Social Grants as a Tool for Poverty Reduction in South Africa? A Longitudinal Analysis Using the NIDS Survey

ODILE MACKETT

Abstract: South Africa is challenged by poverty and unemployment, as is characteristic of many developing countries. For those who cannot engage in wage labour, the government has a social assistance (grants) program which provides cash transfers for children, pensioners, and persons with disabilities. However, with persistently high unemployment rates and scarcity of jobs, the household structures of some grant recipients are often affected in an attempt to accommodate unemployed individuals who do not qualify for government assistance. The purpose of this research was to study the difference in labour market and poverty outcomes of individuals in grant receiving and non-grant receiving households. Using the National Income Dynamics Study (NIDS), this research found that individuals in grant receiving households have less favourable labour market outcomes than those in non-grant receiving households. Furthermore, individuals living in a household with an old-age pension recipient had better labour market and poverty outcomes compared to those living with a child support grant recipient. This suggests that the characteristics of households with old-age pension recipients may be more conducive to labour market and poverty outcomes over time compared to other households. Not only do the recipients of this grant receive a greater nominal amount of grant income each month, compared to child support grant recipients, but having pensioners in the household also provides the potential for working-age adults to benefit from 'free' childcare.

Keywords: Labour market outcome; Labour market status; Poverty; Social grants; Unemployment

Introduction

South Africa is challenged by high levels of poverty, unemployment, and inequality, as is characteristic of many developing countries. Overcoming these challenges has been identified as central for sustainable growth and development of a country's economy, as is the functioning of a productive labour market.[1] In South Africa, access to wage labour is an important source of income for households, and the labour market is thus viewed as a vital tool for addressing challenges related to both poverty and inequality.[2] The reliance which a large part of the population has on wage labour comes as a result of past discriminatory policies and the labour market is also a source of persistent inequalities[3].

For those who cannot engage in wage labour, the government has an extensive social assistance program which provides social security (in the form of fund transfers) to children, pensioners, and persons with disabilities. This social assistance (referred to as social grants) has been credited for its successful targeting of vulnerable individuals, and its effectiveness

Odile Mackett is a lecturer in the School of Governance at the University of the Witwatersrand (Johannesburg, South Africa) and a PHD candidate on the Joint ISS-Wits PHD programme. Her current research focuses on the relationship between women's time-use in unpaid and paid labour. Further interests include poverty and inequality.

http://www.africa.ufl.edu/asq/v19/v19i1a3.pdf

ISSN: 2152-2448

in alleviating poverty for the recipients of these transfers.[4] However, with persistently high unemployment rates, specifically amongst the unskilled worker force, and problems relating to the working poor, a large segment of the population remains economically vulnerable. These individuals do not qualify for assistance under the social grants program, and the household structures of some grant recipients are often affected in an attempt to accommodate these unemployed individuals.[5]

Thus, although the grants have been beneficial to recipients, the attraction of vulnerable unemployed individuals into the households of grant recipients has resulted in the 'dilution' of the benefits of these grants.[6] In addition, living in a household with grant recipients also affects the labour market behavior of household members resulting in positive labour force participation and employment probabilities for female labourers (often migrants), while having the opposite effect for male occupants.[7] Furthermore, analysts have argued that this household formation tends to be driven by labour market outcomes, rather than the other way around, for unemployed individuals.[8] Though, social grants have also had an important effect on household formation, and this has been noted in the literature.[9]

As a result, two vulnerable groups emerge in the population, occupants in poor households with access to social grants and those without. Although households with grant recipients have been studied at length, a comparative analysis between individuals in these households and poor households which do not have access to the benefits of this program has not been undertaken.[10] People of working-age in these vulnerable households are often unemployed, with no access to unemployment benefits from the government, or are classified as part of the working poor - individuals who are considered poor despite being employed or living with an employed person.[11]

This article investigates the labour market and poverty outcomes of individuals in grant receiving households and those in non-grant receiving households. In addition, the determinants of being poor were also compared, making use of a longitudinal analysis. The analyses were further disaggregated for households receiving a child support grant and an old-age pension, the two largest grants in the program. We begin with a brief description of the South African social grant system and the labour market, followed by the data and methods used in the analysis. This is followed by the estimation results, a discussion of the findings, and a concluding section.

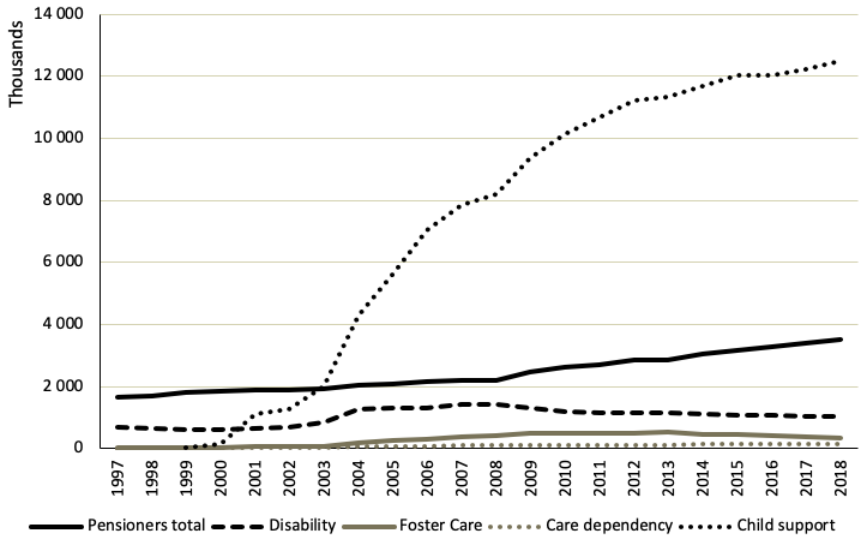
The Social Grants Program and the Labour Market

The government has a social protection function which is a poverty reduction strategy comprising an extensive social assistance program, administered by the Department of Social Development. The grants are non-contributory and funded through taxation, providing cover for the most vulnerable individuals in society.[12] The South African program is the largest social protection program on the African continent, while the second largest is found in Ethiopia.[13]

In the early 2000s child support grant and old-age pension pay-outs, combined, cost just below 2percent of the country's GDP.[14] Yet by the 2014-15 fiscal year, spending on social protection was the highest item in the national budget after general public services.[15] Grant beneficiaries increased from 2.9 million in 1994 to 17 million in 2017, 12 million of whom were child support grant recipients.[16] With a population of close to 57 million people, close to a third of the population were social grant recipients.[17] The child support grant program was introduced in 1998 and as the age eligibility for children was increased and more

information pertaining to applying for the grant became readily available, the number of recipients increased. This change in eligibility is notable in Figure 1 which depicts the number of recipients for each of the grants.

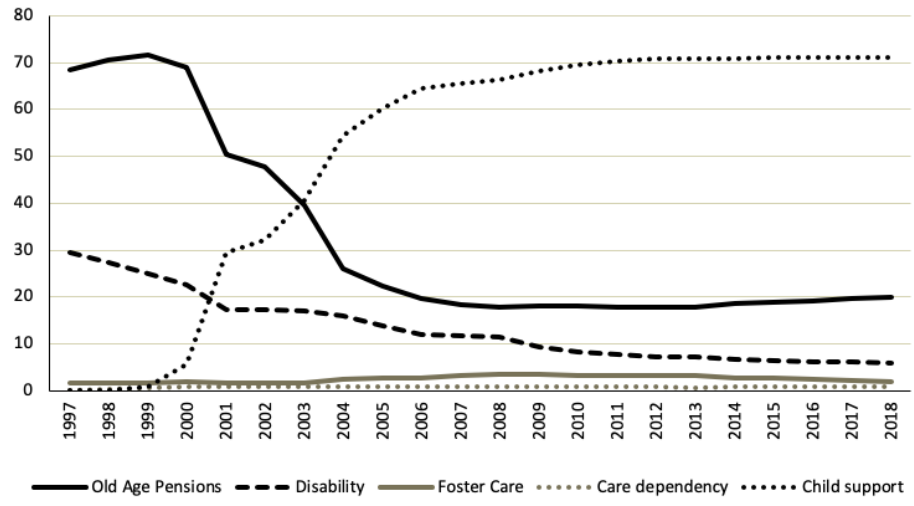
Figure 1: Number of grant recipients, 1997 - 2018



Source: National Treasury Budget Review and South African Social Security Agency Statistical and Annual Reports, Various Years.

