



## WAVE 4

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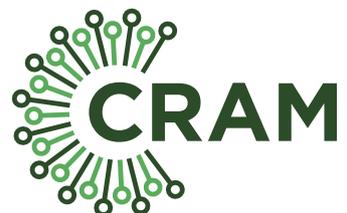
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CORONAVIRUS RAPID MOBILE SURVEY 2020

# Employment dynamics in South Africa during the COVID-19 era: an update covering the second wave

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## Abstract

This document updates research by Espi et al. (2021) in the light of new data about employment in January 2021 from NIDS-CRAM wave 4. First, January employment outcomes are compared to prior outcomes for three age groups: youth (18-24), prime-age adults (25-40) and middle-age adults (41-55). Then the focus turns to employment dynamics between October 2020 and January 2021. The employment to population ratio declined similarly by a few percentage points for all age groups (and age and education subgroups) in the period, with the percentage of all working age (18-64) adults employed dropping from 55% to 52%. However, in the period there was substantial churning underlying this relatively small percentage point drop in employment, far in excess of estimates of churning from pre-COVID years. Of working age adults who were non-employed in October, 18% had found work by January, while 19% of the October employed were without work in January. Rates of job finding among the non-employed were similar across age groups, while job loss was strongly and negatively correlated with age. These results indicate a worsening in employment and transition outcomes in response to the second wave of COVID-19 infections and the associated lockdown, but that the declines in employment were small relative to the effects of the initial COVID-19 lockdown. In the light of documented discrepancies between NIDS-CRAM and other surveys' estimates, the authors remain cognisant that these findings may be descriptive of a particular sample or subset of the South African population.

*Keywords – youth unemployment; churning; coronavirus; covid-19; employment transitions*

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# Executive Summary

This document updates research by Espi et al. (2021) in the light of new data about employment in January 2021 from NIDS-CRAM wave 4. January employment outcomes are compared to prior outcomes for three age groups: youth (18-24), prime-age adults (25-40) and middle-age adults (41-55), before the focus turns to the transitions made by individuals between October 2020 and January 2021. This provides insight into the employment effects of a return to a level 3 lockdown (in effect for the duration of January), along with employment dynamics occurring between the end of one year and the beginning of the next (where many people may be taking on new jobs).

Given the sample from which NIDS-CRAM is drawn (Ingle et al., 2021) and large discrepancies between NIDS-CRAM and QLFS estimates of employment (as discussed by Bassier et al., 2021; Simkins, 2021) there is uncertainty about the extent to which NIDS-CRAM is representative of South Africa as a whole. We therefore interpret all of our results as capturing employment dynamics within a particular sample and subset of the population, and do not contend that our results describe national trends.

The **employment to population ratio among working age individuals (18-64) decreased from around 55% to 52% between October 2020 and January 2021**, and reflected drops of a similar magnitude (2-3 percentage points) across each of the three age groups. Only youth retained a higher level of employment in January relative to their February 2020 (pre-crisis) level. There was no clear pattern to the decline in employment in the period October 2020 to January 2021 along dimensions of age or educational attainment, with all groups similarly affected.

However, there was substantial churning underlying the relatively small percentage point drop in employment in this period. **Of working age adults who were non-employed in October, 18% had found work by January, while 19% of the October employed were without work in January.** A comparison with previous periods shows that there was a worsening of transition outcomes in the latest period. There was more job loss and less job gain relative to the preceding period (between June and October), and the rates of job loss and gain were comparable to those between April and June 2020.

**The rate of job finding between October and January was similar across age groups**, with 19% of non-employed youth, 20% of prime-age adults, and 18% of middle-age adults moving into employment. On the other hand, job loss over the period correlated strongly and negatively with age. Around 31% of employed youth lost employment, compared to 19% and 13% of employed prime-age and middle-age adults, respectively.

**The degree of churning observed between October and January was far in excess of the churning observed between the fourth quarter and the first quarter of some pre-COVID years (2010-2014)**, as represented in panels based on the Quarterly Labour Force Survey (QLFS). In those years only around 7 to 9% of Q4 employed were non-employed in the following Q1, and between 5 and 6% of Q4 non-employed found work in the following Q1.

