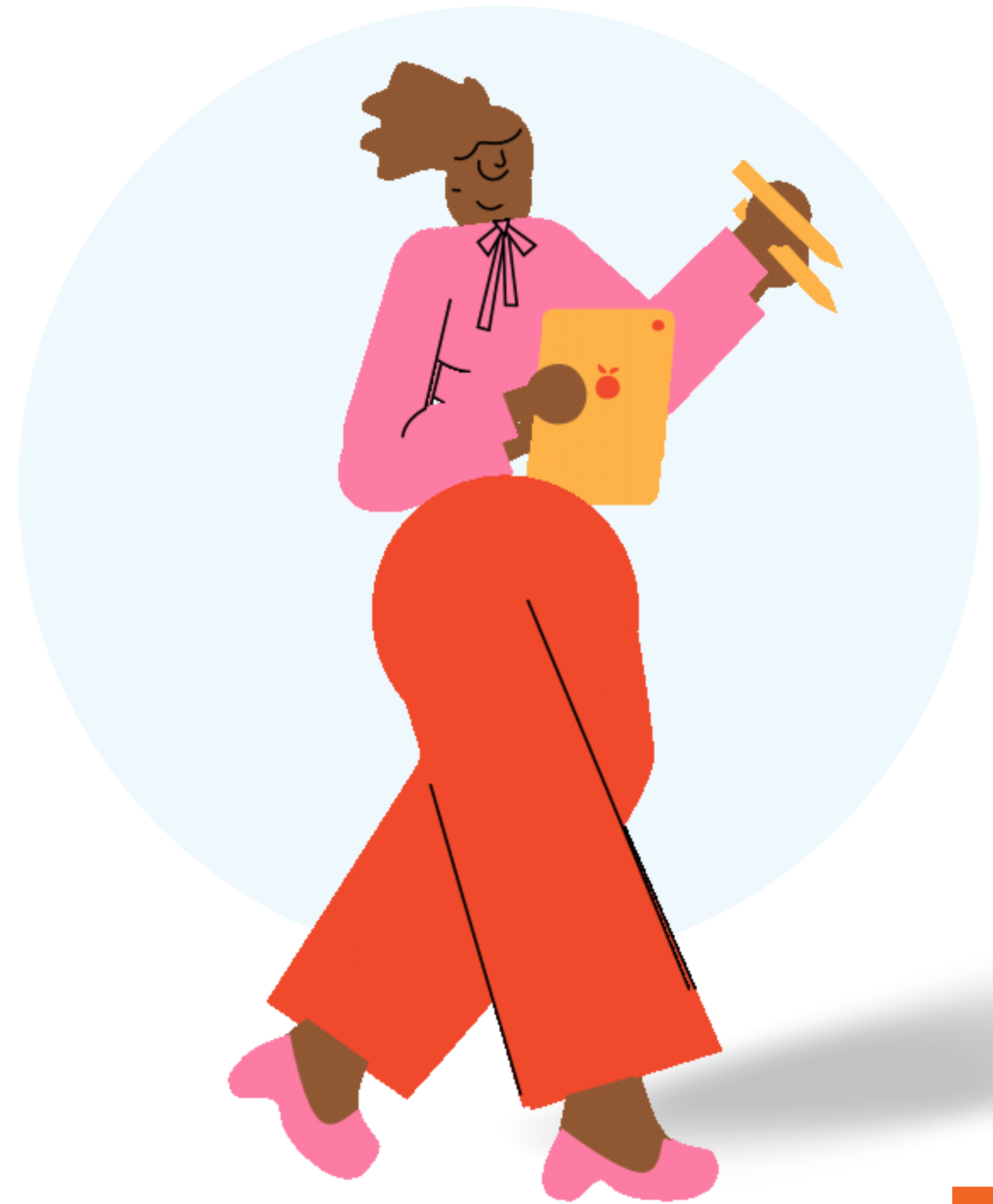


Precarious Work and Future Careers

# South Africa Case Study

Data insights from NIDS



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# Youth **unemployment** in South Africa

In 2017, the official unemployment rate was 29%. The expanded definition of unemployment was 38.5%.

Post-pandemic estimates suggest that youth unemployment has climbed up to 70%. More than half of the country is living below the poverty line.

Women and young people in rural areas are the most disadvantaged.

# Apartheid systems in South Africa

- Bantu education system
- Exploitation at work
- Spatial injustice

# Post-Apartheid South Africa

- Poor education system
- Geographical segregation
- Limited access to labour markets
- National Minimum Wage policies

# Youth in the National Income Dynamics Study (NIDS)

## NIDS INCEPTION

Established in 2008. Survey is conducted every 2 years.

Nationally representative sample with over 28000 individuals and 7300 households.

