



# WHAT DRIVES YOUTH UNEMPLOYMENT AND WHAT INTERVENTIONS HELP?

## A Systematic Overview of the Evidence and a Theory of Change

High-level Overview Report

*Ariane De Lannoy, Lauren Graham, Leila Patel & Murray Leibbrandt*

*October 2018*



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This study was borne out of a working group meeting convened by the Poverty & Inequality Initiative at the University of Cape Town (UCT) and hosted by the Centre for Social Development in Africa at the University of Johannesburg (UJ) in February 2015. It was attended by representatives from the National Treasury Jobs Fund, the National Youth Development Agency (NYDA), the Department of Social Development, loveLife, and the Jameel Abdul Latif Poverty Action Lab (J-PAL). At that meeting there was consensus that a key challenge is that, while there is a great deal of research on youth unemployment, it has not been consolidated in order to inform a theory of change. A resolution was taken to undertake such a process. We are grateful to those present at that meeting for promoting this research.

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## ACRONYMS

ANC	African National Congress	MDC	Maputo Development Corridor
AsgiSA	Accelerated and Shared Growth Initiative of South Africa	NARYSEC	National Rural Youth Service Corps
BBBEE	Broad-based Black Economic Empowerment	NDP	National Development Plan
BCEA	Basic Conditions of Employment Act	NGO	Non-Governmental Organisation
BEE	Black Economic Empowerment	NGP	National Growth Path
BLSA	Business Leadership South Africa	NMW	National Minimum Wage
BPO	Business Process Outsourcing	NPWP	National Public Works Programme
CBO	Community-Based Organisation	NQF	National Qualifications Framework
CEO	Chief Executive Officer	NSDS	National Skills Development Strategy
CSG	Child Support Grant	NSFAS	National Student Financial Aid Scheme
CV	Curriculum Vitae	NTS	National Training Strategy
CWP	Community Works Programme	NYC	National Youth Commission
DBE	Department of Basic Education	NYDA	National Youth Development Agency
DHET	Department of Higher Education and Training	NYS	National Youth Service
DOL	Department of Labour	PAYE	Pay As You Earn
DPW	Department of Public Works	PEP	Public Employment Programmes
ECD	Early Childhood Development	PSET	Post-School Education and Training
EE	Employment Equity	QLFS	Quarterly Labour Force Survey
EPWP	Expanded Public Works Programme	RDP	Reconstruction and Development Programme
ESSA	Employment Services South Africa	SALDRU	Southern Africa Labour and Development Research Unit
ETI	Employment Tax Incentive	SAQA	South African Qualifications Authority
FET	Further Education and Training	SARS	South African Revenue Service
GEAR	Growth, Employment and Redistribution	SDL	Skills Development Levy
HBU	Historically Black University	SETA	Sector Education and Training Authority
HSRC	Human Sciences Research Council	SMMEs	Small, Medium and Micro-sized Enterprises
HWU	Historically White University	TES	Temporary Employment Services
IDZ	Industrial Development Zone	TOC	Theory of Change
IMC	Inter-Ministerial Committee	TVET	Technical and Vocational Education and Training
IT	Information Technology	UYF	Umsobomvu Youth Fund
JIPSA	Joint Initiative on Priority Skills Acquisition	WFW	Working for Water
JOBS	Jobs and Opportunities Seekers	WIL	Work-Integrated Learning
LFS	Labour Force Survey	YES	Youth Employment Service
LRA	Labour Relations Act		



# 1 INTRODUCTION

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There is broad consensus that youth unemployment in South Africa is critical, with latest figures confirming that one half of young people 15–34 years are unemployed by the broad definition<sup>1</sup> (Statistics South Africa 2018). The situation is increasingly viewed as a national emergency, as the high level of youth unemployment is expected to lead to an increasing sense of exclusion among young people and to heightened ‘levels of frustration and impatience’ (National Planning Commission 2012). Indeed, prolonged periods of unemployment among young people have profoundly negative effects on their physical and mental well-being and feed the vicious cycle of exclusion and poverty (De Lannoy, Leibbrandt and Frame 2015).

This situation is, however, not the outcome of a lack of effort, expenditure and enquiry, by a range of stakeholders, into the drivers of youth unemployment and into interventions to address the challenge. Since 1990, a wide range of policy efforts and a range of interventions have been

implemented to deal with youth unemployment. These include the fairly recently introduced Employment Tax Incentive (ETI), which is intended to stimulate demand for young workers; but also massive investments into the Expanded Public Works Programme (EPWP), with its large youth targets; and a variety of private sector and civil society-led training programmes, which, ultimately, aim to place young people in employment.

Yet this vast collective effort seems to have yielded, at best, modest results. So what are its shortcomings?

This paper examines both the evidence about what drives youth unemployment, the policy and programmatic interventions that have sought to address it, as well as the government agencies that have been tasked with dealing with youth unemployment. This paper grew out of the identification and assessment of 1 294 research papers, 376 government documents and articles,

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1 The broad definition includes those who have given up looking for work.

and 2 759 programme descriptions and evaluations spanning the period 1990 to 2016. Out of these, a set of relevant articles and documents were identified for full review. This included 256 journal articles that were reviewed to identify the drivers of youth unemployment; 376 government documents and articles that were reviewed to provide the policy overview; and 1 173 programme descriptions and 284 journal articles that were reviewed to describe and comment on the effect of youth unemployment interventions.<sup>2</sup>

Based on this extensive review, we will argue that the following remain as critical stumbling blocks to addressing the youth unemployment challenge:

- The plethora of agencies across national and provincial governments that are not well-coordinated, that have struggled to implement programmes efficiently, and that are not accountable in the strong sense. This includes the youth-specific ‘desks’ at various levels of governance, but also the national departments of basic and higher education, for instance;
- Poor educational outcomes, particularly in basic numeracy and literacy, which are critical basic skills for employers;
- A poorly coordinated further education system, which allows many young people to drop out and become vulnerable;
- Lack of sustained economic growth that can drive labour absorption, in particular for young entrants;
- Limited understanding of what drives employer hiring preferences and why employers are reluctant to hire youth;
- Inefficient ‘matching’ that can effectively connect young work seekers and employers; and
- Persistent individual and household level barriers such as cost of work seeking, and limited social capital.

We proposed four theories of change (TOC), each focused on one aspect of the youth unemployment challenge. We argue that there is a need for:

- One coordinating government body that can oversee the workings of the different departments with regards to youth training and employment, accompanied by clear lines of accountability to a parliamentary portfolio committee for youth specifically (see Policy TOC);
- A social compact to address youth unemployment that can underpin interventions (see Policy TOC);
- Better articulation between the different parts of the education and training system, which includes work-integrated learning options as well as non-accredited but quality assured training programmes (see Supply Side TOC);
- The extension of the ETI, with particular emphasis on reaching small firms, alongside a better understanding of employer behaviour; a campaign to encourage employers to employ young people (see Demand Side TOC); and careful consideration of the intermediary role it could play; and
- The development of an effective intermediary system that provides adequate information to young people about skills needs, training options and employment opportunities, as well as reliable ‘flags’ to employers about young people’s training and experience. The system needs to rely on an integrated, transversal approach to policy and implementation for youth employment (see Intermediary TOC).

The above are medium-term changes that need to occur in the context of fundamental changes in the basic education system to promote better outcomes; and of sustained, inclusive economic growth that can absorb young job seekers.

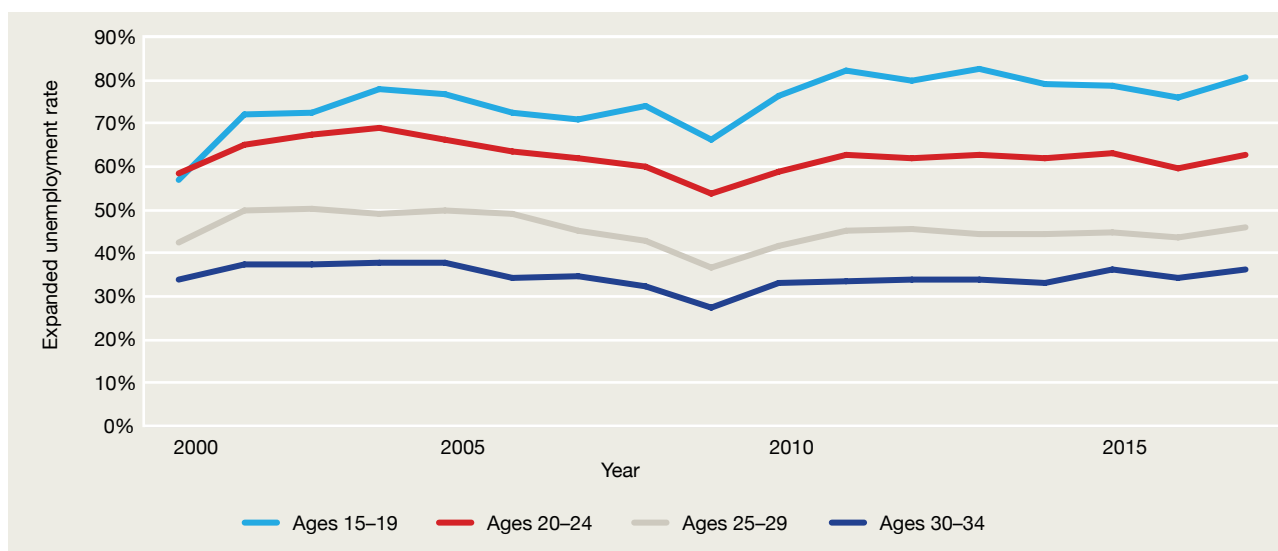
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2 The full methodology followed for this assessment is included in the addendum to this report, starting on p. 86.



# 1.1 The history of youth unemployment in South Africa

FIGURE 1: Expanded unemployment rate by age group, 2000–2016



Source data for 2000–2007: Statistics South Africa, Labour Force Survey 2nd half of the year. Source data for 2008–2016: Statistics South Africa, Quarterly Labour Force Survey Data for Quarter 3. (Statistics South Africa 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015a, 2016; Analyses conducted by Zoheb Khan)

While we know that the youth unemployment figures today are alarmingly high, it is also important to track how this has become an entrenched part of our society. Unfortunately, how young people have fared in the economy is not well documented historically<sup>3</sup>, with reliable statistics on employment generally being available from the middle of the 1990s, and for youth specifically only since the early 2000s.

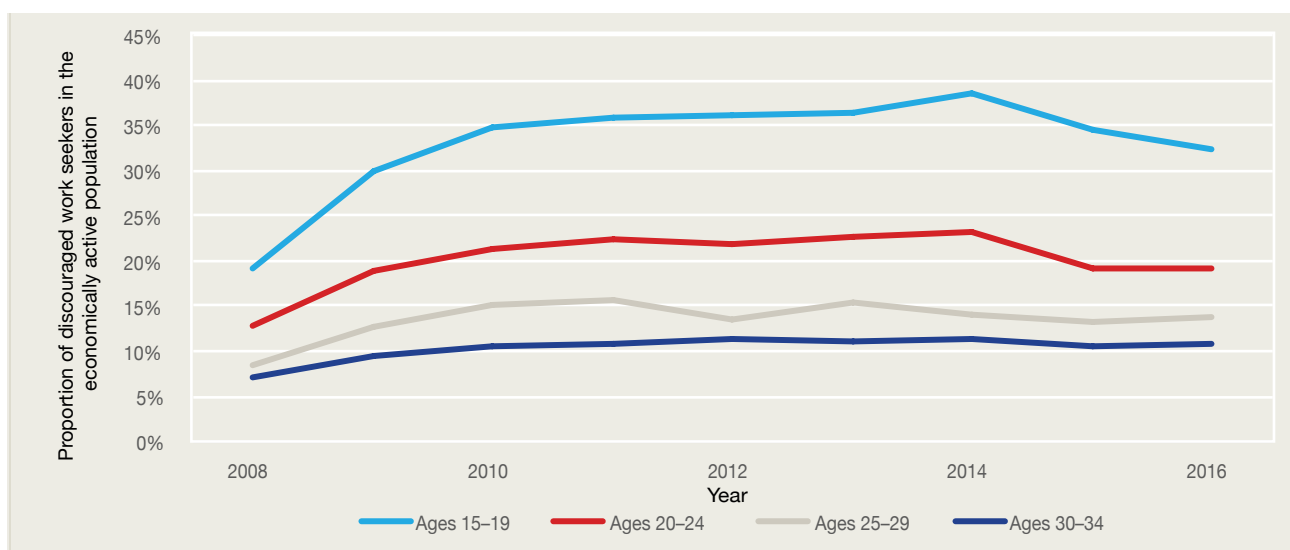
What is clear is that at the period of transition, the economy was in poor shape and unemployment was high (Hirschowitz and Orkin 1997: 127; Kingdon and Knight 2001a: 81). The earliest estimates of youth unemployment around the transition period originate from the 1996 Census, which reported that 53.2% of young people were unemployed (Central Statistics Service 1996: 17). By the latter half of the 1990s and the early part of the 2000s the unemployment problem was growing, and with young people being worst affected (Bhorat 2005: 962).

From the early 2000s we begin to have comparable data through the Labour Force Survey (2000–2007) and then the Quarterly Labour Force Survey (2008 onwards). We use these data to develop a picture of youth unemployment since 2000<sup>4</sup>. Figures 1 to 3 are graphic representations of how the youth unemployment challenge has grown since the early 2000s. Figure 1, which presents the expanded unemployment rate (including discouraged work seekers), shows that across all of the youth age groups unemployment began to drop between 2004 and 2008 but, since the global economic downturn of 2009, it returned to the levels of the early 2000s. Despite some economic recovery since 2009, youth employment rates have not recovered and certainly for the youngest age cohort (15–29-year-olds) the unemployment rate has worsened. The increases are driven largely by increased discouragement amongst young people (see Figure 2), particularly amongst the younger cohorts (15–19-year-olds and 20–24-year-olds), but also by a small decrease in absorption of young work seekers (see Figure 3).

3 Unemployment data generally are not well documented prior to the 1990s.

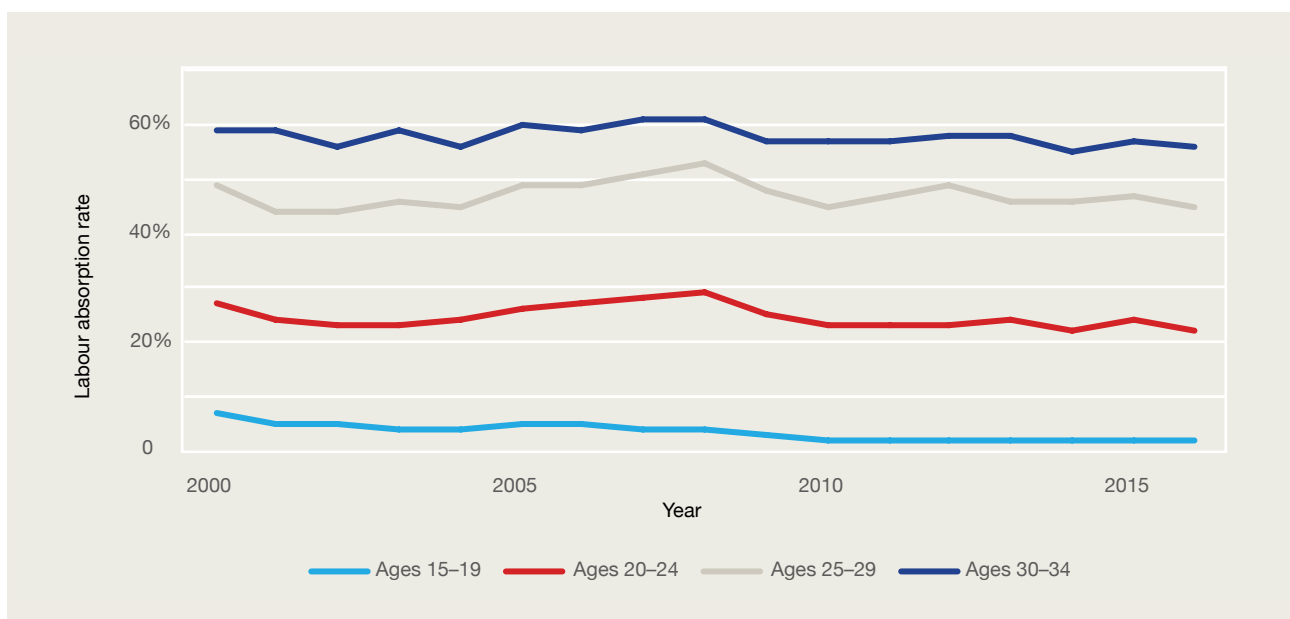
4 From 2000–2007, data from the second data collection point for the biannual Labour Force Survey (LFS) were used, with this data collection having taken place during September of the relevant year. From 2008–2016, Quarterly Labour Force data from the third quarter were used. Data were collected between July and September of the year in question. For each year data can be seen to reflect a snapshot of the labour force during September. Analyses are restricted to the broad ‘youth’ category – age groups 15–19; 20–24; 25–29 and 30–34. All proportions and totals – including those used to calculate rates – have been weighted.

**FIGURE 2: Discouragement rates by age group, 2008–2016**



Source data for 2000–2007: Statistics South Africa, Labour Force Survey 2nd half of the year. Source data for 2008–2016: Statistics South Africa, Quarterly Labour Force Survey Data for Quarter 3. (Statistics South Africa 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015a, 2016; Analysis conducted by Zoheb Khan)

**FIGURE 3: Labour absorption rate by age group, 2000–2016**



Source data for 2000–2007: Statistics South Africa, Labour Force Survey 2nd half of the year. Source data for 2008–2016: Statistics South Africa, Quarterly Labour Force Survey Data for Quarter 3. (Statistics South Africa 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015a, 2016; Analyses conducted by Zoheb Khan)

Notably, the decrease in unemployment in the period 2004–2008 is largely explained by increases in absorption of young work seekers.

In short, economic recovery and growth in the 2004–2008 period had a positive impact on young work seekers, while the low levels of economic growth

since the 2009 recession has impacted negatively on young work seekers, both in terms of lack of employment and an increase in discouragement. It is particularly worrying that we see the largest increases in discouragement amongst the youngest work seekers<sup>5</sup>.

<sup>5</sup> Statistics South Africa defines discouraged work seekers as those who express an interest in working but who have given up looking for work.

## 1.2 Rationale for the study

Why – despite policy and programmatic attention since the 1990s – has South Africa been unable to shift the youth unemployment challenge over the past two decades? This study investigates whether the lack of progress is, at least in part, due to a disconnect between the available evidence on the drivers of youth unemployment and the policy and programmatic interventions that have been implemented to address the challenge. This disconnect is partly explained by the fact that evidence on youth unemployment sits within silos of the different academic disciplines, with little integration and articulation between them. Moreover, such evidence is often not available and accessible to policy-makers and programme managers. This results in a lack of coordination in the ‘youth unemployment sector’ to address the challenge.

The situation mirrors the fragmented approach to unemployment in general, as Fourie and Leibbrandt (2012) point out. They argue that ‘debate occurs within these silos, but not much between them. Insights produced in the different discourses<sup>6</sup> often are disconnected. [...] similar divisions and gaps exist in the policy debate’ (2012: 1).

In terms of youth unemployment, macro-level research has focused on sectoral changes in employment opportunities for youth, while an ever-growing body of micro-level work, drawing mainly on household and individual level data gathered by quantitative surveys, investigates the role that characteristics of young people and their households play. Whereas findings within the field of economics draw mainly on survey data to uncover large-scale trends, smaller-scale, in-depth studies in the qualitative social science fields investigate the nuances in the lived experiences of disadvantaged youth that may contribute to unemployment.

Thus, while the large number of studies, policies and interventions clearly illustrate the concern with youth unemployment, knowledge remains

fragmented. There is little ‘cross-pollination’ of evidence and questions to develop our knowledge in a more integrated way, so as to inform policy and practice in a comprehensive way (Fourie and Leibbrandt 2012). As a result, fundamental questions remain unanswered: which interventions work best, for whom, and under which circumstances? Do interventions take the heterogeneity of the group of unemployed youth into account? How, and to what extent, do policies and interventions draw on the entire body of existing evidence on the drivers of youth unemployment versus one particular discourse or discipline?

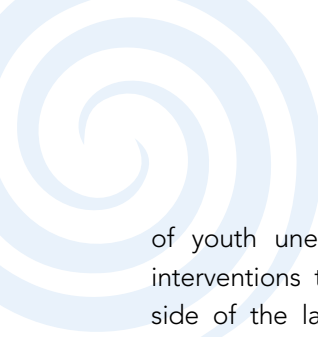
Further, very few studies of youth unemployment consider how policy has evolved over time and learn from what has gone before in order to inform policy approaches. Some policies focusing on youth (un)employment may have made a substantial difference to young people’s lives, while others would have had a more limited, or perhaps even negative, impact. Moreover, some policies today bear the imprint of prior initiatives and we understand them better through the lens of history. Thus it is important to examine the history of policy development and implementation regarding youth employment and employability to understand what has worked, what has not worked, and why.

Finally, there remains a gap in consolidating evidence of the effects of such interventions. While some research has demonstrated the impact of programmes in other countries, we do not know how interventions aimed at increasing youth employment operate in South Africa, and indeed in particular contexts. Although there have been numerous employability interventions for youth in South Africa, few programmes have been implemented on a large scale or demonstrated to be sustainable. Further, few have been rigorously assessed for impact.

We therefore have conducted a systematic, cross-disciplinary, and integrated analysis of the drivers

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<sup>6</sup> The authors identify three discourses that dominate the work on South African unemployment, each with a distinct focus and method: the labour market cluster, the poverty development cluster and the macro(sectoral) cluster.



of youth unemployment, alongside policies and interventions that aim to strengthen the demand side of the labour market and to increase youth employability. The study, using an evidence synthesis methodology<sup>7</sup>, determined evidence of what works and identifies gaps in knowledge and policies.

In this paper, we present the findings of this analysis. We discuss the policy framework that has been developed since the early 1990s and provide an overview of the discourses that have shaped policy thinking in each political era. We then consider the

demand- and supply-side drivers of unemployment at the structural level; that is, at the level of the broader economic, political and socio-economic situation. We then draw out lessons about areas of achievement and remaining gaps at that macro level before turning attention to the micro-level situation – this is, at the individual, firm, household and/or community levels. We present findings about the achievements and gaps in this domain. Finally, drawing on the evidence reviewed, this paper suggests a coordinated ‘theory of change’ to address youth unemployment.

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7 Evidence synthesis methodologies search, sort and assess in a very systematic way all of the evidence on a particular question and produce an integrated analysis of the results of the array of evidence. Further details about evidence synthesis methodology can be accessed on <https://evidencesynthesis.org/what-is-evidence-synthesis/>.



## 2 HOW POLICY HAS SHAPED AND RESPONDED TO YOUTH UNEMPLOYMENT

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Our policy analysis demonstrates that there has been no shortage of policy focus on the issue of unemployment generally and youth unemployment specifically. Many of the policies that have been developed are rooted in a good understanding of the quadruple challenge that South Africa has and continues to face – the need for economic growth, skills development, redistribution, and employment creation. These foci have underpinned policies as far back as the early 1990s. Yet there has been a continuously shifting emphasis on these various policy objectives over time, a lack of implementing capacity, a scattered focus on and responsibility for youth development, and specific institutional weaknesses, in particular in the revised post-apartheid education system and the youth apparatus. Further, the discourse about youth within these policies has been one of young people

having potential but also as being a threat. As we indicate, unlike policies focused on children, youth well-being *per se* is not central in many of the policy documents.

Figure 4 on the next page provides a diagrammatic overview of the policies that have been put into place to deal with unemployment in general, as well as the policies that have focused on youth unemployment since the early 1990s. It shows the extent of policy development aimed at addressing this challenge but also points to the immense potential for confusion, duplication and lack of integration across the policy space. What follows the figure is a summary of the policy development by era.

**FIGURE 4: Policy development regarding youth employment by political period**

EARLY 1990s	1994–1995	1996–2003	2004–2007	2008–2016
Policy debates on overcoming apartheid legacies	Reconstruction and development	Focus on macroeconomic instability	First and second economy; War on Poverty	Overcoming triple threat of unemployment, poverty and inequality
Discussion Document on Economic Policy; Ready to Govern; RDP	RDP White Paper Special Poverty Relief Allocation	GEAR Jobs Summit	AsgiSA, JIPSA Growth and Development Summit	National Growth Path, National Development Plan
				Employment Tax Incentive Jobs Fund
Special employment creation programmes	National Public Works Programme, Working for Water		EPWP	
			National Youth Service Policy Framework	Kh Ri Gude, Masupatsela, NARYSEC
National Training Strategy	South African Qualifications Authority Act	National Skills Act, Skills Development Act	Department of Higher Education and Training; Department of Basic Education	Green and white papers on post-school education and training
Education Renewal Strategy and Curriculum Model for South Africa	White Paper on Education and Training	Further Education and Training Act	Revised National Curriculum Statement	Curriculum Assessment and Policy Statement
	South African Schools Act, National Education Policy Act	Outcomes-based education/Curriculum 2005		National Skills Accord, Basic Education Accord, Youth Employment Accord
	Labour Relations Act (LRA)	Basic Conditions of Employment Act (BCEA), Employment Equity Act	Employment Services of South Africa	Amendments to BCEA, LRA, EE; Public Employment Services Act
		BEE Commission Report	B-BBEE Act	B-BBEE Amendment Act
National Youth Development Forum		Umsobomvu Youth Fund		National Youth Development Agency
		National Youth Commission		
Small Business Development Corporation	White Paper on a National Strategy for the Development and Promotion of Small Business in South Africa	Nstika Enterprise Promotion Agency, Khula Enterprise Finance	Small Enterprise Development Agency; Small Enterprise Finance Agency	Department of Small Business Development; Youth Enterprise Development Strategy

## 2.1 The shifting focus on growth and job creation

The Reconstruction and Development Programme (RDP) focused on poverty alleviation through the delivery of basic services and the expansion of the social protection system, as well as on the development of human resources through education and training. It assumed that redistribution and the delivery of basic services would drive economic growth. Young people, along with women and the disabled, featured as marginalised groups that needed additional government attention. Key policies in this period include the National Public Works Programme, and the Labour Relations Act alongside efforts to unify the fragmented education system and to develop the national qualifications framework. The government also set up the National Youth Commission. While the RDP succeeded in

some of its goals, it was unable to deliver on its job creation and growth promises quickly enough. This period was also marked by macroeconomic instability due to high inflation and a large inherited fiscal deficit.

