Income and Social Grants - Unemployment in the household

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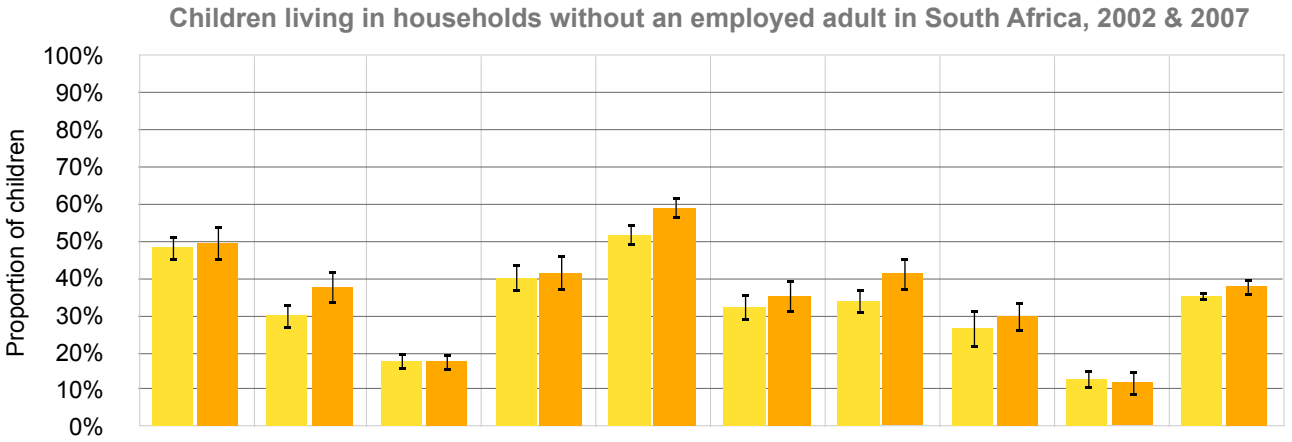
Definition

This indicator gives the number and proportion of children who live in households where there are no employed adults. The definition of employment includes formally employed adults who earn wages, as well as those generating income through informal and self-employment.



	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpuma-langa	North West	Northern Cape	Western Cape	**SOUTH AFRICA**
2002	48.5%	30.1%	17.8%	40.2%	51.8%	32.2%	34.0%	26.5%	12.8%	**35.3%**
	1,375,000	298,000	487,000	1,542,000	1,295,000	421,000	487,000	80,000	204,000	**6,186,000**
2007	49.5%	37.7%	17.7%	41.5%	59.1%	35.3%	41.3%	29.8%	11.9%	**37.9%**
	1,470,000	429,000	509,000	1,670,000	1,479,000	520,000	535,000	129,000	188,000	**6,929,000**

Source

- Statistics South Africa (2003 - 2009) General Household Survey 2002 - 2008. Pretoria, Cape Town: Statistics South Africa.
- Analysis by Katharine Hall & Double-Hugh Marera, Children's Institute, University of Cape Town.

Notes

1. Children are defined as persons aged 0 – 17 years.
2. Population numbers have been rounded off to the nearest thousand.
3. Sample surveys are always subject to error, and the proportions simply reflect the mid-point of a possible range. The confidence intervals (CIs) indicate the reliability of the estimate at the 95% level. This means that, if independent samples were repeatedly taken from the same population, we would expect the proportion to lie between upper and lower bounds of the CI 95% of the time. The wider the CI, the more uncertain the proportion. Where CIs overlap for different sub-populations or time periods we cannot be sure that there is a real difference in the proportion, even if the mid-points differ. CIs are represented in the bar graphs by the vertical lines at the top of each bar.

What do the numbers tell us?

South Africa has a very high unemployment rate. In September 2008, the official unemployment rate nationally was 23% [1]. This is based on a narrow definition that includes only those adults who are defined as economically active (i.e. they are not studying or retired or for some other reason voluntarily at home), and who had actively looked for but failed to find work in the four weeks preceding the survey. An expanded definition of unemployment, which includes 'discouraged work-seekers' who were unemployed but not actively looking for work in the month preceding the survey, gives a higher, and more accurate, indication of unemployment, at 30%.

Importantly for children, unemployment rates remain considerably higher for women than for men: in mid-2008, 27% of economically active women were unemployed according to the narrow definition, as opposed to 20% of men [2].

In September 2007 the Labour Force Survey found that some 7.4 million working-age adults were unemployed according to the expanded definition, and nearly half of these (3.4) million were discouraged work seekers. Two-thirds were women, predominantly in their 20s and early 30s – the child-bearing years. Another 9.8 million people were 'not economically active' in that they were studying, disabled, 'housewives' or stayed at home by choice. [3] In mid-2008 the results of the Labour Force Survey appeared strikingly different: the unemployed population was recorded as only 5.2 million (of whom only 1.1 million were discouraged work seekers), while the 'not economically active' population had increased by 2 million to 11.8 million. The apparently large decrease in the unemployment rate according to the expanded definition is due to changes in the way discouraged work seekers are defined, rather than a change in employment or work-seeking patterns.

