

NEW GROWTH PATH: ACCORD 6

YOUTH EMPLOYMENT ACCORD



economic
development

Economic Development Department
REPUBLIC OF SOUTH AFRICA

INTRODUCTION

On 18 April 2013, a 2000 strong crowd of young people cheered as representatives from Government and social partners signed the Youth Employment Accord at Hector Pieterse Memorial in Soweto.

The Accord sets out the joint commitment to prioritise youth employment and skills development. This booklet contains the text of the Accord.

The Accord is one in a series of social pacts that are intended to help achieve the New Growth Path goal of five million new jobs by 2020.

The parties will now work together to implement the Accord and report on their progress on a regular basis.

This Accord has been signed on behalf of the following social partners:

- **Organised labour:** comprising of COSATU, FEDUSA and NACTU, represented by Sidumo Dlamini, Dennis George and Narius Moloto;
- **Business** represented by Jabu Mabuza of Business Unity South Africa (BUSA), Ndaba Ntsele of the Black Business Council (BBC) and Thero Setiloane of Business Leadership South Africa (BLSA).
- **Community constituencies at NEDLAC**, comprising organisations of women, civic structures, people with disabilities and cooperative organisations, represented by Dumisani Mthlale;
- **Youth Organisations** represented by Thulani Tshafuta (South African Youth Council), Mzwandile Masina (ANC Youth League), Themba Masondo (SASCO), Thapelo Maleke (SA Youth Chamber of Commerce), Buti Manamela (YCL), Collen Mpyane (Alliance of Youth NGOs), Gana Makashule (DA Youth), Tumelo Zwane (SAYRO), Itumeleng Madisha (SACSA), Thabo Majola (SA Union of Students) and Mxolisi Sonti (SACC Youth Forum);
- **Government** represented by Ministers Collins Chabane (Performance Monitoring and Evaluation), Blade Nzimande (Higher Education and Training), Lindiwe Sisulu (Public Service and Administration), Gugile Nkwinti (Rural Development and Land Reform), Thulas Nxesi (Public Works), Edna Molewa (Water and Environmental Affairs), Ebrahim Patel (Economic Development), Richard Baloyi (Cooperative Governance and Traditional Affairs), Rob Davies (Trade and Industry), Susan Shabangu (Mineral Resources) and Mildred Oliphant (Labour).

Our gratitude goes to the leaders of the constituencies who made this Accord possible and to Nedlac for the support given in the process.

Ebrahim Patel

Minister of Economic Development

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YOUTH EMPLOYMENT

ACCORD

GUIDE TO THE ACCORD

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Young South Africans born in 1994 will turn 20 during 2014 when our democracy celebrates two decades of freedom. They will in many cases be ready to join the labour market. We have a responsibility therefore to young people to expand their opportunities for employment.

This Youth Employment Accord addresses that responsibility. It brings together the collective efforts of young people themselves, with government, the private sector and organised labour.

It focuses on improving skills, because better education helps to make young people more employable. It focuses on work exposure, to give young people the chance to learn what the world of work is about.

It provides for more jobs for young people, based on concrete commitments by the public and private sectors. Government will ensure changes to the conditions that apply in public programmes and publicly-funded initiatives to ensure young people are given opportunity, as entrepreneurs, as employees, as trainees.

I call on all South African to join hands, roll up our sleeves and implement the commitments in this Accord.

President Jacob Zuma



We recognize that only collaboration and co-operation between the youth themselves, government, business and labour can address the challenges we face around joblessness.

The approach to youth employment as contained in the Accord is based on the common recognition by our social partners that more jobs need to be created to ensure that the total number of South Africans employed is significantly stepped up.

I want to stress the urgency with which we need to carry out this task. Our long-run economic development and growth objectives can only be sustained if more people, and especially the youth, see the benefits.

Deputy President Kgalema Motlanthe



The signing of the Youth Employment Accord marks a milestone in building a national consensus for the development of our nation. Our obligation is to translate these ideals into tangible results, working with social partners. Our commitment is to absorb young people as interns in the public sector.

