

POLICY FRAMEWORK ON SOCIAL SECURITY FOR YOUTH IN SOUTH AFRICA

Final Report

Submitted to:

National Department of Social Development

Submitted by
Human Sciences Research Council (HSRC)
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Pretoria, 0001
REPUBLIC OF SOUTH AFRICA

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This report was compiled and produced for the **Directorate of Family Benefits, National Department of Social Development** by the Human Sciences Research Council.

Acknowledgements

We gratefully acknowledge the support given to this project by the Department of Social Development. Useful feedback was provided by participants in two workshops. We would also like to acknowledge the microsimulation analysis provided by Helen Barnes.

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MARCH 2012

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FOREWORD

To be provided by DSD for final draft

EXECUTIVE SUMMARY

BACKGROUND

Taking cognizance of the importance of young people for the advancement of society the South African government has, over the last 17 years, spearheaded policies, strategies, and plans of action to improve the well-being of youth.

Poverty and a lack of work opportunities are the greatest threat to young South Africa's social capital development. To address this issue, the National Department of Social Development (DSD)—which has set itself to develop strategies that will enhance socio-economic inclusion and integration of youth—commissioned the development of this Policy Framework for Social Security for Youth in South Africa.

The Terms of Reference specifically called for:

- i. The development a policy framework on social security to youth that will link youth to education and employment,
- ii. The designing of a workable proposal and provision of proposed policy options
- iii. Quantitative analysis of the provision of social security to youth
- iv. An analysis of effective monitoring, evaluating and reporting mechanisms
- v. Overall costs
- vi. A risk assessment including an identification of any contingent risks for Government.
- vii. Overall recommendations.

METHODOLOGY

Four methodological strategies were adopted in developing the framework:

Document and literature review aimed at:

- Obtaining a deeper understanding of the current frameworks for commitment, policy, programme implementation and monitoring and evaluation efforts to provide social security to youth in South Africa.
- Assessing current knowledge about the social welfare situation of young people in South Africa.
- Assessing the state of knowledge about social security and young people, and to document the scope and nature of “best practice” interventions on social security to youth in other parts of the world that could be relevant for South Africa.

Situational analysis of youth in South Africa

This entailed a desk-top analysis of the current situation of young people in South Africa segmented by demographics; education; labour market participation; and poverty.

Focus group discussions

Twelve focus group discussions (FGDs), each having between six (6) and ten (10) participants aged 18-24 years, were conducted in three provinces (Gauteng, Limpopo and North West) with the following strata of young people who were identified for their potential interest in engaging in employment opportunities: young unemployed men; young unemployed women; young employed men; and young employed women. The aim of the discussions was to solicit young South Africans' perceptions about social security for youth.

Stakeholder consultative workshops

To obtain stakeholders' perspectives on the social welfare situation of young South Africans, and to obtain strategic recommendations for policy interventions two stakeholder workshops were held in Gauteng: one with civil society organisations dealing with youth issues and the other with government departments dealing with youth issues.

KEY FINDINGS

The situational analysis revealed that:

- Youth account for a considerable proportion of South Africans with those aged 15-24 years accounting for almost 20 percent of the country's population while those aged 15-34 years accounted for 37 percent in 2011.
- The racial distribution of young South Africans mirrors that of the total population: Africans constitute an overwhelming majority (83.7%) of the youth population; Coloureds account for 7.9%, Indians 2.2% and Whites 6.2%
- The majority (65.6%) of all young South Africans aged 18-24 years live in non-metropolitan areas while the remaining 34.5% live in metropolitan areas. In terms of province, the majority (22.2%) of this age group lives in KwaZulu-Natal while the Northern Cape has the lowest proportion at 2.2%. Other provinces with considerable proportions of young people (more than 10%) are Gauteng, Eastern Cape and Limpopo
- Despite the positive indicators such as high and increasing youth literacy and high secondary school enrolment rates, there is evidence of low rate of high school completion in South Africa, with the continuation rate from Grade 11 to 12 having averaged 67 percent since 2005.
- Given the poor access of South African youth to higher levels of education, young people have to struggle to find work in the labour market. In consequence the 15-24 age group have the highest unemployment rate at 49% (National Treasury, 2011).

RECOMMENDATIONS

Young people are not adequately covered by the social security system in South Africa at present. The only type of social assistance available to young people aged 18-24 is the Disability Grant, if they are disabled. Although young people in formal employment would ultimately be covered by the Unemployment Insurance Fund once they had contributed to the fund it is likely that this would only cover a small proportion of young people. Any young person who has not been in formal employment would automatically fall outside the scope of the UIF.

The decision of whether to provide social security for young people aged 18-24 has already been made in South Africa. The South African Constitution's Bill of Rights states that 'Everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance' (27.1c). The Constitution acknowledges the challenge of limited resources and says that 'the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.' (27.2).

The critical question, therefore, is not 'whether' to provide social security for young people but 'when' and 'how'. In relation to the question of 'how' to provide social security, the Constitution refers to social assistance (as a form of social security) explicitly, and it is for that reason that this report has considered four different examples of social assistance (Options B, C, D and F). It does not, however, preclude the existence of other types of social security and so a social allowance is also considered (Option A) as well as a once-off payment (Option E). It is necessary for policy choices to be made in the context of the overarching goals of any given society and to ensure that the policies are in harmony with those goals.

Summary of the six policy scenarios

- A Social Allowance - Universal grant for 18-24s inclusive at CSG rate (R260)
- B Social Assistance - Means-tested grant for 18-24s inclusive at CSG rate (R260)
- C Social Assistance -Means-tested grant for 18-24s inclusive at CSG rate, plus top up to OAG rate (R1140) if in education/training
- D Social Assistance -Means-tested grant for 18-24s inclusive, if in education/training, at OAG rate (R1140)
- E Once-off payment of R2500 to recipients of CSG or FCG, doubled if pass Matric.
- F Social Assistance – Means-tested grant for 18-24s inclusive if unemployed or in education/training at CSG rate (R260)

At this stage the options considered should only be accorded the status of *examples* of different policy options each of which could be modified in various ways. So, for example although the grant amounts were set at either CSG or OAG amounts, if the grant is intended to provide for (or contribute to the costs of) the material needs of a young person it is recommended that an empirical study is undertaken to explore issues of adequacy.

1 INTRODUCTION

1.1 Background

Through various public health interventions that began in the 1940s—such as better sanitation, safe water, the introduction of antibiotics and critical medicines such as routine immunisations,—an unprecedented number of children are surviving their first five years of life. As a result, more children are making the transition to adolescence and entering adulthood; and never before in history have there been so many young people (Panday and Richter, 2007). According to United Nations estimates, in 2010 there were 1.2 billion young people aged between 15 and 24 years and 2.3 billion aged between 15 and 34 years in the world (United Nations, 2008). These constituted 17.6% and 32.9 % of the world population respectively. To this end, the demographic significance of young people is increasingly taking centre stage in discussions of sustainable socioeconomic development. For example, five of the eight Millennium Development Goals —namely universal access to primary education; gender equity in access to education; maternal health; HIV and AIDS and other diseases; and employment creation—speak directly to improving the situation of young people.

There are a number of reasons for this focus on youth. From an equity and human rights perspective, since young people constitute a significant proportion of national populations, particularly in developing countries, their issues warrant being on public policy agendas (Panday, 2007). Secondly, the high proportion of young people is recognised as a window of opportunity for rapid human capital development and economic growth (World Bank, 2006). As the International Labour Organisation (2006:1) pointed out, “young men and women are among the world’s greatest assets. They bring energy, talent and creativity to economies and create the foundations for future development”, however, “without a stake in the system [young people] are more likely to become alienated and to engage in anti-social behaviour” (Freedman, 2005:4).

Taking cognizance of the importance of young people for the advancement of society the South African government has, over the last 17 years, spearheaded policies, strategies, and plans of action to improve the well-being of youth. Despite this, poverty and a lack of work opportunities continue to pose the greatest threat to young South Africa’s social capital development. For example, and as shall be elaborated later, youth unemployment in the country is estimated at about 34.5% for 15-34 year olds, and 49% for 15-24 year olds (National Treasury, 2011). Additionally, almost two thirds of young people aged 15-24 years live in households that have a monthly expenditure of less than R1 200. It has also been noted that although success has been achieved in providing primary and at least some secondary education to young people, dropout rates in the higher grades of secondary education are a major concern, with the dropout rates between Grade 9 and Grade 10 reported to be 19.6% in 2007 (Perold et al, 2007; Sheppard, 2009). It is largely against this background that there is a general consensus that the detrimental impacts of long-term youth unemployment need to be mitigated by focused policies that aim to incorporate unemployed young people into the labour market. To this end, the Directorate of Children and Family Benefits at National Department of Social Development (DSD) commissioned the development of this Policy Framework for Social Security for Youth in South Africa.

1.2 Terms of Reference

The Terms of Reference specifically called for:

- iii. The development a policy framework on social security to youth which aims to link youth to education and employment, taking the following into consideration:
 - The rationale for the provision of social security to youth
 - The impact of existing government strategies targeted at youth; gaps that still remain; and the role of youth allowance in addressing the gaps
 - International best practice interventions on social security provisions to the youth
 - The cost (socio-economic) to the country for not providing social assistance to poor youth
- ii The designing of a workable proposal and provision of proposed policy option that consider the following:
 - The principles that should govern support for youth
 - Inter-related effects on other social security arrangements
 - Linkages with other governmental strategies aimed at addressing youth poverty
 - Affordability
 - Conditionalities (employment or education or any) to be attached and implications
 - Key implementation issues
- viii. Quantitative analysis of the provision
- ix. An analysis of effective monitoring, evaluating and reporting mechanisms
- x. Overall costs
- xi. A risk assessment including an identification of any contingent risks for Government.
- xii. Overall recommendations.

1.3 Approach to Developing the Policy Framework

The development of the Policy Framework adopted four methodological strategies:

i. Document and literature review.

This entailed a comprehensive and analytical review of:

- Relevant policy, legislative, operational and other Government documents related to youth in South Africa and relevant international and regional commitments that South Africa has ratified or adhered to. The purpose of this review was to obtain a deeper understanding of the current frameworks for commitment, policy, programme implementation and monitoring and evaluation efforts to provide social security to youth in South Africa.
- Relevant research studies, evaluations, and situational analyses conducted by academic and other research agencies in South Africa. The aim of this review was to assess current knowledge about the social welfare situation of young people in South Africa.
- Current empirical literature that reflects on the provision of social security to youth in other countries—both developing and developed. The aim was to assess the state of knowledge about social security and young people, and to document the scope and nature of “best practice” interventions on social security to youth in other parts of the world that could be relevant for South Africa.

ii. Situational analysis of youth in South Africa

This entailed a desk-top analysis of the current situation of young people in South Africa segmented by demographics; education; labour market participation; and poverty.

iii. Focus group discussions

Twelve focus group discussions (FGDs), each having between six (6) and ten (10) participants aged 18-24 years, were conducted with the following strata of young people who were identified for their potential interest in engaging in long-term employment opportunities:

Group 1 – Young unemployed men

Group 2 – Young unemployed women

Group 3 – Young employed men

Group 4 – Young employed women.

Due to budgetary constraints, the focus groups discussions were held in urban, rural and peri-urban areas in only three provinces: Gauteng, Limpopo and North West (four FGDs in each province). To the extent that qualitative research is meant to provide *insights* rather than statistically representative information, the information obtained from these FGDs is deemed sufficient to lead a detailed discussion on young South Africa's perceptions about social security for youth.

iv. Stakeholder consultative workshops

To obtain stakeholders' perspectives on the social welfare situation of young South Africans, and to obtain strategic recommendations for policy interventions two stakeholder workshops were held in Gauteng: one with civil society organisations dealing with youth issues and the other with government departments dealing with youth issues.

1.4 Structure of the Policy Framework

The executive summary provides a brief overview of the Policy Framework with special focus on the proposed options for social security for youth in South Africa. Section 1 provides a background to the development of the Policy Framework, including the rationale and methods used in its development. Section 2 presents an overview of the demographic and economic situation of young people in South Africa. Section 3 explores the concept of social security, the cost of not providing it to young people and presents examples of social security and other interventions that aim to enhance youth employment and education opportunities from developing and developed countries around the world. Section 4 concludes with an exploration of options for social security for youth in South Africa.

2 SITUATIONAL ANALYSIS OF YOUTH IN SOUTH AFRICA

2.1 Introduction

To set a stage for the rest of the Policy Framework, this section presents a broad-brush stroke situational analysis of young people in South Africa in terms of the following categories that are relevant for the current purpose: demographics; education; labour market participation; and poverty. The analysis of these categories used the most recent secondary data available from published and grey sources, notably two recent youth situational analyses by Oosthuizen & Mayet (2007) and Sheppard (2009). To a large extent, the situational analysis also uses youth development indicators agreed on at the 2005 Expert Group Meeting on Youth Development Indicators that was organised by the United Nations Programme on Youth within the Department of Economic and Social Affairs. A comprehensive list of these indicators is available at www.un.org/esa/socdev/unyin/youthindicators1.htm (last accessed May 13 2011). To the extent that the word 'youth' or 'young people' has different meaning depending on the context, the situational analysis is preceded by a brief discussion of what 'youth' will mean in this Framework.

2.1 Defining 'youth'

Sociologically, youth is viewed as a stage comprising of a series of "transitions from adolescence to adulthood, from dependence to independence, and from being recipients of society's services to becoming contributors to national, economic, political and cultural life" (Curtain, 2003:74). Therefore, the socio-economic inequality across nations, the cultural diversity that governs and defines these life phases, as well as varying legal definitions in terms of minimum age for voting etc., means that a global consensus on an age definition of youth is, and will remain, hard to reach (Richter & Panday, 2005). For example, for the purposes of statistical comparisons international organisations such as the United Nations and the World Bank define youth as those aged 15-24 years. In view of the limitations of this narrow categorization (see for example, Economic Commission for Africa, 2009), the African Union defines youth as people aged 15-34 years. By the same token the South African National Youth Policy defines youth or young people as those aged 14-35 years. For the purpose of the Policy Framework for Social Security for Youth in South Africa, however, youth or young people will refer to those in the **18-24 years** age bracket. This is largely because:

- This age group has higher unemployment rates amongst youth;
- These young people are more vulnerable in the job search – as employers prefer older people and they had less chance to earn an income and possibly contribute to Unemployment Insurance Fund or have any form of savings.
- Majority in the age group has just completed secondary schooling and do not have any form of skills as well as means to access higher education.
- The Child Support Grant is cut abruptly at age 18 years, leaving the majority of these beneficiaries with no form of support. Thus the 18 -24 years age range is a stage of transition in which youth need a great deal of support.

It is noteworthy however that given the widespread use of the 15-24 age range, it might be difficult in some instances to obtain age-disaggregated data that can facilitate the adequate examination of the 18-24 age group.

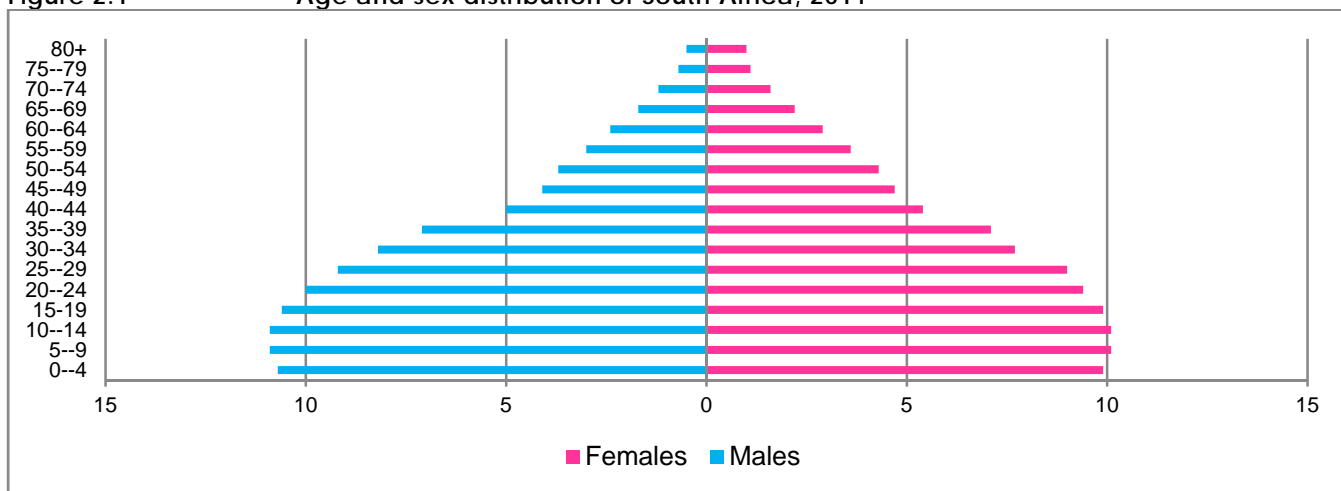
2.2 Situational analysis

2.2.1 DEMOGRAPHICS

Age

The 2011 mid-year population estimates from Stats SA indicate that 30 486 267 million South Africans (60.3% of the total population of the country) are aged 30 years and below. Of these 10 075 823 (19.9%) are aged 15-24 years and 18 714 750 (37.0%) are 15-34 years (Stats SA, 2011). This age structure contributes significantly to the shape of the country's population pyramid (Figure 2.1). The pyramid is what demographers describe as an 'expansive' population pyramid—one that represents greater numbers of people in the younger age categories relative to those in older age groups.