When the child support grant was initially introduced, it was targeted at caregivers of children younger than seven years old. This age limit was changed to nine in 2003, eleven in 2004, fourteen in 2005, and fifteen in 2008. Grants are currently available to caregivers of children up to the age of eighteen years old. The number of old-age pension recipients also increased over time, especially after 2008 when men became eligible to receive grants at the age of sixty, similar to women. The percentage of child support grant recipients increased from less than 1percent in the 1990s to more than 70percent in 2008 (see Figure 2). The share of old-age pension recipients made a similar dramatic shift, but in the opposite direction as a result of the large increase in the number of child support grant recipients.

Figure 2: Grant recipients by share in total grants, 1997 - 2018



Source: National Treasury Budget Review and South African Social Security Agency Statistical and Annual Reports, Various Years.

Grants are an important source of income for low income households, particularly for the bottom quintile of the population.[18] Studies already show the positive impact which the roll-out of the social grants program has had on poverty reduction, although concerns have been raised about the sustainability of these transfers.[19] The targeting of grants is highly specific, requiring the passing of a means test by the grant recipient, or in the case of the child support grant, the primary caregiver. The amount paid out to each recipient is not large, although the vast number of beneficiaries requires a substantial financial contribution from government.[20] Furthermore, non-qualifying household members residing with grant recipients are not considered in the process of means testing. The means testing of pensioners, for example, considers the income of the grant recipient and a spouse. The income of other household members or assets which the individual owns is not taken into consideration, and of course will be impossible for government to ensure spending of grant income is aimed only at intended recipients.[21]

Against the backdrop of an expanding grant system, the South African labour market has not performed well. Since 1994, officially unemployed individuals have constituted roughly a fifth of the labour force, reaching a low of 16.9percent during 1995 and a high of 27.7percent in the first quarter of 2017.[22] The expanded rate, which includes discouraged employment seekers, has remained at almost ten percentage points above the official rate between 2008 to 2017, reaching its peak in the first quarter of 2017 (36.4percent). Some segments are disproportionally affected by the poorly performing labour market: "young people seem to experience exceptional difficulty in obtaining their first jobs and are affected particularly harshly by the scarcity of jobs."[23] Studying age-disaggregated unemployment figures demonstrates the average unemployment rate for ages of twenty-five to thirty-four was 29.4percent between 2008 and 2017. The highest rate in this period was 32.5percent in the first quarter of 2017 while the highest expanded rate for this group was 41.1percent.[24]

Unemployment amongst the youth is thus even more dire than that of the overall population. This is especially true for individuals between the ages of 15 and 24. The official unemployment rate for these individuals was 54.5percent during the first quarter of 2016, and the expanded rate for this group during the same period was 67.2percent.[25] Thus, more than two thirds of youth between the ages of 15 and 24 years old were without work during this time. This represents a major challenge to policy makers, as studies have found that the longer an individual remains out of employment, the more challenging finding work becomes.[26] These groups also make up the largest age group of the South African population, as is characteristic of most sub-Saharan African countries.[27] The labour market and the sustainability of the social assistance program are intrinsically linked, given that the government's major sources of revenue collection are personal income tax and value-added tax.[28] Growing unemployment rates have put pressure on these tax bases, although this is not the only link which exists between unemployment and funding for social assistance.

The grant income of a pensioner often extends far beyond the recipient and may include children, grandchildren, and even great-grandchildren who benefit through intra-household transfers.[29] Ardington et al. have undertaken longitudinal analyses to investigate the effects of social transfers on labour market outcomes.[30] They specifically focused on the effects which the old-age pension had on labour migration and found that those who engage in migration have more favourable labour market outcomes, especially if they have completed secondary school. The authors found that men of working age had a less likely chance of being labour force participants and being employed when residing with a pension-receiving individual while this was not necessarily true for women. Sienaert found that social grants

tend to alter the behavior of labour market participants who reside in households where a grant recipient is present.[31] This gendered effect was similar to what is found in comparable studies.[32]

While some unemployed members of the labour force turn to grant receiving households for support, the government does have a program for unemployed people who do not qualify for grants – the Unemployment Insurance Fund. The Unemployment Insurance Fund is a contributory fund which unemployed individuals can access, although only those who have worked in formal employment qualify for this benefit. Given that most of the unemployed have never worked (often the youth) and that many who have were not in formal jobs, this intervention has been mostly ineffective.[33] Those who are unemployed, living with unemployed household members, or considered as working poor, thus remain vulnerable. This raises the question as to how individuals who suffer from chronic poverty, who are not in the labour force and not in grant receiving households, might support themselves.[34]

Studying the role of social grants in relation to anti-poverty measures, Van Der Berg and Siebrits state that "[c]hronic poverty often results from *low productivity*, that is, an inability to generate adequate returns from labour and other productive inputs. Low productivity [is often] related to unemployment and underemployment."[35]

They go on to state that another common cause of poverty stems from dependency, or the inability to sustain oneself through labour market activity. These could stem from a disability, old age, or childhood. Although they state that "the South African social assistance system was designed to mitigate dependency-related poverty" it is also clear that the grant system "was not designed to mitigate chronic poverty resulting from structural unemployment."[36] Thus, continuing to exclude such individuals from social assistance will continue to futile government efforts at poverty eradication.

Methodology

Data and Sample

The data utilised in the research were from wave one and five of the National Income Dynamics Study (NIDS), South Africa's first nationally representative panel study.[37] Only individuals who were successfully interviewed in both waves were included in the study, to allow for longitudinal analyses of 19,302 individuals. Transition matrices were utilised to study the difference in the change of labour market states and poverty outcomes between the two periods for individuals in grant receiving and non-grant receiving households. In addition, binary probit regressions were estimated to study how individual and household level characteristics in one period determines poverty outcomes of an individual in the next; and whether these differ between individuals living in grant receiving and non-grant receiving households. A grant receiving household was defined as one in which at least one household member reported receiving one or more grants (disability; child support; war veterans; old-age pension; care dependency; foster care), while non-grant receiving households are those in which no members reported receiving a grant. All results were disaggregated to include those benefitting from child support grants and old-age pensions only.

All samples were restricted to individuals who were of working age (eighteen years or older in period one – to avoid the results being inflated by non-economically active learners – and sixty years or younger in period two). Thus, unless an individual was a caregiver of a

child receiving a child support grant, foster care grant or care dependency grant, the sample consisted of those who were not direct recipients of grants.[38] Disabled individuals were excluded from the analysis, given that labour force participation, employment probabilities, and consequent poverty outcomes are likely to be dependent on the type of disability an individual has, which could distort results.

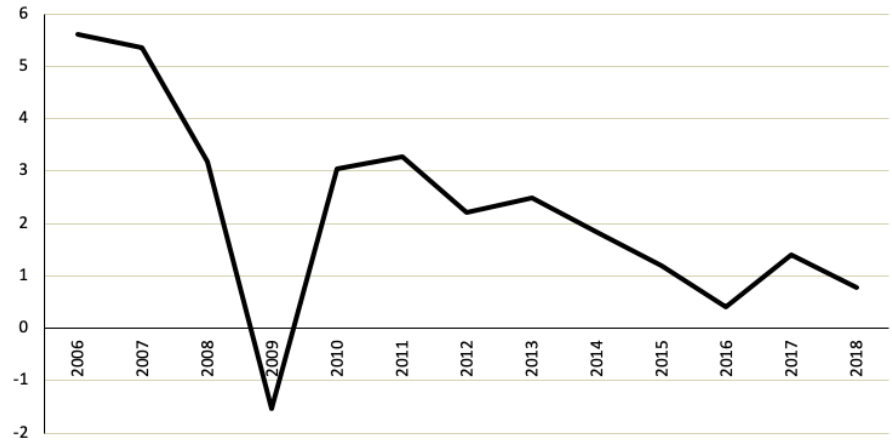
Estimation

Transition matrices were utilised to determine the labour market movements of individuals over the two periods. The labour market states were as follows: not economically active (NEA), unemployed (official and expanded) and employed. Transition matrices were also used to determine poverty outcomes and to study the difference between those in grant receiving and non-grant receiving households over the two periods.[39] In addition, a set of binary probit regressions were used to determine how likely individuals were to be poor based on their individual and household characteristics. This estimation procedure is described in the appendix of the paper.

