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National Youth Development Agency

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Socio-economic Overview

- Global including South Africa economic growth recovery has an effect on employment more so on young people.
- Since 2008, unemployment has increased, hitting hard young people. Whilst labour force is increasing, employment is not expanding sufficiently fast to keep up with the growing labour force.
- Indeed, the youth-to-adult unemployment ratio has reached a historical peak.
- Importantly, in the countries for which information exists, the proportion of young people neither in employment, nor in education or training (NEET) has continued the steep upward trend recorded since the start of the crisis.
- Migration patterns put further strain on urban areas and labour opportunities. Young people are more likely than other age groups to migrate from rural to urban areas.
- Poverty and inequality remains a challenge.
- Africa is one of the regions affected by the current economic crisis, and young people's long term unemployment pose a social unrest.

World Employment and Social Outlook: Trends 2015

Youth Development Fund: 2014 announcement

- The National Youth Development Agency, Industrial Development Corporation and Small Enterprise Finance Agency launched in 2014, a R2.7-billion Youth Fund. The Aim of the fund was to creating millions of sustainable jobs in the country.
- Youth Employment Accord, signed by government and youth organisations, committed the government and its social partners to prioritising youth employment and skills development.

- The Small Enterprise Finance Agency (Sefa) has set aside R1.7-billion for the fund, with the Industrial Development Corporation (IDC) contributing the remaining R1-billion.
- The National Youth Development Agency (NYDA) will screen and recommend young entrepreneurs put forward by the IDC and Sefa.

1. Table 1 shows the funding allocated to public employment programmes over the MTEF period.

Table 1: Funding for employment programmes, 2011/12 – 2017/18

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Average annual growth 2014/15 – 2017/18
	Outcome			Estimate	Medium-term estimates			
R million								
National								
Community Work Programme	624	1 290	1 731	2 258	2 385	3 254	4 016	21.2%
Expanded Public Works Programme management unit	210	237	262	262	266	284	298	4.4%
Non-state sector	154	283	438	477	485	600	630	9.7%
Tourism programmes	301	314	291	320	493	631	633	25.5%
Environmental programmes	1 977	2 705	2 835	3 286	3 399	3 950	4 039	7.1%
Jobs Fund	272	590	953	1 339	1 318	1 387	1 318	-0.5%
National Rural Youth Service Corps	289	536	862	678	343	473	437	-13.6%
Provincial								
Incentive grant for provincial infrastructure	225	293	354	349	357	412	432	7.4%
Incentive grant for social sector	200	217	256	258	268	375	393	15.1%
Local government								
Incentive grant for municipal infrastructure	364	662	611	595	619	706	741	7.6%
Total	4 617	7 126	8 593	9 822	9 931	12 071	12 939	9.6%

Source: National Treasury, MTBPS 2014

2. The NYDA needs to improve linkages of the Funds Programme with overall government building investment programme. The Department needs to enhance the performance of the development funds in order to increase job creation efforts.
3. Work closer with various development finance institution to improve young people participation in the mainstream economy.

4. Improve working relations with industry players to support workforce development, strengthen working relations with higher education and training institutions, including sector training agencies.

2012 Marketing Surveys and Statistical Analysis Findings

- One out of three unemployed youth had children to look after;
- The average number of unsuccessful interviews was 4.3. Those that had some form of Accountancy or Maths on average had fewer unsuccessful interviews;
- The unemployed youth in the sample felt that lack of experience, qualifications and financial support, are the main challenges they have to deal with;
- Perceptions about "a decent job" link with the concept of a secure work;
- One out of four do not know how to find work;
- 97 per cent said that they welcome temporary or part time work to gain experience;
- Only one out of five said that they have refused a job because the salary is too low;
- The feelings towards government are mostly negative ("just talk and do nothing, corruption and labour laws restrict job creation");
- Unemployed youth positive about learnerships;
- Labour unions should also be involved with training, "however they only look after themselves";
- Organised business should do more to create jobs through apprenticeship opportunities;
- **A low 40 per cent have heard about the National Youth Development Agency (NYDA);**
- Schools (teachers and parents) should focus on guiding learners about the relative demand of work in sectors of the economy;
- There is a desire by most respondents to improve themselves through programmes to develop their skills.

Policy Options

- Policy Implementation should focus on monitoring economic opportunities for young people, and particularly on providing employment or educational opportunities for youth;
- **Manage the funding of the NYDA, resource allocation should shift to economic and social programme, and less on Compensation of Employees (Manage the wage bill).**
- Creating viable jobs for young people is a precondition for sustainable development;
- Given skill-biased technological change, a better educated and more highly skilled workforce is a pressing long-term priority for the SA economy.
- Improving the pace of the transition from school to work is a critical area
- **Improve monitoring and evaluation programmes earmarked for youth development (1 per cent pay-roll tax goes to Sector Education & Training Authorities, Tax allowances for learnerships and a apprenticeships.**
- **Support transition from informal to formal employment**
- Accelerate entrepreneurship schemes for youth apprenticeships)
- Focus on education, access to financial, technical & social resources
- Expanding jobs and education alternatives in rural areas;
- Improve Employment services, strong link with the private sector
- Accelerate implementation of the **Job assistance funds**
- Strengthen partnership with the private sector including training institution,
- Rationalise and consolidate funds earmarked for youth development. Improve programme planning, monitoring, evaluation and reporting.

Southern Africa Labour and Development Unit, UCT, 2013