

Youth, the challenge of employment and trade unions in South Africa

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Youth in South Africa

Unemployment

- ▶ Almost one in two young people (aged 15 to 34 years of age) in the labour force are without a job
- ▶ Youth form significant part of the unemployed, they have become discouraged from taking part in the labour market & they are also not in employment, education or training
- ▶ Unemployed youth tend not to be educated beyond Grade 12
- ▶ South African youth unemployment considerably higher than in other developing countries & many young people battle to find their first job
- ▶ Youth unemployment rates higher among black African & Coloured youth
- ▶ Trade union movement referred to the **unemployment crisis** in South Africa as a **'ticking time bomb'** – this warning linked to increasing involvement of youth in service delivery protests in various communities - dangers of high unemployment rate among youth recently noted during the July 2021 unrest in KwaZulu-Natal and Gauteng - unrest resulted in 374 deaths/ economic impact estimated at more than \$2,6B: unrest politically motivated but reflects frustrations & desperation of unemployed, mostly the youth in working-class communities

Interventions to combat youth unemployment

- ▶ Umsobomvu Youth Fund was set up in 2001 to create opportunities for youth in entrepreneurship and job creation
- ▶ National Youth Commission merged with the Umsobomvu Youth Fund in 2005 to work on youth development
- ▶ National Youth Development Agency (NYDA) was created in 2008 to address the hardships that youth encounter
- ▶ South African government introduced the Employment Tax Incentive (ETI) in 2014 to persuade employers to employ young & less-experienced work-seekers by lowering the expense of hiring them via a cost-sharing mechanism with the government. Specifically, employers are encouraged to recruit young people between the ages of 19 & 29 years; these are generally the less-experienced workers
- ▶ In 2018, President Cyril Ramaphosa introduced the Youth Employment Service (YES) – intended to provide employment to approximately one million unemployed South African youth - initiative is a one-year work experience programme designed to assist youth with business opportunities

Interventions to combat youth unemployment

- ▶ YES partnered with several other organisations – Harambee Youth Employment Accelerator (not-for-profit social enterprise tackling global youth unemployment, working with over 1.5 million youth in South Africa) + the Jobs Fund (launched in 2011 by the National Treasury to address the unemployment challenge in South Africa by funding projects that stimulate job creation)
- ▶ Presidential Youth Employment Intervention (PYEI) is a multi-sector action plan aimed at addressing youth unemployment
- ▶ Broad-Based Black Economic Empowerment (B-BBEE) codes of good practice amended in 2019 for companies to improve their scorecards between one and two levels by investing in youth work experience through YES
- ▶ Job creation via the Expanded Public Works Programme (EPWP) targets young people who are not in employment, education or training
- ▶ Presidential Jobs Summit in 2018 (track progress on the job-creation commitments)

Interventions to combat youth unemployment

- ▶ Response to Covid-19's effect on jobs and livelihoods: Economic Reconstruction & Recovery Plan (ERRP) announced by President Ramaphosa in October 2020
- ▶ Phase II of Presidential Youth Employment Initiative implemented in November 2021
- ▶ Basic Education Employment Initiative (BEEI) created approximately 287 000 employment opportunities for youth between the ages of 18 & 35 years in about 26 000 public schools
- ▶ National Youth Policy (NYP) 2020–2030 was approved in October 2020 by the Department of Women, Youth and Persons with Disabilities (DWYPD) to strengthen youth development during and after the Covid-19 pandemic - policy has an integrated Youth Development Strategy which was developed by the NYDA
- ▶ President Ramaphosa announced National Pathway Management Network - partnership between the NYDA, Harambee Youth Employment Accelerator, Department of Science and Innovation, Department of Employment and Labour, Department of Higher Education & Training, Department of Small Business Development & YES (2021) - clearing the pathways to learning and employment for the youth

Trade union membership composition

- ▶ Rapid shift in the composition of members of trade unions - general shift from semi-skilled segments of the labour market to a large proportion of union members now possessing **post-school qualifications** (one in five Cosatu members have a post-school qualification)
- ▶ Restructuring of the labour market - saw the traditional base of union membership being casualised, externalised and informalised, along with an **inability of the labour movement to organise precarious segments of the labour market** – thus where unions lost members in their traditional base, this was made up for by the rapid increase of union membership in the civil service (especially teachers and nurses) and in white-collar occupations
- ▶ **Upward social mobility** of black workers after the end of apartheid discrimination - general increase in their formal qualifications & employment opportunities in the civil service

Youth in South Africa

Employment

- ▶ **Structural change** observed in labour demand trends - shift towards high-skilled workers
- ▶ **Mismatch** between educational achievements & job requirements, resulting in a serious skills shortage in the country
- ▶ **Insufficient demand** for low-skilled labour but growth in low-skilled & semi-skilled jobs due to expansion of the services economy - includes retail, restaurants & finance & business services
- ▶ Approximately one in four employed workers (around 23%) are **trade union members**
- ▶ About a quarter of youth have jobs: **wholesale & retail trade** (service economy) is first industry that employed youth find accessible but marked by low-pay, low-skill & precarious jobs
- ▶ **Youth employed as elementary workers, service workers, shop workers & market sales workers** (NSC qualification required + minimal training received) (permanent workers + alignment of low skills & jobs that require this skill set)

Retail industry and trade unions

Employment

- ▶ Retail industry does not pay well & about 40 per cent of workers earn **below the minimum wage** (\$1.45 per hour)
- ▶ **Very low union density rates for employed youth** – reasons: youth not aware of what unions do & how they function, trade unions not pertinent to workplaces where there is little risk of injury or where safety practices are in place, where working conditions are good & where youth experience job security
- ▶ Wholesale and retail sector covered by **sectoral determination** as set by the Department of Employment and Labour - covers minimum wages, working hours, number of leave days & termination rules - establishes basic conditions of employment for employees in the sector but does not protect young workers from discrimination
- ▶ Young people's limited access to suitable education & training jeopardises their chances in the labour market – **youth easily absorbed into non-career paths marked by low skills**, which are becoming significant features of youth employment in South Africa

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