



Youth unemployment: Overcoming the barriers to work?

The Siyakha Youth Assets for employability study assesses the work and training outcomes of young people who participate in youth employability programmes. This research brief provides the summary findings from the assessment done as they exited the programmes. It supplements the Siyakha Youth Assets for Employment baseline findings report¹.

The findings from the first report point to the structural nature of unemployment, but also to the need for services that will support young people to potentially unlock their talents and capabilities for the labour market – services that the youth employability programmes offer. In this summary we identify some of the initial outcomes that have emerged once participants have participated in such a programme. The findings should be interpreted cautiously as there was a high attrition rate, which has not yet been accounted for. We also do not know if these initial changes are sustained nine and eighteen months after the programmes ended. The study is ongoing and results from these later study points will be released as they become available.



Youth unemployment has left over half of young people without work.² This is a loss to our economy and society and has serious consequences for young people and their households.

What locks young people out of employment?

Structural factors such as lack of labour-intensive economic growth³ and distrust of the education system⁴ play a significant role in shaping the problem. However, there are also persistent and new inequalities that influence who is able to access the labour market and who remains on the outside looking in. These include:

- Geography— young people from rural areas and areas outside of major metros are more likely to be unemployed and face higher costs of looking for work.^{1,5}
- Gender— young women continue to be more affected by unemployment than young men.⁶
- Education— young people from quintile 1- 3 schools are more likely to end up unemployed than their quintile 4 & 5 counterparts⁷ and are also least likely to access and complete post-secondary education and training.^{8,9}
- information poverty— young people lack information about the most effective ways to look for work.¹
- lack of social capital— social networks are very important resources for finding work in South Africa^{10,11}, but young people from poor backgrounds have very limited networks they can turn to for advice on work-seeking.¹
- income inequalities— work-seeking is a costly exercise and young people from poor backgrounds have limited funds with which to look for work.¹

This means that young, talented people from poor backgrounds are often “locked out” of the labour market.

What can be done?

Multiple strategies are needed to address this challenge. These include interventions that:

- stimulate labour-intensive economic growth;
- promote employment of young people (such as the Employment Tax Incentive); and that
- keep young people connected to the labour market (such as public employment or service and volunteering programmes).

However, given the inequalities and barriers that lock young people out of the labour market, there is also a critical need to :

- fill the skills gap created by poor quality education; and
- bridge young people who have traditionally been excluded from jobs into the labour market.

This is where youth employability programmes feature. They potentially play an important role in aiding young people to transition into their first jobs¹². However, we need to know more about their role. For instance, do youth employability programmes make a difference? And if they do, how could they be strengthened and scaled up.?

Siyakha Youth Assets for Employability study

The Siyakha Youth Assets for Employability project is a longitudinal demonstration project that seeks to answer these questions. It could contribute to evidence-based employment interventions that may prevent long-term chronic unemployment. The study focuses on youth employability programmes that aim to enhance the employability of young people.



The study includes youth employability programmes that offer:

- human capability skills (that is, social skills that enable young people to function effectively in the work environment);
- technical and or vocational skills, and
- opportunities to increase work experience in order to prepare them for the labour market and smooth their transition to employment.

Youth employability programmes that form part of the study include:
Afrika Tikkun Services
EOH Proserv learnership programme
Fit for Life Fit for Work
Harambee Youth Employment Accelerator
loveLife groundBREAKERS
National Youth Development Agency YouthBuild programme
Raymond Ackerman Academy, and
Thabiso Skills Institute

Youth employability programmes invest in workplace training and offer accessible alternatives to formal post-secondary education. Yet, we know little about their impact. We therefore asked the question:

Are youth employability programmes effective in supporting young people to access post-secondary education and training and/or employment?

Financial capability is financial literacy and the opportunity to apply knowledge through gaining access to financial products and services¹⁵.

Savings accounts were offered by Standard Bank.

