



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 – February 2024

EXECUTIVE SUMMARY

The Quarterly Labour Force Survey (QLFS) published by Stats SA provides an overview of the observed changes in key labour market indicators between the fourth quarter (October - December) of 2023 and the third quarter (July - September) of 2023. The number of employed persons decreased by 22 000 to 16.7 million in the fourth quarter of 2023, while the number of unemployed persons increased by 46 000 to 7.9 million compared to the third quarter of 2023, resulting in an increase of 25 000 (0.1%) in the number of people in the labour force.

Stats SA (2024) observed that the number of discouraged work-seekers decreased by 107 000 (3.4%), while the number of people who were not economically active for reasons other than discouragement increased by 218 000 (1.7%) between the fourth quarter and third quarter of 2023. This implies that the increase in unemployment and decrease in employment resulted in an increase of 0.2% in the unemployment rate, which stood at 32.1% in the fourth quarter of 2023.



Comparing the fourth quarter of 2023 to the third quarter of 2023, there was a decrease in the overall number of employed individuals in the ten industries under observation. Employment in the agricultural sector decreased by 35 000 (3.7%) quarter-on-quarter (q/q) basis, reaching 920 000 employed people.

By province, the largest increase in agricultural employment in percentage terms was recorded in Free State (13.5%), followed by Northern Cape (10.0%), North West (3.3%), and KwaZulu-Natal (2.5%). Conversely, the following faced major decreases in employment: Eastern Cape, Western Cape, and Gauteng at 29.4%, 1.8%, and 1.5%, respectively. Generally, quarter-to-quarter agricultural employment estimations suggest that employment decreased by 3.7% (35 000) in the fourth quarter of 2023. During the fourth quarter of 2023, the number of women employed in agriculture decreased by 7 000 (2.4%), while the number of men decreased by 28 000 (4.3%) compared to the previous quarter.

Introduction

The Macroeconomic Digest Labour Report of the fourth quarter of 2023 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 20 February 2024. The Stats SA report can be accessed online:

<https://www.statssa.gov.za/publications/P0211/P02114thQuarter2023.pdf>

1. Employment by Industry

The Quarterly Labour Force Survey (QLFS) published by Stats SA provides an overview of the observed changes in key labour market indicators between the fourth quarter (October - December) of 2023 and the third quarter (July - September) of 2023. The number of employed persons decreased by 22 000 to 16.7 million in the fourth quarter of 2023, while the number of unemployed persons increased by 46 000 to 7.9 million compared to the third quarter of 2023, resulting in an increase of 25 000 (0.1%) in the number of people in the labour force. Stats SA (2024) observed that the number of discouraged work-seekers decreased by 107 000 (3.4%), while the number of people who were not economically active for reasons other than discouragement increased by 218 000 (1.7%) between the fourth quarter and third quarter of 2023. This implies that the increase in unemployment and decrease in employment resulted in an increase of 0.2% in the unemployment rate, which stood at 32.1% in the fourth quarter of 2023.

Table 1 shows employment by industry between the fourth quarter of 2023 and the third quarter of 2023. Five out of the ten industries experienced an increase in the number of employed persons. The largest increase in employment was recorded in finance (128 000), followed by transport (57 000), mining (37 000), private households (18 000) and utilities (9 000). Employment in the following industries; construction, agriculture, community & service and manufacturing, decreased by 36 000, 35 000, 17 000 and 1 000, respectively. Generally, employment in South Africa decreased by 22000 across the ten observed industries.

The decrease in employment within the agricultural sector may be attributed to agricultural shocks such as increased production costs and climate change, which reduce the production capacity of producers. Uncertainty regarding the intensity of El Niño still poses a threat to agricultural employment. Additionally, South Africa's agricultural sector continues to grapple with uncertainty in the poultry sub-sector due to the recurrent avian influenza outbreaks.

Table 1: Quarterly employment, quarter-to-quarter and year-on-year changes

Industry	Oct-Dec 2022	Jul-Sep 2023	Oct-Dec 2023	Qtr.-to-qtr. change	Year-on-year change	Qtr.-to-qtr.	Year-on-year change
	Thousand					Percentage (%)	
Total*	15 934	16 745	16 723	-22	789	-0.1%	4.9%
Agriculture	860	956	920	-35	60	3.7%	7.0%
Mining	436	409	446	37	9	9.0%	2.1%
Manufacturing	1 656	1 508	1 507	-1	-149	0.0%	-9.0%
Utilities	124	113	123	9	-2	8.4%	-1.3%
Construction	1 212	1 357	1 322	-36	110	-2.6%	9.1%
Trade	3 297	3 390	3 362	-28	65	-0.8%	2.0%
Transport	982	966	1 023	57	40	5.9%	4.1%
Finance	2 484	2 836	2 964	128	480	4.5%	19.3%
Community and social services	3 727	4 084	3 913	-17	186	-4.2%	5.0%
Private households	1 142	1 116	1 134	18	-8	1.7%	-0.7%

