



**Why do older
workers
chose to
participate in
a different
livelihood ?**

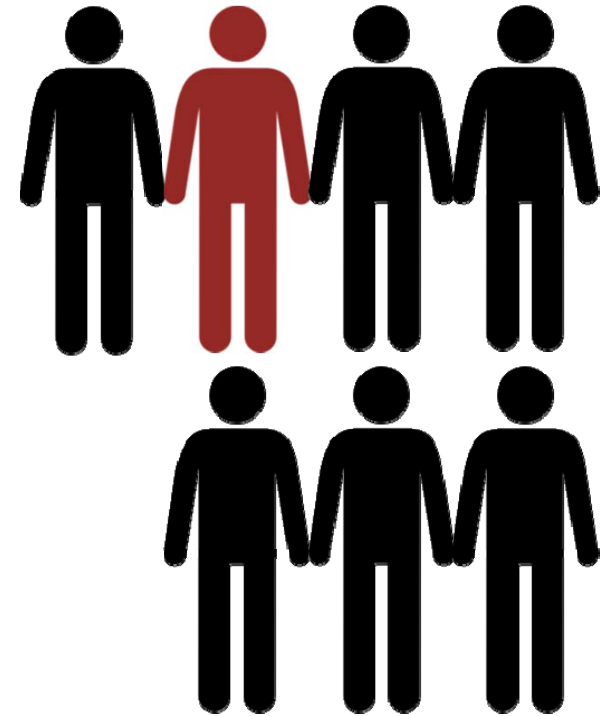
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WHAT I WILL BE TALKING ABOUT

- **Background**
- **Policy Relevance**
- **Objectives**
- **Methodology**
- **Findings**
- **Policy Implications**

BACKGROUND



SOCIAL PROTECTION ?

5,641,619

<1%

55%

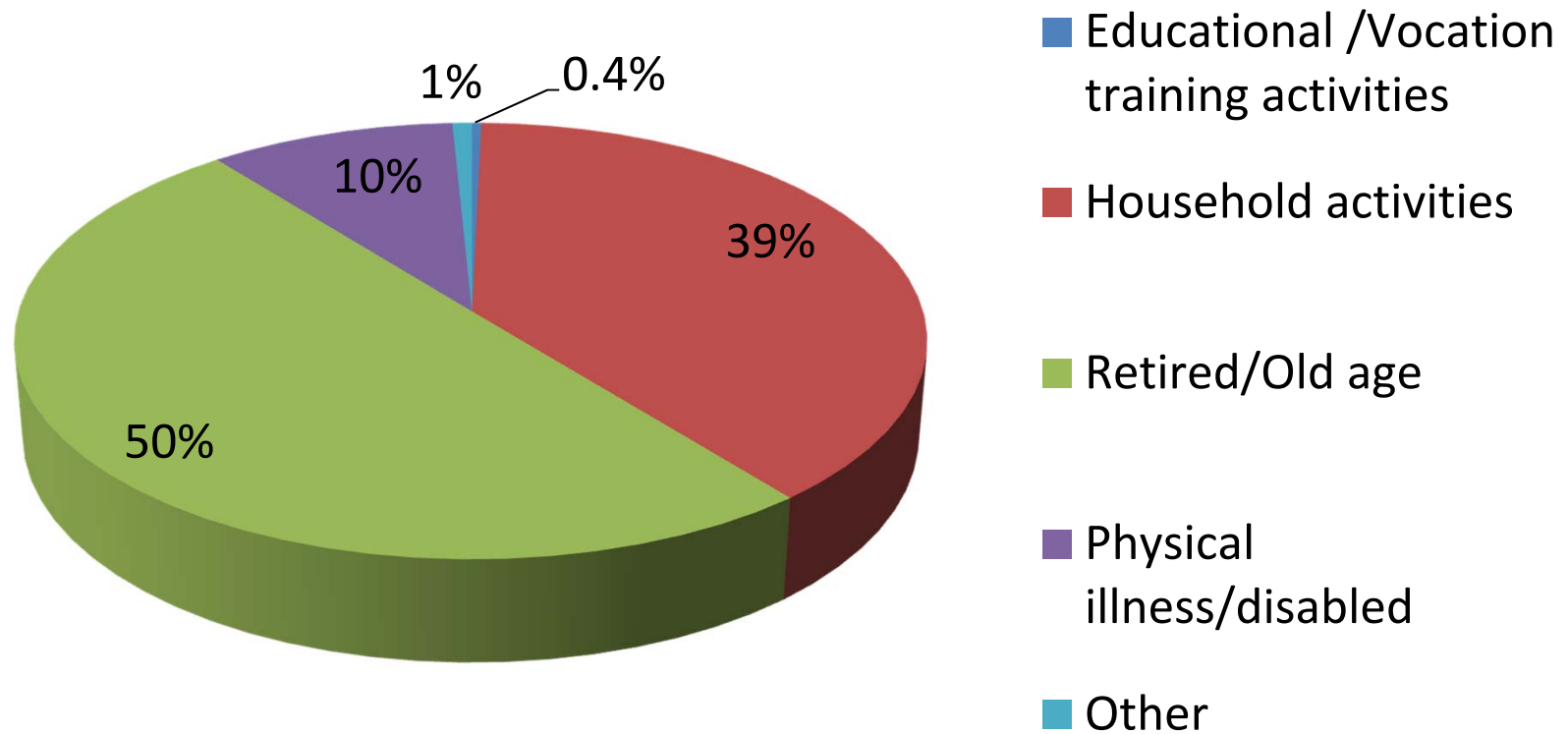
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**NO WORK
PLEASE!**

