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Can moving to a new city improve economic prospects?

Takudzwa Mutize

Urban migration is reshaping South Africa's economic landscape in ways that policymakers have yet to fully grasp. New evidence from the National Income Dynamics Study (NIDS) shows that intercity migration—moving between cities rather than from rural to urban areas—offers a powerful route to economic mobility. Ignoring these trends in urban policy could limit the country's ability to create a more inclusive and regionally balanced economy.

Introduction

South Africa's cities are in constant motion. Each year, thousands of people move not from villages to metros, but from one city to another, chasing better jobs, higher wages, and new opportunities. Does changing cities really change lives? While rural-to-urban migration is a well-known path out of poverty—one study found that 385 000 South Africans escaped poverty this way between 2008 and 2014[] —far less attention has been paid to migration within the urban system.

New research provides a clear answer: intercity migration pays off. People who moved from one urban area to another over the past decade saw higher employment rates, faster income growth, and greater chances of escaping poverty than those who stayed put. Perhaps most strikingly, these benefits weren't limited to those moving to the biggest metros; mobility into secondary and smaller cities provided equally strong gains. Moreover, the advantages of migration were not confined to the highly educated; movers across different education levels experienced significant economic improvements.

These findings challenge the assumption that economic opportunity is concentrated only in South Africa's largest urban hubs and point to the importance of building a vibrant urban system.

Data and methods

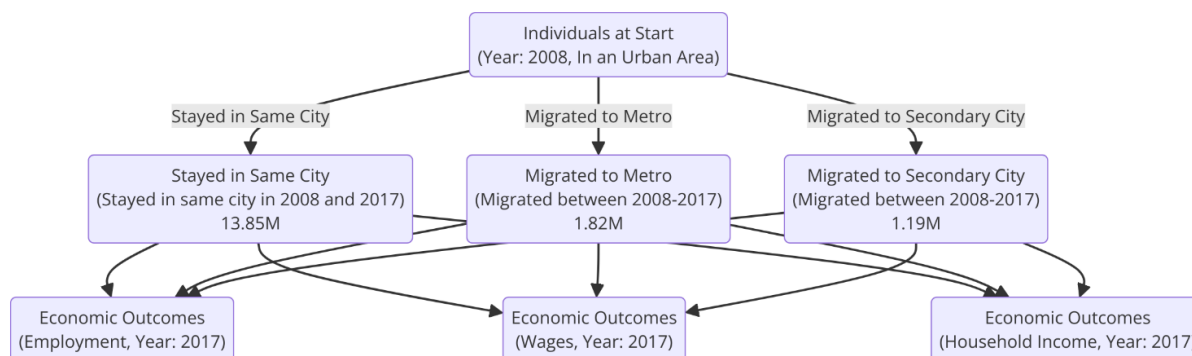
To understand the impact of intercity migration, the study used data from the National Income Dynamics Study (NIDS), a national longitudinal survey that tracked thousands of individuals from 2008 to 2017. Within this dataset, the author identified working-age adults who lived in urban areas at the start and noted who relocated to a different urban area during the decade. Those who moved between urban areas (whether to and from a metro

or secondary city) are classified as intercity migrants, and their outcomes were compared with urban stayers who did not move (See Figure 1 below).

Following the same individuals before and after migration allowed the author to directly observe changes attributable to moving. The analysis also applied statistical controls to account for pre-existing differences between movers and non-movers (e.g. age, education).

In this way, the study isolated the effect of migration itself on economic outcomes. Key outcome measures included employment status, personal earnings and household income per capita.

Figure 1: Tracking individuals over time



Source: Author's illustration from NIDS 2008 and 2017 data

Which cities are gaining the most newcomers?

Over 1.8 million working-age adults relocated from an urban area to a metro between 2008 and 2017, while around 1.2 million moved from an urban area to a secondary city during the same period. This means more than three million people moved between cities in just a decade, highlighting intercity migration as a key feature of South Africa's population and migration dynamics.

While jobs are an important reason for moving, people don't migrate for work alone. Many move for better housing, access to services, education, or to be closer to family and social networks. Metros continue to attract the most movers, reinforcing their role as key urban hubs. However, migration into non-metro urban areas is also substantial, showing that opportunities and lifestyle factors beyond big cities still matter.

Who are the intercity migrants?

