



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 2021

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey (QLFS) published by Statistics South Africa on 30 November 2021 provides an overview of the observed changes in the key labour market indicators between the second quarter (April-June) of 2021 and third quarter (July-September) of 2021. The number of employed persons decreased by 660 000 to 14.3 million in Q3: 2021, and the number of unemployed persons decreased by 183 000 to 7.6 million compared to Q2: 2021, resulting in a decrease of 842 000 (down by 3.7%) in the number of people in the labour force.

According to Stats SA, it was observed that a large number of persons moved from the "employed" and "unemployed" statuses to the "not economically active" categories between the two quarters which resulted in an increase of 0.5 percentage point in the unemployment rate to 34.9% from 34.4% in the second quarter of 2021. This is the highest unemployment rate recorded since the start of the QLFS in 2008.



The Agricultural sector employed 21 000 more employees on a year-on-year basis but 32 000 less employees on a quarter-to-quarter basis. This constitutes a 2.6% change year-on-year and a -3.8% quarter-to-quarter change. The largest employment decrease was recorded in the North West Province with 25.7%, followed by Gauteng Province (19.5%) and KwaZulu-Natal Province (17.1%). Eastern Cape, Northern Cape and Western Cape Provinces showed an increase of 30.4%, 10.2% and 6.7%, respectively. Furthermore, the number of men and women actively involved in Agriculture was 591 000 and 238 000, respectively. The number of men decreased by 19 000 (-3.1%), while women involved within the sector decreased by 14 000 (-5.6%) in the third quarter, when compared to the previous quarter.

Introduction

The Macroeconomic Digest Labour Report of the third 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 30 November 2021.

1. Employment by Industry

The Quarterly Labour Force Survey (QLFS) published by Statistics South Africa on 30 November 2021 provides an overview of the observed changes in the key labour market indicators between the second quarter (April-June) of 2021 and third quarter (July-September) of 2021. The number of employed persons decreased by 660 000 to 14.3 million in Q3: 2021, and the number of unemployed persons decreased by 183 000 to 7.6 million compared to Q2: 2021, resulting in a decrease of 842 000 (down by 3.7%) in the number of people in the labour force.

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Table 1 shows employment by industry between the second quarter of 2021 (Q2: 2021) and the third quarter of 2021 (Q3: 2021). The number of employed persons decreased in all industries with the exception of finance where employment increased by 138 000. The largest decrease in employment was recorded in Trade (309 000), followed by Community and social services (210 000), Construction and Private households (65 000 each). Agricultural industry also decreased by 3.8% (32 000) in this quarter compared to the previous quarter.

Table 1: Quarterly and Annual Total Employment

Industry	Jul-Sep 2020	Apr-Jun 2021	Jul-Sep 2021	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand				Percentage (%)		
Total*	14 691	14 942	14 282	-660	-409	-4.4	-2.8
Agriculture	808	862	829	-32	21	-3.8	2.6
Mining	419	398	345	-54	-74	-13.5	-17.7
Manufacturing	1 460	1 415	1 402	-13	-58	-0.9	-4.0
Utilities	90	118	96	-23	5	-19.2	5.7
Constructing	1 080	1 222	1 157	-65	78	-5.3	7.2
Trade	3 008	3 087	2 778	-309	-231	-10.0	-7.7
Transport	878	969	964	-5	86	-0.5	9.8
Finance and other business services	2 434	2 248	2 386	138	-48	6.1	-2.0
Community and social services	3 381	3 401	3 191	-210	-190	-6.2	-5.6
Private households	1 121	1 194	1 130	-65	9	-5.4	0.8

*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 per province. From Q2: 2021 to Q3: 2021, agricultural employment decreased in six of the nine provinces. The largest employment decrease was recorded in the North West Province with 25.7%, followed by Gauteng Province (19.5%) and KwaZulu-Natal Province (17.1%). Eastern Cape, Northern Cape and Western Cape Provinces showed an increase of 30.4%, 10.2% and 6.7%, respectively.

