2014

Unemployment dynamics in the Northern Cape

Economic intelligence report Q1/2014

Contents

1. Introduction

Since 1994, extensive efforts have been undertaken to address the root cause of unemployment as well as to create greater opportunities for job creation to curb unemployment. To a large extent, South Africa including the Northern Cape suffers from structural unemployment resulting from a skills mismatch between workers skills and the skills needed for available jobs due to factors such as poor quality of education.

South Africa has a competitive advantage in the primary sector (mining and agriculture) however statistical data reflects that the country has shifted to the tertiary sector where higher level skills and experience are in demand (NEPAD, 2014).The economy has not created sufficient employment opportunities over the past years, creating more and better jobs must lie at the heart of any strategy to fight poverty, reduce inequalities and address rural underdevelopment.

Therefore, the Research and Development unit deemed it necessary to compile a report that will outline the unemployment dynamics in the province since 1996. As unemployment is a huge challenge in the province, there is a need to continuously monitor progress made to create jobs and employment opportunities. Furthermore, having a document that assesses employment based on race groups, age structures, gender and municipalities will assist government in directing more efforts and initiatives in areas with high unemployment and poverty levels.

The report is divided into two main sections; demographic profile and labour profile. The following sources of information were used:

- Statistics South Africa Quarterly Labour Force Surveys
- Global Insight
- Quantec Research
- Census Survey 2011

2. Demographic profile

2.1 Population size and growth

The population of any geographical area is the cornerstone of the development process, as it affects economic growth through the provision of labour and entrepreneurial skills, and determines the demand for production outputs. Examining population dynamics is essential to gaining an accurate perspective of those who are likely to be affected by any prospective development or project.

Table 2-1 indicates the population size and growth rates of the Northern Cape and district municipalities.

Table 2-1: Population size (2011) and historical growth rates (1996-2011)

Study area	Census 2011	Historical growth rates			
		1996-2001	2001-2006	2006-2011	1996-2012
Northern Cape	1 145 859	0.4%	0.4%	1.2%	0.7%
Namakwa DM	115 842	1.3%	1.2%	-0.4%	0.7%
Pixley Ka Seme DM	186 349	-0.1%	0.6%	0.8%	0.5%
ZF Mcqawu DM	236 785	1.5%	1.4%	0.8%	1.2%
Frances Baard DM	382 085	0.4%	0.2%	1.5%	0.8%
John Taolo Gaetsewe	224 798	-0.9%	-0.8%	2.3%	0.3%

Source: (Statistics South Africa, 2011) (IHS Global Insight, 2013)

In 2011, South Africa's population was estimated at above 51 million, with over 1.1 million residing in the Northern Cape. The province constitutes 2.2% of the total South African Population. According to the 2011 Census, Frances Baard is the largest of the five district municipalities, with a population of 382 085 people. ZF Mgcawu follows with the second largest population of 236 785 people. John Taolo Gaetsewe district is the third most populous with a total population of 224 798 people. The Namakwa district, with the largest surface area, has the smallest population, of 115 842 people.

2.2 Population by age structure and gender

The structure of a population has important planning implications for government, hence the need to examine population structure from time to time. The age and gender composition of a population can have a considerable impact on demographic and socioeconomic conditions, both present and future. A population pyramid graphically displays the age and gender composition of a population by showing numbers or proportions of males and females in each age group; the pyramid provides a clear picture of a population's characteristics. The sum total of all the age-gender groups in the pyramid equals 100 per cent of the population.

Figure 2-1 indicates the population age structure and gender in the Northern Cape as of 2012.

Figure 2-1: Population structure (2012)

Population Pyramid, Total, 2012
Northern Cape

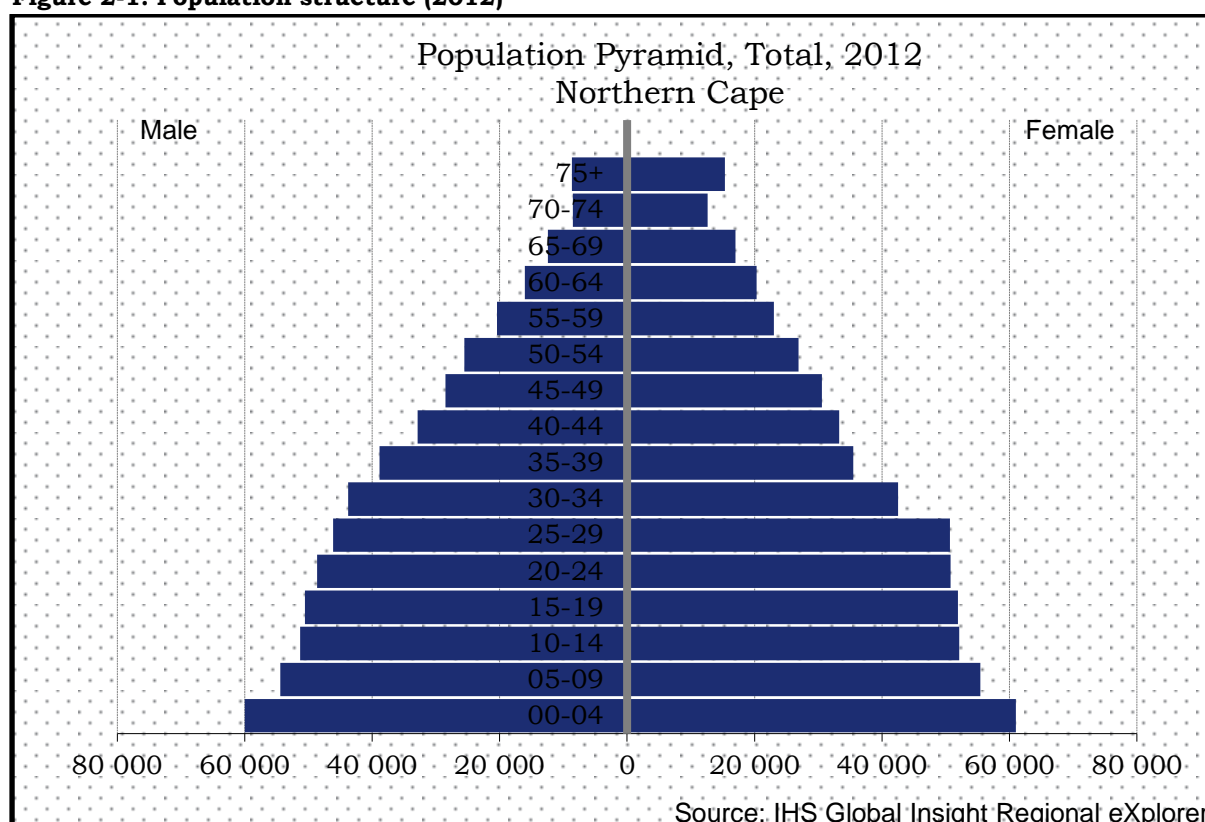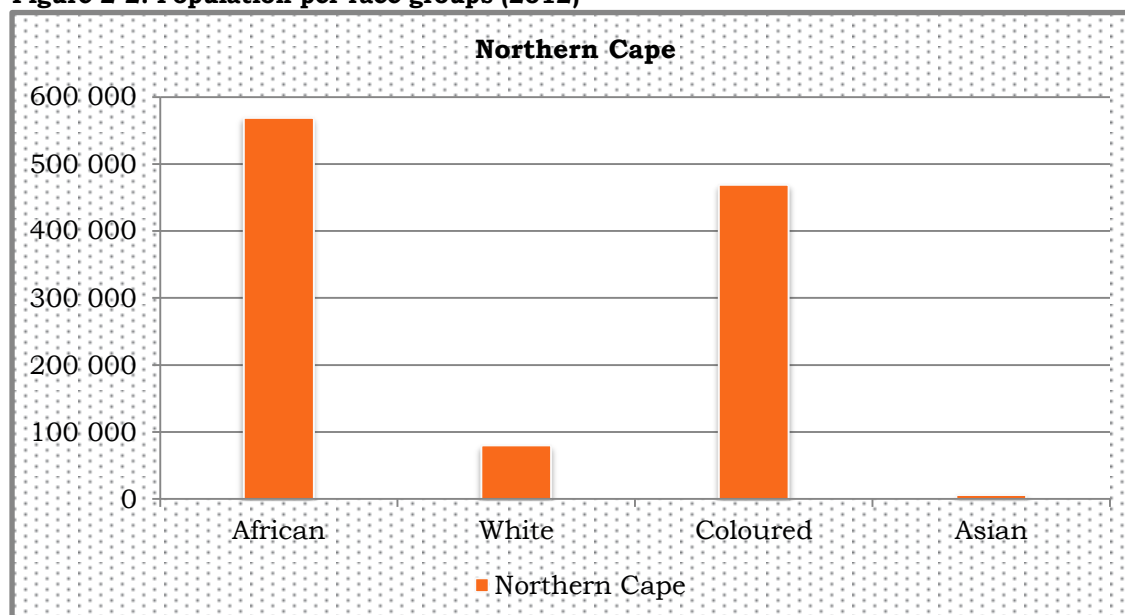Source: IHS Global Insight Regional eXplorer

