



Regional Profile of Unemployed Youth: Northern Cape

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1 List of Acronyms

ASGISA	Accelerated shared Growth Investment for South Africa
BCSVP	The Business Consultancy Services Voucher
DEDaT	Department of Economic development and Tourism
EPWP	Expanded Public Works Programme
ESSA	Public Employment Services for South Africa System
FET	Further Education and Training
ILO	International Labour Organisation
JIPSA	Joint Initiative for Priority skills Acquisitions
NARYSEC	The National Rural Youth Service Corps
NDP	National Development Plan
NGO	Non-Governmental Organisation
NYDA	The National Youth Development Agency
NYS	The National Youth Service
NQF	National Qualifications Framework
PEP	Public Employment Programmes
R&D	Research and Development
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SKA	Square Kilometre Array

2 Background

South Africa has an acute problem of youth unemployment that requires a multi-pronged strategy to raise employment and support inclusion and social cohesion. High youth unemployment to a large degree means that young people are not acquiring the skills or experience needed to drive the economy forward. The Northern Cape is no exception to this acute youth unemployment, with 42.4% unemployed youth according to Statistics South Africa¹.

Intensive research work has been undertaken to understand the causes of such high youth unemployment in the country. In a report on youth unemployment, the National Treasury (2011, 14-15) emphasizes two crucial contributing factors to youth unemployment, the lack of skills and skill gaps. National Treasury extends this debate by asserting that education is not a “substitute for skills”, moreover, schooling is not a “reliable signal of capabilities”. And as such although some unemployed youth are educated, they lack the skills required by the economy (a phenomenon referred to as **skills gap**). Treasury settles that the difficulty among youth to gain “experience” is an important reason why joblessness is so high in South Africa.

It appears that there is a general consensus on the debate of lack of skills as one of the causes of high youth unemployment. Most researchers cite the reason for high youth unemployment as skills mismatch. According the International Labour organization (2013, 21-26), skills mismatch is a broad term referring to different types of imbalances between the skills offered and the skills required by employers, and applies equally to those employed and unemployed. Skills and competencies are not measured with specific statistics, but “skill proxies are used, such as qualifications, years of schooling and occupation”. It should be noted that skills mismatch alone, does not necessarily correlate with unemployment rates, since “unemployment rates are driven by many macro factors”.

It undoubtedly cannot be disputed that “skills” are central to the prevalent national and regional youth unemployment levels. Statistical reports echo and infer upon government agenda a robust need for youth development. Within the notion of youth development, and more so inherent on the mandate of the Department of Economic Development and Tourism “**to create decent employment in the province**” profiling provincial unemployed youth is almost obligated.

¹ National and Provincial Labour Market: Youth 2008-2014

2.1 Introduction

The Research and Development (R&D) Unit within DEDaT has a strategic objective of facilitating efficient economic research. On an annual basis, key research areas are identified within the department and compiled into a research agenda. One of the research areas professed as pertinent and thus entailed in the currently approved research agenda, is youth unemployment.

The Northern Cape Province has an overall unemployment level of 32.4 % and youth unemployment level of 42.4%. This spells as a developmental challenge and put pressure upon the province to ensure job creation is radical to keep up with the growing work force. The province also faces the other two challenges (inequality and poverty) safe to conclude it is not immune to the triple challenges plaguing South Africa. Whilst the National Development Plan (NDP) provides the blueprint for remedial interventions to eradicate the triple challenges, it is however crucial that these remedial actions be customised to suit the Northern Capes' unique socio-economic landscape.

More importantly, the semi-rural nature of the Northern Cape Province denotes a “one-size-fits all” approach as unsuitable and unquestionably ineffective to reduce provincial unemployment, particularly at regional districts. The argument is that firstly, lack of strong networks or social capital in rural areas within the province disadvantages young people, particularly those from poorly educated households. Secondly, opportunities for those with poor networks, outside of the cities remain uneven and interventions need to be focused on levelling the playing field.

Against this backdrop the R&D conducted investigative research on the regional profiles of unemployed youth in the Northern Cape. A regional approach was adopted to profiling youth to understand who the unemployed youth are, what their highest education levels are, etc. in an attempt to explain youth unemployment in the province. This report captures the regional youth profiles focusing on elements such as education and skills levels, gender, and population group of unemployed youth per district, sectoral compositions of the regions. It is anticipated that this report will assist in formulating focused and effective interventions necessary to have the provincial youth meaningfully participate in the mainstream economy.

2.2 Policy Perspective

As said in the National Development Plan, the crisis of unemployment has reached a point where “market based solutions to unemployment” (although more sustainable) are no longer enough to address the problem with unemployment. The National Development Plan calls for more creative and innovative ideas in public employment programmes such as the

Expanded Public Works Programme and the Community Works programmes (National Planning Commission 2012, 153).

The New Growth Path proposes interventions to change overall employment opportunities. Some of these job drivers include; firstly, to fast-track employment creation through direct employment schemes, targeted subsidies and or greater “expansionary macroeconomic packages”. Secondly, to support labour absorbing activities in the agriculture value chain, light manufacturing and services industry to generate large scale employment. Thirdly, to encourage rural development and regional integration and lastly, to remain competitive. NGP stresses it is necessary for the state to support knowledge and capital intensive sectors (Department of Economic Development 2011, 18-24).

The National Youth Employment accord sets out to implement the coordinated Youth Employment strategy, which focuses on six elements namely; improving education and training for those transitioning from school to employment, connecting youth to employment opportunities through job placement schemes and work readiness promotion programmes, increasing the number of youth in public sector, consideration of “youth target set asides” particularly in sectors that can accommodate large number of youth, promotion of youth cooperatives and entrepreneurship and lastly, collaborations with the private sector in increasing their intake of young people through youth support and incentive programmes (Department of Economic Development 2013, 18-22).

2.3 Methodology

This report is based on secondary data and research reports. Ideally, both primary and secondary research methods were premeditated, however owing to resource constraints only secondary research was practical. Information was sourced from various surveys published by Statistics South Africa such as the Quarterly Labour Force Survey for the periods 2008-2015, 2011 Census data, National and Provincial labour market: Youth, and so on. Information was also sourced from the Department of Labour in the Northern Cape's ESSA data base.

Research reports and policy documents referring to youth unemployment were also sourced for information.

Because unemployment statistics are sometimes non-comparable across data sources and age groups covered, the selected indicators are primarily consistent with the Statistics South Africa classification system.

2.4 Limitations

Data at district level was only available from the Census 2011, the most frequently published data (quarterly publications) does not provide unemployment data at district level. This is true for the various indicators requested. Information from the Department of Labour in the Northern Cape's ESSA data base has restricted coverage. The database only reflects unemployed youth who have registered on the system and does therefore not reflect overall unemployment trends for the Northern Cape Province.

2.5 Definitions

Unemployment

The official definition of unemployed in South Africa is; a person completely without work, currently available to work, and taking active steps to find work. The expanded definition excludes the requirement to have taken active steps to find work (Statistics South Africa 2015).

Youth

The National Youth Policy defines youth as young people between the ages of 14-35 years (The National Youth Development Agency (NYDA) 2015, 10). Statistics South Africa (2015) defines youth as persons between the ages of 15-34 years.

Employed

Persons aged 15–64 years who during the reference week, did any work for at least one hour, or had a job or business but were not at work [temporarily absent].

Discouraged Work Seeker

Is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.

Not Economically Active

Is a person aged 15–64 years who are neither employed nor unemployed.

3 Overview of the Northern Cape

According to the 2014 Mid-Year Population Estimates published by Statistics South Africa, Northern Cape Population is predominantly youth. The youth cohort accounts for sixty eight percent (68%) of the total provincial population. Simply expressed, over seven hundred and fifty (+750 thousand) of the 1.1 million people living in the Northern Cape are said to be under the age 35. This can be viewed as good news from the labour force perspective. On the other hand, one must carefully analyse the labour force characteristics to have a conception of its implications on the development perspective.

In other words, whilst the dominance of the youth in the provincial population is good from a labour force perspective, it only becomes good from a development perspective depending on (amongst others) unemployment rate, employment absorption rates, proportion of discouraged workers and the economically inactive. Necessarily, the report will cover profiles of employment statistics firstly a provincial overview and secondly per each of the five districts.

3.1 Sectoral Composition

Analyses of unemployment should ideally explore the operation of economic mechanisms in the labour market (***ceterus parabus***). To the extent that they shed light on the real economic mechanisms at play, characteristics of an economic structure (composition) represent a key issue to be considered on the unemployment subject matter. Analysis and comparison of the shares of each of the sectors to gross output reveal two critical shifts, between decentralisation and post decentralisation which have differing implications on regional employment (based on the skills profiles amongst others).

Sectoral composition can be said to have four effects on employment patterns, namely, the structural composition effect, capital intensity effect, technological effect as well as the productivity effect. Structural composition effects are a reasoning that different sectors have different growth rates of production and demand, and thus different employment intensities. As a result, the specific sectoral composition or economies may lead a variety of possible employment performances.

Capital intensity effects arise because sectors have different investment requirements and employment growth tends to be lower where capital intensity is higher. Technological effects are premised on belief that sectors capable of producing their own technology tend to produce more product innovations from outside thereby creating jobs. In contrast, sectors that acquire innovations from outside are dominated by process innovations whose employment impact is generally negative. Primary sectors are a perfect example of the latter.