There are currently 5 waves of data.

In 2020, a Special Covid-19 Survey was conducted.

## DEMOGRAPHICS

There are 7663 individuals aged 15-29 in Wave 1(2008)

### Age Categories

Age 15-19: 36%

Age 20-25: 40%

Age 26-29: 24%

Equal gender split across ages

## DEMOGRAPHICS

### Geographic Location

Urban: 60%

Traditional: 35%

Farms: 5%

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Urban: communities built around cities including towns, townships, and small towns.

Traditional: communally owned land under the jurisdiction of traditional leaders (i.e. villages).

Farms: land allocated for and used for commercial farming including the structures and infrastructure on it.

# Youth in the National Income Dynamics Study (NIDS)

## SOCIOECONOMIC STANDING

### Employment Status

Not Economically Active: 46,3%  
Unemployed (Discouraged): 6,2%  
Unemployed (Strict): 17,9%  
Employed: 29,5%

### Education

Less than Primary: 7,5%  
Primary Completed: 5,6%  
Less than secondary: 54,3%  
Matric Completed: 23,4%  
Tertiary Education: 9,2%

## PARENTS BACKGROUND

### Mother's Occupation

Never worked: 48,9%  
Elementary work: 27,8%  
Non-elementary work: 23,3%

- Usually employed as professionals, sales or service workers

### Mother's Education

No schooling: 24,2%  
1-7 years of schooling: 26,9%  
8-11 years of schooling: 28,9%  
Matric Completed: 20%

## PARENTS BACKGROUND

### Father's Occupation

Never worked: 26.8%  
Elementary work: 11.4%  
Non-elementary work: 61.8%

- Mainly employed as sales, plant/machine operators or in craft & relate trades

### Father's Education

No schooling: 30.4%  
1-7 years of schooling: 23.4%  
8-11 years of schooling: 23.6%  
Matric Completed: 30.4%

# Precarious Work from NIDS Data

## Stable Employment

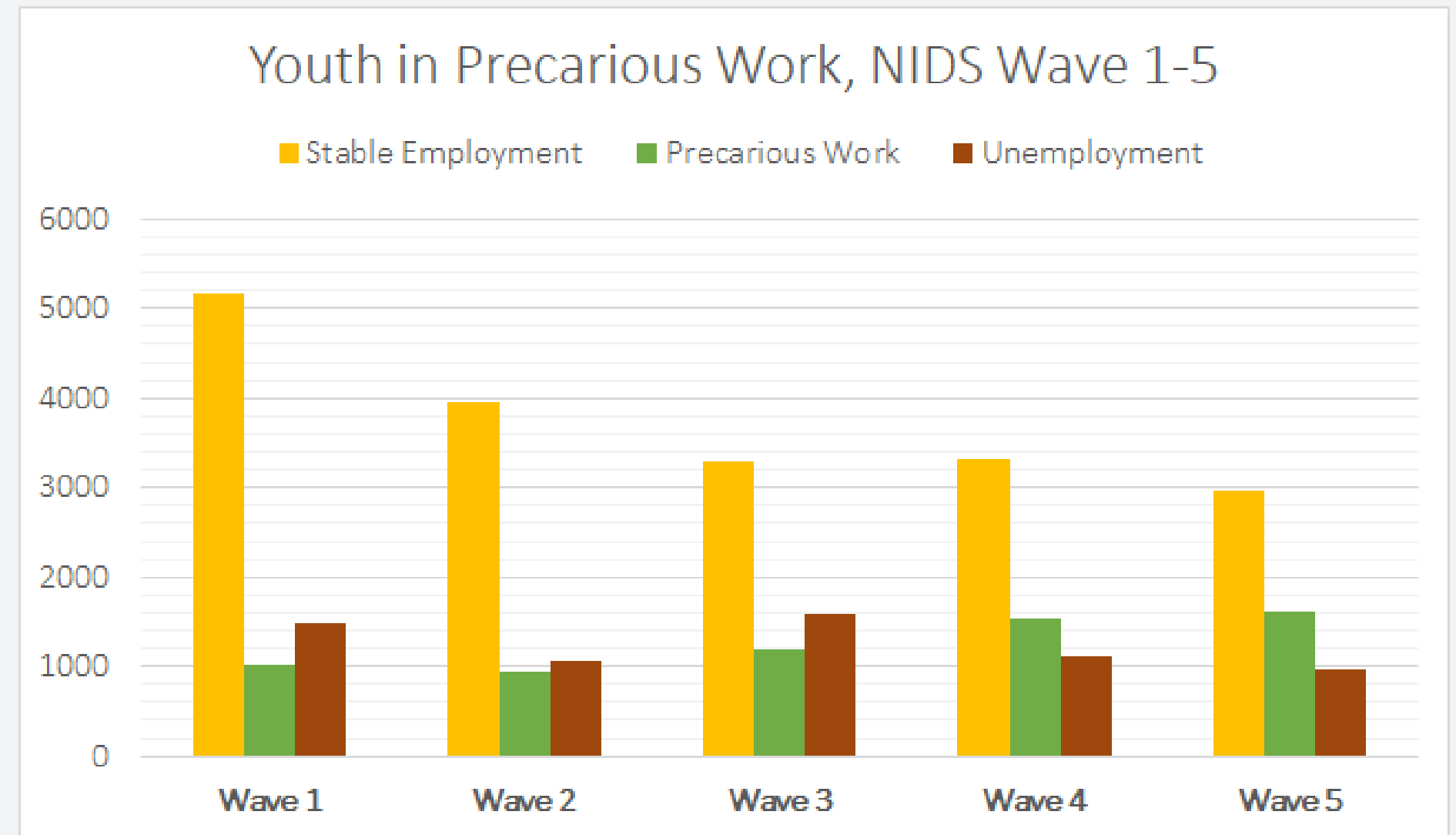
- Written contract
- UIF (Unemployment Insurance Fund) Benefit
- If self-employed, business is registered for tax
- Income from job or self-employment is above NMW (R3200 per month)

