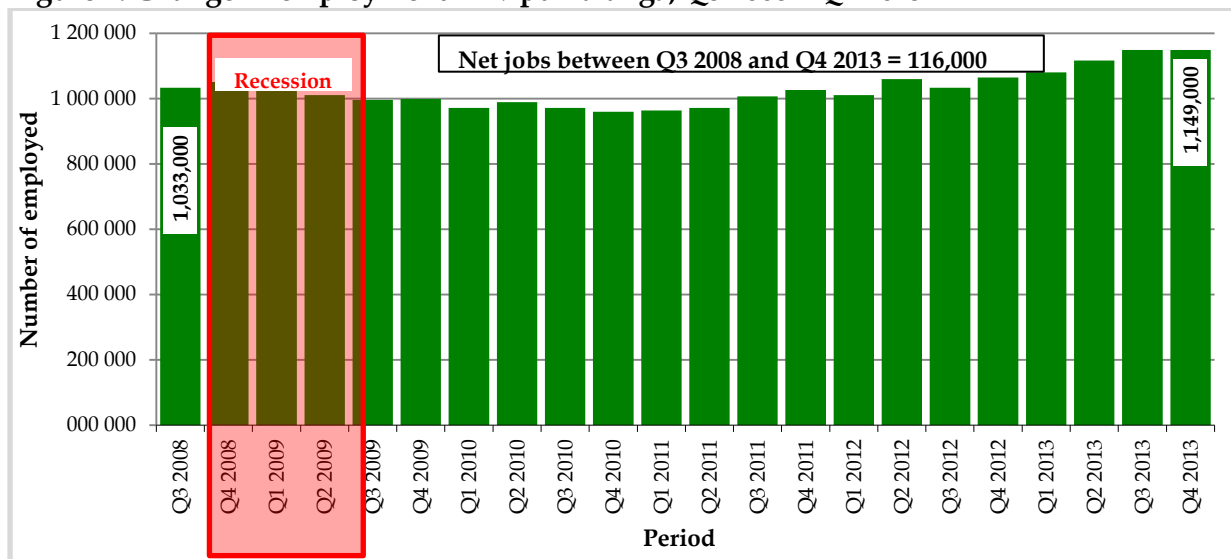
Region	Q4 2012 '000	Q3 2013 '000	Q4 2013 '000	Q3 2013 to Q4 2013 changes '000	Year-on-year changes '000
Western Cape	2 103	2 138	2 235	98	133
Eastern Cape	1 225	1 293	1 332	38	106
Northern Cape	301	316	329	13	28
Free State	729	737	746	8	16
KwaZulu-Natal	2 399	2 569	2 527	-42	128
North West	847	851	869	17	22
Gauteng	4 724	4 823	4 823	0	98
Mpumalanga	1 065	1 149	1 149	0	84
Limpopo	1 130	1 159	1 168	9	37
South Africa	14 524*	15 036	15 177	141	653*

Source: Statistics South Africa – QLFS, Q4 of 2013

\*Due to rounding numbers do not necessarily add up to totals

Mpumalanga's employment number of 1 149 000 in the fourth quarter of 2013 remained above the pre-recession number/level recorded at 1 033 00 in the third quarter of 2008 (Figure 1). The employment level recorded at the end of the fourth quarter of 2013 was 116 000 higher than the pre-recession level. It is interesting to note that South Africa's employment level at the end of fourth quarter of 2013 was 628 000 jobs higher than the pre-recession employment level of 14.549 million.

**Figure 1: Change in employment in Mpumalanga, Q3 2008 - Q4 2013**



Source: Statistics South Africa - QLFS, Q4 of 2013

Table 4 illustrates the industries that contributed to provincial employment losses and gains on a quarterly and annual basis. On a quarterly basis, both finance (18 000) and trade (12 000) achieved the highest job gains in Mpumalanga. Job losses were experienced in two industries, agriculture (-22 000) and manufacturing (-15 000). On an annual basis, finance (45 000) recorded the largest job gains followed by community services (38 000) and mining (26 000). Major declines (-29 000) in employment were recorded in both agriculture and manufacturing.