Figure 2-1 depicts that the majority of the population is under the age of 64, in fact the age cohorts 15 to 64 which represent the working age population, account for over 63 % of the total population in the province. The gender composition of the provincial population is weighted towards females (51%), as they outnumber males (49%). The provincial population is predominantly youth as the age cohort 15 to 34 years (youth) accounts for over 54.3% of the working age population. Whilst the dominance of youth in the working population may be good news when viewed from the perspective of increased and productive workforce, it however implies a greater challenge to the province in matching the workforce with growing job opportunities. Hence provincial government intervention policies should be channelled towards creating jobs for our youth and women, as these vulnerable groups dominate the provincial population.

2.3 Population by race groups

Understanding the population is vital in analysing the racial dynamics in the province and also in the districts. As indicated in Figure 2-2 the African and Coloured population groups represent the majority of the population in 2012. The African population group account for over 50% of the total population in the province while the Coloured population group represents over 41%. The White and Asian population groups account for 7.2% and 0.6% respectively, of the total population in the Northern Cape.

The African population group constitutes the majority of the population in John Taolo Gaetsewe and Frances Baard districts while in Namakwa, Pixley Ka-Seme and ZF Mgcawu districts, the Coloured population group is the majority.

Figure 2-2: Population per race groups (2012)

2.4 Household numbers and size

The number of households and the rate at which they increase over the years provides crucial information for future demands, and therefore economic growth. A high increase in households coupled with the increase in disposable income levels results in greater consumption, which in turn stimulates local production and the economy. In addition, knowledge of the size of the study areas in terms of households is useful for interpretation of the magnitude of the economic impact that could be created by possible projects or activities.

Table 2-2 indicates the household sizes in the Northern Cape and district municipalities.

Table 2-2: Household numbers (2011), household size (2011) and its historical growth rates

Study area	HH number Census 2011	Average HH size	Household number historical growth rates			
			1996/01	2001/06	2006/11	1996/12
Northern Cape	301 426	3.8	1.8%	1.6%	3.2%	2.4%
Namakwa DM	33 795	3.4	2.9%	1.8%	2.9%	2.6%
Pixley Ka Seme	49 139	3.8	1.2%	1.6%	3.1%	2.1%
ZF Mcqawu DM	61 087	3.9	3.3%	2.4%	3.2%	3.1%
Frances Baard DM	96 431	4.0	1.5%	1.3%	2.9%	2.2%
John Taolo Gaetsewe DM	60 974	3.7	0.8%	1.0%	4.2%	2.4%

Northern Cape has 301 426 households, which means that the average household size is 3.8. Frances Baard is estimated to have about 96 431 households and a bigger average household size in the province. The ZF MQcawu district has 61 089 households and the second largest average household size after Frances Baard.

Namakwa DM has the lowest number of households as compared to other districts in the province and the smallest average household size.

Over the years, as indicated in Table 2-2, the households in John Taolo Gaetsewe DM increased the most (3.1%) in the province. This can be attributed to the expansion of mining activities in the area thus attracting migrants from within and outside the province. Pixley Ka-Seme DM had 49 139 households in 2011 and the same average household size like the one experienced at the provincial level.
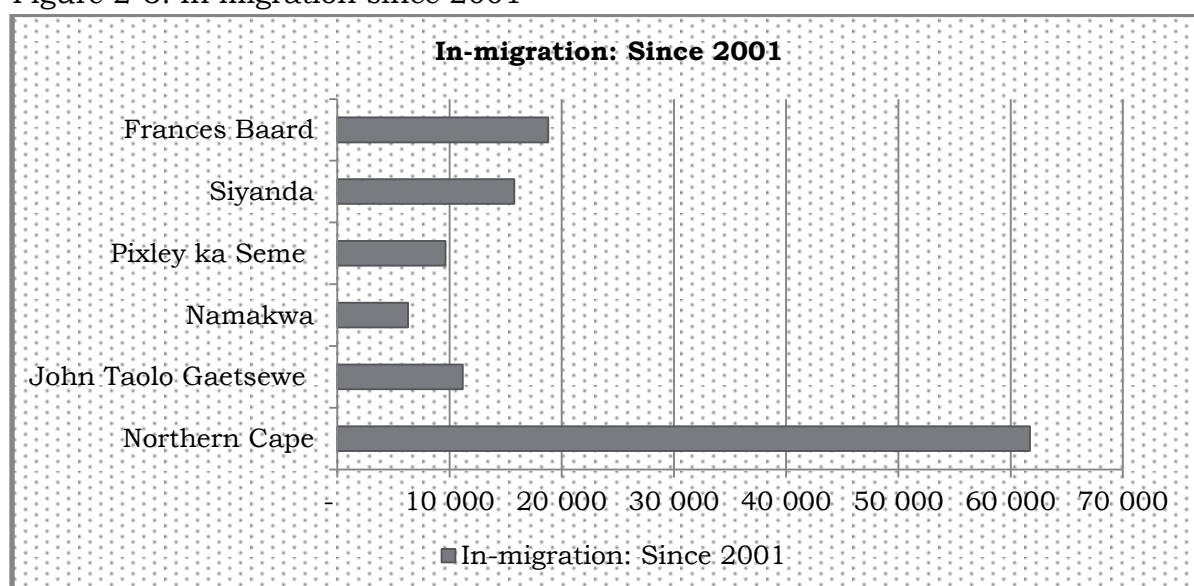
The main factors that affect household growth include, besides the population increase, the change in age structure and incidence rate, or the likelihood of people of a certain age to start a new household. The significant difference between a household growth rate and a population growth rate, though, is usually attributed to the change in age structure. Household size is also influenced by other factors such as culture, traditions, education levels, income levels, etc.

2.5 Migration

This sub-section intends to offer an insight on the movement of people in and out of the province and district municipalities as this affects the economy and provision of basic services. With skilled people leaving their districts and provinces there is less economic activity which results in less contribution towards the Gross Domestic Product (GDP) (Northern Cape Provincial Treasury, 2009).Migration refers to the movement of people from their permanent residence to other places which may be attributed to economic opportunities, employment and access to institutions of higher learning.

Figure 2-3 indicates the number of people who moved to the Northern Cape and its related district municipalities since 2001 to 2011
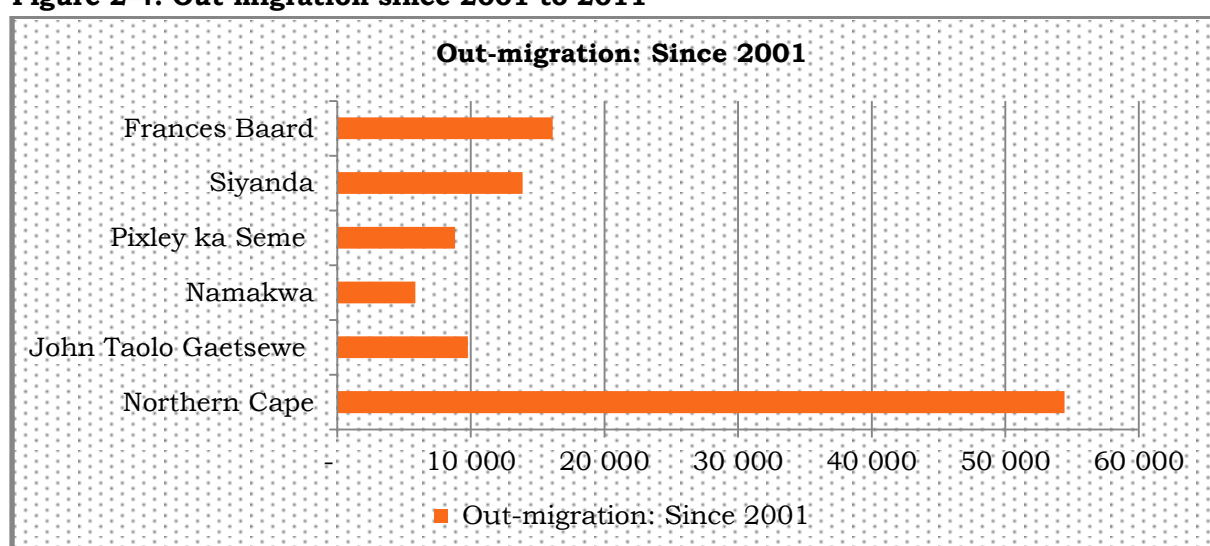
Figure 2-3: In migration since 2001

