2015

Youth Unemployment in South Africa

KHULUVHE KHAUKANANI ANDREW

STATISTICS SOUTH AFRICA

Table of Contents

Contents

CHAPTER 1

1.1 INTRODUCTION AND BACKGROUND

The continuing debate on who is a 'youth' in Africa has not resolved the confusion surrounding the concept. Not surprising, therefore, the concept of 'youth' has been understood and used differently by different governments, NGOs and the public in general in many African countries and elsewhere in the world (Mkandawire, 1996). In much of Africa, for instance, laws define 'adulthood' as commencing from the age of 21, although in recent years there has been an attempt to lower this age to 18 years (Curtain, 2000; Mkandawire, 1996). However, for most countries, 21 years still remains the age at which many of the activities and responsibilities of 'adulthood' are assumed legally.

South Africa has an acute problem of youth unemployment that requires a multi-pronged strategy to raise employment and support inclusion and social cohesion. High youth unemployment means young people are not acquiring the skills or experience needed to drive the economy forward. This inhibits the country's economic development and imposes a larger burden on the state to provide social assistance. Closely associated with skills development is the burning issue of unemployment. South Africa's rate of unemployment is high by world standards and is associated with a range of social problems such as poverty, inequality and crime. The Quarterly Labour Force Survey for the third quarter of 2010 published by Statistics South Africa summarised the following about youth employment: About 42 per cent of young people under the age of 30 are unemployed compared with less than 17 per cent of adults over 30. Secondly, the results shows Employment of 18 to 24 year olds has fallen by more than 20 per cent (320 000) since December 2008. Lastly, Unemployed young people tend to be less skilled and inexperienced – almost 86 per cent do not have formal further or tertiary education, while two-thirds have never worked.

1.2 STATEMENT OF THE PROBLEM

Youth unemployment in South Africa has reached critical proportions: it was measured at 53.6% in 2013, and in 2014, youth comprised 41.8% of the total national unemployment rate of 25.4%. Socioeconomic inequality and inadequate education are two factors that drive such high unemployment rates; rates that disguise how the situation disproportionately affects black youths.(2) Youth unemployment is a chronic problem too, which dates back two decades under democratic government. Between 1995 and 1999, unemployment for high school graduates entering the job market jumped by 10 percentage points, from 28% to 38.4%,(3) and the youth unemployment rate was actually a shade higher in 2005 (48.4%) than it was amid the global financial crisis in 2009 (48.2%).

In South Africa, the educational system has become the primary means of preparing young people for the future. But in its present form, the 'school' is another institution that is going through a crisis in South Africa. A review of the education literature indicates that the last decade has witnessed a disintegration in public schools in terms of quality, infrastructure and teacher and student morale in most African countries.

South Africa has the third highest unemployment rate in the world for people between the ages of 15 to 24, according to the World Economic Forum (WEF) Global Risk 2014 report. The report estimates that more than 50% of young South Africans between 15 and 24 are unemployed. Only Greece and Spain have higher unemployment in this age range than SA, the report states. The other two countries in the top 5 of most unemployed youth are Portugal and Italy. Both have youth unemployment of more than 30%, but less than 40%. The report calls the more than 73 million unemployed people between 15 and 24 in the world the "lost generation". "At the same time the

rising cost of higher education has left a generation with unpayable debt and little chance of finding a job," states the report.

The fact that unemployment continued to rise at an alarming pace from 31% in 1995 to 42% in 2009 (by the broad definition) suggests that the transition from apartheid policies did not only fail to curtail the long-term trend, but that unemployment may have even been exacerbated by policies that were intended to subdue it (Burger, et al., 2013). Increasing opportunities and creating spaces for youth economic participation is one of the biggest challenges facing South Africa (Kennedy, et al., 2007). The National Planning Commission (NPC)'s diagnostic report (2011) lists the fact that very few people are participating in the economy as one of the challenges facing the country, especially in the labour market. A study by Fernandes-Alcantara (2012) indicated that labour market prospects in the new South Africa should have improved: economic growth should supposedly have translated into greater opportunity for the previously marginalised, who could capitalise on the improved levels of education that younger generations had accumulated, in the context of new, anti-discriminatory labour market legislation. In the absence of these anticipated benefits, many commentators started referring to "jobless growth", though a number of subsequent studies of labour market trends over this period (Fernandes-Alcantara, (2012); Kennedy, et al., (2007)) have convincingly refuted this supposition. The question then remains why progressively greater stocks of human capital did not translate into lower unemployment rates in the post-apartheid period.

One challenge which is long-term perspective is that South Africa has a large young population wherein other literatures (Fernandes-Alcantara, 2012 and Kennedy, et al., 2007) refers as the size of the youth cohort which is seen as a major contributor to youth unemployment. Du Toit (2003) indicated that more than 50 per cent of the world's population is under the age of 25 – just over 3 billion individuals are youth and children. This offers what is known as a 'demographic dividend',

where a large proportion of the population in economically active, thereby reducing dependency ratios and poverty rates, and promoting growth (Altman, 2007). However, this dividend can only be earned if these young people are actually working. The larger the group of marginalised young people who remained unemployment or under-employed, the larger the threat that dependency ratios will rise as the demographic bulge passes.

In a context of declining growth and economic restructuring, the employment situation in Africa has become critical and labour absorption problematic. In particular, the problem of what is generally referred to as 'youth unemployment' has increasingly come to be recognised as one of the more serious socio-economic problems currently confronting many developing countries, especially those in Africa (Chigunta, 2002; ILO, 2013).

Nonetheless, existing estimates indicate that in Sub-Saharan Africa, urban unemployment affects between 15 to 20 per cent of the work force (ILO, 2013). According to these estimates, young people comprise 40 to 75 per cent of the total number of the unemployed (Chigunta, 2002). Compared with an adult unemployment rate of 5.9 per cent in 2012, youth are twice as likely to be unemployed, with an estimated youth unemployment rate of 11.8 per cent in 2012 (ILO, 2013). Youth unemployment rates much higher than the regional average are found in South Africa, where over half of young people in the labour force were unemployed in the first three quarters of 2012 (Rankin et al., 2013). Thousands of young South Africans cannot find jobs; many more are in jobs which do not fulfil their capabilities or ambitions. Even then, of the few youth that are able to find formal employment, the majority are male (Lam, et al., 2007). The study by Chigunta (2002) indicated that urban unemployment in Africa has affected youth from a broad spectrum of socioeconomic groups, both the well-and-less well educated, although it has particularly stricken a substantial fraction of youth from low-income backgrounds and limited education.

Furthermore, this study will look at the relationship between education and unemployment. The education system generally fails to prepare young people with fundamental literacy, numeracy, problem solving, and critical thinking skills, neither does it encourage acquisition of values such as a work ethic and self-discipline that are required in the workplace (Altman, 2012). In addition, unemployed young people are a highly diverse group with different levels of educational attainment combined with the challenges posed by the diverse settings in which they were schooled and currently live. This means that in the context of the current labour market, it is almost impossible for employers to establish which new labour market entrants that have completed a certain level of education are best equipped to enter the world of work (Altman, 2012). The study will examine the association between education level and unemployment among youth in South Africa (2008 and 2014).

1.3 RESEARCH QUESTIONS

- Is sex of youth in South Africa associated with unemployment?

- Is province were youth in South Africa comes from associated with unemployment?

- Is population group of youth in South Africa associated with unemployment?

- Is education level of youth in South Africa associated with unemployment?