Minister Lindiwe Sisulu *Minister of Public Service and Administration*



The Accord is a significant step towards fighting the stubborn challenge of unemployment. It requires a collective effort to make a success of it, the same vigour which was displayed during the negotiations should be applied to its implementation. We celebrate all social partners for drawing this road map for our country, particularly for our young people.

Minister Collins Chabane *Minister of Performance Monitoring and Evaluation*



The Accord represents a collective pledge to cooperate and to empower a new generation of young people with skills and decent jobs. Providing jobs to the youth is not an act of charity but a fundamentally necessary means to realise our nation's economic goals. Our economy needs young people as much as young people need jobs. As an immediate step to implement the Accord, the Industrial Development Corporation (IDC) has now set up a R1 billion Youth Enterprise Fund.

Minister Ebrahim Patel
*Minister of Economic
Development*



The Youth Employment Accord provides an opportunity for us to bring more young people into the Expanded Public Works Programme. This is important for providing youth with opportunities for work experience. We pledge our full support to employing youth to gain work opportunities in the EPWP and through our artisan training programme.

Minister Thulas Nxesi
Minister of Public Works

Achieving decent work for young people is a critical element of progress towards social stability, wealthier economies and stronger democracies. Growth is indispensable but can no longer be the sole criteria for the economy hence the need for employment. Through this Accord, the collective creates a platform for the transition of youth into decent work opportunities.



Minister Mildred Oliphant
Minister of Labour

The signing of the Youth Accord represents a significant breakthrough in our efforts to increase youth participation in our economy. The Department of Health has initiated a range of interventions to empower our youth, including an internship programme with a two-year employment contract to develop a capable workforce for among others the National Health Insurance (NHI) system in targeted technical areas.

Minister Dr Aaron Motsoaledi
Minister of Health



One of our most pressing development challenges is to expand work opportunities for young people. There has been extensive debate on how this should be done. The answer is that a wide range of measures are needed, including further education, training, public employment opportunities and support for job creation in the private sector.

Minister Pravin Gordhan
Minister of Finance

Youth unemployment robs our young generation of an opportunity to sustain themselves and contribute meaningfully to the country's development. This calls for commensurate efforts from all sectors of our society to work together to alleviate youth unemployment. This Accord is therefore the most viable vehicle to align all sector interventions to fight youth unemployment.

Minister Edna Molewa
Minister of Water and Environmental Affairs



Young people hold the future of this country in their hands. It is a future in which science and technology will play a massive role in combating disease, slowing the pace of climate change, moving towards a lower carbon economy, and creating a better life for the citizens of the world.

Minister Derek Hanekom
Minister of Science and Technology



We need to invest in skills for young people. This will drive beneficiation of our minerals in South Africa, to create jobs and transformation of the industry. The Accord lays an excellent basis for the focus on youth. The industry must now rise to this challenge.

Minister Susan Shabangu
Minister of Mineral Resources

We accept the responsibility of leading and providing the best possible environment for youth skills acquisition, education and training as part of developing our country. This Youth Employment Accord emphasises the fact that together, we can create more employment and turn every workplace into a training space. The timing of the Youth Employment Accord is perfect.



Minister Blade Nzimande
Minister of Higher Education and Training



Local government is a key means to absorb young people into employment. The Accord opens the door for a strong partnership across government. The Community Works Programme will be used to bring young people into employment.

Minister Richard Baloyi
Minister Cooperative Governance and Traditional Affairs

We pledge our support to the Youth Employment Accord, a key milestone in addressing the unemployment of young people. The green economy (manufacturing and energy) presents enormous potential for our youth to participate. As the country's Energy Plan is rolled out, we will need more engineers, operators and artisans and we will work with young people to make use of opportunities availed to them.

Minister Dipuo Peters
Minister of Energy



A country that does not look after its youth has no future. The signing of the Youth Employment Accord demonstrates full appreciation of this fact. Empowered youth, particularly those living in rural areas, will invariably help develop their communities by building schools, bridges, roads and erect fences. We must spare no energy in ensuring the successful implementation of this historic Accord.

