



Proposal for Public Employment Innovations for the Jobs Summit

June 2018

1 Problem statement

Three issues are particularly critical when understanding youth employment challenges in South Africa:

- There are not enough jobs in the formal sector

It is estimated that at any one time there are 350 000 – 500 000 jobs suitable for entry level work seekers in the economy. Every year approximately 1 million young people enter the labour market. There are more than 6 million young people Not in Employment, Education or Training. Even if the number of available jobs increased by 100% - it would not be a sufficient response to youth unemploymentⁱ.

- The jobs which do exist in the formal sector for entry level work seekers are in the wealthy areas of Metros

The majority of formal sector jobs are in the largest Metros, and as the greatest number of jobs suitable for entry level work seekers is in retail and hospitality, the highest areas of growth in these jobs tend to be in areas where wealthy people live and have higher consumer demand. For young people who live too far away to afford the transport to and from these jobs, there are few other options.

- Most funds spent to assist youth transition into economic activity are focused on pathways into formal sector jobs

Enabling youth to transition into the formal sector is the focus of most public spending to enhance youth employment, with little investment in other opportunities other than the projects implemented under the banner of the Expanded Public Works Programme (EPWP)ⁱⁱ

The principle of the EPWP, to spend public funds in a way which intentionally creates more job opportunities for poor unemployed people, is an essential component of South Africa's anti-poverty strategy. It recognises that entrenched unemployment has devastating social impacts, particularly for young peopleⁱⁱⁱ. It further recognises that the Non State Sector has a critical role to play in allowing for the expansion of this principle, and for ensuring that the work undertaken in public employment interventions is meaningful for individuals and communities and allows critical work skills to be acquired. Unfortunately, many public employment interventions focus on mundane work, are poorly managed and leave young people frustrated.



2 Jobs impact

Indicate the impact on employment of the proposal and what is required to make sure that there will be a positive impact on employment

Please also indicate other anticipated benefits from the proposal, if any.

This proposal is to scale the engagement of young people in necessary work in their communities while receiving the Public Employment minimum wage of R88 per day. In some cases the interventions anticipate that young people would work for 20 days a month, in others, that they would be working on a CWP model of a guaranteed 8 days work per month.

- Provision of early learning to 3 and 4 year olds

20 000 young people a year for the next five years to be trained and enabled to provide early learning activities for 3-4 year olds in their local area.

Cost: EPWP Wage R169 million 8 days x R88 per day x 12 months x 20 000 per year

Training: 5 days training for 25 000 interested young people @ R400 per person per day. Costs to be met by social funding partners.

Support to young people to initiate and sustain quality interventions for children. Provided by core partner NGOs. This includes enabling them to access relevant government support grants and upgrade their offerings.

- Collection of data in communities to allow for improved development planning and service delivery

9 000 young people a year for the next five years to be deployed on assignments to capture data from surveys/observations and to support stakeholders in the public, private and civil society sectors to refine their context and planning for delivering services.

Cost: Completion of surveys EPWP minimum wage guaranteed for 8 days a month R76 million. Surveys to be managed by research partners (Universities, State entities or other NGO partners).

Research agencies responsible for ensuring that an additional of 4-14 days work on further surveys to be available from contracting partners paying for the service.

Support public bodies needing service delivery data to use young people.

- Making communities safer spaces for children and young people

Identifying issues which make children and young people particularly vulnerable to social violence (gender based, gangsterism, substance abuse etc.) Young people who are already playing an active role in community leadership plan and implement projects that address the issues. This project would commence with 1 000 young people in its first year, and then anticipate engaging 2 500 young people a year for the next four years.

Cost: 1000 young people x 8 days per month x R88 per day. R8.5 million



Funders who are already supporting NGOs/CBOs deliver services will be mobilised to assist in paying an additional R4.5 million to support training, materials and supervision.

3 Theory of change

Please provide no more than half a page that indicates in practical terms, how the proposal would work – what has to be done, what the outputs would be, how that would lead to the desired outcomes.

