

Southern Africa Labour and Development Research Unit



Social protection and labour market outcomes of youth in South Africa

by
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Abstract

An Apartheid-driven spatial mismatch between workers and jobs leads to high job search costs for people living in rural areas of South Africa—costs that many young people cannot pay. In this paper, we examine whether the arrival of a social grant – specifically a generous state old age pension given to men and women above prime age – enhances the ability of young men in rural areas to seek better work opportunities elsewhere. Using 8 waves of socioeconomic data on household living arrangements and members’ characteristics and employment status, collected between 2001 and 2011 at a demographic surveillance site in KwaZulu-Natal, we find that young men are significantly more likely to become labor migrants when someone in their household becomes age-eligible for the old-age pension. More specifically, we find that pension gain is a significant force, encouraging migration for work, but only among those who have successfully completed high school (matric). On average, relative to other potential labor migrants, young men with a matric are 8 percentage points more likely to migrate for work when their households become pension eligible. Among young men who were observed as labor migrants, we find that, upon pension loss, it is the youngest men who are the most likely to return to their sending households, perhaps because they are the least likely to be self-sufficient at the point the pension is lost. We present evidence consistent with binding credit constraints limiting young men from poorer households from seeking more lucrative work elsewhere.

Introduction

Understanding the barriers to youth employment is important worldwide. The ILO warns of a “‘scarred’ generation of young people” who face low rates of employment and high rates of inactivity (ILO 2013). The World Bank notes that a large share of youth in many developing countries are considered ‘idle’ – meaning they are “not in education, not employed, and not in training or looking for work.” (World Bank 2012, p. 50) These concerns are powerfully felt in South Africa, where rates of unemployment and inactivity are high for all age groups, but especially among youth. In addition, an Apartheid-driven spatial mismatch between workers and jobs leads to high search costs for people living in rural areas—costs that many young people cannot pay.¹

Differences in employment and unemployment by age and sector can be seen in Figure 1, which presents statistics on African men’s labor market outcomes from the 2008 National Income Dynamics Survey (NIDS). The figure makes clear that men in rural areas are at significant disadvantage in the labor market relative to their urban counterparts. In each age group, they are less likely to be employed, and more likely to report they are discouraged, or not economically active. The statistics for men aged 25 to 35 are particularly telling: only 44 percent of men in rural areas in this age group report employment. Twenty-two percent are unemployed, 9 percent report being discouraged and fully a quarter are not economically active. In addition to the employment advantage observed for men in urban areas, there is also an earnings advantage: among African men aged 18 to 50 reporting that they are employed, on average men in urban areas earn 3066 Rand per month, while those in rural areas earn 2232 Rand.

Many avenues have been explored to try to turn youth unemployment statistics around.² In this paper, we examine whether the arrival of a social grant – specifically a generous state old age pension given to men and women above prime age – enhances the ability of young men in rural areas to seek better work opportunities elsewhere.³

It is ambiguous how the arrival of a stable source of income, which the old age pension represents, will affect prime-aged worker employment. Additional income in the household could cause household members to work less and take additional leisure. Alternatively, additional income in the household could provide start-up funds for members

¹ The spatial mismatch between workers and jobs has plagued young, less well educated South Africans living in rural areas since the change of government in 1994. See Kingdon and Knight (2001) for early documentation of this phenomenon.

² See Woolard (2012), and references there.

³ The ILO/UN define ‘youth’ as individuals aged 15 to 24. The South African National Youth Development Agency includes all individuals aged 15 to 35 in their definition of ‘youth.’ In South Africa, there is little evidence of people under age 18 working, so we restrict our analysis to young adults aged 18 and above. In some analyses, we will sub-divide youth in those aged 18 to 24 and those aged 25 to 35, because we expect a relaxation of a financial constraint may have different effects on the behavior of the two groups.

to find work elsewhere. Earlier work investigating the impact of the old-age pension on job search and employment patterns reported mixed results. Bertrand et al. (2003), using a nationally representative data set, report that the presence of a pensioner in an African household is associated with a significantly lower probability of employment among prime-aged household members. Klasen and Woolard (2008) conclude that pension income negatively and significantly affects job search related activities of prime-aged members (p. 35). Both of these papers rely on cross-sectional data analyses, and both report solely on the economic activity of household members who were resident at the time of the survey. Posel et al. (2006) note that, in a country in which migrant work is central to the economy and to the economic wellbeing of rural households, it is essential to document the association between the presence of a pensioner and household migrant labor. In that vein, Ardington et al. (2009) investigated the impact of pension income using the first two waves of panel data on the economic activity of adults followed by the Africa Centre for Health and Population Studies, a demographic surveillance site in KwaZulu-Natal (KZN). This research found that the old age pension modestly increased employment overall among household members aged 18 to 50, but quite markedly increased the probability that prime aged members migrated for employment elsewhere. Findings were consistent with the pension allowing households to overcome credit constraints in order to finance costly migration and job search.