Results and Discussion

During the period under investigation (2008 to 2017) the number of grant recipients increased significantly, as is evident from Figure 1. After 2008, men became eligible for old-age pensions at a younger age and the qualifying age threshold for child support grant recipients also increased. The unemployment rate also increased in this time as economic growth decreased significantly. A look at Figure 3 shows that GDP growth over the period under investigation decreased from close to 6percent in 2006 to less than 1percent in 2018. This indicates that the growth in spending on the social assistance program had not been accompanied by an increase in employment or growth.

Figure 3: GDP growth, 2006 - 2018



Source: World Development Indicators

Descriptive statistics

Table 1 displays descriptive statistics for individuals in the different households in period one. The first column (*All*) displays the statistics for all households, *GR* refers to individuals in grant receiving households for all types of grants, and *NGR* refers to individuals in non-

grant receiving households. The last columns disaggregated these statistics for the child support grant and the old-age pension.

The greatest percentage of individuals in grant receiving households were employed (38percent), while the same was true of individuals in non-grant receiving households (59percent). In households receiving child support grants, the number of not economically active individuals was 31percent with that number being 40percent for individuals in old-age pension receiving households. Women also had greater percentages of individuals in grant receiving households, compared to men, who tend to be concentrated in non-grant receiving households. Given that women are more likely to benefit from child support grants, this is expected.[40] Women in grant receiving households made up 69percent of inhabitants, while that number was markedly higher for child support grant households (72percent) and old-age pension households (66percent). The mean age of individuals in households did not diverge drastically between grant receiving households and non-grant receiving households. The age range was between 33 and 35 for all types of households.

Although a large percentage of grant receiving households were situated in urban areas (50.5percent), this percentage was even greater for non-grant receiving households (71.4percent).[41] Furthermore, a smaller percentage of non-grant receiving households were in communal areas (22.7percent), compared to grant receiving households (44percent). This is consistent with studies which have found that many grant receiving households tend to be situated in rural areas, far from economic activity, and are thus highly dependent on grant income.[42] These percentages were even greater for households which received a child support grant (45.1percent) and an old-age pension (57percent).

Married individuals had greater representation in non-grant receiving households (37.4percent), compared to grant receiving households (27.2percent). Furthermore, cohabiting, widowed, divorced, and 'never married' individuals tended to have greater percentages of individuals in grant receiving households. The same is true of households which receive child support grants and old-age pensions. With the difference between the grant receiving and non-grant receiving households being the greatest amongst never married individuals. Given the cost of getting married, it is expected that being married would be negatively associated with poverty, and thus the receipt of social grants.[43]

Further notable differences were that individuals with higher levels of education tended to reside in non-grant receiving households and that grant receiving households had a higher average number of children and pensioners in the home, compared to non-grant receiving households. This would reflect the recipients of child support grants, foster care grants, care dependency grants, war veteran grants, and old-age pensions.[44] Lastly, as has been found in previous studies, grant receiving households tended to have more household members than non-grant receiving households, with old-age pension households having on average four individuals in the household. This variable has been found to correlate negatively with employment probabilities and correlate positively with the probability of the household being poor.[45]

Table 1: Descriptive characteristics of individuals, by household (period 1)

Variable	All	GR	NGR	Variable	All	GR	NGR
NEA	0.300	0.390	0.219	**Never married**	0.582	0.630	0.538
	(0.01)	(0.01)	(0.01)		(0.01)	(0.01)	(0.02)
Unemployed	0.196	0.251	0.147	**No schooling**	0.040	0.057	0.025
	(0.01)	(0.01)	(0.01)		(0.00)	(0.00)	(0.00)
Employed	0.504	0.359	0.634	**Grade 1 to 7**	0.152	0.187	0.120
	(0.01)	(0.01)	(0.02)		(0.01)	(0.01)	(0.01)
Female	0.517	0.646	0.401	**Grade 8 to 11**	0.410	0.476	0.350
	(0.01)	(0.01)	(0.01)		(0.01)	(0.01)	(0.02)
Male	0.483	0.354	0.599	**Matric**	0.207	0.176	0.236
	(0.01)	(0.01)	(0.01)		(0.01)	(0.01)	(0.01)
Age	35.112	34.222	35.912	**Diploma\ Degree**	0.191	0.103	0.270
	(0.26)	(0.23)	(0.40)		(0.01)	(0.01)	(0.02)
Traditional	0.303	0.409	0.208	**Number of young children**	0.559	0.910	0.242
	(0.03)	(0.04)	(0.02)		(0.02)	(0.04)	(0.02)
Urban	0.636	0.522	0.738	**Number of older children**	0.697	1.081	0.352
	(0.03)	(0.04)	(0.02)		(0.03)	(0.04)	(0.03)
Farms	0.061	0.068	0.054	**Number of working-age adults**	2.497	3.066	1.985
	(0.01)	(0.01)	(0.01)		(0.07)	(0.11)	(0.05)
Married	0.288	0.236	0.334	**Number of pensioners**	0.163	0.295	0.045
	(0.01)	(0.01)	(0.02)		(0.01)	(0.02)	(0.01)
Cohabiting/ Widowed/ Divorced	0.130	0.134	0.127	**Household size**	4.565	6.195	3.098
	(0.01)	(0.01)	(0.01)		(0.14)	(0.19)	(0.09)

***Note**: Data are weighted using wave 3 (period 1) weights and standard errors are in parentheses. Variables are characteristics of individuals in period 1. Number of observations is 11 145 for individuals in all households, 6 409 for individuals in GR households and 4 736 for individuals in NGR households. Age of sample restricted to 18 and 60 years in wave 3 (period 1).*

Labour market outcomes

To study the change in labour market outcomes of individuals, transition matrices were used to determine whether there was a difference in the labour market patterns of individuals in grant receiving households and those in non-grant receiving households over the two periods. Table 2 shows the labour market status of individuals in period one, and the change in period two for both types of households. A large percentage of not economically active individuals who lived in grant receiving households retained this status over both periods. Furthermore, in grant receiving households, a greater percentage of those who were unemployed in period one became employed in period two (44.80percent), compared to those remaining unemployed over the two periods (21.74percent). Of those who were employed in period one, 60.93percent were still employed in period two, with only a small number becoming unemployed (12.90percent) but 26.17percent of individuals becoming not economically active. In contrast, there was a greater percentage of individuals who remained in employment over the two periods in non-grant receiving households (84.04percent). Additionally, more individuals in non-grant receiving households who were unemployed in period one moved into employment in period two (67.18percent) compared to grant receiving households. Only 25.30percent of individuals in non-grant receiving households who were not economically active in period one were still not economically active in period two.

Table 2: Labour market status transition matrices

	Period 2					
	GR households			NGR Households		
Period 1	**NEA**	**Unemployed**	**Employed**	**NEA**	**Unemployed**	**Employed**
NEA	**52.05**	21.09	26.86	**40.02**	18.60	41.38
	(1.66)	(1.35)	(1.55)	(2.47)	(1.91)	(2.60)
Unemployed	30.97	**32.64**	36.39	18.96	**26.99**	54.05
	(1.84)	(1.98)	(1.97)	(2.17)	(2.79)	(3.05)
Employed	16.53	13.67	**69.79**	6.07	5.54	**88.39**
	(1.25)	(1.30)	(1.66)	(0.78)	(0.74)	(1.05)
Total	34.06	21.39	44.54	15.23	11.59	73.18
	(0.97)	(0.88)	(1.07)	(0.85)	(0.78)	(1.09)
N	**4813**			**3063**		

***Note**: Data are weighted using wave 4 panel weights, and standard errors are in parentheses. Rows add up to 100. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. Grant receiving households include households which had grant recipients resident in both period 1 and period 2. All differences are significant at $p < 0.001$.*

Table 3 displays the labour market transitions for individuals who live in households with a child support grant recipient present and those without. The figures are roughly similar to the results in Table 1, with a greater percentage of individuals living in grant receiving households remaining not economically active over time and a greater percentage remaining employed over time in non-grant receiving households. Notable, however, is that the figures for individuals in non-grant receiving households in relation to gaining employment over time are not as great as those for non-grant receiving households in Table 2, though the non-grant receiving households in Table 3 would still include individuals who live in grant receiving households, just not households receiving the child support grant.