While we speak consistently of unemployed young people in fact there are very different cohorts and needs within the very broad category of people aged 18-35. In addition to the way in which age, gender and location inform people’s employment profiles, youth studies since 1992 have suggested other categories are even more important. The diagram below (Diagram from DPME Paper showing concentric circles (page 28 – 6.1 Conceptual Framework Status Quo) categorises young people as “fine”, “at risk”, marginalised” and “dangerously disengaged”. Youth in poor communities who are “fine” and excluded from the labour market primarily because of their location, are a key resource in enabling those who are at risk to overcome barriers into economic and social independence^{iv}.

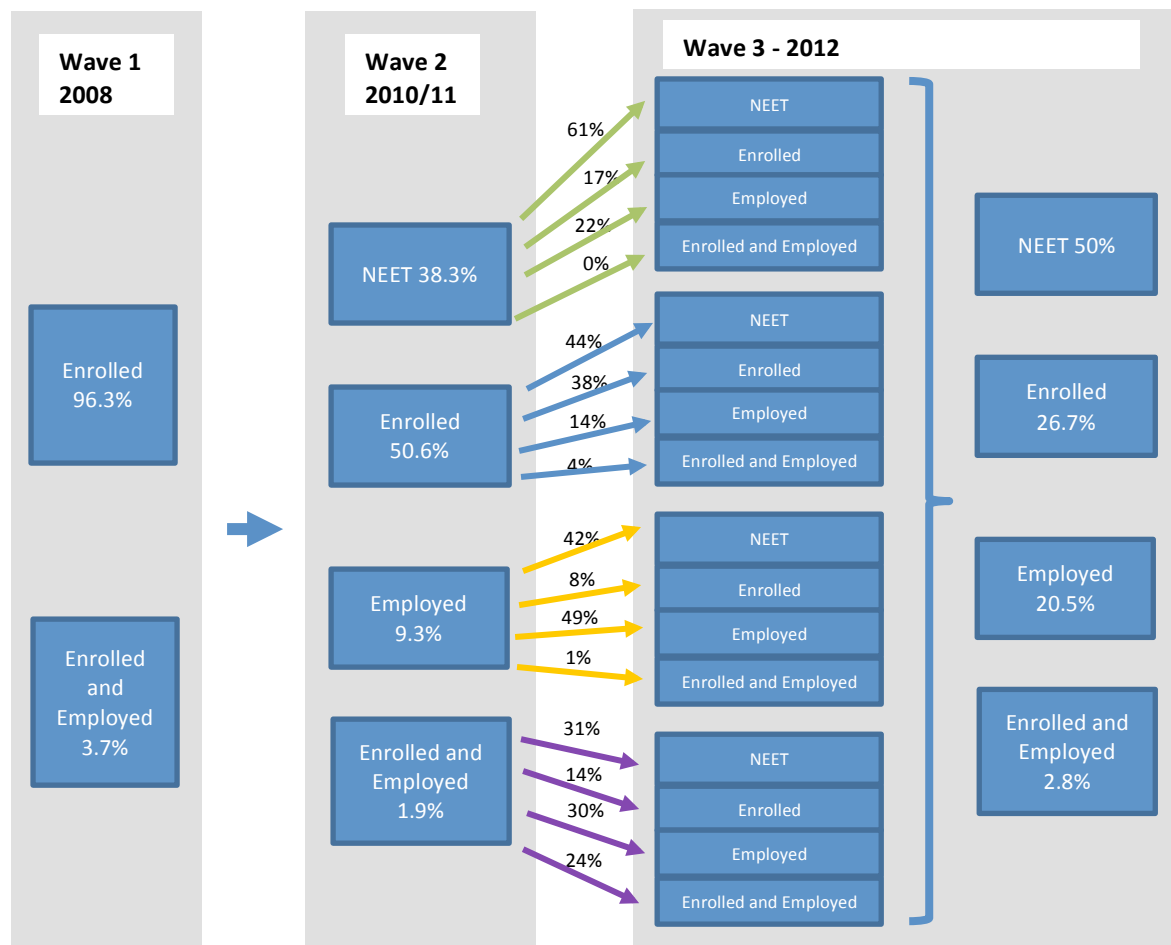
Figure 1: Categories of Youth



Further, although we often imagine linear progressions from “school to work” or from education into a defined career, all the evidence suggests that young people “zig zag” in and out of educational and transitory work opportunities. For many young people who are “fine”, an accumulation of work experiences and engagement in structured and well managed interventions is sufficient to allow them to create networks and self-navigate into more stable opportunities. (Figure 2 – youth transitions diagram showing movement over 4 years of work seekers in and out of opportunities)