Minister Gugile Nkwinti
Minister of Rural Development and Land Reform



The road-building programme must be a key means of bringing young people into jobs. I will work with the provinces to ensure that this is done. The Youth Employment Accord shows us we must step up our efforts!

Minister Ben Martins
Minister of Transport



The signing of the Youth Employment Accord presents opportunities for meaningful experience of the work environment for our youth. They will gain life-long skills and the discipline necessary to make it in life. We are committed to double our efforts to grant opportunities to the youth and teach them responsibility to help them succeed in life

Minister Nosiviwe Mapisa-Nqakula
Minister of Defence and Military Veterans



Young people need to be drawn into the manufacturing and service projects of the Industrial Policy Action Plan (IPAP).

We will now review conditions applicable to our programmes to ensure that we bring the skills and energy of our youth into the centre of the economy

Minister Rob Davies
Minister of Trade and Industry

The importance of assisting young people to gain experience and skills which boost their employability and hope for the future cannot be overemphasized. We welcome the signing of the Youth Employment Accord, and commit to working together with all relevant stakeholders in its implementation. We believe an investment in education is an investment in the future.

Minister Angie Motshekga
Minister of Basic Education



We are concerned that agriculture has always been viewed as the domain of old people, predominantly white males. This perception has to change because the future of this country is in the hands of young people. To advance the execution of the Accord we pledge to inspire and retain the youth in the full agricultural value-chain, as owners and as workers.

Minister Tina Joemat-Pettersson
Minister of Agriculture, Forestry and Fisheries

Mr Thulani Tshefutha - SAYC

The signing of the Accord shows the commitment of all key players in our country towards the emancipation of youth from economic bondage and unemployment. We are fully behind this initiative and we can see the light and hope that young people will be mainstreamed in the economy

**Mr Sidumo Dlamini - COSATU President**

We owe it to the memory of all those who have lost their lives in the fight against apartheid to make a meaningful change in the lives of our people. Cosatu remains committed to working hard to ensure that our youth does get employed. With this Accord, we have taken the first step as a nation to deal with the problem.

Mr Joseph Maqhekeni - NACTU President

The signing of this Accord is a significant step in the right direction. We are pleased to be part of this move. Young people are the future of our country and full employment is key to its success. We will do whatever it takes to ensure that young people are accommodated in the available and new jobs.

**Mr Dennis George - FEDUSA General Secretary**

We support the adoption of the Youth Accord. We commit to work together with all stakeholders to deal with the structural challenges facing our economy. These challenges include poor skills, weak infrastructure and monopoly capitalism. It is important that we create stability, growth and job creation for particularly the youth.

Mr Thero Setiloane - BUSA Leader and BLSA CEO

The plague of unemployment is felt by young people who wake up every day without work, having never worked and with no prospect of getting work. As business, we welcome government's leadership and the call for collective effort in dealing with youth unemployment. A lasting solution requires cooperation among all stakeholders as encapsulated in this Accord.



Dumisani Mthlale - Nedlac Community Constituency Convenor

We are making history. We encourage the youth to drop the sense of entitlement and work to be heroes as Hector Pieterse and other young heroes did in 1976. The youth should be active participants in their own development. We pledge partnership with every sector working to realise our goal of youth empowerment and employment.



Mr Ndaba Ntsele - Black Business Council President

As the Black Business Council we believe that the signing of the Youth Employment Accord provides a platform to create an environment conducive to the development of the youth as a catalyst for new job creation, as well as the creation of an entrepreneurial cadre within the broader economic landscape.