Lastly, productivity effects come about as a result of interactions between the capital and innovation intensity of sectors, with other factors such as labour force skills, the learning processes, infrastructure conditions etc., leading to different productivity growth patterns.

A different angle of these sectoral composition effects is provided in an analysis by Professor Clayton Christensen of Harvard Business School. His wide ranging research on innovation points to three possible effects on job creation (www.claytonchristensen.com):

- Market-creating innovations – create corporate and economic growth, they create jobs but need capital
- Sustaining innovations – makes good products better but don't create jobs and growth. They sustain margins and are mostly the focus of management teams
- Efficiency innovations – eliminate jobs, makes more with less and increases free cash flow.

In terms of this analysis it should therefore be determined at which stages different sectors of the national and provincial economies are operating to understand the scope and potential for job-creating growth. In economic sectors driven by efficiency innovations the scope for mass low-skilled job creation are very limited. Sectors driven by market-creating innovations are most desirable as the scope for job creation are higher. However, low-skilled or medium skilled labour will effectively be crowded out of even these sectors as skills are so highly prized in labour markets today.

3.2 Education Levels

Education is not a substitute for skills. Although most unemployed young people have some secondary schooling or have completed Grade 12, schooling is not a reliable signal of capabilities. Employment prospects are constrained by **low teaching standards and high drop-out rates**.

Skills and competencies are not measured with any specific statistics, but "skill proxies are used, such as **qualifications, years of schooling and occupation**". Education levels therefore are an area worthy of observing in employment analysis.

3.3 Defining unemployment

Economic theory differentiates between three types of unemployment, namely, cyclical, structural and frictional. Almost all research work on youth unemployment cites **skills mismatch** as the fundamental reason for the high

unemployment levels. Unemployment caused by a mismatch between the skills that workers in the economy can offer, and the skills demanded of workers by employers (also known as the skills gap) is known as Structural Unemployment.

There are various type of skills mismatch, namely;

- a) **Skills shortage:** Demand for a particular type of skill exceeds the supply of people with that skill.
- b) **Skill gap:** Type or level of skills is different from that required to adequately perform the job.
- c) **Vertical Mismatch:** The level of education or qualification is less or more than required.
- d) The **type/field of education or skills** is inappropriate for the job.
- e) **Over education/under education:** Workers have more or less years of education than the job requires.
- f) **Over qualification/under qualification:** Workers hold a higher or lower qualification than the job requires.

The report will thus analyse skills profiles so as to identify the exact skills mismatch of the districts. It is believed that such level will help steer away from one size fits all approach in the broader context of structural unemployment but will afford policy makers in the province with sound information on the differences across districts.

3.4 Northern Cape Province

LABOUR PROFILE

6.1 Skills Supply (Statistics SA)

	2014
Population (15-34 years)	409 000
Labour Force	219 000
<i>Employed</i>	126 000
<i>Unemployed</i>	93 000
Not economically active	190 000
Rates (%)	
Unemployment rate	42.4%
Employed/ Population ratio (absorption)	30.9%
Labour force participation rate	53.6%

Youth generally dominate the working age population of the Northern Cape province as they have consistently accounted for around 54% of the entire population. Only 53% of the provincial youth population is in the labour force, with an alarming 46.5% not economically active.

Over and above the relatively highly inactive youth population in the region, only 57.6% of the labour force is actually employed. Implying an unemployment rate 42.4% and an employment absorption rate of **30.9% in the province.**

6.2 Sectoral composition

	2008	2013
Primary	35.2%	34.1%
<i>Agriculture</i>	7.2%	6.4%
<i>Mining</i>	27.6%	27.7%
Secondary	6.8%	6%
<i>Manufacturing</i>	3.0%	0.6%
<i>Electricity</i>	2.2%	3.2%
<i>Construction</i>	1.6%	2.2%
Tertiary	48.4%	59.9%
<i>Trade</i>	9.6%	11.1%
<i>Transport</i>	7.5%	9.0%
<i>Finance</i>	12.5%	13.5%
<i>Community Serv</i>	18.8%	26.3%
Total Industries at basic prices	90.3	
Taxes less subsidies	9.7%	
GDPR at Market prices	100.0%	

Northern Cape is characterised by a concentration of economic activity in the urban area and dominated by Tertiary² (60%) and Primary (34%) sectors. Northern Cape economy continues to be heavily dependent in the primary sector, and as such Mining and Agriculture remain crucial sectors both in terms of labour absorption.

Although the provincial economy is driven by the tertiary sector, it is comforting that the primary sector plays just as prominent role in employment in the province. These output patterns translate into the prevalent provincial labour market dynamics.

² The Primary sector is made up of Agriculture and Mining, whereas the Secondary sector constitutes Manufacturing, Electricity and Construction. Meanwhile the Tertiary sector is premised on the following; Trade, Transport, Finance and the Community Services sector.

6.3 Youth Education Level (Census 2011)

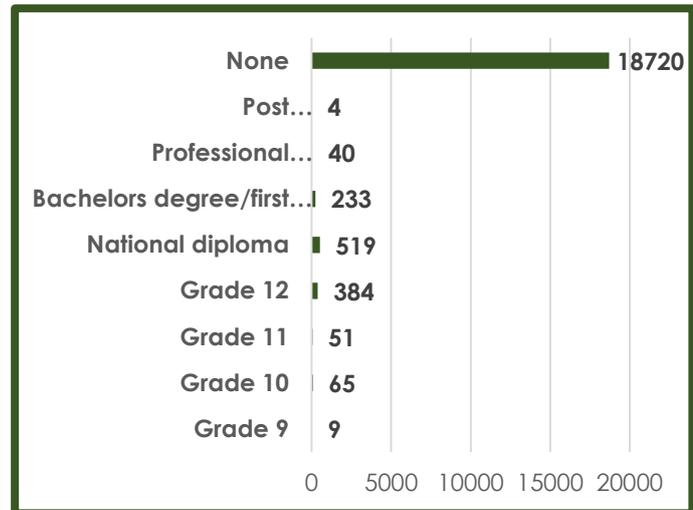
	Values
Grade R	876
Grade 1-3	7 020
Grade 4-6	26 178
Grade 7-9	94 794
Grade 10-12	214 065
N1-N6	6 522
Cert/dip less matric	921
Dip/cert. with matric	8 415
Higher	6 909
Dip/bachelor/Masters/PHD	60
Other	11 337
No Schooling	11 337
Total	377 097

Majority (57%) of the youth population in the province have education levels between Grades 10-12. Important to note is that not all youth within these levels necessarily completed and thus possess a matric certificate. A second large fraction (37%) of youth have education levels below Grade 9, this includes those youth with no form of schooling at all. Essentially 31% of the youth drop out of the schooling system before senior secondary level. The remaining 5.8 % possess post matric education levels.

The implications of the education levels are an excessive supply versus demand of elementary skills within the province. The key types of skills mismatch are skills shortage, skills gap, vertical mismatch, under education as well as under qualification³. Thus structural unemployment in the province is a resultant confluence of the all these.

6.4 ESSA (Department of Labour)- Education

Registration as a job seeker per education level

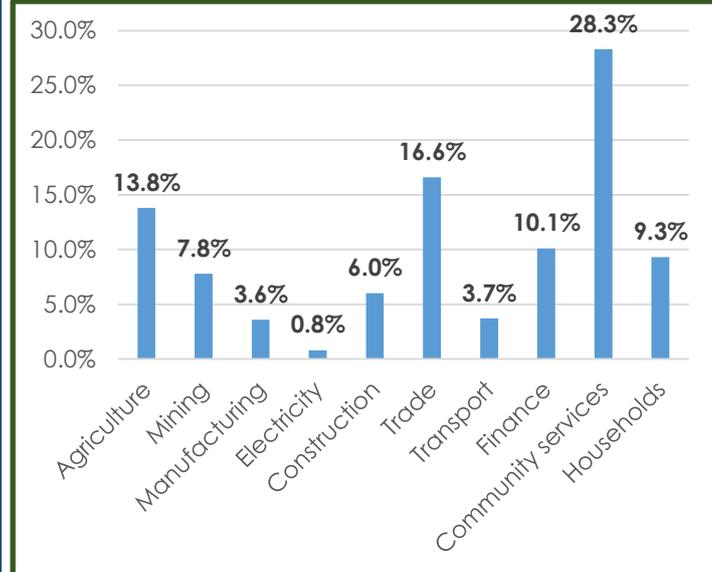


Department of Labour has an unemployment register called ESSA in which the unemployed can register their Curriculum Vitae and be connected to organisations who are seeking workers in various skills. In the Northern Cape, the Department of Labour has Labour Centres in all districts, specifically in Upington, De Aar, Calvinia, Springbok, Kimberley, Postmasburg and Kuruman. Employment practitioners and councillors conduct various outreach programmes and campaigns to reach the unemployed, particularly youth and encourage them to register on the database. The Department of labour works closely with NGOs, government departments and organisations in various communities.

The data gives a small profile of learners who have registered on the ESSA data base from November 2014 to March 2015.

According to the ESSA database, there are currently 20 025 registered unemployed youth in the province. Ninety three percent (93%) of these have no qualification, whilst 4% have post matric qualifications. 1.9% of the registered unemployed youth have matric.

³ See page 8 for definitions of skills mismatch.