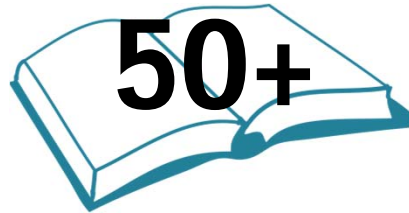


Reasons for not in labour force



POLICY RELEVANCE

1



2

NEED YOU!



Policies to retain older workers
↓ **demand for social assistance**
Reduce social cost




↓ **burden of older dependents**



Personal satisfaction
Financial protection

OBJECTIVE

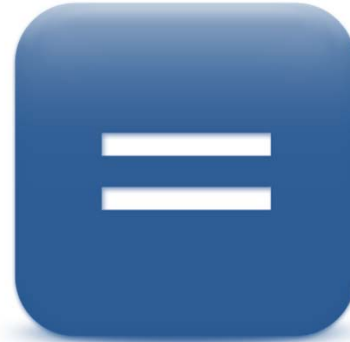


FACTORS
explain the
LIVELIHOOD
of the OLDER
WORKERS

METHODOLOGY



LFS 2013



Varme's choice model

**2 multinomial logit
models**

**Determinants employment status
Determinants sector participation**

LIMITATIONS

- Unavailability of Economic characteristics
E.g. social and health security plans
- No information on health conditions
- No information to capture 'previous experience' of workers

Theoretical model - Varme's choice model

$$\text{Max } E(U) = U(W; K)$$

$$Y_{ij} = \alpha_j W_{ij} + \beta_j K_{ij} + \varepsilon_{ij}$$

$$Y_{ij} = \gamma_j W_{ij} + \Phi_{1j} Z_{ij} + \psi_{1j} X_{ij} + \delta_j H_{ij} + v_{1i}$$

$$W_{ij} = \Phi_{2j} Z_{ij} + \psi_{2j} X_{ij} + v_{2i}$$

$$Y_{ij} = \gamma_j W_{ij} + \Phi_j Z_{ij} + \psi_j X_{ij} + \delta_j H_{ij} + v_{2i}$$

