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Association for the Development of Education in Africa
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SOUTH AFRICA COUNTRY REPORT FOR THE 2014 MINISTERIAL CONFERENCE ON YOUTH EMPLOYMENT

How to Improve, Trough Skills Development and Job Creation,
Access of Africa's Youth to the World of Work

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South African Final Report

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Prepared by: Peliwe Lolwana

Researching Education and Labour (REAL) centre

University of Witwatersrand

Johannesburg, South Africa

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ACRONYMS

COSATU	Congress of South African Trade Unions
CSIR	centre for Scientific and Industrial Research
CWP	Community Development Programme
DBSA	Development Bank of Southern Africa
DED	Department of Economic Development
EMS	Economic and Management Sciences
ETDP	Education and Training Development Programme
DBE	Department of basic Education
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
GDP	Gross Domestic Product
GTPP	generic Trade preparation Programme
HRDC	Human Resources Development Council
IDC	Industrial Development Corporation
IMF	International Monetary Fund
NAMB	National Artisan Moderation Body
NEET	Not in Education, Employment or Training
NDP	National Development Plan
NGOs	Non-Governmental Organisations
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NYDA	National Youth Development Agency
PAYE	Pay As You Earn
PICC	presidential Infrastructure Co-ordinating Committee

QCTO	Quality Council on Trades and Occupations
SAIE	South African institute for Entrepreneurship
SAQA	South African Qualifications Authority
SEDA	Small Enterprise Development Agency
SETAs	Sector Education and Training Authorities
SIPS	Strategic Integrated projects
TVET	Technical, Vocational Education and Training
TVSD	Technical, Vocational and Skills Development
WTO	World Trade Organisation
YEDS	Youth Employment Development Strategy

SYNTHESIS REPORT

South Africa is a youthful country where almost 67% of the population is made up of young people and a third of the working age population is made up of youth. However this youth today faces enormous difficulties in penetrating the labour market, a situation much different from the one 25 years ago. There are many reasons for this status quo, but the most important explanation has to do with the nature of the South African economy and the skills that the young people have acquired when they enter the labour market.

South Africa's unemployment rate is high for both youth and adults, however, the unemployment rate among the young people aged 15-34 was 35,8% in 2012 implying that one in every three young people in the labour force did not have a job. The burden of unemployment is also concentrated amongst these young people as they account for 70, 9% of the total number of unemployed persons. It is even more concerning to note that one in 12 young people have given up looking for work, and that they account for seven out of ten discouraged work-seekers in the South African labour market.

When young people are employed in the South African labour market the intensity is the highest in the Trade, Agriculture, and Finance and other business services industries. Low and semi-skilled youth employment is concentrated in the Trade industry, while high-skilled youth employment is in the Community and Finance and other business services industries. In terms of access opportunities for TVSD in the country are not adequate and so is the information available to the young people on the labour market and about their own capabilities.

There are various schools of thoughts about the causes of youth unemployment in the country. Some attribute this problem to the crisis in education where the public schooling system is seen as being weak to provide for a good foundation in education. Some see the problem as being caused by the high cost of labour, where employers find themselves trapped in an inflexible labour relations regiment. Others view the South African economy as being part of a global structural capitalist economy which makes unemployment inevitable.

In the last twenty years of the democratic government, lots of improvements have been made to the TVSD sector, including recapitalisation of the infrastructure and renewal of curriculum. Currently, government is privileging and focusing on this sector amongst all post- school skills development institutions, and in particular the artisan development programme. However, the size of the sector is still small and needs major expansion. The programmes are biased towards the traditional trades, to the exclusion of the newer forms of occupations. Policy and planning happens at the national level, whilst responsiveness is at the local level. The TVSD sector concentrates largely on developing the skills of the formal economy, which has not been generating many jobs lately whilst the skills for the informal economy are not addressed. On the positive side is the presence of many players and funding for skills development in the country which need better coordinating.

Youth unemployment is receiving a lot of attention by government and various departments have different initiatives in this regard. Youth should benefit from the plethora of skills development policies and funding. Recently, there is an Employment Tax Incentive Act which targets youth as

beneficiaries as it incentivises employers to employ young people. Various attempts are being made to help young people to start their own businesses. Besides, the specific youth accords in place obligate the public and private sector to privilege youth in skills development, employment and general support. The greatest effort for youth employment has been the Expanded Public Works Programme. This is a government driven programme where work opportunities have been created in various sectors by public works, such as Infrastructure; Environment; Social; Community works, etc. As more educated youth subscribe to the Extended Public Works programme, the more the programme moves away from low skills based to sophisticated projects. At the higher level are the new Strategic Integrated Projects focusing on unlocking the potential of South African economy by rebuilding and expanding the existing infrastructure. These projects will need a much higher level of skills and they will privilege youth in their absorption.

Over the years, the South African economy has evolved from a primarily commodity dominated to Services. There is a manufacturing sector that has historically been supporting the mining and agriculture sectors. This manufacturing sector has since expanded, moderately so, and the notable achievements can be seen in the Automotive, Petrochemicals and Steel industries. Tourism and Financial services have also grown to be the backbone of the South African economy. Seemingly, the informal economy is linked and feeding to the formal economy. Young people participating in the informal economy have almost completed high school, are male, African and mostly originate from outside the urban areas where they ply their trade. There is very little support in the form of skills training and capital organised for the informal economy though. It is in the development of small and medium businesses that the country is beginning to awaken to, with a number of organisations and government departments looking at this avenue as a possible saviour for youth without employment.

There are a number of initiatives that can serve as lessons on youth employment, but four different ones have been identified in the report:

- Harambee is a programme that supports disadvantaged young people to gain access to employment, mainly in the private sector. Harambee has developed a model which successfully closes the gap between employers' difficulties in finding, recruiting and retaining the required entry level employees.
- Accelerated artisan development of Acelor- Mittal has developed a system that makes it possible for large companies to shorten the period for training and also allows for large companies to take on more apprenticeships
- Business venture is a school based programme, with the aim of developing an entrepreneurial mindset in both the students and the educators.
- Community Works Programme (CWP) is part of the Extended Public Works programme, but CWP has worked very well with youth and in particular young educated women. Community work areas vary from infrastructure building and repair, health, education and small enterprises.

In conclusion, there is considerable attention paid to the problem of youth skills development and employment in the country. This attention ranges from building the institutions for skills development, focusing on artisan development, and putting resources in initiatives for addressing this problem and starting to coordinate these efforts. However, the problem of youth

unemployment is also structural and since the economy has become global, South African cannot change this problem alone in its economy. There is a need to support the informal economy in South Africa where there is still a possibility of jobs being created, as well as small businesses. In addition, there has to be considerable attempt to get young South Africans to complete their high schooling as this makes skills development easier to acquire; expand the skills development infrastructure to make it available to most young people; and support young people in accessing and retaining their first jobs.

Introduction

South Africa is a youthful country where almost 67% of the population is made up of young people and a third of the working age population is made up of youth (Statistics South Africa, 2011). However this youth today faces enormous difficulties in penetrating the labour market, a situation much different from the one 25 years ago. There are many reasons for this status quo, but the most important explanation has to do with the nature of the South African economy and the skills that the young people have acquired when they enter the labour market. Some economists have explained the South African labour market as being dual in nature, consisting of the ‘centre’ and the periphery (Uys & Blaauw (2006). In this context the centre consists of formal businesses which range from medium to large, highly regulated and recognised as the source of formal employment in the country, whilst the periphery is composed of the informal sector employment with unregistered businesses and with informal arrangements (Statistics, South Africa, 2003). The informal economy sits in this periphery. The primary economy or the centre has not been producing jobs to match the needs of a growing and young population lately and the question that is being asked is whether or not the country’s policies must continue seeking to find jobs for the unemployed in the primary sector of the economy for the unemployed or acknowledge the existence of this dual economy and support both as inter-dependent economies of the country.

The dual economy can be largely traced to the legacy of Apartheid in the country where the plan was to have only the white population residing in urban and economic areas and other race groups would come in as migrant labourers and return to their permanent residential areas – the ‘homelands’. The apartheid system controlled everything that happened in South Africa, including education, skills development, where people lived, allocation of jobs, levels of income, etc. This resulted on a small (8%) population of white people getting the right education, skills and access to high living standards. Besides the world condemnation of the apartheid system that saw many developed countries withdrawing their investments from the country, this economic system based on few skilled individuals could not sustain or grow the economy. By the end of the apartheid, the population of South Africa was about 40 million¹. In 2014, the population is estimated to be 53 million.

In the past twenty years there have been significant achievements that the democratic government can boast of. In particular, significant improvements have been witnessed in the TVSD arena, during the terms of four ministers in the past twenty years. The first Minister (1994 – 1999) established a policy aimed at directing the sector towards the ‘development of a coordinated FET system, providing high-quality, flexible and responsive programmes and opportunities for a learning society’ (Government gazette, 1998, p.38). He introduced the

¹ Statistics at the time were very irregular as the white government used to estimate the black population and only enumerate Whites only.

changes that saw the technical colleges becoming FET colleges. The second Minister (1999 - 2004) oversaw the process of modernising the TVET college sector as the main provider of TVSD. The 152 public technical colleges were amalgamated into 50 multi-campus institutions. This restructuring was meant to establish mega institutions instead of the smaller campuses that do not command the strength of larger institutions. The third Minister (2004-2009) was responsible for the recapitalisation of such institutions. Treasury put in a lot of money in modernising the buildings and equipment of all the institutions. This was happening whilst the Department of Education rationalised and modernised the curriculum taught into these institutions. Instead of many hundreds of smaller courses, the majority of which were almost obsolete, now there are streams of curriculum which are leaning towards a general vocational educational direction instead of a narrow technical slant. The idea was to prepare students who could face both ways – towards workplace learning and higher education.

The current Minister (2009 -2014) will be known for the emphasis he has put in the TVSD sector during his administration and in particular the development of artisans. He heads the secretariat for the country's Human Resources Development Council (HRDC). In 2012 he introduced a financial assistance scheme for students studying in TVET colleges, in the same way as that of university students. In 2014, a White Paper on Post-School education has just been published and this policy document introduces a new language in Education – that of a post-school system which includes colleges, universities, adult education centres and the skills development system as one system (Department of Higher Education and Training, 2013). Minister Nzimande has also invested a lot of money in research in skills development, awarding research institutions and universities with generous grants to develop information and knowledge about this underdeveloped area in knowledge. The fruits of this investment are still going to unfold, but for the first time in the country, systems for collecting Labour Market Information are being developed. He has also increased the budget of the National Student Financial Aid Scheme (NASFAS) for students studying in universities and TVSD colleges, significantly.

Given that labour markets, both in South Africa and the rest of the world, have become more predisposed towards skilled workers in recent decades, there has been a corresponding requirement regarding the capacity of education systems to produce larger numbers of skilled labour market entrants. In a context where post-secondary qualifications are increasingly in demand, a secondary education has become the absolute minimum requirement for those who want to improve their livelihoods through employment (Levy & Murnane, 2003). South Africa provides for an almost universal education for the first 9 years of schooling (Ministerial Report, 2008). Drop-outs start to emerge in a significant way in the tenth grade of this system and escalate to a point where the majority of young people drop out in the year before they sit for their final year school examinations. Yet, most skills development programmes are pegged at a level after successful completion of the twelve years of education. In size, the skills development programmes are the smallest section of the whole education and training system and would miss a number of young people even if they were available to the whole youth population anyway.

Although the country has been under a democratic rule for the past 20 years now, the intractable characteristics of the past apartheid system are still dominant in the society. For example young African youth are more likely to be unemployed than their white counterparts and young African women are the most excluded. South Africa is a large country geographically and spread

between urban (55%) and rural (45%) settlements. This spatial spread of population also provides us with the divides between those who are insiders (largely urban), and those who are outsiders (largely rural) in the economy. However, as the country is increasingly urbanizing, poverty levels seem to be growing in urban areas more than in rural areas. Other people talk about a divide in the urban areas between the core urban and the peri-urban where most of the poverty is.

The economy of the country has also shifted significantly, from a country that relied heavily on commodities or primary economy, the country has grown to large and diversified secondary and tertiary sectors, with financial services being the backbone of the economy. Some will argue that there has been a direct link between the primary economy and the development of the large and sophisticated financial sector that the country boasts of now. However, this does not take away from the fact that the growth of a sophisticated economy happens simultaneously with the growth of ‘informalised’ workers or workers in precarious jobs as owners of the primary sector are invested globally and easily downsize their operation in the country when they see fit. In other words, the sophisticated nature and size of the economy does not necessarily generate jobs for South Africans, especially for the new labour market entrants.

This paper seeks to quantify and qualify issues of employment and unemployment of young people in South Africa. Firstly basic quantitative information on the employment situation as well as the labour market in the country is presented. Then the difficulties experienced by young people in accessing employment are presented. This is followed by an account of planned measures concerning TVSD as well as planned measures to promote job creation. Lastly, before concluding, some significant vignettes involving the school-to work transition or youth employment are presented.

Methodology

The collection of data for this report was done from February till March, and the first draft report was submitted to the organisers of the ADEA conference. Data used in this study has been obtained from different sources, including the 2011 Census conducted by the Statistics Departments; Quarterly Labour Force Survey (3rd quarter of 2013); 2012 Statistics South Africa annual report, the South African Status of Youth Report 2011/12, and the National Artisan database. In South Africa, data on the unemployed is collected from two sources; the census that is collected every 10 years as well as the Quarterly labour Force surveys routinely collected by Statistics South Africa (Stats SA). The last census was collected in 2011, and before that was the Community Survey undertaken in 2007. However, Stats SA started to collect information which would allow the calculation of those Not in Employment, Education or Training² in quarter 3 of 2012. No secondary calculations have been made in this study as the data reported is the actual data found in the various documents.