In addition, young people struggle to meet the costs of work-seeking. Evidence from other developing countries points to the positive role that financial capability interventions can play in enhancing school completion, access to post-secondary education and training, and earnings^{13,14}. We therefore developed a financial capability intervention to be added to the existing employability interventions offered by the youth employability programmes and asked:

Does the addition of a financial capability intervention enhance employment and education outcomes for youth participating in youth employability programmes?

Conceptual model

We hypothesised that youth employability programmes, in combination with a financial capability input (which includes training on savings and access to a savings account) could lead to improvements in self-esteem, confidence, social networks and financial literacy of the participants. We refer to these as **mediators** of employment outcomes. The mediators explain the relationship between the intervention and the short and long-term outcomes that are envisaged in our model. We anticipate that these outcomes would lead to better short term outcomes (job search strategies and perceived employability) as well as longer term outcomes (employment, access to post-secondary education or training).

How we did the study

We assessed just under 2,000 participants between the ages of 18 and 35 years on a range of indicators as they entered the programme in the Pre-test phase (before the interventions occurred). These included:

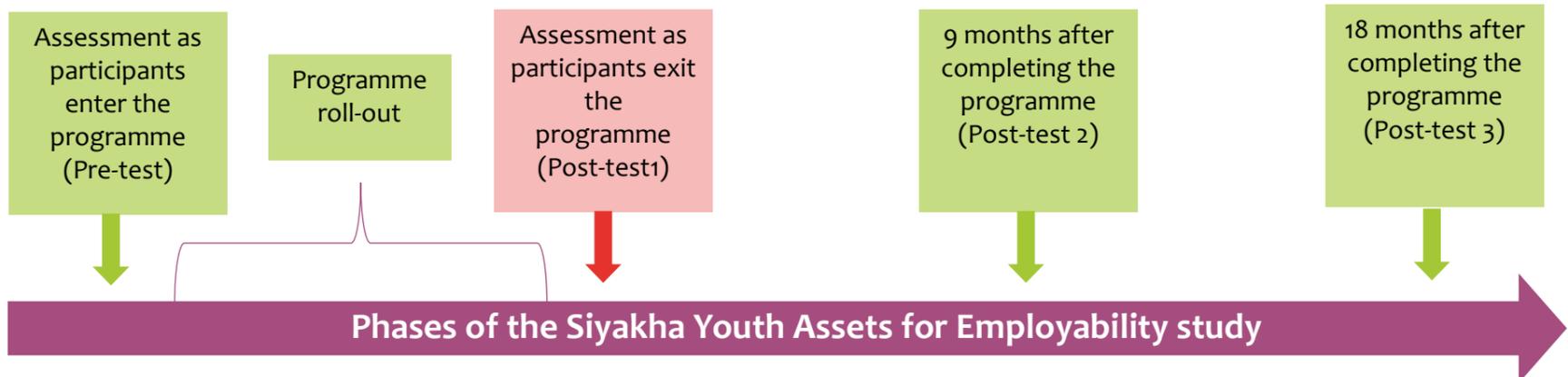
- demographics
- financial literacy and behaviour
- employability
- employment and job search experience
- education
- household characteristics
- social capital.



Participants then engaged in the youth employability programmes. There were 44 programme sites nationally. The sites are in both urban and rural areas but there is a concentration in urban areas, particularly in the Western Cape and Gauteng provinces. In half of the 44 programme sites we also rolled out a financial capability intervention.

We then assessed participants again when they exited the programmes, which is referred to as Post-test 1 phase. We will follow them for up to 18 months after the programmes are completed (Post-test phases 2 and 3) to find out whether they have gained employment or not.

In this report we present preliminary findings from the second assessment point (highlighted in red below) – that is, as participants exited the programmes.



We compare outcomes for those receiving the financial capability intervention and those who did not. We also assess how the different programme features shape the outcomes. In this phase of the study we were interested in:

- Psychosocial factors
- Social networks
- Employability and job search behaviours
- Financial capability.

