



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 -February 2021

EXECUTIVE SUMMARY

Employment figures based on Quarterly Labour Force Survey published by Statistics South Africa on the 23 February 2021 indicates an unemployment rate of 32.5%, an increase of 1.7 percentage points from Q3 to Q4. Compared to a year ago, the unemployment rate was 29.1%. This increase is the highest unemployment rate recorded since the start of the labour survey in 2008. Employment figures by industry indicate an increase in most of the sectors but with the largest increases observed in Community and Social Services (170 000), Construction (86 000) and Private households (76 000). Agriculture employed 810 000 in this quarter compared with 808 000 in the third quarter. This decrease was largely due to losses in the number of people employed in all the industries. Utilities and Construction mainly declined by 17.2% and 13.7%, respectively.



Employment figures by province show the largest increase in employment in the Western Cape Province with 30.3%, followed by Free State (10.1%) and Eastern Cape (3%). The North West and Gauteng Provinces recorded declines of 39.2% and 18.9%, respectively. In terms of gender, the number of men and women actively involved in Agriculture was 561 000 and 249 000, respectively. The number of women increased by 19 000 (8.3%) while men involved within the sector has decreased by 17 000 (-2.9%) in the fourth quarter, when compared to the previous quarter. The increase in women was due to the harvest seasons of fruits and wine sector that usually increased seasonal pickers that are mainly women.

Introduction

The Macroeconomic Digest Labour Report of quarter four provides an overview of employment figures by industry, province and gender composition in the agricultural sector. The figures in this publication are based on data obtained from Statistics South Africa (Stats SA) released on the 23 February 2021.

1. Employment by Industry

The Quarterly Labour Force Survey published by Statistics South Africa on the 23 February 2021 provides an overview of the observed large changes in the key labour market indicators between third quarter (July-September) of 2020 and fourth quarter (October-December) of 2020. The movement (from the "other not economically active" category to "employed" and "unemployed") was proportionately more to the unemployed than for the employed, which resulted in an increase of 1.7 percentage points in the unemployment rate to 32.5% between the two quarters which is the highest unemployment rate recorded since the start of the labour survey in 2008. Compared to the fourth quarter of 2019 unemployment rate was recorded at 29.1%.

Table 1 shows employment by industry between third quarter and fourth quarter of 2020. The number of employed persons increased in eight industries with the largest increases observed in Community and Social Services (170 000), followed by Construction (86 000) and Private households (76 000). During Q4 of 2020 810 000 people were employed in the agricultural sector compared to 808 000 in the third quarter, representing an increase of 0.2%. Sectors that recorded a decrease in employment were Mining and Finance by 8.4% and 5%, respectively.

Compared to Q4 of 2019, total employment declined by 1.4 million people in Q4 2020. All the industries showed declined employment with Utilities and Construction declined the most by 17.2% and 13.7%, respectively.

Table 1: Quarterly and Annual Total Employment

Industry	Oct-Dec 2019	Jul-Sep 2020	Oct-Dec 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total	16 420	14 691	15 024	333	-1 397	2.3	-8.5
Agriculture	885	808	810	2	-75	0.3	-8.5
Mining	430	419	384	-35	-46	-8.4	-10.7
Manufacturing	1 720	1 460	1 491	31	-230	2.1	-13.4
Utilities	120	90	99	9	-21	9.6	-17.2
Constructing	1 350	1 080	1 166	86	-184	8.0	-13.7
Trade	3 249	3 008	3 063	55	-186	1.8	-5.7
Transport	1 011	878	943	65	-68	7.4	-6.8
Finance and other business services	2 568	2 434	2 312	-123	-256	-5.0	-10.0
Community and social services	3 792	3 381	3 551	170	-241	5.0	-6.4
Private households	1 286	1 121	1 197	76	-89	6.8	-6.9

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

Source: Stats SA, 2021

Table 2 shows the employment status in Agriculture during the fourth quarter of 2020, per province. The largest employment increase was recorded in the Western Cape Province with 30.3%, followed by Free State (10.1%) and Eastern Cape (3.0%). The subsectors such as the wine, tobacco, cotton and floriculture, among others, that were affected by the lockdown regulations performed better compared to the previous quarter due to ease of the covid-19 regulations in Q4. The North West and Gauteng Provinces show that they are still under pressure as they recorded declines of 39.2% and 18.9%, respectively.