The extent to which unemployment affects children is demonstrated by this indicator, which shows how many children live in households where there is no adult income earner at all. Having an adult with a job in a household is important because of the resources that wages bring into a family, and the kind of stability and security that wage employment brings. Apart from providing regular income, benefits can include health insurance, unemployment insurance, and maternity leave. There may be many parents who work away from where their children live. The fact that a working parent is living elsewhere may mean that they have two households to support.

In 2008, 66% of children in South Africa lived in households with at least one working adult. The other 34% (nearly 6.5 million children) lived in households where no adults were working. There has been little change from 2002 to 2008, with the proportion of children who live in unemployed households hovering in the mid-30s, despite a decrease in the official unemployment rate from 30% to 23% over the same period.

This indicator is very closely related to the income poverty indicator, in that provinces with relatively high proportions of children living in unemployed households also have high rates of child poverty. While 89% of children in the Western Cape and 85% in Gauteng are co-resident with at least one working adult, only 53% of children in KwaZulu Natal and 44% in Limpopo have an adult income-earner living with them. Interestingly, the child-centred analysis shows a significant decrease in unemployment levels in the Eastern Cape:

While the proportion of children living in unemployed households in that province fluctuated between 49% and 56% between 2002 and 2007, there is a significant drop from 50% in mid-2007 (95% CI: 44.8%-54.2%) to 39% in mid-2008 (95% CI: 34.5%-42.5%). Conversely, in the Northern Cape the proportion of children living in unemployed households increased suddenly to 43% in 2008, after remaining below 30% between 2002 and 2007. Statistics South Africa reported a 3.3 percentage point decrease in the official unemployment rate for the Eastern Cape in the second quarter of 2008, while unemployment rates in other provinces remained stable. [4]

As with other indicators, racial inequities are evident in the child-centred data on employment: while 39% of African children have no working adult at home, only 3% of white children live in these circumstances.

Technical notes

This indicator is calculated by identifying adults in the General Household Survey (GHS) who are economically active according to StatsSA's definition, and then generating a binomial household-level variable to distinguish between households with at least one working adult, and those with no working adults. The child-centered proportions are then calculated by dividing the number of children living in households with no employed adults, by the total number of children.

This indicator gives the number and proportion of children who live in households where there are no employed adults. Adults are defined as people aged 18 years and older; so economically active children are excluded from the analysis, even though children over 15 years may work legally.

The standard derived 'employed' category in the GHS encompasses regular or irregular work for wages or salary, as well as various forms of self-employment, including unpaid work in a family business, subsistence agriculture, construction and home maintenance, and even begging. This category may therefore slightly exaggerate employment as a proxy for earned income to the household.

Strengths and limitations of the data

The data are derived from the General Household Survey [5], a multi-purpose annual survey conducted by the national statistical agency, Statistics South Africa, to collect information on a range of topics from households in the country's nine provinces. The survey uses a sample of 30,000 households. These are drawn from Census enumeration areas using multi-stage stratified sampling and probability proportional to size principles. The resulting estimates should be representative of all households in South Africa.

The GHS sample consists of households and does not cover other collective institutionalised living-quarters such as boarding schools, orphanages, students' hostels, old age homes, hospitals, prisons, military barracks and workers' hostels. These exclusions should not have a noticeable impact on the findings in respect of children.

Changes in sample frame and stratification
The current master sample was used for the first time in 2004, meaning that, for longitudinal analysis, 2002 and 2003 may not be easily comparable with later years as they are based on a different sampling frame. From 2006, the sample was stratified first by province and then by district council. Prior to 2006, the sample was stratified by province and then by urban and rural area. The change in stratification could affect the interpretation of results generated by these surveys when they are compared over time.

Provincial boundary changes
Provincial boundary changes occurred between 2002 and 2007, and slightly affect the provincial populations. Comparisons on provincial level should therefore be treated with some caution. The sample and reporting are based on the old provincial boundaries as defined in 2001 and do not represent the new boundaries as defined in December 2005.

Weights
Person and household weights are provided by Statistics South Africa and are applied in Children Count – Abantwana Babalulekile analyses to give estimates at the provincial and national levels. Survey data are

prone to sampling and reporting error. Some of the errors are difficult to estimate, while others can be identified. One way of checking for errors is by comparing the survey results with trusted estimates from elsewhere. Such a comparison can give an estimate of the robustness of the survey estimates. For this project, GHS data were compared with estimates from the Statistics South Africa's mid-year estimates, as well as the Actuarial Society of South Africa's ASSA2003 AIDS and Demographic model.