Empirical Model

$$Y_{ij} = \cancel{\gamma_j W_{ij}} + \phi_j Z_{ij} + \psi_j X_{ij} + \delta_j H_{ij} + v_{2i}$$

Dependent Variables

Model 1

- Employed
- Unemployed
- Not in Labour Force

Model 2

- Public Sector
- Private Sector
- Self-employed

Independent Variables



Individual Characteristics (Z)

- Gender & Age
- Marital Status
- Education Status
- Ethnicity and Religion



Household Characteristics (H)

- No of young and Old Dependents
- Household Size

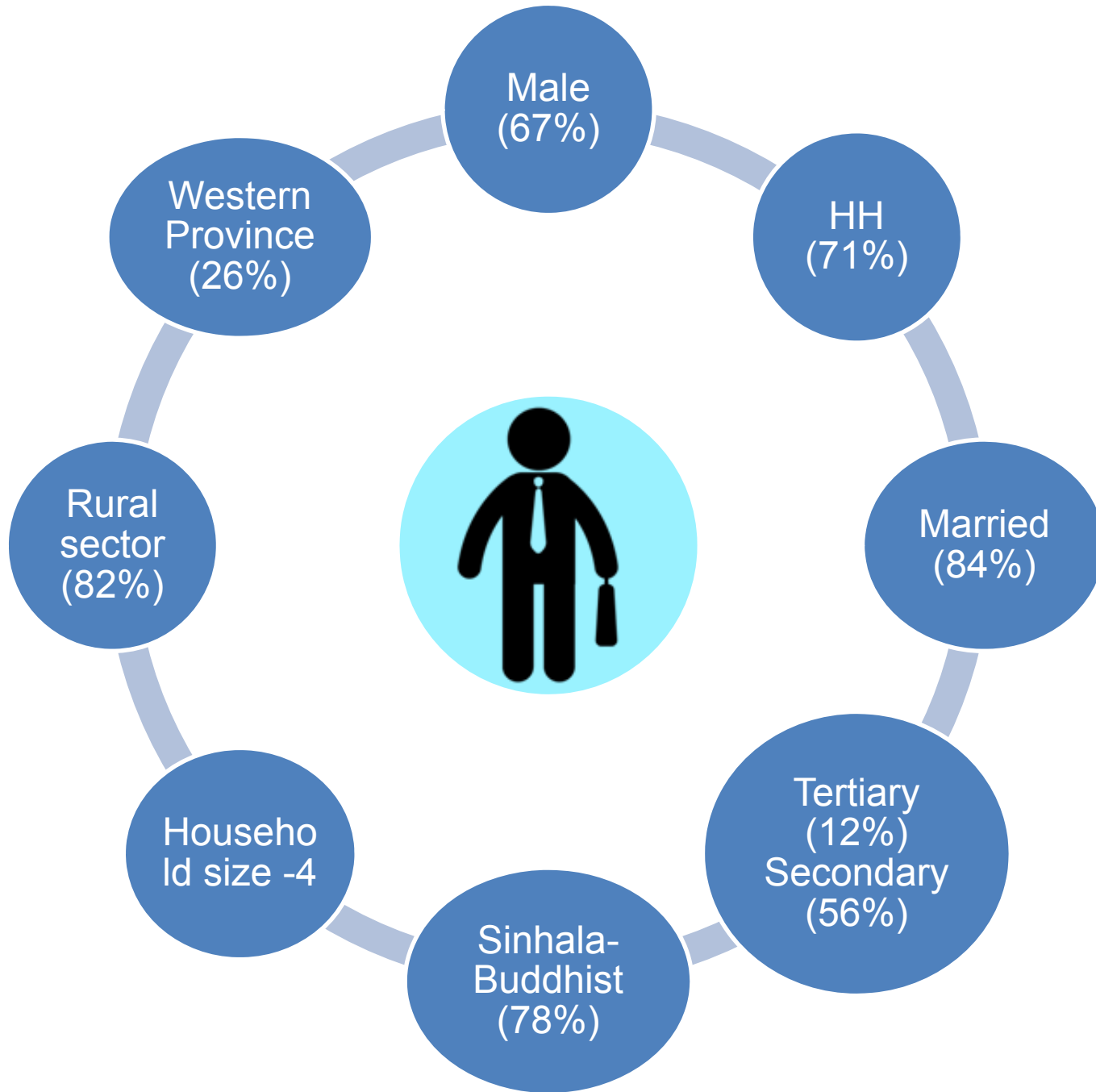


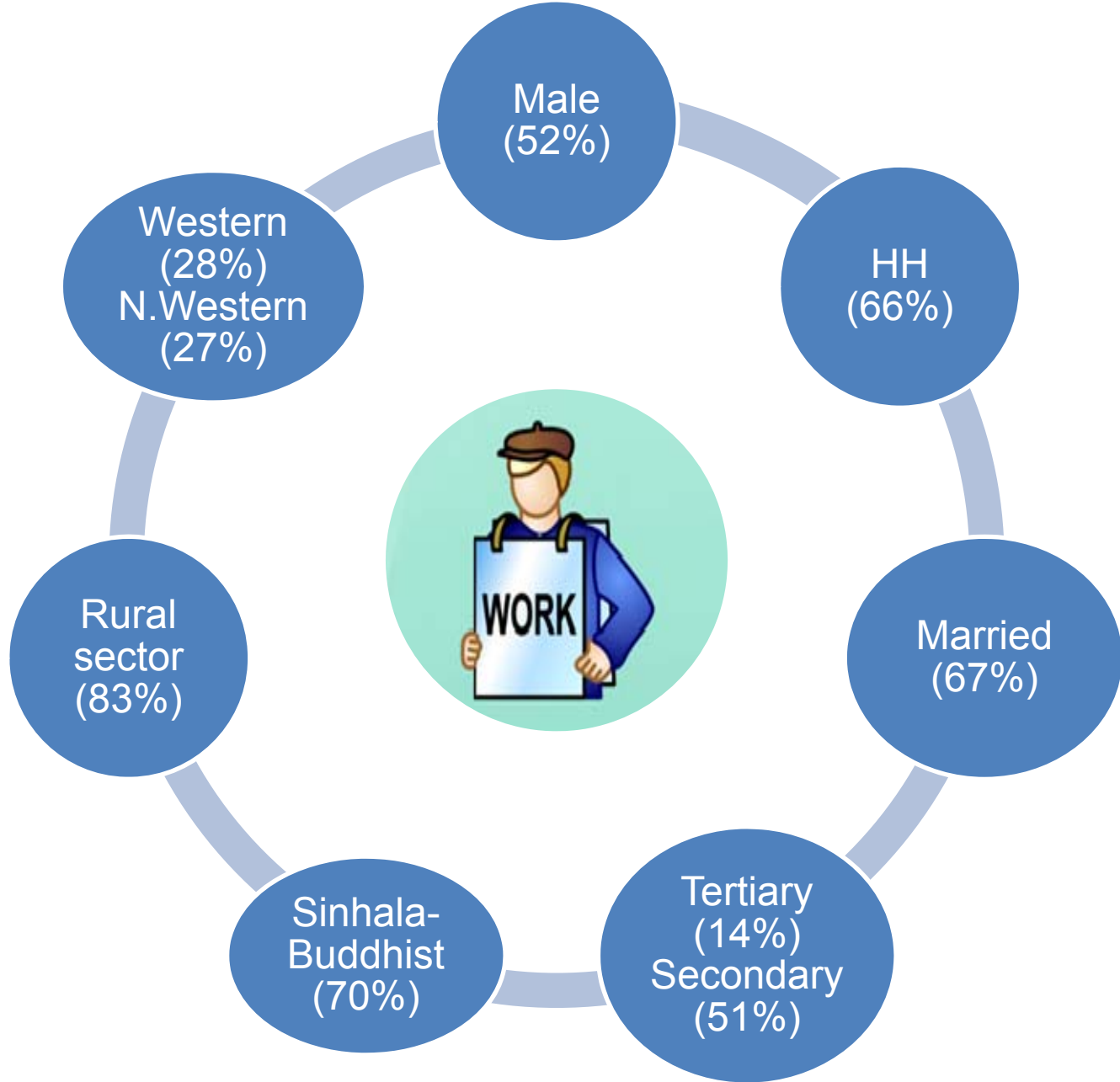
Geographical Characteristics (X)

