



## INCLUSIVE SOCIETY INSTITUTE

### Op-ed

#### **Born free, but not fair: Solutions to tackle youth inequality and unemployment in South Africa - Considered solutions to closing the gap on youth inequality and unemployment**

*By Beth Vale and Daryl Swanepoel*

If the struggle of young South African adults in the 70s and 80s was the unjust regime of apartheid, the youth of today confront new struggles in their quest to lead lives of dignity and in pursuit of a better life for themselves, and the next generation. While the country may have made some progress in broadening young people's access to basic education; a combination of poor-quality schooling, low rates of tertiary qualification, a changing labour market, and a dearth of bridging opportunities to support young people into their first quality job, has meant that millions of young people remain unemployed. And so continues the intergenerational cycle of inequality.

Post-apartheid South African policy has described the country's youth both as the "greatest threat to social stability" and as a "demographic dividend". The former invokes a "ticking time bomb" of increasingly impatient, disillusioned and economically inactive young people. The latter anticipates the economic potential of a disproportionately large working-age population. Indeed, young people are viewed with both trepidation and tremendous expectation.

These binaries have been symptomatic of political discourse for some time, but are both inaccurate and unhelpful. Importantly, neither of the two categories adequately captures how young people view themselves. In 2012, the South African Reconciliation Barometer found that while youth were optimistic about their ability to shape political decisions, they were sceptical of political parties. The way young people expressed their agency and constraints was nuanced and diverse, which was not reflected in policy discourse.

Acknowledging the "ambiguous agency" of young people – as both vulnerable and inordinately powerful – might shift how we think about them, and how we intervene in their lives, right from birth until adulthood. By investing in webs of support and connection, we can work to safeguard young people's futures, while also unlocking their full participation in social, civic and economic life.

In a recently released Inclusive Society Institute report called "Understanding Youth Inequality", researchers and consultants highlight how the right support at critical points in a young person's life course – from perinatal, childhood and adolescence, through to early adulthood and the young workforce – can radically alter their own trajectory, and the trajectory of future generations.

There are a number of reasons South Africa's youth continue to struggle to secure employment in an increasingly hostile labour market. Central to these is a failing education system, which continues to churn out a workforce that is largely unprepared for a changing and skills-intensive labour market.

As young people exit the schooling system, there are few accessible or reliable points of information about how to apply for jobs, to compile a CV, or to access further education and training. They have

to navigate the system with little guidance, mentorship, or knowledge-sharing. Consequently, young people often struggle to find suitable employment and are unaware of how to showcase their unique abilities to potential employers. The job search process is time-consuming, extraordinarily costly, and often fruitless, leaving many feeling discouraged.

By surfacing the experiences, challenges and ingenuity of young people in the labour market, organisations like Harambee Youth Accelerator and Youth Capital are helping to signal areas ripe for intervention. Synthesising some of this evidence, the ISI report identifies four areas where there is essential work to be done:

### **Incentivise employer readiness**

Relative to the literature focused on building young people's aptitude and preparedness for the world of work, there is far less research about employer-driven drivers of youth unemployment in South Africa. This includes employers' attitudes and practices with respect to hiring young people. Interventions like the Employment Tax Incentive and including youth employment as a pillar on the BB-BEE scorecard can incentivise employers to hire young people. Hiring practices need to focus on alternative signals of a young person's capability, broadening our focus beyond educational qualifications and formal work experience, to include young people's range of experiences and soft skills.

### **Establish matching support**

Building mechanisms that connect young people who find themselves lacking inherited social capital is vital. This requires that the focus is on not only educating and skilling our youth, but also building and facilitating equitable access to networks that can function to bridge the gap between education and employment. Matching support helps overcome an important information gap between young job-seekers and employers by providing documented assessments of skills and capabilities, including education, soft skills, experience and learning potential. This can increase job-seekers' chances of finding work by up to 17% and earning potential by up to 32%.

Matching is also about linking young people to their next opportunity, given the rate of churn in the South African labour market. SAYouth.mobi offers one route to doing this. Through a zero-rated mobile site, it provides young people listings of available income-generating opportunities that can be applied to online, interview guidance, and CV-building software, without incurring transport or printing costs. It also helps to directly link young job-seekers to the right employers seeking talent, without them wasting time and resources in application processes that bear little fruit.

### **Provide social protection**

Promoting equity of access to employment opportunities entails that barriers to labour market participation be broken. A third of South Africans receive social grants. The Covid-19 Social Relief of Distress (SRD) grant added 10 million recipients, bringing the total to close to half the country. The expansion of social welfare is backed by quantitative analysis which suggests a positive impact on poverty alleviation, labour participation, and economic growth. The SRD, for example, has alleviated household poverty, increased labour market participation, and helped young people with job searches. In a 2021 Youth Capital survey of over 2,000 youth, nearly three in 10 young people said they had used grant money to support their job search. The National Treasury is considering proposals to transform the SRD into a job-seekers support grant.

## **Set up enabling environments**

For job-seekers, informal workers, and entrepreneurs, mobile data is crucial. Data-light platforms can bridge the digital divide and work on low-end phones and slow networks. Reliable electricity, telecommunications, and transport infrastructure are also important for industry growth. Strategies to create a more enabling environment include reducing regulatory burdens for SMEs in particular, and giving appropriate attention to labour-intensive growth sectors. Creating enabling environments for self-employed young people (the rate is low, at 10% compared to 30% in upper/middle-income countries), is important for increasing viable livelihood options for young people.

## **Open up public employment**

The NID-CRAM survey data showed that, between February 2020 – March 2021 of the Covid-19 lockdown, young people had the largest employment increase, particularly in community, social, and personal services. This increase is likely attributable to large-scale, youth-targeted public employment programmes such as the Basic Education Employment Initiative (BEEI), launched in 2020 as part of a post-Covid stimulus package. The BEEI targeted young people through the SAYouth.mobi platform, hiring them as education or general school assistants and paying them a minimum wage. Phase I added 115,000 jobs, 65% of which went to young women. While public employment can offer short-term earnings and valuable work experience, it is important that young people have transferable skills and supported pathways to their next opportunity.

Failure to sustainably address the issue of our disempowered youth now will only result in the exponential growth of the problem itself, severely maiming the capacity to break the intergenerational inequality cycle.

***This article draws on the content of the recently published Inclusive Society Institute report under the title 'Understanding Youth Inequality'. Dr Beth Vale is an applied anthropologist, public health specialist, and social development consultant at Percept. Daryl Swanepoel is the CEO of the Inclusive Society Institute.***

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