Table 2: Employment by Province in Agriculture (Fourth quarter of 2020, October - December 2020)

Employment by Agriculture per province	Oct-Dec 2019	Jul-Sep 2020	Oct-Dec 2020	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total Agriculture	885	808	810	2	-75	0.3	-8.5
Western Cape	236	137	178	41	-58	30.3	-24.5
Eastern Cape	77	98	101	3	24	3.0	31.6
Northern Cape	36	28	28	0	-8	-1.5	-22.2
Free State	66	49	54	5	-12	10.1	-18.4
KwaZulu Natal	162	132	141	10	-21	7.4	-12.9
North West	48	66	40	-26	-8	-39.2	-16.2
Gauteng	30	41	33	-8	3	-18.9	11.4
Mpumalanga	92	117	100	-17	8	-14.5	8.6
Limpopo	140	142	136	-6	-4	-4.1	-2.8

Source: Stats SA, 2021

2. Gender Composition of Agricultural Employment

Reporting on gender composition of agricultural employment in order to influence policy that ensure that transformation takes place in the sector. Gender inequality affects access to and control over resources which undermines a sustainable and inclusive development of the Agricultural sector. Agriculture remains one of the sectors that is well placed to address the socio-economic and unemployment due to the type of skills needed in the sector

Figure 1 provides an overview of employment status on gender distribution within the Agriculture sector. Data from Stats SA (2021) shows that men have been the main participants within the agriculture sector over the past years. In the fourth quarter of 2020, the number of men and women actively involved in Agriculture was 561 000 and 249 000, respectively. The number of women increased by 19 000 (8.3%) while men involved within the sector has decreased by 17 000 (-2.9%) in the fourth quarter, when compared to the previous quarter. The increase in women was due to the harvest seasons of fruits and wine sector that usually increased seasonal pickers that are mainly women.

