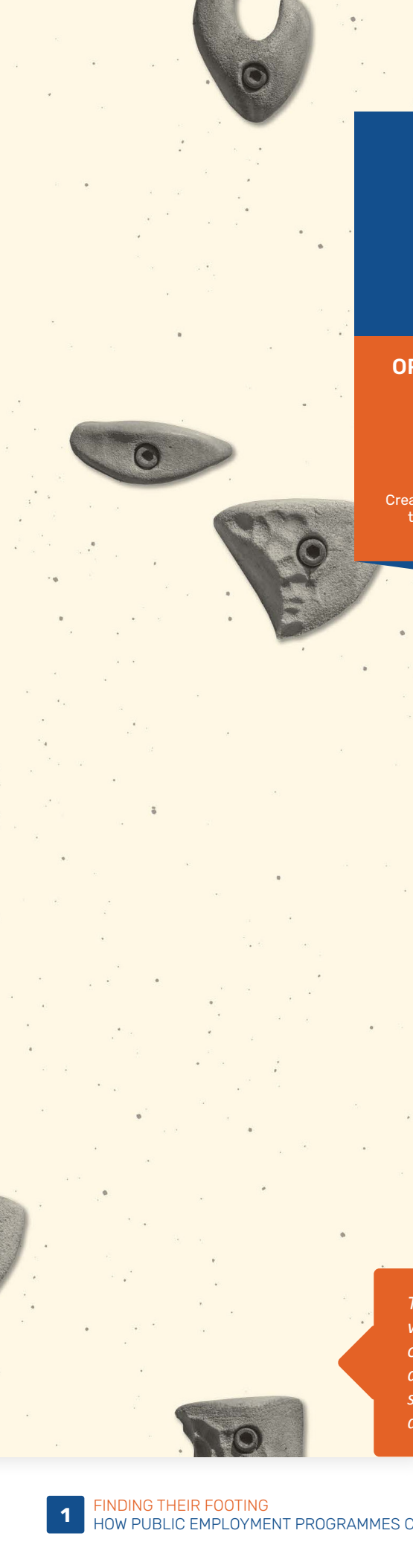




DG
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OPPORTUNITY

9

Create new connections
to opportunity for
young people

HANDS-ON

Experience Learning

September 2026 | Issue 35

FINDING THEIR FOOTING HOW PUBLIC EMPLOYMENT PROGRAMMES CAN SUPPORT YOUNG PEOPLE IN CRAFTING A BETTER LIFE

For millions of young South Africans, the path from learning to earning is neither clear nor guaranteed. With almost four in 10 young people not having a job or not being in some form of education or training to help them get a job, the response to youth unemployment has not kept pace with the scale or complexity of the crisis. The problem has many sides: a labour market that can't absorb everyone who is ready to work; jobseekers whose skills don't match the needs of employers; limited room for young entrepreneurs and self-employed people who have no space to fail; and persistent barriers that leave many young people furthest from opportunity at the back of the line when work opportunities do become available. Addressing youth unemployment therefore requires a combination of interventions across a young person's journey.

This learning brief looks at public employment programmes (PEPs) as one mechanism within the wider response to help young people transition into income-earning opportunities and pathways to productive and sustainable livelihoods. Although PEPs are not going to solve South Africa's youth unemployment crisis, they can provide a scaffold to help young people craft livelihoods that are sustainable and productive, and which work best in their contexts.

THE CONTEXT: A QUEUE THAT GETS LONGER AND LONGER

Fifteen years ago, South African policymakers put together the National Development Plan in which they mapped out what the country should do to shape a thriving future for everyone by 2030.¹ Part of that vision is a country “where opportunity is determined not by birth, but by ability, education and hard work”. Central to driving progress, they wrote, was to “translate political emancipation into economic wellbeing for all”.

But we’re not there today. Labour statistics for the second quarter of 2026 show that the chance of getting a job is slipping out of reach for millions of people. In 2016, the official unemployment rate stood at 26.6%; today it stands at 33.6%. Of the country’s 42.3 million people of working age, only four in 10 — a total of 16.7 million — have jobs; 8.5 million are officially unemployed.²

But a fuller — and more discouraging — picture emerges when the “potential labour force” is included in the count.³ These are people who are not counted as officially unemployed because although they aren’t actively job-hunting, they are willing to work if given the chance. When the potential labour force is included in the employment statistics, 43.8% of the working-age population — 13.1 million people — are without a job.⁴ This is 7.4 percentage points higher than a decade ago.