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

Source: Stats SA, 20234

Table 2 illustrates employment trends in agriculture per province. Five provinces recorded an increase in employment in the agricultural sector, while four recorded a decrease between the fourth quarter of 2023 and the third quarter of 2023. By province, the largest increase in agricultural employment in percentage terms was recorded in Free State (13.5%), followed by Northern Cape (10.0%), North West (3.3%), and KwaZulu-Natal (2.5%). Conversely, the following provinces faced major decreases in employment: Eastern Cape, Western Cape, and Gauteng at 29.4%, 1.8%, and 1.5%, respectively. Generally, quarter-to-quarter agricultural employment estimations suggest that employment decreased by 3.7% (35 000) in the fourth quarter of 2023. During the period under review, several locations in South Africa experienced favourable climatic conditions, which might have increased labour demand for activities such as planting field crops and, in some cases, harvesting.

The effects of Avian Influenza, which resulted in the imposition of trade restrictions on day-old chicks, hatching eggs, table eggs and poultry meat from administrative areas such as Pennsylvania in the United States of America (USA), contribute to the observed rise in unemployment in the agricultural sector. On the other hand, the ongoing electricity crisis presents a persisting threat to the overall horticultural industry, as most of its products are produced under irrigation. Additionally, year-on-year (y-o-y) agricultural employment increased by 60 000 people, translating to a 7.0% increase.

Table 2: Agricultural employment by province

Employment by Agriculture per province	Oct-Dec 2022	Jul-Sep 2023	Oct-Dec 2023	Qtr.-to-qtr. Change	Year-on-year change	Qtr.-to-qtr. change	Year-on-year change
	Thousand					Percentage (%)	
Total Agriculture	860	956	920	-35	60	-3.7%	7.0%
Western Cape	223	238	2234	-4	11	-1.8%	5.0%
Eastern Cape	89	136	96	-40	7	-29.4%	7.9%
Northern Cape	52	52	58	5	6	10.0%	11.1%
Free State	90	65	73	9	-17	13.5%	-18.5%
KwaZulu-Natal	130	150	153	4	24	2.5%	18.1%
North West	44	51	53	2	8	3.3%	18.8%
Gauteng	33	39	38	-1	5	-1.5%	14.5%
Mpumalanga	92	87	86	0	-5	-0.5%	-5.8%
Limpopo	107	138	129	9	21	-6.8%	19.9%

Source: Stats SA, 2024

2. Gender composition of employment in the agricultural sector

By affecting access to and control over resources, gender inequality prevents the agricultural sector from growing in a way that is both sustainable and inclusive. According to the United Nations Women's Watch, women play crucial roles in upholding all four pillars of food security, as food producers and agricultural entrepreneurs who invest their own time, money, and decision-making to maintain the food and nutritional security of their households and communities.

Figure 1 provides an overview of the employment situation and gender distribution in the agricultural sector. Data from Stats SA (2024) shows that men have been the primary participants in the agriculture sector from the fourth quarter of 2012 to the fourth quarter of 2023. In the fourth quarter of 2023, the number of men and women actively involved in agriculture was 628 000 and 292 000, respectively. During the fourth quarter of 2023, the number of women decreased by 7 000 (2.4%), while the number of men decreased by 28 000 (4.3%) compared to the previous quarter. When combining both genders, the number of people employed in agriculture decreased by 35 000 (3.7%) for the respective analysis.