Table 2: Employment by province in Agriculture

Employment by Agriculture per province	Jul-Sep 2020	Apr-Jun 2021	Jul-Sep 2021	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand				Percentage (%)		
Total Agriculture	808	862	829	-32	21	-3.8	2.6
Western Cape	137	185	197	12	61	6.7	44.3
Eastern Cape	98	82	107	25	10	30.4	9.8
Northern Cape	28	31	34	3	5	10.2	19.0
Free State	49	74	72	-2	24	-2.2	48.4
KwaZulu Natal	132	137	113	-23	-18	-17.1	-14.0
North West	66	70	52	-18	-14	-25.7	-20.9
Gauteng	41	35	28	-7	-13	-19.5	-30.8
Mpumalanga	117	95	92	-3	-24	-3.2	-20.7
Limpopo	142	153	133	-20	-9	-13.0	-6.3

Source: Stats SA, 2021

2. Gender Composition of Agricultural Employment

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.

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 from Q2: 2010 to Q3: 2021. In the third quarter of 2021, the number of men and women actively involved in Agriculture was 591 000 and 238 000, respectively. The number of men decreased by 19 000 (-3.1%), while women involved in the sector decreased by 13 000 (-5.3%) in the third 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. However, year-on-year, both women and men employed in agriculture showed increases of 3.8% and 2.2%, respectively.

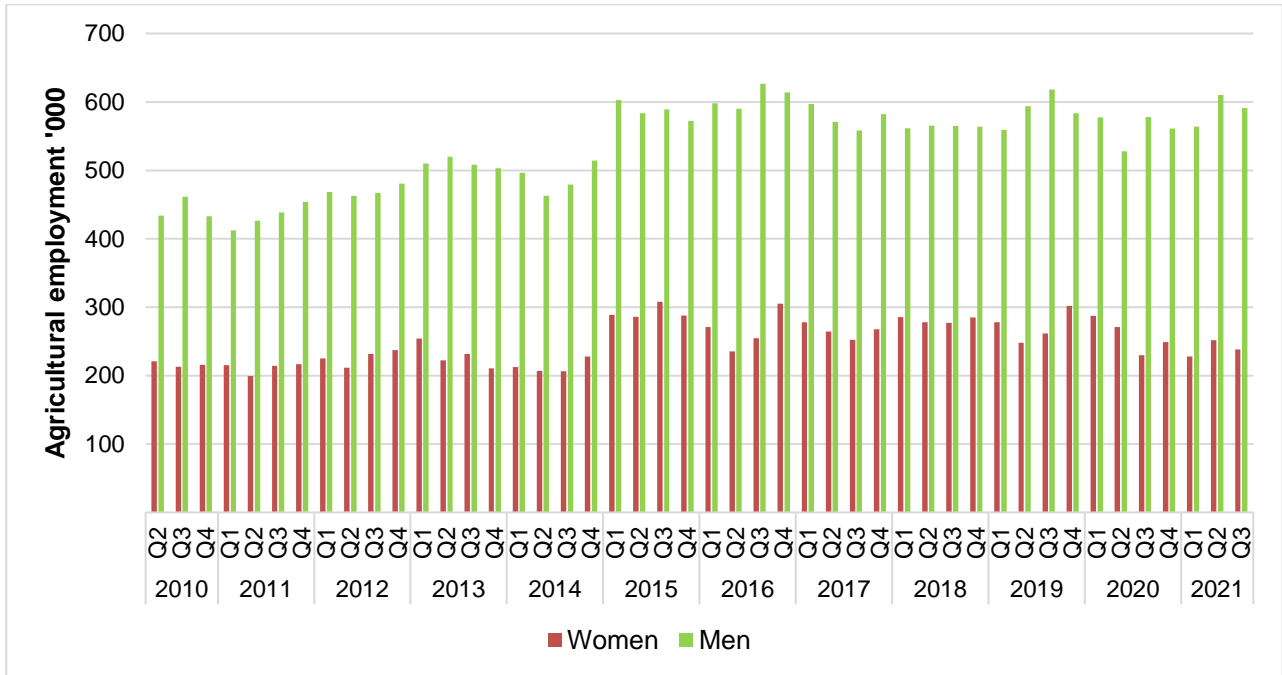


Figure 1: Gender distribution in Agriculture

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 22.9%, from 674 000 to 829 000 jobs, between the third quarter of 2010 and the third quarter of 2021, respectively. It is also clear from the long-term trends illustrated that there is a fluctuation in employment in the agricultural sector in each quarter and this might be attributed to the adoption of production technologies and the seasonality of agricultural production.

