What factors contribute to the unemployment duration of youth: A case study of the Action Volunteers Africa's youth labour market programme

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I declare that the above thesis is my own work and that all the sources I used or quoted have been indicated and acknowledged by means of complete references.

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I wish to dedicate this dissertation in loving memory of my late friend Ntando ‘Frank’ Yaka. You were such a beacon of knowledge and a light in our lives.
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Abstract

The incidence of unemployment falls most harshly on youth, who are generally low skilled and often have no experience of formal sector employment; with just 24.4 percent of young people being active in the labour market. In an attempt to assist this disenfranchised so called ‘lost generation’ there has been a major shift from passive to active labour market programmes in many countries across the world in support of the unemployed, where these programmes often concentrate on the youth. But the results on these active labour market interventions are very mixed, in terms of their effectiveness, with some countries having experienced significant improvements in unemployment levels; and others are yet to bring to fruition the economic benefits the programmes had hoped to achieve. Through the use of a qualitative research method approach, by means of surveys, this paper aims to lend to the lessons around youth labour market interventions by conducting a case study on a particular NGO’s youth intervention program to see if it has had any impact on reducing youth unemployment. What sets the programme apart is that it offered meaningful volunteering as a form of work experience as well as a self-development component which allows the youth to be more self-aware. The study found that overall the time youth spend in unemployment after completing the programme decreased by 6 months and that other unemployment duration determining factors play a key role in determining how long a youth spends in unemployment. The study found that the attitudes of the participants changed to a more positive outlook on their future prospects once they have completed the program; which lends itself to have a positive impact on job search activity.

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1. Introduction

The level of unemployment, particularly youth unemployment, in post-apartheid South Africa has been persistently high; and the estimation of the relationship between unemployment duration and the probability of finding work is becoming increasingly important. The persistence of chronically high unemployment is arguably the most important impediment to poverty reduction in South Africa (Ligthelm, 2006:30). Unlike other emerging market economies, the South African labour market is characterised by very high levels of unemployment (National Planning Commission [NPC], 2011:12-13) which further exacerbates the poverty and inequality problem that South Africa has been battling at least since the beginning of the democratic era.

On a global scale, South Africa makes up 2 percent of the world's unemployment rate yet only makes up 0.5 percent of the global labour force (National Treasury, 2011:13). Unfortunately, the incidence of unemployment falls most harshly on youth, who are generally low skilled and often have no experience of formal sector employment. In 2018, the youth unemployment rate was at 52.85% (Statistics South Africa, 2018). Although youth unemployment is a global phenomenon; for a country with 35.7 percent of its citizens being youth (Statistics South Africa, 2018), this has negative implications of another 'lost generation' in South Africa.

The uncompetitive primary and secondary sectors are amongst the relevant legacies of the Apartheid economy which have consistently resulted in job losses since 1994, as well as an unskilled and a partially misaligned labour force (NPC 2011:13). The problem of youth unemployment is most critical because in it lies a very slow uptake of young entrants. Certainly the remnants of the apartheid era have left the country with a 'lost generation', but the problem facing the country now is that a there is a new generation being generated where young people have little link into the economic and social participation offered by the world of work (Altman, 2003: 22).

While the booming years of 2002-2007 led to a significant decline in the unemployment rate, the 2008/9 global financial crisis had overall negative effects on South Africa's labour market. Unemployment went up from 27.5 percent in 2008 to 32.7 percent in 2010 (Ismail & Kollamparambil, 2015:301). During this period the youth were impacted

the most with unemployment rising from an already high 51.5 percent to 60.3 percent, almost 9 percentage points (Ismail & Kollamparambil, 2015:301). Many youths find themselves experiencing long spells of unemployment, and without proper intervention, these youth are at risk of remaining in unemployment. Thus further ballooning the youth unemployment problem as the number of the young who are unemployed is growing much faster than that of any of the other unemployed age groups.

Relating to the causes of youth unemployment- there are macroeconomic as well as microeconomic reasons for the high level of youth unemployment. The most commonly cited of the macroeconomic determinants are youth wages, aggregate demand, the size of the youth labour force and the ever-present lack of skills (Mlatsheni, 2014:27; O'Higgins, 2001). The unemployment rate of young people appears to be more sensitive to changes in aggregate demand than adult unemployment. This is because young people are more likely than older workers to leave their jobs voluntarily during a recession (Mlatsheni and Rospabé, 2002). Another major influence on youth employment is the extent of job availability and the nature of that employment (Mlatsheni, 2014:11). When an economy is not growing at a fast enough pace, employment creation as well as any attempts to increase the extent of youth labour market employability become dampened (Mlatsheni, 2014:11).

Microeconomic theory provides explanations that are not solely unique to the youth but still impact the youth. Examples are human capital theory which offers a justification for some of the differences in productivities, indicated by the level of education. A second example is job search theories which states that some of the differences in unemployment can be explained by different variations of job search methods. There are also the controversial variations in how unemployment duration affects employability; these are more extensively discussed further in the paper. Then there is imperfect information about the labour market which may also be a cause of youth unemployment where an employer's lack of knowledge about the applicant's productivity causes them to discriminate against the candidate based on stereotypes from the employer. But what is commonly known to be a major contributing factor to youth not finding work is their respective level of education and experience (Mlatsheni, 2014).

This paper concentrates on the microeconomic causes of youth unemployment by looking at a case study of an NGO's youth participants, specifically how the programme affects the participants' length of unemployment and how that translates to successful transition into the world of work.

The question of whether the length of time an individual spends outside of work diminishes their job market opportunities attracts substantial attention from policy makers and researchers alike. This reflects the widespread belief that the adverse effect of longer unemployment spells- commonly referred to as 'negative duration dependence'- entails a large social cost while undermining the functioning of the labour market. Several past studies indicate that the transition from school to work in South Africa is quite difficult (Wittenberg, 2005; Lam et al., 2008) and that unemployment is duration dependent (Brick & Mlatsheni, 2007). It has proven rather difficult to credibly establish that a job seekers chance of finding employment worsens with the length of his or her unemployment spell. The difficulty arises in part due to job seekers with different unemployment spells who appear similar to researchers but may actually look very different to employers. Consequently, the job-finding probability might decline with unemployment duration either because of "true" duration dependence or because unemployment spell lengths correlate with other fixed characteristics that are observed by employers but not necessarily researchers (Kroft, Lange & Notowidigdo, 2013: 1123).

The difficulty young people experience in finding employment in the formal sector is heavily tied with their lack of experience (van Aardt, 2012: 55) which employers see as an important indicator of ability, resulting in a large number of youths being unemployed or spending sustained periods without jobs after completing some form of secondary or higher education training (van Aardt, 2012: 59). In light of this prominent youth unemployment problem, a wide range of active labour market policies (ALMPS) and other interventions, provided by both the public and private sector, have been put in place to alleviate youth unemployment. Training interventions supported by the public sector were introduced as a means to fast track the development of employees and serve as an entry point for young people looking for jobs (National Treasury, 2011:20). Job training and placement programs function to reduce the demand for social assistance by assisting job seekers to either find employment

directly or upskilling them to improve their chances of finding employment (Nattrass, 2002:212). In addition, the youth wage subsidy was introduced with the aim of providing young, inexperienced workers with decent work and experience of the formal labour market (National Treasury, 2011: 33). The implications of the introduction of this type of intervention are discussed in length in the paper drawing on lessons from both the local and international experience.

In South Africa, the NGO sector is generally dominated by organisations that are in collaboration with the government's objectives; stepping in to alleviate economic and social hardships, or to advocate for policy improvements to government service provision (Dieltiens, 2015: 487). Typically, NGOs are not thought of as organisations that help unemployed youth find work but with so few formal institutional avenues to bridge the gap between school and work and with youth unemployment reaching unprecedented levels, non-government organisations such as Action Volunteers Africa (AVA) have acted as a support mechanism to help these youth build more sustainable futures. AVA is a local NGO that recruits, trains and places unemployed youth in full-time volunteering positions in other NGOs, SMMEs and schools where youth can gain the identified lack of work experience as well as develop much needed soft skills to ensure a promising job path for their participants. To date, AVA has impacted over 700 volunteers and 80 percent of these have managed to secure further work opportunities.

The effects of ALMPs, on job finding rates are typically decomposed into two separate effects. The first one is the locking-in effect and the second is the post-programme effect. The locking-in effect refers to the period a person participates in a programme. During this period, typically job search intensity is lowered, because the participant has less time to engage in job searching, and also because the individual might want to complete an ongoing skill-enhancing activity. *Ex ante* it is thus predicted that the rates of finding a job decline during participation in a programme. The post-programme effect refers to the period after the participant has completed the programme. If a labour market programme like AVA has increased the individual's employability, then an increase in the job finding rate is to be expected (Rosholm & Svarer, 2008: 3). The analysis of this research paper is based on post-programme effects. This research paper sets to explore what are the various factors that contribute to the lengthening of

youth unemployment duration and whether AVA has had an impact in changing these outcomes. This paper also sets to determine whether the intervention programs of AVA have had any meaningful impact on reducing the unemployment duration of its participants through its volunteer work placement services which will be determined by conducting a qualitative analysis of the data received from the participants.

The remainder of the paper is constructed as follows: an in-depth literature review follows this section, focusing on various ALMPs from other countries as well as the lessons drawn from these interventions to see what has worked for the developed north in contrast to the developing south, and more specifically South Africa. The section following the literature review states what the research questions of this paper are as well as some of the findings of the paper pertaining to the research questions. Section IV gives a brief background to AVA detailing what services the organisation offers to young people, along with information on its three programmes and how these are structured. The data description is covered in section V followed by the analysis in section VI which talks about the factors that contribute to youth unemployment. The analysis of the survey follows a qualitative analysis method, where the findings gathered from analysing the administered survey are discussed in relation to the findings of various literature pertaining to the different factors that contribute to youth unemployment durations. Then lastly, section VII gives recommendations around how AVA can further contribute to the upskilling of their participants; before I make my conclusions in section VIII.

2. Literature Review

2.1. Active labour market policies: What does and does not work?

The shift from passive to active labour market programmes is one of the relatively recent changes in many countries' support for the unemployed, where these programmes often concentrate on the youth. "Passive" labour market policies refer to the support that unemployed individuals receive, with little attempt to monitor their job search process or provide resources to assist with job search or skills retraining; for example, unemployment insurance. "Active" labour market policies intend to directly affect the employment prospects of the unemployed by encouraging (or coercing) participation in activities and workshops that teach job skills and provide training. The most common forms of active labour market policies are: employment subsidies, retraining and education programmes, public employment opportunities, job search assistance programmes and self-employment assistance (Smith, 2006: 6).

Publicly funded training is a policy instrument within the active labour market policies framework. It consists of policies aiming to improve the access of the unemployed to jobs, job-related skills and the functioning of the labour market (Martin, 2000). Training is the most common instrument within this set of policies. It has several modalities (training for the unemployed, displaced or active workers) and is used to impact on labour supply, by providing or updating relevant skills to the population, with the ultimate goal of increasing employment and incomes (Ibarrarán & Rosas Shady, 2009: 4).

Training programmes are amongst the few economics and social studies which have been studied and evaluated very rigorously to determine the impact that they have of unemployment evaluations as usually a lot of money is channelled into these programmes; but most of the existing literature focuses on evaluating programs in the U.S. and Europe only.

This literature review draws on lessons from programmes that were implemented in countries from across the world including South America, Africa and Australia; in order to get a more wholistic review of the impact that ALMPs have had on reducing unemployment- more specifically youth unemployment.

2.1.1. Different job training programmes and their effects

ALMPs in Latin America are quite similar to programs from Europe and North America, where programs are targeted at less-educated youth- with the explicit aim of raising participants' job skills and matching them to suitable employers (Card et al., 2011: 268). The poor quality of basic education in most Latin American countries compounded with high early school dropout rates has resulted in a large group of poorly educated youth with unfavourable labour market perspectives (Ibarrarán & Rosas Shady, 2009: 3). For this group, a common intervention that has been promoted through the region is short training programmes aimed at providing basic job readiness skills as well as some trade specific abilities (Ibarrarán & Rosas Shady, 2009: 3).

The findings from the thematic evaluation on Latin American programmes was that the effect of job training on employment varies by age, gender and region. Generally, women and younger people obtain higher employment rates. They also found positive impacts in terms of the quality of jobs that trainees get once they find employment Ibarrarán & Rosas Shady, 2009: 32). While Latin American ALMPs do not tackle the root cause of unemployment – they rely heavily on a positive macroeconomic context – where job creation is directly impacted by economic growth.

Albeit a common cause for high unemployment rates, low levels of education are not the sole reason for the increasing and overwhelming rates of youth unemployment as even the most highly educated and skilled youth have struggled with the transition from education to work. As a result, various interventions across member states of the European Union (EU) aim to intervene in the youths' transition to successful employment by providing policies that offer an array of services (European Foundation for the Improvement of Living and Working Conditions, 2012).

Similarly like the EU, the United States runs a no-cost education and vocational training programme which is administered by the U.S. Department of Labour which started in the 1960s, called Job Corps. The programme connects the youth with the skills and education they need to help them get started with their careers (U.S Department of Labor, 1964). Job Corps has yielded statistically significant earnings gains for disadvantaged youth. But they had to rely on savings from reduced criminal

activity among the target group in order to produce a net social benefit, given that the program is such a high cost[1]. When compared to the Job Training Partnership Act (JTPA), the short-run impacts of the programme on young women appear to be zero (although the longer impacts appear to be more positive); while the short-run impacts for young men were negative (Card et al., 2011: 270). Contrarily, the Job Corps programme appeared to have a significantly short-run effect on both genders but little to no long-term effect.

Another programme which was modelled after Job Corps called Job Start has made it possible to identify specific sites where the program appeared to work for disadvantaged youth. An example of a site that appeared to deliver great gains is the Centre for Employment Training (CET) in San José. Out of the 13 Job Start sites, it was the only one which delivered statistically significant earnings gains for youth (Martin & Grubb, 2002: 20). The evidence found in programme evaluations conducted in Canada and the U.S. suggests that the biggest payoffs for disadvantaged youths come from early interventions.

Studies showing the effectiveness of training programmes in developing countries are relatively limited. But in their review of 69 impact evaluation of unemployed youth training programs, Betcherman et al. (2004), conclude that training programs in Latin America are on average more positive than the impacts of programs in the U.S. and Europe. Similarly, a study by Ñopo and Saavedra (2003) analysed a sample of training programs in Latin America and their conclusion is that the employment and income impacts of the programmes run in developing countries, exceeds the impacts in developed countries.

The difference with the more recent programmes is that they now also place great emphasis on the private sector, both as a provider of training and as a demander of trainees just as the Kenyan government has partnered together with the Private Sector Alliance to initiate Kenya's Youth Empowerment Project (KYEP) in 2010. The aim of the programme is to help youth acquire work experience and skills through internships and providing relevant training in the formal and informal sectors, in essential life skills,

[1] The evaluation results in support of this positive assessment of Job Corps were based on non-experimental methods done almost 30 years ago.

and in business. The project targets youth between the ages of 15 to 29 who have at least 8 years of schooling and provides them with training, private sector internships and work experience (World Bank, 2012: 3).

The Kenyan project planned to benefit an estimated 11, 000 young people within the first 4 years of its inception. A unique aspect of the project is that it is driven by associations of employers who determine the type of training to be provided in each sector and who are in a good position to make sure that young people are equipped with the knowledge and skills demanded by the labour market (World Bank, 2012: 3). Unfortunately, no evaluations of this programme have been conducted so its effectiveness cannot be ascertained. This is a recurring theme for most African ALMPs- they lack formal monitoring and evaluations which will have major implications for future funding or expansion opportunities.

A major contrast between the prerequisites of the interventions across the countries discussed above is the level of education. Some country programmes require at least an upper secondary education whereas others targeted early school dropouts.
The regions face different challenges (early school drop-outs vs unemployed upper secondary schoolers) and hence the need for differing entry requirements for the ALMPs; which will also speak to the success of each programme. Additionally, the type of jobs that a country's economy can offer its unemployed will also influence the training prerequisites required from job seekers. More advanced economies will require a higher level of education than low-income or emerging economies.

2.1.2. Initiating self-employment as a form of youth empowerment

Job search assistance used to form a major part of early 1990s intervention in Europe and North America but as of late more policies are focusing on the skills most needed by the economy as in the past this was neglected thus limiting the effectiveness of the programme. An example is Egypt's more recent shift towards more demand-driven skills development interventions by partnering training providers with the private sector (International Labour Office [ILO], 2017: 15). Most of the programmes introduced in the 90s focused on providing skills development programmes and initiating self-employment support. More recently, skills training has been frequently combined with financial services and access to credit, with the sole objective of promoting self-

employment and improving the sustainability of the business projects created. But these programmes have faced multiple challenges that limit their effectiveness thus making it hard to measure their impact (World Bank, 2012).