Figure 2.1 Age and sex distribution of South Africa, 2011

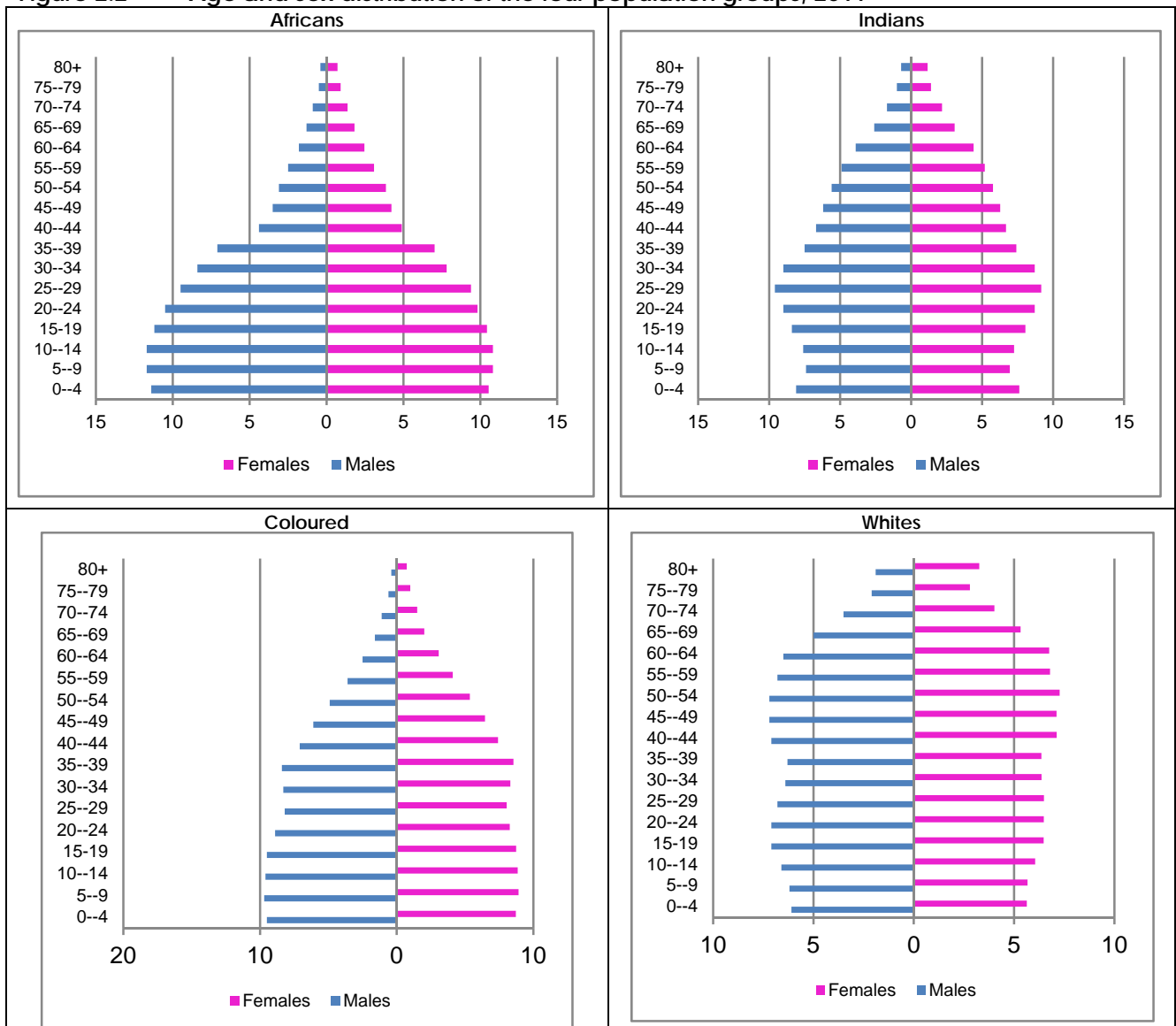


Source: Computed from the 2011 Mid-year population estimates (Statistics South Africa, 2011)

Youth population by race

As in the total population, Africans constitute an overwhelming majority (83.7%) of the youth population; Coloureds account for 7.9%, Indians 2.2% and Whites 6.2% (Chimere-Dan and Makiwane, 2009). Figure 2.2 shows the population pyramids of the four population groups. Overall the figure shows that the number of young males and females are equal for Africans and Coloureds, while Indians and Whites have slightly more males than females in the 15-24 age group. The differences in the shapes of the four pyramids are indicative of differential interactions of major demographic and socioeconomic factors in the South African society over several decades (Chimere-Dan and Makiwane, 2009)

Figure 2.2 Age and sex distribution of the four population groups, 2011

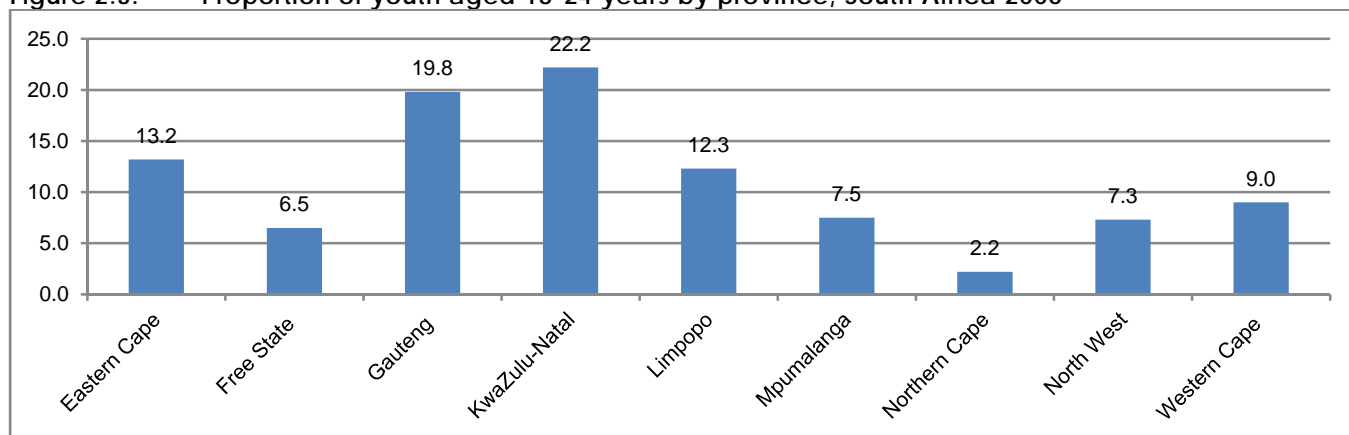


Source: Computed from the 2011 Mid-year population estimates (Statistics South Africa, 2011)

Location of youth

Using data from the September 2006 Labour Force Survey, Oosthuizen & Mayet(2007) showed that the majority (65.6%) of all young South Africans aged 18-24 years live in non-metropolitan areas while the remaining 34.5% live in metropolitan areas. When examined by province, the majority (22.2%) of this age group lives in KwaZulu-Natal while the Northern Cape has the lowest proportion at 2.2% (Figure 2.3). Other provinces with considerable proportions of young people (more than 10%) are Gauteng, Eastern Cape and Limpopo).

Figure 2.3: Proportion of youth aged 18-24 years by province, South Africa 2006



Source: Oosthuizen&Mayet(2007)

2.2.2 EDUCATION

Through its links with demographic and socio-economic factors—such as reduced fertility, morbidity and mortality rates; women's empowerment; and improved quality of the workforce—education matters for, among other things, the personal development, health status, social inclusion, and labour market prospects of individual learners (Anyanwu & Erhijakpor, 2007). This sub-section presents the educational attainment of South African youth through examination of youth literacy rates; the extent of transition from primary to secondary education; enrolment in secondary education; and enrolment in tertiary education.

Youth literacy rate

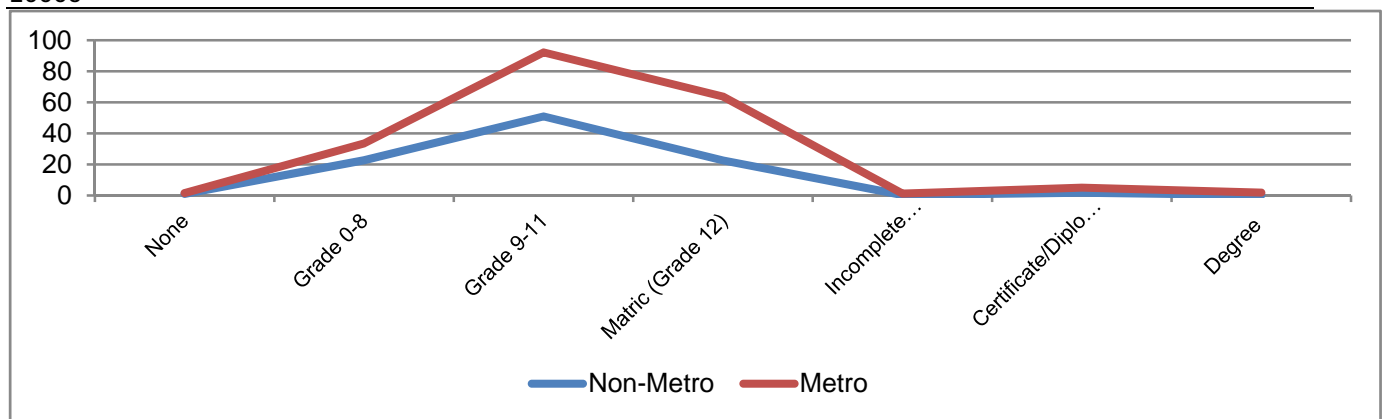
Since the transition to democracy in 1994, South Africa's education system has experienced significant interventions, aimed at improving education access, quality and efficiency, as well as redressing the imbalances created by historical inequalities (Department of Education, 2009). It is partly because of this that the youth literacy rate in South Africa is among the highest in Africa, reported to be 97% for the 2005-2008 period, and expected to increase to 98% by 2015 (UNESCO, 2011). A gender analysis of the youth literacy rate shows that young females have a slightly higher literacy rate than their male counterparts (98% and 96% respectively for 2005-2008); the pattern is expected to prevail with UNESCO (2011) projecting that 99% of young females will be able to read and write in 2015 compared to 97% of young males. The high literacy of young South Africans is further reflected in Table 2.1 below which shows that only 0.9% of 18-24 year olds have no education at all. Figure 2.4, on the other hand shows that, overall, young people in metro areas have higher educational attainment than their counterparts in non-metropolitan areas.

Table 2.1: Percentage share of youth aged 18-24 years by highest level of education, South Africa 2006

Educational level	Male	Female	Total
None	0.6	1.2	0.9
Grade 0-8	16.0	21.3	18.6
Grade 9-11	47.0	48.0	47.7
Matric (Grade 12)	32.1	26.0	29.0
Incomplete Matric/Certificate/Diploma	0.6	0.6	0.6
Certificate/Diploma with Matric	2.6	2.1	2.4
Degree	0.6	0.7	0.7

Source: Oosthuizen & Mayet(2007)

Figure 1.4 Youth aged 18-24 years by highest level of education and location (%), South Africa 2006



Source: Adapted from Oosthuizen & Mayet (2007)

Transition rate to secondary education

As children transition to adolescence we expect those who remain in school to be increasingly found in secondary school rather than in primary school (Loaiza & Lloyd, 2007). The transition rate from primary to secondary education is therefore an important indicator of young people's access to education, and can help in assessing the relative development of education systems (United Nations, 2010). UNESCO data shows that South Africa is one of only five African countries (other being Algeria, Botswana, Ghana, Seychelles) in which transition rates exceed 90%. In 2007 the transition from primary to secondary education in South Africa was 94%: 94% for females and 93% for males (UNESCO, 2011).

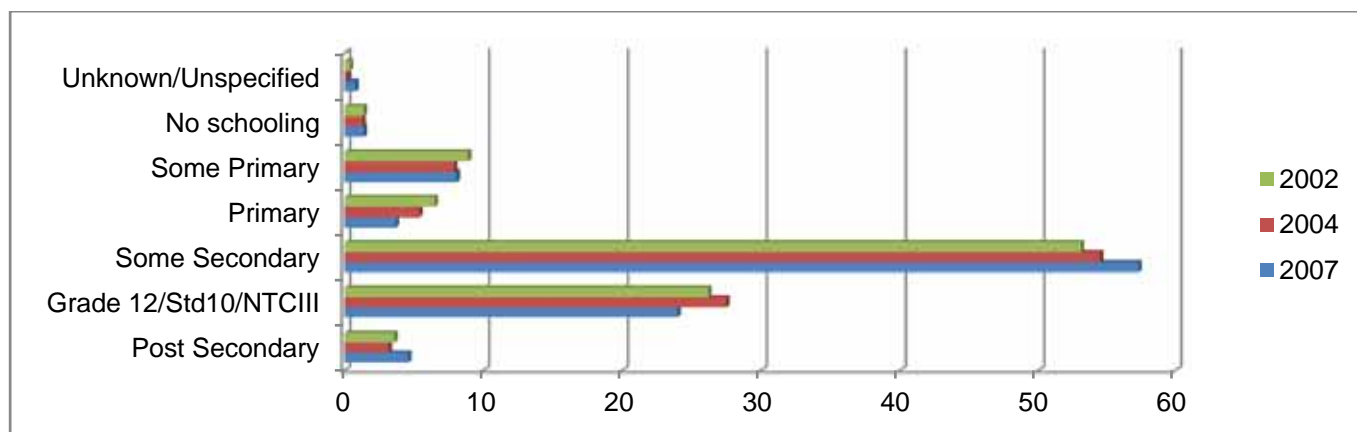
Enrolment in secondary education

The analysis of secondary school enrolment among young people is also an important indicator for youth development because, among other things, this level of schooling "contributes to greater civic participation and helps combat youth violence, sexual harassment and human trafficking. It results in a range of long-term health benefits, including lower infant mortality, later marriage, reduced domestic violence, lower fertility rates and improved child nutrition. It functions as a long-term defence against HIV and AIDS, and also acts to reduce poverty and foster social empowerment" (UNICEF, 2011:29).

Consistent with the high transition from primary to secondary education, gross enrolment ratio in secondary education in South Africa was 95% in 2008 (UNESCO, 2011). Also consistent with the higher transition rate for girls to secondary education, there were more girls enrolled in secondary education than boys in 2008, with the Gender Parity Index (the ratio of females-to-males) in secondary education being 1.05 (UNESCO, 2011).

Despite the high secondary school enrolment rate, there is evidence of low rate of completion. According to the National Treasury (2011), since 2005, the continuation rate from Grade 11 to 12 has averaged 67%, thus implying that a third of all Grade 11 students either drop out from school or repeat Grade 11. "A further 7-8 per cent of Grade 12 students fail to write the Matric exams each year. Combining these figures with the Matric pass rate, which was 67.8 per cent in 2010, illustrates the low rate of secondary school completion" (National Treasury, 2011:16). Indeed, the increases in the percentages of those with some secondary education but the decreases in the percentage that had obtained a Grade 12 qualification in Figure 2.5 below may be indicative of increasing dropout trends in secondary schools.

Figure 2.5: Highest level of education attained: 18-24 age cohort: 2002, 2004 and 2007



Source: Adapted from Sheppard (2009)

Sheppard (2009) found varying reasons among different racial groups when analysing data for 14-17 year olds using the 2006 General Household Survey (Table 2.2) with 'no money for fees' being the main reason among Africans and Coloureds, who also make the majority of young people—see sub-section 2.3.1).

Table 2.2: Reasons for not attending school/educational institution, young people aged 14-17 years, South Africa 2006

Reason	African	Coloured	Indian	White
Too old/young	0.7	1.5	3.5	0.0
Has completed school/education	0.9	3.1	25.4	1.4
School/educational institution too far	1.4	1.3	0.0	0.0
No money for fees	37.9	21.7	33.7	14.2
Working	3.0	9.3	10.5	64.8
Education is useless or uninteresting	17.0	30.8	0.0	0.0
Illness	10.9	4.8	2.0	15.4
Pregnancy	10.2	2.4	0.0	3.2
Failed exams	5.5	9.1	0.0	0.0
Got married	0.9	0.0	0.0	0.0
Family commitment (child minding etc.)	7.5	7.0	24.8	0.0
Other/Unspecified	4.2	9.0	0.0	1.0

Source: Sheppard (2009)

Enrolment in tertiary education

According to Smith (2011), evidence on the returns of education demonstrates sharply increasing returns for those with post-school training of some type. Citing Cloete et al (2009) Smith posits that "individuals who have completed some level of tertiary study are between two and three times more likely to be formally employed than those with Matric or less ... [furthermore] the return from obtaining a diploma/certificate is earnings between 170% and 220% higher than those who did not complete Matric while the average individual with a degree is rewarded between 250% and 400% higher earnings" (Smith 2011:11). Despite this clear benefit of higher education, the participation rates for this level of education in South Africa are low by international standards. An analysis of the percentage of successful secondary education students enrolling in public higher education institutions the year after they finish school is shown in Table 2.3 and Figure 2.6 below. As Sheppard (2009) showed, on average, only about 20% continue immediately with higher education studies the year after finishing school.

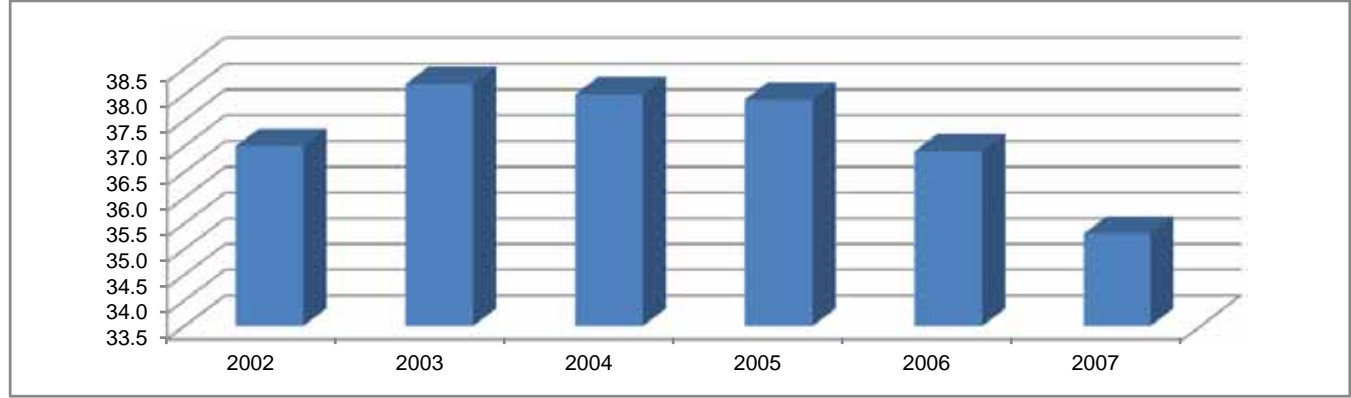
Table 2.3: First-time entering undergraduate students in public higher education, by previous year activity, South Africa 2000–2007.

