



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 - June 2020

EXECUTIVE SUMMARY

The official unemployment rate increased by 1 percentage point to 30.1% in the first quarter of 2020 (January to March 2020) compared to the fourth quarter of 2019 (October to December 2019). The total quarterly employment of the first quarter of 2020 indicates that employment decreased by 38 000 to 16.4 million. Employment declined in seven out of the ten (10) industries, with the largest decline recorded in Finance and Other Business Services (-50 000), followed by Community and Social Services (-33 000), Agriculture (-21 000), Transport (-17 000), Manufacturing (-15 000), Construction (-7 000), and Utilities (-4 000). Only Trade, Private Households and Mining registered an increase, with employed figures going up by 71 000, 30 000 and 6 000 in these sectors, respectively.



Within the Agricultural sector, there are employment dynamics across various Provinces. For example, the Northern Cape recorded an increase of 14.5%, followed by the Western Cape at 8.1% and the North West at 6.3%. KwaZulu Natal and Limpopo recorded the largest declines of 17.9% and 9.8%, respectively. In terms of gender, men actively involved in agriculture amounted to 577 000, while women were 287 000. The involvement of women in the sector declined by 15 000 (-4.8%) compared to the previous quarter.

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1. Introduction

The purpose of this publication, the Macroeconomic Digest Report Vol (1) 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 official unemployment rate increased by 1 percentage point to 30.1% in the first quarter of 2020 (January to March 2020) compared to the fourth quarter of 2019 (October to December 2019). The total quarterly employment of the first quarter of 2020 indicates that employment decreased by 38 000 to 16.4 million. In the first quarter of 2020, the total number of unemployed individuals increased to 7.1 million. Noteworthy that the number of discouraged work-seekers increased by 63 000, with the number of people who were not economically active for reasons other than discouragement decreased by 222 000 between the two quarters, resulting in a net decline of 159 000 in the not economically active population group. **Table 1** illustrates that the total employment declined in seven out of the ten (10) industries, with the largest declined recorded in Finance and Other Business Services (-50 000), followed by Community and Social Services (-33 000), Agriculture (-21 000), Transport (-17 000), Manufacturing (-15 000), Construction (-7 000), and Utilities (-4 000). However, employment increases were observed in the Trade (71 000), Private Households (30 000) and Mining (6 000) industries.

Compared to a year ago, there was a net increase of 91 000 in total employment with Community and Social Services (185 000), Agriculture (27 000), Mining (18 000), being the largest contributors to the observed annual increase. Manufacturing (-74 000), Utilities (-34 000), Transport (-30 000) and Trade (-25 000) industries lost jobs during the same period.

Table 1: Quarterly and Annual Total Employment

Industry	Jan-Mar 2019	Oct-Dec 2019	Jan-Mar 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total	16 291	16 420	16 383	-38	91	-0.2	0.6
Agriculture	837	885	865	-21	27	-2.3	3.3
Mining	417	430	436	6	18	1.5	4.4
Manufacturing	1 780	1 720	1 706	-15	-74	-0.8	-4.2
Utilities	150	120	116	-4	-34	-3.5	-22.9
Constructing	1 339	1 350	1 343	-7	5	-0.5	0.3
Trade	3 345	3 249	3 320	71	-25	2.2	-0.7
Transport	1 025	1 011	995	-17	-30	-1.7	-2.9
Finance and other business services	2 516	2 568	2 517	-50	1	-2	0
Community and social services	3 574	3 792	3 759	33	185	-0.9	5.2
Private households	1 301	1 286	1 316	30	15	2.3	1.2

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

Source: Stats SA, 2020

Table 2 shows the employment status in Agriculture during the first quarter 2020, per province. The largest quarter-on-quarter (q-o-q) employment increases were recorded in the Northern Cape by 14.5%, followed by the Western Cape (8.1%) and the North West (6.3%). KwaZulu Natal and Limpopo recorded declines of 17.9% and 9.8%, respectively.

Table 2: Employment by Province in Agriculture (First quarter of 2020, January – March 2020)

Employment by Agriculture per province	Jan-Mar 2019	Oct-Dec 2019	Jan-Mar 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand				Percentage		
Western Cape	225	236	255	19	30	8.1	13.1
Eastern Cape	84	77	80	4	-40	4.7	-4.9
Northern Cape	41	36	41	5	0	14.5	1.2
Free State	60	66	62	-4	3	-5.7	4.3
KwaZulu Natal	134	162	133	-29	-1	-17.9	-0.9
North West	62	48	51	3	-11	6.3	-17.8
Gauteng	31	30	30	1	-1	2.1	-2.8
Mpumalanga	76	92	86	-6	10	-6	13.4
Limpopo	124	140	126	-14	2	-9.8	1.5

Source: Stats SA, 2020

3. Gender Composition of Agricultural Employment

Gender dimension is crucial from a socio-economic and transformation point of view. The gender inequality affects access to and control over resources which undermines a sustainable and inclusive development of the Agricultural sector. Gender plays a significant role in enhancing food security and household welfare. **Figure 1** provides an overview of employment status on gender distribution within the agriculture sector in South Africa. In reviewing findings available from the recent Stats SA release on Agriculture, men were the main participants in agriculture over the past years. In the first quarter of 2020, men actively involved in Agriculture were 577 000, while women were only 287 000. The involvement of women in the sector declined by 15 thousand (-4.8%) compared to the previous quarter.

