



CENTRE FOR DEVELOPMENT AND ENTERPRISE
Informing South African Policy

PATHS TO EMPLOYMENT



Challenges facing young people in accessing the job market

Report to the Conflict and Governance Facility (CAGE)
and the Umsobomvu Youth Fund

August 2007

CDE provides South African decision-makers with detailed analyses, based on original research, of key national policy issues.

This report has been written and edited by Dr Neil Rankin, Professor Charles Simkins, Dr Stephen Rule, Nicky Trope and Ann Bernstein.

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Executive summary

Youth unemployment presents a massive challenge to social, economic, and political stability in South Africa. Official statistics indicate that 50,2 percent of youths aged 15 to 24 were unemployed in 2006. A questionnaire survey of 1 104 respondents and a series of six focus groups involving 50 people aged 20 to 34 corroborate the official statistics.

The survey was conducted in order to explore the school-to-work transition. It took place in Johannesburg, eThekweni (Durban), and urban and rural areas in Polokwane. Two focus group sessions were conducted in each area, one with young employed men and women, and the other with their unemployed counterparts. Almost all the respondents and focus group members were African.

The results show that about 90 per cent of the young people who did have work entered wage employment as their first job. The median duration of a first job in wage employment was one and a half years. First jobs generally lasted longer than subsequent jobs, with most employed young people indicating that they had had more than one job. For the minority who were self-employed, this usually involved a fixed activity which had either lasted for a relatively long (more than five years) or much shorter time (one to two years), suggesting transitory versus more permanent forms of self-employment. A lack of access to start-up capital and strong competition were identified as barriers to self-employment.

The probability of being employed varied by demography and educational background. Older youths were more likely to be employed than their younger counterparts. Males and those living in urban areas were more likely to have jobs than females or residents of rural areas. Those who had not obtained a Senior Certificate were 16 per cent less likely to be employed than those who had. Although some respondents pointed out that a sound knowledge of English was unnecessary for manual workers, being taught in English at secondary school was positively associated with obtaining employment. Being the best performer in one's class also emerged as a predictor of obtaining work.

One in five respondents (20 per cent) had volunteered for unpaid work. This was more common in Johannesburg and Durban than in Polokwane, although members of the Johannesburg focus group questioned the benefits of this sort of experience. An appropriate search technique improved the possibility of obtaining a job. Of those in wage employment, 60 per cent indicated that they had found their jobs with the assistance of their family, friends or relatives. The most common search technique used by the unemployed was to answer or place adverts, but only a small proportion (13 per cent) of the employed actually secured a job in this way. One Polokwane respondent indicated that he had worked through agencies in Johannesburg, some of which had secured short-term contracts for him, while others had never found any work for him. In Durban, going 'door to door' in search of opportunities was mentioned by two of the unemployed participants, but none of the employed.

Searching for work is a costly business, especially when one has no income. Frequently mentioned expenses involved in looking for work were paying for trans-

port to potential places of work, and the costs incurred in compiling a CV (i.e., making photocopies, making telephone calls, sending faxes, and using the internet).

Unemployed respondents were asked about the absolute minimum wage they would be prepared to accept. These 'reservation' wages were remarkably similar to the actual median minimum wages earned in each area, namely R2 000 in Johannesburg (actual median wage R2 167), R1 000 in Durban (R1 200), and R1 200 in Polokwane (R1 200), suggesting a general awareness of the going rates. The unemployed survived on intra-household transfers from parents or others, but also on child support grants.

Many of the unemployed were understandably unhappy, thus creating a constituency for populist politicians and the potential for social unrest. Some respondents regarded crime, particularly non-violent crime, as a form of employment.

Many respondents were aware of youth-specific organisations such as the Umsobomvu Youth Fund, the ANC Youth League, and local church youth groups. Based on the focus group findings, knowledge of youth organisations was substantially lower in Johannesburg and Durban than in Polokwane. Perceptions of the usefulness of these organisations varied; however, some participants gained from the emotional support and access to information provided by youth organisations.

The key challenge facing government is to foster conditions that are conducive to the creation of large numbers of jobs and opportunities for self-employment that can absorb youths into the labour force. Regulations that encourage new businesses and labour and wage legislation that does not discourage employers from employing more people are essential. A prerequisite is the provision of high quality education and training in skills that enhance the confidence, initiative, and thus the employability of learners and trainees. Furthermore, school-leavers must be given information that will help them to apply for their first jobs; learners must have opportunities to master skills that are actually needed in the workplace, implying a revision of the curriculum for Grades 9-12; and schools should use proven testing methods to identify potential entrepreneurs and then guide them towards self-employment. The government should strengthen youth organisations that support first-time job seekers. Finally, the findings of this report should be made available to job-seekers, employment agencies and employers to increase the likelihood that a first job or business will become the beginning of a career.

Introduction

It is 11 o'clock on a Friday morning in the Umbumbulu area on the southern fringes of the eThekweni metropolitan area. Andile Ngcobo¹ sits under a bluegum tree outside the local bottle store. He is 36 years old, too old for inclusion in the official South African definition of youth that ends at 34. His youth has been characterised by casual jobs punctuated by periods of unemployment and one formal sector job: working for Kentucky Fried Chicken at Park Station, Johannesburg. However, he left that job more than two years ago and returned to Durban to look after his younger siblings

and the family homestead. Since then he has lived with his eight brothers and sisters. As with all but one of his siblings, he takes casual jobs to survive and to help pay for the youngest's electrician training.

Is his a common story among young South Africans, and how much of his story is determined by geographic and socioeconomic conditions that are beyond his control? This report investigates the job market entry process in South Africa, and the factors that influence the probability of finding a job. Included in these factors are the educational characteristics and socioeconomic backgrounds of individuals, and the paths they follow through the education system. It also investigates the types of jobs that young South Africans occupy.

South Africa has a major unemployment problem. The unemployment rate is high – in 2006, some 25,5 per cent of those aged 16-64 were officially defined as unemployed². If the definition of unemployment is expanded to include those who have not actively searched for a job during the previous four weeks – the so-called discouraged – then 41,1 per cent of the population of working age are unemployed.³ The official unemployment rate is higher in South Africa than in most other African countries, and almost three times higher than in Latin America.⁴ Unemployment also tends to last for a long time – 38 per cent of the unemployed have been jobless for more than three years, and an additional 30 per cent for between one and three years. The majority of the unemployed (62 per cent) have never had a job.⁵ This is particularly the case among young people; 57 per cent of the young unemployed have been unemployed for more than a year. At age 20, some 78 per cent have never had a job, declining to about 30 per cent for those in their 30s. Long-term unemployment, often called chronic unemployment, is a severe problem, which suggests that the transition into the labour market is a key area for understanding unemployment.

Reducing unemployment is a major goal of the South African government. In order to design effective policies, it is vital to know how the process of entry into the job market works. Most South Africans try to enter the job market between the ages of 18 and 34. By the end of this period a significant proportion of individuals (about 30 per cent) have never had a job. It seems unlikely that they will ever find a job – the proportion of unemployed stabilises at this level among people in their 30s and beyond. These are the structurally unemployed – they do not possess the skills that jobs in the economy require. There is also a group of individuals, as in the example above, who have accessed the job market but have, for various reasons, not managed to remain in employment. Lastly, there are those who have succeeded in the job market – those who remain in a job they have found, or those who have been in a series of jobs but remain employed. This report examines job market entry among South African youths so as to provide information about this process. Importantly, it attempts to identify the characteristics of those who succeed in the job market.

Very little is known about the paths young people follow through education, how these are affected by socioeconomic factors, and how these paths influence labour market outcomes. The South African Young Persons Survey (SAYPS) was designed to begin to investigate these and related issues. Information was gathered from more than 1 100 young people aged 20-34 in the Johannesburg and eThekweni (Durban) municipal areas, as well as in the town of Polokwane and the adjacent rural area of Dikgale in Limpopo. The SAYPS was supplemented by a qualitative study comprising six focus group discussions among employed and unemployed youths in the three

areas chosen for the study. The purpose of the SAYPS project is to provide a baseline study of current education and labour market status among the young. Respondents will be tracked over the next two to five years to observe the constraints and challenges they face as they enter the labour market. A particular innovation of this research is that individuals were asked for the set of activities they have been engaged in since age 15. This means that a job history can be built up for each respondent.

This report is mostly descriptive, and identifies broad themes affecting job market entry. These themes provide an opportunity for future in-depth research. This report is divided into seven sections. The first is this introduction. Section 2 reports on a review of literature on youth unemployment. Section 3 describes the survey methods, and identifies lessons learnt from the surveying process. Section 4 reviews the characteristics of respondents and the focus group samples. Section 5 examines the central issue of job market entry. Section 6 examines whether respondents are satisfied with their lives. Sections 7 and 8 summarise the findings, and provide some policy pointers.

Literature review

The nature of South African unemployment

The official unemployment rate of 25,5% amongst the 15 to 65 year economically active age category in 2006 was twice as large (50,2%) amongst the 15 to 24 year age category⁶. Although there has been a marginal decline in these rates in recent years, more than 1 out of every 2 young people in South Africa has been unemployed consistently at any time in the last five years. The expanded definition of unemployment includes people who are unemployed by not actively seeking employment. This rate was just under two-thirds (65,2%) in 2005.

There has been substantial research on South African unemployment, much of it driven by the relatively good household survey conducted by StatsSA. A core objective of government policy is to reduce both unemployment and household poverty by 50 per cent by 2014. The government's Accelerated and Shared Growth Initiative (Asgi-SA) is aimed at achieving this. As part of the Asgi-SA programme, the government commissioned the Center for International Development at Harvard University to produce a number of studies of the South African economy, written by teams of international experts and local economists. The paper that focuses on the labour market, entitled 'Why has unemployment risen in the new South Africa?', written by Banerjee, Galiani, Levinsohn and Woolard (2006), documents changes in unemployment since 1995, and highlights the nature of unemployment.

Table 1: The South African labour market since 1995

	1995	2000	2001	2002	2003	2004	2005
Expanded labour force ('000s)							
15–24	2 403	3 739	3 937	4 061	4 135	4 060	4 069
25–34	4 977	6 355	6 567	6 793	6 955	7 064	7 171
Employment ('000s)							
15–24	1 126	1 569	1 315	1 287	1 222	1 288	1 416
25–34	3 281	3 899	3 652	3 768	3 911	3 948	4 153
Expanded unemployment (%)							
15–24	53,1	58,0	66,6	68,3	70,4	68,3	65,2
25–34	34,1	38,6	44,4	44,5	43,8	44,1	42,1

Source: Development Policy Research Unit, University of Cape Town, 2006.

Banerjee *et al* document the growing unemployment rate over the past decade.⁷ They show that this is the result of two factors. The first is the increasing participation of particularly African women in the labour market. This was first identified by Casale and Posel who found that although the number of both men and women entering the labour market between 1995 and 1999 grew, the increase for women was proportionately greater.⁸ Furthermore, over this period an increasing proportion of jobs were occupied by women. Much of this growth was due to the growth in self-employment in the informal sector. During this period, growth in jobs was not sufficient to absorb fully the increase in participation resulting in significantly more women being unemployed. Over the period 1995 to 2005 participation rates for both men and women increased by 6 percentage points for the official classification and 11 percentage points for the broad classification. In the 15 to 34 age group the labour force increased by 3,9 million to just more than 11 million, while the number of jobs created increased by only 1,2 million.

The second factor leading to an increase in unemployment in post-apartheid South Africa is a mismatch between the skills of individuals entering the labour market and those demanded by firms. In particular, the mining and agricultural sectors have become more capital-intensive, thereby reducing labour demand. This is usually referred to as 'skills-biased technical change' in terms of which technical change results in a movement towards more capital-intensive production. Banerjee *et al* also document the high unemployment rate among South African youths (classified in their work as aged 15-24). Again, this high rate is driven by high inflows of youths into unemployment and low outflows from unemployment, because job searching is not very successful. They use panel data from the Labour Force Survey to investigate transitions between various states. The results are reflected in Table 2.

Table 2: Transitions of youths (aged 16-24) between labour market status, September 2002 (wave 6) and March 2007 (wave 7)

State wave 6	N	State wave 7				
		NEA	Ue discouraged	Ue searching	Informal	Formal
NEA	4 318	78,23	7,51	11,11	1,73	1,43
Ue discouraged	722	21,79	37,27	31,89	6,03	3,02
Ue searching	1 062	18,54	16,91	52,29	4,74	7,53
Informal	213	31,51	14,60	17,72	27,77	8,41
Formal	512	5,23	6,26	13,80	3,63	71,08
Total	6 827	53,91	12,80	21,08	3,82	8,39

Source: Banerjee (2006)

Note: N = Number in millions; NEA = not economically active; Ue = unemployed.

What is striking is the low transition rate out of NEA (not economically active) – the category that includes those in education – into some type of job. Only about 3 per cent of the 22 per cent who transit out of NEA find a job within six months. The other 19 per cent move into some type of unemployment. The transition rate out of unemployment is also relatively small. Only 12 per cent of those actively searching for a job found one during the six month-period in question, and fewer than 10 per cent of the discouraged made a transition into employment. Banerjee *et al* conclude that ‘the school-to-work transition is key, and is simply not working at present.’⁹ Possible explanations given include the costs of job searches; high reservation wages; or a mismatch in the skills taught at school and those required by employers.

The school-to-work transition – international evidence

The most comprehensive recent review of literature on the school-to-work transition is provided by Paul Ryan.¹⁰ He focuses on seven advanced economies: France, Germany, Japan, the Netherlands, Sweden, the United Kingdom, and the United States. Obviously, youth concerns and policy successes and failures differ among these countries. However, unemployment, long-term unemployment, and inactivity among young workers are causing concern in all of them. Unemployment rates for youths aged 20-24 vary from 6,5 per cent (in Japan) to 23,2 per cent (in Sweden). These are jobless rather than unemployment rates and therefore include those who are not looking for work, but they are still much lower than the comparable South African rates. Unemployment spells of longer than a year are also a concern in France and the United Kingdom. However, the magnitude of this problem is small relative to that in South Africa – about one in 20 young workers were unemployed in the long term in these developed countries.

Cross-country differences seem to preclude many broad general conclusions, but it does seem that in Europe at least vocational education, apprenticeships, and labour market programmes increase employment prospects. Ryan also highlights the distinctions between programmes and institutions. Labour market programmes are often transitory, whereas institutions are more permanent – developing, adapting, and often enduring. Key examples of the latter are the nationally specific institutions

of Germany and Japan that contribute to the relatively successful school-to-work transitions in those countries. Without the correct institutional framework, labour market programmes are likely to fail. Ryan argues that, given the evidence from those advanced economies, more attention should be focused on the institutional environment and less on specific labour market programmes. In South Africa the institutional environment would include the educational sector, as well as factors such as labour market institutions.

Methods used and lessons learnt

The SAYPS was aimed at generating baseline information about the education and labour market status of African youths. The resultant dataset can be used to investigate issues such as labour market entry and unemployment in greater detail. It is hoped that this dataset will be developed into a panel or longitudinal dataset in terms of which individuals are followed over time. The challenges and constraints that young people face as they enter the labour market and beyond can then be observed. A particular innovation of this research is that individuals were asked to provide details of their activities since age 15. This means that the paths that individuals follow through education and into the job market can be identified. This is important in order to understand whether the constraints that individuals face in finding a job are related to the types of education they have undergone or the paths to the job market they have taken. If socioeconomic conditions or geographical location limit educational opportunities, this seems likely to have implications for future job opportunities.

The survey instrument was similar to those used in similar surveys in Ghana and Tanzania. These latter surveys were conducted by the Centre for the Study of African Economies (CSAE) of the University of Oxford in the period 2003 to 2006.

The South African project was a collaborative effort between CDE, the Umsobomvu Youth Fund (UYF), and the Centre for Applied African Micro-Economic Research (CAAMER) of the University of the Witwatersrand. It was funded by the Conflict and Governance Facility (CAGE) and the UYF. The project was ambitious; it involved interviewing more than 1 000 young people in face-to-face interviews that took up to two hours each, and recording background information on them as well. This section outlines the methods used, and the lessons learnt in the process.