Intercity migrants in South Africa have some distinct characteristics. They tend to be younger than those who stay, on average in their mid-to-late 20s at the start, compared with stayers who were in their 30s. They were also more likely to be single/unmarried. Many move early in their careers or to pursue education – indeed, by 2017 a larger share of migrants than non-migrants had completed tertiary education, indicating some moved for university or training. Most movers (as well as stayers) are Black/African meaning the people benefitting from intercity migration are largely from historically disadvantaged communities. Men and women are about equally represented among those who move.

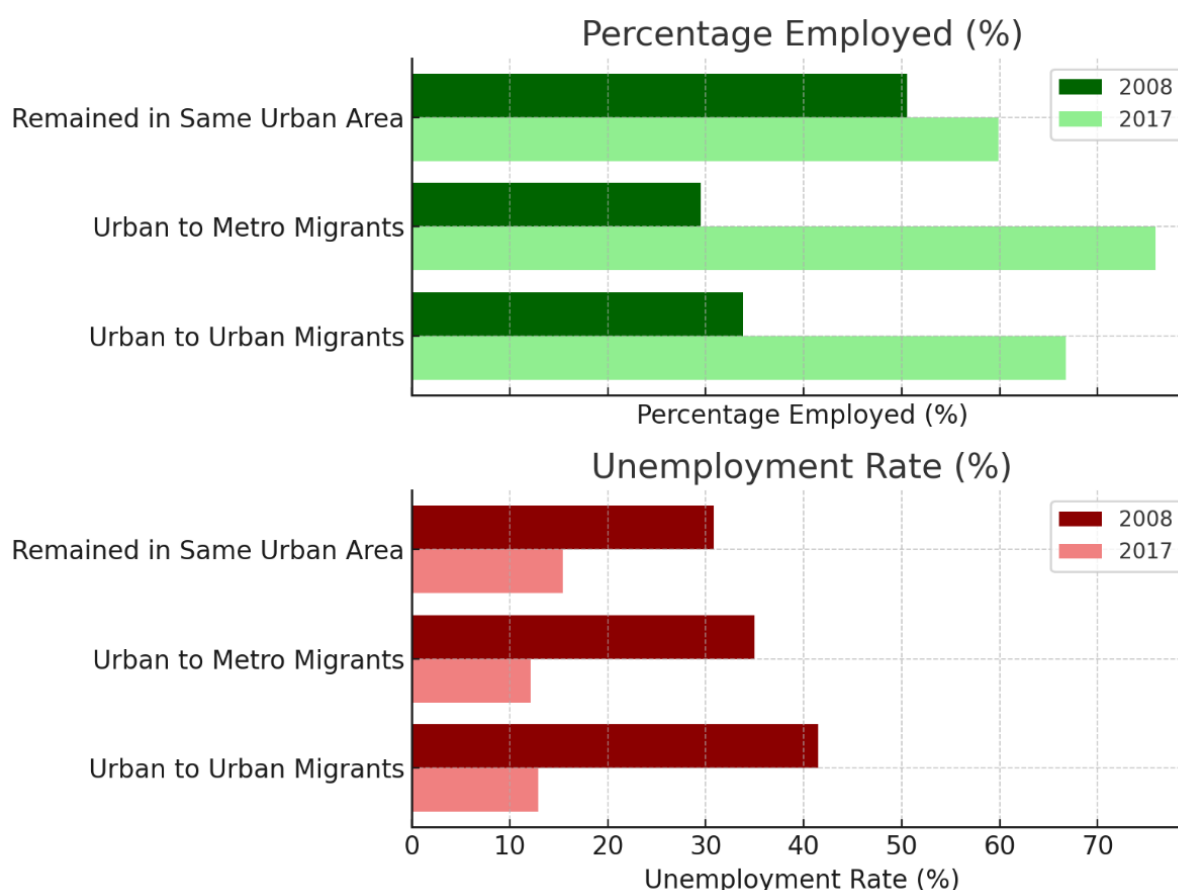
Key findings: Economic outcomes of moving cities

Relocating to a different city within South Africa often leads to marked improvements in economic outcomes. Four key findings emerge from the research:

1. Big gains in employment for those who move

Intercity migrants substantially improved their employment prospects after moving. Figure 2 below shows that the employment rate among migrants roughly doubled, from around 30% in 2008 to about 65–75% in 2017. By contrast, employment among urban dwellers who never moved rose only modestly. Unemployment also fell much more for movers than for non-movers, showing that changing location helped people access work opportunities that were out of reach before.