Findings presented in this report are *preliminary* findings. Panel attrition has not been accounted for in this report. There were 1923 respondents at baseline, compared to 1167 at endpoint, implying an attrition rate of 39%. If the 756 sample drop-outs differ in particular ways from the remaining sample members, this might explain some of the findings. Secondly, differences at the site-level were not accounted for, which may also shift results. The analysis does however provide useful indications of trends if not exact estimates of effects.

What we found

Who are these young people?

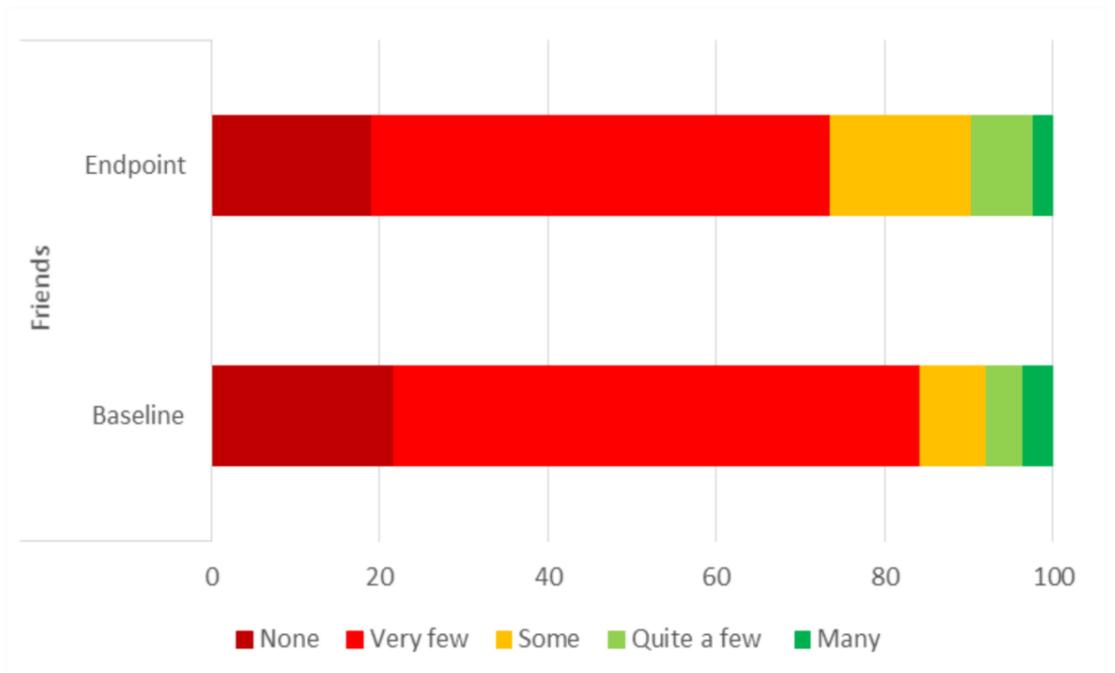
The study's participants were predominantly African (with some Coloured participants), women, largely unemployed and from poor backgrounds. The average age at Post-test 1 was 23.5 years. Three-quarters of the sample were between 18 and 25 years of age. This is the demographic group most affected by unemployment.

Self-confidence

When young people entered the programmes they already had very high levels of self-esteem, self-efficacy and future orientation. This was to be expected since these are young people who take initiative – they self select into the programmes. As they exited the programmes, participants maintained these high scores. Those who participated in the financial intervention had lower self-esteem and self-efficacy scores at Pre-test, but ended with higher scores on both counts.

Social networks

As they entered the programmes participants had very low levels of friendship and acquaintance social networks. By the end of the programme they had experienced positive changes in friendship networks. It is perhaps unsurprising that young people make friends in the course of the programmes. However it is important to note that the programmes provide a space for connecting young people who are looking for work. Unemployment is often a lonely, isolating experience which is damaging to self-esteem and emotional wellbeing¹⁵.



