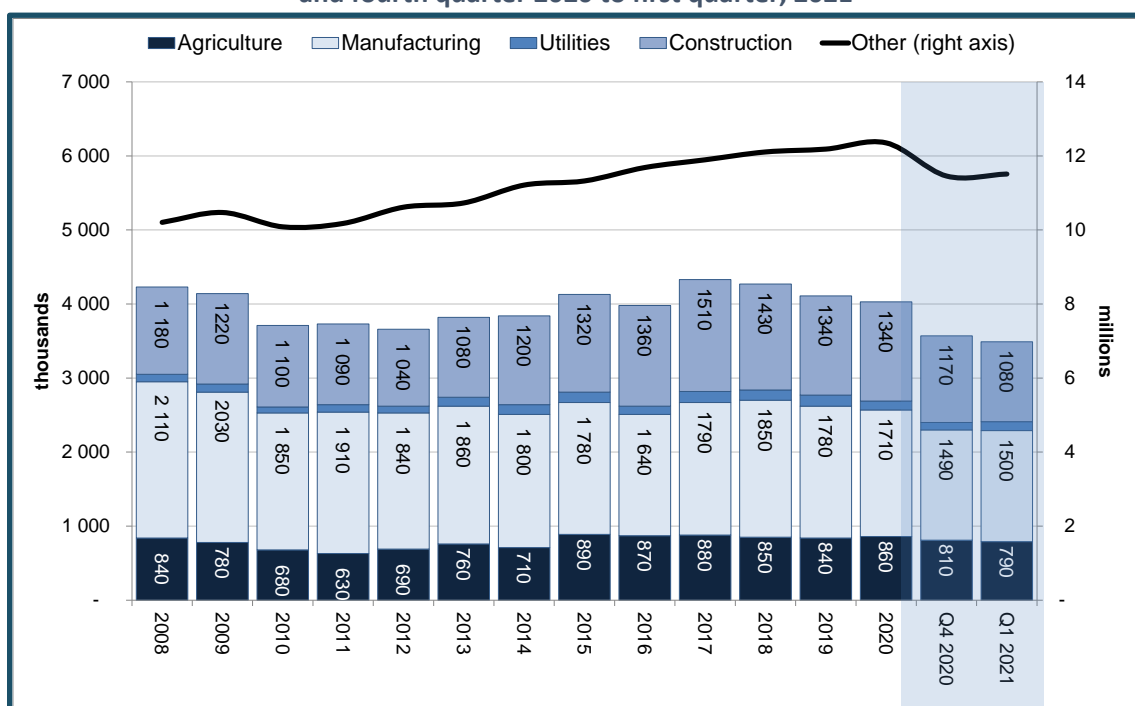


Employment

Employment continues to recover more slowly than the GDP, with the worst hit among lower-level workers. As of the first quarter of 2021, South Africa had recovered almost 800 000 jobs, but total employment was still 8% below the first quarter in 2020, just before the pandemic hit South Africa. The figures show no significant change in employment from the fourth quarter of 2020. They are not seasonally adjusted, however, so they understate the recovery to some extent.

The recovery in employment continued to lag behind growth in the GDP in the first quarter of 2021, in common with the experience internationally. As of March 2021, South Africa still had 1.4 million fewer jobs than a year earlier, when the pandemic was just starting. It had recovered 790 000 jobs, or 6%, from the second quarter of 2020. As Graph 9 shows, however, the rate of improvement had slowed to a crawl.

Graph 9. Employment by sector, not seasonally adjusted, fourth quarter 2008 to 2019 and fourth quarter 2020 to first quarter, 2021