Three provinces were selected: Gauteng, KwaZulu-Natal, and Limpopo. The Gauteng and KwaZulu-Natal samples were drawn from the urban areas of Johannesburg and eThekweni respectively. The Limpopo sample was drawn from the urban area of Polokwane and the adjacent rural area of Dikgale. Johannesburg and eThekweni were selected as they are important population centres and the findings from them may have important implications for other metropolitan areas in the country. Any strategy to tackle unemployment will need to include these important metro areas. Limpopo was chosen since many migrants to Gauteng originate in this province. The overall sample thus includes people who have migrated to Gauteng from Limpopo, people who have remained in Limpopo, and people who were born and

have remained in Gauteng. There is thus cross-sectional variation to investigate the impact of migration on young people. The Limpopo sample was split between urban and rural areas to provide further cross-sectional variation. This also enables the differences between rural and urban circumstances to be investigated. The Limpopo sample was not the only one to include rural areas; some of the areas visited in KwaZulu-Natal were rural areas on the fringes of the eThekweni metro that had previously formed part of the 'homeland' of KwaZulu.

A cluster sampling method was used to select individual respondents. Sub-places as defined in the 2001 census were used as the basis for clusters. These were selected based on the proportion of young Africans in each sub-place. In total 38 sub-places were visited, 20 in Gauteng and nine each in KwaZulu-Natal and Limpopo. It was very difficult to survey in suburbs formerly classified as white under the Group Areas Act. High walls and paranoid residents meant that these clusters had to be substituted with working class areas, such as the Johannesburg CBD and township areas.¹¹ This does mean that our sample excludes Africans who live in former white suburbs. It is also likely to under-represent Africans who have accessed the traditionally white 'Model C' schools. However, this proportion of the African population is likely to be small and unrepresentative of the African population in general at this stage. Within each cluster, a starting point (such as a crossroads) was chosen at random. Houses were then visited in a spiral direction outwards from the starting point, and individuals within the required age range were interviewed. About 30 individuals were interviewed in each selected cluster, but actual numbers varied depending on time constraints. In some of the Gauteng clusters areas were visited twice, on a weekday as well as a weekend, so as to interview both unemployed and employed people. In most cases individuals were happy to take part in the survey. As an incentive, individuals were provided with a snack and drink during the interview. Many people were genuinely interested in the survey, and for many, especially the unemployed, it was a way to pass the time.

The field workers were all participants in Umsobomvu's Graduate Development Programme. This programme, run by further education colleges, provides life skills training (such as driving instruction and advice on writing a CV) to unemployed graduates. Field workers were given intensive training in the questionnaire and survey method. They were also closely supervised while in the field. The use of these students as field workers worked well, and most were diligent and quickly grasped the questionnaire and technology being used for the survey. The students also seemed to view it as a rewarding experience. It is hoped to develop this relationship further and to continue using participants in the Umsobomvu Graduate Development Programme to administer future surveys.

This project was the first during which CAAMER used hand-held computers to undertake a survey in South Africa. Experience in other African countries indicated that this was an efficient and accurate way of collecting data, since it bypasses the data entry stage where many mistakes can be made, and automatically guides the enumerator to certain questions based on previous answers. This was also the case in South Africa. Respondents did not seem overawed by the technology – the computers resemble sophisticated mobile phones which are familiar devices. The other concern regarding the computers was one of security. This threat was minimised as the enumerators often worked in groups. There was only one instance, in the Durban

CBD, where people wanted to take the computers. The enumerators quickly left the area, and the threat was negated.

In sum, the exercise was a valuable learning experience for CAAMER about surveying in South Africa. The surveying expertise at the university was deepened and a number of students were exposed to surveying techniques and the software for designing questionnaires. Furthermore, the Graduate Development Programme participants were provided with invaluable work experience.

UMSOBOMVU'S GRADUATE DEVELOPMENT PROGRAMME (GDP)

The GDP is a programme for youths who have a three-year post-matric qualification but are unemployed. The programme is run in collaboration with local Further Education and Training (FET) colleges and is aimed at improving the ability of graduates to secure and maintain formal sector employment. Participants are taught computer skills such as typing, word processing, presentations and spreadsheets, and other skills such as driving. Softer skills such as interviewing techniques and time management are also taught.

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Characteristics of respondents

SA young person's survey

A total of 1 104 young people aged 20–34 were interviewed between in June to November 2006. About half lived in Gauteng, and the rest were almost evenly divided between KwaZulu-Natal and Limpopo. Almost all the respondents were Africans, and were sourced in different types of areas in each province. These included township areas, informal settlements, inner city areas, and – in KwaZulu-Natal – tribal areas within a metropolitan area. The Limpopo sample was split between the urban areas of Polokwane and villages in the rural area of Dikgale.

Table 3: The SAYPS sample by province

Province	Frequency	%
Gauteng	568	51.45
KwaZulu-Natal	263	23.82
Limpopo	273	24.73
Total	1 104	100.00

Females dominated the sample, especially in KwaZulu-Natal and Limpopo. As Table 4 shows, this is because the rural samples in these areas were dominated by females. This may be because males in these types of households tend to be migrant workers, or because the sampling method undersampled males in these areas. The

field work in Limpopo and KwaZulu-Natal was conducted over proportionately fewer weekends than in Gauteng. Possible male absenteeism on weekdays may therefore also have skewed the sample in favour of females.

Table 4: The SAYPS sample by gender and urban/rural split

	Female		Male		Total N
	N	%	N	%	
Gauteng					
rural	2	0,33	4	0,67	6
urban	297	0,53	261	0,47	558
Total	299	0,53	265	0,47	564
KwaZulu-Natal					
rural	56	0,67	28	0,33	84
urban	104	0,58	75	0,42	179
Total	160	0,61	103	0,39	263
Limpopo					
rural	85	0,68	40	0,32	125
urban	88	0,60	59	0,40	147
Total	173	0,64	99	0,36	272

The home languages of isiZulu and Sepedi dominate the sample because these are the predominant languages in the areas of Limpopo and KwaZulu-Natal where the survey was undertaken. Gauteng is more cosmopolitan than the sample as a whole – speakers of isiZulu, Sepedi, Sesotho and isiXhosa each accounted for more than ten per cent of the sample.

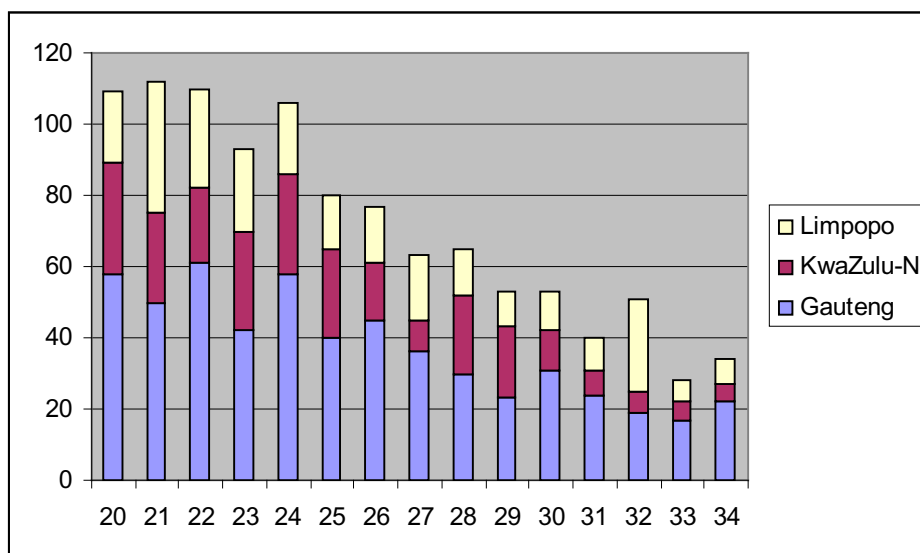
Table 5: Home language of SAYPS respondents

	Total sample		Gauteng	
	Frequency	%	Frequency	%
isiZulu	374	34,06	153	27,08
Sepedi	343	31,24	109	19,29
Xitsonga	72	6,56	68	12,04
Sesotho	85	7,74	67	11,86
Setswana	68	6,19	65	11,50
isiXhosa	72	6,56	44	7,79
Tshivenda	38	3,46	37	6,55
siSwati	12	1,09	12	2,12
isiNdebele	7	0,64	5	0,88
Afrikaans	1	0,09	1	0,18
English	21	1,91	1	0,18
Other	5	0,46	3	0,53
Total	1 098	100,00	565	100,00

As Figure 1 shows, most respondents were at the younger rather than the older end of the age spectrum. This is to be expected when younger people outnumber older

people (as is the case in South Africa). It may also reflect the fact that younger people were more likely to have been at home when the survey team visited or more likely to co-operate, and that many older people would have been working and not available for interviews. However, this young-heavy profile will be useful in future rounds of the survey for tracking changes as the cohort ages.

Figure 1: Age within the sample



In most instances, the head of the household was a parent of the respondent. Only 13 per cent of respondents were themselves heads of households, or the spouses of heads of households.

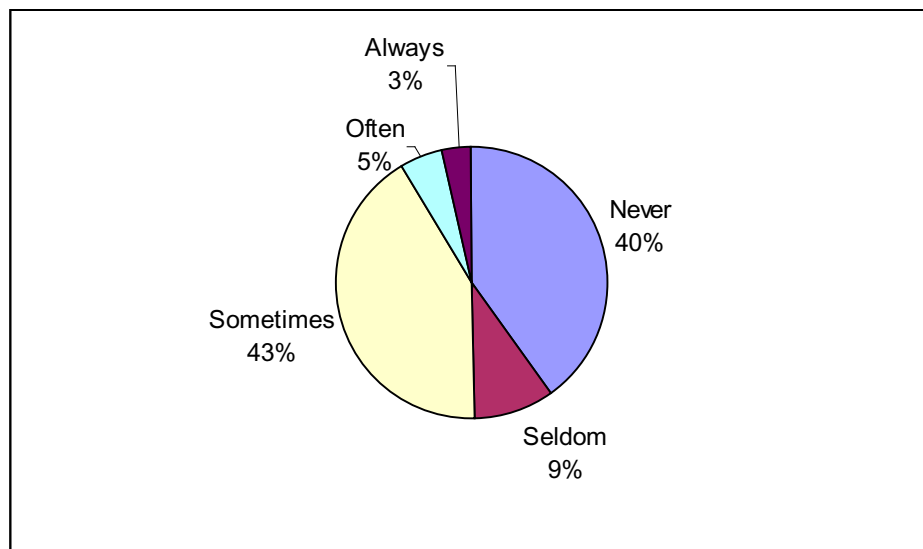
Table 6: Heads of household

Head of household	Frequency	%
Mother	401	36,55
Father	343	31,27
Yourself	113	10,30
Grandmother	65	5,93
Your spouse (husband)	35	3,19
Other	140	12,76
Total	1 097	100,00

Households were also generally large – 46 per cent of the sample lived in households with six or more members. However, the median household size was four. Types of dwelling in which respondents lived give an indication of their general socioeconomic status. Most people in the sample (55,11 per cent) lived in a free-standing brick structure, but the remaining dwellings different widely, and included traditional dwellings/huts (8,49 per cent), informal dwellings/shacks (7,21 per cent), town/cluster/semi-detached houses (7,03 per cent), and informal dwellings/shacks in backyards (6,84 per cent). As Figure 2 shows, more than half the sample had experienced some difficulty in the previous 12 months in satisfying their food needs.

Although this is not a direct measure of poverty, it is correlated, and illustrates that poverty is likely to be widespread within the sample.

Figure 2: In the past 12 months, how often has your household had problems satisfying its food needs?



The SAYPS survey is much smaller than the official biannual Labour Force Surveys (LFS). Table 7 compares the proportions of individuals in each survey falling into three broad categories: not economically active; employed; and unemployed. These proportions are broadly consistent, but the differences exist because the LFS is nationally representative and includes population groups other than Africans. Because Africans are more likely to be unemployed this explains the fact that the unemployed are a larger proportion of the SAYPS survey than the LFS.

Table 7: Current activity, SAYPS and LFS 12 (September 2005)

Current activity	SAYPS		LFS			
	Freq.	%	Freq.	%	Freq.	%
Not economically active	180	16,32	5 012	19,37		
Employed	377	34,18	9 846	38,06		
Unemployed	546	49,50	11 011	42,56		
– Searching					6 222	24,05
– Non-searching					4 789	18,51
Total	1 103	100,00	25 869	100,00		

Unemployment was the dominant current activity (49,5 per cent), and working for someone else the second most common activity (28,6 per cent). More respondents were in further or higher education than in school education. The least common activities were self-employment, and not in the labour force.

Table 8: Current activity, SAYPS

	Frequency	%
Further or higher education	98	8,88
Not in the labour force	12	1,09
School education	70	6,35
Unemployed	546	49,5
Working for oneself	61	5,53
Working for someone else	316	28,65
Total	1 103	100

Focus groups

Six focus groups were convened among employed and unemployed youths in Polokwane, Johannesburg and Durban. Four groups had eight participants, and the remaining two groups had nine participants each. Men and women were equally represented. Almost all (95,8 per cent) of the unemployed participants were single, whereas only 68 per cent of employed participants were single. Levels of education varied, however, it was noted that all the participants in the Johannesburg groups had at least some secondary education. More than two-fifths (44 per cent) had passed matric, and Polokwane had both the highest number of participants with matric and the only participant with a post-graduate qualification. The guidelines for the focus groups dealt with issues such as attitudes, steps taken to secure jobs, volunteer work, self-employment, salary expectations, education, and crime. Other interesting issues arose unprompted – particularly in the Johannesburg and Durban groups where participants freely discussed issues affecting them. It was evident among the employed Johannesburg group that, on the whole, they came from comparably more affluent homes and tended to find jobs more easily than members of the other groups. The Durban employed group provided an interesting mix of participants – some had participated in volunteer work, some had been self-employed, and levels of education and experience varied.

Most participants had other family members who were working and who could therefore support them while they were looking for work. A few participants mentioned the importance of monthly government social grants for their families:

My story is a little sad because my dad died at 90 and my mother had to go home and ask her mother for money which her mother got from a grant, she had to go back and ask for money to take care of us and take us to school and my sister dropped out of school and I went on and passed matric. – E, PLK.12

‘Most of them [have jobs]. One is working at Game stores and the other one at Discovery. There is jealousy in the families that is why you will find that they do not look for employment for you. U, JHB.

Participants were asked how many members of their households were employed. Some households had no employed members (Table 9), and tended to depend on grants or pensions. The majority of participants depended on income from wages

or salaries, while two participants depended on pensions as a primary source of income. In a further five households, grants (including old age and child care grants) were additional sources of income. Of the seven participants whose households were dependent on grants, five lived in Durban. Participants were also asked to estimate average household income. Three participants had average household incomes below R1 000, and all three lived in Durban. In addition, except for one participant, all the respondents living in Johannesburg reported having average household incomes of R3 000 or more. Finally, seven of the 15 households with average incomes of more than R10 000 lived in Johannesburg, five lived in Polokwane, and three lived in Durban.

Table 9: Employed household members by locality

Number of employed household members	CITY			TOTAL
	Polokwane	Johannesburg	Durban	
0	0	1	3	4
1	4	4	7	15
2	11	5	4	20
3	1	3	1	5
4	0	3	1	4
7	0	1	0	1
TOTAL	16	17	16	49

As regards the Johannesburg employed group, parents tended to be the main providers for participants while they were unemployed. One participant said that any relation able to help was approached:

You end up calling everybody in the family that you know just to have bread on the table. - E, JHB.

In the Durban group the results were similar in that parents tended to be the main providers:

And me too, my parents were there for me they made sure that I had everything I needed. E, DBN.

