

RFQDEAL28/08

Project Title: A comprehensive study of existing youth employment schemes and schemes to minimise the retrenchment of employees in South Africa

Report Title: Final Research Report

For

DEPARTMENT OF EMPLOYMENT AND LABOUR



Compiled by

Nelson Mandela University

Prof Syden Mishi

Dr Florah Modiba

Prof Ronney Ncwadi

NELSON MANDALA
UNIVERSITY

23 March 2022

Table of Contents

List of Appendices	iv
List of Figures.....	iv
List of Tables	v
List of Acronyms.....	vi
Executive summary	ix
Section One: Introduction and Background.....	1
1.1 Introduction.....	1
1.2 Study Purposes	2
1.3 Employment Schemes.....	2
1.4 Structure of the report.....	5
Section Two: Youth Labour Force Dynamics and Trends	6
2.1 Introduction.....	6
2.2 Trends and Transitions	8
2.3 Labour Market Dynamics in South Africa (2019) -.....	10
2.4. Section Summary.....	14
Section Three: Literature Review	15
3.1 Introduction and Background.....	15
3.2 Youths in the Labour Market.....	18
3.2.1 Reservation wage.....	20
3.2.2 The efficiency of labour markets in RSA	21
3.3 Factors Impacting Negatively on Youth Labour Market Outcomes.....	23
3.3.1 General lack of opportunities.....	23
3.3.2 Factors impacting economic growth/jobless growth	24
3.3.3 Displacement effect of other factors of production	26
3.3.4 Information asymmetries within the labour market	27
3.3.5 Credentials: qualifications, skills and experience	30
3.3.6 Legislative framework.....	32
3.4 Active labour market policies (ALMPs) vs. Passive Labour Market Policies (PLMP)	36
3.5 Demand-side labour market policies	36
3.6 Supply-side labour market policies.....	37
3.7 Passive Labour Market Policies	37
3.8 Labour Market Equilibrium	38
3.9 Understanding interventions in the labour market.....	38
3.9.1 Skills improvement	40
3.9.2 Information asymmetry - search costs.....	41

3.9.3 Moral Support and Indirect Intervention.....	41
3.9.4 Social networks.....	42
3.9.5 Role of private sector	43
3.9.6 Sectoral analysis	44
3.9.7 Geography: regional heterogeneity.....	44
3.9.8 Using administrative data for data-driven policymaking.....	45
3.9.9 The Human factor	47
3.10 Section Summary.....	48
Section Four: Methodological Approach	49
4.1 Introduction.....	49
4.2 Identified Schemes.....	50
4.3 Materials and Methods	53
4.3.1 Elements of evaluating interventions.....	53
4.3.2 Data collection tools and strategies	54
4.3.3 Data analysis and reporting	56
4.4 Delimitations.....	59
4.5 Section Summary.....	60
Section Five: Data Analysis	61
5.1 Introduction.....	61
5.2 Secondary data analysis of the schemes	61
5.2.1 Schemes focusing on employment creation.....	61
5.2.2 Schemes Focusing on Employment Retention	78
5.2.3 Auxiliary programmes	82
5.3 Primary data analysis: response from implementers, implementing partners and beneficiaries	83
5.3.1 Expanded Public Works Programme (EPWP).....	84
5.3.2 National Youth Service Programme	85
5.3.3 Youth Employment Service (YES)	87
5.3.4 The National Rural Youth Service Corps (NARYSEC)	93
5.3.5 Employment Retention Schemes	95
5.4 Section summary	96
Section Six: Summary, Conclusions and Recommendations	97
6.1 Overall summary	97
6.2 Conclusions.....	99
6.3 Recommendations	101
References.....	106

List of Appendices

Appendix A: Projects under Jobs Fund programme	117
Appendix B: Recommendations to improve youth outcomes in the labour market from the Implementing Partners (employers') perspective.....	126

List of Figures

Figure 2.2: Youth Employment Status: Trend (2008-2021)	9
Figure 2.3: Labour Force, Employment and Unemployment Rates for the Youth Population: Trend (2008-2021).	10
Figure 3.1: Labour Market Dynamics Typology for Youths	18
Figure 5.1: Contribution of CWP/EPWP stipend to total household income	67
Figure 5.2: CPW/EPWP Stipend Compared to the Lower and Upper Bound Poverty Line.....	67
Figure 5.3: Per capita standard equivalence scale (SES) computation based on GHS, 2017	68
Figure 5.4: CCMA referrals per financial year	80

List of Tables

Table 1.1: Labour force characteristics (15-34 years) - % rates	1
Table 2.2: Employment Status	10
Table 2.3: Reasons for Not Working.....	11
Table 2.4: Education Status.....	11
Table 2.5: Period of Employment Search	12
Table 2.6: Activity Before Searching for Work	12
Table 2.7: The Main Reason You Stopped Working.....	12
Table 2.8: Reason for Not Looking for Work or Starting a Business.....	13
Table 2.9: Acceptance of a Job if Offered	13
Table 2.10: For Whom Did You Work?.....	14
Table 2.11: UIF Deductions.....	14
Table 4.1: List of schemes agreed upon to form the study sample and from which data was sourced	51
Table 4.2: Evaluating interventions.....	53
Table 5.1: NARYSEC Beneficiaries by Province.....	71
Table 5.2: Summary statistics for ETI claims by tax year	73
Table 5.3: CCMA jobs saved per sector (2019/20)	80
Table 5.4: Value of the YES programme:	91
Table 5.5: YES sector placement.....	92
Table 5.6: The nature of new placements	92
Table 5.7: How earnings at the new placement compared with earnings under the YES programme.....	93
Table 5.8: Do you feel better equipped to find a job	93

List of Acronyms

4IR	–	Fourth Industrial Revolution
ALMP	–	Active Labour Market Policies
B-BBEEA	–	Broad-Based Black Economic Empowerment Act
BCEA	–	Basic Conditions of Employment Act
CARES	–	Coronavirus Aid, Relief and Economic Security
COVID-19	–	Coronavirus Disease 2019
CV	–	Curriculum Vitae
CWP	–	Community Works Programme
DAC	–	Department of Arts and Culture
DEL		Department of Employment and Labour
DRDAR	–	Department of Rural Development and Agrarian Reform
DSBD	–	Department of Small Business Development
DWYPD	–	Department of Women, Youth and Persons with Disabilities
EC	–	European Commission
EEA	–	Employment Equity Act
ELIDZ	–	East London Industrial Development Zones
ESB	–	Employment Services Board
ESSA	–	Employment Services of Services South Africa
ETI	–	Employment Tax Initiative
EPWP	–	Expanded Public Works Programme
FPUG	–	Federal Pandemic Unemployment Compensation
GDP	–	Gross Domestic Product
HSRC	–	Human Science Research Council
ILO	–	International Labour Organisation
IMF	–	International Monetary Fund
IPs	–	Implementing Partners
IYDS	–	Integrated Youth Development Strategy
LAP	–	Labour Activation Programme
LRA	–	Labour Relations Act
MES	–	Ministry of Employment of Sweden
NARYSEC	–	National Rural Youth Service Corps
NEDLAC	–	National Economic Development and Labour Council

NEET	–	Not in Education, Employment or Training
NGP	–	New Growth Path
NSA	–	National Skills Authority
NSDS	–	National Skills Development Strategy
NSF	–	National Skills Fund
NT-SDF	–	National Treasury Secure Data Facility
NYDA	–	National Youth Development Agency
NYI	–	National Youth of Ireland
NYP	–	National Youth Policy
NYS	–	National Youth Service
NYSP	–	National Youth Services Programme
OECD	–	Organisation for Economic Cooperation and Development
PES	–	Public Employment Services
PLMP	–	Passive Labour Market Policies
POPIA	–	Protection of Personal Information Act
QLFS	–	Quarterly Labour Force Survey
RSA	–	Republic of South Africa
SDA	–	Skills Development Act
SDLA	–	Skills Development Levies Act
SDGs	–	Sustainable Development Goals
SEDA	–	Small Enterprise Development Agency
SEFA	–	Small Enterprise Finance Agency
SETA	–	Sector Education and Training Authority
Stats SA	–	Statistics South Africa
TERS	–	Temporary Employer-Employee Relief Scheme
ToC	–	Theory of Change
TVET	–	Technical and Vocational Education and Training
TVWS	–	TV White Space
TYPP	–	The Young Patriots Programme
UGP	–	Unemployed Graduate Programme
UIF	–	Unemployment Youth Fund
UN	–	United Nations
USA	–	United States of America
USSD	–	Unstructured Supplementary Service Data

YEI	–	Youth Employment Initiative
YES	–	Youth Employment Service
YG	–	Youth Guarantee
YGP	–	Youth Guarantee Programme

Executive summary

The Department of Employment and Labour (DEL) and the Employment Services Board (ESB) tasked with resolving the youth unemployment problem in South Africa, sought a comprehensive study on existing youth employment schemes and schemes to minimise the retrenchment of employees in South Africa. Nelson Mandela University was appointed to conduct this comprehensive evaluation.

The study was necessitated by the resilience of high unemployment in general working population and specifically amongst young people. A trend analysis confirmed the dire need for intervention in the labour market to improve labour market outcomes for youths. The unemployment rate remains persistently high with low participation even among those with higher levels of education. The transitioning of youths in the labour market from one condition to the other was evident with sizeable proportions being discouraged, arguably by the lack of or delayed access to opportunities. A case for intervention was apparent.

Interventions were made by government and its partners to solve the problem of unemployment faced by youth in South Africa. Intervention include passing of extensive pieces of legislation, programmes and policies to address all elements related to the youth in the labour market ecosystem. The programmes were aimed at creating employment, retaining those in employment, providing pathways to employment through skilling young people amongst other interventions.

While there are many policy and programme interventions made by government to facilitate the transition of young people into employment and ensuring sustainability there, in consultation with the DEL and ESB, a list of employment schemes was agreed upon. Furthermore, desktop review was undertaken to ascertain the state and relevancy of each scheme to this study using publicly available information. In the end only schemes aimed at job creation and retention were selected. The process highlighted the difficulty in gaining full access to all the documentation and information pertaining to each scheme (source files); the problems include data not being kept and/or files not transferred from one office to another, which adversely affects record keeping and the generation of data for informed decision-making. The review revealed that reporting about the schemes often occurs in general and/or broad terms, for example, 'the scheme has been successful' and 'over x thousands of youths have been reached'. As none of the schemes could produce a baseline or pilot report, there was a lack of specificity and comparison with the baseline status.

In order to develop this research study, Literature related to government intervention in the labour market to improve outcomes for youths was reviewed, legislative framework is reviewed and administrative data and other enablers are explored, primary data is also collected from those closer to the selected employment programmes and schemes.

This section begins by depicting the labour market ecosystem for youth, followed by a discussion of the challenges, sources of challenges and possible ways to address the challenges encountered by youth in the labour market. Lessons are drawn from peer economies such as China, Turkey and sub-Saharan African countries.

Instruments were designed to elicit information from the implementers of the schemes, their partners and the beneficiaries thereof. Responses were successfully obtained from 11 out of 12 employment creation and retention schemes. It is imperative to note that there a number of initiatives that deal with employment opportunities that were excluded because they were outside

the scope of the study. The intention was to create a census among all the identified schemes but the lack of response from several of them reduced the exercise to a sample. Given the diversity of the schemes and how each is uniquely designed, the data is mainly qualitative and provides a within-scheme evaluation with an attempt to aggregate the review through the generation of themes using thematic analysis. A summary is provided for each scheme, with key findings that emerged from the analysis presented hereunder:

1. Youth falling off the crack- Although there is a plethora of schemes, youths can fall through the cracks. Several ideas of how to solve the problem have been advanced but the implementation, monitoring and evaluation thereof require urgent consideration.
2. Lack of alignment with youth ecosystem- Interventions need to be aligned with the youth ecosystem to ensure that none fall through the cracks and that the interventions target the youth at the appropriate level. For example, schemes to assist youths in career planning or academic success must be implemented early (proactive), preferably while the individual is still at high school rather than later in the cycle (reactionary).
3. Exclusion of youth within vulnerable groups- Although all youths can be considered vulnerable, there are youths living with disabilities and in rural areas that are more vulnerable than others and schemes need to consider this from the design stage. For example, some schemes report that uptake is slow, as targeted individuals or groups have no access to information. There is a need for partnerships with institutions that support and accommodate people living with disabilities [*Department of Women, Youth and Persons with Disabilities*]. Other vulnerable groups are previously disadvantaged individuals and females in general. An assessment is required of the performance of supported employment enterprises in terms of catering for people living with disabilities to ascertain to what extent youths living with disabilities are accommodated in these enterprises across the provinces.
4. Negative impact of inequality across young people- Inequality of opportunities is a reality in South Africa. No change of mindset or effort will address the ex-ante inequality of opportunities based on circumstances for which individuals are not responsible and over which they have no control. Youth labour outcomes should ideally not be defined by individuals' circumstances but rather by their efforts. However, when marginalised and vulnerable groups are not taken into consideration, the same effort by youths produces different outcomes.
5. Lack of access to relevant information - A lack of access to relevant information can prevent youths from taking up the opportunities presented by the various schemes. Technology allows for equal access to information but access to technology and the Internet is often limited. In some areas, there is limited network coverage due to low spectrum allocations, something beyond an individual's control. The creation of opportunities alone, without addressing issues such as digital coverage and access to basic technology, may fail to improve labour market outcomes for youths.
6. Lack of coordination and sharing of information among government departments and entities- There is a general lack of coordination and sharing of information among government departments and entities, both vertically (national to provincial department level) and horizontally (one department or agency to another). In line with the ecosystem approach highlighted in the foregoing section, as well as the significance of reliable data in informed decision-making, the lack of coordination and sharing of information impedes the appropriate design of schemes.
7. Need for scheme review-
 - i. The majority of the current schemes require a review of their design and that should be performed in consultation with all relevant stakeholders. Lack of timeous information sharing hinders the measurement of project outcomes and

- accounting for expenditure. Although all schemes in existence are necessary in one way or the other,
- ii. Some require urgent review to prevent deadweight loss (when for example an intervention discourages employment of certain group of individuals (e.g. older labour force members in favour of the young incentive group). Some employers report in this study that government sometimes incentivises firms for what they would have done anyway, implying inefficient use of resources.
 - iii. Other schemes must be redesigned for efficiency, for example, the Expanded Public Works Programme (EPWP) should increase the contract time span and include other services for beneficiaries to plan economic activities post the EPWP. Recruitment under EPWP can be done through the DEL database to avoid political interference reported by implementers and to link beneficiaries to other job search services post the programme.
8. Revision of some legislation- The relevant legislation is comprehensive and enables the design and implementation of diverse schemes, but revision thereof is necessary to unlock more opportunities.

Based on the findings, the recommendations presented hereunder are advanced.

1. Re-organisation of the current schemes: some should be redesigned, and some merged by the youth in labour market ecosystem approach suggested in this study. For instance, the public employment schemes should focus on youth without education/skills and should extend the contract duration beyond a year to give opportunity for better transitioning. In that period financial literacy skills should be provided to the participants such that they are able to save and possibly use the savings to start small businesses, or to search for other opportunities. Youth with higher education or skills should not be placed in mass employment creation schemes such as EPWP but be considered in schemes like YES, service corps (NARYSEC) as they present better and more efficient transitioning opportunities. The ETI subsidy should kick-in when a firm has employed a certain number of youth beyond a set threshold (such as current industry average) In other word companies should only be incentivised when they employ a percentage of youth above the industry average. This approach ensures that a youth in an category (e.g. failed school, not in education or training, seeking upskilling, and the like) will find a suitable scheme to aid her/him access another opportunity ensuring no one falls through the cracks.
2. Scheme implementation process: in line with current monitoring and evaluation (M&E) processes and impact assessments, the implementation of a scheme must follow the standard steps that include a baseline survey and a pilot project before full implementation. The scheme must then be monitored and evaluated for costs effectiveness (significance of piloting) and the impact thereof. Monitoring should be emphasized as it would enable appropriate collection, storage and management of scheme data that would be used for evaluation and improvement of schemes.
3. Internet access should be provided through, for example, television (TV) white space (TVWS) and wireless technology that can connect rural and township people thus creating opportunities for youths to search for jobs and learn about the digital world. Ensuring that each household at least has access to the internet is a pre-requisite to unlocking opportunities for youth. The address the inherent inequality of opportunities as information and means to search for opportunities is spread to those that are marginalised.
4. Make information accessible through various applications (apps) and/or an Unstructured Supplementary Service Data (USSD) format on mobile phones. Equal access to information is critical for addressing inequality of opportunities.

5. The Department of Employment and Labour must begin to collect, collate and curate data relating to youth employment and retention schemes for use when making meaningful decisions. Information collection and collation is provided for under the Employment Services Act, No. 4 of 2014.
 - In line with Section 5 of the Employment Services Act, No. 4 of 2014, a comprehensive and up-to-date database for young people must be created. The entry of data into the database should be automatic and the status updated in collaboration with entities such as the Department of Basic Education, the Department of Social Development, the South African Revenue Service and the Department of Employment and Labour (such as UIF). It is imperative to assess how Section 11 of the Employment Services Act, No. 4 of 2014 is being implemented, as it provides for the collection and collation of necessary information in conjunction with Section 10.
 - This will enable the Minister of the Department of Employment and Labour to obtain comprehensive information to act in line with Section 6 Subsection (2) of the Employment Services Act, No. 4 of 2014. Without complete data about the schemes and the individual beneficiaries thereof, it is not possible to implement the required interventions.
6. In terms of legislation revisions, an example is enabling a B-BBEE Level 1 enterprise to participate in the YES programme. Currently, a B-BBEE Level 1 enterprise cannot claim points for hosting YES youths, which limits the number of firms available to employ youths. Revising the legislation will unlock opportunities for more youths to go through the YES programme.

Section One: Introduction and Background

1.1 Introduction

No attempt is made to provide a complete review of all literature relating to labour market outcomes; such an attempt would be futile, as the subject is extensive and multifaceted. The focus was on selecting critical studies that would provide a strong foundation for the analysis of data and meaningful recommendations being advanced. The challenges encountered by young people in South Africa are not unique to the country and numerous other countries experience similar barriers. The aim was to explore how other countries have intervened in the market to resolve the challenges. In addition, the constrained economic growth in the country allows for limited opportunities for youths and productivity must be assessed to guide how the growth, albeit constrained, can contribute to creating youth employment opportunities.

Lack of opportunities and loss of jobs among vulnerable groups such as the youth are worrying and the government must attempt to attenuate the current trend. The available legislation such as Sections 6 and 7 of the South African Employment Services Act, No. 4 of 2014 allows the Minister of Employment and Labour to establish schemes to promote the employment of youth and other vulnerable work seekers and schemes to minimise the retrenchment of employees. In addition, Sections 5, 10 and 11 of the aforementioned Act provide for the collection of critical data to assist with decision making concerning interventions within the labour market. With the persistently high unemployment rate, especially among the youth and job losses before and during the COVID-19 era, such legislation is important. Other opportunities guided by the same legislation are required to curtail the current trend and enable the creation of more jobs. Table 1.1 hereunder shows the rising unemployment rate and the declining absorption rate from 2017 to early 2020 - 70% of the 15-24-year-old youths were unemployed from the third quarter of 2019 to the first quarter of 2020 and the 25-34-year-old group saw unemployment rising from 45% to 47% over the same period. The absorption rate is as low as 11% among the younger group (down from approximately 13% in 2017) and approximately 47% in the older group (down from approximately 50% in 2017).

Table 1.1: Labour force characteristics (15-34 years) - % rates

	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020
15-24 years													
Unemployment rate	65.7	67.4	64.5	63.9	65.7	67.1	66.1	67.6	69.1	68.3	70	69.5	70
Employed / population ratio (Absorption)	12.7	11.9	12.8	12.7	12.2	11.6	12.2	11.4	11.1	11.3	10.7	11	11.1
25-34 years													
Unemployment rate	41.1	41.5	42.5	42.8	42.8	43.2	43.3	42.8	44	45.1	45.2	45.2	46.9
Employed / population ratio (Absorption)	51	50.2	49.6	48.6	49.4	49	49.1	49.7	48.3	47.6	47.5	47.7	46.7

Source: Statistics South Africa Labour Force Survey

1.2 Study Purposes

The purposes of the study are presented hereunder.

- To undertake a comprehensive study through the collection of data pertaining to existing employment creation and retention schemes in South Africa.
- To evaluate the trends, impacts and returns on investment of all employment creation and retention schemes in South Africa.
- Make recommendations, based on analysis, of possible future programmes and opportunities to scale up existing successful programmes, within limitation of resources.

South African youth employment policy solutions, to date, have been multi-pronged. This study evaluated youth employment creation and retention schemes. It is imperative to note that there a number of initiatives that deal with employment opportunities that were excluded because they were outside the scope of the study; a list of schemes was provided, and the researchers starting point was to evaluated each listed scheme in terms of fitting to the study, and correctly any overlaps across the schemes. The mapping exercise helped to give a final list to be evaluated.

1.3 Employment Schemes

Table 1.2: Employment schemes

Scheme List Provided	Assessment in relation to definition of scheme and study objective	Inclusion/Exclusion
Public Employment Programmes:	This is employment creation scheme with three programmes	
1. Extended Public Works Programme (EPWP)		Included
2. Community Works Programme (CWP)		Included
3. The National Youth Service Programme (NYSP)		Included
4. National Rural Youth Cooperatives (NARYSEC)	The National Rural Youth Cooperatives (NARYSEC) and is implemented by Department of Rural Development and Land Reform and National Defence Force (service corps)	Included
5. Employment Tax Incentive (ETI)	An employment creation scheme based on subsidy system	Included
6. Entrepreneurial development Programmes (SMMEs)	Even though they do not create mass employment, they enable creation of sustainable employment in the long term. They present an opportunity to address other challenges like inequality.	Included
7. Technical, Vocational and	Skills based programme, not a focus of this study.	Excluded

Occupational Programmes		
8. The Monyetla Work Readiness Programme: Work Readiness Programmes (DTI)	This is an example of project under the Jobs Fund scheme- Jobs Fund has four pillars, which will be discussed in this study.	Excluded as a stand alone
9. Second chance programme	This is one of the school based programmes, to support young people to get another chance to improve their matric results.	Excluded
10. School based Initiatives	The same as above, this is a group on initiatives taking place at/in schools. Example is the BEEI which it itself is funded through the Jobs Fund, therefore will be discussed under Jobs fund.	Excluded
11. National Skills Development Strategy VS Human resource strategy	This is not a scheme, but a framework to guide intervention in the labour market.	Excluded
12. Jobs stimulus package	This is a funding model/framework, and not a scheme per se. To be read under Presidential Employment Stimulus package.	Excluded
13. Youth Employment Accord	This outlines 6 Accords to guide support and enablers for youths in the job market- the targets for youths in various schemes is drawn from the Accord; an undertaking by government to commit to address youth challenges.	Excluded
14. Jobs fund, including all the allocations that, were made by the Jobs Fund through the open funding windows. <i>It includes the impact of the Harambee Youth Accelerator, on job creation, which received funds from the Jobs Fund.</i>	This is a scheme that include 4 pillars (funding windows), namely: support for work seekers; enterprise development; infrastructure investment; and institutional capacity building. The scheme is managed by National Treasury's Government Technical Advisory Centre (GTAC). Harambee is one example out of the many projects under this fund. A full list of the projects under each funding window is listed in Appendix A.	Included – revised to represent all 4 windows
15. Youth Employment Service (YES)	A scheme through partnership between public and private sector; implemented by private sector.	Included
16. Isiqalo Youth Fund	A provincial scheme.	Excluded [focus on provincial level and as part of entrepreneurship programmes]
17. Agency building programmes (Sports, recreation, and art; youth organisations)	Not directly related to the aims of the study- employment creation and retention.	Excluded
18. Social support services (Crime and drug rehabilitation, HIV/AIDS Counselling,	Not directly related to the aims of the study- employment creation and retention.	Excluded

trauma support, youth/gender-based violence)		
19. Employer – employee relief schemes (TERS)	TERS is an intervention under the employment retention category, implemented by DEL through UIF Training Lay-Off scheme. It was introduced under the Response Framework to the Global Economic Crisis of 2008/9 implemented by DEL through UIF and CCMA.	Included
20. Turnaround Solution/ Productivity SA	Programme funded through UIF, is a ‘search and rescue’ and ‘crisis management’ agency for businesses in South Africa. Conduct analysis and provide recommendations to businesses in distress, contributing to the retention of jobs. No direct contribution to jobs retention (an intellectual sponsor), especially for the youths.	Excluded
21. CCMA intervention under section 189 of LRA	A scheme under DEL, for job retention and work in collaboration with the Training Lay-Off scheme mentioned above.	Included
22. Programmes under minerals and energy / environmental affairs and rural development (waste management; environmental studies)	A large number these programmes are implemented through National Youth Service Programme; under the service corps- as discussed separately.	Excluded
23. Service Corps- under the Army	Incorporated under NARYSEC; it is not a separate scheme.	Exclude as stand alone
24. Presidential Economic Stimulus 1	The Presidential Employment Stimulus was established in response to the devastating economic impact of the coronavirus pandemic. This is an intervention during the State of Disaster and not a scheme existing prior to the pandemic. https://www.stateofthenation.gov.za/employment-stimulus-dashboard	Excluded-

Based on the above mapping exercise, the schemes evaluated are in three groups as follows:

Employment creation schemes	Employment retention schemes	Employment creation enabling schemes/entrepreneurship based
------------------------------------	-------------------------------------	--

i. Extended Public Works Programme (EPWP)	i. Employer – employee relief schemes (TERS)/ training lay-off schemes	i. Entrepreneurial development Programmes
ii. Community Works Programme (CWP)		
iii. The National Youth Service Programme (NYSP)		
iv. National Rural Youth Cooperatives (NARYSEC)		
v. Employment Tax Incentive (ETI)	i. CCMA intervention under section 189 of LRA	
vi. Entrepreneurial development Programmes (SMMEs)		
vii. Jobs Fund (4 windows)		
viii. Youth Employment Service (YES)		

Source files (Administrative data) were requested for each scheme to enable an understanding of the motive, implementation plan, target groups and intended outcomes. This information was central to the comprehensive evaluation of the youth employment schemes, to understand the design, targets, and expenditures. The files were however not available for all schemes, the instrument took this into account. The process highlighted the difficulty in gaining full access to all the documentation pertaining to each scheme (source files); the problems include data not being kept and/or files not transferred from one office to another, which adversely affects record keeping and the generation of data for informed decision-making. The review revealed that reporting about the schemes often occurs in general and/or broad terms, for example, ‘the scheme has been successful’ and ‘over x thousands of youths have been reached’. As none of the schemes could produce a baseline or pilot report, there was a lack of specificity and comparison with the baseline status.

1.4 Structure of the report

Following on this introductory section (Section One) of the study is Section Two which presents trends analyses to highlight the youth labour force dynamics. Section Three provides a literature review to identify possible causes and the manifestations of labour market problems in the other countries, to draw lessons for South African context. Section Four outlines the methodological approach that was followed and Section Five presents the results from the analyses. Section Six concludes the study and advances recommendations.

Section Two: Youth Labour Force Dynamics and Trends

2.1 Introduction

Evaluating youth employment schemes and those designed to prevent retrenchment requires a panoramic view of labour outcome dynamics, which includes trends and transitions and this report highlights key features of youth labour outcome trends and transitions from 2008 to the first quarter of 2021 using quarterly labour force data obtained. To avoid any ambiguity, this report adopted the South African Youth Policy's definition of youth as persons between the ages of 14 and 35 (South African National Youth Development Agency Act, No.54 of 2008¹). Statistics South Africa² acknowledges that there are various definitions of youth across the globe but defines youths as those aged between 15 and 34 years. The issue of definition is a critical matter, as it drives the statistics that are observed. Of concern generally is the lack of consistency in the application of the definition. For example, the National Youth Policy definition, as extracted and presented hereunder, reads:

The NYPs 2009, 2015 and 2030 define young people as those aged between 14 and 35 years. Although much has changed for young people since the advent of democracy in 1994, the motivation for the age limit of 35 years has not yet changed due to the need to fully address historical imbalances in the country. This youth definition is consistent with the one contained in the African Youth Charter as those between 15 and 35 years (African Union Commission, 2006). According to Statistics South Africa (2019), youth aged between 15 and 35 years constitute over 37 % of the country's population (20 640 722).

Source: National Youth Policy 2020-2030

¹ <https://www.gov.za/documents/national-youth-development-agency-act>

² <http://www.statssa.gov.za/?p=14415> accessed on 21 January 2022

The various definitions of term- YOUTH are presented hereunder.

1. In South African law, youth is defined as individuals aged BETWEEN 14 and 35.
2. In South African policy, youth is defined as individuals aged BETWEEN 14 and 35.
3. For statistical purposes, Statistics South Africa defines youth as individuals who are aged from 15 to 34 years, which possibly emanates from the interpretation of the word 'BETWEEN' used in law and policy. The StatsSA definition does not include the boundaries; at the lower end 14-year olds and the upper limit 35-year olds. As a result, the labour force is defined as those 15 to 64-year olds who are employed. Key statistics for youth such as those generated by the Quarterly Labour Force Survey pertain to 15-34-year olds.

Although the statistics in this report refer to the 15-34-year old group, the report, which considers the youth ecosystem, defines youths as 14 to 35-year olds so that recommendations are in line with law and policy. Based on the 2011 Census, 8.16% of the youth population will be excluded if ages 14 (4.67%) and 35 (3.49%) are not included in the definition. Figure 2.1 show that discouraged work seeks and unemployed dominate in the 20-25 age group, with persistence of unemployment rate until 35 years.

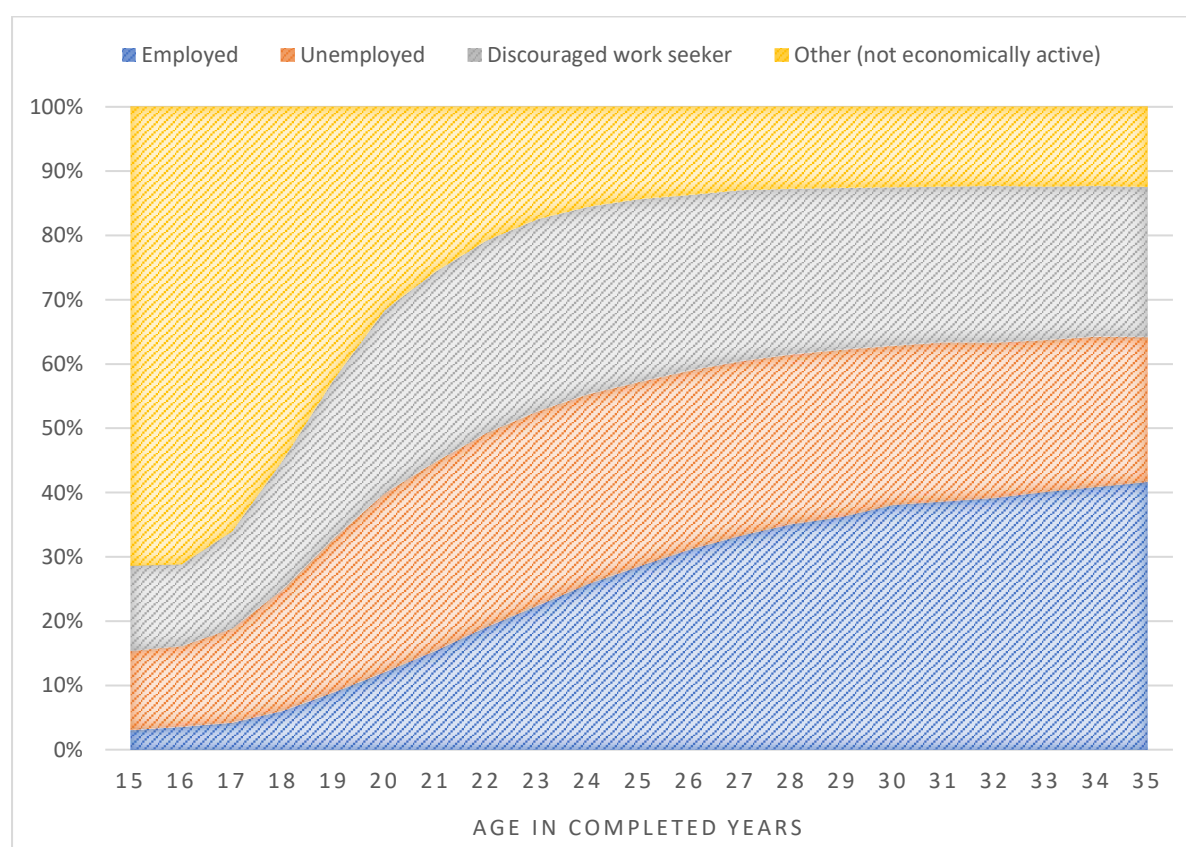


Figure 2.1: Employment status by age in completed years

Source: Own computation, data sourced from Statistics South Africa Quarterly Labour Force Survey (2019 Q4)

2.2 Trends and Transitions

Trend analyses of youth labour outcomes (using quarterly labour force survey data from 2008 to 2021) are presented in Figures 2.2 and 2.3. The youth population (from Figure 2.2) has been increasing gradually from approximately 18.2 million in 2008 to approximately 20.5 million in the first quarter of 2021, which is approximately 12.6% growth over the period, which translates to a 1% (182 000) annual growth. This implies that, under the assumption of full employment for all youth in any given period or base year, an additional 182 000 jobs need to be created annually to match the growing youth population to avoid youth unemployment. Figure 2.2 shows that while unemployment growth remained steady over the period before the first quarter of 2020, the non-economically active youth (those who became discouraged and those who, for whatever reason, did not wish to work) was astronomically high. The number of employed youth was sporadic over the period under review but sharply declined from the first quarter (5.8 million) to the second quarter of 2020 (4.8 million), implying that 1 million jobs were lost within 3 months. This has never been reversed. This is arguably due to the outbreak of COVID-19, which resulted in the temporary or permanent closure of many businesses and the retrenchment of workers. The sharp increase of non-economically active youth from the first quarter (10.1 million) to the second quarter (13.1 million) of 2020 can be explained by the discouragement of the previously employed and unemployed youth (Figure 2.2). A bold step is required to reverse the trend through strategic employment schemes.

