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National
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POLICY BRIEF

**HOW DOES LACK OF JOBS AND INCOME STREAMS
AFFECT THE SOUTH AFRICAN YOUTH?**

NOVEMBER 2023



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How Does Lack of Jobs and Income Streams Affect the South African Youth?

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1. EXECUTIVE SUMMARY

The challenge of Job creation and income streams in south Africa continues to persist despite formulation and implementation of several policies and interventions in south Africa. The purpose of the current policy brief is to take a step back and investigate why this is the case. In doing so, the key gaps that can be addressed by policy review and formulation have been identified. These issues include matching skills to local economic activities, implementation, adequate Monitoring, Evaluation, Reporting and Learning (MERL) structures, policy formulation, collaboration among the key stakeholders, an integrated approach that considers all aspect of South Africa (PESTEL), balanced support across the country (Provinces, District Municipalities and local municipalities, benchmarking with best practices (local, region and global), community and community involvement. These are the issues which will considered while having a dialogue among the key stakeholders that include but not limited to National Development Agency (NDA), academia, CSOs, corporate, community and beneficiaries (youth). The outcome of the dialogue will inform future policy development and review as a means of addressing the identified gaps. The final expected outcome being youth economic empowerment through job creation and increased income streams.

2. CONTEXT AND IMPORTANCE OF THE RESEARCH PROBLEM

Statistics reveal that youth in South Africa suffer from unemployment and at the same time have limited access to income generating opportunities. The core purpose of this research project is to economically empower the youth by addressing the issue of job creation and income streams for the youth. The outcome of the research study is aimed at creating a document that will fuel meaning conversation and deliberations or dialog about the issue of job creation and income

streams among the key stake holders. The key stakeholders in this case being the MDAs, corporate, academia, CSOs, community and the youth.

2.1 Problem Statement

According to(Uni24, n.d.) the issue of unemployment in South Africa has been intensified by the unequal distribution of employment among the population. The research clearly identified this as a challenge particularly impacting the youth. As such, the research aimed to explore two interconnected challenges, Firstly, how the lack of jobs and income streams affect the youth in South Africa.

Secondly, where do job creation and income generation opportunities policies targeted at the youth in South Africa, and their subsequent implementation, fail and why?

2.2 Root Causes

Based on the research, there are several indications on what the possible root cause of youth unemployment and lack of income streams in South Africa could be. The research revealed that despite other socio-cultural and economic dynamics, the design and implementation as well as MERL framework of multiple youth targeted policies in South Africa is the root cause of youth unemployment and the lack of income streams.

The Political and Economic Environment are two of the PESTEL elements that are threats and weaknesses to policy implementation. Based on both Grey and Peer reviewed sources, and data collected during the research period, the Political instability and economic downturns undermine efforts to create jobs and improve income streams.

2.3 Policy Implications

The research revealed that given the youth unemployment challenge, and prevailing economic conditions, in South Africa there is an urgent need to re-align, and streamline, youth targeted policies.

3. CRITIQUE OF POLICY OPTIONS

3.1 Policy Options in Focus

The policy options in focus are those related to youth unemployment and lack of income streams in South Africa. Traditionally in South Africa policy development has tended to follow the different political periods, this is outlined in figure 1.