South Africa defines the youth population as ranging from age 14 to 35. However, Statistics South Africa calculates its youth population as ranging from 15 to 34. There is some criticism against this practice as more than a million 34 -35 year olds are calculated out of the youth sector. The discrepancy on the lower range (14-15) does not matter much as most young people at this age are still at school. It is the upper range discrepancy that causes a lot of dissatisfaction, especially from the youth groups. However, since the most reliable information is from Statistics South Africa, the age group 14-34 is used in this report. There are some instances though where presented information is about the ages 15-24 and this is largely in relation to this group's participation in education and training activities.

After presentation to the Experts' meeting's forum on 31st March and 1st April, different inputs were gathered for the further improvement of the document. Included in these inputs was the workshop organized by the Department of Higher Education and Training in Pretoria, on the 15th April. Several stakeholders (44) attended the workshop from various government departments, statutory authorities and research institutions to deliberate on this report. Their inputs have been carefully considered and included in the final report, which will be submitted to the ADEA organisers as well as the South African Minister's office.

² Training here means skills development or TVET or TVSD.

1. Basic Information on the employment of young people

The definition of youth varies considerably amongst countries. The United Nations define the youth as those between **15 and 24 years**³. However, the South African definition of the youth is a broader definition and comprises young people between the ages of **14 to 35 years**⁴. In this report, information on both groups will be used. As it has been indicated in the methodology section, there is a discrepancy within the statistics gathering institutions, with some starting at 14 and some at 15 and some ending at 34 whilst others end at 35.

According to the Statistics South Africa mid-year population estimates for 2011, the total population was about 50, 5 million, of which the youth population (14-35 years) was estimated at about 20,5million, representing 41, 2% of the total population. The population estimates indicate that the youth population group, year-on year, has been showing more rapid growth than the national average population growth (South African Status of Youth Report (2011/12). Between 2012 and 2013, the life expectancy of South Africans has increased to 59, 6 for males and 61.4 years for females (Statistics South Africa, 2013).

a) Distribution of youth in the labour market

Table 1: 15-34 year olds in the labour market

	Thousand	Percent
Employed	5 976	30,8
Unemployed	3 195	16,5
Discouraged	1 563	8,1
Other not economically active	8 676	44,7
Population 15-34 years	19 410	100,0

Source: Statistics South Africa (QLFS, 3rd quarter, 2013)

b) Distribution of NEETS

Table 2: 15-34 year old NEETs

(1) Not in education and not in employment	7 314
(2) Population 15-34 years	19 410
(3) NEET Rate	37,7

(3) is a percentage of (2)

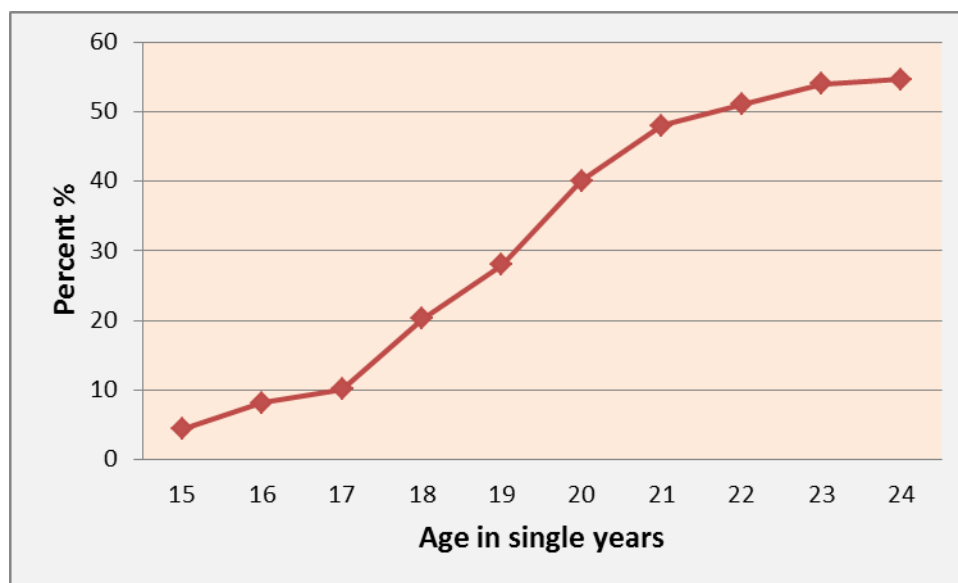
Source: Statistics South Africa report (2012)

³ <http://social.un.org/youthyear/docs/UNPY-presentation.pdf>

⁴ According to the South African National Youth Commission Act of 1996, 'youth' is defined as all people between the ages of 14 and 35 years. <http://www.polity.org.za/polity/govdocs/policy/intro.html>. In order to correspond to the coverage of the Quarterly Labour Force Survey (QLFS) the bottom age limit is increased to 15 years.

Within the age group of 15-24 year olds NEET rates differ. They rise from a low 4,4% among the 15 year olds and peak at 54,6% among the 23-year olds (Figure 1) In other words, half of all 23 year-olds are not in employment, education or training.

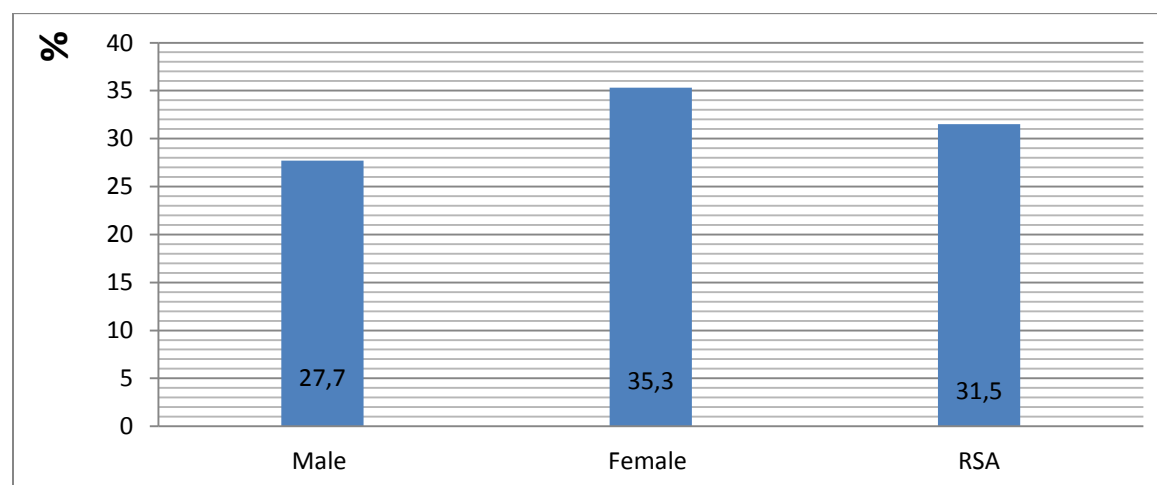
Figure 1: NEET rate for youth aged 15 -24 in single years



Source: Statistics South Africa report (2012)

We also find further differences in the NEET rate with respect to gender and race. These are attributes that are important in South Africa as they speak to the historical past of inequalities. For example by gender, the disparities are also pronounced. The NEET rate for female youth is 7,6 % percentage points higher than the rate for male youth (Figure 2).

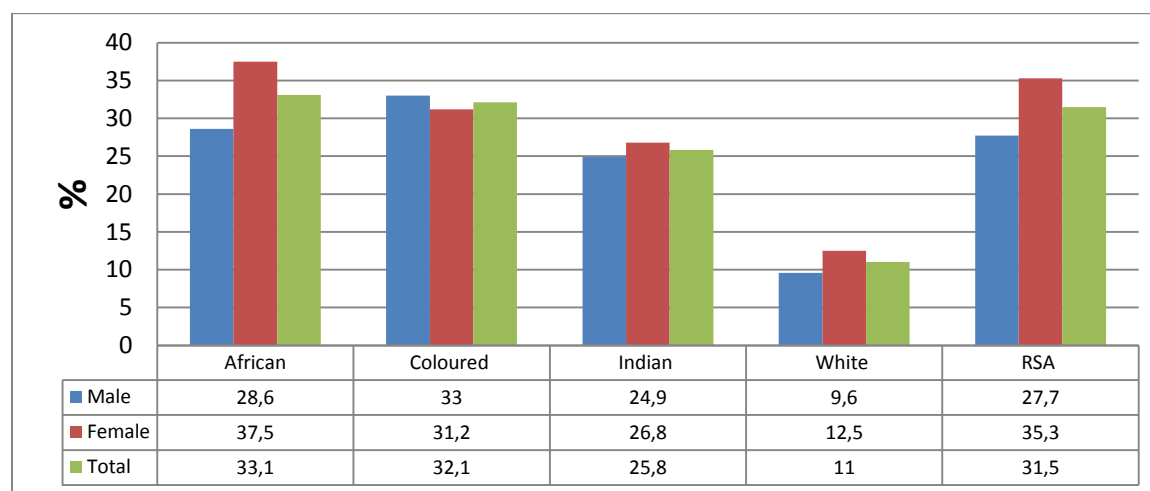
Figure 2: NEET rate for youth aged 15-24 years by gender



Source: Statistics South Africa report (2012)

NEET rates also differ substantially by population group. The NEET rate for black African youth at 33,1% is three times the rate of white youths (11,0%) (Figure 3). Across the population groups, young women face higher NEET rates compared to their male counterparts, with the largest gender gap found between black African men and black African women at 8,9 percentage points. It is interesting to note that amongst the coloured population, male NEET rates are higher compared to female rates. Across population groups, black African females have the highest NEET rate; more than one in three African young women are NEET compared to one in eight white young women.

Figure 3: NEET rate for youth age 15 to 24 years by race



Source: Statistics South Africa (2012)

c) Distribution of youth aged 15-34 years by level of education

Table 3: Distribution of 15-34 year olds by level of education⁵

	Thousand	Percent
High school graduates & less	17 594	90,6
TVET	271	1,4
Higher*	1 451	7,5
Do not know and Other	94	0,5
Total	19 410	100,0

* includes youth with diploma and certificates of 6 months or more who have completed high school.

Source: Statistics South Africa: 2011 census

We can also see in Table 3 that the TVET sector is very small in terms of enrolments and participation of those who have left the school system.

⁵ These numbers are for public institutions only as there is no reliable data for private institutions. However, public institutions carry a major proportion of all students in post-school education

d) Young people who find employment on completing vocational training or TVET

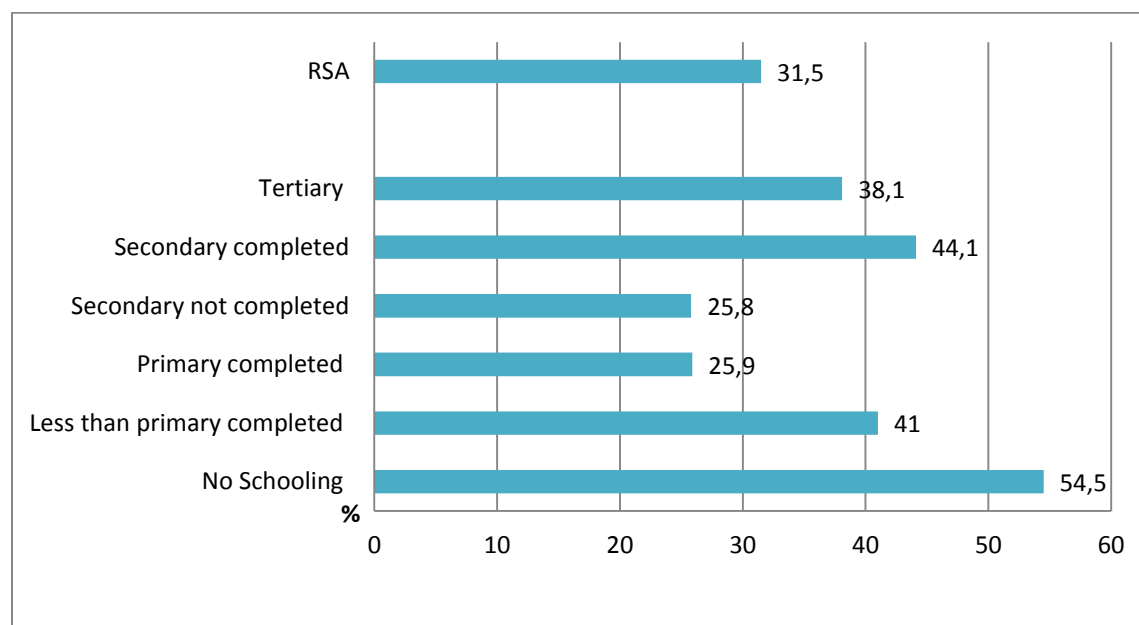
Table 4: Employment of young people after vocational training

	Thousand	Percent
Employed	106	39,0
Unemployed	64	23,8
Discouraged	14	5,0
Other NEA	87	32,1
Total	271	100,0

Source: Statistics South Africa: QLFS, 3rd quarter, 2013

Besides vocational training, an interesting pattern emerges in terms of NEET rates by level of education. While lower levels of education are associated with higher NEET rates, NEET rates are also higher for those who have completed secondary and tertiary levels of education. (Figure 4). The highest NEET rate is for young people with no schooling (54,5%) and the lowest for young people with a secondary not completed level of education (25,8%).