Young people — that is, those between 15 and 34 years old — are particularly affected. Almost half (47.4%) of young people don’t have a job, and almost three-quarters of the jobs lost in the first quarter of this year were from the community and social sector, where many young people work⁵ — 264 000 more than in the previous quarter. Economic exclusion is entrenched: of the roughly 10.4 million youth aged between 15–24 years, 36.4% are not currently in employment, education or training (NEET), a number that’s crept up from a year ago.⁶

“Not being in employment, education or training means there’s a fundamental lack of the foundational scaffolding that would enable a young person to choose their next move. If you aren’t finishing school, if you aren’t transitioning to post-school training, or if you’re not getting your first work experience by the time you’re 25, your risk of long-term economic exclusion is radically accelerated. Our challenge runs far deeper than job creation alone,” says Bridget Hannah, innovation director at DGMT, responsible for the youth portfolio.

Rather than relying only on the type of solutions generally considered to drive economic growth, we should be thinking about a suite of interventions that can help young people create and sustain livelihoods, says Hannah. This matters because the shortage of formal jobs doesn’t mean there’s a shortage of work to be done or those willing to do it.

This is where public employment programmes (PEPs) come in: state-funded, fixed-term work opportunities that allow someone who is unemployed to earn a stipend and gain work experience and at the same time create social value in communities — from supporting early literacy and helping people grow their own food to caring for the environment and getting involved in arts and culture. Being absorbed into a PEP often provides critical first-work experience.



1 National Planning Commission. 2011. National Development Plan: Vision for 2030. Pretoria: National Planning Commission.

2 Statistics SA. 2026. Quarterly Labour Force Survey, Q2 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02112ndQuarter2026.pdf>

3 Statistics SA changed how employment figures are reported in South Africa since the third quarter of 2025, in line with international standards. Part of the change is tracking the “potential labour force”, made up of people who want to work but are either not actively looking for a job or not currently available to start work, as well as those who have become discouraged. See: <https://www.statssa.gov.za/?p=19007>

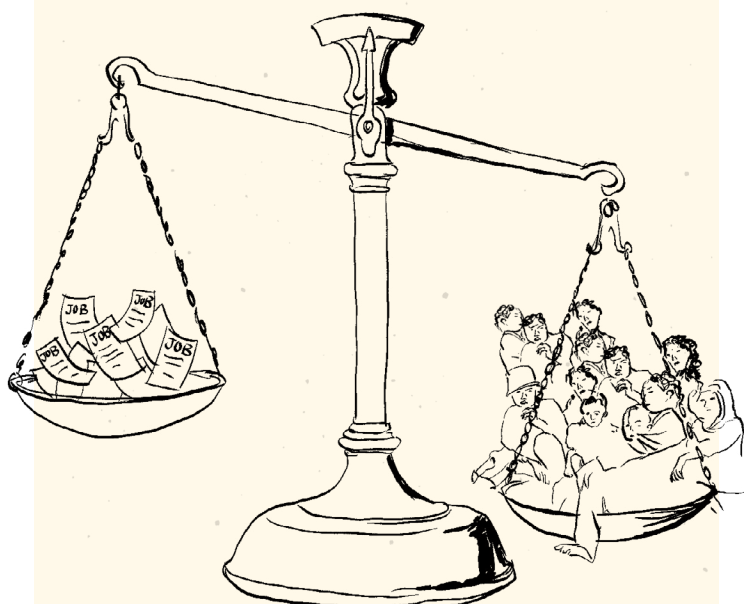
4 Statistics South Africa. 2026. Quarterly Labour Force Survey, Q2 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02112ndQuarter2026.pdf>

5 Statistics South Africa. 2026. Quarterly Labour Force Survey, Q2 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02112ndQuarter2026.pdf>; Statistics South Africa. 2026. Quarterly Labour Force Survey, Q1 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02111stQuarter2026.pdf>; Philip, K. 2026. New data proves it: Public employment is essential to providing work for the young. *Daily Maverick*, 31 May 2026. <https://www.dailymaverick.co.za/opinionista/2026-05-31-new-data-proves-it-public-employment-is-essential-to-providing-work-for-the-young/>

6 Statistics South Africa. 2026. Quarterly Labour Force Survey, Q2 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02112ndQuarter2026.pdf>

THE GROWTH CONUNDRUM

We need to move away from thinking about formal employment as the only solution to youth joblessness, because there simply aren't enough formal jobs for the number of young people looking for work, especially in the sectors where they are most likely to be absorbed. As data analysis by the Harambee Youth Employment Accelerator shows, growth alone is an insufficient condition for youth employment.⁷ In fact, the country's labour absorption rate is about three percentage points lower than it was 10 years ago, and between 2014 and 2024 the labour force added about 5.5 million people while the formal sector could create only about 700 000 jobs.⁸ One might assume that it's because the economy was not growing fast enough during this period, but even with rapid economic growth, South Africa won't be able to create enough employment for all out-of-work youth. For instance, Associate Professor Justin Visagie from the Southern Centre for Inequality Studies argues that the country's rate of job creation is less than 1% each year, and that even if it were to grow to 3% per annum, it would take 50 years to deal with unemployment.⁹



PUBLIC EMPLOYMENT AS SCAFFOLDING

Rather than being seen solely as a “springboard” from unemployment to sustainable jobs or entrepreneurship, PEPs should be seen as a “support scaffold”, write researchers.¹⁰ The scaffold image is a powerful metaphor, because it depicts a structure that offers temporary support someone can work from or move on from, but also return to. In a labour-constrained economy, this can offer “various forms of support that work together simultaneously”.