The Growth Employment and Redistribution (GEAR) policy, which replaced the RDP, then went on to prioritise austerity, economic stability and trade liberalisation. It assumed that growth would be the engine behind job creation and better social outcomes, especially when combined with improved training and education. Key policies in this period include important pieces of labour market regulation, early discussions of black economic empowerment policy and the introduction of outcomes-based education. While GEAR lowered

inflation and reduced the deficit, and while there were some employment gains from 2000, the policy failed to deliver the promised growth and number of jobs (as discussed above).

Economic growth picked up in the mid-2000s on the back of the commodity boom, which lasted until around 2011. Then President Mbeki introduced the concept of the first and second economy and put pressure on departments to scale-up, or 'massify', their employment interventions. Economic policy focused on addressing constraints on growth, such as the lack of certain skills. Key policies in this period include the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), the Joint Initiative on Priority Skills Acquisition (JIPSA), the EPWP and the National Youth Service (NYS). Overall aims were again to reduce poverty and unemployment by focusing on economic growth. Across all three periods, the importance of redistribution, skills development, employment creation *and* economic growth was noted. However, each era had very different emphases on which should be prioritised, with GEAR and AsgiSA prioritising economic growth and the RDP prioritising redistribution.

President Zuma came to power in 2009 and created a number of new institutions and departments, including the Economic Development Department, National Planning Commission, and Department of Higher Education and Training. Departments under pressure to show their commitment to job creation announced new programmes such as various youth brigade initiatives, the Treasury's Jobs Fund and the Department for Trade and Industry's Youth Enterprise Strategy amongst others. Youth unemployment received greater priority, at least nominally, than in previous years as was evidenced by the President's State of the Nation Addresses.<sup>8</sup> Key policies in this period include the New Growth Plan, the National Development Plan (NDP), the Youth Accord, and the ETI, although the latter took a great deal of time to come to fruition. The

government also established the National Youth Development Agency (NYDA), which produced two new youth policies – both of which, however, remain without implementation plans to date. It also created a National Youth Desk within the Presidency, in an attempt to bring some coherence to the approach to young people at the national policy level, but the Desk has been unable to hold various departments accountable for the delivery of youth-specific services.

Fourie (2015) points out that the emphasis in policy today is (again) on job creation through economic growth. Although we have seen that the period of economic growth is associated with a marginal decline in youth unemployment, in the empirical economic literature there remains a lack of consensus over whether economic growth does drive job creation (see below). In addition, it is clear that none of the above-mentioned policies have been successful in driving economic growth or job creation to the extent required to absorb the numbers of work seekers, and of young work seekers in particular.

One government intervention that has been a cornerstone of economic policy, since before the transition to democracy, has been a sustained focus on public works as a strategy to absorb labour supply. Prior to 1994, public works programmes were as much about poverty relief as employment support, whereas subsequent governments have viewed them primarily as a source of job creation. Public employment programmes were a critical element of the RDP and have been a mainstay of policy since then, reflecting the recognition that South Africa has been unable to create sufficient and adequate jobs to absorb the existing labour supply and that some form of employment guarantee is required. The implementation of the EPWP and its successes and shortcomings are discussed in more detail below.

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<sup>8</sup> Despite the theoretical attention paid to youth unemployment in this period, the effects of a bloated state and widespread corruption in this era may have had serious repercussions for economic growth and job growth.

## 2.2 Education and skills development

Post-apartheid policies have focused on the need to transform the education system that during the apartheid years marginalised the country's black majority and confined most to the realm of unskilled labour. The post-apartheid emphasis has been on expanding access and on reform through unification, redistribution of funds, and new curricula in the school and post-school sectors. This has been driven by a concern with justice and redistribution (the RDP) and later by a clear concern to increase skills that would match the needs of the planned hi-tech tertiary sector growth path (GEAR and AsgiSA). The National Growth Path and the subsequent NDP both emphasise the need for education and training and aim for more labour-absorbing growth.

There has thus been a strong policy focus on and significant fiscal commitment to education and skills development throughout the post-apartheid era. However, this has been in the context of government seeking to overcome backlogs and expand access whilst also creating new institutions and curricula. Just as there has been a shifting policy emphasis on growth and job creation, so has the emphasis changed with respect to addressing basic education through the existing system or overhauling the system and trying to make a fresh start. This may explain to some extent why we still have large numbers of young people who leave school with low levels of literacy and numeracy skills, indicating that the quality of basic education has remained a problem, and is continuing to affect cohorts that have only experienced the post-apartheid education system. Despite the general recognition that some of the challenges with employability originate in the realm of basic education, basic education policies and issues are rarely referred to in policy discussions in the domain of skills training and its relationship to the labour market.

There has been no shortage of policies to direct skills acquisition beyond basic education. The earliest of these was the National Training Strategy (NTS) released in 1991 (Kraak 2004), which focused on coordinating all training efforts, establishing a national vocational qualifications system, a certifi-

cation council and unifying a department of education and training. The White Paper on Education and Training (Department of Education 1995) also focused on the need for greater equity in education and observed that the higher education system was 'the inverse of what is required by the society and economy' because it has a small vocational sector, a large university sector and a 'poorly-developed and fragmented post-secondary college system'. These early policies focused primarily on equity, coordination of disparate education systems, and standardisation. But they also noted the ways in which the inherited post-secondary education and training systems were not suited to the needs of the economy. The Green Paper on Skills Development Strategy for Economic and Employment Growth in South Africa (Department of Labour 1997) and the Green Paper on Further Education and Training (Department of Education 1998) both highlighted the fact that skills training was largely divorced from the needs of employers; that it was poorly coordinated, lacking coherence and unevenly funded; and that there was little coordination in the further education and training sector. They also noted that the system 'reflects the rigid and outmoded distinctions between "academic" education and "vocational" training', where the latter is regarded as inferior to the former (ibid.)

As a response to these challenges the Department of Labour (DOL) instituted three new policies. The Skills Development Act (DOL 1998), and the Skills Development Levies Act (DOL 1999). These acts were aimed at rectifying the challenges identified. They gave rise to the Sector Education and Training Authorities (SETAs), and laid the basis for the emergence of learnerships. The DOL also ensured corporate contribution to skills development, which had weakened in the early 1990s, through the Skills Development Levy.

There has been continued emphasis on skills development as part of the strategy to drive a hi-tech growth path. JIPSA is a key example of a document complementary to AsgiSA. It focused on the need to identify priority skills areas and



created training opportunities to develop such skills through, for instance, internships. And the latest White Paper for Post-School Education and Training (Department of Higher Education and Training 2013) makes a commitment to enhancing technical and vocational education and training; creating alternative pathways, through community colleges, to training for those who have not completed schooling; improving artisan training; and linking education provision with the needs of the market.

There is thus extensive policy focus on education and skills development. However, both the basic education and further education and training sectors have continued to battle with various challenges, many of which are identified in the policy documents themselves, and which are confirmed by the poor schooling outcomes discussed above. Akoojee (2012) argues that government missed a moment of real opportunity when it did not follow through sufficiently on the split of the Department of Education into the Department of Basic Educa-

tion (DBE) and the Department of Higher Education and Training (DHET). The author points at a lack of synergy between education, training and work that was meant to have been dealt with by the creation of the DHET. In addition, the changes in policies have sometimes had unintended negative consequences, such as when the school age policy sent thousands of under-qualified and under-skilled youth into the labour market. This means that the policy focus has not resulted in delivery of the basic and technical skills needed to drive economic growth and employment. Further, despite the efforts of business and government to work together to identify priority skills (as reflected in JIPSA and through the mandate of the SETAs, which requires each SETA to identify priority skills in each sector), there continues to be a challenge around skills development for employment in that there is no system to predict what skills are needed by the economy. Moreover, the lack of consultation with the private sector means skills needs are not adequately determined.

## 2.3 Youth policies

The differing approach to youth unemployment by various post-apartheid governments reflects the tensions around the understanding of young people's position in contemporary South African society. Debates continue around whether youth unemployment should be considered simply as one part of the broader unemployment challenge, or whether youth unemployment is driven by specific characteristics of youth and therefore requires specific attention. Since 2008, policies specifically targeting youth unemployment have gained pace. Alongside this, an almost separate 'youth machinery' has been developed. Since the time of the transition, national youth agencies have argued for a specific youth focus – not only with regards to unemployment – but there has been little clarity about the exact aims and responsibilities of these agencies, or about the cost of suggested youth programmes and the ways in which various departments could be held accountable to deliver on specific youth targets.

Nevertheless, since the early 2000s, there have been various iterations of a national youth policy, each with varying focus on youth unemployment and recommendations to address it. The first National Youth Policy 2000 was drafted in 1997 (National Youth Commission 1997) but never formally adopted. It listed unemployed youth as one of eight target groups within the broader youth population and framed unemployment as the root of social ills such as crime and poor health. The policy proposed several strategies to improve youth employment. These included recommendations for school-based career guidance, youth career guidance centres, a national youth employment strategy, learnerships and internships, and incentives to hire and train young people. In addition, the policy placed an emphasis on the need to develop entrepreneurial skills among youth, and suggested the establishment of an Inter-ministerial Committee on Youth Affairs (IMC). This IMC was meant to plan, coordinate and evaluate departments' actions on youth policies, programmes and legislature. The policy also proposed a youth

law review team to assess the legal framework and identify gaps. Finally, it called for a 'National Youth Action Plan' to accompany the National Youth Policy to specify what needed to be done, by whom and when. The policy was, however, never formally adopted by Cabinet, it is unclear whether a law review team was ever established, and no National Youth Action Plan was developed.

Later the National Youth Development Policy Framework [2002–2007] (National Youth Commission 2002) was adopted. The document includes a section on economic participation and empowerment that is rather disjointed. It notes that young people comprise a substantial proportion of the unemployed. The document stresses the importance of small, medium and micro-sized enterprises (SMMEs) and cooperatives in job creation as well as learnerships and skills development. It also emphasises the need for indicators to measure progress across a range of outcomes for various departments. Yet, critics have argued that the document provides insufficient detail on targets, indicators and time frames.

In 2008, the National Youth Commission and the Youth Desk in the Presidency drafted the National Youth Policy 2009–2014 (The Presidency 2009) after several rounds of public consultation. The policy became a far-ranging document that spoke to many aspects of youth development. The government adopted it in 2009, a few years after the previous National Youth Development Policy Framework expired. The document frames its discussion of youth unemployment in terms of poverty and the social problems associated with joblessness. The policy contends that most measures to address unemployment focus on young people with matric and higher education. By contrast, it recommends measures to target young people who are not in school and thus more likely to be 'at risk' (ibid: 16). It suggests that more could be done to help young people through second chance programmes and further education and training (FET) opportunities as well as rehabilitation for young people who have 'fallen prey', presumably to some form of anti-social behaviour (ibid: 15). In addition, it asks, fairly generically, that the education system delivers 'educational knowledge and life skills', and that

young people be exposed to work opportunities and knowledge about the labour market. It further suggests that the NYDA draft an integrated youth development strategy to avoid duplication and ensure implementation – but that strategy was never finalised.

In 2015, the Youth Desk in the Presidency released the next youth policy for 2015 to 2020, which now goes by the short title 'NYP2020' (The Presidency 2015). Its aim is 'to create an environment that enables the young people of South Africa to reach their potential'. Just as the NDP, this policy describes young people as a possible 'dividend': 'a major human resource for development, often acting as key agents for social change, economic expansion and innovation. Their imagination, ideals, energy and vision are essential for the continuous development of society' (The Presidency 2015: 2).

Youth unemployment also receives greater attention in this policy and is listed as the first issue to be addressed. Many of the policy's recommendations to address unemployment build on existing initiatives, and it makes several recommendations that government expand its current programmes to cater for youth. For example, by increasing the EPWP youth target to over 50%, to expanding Broad-Based Black Economic Empowerment (B-BBEE) to address young people's needs and to increasing young people's access to land for agriculture (The Presidency 2015). It also states quite bluntly that 'business should be required to create jobs for young people', and calls for – among other things – a campaign to reverse negative perceptions of technical and vocational education and training (TVET) and for the government to progressively increase free education for poor students up to the undergraduate level.

Like the previous youth policy, NYP2020 identifies which departments should take charge of the different components of its recommendations, and suggests that the NYDA produces an integrated implementation plan for the policy. This implementation plan was, however, only released in the first half of 2018.

While each of the iterations of the National

Youth Policy has thus paid attention to youth unemployment, it is only recently that unemployment has become a critical component. But, despite these many policy documents, the situation of youth unemployment has not changed.

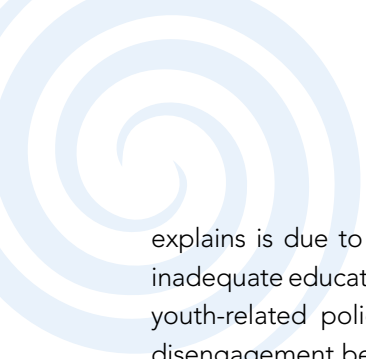
Arguably, much of the youth unemployment challenge is beyond the ambit of the National Youth Policy. There have, however, been critical failures in the institutional bodies and coordination between such bodies tasked with youth development, which has meant that there has also not been one unified body driving a youth employment agenda. While it could be expected that the NYDA takes this on, one issue is that the mandate of the agency is too broad and it is unable to hold relevant departments accountable. Its mandate ranges from 'initiating, designing, co-ordinating, evaluating and monitoring all programmes aimed at *integrating the youth into the economy and society in general*' and 'promoting a *uniform approach by all organs of the state, private sector and non-governmental organisations*' (emphasis added). Thus, while the merging of the Umsobomvu Youth Fund and National Youth Commission was intended to ensure a more responsive approach to youth in South Africa, duplication and lack of articulation between government bodies continue to hamper progress. The youth agencies have also been hamstrung by mismanagement and perceived political affiliation. While the NYDA may argue that its mandate is limited by its inability to influence line departments, there is no evidence that, were it able to do so, this would lead to desirable outcomes. Rather, much more thought needs to be given to how it could play a meaningful role in promoting youth employment. Alongside the NYDA, there are also 'youth desks' in various government departments at national, provincial and local level and a Youth Desk in the Presidency (though there is no youth ministry, nor a parliamentary oversight committee with a specific focus on youth matters). The role of the NYDA alongside these various 'desks' and 'agencies' remains unclear and uncoordinated. While the latest youth policy identifies these challenges and advocates for the need for better coordination, an implementation strategy for the policy remains outstanding in the middle of 2018, despite the policy expiring in 2020.

## Youth-specific employment policies and policy discussions

The most recent response to youth unemployment has been the introduction of the ETI by the National Treasury, originally called the Youth Wage Subsidy. The negotiations leading up to the implementation of the ETI masked a conversation about whether the price of labour, and particularly the labour of new entrants where productivity is unknown, is a key determinant of unemployment and whether the existing labour market regime therefore unfairly penalises new entrants. Our analysis shows that there is limited empirical evidence to show what employer perceptions actually are (see below). However, the National Treasury document proposing the policy notes that the ETI was intended to a) address employer concerns about the potential mismatch between productivity and entry-level wages for young workers, b) compensate employers for training efforts, and c) stimulate job search amongst young work seekers (National Treasury 2011). Ultimately the ETI was supported, despite strong contestation particularly from the labour unions, as a key strategy to address youth unemployment. Further, its implementation has been different from the way in which the idea was originally presented and tested. This implementation and the way in which the ETI has fared are discussed below.

Another key policy approach to addressing youth unemployment has been the EPWP and Community Works Programme (CWP), both of which have significant youth targets. There has been significant success in terms of meeting and exceeding these targets. Whether that translates into how young people transition into the formal labour market is discussed in section 3.2.1 below.

Finally, a long-standing policy to address youth unemployment has been the National Youth Service, which runs service programmes aimed at training young people in preparation for the economy through the EPWP. Although it was not initially established only to address youth unemployment, this has been a cornerstone of the programme and policy since these were developed through the Green Paper on National Youth Service (The Presidency 1998). The Green Paper responds to a situation of high youth unemployment, which it



explains is due to insufficient numbers of jobs and inadequate education and training. Like several other youth-related policies, it points to the danger of disengagement because of the inability to get jobs, which can result in young people participating in

## 2.4 Conclusion

Six clear conclusions that arose from the above policy review are pertinent for our understanding of the youth unemployment challenge.

Firstly, there has been no shortage of policy attention on the issue of unemployment generally and of youth unemployment specifically. Figure 4 (on p. 14) clearly demonstrates the plethora of policies, and the immense amount of time and resources that have gone into their development. So the challenge is clearly not an absence of policies.

Secondly, the policies have correctly identified many of the critical macro-level issues that drive the unemployment challenge – the need for skills development, economic growth, employment creation, and redistribution. The development of policies to address these inter-related challenges is therefore also not an issue.

However, the third conclusion is that the myriad policies and their shifting emphasis, as well as the absence of a strong, coordinating government body that is accountable, have undermined their efficacy. As a result, there has been a continued disconnect between skills development policies, economic policies, and social protection policies. In addition, the lack of capacity in government departments and the inability to *efficiently* implement the various policies – reflected for instance, in the failures of the basic and post-secondary education systems to deliver young people with basic and technical skills that are relevant to the labour market – have created additional backlogs that now need to be remediated.

Fourth, the only constant policy directive has been the one aimed at employment creation through public works. This has been a longstanding cornerstone of policy since the early 1990s. However, there has been little consideration about how these

‘antisocial behaviour’ and their ‘profound disillusion with society.’ Further information about the National Youth Service programme implementation and evidence of success are discussed below.

short-term employment opportunities connect with the broader labour market, aside from the claim that training opportunities embedded in the public works programmes should prepare participants for jobs in the wider labour market. There has also been little reflection on how such programmes can be used to connect participants to other training or social protection programmes. Perhaps most importantly, while employment creation is a constant refrain in policy discourse, there has been little innovation in ideas about how to drive employment creation beyond a public works framework, particularly in the private sector. We would argue that public works programmes should not be seen as a job creation vehicle, but rather as a sustainable short-term relief programme for those who are unemployed. Doing so allows us to move away from the illusion that jobs have been created and to focus attention on more innovative ways to create jobs.

Fifth, the national youth policies have only recently developed a stronger focus on youth unemployment and are yet to develop implementation strategies to address the challenge. Further, the plethora of youth agencies across national, provincial and local government levels means that there is – here also – a lack of coordination and clarity on which bodies have responsibility for the oversight of youth issues generally, and specifically for driving youth employment initiatives. There is therefore a need for youth agencies to ground their interventions and policy focus in a much better understanding of why young people should be helped separately from their older counterparts and how to prevent duplicating other policies. Special effort should be made to prevent duplicating other policies and working in isolation from other institutions.



## 3 YOUTH UNEMPLOYMENT AT THE MACRO LEVEL

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The new democratically elected government inherited a highly unequal society in 1994. Apartheid had intentionally put in place policies, regulations and practices that meant that the country's African majority was faced with high levels of poverty; low levels of human capital such as education, skills, and health; high unemployment rates; and low access to services. According to the 1996 Census data, the narrow unemployment rate amongst young people aged 15 to 24 was 53.2% and only 18.2% had completed their matric (De Lannoy, Leibbrandt and Frame 2015).

The ANC's post-apartheid policies therefore emphasised the need for broad socio-economic transformation: they aimed to decrease poverty, increase levels of education and skills, and stimulate economic growth and job creation. However, in 2018, 24 years after the country's official transition to democracy, poverty levels remain high, economic growth slow, and employment levels low. Unemployment and low levels of human capital

arguably remain the country's greatest challenges, indicating that the post-apartheid policy aims, particularly in relation to education and youth unemployment, are not being met.

In this section of the synthesis report we provide an overview of the factors that have been shown to drive unemployment at the *macro* level, i.e. at the structural level of the above-mentioned policies, the economy, the educational system and global markets; we indicate how policies have intentionally and unintentionally shaped youth unemployment outcomes; what interventions have been delivered at the macro level and whether there is evidence of whether these kinds of interventions work. It is, however, important to note that little evidence exists on the specific macro-level drivers of *youth* unemployment and reference to such drivers is often based on the assumption that the broader macro trends will impact youth similarly or more severely than the adult population.

## 3.1 What is the evidence telling us about macro-level contributors to youth unemployment?

At the macro level, a range of connected economic and social factors have shaped the unemployment, and specifically the youth unemployment, scenario. Key factors include the nature of South Africa's economic growth, both in terms of extent and direction, and the related implications for education, skills and training. Other factors with less evidence include labour market regulation questions. We discuss each of these here.

### 3.1.1 Extent of economic growth and the relationship with job creation

In general, the economic research on macro drivers points out that low aggregate demand for labour is one of the key drivers of unemployment and, thus, also of youth unemployment. Low demand for labour is assumed, in such literature, to be caused mainly by low economic growth. Until the end of apartheid, South Africa had been isolated from the international economic environment; the country had seen a decrease in economic growth already in the period leading up to the 1980s; and a decline in employment opportunities in some of its leading industries such as agriculture, mining and transport since the 1990s. Manufacturing had shown little or no growth (Altman 2009; 2009a; Bernstein 2014; Burger and Von Fintel 2014).

The South African economy became reintegrated with the global economy in 1994, which allowed access to foreign capital, the expectation of economic growth and, related to this, job creation. Existing research reveals some debate regarding this relationship between economic growth and job creation. Some argue that the post-apartheid economy has seen jobless growth – economic growth without creating additional jobs (Aubert and Suzuta 2015). However, a larger body of work has refuted this notion and points out that economic growth has been slow, but not jobless (Bernstein

2014; Kraak 2013; Lekena 2006; Burger and Von Fintel 2009). Burger and Von Fintel (2009), for instance, estimate that the economic growth was 2.8% per year between 1995 and 2007. Despite this rate being low they note that labour demand increased in response to that growth. The analysis of labour absorption rates amongst youth in Figure 3 on p. 10 shows that, in periods of economic growth, youth unemployment did decline and that this was largely due to absorption of young workers. However, the larger increase in labour market participation in general, and increased participation of youth in particular (despite increases in discouragement in more recent years) have meant increasing unemployment and youth unemployment levels.

Moreover, South Africa did not escape the effects of the global economic downturn that started in 2008. Mlatsheni and Ranchhod (2017) point out that the country lost close to one million jobs during the recession. Others place the loss at approximately 770 000 jobs; 570 000 of which were among youth aged 15 to 34, with the biggest job losses among those aged 15 to 24 and among those who had only completed secondary education or less (Altman 2009, 2009a; Altman 2010; Treasury 2011)<sup>9</sup>.

The debates about whether South Africa has experienced jobless or low job growth in the past two decades, whilst not resolved, nevertheless point to the fact that the economy has not been able to create the significant numbers of jobs that are required to meet the increases in labour supply – an issue we now consider next.

### 3.1.2 Labour supply

Post-apartheid South Africa has seen significant increases in labour market participation (labour supply) in general and specifically among young people (Branson and Wittenberg 2007; Burger

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<sup>9</sup> These findings are similar to those on youth unemployment in the worst hit Organisation for Economic Development and Cooperation (OECD) countries. A recent OECD report further indicates that even after economic growth picks up again, young people with the lowest levels of education remain the most vulnerable to unemployment and underemployment.

and Woolard 2005; Makiwane 2009), and women in particular (Casale and Posel 2005).

Some have argued that the increase in youth participation rates is due to an increased youth population in general (Makiwane 2009); others have pointed at an increased and earlier influx of African youth who completed their high school education (Branson and Wittenberg 2007). Both of these arguments are convincing. However, in a more recent series of analyses of birth cohort panels, constructed by using national level datasets, Burger and colleagues (Burger and Von Fintel 2009; Burger et al. 2012; Burger et al. 2013; Burger and Von Fintel 2014) indicate how education and skills training policy changes have in part driven that increase in labour market participation among young people *and*, importantly, among young people with inadequate levels of skills to match the rising skills demands in the market. The researchers find that the introduction of the over-age school policy<sup>10</sup> at the time of the country's transition to democracy pushed a cohort of especially young Black learners out of the schooling system. As the policy was implemented at a time when the TVET system was not yet ready to absorb these learners, they entered the labour market prematurely, with incomplete education and lower levels of skills than what are needed by the market. The authors present their findings as an example of policies that are meant to alleviate pressure on the state's system in one area, while creating or contributing to the pressures in another area.

In addition to these underlying, policy-related reasons, the job losses experienced during the global economic downturn (discussed above) also pushed large numbers of people, and particularly young people, back into the labour market as work seekers.

### 3.1.3 The economic growth path, skills requirements and educational deficits

Job creation has been skewed to the tertiary sector<sup>11</sup>, and typically requires higher skills levels than those of the typical or average work seeker. This is referred

to as the 'skills mismatch thesis' and is commonly accepted to be a key driver of unemployment and youth unemployment in the country.

Indeed, where post-apartheid economic growth did happen, it occurred mainly in the so-called 'decent jobs' and 'big business' areas that would in any case have overlooked the majority of the country's unemployed (Centre for Development and Enterprise 2007; Bernstein 2014; Bernstein et al. 2014). So while the influx of foreign capital that came with the opening up of South Africa's markets drove an interest in new businesses and industries, the country also saw a shift in the growth path of various economic sectors: traditionally strong 'elementary' sectors such as agriculture and manufacturing – industries where low-skilled youth had historically been able to find at least *some* employment – grew less strongly than new industries, such as financial services, telecommunications, tourism, and property-related services (Bernstein 2014; Bernstein et al. 2014; Altman 2009, 2009a; Bhorat 2000; Bhorat 2016; Bhorat and Mayet 2012; Bhorat et al. 2014; Bhorat and Tian 2014; Reddy 2016; Burger and Von Fintel 2009; Burger and Von Fintel 2014; Budlender 2013). Importantly, the country thus had to compete on the global markets *and* in new growth sectors, but it had to do so with a majority population that had low levels of education, experience, skills and assets. These new growth sectors also require *different* sets of skills and capabilities, but the majority of young people today remain without those skills as the post-apartheid education system has not managed to provide adequate levels of teaching and learning.

Increased access to quality education and skills training is internationally recognised as one tool to help youth from poor backgrounds escape the poverty trap (Spaull 2015). In South Africa too, a convincing body of evidence in analysing a range of labour force, household and individual level data indicates that higher levels of education lead to higher employment chances and higher salaries. This effect is strongest post matric, but analyses show that matric retains some significance (Mlatsheni

10 Burger and Von Fintel (2009) explain the policy as follows: 'Learners that were too old for their grade were removed from the mainstream public education system, with the intention of transitioning into adult education alternatives [...] or the Further Education and Training Colleges' (pp. 2–5).