5.5 Employment per sector-Northern Cape (2013)

Source: HIS Global Insight

In line with the structural composition in the provincial economy, tertiary sector is the leading employer. Community services accounts for the greatest share of employment in the region, followed by Trade. Equally important to note the role of primary sector in employment, both agriculture (**third biggest employer**) and mining seem to also play a prominent role in the provincial employment provision.

4 Regional Profiles of Unemployed Youth

This section outlines the profiles of the unemployed youths per district. The weakness of the frequently published employment statistics is that they do not cover regions or districts. Therefore data is limited to provincial overview. However analysis of the Census 2011 and 2011 Quarterly Labour Force indicated comparable results. As such 2011, is the base year for the regional profiles.

The regional profiles focus on four key areas, the general employment statistics (*gender, labour force profile, unemployment rate, absorption rate etc.*), sectoral compositions, educational levels and skills mismatch defining unemployment per district.

4.1 Frances Baard District Municipality

LABOUR PROFILE...

1.1 Youth Employment (Statistics SA)

	2011
Population (15-34 years)	136 104
Gender	
Male	67 563
Female	68 541
Labour Force	69 138
Employed	38 772
Unemployed	30 366
Not economically active	57 999
Rates (%)	
Unemployment rate	43.0%
Employed/ Population ratio (absorption)	28.0%
Labour force participation rate	50.8%
Discourages Work Seekers	8 967

Frances Baard has the highest youth population in the province, which is female (50.4%) dominated. Only 50.8% of the regions' youth population is in the labour force, with an alarming 43% not economically active.

Despite the relatively highly inactive youth population in the region, the **69 138** that is in the labour force is not employed in entirety. In fact, only 56% of the labour force is actually employed. Implying an unemployment rate 43% and an employment absorption rate of **28%**.

1.2 Sectoral Composition

	2008	2013
Primary	14.0%	9.3%
Agriculture	3.9%	3.1%
Mining	10.1%	6.2%
Secondary	10.1%	7.2%
Manufacturing	4.7%	0.6%
Electricity	2.8%	3.4%
Construction	2.6%	3%
Tertiary	75.9%	83.5%
Trade	13.0%	13.2
Transport	12.0%	12.8
Finance	22.2%	22%
Community Serv	28.7%	35.4%
Total Industries	100.0%	

The Frances Baard regional economy shows diminutive dependence on the primary sectors, which has been in secular decline over the period 2008-2013 while simultaneously witnessing a rapid rise in the growth of the tertiary sector. It is the growth in output in the tertiary sector and the declining output performance of the primary sector, which in part explains labour demand shifts in the region.

The above output patterns manifest in what are known as **between-sector employment shifts**, perhaps an explanation of the overall sectoral employment trends observed in Frances Baard. Heavy reliance on the tertiary sector in the region particularly **causes uneven employment gains by occupation**. Hence the occupations that capture the largest increases in this region tend to be Professionals and Managers. On the other hand, the number of workers in elementary skilled occupations decline.

The service sectors, on the whole, are more skills-intensive than the secondary or primary sectors. Hence, growth in the tertiary sector results in a skewed preference for those individuals with a greater quantum of human capital.

Equally important, is the **technological effects or**

LABOUR PROFILE...

within-sector changes to regional employment. Sources of within-sector shifts include technological change in a sector that may create the need for a certain skill type over another. Technological developments thus can be cited as a possible explanation of primary sector declines in the region with implications on jobs.

1.3 Skills Supply- Youth Education Level (Census 2011)

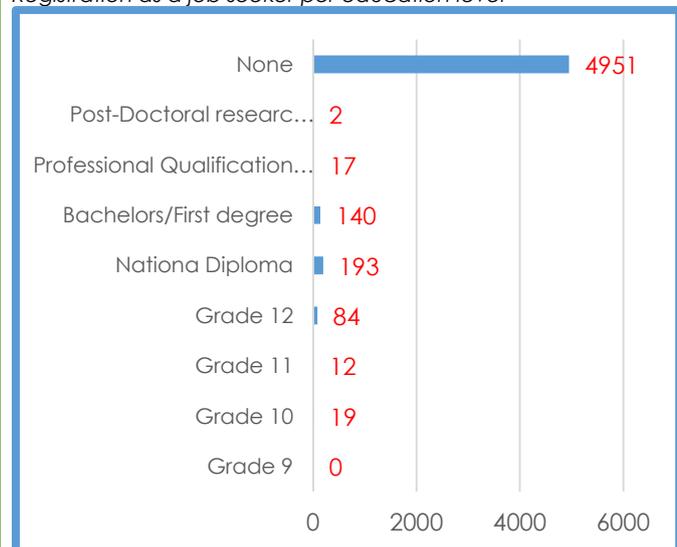
	Values
Grade R	285
Grade 1-3	1914
Grade 4-6	6567
Grade 7-9	28 200
Grade 10-12	81 771
N1-N6	2 133
Cert/dip less matric	396
Dip/cert. with matric	3 318
Higher	2 613
Dip/bachelor/Masters/PHD	
Other	21
No Schooling	3 990
Total	131 208

Majority (62.3%) of the youth population in Frances Baard have education levels between Grades 10-12. Important to note is that not all youth within these levels necessarily completed and thus possess a matric certificate. A second large fraction (31%) of youth have education levels below Grade 9, this includes those youth with no form of schooling at all. Essentially 31% of the youth drop out of the schooling system before senior secondary level. The remaining 6% possess post matric education levels.

The implications of the education

1.4 ESSA (Department of Labour)- Education

Registration as a job seeker per education level



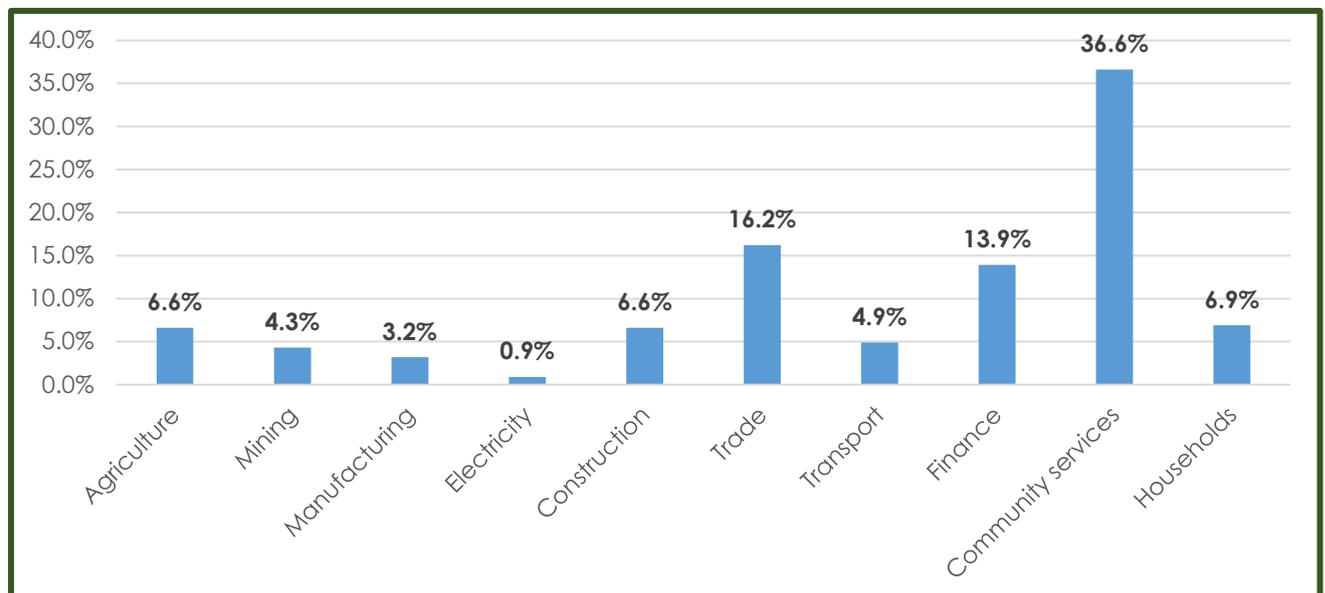
According to the ESSA database, there are currently 5418 registered unemployed youth in the Frances Baard region. Ninety two percent (92%) of these have no qualification, whilst 7% have post matric qualifications.

Both Stats SA and ESSA indicate education levels that possibly imply a clash between what the economy demands (high and semi skills) and the prevalent supply (elementary skills).

LABOUR PROFILE...

levels are an excessive supply versus demand of elementary skills within the region. Specifically to the region, the key types of skills mismatch are skills shortage, skills gap, vertical mismatch and under education. Thus structural unemployment in the region is a resultant confluence of the four.

Employment per sector



In line with the structural composition shifts in the regions' economy, tertiary sector is the leading employer in Frances Baard. Community services accounts for the greatest share of employment in the region, followed by Trade and Finance.

It is concerning that both Agriculture and Private Households account for 7% of the regional employment each; whilst mining, manufacturing and electricity are the least employing in the region. The leading employment sectors and the education profile illustrate the roots of this regions' unemployment.

4.2 ZF Mgcawu District Municipality

LABOUR PROFILE...

1.1 Youth Employment (Statistics SA)

	2011
Population (15-34 years)	87 561
Gender	
Male	46 362
Female	41 199
Labour Force	51 153
Employed	39 531
Unemployed	11 622
Not economically active	33 189
Rates (%)	
Unemployment rate	22.0%
Employed/ Population ratio (absorption)	45.0%
Labour force participation rate	58.0%
Discourage Work Seeker	3 219

ZF Mgcawu has the second highest youth population after Frances Baard in the province, which is male (53%) dominated. Only 58% of the regions' youth population is in the labour force, with 37.9% not economically active.