The thinking behind the scaffold diagram goes like this:

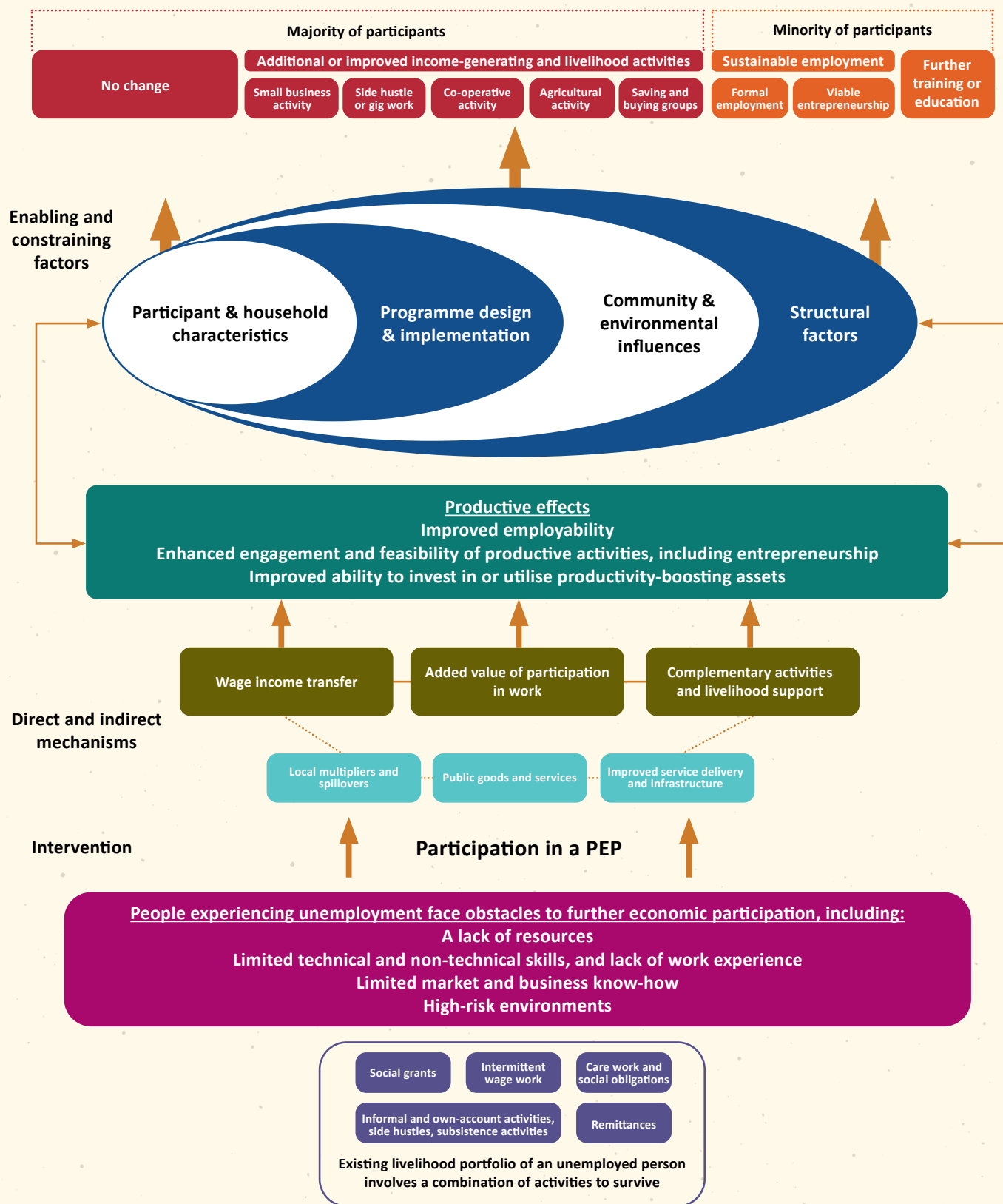
- The conceptual departure point is that unemployed people tap into a number of activities to sustain their livelihood, from using a social grant and getting money from family or friends to doing intermittent wage work, care work, or running informal income-generating side hustles.
- However, an overarching layer of obstacles — such as lack of resources and limited skills, work experience, or business know-how — often prevents people from moving into formal jobs or creating sustainable businesses.
- Getting into a PEP gives people a chance to earn reliable income over a fixed period, makes them feel valuable for participating in work, and helps them gain skills and experience that could support them in other livelihood activities.
- This feeds into a layer of productive effects, which include improving people's employability, boosting their chances of getting involved in income-generating activities, and helping them invest in other things that can further their productivity. However, a layer of factors sits between the possibility of productivity and the actual outcome, which can either enable or constrain people's trajectory and so determine where people transition to. Some participants, but not most, tend to move into formal employment, set up their own businesses, or engage in further education or training. Most, however, get involved in extra or better income-generating and livelihood activities, although some in this group experience no change in their circumstances.

