



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 -August 2021

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey published by Statistics South Africa on 24 August 2021 provides an overview of the observed changes in the key labour market indicators between first quarter (January-March) of 2021 and second quarter (April-June) of 2021. 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 1.8 percentage points in the unemployment rate to 34.4% between the two quarters and increase by 11.1 percentage points when compared to the second quarter of 2020.

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 32.6%.



The Agricultural sector employed 63 000 more employees on a year-on-year basis and 69 000 more employees on a quarter-to-quarter basis. This constitutes to a 7.8% change year-on-year and an 8.7% quarter-to-quarter change. The largest employment increases in the agricultural sector were recorded in the North West Province with 77.4%, i.e. it increased by 31 000 jobs in the second quarter compared to the previous quarter. Western Cape showed an increase of 36.2% and Free State with 34% during the same period. Northern Cape and Gauteng provinces were still under pressure as they recorded declines of 21.9% and 19.5%, respectively. Furthermore, the number of men and women actively involved in Agriculture was 610 000 and 252 000, respectively. The number of men increased by 45 000 (8.1%), while women involved within the sector increased by 24 000 (10.5%) in the second quarter, when compared to the previous quarter.

Introduction

The Macroeconomic Digest Labour Report of the second quarter 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 24 August 2021.

1. Employment by Industry

The Quarterly Labour Force Survey published by Statistics South Africa on 24 August 2021 provides an overview of the observed large changes in the key labour market indicators between the first quarter (January-March) of 2021 and second quarter (April-June) of 2021. 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 1.8 percentage points in the unemployment rate to 34.4% between the two quarters due to the devastating economic impact of COVID-19. This means that the number of unemployed persons increased by 584 000 to 7.8 million compared to the first quarter of 2021. This is the highest unemployment rate recorded since the start of the labour survey in 2008.

Table 1 shows employment by industry between the first quarter of 2021 and the second quarter of 2021. The number of employed persons decreased in three of the ten industries, with the largest decrease recorded in Finance (278 000), followed by Community and social services (166 000) and Manufacturing (83 000). The largest increases in employment were recorded in Construction (143 000) and Trade (108 000). Agricultural industry also increased by 8.7% (69 000) in this quarter compared to the previous quarter.

Table 1: Quarterly and Annual Total Employment

Industry	Apr-Jun 2020	Jan-Mar 2021	Apr-Jun 2021	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr % change	Year-on-year % change
	Thousand					Percentage	
Total	14 148	14 995	14 942	-54	793	-0.4	5.6
Agriculture	799	792	862	69	63	8.7	7.8
Mining	373	395	398	3	25	0.8	6.7
Manufacturing	1 456	1 497	1 415	-83	-41	-5.5	-2.8
Utilities	113	115	118	3	5	2.8	4.7
Constructing	1 066	1 079	1 222	143	156	13.3	14.7
Trade	2 946	2 979	3 087	108	140	3.6	4.8
Transport	885	903	969	66	84	7.3	9.5
Finance and other business services	2 234	2 527	2 248	-278	14	-11.0	0.6
Community and social services	3 244	3 567	3 401	-166	157	-4.6	4.9
Private households	1 005	1 127	1 194	67	189	6.0	18.8

**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 second quarter of 2021, per province. The largest employment increase was recorded in the North West Province with 77.4%, i.e. it increased by 31 000 jobs in the second quarter compared to the previous quarter. Western Cape

showed an increase of 36.2% and Free State with 34% during the same period. Northern Cape and Gauteng provinces were still under pressure as they recorded declines of 21.9% and 19.5%, respectively.

Table 2: Employment by province in Agriculture (Second quarter of 2021, April - June 2021)

Employment by Agriculture per province	Apr-Jun 2020	Jan-Mar 2021	Apr-Jun 2021	Qtr-to-qtr change	Year-on-year change	Qtr.-to-qtr. % change	Year-on-year % change
	Thousand					Percentage	
Total Agriculture	799	792	862	69	63	8.7	7.8
Western Cape	197	136	185	49	-12	36.2	-6.3
Eastern Cape	67	101	82	-19	15	-18.4	22.5
Northern Cape	24	39	31	-9	7	-21.9	27.9
Free State	57	55	74	19	17	34.0	29.4
KwaZulu Natal	126	130	137	7	10	5.4	8.1
North West	45	40	70	31	25	77.4	54.7
Gauteng	32	43	35	-8	3	-19.5	10.1
Mpumalanga	108	113	95	-18	-12	-15.8	-11.4
Limpopo	142	136	153	17	11	12.7	7.4

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. There is a strong link between food security 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.

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 second quarter of 2021, the number of men and women actively involved in Agriculture was 610 000 and 252 000, respectively. The number of men increased by 45 000 (8.1%), while women involved within the sector increased by 24 000 (10.5%) in the second quarter, when compared to the previous quarter. This means gender equality in the agriculture in South Africa is still a challenge. An opportunity to emphasise policy discussion and implementation to address transformation issues in the sector is critical.

