

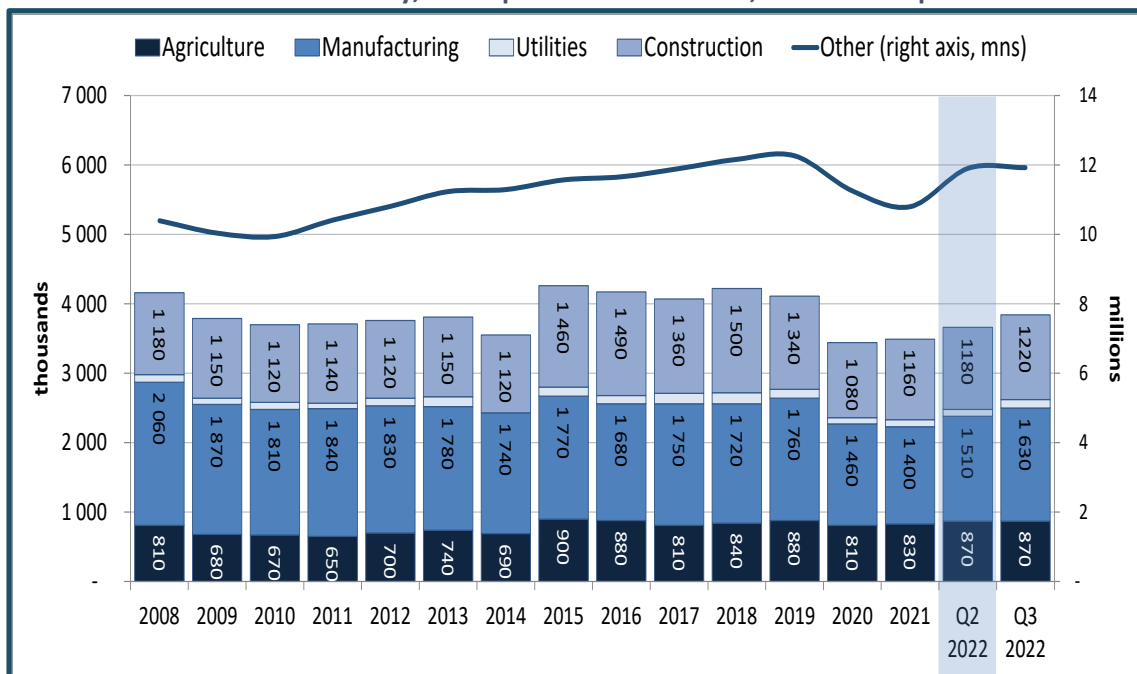
Employment

According to the Quarterly Labour Force Survey (QLFS), in the third quarter of 2022 the formal sector employed around 615 000 fewer people than in the third quarter of 2019. There has, however, been a significant recovery from the third quarter of 2021 with close to 1.5 million jobs gained, led by robust recoveries in white collar jobs and in the informal sector. Domestic workers have continued to experience job losses this quarter, with no sign of recovery to pre-pandemic levels. The response rate for Stats SA's QLFS has continued to improve, rising from 79% in the second quarter of 2022 to 85% in the third quarter of this year, approaching pre-pandemic rates.

By the third quarter of 2022, a total of 15.5 million South Africans were in employment, reflecting a loss of 60 000 jobs from the previous quarter, but the figures are not seasonally adjusted. There were still around 615 000 fewer jobs in South Africa than in the third quarter of 2019, before the pandemic. However, employment made more progress toward recovery from the worst stages of the COVID-19 shock, when employment fell to around 14 million.

From a sectoral perspective, the recovery in real sector jobs has gained momentum as the recovery in services has stalled somewhat (Graph 9). Manufacturing has added 230 000 jobs since the third quarter of 2021, around 120 000 of these in the last quarter. Agriculture and construction have recovered more modestly, both growing employment by 5% and adding 100 000 jobs together over the last year. However, the real economy sectors remain around 270 000 jobs smaller than it was in the third quarter of 2019.

