



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 2022

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey (QLFS) published by Statistics South Africa on 23 August 2022 provides an overview of the observed changes in the key labour market indicators between the second quarter (April - June) of 2022 and the first quarter (January - March) of 2022. The number of employed persons increased by 648 000 from 14.9 million to 15.6 million in the second quarter of 2022, and the number of unemployed persons also increased by 132 000 from 7.9 million to 8.0 million compared to the first quarter of 2022, resulting in an increase of 780 000 (up by 3.4%) in the number of people in the labour force. The official unemployment rate decreasing by 0.6 of a percentage point from 34.5% in the first quarter of 2022 to 33.9% in the second quarter of 2022



During the second quarter of 2022, the number of employed persons increased in eight of the ten industries. The Agricultural sector increased by 29 000 jobs (3.5%) and reach 874 000 jobs between the first quarter of 2022 and the second quarter of 2022. This is unsurprising because of bumper harvests on field crops and horticulture this season. The largest employment increase was recorded in the Gauteng Province (27.4%), Eastern Cape Province (18.6%) and Limpopo Province (10.3%). While Northern Cape Province and Western Cape Province were the only provinces that showed a decrease of 29.1% and 8.0%, respectively. Furthermore, the number of women and men increased by 27 000 (11.0%) and 2 000 (0.4%), respectively, when compared to the previous quarter

Introduction

The Macroeconomic Digest Labour Report of the second 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 23 August 2022.

1. Employment by Industry

The Quarterly Labour Force Survey (QLFS) published by StatsSA provides an overview of the observed changes in the key labour market indicators between the second quarter (April - June) of 2022 and the first quarter (January - March) of 2022. The number of employed persons increased by 648 000 from 14.9 million to 15.6 million in the second quarter of 2022, and the number of unemployed persons also increased by 132 000 from 7.9 million to 8.0 million compared to the first quarter of 2022, resulting in an increase of 780 000 (up by 3.4%) 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" category to the "employed" and "unemployed" statuses between the two quarters, which resulted in a decrease of 0.6 of a percentage point in the unemployment rate to 33.9% between the two quarters.

Table 1 shows employment by industry between the first quarter of 2022 and the second quarter of 2022. The number of employed persons increased in eight of the ten industries. The largest increase in employment was recorded in Community and social services (276 000), followed by Trade (169 000), Finance (128 000) and Construction (104 000). While the Manufacturing (73 000) and Transport (54 000) industries showed the largest decline in employment. The Agricultural sector increased by 29 000 (3.5%) and reach 874 000 in the second quarter of 2022 which can be attributed to bumper harvests on field crops and horticulture between April and June 2022.

Table 1: Quarterly and Annual total employment

Industry	Apr-Jun 2021	Jan-Mar 2022	Apr-June 2022	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand				Percentage (%)		
Total*	14 942	14 914	15 562	648	620	4.3	4.2
Agriculture	862	844	874	29	12	3.5	1.4
Mining	398	406	407	1	9	0.4	2.3
Manufacturing	1 415	1 579	1 507	-73	92	-4.6	6.5
Utilities	118	103	104	1	-14	0.8	-12.2
Constructing	1 222	1 073	1 177	104	-45	9.7	-3.7
Trade	3 087	2 994	3 163	169	76	5.7	2.5
Transport	969	960	906	-54	-62	-5.6	-6.4
Finance	2 248	2 332	2 460	128	212	5.5	9.4
Community and social services	3 401	3 546	3 821	276	420	7.8	12.3
Private households	1 194	1 072	1 124	52	-70	4.8	-5.9

*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 the first quarter of 2022 to the second quarter of 2022, agricultural employment increased in seven of the nine provinces. The

largest employment increase measured in percentages was recorded in the Gauteng Province (27.4%), Eastern Cape (18.6%) and Limpopo (10.3%). While Northern Cape and Western Cape showed a decrease of 29.1% and 8.0%, respectively. 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 mechanized. In addition, due to the seasonality of agriculture, the labour utilized also shows seasonality trends and thus it provides a more accurate picture to compare the current quarter with the same quarter of the previous year. Year-on-year (y-o-y) agricultural employment increased in total with 12 000 more people employed, translating to a 1.4% increase. It is evident that the seasonal effect in the Western and Northern Cape have a negative impact on the aggregated employment figures expressed in percentage.