Source: (Statistics South Africa, 2011)

According to Census 2001 and 2011, over 60 000 migrants moved into the Northern Cape in the period and Frances Baard experienced the highest in-migration followed by ZF MQcawu. Based on Figure 2-3, John Taolo Gaetsewe DM had over 11 000 migrants from 2001 and the number is expected to increase in future due to the mining expansions in the area and possible migration to the district, with people coming to seek employment opportunities in nearby mines.

Namakwa and Pixley Ka-Seme had the lowest in-migration as compared to other districts; this might be due to limited economic opportunities in the two districts.

Figure 2-4 indicates the out-migration pattern in the province and districts since 2001 as captured by Statistics South Africa during the Census 2001 and 2011 surveys.

Figure 2-4: Out-migration since 2001 to 2011

Source: (Statistics South Africa, 2011)

Figure 2-4 shows the movement of people from the province to other provinces. Over 54 000 people moved out of the province since 2001; which is lower than the in-migration level in the same period. It means that from 2001 more people have migrated into the province than out of the province. Frances Baard, Siyanda and John Taolo Gaetsewe had the highest out-migration level than Pixley Ka-Seme and Namakwa.

3. Labour profile

3.1 Labour market statistics (2013)

Employment is the primary means by which individuals who are of working age may earn an income that will enable them to provide for their basic needs. As such, employment and unemployment rates are important indicators for socio-economic well-being.

The labour force profile consists of employed, unemployed, not economically active (NEA) and discouraged persons. The NEA population includes people who are not working, but are housewives, scholars/full-time students, pensioners, disabled people and people not wishing to work. The unemployment rate indicates the number of people unemployed as a percentage of the economically active population, while the Labour Force Participation Rate (LFPR) indicates the labour force (economically active population) as a percentage of the population in the age cohort of 15 to 64 years.

Information box: Unemployment as per official definition

Unemployed are people, who:
   a) **did not work during the seven days prior the interview,**
   b) **want to work and are available to start work within a week of the interview, and**
   c) **have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.**

The composition of the labour force in the Northern Cape is detailed in Table 3-1. The information is sourced from Statistics South Africa's quarterly labour force surveys.

Table 3-1: Labour force statistics (2013 and 2014)

Northern Cape	Jan-Mar 2013	Apr-Jun 2013	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014
Working age population (15-64 yrs.)	**744 000**	**746 000**	**749 000**	**751 000**	**754 000**
Labour force	**417 000**	**427 000**	**439 000**	**438 000**	**434 000**
Employed	295 000	301 000	316 000	329 000	308 000
Unemployed	122 000	126 000	123 000	109 000	126 000
Not Economically Active	327 000	319 000	310 000	313 000	319 000
Discouraged work seeker	23 000	24 000	31 000	44 000	41 000
Other	304 000	296 000	279 000	268 000	278 000
Rates (%)					
Unemployment rate	**29.3%**	**29.5%**	**27.9%**	**24.9%**	**29.0%**
Employed/ population ratio (absorption**)**	39.6%	40.3%	42.3%	43.8%	40.9%
Labour force participation rate	56.0%	57.2%	58.6%	58.3%	57.6%

Source: (Statistics South Africa, 2013) (Statistics South Africa, 2014)

Table 3-1 shows the labour force statistics of the Northern Cape in 2013/14. Based on the Quarterly Labour Force Surveys (QLFS), in quarter one of 2013 Northern Cape had over 744 000 people within the working age population. Of these, about 327 000 were non-economically active and only about 417 000 formed part of the labour force. This means that the labour force participation rate in the province was 56.0%. The number of the employed people in Northern Cape was about 295 000, leaving 122 000 people or 29.3% of the labour force unemployed. The total number of people who were discouraged to look for work in the same reporting period was 23 000, implying a higher unemployment rate considering the expanded definition of unemployment.

From April to June 2013, the working age population in the province increased by 2000 to 746 000, indicating that more people were available for job opportunities.

However, the labour force increase of 10 000 was not matched with the same number of job creation, thus increasing the unemployed numbers by 4 000 between the two quarters. The unemployment rate of 29.5 recorded in quarter 2 was the highest in 2013.
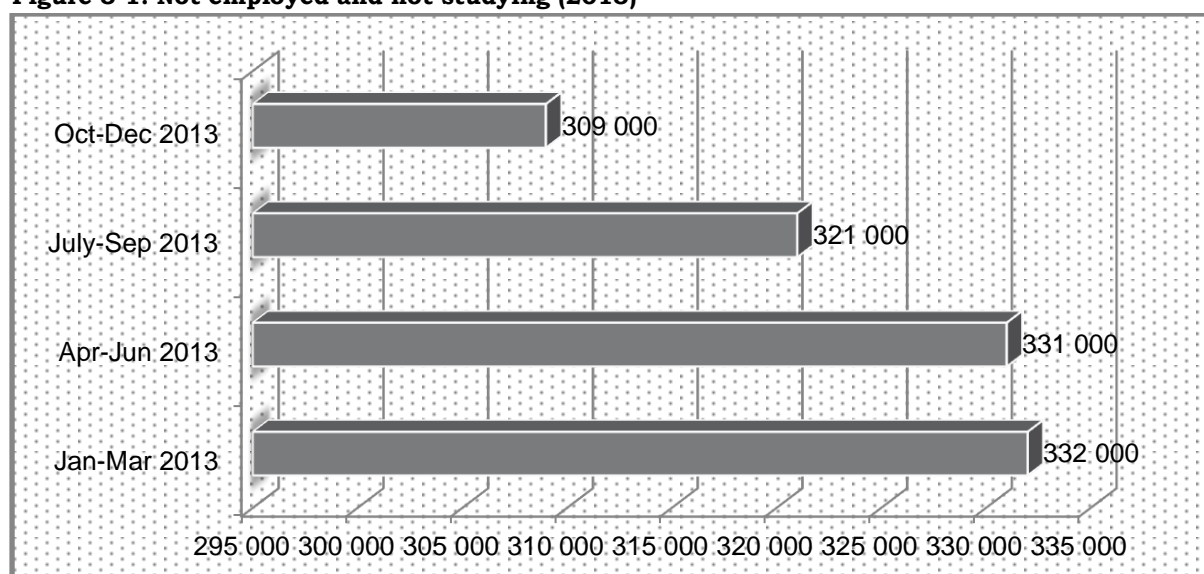
In the last quarter of 2013, the province recorded an unemployment rate of 24.9%. Overall, 329 000 of the 751 000 working age population were people employed.1 09 000 were unemployed in this period, a substantial drop from the 122 000 unemployed numbers in the first quarter of 2013.

The official unemployment rate in the province rose again to 29.0% in the first quarter of 2014. This may be attributed to number of jobs lost after the Christmas season as contracts were terminated. Although unemployment has increased from quarter to quarter, a year on year comparison shows a slight improvement in both employment and labour force participation rates. Unemployment rate decreased by 0.3% whilst the labour force participation rate improved to 1.6% year on year.

While the labour participation rate reveals the labour force (economically active population) as a percentage of the working population, it is equally important to note the labour absorption rate. Labour absorption rate is the proportion of the working age population that is actually employed. According to the International Labour Organization (ILO), a 70% or more labour absorption rate is considered good while a rate less than 50% is considered low.

The Northern Cape's absorption rate of 40.9 ranked fourth highest after Western Cape, Gauteng and Mpumalanga in the first quarter of 2014. This is a slight increase from the 39.6% in the same reporting period in 2013, and a decline from the 43.8% in the last quarter of 2013. Although the province currently ranks fourth, a labour absorption rate of 40.9% is revealing of poor employment prospects within the province.