Changes in social networks over period of programme participation

Making friends with young people going through similar challenges is therefore important to generate a sense of social inclusion and foster resilience.

Work-seeking and employability

When participants entered the programmes they had high levels of job search resilience. They:

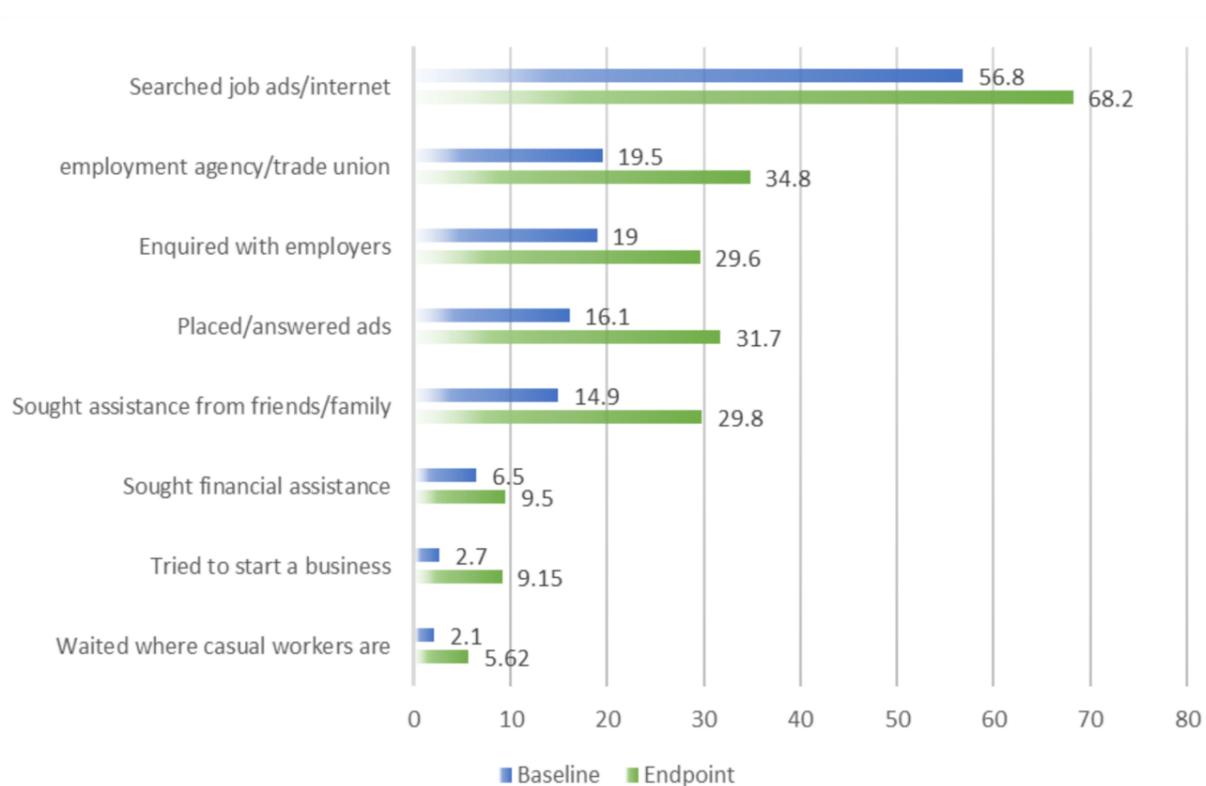
- continued to look for work despite continued and chronic unemployment
- made multiple job applications in the three months preceding entry, despite significant costs; and
- remained optimistic about their applications and their chances of finding work.

But, they tended to use few job search strategies and usually relied on less effective methods such as “blind applications” to widely advertised posts. How did this change by the time they exited the programme?

