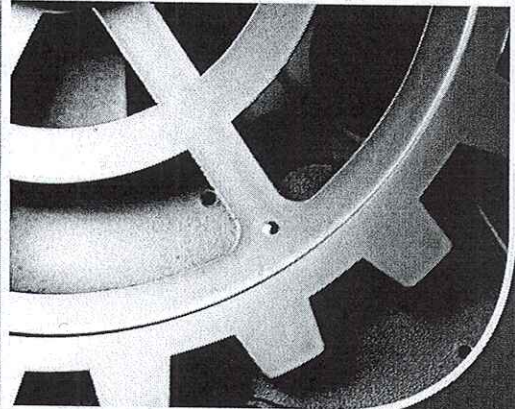


14 10 14 SC Co-operative (J&L)

## YOUTH UNEMPLOYMENT IN SOUTH AFRICA: DEPARTMENT OF LABOUR'S CONTRIBUTION TO EMPLOYMENT CREATION

SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS: 14 OCTOBER 2014 IN PARLIAMENT.

2014.10.10



labour

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA

1

## Presentation Outline

1. Background (vision, mission, values, and organisational structure)
2. Constitutional mandate
3. Legislative mandate
4. Entities Associated with DoL
5. Department of Labour Programmes 2014/2015
6. Government outcomes
7. Characteristics of the South African labour market
8. DoL's Contribution to employment creation:
  - Public Employment Services (PES);
  - UIF's Contribution to employment creation;
  - Compensation Fund's Job creation initiatives;
  - Productivity SA's Job creation initiatives;
  - Sheltered Employment Factories' Job creation initiatives
  - DoL's contribution to other Government's initiatives.
9. Conclusion

## Our vision

The Department of Labour will strive  
for a labour market which is conducive to investment,  
economic growth,  
employment creation and  
decent work

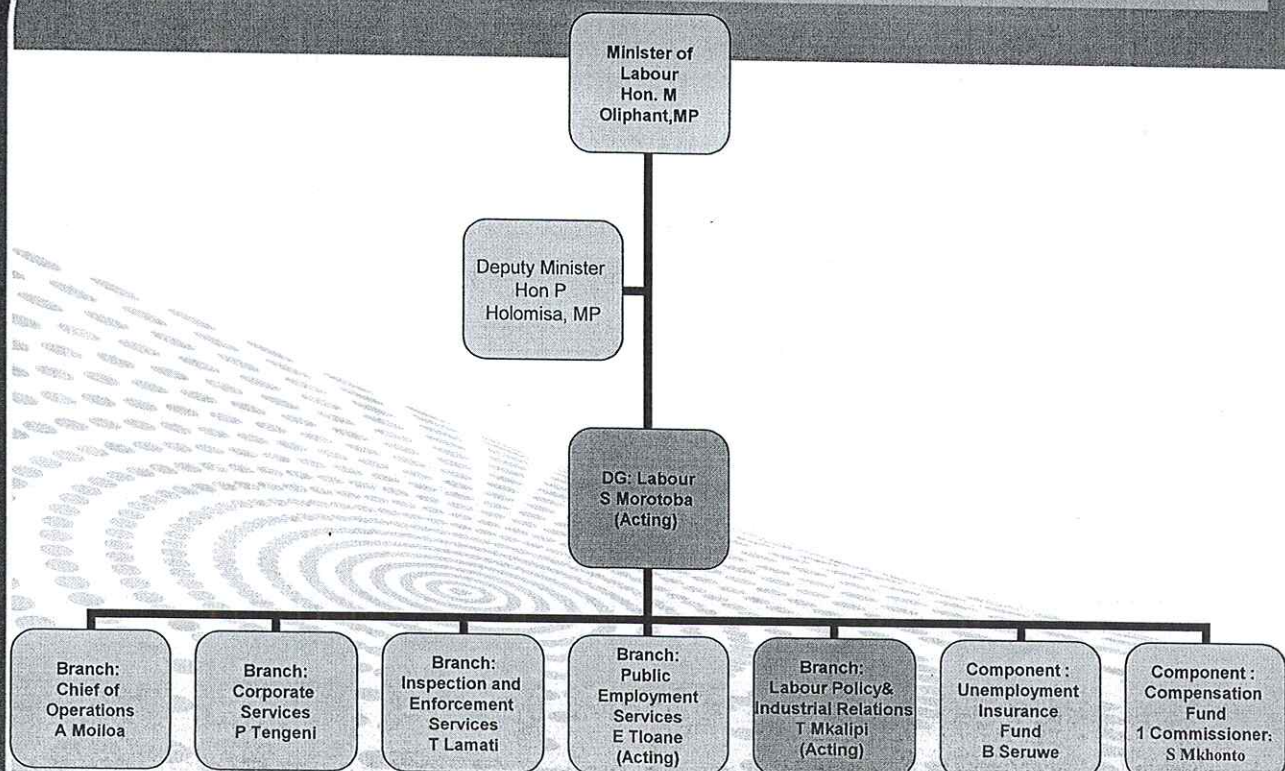
## Our mission

- Regulate the South African labour market for a sustainable economy through :
  - appropriate legislation and regulations
  - Inspections, compliance monitoring and enforcement
  - Protection of human rights
  - Provision of employment services
  - Promoting equity
  - Social and income protection
  - Social dialogue

