

A SOCIOLOGICAL ANALYSIS
OF
YOUTH UNEMPLOYMENT AMONG BLACKS
IN
KWAZULU-NATAL PROVINCE
OF SOUTH AFRICA

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(i)Declaration

I Ntombizanele Mkhwanazi hereby declare that the dissertation : A SOCIOLOGICAL ANALYSIS OF YOUTH UNEMPLOYMENT AMONG BLACKS IN KWAZULU NATAL PROVINCE IN SOUTH AFRICA is the outcome of my research at the University of Zululand conducted between 1999-2001. All work done by other persons has been duly acknowledged.

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(iii) Abstract

My decision to research the youth unemployment is the high rate of unemployment that is increasing among black youths in South Africa. It has been seen that the problem of unemployment emerged long time ago. This is an important study where I have reviewed many factors responsible for high rate of unemployment. The purpose of this study was to find out the possible ways which can be applied to reduce this high rate of unemployment among black youths in KwaZulu Natal province of South Africa.

In this study, two methods of data gathering were used. The primary source of data which consists of unemployed youths, employers, employees, and workers of the ministry of labour whom I interviewed with the aid of questionnaires and oral interview; and the secondary source of data which consists of data from ministry of labour, and library materials. The following findings emerged from this study:

- Individuals who have a low standard of education are likely to be more unemployed.

- Lack of government training schemes is responsible for the high rate of unemployment.
- Nature and extent of the labour market is responsible for the high rate of unemployment.
- Apartheid policy is responsible for high rate of unemployment.
- The use of advanced technology like computer in all work environment in recent time is likely to contribute to the high rate of unemployment among the black rural youth.

Since the issue of unemployment is a progressing problem, it is recommended that efforts must be made to reduce this high rate of unemployment. The government need to implement changes that will reduce this critical problem e.g. South Africa need to develop more training schemes as it is done in our neighbouring countries. The study does not claim to offer definitive answers about rate of unemployment, but it does seek to bring up possible ways or methods that can be applied in South Africa.

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CHAPTER I

1. Introduction

Unemployment is the central economic challenge of our times. Generally youth unemployment is one of the social world problems. For instance in Britain Hart (1988) shows that the rate of unemployment is increased from 1% to about 25% between 1951 and 1981. In Britain today youth unemployment is one of the major social problems. By comparison, United Kingdom as compared to France and Germany, youth unemployment increased by 21.5% in 1985. It is also revealed that, the youth unemployment rate is higher than adult unemployment simply because it takes time to find the most suitable job for youths. In case of America the work Robert, (1981) also confirmed that youth unemployment is the social problem. In his research on unemployment he shows that unemployment rates are high for black women and youths. In his research findings he shows that in 1979 in United States the youth 20 years of age, had a very high rate of unemployment. He concluded his studies by arguing that youth unemployment becomes more high because young people are not very willing to accept shift jobs at low wages.

In Africa today with particular reference Tanzania for instance, youth unemployment in Tanzania has also been found to be one of the social problems facing the country. The research by Bienen, (1979) show that in Tanzania 21-45% of the population is growing many and youths unemployed are migrating to towns producing a severe strain on social services. The unemployed youths are often found loitering in the streets of Dar es Salaam for job which is not available. In the case of Lesotho and Botswana youth unemployment has also be found to be a problem to the Government. Many of the youths who complited their primary and secondary school often found it very difficult to get jobs. This 13 of a great concern to the Government of both Botswana and Lesotho Metrowich, (1975). In the case of Asia Caste, (1992) in his research findings conducted in Australia, states that the unemployment rate in November 1991 was 10.5% in August 1989 as a result of the recession.

The South African situation show clearly to the statistical below that unemployment is also one of the major problems.

ESTIMATES OF THE AFRICAN POPULATION, SELECTED YEARS
POPULATION (MILLIONS).

YEAR	ASIANS	BLACKS	COLOURED	WHITES	TOTAL
1980	0,818	21,079	2,687	4,526	29,110
1985	0,898	24,462	2,958	4,853	33,171
1991	0,987	28,397	3,286	5,068	37,738
1996	1,054	31,965	3,529	5,242	41,790
2001	1,119	35,750	3,757	5,383	46,009
POPULATION (PERCENTAGE OF TOTAL)					
YEAR	ASIANS	BLACKS	COLOURED	WHITES	TOTAL
1980	2.8	72.4	9.3	15.5	100.0
1985	2.7	73.7	8.9	14.7	100.0
1991	2.6	75.3	8.7	13.4	100.0
1996	2.5	76.6	8.4	12.5	100.0
2001	2.4	77.7	8.2	11.7	100.0

Sources: Sadie, J.L. 1988. A reconstruction and projection of demographic movements in the RSA and TBVC countries Bureau of Market Research (Research report no.196). Pretoria: University of South Africa.

From the above table it could be seen clearly the nature and extent of unemployment in South Africa.

Some estimates of the South African population are presented Table 1. All these estimates are for the total geographical area (including the former Transkei, Bophuthatswana, Venda and Ciskei.) The first part of the table shows the estimated number of people per major population group and for the country as a whole. The second part shows the percentage distribution between the different population groups. The first three years (1980; 1985 and 1991) were census years (in which the population was officially estimated by the Central Statistical Service). The figures for 1996 and 2001 are projections.

Between 1980 and 1991 the South African population as a whole increased at an average annual rate of 2,4%. The corresponding rates for the different population groups were: Asians 1,7%, blacks 2,7% coloureds 1,8% and whites 1,0%. From this, and from the data in Table 1, it is clear that the size and

growth of the South African population, and therefore also of the labour force, are determined largely by the demographic features of the black group.

Unemployment entails a massive loss of output, and a tragic waste of people's lives. Statistical records from the Ministry of Labour show that youth unemployment has progressively emerged since the 1970's, as one of the chief problems of labour markets.

Measurements of unemployment in South Africa carried out over the last ten years have generally revealed alarmingly high rates, even at the height of the business cycle for example, Simkins, (1990) has estimated that the rate has risen more or less steadily from about 12% in 1980. At the same time there is evidence of shortage of unskilled Black labour in certain key sectors of the economy (such as mining and white farming) over certain periods. For instance, Brombeger points out that in 1975 and 1976 the gold mines experienced the breaking of contracts by South African Black workers and a consequent shortage of labour at a time when estimates such as those of Simkins and Knight show high and rising unemployment, and that

it was only in 1977 (in the recession) that they could obtain all the labour they wanted.

Further, there is much anecdotal evidence of unemployed people refusing job opportunities, particularly at urban labour bureaux. Loots also notes the abundance of such evidence, indicating that unemployed people are selective in the type of work they are prepared to accept. (i.e. search unemployment).

The question as to whether unemployment is explained by search or an absolute shortage of jobs is one which has significant policy implications. An explanation based on the simple inadequacy of the total number of jobs implies that what is required is the creation of more jobs. If, on the other hand, unemployment is essentially based on search, there is no labour market structures which make search unemployment a rational choice for many individuals are changed, the proportion of the population engaged in such an activity will probably not be decreased by the mere creation of more jobs. What is needed is the alteration of the parameters which cause job search to be undertaken in preference to accepting a job.

The magnitude of statistics on unemployment in South Africa today are horrific and getting worse by day. Statistics show that one thousand new job seekers come into labour market daily and only on hundred and twenty five of them eventually find formal employment.

1.2 STATEMENT OF THE PROBLEM AND MOTIVATION FOR THE STUDY

Youth unemployment is defined here as a situation where youths of the age of 18-30 are willing to work, qualified to work and yet they cannot find the job. Youth unemployment is one of the most critical problems in South Africa. There appears to be no end in sight to South Africa's high unemployment levels. Statistical figures published by the Reserve Bank Quarterly bulletin (1999) show the upward trend in unemployment, and issue which has plagued the South African economy in the past few years.

According to Coles, (1988:54) labour market excluded youth from large part of labour market, as a result this segmentation of labour market decreased the chances of being employed in large labour market.

Barker, (1995) states that recent figures from Central Statistical Service shows that 6.1 million people are unemployed and this amounts to 44% of the labour force. The rate to this high unemployment can be attributed to the following factors:

- a) Sharp increase in the supply of labour, this increase in the supply of labour is partly attributed to the increase in growth rate of population.
- b) The second factor that can contribute to the high level of unemployment in South Africa is this low increase in employment. This low employment level is as a result of low economic growth rate and the declining labour absorption capacity of the economy.

Further, Barker noted that the capital intensity of South African economy is rapidly increasing while the labour intensity is declining. The effects of these factors is a high unemployment rate.

Far fewer job opportunities are created at present for every percentage point of economic growth than in the past. Various estimates illustrate that an economic growth rate of at least 5% per annum is required to

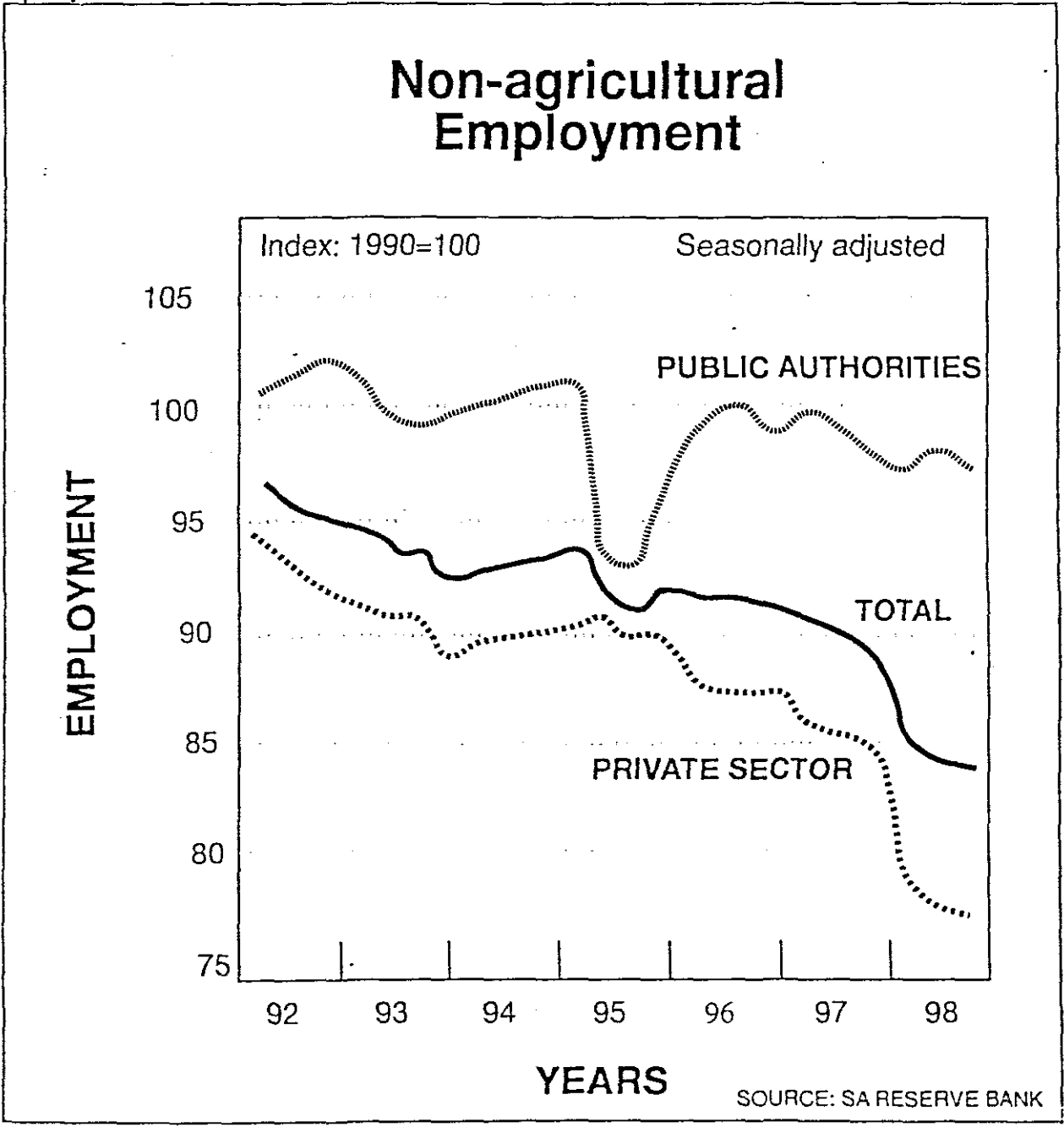
accommodate just the new entrants to the labour market, without even addressing existing unemployment.