Figure 4: NEET rate for youth 15-24 years by level of education



Source: Statistics South Africa: 2011 Census

According to the diagram above, we can come to the conclusion that having completed high school and even tertiary education puts young people at a disadvantage as compared to those who have not completed high school. This would go against popular wisdom that the more education one has, the better off one is in accessing employment. Even though the following hypothesis has not been tested, it can be hypothesized that this diagram speaks to the nature of the labour market in the country. It can be assumed that those with less education are more likely

to get into the informal economy than their qualified counterparts. The former is also likely to take very lowly jobs such as domestic work, gardening, petrol attendants, security, temporal workers, etc. which shows that elementary jobs might still be available out there.

e) Percentage of young people in traditional or modern apprenticeships

In recent years there has been a lot of attention and focus on growing the apprenticeship pool, especially in the trades. This effort is not only supported and campaigned for by the Department of Higher Education and Training, but is sponsored by the Human Resources Development Council (HDRC) of the country chaired by the Deputy President. This Council has subsequently established a National Artisan Development Centre to coordinate all activities of artisan development in the country and the following statistics have been collected by this centre in 2013.

Table 5: Apprenticeship enrolment figures for 2013

	April to December 2013	First quarter	Second quarter	Third quarter
TOTAL YOUTH DATA (35 and under	17 584	5 611	5 671	6 837
TOTAL FEMALES	3 879	1 202	1 092	1 795
TOTAL MALES	13 705	4 409	4 579	5 042

Table 6: Apprenticeship enrolment figures for 2013 by race

ARTISAN MALE BREAKDOWN	TOTAL
BLACK AFRICAN - (BA)	8 904
BLACK COLOURED - (BC)	1 382
BLACK INDIAN - (BI)	480
WHITE - (WH)	2 939
TOTAL	13 705
ARTISAN FEMALE BREAKDOWN	TOTAL
BLACK AFRICAN - (BA)	3 431
BLACK COLOURED - (BC)	259
BLACK INDIAN - (BI)	33
WHITE - (WH)	156
TOTAL	3 879

(Source: National Artisan database, 2014)

f) Young people in the formal/Informal sector (f and g)

From the Quarterly Labour Force of quarter 3 of 2012 to quarter 3 of 2013 the following numbers emerge with respect to the young people (15-34 year olds) who have joined both the formal and informal economy in South Africa.

Table 7: Percentages of young people joining the economy

	Thousand	Percent
Formal sector (non-agricultural)	4 326	72,4
Informal sector (non-agricultural)	987	16,5
Agriculture	340	5,7
Private Households	322	5,4
Employed	5 976	100,0

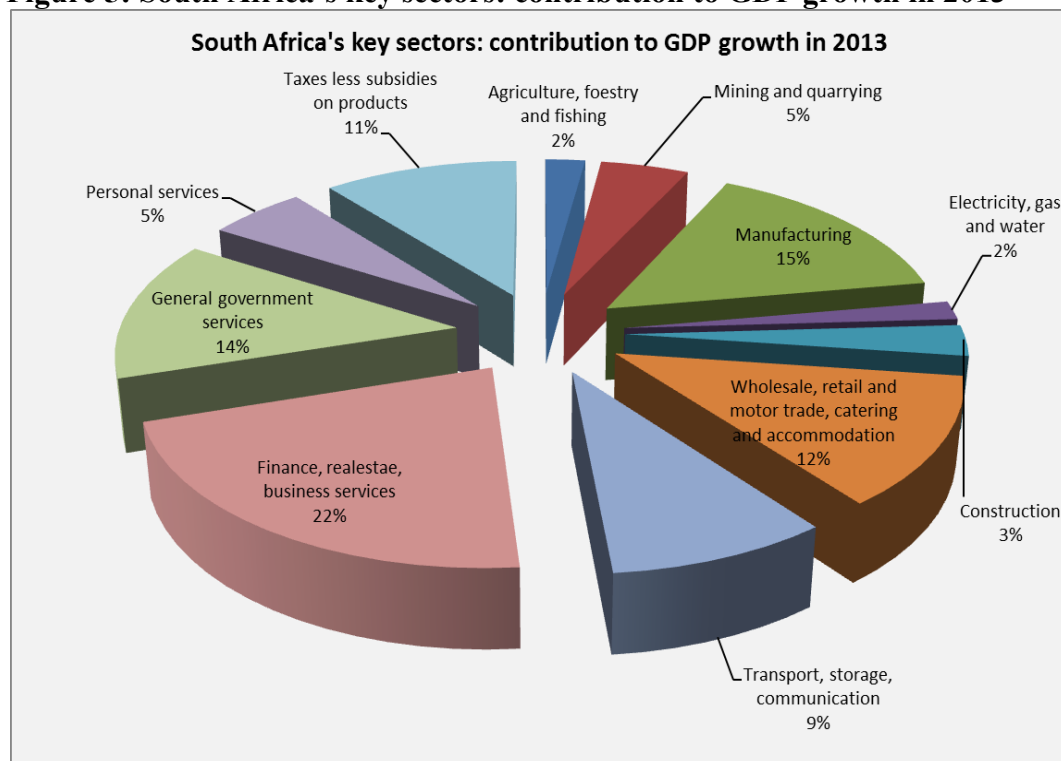
Source: Statistics South Africa; QLFS, 3rd quarter, 2013

2. Basic information on the labour market

The economy of South Africa is ranked as an upper-middle income economy by the World Bank; this makes the country one of only four countries in Africa in this category (the others being Botswana, Gabon and Mauritius). Since 1996, at the end of over twelve years of international sanctions, South Africa's Gross Domestic Product has since almost tripled to \$400 billion, and foreign exchange reserves have increased from \$3 billion to nearly \$50 billion; creating a growing and sizable African middle class, within two decades of establishing democracy and ending apartheid

South Africa has a comparative advantage in the production of agriculture, mining and manufacturing products relating to these sectors. South Africa has shifted from a primary and secondary economy in the mid-twentieth century to an economy driven primarily by the tertiary sector in the present day which accounts for an estimated 65% of GDP or \$230 billion in nominal GDP terms. The country's economy is reasonably diversified with key economic sectors including mining, agriculture and fisheries, vehicle manufacturing and assembly, food processing, clothing and textiles, telecommunication, energy, financial and business services, real estate, tourism, transportation, and wholesale and retail trade. Overall the South Africa's key economic sectors in 2013, are as follows:

Figure 5: South Africa's key sectors: contribution to GDP growth in 2013



Source: http://en.wikipedia.org/wiki/Economy_of_South_Africa - accessed 22/03/2014

a) **Distribution of employment by industry among young people aged 15-34 years**

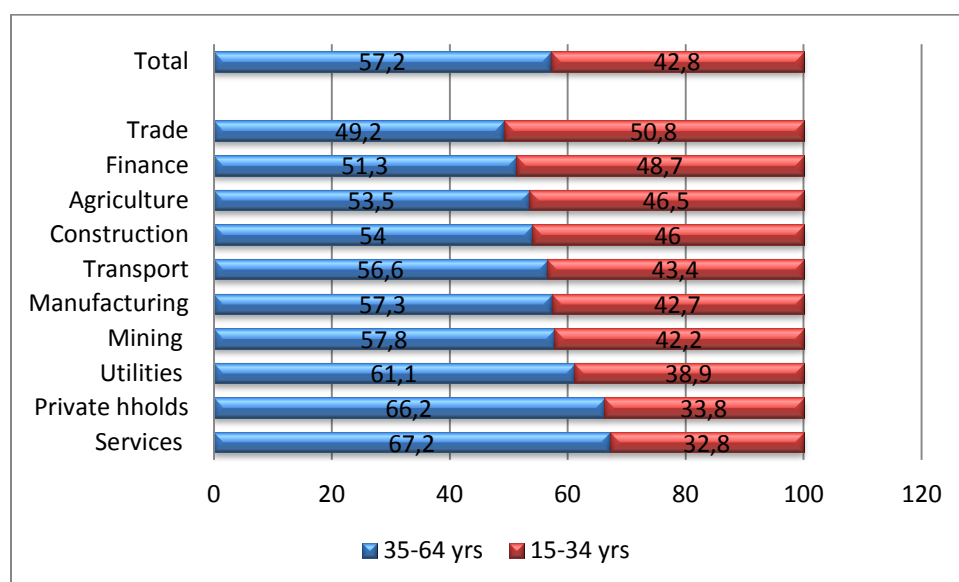
Table 8: Distribution of employment by industry among young people aged 15-34 years

	Thousand	Percent
Primary	505	8,5
Secondary	1 287	21,5
Tertiary	4 184	70,0
Total	5 976	100,0

Source: Statistics south Africa: QLFS, 3rd quarter 2013

An analysis of the industries in which youth are employed is provided to serve as an indication of the youth employment intensity in different industries. Trades is the only industry in which marginally more young people than adults were employed (Figure 6.). they accounted for 50,8% of the employed in this industry – 1, 6 percentage points higher than that of adults. In all other industries the youth accounted for less than 50% of the employed, with the least share being in Services (32,8%).

Figure 6: The age profile of employment by industry, 2012



Source; Statistics South Africa report 2012

In 2012, the top three industries in which high skilled young people aged 15 – 34 years were employed were Community and Social services (32,6%), followed by Finance (26,4%) and Trade (17, 2%). Together, these industries accounted for 76,2% of youth in skilled employment (Figure 3.7). In the semi-skilled occupation category, youth employment was concentrated in Trade, with close to 941 000 or 31,6% young people employed in this industry in 2012. The Community and Social services (16,0%), Financial (14,5%0, manufacturing (14,2%) and Construction (10,7%) industries were responsible for employment of another 1, 7 million semi-

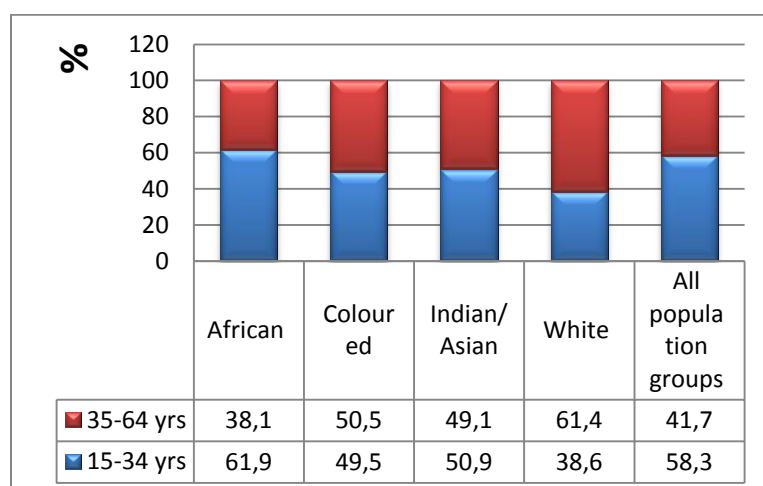
skilled young people. Low-skilled employment among the youth was dominated by Trade (27,4%) and Agriculture (18,7%) followed by the manufacturing (9,3,5%) industry. Trade, Agriculture and manufacturing collectively accounted for nearly 60% of low-skilled employment.

The working age population:

The working age population comprises those aged 15-64 years. While the focus in this paper is the youth aged 15-34 years, for comparative purposes, data on adults aged 35-64 years are also presented.

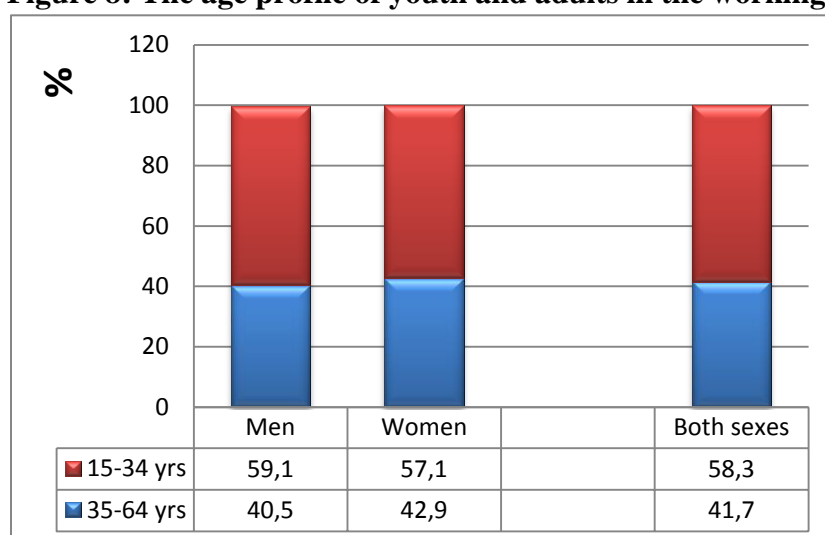
South Africa has a young population, with 58,3% of the population aged 15-34 years. Amongst the population groups, the black African population age profile reflects a more youthful population – such that 61,9% of individuals in this population group are aged 15 -34 years. In contrast, only 38,6% of the white population are aged 15-34 years with close two thirds (61,4%) of this population group aged 35 -64 years (Figure 1.5).