Graph 9. Employment in agriculture, manufacturing, utilities and construction compared to the rest of the economy, third quarter 2008 to 2022, and second quarter 2022

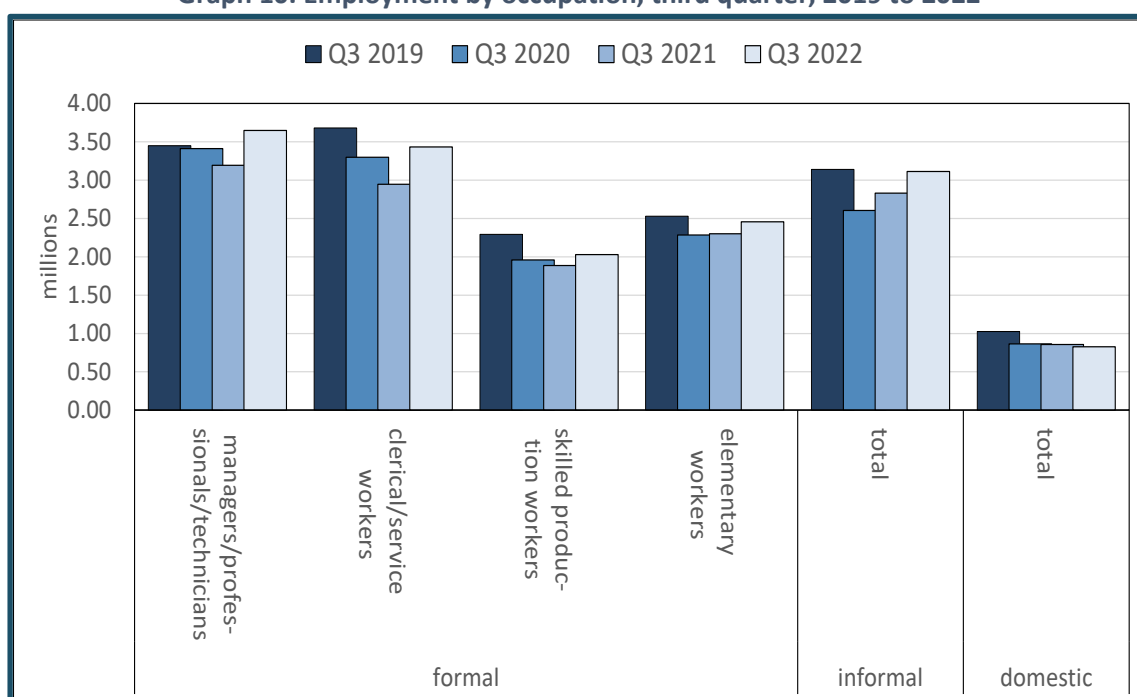


Source: Calculated from Statistics South Africa. QLFS Trends 2008-2022Q2. Excel spreadsheet.

In the formal sector, the more highly qualified occupations – in managerial, professional and technical jobs – lost fewer jobs in the course of the pandemic and have had the most robust recovery. (Graph 10) This is the only category to have surpassed pre-pandemic employment levels. Skilled production jobs remain 12% lower than in 2019, with clerical and service jobs down 7%, and semi-skilled jobs down 3%.

Informal jobs have recovered relatively rapidly, remaining just 1% (or around 30 000 jobs) below 2019 levels. This recovery does not appear to represent new dynamism. Rather, it has likely been driven in part by a migration of workers from formal jobs to worse paid and more insecure informal opportunities. Domestic work has continued its decline from pre-pandemic levels, with 30 000 jobs lost since the previous quarter and 201 000 fewer jobs than the third quarter of 2019.