	2000	2001	2002	2003	2004	2005	2006	2007
Public higher education: first time entering, undergraduate, by previous activity								
Secondary school student	48 618	55 762	60 313	70 031	69 503	64 429	63 523	70 963

Technical college student	1 617	1 485	1 197	1 315	1 370	937	769	880
<i>Total</i>	<i>50 235</i>	<i>57 247</i>	<i>61 510</i>	<i>71 346</i>	<i>70 873</i>	<i>65 366</i>	<i>64 292</i>	<i>71 843</i>
Secondary school data								
Total Grade 12 learners	549 203	488 352	486 786	475 069	505 392	538 909	568 930	625 809
Matric pass without endorsement	214 668	209 499	230 726	240 482	245 600	260 653	265 673	282 763
Matric pass with endorsement	68 626	67 707	75 048	82 010	85 117	86 531	85 830	85 454

Source: Sheppard (2009)

Figure 2.6: Attendance at an educational institution amongst persons aged 18-24 years, South Africa 2002-



Source: Adapted from Smith (2011: 12)

2.2.3 LABOUR FORCE PARTICIPATION

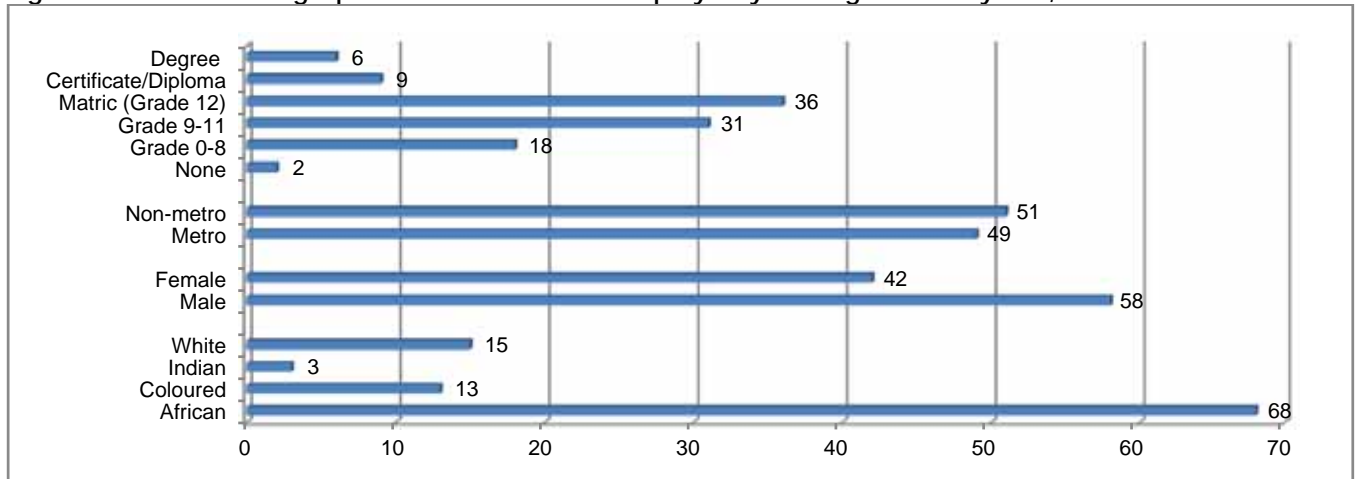
After completing school young people should be able to subsequently make a successful transition from school, to work with the skills and knowledge they acquired (Economic Commission for Africa, 2005). According to the National Treasury (2011), however, the ratio of the youth-to-adult unemployment rate in South Africa is about 2.5. Given the poor access of South African youth to higher levels of education, as discussed above, it is not surprising that these young people have to struggle to find work in the labour market. This section illustrates this by examining the most common indicators of youth labour market outcomes: employment, unemployment (that is, actively seeking employment), and inactivity (out of the labour force).

Youth employment

Add chart: chance of being employed once have first experience

According to the National Treasury (2011) employment of 18 to 24 year olds in South Africa fell by more than 20% (320 000) between December 2008 and December 2010, compared with an overall decline of 6.4%. An analysis of the September 2007 Labour Force Survey by the Development Policy Research Unit of the University of Cape Town revealed the demographic characteristics of employed youth shown in Figure 2.7 below.

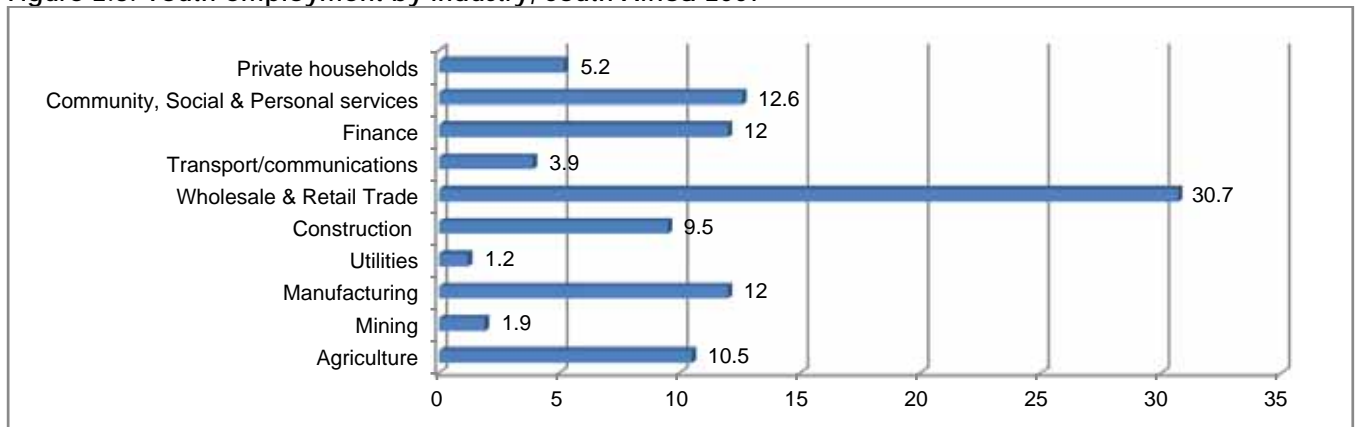
Figure 2.7: Basic demographic characteristic of employed youth aged 18-24 years, South Africa 2007



Source: Adapted from DRPU (2008)

In terms of skills the DPRU analysis showed that the vast majority (64%) of employed youth (aged 18-24 years) were skilled in 2007; 7% were highly skilled and 28.6% had no or low skills. In conclusion, the DPRU (2008: 10) stated that youth employment is “predominantly located in skilled occupations”, and illustrated this with Figure 2.8 below.

Figure 2.8: Youth employment by industry, South Africa 2007



Source: Adapted from DRPU (2008)

All in all, and as Oosthuizen & Mayet (2007) showed, about one third of youth are employed in the formal sector and only about 19% in the informal sector (Table 2.4).

Table 2.4: Sectoral distribution of youth employment South Africa, 2006

Sector	Total youth	Male	Female	Metro	Non- Metro
Informal	18.6	20.7	17.0	14.8	23.0
Formal	65.3	68.5	63.7	79.0	55.4
Agriculture	8.7	10.5	7.2	1.3	16.0
Domestic workers	7.4	0.4	12.1	4.9	5.6

Source: Oosthuizen&Mayet (2007)

Young people's job-seeking strategies may partly explain the above pattern. In the focus group discussions for example, the majority said that they mostly sought employment in the formal sector through internet searches, responding to newspaper adverts, going from door to door enquiring about jobs and/or dropping Cvs, and networking through friends and family. The latter was seen by many as the most effective, as the following employed youth stated:

I had an uncle who was a foreman at their place of work and always promised me that he will try and find me a job after I complete Matric, All I did was give him my CV after completing and I got employed. (Employed male, Limpopo)

I had a friend who used to call me when they needed extra staff at her place of work. Eventually I was offered a job there (Employed female North West)

My neighbour was a domestic worker for a White family in town and one day her boss asked if she didn't know of any boys who could help out cleaning old stock from his warehouse during the holidays. She told me about it and told me to get ready to go with her to work the following day, I went there and there were four other guys, We were showed what to do and we did it to the guy's satisfaction, He told us to come back in a month's time as he was planning o extend his business, We went back and were offered jobs [Employed male -Limpopo)

My first job I got through my father, He waited for my Matric results to come out and then took my CV to his boss who agreed to hire me (Employed male North West)

Youth employment projections

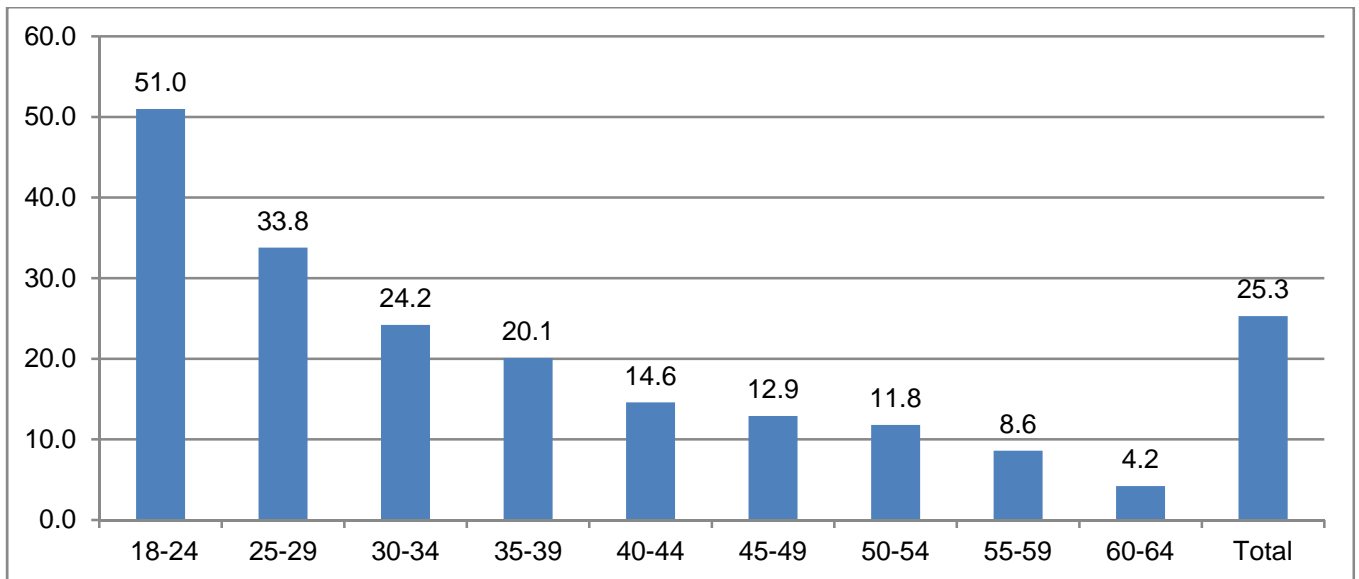
Average GDP Growth	Baseline 3.3%			Scenario 2 5.0%		Scenario 3 6.4%	
Employment (mn)	2010	2020	2030	2020	2030	2020	2030
15-24	1.27	1.55	1.98	1.65	2.15	1.89	2.38
35-34	4.38	5.33	6.84	5.44	7.1	6.62	8.33
35-64	7.48	9.12	11.68	9.39	12.26	10.40	13.09
Total	13.13	16.00	20.50	16.48	21.50	18.90	23.80
Unemployment rate (%)							
15-24	49.4	54.0	38.0	44.0	31.0	28.0	12.0
35-34	28.4	32.4	22.8	26.4	18.6	16.8	7.2
35-64	13.4	13.5	19.5	11.0	7.8	7.0	3.0
Total	24.0	27.0	19.0	22.0	15.5	14.0	6.0

Miriam to add

Youth Unemployment

According to the National Treasury there were about 1.2 million unemployed young people aged 15-24 years in September 2010. This translates to an unemployment rate that is double the national average (Sheppard (2009)). While this is in line with other emerging markets (World Bank, 2009) the absolute number of unemployed youth is noteworthy. Table 2.5 shows that the unemployment rate among youth aged 18-24 years is highest among all age groups, and more than double the national average.

Table 2.5: Unemployment by age group in South Africa September 2010



Source: Statistics South Africa Quarterly Labour Force Survey, September 2010 cited by National Treasury (2011)

Using data from the 2006 Labour Force Survey, Oosthuizen & Mayet(2007) calculated the unemployment rate among the 18-24 year age group for different subgroups (see Table 2.6).

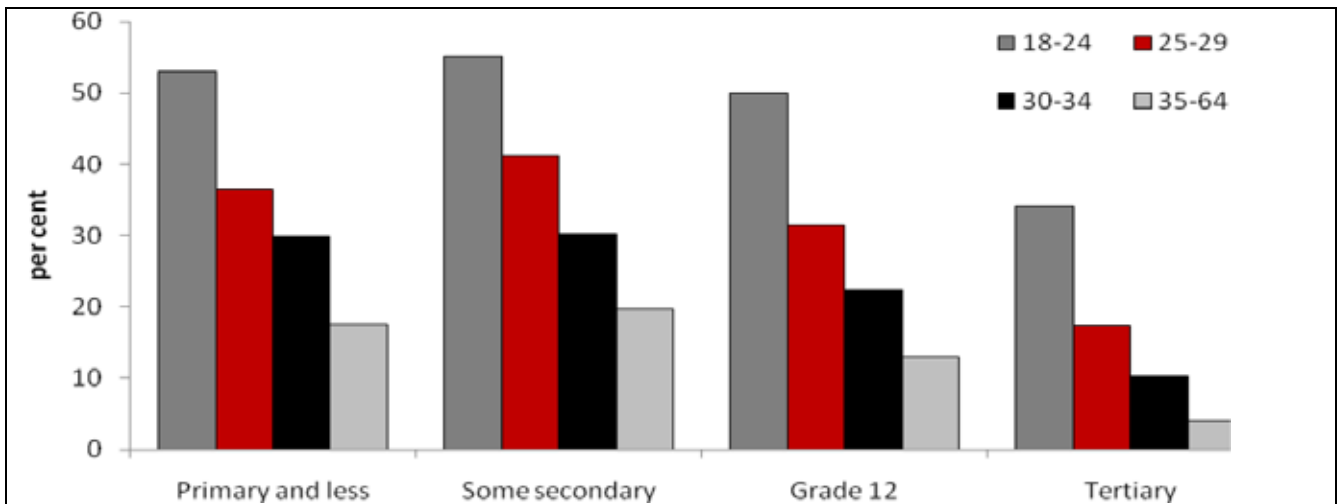
Table 2.6: Unemployment rates (%) among youth aged 18-24 years by race, location, province and gender, South Africa 2006

	Male	Female
Race		
African	61.5	72.5
Coloured	21.4	51.1
Indian	33.7	39.1
White	31.9	16.4
Location		
Metro	51.4	62.8
Non-Metro	60.0	75.1
Province		
Eastern Cape	60	71
Free State	68	78
Gauteng	50	67
KwaZulu-Natal	58	68
Limpopo	77	87
Mpumalanga	68	79
Northern cape	44	68
North West	48	77
Western Cape	39	50

Source: Oosthuizen & Mayet (2007)

Recent data also suggests that while the young unemployed are more educated than older cohorts, they do not appear to have the skills required by the economy as Figure 2.9 below shows.

Figure 2.9: Unemployment rates by age and education in South Africa, September 2010



Source: National Treasury (2011: 15).

There are a number of explanations for why youth specifically have higher unemployment rates. According to Altman and Marock (2008). These include:

- The economy not growing fast enough. Since 1997, the economy has generated large numbers of jobs relative to the rate of economic growth. Employment growth of youth from age 20 has been at least as fast as the national average, if not faster. The problem is that the growth rate, and therefore the rate of job creation, is not high enough.
- The lack of skills that underpin employability. The economy tends to favour older workers where the number of jobs created is not sufficient to employ younger labour market entrants. The youth often lack foundation skills such as math and English, or other capabilities such as communication or personal presentation and work readiness. Overall therefore, it is also often assumed that the economy is skills biased, and is not generating jobs for entrants. Employment of 15 – 19 year olds stagnated between 2001 and 2005. In contrast, employment of 20 – 24 years olds grew by an average of 2.5% per annum, which was just a little lower than the national average of 2.7% per annum. The average rate of job creation over this same period for 25 – 34 year olds was much higher, at 3.5% per annum.
- Youth lack job experience. Obtaining a first job is quite a challenge in any context. However, in South Africa it is especially so for historically disadvantaged groups who face the challenge of not having effective labour market networks that can help guide job search behaviour and skills acquisition choices.
- Youth lack mobility and resources to look for a job. They therefore stay close to home where jobs may not be that readily available. They lack job search capabilities and networks that are relevant to the labour market.

The lack of qualifications and/or skills along with financial constraints to pursue further education or seek employment also emerged as key reasons for youth unemployed in the focus group discussions with young people. The following statements were typical when the young people were asked why they thought there was high youth unemployment in South Africa:

I say it is high because looking at the high crime that is being committed by young people, it shows that many of us are at home doing nothing, I think the major reasons is that many of us cannot afford to go and further our studies or to get jobs (Unemployed female, Limpopo),

I think it is high because a lot of young people are staying at home and I think the reasons are some of them are stuck because of financial reasons, others lack the relevant qualifications and some lack the knowledge of how to go about finding employment (unemployed male, North West)

... There aren't enough jobs and those that are available require certain skills that many do not possess (employed male, Limpopo)

... The main reason is that many of us haven't got the relevant qualifications like a Matric certificate to look for jobs (unemployed male, Gauteng)

Youth inactivity

According to Sheppard (2009), there is a large group of young people in South Africa who are inactive – they are neither working, nor studying. Table 2.7 provides the results of an analysis done of the number of persons in the 18 to 24 age cohort that were not employed, not in education, and not in any training. The data are tabled according to the highest level of education attained. Out of a total of 6.76 million in the 18 to 24 age cohort, 2.53 million were unemployed and not studying. This represents 37.5% of the total 18 to 24 cohort and 66.1% of those that are able and willing to work (the remaining 33.9% non-studying students in the 18 to 24 age group are thus employed).

Table 2.7: Persons aged 18-24 years who were unemployed and not studying, 2007

Level of education	Total 18-24 year olds (A)	Available for labour market (B)	No. of unemployed 18-24 year olds that are able & want to work (C)	% of total in 18-24 age group (C/total of A)	% available for labour market (C/Total of B)
Unspecified	57 087	41 724	29 173	0.43%	0.76%
Primary of less	894 443	618 081	438 171	6.48%	11.44%
Secondary education less than Grade 10 or Std 8	1 100 928	629 386	450 471	6.67%	11.76%
Grade 10/Std 8 or higher but less than Grade 12/Std 10	2 771 298	1 312 755	892 508	13.21%	23.30%
Grade 12/Std 10/NTCIII (without university exemption)	1 216 739	887 139	558 367	8.26%	14.58%
Grade 12/Std 10/NTCIII (with university exemption)	404 556	155 786	84 095	1.24%	2.20%
Certificate with Std 10/Gr 12	106 678	71 405	43 791	0.65%	1.14%
Diploma with Std 10/Gr 12	91 167	56 360	22 549	0.33%	0.59%
Bachelors degree	67 975	32 967	8 233	0.12%	0.21%
BTech	8 712	3 881	1 527	0.02%	0.04%
Post graduate diploma	17 321	8 086	1 954	0.03%	0.05%
Honours degree	17 614	10 074	1 480	0.02%	0.04%
Higher degree Masters/PhD	3 848	2 164	331	0.00%	0.01%
Total	6 758 366	3 829 808	2 532 659	37.47%	66.13%

Source: Sheppard (2009)

Studying the number and percentage (expressed as percentage of total available for the labour market) of people for the 18 to 24 age cohort, reveals that: 888 642 (23.2%) had attained an education level less than Grade 10 or Standard 8; 892 502 (23.3%) had a Grade 10 or Standard 8 but less than Grade 12 or Standard 10 qualification; 642 462 (16.8%) had a Grade 12 or Standard 10 qualification; and, 79 874 (2.1%) had a post-secondary qualification. The major portion of those with a post-secondary qualification had obtained a certificate or diploma (66 340, 1.73%). The remainder (13 534 or 0.35%) had degrees or higher degrees. From this analysis, it is evident that a higher level qualification improves employability.

An analysis of the gender distribution of the number of persons in the 18 to 24 year age cohort who were unemployed and not studying shows substantially higher percentages of males who were not attending an education institution or were unemployed but were willing and able to work. One of the main reasons for this was that very high numbers of females were not able or willing to work and were housewives and or homemakers. Although the

2007 Community Survey does not provide such information, it can be assumed that substantial numbers of them were caring for children.