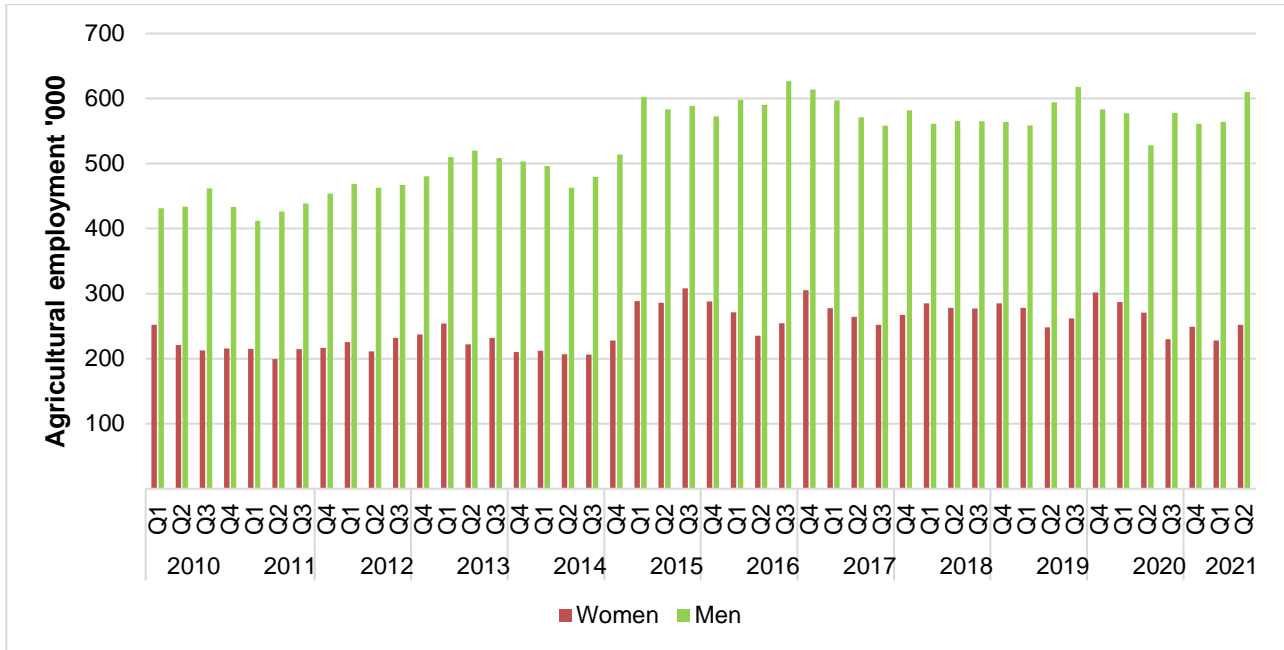


Figure 1: Gender distribution in Agriculture

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 31.7%, from 655 000 to 862 000 jobs, between the second quarter of 2010 and the second quarter of 2021, respectively. It is also clear from the long-term trends illustrated that there is a fluctuation in employment in the agriculture sector in each quarter and this might be attributed to the adoption of production technologies and the seasonality of agricultural production as shown in **Figure 2**.

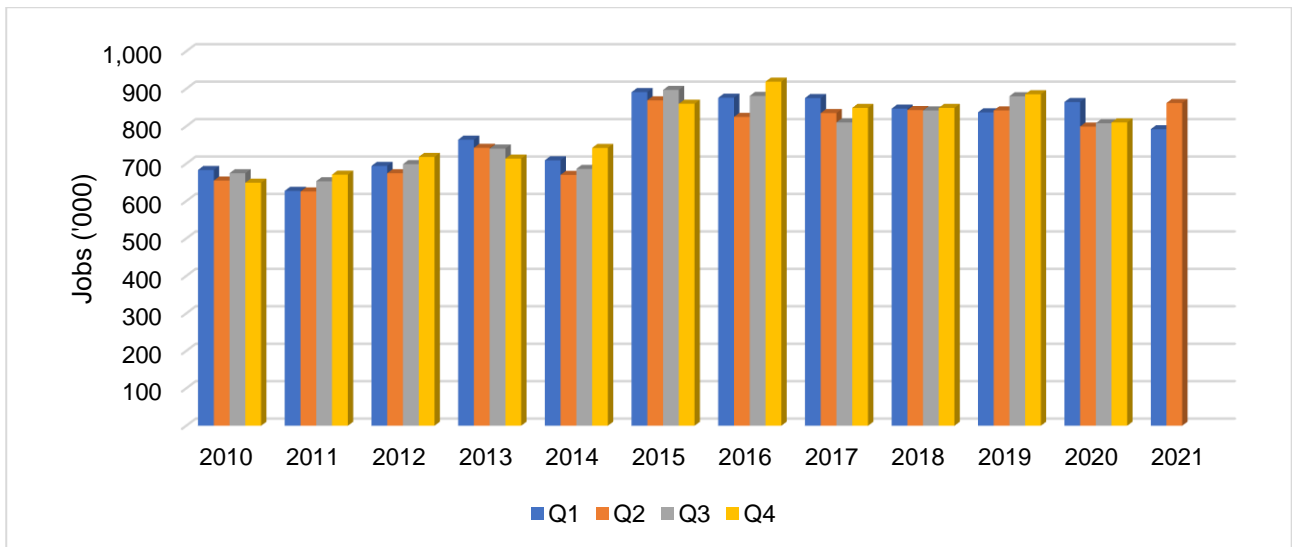


Figure 2: Agricultural employment trends

Source: Stats SA, 2021

Conclusion

The labour market in the second quarter of 2021 shows an increase of 1.8 percentage points in the unemployment rate to 34.4% compared to the previous quarter. This leaves 7.8 million unemployed persons in the country. The high level of unemployment 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 unrest/riots happened in July mainly in Gauteng and KwaZulu Natal.

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