




**PRESIDENTIAL
YOUTH
EMPLOYMENT
INTERVENTION**



Creating an agile workforce through demand-led skills building for young people

FACTSHEET 2

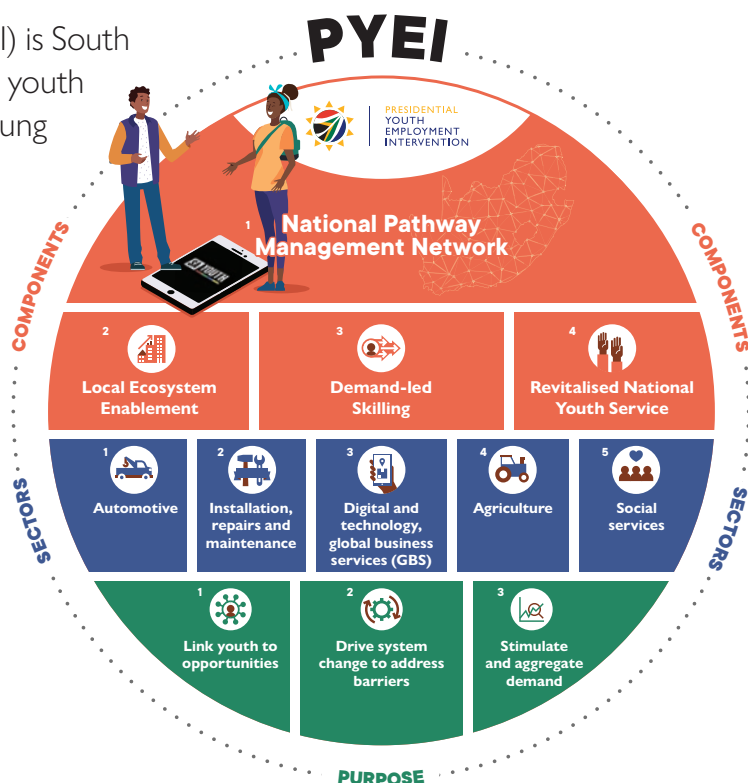
About the Presidential Youth Employment Intervention

The Presidential Youth Employment Intervention (PYEI) is South Africa's most comprehensive effort yet to address the youth unemployment crisis. Its goal is to transition more young people from learning to earning.

The intervention brings together the strengths of numerous government institutions and social partners to deliver more opportunities for young people. It seeks to coordinate, accelerate and enhance existing programmes and unblocks pathways to employment, learning and youth enterprise.

A central component of the PYEI is the establishment of a National Pathway Management Network (NPMN) that guides young people towards opportunities. Other components include a focus on Demand-led Skilling; Local Ecosystem Enablement to facilitate self-employment and enterprise; and a Revitalised National Youth Service (NYS).

Activities focus on growth areas with earning potential for young people. These are: digital, technology and global business services; agriculture; installation repairs and maintenance; social services; and the automotive sector. A Project Management Office (PMO) in the Presidency coordinates the PYEI. Government departments with key roles in employment creation and youth development implement the intervention.



3 key facts about Demand-led Skills Development

1

The Presidential Youth Employment Intervention (PYEI) focuses on interventions that can be rapidly implemented and can unlock growth potential in sectors that are held back by a lack of skills. The lack of skills, qualifications and workplace experience is one of the reasons for the high unemployment levels among young people. At the same time, many employers struggle to find the skills they need. Filling these gaps helps grow businesses that can create more employment.

2

The PYEI has established demand-led skilling workstreams for greater coordination of actors in growth sectors. These workstreams improve the understanding of skills gaps and improve the design of interventions addressing these gaps. All activities in this component are led by the Department of Higher Education and Training (DHET) through the Skills Strategy for the Economic Recovery and Reconstruction Plan.

3

The PYEI is piloting a Pay-for-Performance model to unlock employment opportunities for young people. Following a successful proof of concept, the model will include Sector Education and Training Authorities (SETAs), non-governmental partners and additional funders to reach young people at scale.

Why South Africa needs young people with skills for the future



Young South Africans are among those most affected by the high unemployment level in the country. At the end of the first quarter in 2022, **46.3% of young people between 15 and 34 years were not in employment, education and training.**

Despite high levels of unemployment, many sectors in the South African economy have experienced shortages in skills that have hindered growth and the creation of further jobs. This points to significant imbalances in the demand for skills and the types and levels of skills available in the labour market. Generally, demand in the formal economy is skewed towards higher-skilled occupations.



Labour market statistics show that **the unemployment rate among higher education graduates is a staggering 21.9% below** the general rate.

Over the past decade, the number of young people completing post-secondary education and training has grown substantially. During the Covid-19 pandemic, this progress has stalled or even been reversed. Given the increasing demand for higher-skilled labour, there is an urgent need to enable young people to acquire the skills that the economy needs. However, many young people still struggle to access learning opportunities, find ways to gain practical experience and build relationships with potential employers. More fundamentally, the unequal education system has left many young people with gaps in their foundational skills such as literacy, numeracy and basic social skills. This has had an impact on the work-readiness of many young people.

