



# TOWARDS OPENING DOORS FOR YOUTH EMPLOYMENT

Each year, a new group of young people exit the South African schooling system and begin their journey towards the labour market. Some, mostly those who have come from middle class and privileged backgrounds, make the transition from school to higher education – and on to employment – relatively seamlessly. Most, however, are caught in a struggle. Their struggle is to access post-secondary education, or training, or to get their first job.

This research summary looks at the causes of youth unemployment together with the nature of interventions and the findings of the University of Johannesburg's Centre for Social Development in Africa's Siyakha Youth Assets for Employability Study.

# Why the high rates of youth unemployment?

A combination of factors has led to 44% of young people in South Africa being unemployed, or having given up looking for work.<sup>1</sup> Over a third of young people between 15 and 24 years of age are not in employment, education or training (NEET).<sup>2</sup> Why?

## Challenges of our economy



### Labour absorption

The percentage of working age population that is working.

## Youth Locked Out

In addition to the above factors, research has shown others which 'lock' certain groups of young people out of the labour market. These inequalities include:

### Social networks

Young people from backgrounds where few people are in employment have limited access to the networks that can help them access the labour market. <sup>(12,13)</sup>

### Location

Poor households are often further away from centres of employment opportunity. It costs a lot to seek work. <sup>(14)</sup>

### Information poverty

Access to information in poor communities is often limited, or costly. <sup>(9)</sup>

### Income poverty

Income poverty has implications for how much money is available for work-seeking, as well as for accessing post-secondary education and training.

## Interventions and programmes to help

Civil society, the private sector and government have responded to the youth unemployment challenge through a range of innovative interventions and programmes. These include a variety of goals, outlined below.

**Enhance young work seekers' employability** through developing workplace and job search skills. This helps young work seekers overcome skills gaps and lack of work experience.

**Create jobs and enhance the demand for young workers**, including through labour market regulation and activation policies. Examples include:

- impact sourcing
- the Employment Tax Incentive
- public employment programmes
- youth service and volunteering.

### Impact sourcing

Impact sourcing is working with employers to shift their perceptions of who they consider to be "employable".

Youth are not typically seen as viable employees because of perceived training costs and their lack of work experience. The goal is to promote more inclusive recruitment and placement processes.

**Decrease the barriers to accessing the labour market.** Examples of how to do this include:

- improve information flows about labour market opportunities
- connect unemployed youth to work opportunities<sup>15,16</sup>
- decrease the cost of searching for a job.

**Develop knowledge of financial literacy and access to saving.** This helps young people manage the costs of work-seeking and training. This innovation has been tested in other developing countries and positive results have been seen.<sup>17,18</sup>

We set up the Siyakha Youth Assets for Employability Study because we need more evidence-based social interventions that could counter past, and continuing patterns, of social and economic exclusion that underlie youth unemployment.

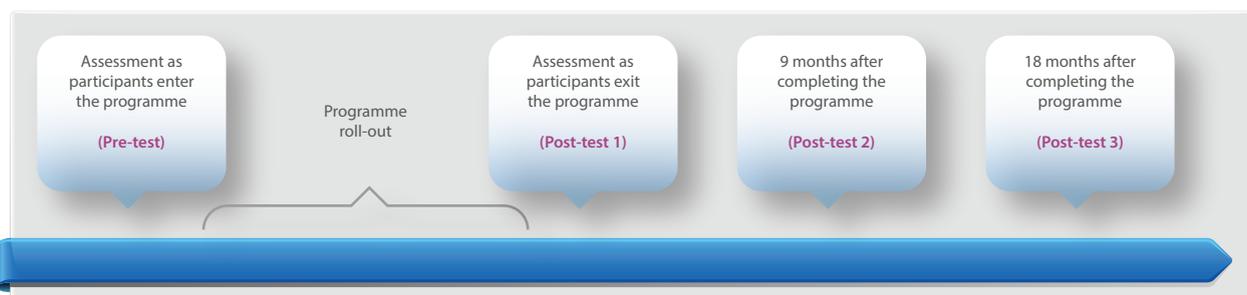
## Siyakha Youth Assets for Employability Study

This longitudinal and comparative study aims to contribute to evidence-based employment interventions that may prevent long term chronic unemployment. The study focuses on youth employability programmes. The programmes offer:

- life skills that enable young people to function effectively in the workplace
- technical and / or vocational skills
- opportunities to increase work experience.

We also taught young people at half of the programme sites about the importance of savings and offered them a savings account. We compared those who received this financial training with those who did not.

## Phases of the Siyakha Youth Assets for Employability Study



This flow diagram shows the key phases of our study, which began in early 2015. This summary paper presents findings from the Pre-test phase. We have concluded the Post-test 1 phase and are in the process of collecting Post-test 2 phase data.

