

SKILLS DEVELOPMENT RESPONSES TO THE CHALLENGE OF YOUTH UNEMPLOYMENT

LESSONS FROM AROUND THE WORLD



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National Treasury
REPUBLIC OF SOUTH AFRICA

STRUCTURE



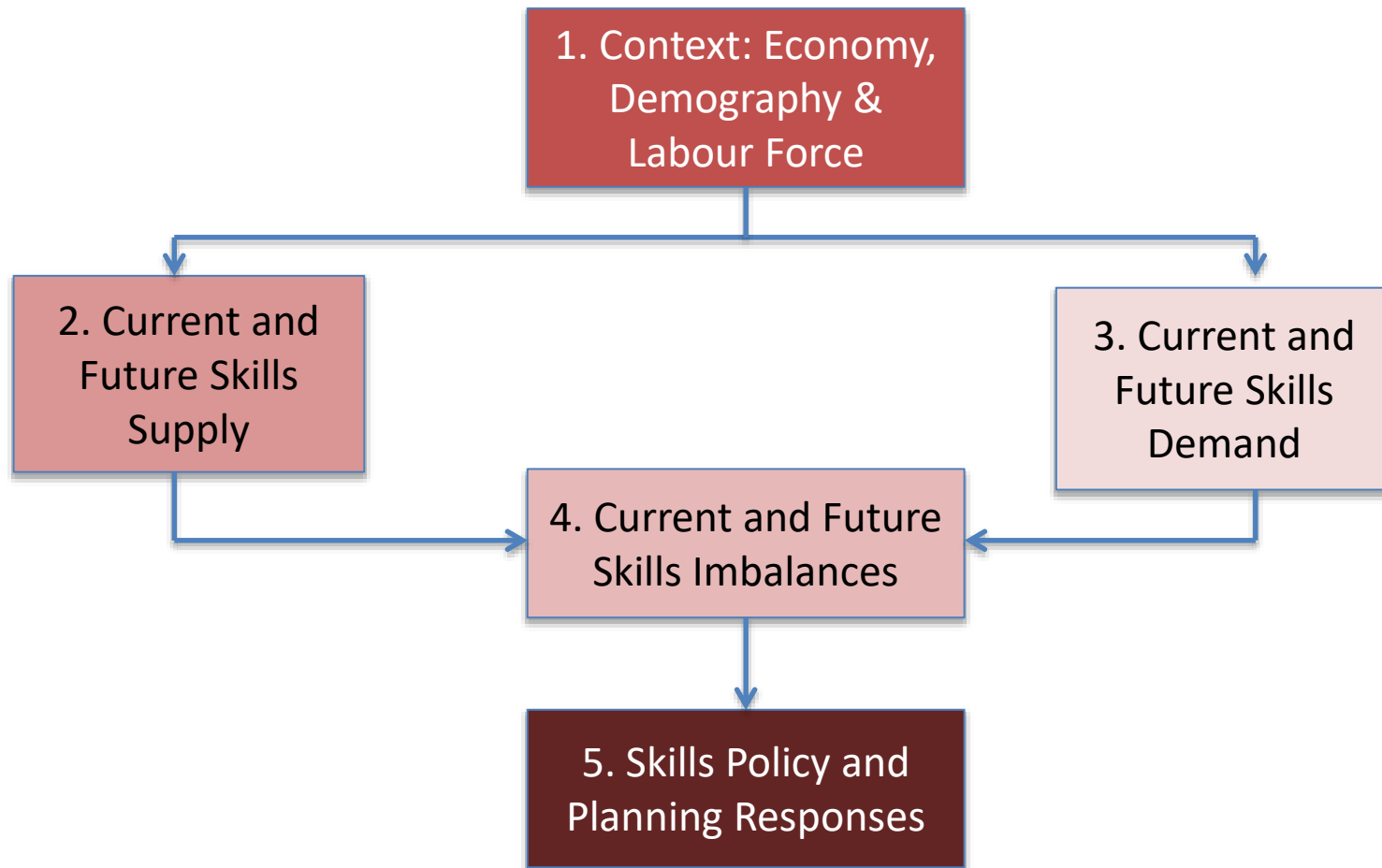
1. Setting the scene
2. Framework for skills supply & demand
3. International Trends in addressing skills imbalances
4. Concluding remarks

THE SCENE: INDLULAMITHI SCENARIOS FOR SOUTH AFRICA



iSbhujwa	Epitomising a loose-limbed, jumpy nation with frenetic edge, iSbhujwa is a South African Nation torn by deepening social divides, daily protests and cynical self interest	2030 GDP growth average 2.2% Unemployment-22%
Nayi le Walk	A Nation in step with itself: In a precise sequence of steps, this scenario choreographs a vision of a South Africa where growing social cohesion, economic expansion, and a renewed spirit of constitutionalism get South Africa going	2030 GDP growth average 4.5% Unemployment 16%
Gwara- Gwara	A Floundering false dawn: In a national torn between immobility and restless energy, Gwara Gwara embodies a demoralised land of disorder and decay	2030 GDP growth average 1.5% Unemployment > 25%