Building on Ardington et al. (2009), our focus here will be on the labor migration decisions of young men.⁴ Our focus on young men grows out of the fact that young women's decisions on child bearing interact with their employment behavior. Almost half of all women in our data will have had a child prior to age 20 (Ardington et al. 2011), and modeling the interrelated choices young women must make is beyond the scope of the current paper. Our focus on labor migration grows out of preliminary analyses in which the arrival and departure of an old age pension had small and insignificant effects on employment, but large effects on labor migration, which may be economically important to the household.

Ardington et al. (2009) focused on the employment and labor migration of all prime-aged household members, without making more than a cursory distinction of differences in the responses of younger adults and older adults to a relaxation of credit constraints. We might anticipate different effects of pension arrival on younger and older household members, for a number of reasons. The youngest adult members (18-24) may respond to the arrival of a pension by investing more in their educations, a response not available to older household members. Pensioners may prefer staking their children – who would generally be older prime aged workers – than other household members, including grandchildren. Alternatively, a change in the household's pension status might be expected to have a smaller effect on the labor market behavior of older prime-aged adults, who may be more established and less likely to be moved by the arrival (or departure) of a pension. Younger adults, on average, also have more education than older prime-aged members,

⁴ We define a labor migrant as an individual who is a non-resident member of a household in the surveillance site who is reported to be working.

which might increase the odds that they migrate to find better work upon the arrival of a pension in the household.

Longitudinal economic data from this demographic surveillance site are now available for the period from 2001 to 2011. Using 8 waves of longitudinal data on household living arrangements and members' characteristics and employment status, we find that young men are significantly more likely to become labor migrants when someone in their household becomes age-eligible for the old-age pension. More specifically, we find that pension gain is a significant force, encouraging migration for work, but only among those who have successfully completed high school (matric). On average, relative to other potential labor migrants, young men with a matric are 8 percentage points more likely to become labor migrants when their households become pension eligible.⁵ Among young men who were observed as labor migrants, we find that, upon pension loss, it is the youngest men who are the most likely to return to their sending households, perhaps because they are the least likely to be self-sufficient at the point the pension is lost.

We will proceed as follows. Section II introduces the Africa Centre data. Section III examines the extent to which pension arrival and departure affect individuals' migration decisions. Section IV concludes.

Data

The Africa Centre has been collecting data annually on approximately 100,000 people in 11,000 households since its inception in January 2000. The demographic surveillance area (DSA) is a geographic region approximately 2.5 hours north of Durban. The field site, containing both a township and a tribal area, is located in one of the poorest regions of KZN. Each year, every homestead in the DSA is visited twice, and a knowledgeable household member is asked to provide information on changes in household memberships and residencies, along with information on births, deaths, and changes in the marital status of its members. Household membership is a social construct, and an individual can be a member of multiple households in the DSA. However, at any one time, he or she can be resident in (at most) one household in the DSA.⁶ In 8 data collection rounds over this period, a household socioeconomic module (HSE) was added to the questionnaire, covering such

⁵ That education is an important factor in labor migration, and successful attachment to the labor force, has been found in many parts of the developing world. Gasparini et al. (2006) document this for the Southern Cone of Latin America, and Justesen and Verner (2007), for Haiti. World Bank (2012) highlights the importance internationally of education in finding regular employment in the formal sector (p. 137).

⁶ Approximately 30 percent of household members are non-resident in the DSA at any point in time, with the majority of non-residents having migrated for employment. Multiple household membership is rare among young adults in the DSA, but exists for 4.6 percent of the young adult men (18-35) that we are following here.

topics as asset ownership, self-reports of financial well-being, educational attainment of household members, and the employment status of adults.⁷

Summary statistics for prime-aged men in the field site are provided in Table 1, where we present means for men aged 18-24, 25-35, and 36-50, when observed in the most recent household socioeconomic module (HSE8, 2011). Approximately 40 percent of men in each age group are a member of a household receiving a state old-age pension. We will identify an individual as a member of a pension household if any household in the DSA that claims him as a member has a resident member who is age-eligible for the pension. Women and men reaching a legislated age are eligible for a state pension if they will not receive a private sector pension. For women, that age has been 60 since change of government in 1994. For men, the age is now 60, having fallen in the last decade, in steps, from age 65. Take up of the state pension in the African community is approximately 80 percent. We will use age-eligibility of a household member as our marker of access to a pension, rather than a report of pension receipt, in order to side-step issues associated with selection into the pension. By international standards, the pension is generous –approximately twice per capita median African income each month – and represents a stable source of income into pension households. Pensioners generally live in multiple-generation households – often with children, grandchildren, and other kin. It is the arrival and departure of this income that we will use to gauge whether a relaxation of credit constraints affects migration decisions for young adult men in rural areas.