The South African Labour Bulletin October/November (1993) also states that the magnitude of the statistics on unemployment in South Africa are horrific, and getting worse by day, as almost new job seekers come into the market daily and only few of them eventually find formal employment.

The national scale of the crisis is also becoming clear with each new set of figures. Totals of 4 to 5 million unemployed in South Africa are being mentioned recently in the City press newspaper. However, South Africa's Central Reserve Bank's Annual Report, presented in August 1993 shows that there is a general decrease in all the sectors of the economy (see employment graph on the following page).

The measurement of unemployment presents difficulties in a developing country such as South Africa, but Household Survey provides more dependable data from 1993. According to this survey shown above there were 3.6 million unemployed persons in 1993, which constitutes an unemployment rate of 29% (among blacks the rate was 37%). If the 3

FIGURE I



million persons involved only in the informal sector are included in this figure, there were 6.6 million people without a job in the formal economy.

The high unemployment rate and the large number of people in the informal sector are indications of the serious dualism that exists in the South African labour market with one part of the labour force employed in secure and well-paying jobs (especially unionised, urban workers) and the other part of the labour force not employed at all or employed in low paying and insecure jobs.

Unemployment is especially serious among women and youths in certain geographic areas such as the Northern Transvaal, Eastern Transvaal, Eastern Cape and KwaZulu-Natal. Estimates have been made by UNISA's Bureau of Market Research (BMR). This predicts an annual growth of 450 000 in South African labour force from 1990 to the year 2000 and 510 000 each year from 2000 to 2005. With these rates the BMR foresees as many as 11.5 million people, or 57% of the working age population existing outside the formal economy by the year 2005.

1.3 AIMS AND OBJECTIVES

Unemployment is a situation where individual who are qualified to work and willing to work cannot find the work.

Youth unemployment is one of the major problems in South Africa. Youth are the most important people in our society and they are the future generation. Since youth unemployment can occur at anytime i.e. structurally, seasonally, frictionally and cyclical. This research attempts to analyse the factors responsible for youth unemployment, and thereafter suggest possible ways of reducing this rate of unemployment among the youth in KwaZulu-natal Province of South Africa. It is also assumed by the public that unemployment rate is also associated with the nature and extent of the labour market.

In terms of the problems associated with youth unemployment Britain has developed youth training schemes which help young school leavers with training. Training schemes, such as YTS are based on the assumption that young people with work-related skills and work experience, they reduce the time that would otherwise be filled with spells of unemployment and maintain the young adult's competitive position in the labour market. In such areas it organizes the provision of schemes through employers as they will in many cases be in a position to provide jobs at the end of the scheme.

We would like to investigate in this research if this youth training scheme can be applied in South Africa.

CHAPTER II

2. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 THEORIES

Youth unemployment is one of the most critical problems in the world. In order to successfully address the problem of unemployment, a distinction should be drawn among six types of unemployment as this gives an indication of the reasons for unemployment. Before discussing the above six types of unemployment, we will take critique of the theory of unemployment which are as follows (1) Marxist theory of unemployment, (2 Market liberal theory, 3. Monetarism; and 4. Phillips theory on unemployment.

2.1.1 Marxist theory of unemployment

Unlike Keynes and supporters of market liberal theories, Marx saw unemployment as resulting from the capitalist system itself. He did not believe that in the long-term capitalist economies could be managed to eliminate unemployment, nor did he think that market forces would reduce unemployment of their own accord. Marx saw unemployment as an endemic problem of capitalism, and one which could get progressively worse.

However, he did not believe that capitalist economies always had and would

have high levels of unemployment. He believed that such economies went through cycles. Periods of expansion in which there was full employment were followed by periods of crisis during which unemployment rose.

Recoveries from crises were only temporary. Each successive crisis would be worse than the previous one until eventually the capitalist system was destroyed.

Marx believed that capitalist economies worked in the following way. The bourgeoisie are primarily interested in maximizing the amount of surplus value that they produce. (Surplus value is the difference between the costs of producing commodities and the price they are able to sell them for.) in order to be successful, members of the bourgeoisie must compete with each other. To succeed they must invest some of their profits in new machinery which can produce goods more efficiently. In this process they accumulate capital in the form of machinery used in production. During booms the over-accumulation of capital takes place. The bourgeoisie install new machinery, but as their businesses expand they find there are not enough workers to operate it. Because workers are scarce, competition between firms for workers forces them to raise wages. Increased wage levels inevitably mean that the rate of profit falls, since the higher the wages the smaller the proportion of the total costs of production that becomes surplus value. As

the rate of profit falls the confidence of the bourgeoisie is reduced, and they are less willing to invest in new technology. Furthermore, at the new and higher rates of pay much of the old machinery that is being used is no longer profitable and has to be scrapped. With the lack of new investment, and old machinery being taken out of production, unemployment inevitably rises. Eventually unemployment forces down wage rates, profitability, business confidence and investment increase, and the economy starts to expand again.

Capitalists require workers who can be hired during booms, and fired during slumps. Marx refers to the part of the workforce who are used in this way as the reserve army of labour. The unemployed are the victims of the cyclical way in which the capitalist economy works.

The processes described above explain why Marx thought capitalism went through periods of crisis in which unemployment rose. However, they do not explain why he thought these crises would get progressively worse.

According to Marx's labour theory of value, it is only labour power, or work, which actually creates wealth or surplus value. As production becomes increasingly mechanized the bourgeoisie invest a greater proportion of their capital in machinery. Labour costs decline as a proportion of the bourgeoisie's expenditure on production. Rises in productivity can increase

the surplus value produced by each worker, but as the price of investment in new machinery rises it becomes increasingly difficult for profits to remain high. To maintain profits each worker has to be exploited at a higher rate. To Marx, this situation cannot continue indefinitely. Workers will eventually realize they are being exploited, develop class consciousness, and overthrow the capitalist system.

Clearly, Marx's predictions that capitalism would collapse have not come true. Indeed the economic system of some communist countries seems closer to collapse than that of most advanced capitalist countries.

Nevertheless capitalist economies have not proved as manageable as economists like Keynes believed. Governments have not been able to manipulate economies in such a way that mass unemployment has become a thing of the past.

2.1.2 Market liberal theory

During much of the period since 1945 it was accepted by Labour and Conservative governments alike that the government could and should maintain low levels of unemployment. Much of this thinking stemmed from the work of the British economist J.M. Keynes. Keynes argued that unemployment in the 1930s was caused by a lack of demand in the economy. If too few goods were purchased then production would be cut back and jobs

would be lost. If demand for goods were increased then the process would be reversed and unemployment would fall. It was therefore the duty of the government to manage demand in the economy; an increase in government spending could cut unemployment. Successive governments were committed to a mixed economy. Government control over key industries would allow the government to manipulate the economy so that mass unemployment could be avoided.

In the 1970s the consensus about broad economic policy was eroded.

Governments faced the problem of rising inflation as well as rising unemployment. Measures designed to reduce unemployment could lead to increased inflation. The Conservative party under Mrs Thatcher turned to market liberal economic theories which challenged Keynes's view that the government could solve economic problems by increasing demand in the economy.

2.1.3 Monetarism

The most influential economist advocating market liberal policies was the American Milton Friedman. He advocated 'monetarist' policies to control inflation. He believed that inflation was caused by too much money chasing too few goods. The government could reduce or even eliminate the problem by reducing the money supply, that is, allowing less money to circulate in the

economy. This necessitated cutting back on government spending and not expanding it as Keynes advocated.

To Friedman there was a 'natural rate' of unemployment in any economy. The government could not reduce unemployment below the natural rate without causing excessive inflation unless there were other fundamental economic changes. The natural rate of unemployment was affected by such factors as the level of unemployment benefit and the flexibility of wage rates.

Classical free market economists such as Adam Smith had argued that unemployment could not exist in the long-term. The unemployed would be prepared to work for lower wages in order to get a job, and at lower wage rates it would be profitable for employers to take workers on. The demand for and supply of labour would come into balance and unemployment would disappear. Friedman pointed out that there was not, in reality, a totally free market in labour. Unions could use their power to drive up wages artificially high, and unemployment benefits would discourage people from working for low wages. Other important factors would be the mobility of the labour force, and the availability and cost of information about job vacancies.

2.1.4 Phillips theory of unemployment

In 1958 a New Zealand engineer turned economist, A.W. Phillips, published the results of a detailed study of the United Kingdom's experience with

inflation and unemployment between 1861 and 1957. his results indicated an inverse relationship between inflation and unemployment, such as the relationship indicated in Figure 2 below.

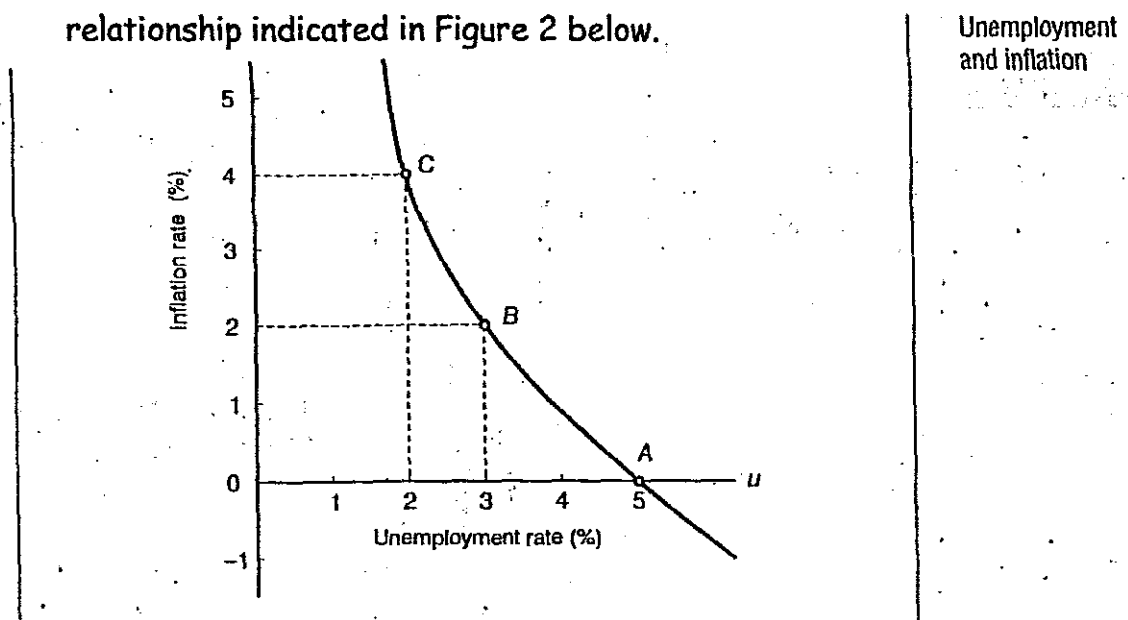


FIGURE 2 The Phillips curve. The Phillips curve relates the unemployment rate (u) to the inflation rate. Lower inflation is related to higher unemployment and vice versa.

In the figure the percentage of workers who are unemployed is measured on the horizontal axis and the inflation rate is indicated on the vertical axis.

Phillips found that the statistical relation between inflation and

unemployment could be illustrated by a curve running downwards from left to right. According to the Phillips curve, lower unemployment levels are associated with higher rates of increase in the general price level, and vice versa.

For example, in Figure 2 we show that inflation will be 4 per cent at an unemployment rate of 2 per cent. According to the figure, the inflation rate can be reduced to nil only if the unemployment rate (u) is allowed to increase to 5 per cent.

2.2 Types of unemployment

2.1.5 Frictional Unemployment

Frictional unemployment arises as a result of normal labour turnover that occurs in any dynamic economy and the time lags involved in the re-employment of labour. Because of persons moving between jobs and also new entrants to the labour market, at any given time there are unemployed persons as well as vacancies which can be filled by those unemployed persons, and it usually takes time for those workers to find and fill those vacancies. Frictional unemployment usually has a relatively short duration, but can be reduced even further by improving labour market information and replacement services, so that the employer and work seeker can find each other sooner more effectively.