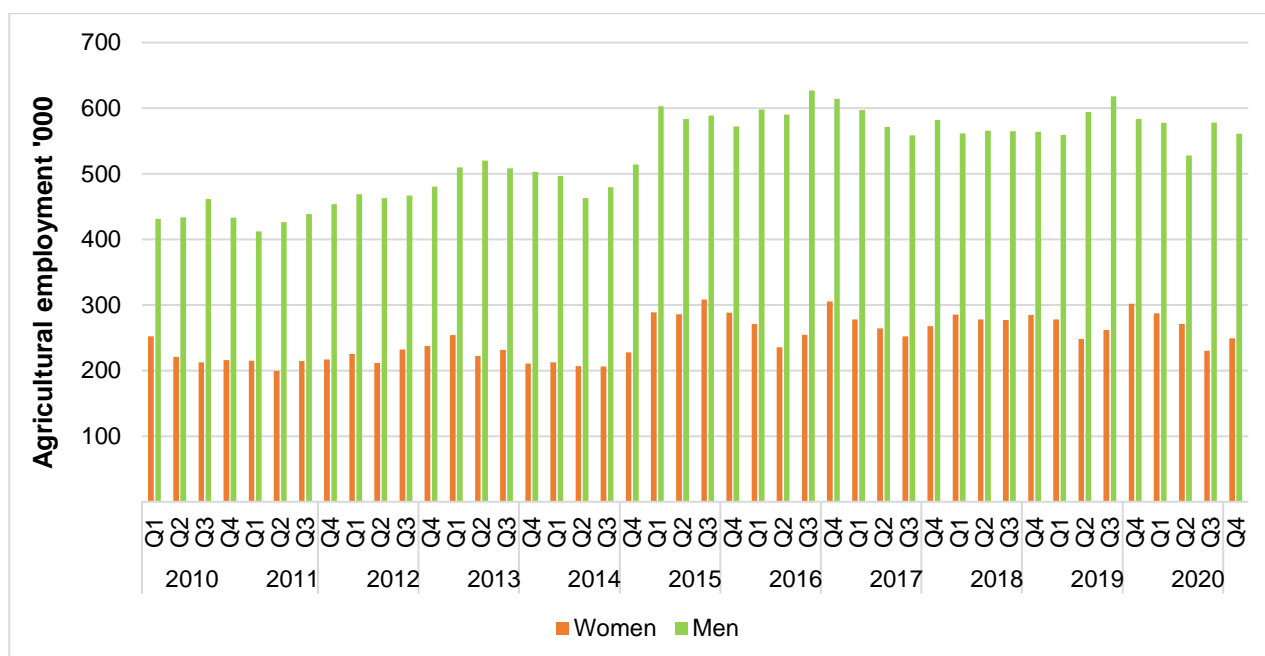


Figure 1: Gender distribution in Agriculture

Source: Stats SA, 2021

Figure 2 presents the long-term trends in Agricultural sectoral employment on a quarterly basis since 2010. **Figure 2** shows that overall employment has increased by 161 000 jobs between the fourth quarter of 2010 and the fourth quarter of 2020. It is also clear from the long-term trends illustrated that there is an absolute fluctuation in employment in the agriculture sector in each quarter and is attributable to the adoption of production technologies and the seasonality of agricultural production.

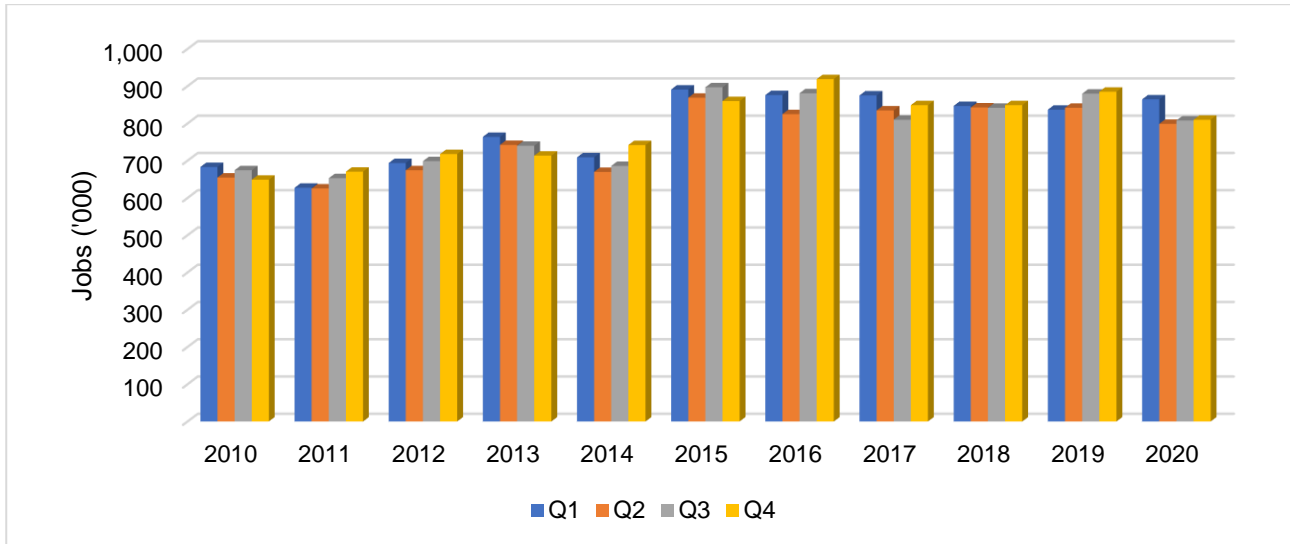


Figure 2: Agricultural employment trends
Source: Stats SA, 2021

Conclusion

In a nutshell, the high level of unemployment (32.5%) is a matter of serious concern, and may have potentially negative effects on economic welfare, production, erosion of human capital, social exclusion, crime and social instability in South Africa. Current trends in employment threaten to deepen the poverty crisis in the country. Out of ten industries, the number of employed persons increased in eight industries during Q4. Agricultural sector recorded a 0.2% increase during the same period. The largest employment increase was recorded in the Western Cape Province, followed by Free State and Eastern Cape due to ease of Covid-19 regulations. Furthermore, women have not been able to catch up with men in terms of agricultural employment, this might be due to women's limited access of resources as their counterparts. Policy decision maker should prioritise programs or activities that will increase employment in the country as well as participation of women throughout the value chain in all sectors.

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