

# BREAKING BARRIERS

This quarterly analysis from Harambee Youth Employment Accelerator draws on research, data and insights from nearly 300,000 work-seekers who are locked out of the formal economy and at risk of sustained, long-term unemployment. Harambee uses this research to develop insights and drive interventions that can more effectively transition unemployed young people into jobs, and address the global challenge of youth unemployment.

Since its inception five years ago, **Harambee has:**

- Enabled the placement of 35,000 young people into entry-level jobs across the South African economy;
- Administered over 1 million assessments to excluded youth. These provide valuable information about their potential and match to jobs;
- Worked closely with the private sector and government to define scalable solutions to youth unemployment that are built on successful partnerships.

## Youth employment and unemployment in South Africa



(Based on data released by Statistics South Africa Quarterly Labour Force South Africa, Quarter 4: 2016)

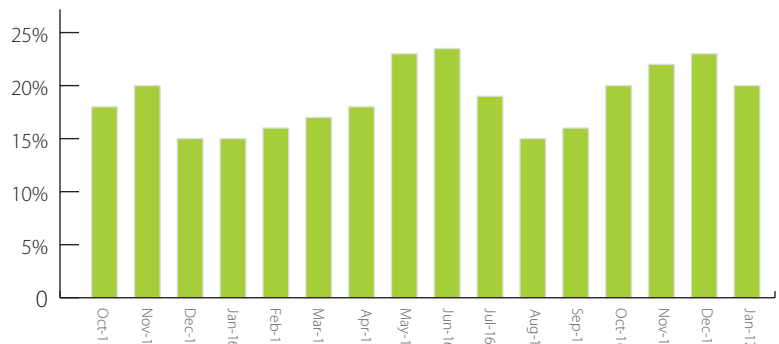
Statistics South Africa's latest Quarterly Labour Force Survey finds that the unemployment rate in South Africa in quarter 4 of 2016 declined slightly from the previous quarter to 26.5%. This is as a result of job growth in sectors like services, transport and manufacturing, and a decline in the number of people looking for work. Statistics South Africa also reports the overall youth (18-34) unemployment rate is at 37.1%, a decline of a percentage point from the previous quarter. Despite this fall in the unemployment rate, 5.1 million young people remain unemployed with 3.7 million of these actively looking for work.

## INTRODUCING HARAMBEE'S YOUTH EMPLOYMENT BAROMETER

The Harambee Youth Employment Barometer provides a real-time monthly snapshot of employment rates of young work-seekers (for a data set of 51,000 respondents) who have participated in Harambee's programme, and who have voluntarily completed Harambee's Employment Journey survey (which tracks at regular intervals over a 24 month period the employment transitions and outcomes of the young person).

The barometer shows that in the last quarter of 2016, employment rates for work-seekers increased by approximately 10 percentage points since August, in line with seasonal demand that characterises the summer holidays and festive season in South Africa.

### HARAMBEE YOUTH EMPLOYMENT BAROMETER



This data is not drawn from Statistic South Africa's dataset, and is representative of youth who meet Harambee's specific criteria (typically between the ages of 18 and 29, have finished grade 12 in a township or rural school and are in grant-dependent households).



# KEY INSIGHTS FOR **THIS QUARTER**

## Job placements and transitions into the economy

- As Harambee's Youth Employment Barometer indicates, the experience of employment for youth is dynamic. In South Africa – as with other countries – this is exacerbated **by an increase in the rise of non-standard forms of employment**, or the move away from employment forms that are permanent and indefinite in nature. Casualisation (the use of temporary or part-time workers), externalisation (employment governed by commercial contracts rather than employment contracts such as labour brokers), and the informalisation (independent contracting) of work is increasing with the ILO's 2017 Non-standard forms of work report **finding that in South Africa temporary workers, as a percentage of wage workers, has risen by approximately 15% in the last ten years**, and sub-contracted work by approximately 6.5%.
- More recently, work undertaken in the 'gig economy' is also starting to find form and Harambee is seeing this in its work with both the private sector and government. Work of this nature typically takes one of two forms: 'crowd-work' (delivered through online platforms that connect organisations and individuals through the internet, such as micro-jobbing), or 'work on demand via app' (jobs in the sphere of traditional working activities such as transport, cleaning, or delivery, where the work is selected and agreed upon online but executed locally). Moreover in higher complexity entry-level roles, Harambee has seen the South African landscape shift significantly in the market as a response to the black economic empowerment code changes. In many corporate environments, learnerships are becoming the sole channel for entry-level placements.
- Rather than discounting these forms of work for young people which may not be permanent, particularly in a volatile economic climate where commitment to permanent job creation is scarce, it is important to **recognise the value of a first work opportunity as a stepping-stone** to longer-term, sustained employment, and that **the age of a linear journey from education to permanent work is over**. Harambee's experience is showing that the concept of productive engagement for young people is **now one of dynamic, non-linear pathways between education and income-generating work**. To ignore these changing modalities of employment and not respond to them, would effectively be to miss the 'fourth industrial revolution' and a key area where future jobs are likely to come from.



# INSIGHTS INTO **WORK-SEEKERS**

In understanding the transitions of young work-seekers into the productive economy through these different pathways, Harambee is learning that:

- The cost of transportation can be a barrier for a young person to finding and keeping their first job, and that **when transport costs exceed approximately 30% of their take-home pay, their likelihood of staying in that job decreases**.
- Assessing a disadvantaged young work-seeker's numeracy levels as a pre-requisite for securing an entry-level job, serves only to measure their degree of disadvantage; leading indicators that provide a measure of a young person's potential to thrive and quickly adapt in new environments are better predictors of success. **Harambee is piloting new proxies for maths requirements in the market to further build this evidence base**.
- The retail and hospitality sectors offer the greatest opportunities for young work-seekers to find their first jobs (often short-term in nature), but **career advocacy is often required for these jobs**, which may often be seen as unattractive by young people.

## CANDIDATE **PROFILE**



**Mxolisi MX Majola**

January 4 at 12:39pm

Thank you Harambee, I'm enjoying the last few days at a company I've been working at for 3 years now. I have grown and gained experience from the insurance industry, been on TV because of this company. I am so greatfull. May you continue grooming others to become somebodies in life and succeed. Thank you

To learn more please contact us at:

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