1.4 RESEARCH OBJECTIVE

1.4.1 General Objective

- To examine unemployment of youth in South Africa (2008 and 2014)

1.4.2 Specific Objective

- To examine the association between sex and unemployment among youth in South Africa.

- To determine the association between provinces and unemployment among youth in South Africa.

- To examine the association between population groups and unemployment among youth in South Africa.

- To determine the association between education level and unemployment among youth in South Africa.

CHAPTER 2

2 METHODOLOGY

2.1 STUDY DESIGN

This is a cross sectional study involving analysis of secondary data from the 2008 and 2014 Quarterly Labour Force Survey (QLFS) conducted by Statistics South Africa.

2.2 VARIABLE DEFINITIONS

2.2.1 DEPENDENT VARIABLES

The dependent variable in this study is Youth Unemployment status. For the purposes of this study, Unemployed youth are those (aged 15–35 years) who:

a) Were not employed in the reference week.

b) Actively looked for work or tried to start a business in the four weeks preceding the survey interview. And

c) Would have been able to start work or would have started a business in the reference week. Persons who stated that they had not looked for work in the reference period because they had already arranged to take up a job or to start a business at some later date are not required to have actively sought work in the reference period. They are included as unemployed if they would have been available to start work/business in the previous week.

A useful dimension to the unemployment picture combines the reasons given by unemployed persons for not working during the reference week with their circumstances prior to becoming unemployed. In this regard, the QLFS includes five additional indicators that have been derived as follows:

• **New entrants** into unemployment are persons who were unemployed during the reference period that had never worked before.

• **Job losers** are unemployed persons who had been working during the 5 years prior to becoming unemployed and: they had lost their job; or they had been laid off; or the business in which they had previously worked had been sold or had closed down.

• **Unemployed job leavers** are those among the unemployed who had been working during the 5 years prior to becoming unemployed and had stopped working at their last job for any of the following reasons:

> • Caring for own children/relatives;
>
> • Pregnancy;
>
> • Other family/community responsibilities;
>
> • Going to school;
>
> • Changed residence;
>
> • Retired; or
>
> • Other reasons

• **Unemployed re-entrants to the labour force** are unemployed persons who worked before whose main activity before looking for work was either managing a home or going to school.

• **Last worked more than five years prior to the interview.** A recall period of five years was set to ensure greater reliability of the information collected from respondents.

QUESTION 2 from the Questionnaire from 2008 shows that the new QLFS indicators are based on the following questions from the QLFS questionnaire:

• *Have you ever worked for pay or profit or help unpaid in a household business?*

• *How long ago was it since you last worked?*

The variable was grouped into four categories in the QLFS 2008 as follows: (1) Employed, (2) Unemployed, (3) Not economically active, and (4) discouraged job seekers. The variable unemployment status was regrouped in STATA 12 with category 1 = 0 and categories 2= 1 and recoded as Yes and No – i.e., unemployed and employed respectively.

For the distributions by demographic characteristics, the mean of each category within variables was computed to obtain the mean as the annual rate. This study also compared 2008 and 2014 of the Labour Force Survey to take into account differences in those years and their impact on unemployment.

Table 1: Definition of dependent Variable

Definition of dependent variable	
Variable	**Categories**
Unemployment status	1. Yes (Unemployed) 0. No (Employed)

Major labour market categories

An unemployed person is defined under international guidelines as "*a person within the economically active population who: did not work during the seven days prior to census night, and would have liked to work, and was available to start work within a week before the interview and had taken active steps to look for work or to start some form of business in the four weeks prior to the interview*" (Stats SA, 2001).

2.2.2 INDEPENDENT VARIABLES

Table 2: Definition of Independent Variables

Variables	Definitions
Demographic	
Age	15-19 years (1) 20-24 years (2) 25-29 years (3) 30-35 years (4)
Population groups	Black/African (1) Coloured (2) Indian/Asian (3) White (4)
Gender	Female (1) Male (2)
Provinces	Western Cape (1) Eastern Cape (2) Northern Cape (3) Free State (4) Kwazulu-Natal (5) North west (6) Gauteng (7) Mpumalanga (8) Limpopo (9)
Educational Level	No education (1) Primary education (2) Secondary(3) Higher (4)

2.3   HYPOTHESES

H_o: There is no association between education level and unemployment among youth in South Africa.

H_1: There is an association between education level and unemployment among youth in South Africa.

H_o: There is no association between gender and unemployment among youth in South Africa.

H_1: There is an association between gender and unemployment among youth in South Africa.

H_o: There is no association between population group and unemployment among youth in South Africa.

H_1: There is an association between population group and unemployment among youth in South Africa.

H_o: There is no association between province and unemployment among youth in South Africa.

H_1: There is an association between province and unemployment among youth in South Africa.

CHAPTER 3

3 RESULTS

3.1   INTRODUCTION

This chapter begins by presenting results of the characteristics of the survey respondents. This is followed by a presentation of the results of the association between the dependent variable unemployment and the independent variables including age, sex, population group, provinces and educational level.

3.2 CHARACTERISTICS OF THE RESPONDENTS

3.2.1   Socio-demographic Characteristics of the Respondents

This section of the study focused on the univariate analysis of the 2008 and 2014 QLFS data. The analysis generated the following results shown in table 4.

Table 3: Weighted percentage distribution of South African youth, by selected social and demographic characteristics, SAQLFS, 2008 and 2014

Characteristics	2008		2014	
	Frequency	Per cent	Frequency	Per cent
Age				
15 - 19	4988542	26.3	5163576	25.5
20 - 24	47042601	24.7	5075231	25.0
25 - 29	4441025	23.4	4805702	23.7
30 - 35	4858775	25.6	5242423	25.8
Total	18992602	100	20286931	100.0
Gender				
Male	9467309	49.8	10232149	50.4
Female	9525294	50.2	10054782	49.6
Total	18992602	100	20286931	100.0
Population group				
White	1325458	7.0	1245304	6.1
Coloured	463150	2.4	478204	2.4
Indian/Asian	1648231	8.7	1694707	8.4
African/Black	15555763	81.9	16868715	83.1
Total	18992602	100	20286931	100.0
Provinces				
Limpopo	2031268	10.7	2237548	11.0
KwaZulu-Natal	3795438	20.0	4046650	19.9
Eastern Cape	2381004	12.5	2530948	12.5
North West	1260697	6.64	1339964	6.6
Free State	1053947	5.5	1075241	5.3
Northern Cape	399664	2.1	425505	2.1
Gauteng	4554980	24.0	4821124	23.8
Mpumalanga	1507180	7.9	1651597	8.1
Western Cape	2008424	7.94	2158354	10.6
Total	18992607	100	20286931	100.0
Educational Level				
Primary & No Education	1652409	8.7	1960336	9.7
Secondary Education	10436503	54.9	16227793	80.1
Higher Education	6903690	36.35	2058763	10.2
Total	18992602	100.0	20246893	100.0

The weighted frequencies are approximately the same as the unweighted frequencies. The difference in the sum is possibly due to rounding errors.

As shown in Table 4, the 15-19 years age group made up the largest group (26%) amongst the youth who participated in the study in 2008. The lowest age group 25-29 have 23%, the other remaining age groups have 25% in 2008 and 2014 respectively. There are more females (50.2%) than males (49.8%) in 2008 and participation is opposite with more males than females in 2014.

Gauteng had the highest percentage of participants in the study making up 24% in 2008 and 23.8% in 2014 with Northern Cape having the least percentage of 2.1% in both years respectively. The other provinces had relatively high percentages such as KwaZulu-Natal 20%, Eastern Cape 12.5%, Limpopo 11% and Western Cape 10.7%.