Work-seeking behaviour

Just over 70% of respondents had looked for work since starting the programme. This figure dropped somewhat from when they entered the programme (83% to 71%), and the number of job applications they had made also declined (from eight to 6.7). Most respondents (62%) indicated that they were focusing on completing the programme or had decided to go back to school or study further.

- Participants had used very limited job search methods when they entered the programme,
- By the time they exited the programme they were using more methods (an average of 2.1 methods as compared to 1.4 at Pre-test).
- The average number of sources of information accessed at Pre-test is 1.75;
- at Post-test 1 it is 2.75.



Change in use of job-search strategies over period of programme participation

This suggests that participants have

more knowledge of or are more confident to use more job-search methods. It may also demonstrate that they have greater access to resources such as computers and internet whilst participating in the programmes.

Interestingly, although they were making fewer job applications they were getting **more job interviews** by the time they completed the programme (from 1.6 at Pre-test to 2.2 at Post-test 1). The increase may be linked to some programmes facilitating interviews for participants.

Job-search costs

When participants entered the programmes they indicated facing very high transport costs of work-seeking (an average of R562 with a median of R350). These amounts had increased by the time they completed the programme but not significantly so. Importantly, non-transport-related search costs decreased on average, from R380 to R333. While this was not a statistically significant decline it should be noted that youth employability programme organisations are providing services such as internet access, which may decrease costs.

When participants entered the programme most (61.6%) indicated having borrowed money for work-seeking from family and household members. While this figure remained high (66%) there was also an increase in the number of participants using their own earnings and savings for work-seeking. This points to the importance of stipends where participants are receiving them.

Wage expectations

It is often assumed that high wage expectations affect young people's chances of being employed. We asked participants about the lowest monthly wage they would accept for a full-time job.

- As they began the programmes their expectations (an average of R3506 per month) were realistic when compared to actual wages for earned by young people with similar qualifications².
- This amount had increased somewhat but not significantly so by the time they completed the programme (to R3806 per month) .
- They may have “priced in” their investment in the programme and their perceptions of how it enhances their employability when calculating this wage.

Employability

As participants entered the programmes they rated themselves relatively highly in terms of employability. They were particularly positive about their ability to self-manage, which was related to their high levels of self-efficacy. By the time they completed the programme they had even higher levels of perceived employability. There was a particular increase in their confidence in interviewing techniques. Those who had participated in the financial capability intervention reported greater positive changes than those who did not.

Financial capability

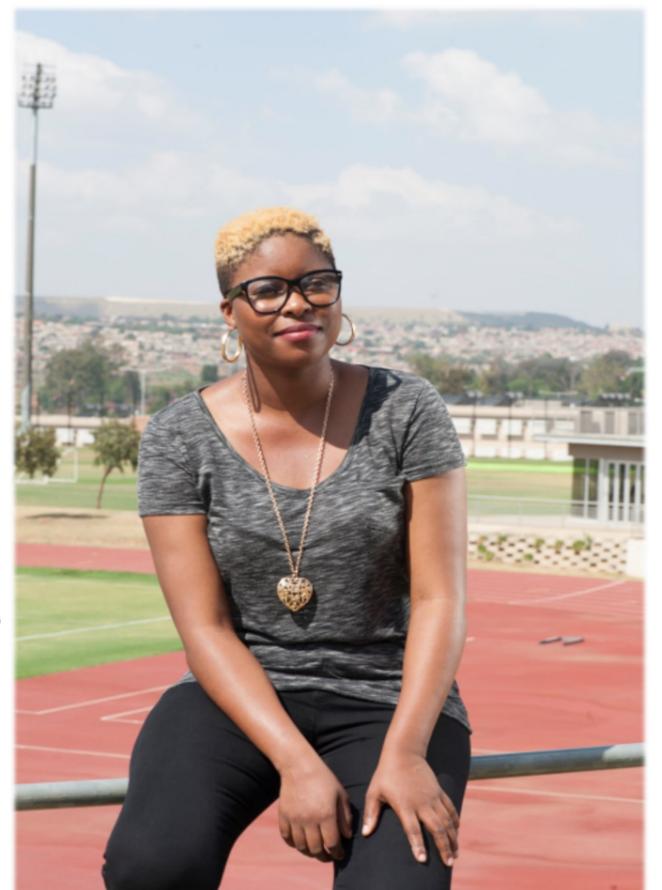
When participants entered the programme they all had fairly positive attitudes about finances.