2.1.6 Cyclical unemployment

Cyclical unemployment arises during recessionary periods when aggregate demand and thus also the demand for labour, is low. During recessionary periods few or no jobs are created for new entrants to the labour market, and even existing workers might lose their jobs through retrenchments. Once the economy improves, however, the cyclically unemployed are again employed. In South Africa the problem of cyclical unemployment has a

dimension which makes it difficult to address, successfully, namely that is super-imposed upon large scale structural unemployment. As a result, the unemployment problem is severe as well as complex, and therefore difficult to alleviate.

2.1.3 Structural Unemployment

Structural unemployment is more difficult to define, but generally refers to overall inability to the economy, owing to structural imbalances, to provide employment for its total labour force even at the peak of the business cycle. Even during periods of high economic growth, jobs do not increase fast enough to absorb those already unemployed and those newly entering the labour market. Various reasons could exist for this state of affairs, for example the rapid growth of the labour market. Structural unemployment could also refer to a skills mismatch, i.e. between the locations of job vacancies and of job seekers. The major proportion of unemployment in South Africa is of the structural kind.

2.1.4 Seasonal Unemployment

Seasonal unemployment is due to normal and expected changes in economic activity during the course of a single year. This is found in many sectors,

but the agricultural sector is probably the best example. Persons working during peak periods and unemployment in off-peak periods are then seasonal workers or seasonally unemployed, as the case may be. This type of unemployment occurs and disappears on a regular and predictable basis.

2.1.5 Open unemployment

Open unemployment arises where a person is without remunerative work, but would like such work at going wage rates. Related to this is open underemployment, where a person does not have as much work as he would like at going wage rates.

Open unemployment, is clearly in a different class. With open unemployment a clear market signal is generated, i.e. there is an excess of supply over demand, but the market apparently does not respond by generating employment opportunities in the way that neoclassical theory suggest it should, i.e. the market does not clear.

Open unemployment could also be involuntary. This occurs when is not the deliberate decision of the individual not to get employed, but as a result of other factors like slow-growth and demand constrain.

2.1.6 Disguised unemployment

Disguised unemployment, as used by Berry and Sabot, arises when the

marginal social product of a given type of labour is not equal in every use.

The optimal allocation of labour requires equality, in which case no increment to social welfare can be attained by reallocating labour. Berry and Sabot

define marginal social product as " the increment contributed to the value

of the output of goods and services by an additional worker plus the net

direct utility (or minus the net disutility) of the work itself to the

individual". This does, of course assume a first-best world where all

resources are allocated imperfections, for example, optimal efficiency may

not be attained by equalising the marginal social product of labour, i.e. in a

second-best world, inequality may indicate imperfections in markets other

than that for labour.

Disguised unemployment, for example, may arise when a man chooses to

remain in the rural subsistence sector rather than moving into wage-paying

job despite the fact that his marginal product may be zero or much lower

than in wage job. This situation may arise because while he remains in the

subsistence sector he shares in output, whereas if he moves he loses this

share. Assuming rationality and other things equal, he would only move if his

wage exceeded average product in the subsistence sector.

However, disguised unemployment also covers those in more conventional jobs where differences in marginal product are reflected in wages. Presumably most of those in the lower-wage jobs would like better ones, and this would tend to generate a market signal. However, opportunities for search for those engaged full-time in low-level occupations would be extremely limited; generally they would have to rely on other jobs going. This means that market signals would be, at best, muted, and, at worst, largely absent. There is a form of disguised unemployment which is closely akin to the open variety, however, and this is where a person is forced into the informal or traditional sector jobs. Presumably some market signals will be generated, since such a person will generally be free to do some searching.

Nonetheless, although those in disguised unemployment might not themselves generate a very clear market signal, this will to extent be compensated for by the fact that those in open unemployment presumably prefer the better types of job. Thus, to the extent that the unemployed refuse the lesser jobs in order to seek better ones, open unemployment will be an indicator of this reason of unemployment. In concluding, the above analysis it could be argued here that youth unemployment fall under the category of structural unemployment because the social structures of South

Africa is undergoing dramatic changes as a result of utilisation of advanced technologies and other modern techniques of production.

2.2 EMPIRICAL STUDIES ON UNEMPLOYMENT

Coles, (1985) is of the view that there are many factors that can contribute to the high rate of youth unemployment. Beside these types or reasons of unemployment that have been mentioned above, various scholars who have conducted research on youth unemployment viewed several factors.

2.3.1 YOUTH UNEMPLOYMENT IN BRITAIN

In view of the causes of youth unemployment Coles (1988:54) states that youth unemployment can be influenced by segmentation of labour market. He viewed this segmentation of labour market in terms of local labour market and national labour market. For jobs at lower levels, recruitment is confined to the local area, and jobs at high level which require skills and qualifications, recruitment is confined to the national labour market.

Furthermore, Coles, (1985) pointed out that this distinction between local and national labour market can limit the choice of young people in getting jobs.

According to Allen, (1986:45) youth unemployment is caused by jobs that demand workers with skills or other attributes not usually possessed by young people, and that young people have failed to adapt to this situation.

Ashton, (1990:135) also pointed out that recruitment of youth in the labour market is first considered as part time jobs or workers, and youth can be retrenched at any time.

Ashton and Maguire state that labour market segmentation provides a very different conceptualisation of the labour market. There is competition between young people and adults restrict their chances of being employed.

The above mentioned authors identified three possible modes of competition:

- i) Where competition is restricted to young people. As adults are excluded from competing this provides young people with a sheltered point of entry. For Example, apprenticeship have age

restrictions on entry. In 1985 these accounted for approximately 20% of the jobs entered by young people, although these are not the only jobs with age restrictions on entry.

- ii) Where competition is restricted to adults. At the point of entry to the organisation such jobs are closed to young people. This is often the case with respect to semi-skilled and unskilled jobs in manufacturing industry where employers seek to recruit married adult with family responsibilities. Estimates suggest that over 50% of such jobs are closed to young people.
- iii) Where young people compete directly with adults. This creates exposed points of entry to the labour market for young people.

It has been most clearly articulated in the work a sociologist, David Raffé, (1987:24). He argues that young people are broadly in the same labour market(s) as adults. Age discrimination and where employers do discriminate in terms of age they do so flexibly. Raffé specifies three factors which affect employers decision in this respect. These are:

- i) The training costs associated with recruiting inexperienced young people.

- ii) Young people's personal and behavioural characteristics, which are often regarded as undesirable in comparison with those of adults.
- iii) The relative wage costs of young people.

For those reasons, young workers are regarded as less employable than adults and hence occupy the rear of the job queue. In times of high unemployment employers may discriminate against youths, possibly because of their personal and behavioural characteristics, as a plentiful supply of experienced adults is available. Indeed, Robert et al. (1986) found that during the recession, in those jobs where youths and adults competed employers opted for the experienced adults. However, at group level, the underlying sources of age segmentation continue to operate, leading employers to exclude youths from many jobs and preferring them for others.

According to Hart, (1988), youth unemployment in Britain increased from 1% to about 25% between 1951 and 1981. By comparison, United Kingdom as compared to France and Germany, youth unemployment increased by 21.5% in 1985. It is also revealed that, the youth unemployment rate is higher than adults unemployment rate because it takes time to find the most suitable job. The number of young people aged 15-19 increased between 1970 and 1982, exacerbating the problem of rising youth unemployment

According to Banks and Hinahp, (1980), the unemployment in youth is exacerbated by the lack of qualification, the unemployed young people spent about 60% of their time since they left school.

Furthermore, Banks, (1988:16) pointed out that another major socio-demographic category influencing youth's entry into the labour market is ethnicity. Discrimination combined with the concentration of ethnic minorities in economically run-down areas means that coloured youth enter inferior quality jobs and experience more unemployment than their white counterparts.

Roberts, (1984:47) pointed out that recession has victimized young people in three ways.

First, when firms trim workforces, recruitment is reduced or halted, which is particularly frustrating for newcomers to the labour market, like school-leavers.

Second, when profit margins are squeezed, training is often one of the luxuries to be pruned. Firms realize that this economy threatens their long-

term prospects, but when short-term survival is at risk all possible cutbacks are considered.

Third, when general unemployment is high, young job seekers face strong competition from older experienced workers. Some school-leavers' jobs, including apprenticeship, are sheltered because adults are ineligible.

Furthermore, Roberts states that other jobs are closed to young people who are considered immature and irresponsible, unsuited to heavy work, excluded by health, safety and other protective legislation, or because alcohol, driving and/or shifts are involved. The majority of jobs open to young people are also open to adults, and the latter often win the favour of employers, many of whom have become highly critical of school-leavers.

White and McRae, (1989:59) state that young unemployment is highly influenced by the lack of qualifications. They further pointed out that different kinds of selection in selection process are involved; that is :

- i) When leaving school (or a period of post-school training) qualifications may affect the chances of going into employment as opposed to going into employment.

- ii) Qualifications may influence the type of employment entered; and different types of employment may be prone to different risks of unemployment.
- iii) Within all or most types of employment, those young people with less qualifications may be more at risk of becoming unemployed than those with more qualifications.
- iv) Within unemployment, those with qualifications may have high chances of being selected into new jobs than those without qualifications.

There have been a variety of studies which have attempted to determine those factors which influence youth unemployment in Britain. The descriptive study by Casson, (1979), and the econometric analysis using time-series data by Layard, (1982), Makeham, (1980), and Metcalf, (1979) stress the importance of demand conditions as a primary determinant of youth unemployment. They argue that young workers are particularly hard hit by cyclical changes in the economy because of their concentration in low skill groups.

These studies have also shown that while the increase in the youth population due to the 'baby boom'[has had some impact on their current high

rates of unemployment, this effect has been minimal. In addition to these factors, recent studies by Lynch and Richardson, (1982) and Wells, (1983) have pointed out the potential importance of relative employment costs of young workers to adults-workers.

Studies such as Daniel and Stilgoe (1977), Jones (1983), and MacLeod, Main and Raffe, (1983) have concentrated on analysing the characteristics of unemployed young people using survey data. Some of these studies have found that educational qualifications and part-time work experience prior to leaving school are important determinates of the probability of being unemployed. They also find a high degree of labour market segregation in young male and female employment.

Lynch, (1983) and Lynch, (1985) identified some of the relevant variables which may influence the probability of a young person being unemployed. He grouped these variables into three broad categories that is: individual characteristics, local environmental conditions, and work history.

Lynch further states six variables which fall into individual characteristics category that is ethnicity, appearance, extent of education, comprehension, ability to express oneself and health. If there is discrimination in the

labour market non-whites may experience both high incidence and longer duration of unemployment they are therefore more likely to be found in the stock of the unemployed. Those young people who do not take any exams before leaving school may have greater difficulty in obtaining their first and subsequent employment, especially if employers use exams as a signal of potential productivity. This type of statistical discrimination could also be relevant for the interpretation of the appearance, expression and comprehension variables.

Finally poor health could have an influence on the probability of being unemployed for at least two reasons. First, illness after leaving school will mean that the young person has not accumulated as much valuable work experience. Second, employers may be concerned about hiring and training an individual with a poor health record since this could imply a high absentee rate and consequently lower productivity.

The second category stated by Lynch is environment. This category contains three variables, that is the borough of residence, the occupation of the head of the household and unemployment amongst other members of the respondent's household. The borough of residence may affect the ability to find a job for several reasons. If an individual is living in a borough which

has a depressed local labour market and high transport costs to those areas with more opportunities he or she may be unwilling (or unable) to look for employment in other areas. Also, it may be more difficult to obtain information about potential employment possibilities outside the local labour market.

Furthermore, Lynch stated that those young people living in areas within a borough with limited transport are much more constrained in their employment opportunities than those living in areas with excellent transport. Another reason why the borough of residence may be significant is that it proxies for poor quality education, poor housing, or lack of community services, all of which contribute to a general alienation from society and the world of work.

A second variable which may affect the motivation of the young person is the presence of unemployment amongst other members of the household. This may make the young person feel more discouraged about his or her own chances of finding employment. It may also limit the amount of information that working members of the household can provide to the respondent about potential jobs.