7 See: <https://www.harambee.co.za/firing-on-all-cylinders-a-joint-approach-to-tackling-youth-unemployment/>

8 Statistics South Africa. 2026. Presentation: Quarterly Labour Force Survey, Q2 2026. Pretoria. <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q2%202026.pdf>; Essa, Z. and Philip, K. 2026. Support scaffolding: A conceptual framework for how public employment programmes promote livelihoods in South Africa. *Development Southern Africa*. 1–20. <https://doi.org/10.1080/0376835X.2026.2708642>

9 See: <https://www.econ3x3.org/articles/what-if-formal-economy-cant-deliver-jobs-we-need/>

10 Essa, Z. and Philip, K. 2026. Support scaffolding: A conceptual framework for how public employment programmes promote livelihoods in South Africa. *Development Southern Africa*. 1–20. <https://doi.org/10.1080/0376835X.2026.2708642>



Source: Essa, Z. and Philip, K. 2026. Support scaffolding: A conceptual framework for how public employment programmes promote livelihoods in South Africa. *Development Southern Africa*. 1–20. <https://doi.org/10.1080/0376835X.2026.2708642>

Through gaining work experience and skills by participating in a PEP, young people have more options for creating livelihoods — whether by doing gig work or side hustles, getting involved in small income-generating businesses or co-operative or agricultural activities, or stepping into sustainable employment or further training. It's a framework that makes sense, says Hannah, because “work is a greater predictor of future work”.¹¹

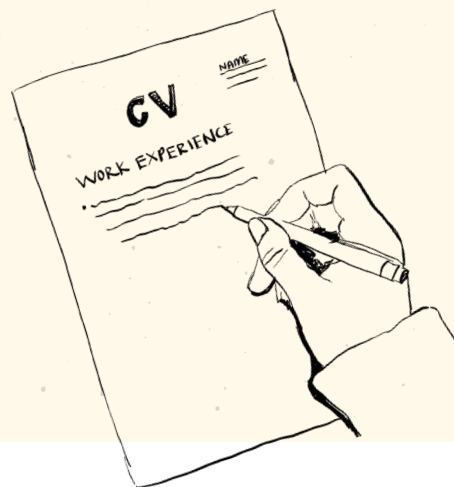
Buhlebethu Magwaza, project lead of Youth Capital,¹² a youth employment advocacy campaign incubated by DGMT, agrees: “Young people are telling us that PEPs give them access to an ecosystem they were previously excluded from — people, information, experience and networks — that help them build their own social capital. This can be decisive in shaping what comes next. In many of the stories shared with Youth Capital, subsequent work opportunities didn't come through a formal application process alone, but through relationships and networks that opened during participation in a PEP.”

Because these programmes focus on delivering infrastructure or community-benefit projects like school support, food gardens or home-based care, there is a double return on investment: work needed to make South Africa a better place gets done and people are able to gain a foothold in economic participation. PEPs therefore sit at the intersection of labour market policy and social policy, says Magwaza, because although they create employment and provide income and work experience, they also meet communities' social needs.

Their geographic reach also matters. PEPs have a large footprint in the country, covering areas that are considered “economic deserts” with limited economic activity.¹³ At a dialogue event where Youth Capital brought young people together to share their early work experiences, many said that being absorbed into a PEP was the first time they had an opportunity to work and participate in the economy. “The value of being part of a community goes far beyond a stipend. Young people speak about gaining confidence, relationships, experience and a sense that they have something to contribute,” says Magwaza.

WHY PEPs ARE NOT JUST ANY WORK EXPERIENCE

- PEPs bring people closer to the labour market by offering vital first-work experience. Data shows that unemployed people with work experience have been between three and four times more likely to have found a job than those without.
- Seeing some experience on a CV can also make potential employers more willing to employ young people, with analyses showing that work experience is a big factor in predicting employment.¹⁵ (However, it's important to note that since economic exclusion is so deep and persistent, layering interventions would lead to a better result.)
- Giving people a chance to work could help them find their next job faster. Data shows that people who were unemployed for a short time are more than twice as likely to move into other employment as those who have been without a job for a long time.¹⁶
- PEPs open pathways to further learning or income-generating opportunities, or help people gain the skills and know-how to set up their own small businesses.