EARLY 1990s	1994–1995	1996–2003	2004–2007	2008–2016
Policy debates on overcoming apartheid legacies	Reconstruction and development	Focus on macroeconomic instability	First and second economy; War on Poverty	Overcoming triple threat of unemployment, poverty and inequality
Discussion Document on Economic Policy; Ready to Govern; RDP	RDP White Paper Special Poverty Relief Allocation	GEAR Jobs Summit	AsgiSA, JIPSA Growth and Development Summit	National Growth Path, National Development Plan
				Employment Tax Incentive Jobs Fund
Special employment creation programmes	National Public Works Programme, Working for Water		EPWP	
			National Youth Service Policy Framework	Kh Ri Gude, Masupatsela, NARYSEC
National Training Strategy	South African Qualifications Authority Act	National Skills Act, Skills Development Act	Department of Higher Education and Training; Department of Basic Education	Green and white papers on post-school education and training
Education Renewal Strategy and Curriculum Model for South Africa	White Paper on Education and Training	Further Education and Training Act	Revised National Curriculum Statement	Curriculum Assessment and Policy Statement
	South African Schools Act, National Education Policy Act	Outcomes-based education/Curriculum 2005		National Skills Accord, Basic Education Accord, Youth Employment Accord
	Labour Relations Act (LRA)	Basic Conditions of Employment Act (BCEA), Employment Equity Act	Employment Services of South Africa	Amendments to BCEA, LRA, EE; Public Employment Services Act
		BEE Commission Report	B-BBEE Act	B-BBEE Amendment Act
National Youth Development Forum		Umsobomvu Youth Fund		National Youth Development Agency
		National Youth Commission		
Small Business Development Corporation	White Paper on a National Strategy for the Development and Promotion of Small Business in South Africa	Nstika Enterprise Promotion Agency, Khula Enterprise Finance	Small Enterprise Development Agency; Small Enterprise Finance Agency	Department of Small Business Development; Youth Enterprise Development Strategy

Figure 1: Policy development regarding youth employment by political period (De Lannoy et al., 2018)

It is evident from Figure 1 that in there South African context the following has taken place:

1. There have been multiple policy interventions focusing on youth unemployment over the past 20 years.
2. Most of the policies have correctly identified the macro-level issues that lead to lack of youth employment and income generation opportunities.

3. The large number of policies and continually shifting emphasis have led to lack of efficiency in implementation of developed policies.

3.2 Identified Policy Gaps

The research revealed several gaps within existing policies, and provided recommendations on how these can be approached to better address the challenge of youth unemployment and lack of income streams.

1. Project design evaluation criteria policy (many interventions not clearly formulated hence not easy to implement). South Africa has come up with several interventions targeted at empowering the youth, yet youth unemployment still persists. There is need to ensure that formulation of policies targeted at youth employment and income streams are designed in a way that they are easy to implement so as to realise their desired mandate.
2. Insufficient coordination and Project implementation policy (a significant number of well-designed and formulated interventions fail due to poor implementation). One of the major challenges in addressing youth unemployment in South Africa has been the lack of effective coordination and implementation of policies across various government departments and levels. This has often resulted in disjointed efforts that fail to produce meaningful outcomes. As identified in the literature review, there are many well thought out interventions focusing on the youth sector in South Africa. On the other hand, youth unemployment statistics indicate that many of these interventions have not fulfilled their desired goals and objectives. This is generally alluded to poor implementation.
3. Inadequate Monitoring, Evaluation, Reporting and Learning (MERL) (embed MERL into implementation, of every intervention). For any intervention to be successful, its implementation has to be monitored. During the literature review on youth unemployment related issues in South Africa, the monitoring and evaluation aspect seems to be largely

ignored. Continuous monitoring and evaluation of policy initiatives are essential to assess their impact and make necessary adjustments. A lack of robust data and evaluation mechanisms can hinder the effectiveness of policies.

4. Stakeholder mapping and engagement policy. There are several key stakeholders involved in addressing youth unemployment. However, a framework for identification of these key stakeholders, and how to engage them, seems to have been largely ignored. To facilitate identification of these key stakeholders and efficient engagement, it is important that a policy frameworks giving guidance to the process be strengthened.
5. Country, regional and municipality resource mapping policy. Different parts of the country have different resources. Resources from each part of the country should be identified and youth empowered with skills and competencies to derive maximum benefits from these resources in a sustainable way. This would also aid in addressing rural-urban migration challenges.
6. Youth capacity building policy (especially for those left out from the mainstream education system, who are the majority). Most of the youth especially Black African, lacks, Coloured and Indian/Asian have been left out from mainstream education. In recognition of this, South Africa embarked on establishment of SETAs. The SETAs through recognition of prior learning or alternatively the provision of a portfolio of evidence (POE) certifies experienced personnel who were left out of the mainstream education. The literature review reveals that a significant majority of South African youth have not taken advantage of this alternative channel of education. It is imperative therefore that youth capacity building policy be coined to guide youth capacity building process in the country.
7. Inadequate Investment in Education and Skills Development - Matching skills to resource policy. As mentioned earlier on, South Africa has varying resources based on region and economic activities. Different economic activities require varying skills sets and