Finally socio-economic status of the family, which we proxy with the occupation of the head of the household, may influence the probability of a young person being unemployed. Those young people from middle class families may have greater access to information about potential jobs and resources to help find jobs.

The last category identified by Lynch, (1987) is work history. This category contains three variables that is part time work experience prior to leaving school, lagged employment status and turnover. The young people who have worked part-time while in school will have more probably prefer those who have already worked to those with no previous experience.

The lagged employment status variable could be significant for two reasons. The first is that past unemployment experience can influence the behaviour of the individual. For example, an individual who experience a long unemployment spell early in his or her work may become discouraged and not look as hard for other employment. Past unemployment also implies a loss of work experience and employers may use employment records as a sorting device and as potentially unreliable, less productive, or undesirable.

The second reason why this variable may be significant is that lagged unemployment status is simply a proxy for unobserved variables such as motivation.

The final variable is whether or not the individual has changed jobs. Again this variable could act as a signal to the employer if the employer believes that those who have changed jobs in the past may not be very reliable and may leave the firm after a short period of time. This would mean that any investment that the firm makes in the individual would be lost, and therefore they would be reluctant to hire those who have changed jobs frequently. In concluding the Britain experience youth unemployment is tackled for the fact that Britain has developed Youth Training Scheme which helped. This training scheme is based on the assumption that young people with work related skills and work experience.

2.3.2 YOUTH UNEMPLOYMENT IN AMERICA

Roberts, (1981) research work on unemployment indicates that , the unemployment rates are higher for women blacks and youth. According to his previous study on unemployment, he found that in 1979 in USA, the white women 20 years of age and over, the rate of unemployment was 52% as compared to white men with the rate of 3.3%. For black men 20 years of

age and over, the rate of unemployment was 8.4% and for the black women in the same group, it was 9.9%. For white teenagers, 16 to 19 years of age, the unemployment rate was 14.3% and for black teenagers it was 36.9%.

According to Parker (1977), a study based on USA reveals that crime and unemployment have a correlation. In Canada the evidence based on the House of Lords Select Committee Report, (1982) illustrated that, unemployment and prison admissions are close.

According to Sinclair, (1987:9) unemployment is tragically with suicide. Most of unemployed people have already been adversely affected. In Warsaw, suicide cases were attributed by the great depression in the 1930's. The statistics showed that 18.3% in 1931 and 5.2% in 1928 have been put on record.

Wallace, (1986) in his research finding, pointed out that there may be a growing disjunction between school and work or a fracture in the traditional process of social production. He further stated that it is argued that young people are employed because they are unemployable.

Pryce (1979), Roberts et al (1981) state that youth unemployment become more high because young people are now less inclined to accept 'shift jobs' at 'slave' wages.

Ashton et al (1987:166) pointed out that most operative jobs are effectively closed to young people because the technology requires a twenty-four hour operation. Young people are regarded as being unsuitable for shift work, either because they are seen as unreliable, especially when it comes to night shifts, or because the jobs are highly paid and part of an internal labour market.

Research findings by Killingsworth, (1989:89) states that in United States, the unemployed include those temporarily laid off from regular jobs as well as the long-term unemployed teenagers seeking their first jobs, those seeking part time employment, and people who are moving from one job to another.

A group of economist let by the President's Council of Economic Advisors cited in (Killingsworth, 1989:90) states that the present excessive unemployment in United States has been a result mainly of what they call 'fiscal drag' that is, a federal tax system that drains an excessive amount of

purchasing power out of the economy every time it begin to approach a high level of activity. These economists argue that fiscal drag has caused a chronic deficiency of aggregate demand in the United States since 1957.

Killingsworth, (1989:90) further states that youth unemployment in United States has increasingly come to be concentrated in the low skilled segment of the labour force. Furthermore, he states that US labour market requires highly skilled workers, this reduce the chances of young people being employed.

According to Dickens and Lang, (1987:91) youth unemployment in highly influenced by labour market segmentation. The labour market is divided into primary and secondary labour market. This segmentation decrease the chances of youth being employed because job opportunities are closed to secondary labour market.

According to Murphy and Topel, (1987:103) youth Unemployment is highly increasing because of low pay jobs and temporary jobs. They state that young people are being employed for short-term jobs after a certain period they find themselves being unemployed.

Levin et al (1981:56) state that factors such as technology and socio-economic changes, also have made it much more complicated for young people to find jobs that provide an opportunity to earn an adequate income and reasonable economic security. And the transition from school to work is more difficult because young people lack work experience, having spent their lives in an educational system that seldom provides the skills demanded by employers. Some youngsters, especially dropouts never find the bridge and are doomed to lives of intermittent unemployment in low-paying, high-risks jobs.

Wachtel, (1988:262) when he explains unemployment, he states that according to the strict neoclassical view, unemployment occurs because the market for labour is in disequilibria.

Keyne's work (1989) states that youth unemployment is caused by job search. He further explains that job search refers to the process of rational calculation an individual goes through when looking for a job. If the job offered pay less than she or he is receiving by not working, the unemployed person will remain in that status. His or her reservation wage exceeds the wage that has been offered. Alternatively, an individual may

entirely give up looking for work and become a "discouraged worker" dropping out of the labour force, if the costs of looking for work exceed the probability of finding a job that exceeds the reservation wage.

According to the job-search theory, most unemployment is voluntary and occurs because the returns to job search exceed the returns to remaining employed, accepting a new job, or dropping out of the labour force. When unemployed, individual continue to engage in job search until they receive an employment offer whose compensation exceeds the returns to continued search.

According to dual labour-market analysis, unemployment results for different reasons such as secondary and primary sector. Within the primary sector, unemployment results from insufficient aggregate demand, which may be localized, for example, when demand falls for automobiles. Unemployment in the secondary sector however, is built into the structure of that market. Unemployment in the secondary sector has a higher concentration among blacks, youth and female workers. For these people several jobs in the same year is not typical.

Sinfield, (1981:61) when he views youth unemployment, he states that the risk of unemployment is very much greater closer to school leaving age. However, high unemployment among young people is not confined to this group only: 18-19 year olds and 20-24 year olds have the next highest rates of unemployment after those under the age of 18.

Furthermore, Sinfield, (1981) states that surveys show a much high rate of unemployment among young people without any qualifications and a tendency for this unemployment to be more frequent and longer lasting. Given this and the fact that the proportion of young people without any qualifications, and a tendency for this unemployment to be more frequent and longer lasting. Given this and the fact that the proportion of young people staying on at school rises with social class, it is not surprising that the youngest unemployed come disproportionately from families where the main wage earner is in manual work, especially unskilled manual work, and therefore also particularly vulnerable to unemployment.

One study undertaken for the government in January 1980 found that 1 in 7 young unemployed had fathers out of work, in 5 had a brother or sister unemployed, and the same proportion lived in households where no one was in full-time work. Further evidence of the concentration of unemployment was

shown by the fact that nearly 4 out of 5 young unemployed had friends out of work (Department of Employment Gazette, December 1980).

Evidence that the general rise in unemployment is the basic reason for the particular increase in unemployment among school leavers and young people emerges clearly from a Department of Employment analysis of the various factors leading to youth unemployment. Its conclusion is straight forward and without and qualification: "Those conditions which produce high overall unemployment produce high youth unemployment". Detailed examination of the years 1980-89 shows that, even when school leavers are excluded, young people have been much more prone to unemployment.

American researchers on youth unemployment Sinfield, (1981) also pointed out that young people are having to compete for jobs with experienced workers much more than in the recent past. At the same time, equal pay and the need to pay the full adult male rate at 18 or at least earlier than 21, in many jobs have made many young workers more expensive, flat rate incomes policies may have added to this effect. This may partly explain the greater risk of prolonged unemployment among young people over 18. Employers may be much more reluctant to pay them the full adult rat when they can find either older workers with more younger workers at a lower rate.

A study of black and white school leavers from Bradford and Sheffield in the early 1980s showed that black youths were much more likely to have difficulty in getting jobs. Although they were no more likely to leave or lose a job once they were in work once they became unemployed Dex, (1989)

According to Godfrey, (1986:75) youth unemployment is more likely to be influenced by mismatch of skills. Mismatch of skills exists if vacancies exist but an unemployed person is not qualified to fill any of them. Furthermore, a decline in relative importance of unskilled jobs is often cited as a cause of rising unemployment, particularly in industrialised economies among the young people. In case of America we will recommend that training scheme like of Britain should also be established in America. This will also help to reduce/ minimise the rate of unemployment among youths.

2.3.3 YOUTH UNEMPLOYMENT IN ASIA

Studies on youth unemployment in Asia states that youth unemployment is more likely influenced among Asians by racial discrimination. Racial discrimination appears to have also reduced the hours worked by blacks as they face higher levels of unemployment and involuntary part-time employment Adnett, (1989).

Levitan et al (1981:301) states that the serious problems of youth unemployment are concentrated among a relatively small group who are triply impinged upon by being poor, a minority, and without education.

Furthermore, Levitan et al (1981) states that job changes, plant shutdown, the search for a first job, and seasonal swings all cause some temporary joblessness and underemployment.

When Hutson and Jenkins, (1989) viewing youth unemployment, they state that if young people grow up from the unemployed parents, they are more likely to be unemployed when they search for work. Young people lose interest more easily in searching for work or employment.

According to McLaughlin, (1992:86) youth unemployment is more likely experienced by females than males. Sex discrimination is regarded as a major influence on youth unemployment.

Furthermore, McLaughlin, (1992) pointed out that age segmentation is also existing in the labour market. Previous research has focused on how young

people's early experience of the labour market is structured by age requirements for entry to many jobs, which effectively differentiate the youth labour market from the adult labour market.

Employers in the labour market tend to recruit adult people than youths. He further states that youths are less employed because they lack training, and experience of work.

Sapsford and Tzannatos, (1990:153) state that labour market segmentation has an influence on a rate of youth unemployment. They state that labour market is divided into primary and secondary labour market. The primary market offers jobs which possess several of the following traits: high wages, good working conditions, employment stability and job security, equality and due process in the administration of work rules, and chances for advancement.

The secondary market has jobs which, relative to those in the primary sector, are decidedly less attractive. They tend to involve low wages, poor working conditions, considerable variability in employment, harsh and often arbitrary discipline, and little opportunity to advance. Youths are confined

to the secondary labour market. This segmentation of the labour market limits the chances of youth to enter the labour market.

Carline et al (1985:118) state that if young people has searched for work for a long time they end up loosing interest in searching for work. If the costs of looking for work exceed the probability of finding a job, youths end up giving up to look for work.

Dex, (1979:75) in her study of West Indian and white school-leavers in Birmingham state that youth unemployment is influenced by several factors, such as age discrimination, sex discrimination and job search.

Furthermore, Dex (1979) states that employers in work places tend to prefer older workers, well experienced workers and qualified workers, this selection of workers do affect youths because most of young people are school-leavers and they lack experience and qualifications of work which is available.

Castle, (1992:75) in his research findings conducted in Australia, states that the unemployment rate in November 1991 was 10.5% in August 1989 as a result of the recession.

Furthermore, Castle (1992) states that unemployment rates are sensitive to age. In general, unemployment rates are highest among youth (15-19 years) and fall as the age of the labour force increases. However, unemployment rates rise for men over 55 and for women 45-54. Youth unemployment rates are usually two or three times greater than those for the rest of the population and pose a serious problem for policy markers.

As more youth stay at school until the end of year 12, the prospects for early school leavers are poor. They have poor education and little training and employers have shown an increasing preference for older workers. Unemployment is also sensitive to education. Those with the least education have the highest levels of unemployment, while those with degrees have the lowest levels of unemployment.

Castle, (1992) further pointed out that the new entry problem also shows up for those aged 20-24. Many of these engage in lengthy job search as they seek a permanent position related to their qualifications and training. The

transition from full time education and part-time work to a career position often takes time and this is reflected in unemployment rate 50 to 80 per cent above those for the whole workforce.