Finding work would, however, reduce this dependency on family; financial independence is synonymous with employment. Moreover, in some cases, participants said that family members were putting pressure on them to be more proactive in finding work.

Job market entry

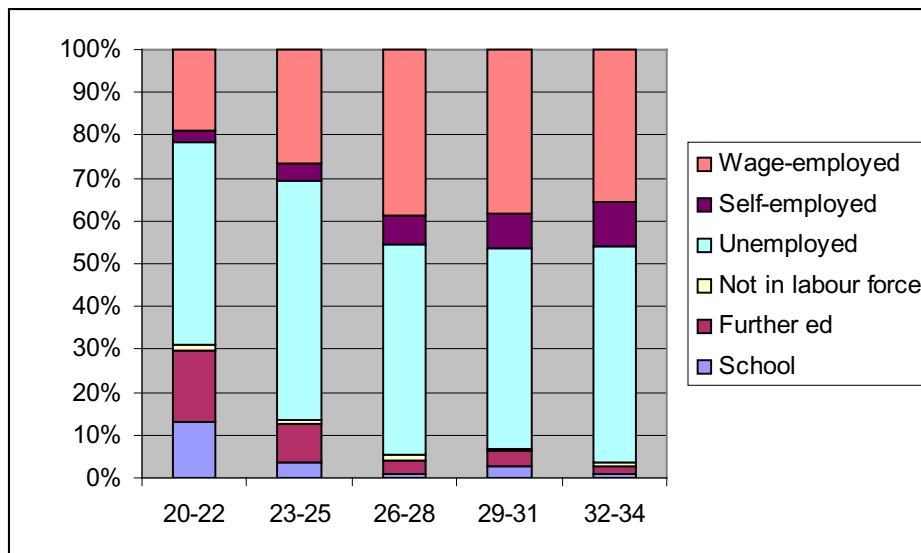
Job market entry is the main focus of this report, and this section provides an overview of the job market entry process. What are the types of jobs which young people

fill? Do they tend to work in a number of short-term jobs, or do they tend to find permanent jobs? At what age do people find jobs? The relationship between education and entry into a job is investigated. Does a Senior Certificate make a difference in finding a job, and what role does further education play? The role of factors such as socioeconomic background, search technique employed, and social capital are also investigated.

Overview

Although youth unemployment is often mentioned as a problem in South Africa, very little is known about how young people enter the job market and find jobs. Figure 3 shows the proportion of respondents in each activity type by age. As expected, the proportion of respondents in wage employment increased with age, and that of the unemployed fell. The unemployment rate of those aged between 20 and 30 was much higher than even the broad unemployment rate of about 40 percent. In fact, the unemployment rate of those aged 20-25 was about 60 per cent – almost one and a half times the broad unemployment rate. This is obviously cause for concern, and reflects the inability of young people to find jobs. After the age of 30 unemployment rates tended to revert to the level of broad unemployment for the population as a whole. But the level of unemployment in the 30s, although lower, remained distressingly high.

Figure 3: Activities by age



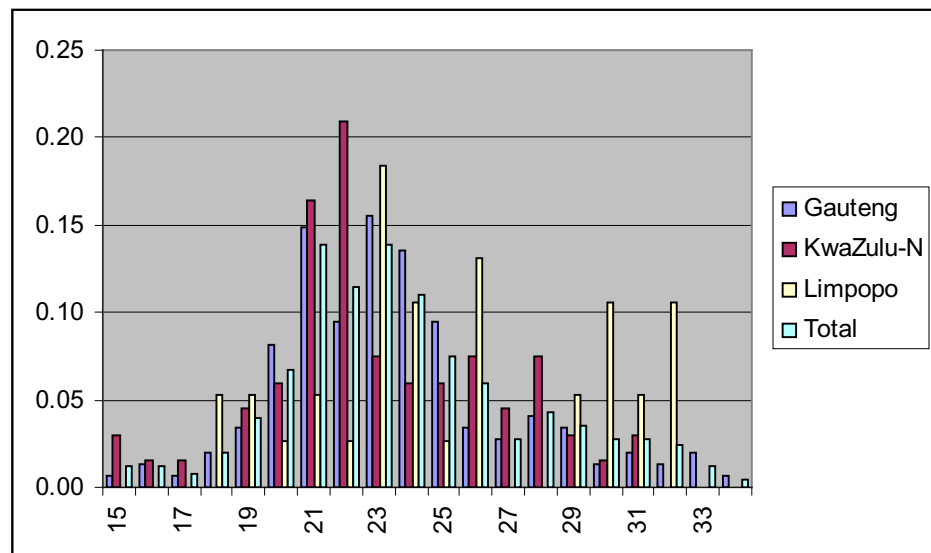
Therefore, as Figure 3 illustrates, employment rose with age, largely due to wage employment. Self-employment constituted only a small proportion (<10 per cent) of total employment. The proportion of those who had never been employed decreased over time, but remained relatively constant in the late 20s and 30s. Distressingly, the level stabilised at about 30 percent. It is worth emphasising that about 30 per cent of those aged 30 and above had never had a job. These are the people Borhat and

Oosthuizen refer to as the chronically unemployed, who will probably continue at the margins of the labour market for the rest of their lives.¹³

The results reported thus far have illustrated the importance of breaking into the labour market. For the overwhelming majority of respondents, their first job was wage employment. Rates of self-employment as a first job were higher in KwaZulu-Natal and Limpopo (16-17 per cent) than Gauteng (7,5 per cent). This raises a number of issues. Firstly, is self-employment a fall-back option for those who cannot find wage employment, or are there barriers to entry that tend to prevent the unemployed from becoming self-employed? It seems that self-employment is relatively easier in KwaZulu-Natal and Limpopo than in Gauteng. This may be because there are more opportunities in those areas, or because there are fewer wage jobs in those areas, making self-employment relatively more attractive.

Figure 4 illustrates the wide distribution of ages at the start of first jobs. This includes respondents without a Senior Certificate, those with a Senior Certificate, and those with further education. Clearly, reaching each of these steps may take time and thus combining all these groups may be confusing.

Figure 4: Age at first job – all respondents



The duration of a job is also important. The first job may be a short one that provides a first rung on the job ladder; young people may be trapped in a series of short temporary jobs; or their first job may be a permanent one that lasts for a long time. Among our respondents, the most common length of first job was less than a year. However, more than half of first jobs actually lasted more than one year; in fact, the median length of the first job was 17 months. Respondents who were still in their first jobs were more likely to have been in their first job for three or more years than those who had left their first job. The median length of a first job if the respondents were still in that job was 18 months, compared to 15 months for respondents who had left their first job. This suggests that respondents were ‘job-matching’ – i.e., remaining in current jobs if they perceived these jobs to be a good match.

Table 10 compares the duration of first jobs to that of subsequent jobs. It shows that first jobs were longer than subsequent jobs (a median value of 17 months versus one year). This was the case for both current jobs (a median value of 18 months versus 13,5 months) and for past jobs (a median value of 15 months versus 9,5 months). The standard deviation of current jobs was also larger than for past jobs. This too supports the job-matching hypothesis, since the pool of those in current jobs included both those who had found a good match and those who were still deciding whether their current job was a good match. The past job pool included only those who had discovered that they had a bad job match. This discussion obviously ignores firms that shut down and retrench workers, it can also be applied from the firm side, as firms also identify good matches with their employees.

Table 10: Duration of first job (months) – wage employment

	Mean	Median	Standard deviation	N
First job				
Not in job	22,81	15	27,32	269
Still in job	30,74	18	33,79	203
Total	26,22	17	30,49	472
Subsequent job				
Not in job	15,45	9,5	16,05	82
Still in job	20,54	13,5	21,45	104
Total	18,30	12	19,37	186
All Tenure	23,98	15	28,02	658

The duration of first jobs in self-employment differed significantly from that of first jobs in wage employment. First job self-employed were more likely to be in that job for a period of more than a year – in fact, if this was their current job, the most common category was greater than five years. The self-employed portion of the sample was relatively small, and thus some caution must be applied in interpreting these results. A possible explanation for the long duration of current first job self-employment may be that it is very difficult to make a transition from self-employment to wage employment. This explanation is supported by Banerjee et al (2006), who found that only 12 per cent of people active in the informal sector made a transition to the formal sector in a six-month period.¹⁴ A more common transition is to some form of unemployment, and the transition out of the labour force is of similar magnitude to the transition to the formal sector. The rate of transition from the informal sector to the formal sector was much lower among those aged 16-24. Only 8 per cent made this transition, whereas 32 per cent made a transition to unemployment, and a similar percentage made a transition out of the labour force.

The median duration of self-employment was similar between first and subsequent jobs. However, there was a large difference in median duration between those currently in their first jobs and those not – 30 months, compared to a year and a half.

As noted earlier, this may be because the transition from self-employment to wage employment is difficult. An alternative explanation is that relatively successful self-employment may offer a better return than wage employment. There is evidence that in Ghana and Tanzania the distribution of earnings among the self-employed is very similar to that among those in wage employment in small firms (Sandefur, Serneels and Teal 2006). If this is the case in South Africa as well, self-employed people are unlikely to make a transition to wage employment unless they find a job at a large firm. The large number of shorter self-employment spells would comprise two groups of individuals. The first would be those who made the transition to better paid jobs at larger firms, and the second would be relatively unsuccessful self-employed people who made a transition from self-employment to either unemployment or out of the labour market into activities such as further education, which they believe may improve their chances in the wage employment sector.

The majority of respondents who had had any wage job had only had one job. However, as respondents aged, the probability of having had more than one period of wage employment increased. This contrasted sharply with self-employment, where almost no one in the sample has had more than one period of self-employment. This again suggests that self-employment is an activity that individuals try once.

Based on the results from the focus groups for unemployed people, the major reason for people leaving their jobs appears to be the cessation of contracts, followed by part-time or temporary jobs. In contrast, the major reasons why employed people changed jobs were poor salaries, a lack of growth, better opportunities elsewhere, and unhappiness. In city settings, participants in the Durban group tended to leave their jobs as a result of contracts ending or because employment was temporary or part-time. In Polokwane, the primary reason for leaving one's job was contracts ending, followed by poor salaries. By contrast, in Johannesburg, a lack of growth, better opportunities presenting themselves, and unhappiness were the leading reasons for leaving one's job.

Socioeconomic background

Socioeconomic conditions are likely to influence the number of job opportunities to which individuals are exposed when growing up, and consequently the trajectory of their economically active lives. People who grow up in poor rural households may only have the option of attending a local school of poor quality. Growing up in an area where unemployment is high may convince young people that education is futile. Members of poorer families may have to drop out of school to help support their families.

A number of questions in the survey were designed to gather retrospective information about the socioeconomic situation of respondents at age 15. These included questions about the head of household, the number of income earners in the household, and its relative well-being compared to other households in the area.

Table 11: The main person who looked after you when aged 15

	Gauteng		KwaZulu-Natal		Limpopo		Total	
	N	%	N	%	N	%	N	%
Mother	205	36	111	42	101	38	417	38
Both parents	207	37	70	27	122	45	399	36
Grandmother	76	13	30	11	17	6	123	11
Father	26	5	35	13	13	5	74	7
Other	51	9	17	5	16	6	84	8
Total	565	100	263	98	269	101	1 097	100

There is a common perception in South Africa that many people – particularly Africans – are brought up by their grandparents and particularly their grandmother while their parents work as migrants. However, only 13 per cent of this sample were looked after by their grandparents at age 15. Although this finding might undercount the proportion of those who spent time with their grandparents, the survey shows clearly that mothers are the most common heads of households. The next most frequent result was that both parents looked after respondents at age 15. This differed between provinces, with only 27 per cent of the KwaZulu-Natal sample being cared for by both parents when aged 15, compared to 37 per cent in Gauteng and 45 per cent in Limpopo. This could be attributable to the higher incidence of male migration among men in KwaZulu-Natal, resulting in greater numbers of female-headed households.

Table 12: Socioeconomic conditions of survey respondents at age 15

Province	Mean
Number of earners/people in the household when 15	
Gauteng	0,26
KwaZulu-Natal	0,25
Limpopo	0,28
Total	0,26
Worse off than others in area at age 15 (%)	
Gauteng	0,14
KwaZulu-Natal	0,26
Limpopo	0,18
Total	0,18

The average proportion of household members who were income earners was fairly constant in the three provinces. In the general sample the average number was 0,26 – in other words, in a four-person household about one person on average was employed. The variation among households was large, however. Relative well-being differed substantially between the provinces. In KwaZulu-Natal a quarter of the respondents said their family had been worse off than others in the area when they were 15 years old. In contrast, only one in seven Gauteng respondents said the same.

Education and finding a job

Education is important for finding a job, for the type of job, and for earnings in the job. Banerjee *et al* show that people with post-matric educations are much more likely to have formal jobs than those with only matric or less. Two-fifths (40 per cent) of the sample with only matric had jobs in the formal sector, compared to 21 per cent of those with less than matric. Those who had not completed secondary school were more prevalent in the informal sector (13 per cent) than those with Senior Certificates (7 per cent) or post-matric qualifications (3 per cent). In this section we examine the educational characteristics of the youths in the sample, and how these affected their job prospects.¹⁵

Importance of schooling, and highest grade passed

The majority of the sample had obtained senior certificates (matric); the proportion was highest in Gauteng (60 per cent), followed by Limpopo (47 per cent) and KwaZulu-Natal (43 per cent). This result was probably influenced not only by the completion rate of learners at Gauteng schools but also the in-migration of those with grade 12 into the province. A relatively large proportion of respondents had only completed grade 11; they had probably attempted the senior certificate, but failed. This proportion was constant across the three provinces. The other noticeable aspect was that almost no members of the sample had passed less than grade 7.

Perceptions of education

The extent of education of participants in the focus groups varied between cities. Seventeen employed participants had completed matric, but only five unemployed participants had done so. Furthermore, all three participants with no secondary education were unemployed, while the five participants with tertiary education were all employed. Although participants' views on the importance of education were mixed, the findings from the focus groups suggest that participants with matric or tertiary education tended to find employment more easily than those with less than a senior certificate.

Perceptions of the importance of education for finding work were mixed:

In other companies they want people who completed matric, if you don't have matric they refuse you. Sometimes it is not only about matric, there are also technical schools. (U, PLK)

However, another participant highlighted the importance of matric with regard to learnerships:

I think it is good to have matric so that you can find a job because nowadays we have learnership programmes which require matric in order to qualify. (U, PLK)

Members of the Durban unemployed group felt that completing matric improved prospects of finding employment. Having matric ensures that 'you have the knowledge that others do not have' (U, DBN). One participant said that it depended on one's subject choice in matric. Another stated that, from personal experience, 'matric plays a vital role, and when I think about the fact that I did not finish matric my eyes fill with tears' (U, DBN). Although most of the participants in this group believed that matric was useful in finding work, one participant stated that there were also people with diplomas who could not find jobs.

A high proportion of the Johannesburg unemployed group did not believe that matric was a prerequisite for finding a job. 'A piece of paper does not mean a thing, because, look, I was bad in accounting, maths and English at school but now I am better in English because I worked hard after school. You determine who you are. (U, JHB)

Reactions of the Johannesburg employed group on this issue were mixed. One participant said that education had made it easier for him/her to find a job.

We have been talking here about skills; you can't just stand still. You need to educate yourself either formally or informally. (E, JHB)

I disagree, like there is a guy I know he left school at Grade 6 but he is working for an engineering company and earning a lot; there is no formal education there. (E, JHB)

Further education

About one third of the survey sample had some sort of further or higher education. These were of different types, and not all of them required a senior certificate for entry. About 15 per cent of those with further education did not have senior certificates. Technical training colleges were the most common types of institutions that respondents had attended, followed by private institutions of various types. These private institutions varied significantly. A number of people had attended well-established institutions such as Damelin and Berlitz. Other types of institutions include training institutions attached to private companies, such as the large private health care providers. A large proportion of respondents had attended private institutions that provide training in security, catering or computers. These were often smaller institutions without official accreditation.