Youth unemployment in the region is 22%, the least in the province.

Employment absorption rate of **58%** reveals the positive employment prospects. According to the International Labour Organization (ILO), a 70% or more labour absorption rate is considered good while a rate less than 50% is considered low. ZF Mgcawu has the highest employment absorption rate in the province.

1.2 Sectoral Composition

	2008	2013
Primary	24.7%	48.2%
Agriculture	20.3%	8%
Mining	4.3%	40.2%
Secondary	10.2%	5.6%
Manufacturing	5.3%	0.8%
Electricity	2.0%	2.8%
Construction	3.0%	2.1%
Tertiary	65.1%	46.2%
Trade	15.5%	10.2%
Transport	9.0%	10.2%
Finance	17.8%	7.1%
Community Serv	22.7%	18.8%
Total Industries	100.0%	100.0%

The ZF Mgcawu regional economy shows significant dependence on both the primary and tertiary sectors. Interestingly, the tertiary sector has been in secular decline over the period 2008-2013 (**to slightly below the primary sector**) while simultaneously observing a rapid rise in the growth of the primary sector. These output patterns translate into somewhat balanced between-**sector employment shifts**, explained in the overall sectoral employment trends observed in ZF Mgcawu.

Reliance on the primary sector serves as a source of employment for large numbers of unskilled youth. Additionally, reliance on the tertiary sector in the region implies a demand for the highly skilled youth. The structural composition shifts are perhaps one of the reasons the region has the lowest unemployment rate in the province.

It is important to caution against the possible technological effect associated with reliance on primary sector. Improvements in input processes result in poor employment intensity. This is in relation to the agriculture and mining sectors that play a key role in the region.

LABOUR PROFILE...

1.3 Skills Supply-Youth Education Level (2011)

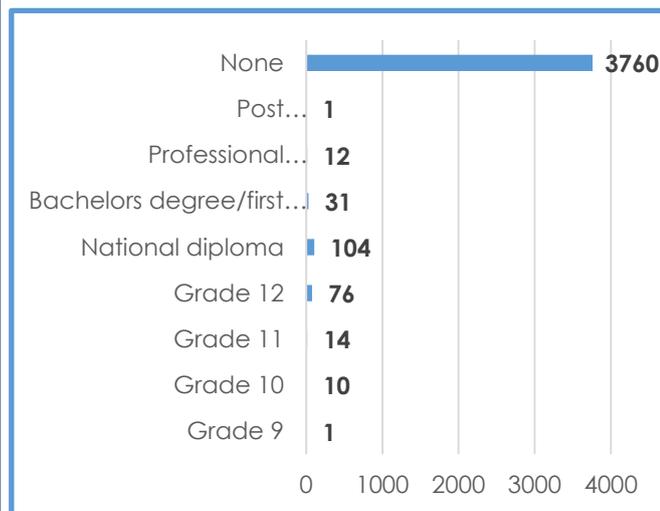
	Values
Grade R	255
Grade 1-3	1 713
Grade 4-6	6 639
Grade 7-9	22 968
Grade 10-12	44 157
N1-N6	926
Cert/dip less matric	150
Dip/cert. with matric	1 461
Higher	1 398
Dip/bachelor/Masters/PHD	
Other	15
No Schooling	2 643
Total	82 323

As in Frances Baard, majority (53.6%) of the youth population in ZF Mgcawu have education levels between Grades 10-12. Thus equally important to caution however that not all youth within these levels necessarily completed and thus possess a matric certificate.

A second large fraction (42%) of youth have education levels below Grade 9, this includes those youth with no form of schooling at

1.4 ESSA (Dept. of Labour)- Education (NQF)

Registration as a job seeker per education level



According to the ESSA database, there are currently 4009 registered unemployed youth in the region. Ninety three (93.8%) of these have no qualification, whilst only 4% and 2 % have post matric and matric qualifications respectively.

LABOUR PROFILE...

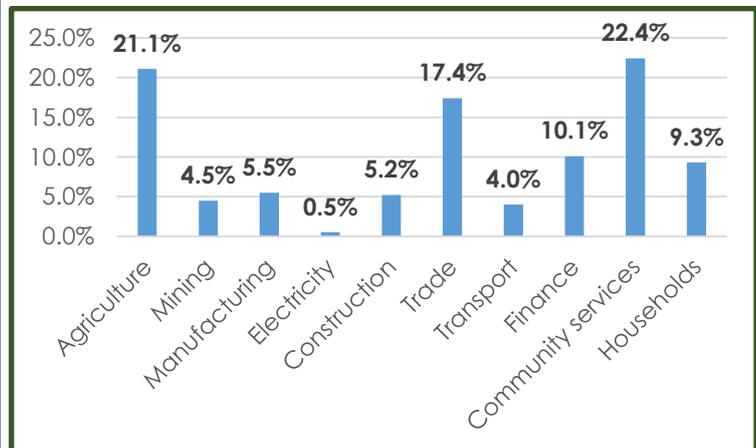
all. Essentially almost half the youth in ZF Mgcawu drop out of the schooling system before senior secondary level.

Less than 5% possess post matric education levels.

The implications of the education levels are a possibly excessive supply versus demand of elementary and or semi skills within the region. More so, considering that not all those who entered the secondary schooling actually finished.

Specifically to the region, the key types of skills mismatch are skills shortage, skills gap, vertical mismatch and under education⁴. Thus structural unemployment in the region is a resultant confluence of these.

Employment per sector



Source: IHS Global Insight, 2014

Tertiary sector is the leading employer in ZF Mgcawu, followed by the primary sector. Interesting to note agriculture is an important jobs' provider. Whilst the tertiary sector provides most jobs, primary sector accounts for just as much jobs. Interesting to note prominent role of private households in employment in this region. The job provision of manufacturing and construction and absorption of semi and elementary skilled youth.

⁴ See page 8.

4.3 Namakwa District Municipality

LABOUR PROFILE

1.1 Youth Employment (Statistics SA)

	2011
Population (15-34 years)	35 804
Gender	
Male	18 531
Female	17 271
Labour Force	18 993
Employed	14 163
Unemployed	4 830
Not economically active	14 409
Discourage Work seeker	2 400
Rates (%)	
Unemployment rate	25.0%
Employed/ Population ratio (absorption)	39.0%
Labour force participation rate	53.0%

Namakwa has the least youth population in the province, which is male (52%) dominated. Only 53% of the regions' youth population is in the labour force (**participation rate**), with 40% not economically active.

Youth unemployment in the region is 25%, whilst the employment absorption rate is 39%.

1.2 Sectoral composition

	2008	2013
Primary	36.5%	27.1%
Agriculture	12.7%	10.7%
Mining	23.9	16.4%
Secondary	3.4%	2.7%
Manufacturing	1.5%	0.3%
Electricity	0.3%	0.4%
Construction	1.6%	1.9%
Tertiary	60.1%	70.2%
Trade	16.6%	19.1%
Transport	9.5%	11.6%
Finance	12.4%	10.9%
Community Serv	21.5%	10.9%
Total Industries	100.0%	100%

Namakwa regional economic composition shows decline in both primary and secondary sectors, while simultaneously witnessing an increase in the growth of the tertiary sector. The growth in output in the tertiary sector and the declining output performance of the primary sector, partly explain labour demand shifts in the region.

The above output patterns manifest in what are known as **between-sector employment shifts**, perhaps an explanation of the overall sectoral employment trends observed in Namakwa. Heavy reliance on the tertiary sector in the region particularly **causes uneven employment gains by occupation**. Hence the occupations that capture the largest increases in this region tend to be Professionals and Managers. On the other hand, the number of workers in elementary skilled occupations decline.

The service sectors, on the whole, are more skills-intensive than the secondary or primary sectors. Hence, growth in the tertiary sector results in a skewed preference for those individuals with a greater quantum of human capital.

Equally important, is the **technological effects or**

LABOUR PROFILE

within-sector changes to regional employment. Sources of within-sector shifts include technological change in a sector that may create the need for a certain skill type over another. Technological developments thus can be cited as a possible explanation of primary sector declines in the region with implications on jobs.

1.3 Skills Supply - Youth Education Level (2011)

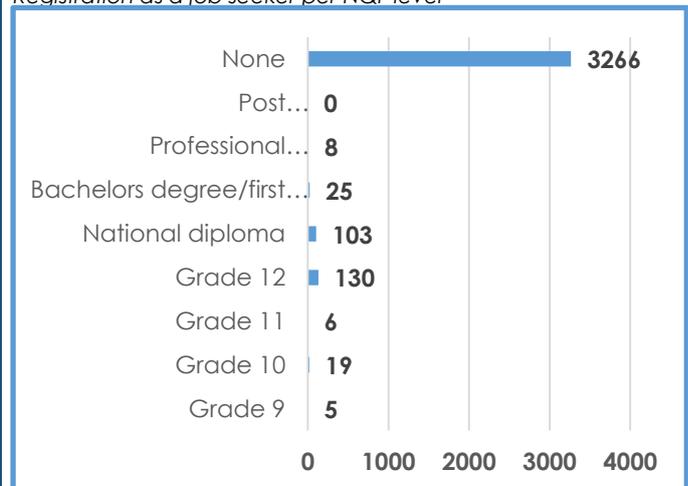
	Values
Grade R	72
Grade 1-3	453
Grade 4-6	2 154
Grade 7-9	9 876
Grade 10-12	16 455
N1-N6	501
Cert/dip less matric	90
Dip/cert. with matric	852
Higher	606
Dip/bachelor/Masters/PHD	3
Other	372
No Schooling	372
Total	31 434

As in Frances Baard and ZF Mgcawu regions, majority (52%) of the youth population in Namakwa have education levels between Grades 10-12. Thus equally important to caution however that not all youth within these levels necessarily completed and thus possess a matric certificate.