Figure 3-1 depicts the number of people in the Northern Cape who are not working and also not studying. The information was sourced from the Quarterly Labour Force Surveys.
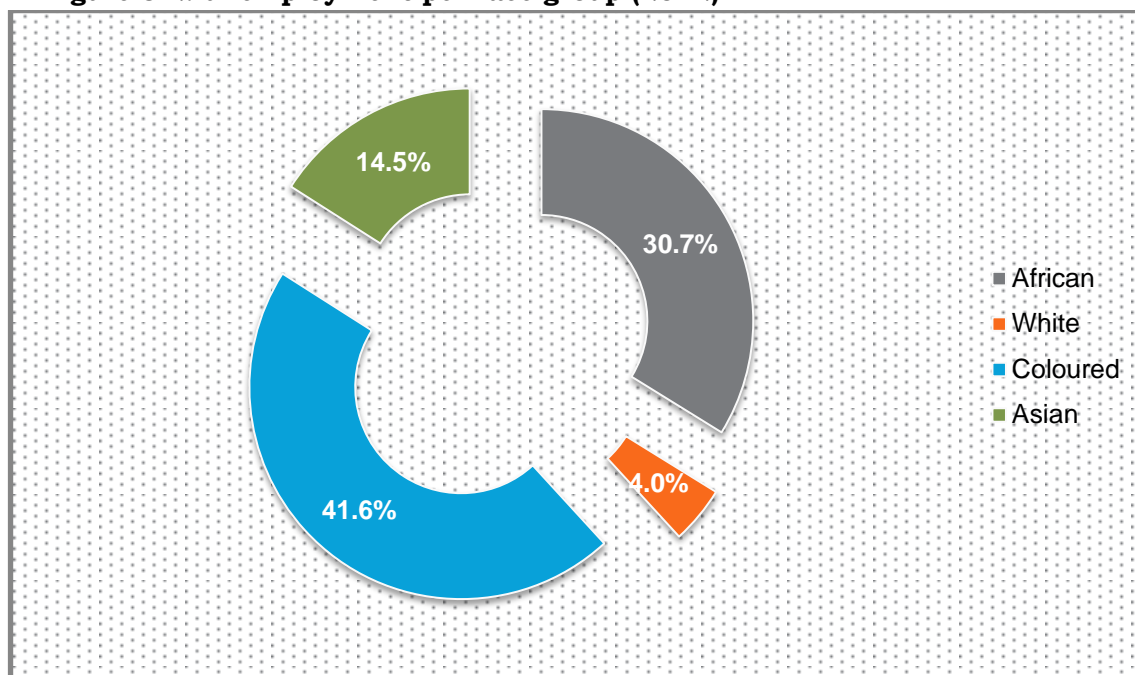
Figure 3-1: Not employed and not studying (2013)

Figure 3-1 shows that the province faces a challenge in terms of lack of participation in the formal economic activities of the economy. In the first quarter of 2013, over 332 000 people in the working age population were neither working nor studying. This "idle" population not only represents a burden to those economically active in the province, but implied pressure to government as well as far as social assistance is concerned.

A great deal still needs to be done to increase job and economic opportunities in the province in order to create sustainable livelihoods for our people. In addition, career awareness campaigns need to be conducted to provide information to communities especially in rural villages advising them of study opportunities, bursaries and scholarship funds available to them so that they access further education opportunities.

3.2 Status of unemployment per race group

It is important for policy makers to know the status of unemployment per race group in order to make the correct intervention measures to create decent jobs and economic opportunities to reduce unemployment and poverty. Figure 3-2 indicates the status of unemployment for all the race groups in 2011.
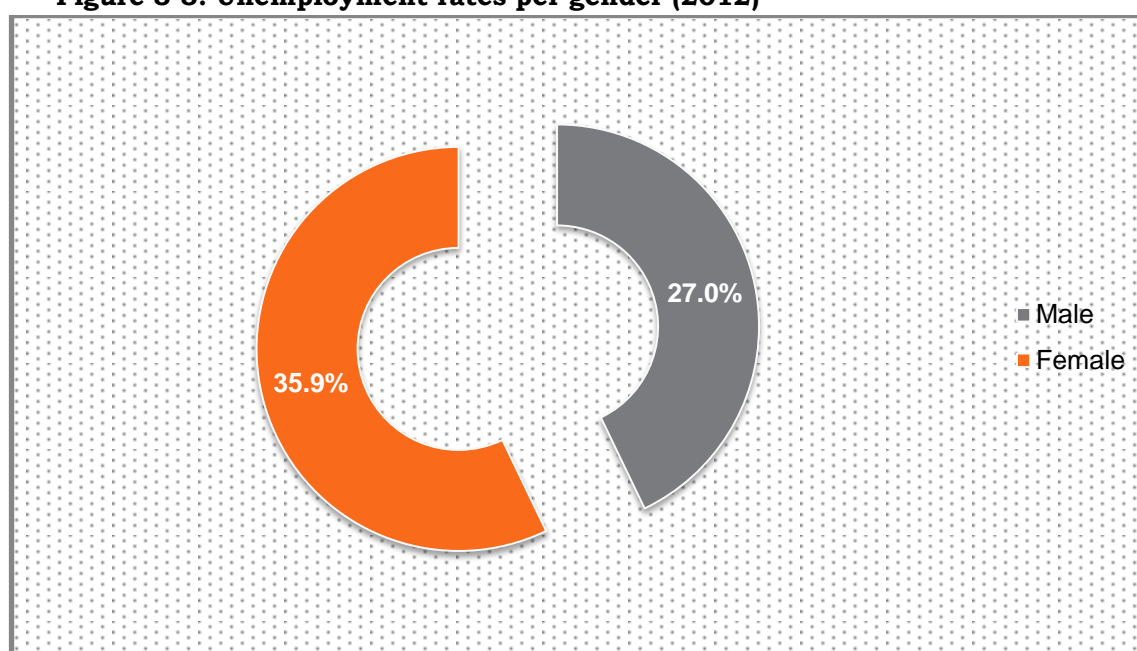
Figure 3-2: unemployment per race group (2012)

Based on the Figure 3-2, Coloured and African race groups contributed the largest proportion to the unemployed population in 2012. The White and Asian groups had the lowest unemployment rates of 4.0% and 14.5% respectively. These scenarios mirror what is happening at a national level, where there is high level of poverty and unemployment among the Coloured and African population groups.

3.3 Unemployment per gender

The Constitution of South Africa (Act 108 of 1996) provides for the equality of men and women as a fundamental part of its human rights approach. Empowerment of women refers to actions to overcome structural inequalities that have previously placed them in a disadvantaged position. Therefore, understanding the challenges that women face like unemployment and poverty is important for any country in order to take relevant corrective actions to address this scourge.

Figure 3-3 depicts the unemployment rates per gender in the Northern Cape in 2012. It shows that over 35% of the women in the working age population are unemployed as opposed to 27% experienced by their male counterparts. Although the unemployment rates are high among women, we must also take cognisance of the fact that the population of the province is female dominated.
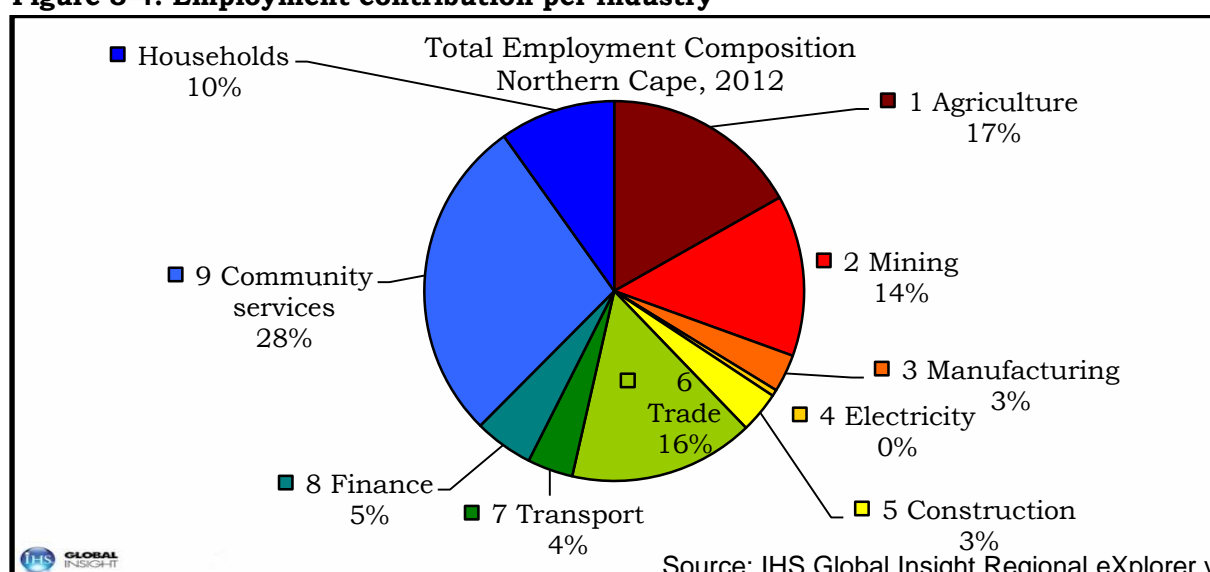
Figure 3-3: Unemployment rates per gender (2012)