Table 13: Types of further education, and higher education institutions

	Frequency	Percent
Technical training college	171	37,92
Private or further educational institution	135	29,93
University	89	19,73
Technikon	50	11,09
Teacher training college	6	1,33
Total	451	100,00

ADDICTED TO FURTHER EDUCATION?

Most respondents with further education had only attended one such institution. However, almost 20 per cent of those with some further education had engaged in two or more periods of further education.

Nomfundu Dlamini was one of these people. Since 1995 she had attended five different training institutions, and had taken various computer-related courses. These courses were interspersed with periods of unemployment.

Winnie Mangwane, from a village in rural Limpopo, was another example of multiple training courses not leading to employment. Over the previous five years she had taken courses in catering, information technology, customer service, and financial management at different private institutions, including Boston Business College. Despite completing these courses, Winnie remained unemployed.

Both these examples illustrate the mistaken belief common among youths that training automatically leads to employment. Training may improve employment possibilities, but other factors such as location are even more important.

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Perceptions of further education were mixed, notwithstanding the fact that all participants with higher education were employed.

Some companies want a tertiary qualification. I think we should continue with tertiary education after we find jobs. (U, PLK)

Despite the mixed reactions in the Johannesburg employed group to the significance of having matric when looking for work, it appeared that many members of the group believed that furthering one's education created greater opportunities for finding work:

Once you upgrade yourself after matric, it betters the chances of getting the right job. (E, JHB)

Some favoured further studies because 'they see you have potential and they do not take you into extensive training' (E, JHB). Members of the Durban unemployed group largely believed that further education was useful in finding work, but did express concerns about becoming overqualified.

I think it helps but sometimes it does not help then you stay at home with your diploma because they say you are overqualified. (U, DBN)

Most members of the Durban employed group seemed to support the idea of further education. Although this did not guarantee that one would find the exact job one was looking for, it did make employers aware of one's abilities:

Even if you are employed somewhere not in accordance with your qualification but an employer can see that you are a potential candidate because you went to school, he thinks that you can learn his job easily. (E, DBN)

Language of instruction

The language of instruction at school can have two opposite effects. Mother tongue instruction may be better for communicating difficult concepts, but instruction in English may improve learners' ability to communicate in English, thus increasing their likelihood of finding a job. Tables 14 and 15 show the main language of instruction for respondents in all three provinces.

Table 14: Language of instruction at primary school based on where respondents were living at age 6 (other provinces excluded)

	Gauteng	KwaZulu-Natal	Limpopo	Total
English	150	67	128	345
isiZulu	52	173	2	227
Sepedi/Northern Sotho	25	2	196	223
Sesotho/Southern Sotho	38	1	9	48
Other	50	4	60	114
Total	315	247	395	957

The use of English as the language of instruction was less widespread at primary school than at secondary school. This shows that mother tongue instruction is more likely at primary school, and English instruction more likely at secondary school. The impact of this factor on the ability of people to find a job will be examined later.

Table 15: Language of instruction at secondary school based on where respondents were living at age 12 (other provinces excluded)

	Gauteng	KwaZulu-Natal	Limpopo	Total
English	229	144	221	594
isiZulu	23	86	1	110
Sepedi/Northern Sotho	11	0	100	111
Sesotho/Southern Sotho	15	0	3	18
Other	29	1	27	57
Total	307	231	352	890

English-speaking ability

Some members of focus groups believed that being able to speak, read and write English was necessary for finding work, but some did not. Members of the Durban unemployed group tended to view this as a precondition to finding employment, but the Polokwane unemployed group downplayed the importance of a sound knowledge of English. Some participants believed that only a basic understanding of English was required; others suggested that an inability to speak English limited employment options. The Polokwane unemployed group tended to view ability in English as unimportant in finding work:

No, there are people I know their work but their English is not that good. (U, PLK)

The Polokwane employed group placed greater emphasis on the need to speak English than the unemployed group. One participant suggested that when positions were advertised they should specify whether a good knowledge of English was required.

Members of the Johannesburg unemployed group appeared to believe that the ability to speak, read and write English 'helps a bit'. One participant remarked that English was useful in job interviews. The Johannesburg employed group appeared to be divided on the importance of English in finding work. One participant stated that this was determined by the nature of the job: 'If I am a labourer, not necessarily' (E, JHB). By contrast, another stated: 'If you are a receptionist . . . you will have to understand it' (E, JHB).

Participants stated that, in companies where staff members were expected to project a certain image, they would be required to speak English.

I am saying it depends on the situation and the type of the job that you are doing. In the formal sector you have to write in English, so it is very important to know it well. (E, JHB)

A small number of participants believed that the ability to speak English was essential for developing a career and knowing one's rights in the workplace.

English is the one way of communicating no matter where you are because I think you do not want to stay in one position for the rest of your life. You want to upgrade yourself. (E, JHB)

It is not only about your job, but also for your rights. Even to be able to communicate with our bosses, because most of them are English-speaking people. (E, JHB)

The Durban unemployed group seemed to view English as essential. 'English is necessary so that you can communicate' (U, DBN). One participant referred to the nature of the job as a determinant of whether or not English-speaking ability was required:

In the private sector, yes, English plays a big role. But in government and municipality I do not think that English plays a big role. (U, DBN)

Thus the inability to speak English would confine job seekers' employment prospects. The Durban employed group also viewed ability in English as important in finding work. Some participants believed that job-seekers did not require a thorough knowledge of the language – in other words, did not need to speak, read and write English well – but that a basic knowledge would suffice.

It is very important that we sell ourselves well. . . with an international language. (E, DBN)

Ranking in class, work ethic, and ability

Survey respondents were asked to assess how hard they had worked during their final year at school and how they had ranked in their classes. A U-shaped relationship between these variables emerged. People who said they had ranked towards the bottom of the class claimed to have worked harder than did those who were merely below average. This may be because those with a lower aptitude for academic work needed to work harder merely to keep up. Those who claimed to have achieved a place near the top of the class were also more likely to claim to have worked harder than those who were average or above average.

In order to measure analytical ability independent of school quality, respondents were asked to answer a number of Raven's Matrix¹⁶-type questions. These were sequences of patterns that respondents were asked to complete. The most common cumulative score was one out of five – the score that could be expected if respondents guessed the answers. Almost one quarter (23 per cent) scored two out of five, 15 per cent scored three out of five, and only 3 per cent of the total sample scored four or five out of five. Respondents in KwaZulu-Natal generally scored better than those in the other two provinces.

Skills

The focus groups discussed skills without being prompted, although in some groups the facilitator asked participants directly what skills they believed to be necessary for finding work. One participant distinguished between 'hard' and 'soft' skills. The latter included communication, networking, negotiation and interpersonal skills, and the former included computer and other technical skills. Members of the Durban employed group agreed that people could develop many skills that would help them to find employment. A Polokwane participant said:

Another thing is we don't have skills to look for a job, maybe they can organise workshops for job hunting. (U, PLK)

Another participant said people also required training on how to sell themselves, and networking, communication, and interview skills should be prioritised among the unemployed.

In the Johannesburg unemployed group, the issue of learning interpersonal skills arose during a discussion on volunteerism. The importance of communication skills also arose in the Johannesburg employed group. Participants were unanimous that some form of marketing skill was needed.

Talking from experience I have people in front of me and some even call me and say that they are looking for a job. He studied and he has got a degree. I think it goes back to the point that I made of branding yourself. Stand out in a crowd. Be one in a million. (E, JHB)

Willingness to migrate

Migration can influence job market entry, for various reasons and in various ways. The quality of education in various areas may differ, and it is therefore important to link the areas where respondents were educated to their education trajectory. Furthermore, migration is unlikely to be random. People with better qualifications, with more ability or more ambition, or with networks that may help them to find a job could be more likely to migrate. To investigate these issues the areas where respondents lived at age 6 were compared to the areas where they lived at the time of the survey.

Table 16: Migration since age 6

	Current province							
	Gauteng		KwaZulu-Natal		Limpopo		Total	
Province when 6	N	%	n	%	n	%	n	%
Eastern Cape	33	6	29	11	0	0	62	6
Free State	13	2	1	0	0	0	14	1
Gauteng	304	54	1	0	10	4	315	29
KwaZulu-Natal	27	5	220	84	0	0	247	22
Limpopo	144	25	1	0	251	93	396	36
Mpumalanga	23	4	5	2	7	3	35	3
North West	11	2	0	0	2	1	13	1
Northern Cape	3	1	1	0	0	0	4	0
Other (specify)	8	1	5	2	1	0	14	1
Total	566	100	263	99	271	101	1 100	99

Migration was most common amongst the Gauteng respondents. Almost half (46 per cent) of the sample had lived outside of the province when aged 6, as against only 16 per cent in KwaZulu-Natal, and 7 per cent in Limpopo. One-quarter of the Gauteng sample had migrated from Limpopo since age 6. Migration patterns between age 12 and the present had not changed much since age 6. This suggests that there is little migration between 6 and 12, and also that people only migrate once they have completed school.

Most of the unemployed participants said they would be prepared to move elsewhere in order to obtain work. Members of the unemployed group in Polokwane said they would prefer to move to large cities such as Johannesburg, Durban or Cape

Town, and most even had a positive view of places in Europe, Britain or Dubai. Members of the unemployed groups in Johannesburg and Durban were most keen on the prospect of moving, the main proviso being the salary on offer. Some female participants expressed reservations about moving in order to obtain work. One said that she feared that she would be homesick in a foreign environment 'unless they offer us everything' (U,PLK). When her statement was probed, she mentioned accommodation and 'reasonable money'. Another indicated that she would not be prepared to move to Cape Town because she had no friends or relatives there:

What if something happens like I die, which means I am working towards the costs of the funeral. (U,JHB)

Some of the female participants were not prepared to move out of South Africa because it would be 'too far' or because 'I am not used to other countries' (U,DBN). Some of the male participants who had said they were prepared to go anywhere also began to express doubts about taking jobs in countries such as the Congo or Zimbabwe (U,JHB), implying that security and economic prospects there were disincentives. As regards overseas destinations, one person felt that instead of saving the R10 000 that was required for entry into a foreign country, it would be preferable to 'look for a job here at home' (U, JHB).

Search techniques and reservation wages

Search techniques

An appropriate search technique may improve the possibility of obtaining a job. Some 44 per cent of respondents in wage employment indicated that they had found their jobs through friends or relatives. If family is included in this computation, the proportion increases to 60 per cent. The success of this technique depends on knowing people who are employed, or who know about employment opportunities. This suggests that young people in families where no one is employed, or in communities where unemployment is high, are likely to struggle to find jobs. Teaching oneself was the most common means of becoming self-employed. This suggests that barriers to entry into self-employment are relatively low. As noted earlier, self-employment seems to be relatively easy to access but its sustainability is determined by success.

The most common search technique used by respondents was to place or answer advertisements – despite the fact that this had a relatively low chance of succeeding. The next most common technique was to enquire at workplaces, which also had a low chance of success. Approaching friends or relatives was only the third most common search technique, despite this having the greatest chance to succeed. The success of this technique suggests that one way for young people to find jobs is to expand their group of acquaintances, especially those with contacts in wage employment. Techniques such as volunteering may help with this, and is dealt with in greater detail in the next subsection. However, this will only work if the pool of wage jobs is growing.

There was also a large overlap between the various job search techniques utilised. More than two-thirds (69 per cent) of those who were using contacts to find jobs

are also answering advertisements. There was also a large overlap between enquiring at workplaces and placing/responding to adverts, as well as placing/responding to adverts and using employment agencies. The proportion of respondents using adverts, agencies or friends or family to find a job declined with the length of unemployment. This may either be because people give up on using these methods over time, or because those who use these methods are successful and thus drop out of the sample. Conversely, the proportion of those who stood on the street at in an attempt to find a job increased with duration of unemployment.

Table 17: Successful search techniques

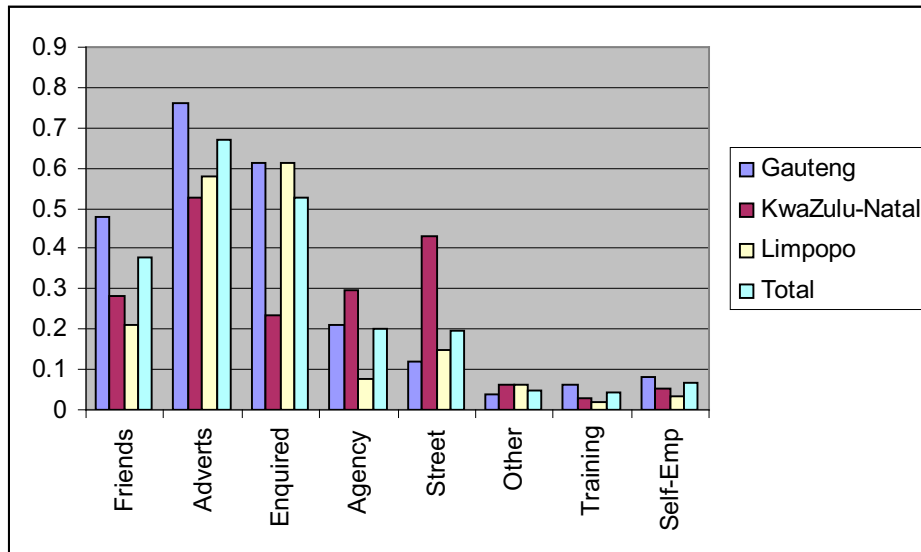
Wage employment	Frequency	%
Through friends or relatives	246	43,54
Through family	93	16,46
Placed or answered advertisements	71	12,57
Enquired at workplaces, farms, factories	48	8,50
Other (specify)	43	7,61
Waiting at the street-side	24	4,25
Placed by temporary employment agency	15	2,65
Waited/registered at employment agency/labour broker	12	2,12
Through government or NGO employment programme	7	1,24
Established own shop or enterprise	3	0,53
Joined or took over family enterprise	3	0,53
Total	565	100,00

Self-employment	Frequency	%
I taught myself	34	40,48
I was taught by someone I used to help	14	16,67
I was taught by a family member	10	11,90
I learnt the job while employed in a similar type of business	7	8,33
I underwent formal training	7	8,33
I was taught by a friend	7	8,33
Other (specify)	5	5,95
Total	84	100,00

Asked what methods they used to search for work, focus group participants mentioned several. One (U, PLK) indicated that he worked through agencies in Johannesburg, some of which secured short-term contracts for him, while others never found any work for him. Another (U, PLK) said that she had sent her CV to about 40 companies. A number of Polokwane participants indicated that they had done voluntary work as a stepping stone to accessing full-time job opportunities. Others said they regularly scoured job advertisements in newspapers (U, PLK).

When asked about their daily routines, young unemployed people in Polokwane indicated that much of their time was spent searching for work. One said she bought the newspaper and applied for jobs almost every day. After that she went to town to meet people from whom she gathered information about potential work. Two others said they 'sometimes' went to town and applied for jobs. One spent most of her time doing voluntary work, using the organisation concerned as a base from which to send out her CV. Most of the Johannesburg participants had submitted their CVs

Figure 5: Common search techniques among the unemployed (% of searching unemployed engaging in this technique)



to agencies and were awaiting responses; one had been waiting for six months and had heard nothing. Another speculated whether she was either ‘over- or underqualified.’ Another was keen to get work as an artist because he gets ‘bored very quickly’ in other jobs. One said that having been interviewed, she was asked to undergo training for a month. She felt that ‘they wanted my skills for nothing.’ Two participants in the Durban unemployed group spoke of going door to door in search of jobs, and most indicated that they had sent their CVs to potential employers. One said: ‘I respond to adverts and they look for experience that we do not have’ (U, DBN).

A major source of information about employment (U, JHB; U, DBN) was the internet. This was accessed at internet cafés, in libraries, or at home. Some respondents used friends’ student cards to gain access to university computer labs, where they used the internet. Mention was made of web search engines such as Ananzi and EasyInfo. Newspapers (notably *The Star Workplace* in Johannesburg, published on Wednesdays) were another frequently mentioned source of job information. Others said that they found out about job vacancies by word of mouth from friends and other contacts (U, JHB; U, DBN), and ‘speaking to people’ (U, DBN). One mentioned that he spoke to people ‘in high positions.’ Others (U, DBN) said that they had spoken to between three and more than 20 people about work.

