



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 – May 2022

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey (QLFS) published by Statistics South Africa on 31 May 2022 provides an overview of the observed changes in the key labour market indicators between the fourth quarter (October - December) of 2021 and first quarter (January - March) of 2022. The total number of employed persons increased by 370 000 from 14.5 million (2.5%) to 14.9 million in Q1: 2022, and the number of unemployed persons decreased by 60 000 from 7.92 million (-0.8%) to 7.86 million compared to Q4: 2021, resulting in an increase of 310 000 (up by 1.4%) 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 "not economically active" and "unemployed" categories to the "employed" status between the two quarters, which resulted in a decrease of 0.8 of a percentage point in the unemployment rate to 34.5%. This is the third-highest unemployment rate recorded since the start of the QLFS in 2008.



During the first quarter of 2022, the Agricultural sector employed 52 000 more employees on a year-on-year basis and 23 000 less employees on a quarter-to-quarter basis. This constitutes a 6.6% change year-on-year and a -2.7% quarter-to-quarter change.

The largest employment decrease was recorded in the KwaZulu-Natal Province (-35.6%), followed by Gauteng Province with -31.2%, North West Province (-27.1%), Eastern Cape Province (-14.2%) and Mpumalanga Province (-10.2%). The Free State, Limpopo, Northern Cape and Western Cape Provinces showed increases of 27.1%, 24.4%, 20.5% and 14.3%, respectively. Furthermore, the number of men and women actively involved in Agriculture was 595 000 and 249 000, respectively. The number of men decreased by 40 000 (-6.3%), while women involved in the sector increased by 17 000 (7.2%) in the first quarter, when compared to the previous quarter.

Introduction

The Macroeconomic Digest Labour Report of the first quarter of 2022 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 31 May 2022.

1. Employment by Industry

The Quarterly Labour Force Survey (QLFS) published by Statistics South Africa provides an overview of the observed changes in the key labour market indicators between the fourth quarter (October - December) of 2021 and the first quarter (January - March) of 2022. During this period, the total number of employed persons increased by 370 000 from 14.5 million (2.5%) to 14.9 million in Q1: 2022, and the number of unemployed persons decreased by 60 000 from 7.92 million (-0.8%) to 7.86 million compared to Q4: 2021, resulting in an increase of 310 000 (up by 1.4%) 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 "not economically active" and "unemployed" categories to the "employed" status between the two quarters, which resulted in a decrease of 0.8 of a percentage point in the unemployment rate to 34.5%. This is the third-highest unemployment rate recorded since the start of the QLFS in 2008.

Table 1 shows employment by industry between the fourth quarter of 2021 (Q4: 2021) and the first quarter of 2022 (Q1: 2022). The number of employed persons increased in six of the ten industries. The largest increase in employment was recorded in Community and social services (281 000), followed by Manufacturing (263 000), Trade (98 000) and Mining (36 000). The largest decrease in employment was recorded in Private households (186 000) followed Finance (72 000), Construction (60 000) and Agriculture (23 000). The same trend was experienced from Q4:2020 to Q1:2021 when agricultural employment declined with 18 000 quarter-on-quarter and 73 000 year-on-year. The decrease in Agricultural employment might be due to seasonality, excessive rains at the start of 2021/22 production season, biosecurity cases (foot-and-mouth disease) as well as higher feed costs which negatively affected the hiring of labour.

Table 1: Quarterly and Annual total employment

Industry	Jan-Mar 2021	Oct-Dec 2021	Jan-Mar 2022	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand				Percentage (%)		
Total*	14 995	14 544	14 914	370	-81	2.5	-0.5
Agriculture	792	868	844	-23	52	-2.7	6.6
Mining	395	370	406	36	11	9.7	2.7
Manufacturing	1 497	1 316	1 579	263	82	20.0	5.5
Utilities	115	82	103	21	-12	26.3	-10.5
Constructing	1 079	1 133	1 073	-60	-6	-5.3	-0.5
Trade	2 979	2 896	2 994	98	15	3.4	0.5
Transport	903	951	960	10	58	1.0	6.4
Finance	2 527	2 404	2 332	-72	-195	-3.0	-7.7
Community and social services	3 567	3 264	3 546	281	-21	8.6	-0.6

Industry	Jan-Mar 2021	Oct-Dec 2021	Jan-Mar 2022	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand					Percentage (%)	
Private households	1 127	1 258	1 072	-186	-55	-14.8	-4.9