From the study, it was noted that around 82% of the respondents were African or Black whilst the other remaining percentage shared amongst coloured, Indian/Asian and White in 2008. The situation slightly changes in 2014 with 83% of the respondents being African or Black. In terms of levels of education of the youth participants, 80% had secondary education followed by 10% who had higher education and 9% had had primary education in 2014. In 2008, 55% had secondary education followed by 36% who had higher education and 9% had had primary education

4.2.2   LABOUR FORCE CHARACTERISTICS OF THE RESPONDENTS

From the table 4, a distinction was made to youth who participate in labour force and those who did not participate in labour force. In 2008 those who were participating were 53.8% and decreased to 49.4% in 2014.

Table 4: Weighted percentage distribution of Youth, by selected Labour Force Characteristics, QLFS, 2008 and 2014

Characteristics	Frequency	Percent	Youth Labour Force Participation Status	Frequency	Percent	Unemployment Rate	Employment/ Population Ratio (absorption rate)	Labour Force Participation Rate
2008								
Employed	6955633	36.6						
Unemployed	3262702	17.2	Yes (Participate)	10218335	53.8			
Discouraged job seeker	840340	4.4	No (Not Participate)	8774268	46.2			
Other not economically active	7933928	41.8						
Total	**18992603**	**100.0**		**18992603**	**100**	31.9	36.6	53.8
2014								
Employed	6480519	31.9						
Unemployed	3531623	17.4	Yes (Participate)	10012142	49.4			
Discouraged job seeker	1595069	7.9	No (Not Participate)	10274790	50.6			
Other not economically active	8679721	42.8						
Total	**20286932**	**100.0**		**20286932**	**100.0**	35.3	31.9	49.4

Reflecting to quarterly change in employment and unemployment, the unemployment rate increased from 2008 to 2014 with rates from 31.9 to 35.3 respectively. The opposite results were visible with absorption rate which decreased from 2008 to 2014. Absorption rate moved from 36.6 in 2008 to 31.9 in 2014.

Table 4.4: Unemployment and Education Level Crosstabulation

			No/ Primary education	Secondary Education	Higher Education	Total
2008						
Unemployed	**Yes (Not employed)**	Count	257227	1643609	1361871	3262702
		% within Educational Level	33.3	38.0%	26.6%	31.9%
		Row %	7.9	50.4	41.74	100.0
	No (Employed)	Count	514194	2677805	3763633	6955632
		% within Educational Level	66.7	62.0	73.4	68.0
		Row %	7.4	38.5	54.1	100.0
Total		Count	736272	7573630	1674450	9984352
		% within Educational Level	100.00%	100.00%	100.00%	100.00%
2014						
Unemployed	**Yes (Not employed)**	Count	269319	2920375	333229	3522922
		% within Educational Level	36.6	38.60%	19.90%	35.30%
		Row %	7.6	82.9	9.5	100.0
	No (Employed)	Count	466953	4653254	1341222	6461429
		% within Educational Level	63.4	61.40%	80.10%	64.70%
		Row %	7.2	72.0	20.8	100.0
Total		Count	736272	7573630	1674450	9984352
		% within Educational Level	100.00%	100.00%	100.00%	100.00%

From table 4.4 and 4.5 2014, among youth who are unemployed only 7.6% (7.9%: 2008) were found to be with no and primary schooling. A big change was observed from youth with secondary education who made 82.9% (50.4%: 2008) of unemployed youth. The proportions of youth who are unemployed dwindles 9.5% (41.7%: 2008) of youth with higher education.

There seems to be a difference in terms of employed and unemployed between youth with no schooling, primary education, secondary and higher education. Nonetheless, it is noted that youth with higher education are 18.7% (80.1-61.4%) more likely to be employed compared with youth having secondary education. Compared with youth with primary education it is noted that youth with secondary education are also 9.2% more likely to be unemployed compared with youth having primary education?

There seem to be some little differences in unemployment especially among youth with no schooling and with those youth with higher education.

Table 4.4.1 Chi Square Tests for association between selected variables and Unemployment

	Value	df	Asymp.Sig. (2 Sided)
Education Level and Unemployment			
2008			
Pearson Chi-Square	163.3	2	.000
No. of valid Cases	16733		
2014			
Pearson Chi-Square	271.3	2	.000
No. of valid Cases	13913		

Gender and Unemployment			
2008			
Pearson Chi-Square	154.7	1	.000
No. of valid Cases	16733		
2014			
Pearson Chi-Square	58.9	1	.000
No. of valid Cases	13913		
Population group and Unemployment			
2008			
Pearson Chi-Square	510.8	3	.000
No. of valid Cases	16733		
2014			
Pearson Chi-Square	398.5	3	.000
No. of valid Cases	13913		
Provinces and Unemployment			
2008			
Pearson Chi-Square	179.9	8	.000
No. of valid Cases	167333		
2014			
Pearson Chi-Square	221.3	8	.000
No. of valid Cases	13913		

From table 4.4.1 above, the observed results in 2008 indicate that there is statistical significant relationship between education level and unemployment (Chi-Square with two degrees of freedom = 163.3, p = 0.000). In 2014 (Chi-Square with two degrees of freedom = 271.3, p = 0.000).

- The observed results in 2008 indicate that there is statistical significant relationship between gender and unemployment (Chi-Square with one degree of freedom = 154.7, p = 0.000). In 2014 (Chi-Square with one degree of freedom = 58.9, p = 0.000).

- The observed results in 2008 indicate that there is statistical significant relationship between population group and unemployment (Chi-Square with three degrees of freedom = 501.8, p = 0.000). In 2014 (Chi-Square with three degrees of freedom = 398.5, p = 0.000).

- The observed results in 2008 indicate that there is statistical significant relationship between province and unemployment (Chi-Square with eight degrees of freedom = 179.9, p = 0.000). In 2014 (Chi-Square with eight degrees of freedom = 221.3, p = 0.000).

Table 4.4.2 Measurement of strength of association between Selected Variables and Unemployment

	Value	Approx. Sig
Education Level and Unemployment		
2008		
Nominal by Nominal Cramer's V	0.10	.000
No. of valid Cases	16733	
2014		
Nominal by Nominal Cramer's V	0.14	.000
No. of valid Cases	13913	
Gender and Unemployment		
2008		
Nominal by Nominal Cramer's V	0.10	.000
No. of valid Cases	16733	

2014		
Nominal by Nominal Cramer's V	0.07	.000
No. of valid Cases	13913	
Population group and Unemployment		
2008		
Nominal by Nominal Cramer's V	0.17	.000
No. of valid Cases	16733	
2014		
Nominal by Nominal Cramer's V	0.17	.000
No. of valid Cases	13913	
Provinces and Unemployment		
2008		
Nominal by Nominal Cramer's V	0.10	.000
No. of valid Cases	16733	
2014		
Nominal by Nominal Cramer's V	0.13	.000
No. of valid Cases	13913	

- The Cramer's V coefficient in table 4.4.2 which measures the strength of the association was noted as 0.10 in 2008 (2014=0.14) and the result is statistically significant with a p-value <0.05. There is a weak relationship between unemployment and education level.

- The second Cramer's V coefficient in table 4.4.2 which measures the strength of the association between unemployment and gender was noted as 0.10 in 2008 (2014=0.06) and

the result is statistically significant with a p-value <0.05. There is a weak and very weak relationship between unemployment and gender.

- The third Cramer's V coefficient in table 4.4.2 which measures the strength of the association between unemployment and population group was noted as 0.17 in 2008 (2014=0.17) and the result is statistically significant with a p-value <0.05. There is a weak relationship between unemployment and population group.

