

FACT SHEET



YOUTH EMPLOYMENT SERVICE





INTRODUCTION

The Youth Employment Service (YES) was launched by President Cyril Ramaphosa on March 27th 2018. Four years in the making, YES was born in the Youth Employment Accord signed by government, business and labour in April 2013 which committed the social partners to a plan of action which included:

1. The public service to focus its internship programme, aiming at employing 20 000 interns over a period of time;
2. State-owned enterprises to develop placement opportunities for TVET and University students who need work experience as part of completing their studies;
3. Business organisations to discuss within their structures programmes which would improve the employment of young people;
4. Targets for the employment of young people in growth sectors such as solar heating installation, the government infrastructure programme, and business process outsourcing companies such as call centres;
5. The Expanded Public Works Programme and associated programmes such as Working for Water, health brigades and literacy brigades to set youth employment targets.

The business organisation The CEO Initiative took this forward and now YES is one of the first social compacts between government, business and labour, created to give one million youth one million opportunities to succeed over three years.



"This is a timely, worthy and ambitious response to youth unemployment, which is perhaps the greatest and most pressing social and economic challenge facing our country at this moment in our history. What we are seeking to do, through this and other initiatives, is to provide pathways for young people into the world of work."

President Cyril Ramaphosa

This Fact Sheet explores how YES will work and some important key success factors that HR practitioners will need to consider. This Fact Sheet draws in part from previous SABPP Publications which give more comprehensive consideration to the topic of employing youth:

1. Internships: A Guide for Employers 2014
2. Fact Sheet 1/2014: Employing First Time Job Market Entrants.

Both of these publications are available free from info@sabpp.co.za

Other sources for information in this Fact Sheet include:

- <https://techfinancials.co.za/2018/03/29/how-to-join-the-yes-youth-network-launched-by-president-ramaphosa/>
- https://www.investec.com/en_za/welcome-to-investec/news-and-views/youth-employment-services.html





HOW YES WORKS

There is a YES supporting organisation which is run by the private sector, the CEO is Tashmia Ismail-Saville and the website is <https://www.yes4youth.co.za/>

YES links up work seekers, corporates and SMMEs and is structured to use available incentives such as the BBBEE Scorecard, the Youth Employment Incentive and Employment Equity plans to encourage employers to create new job opportunities.

Companies can:

- Place youth inside the company on the payroll and/or
- Place youth sponsored by the company to work in black owned SMMEs close to where the youth live and/or
- Develop youth owned micro-enterprises that feed into the company's supply chain and/or
- Place youth sponsored by the company into an external service provider for training and work experience.

Companies sign up on the website, stating which option they want to use.

The youth candidates can sign up on the YES website or be sourced through one of the YES hubs around the country. Candidates must:

- Be between 18 and 34 years old
- Have been unemployed for more than 6 months
- Be a black person (African, Coloured or Indian)
- (It is not obligatory but should companies want to claim the Employment Tax Incentive, then the YES youth must be between the ages of 18 and 29).

SMMEs that want to benefit from the sponsorships and youth interns can also sign up on the website.

Businesses need to create new one-year positions for unemployed youth over and above current employment numbers. Or, if the company cannot take more people, the company can sponsor the salary for a one-year starter position at an SMME which lies closer to where the young person lives – allowing the larger company to qualify for B-BBEE recognition, while building SMME capacity and competitiveness.

Salaries paid to the youth interns must be set at the national minimum wage (NMW) level of R3 500 per month, and there will be associated training and support which on average will bring the cost to R55 000 per annum.



INCENTIVES

Government have introduced a new Youth Employment B-BBEE recognition, allowing a business that meets YES targets and complies with registration criteria to move up a level on their current B-BBEE scorecard. This has been delinked from the skills development scorecard points for spending 2.5% of payroll on bursaries for black students. This means that companies can score points for either the YES recognition or the bursaries, or both.