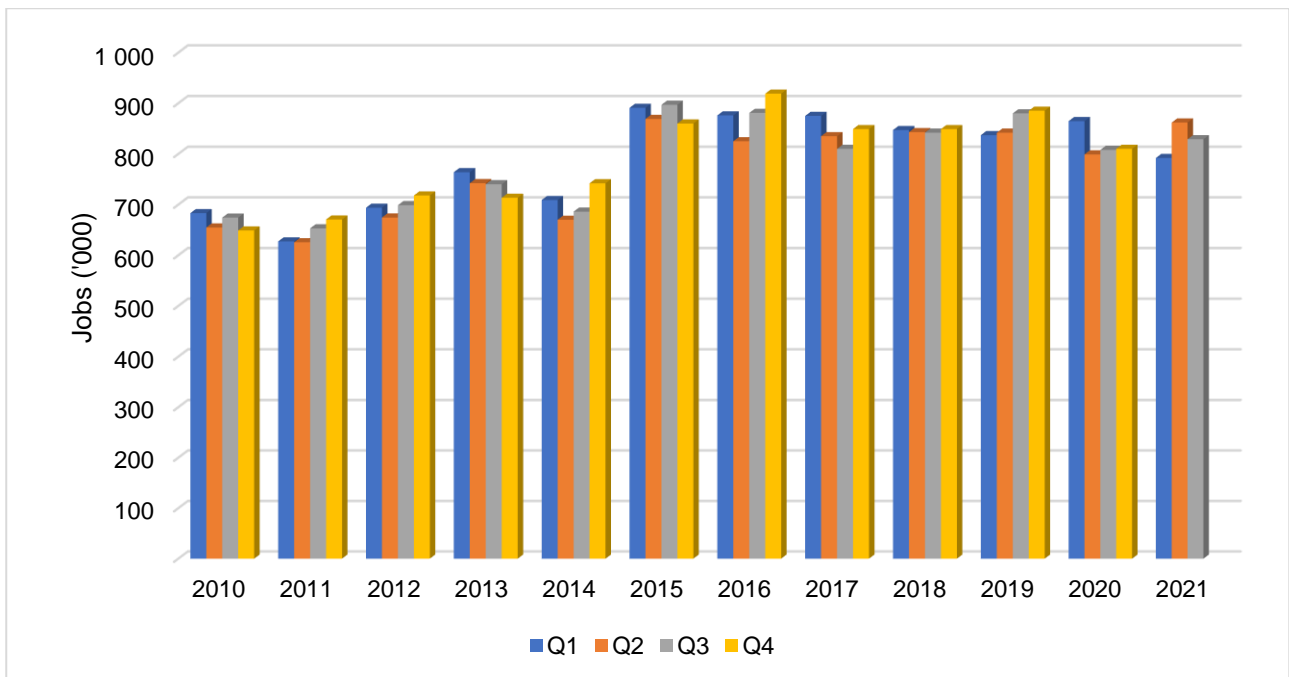


Figure 2: Agricultural employment trends

Source: Stats SA, 2021

Conclusion

The labour market in the third quarter of 2021 shows an increase of 0.5 percentage points in the unemployment rate to 34.9% compared to the previous quarter. This leaves 7.6 million unemployed

persons in the country. In the agricultural sector alone, 32 000 jobs was lost during Q3: 2021 compared to the previous quarter and year on year there was still 21 000 more employed. The unrest/riots that happened in July 2021, mainly in KwaZulu-Natal and Gauteng Provinces, might have contributed to the provincial agricultural job losses of 23 000 and 13 7 000 jobs, respectively seen in the third quarter of 2021. 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.

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