¹¹ Statistics South Africa. 2025. Quarterly Labour Force Survey, Q1 2025. Pretoria. <https://www.statssa.gov.za/publications/P0211/P02111stQuarter2025.pdf>

¹² See: <https://youthcapital.co.za/>

¹³ See: <https://www.harambee.co.za/breaking-barriers-november-2021/>

¹⁴ Statistics South Africa. 2022. Labour Market Dynamics in South Africa, 2022. Pretoria

¹⁵ Anand, R., Kothari, S. and Kumar, N. 2016. South Africa: Labor market dynamics and inequality. IMF Working Paper WP/16/137. International Monetary Fund. https://www.imf.org/-/media/websites/imf/imported-full-text-pdf/external/pubs/ft/wp/2016/_wp16137.pdf

¹⁶ Statistics South Africa. 2022. Labour Market Dynamics in South Africa, 2022. Pretoria

INNOVATIVE PUBLIC EMPLOYMENT

Although PEPs have been part of South Africa's plans to tackle unemployment for more than 20 years,¹⁷ a new generation of programmes has been scaled since the Covid-19 pandemic. These are more intentional about offering people quality first-work experience and helping them to move on to their next steps, because social protection alone is unlikely to produce transitions into stable employment.¹⁸

Although far from perfect, the Presidential Employment Stimulus (PES), launched in 2020, has created more than 2.5 million employment and livelihood opportunities through PEPs.¹⁹ It's an umbrella initiative working together with several other drives, including the Presidential Youth Employment Initiative, which focuses specifically on programmes that help young people move into earning opportunities.

A portfolio of opportunities in DGMT's strategy for investing in South Africa²⁰ focuses on getting young people on pathways to productivity. "But public employment in itself is not the silver bullet," says Hannah. "We see public employment as the deep-dive element within the context of the overall goal of supporting youth economic and social inclusion in the country," she says. That's why PEPs funded through the Basic Education Employment Initiative (BEEI), the Social Employment Fund (SEF) and the National Youth Service (NYS) are seen as valuable mechanisms to help South Africa thrive.



¹⁷ The Expanded Public Works Programme started in 2004, with the Community Work Programme being rolled out at scale in 2007.

¹⁸ Presidential Employment Stimulus. February 2026. Building a society that works: 2.5 million jobs, opportunities and more. <https://pres-employment.dev/>

¹⁹ Ibid.

²⁰ See: <https://dgmt.co.za/our-approach/>

TEACHING, READING, LEARNING, EARNING: BASIC EDUCATION EMPLOYMENT INITIATIVE

The BEEI is the largest youth employment programme in South Africa, creating around 1.3 million opportunities since it was set up in October 2020.²¹ Nearly a third of all unemployed young people applied for placement with the initiative during its fifth and most recent phase (June–November 2025).²² Implemented by the Department of Basic Education (DBE), it's placed young people at roughly 23 000 public schools, working either as teaching assistants in classrooms or as general assistants on school grounds, helping with tasks such as maintenance, security, tending to food gardens, aftercare and sporting activities.²³ Participants work full time and earn about R4 000 a month.²⁴

Roughly R31.3 billion had been invested in the initiative until the end of the 2025 financial year and many teachers and principals believe that the initiative is "strengthening the learning environment at schools".²⁵ A large proportion of teaching assistants worked as "Reading Champions" to help young learners develop a love for reading. This focus is especially necessary in light of the DBE's latest Reading Panel report showing that 70% of Grade 1–3 learners can't read for age-expected meaning in their home language, and roughly one in seven can't read a single word.²⁶ Education research shows that reading well and understanding what sentences mean by the time they go to Grade 4 are important predictors of how well children do at school, across all subjects, because reading is the gateway to all other learning.

²¹ See: <https://pres-employment.dev/basic-education/>

²² Presidential Employment Stimulus. February 2026. Building a society that works: 2.5 million jobs, opportunities and more. <https://pres-employment.dev/>

²³ Binding Constraints Lab. 2025. Public employment programmes (PEPs) and Foundation Phase literacy: A rapid scan of PEP design and compatibility. <https://bindingconstraintslab.org/wp-content/uploads/2025/11/PEPs-and-Foundation-Phase-Literacy.pdf>

²⁴ Ibid.

²⁵ See: <https://pres-employment.dev/basic-education/>

²⁶ Department of Basic Education. 2026. Reading Panel 2026 background report. https://www.readingpanel.co.za/_files/ugd/0429e7_67cb7c70863d4e2f8fdcc574201fc09c.pdf

It's a path to success. Good reading skills translate into better scores throughout the school years, which eventually sets someone up for further education or training and increases the chances of finding a good job and the potential to earn a decent livelihood. In turn, this feeds into a country's economic development and can help people to move out of poverty. But more than this, the majority of BEEI participants have been women. "Equipping these women with quality training and ongoing support means that the BEEI's impact extends far beyond the classroom. The children they are raising represent roughly two full cohorts of Grade 1 learners, and a generational dividend could begin to show within just five years," noted Dr Gabrielle Wills of the Research on Socio-Economic Policy (RESEP) group at Stellenbosch University.²⁷

NUMBERS TO KNOW

This is what the BEEI achieved between 2020 and 2025:²⁸

- Opportunities were created in all nine provinces, from **30 852** in total in the Northern Cape to **206 574** in Gauteng. Elsewhere, numbers ranged between about **76 000** and **195 000** per province.
- **75%** of assistants had in-person training in Phase V, which helped them improve their administration, interpersonal, communication, teaching, time management, patience and computer skills.
- **14%** of participants in Phase V were qualified educators and **15%** were studying to become teachers.
- **21 013** former assistants were employed by the DBE in February 2026 — **80%** as teachers.