11 In industries such as information and communications technology, finance, business process outsourcing, retail and hospitality.

2014; Mlatsheni and Leibbrandt 2011; Mlatsheni and Rospabe 2002; Bhorat and Mayet 2012; Budlender 2013; Hofmeyr et al. 2013; Acquah 2009; Burger and Von Fintel 2014; Branson, Hofmeyr and Lam 2014; Bernstein 2014; Louw et al. 2007; Van der Berg and Van Broekhuizen 2012; Altbeker et al. 2012; Seekings 2012; Treasury 2011; Archer and Chetty 2013; Anyanwu 2013). Further, unemployment is highest for youth without a matric (55%) and lowest for those with a tertiary qualification (8%).

However, while access to education has expanded to near universal levels in the post-apartheid period, educational outcomes among South African youth remain low, and so do employment chances (Branson and Wittenberg 2007; Branson et al. 2014). While it is outside of this paper's scope to present a systematic analysis of policies on education and shortcomings in the educational system, it is important to refer to some of those studies that make the explicit links between education and youth unemployment.

Many young South Africans, having completed several years of education (and significantly more so than their parental generation), do not exit the schooling system with the requisite skills. In a review of South African economic growth factors, Fedderke and Simkins (2012) indicate that technological growth in South Africa mainly derives from 'human capital investment in mathematics, science and engineering, which the South African educational system finds most difficult to produce' (Fedderke and Simkins 2012). Indeed, analyses of cross-national assessments of educational achievement have indicated that almost a quarter of children in Grade 9 (age 15) did not display the most fundamental numeracy skills such as an understanding of whole numbers and decimals. South African Grade 9 learners performed far worse than Grade 8 learners from comparable middle-income, and even from much poorer, countries. Spaul (2015) points out that much of this Grade 9 learning 'backlog' is in fact rooted in literacy gaps that are already evident in Grade 4, by which time a significant proportion of learners (particularly poorer and rural learners) are functionally illiterate and therefore unable to engage meaningfully with the curriculum from Grade 4 onwards, including the

maths curriculum. By Grade 9, learners in Quintiles 1–3 schools test functionally a full four grades behind their Quintile 5 counterparts (Spaul, 2015). Various factors are assumed to contribute to this situation, with some of the research pointing at the impact of low levels of teacher content knowledge. For instance, Spaul (2013) found that Grade 6 maths teachers in Quintiles 1 to 3 schools had below basic levels of content knowledge and performed worse than the top 5% of Grade 6 learners in the country, as well as their counterparts in poorer countries.

These accumulated learning backlogs may lead to grade repetition, both of which remain key drivers of school drop-out at a later age (along with low household level income and, for female learners, teenage pregnancy). This results in a situation in which of the approximately one million learners who started Grade 1 in 2003, only 49% made it to matric in 2014, 37% passed and 14% qualified for university entrance (Spaul 2015).

In addition, access to and quality of post-school education and training that could provide youth with skills that meet the demands of the growth in the tertiary sector, have also remained problematic. In an overview on post-school education, Branson, Hofmeyr, Papier and Needham (2015) emphasise the returns to a college or university qualification: 'In the 2011 Census, youth aged 25 – 29 with a college qualification are 14% more likely to be employed than those who have only completed matric, and those with a university qualification are 36% more likely to be in employment. Similarly, a college-qualified youth earns 60% more than someone with a matric and those with a university qualification earn nearly 1.5 times more.' (2015: 2). However, participation rates in post-school education in the country remain very low, with only 8% of young people between the ages of 15 to 24 enrolled in either a university or a college. According to the authors, obstacles to accessing and completing post-school education are a lack of school-to-post-school guidance; financial constraints; a lack of support for young people to not only access but also complete post-school education; low levels of academic preparedness – which relate directly to the problems with the quality of teaching and learning at the basic education level; an institutional culture that does not take into account



the 'real-life experiences of staff and students'; and a lack of articulation between college and university sectors (ibid.: 45–46).

In addition, research points out that the quality of training by the TVET sector remains low and that there is little matching of TVET curriculum offerings with the needs of the job market.

### 3.1.4 Labour market regulations

So, while South Africa's labour now has to compete in a pressurised global market, they have to do so mostly with a comparatively lower skills level. In addition, researchers point out that the South African labour market is also characterised by 'stricter labour market regulations' that make it more difficult to hire and fire, and by rising wages (Fedderke and Mariotti 2002; also in Fedderke and Simkins 2012). Bernstein (2014) points out that stronger labour market rigidity in the country, and strong unionisation may result in employers' unwillingness to hire young people. However, the current literature review found very few studies that present actual, comparative analyses of the impact of South Africa's labour regulations, wages (including minimum wages), unionisation, or

labour market 'rigidity' on youth employment. In fact, some have suggested that the weak levels of unionisation among youth may be at the basis of forms of discrimination against young people in the labour market (Mlatsheni and Ranchhod 2017). In addition, researchers have argued that there is no evidence that rising wages have been at the basis of rising unemployment in the country, but very few make specific age disaggregations (Banerjee et al. 2007). Further expert analysis of available data, with a specific focus on youth unemployment, are needed to determine this impact correctly.

In essence, the combination of the above factors leave a large proportion of the current youth cohort, especially those from poorer socio-economic backgrounds, without a clear pathway to employment and in a comparable situation to the one their parental generation found themselves in at the time of the country's transition to democracy. The following section looks in more detail at the range of policies designed and implemented since that transition. While the main emphasis is on economic policies that were meant to drive redistribution, economic growth and job creation, it is necessary to include a brief overview of education policies and of specific national youth policies.

## 3.2 Macro-level interventions

How have national policies and interventions attempted to address the low job growth and the lack of demand for young employees? We focus on the EPWP, CWP, investment corridors and the ETI. All of these interventions are demand-side interventions, i.e. they are aimed at creating demand for employees. A key macro issue discussed above is the skills mismatch, and while the EPWP does have a skills training component, the bulk of skills training interventions are run at a local or provincial level and therefore are discussed under section 4.3.1.

### 3.2.1 EPWP and CWP

#### *Programme descriptions*

The EPWP was originally launched as the National Public Works Programme (NPWP) in 1998. It con-

sisted of two components (Department of Public Works no date; Mayer, Gordhan, Manxeba et al. 2011):

- A fund to finance employment creation projects through the development of the Community-Based Public Works Programme, which would also provide 'rapid and visible relief for the poor, and build the capacity of communities for development' (Department of Public Works no date);
- A process of 'reorienting expenditure on infrastructure to make it more labour intensive'. This latter component, stemming out of RDP commitments to create jobs, was rooted in the expectation that increased expenditure on infrastructure could be exploited to ensure that

people with low level skills could benefit through employment opportunities (Mayer et al. 2011).

According to Mayer et al. (2011) the Department of Public Works (DPW) had limited success in implementing both components with the number of jobs created, thus falling short of the targets.

In 2004 the programme was re-launched with massive expansion targets as the EPWP. It was initiated to address the high levels of unemployment and poverty and, recognising the low skills levels of the unemployed, meant to provide temporary employment for low-skilled unemployed people; provide an income to promote economic inclusion; support SMMEs; and train EPWP participants. Despite the focus on decent work in the mandate of the EPWP, the Code of Good Conduct of Public Works Programmes allows public works employees to be paid below the minimum wage provided that the duration of employment is short and that workers benefit from training programmes to compensate for the reduced wage. The average duration of an EPWP job is four months (Samson 2007), with the expectation that those who have participated should exit from the programme (in reality, however, many people are re-employed into EPWP programmes).

The programme set a target of delivering one million jobs in phase 1 (2004–2009) (Simkins 2007) and 4.5 million jobs for the second phase (2009–2014) (Cohen and Moodley 2012). In November 2013, Cabinet approved the continuation of the EPWP and, for Phase 3 (2014–2019) a target of six million work opportunities was set (Department of Public Works 2015). Within these targets, 40% of the opportunities were to be afforded to women and 30% to youth with a further 2% being allocated to people with disabilities (ibid.). In addition to the employment targets, the EPWP is intended to 'increase the potential for at least 14% of participants in the programme to earn future income by providing work experience training and information related to local work opportunities' (Department of Public Works 2004). The EPWP is implemented across four sectors i.e. infrastructure, environment and culture, the social sector, as well as the non-state sector.

The CWP is also a public employment programme but is different from the EPWP in that it is community based, relies on community members to identify specific development projects, and provides regular short-term work. According to Philip (2013, 2013a) it also differs in its focus on social outcomes – both the outcomes of the work process (such as school betterment, care and support provided) and the social and economic inclusion outcomes for those who work on the programme. The CWP is also more strongly modelled on social protection mechanisms that are intended to provide an income floor. This is in contrast to the EPWP, which has been burdened with a vast array of expectations including training and supporting SMMEs, and is framed as a stopgap measure intended to get people back into the labour market. The CWP is premised on an acceptance of the structural nature of unemployment and the need within this context to provide an employment guarantee (Philip 2013, 2013a).

The CWP was piloted in 2007 and rolled out in 2008. It has involved projects ranging from early childhood development (ECD) to school support, food gardens, informing people about free wifi, and community safety to promoting arts, culture and recreation (Philip 2013).

While the CWP is generally seen as more effective than the EPWP, it has not been without its challenges, particularly as it was absorbed into government structures after the pilot phase. Bureaucratic governments are often not agile enough or community based enough to accommodate the flexibility of the CWP, which by design relies on community members to decide what work should be done. Delays in payments to sites and employees (as happened at various points) undermine both the notion of decent, part-time and regular work – a key premise of the CWP – and the morale of community members (Philip 2013).

#### *Evaluation evidence*

The EPWP is perhaps one of the most researched programmes. Research has been conducted by the DPW itself as well as by provincial and local governments and external researchers. It is, however, difficult to synthesise the available

evidence because some studies are conducted at the local level (local municipality or local community-based or non-governmental organisations [NGOs]) whilst others are at the provincial or national level. Some evidence deals with one particular programme of the EPWP while others synthesise evidence across the programmes and sectors. We therefore summarise high-level findings from the evaluation data, focusing primarily on employment and employability outcomes. Much of the evidence pertains generally to the EPWP participants rather than to young participants.

Available evidence from the DPW as well as external researchers (Moeti 2014) demonstrates that in Phase 1 and 2 of the EPWP the total number of work opportunities targeted across the sectors was met and exceeded. In addition, the mandate to reach 40% women and 30% youth was also met and exceeded. DPW data (2015) demonstrate that the programme also largely recruits the 'right' people; that is, those with no tertiary education and those who have been unemployed for some time. It is not clear how many of the participants have less than a matric qualification. From the point of view of placing people into jobs, the EPWP could be said to be successful in that the programme directly employs people for a short period of time.

However, the programme has been criticised on three main points. The first is that it has had limited impact on job creation and sustainable employment for individuals given the temporary nature of jobs (McCord 2004; Samson 2007) and because the duration of employment was, by DPW's own admission, shorter than anticipated (DPW 2015). Although improvements in the duration of employment were observed in Phase 2 of the programme (DPW 2015) it still did not reach the anticipated targets.

A second critique is that it has had limited poverty alleviating effects (DPW 2015). Wage rates are low in the EPWP, with an average of R62 per day paid across the sectors in Phase 2 of the programme. This is significantly lower than the National Minimum Wage (NMW), which legislates a minimum wage of R20 per hour (R160 per day). Thus, low wages limit the poverty alleviating effects

of the programme, particularly when combined with the limited duration of work opportunities (DPW 2015). In addition, because EPWP workers are not recognised as formal workers, they are not eligible to claim unemployment benefits from the Unemployment Insurance Fund. Thus they are without an unemployment safety net when their short-term employment ends. This again contributes to the limited poverty alleviating impact of the programme. Nevertheless, qualitative research with beneficiaries of the programme shows that participants valued the experience, not least because of the temporary cash injection it afforded them (Hough and Prozesky 2013; DPW 2015).

A final main critique of the programme is that it has had a negligible impact on employability and employment outcomes of participants (Simkins 2007; McCutcheon 2012). This is because it provides only low-skill jobs that do not really afford participants the opportunity for on-the-job training. In addition, training targets have consistently been missed (McCutcheon 2012; DPW 2015).

The limited nature of the training means that the EPWP has not been able to act effectively as a stepping stone to full-time employment. The DPW (2015) notes that more than 70% of beneficiaries are employed after participating in the programme but concedes that the majority of these are re-employed in a short-term EPWP programme. In fact, one study reports that Working for Water beneficiaries perceived WFW as 'guaranteed' employment and most beneficiaries did not look for work between contracts (Hough and Prozesky 2012). Another reported that more than half of the respondents who earned an income before WFW had voluntarily substituted this employment for WFW as it provided increased and/or more secure remuneration than alternative employment in the area (Hough and Prozesky 2013). This shows how the absence of a long-term strategy on transforming the surrounding socio-economic structure to create decent jobs can generate dependency effects of the programme. Thus, it points to the need for the EPWP to be better integrated into a long-term strategy for addressing unemployment generally and youth unemployment specifically. We discuss such opportunities in more detail in section 5.3 .

The evaluation evidence of the CWP is markedly different, primarily because its aims differ. It is not intended to be a stepping stone into the formal labour market, but rather to play a 'safety net' role, providing people with guaranteed, regular part-time work. Evaluated against these aims, the CWP has been successful. The income effects of this regular employment have been estimated and models, based on the pilot phase of the programme, show that scaling up the programme will have significant effects on lifting the poorest people above the lower bound poverty line (Stanwix and Van der Westhuizen 2012). These gains are likely due to the longer-term and guaranteed nature of the employment opportunities. It is argued that the programme cannot be expected to do more in terms of poverty reduction because the wage is low and likely to be spread amongst household members.

Qualitative evidence also shows that, where training has occurred, it has been successful. The CWP, unlike the EPWP, does not have training targets but does allow for training where more specialist expertise is required, for instance in the case of home- and community-based care workers who require medical training. Evidence about these training interventions shows positive feedback, with many people reportedly being able to use their CWP training and experience to develop a career path in the care sector (Philip 2013). For instance, participants have gone on to become care workers or pursued training in the health sector as nurses.

Thus the CWP, although not set up as a pathway into the wider labour market, seems to show promise in doing so where the training is targeted at specialist skills development. It is not clear to date whether the CWP develops wider pathways into formal jobs but it is important to note that this is not its purpose. Nevertheless it forms an important point of connection with young people, which could be leveraged to link them into other opportunities.

### 3.2.2 Employment Tax Incentive

#### *Programme description*

The youth wage subsidy (as it was called before being formally implemented) was tabled as an

option for addressing youth unemployment in 2011 (National Treasury 2011) and debated at the ANC policy conference in 2012. After being tested through a randomised control trial (Levinsohn et al. 2014), which showed positive results, it was implemented from 1 January 2014 (with effect to new hires from 1 October 2013) for a period of three years until the end of 2016. It was subsequently renewed for a further two years and will now end on 28 February 2019. The ETI set a target of creating 463 000 new jobs for youth over the three years.

According to the Employment Tax Incentive Act (RSA 2013), its main purpose is to encourage employment creation specifically for young work seekers. It aims to do this by reducing the cost of employing young workers, who are often viewed as being more costly to hire due to training requirements, and whose productivity in relation to their wage is unknown. The subsidy is intended to offset the costs and risks of employing youth. National government, particularly the National Treasury, is the primary driver of the ETI. The intervention is specifically targeted to employers who are registered for the 'withholding or payment of employees' tax' (RSA 2013). It is thus effected through the South African Revenue Service (SARS), with private sector and non-governmental organisation employers benefitting from a state subsidy on the Pay As You Earn (PAYE) tax that the company is liable to pay. It thereby reduces the cost of hiring young workers without reducing their salaries. The subsidy is aimed at reducing the perceived costs associated with hiring young work seekers and it was expected to increase the likelihood of employers appointing youth. When claiming the ETI, employers are encouraged to provide on-the-job training for young employees. Employers may claim the incentive for new employees aged 18–29 years, or to retain 18–24-year-olds who are employed in existing jobs.

#### *Evaluation evidence*

The ETI has been the focus of a great deal of robust evaluative studies. Prior to its implementation, a randomised control trial that provided a wage subsidy voucher to young job seekers concluded that those who were allocated this voucher were more likely

to be in wage employment both one year and two years after allocation (Levinsohn et al 2014). It should be noted that this study used a voucher system in which young work seekers presented the voucher to employers. Ultimately the ETI was rolled out very differently through a tax rebate system, which may explain the differences in the pre-implementation study results and the evaluation evidence discussed below. A qualitative study on the perceptions of a wage subsidy among employers reported that the subsidy would reduce the costs of work seeking and would increase the number of jobs available to youth (Mtembu and Govender 2015).

Two studies use the Quarterly Labour Force Survey (QLFS) data to compare youth employment rates before and after the introduction of the ETI. Ranchhod and Finn find no effects on youth unemployment rates both six (2014, 2016) and twelve (2015) months after the introduction of the programme. Their modelling demonstrates that jobs created would have been created even in the absence of the ETI.

Three studies using tax data have assessed whether the ETI has had any effect on job creation for young people over the two to three years of its implementation. All apply different econometric analyses to assess impact. Two, using different approaches but comparing ETI and non-ETI claiming firms before and after the introduction of the ETI, have found that on aggregate there is no significant impact of the subsidy on youth employment (Ebrahim, Leibbrandt and Ranchhod 2017; Makgetla 2017). There is, however, a modest increase in employment of youth in small firms (less than 200 employees and less than 50 employees respectively). They also demonstrate that there has been a very high allocative inefficiency rate; that is, that there is a high number of subsidies claimed for jobs that either existed or would have been created in the absence of the ETI relative to jobs created because of the ETI. While the National Treasury estimated this rate at 57% (National Treasury 2011), Ebrahim et al (2017) conclude that the actual rate is 92%. In contrast to these findings, Rankin and Chaterjee (2016), when looking within ETI claiming

firms, find a positive effect of the ETI on overall job creation for youth, and particularly so in small firms.

So, the evidence on the overall effectiveness of the ETI is mixed, but there seems to be some agreement that there are positive effects amongst small firms. Amongst employed youth, small firms are the main employers (Statistics South Africa 2015b), suggesting that more focus on these companies might be warranted.

### 3.2.3 Investment to drive economic growth and job creation

#### *Description*

A further type of intervention aimed at addressing low job growth are investment programmes intended to boost infrastructure development and create jobs in particular areas. Although none of these interventions specifically mention youth employment, it is assumed that if they indeed do lead to job growth, they could benefit young people. An example is the Maputo Development Corridor (MDC) which is a large investment initiative around the main transport route from Gauteng to Maputo. This route cuts through Limpopo and Mpumalanga – areas that have not always benefited from economic growth. The vision of the MDC is to ‘facilitate economic growth, job creation and social development (especially for historically disadvantaged people), rehabilitate primary infrastructure networks by means of corridor development, promote investment in these corridors and surrounding areas and ensure a holistic participatory approach to development’ (Khoza 2013). Industrial development zones (IDZs) would be another such example. While IDZs are typically driven by national government departments, regional investments are usually implemented by provincial governments.

#### *Evaluation evidence*

There is limited evidence on the employment effects of investments to drive economic growth in particular areas<sup>12</sup>, and none that delineates youth employment effects. One study on the employment

12 Due to the inclusion of ‘youth’ as a term in our search strategy, some evaluations may have been missed.

effects of the Coega IDZ (Etherington no date) estimates about 16 000 jobs created in the area, including in the construction of the zone, and about 50 000 jobs created in the financial years preceding this. He argues that the bulk of the jobs created were temporary, arising primarily out of the construction of the zone. Tang (2008) presents similar findings, noting that in a three-year period (2005–2007),

direct employment in the Coega and East London IDZs amounted to 3 935 jobs. This is lacklustre, she argues, given the significant investments made into the zones (Tang 2008: 11). So although there is evidence of some positive employment effects of such interventions, these are minimal. Further, there is no evidence about how employment creation has affected young people.

### 3.3 Summary

While there may be debate about the extent to which economic growth has generated employment, clear evidence exists of the relationship between skills and the nature of economic growth, which has been primarily in tertiary sector skilled jobs rather than in primary or secondary sector (low-skill) jobs. Thus failure to deliver access to quality education and skills development can be considered a significant contributor to youth unemployment. This concern is reflected in the economic policies, the standardisation of post-school education and training (PSET) qualifications, the design of some of the public employment programmes, the equalisation of public funds for all schools, and the development of post-apartheid education policies and curricula. The investments in the unified educational system have been significant, and are also reflected in, among others, the roll-out of the No-fee School Policy, the Schools Nutrition Programme, the National Qualifications Framework (NQF), National Student Financial Aid Scheme (NSFAS), etc.

However, while government has been successful in increasing enrolment in the basic education system to near universal numbers, the *quality* of teaching and learning accessible for the poorest in the country remains far below the expectations. Basic literacy and numeracy levels are low; large proportions of youth leave school before completing high school, without access to quality second-chance learning opportunities and without streaming into technical and vocational training. This leaves especially the poorest young people at a significant disadvantage in the labour market. Remarkably, there have been limited interventions at the national level to

remediate the numeracy and literacy backlogs or to prevent school drop-out. It is critical that policies to address youth unemployment put access to quality basic education at their centre.

Access to and throughput in the post-secondary education system have remained limited for the poorest youth, and challenges in the quality of TVET education also limit their options. This leaves the job of 'upskilling' young people to a wide range of private and civil society organisations as well as to small programmes delivered through various levels of government. These are discussed in more detail in the micro section; suffice to say that even where there is evidence of success, the scale of the programmes are nowhere near what is necessary to address education and training backlogs and requirements adequately.

Within this context the EPWP and CWP are two programmes that respond well to the fact that the lack of job creation has been a key driver of youth unemployment. In the context of high levels of structural unemployment these are critical interventions, absorbing large numbers of young people with low skills levels. While the EPWP in particular has also been burdened with the need to respond to low skills levels through training, the evidence suggests that this has not happened. These programmes cannot, however, be expected to transition young people into jobs in the formal labour market, as is often the implicit expectation, particularly where the jobs are low skilled. In the case of CWP, training is not necessarily a component of the programme, although where it is (for more skilled jobs) there is some evidence to suggest that

participants can transition into more permanent jobs.

Nevertheless, public employment programmes do form a critical component of an employment strategy for youth, primarily because they offer some guarantee of work, income and a critical connection point for young people as they seek jobs. There are possibilities for connecting young EPWP and CWP participants to a further 'pipeline' of employment opportunities so that, gradually, the short-term and low-skilled nature can be outgrown.

The limited evidence on the effect of labour market regulations on employer behaviour is another gap in our understanding of youth unemployment. Despite this, the ETI was rolled out in response to a perceived unwillingness on the part of employers to employ youth because of the perceived costs, accompanied by a context of strict labour market regulations. Although evidence is mixed, there are signs that jobs are being created in small firms. But too few interventions have focused on this sector. Working with small firms to enhance their ability to employ youth therefore emerges as a possible strategy in a theory of change.



## 4 YOUTH UNEMPLOYMENT AT THE MICRO LEVEL

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The macro-level factors that contribute to increasing levels of youth unemployment have particular effects at the micro level – the level of the household and the individual. In this section we discuss the ways in which these macro-level features affect the lives of individuals and how this in turn shapes youth unemployment. We also consider other micro-level factors on both the supply and demand side of the

labour market that do not necessarily have roots in macro-level issues. We not only consider the ways in which these features drive youth unemployment levels but also, importantly, how they shape *who* gets most affected by the issue. First we consider the evidence on the micro-level drivers of youth unemployment, before outlining the ways in which policies have responded to these drivers.

### 4.1 What does the evidence tell us about micro-level contributors to youth unemployment?

At the micro-level, a range of factors contribute to the extent and nature of youth unemployment. The bulk of the existing evidence lies on the supply side of the labour market equation: multiple studies consider the issues to do with young people themselves, including evidence about their skills

and education levels, their aspirations and the effects of their households and communities on their labour market engagement. There is far less evidence about the demand-side drivers of youth unemployment, including on employer behaviour and attitudes towards hiring young people.



#### 4.1.1 Educational attainment and low skills levels

A critical factor contributing to unemployment levels, and youth unemployment levels specifically, is the 'skills mismatch' driven by the current, high technology, third sector growth path on the one hand, and the inability of the basic education and technical and vocational education and training sectors to deliver on skills development, on the other hand. These are macro-level issues that have had significant consequences for individuals.

The evidence is clear that young people today have significantly higher education levels than their parents; more young people today have completed matric than their parental generation did (Statistics South Africa 2016a; Finn, Leibbrandt and Ranchhod 2016). However, this achievement has not resulted in better employment prospects for youth. Further, survey data analyses indicate that there is still a premium on matric in the labour market (Hofmeyr et al. 2013) but this is small compared with higher education (Pauw et al. 2006). Returns on investment in education really only accrue to an individual once they have a diploma or degree (Van der Berg and Van Broekhuizen 2012; Van Broekhuizen and Van der Berg 2016). Young people with higher levels of education stand a better chance of finding employment, and of finding employment faster than their peers with lower levels of schooling (Acquah 2009; Archer and Chetty 2013; Bhorat and Mayet 2012; Budlender 2013; Branson and Leibbrandt 2013; Burger and Von Fintel 2009, 2014; Hofmeyr, Branson and Leibbrandt 2013; Mlatsheni and Rospabe 2002; Mlatsheni and Ranchhod 2017; Pauw et al. 2006; Van der Berg and Van Broekhuizen 2012). Consequently, the high levels of school drop-out before matric among a large proportion of young South Africans place them at a significant disadvantage in the labour market. Not only do they face longer spells of unemployment, this may ultimately also result in discouragement and the often-mentioned longer term 'scarring effect' (Lam et al. 2007; Mlatsheni and Leibbrandt 2011).

Therefore, considering solutions to youth unemployment without considering the factors affecting access to quality teaching and learning in the

schooling system would be highly inefficient. We provide a brief overview of some of the available evidence on schooling quality and high school drop-out but urge for a more thorough investigation into possible interventions to curb and reverse these.

