



Get to Know the Jobs Fund Series

Welcome to the *Get to Know the Jobs Fund* series. In this series we will focus on: the Challenge Fund as an innovative funding instrument; why in 2011 the Jobs Fund was conceptualised as a Challenge Fund; how the Fund operates; who it targets and partners with; the eight funding rounds held to date; the four funding windows; the importance of Monitoring, Evaluation, Reporting & Learning; and replicable & scalable job creation models.

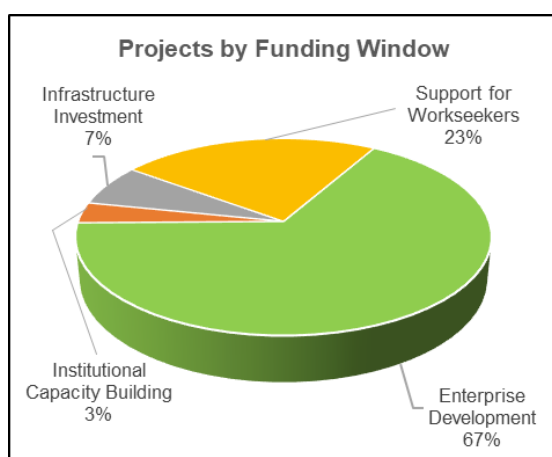
#4 - Support for Workseekers Funding Window: Pathwaying young people into the labour market

The Jobs Fund was established in 2011 to inspire innovation in the face of several challenges government was experiencing, including the lack of innovative and flexible public instruments to leverage private sector resources and test solutions to social challenges. The National Treasury recognised the versatility of the Challenge Fund instrument in addressing a wide range of social and economic challenges through collaboration. **The Jobs Fund was established with a broad mandate to intervene across sectors to support interventions that focussed on addressing systemic barriers** in the labour market, the Fund was allocated R9 billion in grant funding for this purpose. For more detail on how Challenge Funds operate, refer to the [Get to Know the Jobs Fund Article #1](#), the Jobs Fund Partnerships refer to the [Get to Know the Jobs Fund Article #2](#), and the eight funding rounds completed to date refer to the [Get to Know the Jobs Fund Article #3](#).

To catalyse innovation and investment on behalf of a range of economic stakeholders the Jobs Fund intervenes in the labour market from both the labour demand and labour supply sides, it does this through four funding windows: 1) Support for Workseekers, 2) Infrastructure Investment, 3) Institutional Capacity Building, and 4) Enterprise Development.

This article focuses on the Support for Workseekers funding window, which comprises approximately a quarter of the Jobs Fund's portfolio of 146 projects. This funding window supports projects that actively link workseekers to formal sector opportunities and job placement. The overall goal is to improve the quality and supply of labour, with the prioritisation of initiatives that are aimed at facilitating rapid access to employment and work-related training for unemployed youth.

According to the latest Stats SA Quarterly Labour Force Survey (QLFS) report, the unemployment rate increasing by 0.5 percentage points to 34.9% in Quarter 3 of 2021, the highest unemployment rate recorded since 2008. As with the previous periods, marginalised groups, including youth, have continued to be disproportionately impacted. A further concern is that almost one in three South Africans receive a social grant as a sole source of income, this does not bode well for South Africa's long-term economic sustainability. **Support for Workseekers initiatives promote the pathwaying of young people from social grant dependence to productive earning.**



Support for Workseekers projects address specific barriers that have the potential to unlock employment growth, which include:

- 1 The chronic gap between the capabilities of the unemployed and labour demand,
- 2 The lack of work readiness and relevant skills of unemployed youth, and
- 3 Employers' perceptions of risk in hiring individuals who have never worked before.

The Jobs Fund and its partners have been solving for these challenges through the implementation of a range of interventions, which attempt to address, in the main, the market failure of a chronic mismatch between the skills of new labour and what is required by employers. Despite the positive gains achieved, the persistent structural and macro-economic challenges remain a barrier to

employment growth. The mandate of the Jobs Fund was not to address these structural issues neither was it intended to be a mass employment programme, rather the intent was to catalyse innovative solutions that could be piloted, replicated and scaled.

Workseeker interventions better prepare young people for the workplace by providing work readiness training, appropriate skills development, opportunities to gain work experience and better matching to employer demand. Jobs Fund supported interventions that recognise the critical importance of **correctly identifying the skills and behaviours that are required by employers** and tailoring interventions to meet those needs. Correct matching also helps to change the perceptions of employers regarding first-time labour market entrants; if the first-time employee is well-suited to the role, the environment and the organisational culture, staff turnover is reduced as are employer costs.