A second large fraction (40%) of youth have education levels below Grade 9, this includes those youth with no form

1.4 ESSA (Department of Labour)- Education

Registration as a job seeker per NQF level



According to the ESSA database, there are currently 3562 registered unemployed youth in the region. Ninety two percent (92%) of these have no qualification, whilst 4% have post matric qualifications.

LABOUR PROFILE

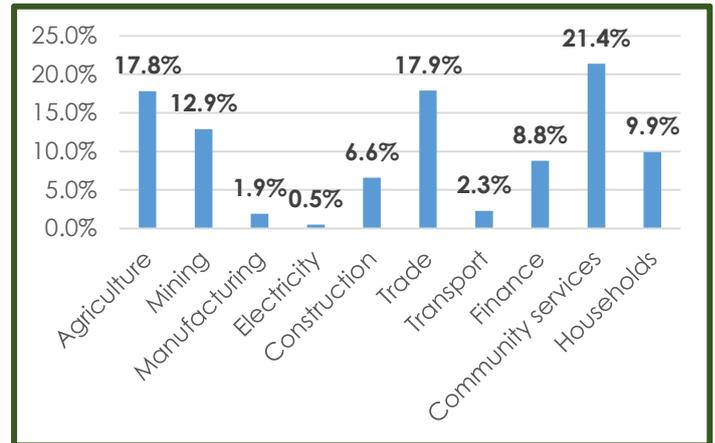
of schooling at all. Essentially almost half the youth in Namakwa drop out of the schooling system before senior secondary level.

7% possess post matric education levels.

The implications of the education levels are a possibly excessive supply versus demand of elementary skills within the region. More so, considering that not all those who entered the secondary schooling actually finished.

Specifically to the region, the key types of skills mismatch could be the vertical mismatch, a highly likely basis of structural unemployment in this region.

Employment Per Sector



Source: IHS Global Insight, 2014

In line with the structural composition shifts in the regions' economy, tertiary sector is the leading employer in Namakwa. Community services accounts for the greatest share of employment in the region, followed by Trade. Equally important to note the role of primary sector in employment, both agriculture (third largest employer) and mining (Fourth largest employer) seem to play a prominent role in the region. Private households rank the fifth. There is generally decent employment absorption prospects for the elementary skills within the region presented by the primary sector and private households.

4.4 John Taolo Gaetsewe District Municipality

LABOUR PROFILE

1.1 Youth Employment (Statistics SA)

	2011
Population (15-34 years)	78 855
Gender	
Male	38 868
Female	39 987
Labour Force	33 234
Employed	20 862
Unemployed	12 372
Not economically active	38 766
Discourage Work seekers	6 855
Rates (%)	
Unemployment rate	37.0%
Employed/ Population ratio (absorption)	26.0%
Labour force participation rate	42.0%

JT Gaetsewe has the third highest youth population in the province, after Frances Baard and ZF Mgcawu. Youth population is female dominated (51%) whilst males account for 49% of the population.

Only 42% of the regions' youth population is in the labour force (**participation rate**), with almost half the youth population 49% not economically active.

Youth unemployment in the region is 37%, second highest after Frances Baard whilst the employment absorption rate is 26, the lowest in the province%.

1.2 Sectoral Composition

	2008	2013
Primary	33.9%	70.2%
Agriculture	2.1%	2.7%
Mining	31.8%	67.5%
Secondary	1.9%	2.8%
Manufacturing	0.8%	0.3%
Electricity	0.3%	1%
Construction	0.7%	1.5%
Tertiary	14.1%	27%
Trade	2.9%	5.1%
Transport	1.3%	2.6%
Finance	3.2%	5.6%
Community Serv	6.7%	13.7%
Total Industries	100.0%	100%

The JT Gaetsewe regional economy is significantly anchored on the primary sector, particularly mining. Mining trends have shifted making the industry to accounts for two thirds of the regional economy, safe to conclude that regional economy is carried by mining.

Interestingly, between 2008 and 2013, all the three sectors in this region have shown a rise in their output patterns.

It is important to caution against the technological effect associated with reliance on primary sector. Improvements in input processes result in poor employment intensity. Thus diversification of this regions' economy is very crucial.

1.3 Skills Supply- Youth Education Level (Census 2011)

	2011
Grade R	144
Grade 1-3	1 518
Grade 4-6	5 577
Grade 7-9	18 801
Grade 10-12	41 688
N1-N6	2 574
Cert/dip less matric	198
Dip/cert. with matric	1 950
Higher	1 287
Dip/bachelor/Masters/PHD	9
Other	2 916
No Schooling	76 662
Total	76 662

As in Frances Baard, ZF Mgcawu and Namakwa regions, majority (54%) of the youth population in Namakwa have education levels between Grades 10-12. Thus equally important to caution however that not all youth within these levels necessarily completed and thus possess a matric certificate.

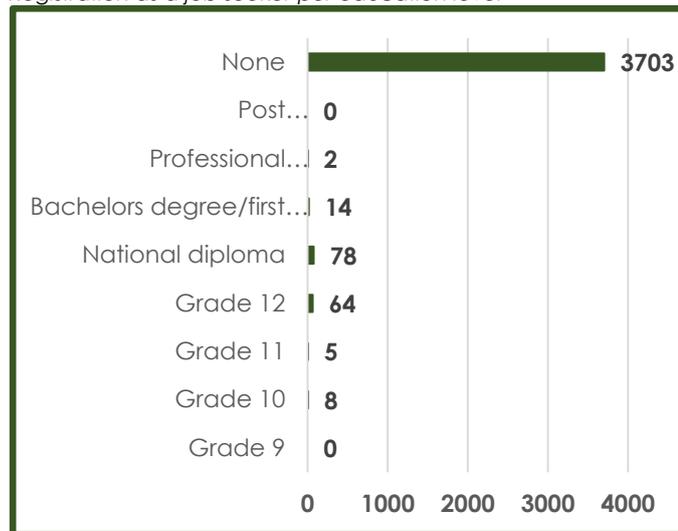
A second large fraction (38%) of youth have education levels below Grade 9, this includes those youth with no form of schooling at all. Essentially almost half the youth in JTG drop out of the schooling system before senior secondary level.

7.5% possess post matric education levels.

The implications of the education levels are a possibly excessive supply versus demand of elementary skills within the region. Whilst unskilled labour is most likely to be demanded in the mining sector, tertiary sectors (i.e. community services and trade) demand highly skilled youth which may be in less supply.

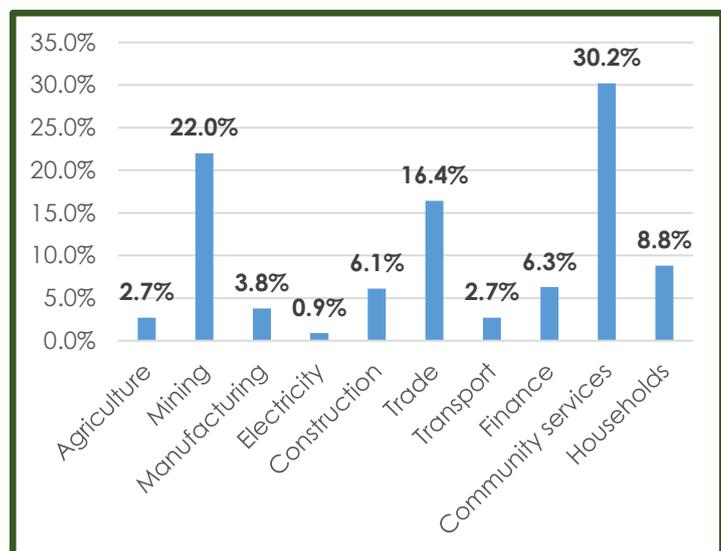
1.4 ESSA (Department of Labour)- Education

Registration as a job seeker per education level



According to the ESSA database, there are currently 3874 registered unemployed youth in the region. Ninety six percent (96%) of these have no qualification, whilst only 2% have post matric qualifications.

Employment per Sector



Source: IHS Global Insight, 2014

Contrary to the large primary sector, tertiary sector is the leading employer in in this region. Community services accounts for the greatest share of employment in the region, followed by Mining, quite expected given that mining is the anchor of the region. This is an illustration of the

Specifically to the region, all types of skills mismatch are likely the basis of structural unemployment in this region.

between sector employment interface as mining clearly creates lesser jobs than the labour market demands.

4.5 Pixley Ka-Seme District Municipality

LABOUR PROFILE

1.1 Youth Employment (Statistics SA)

	2011
Population (15-34 years)	60 324
Gender	
Male	30 666
Female	29 658
Labour Force	30 819
Employed	19 920
Unemployed	10 899
Not economically active	25 394
Discourage Work seeker	4 113
Rates (%)	
Unemployment rate	35.0%
Employed/ Population ratio (absorption)	33.0%
Labour force participation rate	51.0%

Pixley Ka Seme has the second least youth population in the province. Youth population is male dominated (51%) whilst females account for 49% of the population.