As mentioned, levels of school drop-out in the country remain very high with almost 50% of every Grade 1 cohort exiting the schooling system before reaching matric (Spaull 2015). Survey data analyses have indicated that the main reasons for drop-out include financial constraints and wanting to look for work, grade repetition and, for female learners, pregnancy (Gustafsson 2011; Branson et al. 2014). Qualitative work has further indicated that drop-out may also be driven by a lack of clarity on whether or not the educational system will deliver on its promises of upward social mobility, by pressure from peers to engage in risk behaviour, and by a general sense of discouragement with an educational environment that is often characterised by absent or unavailable teachers, a lack of resources, and violence (Swartz, Harding and De Lannoy 2012; Bray et al. 2011; De Lannoy and Swartz 2015). These problems are particularly severe in the lower quintile schools, especially among Coloured, followed by African learners (Isdale et al. 2016). Young men are more affected than women (Branson et al. 2014), and drop-out is more pronounced in poorer, rural provinces such as the Eastern Cape, where only 20% of the Grade 2 pupils from the 2001 cohort passed matric in 2011 (Spaull 2013).

The trajectories to the labour market for those who do not complete matric are clearly limited. Learners who drop out of high school are less likely to be enrolled in other forms of education one or two years after drop-out, compared with those who successfully complete matric (Branson et al. 2014). This is despite policies that allow those who leave school after Grade 9 to continue their education through the TVET system and the National Certificate Vocational. In practice, however, many of the colleges show a tendency to increase the access requirements to having a matric certificate (Branson et al. 2015). Clearly then, few learners who leave school pre matric progress into the technical and vocational stream (or into second-chance education) and thus enter the labour market with

very limited skills and no certificate that could 'flag' to employers what their skills levels or competencies are.

In addition, evidence indicates that many young people exit the schooling system without the required literacy and numeracy skills – even when they do complete their matric year. Thus, while some young people do achieve higher levels of education, this does not necessarily mean they exit the schooling system with the skills required by the labour market.

Little is known about interventions that aim to keep young people in the schooling system (whether that be basic education or through a connection to the TVET stream). There is also limited research on what basic skills are required by which type of employers, and whether the schooling system is providing these skills. However, basic literacy and numeracy are viewed as the minimal requirements for entry-level jobs (see section 4.1.9). There is ample evidence to show that young people progress through the basic education system without gaining these skills. Indeed, research by Spaull (2015) demonstrates that almost a quarter of children in Grade 9 (age 15) did not display basic numeracy skills, such as an understanding of whole numbers and decimals. South African Grade 9 learners performed far worse than Grade 8 learners from comparable middle-income, and even from much poorer, countries. Much of this Grade 9 learning 'backlog' is rooted in literacy gaps that are already evident in Grade 4, by which time a significant proportion of learners (particularly rural learners) are functionally illiterate and therefore unable to engage meaningfully with the curriculum. By Grade 9, learners in Quintiles 1–3 schools test functionally a full four grades behind their Quintile 5 counterparts (Spaull 2015). There is limited knowledge about what can be done to remediate this learning backlog at the stage of secondary education.

In addition, given that the highest return on education investment accrues to those with higher education qualifications, there is a real challenge in the low rates of access to and completion of the post-school education system (for more details on the post-school education sector, see Branson et al. 2015). These low access rates, as well as

low throughput rates in the post-school sector, contribute to continued racial and class inequalities in youth unemployment.

The past two decades have seen significant expansion in access to TVET colleges and to universities, particularly amongst Coloured, Indian and Black African students (Council for Higher Education 2016). This growth can, in part, be attributed to increased government expenditure on higher education (Department of Higher Education and Training 2013). However, despite the expansion, only 8% of 15 to 24-year-olds attend a university or college (Branson et al. 2015), leaving the bulk of youth outside of the systems that have the best chance of changing their labour market prospects. Further, despite significant increases in the participation rates of Black African and Coloured students in higher education, proportionally they remain under-represented (Department of Higher Education and Training 2016; Branson et al. 2015).

In addition, African and Coloured youth from a low socio-economic background are also less likely to complete their studies than their White and Indian counterparts (Department of Higher Education and Training 2016; Branson et al. 2015). According to the Department of Higher Education and Training (2016), a third (33%) of students drop out after the first year and half drop out prior to completion. Of these, the vast majority are African and Coloured students. These low throughput and graduation rates for African and Coloured students are attributed to poor quality foundation and basic education that do not adequately prepare students for university, as well as significant financial constraints and experiences of an alienating institutional culture at many institutes of higher learning – all of these are concerns reflected in the current #feesmustfall debates (for more detail on barriers to accessing and completing post-school education, including funding, see Branson et al. 2015).

In addition, while TVET colleges offer an alternative pathway to gaining a qualification, the quality of teaching and learning at many of these colleges (discussed earlier) interacts with the aspirations of young people (see below), which also contributes to the lower participation rates in TVETs.

#### 4.1.2 Aspirations, perception of opportunity and reservation wages

A relatively small but consistent body of qualitative and quantitative research has identified that large proportions of young South Africans have high aspirations for their futures, both in terms of educational attainment and possible careers. For instance, 2005 Cape Area Panel Study data demonstrated that 50% of young people aged 16 to 25 expected to achieve a degree or higher qualification (De Lannoy 2008; see also Beutel and Anderson 2007). These aspirations were high across racial groups, though highest among African and lowest among Coloured youth. Even among the oldest cohort of 23 to 25-year-old African youth who, by 2005, were not in school and had not completed their matriculation year, 42% said they expected to complete *at least* some post-secondary education (Bray et al. 2010; De Lannoy 2008).

Several qualitative studies conducted since the time of the transition, mainly with young people in urban areas, reflect young people's understanding of the opportunities that should be available in the 'new' South Africa (Bray et al. 2010; Babson 2014; De Lannoy 2008; Graham 2012; Henderson 1999; Ramphele 2002; Soudien 2007; Swartz, Harding, and De Lannoy 2012). These aspirations play out in particular ways in young people's engagement with the education system, and in their transition to the labour market. For instance, the fact that African youth remain in high school until later ages than their peers, and that parents and young people seek out ways to access better – often English medium – schools, have been interpreted as an indication of the high value they attach to education as a pathway out of poverty (Bray et al. 2010; Babson 2014; Swartz, Harding and De Lannoy 2012). In addition, there is evidence to suggest that young people's expectations for a degree, and for a professional career rather than a menial job, lead them to value university education over TVET education (Babson 2014; Cosser and du Toit 2002; De Lannoy 2008; Lekena 2006; Odora and Naong 2014; Papier 2009). Thus TVET education has for some time now carried an associated stigma, which is in turn fuelled by the difficulties with the quality of teaching and learning at these institutions (discussed above). Making high-

quality TVET education accessible to more young people, *and* working to provide teachers, learners and parents with sufficient information about the kinds of careers and lives that can be built with such a TVET education, might thus be key interventions.

There has also been debate about whether young people's wage expectations (reservation wages) hinder their engagement with the labour market. The economic literature generally assumes that high reservation wages have a negative impact on a person's probability of finding work. Some survey data analyses seem to indicate that young people do have somewhat higher expectations of what they should earn than what would be realistic in the labour market (Rankin and Roberts 2011). However, others have questioned how people interpret survey questions about reservation wages and point at the potential for measurement error (Zoch 2014). In addition, survey data analyses have indicated that youth from lower socio-economic backgrounds have, in fact, significantly lower reservation wages than their middle-class peers (Zoch 2015; Lillenstein and Seekings 2017); that young people's expected wages are in line with national average wages for youth (Ingle and Mlatsheni 2016); and that unemployed youth are willing to pursue lower qualification learnerships to improve their employability (Visser and Kruss 2009; Wakelin-Theron 2015).

A longitudinal, qualitative study with Cape Town-based youth has shown extensive attempts of young people to find work without consideration of the wage (Newman and De Lannoy 2014). More recent qualitative data from employed and unemployed youth in Gauteng, the Western Cape, Kwa-Zulu Natal, the Eastern Cape, and the North West show that when young people are probed further about the lowest wages they would want to work for, they indicate being willing to accept wages below sectorally determined minimum wages because they realise that they need the work experience (Patel et al. 2016). Further, when asked about fair wages, there is some evidence to suggest that young people factor in the costs they need to cover and their investments in work seeking (discussed below) (Patel et al. 2016). On balance, the evidence seems to refute the idea that young people have

unrealistic wage expectations that would inhibit their willingness to search for or accept work.

However, the body of qualitative – and some of the quantitative – evidence shows that urban young people have career prospects that are often at odds with their own educational achievements. Young people typically indicate aspiring to professional and office-based jobs synonymous with socio-economic betterment, and with economic security and stability (Newman and De Lannoy 2014; De Lannoy and Swartz 2015). Further research is required to better understand: a) the aspirations among rural youth; b) where there is growth of jobs and where youth would have a possibility to develop careers; c) whether or not young people know about such opportunities; and d) whether the availability of such information would shift their career prospects and planning. This final question is linked to a broader challenge that many young people face – a lack of information.

#### 4.1.3 Lack of information

In part, the mismatch between young people's aspirations and the opportunities available for them in the labour market is a feature of limited career guidance provided at the school level. Career guidance is intended to form part of the high school curriculum and is meant to be provided mainly through the life orientation programme. However, several qualitative studies indicate that young people – especially those from a lower socio-economic background – are not thoroughly informed of the need to choose subjects that match their skills and interests, or are simply not given the opportunity to choose the subjects they would like – or need (Branson et al. 2015). The absence of adequate career guidance has a potentially severe effect on the learning and career trajectories of high school learners, who are expected to make choices about their matriculation subjects already in the second half of Grade 9.

Further, information about sectors of job growth is not readily available to the general public and may thus also not be accessible to the teachers responsible for providing efficient career guidance. The same applies to information about wage

prospects in the various sectors. More research is needed to gain a better understanding of the information that is available to teachers and career guidance providers, and what material would enable them to provide better guidance to their learners.

As young people exit the schooling system there are few readily accessible points of information about how to apply for jobs, how to compile their curriculum vitae (CVs), or how to access further education opportunities. Qualitative work in mainly urban areas of the country has documented how young people 'feel' their way through the systems (Newman and De Lannoy 2014). While there is some evidence to indicate that community-based NGOs can fulfil a 'bridging role' (Kraak 2015, 2015a; Dieltiens 2015), qualitative work also shows that even when youth actively seek out support from such NGOs, they may not be given adequate guidance (Newman and De Lannoy 2014).

Survey data have also shown that most young people look for work by relying on their networks of friends or relatives (Mlatsheni and Rospabe 2002; Schoer and Leibbrandt 2006; Magruder 2007; Narker 2004). However, African young people from a low socio-economic background have very few 'productive' social networks of support that could provide them with the kinds of information needed for effective job searches.

This means that young people typically 'flounder around' when looking for a job. One survey shows that when young people actively search for work, they often do so using the least effective strategies – applying for widely advertised positions that place them in competition with thousands of other candidates (Graham et al. 2016) or by leaving their CVs at places that may not be looking for new recruits (Newman and De Lannoy 2014). This results in high levels of effort being expended, often at significant financial cost, with limited gain – a situation that may partly explain increasing levels of discouragement (Statistics South Africa 2015b).

#### 4.1.4 Discouragement and mental health

Limited attention has been given to the slowly increasing levels of discouragement amongst youth

evidenced in Quarterly Labour Force Survey data (Statistics South Africa 2015b) and to why these levels are increasing. International literature indicates that discouragement might be a form of depression and is not unusual in a situation characterised by high levels of chronic unemployment. However, the connection between joblessness and the increased risk and severity of depression or mental ill-health has been given little attention in the South African research on youth unemployment (Mlatsheni and Ranchhod 2017).

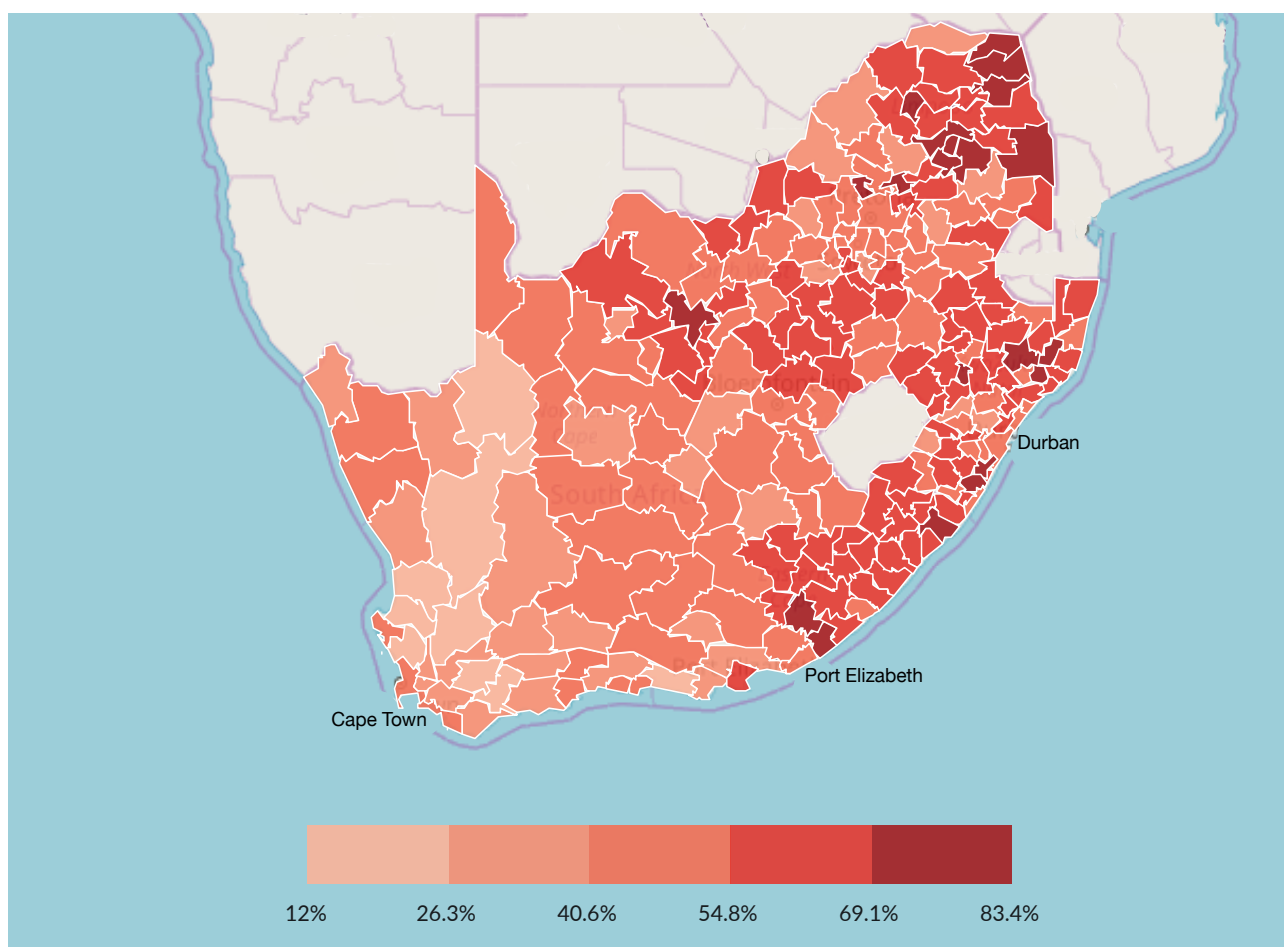
Some qualitative evidence indicates the severe strain that unemployment and unsuccessful job search has on young people, but does not capture levels of depression in comparable manners (Newman and De Lannoy 2014; Patel et al. 2016). Depression may, among other things, hamper young people's access to interventions aimed at

connecting them to labour market opportunities. This has important policy effects: it is possible that discouraged youth require additional attention and interventions aimed at improving their emotional and mental health alongside of interventions that connect them to work. It is thus important to understand discouragement and mental health better in relation to youth unemployment, its causes and consequences.

#### 4.1.5 Geography and costs of work seeking, lack of income

There is a convincing body of evidence pointing to how apartheid-era spatial planning continues to affect young people's ability to search for and enter jobs. Poor people typically still live in townships on the outskirts of the cities, or in less economically developed rural areas, far from areas where jobs

**FIGURE 5: Unemployment rates for youth (aged 15–24) at sub-provincial level, 2011**



Data source: South African Population Census 2011. Indicators derived from the full population Census; Source: Youth Explorer (2018) <https://youthexplorer.org.za>. Data analysis by Southern Africa Labour and Development Research Unit (SALDRU) at University of Cape Town. This map provides unemployment rates for youth aged 15 to 24, at the municipal level. Areas with darker shades of red represent unemployment rates above 54%.

are located and with limited reliable and affordable transport options to search for work (Mlatsheni and Rospabe 2002; Mlatsheni and Ranchhod 2017; Budlender 2013; Ardington and Hofmeyr 2014).

This drives up the costs of work seeking, as well as the costs of working, and, in turn, reduces the amount of income that an individual is actually able to take home. Analysis of Labour Force Survey (LFS) data indicates that location and the cost of looking for employment are indeed constraining factors for job search among unemployed, non-searching respondents: more than 70% of non-searchers, aged 16–30, in the March 2005 LFS, indicated that their location constrained them from looking for work (Mlatsheni and Ranchhod 2017).

Amongst a sample of young people participating in youth employability programmes, average and median work search costs were R938 and R550 per month respectively (Graham et al. 2016). These young people typically came from households where monthly per capita household income was R527 and where food insecurity was a reality. These costs are made up largely of transport costs but also include data costs or payments at internet cafés, printing and postage costs. Both quantitative and qualitative data from other studies confirm these high costs of looking for information on the internet (Porter et al. 2015). In other words, looking for and applying for work becomes a poverty exacerbating process.

This finding is reinforced by qualitative data that illustrate that young people have to borrow money from friends and family members to look for work and the significant pressure this places on their relationships when they are not able to repay the money (Newman and De Lannoy 2014; Patel et al. 2016).

Limited income, exacerbated by location and high transport and data costs, thus emerges as a clear contributor to youth unemployment.

Therefore, access to cash in the form of social grants in the household can have a positive effect on young people looking for employment. A study on the social and economic effects of the social grant

system found that: 'Social grants provide potential labour market participants with the resources and economic security necessary to invest in high-risk/high-reward job search' (Samson, Lee and Ndlebe et al. 2004: 4). More recent studies show that access to the old age pension significantly increased the chances of young men with matric of finding work in the city. In other words, cash influx facilitates migration to urban areas in search of work (Ardington et al. 2016). However, related studies indicate that this finding may not hold for young rural women (Blalock 2014), and that different dynamics may be at play in more urban areas (Abel 2013). Further investigation is needed to better understand the ways in which the social protection system provides support for young people's employment chances.

#### 4.1.6 Lack of work experience

Young people wait longer in the labour market queue, especially before finding their first job (Graham and Mlatsheni 2015). Evidence indicates that a lack of work experience is a factor that contributes to this. For instance, in his analyses of quantitative and qualitative Cape Area Panel Study data, Seekings (2012) demonstrates that middle-class youth who gained some work experience during their high school years transition more smoothly into work than those with no experience. In a panel regression analysis of the 2002 and 2004 Cape Area Panel study, Lekena (2006) also indicates that, over time, young people's work experience becomes more important than household income or adult household employment, and may even become more important for their chances of being employed than the quality (but not the quantity) of education accessed (Blaauw and Pretorius 2007; Lekena 2006; Seekings 2012). This is a significant finding with regards to possible policy interventions as it speaks to the need to ensure connections between young people and the labour market as early on in their education and career trajectories as possible, provided this does not interfere with their schooling.

In addition, several studies mention the assumption that employers are risk averse and would thus prefer people with work experience but, as will be seen in a later section, the evidence on what employers do or do not prefer remains very limited. This is a clear

gap in the existing evidence base on drivers on the demand side of the labour market. More work therefore needs to be conducted to understand the importance of work experience in securing work in South Africa.

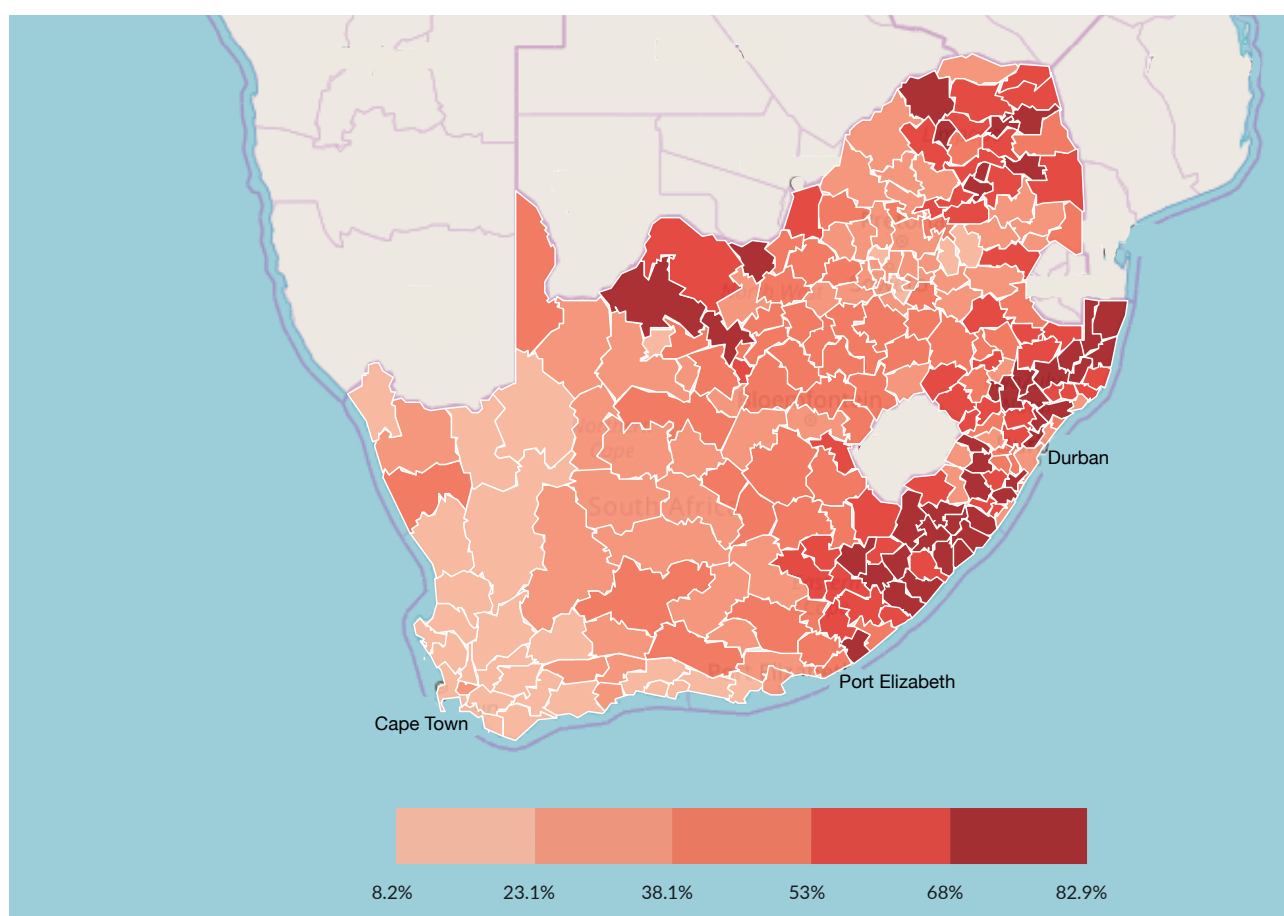
#### 4.1.7 Limited social capital

There is considerably more information about the role that social capital plays in the South African labour market, and in turn how it affects the experiences of young people in the labour market. Social capital is defined as the *social networks* that can be leveraged for access to information about the education system, the labour market, job availability, or for access to jobs themselves. Both survey and in-depth data have indicated extensively that employment in South Africa is mainly found through informal networks of friends or family who are aware of job openings or who

put people in touch with employers (Altman 2009b; Lekana 2006; Mlatsheni and Rospabe 2002; Schoer and Leibbrandt 2006; Magruder 2007; Narker 2004; Newman and De Lannoy 2014; Graham et al. 2016). The work of Seekings (2012a), for instance, shows that students who work while studying had a better chance of securing work after graduating. Their success in finding work while studying was largely due to social networks of their parents.

Thus, living with someone who is employed could be considered a proxy for having access to productive social networks. However, according to the 2011 Census data analysis presented on the Youth Explorer (Youth Explorer 2018), 42% of South African youth aged 15 to 24 live in households with no employed adult – a proportion that increases to almost 60% in the Eastern Cape and Limpopo provinces and to as much as 80% in some of the poorest municipalities of the country.

**FIGURE 6: Youth aged 15–24 in households with no employed adults, at the municipal level, 2011**



Data source: South African Population Census 2011. Indicators derived from the full population Census; Source: Youth Explorer (2018) <https://youthexplorer.org.za>. Data analysis by Southern Africa Labour and Development Research Unit (SALDRU) at University of Cape Town. This map provides unemployment rates for youth aged 15 to 24, at the municipal level. Areas with darker shades of red represent unemployment rates above 54%.

Moreover, panel data show that the information provided via networks is only effective when unemployed youth are actively searching (so not when they are discouraged – indicating again the need to understand and prevent discouragement) or have previous work experience (Lekena 2006). Analysis of Cape Area Panel Study data showed that young men were more likely to be employed if their fathers live in the same province as them and if jobs in a father's industry increased (Magruder 2009). In addition, the limited research available on the demand side of the labour market (see below) indicates that employers also rely on networks to find suitable candidates for their jobs (Bernstein 2014; Burger and Von Fintel 2014; Abel, Burger and Piraino 2017).

There is evidence that NGOs and intermediaries that operate at the local level can provide the kind of mentoring and 'bridging capital' that are missing for lower-income youth, indicating again the importance of social capital in finding work (Dieltiens 2015). Policies and interventions therefore need to effect ways that young people and their families can gain access to information about jobs and the labour market, and to alternative, but equally productive, networks.

#### 4.1.8 Gender and care

Young women in South Africa are disproportionately affected by unemployment. This gender dynamic is clearly indicated in various survey analyses, but remains poorly understood. While it is often assumed that the higher vulnerability of young women to unemployment is either a result of labour market discrimination (Mlatsheni and Rospabe 2002; Lekena 2006) or a feature of gendered expectations of care for children and other household members, there is limited evidence reliably pointing to these as explanatory factors. While Schöer and Leibbrandt (2006) indicate that domestic responsibilities were a factor hindering active job search, the analysis was not youth specific. In addition, analyses of the effects of early childbearing on young people's socio-economic outcomes showed that delaying early childbirth had a positive effect on young women's educational outcomes, but did not find a significant effect on employment chances (although

earnings for those who did find work were higher). Thus, more research is needed to understand the gender dynamics in the labour market, both on the supply and demand side, and in particular with a focus on young people.