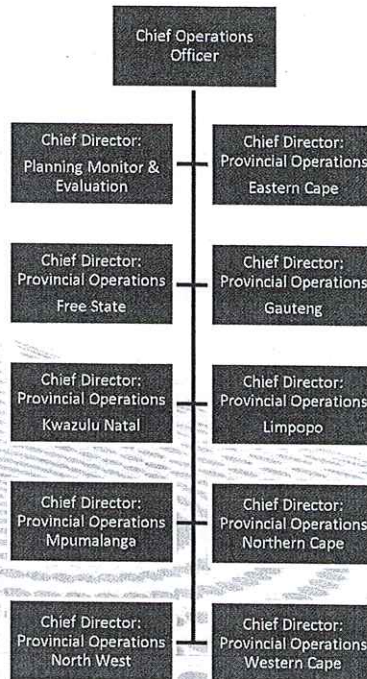
# Our Values

- We treat employees with care, dignity and respect
- We respect and promote:
  - Client centred services
  - Accountability
  - Integrity and ethical behaviour
  - Learning and development
- We live the Batho Pele Principles
- We live the principles of the Department's Service Charter
- We inculcate these values through our performance management system.

## 2.2. DoL's Top Organizational Structure



## 2.3. DoL's Top Organizational Structure



## Constitutional mandate

The DoL's legislative framework is informed by the South African Constitution, Chapter 2 & Bill of Rights:

- Section 9, ensure equal access to opportunities
- Section 10, promotion of labour standards & fundamental rights at work
- Section 18, Freedom of association
- Section 23, to ensure sound Labour relations
- Section 24, to ensure an environment that is not harmful to the health & well being of those in the workplace
- Section 27, to provide adequate social security nets to protect vulnerable workers
- Section 28, to ensure that children are protected from exploitative labour practices & not required or permitted to perform work or services that are inappropriate for a person of that child's age or their well being, education, physical or mental health or spiritual, moral or social development is placed at risk
- Section 34, access to courts & access to fair and speedy labour justice

## Legislative and other Policy Mandates

The South African Constitution and related policies and prescripts, and learning from the various ILO Conventions and International Labour Standards, the Department of Labour administers the following labour legislation:

- Labour Relations Act 66 of 1995 (LRA);
- The Basic Conditions of Employment Act 75 of 1997 (BCEA);
- The Employment Equity Act 55 of 1998 (EEA);
- The Unemployment Insurance Act 30 of 1996 (UIA);
- The Occupational Health and Safety Act 85 of 1993 (OHSA);
- The Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA); and
- National Economic Development and Labour Council (NEDLAC) Act, 35 of 1994
- Employment Services Act, 4 of 2014 (ESA)

## Department of Labour Programmes 2014/2015

As from 24 May 2014 DoL programmes are as follows:

1. **Administration:** Ministry; Deputy Minister, Director General's Office; Corporate Services (CS), Chief Operations Officer (COO), Chief Financial Officer (CFO)
2. **Inspection and Enforcement Services (IES):**
3. **Public Employment Services:**
4. **Labour Market Policy & Industrial Relations**
5. ***Unemployment Insurance Fund (Schedule 3A Public Entity)***
6. ***Compensation Fund (Schedule 3A Public Entity)***

## DOL CONTRIBUTES TO THE FOLLOWING OUTCOMES:

- **Outcome 4:** Decent employment through inclusive economic growth
- **Outcome 5:** A skilled and capable workforce to support an inclusive growth path
- **Outcome 11:** Create a better South Africa, a better Africa and a better World
- **Outcome 12:** An efficient, effective and development oriented public service.
- **Outcome 14:** Transforming society and uniting the country

11

## Entities Associated with DOL

Entities established in terms of various legislations and cabinet decisions to assist DOL in meeting its mandate include:

- Commission for Conciliation, Mediation and Arbitration (CCMA)
- National Economic Development and Labour Council (NEDLAC)
- Productivity South Africa (PSA)
- Protected Employment Enterprises (currently trading as Sheltered Employment Factories)