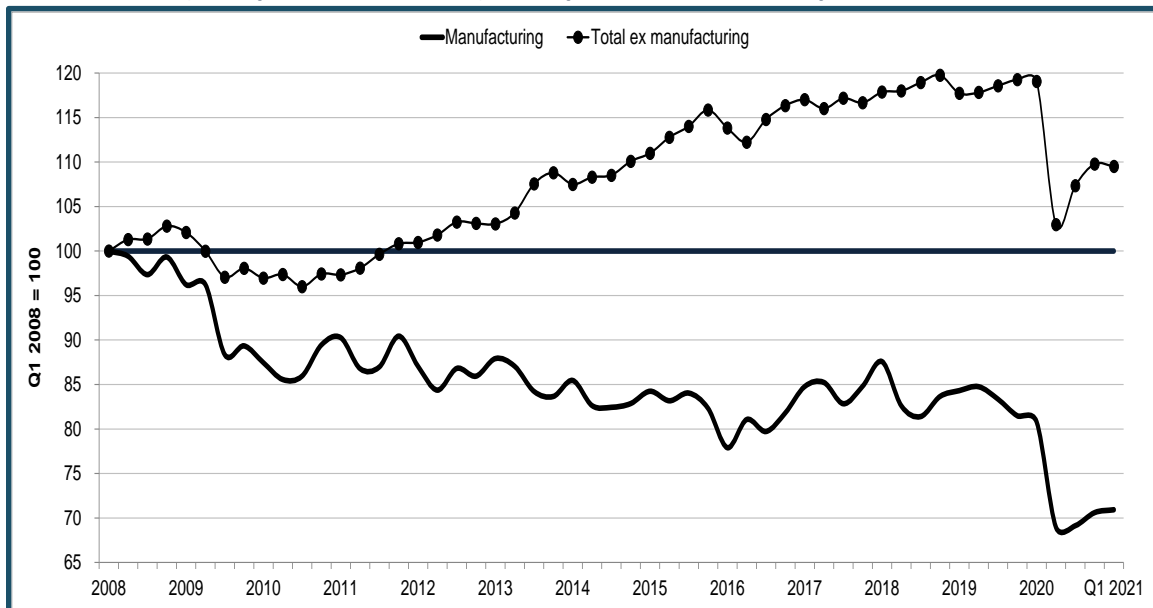
Source: Calculated from Stats SA. QLFS 2008-2021 Q1. Electronic database. Downloaded from www.statssa.gov.za.

The situation may be somewhat less bleak than the raw data indicate. Employment figures are not seasonally adjusted. As a rule the economy loses jobs from the fourth to the first quarter of the following year. From 2008 to 2019, employment fell an average of 0.26% in the first quarter, with job creation almost entirely concentrated in the third and fourth quarters. In 2021, a loss of 0.26% of total employment would translate into more than 40 000 jobs. From this standpoint, the fact that no jobs disappeared in January represents a slight improvement over historic trends. But South Africa needs to accelerate jobs far above past levels to compensate for the positions lost during the pandemic.

As Graph 10 shows, employment in manufacturing did not grow significantly in the first quarter of 2021. As a result, it was still 12% lower than a year earlier, having recovered only 3% from the low point in the second quarter of 2020. While the data are not seasonally adjusted,

manufacturing has not historically shown the same cyclical variations as the rest of the economy, especially agriculture, construction and retail.

Graph 10. Indices of employment in manufacturing compared to the rest of the economy (first quarter 2008 = 100), first quarter 2008 to first quarter 2021