In addition, to encourage demand-side job creation, companies employing black youth between 18 and 29 years old will qualify for the Employment Tax Incentive. Under this incentive private sector employers in good standing regarding PAYE may claim a subsidy for 24 months for any person newly employed from 1st October 2013 onwards, who is between the ages of 18 and 29 and who has a valid South African identity document. Relatives or connections of the employer may not receive the subsidy, neither may employers of domestic workers. The employee must not earn more than R6 000 per month (and must earn the lesser of R2 000 or the minimum wage as per sectoral determination or collective agreements). The subsidy for the first year consists of a sliding scale depending on the employee's salary/wage, running from nil at a salary of R6000 per month to R 1000 at a salary of R2 001, and 50% of the salary where the salary is less than R2 000 . For the second year, the subsidy is halved.





WHAT THE YOUTH GET OUT OF IT

Research has consistently shown that one year of work experience, coupled with a CV and reference letter, increases a young person's chances of finding employment by three times. The YES approach provides resources such as an app with videos and templates for youth including CVs and templates for employers including reference letters for when the intern exits.

Work readiness training can also be provided through the YES hubs. In addition, the hubs provide services such as small business development coaching and short courses on skills such as waitressing or cooking.



WHAT EMPLOYERS CAN GET OUT OF IT

In addition to making a contribution to resolving one of South Africa's biggest socio-economic challenges and thereby building a better future for all, a well-designed internship programme can help to accelerate careers, develop professionalism and good work habits and provide employers with a source of excellent candidates for permanent positions in their specialist areas.

The YES programme is carefully structured, according to the YES CEO, to "de-risk" the experience of taking on first time entrants to the labour market. Sourcing candidates through YES can give companies access to people that they would not normally be able to find.



CASE STUDIES SO FAR

In various pilots run before the formal launch of YES, some success stories have been recorded:

Twenty-six-year-old Akani struggled to secure employment – he was always turned away with the response that he needed experience first.

Through the Youth Employment Service initiative, he's now started work as an intern at a logistics company in Mpumalanga.

He's one of the first 100 YES beneficiaries selected for a chance at quality work experience.

Electrical engineering graduate, Rhandzu has been unemployed since 2012. She too has now secured an internship via the Youth Employment Service collaboration.

"I believe the struggle is over now. What they should expect from me is hard work and nothing else."



PARTICIPATING CORPORATES

As at May 2018, the following companies have committed to participation:



Recruitment and employment service organisations have also aligned to the YES initiative. For example, Lulaway (<https://www.lulaway.co.za/>) and Harambee Youth Employment Accelerator (<http://harambee.co.za>) can also help to set up the internship programmes for the company.

CASE STUDY: VOLVO TRUCKS

One company taking the lead with the YES initiative is Volvo Trucks Southern Africa. President Ramaphosa visited the Volvo Truck SA plant in Durban in May 2018. The initiative is part of the YES Initiative championed by the President. As reported in The Citizen, Volvo Trucks SA plans to invest over R20 million during 2018 on apprenticeship training, automotive industry learnerships, disabled person learnerships, as well as internships. It has already invested more than R 86 million since 2015. Volvo Trucks SA has indicated that it will invest R7,8 million in The Star for Life programme, a non-profit organisation that provides young South Africans essential life skills, sports training and health education. President of Volvo Group Southern Africa, Törbjörn Christensson said the company supports government's initiative to focus on youth development as is envisioned in initiatives such as YES.



"We are ready to take hands with government to identify and create more opportunities for our youth to start rebuilding the social fabric and economic transformation of the South African labour market."

Törbjörn Christensson, President: Volvo Group Southern Africa





POINTERS FOR MAKING THE INTERNSHIP A SUCCESS

The SABPP's Internships: Guide for Employers highlights the following key requirements:

- South African case law has established that interns are employees for the purposes of labour law because they are rendering personal service and therefore fall within the definition of “employee”. If they are employees, then they must be paid and receive benefits in terms of the Basic Conditions of Employment Act, National Minimum Wage Act (once passed and implemented) and any applicable collective agreements.
- All interns should receive appropriate employment contracts.
- Setting up an internship programme should be approached in the same way as any other project within an organisation. It is very important to align and integrate the internship programme with other relevant HR processes and programmes.
- A proper governance structure and monitoring and evaluation process should be put in place for the internship programme.
- Careful definition of the tasks to be performed and the development support offered should be done before embarking on the programme.
- Structured development for interns should include:
 1. Induction
 2. Clear allocation of tasks and responsibilities, preferably arranged to expose the intern to different situations to allow them to demonstrate different abilities
 3. Compilation of a Portfolio of Evidence to allow the intern to take this to future employers
 4. Mentoring and coaching – at least a clear “ownership” of the intern by one allocated person with sufficient seniority of experience to pass on good standards
 5. A “next steps” discussion before the end of the internship.