51% of the regions' youth population is in the labour force (**participation rate**),

1.2 Sectoral composition

	2008	2013
Primary	23.2%	17.4%
Agriculture	22.8%	17.2%
Mining	0.4%	0.2%
Secondary	12.2%	13.3%
Manufacturing	3.0%	0.8%
Electricity	7.6%	10.9%
Construction	1.7%	1.8%
Tertiary	64.9%	69.3%
Trade	10.6%	10.3%
Transport	11.4%	11.6%
Finance	11.2%	10.1%
Community Serv	31.3%	37.3%
Total Industries	100.0%	100%

The Pixley Ka Seme regional economy shows declining dependence on the primary sectors, (decline over the period 2008-2013) while simultaneously witnessing a steady rise in the growth of both secondary and tertiary sectors. It is important to mention that secondary sector in Pixley Ka Seme is the highest in the province.

The growth in output in the tertiary sector and the declining output performance of the primary sector, partly explains labour demand shifts in the

with almost half the youth population 42% not economically active.

Youth unemployment in the region is 35%, third highest whilst the employment absorption rate is 33%.

region. The above output patterns manifest in what are known as **between-sector employment shifts**.

Heavy reliance on the tertiary sector in the region particularly **causes uneven employment gains by occupation**. Hence the occupations that capture the largest increases in this region tend to be Professionals and Managers. On the other hand, the number of workers in elementary skilled occupations decline.

The service sectors, on the whole, are more skills-intensive than the secondary or primary sectors. Hence, growth in the tertiary sector results in a skewed preference for those individuals with a greater quantum of human capital.

1.3 Skills Supply - Youth Education Level (2011)

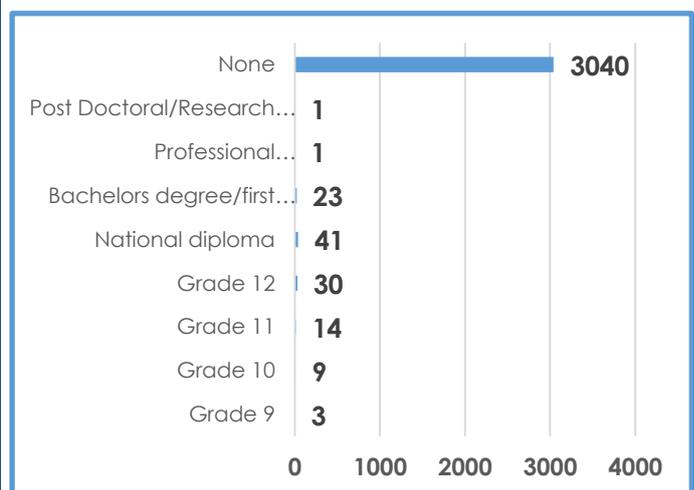
	2011
Grade R	120
Grade 1-3	1 422
Grade 4-6	5 241
Grade 7-9	14 949
Grade 10-12	29 994
N1-N6	390
Cert/dip less matric	87
Dip/cert. with matric	843
Higher	1 005
Dip/bachelor/Masters/PHD	12
Other	12
No Schooling	1 416
Total	55 470

As in the previously discussed regions, majority (54%) of the youth population in Pixley ka Seme have education levels between Grades 10-12. Thus equally important to caution however that not all youth within these levels necessarily completed and thus possess a matric certificate.

A second large fraction (42%) of youth have education levels below Grade 9,

1.4 ESSA⁵ (Department of Labour)- Education

Registration as a job seeker per NGF (Education level)



According to the ESSA database, there are currently 3162 registered unemployed youth in the region. This is the least number of registered unemployed youth in the province. Ninety six percent (96%) of these have no qualification, whilst only 2% have post matric qualifications.

⁵⁵ Unemployed youth registered on the ESSA data base from November 2014 to March 2015.

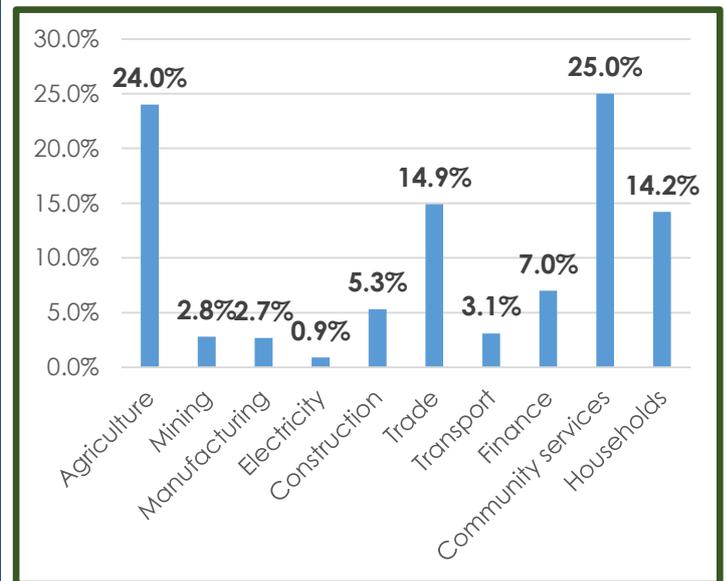
this includes those youth with no form of schooling at all. Essentially almost half the youth in this region drop out of the schooling system before senior secondary level.

Less than a percentage of youth in this region possess post matric education levels.

The implications of the education levels are a possibly excessive supply versus demand of elementary or semi-skilled youth within the region. There is possibly a high scarcity of skilled labour which is likely demanded by the tertiary sector.

Specifically to the region, all types of skills mismatch are likely the basis of structural unemployment in this region.

Employment per Sector



Source: IHS Global Insight, 2014

The Tertiary sector is the leading employer in this region. Community services accounts for the greatest share of employment, followed by agriculture in the Primary sector. Employment absorption in agriculture appears not as fast paced as desirable to absorb the elementary skills in the region.

5 Skills Demanded by the Economy

This section lists the skills required by the companies operating in the Northern Cape. In the 2014/15 financial year, Research and development conducted telephonic interviews with Kumba Iron Ore to get a sense of the industries' skills demand. Further, information on skills demanded by the Northern Cape economy was sourced from different strategies such as the manufacturing and renewable energy strategies.

5.1 The Manufacturing Sector

The manufacturing sector has the ability to create high number of jobs and according to the Northern Cape FET College the following labour skills in the

manufacturing sector are in particularly high demand in the country (Department of Economic Development and Tourism, Northern Cape, 2012).

Table 1: Skills required by the manufacturing sector

Description	Category
1. Motor mechanic	Mechanical
2. Fitter (general)	Mechanical
3. Diesel mechanic	Mechanical
4. Integrated manufacturing line machine setter and minder	Mechanical
5. Electrician	Electrical
6. Panel beater	Mechanical
7. Confectionary baker	Food processing
8. Welder	Mechanical
9. Millwright	Electrical
10. Motorcycle/ Scooter Mechanic	Mechanical
11. Chef	Food processing
12. Toolmaker	Mechanical
13. Plumber (general)	Construction
14. Automotive Electrician	Electrician
15. Aircraft Maintenance Technician (mechanical)	Mechanical
16. Fitter and Turner	Mechanical
17. Boilermaker	Mechanical
18. Vehicle Painter	Mechanical
19. Refrigeration Mechanic	Electrical
20. Sheet Metal Trades worker	Mechanical

Description	Category
21. Precision Instrument Maker and Repairer	Instrumentation
22. Metal Machinist	Mechanical
23. Motor Vehicle Body Builder	Mechanical
23. Plastics Manufacturing Machine Setter and Minder	Mechanical
24. Reinforced Plastics and Composite Trades Worker	Mechanical
25. Electrical Lines Worker/Mechanic	Electrical
26. Bricklayer	Construction
27. Electronic Instrument Trades Worker	Instrumentation
28. Textile, Clothing, Footwear and Leather Mechanic	Mechanical
29. Clothing, Footwear and Leather Patternmaker	Textiles
30. Mechatronics Technician	Instrumentation
31. Special Class Electrician	Electrical
32. Optical Mechanic	Beneficiation
33. Lift Mechanic	Electrical
34. Telecommunications Technicians	Instrumentation
35. Saw Maker and Repairer	Mechanical
36. Pressure Welder	Mechanical
37. Glazier	Construction
38. Carpenter and Joiner	Construction
39. Binder and Finisher	Printing
40. Screen Printer	Printing
41. Graphic Pre-Press Technical Worker	Printing

Description	Category
42. Business Machine Mechanic	Instrumentation
43. Jeweller	Beneficiation
44. Cabinetmaker	Beneficiation
45. Painting Trades Worker	Construction
46. Wood Machinist	Beneficiation
47. Boat Builder and Repairer	Mechanical
48. Upholsterer	Textiles
49. Electronic Equipment Trades Worker	Instrumentation
50. Dressmaker or Tailor	Textiles
51. Cable (Data and Telecommunications)	Electrical
52. Electroplater	Electrical
53. Blacksmith	Mechanical
54. Locksmith	Mechanical
55. Engineering Patternmaker	Mechanical
56. Gasfitter	Construction

Source: (Department of Economic Development and Tourism, Northern Cape, 2012)

5.2 Renewable Energy Sector

According to the Provincial Renewable Energy Strategy, the facilitation and development of renewable energy projects, large or small, needs skills and expertise at different stages of project development and execution. The range of skills required are numerous, the majority of these though are skilled and highly skilled professions that require proficient training that can be provided by Universities and Further Education Training (FET) colleges (Department of Economic Development and Tourism, Northern Cape, 2013).