Uganda has a Youth Opportunities Programme (YOP) which was initiated in 2005. The YOP provides youths with vocational skills to enable them to earn income and improve their livelihoods. The program provides a cash grant which allows youths between the ages of 20 to 30 to invest in skill training and setting up small businesses; and in some cases, the training provides life skills and psychological counselling. Participants are required to submit a proposal which if successful the participant will receive a lump sum cash transfer of US$7,100 which is typically spent on technical support and start-up costs (World Bank, 2012: 3). Since its inception the Ugandan Youth Opportunities Programme continues to have large positive economic effects- the number of hours of employment outside the household doubled for the beneficiary group and their cash earnings increased by nearly 50 percent more than those of the control group. The estimated real annual return on capital (of the grants) was 35 percent on average (World Bank, 2012: 3).

Significant impacts are often estimated for self-employment programmes, but these are only appropriate for a limited proportion of the unemployed (Martin & Grubb, 2001). In a country like South Africa young workers are relatively less involved in self-employment than adult workers as a lack of capital is a major constraint to this endeavour (Mlatsheni & Rospabe, 2002). This statistic is further exacerbated along racial lines where only 4,8% of Blacks are in self-employment compared to 7,1% of whites (Mlatsheni & Rospabe, 2002).

2.1.3. Public Works Programmes

The Expanded Public Works Programme (EPWP) is South Africa's largest ALMP whose aim is to promote economic participation amongst marginalised job seekers. Public works programmes are often launched with several objectives in mind. The most common of which is often to provide poor households a source of income by creating temporary jobs.

In Southeast Asia governments introduced a variety of public works programmes. East Asia did not have a strong tradition of active labour market programs with the exception of the fairly widespread use of public works to create work or earning opportunities on a short-term basis. Other instruments such as employment services or retraining have not been used in any significant scale to integrate unemployed workers into the labour force. This reflects the region's stage of development and its prevailing ideologies regarding the role of public policy, and it also reflects the low unemployment rates in most countries post 1997 (Betcherman et al., 2000: 23). Public works programmes in the Philippines have created at least 476, 000 jobs.

Indonesia reintroduced the labour-intensive infrastructure construction programmes that had been phased out in the early 1990s. The Korean public works programmes generated 440,000 jobs in 1998 and nearly 1.2 million jobs in 1999 providing jobs for the country's 1.7 million unemployed. Without the presence of unemployment insurance funds, public works programmes provide workers with much needed income. These schemes have also proved more cost-effective than income support systems such as subsidies. For example, the Indonesian public works programme spent less than $4 for each $1 that was transferred to the poorest 15 percent of the population (Islam et al., 2001: 16).

The objectives of a public works programme may well change over time. For instance, the Bolivia's Plan Nacional de Empleo de Emergencia (PLANE) was launched as a temporary intervention with the aim to create employment for poor families in urban and rural areas during the economic crisis. But it was extended and incorporated as a permanent anti-poverty instrument in the Red de Proteccion Social (RPS), due to the prolonged difficult economic and social circumstances. Similarly in Mexio, the government launched the Programa de Empleo Temporal (PET) to support income generation of the most vulnerable and it is currently addressing the structural problems which inhibit income and employment generation (Milazzo et. al., 2009).

For South Africa, the success of the programme cannot be strongly advocated as the duration of the jobs was very limited, there was a lack of training, and low labour intensity that increased the cost per job created. There is also little evidence

supporting the notion that EPWP projects improves participant's subsequent transition to formal private or public sector employment (National Treasury, 2011: 22).

Given the variation in use and efficiency of public works programmes in several countries, it is useful to ask what exactly makes the programme a successful safety net that can create employment and reduce poverty? A thorough study conducted by Milazzo et.al., (2009) highlights the following as important factors for a successful public works programme: a) it is important to consider a public works programme that has clear objectives, following examples of patterns from countries with similar income levels; b) the program has to result in the creation of a valuable public good; c) the programme has to be carefully designed and the incorporation of all key features such as the level of the wage rate and labour intensity has to be defined; d) a credible monitoring and evaluation system right upfront prior to launching of the programme.

Perhaps as a solution to the major youth unemployment in the country, South Africa still has a very long way to go in terms of redesigning a public works programme that is suitable to the country's needs.

2.1.4. Subsidised jobs

The South African government implemented the country's first wage subsidy programme to combat youth unemployment in 2011, which is National Treasury's most direct and most expensive labour market intervention to date. The Employment Tax Incentive Bill (ETI) is a tax incentive that firms which are registered for Pay-as-You-Earn (PAYE) tax can claim when they hire a worker between the ages of 18 and 29 (National Treasury, 2011). The wage subsidy is meant to address labour market imperfections through three major channels:

i) Risk discount: The wage subsidy compensates an employer for the costs and risks that are associated with hiring young workers whose productivity is uncertain.

ii) Training compensation: The wage subsidy compensates an employer for the training and up skilling costs that firms incur when they hire a young skilled worker

iii) Labour market participation: The wage subsidy improves the hope and confidence among the youth regarding their employment prospects. There is

> an argument that the subsidy programmes can increase the job search efforts of the targeted workers since it gives them the expectation that their success rate in the labour market is now higher (Moeletsi, 2017: 5).

The British government tackled youth unemployment through various similar interventions in order to prevent further long spells of unemployment. The New Deal for Young People programme was developed with the aim to increase the likelihood of entering a job for those with 6+ months of unemployment in the current spell. There are two stages of the intervention. First, after 6 months of unemployment, participants are placed into a Gateway programme that provides intensive support for and monitoring job search activity. Then if nothing comes of the job search, the participant is placed onto one of a range of options- which are either subsidized jobs offered by the private sector, subsidized self-employment, an environmental or charitable sector work experience scheme or full time education (Gregg, 2001:627). The New Deal is a classical combination of efforts intended to improve the employment prospects of unemployed youth by containing elements of job search assistance, subsidised employment, retraining and public employment.

Through a study for estimating what the effects of the New Deal (UK) employer subsidies are on reemployment rates Van Reenen (2004) focused on the reemployment rates at the end of the Gateway period. By using differences-in-differences estimates the findings were that the employment rates of eligible 18 to 24-year olds are around 5 to 11 percentage points higher at the end of the four-month Gateway period due to the New Deal. Additionally, he suggests that about half of this programme effect is due to the subsidisation of employment (Van Reenen, 2004).

Contrary to traditional employment programmes, Gerfin & Lechner (2002) find a successful Swiss temporary employment programme that is unique. This programme is based on a wage subsidy scheme where the unemployed are encouraged to accept jobs that pay less than they would receive from the unemployment insurance. The difference with this programme is the jobs are within the regular labour market. Here, the presumption for this positive effect is that working in a job in the competitive market is valued by potential future employers because the unemployed keep work-habit specific human capital. What this means is that working in a market environment is

different from the work environment in an employment programme intended solely for the unemployed. Carling and Richardson (2001) came to a similar conclusion for Sweden. They reported that the more regular work participants are allowed to engage in, the better the programme is relative to others.

Instead of requiring the eligible unemployed to seek subsidised employment on their own, some countries have opted to facilitate the matching process between subsidised employment and eligible workers. This is done by requiring firms to post vacancies for jobs they would like to fill with subsidised workers to local employment service offices. This type of ALMP was enacted in Australia and Germany. In Australia the programme is called Jobstart, and various evaluations estimate that programme participation boosted employment rates of participants by at least 30 percentage points after the subsidisation period came to an end. This type of subsidised employment was found to be more effective than any of the other Australian ALMPs, such as retraining (Smith, 2006: 17).

Levinson (2007) did an extensive study on the pitfalls of wage subsidy programmes which make them susceptible to criticism. Levinson explains that the wage subsidy favours targeted workers over those who are not part of the target group. The untargeted group has two subgroups, those who are employed and those who are unemployed thus there are two kinds of displacement effects. The first one is referred to as the “substitution” effect. The substitution effect happens when a subsidized worker is hired at the expense of an older worker. This means that firms are not actually increasing their total employment in response to the subsidy but rather are hiring a subsidised worker and firing an ineligible worker who has different characteristics. Hence firms are simply reshuffling the pool of the unemployed instead of absorbing parts of it. But with the strict labour market regulations in South Africa, such dismissals would be difficult to implement, hence it is unlikely that this substitution effect would occur at a significant rate. National Treasury’s argument is that the differences in worker productivities of young and older workers would prevent the older workers from being substituted (National Treasury, 2011).

The second displacement effect occurs when a new employment opportunity arises, and a young worker is favoured over an older worker which is actually the main aim of

the Employment Tax Incentive (ETI)- to provide young people an easier chance of entering the labour market. Levinson (2007) argues that this displacement should not be a major concern as the absolute monetary amount of the subsidy is so small that it is unlikely for this substitution effect to occur at low paying jobs (Levinson, 2007). Additionally in order to counter this displacement effect, a penalty fee of the sum of R30 000 is payable to SARS if an employer is found guilty of displacing workers (National Treasury, 2011).

2.1.5. South Africa's expenditure on ALMPs in comparison to other countries

There are large cross-country differences in the intensity of the public spending effort on ALMPS. Within the OECD, overall spending on ALMPs is relatively high, particularly in Denmark, Sweden, Netherlands and Finland where more than 1% of GDP is dedicated towards ALMPs. The US, Japan, Korea and Israel are amongst those with below OECD average expenditures on their ALMPs. Expenditure data for South Africa indicates that spending is concentrated more on direct job creation efforts through EPWP (about 81%) and skills development via NSF and learnership programmes (about 17%). But spending on public employment services and private sector incentives is very low as a share of GDP (National Treasury, 2011).

In previous years, active spending tended to be essentially unresponsive to the business cycle. But as **Table 1** below indicates, this time there is a difference: public spending on ALMPs has been much more responsive to the increase in unemployment since 2007 than would have been expected on the basis of past business-cycle trends. However, the increase in spending on ALMPs has not been large enough in most cases to maintain the level of support per unemployed job seeker at the pre-crisis levels (Martin, 2015 :4).

Table 1: Indicators of the intensity of ALMPs, 2007 and 2012

	Public Expenditure on ALMPs		Ratio of ALMP spending to passive spending		Participants stocks on ALMPs excluding PES and administrationcosts	
	% of GDP		%		% of labour force	
Country	**2007**	**2012**	**2007**	**2012**	**2007**	**2012**
Australia	0.31	0.29	76	57	1.5	2.3
Austria	0.67	0.75	54	58	3.8	3.7
Belgium	0.68	0.81	34	39	5.4	6.9
Canada	0.28	0.24	51	41	0.6	0.5
Chile	0.11	0.10	0	43		
Czech Republic	0.25	0.26	125	108	1.2	1.1
Denmark	1.29	2.10	86	124	4.7	6.0
Estonia	0.05	0.29	50	66	0.2	1.0
Finland	0.86	1.03	60	71	3.7	4.4
France	0.94	0.90	76	62	6.1	5.1
Germany	0.75	0.69	58	70	4.0	3.3
Greece	0.15	0.22				
Hungary	0.35	0.73	97	174	2.3	7.4
Ireland	0.64	0.91	70	34	3.1	4.0
Israel	0.19	0.17	31	30	4.3	4.5
Italy	0.46	0.45	67	28	6.9	4.6
Japan	0.18	0.21	64	62		
Korea	0.13	0.32	52	107		
Luxembourg	0.46	0.62	88	95	6.2	7.9
Mexico	0.01	0.01				
Netherlands	1.10	0.98	78	51	3.4	4.1
New Zealand	0.34	0.29	148	78	2.0	2.3
Norway	0.55	0.54	262	154	2.3	2.2
Poland	0.50	0.42	98	140	3.6	3.6
Portugal	0.51	0.49	49	30	3.2	3.4
Slovak Republic	0.22	0.26	61	59	2.8	3.1
Slovenia	0.20	0.27	67	32	3.5	2.8
Spain	0.79	0.89	54	31	19.6	11.4
Sweden	1.02	1.33	138	202	1.2	1.1
Switzerland	0.55	0.57	98	97	1.2	1.2
United Kingdom	0.31	0.41	194	137		
United States	0.12	0.12	40	30		
OECD	**0.50**	**0.57**	**72**	**67**	**3.6**	**3.6**

Source: OECD Database on Labour Market Programmes

2.1.6. Volunteering as a means to preparing for work

Volunteering is an important behavioural strategy with regards to increasing employment possibilities for emerging adults (Shore & Tashchian, 2013). According to Krumboltz (2009) individuals engage in behaviours in both planned and unplanned contexts that result in cumulative learning experiences when volunteering. These experiences influence future actions and are associated with the acquisition of newfound skills, interests, knowledge, beliefs, preferences, and emotions.

Volunteering is an example of an exploratory activity that has the potential to generate beneficial outcomes and events, including direct experiences that can lead to a set of new skills (Krumboltz, 2009).

Volunteering activities provide opportunities for individuals to come into contact with others and engage in enriching experiences that lead to ongoing accumulation of knowledge and life experiences (Konstam et. al., 2014). It has theoretically been suggested that volunteering contributes to the career development of individuals (Elis, 1993; Krieshok et al., 2009). A national survey conducted in the United States, found a significant and stable association between volunteering and employment among individuals older than 16 years (Spera et.al., 2013). But findings to date are minimal and may not be generalisable to young adults navigating the current labour market, specifically in terms of finding high-skill and high-paying jobs.

An argument can be made that volunteering allows for the exploration of one's skillset and abilities. To support this assertion, Tuffrey (2013) finds that effective corporate Employee Volunteer Programmes significantly increase levels of job satisfaction. Additionally, longitudinal studies have supported that volunteering appears to have long-term positive effects on career development (Wilson & Musick, 2003). In their 9-year survey of college freshmen, Astin et.al., (1998) found that students who volunteered during their time in college were more likely to obtain graduate degrees and higher paying jobs. Wilson and Musick (2003), in contrast found that women who volunteered were not better positioned to be employed 18 years later. But they were more likely to have higher status jobs in comparison to those who has not volunteered. The findings from this research support Astin's findings as the youth from the AVA programme reported that they were inspired to further their studies after completing their respective AVA programmes. The career prospects for youth with a tertiary level education are much higher which means that these youth are in a better position to find higher paying jobs.

Limited research findings suggest that individuals benefit from engaging in volunteer activities; most likely by accruing social capital and job-related skills. Konstam et.al., (2014) found that a small increase in volunteer hours significantly increased the likelihood of reemployment within 6 months of young adults facing unemployment.

They further find that volunteering appears to be an effective strategy for young adult job seekers across cultural and economic contexts. This is a positive finding for practitioners working with unemployed youth, engaging in volunteering activities as it appears to be a worthwhile expenditure of time and effort, given the goal of reducing unemployment in a challenging socio-economic environment.

2.2. Measuring Youth Unemployment Durations and Outflow Rates

While youth unemployment rates indicate the magnitude of the problem South Africa faces, it fails to capture the intricate nature of unemployment as it fails to take into account the duration that individuals spend in unemployment (Ismail & Kollamparambil, 2015: 301). Duration dependence is often estimated by use of the hazard rate (out of unemployment); which examines how the conditional probability of leaving the state of unemployment changes as duration increases. It is the probability that an individual will make a transition into employment, in a given interval, conditional on having been in a state of unemployment at the beginning of said interval (Brick & Mlatsheni, 2008: 2). Economic theory would suggest that duration dependence is negative thus it is commonly perceived that short-term unemployed job seekers find jobs much faster compared to their long-term unemployed counterparts. For instance, Shimer (2008) shows that the rate of finding a job declines across the first 12 months of an unemployment spell, using pooled data from the Current Population Survey. The findings of Kroft, Lange & Notowidigdo (2013) show that the rate of finding a job falls sharply with the length of the unemployment spell, particularly during the first few months. However, beyond one year of unemployment, a much weaker relationship between the job-finding rate and unemployment duration exists.

The duration of unemployment in developing countries averages around 42 months. In Sri Lanka the unemployment duration is four years or more oddly, with the more educated having longer spells. In Ethiopia, young men and women are on average unemployed for 45 months which is similar to China whose figure is 47 months and 36 months for South Africa (Serneels, 2007: 178).

Although there is a broad rapport amongst researchers that the escape from unemployment declines with the duration, there is less agreement about whether this

represents a causal relationship or simply a correlation, driven by the composition of the unemployed pool. In their review of the large literature of Europe-based empirical studies, Machin & Manning (1999) find little evidence of duration dependence, once observable fixed characteristics are controlled for. This is contradictory to the findings of Imbens & Lynch (2006), who used a sample of 5000 young women and men from the National Longitudinal Survey Youth Cohort 1979. After controlling for a rich set of individual characteristics, they found evidence of negative duration dependence in the rates of finding work.

There are also contradictory findings in the literature on how the duration dependence varies with labour market conditions.[2] For instance, Imbens and Lynch (2006) find that duration dependence is stronger when local labour markets are tight, which is what Sider (1985), as well as van den Berg and van Ours (1996) reported. Conversely, Dynarski & Sheffrin (1990) find that duration dependence is weaker when markets are tight; while others find that the interaction effect between market tightness and unemployment duration varies over the length of the spell. For instance, it may be possible to have the interaction effect be positive for some unemployment durations and negative for others (Butler & McDonald 1986; Abbring, van den Berg, & van Ours 2001).