- Districts
- Sector

FINDINGS

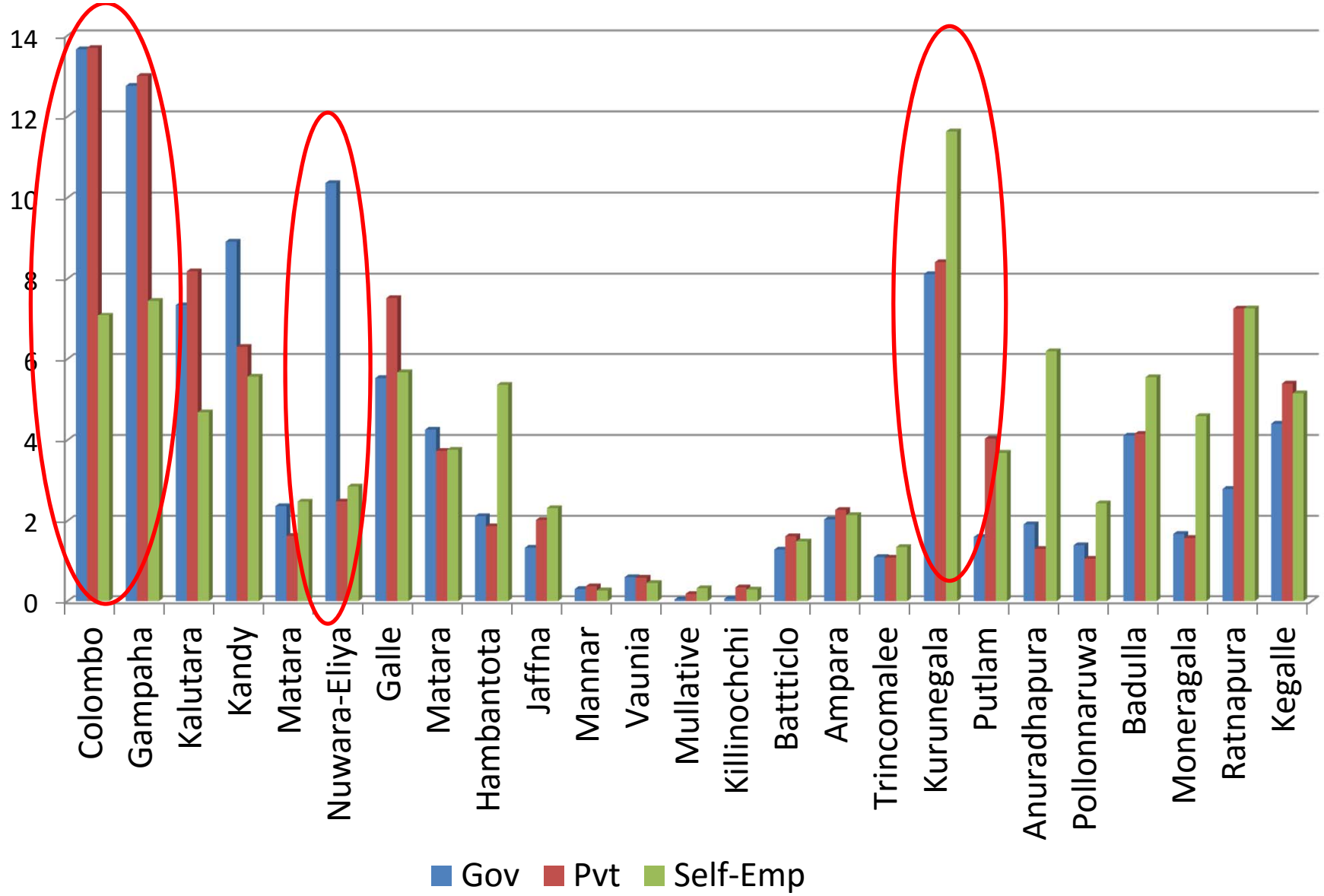
- Sector characteristics
- Multinomial Logit Model