Figure 7: The age profile of youth and adults in the working-age population, 2012



Source: Statistics South Africa report 2012

Figure 8: The age profile of youth and adults in the working-age population by gender



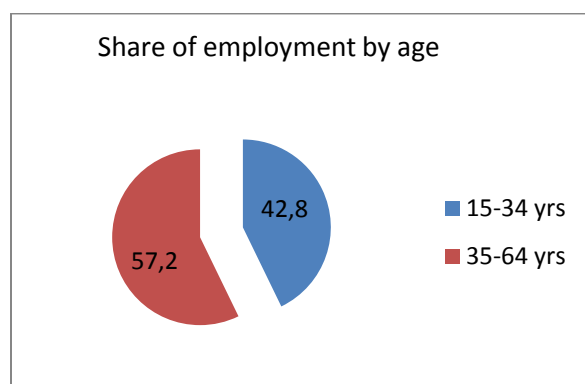
Source: Statistics South Africa report 2012

Employment

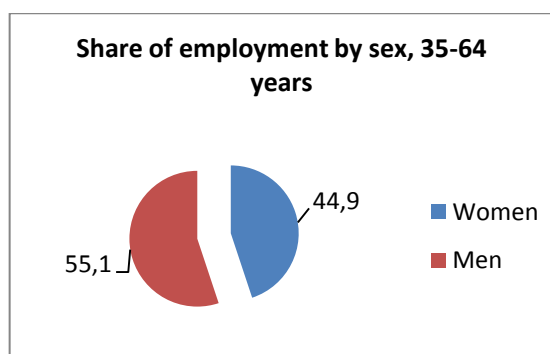
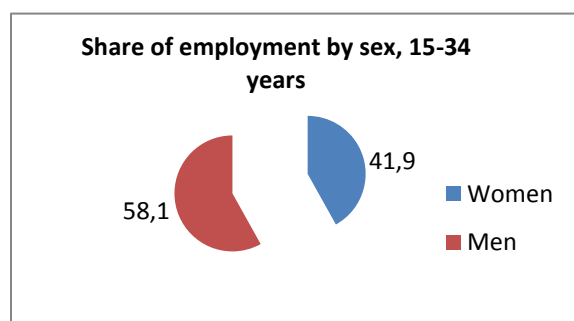
Employment in South Africa is dominated by adults. Of the employed, 57,2% were aged 35 – 64 years, while the remainder were aged. According to the Statistics South Africa report (2012) youth participation in the labour market is as follows;

Figure 8.12: The age profile of persons employed by population group and gender, 2012

Absorption rate by population group and age, 2012



		15-34 yrs	35-64 yrs
		Percent	
African		27.1	53.3
Coloured		39.6	57.3
Indian/Asian		47	57.2
White		52.1	70.8
Total		30.1	56.3



When comparing the absorption rates for the youth amongst different population groups, we observe lower rates among the black African youth (27,1%) compared to all other population groups, and in particular the youth from the white population group (52.1%). Adults across population groups have a higher absorption rates compared to young people. The male share in employment is higher amongst the youth and adults, but the share of young males between the ages of 15 and 34 in employment is 16,2 percentage points higher than that of their female counterparts (Figure 9).

Unemployment

An analysis of unemployment by age highlights how the burden of unemployment falls disproportionately on the youth. Young people between the ages of 15 and 34 accounted for 70,9% of total unemployment. This burden can also be demonstrated through the absorption rate where the absorption rate of young people is very low. In other words the absorption rate rises with age, while the unemployment rate declines with age (**see Figure 1**).

Levels of education also play an important role in the unemployment rates faced by young people. In 2012, the youth with primary education but less than secondary schooling completion had a higher unemployment rate (36,9%) compared to the youth with a tertiary education (17,5%). Compared to 2009, in 2012 the unemployment rate increased irrespective of education level. The unemployment rate among those with a tertiary qualification, although the lowest, increased by 2,3 percentage points compared to 1,5 percentage points amongst the other education categories. The unemployment rate for black African young persons is more than four times that of young white persons.

b) Distribution of employment by urban/rural sector

The information on the distribution of employment by urban and rural divides is not collected in South Africa. However, since the South African economy is linked to the apartheid past of the country that recognised only the urban, white areas as legitimate areas where employment and industries would be established, the rural areas hardly feature in the economic makeup of the country. Instead, rural areas have always been seen as reservoirs of unskilled labour for the mines, agriculture and even domestic services and this was highly regulated. What has changed in the new democracy is the fact that rural people can freely move to urban areas to seek for employment but will often remain at the fringes of the cities in informal settlements with their families and still maintain their rural households back home. Because of this history and current labour market dynamics, there is hardly anything that can be considered as rural economy in South Africa as even agricultural economy is dominated by large scale commercial farming with rural families merely irking a living in subsistence farming.

- c) **Distribution of employment by formal and informal sector (rural plus urban)** See 1(f)
d) **Distribution of employment by employment status among young people aged 15-34 years.**

Table 8: Employment status among young people aged 15-34 years

	Thousand	Percent
Employee	5 410	90,5
Employer	142	2,4
Own account worker	373	6,2
Unpaid in a family business	52	0,9
Total	5 976	100,0

Source; Statistics South Africa QLFS, 3rd quarter, 2013.

- e) **Distribution of employment by occupation.**

Table 9: Distribution of employment by occupation⁶

	Thousand	Percent
Manager	319	5,3
Professional	354	5,9
Technician	583	9,7
Clerk	855	14,3
Sales and services	1 032	17,3
Skilled agriculture	15	0,3
Craft and related trade	735	12,3
Plant and machine operator	443	7,4
Elementary	1 395	23,3
Domestic worker	245	4,1
Total	5 976	100,0

Source: Statistics South Africa: 2011 census

- f) **Labour market rates for young people aged 15-34**

Unemployment rate	34,8
Labour force participation Rate	47,3
Absorption Rate	30,8

Source; Statistics South Africa QLFS, 3rd quarter, 2013.

Snapshot of South African youth aged 15-34 years in 2012

- More than 1 in 3 South African young people (aged 15-34 years) are unemployed
- 16.8% of young people are unemployed compared to 9,6% of adults.
- 55.7% of the unemployed youth have never worked.
- 63,5% of young people in South Africa did not complete their secondary schooling.
- Young people accounted for 70,9% of the unemployed.

⁶ The south African classification of occupations is used here.

- Close to 1 in 12 young people had given up searching for work, accounting for 69,1% of the discouraged work-seekers in the South African labour market.

Source: Statistics South Africa Annual Report 2012

Summary and conclusions

South Africa's unemployment rate is high for both youth and adults, however, the unemployment rate among the young people aged 15-34 was 35,8% in 2012 implying that one in every three young people in the labour force did not have a job. The burden of unemployment is also concentrated amongst these young people as they account for 70,9% of the total number of unemployed persons. It is even more concerning to note that one in 12 young people have given up looking for work, and that they account for seven out of ten discouraged work-seekers in the South African labour market.

When young people are employed in the South African labour market, youth employment intensity is the highest amongst the Trade, Agriculture, and Finance and other business services industries. Low and semi-skilled youth employment is concentrated in the Trade industry, while high-skilled youth employment is in the Community and Finance and other business services industries.

The NEET rate serves as an important additional labour market indicator for young people. It focuses on young people who have disengaged with the labour market and who are also not building on their skills base through education and training. Close to one in three young South Africans between the ages of 15 and 24 years were not in employment, education or training in the second half of 2012. This indicator, seen in conjunction with unemployment rates in the region of 50%, suggests that South African young people face extreme difficulties engaging with the labour market. This problem is experienced by more African and Coloured youth and in particular females in South Africa. In particular, those living in rural and peri-urban areas bear the brunt of unemployment more than their urban counterparts.

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3. Difficulties for young people in gaining access to work.

South Africa is not short of plans, policies, strategies, accords, etc. with respect to intentions in addressing the problem of youth unemployment. However there is a complex environment in which young people find themselves as they navigate their way towards finding employment. Firstly, government lacks coordination of all these initiatives as these emanate from the different departments, various NGOs as well as different private sector companies. Secondly, the perennial South African problem of good policies without an implementation plan and intention, also exists here. On paper, the country has thought about a million solutions to the problem, but on the ground there is little evidence of making a significant dent to the problem. Thirdly, the labour market's absorption rate has been poor and has not been improving in the last. Fourthly, many young people are inherently inadequate in navigating the space between unemployment and employment. This section deals specifically with the difficulties experienced by young people.

(a) The diagnosis of youth unemployment:

In a disproportionately unequal society like South Africa, there are various schools of thoughts about the causes of youth unemployment in the country and only the extreme and dominant views will be accounted here. First, there is a dominant view that the problem of unemployment is caused by the 'crisis in education' which in turn results in a 'shortage of skills', particularly in areas that are key to economic development (HRDC Task Team, 2014; New Growth Path,2011). Both these problems have historical roots that can be traced to the apartheid regime that provided poor and limited education for the black population as well as instituting job-reservations for particular groups. According to this view then, there must still be categories of jobs where the previously disadvantaged have not penetrated whilst they remain outside of the formal economy in the country.

Another dominant view that is used to explain unemployment in general and in particular the employment of young people is about the 'high cost of labour' that prevent business from hiring people. For example the World Bank is quoted as saying that:

South Africa is not attracting enough foreign investment to tackle high unemployment and poverty, the World Bank said on Thursday, citing high labour costs as a key deterrent. "South Africa is attracting far less foreign direct investment and exporting less industrial output than many countries in the same peer group," a report said. The investment climate report compared the country with other emerging economies such as Brazil, India and China. High labour costs and low manufacturing productivity were holding back to the economy, it said, in a country where unions demand salary hikes more than double the rate of inflation. "The growth of manufactured exports is constrained by relatively high labour costs, including benefits and wages paid to employees," said the report (Fin24 News, July 29, 2013).

The view above is frequently expressed by South African employers when explaining the lacklustre economy and its consequent inability to absorb more labour, especially new labour entrants. The view has almost become a mantra in conservative quarters particularly opposed to labour unionism and a legislative regime that is seemingly 'business unfriendly'. South African

trade unions are strong, dominant in both the labour and political discourse. Employers will dismiss their demands at their own cost.

The third dominant diagnosis about unemployment in the country is seen as being a structural feature of capitalism by others (Treat, et. al., 2013). According to this position, the process of corporate, neo-liberal globalisation – which began in the 1980's was aimed at the removal of many restrictions on trade and financial transactions. This process was designed on the basis of ideas proposed by mainstream economists instructed by such international organisations as the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO). Accordingly, this process has continued to play a dominant role in creating the ongoing global financial crisis that began in 2007 – 8. The first consequence has been increased competition in doing business forcing companies to cut costs on production. Secondly, this has encouraged financial speculation and companies investing in profit-making measures away from reinvestments in own industries. Thirdly, it has encouraged casualization of the workforce in the name of 'labour flexibility' making it easier to retrench, employ for short terms and making industries more capital intensive. In the long term, this leads to low productivity and poor quality in workplace training.

The effects of this structural process in the labour market have been felt in many large industries in South Africa. For example the South African textile industry provides us with an example of a large industry with vast numbers of highly skilled workers who lost their jobs as this industry shrank in the country. The Congress of South African Trade Unions (COSATU) estimates the loss in the textile industry to be between 75 000 and 85 000. Since 1988 the steel industry has lost almost 50 000 workers (Hlatshwayo, 2013) Similarly, employment of South Africa's gold and platinum miners is subject to fluctuations in the price of these metals globally, on currency exchange rates, and on investment decisions made by capitalists, regardless of the levels of skill, experience and training of workers. Also, there has been a gradual introduction of mechanization in these companies that have historically been the backbone of the South African economy.

To this end then, Treat et al. (2013) conclude that the causes of unemployment have very little to do with how skilled or educated the workforce is. Rather it is the general feature of capitalism that make unemployment inevitable and the situation becomes worse when government adopt economic policies promoted by international organisations. Capitalism therefore inherently requires a level of unemployment in order to function, and the policies that have been promoted in recent decades in the country have tended to make this situation worse for working and poor people, by shifting the balance of power in society even further in favour of bosses and political elites.

When an educated and skilled force is in a precarious position with respect to employment, the situation is even worse for young employees. Mlatsheni (2012) postulates that the nature of the employer-employee relationship is different for youths to that of adults. In other words he is of the opinion that the opportunity costs for firing young employees is lower and therefore making young employees more vulnerable than their adult counterparts. On the other hand, when unemployment is high, it becomes even more difficult for potential new labour market to penetrate.

Youth are passed through schools that don't teach, then forced to search for jobs that don't exist, and finally left stranded in the street to stare at the glamorous lives advertised around them (Newton, 2009)

b. Problems with respect to:

The nature of young people's skills:

In section 1 we saw that there is a strong relationship between educational achievements and that in general those with more years of education are likely to be in front of the employment queue than without education (Statistics SA, 2012; Bhorat, 2009). South Africa has almost 9 years of universal education (15-16 years). However, the dropouts in the school system are still very high starting from the 10th grade (Ministerial Committee, 2008). In addition, the continuation rate between Grade 11 and Grade 12 (the last two grades of schooling) averages at around 67%. A further 7-8% of Grade 12 students fail to write their final Senior Certificate Examinations and from those who write more than 25% fail (National Treasury, 2011). Overall, the country has a low rate of secondary completion. National Treasury confirms this, showing that only 44% percent of working age individuals has completed secondary education. Therefore the first problem with young and new entrants to the labour market is that they are likely not to have completed their secondary schooling.