There are marked differences in employment and school enrollment between men aged 18-24, and those in older age groups. Twenty-five percent of men in the youngest age category are reported to be working – while more than 60 percent of those aged 25-35 and 36-50 are reported to be employed. Fifteen percent of men aged 18-24 are reported as working migrants – a percentage that more than doubles at older ages. Thirty percent of men in the youngest category are enrolled in secondary schooling – true of only 3 percent of men aged 25 to 35. These differences will affect how the arrival and departure of a state old-age pension affect outcomes for men of different ages. One important economic marker that men in different age categories have in common is that fully a third of them are reported to be not employed and not in school.

Table 2 presents statistics on changes in household pension status between consecutive rounds of HSE surveys between HSE1 and HSE8. In order to be included in our analyses, young men must be observed in consecutive HSE rounds. We represent the presence of a resident pension-aged household member as follows: ($P_{ht} = 1$ if there is a pensioner resident in any household h in the DSA that claims an individual i as a member in HSE round t , = 0 otherwise). We will say that an individual's household *gained pension status* between rounds if [$P_{ht} - P_{h,t-1} = 1$]. We will say that an individual's household *lost pension status* between rounds if [$P_{ht} - P_{h,t-1} = -1$]. We have data on approximately 64,000 first-differenced observations on 19,000 young men over this period. In approximately 5

⁷ The HSE modules occurred in 2001 (HSE1), 2003-04 (HSE2), 2005 (HSE3), 2006 (HSE4), 2007 (HSE5), 2009 (HSE6), 2010 (HSE7) and 2011 (HSE8).

percent of our observations for men aged 18-35, households will gain access to a pension between survey rounds. This most often occurs because a household member ages into the pension. In 3 percent of our observations, households will lose access to a pension between survey rounds. This can happen because a pensioner moves out of the DSA but, in the vast majority of cases of pension loss, this occurs because a pensioner dies.

We find pronounced age-labor migration profiles for prime-aged men, which we present in Figure 2. The profiles are different for individuals who were not labor migrants in the previous HSE round, and those who were. The top panel of Figure 2 presents the probability that an individual of a particular age will be observed as a labor migrant in this HSE round, if he was not one in the last round. We find that the probability rises steeply with age between the ages of 18 and 25, reaching a maximum probability of 24 percent at age 25, and declines monotonically thereafter. It appears, beyond age 25, that those who have not been labor migrants are less and less likely to migrate for work as they age. The bottom panel presents the probability that an individual who was a labor migrant when observed in the previous HSE round continues to be a labor migrant. This probability also rises steeply with age between 18 and 25 – but from a much higher base. The probability of maintaining labor migrant status continues to rise monotonically with age through age 50. We interpret this as a selection effect: when someone initially migrates to find work, he might not know whether he will be successful. Those who are successful remain working outside the DSA, while those who are not eventually return home. By 35, to take one example, a larger fraction of those who are labor migrants will be successful than is true, say, at age 25. These relatively more successful 35 year olds are more likely to carry on working outside of the DSA. In our analyses, we will control for a quadratic in age to account for these age-labor migration patterns.

The Impact of Pension Receipt and Loss

To estimate the impact of pension gain or loss on the migration decisions of young men, we begin with a regression model of the form:

$$(1) \quad y_{iht} = \beta P_{ht} + \gamma X_{iht} + \varepsilon_{iht}.$$

where y_{iht} is an indicator for labor migration ($y = 1$ if non-resident in the DSA and reported working, $= 0$ otherwise) for a young adult male i who is a member of household(s) h observed in HSE round t . This is modeled as a function of the presence of a household member who is age-eligible for the pension. As above, ($P_{ht} = 1$ if there is a pensioner resident in any household h in the DSA that claims individual i as a member, $= 0$ otherwise).

The vector X includes controls for the individual's age and age squared, in order to match the age-migration profiles we observed in Figure 2. We also include the number of

resident members in the individual's household(s), and the date at which the information was collected about him.⁸

With data available from eight HSE survey rounds, we can estimate equation (1) allowing for individual fixed effects. We write the unobservable component of (1) as:

$$(2) \quad \varepsilon_{iht} = \alpha_i + u_{iht},$$

where α_i is an individual-specific fixed effect. Its inclusion will control for all determinants of individual i 's migration decisions that are constant over time – the quality of his education, and the constant component of his latent underlying abilities and appetite for hard work, for example. Our interest is in the sign and size of the coefficient β . If the presence of a pensioner relaxes a financial constraint, allowing a young adult to migrate for work, for example, then we would expect a positive and significant effect of pensioners on labor migration.