A factor which influences young people to become discouraged and drop out of workplace is the length of time they are unemployed. They have been major and disturbing changes in the duration of unemployment in recent years. As unemployment rates have increased, so too has the average duration of unemployment which has increased from 28.4 weeks in August 1979 to 43.7 weeks in September 1991. The median duration, which is sensitive to cyclical factors, was fourteen weeks in 1979 and twenty-six weeks in September 1991. This is a further indication of the growing problem of unemployment in Australia, and has influenced several labour-market programmes designed to reduce unemployment Castle, (1992). The type of unemployment here is structural, seasonal and frictional.

2.4 YOUTH UNEMPLOYMENT IN AFRICA

Kaufman, (1989:609) states that the process of job search provides an important theoretical explanations for the existence of unemployment.

He further states that regardless of whether the person seeking a job is a new entrant to the labour force, a victim of a plant closing or a worker who wants to change jobs, imperfect information forces the job seekers to go from firm to firm in search of job openings and information regarding the rates of pay, working conditions and so on.

For workers who are already employed, the search for better job involves a spell of unemployment only about 50% of the time. In this situation the worker is usually able to search for a new job during off-work hours and after finding a satisfactory job, make the switch with no intervening spell of joblessness.

For workers who are laid off or just entering the labour market, however, the process of job search usually involves periods of unemployment as it takes time to fill out application forms at personnel offices, and interview with employers.

Hutt, (1980:60) cited in Carline 1985] pointed out that imperfect knowledge about alternative job opportunities may lead worker to reject immediately available work, in the hope of finding a better job somewhere else.

According to Levitan, (1981:33) some unemployment and some shortages are to be expected in any dynamic economy, regardless of the level of labour demand. Job changes, plant shutdowns, the search for a first job, and seasonal swings all cause some temporary joblessness and underemployment, innovations or extremely large changes in demand may result in temporary shortages or surpluses of skilled personnel.

Furthermore Levitan, (1981) states that discrimination also plays a role in the higher jobless rates of women and teenagers. A woman or teenager is more likely to be laid off than a man, more likely to be working part-time for economic reasons, and less likely to be in a high-income, high-status occupation.

Higher unemployment among women and younger workers is expected because they are given lack of seniority, initial entry in the labour force, tendency to seek new jobs, or relative lack of experience.

The incidence of unemployment is higher among women and is particularly severe for young workers eve when high employment prevails. Frictional

unemployment is higher for women and teenagers than for adult men, reflecting their greater likelihood of entering or leaving the labour force and the demands of school, marriage and childbearing.

These frictions are not the only explanations, however. Young workers and women are often restricted to entry-level jobs that are frequently sensitive to seasonal fluctuations or offer few opportunities for upward mobility.

The structural component of unemployment may also be important for younger workers and women; Mature women re-entering the labour force after raising children may find their skills outmoded. Among young workers the steady erosion of unskilled entry level jobs probably has been very important, especially for school dropouts whose unemployment rates may be more than twice those of their peers who graduated from high school (Levitan 1981:35).

Perry, (1974:36) in his research findings for African Secondary school leavers states that many African secondary and high school -leavers experience difficulty in finding employment above the level of unskilled and semi-skilled occupations.

Furthermore, Perry (1974) stated that most of youth who were unemployed did not seek work immediately after they left school. He also viewed that youth delayed seeking employment because they did not yet have work seeker permits.

Perry, (1974) in his research findings also stated that they (youth) delayed looking for work because they were uncertain as to what sort of work to apply for. Some youths appear after an initial period of actively seeking employment to have become disillusioned. They resort to 'waiting for tips' from friends or relatives who are in employment and who, youths hope, will be able to inform them of vacancies when they occur at their places of employment.

According to Moore (1983:120) young people, women, and non white workers tend to be disproportionately unemployed, and unemployment picture for these groups has worsened somewhat in the last 20-30 years, particularly for teenage workers.

Furthermore, More (1983) views that these young people are simple not provided with equal employment opportunities, particularly in the more

pleasant and secure primary labour markets. Most evidence for young people suggests that the young people are more likely to be unemployed because young workers, the post-war baby boom led to a flood of new labour market entrants in the 1960's and 1970's. Those with few skills were forced more and more into the intermittent employment situations of the secondary labour market, where non whites already predominated. Young workers particularly are in and out of the labour market more frequently as they shop around for jobs, and women as a group tend to move in and out of the market more often for personal and family reasons.

When viewing unemployment, the neoclassical theory of unemployment state that at root, the cause of unemployment in this model is a wage rate that is too high to clear the market for labour. This disequilibria in the labour market arises because the wage rate being paid to labour exceeds the market-clearing equilibrium wage.

Keyne's work in the mid 1930's provided an alternative explanation for the cause of unemployment and a different set of policy prescriptions. Keynesian view unemployment in terms of job search. According to the job-search theory, most unemployment is voluntary and occurs because the

returns to job search exceed the returns to remaining employed, accepting a new job, or dropping out of the labour force. When an unemployed individual continues to engage in job search until they receive an employment offer whose compensation exceeds the returns to continued search. The prediction from this model is that the duration of unemployment will increase as the public part of the wage increase (Watchel;1988:263)

In the late 1960's and early 1970's a new theory of the labour market arose that extends this insight further : the dual-labour-market theory. The unemployment problem that the dual-labour-market analysis seeks to explain is similar to the one that structural theorists tackled.

The dual-labour-market theory posits the existence of two separate labour markets, there is mobility within each market but restricted mobility between the markets.

These two labour markets are:

- i) Primary sector contains the privileged members of the labour force.

It is governed by internal labour market in which there are relatively

good working conditions, high pay, job security, administrative protection of jobs mobility along seniority tracks and so on.

ii) The secondary sector, on the other hand, consists of jobs that do not possess much skill specificity.

Theories of unemployment state the cause of unemployment as follows:

- i) Wage excess of market-clearing level
- ii) Insufficient aggregate demand
- iii) Imbalances in economy, caused by dynamic of economic change and;
- iv) Character of jobs in the secondary sector.

2.4.1 NIGERIAN EXPERIENCE

Metrowich, (1975) stated that migratory labour has long been a controversial issue in Southern Africa. not that it is unique to this sub-continent. In Europe ten million migrant workers have been attracted in recent years from poor countries of Southern Europe and North Africa to richer countries of Northern in search of employment.

In Africa itself, workers from Equatorial Guinea still travel to Nigeria in search of work and Dehomeyan migrant workers go to Nigeria.

He furthermore stated that the migrant labour has many disadvantages and creates many problems. Chief amongst these is that:

- (1) Family life is disrupted when the bread winner leaves his wife and
- (2) Although he brings substantial cash earnings home with him, the worker is really building up the economy of a foreign country rather than that of his own country.

2.4.2 SADAC EXPERIENCE

Metrowich, (1975) also stated that latest figures of Botswana are not available but judging by statistics for 1970, it can be assumed that slightly more than half the total number of Botswana in active employment are working in Republic of South Africa.

As far as Lesotho is concerned, for every Basotho working in Lesotho, no fewer than six of his countrymen are working in the republic. The Government of Lesotho hoped to create between 10 000 to 15 000 new jobs under its five year plan. However, these extra jobs, if they materialize will

represent only about one half of the total increase of the labour force. Thus the other half of the increase in the labour force will have to find work in South Africa and considerably in the Republic.

If South Africa would like to end migratory labour from neighbouring countries she can only do so at the risk of causing heavy unemployment and inevitably economic upheaval in her neighbours (Metrowich: 1975).

Schapera, (1965) and other anthropologists have found in the societies which they have studied that young men are not regarded as eligible to marry until they spent a period of time away from home seeking for work.

Bienen, (1967) viewed that in Tanzania 2.1-45% of the population is growing and many youths are migrating to the towns, producing a severe strain on social services. Unemployed or semi-employed youth, loitering in the streets or waiting around TANU offices for small jobs, begin to be a political problem. Large percentage of total population who are not yet adults i.e. youths raises severe political problems. Party leaders are aware of them but haranguing against loiters, telling unemployed youth to go and farm and even restricting peoples freedom to come to Dar es Salaam has not dissuaded youth from accumulating in towns.

He furthermore stated that youth experience lots of problems in Tanzania. There is shortage of education facilities, which means that youths are not well educated the Government of Tanzania provided education facilities for primary schools only, thus a large number of youths end their education in primary level. This lack of education contributes a lot to the high rate of unemployment because it reduce the chances of young people being employed in the labour market. In concluding this training schemes should be established in order to reduce the high rate of unemployment.

2.4.3 YOUTH UNEMPLOYMENT IN SOUTH AFRICA

A number of reasons have been put forward to explain the large rise in unemployment in South Africa. They include the following:

- a) The structure of the population. According to demographic experts in Africa the structure of a population in Africa is about 3.3 per cent a year - the highest in the world combined with the lowest economic growth rate, thousands of immigrants from Africa enter South Africa illegally every year seeking employment. In such circumstances no country in Africa,

including South Africa, can hope for all of its population to be employed unless effective consumer demand and production grow apace with population growth. About half the South African population is under 25 and poorly educated due to extensive disruption of black schools during the 1980's.

- b) Regulatory bureaucracy. In the late 1960's the formal sector employed almost three in every four of the 200 000 or so school-leavers each year. By 1991 the numbers of school-leavers had doubled, but the formal sector employs only one in ten of them.

In the informal sector, black entrepreneurs in particular have broken down barriers of regulatory bureaucracy. The mini-bus taxi industry is an obvious example. If growth in employment lies in self employment, then excessive bureaucracy that inhibits and criminalizes the production of goods and services needs to be cut. The high school curriculum needs to teach skills and values that promote entrepreneurial self-reliance in a market economy.

- c) Higher real wages, due to the freeing of trade unions among black workers, have made labour more expensive and have thus persuaded employers to reduce employment.
- d) Negative capital formation. The flight of foreign capital due to sanctions and political instability and declining personal savings at home in the 1980's indicates a shrinking economy, whereas a growth rate of 5 per cent a year is needed to prevent unemployment rising.
- e) Precipitated by extensive drought in the 1980's, rural people who worked on farms or who subsisted and therefore were not defined as 'unemployed' migrated to urban areas to look for work. Many of them, in changing from being underemployed to unemployed, have increased the numbers of the unemployed.
- f) A reason for high unemployment that does not apply in South Africa, but which could apply in countries that offer their citizens high levels of social security, is evident in the statistics of what is called the replacement ratio. This ration measures the level of social-security benefit available to people

relative to their earning potential. The higher the ratio, the more likely are people to refuse to work. Since the state provides minimal social security in South Africa, there is no incentive for people who can work to remain unemployed (Curtis and Lobley ;1994:270).

Cawker and Whiteford, (1993:37) state that the major cause of unemployment in South Africa has been the inability of the economy to grow at a rate required to absorb a burgeoning labour force.

Furthermore, the type of economic growth which has been taking place has been inappropriate in that there has been a shift towards capital intensity and an corresponding decline in employment opportunities.

Five major causes of low economic growth can be identified as following:

- Balance of payments constraint : South Africa needs to maintain a positive b.o.p. in order to be able to repay and service its foreign debt. However, periods of economic growth tend to result in a b.o.p. deficit, because of resultant increases in imports. The government thus has

often had no choice but to curb economic growth during economic upturns.

- Lack of investment : Fixed investment has at a very low level because of sanctions and disinvestments, political and social instability, a lack of clarity among investors regarding government policy, significant fluctuations in the interest and exchange rates and high company taxation.
- Export profile : South Africa's main exports have traditionally been primary commodities. The general decline in world prices and demand for those goods has had a negative effect on the economy.
- Apartheid : Over 40 years of policies which discriminated against the majority of the population has created a distorted economy which now achieves growth rates far below its potential.
- Inflation : High rates of inflation have served to reduce South Africa's competitiveness in relation to its major international trading partners and competitors.

Furthermore, Cawker and Whiteford pointed out that the unemployment problem has been exacerbated by the increasing tendency for employers to use capital equipment at the expense of labour.

Maree, (1988:28) concentrated on aspects of labour market structure which cause unemployment. He states that, South Africa has, in general and inappropriately capital- intensive technology, in part, this is because technology is developed in highly industrialised countries where the object is to save labour. Such a technology often destroys existing labour-intensive forms of production in developing countries to the detriment of employment creation theatre.