TEXT OF THE YOUTH EMPLOYMENT ACCORD

Preamble

1. Youth unemployment is a major national challenge and needs urgent and coordinated responses to address it. Above all, a comprehensive strategy on youth employment, as part of a broader focus on expanding employment in South Africa, is necessary.
2. The social partners recall the joint commitment to create five million new jobs by 2020 and welcome positive signs of a return to employment growth over the past two years, whilst recognizing that unemployment continues at critical levels and that new challenges have emerged that impact negatively on job creation.
3. The parties now agree to work together to address youth unemployment and expand the opportunities for greater employment and empowerment of youth in the economy.
4. The approach to youth employment is based on the common recognition that more jobs need to be created to ensure that the total number of South Africans employed is significantly stepped up, that the benefits reach many more people through sustainable, decent work opportunities and to avoid youth employment schemes that simply displace older workers. At the same time, it is recognised that the absorption of young people into employment is a major challenge that must be successfully addressed.
5. The social partners and government recognise that more needs to be done, that additional urgency needs to be injected in

job-creation efforts and that a national consensus on ways to grow youth and total employment is necessary. In particular, they agree that a comprehensive strategy is necessary to achieve this.

6. Such a strategy will require that the structural challenges in the economy are addressed, including poor skills, weak infrastructure, monopolies and cartels and lack of partnerships at workplace level. Particular attention should also be given to improving basic education outcomes as weak basic education feeds poor employment and economic performance.
7. This document proposes three distinct but connected workstreams:
 - Identifying areas of immediate action on youth employment in this accord that need to be implemented from 2013
 - Using the lessons learnt from this first phase, as well as the trust that develops through practical measures, to identify additional actions on youth employment that are possible, revise targets where appropriate and scale up the programmes on youth employment, in an expanded and updated accord to be concluded in 2014
 - Commence discussions on the constraints in the economy that hinder greater job creation and inclusive growth, including the structural features inherited from our past.
8. They thus commit to this Youth Employment Accord as an important step to address the challenges of youth employment and total employment as part of the decent work agenda. This Accord is the first of a series of youth interventions that the parties will work with each other on. This is intended to build trust between the parties, demonstrate the value of focused

programmes to support young people, experiment with new programmes and address problems which may arise and use these lessons to redesign and expand the programmes to make a major impact that is required.

9. This Accord sets a number of numerical targets, for specific sectors or programmes. These targets are our common aspirations and we will work closely with each other to progressively realise them over a period of time. The timeframes within which they can be realised will be determined by experience and the successes we can reach in the first few years. We will therefore measure our impact regularly and adjust programmes in the light of experience to ensure a constant progress to higher levels of youth absorption in the economy.
10. The parties recognise that a number of social accords were concluded during 2011 and 2012 which are intended to develop joint actions on employment, **namely**:
 - The Basic Education Accord which sets out the framework for a partnership to strengthen the performance of the nation's schools. This is particularly important in the context of youth employment since a well-functioning basic education system equips young people with the foundational learning for successful subsequent training and labour market absorption
 - The National Skills Accord which develops targets and joint actions to enskill school-leavers, provide them with apprenticeship and work placement opportunities and commit parties to increase spending on skills development
 - The Local Procurement Accord which aims to support efforts to reindustrialise South Africa. The Accord is relevant to efforts to increase employment opportunities but it can also create a stronger, larger manufacturing sector and thus

provide jobs in manufacturing to young people (as entrepreneurs, as employees or as co-operators)

- The Green Economy Accord which establishes a joint vision of a greener economy, with new 'green' jobs that can be an entry point for young entrepreneurs and first-time employees into the mainstream economy
- The October 2012 Accord which addresses measures to stabilise the industrial relations environment whilst addressing the challenges of unemployment, inequality and poverty. The measures set out in the Accord need to be implemented in a manner that supports youth employment goals.

11. Each of these Accords, as well as sector charters, provide partnership opportunities to increase employment and economic empowerment of youth. The parties therefore commit to integrate their efforts in these various Accords and charters with those actions set out herein to achieve the goals of this Youth Employment Accord. The involvement of local government is important in order to ensure that the goals of promoting youth employment are addressed across the country, in urban and rural areas. This Accord will be followed by further discussions which are intended to conclude in additional commitments, and which may include updating the contents of this Accord.