In addition, the SABPP Guide provides a checklist for the internship, a sample internship agreement, and a sample Portfolio of Evidence.

Useful Resources:

Youth Employment Service: www.yes4youth.co.za

DPSA Learnerships: www.interns24.co.za

Harambee Youth Employment Accelerator: www.harambee.co.za

National Youth Development Agency: www.nyda.gov.za

Recent Learnerships: www.recentlearnerships.com

SA Learnership: www.salearnership.co.za

South African Graduate Employers Association: www.sagea.org.za

ZA Learnerships: www.ZAlearnerships.co.za

We Think Code: www.wethinkcode.co.za

"Our most grave and most pressing challenge is youth unemployment. It is therefore a matter of great urgency that we draw young people in far greater numbers into productive economic activity. Young South Africans will be moved to the centre of our economic agenda. If we are to respond effectively to the needs of the youth, it is essential that young people articulate their views."

President Cyril Ramaphosa





CONCLUSION

The YES initiative is designed to be big and make a meaningful impact on youth unemployment. While the SABPP Student Chapters at universities throughout the country are intended to empower HR students by connecting them to HR Managers before they complete their studies, the YES initiative is an industry-wide programme to empower the youth with access to internships programmes. All HR practitioners are encouraged to investigate how best to align their company to this initiative.

Join the movement, #LetsCreateJobs for youth.



"YES aims to give that portion of our youth, which are largely overlooked by the country's current employment models, a crucial first chance to gain a paid work experience of a decent quality. This significantly increases their chances of securing permanent employment after the year."

Tashmia Ismail-Saville
CEO YES initiative

This Fact Sheet was written by Dr Penny Abbott, Research and Policy Adviser to the SABPP.

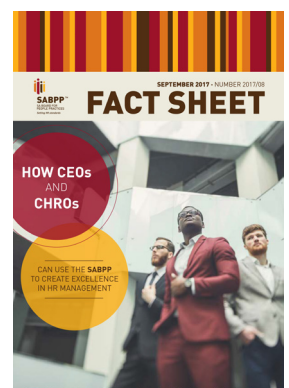
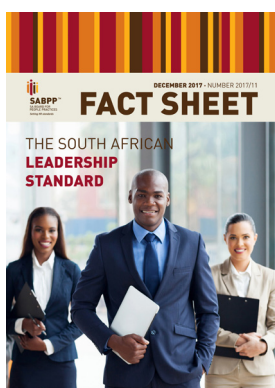
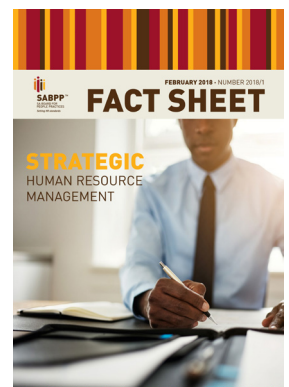
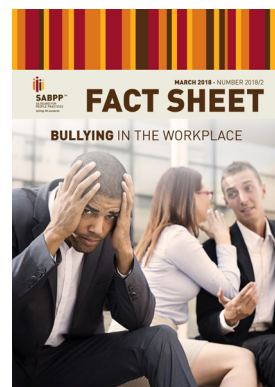
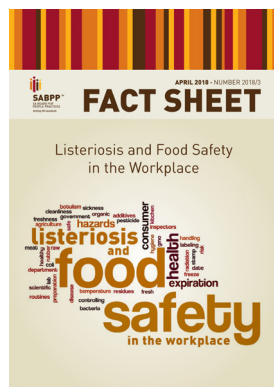
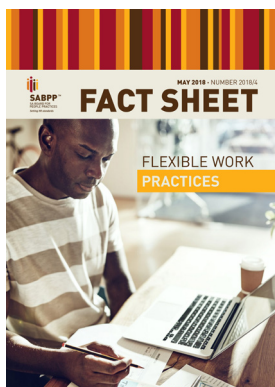
YOUTH DAY 2018