Discouraged job-seekers

Approximately 16% of the youth aged 18-28 years were discouraged job seekers in 2006; that is they had given up searching for work (Oosthuizen & Mayet, 2007). They showed that overall discouraged youth had lower educational attainment than their unemployed counterparts, and concluded that “ this difference may be rated in part to the fact that individuals with better levels of education have better prospects of finding employment and are, therefore, less likely to stop looking for work” (Oosthuizen & Mayet, 2007:46).

2.2.4 POVERTY AMONG YOUNG PEOPLE

The foregoing sub-section has shown that, like their counterparts in other parts of Africa, access to productive and decent employment is one of the challenges confronting South African youth in their transition to adulthood. As Morrow et al (2005) pointed out, given the number of low-paid jobs in the region, a low youth unemployment rate does not necessarily mean prosperity. It has, indeed, been argued that underemployment—just like unemployment—is a waste of young people’s energy and talents, and it has been associated with feelings of powerlessness and futility that may manifest in depression and despair (Morrow et al, 2005; UNICEF, 2011). Thus, against the background of the discussion in the foregoing section, it can be concluded that the first experience of work for many young South Africans, like their counterparts in other developing regions—is often one of disillusionment and rejection that locks them into poverty (UNICEF, 2011).

Poverty, in turn, has far reaching consequences for the development of the young people as it is related to the timing and ordering of transitions into adulthood. Although the value of individualism as a defining aspect of independence and adulthood tends to be associated with Western cultures (Arnett, 2001) while interdependence defines the African way of life, there is no doubt that youth poverty undermines the sequencing of transition considered a norm in societies (school-formal employment-marriage-family progression). Young males may delay leaving home to assume independent living and start a family because they feel they lack the capacity to support a family materially while girls hasten to assume new roles as mothers due to unplanned pregnancy or as spouses where poor families may organise their children’s marriage as a livelihood strategy.

In the absence of appropriate age-disaggregated data, national and regional level data can be used, in conjunction with Millennium Development Goals indicators, to explore the extent of poverty among young people (Curtain, 2003).

Incidence of extreme poverty

Available data show that the incidence of extreme poverty in South Africa (measured by the proportion of people living on less than US\$1.25 a day decreased from 17.0% to 9.7% between 2000 and 2006 (UNDP, 2010). Using two poverty lines (an upper bound line of R518 per capita per month and ultra-poverty line of R280 per capita per month) the Development Policy Research Unit (DPRU) at the University of Cape Town estimated that in 2005/6 about 52.2% of youth in South Africa were poor, with 24.4% being ultra-poor (Table 2.8). African youth are evidently the poorest with barely any poor youth among the White population. Furthermore, while the ultra-poor rates among African youth are nearly twice that of Coloured youth, there are virtually no Asian and White youth considered ultra-poor (DPRU, 2008)

Table 2.8: Headcount poverty rates by age group, South Africa 2008

	R518	R280
All	49.6	23.4
Children (0-17 years)	60.7	31.2

Youth (18-24)	52.2	24.4
<i>African</i>	58.8	27.9
<i>Coloured</i>	40.7	15.2
<i>Indian</i>	6.7	1.2
<i>White</i>	0.5	0.0
Adults	39.9	16.8

Source: Development Policy Research Unit (2008)

In another recent study, using data from the National Income Dynamics Survey (NIDS), Leibbrandt et al. (2010) found that 63% of young people aged 16-20 were in poverty (based on the R515 per capita per month threshold) which, though lower than for children (67%), is a higher poverty rate than for any of the other older age bands. Just under half (49%) of those aged 21-30 were in poverty using this poverty line,

Poverty gap ratio

Another indicator of poverty is the Poverty Gap Ratio which measures the shortfall in incomes of people living below the poverty line, and hence the incidence and gap of poverty (Curtain, 2003; United Nations, 2010). Using this indicator, the DPRU (2008) showed that while youth are not in as deep poverty as children, they are in significantly deeper poverty than the rest of the adult population (Table 2.9). The racial pattern of the poverty gap mirrors that of extreme poverty in Table 4 above. That is African and Coloured youth are in the deepest poverty while White and Indian youth are less so.

Table 2.9: Poverty gap by age group, South Africa 2008

	R518	R280
All	21.3	7.5
Children	27.4	10.2
Youth	22.4	7.9
<i>African</i>	25.5	9.1
<i>Coloured</i>	15.1	4.7
<i>Indian</i>	1.5	0.8
<i>White</i>	0.1	0.0
Adults	16.1	5.1

Source: Development Policy Research Unit (2008)

The following section focuses on the importance of social security for youth in general and for South African Youth in particular. The cost to the country of not providing social security to poor youth will also be discussed.

3 SOCIAL SECURITY

3.1 Introduction

As part of the development of the Policy Framework for Social Security for Youth in South Africa, this section presents a synthesis of current national and international evidence and thinking on the role of social security in youth development. The first part of the section presents an overview of the meaning of social security and evidence of its impact on youth development. Current social security programmes in South Africa are then reviewed and gaps in as far as youth coverage is concerned are identified. The section concludes with a presentation of some examples of interventions for social security provisions for youth from developing and developed countries around the world.

3.2 What is social security?

Defined as "the protection which society provides for its members through a series of public measures to offset the absence or substantial reduction of income from work resulting from various contingencies including unemployment" (International Labour Organization, 2000:29), social security is considered essential for social cohesion, economic productivity and social stability (Lefko-Everet, 2008). Overall, the concept of social security is based on the notion that human beings are exposed to unavoidable risks which undermine their capacity to continue earning income (Kaseke, 2005).

From a global legal perspective, the recognition of the right to social security has been developed through universally negotiated and accepted instruments that proclaim that social security is a fundamental societal right to which every human is entitled. This principle is laid down in, among others, the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the African Charter on Human and Peoples' Rights and the Social Policy Framework for Africa.

Social security can include private and public provision, and is defined by the Code on Social Security in the Southern African Development Community (SADC) as:

public and private, or to mixed public and private measures, designed to protect individuals and families against income insecurity caused by contingencies such as unemployment, employment injury, maternity, sickness, invalidity, old age and death. The main objectives of social security are: (a) to maintain income, (b) to provide health care, and (c) to provide benefits to families. Conceptually and for the purposes of this Code, social security includes social insurance, social assistance and social allowances. (SADC, 2007)

There are three main types of social security, and the definitions are drawn again here from the SADC Code on Social Security:

Social Assistance: This is a form of social security which provides assistance in cash or in kind to persons who lack the means to support themselves and their dependants. Social assistance is means-tested and is funded from government revenues. Normally, the beneficiaries are those who are not covered by any other form of social security. The objective of social assistance is to alleviate poverty through, amongst other things, the provision of minimum income support.

Social insurance: This is a form of social security designed to protect income-earners and their families against a reduction or loss of income as a result of exposure to risks. These risks

impair one's capacity to earn income. Social insurance is contributory with contributions being paid by employers, employees, self-employed persons, or other contributors, depending on the nature of the specific scheme. Social insurance is aimed at achieving a reasonable level of income maintenance.

Social allowances: These are universal payments made to persons in designated categories who are exposed to exceptional need (such as children, older persons, persons with disabilities), designed to assist them in the realisation of their full potential. The objective of social allowances is social compensation. Social allowances are financed from government revenue and are not means-tested. They are paid to all persons falling within the designated categories, regardless of their socio-economic position.

3.3 The cost of not providing social security for youth

By definition, social assistance is an important social policy intervention for youth development given the myriad of challenges and risks that the lives of young people across the world are subjected to. In Africa these challenges are largely a result of multi-tiered economic and structural issues which are widely recognised as central concerns in the continent as a whole. For example, it is common knowledge that young Africans are resident in the world region with the highest levels of poverty; at its core poverty is associated with weak endowments of human, capital and financial resources such as low levels of education, few marketable skills, low labour productivity, and generally poor health status (Ganyaza-Twala&Seager, 2005). Thus while today's cohort of young people has the highest level of educational attainment than previous cohorts (Richter & Panday, 2005) it faces serious challenges that will erode their potential if governments do not prioritise investment in youth development, Indeed history bears testament to how un-channeled youth energy can become a breeding ground for rebellion and civil strife. It has been argued, for example, that:

Youth militia in Sierra Leone, political violence by youth in Kenya, and the exploitation by political and military elites of young people in countries like Liberia and Rwanda are stark reminders of the negative impact exceedingly large youth populations can have in African countries (Bryan, 2010:1).

In the same vein, Leahy et al (2007:10) assert that:

Between 1970 and 1999, 80 percent of all civil conflicts that caused at least 25 deaths occurred in countries in which 60 percent or more of the population was under age 30. During the 1990s countries with a very young age structure were three times more likely to experience civil conflict than countries with a mature age structure. Nearly 90 percent of countries with very young structures had autocratic or weakly democratic governments at the end of the 20th century.

It can also be argued that the youth-inspired unrests witnessed in many North African countries in late 2010 and early 2011 were a reflection of what Fuller (2004:12) predicted when writing "*The Youth Crisis in the Middle Eastern Society*":

The growing size of a young generation among the general population in the Muslim world will magnify existing regime failures to find solutions to socioeconomic and political problems. In the coming decades, those failures are certain to hasten the moment of regime crisis, causing eventual collapse in many cases with unknown consequences.

Studies have also shown that poverty, unemployment, poor labour market outcomes, and lack or poor access to basic necessities are some of the key factors that place young people at the greatest risk of falling into juvenile delinquency such as crime and substance abuse (Jernigan, 2001; Salagaev, 2003). For example it has been reported that in virtually all parts of the world, with the exception of the United States, rates of youth crime increased in

the 1990s; from 80 million in 1992 to 150 million in 2000 (Salagaev, 2003). A national study from South Africa—a country with particularly high crime levels—showed that:

... close to half (49.2%) of the [4 409] respondents aged 12-22 years were personally acquainted with individuals in their communities who had committed criminal acts,, including stealing, selling stolen property and mugging or assaulting others. More than a quarter (28.8%) of these participants were also familiar with community members who made a living by being involved in criminal activities (Leoschut & Burton, 2005:20).

Increased stress and feelings of hopelessness that may arise from poverty, chronic unemployment, and other associated factors have been linked to a greater likelihood of involvement in crime and violence (Weaver and Madelena, 1999). For example, evidence from the United States showed that falling wages and local unemployment were partly responsible for the rise in youth crime in the 1970s and 1980s (World Bank, 2006). Similarly when youth unemployment in the Dominican Republic increased from 23 percent in 2002 to 31 per cent in 2004, the country witnessed a dramatic increase in violent crimes, with the rate of violent deaths nearly doubling from 14.5 to 26.4 per 100 000 between 2002 and 2005 (Aleph, 2006). The involvement in crime and other antisocial activities due to 'having nothing to do' was also raised by young people in the focus group discussions. For example:

[Youth unemployment] is high. So many young [people are at home doing sinister things like crime and falling pregnant. The main reasons are that there aren't any jobs available, and lack of skills to perform certain jobs. (Unemployed male, Gauteng)

... Looking at the high crime that is being committed by young people, it shows that many of us are at home doing nothing, I think the major reasons is that many of us cannot afford to go and further our studies or to get jobs (Unemployed female, Limpopo).

I also say [youth unemployment] is high. Looking around, many young people spent their time in taverns drinking and smoking most of the time, The reasons are that we haven't done research to find out about life after matric, hence the unemployment rate is so high (unemployed female, Gauteng).

The majority of studies and programmes dealing with youth crime and violence often focus on young people as perpetrators. It is noteworthy, however, that young people are also victims of criminal and violent acts (Salagaev, 2003). For example the results of the 2003 National Victims of Crime Survey carried out by the Institute of Security Studies in South Africa and the 2005 National Youth Victimization Survey (Leoschut & Burton, 2006) showed, among other things that young people in South Africa experience assault about eight times the adult rate; and robbery four times the adult rate. In terms of sexual violence or abuse, the driving factors include poverty and social and economic exclusion and low education levels. Young females may be lured into commercial sexual exploitation with promises of employment or education opportunities or in exchange for cash (UNICEF, 2011),

Research from around the world has shown that young people living in poverty, or facing the threat of poverty, are particularly vulnerable to HIV and AIDS. Indeed, poverty itself has been identified as perhaps the key socioeconomic force behind the epidemic largely because of its consistent association with early onset of sexual activity, decreased use of contraception, earlier age of first pregnancy, and increased number of sexual partners among youth (Chen and Thompson, 2007). However, the association between poverty and increased risk of HIV infection does not necessarily indicate a causal relationship (Fenton, 2004). Rather explanations have been offered at several levels as to how poverty may increase susceptibility to HIV and AIDS. Many show that at its core, poverty is associated with weak endowments of human, capital and financial resources such as low levels of education and literacy, few marketable skills, low labour productivity, and generally poor health status

(Ganyaza-Twala and Seager, 2005). Stillwagon (2002), for example argues that in Africa poverty increases biological susceptibility to HIV and AIDS through malnutrition, parasitosis, and lack of access to health care among the poor.

Although most studies have argued that extreme poverty is not usually the overriding factor leading young women to exchange sex for money or gifts (see for example Luke, 2003; Chatterji, 2005), there is evidence from studies in countries such as Cameroon, Kenya, Nigeria and South Africa that poverty exacerbates young women's vulnerabilities to HIV infection by encouraging them to engage in transactional or commercial sex for economic survival, and to get funds to cover education-related expenses (Chatterji, 2005; Ganyaza-Twala and Seager, 2005). The exchange of sex for goods and money is sometimes regularised in the form of intergenerational sexual partnerships ("sugar daddy" relationships) with older men who can provide physical and material protection. However, the unequal power relations reflected in such relationships affect young girls' ability to refuse unsafe sex, and expose them to sexually transmitted infections, including HIV and AIDS.

To the extent that perceptions of risk can be affected by the concerns of the present and the probable prospects for the future, when the future is bleak and immediate survival is in question, the ability to take a long-term perspective on risky behaviour might seem like a luxury (Fenton, 2004). As Ganyaza-Twala and Seager point out, the poor often adopt risky behaviour not because prevention messages do not reach them, but because such messages are often irrelevant or inoperable given the reality of their lives. As Eaton et al (2003) found among young South Africans, for those struggling for daily survival, protection from possible future illness may be a lower priority than meeting immediate economic needs. Similar results were noted by Swart-Kruger and Richter (1997) who found that children and young people who live and work on the streets of urban areas in South Africa, did not commonly list HIV and AIDS as an over-riding concern. Instead, the day-to-day need for shelter, food and clothes took higher priority.

Focus group discussion with young people also suggested that for many of the unemployed, the future was almost bleak as they bemoaned that the only way to get a job was through knowing someone or bribing someone—resources that many of them did not have.

I also say [youth unemployment] is high; a lot of young people struggle to get employment. The reasons are that most people who are hiring want to be bribed with money before they can give you a job. If you do not have money to bribe then you will stay unemployed (employed male, NW).

I've been unemployed to the past years since I completed Matric ... in South Africa it's all about who you know and not what you have. If you don't know people in the right places, your chances become slim (unemployed female NW)

I also say [youth unemployment] is high because wherever you look there are many young people in the streets and at shopping malls. The reasons are that when you look for work they tell you they need five years' experience that you don't have or they need to be bribed and where do you get that money to bribe? (source)

3.4 Social security and protection for youth in South Africa

Refer to social floor, and plans to integrate social insurance

To what extent is there any social security provision for youth at present in South Africa? If we include 15-17 year olds in our definition, they are potentially eligible for two types of social assistance and one type of social allowance (Social Assistance Act, 2004):

Child Support Grant – payable to the primary caregiver of a child aged under 18. A means-test is applied to the primary caregiver and their spouse if they have one. It has been demonstrated that the Child Support Grant, though small in value, makes a considerable difference in the lives of people on low incomes (for a recent review see Chapter 3 of Leibbrandt *et al.*, 2010).

Care Dependency Grant – this payment is means-tested and is paid to caregivers of children who are in need of full-time care due to being severely disabled.

Foster Child Grant – payable to the primary caregiver of a child who has been placed in their care by a court order. This grant is not means-tested and so could be seen as a universal allowance for foster children. Though mainly for children under 18, it can be extended to 21 if the child/young person is completing secondary education or special educational training (Black Sash, 2010: 67).

However (with the exception of the FCG described above), beyond the age of 17 there are no social allowances and the only type of social assistance available to young people is the Disability Grant, if they are disabled. In terms of social insurance, young people in formal employment would ultimately be covered by the Unemployment Insurance Fund once they had contributed to the fund though it is likely that this would only cover a small proportion of young people. Any young person who has not been in formal employment would automatically fall outside the scope of UIF.

Though young people are inadequately covered by the existing social security arrangements, in some instances they might benefit from a situation when others in the family are eligible for other types of social security. So for example, a study by Borat (2004) showed that unemployed youth accessed social security indirectly if they lived in a household where there was a recipient of an Old Age Grant, a Disability grant and/or CSG. All in all, Borat showed that the OAG supported 23% of unemployed youth while the Disability grant and the CSG supported 6% and 15% of unemployed youth respectively. It should be stressed, however, that those other grants are intended for other individuals in the household and so will fail to provide adequate income maintenance for the young person in that household.

In spite of the inadequate provision for young people at present, there are a number of important commitments to improve the situation. These include the South African constitution which states that 'Everyone has the right to have access to [...] social security, including, if they are unable to support themselves and their dependants, appropriate social assistance' (Bill of Rights section 27). At the very least therefore, the constitution contains a commitment to move towards the provision of comprehensive social assistance, which would include low income young people.

In the same vein, Article 10 of the Charter of Fundamental Social Rights in SADC states that:

"Member States shall create an enabling environment so that every worker in the Region shall have a right to adequate social protection and shall, regardless of status and the type of employment, enjoy adequate social security benefits. Persons who have been unable to either enter or re-enter the labour market and have no means of subsistence shall be entitled to receive sufficient resources and social assistance."

Similarly, one of the key principles of the South African National Youth Policy is 'social protection' where different youth development interventions are urged seek to promote the well-being of young people by putting in place measures that seek to protect and address the needs of the youth, thus reducing their vulnerability. The Policy also calls on government, in collaboration with all stakeholders, to ensure that young people are targeted in social development programmes such as the Expanded Public Works Programme, sustainable livelihoods, social protection, social assistance and welfare services.