#### 4.1.9 Hiring preferences and behaviour of employers

There are a range of assumptions about the nature of employer behaviour with regard to hiring, including that employers are reluctant to hire young people because of higher training costs and that labour market regulations, which prevent easy hiring and firing, inhibit them, or that they prefer more experienced people. However, the research review identified large gaps in our understanding of exactly how employer behaviour shapes youth unemployment. There is a lack of data to support the assumptions listed although there is limited evidence of the following factors.

##### *Demographics and discrimination*

It is often assumed, in the absence of other evidence, that discrimination on the basis of race and gender plays a role in hiring preferences (Mlatsheni and Rospabe 2002; Bhorat and Mayet 2012). However, the review revealed very little actual evidence to support this assumption and researchers themselves have indicated that the lack of data on the matter does not allow for further analysis (Bhorat and Mayet 2012). One study by the Human Sciences Research Council's (HSRC) Labour Market Intelligence Programme (Isdale et al 2016) found some evidence that hiring practices remain discriminatory. However, the researchers point out that this may have less to do with race itself and more to do with perceptions of the quality of education provided at historically White universities (HWU) and historically Black universities (HBUs), as graduates from HBUs take longer to transition to jobs than their peers from HWUs. Other researchers have reiterated this (Acquah 2009; Budlender 2013; Bernstein 2014; Mlatsheni and Rospabe 2002) but few have drawn on data that actually assess the quality of education offered at various institutions of higher learning and, within those, at particular faculties. In an analysis of firm-based data, Pauw et



al. (2006: 6–7) found that most of the firms included in their survey were ‘explicit about the fact that they do not approach historically Black institutions’ when organising recruitment drives to campuses as these ‘simply do not produce the number of suitably qualified candidates to make the expense worthwhile’.

In sum, while researchers suggest that discrimination on the basis of race, and on the basis of type of educational institution attended may be explanatory variables for higher unemployment rates among African youth, the evidence is inconclusive. Similarly, there is little or no evidence to show that employers discriminate on the basis of gender. As mentioned above, there is a need to better understand why young women continue to be more vulnerable to unemployment than young men in the country.

#### *Lack of ‘flags’ to reliably hire staff and reliance on social capital*

In the same way that young people face a lack of information about the labour market, there is some evidence to suggest that employers also struggle with a lack of information about potential employees. This suggests that there are inefficiencies in the ‘matching’ processes within the labour market. The lack of information on the side of employers has a number of consequences:

First, employers seem to prefer to employ people who come through a referral system. In other words, employers also rely on social networks to find employees (Bernstein 2014; Burger and Von Fintel 2014; Abel, Burger and Piraino 2017).

Second, it is suggested that employers prefer to hire more highly educated people in an attempt to reduce their risk, for example with regards to health-related absenteeism. For instance, Chicoine (2012) assumes that employers prefer more highly educated employees to try to avoid hiring HIV-positive people, but no evidence is presented for that assumption.

Bhorat (2014) suggests that labour market entry requirements are floated up by employers in an effort to sort potential employees. Thus, education levels required for a job may not match the actual

requirements of the job but are rather used to better sort potential employees in the absence of any other information. This effectively excludes large numbers of young people from jobs that they may in fact be equipped to engage in.

Further, research on interventions in labour centres on the use of reference letters shows that work seekers who received reference letters from previous employers were much more likely to be invited for an interview and to find work, than those who did not. The more individualised the information, the better their chances of finding employment. In addition, applications of women with a reference letter saw an increase in response rate of no less than 89% (Abel, Burger and Piraino 2017). This suggests that providing good ‘flags’ or information to potential employers may change their employing behaviour.

#### *Skills demands*

The small body of evidence collected from employers means that it is difficult to assess exactly what skills would be required by which type of employers. Some of the available evidence suggests employers place an emphasis on soft skills and workplace readiness, including English and communications skills. Further, employers assume or perceive that especially young Black graduates from historically Black institutions are lacking these skills (Pauw et al 2006). In addition, firms pointed out that the high turn-over among young Black staff with qualifications in, for instance, engineering and science was a point of concern. Data collected from employers within the automotive industry equally indicated the need for language proficiency, mathematics and basic reading and writing skills, as well as ‘basic reasoning’ (Horn 2006).

There is stronger evidence that, at a minimum, employers require basic numeracy and literacy skills among young employees (Altman 2010; Horn 2006; Raftopolous, Coetzee and Visser 2009).

#### *Effects of labour regulations on employer behaviour – employers as risk averse?*

As discussed above, a common assumption about youth unemployment is that South African employers are typically risk averse and that strong labour market

regulations, which make it difficult to fire staff, make them more reluctant to employ people they do not know and whose productivity is not proven (Bernstein 2014; Pauw et al 2006). However, there is little evidence to support this assumption.

One study has shown that in times of economic decline employers 'shed' jobs and that, as upswings

take place, employers are slow to re-employ (Burger and von Fintel 2009). This may suggest that employers are risk averse but exactly how averse they are and whether or not labour market regulations play a role in this is not clear. Further, we know little about how small- and medium-enterprise employers differ from larger employers.

## 4.2 Strong evidence vs gaps in our understanding of micro-level factors

In sum, we know a great deal about some of the micro-level and supply-side features of the labour market. Particularly strong evidence exists about the following:

- Unemployment continues to affect Black Africans and female youth most, and is highest for those living in rural areas.
- Spatial inequality, including in urban areas, means youth need to spend high amounts of capital on work seeking, yet they simultaneously lack the income to do so.
- Some evidence indicates that household income in the form of an old age pension facilitates job search for young men in rural areas who have at least a matric.
- While mobile phone technology has been suggested as a possible mediator, the high data costs in South Africa remain a barrier to job search.
- Low levels of education are a major driver of unemployment, with youth without matric most severely affected. There is, however, very little research that examines interventions that could prevent high school drop-out or that could connect youth to the TVET sector before dropping out.
- While there is clear evidence on the impact of the level of education, there is much less evidence on the impact of skills levels; there is a lack of information on the kinds of skills young people have, and on the skills required by different types of professions and employers. There is

more evidence to show that basic numeracy and literacy are critical skills for most employers.

- National data that are available on basic literacy and numeracy levels generally paint a dire picture and the limited evidence available on the side of the employers indicates that these basic skills are required even for entry-level jobs.
- However, evidence on so-called 'hard' technical skills and 'soft' skills such as communication, is lacking. More work is needed to understand what kind of employers require which kinds of skills and to investigate what can be done to provide youth with those skills, even when they are already at the secondary or tertiary education level.
- The majority of the employed – including youth – find work through social networks; employers also use networks to recruit. Thus, a lack of social capital that could be leveraged for access to information about work seeking and job availability places poor African youth at a disadvantage.

Further, there exists some evidence to suggest that the following factors also play a role in exacerbating youth unemployment:

- Limited access to information about how to search for work and what to expect of the labour market.
- There is no conclusive evidence to suggest that young unemployed people would have wage expectations that hinder their job search

or acceptance; rather, existing evidence points at young people's willingness to work, high aspirations for work and work aspirations that are not in line with their educational outcomes.

- Evidence further suggests that the trajectory through school and into the labour market is one of missed opportunities to efficiently provide guidance and information regarding education pathways and career options.
- There are some studies that indicate the positive effect of young people's earlier work experience; however, qualitative data indicate that even young people with work experience may struggle to find jobs later on. It remains unclear which kind of experience would be beneficial for which kinds of jobs.

Finally, we have very limited evidence with regards to:

- Levels of discouragement among youth have steadily increased, but there is some evidence to suggest that discouragement is not a static state and that young people change between 'search states'. Each of these changes offers an opportunity for intervention, but more work is needed to understand what exactly constitutes discouragement, what drives a change in search status and what forms of communication can best be used to reach youth at various points of their search trajectory.
- While assumptions regarding discrimination on the basis of race and gender exist, more work is

needed to understand these dynamics better.

- There is evidence to suggest that employers are unlikely to reach out to previously 'Black' institutes of higher learning for recruitment, or to TVET colleges. However, it is unclear whether employers really know what the quality of education is at the various institutions, and whether this approach constitutes another possible form of racial discrimination.

On the demand side of the labour market, we generally know little about the preferences of different types of firms, especially smaller firms where most young people are finding work. Evidence indicates that employers react positively, to increased 'signals' or 'flags' about applicants' work experience and skills. In addition, there are assumptions that discrimination on the basis of race and gender continues to play a role in hiring practices but, especially with regards to race, it is unclear how, and to what extent, possible elements of discrimination are related to or interact with perceptions of quality of education accessed by the applicants. The lack of understanding the way in which the demand side of the labour market works and reacts to an influx of young job seekers has an inevitable effect on the ability of policy and interventions to shift this situation. One clear recommendation that emerges from the evidence is to design high-quality research into firm behaviour and decision-making, and to find ways to build bridges between the demand and the supply sides of the labour market.

## 4.3 Micro-level interventions that have been implemented

### 4.3.1 Skills development and training interventions

By far the most widespread interventions amongst those assessed are programmes that offer skills training to young people as a mechanism for addressing youth unemployment. In all of these

programmes there is an assumption that the challenge of youth unemployment is largely driven by a deficit of skills amongst youth.

The skills development and training category of interventions was divided into three types:

- Apprenticeships, learnerships, internships, and other work-integrated learning (WIL);
- Service programmes;
- Skills training only.

The bulk of the interventions reviewed offer only skills training. This may be technical training, soft skills training or a combination, but without additional work experience or post-training support. Programmes that combine training with work experience or WIL of some form make up the second largest group of skills training interventions. This category included apprenticeships, learnerships, internships and other forms of training with work experience. A further 21 interventions involve training with some form of post-training support or placement support. The smallest category was service programmes in which participants are involved in a period of service in their organisations or communities. In some programmes this also included technical training.

The focus of the majority of the programmes was by far on technical skills training with soft skills workplace-related training (such as communication skills, teamwork and the like). The assumption is that young people lack the technical skills to be attractive to employers. In some ways this is supported by the evidence that the labour market requires higher levels of skills. However, there is little evidence at the micro level regarding the kinds of skills that employers are looking for, particularly technical skills. There is stronger evidence regarding literacy and numeracy being too low amongst young work seekers but very few of the skills training programmes are aimed at addressing this gap.

Although most do not state this as an aim, many of these programmes in fact act as critical intermediaries providing information about how to search for work and how to behave in the workplace (soft skills and work-search skills) (Dieltiens 2015). This could be considered to be an unintended positive consequence of these programmes which requires further assessment.

#### *Apprenticeships, learnerships, internships and other work-integrated learning programmes*

A range of programmes involve some form of skills training along with work experience where the emphasis of the programme is on the practical training through WIL. This includes apprenticeships, which are focused on learning a trade (such as boiler-making or plumbing); learnerships, which are usually focused on non-trade jobs where the incumbent is someone with a matric as their highest level of education; and internships, which are typically for individuals with some form of post-secondary qualification. It should be noted that we have excluded internships that are required for the completion of a qualification. We have also included programmes that involve training alongside work experience although many of these are not termed learnerships or internships. Apprenticeships, learnerships and internships are cited as important vocational training tools in the National Skills Development Strategy (Kraak 2013).

Most of these programmes state their objectives as placing young people into entry-level posts and ensuring scarce skills development in particular sectors. Most such programmes are sector specific, working in partnership with private sector parties that have identified skills gaps (such as business process outsourcing or the automotive industry).

The bulk of programmes are offered by national, provincial and local government or the SETAs. The private sector often acts as a partner. Interestingly, NGOs have also played a key role in implementing such interventions. Most of the internships are either locally focused or provincial in reach, with no evidence of any that have a national reach.

#### *Evaluation evidence of WIL programmes*

Many of the programmes have involved some form of evaluation, ranging from implementation or process evaluations to various attempts at establishing impact. In total 25 evaluations focusing on work-integrated learning were identified and included in the assessment. Most of these traced the numbers of participants who successfully completed the programmes, with a few also tracking how many were successfully placed after completion.

Two had completed an alumni tracer study and two had completed a pre- and post-test study with participants, focusing on their perceptions of the programmes. Of the 25 evaluations, only 11 assessed job placement and retention as the outcome of interest. All of these reported a strong positive effect of the programmes on this outcome. However, the methods employed in the studies largely do not allow for such a claim to be made. Most only assessed outcomes at one point in time or involved perception surveys or interviews, which limits the confidence with which the claims about strong positive effects on employment outcomes can be made.

One exception is that of Kruss and colleagues (2012), who conducted a rigorous evaluation of learnerships and apprenticeships, involving a comparison over time and between groups, although the comparison was between those in learnerships and those in apprenticeships, rather than between those in such programmes and those who did not participate in such programmes. They note that contrary to popular belief, the learnership and apprenticeship systems have had strong positive effects on job placements, with most of the participants gaining and remaining in employment up to five years after completion of their work-integrated learning. Learnerships seem to have stronger positive impacts than apprenticeships but this may also be due to weaker data for the apprenticeship system. Interestingly, they note negative effects on qualification because most of those participating in the programmes have a matriculation certificate and qualifications are the same or lower level than NQF4. This suggests duplication in the training system. In addition, for the learnership programmes in particular, most participants reported an increase in soft skills but not in technical, numeracy or literacy skills. In addition, their perception was that it did not increase their employability beyond the employers they were already with, suggesting that the training is job specific rather than relevant to the sector. This is in contrast to the apprenticeship participants who reported that their technical and soft skills have increased and that they were employable. A major concern raised by employers was that technical skills

training and tests were outdated. Rankin, Roberts and Schoer (2014) also conducted an assessment of learnerships that involved a comparison over time and between groups. Their comparison included an assessment of young people who went through learnerships and those who did not. Their findings paint a slightly different picture from those of Kruss and colleagues (2012). Although they do see a positive employment effect, this effect is not statistically significant. They also consider other outcomes pertaining to quality of work. Their findings show that learnership participants were more likely to earn slightly higher wages than non-participants and that they were happy in their jobs in the short term, but that this latter gain was not sustained over time. This may be because there was no effect discernible on promotion outcomes. Their conclusion is that learnerships provide some positive effects but that these diminish over time, particularly in relation to the quality of the work. The positive effects may be explained by the fact that through learnerships 'individuals learn practical and relevant skills, are better able to signal their actual productivity to firms since they are working in an actual firm environment and may also get a certificate upon completion which would signal their abilities to other firms' (Rankin et al. 2014: 16).

In sum then, there is a great deal of evidence to suggest positive effects of work-integrated learning on employment of young people, and even the strong evidence shows positive effect, although some questions are raised about the longevity of the effects. This suggests that scaling up work-integrated learning opportunities must be a core component of a theory of change.

### *Service programmes*

Ten of the interventions were service programmes involving young people in training as well as a period of service in their communities. One programme included only service with no training, the assumption being that the service itself would generate work-related skills to the volunteer. The remaining programmes offered either soft skills training only or a combination of soft and technical skills.

Service programmes typically view the challenge of unemployment as originating in a lack of skills amongst youth, but also point to leadership and a character of service as important qualities that are required. For instance, City Year's main objective is to: 'Demonstrate the power of service in developing the next generation of SA leaders' (City Year 2015). It should be noted that the National Youth Service and National Rural Youth Service Corps (NARYSEC) also have clear objectives related to instilling discipline and patriotism. It is these objectives that differentiate service programmes from work-integrated learning programmes such as apprenticeships. Most of the programmes are medium to long term (six months to a year) with NARYSEC being the longest in duration (two years).

Government (national and local) emerges as the main implementer and funder of the programmes but NGOs also play a key role. Funding information is scant except to say that the major national programmes, including some of the NGO programmes such as loveLife, rely on national government funding. Action Volunteers Africa is funded by a combination of grant funding and the support of a recruitment company.

Most of the programmes have a national reach, with NARYSEC and loveLife having the largest number of participants (1 300 and 1 200 per year respectively). The evidence suggests that there is an even spread in terms of reaching urban and rural youth.

#### *Evaluation evidence of service programmes*

Most of the programmes track the numbers of youth who participate in, and successfully complete, the programme with very few assessing employment outcomes of the participants. Only loveLife has conducted further assessments, including an alumni tracer study that compared the self-reported outcomes of groundBREAKER alumni with national data (Volunteer and Service Enquiry Southern Africa 2007). While this evidence is not strong, it shows that, at the time of the evaluation, groundBREAKERS were more likely to be employed when compared with national averages. However, the study did not take into account education levels of the groundBREAKERS, which would have been

higher than the national average for youth given the matriculation entry requirement of the programme.

#### *Other skills training programmes*

The bulk of the programmes that fall into the skills training and development category offer skills training. Some offer soft skills training only, others offer only technical skills training, while most offer a combination. Some may be accredited training programmes but most are not accredited and short term in nature (up to one year).

Of the skills training only programmes, 13 delivered soft skills training. Most of these could also be termed youth development programmes, although they state their interventions could lead to employment of youth (youth development programmes that did not have youth employment as a goal have been excluded from the search).

A second set of skills-only interventions focuses exclusively on technical training. Of the 21 programmes are those that include training in the automotive industry, with programmes such as Gauteng's First Automotive Academy driven by the Gauteng Department of Economic Development (Gauteng Department of Economic Development 2013); vocational skills in the tourism and hospitality sector including assistant chef training and customer relations training; training in the banking industry; and, interestingly, training of carnival artists.

Another set of skills-only interventions combine soft and technical skills training involving participants in some form of vocational skills training that is prefaced or followed up with life skills and workplace skills, including computer literacy and job search skills. A few of these also include a brief module on entrepreneurship or business development although this is not the core focus of the training.

A far smaller number of programmes – nine in total – provide skills training with post-training support. Such support might include providing ongoing support for work seekers (advice, mentorship and access to infrastructure), connecting young people with potential employers or actually facilitating matching between employers and participants. They stop short of actually placing young people

into job opportunities. A few of these programmes also indicate that they provide counselling support when participants are in jobs to assist them to stay in the job.

The final category of skills development and training interventions is those that combine skills development with placement into a job. This is different to WIL (as in the case of apprenticeships and learnerships) because in the latter there is no expectation that the job will continue after the period of training. In this typology the programme considers the participants to be fully trained and ready for work at the end of the training component and candidates are then placed into permanent or contract vacancies. Six such programmes were identified in the data.

Both non-profit organisations and government bodies (predominantly provincial government) emerge as the main implementing organisations of such skills training interventions. The strong role of NGOs in this type of intervention is likely due to the fact that many NGOs are not well networked with potential employers and therefore struggle to leverage the information and social capital necessary to expand their offering to include matching or placement services to participants. They may also be resource constrained and therefore unable to deliver additional programme elements.

#### *Evaluation evidence of skills training programmes*

Thirty-six evaluation reports on skills training programmes were identified in the search process. The majority of these were perception studies conducted with participants at one point in time and were reported in annual reports or on websites. In three instances the methods used were not reported. In 16 of the cases job placement and retention were evaluated as outcomes and all reported positive effects of the programmes. However, the methods used do not justify making such claims. Only one alumni tracer was conducted. This study did report a strong positive effect of the programme – a culinary school which trained people for the restaurant industry. However, the study relied on alumni self-reporting their outcomes voluntarily and thus most likely includes a bias towards those

who have successfully found work. There is thus very weak evidence about the effects of such programmes on employment outcomes. This does not mean that there are no positive employment outcomes, but that these are not discernible or defensible with the available evidence.

However, there is stronger evidence about the effects of these programmes on mediating some of the barriers that young people face in finding employment. A study to evaluate eight such programmes considers those programmes to be an effective tool in challenging deep inequalities in access to the labour market in South Africa (Graham et al. 2016). The study involved a pre-test and post-test methodology and there are plans to follow the 2 000 participants of the study over a further two years post completion of the training. They present evidence about changes that occurred after participants completed training and also assessed what programme elements contribute most strongly to the changes. The study shows that after participating in the programme, participants had improved access to social networks, better knowledge about how to look for work effectively, were employing more diverse job-search strategies, and that participants had improved the quality of their work seeking, resulting in them getting more interviews. The report also highlights that participants experienced a slight decline in work-seeking costs whilst in the programme because they were able to use programme facilities to access the internet and to print CVs. Participants also had higher perceived employability after completing the programme and retained high levels of self-esteem and self-efficacy. The study notes that an emphasis on technical skills training, including workplace experience, was associated with higher perceived employability. The findings of this study corroborate qualitative evidence that such programmes can act as workplace intermediaries, providing valuable employment support to young work seekers (Dieltiens 2015).

An evaluation of the Activate! programme involved a comparison between two cohorts of participants and a control group (DG Murray Trust 2014). It employed mixed methods including collecting in-depth demographic information on the participants,

self-reported information on their social capital and interest in public affairs, experimental games to test how participants' behaviour changed through the programme, and mapping of social networks of the participants, or how participants interacted across the country and across different groups of participants. The Activate! programme targets young people with existing leadership potential, between the ages of 20 and 30 years from across the demographic and socio-economic divides of South Africa. Participants are characterised by their diversity, they represent different disciplines and sectors, a variety of cultures, various political parties and types of organisations. Activate! aims to enable social networks and enrich the social capital of participants. The three key objectives of the programme are to build a strong sense of identity among the young leaders; build an innovative problem-solving mind-set; and create opportunities for personal growth and development, including employment, for participants. The programme involves primarily soft skills training including building identity, human connection, a sense of common purpose, problem-solving skills, and access to opportunities that the programme offers. The first results for the pilot evaluation conducted in 2012 finds that the programme did foster a strong shared identity, participants became more risk averse, they developed and use a larger network, and were more involved in civic participation. More significantly for this study, participants are reported to be better equipped to develop funding and business proposals for community engagement, hinting at a stronger entrepreneurial skill.

What emerges from these studies with stronger methodological bases is that the real value of shorter-term or non-accredited training programmes is that they offer local, easily accessible 'touchpoints' of connection for young people. Further, they seem to have a positive effect on individual-level knowledge and characteristics as well as on job-search knowledge and efficacy. They therefore provide intermediary support and promote resilience in job search. There is, however, still a need to better understand their effect on actual employment outcomes. Nevertheless they seem to form an important part of a Supply Side TOC.

### 4.3.2 Intermediary interventions

One of the areas that emerges as a contributor to youth unemployment is inefficiencies in the 'matching' processes in the labour market, as was discussed above. Intermediary interventions emerge as programmes that should address these inefficiencies.

Intermediary interventions are those that bridge the gap between young work seekers (18–35 years) and employers. Intermediary interventions aim to minimise the barriers, costs and risks faced by youth whilst looking for work and/or by employers wishing to hire youth. These can be classified into three types:

- Temporary employment services (labour brokers);
- Recruitment agencies or on-line job portals; and
- Interventions that aim to minimise barriers to employment.

There may be some confusion as to the distinction between recruitment agencies and temporary employment services (TES). TES, according to the Basic Conditions of Employment Act, 'means any person who, for reward, procures for or provides to, a client, other persons-

- a. Who render services to, or performs work for the client and,
- b. Who are remunerated by the temporary employment services' (Republic of South Africa, 2002).

According to the Act, a person whose services have been procured for, or provided to a client, is the employee of that temporary employment service. Recruitment agencies, on the contrary, primarily match and connect work seekers and employers. Recruitment agencies in the main do not charge work seekers for their services and they do not manage the labour relations between employers and employees, although they may offer on-boarding support by facilitating signing of contracts or inducting the employee in the workplace.



### *Recruitment agencies and on-line job portals*

The assumption underlying intermediary services is that there are inefficiencies in the matching of work seekers to available positions, either because certain pools of work seekers are excluded from the labour market or because there are challenges in the systems of matching potential employees with employers. Recruitment programmes and on-line job portals aim to match work seekers with employers through prior screening and assessments. On-line portals enable youth to register and upload their CVs and to apply for available vacancies relevant to their skills profile. Recruitment and on-line job portals often offer a capacity-building or training component. This is a feature that does not seem to be common in labour-brokering interventions. Training programmes are mainly aimed at equipping work seekers to effectively represent themselves in a CV or in a job interview, or to prepare new entrants for the workplace. One programme also availed free on-line training courses to participants who could not afford to pay for training. The stated objectives of recruitment and online portal services include:

- Bridging the gap between work seekers and employers;
- Building the skills and competencies of work seekers;
- Placing appropriate candidates in the right jobs;
- Improving young people's access to jobs;
- Influencing employers' perceptions of young workers positively.

Commonly occurring methods to address the mismatch between supply and demand and to move youth up the labour market queue are:

- Registering work-seeker CVs and employer profiles and vacancies on an online platform to improve interaction between the two parties;
- Assessment and screening of work seekers to identify their skills sets to match them appropriately with vacancies;
- Training young employees to address skills gaps and thus meeting employer expectations;

- Orientating and preparing young entrants for the workplace, although to a minimal extent.

The Department of Labour's Employment Services South Africa (ESSA) is an example of a recruitment service where work seekers register their CVs on the department's database and their CVs get matched to vacancies (Department of Labour no date). The NYDA runs the Jobs and Opportunities Seekers (JOBS) database which provides a similar service targeted at youth only (Johnston et al. 2008).

The data demonstrate that recruitment services generally have a provincial reach. This is partly explained by the role of provincial government in implementing such services. The NGOs implementing such services seem to be doing so at a regional or provincial level. The JOBS and ESSA databases have national reach. It was not always evident whether recruitment services were predominantly targeting rural or urban areas, or a combination. On-line portals are of course accessible only to work seekers and employers who have access to the internet, computers or smart phones.

### *Temporary employment services (TES)*

TES or labour brokers not only connect employers with a large pool of potential workers, they also manage the employment of such workers (i.e. contracting, remuneration, etc.) on behalf of the client. Thus, the TES becomes the employer. Two of the interventions captured in the data were classified as TES, one offered by a private company, another by an NGO.

While most TESs are aimed primarily at profit-making, the two TESs that were captured through our search process specifically articulated the challenge of high levels of unemployment and saw their purpose as addressing this. Common methods employed by a TES to address unemployment include managing the process of recruiting, screening, assessing, selecting and placement of suitably qualified candidates on behalf of their clients.

### *Interventions minimising barriers to work seeking for youth*

These interventions were mainly focused on minimising barriers to labour market entry for young work seekers which include the high costs associated with looking for work and limited access to information about work and other opportunities. Six such interventions were identified.