Furthermore, Maree, (1988) states that, in this country however, there is another factor at work. Despite a high level of unemployment, it is well known that shortages of skilled labour exist. Skilled labour that is expensive and in short supply encourages employers to replace it with machinery, in the process, very often, the number of semi-skilled and unskilled labourers required will be reduced as well.

De Klerk cited in Simkins, (1978:35) states that when considering more permanent or structural cause of unemployment perhaps the first thing to point out is that the slow growth in Gross Domestic Product usually regarded as cyclical may be with us for the foreseeable future.

De Klerk paid more attention to more specific issues, those features of the Republic's economic structure are :

- i) The seemingly inexhaustible supply of black labour.
- ii) The highly unequal distribution of income and
- iii) The capital- intensive nature of production.

i) The roots of the seemingly inexhaustible supply of black labour go back to about a hundred years to the opening of the diamond and later the gold mines and to their need for wage labour. When various tax measures failed to produce the necessary supply of workers, impediments were placed in the way of black agricultural development which along with the land tenure system and certain natural disasters made it increasingly difficult for black farmers to make a living out of agriculture. Perhaps the most important legislative measures were the land Acts of 1913 and 1936 which made it illegal for blacks to farm outside the 13% of South Africa now constituted by the homelands.

ii) The second structural feature which needs more attention is the highly unequal distribution of income. A Survey conducted by the World Bank in 1974 showed that 62% of the national income earners in South Africa. Another study done in 1973 by Ford Foundation showed that the lowest 20% earned only 1.94% of national income. This is plausibly one consequence of high level of un - and underemployment, so it may even worsened since then.

iii) The third structural feature of the economy which has caused the rate of job expansion to be slow, namely capital intensive or highly mechanized nature of production. Figures issued recently by the South African Reserve Bank show that capital intensity has grown steadily in the Republic during the 1970's.

Research findings by Bell, (1984) show that rising trend in unemployment rates has to do primarily with a fall in the rate of growth of the demand for labour rather than with any significant shifts in supply.

Padayache, (1985) in his research findings state that one of the major reasons advanced by unemployed youths for their state of unemployment was "redundancy / retrenchment".

Furthermore, Padayache, (1985) states that youth unemployment is more increasing because young people cannot find suitable jobs or work or they cannot find and work. This is a serious problem for them because labour market do not offer young people with suitable jobs. If it happens, there are jobs available, the first preference of managers are the adults.

An unemployment issue in South Africa is a continuing problem. When we look at South Africa's new super-taxis. It shows that the rate of unemployment will increase. Taxi organisations are warning the scheme will cost the jobs of some 41 000 of South Africa's more than 200 000 taxi drivers. With many of them unable to read or write, its unlikely they'll find jobs in related areas, as the government has promised.

The new scheme will reduce the estimated 120 000 taxis currently on South African roads to 85 000, which means some 40 per cent of drivers will lose their jobs (Drum 27 January 2000).

When we look at South African drivers , it shows that many or the majority of taxi drivers are the youths. This means that the rate of youth unemployment will increase.

Themba Magabhi, president of National Taxi Drivers Organisation (Natdo) state that "they talk about training and reemployment. How many taxi drivers are illiterate and therefore unable to be trained into alternative jobs? All they know is driving taxis. Driving is in their blood, it's their life, and they are going to be deprived of that livelihood (Drum 27 January 2000). The issue of unemployment is a critical problem. In concluding this chapter on literature review it could be argued that unemployment is a global problem. The various theories discussed above especially in the Marxist perspective, unemployment appears to be endemic of capitalism, and one which could get progressively worse if much attention is not paid to it.

In terms of our research problems one of which include the effect of the labour market and the nature of unemployment among the youth, Phillips theory of unemployment appears to be very relevant in our understanding of South African economy today in terms of inflation and

high rate of unemployment. In light of this it could be argued that the two social economic problems of unemployment and inflation could be solved by increasing one and decreasing the other as an alternative of solving the problem of inflation and unemployment. In addition to Phillips theory, the Marxian theory and Monetary theory solid base in our understanding the correct statement of unemployment in South Africa.

From the theoretical framework and literature review above, the hypothesis for this research are as follows:

2.5 HYPOTHESIS

1) Lack of proper education among the youth is likely to contribute to the high unemployment rate among them, 2) lack of government training schemes for the youths is likely to contribute to the high rate of unemployment among the youths, 3) youth unemployment is a function of the nature and extent of the labour market, 4) the past apartheid policy is likely to contribute to the high rate of unemployment among the black rural youths; and 5) the use of advanced technology like computer in all work environment in recent time is likely to contribute to the high rate of unemployment among the black rural youths.

CHAPTER III

3. RESEARCH METHODOLOGY AND OPERATIONAL DEFINITION OF THE VARIOUS CONCEPTS USED IN THIS RESEARCH

3.1 INTRODUCTION

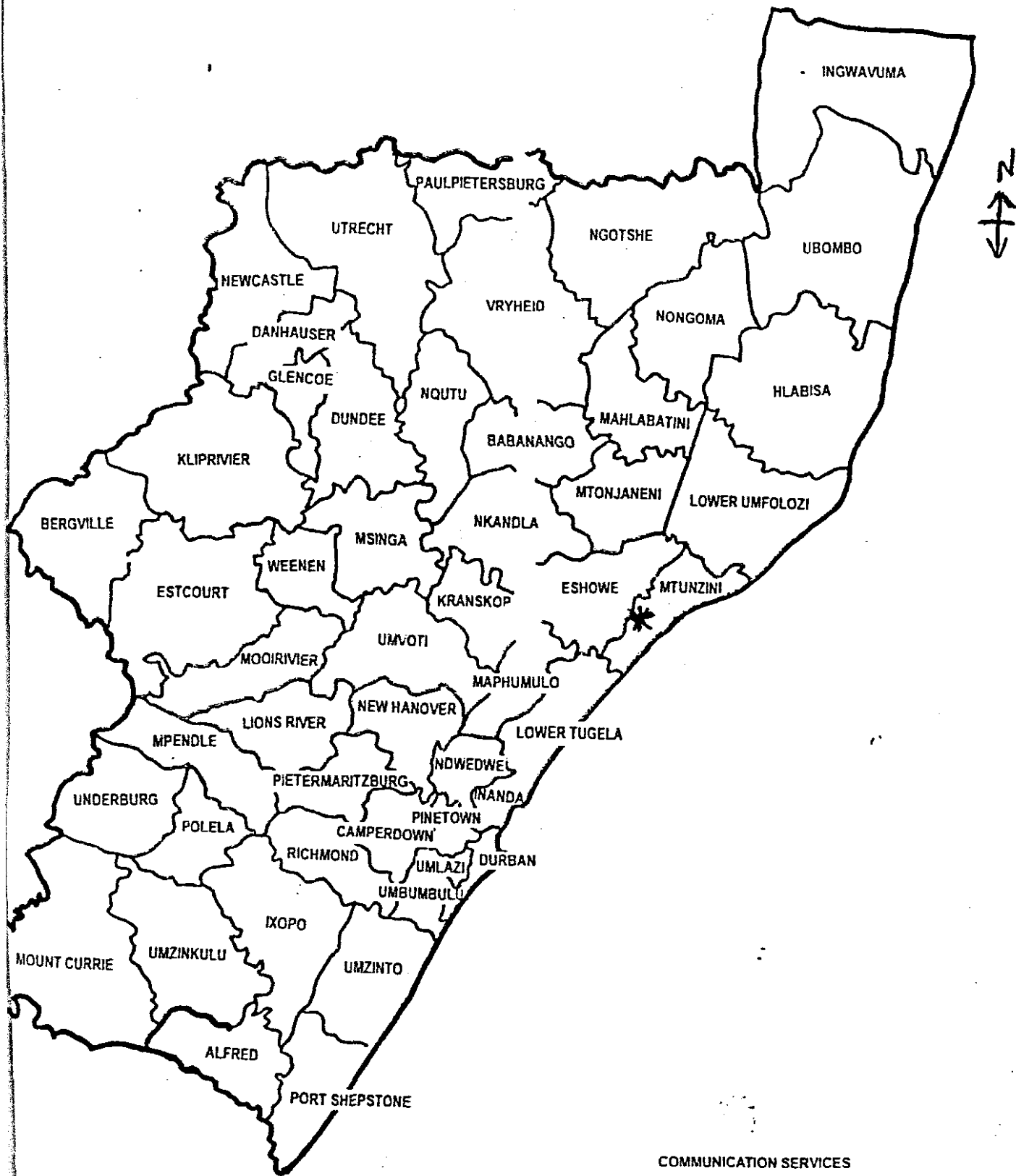
This chapter deals with the research methodology methodology. The research problems as we have earlier stated in chapter two of this research state that Youth unemployment is most critical problem in South Africa. Those factors which are: government policy, nature and extent of the labour market, lack of education, past apartheid and use of information technology.

3.2 GEOGRAPHICAL LOCATION OF WHERE THE STUDY IS CONDUCTED

The map included in this chapter shows the area where this research is conducted and this is marked with asterisk in the map. The areas covered in this research are Empangeni and Richards Bay which is under Mthunzini district as shown in the map. The total population is about to find out in both rural and urban areas.

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KEY

 AREA WHERE THE RESEARCH IS CONDUCTED

The rural area is predominantly occupied by blacks who live in reserves. The urban area is predominantly white settlement where there are more social amenities and infrastructure. The rural area is under developed and many of the black youth live in this area where the system of agriculture is still subsistence and traditionalised style. There are few schools in black communities and the schools are ill equipped. However, in the recent democracy and Reconstruction Development Programme (RDP), these rural areas is seriously looked upon as an area that should be developed to provide the inhabitants with the necessary socio-amenuities like hospitals, health services and good infrastructure.

3.2.1 Tools of data collection

This study consists of two parts of collecting data, that is secondary source of data which consists of data from ministry of labour, and library materials and primary source of data was collected from unemployed youths, employers, employees, and workers of the ministry of labour whom I interviewed at Richards Bay and Ulundi with the aid of questionnaires and oral interviews.

The total number of respondents was N=150 and were choosing from the four sectors namely, the unemployed, employers, employees and ministry workers or experts in labour department. In each of the sectors the number of the respondents are as follows: unemployed 75 respondents, employees 35 respondents, experts in ministry of labour 20 respondents, and employers 20 respondents. In the case of the unemployed they were selected by accidental sampling technique. We observed that the best way to select the unemployed was to use accidental sampling since they do not live in the same place or institution. We therefore gave them set of questionnaires to fill as they randomly visit the ministry of labour seeking for employment and finding out where job opportunities exist. In the case of employees, employers and labour experts we used purposive sampling to select the above respondents. This was used simple because the respondents could be found in their respective establishment of work environment. The research method used therefore in selecting the respondents in this research was both purposive sampling and accidental sampling

3.2.2 Questionnaires

In this research questionnaires were used to solicit the necessary information. The questionnaires consist of both close and open ended questionnaires. Since youth unemployment is the social problem which those affected are not happy to discuss because of their sad situation, we felt that questionnaire will be the best instrument to collect information about their unemployed situation. Most of the questions in questionnaire were those which can conveniently answered in the questionnaire and not through oral discussion. In view of this it could be argued that the advantage of questionnaires will be to allow respondents to answer as freely as possible. Open and closed questionnaires also help us to compare the two forms of responses which will make it easy for the researcher to code and classify the responses.

3.2.3 Statistical Techniques used and Interpretation

Measures of central tendency namely the mean, the mode, the median and the frequency distribution were used to indicate the central point around which data revolve and how broadly data is spread. The standard deviation and the range was used to measure the degree of variance in data, and to

establish relationships and/or differences between variables with the aim of determining the probability that outcome might have occurred by chance. Descriptive and test statistics were used in analysis of data for expressing and testing the suggested relationships between variables. Chi-square test were used to express the association between two variables. Contingency coefficient was computed to express the correlation between variables as method of data analysis.

3.2.4 Field Experience

The researcher visited the ministry of labour. The officials stated that the unemployed youth register their names in the Ministry of labour. If the unemployed youths did not get work within three months they have to re-register their names.

The officials pointed out that the aim for re-register the unemployed is to have an accurate number of list of the unemployed youth.

When the researcher interviewed the employers, they stated that working with youths is likely to have more problems than adults. Employers pointed out that young people or workers are more used to come late in al work place.