competencies. While South Africa has made efforts to invest in education and skills development, the quality and relevance of education and training programs have often been criticized. Many young people still lack access to quality education and training that aligns with the demands of the job market. It is important that a country makes sure they develop adequate required skills to derive maximum benefits from each resource and economic activity.

8. Integrated approach policy (many actors conducting their affairs in isolation). There are many key stakeholders that support the youth with regard to income streams and jobs. However as revealed through the literature review, data collected from organisations, and the subsequent data analysis, most do so independently. This most often than not leads to duplication of efforts and lack of efficiency.
9. Lack of Youth Engagement and Input (an integrated approach required i.e., community involvement, CSO, religious organization, government just to mention a few). There is need to have in place a policy framework that gives guidance to key stakeholders in engagement and youth empowerment. This will make sure that a large number are empowered by the designed and implemented interventions. Policies aimed at addressing youth unemployment could benefit from greater involvement of young people themselves. Youth voices and perspectives should be incorporated into policy development and implementation to ensure relevance and effectiveness.
10. Insufficient Support for Small, Micro and Medium-sized Enterprises (SMMEs) - SMMEs have the potential to be significant job creators especially for the youth, but they often face numerous challenges, including access to financing and regulatory burdens. Policies could do more to support the growth and sustainability of SMMEs.

3.3 Current Policy Options

The current policy options have been in existence for several years, and through various iterations, yet the challenge of youth unemployment and lack of income streams still persists. The following policies have been developed to target this challenge:

4. POLICY OPTIONS

In the South African socio-cultural and economic context, the following options could be used as avenues to redefine policies targeted at the youth.

1. Policy development, and implementation, should be driven by identified bottlenecks within the South African context (De Lannoy et al., 2021)
2. Policies should be aimed at investing in the access and quality of educational opportunities available to increase youth employability.
3. Promote entrepreneurship skills at an early phase in schools and increase awareness of available programmes targeted at the youth.
4. Involvement of all key stakeholders in policy formulation and implementation
5. Integrated approach to policy. This will call for policy that is collaborated and addresses the issue of youth from all angles by considering all the business environment factors (internal and external)

5. POLICY RECOMMENDATIONS

5.1 Global Comparisons

1. Benchmarking policy (to ensure SA policy alignment to best practices that seem to work in other parts of the world with similar dynamics). The issue of youth jobs and income streams

is not unique to South Africa, other countries experience the same challenge. Some countries more so in the developed world have successfully addressed the youth unemployment and income stream challenge. Review of how these countries addressed the challenge will help South Africa develop and implement appropriate policies.

2. The global growing importance of 'soft skills' has been identified to improve employability when jobs are scarce (Habiyaemye et al., 2022). As such, policies that emphasise the development of soft skills should be included in upskilling programmes aimed to address youth unemployment challenges.

5.2 Policy Adaptation & Implementation

According to the World Bank Group (World Bank Group, n.d.) to develop, and/or adapt, and effectively implement policies to meet the challenges faced by youth the process in figure 2 can be used as a guideline.

Furthermore, there are several approaches that have been effective and can be adapted in the South African setting these are such as:

1. **Youth job centres** – To some extent, the South African government has tried this approach through interventions such as the Youth Employment Service (YES), and National Youth Development Agency (NYDA).
2. **Private Sector engagement and collaboration**– There is a need to further engage the private sector as an avenue to reduce youth unemployment and develop skills that can be absorbed by the labour market. Greater collaboration between the government and the private sector is essential for addressing youth unemployment effectively. Policies could do more to incentivize private sector involvement in skills development and job creation initiatives.

3. **Strengthening TVETs** – TVETs can be used more effectively to build targeted, and relevant, skills at local levels which would increase the opportunities for the youth.

