

SHIFT GEARS ON TRANSITIONS

 YOUTH
CAPITAL

EVERY YEAR, AROUND HALF A MILLION YOUNG PEOPLE IN SOUTH AFRICA LEAVE SCHOOL – AND GET STUCK.

Many of them never make it either into further study or meaningful employment and even those who do, often struggle to hold onto those opportunities.

Much of this has to do with a scarcity of economic and education opportunities, but there are also barriers to accessing the ones that do exist. A combination of factors – including poor and incomplete education, poverty, inequality, and unequal access to social capital, opportunities and resources, as well as greater vulnerability to ill health (both mental and physical) – prevent the majority of young people from reaching their full potential.

South Africa has not yet understood how to support young people as they transition out of education and into the labour market. In fact, this is the moment where our society tells children to grow up overnight. They lose the relative protection of school, the food they would get from the National Nutrition Programme and their child support grant when they turn 18¹. We have to open our eyes to just how vulnerable young South Africans are during this critical time and marshal our resources more effectively to help them to move forward and thrive.

YOUNG PEOPLE ARE STUCK IN TRANSITION²

THE NUMBER OF YOUNG PEOPLE (AGED 15-34) WHO HAVE BEEN LOOKING FOR WORK FOR MORE THAN 3 YEARS

533 499

2008

**x3
HAS MORE
THAN TRIPLED**

1 866 434

2019

THE NUMBER OF DISCOURAGED YOUNG WORK SEEKERS

755 956

2008

**x2
HAS MORE
THAN DOUBLED**

1 717 308

2019

WHO IS MOST LIKELY NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)?^{5,7}



**THOSE LIVING
IN POORER
HOUSEHOLDS**



**THOSE LIVING IN
RURAL AREAS**



**THOSE WITHOUT
POST-SCHOOL
QUALIFICATIONS**



WOMEN

Many young people expect that the journey from school into the labour market will be a smooth one. They imagine it as a time when they will enter into further studies or get their first job, and that this will lead to a clear career path and ultimately stable employment. However, the reality for most young South Africans is that the road to employment is precarious^{3,4}. Having spent over a decade within a relatively structured learning environment at school, young people step out into a world of uncertainty.

Despite active efforts to find work and multiple attempts to improve their qualification levels – too many young people get stuck in a phase of transition – they spend years looking for work, or move in and out of training and short-term jobs.

Far too many young people are unable to hold onto the opportunities they do find, and cannot translate their experiences into stable employment. The National Income Dynamics Study, which followed the same individuals in South Africa over ten years (2008-2018), exposes this lost potential. Despite the majority of youth being enrolled in education in 2008; by 2012, 50% of the original group were Not in Employment, Education or Training (NEET)⁶. At the same time, 94% of young people had no post-school qualification³, and had spent the past five years cycling through periods of studying, employment, unemployment and NEET status⁶ – spending a large amount of time locked out of opportunity^{2,6}.

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WHY ARE YOUNG PEOPLE STRUGGLING TO ACCESS AND HOLD ON TO OPPORTUNITIES?

Youth transition is a new area of focus that needs to be explored further. However, we believe that unstable transitions are shaped by the following four factors:

1. OPPORTUNITIES ARE LIMITED AND COMPETITION IS FIERCE

The post-school education system and economy have a limited carrying capacity. In any given year, the post-school education system can only accommodate a total of around two million students⁸, while labour absorption rates have hovered at around 40% in the past ten years⁹. At the same time the advancement of technology and automation means that the nature of work and required skills are changing; with an increasing need for highly flexible, highly skilled workers¹⁰.

Despite there being an increase of 25 000 jobs in the second quarter of 2019, compared to 2018, the total unemployment rate continues to rise¹¹. This means that the number of job seekers is increasing, resulting in young people facing tough competition when trying to find and seize an employment opportunity¹¹.

Young people with post-school qualifications have a clear advantage in this competitive landscape. We know that 48% of working-age people with Matric (Grade 12 certificate) are employed, compared to 81% of working-age university graduates¹¹, suggesting that employers value formal post-school qualifications as signals of competency in prospective employees. However, with less than half of young South Africans completing their basic education; many of them are effectively locked out of most post-school study possibilities^{13,14}.



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2. THE SKILLS YOUNG PEOPLE HAVE ARE OFTEN INVISIBLE TO EMPLOYERS

In this context, it is vitally important for young people to be able to signal *all* their learning and soft skills to prospective employers, including those gained in informal employment. However, many struggle to do this, and employers similarly battle to identify the best mechanisms for assessing these skills in prospective employees^{15,16}.

This challenge seems to exist on both the supply and demand sides of the labour force. Young people experience a lack of career guidance in school as well as scarcity of easily accessible information on where to apply for jobs or how best to compile a job application¹⁷. Consequently, research reflects that young people do not showcase their soft skills at all in their online job profiles¹⁶; even though employers list soft skills as among the most desired abilities in employees¹⁶.