Figure 2: Trends in Youth Labour Market Transitions



The theory of change which underpins this proposal is that:

IF:

Young people who exhibit strong agency and interest in community initiatives that improve the existing and future opportunities of children and youth at risk are engaged in well managed and structured public employment interventions that benefit their communities

AND IF:

They receive a regular income equivalent to the EPWP Minimum wage of 1 960(R704 – 8 days a month – R1 936 – 22 days a month) while building networks, agencies and competencies required for more complex activities

THEN

The profile of child and youth wellbeing in poor communities; social cohesion and possibilities for the future will change.



4 Existing initiatives/experience

- Provision of early learning to 3 and 4 year olds

Harambee has worked in partnership with SmartStart to enable young people nationally to participate in this social franchise opportunity.

SmartStart is an early learning social franchise which aims to ensure that access to high quality early stimulation becomes a reality. SmartStart provides an effective and affordable solution that enables unemployed women and men to run their own SmartStart programmes, and that empowers parents and communities to seek out and support these quality programmes.

The following diagram outlines the objectives and proposition of SmartStart:



Harambee is a close partner to SmartStart and works with them to identify areas where there is high need for early learning, engages with communities to ensure buy-in and commitment and recruits candidates who would be most suitable for the opportunity. SmartStart have leveraged EPWP and CWP funding as start-up subsidies to parent fees for these practitioners.

Harambee has also participated in engagements with a range of social funding partners including Yellowwoods, Firstrand, Tshikululu, D G Murray Trust. Both Smartstart and Nali Bali, an early reading programme, have worked closely with the Department of Cooperative Governance to understand how their activities can be incorporated into the CWP.



- Collection of data in communities to allow for improved development planning and service delivery

Harambee has managed numerous interventions, in partnership with research institutions and NGOs, which engage young people in using technology to either improve community access to technology, or to leverage their detailed knowledge of their communities to collect very detailed and nuanced data. For example, the Gauteng Province's Township Economies survey engaged hundreds of young people in the task of surveying micro, small and medium enterprises in townships across the province, to inform the Province in planning interventions that could accelerate economic development. These data collectors, also known as 'Knowledge Workers' have been deployed on contracts to inform private sector companies on how they can engage in new markets and also to provide desperately needed detail on service delivery failures. Critical to the implementation of this programme is having research partners who are willing to work collaboratively; the willingness of different departments to commission and share data across the public sector and exceptional field management technology and capacity.

- Making communities safer spaces for children and young people

Harambee has worked in partnership with the DG Murray Trust in the implementation of the Bumb'Ingomso initiative in Buffalo City Metro and piloted, on behalf of the Employment Promotion Project, ways in which a public employment model could be used to impact on deep social challenges such as gender-based violence (GBV). The pilot engaged young people who had participated in an NGO GBV training and monitoring intervention and conducted a community safety audit. These young people were then encouraged to initiate and sustain projects that addressed issues identified in the audits as a task based payment structure equivalent to the CWP. Participants also ran sales challenges and by the end of the programme were able to generate through micro sales, an income either the equivalent of or in excess of the CWP wage.

5 Constituency participation in implementation

This proposal relies on the participation of the following constituencies:

- Government
 - Line Departments responsible for service delivery – particularly the Department of Social Development (options one and three); Departments of Sport, Recreation and Art and Culture
 - National Youth Development Agency
 - Municipalities and Provinces and National Departments with a need for nuanced detailed local data to plan for or monitor service delivery
- Civil Society
 - Social partners already committed to scoping and addressing the needs for providing early learning to 3-4 year olds



- NGOs that are already working in the early learning space in communities
- Civil society monitoring organisations with an interest in more nuanced data to track issues pertaining to social cohesion and well being
- NGOs that are working to address issues affecting vulnerable children and youth
- Community based formations interested in addressing issues of gender-based violence, substance abuse etc.

