

Harambee

Youth Employment Accelerator

(Case study from South Africa)

Antony Altbeker
(altbeker.a@iafrica.com)

www.harambee.co.za



harambee
WORK FOR WORK

Harambee

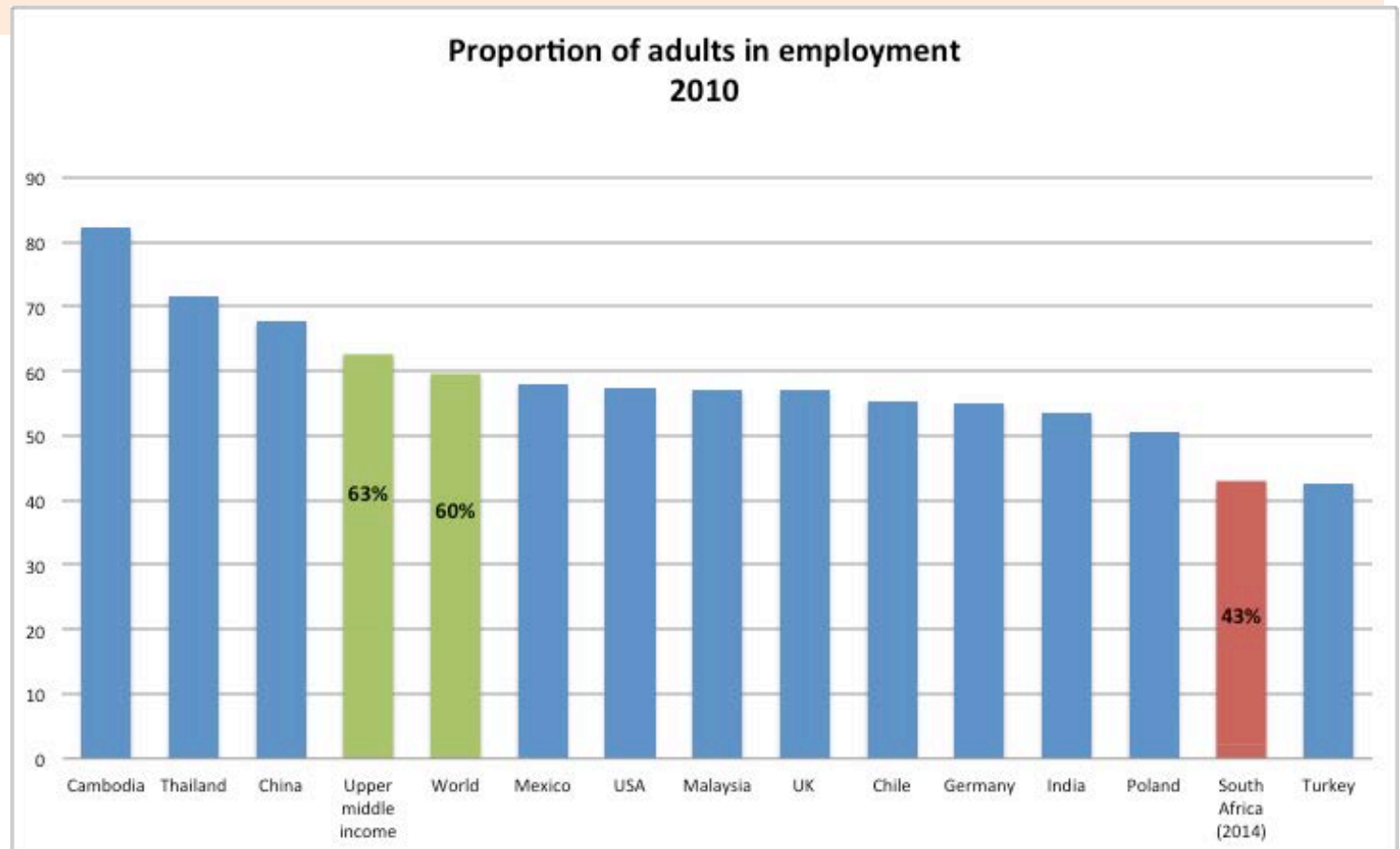
- Public-private partnership to place young people in entry-level jobs in formal sector
- Focused on young people who are most excluded
 - Multiple degrees of self-reproducing exclusion
- Who are the candidates?
 - Ave HH of 5 people, but some are 10
 - 30%+ in HHs where no adults graduated from high school
 - 70%+ in HH in which someone receives a social grant
 - 80%+ of employment in HH is low-wage/precarious
 - 15%+ live in shacks

Harambee

- Demand-led, trusted source of entry-level staff
- Work at scale
- First 4 years: 16,000 young people placed