Table 2: Skills requirement for the development of the renewable energy industry

	Skills required	
Government	Economists	Business Administrators
	Planners	Project Managers
	Policy making	Researchers
	IT Professionals	Legislators
Equipment Manufacturing	Software Engineer	Manufacturing Engineer
	Modeller	Industrial Mechanic
	Factory Manager	Certifier
	Quality Assurance Expert	Manufacturing Technician
	Procurement Professional	Logistics
	Sales Personnel	Marketing specialist
	Manufacturing Operators	Equipment Transporters
	Logistics operators	
Construction and Installation	Civil Engineers	Business Developers
	Mechanical Engineers	Commissioning Engineers
	Electronics Engineers	Project Managers
	Welders	Plumbers
	Electricians	Foreman and supervisors
	Construction Labourers	
Operation and Maintenance	Plant Manager	Measurement & Control Engineers
	Operators	Technicians
	Security	Cleaning
	Developer	Lawyer
	Resource Specialist	Assessment Debt Financier Representative
	Architects	Atmospheric Scientist

Project Development	Project Designer	Land Development Advisor
	Site Evaluators	Public Relations Officers
	Environmental Consultants	Lobbyist
	Land use Negotiators	Mediators
	Facilitators	Procurement Specialists
General Support	Educators & Trainers	Trade Associations
	Management	HR Professionals
	IT Professionals	Accountant and Auditors
	Insurers	Publishers/ Science writers
	Scientists and Researchers	
	Sales and Marketing	
	Health and Safety Consultants	

Source: (Department of Economic Development and Tourism, Northern Cape, 2013)

5.3 Mining Sector

Mining remains one of the dominant industries in the Northern Cape, with big mining companies like Anglo American's Kumba Iron-Ore, Assmang and Petra Diamonds operating in the province. The mining sector require the following skills among others:

Table 3. Skills required to develop mining sector.

Sector : Mining	Skill Required
	Mine Engineers
	Metallurgical Engineers
	Mechanical Engineers
	Industrial Engineers
	Civil Engineers
	Geologist
	Mineral Surveyors

	Mining Technicians
	Boilermakers
	Winding Engine drivers
	Diesel Mechanics
	Operators

The skills mentioned above are not the only ones mining houses look for, however the companies spend substantial amount of money funding bursaries and internships in the above mentioned skills.

5.4 Square Kilometre Aray (SKA) Project

The SKA South Africa project, including the MeerKAT telescope, is one of the biggest science and engineering projects in South Africa. The SKA therefore represents an unrivalled opportunity for the development of very high level skills and expertise in Africa. This will allow Africa to be a significant contributor to the global knowledge economy. In order to design, construct, operate and maintain these radio telescopes for scientific research. Below are the skills required.

Table 4. Skills Requirements Square Kilometre Aray (SKA)

Project: SKA	Skills Required
	Researchers: Radio Astronomy
	Data Scientists
	Engineers (electronics, electrical, mechanical, mechatronic, computer)
	Technicians
	Artisans

5.4.1 Capacity Development

SKA SA project introduced various capacity development programmes aimed at creating the required skills for MeerKAT and the SKA. To date SKA SA has provided nearly 500 grants and bursaries to postdoctoral fellows, postgraduate and undergraduate students doing science and engineering degrees and research at universities, university of technology and to TVET students training to be artisans.

The following sub-sections will briefly discuss some of these interventions made by SKA SA to capacitate the project.

5.4.2 Youth into Science and Engineering programme

In 2005 the South Africa SKA project initiated a targeted youth into science and engineering programme to develop highly skilled young scientists and engineers. The young people supported by this programme will serve South Africa and African partner countries, in the future key areas of economic development in addition to their participation in blue skies scientific research⁶.

The programme offers comprehensive bursaries to students in the following streams:

- a) Engineering
- b) Mathematics
- c) Physics
- d) Astronomy

5.4.3 Undergraduate and Honours Bursaries

According to SKA website, they offer undergraduate and honours bursaries to students who wish or are studying towards any of the following degrees:

- Bachelor of Electronic Engineering
- Bachelor of Electrical and Electronic Engineering
- Bachelor of Electrical Engineering, with a strong focus on Electronic Engineering
- Bachelor of Mechanical Engineering
- Bachelor of Mechatronic Engineering
- Bachelor of Computer Engineering
- Bachelor of Science with co-majors in Mathematics/ applied Mathematics

Students who have achieved a minimum C in Mathematics and Physical Science in Grade 12 or a minimum 60% for major subjects at undergraduate level. This can pose a challenge to potential candidates in the Northern Cape as the majority of learners are studying Mathematical Literacy instead of pure Mathematics. In addition, if Sol Plaatje University was offering various engineering streams and courses related to SKA, it would benefit from these

⁶ sourced from SKA Africa website www.ska.ac.za

bursaries and be a source of research relating to radio telescope and astronomy.

5.4.4 Postgraduate Bursary Programme

SKA South Africa invites applications from students for PHD and MSC/MEng bursaries. Potential candidates must have completed/ are completing an undergraduate or master's degree which is relevant to scientific and technical goals of the SKA and MeerKAT radio telescopes.

5.4.5 Young Professional Development Programme

In order to give academically excellent science and engineering graduates and postgraduates opportunities to work for the South African SKA project, the Young Professional Development Programme was established in 2014. These young professionals are involved in various exciting research work. Potential candidates must have a bachelor's degree or a national diploma and are recruited as interns on a one year contract, after which they are funded to complete an honours/B Tech degree, on a full time basis.

Furthermore, young professionals with relevant postgraduate qualification are recruited for a period of three years, and if appropriate are supported to study towards a PHD degree.

5.5 Agricultural Sector

As mentioned before the agricultural sector remains a crucial sector for the Northern Cape economy, with it being the third largest employer in the province. According to (AgriSeta 2014) having a large pool of unskilled workers has an impact on the agricultural sector, particularly the farming. The National Development Plan, New Growth Path and Industrial Policy Action Plan all speak to increasing employment and boosting skills in the agricultural sector. The Following top 10 critical skills has been identified by AgriSETA for the agricultural sector.

Table 5. Agricultural skills required for the agricultural sector.

Occupation	Specialisation/Alternative Title
Veterinarian	Animal Doctor; Veterinary Epidemiologist; Veterinary Parasitologist; Veterinary Pathologist and Veterinary Surgeon

Agricultural Scientists	Agronomists, Plant Breeders, Plant Pathologists, Animal Scientists, Plant Scientist , Soil, and Pasture Scientists
Farm Manager	Agronomy, Horticulture, Crop, Livestock Mixed Crop and Livestock, and Ornamental Horticultural Managers
Agricultural Produce Inspectors	Meat Inspector, Fruit and Vegetable Inspector, Produce Inspector, and Quality Controller
Agricultural Engineer	Agricultural Product Process Engineer, Irrigation Engineer, Agricultural Structures and Facilities Engineer, and Crop Production Mechanisation Engineer
Industrial Machinery Mechanic	Agricultural Machinery Mechanic, Farm Machinery Repairer,
Mobile Plant Operators	Agrochemical Spraying Operator, Tractor driver, Harvester Operator, and Farm Equipment /Machinery Operator.
Operations Managers	Abattoir Manager, Abattoir Veterinarian, Feedmill Manager, Sugar Mill Manager, Pet Food Mill Manager, Seed Processing Plant Manager
Mixed Crop and Livestock Farm Worker	Agronomy, Horticulture, Crop, Livestock Mixed Crop and Livestock skills
Research and Development Manager	Product Development Manager, Research Managers
Agriculture Consultant	Agriculture Extension Officer

Currently AgriSETA has 94 registered learnerships that are designed to address the scarce skills identified. As a way of addressing scarce skills AgriSETA provides bursaries to qualifying candidates learning programmes for critical skills identified, among other interventions. ⁷The Northern Cape Department of Agriculture, Land Reform and Rural Development is currently offering the following external bursaries targeting critical and scarce skills in the province.

- Agricultural economist
- Agricultural engineer

⁷ Sourced from Department of Agriculture Land Reform and Rural Development-Northern Cape , <http://agric.ncape.gov.za>

- Soil scientist
- Veterinary Science
- Animal Science Technologist
- Food Scientist
- Viticulture and Oenology
- Entomologist

Funding is provided for tuition, registration, accommodation and prescribed study material.

In closing, the above section strives to drive across is that the regional skills profiles generally clash with the economic skills needs. The structural compositions and shifts per regions also clutter labour market proficiencies. Tertiary sector as the overall provincial employer, followed by the primary sector has a high skills needs bias to the detriment of the abundant elementary skills supply in the province.

6 Government Programmes

Government has set up program after program designed to skill and prepare the youth for the labour market. Also in response to the persistent skills shortage, the Government made education and skills development a major pillar of Accelerated Shared Growth Investment for South Africa (AsgiSA) by introducing several measures intended to halve unemployment and poverty by 2020 and implementing of the Joint Initiative for Priority Skill Acquisitions (JIPSA) which aims to address priority skills shortages through a variety of means including organising special training programmes. Section 4 of the report narrated the various types of skills mismatch causing structural unemployment in each district. This section of the report lists some of the government programs created to combat youth unemployment. The list is by no means exhaustive but picks on the most important.