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

Source: Stats SA, 2022

Table 2 shows the employment status in Agriculture per province. From Q4: 2021 to Q1: 2022, agricultural employment decreased in five of the nine provinces. The largest employment decrease was recorded in the KwaZulu-Natal Province (-35.6%), followed by Gauteng Province with -31.2%, North West Province (-27.1%), Eastern Cape Province (-14.2%) and Mpumalanga Province (-10.2%). The record of 35.6% in KwaZulu Natal in this quarter does not come as a surprise, due to excessive rainfall that occurred in the province. The Free State, Limpopo, Northern Cape and Western Cape Provinces showed increases of 27.1%, 24.4%, 20.5% and 14.3%, respectively. The positive trend in these provinces is attributed to good activity in field crop, horticulture, and livestock subsectors due to favourable rainfalls that allowed for expansion in area farmed. It is noteworthy that different sub-sectors of agriculture have varying levels of labour intensity. The horticulture industries tend to be more labour-intensive, while field crops and livestock are relatively more mechanised.

Furthermore, because agriculture is seasonal, the labour employed shows seasonal trends as well, providing a more accurate picture when comparing the current quarter to the same quarter the previous year. Year-on-year agricultural employment increased in total with 52 000 more people employed, translating to a 6.6% increase.

Table 2: Employment by province in Agriculture

Employment by Agriculture per province	Jan-Mar 2021	Oct-Dec 2021	Jan-Mar 2022	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand					Percentage (%)	
Total Agriculture	792	868	844	-23	52	-2.7	6.6
Western Cape	136	178	203	26	68	14.3	49.6
Eastern Cape	101	108	93	-15	-8	-14.2	-7.7
Northern Cape	39	41	49	8	10	20.5	25.3
Free State	55	66	84	18	29	27.1	52.7
KwaZulu-Natal	130	132	85	-47	-44	-35.6	-34.2
North West	40	71	51	-19	12	-27.1	30.2
Gauteng	43	41	28	-13	-15	-31.2	-34.7
Mpumalanga	113	106	95	-11	-18	-10.2	-16.2
Limpopo	136	124	155	30	19	24.4	14.0

Source: Stats SA, 2022

2. Gender Composition of Agricultural Employment

Gender inequality affects access to resources, undermining the agricultural sector's ability to grow sustainably and inclusively. There is a strong link between food security and gender. According to the United Nation's Women Watch, women play key roles in maintaining all four pillars of food security: as food producers and agricultural entrepreneurs; "gatekeepers" who dedicate their own time, income and decision-making to maintain food and nutritional security of their households and communities; and "managers" of the stability of food supplies in times of economic hardship.

Figure 1 provides an overview of employment status on gender distribution within the agriculture sector. Data from Stats SA (2022) shows that men have been the main participants in the agriculture sector from Q1: 2010 to Q1: 2022. In the first quarter of 2022, the number of men and women actively involved in Agriculture was 595 000 and 249 000, respectively. The number of men decreased by 40 000 (-6.3%), while women involved in the sector increased by 17 000 (7.2%) in the first 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 therefore critical. However, year-on-year, both women and men employed in agriculture showed increases of 9.3% and 5.5%, respectively.

