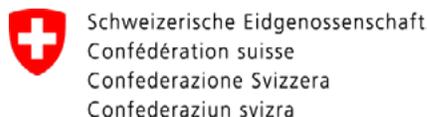


Strengthening 21st Century Skills is a Viable Pathway to Improving Youth Labor Market Outcomes in South Africa:

An Impact Evaluation of the Youth Employment Services (YES) Program

The President of South Africa has identified youth unemployment as the largest problem facing the country. Twenty million South African youth,¹ equivalent to one-third of South Africa's total population, suffer from the highest youth unemployment rates globally. Two-thirds of the labor force aged 15-24 are unemployed or discouraged workers, meaning that they have given up on a fruitless job search.² The most disadvantaged unemployed are Black South African youth with low education levels who lack work experience.

The combined core elements of YES – work experience and skills training – aim to contribute to the development of more confident young people who are better prepared to enter the workforce.



The Project

Jobs entry conditions are tough for disadvantaged youth in a tight labor market. South African employers prefer to hire employees who have at least completed a secondary school education and one year of work experience. Yet, over 47 percent of South Africa's unemployed youth have education levels below secondary (termed "Matric" in South Africa) level education³ and most youth have not held a job. However, growing evidence globally and in South Africa⁴ demonstrates that 21st century skills – non-technical skills which include executive function skills and socioemotional skills – rival technical skills in their ability to positively impact employment and earnings,⁵ and may be the single most important predictor of a new employee's success, providing a new entry point for disadvantaged youth.⁶

To address the youth employment crisis, in 2018 the South African Presidency launched new initiatives to provide work experience and 21st century skills to vulnerable youth. Through a collaboration between businesses and the South African government⁷ the Youth Employment Services (YES), a homegrown non-for-profit organization, was established to improve the employability of 400,000 disadvantaged, unemployed youth through 12-month private-sector paid work experiences.⁸ Beneficiaries also receive 12-months of 21st century skills and work-readiness training that is self-paced and available through phone-based apps. The combined core elements of YES – work experience and skills training – aim to contribute to the development of more confident young people who are better prepared to enter the workforce – and more attractive to future employers. As of November 2022, the YES program had provided skills training and 12-month paid work experiences to over 92,000 youth.

The Evaluation

The World Bank and YES, with financial support from the Swiss Development Cooperation (SECO), carried out an impact evaluation to empirically explore whether disadvantaged youth, randomly selected into the YES program, showed improvements in their 21st century skills and labor market outcomes (employment and wage earnings post-YES) compared to youth who were randomly not selected into the program.⁹ If the program is successful, we would find that YES youth who participated in the program, acquired 21st century skills, and had better work outcomes (Figure 1, colored blocks).

FIGURE 1: THEORETICAL (COLOR BLOCKS) AND ESTIMATED (WHITE BLOCKS) LOG FRAME



The research team¹⁰ collected data on youth and a subset of YES employers from January 2019 to September 2021. Data were collected through surveys of 15,000 youth when they registered for the YES program. A random sample of approximately 1,500 YES youth (treatment group) and 1,500 youth that registered but did not go through the program (control group) were created. Of this sample, 909 YES youth (in the treatment group) and 440 non-YES youth (in the control group) completed an endline survey 8-12 months after their initial registration and after they had completed the YES program. Both the treatment and control groups were assessed for their 21st century skills in a baseline and endline survey (Table 1).

TABLE 1: 21ST CENTURY SKILLS INCLUDED IN YES TRAINING

Proactive Skills	Self-Regulation	Interpersonal Skills	Positive Self-Concept	Work Satisfaction
<ul style="list-style-type: none"> • Decision making • Openness • Motivation • Resilience/Grit • Growth Mindset 	<ul style="list-style-type: none"> • Self-control • Emotional Stability • Stress Management • Conscientiousness • Attention to detail • Time Management • Workgroup • Emotional Intelligence Profile 	<ul style="list-style-type: none"> • Dealing w. conflict • Teamwork • Extraversion • Agreeableness 	<ul style="list-style-type: none"> • Self-esteem • Well-being • Self-efficacy • Locus of control • Sense of belonging 	<ul style="list-style-type: none"> • Attitudes Towards Work • Employee Satisfaction

The Results

The study finds that vulnerable youth can learn 21st century skills and that acquiring these skills improves their employment outcomes. Three main conclusions emerge from this study, as presented in Figure 1 (white blocks).