Table 3: Poverty outcomes transition matrices

	Period 2			
	GR Households		NGR Households	
Period 1	**Non-poor**	**Poor**	**Non-poor**	**Poor**
Non-poor	**89.58**	10.42	**94.92**	5.08
	(0.69)	(0.69)	(0.57)	(0.57)
Poor	71.63	**28.37**	71.93	**28.07**
	(1.64)	(1.64)	(3.39)	(3.39)
Total	84.97	15.03	93.08	6.92
	(0.67)	(0.67)	(0.61)	(0.61)
N	**4858**		**3132**	

***Note**: Data are weighted using wave 4 panel weights, and standard errors are in parentheses. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. Grant receiving households include households which had grant recipients resident in both period 1 and period 2. All differences are significant at $p < 0.001$.*

Lastly, Table 4 presents labour market transition matrices for individuals living with and without old-age pension recipients. The percentage of individuals who remain not economically active over time (42.82percent) in grant receiving households is smaller than those in the previous tables. In addition, the percentage of individuals remaining employed over the two periods is also greater (69.19percent). However, the percentage of individuals remaining unemployed over time is greater than the last two tables, while the percentage of individuals moving from unemployed to employed over the two periods is smaller than the last two tables. This could be a result of the areas where old-age pension recipients tend to

live (mainly communal areas), which significantly increases the cost of job search and reduces the probability of employment.

Table 4: Probit regression coefficients (marginal effects) for poverty outcomes

	All	GR	NGR
Living in grant household in period 1	0.014		
	(0.01)		
Poor in period 1	0.085***	0.101***	0.070***
	(0.01)	(0.01)	(0.01)
Gender (Ref: Female)			
Male	-0.010	-0.008	-0.015
	(0.01)	(0.01)	(0.01)
Age	0.001	-0.001	0.002
	(0.00)	(0.00)	(0.00)
Age squared	-0.001	0.001	-0.002
	(0.00)	(0.01)	(0.00)
Geographical location (Ref: Traditional)			
Urban	-0.050***	-0.057***	-0.044***
	(0.01)	(0.02)	(0.01)
Farms	-0.047***	-0.054***	-0.044**
	(0.01)	(0.02)	(0.02)
Marital status (Ref: Never married)			
Married	-0.032***	-0.046**	-0.011
	(0.01)	(0.02)	(0.01)
Cohabiting/ Widowed/ Divorced	-0.004	-0.030	0.018
	(0.01)	(0.02)	(0.02)
Education level (Ref: No Schooling)			
Grade 1 to 7	-0.024	-0.029	-0.022
	(0.02)	(0.03)	(0.02)
Grade 8 to 11	-0.046***	-0.046*	-0.046**
	(0.02)	(0.03)	(0.02)
Matric	-0.103***	-0.119***	-0.081***
	(0.02)	(0.03)	(0.02)
Diploma/ Degree	-0.141***	-0.124***	-0.145***
	(0.02)	(0.03)	(0.03)
Number of young children	0.018***	0.022***	0.014*
	(0.00)	(0.01)	(0.01)
Number of older children	0.013***	0.020***	-0.004
	(0.00)	(0.00)	(0.01)
Number of working-age adults	0.005*	0.006	0.001
	(0.00)	(0.00)	(0.00)
Number of pensioners	-0.036***	-0.046***	-0.046**
	(0.01)	(0.01)	(0.02)
N	**10412**	**6103**	**4309**

***Note**: Data are weighted using wave 4 panel weights and standard errors are in parentheses. Young Children refer to children who are 6 years old and younger, while older children refer to children who are between the ages of 7 and 15 years old. Working-age adults refer to those between the ages of 16 and 59 years old. *** p<0.01 ** p<0.05 * p<0.10. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. All regressions include nine dummy variables for province of residence, three dummy variables for race, a dummy variable for health, and English language proficiency.*

These results indicate that individuals in grant receiving households are possibly constrained by the characteristics of these households, relating to location or the number of children that may need supervision. Alternatively, these households also attract individuals who have already been unsuccessful in the labour market, as has been suggested in previous research.[46] Thus, regardless of the direction of the causality between the household characteristics and the labour market outcomes, they serve to reinforce one another and create unfavourable labour market conditions for the inhabitants. However, there are notable differences for those living in households which receive an old-age pension. The labour market outcomes for individuals already employed in these households, are markedly better than those in the pooled analysis and those living in households with a child support grant. This may support the hypothesis that 'grandparenting' is helpful in remaining in the labour market, though individuals who are unemployed clearly have a difficult time transitioning out of that position over time.

Poverty outcomes

To study the change in poverty outcomes of individuals, transition matrices were used which aimed to determine whether there was a difference in the transition patterns of individuals in grant receiving households and those in non-grant receiving households into and out of poverty. The results of these are displayed in Table 5. The poverty transition matrices for the pooled grants show that 17.16percent of individuals in grant receiving households who were poor in period one were still poor in period two, while this number was 7.90percent for individuals in non-grant receiving households. These individuals are considered chronically poor. Furthermore, the data confirm that the grants are successful in ensuring that a large majority of individuals in grant receiving households remain out of poverty over the two periods (90.26percent), as well as transition out of poverty after having been poor in the previous period (82.84percent).[47]

Table 5: Poverty outcomes transition matrices, all grant households

	Period 2			
	GR Households		NGR Households	
Period 1	**Non-poor**	**Poor**	**Non-poor**	**Poor**
Non-poor	**90.26**	9.74	**97.50**	2.50
	(0.88)	(0.88)	(0.46)	(0.46)
Poor	82.84	**17.16**	92.10	**7.90**
	(1.37)	(1.37)	(1.72)	(1.72)
Total	87.69	12.31	96.79	3.21
	(0.75)	(0.75)	(0.46)	(0.46)
N	**3218**		**2254**	

Note: *Data are weighted using wave 5 panel weights, and standard errors are in parentheses. Rows add up to 100. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. Grant receiving households include households which had grant recipients resident in both period 1 and period 2. All differences are significant at* $p < 0.001$.

Table 6 disaggregates the transition matrices for those individuals living in households with a child support grant. This grant assisted only 88.36percent of individuals in remaining out of poverty in both periods, while 17.36percent remained poor in both periods (similar to the previous matrices). The percentage of individuals moving from being poor in period one to non-poor in period two is 82.64percent, while that number was even greater for those living in households with no child support grant (93.24percent). The results for poor individuals living in households with child support grants are thus very similar to the pooled grant matrices.

Table 6: Poverty outcomes transition matrices, CSG households

	Period 2			
	GR Households		NGR Households	
Period 1	**Non-poor**	**Poor**	**Non-poor**	**Poor**
Non-poor	**88.36**	11.64	**97.07**	2.93
	(1.13)	(1.13)	(0.45)	(0.45)
Poor	82.64	**17.36**	93.24	**6.76**
	(1.48)	(1.48)	(1.32)	(1.32)
Total	86.20	13.80	96.51	3.49
	(0.90)	(0.90)	(0.43)	(0.43)
N	**2433**		**3096**	

Note: *Data are weighted using wave 5 panel weights, and standard errors are in parentheses. Rows add up to 100. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. Grant receiving households include households which had grant recipients resident in both period 1 and period 2. All differences are significant at* $p < 0.001$.

Of those living in households with an old-age pension, 93.83percent remained non-poor over both periods (similar to the 94.37percent for those on non-grant receiving households) and 93.85percent transitioned from being poor in period one to non-poor in period two. The latter figure is greater than the 85.81percent of individuals living in non-grant receiving households transitioning from poor to non-poor. Furthermore, a greater percentage of individuals in non-grant receiving households remained poor over the two periods (14.19percent), compared to those living in households with an old-age pension (6.15percent). These results suggest, similar to the labour market outcomes, that old-age pensions are a good alternative for ensuring that households move out of poverty, but also that the individuals in those households are able to be successful in the labour market.

