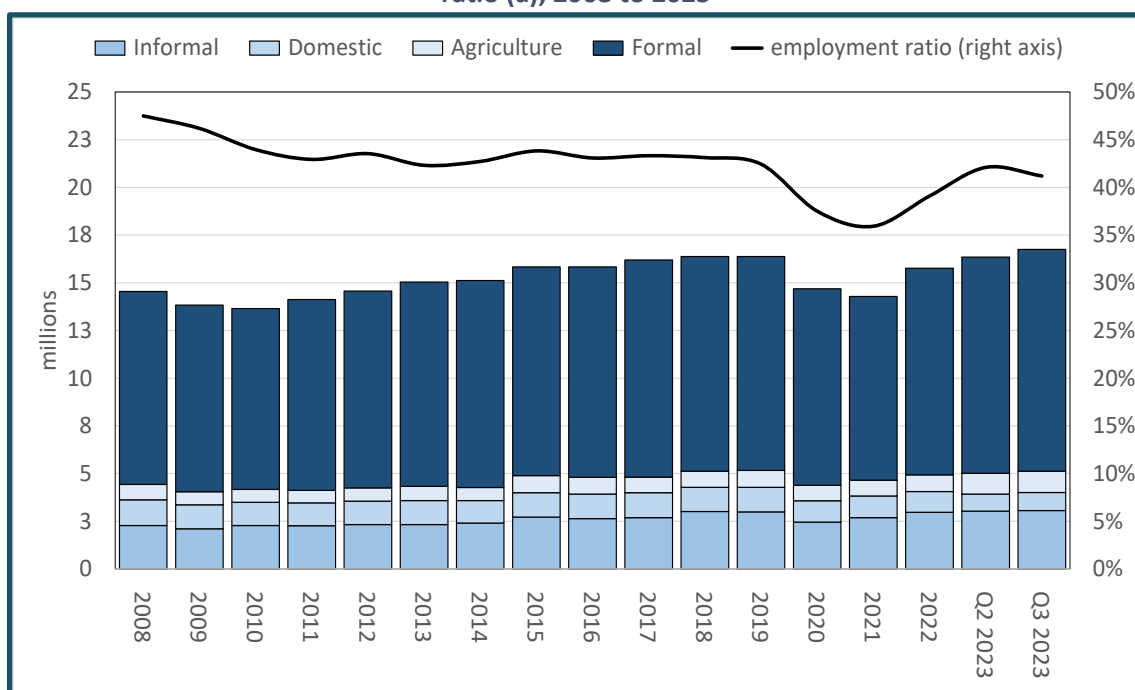


Employment

In contrast to the GDP data, the employment figures suggest a spurt in jobs growth, especially in the formal sector. They find a modest fall in manufacturing employment for the quarter. The sector remains 250 000 jobs behind pre-pandemic levels.

According to the Quarterly Labour Force Survey, which covers 30 000 households, total employment in South Africa climbed by almost a million in the year to the third quarter of 2023, reaching 16.7 million. That was more than 2% higher than before the pandemic. The non-agricultural formal sector created four out of five new jobs in the year to the third quarter. As a result, its share in total employment rose to 69%, up from a low of 67% but still somewhat lower than for most of the 2010s. It is not clear how these findings square with the reported decline in the GDP.

Graph 10. Third quarter employment by type of work, and the employment ratio (a), 2008 to 2023

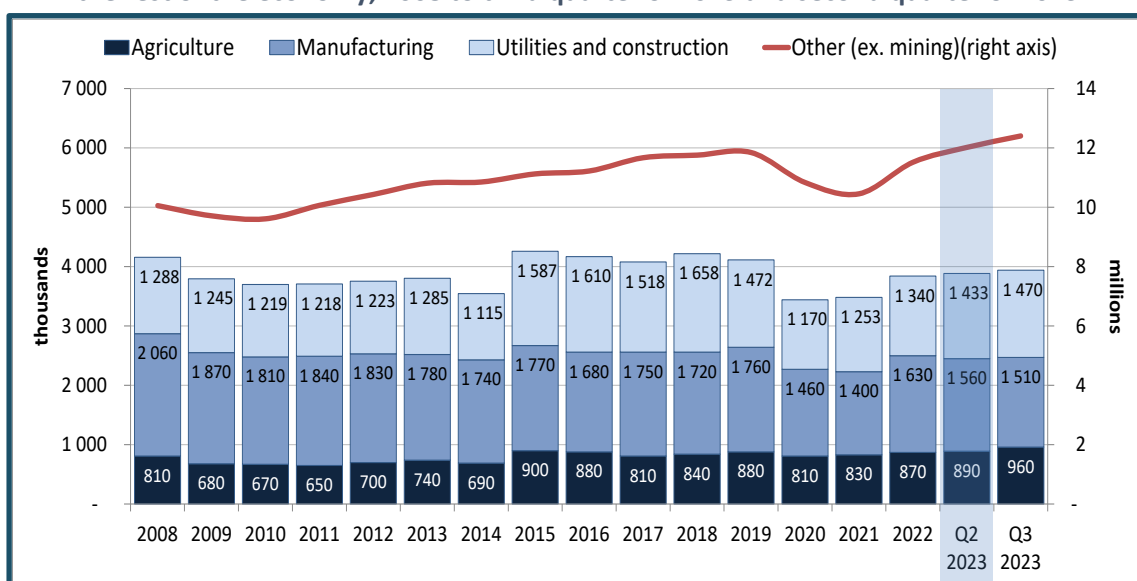


Note: (a) Employed as percentage of total working aged population. Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q3. Excel spreadsheet.