**Table 4: Changes in employment by industry in Mpumalanga, 2012 - 2013**

Industries	Q4 2012	Q3 2013	Q4 2013	Q3 2013 to Q4 2013 changes	Year-on-year changes
	'000	'000	'000	'000	'000
Agriculture <sup>1</sup>	106	99	77	-22	-29
Mining <sup>2</sup>	63	87	89	2	26
Manufacturing <sup>3</sup>	105	91	76	-15	-29
Utilities <sup>4</sup>	18	27	30	3	12
Construction <sup>5</sup>	80	92	98	6	17
Trade <sup>6</sup>	251	253	265	12	14
Transport <sup>7</sup>	59	49	51	1	-8
Finance <sup>8</sup>	90	116	134	18	45
Community services <sup>9</sup>	190	231	229	-3	38
Private households	102	102	100	-3	-3
<b>Total employed</b>	<b>1 065</b>	<b>1 149</b>	<b>1 149</b>	<b>0</b>	<b>84*</b>

Source: Statistics South Africa - QLFS, Q4 of 2013

\*Due to rounding off numbers do not necessarily add up to totals

<sup>1</sup> ISIC detailed description = Agriculture, forestry and fishing

<sup>2</sup> ISIC detailed description = Mining and quarrying

<sup>3</sup> ISIC detailed description = Manufacturing

<sup>4</sup> ISIC detailed description = Electricity, gas and water

<sup>5</sup> ISIC detailed description = Construction

<sup>6</sup> ISIC detailed description = Wholesale and retail trade, catering and accommodation

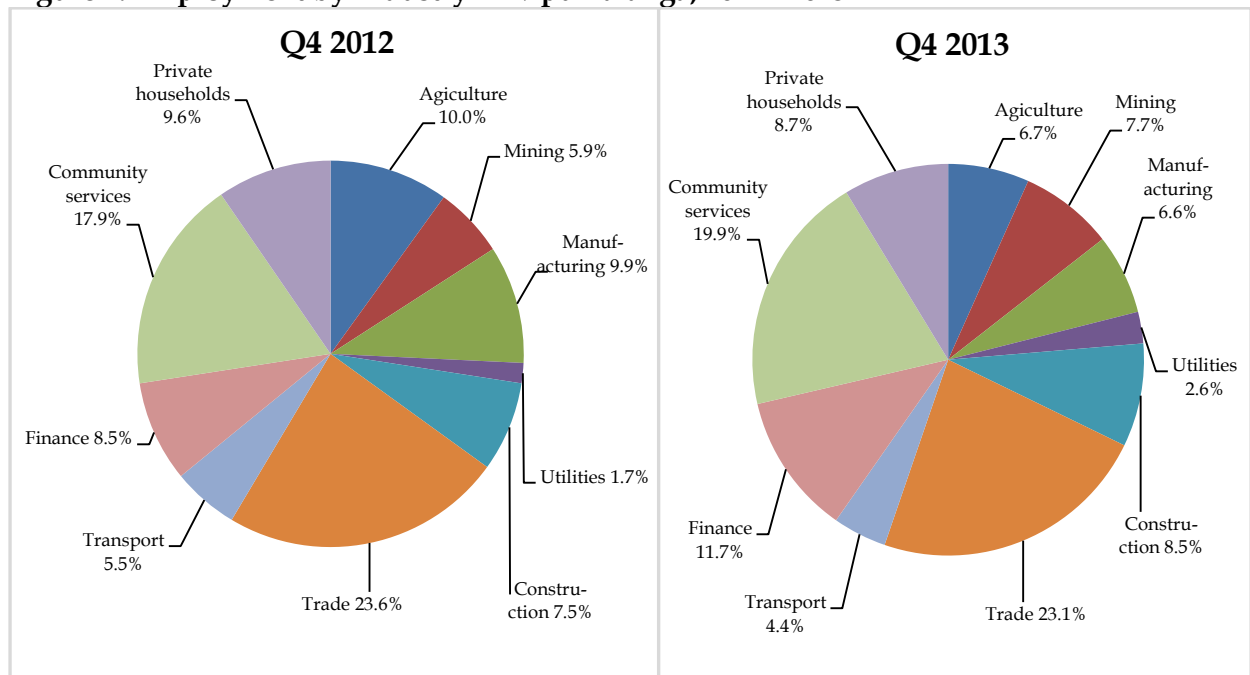
<sup>7</sup> ISIC detailed description = Transportation, storage and communication

<sup>8</sup> ISIC detailed description = Finance, insurance, real estate and business services

<sup>9</sup> ISIC detailed description = Community, health and personal services

Figure 2 shows employment by industry in Mpumalanga in the fourth quarter of 2012 and 2013. Trade and community services recorded the largest shares of employment in the province at 23.1 per cent and 19.9 per cent respectively. Five of the ten industries' shares increased when compared with the same quarter of 2012, with finance and community services experiencing the largest increase of 3.2 and 2.0 percentage points respectively. Both agriculture and manufacturing recorded the largest decline in employment shares of -3.3 percentage points. Other industries that experienced a decrease in their employment shares were transport, private households and trade.