When it comes to aligning training to the job opportunity creating an ecosystem of support is invaluable because it allows for access to the labour market through multiple pathways e.g. further education, starter jobs, building youth resilience through access to psycho-

social services all of which contribute to a more effective labour market. **Adopting a holistic approach to youth development has persistent effects, young people become more resilient, have appropriate skills, are more effective at navigating the labour market and ultimately are able to shorten the periods where they are not connected i.e. they are better able to transcend their NEET status.**

Jobs Fund workseeker support projects have had success with matching beneficiaries with placements in the retail, services and business process outsourcing (BPO) sectors, all of which have the potential capacity to absorb significant numbers of low and semi-skilled labour. The BPO sector, in particular, has good potential for growth given its comparative advantages in the global market.

Some examples of Jobs Fund supported workseeker projects are highlighted below:



CCI South Africa – Careerbox & Workforce Development Centre

Objective: To establish Careerbox as a skills development catalyst for the BPO sector.

The project offers education and training services to previously disadvantaged, unemployed, unskilled, and inexperienced youth. This results in improving skills levels in the sector and supports the transitioning of our labour into the digital economy, at scale.

The delivery model enables it to impact source, recruit, train, and place large groups of candidates into employment within 2-6 weeks.



CAPACiTi 1000 & CiTi Catalysing and Stimulating Tech Job Creation

Objective: To capacitate disadvantaged youth with in-demand technology and business skills in the ICT industry and permanently place successful candidates within South Africa's leading companies.

CapaCiTi programmes not only provide meaningful opportunities for young South Africans to participate in the digital economy, but also provide companies with job-ready young talent to diversify their teams and reduce recruitment and retention challenges.



Accelerating Inclusive Youth Employment

Objective: To improve the mismatch between available work opportunities and first-time work seekers. In addition, to effectively assist in the management of youth into appropriate pathways in their employment journeys.

Job seekers are empowered through bridging programmes that include personal development, technical skills enhancement and placement into sustainable formal employment.

Employers gain access to previously inaccessible pools of talent – through the application of pragmatic bridging and assessment approaches that go beyond numeracy and literacy testing.

With the Jobs Fund's support, Harambee piloted a Social Impact Bond placement model: A financing mechanism for social outcomes where investors provide upfront capital for services and a government agency repays investors contingent on outcomes achieved.



Automotive Industry Development Centre

PRIME: Programme for Industrial and Manufacturing Excellence

Objective: To up-skill unemployed black engineers and channel them into suitable manufacturing jobs in the automotive sector.

Qualified engineers undergo a 12-month graduate development programme and are placed with host employers upon successful completion of the programme.

The engineers acquire practical skills that are aligned to set industry standards and are thus able to perform at the required level. This assists in reducing imported skills and builds a home-grown talent pool.

PRIME continues to produce graduates that will be absorbed into the broader South African automotive industry – assisting the industry to remain globally competitive.

South Africa's National Development Plan identifies a number of strategies to support pro-job economic growth which includes the creation of a labour market that is more responsive to economic opportunity. The Jobs Fund's Support for Workseekers funding window aligns with this strategy, as it directly addresses the issue of developing skills that are in demand. It also actively promotes the entry of young people into the labour market.

The Jobs Fund recognises the critical role of the private and non-state sectors in the pathwaying of youth into jobs. To demonstrate the catalytic effect of partnerships for the benefit of youth, the Jobs Fund established a COVID-19 support fund for its existing partners, through this intervention together with its project partners the Fund was able to provide COVID-19 support to over 600,000 beneficiaries in a short period of time, the majority of which included young people. The Harambee Youth Employment Accelerator, a longstanding Jobs Fund Partner, has supported more than 600,000 of these beneficiaries through their online support platform SAYouth.mobi which supported youth to access COVID-19 support services and other job-related information digitally, this has proven to be a very successful and far-reaching initiative. The Jobs Fund together with Harambee and others are working on scaling this digital platform as a key intervention of the newly launched Presidential Youth Employment Intervention.

As youth unemployment rates soar, at 66.5% for youth aged 15 to 24 and 43.8% for youth aged 25 to 34 (QLFS Quarter 3 of 2021), scaling opportunities for youth is non-negotiable, every effort must be made to put youth at the centre of our planning and implementation of development programmes. A siloed approach is not acceptable; **the collaboration between the private, public and non-state sectors is a prerequisite for a solid foundation to rolling out sustainable youth employment solutions.**