A convenient way to estimate equation (1) with fixed effects is to take first-differences between HSE rounds. We can then write the estimating equation as:

$$(3) \quad y_{iht} - y_{ih,t-1} = \beta(P_{ht} - P_{h,t-1}) + \gamma(X_{iht} - X_{ih,t-1}) + (u_{iht} - u_{ih,t-1}).$$

Here, we examine changes in labor migrant status on changes in the presence of a pensioner and changes in control variables X . We include controls for the period of time between each individual's last HSE data collection and the current collection date, changes in the number of resident members in the individual's household(s), and changes in the individual's age, and that age squared.

We will analyze current labor migrants and potential labor migrants separately. Current labor migrants apparently had the wherewithal to overcome financial constraints they might have faced in order to migrate. We would not expect pension arrival to affect their decision on where to work. However, pension loss may force labor migrants to return to the DSA, if they had been subsidized with pension income while they looked for a better-paying job. Potential labor migrants may find that pension gain offers them a chance to migrate, supporting them until they become financially independent.

We anticipate that pension gain and pension loss may have asymmetric effects on migration – particularly for individuals observed as labor migrants in the previous period. For this reason we will estimate a generalized version of equation (3):

$$(4) \quad y_{iht} - y_{ih,t-1} = \beta_G 1[P_{ht} - P_{h,t-1} = 1] + \beta_L 1[P_{ht} - P_{h,t-1} = -1] + \gamma(X_{iht} - X_{ih,t-1}) + (u_{iht} - u_{ih,t-1}),$$

⁸ A person who is a member of multiple households may have information recorded on different dates within an HSE round. We assign each person the information collected for him on the latest date at which HSE information was collected for him within the HSE round.

where β_G is the coefficient on an indicator for pension gain between HSE rounds, and β_L is the coefficient on an indicator for pension loss between the rounds.

The fact that pension receipt can influence where employment takes place can be seen in Table 3, which presents estimates on indicators for pension gain β_G and pension loss β_L from equation (4) for the migration outcomes of men ages 18-35. Among men who were labor migrants in the previous HSE, pension gain has no significant effect on the probability of maintaining labor migrant status. (Results are presented in column 1.) This result is consistent with these men having been able to clear any financial constraints they might have faced without the aid of a pension in the household. For them, no further loosening of such constraints is necessary to maintain labor migrant status. For these men, loss of a pension leads them to be 11 percentage points less likely to maintain their labor migrant status than other young men who were observed as labor migrants in the last HSE round.

There are two ways in which someone can lose his status as a labor migrant. He could either continue to reside outside of the DSA and stop working, or he could return to the DSA. Column 3 presents evidence that labor migrants return to the DSA. On average, having lost pension status, labor migrant workers are 9 percentage points more likely to be observed residing in the DSA than are others who were labor migrants in the previous period.

Among young men who were potential labor migrants in the previous round (results presented in column 4), the arrival of a pension leads to a 2 percentage point increase in the probability of being observed as a labor migrant in the current round. As can be seen in column 6, among men aged 18 to 35 who were resident in the DSA in the previous round, those in households that gained pension status between the waves were more than 2 percentage points more likely to become labor migrants in the current wave. Pension loss reduces the odds of migrating for work among potential labor migrants, relative to the odds of other young men who were non-migrants in the previous round. (Results are presented in column 4.)

We use information on the number of assets that the household owns as a check on our credit constraint hypothesis. Results in column 5 suggest that, among potential migrants, individuals from high SES households (those in the top third of the asset ownership distribution) are less likely to migrate after household pension gain than are individuals from poorer households that gain a pension. The main effect of pension gain is 0.041 (with a standard error of 0.011), which is significant at the one percent level. This increase in the probability of becoming a labor migrant between the survey waves is entirely offset for higher SES households by the interaction between an indicator of household pension gain and an indicator of being a member of a higher SES household. The coefficient on this interaction term is negative, -0.055 (with a standard error of 0.018), and is also significant at the one percent level. This is consistent with individuals from higher SES households remaining in the DSA for reasons other than credit constraints. For young men from higher SES households, a relaxation on this constraint, which the pension introduces,

may not change their reasons for not having migrated to find work in the first place. Among labor migrants in the previous round, results in column 2 suggest that individuals from high SES households are less likely to lose labor migrant status following the loss of the pension. The interaction term is not statistically significant—the coefficient is 0.063 (standard error 0.047) but has the opposite sign to that on the household pension loss main effect (−0.124, standard error 0.026). These findings provide corroborative evidence that pension income helps members of poorer households to overcome credit constraints, allowing migration and job search.