The challenge that the observational studies discussed above face is that they cannot separate unobserved heterogeneity from “true” duration dependence. Individual differences in the rates of finding a job that are not observed by researchers will lead to decreasing job-finding rates in the population, even if job-finding rates themselves do not decline with duration (Kroft, Lange & Notowidigdo, 2013: 1129). The theoretical predictions of the search model suggest that the rate at which the unemployed find work should decrease over time, due to compositional effect and duration dependence. Compositional effects are the natural ordering that happens when superior job candidates exit unemployment and the remaining pool of candidates have a decreased probability of receiving a job offer. Duration dependence suggests that those who have been in unemployment for long periods of time, lose skills and decrease the intensity of their job search efforts over time (Blanchard & Diamond,

[2] The relationship between market tightness and duration dependence may be driven by the cyclical variation in the skill composition of unemployed workers (Darby, Haltiwanger & Plant, 1985).

1994: 422). Intuitively, as unemployment durations lengthen, then the pool of unemployed individuals increasingly shifts to those with permanently low job-finding rates (Kroft, Lange & Notowidigdo, 2013: 1129).

A number of studies predict that duration has a causal effect on job-finding rates. First, employer screening models emphasise unobserved worker heterogeneity and sorting. When a firm matches with an applicant, it receives a signal about the unobserved productivity of the worker and bases its hiring decision on this signal (Vishwanath, 1989; Lockwood 1991). A firm that is seeking a suitable candidate to fill a vacancy views unemployment duration as negatively correlated with unobserved productivity as a longer unemployment spell reveals that prior firms learned the worker was unproductive. On average the long-tern unemployed will have lower exit rates than the short-term unemployed. An implication of screening models is that the gap in exit rates contracts in slack labour markets[3]. Therefore, workers match less often with firms in slack markets; thus spell length is less indicative of the unobservable characteristics of workers than it is of the overall aggregate labour market conditions (Kroft, Lange & Notowidigdo, 2013: 1130).

Second, human capital models focus on how a single worker's skills depreciate as their unemployment spell lengthens. Intuitively, in this millennial era where technology and software advances swiftly, it is reasonable to assume that the longer one stays out of employment the more out of tune they will be with current work operations. In this case, the model also generates negative duration dependence (Acemoglu 1995; Ljungqvist & Sargent 1998).

Third, ranking models (Blanchard & Diamond 1994; Morscarini 1997) emphasize the consequences of crowding in the labour market; in these models, vacancies potentially receive a number of applications. Ranking models assume that when firms are faced with multiple applicants, the applicant with the shortest unemployment spell will be favoured. The immediate implication is that the exit rate from unemployment is a decreasing function of duration. To add to this, in tight labour markets, applicants for a given position are less likely to face competition from applicants with shorter

[3] In labour economics, a tight market has more jobs than workers. Whereas a slack market has more workers than jobs

durations; which means that under employer ranking, duration dependence is weaker in tight labour markets.

Lastly, some models of duration dependence emphasize changes in search behaviour. Over time, workers may become discouraged and reduce their search intensity or they may have fewer vacancies to apply to- as in stock-flow search models (Coles & Smith 1998).

3. Research Questions and Findings

The primary research questions addressed in this study are:

i) How effective have the active labour market programs introduced by both government and other NGOs been in reducing youth unemployment?

ii) What proportion of those who went through the AVA program got employment after completing the programme; and what are the other common exit states?

iii) What is the duration of unemployment that these participants experienced post AVA and is it any different from before they joined AVA?

iv) In what way do the other determining factors of unemployment affect the AVA participants?

v) Is it possible to translate the lessons from AVA's program to a national level or to implement this program with other programs?

This case study's findings reveal that, on a global scale, there are mixed results on the effectiveness of labour market interventions with a few programmes working really well- particularly those who are closely partnered with the private sector. There is a 6-month difference in unemployment duration before and after the programme which is indicative of the impact that the skills learned through volunteering is adding to the youths' employability. The most common exit state for the participants is employment with 50 percent of the participants finding employment after work; 40.5 percent opt to further their studies and the remaining 9.5 percent continue to be unemployed. The other determining factors for unemployment such as individual characteristics, household characteristics, social capital and job search activity are found to affect the participants in a similar way as what the literature describes. Unfortunately, given the

small sample of the study, there can be no implications drawn from the analysis that could influence policy.

4. Background to AVA

Action Volunteers Africa (AVA) is a youth empowering NGO based in Wynberg, Cape Town. Their model aims to illustrate volunteering as a key to unlocking the potential of unemployed youth within the Cape Town metropolitan. Unemployed youth can apply to any of their three volunteering programmes through an online application or by going directly to their offices.

AVA has a two-tiered approach to upskilling youth. The first step of the model is for the participants to go through training where they undergo comprehensive orientation training and receive ongoing support during their work placement. The volunteering is enriched by a unique self-development curriculum designed to encourage the volunteers to identify and strengthen their innate abilities while gaining valuable first-time working experience. Through the self-development component the volunteers are exposed to sessions designed to build a positive mindset and navigate the obstacles preventing them from achieving their full potential.

Often youth find themselves in various progress-hindering socio-economic challenges that places them at a great disadvantage. Through the self-development component of AVA's programmes the youth are able to see themselves in a more positive light, surpassing their circumstances because the effects of negative labour market experience have been well-documented to cause depressive symptoms (Mlatsheni, 2014: 23). The importance of having a self-development component to the programme where self-worth and self-awareness can be cultivated is that it gives young people a sense of ownership and responsibility for their future because it is important that in addition to their education and training young people also develop a sense of ownership of their future along with the skills and competences to make an informed decision about their future (Hawley *et al.*, 2012:59). Through the self-development aspect of the programs AVA is giving holistic support in that they are not just equipping the young people with skills to help them transition to work but they are also providing guidance. If young people are to be equipped with confidence and competences

necessary to manage their progression independently, there needs to be accompanying guidance and measures to promote 'pathways' for young people; in addition to the skills development they are receiving (Hawley *et al.*, 2012:59).

Given that young people are not a homogenous group, and even though it is impractical to tailor a programme to every individual's needs it is helpful to have options which the young person can choose from thus ensuring that their interests are met. AVA has three different programmes from which participants can choose from, each has been briefly described in the following sub section. All the programmes offered at AVA have an on-the-job focus where participants are placed as volunteers on one of their three programmes namely: Work for Progress, Khanyisa and YearBeyond. A transport allowance of the sum of R2000 a month is awarded to the volunteers to assist them with getting to and from work. In addition, the volunteers have access to one on one career coaching and support in planning their individual career goals. Since their inception in 2012, AVA has helped 700+ young people to secure further opportunities for work or full time study and have firmly set youth on the path towards sustainable careers (Action Volunteers Africa, 2015).

4.1. The Three AVA Programmes

4.1.1. Work for Progress

AVA's core programme started in 2013, aimed at youth between the ages of 18-25 who have not yet managed to progress after school, AVA connects these youths to full-time volunteering positions in a variety of NGOs. The curriculum focuses on the development of new basic skills and supports the volunteers in building the confidence they need to reap the full benefits of their experience.

In 2017 AVA partnered with a variety of small businesses that were willing to host 20 recruits. Recruits have been working full-time in the partner businesses, gaining new valuable skills and have started adding value to their host companies. The aim of the programme is to get small businesses to recognize the willingness of young people to learn and the value they can add with a little guidance, patience and mentorship. Besides the obvious benefits of gaining skills, experience and self-confidence, the

AVA Work for Progress programme enables young people to identify future opportunities and advance their careers.

4.1.2. Khanyisa

Through this programme unemployed youth gain valuable work experience while playing a meaningful role in society. The ongoing self-development allows an opportunity for them to grow in self-confidence and use this as a stepping stone to further their opportunities.

Volunteers implement the Shine[4] reading model with grade 2 learners in school who have been struggling with confidence in reading. This intervention gives the learners the opportunity to improve reading skills in a fun environment, while building meaningful trusting relationships with young mentors. Shine has successfully trained volunteers to run the Shine paired and shared reading, in turn these volunteers have taught learners to read.

This program allows volunteers the opportunity to explore their passion for teaching and develop the ability to expand their horizons and networks in the education department. In 2015 this programme was piloted in 3 schools, working with 20 volunteers. In 2016, with support from the Jobs Fund, LiteraSEA the programme ran in 8 schools with 60 volunteers. In 2017 the programme has expanded into 24 schools with 100 volunteers.

4.1.3. YearBeyond (YeBo)

This is a flagship youth development programme of the Western Cape Provincial Government, designed to improve educational outcomes in underperforming primary and high schools around the province. AVA recruits and orientates bright and motivated young people as volunteers to tutor and mentor learners in school-based extramural programming, while simultaneously giving them the opportunity to build their personal profile through developmental activities.

[4] The Shine Literacy Programme conducts assessment of foundation phase learners to identify those needing literacy support and works to build those learners' literacy skills through paired reading conducted by volunteers.

YearBeyond is a partnership between the Western Cape departments of the Premier, Education, and Cultural Affairs and Sports. AVA piloted YearBeyond in 2014 with 20 volunteers in four schools in the Cape Flats and in 2015 they scaled up to 16 schools. In 2016 the programme expanded again, running in 22 schools. The programme has consolidated in 2017 and is running in 20 schools with 105 volunteers. This unique initiative is a collaboration between a variety of educational NGOs and other NGO implementing agents. The programme has a dual development focus: educational enrichment for learners, and leadership and employability readiness for volunteers. In this way, the model is characterised by a pay-it-forward approach; what the organisation gives to volunteers, they give to learners.

From the participants who responded to the survey, 35 went through the Year Beyond programme while 8 completed the Khanyisa programme and 3 completed the Work for Progress programme.

5. Data Description

5.1. Non-experimental research design

The before-and-after method is the non-experimental design used for this research. Although it suffers from many threats on internal validity and with the absence of a control group – where no strong causal effects can be attributed to the programme intervention itself; it was chosen for its ability to provide preliminary evidence for intervention effectiveness which can be most useful when supplemented with complementary information. The non-experimental research design is outlined below:

One group pre-post-test design

This is a presentation of a pre-test, followed by a treatment, and then a post-test where the difference between O_1 and O_2 is explained by X:

$$O_1 \; X \; O_2$$

However, some prominent threats to the validity of the above assertion exists:

- **History –** between O_1 and O_2 many events may have occurred apart from X to produce the differences in outcomes. The longer the time lapse between O_1 and O2, the more likely history becomes a threat.
- **Maturation –** between O_1 and O_2 the programme participants will have grown older or internal states may have changed and therefore the differences obtained would be attributable to these changes as opposed to X (Campbell & Stanley, 1963)

The data used for this research is based on an online survey administered to post-AVA participants i.e. those participants who have gone through the programme. The survey contains labour market related data associated with young Blacks and Coloureds between the ages of 18 to 28, residing in the Cape Town area; which means it is not a representative sample of the Cape Town Metropolitan area but reflects a young unemployed contingent of Blacks and Coloureds in Cape Town.

This is a simple before and after survey where the survey tried to gauge whether completing the programme had any impact on the participant's unemployment duration. Detailed information on labour market status outcomes was collected both from the individual employment status and retrospectively for previous years. The survey covered questions about individual and household characteristics, level of schooling, attitude towards self-development, unemployment duration before and after joining AVA, number of job offers before and after the programme, reservation wages as well as current exit states. The duration of unemployment is measured as the length of time between the date of entry into unemployment before joining AVA, and the amount of time spent before finding a job after completing the AVA programme. Appendix A has the full list of questions asked in the survey.

To ensure that the survey was sufficiently sound, consistent and provided relevant evidence; I ensured that the measurement of information was consistent across all respondents through using a structured survey. There was a set list of options for each question to ensure that the information is consistent. For example, the unemployment duration was measured in months, income bands were set from which the respondents could select their household income, education bands were set from which respondents could select their highest level of education etc. In measuring

unemployment duration, the questionnaire incorporates different types of validity the first of which is face validity. Questions asking participants to rate their level of self-awareness and work-readiness both employ this type of validity. Criterion validity was applied across criteria such as the amount of time spent on a weekly basis searching for jobs, the number of jobs offers received and the reservation wage of the participants; which are all variables that we would expect unemployment duration to be correlated with.

Of the 800+ participants who had gone through the programme, the AVA facilitators had only retained 106 of those participants' contact details. The questionnaire was sent out to those 106 participants requesting them to fill out a short survey.

Participation in the survey was completely voluntary and the participants could opt not to answer the survey by selecting the *"No"* option at the beginning of the survey which asked for their consent to participant in the survey. In order to increase the response rate an incentive was given in the form of three R500 shopping vouchers for three lucky winners who completed the survey.

5.2. Ethical Considerations

Ethical clearance was obtained from the Action Volunteers Organisation to firstly send out a survey to their participants where they would share their experiences with the organisation. Then a second leg of consent was obtained from participants where the first page of the survey asked the participants whether they consent to answering the survey. If the participant clicked "yes" then the browser would guide them to the next section; if they clicked "no" then the browser would take them to the end of the survey without capturing any of their information. Only one participant refused to take part in the survey. The participants were guaranteed anonymity therefore all the names of the participants have been altered to protect their identities.

5.3. Data Limitations

The response rate to the survey was not very good as there were roughly three responses a week from the time the survey was sent out in June 2018 till January 2019. In an attempt to get more responses, I switched my method of data collection to

telephone interviews. However, the facilitators only had forty participants' contact numbers and of those forty only ten were reachable and completed the survey via telephone. The survey was sent out three more times to those participants, who had still not answered the questionnaire between the months of August and September. But in the end, after four months of keeping the survey open and sending out emails prompting responses; I only managed to have 42 responses out of a total of at least 800 participants. In another attempt to get more responses to the survey, a text message was sent to fifty newly graduated AVA participants, with a link to the survey. Of those fifty participants only 4 participated by answering the survey between the months of December 2018 and January 2019. In the end the survey received a total of 46 responses as such a qualitative approach was adopted to understand the experiences of the participants and how AVA has affected their unemployment durations. The relatively small number of participants who responded to the survey affects the extent to which their responses could be seen to be representative of the participants of AVA in general and even less so the marginalised youth demographic of the Cape Town area.

6. Data Analysis

Generally, voluntary programs are found to be more effective than mandatory programmes (Friedlander, et al., 1997) and in the case of work experience programs, private sector programs are thought to be more effective that those run by the public sector (Kluve, 2006). For some unemployed, participating in an ALMP might not be very attractive as some may see it as a tax on leisure which will force them to increase their job search efforts and lower their reservation wages, and as a consequence they will leave unemployment faster when faced with a threat of a mandatory programme than without the threat (Rosholm & Svarer, 2008: 4) but these considerations only apply where there is some form of unemployment support which creates the choice to remain on the assistance or to participate in the ALMP with the possibility of finding work at a lower wage than one's reservation wage. The idea is that, anticipation of participation in ALMP may affect the hazard rate out of unemployment from the first day of unemployment, which makes estimating the effectiveness of programmes on reducing unemployment duration biased. But since participation in AVA is not

mandatory and South Africa does not have monetary unemployment support, thus the threat effect on this programme does not apply.

As previously mentioned, the analysis of the survey is qualitative. I have grouped the participants into various sub-groups by gender, household and individual characteristics, job search activity, and reservation wage. Each section of the analysis is themed by different unemployment duration determining factors. By using the participants' reported unemployment duration (in months) each section discusses how AVA has played a role in affecting the unemployment duration of its participants across the various determining factors. As part of the post-programme effect analysis, in addition to looking at AVA's impact on unemployment duration; I look at how AVA influences other important factors such as attitudes when faced with unemployment and trying to find work. Unemployment duration for this study is defined as the time spent job seeking before and after the programme.

6.1. Selected sample composition

It is well known that unemployment in South Africa runs along racial lines, as well as gender, spatial and educational lines. **Table *2*** summarises all the participants into basic description groups. Majority of the participants are black and female; very few of them come from households where there is not at least one person who is currently employed in one or other sector. There is an equal number of participants who have dependents as there are participants who have none and only 18 of the 46 participants come from households where there is at least one grant recipient.