The second hurdle where young people fall is at the post-school skills development level. Institutions that provide for intermediate skills in the labour market like the TVET colleges are still experiencing a lot of problems to respond adequately to the great need for skills development. In the first place these institutions are still very few to meet the need in society. The Statistics South Africa data (2012) show that they absorb a mere 1, 4 percent of youth between the ages 15 and 34. , whilst the universities' uptake is 7, 5%. The TVET colleges are still very under-resourced to play a meaningful role (Mlatsheni, 2012). They are often not situated where they are most needed. Above all, provisioning in these colleges has always been compromised by the unworkable qualifications and quality assurance policies that the country has adopted as this is where these battles are being fought. Further, the matter of a skills development system that is planned and coordinated at the national level whilst the labour market responsiveness is at the local level has not been problematised sufficiently in the country. Even though the current administration has tried very hard to promote and support participation in these institutions, it is reported that many of these colleges still have a poor image with employers and society in general. Currently we have a Ministry which is championing artisan development in the trades and sometimes at the expense of other areas of skills development. Overall, it can be said that South Africa has invested heavily in the Skills Development area, but this has not resulted in any significant way in the skilling of the nation, especially for young people.

Information about the labour market

Information about the labour market can only translate into a reasonable match between those who seek employment and those who seek employees. This can happen if the skills development system is well informed about the growth trajectory of the economy and the labour market in the

first place and when individuals have some sense of where jobs are as well as their own capabilities.

Although the establishment of a credible institutional mechanism for skills planning is a key goal of the third National Skills Development Strategy (NSDS III, 2011), the country is still far from getting this right. There are significant research projects underway to develop credible information on the labour market for all those involved in the skills system. The need for such an institutional mechanism has been emphasized in the HRDC Skills Technical Task Team research (2013) as the current system seems to be foraging in the dark. The Sector Skills Education and Training authorities, whose responsibility this was supposed to be, have not managed to get this right. Specifically, there is a need for a planning instrument that can provide credible information and analysis regarding current and future skills needs and skills planning. This information, when available should translate to useful information for youth to understand the performance and trajectory of the country's labour market.

The second level where the information is lacking is at the individual level and young people are particularly victims of this situation. Within the South African public educational system there is presently inadequate provision for vocational guidance or assessment of individual learners. Government has largely entrusted the responsibility of providing career guidance for workers and those seeking work to a state department, namely the Department of Labour and for those still in education to the Department of Basic Education. The Department of Labour's services in this respect have not been adequate as they have been largely clerical in nature. In education, career guidance forms part of a subject called Life Orientation and there is evidence that this form of provision is very inadequate. This arrangement results in a lack of strategic leadership in the provision of career guidance in the country. Secondly, a range of professionals and sub-professionals from either education or psychology are responsible for providing career guidance in schools, community centres, universities, employment agencies and libraries. Thirdly, in urban areas one can get career guidance services from professionals like psychologists. The problem is that they often charge exorbitant fees for such services and a psychological approach to guidance has its problems anyway. However, this weakness in the system has now been realised and other alternative initiatives are beginning to show up. For example the NYDA reports having provided career guidance to more than half a million youth in 2013 (Department of Economic Development, 2014). The South African Qualifications Authority (SAQA) also has a big initiative in this regard.

The majority of young people leave school with only a vague knowledge of employment opportunities and with little insight as to the most appropriate career direction for their abilities, interests and personality. A large number of school-leavers receive no training at all beyond school and become virtually unemployable. And yet, if pointed in the correct direction, could have become assets to the South African economy. Those school-leavers who believe that their only chance of future employment, with current unemployment at around 40%, is gaining some qualification, undertake tertiary education, irrespective of their suitability for the subjects chosen. Little wonder that the drop-out rate for first year tertiary students stands at 35%! It is at this point that the first of the wasted costs are incurred, especially by companies giving bursaries to these students (<http://www.workinfo.com/free/Downloads/276.htm> - accessed 16/03/2014).

Investment in sectors that generate jobs

Traditionally the South African economy was rooted in the primary sectors such as mining and agriculture. But in recent decades the country has seen a structural shift in its output. Since the early 1990's, economic growth has been driven mainly by the tertiary sectors which include wholesale trade, tourism and communications. Now South Africa exhibits a highly diverse economy which is moving towards being a knowledge-based economy with a great focus on technology, e-commerce and financial and other services. Information available on South Africa's economy is mainly on the growth of the sectors but not in the generation of jobs. It is possible that the sectors that are growing are or necessarily generating more jobs. According to the Department of Trade and Industry website (<http://everindex.co.za/thedti.gov.za> – accessed 16/03/2014), the government has identified the following sectors for growth:

1. *Manufacturing;*

This sector contributed 15, 2% to South Africa's GDP in 2013, making it the third – largest contributor to the nation's economy. Within the manufacturing sector, industries such as agro-processing, automotive, chemicals, information and communication technology, electronics, metals, textiles, clothing and foot ware, dominate. Investments in this sector has been huge and in particular in the Automotive manufacturing industry, Petrochemicals; and Steel. Government offers an Enterprise Investment Programme (EIP) for the manufacturing, which is a cash grant for locally based manufacturers who wish to establish a production facility or upgrade an existing facility in manufacturing industries.

2. *Communications*

South Africa is investing a lot in its ICT infrastructure as it aims to provide internet through broadband services to the largest sector of society. However, this sector is still riddled with challenges as these services are reported to be still comparatively expensive than in the African counterpart countries.

3. *Tourism*

Tourism has been earmarked as a growth industry in South Africa. The National Department of Education is spending a lot of money investing in research in order to understand this sector and provide guidance for growth (National Department of tourism, 2013). There is an Enterprise Investment Programme (EIP) for tourism which is an incentive grant, payable over a period of two to three years, tourism enterprises, and in so doing, stimulates job creation and encourage the geographical spread of tourism throughout South Africa.

4. *Finance and Business services*

The financial, real estate and business service sector accounted for 22% of the country's real value added in 2006 and together, with other services sectors, has proved to be a pillar of the country's economic growth over the years.

Mechanisms for monitoring young job- seekers and facilitating their access to employment

There is no known mechanism for monitoring young job-seekers and facilitating their access to employment programme in South Africa. There are intentions such as youth-set –aside targets, but to the best of our knowledge these have not been implemented or monitored.

(c) Policies and legislation for improving the processes of school-to- work transitions

Over the past few years there has been considerable focus on school –to-work transition by the government of the Republic of South Africa. Working with social partners, government has put in place policies to support economic growth and employment creation in order to support youth transitions to work.

1. The National Development Plan (NDP)

The NDP highlights a number of areas where intervention is needed that specifically targets youth: the need to break the disincentive for hiring young, unskilled workers; need to support small business development for school leavers and unemployed youth; need for government to set up tax breaks for mentoring young people in business development; need for small enterprises to offer wage subsidies to take on apprentices and offer youth placements; need to groom students still at school for entrepreneurial attitude; and proposing a technical stream for students in high school after Grade 8 (National Development plan, 2011).

2. The Youth Accord

The Youth accord was signed on 18th April 2013 by government, organised business, and organised labour and community and youth formations. The elements of the Youth Employment strategy contained in the Accord cover the following areas:

- **Education and Training:** to improve education and training opportunities for the gap grouping between school- leaving and first employment.
- **Work exposure:** to connect young people with employment opportunities; through support for job placement schemes and work readiness promotion programmes for young school leavers and provide young people with work experience.
- **Public sector measures:** to increase the number of young people employed in the public sector, through coordinating and scaling up existing programmes under a ‘youth brigade’ programme.
- **Youth target set-asides:** to be considered in particular industries, particularly new industries where young people can be drawn in large numbers and should be progressively realised.
- **Youth entrepreneurship and youth cooperatives:** to be promoted

- **Private sector measures:** to expand the intake of young people, with targeted youth support and incentives approved by all constituencies.

3. Other Accords

- **Basic Education Accord:** As shown above, weaknesses in basic education are a major contributory factor to youth unemployment, and improvements in the education system can only assist in supporting youth to transition into employment
- **National Skills Accord:** Delivery of training for artisans and other scarce skills – Commitments 1,3 and 5; Skills planning and Seta Performance – Commitments 4,6 and 7; FET Colleges and workplace learning – Commitments 2 and 8
- **Local Procurement Accord:** to stimulate the domestic economy by encouraging local procurement. This issue is then reinforced in the youth accord, which highlights the need to support young people to initiate and develop enterprises.
- **Green Economy Accord:** This Accord has specific targets for the training and employment of young people, specifically in relation to the manufacturing and installation of solar-water heating systems, where it is specified that at least 80% of new employees in this area will be young people.

4. Other legislation

- The **Skills Development legislation**, including the **Skills Development Levies Act** and the associated regulations, has direct impact on youth employability in terms of creating access to meaningful skills development opportunities, particularly those linked to employability. The skills levy is set at 1% of payroll, and recent regulations increase the amount to be paid to business through discretionary grants, creating greater emphasis on occupational qualifications, rather than shorter skills programmes. All SETAs also have specific targets for creating skills development opportunities for young people, in terms of the National Skills Development Strategy III
- The **Employment Equity legislation** focuses on the need to transform the profile of the employees within various sectors, which creates opportunities for young people: for example, in order to support employment equity within the accounting industry, a number of extended programmes to support young black and women to access higher education, employment and then to register with the relevant professional body.

5. The Employment Tax Incentive

After years of consultation, the Cabinet approved at the end of 2013 the Youth Tax Incentive bill to be an Act, and is aimed at encouraging employers to hire young people to deal with unemployment.

The incentive was first announced by President Jacob Zuma in 2010 as the “Youth Wage Subsidy” against the alarming concerns of an increasing rate of unemployment amongst young

people. The proposed employment tax incentive is aimed at reducing the cost to employers of hiring young people through a cost-sharing mechanism with government, while leaving the wage the employee receives unaffected. Employers who are registered for tax will be eligible to decrease their Pay As You Earn (PAYE) employees' tax that is payable for hiring a qualifying individuals. "These employees must be between the ages of 19 and 29, possess a South African ID and must receive a salary that is between the minimum wage for that specific sector and R6 000 per month. A minimum of R2 000 applies where no sectoral determination is applicable. The employee cannot be related or connected to the employer in any way. Domestic workers will not be eligible for the incentive. Trade Unions⁷ and some Non-Government Organisations⁸ continue to protest against this Act, expressing the view that this will lead to the displacement of older workers as employers will find it more appealing to hire the young.

⁷ Congress of South African Trade Unions

⁸ Equal Education and Social Justice Coalition

4.Planned or implemented measures concerning TSVD

There has been considerable focus on improvement of the institutions, curriculum, regulatory as well as funding mechanisms for technical Vocational and Skills development in South Africa. Even though there is no shortage of new ideas and energy to change and try new ideas, the main problem seems to lie in the area of coordination and monitoring these disparate efforts.

a) Modernising existing training systems and pathways

Over the last 20 years, the four ministers who have been responsible for TVSD have each introduced some measures of innovation as indicated in the introduction. Government continues to make attempts to draw the TVET college sector closer to the Sectoral Education and Training Authorities (SETAs), responsible for work in the demand side and distributing skills levies. This collaboration is not only making the colleges to be closer to economic sectors but is also providing the needed support to these institutions. The country's Human Resource Development Council (HRDC) is also involving other economic agencies in the work of these TVET colleges. One significant development is the establishment of a National Artisan Development Centre, which is located in one of the TVET colleges. This centre registers individuals who are interested in apprenticeships, employers who have apprenticeship positions on offer, match the employer and the candidates and also deploy the qualified artisans.

One downfall resulting from these continued changes in the system has been a lack of stability in the sector. A recent audit in the sector confirms this:

The number of policy interventions and the sheer speed with which they have been introduced and replaced has contributed to instability in the college sector as a whole, and to greater instability in colleges in certain provinces than in others; Policy intervention has not always been accompanied by clearly formulated plans - colleges being left in some instances to interpret policy for themselves (National Board for Further Education and Training, 2010, p.32)

The other challenge is that South Africa has now established a TSVD system which has planning and policy making responsibilities at the national level, whilst the labour market responsiveness happens at the local level.

b) Training of the young people in the trades and jobs required by growth sectors

The training of young people as artisans has received much attention from government, in the previous 5 years. Skills Development and in particular Artisan Development is regulated through a single national policy regime that is based on the primary legislation of the Skills Development Act, Act 97 of 1998. The Skills Development Act falls under the control of the Minister of Higher Education and Training in South Africa. During 2008 the Skills Development Act, Act 97 of 1998, was amended to strengthen the national policy that governs artisan development in South Africa. One of the critical outcomes of the amendment was the establishment of a National Artisan Moderation Body (NAMB) on 30th November 2010 in the Department of Higher Education and Training to coordinate Artisan development in the Republic (<http://nadsc.dhet.gov.za/NAMB.aspx> – accessed 17/03/2014)

A total of thirty five artisan trade occupations have been identified as needed by the country to achieve various national growth initiatives such as the National Growth Path and the Strategic

Infrastructure Projects (SIPs). These various trades have been prioritised for funding with SETAs and the NSF with emphasis of registering at least 20 000 young people on these trades during the April 2014 - March 2015 financial year. To support young people, especially the NEETS, to qualify for entry to these artisan programmes, a Generic Trade preparation Programme (GTPP) is being implemented at public TVET Colleges to allow young people a second chance improve their pass mark for mathematics and engineering science to a minimum of 50% as that is what industry is insisting on. The GTPP is an eight month programme that includes basic computer skills, English communication, life orientation and also a rudimentary knowledge of the artisan training legislation requirements for learners. To allow learners from Academic and Technical High Schools opportunities to access these artisan programmes as well, a central database of learners who have an interest in becoming artisans has been set up and employers can register to source such learners via a national artisan development support centre web site on <http://www.nadsc.dhet.gov.za>.

c) Building the skills of the Informal sector entrepreneurs and apprenticeship managers

Various sources quote different statistics on the informal sector in South Africa. For example, Loots (1998) estimated the size of the informal economy to be 12% of the GDP. Schneider (2002) puts the informal economy in South Africa at 28.4%. Statistics South Africa (2007) estimated the informal sector at 18.5%. The average estimates of this sector are between 7% and 12% (Casale, et. al, 2004; Braude, 2005; Muller, 2003). However, these estimates might be gross under representations of the actual numbers as formal employment has been declining and an increasing number of individuals see informal employment as the best alternative to the formal sector employment (Blaauw, 2005). South Africa, with its highly diversified formal economy, has not paid much attention to its informal economy sector. The assumption has always been that the formal economy will expand to absorb the majority of the worker and therefore focus attention has to be on the growing of the formal economy.