FRAMEWORK FOR SKILLS SUPPLY & DEMAND



FRAMEWORK FOR SKILLS SUPPLY & DEMAND

Drivers of Skills Demand

- ✓ Current Private and Public Sector Employers Needs
- ✓ Future Private and Public Sector Employers Needs

Types of demand

- ✓ Growth & expansion demand
- ✓ Replacement demand
- ✓ Occupational shifts
- ✓ Technological changes

Drivers of skills supply

- ✓ Current workforce in the pipeline, employment and unemployed.
- ✓ Future workforce in the pipeline, employment and unemployed

- Understanding requires an analysis of skills being produced and an audit of those available (employed & unemployed)

FRAMEWORK FOR SKILLS SUPPLY & DEMAND

Skills imbalances

- ✓ A mismatch between skills being offered (supply) & skills needed in the workforce (demand)

Categories of imbalance

- ✓ Education supply imbalances
- ✓ Qualification & job imbalances

Aspects to analyse in understanding imbalances

- ✓ State of the economy
- ✓ Characteristics & make up of the employed & unemployed (labour force)
- ✓ **Current & intermediate demand in the structure of employment**

INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

Increased levels of TVE enrolments at secondary schools

- ✓ School-industry programs to provide students with structured learning in a workplace during the senior year of secondary school (Australia)
- ✓ In Europe & Oceania more than 25% of secondary students are enrolled in TVE

Increased levels TVE enrolments at tertiary levels, e.g. Belgium 51.4%; Malaysia 47.3%; Mauritius 55%; Kenya 49.9%

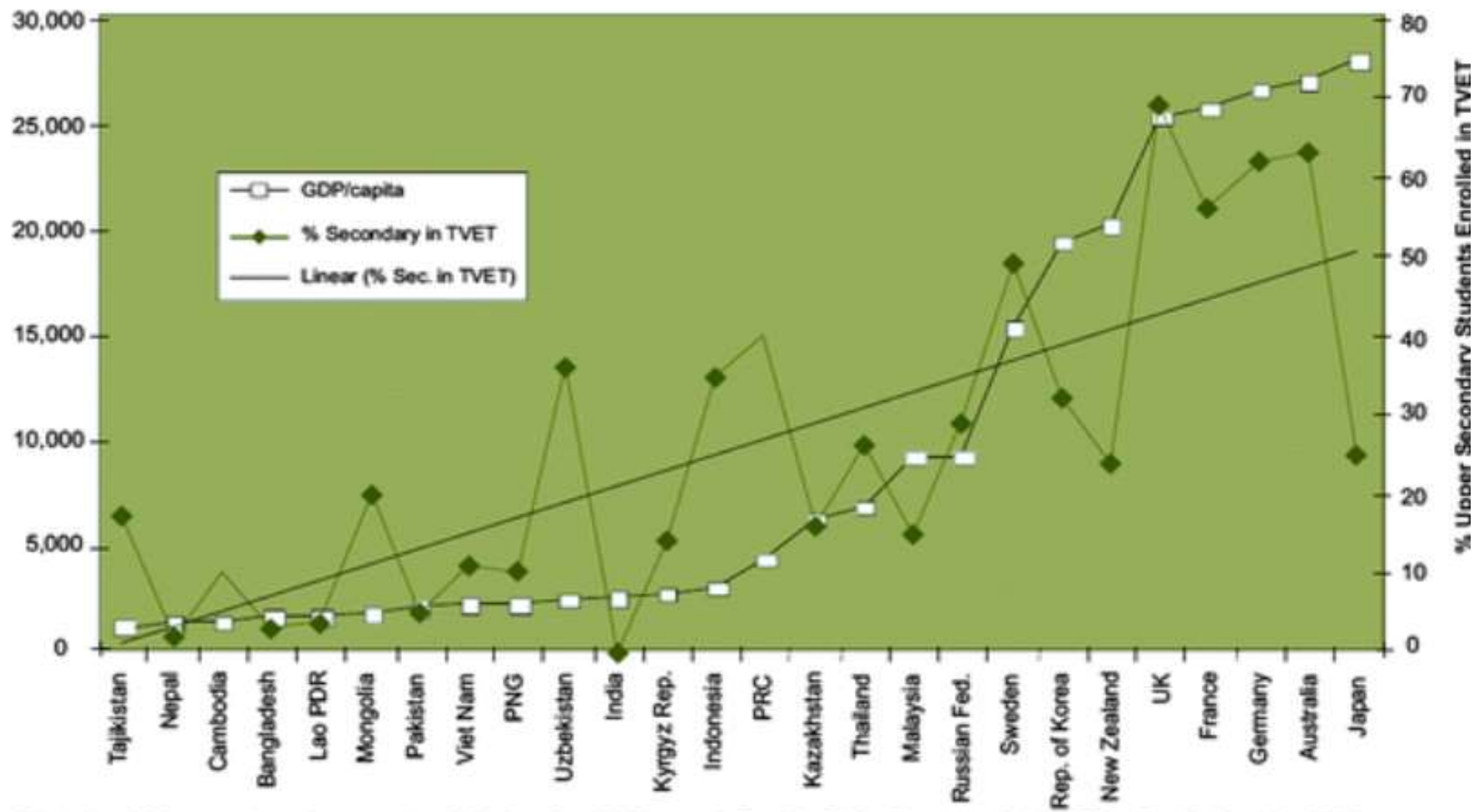
INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