- The fourth Cramer's V coefficient in table 4.4.2 which measures the strength of the association between unemployment and province was noted as 0.10 in 2008 (2014=0.13) and the result is statistically significant with a p-value <0.05. There is a weak relationship between unemployment and province.

3.3 BIVARIATE ANALYSIS RESULTS

This section presents the results of the unadjusted logistic regression analyses which were carried out to find out the bivariate relationship between each socio-demographic variable and unemployment. Research has shown mixed outcomes between the association of education level and unemployment in Southern Africa (Lam, et al., 2007).

In this section the following hypotheses were tested and were applicable for each bivariate analysis of selected socioeconomic and demographic factor and unemployment:

H_0: *There is no association between selected socio demographic factor and unemployment*

H_1: *There is an association between selected socio demographic factor and unemployment*

In this section our selected socioeconomic and demographic factors include highest educational level, age, gender, population group and province. The dependent variable unemployment was tested against all above variable.

EDUCATION LEVEL AND UNEMPLOYMENT OF YOUTH

From table 5, it is noted that compared with youth with no or primary education, the youth with secondary education were more likely to be unemployed [(2008: OR 1.27, 95% CI 1.12 to 1.43); & (2014: OR 1.06, 95% CI 0.94 to 1.21)].

Youth with higher education compared with no or primary education were less likely to be unemployed [(2008: OR 0.82, 95% CI 0.72 to 0.93); & (2014: OR 0.43, 95% CI 0.37 to 0.51)].

However in table 5, the observed Chi-Square Statistic had p-values <0.05 and so we reject the null hypothesis. Thus we find support for the research hypothesis and can conclude that education level was associated with unemployment.

AGE AND UNEMPLOYMENT OF YOUTH

Compared with youth of the age group 15-19 years youth aged 20-24 years were less likely to be unemployed [(2008: OR 0.62, 95% CI 0.54 to 0.71); & (2014: OR 0.64, 95% CI 0.52 to 0.78)].

Youth aged 25-29 years, compared with the youth aged 15- 19 years were less likely to be unemployed [(2008: OR 0.34, 95% CI 0.30 to 0.40); & (2014: OR 0.31, 95%CI 0.25 to 0.38)].

The youth aged 30-35 years, compared with the youth aged 15- 19 years were less likely to be unemployed [(2008: OR 0.24, 95% CI 0.21 to 0.28); & (2014: OR 0.20, 95% CI 0.17 to 0.25)].

However in table 8, the observed Chi-Square Statistic had p-values <0.05 and so we reject the null hypothesis. Thus, we find support for the research hypotheses and can conclude that age was associated with unemployment.

Table 5: Unadjusted odd ratios of the associations between selected characteristics and unemployment

Characteristics	Unemployment status			
	2008		**2014**	
	N 16733		**N** 13913	
	OR	**(95% CI)**	**OR**	**(95% CI)**
Education Level				
No & Primary Education	**1.00**		**1.00**	
Secondary Education	**1.27** (1.12-1.43)		**1.06** (0.94-1.21)	
Higher Education	**0.82** (0.72-0.93)*		**0.43** (0.37-0.51)*	
Pearson Chi-Square p-value	**0.00***		**0.00***	
Age				
15-19	**1.00**		**1.00**	
20-24	**0.62** (0.54- 0.71)*		**0.64** (0.52- 0.78)*	
25-29	**0.34** (0.30- 0.40)*		**0.31** (0.25- 0.38)*	
30-35	**0.24** (0.21- 0.28)*		**0.20** (0.17- 0.25)*	
Pearson Chi-Square p-value	**0.00***		**0.00***	
Gender				
Male	**1.00**		**1.00**	
Female	**1.50** (1.41- 1.60)*		**1.31** (1.22- 1.40)*	
Pearson Chi-Square p-value	**0.00***		**0.00***	
Population Group				
White	**1.00**		**1.00**	
Coloured	**2.37** (1.69- 3.34)*		**1.75** (1.19- 2.56)*	
Indian/Asian	**4.80** (3.73- 6.17)*		**4.92** (3.79- 6.39)*	
African/Black	**7.42** (5.88- 9.36)*		**6.53** (5.14- 8.30)*	
Pearson Chi-Square p-value	**0.00***		**0.00***	
Province				
Limpopo	**1.00**		**1.00**	
Kwazulu Natal	**0.56** (0.49- 0.64)*		**1.05** (0.89- 1.23)*	
Eastern Cape	**0.72** (0.62- 0.84)*		**1.72** (1.44- 2.05)*	
North West	**0.61** (0.51- 0.71)*		**1.50** (1.24- 1.82)*	
Free State	**0.70** (0.60- 0.82)*		**2.16** (1.81- 2.58)*	
Northern Cape	**0.65** (0.55- 0.78)*		**1.81** (1.49- 2.21)*	
Gauteng	**0.58** (0.51- 0.66)*		**1.51** (1.29- 1.77)*	
Mpumalanga	**0.56** (0.48- 0.65)*		**1.89** (1.59- 2.25)*	
Western Cape	**0.41** (0.35- 0.47)*		**1.06** (0.89- 1.25)*	
Pearson Chi-Square p-value	**0.00***		**0.00***	

*p<0.05.   Values are odds ratios (95% Confidence Interval).   Missing cases were excluded from analysis

GENDER AND UNEMPLOYMENT OF YOUTH

Compared with male youth, female youth were more likely to be unemployed [(2008: OR 1.50, 95% CI 1.41 to 1.60); & (2014: OR 1.31, 95% CI 1.22 to 1.40)].

However in table 5, the observed Chi-Square Statistic had p-values <0.05 and so we reject the null hypothesis. Thus, we find support for the research hypotheses and can conclude that gender was associated with unemployment.

POPULATION GROUP AND UNEMPLOYMENT OF YOUTH

From table 5, compared with youth who are White, coloured youth were more likely to be unemployed [(2008: OR 2.37, 95% CI 1.69 to 3.34); & (2014: OR 1.75, 95% CI 1.19 to 2.56)].

Indian or Asian compared with youth who are White, were more likely to be unemployed [(2008: OR 4.80, 95% CI 3.73 to 6.17); & (2014: OR 4.92, 95% CI 3.79 to 6.39)].

Lastly, African or black compared with youth who are White, were more likely to be unemployed [(2008: OR 7.42, 95% CI 5.88 to 9.36); & (2014: OR 6.53, 95% CI 5.14 to 8.30)].

However in table 5, the observed Chi-Square Statistic had p-values <0.05 and so we reject the null hypothesis. Thus, we find support for the research hypotheses and can conclude that population group was associated with unemployment.

PROVINCE AND UNEMPLOYMENT OF YOUTH

From table 5, compared with youth in Limpopo province youth in Kwazulu Natal were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.56, 95% CI 0.49 to 0.64); & (2014: OR 1.05, 95% CI 0.89 to 1.23)].

Youth in Eastern Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.72, 95% CI 0.62 to 0.84); & (2014: OR 1.72, 95% CI 1.44 to 2.05)].

Youth in North West compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.61, 95% CI 0.51 to 0.71); & (2014: OR 1.50, 95% CI 1.24 to1.82)].

Youth in Free State compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.70, 95% CI 0.60 to 0.82); & (2014: OR 2.16, 95% CI 1.81 to 2.58)].

Youth in Northern Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.65, 95% CI 0.55 to 0.78); & (2014: OR 1.81, 95% CI 1.49 to 2.21)].