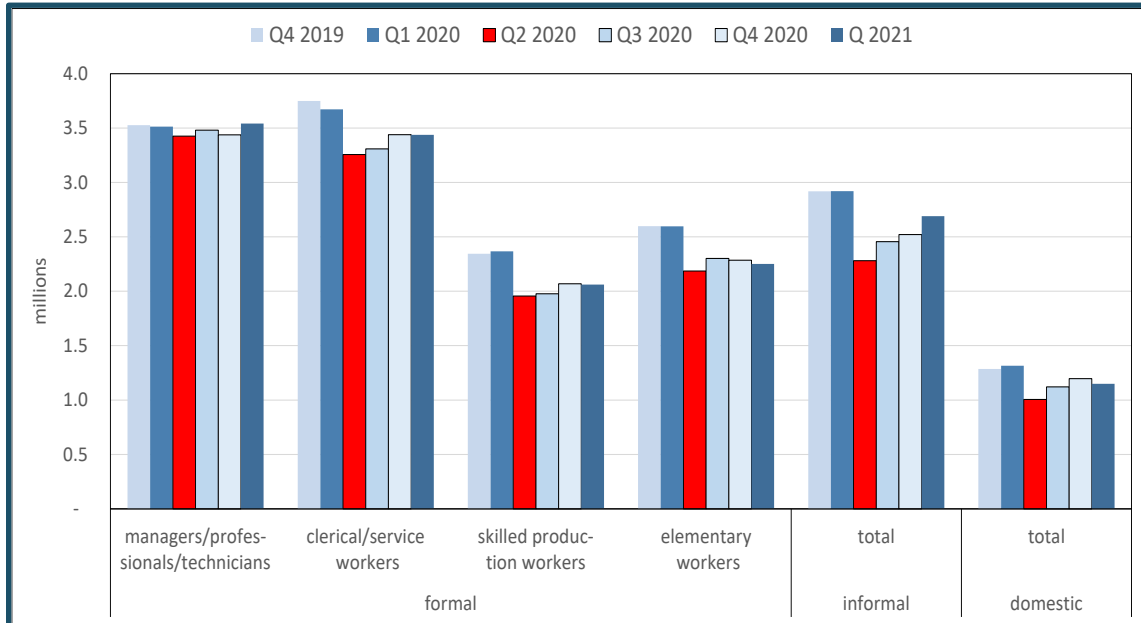


Source: Calculated from Stats SA. QLFS 2008-2021 Q1. Electronic database. Downloaded from www.statssa.gov.za.

The pandemic downturn has tended to deepen South Africa's already profound inequalities, driven largely by differences in job loss by occupation.

Managerial, professional and semi-professional employment in the private sector remained essentially unchanged over the year to the first quarter of 2021. In contrast, lower-level workers have lost livelihoods on a massive scale. In the formal sector, 6% of clerical, service and retail jobs disappeared, as well as some 13% of skilled production and elementary positions. Compared to the worst point in the second quarter of 2020, service and retail jobs had recovered by around half, skilled production by around a quarter, and elementary workers only a seventh. Informal employment was 8% lower in the first quarter of 2021 than a year earlier, having regained two thirds of the jobs lost in the second quarter of 2020. Domestic work was down by 13% over a year earlier, but had recovered half the positions that initially disappeared.

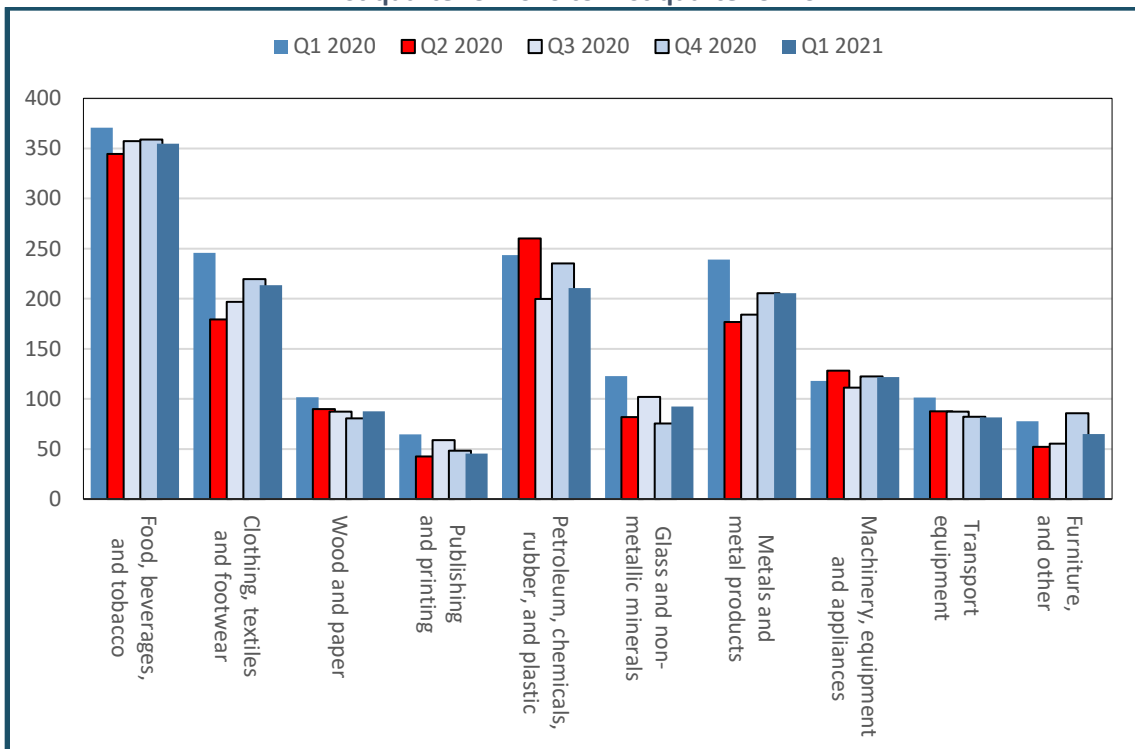
Graph 11. Employment by occupation and sector, Q4 2019 to Q4 2020