Table 2: Summary of participants

Race	
Black	57%
Coloured	43%
Gender	
Female	57%
Male	43%
Highest Level of Education	
Incomplete high school	2%
Matric	80%
Trade/Technical/Vocational Training	9%
Diploma	2%
Degree	7%
AVA programme	
Year Beyond	76%
Khanyisa	17%
Work 4 Progress	7%
Exit states	
Education	37%
Employment	46%
Continued unemployment	17%
Employed household members	
Yes	96%
No	4%
Grant recipient	
Yes	39%
No	61%
Dependents	
Yes	50%
No	50%

The deliberate structuring of a political and economic system that was designed to secure the advantage of one ethnic group at the expense of the inhabitants of the country- is of course the main reason for these structural differences in level of income, education and consequently unemployment. As a result more Africans than any other racial group are unemployed, more rural than urban dwellers are unemployed, and more women than men are unemployed (Schöer, 2004:5). It is not surprising then that evidence supports that unemployment duration in South Africa varies by race; even more so that the racial composition of the AVA participants is completely made up of coloured and black youth. It generally takes black youth longer to transition to a first job, but there is no difference in hazard rate between whites and coloureds, according to a study done by Lam et. al (2010) using data from the Western Cape Province. While 25 percent of the White unemployed who are actively looking for work find jobs,

only 10 percent of similar Africans find work (Kimani, 2015: 101). White youth are often much more educated and more connected than their racial counterparts which gives them a greater competitive advantage compared to their counterparts. Therefore, it is very seldom that white youth would participate in an unemployment programme like AVA which is why the sample is completely made up of black and coloured youth.

From the table above, it can be observed that the participants' education levels are not very high as majority have only completed their secondary education obtaining their matric. And even though there are only 2 households with no employed members, 50% of the households are still dependent on state grants as a source of income; which speaks to the remnants of apartheid and how it has impacted the livelihoods of these young people.

6.2. Factors Affecting Unemployment Duration

The empirical model for unemployment duration controls for observable variables that are likely to affect a young person's cost of unemployment, leisure, income preferences, or distribution of employment opportunities. Individual characteristics such as age, gender, educational attainment, household composition, prior work experience etc. are all such variables. This section looks at what the findings of the literature are pertaining to the effect that these factors have on unemployment duration. Some inference is also drawn from the data collected through the survey to support or contrast what the literature has to say.

6.2.1. Gender

Through volunteering, youth from disadvantaged communities gain insight into the workplace, the stability of having a routine and access to networks, which is why volunteering is seen as a meaningful transitional period for elevating youth into full-time work. Most volunteering programmes often involve the youth with community-service work which gives them a feeling of fulfilment, purpose and the confidence that comes with being needed. But voluntary work means there is no income, which means maintaining commitment to the volunteering job could be challenging. Volunteering also often results in gender-bias, with more women completing the programme than men, who are generally under more immediate pressure to provide financially for their families (Dieltiens, 2015: 10).

The survey asked participants to state, in months, the length of their unemployment duration before they joined AVA as well as the length of their unemployment duration once they completed their respective programme. Generally, women have longer unemployment durations as compared to men due to reasons associated with childbearing and rearing. But from our sample, there is roughly only a one-month difference in mean durations between men and women both before and after the programme; each reducing with about 6 months respectively after the programme. The reason for the small difference in unemployment duration between males and females could be because the sample of participants is very young and therefore most of the females have not reached childbearing age yet as many of them have just recently matriculated. There are actually only two females in the sample who have their own children and 4 males with children.

When asked to express their unemployment experience before and after AVA one male had this to say:

> Before I joined AVA, I never had any luck finding employment. I completed my matric and I just could not find work which was important because I have a child to support. But after completing my Year Beyond programme I was able to find work within less than 2 months. I joined AVA because at the time I couldn't find a job and I got the call to come for an interview and from that moment I decided to do well on the interview and remain in the program for the entire duration and then make friends and work on improving certain skills of mine which I have
>
> *(Ntando[5], 23 years old, male with 1 child).*

Of the 26 females in the survey, 9 said they never had any luck finding work before they joined AVA and 4 of those 9 have continued to remain in unemployment even after completing their respective AVA programmes. One of the participants who said they never had any luck finding employment before AVA had this to say:

[5] All the names of the participants are fictitious in order to protect the identity of the participants.

> Although I am not currently looking for work, I believe it would take me shorter to find work now that I have completed my AVA programme *(Simi, 22 years old, female with 1 child).*

There appears to be a much greater sense of urgency for Ntando* to find a job compared to Simi*.

Table *3* below summarises the exit states by gender and the average unemployment duration measured in months.

Table 3: Exit states by gender and unemployment durations (months)

Gender		Exit States		Average Unemployment Duration (months)
Male	43%	Employment	20%	2,3
		Education	15%	1,75
		Unemployment	9%	3,5
Female	57%	Employment	26%	1,95
		Education	22%	5,5
		Unemployment	9%	7

6.2.2. Transitions into various exit destinations

A challenge that many youths face is making a successful transition from school to adulthood. The risk of unemployment in the school-to-work transition is associated with the standard correlates of inequality (Hällsten, Edling and Rydgren, 2017:236), with education, social background and cultural norms playing a key role globally and in the South African context. But the reality is that youth still experience difficulty entering the labour market for various other reasons either than the ones stipulated above (Mlatsheni, 2014:9). Majority of the youth who go through the AVA programme end up successfully securing employment, this holds true for both male and female participants. The next most dominant exit state is education followed by continued unemployment. The female participants are the ones who experience the longest duration of unemployment at 7 months while their male counterparts only experience 3.5 months of unemployment. Interesting to know is some of the reasons why such a considerably large proportion of the participants opt to continue with higher education even though their odds of finding work are considerably greater after concluding the programme. The survey asked the participants who stated that they had gone back to

school to study why they chose to go back to school after the programme, and these were some of their responses:

> To be honest, at first, I joined (AVA) because I had nothing to do and didn't want to spend my gap year not being productive but after joining and experiencing working in a school and with these kids, I realised that there is so much more in giving back and trying to make a difference. Once I completed my Year Beyond programme, I decided to register at a local TVET because I developed an interest in a course I was previously not interested in (teaching) *(Neveshni, 20 years old).*

It appears quite a number of the participants who went through Year Beyond quoted similar reasons for going back to further their studies; that being part of the programme ignited a passion for teaching thus enticing them to pursue a teaching qualification. Another 20-year-old female said:

> I decided to go back to school because I previously did not meet the entry requirements for the course, I wanted to do but after completing Year Beyond I did qualify for the course (*Allison).*

An additional reason why such a large proportion of the participants decide to pursue a higher education after completing the AVA programme could be that all available jobs in the market are for skilled employees and having a higher education is a signal to employers that an employee is immediately productive (Ismail & Kollamparambil, 2015: 305). A total of 6 of the 17 participants who decided to further their studies cited *'I wanted to gain more relevant skills'* as a reason for going back to school.

Furthermore, for an unequal country such as South Africa- affordability is a major hindering factor for many youths which prevents them from furthering their education. The recent student protests revolving around a call for free education, has shed plenty of light on the plight of these poor students and the exclusionary reality that exorbitant tertiary fees create for poor youth. There were 3 participants who said that their reason

for deciding to further their education was based on receiving funding to further their studies. One 18-year-old male said:

> I have decided to further my studies at Life Choice Academy, they teach us the art of coding front end and back end, this was made possible by me receiving funding for my studies after completing the Year Beyond programme.

Therefore, AVA has not only helped a handful of participants transition more successfully from school into work, but they have also equipped these youths with knowledge to want to further their education so as to better their chances of finding employment, in addition to exposing these youth to opportunities that can help them fund their tertiary studies.

Additionally, the results also show that even after completing the programme there is still a handful of participants who remain in unemployment. There is an equal share of unemployed men as there are women (4 participants each). When asked whether they think that they will find work in the future now that they have completed the AVA programme, 7 of the 8 participants responded *'yes'* while the other one responded *'maybe'*, meaning that these youths are still quite hopeful about their future prospects albeit not fully optimistic.

Furthermore, the survey had a section for self-employment where participants where asked if they were currently self-employed and follow-up questions about how they came about to be entrepreneurs. Self-employment is typically one of the four main exit states and Ismail & Kollamparambil (2015) find that nationally, 7 percent and 6 percent of men and women respectively exit into self-employment. These individuals spend a much longer time in unemployment with women taking the longest time to transition into this state. Their findings are consistent with the 'Push' hypothesis which states that individuals enter self-employment purely as a means of survival, when there are no other viable options such as wage-employment and higher education. But this part of the survey was not answered by any of our participants, therefore there can be no lessons learnt about the effect of the AVA programme on creating entrepreneurs.

6.2.3. Individual Characteristics

6.2.3.1. Age

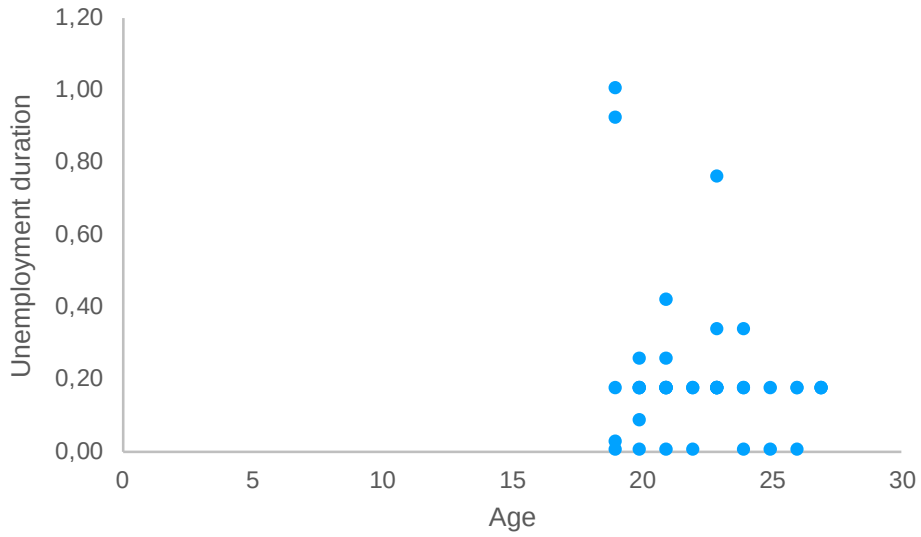
Studies have found age to have a negative impact on the probability of an individual finding employment. For example, being 15 to 24 years old decreases the probability of finding employment by 30 percent as compared to youth between the ages of 24 to 30 years old (Mlatsheni & Rospabé, 20002: 8). This means that youth unemployment is much stronger among the youngest people possibly because they are perceived as not having enough experience that will enable them to more easily adjust to the world of work.

From the participants who answered the survey, the youngest cohort was aged 19-20 and they made up a great proportion of those participants who were recorded saying they never had any luck finding work before as well as after they completed their AVA programme. This speaks back to age decreasing one's probability of finding work as none of these participants had any prior work experience, given they had just completed their matric. This also speaks to the value that employers perceive in a matric certificate, but this will be further discussed in the following subsection. Many of them have decided to go back to school to further their studies as they have either developed an interest in a course they were not previously interested in or they want to gain more skills. But Vasileiou, et.al. (2018) argue that the high unemployment rate of young people stems mainly from the characteristics of the labour market and less from their personal attributes like age. Using data from Israel and 34 OECD countries, they demonstrated that a country's growth rate is the main factor that determines youth unemployment.

Of the older age cohort (25-29 years old), the average unemployment duration before they joined AVA was 3.5 months and after they completed their programme all of them said that they were able to find work within less than 2 months of completing their AVA programme, all of whom completed the Year Beyond programme.

Figure 1 below depicts clear evidence on the possibility of non-linearity in search outcomes by age. This supports the findings of Vasileiou, et.al. (2018) that age is not a determinant of finding work successfully.

Figure 1: Unemployment duration as a function of age



6.2.3.2. Education

Given the apartheid legacy of an inferior Bantu education for black learners, the impact of low levels of education and resultant skills gaps on earnings differentials and employment is an unfortunate but recurrent theme (Fourie, 2012: 16). The post education period where youth often transition from formal education to a career varies significantly from individual to individual, but this transition is even more marred along racial lines. Kuron et al., (2015) have termed this period “emerging adulthood” and characterised it as a period of great variability among individuals in terms of their educational, residential and marital status, among other demographic variables.

With regards to education, many youths quit their studies and enter the labour market prematurely for a number of reasons such as the need to support younger siblings, lack of affordability to go to a tertiary institution or not meeting entry requirements for university. This premature entry into the labour market is concerning as even some youth with post-matric qualifications have trouble finding work. Even graduates are finding it difficult to secure employment in today’s market. Some young graduates said it took them up to 24 months of unemployment before they secured a job (Fourie-Malherbe & Lourens, 2017: 36). Individuals who have completed their matric represent 41 percent of the population and approximately 40 percent of these matriculants were unemployed even as far back 2002 (Statistics South Africa, 2018), an indication really

of the ballooning problem of youth unemployment. Companies are nervous of hiring matriculants mainly for two reasons: firstly, the matric certificate is not a trusted indicator as a good predictor of performance on the job; and secondly, young people with no former exposure to the world of work lack the etiquette to strive in a professional environment (Dieltiens, 2015: 7). These results and employer perceptions are discouraging in light of the traditional view that completing secondary education is considered to be a way out of poverty and unemployment. Even more so, because secondary education costs much less than tertiary education; meaning that poor households will be further entrenched into poverty as their access to higher education is limited by their level of income. Unfortunately, the reality is that completing secondary school does not appear to have a substantial effect of successfully finding a job immediately after school. This suggests that there is a problem with the youth's work-readiness upon entering the labour market and more attention needs to be paid to education and training policies to address the problem (Mlatsheni, 2014:12). It appears that a tertiary education provides a greater safeguard against unemployment as only 14.6 percent of those in possession of a tertiary degree are unemployed (Bhorat & Oosthuizen, 2005).

Furthermore, favourable employment outcomes are closely tied with skills acquisitions. If young people fail to acquire the appropriate skills that match employer's needs, they expose themselves to lengthy spells of unemployment. Evidence from 60 developing countries suggests that youth spend on average 1.4 years in temporary and intermittent spells of unemployment before they find stable employment (Mlatsheni, 2014:17). Additionally the evidence generally indicates that educated women have the highest chances of securing a job (Kimani, 2015: 100). Compared to primary or less educated women, women who have a college education (secondary) have a 79 percent (respectively, a 28 percent) higher transition rate to employment (Ahn & Ugidos-Olazabal, 1995: 259). However, although some studies find that education shortens the transition period into employment for both men and women, Böheim & Taylor (2000) find that obtaining a formal education does not have a significant effect on the transition out of unemployment for men. Even though the evidence on the effect of education on exit is mixed, there is a general consensus that unskilled or low educated workers suffer particularly long unemployment spells mainly due to reduced opportunities of employment.

From our results, majority of the participants had completed their secondary education and were in possession of their matric. Before joining AVA almost all of the participants in possession of a matric never had any luck finding employment although they say they were actively looking for work. The average unemployment spell for this group was 12.75 months. After completing the programme, the employment prospects for those who were looking for work improved as the average unemployment duration for that specific group was 3.25 months.

A recurring theme from most of these young people is their sense of hopefulness in their future prospects post AVA. For some, the programmes offer some form of guidance regarding what they can pursue once they have completed the programme as one 21-year-old female said:

> I just matriculated and thought volunteering would be a great way to find what I wanted to do with my life (I am still not sure though) *(Melishia, 21 years old female).*

> I joined AVA after matric because I wanted to get used to being in a teaching environment with the children to better my skills as I am interested in teaching *(Kendrick, 19 years old male).*

6.2.3.3. Employment History

A lack of work experience has the tendency to hamper employment options for young job seekers. According to an analysis based on panel data comprising of matched LFS waves between September 2001 and March 2004, individuals who have never before had a job are 35 percentage points more likely to be unemployed than individuals who have worked before (Fourie, 2012: 15). Employers are increasingly requiring a well-rounded candidate profile that includes ‘hard currencies’ such as part-time work experience and involvement in extra-mural activities, and more ‘soft currencies; such as eloquent speech and interpersonal skills, which requires being socialised into the habits and routines of work-life (Dieltiens, 2015; Fourie-Malherbe & Lourens, 2017). For those AVA participants who had previous work experience their unemployment durations before the programme were much lower; they were on average six months lower than the participants who had no past work experience.

In addition, only 3 out of the 8 who had previous work experience have exited into higher education while the remaining 5 have gone on to find better work; which suggest that having prior work experience reduces the likelihood of exiting unemployment to seek higher education. This is partly because these individuals are already able to signal to future employers that they do not require much training and can therefore be seen as already productive. The participants who had prior work experience stated the following reasons for joining AVA:

> 'I was looking to change career paths'
> 'General unhappiness at the previous workplace'
> 'Expectations of higher income after getting new skills from AVA'

These are all reasons that indicate that there was a sense of hopefulness, and increased expectations about their future prospects once they were done with the programme.

The post-programme difference in durations was greater for the 'No work experience' cohort, as there was a 6 months duration difference in the before and after of this cohort; which perhaps this suggests that AVA's programmes are much more beneficial to those participants who have never had work experience than for those who have had work experience.

