



National Agricultural
Marketing Council
Promoting market access for South African agriculture

Markets and Economic Research Centre

Macroeconomic Digest



*An Update on Selected
Macroeconomic Indicators*

Labour - November 2020

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey published by Statistics South Africa on the 12 October 2020 reported unemployment figures in South Africa and the impact of national lockdown due to the corona virus (COVID-19). The results of the third quarter of 2020 indicate large movements out of the “other not economically active” category to “employed” and “unemployed” categories between the second quarter (April-June) of 2020 and third quarter (July -September) of 2020. StatsSA handled the jobs lost as a result of national lockdown by removing not economic active people from the workforce, rather than classifying them as unemployed. This classification resulted to the narrow definition of unemployment with 30.8% recorded in the third quarter of 2020, while the broader definition (includes discouraged work seekers) recorded an increase of 7.5% to 43.1% in the third quarter, compared to the second quarter of 2020. However, on a more positive note, the number of employed people increased by 543 000 (3.8%) to 14.7 million in the third quarter compared to the second quarter of 2020.

This 3.8% (543 000 people) improvement in employment following a massive decline of 2.2 million employed people in the previous quarter. Between the second quarter of 2020 and third quarter of 2020, the employment increased in eight industries, except Utilities and Transport that declined by 23 000 and 7 000, respectively. The largest increase was recorded in Finance (200 000), followed by Community and social services (137 000) and Private households (116 000). Agriculture increased by 1.1% (9 000) from 799 000 in the second quarter to 808 000 in the third quarter of 2020. South Africa’s agriculture and agribusiness sectors have not been severely affected by the ongoing COVID-19 crisis, as the sector was classified as essential and was allowed to continue operating under lockdown period. The subsectors that were severely affected by the lockdown regulations include the wine and tobacco industries, due to the sales restrictions for certain periods.



The largest employment increase was recorded in the Eastern Cape Province with 45.4%, followed by North West (45.2%) and the Gauteng Province (28.1%). The Western Cape and Free State Provinces recorded declines of 30.7% and 14.7%, respectively.

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1. Introduction

The purpose of this publication, the Macroeconomic Digest Labour Report for the third quarter (July-September) of 2020 is to provide valuable factual and analytical information on employment that can empower stakeholders and the public at large, to engage in discussions and analysis of policies and strategies. The analysis in this publication is based on data obtained from Statistics South Africa (Stats SA).

2. Employment by Industry

The Quarterly Labour Force Survey published by Statistics South Africa on the 12 October 2020 reported unemployment figures in South Africa and the impact of national lockdown due to the corona virus (COVID-19). The results of the third quarter of 2020 indicate large movements out of the “other not economically active” category to “employed” and “unemployed” people between the second quarter (April-June) of 2020 and third quarter (July -September) of 2020. StatsSA handled the jobs lost as a result of national lockdown by removing them from the workforce, rather than classifying them as unemployed. This classification resulted to the narrow definition of unemployment with 30.8% recorded in the third quarter of 2020, while the broader definition (includes discouraged work seekers) recorded an increase of 7.5% to 43.1% in the third quarter, compared to the second quarter of 2020. However, on a more positive note, the number of employed people increased by 543 000 (3.8%) to 14.7 million in the third quarter compared to the second quarter of 2020. This 3.8% (543 000 people) improvement in employment, following a massive decline of 2.2 million in the previous quarter.

Table 1 illustrates employment by industry between second quarter of 2020 and third quarter of 2020. The employment increase in eight industries, except Utilities and Transport that declined by 23 000 and 7 000, respectively. The largest increase was recorded in Finance (200 000), followed by Community and social services (137 000) and Private households (116 000). Agriculture increased by 1.1% (9 000) from 799 000 in the second quarter to 808 000 in the third quarter of 2020. South Africa’s agriculture and agribusiness sectors have not been severely affected by the ongoing COVID-19 crisis, as the sector was classified as essential and was allowed to continue operating under lockdown period. The subsectors that were severely affected by the lockdown regulations include the wine and tobacco industries, due to the sales restrictions for certain periods.

Compared to the same period last year, the total employment decreased by 10.3% (1 684 000 jobs) in the third quarter 2020 compared to the third quarter of 2019. This was largely due to the losses in the number of people employed in the Trade industry (400 000), Manufacturing (300 000), Community and social services (298 000), Construction (259 000) and Private households (165 000) industries. Agriculture also declined by 8.2% (72 000 jobs) during the same period.