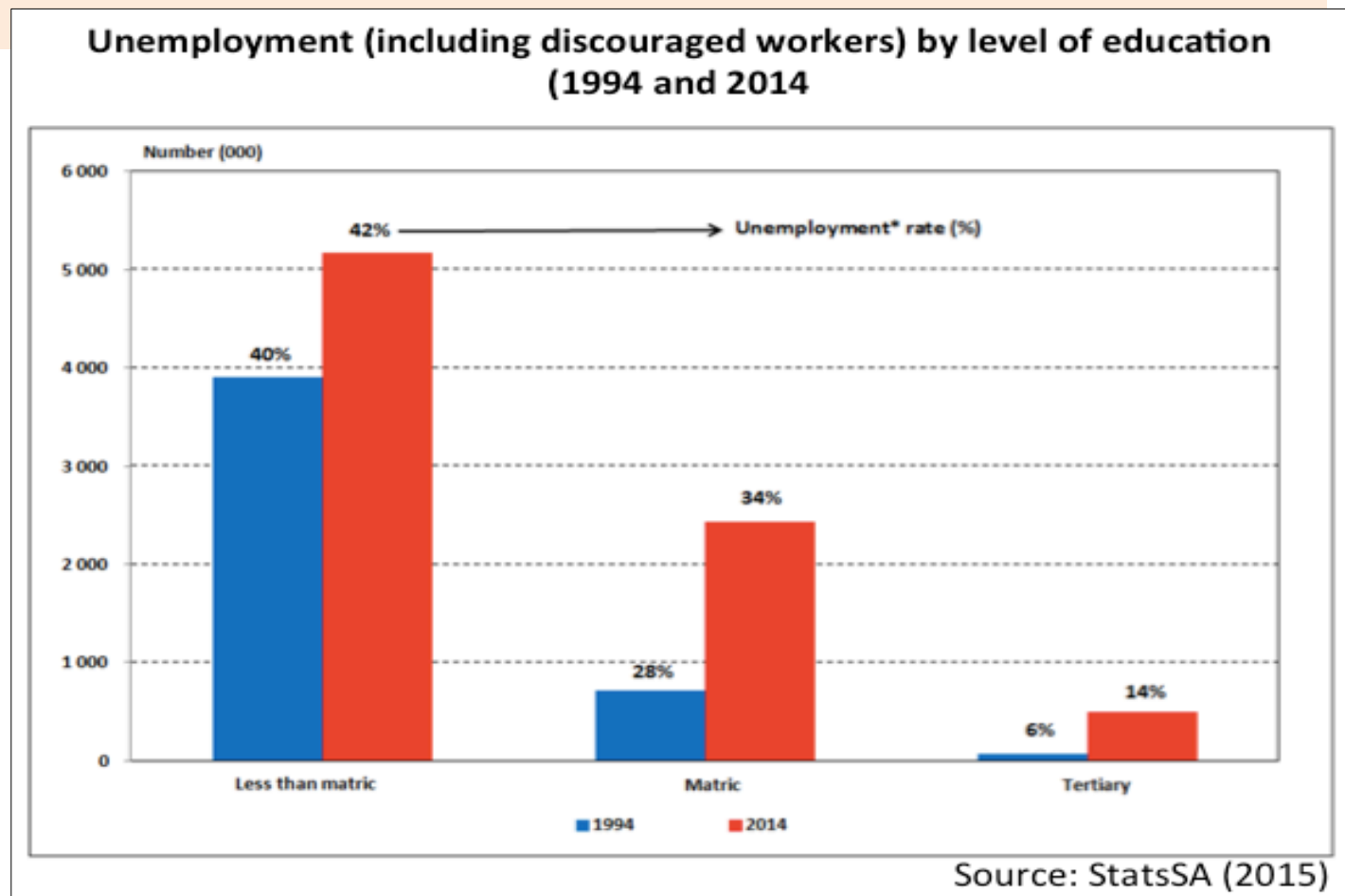
South Africa's labour market's many failures

Employment rates is among lowest in the world...



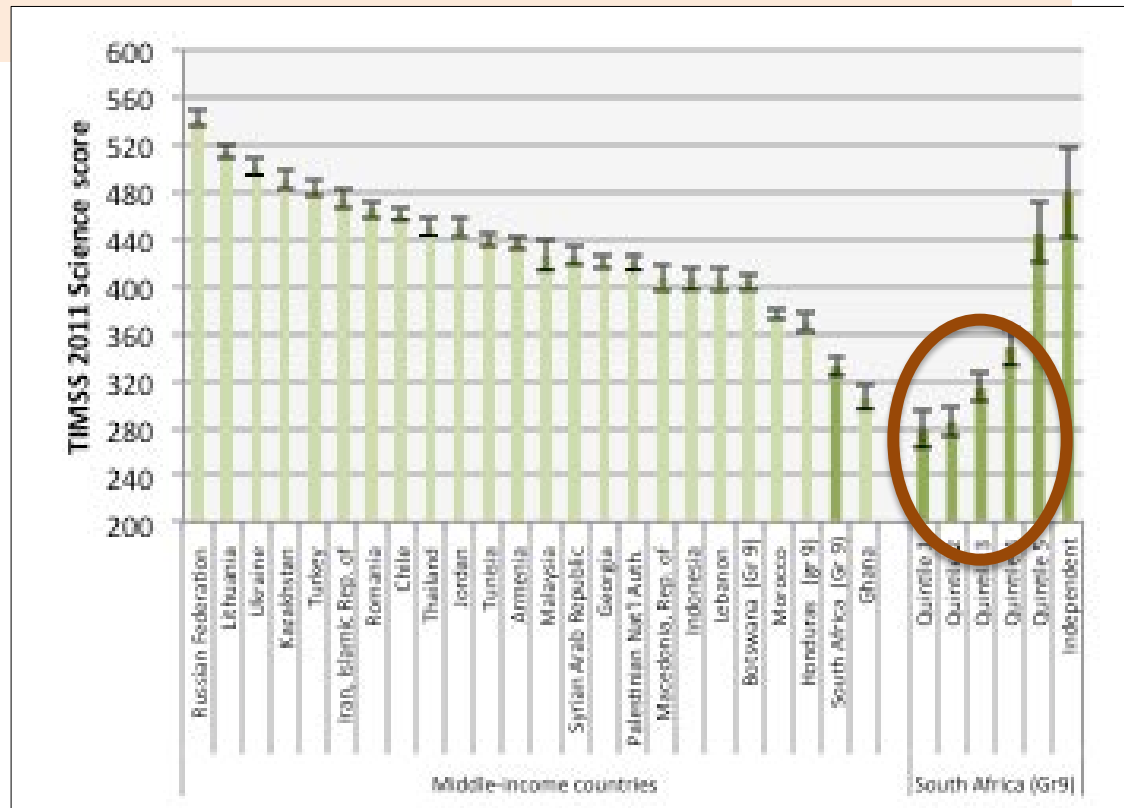
South Africa's labour market's many failures