27.0%

35.9%

Male
Female

3.4 Employment composition per industry

Figure 3-4 analyses the employment distribution by industries in the Northern Cape in 2012. The primary sector in the province employs more than 31% of the labour force; with agriculture employing over 17% and mining sector hiring 14%. The tertiary sector remains the largest employer; with the community services employing 28% of the total labour force in 2012, thus making it the highest employing industry in the province. The retail trade industry is the second largest employing industry as it employed 16% of the total labour force in the same reporting period. The financial services industry hired only 5% of the total labour force in 2012, thus making it one of the least employing industries in the tertiary sector.

The secondary sector comprising of manufacturing, utilities and construction employed the smallest number of people, providing work for 6% of the working population in 2012. There is a need for initiatives to improve manufacturing industries, because there are abundant raw materials and minerals that can be beneficiated further.

Figure 3-4: Employment contribution per industry

Total Employment Composition Northern Cape, 2012

- Households 10%
- 1 Agriculture 17%
- 2 Mining 14%
- 3 Manufacturing 3%
- 4 Electricity 0%
- 5 Construction 3%
- 6 Trade 16%
- 7 Transport 4%
- 8 Finance 5%
- 9 Community services 28%

Source: IHS Global Insight Regional eXplorer v

3.5 Employment composition by occupation

Table 3-2, details the employment composition by occupation in the Northern Cape as reported by Statistics South Africa in QLFS (2014; Q1).

Table 3-2: employment composition by occupation (NC)

Employment Occupation	Estimated number of employees
Manager	20 000
Professional	13 000
Technical	31 000
Clerk	28 000
Sales & services	46 000
Skilled agriculture	3 000
Craft & related trade	32 000
Plant and machine operator	16 000
Elementary	98 000
Domestic worker	21 000
Other	
Total	308 000

Source: (Statistics South Africa, 2014)

Based on Table 3-2, the majority of employees in the province are unskilled labourers (elementary) with 98 000 people, followed by the sales and services with 46 000 employees. The third largest occupation is craft & related trade, with estimated 32 000 workers. Furthermore, about 20 000 people are employed as managers and 13 000 are professional workers. A small number of people (3 000) are employed as skilled agriculture workers. Although the current employment breakdown by occupation shows the unskilled labours as the major constituents of the provincial labour force, the concern is that they are mostly employed in the informal sector due to the lack of or limited skills.

3.6 Youth unemployment

The youth forms a vital component in the drive towards the development of any region. The youth represents new entrants into the country's labour force and serve as the basis for future demographic growth. The youth can therefore be either a major source of provincial development, or serious social conflict. The role of the youth in the Northern Cape Province will depend on the success with which they are incorporated into the labour market and other social structures.

A number of different definitions for the youth are being used globally. The United Nations defines the youth as people between the age of 14 and 24, while the Black African Youth Charter defines the youth as those between the age of 15 and 34 (Statistics South Africa, 2012). The National Youth Policy 2009 to 2014 on the other hand describes young people as men and women falling within the age group of 14 and 35 years. A great deal of information on the social profiling of the youth is obtained and interpreted from Statistics South Africa, which represents information on youth aged between 15 and 34 years, therefore this definition is used.
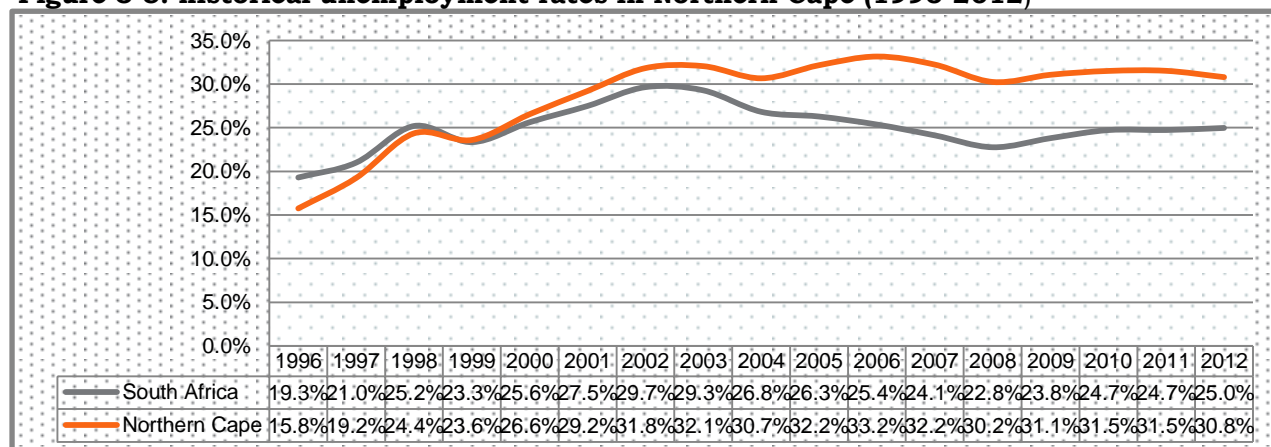
Unemployment in this age group tends to be more than the other age groups and government has several initiatives like the Youth Employment Accord to create jobs for youth. In the first quarter of 2014, the unemployment rate in Northern Cape, in the age cohort 15 to 34 years was over 42.6% which is very high, therefore interventions in skills development, further and higher education and job creation need to be intensified.

South Africa has an acute problem of youth unemployment that requires a multi-pronged approach to raise employment and support inclusion and social cohesion. High youth unemployment means young people are not acquiring the necessary skills or experience needed to drive the economy forward. This situation inhibits the country's economic development and imposes a larger burden on the state to provide social assistance.

3.7 Unemployment trends in the Northern Cape

Figure 3-5 depicts the unemployment rates in South Africa and the Northern Cape from 1996 to 2012.

Figure 3-5: historical unemployment rates in Northern Cape (1996-2012)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
South Africa	19.3%	21.0%	25.2%	23.3%	25.6%	27.5%	29.7%	29.3%	26.8%	26.3%	25.4%	24.1%	22.8%	23.8%	24.7%	24.7%	25.0%
Northern Cape	15.8%	19.2%	24.4%	23.6%	26.6%	29.2%	31.8%	32.1%	30.7%	32.2%	33.2%	32.2%	30.2%	31.1%	31.5%	31.5%	30.8%

According to Figure 3-5 above, from 1996 to 1998 unemployment rate in the province was lower than the national rate. In 1996 unemployment rate was only 15.8% and the province has not managed to record those low levels of unemployment again. The number of people who are not working in the Northern Cape rose sharply from 2000 onwards; peaking at 33.2% in 2006.

In 2012, unemployment as per official definition in the province stood at 30.8% while the national unemployment rate was 25.0%. More emphasis should be placed on providing skills to the unemployed population in order for them to secure jobs and afford them opportunities to participate in the formal economy. It can be concluded that although the unemployment rates have increased since the 1990s in the province, they have also been decreasing at a steady rate from 2007.

3.8 Historical unemployment rates per district municipalities

This section aims to highlight the unemployment trends in all five district municipalities in the province from 1996 to 2012. Understanding unemployment dynamics in each district is important because government policies like Integrated Development Plans (IDPs), Local Economic Development (LED) and anchor projects must be channelled towards areas with high level of poverty and unemployment.