12

## Characteristics of the South African labour market (2<sup>nd</sup> Quarterly Labour Force Survey, 2014)

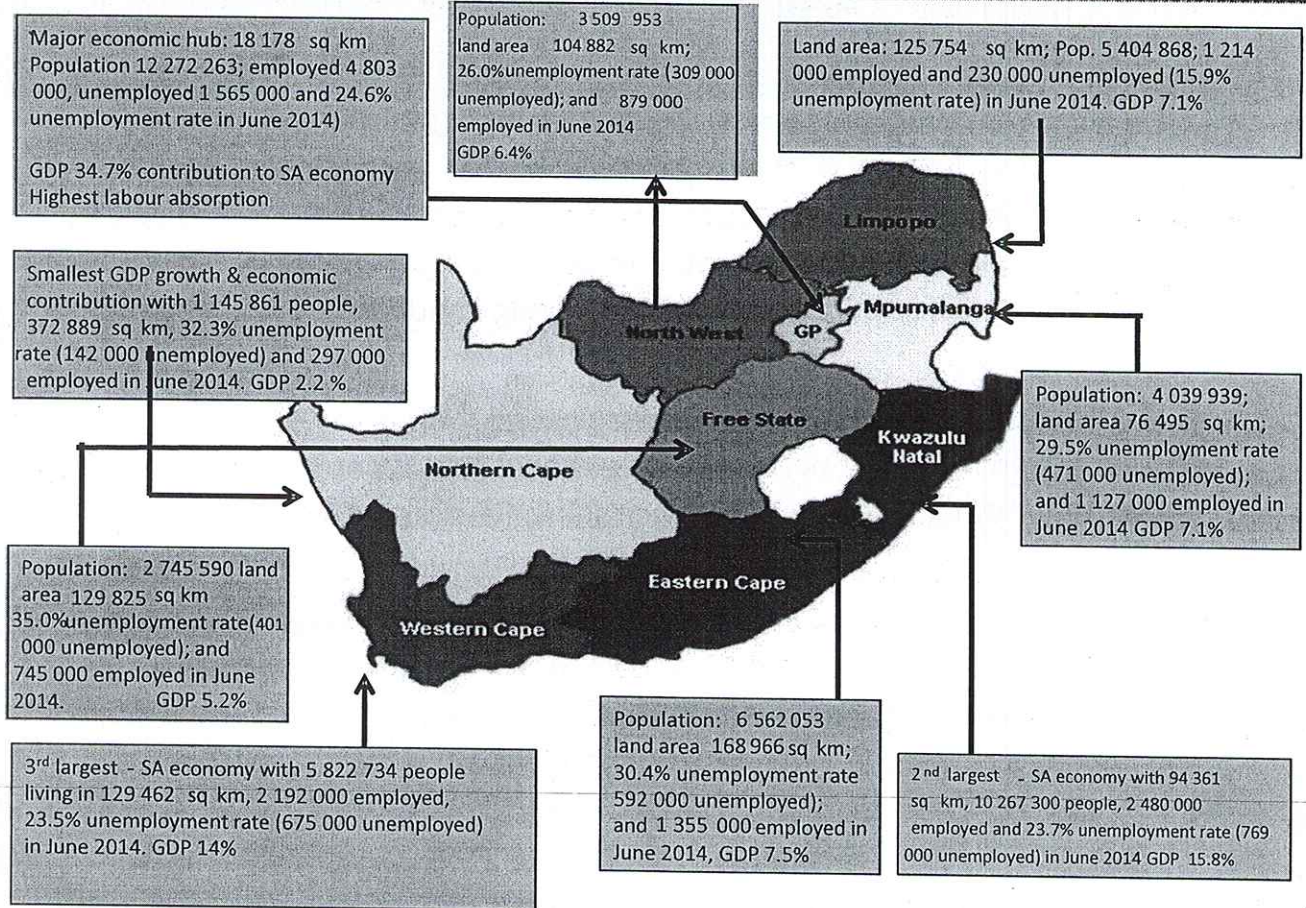
- With an unemployment rate of 25,5% (5 154 000 unemployed people), South Africa is faced with the triple challenges of **unemployment, poverty, and inequality**. The most pressing problem facing South Africa today is the absence of sustained economic growth and job creation, which are essential to reduce poverty and improve living conditions.
- GDP growth has fallen steadily, from an average of nearly 6 percent during the 1960's, to around 3 percent during the 1970's, 2 percent in the 1980's, and erratic throughout the 1990's averaging 1.3 percent.
- The survey results reflect an increase of 87 000 unemployed persons from the first quarter to the second quarter of 2014. The results further show that **out of the 8.3 million unemployed, 4.4 million is the youth** between the ages of 15 – 34.

13

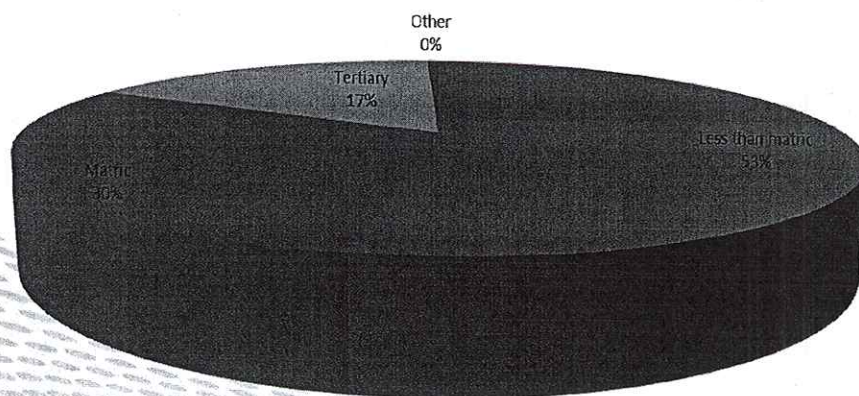
## Characteristics of the South African labour market (2<sup>nd</sup> Quarterly Labour Force Survey, 2014)

- The South African labour market is also characterized by a persistent structural skills deficit informed by the **mismatch between the skills acquired by job seekers in the education system against the skills demanded by the labour market**.
- The **Small Medium Micro Enterprise** sector is relatively underdeveloped.
- The country is also faced with a huge challenge of the **ever growing shredding of permanent or stable employment, replaced by casual and unstable employment**

