Farm labour and climate Change in South Africa

The Role of Active Labour Market Policies

SJRP Deep Dive

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Background

- This deep dive paper is an extension of the Agri- SJRP paper
  - Does further research on the role of ALMPs in the context of climate change
- **<u>Findings in brief</u>:**
  - South Africa's agricultural sector supports around 840 000 jobs and is important to many municipal economies, yet farmworkers remain highly vulnerable in the labour market.
  - Work is often seasonal, wages remain low, and access to social protection, worker representation, and skills development is limited.
  - These structural challenges are rooted in apartheid-era legacies and are now worsening as climate change intensifies production risks through more frequent droughts and floods – directly affecting labour demand and income stability.
  - **Existing ALMPs offer short-term relief but have limited long-term employment benefits.**
    - Programmes are fragmented, weakly coordinated, and not aligned with climate-related disruptions in agriculture.
    - Public employment mainly serves as temporary income support, while training and skills initiatives face low educational baselines and limited alternative employment opportunities in agriculture-dependent regions.

Employment & Vulnerability in Agriculture

Employment & Geography: ~840,000 employed in agriculture (2024), concentrated in Western Cape & KwaZulu-Natal (then Limpopo, Gauteng, Eastern Cape, Mpumalanga).

Job Skill level: ~75% of agricultural workers are in elementary occupations vs 18% in other formal sectors (2024).

Precarious contracts: 30% of agricultural employees are temporary/seasonal vs 16% in other formal employment (2024).

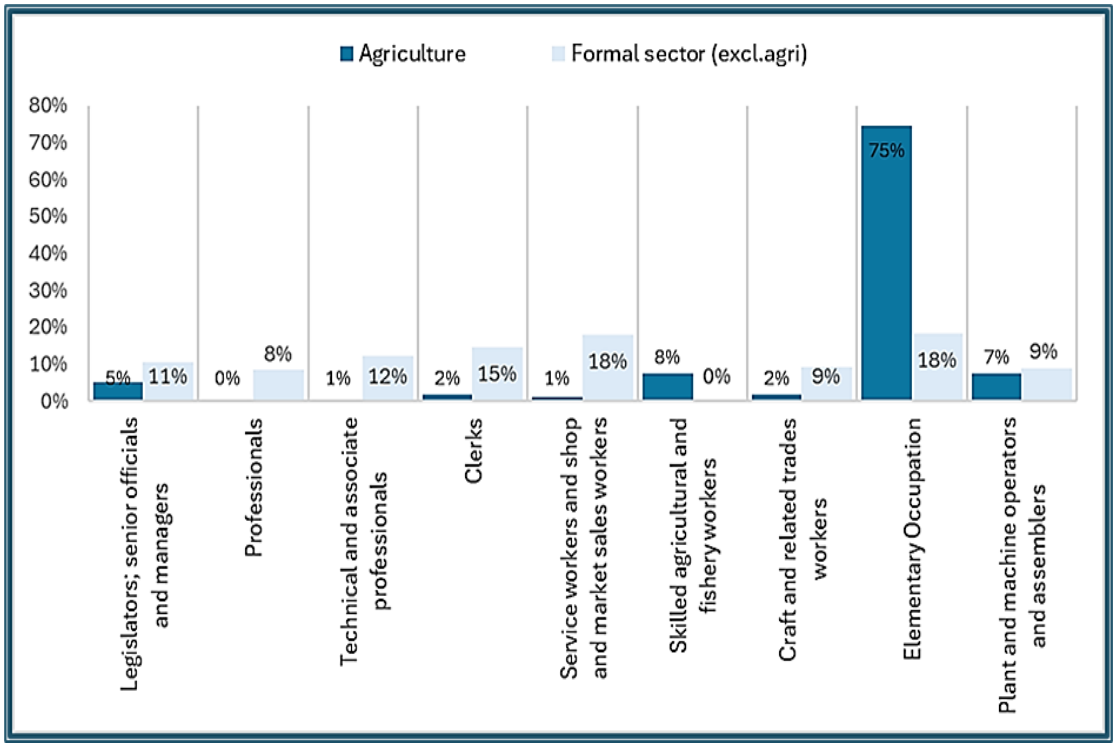
Low pay persists: Median monthly earnings (2023) R3,400 men / R2,600 women in agriculture vs R5,500 / R4,500 in other formal sectors.

Weak social protection & buffers: Very low UIF receipt among unemployed farmworkers (~3% men; ~6% women), and savings are rare (~8% men; ~5% women).

Limited education: 62% have less than matric (2024)

Limited representation: Unionisation 6% vs 37% outside agriculture—limiting bargaining and protections.

Farmworkers and other formal workers by occupation, 2024



Source: Calculated from Statistics South Africa. Labour Market Dynamics, 2024. Electronic database. Series on earnings for employees. Database downloaded from ISIbalo Data facility at www.statssa.gov.za in August 2025

Climate Change and farm labour

- **Climate–productivity link:** Climate change is expected to reduce agricultural output and labour productivity through higher temperatures, increased drought frequency, and more erratic rainfall, weakening labour demand and exerting downward pressure on farmworker wages.
- **Health and safety impacts:** Farmworkers face direct exposure to extreme heat, making agriculture one of the most climate-vulnerable occupations; studies show heat-related mortality among farmworkers is ~35 times higher than in other sectors.
- **Adaptation responses by employers:** To manage climate risk, producers increasingly adopt mechanisation, precision agriculture, and climate-smart technologies (e.g. automated irrigation, smart harvesting).
  - While some measures may stabilise output and employment, automation and mechanisation tend to reduce demand for low-skilled, manual labour, particularly seasonal and temporary workers.
  - In labour intensive subsectors such as in the wine industry, a single harvesting machine can replace up to 70 workers in a 12-hour shift, illustrating the scale of potential employment displacement.
- Technological change increases demand for skilled, technically competent workers, while the majority of farmworkers (many without matric) remain concentrated in elementary occupations, limiting their ability to transition.