## Precarious Work

- Employed with no written contract
- No UIF Benefit
- If self-employed, business is registered for tax
- Income from job or self-employment is below NMW
- N=3022

## Unemployed

- Unemployed under the expanded definition: have not looked for a job 4 weeks prior to being interviewed.



\*Sample size reduces from 7316 in W1 to 5527 in W5



**Who transitions  
out of precarious  
work?**



# Precarious Work Transitions

## Positive Transition

Move from precarious work to a stable job

N = 1425 of 3022

## Negative Transition

Move from a stable job to precarious work

N = 376 of 3022

## No Transition

Remain in precarious work

N = 1222 of 3022

# Modelling Transitions

## Notes from literature

- Panel Data is best
- Probit estimation with lagged independent variables
- Logit estimation with Fixed Effects

## Model Selection

- Do we need a more complex model for precarious work transitions?
- Key assumptions for our datasets?
- Variables to include in the model

## Example results from South Africa

Household Income  
Education  
Father's Occupation and Education  
Location

Probit Estimation with lagged independent variables for South Africa

Probability of transition at time t	Positive Transition		Negative Transition		No Transition	
	Coeff.	Std. Error	Coeff.	Std. Error	Coeff.	Std. Error
Age	-0.027	0.023	-0.047*	0.027	0.037*	0.022
Household Size	-0.032	0.042	0.030	0.040	0.025	0.039
Household Income	0.000***	0.000	-0.000	0.000	-0.000**	0.000
Education (Matric)						
Less than primary	-0.706	0.452	1.424***	0.527	0.133	0.410
Primary	-0.856*	0.469	1.364**	0.537	0.305	0.423
Less than secondary	-0.649***	0.223	0.741***	0.272	0.487**	0.232
Tertiary	-0.402	0.303	0.453	0.339	0.286	0.288
Mother's Occupation (Never Worked)						
Non-elementary	0.379	0.272	-0.455	0.361	-0.102	0.253
Elementary	-0.019	0.214	-0.352	0.286	0.137	0.214
Father's Occupation (Never Worked)						
Non-elementary	-0.452**	0.219	0.473*	0.243	0.218	0.220
Elementary	-0.612**	0.287	-0.178	0.343	0.559**	0.272
Mother's Education (No schooling)						
0-7 Years	-0.212	0.262	0.308	0.268	0.079	0.249
8-11 years	-0.060	0.280	0.347	0.373	-0.072	0.289
Matric	-0.038	0.429	1.434**	0.566	-0.682	0.424
Father's Education (No schooling)						
0-7 Years	0.109	0.252	-0.257	0.248	0.000	0.237
8-11 years	-0.781**	0.320	-0.670*	0.395	0.995***	0.294
Matric	-0.043	0.351	-0.799	0.546	0.347	0.378
Household receives social grant						
No	-0.378*	0.204	-0.114	0.236	0.435**	0.199
Geography Type (Traditional)						
Urban	0.636***	0.235	-0.465*	0.268	-0.438**	0.214
Farms	0.294	0.291	-0.311	0.388	-0.059	0.281

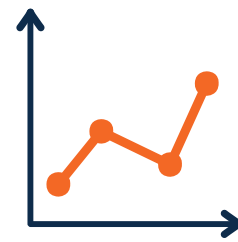
# What's Next?



Model Selection



Training



Analysis



Paper Compilation