3.3 OPERATIONAL DEFINITION OF THE VARIOUS CONCEPTS USED IN THIS RESEARCH

The following concepts are going to be discussed in this chapter. These concepts are of the most important in this research.

3.3.1 Unemployment

The simplified and perhaps the best definition of unemployment used in this research is that which describes the unemployed as well as those who are willing and able to work, but who cannot find work. This definition also agree with that of Bendix, (1996). Bendix's definition agrees with our definition that the unemployed person is one who is willing to work but who cannot find work.

3.3.2 Unemployment rate

According to Barker, (1992:18) unemployment rate refer to a number of unemployed persons as a percentage of the total economically active population. Barker's definition agrees with our definition that unemployment rate refer to a number of unemployed persons as a percentage of the total economically active population.

3.3.3 Segmented labour

According to Ashton, (1995) segmented labour refer to a number of segments each with its own characteristics and mode of operation. There is often a little or limited mobility or competition between the segments. Ashton's definition agrees with our definition that segmented labour is a number of segments each with its own characteristics and mode of operation.

3.3.4 Search unemployment

According to Keyne, (1989) search unemployment refer to work seekers refuse certain types of work in order to search or wait for preferred jobs. Keyne's definition agrees with our definition that search unemployment refer to work seekers refuse certain types of work in order to search or wait for preferred jobs.

3.3.5 Technology

Technology is defined here to include the use of new machine and technical technical process in production.

3.3.6 Youths

Youth is defined here as those male and female population who are 18 years-30 years of age.

CHAPTER IV

4. DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter deals with data analysis. Data will be analysed in simple percentages, chi-square and contingency coefficient. The problems to be investigated in this chapter are already highlighted in our chapter three.

TABLE 4.1.1 Age distribution of the respondents

Age	Unemployed Youth %	Employers %	Employees %	Experts in Ministry of labour %	Total
18-23	40 (53%)	-	3 (6%)	-	43
24-29	20 (27%)	-	5 (14%)	-	25
30-35	15 (20%)	-	10 (29%)	8 (40%)	33
36-41	-	5 (25%)	2 (5%)	7 (35%)	14
42-47	-	8 (40%)	10 (29%)	3 (15%)	21
48-53	-	7 (35%)	5 (14%)	2 (10%)	14
54-69	-	-	-	-	-
70 and above	-	-	-	-	-
TOTAL	75	20	35	20	150

The above table shows that unemployed youths from age of 18-23 years were 40(53%); employers no percent, employees 3(6%), experts in ministry of labour no percent. Unemployed youths from age of 24-29 years were 20 (27%), employers no percent, employees 5(14%), experts in ministry of

labour no percent. Unemployed youths from age of 36-41 years no percent, employers were 5 (25%), employees 2(5%), and experts in Ministry of labour 7 (35%). Unemployed youths form age of 42-47 no percent, employers 5 (25%), employees 10 (29%), and experts in Ministry of labour were 3 (15%). Unemployed youths, employers, employees and experts in ministry of labour from ages of 54-69 were zero percent. Unemployed youths, employers, employees and experts in ministry of labour were zero percent.

Table 4.1.2 Sex distribution of the respondents

Sex	Unemployed Youth %	Employers %	Employees %	Experts in ministry of labour %	Total
Male	35 (47%)	15 (75%)	20 (57%)	15 (75%)	85
Female	40 (53%)	5 (25%)	15 (43%)	5 (25%)	65
TOTAL	75 (100%)	20 (100%)	35 (100%)	20 (100%)	150

The above table shows that male unemployed youth were 35 (47%), employers 15 (75%), employees male respondents 20 (57%), and experts in ministry of labour were 15 (75%). Female unemployed youths were 40 (53%), employers 5 (25%), employees male respondents were 15 (43%), and experts in ministry of labour were 5 (25%) male respondents.

Table 4.1.3 Race distribution of respondents

Race	Unemployed youths %	Employers %	Employees %	Experts ministry labour %	in of	Total
Blacks	75 (100%)	3 (15%)	20 (57%)	8 (40%)		106
Coloured	-	4 (20%)	8 (23%)	3 (15%)		15
Whites	-	8 (40%)	4 (11%)	7 (35%)		19
Indians	-	5 (25%)	3 (9%)	2 (10%)		10
Total	75	20	35	20		150

The above table shows that unemployed youths were 75 (100%), employers 3 (15%), employees 20 (57%), and experts in ministry of labour 8 (40%). Unemployed coloured youths none, employers 4 (20%), employees 8 (23%) and experts in ministry of labour 3 (15%). Unemployed white youths none, employers 8 (40%), employees 4 (11%), and experts in ministry of labour 7 (35%). Unemployed Indian youth none, employers 5 (25%), employees 3 (9%) and experts in Ministry of labour 2 (10%).

TABLE 4.2 LEVEL OF EDUCATION OF THE RESPONDENTS

Response	Unemployed Youth (%)	Employers (%)	Employees (%)	Experts (%)	TOTAL
University	3 (17.66)	1 (5.8%)	3 (17.6%)	10 (59%)	17
Diploma	10 (31.3)	5 (15.6)	7 (21.9%)	10 (31.3%)	32
Certificate	12 (54.5%)	-	10 (45.5%)	-	22
Matric	20 (55.5%)	10 (27.8%)	6 (16.7%)	-	36
No education	30 (69.8%)	-	13 (30%)	-	43
TOTAL	75	20	35	20	150

In terms of simple percentages distribution the response from the respondents are as follows: Those who had university education; unemployed youth were 3 (17.6%), 1 (5.8%) employers, 3 (17.6%) employees, and 10 (59%) were experts in ministry of labour: Diploma education, 10 (31.3%) unemployed youth, 5 (15.6%) employers; 7 (21.9%) employees' 10 (59%) experts in ministry of labour. Matric education 30 (69.8%) unemployed youth, none in employers, 13 (30%) employees, and none in experts in

Ministry of labour. No Education: 30 (69.8%) unemployed youth, none in employers, 13 (30%) employees and none in experts in ministry of labour.

TABLE 4.2.1 Education and unemployment

Ho : Lack of education is not responsible for youth unemployment.

Hi : Lack of education is responsible for youth unemployment.

Response	Unemployed Youth	Employers	Employees	Experts in ministry of labour	TOTAL
YES	65 (62.5)	17 (16.7)	25 (29.2)	18 (16.3)	125
NO	10 (12.5)	3 (3.3)	10 (5.8)	2 (3.3)	25
TOTAL	75	20	35	20	150

Df = 3

Critical value at the level of significance at 0.50 = 2.366

Observed χ^2 = 5.4

The contingency coefficient of the above relationship is (c) is approximately=1

This confirms that lack of education is responsible for the high rate of unemployment.

We accept the hypothesis since X^2 is larger than the critical value. Our research findings agreed with that of Castle (1992) which showed that as more youth stay at school until the end of year 12, the prospects for early school leavers are poor. They have poor education and little training and employers have shown an increasing preference for older workers. Unemployment is also sensitive to education. Those with the least education have the highest levels of unemployment, while those with degrees have the lowest levels of unemployment.

According to Perry, (1974) in his research findings for African secondary school leavers states that many African secondary and high school-leavers experience difficulty in finding employment above the level of unskilled and semi-skilled occupations.

Our research findings also agree with Sinfield (1981), who viewed that the risk of unemployment is very much greater closer to school leaving age. However high unemployment among young people is not confined to this

group: 18-19 year olds and 20-24 year olds have the next highest rates of unemployment after those under the age of 18.

According to Allen, (1986) youth unemployment is caused by jobs that demand workers with skills or other attributes not usually possessed by young people, and that young people failed to adapt this situation.

White and McRae, (1989) in their research findings pointed out that youth unemployment is highly influenced by the lack of qualifications. They further stated that different kinds of selection in selection process are involved; that is:

- i) When leaving school (or a period of post-school training) qualifications may affect the chances of going into employment as opposed to going into unemployment.
- ii) Qualifications may influence the type of employment entered, and different types of employment may be prone to different risks on unemployment.
- iii) Within all or most types of employment, those young people with less qualifications may be more at risk of becoming unemployed than those with more qualifications.

- iv) Within unemployment, those with qualifications may have high chances of being selected into new jobs than those without qualifications.

Studies such as Daniel and Stilgoe (1977), Jones (1983) have concentrated on analysing the characteristics of unemployed young people using survey data. Some of these studies have found that educational qualifications and part-time work experience prior to leaving school are important determinates of the probability of being unemployed.

4.3. Government training schemes and unemployment

In terms of simple percentage distribution the response from the respondent are as follows:

Nature of response	Unemployed youth	employers	employees	Experts in Ministry of Labour	TOTAL
Yes, Govt Policy affect unemployment	70 (93.3%)	18(90.0%)	27 (77%)	15 (75%)	130
No Govt Policy does affect unemployment	5 (6.7%)	2 (10%)	8 (23%)	5 (25%)	20
	75 (100%)	20 (100)	35 (100%)	20 (100%)	100

The above table shows that 70(93.3%) of the unemployed youth agree that Government Policy affect unemployment; 18 (90%) of employers agree that Government Policy affect unemployment; 27 (77%) of the employees agree that Government Policy affect unemployment; and 15 (75%) agree that Government Policy affect unemployment. For those respondents who disagreed 5 (6.7%) of the unemployed youth disagreed that Government Policy does affect the rate of unemployment. 2 (10%) of the employers disagree, 8 (23%) of the employees disagree, and 5 (25%) of the expert in

ministry of labour disagreed. From our research findings, it can be seen that the large percentage of our respondent agree that Government Policy is responsible for the high rate of unemployment. These findings agree with that of Metrowich, (1975) stated earlier in our chapter two. Metrowich viewed that the Government of Lesotho failed to create enough job opportunities for Basotho.

TABLE 4.3.1 Government training schemes and unemployment

Ho: Lack of Government training schemes is not responsible for the high rate of unemployment.

Hi: Lack of Government training schemes is responsible for the high rate of unemployment.

Nature of Response	Unemployed Youth	employers	employees	Experts in ministry of labour	TOTAL
YES	70 (65.0)	18 (17.3)	27 (30.3)	15 (17.3)	130
NO	5 (10.0)	2 (2.7)	8 (4.7)	5 (2.7)	20
TOTAL	75	20	35	20	150

df = 3

Critical value at the level of significance at 0.50 = 2.366

Observed χ^2 = 8.01

The contingency coefficient of the above relationship is ϕ is approximately =1

The above findings confirm that lack of Government training schemes is responsible for the high rate of unemployment.

We accept the hypothesis since χ^2 is greater than the critical value.

These findings confirm that lack of Government training schemes is responsible for the high rate of unemployment.

Our research findings correspond with that of Lynch, (1983) who stated that those young people living in areas within a borough with limited

transport are much more constrained in their employment opportunities than those living in areas with excellent transport. Another reason why the borough of residence may be significant is that it proxies poor quality education, poor housing, or lack of community services, all of which contribute to a general alienation from society and the world of work.

A group of economists led by the President's Council of Economic Advisors cited in Killingsworth, (1989) state that present excessive unemployment in United States has been a result mainly of what they call "fiscal drag" that is, a federal tax system that drains an excessive amount of purchasing power out of the economy every time it begin to approach a high level of activity. These economists argue that fiscal drag has caused a chronic deficiency of aggregate demand in United States since 1957.

TABLE 4.4

LABOUR MARKET AND THE RATE OF UNEMPLOYMENT

H_0 : Nature and extent of the labour market is not responsible for the high rate of unemployment.

H_1 : Nature and extent of the labour market is responsible for the high rate of unemployment.

Nature of Response	Unemployed Youths	employers	employees	Experts on Ministry of labour	TOTAL
YES	60 (56.0)	15 (14.9)	20 (26.1)	17 (14.9)	112
NO	15 (19.0)	5 (1.3)	15 (3.8)	3 (5.1)	38
TOTAL	75	20	35	20	150

$df = 3$

Critical value at the level of significance at 0.50 = 2.366

Observed $\chi^2 = 4.452$

The contingency coefficient of the above relationship is (c) approximately =1

We accept hypothesis and reject null hypothesis since χ^2 is greater than the critical value. From the above research findings, it can be seen that

nature and extent of the labour market is responsible for the high rate of unemployment.