Previous research revealed that many of the October employed were job finders who had gone into the crisis without employment (in February). **Of these job finders, 66% retained employment into January, relative to 70% of 'job regainers' (who had lost and then regained work during the crisis) and 93% of those with stable employment in 2020.**

Taken together, these findings indicate that there was a decline in employment of a few percentage points in response to the second wave of COVID-19 infections and the associated lockdown, and that there was substantial churning underlying this relatively small drop in employment.

## Introduction

A second wave of COVID-19 infections surged through South Africa towards the end of 2020. On 28 December the government re-introduced strict lockdown measures, moving from lockdown level 1 to level 3, restricting operating hours (with a curfew from 9pm to 5am) and closing down many public spaces such as beaches and parks.

Previous research by the authors based on NIDS-CRAM (Espí et al., 2021) found that, following substantial initial job shedding at the beginning of the COVID-19 crisis, there was a large increase in employment by October 2020, and that employment outcomes of (educated) youth, in particular, had improved. In addition, it was found that only around half of those who had lost work at the onset of the pandemic had regained their employment by October, while close to a third of those without employment going into the crisis had found employment by October. Wave 4 of NIDS-CRAM captured employment information for January 2021, during which the stricter level 3 lockdown measures were in place. This allows some insight into how people of different ages were affected by the second wave and accompanying lockdown measures, as well as the employment transitions associated with the period. This document contributes to this analysis by updating previous research by Espí et al. (2020; 2021) in the light of this new data.

Section 1 looks at employment outcomes by age and education, comparing cross-sectional estimates of employment from January 2021 with estimates from previous waves. Section 2 focuses on employment transitions made by individuals between October 2020 and January 2021, studying the extent of churning underlying the aggregate employment changes. Finally, Section 3 discusses and provides context to these findings, especially those related to churning. The estimates in Section 1 are based on cross-sections of all individuals who have employment information in each wave of NIDS-CRAM, while the estimates of October 2020 to January 2021 transitions in Section 2 are based on the balanced panel of individuals who were interviewed and have employment information in both waves 3 and 4 (including members of the wave 3 top-up sample)<sup>4</sup>.

Given the sample on which NIDS-CRAM is based (Ingle et al., 2021) and findings of large discrepancies between NIDS-CRAM and QLFS estimates of employment (Bassier et al., 2021; Simkins, 2021) there is uncertainty about the extent to which NIDS-CRAM is representative of South Africa as a whole. We therefore interpret all of our results as capturing employment dynamics within a particular sample and subset of the population, and do not contend that our results describe national trends. It is very likely, though, that the transitions and changes being picked up in NIDS-CRAM reflect real outcomes and changes among substantial parts of the South African population.

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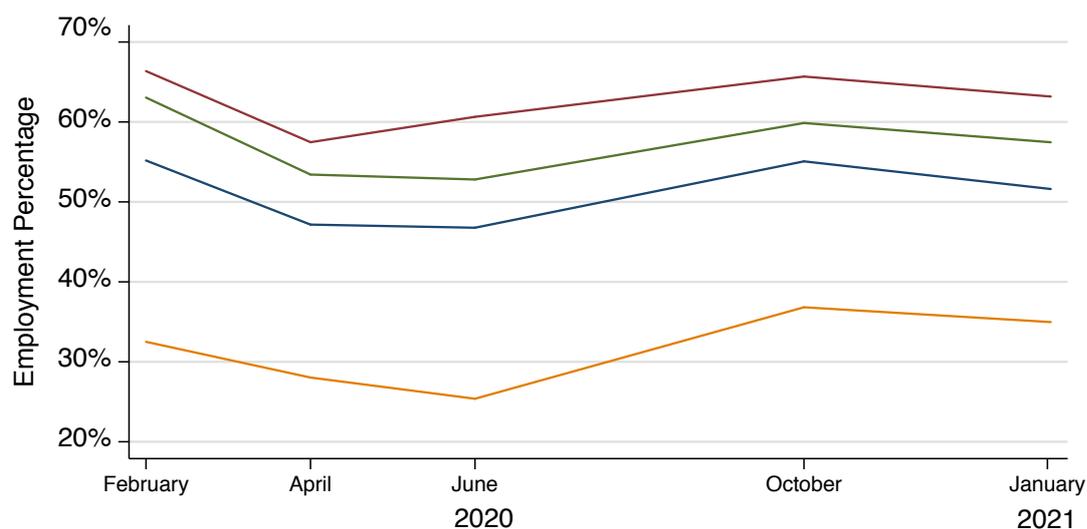
<sup>4</sup> NIDS-CRAM scaled weights from each wave are used for the estimates in Section 1, and for Section 2 the wave 4 NIDS-CRAM scaled weight (including top-up) is used for estimates of transitions between October 2020 and January 2021.