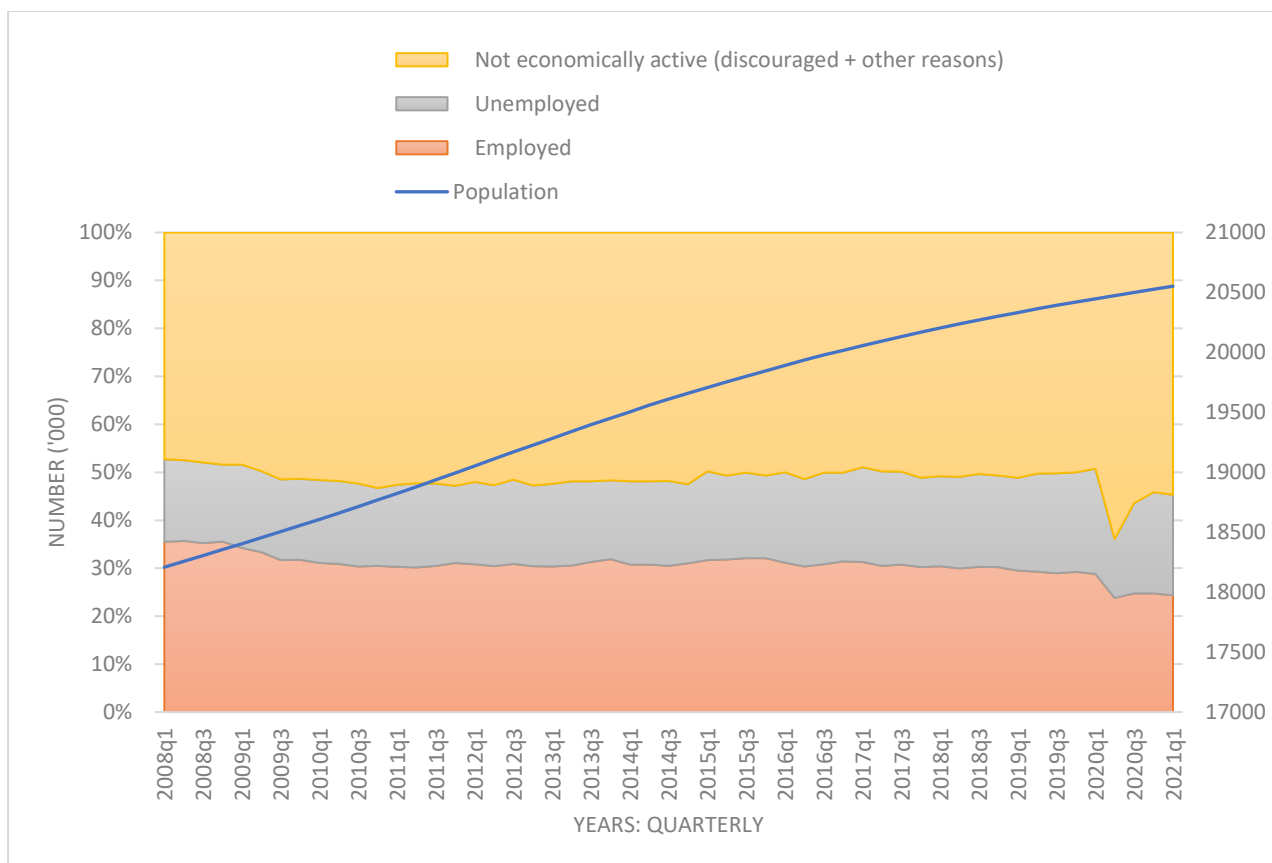


Figure 2.2: Youth Employment Status: Trend (2008-2021)

Source: Statistics South Africa quarterly labour force survey data from 2008 to 2021

Figure 2.3 presents the employment rate (ratio of the employed youth to the total youth population, also known as the absorption rate), unemployment rate and labour participation rate. A notable feature of this figure is that the employment rate is on a downward trend while the unemployment rate's trend is inversely upwards. The employment rate, which was recorded at 36.8% in 2008, dropped to 29.3% in the fourth quarter of 2019, to 23.8% in the second quarter of 2020 and later dropped to 24.3% in the first quarter of 2021.

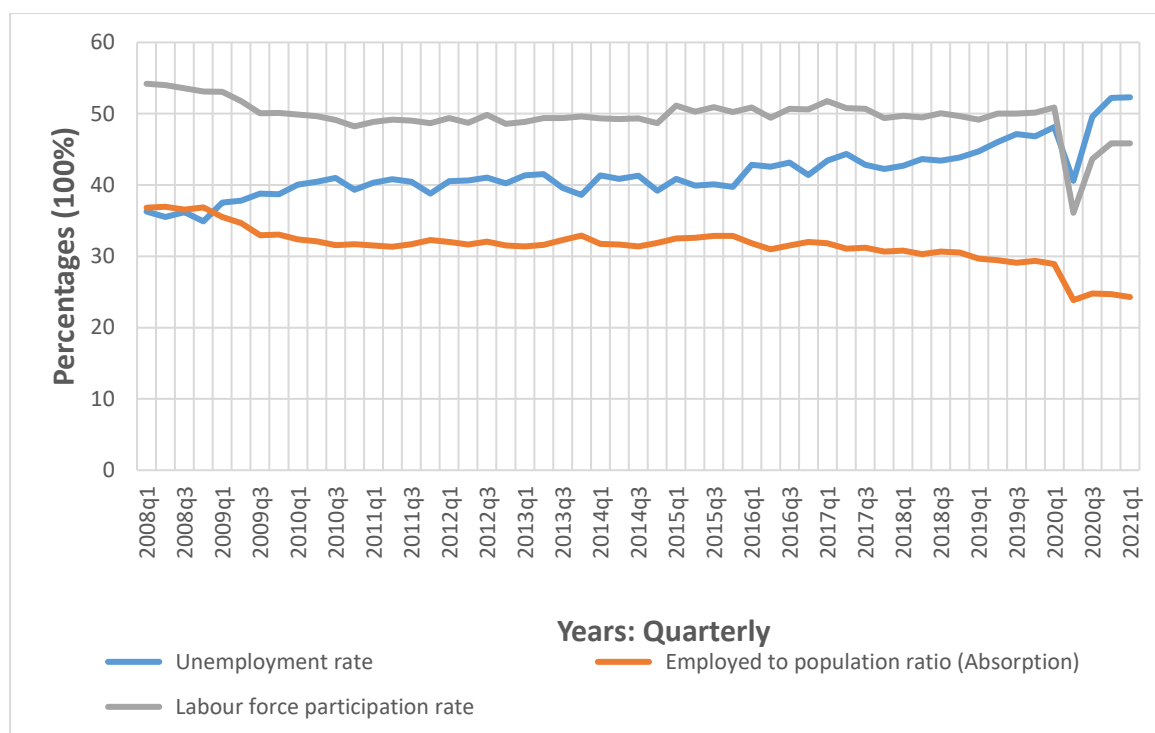


Figure 2.3: Labour Force, Employment and Unemployment Rates for the Youth Population: Trend (2008-2021).

Source: Statistics South Africa quarterly labour force survey data from 2008 to 2021

2.3 Labour Market Dynamics in South Africa (2019) -

Tables 2.2 to 2.11 present the labour market dynamics for the youth in South Africa. The analyses took into consideration those aged between 15 and 34 years who at that time were not attending school/training. Table 2.2 indicates that the majority of the individuals (57.8%) were unemployed, discouraged or not economically active.

Table 2.2: Employment Status

Employment status	Frequency	Percentage	Cumulative percentage
Employed	26832	42.10	42.10
Unemployed	18371	28.83	70.93
Discouraged job seeker	7560	11.86	82.79
Other - not economically active	10969	17.21	100.00
Total	63732	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

According to table 2.3, the most commonly cited reasons for not working were related to family considerations such as childcare; mainly in the case of women. Health was the second most common reason for not working. This emphasises the importance of health interventions in

reducing youth unemployment. Health problems were also cited as a major reason for school absenteeism. A comprehensive national health system may contribute to addressing this problem. This point indicates the need to look at the youth's ecosystem holistically rather than in a piecemeal fashion.

Table 2.3: Reasons for Not Working

Reason for not working	Frequency	Percentage	Cumulative percentage
Scholar or student	1087	11.96	11.96
Housewife/homemaker (family considerations/childcare)	4385	48.25	60.20
Health reasons	1154	12.70	72.90
Retired or too old to work	23	0.25	73.15
No desire to work	593	6.52	79.68
Too young to work	313	3.44	83.12
Pregnancy	266	2.93	86.05
Disabled or unable to work	521	5.73	91.78
Unspecified	747	8.22	100.00
Total	9089	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

One of the reasons for low levels of employment is education status. Only 10.95% had post-secondary school education in 2019. Furthermore, only 52.41% of the youth had completed secondary education, which indicates that intervention measures to reduce youth unemployment with regards to skills development need to be initiated at an early stage, including interventions in the education system.

Table 2.4: Education Status

Education Status	Frequency	Percentage	Cumulative percentage
No schooling	700	1.10	1.10
Less than primary schooling completed	2680	4.19	5.29
Primary schooling completed	2211	3.46	8.75
Secondary schooling not completed	27963	43.76	52.51
Secondary schooling completed	22836	35.74	88.24
Tertiary education	6995	10.95	99.19
Other	518	0.81	100.00
Total	63903	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Table 2.5 shows that most of the unemployed youth had been searching for employment for more than 5 years with more than 70% searching for employment for more than a year. This is an indication of persistent unemployment that could be explained by a lack of the appropriate skills required in the labour market as well as information asymmetries. It is imperative to understand

that looking at the demand side data collated by the DEL, job vacancies are sometimes re-advertised several times, which may indicate information asymmetries within the labour market and/or skills mismatches.

Table 2.5: Period of Employment Search

How long have you been trying to find work?	Frequency	Percentage	Cumulative percentage
Less than 3 months	1995	10.86	10.86
3 months - less than 6 months	1220	6.64	17.51
6 months - less than 9 months	962	5.24	22.75
9 months - less than 1 year	1229	6.69	29.44
1 year - less than 3 years	4700	25.60	55.04
3 years - 5 years	2999	16.33	71.37
More than 5 years	5165	28.13	99.50
Do not know	92	0.50	100.00
Total	18362	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Table 2.6 shows that before seeking employment, the majority of the youths were employed. This highlights the low level of employee retention and the effects of retrenchments.

Table 2.6: Activity Before Searching for Work

Activity before searching for work	Frequency	Percentage	Cumulative percentage
Working	7652	41.67	41.67
Managing a home	3761	20.48	62.16
Attending school	6784	36.95	99.10
Other	165	0.90	100.00
Total	18362	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

The youth are usually the first workers to be retrenched, possibly due to low levels of skills and experience. This is supported by Table 2.7, which indicates that over 80% of the youth stopped working due to loss of employment. Schemes that promote employee retention are indeed critical, given this finding.

Table 2.7: The Main Reason You Stopped Working

Main reason you stopped working	Frequency	Percentage	Cumulative percentage
Health reasons	345	3.19	3.19
Caring for own children/relatives	214	1.98	5.17
Pregnancy	398	3.68	8.84
Other family/community responsibilities	76	0.70	9.55
Attending school	80	0.74	10.28
Lost job/job ended/laid off/business sold/closed down	8721	80.59	90.87
Changed residence	107	0.99	91.86
Dissatisfied with the job	693	6.40	98.26

Retired/too old to work	5	0.05	98.31
Other	183	1.69	100.00
Total	10822	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Tables 2.8 and 2.9 show that most individuals are willing to work. Close to 75% indicated that the lack of jobs in their area was the main reason for not seeking employment and over 99% indicated that they would accept employment if offered. The foregoing statement would appear to indicate that job searches occur only within the local area (possibly due to limited access to technology to access information about job opportunities in other areas). If youths cannot be mobile in their search for employment, then technology can provide information about opportunities across the country, thus enabling the appropriate and timely matching of a job seeker with a prospective employer. Therefore, interventions that promote labour mobility are vital for reducing unemployment, as the analysis suggests that most individuals search for employment close to their residential area.

Table 2.8: Reason for Not Looking for Work or Starting a Business

Reason for not looking for work or starting a business	Frequency	Percentage	Cumulative percentage
Awaiting seasonal work	128	1.35	1.35
Waiting to be recalled to a former job	63	0.67	2.02
Health reasons	107	1.13	3.15
Pregnancy	31	0.33	3.48
Disabled or unable to work (handicapped)	14	0.15	3.63
Housewife/homemaker (family considerations/childcare)	670	7.09	10.72
Undergoing training to help find work	62	0.66	11.38
No jobs available in the area	7068	74.80	86.18
Lack of money to pay for transport to look for work	525	5.56	91.73
Unable to find work requiring his/her skills	198	2.10	93.83
Lost hope of finding any kind of work	296	3.13	96.96
No transport available	2	0.02	96.98
Scholar or student	46	0.49	97.47
Retired/too old to work	1	0.01	97.48
Too young to work	18	0.19	97.67
Other reason	220	2.33	100.00
Total	9449	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Table 2.9: Acceptance of a Job if Offered

Accept job if offered	Frequency	Percentage	Cumulative percentage
Yes	27639	99.38	99.38
No	168	0.60	99.99
Do not know	4	0.01	100.00
Total	27811	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Table 2.10 shows that most of the youth (96.83%) worked for pay. Only approximately 3% were entrepreneurs that either employed other individuals or own-account workers. Entrepreneurship intervention schemes are of paramount importance to encourage the youth to innovate and create employment opportunities for themselves and others.

Table 2.10: For Whom Did You Work?

For whom did you work?	Frequency	Percentage	Cumulative percentage
Worked for someone else for pay	10479	96.83	96.83
An employer (employing one or more employees)	66	0.61	97.44
Own account worker (not employing any employees)	266	2.46	99.90
Helping without pay in a household business	11	0.10	100.00
Total	10822	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

Of interest is the decency of employment for the youths. This can be deduced from whether or not the employment enables the deduction of UIF, which ensures that the youth is insured should such employment cease. Table 2.11 suggests that most of the youth were in formal employment with over 60% indicating that they contributed to the Unemployment Insurance Fund (UIF). However, a significant portion (37%) did not have such deductions. These could have been underpaid or employed in informal set-ups, which could have posed health risks.

Table 2.11: UIF Deductions

UIF Deductions	Frequency	Percentage	Cumulative percentage
Yes	14287	60.70	60.70
No	8688	36.91	97.61
Do not know	562	2.39	100.00
Total	23537	100.00	

Source: Statistics South Africa Labour Market Dynamics, 2019

2.4. Section Summary

The section presented an overview of how realities faced by youths within the labour market, what factors can possibly explain unfavourable outcomes. The trends revealed that the youth population growth between 2008 and the first quarter of 2021 was 12.6%, which requires the creation of an additional approximately 182 000 jobs per year specifically for youths, to avoid high youth unemployment. The succeeding section provides a literature review to highlight the causes of unemployment among the youth and the effects of interventions in the labour market.

Section Three: Literature Review

3.1 Introduction and Background

Economic prosperity is a result of full employment and the efficient utilisation of resources within the economy, including human resources (labour). The employment of individuals helps to achieve economic prosperity as production increases while at the same time individuals and households earn an income to afford their desired standards of living. The employment creation and employment growth nexus are of interest to governments and all stakeholders, especially considering the possibility of improving conditions for the working poor (ILO, 2015). It is therefore imperative to understand the labour market, its structure and overall dynamics.

The quantity and quality of labour are important for productivity and overall innovation within the economy but labour is not always fully utilised and South Africa is known globally for its low utilisation of labour, especially among the vulnerable groups (Loewald, Makrelov & Wörgötter, 2021). Vulnerable groups are those at the transitioning point from school to work (youths) and those generally marginalised by other circumstances such as gender, rural living and disability. According to the International Monetary Fund (IMF) (2020), inactivity is concentrated among young, under-skilled, black South Africans, a situation that has not changed for a long time (OECD, 2019). Unemployment figures reported by Statistics South Africa (StatsSA) (2021) reveal that for the 2021 1st quarter (Q1), the official unemployment rate was 32.6%, with the rate among youths (15-34 years) at 46.3%. This loosely translates to one in every two young people remaining unemployed despite actively looking for work and wanting to work in the first quarter of 2021. Considering the employment rate, 24.4% of the youth had jobs and 45.3% of them participated in the labour market.

When youth is defined by United Nations standards (aged 15–24 years), a greater vulnerability was observed in an unemployment rate of over 63%, an absorption rate of only 7.6% and a labour force participation rate of 20.6% (StatsSA QLFS, 2021Q1³). In a competitive and efficient labour market, the vulnerable individuals are enabled to compete with individuals who are not considered to be vulnerable (the totality of labour force), with the competition becoming stiffer and opportunities more limited. These figures are worrisome, as South Africa does not promote an efficient labour market, which creates an environment in which numerous social ills can manifest.

³ <http://www.statssa.gov.za/?p=14415>

The labour market dynamics that apply to youths was therefore of interest to this study. According to the United Nations, youths are individuals aged from 15 to 24 years⁴ but different countries employ different definitions. The African Youth Charter defines youths as anyone aged 15 - 35 years (African Union, 2006⁵). This is not of concern because the UN's operational definition should not prejudice member states' definitions⁶. These differences in definition, however, have statistical implications and one should exercise caution when comparing labour market outcomes across countries. The definitions of outcomes such as unemployment are based on the workforce (working age; employed or unemployed but actively looking for work, etc.). This refutes the argument about why children aged 15 to 18 years, who are supposed to be in school, are included in the working-age population, citing the compulsory school attendance age as per the South African Schools Act, No. 84 of 1996.

Regardless of the definition, labour market outcomes for the youth have not been pleasing. For example, globally, youths aged 15-24 were three times less likely to be employed than their older counterparts (ILO, 2020⁷) and were hard hit by the COVID-19 pandemic (Gould & Kassa, 2020⁸). This is concerning, given that the demographic structure of many developing countries is such that young people represent an increasing share of the labour force (ILO, 2020). Many African countries boast of a demographic dividend, as the young population shifts into the labour force⁹ but this has become a ticking time bomb as idleness frustrates those young unemployed people (Caicedo & Seibold, 2020). South Africa is not an exception to this threat given its the increasingly high rate of unemployment among youths. The problem is ubiquitous, with most middle-income countries suffering from persistently high youth unemployment rates (Pieters, 2013¹⁰; Kabbani, 2019¹¹), while in low-income countries, precarious and informal jobs are easily attainable but undesirable and unlikely to ensure satisfactory employment (OECD, 2015; Feng, Lagakos & Rauch, 2017).

⁴ General Assembly on International Youth Year (A/36/215, para. 8 of the annexure) and endorsed in ensuing reports (A/40/256, para. 19 of the annexure).

⁵ <http://www.africa-union.org/root/ua/conferences/mai/hrst charter%20english.pdf>

⁶ The United Nations, for statistical purposes, defines 'youth' as those persons between the ages of 15 and 24 years, without prejudice to other definitions embraced by the Member States.

⁷ ILO, 2020. Global Employment Trends for Youth 2020: Technology and the future of jobs; International Labour Office – Geneva: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_737648.pdf

⁸ <https://www.epi.org/publication/young-workers-covid-recession/>

⁹ <https://www.visualcapitalist.com/worlds-youngest-and-oldest-countries/>

¹⁰ https://ftp.iza.org/report_pdfs/iza_report_58.pdf

¹¹ <https://www.brookings.edu/research/youth-employment-in-the-middle-east-and-north-africa-revisiting-and-reframing-the-challenge/>

It is therefore imperative for every country to intervene in the labour market to achieve desirable outcomes, mainly to reduce inactivity (Barnard, 2010) and friction. The possibility of this was seen in the case of Algeria; based on African Development Report 2015¹², for youths aged 15-24 years, Algeria's unemployment was around 52% in 2000 and dropped to about 25% by 2013. In contrast, based on the same report, South Africa's 15-24 youths group unemployment was around 45% and went up to about 56% over the same period. Algeria therefore moved from being the country with highest youths (15-24 years) unemployment in Africa in 2000 to being out of top 10 of that record; with South Africa moving the opposite direction to being the one with highest unemployment rate. The expectation is that such interventions should reverse undesired labour market outcomes such as prolonged search time (friction), a high rate of unemployment and indecent work environments, among other ills. For South Africa, the outcomes have persistently been unfavourable, which is worrying (Ebrahim & Pirttilä, 2019; StatsSA, 2021; Leowald et al., 2021). It was against this backdrop that this comprehensive review was undertaken to reflect on the design, implementation and scalability of effective initiatives.

This part of the report presents a critical, high-level review of pertinent literature to identify the possible causes and manifestations of the labour market problems witnessed in South Africa. Several reasons have been hypothesised and some caveats are worth stating at this point.

- i. The number of people in the labour force without commensurate absorption and utilisation is too high.
- ii. A high-quality labour force is critical to reduce frictions in job searches and ensure increased productivity and innovation.
- iii. Understanding transition into and out of the labour force is essential to improve absorption.
- iv. Promote fair and equal treatment taking note of factors such as same pay for work of same value and equal opportunities to grow careers.
- v. Labour force outcomes must be tracked.
- vi. Youths are generally innovative.
- vii. Youth are in the transition from school to work and in their family structures (from living with family to living on their own/starting their own family).

¹² <https://www.afdb.org/en/documents/document/african-development-report-2015-growth-poverty-and-inequality-nexus-overcoming-barriers-to-sustainable-development-89715>

- viii. High participation of youths (15-24) in the labour market as a proportion of the total of that age group may indicate a poor education system.

The labour market dynamics are summarised in Figure 3.1 hereunder.

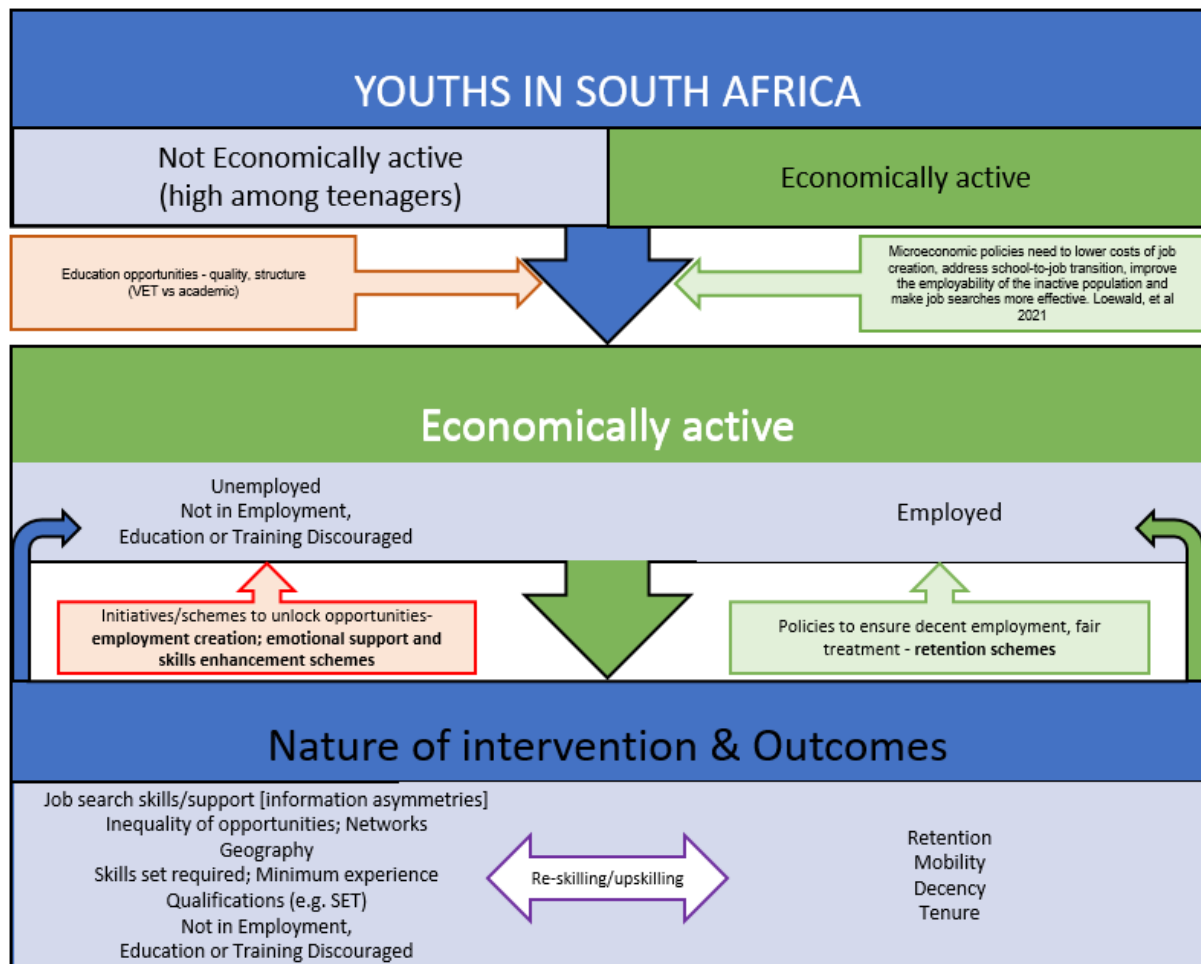


Figure 3.1: Labour Market Dynamics Typology for Youths

Source: Authors' creation

3.2 Youths in the Labour Market

Understanding the youth employment ecosystem is critical and in doing so the following should be established: who are the key stakeholders and what actions can each stakeholder take to realise improved outcomes and to prevent negative trends (or outcomes)? Leowald et al. (2021) report that due to high unemployment among youths in South Africa there is a large labour utilisation gap, which reflects the extreme rate of unemployment of black school leavers who do not continue with university studies. The critical age of activating labour market participation is therefore at the transition from school, between the ages of 18 and 24 (Deon & Fox, 2014 - for sub-Saharan Africa;

Usman et al., 2021- for Japan). Some scholars have attributed the high levels of unemployment in this age category, in the case of South Africa, to the substantial increases in labour force participation since the fall of apartheid, which has occurred for almost all groups but particularly among young black women (Levinsohn & Pugatch, 2014) because the new entrants tend to be less skilled than those already active in the labour force. Worth noting is that labour market outcomes at an early age tend to shape an individual's trajectory in the labour market going forward (Rankin & Roberts, 2011), hence the concern to understand the dynamics of labour market outcomes for the youth.

Once one is economically active, opportunities need to be available to be absorbed into employment. Without such opportunities, youths remain unemployed and if not engaged in education or training (NEET) may become discouraged by a fruitless search for employment (Rietveld, van der Burg & Groot, 2020). According to the International Labour Organisation (ILO, 2017; 2020), when young people are NEET, they are unable to develop skills that are valued in the labour market, which reduces their future employment prospects and, in the long run, prevents their respective countries from achieving sustained economic growth and improved social cohesion (Deon & Fox, 2014). Diverse initiatives are needed to cater for the diverse problems within the labour market and this requires a deeper understanding of the ecosystem and how each problem manifests. Equally so, the employed may require support to remain employed or for upward mobility within the job market - an element of efficiency discussed in more detail later.

The OECD (2002) refers to labour market dynamics (LMD) as the changes to jobs that occur because of entries into and departures from economic activities that are affected by hiring and the establishment and closure of employment activities. Labour market dynamics analysis is preferred to a statistic and partially informative employment rate (Barnichon et al., 2012), as it enables a deep understanding of the labour market's functioning (Fiaschi & Tealdi, 2021). Italy is one of the economies considered to have approached negative labour market outcomes from a holistic point of view in the 1990s and early 2000s, resulting in employment and labour force participation rates increasing and the unemployment rate dropping. Some of the challenges encountered with labour market outcomes are discussed hereunder.

Although education has been cited as a positive determinant for employment, high unemployment amongst the educated youth can be a result of a skills mismatch. In Singh's (2019) study the majority of businesses that were surveyed struggled to fill positions due to the youth having inappropriate skills. The oversupply of graduates with qualifications in the arts stream contributes

to the phenomenon of a mismatch between labour demand and supply (Zudina, 2021). The mismatch of skills is the main problem in developed countries while a lack of education is the main problem in developing countries, which was demonstrated by case studies in Russia and Ethiopia (Singh, 2019, Zudina, 2021). For Ethiopia, lack of information and networking were other identified challenges. Singh (2019) links youth unemployment to ineffective policies and unconducive business environments and although a lack of training is cited as a contributor to youth unemployment, Singh (2019) posits that training programmes are often inappropriate, especially during economic crises. He argues that they tend to work better during periods of economic expansion and posits that employment subsidies are more beneficial in creating and retaining employment.

3.2.1 Reservation wage

Wage reservations, defined as minimum wages that a worker require before they participate in the labour market, are cited as one of the contributing factors to skilled youth job seekers remaining unemployed. Vaselescu and Begu (2019) opine that youths with qualifications are less likely to accept job offers with low wages and as a result risk remaining unemployed. They cite South Africa as one of the countries with such characteristics. In Romania, as reported by Vaselescu and Begu (2019), youths without qualifications accept all jobs, as they know that they do not have the skills to compete with well-qualified counterparts. Limited knowledge about how the labour market works is viewed as a constraint to the decisions made by educated youths. In addition, a lack of information about employers' needs and the global economy fuels unrealistic wage expectations. Wage reservations for youth graduates who may remain unemployed for a long period are detrimental, as they may miss out on learning soft skills that would be beneficial in career-related preferred jobs. A study of term employment (Roberts & Li, 2017) proved that low-paying jobs outside youths' career prospects can help with communication, interpersonal and teamwork skills.

Levinsohn and Pugatch (2014) found that 26% of those with complete spells and non-missing wage data report reservation wages that exceed their reported wage, implying that they are accepting job offers below their reservation wage. This likely increases as the country's unemployment remains persistently high and increasing. Reservation wages are argued to be heterogeneous, being generally low among females in general and blacks in particular. Demographics such as age (Brunel, 2014) and family structure were found to affect the reservation wage with those that are older and those that have a 'desperate need for money' at home lowering their reservation (Levinsohn & Pugatch, 2014; Malk, 2014). Literature notes that when school fees

are not subsidised, the reservation wage for women is significantly high (see Dildar, 2010 in the case of Turkey).

In the case of North Macedonia, a country with high youth unemployment at levels comparable to South Africa - 49.5% (North Macedonia SSO, 2016), Kochovska (2019) argued that the reservation wage is an issue that is closely related to the unemployment rate, unemployment duration and placement of workers in the labour market. In general, higher education is associated with lower unemployment duration and therefore a higher reservation wage (Addison et al., 2013; De Coen, 2015). However, unemployment, which can be even higher among highly educated people, generally lowers reservations. In the case of South Africa, Malakwane (2012) notes that nowadays individuals are actively looking for jobs and mentally prepare themselves for any kind of job provided at any level of wage. Initiatives to introduce youths to the labour market assist in gauging wage expectations, as through experience one revises one's reservation wage, which opens opportunities for negotiating for a fair wage rather than accepting just any offer (Şenturk, 2015). Krueger and Mueller (2014) dispute the relationship between unemployment duration and reservation wage.

India has managed to raise the reservation wage among rural folk and those from low social class through the National Rural Employment Guarantee Act of 2005, which assures the right to work for 100 days a year in rural India, applies minimum wage and covers a large number of women and workers in lower social groups (Cacciamali, 2015). Coupled with rural-urban migration, the reservation wage was raised in rural areas.

Understanding the reservation wage is important when deciding to intervene in the labour market. Engbom & Moser (2021) noted that in Brazil a higher reservation wage was noted to render the minimum wage intervention ineffective. It is important to note that youths are not a homogenous group, as assumed by the majority of interventions. Diversity within this group needs to be given fair consideration (Elias et al., 2018; Bossenbroek & Zwarteveen, 2015).

3.2.2 The efficiency of labour markets in RSA

Using the Cape Area Panel Study (CAPS), Lam, Leibbrandt and Mlatsheni (2009) document the lengthy unemployment spells faced by Cape Town youth who exit the school. The market should be easy to enter, should place an individual appropriately (at the right graduate-level and reward scale) and retain and allow the mobility of labour both vertically and horizontally. The absence of these aspects is an inefficient labour market, an outcome highly attributable to information

asymmetries (Carranza & Pimkina, 2018). Mobility benefits have been realised in China, which made the Chinese economy more resilient in taking advantage of the differences across provinces (World Bank, 2020). The direction of mobility from region to region tends to gravitate towards return-to-home regions based on the *Hokou* system to benefit from other support systems such as healthcare, which is provided based on that registration system (Kemp & Spearritt, 2021). The *Hokou* system, therefore, serves as an indirect control of where people live and work.

An efficient market generates complete information and allows it to easily spread among all market stakeholders. Kahn (2013) found that there are asymmetries between employers—when a worker leaves one employment for another, the current employer is fully informed about the worker's performance, but the prospective employer does not have such knowledge. Prospective employers often gauge ability from the number of years in employment, as this is a gauge for experience (Dokko, Wilk & Rothbard, 2009; Xu et al., 2018). Letters of reference/recommendation are often superficial/exaggerated (Ryan & Martinson, 2000). Bok (1978) asserts that "...in the harsh competition for employment and advancement, such a gesture is natural. It helps someone, while injuring no one in particular...". The reality is, however, that this practice is damaging to the market in many ways (Beller & Stoll, 1997; Ryan & Martinson, 2000). To what extent will the interventions to address information asymmetries by providing a letter of recommendation be effective? What are the views of employers about the relevance of letters of recommendation in informing their hiring decisions? This is complicated by an underperforming individual claiming 'good results' from teamwork or overall organisational performance (individual competencies cannot be isolated) and that the less productive workers often leave employment (Kahn, 2013). An organisation must be able to identify and measure each employee's critical skills for relevant retention strategies (Sun, Zhuang & Zhu, 2021). Abel, Burger and Piraino (2020) noted that reference letters are rarely used in developing countries.

Inefficiencies increase the costs associated with a job search (travel, internet, stationery, interview costs) and filling a position (advertising, recruitment and placement). These costs are worsened by information asymmetries, as it takes time to match a job seeker with a firm requiring the job seeker's skills and qualifications. Studies have revealed two significant frictions faced by young people in the labour market. Job seekers are often unable to cover the costs of searching and applying for jobs. In large cities, this often implies extensive travel to acquire information about vacancies and apply for jobs and in recent times includes internet and telephony costs (which are significantly higher in Africa than elsewhere). For Africa, it was found that unemployment levels

are particularly high among urban youth living in geographically remote areas of towns (Franklin, 2018) and young people with only a high school education (Abebe, Fafchamps, Falco et al., 2019).