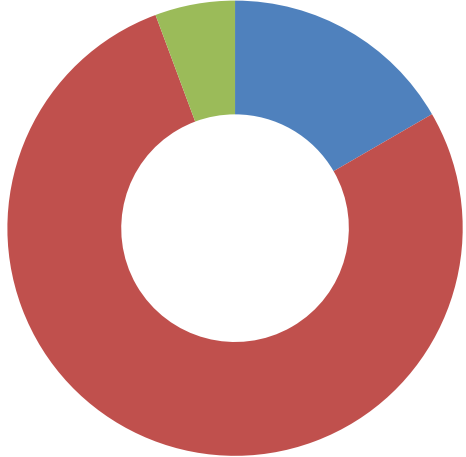


Variable	Government	Private	Self-Employment
Male	61	70	65
HH	64	72	70
Married	90	80	84
Secondary Edu	44	53	60
Tertiary Edu	44	7	7

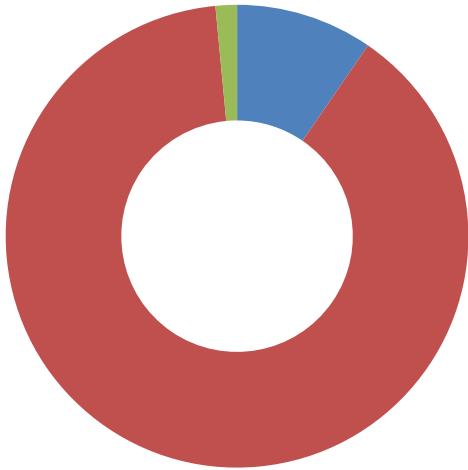




Government



Private



Self-Employed

Base variable “not in LF”

Variable	Employed	Unemployment
Male	1.70***	1.52***
Age	-0.13***	-0.18***
Parent	-1.33***	-2.19**
Never Married	-0.16*	1.00
Previously Married	-0.30***	0.80
Studied G6-10	-0.19***	-0.34
Passed O/L	-0.24***	0.12
Degree	0.45***	0.03
Post Graduate	0.47**	-13.45
Young		
Dependents	0.12***	0.44**
Household Size	-0.07***	-0.01
Rural	0.44***	0.09

Base variable "Self-Employed"

Variable	Government	Private
Male	-0.24	-0.06***
Age	-0.15***	-0.28***
Parent	-0.08	0.41***
Never Married	-0.04	0.24**
Previously Married	-0.34*	0.87***
Studied G5 & below	-2.86***	0.36***
Studies G 6-10	-2.25***	-0.02
Passed O/L	-0.83***	0.74***
Degree	1.26***	-0.28
Post Graduate	0.99***	0.31***
Young Dependents	0.16***	-0.04
Rural	0.22***	1.02***

Point 1

Probability of being employed high



Almost all the districts (Excluding Northern province)

Point 2

- Probability of being in Gov. limited to commercialized districts (rich in resources)
- Probability of being in Prvt. relatively low in other districts

POLICY IMPLICATIONS

1. Less educated people move to private sector.

Financial Security ??

2. Having young dependents increases being unemployment.

Need child care services??

3. Unequal distribution of employment opportunities across regions.

Distribution of economic development at a equitable manner across the region??



THANK YOU!