Explain policies – epwp, skills, social insurance integration and use of UIF, wage subsidy, Gauteng pilot. See my hrd chpt, neva's youth policy etc

South Africa – Policy proposals

Drawing largely from the available international evidence, a number of studies have considered various options that could assist young people in South Africa in their search for employment. For example, taking cognizance of existing international policy options to alleviate youth unemployment, (such as training programmes, direct public sector employment, employment services for job search and job matching and sanctions, employment incentives and subsidies, entrepreneurial schemes and spending on active labour market policies), the National Treasury (2011) put forward a proposal for a youth subsidy to address determinants of youth unemployment by: (i) compensating employers for the risk of investing in young workers when the productivity of the new hire is unknown; (ii) reducing cost of hiring; (iii) subsidizing on-the-job training; (iii) encouraging a more active job-search behaviour. By the same token, Altman & Boyce (2008) have explored five instruments (direct job placements and job creation; to-up subsidies or vouchers; credit for productive activities; information; and insurance). These policy options were considered as ways in which the existing social grants could be leveraged for improved access to economic opportunities. Altman & Boyce posited that these instruments could enhance economic participation as follows:

Intervention	Options	Target group
Direct Employment		
Expanded Public Works Programme	<ul style="list-style-type: none"> Provide monthly information on how to access EPWP opportunities through cell phone link and/or through pay point Provide vouchers as top up to recipients for child care services 	Information on households to beneficiaries
Employment subsidies for direct job creation	An employment voucher could be provided to working age youth in beneficiary households to pay for all or part of a temporary work experience. This voucher could be redeemed by the employer (community based organisation or government) in cash or through the tax system	Youth in beneficiary households
Enhancing employment search & employability*		
Job search information	<ul style="list-style-type: none"> Information could be circulated on a monthly basis to beneficiary households through cell text messages and pay points that would bolster approach to job search, such as on the location of labour centres, web sites with information, new employers in the area, where to register a CV, etc. Ideas could also be circulated in respect of the types of jobs that are becoming available for low skill workers. This information could be area specific or could also enable people to make more informed decisions about migrating to locations where they have a better chance of finding work Information on training opportunities available by local centres, or employers could also be circulated 	Beneficiary households and surrounding households
Education and Training vouchers *		
Education and Training vouchers	<ul style="list-style-type: none"> Training vouchers could be provided to beneficiary households for further education and training in 	High school students and youth in beneficiary

	<p>technical colleges, technikons or universities. Some minimum requirements might be established such as the successful completion of grade 11 or Matric.</p> <ul style="list-style-type: none"> • Training vouchers could be provided to beneficiary households to pay for tutors, especially in respect of high school mathematics. 	households.
Reduction in transport costs for job search or getting to work		
Transport vouchers	Transport vouchers could be offered to beneficiary households if they could show that they searched for work. and /or prove that they found employment	Beneficiary households.
Incentives to work		
Disability Grant	Allow those who are temporarily disabled to choose between working or not working, If they elect to work, provide them with income support when doing to in order to encourage them to work.	Beneficiaries of the disability grant
Attaching conditionality to work-seeking		
Top-up to the grant	Provide a top-up to a grant payable to recipient should they be able to demonstrate active involvement in some economic activity for some period for example, greater than 1000 hours , 150 hours etc) over the past month.	Working age grant recipients.
Support for self-employment		
Support for self-employment among grant beneficiary households	<ul style="list-style-type: none"> • Supplying monthly commercial information, such as that on how to identify market niches, where to get credit or inputs, or how to improve agricultural yields or business profitability • Providing vouchers for production inputs. These could cover items such as seeds, fertilizer, water, or implements of subsistence agriculturalists. Vouchers could be also be provided for business advisory services or agricultural extension services • Providing credit products tailored for this group of grant recipients. 	Beneficiary households
Stabilising incomes for working poor		
Insurance	<ul style="list-style-type: none"> • Vouchers or other forms of financial support to access specially designed insurance schemes for micro-enterprise could be made for beneficiary households. This may require the development of new products should they not already be available. The provision of financial support to pay for insurance could in itself encourage the establishment of competing private schemes • Information could be provided in respect of reliable information on opportunities for short term micro-insurance. Under this scheme, information on organisations that offer micro-insurance on an individual and/or group basis could be gathered and shared with grant recipients. • Information on low-cost schemes that provide health and life insurance and funeral cover could also be provided along with the grant. Plausibly, such information will be relayed on to other household economically active household members by grant recipients as they will usually not be eligible for such cover. 	<ul style="list-style-type: none"> • Financial support to grant recipients • Information for beneficiary households and related communities
Service delivery in the area of HIV and AIDS		
Service delivery in the area of HIV and AIDS	<ul style="list-style-type: none"> • Provision of special support to access HIV and AIDS services through, for example, vouchers for ARVs, HIV services available at pay-points, regular communication on health and nutrition through pay-points or cell messages • Information on the availability of HIV and AIDS services offered in the surrounding area could be provided to grants recipients using the options described under the information sharing schemes. 	<ul style="list-style-type: none"> • Finance and special services for grant recipients' • Information for beneficiary households and related communities

Source:Altman and Boyce (2008)

In a stakeholder workshop held in January 2008 to consider Altman and Boyce's proposed options, it was agreed that all the options had merit, but needed more detailed exploration in relation to pros and cons, specific intention and design, and appropriate channels for delivery alongside the grants.

An important principle was that the opportunity to which access is being improved must already exist. That is, the intervention will specifically not set up a new service, except insofar as it is related to making access to matching services. It was agreed that the provision of information and of a subsidy or voucher should be focused upon (p8) – asterixed in the table above.

Training vouchers also emerged as popular options during focus group discussions with young people:

Voucher for an educational programme. I think it will be best for the government to help us in paying for our fees and text books so that we can further our studies and get good qualifications which will mean better chances of getting a job [unemployed male, NW]

Voucher. I think most Matriculants cannot afford to go and further their studies so this voucher will be helpful in doing that [employed female, NW]

Voucher for an educational programme. This is the best of them all since it is a great opportunity to further your studies and make a better life for yourself. Some of us couldn't go further because our families were too poor to afford tertiary fees [employed male, LP]

3.5 A multi-sector approach for a complex issue

Although Section 3.4 highlights ways in which social security can help to reduce poverty and a large number of associated risks for young people, social security cannot – and is never envisaged as being intended to – *solve* all the problem of high levels of young people being in poverty and unemployed. An issue as complex as this is of relevance to many different parts of government including the departments of Basic Education, Higher Education and Training, Economic Development, Human Settlements, Labour, Science and Technology, Health, Rural Development and Land Reform, as well as Social Development. Outcomes for youth will be influenced by a combination of national health policy, labour market policy, education policy, housing policy, fiscal policy (to list but a few) as well as by regional and global factors.

There is growing evidence that youth risky behaviour is neither intractable nor are youth 'the problem'; the behaviour can be prevented when appropriate policies and interventions are adopted (World Bank, 2003; Tolam and Guerra, 1999). With the right investments and continued support through the demographic transition, a cycle of positive outcomes can result from having a larger, better-educated, and economically productive workforce with fewer children to support (Ashford, 2007; Beehner, 2007). Essentially such outcomes will create a "window of opportunity to save money on health care and other social services; improve the quality of education; increase economic output because of more people working; invest more in technology and skills to strengthen the economy; and create the wealth needed to cope with the future aging of the population" (Ashford, 2007:1). The basic thesis is that young people's energy, creativity, flexibility and adaptability to interface with the scope of change in the globalizing world are a recipe for steady, sustained growth and development. It has been argued, however, that this benefit will only be reaped if young people are healthy, receive education of good quality, are able to find work, and become active participants in their societies. This phenomenon, known as the 'demographic dividend' (or bonus) has been strongly linked to the 'economic miracle' witnessed by the rapidly growing economies of East Asia (Ashford, 2007; Beehner, 2007). It is reported that

from the 1950s countries in this region developed strong public and reproductive health systems that ensured child survival and increased contraceptive use. In addition, education systems were strengthened and sound economic management were established, making it possible to absorb the large generation of young adults into the workforce (Ashford, 2007). These investments yielded notable regional achievements including a reduction in the total fertility level from six children per woman in the 1950s to the current average of two children per woman. The region also witnessed an average gross domestic product (GDP) growth of 6% between 1965 and 1990 (Beehner, 2007).

Evidence from around the world has shown that the earlier the investment in an individual the greater the chances that risky behaviour and other negative outcomes can be prevented through adulthood, and the more cost effective the investment (WHO, 2003; World Bank, 2005; Sceweinhart, 2005; Levitt, 1998). For example, empirical research conducted on risk and protective factors for youth in the Caribbean (Blum et al, 2003) concluded that school attendance or connectedness are the most important factors in reducing violent youth behaviour. The study particularly found that boys who felt connected to school were six (6) percent less likely to engage in violent activity; the corresponding figure for girls was 55 percent. The study also showed the significant effects that schools have in reducing drug use, smoking, and alcohol consumption.

3.6 International interventions for social security provisions for youth

Social security programmes have a track record as powerful approaches to reducing poverty and improving various education and welfare-related outcomes for young people (e.g. Adato & Hoddinott, 2007).

There are few examples of social security for youth in developing countries, where an unconditional grant is given to a young working age adult. In some countries, retirement ages are reduced to open space for labour market entrants. However in a context of high unemployment and weak skills availability, the wisdom of such an approach is debatable.

The international examples below are a selection of policies that link grants to actions that would improve labour market prospects, whether through enhanced education attainment, or work opportunities.

There are also youth employment initiatives, which, though not themselves falling within the category of social security, are important initiatives that could be considered in tandem with social security initiatives. Positive results are evident in many of the evaluations of these interventions that are included in the Youth Employment Inventory (YEI). The YEI is a World Bank initiative that provides comparative information on more than 400 youth employment interventions from around 90 developing and developed countries worldwide. The YEI database includes a range of completed and on-going interventions categorized into five main groups: skills training, entrepreneurial promotion; employment services; subsidized employment; and reforms of labour market regulation and legislation. These groups of interventions are described below and examples of each—from developing and developed countries—are given, with particular focus on those that have been evaluated and that have shown positive impacts. A more comprehensive list of interventions—showing completed and on-going interventions; those which have been evaluated and those that have not; and those that have positive, negative and mixed impact results—are available in the YEI database at which is available at <http://www.youth-employment-inventory.org/> [last accessed 14 February 2012]. More information on the examples given below is also available on the website.

3.6.1 MIXED PURPOSE WITH A GRANT

Developed Countries	
<p>Australia http://www.centrelink.gov.au/internet/internet.nsf/payments/ya_eligible.htm</p>	<p>Youth Allowance – assistance for young people who are studying, undertaking training or an Australian Apprenticeship, looking for work, or sick. <u>Eligibility</u> 18*-24 years old and studying full-time. 16– 24 years old and undertaking a full-time Australian Apprenticeship. 16– 20 years old and looking for full-time work or undertaking a combination of approved activities, or have a temporary exemption from the participation and activity test requirements. If the young person does not have a Year 12 certificate or an equivalent qualification (Certificate level II or above), they will generally be expected to undertake study or training to meet the activity test. <i>*People may be eligible for Youth Allowance if they are 16-17 years old and studying full time (or 15 in certain circumstances) if they need to live away from home to study, or are considered independent for Youth Allowance.</i></p> <p>Newstart Allowance People aged 21 and over who are looking for paid work may be eligible for Newstart Allowance, if they are prepared to enter into an Employment Pathway Plan and meet the activity test requirements and are not involved in industrial action. http://www.centrelink.gov.au/internet/internet.nsf/payments/newstart_eligible.htm Source: http://www.centrelink.gov.au/internet/internet.nsf/payments/ya_eligible.htm</p>
<p>United Kingdom</p>	<p>Name of intervention and country: New Deal For The Young Unemployed, (recently announced: Department of Education 2011) Target: Youth aged 18-24 years Objective: To move unemployed young people from welfare into permanent and unsubsidized employment by improving their chances of finding and keeping a job Labour market barriers/failures targeted: Inadequate technical skills; lack of financial capital; and transition from school to work Description: The new deal for young people is compulsory for all those aged 18-24 who have been receiving the jobseekers allowance for more than six months. Initially, individuals enter a "Gateway" period, where they are assigned a personal adviser who gives them extensive assistance with job search. If the unemployed person is still on Job Seeker's Allowance (at the end of the gateway period (formally a period of 4 months), they are offered to buy four options: i) entry into full-time education or training for up to 12 months for those without basic qualifications (without loss benefits); ii) a job for six months with a voluntary sector employer (paid a wage or allowance at least equal to social assistance plus £400 spread over six months); iii) a job on the environmental task force (paid a wage or allowance at least equal to social assistance plus £400 spread over six months); iv) a subsidy to a prospective employer for six months, with training for at least one day a week (£60 per week plus an additional £750 training subsidy spread over six months). Evaluation: The program appears to have had significant effect in moving more young people into jobs. Young unemployed men are about 20% more likely per period to gain jobs as a result of the new deal. Part of this effect is due to subsidized jobs, part a pure "Gateway" element (enhanced job search), at least one fifth of the total effect. 19-24 year olds were 8.9 percentage points more likely to obtain jobs in the post New Deal period. In the non-pilot areas 19 to 24 year olds were actually less likely to get jobs (a fall of 2.1 percentage points).</p>
<p>UK (merge with above?)</p>	<p>The UK Government has recently released a new policy document for young people to help them realise their potential (Department of Education, 2011). The age to which young people must participate in education or training is being raised to 17 in 2013 and to 18 in 2015. There used to be a New Deal for Young People but this is no longer in existence. For reviews of the impact of NDYP see for example Bonjour <i>et al.</i> (2002), McVicar and Podivinsky (2003), Riley and Young (2000), The Comptroller and Auditor General (2003), White and Riley (2002), and Wilkinson (2003). Social Assistance</p>

- 1) **Income Based Job Seekers Allowance** – This is a means tested benefit for those working 16 hours or less and is normally only available to those aged 18 and over. In exceptional circumstances (e.g. estrangement from family) it may be available for 16 and 17 year olds.
- 2) **Income Support** – available for those aged 16+ unable to work because they are a lone parent, registered disabled or a carer of someone who is disabled. Not usually available for students or those in full-time education, part-time workers may lose their entitlement.

Social Insurance

- 1) **Contributory Job Seekers Allowance** – this is available to unemployed people who have made sufficient contributions.
- 2) **Employment and Support Allowance** – available to those aged 16+ with an illness or disability affecting ability to work (normally only available if enough NI contributions have been made but available to under 25s if certain conditions are met).

Social Allowance

- 1) **Disability Living Allowance** – available for those aged 16+ for themselves or on behalf of a disabled child. This is non-means tested and non-contributory and covers the extra costs of disability for disabled young people (and people of other ages).
- 2) **Carers allowance** – available to those 16+ who care for someone else for 35+ hours per week

In-work Benefits

- 1) **Working Tax Credit** – This is a means-tested top-up for people in low-paid work. It is available to those aged 16+ with children or a registered disability that effects ability to work or look for work (but is normally only available to those aged 25+), means tested

Other

- 1) **Child Tax Credit** – available to those aged 16+ who are a parent or carer with full responsibility for a child. Amount depends on number of children, age of children and any disabilities the child/children may have. Could be thought of as a means-tested top-up to Child Benefit.
- 2) **Young parents** – financial help for childcare for parents under 20 years old in college, school or taking part in work-based learning programme from the Care to Learn scheme

Examples of extra support

Claiming advice – Claimants can call their local Jobcentre Plus office and an adviser will help the claimant find out what they are entitled to and guide them through the claim form. Claimants aged 16 or 17 will be phoned within 4 hours to discuss their situation, and those aged 18 or over will be contacted within 24 hours.

Career advice – people aged 13-19 can contact a Careers Adviser for information, advice and support on a range of issues affecting young people, with a focus on careers and learning. Open between 8am and 10pm seven days a week, people can call by phone (calls by landline are free; the Adviser can return the call if the call is made from a mobile), use a one-to-one confidential webchat, email (replies guaranteed within 24 hours), textphone for people who are deaf or hard of hearing, and there is a moderated chat room.

Jobcentre Plus programmes and services – these include (1) The Work Programme – to help people prepare for, find and stay in work; (2) Enterprise clubs – to help people to become self-employed or start a business; (3) New Enterprise Allowance – business support for jobseekers; (4) Work Experience – work placements for jobseekers aged 16-24; (5) Travel to Interview Scheme and In Work Credit – help with getting to a job interview and payments when work starts; (6) European Social Fund – training, employment and other opportunities for people who are unemployed or have not worked for a long time; (7) Work Clubs – gives support to help find available work locally; (8) Help with drug or alcohol problems that prevent people from working; (9) Sector-based work academies – gives people a chance to take part in training that is

	<p>relevant to the type of work available in the area and a guaranteed job interview; (10) Work Together – gives people the opportunity to volunteer with a local voluntary organisation, learn new skills and improve chances of finding work; (11) Work Trials and Employment on Trial – a trial in an actual job vacancy and encouragement to try a new job without affecting entitlement to benefits; (12) Work schemes and programmes for disabled people.</p> <p>National Citizen Service – for 16 year olds https://nationalcitizenservice.direct.gov.uk/</p> <p>National Minimum Wage – People of compulsory school age are not entitled to the National Minimum Wage but the following rates apply: £4.98 per for people aged 18-20; £3.68 for workers above school leaving age but under 18 (i.e. for 16-17 year olds); £2.60 for apprentices under 19 or 19 or over and in the first year of their apprenticeship. http://www.direct.gov.uk/en/Employment/Employees/TheNationalMinimumWage/DG10027201</p> <p>Education Maintenance Allowance – CLOSED ON 1st JANUARY 2011</p> <p>The Youth Contract: Support for 16 – 17 Year Olds Not in Education, Employment or Training -</p> <p>“In November 2011, the Government announced almost £1 billion of funding over the next three years to support the participation of 16 to 24 year olds in education, training and work – the Youth Contract. This includes Wage Incentives and Work Experience places for unemployed 18 to 24 year olds, as well as incentives for employers to offer young people an Apprenticeship. Through the Youth Contract, the Government is investing £126 million in England over the next three years to support disengaged 16 to 17 year olds to move into education, training or employment with training. This will help to support the Government’s overall commitment to full participation for this age group as we raise the participation age to 17 in 2013 and 18 in 2015. This programme of additional support will be focused on young people who are not in education, employment or training (NEET), have low levels of attainment and a range of factors that put them at greater risk of long-term disengagement. Providers will be given complete freedom to design and tailor a programme of support to help them move into full-time education, an Apprenticeship or a job with training. They will receive payment by results depending on how successful they are at helping young people to make a sustainable move into a positive outcome. Local authorities have a statutory duty to support young people to participate and will have a key role in helping to deliver this programme, working with providers to target those young people who most need support and ensure that this provision fits closely with the wider local offer.”</p> <p>(Taken from: http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/youth-contract/)</p> <p>Sources:</p> <p>http://www.direct.gov.uk/en/YoungPeople/Money/FinancialHelpForYoungPeople/DG10027506</p> <p>Bonjour, D., Knight, G., and Lissenburgh, S. (2002) <i>Evaluation of New Deal for Young People in Scotland: Phase 2</i>, Report by the PSI. Edinburgh: Scottish Executive Central Research Unit.</p> <p>Department of Education (2011) <i>Positive for Youth: A New Approach to cross-government policy for young people aged 13 to 19</i>, HM Government.</p> <p>McVicar, D. and Podivinsky, J.M. (2003) <i>Into Jobs or Into the Classroom? The UK New Deal for Young People</i>, Working Paper Series No. 80, Northern Ireland Economic Research Centre.</p> <p>Riley, R. and Young, G. (2000) <i>New Deal for Young People: Implications for Employment and the Public Finances</i>, London: National Institute of Economic and Social Research.</p> <p>The Comptroller and Auditor General (2003) <i>The New Deal for Young People</i>, London: National Audit Office.</p> <p>White, M. and Riley, R. (2002) <i>Findings from the Macro Evaluation of the New Deal for Young People</i>, Research Report No. 168, London: Department for Work and Pensions.</p> <p>Wilkinson, D. (2003) <i>New Deal for Young People: Evaluation of Unemployment Flows</i>, PSI Research Discussion Paper No. 15, London: Policy Studies Institute</p>
Developing Countries	
Brazil	Program Youth Agent (Projecto Agente Jovem de Desenvolvimento) . The programme focuses on youth development with the main aim of getting out-of-school youth back

	<p>in school to complete basic and secondary education. It provides financial incentives to promote inclusion in the local social protection network so that youth will become active members of society, developing a life project and assuming a positive role in their communities. Cultural and sports activities as well as job training are also offered. Participants are expected to attend school or to participate in job training, are given R\$60 (about R240) per month for 12 months with the possibility of a renewal for a further 12 months.</p> <p>Program Youth Action (<i>Ação Jovem</i>) targets out-of-school youth (aged 15-17 years), the main goal being to get them back in school to complete basic and secondary education. The youth are required to participate in activities promoting societal development, family and social interaction and in job training. Each participant is given R\$65 per month and additional funding is sent to the entities offering the activities in which the participant is engaged. Like the Program Youth Agent, the Program Youth Action offers cultural and sports activities as well as job training.</p> <p>The programme covers youth in the following situations:</p> <ul style="list-style-type: none"> • Out-of-school • Current participants or have participated in social assistance programmes (e.g. child or family focused SS provision) • In situations of vulnerability and who are personally or socially at-risk • Who are existing or still under protective or socio-educational measures <p>Who come from programmes that address commercial sexual exploitation of minors</p>
<p>Mexico</p>	<p>A frequently cited example of southern hemisphere social security provision is Mexico's <i>Oportunidades</i> (previously Progresa) programme which provides income transfers to poor households on the condition that they send their children to school and attend regular health checkups. The programme has a youth savings component that encourages beneficiaries to complete secondary education (Fiszbein & Schady, 2009). The program gives 4,500 MXN (±340 USD) in a savings account upon completion of high school or grade 12 and if the young people meet the conditions conditions for which the money is to be used, namely:</p> <ul style="list-style-type: none"> – towards fees at university, college or technical school; – to improve the house of the family; – to start a small business, motivated through a written plan and application. <p>If the student drops out, they do not receive the savings</p>

3.6.2 SKILLS TRAINING

These include vocational training such as apprenticeship systems; literacy & numeracy (young adult literacy programmes); second chance and equivalency programmes; and others such as providing financial and technical assistance.