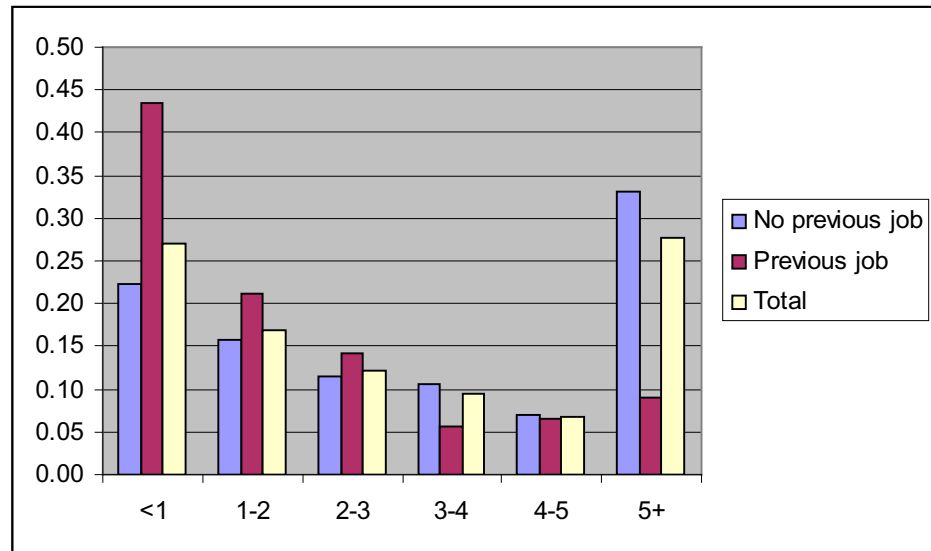
Most employed people had undergone post-secondary education. This had given them the skills to obtain work in occupations such as fashion design, teaching, refrigeration technology, community development, computing and accounting. One said he had ‘just applied for any post’ until he had ‘got through’ (E, PLK). Another got a job by talking to a school friend who had obtained work at a large clothing chain (E, PLK). Another had received a call from a friend who told her that his friend knew of a vacancy, for which she then applied. Several participants (E, JHB) said that after completing their studies they had gone straight to an internship or a first job owing to the proactive submission of CVs. Other ways in which permanent jobs were obtained were through voluntary work at a clinic that led to a full-time job; a cousin working at a placement agency; inspiration by township friends; contract work; and

through a lecturer (E, JHB). Before finding full-time work, one respondent had been self-employed selling clothes. Others had played professional soccer, cleaned roofs, done hairdressing, or done temporary work at Spoornet (E, DBN). Twenty percent of participants had never been employed, while 64 per cent had had between one and three jobs.

Reservation wages

Unemployment is the most common ‘activity’ among young South Africans. This section examines the characteristics of the unemployed, and how they survive. It also examines one possible reason why people are unemployed – because they are not prepared to accept a job at current wages. What was striking from our survey was the high absolute number of unemployed up to age 25. The other was the relatively high number of unemployed – even those older than 30 – who had never had a job. These are the chronically unemployed, and it seems likely that they will remain on the fringes of the labour market for the rest of their lives. Unemployment among South African youths is also generally of long duration, and this was borne out by our survey – about 5 per cent of the unemployed had been jobless for more than a year. Distressingly, more than a quarter of the unemployed had been unemployed for more than five years. Those who had had a previous job were much less likely to experience long spells of unemployment. This illustrates the importance of finding a first job.

Figure 6: Duration of unemployment



Most of the unemployed claimed that this was the case because there are no jobs available. A lack of experience and skills were also common explanations.

Table 18: Reasons given for unemployment

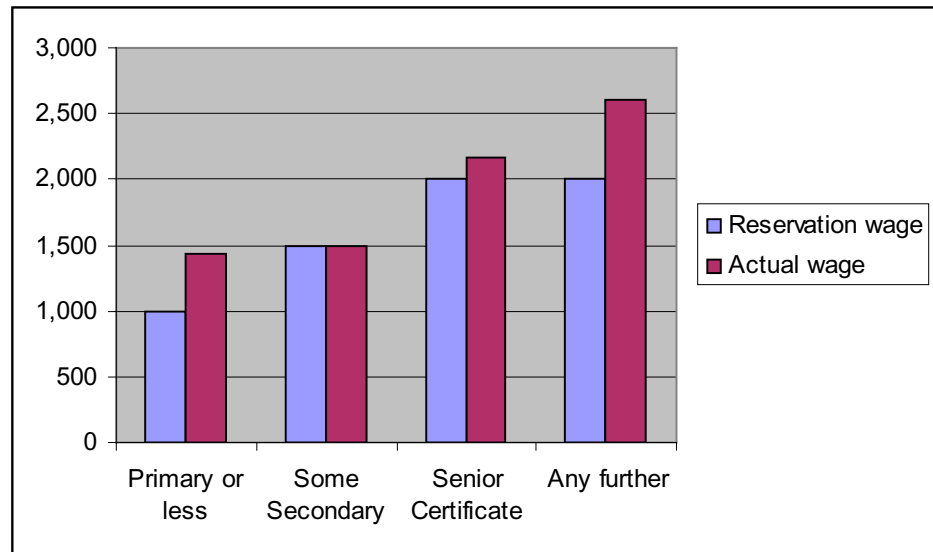
	Frequency	%
There are no jobs available	190	41,94
I do not have the experience	115	25,39
I do not have the skills required	110	24,28
People discriminate against me	16	3,53
Other (specify)	13	2,87
The jobs that are available pay too little	6	1,32
The jobs that are available are too far	3	0,66
Total	453	100,00

The unemployed survived mostly through transfers from other members of their households. This was the case for half of the unemployed in Gauteng, but just more than a quarter of those in KwaZulu-Natal, and only 14 per cent in Limpopo. This suggests that in Durban and Limpopo there may be a higher proportion of households with no earners, and thus a lesser capacity to transfer income. Child support grants (CSGs) were as important for the unemployed in Durban as intra-household transfers. CSGs were far less important in Johannesburg than in Limpopo. This illustrates the important role that government transfers play in supporting the unemployed in smaller towns and rural areas. A few people mentioned odd jobs and transfers from outside the household as ways of coping.

One possible reason for the high levels of unemployment is that people are not prepared to work at going wage rates. In order to investigate this, unemployed respondents were asked about the absolute minimum wage they would be prepared to accept. These 'reservation' wages are remarkably similar to actual wages paid in each province. Our survey revealed that the median monthly reservation wage in Gauteng was R2 000 (and the median actual wage R2 167). The median reservation wage in KwaZulu-Natal was R1 000 (the median actual wage was R1 200), and in Limpopo reservation and actual wages were exactly the same: R1 200. The similarity of reservation wages to market wages suggests that respondents were probably merely communicating what they knew about market-related wages.

Reservation and market wages were similar across education categories, although those with primary education and those with further education were prepared to work for less than market wages. These results suggest that it is not high reservation wages (if these are indeed a true reflection of reservation wages) that are preventing employment. Instead, these reservation wages may be the same as market wages because individuals can 'afford' to wait for higher paying jobs because of coping strategies such as welfare and intra-household transfers.

Figure 7: Reservation and market wages by education



Participants in both the employed and unemployed focus group discussions were asked what the minimum amount was for which they would be willing to work. Starting salaries and expectations varied.

Because I was fresh from school I had nothing in mind when it came to money, because what I was after was the experience. About R1 000 to R2 000 would have done. (E, DBN)

Most members of the Durban employed group said they initially had to settle for less than what they wanted:

I expected much because I was working hard. Even now I have not reached where I want to be. (E, DBN)

The cost of transport appeared to be a significant determinant of what constituted a fair salary.

I think it would depend on the transport money, but I think R2 500 to R3 000 is reasonable. (U, DBN)

In the Durban employed group, salary expectations ranged from R750 to R5 000 a month, and in the unemployed group, from R1 500 to R6 000 a month. Interestingly, therefore, the salary expectations of members of the unemployed group in Durban were higher than those of their employed counterparts. This was in contrast to the Johannesburg and Polokwane groups where unemployed participants were willing to work for slightly less than were the employed participants.

One member of the Polokwane employed group emphasised that the amount was not of concern.

I did not care how much I was going to be given. Poverty can drive you anywhere as long as you can get money that you will be able to take home with you. As long as I get a job and we can eat at home. (E, PLK)

Members of this group were reluctant to commit themselves to an amount, but when asked if they would accept salaries starting at R2 000, the participants said they would. Average minimum salaries cited by the Polokwane unemployed group ranged from R1 000 to R5 000. One member stated that R20 a day would be adequate, but then thought it through – ‘there is no problem, by the end of the month I can pay my transportation, okay, maybe R1 000 upwards’ (PLK, U).

Members of the Johannesburg employed group said when they started looking for work they expected unrealistic salaries, and had to learn about ‘market-related salaries’. Some who had studied said they had forgotten that a lack of experience would adversely affect the salaries offered to them. Some said all they were looking for was money for transport because they knew they lacked experience, and that gaining much-needed experience was their primary driver rather than money. One participant was satisfied with his/her initial salary: ‘I would say they met my expectations’ (E, JHB). Another was grateful to have a job irrespective of what he/she was paid: ‘I would take anything as long as I am out of the township’ (E, JHB). Nevertheless, salary expectations in the Johannesburg unemployed group were somewhat higher than the Polokwane and Durban employed groups, ranging from R2 200 to R15 000. One participant indicated that R3 500 would not be adequate: ‘That money would not cover my expenses because transport is expensive, this is Johannesburg’ (U, JHB). A lower salary was an obvious opportunity cost for gaining experience. One participant added that consideration should also be given to potential growth in the company. “It should not be the fact that I will keep on earning R3 000 for the next six years” (U, JHB). In this group, salary expectations ranged from R1 000 to R3 500 per month.

For some of the unemployed, the primary objective in finding work was experience rather than how much they earned; it seemed that these participants lived in situations where family members were able to support them until they gained adequate experience and either moved up within a company or found jobs that paid better salaries. The families of some members of the Johannesburg unemployed group appeared to be relatively well off and able to support them while they explored other career options such as writing and music.

The costs of looking for work

The employed focus groups said very little about the costs of procuring work, probably because most had acquired their jobs relatively easily. The Durban group discussed the costs of starting a business. A lack of capital was mentioned as the major impediment, and one participant said: ‘That is what holds us back, because we do not get loans easily’ (E, DBN). Another touched on the psychological costs of starting a business, stating that ‘most people in the township would be jealous of you,’ and would question the viability of the business (E, DBN). By contrast, the costs of job searches were very clear in the minds of participants in the three unemployed focus groups. Frequently mentioned expenses were those incurred in compiling a CV (U, JHB; U, DBN); making photocopies (U, PLK); making telephone calls (U, PLK);

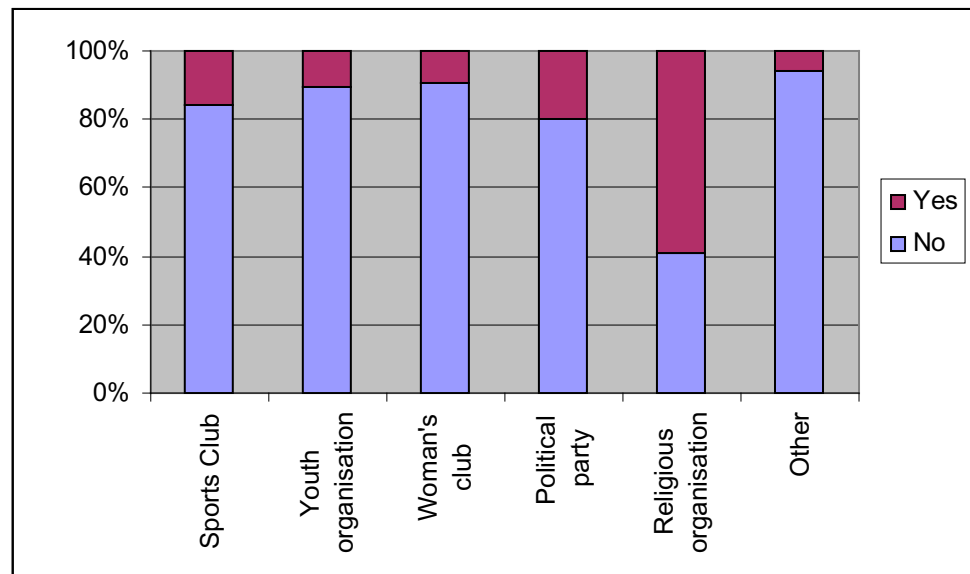
U, JHB); sending faxes (U, PLK; U, JHB; U, DBN); using the internet (U, PLK; U, JHB); and paying for transport to potential places of work (U, PLK; U, DBN).

In respect of starting a business, one respondent said ‘you need to have a start’ (U, PLK). This concept was clarified as ‘money’ or ‘capital’ by several other participants. Similarly, ‘it is difficult to start your thing if you do not have money’ (U, JHB). Durban participants (U, DBN) spoke about the need for a business plan and the costs of having this drawn up.

Social capital

We have noted that the most common way to find a job is through friends, family or other acquaintances. This can be broadly termed ‘social capital’. In this section we investigate mechanisms that can be used to broaden the pool of acquaintances. Members of the survey sample most commonly belonged to religious organisations (59 per cent). Surprisingly, young people were more likely to be members of political parties than of sports clubs. This challenges the perception that youths are obsessed with sport but politically disinterested.

Figure 8: Member of an organisation



Broadening contacts

People were also asked about the number of people they knew who could help them to find a job, and the number of people who could provide references. The median number was uniformly low across provinces – it seems as if young people only feel comfortable approaching two people for help in finding a job, or for references. This is unsurprising in a high unemployment environment where young people may not know very many people who are working and could help them to find a job. However, it is also disturbing, given that social networks do seem to be the most successful way of finding a job. Household members who are already employed are an impor-

tant resource within the household for finding a job. The median number of earners within the household was one, across all three provinces. This may be because people who find a job set up a separate household. This is especially likely among young people, who live with their parents or other family member until they find a job.

Table 19: Earners in the household

	Number in household	Number of earners
Gauteng		
Mean	5,08	1,50
Median	5	1
Std Dev	3,47	1,02
N	564	564
KwaZulu-Natal		
Mean	6,65	1,61
Median	6	1
Std Dev	3,51	1,12
N	263	263
Limpopo		
Mean	5,84	1,59
Median	6	1
Std Dev	2,26	1,13
N	269	269
Total		
Mean	5,64	1,55
Median	5	1
Std Dev	3,29	1,07
N	1 096	1 096

The role of volunteer work

Another way to acquire contacts and work experience is through volunteering. About 20 per cent of the survey sample had some experience of this, but it was more common in Gauteng and KwaZulu-Natal than in Limpopo. A slightly different picture emerged in the focus groups. Some members of the Polokwane focus group mentioned spontaneously that they had volunteered for work. One participant (U, PLK) mentioned that in her situation friction arose between voluntary and employed workers – the latter felt threatened that the volunteers’ skills might undermine their own positions. A Durban participant (U, DBN) said she helped with clerical work at a local high school in her spare time. In contrast with the survey data, almost none of the Johannesburg unemployed focus group had done voluntary work; some members expressed surprise to hear about this option, and how it worked. One exception indicated that she had worked in the field of ‘art, tourism and communication among different countries’.