## Section 1: Employment outcomes by age and education in NIDS-CRAM

The age groups used in this update are the same as those used in previous research by the authors. Individuals are grouped into three age groups on the basis of their age at wave 1 of NIDS-CRAM<sup>5</sup>: youth (ages 18-24), prime-age adults (ages 25-40) and middle-age adults (ages 41-55).

Figure 1 shows the change in the percentage employed between February 2020 and January 2021, for all working age (18-64) adults and for the three age groups.

**Figure 1: Percentage employed in 2020/1 by age group (NIDS-CRAM)**



**Note:** Cross-section estimates of percentages employed using cross-sectional weights from each period (NIDS-CRAM waves 1 to 4).

A clear decrease in the shares of people employed between October 2020 and January 2021 can be seen in the figure. The percentage of the working age population who were employed decreased from around 55% to 52% in the period. This was mirrored by drops of a similar magnitude (2-3 percentage points) across the three age groups. It is noteworthy that despite this drop, youth (and only youth) retained a level of employment in January 2021 that was above their February 2020 (pre-crisis) level.

Previous research using NIDS-CRAM found that with the initial imposition of the lockdown there was a large increase in the number of workers who were furloughed, i.e. retaining a nominal employment relationship but receiving zero pay and working zero days in the month in question. This makes it important to investigate whether there was a repeat of this phenomenon with the return to a level 3 lockdown. Appendix *Table 1* shows that while there was some increase in the rate of furloughing in January, this was very small and the rate essentially remained around 2% of working age individuals in both October 2020 and January 2021<sup>6</sup>. This means that we can continue with our analysis (centred around movements between employment and non-employment) in the knowledge that we are not masking serious labour market changes by failing to distinguish between active employment and furloughs.

*Table 1* shows the percentage of individuals employed in various age and education subgroups, across the five time periods of NIDS-CRAM waves 1 to 4.

<sup>5</sup> For respondents from the NIDS-CRAM wave 3 top-up sample who do not have a wave 1 interview date or age recorded, their age on 1 June 2020 (around the midpoint of the wave 1 interview process) was calculated using their date-of-birth information.

<sup>6</sup> Disaggregating by age group showed that among middle-age adults there was a more noticeable increase from around 2% to 4%.

**Table 1: Employment in 2020/1 by age group and education level**

Age group	Education level	Percentage employed in February	N	Percentage employed in April	N	Percentage employed in June	N	Percentage employed in October	N	Percentage employed in January 2021	N
Youth (18-24)	Less than matric	28.24 (3.77)	384	20.48 (3.26)	377	16.06 (2.98)	303	22.71 (3.2)	379	22.03 (4.16)	325
	Matric	28.94 (3.78)	427	24.78 (3.69)	418	24.6 (4.14)	348	42.16 (3.85)	482	38.26 (4.08)	423
	More than matric	42.05 (4.55)	261	40.82 (4.96)	256	36.22 (4.81)	208	46.4 (5.54)	187	45.41 (5.5)	188
Prime-age adults (25-40)	Less than matric	53.35 (2.56)	1174	44.95 (2.49)	1159	43.01 (2.48)	930	48.36 (2.45)	991	46.86 (2.84)	896
	Matric	66.07 (2.55)	779	50 (2.91)	768	55.4 (3.27)	601	61.99 (2.54)	737	58.93 (2.6)	655
	More than matric	70.31 (2.26)	976	63.58 (2.48)	962	61.27 (2.67)	765	70.87 (2.7)	694	68.36 (3.05)	648
Middle-age adults (41-55)	Less than matric	53.23 (3.01)	1012	44.21 (2.67)	997	46.6 (3.36)	820	53.91 (3.04)	887	51.47 (2.8)	837
	Matric	70.06 (3.96)	306	56.71 (4.87)	304	62.85 (5.75)	245	71.58 (4.57)	264	68.76 (4.61)	255
	More than matric	85.55 (2.29)	432	79.43 (2.63)	427	82.69 (2.74)	337	83.67 (2.91)	289	83.19 (3.06)	275

**Notes.** Estimates based on the full cross-section with employment status information in each wave of NIDS-CRAM and weighted with scaled cross-sectional weights. Standard errors in parentheses. Unless explicitly stated otherwise months are 2020 months. Classification into age groups (across periods) based on age in wave 1 of NIDS-CRAM.