Table 1: Quarterly and Annual Total Employment

Industry	Jul-Sep 2019	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total	16 375	14 148	14 691	543	-1 684	3.8	-10.3
Agriculture	880	799	808	9	-72	1.1	-8.2
Mining	419	373	419	46	0	12.2	-0.1
Manufacturing	1 760	1 456	1 460	4	-300	0.3	-17.1
Utilities	133	113	90	-23	-43	-19.9	-32.2
Constructing	1 339	1 066	1 080	14	-259	1.3	-19.4
Trade	3 408	2 946	3 008	62	-400	2.1	-11.7
Transport	975	885	878	-7	-97	-0.8	-9.9
Finance and other business services	2 492	2 234	2 434	200	-57	9.0	-2.3
Community and social services	3 679	3 244	3 381	137	-298	4.2	-8.1
Private households	1 286	1 005	1 121	116	-165	11.5	-12.9

*Note: Total includes "other" industry. Due to rounding, numbers do not necessarily add up to totals.

Source: Stats SA, 2020

Table 2 illustrates the employment status in Agriculture during the third quarter of 2020, per province. The largest employment increase was recorded in the Eastern Cape Province with 45.4%, followed by North West (45.2%) and the Gauteng Province (28.1%). The Western Cape and Free State Provinces recorded declines of 30.7% and 14.7%, respectively.

Table 2: Employment by Province in Agriculture (Third quarter of 2020, July - September 2020)

Employment by Agriculture per province	Jul-Sep 2019	Apr-Jun 2020	Jul-Sep 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total Agriculture	880	799	808	9	-72	1.1	-8.2
Western Cape	215	197	137	-61	-79	-30.7	-36.5
Eastern Cape	96	67	98	31	2	45.4	2.2
Northern Cape	33	24	28	4	-4	18.5	-13.3
Free State	56	57	49	-8	-7	-14.7	-12.6
KwaZulu Natal	143	126	132	5	-11	4.2	-7.8
North West	59	45	66	20	7	45.2	11.0
Gauteng	40	32	41	9	1	28.1	1.3
Mpumalanga	98	108	117	9	19	8.2	19.3
Limpopo	140	142	142	0	1	-0.3	1.0

Source: Stats SA, 2020

3. Gender Composition of Agricultural Employment

Gender dimension is crucial from a socio-economic and transformation point of view. Gender inequality affects access to and control over resources which undermines a sustainable and inclusive development of the Agricultural sector. Agriculture plays a significant role in enhancing food security and household welfare in societies. **Figure 1** provides an overview of employment status on gender distribution within the Agriculture sector in South Africa. The recently released data from StatsSA (2020) on Agriculture shows that men have been the main participants within the agriculture sector over the past years. In the second quarter of 2020, the number of men and women actively involved in Agriculture was 578 000 and 230 000, respectively. The number of men involved within the sector has increased by 50 000 (9.5%), while women decreased by 41 000 (-15.1%) in the third quarter, when compared to the previous quarter. This decrease can be attributed to regulations during the lockdown period where the numbers of workers were reduced to adhere to the COVID-19 rules, leading to a number of employees being laid off.