Youth in Gauteng compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.58, 95% CI 0.51 to 0.66); & (2014: OR 1.51, 95% CI 1.27 to 1.77)].

Youth in Mpumalanga compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.56, 95% CI 0.48 to 0.65); & (2014: OR 1.89, 95% CI 1.59 to 2.25)].

Youth in Western Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.41, 95% CI 0.35 to 0.47); & (2014: OR 1.06, 95% CI 0.89 to 1.25)].

However in table 5, the observed Chi-Square Statistic had p-values <0.05 and so we reject the null hypothesis. Thus, we find support for the research hypotheses and can conclude that province was associated with unemployment.

CONCLUSION

A mixed pattern of associations between socio-demographic characteristics, education level and unemployment were noted in this bivariate analysis which is not conclusive as each characteristic is likely to influence the model in some way and hence the need for a multivariate analysis.

CHAPTER 4

4 MULTIVARIATE ANALYSES

4.1 INTRODUCTION

This chapter uses multivariate analysis to evaluate the effect of level of education and selected socio-demographic variables (age, gender, population group, type of residence and province) on unemployment. This method of analysis is more advanced than the bivariate analysis because it simultaneously analyses the influence of several independent variables, on the dependent variable.

In this study the dependent variables included among others the following labour force status:

- Unemployment

The logit model was adopted to estimate odds ratios for youth aged 15 to 35 years old who had reported that they are in labour force. The logit model was selected for use because of its strengths in overcoming the inherent challenges associated with linear probability models as logit model provides relative estimation based on probabilities (Garcio, et al., 2008). Two estimation models are presented in this study. For the purposes of this study, Model 1 used estimates for education level, age and gender as the independent variables. In model 2, population group, and province are added because these characteristics are known to influence labour force status (Garcio, et al., 2008). The table below include a summary of results of final model 1 and 2. Detailed results of the different models are attached in the appendix.

4.2 MULTIPLE LOGISTIC REGRESSION MODELLING RESULTS

Table 6: Odds ratios of the associations between selected characteristics and unemployment based on final models

Characteristics	Unemployment status (Yes/ No)					
	2008			2014		
	N 16733			N 13913		
	OR	95.0% C.I.	P-value	OR	95.0% C.I.	P-value
Modelling 1: Full						
Education Level						
No & Primary Education (Ref)	1.00			1.00		
Secondary Education	1.24	(1.09- 1.42)	0.001	1.10	(0.96- 1.26)	0.177
Higher Education	0.91	(0.79- 1.04)	0.158	0.56	(0.47- 0.67)*	<0.001
Age						
15-19 (Ref)	1.00			1.00		
20-24	0.58	(0.50- 0.67)*	<0.001	0.61	(0.50- 0.76)*	<0.001
25-29	0.30	(0.26- 0.35)*	<0.001	0.29	(0.24- 0.36)*	<0.001
30-35	0.21	(0.19- 0.25)*	<0.001	0.19	(0.16- 0.24)*	<0.001
Gender						
Male (Ref)	1.00			1.00		
Female	1.61	(1.51- 1.72)*	<0.001	1.44	(1.33- 1.55)*	<0.001
Population Group						
White (Ref)	1.00			1.00		
Coloured	2.25	(1.59- 3.21)*	<0.001	2.08	(1.40- 3.10)*	<0.001
Indian/Asian	4.04	(3.12- 5.25)*	<0.001	3.99	(3.06- 5.22)*	<0.001
African/Black	6.39	(5.05- 8.09)*	<0.001	5.96	(4.66- 7.63)*	<0.001
Province						
Limpopo (Ref)	1.00			1.00		
Kwazulu Natal	0.60	(0.52- 0.70)*	<0.001	1.10	(0.92- 1.31)	0.292
Eastern Cape	0.77	(0.65- 0.91)	<0.002	1.87	(1.54- 2.26)*	<0.001
North West	0.68	(0.57- 0.81)*	<0.001	1.46	(1.19- 1.79)*	<0.001
Free State	0.74	(0.62- 0.88)*	<0.001	2.31	(1.90- 2.81)*	<0.001
Northern Cape	0.81	(0.66- 0.99)	<0.038	2.05	(1.64- 2.56)*	<0.001
Gauteng	0.71	(0.61- 0.82)*	<0.001	1.81	(1.51- 2.17)*	<0.001
Mpumalanga	0.55	(0.47- 0.65)*	<0.001	1.93	(1.61- 2.31)*	<0.001
Western Cape	0.53	(0.44- 0.63)*	<0.001	1.38	(1.13- 1.70)	0.002

Modelling 2: Reduced						
Education Level						
No & Primary Education (Ref)	**1.00**			**1.00**		
Secondary Education	**1.15**	(1.01- 1.31)	0.035	**1.02**	(0.89- 1.17)	0.734
Higher Education	**0.73**	(0.64- 0.83)*	<0.001	**0.46**	(0.39- 0.54)*	<0.001
Age						
15-19 (Ref)	**1.00**			**1.00**		
20-24	**0.65**	(0.56- 0.74)*	<0.001	**0.68**	(0.56- 0.84)*	<0.001
25-29	**0.35**	(0.30- 0.40)*	<0.001	**0.34**	(0.28- 0.41)*	<0.001
30-35	**0.25**	(0.21- 0.28)*	<0.001	**0.22**	(0.18- 0.27)*	<0.001
Gender						
Male (Ref)	**1.00**			**1.00**		
Female	**1.62**	(1.51- 1.73)*	<0.001	**1.43**	(1.33- 1.89)*	<0.001

Ref = Reference category; * p<0.05; * p<0.001; Missing cases were not considered in the analyses.

LEVEL OF EDUCATION

Table 6 shows the odds ratios from the multiple logistic regression modelling. It was noted that after controlling for population group, type of place of residence and province, level of education was still significantly associated with unemployment. It is noted that compared with youth with no or primary education, the youth with secondary education were more likely to be unemployed [(2008: OR 1.24, 95% CI 1.09 to 1.42); & (2014: OR 1.10, 95% CI 0.96 to 1.26)].

It was also noted in this study that after controlling for population group, age, gender and province, there was no significant association between higher education and unemployment in 2008. Youth with higher education compared with no or primary education were less likely to be unemployed [(2008: OR 0.91, 95% CI 0.79 to 1.04); & (2014: OR 0.56, 95% CI 0.47 to 0.67)].

GENDER

Compared with male youth, female youth were more likely to be unemployed [(2008: OR 1.61, 95% CI 1.51 to 1.72); & (2014: OR 1.44, 95% CI 1.33 to 1.55)].

AGE

From this study the other independent predictors were gender, age, type of place of residence, population group and province. From table 6, compared with youth of the age group 15-19 years youth aged 20-24 years were less likely to be unemployed [(2008: OR 0.58, 95% CI 0.50 to 0.67); & (2014: OR 0.61, 95% CI 0.50 to 0.76)].

Youth aged 25-29 years, compared with the youth aged 15- 19 years were less likely to be unemployed [(2008: OR 0.30, 95% CI 0.26 to 0.35); & (2014: OR 0.29, 95%CI 0.24 to 0.36)].

The youth aged 30-35 years, compared with the youth aged 15- 19 years were less likely to be unemployed [(2008: OR 0.21, 95% CI 0.19 to 0.25); & (2014: OR 0.19, 95% CI 0.16 to 0.24)]. There was a significant trend towards unemployment (p-value for trend <0.001).

POPULATION GROUP

From table 6, compared with youth who are White, coloured youth were more likely to be unemployed [(2008: OR 2.25, 95% CI 1.59 to 3.21); & (2014: OR 2.08, 95% CI 1.40 to 3.10)].