Figure 2: Change in percentage employed and unemployment rates for migrants and non-migrants

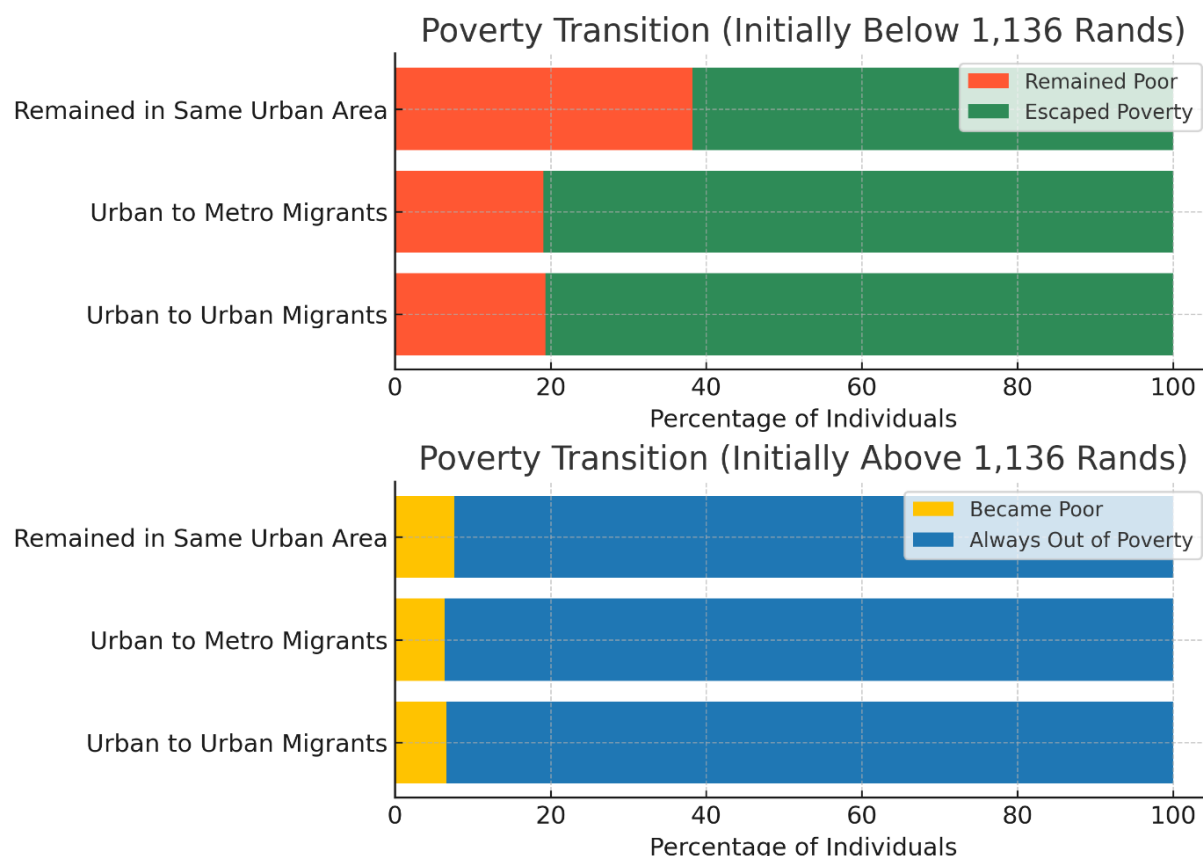


Source: Author's own illustration from NIDS 2008 and 2017 data

2. Faster income growth

Those who moved between cities saw significantly faster growth in their incomes than those who stayed. Over 60% of intercity migrants increased their per-person household income by more than R2 000 between 2008 and 2017, compared with only 36% of stayers. These income increases are adjusted for inflation, ensuring they reflect real improvements in purchasing power rather than changes in price levels. Crucially, about 81% of migrants who were poor in 2008 had escaped poverty by 2017, compared with 62% of non-movers (See Figure 3 below). In other words, four out of five poor people who moved climbed above the poverty line, versus around three out of five who stayed put.