The main theme that emerges from the way in which the interventions state the challenge that they address is that work seekers face specific barriers that prevent them from accessing the labour market. These barriers mainly relate to the costs associated with job search and a dearth of relevant information about labour market opportunities. As a result, the stated objectives include:

- Providing young people with improved access to up-to-date information about work and other opportunities; and
- Minimising the costs associated with work seeking.

Two interventions aimed at addressing the costs of work seeking were proposals or in pilot phases i.e. the work-seekers grant and the transport subsidy. Both of these interventions are in the main aimed at addressing the high transport costs linked to work seeking as the majority of the unemployed live far away from employment. The proposed work-seekers grant would be disbursed as a cash transfer to young people who are looking for work or as a subsidy to reimburse youth for job search expenses that they have incurred. It is hoped that the grant would serve as incentive for discouraged work seekers to resume job-search activities. The transport subsidy is a similar mechanism which is currently being tested (Banerjee and Sequiera 2013). It is a voucher that allows work seekers who are registered at labour centres to travel on public transport for free to look for work.

The Youth Café is an initiative implemented by an NGO in partnership with the Western Cape Department of Social Development. The aim of the café is to minimise the costs of job search, e.g. printing, faxing, copying, transport and internet, by providing access to infrastructure for work seeking.

Young people earn virtual currency when they 'do good', for example volunteering or attending skills training. The virtual currency gets downloaded to their cellphones, which they may use at the café for printing, faxing, etc., or which they can exchange for a meal. They can also exchange the virtual currency for Metro train tickets, or to get their hair done when going for job interviews.

The Lulaway job centre is a joint initiative between the Gauteng Province and Lulaway – a youth employment focused NGO. The intervention aims to reduce printing, internet and scanning costs associated with job applications by enabling youth to upload their CVs and supporting documents (e.g. copies of identity documents and qualifications, etc.) on the job portal that is accessible to potential employers (Altbeker et al. 2012). The Department of Labour's local labour centres also offer a range of employment services including assistance with job searches and applications for work.

Based on available information, government emerges as the main implementing organisation in three out of the six cases. In another case, an NGO is the implementing agency, and in the Lulaway example the project is a joint initiative.

Another intervention that was being trialled at the time of this review was one intended to provide potential employers with better information about work seekers. Working with labour centre staff, researchers tested an intervention that encouraged a treatment group of work seekers to obtain reference letters from previous employers and to include these in future job applications. When compared with the control group (who continued with usual job search and application processes), those who included reference letters were more likely to find work (Abel, Burger and Piraino 2017).

### *Evaluation evidence of intermediary services*

Seven reports evaluating intermediary services were found, mostly conducted by external or independent evaluators. All studies reported positive effects of the intervention on the outcomes. The most common reported outcomes were job placement and retention and better life skills among

beneficiaries of the service. No negative effects were reported. The different intervention do highlight the importance of intermediary interventions in the South African context.

The report on the Heartlines Youth Mentorship Project insists on the importance of networks both for work seekers as well as for the programmes themselves. Indeed the programme sought to assist 'ordinary South Africans' who already mentor a young person. The programme aims to provide the mentors with the means to help their mentees to realise and access the networks, resources and opportunities necessary to reach their objectives – for work but also broader life objectives. The evaluation used a mixed methodology based on documentation review and a survey of participants and beneficiaries. It concludes there is a significant impact on jobs placement and retention as well as job creation for youth. The evaluation does not specify how this is realised as it focuses on the mentors. However, the use of a (complicated) web platform, the requirements on entry and the difficulty in reaching the targeted audience have limited the programme's scope and effect. The evaluation thus highlights the importance of using existing networks of relationships. This facilitates recruitment of programme participants but it also increases the programmes impact. For example, where faith-based organisations were involved, the mentors could mobilise this network to help their mentees.

Two studies stand out in terms of design and sample size. The Centre for Development and Enterprise conducted an evaluation of temporary employment services using a sample of 10 000 young people. They compared data from the TES with that of Statistics South Africa, and the JOBS programme at the NYDA (Centre for Development and Enterprise 2012). They found a modest impact on job placement and on the willingness of employers to hire young people. The study thus concludes that TES firms may be important routes to employment for people with more tenuous connections to the labour market. Abel, Burger and Piraino (2017) conducted a randomised control trial assessing the effectiveness of assisting work seekers to get and present reference letters in future job applications. The intervention was conducted at labour centres,

which act as intermediary points for work seekers and employers. The intervention was shown to have a strong positive outcome. The authors suggest that this outcomes is due to the better 'flags' that employers receive about prospective employees.

Unfortunately, the remaining studies were unclear either about their study design and/or sample. The diversity of methods also relates to the wide range of interventions evaluated. For example, the DreamWorker programme contrasts with the TES study described above. The programme develops a website and creates a profile for job seekers and tries to link them with employers. The report then seeks to evaluate if the programme managed to make the young unemployed worker more attractive and more work ready. The report does not specify how it concludes to a modest positive impact. In addition, the programme reports an increase in job placement through the number of days of work. However it is unclear for how many participants, how many companies, the type of work. This thus makes establishing conclusions difficult. However, the diversity of programmes evaluated and their general positive effect confirm the importance of interventions in this sector.

### 4.3.3 Impact sourcing

Despite limited evidence about employer behaviour, there has been increasing intervention attention paid to them. Most notable is impact sourcing – a strategy by which employers deliberately target potential employees from a pool of work seekers that are normally excluded from the labour market (such as youth). Certain organisations may work to promote impact sourcing amongst employers – making a case for the value of employing youth. There were two such examples in this study. Harambee Youth Employment Accelerator encourages employers to employ youth and builds an evidence base about the value in such employment that can be used to convince other employers to take on young workers. The Digital Jobs Fund Africa programme, implemented by The Rockefeller Foundation, focuses on motivating employment of youth in jobs that involve the use of digital media, such as business process outsourcing (BPO) and information technology (IT). They also

fund programmes that train young people in digital skills.

Unfortunately there is limited evidence about the effects of these programmes. While both Digital Jobs and Harambee conduct evaluations of their work, this is usually on the training and placement aspects of their work rather than on whether impact sourcing is shifting employer behaviour. Understanding how impact sourcing shifts employer behaviour is an area for further research.

#### 4.3.4 Comprehensive programmes

Preliminary findings from the international systematic review of youth employment interventions suggest that comprehensive programmes that provide support to youth – from training through to placement and on-the-job support – emerge as the most impactful programmes (Kluve, Puerto et al. 2014; Puerto, Kluve and Rother 2016). Only three such programmes were identified in the dataset, with a fourth programme that combines elements of entrepreneurship support and employment support. The latter, run by the City of Tshwane as a programme to assist those receiving indigent grants to escape poverty, combines skills training for employment, referrals to job opportunities, and support for participants to start their own SMMEs (Mashego 2015).

The three comprehensive programmes are aimed at securing employment for youth (as opposed to promoting entrepreneurship). Each involves a strategy of working with employers as a first step. In the case of Harambee, the second step is to train young people in the skills that employers are looking for. Part of their training is standardised but there is also flexibility to accommodate input on training requirements from employers (Business Leadership South Africa 2012; Altbeker 2015). Candidates are trained in short-term programmes ranging from one week (retail and hospitality sector) to eight weeks (financial services sector and BPO sector). In this time they complete technical skills training alongside work-readiness training. After training, young people are prepared to be interviewed by the employer partner. Employers hire their preferred candidates but most candidates are

placed because of the pre-negotiated placements that are discussed as part of the initial engagement with the employer. Although there is no formal ongoing support once candidates are placed, there is a toll free number they can call to reach someone at Harambee should they be struggling to stay in the job.

In the Go for Gold programme, a partnership is set up between employers in the construction industry who commit to employing graduates of the programme (DG Murray Trust 2011). Once training needs are identified and placements are negotiated, the programmes then embark on training candidates. Training begins in township schools where Go for Gold runs additional lessons in mathematics and science (eight hours per week) to ensure that school-leavers complete matric with good maths and science marks. The second phase is a planned gap year where matriculants are employed in the partner businesses to gain work experience. Successful candidates are then selected either to participate in a learnership or receive a bursary to attend university. Once completing their training they are guaranteed a job at the partner company.

Both programmes are innovative and comprehensive. Harambee's model is less costly given the limited duration of training, and the fact that many of the modules have been developed to be done online. Go for Gold works with young people from school-going age to ensure they are equipped to cope in the construction sector. For this reason it is likely to be a lot more costly and labour intensive on the training side. However, working with a potentially more vulnerable group of youth than Harambee does (Harambee typically recruits youth with a matric certificate) may warrant increased support and investment.

#### *Evaluation evidence on combination programmes*

Given the limited number of true combination programmes, only two evaluations for such programmes were identified – both on the Harambee programme. The first study (Harambee no date), a comparative study using a sample of 200 000, compares the youth going through the assessment process but not the bridging

programmes to the number that went through any of their bridging programmes. It concludes that the bridging programmes have a high placement rate. The evaluation considers that this success is based on the scientific matching process they use as well as the engagement with employers in developing the matching system and the training programmes. They also note that a factor that explains the success is that they consider learning potential of the candidates, rather than their past results (in for instance maths and English). The second study (Harambee no date-a), tracing 20 000 participants that were placed in a job, expands this analysis. They claim that most stay in the job for 12 months, which is seen as an indicator of future success. It is the comprehensive approach of the programme that is identified as a key

success factor. Indeed, besides the engagement with employers in developing the matching and training processes, the programme also tackles intermediary problems such as work-seeking costs and access to information about work seeking.

Although these studies are certainly impressive, in the absence of a control group, attribution of the programme to the outcomes is tenuous. Graham et al. (forthcoming) do note that, when compared with other training programme participants, Harambee participants have a much higher chance of being in employment 15–18 months after completing their training. Harambee Youth Employment Accelerator is widely regarded as being one of the most successful youth employment programmes and this is likely due to the comprehensive approach it uses.

## 4.4 Summary

The vast majority of programmes reviewed were skills training programmes. While there is promising evidence on work-integrated learning programmes, other forms of skills training programmes and combination programmes simply do not have sufficient evaluation information to determine their employment outcomes. Further, the empirical data provide little nuanced understanding of the types of skills employers require, what skills are required by which types of firms and in which sectors<sup>13</sup>, and whether these programmes are delivering such skills. While we do know that our economy demands higher levels of skills, it is not clear that providing those skills will automatically support people into employment, especially since our analysis shows that there are other barriers at the individual, household and community level that need to be addressed.

A second point is a corollary of the first. We have evidence that employers want good numeracy and literacy skills among young employees but we know that our education system, on the whole, does not deliver these skills. It appears that few programmes are focused on bridging these gaps. Most notable are programmes such as Ikamva Youth, which works with school-going children to ensure that they can

pass maths, science and English and the final matric year exam well. However, low numeracy and literacy levels may also lead to drop-out in the future and there are few programmes that support youth to get back into school or to find an alternative pathway to employment. Almost all of the skills programmes assessed target youth *with* a matric certificate, leaving the large cohort of youth who leave school early at a major disadvantage.

Thirdly, in South Africa, we invest very little in employment support such as intermediary services yet, increasingly, the evidence points to labour market inefficiencies and barriers at the individual and household level that contribute to youth unemployment. These inefficiencies, and the resultant reliance by both employers and employees on social capital, could be addressed to some extent by more adequate work search support. The evidence assessed suggests that this may be one of the strengths of other skills training programmes; that they act as one of very few nodes at which young people can find information about the labour market and how to prepare oneself better for work searching.

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13 Although arguably, this information should be available through the SETAs.

Related to this point is that comprehensive programmes that work with both employers and young work seekers, and that facilitate pathways to work for young people, are seen as the most effective types of programmes in the international literature. In the South African context they may certainly be effective since they address a range of the barriers to youth employment simultaneously. However, there are very few comprehensive programmes running in the country and where these do exist the data on impact are limited, which does not allow us to assess their effect adequately. That said, Harambee has been lauded as a very successful programme that has positively changed the way we address youth unemployment.

Fourth, public employment programmes provide some regular income and employment but the EPWP currently does not act as a stepping stone for young people to transition to the labour market. This is because of poor training delivery, jobs being in low-skilled sectors with limited opportunities for on-the-job training, and low pay, which cannot be reinvested in looking for work. Nevertheless, the EPWP may act as a critical aspect of a comprehensive youth unemployment strategy, provided there is

integration with other interventions that can path young people from the EPWP into training or entry-level jobs.

Finally, there is limited evidence on employer behaviour with regards to hiring preferences. Further, there are very few interventions that focus on the demand side of the labour market, targeting employers. The ETI emerges as the main intervention. While the evidence on the outcomes of the ETI is mixed, on balance it shows that the intervention has resulted in some jobs for youth being created, and that there have been no displacement effects, but that there have been high inefficiency costs. Yet there is promise amongst small businesses. Anecdotal evidence also shows that there has been some success of impact sourcing strategies with employers but this requires further evaluation. The continuation of the ETI, with particular focus on small businesses, therefore seems like an important aspect of addressing youth unemployment, especially in the context of the introduction of the National Minimum Wage, which theoretically has the potential to affect youth employment levels negatively (although this will need to be monitored).



## 5 THEORY OF CHANGE

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It is clear that youth unemployment is complex and driven by multiple, often interacting drivers. Clearly the two main requirements to significantly shift unemployment generally and youth unemployment in particular are a) to ensure that our basic education system produces work seekers with excellent numeracy and literacy skills who are able to compete for entry-level positions and/or to progress into post-secondary education and training, and b) to drive inclusive, job-intensive economic growth. There is little debate as to the fact that these are the two critical factors that will shift South Africa's unemployment challenge. We therefore advocate that investments in basic education must result in much better performance outcomes than is currently the case. Poor numeracy and literacy outcomes act as a critical barrier to employment. Political will and capacity to change these outcomes are vital. In addition, reaching consensus on the crucial drivers of inclusive economic growth, and promoting job creation in a diversified labour market, particularly outside of the public sector and public works, are imperative too

– as even a well-educated labour force will remain unemployed if jobs remain unavailable. Although we consider these two factors to be critical vehicles for significantly shifting unemployment generally and youth unemployment specifically, a theory of change for youth unemployment alone cannot adequately deal with such complex and long-term priorities. We therefore have developed the theory of change on the assumption that these two priorities are well known, are receiving attention, and may only shift over the long term. Thus, we include an emphasis on the need for *high-quality* education and training in all parts of the TOC, but do not go into detail about how to remediate the shortfalls of the current education system, as this fell outside of the scope of our evidence reviews.

The theory of change is therefore located in issues that can and should be addressed in the short to medium term. In particular, we have focused on priorities that clearly emerge from the systematic overview and which are both necessary and, importantly, doable in the short to medium term.

In addition to the above delimitations of the TOC, we also acknowledge that like any TOC, this one is based on a set of assumptions which emerge from the substantial body of quantitative and qualitative evidence, collected over an extended period of time (both research that is included in this review and other related research). The following assumptions underpin our TOC:

- Young people want to work and to be able to create the lives they desire, and they care about their and their loved ones' futures.
- Society cares about young people. This is reflected in the large number of civil society organisations that aim to provide young people with better skills or connect them to the labour market. It is also reflected in the recent focus amongst private sector companies on youth employment as evidenced by the CEO Initiative and the Youth Employment Service. Although the private sector has lagged behind in focusing on youth unemployment there now seems to be a growing interest. However, exactly what the dominant perception of young people and their needs are within society remain unclear.
- Government cares about young people, their present and future well-being; and cares about decreasing levels of poverty and inequality in the country. This is evident from the large body of policy documents that, since the 1990s, have focused on youth, or that include specific youth targets; and from the official national discourses around broader poverty alleviation and redistribution. It is also evidenced by the substantial investments in the ETI, the EPWP and CWP with their youth targets, and the National Youth Service programme amongst others.
- Failures of the training system in terms of throughput and quality of offerings emerge very clearly as a critical driver of youth unemployment in this study. However, we develop this TOC on the assumption that there is awareness of the critical need to improve the quality of post-

secondary education and training offerings and, relatedly, of the need to support young people to progress successfully through and graduate from the TVET colleges and universities. Significant investments of time and resources are being made into interventions to address this. These interventions have not formed part of the study and, similar to the questions around basic education, how to improve the quality of these offerings falls outside of the study and its TOC. We nevertheless note that investigating ways to improving the quality of these programmes, and implementing such improvements, are other essential building blocks of shifting youth unemployment outcomes.

The TOC is also written with a specific audience in mind. All TOCs should be written for a group of people who are able to action the activities identified. Given that there is currently not one body that can take responsibility for the implementation of the various building blocks, it is envisaged that this TOC is written for a group of champions of youth employment drawn from various government departments (Labour; Education; Higher Education and Training; Social Development, Public Works; Planning, Monitoring and Evaluation, Treasury; the Presidency and the National Youth Development Agency); business representatives and training implementers; as well as the core group of academics that have been involved in this study thus far. These are intended to be people who can take aspects of the TOC and galvanise action in their spheres of influence. We do however recommend that a coordinating and/or implementing government body be responsible for driving a youth development and youth employment agenda (see Policy TOC).

The theory of change is divided into four parts – a supply side, demand side and intermediary component, as well as a policy element. In addition, we identify further research priorities that emerge from the systematic overview.



## 5.1 Supply Side Theory of Change

As has been discussed, a critical driver of youth unemployment on which there seems to be agreement is the skills mismatch issue – the fact that demand in the labour market is increasingly concentrated at the mid to higher level skills side, while the skills available on the supply side of the labour market have remained low.

The **problem** that the Supply Side TOC seeks to address is:

Young people exit the schooling system without the requisite basic numeracy and literacy skills to compete for entry-level jobs; the limited access to and successful graduation from post-secondary education and training further constrain their ability to prepare and compete for jobs that require skills. The cost of job seeking, a lack of productive social networks and a sense of discouragement act as additional barriers to employment.

While we do not discuss interventions to address the *quality* of basic education and post-secondary education and training (as discussed above), we do nevertheless focus on the need to expand access to a range of high-quality skills training pathways to ensure that young people are better equipped with the necessary skills for the labour market.

The long-term **goal** of the supply side of the TOC is to ensure that *young people are prepared for and equipped with the necessary skills for the labour market*.

Young people in this context refer to a range of different youth, including early school-leavers, those who complete matric with or without a bachelor's pass, and those who have been out of the schooling system for some time. We include males and females, urban and rural youth of all races, although we are aware that youth from poor socio-economic backgrounds require more support given the deficits of basic education. By 'necessary skills' we mean basic numeracy and literacy skills that can prepare young people to compete for entry-level jobs and navigate pathways to post-secondary education and training; as well

as workplace-relevant soft skills and technical skills that will enable them to compete for mid to higher level skills jobs.

The rationale for setting this as the long-term goal of the supply side aspect of the TOC emerges from the assumption that, even in the context of limited *immediate* improvement in the quality of basic education and post-secondary education and training, there is still potential to expand access to different avenues for skills training, which can enable young people to a) be better prepared for the labour market, b) buffer discouragement, and c) address the labour supply issues by ensuring that many young people are engaged in at least some skills training before becoming part of the labour-seeking component of the labour market. Further, there is evidence to show that work-integrated learning programmes have positive effects on mediating many of the individual, household and community level barriers that young people face in their search for jobs. There is thus evidence to support the expansion of such programmes, whilst better understanding their employment outcomes.

While it is crucial to improve quality, there is no need to wait to fix the basic education system and post-secondary education system entirely before expanding access, as to do so would continue to leave large cohorts of young people behind. The focus is also informed by the fact that even some level of post-secondary education and training has a premium in the labour market over matric or no matric (Branson et al. 2015; Graham and Mlatsheni 2015). Ensuring that youth have options for training also provides increased connection points with young people that can be used to provide additional employment support (see Intermediary TOC). In other words, it would increase opportunities to reach and support young people before they become discouraged. Further, an international body of economic literature suggests that investments in human capital development lead to economic growth (Maitra 2014; Pelinescu 2015). Finally, the focus is informed by the fact that there is already a comprehensive policy framework to support skills

development and training and associated resources to do so.

Thus, while there remains a need to facilitate access and improve throughput, there is no need to shift policy priorities in this regard. The long-term goal rests on the pre-condition that there are a range of training opportunities available and accessible to young people and that young people understand how to navigate these training pathways. Dedicated efforts need to be initiated to ensure that these training opportunities increase in quality and relevance to the labour market over time, which will require sophisticated monitoring and evaluation of such programmes. Addressing access to and navigation of the training pathways therefore becomes the focus of the supply side of the TOC.

Figure 7 outlines diagrammatically the Supply Side Theory of Change, which is explained in more detail thereafter.

### *OUTCOMES and INDICATORS*

In order to reach the long-term goal there are four outcomes that must be achieved and monitored:

**Outcome 1:** More young people are supported to stay in school after the compulsory years of schooling (up to Grade 9), so that they complete their matric year, or so that they can connect to the TVET system.

This support may require – but is not limited to – remediation to mitigate learning backlogs and the development of an early warning system that identifies learners in need of such remediation – as research convincingly shows that falling behind in learning is a major driver of early school leaving. Where young people have already left school there is a need for them to be able to access either second-chance options to complete their matric and/or numeracy and literacy bridging/remedial programmes that can adequately prepare them to compete for entry-level jobs. Such programmes are intended to be targeted in the first instance at Grade 8–12 learners and in the second instance at young people who exit the schooling system early (prior to matric completion).

Such an outcome will ensure that more young people are able to stay in school rather than entering the labour market ill-equipped, and that more young people are able to (re)connect to the training system and eliminate the very basic barrier to entry into entry-level jobs – that of numeracy and literacy deficits.

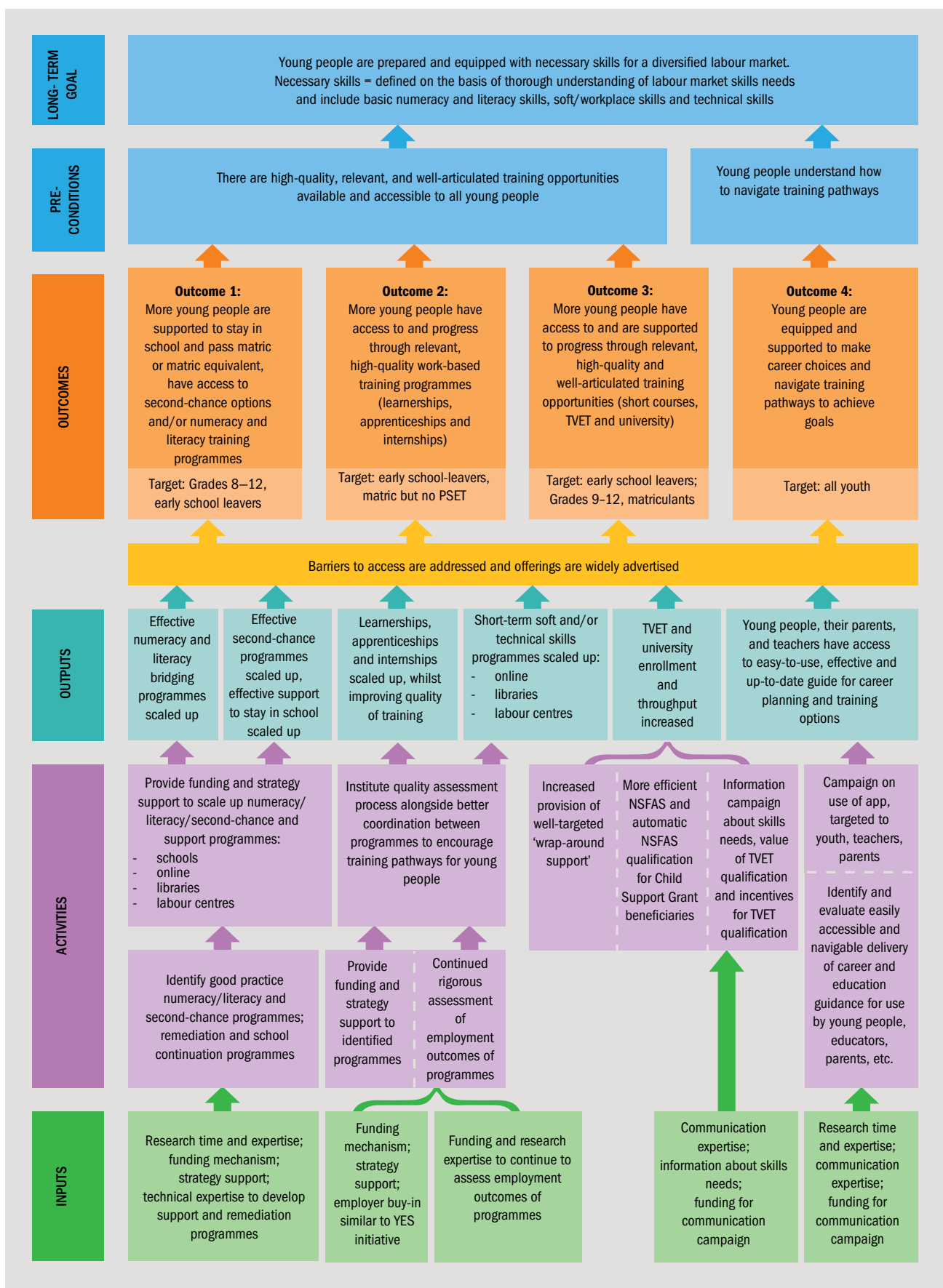
#### **Indicators for Outcome 1:**

1. Increases in numbers of young people staying in school and successfully completing matric or a matric equivalent;
2. Increases in young people accessing second-chance opportunities and returning to the schooling system;
3. Increases in young people accessing numeracy and literacy bridging programmes; and
4. Actual increases in literacy and numeracy test scores for all young people (i.e. a quality indicator).

**Outcome 2:** More young people have access to and progress through relevant work-based training programmes including learnerships, apprenticeships and internships. This outcome is targeted primarily to young people with a matric, and in the case of apprenticeships also to young people who complete a National Certificate Vocational.

The assessment of work-integrated learning interventions shows that while there are significant challenges with relevance of training programmes, there is strong evidence to show that the learnership and apprenticeship systems have had positive effects on job placements, with most of the study participants gaining and remaining in employment up to five years after completion of their WIL. Work-integrated learning opportunities have the added benefit of exposing young people to the realities of work, providing employers with an opportunity to ‘vet’ their skills and suitability, and ensuring that young people have access to some income in the form of a stipend, which can be used to meet household needs, but also allocated to work-search costs.

FIGURE 7: Supply Side Theory of Change



### Indicators for Outcome 2:

The numbers of young people in learnerships and apprenticeships increase.

