



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 2021

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey published by Statistics South Africa on 01 June 2021 provides an overview of the observed changes in the key labour market indicators between first quarter (January-March) of 2021 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. This movement resulted in an increase of 0.1 percentage points in the unemployment rate to 32.6% between the two quarters. This is the highest unemployment rate recorded since the start of the labour survey in 2008. This is when compared to the last quarter of 2020 with recorded unemployment rate of 32.5%.



Employment figures by provinces shows the Northern Cape Province as the province that recorded the highest employment at 40.3%, followed by Gauteng (31.6%) and Mpumalanga (13.9%) provinces. The Western Cape and KwaZulu Natal Provinces show that they are still under pressure as they recorded declines of employment of 23.8% and 8.3%, respectively. In terms of gender, in the first quarter of 2021, the number of men and women actively involved in Agriculture was 564 000 and 288 000, respectively. The number of men increased by 3 000 (0.5%), while women involved within the sector decreased by 21 000 (8.4%) in the first quarter, when compared to the previous quarter.

Introduction

The Macroeconomic Digest Labour Report of quarter one of 2021 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 01 June 2021.

1. Employment by Industry

The Quarterly Labour Force Survey published by Statistics South Africa on 01 June 2021 provides an overview of the observed large changes in the key labour market indicators between first quarter (January-March) of 2021 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 0.1 percentage points in the unemployment rate to 32.6% between the two quarters, which is the highest unemployment rate recorded since the start of the labour survey in 2008. Compared to the last quarter of 2020 when the unemployment rate was recorded at 32.5%.

Table 1 shows employment by industry between fourth quarter of 2020 and first quarter of 2021. The number of employed persons decreased in five of the ten industries, with the largest decrease recorded in Construction (87 000), followed by Trade (84 000) and Private households (70 000). Agricultural industry also declined by 2.2% (18 000) in this quarter compared to the previous quarter. On other side the largest increases in employment were recorded in Finance (215 000), Utilities as well as Community and Social Services (16 000 each). Compared to the first quarter of 2020, a net decrease of 1.4 million in total employment in the first quarter of 2021 was largely due to losses in the number of people employed in the Trade (341 000), Construction (265 000), Manufacturing (208 000), Community and social services (192 000) and Private Households (189 000) industries.

Table 1: Quarterly and Annual Total Employment

Industry	Jan-Mar 2020	Oct-Dec 2020	Jan-Mar 2021	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total	16 383	15 024	14 995	-28	-1 387	-0.2	-8.5
Agriculture	865	810	792	-18	-72	-2.2	-8.4
Mining	436	384	395	12	-41	3.0	-9.3
Manufacturing	1 706	1 491	1 497	7	-208	0.5	-12.2
Utilities	116	99	115	16	-1	16.0	-0.5
Constructing	1 343	1 166	1 079	-87	-265	-7.5	-19.7
Trade	3 320	3 063	2 979	-84	-341	-2.7	-10.3
Transport	995	943	903	-40	-92	-4.3	-9.2
Finance and other business services	2 517	2 312	2 527	215	10	9.3	0.4
Community and social services	3 759	3 551	3 567	16	-192	0.5	-5.1
Private households	1 316	1 197	1 127	-70	-189	-5.8	-14.4

**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 first quarter of 2021, per province. The largest employment increase was recorded in the Northern Cape Province with 40.3%, followed

by Gauteng (31.6%) and Mpumalanga (13.9%) provinces. The Western Cape and KwaZulu Natal Provinces show that they are still under pressure as they recorded declines of 23.8% and 8.3%, respectively.