Table 4 breaks the impact of pension gain and loss more finely among young men, allowing the impact to vary between those aged 18 to 24, 25 to 30, and 31 to 35. For young adults in each of these age categories who were labor migrants in the previous round, we find no association between pension gain and the probability that they will maintain their labor migrant status relative to other labor migrants. However, upon pension loss, the youngest of the labor migrants (18 to 24) are the most likely to return to the DSA and lose their labor migrant status: the loss of a pension is associated with a 16 percentage point reduction in the probability of maintaining labor migrant status, and a 12 percentage point increase in the probability that they are resident in the DSA in the current HSE round. Those who are 25 to 30 are 12 percentage points less likely than other labor migrants to maintain their status upon the loss of a pensioner. These young adults are 10 percentage points more likely to be resident in the DSA in the current round than are others who were labor migrants in the previous HSE. Among labor migrants aged 31 to 35, the risk of losing labor migrant status with pension loss stands at 6 percentage points. Older labor migrants may have had more time to find their feet financially, and to be self-sustaining.⁹

Among young men who were potential labor migrants in the previous wave, we find different effects, by age group, of pension gain on the probability of being reported as a labor migrant in the current wave. The youngest group, aged 18 to 24, are 1.8 percentage points more likely to be labor migrants than are other potential labor migrants who did not change household pension status. However, it is young men in the next age group, aged 25 to 30, who experience the largest increase in the probability of migrating for work, relative to their peers. On average, they are 5 percentage points more likely to be observed as a labor migrant following the arrival of a pension than are other potential labor migrants.

One reason for the difference in the impact of the pension's arrival on these two groups appears to be that the youngest of these adults are eligible to continue their educations. We find that, on average, young men are 1.5 percentage points more likely to enroll in tertiary education after pension gain than are other young men and, among those who are eligible to advance to tertiary education (that is, those with a high school degree) the increase in the probability of enrolment upon pension gain is 4.4 percentage points higher. (Results estimated, but not shown.) Taking enrolment and employment together, pension gain is associated with a 3 percentage point reduction in the probability of falling

⁹ Ardington et al. (2009) note that the death of a resident household member who died within a five year window of becoming age-eligible for the pension between the first two HSE survey rounds had no significant effect on labor migration status for either current- or potential-labor migrants.

into the “not studying, not employed” category for men aged 18 to 24 – and a 6 percentage point reduction among those young men who have completed 12 years of schooling.

The impact of pension gain and loss on migration decisions may depend on how well an individual is positioned to take advantage of the opportunity to migrate upon the arrival of a pension, or to maintain labor migrant status when his household in the DSA loses the pension. Starting with the latter, results presented in the first column of Table 5 suggest that, for current labor migrants, the risk of losing labor migrant status after pension loss is muted for better educated migrants. Relative to a labor migrant who has not finished high school (*matric*) from a sending household that has lost pension status, those who have a high school degree face a 10 percentage point lower risk of leaving labor migrant status following pension loss. Labor migrants who have finished high school are eligible for better jobs – jobs that are more likely to be self-sustaining.

For potential labor migrants, pension gain appears not to improve the odds that a young man will migrate to find work—unless he has a high school degree. Those who have successfully completed 12 years of schooling are 8 percentage points more likely to be a labor migrant when observed in the HSE round after pension gain. Ardington et al. 2009 showed that prime-aged adults are more likely to migrate for work following pension gain if the newly minted pensioner was one of their parents. We test whether this holds for young men, in the last column of Table 5. We find that the interaction term between pension gain and an indicator that the pensioner is a parent is positive, and appears to give the young adult a 2 percentage point advantage in the probability of migrating to find work. Taken by themselves, neither the pension gain indicator, nor that interacted with an indicator for pensioner-parent is statistically significant. However, these are jointly significant (F -test=4.23, p -value=0.0145). This is consistent with a model in which pensioners are more willing to stake their children to find better jobs outside of the DSA.

Conclusions

Our research on young men in rural KwaZulu-Natal suggests that a relaxation of financial constraints – here, the arrival in the household of an old age pension – can aid young men in their search for jobs outside of the DSA. We find no perverse effects of the arrival of a stable source of income into the household leading young adults to choose to be ‘idle’ – neither studying nor working. However, that benefit appears to help primarily those who have (at a minimum) a high school degree. From a policy perspective, it appears that giving young men living in rural areas the financial resources necessary to search for jobs elsewhere will be more successful, the greater the educational attainment of these men.

