

How to build a future for SA's youth

The country has policy and initiatives to create jobs, but this is hampered by poverty barriers, poor co-ordination and education — ultimately failing to match people to employers

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Among the most serious threats to a prosperous and inclusive South Africa is the stubbornly high rate of unemployment among young people. If we include discouraged work seekers, more than half of the country's youth are unemployed.

This rate has risen since 2010, particularly among those younger than 24. More worryingly, the number of discouraged youth — those who have given up searching — has increased.

Worst affected are African and female youth, particularly those living in rural areas, but also those in townships and informal settlements.

The good news is that President Cyril Ramaphosa put confronting unemployment among young South Africans at the centre of the policy stage both in his State of the Nation address and with the creation of Youth Employment Services, which is a partnership between business and government that aims to provide opportunities for youths to get work experience.

But there is still much to do, and the success of any youth employment project depends on well co-ordinated interventions between policymakers, employers, educators and trainers, and young people themselves.

The country has not been short on plans and investment of resources: we have assessed nearly 1300 research papers, 376 government documents and close on 2800 programmes introduced over the past 25 years. Despite this significant policy and research attention, evidence remains fragmented.

There is little “cross-pollination” of knowledge between academic disciplines; many of the interventions focus on either the supply side of youth unemployment (such as training) or the demand side (encouraging risk-averse employers to hire young people), with little co-ordination between the two.

Economic growth is critical in creating jobs but on its own, it is insufficient. There are five key barriers that still block young people from participating in the labour market. These are:

1. A lack of integrated policy design and implementation. There are a plethora of agencies across all levels of government tasked with addressing aspects of youth unemployment, including skills development. But they are poorly co-ordinated and their imple-



Resource poor: The numbers of unemployed people is highest among young people, particularly those below the age of 24. And people from poor households don't have the knowledge and social networks that will help them find work. Photo: Oupa Nkosi

mentation and accountability structures are weak.

2. Our education system still fails most young people, leaving many without the basic skills required by employers. Children in no-fee schools perform particularly badly, with half dropping out before they reach matric. The post-school education system also struggles to provide students with the necessary guidance, support and skills to prepare for the workplace.

3. Many employers are reluctant to hire young people, largely because of a distrust in the quality of education.

4. The individual and household barriers poor young people face are significant, including low skills levels, the high costs of finding work, not knowing how to look for work, and limited social networks. About 42% of young people live in households with no employed adult, so the pool of social capital — such as contacts, information and goodwill — is shallow.

5. The “matching” processes that link young work seekers with suitable jobs and employers are inefficient.

Youth unemployment needs to be considered at both a macro and micro level. On a macro level, young people have been worst affected by the global economic downturn since 2008.

Moreover, there has been a significant shift in the economy from one driven by the primary and secondary sectors (mining, agriculture, manufacturing) to one driven by the tertiary sector (such as financial services). This sector requires levels of skills we are not producing in our education system.

Government, through its various plans, has recognised this. But these have not been translated into concrete improvements in access to, and completion of, high quality education and skills training, especially for poor youth.

There have also been large-scale national programmes to absorb labour, such as the public works programmes, and to create jobs, such as the industrial development zones (IDZs). The former have been more successful than the latter, although they do not create pathways to further opportunities. And in spite of high investment rates, the IDZs have

been inadequate in creating jobs for young people.

The other major intervention has been treasury's employment tax incentive. This targets employers by offering tax breaks if they provide employment to young, first-time work seekers.

The evidence is mixed on its efficacy but points to positive effects on employment in small firms, suggesting there is scope for employment growth in the small business sector if this is better targeted.

But most youth employment interventions have tried to target individual work seekers, rather than working with employers.

The individual and household barriers poor young people face can be addressed through work-seeker support, but South Africa invests little in this. Evidence suggests that a fairly simple intervention, such as providing reference letters that honestly speak to the aptitudes and attitudes of that specific young person, can be a positive trigger in finding employment.

There is also evidence that providing information on job-search strategies leads to better outcomes. It would cost relatively little to ensure young people can augment their application with such information. To overcome skills deficits, training in the form of internships and learnerships in a work environment seems to show success.

But the country still lacks an overall school-to-work transition strategy as an integral part of the education system. This could include appropriate career guidance and suggestions for further study.

One of the more successful programmes, the Harambee youth employment accelerator, combines training with a “matching” service between youth and potential employers, and is one of very few interventions that bridges the supply and demand divide.

But many of these interventions place young people into existing job opportunities. They do not address the need for an increase in jobs.

So what can we as a society do to reverse the growing crisis of youth unemployment, and the concomitant problems of despair, depression and intergenerational inequality?

There is no magic bullet, but there are a few obvious pointers that emerge from our research.

Economic growth is critical; so is the political will to improve the education system to equip pupils with basic and technical skills, as well as opportunities to complete post-secondary education. These are fundamental, but there is much to be done while we work on these longer-run changes.

An immediate imperative is a carefully forged social compact between government, educators and trainers, employers, nongovernmental organisations, trade unions and young people themselves that views addressing the challenge not only as socially desirable, but also as a critical investment in the future.

The priorities must be to:

- Equip youth with the necessary skills. This includes improving the education system, ensuring that young people complete at least matric or an equivalent by providing them with the support to stay in appropriate school and post-school education options, and making “school-to-work” advice an integral part of learning;

- Actively encourage employers to give young first-time work seekers a foot on the employment ladder, through both private sector and public sector measures;

- Pay particular attention to small business, which currently employs two thirds of employed youth;

- Help young people with work-seeker support, such as producing CVs and reference letters, as well as practical support to (re)connect to the education and training system; and

- Ensure a co-ordinated and accountable system of government agencies tasked with youth development. The plethora of youth desks across the country needs to be reviewed and rationalised so they can more effectively focus on youth employment.

Meanwhile, the research community must sharpen knowledge about the drivers of youth employment. We need to know more about employers' experiences of working with young first-time employees, and how to make the hiring and interning of youth advantageous for both parties.

The task of combating youth unemployment may seem daunting, but much of the groundwork has already been laid in terms of policies and programmes. What remains is to engender support for a focused social compact, which puts the future of young people at centre-stage.

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