3.3 Factors Impacting Negatively on Youth Labour Market Outcomes

3.3.1 General lack of opportunities

Economic growth is associated with an increased number of employment opportunities; as the demand for goods increases, labour to produce more goods is required and the utilisation of labour leads to economic growth (ILO, 2017; NU. CEPAL & ILO, 2020¹³; Leowald et al., 2021). For this reason, it is estimated that if South Africa can achieve an average 7% GDP growth per annum and there is match between labour supply and demand, unemployment will be reduced by more than 30% to below 15% per annum (South African National Development Plan, 2013). However, such growth was last seen in the 1960s and remains a pipe dream (the highest growth since 1994 was 5.6% in 2006).

Countries that have achieved high growth rates have witnessed a reduction in unemployment and although economic growth alone does not create jobs¹⁴, it is generally considered to be the best intervention for favourable labour market outcomes. South Africa has a job creation capacity of 0.6% for every 1% growth in the economy. It is noted that in South Africa, Australia and Canada, a 1% increase in GDP is matched by an increase in employment of 0.6% or higher, while there is virtually no response of employment to growth in China, Indonesia and Turkey¹⁵.

Initiatives to register sustainably high levels of economic growth are required for employment creation in South Africa but growth has been slow over the years. The possible interventions for economic growth to attain the required level are critical factors in indirectly resolving the labour market dilemma. This problem was aggravated during the COVID-19 pandemic when South Africa registered a higher than 7% shrinkage. Fedderke (2012) notes that in South Africa job losses are rapid and sustained even in the presence of mild exogenous shocks – shocks such as COVID-19 are likely to make a significant dent in labour outcomes in an inefficient market. Lockdown and other restrictive measures destroy existing employment relationships that cannot be easily restored during the recovery phase. Generally, youth are particularly vulnerable to the shocks caused by the

¹³ https://repositorio.cepal.org/bitstream/handle/11362/42251/1/S1700892_en.pdf

¹⁴ <https://www.ilo.org/global/topics/dw4sd/themes/employment-rich/lang-en/index.htm>

¹⁵ <https://blogs.imf.org/2016/11/09/the-evidence-that-growth-creates-jobs-a-new-look-at-an-old-relationship/>

COVID-19 pandemic, as they work in less formal environments and hold more casual jobs. Lessons from other countries such as China are worth noting.

In the wake of COVID-19, China enjoyed a first-mover advantage as well as benefits from the dualism of their labour market (urban versus rural and the great mobility between the two) (National Bureau of Statistics, 2021). China's relaxation of the *Hokou* system¹⁶ facilitated mobility (Cai, 2018). In general, this relates to a discussion about the role of administrative data presented later in this report. When a hard lockdown was imposed in China, some urban workers migrated to the rural areas where they could obtain some work, (which exerted pressure on the rural economies), then when the whole world manufacturing sector was going into lockdown, China was in a position to re-open by tapping into the global demand spilling out of boundaries for many economies due to lockdowns (Liu, 2021). China focused on keeping business (mainly the small and medium enterprises in the service sector) open by extending concession loans and minimising the cost of doing business (IMF, 2021) to ensure that households had a labour income rather than providing social transfers. By keeping businesses open, the transition out of employment was limited. Job seeker support for those entering the labour market was provided (State Council of the People's Republic of China, 2021), targeting, for example, college graduates.

Barker (2015) asserts that small enterprises and the informal sector represent a large portion of the total employment in many countries or have accounted for a significant portion of the total increase in employment opportunities in recent years. The role of small business in any economy needs no emphasis but it is often difficult to ensure compliance with legislation in this sector. In Turkey, it was noted by Değirmenci and İlkkaracan (2013) that women are concentrated in the informal small business sector with limited earnings, which reduces the reservation wage of women within the formal sector due to the threat of transitioning to the informal sector, or by the expectation of lower wages for women in general.

3.3.2 Factors impacting economic growth/jobless growth

Over the years, firms have turned to more short term and casual contracts because of strict labour legislation and an inflexible labour market (Bhorat, Lundall & Rospabé, 2002; Fedderke, 2012). Moleleki (2003) attributed these rigidities to the apartheid legacy and Fedderke (2012) posits that such rigidities became apparent when observing South Africa's recovery from the global financial

¹⁶ Household registration system that places significant limitations on domestic migration. One has to apply for approval from the local community before migrating.

crisis. Bhorat and Cheadle (2009) later argued that the rigidities should not be seen as binary and called for the integration of the legal and economic discourses.

As with previous crises, the growth in joblessness placed the youth at risk of losing critical formative work experience, which adversely affected their employment and earning prospects for the remainder of their lives (Kahn, 2010)¹⁷. It is for this reason that firms need to be preserved and assisted with liquidity to avoid stagnation and closure. Steenkamp (2015) posits that South Africa can address its structural unemployment problem by increasing economic growth and improving education and skills training.

Page (2012) holds that the ‘youth employment problem’ can only be addressed through overall job creation, as the problem came about as a result of the economy failing to create sufficient jobs¹⁸ to keep pace with labour force entry. For South Africa, the transition from apartheid to democracy was characterised by an increasing supply of labour due to the freedom of all to participate but the demand for labour stagnated, particularly for low-skilled workers (Banerjee et al., 2008). This vindicates the need to understand the entire ecosystem to find lasting solutions to youth unemployment. The structure of a country’s economy is pertinent because even with a small economy and low growth, some countries maintain a low rate of unemployment albeit the employment is largely seasonal in sectors such as agriculture. Examples of such economies are Burundi and Niger, which both had low unemployment rates of 0.5% in 2020 but their respective GDPs per capita were \$261.2 and \$553.9 in 2019 (World Bank, 2020). South Africa has one of the highest rates of unemployment in the region and beyond at 28.5% but the per capita income was significantly higher at \$6,001.4 in 2019. An aggregate level of socio-economic outcomes has often been used in South Africa to depict improvements since 1994, yet micro-level analysis proved otherwise and showed a large number of people living below the poverty line¹⁹. The underemployed and those in unhealthy working environments are counted among the employed, hence the need to bring qualitative dimensions to the employment opportunities. Banerjee et al. (2008) noted that due to the structural nature of unemployment in South Africa, it is unlikely to improve in the future without policy interventions.

¹⁷ <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/can-matching-soft-skills-yield-better-firm-worker-matches>

¹⁸ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/ADR15_chapter_5.pdf

¹⁹ https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_ZAF.pdf

3.3.3 Displacement effect of other factors of production

Recent debates have considered how technical improvement culminating in the Fourth Industrial Revolution (4IR) will affect the labour market. There is growing concern about the jobs and skills being made redundant, such as teller tasks (Ohene-Afoakwa & Nyanhongo, 2017), especially with the lack of critical skills held by the South African population. It is worth noting, however, that such technology is ushering in a host of other job opportunities (Ajibade & Mutula, 2020) to complement the improving technology. What matters, however, is the versatility of the workforce. Anyikwa, Mishi and Ncwadi (2021) found that technology advancement is increasing the demand for labour in the manufacturing and mining sectors but noted the displacement effect in the agricultural and services sectors. The new technology requires less labour, as several processes become automated. More labour is then demanded where the technology is developed and serviced. Youth in Uganda and many other African countries reportedly avoid the agriculture sector thereby prolonging the duration of their unemployment (Magelah & Ntambirweki-Karugonjo, 2014).

Data about the demand for labour indicates that jobs for professionals, skilled agriculture, forestry and fishery practitioners, craftsmen and tradesmen, technicians and associate professionals have the highest level of vacant posts re-advertised (13.76%, 13.58% and 12.51% respectively), above the economy average of 11.56% (Department of Employment and Labour, 2018²⁰). Usman and Tomimoto (2013) posit that unemployment may be created by job seekers having preferences for particular sectors and shunning others. The reasons for youths shunning the agricultural sector were identified by Usman et al. (2021) in the case of Japan as (i) a fascination with science and technology-related careers; (ii) love for city life; (iii) an exaggerated image of the losses associated with a sudden change in the weather patterns (water crisis posing a significant risk in South Africa's agricultural sector can make this fear more pronounced) and (iv) the financial constraints associated with starting a farming business (access to finance in South Africa has been cited in many discussions as a hindrance to development, especially among youths and women). The general mobility of labour has resulted in China's labour reallocation from agriculture to other, more productive sectors. Deon and Fox (2014) opine that the agriculture sector has the potential to unlock employment opportunities for youths.

It is necessary to ascertain which initiatives can bolster the adaptability of skills and labour, especially amongst youths in South Africa. Structural unemployment remains a critical element

²⁰ Data base developed from capturing all job advertisements in popular media – print and online

overall. According to Birchenall (2011), workers may find themselves unemployed because their skills are irrelevant and do not match the vacancies in the market. Market participants cannot adjust to market changes, which makes it difficult for the suppliers of labour to be employed (Birchenall, 2011).

3.3.4 Information asymmetries within the labour market

Many markets fail due to information asymmetries and related frictions and the labour market is one such market (Kar & Saha, 2011; Kahn, 2013; McConell, Brue & Macpherson, 2013). The efficiency of the labour market depends on how easily and cheaply complete information flows and is accessible to all stakeholders. For example, how easily job seekers can obtain complete information quickly and without cost about vacancies and be able to understand the requirements to enable a timeous response. On the supply side, it entails a firm seeking labour being able to obtain complete information quickly and without cost to gauge the competency/productivity of a prospective employee (Kar & Saha, 2011; Carranza & Pimkina, 2018).

Efficiency, therefore, begins with the complete, timely and costless pairing of the job seeker with the job offer. Such a search is often of a lengthy duration, costly and made redundant by factors such as nepotism and corruption. The technology aims to reduce search costs, as information can easily be gathered and distributed (Gürtzgen, 2021). This is a reason why some interventions in South Africa, such as the Youth Employment Services, include smartphones as a key element (YES, 2021). According to Humal (2013), market failures often relate to asymmetric information or the inflexibility of wages, which in theory are intermediaries in moving towards an equilibrium but might be a mismatch between labour demand and supply. This mismatch has been reviewed extensively with mixed outcomes (Leowald, et al., 2021).

Ge and Haller (2018) note that screening eliminates information asymmetry. In that context, Bonoli and Liechti (2014) posit that selecting candidates in the recruitment process is a task that involves uncertainty for employers and risks when the employment contract will be long term (permanent). The candidate's qualities cannot be effectively assessed with a job interview, as interviewees tend to exaggerate their positive qualities and downplay their less attractive qualities. The result is information asymmetry between the employer and the prospective employee. Rospigliosi, Greener and Bourner (2014) opine that when faced with information asymmetry and uncertainty, recruiters tend to turn to statistical reasoning and rely on easily observable signals to provide reliable information about the candidate's true qualities.

Agency theory informs that the prospective employer does not fully appreciate and understand (in a measurable way) the prospective employee's efforts and competencies. There is often hesitancy to hire a new person, hence the general requirement for even entry-level jobs of a minimum number of years of experience. This has been identified as a critical challenge in the labour market, especially with the transition of youths from school to work. A firm may decide to hire for the short term with a defined end date, implying that frictional unemployment will remain a problem. The lack of easily interpretable and measurable information about job seekers' skills sets are an important reason for this, as demonstrated in previous work conducted in South Africa²¹. In reality, firms are likely to be risk-averse in the face of uncertainty about an applicant's quality and safeguard their position by offering lower wages or choosing to not hire at all. Such practices can be rampant in markets in which labour legislation is rigid and makes separation nearly impossible. The acquisition of additional skills (mostly soft skills) and proof thereof can create opportunities for applicants to gain an advantage over other job seekers. Initiatives to offer youths the required proof of competency (work experience) are therefore central to unlocking labour market opportunities for young people. Youths, therefore, need to understand that such an opportunity would showcase their ability and smooth the transition from training to a job (Field, Musset & Álvarez-Galván, 2014). Worrisome, however, is that the absorption rate for graduate programme participants and interns is low compared to the German type of apprenticeship scheme (Leowald et al., 2011).

According to Grapsa (2017), South Africa is disadvantaged by a substantial shortage of skills because of its political history and the legacy of limited opportunities in the labour market. Mncwango (2016) posits that the presence of under-educated graduates may indicate that the education system is failing to find suitable career paths for graduates. Moreover, for developed and developing countries, a job mismatch exposes the inefficiency of the labour market, which leads to higher unemployment, reduced gross domestic product (GDP) growth and decreased productivity. Under-education is described as lower returns on education that prevent individuals from being offered enhanced wages (Grapsa, 2017).

Information asymmetry in the labour market may result in education being redundant and discouraging further investment in education. Domadenik et al. (2013) posit that skills are acquired on the job and not during education and as a result education is used as a predictor of employees' productivity and transferability. Mahy, Ryxc and Vermelyn (2015) opine that despite constantly

²¹ <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/impact-providing-information-about-job-seekers-skills-employment-south>

increasing investment in education, people either remain unemployed; settle for a low paying job or do something that is not in line with their studies. South Africa is not the only country that faces the problem of a skills mismatch, as this appears to be a global problem.

In equilibrating a market, labour must be mobile with minimum costs so that one moves from one unsatisfying job to the next with ease. However, when search costs are high, mobility is restrained and conditions of employment, on average, are less appealing, including under-payment. According to Sattinger (1993), the assignment theory builds on the idea that the labour market is composed of jobs and workers with many different skill and experience levels and that returns on additional investments in human capital depend in part on the match between the worker and the job. Dezelan, Hafner and Melink (2014) note that the theory asserts that workers prefer matching due to elevated perceptions of usefulness, control over their jobs and better wages while employers prefer it due to its maximisation of productivity and reduced turnover.

Based on assignment theory, both workers and firms play a role in allocating jobs to individuals (Munsech, 2017). The availability of information and balance between the two parties is critical. On that note, Montt (2017) found that approximately 40% of workers are mismatched by the field at their qualification level, 11% are overqualified in their field and 13% are overqualified and working outside their field. This is not a characteristic of low- to medium-income countries, as Li, Harris and Sloane (2018) revealed that over a quarter of Australian graduates were found to be mismatched. Occupation-specific qualifications have a higher matching rate.

Such outcomes have serious ramifications for a firm's performance, employees' career development, overall wellbeing and the labour market outcomes in general. Reports of earnings penalties were found for all forms of mismatch (Espisto et al., 2020; Mahuteau et al., 2016). The penalty for a mismatch was found to be heterogeneous across gender (Mahuteau et al., 2016), and highly probable across age, as it was found that a horizontal mismatch does not lower hourly wages for men while a vertical mismatch does. Espisto et al. (2020) found that mismatched workers are at risk of long-term unemployment, particularly among workers with higher education. The speed of transmission and quality of information remain the cornerstones for equilibrating the labour market, as limited information for firms can lead to poor hiring decisions, mismatched workers and driving wedges between wage offers and productivity (Altonji & Pierret, 2001; Arcidiacono et al., 2010; Farber & Gibbons, 1996; Kahn & Lange, 2014).

These hiring distortions can reduce both employment and average wages conditional on employment (Pallais, 2014). Firms decide if and whom to hire and at what wage based on factors

such as education and experience, while job seekers decide if they will search and for what types of jobs based on feedback on their performance in education and past work. The alignment of information is therefore critical for the market. It can be costly for job seekers to search for jobs in a market with incomplete or asymmetric information, as one searches for jobs that poorly match one's skills or withdraw from the search entirely (Belot et al., 2018; Conlon et al., 2018). This results in underemployment and/or discouraged work seekers. When both sides of the market receive credible information about job seekers' skills or past performance, these job seekers' outcomes in the labour market can improve significantly (Abebe et al., 2020a; Abel, 2019; Bassi & Nansamba, 2020; Pallais, 2014). Therefore, firms emphasise work experience as a form of proof of productivity. Initiatives to provide work experience are therefore noble, as frictions lead overconfident job seekers to reject job offers or lead underconfident job seekers to withdraw from the search entirely. The frictions are more damaging among young job seekers who cannot use prior work experience (due to the lack thereof) to learn about their skills or certify these skills to prospective employers.²²

These information problems may be particularly important in settings where hiring is less formal and education provides limited information about skills (Pritchett, 2013), as education is generally considered to be an indication of trainability but not of ability or skills. Limited information may exacerbate other frictions in developing countries' labour markets, such as high search and migration costs (Abebe et al., 2020b; Bryan et al., 2014; Franklin, 2017). Carranza et al. (2020) investigated how providing new information about job seekers' skills affects job search and hiring decisions and job seekers' labour market outcomes and found evidence that limited information about job seekers' skills distorts both firm and job seeker behaviour.

3.3.5 Credentials: qualifications, skills and experience

Young people often experience undesirable labour market outcomes when compared to older people, mostly due to a lack of formal credentials; prior work exposure; references; social networks and in some instances, professional/industry qualifications. This is exacerbated by information asymmetry in that the hiring firm will not be able to fully observe the job seeker's ability and to avoid risk, will not hire the individual (unless there is an incentive or related costs subsidy). Experimental research into interventions that aim to remove obstacles through active labour market policies (ALMPs) has shown limited promise (McKenzie, 2017). Disadvantaged job seekers

²² <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/impact-providing-information-about-job-seekers-skills-employment-south>

who lack credible proof of their ability, such as women (Abel et al., 2019; Beaman et al., 2018) or minorities (Witte, 2019) often struggle to access the available opportunities.

Perkins, Radelet, Lindauer and Block (2013) define education as the process of attaining knowledge and skills as investments in human capital; this allows the development of skills and knowledge to make workers productive in the production of goods and services. However, the theory argues that investment in education does not significantly increase workers' productivity but rather serves as a signal of productivity (Montt, 2015). Ge and Haller (2018) posit that firms do not have sufficient information about a worker's productivity and costs of signalling are negatively correlated with productivity. Sharma (2016) posits that signalling can easily lead to over education and exaggerate an existing occupational mismatch. Pudil, Komarkova, Mikova and Pribyl (2018) assert that the role performed by signalling in the labour market is vital because an employer has limited information about a potential employee and the applicant must attempt to prove that he/she has the desired capabilities. Education serves as a screening device for employers in the sense that it categorises individuals that have different abilities and carries vital information to employers (Patrinos & Savanti, 2014). Ghazarian (2015) notes that signalling theory focuses on the messages that education communicates in the labour market rather than the effect that education has on students.

The theory of human capital suggests that those that are overqualified and under qualified should be fundamentally productive in their jobs and that the gap in earnings should reveal the different levels of productivity (Montt, 2015). Chua and Chun (2016) state that a mismatch between the skills that workers possess and what jobs require can have consequences for productivity as well as social welfare, for example, over-educated workers may not experience job satisfaction, which can result in them being frustrated and could lead to absenteeism. Duraskovic and Radovic (2016) note that a mismatch leads to a decrease in the effectiveness of labour and inappropriate utilisation of the important factors of production. Montt (2015) notes that mismatches can be a result of incomplete information about the abilities of graduates and the characteristics of jobs offered by employers.

According to the DHET (2019), to encourage private investment in skills development, the Skills Development Act (SDA) of 1998 and the Skills Development Levies Act (SDLA) No. 9 of 1999 were enacted. The SDA introduced three new entities primarily responsible for the development of skills and training, namely the National Skills Fund (NSF), the National Skills Authority (NSA) and the Sector Education and Training Authorities (SETAs). SETAs were established for each

economic sector as part of the implementation of the broad National Skills Development Strategy (NSDS) to help achieve the NSDS's goals and develop the skills required by employers. Each SETA has the mandate to coordinate skills development within its sector, ensure that employees acquire the skills required by employers, enhance the skills of those already employed and ensure that training takes place in accordance with the standards specified within the relevant national framework.

Educational programmes' structure and content are important for unlocking labour opportunities. Vocational training has been touted to help smooth the transition from school to job given the experiential training component. This has raised questions about the structure of university qualifications, specifically that a three-year qualification should rather take four years, with the last year being experiential, as is already the case with Bachelor of Education qualifications in many institutions in South Africa. Leowald et al. (2021) report that countries with low youth unemployment, such as Germany, the Netherlands and Austria, have vocational education systems with a significant portion of in-work training. Employers perform a key role in channelling students towards these education tracks to progress into guaranteed employment after graduation. The quality of vocational training is regularly checked by boards with strong stakeholder (social partner) participation. The efficacy of the vocational education system in South Africa is yet to be determined, both the old and the new versions; available evidence indicates that the system is frowned upon and not up to the standards of those in the abovementioned countries (Murtin, 2013).

3.3.6 Legislative framework

There are several pieces of legislation within the South African labour market as well as other legislation and policies that are not strictly considered to be labour market policies but have a bearing on the labour market's functioning. For brevity, a summary is provided of the main legislation. Labour legislation in South Africa has been criticised by many for being too rigid (Bhorat et al., 2002; Moleleki, 2003; Aron, Khan & Kindom, 2008; Fedderke, 2012) with Fourie (2008) calling for a review of the legislation to protect non-standard workers or those in new forms of work. However, the same legislation is sometimes applauded for ensuring a decent work environment and protecting employees' rights. Fourie's (2008) sentiments are reflected in how the 2010 (DOL currently DoEL) Bills to amend South Africa's labour laws, namely the Labour Relation Amendment Bill, the Basic Conditions of Employment Amendment Bill, the Employment Equity Amendment Bill and the Employment Services Bill were criticised, only to

be enacted in 2014/2015 (Benjamin & Cooper, 2016). The pieces of legislation are argued to cause less demand for unskilled labour (Rodrik, 2008; Kingdon & Knight, 2007). The move to short-term and casual contracts by firms coincided with the implementation of the Labour Relations Act of 1995, the Employment Equity Act of 1998 and the Skills Development Act.

Legislation is necessary for the protection of human rights and dignity, as well as for governing the exchange of labour within the market. The South African labour market is shaped by the 1996 Constitution of South Africa and various pieces of labour legislation, inter alia, the Basic Conditions of Employment Act, No. 75 of 1997 (BCEA); the Labour Relations Act, No. 66 of 1995 (LRA); the Employment Equity Act, No. 55 of 1998 (EEA); the Skills Development Act, No. 97 of 1998 (SDA) and the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (B-BBEEA). This new framework for the labour market was shaped through a process of social dialogue that was institutionalised by the establishment of the National Economic Development and Labour Council (NEDLAC) in 1994. According to Benjamin and Cooper (2016), this was an appreciation that desirable labour outcomes are possible with a balance between economic and political forces.

There are many ways one can review the legislation related to the labour market but in this report, we choose to provide a summary²³ of related policies and key institutions. This was for brevity, as the detailed review of the pieces of legislation in line with scheme designs is presented in the evaluative sections of this report.

I. Programmes and policies

The Employment Services Act can be considered to be the foundation for the programmes and policies discussed hereunder.

Youth Employment Accord. This emerged from the New Growth Path (NGP), which is premised on the understanding of the need to restructure the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth. The Youth Employment Accord is the 6th of six Accords of the NGP under which the Expanded Public Works Programme, the Community Works Programme, the NARYSEC programme for rural development, the green brigade (Working for Water and Energy, Working on Fire and other

²³ In some cases, a direct extract of the Act is provided.

environmental protection and promotion activities), the health brigade, the literacy brigade and maintenance brigade fall.

The parties to this Accord agreed to implement a coordinated youth employment strategy from 2013 aimed at bringing young people into employment using a combination of strategies. Six commitments that dovetail with the majority of the schemes evaluated by the study were made.

- i. Commitment 1. **Education and training.** Improve education and training opportunities for the gap grouping between leaving school and first employment. This will help to reduce NEET and ensure that the young people remain engaged until employment is activated.
- ii. Commitment 2. **Work exposure.** Connect young people with employment opportunities through, amongst others, support for job placement schemes and work readiness promotion programmes for young school leavers and provide young people with work experience. Schemes include internships and youth employment services that are geared towards realising this commitment.
- iii. Commitment 3. **Public sector measures.** Increase the number of young people employed in the public sector by coordinating and scaling up existing programmes under a ‘youth brigade’ programme coordinated with the National Youth Service Programme. This is discussed in more detail under national youth policies.
- iv. Commitment 4. **Youth target set-asides.** These need to be considered in particular industries, particularly new industries to which young people can be drawn in large numbers. This should be realised progressively. It will be of interest to see how this is realised through the various schemes; the employment tax incentive is one such scheme that can lead to the fulfilment of this commitment.
- v. Commitment 5. **Youth entrepreneurship and youth cooperatives.** Youth cooperatives and youth entrepreneurship should be promoted. Public agencies such as SEFA, SEDA and the Jobs Fund will be encouraged to develop and strengthen dedicated programmes of support for youth enterprises and youth cooperatives. Consideration will be given to the use of the BBBEE codes to strengthen private and public sector commitment to improving youth employment. The Youth Employment Services (YES) is one such scheme with entrepreneurship promoted through the Siyazama Programme.

- vi. **Commitment 6. Private sector measures.** Work with the private sector to expand the intake of young people, with targeted youth support and incentives approved by all constituencies. The contribution to Broad-based Black Economic Empowerment (BBBEE) scorecard is a critical factor in engaging the private sector.

National Youth Policies: 2009–2014; 2015-2020; 2020-2030

The National Youth Policy (NYP) for 2020-2030 (NYP, 2030) is a cross-sectoral policy aimed at effecting positive youth development efforts at local, provincial and national levels in South Africa. The National Youth Policy (2020-2030) is informed by various national and international legislative and policy frameworks. National frameworks include the South African Constitution, the National Youth Service Development Policy Framework, the National Youth Development Agency (NYDA) Act, No. 54 of 2008, past NYPs, including NYP 2009-2014, NYP 2015-2020, the mid-term evaluation report on the implementation of the NYP 2015-2020 and the 25 Year Review (1994-2019) recommendations. International frameworks include the African Youth Charter (2006), the United Nations World Programme of Action for Youth to the Year 2000 and Beyond (1995), the Sustainable Development Goals (SDGs) and various other policies that are implemented by various sectors and aim to integrate youth into the economy and society.

National Youth Services Programme

The National Youth Service Programme (NYSP) is a government initiative aimed at engaging South African youth in community service activities to strengthen service delivery, build patriotism, promote nation-building, foster social cohesion and assist the youth to acquire the occupational skills necessary to access sustainable livelihood opportunities. The NYDA performs a secretarial function for the NYSP, which is implemented through partnerships with government departments, state-owned entities, private companies and civil society organisations. Therefore, the recruitment of young people into the NYSP takes place at the project level (where the project site has been identified). Each National Youth Services (NYS) project has different recruitment criteria in line with the NYS norms and standards²⁴. Specific NYSPs, such as the National Youth Science Programme, address issues related to youth unemployment within the Science, Technology, Engineering and Mathematics (STEM) stream within the nine (9) provinces in South Africa.

²⁴ <http://www.nyda.gov.za/Products-Services/National-Youth-Services-Programme>

Integrated Youth Development Strategy

The Integrated Youth Development Strategy (IYDS) includes transforming the economy to support young entrepreneurs and create jobs. The current IYDS is IYDS 2021–2023. This is an implementation strategy for the ten-year National Youth Policy (NYP) (2020-2030) adopted by the Cabinet in October 2020. The IYDS helps to translate the policy priorities into specific programmes with budgets, targets and a monitoring and evaluation mechanism.

3.4 Active labour market policies (ALMPs) vs. Passive Labour Market Policies (PLMP)

According to Hendriks (2016), active labour markets aim to improve the operations and outcomes thereof to maximise quality employment and minimise unemployment and underemployment. ALMPs are essential in integrating or reintegrating the unemployed and underemployed into productive employment and in enhancing their employability (Mwasikatata, 2017). Hendriks (2016) posits that ALMPs in South Africa aim to make employment for young people attractive. The ALMPs are divided into three categories: the labour supply side that aims to increase the employability of workers through vocational training; the demand for labour through subsidising the cost of labour to firms with employment and subsidies and lastly, search and matching assistance programmes to lower frictions that prevent demand from meeting supply in the labour market (McKenzie, 2019). The active labour market policies can be sub-divided into demand and supply labour market policies.

3.5 Demand-side labour market policies

Hendriks (2016) reports two types of demand management policies, one being government employment policies through which the government hires people to work in the public sector and the other being the product demand policies through which employment is stimulated by increasing aggregate product demand through tax deductions and increasing government spending or the money supply. Hiring people to work in the public sector will contribute towards the alleviation of unemployment. However, this may lead to a significant increase in the size of the public sector and government spending, which will result in increased taxation to fund these programmes. It is imperative for government to focus on creating conducive environment for private sector to flourish, more investor so come in which leads to employment creation, that for government to try to create the employment itself.

The South African Government has implemented a demand-side policy instrument to address the unemployment problem through subsidising training programmes for the unemployed. Oosthuizen and Cassim (2014) mention examples such as the public deployment programme implemented through the National Youth Development Agency (NYDA), which aims to train the unemployed and unskilled. This is a 12-month training programme during which candidates are trained in the field of construction and/or enterprise development where demand for labour is greater than in other sectors. Another example of a demand-side policy is the Expanded Public Works Programme (EPWP), which was introduced in 2004.

3.6 Supply-side labour market policies

Supply-side policies refer to policies that affect wages and prices through initiatives such as unemployment benefits, minimum wage, union and employment protection, childcare policy and the participation by the government in negotiations with unions and employers' associations. Levinsohn, Rankin, Roberts and Schoer (2014) opine that supply-side policies are initiatives aimed at promoting and enhancing the employability of the unemployed. Such interventions extend to psychological and social assistance for the unemployed, vocational work training, work to enhance the human capital of the unemployed and childcare support (Froyland, Andreassen & Innvaer, 2019).

According to Paver et al. (2019), many young people find it difficult to secure employment because they drop out of mainstream education prematurely. In South Africa, 65% of youth leave school without a secondary school higher certificate (RSA, 2021) and vocational training is, therefore, important to enable entry into employment. Kluve et al. (2014) support the notion, arguing that education-based programmes could be a better approach to improve their employability. These programmes can be divided into formal and informal programmes, where formal is an opportunity to gain formal education and informal are programmes aiming to teach basic skills.

3.7 Passive Labour Market Policies

Passive labour market policies (PLMPs) help with labour market integration and attempt to replace labour income (Paver et al., 2019; Hendriks, 2016). Passive labour market policies can be regarded as generosity policies and can be referred to as income support for the period without work but different to unemployment benefits granted to workers. They can also be early retirement schemes. PLMPs reduce the cost of unemployment and raise the wages of labour.

Paver et al. (2019) posit that in South Africa, there is only one such policy, namely the Unemployment Insurance Fund (UIF). The UIF is a payroll tax for both employers and employees. When one becomes unemployed after having contributed to the UIF, one is entitled to a benefit that varies according to one's income when employed; from 38% of one's previous income for highly paid workers to 58% of one's previous income for lower-paid workers. According to Bhorat, Goga and Tseng (2013), the UIF provides temporary relief for those who are financially distressed after losing their job. Such a facility can cover the costs of a search for a new job.

3.8 Labour Market Equilibrium

Equilibrium in the labour market, as in any other market, is when demand equals supply. Demand in the labour market is caused by firms through job vacancies. According to Hofstetter and Alvarez (2014), job vacancies²⁵ are specific posts that are newly unoccupied or about to be vacant, for which the employer is taking active steps to fill by finding a suitable candidate from outside the enterprise. Supply is provided by individuals who are looking for work. At equilibrium, those who are looking for work find employment and those requiring workers find suitable employees, however, the labour market has many imperfections and is not always able to attain equilibrium (Humal, 2013). In the case of South Africa, the disequilibrium is in the form of supply surpassing demand, which is known as unemployment.

3.9 Understanding interventions in the labour market

The relevant literature notes the need for intervention in the labour market (Banerjee et. al., 2008) and that the sequence of interventions that are implemented is important (Chrichton & Maré, 2013). Implementing labour market reforms in the correct sequence can increase the ratio of jobs created to jobs supported (Betcherman, Daysal & Pagés, 2010; Caliendo, Künn & Schmidl, 2011; Chrichton & Maré, 2013; Van Reenen, 2004). Examples of labour market interventions with various innovations are recorded in the literature and selected cases are presented hereunder, mainly to show that it is not unique to South Africa and that there are some approaches from which South Africa can learn.

25. The job vacancy rate is calculated as the number of job vacancies / (number of occupied posts + number of job vacancies) * 100. An occupied post means a paid post within the organisation to which an employee has been assigned.

Intervention is required to improve labour market outcomes. Leowald et al. (2021) note that this will entail policies targeting school-to-job transition, accelerated job creation, improving the employability of the inactive population and making job searches more effective. Public employment services are common across different countries and are established to assist with the reallocation of labour in the wake of structural changes, ordinary churn, school-to-work transition, as well as recovery after crises. It has been noted that such interventions come in handy for individuals who wish to enter the labour market, gain training or requalification, enter employment and find appropriate career tracks to make the most of the transition from education to employment (OECD, 2014; 2016).

Nordic countries are characterised by low unemployment due to social welfare systems that ensure that every citizen contributes by participating in employment, education and training. In doing so “a tax financed comprehensive welfare presupposes broad taxes and high employment” (Holte, Swart & Hiilamo, 2019). In comparing NEET youth in Nordic countries and South Africa, Holte et al. (2019) found that the unemployment rate is higher in South Africa than in Nordic countries. The reasons were attributed to structural issues. The high unemployment rate in Nordic countries was mostly recorded in Finland and Sweden rather than Norway and Denmark due to the different classification of employment versus vocational training in these countries. However, the rates are the same for all these countries when the classification semantics are removed. According to Holte et al. (2019), the low rate of youth unemployment in the Nordic countries is due to strong economies and labour markets and efforts to keep youths in employment. South Africa is characterised by a weak economy and an unstable labour market. The country has recorded 3.5 million NEET youth aged between 15 and 24 (RSA, Department of Women, Youth, and Persons with Disabilities, 2021), signalling a need to retain youth in institutions of learning or skills training to be employable. Efforts implemented by the South African Government to get youths employed include programmes such as Youth Employment Services (YES²⁶) and several initiatives hosted by government departments.

To reduce youth unemployment, the European Union (EU) implemented a youth employment initiative (YEI) in countries with an unemployment rate above 25% (European Commission (EC), 2020). Sweden is one of the eligible countries that benefit from the YEI. According to the EC (2020), youth employment has increased although there are challenges in absorbing non-European migrants into the labour force. The Nordic countries utilise a youth guarantee (YG) programme

²⁶ <https://yes4youth.co.za/>

to offer youths aged between 15 and 24 a job opportunity, an apprenticeship or training upon leaving school. This youth cohort should register as unemployed with public employment services (PES) (EC, 2020). The YGP could also be in the form of training and work and training for a specified period. The EC reports that traineeships have been effective in integrating job seekers into the labour market but were discontinued in 2017 (EC, 2020). In Sweden, this is driven through partnerships and cooperation with municipalities and the public sector. Such programmes have also been implemented successfully in Finland and Austria and are reported to have reduced unemployed and idleness (NYCI, 2012). The National Council of Ireland (NYC, 2012) opines that the YG in Sweden and Finland was more effective for new labour entrants than for those that were previously employed and lost their employment. The YG has since been adopted in Ireland.