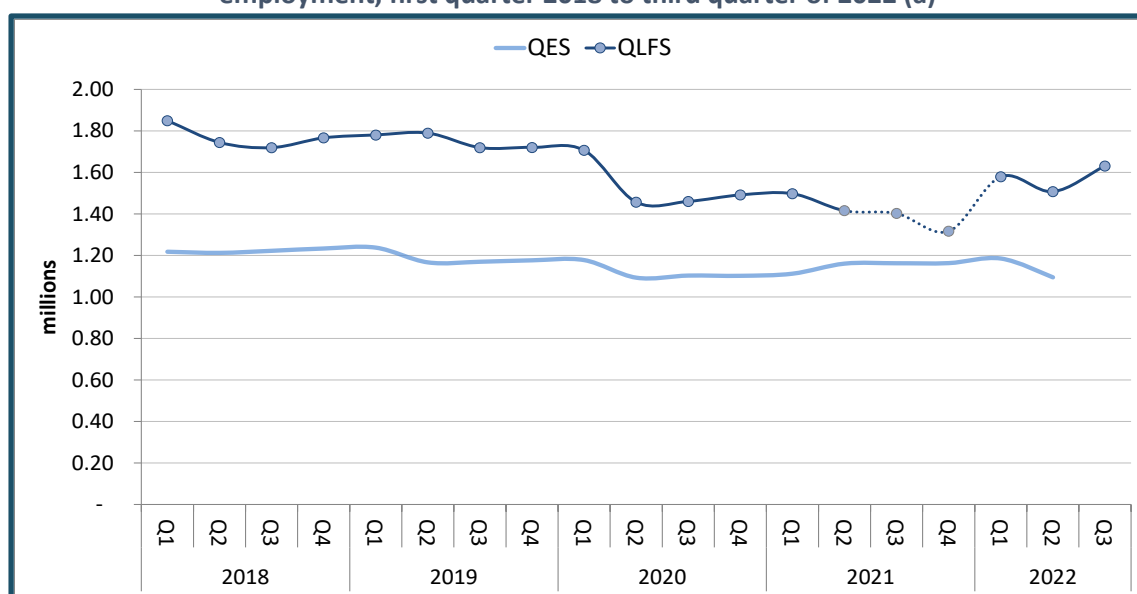
Graph 10. Employment by occupation, third quarter, 2019 to 2022



Source: Calculated from Statistics South Africa. QLFS for relevant quarters. Electronic databases.

The QLFS for the third and fourth quarters of 2021 had very low response rates, mostly due to a temporary shift to telephonic surveys. That makes year-on-year comparisons unreliable. In comparison to the third quarter of 2020, the latest QLFS suggests that recovery in manufacturing jobs is gaining momentum, although this pace will need to be sustained for at least another year for pre-pandemic levels to be regained. In contrast to the QLFS, the Quarterly Employment Survey, which surveys large formal enterprises, saw a gradual improvement from the second half of 2020 to the first quarter of 2022, but a sharp decline in the second quarter, the latest for which data are available. (Graph 11)

Graph 11. Quarterly Employment Survey and QLFS findings on formal manufacturing employment, first quarter 2018 to third quarter of 2022 (a)