6.2.4. Household Characteristics

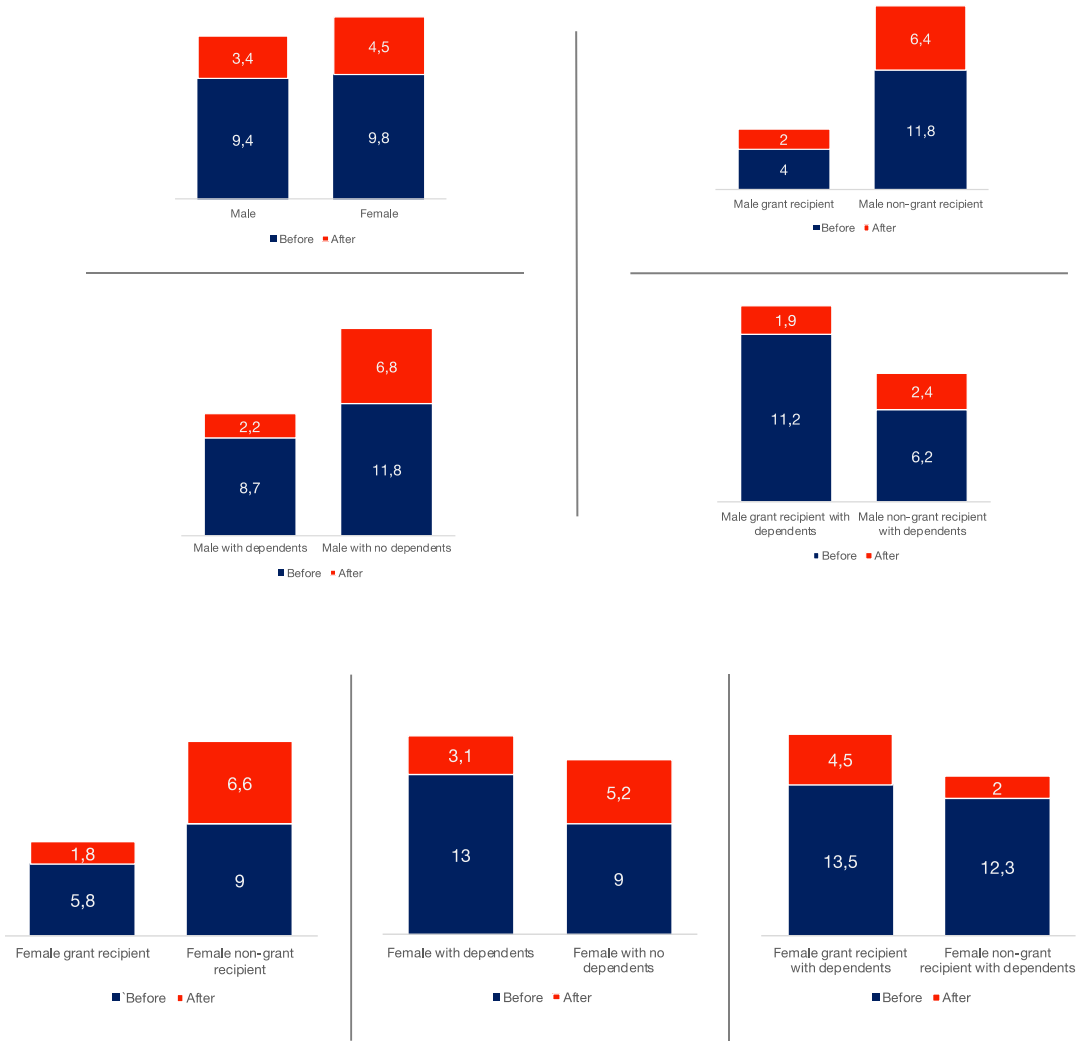
An individual's family composition and circumstances can be a hampering or assisting factor in finding said individual employment. Dependent children, siblings, or parents as well as the existence of other employed persons in the household might also affect one's unemployment duration. It has been shown that having working family members increases unemployed women's probability of finding work by roughly 30 percent, in Spain (Ahn & Ugidos-Olazabal, 1995: 259).

The number of income earners in the household and the receipt of a grant could capture potential disincentive effects of alternative sources of income on the job search behaviour. Alternative sources of income may push up young women's reservation wages and lower their job search intensity. Ismail & Kollamparambil (2015)

find that the presence of an income earner in the household significantly reduces the probability of women leaving unemployment; which lends strong support to the hypothesis that having another income earner in the household acts as a disincentive effect when exiting unemployment. Using a panel data set from the KwaZulu-Natal KIDS survey, Dinkelman (2004) investigates household related factors that may influence the success of job search of individuals in a five-year period. Throughout all the regressions run in the paper, the factor that is consistently most significant is the presence of pensioners in the household. Having a larger proportion of pensionable age members in the household dramatically reduces the probability of search success for men. The presence of old men in the household also reduces the success that women have in their search for work- perhaps due to the need to take care of these men. Conversely, having an old woman in the household hugely increases the search success of women- appearing to release working-age women from household duties. Generally, men do not suffer from the disincentive effects of having income earners perhaps because they are often expected to be bread winners (Fourie, 2012; Ismail & Kollamparambil, 2015).

The net effect, for individuals without jobs, is that the household may function more as a safety net than as a source of finances for successful search activities. In this respect having more pensioners (more especially male) and working adults in the household may function more as a safety net than as a source of finances for successful job search activities (Dinkelman, 2004).

Figure 2: Unemployment durations (months) by gender and household characteristics



Source: author's own calculations using survey results on unemployment duration

The survey asked the participants to indicate their estimated household income, whether there is someone in the household in receipt of a government grant as well as whether the individual has any dependents- be it children of their own, siblings, extended family or parents. **Figure *2*** above summarises the average unemployment durations of the participants for each of the household characteristics by gender, before and after completing the programme. There is not much of a difference in the unemployment duration before the programme for males (9,4 months) and females (9,75 months); what is notable is that there is 5 months difference in duration for

women (13 months) with dependents than for men (8,7 months) with dependents before the programme. Young women are usually given the responsibility of child rearing even if the children are not their own but are perhaps younger siblings which could be a possible explanation behind the 5-month difference in unemployment duration between the males and females.

The post-programme unemployment duration for female youth with dependents reduced more than for male youth with dependents. Most of the participants who have dependents exited into employment, more especially the young women. This suggests that individuals with dependents are less likely to exit into higher education which indicates one of two things: either human capital investment can be postponed to a later date, or the opportunity cost of rearing a child or being responsible for family members is far too great and hence human capital investment is forgone (Ismail & Kollamparambil, 2015: 307).

For those male participants who come from a household with at least one dependent and a grant recipient (11,2 months) there is a 5-month difference in unemployment duration compared to those males who come from a household with a dependent but not one with a grant recipient (6,2 months). Whereas for the young women- there really is not much of a difference whether they come from a household with a grant recipient (13,5 months) or not (12,3 months) as there is only 1-month difference between these two groups if you also come from a household with dependents. This could mean that young men are facing more pressure to find work to support their families since there is no grant money to fall back on. On the other hand, if you're a male who comes from a household with no dependents but one with a grant recipient you are likely to experience an unemployment duration of only 4 months; whereas those who come from a household without dependents and no grant recipient experience an 11-month unemployment duration. A similar pattern can be observed for females. From the sample the males in the no grant, no dependent cohort are all from households who have an estimated income of between R,5000 and R18,000 or more per month, which supports the literature in that a household with income earners may function as a safety net instead of being a source of finance to fund job search activities. None of these participants spent more than R70 a week looking for work and on average only

2 hours of search activity was conducted, further supporting the notion that there is a disincentive to find work.

With regards to income levels, one would expect durations to be higher for those participants who belong to the higher end of the income spectrum as a result of the disincentive effects. But our results show the converse, where the R2000-R10 999 income level cohort show the longest spells of unemployment and the R11 000-R18 000 and more show much shorter mean durations before the programme. After completing the programme, most of the income levels show unemployment durations of about 2 months each with the exception of the lowest income level cohort (less than R2000 a month) showing increased mean durations of 4 months. From this group only 3 out of the 10 belonging to the group exited into employment; another one of the participants said that the reason for them still currently being in unemployment is because *'I have received job offers, but I am waiting for something better to show up'* which implies that this particular individual had a considerably high reservation wage; the individual stated their reservation wage at *'more than R8000 per month'*. Of the remaining participants, 3 of them have decided to go back to school while 2 continue to search for work.

6.2.5. Job search costs

Job search requires jobseekers to overcome a variety of psychological and behavioural challenges as it is a highly self-regulated task. Studies show that the intensity of job search depends on the individuals' biases in beliefs about returns to search efforts, their level of patience, their locus of control as well as their self-confidence and willpower (Abel et al., 2017:1).

Therefore, given the absence of a formalised system of facilitating job search activity in AVA to aid the transition from education to employment, employment search activity becomes very important. For unemployed youth who live outside of urban centres, they do not usually have access to print media and internet cafes come at a steep cost which means that many do not know about job openings or application procedures (Dieltiens, 2015: 11). From the developed world context where unemployment rates are relatively low, a lack of active job search is almost exclusively seen as being voluntary and is usually underpinned by reservation wage consideration (Mlatsheni,

2014:18); but not so for the South African context as costs related to job search together with the mass level of unemployment are among the factors which have been proven to be further inhibitors (Mlatsheni, 2014; Dieltiens, 2015). The prevalent high levels of youth unemployment and the costs involved with finding work tend to discourage intensive job search activity amongst young people.

The decision to engage in job search and the choice of search method is determined by four main factors: the probability that a job will be located, the probability of securing a job, the financial cost of the search method and the amount of time spent pursuing the search method (Schöer, 2004:56). Various search methods create different degrees of access to the labour market in terms of providing the searcher with information and their ability to transmit that information between the jobseeker and the employer. The pursuit of certain search methods are either facilitated or constrained by a job seeker's individual and household characteristics (Schöer, 2004:1). For the unemployed to be not searching for work- it is usually an outcome of discouragement as the activity of job search is constrained by impediments such as poverty, cost of search, long spells of unemployment and adverse local economic conditions. In terms of job search costs, social networks have shown to generate the least amount of financial burden on the household while it still allows the jobseeker to pursue other non-market activities (Schöer, 2004:55). What most young people have resorted to using (outside of LinkedIn) to aid their job search is to post their abbreviated curriculum vitae on their various social media platforms in hopes that recruiters will come across their posts.

In a study to find the relative importance of job attributes in the candidate's decision to take a job; location was found to be an important factor. Location is defined in terms of where a job is located relative to where the jobseeker stays or other areas of economic and recreational activities (van der Merwe, 2012:25). The location of residential areas relative to jobs or job opportunities, which are usually centred within the city, contributes in addressing some of the imbalances that exist within the urban system. Research has shown that neighbourhoods can negatively influence youth behaviour and labour market outcomes, particularly if there are no positive role models, lack of informal job contacts and the presence of disruptive forces (Mlatsheni, 2014: 22).

From our pool of participants, the common areas of residence were around the townships and Cape Flats, which are roughly a R12-R25 for a one-way trip into the city. Accessibility of the workplace to those seeking employment is a primary concern especially for a country like South Africa where marginalised groups have limited access to affordable transport and how this has further excluded these already poor groups from participating in productive economic activities (van der Merwe, 2012:1).

Table *4* below summarises the one-way cost to the CBD using either a minibus taxi or the metro rail train.

Table 4: Summary of transport costs to the CBD (2018 prices)

Location	CBD Taxi Fare (2018)		Metro rail Fares (2018)	
Athlone	R	9,00	R	8,00
Avondale	-		R	8,00
Bellville	R	14,50	R	8,00
Bonteheuwel	R	10,00	R	8,00
Century City	R	9,00	R	7,50
Delft	R	12,00	-	
Diep River	-		R	8,00
Dunoon	R	11,00	-	
Fractreton	R	8,00	-	
Gugulethu	R	12,00	-	
Hanover Park	R	10,00	-	
Hout Bay	R	10,00	-	
Joe Slovo	R	9,00	-	
Kensington	R	8,00	-	
Khayelitsha	R	25,00	R	10,00
Langa	R	8,00	R	8,00
Manenberg	R	9,00		
Mitchell's Plain	R	12,00	R	9,00
Mowbray	R	9,00	R	7,50
Nyanga	R	12,00		
Plumstead	-		R	8,00
Retreat	R	19,00	R	8,00
Wynberg	R	12,00	R	8,00

In terms of transport costs, the average fare trip in Cape Town for rail is R1.50; for taxis R2.60 and for bus R2.80 (Naidu, 2009:14). For 40% of Coloureds and 60% of Africans this amounts to 8% (for rail), 14% (for taxis) and 15% (for buses) of their annual income spent on transport alone. Additionally, there is no system that interlinks

these three services such as a “through ticketing” which means that commuters who use more than one mode of transport per journey pay a much higher fare altogether.

On average a peak morning work trip is 14km, which is considerably high by international standards and this is mostly due to the physical distances between home and the place of employment (Naidu, 2009:14) deliberately created by the spatial planning of the apartheid era. Reliance on public transport is skewed to the disadvantage of the marginalised, whom make up our entire sample. Only 1 in 16 whites are dependent on public transport while 42% of Africans, and 33% of Coloureds rely on public transport. Given that majority of the jobs in Cape Town (80%) are located in the CDB, the Southern and Northern Suburbs, this means very long commuting distances and times for those living in the Cape Flats (Naidu, 2009:18) as well as high transport costs which can easily be a deterring factor when seeking employment.

In order to bridge this access gap created by limited access to transport, AVA provides its participant with a transport stipend of R2000 each month; a much-needed aid given that majority of the participants who go through the AVA programme are either Blacks or Coloureds- a very marginalised group in South Africa both location-wise and economically. This stipend is used to by the participants to travel to and from their various volunteer workplaces.

In order to gauge job search intensity, the participants were asked to indicate how many hours they spend a week looking for work, the weekly costs that comes with job searching- this includes internet café costs, transport costs, printing and sending CVs etc. In addition, they were also asked to indicate how many jobs offers they receive a month both before and after the programme. The data shows that the average job search costs are R74,72 while on average 2,5 hours is spent looking for work each week. The amount of job offers that the participants received increased from before the programme 0,28 to 1,92 offers per month after the programme. Assuming all else equal and that the job search intensity is the same after as before the programme this could mean that the additional skills acquired through AVA is working to the advantage of its participants as more job offers are received on average in a month.

> Before I joined AVA, I was unemployed for about 2 months. I was spending a lot of money trying to find work…about R150 a week… because I stay in Khayelitsha and a taxi to town costs R25 one way and you also have to pay for internet…I would be on the internet for about 3,5 hours a week just looking for work and I didn't used to get job offers. But once I was finished with Khanyisa it took me about a week to find a job then the following year I went back to school to further my studies *(Shumani, 19).*

But not everyone was as fortunate as Shumani, as some youth still find themselves in unemployment even after completing the programme and spending a lot of money as well as time looking for work.

> Since I completed my matric, I have been actively looking for work, but I couldn't find any work. I would spend about 3 hours a week looking for work…and roughly R100 every week using the internet, going to town to look for jobs but still I could not find any work. Even after I joined the Khanyisa programme cos I wanted to gain more skills when I finished, I still could not find any work. I haven't had any jobs offers from any of the places I applied to *(Viwe, 19 years old)*.

The depression that very often accompanies failure to successfully secure employment manifests as a type of incapacity that prevents structured job search from happening. If the youth are overly pessimistic about the labour market, then they will not engage in rigorous job search which will feed back and further contribute to entrenching youth unemployment (Mlatsheni, 2014: 23). For the AVA participants who completed the programme, they spent a considerably reduced amount of time in unemployment; particularly those who spend 3 to 4 hours or more in a week looking for work. These participants had a much greater reduction in unemployment- if we compare the before and after mean durations, those who were spending 3 hours searching for work only spend 3 months in unemployment before finding work, and those who spent 4 or more hours now only spend about 4 months in unemployment from 12 months before the programme.

6.2.6. Social Capital

Another barrier to employment has been argued to be due to weak connections between the unemployed and their knowledge about possible job openings. More than often youths have more limited occupational contact networks that are largely shaped by their parent's social positions which limits their access to information about jobs (Dieltiens, 2015; Hällsten, Edling & Rydgren, 2017). Employment, particularly in the middle to upper income classes, is increasingly a function of networks otherwise termed 'social capital'. Social capital can be viewed as individual-level resources (e.g. monetary resources) or other valued assets (e.g. information) that individuals can access through their networks and use to often achieve positive outcomes (Hällsten, Edling and Rydgren, 2015:55).

People who have lived, studied or worked with already-employed people are more likely to find work than those whose social circle is made up of people who have been exposed to long bounds of unemployment (Nattrass, 2002:214).

Furthermore, recruitment in the labour market is often informal and acquaintances play an important role in this process, pointing to the importance of information flows in social networks. Many firms ask their employees if they know of anyone who would be suitable to apply for existing vacancies because middle class employees are more comfortable with other middle-class employees- hence a firm is more likely to opt for a person from a similar social background (Nattrass, 2002:215). And as much as there are a number of unfilled vacancies and youth ready to fill those positions- matches are not being made because information is not being shared because young people do not know about openings since they do not have strong networks (Nattrass, 2002; Dieltiens, 2015). For example, from our sample of participants 9 out of the 46 participants were working in sectors which one of their household members is currently working in because the household member informed them of an available vacancy at their workplace.