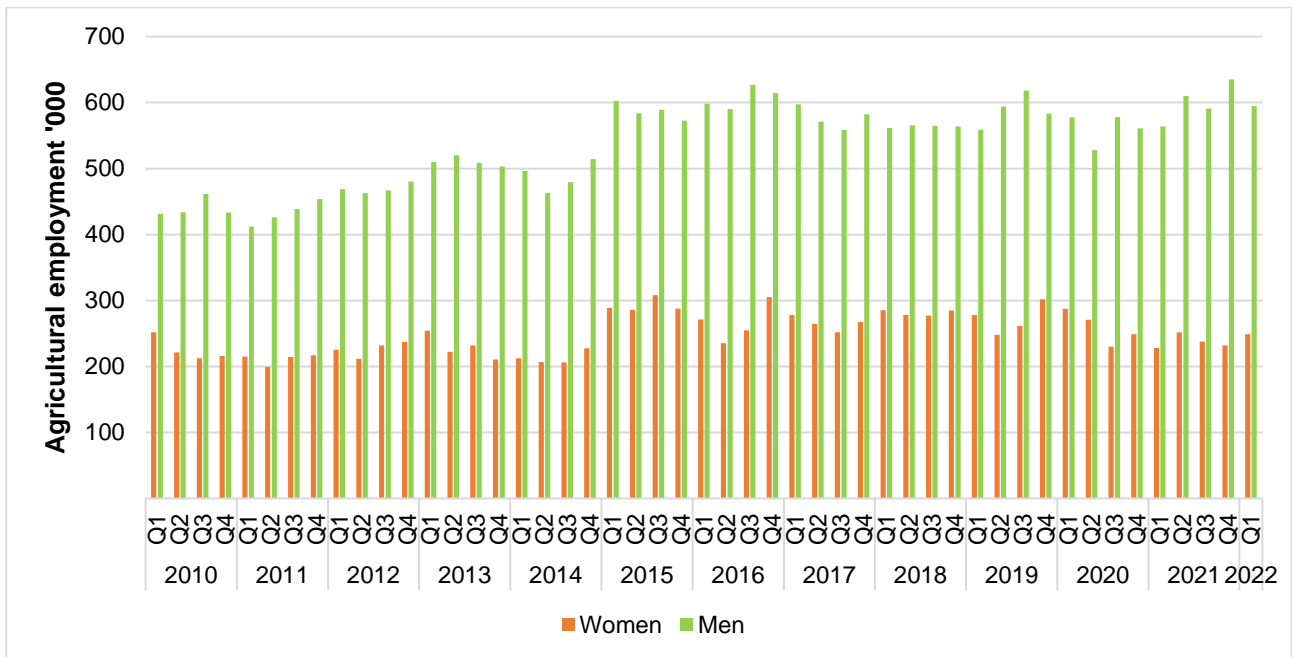


Figure 1: Gender distribution in Agriculture
Source: Stats SA, 2022

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 23.68%, from 683 000 to 844 000 jobs, between the first quarter of 2010 and the first quarter of 2022, 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.

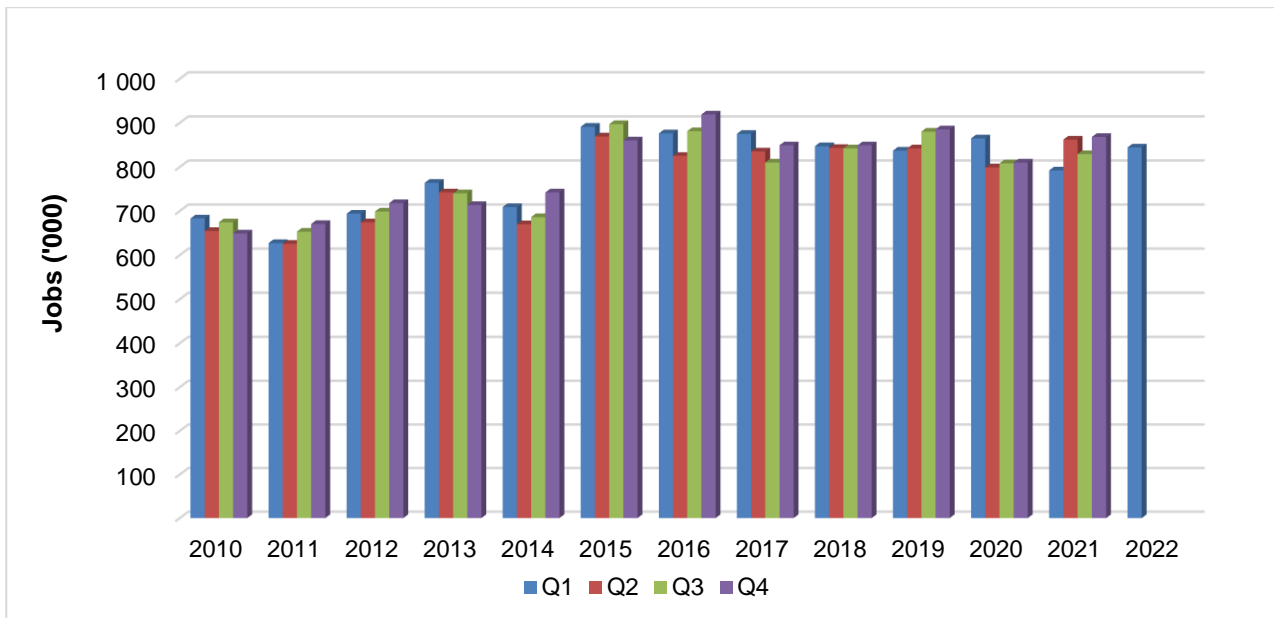


Figure 2: Agricultural employment trends

Source: Stats SA, 2022

Conclusion

The labour market in the first quarter of 2022 decreased by 0.8 percentage points in the unemployment rate from 35.3% to 34.5% compared to the previous quarter. This leaves 7.86 million unemployed persons in the country. In the agricultural sector, 23 000 jobs were lost during Q1: 2022 compared to the previous quarter and year on year, there was 52 000 more employed. 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.

In terms of agriculture, the employment data will be of interest in the next quarter following an increase in the farm minimum wage from R21.69 per hour to R23.19 per hour. Subsectors, especially those that are heavily affected by the excessive rains, high feed costs, biosecurity (mouth and foot) and other factors could cause a further squeeze on cash flow and negatively influence hiring decisions.

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