Comparing the October 2020 and January 2021 columns shows that there were similar, small drops in employment (between 1 and 4 percentage points) across all age and education subgroups<sup>7</sup>. There were no clear differences in this pattern of declines in employment, either by age or education, and in general it was not the case that those with lower education were more susceptible to job loss over this period.

<sup>7</sup> The small magnitude of these drops in percentage employed combined with the relatively large standard errors of the estimates means that none of these changes are statistically significant. As such, our results remain indicative findings.

## Section 2: Employment dynamics in NIDS-CRAM

The previous section showed that there were small decreases in the percentage employed between October 2020 and January 2021, and that all age and education groups were similarly susceptible to the employment decline observed in NIDS-CRAM over the period. It is possible, however, that the relatively small drops in employment observed between October and January mask substantial flows into and out of employment among individuals. Previous research by the authors (Espi et al., 2020; Espi et al., 2021; Ranchhod & Daniels, 2021) revealed substantial flows into and out of employment in 2020. We use transition matrices between October and January to examine the extent of job loss among the employed and the extent to which this was counterbalanced by job finding among the non-employed<sup>8</sup>.

Table 2 shows employment transition matrices for adults between the age of 18 and 64 for three periods in NIDS-CRAM: April 2020 to June 2020, June 2020 to October 2020, and October 2020 to January 2021. For each period the table shows the estimated percentage of individuals who transitioned from non-employment to employment (and vice versa), or who remained in the same state between periods. Thus each row sums to 100.

**Table 2: Employment transition matrices between April, June, October (2020) and January (2021)**

a) April to June				
April employment status	N	June employment status		Total
		Non-employed	Employed	
Non-employed	2.299	82.29 (1.15)	17.71 (1.15)	100
Employed	1.624	19.66 (1.67)	80.34 (1.67)	100
b) June to October				
June employment status	N	October employment status		Total
		Non-employed	Employed	
Non-employed	2.287	75.28 (1.43)	24.72 (1.43)	100
Employed	1.705	10.62 (1.06)	89.38 (1.06)	100
c) October to January				
October employment status	N	January employment status		Total
		Non-employed	Employed	
Non-employed	2.197	82.18 (1.25)	17.82 (1.25)	100
Employed	2.243	19.22 (1.39)	80.78 (1.39)	100

**Notes.** Estimates for working-age (18-64) adults in NIDS-CRAM. Estimates weighted using NIDS-CRAM Wave 2, Wave 3 and Wave 4 scaled weights.

Panel c) of Table 2 shows that there was substantial churning between October 2020 and January 2021<sup>9</sup>. Of working-age adults who were non-employed in October, 18% had found work by January, while 19% of the October employed were without work in January.

Transition matrices from earlier periods are shown in panels a) and b) and provide context for this level of churning. The job attainment observed among the non-employed between October and January is very similar to that observed between April and June (around 18%) but less than the

<sup>8</sup> All estimates of October to January transitions are based on the balanced panel of individuals who were interviewed and have employment information in both waves 3 and 4 (including members of the wave 3 top-up sample)

<sup>9</sup> Henceforth we will use the words October and January to refer to October 2020 and January 2021.

job finding observed between June and October (25%). As previously documented (Ranchhod & Daniels, 2021; Espi et al., 2021), there was substantial job loss between April and June (after the initial job shedding at the beginning of the crisis), with around 20% of the employed losing work. This was followed by a lower rate of job loss of around 11% between June and October. This places the observation that around 19% of the employed lost work between October and January in context, showing that rates of job loss climbed back to the levels observed between April and June.

Panels a), b) and c) of *Table 3* show employment transition matrices for each of the three age groups discussed in the previous section.

**Table 3: Employment transition matrices by age group between October 2020 and January 2021**

a) Youth (18-24)				
October employment status	N	January employment status		Total
		Non-employed	Employed	
Non-employed	579	81.02 (2.63)	18.98 (2.63)	100
Employed	257	31.05 (4.55)	68.95 (4.55)	100
b) Prime-age adults (25-40)				
October employment status	N	January employment status		Total
		Non-employed	Employed	
Non-employed	843	79.58 (2)	20.42 (2)	100
Employed	1.112	18.6 (1.78)	81.4 (1.78)	100
c) Middle-age adults (41-55)				
October employment status	N	January employment status		Total
		Non-employed	Employed	
Non-employed	488	81.92 (2.91)	18.08 (2.91)	100
Employed	714	12.75 (1.93)	87.25 (1.93)	100

**Notes.** Estimates weighted using NIDS-CRAM Wave 4 scaled weights (including top-up sample). Classification into age groups (across periods) based on age in wave 1 of NIDS-CRAM.