This means that individuals who belong to sociodemographic groups with low levels of education, income and social resources will have more constricted and weak bridging ties in their network; in comparison to those who belong in the middle-and upper-income cohort with more education. This means that these youth are further marginalised through structural barriers that cut off their access to a variety of

extensive resources such as information about vacancies higher up in the organisation (Moore *et al.*, 2009:1076) and therefore limits their options to vacancies of the same lower level operations as their family member. For example, one of the participants stated that one of their household members works in retail as a cashier, and now they are also working as a cashier because of the information that they received from their household member.

Youth with many employed household members they have more information about job openings, thus facilitating their job search which is likely to increase their success rate (Hällsten, Edling and Rydgren, 2017:235). However, the usefulness of these social networks depends on the overlap of supply networks through which those seeking employment look for a job and the recruitment networks through which employers use their existing workforce to source new workers (Schöer, 2004:56). This means the jobseekers positioning within the network in terms of proximity to the recruitment network is very important. The closer they are to the recruitment network the more likely they are to locate and get a job. From an employer's perspective, recruitment through job referral networks gives access to a better pool of applicants, allows for better job-worker matches which tend to reduce the costs of screening and increases economic returns (Hällsten, Edling and Rydgren, 2017:235). Through referrals employers are expanding their horizon of applicants by tapping into pools of applicants that would have otherwise not applied to the firm (Fernandez, Castilla and Moore, 2000:1291).

Close to two thirds of the employed in the Khayelitsha/Mitchell's Plain Survey of 2000 found their jobs through social networks. They found employment because friends or relatives informed them about a vacancy or put them in contact with someone from their workplace(Schöer, 2004:1). According to a report by the World Bank (2014), 58 percent of youths believe that networks and connections are more important than skills for finding a job. In addition, young people will tend to prefer public sector jobs and hence be less interested in ALMPs that may lead to a private sector job (ILO, 2017).
The proportion of income earners in the household could also be helpful in explaining social networks as the employed in the household provide access to networks which could provide employment opportunities for others in their household (Ismail & Kollamparambil, 2015: 306).

Given that AVA works mostly with youth who belong to the lower-income, low education cohort the relationships that the organisation has with other supporting organisations, as well as private and public sector entities could be the only connection the participants are able to make with people whom they are able to create stronger networks with. From the survey only 9 of the 46 participants were employed in sectors in which one of their household members worked in, and it was their household member who informed them of a vacancy in their place of work.

> One of my family members works in communications as a call centre agent, the others are working at a retail like Truworths, but I am working as a call agent now because my sister told me they were looking for people *(Chantal, 20 years old female).*

> My dad helped me get into construction because he is also in construction, so it was easy like that. I do maintenance work *(Ulrich, 21 years old male).*

When asked where they would rank *'Connections in the place where you want to work'* on a scale of 1 to 7; 1 being least important and 7 being most important- 23 percent of the participants ranked it a 6 while 13 percent ranked it a 7. This means that 36 percent of the participants either think networking is an extremely important or a very important determining factor in finding work successfully. The youth whose socio-economic circumstances do not afford them the privilege of said social networks are set at a disadvantage. Therefore, these young people are not wrong to think that connections are important as the array of literature discussed has reiterated how crucial it is to have networks or social capital. Hence it is important that these youth programmes serve as some form of networking agent that can bridge this social capital gap. AVA works with organisations such as Ernest and Young and Stellenbosch University by hosting various workshops and competitions with these organisations. Perhaps stronger networking links can be formed with these organisations through mentoring initiatives.

6.2.7. Reservation Wage

The reservation wage can be seen as a measure of an individual's reluctance or eagerness to accept employment and plays a key role in traditional job search theory by determining the unemployment duration and the speed at which job-seekers will be reintegrated into the labour market (Caliendo, Lee & Mahlstedt, 2017: 162). The period of unemployment or the amount of search depends on the wage rate that the individual thinks his service can command in the labour market and on the opportunity cost of the searching activity. In labour supply theory, the reservation wage is where individuals are assumed to only participate in the labour market if their offered wage is above their acceptable cut-off (Caliendo, Lee & Mahlstedt, 2017:86). In other words it is "the highest wage at which an individual would rather 'choose leisure' or continued job search rather than work", (Nattrass & Walker, 2005:501). Normally, one would expect people to have a higher reservation wage when unemployment benefits are available as is the case in Great Britain. But in South Africa's case, the reservation wage is more likely to be affected by the jobseeker's perception of their value to the labour market and the level of desperation they are experiencing to find work (Nattrass & Walker, 2005:501). If a jobseeker believes that his skills are highly sought after in the labour market, then they will reject any job offers that fall short of their expectations and remain unemployed (McCall, 1970:114).

In addition, duration of unemployment is also likely to matter for reservation wages but the relationship between these two variables is complex, there is no consistent evidence that unemployed people have unrealistic job and wage aspirations (Fourie, 2012: 11). For example, if those who are in long-term unemployment are choosing to stay unemployed longer in the hopes of better job offers; then presumably they have the financial resources to sustain this- and thus may report higher reservation wages than the short-tern unemployed (Nattrass & Walker, 2005:503). Nattrass and Walker (2005) report their findings on a survey of metropolitan workers designed to determine whether the unemployed are indeed setting a reservation wage that is too high. They first determine what respondents would regard as a minimum monthly wage below which they would not accept any job even if that means remaining unemployed. Secondly, they compare that reservation wage (R1159 in 2000/1) with the predicted wages workers realistically could expect to earn, given their characteristics. From their sample, the reported reservation wage is only on average 85% of the predicted wage.

A regression also reveals a significantly lower chance of being employed when the average wage exceeds the predicted wage, supporting the finding of no evidence that relatively high reservation wages are a cause of unemployment (in the area of Khayelitsha/Mitchell's Plain).

Furthermore, Lilenstein & Seekings (2017), used panel data on youth in Cape Town in order to ascertain whether there is any evidence that unrealistically high reservation wages are contributing to unemployment in their sample. They found that unemployed youth are very unlikely to hold 'unrealistic' reservation wages (i.e. in relation to their predicted wages), with only 4% of the sample falling in this category.

The survey asked the participants what their reservation wage is as well as to state their level of income. Given the sample the reservation wage averages R5409 whereas the average income is only R3778 which means that a lot of these youth are accepting jobs that are below their reservation wage. For example, 22-year-old Abongile stated that her reservation wage was R10 000 per month but when asked what her current monthly income is, she said she is only making about R2000 per month. Similarly, with 8 of the other respondents- they stated a reservation wage which was significantly higher than their current income level. But for some of these participants, whose reservation wage was above their current income level, the survey shows that they came from households with a greater level of income. For example, although John said his reservation wage is R5000 per month he is currently earning between R2,000-R4,999 a month, but he comes from a household where the monthly income is between R11,000- R14,999 which is perhaps why he was willing to work for less than he had set for himself as a reservation wage.

Conversely, a female participant from the sample said she rejected a few jobs offers because *"I am waiting for better job offers to come along"*. The participant has no previous work experience, with only a matric qualification. She is still considerably young (21 years old), with only 9 months of unemployment; perhaps this is the reason for her reservation wage being so high- she has not yet been exposed in long spells of unemployment that might force her to reduce her reservation wage which was in the R8000,00 or more category. Another 27-year-old female stated that her reservation wage is R6000 per month. She was not getting any job offers before she

joined AVA and after the programme, she stated that she was getting at least one job offer a month. When asked why she did not accept the job offer she said that the work required her to have resources she doesn't have; they required that she have her own laptop and car in order to work at the company. And here is another factor which barricades entrance into the labour market for marginalised youth. The need to have certain resources as a job requirement is exclusionary to say the least because it closes doors to many poor black and coloured youths who do not have the luxury of owning a car or even a laptop.

On the other hand, if the long-term unemployed experience some sort of depreciation in their human capital and adjust their market value perceptions accordingly, then a negative relationship will exist between the duration of unemployment and their reservation wage (Nattrass & Walker, 2005:503). But it is also possible that the longer people stay out of work the less likely it is that they will be able to gauge their market value correctly as the labour market is ever changing in terms of the skills and level of experience it requires. But often graduates and school leavers are misinformed about the pace of success in the workplace, as a result they set quite high wage expectations because they are unaware of the reality of entry-level wages in their fields of study (Mncayi & Dunga, 2016: 420), which is also the case from this sample. When looking at the average reservation wage for just the participants with a matric the average sum comes to R4,690 per month which is just more than twice as much as what Cecil & Leibbrandt (2016) calculated to be the mean wage earning for matriculants (R2271) using CAPS data.

A few studies have evaluated how individuals' perceived reemployment chances influence their reservation wage and the conclusion is that unemployed job seekers set a higher reservation wage when expecting good reemployment chances. Reservation wages thus relate positively to a person's employment efficacy.

> Before I joined AVA, I was working for a clothing manufacturing factory. I heard about AVA and decided to join because I had expectations of a better income after completing the AVA programme and getting new skills. After completing the programme, I received a job offer which I didn't take because it was paying me less than

> R10,000 a month so I decided to go back to school to further my studies *(Chad, 27 years old).*

The idea of having a high "market value" often makes job seekers believe that they are justified to demand higher wages. Conversely, individuals perceiving difficulties to find employment may be more inclined to lower their reservation wage to increase their chances of finding work. The self-awareness of their weak labour market situation makes them expect few job offers, and intend to accept the first offer they get, even if this implies settling for a very low paying job (De Coen, Forrier & Sels, 2015: 99). For example- for 24-year-old Tashniqa who has a child who she supports; with only one other household member receiving a grant for older persons and after she had been actively looking for work, she has set her reservation wage at less than R2000 and is currently working as a teacher's assistant making R2000 a month.

6.2.8. The importance of attitudes

The importance of self-worth and self-awareness is that it gives young people a sense of ownership and responsibility for their future, hence personal development is a necessary first step in training young people for the workplace. It is important that through their education and training young people develop a sense of ownership of their future along with the skills and competences to make an informed decision about their future (Hawley et al., 2012; Dieltiens, 2015). Through the self-development aspect of the programs, AVA is giving holistic support in that they are not just equipping the young people with skills to help them transition to work but they are also providing guidance and personal development. Several authors, e.g. Martin & Grubb (2002) highlight the importance of poor attitudes towards work among disadvantaged youth as a major factor in explaining the poor record of special youth measures. Often times the youth are so discouraged by their socio-economic circumstances that they are not very hopeful about their own futures and therefore place little effort into changing their circumstances. They feel that nothing positive can come out of their lives because they have either seen parents or siblings or neighbours who have been in a similar situation. By understanding that many young people, especially those who come from a marginalised background, have suffered trauma which has left many with few ambitions beyond the boundaries of their known world, a youth training program will be better able to cater for the needs of young people. If young people are to be

equipped with confidence and competences necessary to manage their progression independently, there needs to be accompanying guidance and measures to promote ‘healthy pathways’ for young people; in addition to the skills development that they are receiving (Hawley et al., 2012; Dieltiens, 2015).

In light of the above, part of the data that was collected encompasses attitudes- mainly if there was a change in the attitude of the participants about the prospects of their future and job application outcomes once they had completed the AVA programme and undergone the self-development aspect. It is not at all easy for many programs to influence the attitudes of its participants in ways that improve jobs and earning prospects of disadvantaged youth. But the provision of mentoring programs, by providing for both on-going contact with an adult over an extended period of time coupled with elements of monitoring as well as support (which is what AVA offers with the self-development and support component of its program) can overcome negative attitudes to work (Martin & Grubb, 2002: 20).

Specific questions in section 8 of the survey were used to gauge whether the was a change in attitude of participants. The questions stated:

8.1 Before I joined AVA, I was enthusiastic about my future:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.2 After I joined AVA, I was more enthusiastic about my future:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.3 Before I joined AVA, I was positive that I would receive a job offer is I applied for

a position:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.4 After I joined AVA, I was more positive that I would receive a job offer is I applied for a position:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.5 Before I joined AVA, I was confident in my ability to complete tasks:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.6 After I joined AVA, I was confident in my ability to complete tasks:

-Strongly Agree

-Agree

-Disagree

-Strongly Disagree

8.7 The AVA programme that I was a part of adequately prepared me for the world of work

-Strongly Agree

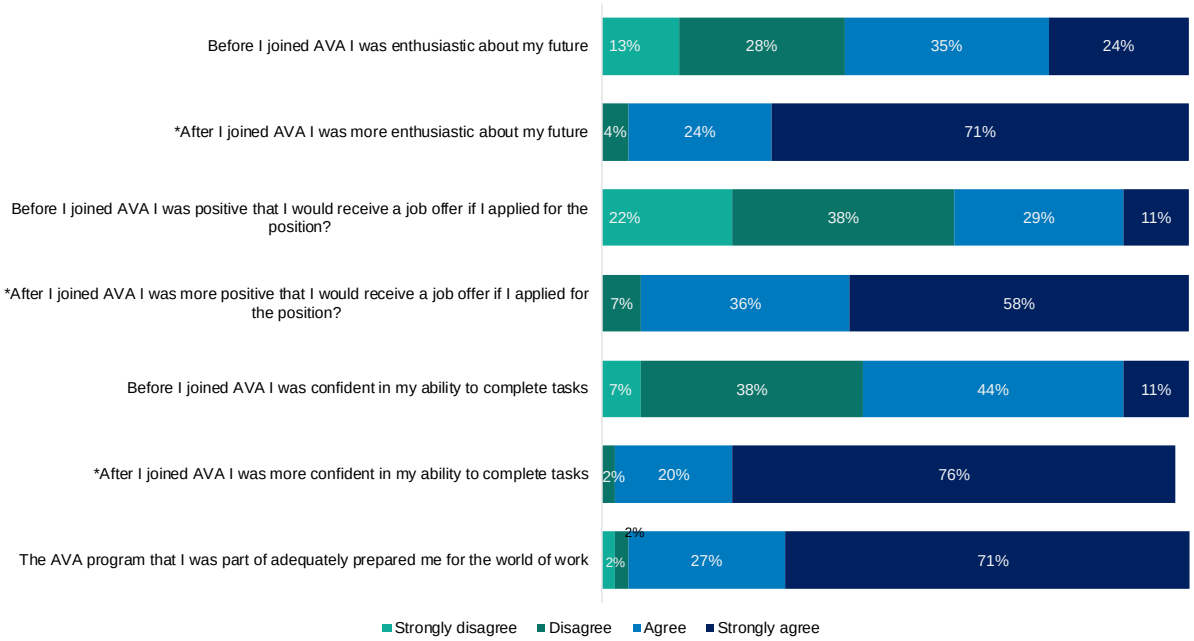
-Agree

-Disagree

-Strongly Disagree

Using a Likert scale similar to the Rosenberg Self-Esteem Scale (Rosenberg, 1965; Baumeister et al., 2013) numbers were allocated points: “Strongly Disagree” is 1 point, “Disagree” 2 points, “Agree” 3 points, and “Strongly Agree” is 4 points. By tracking the scores of the before and after questions I was then able to ascertain whether there was a change in the attitude of the participants. The results are depicted in **Figure *3*** below.

Figure 3: Change in Attitudes



The before and after responses to question 8.1 show a significant change in attitude about how the participants felt about their future prospects. Before the programme roughly only 20 percent said they felt really enthusiastic about their futures and almost half said that they either *strongly disagree or disagree* with the statement in question 8.1. But there was a major improvement in attitude after the programme, with none of the participants stating that they still strongly feel unenthusiastic about their future. Although 5 percent still felt unenthusiastic about their future an aggregate of 95 percent either *agreed or strongly agreed* that the AVA programme made them feel more positive about their futures. Physical and mental health is just as important as the availability of jobs. The stress of not finding a job may give rise to demotivation and depression, which will in turn further hamper effective labour market participation (Mlatsheni, 2014: 10) by discouraging active job search. A change in attitude about future prospects is indicative that AVA has given these youths a more positive outlook on life.

In responding to question 8.2 about job offers, again we see a major improvement in attitudes with 17 percent of those who said they strongly disagree with the statement going down to zero percent after the programme, and the 41 percent who disagreed going down to 5 percent. Again, 95 percent of the participants either agree or strongly agree with the statement that they are now more positive about receiving job offers

having completed the AVA programme. Question 8.5 and 8.6 measure the changes in self-esteem the participants by asking about the confidence they have in their ability to complete tasks. Before the programme most of the participants (76 percent) either disagreed or agreed with the statement but after the programme, 75 percent strongly agreed with the statement and 23 percent said they agree with the statement.