Table 2: Employment by the province in Agriculture

Employment by Agriculture per province	Apr-Jun 2021	Jan-Mar 2022	Apr-Jun 2022	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand				Percentage (%)		
Total Agriculture	862	844	874	29	12	3.5	1.4
Western Cape	185	203	187	-16	2	-8.0	1.2
Eastern Cape	82	93	110	17	28	18.6	34.1
Northern Cape	31	49	35	-14	4	-29.1	13.8
Free State	74	84	86	2	12	2.1	16.3
KwaZulu-Natal	137	85	91	6	-45	7.3	-33.1
North West	70	51	54	2	-16	4.8	-23.1
Gauteng	35	28	36	8	1	27.4	3.4
Mpumalanga	95	95	104	9	8	9.1	8.6
Limpopo	153	155	170	16	18	10.3	11.6

Source: Stats SA, 2022

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. 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 the second quarter of 2010 to the second quarter of 2022. In the second quarter of 2022, the number of men and women actively involved in Agriculture was 597 000 and 276 000, respectively. The number of women and men increased by 27 000 (11.0%) and 2 000 (0.4%), respectively, when compared to the previous quarter. Although there is an increase (27 000 jobs) in the number of women employed in this quarter, gender equality in Agriculture in South Africa is still a challenge. The trend that is shown in Figure 1, illustrates that men are dominating in the sector. An opportunity to emphasise policy discussion and implementation to address transformation issues in the sector is therefore critical.