Despite the recovery in formal employment since 2021, the working aged population climbed even faster. As a result, the share of working-aged adults with employment was still only 41% in the third quarter of 2023. That was only marginally above the figure at the transition to democracy, around 39%, and far below the 2008 peak of 47%. Internationally, the employment ratio averages around 60%.

Within the real economy excluding mining (which is better represented by the Quarterly Employment Statistics data, as discussed below), virtually all growth in employment occurred in construction and agriculture. The labour force surveys found a drop in manufacturing employment from 2022, after the initial recovery from the pandemic. As a result, employment in manufacturing, at just over 1.5 million in the third quarter of 2023, was still reportedly 250 000 smaller than before the pandemic. (Graph 11)

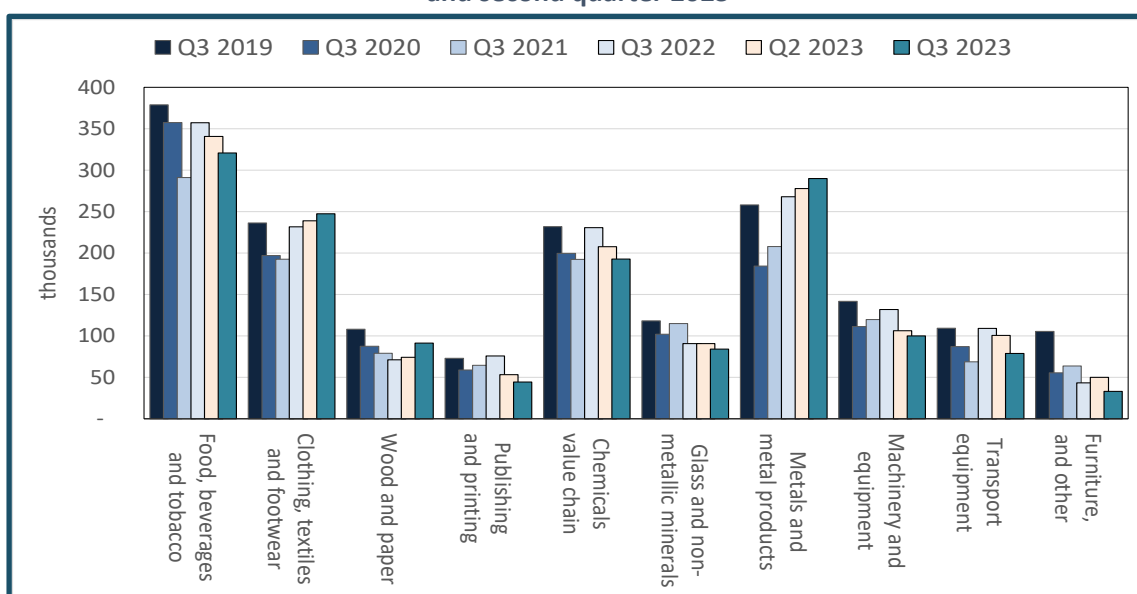
Graph 11. Employment in agriculture, manufacturing, utilities and construction compared to the rest of the economy, 2008 to third quarter of 2023 and second quarter of 2023



Source: Calculated from Statistics South Africa. QLFS Trends 2008-2023Q3. Excel spreadsheet.

Manufacturing, clothing, metals and wood saw net employment growth over year to the third quarter 2023, while all the other industries shed jobs. Only clothing and metals now provide more employment than before the pandemic.