**Figure 2: Employment by industry in Mpumalanga, 2012 - 2013**



Source: Statistics South Africa - QLFS, Q4 of 2013

#### 4.1 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 5 shows the figures of the involvement in non-market activities in Mpumalanga. The two biggest non-market activities in the province are fetching water or collecting wood/dung and subsistence farming. Fetching water or collecting wood/dung activity increased by 83 000



compared on a quarterly basis while subsistence farming increased by 14 000 within the same period.

Two non-market activity increased on year-on-year comparisons namely fetching water or collecting wood/dung (174 000) as well as producing other goods for household use (3 000). The involvement in subsistence farming (-64 000) and construction or major repairs to own or households use (-4 000), decreased in the same period.

**Table 5: Involvement in non-market activities in Mpumalanga, 2012 - 2013**

Non-market activities	Q4 2012	Q3 2013	Q4 2013	Q3 2013 to Q4 2013 changes	Year-on-year changes
	'000	'000	'000	'000	'000
Subsistence farming	216	138	152	14	-64
Fetching water or collecting wood/dung	298	389	472	83	174
Produce other goods for household use	23	26	26	0	3
Construction or major repairs to own or household	28	12	23	12	-4

*Source: Statistics South Africa - QLFS, Q4 of 2013*

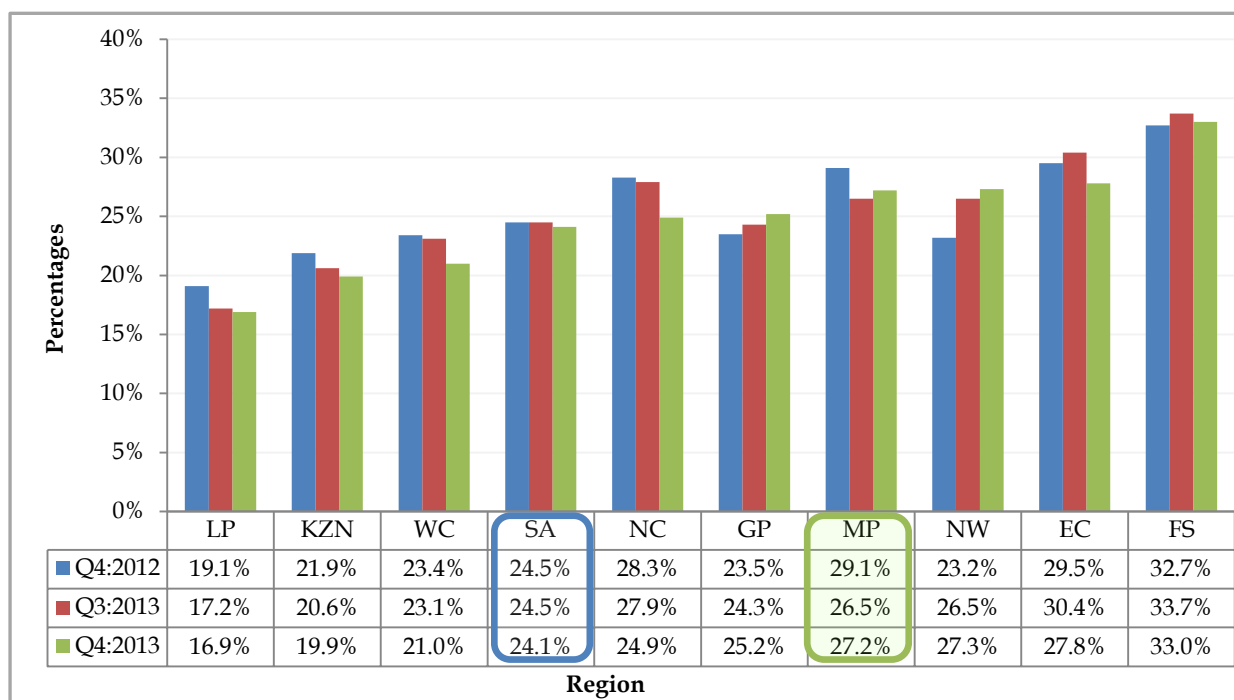
## 5. UNEMPLOYMENT

### 5.1 Strict definition of unemployment

According to Statistics South Africa's latest QLFS, the unemployment rate (strict definition) in Mpumalanga increased from 26.5 per cent in the third quarter to 27.2 per cent in the fourth quarter of 2013. The provincial unemployment rate was higher than the national average of 24.1 per cent. The province recorded the fourth highest unemployment rate among the nine provinces with Free State recording the highest rate at 33.0 per cent.

The graphical illustration of the provincial and national unemployment figures is presented in Figure 3. The number of unemployed in the province (according to the strict definition) increased by 14 000 to 429 000 workers on quarterly basis. Compared with the fourth quarter of 2012, the number of the unemployed in the province decreased by 7 000 on an annual basis.

**Figure 3: Unemployment rate for South Africa & provinces, 2012 – 2013**



Source: Statistics South Africa – QLFS, Q4 of 2013

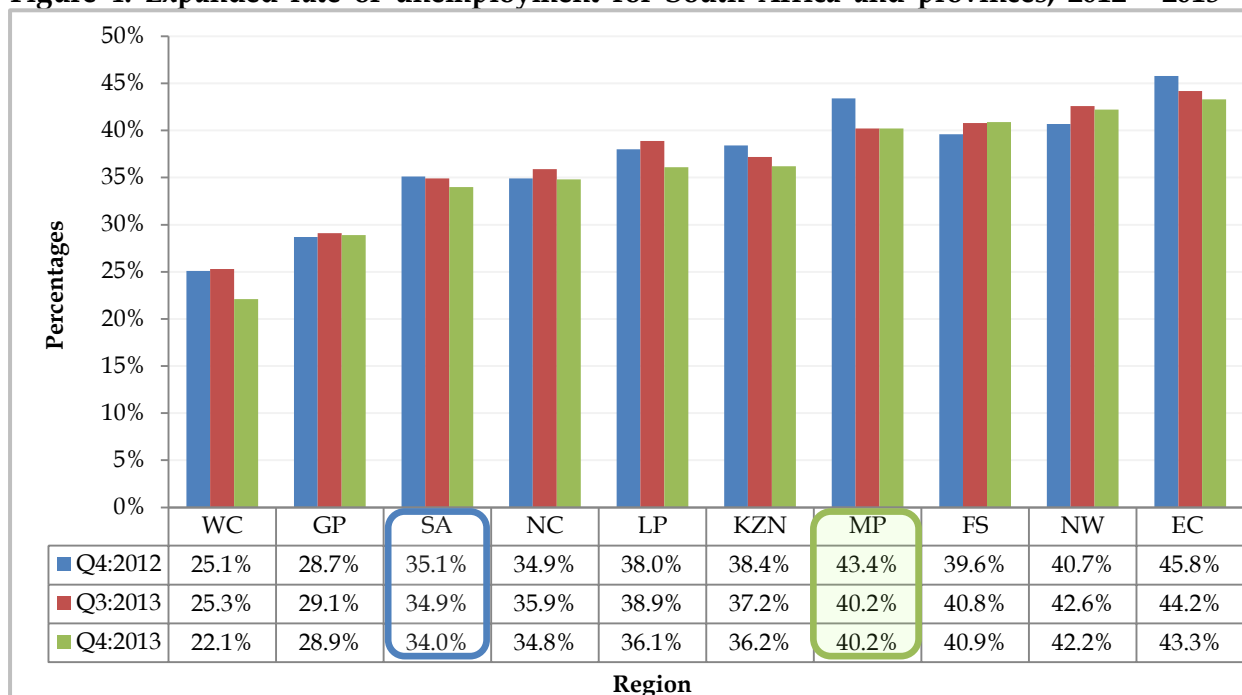
## 5.2 Expanded definition of unemployment

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, regardless of the reason they gave up for looking for work.