... but the market for skilled workers is tight



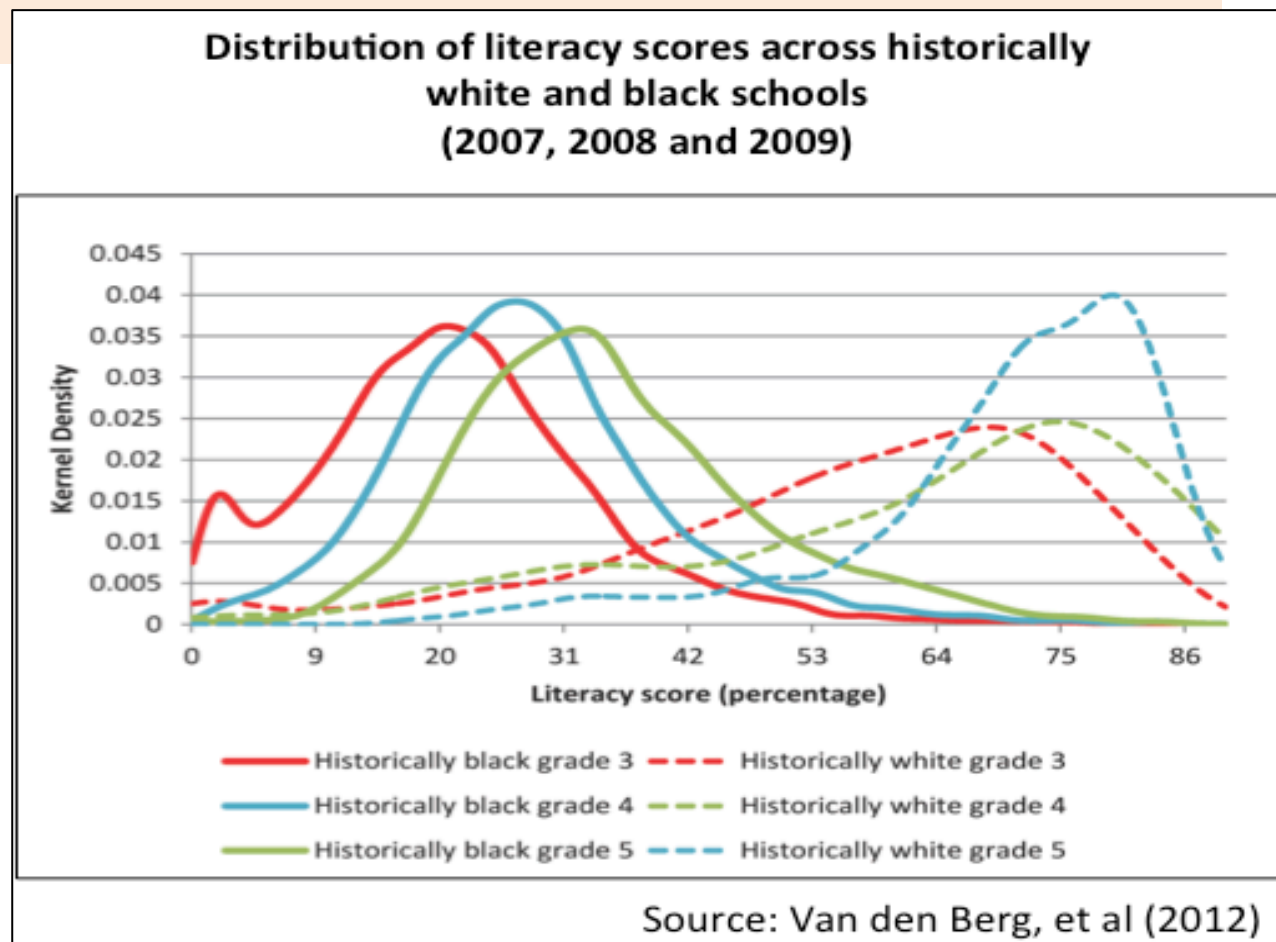
SA schools deliver terrible learning outcomes

Average maths skills far below ave for middle income countries, with big variation by income



SA schools deliver terrible learning outcomes

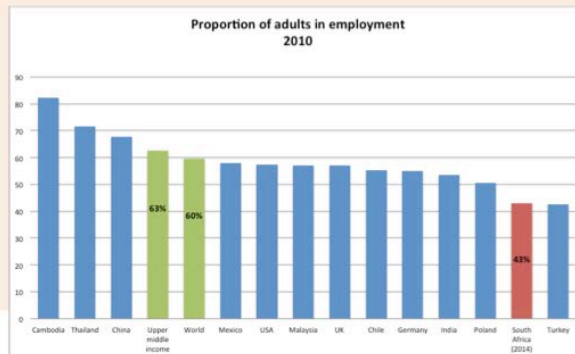
Learning outcomes very unequally distributed



Labour market mismatch!