Source: Calculated from Stats SA. QLFS 2008-2021 Q1. Electronic database. Downloaded from www.statssa.gov.za.

Within manufacturing, only machinery and equipment had returned to pre-pandemic levels as of the first quarter of 2021. Food processing was relatively unaffected. In contrast, employment in the rest of manufacturing remained around 15% lower than a year earlier.

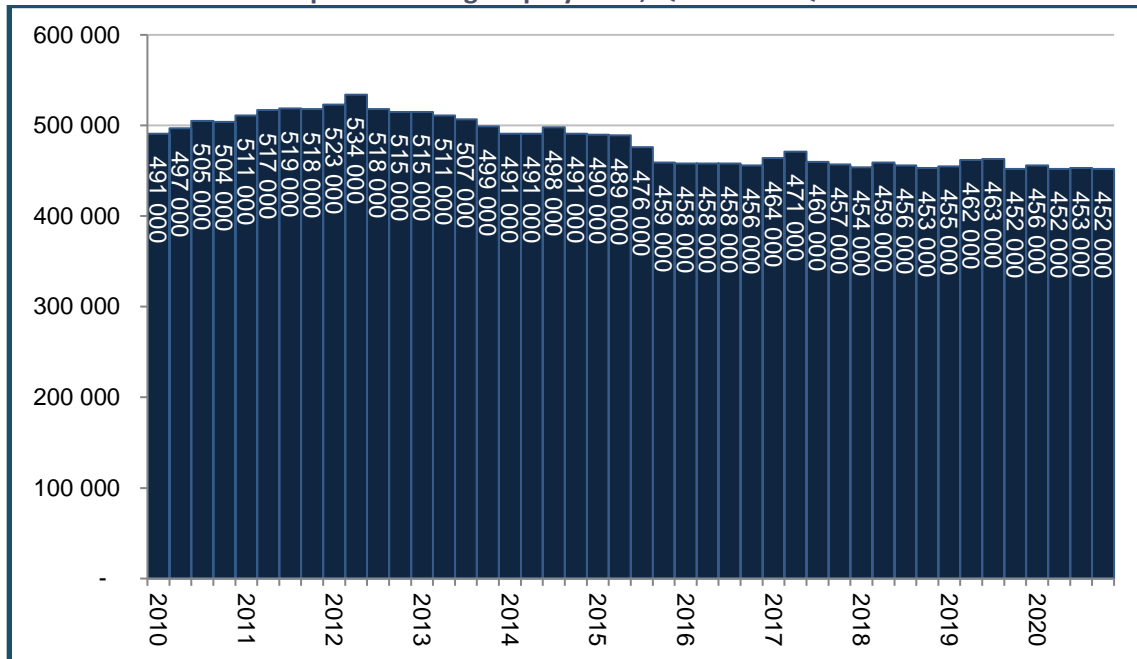
Graph 12. Employment by manufacturing industry per quarter, first quarter of 2020 to first quarter of 2021



Source: Calculated from Stats SA. QLFS for relevant quarter. Electronic databases. Downloaded from Nesstar facility at www.statssa.gov.za.

Employment in mining continued to be flat in the fourth quarter of 2020 (the latest available data), with only 1% job losses since the beginning of 2020. The industry was largely shielded from the employment impacts of the pandemic by the rapid recovery in export prices from May 2020 combined with arrangements to continue production through most of the lockdown periods.

Graph 13. Mining employment, Q1 2010 to Q4 2020



Source: For quarters through second quarter 2020, Stats SA. Quarterly Employment Survey. Excel spreadsheet. Downloaded from www.statssa.gov.za in June 2020.