6 Benefits

What social/economic groups would benefit from the proposal directly and indirectly? Please use the following table, and do not list more than 5 groups. Please describe the benefits as precisely as possible.

Group	Job creation	Other benefits	Time frame for success
Young people aged 18-35. Emphasis and bias towards: <ul style="list-style-type: none"> - Young people who have never worked in the formal economy - Young people living in areas spatially separated from areas of formal sector employment 	Opportunities for a minimum of 8 days predictable work for 30 000 young people year on year. Anticipation that approximately 3 000 young people a year will transition into other opportunities and an additional 3 000 will take up opportunities to further develop and grow social/enterprises beyond the opportunity.	Sustainable household livelihoods, skills development and the provision of assets and services	5 years
Vulnerable children and young people in communities		Anticipate 250 000 children (3-4 years old) in poor communities and receiving child support grants access subsidised early learning because of the intervention. Improved monitoring of	5 years



Group	Job creation	Other benefits	Time frame for success
		<p>service delivery creates new opportunities for public employment and economic development interventions and increases social agency.</p> <p>30 000 adolescents have improved wellbeing and prospect for completing schooling because of activities run for them in their communities</p>	
NPOs and CBOs which have young people in the target group participating in the delivery of their services		Increased capacity and ability to carry out mandate.	1 year
NPOs that are working to develop new programme methodologies for ECD	Additional jobs will be created across all tiers of participating NGOS		1 year
Public and private sector companies in need of more detailed and nuanced data in communities		Improved insight into community needs and areas for intervention. More targeted and relevant socioeconomic development projects.	1 Year

7 Cost and potential sources of funding

What social/economic groups would bear the cost of implementing the proposal directly or indirectly? Please use the following table, and do not list more than 5 groups. Please describe the costs as precisely as possible. In the case of financial costs, who would pay them?

Group	Anticipated costs	Potential sources of funding to implement the project	Time frame for impact



Group	Anticipated costs	Potential sources of funding to implement the project	Time frame for impact
Payment of wage to participating young people	EPWP Minimum Wage: R253 448 000	Fiscus	Annual allocation to be paid through EPWP Incentive Grant.
Training and Capacitating young people to undertake ECD work	R50 000 000	Social funding partners to mobilise for participating NGO delivery organisations	February 2019
Management and Support for Growth and Quality Management	?	To be mobilised in partnership with DSD/DBE and in line with Early Childhood Development framework	
Provision of technology to Data Capturers	R12 000 000	Provision of tablet. Mobilise corporate sector donations	
Management and support of young people in Field	R35 000 000	Partially raised from paid work contracted from public and private institutions. Potentially a “management fee” similar to the CWP 65%-35% range to be requested	

8 Risks

What are the main risks that would prevent the proposal from achieving the anticipated outcomes? Describe *at least two*.

The two most significant risks which could impact this initiative are:

- Complicated processes for transferring the wage funding to the NGOs appointed to manage the implementation. Non State Sector EPWP interventions have in the past experienced delays in the way money moves through government departments or intermediaries, to the NGO responsible for paying the youth
- Insufficient management and support to the youth.



9 Risk mitigation

What should be done to mitigate the identified risks? Which stakeholder would be responsible for the risk mitigation activity?

To mitigate the risks it will be necessary to:

- Ensure explicit institutional arrangements are discussed and agreed by key partners including National Treasury, relevant National Departments, any fund intermediary for the wage incentive and participating NGOs
- Ensure very explicit and consistent agreements with NGOs that will be engaged in running programme discussed and agreed by key partners, and that only organisations that have at least 3 years of existing experience in delivery of interventions to provide subsidised ECD services to poor children can be engaged.
- No contracts are signed with young people to participate until there is explicit clarity on the wage and other programme payment arrangements.

10 Additional comments

ⁱ Need reference for the McKinsey report

ⁱⁱ “Youth Labour Market Transitions: Final Report, 9 November 2017”, Bid number: DPME 01/2016-17, Rebel Group South Africa and Singizi Consulting

ⁱⁱⁱ “Lessons for youth employment strategy from South Africa’s public employment programmes”, presentation by *Kate Philip*

^{iv} “Youth Labour Market Transitions” for DPME