WORK THAT MARKETS MISS: THE SOCIAL EMPLOYMENT FUND

Doing work is not only about money in your pocket, says Hannah. "It's also about the value of work, the value of giving back to your community and being included. In other words, having your value mirrored back to you in the daily contribution you make to the community you live in, and the positive psychological impact from realising that you have value to offer."

Opportunities under the SEF are a good way to do this. People can find placements with projects that serve communities in many ways: teaching children, protecting women and children from violence, building homes, growing food and caring for the environment.²⁹ The Fund is managed by the Industrial Development Corporation and works through strategic implementing partners who work with community-based organisations on their identified needs — and have been able to distribute the close to R4.1 billion that's been allocated to the SEF since the 2020 financial year.³⁰ In this way, 217 000 participants, of whom about two-thirds are young people, have had an opportunity to earn income in line with the national minimum wage for 16 hours of work per week.³¹ DGMT also supports the Economic Development Partnership to convene the Social Employment Network, a rich learning community of more than 37 strategic implementing partners of the SEF.

Hannah explains that the fundamental argument about using PEPs as a way to tackle youth unemployment is that these programmes provide a work opportunity and associated social inclusion, mentoring, pathway support and keeping hope alive for young people, as well as a way to tackle some of the social ills in communities. "These are not positions that have market value or areas that we typically focus on when we talk about growing the economy. But these create social infrastructure; they are essential for society to thrive," says Hannah.

Magwaza says young people's feedback confirms this. "Young people tell us there's suddenly a world that's opened up to them, a social network that they can tap into which they didn't have before. Many, especially in rural areas, say they feel a sense of dignity, agency and the ability to contribute."

²⁷ See: <https://www.education.gov.za/ArchivedDocuments/ArchivedArticles/BEEIPhase1-5ReportLaunch.aspx>

²⁸ Binding Constraints Lab. 2026. Lessons for scale: insights from the Basic Education Employment Initiative (BEEI). https://bindingconstraintslab.org/wp-content/uploads/2026/06/BCL_Lessons-for-scale-insights-from-the-Basic-Education-Employment-Initiative-BEEI.pdf

²⁹ See: https://www.socialemmploymentfund.co.za/wp-content/uploads/2025/04/SEF-brochure_2025.pdf

³⁰ Binding Constraints Lab. 2025. Public employment programmes (PEPs) and Foundation Phase literacy: A rapid scan of PEP design and compatibility. <https://bindingconstraintslab.org/wp-content/uploads/2025/11/PEPs-and-Foundation-Phase-Literacy.pdf>

³¹ Ibid.

NUMBERS TO KNOW

This is what SEF opportunities supported in the 2025 financial year:³²

- **12 691** participants engaged in complementary livelihood activities.
- **5 835** microenterprises got off the ground.
- **61 262** existing microenterprises were given additional support and mentoring.
- **1 651** participants got into full-time employment.



SERVING COMMUNITIES AND BUILDING YOUTH AGENCY: NATIONAL YOUTH SERVICE

The NYS creates paid opportunities for young people to help deliver services in their communities. It forms part of the Presidential Youth Employment Initiative, with the National Youth Development Agency as the government lead. Working through community-based NGOs and NPOs as implementing partners, young people help support educators and caregivers, expand access to sport, culture and recreation, and contribute to development where they live.

The intervention offers paid work for 16 hours a week for six months, which means participants can also pursue other income-generating opportunities or further learning while being involved in the programme. Since its inception in 2021, almost 131 000 young people have had a chance to work in and for their communities.³³ But more than that: the programme has strengthened young people's understanding of community needs and promoted local solutions to local challenges, and supported transitions into work, learning and microenterprise. More than a quarter of the people who found work experience through the NYS have moved on to the next step, with:

- about four in 10 going into formal jobs;
- almost three in 10 moving to further learning opportunities; and
- three in 10 either starting a business of their own or continuing in community service work.³⁴

³² Presidential Employment Stimulus. February 2026. Building a society that works: 2.5 million jobs, opportunities and more. <https://pres-employment.dev/>