**Outcome 3:** More young people have access to and progress through coordinated, high-quality and accredited short courses, TVET and university courses. The target group here is young people with or without a matric (in the case of short courses and TVET) and young people with a matric (in the case of TVET and university courses).

While the country has seen public emphasis on expanding access to university, and while this is certainly warranted given the higher levels of employment among graduates, we argue that it is also necessary to provide access to a suite of other training opportunities. Expanding access to TVET training is necessary to absorb the large numbers of young people requiring access to post-secondary training options. Further, although evidence on employment outcomes of short courses is weak, there is evidence that they assist in mediating many of the barriers to employment that young people face and may therefore be good stepping stones for youth provided they are coordinated to reduce duplication, and assessed for quality (see Demand Side TOC for actions on how to achieve this). More effort thus needs to be made to organise training opportunities within well-developed monitoring and evaluation frameworks and to collect data that allow for evaluation of *employment* outcomes alongside expanding and/or scaling up such interventions for their intermediary value. It is important to consider the potential of such courses, as they are likely to be far less costly than longer-term programmes.

### Indicators for Outcome 3:

1. More young people are accessing and completing university degrees;
2. More young people are accessing and completing TVET qualifications (certificates and diplomas);
3. More young people are participating in learnerships, apprenticeships and internships; and
4. More young people are accessing short-term training programmes.

**Outcome 4:** While the previous three outcomes are focused on expanding access to high-quality and relevant training offerings, the fourth outcome focuses on young people themselves: that young people are equipped and supported to make career choices and navigate training pathways to achieve their goals.

There is ample qualitative evidence to show that young people face a significant lack of information about what career opportunities are available, what skills the labour market demands, and how to access training opportunities. This outcome is intended to address this gap. The target group is all youth, with particular emphasis on young people from poor socio-economic backgrounds who are often ill-equipped and face the least support. Special attention will need to be paid to how to support young people who have left school early.

### Indicators for Outcome 4:

More young people have easy access to a well-researched and implemented support system that provides explanatory guidelines on how to choose their career and how to plan for and access their training options; another is increased understanding of the schooling system and of career options measured through standardised tests.

### OUTPUTS:

Achieving these outcomes relies on shorter-term outputs in terms of expanding access to training opportunities and mechanisms to support young people to navigate the training pathways.

### For Outcome 1:

To achieve the first outcome of ensuring that more young people stay in school, have access to second-chance opportunities, and access to numeracy and literacy bridging programmes, there is a need to:

- Ensure that effective numeracy and literacy bridging programmes are identified and scaled up,
- Effective second-chance programme are identified and scaled up; and
- Effective programmes to support youth to stay in school are identified and scaled up.

### **For Outcome 2:**

To achieve the second outcomes of ensuring that young people access relevant work-based training programmes, there is a need to ensure that good practice learnerships, apprenticeships and internships are scaled up.

The YES initiative has already made a commitment to ensure that one million learnerships are made available over a period of three years. While we await evidence on the effects of YES, similar interventions could be conceptualised to expand access to high-quality apprenticeships. Although there is some good evidence about the positive effects of work-integrated learning programmes on employment, a process of expanding access should nevertheless be accompanied by rigorous monitoring and evaluation frameworks.

### **For Outcome 3:**

To ensure that more young people have access to relevant, well-articulated and high-quality short courses, TVET and university training options:

- Good practice short courses are identified and scaled up through online platforms, libraries, in labour centres and at other easy-to-access community facilities; and
- TVET and university enrolment and throughput are increased.

The latter is already receiving much attention following the #feesmustfall protests. These efforts need to continue while attention is paid to other training opportunities.

In order to achieve the above outputs there is also a need to ensure that barriers to access, such as location and cost, are addressed (see below) and that offerings are widely advertised in various formats and media accessed by young people and their families, and in their home languages. The latter part of this output connects well with the last outcome too.

### **For Outcome 4:**

To ensure that young people are equipped and supported to make career choices and navigate training pathways to achieve their goals, the output

is to ensure that young people, their parents, and teachers:

- Have easy access to widely available, accurate and up-to-date information about careers and training opportunities; and
- They are supported to make decisions that also take into account young people's skills and aspirations.

As with the previous outputs, a range of activities and inputs are needed to facilitate this and to explore the best ways of delivering such support. Some of the evidence suggests the need for face-to-face guidance, which could be organised in schools, libraries, and through other youth-friendly community resources. However, the use of age-appropriate, affordable and innovative mobile technology should also be explored for the opportunity it provides to reach a larger number of young people.

### *ACTIVITIES and INPUTS:*

If we are to reach the above outputs there is a need to put into place various activities and inputs. Some of these may already be in place, whilst others need to be initiated (highlighted in yellow) by the group of 'champions' for which this TOC is intended.

### **To achieve Outcome 1:**

The identification of good practice examples of: a) support to stay in school (including the development of an early warning system), b) numeracy and literacy bridging programmes, and c) second-chance programmes fell outside of the mandate of the study.

The activities required to achieve Outcome 1 are twofold:

1. There is a need to identify good practice programmes in these three domains. This requires the input of research time and expertise.
2. There is a need to provide funding and strategy support to scale up such programmes through a variety of ways that have proven efficient in a context of low income, high poverty and low social and cultural capital, for instance through

community facilities such as schools, libraries, community colleges, and labour centres.

The inputs for this component are funding mechanisms, and technical and strategic support to develop the information system. The process of providing strategic support should also identify other steps towards scaling up, which may highlight other inputs and activities.

#### **To achieve Outcome 2:**

This outcome relies on the provision of funding, strategic and technical support to scale up learnership, apprenticeship and internship opportunities, whilst also addressing many of the quality concerns of such programmes. Current evidence on the employment outcomes of learnerships and apprenticeships is positive, but there is nevertheless a need to increase the robustness of monitoring and evaluation frameworks whilst programmes are being scaled up in order to continuously assess best practices and adapt programmes. The YES initiative has already earmarked a significant funding source to scale up learnerships and has pulled together chief executive officers from a range of large employers to commit to providing the placements for learnerships. A similar funding stream and strategy support are required to scale up apprenticeships.

Inputs for this activity are funding mechanisms and strategic support.

#### **To achieve Outcome 3:**

1. This outcome relies on the same activity and inputs of providing funding and strategy support to identified good practice short course programmes as for the work-integrated learning discussed above.
2. In addition, to ensure that access to TVET and university enrolment is expanded, there is a need to ensure a more efficient NSFAS system including automatic qualification for NSFAS for Child Support Grant beneficiaries.
3. To ensure that throughput increases, special attention needs to be given to further develop the so-called wrap-around support that helps youth deal with the various barriers to

educational success at this level of schooling. Various activities are already underway, led by the Department of Higher Education and Training and the Department of Social Development.

4. An additional activity that needs to be undertaken to promote increased enrolment in TVETs is a large-scale information campaign, targeting young people and their families about skills needs in the labour market, how a TVET qualification can meet those needs and contribute to a good career, and what incentives exist for participation in TVET (such as 100% NSFAS payment).

Inputs require a) communication expertise to shift negative perceptions about TVET training, b) information about skills needs in the economy, c) funding to support a mass TVET communications campaign.

#### **To achieve Outcome 4:**

This outcome requires a process of identifying and evaluating best practices to provide career planning and pathways knowledge in easily accessible and navigable format. Various tools or formats – including online and mobile formats – for providing this information, their ease and cost of roll-out need to be explored. In addition, there is a need to make this information system or tool widely known through a campaign on their availability and use.

Inputs for this activity include a) research time to assess available information systems; b) funding and technical expertise to fully develop a South Africa relevant information system and to measure its impact; c) communication expertise to develop a campaign to build awareness of the system; and d) funding to support a mass communications campaign targeted to youth, parents and teachers. Youth development workers employed through the EPWP or CWP could also act as ambassadors for the information system to develop awareness about it; in the case of the development of an online system or a mobile app, they can provide basic IT training to ensure its effective use where such a need is identified.

These complementary activities and inputs are

intended to effect the scale up of training programmes and expand access to such training opportunities in order to ultimately ensure that

young people are well-prepared and equipped with the necessary skills to compete in the labour market.

## 5.2 Demand Side Theory of Change

The **problem** that the Demand Side TOC seeks to address is:

Lack of reliable 'flags' and concerns about the quality of education received tend to discourage employers from employing young people, or at least make it difficult for employers to select suitable young candidates for the job. It is less risky for employers to rely on social networks of referral and/or prior work experience to provide them with the information they require to decide whether or not a person is worth employing. These are, however, inefficient ways of matching work seekers with jobs and, in addition, networks and work experience are often in short supply amongst youth. Furthermore, there is some reference to (racial) discrimination in the hiring processes, and to preferring graduates from previously White institutes of higher learning over those of previously Black institutes of higher learning. Finally, there is also anecdotal evidence that negative discourses about young people may discourage employers from employing youth in general, and Black youth in particular.

We therefore base the Demand Side TOC on the assumption that there is limited willingness amongst employers to employ youth and that this is driven in part by a lack of reliable information about young people's skills and experience and in part by negative discourses about youth. We propose that the Demand Side Theory of Change focuses on promoting employer willingness to employ youth. However, this is without losing sight of the need to increase our understanding of what factors drive inclusive economic and job growth that would be able to generate employment for young people with varying levels of skills, and how those factors can be supported. Given the limited evidence available in the existing review, we refrain from recommendations on that front, but emphasise the need for the research and policy arenas to

investigate this collaboratively.

The long-term **goal** of the Demand Side TOC is *that employers are willing and equipped to provide work experience opportunities to youth, employ youth into short-term and long-term jobs, and support youth to develop in their organisations* (see Figure 8 on the next page). The preconditions for meeting this long-term outcome are:

- That there is reliable information for employers about young people's skills and experience;
- That employers are aware of youth needs and aspirations and equipped with information on how to support youth in the workplace;
- That employers are encouraged and incentivised to employ youth. This may require better understanding of the needs, hesitations and expectations on the side of employers (see research agenda discussed on p. 70).

### *OUTCOMES:*

For these preconditions to be met we propose four outcomes in the Demand Side TOC:

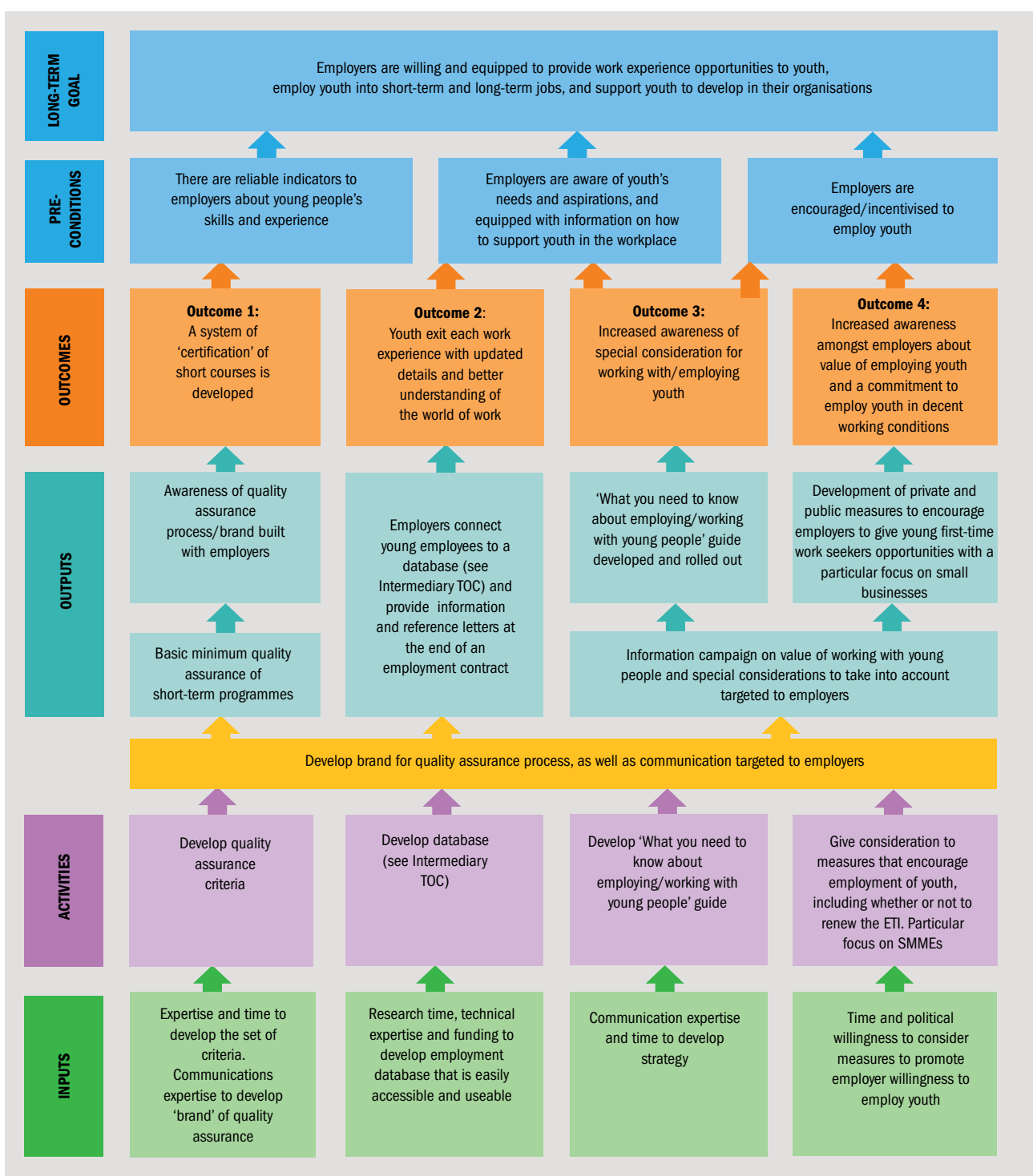
**Outcome 1:** A system of 'certification' of short courses is developed in order to provide reliable information to employers about the quality of the training that young people have received/achieved. The certification should not be onerous nor bureaucratic and should be flexible enough to allow for innovation and adaptation of training courses (i.e. unlike South African Qualifications Authority processes). On the other hand, it should be rigorous enough to prevent young people from becoming victims of scams that cost them money but do not provide decent training or employment opportunities. The system may be linked to the quality of the training provider rather than the short courses themselves to reduce onerous requirements. Such a system could also be linked

to an outcomes-based funding stream that can support scaling up such programmes (see Supply Side TOC).

**Outcome 2:** All young people should exit any work experience with a better understanding of their strengths and weaknesses in the workplace, an updated CV, a reference letter, and an understanding of the steps that need to be taken to

find the next job, or to reconnect to the education system. Opportunities to gain work experience could include holiday jobs, weekend casual work, work through the EPWP or CWP, volunteering work including the National Youth Service, as well as any formal jobs or work-integrated learning placements. Employers thus need to commit to supporting young employees to connect youth

**FIGURE 8: Demand Side Theory of Change**





to a training and employment database (further explained in the Intermediary TOC below) when the period of employment ends, and to provide feedback and reference letters upon exit. Young people need to be made aware of the value of keeping their references and skills levels updated, in the employment database, for future work search.

**Outcome 3:** There is increased awareness amongst employers of the special considerations they may need to take into account when employing youth and working with them to progress in their jobs. Awareness about the significant barriers that the majority of South Africa's young people face in getting to work in the first few months (this includes transport costs but also airtime, money needed for food and work-appropriate clothes), workplace socialisation needs, as well as the realities of what young people are looking for in terms of progression and feeling valued in a job are necessary. Suggestions about how to support youth may be included too.

**Outcome 4:** There is increased awareness amongst employers about the value of employing young people and a commitment to employing youth under decent working conditions and contracts (i.e. in ways in which they are not exploited).

#### **OUTPUTS:**

In order to reach the outcomes outlined above there are a range of outputs that need to be achieved.

##### **For Outcome 1:**

A basic minimum set of assurance criteria for short-term programmes need to be developed as an initial framework for assessing quality.

At the same time, it is important that awareness about the quality framework/process is built amongst employers to develop a level of trust for the process and its 'certification' outcomes.

##### **For Outcome 2:**

For young people to be able to accurately 'flag' their work experience, level of education and skills, and for employers to gain a reliable understanding of those, the development of an 'employment database' needs to be explored.

This database in itself is more part of the Intermediary TOC we describe in the next section, but the mechanism on the side of the employer needs to be an automatic connecting of young employers to that database, along with support to update young people's details accurately and with the provision of a reference letter, as soon as the period of employment ends. This system should not be onerous on the employer and should thus be carefully developed and in some parts fully automated; it should, however, be a requirement that employers support young people in their use of the system. Equally important is that this system generates an automatic reminder to young people to make sure they update their details in the database.

##### **For Outcome 3 and 4:**

An information campaign targeted to employers promoting awareness of the value of employing youth and success stories, as well as 'what you need to know' about employing and working with youth, is rolled out. Such a campaign should draw on impact sourcing methodologies and could run alongside an initiative, such as the YES initiative, to build continued interest. It could also be targeted to employer bodies such as Business Leadership South Africa, the National Business Initiative, and sector or professional employer bodies.

In addition to building on initiatives already in place, thought should be given to how the ETI could be further optimised to meet both young people's and employers' needs. The ETI database could, for instance, be used to gather information about best practices of working with youth, *and* to gain an understanding of employers' hesitations and needs to be able to employ and support youth. It can be used to target existing youth employers about how to support youth to progress in their jobs and, thus, to roll out the above-mentioned information campaign.

##### **For Outcome 4:**

A key output would be to continue to explore both private and public measures that encourage employers to give young first-time work seekers a foot on the employment ladder.

A particular focus needs to be on SMME employers, where available evidence on interventions such as the ETI shows promise but where take-up has been lower.

If the ETI is continued, it should include a clear research agenda that continues to track its impact on creating jobs for youth. Importantly, the ETI does reach both employers and job seekers and could therefore become a vehicle to aid the development and establishment of the proposed training and employment database, described below.

#### *ACTIVITIES and INPUTS:*

If we are to reach the above outputs there is a need to put into place various activities and inputs. Some of these may already be in place, whilst others need to be initiated by the group of 'champions' for which this TOC is intended.

##### **To achieve Outcome 1:**

1. There is a need to develop a set of basic assessment criteria that will be used to establish the quality of short-term training courses.
2. These assessment criteria could be incorporated into a funding model that could then be used to both quality assure and deliver outcomes-based funding to successful programmes in such a way as to allow them to scale up.
3. Alongside the assessment criteria there needs to be a large information campaign driving a 'brand' or similar flag that can indicate to employers what training programmes can be trusted. It should be noted that the assessment criteria should be expansive rather than exclusionary and very easy and flexible to apply so as not to stifle innovation and new entrants to the training 'market.'

The inputs associated with these activities include expertise and time to develop the set of criteria, and communication expertise about how to communicate the 'brand' of quality assurance.

##### **To achieve Outcome 2:**

1. One component of a broader awareness campaign should focus on creating employer

awareness that young people need updated employment data, reference letters, etc.

2. For young people to be aware of the need to keep their information accurate and up-to-date, social media or mobile phone reminders can be automated at the time that the employment contract comes to an end.

For this entire system to work, research time, technical expertise and funding are needed as input to develop some kind of employment database that is easily accessible and useable also in resource poor settings and for youth with low levels of literacy and IT skills (see Intermediary TOC).

##### **To achieve Outcome 3:**

1. The activities focus on developing a 'guide to working with young people' that is targeted to employers. The guide should include issues to be aware of such as the multiple and interconnected barriers and vulnerabilities that many young people face, but, importantly, should also include a focus on successes, aspirations and resilience of young people. It could include information about how other employers work with youth (best practices), alongside details on how to access the ETI, where to look for young work seekers, and how to best support young people to progress in their jobs.
2. Additionally, a marketing campaign is needed to ensure that the document is widely circulated and engaged with through business and employer networks.

The inputs required are communication expertise to develop the product (with content from the research team involved in this study, and in collaboration with young people themselves) and a communication strategy.

##### **To achieve Outcome 4:**

1. This outcome can be achieved through an impact sourcing communication campaign focused on the value and benefit of employing young people. It could include success stories from employers and youth. Inputs for this activity are communication time and expertise.

2. If the ETI is renewed, an additional activity would be to focus on building strategies that can promote the ETI to more SMMEs. Input for this activity are research time, expertise and political will to further investigate the impact of the ETI on a range of different employers and in different sectors.
3. If the findings of the quantitative analyses of existing data remain mixed, a large-scale survey of the demand side, alongside carefully developed qualitative work with employers about why the ETI does or does not work to incentivise employers, should be considered.

This activity is informed by the strong evidence on the gap in our understanding of the demand side in general, and with regards to youth employment in particular; in addition, research time and political and business expertise are needed to explore in what ways the ETI could be adjusted to become more successful, or to negotiate extension of the incentive should some of the analyses continue to show a positive impact. This is important, as an attempt to try to avoid the fragmented and scattered 'stop-and-go' approach towards youth unemployment noted in the policy analysis.

## 5.3 Intermediary Theory of Change

Even the combination of a better educated, equipped and supported cohort of young people, alongside a supported and growing labour market that shows an increased willingness to employ young people, will not remove many of the barriers that exist for young people to find work. The cost of job seeking, the spatial mismatch, a lack of productive social networks and a sense of discouragement after long stretches of searching for work can all continue to act as additional barriers to employment. The labour market would thus remain inefficient if young people and jobs cannot be 'matched' efficiently.

The **problem** that the Intermediary Theory of Change aims to address is:

The fact that crucial 'hinging moments' during young people's time at school, once they have left school, or once they try to (re)gain access to the labour market are currently missed opportunities for intervention. In addition, the lack of productive social networks, the lack of financial capital and the spatial mismatch make it particularly difficult for young people to find their way into jobs, or for employers to find the young people they potentially would be willing to employ.

The long-term **goal** of the Intermediary TOC is:

To ensure that *young people are connected to an information system at various crucial points in*

*their education, training and career trajectories (for instance, the end of Grade 8; the end of Grade 9; matriculation; school leaving; job leaving; ...), and that the information system also allows employers to advertise jobs, search for potential employees and access relevant 'flags' regarding young people's education and skills levels.*

Such a 'bridging system' would need to be carefully developed to instil trust in both youth and employers, to contain the information needed to improve the situation of both the demand-and-supply side of the labour market, and to be easy and straightforward to use, even by young people in resource poor or remote settings. In short: the system would need to be an exemplar of *an integrated, transversal approach* to policy and implementation for youth employment.

We realise that the suggestion for this bridging system constitutes an overlap with some of the recommendations in the Supply Side TOC that focuses more specifically on education and training. It is important therefore to emphasise the need for integration and to avoid further fragmentation of the landscape. Young people need access to guidance, support and high-quality education and training *throughout* the course of their educational careers and as soon as they wish to connect to the labour market.

## OUTCOMES and INDICATORS:

**Outcome 1:** The majority of young people in the country have access to a well-designed, easily accessible and navigable information system that provides them with the details needed at that particular time in their education or labour market trajectory and that connects them to a range of services required at that time. Ideally, the system would be designed in such a way that it can reach young people pro-actively to avoid more youth 'falling through the cracks' for extended periods of time. For instance:

- For learners who are still at school, the system should automatically provide access to information about possible pathways through the schooling and post-schooling system, career guidance, and educational/remediation support<sup>14</sup>;
- For young people who leave school before or just after completing matric and who wish to – or have to – work, the system should provide information about how to access entry-level jobs; what is needed to apply for internships, learnerships, apprenticeships or short courses; CV templates, etc.;
- For young people who wish to continue their studies, the system would explain the process of applying for access to post-school education, financial support, study support, etc.;
- For graduates who wish to look for work, first-time work seekers, or for young people who have become unemployed, the system provides career guidance and information about job seeking, and job requirements.

The system can either be a fully automated, perhaps online platform or a digital app, but can – and, according to the qualitative and intervention-based evidence, probably *should* – also contain face-to-face, locally accessible opportunities that help young people on their way.

### Indicators for Outcome 1:

1. A comprehensive system that provides youth with well-designed, easily accessible and

navigable relevant information for any particular stage of their trajectory through school and into employment is designed, tested and implemented at the national, provincial and municipal levels;

2. More young people are correctly informed of their possible pathways at various 'check-points' throughout the educational system and into the labour market.

**Outcome 2:** Small, medium and large businesses, government, and civil society employers across the country are engaging with the information system a) to support their own recruitment processes; b) to advertise work experience and work opportunities available at their companies; c) to support youth once they have started work, or have worked for them. This means that interventions such as EPWP and CWP too engage with the system and ensure that young people connect to further pathways, opportunities and services upon completion of their short-term employment on the programmes.

### Indicators for Outcome 2:

1. The majority of businesses are posting work experience opportunities on the information system;
2. More employers have access to the information relevant for their recruitment processes;
3. More employers complete feedback forms and reference letters for young people who have worked for them (see Demand Side TOC);
4. More employers are actively involved in supporting young people to the next step in their educational or career trajectories (see Demand Side TOC).

**Outcome 3:** A cohort of youth workers is trained especially to guide young people in their use of the information system. This can include young workers on the EPWP and CWP programmes, child and youth care workers, teachers, social workers, and librarians, amongst others.

### Indicator for Outcome 3:

An increased number of youth workers are trained

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14 See the Supply Side TOC.

and experienced enough to provide guidance to young job seekers.

**Outcome 4:** Each municipality has several contact points for young people to access the information system (number to be determined). Existing infrastructure and institutions are adapted for this, e.g. (youth-friendly) clinics, schools, community centres, social grants offices, libraries, etc. Trained youth workers are based or regularly accessible at these points to provide information to young people.

#### OUTPUTS:

##### For Outcome 1 and 2:

The following outputs apply to both outcomes:

- A carefully designed, integrated government system that allows for the identification of young people as they move through the various stages of the education system, and beyond. This is to ensure that the system can work pro-actively and reach out to young people to provide them with information and pathways when they need it<sup>15</sup>;
- Related to that, an 'education and employment database' that allows supply and demand side of the labour market to 'meet' is available in various formats that allow easy access to as many young people and businesses as possible;
- A campaign on the existence, use and benefits of accessing or registering on the database by using various communications channels and targeted to youth, their families, communities and employers;
- Training on the use of the information system is available to young people and relevant people within the business sector.

##### For Outcome 3:

- A series of short courses targeted to a broad range of stakeholders, including youth themselves who could be employed through the EPWP and CWP, to provide youth with support and information at various stages of their trajectories;

- A set of easy-to-use, multilingual manuals on how to use the information system and how to support young people in their use of the system, targeted at these 'youth workers' (defined broadly).