However, there is evidence that the presence of informal economy is a phenomenon that is here to stay in the country (Uys & Blaauw, 2006). The few studies on this sector show us that there is a link between the formal and the informal sector in the country's economy. For example (Ndabeni and Maharaj (2013) demonstrate how the informal sector produces, distributes and provides services to the formal economy, e.g. taxi industry and waste collectors. Informal sector employment is also quite diversified – ranging from survivalist activities such as car guarding to areas where some level of skills are expected to be employed. The individuals in this sector could be working for themselves or could be employees for others people.

According to Blaauw (2005) the majority of workers in the informal sector are African and almost 88.8% come from outside the urban areas, presumably from rural areas. With the exception of domestic services, there are more males in the informal sector. A very high number of individuals participating in the informal economy (31.4%) have achieved a minimum of 11 years (Grade 11) of education. This group is followed by those with Grade 10 (15%) and close behind are those who have completed the twelve years of schooling or Grade 12 (14%). This dispels the myth that the informal sector is flooded by individuals with no or little education. Construction (39, 2%) and Services (34.3%) comprise the largest economic subsectors of the informal economy. Lastly, almost three quarters of the informal sector participants is less than 35 years old.

However, information on training is patchy at least. From the studies looked into, it seems as though that training for the informal sector is also informal, even though these workers may be rendering services or producing goods for the formal sector. In general the skills levels are low. The skills they have gained in the sector are not validated by certification systems. Although individual TVET colleges are beginning to open up spaces for informal sector training needs, this is not on a large scale. There is also an on-going Recognition of prior learning (RPL) project that has been going on for a number of years, but this also still remains largely academic than practical.

d) Partnerships in the design, training and implementation of skills development

The skills development process in the country involves a number of players but can also be described as being market driven. There is a realisation that social partners must be involved in the development of TVSD qualifications and in the case of South Africa this means education and training experts, business, labour, and community organisations. State organisations like Sector Education and Training Authorities, Quality Authorities, South African Qualifications Authority, and even Government have the responsibility of organising and coordinating this process. The challenge comes with the question of identifying the appropriate demand for the qualifications in demand by both the learners and the labour market. History shows that the country has a reservoir of thousands of qualifications developed with very limited uptake and are also still viewed with great scepticism in the labour market, in spite of the active participation of these many stakeholders in the process.

The training is the responsibility of providers who may be public or private in nature. With the exception of apprenticeships, training is done purely by education and training providers. Some of the public providers like TVSD public Colleges have been recapitalised by government and have infrastructure to simulate some of the work place learning experiences. However, this is still to a limited degree. It is the recognised and gazetted apprenticeships which come with an obligation to have both the institutional and workplace training schedules. Workplace learning is recognised as an important aspect of TVSD in the country but training places are limited. The Sectoral Education and Training Authorities have funding for this to happen and will distribute this for apprenticeships or learnerships to providers who take up learners on approved programmes. This has worked out unevenly in different sectors.

Overall there are different bodies responsible for the skills development in the country. Some would even say that the beneficiaries are often these new bureaucracies than the intended target beneficiaries who should be the young people. The development, training and implementation of youth training programmes takes place all over and yet there is no mechanism to coordinate and monitor what is happening. There is evidence of churning of learners between training programmes which are funded with very little progress growing forward (HSRC,).

e) Paradigm shift needed in the country to make access to employment a priority for education and training systems

The South African TVSD system is not small, and yet it does not seem to be having the impact it should have for a system of its size and the resources are poured into it annually. There seems to be a need for a paradigm shift in how the whole system is managed, coordinated and monitored.

The current market driven approach is showing a limited impact in better preparing young people for the labour market.

Even though there is almost universal education for the first 9 years of schooling, a number of young people do not complete the 12 years, and this number is estimated to be between more than 60%. We have seen that the largest number of individuals who participate in the informal economy have 11 years of education. Young people from poorer backgrounds are more likely to experience socio-economic problems during the latter years of their schooling years (Lolwana, 2012). Government needs to be sensitive to these and intervene with support systems that make it possible for these young people to complete their schooling. The country should focus on getting these young people to complete their 12 years of schooling, even after they have dropped out, as it becomes easier to access training opportunities with schooling completed.

The second problem in the system is that there are very few post-school institutions in relation to the number of young people between the ages of 15-34. The university system has just over a million enrolments and the public TVET institutions have recently reached a 600 000 enrolment mark. When considering these post-school enrolment figures in relation to the 19, 4 million young people between the ages 15-34, it is clear that the surface is barely scratched by the institutional arrangements currently available. A strategy for expanding TVSD to as many people as possible has to be devised. There are also spatial issues that need to be considered in the expansion strategy because most of the training opportunities are located in large urban areas and hardly anything exists in rural areas.

Financing of TVD has to be reviewed as most young people are prohibited from participating because of their inability to pay. There is the National Student Financial Aid which has been rolled out in both universities and Colleges extensively, but signs of stress have appeared even here. However, the majority of young people come to a cul-de-sac at the end of their schooling, primarily because of funding. Post-school education can no longer be taken as luxury as those without this level of education and training will inevitably stand at the very back of the employment queue. The Skills levy fund was meant to contribute to the training of the unemployed (20%), and yet these funds are not available to the majority. A training voucher for each young person who has completed their schooling should be guaranteed through the National Skills Fund (NSF). But there must be a scrutiny of the kind of training this is available so that this does not become easy money thrown down the drain.

5. Measures planned or in progress to promote job-creation

South Africa has a plethora of policies, strategies and plans to create jobs that will address the crisis of youth unemployment in the country. These initiatives sit all over government departments and portfolios as well as in all three tiers of government. It is difficult to capture all of them but what is to follow is a sample of the most pronounced initiatives.

a) What measures have been taken to build the occupational skills of economic agents in order to help them expand their activities and thus create more jobs?

Within the national skills system the focus on opening access to occupationally –directed programmes is a responsibility of the intermediary level institutions called SETAs (Sector Education and Training Authorities). The National Skills Development Strategy (NSDS) identifies artisanal skills and occupations as priority areas to expand employment opportunities. The logic of this view is that such middle level skills training provides greater prospects for employment for graduates as there is a shortage of qualified artisans in the country. In 2009 the government established the Quality Council for Trades and Occupations (QCTO) to oversee the quality of training provision for occupations and trades. It is still an ongoing process to strengthen this institution and ensure that training in occupations meets the required standards. There is also a focus on occupational skills training within the Industrial Policy Action Plan (IPAP) which targets specific sectors of the economy in order to open up more employment opportunities by ‘reindustrializing’ the economy through greater focus on manufacturing. This focus is aimed at promoting labour absorbing industrialization, broaden participation in the economy and raise competitiveness.

b) What incentives are planned or in place to encourage businesses to hire young people and, if necessary, to train them?

The largest programme of the government in this regard is the Employment Tax incentive which has been recently translated into an Act at the end of 2013 which basically is a state funded programme to incentivize companies to employ young people at entry level and provide them with a first job in their careers. The incentive reduces costs of hiring young people to employers through a cost-sharing mechanism with government. Employers registered for this tax will be eligible to decrease their PAYE (pay as you earn) that is payable for hiring a qualifying individual. The targeted age group is between 19 and 29 years of age. This tax incentive aims to create approximately 400 000 jobs over a three year period. Critics of this policy such as the trade unions argue that the policy removes focus from the structural crisis in the economy which creates unemployment, it reduces the youth unemployment issue to a problem of wages; it could lead to replacement of older workers with younger workers who are in short term employment and that such resources should instead be directed to expand training and education programmes rather than fund employment wages.

c) Are there investments targeted on the development of occupations and jobs in sectors that are strategic, and if so, what resources are mobilized to train young people in these occupations?

There has been a joint agreement between business, labour, the state and leaders within the youth sector called the Youth Employment Accord (2013) which aims to create youth employment ‘set asides’ in key sectors of the economy where young people can be drawn in large numbers. Some examples of these focus sectors or subsectors are: solar water heater installation programme; the green economy where 60% of intake should be young people; the Business Process Services sector which includes call centres should absorb 80% of young people into employment. The resources to be mobilized vary from the SETA funded programmes to specific sector based priority areas some which are funded jointly by business and the state.

d) Is any financial or human support provided to help young people start up or develop an activity, and if so, what is the nature of this support?

The financial support provided for young people cut across various government departments, private sector and state entities. The National Youth Development Agency in partnership with the Department of Trade and Industry (DTI) has developed the Youth Employment Development Strategy (YEDS) which aims to amongst other things create a youth entrepreneurship collateral fund as young people struggle access funding from financing institutions to start businesses. Other support measures are non-financial and include information distribution, market related information, training on business plans etc. There are agencies such as Small Enterprise Development Agency (SEDA) which also support entrepreneurs including young people with strategies to access funding and long term sustainability initiatives. Other funding institutions such as the Industrial Development Corporation (IDC) provide funding support in targeted areas to support entrepreneurs looking to enter the mainstream economy.

For the period October to December the NYDA spent **R28.7 million** on its youth enterprise projects, as follows:

- R2.5 million on enterprise development.
- R1 million on mentorship.
- R2.2 million on market linkages.
- R19 000 on voucher.
- R1 million on cooperatives support.
- R22 million on grants and loans.

As a result 309 new enterprises were created and 7 959 youth owned enterprises were supported through NYDA grant funding.

However, a study conducted by FinScope for the National Youth Development Agency in 2010 shows that the majority (5600 of business owners was from own savings. This was followed by

(28 October). The aim of the workshops are raise awareness of the Youth Enterprise Strategy and expose youth to DTI services.

f) Are there highly labour-intensive construction projects that have taken or are taking measures specifically concerned with jobs for young people, and if so, how extensive are these measures?

The largest programme related to the labour intensive construction sector is the Expanded Public Works Programme (EPWP) which aims to create 6 million work opportunities in the third phase of implementation from 2014 to 2019. This programme is mainly about construction projects that target rehabilitating local infrastructure in rural and urban areas. The programme also links with environment cleanliness projects through which many people are employed to clean up city centres and other public spaces. The programme also seeks to support projects such as the schools infrastructure build to repair the facilities in schools so that learners have adequate learning facilities. This programme seeks to have 80% of beneficiaries being unemployed youth:

- **419 758** work opportunities were created for youth in the quarter ending December 2013 in the Expanded Public Works Scheme. The sectoral breakdown is:
 - Infrastructure = 133 969
 - Environment = 97 258
 - Social = 78 142
 - Non Profit Organisations (NPOs) = 26 459
 - Community Works Programme = 83 930
- The National Youth Services (NYS) coordinated by the NYDA **5 959** participants by the end of quarter 3 in 2013.

The Youth Build Project run by the NYDA reached **1 226** young people. Youth Build is a community based National Youth Service programme that offers volunteers a comprehensive programme that integrates academic achievement, work experience, social action, leadership development, and personal transformation in a single project.

At a higher level there is the Presidential Infrastructure Co-ordination Committee (PICC) which has set up 18 Strategic Integrated Projects (SIPS) which are focused on unlocking the potential of areas of the South African economic landscape which have been lagging despite having potential to create jobs and grow the economy. These range from Minerals and extraction, water and sanitation, energy, information communication technologies and other such areas which have been considered to be constraints to growth in the South African economy. These measures are not specifically targeted at young people but invariably young people become the beneficiaries as they constitute a greater number of the unemployed in the society.

Of greater interest is that the SIPS have a geographical spread into regions of the country which historically have not been strong economic hubs such as the Northern Cape Province. The spatial

dimension is critical in our understanding of youth employment and access to developmental opportunities. In South Africa, there is not much research known that tackles the issue of spatial inequalities in the context of this changing economy. Our labour market studies give us average statistics about many of the problems we want to address, like unemployment rates, educational achievements, growing economic sectors, etc. This happens when we all know that we are working with many elephants in the room. For example, the country has an apartheid legacy of Group areas Act that confined different race groups in different geographical localities. Secondly, the dominant economic discourse of Gauteng for example has always been mining and this in return depended largely on migrant labour that would be confined in hostels and poorer parts of the townships. Lastly, there has been a trend of growing informal settlements in the periphery of many townships metropolitan areas. Whilst there has been attempts to reshape the geography of local governments, the reality is that these entities inherited an unequal past, have parts that have weaker economies and the burden is shared more heavily by certain municipalities than others. Whilst there are general government interventions to alleviate poverty in households and for individuals affected the most, these are not specific enough to help make a difference in these communities.

g) What other measures are you preparing?