Visit our Website at www.sabpp.co.za
for the list of previous Fact Sheets



FACT SHEET



FACT SHEET

DATE	NUMBER	SUBJECT
2013		
February	1	GAINING HR QUALIFICATIONS
March	2	ETHICS, FRAUD AND CORRUPTION
April	3	NATIONAL DEVELOPMENT PLAN
May	4	BARGAINING COUNCILS
June	5	EMPLOYMENT EQUITY
July	6	HR COMPETENCIES
August	7	HR MANAGEMENT STANDARDS
September	8	PAY EQUITY
October	9	COACHING AND MENTORING
November	10	HIV/AIDS IN THE WORKPLACE
2014		
February	1	EMPLOYING FIRST-TIME JOB MARKET ENTRANTS
March	2	PROTECTION OF PERSONAL INFORMATION ACT
April	3	QUALITY COUNCIL FOR TRADES AND OCCUPATIONS
May	4	WORK-INTEGRATED LEARNING
June	5	RECRUITMENT – SCREENING OF CANDIDATES
July	6	HR RISK MANAGEMENT
August	7	BASIC HR REPORTING (1)
September	8	BASIC HR REPORTING (2)
October	9	EMPLOYEE ENGAGEMENT
November	10	SEXUAL HARASSMENT

For more information about SABPP, visit our website www.sabpp.co.za or follow us on twitter @Sabpp1 for daily HR information

FACT SHEET

DATE	NUMBER	SUBJECT
2015		
February	1	AMENDMENTS TO LABOUR LEGISLATION 2014
March	2	THE REVISED BROAD-BASED BLACK ECONOMIC EMPOWERMENT CODES OF GOOD PRACTICE
April	3	LESSONS LEARNED FOR EMPLOYERS FROM CCMA CASES
May	4	EMPLOYEE WELLNESS SCREENING
June	5	CHANGING THE EMPLOYMENT EQUITY LANDSCAPE
July	6	EMPLOYEE VOLUNTEERING
August	7	DEPRESSION IN THE WORKPLACE
September	8	EMPLOYEE WELLNESS
October	9	EQUAL PAY AUDITS
November	10	BASICS OF EMPLOYEE COMMUNICATION
2016		
February	1	PRODUCTIVITY BASICS
March	2	SERVICE LEVEL AGREEMENT
April	3	TALENT MANAGEMENT: PAST, PRESENT AND FUTURE
May	4	BUILDING ORGANISATIONAL CAPABILITIES
June	5	CHANGE MANAGEMENT
July	6	INNOVATION IN HR
August	7	HR TECHNOLOGY
September	8	HR IN BUSINESS SUSTAINABILITY
October	9	THE LEARNING & DEVELOPMENT LANDSCAPE IN SA
November	10	TOWARDS A CODETERMINATION MODEL FOR SOUTH AFRICA

For more information about SABPP, visit our website www.sabpp.co.za or follow us on twitter @Sabpp1 for daily HR information

FACT SHEET

DATE	NUMBER	SUBJECT
2017		
February	1	MODERN SLAVERY
March	2	PENSION LAW FOR EMPLOYERS
April	3	THE GAME CHANGER: ROLE OF HR
May	4	HR GOVERNANCE
June	5	INTEGRATING SKILLS DEVELOPMENT, EMPLOYMENT EQUITY AND B-BBEE TRANSFORMATION
July	6	STRESS MANAGEMENT
August	7	REMUNERATION: RECENT TRENDS
September	8	HOW CEOs AND CHROs CAN USE THE SABPP TO CREATE EXCELLENCE IN HR MANAGEMENT
October	9	PEOPLE WITH DISABILITIES
November	10	RETRENCHMENT
December	11	THE SOUTH AFRICAN LEADERSHIP STANDARD
2018		
February	1	STRATEGIC HUMAN RESOURCE MANAGEMENT
March	2	BULLYING IN THE WORKPLACE
April	3	LISTERIOSIS AND FOOD SAFETY IN THE WORKPLACE
May	4	FLEXIBLE WORK PRACTICES
June	5	YOUTH EMPLOYMENT SERVICE

For more information about SABPP, visit our website www.sabpp.co.za or follow us on twitter @Sabpp1 for daily HR information