Blending general and vocational curricular

- ✓ vocational students receive more academic content to broaden their occupational focus
- ✓ and general students are given more opportunity to apply academic principles to practical problems
 - e.g. Botswana has re-oriented its pre-vocational content toward research, investigation, creative thinking, and problem solving
- ✓ Shifting vocational content to later stages of schooling to allow more time for general content as a foundation for later occupational specialization



UPPER SECONDARY TVET ENROLMENTS & GDP/CAPITA



INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

Strengthening connections of school & work

- ✓ To build bridges between school and work; schooling and apprenticeships
 - e.g. Career academies in the U.S as learning communities in secondary schools
 - Academies combine academic and technical curricula around a career theme
 - establish partnerships with local employers to provide work-based learning opportunities
 - Found to be reducing dropouts & improve school engagement
- ✓ Japan - integrated high schools where students can take electives based on vocational interests.
- ✓ Sweden - mandatory work experience in upper secondary education

INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

Strengthening connections of school & work

- ✓ Germany – dual system combining part time schooling and work
 - ✓ Japan – full time schooling followed by full-time employment
 - ✓ Enterprises are connected to schools
 - ✓ Schools serve as screening mechanisms for employers
 - ✓ Work experience as part of secondary education has been reinforced in countries like Sweden, Norway, and the Netherlands.
- ✓ Lead to - enhanced student motivation, confidence, and satisfaction, improved personal and practical skills and time-management



INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

National Youth Programmes

- ✓ To build bridges between school and work
 - Nigeria - all university graduates serve one year in a different part of the country from where they grew up.
 - Costa Rica - university students and their professors work on problem-solving activities in needy communities. Several months in areas such as public health and science, in legal assistance, and heritage programs etc.

INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

INITIATIVES FOR UNEMPLOYED YOUTH

- ✓ Labor market programs services - counseling, job search assistance, remedial education and direct job creation.
- ✓ OECD countries spend on average about 1% of GDP on these programs & increase spending during periods of high unemployment and decrease in better times.
- ✓ Job training for the unemployed represents about one-third of expenditures (Varies - 11 % in Japan to over 60% in Denmark).

INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

INITIATIVES FOR EARLY SCHOOL LEAVERS (DISADVANTAGED YOUTH)

Support 1st chance opportunities by keeping them at schools

- ✓ help youth overcome learning difficulties (tutoring, psychosocial support),
- ✓ reducing household income barriers to continued schooling (Brazil, Honduras, Jamaica, Mexico, Nicaragua, Bangladesh and Indonesia, cash transfers conditional on keeping children at school)

Second chance opportunities

- ✓ Sweden & Norway - school counselors, the public employment service, and other community services to bring youth back to school.
- ✓ Chile, Columbia, Dominican Republic, Honduras, Panama, Paraguay, Peru, and Venezuela programmes combine training & work experience (E.G. YES PROGRAMME?)

INTERNATIONAL TRENDS IN ADDRESSING SKILLS IMBALANCES

OTHER Active Labour Market Programmes

- ✓ Job creation with public works,
 - ✓ Community Works Programme
 - ✓ Targeted wage subsidies, and
 - ✓ Support for self-employment
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- Financial incentives for employers, e.g. UK, Australia and SA.



CONCLUDING REMARKS

ECONOMY, DEMOGRAPHY & LABOUR FORCE

- Where the unemployment problem is beyond structural, other reforms may be necessary. viz.
 - ✓ low of economic growth
 - ✓ high labor costs, or
 - ✓ unrealistic wage expectations on the part of youth
- Other limiting factors
 - ✓ Rapid population expansion and slow economic growth can limit education opportunities and reduce their quality.
 - ✓ Student's preparation and motivation for schooling due to experiences in the home and community.
 - ✓ Poor nutrition, health care, and lack of opportunities for childhood development.

GTAC

THANK YOU



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