Exploring the Intractability of Youth Unemployment in SOUTH AFRICA

Why is the problem of youth unemployment in SA so difficult to solve?

Despite efforts by Government and other stakeholders, the youth (15 to 34 years) unemployment rate in South Africa remains high. This issue has a longstanding history. The 1996 National Census (carried out just after South Africa transitioned into a democracy) pegged the rate at 53.2%. From 2004 to 2008 it began to drop during the country’s economic recovery only to reverse course as a result of the global economic downturn of 2009, returning to early 2000 levels. These levels have changed very little despite the country’s economic recovery since 2009, worsening even further for the 19 to 29 age group. Various causes for this have been put forth:

- The low absorption of youth into existing jobs
- Increased participation of youth in the labour market
- Low job growth
- An overall increase in the youth population
- Early school leaving and lack of access to post-secondary education and training

Research undertaken by a team from the DSI-NRF Research Chair in Poverty and Equality and the Southern African Labour and Development Research Unit at the University of Cape Town as well as the DSI-NRF Research Chair in Welfare and Social Development and the Centre for Social Development in Africa at the University of Johannesburg, looked at the existing literature (almost 11,000 articles and 182 research reports from research organisations and experts studying the field) on youth unemployment in South Africa.

The team conducted a systematic sort and analysis of these documents with a view to providing a comprehensive picture of the causes of youth unemployment and the interventions that have sought to address it. The systematic approach eliminates any bias regarding the subject by rigorously assessing a broad body of evidence from different sources across a range of disciplines in order to determine why youth unemployment remains a stubborn problem for the country. In this article we focus on the micro-level factors.

What the analysis revealed

The bulk of existing research data looked at the issues relating to young people themselves, their skill and education levels, their aspirations, and factors related to their households and communities on their engagement with the labour market, i.e. supply-side labour market issues. There exists a shortage of research on employer behaviour and attitudes towards hiring young people – demand-side issues. Some of the research results the team found include:

Education and skills
- Despite having a higher level of education than their parents, prospects for employment of youth are not better.
- Employers emphasise higher education (diplomas and degrees).
- ±50% of the cohort of children entering school in Grade 1 leave school before matric, with limited job prospects.
- The education system fails to adequately provide youth with even basic skills that employers require such as literacy and numeracy.

Aspirations and opportunity
- A degree is an important aspiration among many youth, who may value a university over a Technical and Vocational Education and Training (TVET) college qualification.
- TVET education is seen as inferior due to poor quality of teaching and learning at some of these institutions.
- There is limited access to post-secondary education and training of any kind
- Yet, those with post-secondary qualifications do far better in the labour market.

Lack of information
- Schools offer little career guidance, leading to youth lacking information on matching skills and interests to their chosen school subjects.
- Information on how to apply for a job, compile a CV or access further education opportunities is in short supply.

Discouragement and mental health
- Youth are discouraged with discouragement
rates rising
Mental illnesses such as depression can occur in situations of perceived failure and discouragement, which may lead to further disconnection from the labour market.

Geography and costs of work-seeking
Apartheid-era spatial planning has resulted in the country’s Black population paying high transportation costs from townships and rural areas.

The median monthly work-search costs were found to be US$38 for youth, who were also typically from food-insecure households where the per capita monthly income was US$36.

Lack of work experience
Young people wait longer in the labour market queue, particularly for their first job.

Lack of experience is a major reason for youth unemployment.

Part-time employment during school or while studying impacts positively on employment prospects.

Limited social capital
The social networks of the youth help leverage information gathering on the education, labour market, job availability and job access.

Informal networks of friends/family provide job opportunities access but factors such as work experience again come into play.

However, many youth lack these social networks, with large proportions of NEET youth living in households where nobody is employed.

Gender and care
Young women are disproportionately affected by unemployment compared to men in South Africa due to, among others, labour market discrimination and the gendered nature of care expectations.

Hiring preferences and behaviour of employers
The review shows that there are large gaps in the understanding of employer behaviour. While there are assumptions that employers baulk at hiring young people, due to training costs, there is little empirical evidence to support this assumption.

However, during economic downturns, employers shed jobs while not necessarily re-hiring during economic upturns, indicating high risk-aversion amongst employers.

Discrimination based on race may affect hiring decisions although education level, where Blacks tend to come from lower quintile schools and attend historically Black Universities (sometimes perceived by employers to be “inferior”) are often a major factor.

Labour market entry requirements are inflated by employers to exclude large numbers of potential employees whose skills/education otherwise match the job being offered.

Recommendations
A key recommendation is that multiple dynamics interact to shape young people’s access to the labour market. Thus, even in a context of increased demand for young workers, and a better-quality education system at the macro-level, many of these micro-level barriers are likely to continue to play a role and thus require policy and programmatic attention. This means that there is no single intervention that can address the challenge. Rather, a range of coordinated and integrated interventions are necessary. Such interventions must address the skills, social capital and information gaps that young people face. There are also research recommendations, including more focus on employer-behaviour and hiring preferences; a better understanding of the complexities of mental health; discouragement; and labour market engagement; and assessing how to address the gendered inequalities that persist.

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