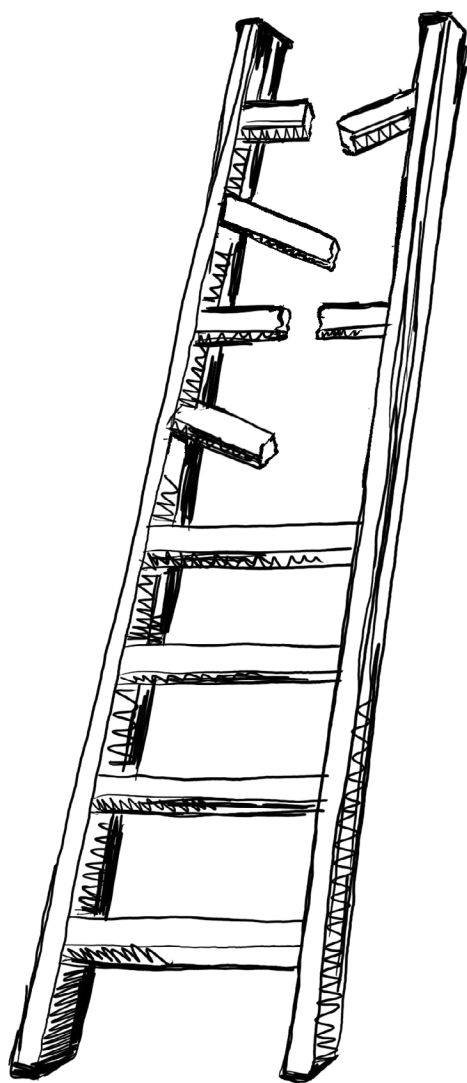
³³ National Youth Development Agency. 2026. Revitalised National Youth Service: Phase 1-Phase 5.

³⁴ Ibid.

MORE NUMBERS TO KNOW

For Phase 5 of the programme, planned to have started in June 2026:³⁵

- **36** new implementing partners were appointed, expanding the programme's footprint across all nine provinces;
- **100 000** opportunities were set to be unlocked; and
- **900 000** applications were received.



35 Ibid.

THE WORK IS NOT DONE

Despite the value of PEPs in setting young people on the road to economic participation, uncertain budgets for these programmes are worrying, as they impact not only the number of opportunities but also the duration, which is a key variable for quality outcomes. For example, in 2020, the PES was launched with a budget of R12.63 billion, but funding gradually decreased over subsequent years, hitting a low of R3.1 billion in the 2024/25 financial year and ending at R5.6 billion by March 2026.³⁶

The data appears to confirm this. Of the 358 000 jobs lost in the first quarter of 2026, 258 000 were youth jobs in the community and social sector; almost half were in the education sector.³⁷ This drop reflects the lapse in funding of the BEEI and a delay in funding for the NYS.

The issue of variable — and dwindling — funding for PEPs is not new, says Magwaza. “Even though these programmes have existed for many years, they’re not prioritised in the national budget. So, every year we wait on the budget speech to see what has been allocated to these programmes.”

This not only makes administrative planning difficult but also hampers building the evidence of the impact of these programmes, says Magwaza, which is why Youth Capital is advocating specifically for having a ring-fenced and multi-year budget for PEPs and a target for the number of opportunities that are focused just on young people.

Hannah explains that for PEPs to really have an impact on reducing youth unemployment and not just be “a response to a crisis”, budgets need to be planned in a three-year cycle, in line with the medium-term expenditure framework, and programme duration needs to equal at least 10 months. Without it, two things happen, she says: “Firstly, we’re not providing enough space and time to think about relevant training at scale for both the youth experience and programmes being delivered, and secondly, we’re not giving enough time to say what a programme that will set up a young person for a transition pathway would look like.” In turn, the opportunity for civil society to add value to these programmes is compromised, she says. “Civil society organisations sit in every community across the country, often with decades of experience. But with budget insecurity, our lack of ability to plan over time is getting in the way of sustainability of the organisations themselves to absorb young people in the most productive way, and so the system becomes a kind of knee-jerk response as opposed to positioning who is best placed to do what and resourcing that effectively for sustainability.”

36 Presidential Employment Stimulus. February 2026. Building a society that works: 2.5 million jobs, opportunities and more. <https://pres-employment.dev/>

37 Philip, K. 2026. New data proves it: Public employment is essential to providing work for the young. *Daily Maverick*, 31 May 2026. <https://www.dailymaverick.co.za/opinionista/2026-05-31-new-data-proves-it-public-employment-is-essential-to-providing-work-for-the-young/>

LESSONS LEARNT

Here are seven things that the teams at DGMT and Youth Capital have learnt about public employment:

1 WORK EXPERIENCE IS A CRITICAL RUNG ON THE LADDER OF ECONOMIC INCLUSION

Completing post-secondary education — whether a degree, diploma or certificate — improves young people's chances of finding work, and there is no denying its importance. However, one sometimes-overlooked lever is work exposure. Unemployed people with work experience were between three and four times more likely to have found a job than those without. Through gaining work experience and skills by participating in a PEP, young people have more options for creating livelihoods. But these programmes should be seen as a scaffold of support that offers young people different routes to crafting their earning and learning paths, rather than being seen simply as a springboard that will launch people into the formal job market.