Table 2: Employment by Province in Agriculture (First quarter of 2021, January - March 2021)

Employment by Agriculture per province	Jan-Mar 2020	Oct-Dec 2020	Jan-Mar 2021	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand				Percentage		
Total Agriculture	865	810	792	-18	-72	-2.2	-8.5
Western Cape	255	178	136	-42	-119	-23.8	-46.7
Eastern Cape	80	101	101	0	21	0.1	25.7
Northern Cape	41	28	39	11	-2	40.3	-4.7
Free State	62	54	55	2	-7	2.8	-11.1
KwaZulu Natal	133	141	130	-12	-4	-8.3	-2.8
North West	51	40	40	-1	-11	-1.3	-22.1
Gauteng	30	33	43	10	13	31.6	43.6
Mpumalanga	86	100	113	14	27	13.9	31.6
Limpopo	126	136	136	0	10	-0.3	7.6

Source: Stats SA, 2021

2. Gender Composition of Agricultural Employment

Reporting on gender composition of agricultural employment in order to influence policy that promotes transformation in the sector. Gender inequality affects access to and control over resources which in turn 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. There is a strong link between food security, good nutrition and gender. Women play an essential role in the four pillars related to food security, which is, availability, accessibility, utilization and stability. In order to ensure food security at the household level, it is when one will realise the critical role women play and in all development processes towards the achievement of food security. Throughout the world, women are the principal guarantors of nutrition, food safety and quality at household and community levels and this is the case in South Africa as well. They are the most ones who often produce, purchase, handle, prepare and serve food to families. Women are increasing their contribution to household food security either by growing food or by earning income to purchase food.

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 first quarter of 2021, the number of men and women actively involved in Agriculture was 564 000 and 288 000, respectively. The number of men increased by 3 000 (0.5%), while women involved within the sector decreased by 21 000 (8.4%) in the first quarter, when compared to the previous quarter. The number of women working in agriculture correlates with the harvesting and the packaging in the fruit and vegetable sub-sectors. This might provide an explanation for the decline because the harvesting season for some fruits such as apricots and nectarines in the Western Cape came to an end during the first quarter of 2021. The statistics show disproportionate participation between men and women in the sector, an opportunity to direct policy discussion to address transformation issues in the sector.