Therefore, it is reasonable to say that the self-development component of AVA has played an important role in significantly changing and improving the attitudes of their participants. It is not enough to only provide disenfranchised youth with technical or soft skills, but it is also important to tend to the mental health of young people. The provision of guidance measures and policies promoting successful transition into the labour market need to go beyond providing information and training. They need to also be equipping the young person with the confidence and competences necessary to manage their progression independently. A good quality programme encompasses career guidance, holistic support and self-development which are part of the key ingredients to support young people's transition from unemployment to work; or to reintegrate them into further education (Hawley et al., 2012: 58).

> AVA has taught me so much about myself and my capabilities, AVA gave me confidence and made me want to give back to the community *(Teressa, 26 years old)*.

6.2.9. Most Important Perceived Skills and Factors for Finding Work

Employers have different perspectives on what they expect from job seeking candidates. Studies exploring employers' expectations in South Africa point to varying perspectives, but these are four categories of skills that employers value the most:

1. Basic skills and understanding;
2. Knowledge and intellectual ability
3. Workplace skills and applied knowledge; as well as
4. Interactive and personal skills (Fourie-Malherbe & Lourens, 2017: 15).

Additionally, thirteen employers from various sectors were asked about what they look for when screening potential job applicants and their response was that the academic qualification of the applicant was considered to be 'the first tick' in the box, with 70%

of them referring to the importance of a good academic record (Fourie-Malherbe & Lourens, 2017: 41). But a good academic track record is not the always attainable for marginalised youth as many of them come from disenfranchised under-resourced schools. In fact, a number of the participants said they had joined AVA with the *expectation of an increased level of education*- which is of course not a direct service offered by the programme.

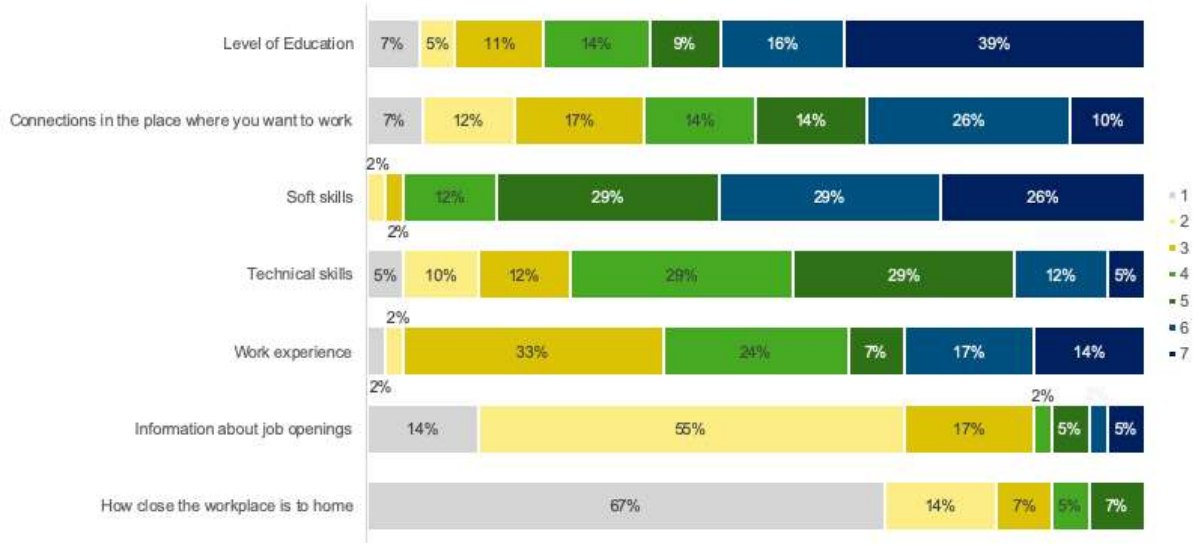
There appears to be a mismatch between what factors/skills job seekers think matters in securing them employment and what employers are actually looking for in candidates. Therefore, in an attempt to get insight on what job seekers deem are important factors in securing employment, the survey asked the participants to rank a list of factors according to what they think is most important to least important.

The participants were given a list of 7 factors and asked to assign a number between 1 and 7 for each factor; 1 being least important and 7 being most important, essentially ranking each factor from most important to least important. The list of factors given was:

- *Level of education*
- *Connections in the place where you want to work*
- *Soft skills (i.e. teamwork, organisation skills, communication etc.)*
- *Technical skills (i.e. programming, data analysis, accounting etc.)*
- *Past work experience*
- *Information about job openings*
- *How close the workplace is to home?*

Figure *4* below summarises the outcomes of this section of the survey which asked about what participants perceive to be the most important determining factors for finding work successfully. The lighter shades depict the least important factors while the darker shades represent what participants perceive to be the most important factors. Level of education is viewed as the most important factor with 33 percent of the participants ranking it a 7; followed by soft skills (23 percent), work experience (21

percent) and then connections in the workplace (13%). Education, work experience



and soft skills overlap with the skills that employers seek in potential job candidates.

Figure 4: Perceived determining factors for finding work successfully

A similar study by Fourie-Malherbe & Lourens (2017), found similar results from their sample of graduates seeking employment. The participants firmly believed that higher education is indispensable to obtain employment, which is what the general consensus is about obtaining tertiary education especially since graduates experience the lowest rates of unemployment. There are two issues that are most noticeable for young people once they leave education: first is the degree to which educational systems instil specific, rather than general skills; and second is the extent to which there are direct links between the educational system and employers (Breen, 2005:126). When there is greater emphasis on specific skills and a closer link between schools and employers, there exists an easier transition from education to the labour market because these two issues send a very clear signal to employers about the potential productivity of a given job seeker in the job that the employer wants to fill (Breen, 2005:126).

Although AVA does not provide further education services it has successfully helped a significant proportion of its participant to exit out of unemployment and enter higher education. Furthermore, the implications of employers' expectations of a good academic record for the employability of job seekers from disadvantaged backgrounds

needs careful considerations because these job seekers are often first-generation students or even matriculants which sets them back compared to their upper-middle income counterparts. Employers need to take a broader view of prospective employees than just their academic records (Fourie-Malherbe & Lourens, 2017: 41).

However, AVA does cover the work experience and soft skills aspect of the determining factors which have both contributed to the upskilling of these youths.

Employers value being able to work independently as well as having technical knowledge which was associated with achieving success in the workplace. A 2017 survey by the National Association of Colleges and Employers found that “ability to work in a team” was the attribute most commonly cited as desirable in a candidate (Deming, 2017). There is also an increase in evidence of the growing importance of social skills in studies of how ICT has changed the organisation of the workplace. These studies show that computerization leads to the reallocation of workers into flexible, team-based settings that facilitate adaptive responses and group problem-solving (Autor, et.al., 2000).

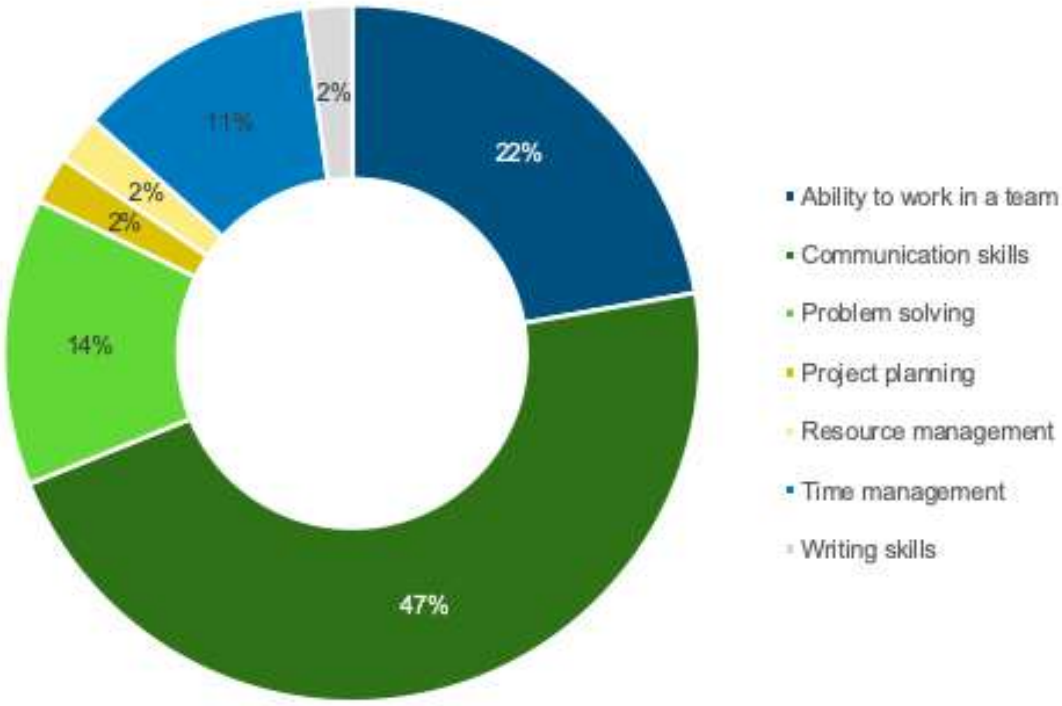
But from the sample technical skills were ranked between the 3 and 4 range, which means that participants do not think that it is overly important that one must have specific qualifications such as web developer or accountant in order to obtain a job; indicating a mismatch between perceived determining factors by job seekers and employers. In addition, South African employers mentioned a variety of preferred soft skills and personality traits they expect from candidates. Specific mention was made of problem-solving skills; critical thinking, reliable, trustworthy, good worth ethic and ability to work in a team. Communication, management, computer skills were the main generic skills required (Fourie-Malherbe & Lourens, 2017: 42).

Additionally, the participants were asked to indicate the most valuable soft skill that they acquired through AVA by answering the question: *“Completing my AVA programme has improved my…”* and then choosing a trait from the list of options or

'other' if the list did not include their most valued soft skill. The list of options to choose from was:

- *Problem solving ability*
- *Managing stressful situations*
- *Communication with other staff members*
- *Punctuality*
- *Executing tasks on time*
- *Critical thinking*

Figure 5: Most Valued Soft Skills by Participants



The pie chart in **Figure *5*** depicts a summary of the soft skills which the AVA participants valued most through their experience with the programme. Communication skills is cited as the most dominant soft skill with 36 percent followed by managing stressful situations (26 percent) and problem-solving ability (24 percent). The ability to manage stressful situations can translate into the ability to work under pressure by meeting demanding deadlines as is the case in most workplaces. Executing tasks in time can

be viewed as an indication for having good work ethic, of which only 2 percent of the participants stated as their most valued skill which AVA has taught them.

The drive to foster ‘employability’ among young people, where employability refers to skills, personality traits, attitudes and competences that will enable them to increase their chances of getting a job or progressing into higher education or even self - employment, is plentiful and it comes from both public and private sector organisations. But the development of young people is so multifaceted and intricate that most organisations do not get it right. As much as improving young people’s technical skills is important so is the development of their qualities, attitudes and soft skills if the goal is to successfully integrate these youths into the labour market.

These soft skills are important in helping one gain and keep employment. Young people in South Africa, especially those that leave school early may not possess such skills and are often faced with very little choice as to what jobs they can do.

An organisation such as AVA caters for the wholistic development of disadvantaged youth in ways which society ordinarily fails to do. Not only does the organisation offer valuable work experience through its volunteering component to increase their participants’ attractiveness to employers, they also address the gap range of various basic skills which these young people often lack. Simple practices like punctuality, communicating with senior staff and fellow colleagues, dressing appropriately for work and just having good work ethic is important for the workplace and these are not often taught in school.

7. Recommendations

While this paper has explored a number of factors that influence youth unemployment duration, there are only a few that AVA can directly influence such as attitudes and

skills acquisition. While other factors such as the participants' socio-economic background, and the implications of that, cannot be directly influenced by the organisation the organisation can still be a major component in better linking marginalised youth to the labour market, for example, through avenues such as creating stronger networks. Based on the above findings pertaining to the determining factors of youth unemployment based on this case study on the AVA participants, a few lessons and recommendations can be made to ensure that AVA extends the role it plays in the lives of their participants and that the youth get the best out of the AVA programmes.

7.1. Record keeping

The first and perhaps the most important recommendation is to keep a rich data base of all the participants who go through the programme. In order to meaningfully determine whether the programme is working to reduce youth unemployment, data needs to be collected for each group upon entering and completing the programme. The participants could complete a basic online survey at the beginning of the programme that asks them to provide information pertaining to their socio-economic background, length of unemployment, skills they hope to acquire from AVA, job search activity etc. this will serve as the baseline data. Once the participants have completed the programme, they should be asked follow-up questions about their job prospects, their experience of unemployment after the programme, length of unemployment, skills acquired, new income levels etc. this will serve as the post programme data thus allowing for ex-post evaluation on the effectiveness of the programme. If the causal effects of the programme can be determined, and if those effects are found to be significant then the AVA model could be implemented in other ALMPs and even policy for youth unemployment eradication.

7.2. Exposure to career guidance

Career guidance is already a valuable service that AVA provides to the participants. However, an important addition to the service would be to help the youth create more realistic expectations for their future job prospects so that they avoid the possibility of pricing themselves out of employment. Participants need to understand that past work experience, level of education and skills all play a role in how the labour market

perceives them as job seekers. Therefore, if a young person is misinformed about what level of income, they can expect given their skills and education level, they will most likely price themselves out of the labour market by turning down offers which do not meet their unrealistic income level expectations; and thus, further extending their unemployment duration.

7.3. Stronger partnering with the private sector

Evidence from European countries on the impact of ALMPs in reducing youth unemployment is mixed and the reason for this is partly because of the lack of experimental studies and the wide variation in evaluation methods. Nevertheless, the overall key finding is that if policy wants programs serving youths to be more beneficial, there needs to be a strong partnership with the private sector, or the private sector needs to at least be involved in setting up the programme or policy. This will ensure that the training or work experience that the young people receive is in line with the demands of the labour market. The lesson from the successful German public empowerment program is the emphasised need to include employers in the design of the programme. By determining what set of skills employers are looking for AVA can incorporate these more directly in their various programmes.

Countries that have succeeded in executing strong private-public partnerships have experienced significant reductions in the level of youth unemployment. The programmes usually aim to provide youth with work experience from an age as early as high school. In this way learners obtain first-hand experience throughout their schooling career which will also mean more informed subject choices and later on tertiary education selection. Since the private entity will be bearing significant risk and management responsibility, there needs to be a great incentive in place such as lower corporate tax rates or credit against income tax.

Another reason to form stronger relationships with the private sector is that sometimes perceptions of youth are laced with undertones of gender and racial stereotypes. An example of racial and gender stereotypes is that, coloured youth tend to be marred as unreliable and afflicted with drug abuse; while young women are perceived as undependable because of unplanned pregnancies and other family responsibilities (Dieltiens, 2015: 7). And often times employers will conceal their preferences for a

particular type of employee under guises of requiring the candidate to '*speak eloquently'* or to come from a particular institution or to speak a specific language. These stereotypical elements mean that marginalised young people have a greater disadvantage in overcoming unemployment. Therefore, NGOs such as AVA face the battle of trying to prevent them from perpetuating and further hindering a young person's success.

Gender-based and racial stereotypes are not fact-based information and often these stereotypes are what misinforms senior executives and other major decision makers about the talents of young people. Although changing the perceptions of employers based on these stereotypes is not a factor that can be changed by AVA- through working more directly with the private sector these young people can be given a better chance to showcase their talents without their race of gender being used against them as a form of bias.

The role of information asymmetries large in the low-skill sector in South Africa. Information asymmetries are prevalent in this market and employers struggle to identify high ability job seekers. Another contribution which the private sector can make is a simple intervention - encouraging job seekers to obtain a standardized reference letter from a former employer. This can lead to substantial improvements in firms' ability to select job seekers of higher ability from the large pool of applicants (Abel et.al, 2017). Other ways in which the private sector can contribute to the plight of unemployment is to contribute funds for skills development and workplace training through the Skills Development Levy, as the literature review has indicated positive findings of training programs in developing countries.

But the role of the public sector can only be as strong as the government policies that support the ALMPs. South Africa's spending on ALMPs is low but comparable to most OECD countries. If the spending on labour policies, and the related incentives are strengthened, then can public sector engagement also be strengthened to play a much larger role in making youth more employable thus reducing youth unemployment.

7.4. Set up networking events

Social capital has been found to be among the leading factors that lead to successful employment as more and more employers are recruiting through networks. As the study has shown, the youth are aware that good connections can get you a job and they even think it is one of the most important determining factors for finding work. Therefore, the youth should be given an opportunity to network outside of their social circles. This can be achieved in one of two ways: the first being AVA setting up and arranging a networking session themselves where they invite various businesses to present about their companies and what opportunities the youth could take advantage of in their companies. But this will come at a rather high cost when taking into account the amount of time and resources that go into organising such an event. The second and more cost-effective method would be to liaise with universities such as the University of Cape Town's Career Service and ask them if the AVA participants could attend one or two of their major career fairs. These career fairs are a great way to network with recruiters as the participants can ask questions about the application process, entrance requirements and the possibility of getting funding to study. By exposing youth to other career options, they can be inspired to want to study further with the possibility of getting funding to pursue their studies or they can make connections with other students who can assist them by giving advice on their studies and how to overcome certain challenges.