14



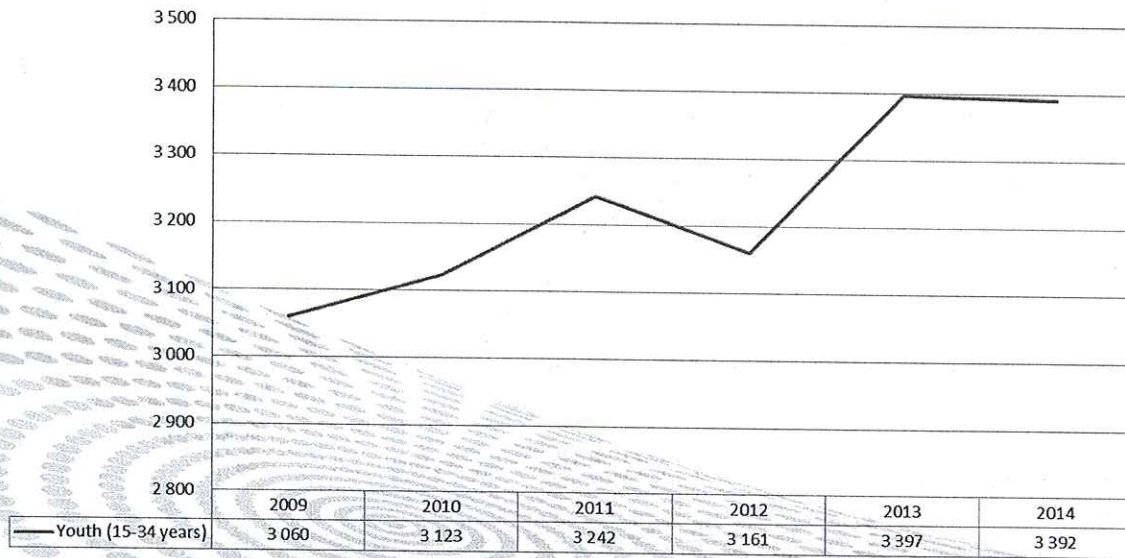
## Unemployed by education level, Q2:2014



A total of 5.2 million economically active population were unemployed in Q2/2014, with more than half (3 million) of them having education level below matric, 30% (1.7 million) have matric and only 17% (390 000) tertiary level.



## Year to year youth unemployment (in '000) (2<sup>nd</sup> QLFS, 2014)



Youth unemployment increased from 3 million in 2009 to the highest of 3.4 million in 2013 and 2014.

## Public Employment Services

### WORKSEEKER SUPPORT SERVICES:

- Registration of work-seekers
- Vocational and career counselling and assessment of work seekers to determine their suitability;
- Advising workseekers on access to education and training;
- Advising workseekers on access to social security benefits;
- Providing specialized services to assist vulnerable workseekers
- Any other related life skills to secure employment or

# Public Employment Services

## EMPLOYER SERVICES:

- Canvasing of vacancies and marketing PES
- Registration of work opportunities and placement
- Coordination of International Cross Border Labour Migration functions
- Regulation of PEA's and TES's
- Services to companies in distress including the training lay off schemes and the social plan

19

## DEPARTMENT OF LABOUR QUARTER 1 OF 2014/15 REPORT

Number of work-seekers (Youth) registered, provided with employment counseling, referred to employment opportunities and placed in employment

Province	Youth registered as work seekers	Youth provided with employment counselling	Youth referred to employment opportunities	Youth placed
EC	8042	7024	2639	512
FS	6885	4876	1115	372
GP	13715	7200	4304	375
KZN	23921	6099	2108	403
LP	11367	3654	1456	241
MP	7803	4791	1636	317
NC	4377	3275	610	13
NW	5201	2541	427	68
WC	20540	2920	1630	35
<b>Total</b>	<b>101851</b>	<b>42380</b>	<b>15925</b>	<b>2336</b>

20

Performance indicators	2014/2015 targets	
1. Number of PES local advocacy campaigns conducted	18 PROVINCIAL CAMPAIGNS 126 LOCAL CAMPAIGNS	
2. Number of work-seekers registered on ESSA system per year	650,000	
3. Number of targeted work-seekers provided with employment counseling	220000	
4. Number of work-seekers placed in registered employment opportunities	20000	
5. Employment services board established and regulations developed	Board in operation and Draft regulations published for comment	
6. Number of opportunities registered on ESSA	50000	
7. Number of Private Employment Agencies and Temporary Employment Services registered.	Process within 60 days	
8. All Applications for foreign nationals corporate and individual work visas processed within 30 working days	Process within 30 days	
9. Disability organisations funded	MOA's concluded and funds transferred	





## Sheltered Employment Factories's Job Creation Initiatives

- SEF developed a Job Readiness Program in collaboration with Disability Workshop Development Enterprises (DWDE).
- The roll out of the program commenced during August 2014 and 34 Learners were placed for the piloting of the project in the Pretoria, Johannesburg and Cape Town Factories.
- The objective of the Program is to provide on the job readiness orientation to disabled youth and a minimum of 30 Learners per Factory will be placed each month per factory.
- The scope of the Program covers not only technical orientation on manufacturing processes but includes sessions which covers aspects such as basic interview skills, Conduct and Discipline in the workplace, job roles and performance standards , Safety etc.
- DWDE has a data base of Employers who will be approached to provide job opportunities to some of the Learners after completion of the Program at SEF.
- SEF will also absorb some of the Learners on a permanent basis once a position becomes available in its current Worker establishment.

25

## UIF CONTRIBUTION TO EMPLOYMENT CREATION: TRAINING OF THE UNEMPLOYED

In December 2013, the Minister of Labour approved and launched 9 training initiatives and committed R300 million for training of unemployed beneficiaries including the youth. About 8000 unemployed beneficiaries are targeted.