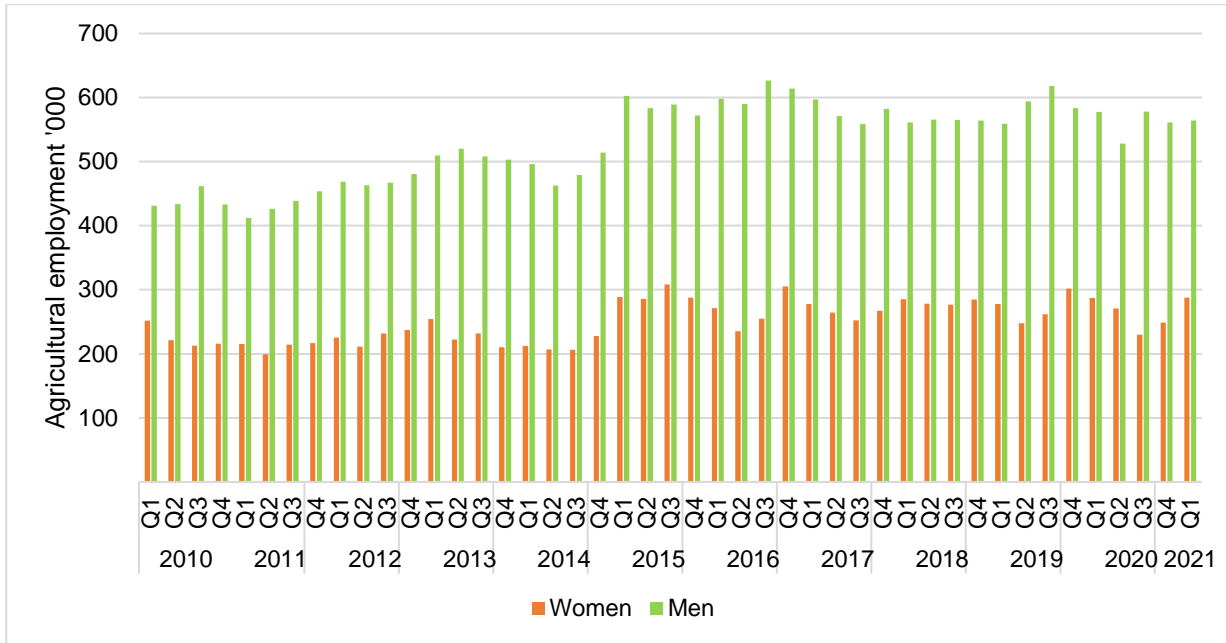


Figure 1: Gender distribution in Agriculture
Source: Stats SA, 2021

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 15.9%, from 683 000 to 792 000 jobs, between the first quarter of 2010 and the first quarter of 2021, respectively. It is also clear from the long-term trends illustrated that there is an 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 as shown in Figure 2

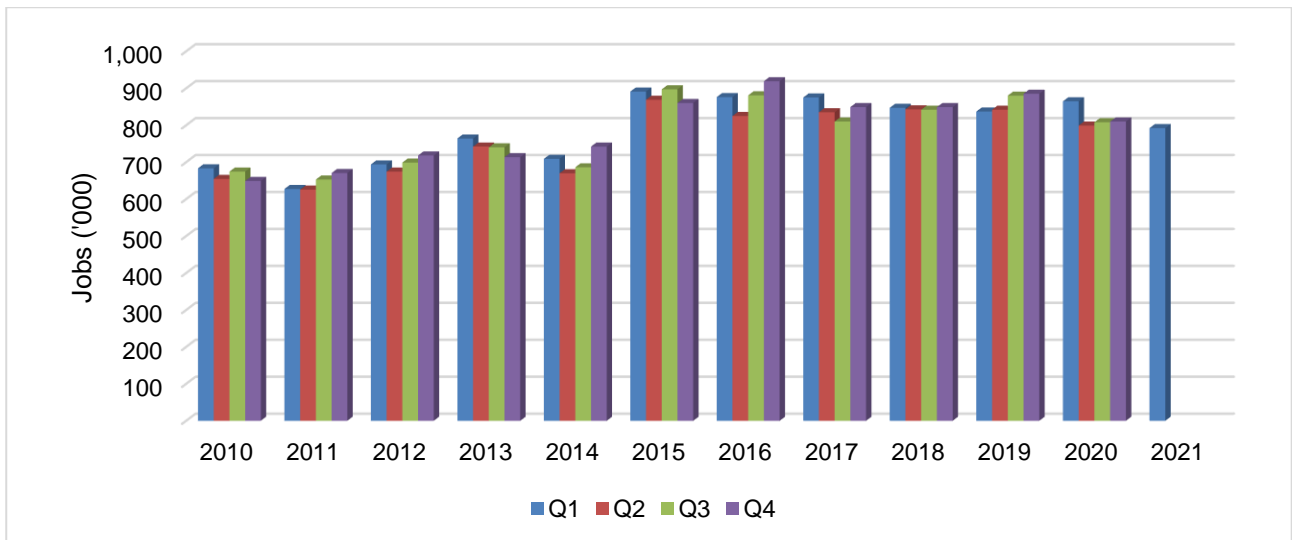


Figure 2: Agricultural employment trends
Source: Stats SA, 2021

Conclusion

High level of unemployment (32.6%) remains a major concern and may potentially have negative effects on economic welfare, production, erosion of human capital, social exclusion, crime and social instability and deepen poverty in the country. The employment data will be of interest in the coming months following the 16.1% increase in the farm minimum wage to R21.69 per hour with effect on 1 March 2021. 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 makers should prioritise programs that will increase employment in the country as well as participation of women throughout the agricultural value chains.

Compiled by:

*Fezeka Matebeni
Corné Dempers
Dr Christo Joubert
Dr Ndiadivha Tempia*

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

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Contact us

Tel: +27 341 1115 | Fax: +27 12 341 1811
Block A | 4th Floor | Meintjiesplein Building | 536 Francis
baard Street
Arcadia | Pretoria | 0002
Email: info@namc.co.za
www.namc.co.za