Some of the successes of the YG (EC, 2020) are that at least 40.4% of youth leaving the programme were able to secure employment within four months and 50% of those who exited the programme in 2018 were reported to be in a positive situation six months later. However, the situation for more than a quarter of those who were in the programme was unknown. Another important driver of this initiative is matching the employers' requirements with young job seekers' skills. Municipalities are also encouraged to record people under 20 years of age who are not employed and introduce them to supporting programmes that will provide assistance. This initiative is reported to have enabled 100 000 youth without higher secondary qualifications to participate in the initiative, which also caters for immigrants.

The YG programme seems to work well in Europe in that it enables the youth to cease dependence on the welfare system so that they can be independent and pay taxes. Its effectiveness is based on continuous evaluation of the programme. According to the Ministry of Employment in Sweden (MES) (2012), the PES ensures that YG beneficiaries are tracked from the first day they exit the programme. Evaluations are also made on days 90 and 180 to ascertain the beneficiary's progress. The indicators used to assess the beneficiary's status after exiting the programme includes "in employment, studying, in subsidised employment, unemployed and not in measure, or in the job and development guarantee" (MES, 2012: 19).

3.9.1 Skills improvement

Columbia implemented several reforms that aim to improve the skills of low-productivity individuals, provide links to formal employers and reduce youth unemployment (Gaviria & Nuñez, 2003). The 2003 reform established a dual vocational training system with two phases; the teaching phase in which apprentices are enrolled in a formal education institution and the productive phase

in which they receive training in a firm. Any individual with at least basic secondary education (8th grade) can apply for an apprenticeship.

3.9.2 Information asymmetry - search costs

Information asymmetries and search frictions have been investigated using economic experiments. In Ethiopia, two separate interventions were implemented aimed at reducing different search frictions faced by young workers, in particular, the cost of job searches and the inability to signal skills. The first intervention was a transport subsidy with the amount of the subsidy calibrated to allow participants to travel via bus, up to three times a week, to the centre of Addis Ababa, where they could access information about jobs and visit firms. The intervention was to address cost and information constraints conjointly. The participants had to be staying no less than 2.5km from the city centre as a way of demarcating the area in which search costs would hold. The second intervention was a two-day job application workshop comprising two components. Firstly, an orientation session to assist the participants to design effective applications using CVs and cover letters and provide guidance on how to approach job interviews. Secondly, general and difficult to measure skills are certified using a mix of standardised personnel selection tests.²⁷ This appears to be in line with South Africa's YES programme's structure, with 25 modules that students go through during their 12 months in the programme.

3.9.3 Moral Support and Indirect Intervention

Intervention in the labour market can be direct by targeting the workers' skills and competencies or reducing frictions or by indirectly influencing them. An exploration of whether or not exposure to role models through a video documentary can change individuals' aspirations and their future-oriented investments, such as investment in their children's education was undertaken. The literature indicates that, if people have lived in poverty for generations, are from lower-status groups or have suffered poverty, insecurity and/or discrimination, they may believe that they have limited ability to change their circumstances (Feagin, 1972; Levenson, 1974). Social psychologists have demonstrated that motivation, aspirations, hope, a sense of efficacy and self-control are strongly correlated with economic success and that it is possible to intervene to alter these attitudes and beliefs (Walton, 2014; Cohen et al., 2009; Duckworth et al., 2007).

²⁷ <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/anonymity-or-distance-job-search-and-labour-market-exclusion-growing>

People living in deprivation may realise low returns on investment because people who make successful investments are not in their reference group (Genicot & Ray, 2017). Theoretical research suggests that low initial aspirations may cause people living in poverty to pass on costly but high-yielding investment opportunities, further lowering expectations (Dalton et al., 2016)²⁸. Mishi, Mwanyepedza, Katsande and Sikhunyana (2020) found a predominance of path dependence among low-income individuals, which supports the argument of initial aspirations. Aspirations influence educational investment (Attanasio & Kaufmann, 2014).

Role models appear to be important, especially for women and studies report substantial changes in aspirations for and investments in girls and women, including in education, following the election of female political leaders (Beaman et al., 2012) or the embedding of female role models in local entertainment (Chong & La Ferrara, 2009; Jensen & Oster, 2009; Banerjee, La Ferrara & Orozco, 2018). Some innovative, light-touch training that focuses on constraints faced by women and peer support are effective in inspiring female enterprise (DuBois et al., 2011; Macours & Vakis, 2014). An extension of role models and peers can formally be discussed through social networks, which are established over time.

3.9.4 Social networks

Poor labour market outcomes among young people are often attributed to a lack of networks because the youth are argued to lack the social capital, networks and experience required to compete with adults with more experience in the labour market²⁹. Connecting individuals to one another, especially to people that have access to a different set of information, may help to reduce both the cost of information acquisition and information asymmetries. The quality of the networks depends on the individuals within the network, how much they know and the diversity of that knowledge to complement one another. Although the majority of such networks are established naturally by an association of where one lives, attends school and works, in many cases, new networks may be established and old networks strengthened through strategic interventions. Relevant literature explains how the exchange of information in social networks shapes labour market outcomes (Calvo-Armengol & Jackson, 2004), influences the take-up of initiatives (Bertrand et al., 2004; Banerjee et al., 2013; Cai et al., 2015) and promotes the adoption of technology and other innovations (Conley & Udry, 2010; Beaman et al., 2015). A scheme can be designed and implemented but if targeted individuals cannot or do not make the most of the

²⁸ <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/aspirations-and-forward-looking-behaviour-rural-ethiopia>

²⁹ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/ADR15_chapter_5.pdf

opportunities it provides or participants do not adapt their behaviour in line with lessons learned through the intervention, the scheme will be futile. Research to understand how information sharing is sustained and how it responds to external interventions is thus critical to enable the design of successful schemes to unlock opportunities and reduce frictions within the labour market. One such study considered the effects of a labour market intervention on the sharing of information between programme participants and their job search partners in Ethiopia. If the participants (those receiving training or information) are linked with those that are not the recipients of an intervention, spill over effects can be anticipated without having to train every other individual. Network structures need to be studied and the central (most connected) individuals targeted for intervention, as this will ensure the optimal utilisation of resources. Training by peers in an uncontrolled environment has been proven to be impactful.

There is also a growing body of literature on the role of referrals in labour markets (Bentolila et al., 2010; Topa, 2011; Burks et al., 2015; Beaman & Magruder, 2012). These studies often focus on networks connecting the employed to the unemployed (Ioannides & Datcher Loury, 2004; Cingano & Rosolia, 2012). However, albeit important and possibly relevant to South Africa, peer networks among the unemployed are relatively understudied in the labour market.

3.9.5 Role of private sector

The business community is at the core of ensuring favourable labour outcomes for youths, as businesses are required to create jobs and to offer training; firms demand labour through the creation of job opportunities. However, the cost in terms of money and time on firms to train novices is less considered and the costs incurred are higher in the face of asymmetric information and rigid labour legislation, as discussed in a foregoing section. Relevant literature provides evidence of the effects of training on workers or apprentices (Card et al., 2011; Attanasio et al., 2011; 2017; Hirshleifer et al., 2016; Kugler et al., 2015; Alfonsi et al., 2020). The demand for labour must be taken into consideration when designing a successful intervention (Groh et al., 2016; Alfonsi et al., 2020) but there is limited evidence of firms' responses to training programmes and how to effectively encourage firms to engage in training. Incentives need to be reviewed to encourage the offering of training programmes (Ranchhod & Finn, 2011). Crépon and Premand (2019) and Hardy and McCasland (2020) studied the effects of additional apprentices on firms' outcomes and related work and de Mel et al. (2019) considered wage subsidies for workers. Alfonsi et al. (2020) found that many firms are reluctant to train apprentices even when they are

incentivised by wage subsidies, implying that the uptake of incentives is not straightforward and schemes need to take industry and geographic factors into consideration.

Firms' unwillingness to take on young individuals and train them has been identified as a key limiting factor in successfully rolling out apprenticeship programmes (Groh et al., 2016; Alfonsi et al., 2020). Firms perform a crucial role in facilitating the transfer of knowledge between workers and apprentices – something that has been successful in countries such as Germany but firms lack incentives to train apprentices. The cost of training varies according to the initial quality of the labour, which cannot be predetermined due to information asymmetry, as discussed earlier. If the productivity of the untrained individuals is initially too low, their contribution to the firm's production might not be sufficient to offset the cost of training them. There is growing evidence of the effects of training on apprentices or workers both in developed and developing countries (McKenzie, 2017; Card et al., 2018).

3.9.6 Sectoral analysis

A foregoing section discussed the importance of the structure of the economy for employment levels, with labour-intensive sectors driving employment levels upwards in many poor countries. The same heterogeneity can extend to participation in various initiatives provided for by the government, such as incentives to train apprentices. Caicedo et al. (2020) found that enterprises' willingness to take on apprentices is sector-specific in the case of Columbia. It was found that firms in sectors with high-skill requirements tend to avoid training apprentices, while firms in low-skill sectors seek apprentices. It was observed that counterfactual policies that take into account heterogeneity across sectors can deliver similar benefits as does training. Alfonsi et al. (2020) posit that training costs are higher in high-skill sectors in which apprentices have negative marginal productivity in 60% of firms.

3.9.7 Geography: regional heterogeneity

Settlements that are far from cities (economic nodes) are argued to be one reason for the inactivity of many people within an economy (Leowald et al., 2021). Urban jobs are key drivers of economic growth in developing countries. In South Africa, affordable houses (including an increasing number of informal settlements) are located where land is cheap but such areas are far from city centres, which increases search costs (OECD, 2015). Finding ways to connect and match young and skilled workers with decent jobs remains a key policy challenge. In Ethiopia, experiments with training and transport subsidies have proved to be effective in the short term, with the former's

positive effects persisting for approximately four years. Another study³⁰ explored active labour market policies in low-income countries by attempting to remove two key obstacles to young people's job searches and analysing whether or not this could assist them to access enhanced employment opportunities. The rural-urban divide that characterises South Africa (provinces such as the Eastern Cape and Limpopo are considered to be mainly rural) makes transport costs even higher, with Kwenda, Benhura and Mudiriza (2020) noting that this results in an unemployment gap of 24% between the former homelands and other areas.

3.9.8 Using administrative data for data-driven policymaking

Data-driven policymaking requires no explanation and the role of administrative data is widely acknowledged and elaborated upon in the literature by the National Academy of Sciences³¹ and Connelly et al. (2016). Soco et al. (2021³²) summarise the need for reliable administrative data, especially in tracking progress towards attaining the sustainable development goals (SDG indicators can be tracked better using administrative data) and for evidence-based policy decisions (especially when detailed, high-frequency data is needed, for example, in times of crisis). If such data is not available to researchers, then the meaning and knowledge to be potentially gained from large samples and difficult to reach populations is lost (Harron et al., 2017). Administrative data is even more important when survey data may contain errors (see Kerr & Wittenberg, 2019 for an elaborate discussion of South African labour market data sources and their pros and cons). Lessons can be learnt from the simple rotation sample approach that is followed in Italy (Fiaschi & Tealdi, 2021), as it could close some of the reported gaps in South Africa's Quarterly Labour Force Survey. Ganong et al. (2021) showed how private sector administrative data can be informative. In South Africa, this must be utilised in line with the POPI Act that came into effect on 1 July 2021, with a code of conduct for research under the Act being developed (Adams et al., 2021) and the general international guidelines on data access and use.

To fully understand labour market dynamics requires the triangulation of data sources and robust analytical lenses. Accurate measurements help to identify problems correctly and measurements must align with definitions to ensure that marginalised individuals are fully represented in the statistics (Lafuente, 2020). Studies undertaken in Columbia are bolstered by access to administrative data (Tattara & Valentini, 2010; Couch, Jolly & Placzek, 2011; Krueger & Mueller,

³⁰ <https://mbrg.bsg.ox.ac.uk/mind-and-behaviour-projects/anonymity-or-distance-job-search-and-labour-market-exclusion-growing>

³¹ For a comprehensive summary of the benefits of administrative data and considerations in using it, see: <https://www.ncbi.nlm.nih.gov/books/NBK425873/>

³² <http://dx.doi.org/10.22617/BRF210195-2>

2011; Bonhomme & Hospido, 2017), for example, covering the study of manufacturing firms includes data about the number of workers, the number of apprentices and indicators for fees and fines paid by the firms in relation to the apprenticeship regulation (Gaviria & Nuñez, 2003). Lafuente (2020) acknowledges that administrative data is increasingly being made available to researchers in many countries as a move towards gaining an enhanced understanding of unemployment.

With interventions being designed and implemented, administrative data is generated, which can be analysed to gain a better picture of the labour market ecosystem for the youth. The sharing of data across government departments and the overall enabling mechanism for data to be interrogated by researchers presents a plethora of opportunities (the National Treasury Secure Data Facility (NT-SDF) is a good example; see Ebrahim & Pirttilä, 2019). According to African Development Bank (2021), there is a need for coordination by government departments and statistical offices to consolidate administrative data to guide policymaking. ILO, (1997); ILO, (2017); Soco et al. (2021) provide guidelines for which administrative sources can provide much-needed data. However, this is accompanied by challenges, especially in South Africa where information sharing seems to be uncoordinated and poorly managed. If such administrative data is captured accurately (even if not for research purposes), it could be used for evaluating interventions in the labour market, as each individual is captured in various administrative datasets (Penner & Dodge, 2019). The unavailability of centralised curated data about interventions found during this study was a lost opportunity to make informed decisions about creating improved and more appropriate interventions. This indicates the need to centralise labour-related administrative data. This project could have benefited from the availability of such data, at least at the level reported in Soco et al. (2021). Access to the National Treasury and the South African Revenue Services datasets (2021a and 2021b) may provide the data required to analyse several critical labour market-related questions about the spread and effectiveness of employment tax incentives (ETI) (Bhorat, 2020; Budlender & Ebrahim, 2021), transitioning and the survival of youths in the labour market.

Rich data (administrative data identifies firm-worker pairs and detailed history) supports robust analytical techniques (Harron et al., 2017; Budlender & Ebrahim, 2021), for example, understanding labour market dynamics requires survival analysis, as individuals transition in and out of employment (employment being of different forms with competing outcomes) (Allison, 1984; Beyersmann et al., 2012; Martinussen & Scheike, 2010; Watson, 2020). In the case of France, Lafuente, (2020) highlighted the weaknesses in the labour force survey data, especially the problem

of attrition, which can easily be overcome by using administrative data (adjusting for definitional differences).

When too many interventions are implemented in the labour market without having the required impact on the outcomes (in some instances worse outcomes observed), this may indicate not only the ineffectiveness of the interventions but that the efforts are misdirected. According to Ganong et al. (2021), the US intervention into the labour market during the COVID-19 pandemic was through a special piece of legislation known as The Coronavirus Aid, Relief and Economic Security Act (CARES Act) that came into effect on March 27, 2020, resulting in the implementation of several policy responses to combat the effects of the pandemic.

Through the CARES Act: Unemployment benefits were expanded through, for example the Federal Pandemic Unemployment Compensation (FPUC), which provided a supplement of \$600 [approximately ZAR8 900] per week from April-July for everyone receiving unemployment benefits, on top of any amount already allotted by regular state unemployment insurance. The eligibility for unemployment benefits was extended to the self-employed and “gig” workers who would not otherwise qualify for regular benefits; this was done through the creation of the Pandemic Unemployment Assistance (PUA) programme. In addition, unemployed workers who qualified for unemployment insurance cover through the PUA programme were also eligible for the \$600 FPUC supplements. Finally, the CARES Act established Pandemic Emergency Unemployment Compensation (PEUC), which extended benefit eligibility by an additional thirteen weeks for those who would have otherwise exhausted unemployment benefits.

The American response differed from that of China, which favoured supporting businesses and helping job seekers to connect with businesses that transferred incomes as the primary mode of intervention, which is not to say that there was no transfer income afforded. The business rescue package in South Africa, which included the ETI and TERS is worth noting.

3.9.9 The Human factor

Corruption, nepotism and other ills have been argued to derail the unlocking of opportunities in the labour market and are viewed as significant causes of frictions in the market (Debojyoti & Rajit, 2018; Chassamboulli & Gomes, 2021). Several authorities employ artificial intelligence to counter these ills³³. With the advent of 4IR, it is important to assess the possibility to solve information asymmetries and other frictions within the labour market.

³³ <https://www.sabcnews.com/sabcnews/tshwane-municipality-uses-artificial-intelligence-to-fight-nepotism/?s=09>

3.10 Section Summary

In the face of rising unemployment among the youth, it is imperative to review interventions in the market and assess their fit for purpose and value for money. Despite being among the most vulnerable group with inherent circumstantial issues (such as transitioning from school to work, location and gender), youths are faced with multifaceted challenges that deepen their vulnerability in participating in the labour market. These challenges include a lack of opportunities, the displacement effect of other factors of production, information asymmetries within the labour market and inefficiencies in the labour market and the legislative framework.

Important lessons emerged from the literature review about how other countries have improved labour market outcomes for youths and other vulnerable groups:

- Growing the economy is important in creating employment, but unequal access to opportunities (inequality of opportunities specifically) need to be addressed- which can be solved by ensuring easy access to information through improve access to internet, upskilling and reskilling, preferential supply chain management, among others interventions
- the significance of administrative data and the need for strong coordination across government departments.
- Reservation wage plays a critical role in youths' uptake of opportunities. The reservation wage is influenced by societal norms, expectations (which are often swayed by consumerism), is also dependent on sectors
- Government cannot create employment required to reduced unemployment, but focus should be on creating conducive environment for attraction of investors, and for private sector to thrive. These include cutting red tape, elimination of corruption and other ills.
- Any interventions by government need to pilot and rigorously evaluated before expanding scale
- Mass employment interventions that are short term need to be linked to other support facilities like counselling and coaching to ensure smooth transition from such support to private sector opportunities or self-employment

Such lessons must be juxtaposed with the realities in South Africa to make possible improvements to existing schemes and find ways to create opportunities for improvement.

Section Four: Methodological Approach

4.1 Introduction

This section presents a discussion of the methodological approach that was adopted for the study in evaluating the youth employment schemes listed in Table 4.1. The study followed a pragmatic paradigm, as we contend that numbers alone cannot holistically explain the impact of the projects that were implemented and the narrative shared by the beneficiaries of the schemes, the implementers and evaluators thereof provide additional insight (Stern et al. 2012). The paradigm blends interpretivism (there are as many realities as the number of individuals and each individual has a story to tell about how the scheme has impacted their lives) and positivism (we can quantify the effect of each scheme on, for example, employment created or employment saved) and generalise the impact to the remainder of the population). The paradigm has philosophical underpinnings. The individual strengths of quantitative and qualitative methods resulted in utilising a combination thereof (Bamberger, 2012). The approach ensures greater validity in assessing the impact of an intervention (Leeuw & Vaessen, 2009) based on triangulation. In this study, we triangulated the methods and the data. It should be noted that mixing qualitative and quantitative methods follows three possible pathways: it can either be exploratory, sequential, mixed methods (qualitative methods begin and dominate), explanatory, sequential, mixed methods (where quantitative methods begin and dominate) or convergent, parallel, mixed methods (neither dominates and the methods are applied concurrently). The latter was preferred for this study with simultaneous data collection and analysis with the findings complementing each other to conclude whether or not the scheme made an impact.

With any analysis, it is important to determine the unit of analysis before beginning. The unit of analysis (where data is collected) is also known as a case study and these are considered, in this study, to be individual schemes. The effectiveness of each scheme was considered as well as its effect on the individual beneficiaries. For each scheme, the researchers gathered the information listed hereunder.

- i. Source documents/files for each of the schemes, which ideally informed about the basis upon which the scheme was founded, the goals (e.g., how many jobs to be created or saved), the implementation plan and time frames; any periodic reporting; contact details of the implementers and the investment/funding system for each scheme.

- ii. A list of beneficiaries under each scheme. An attempt was made to reach all the beneficiaries that could be reached to survey them electronically.
- iii. Baseline reports. Unfortunately, these were not available. A pseudo baseline was created based on national statistics such as the QLFS, the DoEL administrative data and the National Income Dynamic Survey (NIDS) to enable the observation of trends.
- iv. The contact details of scheme implementers. These people were interviewed to help close the gaps that were revealed in the documentary analysis.

4.2 Identified Schemes

It is important to note that there is a need for a clear definition of a scheme. In the review of literature, it emerged that the word is sometimes used loosely and in an overarching way. For example, the word can be used to refer to a programme such as Public Employment or the initiatives under this programme such as the EPWP and the CWP. A total of 12 schemes were agreed upon for analysis (Column 1 of Table 4.1). The secondary data that was sourced for all the schemes was largely incomplete, incoherent and in some instances outdated, requiring the collection of new primary data. All the schemes' implementers were contacted and 10 responded to the online survey. Follow-up calls and emails were sent to all those that did not respond and others (YES, and the NARYSEC) expressed their preference for MS Teams interviews; MS Teams was also used to clarify any grey areas that emerged from the online surveys (EPWP). Access to the beneficiaries' contacts/database was requested but only one (YES) agreed to grant such access in compliance with the POPI Act requirements³⁴. However, the beneficiaries could not be contacted due to budget constraints.

³⁴ South African Protection of Personal Information Act (often referred to as the POPI Act or POPIA) came into effect on 1 July 2021 after a 1 year grace period. The Act stipulates that any individual or entity that has information about an individual for whatever purpose cannot use that information for that intended purpose as agreed at the time of receiving the information, cannot share with any other and cannot use it for any other purpose.

Table 4.1: List of schemes agreed upon to form the study sample and from which data was sourced

Scheme/programme name	Confirmed	Primary Focus	Respondent to survey	Stakeholders contacted	Comments
1. Public Employment Programmes					
1.1. <i>Expanded Public Works Programme (EPWP)</i>	x	Employment creation	Online survey	Implementer	One implementer- DPWI
1.2. <i>Community Works Programme (CWP)</i>	x	Employment creation	Online survey	Implementer	
1.3. <i>The National Youth Service Programme (NYSP)</i>	x	Employment creation	Online survey	Implementer	
2. National Rural Youth Cooperatives Service Corps (NARYSEC)	x	Employment creation	Yes	Implementer	Recruited youths spend: <ul style="list-style-type: none"> • 24 months at Department of Rural Development and Land Reform • 24 months at Department of Defence
3. Employment Tax Incentive	x	Employment creation	No	None	
4. Jobs Fund 4.1. Enterprise development 4.2. Infrastructure 4.3. Support for work seekers 4.4. Institutional capacity building	x	Employment creation, employment retention and skills training.	Yes - partially (Monyetla)	Implementer	Under COVID-19, PYEI - The Presidential Youth Employment Intervention (PYEI) is a part of the Presidential Employment Stimulus Programme. PYEI is a multi-sector action plan/ programme directed at addressing South Africa's chronic youth unemployment challenge.
5. Youth Services Programme (YES) — (Youth Employment Service)	x	Employment creation and skills development	Online survey + follow up interview	Implementer, implementing partners; beneficiaries	
6. Employer – employee relief schemes TERS/ training lay-off schemes		Employment retention	Yes	Implementer	Only provincial examples
7. CCMA intervention under Section 189 of the LRA		Employment retention		Implementer	Only provincial examples

Each scheme has objectives and overall, the schemes under investigation were about creating and retaining employment for the youths in South Africa. The outcomes are therefore two-pronged: employment created and saving employment that was at risk.

The study sourced data from publicly available sources; an online survey and online (MS Teams) interviews with stakeholders related to the design, planning and implementation of each scheme. The diversity of the means of data collection was to accommodate the various stakeholders and also to complement each means of data collection. The online survey was the primary data collection instrument but some of the respondents preferred a discussion of the questions because

in some instances clarity was required. Taking into account the time limitations, an effort was made to include all the schemes in the study and contact the beneficiaries via an online survey link (the same survey instrument was made available to those willing to complete in word form or to be interviewed). The online survey was not designed for a specific scheme given that each scheme is unique and the questions had to be framed accordingly.

In summary, the process began by identifying the key stakeholders in the schemes and the sources of data. This process enabled us to identify what kind of data and in what form was available and update our design accordingly. Overall indicators such as how many jobs have been created or retained in comparison to investment made were of key interest. These indicators provided the basis for key evaluation questions focusing on appropriateness, such as to what extent does the programme address an identified need; how well does the programme align with government and agency priorities; does the programme represent a legitimate role for government effectiveness? For example, how well did the programme work; did the programme produce or contribute to the intended outcomes in the short, medium and long term; what unintended outcomes (positive and negative) were produced; to what extent can changes be attributed to the programme (counterfactual evidence); what were the particular features of the programme and context that made a difference; how is the programme going to be sustained and replicated? Concerning efficiency - how is the programme being implemented; how appropriate are the processes compared with quality standards; do the outcomes of the programme represent value for money?

It is imperative to assess the effectiveness of the schemes implemented in the labour market because some may be deadweight in that the outcomes achieved with the intervention may be similar to those that would have occurred without the intervention. Ranchhod and Finn (2011) alluded to this possibility for the ETI in South Africa, as firms may be rewarded for hiring the youths they would have hired anyway. The firms (employers) surveyed in this study highlighted that in general, the incentives offered to hire youths are not sufficient 'incentive'. This is discussed in detail in the Results section of this report. Besides being paid to do what they would have done anyway (wastage of public funding), some firms hire more youths to extract as much of the incentive funding as possible, thereby crowding out older job seekers. It then becomes more difficult for an above thirty-five-year-old to get a job or to move from one job to another and that rigidity reduces labour market efficiencies and contributes to deadweight losses.

4.3 Materials and Methods

This section outlines the techniques and tools used to collect, analyse and report data to meet the study's objectives. As per the literature, the pragmatic paradigm was employed to carry out a retrospective review, as we contend that numbers alone cannot present a holistic view of the impact of the projects that have been implemented and narratives shared by the beneficiaries, implementers and evaluators of the projects provide the required additional insight. Every intervention is packed with beliefs, assumptions and hypotheses about how change is conceived to be enabled to take place³⁵ (OECD, 2012; Vogel, 2012). Table 4.2 presents a summary of the key elements of the evaluation and related questions.

4.3.1 Elements of evaluating interventions

Table 4.2 summarises the key elements of evaluating an intervention. These guided the questions that were formulated to elicit data from the various stakeholders.

Table 4.2: Evaluating interventions

Content	Key questions
Appropriateness	<ul style="list-style-type: none">• To what extent does the programme address an identified need?• How well does the programme align with government and agency priorities?• Does the programme represent a legitimate role for the government?
Effectiveness	<ul style="list-style-type: none">• How well did the programme work?• Did the programme produce or contribute to the intended outcomes in the short, medium and long term?• What unintended outcomes (positive and negative) were produced?• To what extent can the changes that occurred be attributed to the programme - counterfactual evidence?• What were the particular features of the programme and context that made a difference?• How is the programme going to be sustained and replicated?
Efficiency	<ul style="list-style-type: none">• How is the programme being implemented?• How appropriate are the processes compared with quality standards?• Do the outcomes of the programme represent value for money?

A scheme, broadly described, is an intervention that a government department or agency has designed for self-implementation, or such implementation performed by/with partners.

³⁵ https://www.theoryofchange.org/pdf/DFID_ToC_Review_VogelV7.pdf

Retrospective impact assessments assess whether or not the schemes' impacts add up to more than the sum of its parts, taking into account synergies between the interventions (more than one scheme per category; retention, creation) and the collective and cumulative influence that the schemes/government programme/body of work has had on the labour market dynamics that affect youths in South Africa. The findings are set alongside the counterfactual, asking the question *what would have happened had scheme X (or all schemes jointly) not been implemented?* This results in focusing on the mechanisms through which change has been achieved.

It is noted that, by design, the implementation and coordination of schemes within the labour market, there is no explicit theory of change (ToC). The research team constructed a retrospective ToC based on the 'ultimate goal' or the final desired results of a programme of activities. The ultimate goal, in this case, was increasing the number of jobs created and saved. An underlying goal was that such jobs had to be decent.

4.3.2 Data collection tools and strategies

There are two broad categories of data, namely secondary and primary data. The former is data collected by others for some other purpose but that matches the requirements for the present study. This type of data is often readily available; cost-effective; may have been captured at the time of the events occurring thus increasing the validity thereof as no loss of memory affected its generation and may have been used in other analyses, which enables comparisons of studies. However, such data may be in a format that does not meet the current requirements; some data elements and points may be missing; one may never understand the context in which it was generated and other permutations, extrapolations or estimates performed or the data generators may have had an agenda that introduced bias. Primary data refers to data captured in the current study for the current study. Although costly, time-consuming and sometimes affected by recall bias, this type of data is often generated in the required format and includes all required elements. Such data can help close any gaps revealed in the secondary data and allows for immediate follow-ups to be undertaken to ensure the clarity thereof. Using both categories of data in a study is referred to as data triangulation, which enables the generation of robust findings, as various data sources are brought together to provide comprehensive answers to the question that are formulated.

It is imperative at this point to also highlight that there are generally two types of data, namely qualitative and quantitative data. Qualitative data is expressed in words; the story; the narrative; the visualisations required to tell a story in the belief that there are as many answers to a question

as there are people or units of analysis. Quantitative data is expressed in numbers; summarised and aggregated; driven by the belief that there is one universal way to represent a particular occurrence or answer to a question. The former presents an interpretivist's worldview, while the latter presents a positivist's worldview; their combined worldview is represented by the pragmatic approach. Given the nature of this study - the evaluation of diverse and unique schemes, a predominantly qualitative approach was deemed suitable but elements of the data had to be quantified, especially when there were numerous units of analysis such as the beneficiaries' responses to questions.

4.3.2.1 The units of analysis

The units of analysis in this study were layered. An analysis was performed for each scheme but under each scheme responses to questions were solicited from the implementers, beneficiaries and implementing partners.

4.3.2.2 Data collection procedure

Firstly, all the schemes were exposed to a desktop review during which secondary data was gathered from information that was publicly available about the design, implementation and outcomes of the scheme. A standard approach to categorising the data was followed i.e. defining the schemes, listing the goals, identifying any successes and challenges; identifying the stakeholders and approaching those stakeholders to generate primary data. The YES scheme had baseline and end-line surveys for their beneficiaries and they shared this data, which we analysed as part of the secondary data analysis.

A survey was designed to elicit primary information both online and in a Word document format administered via email. Instruments are supplied as addendum to this report as developed and approved by the steering committee.

- Once the survey had been completed, online or the Word version, the answers were transcribed and analysed and any gaps or areas that required clarity were noted. Telephonic follow-ups or MS Teams meetings were used to close the gaps or gain clarity about the grey areas.
- Some of the respondents indicated that multiple individuals are dealing with the initiative and it was, therefore, more suitable to set up a discussion-based data collection process via MS Teams. The interviews were then transcribed in preparation for analysis.

Data collection was an ongoing process from August 2021 to December 2021 with a follow-up strategy to ensure that all the identified schemes were adequately represented.

4.3.3 Data analysis and reporting

The analytical approach that was followed was the inward-out and outside-in; triangulated for robustness.

Inward-out: the extent to which an intervention has led to a labour market change and then the extent to which this change has led to impacts for scheme beneficiaries through improved access to employment/income-earning opportunities.

In this study, the researchers attempted to track changes from the start of the theory of change (inputs/interventions) through to the final impacts. However, it was difficult to make connections between specific interventions and changes in the broader labour market and economic opportunities for youths, given the multitude of other influences at work with multiple programmes and actors.

Outward-in analyses how changes at the programme's ultimate goal (poverty reduction; inequality redress) or outcome level (improved employment/income-generating opportunities) were caused by changes in market dynamics.

This study applied the abovementioned approaches in the sequence described hereunder.

Step 1. Inward-Out Analysis. An assessment of how the selected schemes have led to market-level changes in terms of employment opportunities, saving jobs and/or income-earning opportunities.

- This analysis tracks changes from the start of the theory of change (inputs/interventions) through to the impacts.

Step 2. Outward-In Analysis. An analysis of the improvement in labour market dynamics during the evaluation period. How labour market indicators (assessed with regard to youths) have evolved over time and the market system factors that led to these changes.

Step 3. Compare and triangulate the results. An overall narrative of the scheme's impact is developed by triangulating the findings from Step 1 and Step 2 and assessing to what extent

changes in impact observed in the labour market (youth segment) were caused by the interventions being implemented.

These steps were followed in this evaluation to ensure that sound conclusions were drawn.

4.3.3.1 Secondary data analysis

For each of the 12 schemes that were identified, a desktop review was performed and secondary data was sourced guided by the categories listed hereunder.

- i. Description/definition (including objectives)
- ii. Beginning and end date (where applicable)
- iii. Implementer/custodian (including contacts)
- iv. Target group (can we trace these?)
- v. Comment on employment creation focus
- vi. Comment on employment retention focus
- vii. Beneficiary contacts (per province)
- viii. Skills matrix (entry and gains)
- ix. Nature of the intervention e.g. income-generating; skills; business funds
- x. Total funds expended; impact as reported by various sources

The data was then processed and highlights were generated for each scheme and presented under section five, 'Secondary Data Analysis'.

4.3.3.2 Primary data analysis

The primary data that was collected was mainly in a narrative form and therefore predominantly qualitative.

a. Qualitative data processing

Thematic and content analysis techniques were applied. This entailed extracting the narrative reports from the responses to open-ended questions, transcribing the interviews, reading and re-reading the responses to gain an in-depth understanding and identifying key units (unitising) from each of the respondents and then grouping the units to form categories. The categories were then reviewed for the generation of themes, where related categories were combined and a common explanatory phrase developed as the theme.

Unitising, categorising and forming themes

This research study followed a qualitative approach and constant comparisons were made as an approach to analysing the data. During the data processing and analysis, various concepts were used including data coding, categorising, unitising, patterning and forming themes. These concepts are explained in the ensuing sections.