Table 7: Poverty outcomes transition matrices, OAP households

	Period 2			
	GR Households		NGR Households	
Period 1	**Non-poor**	**Poor**	**Non-poor**	**Poor**
Non-poor	**93.83**	6.17	**94.37**	5.63
	(1.49)	(1.49)	(0.44)	(0.44)
Poor	93.85	**6.15**	85.81	**14.19**
	(1.95)	(1.95)	(1.05)	(1.05)
Total	93.83	6.17	92.38	7.62
	(1.20)	(1.20)	(0.42)	(0.42)
N	**473**		**6130**	

Note: *Data are weighted using wave 5 panel weights, and standard errors are in parentheses. Rows add up to 100. Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. Grant receiving households include households which had grant recipients resident in both period 1 and period 2. All differences are significant at* $p < 0.001$.

Lastly, binary probit regressions to investigate the determinants of being poor were run and are shown in Table 8. Demographic characteristics of individuals in period one were regressed on the probability of being poor in period two. The results suggest that living in a grant receiving household in period one was a significant predictor of being poor in period two. Individuals in grant receiving households in period one were 2.8percent more likely to be poor in period two. Poverty in period one positively predicted poverty in a subsequent period in all households. Individuals in grant receiving households were 2.4percent more likely to be poor if they lived in a poor grant receiving household in period one. On the other hand, individuals in non-grant receiving households were 2.5percent more likely to be poor in period two if they lived in a poor non-grant receiving household in period one. Being male was a negative predictor of poverty in all households, while age was only significant for those living in grant receiving households. The older the individual, the more likely they were to be poor in a grant receiving household, though this relationship was only weakly significant.

Geographical location was only significant for individuals living on farms in non-grant receiving households. Compared to those living in communal areas, individuals living on commercial farms were 7.2percent less likely to be in poverty if they lived in a non-grant receiving household, while the corresponding coefficient for the pooled results was 4.9percent. The pooled results and those of individuals living in non-grant receiving households are consistent with similar findings, where residing in a rural area was related to an increased likelihood of poverty and lower incomes.[48]

Marital status did not produce any significant variables, while schooling was particularly important for individuals living in grant receiving households. Having

incomplete secondary schooling (grades 8 to 11) or higher, resulted in a significantly lower likelihood of being poor. The coefficient for complete secondary schooling (matric) was 13.1percent for individuals in grant receiving households (12percent) while the coefficient for those with a post school qualification was 9percent. The greater coefficient for complete secondary schooling is likely due to the location in which grant receiving households find themselves and the types of jobs which are available in these locations.

Having young children in the household was not a significant predictor of being poor for all types of households, though having older children was a positive and significant predictor of poverty for all households, though not so for grant receiving households. The proportion of children to adults has also been found to be a significant predictor of poverty by Burger et al., who found that the higher the proportion of children to adults in the household, the more likely individuals in the household were to live in poverty.[49] Aliber likewise found that that more children in a household resulted in higher probabilities of poverty, but also lower employment probabilities.[50] Lastly, having a pensioner in the household was expectedly a negative and significant predictor of poverty in grant receiving households, meaning that individuals living with a pensioner were less likely to be poor, which is consistent with previous studies.[51]

Table 8: Probit regression coefficients (marginal effects) for poverty outcomes, all grant households

	Pooled	GR	NGR
Poor in period 1	0.025***	0.024*	0.025**
	(0.01)	(0.01)	(0.01)
Living in grant household in period 1	0.028***		
	(0.01)		
Gender (Ref: Female)			
Male	-0.018*	-0.006	-0.017
	(0.01)	(0.02)	(0.01)
Age	0.001	0.010*	-0.004
	(0.00)	(0.01)	(0.00)
Age squared	-0.001	-0.013*	0.007
	(0.01)	(0.01)	(0.01)
Geographical location (Ref: Traditional)			
Urban	-0.003	0.020	-0.021
	(0.01)	(0.02)	(0.01)
Farms	-0.049***	-0.021	-0.072***
	(0.02)	(0.02)	(0.03)
Marital status (Ref: Never married)			
Married	-0.005	-0.005	-0.006
	(0.01)	(0.02)	(0.01)
Cohabiting/ Widowed/ Divorced	0.014	0.025	-0.001
	(0.01)	(0.02)	(0.02)
Education level (Ref: No Schooling)			
Grade 1 to 7	0.001	-0.006	0.005
	(0.01)	(0.02)	(0.02)
Grade 8 to 11	-0.022	-0.048**	-0.002
	(0.02)	(0.02)	(0.02)
Matric	-0.063***	-0.131***	-0.014
	(0.02)	(0.03)	(0.02)
Diploma/ Degree	-0.062***	-0.090**	-0.030
	(0.02)	(0.04)	(0.03)
Number of young children	0.002	0.004	-0.001
	(0.00)	(0.01)	(0.01)
Number of older children	0.011***	0.009	0.017***
	(0.00)	(0.01)	(0.01)
Number of working-age adults	0.002	-0.000	0.000
	(0.00)	(0.00)	(0.00)
Number of pensioners	-0.028**	-0.041**	-0.009
	(0.01)	(0.02)	(0.05)
N	**6841**	**3927**	**2914**

Note: *Data are weighted using wave 5 panel weights and standard errors are in parentheses. Young Children refer to children who are 6 years old and younger, while older children refer to children who are between the ages of 7 and 15 years old. Working-age adults refer to those between the ages of 16 and 59 years old.* $*** p < 0.01$ $** p < 0.05$ $* p < 0.10$. *Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. All regressions include nine dummy variables for province of residence, three dummy variables for race, a dummy variable for health, and English language proficiency.*

Table 9 presents the probit regressions disaggregated by individuals living in households with child support grants and old-age pensions. In both types of households, those living in non-grant receiving households were 2.9percent and 2.5percent more likely to be poor, respectively. Furthermore, living in a child support grant receiving household in period 1 meant that the household was 2.1percent more likely to be poor while living in a household with an old-age pension was not a significant predictor of poverty over time.

Again, geographical location provided more significant coefficients for those in non-grant receiving households, though where coefficients were significant for grant receiving households, they were greater. In urban areas for example, those living in old-age pension receiving households were 12.5percent more likely to be poor compared to people in communal areas. Those living on farms were also less likely to be poor compared to those in communal areas. Individuals living in non-grant receiving households were 5.6percent and 5percent less likely to be poor compared to those in communal areas, respectively.

The level of education was again very important for individuals in grant receiving households, while these relationships were only significant for individuals in child support grant households. Individuals with incomplete schooling (5percent), matric (11.6percent),

and a post school qualification (10.2percent) were all significantly less likely to be poor. While those living in old-age pension receiving households did not have significant results for this variable, the pooled and non-grant receiving regressions produced significant results.

Having older children in the household was a significant predictor of poverty in the long term (1.3percent) for those in child support grant receiving households, though this variable was not significant for individuals in old-age pension receiving households. The greater the number of pensioners in the household, the less likely individuals in child support grant receiving households were to be poor (5percent). Again, this variable did not produce a significant coefficient for those in grant receiving households with old-age pensions.