Framework

The parties to this Accord agree to implement a coordinated youth employment strategy (YES) from 2013, aimed at bringing significantly larger numbers of young people into employment, using a combination of measures. **This includes:**

- building on the discussion and consensus reached by the constituents in the August and October 2012 discussions

held together with Nedlac and giving it practical effect through the terms set out herein

- incorporating appropriate support measures and incentives to ensure increased youth absorption into the economy and in training
- acceptance that youth programmes should target net new job creation and avoid displacing older workers from jobs
- Rapid rollout across the country of the youth employment strategy, which covers among others
 - Training, internships and apprenticeships
 - Private sector commitments and programmes
 - Youth brigades to give youth a chance to serve their communities, provide some work experience and training, integrate youth into a social movement, build social cohesion and earn a stipend
- Mechanisms for coordination within government, based on identifying a central coordinating department to bring together the various government youth programmes.

The elements of the Youth Employment Strategy are set out in the following six areas:

Commitment 1: Education and training

Improve education and training opportunities for the gap grouping between school-leaving and first employment.

This requires, amongst others:

- Second-chance matric programmes for those who have not passed or have poor results
- Expanding the intake of FET colleges as part of building a stronger vocational and technical skills base among young people to complement the current focus on academic training
- Developing stronger roles for SETAs and other institutions to help address the challenges faced by young people in sector and workplace training programmes
- Expanding the targets in the National Skills Accord, including for State-owned Companies.

Commitment 2: Work exposure

Connect young people with employment opportunities, through amongst others support for job placement schemes and work-readiness promotion programmes for young school leavers and provide young people with work experience.

The parties agree to build on the labour centres of the Department of Labour and the career fairs that government has introduced. This forms part of the development of public employment services in South Africa.

Private sector initiatives with employment commitments will be encouraged.

All state departments should introduce a focused internship programme, aiming at employing interns over a period of time equal to 5% of the total employment of the departments.

State-owned enterprises will develop placement opportunities for FET and University students who need work experience as part of completing their studies.

Private sector companies will be encouraged to provide a range of work-exposure programmes, which include vacation programmes, summer internships, job shadowing as well as employment of young people in permanent jobs. Large local companies will be engaged to make firm and clear commitments.

There have been successful examples elsewhere in the world of work-sharing arrangements.

This can ensure that part-time opportunities are made available to work-seekers to increase the number of persons with an income and work experience, given that the very exposure to regular work supports and builds further employability.

Commitment 3: Public sector measures

Increase the number of young people employed in the public sector, through coordinating and scaling up existing programmes under a ‘youth brigade’ programme coordinated with the National Youth Service Programme.

The following programmes should all set clear youth intake targets:

- The Expanded Public Works Programme as well as the Community Works Programme, which should aim to absorb at least 80% of new entrants from the ranks of young people
- Rural development, using among others the NARYSEC programme to help rebuild rural communities, assist with rural basic infrastructure such as fencing programmes and road maintenance as well as addressing food security programmes
- Green brigade, focused on the Working for Water, Working for Energy, Working on Fire and other environmental programmes and increasing the intake of participants in other environment protection and promotion activities
- Health brigades, to expand home-based care as well as health and wellness education to communities as part of the NHI, auxiliary services in health care facilities
- Literacy brigades to utilise young people to expand literacy training of adults
- Other suitable areas of focus as identified from time to time, such as a Maintenance Brigade to undertake small, regular maintenance of assets and premises that are not currently done adequately or at all.

Commitment 4: Youth target set-asides

Youth target set-asides need to be considered in particular industries, particularly new industries where young people can be drawn in large numbers and should be progressively realised.

These include the following:

- The solar water heater installation programme, which should be made a youth-focussed sector, employing only young people in the core new installation activities, and supporting youth cooperatives and youth-owned enterprises as providers of installation services and maintenance for the solar water heating programme
- The rest of the green economy, where at least 60% of the labour intake should be drawn from young people, and based on realising this target, the parties should endeavour to improve this further to 70%
- The infrastructure programme, where a target of at least 60% youth employment should be set for new projects and activities, together with training opportunities for young people
- The Business Process Services sector, which includes call centres, where a target of 80% of new employment should be explored and aimed for.