Coding and Unitising

Once all the data had been combined, the researchers read and reread the captured information, writing down the emerging categories in a form of paraphrasing or labelling in a way that describes the respondents' meaning and what the researcher perceives to be important (Lee, 2007). The result is a set of codes that emanates from a process of reducing the volume of information. The process, referred to as coding (Mertler, 2006), is critical in analysing qualitative information. The process allows researchers to identify and organise the data into important patterns and/or themes, hence the coding of the collected data became the first step in the analysis of the data in this study. To enable smooth coding, the key research questions served as the stems from which the data branched out. The coded and unitised data was further organised into important categories, as discussed in the sub-sections that follow.

Categorisation of units

The broad categories related to the research questions to be answered, the responses to the survey questions and interview responses as well as information gleaned from the documents that were analysed were sifted through and words or phrases were allocated to the relevant category. The diversity of the words and/or phrases that were captured reflected the richness of the data and revealed how different individuals perceive the issue/topic at hand. Using research questions as categories ensured that all set questions were answered with the gathered data. The process of categorisation is a critical component of qualitative data analysis (Chenail, 2008) and entails the researcher beginning to extract meaning from the vast amount of data that is collected. It is therefore important to realise such meaning in the context of the study's objectives, as this validates the use of the research questions as overarching categories. When categorising the data it was seen that in some instances the participants' views were similar, which resulted in the formation of one category and when the responses to similar questions produced divergent points of view, more categories were identified. Themes were identified from the categories and were then discussed in relation to the literature and practice.

Themes

To better understand the data that was collected, themes were identified and discussed. Bryman (2012) defines a theme as a category identified by a data analyst during the process of unitising and categorising the data. This study followed this process to generate themes for discussion. A theme builds on codes identified in transcripts after unitising and categorising the data. According to Lee (2007), themes may include knowledge, beliefs, experiences or opinions that the respondent communicated in response to the researcher's questions. Bryman (2012) further explains that when searching for themes it is recommended that one should look out for, amongst other things, the incidences listed hereunder.

- i. Repetition: topics that recur.
- ii. Indigenous typologies or categories: local expressions that are either unfamiliar or used in an unfamiliar way.
- iii. Transitions: how topics shift in transcripts and other materials.
- iv. Similarities and differences: exploring how interviewees might discuss a topic in different ways or differ from one another in certain ways or exploring whole texts and asking how they differ.

b. Quantitative data processing

This includes summaries and descriptive statistics based on univariate analyses of the responses to the baseline and end-line survey of beneficiaries; bi-variate analysis investigates how the responses to the questions differ across the characteristics that are under investigation. Charts, frequency tables and cross-tabulations are generated.

4.4 Delimitations

Extensive pieces of legislation, programmes and policies are currently in place to address all elements related to the youth in the labour market ecosystem but limited insight has been gained to assist with improvement, as administrative data is not being generated and/or shared. Not all the schemes that were identified responded to the survey and some that did respond did not have publicly available information. Source files could not be retrieved and because each scheme is unique, generalisation of the findings should be performed cautiously taking into consideration the design of the schemes that were surveyed.

4.5 Section Summary

The purpose of this section was to discuss the methodological approach that was adopted to evaluate youth employment schemes. The study employed a parallel mixed methods strategy that incorporated a mixture of secondary and primary data, as well as both qualitative and quantitative data analyses. The study sourced data from documents related to the schemes (secondary data); an online survey and interviews that were conducted via MS Teams with stakeholders related to the design, planning and implementation of 10 of the 12 schemes. The analysis began by identifying the key stakeholders in the schemes and from where data was to be sourced. The evaluation entailed analysing the appropriateness, effectiveness and efficiency of each scheme. The ensuing section provides the data analysis.

Section Five: Data Analysis

5.1 Introduction

The study gathered primary and secondary data pertaining to the identified schemes from all stakeholders. The data was then analysed to provide a comprehensive review of existing youth employment schemes and schemes to minimise the retrenchment of employees in South Africa. The schemes that were considered were identified in the Methodology section together with an indication of the data sources used to evaluate each scheme. The schemes were identified as were the initiatives to guide, fund and anchor these schemes. Section 5.2 presents analyses of secondary data, Section 5.3 presents a desktop analysis of each scheme and Section 5.4 presents primary data analyses for the ten schemes that responded to the survey. Every effort was made to obtain responses from the schemes that were identified but several national offices referred us to provincial offices, as was the case with the employment retention schemes known as TERS and the CCMA.

5.2 Secondary data analysis of the schemes

The chronic problem of youth unemployment in South Africa has prompted the government to implement various initiatives to encourage youth employment and to minimise retrenchments. The employment schemes are grouped into three categories; those that focus on employment creation, those that focus on employment retention, and as a necessary addition, those that provide an enabling environment for employment creation to take place; namely entrepreneurship and skills development. A full description of the schemes, including their targets and impacts, is provided in Appendix B

5.2.1 Schemes focusing on employment creation

The schemes that focus on creating employment directly through government-created or funded programmes are the Public Employment Programmes (specifically the Expanded Public Works Programme); the Community Works Programme (CWP); the National Youth Service Programme (NYSP); National Rural Youth Cooperatives; Employment Tax Incentives; the Jobs Fund; and the Youth Employment Service

5.2.1.1 Public Employment Programmes

Launched in 2004, the Public Employment Programmes aimed to provide more than 6 million jobs (over 5 years) to alleviate the unemployment problem among the most vulnerable (women, youth and those with disabilities) through infrastructure development and community-based services with an investment of approximately R1billion. The programmes generated approximately 4 205 730 work opportunities (representing 73.2% of the target) over the target period. 68.3% of these jobs were for women and 1.9% for the disabled. With the current 31% and 34.3% unemployment rate in the country among males and females respectively, the gender unemployment trend is likely to switch (and may help reduce the gender disparity) if the current distribution continues under the programme considering the significant changes the project is making in the job market.

The programme is implemented in three categories, namely the EPWP, the CWP and the NYSP, as discussed in the ensuing sections.

a. Expanded Public Works Programme (EPWP)

The EPWP was launched in 2004 with the primary aim of alleviating the high rate of unemployment (Kelobang et al., 2018). The programme's initial objective was to create a million temporary job opportunities and income over its first five years.

- i. Phase One of the programme was completed in 2009 and it was estimated that 1 million jobs were created. This highlights one of the greatest weaknesses in the implementation of employment creation schemes in South Africa; the lack of proper monitoring and evaluation and the generation of specific data. Only estimates of the impact of schemes are made.
- ii. Phase Two set a target of creating 4.5 million jobs by 2014 and 3.6 million (80% of the target) was achieved within the time limit.
- iii. Phase three of the project commenced in 2014 and was set to come to a close in 2019 and had a budget of R150 billion with a target of 6 million jobs for the five years from 2014 to 2019 (Kelobang et al., 2018).
- iv. Phase four started in 2019 and is set to end in 2024. In the fourth phase of the programme a target of 5 million work opportunities was set.

In 2019, the EPWP had achieved 4 384 516 million jobs (73.2% of its five-year target), which represented an overall shortfall of 1 610 484 (26.8% of target) work opportunities. The least performing sectors were the infrastructure sector and the non-state sector's Community Work

Programme, which achieved 57.7% and 62.7% of their target respectively. It should be noted that employment in EPWP is short-term in nature and not sustainable. The youth are employed for short-term periods and released after the lapse of the contract and thus re-enter the unemployed pool if they do not find employment. As such, the scheme does not offer a sustainable way of reducing youth unemployment.

b. Community Works Programme (CWP)³⁶

The CWP was established in 2007 to provide a safety net for targeted unemployed and underemployed individuals by offering a minimum number of regular days of work each month (Bruce, 2015). The scheme provided a bridging opportunity for unemployed youth and other individuals seeking employment. Participants in the programme perform community work for payment to support themselves during which they search for full- or part-time employment.

The CWP is implemented at the local level at ‘a site’ that generally comprises two or more wards. The programme is designed to enrol 1 000 people per site for a site that is operating at full capacity. It offers two days of work a week, eight days a month or 100 days a year.

Currently, regular CWP participants, who constitute approximately 94% of the total number of participants enrolled in the programme, work two days a week/eight days a month in the CWP and receive R81/day as a stipend. The remainder, approximately 6%, work 5 days a week and receive R106/day as a stipend. The latter are largely supervisors and storekeepers.

The stipends are increased every year on 1 November by between 5 and 6.5% as per the Department of Labour’s Ministerial determination, which specifies the minimum wage for participants in Public Employment Programmes. Since its inception, the CWP has never paid stipends below the stipulated minimum wage.

The programme is located within the Department of Cooperative Governance (DCoG) and aimed to establish at least one CWP site in every local and metropolitan municipality by March 2017. Over the five years of this administration, the CWP planned to put R5.6 billion into the pockets of the poorest of the poor. As of March 2016, there were 212 sites in 203 municipalities that disbursed R1.7 billion to more than 200 000 participants during 2015/16. By 2018, the CWP was

³⁶ <https://www.gov.za/CommunityWorkProgramme>

operational in almost all the 278 municipalities (comprising eight metropolitan, 44 district and 226 local municipalities) in South Africa (Van der Merwe & Langa, 2019).

c. National Youth Service Programme (NYSP)

The National Youth Service Programme (NYSP) is a government initiative aimed at engaging the South African youth in community service activities to strengthen service delivery, build patriotism, promote nation-building, foster social cohesion and assist the youth to acquire the occupational skills required to access sustainable livelihood opportunities. The NYDA provides an administrative function for the National Youth Service, which is the largest service programme for young people in the country.

Example of NYSP Projects

The NYSP was launched in 2008 to encourage youth involvement in community service to promote service delivery, build patriotism, strengthen nation-building, foster social cohesion and assist the youth to gain occupational skills (Chauke, Malatji & Obandire, 2021). The goal was to respond to the diverse needs of young people by providing them with new opportunities for employment, income generation, skills and personal development while contributing to South Africa's reconstruction. The NYSP was initiated by the National Department of Public Works (DPW) in 2004 as part of the EPWP - National Youth Service in the built environment. The three projects described hereunder make up this scheme.

The Young Patriots Programme (TYPP)

The Department of Arts and Culture (DAC) and the National Youth Development Agency (NYDA) signed a cooperation agreement in which the commitment to implement The Young Patriots Programme (TYPP) was established. TYPP is a National Youth Service Programme under the auspices of the DAC. The NYDA committed to implementing the programme on behalf of the DAC from 2016 to March 2020.

TYPP engaged 300 young patriots across the country to activate the strategic objectives of the DAC. The key areas of work for the young patriots include activities aimed at popularising national symbols such as the national anthem and the national flag in schools, the audit of human treasures in communities as well as the installation of flag poles.

Collins Chabane School of Artisans

The National Youth Development Agency established a school for artisans to teach unemployed youth skills through the NYS model, which is about community service, training and exit opportunities.

The pilot phase of the school was operated in partnership with the KwaZulu-Natal, Umgungundlovu TVET College and enrolled 50 young people in boiler making and plumbing programmes. All expenses were fully covered by the NYDA, including the payment of stipends to the young people for three years (2016 to 2018).

Recruitment of Participants

- This takes place within the recruiting municipality. All relevant information is published on the website when the programme is open for intake.
- South African youth between the ages of 18 and 35 years are eligible.
- Appropriately aged individuals must have a minimum Grade 10 qualification with either pure Mathematics or Mathematics Literacy and must be able to read and write English.
- Preference is given to young people that are not in employment, education or training (the NEET cohort).

International Exchange Programmes

The NYDA has entered into several bilateral agreements with other countries that offer international exchange programme opportunities for young people and provide a stipend for the duration of the programme.

A study conducted by Chauke et al. (2021) investigated the effectiveness of the NYSP in the Western Cape using semi-structured interviews with 10 participants. The study found that the NYSP instils an attitude of entrepreneurship among the youth, promotes character building, leadership skills and the development of vocational skills while alleviating poverty. Peters (2017) investigated the effectiveness of the implementation of the programme by interviewing government officials and members of civil society involved in the implementation thereof.

Challenges and limitations of Public Employment Programmes

Despite their relative success, Public Employment Programmes have several challenges. Hlatshwayo (2017) highlighted that the EPWP offers short-term employment but presents publicly

available health and safety risks as well as low incomes. The participants that were interviewed indicated that they wanted security in the form of permanent employment. Kelobang et al. (2018) also lamented the short-term nature of the EPWP jobs and suggested that it should be complemented by education reforms to promote labour market skills and policies to grow the economy. The CWP offers significantly low wages and is unable to foster effective skills development. The CWP also has implementation challenges that hinder its success.

As an illustrative example, the KwaZulu-Natal (KZN) Department of Cooperative Governance and Traditional Affairs (CoGTA) (2019³⁷) evaluation report on the EPWP and CWP raises the points in the ensuing list.

- Of the 418 participants that were sampled, 58% were not employed before they participated in either the CWP or the EPWP, thus translating to 58% employment creation through the CWP/EPWP programmes. However, 42% had worked before they participated in the CWP/EPWP programmes, of which 38% were in casual employment, 23% were in part-time formal employment and the balance were self-employed.
- In the majority of households, the breadwinner is involved in the CWP/EPWP, implying a heavy reliance on the scheme's money.
- When ascertaining the contribution of the scheme's stipend to overall household income, 38% have the CWP/EPWP stipend of R732 per month as their only household income (100% contribution to household income) and 35% report that the stipend constitutes 49% of their income. This indicates that the impact made by the programme is significant in terms of employment creation and contribution to overall household income.

³⁷ <https://www.kzncogta.gov.za/wp-content/uploads/2017/09/EPWP-and-CWP-Evaluation-March-2019.pdf>

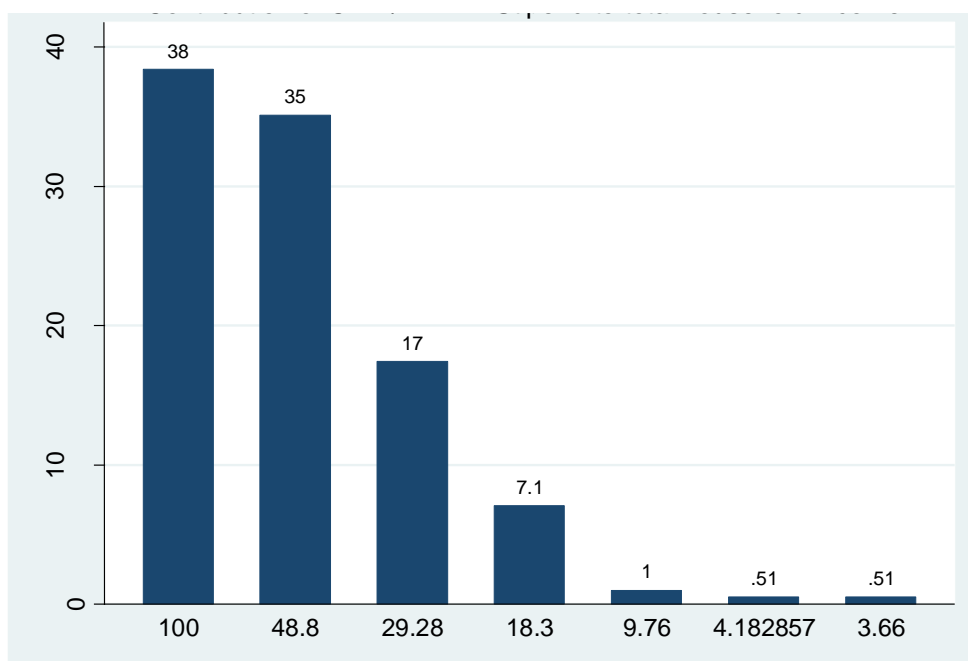


Figure 5.1: Contribution of CWP/EPWP stipend to total household income

Source: KZN CoGTA, 2019

With an average household comprising six people, the majority of households that have this programme as their sole income have an average per capita income of R122, which translates to USD\$8.44 per person per month based on the average exchange rate in 2019. This per capita value translates to USD\$0.28 per day; much lower than the expected average of at least USD1.25. Figure 5.2 hereunder illustrates how the stipend compares with poverty lines in South Africa.

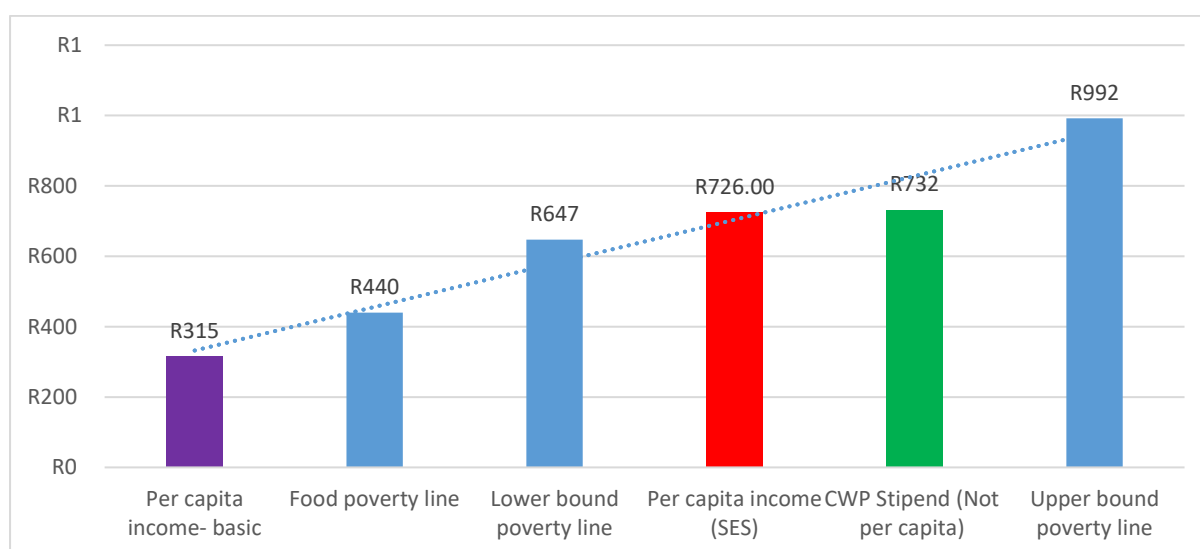


Figure 5.2: CPW/EPWP Stipend Compared to the Lower and Upper Bound Poverty Line

Source: KZN CoGTA, 2019

* Poverty lines based on 2015 prices

- *Upper bound poverty line.* The threshold of relative deprivation below which people cannot afford the minimum lifestyle desired by most South Africans.
- *Lower bound poverty line.* The austere threshold below which one has to choose between food and important non-food items.
- *Food poverty line.* The threshold of absolute deprivation. The amount of money required to purchase the minimum required daily energy intake.

Per capita income distribution based on Statistics South Africa's General Household Survey (GHS) indicates a significant skewness, with the majority having a per capita income below R1 500 per month (approximately USD\$103.81 monthly). Taking into account the contribution of the stipend to household income as explained in the foregoing section, there is no doubt that the programme is of assistance to the participants.

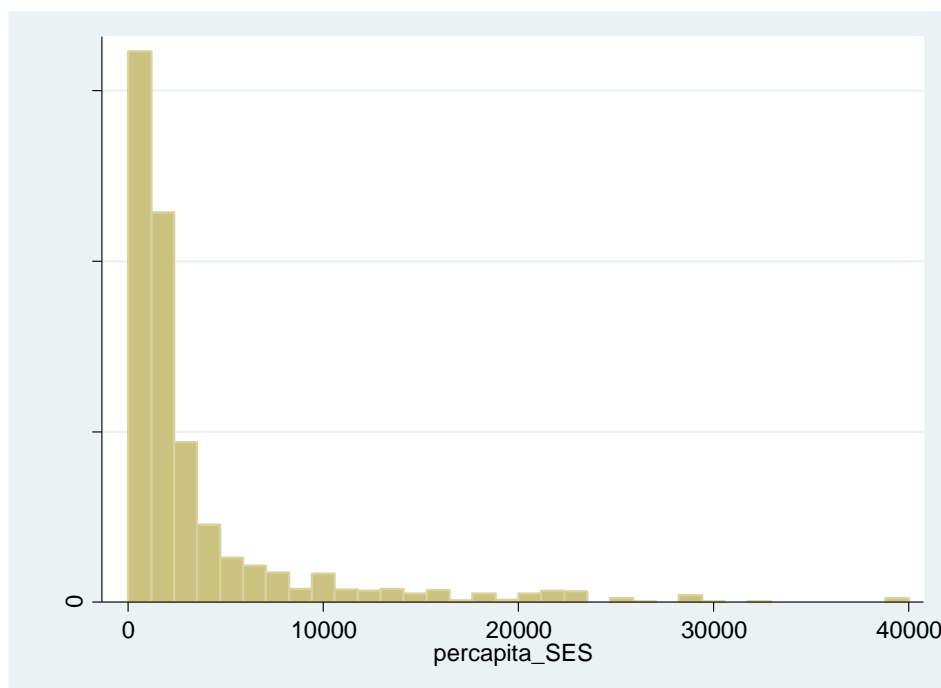


Figure 5.3: Per capita standard equivalence scale (SES) computation based on GHS, 2017

The challenges that were highlighted included lack of resources, management problems and mistrust. Zuma (2017) suggested improvements in the NYSP skills programme through learner involvement, improved coordination of experimental learning activities and the diversification of learnerships to accommodate the skills that the learners require. Rena and Diale (2021) evaluated the effectiveness of the NYSP in developing skills among unemployed graduates in the North-West Province and found that 83% of the graduates were not employed after completing the skills development programme in 2017. Lack of stakeholder participation and commitment were cited as the main challenges to success.

5.2.1.2 National Rural Youth Service Corps (NARYSEC)

NARYSEC was established in 2010 by the Department of Rural Development and Land Reform (DRDLR) and was an inter-departmental and ministerial project for the unemployed youth (from 18 to 25 years of age) that have Grade 12 (Standard 10). The programme aims to develop qualified and skilled youth that can be easily employed in the labour market with reduced chances of retrenchment as it equips the youth in rural areas with the skills needed to obtain employment and to contribute to rural development. It exposes participants to different skills that focus on instilling a culture of discipline, patriotism, community service as well as technical and vocational skills that equip participants for construction, agriculture, household profiling, welding and records management. All participants are given an R1320.00 stipend throughout their training and service over the two years. This is lower than other schemes, for example, YES pays R3760.

The project, however, was affected by the outbreak of COVID-19 (10 years after the scheme was initiated) leading to approximately 900 participants being relieved from the training. This created a potential unemployment implication. Other youth employment training programmes, such as those under the auspices of the National Skills Development Strategy and the Youth Employment Accord provide training that links skills development to a career path and youth employment and skills development for people who do not have relevant or numeracy skills. National Rural Youth Cooperatives were severely adversely affected by the outbreak of COVID-19.

Since its inception on 1 September 2010, NARYSEC has recruited 16178 rural youth from all 9 provinces. The programme develops the skills of targeted NARYSEC participants through various skills development initiatives in partnership with other public and private sector institutions in line with the rural economic transformation strategy.

NARYSEC is a youth skills development and employment programme that provides character-building programmes, soft and hard skills training and dispatches the youth to rural areas to undertake various rural infrastructure and other development projects. It transforms the youth from rural areas from job seekers to job creators in their own right, thereby breaking the vicious cycle of social grant dependency.

In May 2013 approximately 13 000 participants in NARYSEC were at various stages of their training as development agents. The Department of Rural Development and Land Reform) has partnered with the Agricultural Research Council to train 900 agri-paraprofessionals in smallholder

livestock and dairy production and 750 more in vegetable growing and soil sampling. The DRDLR has invested more than R631 million in programmes to train and deploy rural youth.

A further 400 youth have received practical training in construction by Murray and Roberts. This was part of the collaboration with the private sector. Youth have also participated in construction projects in Worcester (housing construction), Beaufort-West (constructing a youth hub) and Limpopo (brick making and paving).

NARYSEC's objectives are listed hereunder.

- i. To train youth through specifically developed programmes linked to community needs in rural areas.
- ii. To develop youth with multidisciplinary skills through civic education.
- iii. To capacitate youth to retain the knowledge and technical skills acquired during training.
- iv. To increase the number of rural communities receiving support in their self-development through the Comprehensive Rural Development Programme (CRDP³⁸).
- v. To focus on aspects of discipline, patriotism and service delivery in rural communities.

Recruitment is done through advertisements and selection by community structures. NARYSEC participants are expected to remain in the programme for 48 months following their recruitment from rural communities. The first two years of the programme focus on skills development while the latter two years focus on the incubation of enterprises.

Rural development indicators for the 2017/2018 financial year³⁹ reported a total of 25 383 youth opportunities and or projects, of which:

- 2 769 Agri-Park infrastructure projects were facilitated,
- 15 075 socio-economic projects were facilitated to revitalise rural towns and villages,
- 60 new agricultural enterprises were supported in the 44 districts aligned to Agri-Parks,
- 9 new non-agricultural enterprises were supported in the 44 districts aligned to Agri-Parks,
- 4 583 skills development opportunities were provided in rural development initiatives (including NARYSEC) and

³⁸ <https://www.gov.za/about-government/government-programmes/comprehensive-rural-development-programme-crdp>

³⁹ <https://www.drdlr.gov.za/sites/Internet/ResourceCenter/DRDLR%20Document%20Centre/statistical-annual-report-2017-2018.pdf>

- 2 887 jobs were created in rural development initiatives.

Programme successes include those listed hereunder.

- The stipend received during the programme contributed towards improving the livelihoods of the youths and their families.
- The youth participants reported that household income increased during and after the NARYSEC programme due to some of the youth being employed and initiating new businesses.
- Opportunities were provided for youths to acquire a skill they did not have before joining the programme – large numbers of youths have been certified through the programme.
- A culture of community service was instilled in the youth.

The distribution of the beneficiaries across the provinces is outlined in Table 5.1 hereunder.

Table 5.1: NARYSEC Beneficiaries by Province

Province	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
EC	1286	0	1166	186	66	258	363	301	0	242	300	4168
FS	0	280	249	411	50	120	252	101	120	253	0	1836
GP	1047	0	100	288	0	20	245	120	0	150	0	1970
KZN	0	101	1316	22	23	106	468	377	149	142	401	3105
LP	1094	0	1554	200	0	152	368	300	0	200	300	4168
MP	1074	0	0	0	0	172	420	202	155	409	0	2432
NW	915	0	251	353	7	108	233	145	239	200	0	2451
NC	583	0	233	131	5	173	393	65	105	154	0	1842
WC	858	0	1223	165	34	113	406	156	165	152	0	3272
TOTAL	6857	381	6992	1756	185	1222	3148	1767	933	1902	1001	25 244

Source: DRDLR, 2018⁴⁰

⁴⁰ <https://www.drdlr.gov.za/sites/Internet/ResourceCenter/DRDLR%20Document%20Centre/statistical-annual-report-2017-2018.pdf>

Challenges

An extract from the Parliamentary Portfolio⁴¹ highlights areas of concern about the project.

There needs to be clarity on the project's purpose - if it is about youth being employed then it will be assessed on that but if it is about skills then it will be assessed on skilled youths that are empowered. How does the Department define success in terms of the NARSYEC programme? The chairperson was concerned about the lack of racial diversity in the programme. How has racial diversity been mapped out in this programme to enable young people to be self-sustainable within their enterprises?

The Human Science Research Council (HSRC) evaluation report noted the points listed hereunder.

- i. The programme lacks exit opportunities/exit pathways.
- ii. The programme focused on skills development but those that were taught skills remained unemployed and did not initiate businesses.
- iii. The programme did not provide support for employment opportunities or enterprise development.
- iv. The HSRC recommended refocusing the programme with an emphasis on jobs and enterprise development.

5.2.1.3 Employment Tax Incentives

The employment tax incentive (ETI) was implemented in 2014 through the Employment Tax Incentive Act, No. 26 of 2013 to provide a tax subsidy to employers to encourage them to employ job seekers, especially those within the age category of 16 to 29 years and earning less than R6000 per month. The employment tax incentive aims to encourage employers to hire young and inexperienced work seekers. If an employer is eligible to receive the employment tax incentive because of a qualifying employee, the employer may reduce its employees' tax that is payable. The incentive came into effect on 1st January 2014 and ends on 28 February 2029.

The expanded employment tax incentive was established in response to COVID-19. This is a short-term tax relief measure that aims to assist tax-compliant businesses with their cash flow so that they can retain their employees, which will result in minimising unemployment and the risk of the economy grinding to a halt as a result of the COVID-19 outbreak. Initially, the expansion

⁴¹ <https://pmg.org.za/committee-meeting/30307/>

of the ETI programme was made available for a limited period of four months, beginning 1 April 2020 and ending on 31 July 2020.

ETIs reduce the cost of hiring youth aged between 16 and 29 through a cost-sharing mechanism with the government. Ranchord and Finn (2016) and Bhorat et al. (2020) found that over the short term, the magnitude of the effect of tax incentives was small. However, Bhorat et al. (2020) estimate that the scheme supported over one million jobs and also saved 35333 jobs between 2014 and 2016. The cost-sharing initiative particularly benefits smaller firms; those with fewer than 10 employees. It was also documented that the impacts of tax incentives dwindle over time.

Table 5.2: Summary statistics for ETI claims by tax year

	2014	2015	Both
Number of ETI claims	165,700	898,797	105,670
Number of firms claiming ETI	14,551	34,654	11,883
Number of firms not claiming ETI	236,534	208,472	180,269
Percentage of ETI-claiming firms	6%	14%	6%
Total number of firms	251,085	243,126	192,512

Source: Ebrahim, Leibbrandt and I Ranchhod (2017)

A total of R6.3 billion was claimed between January 2014 and February 2016. In 2014/15, 32 368 firms lodged at least one claim each against the ETI. Whilst this is a large number of firms, this represents only 15% of the total number of firms in the tax database with eligible employees.

Success of ETI

The programme has not had an adverse effect on the employment of workers not covered by the scheme. The ETI was claimed for 134 923 jobs in 2014 and 686 402 jobs in 2015, which implies that the ETI supported approximately 5% of all jobs in the tax dataset based on individual employee tax certificates in the 2014/15 tax year (Ebrahim et al., 2017). The ETI appears to be successful in reaching its target demographic of 18-29-year olds, particularly the youngest workers within this demographic. For example, while the ETI supported approximately 15% of all jobs across the entire youth cohort of 18 to 29-year olds, it supported 32% of all jobs for 18-year olds and 19% of all jobs for 22-year olds. It is, however, not clear how many jobs that were supported could be better contextualised, which is a general limitation of secondary data and for this scheme in particular.

Challenges/limitations of ETI

The availability of data on ETIs post 2017 remains a challenge in an attempt to evaluate the effectiveness of the scheme. Focusing on firms in the Vaal Triangle Region (located in Southern Gauteng), De Jongh, Meyer and Meyer (2016) found that 80% of those claiming subsidies had not created any new jobs. Using data between 2014 and 2016, Bhorat et al. (2020), found that although the ETI saved a number of jobs and ETI claiming firms hired more workers, the practical effects are marginal. The availability of data over a longer period is vital for future research on the effectiveness of the ETI intervention.

5.2.1.4 *Jobs Fund*⁴²

Announced during the State of the Nation Address on 10 February 2011 and launched in June 2011 by the then Minister of Finance, the Jobs Fund had an amount of R9 billion set aside towards the realisation of the fund's objective.

The objective of the Jobs Fund is to co-finance projects initiated by public, private and non-governmental organisations aimed at job creation. This involves the use of public money to catalyse innovation and investment on behalf of a range of economic stakeholders in activities that contribute directly to enhanced employment creation in South Africa. The Jobs Fund was designed specifically to overcome barriers in the labour market by providing public funding through four categories known as funding windows, namely support for work seekers; enterprise development; infrastructure investment; and institutional capacity building.

According to Allie-Endries (2020), the Jobs Fund has created an estimated R15 billion in returns to the fiscus and more than R11 billion in partner match-funding contributions. The Fund has supported more than 39 000 SMMEs (majority black-owned), more than 16 000 black smallholder farmers and the creation of 280 000 jobs, 64% of which are reserved for the youth. A list of all funded projects is in Appendix A Extracts⁴³ of projects under each of the categories are presented hereunder as examples.

⁴² <http://www.jobsfund.org.za/pyei.aspx>

⁴³ Extracts are taken from: <http://www.jobsfund.org.za/FundedProjects.aspx>

a. Support for Work Seekers examples

i. Monyetla Work Readiness Programme

This programme was launched in 2008 and designed to accelerate training for entry level jobs within South Africa's growing Business Process Outsourcing (BPO) industry.

The Monyetla Work Readiness Programme trains unemployed young people to prepare them for successful employment in the business process outsourcing industry. The programme aims to train 18 000 youth and place 70 per cent of the trainees in six-month employment contracts.

Achievements

Success was evident from inception in 2008, where the first 1 117 learners who entered the Programme had the following outcomes: 1 958 learners were found competent (86%) 857 of the 958 competent learners were employed (90%), 857 of the 1 117 learners who started were found competent and employed (77%) , 179 learners in 3 consortia completed the full Contact Centre Level 2 qualification. In addition, 236 supervisors were training compared to the target of 186, that is a 25% above target achievement.

As of 2019:

- New short-term jobs: 12 601
- Training completed: 18 000

ii. Harambee Youth Employment Accelerator Project

A partnership of businesses established Harambee as a public benefit organisation in 2011 to address entry-level labour challenges and youth unemployment. Project partners include Yellowwoods (an investment company), several investee businesses and the South African Government.

Based on the understanding that if a young person gets and keeps their first job they are more likely to remain employed for the rest of their lives, Harambee helps first-time job seekers and employers by: empowering job seekers through personal development, skills enhancement and, most importantly, formal job placement.

Achievements⁴⁴

As an entity, it employs up to 1 000 staff (no specific age categorisation)

By 2019, 100 000 young people have benefit from the programme (translating to average 12 500 per year since inception) with 10 000 having secured full-time formal sector work.

b. Enterprise Development example

i. the Awethu Project

Awethu is a company that was set up to combine ideas, people and capital to build fast-growing SMMEs in South Africa in partnership with the private sector.

⁴⁴ <http://reports.weforum.org/disrupting-unemployment/youth-employment-accelerator/>

Awethu believes that the best way to harness natural talent and ensure that people move out of poverty is through entrepreneurship and small business growth. The project identifies high-potential entrepreneurs from vulnerable groups, equips them with the entrepreneurship skills most crucial to their success and connects them with the resources that will allow them to lead their communities to economic prosperity. The overall objective of this project is to support 500 entrepreneurs in their business growth and to create an additional 1 000 jobs.