Figure 3-6 represents the unemployment rates experienced in Pixley Ka-Seme District Municipality since 1996.

Figure 3-6: Historical unemployment rates in Pixley Ka-Seme (1996-2012)
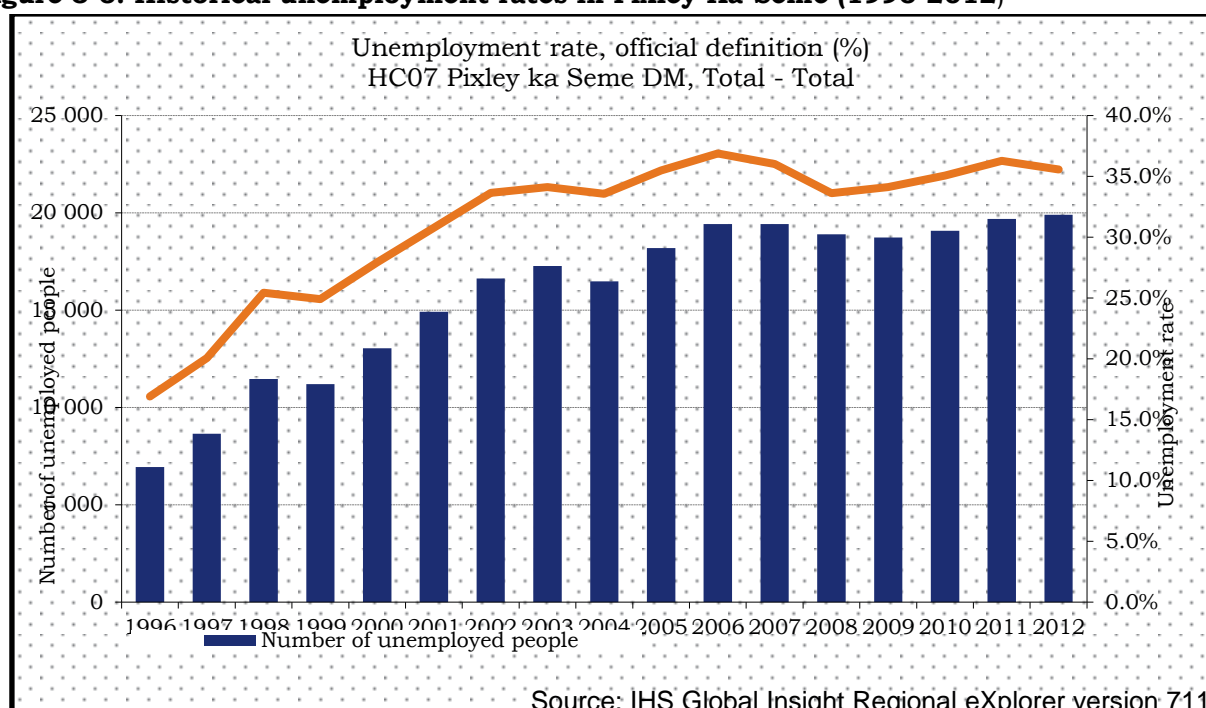

Figure 3-6 above depicts historical unemployment rates in Pixley Ka-Seme District Municipality (DM) from 1996 to 2012. In 1996, unemployment rate in the district was only 16.9% the lowest ever recorded during the period under review. The

district, like others in the province, experienced high rates of unemployment from 1998 onwards, peaking at 36.9% in 2006.

In 2011 more than 20 000 people in the working age population of the district were not employed, this impacts negatively on the households residing in the area because of lack of income to purchase households needs such clothing, education, food and shelter. This high level of unemployment is attributed to the rural nature of the district and limited economic opportunities. Local economic projects must be promoted in this area in order to create sustainable job opportunities for the people residing in the Pixley Ka-Seme district municipality.

Figure 3-7 represents unemployment trends in ZF MQcawu from 1996.

Figure 3-7: Historical unemployment rates in ZF MQcawu DM

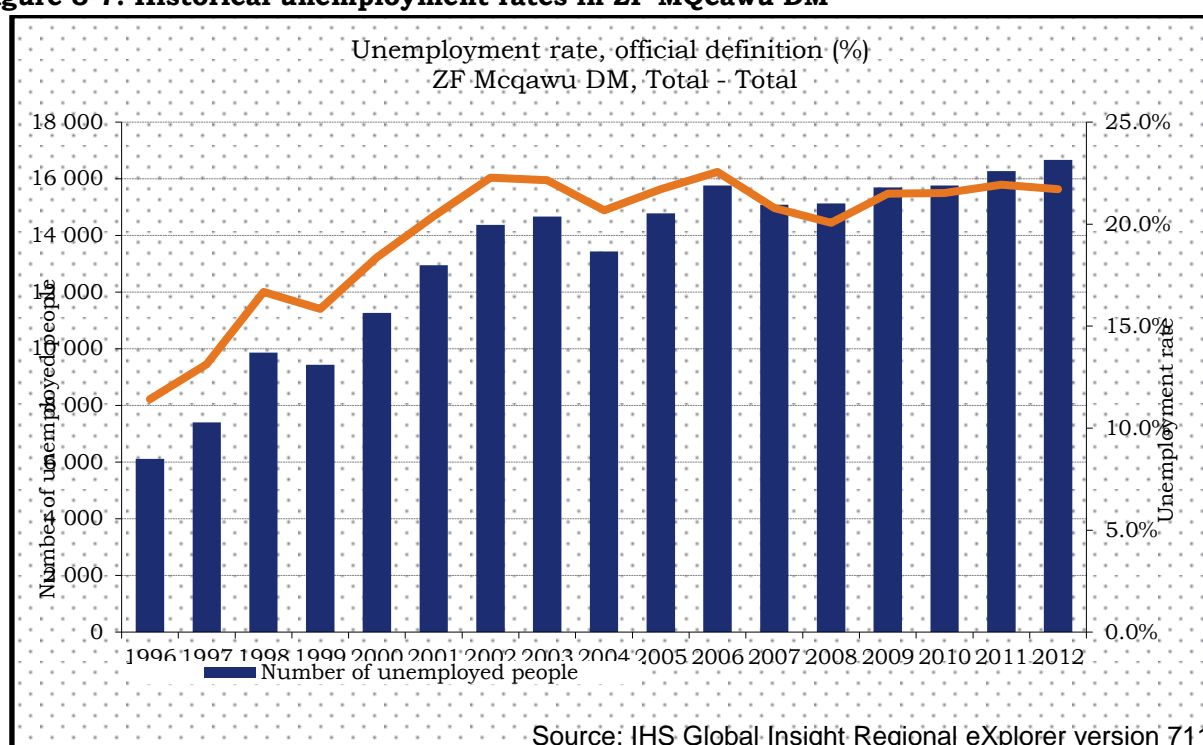Source: IHS Global Insight Regional eXplorer version 711

Figure 3-7 shows the level of unemployment in ZF MQcawu DM formerly known as Siyanda District Municipality. Based on historical unemployment data, ZF MQcawu DM recorded the lowest unemployment rates compared to others in the province. During 1996, the unemployment rate in ZF MQcawu DM was only 11.4%, but almost doubled in 2012 when the unemployment rate was recorded at 21.7%. It is envisaged that renewable energy projects proposed for the district will help create jobs and economic opportunities for the local communities and reverse the upward trend in the unemployment rate.