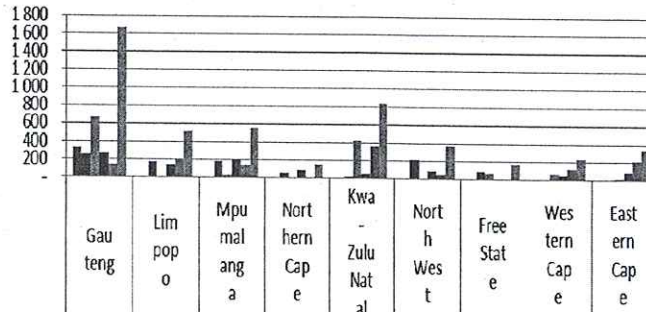
During the 2013/14 financial year training schemes, which had been approved in prior year were implemented.

Proposal for the establishment of Labour Activation Fund approved. The next step in this current year is to undertake a feasibility study and submit the report to the Minister.

The Fund has signed a three year funding agreement with Productivity South Africa to fund the Turnaround Solutions. R 41 million was paid in 2013/14 and R58 million will be paid in 2014/15.

## TRAINING OF THE UNEMPLOYED BENEFICIARIES

Training of Unemployed Beneficiaries



UIFGSDoL Pilot Project	324	-	-	-	-	-	-	-
UIF-MQA Artisan Development Project	258	172	176	58	26	215	96	-
UIF-merSETA Artisan Development Project	668	-	28	-	422	-	74	70
UIF-MICT SETA Learnership Project	270	150	200	100	40	100	-	40
UIF-MICT SETA Learnership Project 2	150	193	149	-	350	50	-	125
	1 670	515	553	158	838	365	170	235

## SOCIAL RESPONSIBLE INVESTMENT

### UIF SRI FUND

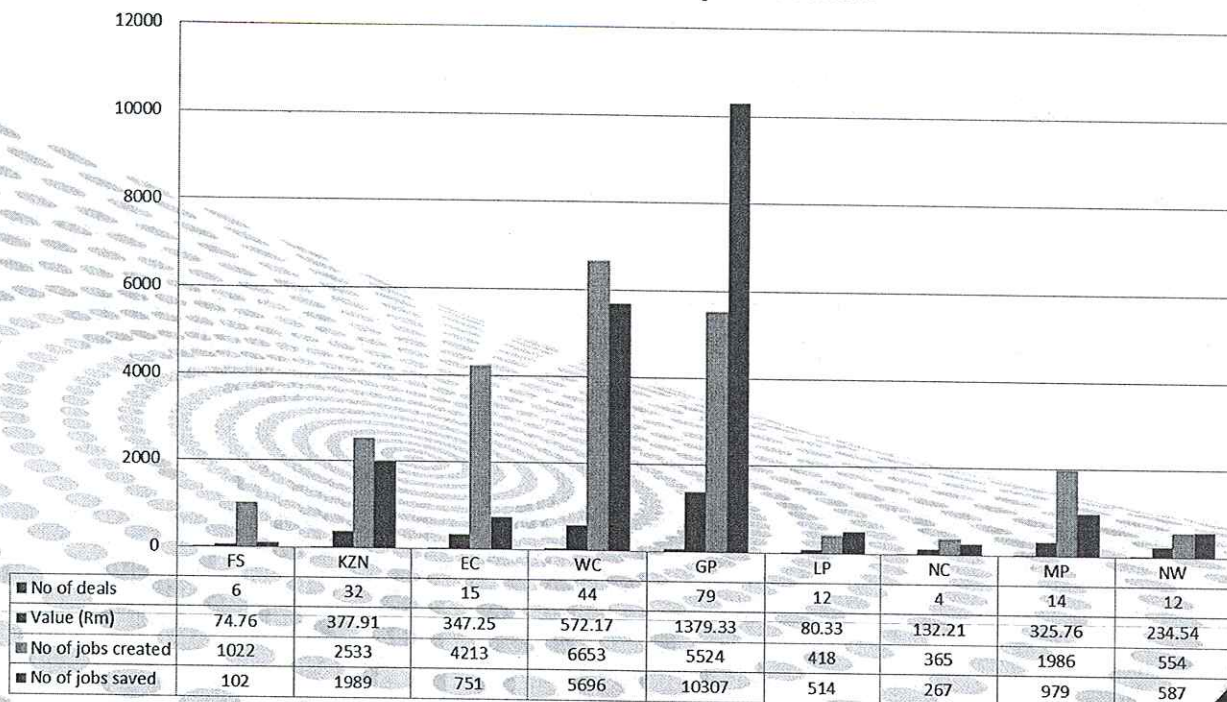
- 10% of the Investment Portfolio invested in Socially Responsible Investments
- A R3 billion SRI Fund was established with the PIC to invest in job creation projects.
- Within the SRI Fund, an Agriculture Fund has been established to invest in agricultural infrastructure and infrastructural land where jobs will be created

### UIF/IDC BOND

- Since inception in 2009, there have been 218 approved deals (net of cancellations) with a total value of approx. R3.524 billion;
- Total Jobs created = 23 268;
- Jobs saved = 21 192;
- Combined created and saved jobs of 44 460;

# SOCIAL RESPONSIBLE INVESTMENT

## Jobs Created and Saved per Province



## COMPENSATION FUND'S JOB CREATION INITIATIVES

### EMPLOYMENT OF GRADUATES THROUGH THE INTERNSHIP PROGRAMME

- The Compensation Fund will continue to employ graduates as part of the internship programme to provide the necessary and needed working experience to improve their marketability.
- In this regard, the Fund will employ 500 graduates for the next five years as part of the Government's Medium Term Strategic Framework 2014-2019.