Achievements⁴⁵

Between 2011 and 2016 Awethu incubated 2 000 small business and in turn created 2 000 jobs. During the same period, they have grown from being a R60 000 start –up capital to raising 450 000 of capital through the support of government.

c. Infrastructure Investment example

i. Small-Scale Sugarcane Grower Irrigation Infrastructure Capitalisation Project

As a sugarcane development finance organisation, Akwandze seeks to negotiate the best terms and manage funds for sugarcane growers. Akwandze has partnered with the Lima Rural Development Foundation, the Mpumalanga Cane Growers Association and TSB Sugar for this project.

The initiative aims to increase the sugarcane production of 1 281 small- to medium-scale black sugarcane farmers in the Nkomazi area. Akwandze will also provide farmers with training, on-site technical support and capacity building.

Achievements

Training has been provided to 4 582 farmers. The initiative aimed at creating 1 51 jobs.

d. Institutional Capacity Building example

i. The Small Enterprise Foundation Expansion Programme Project

This project seeks to address poverty problem through supporting small businesses by way of accessible finance, with the understanding that the small business will create employment. The target is for new permanent jobs totalling 6 129 and training completed by 6 475 individuals. The project has explicit focus on women than youths, however youths are not entirely excluded. No specific achievements are available.

Challenges encountered by the Jobs Fund

The challenges to the success of the Jobs Fund are the implementation and coordination thereof. According to Allie-Endries (2021), in some projects, employers prefer to employ new entrants into

⁴⁵ <http://www.awethuproject.co.za/news/detail/a-job-is-more-than-just-a-number.-thank-you-government>

internships and learnerships at the expense of hiring existing employees on a long-term basis. There is a need for the appropriate matching of skills development and demand in the labour market. As such, collaboration between the private sector and the Jobs Fund is important to ensure that the training provided to the unemployed youth equips them with the skills required by employers. In their evaluation of business incubators supported by the Jobs Fund, Allie-Edries and Mupela (2019) as well as the Jobs Fund and Impact Economix (2016) found that challenges such limited access to finance, inadequate mentoring and inconsistencies in the implementation approach hindered the success of the Jobs Fund.

Imperative to note, a scheme like Jobs Fund has high adaptability, especially in response to economy wide shocks, such as the pandemic. A good example is how the Jobs fund as part of the Presidential Employment Stimulus package implemented Basic Education Employment Initiative (BEEI) in response to the adverse effects on employment of the COVID-19 pandemic (Youth Capital, 2021). This initiative was introduced in 2020 to provide job opportunities to the youth aged between 18 and 35, in the form of teacher assistant positions in public schools. The objective was to employ 300 000 young people (200 000 education assistants and 100 000 other assistants) in schools to ensure the continuation of learning and teaching in a safe environment (Businesstech, 2020). In the first phase of the project, close to 320 000 individuals were employed in various public schools for five months, earning a minimum wage (R21. 69 for each working hour). Surveys administered in a study by Youth Capital (2021) showed that the programme has a positive effect on schools and the households of the young people that are employed as assistants. The study recommended that adequate capacity building and mentorship be implemented, as well as the extension of the project to a full year. Exit strategies for the youth completing their tenure are of paramount importance

5.2.1.5 Youth Employment Service (YES)

Youth are often stuck in a conundrum: cannot get a job without experience and cannot gain experience without a job. YES provides 12 months of work experience for eligible unemployed youth. To reignite South Africa's economy, YES provides youth with their first opportunity to work and build a curriculum vitae (CV), reference letter and a completion certificate. YES offers 25 work readiness modules to ensure that the participants gain on-the-job and theoretical work readiness skills. YES aims to create one million work opportunities for unemployed black youths and transform the lives of these individuals while helping to grow the businesses in which they are placed.

The programme rewards companies that invest in youth jobs by advancing their B-BBEE levels by as much as 2 levels should they choose to participate. Participation requires businesses to sponsor unemployed youth for 12 months in a job to provide an entire generation of youth with the opportunity to gain work experience, thereby transforming their lives, the businesses they help grow and the country's economy.

The scheme reported that over 60000 youth work experience opportunities were created by the end of 2021, over 1 600 partnerships with companies had been formed and over R3.4 billion had been injected into the economy through salaries.

The programme offers a stipend of R3 760, which may be lower than the reservation of many, leading to low uptake, especially among those that have a post-matric qualification. It is, however, important to acknowledge that the programme is useful for reducing job search costs for job seekers, as the programme ensures job matching.

5.2.2 Schemes Focusing on Employment Retention

The schemes that focus on the retention of employees include the Temporary Employer-Employee Relief Scheme (TERS) and the Commission for Conciliation, Mediation and Arbitration (CCMA).

5.2.2.1 Temporary Employer-Employee Relief Scheme (TERS)

TERS is a 12-month (maximum) benefit for employers and employees in companies facing distress, aimed at retaining employees at little to no costs to the employer. Important to note that the scheme gives companies the maximum opportunity to recover during the temporary relief from distress and to re-absorb employees into ordinary work at the end of the TERS. Its efficiency will need to be ascertained from the ability of companies to then re-absorb employees. If firms fail to revive, then the scheme is reduced to general unemployment insurance than relief scheme. By design, it is imperative to note the role of Productivity SA, should the company not be able to come up with own turnaround strategy.

TERS was reaffirmed during the Presidential Jobs Summit in 2018, where the Social Partners signed an Agreement outlining mechanisms to minimize the loss of jobs and create new job opportunities. Rebranded and revitalized: Temporary Employer / Employee Relief Scheme – TERS [not the same as the Covid-19 TERS]. The TERS is administered by the CCMA through

the Single Adjudication Committee. TERS has 3 components: TERS allowance paid by UIF (75% of their ordinary wage/salary up to a maximum of R211 596.30 per annum in terms of the Basic Conditions of Employment Act threshold) with the company making only social contributions; Training Programme at the cost to the SETA (for upskilling and reskilling for easy absorption or mobility to other opportunities); Business Turn-around and Recovery Programme provided by Productivity South Africa. The flexible approach creates opportunities for greater impact, and in addition it easily accommodates horizontal and vertical expansion in times of crisis as could be seen with the COVID-19 TERS variation. For example, the TERS was introduced relatively quickly after the onset of South Africa's national lockdown in March 2020 and was the largest UIF component during the lockdown period; by March 2021 nearly R59 billion had been disbursed to 5.4 million individual workers. The literature notes that job retention policy in the form of a wage subsidy served as a core component of the South African Government's economic policy response to the pandemic. Initially, R40 billion (or 8%) of the government's R500 billion fiscal package was accounted for by the expansion of the Unemployment Insurance Fund (UIF) to provide wage support to affected workers (Bhorat et al., 2020), both through existing benefits (such as illness, reduced work time and unemployment) as well as the new Temporary Employer-Employee Relief Scheme (TERS). Köhler and Hill (2021) highlighted the decline in the proportion of 18 to 34-year-old TERS recipients over time, arguing that although insignificant it is potentially of concern and may indicate that the youth – a vulnerable group in and of themselves – may have been less than proportionally supported by the TERS programme. However, youths who may have recently started working have limited benefits under the UIF compared to long-time workers, which would increase their vulnerability despite schemes such as TERS.

5.2.2.2 CCMA Section 189 – Dismissals Related to Operational Requirements

The CCMA was established through the Labour Relations Act, No. 66 of 1995 as amended, Section 189 to protect the rights of stakeholders in the labour market. Section 189 of the CCMA provides for job security, the minimisation of unfair and arbitrary retrenchments and negative shocks of loss of employment. Consultation must take place as soon as the employer contemplates retrenchment. Consultation must take place:

- with a workplace forum;
- with a registered trade union whose members are likely to be affected or
- with the employee/s likely to be affected.

Payments in relation to notice, severance and others such as pro-rata pension and provident fund benefits are governed by this legislation. The intent is not to completely prevent retrenchment but rather to ensure that retrenchments occur only if no alternative arrangement can be made, such as varying the contract and that when retrenchments are unavoidable, the decision is communicated to the employee appropriately and the applicable benefits are afforded to the employee.

As shown on figure 5.4, there has been a significant increase in cases referred to the CCMA in recent times, with the authorities reporting 221 547 referrals received during the 2019/20 financial year, compared to 193 732 referred in the 2018/19 financial year; a 14% increase.

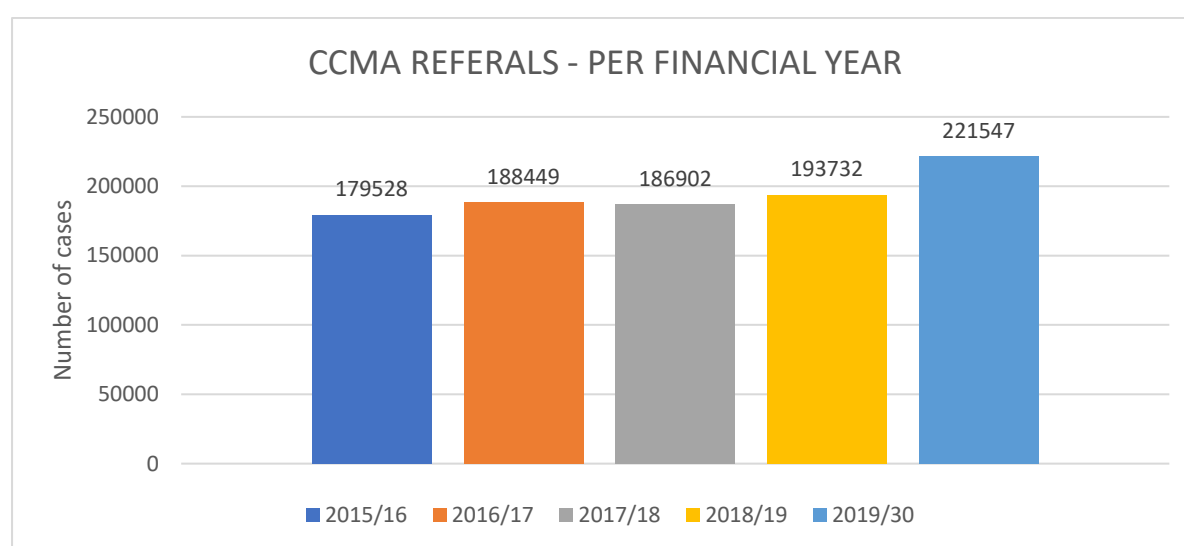


Figure 5.4: CCMA referrals per financial year

Source: researchers' computation using data from CCMA reports

Of the 2019/20 cases, the CCMA was able to save 42% of the jobs referred for large-scale retrenchment, as summarised in Table 5.3 hereunder. Some sectors recorded a zero success rate, while others achieved significant successes, including 100% of 248 cases in municipalities and 91% of the 1 111 cases in the rubber/tyre manufacturing sector. However, only 11% of the 3141 cases in the agriculture sector were successful and 17% of the 1065 cases in the motor manufacturing sector.

Table 5.3: CCMA jobs saved per sector (2019/20)

Sector	Employees likely to be Retrenched	Forced Retrenchment	Voluntary Retrenchment	Total Retrenchments	Other	Jobs Saved (#)	Jobs Saved (%)
Mining	13574	3014	2616	5630	1022	6922	51%
Building/Construction	4392	1851	512	2363	76	1953	44%
Transport (Private)	3807	1898	138	2036	10	1761	46%
Metal	5451	2387	1567	3954	102	1395	26%

Sector	Employees likely to be Retrenched	Forced Retrenchment	Voluntary Retrenchment	Total Retrenchments	Other	Jobs Saved (#)	Jobs Saved (%)
Manufacturing	2932	909	642	1551	68	1313	45%
Food/Beverage (manufacture & processing)	3479	947	1166	2113	168	1198	34%
Rubber/Tyre (manufacturing)	1111	0	102	102	0	1009	91%
Education	765	6	46	52	3	710	93%
Retail	1778	606	514	1120	115	543	31%
Clothing/Textile (manufacturing)	1031	376	125	501	5	525	51%
Contract Cleaning	567	63	0	63	0	504	89%
Leather	412	10	36	46	6	360	87%
Entertainment/Leisure	818	386	80	466	0	352	43%
Agriculture/Farming	3141	2794	7	2801	1	339	11%
Health	656	214	180	394	1	261	40%
Banking/Finance	524	179	75	254	20	250	48%
Municipality	248	0	0	0	0	248	100%
Paper/Printing/Packaging	672	255	183	438	8	226	34%
Business/Professional services	755	438	84	522	26	207	27%
Motor Industry	371	34	139	173	14	184	50%
Motor (manufacturing)	1065	843	39	882	0	183	17%
Research	283	28	55	83	19	181	64%
Communications	204	25	27	52	5	147	72%
Chemicals	470	263	55	318	13	139	30%
Religious/Community Service	228	88	14	102	9	117	51%
Parastatals	286	0	153	153	32	101	35%
Distribution/Warehousing	215	131	0	131	3	81	38%
Road Freight	117	25	11	36	1	80	68%
Hotels	150	52	18	70	1	79	53%
Telecommunications	205	19	100	119	29	57	28%
Information and communications technology	1031	150	825	975	0	56	5%
Civil Engineering	102	7	33	40	9	53	52%
Waste Recycling	53	3	10	13	0	40	75%
Fishing	79	44	0	44	0	35	44%
Energy	152	110	8	118	3	31	20%
Media	52	0	18	18	4	30	58%
Retirement Villages	31	0	2	2	0	29	94%
Electrical	201	110	75	185	4	12	6%
Advertising	19	0	9	9	0	10	53%
Marketing & Public Relations	35	0	30	30	0	5	14%
Political Parties	55	6	39	45	5	5	9%
Public Health & Social Development	45	45	0	45	0	0	0%
Safety/Security (private)	145	11	125	136	9	0	0%

Sector	Employees likely to be Retrenched	Forced Retrenchment	Voluntary Retrenchment	Total Retrenchments	Other	Jobs Saved (#)	Jobs Saved (%)
Tool Manufacturing	25	14	11	25	0	0	0%
Wholesale	33	33	0	33	0	0	0%
TOTAL	51995	18409	9945	28354	1795	21846	42%

5.2.3 Auxiliary programmes

In the search for information about the agreed-upon schemes, other initiatives emerged that are also meant to help with youth employment creation and retention. These are discussed in this subsection and include programmes based on entrepreneurship (entrepreneurship helps to create jobs, as explained in Section 3), whether the entrepreneurship is performed by youths or by other age groups. School-based initiatives assist to ensure that youths have relevant qualifications to pursue further studies or start income-generating initiatives. Training and vocational programmes can empower youths to initiate businesses. The section includes other ‘minor’ albeit important schemes that have been implemented in the recent past.

5.2.3.1 *Entrepreneurship programmes*

Entrepreneurship programmes support youth employment creation and these include the Entrepreneurial Development Programmes, which are a diverse range of interventions in support of young people as they set up businesses, including the provision of finance; an array of training; business incubation and mentorship. Institutions established for this purpose include the National Youth Development Agency (NYDA), the Department of Small Business Development (DSBD), Small Enterprise Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA), as explained hereunder.

The NYDA developed an Entrepreneurship Development Programme (EDP) to support young entrepreneurs to initiate and grow businesses through skills development and imparting valuable knowledge (NYDA, 2018). The EDP also raises awareness of entrepreneurship as a possible career option. An evaluation of the EDP by the NYDP (2020) from albeit a small sample of 45 respondents from the NYDP database revealed that the major hindrances to entrepreneurship development are the lack of awareness thereof and the inability of young entrepreneurs to access support structures and initiatives. The government established the Department of Small Business Development (DSBD), Small Enterprises Finance Agency (SEFA) and Small Enterprise development Agency (SEDA) to promote the growth and development of SMMEs in South Africa with varied success.

Department of Small Business Development (DSBD) has four programmes, that are funded through SEFA and other training needs met through SEDA. According to Mnguni (2018), there is a lack of clarity about the training and funding services offered by the DSBD due to ineffective communication and several SMMEs remain unaware of the services provided by the DBSD. DSD programmes are funded through Small Enterprises Financing Agency (SEFA) and/or trained through SEDA. SEFA was able to offer financial support to 10 247 SMMEs in the fourth quarter of the 2020/2021 financial year through its loan programme. This resulted in the creation and maintenance of 14 513 jobs. Furthermore, youth enterprises were supported to the value of R21 207 million in loans.

Summary from secondary data analysis

Overall, the employment creation schemes face a number of challenges that have a negative effect on their success:

- Some of the programmes such as EPWP are short-term in nature and thus do not offer the required long-term solution.
- Other challenges reported for employment creation schemes include lack of adequate resources and management problems. Furthermore, exit strategies and support for graduates are required.
- Skills development schemes are viewed as not imparting the required level of skills for graduates. The level of skills imparted on the graduates needs improvements such that they are able to compete with graduates from other institutions such as universities.
- Entrepreneurial development schemes do not provide clarity on the available training and funding opportunities and there is lack of support structures for entrepreneurs.

The secondary data analysis does not reveal of the information regarding the success and challenges of the youth employment scheme. Therefore, the study utilised surveys of implementers and implementing partners of the schemes.

5.3 Primary data analysis: response from implementers, implementing partners and beneficiaries

This section presents an analysis of the primary data gathered through interviewing the implementers of youth schemes and their partners. The study sought to determine the appropriateness, effectiveness and efficiency of the schemes. The ensuing discussion provides a summary of the findings. A full description of the interview questions and detailed responses is

provided in Appendix B. It should be noted that the researchers were only able to gather primary data from ten schemes, as outlined in Table 4.1.

5.3.1 Expanded Public Works Programme (EPWP)

5.3.1.1 Scheme profile

The EPWP was initiated in 2004 to create work opportunities to contribute towards poverty alleviation and the reduction of unemployment. Participants are recruited through engagement with community structures. Most of the beneficiaries are low-skilled and unemployed. The programme is in its fourth phase, which began on the 1st of April 2019 and concludes on the 31st of March 2024. The programme targeted 55% youth participation. However, this target has not been met given that only 44% youth participation has been achieved. From the 5 million target under phase four; as of the 30th of September 2021, 2.6 million jobs had been created already.

5.3.1.2 Implementation, Monitoring and Evaluation

The monitoring and evaluation unit of the Department of Public Works and Infrastructure is in charge of the programme. Activities performed include those listed hereunder.

- Identification of projects.
- Selection of participants.
- Implementation of projects by participants.
- Monitoring and reporting of EPWP outcomes.

5.3.1.3 Challenges

The identified challenges to the programme include political interference in recruitment, lack of interest of youth regarding certain types of work and exit strategies. Other challenges include difficulties in coordinating various projects due to the implementation thereof being controlled by different public bodies. Furthermore, poor record-keeping by public entities makes it difficult to measure outputs.

5.3.1.4 Successes

Beneficiaries are provided with training to build skills for project implementation. Some participants are also being provided with training in business skills to run their own businesses.

5.3.1.5 Recommendations

It is recommended that more funding be made available for training to improve the outcomes of the programme. Improved monitoring processes using digital technologies are of paramount importance. Digital finance could be used to monitor beneficiaries whose details would be included in the database. Furthermore, an integrated data management system would help to track individuals and prevent duplication of beneficiaries.

5.3.2 National Youth Service Programme

5.3.2.1 Scheme profile

The NYSP is a government initiative aimed at involving South African youth in community service activities to improve service delivery, build patriotism, promote nation-building, foster social cohesion and assist youths to acquire occupational skills that will enable them to access long-term employment opportunities. In 2004, the Department of Public Works (DPW) introduced the NYSP initiative as part of its Expanded Public Works Programme. This programme was created to train and provide real work experience to young people over five years (NYSP, 2020). The NYS, which is the country's single largest service programme for young people and the National Youth Development Agency (NYDA) provide the necessary administrative services for the scheme (NYDA, 2021). The Department of Public Works and Infrastructure's National Youth Service Programme aims to train youth as artisans in the built environment. Youth training is carried out as part of the department's projects. Youth are recruited in the areas in which the programmes will be implemented and the goals match those that the beneficiaries will need in the labour market. The adolescents that are targeted are those who have completed Grade 12 with Mathematics and Science as subjects. The objectives of the NYSP include those listed hereunder.

- To increase social capital and foster social cohesion.
- To establish in young people a culture of community service.
- To instil in young people a sense of patriotism and an understanding of their role in civic consciousness and national regeneration.
- To help young people to develop the skills, knowledge and talents they need to make a successful transition into adulthood. To increase the employability of young people.

5.3.2.2 Implementation, Monitoring and Evaluation

The monitoring and evaluation unit of the Department of Public Works and Infrastructure is tasked with monitoring and evaluation. The scheme's activities include those listed hereunder.

- The project manager selects appropriate projects and goals.
- Advertisements are aimed at teenagers.
- Youth recruitment is achieved through testing and application screening.
- Theoretical and practical training of adolescents.
- Youth's departure after completion of their training.

5.3.2.3 Challenges

Challenges include engaging with suitable local structures that represent youth, political interference with recruiting and failing to identify adequate numbers of youth with a Grade 12 with Mathematics and Science. Although annual goals are set for the National Youth Service Programme, at a national level, the targets have not been met in general despite some provinces exceeding targets. Furthermore, the training relies on the projects being implemented, which presents a design problem. It is also challenging to get various stakeholders to work together during training. The placement of youths who have been trained is also difficult in terms of productivity. To have a greater impact in terms of outcome, more scale is required. This programme has been running for 17 years but still encounters challenges in reaching the targeted youth due to the stringent requirements of a pass in Grade 12 in Maths and Science. Unfortunately, political interference and limited interaction with community structures are cited as some of the challenges that affect their outreach, which implies that the youth do not benefit as they should from the programme. The design of the programme is such that after training the youth can work in the department's projects where they apply their skills. However, the implementation process has weaknesses that require urgent attention if the programme is to serve its purpose.

5.3.2.4 Successes

The programme is well-designed and aligned with the department's mission. The initiative focuses on youth empowerment, which is an important aspect of job creation. Various stakeholders that include communities, project managers and contractors must be involved in the implementation process. With more than 25,000 youth trained since August 2007, the output in terms of the number of youth trained is excellent. In terms of youth development, the effect is positive. To

broaden the scale of the project, additional cash for training is required. The NYSP has largely met its objectives, as evidenced by the fact that approximately 10% of the young trainees were absorbed into employment by the contractors who trained them. Several of the youth who were trained went on to become artisans and after the programme, the participants were either hired by contractors, pursued higher education or launched service firms. It is important to note that active steps have been taken to mitigate the effects of COVID-19 on-site and the NYSP has had to develop health and safety procedures.

5.3.2.5 Recommendations

It is highly recommended that additional funding be sourced for participants' training and to promote improved links with the private sector in terms of placement. There is a need for such programmes to work closely with other departments such as the DBE in identifying youths to participate in such a programme and schools should be visited to advertise the programme. This programme should also work closely with the Second Chance project so that graduates of this programme who have Grade 12 Mathematics and Science can consider participating in this programme.

5.3.3 Youth Employment Service (YES)

5.3.3.1 Implementors

YES scheme is a business-led collaboration with the government, labour and civil society to create one million first-time work experience opportunities for youths. The aim is to provide unemployed youth with entry-level employment experience and training for 12 months. The focus is on providing young people with relevant skills and experience to enter into the working environment. On completion of the course, they receive recommendation letters, refined CVs with references and certificates of completion attached. This is to improve their chances of securing employment in the labour market. YES scheme is a non-government funded organisation whose source of income is corporate companies that invest in YES jobs with their BEE levels. Numerous South African unemployed graduates are stuck in a trap of not having the required experience to secure employment and they cannot acquire experience without a job. YES bridges the gap by promoting employability, which is a critical tool for career development. YES offers 25 work-readiness modules, provides the youth with smartphones with Apps that assist in navigating the system, as modules are delivered through these smartphones. This prepares them for the skills enhancement

programmes that include theoretical work readiness skills, YES youth Apps (Yeslife App, Yes4Youth App and the Supervisor App) and general engagements are performed via these.

5.3.3.1.1 Implementation, Monitoring and Evaluation

Corporate companies are subject to requirements such as BEE levels to determine absorption rates and also pay registration fees, a percentage of which is directed towards youth salaries. YES deducts a small percentage for administration, monitoring, evaluation and the payment of staff.

Corporate companies have 3 options from which to choose when sourcing skills and training for the youth in return for BEE benefits. These options are listed hereunder.

- Place youth within the business by providing 12-months' work experience.
- Place youth at an existing YES partner by sponsoring the placement of a YES youth in a third-party enterprise. This is achieved through implementation partners (IPs) that consider various factors.
- Host youth hubs and offer free access to community members.

The scheme uses the smartphone Apps mentioned above for monitoring and evaluation purposes and to administer the courses. This allows companies to track progress for both the learner and supervisor in terms of development and shortcomings that might be revealed. To determine the learner's level of experience and skills acquired, an access readiness module tracks the supervision and learners' progress. After completion of the course, the learner receives a reference letter and improved YES-verified CV after which learners are placed into the Siyazakhela 12-week programme as they transition out of the youth programme. This programme caters for learners that wish to become entrepreneurs and assists them with the business information they require to establish a new business. These programmes are free and zero-rated and YES alumni are funded by corporate companies when starting a business.

The youths that are not absorbed into a company, do not become entrepreneurs and are not registered with a tertiary institution are released with experience acquired through the scheme in the belief that their newly acquired skills will improve their chances of securing employment.

5.3.3.1.2 Successes

YES scheme prioritises community development and establishing educational hubs for the youth. These hubs are free for community members that reside where the hub is situated. This is an

ongoing initiative with high rates of youth employment absorption and continues to improve employability for unemployed graduates/youth. YES absorbs between 32 and 42% of the youth after which they are placed into permanent employment within the organisation, has awarded more than 600 BEE levels up to businesses and has maintained partnerships with the largest companies in South Africa that include Nedbank, ABSA, Isuzu, Sanlam and Cell C to mention only a few. Some of these companies offer support through the Corporate Social Investment Initiative.

5.3.3.1.3 Challenges

The evaluation of the YES scheme is done at the level of beneficiary's progress, however details on activities related to the IP are not assessed. This is a drawback of the programme as crucial information that might help enhance the programme further is not recorded. As such the programme serves as a pool for inexperienced job seekers where partners can benefit without being tracked to assess whether they are working well with the placed beneficiary. Given that some companies participate to get BEE ratings from the government it is imperative to ensure that beneficiaries receive all the necessary training required and paid decent salaries. The inability to track the beneficiary's progress in the placed workplace might lead to exploitation of job seekers.

5.3.3.2 Implementing Partners

Several schemes are implemented with the support of partnering organisations. The study surveyed the YES programme's implementing partners when collecting primary data. These are firms in various sectors that include Retail, Banking and Finance and ICT, among others that host the YES youths. Their opinions are critical because, as employers who require the labour, they can provide information about what they perceive to be working, what remains a challenge and what changes or improvements are necessary. This section presents the responses provided by the implementing partners (the employing firms) from various sectors that have partnered with the YES programme over the years. These include Technology, RLabs, Information Technology and NPOs to mention only a few. A total of twenty-five employers took part in the survey. The survey link was shared with YES and they helped to administer it because the employers/implementing partners' contact details could not be shared.

5.3.3.2.1 Challenges

The most significant challenges are the lack of employment opportunities and the development of a career path. There appears to be a culture of "perpetual internships" and currently, internship opportunities are being offered through various programmes to address youth unemployment but

most of these are short term (3 to 4 months) and the youth move from one internship to the next, never developing a career or seeking long-term work opportunities. They continue to earn a minimum wage through these initiatives. Employers (such as the DBE) are aware that they never have to invest in entry-level salaries because there is an endless supply of new interns when contracts expire. Therefore, no employment pipeline is created and potential new positions are never created because of the wage bills being covered (through internship stipends) by the government or corporate sponsors.

5.3.3.2.2 What participants liked about YES

Some of the participants were happy with how things are done in their respective organisations and claimed to have been given a chance to showcase their talents. Youth empowerment brings positive change to communities and providing opportunities as teacher assistants allows the youth to gain experience. The YES programme equips the youth with skills and the mindset that is required in the workplace and helps to increase the chances of future employment by building a CV accompanied by a reference letter from a supervisor. The YES programme focuses on two significant factors: the youth and their communities. The yes4youth application helps one to complete learning modules and with the knowledge that is gained, one can practice and complete their work. The programme is sufficiently flexible to adapt to different sectors and industries in both rural and urban areas. The funder too has a variety of choices when implementing the programme, as the youth can be hosted internally, externally or through a hybrid model. The YES programme provides youth with 12 months' experience, which can have a significant impact on one's employability. Some of the things that YES was applauded for included, the courses offered to youth, support provided to IPs, empowering youth and communities, as well as the flexibility of the programme

Despite the positive feedback provided, the participants also expressed the need for minor changes such as including a wide range of programming languages; asking the youth in the communities about factors that affect them adversely; ascertaining the main factors that affect poor communities and conducting surveys to narrow these factors and appointing mentors for the duration of the programme. Absorption targets should include youths who are successful in accessing further education after the successful completion of the YES programme. Currently, only full-time employment contracts are considered as absorption, which limits career pipelines, as youth do not gain further qualifications in their field of interest and more funding should be assigned to training during their year in the YES programme.

There is an urgent need for capacity to respond to challenges, queries and youth attendance more rapidly. This can be achieved by setting youths up in their own businesses and offering post-YES support because it is difficult to secure permanent employment for every young person beyond YES. Comments regarding the skills acquisition indicated that only 52% of the beneficiaries were satisfied with the programme, 43% were dissatisfied and 5% were neutral.

Employers were asked what can be done to improve the youth employment rate. They each provided detailed responses from which themes were generated using thematic analysis. These themes were generated in a data reduction approach as outlined in Appendix B.

The suggestions made by employers can be summarised into five themes, all of which in one way or another are aligned to some of the existing schemes or catered for in existing legislation. This indicates implementation problems, as the system is not lacking knowledge about what needs to be done but there are limitations with regard to how to implement the plans effectively. The five themes that were identified are listed hereunder.

- i. Skilling, reskilling and upskilling
- ii. Enable information diffusion
- iii. Review incentives and internship schemes to avoid exploitation
- iv. Interventions must be cognisant of the youth ecosystem
- v. Emotional and related support (including confidence building, office etiquette) is required

5.3.3.3 Beneficiaries

5.3.3.3.1 End-line Surveys of Beneficiaries

The YES programme beneficiaries' response to end line (end of programme) survey is analysed and presented here. Selected variables are presented in Table 5.4 hereunder.

Table 5.4: Value of the YES programme:

Answer	Frequency	Percentage	Cumulative percentage
I use this skill a little	393	10.60	10.60
I use this skill a lot	3268	88.11	98.71
I do not use this skill at all	48	1.29	100.00
Total	3709	100.00	

Of the 3 709 beneficiaries that were surveyed, 88.11% said that they will use the skills gained from the programme a lot compared to only 1.29% who said that the skills are of no value to them.

The YES programme reports a high placement rate but when the beneficiaries were asked in which sector they found a placement, 52.23% reported that they had not been placed and the remainder had been placed in various sectors. Education was the dominant sector with 10.17% of the placed participants; other sectors in which individuals were placed were IT, manufacturing, human health and social work activities, wholesale and retail, the repair of motor vehicles and motorcycles, and agriculture, forestry and fisheries with 3.61%, 3.25%, 3.01%, 2.41% and 2.08% respectively.

Table 5.5: YES sector placement
Sectors in which participants found placement

Sector	Frequency	Percentage	Cumulative percentage
Accommodation and food service	70	1.91	1.91
Agriculture, forestry and fisheries	76	2.08	3.99
Construction	66	1.80	5.79
Education	372	10.17	15.96
Electricity, gas, steam and air conditioning	58	1.59	17.55
Financial and insurance activities	71	1.94	19.49
Human, health and social work activities	110	3.01	22.49
Information and communication	132	3.61	26.10
Manufacturing	119	3.25	29.35
Mining and quarrying	53	1.45	30.80
Other	387	10.58	41.38
Other service activities	67	1.83	43.21
Professional, scientific and technical activities	30	0.82	44.03
Real estate	8	0.22	44.25
Transportation and storage	23	0.63	44.88
Water supply, sewerage, waste management and remediation	18	0.49	45.37
Wholesale and retail trade, repair of motor vehicles and motorcycles	88	2.41	47.78
This does not apply to me	1911	52.22	100.00
Total	3659	100.00	

The nature of the new placements was such that the majority of the participants received improved benefits and remained in the host firm (13%); 12% took on new responsibilities (change of work but still in the host firm); 8% got a job in the same sector; 5% got a new job in a different sector and 5% were promoted. The majority (58%) had not yet been placed.

Table 5.6: The nature of new placements

Description	Frequency	Percentage
New job in different sector	186	5%
New job, same sector	284	8%
Received improved benefits	466	13%
Received promotion	178	5%
Took on new responsibilities	422	12%
This does not apply to me	2130	58%
Total	3666	

Of those who were offered jobs, 14% would earn almost the same (R3 760 per month); 27% would earn more than before (13% approximately 100% more and 14% approximately 50% more) while 3% would earn less than R3 760 per month.

Table 5.7: How earnings at the new placement compared with earnings under the YES programme

Description	Frequency	Percentage
Approximately the same	511	14%
More than at YES, approximately 100% more	463	13%
More than at YES, approximately 50% more	517	14%
Less than at YES, approximately half as much as before	101	3%
I will not be earning anything	249	7%
This does not apply to me	1833	50%
Total	3674	

The majority, 98.05% of the sample, feel empowered to search for a job.

Table 5.8: Do you feel better equipped to find a job

Answer	Frequency	Percentage
No	72	1.95
Yes	3619	98.05
Total	3691	100.00

5.3.3.3.2 Recommendation

Based on the implementors response, businesses that partner with organisations such as the YES should be reviewed timeously to ensure that youths placed in such companies are gain experience and their work conditions are satisfactory. In so doing companies that partner only to benefit from the BEE ratings can be monitored and revoked if their services are not improving the employability of youths. On the other hand, taking the implementing partners response, skilling is central to unlocking opportunities, and that additional support need to be given such as easy access to information, emotional and related support.

5.3.4 The National Rural Youth Service Corps (NARYSEC)

The National Rural Youth Service Corps (NARYSEC) was established in 2010 (starting with 7 956 youths), under the Department of Rural Development and Land Reform's Comprehensive Rural Development Programme (CRDP).