Similarly, members of the employed groups were asked whether they had ever done unpaid volunteer work in order to gain experience, and, if so, whether this had helped them to access jobs. This had been the case with several, who had volun-

teered to work in the Department of Finance (E, PLK); as a police reservist (E, PLK); at a hospital in Pretoria (E, PLK); or for a doctor (E, PLK). As with the unemployed group in that city, the Johannesburg employed group also had minimal experience of voluntary work before obtaining permanent jobs. One participant indicated that people were reluctant to get involved in work that wasn't paid. Another (E, JHB) felt that people were 'too choosy', which worked against them getting jobs. Only one said that that she and her friends had done voluntary bookkeeping for a doctor for minimal pay (E, JHB). In Durban, several participants said they had done voluntary work before finding jobs. One indicated that volunteering had exposed her to diverse opportunities, explaining that 'when you are sitting at home watching television you would not see some of the things' (E, DBN).

Many members agreed that the experience gained in voluntary work had helped them to get permanent jobs. In Polokwane, a participant said volunteering was 'a good thing because you do most of the things, and when the posts come out it becomes easy for you to get employed' (E, PLK). The one Johannesburg participant who had volunteered said that she had gained 'communications' skills.

Umsobomvu and other youth organisations

Youth organisations offer one way for young people to improve their skills and potentially their success in the job market. The survey respondents were asked if they were aware of any such organisations. The Umsobomvu Youth Fund was the most commonly mentioned (81 per cent), followed by the Youth Commission (21 per cent) and Youth for Christ (17 per cent). Awareness levels were generally highest in Gauteng.

When asked what steps they were taking to secure jobs, or how they went about looking for work, focus group participants in the three cities did not mention Umsobomvu. However, discussions on Umsobomvu arose unprompted in the unemployed groups. Experiences of Umsobomvu tended to be negative. Despite Umsobomvu being mentioned during discussions, when the focus group participants were specifically asked in a questionnaire about which youth organisations they had heard, only 12 (six in Polokwane) of the 50 mentioned Umsobomvu. A total of 12 participants (all of whom were based in either Johannesburg or Durban) claimed to be aware of no youth organisations. Significantly, however, nine of these participants were unemployed and had clearly had less exposure to such organisations than their employed counterparts. It is apparent that both Umsobomvu and the ANC Youth League have had the greatest impact in Polokwane. Among the employed participants, there was comparatively strong awareness of the ANC Youth League, Umsobomvu and other organisations. A single mention was made of the National Youth Commission.

Figure 9: Awareness of youth organisations

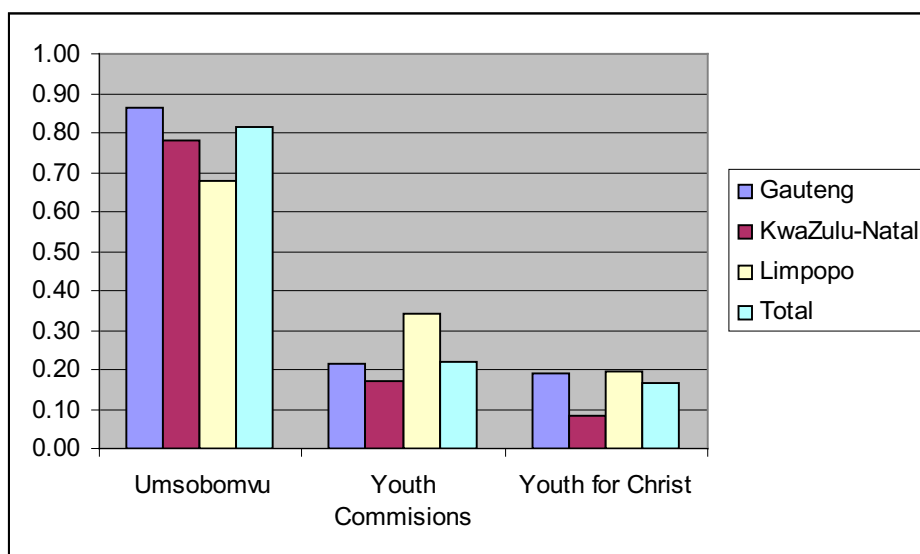


Table 20: Of which organisations have you heard, by locality

Organisation	Polokwane	Johannesburg	Durban	Total	%
Umsobomvu	6	2	4	12	24
ANC Youth League	6	2	2	10	20
Church	1	0	1	2	4
National Youth Commission	0	1	0	1	2
Other	4	6	3	9	26
None	0	6	6	12	24
Total	17	17	16	50	100

Discussions in the Durban unemployed group began on a positive note when one participant referred to the importance of Umsobomvu for finding employment.

I think what should be done is that government should alert school-going kids about Umsobomvu. This should be included in their curriculum. (U, DBN)

One Johannesburg participant said he was told to go to Umsobomvu in order to apply for capital for a start-up business, but the costs associated with travelling to their offices in Midrand were too high. His perception was therefore that the service offered was ineffective. Another member of the same group stated that ‘Umsobomvu always have different stories, they don’t give us enough information’ (U, JHB) and another added that they had kept a person ‘on hold’ for an entire day.

When asked whether Umsobomvu was helpful in the job search process, one participant stated that it was only helpful if one had a friend who worked there. Participants expressed concern about the theft of their business ideas, and that when business plans were taken to Umsobomvu, the latter approached banks for finance on behalf of the applicants. They also expressed concern about the way in which Umsobomvu operated:

When you go to Umsobomvu for advice, they refer you to other business partners and they say to give them R100 to register a cc and to reserve a name for your business, whereas it costs about R50 at the DTI to reserve a name of the business. And they tell you about a course that costs R400 and that you need to do that course so that Umsobomvu can assist you financially. Why do they send you to other organisations to train you? And when they find your business they say they are going to withhold 60 per cent of your business until you pay them whatever they gave you. (U, DBN)

When probed about the usefulness of youth organisations, almost 60 percent of participants said they had never heard of youth organisations, or that their experiences of them had not been fruitful. Participants in Polokwane seemed to be the most impressed with youth organisations, with 11 out of 17 stating that their assistance had been beneficial. Unemployed participants were more pessimistic than employed participants about the helpfulness of youth organisations, with two-thirds considering them ineffective. Those who said that youth organisations had indeed been helpful were asked to give reasons for their response. The main reasons were that the organisations had provided emotional support or access to information. Other reasons included a platform for networking, information about self-employment, training, and CV writing.

Unwillingness to help other Africans

Spontaneous discussions emerged in two unemployed focus groups about the lack of community assistance for the unemployed. Participants mentioned jealousy and extensive competition, which could deter black South Africans in particular from helping one another. This indifference to helping others appeared to be a cause for concern, of particularly in the Johannesburg and Durban groups.

I don't know if I am diverting from the topic, but we blacks do not want to help one another. (U, DBN)

We do not want to see other blacks succeeding. (U, JHB)

Although people provide family members with financial support and help them to find jobs, it seems they are not enthusiastic about helping others.

I live in a low-income family, and I was fortunate. My uncle was the one who was supporting the family and made me go to school and get what I wanted in life until today. (E, PLK)

This unwillingness to help others was mentioned by both the employed and unemployed groups in Durban.

The thing is that we blacks do not assist one another. Now, our president is failing to close the gap between rich and poor people. We will always be like this because we do not assist one another. We are fighting for tenders but we blacks are in charge of giving out those tenders. We do not want to uplift others.

That is why we always get donations from Europe, because we do not assist one another. (E, DBN)

Similar sentiments emerged in the unemployed Johannesburg group, following by a discussion of networks among foreigners in South Africa.

If you can look at Braamfontein, there are lots of Nigerians there. They look after one another [but] as South Africans we compete [with] one another. (U, JHB)

We blacks do not support one another, then when other people come in between us we use them as an excuse when we have always been divided. (U, JHB)

Comments by members of the unemployed Johannesburg group point to the close support systems among foreign Africans living in South Africa as opposed to those among local residents. The consensus was that South Africans should emulate this behaviour by unselfishly helping other black South Africans to find work.

Illegal immigrants

The issue of foreign workers in South Africa emerged unprompted in the unemployed Johannesburg group. Given prevailing xenophobic views it was surprising that others groups did not talk about foreigners taking jobs that could rather be given to South Africans.¹⁷ Members of the Johannesburg group observed that foreign workers were willing to fill jobs that were disliked by South Africans. It appears as though foreigners were not as concerned about how much they earned or the type of work they did as South Africans were:

It's embarrassing, because we have pride here in Johannesburg. (U, JHB)

Participants expressed concern about the ability of foreigners without any identity documents to find work in South Africa, while South Africans were unable to secure jobs. Some comments were:

It is a matter of how much they can earn. They can work for R1 000, and how much do you want, R4 000? (U, JHB)

I do not have a problem with them, he works for R800 a month and he has to carry thousands of bricks a day. I would never do that. (U, JHB)

I feel that it is not the fault of foreigners, because most of the time they take jobs that we do not like, but there are those who take jobs that are for us. (U, JHB)

The determinants of employment

A number of factors that may influence the probability of finding a job have been introduced. In this subsection these are econometrically tested in order to determine which of them are significant. Appendix 1 reports on probit estimations of whether an individual is employed or not. Those who are currently in education are excluded from the sample. The results reported are marginal effects evaluated at the mean. They are interpreted as the change in probability associated with a marginal change in the independent variable. Equation 1 reports a specification which controls for age, age squared, the education level of the individual, gender, whether an individual lives in an urban or rural area, and province.

The results from this initial specification suggest that older individuals are more likely to have a job, but that this probability increases at a declining rate. There are a number of reasons for this. Younger people may be supported by parents or other family members, and may therefore not have to find a job. Alternatively, if job entry exceeds job exit, and people retain jobs for long periods, this pattern could be generated by a random process – people who found jobs would leave the pool of unemployed, and this pool would shrink as individuals aged.

The effect of a low level of education is reported in comparison to someone with a senior certificate. Interestingly, those with only primary schooling and those with any further education are no more or less likely to find a job than those with a senior certificate. However, those who have not completed secondary school are 16 percentage points less likely to be employed than others of the same age and gender and from the same area with a senior certificate.

The average individual in this sample with a senior certificate has a 39,6 per cent probability of being employed, compared to 23,6 per cent for the average individual with only some secondary schooling. One possible explanation is that employers may use the senior certificate as a mechanism for distinguishing candidates. In a high unemployment environment where both senior certificate holders and non-holders are competing for the same type of job (which may be unskilled), the senior certificate may be the only means of selecting one candidate over another. Alternatively, non-completion of secondary school may be a proxy for some unobserved characteristic such as a poor work ethic or a lack of discipline.

The estimation results also indicate that males are much more likely to be employed than females. Females may have child care responsibilities and/or might be unwilling to forfeit eligibility for a child support grant, should they start to earn more than the prescribed limit. Alternatively, they might not want or need to secure employment. Residents of urban areas are more likely to be employed. This may be because there is a greater demand for labour in these areas, or because searching for a job in these areas is less costly. There seems to be little significant difference in the probability of being employed in the three provinces in our sample.

Responses to the question about whether they would be prepared to move elsewhere in order to obtain a job indicate that the more capable or those with established social networks close to jobs would be the ones who migrate. However, the positive effects of migration that results in employment may be offset by the negative effects

for those who are unemployed and who move to live with other family in places that are further from jobs but where it may be cheaper to live.

Having been taught in English at secondary school level is positively associated with finding employment, a link suggesting an enhanced ability to communicate in and understand English. Individuals who were best in their class were also more likely to be employed, but those who worked very hard were less likely to be employed. There is a negative correlation between hard work and placement in class. Those who achieve places lower in their class are more likely to have had to work hard in order to keep up. Ability, as measured with the Raven's matrices, does not seem to affect the probability of finding a job.

Although the number of earners in the household at age 15 is positively related to employment probability, this is not statistically significant at the 10 per cent level. Furthermore, there is no relation between the relative socioeconomic conditions of the household of a person aged 15 compared to other households in the area. Variables related to social capital, such as belonging to various types of social institutions, whether the individual has ever volunteered for unpaid work, and the number of people they feel comfortable asking for help with a job or a reference do not appear to be significant predictors of finding employment.

The analysis thus shows that:

- Age is positively related to probability of finding a job, but at a declining rate.
- Those who attend secondary school but do not obtain a senior certificate are much less likely to have a job than those who do.
- Urban dwellers and males are more likely to be employed.
- Social capital does not seem to contribute significantly to gaining employment.
- People who came top of their class are more likely to be in a job, but hard workers are less likely to have work.
- Those who received secondary education in English are more likely to be employed.
- Various observations have been made based on comments and suggestions by the employed and unemployed youths who participated in the focus groups. Youth organisations must market themselves among unemployed youths, and ensure that the services they offer are commensurate with the needs of the unemployed. There is a need to provide emotional support; workshops on CV writing, interview skills, and developing interpersonal and communication skills; access to basic services such as phones, faxes, photocopying machines, and the internet; create awareness of what skills are required for various positions; and create platforms for networking.

Attitude plays a pivotal role in an individual's job search. Unemployed youths need to be proactive, motivated, persistent, flexible, and realistic in their expectations. While education and the ability to learn English are more difficult to impart, volunteerism should be encouraged as it creates opportunities to gain experience and develop interpersonal and communication skills, and also creates a platform for networking. Finally, community plays an important role in finding work. For the

unemployed, family support – both financially and emotionally – is essential; the latter is particularly significant when despondency sets in. The development of a sense of community, in contrast with references to black people not wanting to help one another, is important as it provides a platform for networking, and allows youths to make contact with employed people who may know of opportunities within their companies.

Entrepreneurship as an option

When asked about starting their own small businesses, participants tended to recognise that this required both capital and a business plan. The inability to access capital for such purposes was viewed as a major impediment to entrepreneurship, as was the lack of the skills needed to develop a business plan.

If you want to start a business, you need to have money and a plan. (U, PLK)

Many members of the Johannesburg unemployed group had never considered self-employment; in contrast, some members of the Durban unemployed group had already been self-employed in businesses such as hairdressing, shoe selling, and ice cream shops. A challenge to entrepreneurship was competition:

If you sell sweets in this corner, then somebody would want to open his informal business on the other corner, then you will find that on the same spot there are ten of you selling similar things. (U, JHB)

Jealousy was seen as an additional deterrent to starting one's own business:

Most people in the township would be jealous of you, so most of them would be saying that we will soon see this business end. (E, DBN)

One member of the Polokwane employed group saw entrepreneurship as a viable option:

There are even more opportunities for those who are unemployed than those who are employed. And lots of money. They should start small and not from a bigger perspective but smaller and their business will eventually grow. (E, PLK)

Everybody thinks about business, but I always think that every time when you think about business you think about income but you must also dream big about your business. One should know that you have to start small but knowing that you are going somewhere that is why people end up leaving or staying out of business because they do not dream big. (U, JHB)

With regard to applying for finance to start one's own business, there appeared to be a lack of funding sources:

Yes, others they want to help, but the problem is that they want bank statements and we are broke, we don't have money. If you want a loan they tell you they want three months' bank statements, so there is nothing we can do because we are not working. (U, PLK)

The appeal of being one's own boss was influenced by the ability to have flexible working hours, independence, and a sense of achievement if one's business proved successful. Some members of the Johannesburg employed group said they aspired to self-employment:

It is something I want to do in a couple of years to come. E, JHB

For others, entrepreneurship was less appealing. Concerns relating to financial insecurity were cited.

I do not want to start a business because I do not want to frustrate myself about monies. It is a stress to run a business. E, JHB

For others, it was something that could potentially be explored in addition to wage employment:

You have to have extra cash on the side. I do not want a business that I will focus on full time. (E, JHB)

While entrepreneurship was appealing to some, most participants preferred wage employment and the associated financial security.

Bribery and nepotism

Concerns about bribery appear to be widespread. Members of all the unemployed groups as well as one employed group identified bribery as a challenge faced by those looking for employment. In the unemployed groups the issue of bribery emerged when participants were asked why people with similar backgrounds to them had found jobs while they had not. 'Others bribe to get employment' (U, DBN) was one response. Bribery was noted in order for one to merely submit one's CV:

I remember when they advertised for posts for the defence force. One had to bribe with R10 for the CV to be taken. (U, JHB)

In addition, bribery is apparent when being placed in a job:

And there is this guy I know he is working at [a large utility company]. He said for him to place me I have to give him R3 000. Where am I going to get it? (U, JHB)

Other participants mentioned that people who were in a position to give others jobs often gave preference to family members rather than outsiders.