Figure 3-8 illustrates the unemployment rates in Namakwa DM from 1996 to 2012. As with other district municipalities, unemployment has increased since 1996. Even though, the district is sparsely populated the unemployment rate was 26% in 2012.
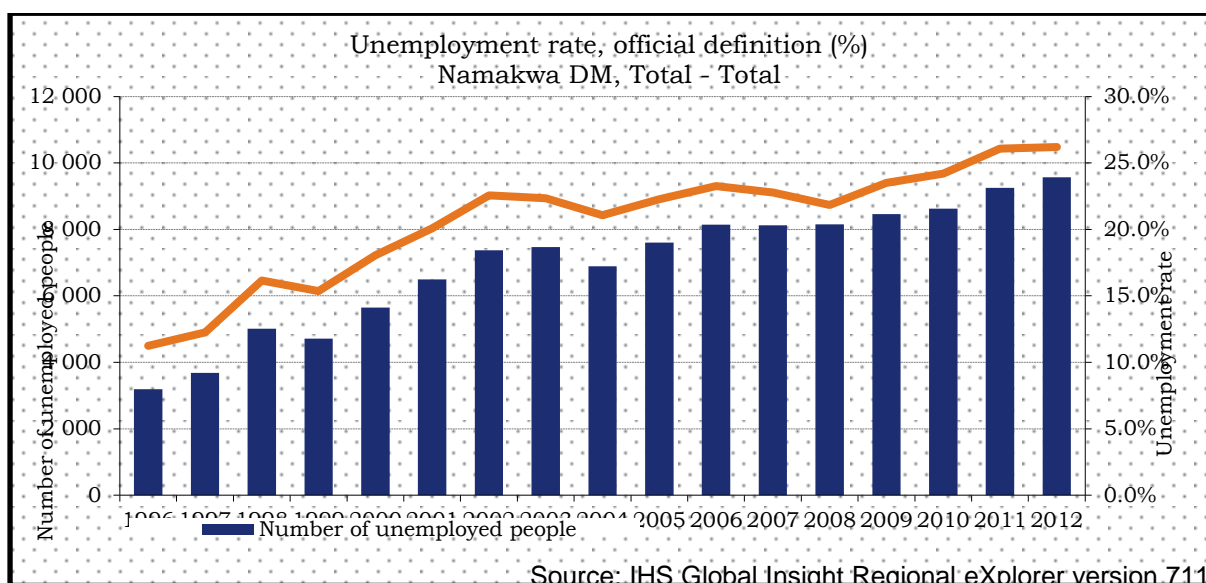
Figure 3-8: Historical unemployment rates in Namakwa DM

Unemployment rate, official definition (%)
Namakwa DM, Total - Total

Source: IHS Global Insight Regional eXplorer version 711

Figure 3-9 indicates unemployment rates in Frances Baard DM from 1996 to 2012. In 2006 and 2007, unemployment in the district was very high, almost reaching the 40% mark but has been slowly decreasing over the recent years, and it stood at 36.1% in 2012.
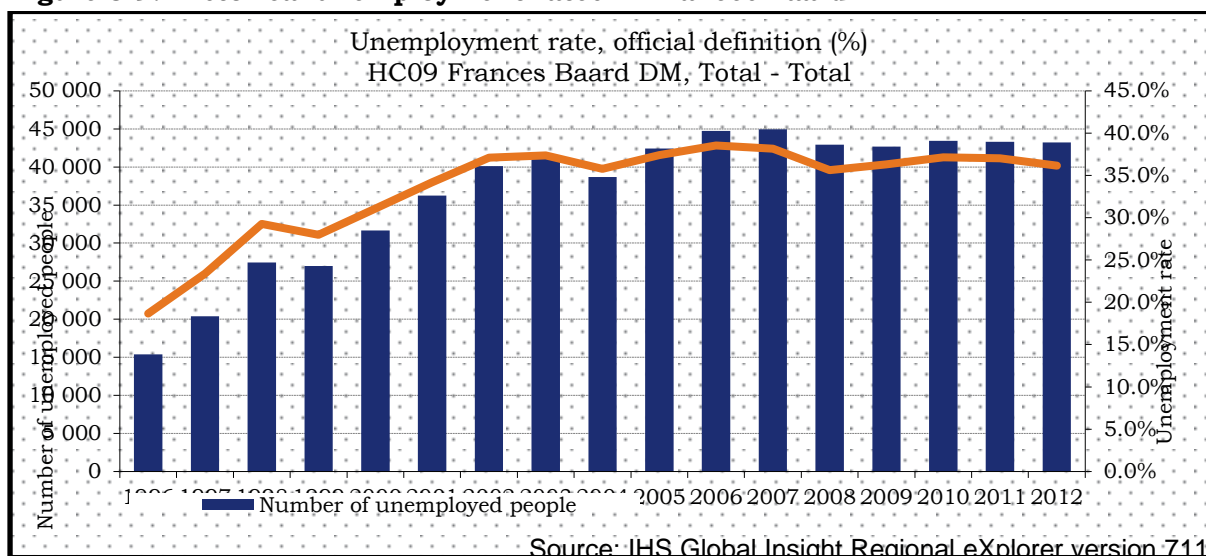
Figure 3-9: Historical unemployment rates in Frances Baard DM

Unemployment rate, official definition (%)
HC09 Frances Baard DM, Total - Total

Source: IHS Global Insight Regional eXplorer version 711

Figure 3-10 below shows that unemployment rates in the John Taolo Gaetsewe (JTG) District Municipality was only 18.2% in 1996, but increased substantially to 24.1% in the following year. Unemployment continued to increase between 2000 and 2010, peaking at 39.0% in 2003.

Over the past three years, unemployment rates have marginally decreased, possibly due to mining expansions and it is expected that more people will be employed in the future thereby reducing the high level of unemployment in the JTG area further.

Figure 3-10: Historical unemployment rates in John Taolo Gaetsewe DM

Unemployment rate, official definition (%)
HC45 John Taolo Gaetsewe DM, Total - Total

Source: IHS Global Insight Regional eXplorer version 711

3.9 Unemployment in the local municipalities

Figure 3.11: Unemployment rates in local municipalities in Northern Cape (2012)

Source: IHS Global insight, 2013

Figure 3-11 depicts the unemployment rates in all the local municipalities in the province in 2012. It highlights the following:

- Umsobomvu, Emthanjeni, Kareeberg and Renosterberg local municipalities in Pixley Ka-Seme DM had the highest level of unemployed populations in 2012. Projects and initiatives must be introduced in these areas to help create jobs and economic opportunities
- Dikgatlong and Magareng local municipalities in the Frances Baard district also had high unemployment rates, recording 49.6 % and 51.4% respectively in 2012
- Local municipalities with low unemployment rates include among others Karoo Hoogland, Tsantsabane and Gamagara
- Overall most of the municipalities in the province have high level of unemployment rates and skills development programmes can help reduce this trend.
- The population size can affect the unemployment rates, more urbanised are prone to higher unemployment rate due to possible influx of migrants from other areas looking for economic opportunities.

4. Skills required by industry

This section lists the skills required by the companies operating in the Northern Cape. Telephonic interviews were conducted with Kumba Iron Ore and additional information was sourced from different documents compiled for the province such as the manufacturing and renewable energy strategies. The NDP and NGP are also consulted on an on-going basis to serve as guiding documents.

The manufacturing sector has the ability to create high number of jobs and according to the Northern Cape FET College the following labour skills in the manufacturing sector are in particularly high demand in the country (Department of Economic Development and Tourism, Northern Cape, 2012):.

Table 4-1: Skills required by the manufacturing sector

Description	Category
1. Motor mechanic	Mechanical
2. Fitter (general)	Mechanical
3. Diesel mechanic	Mechanical
4. Integrated manufacturing line machine setter and minder	Mechanical
5. Electrician	Electrical
6. Panel beater	Mechanical
7. Confectionary baker	Food processing
8. Welder	Mechanical
9. Millwright	Electrical
10. Motorcycle/ Scooter Mechanic	Mechanical
11. Chef	Food processing
12. Toolmaker	Mechanical
13. Plumber (general)	Construction
14. Automotive Electrician	Electrician
15. Aircraft Maintenance Technician (mechanical)	Mechanical
16. Fitter and Turner	Mechanical
17. Boilermaker	Mechanical
18. Vehicle Painter	Mechanical
19. Refrigeration Mechanic	Electrical

Description	Category
20. Sheet Metal Trades worker	Mechanical
21. Precision Instrument Maker and Repairer	Instrumentation
22. Metal Machinist	Mechanical
23. Motor Vehicle Body Builder	Mechanical
23. Plastics Manufacturing Machine Setter and Minder	Mechanical
24. Reinforced Plastics and Composite Trades Worker	Mechanical
25. Electrical Lines Worker/Mechanic	Electrical
26. Bricklayer	Construction
27. Electronic Instrument Trades Worker	Instrumentation
28. Textile, Clothing, Footwear and Leather Mechanic	Mechanical
29. Clothing, Footwear and Leather Patternmaker	Textiles
30. Mechatronics Technician	Instrumentation
31. Special Class Electrician	Electrical
32. Optical Mechanic	Beneficiation
33. Lift Mechanic	Electrical
34. Telecommunications Technicians	Instrumentation
35. Saw Maker and Repairer	Mechanical
36. Pressure Welder	Mechanical
37. Glazier	Construction
38. Carpenter and Joiner	Construction
39. Binder and Finisher	Printing
40. Screen Printer	Printing
41. Graphic Pre-Press Technical Worker	Printing
42. Business Machine Mechanic	Instrumentation
43. Jeweller	Beneficiation
44. Cabinetmaker	Beneficiation
45. Painting Trades Worker	Construction
46. Wood Machinist	Beneficiation
47. Boat Builder and Repairer	Mechanical
48. Upholsterer	Textiles
49. Electronic Equipment Trades Worker	Instrumentation
50. Dressmaker or Tailor	Textiles
51. Cable (Data and Telecommunications)	Electrical
52. Electroplater	Electrical
53. Blacksmith	Mechanical
54. Locksmith	Mechanical
55. Engineering Patternmaker	Mechanical
56. Gasfitter	Construction

Source: (Department of Economic Development and Tourism, Northern Cape, 2012)

According to the Provincial Renewable Energy Strategy, the facilitation and development of renewable energy projects, large or small, requires access to skills and expertise at different stages of project development and execution. The range of skills required are numerous, the majority of these though are skilled and highly skilled professions that require proficient training that can be provided by Universities and Further Education Training (FET) colleges (Department of Economic Development and Tourism, Northern Cape, 2013).