Argentina

Programa Nacional de Becas Estudiantiles. This is a conditional cash transfer program designed to increase school attendance and educational attainment and to motivate better school performance among high-school aged youth who are poor and at risk of leaving school before completion of the first cycle of basic education; i.e. high school. (Heinrich and Cabrol, 2005).

Definition of youth/target population

Youth aged 13-19 years who are entering their 8th and 9th years of study in public schools and are at risk of leaving school before completing their education.

Scope of the programme

The programme provides scholarships to economically vulnerable students each year in the form of bi-annual payments to their families, conditional on the students' school attendance and annual grade progression. Eligible students come from families with a monthly total income less than 500 pesos

(about R1160) and who do not receive any similar benefit from another organisation.

An 2000 evaluation of the program had five main findings:

- the scholarships were adequately targeted towards the poorest students;
- secondary enrollment rates among the poorest quintile grew in the urban centres where the program was implemented; and
- schools in the program showed a significant improvement in their repetition and promotion indicators;
- however, the probability of a poor student dropping out was not radically changed because of receiving the scholarship; and
- Furthermore the increases in attendance and promotion rates among the poorest quintile went hand in hand with a widening gap in learning results between schools in the program and the rest.

In the same vein, a non-experimental evaluation of the *Programa Nacional de Becas Estudiantiles* by Heinrich and Cabrol (2005) concluded that the programme has significantly increased students' attendance, reduced grade repetition and improved students' performance in school. These impacts were largest for and largely driven by students who received the scholarship for more than one year.

Name of intervention and country: Chile-JovenFase I (Young Chile - Phase I) *Chile*

Target: Youths aged between 16 And 24 Years

Objective: To provide poor, unemployed and out-school youths between 16 and 24 years of age with intensive training to develop their technical and social skills (life skills), in order to ensure their labor placement

Description: The program has four components:

Component i: training and working experience in enterprises. It targets young people who want to work for companies (be a dependent employee) and offers training in technical skills, job readiness and life skills.

Component ii: combined learning. Combines training in institutions and on-the-job training. Offers training in technical skills, job readiness and life skills.

Component iii: training for independent jobs. It targets young people who want to run their own business, offering technical training and assisting them in formulation and execution of projects.

Component iv: job training for highly disadvantaged young people. It trains them in specific chores and social interaction. They also have a two-month internship and guaranteed future employment in private companies affiliated to the program.

Evaluation: A cross-section survey indicated that about 57.8% of participants got a job, 27.3% were unemployed, 12% were inactive, and 2.9% were inactive but studying. Therefore, around 60% of beneficiaries were socially inserted (in terms of employment and education) after the program. comparing pre and post program situation: (i) 24.3% of beneficiaries passed from unemployed to employed, (ii) 0.9% from unemployed to inactive but studying, (iii) 16.4% from inactive to employed, and (iv) 0.9% from inactive to inactive but studying

Name of intervention and country: Jovenes En Accion (Youth In Action), *Colombia*

Target: 18-25 years

Objective: : To alleviate unemployment and social exclusion by offering a training/apprenticeship program for young adults based on competitive bidding among private firms and public entities

Description: Youths between the ages of 18 and 25 receive training allowance and vouchers, which they can use to enroll in a training course of their choice from a list of competitively selected providers. Job training lasts about three months and is followed by a three-month internship in a company or organization. Beneficiaries also receive a food and transportation allowance. The program is administered by a group of government agencies, nonprofit organizations and private companies.

Evaluation: Training Effect: Before The Program Just 20.5% Of Beneficiaries Have Had Labor Training, After The Program (at the time of evaluation) 14% Of Beneficiaries Continued Taking Training Courses In Other Institutions. Employment Effect: Before The Program 51.78% Of Participants Had Been In The Labor Force And After The Program This Percentage Increased To 55.45%

Name of intervention and country: Projoven, *Uruguay*

Target: 15-24 years

Objective: To help economically disadvantaged youths, of 15-24 years old, to enter into the formal labor market by providing them with training and opportunities to acquire work experience that is based on the needs of the private sector

Description: It provides training and internships to disadvantaged youth. Training institutions participate in public calls to provide courses with the following features: (1) 3 to 5-month courses addressed to youth with 3 or 4 years of complete secondary education. (2) 7-month courses for young people who did not finish primary education, (3) 1-year courses to young people in extreme poverty and exclusion. The courses develop vocational and technical skills. Beneficiaries receive a stipend for transportation and food during both -training and internship- components. Training institutions must maintain a minimum of 45% of beneficiaries working in chores related to the received training.

Evaluation: The program's effect in labor placement reached 48.9% of beneficiaries. The program had a positive effect in terms of bringing young people back to school: 64.5% of beneficiaries decided to go to school after graduation (32.3% working and 32.2% not working). from the 35.5% who didn't go to school 19.6% were working and 15.9% were not working

3.6.3 ENTREPRENEURIAL PROMOTION

The central feature of these programs is their promotion of entrepreneurial skills in young people, namely, the ability to create and manage sustainable and efficient businesses that are capable of offering permanent jobs.

Name of intervention and country: Calificacion De Jovenes Creadores De Microempresas - Certification Of Youth Entrepreneurship, *Peru*

Target: Young people

Objective: To Increase The Duration Of Young Disadvantaged People In The Labor Market And Promote Labor Placement For Young Entrepreneurs Throughout A Comprehensive Package Of Training, Counseling, Internships, And Credit;

Description: The core of the program is the promotion of entrepreneurial skills in young people, namely, the ability to create and manage sustainable and efficient business that are capable of offering permanent jobs.

Evaluation: 79.4% Of Beneficiaries Had Their Own Business, Compared To The 32.6% In Control Group. 3.3% Of Beneficiaries Were Unemployed, Compared To The 9.8% In The Control Group. None Of The Beneficiaries Were Inactive After The Program, Compared To The 6.5% In The Control Group. 17.4% Of Beneficiaries Worked As Dependent Employees, Compared To The 51.1% in the control group.

Name of intervention and country: Programa Juventud y Empleo, *Dominican Republic*

Target: Young people aged 16-29

Objective: The project seeks to improve employability of at-risk youth by building their work experience and life-skills. In particular, the project aims to (1) support youth in the poorest regions; (2) provide technical skills and increase youth awareness of safety in the workplace and environmental protection; (3) provide basic life skills to improve personal life skills and reduce risky behaviors (4) promote self-employment and entrepreneurship

Description: The program is a combination of (i) classroom vocational and life-skills training and (ii) private-sector apprenticeships implemented both in urban and rural areas

Evaluation: Results were disaggregated between men and women. With regard to women, the results showed a positive impact in employment, wages, job satisfaction and future expectations, but a negative impact in the reduction of pregnancy, and no impact in active job search and work hours. For men, the results showed positive only in active job search, job satisfaction, and future expectations.

Name of intervention and country: CréaJeunes, *France*

Target: 18-30 years

Objective: The project aids people in creating their own business—is directed at supporting business creation for young people between ages 18 and 30, from disadvantaged neighborhoods.

Description: During the first phase (four months), CréaJeunes provides specific support including both individual and group coaching, individual follow-up, an immersion experience in a firm and job training. CréaJeunes reimburses some of the fees linked to the preparation of the business project and offer grants and/or microcredit loans at specific amounts. The program provides additional support for approximately 18 months following business creation.

Evaluation: None available.

Name of intervention and country: Financial Incentives For Young Entrepreneurship, *Italy*

Target: 18-35 years

Objective: Fostering the creation of small firms and self-employment

Description: The program provides financial incentives and technical and training assistance to the potential young entrepreneurs from the drafting of the initial project until they are fully trained. Projects for creating enterprises whether in agriculture, industry, or services are financed. These must be at least 10 years long and aim to increase production, employment or entrepreneurial skill. Furthermore, the projects must be new and they should require an investment up to 5 billion. Grants are assigned for: (a) initial fixed capital; (b) subsidized credit; (c) contribution to current expenses for materials, rents and financial costs; (d) technical assistance; (e) training in entrepreneurship. Grants cover expenses for new tangible and intangible property, lands, buildings and all other commodities for the production process, while they do not cover expenses for wages and refunding to partners.

Evaluation: None available.

3.6.4 EMPLOYMENT SERVICES

These are financed and coordinated by the government., and they encompass job and life skills training, apprenticeship and entrepreneurship schemes, information, counseling, placement, financial incentives (to employers and beneficiaries) and other support services

Name of intervention and country: Entra 21: LsatinMaerica (

Target: youth aged 16-29 years

Objective: To i) provide businesses with skilled information and communication technology (ICT) workers, and (ii) improve employability of disadvantaged youths, ages 16-29, with completed (or in progress) secondary school, through the acquisition of ICT Skills.

Description: The overall Entra 21 program has two main components: (i) grants to support youth employment training and job placement programs involving multi-sector partnerships of local NGOs, governments, and local businesses. These projects target youth and impart IT skills, enabling trainees to work with computers, the internet, and other workplace technologies and equipment. (ii) learning and dissemination activities that will capture, synthesize, and distribute lessons learned. Entra 21 seeks the participation of corporations, foundations, and governments as funding partners.

Evaluation: Enrolment in tertiary education rose from 12 to 22%. Employability of youth improved (based on higher than expected placement rates, greater self-confidence, employer satisfaction, and continuing education)-68% were placed in jobs. There was a 54% increase in the number of youth employed after the program compared to the percentage employed at program start. Males had higher placement rates than females. 74% of employed youth were in company, as opposed to self-employed.

Name of intervention: Tripartite Contracts and the "First Work" Programme, Poland

Target: young people

Objective: To give greater opportunities for gaining professional experience and taking up first employment by young people

Description: Main forms of activity used in the program included graduate traineeships, individual and group counseling, professional information and job fairs. The tripartite agreements involved following partners: (a) young, local, unemployed person (graduate, person aged 18-24), local and (c) the employer. The traineeship with the employer could not take longer than 12 months. The labor office could direct the young unemployed to a professional preparation course with the employer for a period of up to 6 months without a formal employment contract.

Evaluation Key success factors of the programme is: concentration of funds on a large-scale measure which is internally diversified; involvement of a broad range of actors diversifying access and pathways; allowances paid for attendance; certifications of attendance and acquired skills. overall, according to the ministry for the economy and labour, the implementation of the "first work" programme helped approximately 1,872,200 young people to enter the labour market through measures such as support of job brokers, vocational information and professional counselling.

Name of intervention and country: British Columbia's Workplace Based Training (WBT) Programme, Canada

Target: young people

Objective: The program emphasizes career-related placements that allow young workers to develop their skills and to begin building personal networks in their field.

Description: The program provides youth who would otherwise receive income assistance with full-time employment, enabling them to acquire portable work skills. The program develops skills needed for long term employability while giving employers an incentive, in the form of training credits, to hire and train people on income assistance. WBT provides eligible benefits recipients with a 12-month on-the-job and/or industry recognized training employment opportunity. To offset the costs of hiring and training the new employee, employers receive a training credit of up to \$3,000 per participant. The employer must guarantee that participants will not displace existing employees from their jobs.

Evaluation: 72% of the placed participants who were able to find employment, along with 43% of the unsuccessful candidates, believed that the training received through the WBT program enhanced their ability to get a job in the future. Overall, participants feel they are in a better position to compete in the labour market

3.6.5 SUBSIDIZED EMPLOYMENT

These are aimed at increasing the demand for youth labor through mechanisms such as wage subsidies and public works.

Austria

Youth Labour Market Policy Programme-is designed to help young people who cannot find training places because of unsuccessful school achievement or serious social or personal problem. The training component includes subsidies for apprenticeship young female persons in predominantly male occupations; subsidies for apprenticeships for disadvantaged young people and financing apprenticeships in training institutions. Wage incentives are given for the compensation of productivity losses during informal enterprise (on-the-job) training of young people. The private sector wage incentives are given to companies under the following conditions:-

- Wage incentives for additional employment of young people or for the compensation of productivity losses during informal enterprise (on-the-job) training of young people
- Subsidies for young people with completed education during periods of practical experience in enterprises. This programme provides initial practical experience in enterprises or institutions for new graduates from education who could not find paid employment.

Public and non-profit sector jobs are subsidized under the following conditions:

- Wage incentives in public in public and non-profit for additional employment for the provision.
- Unconventional employment or training initiatives

A marked drop in the youth unemployment rate was noticed after the introduction of the programme

United Kingdom

www.dwp.gov.uk/youth-contract

Youth Contract

In November 2011, the British Deputy Prime Minister announced a £1 billion Youth Contract to help young unemployed people get a job. Over three years from April 2012 the Youth Contract will provide at least 410,000 new work places for 18 to 24 year olds. This includes:

160,000 wage subsidies worth up to £2,275 each, for employers who recruit an 18-24 year-old through the Work Programme

250,000 work experience placements

at least 20,000 more incentive payments to encourage employers to take on young apprentices.

Name of intervention and country: Employment In Public Administration For Young Graduates Programme, *Bulgaria*

Target: Young people

Objective: To increase young people's employment prospects by helping them to gain vocational competences and work experience.

Description: Program provides opportunity to start work in public administration immediately after graduation. Thus they have the chance to acquire the necessary work experience to enter the labor market. The work placements are financed with resources from the state budget. The employer receives resources to pay the young person's wages, social security and bonuses, as well as their paid

annual leave.

Evaluation: As a result of implementing this programme, long-term unemployment among young people is expected to fall, their qualifications to improve, and their prospects for future integration into the labour market to be enhanced.

Name of intervention and country: Stage Et Insertion Professionnelle Des Jeunes (First Job Agreement Program -FJA), Belgium

Target: Young people up to 30 years

Objective: To support the professional insertion of the young people in the labour market by obliging the companies and the administrations to occupy a certain number of young applicants for work as trainees. These trainees thereby have the possibility to receive, in a real working environment, a hands-on training which facilitates the transition between education and active working, during a period of six months extendable by six months in the private sector and twelve months in the public sector.

Description: Enterprises and non-profit-making organizations with at least 50 employees are obliged to take on a number of trainees corresponding to 3% of their workforce. Administrative bodies with more than 50 employees must employ a number of trainees corresponding to only 2% of their workforce. Young persons under the age of 30 who are registered as jobseekers and who have been unemployed for more than 6 months are eligible to apply for a traineeship. Enterprises that do not employ 3% of young people risk legal sanctions. Young people who refuse a suitable job offered under the Rosetta Plan could be denied unemployment benefits.

Evaluation: During the period April 2000 - December 2001, about 70000 young people have been hired under a FJA. The FJA jobs were in majority (67%) occupied by mid-qualified or qualified young people.

87.4% of all FJAs are concluded with private commercial enterprises; private social economy enterprises follow with a share of 6.9%, while public employers account for only 5.7% of the contracts. Nearly two-thirds of all jobs (63.8%) are offered by large enterprises (+200 employees); although firms with less than 50 employees have no obligation to participate, they filled 11.1% of the FJAs

Name of intervention: Government Alps: Intervention Works Program, Poland

Target: All ages but mainly young people

Objective: To Facilitate New Employment By Subsidizing Employer Wage Costs For A Limited Period Of Time. Program Attempted To Stimulate Labor Demand, Provide On-The-Job Work Experience, And Establish Employer-Employee Relationships.

Description: An up to 6 months program. Much like public works except that projects may not compete with private companies and the wage paid by grants can be no more than the unemployment compensation benefit. Projects may be operated by either public agencies or private companies. Employers who have laid off significant numbers of workers in recent months may be not given to intervention works contracts. Incentives for employers to permanently retain workers. After the end of an intervention works project, employers can receive wage subsidies for retained workers amounting to up to 150 percent of the national average wage to cover wage and social insurance costs for up to an additional six months. Most intervention works project operators pay workers more than the amount equal to the unemployment benefit during the first six months, the relationship of wages to the national average wage for retained workers in the subsidy period over the next six months varies greatly between firms. Participants tend to be more female, significantly younger, more likely to have a vocational secondary education, and have less work experience than the general population of registered unemployed

Evaluation Out of 2412 intervention works participants, 59.7 percent were retained as regular employees by the intervention works program operator after government funding of the project ended. among the 1,439 who were retained as regular employees (59.7%), or 81.1 percent were still working for the same employer on the evaluation date. same proportion of publicly and privately owned enterprises (60.4 percent and 60.7 percent) which operated intervention works projects retained project employees after subsidies ended.