2 WORK HAS VALUE, EVEN WHEN THE MARKET DOESN'T RECOGNISE IT

Many young people say being part of a PEP gives them agency and a feeling of value. The benefit goes beyond the income they earn, because it opens opportunities, networks and a knowledge and skills base they would not have had otherwise. At the same time, communities are strengthened through improved service delivery and social cohesion.

3 YOUNG PEOPLE WANT TO WORK, BUT THERE AREN'T ENOUGH OPPORTUNITIES

In the fifth phase of the BEEI, the biggest youth-focused PEP, and Phase 5 of the NYS, almost 10 times as many people applied as there were positions available.³⁸ “Young people are desperate to be included,” says Hannah, yet the scale of the lack of opportunities available to them isn't recognised. “We have to galvanise around a national strategy³⁹ to reduce youth unemployment that forefronts public employment and outlines government's responsibility to support it financially, and we need to get behind the idea of work for

the common good. For that to happen, we have to have sustained budgets, build the research case and improve the quality of programmes. At the moment we have a team in the Presidency who are absolutely committed to this, but we have a very short window to build momentum and an unshakeable case for PEPs as a key element of our youth employment solution.”

4 GOVERNMENT AND CIVIL SOCIETY MAKE A POWERFUL TEAM

Looking at the interplay between government agencies and civil society in giving young people first-work opportunities through PEPs shows how incredible the combination of government finance and the adaptability of civil society can be, says Hannah. And if this is the scale of what could be done with short-term budgets, imagine what could be achieved with sustained funding and a strategy that would allow the role players to plan better and have time to coordinate their actions better, she says.

5 PEPS ARE MORE THAN “WORKFARE”

PEPs have to be designed to provide work skills of value and keep young people engaged in economic activities. Measuring impact by simply counting the number of people passing through these programmes dilutes the value of PEPs in the wider labour market. The narrative seems to be shifting, though, says Magwaza. Youth Capital is noticing that the debate is “increasingly moving towards asking what is wrong with the system surrounding young people”. From their submissions to Parliament, they have seen decision-makers starting to support the push for sustained funding for PEPs. “There's something powerful about young people being at the forefront of talking about youth unemployment. Having the experiences of young people elevated in these conversations means people are starting to listen,” she says. And that's important, because “unless the interventions respond to what young people are struggling with, we'll continue having to confront the youth unemployment crisis, without addressing the structural and systemic issues that sustain it”.

³⁸ Binding Constraints Lab. 2026. Lessons for scale: insights from the Basic Education Employment Initiative (BEEI). https://bindingconstraintslab.org/wp-content/uploads/2026/06/BCL_Lessons-for-scale-insights-from-the-Basic-Education-Employment-Initiative-BEEI.pdf

³⁹ See: <https://www.gov.za/news/speeches/2026StateOfTheNation>

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SOCIAL PROTECTION CAN MAKE IT EASIER FOR PEOPLE TO LOOK FOR WORK

Findings from a Youth Capital survey in 2023 show that it costs a young person close to R1 500 a month to look for work, with about half of that spent on transport costs and the rest on data and the application process itself.⁴⁰ Without greater support to help cover costs and a concrete directive on whether the Social Relief of Distress (SRD) grant will become a fixed part of South Africa's social protection net, there will be continued uncertainty around how young people fund their job searches. And this could discourage people from keeping up the search, says Magwaza. "If R370 is all you have, your first priority is survival. Printing CVs, buying data or travelling to interviews becomes a luxury, which means the very cost of looking for work can keep people locked out of it."

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RESEARCH AND EVIDENCE MATTER

Led by the Southern Africa Labour and Development Research Unit (SALDRU) at the University of Cape Town with the Human Sciences Research Council (HSRC) and the Presidency's Project Management Office, a newly established public employment research facility will strengthen evidence-informed public employment policy in South Africa. With initial funding from the National Research Foundation, it brings together government, researchers, practitioners and civil society to examine how public employment programmes can improve outcomes for participants, communities, the economy and climate resilience. Building on lessons from the PES, the research facility's community of practice will support the government's "Work SA" agenda. Its hub-and-node model will connect national research capacity with policy implementation to improve programme design and help address unemployment affecting South Africa's working-age population.

⁴⁰ Youth Capital. 2024. Beyond the cost: What does it really cost young people to look for work? <https://youthcapital.co.za/wp-content/uploads/2022/05/YC-Beyond-the-cost-Report-final-digital-1.pdf>

WHAT'S NEXT?

The immediate focus is on continuing the advocacy for sustained funding for PEPs, along with continued research to build the evidence base around the impact of PEPs and pushing for increased visibility around the value of these programmes as a critical cog in dealing with the issue of youth unemployment.

This brief was written by Linda Pretorius and edited by Rahima Essop, with contributions from Bridget Hannah, Clotilde Angelucci and Buhlebethu Magwaza.



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