Table 4-2: Skills requirement for the development of the renewable energy industry

	Skills required	
Government	Economists	Business Administrators
	Planners	Project Managers
	Policy making	Researchers
	IT Professionals	Legislators
Equipment Manufacturing	Software Engineer	Manufacturing Engineer
	Modeller	Industrial Mechanic
	Factory Manager	Certifier
	Quality Assurance Expert	Manufacturing Technician
	Procurement Professional	Logistics
	Sales Personnel	Marketing specialist
	Manufacturing Operators	Equipment Transporters
	Logistics operators	
Construction and Installation	Civil Engineers	Business Developers
	Mechanical Engineers	Commissioning Engineers
	Electronics Engineers	Project Managers
	Welders	Plumbers
	Electricians	Foreman and supervisors
	Construction Labourers	
Operation and Maintenance	Plant Manager	Measurement & Control Engineers
	Operators	Technicians
	Security	Cleaning
Project Development	Developer	Lawyer
	Resource Assessment Specialist	Debt Financier Representative
	Architects	Atmospheric Scientist
	Project Designer	Land Development Advisor
	Site Evaluators	Public Relations Officers
	Environmental Consultants	Lobbyist
	Land use Negotiators	Mediators
	Facilitators	Procurement Specialists
General Support	Educators & Trainers	Trade Associations
	Management	HR Professionals
	IT Professionals	Accountant and Auditors
	Insurers	Publishers/ Science writers
	Scientists and Researchers	
	Sales and Marketing	
	Health and Safety Consultants	

Source: (Department of Economic Development and Tourism, Northern Cape, 2013)

Mining remains one of the dominant industries in the Northern Cape, with big mining companies like Anglo American's Kumba Iron-Ore, Assmang and Petra Diamonds operating in the province. The mining sector require the following skills among others:

- Mine Engineers
- Metallurgical Engineers
- Mechanical Engineers
- Industrial Engineers
- Civil Engineers

- Geologists
- Mineral Surveyors
- Mining Technicians
- Boilermakers
- Winding Engine drivers
- Diesel Mechanics
- Operators

The skills mentioned above are not the only ones mining houses look for, however the companies spend substantial amount of money funding bursaries and internships in these above mentioned skills.

5. Action plans

Given the high unemployment rate in the province, different stakeholders including government (all spheres), private business, state agencies and higher education institutions need to partner together to create an environment conducive for job creation. The following actions will need to be taken:

Skills

As outlined inn section 4 of this report, there are a series of skills that are deemed to be required by the different sectors of the economy. To this end, skills development initiatives need to central to the agenda of provincial government. Drawing from the high impact that mining and renewable energy projects have had in reducing unemployment in the province, planning should focus on such priority industries. Firstly, the institutions of higher learning in the province should offer courses suitable for the renewable energy, astronomy, manufacturing and mining industries as these bode well with the developmental needs of the province. Likewise, the provincial and local government as well as business need to intensify the issuing of bursaries in the priority industries listed, to especially academically strong students from disadvantaged backgrounds. SETAs must also prioritise funding the main sector skills needed by the Northern Cape economy. It is also fundamental that people who have been provided an opportunity to be trained are absorbed in the formal sector to ensure permanency of their economic participation.

Vulnerable Groups

A large proportion of the working age population that is unemployed/economically inactive in the province is made up of females and the youth. It is thus necessary that economic initiatives that favour these vulnerable groups be scaled up to promote their employment, especially in rural areas. Implementation of the youth employment accord should be prioritised. Active participation and empowerment of women should be central to the transformation of the economy. Initiatives focused on these vulnerable groups should ensure they secure decent jobs ultimately.

Infrastructure

Infrastructure provision is a precondition for improved economic growth and development (improved quality of life) in any economy. In the main, there is a need to build, upgrade and maintain both social and economic infrastructure to boost economic activity in the province. Municipalities need to provide reliable, affordable and uninterrupted supply of basic services, especially water and electricity to businesses, farmers and manufacturers. Transport infrastructure also needs to be built, refurbished and upgraded to allow for accessibility of markets as well as rural-urban connection. In addition, there is a need for the roll-out of ICT infrastructure projects especially in the rural areas to enable them access to the internet and information and or knowledge thereby increasing their likelihood to secure jobs and economic opportunities.

Localisation

There is a general need to promote local procurement, including promotion of local procurement on infrastructure projects planned for the province. There is also a need to engage with large construction companies and developers to devise a programme to grow local construction industry expertise and skills. Strict monitoring and evaluation of projects is necessary to ensure social labour plans or social responsibility of foreign companies operating in the province benefit the local communities. Local economic projects should be especially intensified in high unemployment areas like Pixley Ka-Seme. Support and promotion of SMMEs also needs to be intensified so they participate in the value chain of the priority economic activities like mining, retail and manufacturing. This will especially help with job creation in the province.

Manufacturing

It is fundamental to encourage and provide information to manufacturers in the province to apply for manufacturing incentives offered by the DTI. Efforts need to be made at developing and supporting industries with potential particularly agro processing, tourism and fisheries. Attracting Foreign Direct Investment (FDI) by promoting the Northern Cape as a preferred investment destination, also needs to be cautiously explored. Financial and non-financial support has to be provided for the uptake/implementation of mineral beneficiation projects in the province. It would also be worthwhile for the province to investigate and compile feasibility studies of projects recommended in the provincial manufacturing strategy of 2012 to ensure initiatives are justifiably prioritised.

6. Synthesis

The Northern Cape is the largest province in terms of land surface but has the smallest population in the country. African and Coloured race groups represent the largest population groups in the province, and are the most affected by the scourge of unemployment as opposed to their White and Asian counterparts. Whilst unemployment has been on the upward trend since 1996, over the recent years a number of high impact projects in mining and renewable energy have helped reduce unemployment. It is expected that the unemployment rates will be reduced further in the coming years especially in areas where most of these high impact projects are implemented or planned.

There is still a significant proportion of the population within the age cohort of 15 to 64 years who are unemployed and do not participate in the formal economy. Economic initiatives need to be up scaled to promote youth and women employment, especially in rural areas. Approximately 42.6% of the youth population in the province is unemployed, which can potentially cause a variety of social problems such as engaging in criminal activities, increase in drug abuse and so forth. Therefore, it is important that youth and women empowerment be central to provincial government agenda in order to increase the chance of these vulnerable groups at securing decent jobs.

The competitive advantage of the province lies in the primary sector (mining and agriculture). However, the tertiary sector remains the largest provider of employment in the province, with government and community services employing more workers than any other industry. The secondary sector which consists of manufacturing, utilities and construction, employs the least number of workers. It is thus of fundamental importance that efforts be directed at diversifying the economy. Prioritising agro processing and mineral beneficiation is important given that these are critical for employment creation.

Lastly, the unemployment trends in the province are rural biased. When comparing unemployment levels of all districts, municipalities in Pixley Ka-Seme DM have the largest number of unemployed population in the province. This can be attributed to the rural nature of the district and as such limited economic opportunities. Whilst unemployment is a provincial challenge, it is important that labour intensive projects and initiatives be channelled towards these rural areas with the intention of creating sustainable jobs and curbing unemployment in the province.

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