The rate of job finding between October and January was similar across age groups, with 19% of non-employed youth, 20% of prime-age adults, and 18% of middle-age adults moving into employment. In contrast, job loss over the period correlated strongly and negatively with age. Around 31% of employed youth lost employment, compared to 19% and 13% of employed prime-age and middle-age adults, respectively.

Based on our previous research (Espi et al., 2021), we know that among the October employed there was extensive heterogeneity in terms of 2020 employment path. The large increase in employment between June and October observed in NIDS-CRAM means that several of the October employed were new in their jobs. In addition, among these newly employed people there were many people who had ‘bounced back’ from initial job loss during the pandemic, but also many workers who did not have employment going into the pandemic.

New data about employment three months later (in January 2021) means that we can compare the persistence of employment among groups with different 2020 employment paths (and see whether job loss disproportionately affected particular groups during the second wave). To do so, we classify the October employed into three 2020 employment groups; those who were employed in all four registered periods (February, April, June and October) are labelled ‘stably employed’; those who

were employed in February, subsequently lost employment (in April and/or June) but were back in employment by October are labelled 'job regainers', and those who were non-employed in February but employed in October are labelled 'job finders'. These three groups exhaustively categorise the working-age sample of October employed who have employment status information across February, April and June 2020.

**Table 4: Job retention into January 2021 among the October 2020 employed.**

2020 employment group	N	Percentage still employed in January
Stably employed	859	92.52 (1.37)
Job regainers	425	70.1 (3.56)
Job finders	422	65.83 (3.86)

**Notes.** Stably employed - those employed in all four periods of 2020 (February, April, June and October); Job regainers - those who were employed in February, subsequently lost employment (in April and/or June) and were employed again in October; Job finders - those who were non-employed in February but employed in October. Estimates weighted using NIDS-CRAM Wave 4 scaled weights (including top-up sample).

Table 4 shows job retention rates for these three groups. Of all job finders, 66% retained employment into January, relative to 70% of job regainers (who had lost and then regained work during the crisis), and 93% of those with stable employment in 2020.

The substantial increase in employment rates observed in October and the movement into employment of previously non-employed individuals (as documented in Espi et al., 2021) means that a sizeable share of the October employed were newly employed (without previous employment in 2020). Looking at this group in isolation, only 52% of those who first moved into employment in October retained their employment in January. (These results are not tabulated). This suggests that the nature of the jobs found in this recent period is highly precarious.

Table 5 shows rates of job finding among the October non-employed with different 2020 employment experiences and levels of education.

**Table 5: Job finding in January 2021 among the October 2020 non-employed with different 2020 employment experience and educational attainment**

	N	Percentage finding employment in January
<b>Number of periods employed in February, April &amp; June 2020</b>		
0	1247	11.17 (1.34)
1 or 2	490	27.03 (2.94)
3	75	30.28 (8.92)
<b>Educational attainment</b>		
Less than matric	1210	16.61 (1.59)
Matric	605	18.14 (2.49)
More than matric	373	20.94 (3.02)

**Notes.** Estimates weighted using NIDS-CRAM Wave 4 scaled weights (including top-up sample)

Of those with no 2020 employment experience, 11% found employment in January 2021. Among those who were employed in 1 or 2 periods, a group that will include all of those who went into the crisis employed and lost work in either April or June, 27% found work in January<sup>10</sup>. There were

<sup>10</sup> Those employed in 3 previous periods are not discussed due to the small sample size of this group.

small (non-significant) differences in the attainment of employment among the non-employed with different levels of educational attainment. Of those with more than matric, 21% found work in the period, relative to 18% of those with matric and 17% of those with less than matric.

### Section 3: Contextualising and discussing findings

The cross-sectional outcomes presented in Section 1 showed that between October 2020 and January 2021 there were small but meaningful declines in employment across a range of age and education groups. In addition, the employment declines observed in the period were consistent across the dimensions of age and education. All groups were affected to a similar degree.