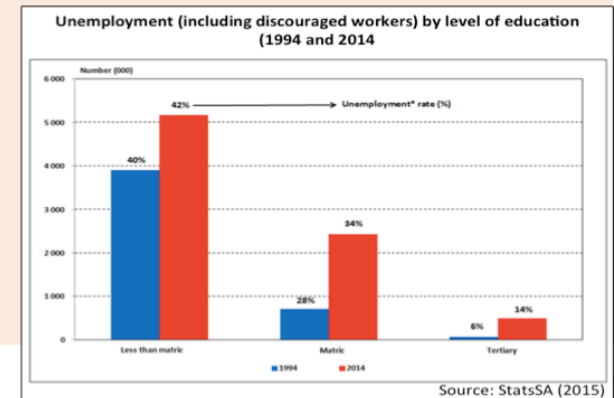
South Africa's labour market's many failures

Employment rates in SA are among the lowest in the world



South Africa's labour market's many failures

But the market for skilled workers is tight



MISMATCH: SA economy is on a high-skill/high-productivity growth path, but is severely skills constrained

Employers struggle to find work-ready recruits for entry-level jobs

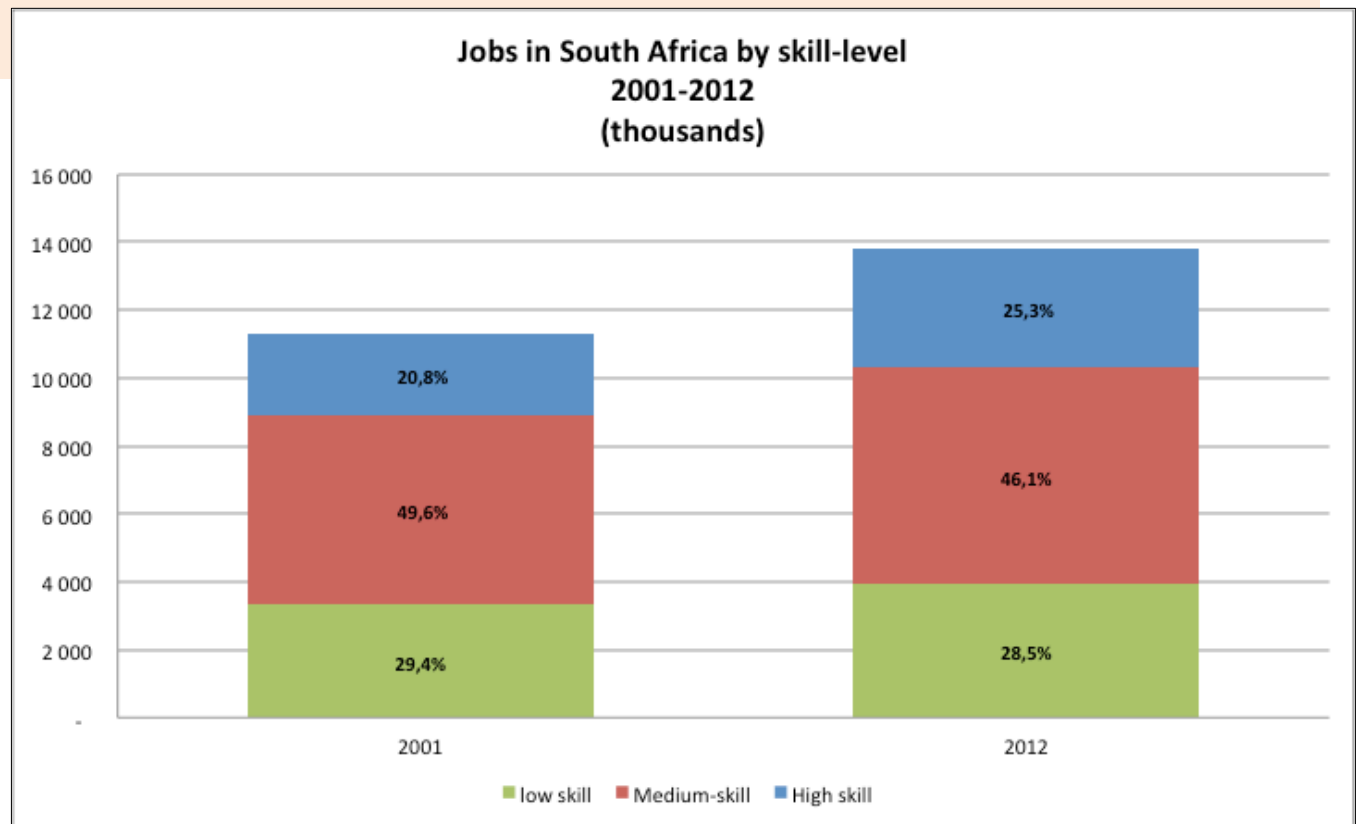
- Policy environment worsens the problem by creating bias against low-skill employment
 - Minimum wages a large proportion of average
 - ➔ preference for experienced workers
 - Difficulties of dismissing unsuitable recruits
 - ➔ preference for experienced workers