##### For Outcome 4:

Easy-to-reach contact (in terms of distance, safety and cost) points are established across the municipalities.

While designing a well-functioning, easy-to-use national database that brings youth and employers together in an intermediary stage will require dedicated resources, technical expertise and political and broader societal will, the policy and intervention reviews clearly show that relevant policies, frameworks and institutions already exist to make this a possibility. What is needed, therefore, is for the various approaches that currently operate in a fragmented manner to be brought together and optimised.<sup>16</sup> This includes approaches to youth specifically, but includes a specific transversal approach within government and civil society so that required activities (discussed below) can also be based on lessons learned from, for instance, the successes or failures of the development of youth-friendly clinics and of developing approaches to support early childhood development. Once surplus and duplication of services and 'desks' are resolved, resources should be available to work towards this much more integrated approach.<sup>17</sup>

#### ACTIVITIES:

##### To achieve Outcomes 1 and 2:

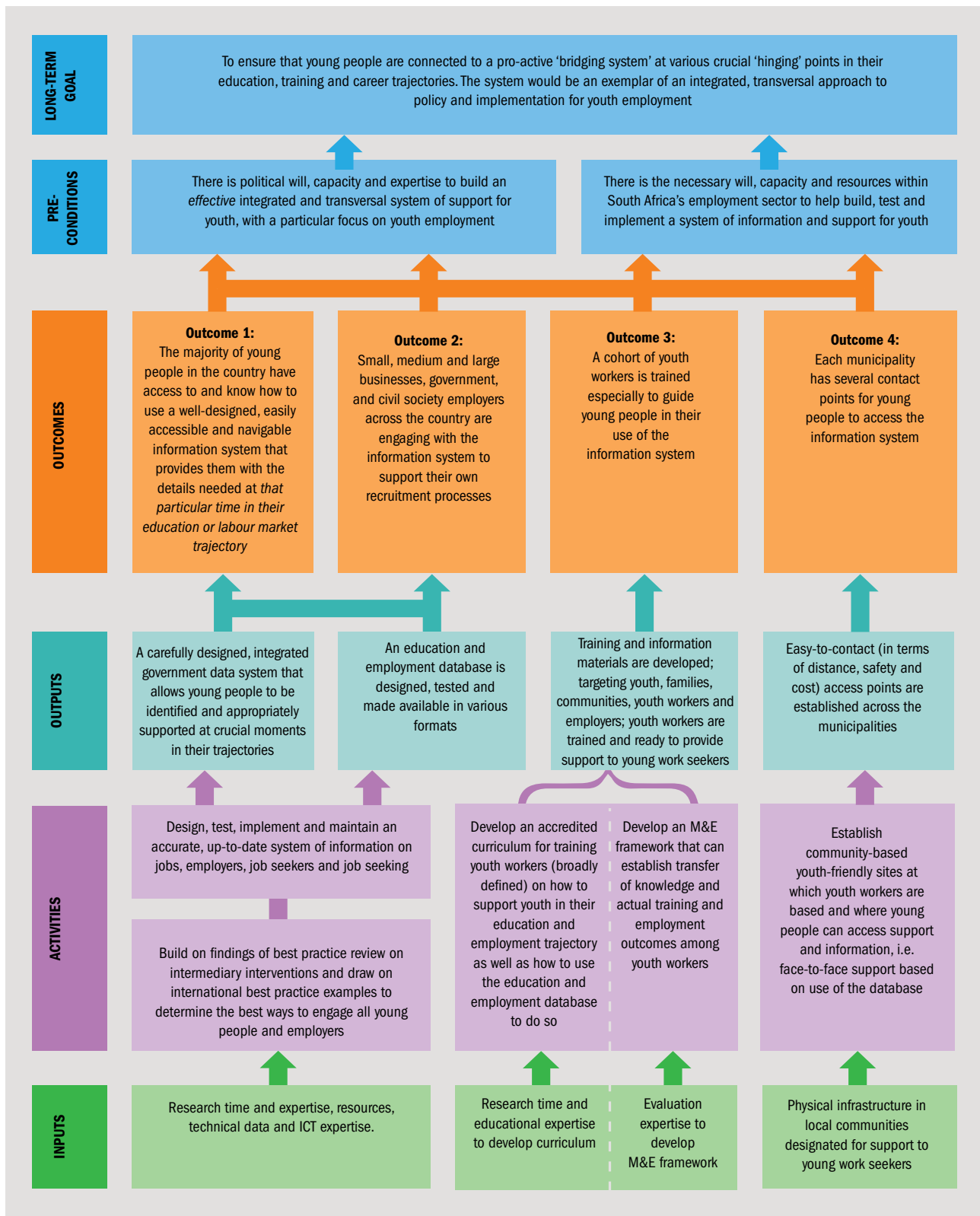
1. Draw on the collated understanding of the ways in which current intermediary interventions do (or do not) work to engage *all* young people (including those with the lowest levels of education), to connect employers and job seekers, and to reach out to youth also before they become job seekers;
2. Provide funding and technical expertise to design, test, implement and maintain an accurate, up-to-date system of information on jobs, employers, job seekers and job seeking

15 Two processes are currently underway that could feed into this outcome: The Basic Package of Support for youth initiative and the Department of Social Development's integrated data system for youth process.

16 See Policy Theory of Change.

17 Such an approach could be implemented and rigorously evaluated in local municipalities and then rolled out more widely.

FIGURE 9: Intermediary Theory of Change



that is easy to access and to use for both young people and businesses.

#### To achieve Outcome 3:

1. Provide funding and expertise to develop an accredited curriculum for regular training to a cohort of 'youth workers' (broadly defined) that:
  - a) know how to reach young people (including those with low levels of education or those who have become discouraged – in other words, extending beyond the cohort 0 – 18 years that currently falls within the ambit of the child and youth care workers;
  - b) know how to use the information system; and
  - c) can help prepare and guide youth in their job or training search.
2. Provide funding and expertise to develop a

monitoring and evaluation framework that goes beyond counting the number of young people that access the training programme, but that establishes transfer of knowledge to young job seekers.

#### To achieve Outcome 4:

1. Develop youth-friendly, easily accessible and recognisable access points across the municipalities, and which draw on lessons learned from the development of youth-friendly health-care facilities and already existing intermediary, comprehensive interventions;
2. As with the activity for Outcome 3, provide funding and expertise to develop a monitoring and evaluation framework that goes beyond counting the number of young people that access the contact points, but that establishes transfer of knowledge to young job seekers.

## 5.4 Policy Theory of Change

The **problem** that the Policy Theory of Change aims to address is:

There are myriad policies that remain uncoordinated, with a shifting focus, some with contradictory outcomes and many without implementation plans or without government capacity to implement *efficiently*, all in the absence of a strong coordinating government body that is accountable and that could lobby effectively for a central position of South Africa's youth in the broader policy environment.

The long-term **goal** of the Policy TOC:

The South African policy environment understands youth well-being in all its dimensions and interconnections and subscribes to an efficient, uniform and better integrated approach that supports youth to transition successfully through a system of quality basic and higher education, and into the labour market.

#### *OUTCOMES and INDICATORS:*

**Outcome 1:** Surplus and duplication of youth

desks are eliminated and careful consideration is given to reallocation of resources to youth-relevant government processes.

The current National Youth Policy recognises the inefficiencies in the 'youth machinery' and asks for a redefinition and fine-tuning of the mandate of the National Youth Development Agency. However, it does very little to address the fragmentation within the institutional architecture, which is supposed to support youth development. There remains a proliferation of agencies and youth desks or directorates within various departments, and at the local, provincial and national government levels without coordination between them, and without the capacity or ability to implement programmes efficiently. Careful, but urgent, consideration should therefore be given to streamlining the current set-up to avoid further duplication.

**Outcome 2:** There is a central, coordinating government body with the authority to steer efficient implementation and to hold different departments accountable.

Currently, no central government institution oversees and coordinates the efforts of the various departments with regards to youth development. The Youth Desk within the Presidency (which appears to now have moved into the Department of Planning, Monitoring and Evaluation) and/or the NYDA could be expected to take up such a role. However, both have remained mostly inefficient in doing so. There is thus a need to re-assess the situation to avoid duplication of efforts and resources, and to introduce a dedicated, central coordinating mechanism to guide and support the various government departments in their coordination of youth-related development programmes and interventions.

**Outcome 3:** The establishment of a dedicated youth parliamentary portfolio committee that provides oversight and accountability.

Currently, the Parliamentary Portfolio Committee for Public Service and Administration as well as Performance Monitoring and Evaluation carries the responsibility of holding government – and

particularly the NYDA – responsible for delivering on their promises. There is, however, little coordination between this committee and the National Youth Desk, and this set-up does not guarantee a specific focus on youth matters. The lines of accountability remain blurred and a sense of leadership remains lacking. There is a need for a *dedicated* youth parliamentary portfolio committee that has oversight to the general government responses with regards to youth.

**Outcome 4:** The *effective* implementation of a broad societal accord for youth development underwritten by all relevant stakeholders in society and with strong endorsement from the Presidency and Treasury – comparable to the Youth Employment Accord.

**Outcome 5:** Young people and civil society organisations are encouraged to become actively involved in the design of youth-relevant programmes and policies.

## 5.5 Research agenda going forward

Despite the extensive body of literature on drivers of, and policies and interventions to, address youth unemployment, there remain significant gaps in our understanding that need to be addressed. The most glaring ones relate to the demand-side drivers of youth unemployment. While there is economic research on the macro level, demand-side drivers of employment and economic growth, this is never disaggregated for youth in particular. We thus lack understanding of whether these factors affect youth differently or not. Still on the demand side but at the micro level, there is very limited information about employer behaviour with regard to decisions about whether or not to employ young people. Thus, there is a need for an increased understanding of employers' needs, hesitations and expectations about employing youth. This is particularly important as the National Minimum Wage is rolled out. The effect of this initiative on youth employment and youth wages is important to monitor in order to understand whether there are unintended negative

consequences for youth – and to remediate these if there are.

On the supply side, there remains limited information about why gender differences in employment remain and whether the assumption that care burdens account for these differences is supported by empirical evidence. There is also limited research on the role that mental health plays in work search and employment.

With regards to interventions, evidence about the effects of demand-side interventions is more readily available and is much stronger than it is for supply-side interventions, most likely because of the significant resources that are spent on these interventions. Monitoring and evaluation can foreground learnings emerging out of these programmes.

Due to the lack of evidence on supply-side



interventions, there is a need to strengthen monitoring and evaluation capacity and create awareness about the need to evaluate these interventions' impacts in rigorous ways. Specific research gaps emerge on the employment outcomes of short-term training programmes. There is therefore a need for sophisticated longitudinal

studies or similarly robust techniques to assess the longer-term outcomes of such programmes.

Intermediary interventions have recently been the subject of increased research attention, leading to positive developments in their assessment. A few high-quality assessments have been conducted and there is a need to continue those assessments.



## 6 CONCLUSION

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While the youth unemployment situation is dire, it has received strong attention in the domains of research, policy and interventions. All of these can be harnessed for change. The human and financial resources to make a difference are available and are, in some cases, being deployed. The policy frameworks exist to support a youth employment strategy, but they have mainly remained uncoordinated, without solid implementation plans and not accountable in the broad sense. What is needed is a more integrated and impactful approach to pathing young people to the labour market, whilst ensuring that the basic education system is significantly improved and that inclusive economic growth is promoted.

In order to achieve these goals, there is a need to develop – or renew – a broad social compact to address youth unemployment, which brings employers, training providers, trade unions, government, youth themselves and other relevant stakeholders on board. Further, there is a need for strong political will and expertise to reduce policy and departmental duplication and wastefulness.

For instance, the National Youth Desk is irrelevant unless it can efficiently coordinate activities across departments and in the provinces; develop a coordinated implementation strategy for the National Youth Policy; and be held to account with clear performance indicators that are reported on to a dedicated parliamentary oversight committee. Whether there is a need for both a National Youth Development Agency and a National Youth Desk remains unclear. If there is a need for both, roles and responsibilities of each must be clearly delineated and processes of accountability clarified. The duplication, lack of coordination, and implementation failures in relation to policy have seriously hampered progress on education, skills training, and youth development more broadly. Having an accountable and effective entity that can coordinate and drive a youth employment strategy and hold other departments to account is therefore critical.

Alongside streamlining policy and institutional arrangements, there is a need to ensure that interventions are better coordinated and, where evidence of success is available, scaled up. At the

same time, young people need to be guided effectively through high-quality, well-articulated education and training systems and into first-time jobs or work opportunities; and employers need to be encouraged and supported to employ youth. This means that changes are needed on both the supply and demand side of the labour market equation, and investments and expertise are required to ensuring that there is an effective, intermediary system that connects employers and young work seekers.

On the supply side, there is promise in work-integrated learning interventions despite quality concerns. There is thus potential to scale up such interventions whilst addressing these concerns. Other forms of skills training provide employment support to young people and are therefore important contact points to reach youth and to guide them into and through the training system and/or entry-level jobs. Second-chance opportunities and programmes that can effectively remediate numeracy and literacy shortfalls need to be identified, tested and rolled out widely while the failures of the current basic education system are addressed. The EPWP and CWP are also key contact points with unemployed youth and could be leveraged to path young people into other services, back into the training system or to employment support programmes. All of these require political will, broad societal support, expertise and dedicated leadership.

On the demand side, the ETI is currently the only major intervention targeting employers. Although evidence on outcomes is mixed, on balance it shows promise for job creation amongst small businesses. As the only evaluated demand-side intervention, it is important to consider the benefits and downsides of the ETI carefully. If the intervention is extended, it should focus on better uptake among small firms and should include additional efforts to evaluate impact and understand firm behaviour. This is particularly important given the introduction of the National Minimum Wage as the ETI may protect against first-time entrants into the labour market being passed over in favour of those with proven productivity. Alongside an intervention like the ETI, there is a need to promote job creation and the employment of youth amongst employers. The Jobs Fund could continue to play a leading role in this regard.

Finally, there is a need to provide intermediary connections between the demand and supply side of the labour market that can a) provide information to young people about skills needs in the economy, b) guide youth in their training pathways and career decision making, and c) provide accurate 'flags' to employers about the skills levels and experience of young job seekers. The system needs to be an exemplar of a truly integrated, transversal approach to policy and implementation for youth employment.

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## ADDENDUM 1 – Methodological approach

This insert is a supplementary document to the executive summary and full report of the youth (un)employment systematic overview. It outlines the methodological approach used in the study.

The study involved an evidence synthesis research design in which the large body of existing literature on youth unemployment in South Africa was systematically searched, sorted and analysed. This was complemented by a historical overview of policy development.

Evidence synthesis methodologies aim to systematically identify, synthesise and analyse all available evidence about a particular topic. The ethos underpinning these methodologies is that 'a review of all the evidence available is always more reliable than a single piece of evidence' (Gray 2014: 135). They are thus intended to eliminate bias by developing rigorous and systematic approaches to searching for, screening and assessing available evidence.

The following process was followed in our evidence synthesis methodology:

- **User involvement:** We began by engaging with prospective users of the study to ensure that the study aims and processes were suitable to them. This was done through the creation of an advisory committee made up of academics and policy-makers.
- **Limiting the scope of the review:** Although our strategy was to cast the net as widely as possible, we had to do this within a certain set of limitations. In collaboration with our advisory committee, we established the following criteria to delimit the scope of the search:
  - Our *primary* outcomes of interest were youth employment and youth unemployment with *secondary* outcomes focusing on factors that could lead to changes in youth employment such as changes in job search, changes in skills and knowledge, and changes in social capital. While we acknowledge the integral link between education and employment

we did not include searches of the South African literature pertaining to educational outcomes *only*. We also did not specifically focus on entrepreneurship in this study.

- **Population:** We limited the scope to studies that pertained to youth residing in South Africa. We defined youth broadly according to the National Youth Policy (The Presidency, Republic of South Africa, 2015) as people between the ages of 15 and 34 years.
- **Geographic area:** We focused on studies that dealt with South Africa only.
- **Time:** We focused on the transition and post-apartheid period in South Africa and thus included any studies published or circulated between 1990 and June 2017. Where we were aware of publications that were published later than this date we did include them, although we did not conduct a new full search after June 2017.
- **Nature of publication:** We did not limit our study to only evidence published academically. We specifically sought out unpublished literature. This was particularly important for Review III which dealt with interventions. Many interventions are not academically assessed and information is thus not readily available in academic sources.
- **Language of publication:** We only considered literature published in English.
- **Search strategy:** We conducted searches of the following five international and one South African databases:
  - ProQuest
  - Science Direct
  - SAGE
  - Taylor & Francis
  - EBSCOHost
  - SA ePublications (including SABINET)

In addition, we identified a range of (mainly) South African research organisations (see Appendix 1) that are conducting research on employment, youth employment or youth unemployment and searched their websites. We also searched the libraries of the following evidence synthesis websites:

- The Cochrane Library
- Campbell Collaboration Library
- EPPI-Centre Library
- 3ie’s Database of Impact Evaluation

Furthermore, we contacted a number of experts, working in the field of (youth) unemployment, who have published regularly about the issue and asked whether they had any work currently in process or not yet in the public domain that they thought we should include. An additional 12 documents were subsequently added to the database. The table below summarises the number of articles included from the academic literature search.

Finally, we conducted a search of interventions that aim to address youth unemployment, going as far back as 1990. A database of such interventions was developed drawing from five different sources – a scoping study conducted by the Centre for Social Development in Africa (Graham 2014); a Google search on youth employability interventions; a SABINET SA Media database search of youth employment; a database of programmes compiled by Harambee Youth Employment Accelerator and the World Bank’s Youth Employment Index. Through these searches we compiled a database of 947 programmes and undertook to search their websites for information including programme descriptions and for evidence of any evaluations conducted on the interventions. The search yielded 2 086 documents that were included in addition to the 11 108 articles.

• **Defining relevant studies and sorting studies to be included:** The following criteria were then used to determine whether an article would be included or excluded:

- *Year of publication:* Only articles published in 1990 and after were included.
- *Target group:* Only articles that discussed youth either as the primary group of interest or as part of a larger group of interest were included. This means that literature that dealt with unemployment in general, without presenting data disaggregate for the youth cohort, was excluded.
- *Geographic location:* We only included studies that were conducted in South Africa or that were about South Africa. We excluded articles that dealt with southern Africa (unless South Africa was discussed specifically), neighbouring countries, and other developing contexts.
- *Outcomes:* We included articles that discussed our primary and secondary outcomes of interest, i.e. Employment, Unemployment, Participation rate, Hours worked, Unemployment duration, Quality of employment, Employability and Job search.
- *Type of publication:* We only included documents that made substantive and empirically based contributions. We thus included journal articles, working papers, books, book chapters, conference proceedings, dissertations and theses, and reports but excluded opinion pieces, magazine editorials, conference or symposium calls, news articles, book reviews and interviews.

**TABLE 1: Number of articles per search type**

Type of search	Number of articles included
Academic databases	10 926
Search of research organisation websites	170
Emails to experts	12
TOTAL number of articles	11 108



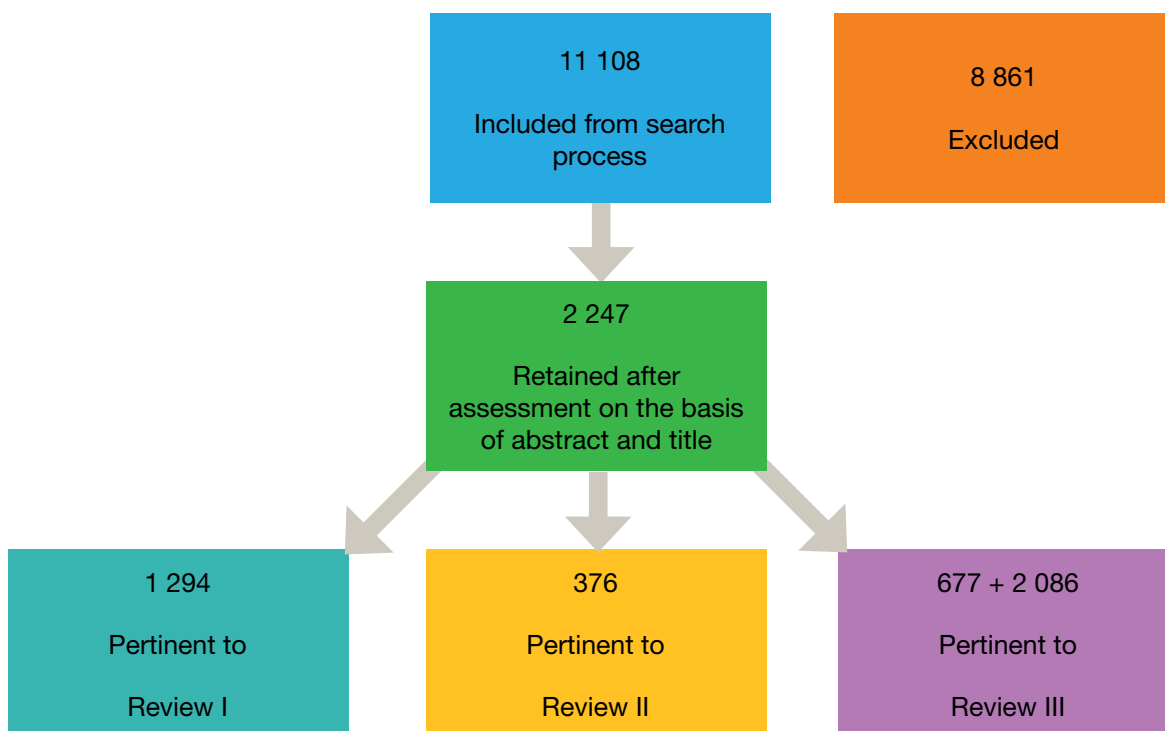
Using these criteria, articles were sorted on the basis of reading through the abstract (or introductions where abstracts were not available), only. Figure 1 below demonstrates the results of the sorting process. Full texts for the included studies were then sourced and read.

- **Analysis:** The various reviews followed different analysis processes:
  - *Review I:* Full texts of those articles that remained included in database of literature on drivers of youth unemployment, and for which full texts could be sourced, were downloaded and read. During this process a further 405 articles were excluded because full texts could not be sourced and 633 articles were excluded because, on the basis of reading the full text, they did not fit the inclusion criteria. The final 256 included articles were coded to develop a) a descriptive overview of the kinds of study and the evidence presented, b) a thematically organised framework of evidence on the drivers of youth unemployment, and c) a series of brief summaries that capture the nuances of the articles and that would be lost

when working only with the broad thematic framework.

- *Review II:* As mentioned above, the evidence synthesis design was complemented with a historical policy assessment. This involved a review of primary and secondary source materials as well as data collected through 16 semi-structured interviews with key policy-makers and government officials. The analysis approach used comprised descriptive and inductive analysis. The descriptive component consisted of identifying the key policies on youth employment in South Africa from the 1990s to 2016. The inductive component involved developing theoretical insights about those policies based on an immersion in the data.
- *Review III:* On the basis of a full read of the programme descriptions that were derived from the programme website searches (originally 2 086 documents), we excluded 913 documents. They were excluded either because they did not provide sufficient information about the programme or because, upon reading the full description,

**FIGURE 1: Results of sort process. Numbers pertinent to each review do not add up to total number retained after sort because articles could be pertinent to more than one review.**



the programme did not fit the criteria. Of the 677 journal articles, 393 were excluded because they did not provide programme information or did not meet the inclusion criteria. In total, therefore, 1 173 programme descriptions and 284 journal articles were included, providing a database of 804 interventions<sup>1</sup>. The primary object of interest for Review III was the intervention. We thus read the included documents with a view to describing the intervention. We focused on identifying descriptive information including aims and objectives, a programme description, implementing organisations and target beneficiaries. The database was then

analysed by intervention type and summaries of the kinds of interventions were written up. A second step in the analysis process was to identify those studies that provided evaluative information about the intervention. In the database of the 1 173 programme descriptions and 284 journal articles, 240 evaluations were identified; 56 of these were excluded because there was insufficient information about the methodologies used to derive the conclusions. The remaining studies were coded to identify the aim of the evaluation, outcomes evaluated, methodologies and key findings. An overview of evaluative evidence by intervention type was written up.

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The Presidency, Republic of South Africa. (2015) *National Youth Policy 2015 – 2020: We are Generation 2020. We don't want a Hand-Out, we want a Hand Up!* Pretoria: The Presidency.

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1 Some publications provided information about the same programmes.

## Appendix 1: List of research organisations that have published youth employment studies

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- Africa Trust
- African Microeconomic Research Unit (Ameru), University of Witwatersrand
- Alternative Information and Development Centre
- Bureau for Economic Research (BER), Stellenbosch University
- Bureau of Market Research, UNISA University of South Africa
- Centre for Development and Enterprise
- Centre for Economic Policy Research
- Council on Higher Education (CHE)
- CESinfo
- Council for the Development of Social Science Research in Africa
- Centre for Social Development in Africa, University of Johannesburg
- Centre for Social Science Research, University of Cape Town
- Dalberg Innovations
- Deloitte Consulting ZA
- Development Policy Research Unit, University of Cape Town
- ECON 3X3
- Economics Research Southern Africa
- Database of the Department of Economics, Stellenbosch University (EKON.SUN)
- Economic Policy Research Institute
- Gordon Institute of Business Science, University of Pretoria
- Harambee Youth Employment Accelerator
- Human Sciences Research Council
- Institute for the Study of Labour
- Institute of Social and Economic Research, Rhodes University
- Institute for Security Studies
- Abdul Latif Jameel Poverty Action Lab
- McKinsey & Company
- National Bureau of Economic Research
- National Labour and Economic Development Institute
- National Research Foundation grantees
- OpenUCT
- Institute for Poverty, Land and Agrarian Studies, University of the Western Cape
- Programme to Support Pro-Poor Policy Development: Department of Planning, Monitoring and Education grantees
- REDI 3X3
- Southern Africa Labour and Development Research Unit, University of Cape Town
- Social Science Research Network
- Studies in Poverty and Inequality Institute
- Society, Work & Politics Institute, University of the Witwatersrand
- The Forum for Public Dialogue
- Bertha Centre for Social Innovation and Entrepreneurship, University of Cape Town Graduate School of Business
- United Nations University World Institute for Development Economics Research
- Wits Institute for Social & Economic Research, University of the Witwatersrand
- Wits Business School

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REDI 3X3: [www.redi3x3.org](http://www.redi3x3.org)

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