5.3.4.1 Scheme profile

This is a youth skill development and employment programme. It is the youth flagship programme of the Department of Rural Development and Land Reform. NARYSEC is rural wards focused, its recruitment targets youth from rural wards. NARYSEC recruitment process insists on 50/50 gender balance per rural ward. Unemployed rural youth aged between 18-35 years of age and in possession of standard 8/grade 10 and above are considered. This is one of the schemes offering opportunity over more than a year; the schemes commit to support beneficiaries over a four year period- first two years being skills development orientated, and the last two as part of incubation as the goal is to produce entrepreneurs. As of 2020, at least 14 400 rural youths have benefited.

5.3.4.2 Implementation, Monitoring and Evaluation

Implementation is done through Department of Rural Development and Agrarian Reform (DRDAR) and South African National Defence. Partnership is also through agricultural and technical colleges. The programme is multifaceted including development of research skills (youths start by administering a household survey within their locality to appreciate poverty and social ills in society) then proceeds to be trained on patriotism, followed by other hard skills like agriculture production.

5.3.4.3 Challenges

Although the scheme's goals have not yet been assessed, the scheme is reported to be poorly designed and received a rating of 51% in terms of the success of its implementation by the implementing team. The greatest challenge is on recruitment where it is noted that youths seem not to be much interested in the programme. No specific reasons are given on such; however, from literature we learn that youth generally frown upon agricultural activities which may be the reason here.

5.3.4.4 Recommendations

A recommendation is that the scheme should include support for the participants to obtain a driver's license, as this will be useful when exiting the programme.

5.3.5 Employment Retention Schemes

Efforts to elicit data from national offices were futile in the process of sourcing the required national information but the Eastern Cape Provincial offices provided the data at their disposal, which was provincial information they received upon request from the national office.

5.3.5.1. TERS

No data was received from the TERS implementers at any level. As an example of how effective due to flexibility and responsiveness TERS is, can be demonstrated from how the scheme helped to immediately respond to COVID-19 pandemic.

For Example, as of 31st August 2020 [five months under Disaster Management Act], the Eastern Cape Province had received R2.2billion as its share of the relief fund that was disbursed to 54 484 employers and 537 242 employees in the eight district municipalities and two metros in the province. Most of the affected workers were in the personal services sector, which recorded the highest number of applications (32%) followed by the trade sector, which comprised 18% of the employers' applications. Private households constituted 10% of the applications.

5.3.5.2 CCMA Section 189

The pandemic provided ground for stress testing the schemes, it is imperative to assess how each scheme was responsive in the face of crisis. An illustrative example is also used with this scheme as national data was not available- albeit the extensive secondary data extracted is very informative as report in earlier section.

According to the CCMA Eastern Cape, between 27 March 2020 and 31 August 2020, 250 referrals affecting 629 employees were received. In addition, over 5 000 referrals based on operational requirements facilitation (more than 50 employees) Section 189A were received between 27 March and 31 August 2020, affecting 8 100. Majority of the referrals were from the Business/Professional Services sector, followed by the Food/Beverage Manufacturing and Processing sector then Leather, Retail and Agriculture sectors. The sector that recorded the most affected employees being the Building/Construction sector with 148 employees affected.

5.3.5.3. Recommendations from retention schemes

The schemes are very relevant, what is lacking is ability of Provinces to monitor closely how businesses and employees within their area are benefiting from this. The problem is due to lack of readily available administrative data as all data is centralised. There is need for improved communication between the Head Office, where approval and contracting takes place and the provinces, where the implementation takes place for the provinces to be on board with the roll-out/implementation of the funding agreements. The provinces should be involved with the adjudication of the proposals to ensure that they are in line with provincial skills development plans.

5.4 Section summary

The purpose of this section was to present the results of the qualitative analysis of the youth employment schemes. The analysis began with a discussion of the youth employment schemes gleaned from the secondary data, which revealed that the employment creation schemes face several challenges that hinder their success. Some of the programmes, for example, the EPWP, the CWP and YES are short-term projects and thus do not offer the required long-term solution. Other challenges reported for employment creation schemes include a lack of adequate resources and management shortcomings. Exit strategies to support graduates are required. Skills development schemes are viewed as not effectively imparting the required level of skills for graduates. Entrepreneurial development schemes do not provide clarity on the available training and funding opportunities and there is a lack of support structures for entrepreneurs. To supplement the information generated from the secondary data analysis, surveys were conducted among the implementers and implementing partners of the various schemes. Despite the relative success of the various schemes, the findings highlighted the challenges faced in the implementation processes of most of the schemes. Recommendations made by the implementers and implementing partners included improving the skills development programmes and the dispersion of information, redesigning the incentives and offering more support to scheme participants.

Section Six: Summary, Conclusions and Recommendations

The purpose of this section is to present the summary, conclusions and recommendations that emerged from the study.

6.1 Overall summary

The summary of the study is presented in line with the purpose of the study.

6.1.1. Evaluation of Employment creation schemes

A total of 7 schemes have been reviewed, the schemes are diverse in the theory of change approach of creating employment. ETI is the only one that creates/supports the creation of longer term employment, coming in as a subsidy on the cost of hiring novices. The other schemes are mass employment creation initiatives, which offer short term employment opportunities ranging from 6 months – 12 months (majority), and one that offers up to 48 months split into 24 months with each of the two implementors. Critical finding on each of the scheme is as follows

Scheme	Appropriateness	Effectiveness	Efficiency
Extended Public Works Programme (EPWP)	The scheme is appropriate, mostly for low skilled labour	It is critical to provide short term opportunity; however lacks other services such as financial literacy or business start up training [preparing for exit]. When skilled individuals are employed, the scheme does not provide much transition opportunities, compared to others.	It has limitation of linking to full time employment, or other economic opportunities. Recruitment is disrupted by political interference.
Community Works Programme (CWP)	The scheme is appropriate in preparing in preparing the underemployed for the work environment.	It is effective in terms of providing a bridging opportunity for the unemployed youth. The employment period is not sufficient to address issues of poverty especially in households where CWP is the only source of income.	The scheme does not empower beneficiaries with skills that could increase their employability.
The National Youth Service Programme (NYSP)	Appropriate and target those with maths and technical subjects at matric.	The scheme is undersubscribed due to mathematics requirement; which limits effectiveness in creating employment.	A high number of NYSP beneficiaries battle to secure employment after completing the skills training.

			Limitations in securing private sector partners.
National Rural Youth Cooperatives (NARYSEC)	This programme suits youths with relatively higher skills level compared to those required for EPWP, and has longer term than any other scheme- totalling 24 months.	Soft and hard skills are impacted, and keep youths in occupation longer, enabling planning for the 'post scheme' period/ exit strategy.	A culture of community service imparted to trainees is invaluable.
Employment Tax Incentive (ETI)	Need to revise when the subsidy kicks in— incentivising opportunities beyond industry targets.	Indeterminant.	Possibility to subsidise for employment that could have been created anyway
Jobs Fund (4 windows)	Multi-pronged, covers all aspects: e.g. job seekers support; and entrepreneurship.	Multiple projects.	Private public partnership; co-funding model provides an opportunity for the private sector and NGO sector to help with employment creation
Youth Employment Service (YES)	Caters for skills of various skills and education levels; 1 year programme with 25 soft skills modules. BBBEE is the drawback. An opportunity to include Level 1 BBBEE firms stand to increase implementing partners.	Has been reaching target; has significant absorption rate in the private sector firms.	Self funded; no government funding (government contribution is through BBBEE points recognition).

6.1.2. Employment retention schemes

Scheme	Appropriateness	Effectiveness	Efficiency
Employer – employee relief schemes (TERS)/ training lay-off schemes	Very pertinent, very flexible, and adaptable- as can be seen in response to COVID-19. Not applicable to the informal sector (a significant proportion of population in this sector)	Very effective	Can be improved with updated registry and sharing of administrative data across departments
CCMA intervention under section 189 of LRA	Well designed and clarity on implementation	Effective; however sectorial success vary	Efficient

6.1.3. Employment creation enabling schemes

Scheme	Appropriateness	Effectiveness	Efficiency
Entrepreneurial development Programmes	Entrepreneurship is critical to grow the economy- creating self-employment, then employment for others	Funding and training need to be provided through the DBSD.	

6.2 Conclusions

It can be concluded that there are a plethora of schemes and initiatives to address labour market outcomes for youths. This is an acknowledgement of the problem and the efforts made by various government entities to address the problem. The various schemes that exist are related to the different stages of youth in the labour market, from entry at age 15 to exit at age 34. The literature acknowledges that if labour outcomes can be improved for this age group, such individuals can easily reach their full potential in adulthood and reduce the burden on the government, especially concerning social safety net programmes and addressing social ills such as crime. The government must be commended for such efforts.

Although the government should not be responsible for creating all the required employment opportunities for young people, it should provide an enabling environment for public and private sector entities to absorb youths into their workforce and create more jobs. Entrepreneurship must also be encouraged, especially for the youths that undergo vocational training.

The government and all the various implementers of programmes need to prioritise the collection and curation of data for informed decision making. It appears that the YES programme can account for its activities in a disaggregated manner. The majority of the schemes can only report in broad terms about the impact they have made but a detailed account of the beneficiaries conditions (before and after benefiting from the programmes), the overall costs of the programmes and any evaluation of the programmes are lacking. A structured way of collecting and collating information from planning to piloting and scaling up is required, as this will reveal which of the initiatives are not cost-effective, their real impact and the youths that are possibly falling through the cracks. Without such data, reports and assessments remain generalised while the national statistics pertaining to youth unemployment remain undesirable.

6.2.1. *Evaluation of Employment creation schemes*

The schemes evaluated do contribute to job creation though the impact and type of jobs secured by the unemployed vary. There two categories of job creators are public employment programmes such as EPWP, CWP, and NYSP as well as non-governmental organisations like YES provide employment opportunities for the youth. The public programmes employ a large number of youths with salaries varying across programmes, whilst others pay market related incomes (EPWP), others pay stipends that are barely over the poverty line (CWP). However, these jobs are not sustainable as they are only for a short-term period. In addition, the issue of upskilling is a challenge as some youth may not gain sufficient skills to be employable when their contracts expire.

Employment created by the NGO sector-based scheme (YES) makes a difference in the lives of youth who participate in the scheme. The success of this scheme is based on its implementation model whereby the partnership with the private sector assists in securing more employment opportunities for the youth. The approach to expose youth enrolled in their scheme to both private sector jobs and entrepreneurship enables their beneficiaries to more job prospects. This scheme also provides some of the participating youth job security as they get an opportunity to be employed full time.

It should be acknowledged that the limitations faced by the public sector employment programmes are not only design orientated, but that in efforts to cater for a wide South African market faced with a high unemployment rate amongst youth may lead to programmes that would aim for absorbing more youth than paying them good salaries/stipends whilst overlooking the importance of providing them with new skills that will increase their employability. Something that NGO schemes are prioritising.

6.2.2. *Employment retention schemes*

South Africa has a low number of job retention schemes. The schemes aimed at job retention seems to have assisted in saving some jobs. The secondary data sourced from TERS suggest that the scheme enabled a number of companies to retain their staff during the COVID19's economic shock. However, the youth group's retention has been dropping which is a cause for concern due to their economic vulnerability. The CCMA has been able to save jobs across sectors even though some sectors reported a low number of referred cases. It has assisted workers (over 80%) in the

education, public, and manufacturing sectors to retain jobs. For these schemes to be impactful data should be easily accessible so that analysis can be done considering the age factor as well.

6.2.3. Employment creation enabling schemes

There exists a number of enterprise development schemes at national and provincial levels. A loose monitoring of the growth of these enterprises beyond employing only the owner is required. Preferential procurement system needs to be monitored. As more business are established and are growing, the more employment opportunities get created. Efforts by Department of Higher education and training to bring entrepreneurship training in TVETs and universities is notable, to ensure entrepreneurship, is seen as an economic activity than searching for employment.

6.3 Recommendations

Recommendations per category of schemes is provided first, then recommendations that cut across.

6.3.1. Recommendation towards employment creation schemes

1. Recruitment need to ensure that skills (or lack of) are taken into account, considering possible transition opportunities from that scheme. Schemes that require low to no skill like EPWP should recruit low skilled youths and prepare them for entrepreneurship or other occupations or economic opportunities that does not require specific skills. Recruiting someone with higher qualification will not be efficient as that individual could have accesses another opportunity with stringent requirements but has crowded out the unskilled peer.
2. Public employment schemes such as EPWP should be extended for a longer period and in that period financial literacy skills should be provided to the participants such that they are able to save and possibly use the savings to start small businesses.
3. The EPWP recruitment system needs to be based on the DEL database to avoid political interference.
4. The ETI subsidy should kick in when a firm has employed a certain number of youth - for example, employing youths at a rate above the industry average. In other word companies should only be incentivised when they employ a percentage of youth above the industry average. The high and stagnant youth unemployment rate might be an indication that the ETI subsidy has not encouraged youth employment to the extent that it was envisioned. Furthermore, the ETI scheme should focus on encouraging employment retention such

that the nature of the employment is permanent. This would be line with labour practices as those employed for fixed term periods would be able to have stability in a long term, especially those that require permanent employment.

5. All tertiary qualifications must have a full year of paid work experience. This will mean that a 3-year qualification will be transformed into 4 years. A few qualifications should be selected to serve as a pilot. The selection should be made according to those sectors in which graduates have struggled to secure employment. The currently available programmes such as YES and the ETI should be redesigned to support the absorption of the graduates of the programmes.
6. Drawing in the private sector: The involvement of the private sector in youth employment schemes is necessary so that organisations that are unable to train and hire youths can at least place their beneficiaries in those companies. The YES programme is an example of how linkages with private firms can generate greater output, especially in terms of training. The NYSP was faced with challenges in securing work placements and practical training due to not having companies on board who were willing to employ beneficiaries after internal training had been completed.
7. Using BBBEE scorecard to attract private sector partnerships. For example, enabling level 1s to earn points under YES scheme; and to use the BBBEE system for encouraging absorption and opening up of opportunities for beneficiaries of other programmes like NYSP.

6.3.2. Recommendations towards employment retention schemes

1. Data sharing across departments and levels of government – employment retention data is currently centralised, and provinces struggle to get data for their own provinces or to compare with other provinces
2. Linkages with social security databases such as DSD

6.3.3. Recommendation towards employment creation enabling schemes

1. Entrepreneurship based schemes should be linked with some of the schemes; in that those who obtained skills through YES (innovation hub), CWP, NYSP, NARYSEC will then receive funding support if need be through SEFA, and trading thorough SEDA
2. Growth targets to be set for continued cascaded support – take into account linkages within certain sector or industry and support small business that create a supply chain. In some instances, one business is supported in a certain sector, and fail to thrive as existing firms may close such business out of the chain or face other non-co-operative reactions

6.3.4. Overall

Based on the findings, several recommendations can be made, inter alia those listed hereunder.

1. Re-organisation of the current schemes - some should be discontinued, some should be merged, and some should consider collaborating with others and possible new schemes should be considered.
 - Re-organise the schemes guided by the ecosystem approach. Each scheme on design be clear on which level is it positioned, with clear set targets and recruitments processes that speaks to the hierarchy level.
 - Primary schemes: Do intensive career guidance and promote career planning early enough (pre-18s). Although no employment created, in enable smooth transitioning.
 - Secondary schemes: Youth entering the job (business) market - first encounter in the market. To include support to transition e.g. YES as one exit school have the first-time experience vs Second Chance programme is one is not successful at school vs EPWP if one still is not successful with Second chance.
 - Tertiary schemes: Career progression – opportunities for growth (skilling, reskilling, upskilling, business expansion, etc.). From a 6-12-month contract, there should be schemes to support those that are not absorbed- this may include skills development, re-skilling and takes care of those that may have lost employment (not successfully retained). Retention schemes fall under this category
 -
2. Schemes should be grouped according to specific skills offered. Interventions should be tailor made for youth with different education or skill levels. Youth with higher education or skills should not be placed in mass employment creation schemes such as EPWP. Youth with higher education or skills have higher chances of obtaining employment and therefore work readiness schemes such as Monyetla Work Readiness Programme and the YES programme are appropriate.
3. Youth without education or skills should be placed in capacity building programmes EPWP, NYSP and CWP.
4. The implementation process should be in line with M&E processes and impact assessments and should follow the standard steps of a baseline survey, pilot and then scale up. An evaluation should follow a process, assess cost-effectiveness (significance of piloting) and an

impact evaluation. It is recommended that beneficiaries be monitored whilst in training, during employment placement facilitated by the scheme and when they have completed the programme. By doing this, the beneficiary will continue to receive guidance related to the labour market until such time that he/she has secured a long-term earning opportunity.

5. The provision of internet access through, for example, TVWS wireless technology can help to connect rural areas and townships and create access for youths to search for jobs and learn about the digital world. Ensuring that each household has, at least, access to an internet device and the Internet is a prerequisite to unlocking opportunities for youth.
6. Programmes that cater for rural communities, such as the service corps. (NARYSEC) need to be prioritised because job opportunities are already limited in these areas. Design models such as Isiqalo can be used to target rural communities.
7. Information should be made accessible through Applications (smartphones) and the USSD format on mobile phones to ensure that they it reaches everyone.
8. It is recommended that the private sector should partner with employment schemes so that trained youth can be easily placed for practical training and employment. The government should also involve established small and medium enterprises so that they can offer youths training opportunities. Entrepreneurial training equips the youth with skills necessary to create and operate small businesses. This might impact more on reducing long-term unemployment compared to short-term employment schemes such as EPWP that create mass employment. Furthermore, it is recommended that employment schemes that create short-term employment opportunities expand their scope and offer entrepreneurial training especially to the uneducated individuals.
9. The DEL should track data collection, collation and curation for use in decision making, monitoring and evaluation. Information collection and collation is provided for under the Employment Services Act, No. 4 of 2014.
 - o In line with Section 5 of the Employment Services Act, No. 4 of 2014, a comprehensive, integrated and real-time database for young people needs to be created. The entry of data into the database should be automatic and the status updated in collaboration with government departments such as the Department of Basic Education, the Department of Social Development, the South Africa Revenue Services and other units with the DEL (such as the UIF). It is imperative to assess how Section 11 of the Employment

Services Act, No. 4 of 2014 is being implemented, as it provides for the collection and collation of necessary information (also read with Section 10). Every youth should be aligned with a relevant scheme depending on their age and level of current activities, with an opt-out option if one finds a better alternative. For example, every learner who fails matric should be automatically enrolled in the Second Chance Programme closest to them (e.g. in the same school district) or opt out to indicate that an alternative has been chosen. All information pertaining to opting out and the reasons for that choice will be captured.

- This will enable the minister of the relevant sector to have access to comprehensive information to act in line with Section 6, Subsection (2) of the Employment Services Act, No. 4 of 2014. Without complete data about the schemes and the individual beneficiaries, it is not possible to implement the necessary interventions, thus exposing the youth to possible exploitation.
10. It is recommended that new schemes should learn from those that have been in existence for a while, such as the EPWP, to discern what they could use to improve their programmes. The government should also prioritise schemes that have the potential to assist youths to become employable when allocating budgets for employment creation schemes. Schemes that are not performing as anticipated should not be funded and youths targeted by such schemes should be reassigned to schemes that are performing well. Such decisions can be made when informed by sound administrative data, which must be centralised for ease of reference.
11. Government to focus on creating a conducive environment for private sector business to flourish and reducing information asymmetries between the job seekers and employers. Reducing the red tape, providing dependable energy supply, addressing water crisis and addressing ills like corruption will attract significant investments that come with employment opportunities for young people. Information asymmetry gap can be narrowed through investment in infrastructure such as rural internet access and electrification, which enable though in marginalised communities to be connected to the rest of the economy early enough in their lives.

References

- Abebe, G.S.C., Fafchamps, M., Falco, P., Franklin, S., & Quinn, S. 2017., Anonymity or distance? Job search and labour market exclusion in a growing African city, *Review of Economic Studies*, forthcoming.
- Abel, M., Burger, R., & Piraino, P. 2019. The Value of Reference Letters -Experimental Evidence from South Africa. *American Economic Journal: Applied Economics*
- Abel, Martin, Rulof Burger, and Patrizio Piraino. 2020. "The Value of Reference Letters: Experimental Evidence from South Africa." *American Economic Journal: Applied Economics*, 12 (3): 40-71.
- Adams R, Adeleke F, Anderson D, Bawa A, Branson N, Christoffels A, et al. 2021. POPIA Code of Conduct for Research. *S Afr J Sci.* 2021;117(5/6), Art. #10933. <https://doi.org/10.17159/sajs.2021/10933>
- Addison, J. T., Machado, J. A., & Portugal, P. 2013. The reservation wage unemployment duration nexus. *Oxford Bulletin of Economics and Statistics*, 75(6), 980-987.
- Agency, N. Y. (2021). National Youth Services Programme. Retrieved from National Youth Services Programme: <http://www.nyda.gov.za/Products-Services/National-Youth-Services-Programme>
- Ajibade, P & Mutula, S.M. 2020. Big data, 4IR and electronic banking and banking systems applications in South Africa and Nigeria. *Banks and Bank Systems*, 15(2), 187-199. doi:10.21511/bbs.15(2).2020.17
- Allie-Edries, N. 2020. Lessons from the Jobs Fund. Retrieved from https://assets.websitefiles.com/5f164f589a54e1132e7de843/5f508385ff202f44b0e7204a_Najwah%20Allie-Edries%20-%20Lessons%20from%20the%20jobs%20fund.pdf
- Allie-Edries, N. & Mupela, E. 2019. Business Incubation as a Job Creation Model: A Comparative Study of Business Incubators Supported by the South African Jobs Fund. Retrieved from <https://journals.co.za/doi/pdf/10.10520/EJC-1b112c1562>.
- Ariane De Lannoy, E. A. 2018. What drives youth unemployment and what interventions help; A Systematic Overview of the Evidence.
- Aron, J., Kahn, B. & G. Kingdon. 2008. South African Economic Policy under Democracy: Overviews and Prospects in South African Economic Policy under Democracy. Aron, J., Kahn, B. & G. Kingdon (eds). Oxford: Oxford University Press.
- Attanasio, O., & Katja K., 2014. Education Choices and Returns to Schooling: Mothers' and Youths' Subjective Expectations and their Role by Gender. *Journal of Development Economics*, 109: 203–216.
- Bandura, A. 1977. *Social Learning Theory*. Englewood Cliffs, New Jersey: Prentice-Hall.
- Banerjee, A., Galiani, S., Levinsohn, J.A., McLaren, Z., & Woolard, I., 2008. A symposium on fostering growth in South Africa: why has unemployment risen in the New South Africa? *Econ. Transit.* 16 (4), 715–740.

- Barnard, G. 2009. 'Realising South Africa's employment potential'. OECD Economics Department Working Papers, No. 662. Paris: OECD Publishing. <https://www.oecdilibrary.org/docserver/227318203215.pdf?expires=1615283668&id=id&accname=guest&checksum=CC061E31606E6322A1144C99E1FBBF48>
- Barnichon, R., Nekarda, C. J., Hatzius, J. Stehn, S. J. & Petrongolo, B. 2012. The ins and outs of forecasting unemployment: Using labor force flows to forecast the labor market [with comments and discussion]. *Brookings Papers on Economic Activity*, 83–131.
- Beaman, L., Keleher, N., & Magruder, J. 2018. Do Job Networks Disadvantage Women? Evidence from a Recruitment Experiment in Malawi. *Journal of Labor Economics*, 36(1), 121–157.
- Beller, J.M., & Stoll, S.K. 1997., January/February). Accountability, honesty, and recommendations, *Strategies*, 10(3), pp. 33–36.
- Benjamin P. & Cooper, C. 2016. South African Labour Law: A Twenty Year Assessment, R4D Working Paper 2016/6 (Berne: World Trade Institute, Swiss Programme on Global Issues for Development, University of Berne), <http://www.cth.co.za/wp-content/uploads/2016/09/South-African-Labour-Law-A-Twenty-Year-Review.pdf>
- Bernard, T., Dercon, S., Orkin, K. and Seyoum Taffesse, A. 2019. Parental Aspirations for Children's Education – Is There a 'Girl Effect'? Experimental Evidence from Rural Ethiopia. *American Economic Review Papers and Proceedings* (<https://www.aeaweb.org/articles?id=10.1257/pandp.20191072>), 109 (May): 127-132.
- Bertoni, M. & Brunello, Giorgio, 2017., Does Delayed Retirement Affect Youth Employment? Evidence from Italian Local Labour Markets, No 10733, IZA Discussion Papers, Institute of Labor Economics (IZA).
- Bertrand, M., Crepon, B., Marguerie, A. & Premand, P., 2017. Contemporaneous and post-programme impacts of a public works programme: Evidence from Cote d'Ivoire.
- Bhorat, H., Hill, R., Khan, S., Lilenstein, K. and Stanwix, B., 2020. The Employment Tax Incentive Scheme in South Africa: An Impact Assessment.
- Bhorat, H., P. Lundall & S. Rospabé. 2002. The South African Labour Market in Economic and Legislative Considerations. ILO Employment Paper 2002/32. Geneva: International Labour Organisation (ILO).
- Boeri, T. Garibaldi, P. & Moen, E. R. 2016. A Clash of Generations? Increase in Retirement Age and Labor Demand for Youth, CEPR Discussion Paper 11422 and Working Paper 1.
- Böheim, R. & Nice, T. 2019. The effect of early retirement schemes on youth employment, IZA World of Labor, ISSN 2054-9571, Institute of Labor Economics (IZA), Bonn, Iss. 70v2, <http://dx.doi.org/10.15185/izawol.70.v2>
- Bok, S. 1978. *Lying: Moral choices in public and private life*. New York, NY: Pantheon. Boles
- Bonhomme S, Hospido L 2017. The cycle of earnings inequality: evidence from Spanish Social Security data. *Econ J* 127:1244–1278
- Bossenbroek, L. and M. Zwarteveen. 2015. 'One doesn't sell one's parents: Gendered experiences of land privatization in the Sais, Morocco' in: C. Archambault and A. Zoomers (eds.) *Global*

- Trends in Land Tenure Reform: Gender Impacts. London and New York: Routledge: 152-168
- Bruce, D., 2015. The good, the better and the best: How the Community Work Programme can reach its full potential as an instrument of community development in South Africa. CWP policy brief; 1.
- Brunel, C., 2014. What Determines the Reservation Wage of Unemployed Workers? NBER Digest, 1- 2
- Businesstech, 2020. Government is hiring 200,000 assistants to help in South Africa's schools – how to apply. Retrieved from <https://businesstech.co.za/news/government/447446/government-is-hiring-200000assistantsto-help-in-south-africas-schools- how-to- apply/>.
- Cacciamali, M.C., G. Rodgers, V. Soundararajan and F. Tatei. 2015. Wage Inequality in Brazil and India and its Impact on Labour Market Inequality Project Paper E.2 October, 2015 Working Paper, <https://idl-bnc-idrc.dspacedirect.org/bitstream/handle/10625/55284/IDL-55284.pdf>
- Carranza, Eliana; Pimkina, Svetlana. 2018. Overcoming Information Asymmetry in Job Search: The Power of a Reference Letter. Gender Innovation Lab Policy Brief; No. 24. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/29744> License: CC BY 3.0 IGO.
- Chassamboulli A. & Gomes, P. 2021. Jumping the queue: nepotism and public-sector pay, Review of Economic Dynamics, Elsevier for the Society for Economic Dynamics, vol. 39, pages 344-366, January.
- Chauke, T.A., Malatji, K.S. and Obadire, O.S., 2021. Development of Youth Capabilities through the National Youth Service Programme. African Renaissance, 18(2), pp.81-102.
- Coen, A. D., Forrier, A., & Sels, L. 2010. The impact of age on the reservation wage: the role of employability. Department of Marketing and Organization Studies (Mo), OR 1000
- Couch KA, Jolly NA, Placzek DW. 2011. Earnings losses of displaced workers and the business cycle: an analysis with administrative data. Econ Lett 111(1):16–19
- Davide Fiaschi & Cristina Tealdi, 2021. Young people between education and the labour market during the COVID-19 pandemic in Italy, Papers 2106.08296, arXiv.org
- De Coen, A., Forrier, A., & Sels, L. 2015. The impact of age on the reservation wage: the role of employment efficacy and work intention: a study in the Belgian context. Journal of Applied Gerontology, 34(3), NP83-NP112
- De Jongh, J.J., N. Meyer, and D.F. Meyer (2016). 'Perceptions of Local Businesses on the Employment Tax Incentive Act: The Case of the Vaal Triangle Region'. Journal of Contemporary Management, 13(1): 409–32
- Department of Agriculture, Land Reform and Rural Development. 2013/14. Department of Agriculture, Land Reform and Rural Development. Retrieved from Department of Agriculture, Land Reform and Rural Development: <https://www.dalrrd.gov.za/About-Us/NARYSEC>

- Department of Agriculture, Land Reform and Rural Development. 2020/21. Annual Performance Plan.
- Department of Economic Development, Environmental Affairs and Tourism. 2019. Isiqalo Youth Fund Guidelines and Criteria. Retrieved from https://issuu.com/ecdedeat/docs/isiqalo_fund_criteria_and_guidelines_-1.
- Department of Employment and Labour. 2019. UIF Board engages the East London Industrial Development Zone through Labour Activation Programme funding.
- Dildar, Y. 2020. Targeting Women's Employment: Do Employment Subsidies Work? Evidence from Turkey, *Review of Radical Political Economics*, Union for Radical Political Economics, vol. 52(1), pages 5-25, March.
- DSBD 2021. DSBD 2020/21 quarter four performance report: Portfolion on Small Business Development 26 May 2021. Retrieved from <https://edse.org.za/dsbd-seda-2020-21-quarter-4-performance-presentations/>.
- DuBois, D.L., Portillo, N., Rhodes, J.E., Silverthorn N. and Valentine, J.C. 2011. How Effective Are Mentoring Programs for Youth? A Systematic Assessment of the Evidence. *Psychological Science in the Public Interest*, 12 (2), pp. 57 – 91.
- Duckworth, A. L., C. Peterson, M. D. Matthews, and D. R. Kelly. 2007. Grit: Perseverance and Passion for Long-Term Goals. *Journal of Personality and Social Psychology* 92 (6): 1087–1101.
- Dvouletý, O., Mühlböck, M, Warmuth, J., & Kittel, B. 2018. 'Scarred' young entrepreneurs. Exploring young adults' transition from former unemployment to self-employment, *Journal of Youth Studies*, 21:9, 1159-1181, DOI: 10.1080/13676261.2018.1450971
- Ebrahim A. & Pirttilä, J. 2019. Can a wage subsidy system help reduce 50 per cent youth unemployment? Evidence from South Africa, WIDER Working Paper Series wp-2019-28, World Institute for Development Economic Research (UNU-WIDER).
- Ebrahim, A., L. Murray and Ranchhod, V. (2017), The effects of the Employment Tax Incentive on South African employment, No wp-2017-5, WIDER Working Paper Series, World Institute for Development Economic Research (UNU-WIDER).
- Eichhorst, W., Boeri, T., De Coen, A. et al. 2014. How to combine the entry of young people in the labour market with the retention of older workers? *IZA J Labor Stud* 3, 19 (2014). <https://doi.org/10.1186/2193-9012-3-19>
- Elias, Marlène, Netsayi N Mudege, et al. 2018. "Gendered Aspirations and Occupations among Rural Youth, in *Agriculture and Beyond: A Cross-Regional Perspective*."
- European Commission. 2020. The Youth Guarantee country by country – Sweden. EC - Employment, Social Affairs & Inclusion, Available online: <https://ec.europa.eu/social/main.jsp?catId=1161&intPageId=3354&langId=en>
- Feagin, J. R. 1972. Poverty: We Still Believe that God Helps Those Who Help Themselves. *Psychology Today* 6: 101–129.

- Fedderke, J. 2012. The Cost of Rigidity: The Case of the South African Labor Market, Working Papers 290, Economic Research Southern Africa.
- Feng, Y, Lagakos, D & Rauch, J. 2017., Unemployment and development, Working Paper.
- Field, S., P. Musset & J. Álvarez-Galván, 2014, A Skills beyond School Review of South Africa, OECD Reviews of Vocational Education and Training, OECD Publishing. <http://dx.doi.org/10.1787/9789264223776-en>
- Filmer, Deon and Louise Fox. 2014. Youth Employment in Sub-Saharan Africa. Africa Development Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-0107-5. License: Creative Commons Attribution CC
- Fourie, ES. 2008. Non-standard workers: The South African context, international law and regulation by the European Union. Potchefstroom Electronic Law Journal (PELJ), 11(4) Retrieved October 23, 2021, from http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S1727-37812008000400005&lng=en&tlng=en.
- Ganong, P., Greig, F.& M. Liebeskind, P., Noel, D., Sullivan & J. Vavra, 2021. Spending and Job Search Impacts of Expanded Unemployment Benefits: Evidence from Administrative Micro Data, Working Papers 2021-19, Becker Friedman Institute for Research in Economics.
- Genicot, G. & D. Ray. 2017. Aspirations and Inequality. *Econometrica* 85 (2): 489–519.
- Gina Dokko & Steffanie L. Wilk & Nancy P. Rothbard, 2009. Unpacking Prior Experience: How Career History Affects Job Performance, *Organization Science*, INFORMS, vol. 20(1), pages 51-68, February.
- Gruber, J. & D. A. Wise (Eds.) (2010). *Social Security Programs and Retirement around the World: The Relationship to Youth Employment*. University of Chicago Press, Harron, K., Dibben, C., Boyd, J., Hjern, A., Azimae, M., Barreto, M. L., & Goldstein, H. 2017. Challenges in administrative data linkage for research. *Big data & society*, 4(2), 2053951717745678. <https://doi.org/10.1177/2053951717745678>
- Hermanus, M., Phakathi, S., Coulson N. & Stewart, P. 2019. The Achievements and Limitations of Statutory and Non-Statutory Tripartism in South African Mining, *International Development Policy | Revue internationale de politique de développement* [Online], 11 | 2019, URL: <http://journals.openedition.org/poldev/3008>; DOI: 10.4000/poldev.3008
- Hlatshwayo, M., 2017. The expanded public works programme: Perspectives of direct beneficiaries. *TD: The Journal for Transdisciplinary Research in Southern Africa*, 13(1), pp.1-8.
- Holte, B.H., Swart, I. and Hiilamo, H., 2019. The NEET concept in comparative youth research: The Nordic countries and South Africa. *Journal of Youth Studies*, 22(2), pp.256-272.
- ILO 2017. *Global Employment Trends for Youth 2017: Paths to a better working future* (Geneva).
- ILO. 2017. Quick Guide on Sources and Uses of Labour Statistics. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_590092.pdf.