Employers struggle to find work-ready recruits for entry-level jobs

- Qualifications are poor signals of work-readiness, productivity and potential
 - Punctuality and attendance
 - Ability to take instruction and to learn on the job
 - Curiosity and energy
- Use crude proxies to assess fit

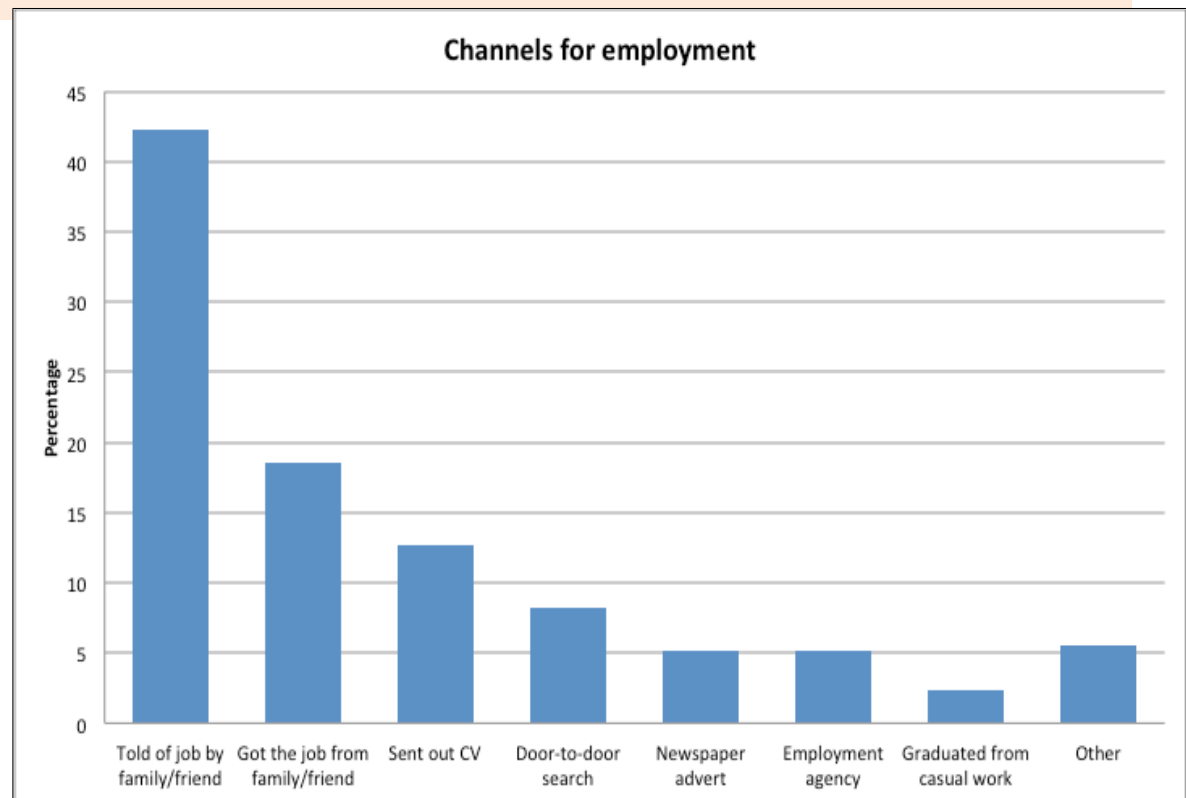
Employers' responses

- Employers adjust what they do and how
 - More skill-intensive economy over time