## COMPENSATION FUND BURSARIES FOR STUDENTS TO STUDY MEDICAL ORTHOTICS AND PROSTHETICS

- The Compensation Fund is currently exploring the possibility of making bursaries available for students to study medical orthotics and prosthetics with a view to making this career accessible and available to the historically disadvantaged groups.
- In addition, it will explore some form of a partnership with companies providing the orthotic and prosthetic services to enable the graduates to gain work experience.

31

## Productive Capacity Building SMME Model

Applicable to any business at any level

productivitysa  
Promoting Competitive South Africa

Business Start- up  
Training  
3 Days

Business  
Improvement  
Workshop  
5 Days over  
5 Weeks

Coaching and  
After-Care  
Programme  
Incubation  
Projects  
Clustered  
workshops &  
Individual  
Assistance



## Productivity SA Solution Focus

The Business Start-Up Workshop focuses on:

- The concept of entrepreneurship
- The concept of competitiveness
- Effectiveness
- Speed
- Cost
- Quality
- Safety
- Morale
- Utilization

In business acumen these measures are called early warning systems. They give SMME's a unique grip on their business and the system is easily expandable as business grows.

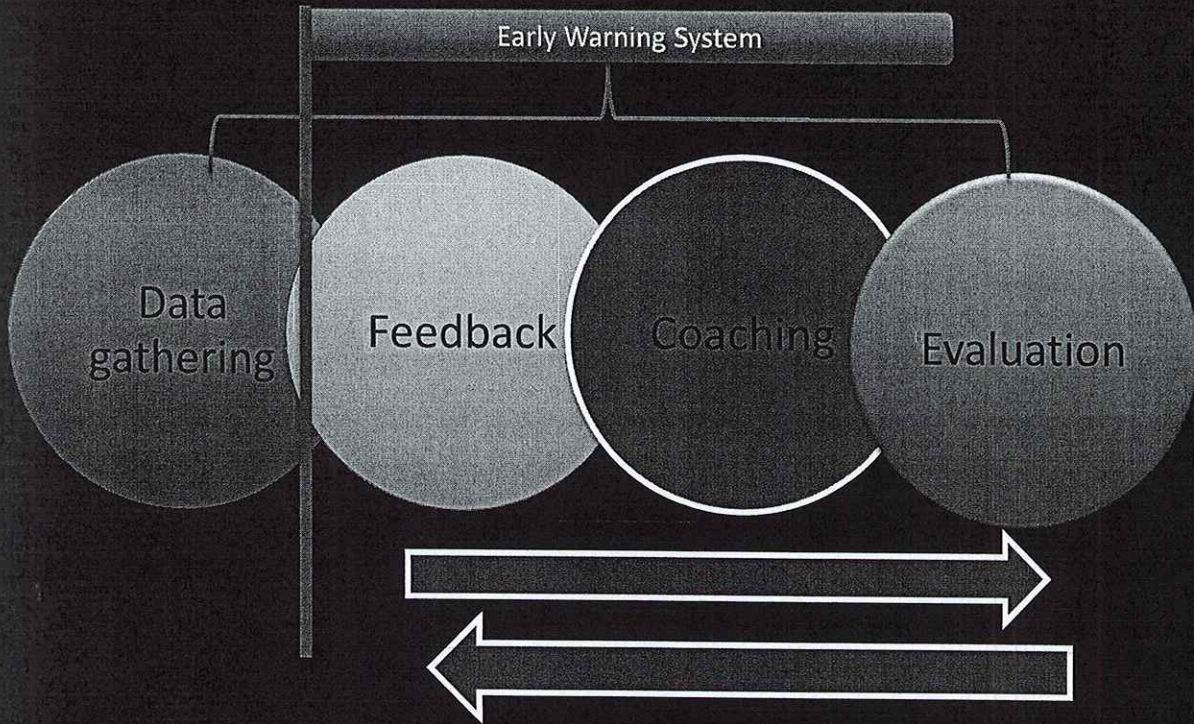
## After Care and Coaching

During this phase of the programme, delegates are assisted with practical assignments relevant to their own businesses in the form of coaching services.

### GROW COACHING MODEL HYBRID

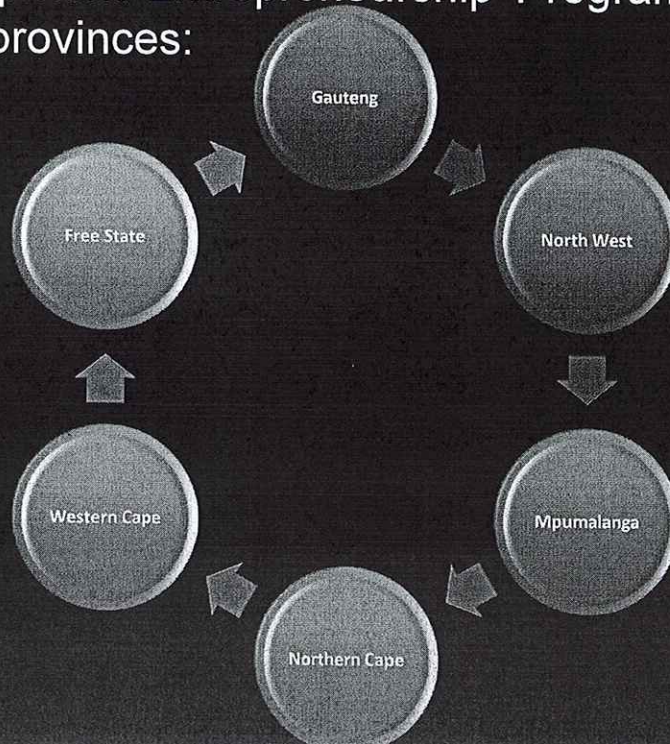
- Goals
- Reality
- Options
- Will
- After-care
- Feedback