Indian or Asian compared with youth who are White, were more likely to be unemployed [(2008: OR 4.04, 95% CI 3.12 to 5.25); & (2014: OR 3.99, 95% CI 3.06 to 5.22)].

Lastly, African or black compared with youth who are White, were more likely to be unemployed [(2008: OR 6.39, 95% CI 5.05 to 8.09); & (2014: OR 5.96, 95% CI 4.66 to 7.63)]. There was a significant trend towards unemployment (p-value for trend <0.001).

PROVINCE

From table 6, compared with youth in Limpopo province youth in Kwazulu Natal were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.60, 95% CI 0.52 to 0.70); & (2014: OR 1.10, 95% CI 0.92 to 1.31)]. It was also noted in this study that after controlling for population group, age, gender, and province, there was no significant association between province KwaZulu-Natal and unemployment in 2014.

Youth in Eastern Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.77, 95% CI 0.65 to 0.91); & (2014: OR 1.87, 95% CI 1.54 to 2.26)].

Youth in North West compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.68, 95% CI 0.57 to 0.81); & (2014: OR 1.46, 95% CI 1.19 to1.79)].

Youth in Free State compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.74, 95% CI 0.62 to 0.88); & (2014: OR 2.31, 95% CI 1.90 to 2.81)].

Youth in Northern Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.81, 95% CI 0.66 to 0.99); & (2014: OR 2.05, 95% CI 1.64 to 2.56)].

Youth in Gauteng compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.71, 95% CI 0.61 to 0.82); & (2014: OR 1.81, 95% CI 1.51 to 2.17)].

Youth in Mpumalanga compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.55, 95% CI 0.47 to 0.65); & (2014: OR 1.93, 95% CI 1.61 to 2.31)].

Youth in Western Cape compared with Limpopo province were less likely to be unemployed in 2008 and more likely to be unemployed in 2014 [(2008: OR 0.53, 95% CI 0.44 to 0.63); & (2014: OR 1.38, 95% CI 1.13 to 1.70)].

CHAPTER 5

DISCUSSION

5.1 CHARACTERISTICS OF THE RESPONDENTS

The main objective of this study was to examine the association between education level and unemployment among youth in South Africa. A close look at the characteristics of the study population revealed that minority of youth aged 15 to 19 are unemployed with 9% in 2008 (2014: 5%). Lam, et al., (2007) provided reason for non participation of 15-19 year-olds (many of whom were found to be still be engaged in studies) for the period 1995 to 2005 are far below those of other groups. Education also plays a role in whether youth seek and are able to find work. Youth may decide not to pursue employment and to attend school instead; they may want to do both, but may not have opportunities to work due to a lack of jobs. The rising rate of school enrollment has likely influenced the downward trend in the E/P ratio for 15 to 19 year olds. Furthermore, it is also evident from the study that unemployment is highest at the age group 20-24 and decreases with age from that year: 15 to 19 years 8.5%; 20 to 24 years 35%; 25 to 29 years 30% and 30-35 years 27%.

This study has shown 48% of male youth were unemployed and with 52% of female youth are unemployed. According to Lam, et al., (2007) in their study *"Education and Youth Unemployment in South Africa"* unemployment differences by gender are also evident. Unemployed youth are fairly evenly split by gender with only a slightly higher proportion of them being women. According to Lam, et al., (2007) in 1995, 53% of unemployed youth 15-24 were women and this proportion has remained fairly stable through to 2005 where 51% of unemployed were women. In keeping with the above analysis, the unemployment patterns of youth 15-19 and 20-24 are treated separately. In addition, the above study indicates that within-gender unemployment rates are higher among females

throughout the decade 1995 to 2005. It further indicates that unemployment rates increased up until 2002 and decreased thereafter (Lam, et al., 2007).

Clearly in the South African context, race is an important differentiating factor in labour market behavior and outcomes. This study has also shown that African/ Black has the highest unemployment of youth with 38.5% while the other population groups have lower proportions with Coloured 15.2%, Indian/ Asian 34.2% and White 9.3%.. This results confirm what Lam, et al., (2007) found in their study that African youth 15-19 have the highest unemployment rates while Coloured youth in this cohort have the lowest. High unemployment rates amongst this cohort are not necessarily a bad sign as many of these youth are still at school. Conversely the relatively low proportion of Coloured youth unemployed over the decade is cause for concern as this indicates early exit from studies in an environment of mass unemployment. Among the older 20-24 cohort Africans again display higher unemployment rates than the other population groups although their unemployment rates together with those of Coloureds have generally decreased over the period. The trend in White and Indian participation rates is less clear. It seems that unemployment rates initially decreased for white youth in the 1990s and increased in the 2000s. Africans make up by far the largest number of labour market participants. Given an increase of 16 percentage points in African unemployment (looking at 1995 and 2005), it is clear that the increase in overall labour market unemployment for this cohort over this decade has been driven by the African race group.

Unemployment rates of youth in 2008 were 31.9%, and increased in 2014 to 35.3% respectively. Youth unemployment rates have generally been lower in the 2000s than in the 1990s. According to the October Household Survey (OHS) data sets, in 1995 the participation rate of youth (using the official South African definition of youth of 15 – 35 years old) was 42%, using the official, strict

definition of unemployment (requiring active job search). By 1999 this participation rate had increased to 46%. In the 2000s youth participation rates were fairly stable at 52% in 2002 (using the LFS data sets) and 50% in 2005. In terms of absolute numbers, slightly more non-participants and less unemployed were captured in 2005 than in 2002. From 1995 to 1999, the increase in the youth participation rate was mainly in the form of an increase in the numbers unemployed.

CROSSTABULATION OF LABOUR FORCE PARTICIPATION AND EDUCATION LEVEL

Cross tabulation also revealed that there is an association between education level and unemployment among youth in South Africa. The study revealed that unemployment decreased with the increase in level of education (primary or no education 37%, secondary education 39% and higher education 19.9%). This was confirmed by Cramer's V coefficient which measures the strength of the association showed that there is weak association between unemployment and education level in 2008 and 2014 respectively on data 2014 Quarter Labour Force Survey.

5.2 BIVARIATE ANALYSIS

The study did find support for the research hypothesis and concluded that education level was associated with unemployment. The study revealed that compared with youth with no or primary education, the youth with secondary education and higher education were less likely to be unemployed. Much international evidence supports the notion that higher educational attainment leads to better employment outcomes, such as higher wages and lower unemployment. For youth, however, this relationship is not always evident. In some countries in Sub-Saharan Africa, secondary and tertiary education is not associated with lower unemployment rates among youth (Garcio and Fares, 2008). This findings is not consistent with findings Garcio and Fares (2008) study in that youth with secondary or tertiary education in Burundi, Cameroon, Côte d'Ivoire, Kenya,

Madagascar, and Nigeria have higher rates of unemployment than youth with lower educational attainments.

Indeed, in 13 of the 14 countries studied, the rate of unemployment is higher among youth with at least some schooling than among those with no schooling, even though a smaller proportion of school entrants are in the labour force. In Ethiopia the marginal effect of education on the probability of working was estimated using a probit model of employment on a set of control variables for urban and rural areas. The results reveal a negative relationship between education and the employability of youth. One possible explanation for this unexpected outcome is that the more educated youth are, the higher their reservation wage and returns to job search. Better-educated youth may be searching for work and not yet employed (Garcio and Fares, 2008).