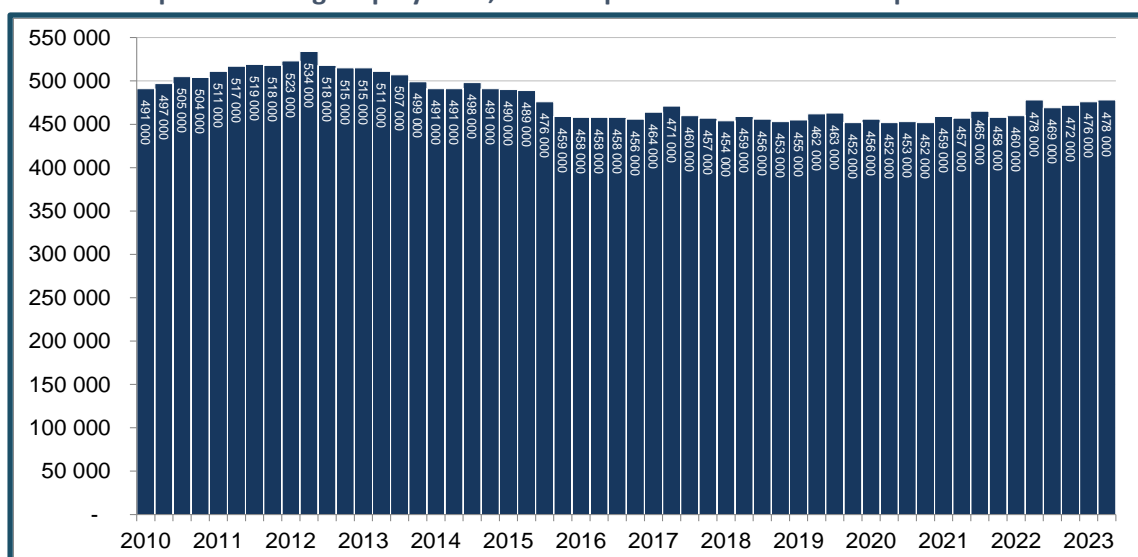
Graph 12. Employment in manufacturing industries, third quarter 2019 to 2023 and second quarter 2023



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

Statistics South Africa recommends using the employer survey, the Quarterly Employment Statistics, for mining. It shows a modest recovery from the pandemic, presumably because of the speculative boom in world metals prices through early 2023. As long as mining prices continue to stagnate, however, it seems unlikely that mining employment will grow much more.

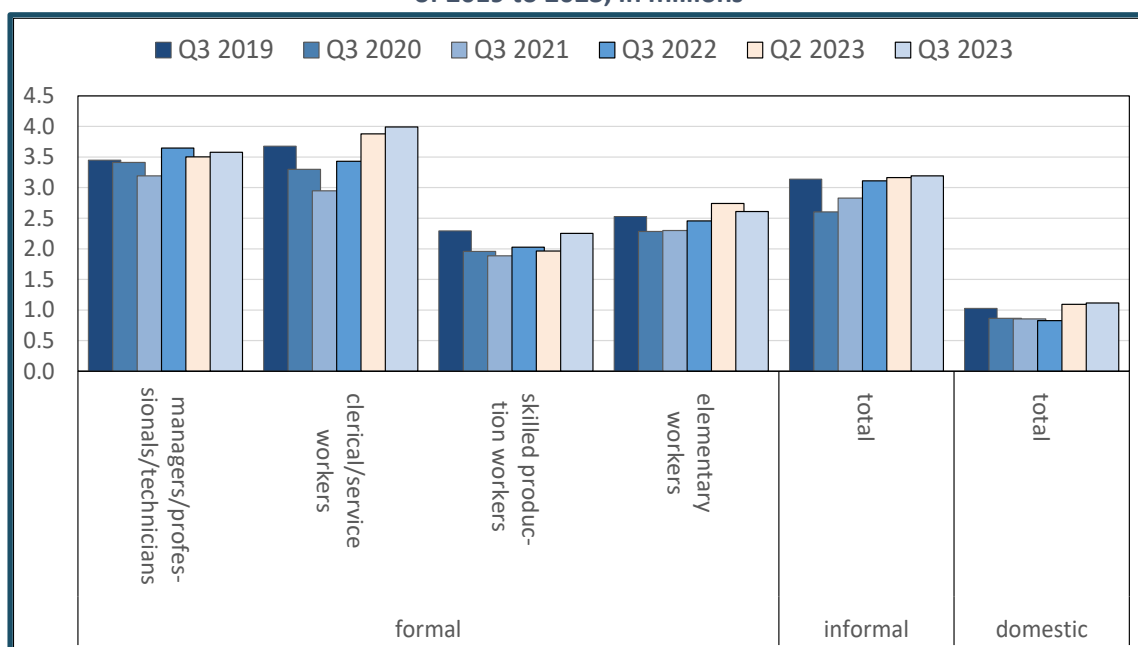
Graph 13. Mining employment, second quarter 2010 to second quarter 2023



Source: Statistics South Africa. Quarterly Employment Statistics. Detailed breakdown.
Second quarter 2023 Excel spreadsheet.

Lower-skilled production workers continued to see a relatively slow recovery in employment from the pandemic. In contrast, professionals and managers barely lost jobs in the downturn, while clerical and service workers experienced rapid growth over the past year. With more formal jobs available, informal employment growth slowed over the past year. In 2023, domestic work finally recovered the jobs lost to the pandemic. However, as noted, incremental gains in employment that match economic growth have proven inadequate to overcome the jobs deficit generated before 1994.

Graph 14. Employment by main occupation and sector, third quarters of 2019 to 2023, in millions



Source: Calculated from Statistics South Africa. QLFS Trends 2019Q2-2023Q3. Excel spreadsheet.