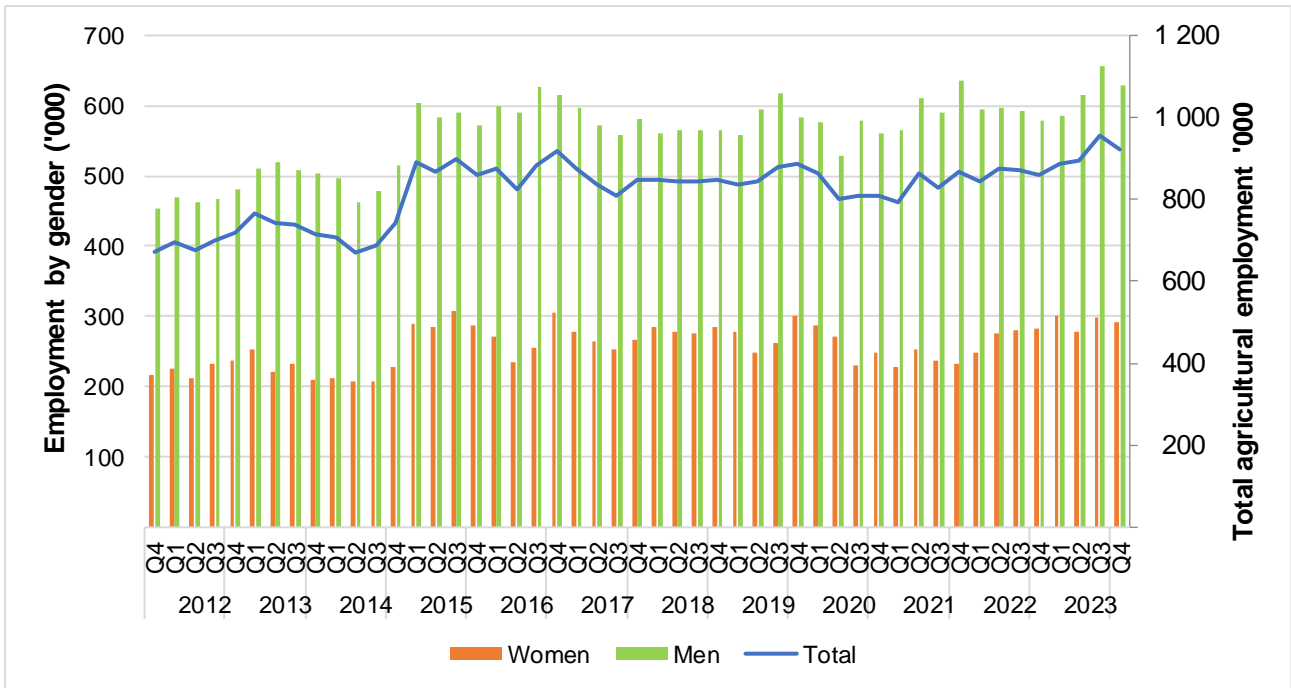


Figure 1: Gender distribution in agriculture

Source: Stats SA, 2024

Figure 2 illustrates the long-term trends of employment in the agricultural sector quarterly since 2011. Long-term trends reveal a substantial increase in agricultural employment; however, there are periods when agricultural employment declined, as observed in **Figure 2**. These periodic decreases can be attributed to seasonal employment, as farmers tend to hire more workers during specific periods of a particular marketing season. On a long-term basis, employment increased by 37.2%, from 671 000 jobs in the fourth quarter of 2011 to 920 000 in the fourth quarter of 2023. When comparing agricultural employment to overall employment in South Africa in quarter 4, agriculture employed about 24.3% of the employed pool, making the sector essential in the employment of South African citizens.

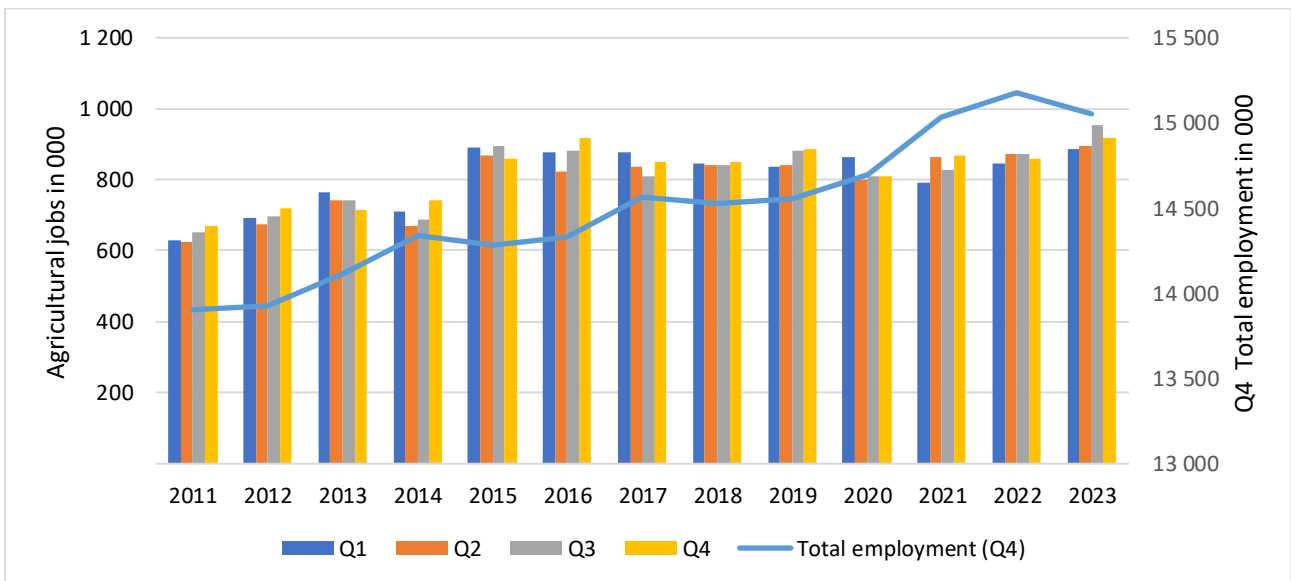


Figure 2: Employment trends in the agricultural sector

Source: Stats SA, 2024

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