Sometimes... you find that maybe in the companies the people immediately they don't tell you, they take their family members. (U, PLK)

Some members of the Johannesburg employed group believed this was also the case in the public sector:

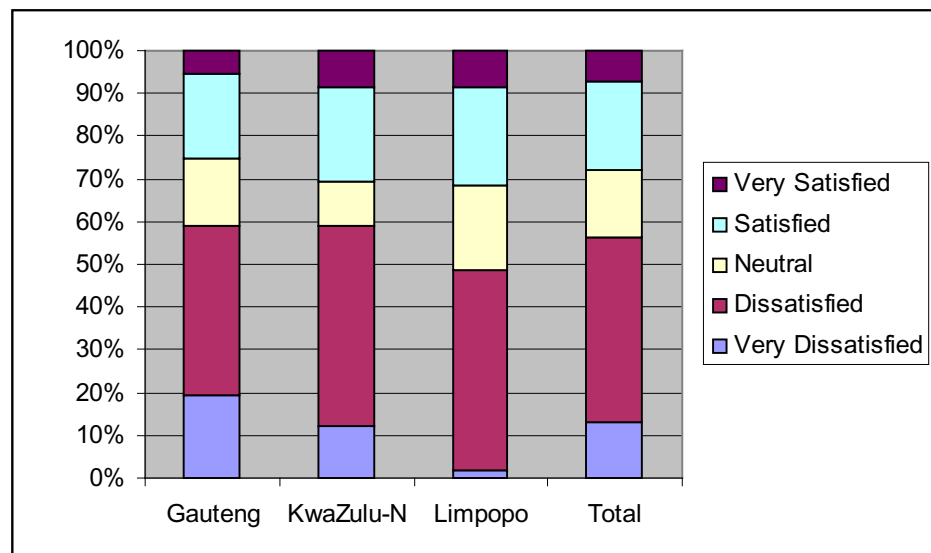
I think, if you look at this point of view, in government there is a lot of corruption going on there. When there is a post, they take their relatives and so on. (E, JHB)

However, other members of the same group with public sector jobs were offended by these perceptions of nepotism in government departments.

Young people's perspectives

From the survey it emerged clearly that the most common status among youths is to be unemployed. But are they unhappy in this state? Furthermore, are they aware of youth organisations that may provide help and support? Young people were asked about their general happiness as well as changes in their attitudes during the previous two years. In general, more people were dissatisfied with their lives than satisfied. The proportions of individuals who were satisfied or very satisfied varied from just over 30 per cent in Limpopo to about 25 per cent in Gauteng.

Figure 10: Satisfaction with life in general

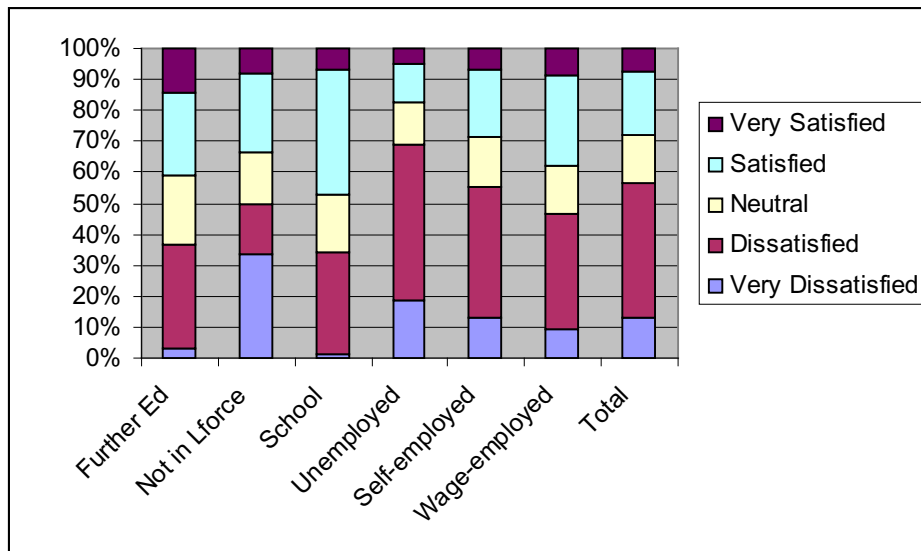


Dissatisfaction was highest among the unemployed. Almost 70 per cent of this group were either dissatisfied or very dissatisfied with life in general. The self-employed was the only other category with a dissatisfied majority, but even a large proportion of wage employed were dissatisfied. The highest proportion of satisfied people was among those in school and further education. These high levels of dissatisfaction obviously have major negative social implications; these young people are more likely to indulge in risky (including sexually risky) behaviour as well as crime. They

are also likely to be disenchanted with the current political dispensation, and therefore potential constituents for populist politicians.

The survey sample was roughly evenly split between those who thought their lives had improved, those who thought their lives had stayed the same, and those who thought their lives had deteriorated over the previous three years. Not surprisingly, those who were most satisfied with their lives were also most likely to think that their lives had improved. Those who had attended school or were receiving further education were most likely to claim that they were more satisfied with life than they were three years previously. The self-employed and wage employed were also more likely to think that life had improved than the converse. Unsurprisingly, almost 50 per cent of the unemployed claimed that they were less satisfied with life in general than they had been three years previously.

Figure 11: Satisfaction with life in general by activity



Crime

In the Durban unemployed focus group, when asked what it meant not to have a job, one participant stated that he had seriously considered turning to crime, but did have some reservations. This indicated that crime was a real consideration for the unemployed. Members of the three unemployed groups were asked whether crime was a form of employment. Responses varied; in some instances, as the discussion progressed, this appeared to become more acceptable, and participants were more open in responding to questions about what types of crime they might consider as employment. The Durban group made the biggest contribution to the discussion on crime; its members seemed very comfortable about discussing this issue openly. When asked whether they regarded crime as a form of employment, one participant answered:

Yes, because it is not nice to sleep on an empty stomach. (U, DBN)

Some participants stated that unemployed people engaged in crime because they did not have an alternative.

I think people do this because they don't have jobs. (U, PLK).

It is not work, but the way people suffer or being out of work they think of it as a way out. But at the end of the job, it is not employment. (U, JHB)

Some participants remained adamant that crime was not a form of work.

For me, I don't see it as a job and I won't take it as a job. (U, PLK)

People do crime and some succeed, but technically speaking it is not work. (U, JHB)

I would never take crime as employment. (U, DBN)

For some participants, certain types of crime were more acceptable. On the whole, violent crime was unappealing, while activities such as petty theft were more inviting.

No, you do not have to murder someone. (U, JHB)

I think it depends what kind of crime it is; murdering people is not employment. (U, DBN).

It appeared that as long as no one was being harmed, some considered crime a form of employment. More tolerable forms of crime cited by the Johannesburg group included theft and CD piracy. Acceptable forms of crime suggested by members of the Durban unemployed group included cell phone theft (with one participant adding that he/she is not killing that person), as well as identity fraud, shoplifting, cash heists, vehicle theft, and CD piracy. One member of the Polokwane unemployed group stated that those engaged in crime considered this to be a job:

It can be work. It depends if you are mafia or not, but to people who do crime it's a job for them, even if they hurt people. (U, PLK)

Attitude towards unemployment

The members of the three unemployed groups dealt with the issue of what it means to be unemployed. Mention was made of both material and emotional difficulties emanating from the inability to find employment. Among the challenges that arose were those relating to dependency, financial limitations, and the inability to further one's education owing to the associated costs. Furthermore, self-confidence and one's sense of self-worth were reported to be affected by the inability to find employment. The desirability of employment was attributable to its capacity to satisfy material needs and to influence positively one's sense of self-worth and self-confidence. This is evident in the following statements.

It causes divorces, because if you do not bring food home a wife would leave.
(U, JHB)

I am the older one at home, and I feel that I have to set an example at home for the younger ones. (U, DBN)

To me it is a problem because I am over 21 and I do not want to depend on my parents. And when I want to further my studies I will not be able to. (U, DBN)

Unemployment causes misery, depression and it is dangerous, and some people end up committing suicide. (U, JHB)

It also kills your confidence because you can't be in control of your family financially. (U, JHB)

While most participants said that they would not give up looking for work, it appeared to require a great deal of motivation and perseverance that some found difficult to maintain. Despite this, some participants remained positive about finding work:

Every day when you buy a newspaper you just check in case there is something.
(U, JHB)

If I apply I send lots of applications . . . they don't respond and they don't call me for interviews . . . this thing is demoralising. (U, PLK)

I do not give up because I know that I will never spend the rest of my life not working. (U, JHB)

I told myself that one day it will be okay. (U, PLK)

For some, a sense of self-worth measured against those of their peers seemed to be a motivating force. For others, family responsibilities or pressure from parents ensured that they continued to look for work.

The situation at home puts pressure on me, because when I have to eat I think of my children first and that is why I have to go out and work so that I can put food on the table. (U, DBN)

A handful of participants were optimistic about future job prospects:

2010 is on its way. Yes, we will build the stadiums or we will be secretaries. (U, PLK)

As long as we are still alive, we will never lose hope. (U, PLK)

Attitude towards employment

Members of the employed focus groups in all three cities referred to the need to have the right attitude when looking for work. There were suggestions that some people don't find work because they are too fussy or their expectations are too high. For some, the way one presented oneself when going for interviews was vital if one wished to find work.

It would be a problem of status. . . There are some who did their degrees and are waiting for companies from heaven to come and hire them and they do not do things for themselves. (E, PLK)

I think it is all about attitude from day one. You go for an interview and when you arrive you already have the negative thoughts; you tell yourself that this is not my job. You are not going to get a job. (E, JHB)

Members of the Johannesburg employed group were adamant that self-presentation was vital in seeking employment. Furthermore, they appeared to agree that work-seekers should not be too fussy, as they could always work their way up.

When you go for interviews, how do you present yourself? Do you look presentable and professional? And how do you speak to these people? (E, JHB)

Be flexible, explore and volunteer even if it is a cleaning position. Go there because you do not know what might come afterwards. I would say you have to [have] an open mind to anything. (E, JHB)

Members of the three employed groups were asked what motivated them to go to work, and what demotivated them. Money and responsibilities appeared to be the leading motivational factor for going to work.

Its money, what can I say, its money. (E, PLK)

Debts. (E, JHB).

For others, personal and career growth were motivating factors.

I want to grow and develop. (E, JHB)

I am motivated by the fact that I am a breadwinner at home; nobody else is working. (E, DBN)

Conversely, what demotivated many participants was a lack of recognition and of growth.

I don't get recognition for the work that I do. For example, today we had visitors from Mpumalanga who were coming to congratulate us and tell us that we are doing a good job, and the supervisors did not even bother to tell us that we are doing a good job. (E, PLK)

If you are expecting a promotion, then you do not get it. Maybe your boss does not appreciate you. (E, DBN)

Other factors that demotivated people were communication problems and poor relations with colleagues:

Fights. (E, JHB)

Office politics. (E, DBN)

If your colleagues are not nice to you. (E, DBN)

Additional difficulties faced in the workplace included salary increases that are not commensurate with additional training, long hours, and a change in job description without additional remuneration.

I love the job that I am doing, but the problem is the money, and when I ask my employer to increase my salary he gets angry. (E, PLK)

Most members of the Polokwane employed group said they were happy with their jobs but dissatisfied with their earnings. Members of the Johannesburg group cited stagnation as a reason for leaving previous jobs.

I quit my first job because I felt that I was not growing there. (E, JHB)

For me, it is the career that is stagnant, not growing. (E, JHB)

Despite the fact that many members of the employed groups were unhappy with their jobs, none of them said they would consider resigning before they had another position. This view appeared to be driven by the need for an income, and a fear of being unemployed.

And for me, I have been wanting to quit my job, but if I quit today there is no guarantee that I will find another one tomorrow. (E, JHB)

Some participants who were happy with their jobs said that this was because they were stimulated, and because working gave them purpose.

Members of the employed groups were asked what it meant to them to have a job. Financial freedom, a sense of self-worth, opportunities for personal growth, and the ability to provide for one's loved ones were some of the benefits cited.

At the end of the month I can put food on the top of the table and settle my accounts. It has changed my life. I don't have to beg for money anymore. (E, PLK)

To be able to support yourself financially. (E, JHB)

I would say it is growth, responsibility, enjoyment and it is everything. (E, JHB)

More especially, we have children, so it is like the air I breathe so I can't function without a job. (E, DBN)

Everybody says that without money you are nothing. (E, DBN)

Back to Andile

In conclusion, we return to Andile Ngcobo under the bluegum tree in Umbumbulu. Can we identify the point where he was pushed to the margins of the labour market? It was probably when he gave up his formal sector job in Johannesburg. He is now stuck in a rural area on the fringes of the eThekweni metropolitan area. Jobs are

scarce in this impoverished community, and transport costs to Durban or Amanzimtoti where there may be jobs are high. Furthermore, no member of his family has a regular job, and thus there is little hope that he will find a job through them. How does he get back into the labour market? Unfortunately, there seems little he can do except make the weekly journey to the beachfront hotels to look for jobs. His only real hope is for the pool of available jobs to grow. Creating an environment that is friendly to the employer and the potential entrepreneur is thus a pressing priority for government, in order to expand the pool of job opportunities.

Summary of research findings

- Millions of young South Africans, with a wide range of levels of education and degrees of employability, are chronically unemployed. As a consequence the country faces the major challenges of enhancing the quality of secondary education, and creating an environment conducive to the creation of large numbers of new work opportunities. Efforts to date have had very little impact, perhaps because there are considerable constraints preventing even hard-working and innovative youths from gaining employment or self-employment. Accordingly the number of unemployed youths continues to grow alarmingly.
- Job-seekers lack any systematic and/or professional approach to finding jobs. Asked what methods they used to find work, most indicated that they had relied on family, friends and relatives for contacts.
- There is great scope and an urgent need for interventions at the points at which learners in the schooling system reach grades 10 and 12, as these are the natural departure points from the schooling system.
- Unemployed youths gave a variety of reasons for their lack of success in finding a job, despite having put considerable effort into the search. Only 6 per cent cited discrimination as a reason, with the others citing a lack of relevant educational background, a lack of skills, and being discouraged.
- For these reasons this report confirms an assumption made in planning the research, namely that the key blockage in the process by which young people gain employment is the point of first contact between them and the employment system. This is an international trend, but many other countries appear to have greater success in linking youth with employers seeking full-time long-term staff. This report makes several recommendations in this regard.
- A further finding of interest is that youthful job-seekers are persistent and are capable of articulating the consequences of failing to become employed. Table 21 shows the complex nature of issues surrounding a first job.
- A large percentage of employed young people tend to hold their first jobs for only one year before moving on to another job or dropping into unemployment. It appears that the chance of a long-term job increases only after five years of being employed. In contrast, if a self-employed person is able to sustain his/her business after the first year, its long-term prospects increase substantially.