There are many more government and private sector youth employment initiatives in the country but they are not well coordinated. We think that in future the role of the apex youth development body the National Youth Development Agency (NYDA) should be to develop what we call an ‘institutional matrix’ which could capture all state initiatives targeted at unemployed youth in one document or system. While this may appear to be bureaucratic our belief is that it would be a simpler way of describing what the state is doing on youth employment. Currently debates about youth unemployment tend to follow on new programmes that are being conceptualized rather than accounting for the states’ work in this area holistically. Almost all 34 government departments have youth desks or directorates; many local municipalities have youth development units the same applies to provincial departments. The parastatals also have various programmes from learnerships, bursary funds, graduate placements or training programmes which all contribute to addressing youth unemployment. The weakness in our system is that we don’t capture this picture in full and could be presenting only parts of the state intervention in our discussions rather than an all-inclusive representation. Other measures include the Jobs Fund which is under another state institution the Development Bank of Southern Africa (DBSA) this fund has approximately R9 billion which is targeted at employment creation not necessarily for youth but invariably it would benefit the unemployed youth.

6. A significant experience involving the school-to work transition or youth employment.

It is difficult to select one single experience that could be a lesson for designing youth-to work transitions. This is because different programmes do different things and therefore yield different results. From case studies by Singizi Consulting (2013) who studied different interventions that are currently taking place, four are chosen for this paper:

- a. A programme that prepares and match young people with jobs in businesses
- b. An accelerated artisan development programme
- c. A programme for entrepreneurship
- d. A Public works programme

a. Harambee

Harambee is an example of an initiative by business to address the issue of youth employment. Through a focus on the needs of employers it enables disadvantaged young people –18 to 28 year old unemployed matriculants and graduates, with no prior work experience, to make the transition from education to the labour market. In providing new entrants' opportunities to secure their first work experience it is considered consistent with the objectives of the Skills Accord, and is highlighted as a leadership example of the role that business can play in creating change.

Harambee was established in 2010 by Yellowwoods and five of its investor businesses: Hollard, Clientele, Telesure, Direct Axis and Nando's. Since then additional businesses have come on board, including Discovery Health, Fusion, Liberty, Merchants, Standard Bank, First National Bank, Capita, Outsurance, Amazon and BPSA. Harambee has developed a model which successfully closes the gap between employers' difficulties in finding, recruiting and retaining the required entry level employees; and young talented work seekers' struggle to access and secure appropriate jobs, as well as their difficulties in sustaining their jobs and progressing in the workplace. Harambee does this by providing an end-to-end solution to integrate first-time work-seekers in a way that simultaneously addresses the needs of employers and employees.

Businesses that partner with Harambee contract for the numbers of candidates that can be placed with them, and work with Harambee to develop matching and bridging solutions, that address their needs. Companies also commit to providing effective orientation, job training and on-the-job mentoring/coaching after placement, to give Harambee candidates the best possible chance of success. Further, companies commit to providing feedback to Harambee on the quality of candidates employed and effectiveness of the Harambee process. Businesses also contribute to the programme through its funding model: a combination of fees paid by employers, and government grant/subsidy.

Harambee in return seeks to understand the entry-level labour opportunities and challenges experienced by employers, and contracts with employers to source employees that will meet their needs. It supports young people through a process of enabling them to understand their strengths and to identify areas for further development. Harambee selects young people with the relevant attitudinal, behavioural and functional skills and either places them directly into work, or

provides them with fit-for-purpose bridging before placing them into opportunities in the financial services sector, BPO or administration. The bridging course is intended to address gaps that will hinder a candidate's likelihood to succeed in the world of work – including gaps in their functional competence (literacy, numeracy), industry knowledge and/or social and behavioural work-readiness. In other cases, Harambee recognises that in certain industries (e.g. retail and hospitality) the challenge is to create a pipeline of entry level candidates with the potential to progress into junior management. Harambee assesses for management potential and bridges after placement to address the gap in progressing into junior management. In the industrial and technical sectors, Harambee is able to match and bridge young people for technical or pre-technical training roles.

This intervention is important as it both addresses the barriers to access experienced by young first time work-seekers but also assists employers to fill entry-level vacancies, or new jobs created, with well-suited, first-time employees able to integrate into the world of work.

The Harambee processes described above can be summarised as follows:

- **Contracting** with employers around available jobs
- **Sourcing** candidates who are most in need of employment
- **Matching** candidates through analysing their psychometric profile, interest, competence and commitment to different pre-contracted jobs and employers
- **Bridging** candidates to address their behavioural and basic competence gaps required to integrate into the world-of-work
- **Placing** candidates into pre-contracted jobs where the candidate has the basic skills and behaviours to integrate into the world-of-work
- **Mentoring / coaching** both candidates and employers to increase the likelihood and success of candidates integrating and performing in their first job

Thus far Harambee has placed over 800 candidates and has achieved the targeted retention of over 85%, at the 1-year mark. They have also secured 4,000 additional placement commitments for the coming 2 years.

Anecdotal feedback relating to the programme suggests that employers are satisfied with the quality of the employees at this point in the programme, and, in interviews with employers, it has been suggested that there has been a significant reduction in churn.

Important lessons continue to be learnt however, about the need for employers to adapt management culture and process to support the absorption of first time employees into the workforce.

Finally, the funding model has the promise of an effective and sustainable private-public partnership model for addressing youth employment

b. An accelerated artisan Development programme

Arcelor-Mittal is a leading multi-national steel and mining company, operating in 60 countries and employing about 260,000 people worldwide. Through its operations in South Africa,

Arcelor-Mittal supplies flat and long steel to the construction, automotive, energy, mining, chemicals, water, furniture and appliance, machinery and equipment, packaging, pipe and tube and transportation sectors throughout the continent. The company's steel manufacturing and associated coke and chemical plants are based in Newcastle, Pretoria, Saldanha, Vanderbijlpark and Vereeniging.

Skills Development Initiatives

Due to its size and strategic positioning in the South African manufacturing sector, Arcelor-Mittal is a major contributor to artisan and technical skills training. It also deliberately trains over and above its needs to provide artisans for the national pool.

In relation to Commitment 1 of the National Skills Accord, Arcelor-Mittal enrolls between 500 and 700 apprentices each year and has a pipeline of 1300 in apprenticeship training as of the end of 2012. The majority of these apprentices are placed once they complete, but the company has started to release candidates to the national pool due to the weak economic cycle, particularly because the company does not receive 100% funding from the skills levies or other tax incentives for artisan training.

The table below indicates the range of artisan and technical skills training that Arcelor-Mittal undertakes each year. Beyond the initial apprenticeship, the company also has a post-trade test candidate artisan programme and equips artisans to convert to other artisan trades or convert to technicians.

Pipeline Type	Pipeline Dec '08	Pipeline Dec '09	Pipeline Dec '10	Pipeline Dec '11	Pipeline Q3 '12
Learnerships	177	1364	1517	1232	1182
Apprentices	655	1142	1027	943	807
Learner Technicians	34	26	22	67	73
Engineering Bursars	81	108	102	115	101
Candidate Engineers	64	54	43	54	70
Candidate Technicians	46	42	28	67	100
Artisan to Artisan Conversion	63	75	60	40	38
Artisan to Technician	108	84	83	99	67

Conversion					
Candidate Artisan	0	0	171	206	188
Engineering Technician Bursar	0	0	20	33	47
Graduate in Training	37	35	24	25	24
Total in Training Pipeline	1265	2930	3097	2881	2697

Arcelor-Mittal was a key contributor to the commitments made during the previous administration, where companies agreed to upscale artisan training by training one additional artisan for each artisan they train for themselves. Arcelor-Mittal initiated a model of accelerated artisan training, which involved a more structured approach to the apprenticeship than had happened previously and allowed the apprentice to complete the programme in 18-months to 2-years (based on them meeting the specified criteria). The accelerated programme includes six-months of institutional training in the training centre. The trainees then undergo structured workplace practical training in which they apply the theoretical concepts. It is suggested that this allows for improved cost-efficiency and greater quality in artisan training.

This model was picked up by the metal industry more broadly and the Accelerated Artisan Training Programme (AATP) has become the flagship programme of the Merseta. Arcelor-Mittal has been the largest contributor to the AATP and the programme has attracted other companies who have since come on board.

The company indicates that there are certain challenges in this area: in particular they view the trade test to be far below what is needed for a qualified artisan and as a consequence they require apprentices who have successfully completed the initial apprenticeship and passed their trade test, to be part of a candidate artisan programme for another year in the training centre. They indicate that this then brings the candidates up to a level of skill which Arcelor-Mittal deems adequate for an artisan. They suggest that this candidate artisan programme bridges the gap between a qualified artisan and an experienced artisan, based on international models of what artisan competence should comprise.

The company states that it is achieving a 95% success rate, compared to the 60% national pass rate on the trade test. The attraction of the candidate artisan programme appears to be an incentive for students to pass their trade test.

Key Learnings

A key success factor in the Arcelor-Mittal programme is the careful screening process. School leavers wanting to enrol in the apprenticeship must have a minimum Mathematics and Science at Grade 12 level, and must have passed with a 50% mark in both. The company also uses a

psychometric test for skills and learning potential benchmarked off 12 years of schooling. The screening also examines 3D concepts and physical strength and condition related to the requirements of certain trades.

c. Case of the South African Institute for Entrepreneurship – Business VENTURES School of Entrepreneurship

Programme description

The South African Institute for Entrepreneurship was started by the Triple Trust Organisation (TTO) in 1996 “in recognition of the critical need for easily accessible financial literacy training materials for both the small enterprise sector and for schools”⁹. The SAIE aims to eradicate poverty by creating entrepreneurs through the participation of learners in the Business VENTURES schools programme.

The SAIE has designed and developed a pack of entrepreneurial materials over time that are fully integrated with the Department of Basic education (DBE) curriculum for Economic and Management Sciences (EMS) and Business Studies.

Design and development of materials

The programme aims to change mindsets and build independence through increasing the responsibility of the learner and building the confidence of teachers to facilitate learning.

“The overall aim of the programme is to change mindsets, but can you teach a learner to change their mindset? We say this is difficult to do and in order to change mindsets the teaching styles and learning styles must change. The current teaching styles do not build learner independence as teachers take on most of the responsibility instead of giving learners’ responsibility. Our materials have tools which build learner independence. In a classroom the teachers drive the learning experience and what we have done is provide tools that see the learner taking on some control of learning. The teacher then becomes a facilitator, guiding learning, as opposed to doing the traditional talk-and-chalk, teacher-centred approach”.

Through facilitating learning teachers provide learners with the opportunity to actively participate in the various games and activities, which build skills to, amongst others, develop/build questions, debate and interpret test questions. And in so doing, contribute to changing mindsets.

“The more the learner does this, the more the learner takes responsibility and becomes independent. The traditional teacher does not allow the learner to take responsibility and when learners leave school and they are still dependent, we complain. The materials have been designed to change that mindset”.

The materials were developed to the current form with input from teachers, learners and training facilitators. This input was highlighted as a critical success factor of the material.

⁹ http://www.entrepreneurship.co.za/page/about_us

“The materials are tested by the same stakeholders and they are able to provide further input into the design or improvement of materials”.

The materials also take into account poor resourcing of schools and are designed in manner which allows learners who do not have access to libraries to use the material. The SAIE has also had cases where teachers who teach other learning areas use the materials.

“We also find teachers using the materials to achieve integration across learning areas. Teachers use maps we provide of the continents to teach geography and scale. Many of our tools use Financial Maths and Maths teachers especially using the financial graphs in Maths. We have had numerous requests from Curriculum Advisors to develop tools specific for Maths and other subjects”.

Selection

Schools are identified together with the DBE once funding has been secured. SAIE works with Subject Advisors and together with the school Principal and HOD an approach for delivery in the school is identified.

“Working with Educators is phased for example in Year 1 we start with all Grade 10 teachers in the cluster; then Year 2 all the Grade 11 Educators; and Year 3 all the Grade 12 Educators. We move with the learners who have started in Grade 10. In some instances we were requested to start Grade 7 and Grade 8 simultaneously or to start with Grade 12 as they are struggling. This decision is made together with the DOE and based on the realities at the school”.

Implementation

SAIE believes learners should ideally be exposed to entrepreneurial thinking as early as possible as this will inform the choices they make when completing school and how they will function if employed.

“Ideally learners should be exposed to our materials at an early stage so that the entrepreneurial attitude becomes a part of them. Small business programmes wait for learners to leave school but we believe at this stage it is too late as the traditional school system teaches everyone to look for work. We say that if entrepreneurship education starts early starting a small business becomes one of the natural options learners will choose”.

The programme is implemented in a cluster of schools over three years and the period could be shorter as it is influenced by funding.

“We have a three year relationship with schools and this is funding drive. During the first year the follow-up is intense and once Educators become familiar with the materials we reduce the rate of follow-up to quarterly”.

Delivery of the programme starts with the completion of an Entrepreneurship questionnaire by teachers and learners to capture teacher and learner attitudes towards and knowledge of

entrepreneurship. This is used as a baseline to measure changes in attitude and knowledge with the same questionnaire administered at points through the programme.

Learner results for related learning fields are captured into a tracking system and the information is used to determine if there is a change to learner results after the introduction of the programme.