- ILO. Decent Work Country Diagnostics - Technical Guidelines to draft the Diagnostics Report. Geneva: ILO, 2015.
- International Labour Organization (ILO). 1997. Labour Statistics Based on Administrative Records: Guidelines on Compilation and Presentation. Bangkok: ILO/EASMAT. ILO Regional Office for Asia and the Pacific. http://ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_PUBL_9221104869_EN/lang--en/index.htm.
- International Monetary Fund (IMF). 2020. 'Six charts explain South Africa's inequality'. IMF country focus. <https://www.imf.org/en/News/Articles/2020/01/29/na012820sixcharts-on-south-africas-persistent-and-multi-faceted-inequality>
- Jacobs, P., Habiyaemye, A., Nyamwanza, A., Sinyolo, S., Makoe, M., Makobane, L. & Dyantyi, P. (2018) NARYSEC employment opportunities and enterprise development review and refinement of the NARYSEC exit strategy: evidence-based review: final report. (Commissioned by the Department of Rural Development and Land Reform (DRDLR), June). Retrieved from <http://hdl.handle.net/20.500.11910/12419>
- Jensen, R. 2010. The (Perceived) Returns to Education and the Demand for Schooling. *Quarterly Journal of Economics*, 125(2): 515–548.
- Kahn, L. B., 2013. Asymmetric Information between Employers, IZA Discussion Papers 7147, Institute of Labor Economics (IZA).
- Kar, S & Saha, B.C. 2011. Asymmetric information in the labor market, immigrants and contract menu, IZA Discussion Papers, No. 5508, Institute for the Study of Labor (IZA), Bonn, <http://nbn-resolving.de/urn:nbn:de:101:1-201104113815>
- Kelobang, K., Boon, C., De, L., Frota, L., and Schmitt, V. 2018. South Africa: expanded public works programme. Geneva: ILO. Retrieved from https://labordoc.ilo.org/discovery/delivery/41ILO_INST:41ILO_V1/1272309130002676.
- Kemp, J. & Spearrit, M. 2021. China's Labour Market: COVID-19 and Beyond; Reserve Bank of Australia, Bulletin, 16 September 2021 <https://www.rba.gov.au/publications/bulletin/2021/sep/chinas-labour-market-covid-19-and-beyond.html>
- Kerr, A. & Wittenberg, M. 2019. Earnings and employment microdata in South Africa, WIDER Working Paper Series wp-2019-47, World Institute for Development Economic Research (UNU-WIDER).
- Kingdon, G. & Knight, J. 2007., Unemployment in South Africa, 1995--2003: Causes, Problems and Policies, *Journal of African Economies*, 16, issue 5, p. 813-848, <https://EconPapers.repec.org/RePEc:oup:jafrec:v:16:y:2007:i:5:p:813-848>
- Kochovska, T. 2019. Interplay Between Reservation Wage and Unemployment Duration: Evidence from North Macedonia. AICEI Proceedings, 14(1). <https://doi.org/10.5281/zenodo.3533845>
- Köhler, T., and R. Hill. "The distribution and dynamics of South Africa's TERS policy: Results from NIDS-CRAM Waves 1 to 5." NIDS-CRAM Working Paper (2021).

- Krueger A.B, Mueller A. 2011. Job search, emotional well-being, and job finding in a period of mass unemployment: evidence from high-frequency longitudinal data. *Brook Pap Econ Act* 2011(1):1–57
- Krueger, A. B., & Mueller, A. I. 2016. A contribution to the empirics of reservation wages. *American Economic Journal: Economic Policy*, 8(1), 142-79
- Lafuente, C. 2020. Unemployment in administrative data using survey data as a benchmark. *SERIEs* 11, 115–153. <https://doi.org/10.1007/s13209-019-0200-1>
- Lam, D., Leibbrandt, M., & Mlatsheni, C., 2009. Education and Youth Unemployment in South Africa. *Labour markets and economic development*, p. 90.
- Levenson, H. 1974. Activism and Powerful Others: Distinctions Within the Concept of Internal-External Control. *Journal of Personality Assessment* 38 (4): 377–383.
- Levinsohn, J. & Pugatch, T, 2014. Prospective analysis of a wage subsidy for Cape Town youth, *Journal of Development Economics*, Elsevier, vol. 108(C), pages 169-183
- Macours, K. and Vakis, R. (2014). Changing Households' Investment Behaviour through Social Interactions with Local Leaders: Evidence from a Randomised Transfer Programme. *Economic Journal*, 124, pp. 607–633
- Mageloh P. & Ntambirweki-Karugonjo, B. 2014. Youth Unemployment and Job Creation in Uganda: Opportunities and Challenges. Report of Proceedings of the 49th Session of the State of the Nation Platform. Advocates Coalition for Development and Environment (ACODE) Infosheet No. 26, 2014
- Malakwane, C.T. 2012. Economic and social effects of unemployment in South Africa: prospects for the future. Unpublished Masters Dissertation. Tshwane: Tshwane University of Technology.
- Markets, A. y. (2015). Africa's youth in the Labour Markets: African Development Report.
- Mazumder, Debojyoti and Biswas, Rajit (2018): Is Nepotism Inevitable Under Search and Matching Friction? Online at <https://mpira.ub.uni-muenchen.de/89836/> MPRA Paper No. 89836, posted 15 Nov 2018 11:46 UTC
- McKenzie, D (2017) How Effective Are Active Labor Market Policies in Developing Countries? A Critical Review of Recent Evidence, World Bank Policy Research Working Paper no. 8011.
- MES. (2014). Youth employment policies in Sweden – the Swedish response to the Council recommendation on establishing a Youth Guarantee. Ministry of Employment of Sweden, Available online: <https://www.government.se/reports/2014/04/youth-employment-policies-in-sweden--the-swedish-response-to-the-council-recommendation-on-establishing-a-youth-guarantee/>
- Mnguni, A., 2018. The development and sustainability of small and medium enterprises: the role of the Department of Small Business Development (Doctoral dissertation, North-West University).

- Moleke, P. (2003) The state of the labour market in contemporary South Africa. In: Daniel, J., Habib, A. & Southall, R. (eds). *State of the nation: South Africa 2003-2004*. Cape Town: HSRC Press. 204-224.
- Muhammad Usman & Akinori Sawaya & Mari Igarashi & Jeffry Joseph Gayman & Rakesh Dixit, 2021. *Strained agricultural farming under the stress of youths' career selection tendencies: a case study from Hokkaido (Japan)*, Palgrave Communications, Palgrave Macmillan, vol. 8(1), pages 1-8, December.
- N. Engbom & C. Moser, 2021. *Earnings Inequality and the Minimum Wage: Evidence from Brazil*, NBER Working Papers 28831, National Bureau of Economic Research, Inc.
- National Academies of Sciences, Engineering, and Medicine; Division of Behavioral and Social Sciences and Education; Committee on National Statistics; Panel on Improving Federal Statistics for Policy and Social Science Research Using Multiple Data Sources and State-of-the-Art Estimation Methods. *Innovations in Federal Statistics: Combining Data Sources While Protecting Privacy*. Harris-Kojetin BA, Groves RM, editors. Washington (DC): National Academies Press (US); 2017 Jan 12. PMID: 28426187.
- National Treasury and UNU-WIDER (2021a). 'CIT-IRP5 Firm Panel 2008–2018' [dataset]. Version 4.0. Pretoria: South African Revenue Service [producer of the original data], 2020. Pretoria: National Treasury and UNUWIDER [producer and distributor of the harmonized dataset], 2021.
- National Treasury and UNU-WIDER (2021b). 'IRP5 Worker-Level Data 2011–2018' [dataset]. Version 4.0. Pretoria: South African Revenue Service [producer of the original data], 2020. Pretoria: National Treasury and UNU-WIDER [producer and distributor of the harmonized dataset], 2021.
- National Youth Development Agency. 2020/2021. Annual Report.
- Nicole Gürtzgen, André Diegmann (né Nolte), Laura Pohlen, Gerard J. van den Berg, 2021. Do digital information technologies help unemployed job seekers find a job? Evidence from the broadband internet expansion in Germany, *European Economic Review*, Volume 132, <https://doi.org/10.1016/j.eurocorev.2021.103657>.
- Nkwinti, M. G. 2014. Rural Development and Land Reform Dept Budget Vote.
- NYCI. (2012). Fact sheet: Youth guarantee. Natinal Youth Council of Ireland, Available online: <https://www.youth.ie/wp-content/uploads/2019/01/Youth-Guarantee-Factsheet.pdf>
- NYDA and Sibani Consulting, 2018. For the impact evaluation of the Entrepreneurship Development Programme. Retrieved from <http://www.nyda.gov.za/Portals/0/downloads/Final%20EDP%20Final%20Full%20Evaluation%20Report%20%20March%202018.pdf>
- NYDA, 2020. Rapid assessment on entrepreneurship development and support. Retrieved from <http://www.nyda.gov.za/Portals/0/downloads/Rapid%20Assessment%20of%20Entrepreneurship%20Development%20&%20Support%20Final%20Report.pdf>.
- OECD 2012, *Understanding and evaluating theories of change*, in *Evaluating Peacebuilding Activities in Settings of Conflict and Fragility: Improving Learning for Results*, OECD Publishing, Paris. DOI: <https://doi.org/10.1787/9789264106802-10-en>

- OECD 2015., Enhancing job quality in emerging economies, in OECD Employment Outlook 2015, Paris: OECD Publishing.
- OECD. 2010. OECD economic surveys: South Africa 2010. Paris: OECD Publishing, Paris. http://www.treasury.gov.za/comm_media/press/2010/2010071901.pdf
- Ohene-Afoakwa, E., & Nyanhongo, S. (2017). Banking in Africa: Strategies and Systems for the Banking Industry to Win in the Fourth Industrial Revolution. Africa Expansion Project. Retrieved from [https://www.bankseta.org.za/wp-content/uploads/2018/08/BA3DD51-1.pdf\(9\)](https://www.bankseta.org.za/wp-content/uploads/2018/08/BA3DD51-1.pdf(9))
- Penner, A.M., & Dodge K.A. 2019. Using Administrative Data for Social Science and Policy. RSF: The Russell Sage Foundation Journal of the Social Sciences 5(3): 1–18. DOI: 10.7758/RSF.2019.5.3.01.
- Peters, C., 2017. Coordination challenges in implementing the National Youth Service programme. University of the Witwatersrand.
- Programme, N. Y. (2020, April). Virtual Consulting Engineers. Retrieved from National Youth Services Programme (EPWP): <https://virtualconsulting.co.za/national-youth-service-programme-epwp-nys/>
- R. Connelly, C. J. Playford, V. Gayle, C. Dibben, 2016. The role of administrative data in the big data revolution in social science research, Social Science Research, Vol. 59, pp 1-12, <https://doi.org/10.1016/j.ssresearch.2016.04.015>.
- Ranchhod, V. and Finn, A., 2016. Estimating the Short Run Effects of South Africa's Employment Tax Incentive on Youth Employment Probabilities using A Difference-in-Differences Approach. South African Journal of Economics, 84(2), pp.199-216.
- Rankin N. A. & Roberts, G. 2011. Youth Unemployment, Firm Size and Reservation Wages in South Africa, South African Journal of Economics, Economic Society of South Africa, vol. 79(2), pages 128-145, June.
- Rena, R., & Diale, B. T. T. (2021). Evaluating the Effectiveness of the National Youth Service Programme in Skill Development of Unemployed Graduates in the North West Province of South Africa. Demohrafiia ta sotsialna ekonomika - Demography and Social Economy, 4 (46), 98-115.
- Rietveld A.M. van der Burg, M., Groot J.C.J. 2020. Bridging youth and gender studies to analyse rural young women and men's livelihood pathways in Central Uganda, Journal of Rural Studies, Volume 75, 2020, Pages 152-163, ISSN 0743-0167, <https://doi.org/10.1016/j.jrurstud.2020.01.020>.
- Roberts, S., & Li, Z. (2017). Capital limits: social class, motivations for term-time job searching and the consequences of joblessness among UK university students, Journal of Youth Studies, 20:6, 732-749, DOI: 10.1080/13676261.2016.1260697
- Rodrik D., 2008. Understanding South Africa's economic puzzles, The Economics of Transition, The European Bank for Reconstruction and Development, vol. 16(4), pages 769-797, October.

- Rospigliosi, A P, Greener, S, and Bourner, T, 2013. Human capital or signalling, Unpacking the graduate premium. [online]. Available: <http://emeraldinsight.com> [accessed 10 September 2019].
- RSA, 2021. National youth policy. Department of women, youth, and persons with disabilities, Republic of South Africa (RSA). <https://www.gov.za/documents/national-youth-policy-2020-2030-5-mar-2021-0000>.
- Ryan, M., & Martinson, D. L. 2000. Perceived Effects of Exaggeration in Recommendation Letters. *Journalism & Mass Communication Educator*, 55(1), 40–52. <https://doi.org/10.1177/107769580005500105>
- Schoer, V. a. (2011). Youth employment, recruitment and a youth targeted wage subsidy. World Bank.
- SEDA 2021. SEDA quarter 4 performance: Presentation to the portfolio committee 26 May 2021. Retrieved from https://edse.org.za/wp-content/uploads/2021/06/210526SEDA_Q4_Performance.pdf.
- Şentürk, İ. 2015. Determinants of Expected Wages of Unemployed Workers in Turkey. *Modern Economy*, 6(07), 808
- Shung-King, M., Orgill, M. and Slemming, W., 2013. School health in South Africa: Reflections on the past and prospects for the future. *South African health review*, 2013(1): 59-71.
- Singh, S. N. 2019. Business Inefficiencies and Youth Unemployment in Ethiopia: A Case Study of Mettu Town. *Business Ethics and Leadership*, 3(2): 93-106. [http://doi.org/10.21272/bel.3\(2\).93-106.2019](http://doi.org/10.21272/bel.3(2).93-106.2019).
- South Africa. Government Communication and Information System, 2019. South Africa Yearbook 2018/19. Retrieved from <https://www.gcis.gov.za/south-africa-yearbook-201819>.
- South African Revenue Services. (2021, September 30). South African Revenue Services. Retrieved from South African Revenue Services: <https://www.sars.gov.za/types-of-tax/pay-as-you-earn/employment-tax-incentive-eti/>
- Statistics South Africa. Survey of activities of young people 2019. [dataset]. Version 1. Pretoria: Statistics South Africa [producer], 2021. Cape Town: DataFirst [distributor], 2021. DOI: <https://doi.org/10.25828/4192-zn40>.
- Steenkamp, L. 2015. South Africa's economic policies on unemployment: a historical analysis of two decades of transition. Unpublished Thesis, North West University
- Sun, Y., Zhuang, F., Zhu, H. et al. 2021. Market-oriented job skill valuation with cooperative composition neural network. *Nat Commun* 12, 1992 (2021). <https://doi.org/10.1038/s41467-021-22215-y>
- Tattara G, Valentini M 2010. Turnover and excess worker reallocation. The Veneto labour market between 1982 and 1996. *Labour* 24(4):474–500.

- Terblanche, T.E.D.P., 2017. Technical and vocational education and training (TVET) colleges in South Africa: A framework for leading curriculum change (Doctoral dissertation, Stellenbosch: Stellenbosch University).
- The Jobs Fund and Impact Economix. (2016). Evaluation Insights: Evidence and lessons from South Africa's Jobs Fund on the role and potential of business incubators in creating jobs in South Africa. Retrieved from <http://www.jobsfund.org.za/docs/Evaluation%20InsightsEvidence%20and%20lessons%20from%20the%20Jobs%20Fund.pdf>
- Usman M, Tomimoto I. 2013 The aging population of Japan: causes, expected challenges and few possible recommendations. *Res J Rec Sci* 2(11) :1–4.
- van der Merwe, H. and Langa, M., 2019. South Africa's Community Work Programme: Local Peacebuilding Innovation Within a National Developmental Architecture. *Journal of Peacebuilding & Development*, 14(1), pp.49-62.
- Vasilescu, M.D., & Begu, L.S. 2019. Youth reservation wages in Romania: are wage expectations realistic? *Applied Economics Letters*, 26:14, 1157-1161, DOI: 10.1080/13504851.2018.1540838
- Vogel, I. 2012. Review of the use of 'theory of change' in international development. Department for International Development. Retrieved from http://www.oxfamblogs.org/fp2p/wp-content/uploads/DFID-ToC-Review_VogelV4.pdf
- Walker, T. 2007. Why Economists Dislike a Lump of Labor. *Review of Social Economy*, 65(3), 279–291. <http://www.jstor.org/stable/29770416>
- Walton, G. M. 2014. The New Science of Wise Psychological Interventions. *Current Directions in Psychological Science*, 23(1), 73–82.
- Watson, I. 2020, The youth labour market: from education to work before and after the global financial crisis, *Journal of Industrial Relations* Vol 62, Issue 1, JIR web site.
- Witte, M. (2019). Job Referrals and Strategic Network Formation: Experimental Evidence from Urban Neighbourhoods in Ethiopia, Working Paper.
- Xu, T., Zhu, H., Zhu, C., Li, P. & Xiong, H. 2018. Measuring the popularity of job skills in recruitment market: A multi-criteria approach. In *AAAI 2018* (2018).
- Youth Capital, ORT SA CAPE and Youth@Work. 2021. The basic education employment initiative: Did it work for young people? Research report on basic education employment initiative. Retrieved from https://youthcapital.co.za/basic-education-employment-initiative-report-youthcapital/?utm_source=whatsapp&utm_medium=whatsappmessage&utm_campaign=beci&utm_term=beci&utm_content=beeireport
- Zudina, A. 2021. What makes youth become NEET? Evidence from Russia, *Journal of Youth Studies*, DOI: 10.1080/13676261.2021.1923673
- Zuma, S.P.Q., 2017. Assessing the Implementation of the National Youth Service Programme in the Gauteng Province, Department of Roads and Transport (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Appendix A: Projects under Jobs Fund programme

Jobs Fund- Enterprise Development

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Sernick Group	Sernick Emerging Farmers Programme	Private	Free State	165	237.6
Deciduous Fruit Producers' Trust (DFPT)	Deciduous Fruit Value Chain Financing Project	Public	Western Cape	200	200
Project Preparation Trust of Kwa-Zulu Natal (PPT KZN)	Informal Economy Support Programme-IESP eThekweni	NGO	Kwa-Zulu Natal	10	10
National Education Collaboration Trust - EdHub	Columba Leadership Trust	NGO	National	14.27	21.40
Caleo Capital	Secha Capital: Patient Capital Impact HoldCo	Private	National	13.58	21.61
Trust for Urban Housing Finance	Intuthuko	Private	Gauteng	75	75
Trust for Urban Housing Finance	uMaStandi	Private	Gauteng	25	25
Caleo Capital	Secha Capital: Patient Capital Impact HoldCo	Private	National	13.58	21.61
The Sernick Group	Sernick Emerging Farmers Programme	Private	Free State	165	337.6
A2L Media Corp	Community access to wireless retail technologies	Private	National	78.00	390.12
A2L Media Corp	Innovation and Application of Technology	Private	National	85.33	85.33
Accelerated and Shared Growth Initiative – South Africa– Eastern Cape Development Corporation	Eastern Cape Community Forestry Development Initiative	NGO	Eastern Cape	82.73	30.62
AfricaIgnite	Tourist Markets Ignite Rural Enterprise	NGO	KwaZulu-Natal	7.82	3.85
Anglo American Zimele Ltd	Anglo American Zimele Jobs Fund	Private	National	250.00	250.00
Atlantic Asset Management	Guarantee Mechanism Crowd Investors	Private	National	75.00	300.00

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Awethu Project	Awethu Project Incubator	NGO	Gauteng	71.93	68.50
Awethu Entrepreneurship Foundation	Awethu Project	NGO	Gauteng	20.00	4.00
Buhle Farmers' Academy	Buhle - Mondi Farmer Development Project	NGO	Mpumalanga	26.87	37.12
Buhle Farmers Academy	Buhle Academy	NGO	National	5,00	8,52
Business Partners	SA Franchise Warehouse	Private	National	48.65	58.38
Cape Craft and Design Institute	CCDI Enterprise Development	NGO	Western Cape	11.62	2.91
Capital Harvest Emerging Farmer Finance	Capital Harvest Emerging Farmer Finance	Private	Western Cape	30.74	89.59
Claremont Farming	AgriBEE Agro Processing Linkage	Private	Eastern Cape	12.06	97.98
Clover SA	Masakhane "Together we Grow" Expansion Project	Private	National	100.00	103.77
Council for Scientific and Industrial Research- EC	Development of Cashmere Fibre Industry	Public	Eastern Cape	5.00	1.00
Council for Scientific and Industrial Research- eGoli Bio	Bioprocess Development and Pilot Centre	Public	Gauteng	72.00	18.00
Crescendo Management Services trading as OCS Africa	OCS Incubation Hub	Private	Gauteng	35.00	35.00
CuraFin Manco	Owner Driver Programme	Private	Gauteng	48.00	81.49
Deciduous Fruit Producers' Trust	DFDC Commercialization Programme	Private	Western Cape, Eastern Cape	60.00	60.00
Elliott Brothers	Eastern Cape AgriBEE Beef Fund	Private	Eastern Cape	34.00	34.00
Eastern Cape Rural Development Agency & Eastern Cape Development Corporation (Rural Agro Initiative)	Trading Up and Rural Agro Industrialisation	Public	Eastern Cape	72.77	49.81
Eksteenskuil Landbou Koöperasie Beperk	Eksteenskuil Raisin Incubator	Private	Northern Cape	18.25	30.62

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
FirstRand Bank Limited	Vumela Enterprise Development Fund	Private	Gauteng	127.09	127.09
Grain SA	Commercial Farming Starting from 1 Hectare	Private	Eastern Cape, KwaZulu-Natal, Mpumalanga	97.24	109.08
Hand in Hand Southern Africa	Job Creation through Enterprise Development	NGO	Limpopo, Mpumalanga, KwaZulu Natal, North West	22.44	4.90
Heifer International South Africa	Blouberg Agricultural Development Project	NGO	Limpopo	6.78	1.70
Hot Dog Café	Hot Dog Café Cadet Program	Private	National	17.23	18.60
Illovo Sugar (South Africa) Limited	Small Scale Grower Cane Development Project	Private	Sezela, KwaZulu-Natal	67.57	64.52
Just Veggies (Pty) Ltd	Fresh and frozen vegetable supply chain	Private	Abaqulusi, KwaZulu-Natal	30.00	31.30
Lima Rural Development Foundation	Smallholder Farmer Support Programme	NGO	National	59.83	59.83
LIMA	Small Holder Farmer Support Programme	NGO	Limpopo, Mpumalanga, KwaZulu Natal, Eastern Cape	20,11	6,05
LIMA Rural Development Foundation NPC	Manzengwenya - Mbazwana Forestry Development Programme	NGO	KwaZulu Natal	80.25	20.01
Microsoft South Africa	Microsoft Bizspark Programme	Private	National	96.00	96.00
Mondi Zimele Entrepreneurship Foundation	Zimele Project	NGO	Mpumalanga, KwaZulu Natal	70.00	70.00
Newlands Mashu Community Development Centre	Soybean - Edamane Soybean Industry Establishment	Public	KwaZulu Natal	19.00	10.91
New Dawn Farming Enterprise	New Dawn Farming	Private	Limpopo	15.15	15.15

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Project Preparation Trust KZN	Development of Emerging Micro & Formal Enterprises in eThekweni Municipality	NGO	KwaZulu Natal	5.00	1.00
Orange Grove Dairy	Orange Grove UHT and Recapitalization Programme	Private	KwaZulu-Natal	45.00	44.94
Phakamani Foundation	Creating Micro Jobs for Rural Women	NGO	Mpumalanga	20.25	5.11
Resource Africa	Rural-based Empowerment	NGO	Mpumalanga	14.56	3.55
Royal Fields Finance	Royal Fields: Enterprise Development One Stop Shop Solution	Private	Gauteng	50.00	50.00
Sabi Sand Pfunanani Trust	Rural SMMEs Development and Employment Creation	NGO	Mpumalanga	14.82	4.94
Shanduka Black Umbrellas	Shanduka Black Umbrellas Incubator Pretoria	NGO	Pretoria, Gauteng	13.50	4.50
Siyazisiza Trust	Siyazisiza Craft Development Programme	NGO	Gauteng, KwaZulu-Natal, Mpumalanga	10.95	5.02
South African Bureau of Standards Design Institute	Business Rapid Accelerator Programme	Public	Gauteng	60.00	60.00
Stargrow Nursery Trust	Sizana Project	Private	Boland, Western Cape	51.98	91.40
Shanduka Black Umbrellas	Shanduka Black Business Umbrellas Incubator	NGO	KwaZulu Natal	10.50	8.22
Technoserve	Job Creation through Small Farmer Commercialisation	NGO	National	40.18	10.05
Technoserve South Africa	Advancing Small Holder Agribusiness (uASHA)	NGO	KwaZulu-Natal	40.00	40.48
The Clothing Bank	Clothing Bank National Expansion	NGO	Gauteng, Western Cape	18.35	8.20
Timbali Technology Incubator	Timbali Technology Incubator	NGO	Nelspruit and Mpumalanga	75.00	18.75

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Timbali Technology Incubator	Nwanedi Agri-Park development for vegetables	NGO	Nwanedi, Limpopo	58.00	61.50
Tongaat Hulett	Tongaat Hulett Sugarcane Development Initiative	Private	Tongaat, KwaZulu-Natal	150.00	221.60
TWK Agri	TWK Agri Emerging Farmer Support Program	Private	Piet Retief, Mpumalanga	50.00	102.59
Use-It	Compressed Brick Manufacturing	NGO	KZN	7.76	22.93
Unjani Clinics NPC	Unjani Clinic Project	Private	Gauteng, North West, Mpumalanga, Limpopo	20.47	29.38
VKB Agriculture (Pty) Ltd	Developing Sustainable Small Commercial Framers	Private	Eastern Free State and Limpopo	35.54	71.94

Jobs Fund- Infrastructure

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Akwandze Agricultural Finance	Small Scale Sugarcane Grower Irrigation Infrastructure Capitalisation Project	Private	MP, KZN	50.00	75.00
Automotive Industry Development Corporation - Nissan	AIDC Gauteng	Public	GP	140.20	120.10
Automotive Industry Development Centre	Metal Surface Treatment Plant	Public	East London, Eastern Cape	38.83	38.83
Century Property Development	Diepsloot Industrial Development Park	Private	GP	369.88	520.32
Eve Brand Farms	Packing, Cooling, Marketing and Service centre	Private	Langkloof Valley, Eastern Cape	30.00	46.13
Housing Investment Partners	Innovative mortgage finance & housing construction	Private	Gauteng	100.00	400.00
Mercedes-Benz South Africa	Building a Learning Academy	Private	East London, Eastern Cape	80.00	330.00
Milk South Africa	Sustainable Commercialisation Smallholder Dairy	NGO	Eastern Cape, Free State, KwaZulu-Natal	10.36	10.36

The Business Place Philippi	The Cape Flats Business Hub	NGO	WC	40.00	53.36
--------------------------------	-----------------------------	-----	----	-------	-------

Jobs Fund- Institutional Capacity Building

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Ashburton Fund Managers	Scaling a Guarantee for growth & Job Creation	Private	National	100.00	902.56
National Council for Persons with Physical Disabilities in South Africa (NCPDSA)	Job Placement Agency	NGO	National	5.00	5.00
The Small Enterprise Foundation NPC	The Small Enterprise Foundation Expansion Programme	NGO	FS,NW,MP,KZN,EC	78.60	55.52

Jobs Fund- Support for work seekers

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Cape Innovation & Technology Initiative	CiT: Catalysing and stimulating tech job creation	Private	National	75	101.45
Harambee	Catalysing high value jobs in growth sectors for excluded youth	NGO	National	100	148.24
eDeaf	Partnered Solutions for the Deaf in a Hearing world	Private	National	10.4	10.4
Yellowwoods Ventures Investments (Harambee)	Yellowwoods Ventures Investments	NGO	National	120	85
Cape Innovation and Technology Initiative	CiT: Catalysing and stimulating tech job creation	Private	National	75	98.46
Cape Innovation and Technology Initiative	CiT: Catalysing and stimulating tech job creation	Private	National	10.41	10.41
Automotive Industry Development Centre	CCI South Africa - Careerbox	Private	KwaZulu-Natal Gauteng Limpopo	52.40	52.40
CCI South Africa	Programme for Industrial and Manufacturing Excellence	Private	Port Elizabeth	20.00	20.00

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
			Eastern Cape		
Department of Economic Development and Tourism	CapaCITi 1000	Public	Western Cape	13.53	36.24
Department of Economic Development and Tourism	Tool, Die and Mould-Making (TDM)	Public	Western Cape	12.34	0
Department of Economic Development and Tourism	Work and Skills Programme	Public	Western Cape	39.27	10.82
Economic Development in a Learning Province	Premierâ€™s Advancement of Youth	NGO	National	17.40	4.00
Harambee	Harambee Youth Employment Accelerator	NGO	National	132.40	352.60
Harambee	Accelerating Inclusive Youth Employment in SMEs	NGO	National	10.00	10.00
Medipost Pharmacy	Pharmacy Assistant Training Initiative	NGO	National	6.57	6.57
Microsoft South Africa	Student to Business Programme	Private	National	146.00	146.00
South African National Biodiversity Institute	Catalysing Access to Employment and Job Creation in Ecosystem Management	Public	National	300.00	75.00
Southern African Wildlife College	Unlocking Community Benefits through Conservation	NGO	KwaZulu-Natal Limpopo Mpumalanga	24.78	6.20
The Innovation Hub	CoachLab Leadership Skills Development Programme	Public	Gauteng	6.00	11.20
Child Welfare SA	Strengthening Social Welfare Workforce	NGO	GP EC MP	19.00	4.33
Disability Workshop	Careers for Youth with Disabilities in South Africa	NGO	WC EC	16.00	4.98

Applicant	Project Name	Type	Project Footprint	Grant Funding R million	Matched Funding R million
Development Enterprise			KZN GP		
Ethics and Leadership Institute cc	Karoo Agricultural Incubator	Private	WC	7.00	12.50
Guarantee Trust Corporate Support Services	Work Readiness Programme for Unemployed Graduates for Bank and Credit Sectors	Private	National	9.52	9.52
Harambee	Harambee Youth Employment Accelerator	NGO	KZN GP WC	120.00	90.49
KwaZulu Natal Progressive Primary Health Care	Pharmacist Assistants Training Programme	NGO	KZN	10.08	5.22
Mercedes-Benz SA	Preparation to train, qualify and recruit a third shift of operators in an Automotive Manufacturing and Assembly Environment	Private	EC	4.50	7.24
Medipost Pharmacy	The Medipost Pharmacy Assistant Training Initiative	NGO	GP WC	6.57	6.57
RedCap Foundation	Jumpstart Jobs Fund Expansion Project	NGO	National	17.50	3.50
Southern Africa Wildlife College	Training and Development of Unemployed Youth at Risk	NGO	GP	8.82	2.23
South African Bio-diversity Institute (SANBI)	Catalysing Access to Employment and Job Creation in Ecosystems Management	Public	National	300.00	75.00
South African National Parks	Table Mountain Visitor and Tourism Safety	Public	WC	3.13	3.81
The Department of Trade and Industry	Monyetla Work Readiness Programme	Public	National	217.30	217.30
Ubuntu Institute for Young Social Entrepreneurs NPC	International Jobs Placement Programme	NGO	National	46.09	282.05

Appendix B: Recommendations to improve youth outcomes in the labour market from the Implementing Partners (employers') perspective

Units	Categories	Theme(s)
<p>Upskill Volunteer more. Equip the youth with entrepreneurship skills. Youth have to create jobs for themselves and others. Make youth aware of the undesirability of the current unemployment rate.</p> <p>Teach everyone in high school how to perform data entry and how to use basic computer applications.</p> <p>More programmes such as the Skills Accelerator. Place youth in the field to ignite their passion. More information on how to create CVs and cover letters. More awareness of recruitment agencies. Change mindsets. Knowledge and demonstrations of professional conduct/behaviour.</p> <p>More moral support when making applications.</p> <p>Expand in terms of skills training.</p> <p>Youth should be employed whether or not they have the required qualifications.</p> <p>Visit high schools in rural and urban areas to teach them more about the YES programme.</p> <p>Entrepreneurial and scarce skills development.</p> <p>Make it compulsory for companies to employ a percentage of youth without experience.</p> <p>Encourage the youth to become more involved in volunteer work. Operate small businesses in which the youth can take part and showcase their skills. As a systemic issue, this requires a multi-pronged approach.</p> <p>Educate and support so that youth leaving matric may have a better opportunity to further their education or follow appropriate career paths. Improved access to information about career opportunities and study paths.</p> <p>Instil a sense of confidence and independence.</p> <p>Discourage the culture of “perpetual internships” i.e. moving from one internship to the next, never developing a career path.</p> <p>Employees know that they never have to invest in an entry-level salary because they will always get a new internship when the current contract expires.</p> <p>No employment pipeline or potential new positions are created because of the wage bills being covered (through internship stipends) by the government or corporate sponsors.</p> <p>The need for teaching assistants across the younger grades has been brought to the fore over and over again.</p> <p>An incentive to host more youth not only linked to the BBBEE Act and the scorecard is necessary, as there are many employers for whom this is not an incentive.</p> <p>The ETI is not incentive enough.</p>	<p>Technical skills</p> <p>Career guidance</p> <p>Mindset shift</p> <p>Information access</p> <p>First-time opportunity</p> <p>Incentive schemes</p> <p>Overreliance on interns (low paid) and incentives</p> <p>Entrepreneurial skills</p> <p>Office etiquette</p> <p>Moral support</p> <p>Creation of more jobs</p>	<p>Skilling, reskilling and upskilling</p> <p>Enable information diffusion</p> <p>Review incentives and internships schemes to avoid exploitation</p> <p>Interventions cognisant of youth ecosystem</p> <p>Emotional and related support (including confidence-building and office etiquette)</p>

Units	Categories	Theme(s)
<p>Youth should be made aware of the many e-learning platforms available and that gaining skills and knowledge is important and available at the cost of data.</p> <p>Many companies are not tax compliant but provide jobs and income.</p>		

Note: The items in each column need not be aligned item-by-item, as the generation of themes was a data reduction process.