- 1 First, work experience and training can increase job-relevant 21st century skills in disadvantaged South African youth.** The evaluation found that the YES program increased levels of Proactive Skills and Positive Self-Concept. For example, program beneficiaries were 8 percent more likely than the control group to report higher self-efficacy, namely having a sense of belief in oneself, which translates to self-confidence in the ability to achieve outcomes on the job. They were also 5 percent more likely than the control group to report higher growth mindset, which is a belief in being able to grow and improve abilities through hard work. Research using data from other countries finds that self-efficacy and growth mindset significantly contribute to more productive and successful workers.¹¹ Employers of YES participants confirm that they value employees who have these skills.
- 2 Second, 21st century skills matter for labor market outcomes for disadvantaged South African youth.** YES program participants had a 6 percent greater likelihood of acquiring a job after completing the program than youth who were not selected into the program. They were also 29 percent more likely, upon getting a job, to earn a wage higher than that paid in the YES program, as compared to working non-YES participants. The wage gains were even greater among participants who had completed secondary (matric) school, as compared to those who had not completed matric. The impact of the YES program on earnings is, on average, higher than global findings in meta-analyses of programs that also deliver training and work experience (“mixed” programs).¹²
- 3 Third, the rate of return on the YES program is sufficiently high that the program pays for itself in less than four years.** YES youth reported earning an additional R1,186 (US\$76) per month in their post-program jobs as compared to the control group. If we assume constant returns over time, the program will pay for itself after 43 months (3.6 years).¹³