4.1 Some principles in considering the policy options

Social protection v social security
Poverty alleviation versus reduction

4.1.1 IDENTIFYING THE SOCIAL PROBLEM

When designing a new policy it is important to be explicit about the fact that social policies are not value neutral, even at the stage of identifying the social problem (Mkandawire, 2005). For example, social policies are informed by views about the causes of the social problem – in this case high levels of youth poverty and unemployment. If policy makers regard the cause of the problem as structural they might design policy solutions in a certain way that differs from a situation when they regard the causes of the social problem as resting with the individuals. On the basis of the literature review, we would suggest that young people themselves have not brought about the problem (of high levels of young people being in poverty and unemployment). Rather, young people find themselves in a problematic situation and the causes of the problem are predominantly structural. Many young people have been poorly educated, are living in poverty, and are unable to find employment. They not only live in a country with very high levels of poverty and unemployment, but are living at a time when there is a global financial crisis which is causing employers in South Africa to resist employing new staff, particularly young people who lack experience.

4.1.2 NO 'ONE-SIZE-FITS-ALL' POLICY

Goodin (1988) identifies six possible goals of social policy and highlights that whilst they might all be regarded as desirable they may compete with each other in practice. His six goals are:

- Reducing Poverty
- Promoting Social Equality
- Promoting Social Stability
- Promoting Social Integration
- Promoting Economic Efficiency
- Promoting Autonomy

All six of these goals might be regarded as desirable in relation to policies for young people and the country as a whole. However, in practice, and once unpacked, each of these goals is highly nuanced and can be interpreted in very different ways depending on people's value systems and epistemological community.

When considering policy options in relation to social security for youth it is important to take into account key documents that depict the values and principles of South Africa in order to ensure that the policy is rooted in these historical and contextual realities; without doing so there is a risk of a policy being transferred uncritically from one country to another in such a way that the South African context is not taken into account and this sets the policy up to fail at the outset.

In relation to social security we have already seen the commitment to the provision of social security that has been made in the Constitution, and in the SADC Code on Social Security. The National Youth Policy also calls for social security for young people (p27). The idea of the provision of social security to young people is wholly in-line with these key documents, but the type of social security could vary greatly.

South Africa and the SADC region have given careful thought to the question of which types of social policies the region would seek to promote, and have defined social policies as: '(I)nterventions which are about promoting the well-being of all citizens and which address structural inequalities in wealth, ensure greater equity and equality for all, correct market shortcomings, reduce poverty and promote social inclusion.' (*Towards An African Regional Social Policy Johannesburg Draft SADC Ministerial Meeting Johannesburg, South Africa 24 November 2006*).

The definition of social policies that has been developed by SADC therefore focuses particularly on Goodin's goals that relate to reducing poverty, and promoting social equality and social integration.

4.1.3 ARTICULATING A THEORY OF CHANGE

When designing a new policy it is also important to be explicit about a theory of change. In what ways will the new policy help to address the social problem that has been identified? This project considers social security for youth, i.e. income maintenance through social assistance or social allowances. In South Africa social security is sometimes set in opposition to employment, and an overly simplistic argument is made that jobs are what people want, not social security. We acknowledge the overwhelming evidence that people want jobs and, if offered a choice between jobs and social security, would choose jobs. We are not considering social security as a preferable alternative to jobs, but rather as a form of income maintenance in the absence of employment. As such, this means that we do not regard social security as a means of solving the problem of youth poverty and unemployment *per se*, but rather that it can be seen as one of a series of state interventions to assist young people. Social security will help to reduce their income poverty which in turn will help them to meet the financial costs of searching for work or furthering their studies.

4.1.4 'THE CARROT AND THE STICK'

The type of policy options that we consider will also depend on our understanding of the social problem. We are suggesting that the social problem is largely structural, and that it is more appropriate for us to consider supportive initiatives rather than those with a punitive undercurrent or objective.

A recent UN document includes a useful discussion on the extent to which requirements and conditions for access to public services and social benefits can sometimes involve penalization measures that negatively affect the enjoyment of human rights. In relation to conditionalities it argues that: 'Conditionalities undermine the autonomy of beneficiaries and reinforce the stereotype that persons living in poverty are incapable of responsible decision making. Evidence shows that with sufficient resources, poor households would make the same investments in education and health in the absence of conditionalities. Thus, the additional administrative costs involved in designing, implementing and monitoring compliance with conditionalities would be better invested in extending and supporting public services.' (UN, 2011: 16).

The greatest risk with conditionalities is that the onus is put on the individual to achieve targets and so the policy fails to acknowledge the structural impediments that people face. There is a growing concern about the use of conditionalities (e.g. Standing, 2011; UN,

2011) and a strong argument has been made that they are inappropriate for the South African context (e.g. Budlender, 2011; Hall, 2011; Lund *et al.*, 2009; Lund, 2011).

4.1.5 'THICK' AND 'THIN' OPTIONS

It is worth acknowledging from the outset that different policy solutions cost different amounts of money. A 'thick' or resource-intensive solution may be more effective than a 'thin' or resource-light solution but may not be financially viable (Noble and Whitworth, 2006). The question of what is and what is not financially viable is always contestable and can itself be regarded as being a political decision. In Annex X examples are given of social security provision for young people in a number of high income countries.

4.2 Non-budgetary cost considerations

Although the primary question seems to be the choice between various policy options, secondary questions regarding programme costs and how one plans to deliver the identified options to beneficiaries have a bearing on the initial choice of option, for service providers at least.

At the outset, interventions are not equal. The target or beneficiary groups under each intervention often differ, slightly so, and the package of benefits delivered to beneficiaries under each option varies for example. As a result, delivering the services described under each programme is unlikely to cost the same.

Direct additional or incremental costs i.e. those costs directly attributed to providing benefits to members of the target population, are not the only source of differences in budget estimates. As will be discussed, there are other equally important non-budgetary factors that have cost implications for service delivery and feature in the decision about which programme, or type of programme, to implement. Given these factors, assessing the incremental budgetary costs associated with a programme alone is unlikely to provide an accurate assessment of the true costs associated with the introduction of any programme.

This section briefly mentions some of these considerations and highlights their implications for service delivery. Importantly, although their cost implications are often recognised, their actual costs are frequently not estimated or ignored altogether. In defence of this approach, these costs are frequently non-quantifiable in many instances.

4.2.1 INFRASTRUCTURE/ INSTITUTIONAL EXPERIENCE

The first and most obvious difference between programmes is that the infrastructure required to deliver services under different programmes is very different. For instance, disbursing cash to young people requires a very different type of administrative infrastructure as compared to counselling them regarding job-search behaviour.

It follows that it might be relatively easier and ultimately less costly to implement a programme which utilises existing capacity or builds upon existing infrastructure. In support of this assertion, Brazil's lauded Bolsa Familia programme was created by consolidating four pre-existing conditional cash transfer (CCT) programmes which were based in four separate ministries (Lindert, Linder, Hobbs and de la Brière; 2007). Consequently, there was no need to develop systems or put measures in place in other departments for the introduction of conditions. In other words, being able to consolidate and build upon existing experience bestowed an advantage upon the programme. Speculatively, the pace at which services were rolled out, not to mention the effectiveness with which they were rolled out, would

have been affected had there been a need to develop this capacity and gain the necessary institutional experience.

4.2.2 DEPARTMENTAL COORDINATION

Another consideration relates to the levels of coordination required for the implementation of a programme. Levels of coordination are apt to be very different for different programmes. For instance, rolling out an unconditional cash grant may only require collaboration within one department whereas rolling out a conditional grant may require extensive collaboration between departments, should the department responsible for disbursing funds and the department responsible for monitoring the outcomes which grants are conditional upon be different that is.

It should be noted that, in practice, meaningful coordination entails much more than inter-departmental strategy formulation between national-level departments as it frequently involves coordination of activities and collaboration at much lower levels of service delivery. There is thus a horizontal as well as vertical aspect involved in effective service delivery. This is particularly noteworthy as reviews of the well-publicised CCT programs in Latin America identify the decentralised context in which they operate as a key contributor to their success (Lindert, Linder, Hobbs and de la Brière; 2007). Following this rationale, it follows that effective rollout of services will be constrained by the level where capacity is weakest. As such, identifying and formulating strategies to address any weaknesses in the hierarchy of service providers and their inter-relationships is likely to prove a critical exercise before choosing amongst various policy options.

4.2.3 SPILLOVER EFFECTS

Another often overlooked factor relates to spillover effects. In practice, few programmes are implemented completely independently and do not involve some use of existing resources, such as personnel and infrastructure, above that of financial resources. Reallocating resources in this manner has the potential to affect the dynamics within any organisation with ensuing implications for the functioning of other parts of the organisation.

For instance, developing a Monitoring and Evaluation system might necessitate assigning additional tasks to existing personnel and/or creating new line and reporting functions both within and across departments. These effects are frequently not accounted for and subsequently not costed separately whilst the spillover effects which this reallocation of resources implies for other aspects of service delivery is overlooked.

Since few comparisons, if any, of the systematic effects of the administrative burden imposed by the different policy options has been conducted, it is difficult to predict which of them would cause the greatest disruptions or exert the greatest pressure in a system already characterised by capacity and resource constraints.

4.2.4 COSTS BORNE BY BENEFICIARIES

Yet even this broader treatment of costs from a provider perspective does not provide an overall picture of programme costs as it ignores any costs that beneficiaries might incur when accessing benefits and the distributional impacts associated therewith. All the costs described thus far tend to focus on the costs associated with the provision of services to eligible recipients. Little if any consideration has been afforded to the costs which beneficiaries themselves might have to bear when accessing benefits. These costs are important since they may affect the rate at which services are taken up. Demonstrating eligibility for benefits, identifying relevant opportunities and fulfilling any requirements for continued accessing of governmental support are all examples of costs that are borne by

beneficiaries/caregivers themselves (Lund, Noble, Barnes and Wright; 2009) or other non-governmental entities or intermediaries such as employers/ NGO's which facilitate beneficiaries' doing so. Increasing these costs may affect the rate at which beneficiaries take up benefits and ultimately affect the success of any programme.

As an added complication, distributional effects or the possible distortions that might be introduced by the programme are often not explicitly taken into account. For instance, consider that a programme that aims to provide training to young people by making training vouchers available to them could be targeted at employees/ prospective employees (the beneficiaries themselves) or employers. Providing training vouchers to young people directly places the onus on them to bear the search and matching costs associated with finding an employer who is prepared to train young people and securing a training opportunity. On the other hand, making vouchers redeemable by employers raises the possibility that such a system will reward those employers who are best placed to take advantage of a voucher system. While the objective (viz. to increase the number of training opportunities available to young people) might be the same, these different approaches are likely to hold vastly different implications regarding who accesses benefits and the timing and format thereof.

4.2.5 THE CASE FOR CASH GRANTS

Add to this the need to take into account considerations such as reducing the opportunity for corruption, inefficient use of funds, maladministration etc. and the need to garner and sustain political will in a sector where policy choices are often driven by ideological perspectives and it becomes clear that the true costs of any programme are unlikely to be captured in however thorough an accounting exercise.

Seen from this perspective, it would be tempting to dismiss many of the findings of costing exercise that have been conducted in this regard. Although most if not all of the limited number of cost estimates of programmes are likely to under-estimate the true cost to the government of any welfare programme, some key insights can be gleaned from costing studies that have been conducted. Perhaps the most useful of these is that cash grants, especially unconditional cash grants, impose the least administrative burden as they are relatively simple to administer. They are thus likely to cost the least, in administrative terms.

In South Africa, it has been reported that approximately six percent of the funds awarded to the South African Social Security Agency, the agency responsible for administering South Africa's system of unconditional cash grants, go toward administrative costs (Kahn, 2011). Further reductions in this overhead are anticipated as the government goes ahead with plans to integrate its social security agencies. To put these figures into perspective, according to the United States Government Accountability Office, overall (federal and state) administrative costs incurred in the provision of cash grant programmes in the United States was approximately ten percent of the total costs of benefits that were given to recipients in 2000 (Lindert; 2005).

Furthermore, the current unconditional cash grants programme can be expanded with relatively little difficulty as little inter-departmental collaboration is required in order to do so. Generally, the only constraint facing the rapid expansion of this programme is imposed by fiscal considerations. Ignoring potential differences in benefits which other programmes yield for now, this result suggests that the provision of unconditional grants might serve as a useful 'base case' against which the costs of other programmes are evaluated. Moreover, after assessing governmental capacity and institutional constraints, Pauw and Mncube (2007) conclude that unconditional cash grants are likely to be the most cost effective policy option in a South African setting.

In the context of these considerations, in the next section we consider six different policy options for social security.

5 Policy Options - Social Security for Young People in South Africa

5.1.1 SIX POLICY SCENARIOS

There are many potential options for the design of social grants aimed at 18- 24 year olds. In this section, we outline six possible scenarios ranging from simple unconditional grants aimed at poverty alleviation, to conditional grants aimed at longer term poverty reduction. The purpose of the discussion is to frame a small number of focused options, assess their potential impact on poverty and identify their potential financial implications.

Youth, for our purposes is defined as those aged 15-24 inclusive. The CSG is retained (for 0-17s inclusive) and therefore the new scenarios mainly focus on 18-24s inclusive in practice. The tax and benefit rules that will be applied relate to the year 2011. In our modelling, we use a 2008 dataset and so it was necessary to up-weight the survey weights, inflate the incomes, and update the policies to a 2011 timepoint.

To assess the impact of a new policy, it is first necessary to be familiar with the status quo. As we saw in the literature review, young people aged 15, 16 and 17 are eligible for CSG if the income of their primary caregiver (and the primary caregiver's spouse if they have one) falls below a means-test threshold¹. Young people aged 18-24 are eligible for Disability Grant if they are disabled, but there is no form of income maintenance for young people if they are not disabled.

The box below summarises the six new scenarios. For all of these scenarios, the other grants are kept as they were in 2011, with the exception that the CSG age band is set at 0-17 inclusive which did not actually come into force until January 2012. The scenarios represent examples of a social allowance, four types of social assistance, and a once-off payment. These scenarios are not prescriptive but are simply examples of options that could be considered by the Department; in practice the options that could be considered are limitless.

Summary of the six policy scenarios

- | | |
|---|---|
| A | Social Allowance - Universal grant for 18-24s inclusive at CSG rate (R260) |
| B | Social Assistance - Means-tested grant for 18-24s inclusive at CSG rate (R260) |
| C | Social Assistance -Means-tested grant for 18-24s inclusive at CSG rate, plus top up to OAG rate (R1140) if in education/training |
| D | Social Assistance -Means-tested grant for 18-24s inclusive, if in education/ training, at OAG rate (R1140) |
| E | Social Assistance – Means-tested grant for 18-24s inclusive if unemployed or in education/training at CSG rate (R260) |
| F | Once-off payment of R2500 to recipients of CSG or FCG, doubled (R5000) if pass Matric, to be applied to activity that can raise chances of school to work transition. |

¹The inclusion of 17 year olds only came into force in January 2012. The results presented here relate to 2011 but 17 year olds are included in the CSG age-bracket in the simulations in order to take this policy change into account.

Table 3.1 contains a more detailed summary of the policy rules for each scenario.

Providing support to the 'NEETs': Before discussing each of the options in turn, the scenarios can also be scrutinized in terms of the extent to which they provide support for people aged 18-24 who are not in education, employment or training (the 'NEETs'). As seen in the literature review above, these are a particularly vulnerable group. Option A would provide support for all 'NEETs', Options B and C would provide support for all low income NEETs. Option D does not provide any support for NEETs aged 18-24 as it is directed at those in education/training. Option E would provide support for all NEETs in receipt of CSG/FCG (though as school attendance is a requirement for receipt of CSG it is questionable whether non-school attenders would be captured). Option F would provide support for all low income NEETs if they defined themselves as unemployed.

Option A - Universal grant for 18-24s

This option would entail an unconditional non-means-tested grant for all young people aged 18-24 inclusive. The means-tested CSG (which would cover 15-17 year olds in low income families) is retained. The rationale for this option is that categorical benefits are common internationally for groups in particular need. Given the extent of youth unemployment, poor quality of education that many have received, and the lack of available jobs, this would serve as a direct form of income maintenance to help to redress these social challenges. This option represents a social allowance as it is not means-tested. This option is also consistent with a social democratic/social citizenship rights-based approach to social security which, it could be argued, is consistent with the Constitution. This option also has the advantage that it would be more straightforward to administer and thus would be more likely to reach those most in need (Mkandawire, 2005). A risk (though this applies to all options) is that other age groups might question the restriction of such support to this particular age group.

Option B - Means-tested grant for 18-24s

This option comprises an unconditional means-tested grant for all young people aged 18-24 inclusive. In essence it would act as an extension to the CSG though would need a new name as 18-24 year olds are young people not children. It is also important to consider the type of means-test applied as it would no longer be appropriate to means-test a 'primary caregiver and their spouse if they have one'. Instead we could apply the means-test to the young person and their spouse if they have one. In terms of mixed-age-band partners, i.e. if a young person is married to an older person, the means-test would still apply at the couple level. This grant may have some unintended consequences but this is unquantifiable and may be a negligible issue (e.g. people choosing youthful partners as an income stream; divorcing older partners and replacing them with youthful partners). Another potential issue is that single young people living with wealthy parents would also qualify. However, if we were to means-test the parents (if present in the household) this may introduce a perverse incentive whereby people leave home sooner than they would otherwise have done in order to qualify for the grant and put themselves at greater risk in so doing. We therefore decided to apply the means-test to the young person and their spouse if they have one. A further risk (common to all options) is that people aged 25-59 might question the restriction of such support to this particular age group.

Option C - Means-tested grant for 18-24s plus top up if in education/training

This option is a variant of option B. An unconditional means-tested grant is made available to all young people below a certain income threshold. In addition a top-up is made available to people in education and training, paid at the rate of the DG and OAG. A consequence of this is that unemployed young people would receive a lower amount than low income young people in education or training. Again, people aged 25-59 might question the restriction of such support to this particular age group.

Option D - Means-tested grant for 18-24s if in education/training

This option narrows down the focus to young people in education or training only. They are means-tested in the same way as for Options B and C. In essence, option D is a hybrid of the CSG and FCG; like the FCG it is extended beyond 17 for those in education, but like the CSG it is means-tested. The option provides no support for unemployed young people who are not in education or training. It would also penalise low-paid workers who may fall below the means-test yet not qualify as they are not in education or training. A potential (but again unquantifiable) unintended consequence might be that people may cease or defer working and enter education/training in order to qualify, but end up ultimately worse-off if the training is of a poor quality and does not enhance their employability. Again, people aged 25-59 might question the restriction of such support to this particular age group.

Option E - Means-tested grant for 18-24s who are unemployed or in education/training

This is another social assistance option. It provides a modicum of income support for low income unemployed young people, as well as for low income young people who are in education/training. For this option, the young person (and their spouse if they have one) are means-tested. The grant is paid at the rate of the OAG. Unemployed and discouraged unemployed young people are taken into account, as are those who are in education or training. Again, people aged 25-59 might question the restriction of such support to this particular age group. Many other issues would need to be considered including the fact that low-paid and/or under-employed workers would be excluded from this option (though would not be excluded from options A, B and C).

Option F - Once-off payment of R2500 to recipients of CSG or FCG, doubled to R 5000 if pass Matric

This option comprises a once-off payment to recipients of CSG or FCG and could in principle be considered alongside each of the other options. A payment of R2500 would be made to a young person if they received CSG or FCG, and this amount would be doubled to R5000 if they succeeded in passing Matric. Like the other options, the resources could be regarded as helping the young people with seeking employment or furthering their education or training. Unlike the other options it would be a single once-off payment. [more here from Miriam?]. It would be necessary to consider logistical issues such as attaining proof of passing matric, and whether to pay the primary caregiver (as in the case of CSG and FCG) or the young person directly.