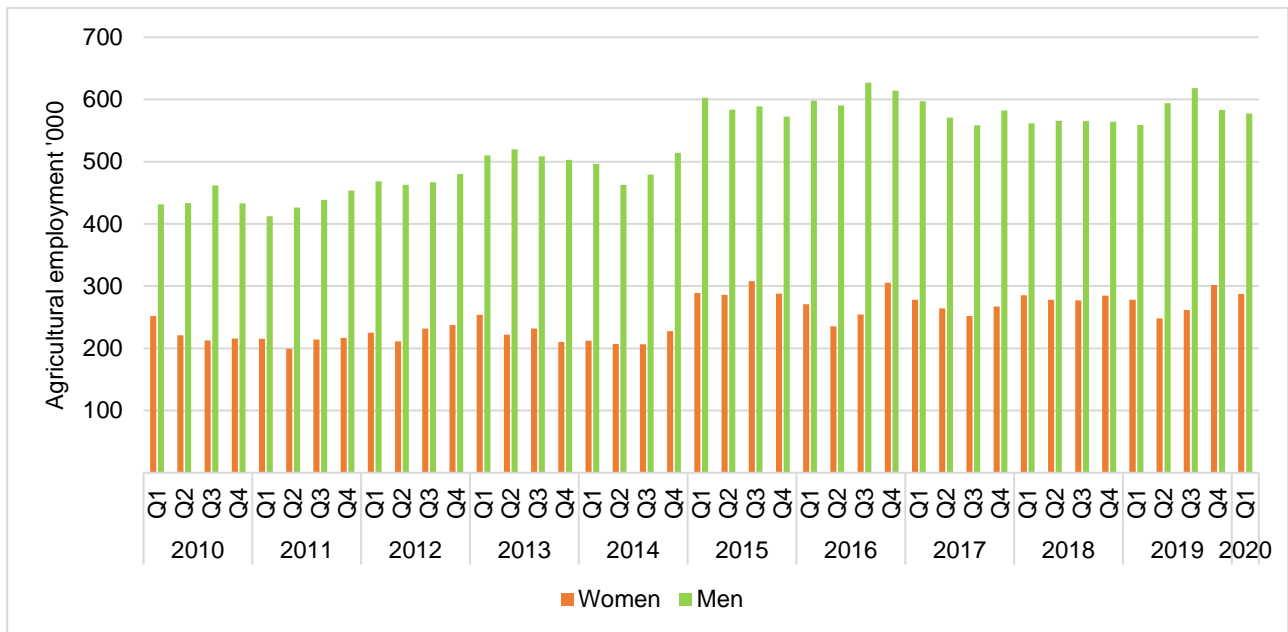


Figure 1: Gender distribution in Agriculture
Source: Stats SA, 2020

Figure 2 shows the long-term trend in Agricultural sectoral employment on a quarterly basis since 2010. The employment increased by 26.6% between the first quarter of 2010 and 2020.

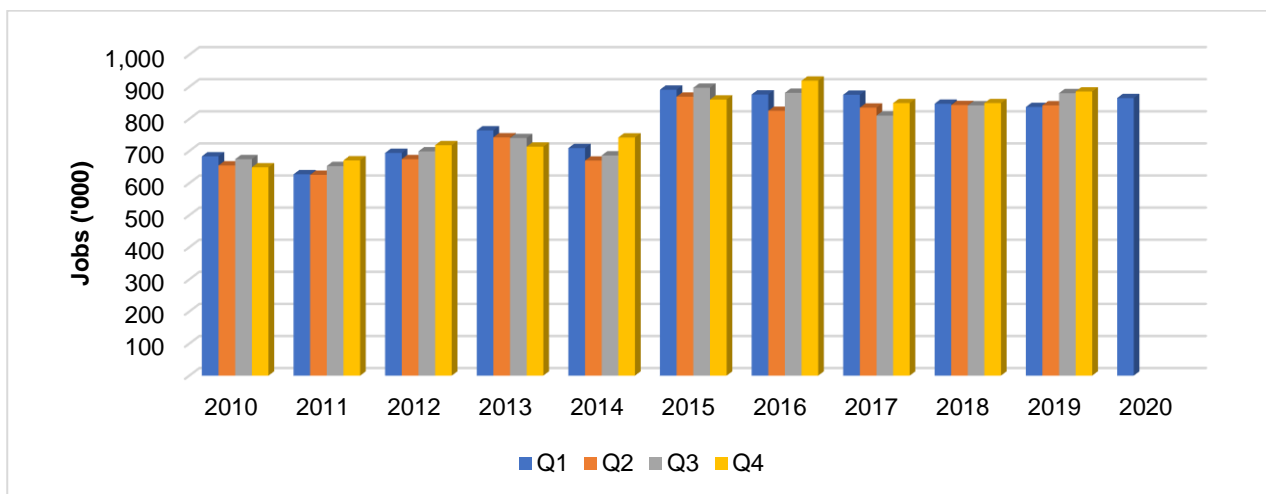


Figure 2: Agricultural employment trends
Source: Stats SA, 2020

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