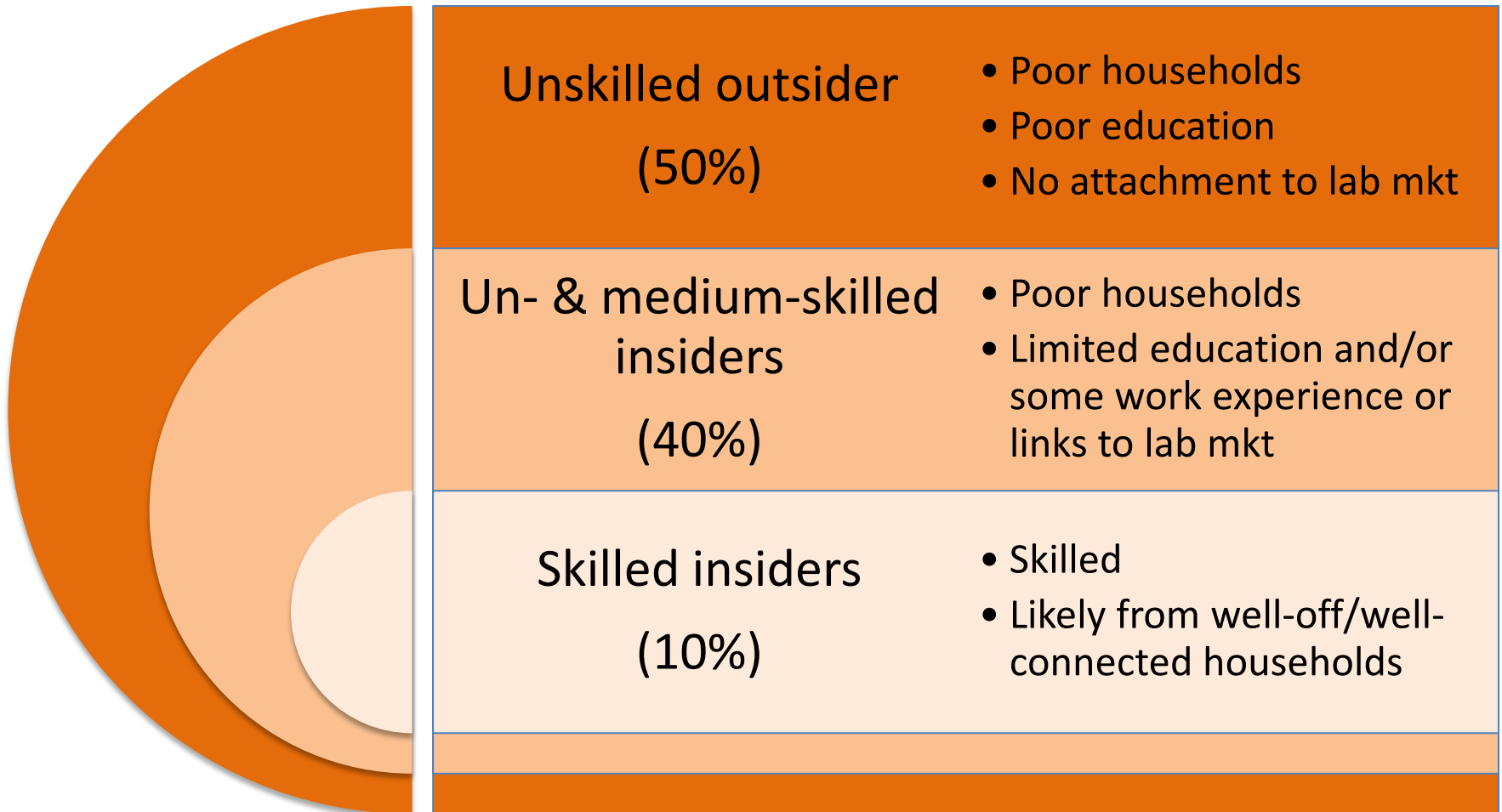


Employers' responses

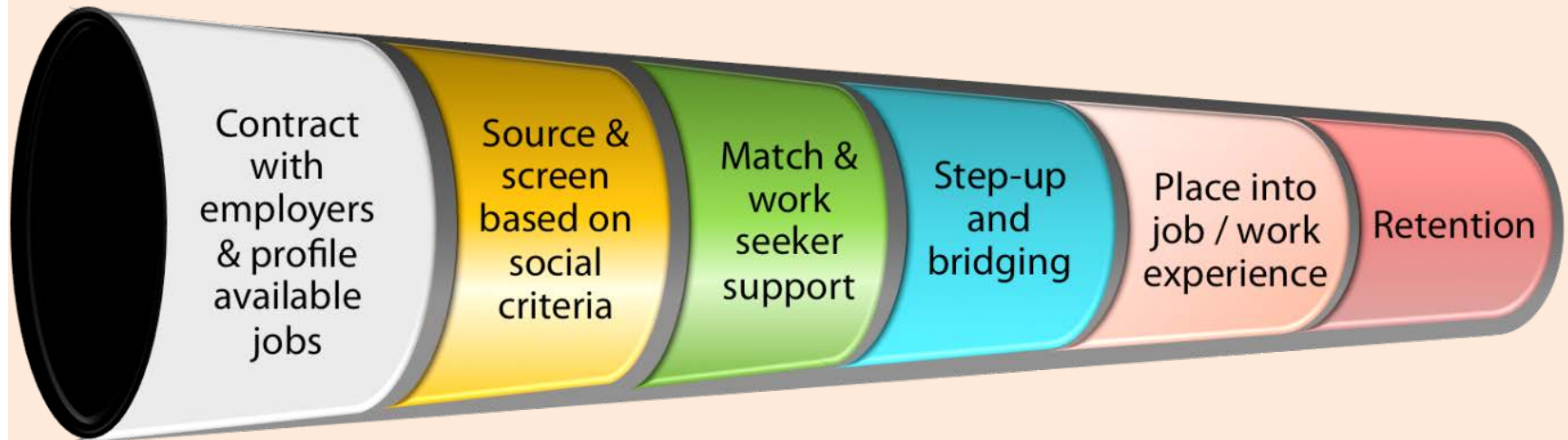
- Employers adjust recruitment strategies
 - Crude proxies/tests for fit
 - Mitigate risk through recruitment strategies