5.3 MULTIVARIATE ANALYSIS

Our contention in this study that education level was associated with unemployment among youth in South Africa. After controlling for other factors, the youth with higher education were more likely to participated in labour force compared to youth with no or primary education. The findings are consistent with findings from other researchers. (Mlatsheni and Rospabe, 2002) investigated the link between education and labour market opportunities in South Africa. The results of the multinomial logit regression clearly indicated that there are greater chances of employment over unemployment within post-secondary higher education. The study findings are that more Coloured youth are participating in labour force that African youth. However, (Mlatsheni and Rospabe, 2002) shows that the effect of education on employment is stronger for White youths than it is for African ones.

The findings were also confirmed by (Fernandes-Alcantara, 2012) as the level of education rises, the unemployment rate decreases and labour force participation increases. Among labour force

participants without a high school diploma in 2010, the unemployment rate was 14.9%; this compares to an unemployment rate of 10.3% and 5.4% for those with a high school degree or a bachelor's degree, respectively.

Oosthuizen (2006) adopted the same approach as Bhorat and Oosthuizen (2005) when comparing OHS 1995 with LFS 2004 September, and derived very similar findings. In addition, Oosthuizen conducted multivariate analyses by running the probit and Heckprobit regressions on labour force participation and employment likelihoods respectively. He found that the 15-24 years cohort remained the group with the lowest likelihood of participating in the labour market.

However in this study, after controlling for age, gender, type of place of residence, population group and province, the relationship between education level and labour force participation was statistically significant with p-Values less than 0.001. Mlatsheni and Rospabé (2002) one of the South African studies focused primarily on how youths fare in the labour market. The results of the multinomial logistic regressions of the young broad labour force indicated that those aged 25-29 years, male white, being married household heads, with higher educational attainment, and residing in Western Cape were associated with greater likelihood of either being employees or self-employed (i.e., the broad unemployed was the reference category). This study findings are consistent with above study by Mlatsheni and Rospabé (2002) in three variable which were found to be significantly associated with labour force participation male white, higher educational attainment and residing in Western Cape. However, this study did not include the variable marital status which were found to be statistical significant to married household heads.

The study by Dias and Posel (2006) used the OHS 1995 and LFS 2003 September data to examine the relationship between education and broad unemployment likelihood. The regression analysis on the broad labour force indicated that the probability of unemployment decreased across the older age cohorts, as compared with the reference category (16-20 years), and this happened in all four population groups.

CHAPTER 6

6 CONCLUSION AND RECOMMENDATIONS

6.1 CONCLUSION

The main objective of this study was to examine the association between education level and unemployment among youth in South Africa. Our contention or hypothesis in this study that education level was associated with unemployment among youth in South Africa was confirmed in all analyses conducted bivariate and multivariate. After controlling for other factors, the youth in higher education were less likely to be unemployed as compared to youth who have no or primary education.

There is widespread acknowledgement of the failings of South Africa's education system. Government, business, teachers and learners all recognise that skills development has been far from optimal and is in need of serious attention. Recent economic growth in South Africa has also been well below potential, and although the low rate of economic growth has many explanatory factors it is difficult to avoid the conclusion that a lack of skills within the workforce is one of them.

The NDP describes the inadequacies of the country's education system at length. It proposes a range of improvements without which economic growth is unlikely to meet the rates required to facilitate transformation in general, and, in particular, meaningful reductions in the unemployment rate and meaningful advances in the skills profiles across all population groups. "Closer to 2030, South Africa should be approaching 'developed world' status, with the quality of life greatly improved, with skilled labour becoming the predominant feature of the labour force and with levels of inequality greatly reduced" (NDP: 157).

6.2 RECOMMENDATIONS

Based from the main finding that the highly skilled youth were less likely to be unemployed as compared to less skilled youth. Most of the recommendations focused on the issues around development of skills in youth. This study strongly support the findings of the NDP that the education system is not adequately serving skills development, and is in urgent need of reform. Employment growth between 1994 and 2014 was completely inadequate to reduce unemployment, further raising the level of urgency with which skills development should be treated

The transition to work is difficult for South African young people because of the large number of young people entering the labour market, their lack of skills, unfavourable economic conditions in most provinces of South Africa, market failures that adversely affect young people outcomes, and a host of other factors. In South Africa, your life chances are overwhelmingly determined by race, by birth, and by where you go to school. And we also need to address the structural constraints of a large, poorly educated, mostly black population without the social capital to get workplace skills, work experience, and job placement. Below follows some recommendations that comes from the findings of this study:

BUILDING SKILLS AND CAPABILITIES

Despite the increase in educational attainment in most South Africa, young people continue to leave school unprepared to integrate into the labour market. To reduce school dropout and early transition to work, policies and programs should ease the income constraints poor families' face. The biggest problem in South Africa is high drop-out of young people in school – the majority don't even finish

their secondary school, therefore there is a need to for policy and programs to increase school-enrolment.

PROMOTING PUBLIC-PRIVATE PARTNERSHIPS AND MAKING CURRICULUM MORE RELEVANT

Public-private partnerships are needed to improve the quality of primary education and increase access to lower-secondary education. Public policy could complement private initiatives by ensuring quality standards and introducing financing mechanisms to support the poor.

For secondary and higher education, school curriculum need to be made more relevant to labour market needs. Providing practical skills—by teaching subjects such as technology, economics, and foreign languages—could better equip young people for the labour market; better integrating vocational and general curriculum could facilitate young people insertion into the work force.

In addition to raising enrolment, South Africa need to improve the quality of their education systems and the relevance of school curriculum by teaching students the practical thinking and behavioural skills demanded by the labour market, using teaching methods that lead to high learning achievement and blend academic and vocational curriculum (Garcio, et al., 2008). Building bridges between school and work can facilitate the transition of young people from school to the workplace.

Young people need to be prepared to take advantage of potential opportunities or create opportunities on their own through self-employment and entrepreneurial activities. Young entrepreneurs face several constraints to creating a venture and making it grow. Some lack entrepreneurial skills, others lack access to information and networks, almost all have difficulty accessing credit and face investment climates that make it difficult to start and run a business. Improving the climate for doing business would allow more young entrepreneurs to start their own enterprises.

Poverty, adverse economic conditions, poor health, employment shocks, and inadequate schools force many young people to leave school without acquiring the basic skills demanded in the workplace. The aftermath of apartheid in South Africa, uproot many townships, halting early efforts young people have made to find work and develop their livelihoods. The result is a huge stock of unskilled young people who never went to school, are ill-prepared for the workplace, and are vulnerable to shocks.

South Africa need to intensify the second-chance programs which the country is operating in different forms. Back to school campaign targeting young people but attending classes part time in the evenings. The direct reintegration of out-of-work young people into the work force. To limit— and justify—the fiscal burden of second-chance initiatives, all programs must be well targeted, designed to increase young people skills, and geared to the needs of the labour market.

For young people who are out of school, equivalence, literacy, and job training programs should be designed to provide the skills needed for work (Garcio, et al., 2008).. Job training programs are more likely to be successful if they are part of a package that includes basic education, employment services, and social services. Public works programs provide good opportunities for young workers, particularly rural residents and people with low skills, to acquire initial work experience. The young people are hired only on a temporary basis, but the training and work experience helps them obtain more permanent employment.

Public works projects also allow good targeting for other young people interventions (such as training and placement services) that may increase the likelihood that young people find better employment opportunities beyond the program.

7 REFERENCES

1. Altman, M, 2012. **Challenges & opportunities in addressing youth unemployment activating youth: What way forward?** Human Sciences Research Council, Pretoria.