Active Labour Market Policies and farm labour

- **Purpose of ALMPs:**
  - **ALMPs aim** to mitigate short-term joblessness and prevent retrenchments or temporary shocks from translating into long-term unemployment, by supporting rapid and effective re-entry into employment.
  - **Historical legacy:** Under apartheid, ALMPs were limited to white, Coloured and Asian workers, focusing on training, labour centres, and UIF support = high-quality systems serving a small, skilled minority of the workforce (mimicked the European model).
    - **Post-1994 expansion without matching resources:** After democracy, ALMPs were extended to the entire labour force without a proportional increase in real funding (except UIF), sharply constraining coverage and delivery capacity.
- **Fragmented programme landscape:** Over 100 small ALMPs operate across 20+ national departments, with no central coordination, resulting in duplication, uneven targeting, and weak system-wide impact.
  - **Crisis-driven scale-ups:** Larger interventions- such as the training layoff scheme (2008/09) and TERS (2020) - provided temporary relief during downturns but were not designed to support long-term labour transitions.
- **Public employment programmes:** Initiatives such as EPWP and the Presidential Employment Stimulus (PES) have created large numbers of short-term work opportunities, functioning primarily as temporary income support during periods of economic stress.
- **Weak employment outcomes:** Evidence suggests that only ~25% of ALMP beneficiaries find any work within six months of exit, and just ~8% transition into wage employment after one to two years, indicating limited long-term labour market integration.

In a context of weak employment growth, South Africa's ALMPs function mainly as short-term relief mechanisms rather than reliable pathways into sustained formal employment.

Climate responsive ALMP for farmworkers: Recommendations

- **<u>Why ALMPs matter for climate adaptation:</u>**
  - Climate shocks (floods, droughts, heat stress) risk turning temporary farm employment losses into permanent labour market exit.
  - Climate-responsive ALMPs should stabilise incomes, maintain labour market attachment, and support rapid transitions as labour demand shifts.
  - Older workers, low-educated workers, people with disabilities, and seasonal or informal farmworkers face the greatest barriers to adjustment and are often excluded from formal ALMPs, making social protection essential.
- The ILO identifies ALMPs as a core ***instrument for a just transition***, especially when integrated with income support and social protection.

ILO Three-Dimensional Framework for Climate Responsive ALMPs

1. **<u>Sudden climate shocks (floods, droughts, extreme heat)</u>**
   - After climatic event, those affected should receive income support for duration of drought etc.
2. **<u>Slow-onset environmental change (soil erosion, deforestation)</u>**
   - When environment gets gradually worse, workers and small businesses should get compensation for climate-related losses through income support and ALMPs/training
3. **<u>Structural green transitions (high-carbon → low-carbon sectors)</u>**
   - When industries shift, workers and firms affected by transition should receive income support and incentives to participate in ALMPs, providing skilling and upskilling

Pillar	Climate-linked challenge	Possible intervention
Income stabilisation and social protection	Climate shocks and structural vulnerability expose farmworkers, especially seasonal, informal, and older workers to income volatility and limited transition options.	**Short term:** Post-disaster income support; rapid climate-triggered grants **Medium term:** Drought-linked income support; include seasonal workers **Long term:** Sustained support for older and disabled workers
Education and skills training	Technological change is shifting labour demand, but low skills, weak mobility support, and limited job creation constrain farmworker transitions	Effective transitions require demand-aligned skills (linked to local economic opportunities), recognition of existing capabilities, and active job-matching support
Worker protection and rights	Climate-driven farm closures increase displacement and eviction risks, with seasonal and informal workers most exposed and least protected.	Worker resilience can be strengthened through collective representation, planned relocation support, alternative ownership models, and improved accuracy of job-loss reporting
Economic diversification	Without local economic opportunities and growth, training and ALMPs cannot offset climate-driven job losses and rising unemployment in farm towns.	ALMPs are most effective when training is integrated with region-specific economic diversification and viable redeployment pathways.

Note: This is a summary of recommendations in the paper, adapted from the ILO three dimensional ALMP framework.

Key considerations: In the context of farmworkers in SA

- Skills and livelihood development will be important for supporting farmworkers to adapt to climate change
  - At industry level: AgriSETA, CASP – but these were not inherently developed to improve farmworker livelihoods
  - Are some provincial level initiatives (e.g. the Western Cape Farm Worker Development programme)
  - Existing research suggests that limited attention has been paid to the systematic upskilling of farmworkers, and that agricultural stakeholders have yet to adequately transform themselves to meet farmworkers' developmental needs
- ALMPs are limited where there are few realistic economic opportunities
  - In the context of SA's exceptionally low employment levels; economic diversification becomes a precondition for ALMP effectiveness
  - So in agri-dependent towns/municipalities, ALMPs alone cannot absorb displaced workers
  - Could we equip farmworkers for redeployment into agro-processing?
  - Consideration will have to be made for migration (in search of economic opportunities)

Thank you

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