

World Cup could not stem SA's job losses

■ Employers 'ready to hire'

Samantha Enslin-Payne

EMPLOYMENT fell sharply last month in all sectors, occupations and regions with the exception of the government, but recruitment activity, a forerunner of employment, turned positive, according to the Adcorp employment index, released yesterday.

Loane Sharp, a labour market analyst at Adcorp, said the results for July were contrary to the expectation that informal employment would pick up during the World Cup.

Adcorp had expected formal employment to drop last month. In fact the Adcorp employment index fell sharply at an annual rate of 8.1 percent in July, with both the formal and informal sectors losing ground, although the impact was most pronounced in permanent full-time employment.

Employment fell most sharply in the construction sector with a 13.1 percent drop as World Cup-related projects had been completed, Sharp said.

The mining sector posted

an 11.2 percent decline. Reflecting continued weakness in the manufacturing sector, the employment of artisans fell 11.2 percent and machine operators declined 9.6 percent.

The government was the only sector that increased its staff with a modest rise of 2.4 percent.

All provinces showed a decline, with the Northern Cape and the Free State the worst affected.

"What the data show is that the economy is still in a helluva weak state," Sharp said.

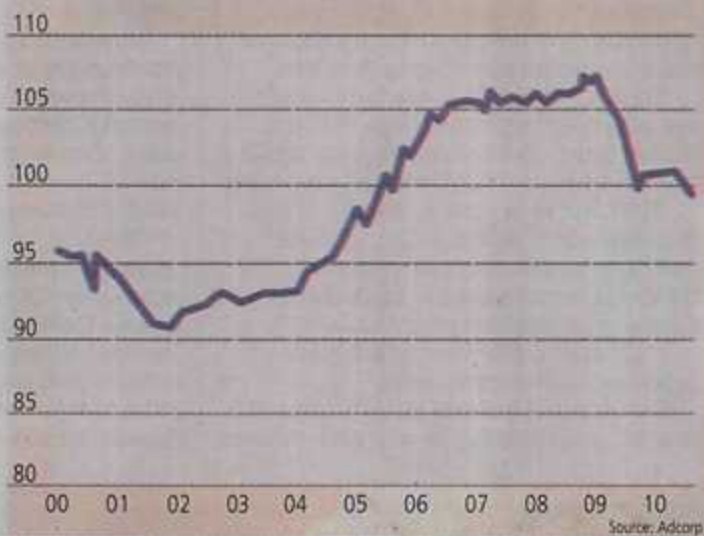
The fall in employment in July follows a 0.26 percent decline in employment in June and a 6.2 percent fall in May, according to the Adcorp employment index.

The Quarterly Labour Force Survey released by Statistics SA late last month showed that the economy shed 61 000 jobs in the second quarter following the loss of 171 000 jobs in the first quarter.

The official unemployment rate in the second quarter was 25.3 percent. If discouraged

Adcorp employment index

2005=100, 2000-2010



Employment by occupation

Occupation	Employment May 2010 (000s)	Percentage change vs Apr 2010*
Legislators, senior officials and managers	997	-3.08
Professionals	639	-2.16
Technical and associate professionals	1 467	-8.52
Clerks	1 446	-4.36
Service workers and shop and market sales workers	1 773	-5.21
Skilled agricultural and fishery workers	107	-2.29
Craft and related trades workers	1 490	-11.22
Plant and machine operators and assemblers	1 069	-9.63
Elementary occupation	2 486	-8.35
Domestic workers	823	-4.12

* Annualized

Source: Adcorp

work seekers are included the unemployment rate was 35.9 percent.

Peter Kratz, the national director of Men on the Side of the Road, a non-profit employment agency that places semi-skilled staff, said there were no signs of an immediate improvement in the job market.

However, he said there was anecdotal evidence that the job market would improve towards the end of the year.

Adcorp said signs that the job market might soon turn the corner were evident from increased recruitment activity in all sectors, suggesting that at the end of the year South

Africa's ongoing job losses would ease. Recruitment activity is the number of people who are placed within a month and it tends to lead the employment cycle by about six months.

Overall the recruitment levels for permanent and full-time positions grew at an annual pace of 28 percent in July, the

fastest rate since January 2007. Recruitment for temporary and part-time positions grew at an annual rate of 4.6 percent, the highest level since June 2008.

"It is encouraging that employers' hiring decisions have perked up in recent months," the survey said.

Sharp said in some sectors

the turnaround might come sooner with employment gains possible in the next three to four months. Sharp said the government, electricity, construction and finance sectors should lead on employment.

But manufacturing and the retail sector were likely to remain depressed into next year.

Work injuries cost SA R121bn, says Solidarity

INJURIES on the job were costing the South African economy an estimated R121 billion a year, Solidarity claimed yesterday.

"South Africa is losing a large amount of economically active workers through occupational injuries and diseases," said Paul Mardon, the occupational health and safety spokesman for the trade union.

Statistics from the International Labour Organisation estimated 5 percent of South Africa's gross national product was wasted due to occupational injuries. In 2009, this represented "a total loss of R121.2bn in economic activity", he said.

Workers who were forced out of the economy by injuries were condemned to poverty.

"These workers are not only unable to contribute to the economy, but are also forced into poverty due to inadequate compensation. As a result of the fragmented system of compensation and a lack of emphasis on rehabilitation in the legislation, disabled workers are becoming more and more poverty stricken."

He said current legislation did not take into account a worker's salary potential. Solidarity was preparing a draft bill to submit to the government to address these perceived shortcomings. – Sapa