## The questions we asked

- What effect do youth employability programmes have?
- If successful, how can youth employability programmes be supported and scaled up?
- Given the financial barriers to work-seeking and accessing post-secondary education, does a financial capability intervention enhance young people's chances of finding employment and / or accessing post-secondary education and / or training?

## 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) would lead to better outcomes in self-esteem, confidence, social networks and financial literacy. In turn, 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 worked with eight implementing partner organisations. Together they reach about 12,500 young people annually. 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. These included:

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

### Study implementing partners

Afrika Tikkun Services  
EOH Proserv  
Fit for Life Fit for Work  
Harambee Youth Employment Accelerator  
loveLife groundBREAKERS  
NYDA YouthBuild  
Raymond Ackerman Academy  
Thabiso Skills Institute

## Our study findings

### 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 was 23 years. Three-quarters of the sample were between 18 and 25 years of age. This is the demographic group most affected by unemployment.

- The participants typically came from very poor households. This places them at risk of compromised human development outcomes.
- The participants had low income (a monthly income of R527 per person), few assets and, in 20% of the cases, nobody in the household was employed. Seventy-one percent of respondents experienced moderate to high levels of food insecurity.
- Most of the respondents (76%) had not benefitted from the Child Support Grant (CSG) when they were growing up.

Because of these household dynamics, the young people place great expectations on themselves to complete a secondary education, and to find work and contribute financially to the household and the care of children.

They also reported positive financial attitudes and behaviours, including progressive views on savings. For instance, 89% reported budgeting and 60% reported doing something, such as saving to plan for future expenses.

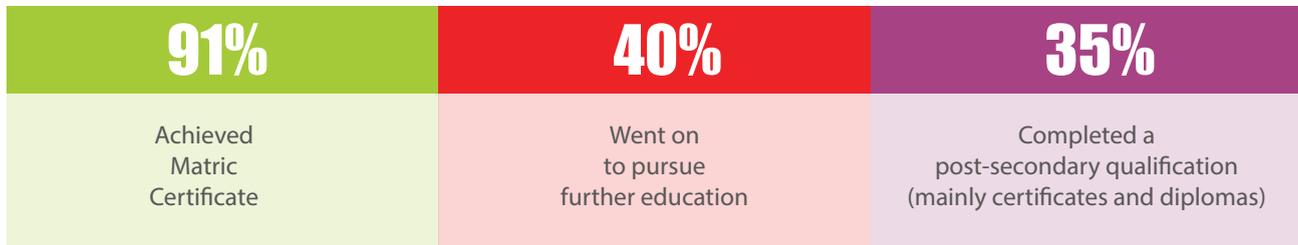
Almost two-fifths of the participants were already responsible for the financial, or daily care, of a child. One-fifth said they were expected to contribute to the financial needs of adults. Young women in particular faced expectations around caring for children.

In all these ways, young people who participate in youth employability programmes are fairly typical of other young people in South Africa. But they also differ quite substantially. They :

- self-selected into the programme, demonstrating initiative
- have very high levels of self-esteem, future orientation and self-efficacy
- believe in themselves and their ability to break out of their circumstances – which has, in turn, shaped their educational outcomes.

## Education and the study's participants

This is a summary of the education achievements of the study's participant:



This finding suggests that higher education levels do not necessarily translate into employment outcomes for poor youth. Other factors and inequalities also lock them out of the labour market.

## Employability and (un)employment experience

Over half the respondents had some previous work experience with a typical job lasting under a year. They have therefore also "ticked the box" of gaining work experience. This should place them at an advantage in the labour market. Yet almost 80% of the sample were unemployed at the time of the baseline study. And 73% had experienced spells of chronic unemployment since leaving school.

### Chronic unemployment

Being unemployed for longer than 12 months.

Participants are not typically engaging in self-employment activities, despite rating their entrepreneurial efficacy highly. Only 17% had ever been self-employed. And those who were self-employed, characteristically ran survivalist businesses while they were waiting to find a job.

These experiences demonstrate how breaking out of poverty and unemployment is a staggered transition with young people "zig-zagging" into and out of employment and education as they struggle to find their way out of poverty.<sup>19</sup>

Yet these young people have the qualities that are typically associated with being employable – they have matric, if not further education, with many having work experience and demonstrated initiative. So why do they still struggle?



## Barriers to work-seeking

The study's findings point to some of the barriers young people face in work-seeking and the need for greater support for young people to transition to work.

### Work-seeking costs

Respondents indicated a mean (average) cost of work-seeking of R938 and a median of R550 per month. This represents an amount equal to, or more than, the average monthly per person household income of R527. Our data shows that work-seeking can cause poverty.

Work-seeking costs include:

- transport costs
- administrative costs
- printing and copying
- internet fees
- postage
- application fees.