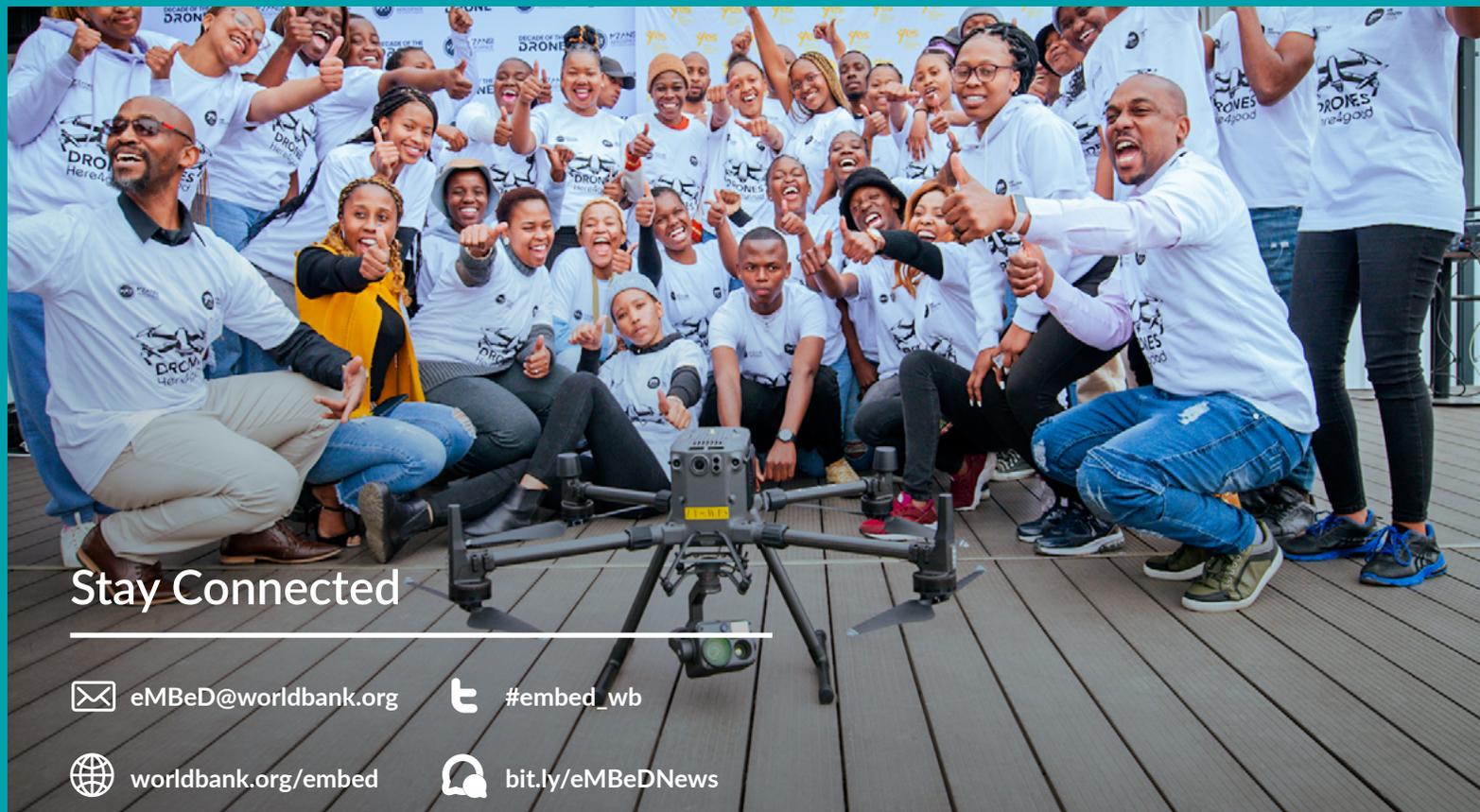
Policy Implications

The ability of the YES program to improve and develop key job-relevant skills is an important finding given limited evidence on the effectiveness of skills interventions with disadvantaged youth in a program delivering heterogeneous work experiences and non-mandatory skills training. This may be due to the unique features of the South African labor market, which is characterized by high youth unemployed, very limited job growth, and limited work experience among young people. Youth who can differentiate themselves by acquiring (through training) and practicing (through the 12-month work placements) 21st century skills may be more attractive to post-program employers.

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Adjustments to on-going programs can help South African youth to develop 21st century skills. While many employment programs in South Africa have incorporated this training, some of the largest programs do not. For example, public works and wage subsidy programs, that serve more than 1.3 million beneficiaries annually, could be more effective by including 21st century skills development into their service offering. Such training can be incorporated into existing work-focused program packages. For example, the World Bank team developed a set of work readiness e-Learning courses for unemployed youth called “Pathways” (available at pathtosuccess.ml) to this end. “Pathways” is currently being pilot tested with workseekers in South Africa.





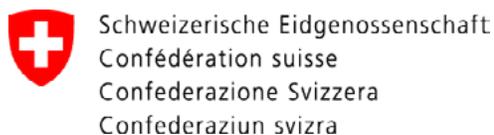
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- We use the term "work experience" rather than "job" since the salaried position is created for the purposes of this program rather than solely based on enterprise needs. YES places significant emphasis on recruiting private sector companies to host these positions for a 12-month work experience for youth participating in the program. A YES youth receives an average monthly salary of R4,500 (US\$300) over the 12-month work experience, with a minimum salary of R3,700/month (US\$250, tied to the minimum wage of R3,500 (US\$239)).
- In a separate, YES youth-only sample, the World Bank studied the impact of the core elements of the YES program –type of work experience and training on the employability (skill development) of the youth and their labor market outcomes. Please contact authors for more information.
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- The cost for companies to place or host a youth through the one-year program varies depending on salary paid, YES administrative fee, fixed costs such as technology and hardware, and any additional training the company provides in-house. The lower bounded cost is R48,200 over the year (US\$3,285).

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