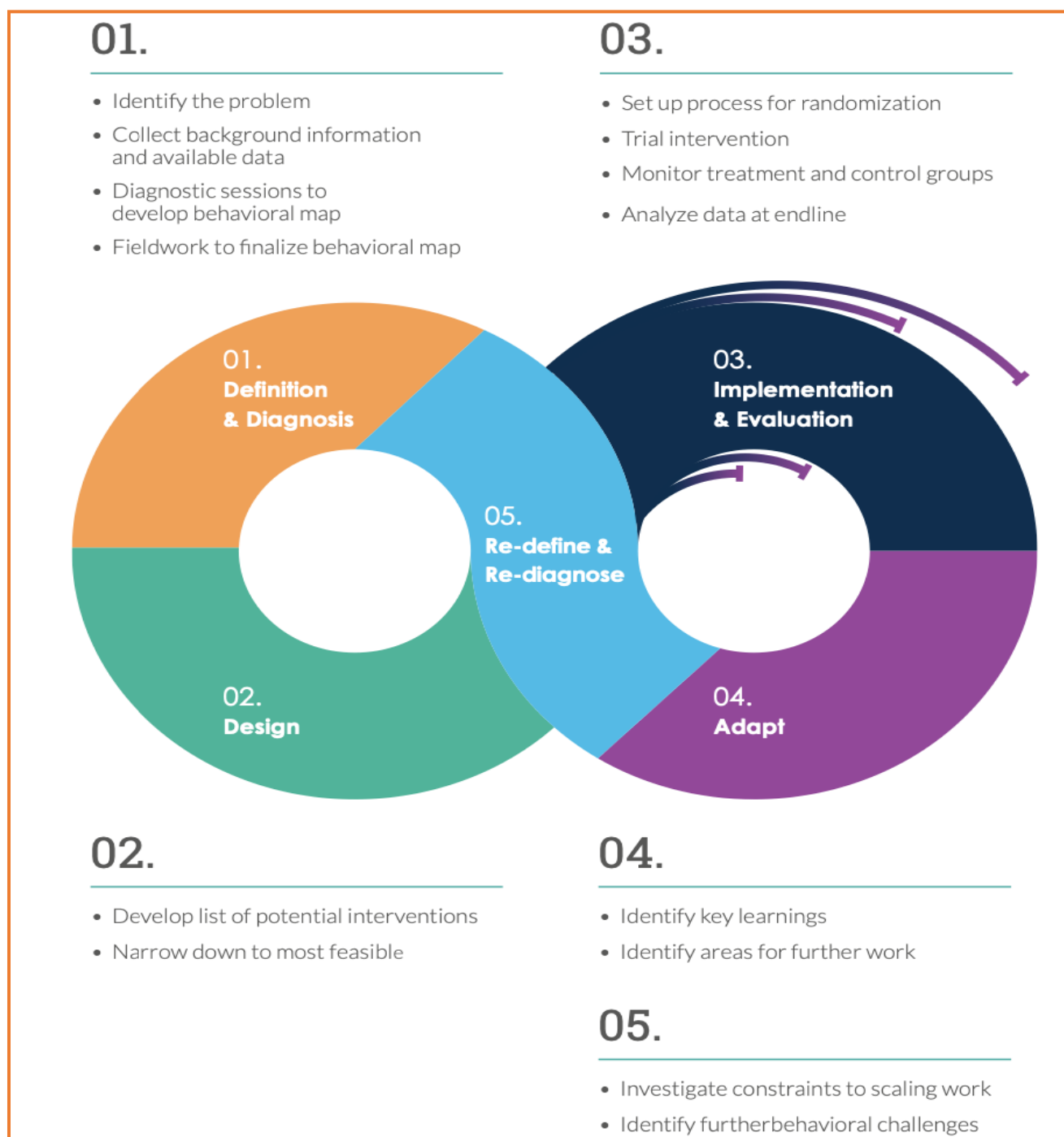


Figure 2: Designing Behaviourally Informed Solutions for Youth Unemployment

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