Analyses of the seven surveys from 2002 to 2008 suggest that over- and under-estimation may have occurred in the weighting process:

- When comparing the weighted 2002 data with the ASSA2003 AIDS and Demographic model estimates, it seems that the number of children aged 0 – 9 years was under-estimated in the GHS, while the number of children aged 10 – 19 was over-estimated. The pattern is consistent for both sexes. The number of very young males aged 0 – 4 years appears to be under-estimated by 15%. Girls in this age group have been under-estimated by 15.8%. Males in the 10 – 14-year age group appear to be over-estimated by 5.7%.
- Similarly in 2003, there was considerable under-estimation of the youngest age group (0 – 9 years) and over-estimation of the older age group (10 – 19 years). The pattern is consistent for both sexes. The results also show that the over-estimation of males (9%) in the 10 – 19-year age group is more than double the over-estimation for females in this age range (3.8%).
- In the 2004 results, it seems that the number of children aged 7 – 12 years was over-estimated by 6%, as well as the number of persons aged 13 – 22 years. The number of very young children appeared to have been under-estimated. The patterns of over- and under-estimation appear to differ across population groups. For example, the number of White children appears to be over-estimated by 14%, while the number of Coloured persons within the 13 – 22-year age group appears to be 9% too low.
- In 2005, the GHS weights seem to have produced an over-estimate of the number of males within each five-year age group. The extent of the overestimation is particularly severe for the 10 – 14-year age group. In contrast, the weights produce an under-estimate of the number of girls – the error seems greatest in respect of the younger age groups. These patterns result in male-to-female ratios of 1.06, 1.13, 1.10 and 1.09 respectively for the four age groups covering children (ie 0 – 4, 5 – 9, 10 – 14 and 15 – 19 years).
- The 2006 weighting process yielded the same results as in 2005. The one exception is that the under-estimation of females is greatest in the 5 – 9 and 15 – 19-year age groups. This results in male-to-female ratios of 1.03, 1.10, 1.11 and 1.12 respectively for the four age groups covering children.
- The 2007 weighting process produced an over-estimation for boys and an under-estimation for girls. The under-estimation of females is in the range of 3 – 5% while the over-estimation is in the range of 1 – 7%. This results in male-to-female ratios of 1.07, 1.06, 1.08 and 1.08 respectively for the four age groups covering children.
- Overall, assuming the ASSA2003 Aids and Demographic model to be the 'gold standard', it appears that the GHS2008 over-estimates both male and female populations under the age of 19 years, except for 0 – 4- year-old females. The extent of over-estimation for boys is in the range 0 – 7%. It is particularly severe for boys aged 10 – 14 years. Over-estimation is in the range of 2 – 5% for girls aged five years and above. For girls aged 0 – 4 years, the ASSA2003 model suggests that these may have been under-estimated by about 1%. The GHS2008 suggests a sex ratio of 1.03 for children aged 0 – 4 years, which is higher than that of the ASSA model and Statistics South Africa's mid-year estimates.

The apparent discrepancies in the seven years of data may slightly affect the accuracy of the Children Count – Abantwana Babalulekile estimates. Since 2005 the male and female patterns vary in respect of a particular characteristic, which means that the total estimate for this characteristic will be somewhat slanted toward the male pattern. A similar slanting will occur where the pattern for 10 – 14-year-olds, for example, differs from that of other age groups. Furthermore, there are likely to be different patterns across population groups.

Disaggregation

Statistics South Africa suggests caution when attempting to interpret data generated at low level disaggregation. The population estimates are benchmarked at the national level in terms of age, sex and population group while at provincial level, benchmarking is by population group only. This could mean that

estimates derived from any further disaggregation of the provincial data below the population group may not be robust enough.

Reporting error
Error may be present due to the methodology used, ie the questionnaire is administered to only one respondent in the household who is expected to provide information about all other members of the household. Not all respondents will have accurate information about all children in the household. In instances where the respondent did not or could not provide an answer, this was recorded as "unspecified" (no response) or "don't know" (the respondent stated that they didn't know the answer).

References and Related Links

[1] Office of the President (2009) Development Indicators 2009. Pretoria: The Presidency.

[2] Statistics South Africa (2007) Labour Force Survey: September 2007. Statistical release P0210. Cape Town, Pretoria: Statistics South Africa

[3] Statistics South Africa (2008) Quarterly Labour Force Survey: Quarter 1 and Quarter 2. Statistical release P0211. Cape Town, Pretoria: Statistics South Africa

[4] Ibid

[5] Statistics South Africa (2003-2009). General Household Survey 2002-2008 Metadata. Cape Town, Pretoria: Statistics South Africa.

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