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Figure 1

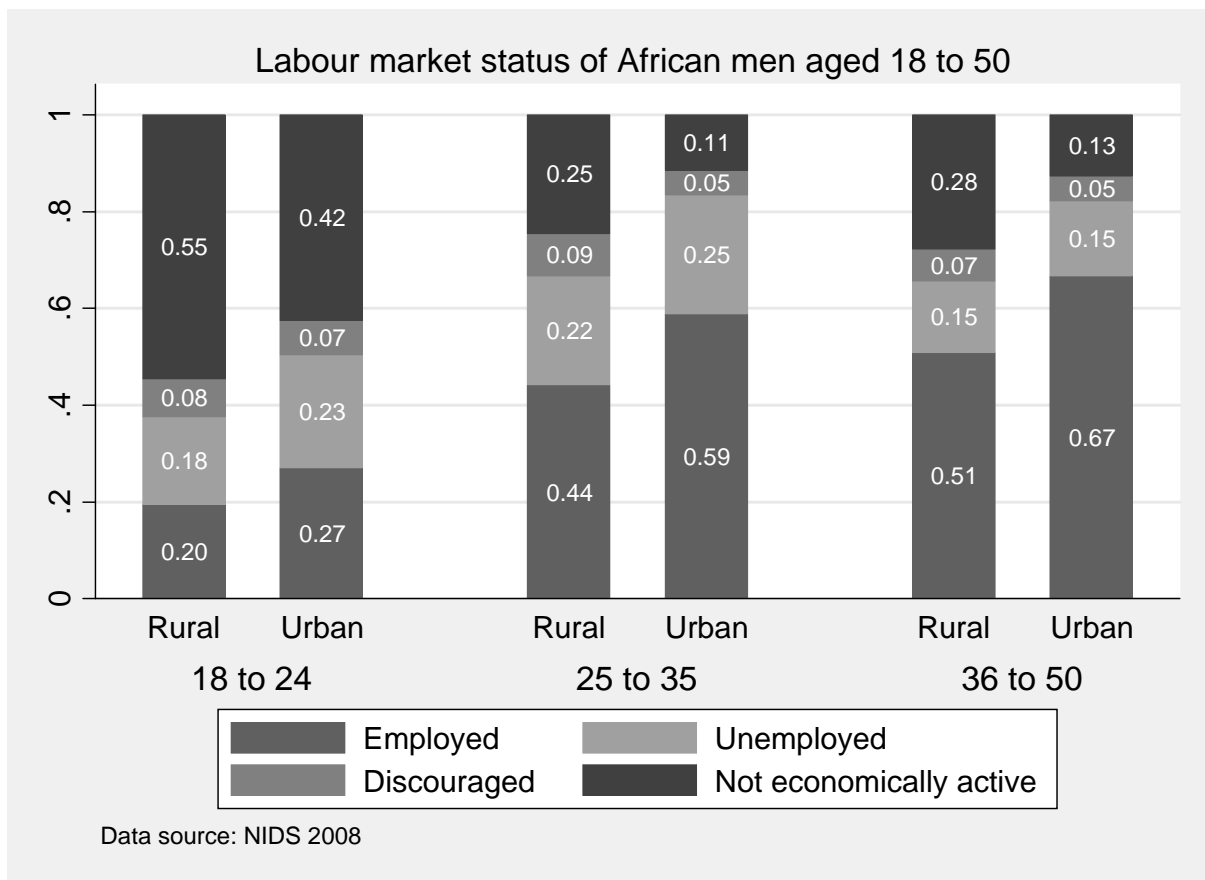


Figure 2

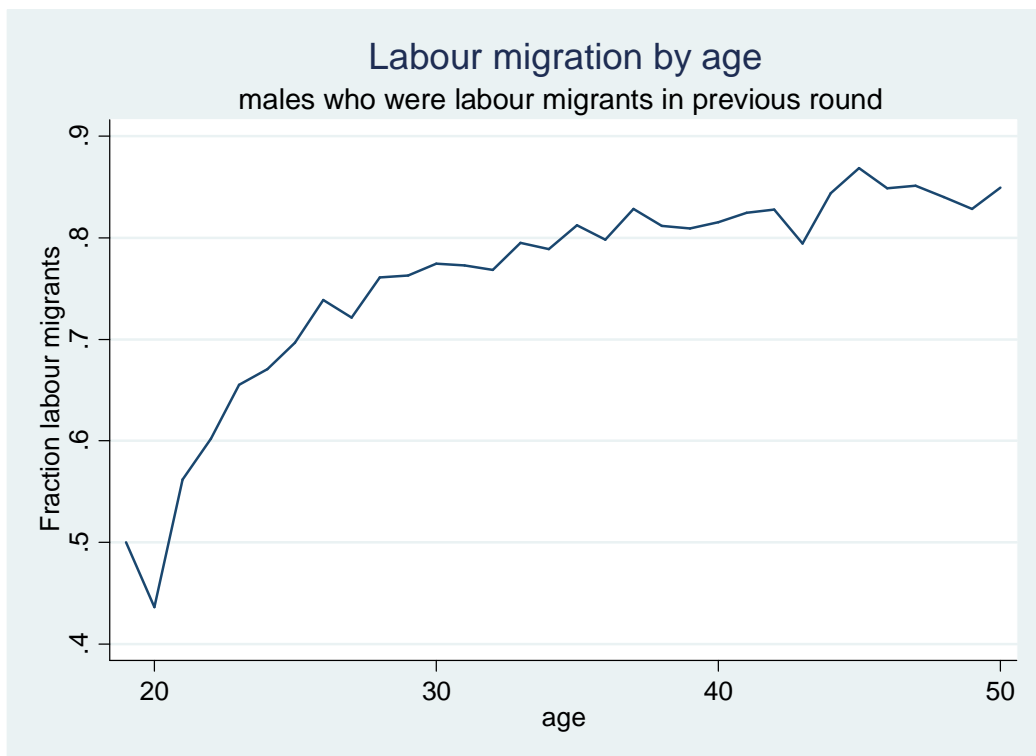
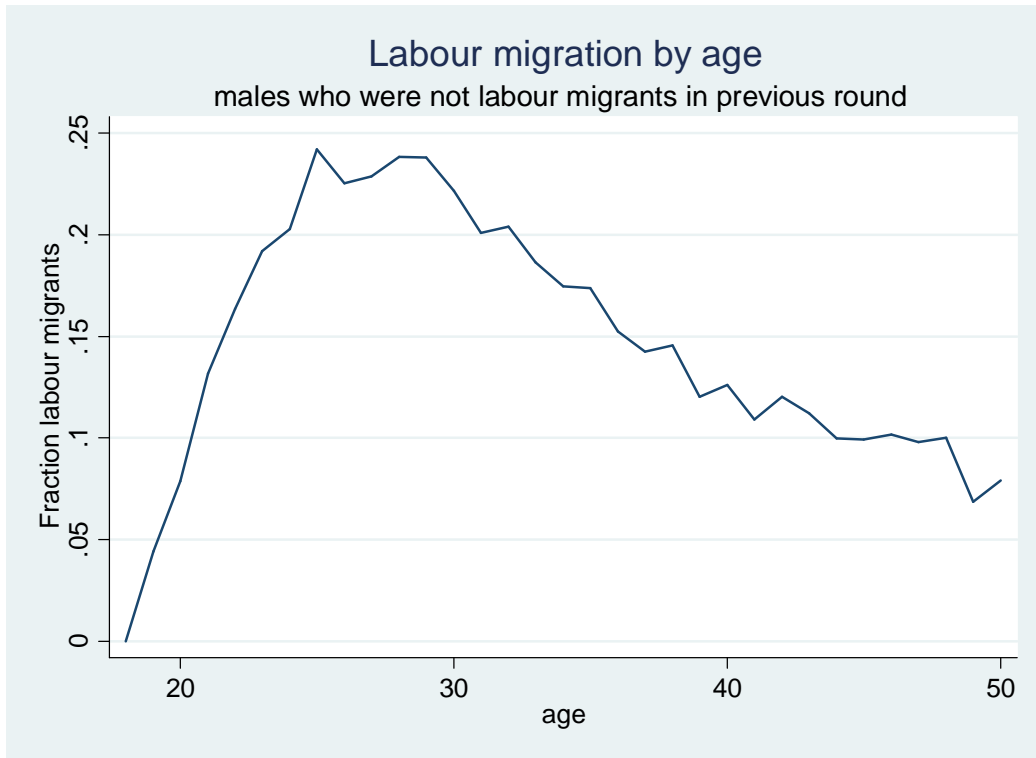


Table1. Characteristics of males aged 18 to 50 – HSE 8 (2011)

	Aged 18-24	Aged 25-35	Aged 36-50
Employed	0.247	0.635	0.693
Enrolled in secondary education	0.306	0.017	0.015
Enrolled in tertiary education	0.086	0.030	0.021
Neither studying nor employed	0.387	0.332	0.282
Resident	0.600	0.448	0.547
Working migrant	0.152	0.414	0.383
Years of education	10.303	10.362	8.523
Completed high school (matric)	0.395	0.507	0.345
Pension household	0.391	0.418	0.423
Total observations	5,170	5,843	3,527

Table 2. Changes between consecutive HSE rounds from HSE 1 to HSE 8 for males aged 18-35

Household gained pension between rounds	0.046
Household lost pension between rounds	0.032
Unique individuals	19257
Average observations (changes) per individual	3.31
Total observations (changes)	63751