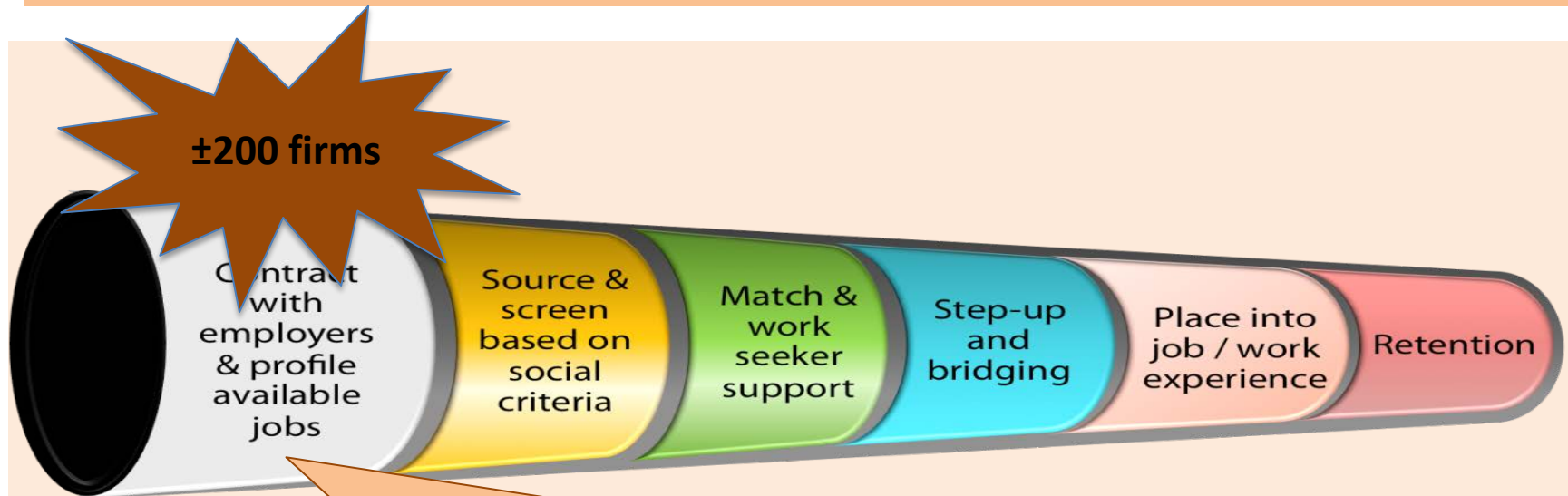
Multiple levels of exclusion



How Harambee works

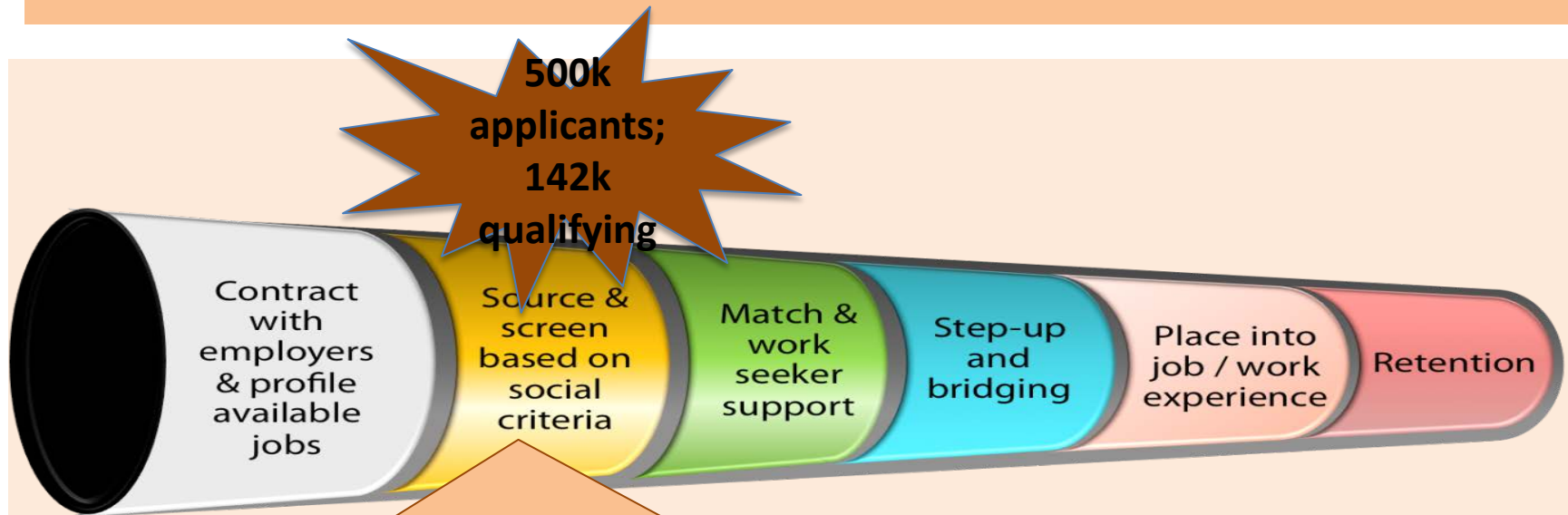


How Harambee works



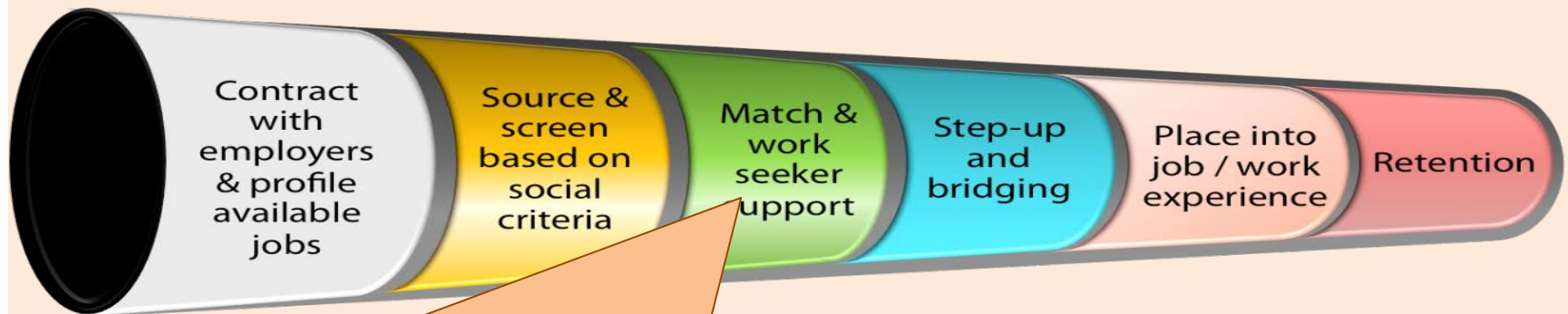
- Engage in extensive job profiling
- Understand what it takes to stay in work for 1 year
- Develop appropriate curricula
- Key is behavioural interventions