Figure 4 shows that South Africa’s unemployment rate in terms of the expanded definition was recorded at 34.0 per cent in the fourth quarter of 2013, decreasing from 34.9 per cent in the third quarter of 2013. Mpumalanga’s unemployment rate remained at 40.2 per cent in the fourth quarter of 2013. The number of unemployed also remained at the same level of 773 000 in the same period.

Mpumalanga (40.2 per cent) registered the fourth highest unemployment rate in the third quarter of 2013 with the Eastern Cape registering the highest rate at 43.3 per cent. Western Cape (22.1 per cent) recorded the lowest unemployment rate and Gauteng (28.9 per cent) the second lowest rate of the nine provinces.

**Figure 4: Expanded rate of unemployment for South Africa and provinces, 2012 - 2013**



Source: Statistics South Africa – QLFS, Q4 of 2013

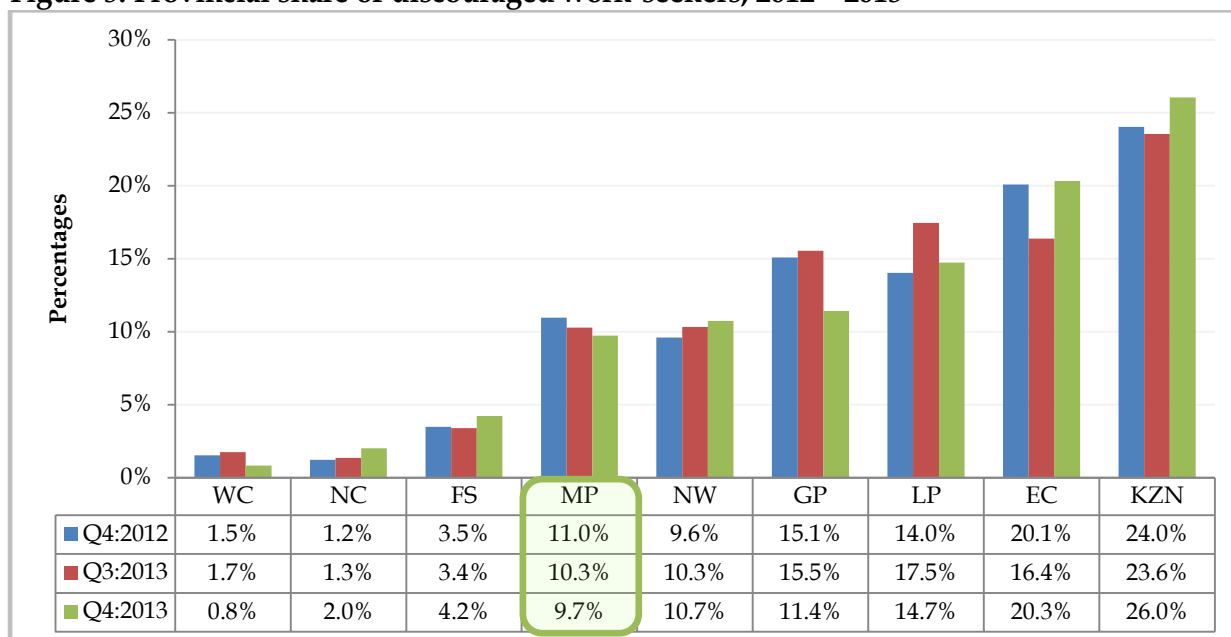
### 5.3 Discouraged work-seekers

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 from 2.297 million in the third quarter of 2013 to 2.200 million in the fourth quarter of 2013. This represents a decrease of 97 000 discouraged workers on a quarter-to-quarter comparison. The number of discouraged work-seekers in Mpumalanga decreased by 22 000 from 236 000 discouraged work-seekers in the third quarter of 2013, to 214 000 in the fourth quarter of 2013.

Figure 5 indicates that Mpumalanga’s share of total discouraged work-seekers was 9.7 per cent of the national figure in the fourth quarter of 2013. This represents a decline of 0.6 percentage points on a quarterly and 1.3 percentage points decline on an annual basis. When compared with other provinces, Mpumalanga registered the fourth lowest share of discouraged workers. The highest percentage share of the country’s total discouraged work-seekers was recorded in KwaZulu-Natal (26.0 per cent) and Eastern Cape (20.3 per cent). The Western Cape (0.8 per cent) and Northern Cape (2.0 per cent) registered the lowest shares of discouraged work-seekers in South Africa.