2. Altman, M, 2007. **Youth labour market challenges in South Africa.** Human Sciences Research Council, Pretoria.

3. Ashenfelter, O, and Rouse, C, 1998. **Income, schooling, and ability: Evidence from a new sample of identical twins**. Quarterly Journal of Economics, 113, 253–284.

4. Banerjee, A, Galiani, S, Levinsohn, J, McLaren, Z and Woolard, I, 2007. **Why Has Unemployment Risen in the New South Africa.** National Bureau of Economic Research, Working Paper Series: 13167 http://www.nber.org/papers/w13167

5. Becker, G, S, 1964. **Human capital: a theoretical and empirical analysis.** National Bureau of Economic Research, New York.

6. Blumenfeld, J, 2011. **Youth Unemployment in South Africa and the Wage Subsidy 'Debate.** London

7. Bhorat, H and Oosthuizen, M, 2005. **The post-apartheid South African labour market. DPRU Working Paper 05/93.** Development Policy Research Unit, Cape Town.

8. Burger, R, Van der Berg, S and Von Fintel, D, 2013. **The Unintended Consequences of Education Policies on South African Participation and Unemployment.** Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labour. IZA DP No. 7450

9. Burger, R and Woolard, I, 2005. **The state of the labour market in South Africa after the first decade of democracy.** Journal of Vocational Education and Training 57(4), 453-475.

10. Chigunta, F, 2002. **The Socio-Economic Situation of Youth in Africa: Problems, Prospects and Options.** The Socio-Economic Situation of Youth in Africa Draft July 12,

11. Dias, R and Posel, D, 2006. **Unemployment, education and skills constraints in post-apartheid South Africa.** DPRU Working Paper 07/120. Development Policy Research Unit, Cape Town.

12. Du Toit, R, 2003. **Unemployed Youth in South Africa: The Distressed Generation,** A Paper presented at the Minnesota International Couseling Institute (MICI), 27 July – 01 August 2003.

13. Farber, Henry, S, 2003. **NBER Working Paper 9707: Job Loss in the United States 1981 2001.** National Bureau of Economic Research, Cambridge.

14. Fernandes-alcantara, L, Adrienne, 2012. **Youth and the Labour Force: Background and Trends.** Congressional Research Service 7-5700, R42519. CRS Report for Congress, prepared for Members and Committees of Congress

15. Fields, Gary, S, 2000. **The Employment Problem in South Africa.** Cornell University ILR School. DigitalCommons@ILR Collection. Trade and Industry Monitor, 16(3-6).

16. Garcio, Marito, and Fares, Jean, 2008. **Youth in Africa's Labour Market.** Direction in Development (Human Development). The World Bank. Washington, D.C. Green Press Initiative.

17. Harmon, C, and Walker, I, 1995. **'Estimates of the economic return to schooling for the United Kingdom'** American Economic Review, 85, pp 1278–1286.

18. Haldenwang, Bärbel, 1994. **The demography of the youth of South Africa:** Source: Southern African Journal of Demography, Vol. 4, No. 1 (October 1994), pp. 58-82 Published by: Population Association of Southern Africa Stable URL: http://www.jstor.org/stable/20853214.

19. International Labour Organization, 2013. **Global Employment Trends for Youth 2013: A Generation at risk.** International Labour Office. Geneva

20. Kennedy, Steven; Stoney, Nicholas and Vance, Leo, 2007. '**Labour Force Participation and the Influence of Educational Attainment,** Economic Roundup, Spring 2008, Department of the Treasury. Canberra.

21. Kleinbaum, David, G and Klein, Mitchel, 2010. Logistic Regression: Statistics for Biology and Health: A Self-Learning Text, Third Edition. Springer New York Dordrecht Heidelberg London.

22. Lam, David; Leibbrandt, Murray and Mlatsheni Cecil, 2007. **Education and Youth Unemployment in South Africa.** International Policy Center. Gerald R. Ford School of Public Policy, University of Michigan. IPC Working Paper Series Number 34.

23. Leighton, L and Mincer, J, 1982. **Labour Turnover and Youth Unemployment,** University of Chicago Press, ISBN: 0-226-26161-1, URL: http://www.nber.org/books/free82-1

24. Makiwane, M and Kwizera, S, 2009. **Youth and Well-Being: A South African Case Study, Social Indicators Research,** Vol. 91, No. 2 (Apr., 2009), pp. 223-242, Springer.

25. Mincer, J. 1974. **Schooling, Experience and Earnings,** NBER, New-York.

26. Mlatsheni, C & Rospabé, S, 2002. **Why is youth unemployment so high and unequally spread in South Africa?** DPRU Working Paper 02/65. Development Policy Research Unit, Cape Town.

27. Nam, S, 1991. **"Determinants of Female Labour Force Participation: A Study of Seoul, South Korea, 1970–1980."** Sociological Forum, Vol. 6, No. 4, pp. 641–59.

28. National Planning Commission, 2011. **Diagnostic report**, Pretoria: NPC.

29. National Youth Development Agency, 2010. **Discussion Paper: Promoting Youth Employment in South Africa.** Office of the Chairperson. Midrand, South Africa.

30. National Youth Development Agency, 2010. **The South African Youth Context: Our Youth. Our Future.** Office of the Chairperson. Midrand, South Africa.

31. Nattrass, N, 2003. **Unemployment and Aids: The Social-Democratic Challenge for South Africa,** Centre for Social Science Research University of Cape Town, CSSR Working Paper No. 43

32. Oosthuizen, M, 2006. **The post-apartheid labour market: 1995-2004**. DPRU Working Paper

06/103. Development Policy Research Unit, Cape Town.

33. Pierce-Brown, R, 1998. **"An Application of Human Capital Theory to Salary Differentials in the Accounting Profession."** Women in Management Review, Vol.13, No. 5, pp. 192–200.

34. Rankin, N, Roberts, G and Schoer, V, 2013. **The Challenges that Young South African's Face in Accessing Jobs: Could a Targeted Wage Subsidy Help?** African Micro-Economic Research Unit (AMERU). University of the Witwatersrand

APPENDIX ONE

Recoding and definition of Independent Variables

VARIABLES	MEASUREMENT	VARIABLE EXTRACTED FROM 2014 QLFS DATA	VARIABLE TRANSFORMATION (RECODING)/ DEFINITION
Education Level	Education level of the participants	Q17EDUCATION	For the purposes of this study the 2014 QLFS variable categories were recoded into the following categories: o No & Primary education (1) o (Secondary education (2) o Higher education (3)
Age	Age of the participants	Q14AGE	The 2014 QLFS variable was then recoded into different variable with the following categories: o 15-19 age group (1) o 20-24 age group (2) o 25-29 age group (3) o 30-35 age group (4)
Gender	Gender of the participants	Q13GENDER	Gender variable was recoded in the 2014 QLFS and categorized as: o Male (1) o Female (2)
Population Group	Population group of the participants	Q15POPULATION	Population group variable was recoded in the 2014 QLFS and categorized as: o African/ Black (1) o Coloured (2) o Indian /Asian (3) o White (4)
Type of Residence	Indicated region of residence of survey participants	Geo-type	Place of residence variable was recoded in the 2014 QLFS and categorized as: o Rural (1) o Urban (2)
Province	Indicated province of residence of the survey participants	Province	Province variable was recoded in the 2014 QLFS and categorized as: o Western Cape (1) o Eastern Cape (2) o Northern Cape (3) o Free State (4) o Kwazulu Natal (5) o North West (6) o Gauteng (7) o Mpumalanga (8) o Limpopo (9)