Table 9: Probit regression coefficients (marginal effects) for poverty outcomes, disaggregated by CSG and OAP

	CSG			OAP		
	Pooled	**GR**	**NGR**	**Pooled**	**GR**	**NGR**
Poor in period 1	0.025***	0.018	0.029**	0.027***	0.031	0.025**
	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)
Living in grant household in period 1	0.021**			0.028		
	(0.01)			(0.02)		
Gender (Ref: Female)						
Male	-0.019*	-0.001	-0.022**	-0.023**	-0.020	-0.022**
	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)	(0.01)
Age	0.001	0.007	-0.001	0.002	0.007	0.001
	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)
Age squared	-0.001	-0.008	0.002	-0.002	-0.008	-0.001
	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Geographical location (Ref: Traditional)						
Urban	-0.003	0.014	-0.012	-0.002	0.125***	-0.014
	(0.01)	(0.02)	(0.01)	(0.01)	(0.04)	(0.01)
Farms	-0.050***	-0.037	-0.056***	-0.050***	-0.048	-0.050***
	(0.02)	(0.03)	(0.02)	(0.02)	(0.06)	(0.02)
Marital status (Ref: Never married)						
Married	-0.007	-0.002	-0.013	-0.006	-0.037	-0.002
	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)	(0.01)
Cohabiting/ Widowed/ Divorced	0.014	0.020	0.005	0.015	-0.153**	0.023
	(0.01)	(0.02)	(0.02)	(0.01)	(0.07)	(0.02)
Education level (Ref: No Schooling)						
Grade 1 to 7	-0.000	-0.006	0.009	0.001	0.062	-0.004
	(0.02)	(0.03)	(0.02)	(0.02)	(0.05)	(0.02)
Grade 8 to 11	-0.024	-0.050*	-0.002	-0.023	0.035	-0.031*
	(0.02)	(0.03)	(0.02)	(0.02)	(0.05)	(0.02)
Matric	-0.066***	-0.116***	-0.031	-0.066***	-0.062	-0.067***
	(0.02)	(0.03)	(0.02)	(0.02)	(0.05)	(0.02)
Diploma/ Degree	-0.065***	-0.102***	-0.033	-0.067***	-0.033	-0.070***
	(0.02)	(0.04)	(0.03)	(0.02)	(0.07)	(0.03)
Number of young children	0.002	0.004	0.001	0.004	0.001	0.006
	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)
Number of older children	0.011***	0.013**	0.012**	0.013***	-0.014	0.016***
	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)
Number of working-age adults	0.003	-0.001	0.003	0.003	0.006	0.002
	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Number of pensioners	-0.021	-0.050**	-0.001	-0.041*	-0.015	-0.062
	(0.01)	(0.02)	(0.02)	(0.02)	(0.03)	(0.05)
N	**6841**	**3176**	**3665**	**6841**	**795**	**6030**

Note: *Data are weighted using wave 5 panel weights and standard errors are in parentheses. Young Children refer to children who are 6 years old and younger, while older children refer to children who are between the ages of 7 and 15 years old. Working-age adults refer to those between the ages of 16 and 59 years old.* $*** p < 0.01$ $** p < 0.05$ $* p < 0.10$. *Age of the sample restricted to those between the ages of 18 in period 1 and 60 in period 2. All regressions include nine dummy variables for province of residence, three dummy variables for race, a dummy variable for health, and English language proficiency.*

Conclusion

South Africa has been plagued by the socioeconomic challenges which accompany poverty, inequality, and unemployment. The country's social assistance program has been highly successful in alleviating poverty for vulnerable groups, although the excessive levels of unemployment threatens the sustainability and effectiveness of the program in the long run. As tax revenues form the basis of financing this program, it is of concern that many grant households are supporting unemployed individuals. Firstly, because these unemployed individuals should be forming part of the tax bases which finance the grant program and secondly, because some grant recipients share the proceeds of the cash transfers they receive with other household members. The interconnectedness of the social assistance program and the labour market is part of a wider, more complex debate and this study contributes to this debate by investigating whether differences exist in the poverty and labour market outcomes of individuals living in grant receiving and non-grant receiving households.

Consistent with the findings of previous studies, this research found that individuals in grant receiving households have less favourable labour market outcomes than those in non-grant receiving households.[52] Furthermore, grant receiving households had a higher percentage of individuals who remain unemployed over time, owing not only to the location of these households but also the skill levels of the individuals who reside in these households. Individuals in grant receiving households also had worse poverty outcomes compared to those in non-grant receiving households.

The results were further disaggregated to study the same outcomes for individuals living in households with child support grants and old-age pensions. The findings suggest that with the exception of moving out of employment over time, individuals living in a household with an old-age pension recipient had better labour market and poverty outcomes compared to those living with a child support grant recipient. Households with an old-age pension recipient also tended to have more pensioners (as expected) and fewer children residing in the household compared to households with child support grant recipients. This suggests that the characteristics of old-age pension households may be more conducive to labour market and poverty outcomes over time compared to other households. Not only do the recipients of old-age pensions receive a greater nominal amount of grant income each month, compared to child support grant recipients, but having pensioners in the household also provides the potential for working-age adults—particularly women—to benefit from 'free' childcare, as suggested by previous studies.[53]

Thus, given how poorly child support grant households fare in relation to the outcomes studied, further studies should investigate the threshold amount at which grant income delivers real benefits for its recipients. In addition, the results may also suggest that providing financial benefits in the absence of additional support for individuals with children may be counterproductive. However, given the benefits which grants provide in the context of low economic growth and rising unemployment figures, existing programs could be made more effective if challenges relating to the labour market and other constraining macroeconomic conditions were also addressed. Furthermore, considering the changing structures of grant receiving households, measures need to be considered to bring economic development closer, especially in rural areas.

Appendix

The probit regressions, used to determine how likely individuals were to be poor based on their individual and household characteristics, took on the following form:

$$P\left(Y_{i,t+1} = 1 \middle| X_{i,t}\right) = \emptyset(X_{i,t}) \quad (1)$$

where $Y_{i,t+1}$ is a binary dependent variable, which takes on a value of 0 if the individual was not poor and 1 if the individual was poor in period 2 $(t + 1)$, $\emptyset$ represents the cumulative distribution function and $X_{i,t}$ represents the observed characteristics of individual i in period 1 (t).[54]

To undertake the analysis, a poverty line of R515 per capita per month was utilised, as was done by Leibbrandt et al.[55] with a base period of December 2008. To allow for comparison between periods 1 and 2, the Statistics South Africa CPI was used to deflate nominal income to real income values, in December 2008 terms. In addition, a per capita household income variable was constructed using the imputed household income variable[56] in the National Income Dynamics Study dataset, adjusted for household size using an adult equivalence scale. The household size was adjusted according to the following equation:[57]

$$AES = (A + \alpha C)^{\Theta} \quad (2)$$

where A is the number of adults in the household, C, the number of children (15 years and younger), α is the relative cost of a child and Θ the economies of scale parameter. The adult equivalence scale used in this study calculated an adult as one unit, a child as half a unit (0.5), and set 0.9 as the economies of scale parameter.[58] The household income was then divided by the adjusted household size to obtain a per capita income.[59] The regressions were run separately for individuals who reside in grant receiving households and those who reside in non-grant receiving household

Notes

1 World Bank 1995 2009.
2 Finn 2015.
3 Van Der Berg 2010.
4 Van Der Berg et al. 2008; Van Der Berg and Siebrits 2010; Visagie 2015; Armstrong et al. 2004; Bhorat and Kanbur 2005; Leibbrandt et al. 2009.
5 Mabugu et al. 2014
6 Klasen and Woolard 2009; Van Der Berg and Siebrits 2010.
7 Ardington et al. 2009; Sienaert 2008; Aliber 2003.
8 Klasen and Woolard 2009.
9 Rogan 2013; Budlender and Woolard 2006.
10 Klasen and Woolard 2009; Van Der Berg and Siebrits 2010.
11 Rogan and Reynolds 2015.
12 Sienaert 2008; Patel 2012; National Treasury 2017b. The grants include child support grants, old-age pensions, disability grants, war veterans' grants, care dependency grants, and foster care grants. For a detailed description of the different types of grants Van Der Berg and Siebrits 2010 may be consulted.
13 Omilola and Kaniki 2014.
14 Barrientos 2011.