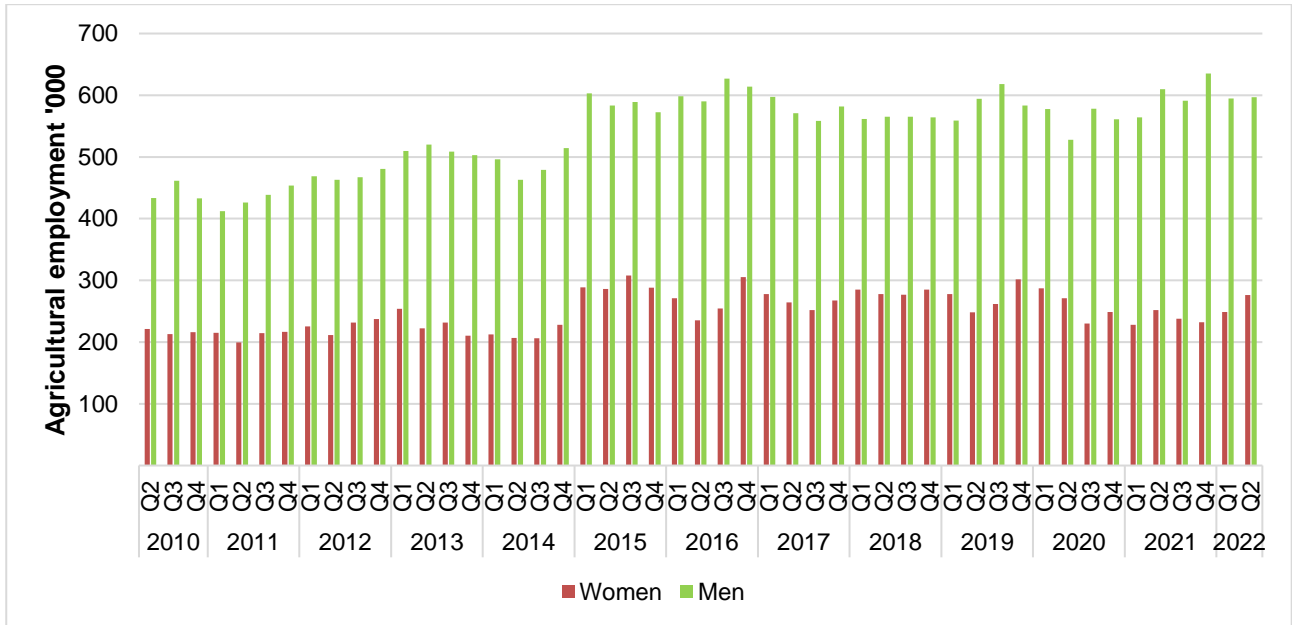


Figure 1: Gender distribution in Agriculture

Source: Stats SA, 2022

Figure 2 presents the long-term trends in Agricultural sector employment on a quarterly basis since 2010. Based on **Figure 2**, overall employment increased by 33.5%, from 655 000 to 874 000 jobs, between the second quarter of 2010 and the second quarter of 2022, respectively. The long-term trends illustrate that there is a fluctuation in employment in the agricultural sector between and within each quarter and this might be attributed to the adoption of production technologies and the seasonality of agricultural production.

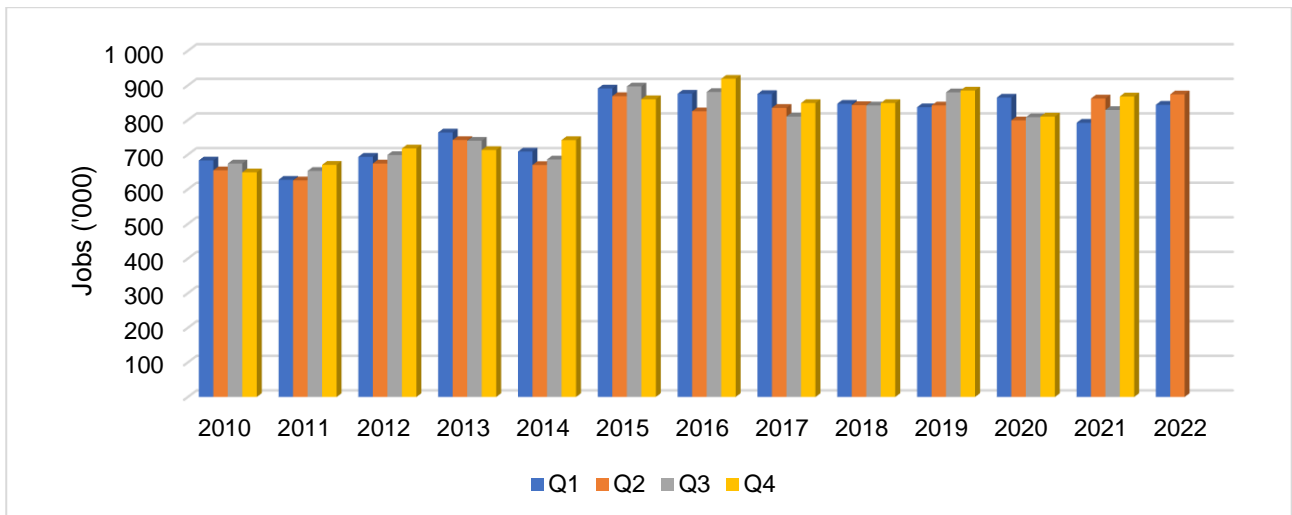


Figure 2: Agricultural employment trends

Source: Stats SA, 2022

Conclusion

The unemployment rate decreased by 0.6 percentage points in the second quarter of 2022 compared to the first quarter of 2022 and reached 33.9%. In the Agricultural sector, 29 000 jobs were gained during the second quarter of 2022 compared to the previous quarter. It is observed that employment during the second quarter of each year increases and this can be attributed to higher activity in most agricultural industries during harvesting seasons which requires increased labour. Although there is an increase in employment this quarter, the high level of unemployment remains a major concern

and may potentially have negative effects on economic welfare and deepening poverty in the country.

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

© 2022. Published by the National Agricultural Marketing Council (NAMC).

Disclaimer:

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes, and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises, or guarantees about the accuracy, completeness, or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the content thereof. No warranty of any kind, implied, expressed, or statutory, including but not limited to the warranties of non-infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus is given with respect to the contents of this document in hardcopy, electronic format, or electronic links thereto. Reference made to any specific product, process, and service by trade name, trade mark, manufacturer or another commercial commodity or entity are for informational purposes only and do not constitute or imply approval, endorsement or favouring by the NAMC.

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