8. Conclusion

The main aim of this case study was to investigate how the unemployment duration (in months) of youth who have completed the AVA programme has changed since their exit from the programme. The study found that the unemployment duration for the AVA participants reduced by at least 6 months for men and 5 months for women. Therefore, making the programme equally beneficial for both the young men and women. The study further went on to explore some of the other common determinants of youth unemployment and found that with regards to exit states- employment was the most common exit state with majority of the participants successfully finding work after completing the programme. Their success in finding work can be attributed to the work experience that they have gained while volunteering. The programme appears to be most effective for youth who have never had work experience as the post

programme unemployment duration for those without work experience was 6 months less than for those with job experience. The second most dominant exit state was education- most of the participants cited that after completing the programme they were either better equipped to apply for a certain university degree or had access to resources to fund their studies. In this regard, AVA has helped a number of these young people further their studies.

From the individual as well as household characteristic level; the study confirms most of the findings from the literature. The optimism that the AVA participants feel after completing their program has lent a key role in maintaining job search activity as most of the participants stated that they spent quite a considerable amount resources in searching for work; this is also evident by the number of average job-offers they were receiving which increased from 0.28 to 1.92 offers per month. Social capital continues to be a critical asset to have when securing employment as many more employers are using referrals as a search mode for suitable candidates. Most school leavers often have a misinformed view of what entry level salaries are like, similarly in the case study it was found that a few of the youth had priced themselves out of the labour market by declining job offers which do not meet their income expectations.
An important take away from this case study is the need to have a self-development component in a youth ALMP. A positive attitude can go a long way in influencing job search activity.

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Appendix A:

AVA Graduates Questionnaire

Hello :)
My name is Mapaseka Setlhodi and I am doing my Masters in Economic Development.

I am interested in finding out how AVA has played a role in better equipping youth with skills that make them more employable. I want to understand if the different AVA programmes have prepared youth differently for work, and what elements of those programmes has done so. I also want to gauge how AVA's overall programmes are affecting employment rates. I would like to interview people who have gone through one of the AVA programmes and are now either employed, self-employed, continuing with their studies or still looking for work/ other opportunities.

Through completing this survey you will be contributing to help AVA improve the services that it provides to other youth like yourself.

The survey shouldn't take more than 15 minutes to complete.
So if you could please complete this short online survey, it would go a long way in helping me complete my studies.

By completing this survey, you stand a chance to win one of three gift cards valued at R500 each.

* (Required)

Consent

Do you understand the terms of completing this questionnaire and thus agree to complete the questionnaire? *

- ☐ Yes
- ☐ No

Individual Characteristics

This section asks for basic information. Your name and surname will be made anonymous to protect your identity.

Name *
Your answer

Surname *
Your answer

Age *
Your answer

Gender *

Your answer

Population group (Race) *

Your answer

Area of residence (please write the specific location e.g. Delft or Khayelitsha or Wynberg)

Your answer

Highest level of education *

- ☐ Incomplete high school
- ☐ Matric
- ☐ Trade/Technical/Vocational training (at a TVET or FET college)
- ☐ Diploma
- ☐ Degree
- ☐ Other:

Estimated monthly household income

- ☐ Less than R2000
- ☐ R2000-R4999
- ☐ R5000-R7999
- ☐ R8000-R10999
- ☐ R11000-R14999
- ☐ R15000-R17999
- ☐ R18000 or more

Dependents

Dependents means anyone you are supporting financially. This could be siblings (brothers, sisters, cousins) or parents, grandparents or any children of your own who you need to support financially.

Do you have any dependents? *

- ☐ Yes
- ☐ No

Which kind of dependents do you have?

- ☐ Siblings (includes cousins, nephews and nieces)
- ☐ Parents
- ☐ Grandparents
- ☐ Own children
- ☐ Non-blood relatives (e.g. friend's children)

How many dependents do you have?

- ☐ 1
- ☐ 2

- [ ] 3
- [ ] 4
- [ ] More than 4

Grants

This section asks questions about any government grants that a member of your household may be receiving.

Are you or anyone in your household getting any form of government grant? *

- [ ] Yes
- [ ] No

Please specify the type of grant that you or your household member is receiving

- [ ] Child Support Grant
- [ ] Grants for Older Persons
- [ ] Disability Grant
- [ ] War Veteran's Grant
- [ ] Social Relief of Distress
- [ ] Care Dependency Grant
- [ ] Foster Care Grant
- [ ] Grants-in-Aid
- [ ] Other:

History with AVA

This section explores your work history both before and after AVA

When did you join AVA? *

Date

Which AVA program did you participate in? *

- [ ] Year Beyond
- [ ] Work 4 Progress
- [ ] Khanyisa
- [ ] Khulisa
- [ ] AVA 2015
- [ ] AVA
- [ ] Shine

Did you stay in AVA for the entire length of the program? *

- [ ] Yes
- [ ] No

Reasons for leaving AVA

Please state the reason(s) why you left AVA before completing your program

Your answer

Work readiness

What skills did AVA give you that made you feel more prepared about going to work. Select as many that apply to you.

The most valuable work readiness skill that I learned from my AVA program is...

- ☐ Time management
- ☐ Project planning
- ☐ Resource management
- ☐ Communication skills
- ☐ Writing skills
- ☐ Problem solving
- ☐ Ability to work in a team
- ☐ Other:

Work history

This section explores you and your household's work history both before and after AVA

How many people in your household are working right now?

- ☐ None
- ☐ One
- ☐ Two
- ☐ Three
- ☐ More than three

Please select which sector your household members are currently working in

- ☐ Manufacturing (e.g. factory)
- ☐ Mining (e.g. Anglo America, De Beers)
- ☐ Agriculture (e.g. fishing or farming)
- ☐ Communications (e.g. marketing, advertising, journalism)
- ☐ Tourism (e.g. Hotel manager, tour guide)
- ☐ Wholesale and retail trade (e.g. Shoprite, Truworths)
- ☐ Finance and business services (e.g. Banking, consulting, office work)
- ☐ Government services (e.g. nurse, social worker, Dept. of Home Affairs)
- ☐ Transport and logistics (e.g. Metrorail, taxis, delivery)
- ☐ Construction (e.g. builder)
- ☐ AVA
- ☐ Other:

Were you previously working before joining AVA? *

- [ ] Yes
- [ ] No

Previous employment details

Please state the reason you joined AVA (please specify "other")

- [ ] Expectations of higher income after getting new skills from AVA
- [ ] General unhappiness at the previous workplace
- [ ] Looking to change career paths
- [ ] Company closed down
- [ ] You served your contract at your previous workplace
- [ ] Other:

Please select the sector you were most recently employed in and your role
i.e. Sector name: Retail
Role: Sales consultant
Please specify where it says "other"

Please select which sector you previously worked in

- [ ] Manufacturing (e.g. factory)
- [ ] Mining (e.g. Anglo America, De Beers)
- [ ] Agriculture (e.g. fishing or farming)
- [ ] Communications (e.g. marketing, advertising, journalism)
- [ ] Tourism (e.g. Hotel manager, tour guide)
- [ ] Wholesale and retail trade (e.g. Shoprite, Truworths)
- [ ] Finance and business services (e.g. Banking, consulting, office work)
- [ ] Government services (e.g. nurse, social worker, Dept. of Home Affairs)
- [ ] Transport and logistics (e.g. Metrorail, taxis, delivery)
- [ ] Construction (e.g. builder)
- [ ] Other:

Role

- [ ] Assistant Clerk
- [ ] Front Desk Reception
- [ ] Waitress/Waiter
- [ ] Cleaner
- [ ] Delivery
- [ ] Retail Stock Clerk
- [ ] Retail salesperson
- [ ] Parking Lot attendant/ Car guard
- [ ] Call Centre Agent
- [ ] Sewing machine operator
- [ ] Construction worker
- [ ] Bartender
- [ ] Security guard
- [ ] Nurse assistant

- [ ] Other:

Unemployed before AVA

If you were unemployed before joining AVA, please select from the list below the reason(s) why you joined AVA. You may select more than one reason.

Which of these best describes how you were spending your time?

- [ ] I was actively looking for work
- [ ] I was in school/college/technikon/university
- [ ] I was unemployed and not looking for work
- [ ] Other:

Why did you join AVA?

Your answer

After completing your AVA programme

This section explores where you currently are now that you have completed your AVA program

Which of these best describes your current work status *

- [ ] I am still looking for work
- [ ] I have received job offers, but I am waiting for something better to show up
- [ ] I am working part-time
- [ ] I am working somewhere where I am getting paid weekly/monthly
- [ ] I work for myself/self-employed
- [ ] I have decided to go back to school to further my studies

Employment status after AVA

Please select the sector you are currently employed in and your role
i.e. Sector name: Retail
Role: Sales consultant
Please specify where it says "other"

Please select which sector you are working in after completing your AVA program

- [ ] Manufacturing (e.g. factory)
- [ ] Mining (e.g. Anglo America, De Beers)
- [ ] Agriculture (e.g. fishing or farming)
- [ ] Communications (e.g. marketing, advertising, journalism)
- [ ] Tourism (e.g. Hotel manager, tour guide)
- [ ] Wholesale and retail trade (e.g. Shoprite, Truworths)
- [ ] Finance and business services (e.g. Banking, consulting, office work)
- [ ] Government services (e.g. nurse, social worker, Dept. of Home Affairs)
- [ ] Transport and logistics (e.g. Metrorail, taxis, delivery)
- [ ] Construction (e.g. builder)
- [ ] AVA

- ☐ Other:

Role

- ☐ Assistant Clerk
- ☐ Front Desk Reception
- ☐ Waitress/Waiter
- ☐ Cleaner
- ☐ Delivery
- ☐ Retail Stock Clerk
- ☐ Retail salesperson
- ☐ Parking Lot attendant
- ☐ Call Centre Agent
- ☐ Sewing machine operator
- ☐ Construction worker
- ☐ Bartender
- ☐ Security guard
- ☐ Nurse assistant
- ☐ Teaching assistant/ Teacher
- ☐ Other:

What is your monthly personal income level?

- ☐ Less than R2000
- ☐ R2000-R4999
- ☐ R5000-R7999
- ☐ R8000-R9999
- ☐ R10000-R11999
- ☐ R12000-R13999
- ☐ R14000-R15999
- ☐ More than R16000
- ☐ Prefer not to say

Self-employed

If you are self-employed, please complete this section below
Please specify where it says "other"

How did you get finance for your company?

- ☐ I saved
- ☐ I got a bank loan
- ☐ I loaned money from family and friends
- ☐ I received private start-up funding
- ☐ I received government start-up funding
- ☐ Other:

What is the main activity of your business?

- [ ] Photography
- [ ] Catering
- [ ] IT
- [ ] Business Consultancy
- [ ] Tenders
- [ ] Construction/ Repairs
- [ ] Events planning
- [ ] Public Relations
- [ ] Recruitment
- [ ] Fashion/ Design
- [ ] Carwash
- [ ] Other:

What is your monthly personal income level?

- [ ] Less than R2000
- [ ] R2000-R4999
- [ ] R5000-R7999
- [ ] R8000-R9999
- [ ] R10000-R11999
- [ ] R12000-R13999
- [ ] R14000-R15999
- [ ] More than R16000
- [ ] Prefer not to say

Continuing education

Please specify where it says "other"

What type of institution are you currently at?

- [ ] High school bridging college
- [ ] College
- [ ] Technikon/University of Technology
- [ ] University
- [ ] TVET (Technical and Vocational Education and Training)
- [ ] Other:

Reason(s) for going back to school

- [ ] I received funding to further my studies
- [ ] I wanted to gain more skills
- [ ] I previously did not meet the entrance requirements but now I do
- [ ] I developed an interest for a course I had previously not been interested in
- [ ] Other (please specify)

Your answer

Reasons for not accepting job offers

This section tries to understand what is your main reason for not accepting job offers

I refused the job offers I received because of

- ☐ The working conditions (e.g. too many hours required)
- ☐ No employee benefits (e.g. no medical aid or pension funds)
- ☐ The pay was too low
- ☐ Workplace too far from home
- ☐ Job required me to have resources I don't have (e.g. own car, or own laptop)

Reservation wage

Reservation wage means the lowest wage you would be willing to accept for any job.
For example you may think that working 8 hours a day for R5000 a month is just not worth it.
Please select the lowest amount of money you would be willing to work 8 hours a day for from the list of options below.

My reservation wage is....a month

- ☐ Less than R2000
- ☐ R2000
- ☐ R3000
- ☐ R4000
- ☐ R5000
- ☐ R6000
- ☐ R7000
- ☐ R8000
- ☐ More than R8000

Job search duration and offers

This section explores how long it used to take you to find work before you joined AVA vs. after you completed your AVA program. It also explores how many job offers you received before and after you joined AVA.
Please specify where it says "other"

Before you joined AVA, how long would it take you to find work?

Your answer (months)

- ☐ I never had any luck finding work before I joined AVA
- ☐ Other:

After completing your AVA program how long did it take you to find work?

Your answer (months)

- ☐ I still haven't had any luck finding a job
- ☐ Other:

Before you joined AVA how many job offers did you receive on average in a month?

- ☐ None
- ☐ At least one job offer per month
- ☐ At least two job offers per month
- ☐ Three or more job offers per month

After you graduated from AVA how many job offers do you receive on average in a month?

- ☐ None
- ☐ At least one job offers per month
- ☐ At least two job offers per month
- ☐ Three or more job offers per month

Of the following options, which do you think matters the most in getting you work?
Please rank these on a scale of 1 to 7; 1 being "it matters the least" ; 4 being "neutral" and 7 being "it matters the most". Please rate them according to their importance to you.

So if Education matters the most to you then give it a 7; if connections are important too then give it a 6 instead of a 7 and if Technical Skills are the next important thing then please give it a 5...

Factors that determine finding work successfully

☐ Level of Education	1
☐ Connections in the place where you want to work	2
☐ Soft skills (i.e. teamwork, organisation, communication)	3
☐ Technical skills (i.e. programming, analysis, accounting)	4
☐ Work experience	5
☐ Information about job openings	6
☐ How close the workplace is to home	7

Which of the above do you think AVA has given you? Choose the most valuable option to you

- ☐ Increased level of Education
- ☐ Connections in the place where you want to work
- ☐ Work experience
- ☐ Information about job openings
- ☐ New transferable soft skills
- ☐ New transferable technical skills
- ☐ AVA created a new interest in a career I'd like to pursue
- ☐ Other:

Do you think now that you have graduated from AVA you will get more job offers?

- ☐ Yes
- ☐ No
- ☐ Maybe

How much time would you say you currently spend looking for work in a week

- ☐ At least 1 hour a week
- ☐ At least 2 hours a week

- ☐ At least 3 hours a week
- ☐ More than 3 hours a week
- ☐ None/ I am not currently looking for work

Job search costs

Can you provide an estimate of the job search costs you incurred in order to find work? These can include money spent at internet cafes or printing important documents such as CVs. Please state a rough estimate of how many rands you spend in a week of looking for work.

My weekly job search costs are roughly...

Your answer

Self-awareness

This section will gauge your level of self-awareness by asking you questions relating to your attitude, level of confidence, work readiness and abilities.
Please note the numbers on each of the questions are interpreted as follows:
1- Strongly disagree
2- Disagree
3- Agree
4- Strongly agree

Attitude

Attitude means your views on a particular aspect

Before I joined AVA I was enthusiastic about my future

Strongly disagree

1
2
3
4

Strongly agree

*After I joined AVA I was more enthusiastic about my future

Strongly disagree

1
2
3
4

Strongly agree

Before I joined AVA I was positive that I would receive a job offer if I applied for the position?

Strongly disagree

1

2
3
4

Strongly agree

*After I joined AVA I was more positive that I would receive a job offer if I applied for the position?

Strongly disagree

1
2
3
4

Strongly agree

Before I joined AVA I was confident in my ability to complete tasks

Strongly disagree

1
2
3
4

Strongly Agree

*After I joined AVA I was more confident in my ability to complete tasks

Strongly disagree

1
2
3
4

Strongly Agree

Work readiness

This section asks questions about how ready you feel you are for work. Please answer this section even if you have not yet found work. I want to gauge how prepared you feel to join the workplace

The AVA program that I was part of adequately prepared me for the world of work

Strongly disagree

1
2
3
4

Strongly agree

Completing my AVA program has improved my... (choose the most valuable option to you)

- ☐ Punctuality
- ☐ Communication with other staff members
- ☐ Executing tasks in time

- ☐ Being responsible with resources
- ☐ Managing stressful situations
- ☐ Problem solving ability
- ☐ Critical thinking
- ☐ Other:

The end ☺

Thank you for completing the survey.

Your name has been entered in the draw to win a R500 shopping voucher!