Commitment 5: Youth entrepreneurship and youth cooperatives
Youth cooperatives and youth entrepreneurship should be promoted.

Public agencies such as Sefa, Seda and the Jobs Fund will be encouraged to develop and strengthen dedicated programmes of support for youth enterprises and youth co-ops. Consideration will be given to the use of the BBBEE Codes to strengthen private and public sector commitment to improve youth employment. The state can assist in a number of ways, including:

- Simplified registration of cooperatives and youth enterprises
- Technical support in enterprise development
- Support with demand for products, e.g. in school nutrition programmes and in procurement programmes
- Funding support that can complement private sector finance.

Commitment 6: Private sector measures

Work with the private sector to expand the intake of young people, with targeted youth support and incentives approved by all constituencies.

It is important to improve private-sector youth absorption given that most sustainable new jobs are expected to be created in the private sector.

Business organisations have endorsed the youth employment strategy as a practical and concrete way in which partnerships can be developed. They will undertake discussions within their structures to identify specific actions that can be taken to improve youth employment.

It is agreed that such specific measures will be developed and announced by National Youth Month, June 2013 to give effect to this, with concrete commitments by participating companies.

Follow-up mechanisms and Action Plan

The targets set out in this framework need to be phased in over an appropriate period, reflecting both the urgency of youth employment and the capacity of public and private institutions, which should be enhanced.

Following this endorsement of the partnership framework by all parties, it is agreed that a Committee of Principals will be set up to develop and announce the Action Plan which will contain specific targets and timeframes to enable rollout of youth-focussed employment programmes, consistent with the above.

The first meeting of the Committee will be held during May 2013. An Action Plan for the first phase will be developed and announced by National Youth Month, June 2013.

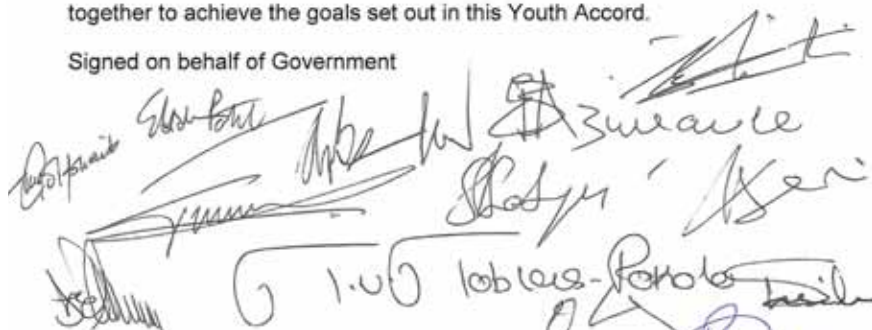
A detailed report will be tabled within 18 months on the progress that has been achieved.

A follow-up set of commitments will also be developed, based on the lessons of the first phase.

Signatures

We, representatives of our organisations, now hereby pledge to work together to achieve the goals set out in this Youth Accord.

Signed on behalf of Government



Handwritten signatures of government representatives, including names like Zuzwane and Keri.

Signed on behalf of organised labour



Handwritten signatures of organised labour representatives, with the text 'CORATU', 'NACTU', and 'FEDUSA' written below.

Signed on behalf of organised business



Handwritten signatures of organised business representatives.

Signed on behalf of community and youth formations



Handwritten signatures of community and youth formations, including names like 'Mzandile Masiva - Ainye', 'Thapelo Malabe', 'Dumisani Mthlangane', and 'Young Communist League'.





Signatories at the signing ceremony, Soweto, April 2013







Youth attending the Youth Accord signing ceremony, Soweto April 2013

Publications in the Series

1. The New Growth Path: Framework
2. Accord 1: National Skills Accord
3. Accord 2: Basic Education and Partnerships with Schools
4. Accord 3: Local Procurement Accord
5. Accord 4: Green Economy Accord
6. Accord 5: October Social Accord
7. Accord 6: Youth Employment Accord



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