# Coaching Methodology



# Youth Development Partnerships in Place

Youth Development Entrepreneurship Programme is running in the following provinces:



# Year to Date Snapshot 2014/2015

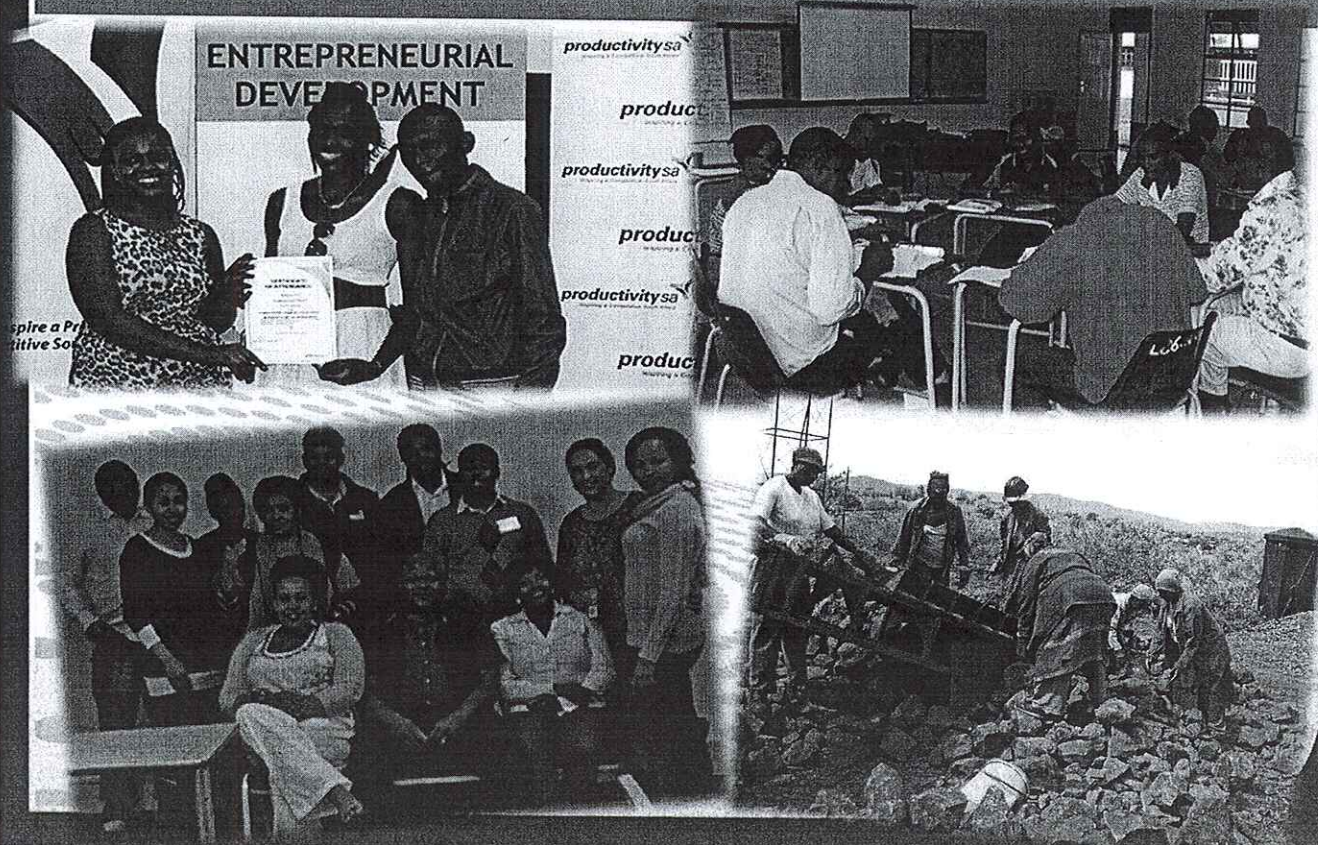
SMME = 3013

Youth - 1019

Female - 2186

Disability - 22

## Youth Development Programme



## 11. DOL's CONTRIBUTIONS TO OTHER GOVERNMENT INITIATIVES

Interventions	Core Focus	PES Contribution
<b>Expanded Public Works Programme (EPWP) -.</b>	Provides poverty and income relief through temporary work for the unemployed and includes the Home-Based Community Care and Food for Waste Programmes	Work seekers are referred for this service
<b>Strategic Infrastructure Programmes</b>	SIPs coordinators pledge their full support to recruit candidates from ESSA. 1 million opportunities were received in the Western Cape.  150 Interns received from Transnet	Candidates will sourced from ESSA.  The Province is busy with potential Assessment of candidates Gauteng Province is busy with Recruitment, Selection and assessment of candidates