- Eighty-nine percent of respondents said they budgeted and 80% of these stick to their budgets.
- Those assigned to receive the financial capability intervention were less likely than their counterparts to report budgeting when they entered the programme.
- By the time they completed the programme, those who had received the financial intervention were slightly more likely than control participants to report budgeting and staying within budget.
- There was an increase in the number of participants saying they leave money in a savings account.
- Those who participated in the financial capability intervention were significantly more likely to report saving via a savings account by 21 percentage points.

Which programme features play a role?

We also assessed which factors contributed most to perceived employability and reported savings behaviour. We were particularly interested in whether any programme features contributed to these changes. Knowing which programme features are associated more strongly with positive trends in outcomes could prove useful to policy actors as well as to the organisations themselves, providing a guide to the kinds of features which could be focused on and promoted. Three such features were identified^a.

- The degree of focus on soft skills (minimal or moderate);
- The degree of focus on technical skills (minimal; moderate or core focus);
- Work experience (minimal; moderate or core focus) - some programmes give participants the opportunity to gain work experience via learnerships, internships or volunteering work. Those that included work experience also often paid stipends to participants.



a. In categorising the degree of focus, curricula as well as training schedules for each programme were consulted.

We ran regression models with the above programme features in addition to a range of other factors including age, sex, geographic location of the training site, and self-efficacy amongst others.

For both outcomes of interest (employability and reported savings) being in a programme where **work experience** is a core feature plays a strong and consistent^b role. Related to work experience is receipt of stipends, which also seems to play a role.

Regression models assess the relative effects of various factors on one outcome. The regression can tell us about how much of the change is explained by all of the factors combined *and* which factors play the largest role.

Conclusion

The findings demonstrate some encouraging trends. While we cannot yet attribute these changes to the programmes or the financial capability intervention they do indicate possible trends to consider. These include:

- Participants of youth employability programmes maintain high levels of self-esteem and self-efficacy by the time they complete the programme.
- Those who participated in a financial capability module had positive changes in self-esteem and self-efficacy
- Participants reported having more friendship networks by the time they completed the programme
- Participants used more job search methods and sought more sources of information on jobs by the time they completed the programme
- Participants reported lower non-transport related job search costs
- Participants were more likely to report saving in savings accounts.
- Treatment participants had a greater probability of saving by endpoint than control participants.
- Work experience and stipends play an important role in shaping employability and reported savings.

Youth unemployment remains a structural problem that requires systemic labour market and education interventions. But there are also inequalities that shape access to the labour market and these also require attention. The evidence presented in the report on the Pre-test findings¹ showed how young, talented people continue to be “locked out” of the labour market. The preliminary findings presented in this report show that after participating in a youth employability programme participants are reporting sustained or more positive outcomes on factors that could ultimately help them break through the barriers they face.



b. Consistency means that regardless of the range of variables included in the regression model, work experience continues to feature as a significant predictor of the outcome.

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This research brief builds on the Pre-test findings of the Siyakha Youth Assets project.

The full Pre-test report:

Graham L, Patel L, Chowa G, Masa R, Khan Z, Williams L & Mthembu S. (2016). Youth Assets for Employability: An evaluation of youth employability interventions – A baseline report. Johannesburg: Centre for Social Development in Africa, University of Johannesburg

To access the full and other reports as well as information about the project:

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The project relied on the participation of the eight youth employability programmes mentioned in this insert.



Standard Bank South Africa played a key role in providing access to savings accounts for participants



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