How Harambee works



- Sourcing candidates locked out of the formal economy
- Screening candidates for “social criteria”:
 - South African citizens
 - 18 – 28 with school-leaving certificate
 - Are not working or studying fulltime
 - Have less than 1 years work experience

How Harambee works



- Assessment of candidates to ensure suitability:
 - Learning potential test, test for basic numeracy/literacy, clerical accuracy, dependability and emotional stability
 - Position-specific testing (incl physical attributes if nec.)
 - Qualification, credit and criminal record check
- Work-seeker support (interview skills, email address)
- Some candidates offered Step-Up course to allow re-entry

How Harambee works



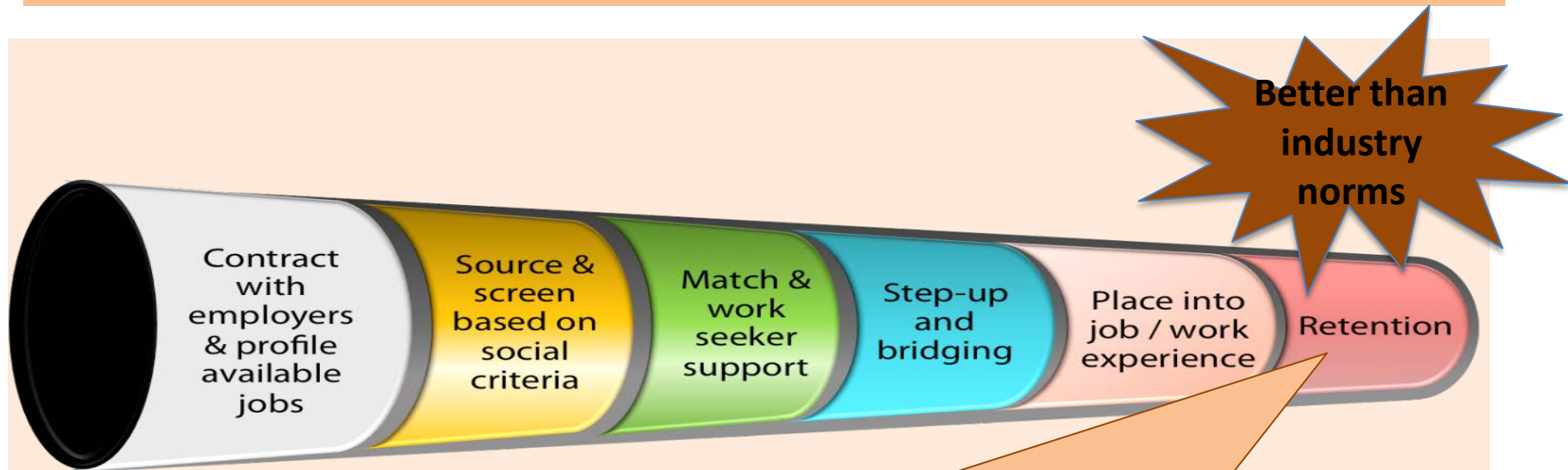
- Bridging behavioural and basic competence
 - Fit-for-purpose, not a standard program
 - Behavioural change and personal mastery
 - Workplace readiness
 - Numeracy
 - Workplace communications
 - How to keep your job and turn it into a career

How Harambee works



- Placing candidates with the basic skills, behaviours, mind-set and profile required to integrate into the workplace, retain their first job and perform therein.
- Conducted with partners

How Harambee works



- Mentoring /coaching candidates and employers to support candidates' integrating, retaining and performing in first job
 - BPO: Initially less productive than norm, but gain productivity more quickly
 - Specific solutions for small business

Conclusion

- Demand-led sourcing and placement for entry-level jobs
- Public-private partnership
- 16,000 young people placed in entry-level jobs in the formal sector
- Think of selves as being on a career path
- Develop behaviours needed to adapt to job and succeed

Conclusion

- POLICY QUESTIONS: Does Harambee “just” move people from the back of the queue to the front? If opportunity is merely reshuffled, does it justify costs?
 - Training increases participants’ productivity, implicitly raising firms’ output and/or reducing their costs
 - Increasing number of young people receiving direct supervision in first job
 - Expands the employed population beyond the networks from which employers might otherwise recruit staff
- Bottom line: Undoes some of the dynamics of exclusion, so adds social value

Conclusion

- Scale and replicability
 - SA labour market has some unique characteristics
 - BUT: Other “middle income trap” countries with significant dualism have some characteristics
 - Useful lessons also for other developing countries
 - Think about building inclusion during growth period before dynamics of exclusion entrenched
 - What do key growth sectors (BPOs, light manufacture, leisure/tourism) need to expand inclusion