39

Interventions	Core Focus	PES Contribution
<b>Operation PHAKISA</b>	•It is a Presidential Project will be taking place in Coastal Regions (KZN, EC, WC & NC) theme of the Project: Unlocking the Economic potential at South African Oceans. • The Project will create 1 000 000 jobs by 2033 at the following sectors:- •Maritime protection services • Gas exploration •transport •Offshore oil	Recruitment, Selection and assessment of candidates  Prioritize the importation of skills through International Cross Border Labour Migration.
<b>Internship Programme</b>	PES in collaboration with DTI and DHET are busy with a project to place 1 200 unemployed graduates for the next 2 years (2014-15/16) Aim: To equip unemployed graduates with relevant experience to improve their employability and address problems of youth unemployed.	Recruitment, Selection and assessment of candidates

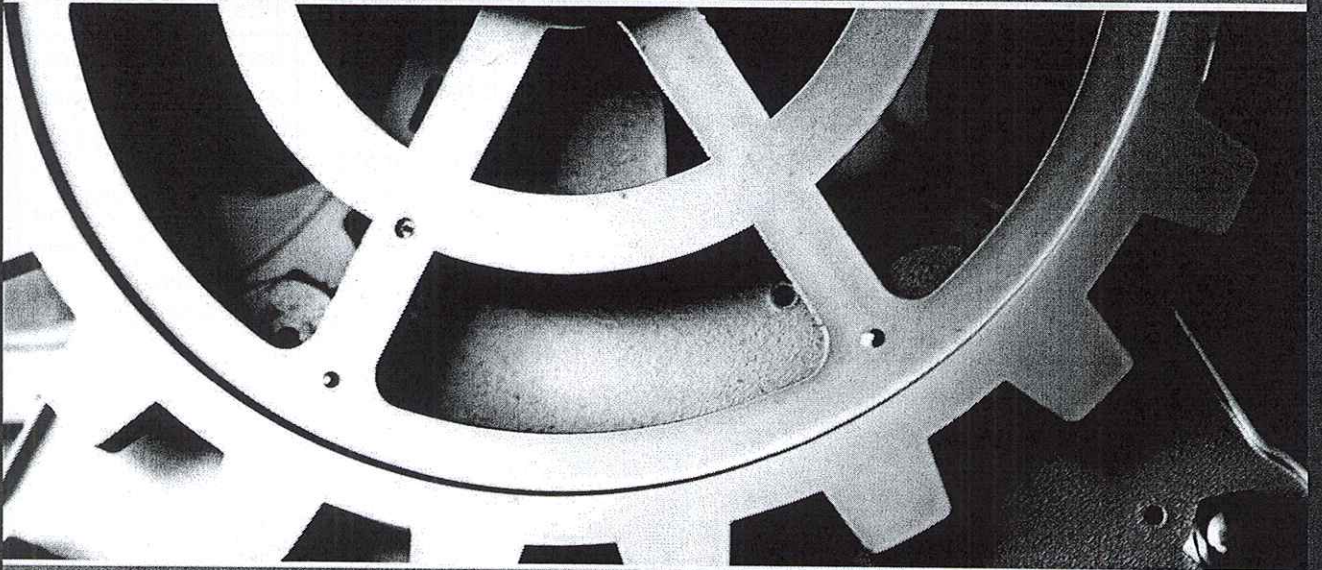
## PARTNERSHIPS IN THE PIPELINE FOR NATIONAL YOUTH SKILLS DEVELOPMENT PROGRAMME (NYDA) 2014/15

Interventions	Core Focus	PES Contribution
Transnet SOC (Ltd)	<p>NATIONAL YOUTH SKILLS DEVELOPMENT PROGRAMME: Skills programme to enable youth to install, maintain, and read only electrical smart meters.</p> <ul style="list-style-type: none"> <li>Youth Job creation Programme through smart metering programme:</li> </ul>	<p>Recruitment, Selection and Assessments. This project will create 5000 Employment Opportunities for persons with disabilities, youth, and women.</p>
THE DEPARTMENT OF PUBLIC WORKS WITH THE DEPARTMENT OF WATER & SANITATION AND NYDA/ NATIONAL YOUTH SKILLS.	<p>NATIONAL YOUTH SKILLS DEVELOPMENT PROGRAMME: Skills programme will focus on youth employment in water and energy efficiency at local and national government level.</p> <ul style="list-style-type: none"> <li>The project seeks employ youth in municipalities and catchment areas of DPW's regional offices on water and energy.</li> </ul>	<p>Recruitment, Selection and Assessments. This project will create 4000 Employment Opportunities for the youth</p>
DEPARTMENT OF AGRICULTURE, FORESTRY & FISHERIES	<p>NATIONAL YOUTH SKILLS DEVELOPMENT PROGRAMME: To promote agricultural development by focusing on the mainstreaming of youth in the entire value chain of agriculture in adopting a Farm-to-Fork approach to capacity</p>	<p>Recruitment, Selection and Assessments</p>

## CONCLUSION

- Our Public Employment Services are provided free of charge.
- The target group includes: out of school youth, some of whom do not have matric; unemployed graduates; women; and people with disabilities.
- External partnerships established with Private and Public sectors
- Our fundamental objective is to contribute to the reduction of unemployment (particularly amongst the youth), poverty, and inequality.

**Thank You**



**Esther.Tloane@labour.gov.za**  
**082 9082273/012309 4469**