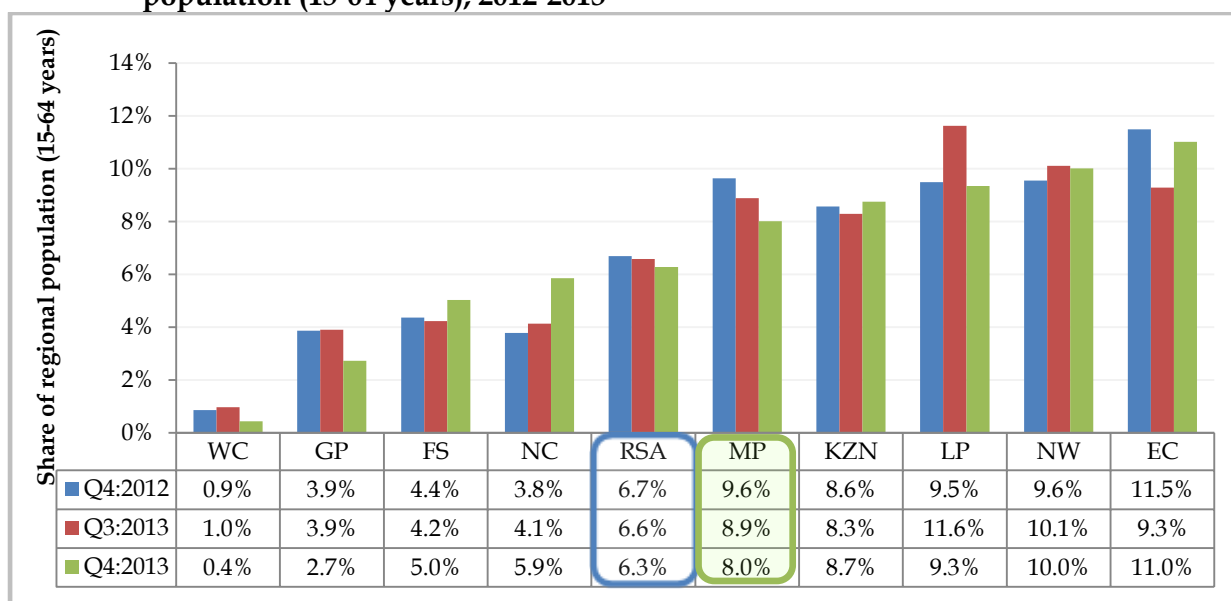
**Figure 5: Provincial share of discouraged work-seekers, 2012 - 2013**



Source: Statistics South Africa - QLFS, Q4 of 2013

It is evident from Figure 6 that Mpumalanga's discouraged work seekers decreased as a percentage of the provincial working age population (15-64 years) between the third quarter (8.9 per cent) and the fourth quarter of 2013 (8.0 per cent). Mpumalanga's share on average remained larger than the national share of 6.3 per cent in the same period. Year-on-year, Mpumalanga's share decreased from 9.6 per cent to 8.0 per cent. Eastern Cape recorded the largest share among the provinces while Mpumalanga recorded the fifth largest share in the fourth quarter of 2013.

**Figure 6: Comparison of discouraged work seekers as a ratio of regional working age, population (15-64 years), 2012-2013**



Source: Statistics South Africa - QLFS, Q4 of 2013

## 6. CONCLUSION

Stats SA has updated the QLFS data/results (2008-2013), to reflect the new benchmarks from the 2011 Census figures. Due to reweighting and revision of the employment data, provincial employment figures reflect that employment at the end of the fourth quarter of 2013, has surpassed the pre-recession figures of 2008 by 116 000 more jobs. Mpumalanga's performance in the labour market from a job creation and employment point of view, reflect an increase on an annual basis according to the fourth quarter 2013 QLFS.

The challenge now is one of the keeping momentum and one of sustainability. Mpumalanga's net job creation of 84 000 on an annual basis is a very good account and represents an employment growth of 7.9 per cent, which was the third highest employment growth among the 9 provinces. The Vision 2030 target is to achieve an unemployment rate of 6 per cent by 2030. It is therefore crucial to create more than 70 000 new jobs annually to achieve this target!

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