The employment dynamics analysis in Section 2 revealed that underlying these small percentage point decreases in overall employment there was in fact extensive job loss in the period that was mostly offset by substantial job-finding. In addition, some clear differences emerged between different age groups when studying transitions rather than aggregate outcomes. In particular, age was strongly negatively correlated with the chance of falling out of employment between October and January, with 31% of employed youth losing work in the period, relative to 19% of prime-age adults and 13% of middle-age adults.

The fact that aggregate employment did not decline more for those with less education, and that their job finding rates were only slightly lower than they were for individuals with more education, suggests that the movement into employment in the October to January period was not restricted to higher educated individuals and seems to have involved jobs of varying skill-level requirements<sup>11</sup>.

Comparison with previous periods measured in NIDS-CRAM showed that there was a worsening of transition outcomes in this latest period. There were more job losses and fewer job gains relative to the preceding period (between June and October). Indeed, the rates of job loss and gain were comparable to rates observed between April and June 2020.

The period between the end of one year and the beginning of the next is one in which a lot of churning and starting new jobs is likely to occur. Given this, without knowing the extent to which movement into and out of employment typically occurs over this period, it is difficult to know whether the transitions that are observed here are exceptional or not. Therefore, *Table 6* shows similar transition tables from quarter four (Q4) of 2010, 2011, 2012 and 2013 to quarter one (Q1) of the following year, based on Quarterly Labour Force Survey (QLFS) panels for the years in question<sup>12</sup>.

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<sup>11</sup> It is also possible that in the dire labour market and economic conditions, individuals with higher education have become increasingly willing to take on lower-skill work.

<sup>12</sup> The QLFS panels were made available on a confidential basis to some members of SALDRU to collaborate with StatsSA on a data quality exercise. Matching data included demographic information, as well as respondents' first and last names. Permission was obtained from StatsSA for project participants to also use the data for research purposes.

*Table 6: Employment transition matrices between Q4 and Q1 (2010-2014)*

a) 2010				
2010 Q4 employment state	N	2011 Q1 employment state		
		Non-employed	Employed	Total
Non-employed	15.389	93.03 (0.44)	6.97 (0.44)	100
Employed	10.304	7.46 (0.45)	92.54 (0.45)	100
b) 2011				
2011 Q4 employment state	N	2012 Q1 employment state		
		Non-employed	Employed	Total
Non-employed	15.789	93.25 (0.41)	6.75 (0.41)	100
Employed	11.168	8.92 (0.52)	91.08 (0.52)	100
c) 2012				
2012 Q4 employment state	N	2013 Q1 employment state		
		Non-employed	Employed	Total
Non-employed	16.094	93.38 (0.38)	6.62 (0.38)	100
Employed	11.236	8.47 (0.59)	91.53 (0.59)	100
d) 2013				
2013 Q4 employment state	N	2014 Q1 employment state		
		Non-employed	Employed	Total
Non-employed	16.185	93.34 (0.39)	7.66 (0.39)	100
Employed	11.706	10.04 (0.52)	89.96 (0.52)	100

**Notes.** Restricted to working age (18-64) adults. Standard errors in parentheses. Estimates are weighted using QLFS Q4 individual level cross-sectional weights and so do not account for the effect of panel attrition or rotation on estimates. Estimates based on QLFS panels that were made available on a confidential basis to some members of SALDRU to collaborate with StatsSA on a data quality exercise. Matching data included demographic information, as well as respondents' first and last names. Permission was obtained from StatsSA for project participants to also use the data for research purposes.

The table shows that between 2010 and 2014 between 7 and 10% of Q4 (working-age) employed had lost employment by Q1 of the following year, whereas between 6 and 8% of Q4 non-employed had found employment by Q1 of the following year. There is some variation in the extent of churning in different years, with more job loss and job gain between Q4 of 2013 and Q1 of 2014 in particular. But in general the transitions are of a comparable magnitude across years. The scale of the transitions observed in NIDS-CRAM between October and January, where around 19% of the employed lost employment and 18% of the non-employed found employment, is far beyond that of the transitions observed in these historical panels<sup>13</sup>. The pattern of transitions by age in these historical QLFS