An additional challenge is the rapid evolution of skills requirements. This applies particularly to growth sectors such as the digital economy, but demands are also changing in traditional fields such as mining, agriculture and even in the informal economy. Understanding these changes and future skills needs better utilisation of data and improved communication with business and industry. At this point, many qualifications have become outdated or do not sufficiently align with the realities in the workplace. The current skilling system is being too slow in responding to the new demands. There is a need to offer young people more flexible and relevant training opportunities and better information on what skills are in demand.

How the PYEI contributes to a more skilled and agile workforce



The PYEI's work in this component is delivered through the Skills Strategy for the Economic Recovery and Reconstruction Plan (ERRP). The Skills Strategy focuses on increasing the relevance and delivery of interventions that address current skills gaps and emerging needs. It also seeks to ease transitions from education to work. The Department of Higher Education and Training (DHET) leads this component of the PYEI, together with Sector Education and Training Authorities (SETA) and the National Skills Fund (NSF). Within this framework, the PYEI contributes to actions that can achieve rapid impact and benefit young people, while longer-term changes in the system take effect.

THESE ACTIONS INCLUDE:



Addressing current skills gaps and mismatches.

The PYEI focuses support on priority sectors where meeting skills needs can rapidly unlock growth and job opportunities for young people. The PYEI aims to realise fast returns, generate learning and create momentum within the framework of the Skills Strategy.



Supporting the transition from learning to earning through growing the NPMN.

The NPMN matches young people with the right training opportunities and facilitates workplace experience.



Key activities and delivery

The DHET Skills Strategy builds on aspects of the post-secondary education system that already work, and addresses blockages and supports change where needed.

Within this framework, the PYEI focuses on coordination and innovation, and facilitates increased access to opportunities for young people.

Workstream coordination in growth sectors

Coordination is of critical importance in skills development. There is an urgent need to strengthen dialogue and joint planning between skilling organisations on the one hand, and industry and business on the other. The PYEI has established demand-led skilling workstreams in priority growth sectors to ensure that skilling interventions respond to demand. The workstreams also encourage inclusive hiring that promotes opportunities for young people and marginalised communities.

Within the digital and global business services sector, the approach is delivered through the Digital Work Accelerator, a public–private partnership to address skills shortages and create opportunities at scale.



Improving matching and transitions through the NPMN

The NPMN is a central element of the PYEI and is also firmly embedded in the ERRP Skills Strategy. This network of networks provides young people with greater access to information about skills that are in demand and interventions that can help them acquire those skills. It facilitates the linkages between young people and training providers. The network can also match suitably qualified young people to workplace opportunities (such as internships and learnerships). Finally, analysing NPMN data can help identify skills gaps and mismatches since it captures information on skills young people have and aspire towards, and shows how these match the skills that are being sought by employers on the network.



Testing demand-led skills delivery models

Through the National Skills Fund, the PYEI is piloting a Pay-for-Performance (P4P) model for results-oriented deployment of brief skills-building interventions. This initiative focuses on the development of flexible, demand-led skills training that can be rapidly implemented to get more young people work-ready. This training not only focuses on technical skills required in growth sectors but also prepares candidates to succeed in employment generally. These skills will allow young people to keep pace with evolving requirements in many growth sectors.

The pilot will test the role of the NSF as an outcome funder, which means that it only makes payments for results that are achieved. In this case, the NSF will only pay for those young people who are successfully placed in work opportunities after they complete their training. In a scaled-up version of the model, the outcomes funders will be expanded to include SETAs, other government departments as well as non-government stakeholders.



An initial pilot in the digital and global business services sectors is being implemented during the current financial year (2022/2023). Once the pilot has been successfully implemented, the model will be expanded to other sectors and be used to attract more funders.



Getting involved

HERE IS HOW TO ACCESS OPPORTUNITIES AND INFORMATION ON DEMAND-LED SKILLS:



As a young person, register on [SAYouth.mobi](https://www.sayouth.mobi), access [Employment Services of South Africa \(ESSA\)](#), the [National Youth Development Agency \(NYDA\) Enterprise Resource Planning \(ERP\) system](#) or check out the [Kheta career advice portal](#). You can also [download the mPowa app](#). Here, you can build your profile and access opportunities in your vicinity for youth service, further learning or work. If you cannot access SAYouth.mobi, look for a [DEL Labour Centre](#) or [NYDA Youth Office](#) near you. You can also call the toll-free hotline at 0800 72 72 72.



As a learning and employment service provider, an organisation or business that wants to offer opportunities for workplace-based learning or a prospective employer, [register as a partner on SA Youth](#).



Further links

- ▶ **PYEI/State of the Nation Website**
www.stateofthenation.gov.za
- ▶ **DHET**
www.dhet.gov.za
- ▶ **SA Youth**
[SAYouth.mobi](https://www.sayouth.mobi)

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