“One of the enabling factors is the willingness of the Educator to use the materials. Educators who have chosen not to use the materials are those who have been in the system for too long and the difference in learner performance between classes where the materials were used and not used was very glaring”.

Centralised teacher training then takes place for two days, with at least two teachers per school from related learning areas... The training is aimed at ensuring teachers know how to use the materials and are able to be facilitators of learning.

“The teacher then becomes a facilitator, guiding learning, as opposed to doing the traditional talk-and-chalk, teacher-centred approach. The training is not as extensive as we assume, especially senior phase teachers, that most have the content knowledge. We do not teach content even though our materials contain extensive content”.

The training is followed by in-class demonstrations of how the materials should be used and then bi-monthly observations of teachers while they are using the materials are conducted. Halfway through the programme all participating teachers are brought together to observe lessons conducted by teachers who are using the materials effectively.

Holding competitions is an aspect of the programme and here learners demonstrate what they have learnt through developing a business plan (senior phase) and generating ideas to address a community need (junior phase).

Growing to scale

To date the SAIE has worked with 460 schools with 69 820 learners benefitting. Funders cover the entire programme costs and mass roll out will require funding.

“A typical 3-year project is around R3.6 million with 57 schools and 29000 learners benefitting over three years. This includes the training, the packs and prizes for the competitions. The pack provided to schools is per grade and one or two packs may be required depending on the number of classes per grade”.

d. Seriti: Community Works Programme

Programme Description

Seriti is one of the NGOs responsible for the piloting and then roll out of the Community Work Programme, government’s largest public works initiative in poor communities. The programme intends to provide 8 days predictable work per month to poor South Africans while they

undertake activities that contribute to uplifting their community. The programme engages over 160 000 workers annually, and aims to ultimately engage one million people each year. Sites are identified by the Department of Cooperative Governance and initiated in partnership with local government and community structures. This includes identifying suitable areas of work and recruiting workers. Initially sites engaged between two and three thousand workers, but due to budget constraints this has been reduced to one thousand workers at new sites. Participants receive a daily wage of just over R67 per day, and wages are paid at the end of the month.

Youth participation in the CWP

Youth participation in the CWP is very high, reflecting the demographic of the communities where the projects are located. Seriti find it useful to think about youth as the under 25s and over 28s as there is a significant difference between these cohorts. Generally, young men are less enthusiastic at applying to be part of the CWP and initially indicate that they do not see it as “real men’s work”. For young women, who are trapped in households and often work as “free labour” the CWP offers a unique chance at being able to work outside the home and receive some income.

“When you go to communities to introduce the programme young women are grounded, they have kids and domestic duties etc. So when the opportunity comes, they are there to do it. Young men, firstly – is it manual work? If we are just picking up papers, the amount of money doesn’t seem worth it – this is rather where my grandmother or mother should work, me I should be going into the mines to do real work. I am a man and I need to find real work- CWP is for the people here (women) and I shouldn’t be here. Some young people sitting and drinking – why are you not working? That is too little money. Find that is much more predominant in men, and a lot of peer pressure.”

75% of CWP participants are women. Partly this is because many CWP sites are in rural areas or former mining areas, where the population is predominantly female. For many women, CWP is a unique opportunity to generate income and with this to explore other opportunities. *“Women will say the money is not great, but we think it is wonderful for us. Far more women say that than men.”*

Relationships between the many older women and younger youth cohort are not easy. Old people will complain about youth being “lazy” and saying they should be at school and give others who are willing to work hard the opportunity to participate.

The CWP however has several “grades” of worker. The majority of workers are paid R67.00 per day for 2 days work a week. The projects also identify people who have additional obligations and are called “semi skilled” workers, who get paid R80.00 per day for 2 days work a week. Each site also employs a coordinator who gets paid R95.00 per day and works five days a week. The coordinators are generally required to have a high school qualification.

The programme has found it much easier to recruit matriculants in rural areas as there are so few opportunities. It has been significantly more difficult in the urban areas.

The CWP has found that the 18-25 year olds have significantly better literacy than other applicants and the majority of the Site Coordinators and semi skilled workers are young people. One site coordinator is employed for every 25 workers so a site of 1 000 will have 40 positions

and this has become a prestigious opportunity for youth. Many young people are willing to join the programme once it has been demonstrated that the opportunities are not stagnant.

The programme has also found that as awareness of the CWP has grown, and as people have become aware of the “promotion” opportunities, young people who have gone to the city to look for jobs return to their communities to apply to participate. This has caused some tension with older members of the community, who generally don’t have secondary school qualifications and believe it is unfair that the youth take on the leadership roles. The conflict usually involves two positions “this child left and has not lived here for five years so she is not eligible...” or “she is a child of this community, we should encourage her”.

Training

Training is a significant incentive for young people. Many older people are not interested in the training; they are focused on their work and are very interested in establishing cooperatives or small enterprises. However, requests for training, particularly computer training, are common among the younger cohort of workers.

Some of the community work areas, such as some of the school support activities, require people to have a high school qualification. It has not been difficult to source such workers, and a number of participants have post school qualifications.

The Rivers pilot project, an initiative which engaged six communities along the course of the Jukskei in cleaning the river demonstrated this for Seriti. The programme started with an orientation that included an induction to the programme, life skills and basic training in the skills needed to do the work. The project then engaged workers in the physical cleaning of the river and the banks, but also in educational outreach activities in communities. This programme attracted and sustained youth interest and participation. *“Community outreach is one of the favourite CWP activities for young people!”* Because the Rivers project focused on only one outcome – improving water quality – there were enough workers to do more than the physical work (i.e. outreach). In other sites, much smaller teams are deployed across a range of activities.

“In the RIVERS it was all wards and everyone doing the same work so it took on its own momentum and excitement. There was real passion, people did plays and door to door awareness etc a lot of variety of activities etc. People were given an opportunity to think about how we look after rivers.

The impact on the actual purification of rivers was minimal because the problem is much larger- local pollution is only 20% of the issue, influx of sewers etc is really the big thing. But when people saw themselves as champions to purify the rivers for everyone’s benefit, the youth particularly got really excited.”

In the last two years there has been more focus on providing training to workers. Seriti has focused on training coordinators in skills such as using computers to do reports; being competent in first aid and other skills required to manage the site activities. They then identified work areas where specific skills were required – such as Early childhood development (ECD).

“You could go to site and find an ECD practitioner with a huge basin of water dunking children in and out – no hygiene – one bucket baths ten children. So although a good

service, there is also a lot of risk as people are not trained so we started doing training specific to work.”

At least 10% of participants in CWP get some kind of skills but the training is to support their work at site, it is not training for exit.

“Every time there is training people complain, because the young people in particular want to get the training and there is not enough money for everyone.”

Partnerships were developed with the DSD who had started an ABET facility through the District officials. Seriti has some reservations about the effectiveness of the service, but refer interested workers to the DSD programme.

“We did ABET in the first place because some people could not write or read their name, so we initiated it. On half our sites we pay semi-skilled participants to teach people to read and write. It is pretty basic, how to write your name and sign – then a lot leave, or some stay on. But largely we encourage it because we think everyone should be able to write their name and sign but have not done the big drives which are necessary.”

Enterprise

Seriti note that once people have been working in CWP for a while they begin to see opportunities differently. They realise that as they begin to make waste land productive in agriculture, often they cannot distribute the harvest in full, and that there is still land which could be cultivated.

“ We have applied to SETAs for discretionary grants to get some people trained in certain areas such as agriculture. They ask us to find a training provider and we have to apply collectively. The way we are looking at it there is potentially an opportunity, particularly in agriculture, to develop businesses out of it. There are significant pieces of land, mainly in rural municipalities but also in places like Merafong etc, that belong to DSD and D Ag who ran a project for six months then abandoned it. In CWP people see opportunities, start to understand what it is to work, e.g. harvesting more than they can distribute – even when not using all the land, so looking at how can people who have skills and experience be able to use that land and through the agency of CWP start to produce for retail like Pick n Pay. With agriculture that is becoming more and more real.”

Seriti ran an Organisation Workshop for the Office of the Premier in Kwa-Zulu Natal province. The intent was to kick start community enterprises. Six months later the community has an established poultry farm, piggeries, and six hectares of vegetables for commercial agriculture, orchards of mangoes and citrus trees and a number of community construction initiatives.

“That programme is full of youth- mainly people in the 18-28 age group. Two things they liked about the OW were that it was a learning programme first, and they liked it. Then they also like the fact that they are getting paid by the office of the premier for six months for every day they work, but they are starting to make money through sale of eggs etc.. They will only get paid until end of June, and by then they should be producing enough to pay their own wages.... And their businesses will get support for another

couple of months from the Premier's office. Also linking to savings cooperatives etc – so they work in cooperatives and then also a saving cooperative. So if get R67. A day then R7 a day goes into the savings cooperative.”

One of the most popular activities for young people is the Youth Development through Football initiative of GIZ. Youth are trained to be soccer coaches and to run life skills, and then they support soccer clubs in schools. There is now a League being developed, and a similar programme being planned for netball. This is a highly prestigious activity for CWP youth to be involved in. They receive coaching gear, they are trained, they are paid the CWP wage, they get to play a lot of football, and they are engaging with other youth from many schools.

“Different types of work have different statuses. When we said we were looking for people to be coaches, hundreds of people wanted to sign up and we were looking 40 coaches initially. Then we had to screen and look at who had right aptitude –i.e. you had to be passionate about coaching, not just think it is better than picking up papers. You have to be involved – so we would check in screening, do you do sport, where? When? With whom? When we are doing the trainings then professional people, like Jerry Skosana etc come and do proper training, and they also find that. And now we are looking at how we can promote more of this. The ripple effect is huge, we find that a coach can work with 40-50 children in a school – so if you have a 100 coaches impacting on 5 000 children.

School support was another popular activity with the younger CWP participants. The programme would place up to 15 matriculants in a school where they would help supervise homework, provide extra assistance in the classroom and keep fast learners engaged while the teacher supported those who were struggling. The programme exposed the enormous impact HIV had on rural schooling, with many teachers being absent for weeks due to illness.

Exiting the CWP

Young people who have leadership positions in the CWP find their profile and networks increase substantially. They acquire a status from their role as supervisor, and as they do all the liaison with stakeholders they are introduced to a number of institutions and people of influence.

“In Tjakastad, in each of the two wards you have a ward councillor and PR Councillor. Of the 4 current councillors, 3 were in CWP. We are seeing that happen across CWP sites- and all are in their twenties/early thirties. So the distinction between the two positions is significant- and very attractive to youth, who will stick with the CWP work as it offers an opportunity to become coordinators. So now, for every 100 people we have 6 skilled people- e.g. 4 Coordinators and 2 skilled in area. Then 10 are semi skilled. So the CWP actually has considerable diversity”

Generally, there are limited exit opportunities from CWP. Seriti has found that where they have provided some technical trainers to work in elements of plumbing for example, a number of people will then start to take on small jobs of fixing geysers, installing sinks or fixing taps etc, on the days they are not working in the programme.

In Gauteng however it seems there is a higher rate of exit to “better” jobs. Seriti note that they were unaware of this until they began to be asked for “Unemployment Insurance Fund forms”.

People would leave the CWP, go and work somewhere else, and if women were going on maternity and trying to claim UIF, they would be asked for the CWP form to be filled in.

Another indicator is employers contacting the CWP for a reference. The highest “exit” group however is the CWP Coordinators.

Monitoring and Evaluation

The CWP requires high levels of data collection to support the wage payments. Monitoring the impact of the work has become a key objective for Department of Cooperative Government, however this is done differently depending on the implementing agent.

Internally, Seriti has deployed staff to survey participants at different sites to understand the impact of training interventions. External evaluations of the School Support and Organisation Workshop programmes were undertaken.

Application of the learnings has been somewhat intuitive although Seriti hopes to formalise it more in months to come.

Seriti is now accredited with ETDP SETA for its Community Facilitation course. “We think we should be working with our coordinators so that they are not just supervising work but they become community enablers – people who make shifts in the community. They have a lot of influences with participants and can extend that in communities by doing what CWP”.

7. Conclusion

A collaborative project between the Programme of Studies on Youth, Education and Work, (PREJET) at the Institute of Economic and Social Development in Argentina and the Researching Education and Labour (REAL) centre of the University of Witwatersrand in South Africa is currently taking place. This collaboration is sponsored by the Network for International Policies and Cooperation in Education and Training (NORRAG), which is facilitating a South-South cooperation in the understanding of barriers to accessing skills development and employment for youth in the two countries. This facilitation consists of making available the information and knowledge the Network is producing concerning the international dimensions of the topic of the project, on disseminating the results of the study focusing on lessons learnt and relevance for the international community.

The study seeks to understand the barriers to accessing skills development and employment for youth in Argentina and SA, in the context of regional and international trends. To meet this objective, policies and strategies that target youth employment, pathways between education and training and work as well as insecure work (or labour precariousness) will be analysed. A special attention will be given to access and barriers related to how the policies are designed (assumptions about youth, work, labour markets, institutions, etc), and how they are implemented by the institutions.

This study is about: Policies; People and Institutions:

- Policies addressing skills development and work access at the public governance system;
- Young people with respect to what they bring to the table, with respect to educational achievements, family and households characteristics; spatiality of residence; employment histories, values and expectations, etc.;
- Institutions and programmes that support the policies above and their own strategies to manage the implementation of the policies and programmes.

It is our greatest desire to work collaboratively with other countries as well and in particular other African countries.

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