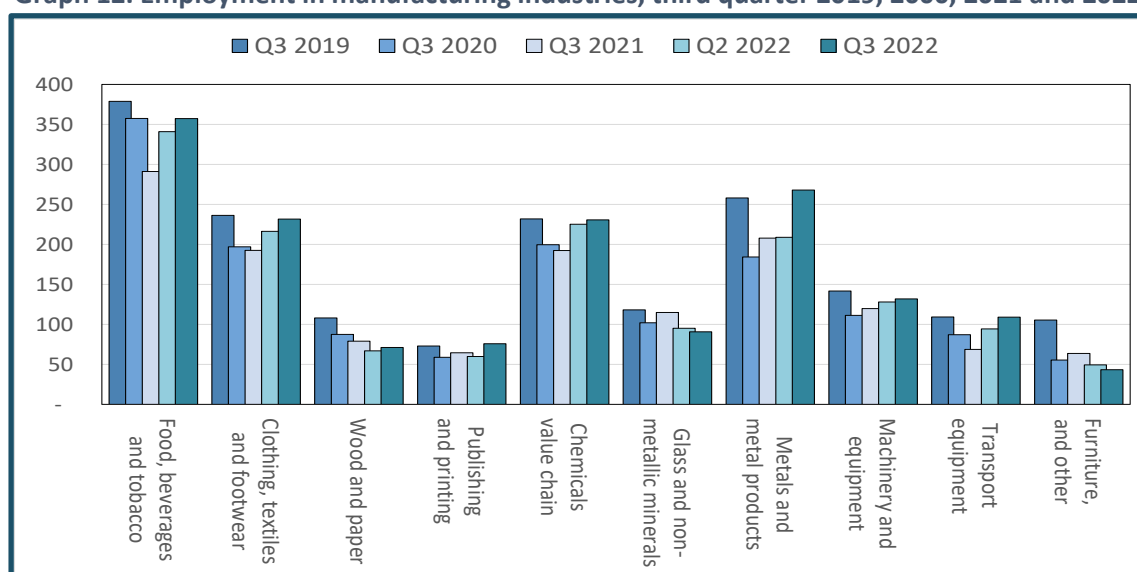


Note: (a) The third and fourth quarter 2021 QLFS reflect very low response rates and are therefore considered unreliable. Source: Calculated from Statistics South Africa. QES details breakdown and QLFS Trends 2008-2022Q2.

Excel spreadsheets.

Two manufacturing industries – publishing and printing, and metals and metal products – have now surpassed pre-pandemic levels of employment, both 4% higher in the third quarter of this year than in 2019 (Graph 12). Recoveries also appear to be underway in transport equipment, food, clothing and chemicals industries, with employment in transport equipment the closest to parity with 2019 levels. From an employment perspective, three industries appear to be experiencing ongoing crises – wood and paper, glass and non-ferrous minerals, and furniture. The furniture industry has been the worst hit, reportedly shedding close over 62 000 jobs or 60% of its 2019 level.

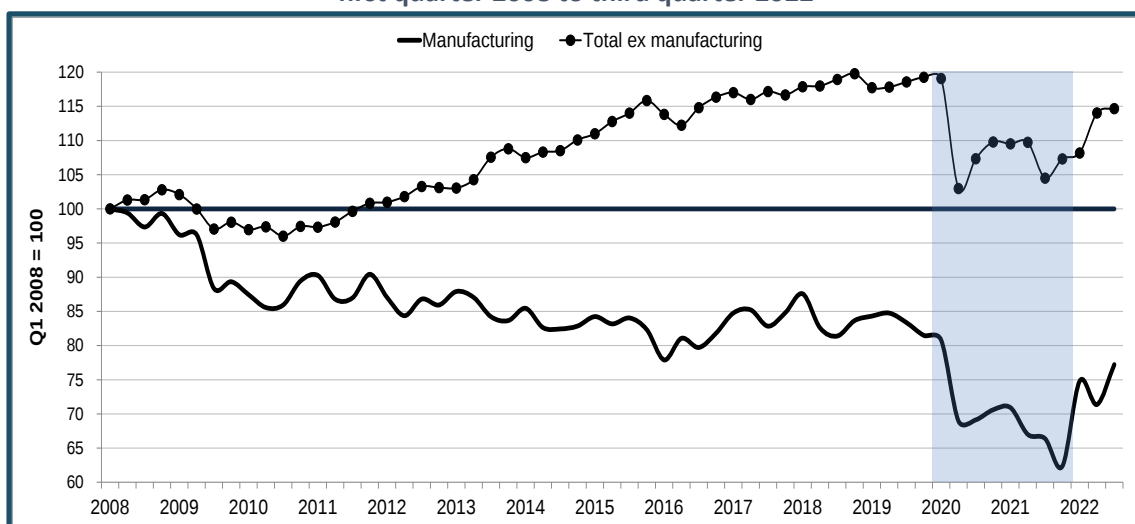
Graph 12. Employment in manufacturing industries, third quarter 2019, 2020, 2021 and 2022



Source: Calculated from Statistics South Africa. QLFS for relevant quarters. Electronic databases.