15 Stats SA 2016. The Stats SA report outlines economic and functional classification of cash payments for the 2014/2015 fiscal year. The classification categories include general public services, defense, public order and safety, economic affairs, environmental protection, housing and community amenities, health, recreation, culture and religion, education, and social protection.
16 South African Social Security Agency 2017a; Mabugu et al. 2014.
17 Stats SA 2017a.
18 McEwen et al. 2009.
19 Rogan and Reynolds 2015; Patel 2012; Van Der Berg et al. 2008.
20 In October 2016, social grant payments increased to the following monthly amounts: old-age pension (over 75 years) is R1 510; old-age pension (under 75 years) is R1 530; war veterans' grant is R1 530; grant in aid is R360; child support grant is R360; care dependency grant is R1 510; and foster care grant is R890. South African Social Security Agency 2017b.
21 Sienaert 2008, p. 4.
22 Stats SA 2017.
23 Van Der Berg and Siebrits 2010, p. 31.
24 Stats SA 2017.
25 Stats SA 2017.
26 Floro and Komatsu 2011; Kingdon and Knight 2007.
27 Zuze 2012.
28 National Treasury 2017a.
29 Posel et al. 2006.
30 Ardington et al. 2009
31 Sienaert 2008
32 See for example Bertrand et al. 2003; Posel et al. 2006; and Sienaert 2008.
33 Van Der Berg and Siebrits 2010
34 Chronic poverty is defined as the "observation of a given unit below the poverty threshold over sequential periods" Burger et al. 2014, p.21. Thus, a household or individual who remains poor over two or more periods.
35 Van Der Berg and Siebrits 2010, p. 33.
36 Van Der Berg and Siebrits 2010, p. 33.
37 The National Income Dynamics Study data are a longitudinal survey of individuals and households in South Africa conducted by the Southern Africa Labour and Development Research Unit (SALDRU) at the University of Cape Town. The first set of data was collected in 2008, where after the survey has been repeated biennially. More information on the National Income Dynamics Study data is available at http://www.nids.uct.ac.za/ and it is freely available for download via the DataFirst website (http://datafirst.uct.ac.za). Wave 1 of the National Income Dynamics Study data was collected in 2008, while wave 5 was collected in 2017. For ease of reporting, wave 1 is referred to as period 1 in this paper, while wave 5 of the data is referred to as period 2.
38 Eyal and Woolard 2011 found that 10 percent of individuals receiving child support grants were not co-resident with the children for which these grants were intended for. Furthermore, as a very small proportion of the White and Indian populations lived in poverty and/or in grant receiving households, they were excluded from the analysis.
39 The analyses were also done for individuals who were in grant receiving households in period 1 and non-grant receiving households in period 2, and vice versa, although no notable patterns emerged from these analyses and are thus not reported here.

40 Razavi and Turquet 2016.
41 In the National Income Dynamics Study dataset, a distinction is made between traditional areas and farm areas. Farm areas are defined as "land allocated for and used for commercial farming including the structures and infrastructure on it," while traditional areas are defined as "communally owned land under the jurisdiction of traditional leaders. Settlements within these areas are villages." While according to NIDS 2014 an urban area is "a continuous built-up area that is established through township establishments such as cities, towns, 'townships', small towns and hamlets."
42 Carter and May 1999b. Turok 2012.
43 Casale and Posel 2010.
44 Eyal and Woolard 2011.
45 Meth and Dias 2004; Eyal and Woolard 2011; Ranchhod 2010; Finn and Leibbrandt 2013.
46 Klasen and Woolard 2009.
47 Tiberti, Chitiga, and Ngandu 2013.
48 Burger et al. 2014.
49 Burger et al. 2014.
50 Aliber 2003.
51 Standing et al. 1996; Burger et al. 2014.
52 Sienaert 2008; Posel et al. 2006; Bertrand et al. 2003; Ardington et al. 2009.
53 Duflo 2000.
54 Wooldridge 2010.
55 Leibbrandt et al. 2010.
56 The household income variable used in this study is the imputed household income variable, which is derived from several income sources, both at the household level and the individual level in the National Income Dynamics Study survey. Argent 2009 can be consulted for a discussion on the construction of this variable.
57 Posel et al. 2016.
58 Carter and May 1999a
59 Jansen et al. 2015.

References

Aliber, Michael. 2003. "Chronic Poverty in South Africa: Incidence, Causes and Policies." *World Development* 31 (3): 473–90. https://doi.org/10.1016/S0305-750X(02)00219-X.

Ardington, Cally, Anne Case, and Victoria Hosegood. 2009. "Labour Supply Responses to Large Social Transfers: Longitudinal Evidence from South Africa." *American Economic Journal: Applied Economics* 1 (1): 22–48. https://doi.org/10.1257/app.1.1.22.Labour.

Argent, Jonathan. 2009. "Household Income: Report on NIDS Wave 1." 3. NIDS Technical Paper. Cape Town. http://www.nids.uct.ac.za/publications/technical-papers/110-nids-technical-paper-no3/file.

Armstrong, Paula, Bongisa Lekezwa, and Krige Siebrits. 2004. "Poverty in South Africa: A Profile Based on Recent Household Surveys." 08. Stellenbosch Economic Working Papers. Stellenbosch. http://core.ac.uk/download/pdf/6358757.pdf.

Barrientos, Armando. 2011. "Social Assistance in Developing Countries Database." *Social Assistance in Developing Countries*. https://doi.org/10.1017/CBO9781139856058.

Bertrand, Marianne, Sendhil Mullainathan, and Douglas Miller. 2003. "Public Policy and Extended Families: Evidence from Pensions in South Africa." *The World Bank Review* 17 (1): 27–50. https://doi.org/10.1093/wber/lhg014.

Bhorat, Haroon, and Ravi Kanbur. 2005. "Poverty and Well-Being in Post-Apartheid South Africa: An Overview of Data, Outcomes and Policy." In *Poverty and Policy in Post-Apartheid South Africa*, edited by Haroon Bhorat and Ravi Kanbur, 1–17. Pretoria: HSRC Press.

Budlender, Debbie, and Ingrid Woolard. 2006. "The Impact of the South African Child Support and Old Age Grants on Children's Schooling and Work." Cape Town.

Burger, Ronelle, Servaas Van der Berg, Martin Gustafsson, Charles Adams, Marisa Coetzee, Eldridge Moses, Nicholas Spaull, Charles Swanepoel, Janeli Viljoen, and Asmus Zoch. 2014. "Poverty Traps and Social Exclusion among Children in South Africa." https://doi.org/10.1017/CBO9781107415324.004.

Carter, Michael R, and Julian May. 1999a. "One Kind of Freedom: Poverty Dynamics in Post-Apartheid South Africa." *World Development* 21 (12): 1987–2006.

———. 1999b. "Poverty, Livelihood and Class in Rural South Africa." *World Development* 27 (1): 1–20. https://doi.org/10.1016/S0305-750X(98)00129-6.

Casale, Daniela, and Dorrit Posel. 2010. "The Male Marital Earnings Premium in the Context of Bride Wealth Payments: Evidence from South Africa." *Economic Development and Cultural Change* 58 (2): 211–30. http://www.jstor.org/stable/10.1086/647976.

Duflo, Esther. 2000. "Grandmothers and Granddaughters: Old Age Pension and Intra-Household Allocation in South Africa." 8061. NBER Working Paper. Cambridge. http://www.nber.org/papers/w8061.

Eyal, Katherine, and Ingrid Woolard. 2011. "Throwing the Book at the CSG." 53. Southern Africa Labour and Development Research Unit Working Paper Series. Cape Town. papers2://publication/uuid/C8BBF769-03D5-47A6-911A-154FF247F5FA.

Finn, Arden. 2015. "A National Minimum Wage in the Context of the South African Labour Market." 1. National Minimum Wage Research Initiative. Johannesburg.

Finn, Arden, and Murray Leibbrandt. 2013. "The Dynamics of Poverty in the First Three Waves of NIDS." 119. Southern Africa Labour and Development Research Unit Working Paper Series. Cape Town. www.saldru.uct.ac.za.

Floro, Maria Sagrario, and Hitomi Komatsu. 2011. "Labour Force Participation, Gender and Work in South Africa: What Can Time Use Data Reveal?" *Feminist Economics Special Issue on Unpaid Work, Time Use, Poverty and Public Policy* 17: 33–66. http://new.american.edu/cas/economics/pdf/upload/2011-2.pdf.

Jansen, Ada, Mariana Moses, Stanford Mujuta, and Derek Yu. 2015. "Measurements and Determinants of Multifaceted Poverty in South Africa." *Development Southern Africa* 32 (2): 151–69. https://doi.org/10.1080/0376835X.2014.984377.

Kingdon, Geeta Gandhi, and John Knight. 2007. "Unemployment in South Africa, 1995-2003: Causes, Problems and Policies." *Journal of African Economies* 16 (5): 813–48. https://doi.org/10.1093/jae/ejm016.

Klasen, Stephan, and Ingrid Woolard. 2009. "Surviving Unemployment without State

Support: Unemployment and Household Formation in South Africa." *Journal of African Economies* 18 (1): 1–51. https://doi.org/10.1093/jae/ejn007.