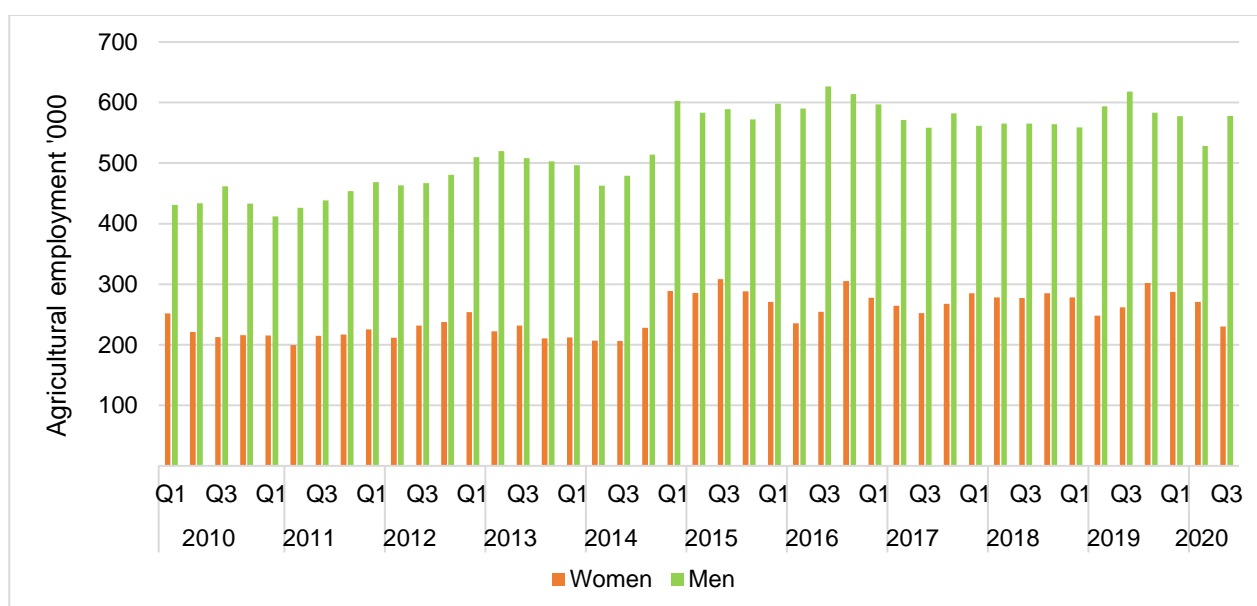


Figure 1: Gender distribution in Agriculture

Source: Stats SA, 2020

Figure 2 presents the long-term trends in Agricultural sectoral employment on a quarterly basis since 2010. Data shows that overall employment has increased by 134 000 jobs between the third quarter of 2010 and the third quarter of 2020.

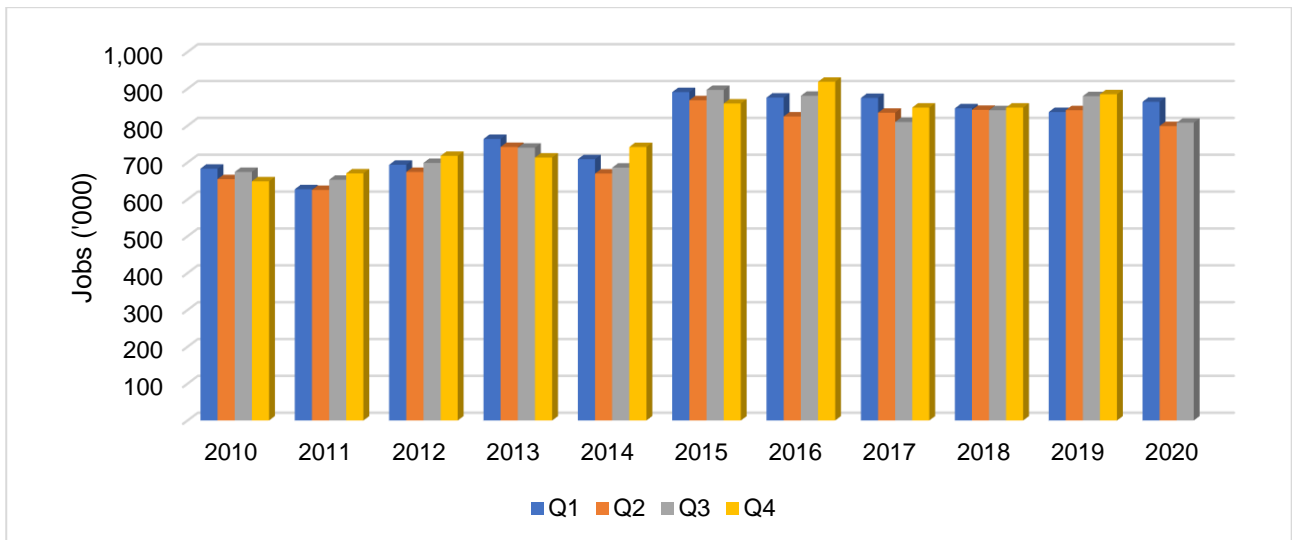


Figure 2: Agricultural employment trends

Source: Stats SA, 2020

Compiled by:

Fezeka Matebeni
 Corné Dempers
 Thabile Nkunjana
 Dr Sifiso Ntombela
 Dr Ndiadivha Tempia

Enquiries: Dr Christo Joubert: +27 12 341 1115 or christo@namc.co.za

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