6.1 National Youth Development Agency (NYDA)

One organisation that specifically targets youth development is the National Youth Development Agency (NYDA). NYDA offers a number of relevant training programmes, funding for entrepreneurs and job placement programmes.

Some of the programmes they currently run are **Solomon Mahlangu Scholarship Fund**, which aims to provide financial support to youth in the form of scholarships to improve their chances of accessing quality higher education, and to increase chances of employability or entrepreneurship. **The Business Consultancy Services Voucher Programme (BCSVP)** provides young entrepreneurs, one-one business development support ranging from R6000-R18000, from an accredited service provider. **NYDA Grant Programme** starts from a R1000 up to R100 000 and aims to provide financial and non-financial support to youth entrepreneurs that display potential to grow.

The NYDA Second Chance Programme: offers youth who have failed matric, another chance to obtain their National Senior Certificate. **NYDA SEFA Fund** provides loans at prime less 3% to youth owned businesses that operate in industries falling within the IDC and Sefa mandates. The National Youth Service (NYS) aims to involve and establish effective ways to develop the abilities of youth through service and learning. It also aims to improve youth employability through opportunities for work experience and skills development (www.nyda.gov.za).

6.2 Expanded Public Works Programme (EPWP)

Expanded Public Works Programme (EPWP) focuses on offering poverty relief to the unemployed, which includes youth, women and people with disabilities through temporary work, and was launched in April 2004. Through Public Employment Programmes (PEPs), the unemployed are able to participate in various government programmes within their local communities.

The programme exists in four sectors namely that of; non-state, infrastructure, social and environment and culture. In 2011 the EPWP Artisan Development Programme was launched in the Northern Cape, with 100 recruited learners, On the 31 July 2014, forty learners graduated in the three year Artisan Development programme. The aim was for learners to acquire skills in artisan trades such as, turning, fitting, boiler making, electrical and welding. These learners were placed at the Nuclear Energy Corporation of South Africa for their theoretical training and at various mining companies for workplace training. Programmes such as these are important in addressing the existing skills gap in the Northern Cape and the country as a whole (www.epwp.gov.za).

6.3 The National Rural Youth Service Corps (NARYSEC)

This programme was initiated in 2010 and aims to recruit and develop skills within youth, so that they are able to provide services to their respective communities. Young people are provided with training through various Further Education and Training Programmes. This programme focuses on rural

communities and therefore recruits learners from rural wards, and at the same time affords youth the opportunity to provide services within their rural communities. Overall this programme aims to decrease unemployment in the rural areas, to increase literacy and skills in rural areas and to increase disposable income of youth within rural areas. The programme includes among other; soft skills (mentoring), work place training, character development, skills development (construction etc.) and life skills training.

In the NARYSEC programme, an applicant goes through 8 phases, of which the first phase is recruitment and the last phase deployment in the community or community service phase. During the last phase the learner has two options, one is to be deployed at a workplace and the other is to be a job creator. In the case of being a job creator, young people will be assisted with identifying job opportunities, mentoring etc. Throughout the programme young people receive a stipend.

The above programmes are focused on developing education and skills among youth and creating opportunities for employment and improving employability (www.gov.za). The key to success of such programmes is coordination and cooperation among all stakeholders across sectors in order to ensure the effective and efficient use of resources that are invested in developing young people and improving employment prospects.

6.4 Youth Employment Subsidy

Employment subsidies are incentives that aim to accelerate job creation and raise employment. They form a central feature of labour market policies in many countries through lowering the cost of labour to an employer or raising the wage a worker receives. This stimulates job creation and higher employment. Through assisting the unemployed into formal, well-regulated employment, employment subsidies also contribute toward the creation of decent jobs.

7 Why is the provincial youth still highly unemployed?

In theory the government programmes listed in section 6 above are exactly what Northern Cape needs. The question is, why then is the youth unemployment rate still high? There is no doubt that NYDA programmes are all-encompassing and comprehensive yet have been ineffective in combating provincial youth unemployment. EPWP is mostly a temporary relief with job opportunities but has also not combated the provincial youth unemployment. One of the reason cited for its failure is its implementation approach. In general, more often than not, there is a lack of knowledge of how these programmes work and as a result job placement rarely happens.

The main reason why these government programmes have been ineffective in the Northern Cape, is the deep rooted endogenous and exogenous labour market deficiencies within the province. **Employment prospects in the province are constrained by co-existence of low teaching standards (exogenous) and high drop-out rates (endogenous).**

One thing consistent in all the regional profiles of unemployed youth is that majority of the provincial youth population drop out at the primary school level (Grade 9 and below, including no schooling). This problem is exacerbated by the shifts in structural compositions of regional economies that make traditional sectors tactless as job creators. Sectoral shifts result in a gap between real wages and productivity in the province, and this is particularly high for young and lower-skilled workers, due to poor education, low skills and a lack of work experience, and contributes to the problem of youth unemployment. Business institutions thus tend to be reluctant to hire what they see as inadequate potential.

This evident **lack of a learning culture**, in all regions in the province weakens the government programmes effectiveness. Additional to the high dropout rates, is the lack of spirit of entrepreneurship. The current understanding and approach to business principles among some youth and adults, hampers programmes directed at entrepreneurship. The demand side route in the province thus fails to reduce youth unemployment which then calls for a need to focus on the supply side interventions. Interventions directed at addressing the dropout rates are necessarily the best way to tackle current provincial supply side deficiencies.

The second reason why these government programmes have been ineffective as a solution is the deficiencies in the South African education system. The deficiencies of the education system are a fundamental constraint on the quality of young workers looking for jobs and limit a young person's ability to find decent employment. Education data suggests that continuation rates from Grade 11 to completing secondary school are low and that the quality of schooling is poor. It is evidence based that, employment prospects and absorption rates improve with education in the province. In other words, those that achieve Grade 12 and above, have improved employment prospects particularly with the tertiary sector as the prominent job provider in the province. This emphasises the importance of getting more young people to achieve higher levels of academic or vocational schooling. Improved employment prospects are particularly evident for those attaining some level of tertiary education but regional

education enrolment and completion **from high school to tertiary schooling is low.**

Until there are improvements to ensure those who enter the schooling system complete at matric, those that drop out from school and **school leavers who do not pursue further education and training will struggle to be absorbed into the labour market.** Moreover, the poor functioning of further education training institutions and the contribution of SETAs is another paramount concern. This is one reason why then these government programmes become ineffective on their own to combat provincial youth unemployment.

One more supply side explanation for the persistent unemployment in the province despite the government interventions, is the reservation wage. Simply put, the wage offered is not high enough to attract the unemployed to take up the job. This is particularly true for the graduate unemployed youth. Graduate youth enter the labour market with unrealistically high expectations of the type of work available and the money they are likely to make. They feel more deserving and time to shop around until they find a job that meets their expectations.

By implication the youth employment subsidy fails to have the desired uptake. Whilst employers are willing to hire, graduate youth practice '**preferred unemployment**'. But this is not the biggest challenge the province faces.

8 Conclusion

Taking into consideration the fact that regional profiles of unemployed youth in the Northern Cape Province, reflect that the majority of youth in the province leave school at primary level (includes no schooling and grade 9 and below), improving overall education levels is critical. This includes ensuring an increase in the number of youth who complete their secondary level education, specifically those who complete grade 12, as well as the number of youth with post matric qualifications. In the short term, it includes improving education and training among those youth who are transitioning from school to employment.

Existing and future programmes focusing on job placement for unemployed youth should take into consideration the current profile of youth unemployment within the Northern Cape Province, particularly taking into consideration the regional perspectives outlined in the report. Improvements

in the current education system as well as tailored programmes will prove invaluable in addressing the faced challenge of youth unemployment.

The sectoral distribution of employment as published by Statistics South Africa [StatsSA] reveal that the tertiary sector is the employment pillar of the Frances Baard, Namakwa and Pixley Ka Seme District Municipalities, while the primary sector is the lead contributor in John Taolo Gaetsewe and Z F Mgcawu mainly due to the reliance on mining and agriculture by the two districts. Developments in the provincial labour market reflect an increase in the demand for higher level skills, while the demand for low level skills and the jobs that use such skills are declining fast. The sectoral compositions and shifts also cause the clash in skills demands and supply. Investments in the province the SKA suggest that job opportunities may emerge, thereby boosting the sectoral contribution towards employment. Additionally, with the Northern Cape being identified as the solar hub of the country, the number of renewable energy projects in the province will also give rise to the number of jobs created in the abovementioned sector. All worthy of noting the possible role these can play in addressing youth unemployment. Skills development initiatives should necessarily be more aligned to each region in the province.

9 Recommendations

- Develop programmes to increase the number of youth who are completing grade 12 level education. These programmes should consider the reasons why young people are dropping out of school. Alternatively, support the dropouts to fit within the economic demands.
- Provide comprehensive career guidance at schools and intensify efforts to develop entrepreneurship.
- Intensify bursary programmes to increase the number of youth with post matric qualifications.
- Competitive wages should be offered to skilled employees, in order to retain and attract skills in the province.
- Increase support for internship, apprenticeship programmes in sectors requiring specific skills, especially in the Primary and Tertiary sectors. The FET colleges and SETAs are important stakeholders in this respect.

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