Leibbrandt, Murray, Arden Finn, Jonathan Argent, and Ingrid Woolard. 2010. "Changes in Income Poverty over the Post-Apartheid Period: An Analysis Based on Data from the 1993 Project for Statistics on Living Standards and Development and the 2008 Base Wave of the National Income Dynamics Study." *Studies in Economics and Econometrics* 34 (3): 25–43. http://www.sabinet.co.za/abstracts/bersee/bersee_v34_n3_a3.html.

Leibbrandt, Murray, Ingrid Woolard, and Christopher Woolard. 2009. "Poverty and Inequality Dynamics in South Africa: Post-Apartheid Developments in the Light of the Long-Run Legacy." In *South African Economic Policy under Democracy*, edited by J Aron, B Kahn, and Geeta Gandhi Kingdon, 270–300. Oxford: Oxford University Press. http://www.oup.com/us/catalog/general/subject/Economics/Developmental/Transitional/?view=usa&ci=9780199551460.

Mabugu, Ramos, Luca Tiberti, Helene Maisonnave, Margaret Chitiga, Stephane Hoareau, Véronique Robichaud, and Stewart Ngandu. 2014. "A Quantitative Analysis of the Impacts of Social Grants on Social Welfare and the National Economy." https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwii_bD-tvfUAhXJCcAKHW3ED3EQFggrMAA&url=httppercent3Apercent2Fpercent2Fwww.ffc.co.zapercent2Fdocman-menu-itempercent2Freportspercent2F600-2014-2015-chapter-2-quantitative-analysis-of-the-impacts-of-soc.

McEwen, Hayley, Catherine Kannemeyer, and Ingrid Woolard. 2009. "Social Assistance Grants: Analysis of the NIDS Wave 1 Dataset." 10. NIDS Discussion Paper. Cape Town. file:///Users/odilemackett/Downloads/Discussion Paper 10_Grants.pdf.

Meth, Charles, and Rosa Dias. 2004. "Increases in Poverty in South Africa, 1999-2002." *Development Southern Africa* 21 (1): 59–85. https://doi.org/10.1080/0376835042000181426.

National Treasury. 2017a. "Budget Review 2017." Pretoria. http://www.treasury.gov.za/documents/national budget/2017/review/FullBR.pdf.

———. 2017b. "Estimates of National Expenditure 2017." Pretoria. http://www.treasury.gov.za/documents/national budget/2017/ene/FullENE.pdf.

NIDS. 2014. "Inclusion of Census 2011 Geographic Variables in NIDS (Household Level)." Cape Town. http://www.nids.uct.ac.za/documents/docs-and-files/211-inclusion-of-census-2011-geographic-variables-in-nids.

Omilola, Babatunde, and Sheshangai Kaniki. 2014. "Social Protection in Africa: A Review of Potential Contribution and Impact on Poverty Reduction."

Patel, Leila. 2012. "Poverty, Gender and Social Protection: Child Support Grants in Soweto, South Africa." *Journal of Policy Practice* 11 (1–2): 106–20. https://doi.org/10.1080/15588742.2012.625344.

Posel, Dorrit, Daniela Casale, and Erofili Grapsa. 2016. "Re-Estimating Gender Differences in Income in South Africa: The Implications of Equivalence Scales." *Development Southern Africa* 33 (4): 425–41. https://doi.org/10.1080/0376835X.2016.1179105.

Posel, Dorrit, James A. Fairburn, and Frances Lund. 2006. "Labour Migration and

Households: A Reconsideration of the Effects of the Social Pension on Labour Supply in South Africa." *Economic Modelling* 23 (5): 836–53. https://doi.org/10.1016/j.econmod.2005.10.010.

Ranchhod, Vimal. 2010. "Labour Force Participation and Employment in South Africa: Evidence from Wave 1 of the National Income Dynamics Study." *Journal for Studies in Economics and Econometrics* 34 (3): 111–27. http://www.ber.ac.za/see/2093.aspxpercent5Cnhttp://search.ebscohost.com/login.aspx?direct=true&db=eoh&AN=1152209&lang=pt-br&site=ehost-live.

Razavi, Shahra, and Laura Turquet. 2016. *Progress of the World's Women 2015–2016: Transforming Economies, Realizing Rights*. New York: United Nations. https://doi.org/10.1177/1468018115624314.

Rogan, Michael. 2013. "Alternative Definitions of Headship and the 'Feminisation' of Income Poverty in Post-Apartheid South Africa." *Journal of Development Studies* 49 (10): 1344–57. https://doi.org/10.1080/00220388.2013.812199.

Rogan, Michael, and John Reynolds. 2015. "The Working Poor in South Africa, 1997-2012." 4. ISER Working Paper Series. Grahamstown. www.ru.ac.za/iser.

Sienaert, Alex. 2008. "The Labour Supply Effects of the South African State Old Age Pension: Theory, Evidence and Implications." 20. Southern Africa Labour and Development Research Unit Working Paper Series. Cape Town. https://doi.org/D13, H55, J13.

South African Social Security Agency. 2017a. "A Statistical Summary of Social Grants in South Africa." Pretoria. file:///Users/odilemackett/Downloads/january 2017 fact sheet.pdf.

———. 2017b. "Social Grant to Increase in October." 2017. http://www.sassa.gov.za/index.php/newsroom/216-social-grant-to-increase-in-october.

Standing, Guy, John Sender, and John Weeks. 1996. "Restructuring the Labour Market: The South African Challenge." Geneva. http://staging.ilo.org/public/libdoc/ilo/1996/96B09_304_engl.pdf.

Stats SA. 2016. "Financial Statistics of National Government." *Financial Statistics*. Prerotia. www.statssa.gov.za.

———. 2017a. "Mid-Year Populaion Estimates 2017." Pretoria. https://doi.org/Statistical release P0302.

———. 2017b. "Quarterly Labour Force Survey, Quarter 1: 2017."

Tiberti, Luca, Margaret Chitiga, and Stewart Ngandu. 2013. "The Economy-Wide Impacts of the South African Child Support Grant : A Micro-Simulation-Computable General Equilibrium Analysis." 03. CIRPEE Working Paper Series.

Turok, Ivan. 2012. *Urbanisation and Development in South Africa: Economic Imperatives, Spatial Distortions and Strategic Responses*. http://www.delog.org/cms/upload/pdf-africa/Urbanisation_and_Development_in_South_Africa_-_Economic_Imperatives_Spatial_Distortions_and_Strategic_Responses.pdf.

Van Der Berg, Servaas. 2010. "Current Poverty and Income Distribution in the Context of South African History." 22. Stellenbosch Economic Working Papers. Stellenbosch. https://doi.org/10.2139/ssrn.1727599.

Van Der Berg, Servaas, Megan Louw, and Derek Yu. 2008. "Post-Transition Poverty Trends Based on an Alternative Data Source." *South African Journal of Economics* 76 (1): 58–76. https://doi.org/10.1111/j.1813-6982.2008.00161.x.

Van Der Berg, Servaas, and Krige Siebrits. 2010. "Social Assistance Reform during a Period of Fiscal Stress." 17. Stellenbosch Economic Working Papers. Stellenbosch. https://ideas.repec.org/p/sza/wpaper/wpapers116.html.

Visagie, Justin. 2015. "A Question of Inclusivity: How Did Average Incomes Change over the First Fifteen Years of Democracy?" 2. ISER Working Paper Series. www.ru.ac.za/iser.

Wooldridge, Jeffrey M. 2010. *Econometric Analysis of Cross Section and Panel Data*. *The MIT Press*. 2nd Ed. London: MIT Press. https://doi.org/10.1515/humr.2003.021.

World Bank. 1995. *World Development Report 1995: Workers in an Integrating World*. Washington D.C.: Oxford University Press. https://openknowledge.worldbank.org/handle/10986/5978.

———. 2009. *Africa Development Indicators 2008/09. Youth and Employment in Africa: The Potential, the Problem, the Promise*. Washington D.C.: World Bank. https://doi.org/10.1596/978-0-8213-7283-8.

Zuze, Tia Linde. 2012. "The Challenge of Youth-to-Work Transitions: An International Perspective." In *Shaping the Future of South Africa's Youth: Rethinking Post-School Education and Skills Training*, edited by Helene Perold, Nico Cloete, and Joy Papier, 42–59. Somerset West: African Minds.