Employers use traditional methods of evaluating skills and competencies, based on the education system, formal accreditation and reference letters. For example, employers seem to prefer candidates with references from reputable employers, but most young people do not have these types of references^{15,20}.

As a result, on the supply side young people often exclude unpaid or informal work experience on their CVs. While on the demand side employers overlook candidates who lack the standard credentials like Matric, but who the might otherwise have relevant skills^{18,19}.



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3. THE COST OF LOOKING FOR OPPORTUNITIES IS TOO HIGH

Poverty and inequality play a significant role in defining the success of a transition from education to stable employment. The majority of young South Africans live in income-poor households, which means that each household member lives on less than R1 200 per month²¹⁻²³; furthermore, social grants make up the total income in many of these households²⁴. Young job seekers spend around R550 per month on looking for work (mainly on transport, printing and data)²⁵, which equates to nearly half of their monthly income^{2,24,25}. Without social assistance – which is focused on children under the age of 18 – it's not unexpected that around 60% of young people report borrowing money from a family member to look for work^{21,22,25,26}. This suggests that income for basic necessities is being rechannelled into job seeking, placing greater strain on vulnerable households²⁴. With that in mind, it seems inevitable that 23% of young people report that they stopped looking for work because it was too expensive²⁶.

Another function of poverty is that young people may head households or take on significant responsibilities through child-minding or contributing financial resources^{27,28}. These responsibilities weigh disproportionately on women, who outweighed men in NEET status between 2006 and 2016, due to childcare and domestic responsibilities^{5,7}.

And finally, many young people lack access to social capital, which has been shown to play a role in securing employment^{29,30}.

Research amongst men who completed a learnership or apprenticeship highlighted that social capital is still a function of race. While most white learners mainly found employment through direct referrals (48%), most coloured learners depended on word of mouth to find opportunities (55%) and African learners depended on print media (36%)³⁰.

4. PERSONAL AND SOCIAL VULNERABILITIES ARE REAL

The situation in which most young South Africans find themselves is taxing on their physical and mental wellbeing. On top of this, many young people are battling to overcome substance abuse³¹⁻³³.

One example of this is risky drinking, which is pervasive across all provinces, education levels, and wealth quintiles in the country. With binge drinking being highest amongst 25-34 year olds^{32,33}. The mental health burden on young South Africans in this vulnerable time cannot be overstated. And yet, at a time when human connections are so critical, many live in isolation, without networks of support^{25,37}.

Young people also bear the highest brunt of violence; particularly with regards to physical assault²³, sexual assault and rape³⁴. High levels of community violence lead to the deaths of around 10% of young men and high levels (67%) of post-traumatic stress symptoms in women in one city in SA^{35,36}.

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YOUNG PEOPLE STILL LACK EQUAL ACCESS TO CRITICAL RESOURCES.



EDUCATION

Access to quality education is limited.

Most employers use levels of education as the strongest signal of skills³⁸.

BUT around 50% of young South Africans do not complete their basic education¹³ and **30% of youth** between the ages of 19 and 20 **are enrolled at a post-school institute**³⁹. Of this 30%, **only half will finish** their post-school education.¹³



INTERNET & DATA

High costs of data in South Africa means that internet access is a luxury that few can afford⁴¹.

Sixty-eight percent of young people state that they used the internet to search for employment in 2016²⁵.

BUT **1** out of every **5** young South Africans had no access to the internet in 2017⁴⁰.



SOCIAL CAPITAL

Social capital is a function of inequality.

Around 60% of people found employment through someone they knew in 2014²⁶.

BUT most young South Africans have **fewer than 3** people in their networks who they could ask for job advice, and nearly half of young people in South Africa live in households without an employed adult^{24,25}.



PERSONAL WELLBEING

Young people lack access to the services they need to be mentally and physically well.

Young people bear the brunt of violence in their communities, while at the same time suffering from feelings of loneliness^{23,34-37}.

BUT access to mental health services is limited – in one South African city mental health coverage is approximately 0.3% of the population for adults and 0.02% for children and adolescents⁴²

THE EFFECTS OF PROLONGED TRANSITION

The factors highlighted above place even more pressure on a marginalised group of people. This cycling in and out of opportunities and a state of being NEET is draining.