<sup>13</sup> There are some discrepancies between NIDS-CRAM and the QLFS in the periods for which employment information is asked that could be affecting these comparisons. Firstly, for NIDS-CRAM any work performed in the space of an entire month (October or January) was sufficient for a respondent to be classified as employed, whereas in the QLFS a reference period of one week (immediately preceding the interview) was used to classify employment. This means that it is possible that more casual and temporary work is captured in NIDS-CRAM relative to the QLFS, a fact that could explain part of the difference in the extent of churning observed. Secondly, employment information in each wave of NIDS-CRAM uniformly covers a single month, whereas employment information contained in the QLFS can be based on any week within a three-month period (October, November and December for Q4 and January, February and March for Q1). Therefore, the duration between recorded points of employment information in the QLFS could be longer or shorter for different participants relative to NIDS-CRAM, and there may be seasonal aspects picked up in the QLFS (e.g. November or December holiday work) that are not picked up in NIDS-CRAM. Finally, the fact that NIDS-CRAM is a telephonic survey means that it may be a selected sample with attrition between waves following patterns that are specific to the telephonic mode, and that differ from patterns of selection and attrition in the QLFS historical panel, which is based on physical interviews.

panels (which are not shown in the table) reveals a negative correlation between age and job loss, as is observed in NIDS-CRAM. However, they also reveal a much lower job finding rate among youth relative to older groups. This makes the relatively level rates of job finding across age groups observed in NIDS-CRAM all the more striking.

There are some other estimates of worker flows or churning in South Africa (see Kerr, 2018), but direct comparisons are difficult because of differing definitions and time periods. Banerjee et al. (2008) studied transitions between September 2002 and March 2003 using a Labour Force Survey panel. They found that around 89% of the formally employed were still employed in some form in the following period, as compared to 64% of informal workers. The job retention rate of around 81% observed between October and January in NIDS-CRAM is strikingly low (despite covering a shorter period) compared to the rate among the formally employed in the LFS. Turning to job finding, Banerjee et al. (2008) found that rates of job finding among different non-employed groups ranged from 8% to 19%. The job finding rate of 18% observed over a shorter period in NIDS-CRAM is high by comparison. Banerjee et al. (2008) also looked at transitions for youth (aged 16-24) in particular, finding job finding rates between 3% for the economically inactive and 12% for the searching unemployed. The difference between these rates and the 19% of youth who move into employment in NIDS-CRAM is especially stark.

So, when measured against a range of historical estimates the extent of churning observed in NIDS-CRAM is high. In particular, the rate of job finding among youth is especially high. This suggests that there has been an increase in the volatility of employment in the COVID-era labour market, with more people moving into and out of employment and faster compositional shifts in the workforce. However, it is difficult to know how much of this discrepancy between NIDS-CRAM and historical estimates is driven by differences between the surveys in question or by differences in measurement error, and how much reflects real changes in the labour market as the economy continuously adapts to the COVID-19 pandemic and lockdown.

On balance though, this paper and other research strongly suggest that the contemporary labour market is changing quickly. It is important that future research investigates the changes in the economy that are driving changes in labour demand in more depth. This will allow us to say more about how and why the labour market is changing. We will learn more as more data becomes available. In the meantime, interrogating the collective picture and the discrepancies between NIDS-CRAM and other surveys (the QLFS in particular), and benchmarking these COVID-era estimates against historical estimates, can help us further understand what is happening to employment in South Africa.

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# Appendices

## Appendix 1: Percentages employed and furloughed in 2020/1

	Employed	Furloughed	Not employed	Total
<b>April</b>				
All working-age adults	38.76	8.4	52.84	100
<b>June</b>				
All working-age adults	43.62	3.16	53.23	100
<b>October</b>				
All working-age adults	53.08	1.99	44.93	100
Youth (18-24)	34.97	1.85	63.18	100
Prime-age adults (25-40)	58.01	1.86	40.13	100
Middle-age adults (41-55)	63.45	2.23	34.32	100
<b>January (2021)</b>				
All working-age adults	49.14	2.47	48.39	100
Youth (18-24)	32.38	2.59	65.03	100
Prime-age adults (25-40)	55.7	1.76	42.54	100
Middle-age adults (41-55)	59	4.18	36.82	100

**Notes.** Classification into age groups (across periods) based on age in wave 1 of NIDS-CRAM. Estimates based on the full cross-section with employment status information in each wave of NIDS-CRAM and weighted with scaled cross-sectional weights. Unless explicitly stated otherwise months are 2020 months.

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