Table 3. The effect of change in pension status by labor migrant status in the last period for men ages 18 to 35

	For those who were labor migrants in previous round:			For those who were not labor migrants in previous round:		For those who were resident in previous round:
	Change in labor migrant status		Change in residency status	Change in labor migrant status		Change in labor migrant status
	(1)	(2)	(3)	(4)	(5)	(6)
Household gained pension between rounds	0.010 (0.015)	0.010 (0.015)	-0.007 (0.011)	0.024*** (0.009)	0.041*** (0.011)	0.022*** (0.008)
Household lost pension between rounds	-0.106*** (0.022)	-0.124*** (0.026)	0.087*** (0.016)	-0.019* (0.011)	-0.019* (0.011)	-0.025** (0.011)
Pension gain x high SES	--	--	--	--	-0.055*** (0.018)	--
Pension loss x high SES	--	0.063 (0.047)	--	--	--	--
Observations	17361	17361	17585	46390	46390	33279

Notes: Data are drawn from all males aged 18 to 35 observed in any consecutive HSE rounds between HSE1 (2001) and HSE8 (2011). "Household gained pension status" is equal to 1 if any household in the DSA that claims this individual as a member gained a resident pension-aged person between consecutive HSE rounds, and zero otherwise.

Table 4. The effect of change in pension status by finer age group and labor migrant status as of the last HSE round for men aged 18 to 35

	Change in labor migrant status for those who were labor migrants in the previous round	Change in residency status for those who were labor migrants in the previous round	Change in labor migrant status for those who were not labor migrants in the previous round	Change in labor migrant status for those who were resident in the previous round
Household gained pension between rounds x aged 18-24	-0.005 (0.032)	0.028 (0.024)	0.018* (0.011)	0.027** (0.011)
Household gained pension between rounds x aged 25-30	0.014 (0.022)	-0.013 (0.015)	0.051*** (0.017)	0.026 (0.016)
Household gained pension between rounds x aged 31-35	0.017 (0.027)	-0.034** (0.016)	-0.015 (0.028)	-0.022 (0.023)
Household lost pension between rounds x aged 18-24	-0.159*** (0.052)	0.115*** (0.040)	-0.019 (0.013)	-0.014 (0.014)
Household lost pension between rounds x aged 25-30	-0.115*** (0.033)	0.100*** (0.024)	0.023 (0.021)	-0.024 (0.020)
Household lost pension between rounds x aged 31-35	-0.060* (0.032)	0.051** (0.022)	-0.096*** (0.025)	-0.059** (0.024)
Observations	17,361	17,585	46,390	33,279

Table 5. Migrant characteristics and changes in migrant status – males aged 18 to 35

	Change in labor migrant status for those who were labor migrants in the previous round		Change in labor migrant status for those who were not labor migrants in the previous round		
	All	Matric only	All	Matric only	All
Pension gain	0.004 (0.016)	-0.010 (0.021)	-0.008 (0.011)	0.029* (0.015)	0.012 (0.014)
Pension loss	-0.168*** (0.032)	-0.103*** (0.031)	-0.016 (0.011)	-0.026 (0.020)	-0.019* (0.011)
Pension loss x matric	0.103** (0.044)				
Pension gain x matric			0.079*** (0.018)		
Pension gain x pension is parent					0.018 (0.017)
Observations	15,962	8,338	43,496	17,246	46,390

southern africa labour and development research unit

The Southern Africa Labour and Development Research Unit (SALDRU) conducts research directed at improving the well-being of South Africa's poor. It was established in 1975. Over the next two decades the unit's research played a central role in documenting the human costs of apartheid. Key projects from this period included the Farm Labour Conference (1976), the Economics of Health Care Conference (1978), and the Second Carnegie Enquiry into Poverty and Development in South Africa (1983-86). At the urging of the African National Congress, from 1992-1994 SALDRU and the World Bank coordinated the Project for Statistics on Living Standards and Development (PSLSD). This project provide baseline data for the implementation of post-apartheid socio-economic policies through South Africa's first non-racial national sample survey.

In the post-apartheid period, SALDRU has continued to gather data and conduct research directed at informing and assessing anti-poverty policy. In line with its historical contribution, SALDRU's researchers continue to conduct research detailing changing patterns of well-being in South Africa and assessing the impact of government policy on the poor. Current research work falls into the following research themes: post-apartheid poverty; employment and migration dynamics; family support structures in an era of rapid social change; public works and public infrastructure programmes, financial strategies of the poor; common property resources and the poor. Key survey projects include the Langeberg Integrated Family Survey (1999), the Khayelitsha/Mitchell's Plain Survey (2000), the ongoing Cape Area Panel Study (2001-) and the Financial Diaries Project.



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