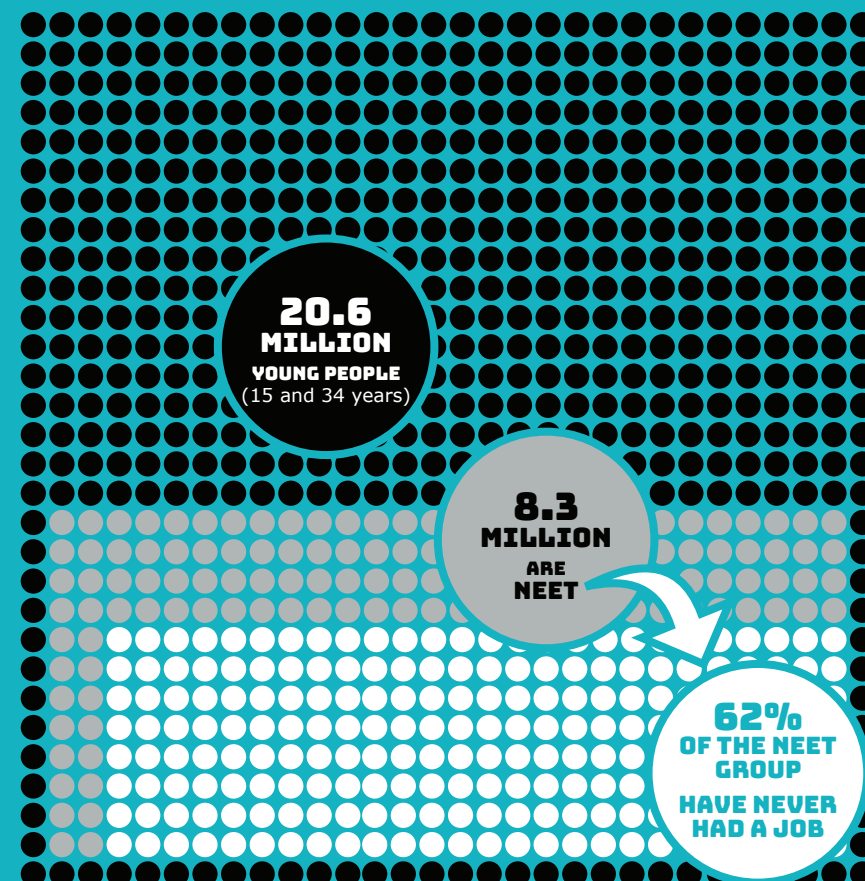
The unemployed report feelings of loneliness, boredom, uncertainty about the future and tension in their family relationships⁴³, which further contributes to their inability to find work.

The bottom line is that it becomes harder to find a job the longer one is unemployed – because those unemployed for long periods are less effective at job seeking, are more likely to be demotivated and depressed and are viewed as riskier recruits by employers^{43–46}.

There are clear links in international literature between the degradation of mental wellbeing and long term unemployment^{47–50}. Even repetitive spells of short-term unemployment increase these individuals' risk for depression^{47–50}. As the number of young people stuck in transition continues to grow, threats to the emotional and financial security of vulnerable households increase; and the lost potential to South Africa's workforce becomes exponential.

Eventually, persistent job seekers become discouraged and give up on looking for work. Around 60% of all discouraged job seekers are between the ages of 15 and 34 years of age and only 24% of young, unemployed active work-seekers thought they would find a job in the next month^{2,22,26}. With that in mind, it is crucial that periods of transition are maximised as productive experiences that build momentum into the labour market. By ensuring that young people are well resourced in this phase, we can support them to take a better first step, on a much more stable journey, into the job market.

HOW ARE WE FAILING TO CAPITALISE ON THE POTENTIAL OF SOUTH AFRICAN YOUTH?*



* (2019 data)¹²

WHAT YOUNG PEOPLE NEED



Access to information and resources such as data and good, reliable transport to find and secure work.



The **appropriate skills to signal their competencies to employers**. This means more than just a good CV or reference; young people and employers have to find new ways of showcasing and valuing skills, beyond those acquired through education and formal employment.



More social capital, which plays a critical role, in an age where this is still largely defined by race and wealth.

WHAT WILL IT TAKE TO SHIFT GEARS ON TRANSITIONS FOR YOUNG PEOPLE?

There are currently around 20 million young people in South Africa, each of whom has the potential to contribute to society and the economy in meaningful ways. However, if we fail to give these young people the support they need, especially in the critical period of transition from education to stable employment, we lose out on our youth dividend and perpetuate the cycle of poverty.

The number of long-term unemployed young people has increased from around 2.5 million in 2008 to nearly 4 million in 2018, while in the same period the total youth population has only increased by 2 million⁵¹; if we don't turn the tide, this is set to increase exponentially¹². However, with a concentrated focus on successful transitions, we can turn things around.

Ensuring that every young person has an opportunity to complete their basic quality education is important to smoothing their path to future success. Similarly, we need to expand the number of economic and education opportunities in South Africa. However, critical barriers exist beyond that, which need to be overcome.

Over 40% of young South Africans are locked out of education or work opportunities² – in part because youth transition from education into employment is marked by isolation and vulnerability. Acknowledging and responding to the multiple barriers that young people face when trying to find and hold onto opportunities is the first step to halving the number of people in prolonged transition and doubling the power of this generation.

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