- Most unemployed young people are dissatisfied with their lives. This has major negative social implications. It inclines young people towards risky behaviour and crime, and provides a ready-made constituency for populist politicians. Unemployment is not only associated with unhappiness but also with hunger; more than two-fifths (43 per cent) of the survey sample had experienced problems with satisfying household food needs.
- Besides the widespread occurrence of unemployment, unemployment tends to last for a long time. Three-quarters of unemployed youths have been jobless for more than a year, and a quarter for more than five years. By age 30 many of the unemployed have never had a job, and seem likely to remain on the fringes of the labour market for the rest of their lives. Conversely, those with previous work experience spend less time in unemployment.
- There are fundamental differences in the nature of job trajectories in self-employment and wage employment. Self-employment is, in almost all cases, a once-off activity. Those who remain in self-employment tend to do so for a long time. Those who leave self-employment usually do so after one to two years. There are a number of reasons for this. Self-employment may be a low-level state of equilibrium for those who cannot find a wage job. Alternatively, it may be an activity in which people engage while searching for wage employment. It may also provide similar returns to available wage employment opportunities. There is evidence from other African countries that earnings from self-employment are similar to those from employment in small firms. Certainly it seems that all these explanations may be relevant, and that self-employment is more nuanced than one is often led to believe by the popular 'second economy' view. Indeed, it seems that there are at least two broad groups engaged in self-employment: those for whom it is transitory, and those for whom it is a permanent state. The permanent state can be broken down further into two groups: those who have nowhere else to go, and those who could be employed somewhere else, in a small firm for example, but choose to remain in self-employment because earnings are better.
- This report has introduced the notion of 'social capital' in job searches. The term refers to parental and family systems or relatives or friends who can help young people to find jobs, or direct them to training that will improve their chances of employment. In developed economies the system of 'who you know' is so well established as to be almost taken for granted; but in a developing economy it should be consciously activated during job searches. A way for young people to increase the pool of people who may help them find a job is to volunteer for unpaid community work or join social organisations. Three-fifths (60 per cent) of the survey sample were members of a religious organisation, while one-fifth (20 per cent) were members of a political party. One-fifth (20 per cent) had done some form of voluntary work. However, despite focus group assertions to the contrary, there seems to be little statistical correlation between any of these forms of social capital and finding a job.
- A number of factors are correlated with being employed, either in wage or self-employment. Older people are more likely to be employed, although this effect declines with age. This may be because families become less tolerant of supporting young people as they grow older, and because, as people grow older, they may want to marry or may have to support children, which require a job. Alternatively,

this finding may simply be driven by a random process. If people randomly find jobs and retain these jobs for a period of time, the pool of unemployed becomes smaller with age.

- Gender is also significantly related to employment. Males are about 16 per cent more likely to be employed than females. This may be because females have other responsibilities related to the family, or that barriers of entry to employment are higher for females than for males. An example of this is that females are generally less willing or able to travel to jobs that are far away from their families.
- In general, the young people surveyed put considerable effort into their first job searches. However, they appeared to underestimate some important factors which could form part of the counselling they should receive. These are:
 - The importance (if possible) of a sound relationship with their parents (if they are living as a family), or their father or mother.
 - A good knowledge of English
 - A willingness to move in order to take a job. Fewer than 50 per cent of the sample said they would be willing to move to places where jobs were available.
 - Self-confidence to point out to prospective employers that they had ‘worked hard’ to get the qualifications they have.
- Wage employment is much more common than self-employment, and young people have often had more than one period of wage employment. Wage-paying jobs last an average of 15 months. First jobs are usually longer than subsequent jobs, with subsequent jobs generally lasting only one year. Most wage jobs are found through friends and family, although this is not the most common search method. Answering advertisements and enquiring at workplaces are more common methods. This is understandable given that searching through friends and family is limited by the size of family and circle of acquaintances. These friends and family also need to be employed, or at least know employed people for this search method to work. Most youths feel uncomfortable when they have to ask more than two people for help in finding a job.
- This report contains many other insights into the lives of first-time job seekers, and will be a valuable resource for any agency working in the field. Factors that help or hinder job-seekers are summarised in Table 21.

Table 21: Factors that assist or impede access to jobs (drawn from the focus group findings)

	Positive influences	Obstacles
Attitude	<ul style="list-style-type: none"> • Hope • Motivation • Perseverance • Ambition • A proactive approach • Realistic job expectations • Realistic salary expectations • Flexibility on job, salary and location • Awareness of responsibilities 	<ul style="list-style-type: none"> • Despondency • Lack of self-confidence • Unrealistic job expectations • Unrealistic salary expectations • Inflexibility on job type, location and salary • Aversion to competition • Passivity
Education	<ul style="list-style-type: none"> • Matric • Further education 	<ul style="list-style-type: none"> • No secondary education • No tertiary education • Being over-qualified
English-speaking ability	<ul style="list-style-type: none"> • Ability to read, write and speak English creates more job opportunities • Basic knowledge of English advantageous, even for manual labour 	<ul style="list-style-type: none"> • Inability to read, write or speak any English
Experience and skills	<ul style="list-style-type: none"> • Technical skills • Networking skills • Communication skills • Interpersonal skills • Diplomacy • Volunteerism • Self-marketing skills • CV writing know-how • Sound interview skills 	<ul style="list-style-type: none"> • Poor communication skills • Lack of experience • Extended period of unemployment • Inability to access finance for self-employment • Inability to design business plan for self-employment • Inability to be entrepreneurial
Resources and services	<ul style="list-style-type: none"> • Accessibility and availability of Internet, newspapers, fax machines, phones, photocopying machines 	<ul style="list-style-type: none"> • Inability to access the Internet • Expense of phones, faxes, Internet, photocopying, transport • Ineffective recruitment agencies • Inadequate knowledge about Internet-based recruitment/job websites
Youth organisations	<ul style="list-style-type: none"> • Awareness of youth organisations • Accessibility of youth organisations • Realistic expectations of organisations 	<ul style="list-style-type: none"> • Shortage of effective youth organisations or limited access to existing organisations • Inferior knowledge of youth organisations
Community	<ul style="list-style-type: none"> • Networks • Contacts in jobs • Family support 	<ul style="list-style-type: none"> • Misperceptions about foreigners • Absence of social/community base of employed contacts • Nepotism and bribery

Long duration of unemployment and the difficulty in escaping this state highlights the importance of finding a first job. About 90 per cent of first jobs are in wage employment, although this figure is lower in Limpopo and KwaZulu-Natal than in Gauteng. This is likely to be because Gauteng has many more wage jobs available or that barriers to entry in self-employment are lower in the other provinces. First jobs typically last 17 months for those in wage employment and 21 months for those in self-employment. Those living in urban areas are also more likely to be employed than those in rural areas. This may be because there are more jobs in urban areas, because those who settle in rural areas have failed in their job search in urban areas and thus move back home.

- Being taught in English at secondary school is positively associated with employment. There is no evidence that analytical ability makes a difference; however, good scholastic performance is positively associated with employment. This may be because it gives individuals confidence in their own abilities, or because they may have skills such as time management or good communication that are not immediately observable but generally correlate with both academic achievement and finding a job. Surprisingly, hard work at school is negatively correlated with employment. This may be because people who are weaker in terms of academic ability have to work harder.
- Finally, there is no evidence that further education makes it easier to find a job. However, this finding might be attributable to the wide variety of types of further education received by the survey sample. Non-completion of secondary school is negatively associated with employment. Those without a senior certificate are 14–17 per cent less likely to be employed than identical individuals with matric.

Policy implications

What do these findings mean for policy? It is clear that job market entry is very important in the South African context. Finding a first job can set an individual on a significantly different trajectory than those of people without a job. A report of this nature can only provide a broad overview of factors that matter, and more detailed analysis is required of some of the specific areas that have been highlighted. Ultimately, though, the bulk of unemployed youths will not find jobs unless the rate of job creation is massively escalated. Education and training will be worthless if there are no jobs for the trained, and the nature and quality of education and training provided need to meet the needs of potential employers.

Opportunities for self-employment also have to be massively amplified. This report has highlighted the nuanced nature of self-employment, and the fact that it is not only a fall-back for those who cannot succeed in the formal labour market. Evidence from other countries in Africa shows a large degree of overlap between self-employment and wage employment in small firms. In order to increase opportunities in this sector, factors that adversely affect entry need to be addressed. There is evidence that crime deters people from entering self-employment,¹⁸ and that the burden of tax and labour market regulations fall disproportionately on smaller firms,¹⁹ thus acting as a

disincentive for employing more people. Small businesses that take up the burden of compliance with skills development and other labour laws are the most vulnerable to decreased productivity and declining revenue in the short term.

The importance of obtaining a senior certificate has been clearly demonstrated. However, the national matric pass rate actually declined in 2006. Furthermore, high youth unemployment rates indicate that young people may not be learning the right skills that will properly equip them for the job market, or help them to start their own businesses. There is scope for significant reforms in the South African school system. Schools that perform well need to be rewarded and given more freedom, whereas dysfunctional and poorly performing schools need to be closed down. Parents and learners need to be allowed to choose schools that suit their needs. The public schooling system is failing because schools do not accept responsibility for their performance, or are not rewarded or sanctioned for their outcomes. However, school reform in itself will not reduce youth unemployment. The necessary condition for this is sustained economic growth.

Education and training should provide the skills young people need to enter the jobs market. These should include life skills such as writing CVs, doing interviews, and networking, which should be offered by school guidance programmes. Job search techniques utilising various forms of media (such as the Internet and newspapers) should be taught, while participation in organisations outside the school (such as civil society organisations) should be promoted to ensure that young people interact with employed South Africans. Religious organisations should similarly promote networking and interaction among community members. In addition, a culture of helping fellow citizens to find work should be developed. Members of communities should advertise vacancies at their workplaces, and social events should provide a platform for networking. Religious leaders should also instil a culture of volunteerism.

Both government and youth organisations have a key role to play. Organisations aimed at promoting youth employment should be accessible to young people throughout South Africa, and attention should be paid to negative perceptions of their activities. Youth organisations should consider offering workshops about CV writing, interview skills, and networking skills, as well as seminars on maintaining a positive attitude and a proactive approach to finding employment. The importance of flexibility in one's first job should be instilled. 'Unemployed discounts' (similar to discounts for pensioners) should be offered at places where photocopying, faxing and Internet usage is provided to reduce the costs associated with looking for work. Alternatively, facilities should be provided at municipal or recreation centres. Employers should be incentivised to hire volunteers, thereby allowing unemployed youths to gain experience and develop their skills.

1. Schools, government agencies, employers, and school leavers should be given a clear understanding of the situation; school leavers should be given information that will help them to apply for their first jobs.
2. A summary of this report should be made available to job-seekers, employment agencies, and employers to increase the likelihood that a first job will become the beginning of a career. Both this recommendation and the previous one will require a public-private partnership in the form of an organisation.

3. This study should be followed up to see whether any agencies of this kind operate in other countries, and if they do, information should be obtained about them and adapted to South Africa to improve local organisations' chances of success.
4. Learners must have opportunities to gain knowledge and master skills that are actually needed in the workplace. This implies that the curriculum for Grades 9–12 should be reassessed.
5. Schools should use proven methods for identifying potential entrepreneurs and providing them with guidance and assistance.
6. The government should further strengthen those youth development bodies that can or do support first-time job-seekers. The funding of such organisations should be related to their rate of successful placement of young people in employment or self-employment.

Appendix 1: Probit estimates of employment

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Age	0,129 (2,30)**	0,132 (2,34)**	0,140 (2,47)**	0,148 (2,60)***	0,133 (2,36)**	0,128 (2,26)**	0,154 (2,66)***
Age 2	-0,002 (1,94)*	-0,002 (1,98)**	-0,002 (2,09)**	-0,002 (2,21)**	-0,002 (2,01)**	-0,002 (1,88)*	-0,002 (2,26)**
Primary or less	-0,035 (0,46)	-0,033 (0,43)	0,006 (0,08)	-0,008 (0,10)	-0,021 (0,27)	-0,045 (0,58)	0,025 (0,31)
Some secondary	-0,160 (4,22)***	-0,163 (4,28)***	-0,140 (3,59)***	-0,145 (3,67)***	-0,159 (4,19)***	-0,165 (4,29)***	-0,141 (3,48)***
Any further	0,003 (0,07)	0,005 (0,13)	0,020 (0,50)	0,017 (0,42)	-0,003 (0,07)	0,004 (0,09)	0,018 (0,43)
Male	0,162 (4,77)***	0,164 (4,80)***	0,169 (4,89)***	0,168 (4,86)***	0,161 (4,71)***	0,159 (4,40)***	0,161 (4,37)***
Urban	0,200 (4,12)***	0,203 (4,19)***	0,189 (3,87)***	0,197 (4,02)***	0,198 (4,08)***	0,198 (4,04)***	0,191 (3,84)***
Gauteng	-0,025 (0,56)	-0,015 (0,33)	-0,026 (0,58)	-0,006 (0,13)	-0,024 (0,55)	-0,028 (0,62)	-0,007 (0,16)
Limpopo	-0,055 (1,06)	-0,060 (1,16)	-0,053 (1,02)	-0,038 (0,72)	-0,060 (1,16)	-0,057 (1,08)	-0,054 (0,99)
migrate		-0,044 (1,14)					-0,036 (0,90)
English at secondary			0,079 (2,10)**				0,078 (2,02)**
Hard worker at school				-0,083 (1,95)*			-0,081 (1,88)*
Top of the class				0,112 (2,20)**			0,102 (1,97)**
High ability				0,056 (1,30)			0,061 (1,38)
Earners in HH when 15					0,030 (1,52)		0,029 (1,38)
Worse off than others when 15					-0,040 (0,92)		-0,026 (0,58)
Youth org						-0,084 (1,35)	-0,055 (0,85)
Religious org						0,002 (0,06)	-0,006 (0,16)
Sports club						0,036 (0,70)	0,036 (0,67)
Women's org						-0,008 (0,12)	0,021 (0,31)
Political org						-0,038 (0,85)	-0,046 (1,00)
Volunteered						0,002 (0,04)	-0,021 (0,46)
Number help with finding a job						0,001 (0,65)	0,001 (0,30)
Number of references						0,000 (0,16)	0,001 (0,29)
Observations	912	912	892	892	912	907	887

Absolute value of z statistics in parentheses

* Significant at 10% ** Significant at 5% *** Significant at 1%

Endnotes

- 1 All names in this report have been changed to protect the anonymity of the respondents.
- 2 Statistics South Africa, 2007. P0210 – Labour Force Survey (LFS), September 2006. <http://www.statssa.gov.za/publicationsHTML/P0210September2006/html/P0210September2006.html>
- 3 A Banerjee, S Galiani, J Levinsohn and I Woolard, 2006, Why Has Unemployment Risen in the New South Africa? Centre for International Development, South Africa Growth Initiative Working Paper, Harvard University, 2006.
- 4 Ibid.
- 5 G Kingdon and J Knight, What have we learnt about unemployment from micro datasets in South Africa? *Social Dynamics*, 27:1, 2002.
- 6 Statistics South Africa, op. cit.
- 7 Banerjee et al, Why Has Unemployment Risen in the New South Africa?
- 8 D Casale and D Posel, The continued feminisation of the labour force in South Africa : an analysis of recent data and trends, *South African Journal of Economics*, 70:1, 2002.
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- 10 P Ryan, The school-to-work transition: a cross-national perspective, *Journal of Economic Literature*, 39:1, 2001.
- 11 In fact, in one area residents called a security company to escort field workers from the suburb.
- 12 Quotations from the discussions are referenced as follows: (Group Type, Group Location) with the abbreviations U for Unemployed and E for Employed, and abbreviations for Polokwane (PLK), Johannesburg (JHB) and Durban (DBN).
- 13 H Bhorat and M Oosthuizen, The post-apartheid South African labour market, Development Policy Research Unit Working Paper 05/93, University of Cape Town, 2005.
- 14 Banerjee et al.
- 15 Ibid.
- 16 Raven's progressive matrices are non-verbal intelligence tests, requiring the completion of a pattern by filling in the missing part.
- 17 Levels of xenophobia were found to be relatively lower in Johannesburg in another recent study of skills in South Africa (Schlemmer, forthcoming, 2007).
- 18 P Cichello, C Almeleh, L Ncube and M Oosthuizen, Perceived Barriers to Entry into Self-Employment in Khayelitsha, South Africa: Crime, Risk and Start-up Capital Dominate Profit Concerns, Paper presented at the TIPS/DPRU conference 2006, 2006.
- 19 N Rankin, The regulatory environment and Semmes: evidence from South African firm-level data, Development Policy Research Unit Working Paper 06/113, University of Cape Town, 2006.

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Cover: School children walking home from school in Orange Farm, south of Johannesburg.
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