Graph 13 shows trends in manufacturing and non-manufacturing employment from 2008. It provides a long-term view of the decline of manufacturing relative to other sectors and a sense of the scale of the COVID-19 shock to employment in general. It also illustrates that employment in manufacturing has recovered less robustly than non-manufacturing industries, with the former still 7% lower than in the quarter of 2019 and the latter just 3% lower.

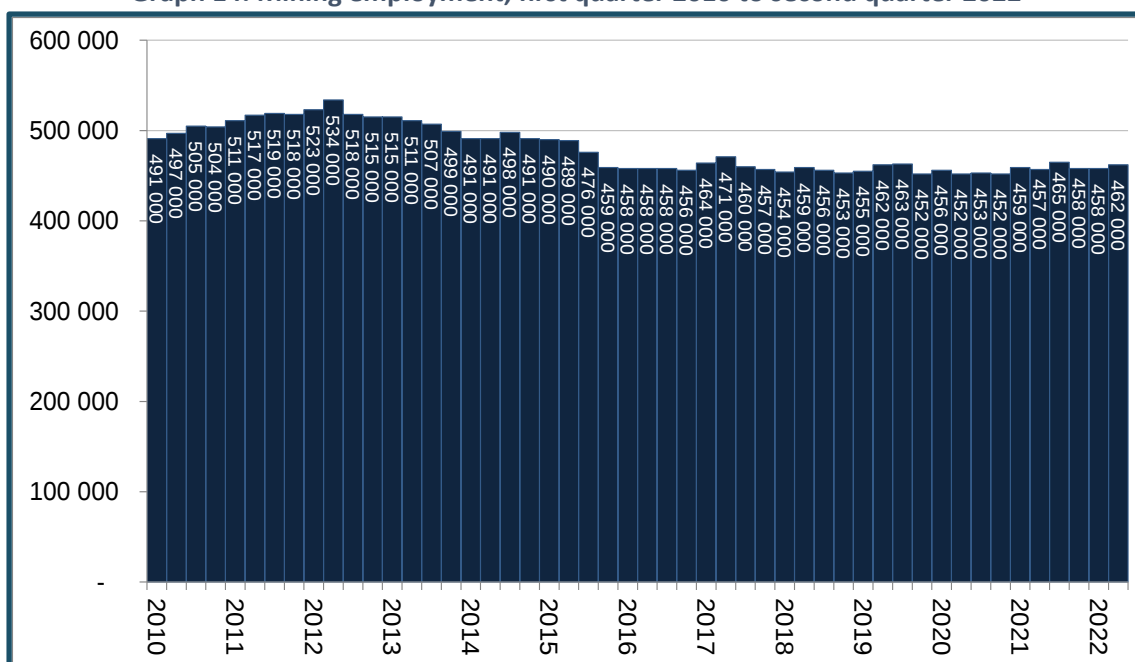
Graph 13. Employment in manufacturing and the rest of the economy, first quarter 2008 to third quarter 2022



Source: Calculated from Statistics South Africa. QLFS for relevant quarters. Electronic databases.

Statistics South Africa recommends the use of the Quarterly Employment Survey for mining. The sector added 4 000 jobs in the second quarter (note that Quarterly Employment Survey data lags the QLFS by one quarter). This modest gain almost restores 2019 levels of mining employment. However, levels remain well below those seen in the last commodity boom, which ended in 2011.

Graph 14. Mining employment, first quarter 2010 to second quarter 2022



Source: Statistics South Africa. Quarterly Employment Statistics. Detailed breakdown. First quarter 2022
Excel spreadsheet.