Figure 3: Movement out of poverty between 2008 and 2017



Source: Author's own illustration from NIDS 2008 and 2017 data

3. Destination size isn't everything

Migrants who moved to major metropolitan areas did no better, on average, than those who moved to non-metro urban areas in terms of employment, income, and wage growth. Both groups saw similar improvements, with urban-to-metro migrants earning 64% to 75% more than non-migrants, while those moving to non-metro urban areas saw increases of 39% to 75%. Similarly, employment gains were comparable across different migration destinations. The probability of finding employment increased by 13.14% for urban-to-metro migrants and 10.27% for those moving to non-metro urban areas. In addition to these employment gains, wage levels also increased for movers, reinforcing that income growth was driven by better job opportunities rather than changes in household composition.

4. Both high-skilled and less-skilled workers benefit

The advantages of intercity migration are not limited to highly educated people. Even individuals with lower skill levels (for example, those with only high school education) enjoyed better employment rates and income growth after moving. High-skilled movers did very well, but low-skilled movers saw gains nearly as large. This is an important insight because it shows migration can help a broad base of the population, not just the top talent.

Why does moving help?

Why would moving to another city make such a difference to a person's economic prospects? Essentially, different cities offer different opportunities: by relocating, people

can find jobs or education options that were not available in their hometown. Many young migrants move to study or launch their careers in places with bigger or more diverse economies, and this boosts their earning potential.

Migration also expands social networks, connecting people to new information and contacts that can lead to jobs. Part of the income gain is linked to household dynamics: migrants often live in smaller households after moving (for example, a young adult leaving a large family), which raises income per person. The analysis showed that movers were more likely to gain employment, indicating that their improved economic outcomes were not simply due to moving into smaller households. This suggests that migration leads directly to better employment opportunities or more stable work.

Policy implications and recommendations

The clear benefits of intercity migration mean that policymakers should view internal mobility as a positive force for economic development and inclusion. To harness these benefits – and ensure that moving to a new city is as smooth and rewarding as possible – a number of policy steps are recommended:

- Embrace mobility in policy discourse: Instead of viewing migration between cities primarily as a challenge linked to service delivery and infrastructure, the government should recognize it as an important part of South Africa's urban population dynamics. While concerns about rapid population shifts are valid, intercity migration has the potential to improve people's lives, strengthen labour markets, and contribute to economic growth. Recognizing this can lead to more supportive urban policies that harness the benefits of migration rather than just managing its pressures.
- Invest in secondary cities and towns: Don't concentrate all development in the big metros. National and provincial governments should invest in infrastructure and job creation in smaller urban centres. By improving transport, expanding industrial zones, and incentivizing businesses in secondary cities, more jobs will be created outside the big metros. This can absorb some migrants who would otherwise all head to a few cities, easing congestion in those metros and promoting balanced regional growth.
- Incorporate migration into urban planning: City planners and municipal authorities should plan for population inflows. Cities should include migration forecasts in their development plans. For instance, setting aside land for affordable housing or extending public transit to areas where newcomers settle can prevent the rise of informal settlements. Proactive provision of housing, utilities, and transport ensures urban growth remains sustainable.
- Support newcomers in the job market: Many intercity migrants arrive in a new city without local networks. Labour centres and municipalities can set up programs to connect incoming jobseekers with local opportunities. Programs might include job placement assistance, city job fairs, or training courses tailored to local industry needs. Helping new arrivals find work quickly not only benefits the migrants but also fills local labour gaps.
- Make moving easier and safer: Simplify any bureaucratic hurdles so people don't lose support when they relocate. For example, allow easy transfer of social grants and school enrolments across provinces, so families aren't penalized for moving. Also, provide safety nets for newcomers who struggle initially. City and provincial authorities should monitor areas with high influxes and offer temporary assistance – such as

emergency shelter or short-term public works jobs – to migrants who hit immediate difficulties. Such measures remove disincentives to move and prevent new arrivals from falling into destitution.

Conclusion

South Africans are voting with their feet – moving from one city to another in hopes of a better life. Our research shows that, more often than not, those hopes are being realized: intercity migration is helping many people find jobs, increase their earnings, and lift themselves out of poverty. Rather than trying to discourage migration to cities, policymakers should embrace it as a powerful instrument for improving livelihoods. The focus should be on making migration work better – preparing cities to absorb growth, spreading economic opportunities to more places, and supporting migrants along the way. By doing so, South Africa can harness the potential of its mobile urban population for more inclusive economic growth

Notes: The author sincerely appreciates comments and feedback from Justin Visagie and Ivan Turok, who supervised his PhD thesis, from which this article is derived, and who are currently hosting him as a postdoctoral researcher at the University of the Free State, South Africa.

About the author

Takudzwa Mutize, Editor, University of the Free State.

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