**R350.00**  
(R558.00 mean cost)

+



**R200.00**  
(R380.00 mean cost)

=

**R550.00**  
(R938.00 mean cost)

## Work-seeking can cause poverty

### Lack of information

Lack of information about how to search and apply for jobs is a barrier. Eighty percent of participants who were unemployed said they were actively looking for work.

- 57% searched the internet and made “blind applications” to advertisements.
- 19% enquired directly with employers, or with employment agencies.
- Fewer still leveraged social networks.

These may be some reasons why the multiple applications young people were making, which they generally evaluated to be good applications, were not resulting in jobs. Participants reported making an average of 2 to 3 applications a month in the three months before the study.

### Limited social capital

Limited social capital for young people also acts as a barrier to work-seeking. Of the participants, 82% indicated having no, or very few acquaintances, and 84% indicated having no, or very few friends they could turn to for advice and support on work-seeking. Yet, social capital is a key resource for finding work in South Africa

## How to support youth moving into the labour market?

Youth employability programmes potentially play a significant role in:

- reducing the costs of work-seeking
- standing in for and enhancing social networks
- providing information about how best to search for work.
- offering skills training

Since these programmes are often community-based, young work-seekers can get to them without it costing much. How could such programmes be strengthened, individually and as a sector, to better support youth transitions to the labour market?

The nature of the staggered, uneven, difficult and protracted pathway to employment for this group of young people points to a few key programmatic and policy implications for addressing youth unemployment.

### 1. Inequalities

Inequalities such as geography and lack of social capital and income shape these participants' ability to break into the labour market. Despite their own efforts to gain work experience and further their education, talented young people remain trapped in poverty.

#### Implications and interventions

A commitment to inclusive growth means providing support. Youth employability programmes can play a vital role. Support should be geared to overcoming the systemic barriers young work-seekers face to:

- provide job search skills
- facilitate easy access to information about work opportunities
- reduce costs of work-seeking (for example, through making locally available low cost or free internet and printing)
- assist with expansion of social networks.

## 2. Household situation

Their household situation points to the difficult circumstances in which many young people grow up. Their experience of income poverty, food insecurity and poor living conditions are stark. Understanding work-seeking costs in relation to this household profile shows how looking for work can become a poverty creating process, and could place additional social pressure on households.

### Implications and interventions

A lack of employment support services places the financial and social burden of work-seeking on households that are already poor. Social investments in employment support must unlock the talents and capabilities of confident young people. This will in turn benefit the wider economy and society.

Mechanisms that harness young people's potential and link them – and keep them connected – to the labour market are imperative. Public employment programmes, a national youth service programme and other such opportunities provide an intermediate connection that can benefit both society and the individual. But interventions must be well formulated and effectively implemented.

## 3. Failure in the education system and structural unemployment

A key human development assumption is that investment in education can break the cycle of poverty. However, youth in this sample have higher levels of education than their parents. Many have completed some form of post-secondary education or have a training qualification. Yet they still face unemployment and poverty.

### Implications and interventions

The fact that education is not necessarily translating into employment points to systemic failures in education. It also points to the wider economic challenges that underlie structural unemployment in South Africa. Interventions that support young people in engaging with the labour market are critical, especially in light of education system failures. Youth employability programmes are “filling the skills gap”. But it is equally important that the weaknesses in the education system are addressed.

## 4. Youth programmes: we need co-ordination

Given the important role that youth employability programmes do, and could play even further, it is critical that they coordinate activities.

Questions to answer to facilitate co-ordination

- How can programmes articulate with one another and avoid duplication?
- How can they work seamlessly to create smoother pathways for young people?
- What is the basket of services that can be offered in addition to current offerings?

These are key questions for organisations, corporations and government to answer. But it is important that they come together and begin to identify themselves as a training and employment services sector. How can such services be better coordinated? How best to articulate what they offer? How can learnings be shared?

## 5. Address low labour absorption

Youth unemployment is primarily driven by low labour absorption. We need economic policies that will stimulate job creation and demand for young work seekers.

### Interventions

Interventions may include:

- working with small businesses (where many young people are employed) to stimulate demand
- policy options, such as exploring a youth subminimum wage depending on where the National Minimum Wage is set.

## Conclusion: the bigger, systemic problem

South Africa faces a systemic unemployment problem that no amount of training or employment services will address. Youth employability programmes seek to address many of the barriers to the labour market and help individuals – even large numbers of individuals – access their first jobs. However, without labour absorbing growth, in particular creating more jobs at the entry level, young people's efforts in youth employability programmes will not have the desired outcome.

It is the CSDA's hope that our study findings will generate debate and dialogue among youth and all stakeholders. We have to find a way forward to address the grave and pressing problems of young people who are excluded from access to labour market opportunities.

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