Table 3.1: Unpacking the 'status quo' and the six scenarios

Options	Age band	Grant	Amount (R)	Means-test	Means-test applied to..
Status quo	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	-	-	-	-
A	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	Universal grant for young people	260	No	N/A
B	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	Means-tested grant for young people	260	Yes (and exclude if in receipt of DG)	Young person and spouse
C	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	Means-tested grant for all young people plus top-up	260 (or 1140)	Yes	Young person and spouse

		if in education or training	if in E/T)		
D	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	Means-tested grant for young people if in education or training	1140	Yes (and exclude if in receipt of DG or not in E/T)	Young person and spouse
E	15-17s	CSG	260	Yes	Primary caregiver and spouse
	18-24s	Means-tested grant for young people if unemployed	1140	Yes (and exclude if in receipt of DG)	Young person and spouse
F	15-17s	CSG plus top up if meet a specified target	260 (390 if meet target)	Yes	Primary caregiver and spouse

Note: Means test for all means-tested grants is set at a threshold of 50% of the 2011 CSG means test. The CSG amount refers to April 2011; in October 2011 it was raised to 270.

In the interests of simplicity, the grant amounts are set at either CSG or OAG amounts. However, if the grant is intended to provide for the material needs of a young person it is recommended that an empirical study is undertaken to explore issues of adequacy.

5.1.2 NUMBER OF PEOPLE REACHED AND COST

Table 3.2 shows the number of young people captured in 2011 under each option, and the cost of the grants. So, for example, a means-tested grant for young people aged 18-24 (Option B) would capture 5.9m young people aged 18-24 inclusive, and would cost R18.4Bn if paid at the same rate as CSG.

Table 3.2: NUMBER OF ELIGIBLE YOUNG PEOPLE AND COST OF PROVISION

Options	Age group	Number of eligible young people	Cost of provision per year (R million)
Status quo	15-17	2,070,938	6,461.33
	18-24	0	0
	15-24 (all)	2,070,938	6,461.33
A	15-17	2,070,938	6,461.33
	18-24	6,985,913	21,796.05
	15-24 (all)	9,056,851	28,257.38
B	15-17	2,070,938	6,461.33
	18-24	5,882,432	18,353.19
	15-24 (all)	7,953,370	24,814.52
C	15-17	2,070,938	6,461.33
	18-24	5,882,432	21,937.75
	15-24 (all)	7,953,370	28,399.08
D	15-17	2,070,938	6,461.33
	18-24	339,447	4,643.64
	15-24 (all)	2,410,385	11,104.96
E	15-17	2,070,938	6,461.33
	18-24	1,984,066	6,190.29
	15-24 (all)	4,055,004	12,651.61
F	15-17	2,070,938	7,538.22

	18-24	(see note below)	2,482.56
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Note: One third of those in option E are estimated to have passed matric.

In terms of coverage, Option A captures all 18-24 year olds (just under 7 million people) and Option D captures only approximately 440,000 people aged 18-24 (based on reported numbers of people in NIDS in this age group in education/training).

5.1.3 IMPACT ON POVERTY

Options A to E are focused on immediate poverty alleviation, with some of the scenarios offering top-ups to those in education. This is meant to be encouragement of human capital attainment which will affect longer run poverty reduction. This section considers the extent to which Options A to E pull youth above the poverty line. Option F is focused on improving life-long earnings, but is not designed to alleviate immediate poverty.

To model poverty impacts, a version of the South African Microsimulation Model (SAMOD) was used. This was produced for the Department of Social Development (DSD) by the Centre for the Analysis of South African Social Policy (CASASP) at the University of Oxford in collaboration with the University of Essex².

Microsimulation modelling is a technique whereby a set of rules (in this instance South Africa's tax and benefit arrangements) are applied to individuals as captured in a micro-dataset such as a social survey in order to simulate, at individual level, the impact of the rules on individuals and in aggregate for the population as a whole (see for example Mitton *et al.*, 2000; Zaidi *et al.*, 2009). The impact of existing or hypothetical tax and benefit arrangements can then be quantified, in terms of the extent to which they reduce poverty and inequality, their cost, and their impact on different groups such as children, workless people and women; on this occasion our focus is on young people.

Two versions of SAMOD have been produced by CASASP: SAMOD V1.1 which is underpinned by a micro-dataset derived from an Income and Expenditure Survey (Wilkinson *et al.*, 2009), and SAMOD V1.2 which is underpinned by the 2008 National Income Dynamics Study dataset (Wright *et al.*, 2011). SAMOD was developed using EUROMOD as the model platform, which is a tax-benefit microsimulation model for the European Union (Sutherland, 2001), and now covers 25 countries including some of the accession states. EUROMOD has been developed by many scholars across Europe coordinated by Professor Sutherland, Director of the Microsimulation Unit at the Institute for Social and Economic Research (ISER) at the University of Essex. Professor Sutherland made the EUROMOD platform available to CASASP in order to develop SAMOD and the resultant model is regarded as a pioneering example of the way in which the EUROMOD model can be modified for a developing country context (Wilkinson, 2009).

There is a growing appreciation of the need for social security to promote national development objectives by reducing poverty and investing in human capital internationally and within Africa specifically (e.g. Barrientos, 2010; Devereux, 2010; DFID, 2011; Hanlon *et al.*, 2010; ISSA, 2010; Olivier, 2009; Samson *et al.*, 2008). As discussed earlier in this report, strong commitments to this effect have been made by the African Union and SADC (for a summary see Wright and Noble, 2010). These commitments apply as much to young people as to people of other ages.

²SAMOD © The University of Oxford, The Department of Social Development of the Government of the Republic of South Africa and The University of Essex 2008. SAMOD was developed using the EUROMOD framework. EUROMOD is a tax-benefit model for the European Union, supported by European Commission funding, developed by a large consortium of European researchers and coordinated by Holly Sutherland at the University of Essex.

For the purposes of this project we have used V1.2 of SAMOD, which is underpinned by the 2008 National Income Dynamics Study (NIDS) dataset (Smit, 2010); this version of SAMOD was created with funding from the EU and the Office of the Presidency in collaboration with the University of Essex and the University of the Western Cape (Wright *et al.*, 2011). SAMOD is a static tax benefit microsimulation model. This means that it enables us to test out the next-day financial impact of a policy change, but it does not estimate behavioural responses to the policy changes.

In order to estimate poverty, household income was calculated and then divided by the number of people in the household to give a per capita income. This per capita income is used in the analysis. The poverty lines used for the analysis are the lower bound poverty line proposed by Hoogeveen and Ozler (i.e. R322 per capita per month in 2000 prices), which is R604 per capita per month in 2011 prices, and the upper bound poverty line (i.e. R593 per capita per month in 2000 prices), which is R1,113 per capita per month in 2011 prices.

Poverty estimates are presented for these lower and upper bound poverty lines for 15-17 year olds, 18-24 year olds, and for a combined group of 15-24 year olds (Tables 3.3, and 3.5 respectively) and for the total population (Tables 3.4 and 3.6 respectively). Results are shown for the 'status quo' plus options A, B, C, D and E. Option E is not included in the tables as it is not paid regularly to 18-24 year olds like the other options, but instead is paid as a once-off amount. .

Table 3.3 Poverty Rates for Status Quo and Options A, B, C, D and E by age group using lower bound poverty line, 2011

Options	Poverty headcount (P0)			Poverty depth (P1)			Poverty severity (P2)		
	15-17	18-24	15-24 (all)	15-17	18-24	15-24 (all)	15-17	18-24	15-24 (all)
Status quo	0.573	0.541	0.551	0.291	0.315	0.308	0.184	0.232	0.218
A	0.554	0.487	0.507	0.260	0.233	0.241	0.153	0.135	0.141
B	0.555	0.489	0.508	0.260	0.233	0.241	0.153	0.136	0.141
C	0.548	0.476	0.497	0.253	0.224	0.233	0.148	0.129	0.135
D	0.566	0.523	0.536	0.281	0.300	0.295	0.176	0.219	0.206
E	0.566	0.524	0.537	0.280	0.288	0.285	0.173	0.198	0.191

Table 3.4 Poverty Rates for total population Status Quo and Options A, B, C, D and E using lower bound poverty line, 2011

Options	Poverty headcount (P0)	Poverty depth (P1)	Poverty severity (P2)
Status quo	0.487	0.263	0.181
A	0.466	0.233	0.149
B	0.466	0.233	0.149
C	0.462	0.229	0.146
D	0.482	0.257	0.176

E	0.481	0.253	0.169
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Table 3.5 Poverty Rates for Status Quo and Options A,B, C, D and E by age group using upper bound poverty line, 2011

Options	Poverty headcount (P0)			Poverty depth (P1)			Poverty severity (P2)		
	15-17	18-24	15-24 (all)	15-17	18-24	15-24 (all)	15-17	18-24	15-24 (all)
Status quo	0.744	0.675	0.695	0.467	0.455	0.459	0.334	0.350	0.345
A	0.738	0.661	0.684	0.446	0.397	0.411	0.308	0.273	0.283
B	0.738	0.665	0.687	0.447	0.399	0.413	0.308	0.275	0.285
C	0.738	0.660	0.683	0.442	0.389	0.405	0.302	0.265	0.276
D	0.744	0.671	0.693	0.461	0.442	0.447	0.326	0.336	0.333
E	0.744	0.671	0.693	0.460	0.436	0.443	0.325	0.324	0.324

Table 3.6 Poverty Rates for total population for Status Quo and Options A, B, C, D and E using upper bound poverty line, 2011

Options	Poverty headcount (P0)	Poverty depth (P1)	Poverty severity (P2)
Status quo	0.629	0.403	0.298
A	0.624	0.382	0.271
B	0.625	0.383	0.272
C	0.624	0.379	0.268
D	0.628	0.399	0.293
E	0.628	0.396	0.289

Using the lower bound poverty line (Table 3.3), we see that a universal grant for young people (Option A) would reduce the poverty rate for 18-24 year olds from 54% to just under 49%. The impact of such a grant would reduce the overall poverty rate for the total population (see Table 3.4) by two percentage points, from 48.7% to 46.6%.

The difference, in terms of impact on poverty, of options A and B is negligible; this is because 84% of young people aged 18-24 fall below the means-test that was used in the simulation for Option B (i.e. 50% of the CSG means-test).

Still using the lower bound poverty line, Option C (means-tested grant for all 18-24 year olds plus top-up if in education/training) reduces the poverty rate for this age group to 47.6%.

Option D, though paid at the OAG rate, is less effective at reducing poverty for 18-24s as it is only targeted at low income people in education or training. This option reduces poverty for the 18-24 age group from 54% to 52% but less than 5% of those aged 18-24 would benefit from this option, leaving a large number of low income young people without any form of social security.

Option E has a similar impact on poverty to Option D but is targeted at a much broader group of people.

It should be recalled that the poverty rates are calculated using household per capita amounts – as is conventional - and so this dilutes the financial impact on young people as the grant is effectively shared across all individuals in the household. These estimates are calculated based on a situation of full take-up.

The impact of Option F is more nuanced. It is meant to raise life chances, and earnings through the life-cycle, but does not alleviate immediate poverty.....(discuss)

6 Discussion and Conclusions

Poverty reduction v alleviation – challenge of immediate poverty problem v life long earnings and chances. In context of high unemployment, grant programmes need to reach large numbers of people, and seems to have limited effect on pulling people across the poverty line.

The decision of whether to provide social security for young people aged 18-24 has already been made in South Africa. The South African Constitution's Bill of Rights states that 'Everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance' (27.1c). The Constitution acknowledges the challenge of limited resources and says that 'the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.' (27.2).

The critical question, therefore, is not 'whether' to provide social security for young people but 'when' and 'how'. In relation to the question of 'how' to provide social security, the Constitution refers to social assistance (as a form of social security) explicitly, and it is for that reason that this report has considered four different examples of social assistance (Options B, C, D and E). It does not, however, preclude the existence of other types of social security and so – in the context of many young people being ineligible for social insurance - a social allowance is also considered (Option A). A once-off payment is also considered (Option F). As stated above, it is necessary for policy choices to be made in the context of the overarching goals of any given society and to ensure that the policies are in harmony with those goals. At this stage the options considered should only be accorded the status of *examples* of different policy options each of which could be modified in various ways.

Whilst it may be that the desired form of social security provision is currently unaffordable it is important that any interim choices do not preclude the longer term goals from taking place. So for example it may be a simpler step in policy terms to increase a grant amount incrementally and award it to the intended group than to award a larger grant to a subset of the intended group and negotiate inclusion of others at a later stage. That is, it is recommended that the principles underpinning the grant should take precedence over decisions about the amount of the grant.

If the choice were to be made simply on the basis of impact on poverty experienced by those aged 18-24, Option C is the most effective: i.e. the means-tested grant for young people paid at the rate of the CSG, plus a top up to the DG and OAG rate if in education/training. Using the lower bound poverty line, poverty for those aged 18-24 falls from 54.1% to 47.6%. Using the upper bound poverty line, poverty for this group falls from 67.5% to 66.0%. In some respects this small percentage point change may seem disappointing, but this is because the poverty levels of this highly deprived group of the population – and the households in which they live – are such that it would require more than a grant at CSG (for those not in education/training) to make a dramatic difference to their position in relation to these poverty lines. It would, however, serve to reduce the financial burden placed on other (mainly poor) household members by unemployed young people.

This option has some attractions as it provides an – admittedly small – amount of income support to all low income young people, but provides additional support for those in education/training. The grant therefore financially incentivizes young people to participate in education/training. People entering low paid work or working for a small number of hours per week would continue to be eligible for the CSG-level amount but would cease to be eligible if their income – and that of their spouse if they have one – exceeds the threshold.

If the choice were to be made simply on the basis of affordability, the most affordable option would of course be to do nothing, as there is a zero outgoing for social assistance for 18-24 year olds (with the exception of the DG). The least expensive of the options considered is Option F, at R2.5Bn per year. The most expensive option is Option C, at R21.9Bn. Notably, this is only slightly higher than Option A (R21.8Bn) which is the universal grant paid to all young people and would presumably be more straightforward and less costly to implement as there would be no means-test or variable rate of payment. Options D and F, costing R4.6Bn and R6.2Bn respectively, are much less expensive and have an almost identical impact on poverty. However, the reach of the options is quite different, with Option D targeting less than 5% of young people, and Option F targeting 28% of young people.

In practice, the options are limitless. They each raise issues that would need to be assessed in greater detail before any firm recommendations could be made. This is because they represent an important expansion to the social security arrangements currently in place in South Africa. As an example, before the CSG was introduced a dedicated committee was set up – the Lund Committee – and it is recommended that a similar exercise should be undertaken in relation to grants for young people if it seriously being considered as a possible development (Lund, 2008). Such a committee could consider issues – in greater detail than was possible within the scope of this project – such as:

- Assessing the extent to which the option falls within the broader social policy goals of the country
- Conferring with young people, stakeholders and government departments so that this intervention can be used to bolster others that are already underway for young people.
- Determining the eligibility criteria, method and frequency of assessment, and process by which people would exit from the grant.
- Exploring the question of adequacy so that decisions about amount of grant are transparent
- Exploring the financial and non-financial costs of provision, to government and to the beneficiary
- Exploring financing options for provision, e.g. adjusting the income tax thresholds, taxing luxury items at a higher rate, taxing financial transactions.

- Triangulating estimates of eligibility and costs with other data sources
- Documenting the way in which the new policy would intersect with other grants and the UIF.
- Identifying the changes to law that would need to be made
- Engaging with the logistical implications of implementing the new grant for SASSA and payment agencies
- Exploring options for raising public awareness about the rationale for the intervention and how it serves as one intervention among many to help young people in South Africa realize their potential

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7 Annex 1: Current Legal and Policy Framework for provision of services and programmes for youth in South Africa

The Constitution of the Republic of South Africa, 1996

The Constitution is the supreme law of the country, entrenching specific rights, responsibilities and an ethos that everyone must uphold. In the Bill of Rights, specific human rights are guaranteed and these rights and responsibilities guide the inherent rights and responsibilities of everyone, including young people.

National Youth Commission (NYC) Act, 1996 (Act 19 of 1996)

The NYC was established as a statutory body charged with formulating a NYP, co-ordinating the implementation of such a policy as well as lobbying and advocating for youth development in the country.

National Youth Policy 2000 (developed in 1997)

Although this policy was never adopted, it largely informed the Cabinet's decision to endorse and adopt the NYDPF. It also gave direction on action steps that need to be undertaken by the State and society at large to meet the challenges faced by the country's youth.

National Youth Development Policy Framework 2002 – 2007

The NYDPF provided the context for the Government's youth action, arguing for an integrated, holistic youth development strategy. It further articulates the values of equity, diversity, redress, responsiveness to the needs and contexts of young people, and an orientation that is sustainable, participatory, inclusive, gender sensitive, accessible and transparent. The lessons learnt from the NYDPF showed that more focused policy direction is required to respond to the changing needs of young people in the 21st century.

National Youth Development Act (NYDA), 2008 (Act 54 of 2008)

The NYDA, 2008 provides for the establishment of the National Youth Development Agency, an entity which gives resonance to youth development in South Africa. The agency will intensify youth development, thus ensuring expansion and high impact in service provision. The agency will further close the identified gaps and limitations identified in the NYC and the Umsobomvu Youth Fund (UYF).

The White Paper for Social Welfare (1997)

This document places major emphasis on the needs and challenges of the youth as well as the specific interventions to be used to ensure the development of young people. This was the first government policy document to articulate the need to professionalise youth work in an effort to build capacity for those responsible for providing youth development services so that they can adequately and effectively address the challenges faced by the youth within their respective communities.

The White Paper on Reconstruction and Development (1994)

The RDP was a plan by the newly democratically elected Government to redress social and economic challenges faced by the country as a result of discriminatory policies of the previous governments. The RDP made specific commitments to the empowerment of South African women, youth, rural and disabled persons. The RDP committed the Government to ensuring that suitable programmes aimed at young people are established to ensure redress of backlogs in education and training, job creation and recreation.

World Programme of Action on Youth (2000)

The United Nations' (UN) ministers responsible for the youth from different countries adopted the World Programme of Action on Youth for the year 2000 and beyond. This is a 10-year plan aimed at effectively addressing the problems of young people. It is a policy framework that seeks to deliver opportunities that would enhance young people's participation in society and provide practical guidelines for youth development's support by national and international institutions. The plan contains concrete proposals on how countries should improve the well-being and livelihoods of young people in their respective countries.

African Youth Charter (2006)

The African Youth Charter is a political and legal document that serves as a strategic framework that gives direction to youth empowerment and development at continental, regional and national levels. The charter is in line with the efforts of the African Union (AU) that seek to provide an avenue for effective youth development. The charter was adopted in May 2006 and endorsed by AU heads of states in July 2006. South Africa is in the process of ratifying and signing the charter.

Source: The National Youth Policy (NYP) 2009 – 2014