Our findings agree with that of Ashton and Maguire, (1990) they viewed that labour market segmentation provides a very different conceptualisation of labour market. There is a competition between young people and adults in the labour market. This competition between young people and adults restrict their chances of being employed.

Furthermore, Ashton and Maguire identified three modes of competition:

- i) where competition is restricted to young people. As adults are excluded from competing this provides young people with a sheltered point of entry. For example, apprenticeship have age restrictions on entry.
- ii) Where competition is restricted to adults. At the point of entry to the organisation such jobs are closed to young people. This is often the case with respect to semi-skilled and unskilled jobs in manufacturing industry where employers seek to recruit married adult with family responsibilities. Estimates suggest that over 50 percent of such jobs are closed to young people.

- iii) Where people compete directly with adults. This creates exposed points of entry at the labour market for young people.

The research findings also correspond with Keynes's work, (1989) which points that youth unemployment is caused by job search. He further explains that job search refers to the process of rational calculation and individual goes through when looking for a job. If a job offered pay less than she or he is receiving by not working, the unemployed person will remain in the status. His or her reservation wage exceeds the wage that has been offered. Alternatively, an individual may entirely give up, looking for work and become a discouraged worker' dropping out of the labour force, if the costs of looking for work exceed the probability of finding a job that exceeds the reservation wage.

Padayache, (1985) in his research findings stated that one of the major reasons advanced by unemployed youths for their state of unemployment was redundancy/retrenchment'.

Furthermore, Padayache, (1985) stated that youth unemployment is more increasing because young people cannot find suitable jobs or work or they

cannot find and work. This is a serious problem for them because labour market do not offer young people with suitable jobs. If it happens, there are jobs available, the first preference of managers are the adults.

De Klerk cited in Simkins, (1978) when he viewed the nature and extent of labour market stated that when considering more permanent or structural cause of unemployment perhaps the first thing to point out is that the slow growth in Gross Domestic Product usually regarded as cyclical may be with us for the foreseeable future.

De Klerk paid more attention to more specific issues those features of the Republic economic structure are :

- i) the roots of the seemingly in exhaustible supply of black labour go back to about a hundred years to the opening of the diamond and later the gold mines and to their need for wage labour. When various tax measures failed to produce the necessary supply of workers, impediments were placed in the way of black agricultural development which along with the land tenure system and certain natural disasters made it increasingly difficult for black farmers to make a living out of agriculture. Perhaps the most important legislative measures were the land Acts of 1913 and 1936 which

made it illegal for blacks to farm outside the 13 percent of South Africa now constituted by the homelands.

- ii) The second structural feature which needs more attention is the highly unequal distribution of income. A survey conducted by the World Bank in 1974 showed that 6.2% of national income accrued to the lowest 40% of income earners in South Africa.
- iii) The third structural feature of economy which has caused the rate of job expansion to be slow, namely capital-intensive or highly mechanized nature of production. Figures issued recently by South African Reserve Bank show that capital intensity has grown steadily in the Republic during the 1970's.

TABLE 4.5 APARTHEID AND THE RATE OF UNEMPLOYMENT

Ho : Apartheid policy is not responsible for high rate of unemployment

Hi : Apartheid policy is responsible for high rate of unemployment

Nature of Response	Unemployed Youth	employers	employees	Experts in ministry of Labour	TOTAL

YES	65 (58.5)	10 (15.6)	30 (27.3)	12 (15.6)	117
NO	10 (16.5)	10 (4.4)	5 (7.7)	8 (4.4)	33
TOTAL	75	20	35	20	150

DF = 3

Critical value at the level of significance at 0.50 = 2.366

Observed χ^2 = 16.71

The contingency coefficient of the above relationship is (c) is approximately
= 1

These findings confirm that apartheid policy is responsible for the high rate of unemployment. We accept our hypothesis because our observed χ^2 is greater than the critical value.

Our research findings confirms with Lynch, (1987) who pointed that past unemployment experience can influence the behaviour of the individual. He further stated that an individual who experience a long unemployment spell early in his work may become discouraged and not look as hard for other employment. Past unemployment also implies a loss of work experience and employers may use employment records as a sorting device and label those

applicants who have been unemployed as potentially unreliable, less productive, or undesirable.

Cawker and Whiteford, (1993) stated that the major cause of unemployment in South Africa has been the inability of the economy to grow at a rate required to absorb a burgeoning labour force.

Furthermore, the type of economic growth which has been taking place has been inappropriate in that there has been a shift towards capital intensity and a corresponding decline in employment opportunities.

Cawker and Whiteford, (1993) identified five major causes of low economic growth as follows:

- Balance of payments constraint : South Africa needs to maintain a positive b.o.p. in order to be able to repay and service its foreign debt. However, periods of economic growth tend to result in a b.o.p deficit because of resultant increases in imports. The government thus has often had no choice but to curb economic growth during economic upturns.
- Lack of investment : Fixed investment has at very low level because of sanctions and disinvestments, political and social instability, a lack of clarity among investors regarding government policy, significant

fluctuations in the interest and exchange rates and high company taxation.

- **Export profile:** South Africa's main exports have traditionally been primary commodities. The general decline in world prices and demand for those goods has had a negative effect on the economy.
- **Apartheid:** Over 40 years of policies which discriminated against the majority of the population has created a distorted economy which now achieves growth rates far below its potential.
- **Inflation:** High rates of inflation have served to reduce South Africa's competitiveness in relation to its major international trading partners and competitors.

TABLE 4.6 TECHNOLOGY AND THE RATE OF UNEMPLOYMENT

Ho: Technology is not responsible for the high rate of unemployment.

Hi: Technology is responsible for the high rate of unemployment.

Nature of Response	Unemployed youth	employers	employees	Experts in ministry of labour	TOTAL
YES	65 (55.5)	15 (14.8)	20 (25.9)	11 (14.8)	111

NO	10 (19.5)	5 (5.2)	15 (9.1)	9 (5.2)	39
TOTAL	75	20	35	20	150

Df = 3

Critical value at the level of significance at 0.50 = 2.366

Observed χ^2 = 15.19

The contingency coefficient of the above relationship is (c) is approximately =1

The above findings confirms that technology is responsible for the high rate of unemployment

We accept our hypothesis since χ^2 is greater than the critical value. These findings correspond with Maree, (1988) who concentrated on aspects of labour market structure which cause unemployment. He states that, South Africa has, in general an inappropriately capital-intensive technology, in part, this is because technology is developed in highly industrialised countries where the object is to save labour. Such a technology often destroys existing labour-intensive forms of production in developing countries to the detriment of employment creation theatre.

Furthermore, Maree, (1988) states that, in this country however, there is another factor at work. Despite a high level of unemployment, it is well known that shortages of skilled labour exist. Skilled labour that is expensive and in short supply encourages employers to replace it with machinery, in the process, very often, the number of semi-skilled and unskilled labourers required will be reduced as well.

Ashton et.al (1987) pointed out that most operative jobs are effectively closed to young people because the technology requires a twenty-four hour operation. Young people are regarded as being unsuitable for shift work, either because they are seen as unreliable especially when it comes to nightshifts, or because the jobs are highly paid and part of an internal labour market.

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with conclusion and recommendations.

5.2 CONCLUSION

Youth unemployment is the major problem in South Africa. It has been shown from our research findings that these factors contribute to the high rate of youth unemployment i.e. government policy, lack of education, past apartheid policy, nature and extent of the labour market; and the use of advanced technology.

It is clear that lack of proper education contribute to the high rate of unemployment among black youths. Robert, (1981) in his research finding indicated that unemployment are high for black youths. According to his previous study he found that unemployment rate for black teenagers was only 14.3 percent. These findings were due to the factor that white teenagers received proper education than teenagers.

Wide scale evidence points out that there is a relationship between Government policy and unemployment. This is confirmed in the issue of Drum magazine (27 January 2000) where the Government introduced super-

taxis. The new scheme will reduce the estimated 120 000 taxis currently on South African roads to 85 000, which means some 40 percent of drivers will lose their jobs. It was also evident from our research findings that lack of Government proper planning contributes to the high rate of unemployment among black youth.

It is also clear indicated in our research findings that apartheid policy is responsible for the high rate of unemployment among black youths. This issue of past apartheid policy was addressed by Bishop Desmond Tutu on television on human rights day, (21 March 2001). He stated that past apartheid affected greatly among blacks. During times of apartheid if you were black, you were unable to find a job irregardless u have skills or not. Many job opportunities were available among whites, coloureds and Indians, even though they do not have relevant skills and qualifications.

There is also a wide evident that there is a relationship between nature and extent of the labour market and high rate of unemployment. This is also confirmed by our research findings. Coles, (1988) states there is a segmentation in the labour market i.e. primary and secondary segmentation. According to Coles, labour market excluded youth from large part of labour

market, as a result this segmentation of labour market decreased the chances of being employed in large labour market.

Our research findings, showed that there is a relationship between the use of advanced technology and high rate of unemployment. Ashton, et.al,(1987) pointed out that most operative jobs are effectively closed to young people because the technology requires a twenty four hour operation. Young people are regarded as being unsuitable for shift work, either because they are seen as unreliable, especially when it comes to nightshifts, or because the jobs are highly paid and part of an internal labour market.

5.3 RECOMMENDATIONS

The research reviewed here stated multitude of factors responsible for high rate of unemployment among black youth. It can be seen that an unemployment issue in South Africa is a continuing problem.

It is recommended for unemployed youth to visit their nearest Ministry of labour to register their names. This gives us the accurate or approximate number of the unemployed youth. There are private agencies which can be contacted by youths to submit their curriculum vitae in order for the employment agencies to find for them a suitable jobs.

If we can examine closely this millennium one can see that education loses its value. The Government fails to provide or to create vacancies for jobs. It has been seen that there is closing down of colleges of education, and it is moving up to the standard or level where jobs will require skills rather than qualifications.

Therefore, South Africa need to develop more training work places which will teach youths how to start your own business. There is shortage of job vacancies, even though jobs do advertised, you find that it normally require working skills.

In terms of International Comparism, the agricultural sector has helped to reduce unemployment among the youth in Nigeria and Israel. In the early 1960's and 1970's Nigeria experienced a high rate of unemployment especially among the youths. To be able to solve this problem, the Nigerian Government developed a project called " Young School Leavers Farm Settlement", where the majority of the youths were employed as farmers. The Nigerian Government developed large farms where these youths were accommodated with their families. The youths were made comfortable in their farms and through their production of agricultural products, they contributed greatly to the Gross National Products (GNP) of the Nigerian

economy. This project reduced unemployment rate from 20 percent among the youths to 3 percent.

The Nigerian Government got the idea of this "Young School Leavers Farm Settlement from Israel. Israel had earlier experienced this unemployment rate among the youths and through farm projects the country was able to reduce the rate of unemployment in 1950's and 1960's.

Since the agricultural sector has helped to solve unemployment problem in Nigeria and Israel, there is a possibility that it could also help to solve unemployment rate in South Africa.

In terms of problems associated with youth's unemployment Britain has developed Youth Training Schemes that help young school leavers with training. Training schemes, such as YTS are based on the assumption that young people with work-related skills are work experience, reduce the time that would otherwise be filled with spells of unemployment and maintain the young adult's competitive position in the labour market. In such areas it organizes the provision of schemes through employers as they will in many cases be in a position to provide jobs at the end of the scheme.

The researcher also recommended that to reduce this high rate of unemployment among black youths the above mentioned schemes and the following could be applied in SA:

- To contact relevant employment agencies
- To contact or called on possible employers
- To read or followed up on advertised jobs; and to enquire at labour bureau.

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Research Questionnaire On Topic**A SOCIOLOGICAL ANALYSIS OF YOUTH UNEMPLOYMENT AMONG
BLACKS IN KWAZULU NATAL PROVINCE IN SOUTH AFRICA**

Dear Respondent

The information needed from this questionnaire pertains to a study of a Sociological Analysis of Youth Unemployment Among Blacks in Kwazulu Natal Province in South Africa. Information collected is confidential and will be used for the purpose stated above. Please do not identify yourself in anyway. Please answer the following questions accurately.

Your assistance is greatly appreciated. (Please mark x in the appropriate box.)

1. What is your age?

AGE

18-23 ☐

24-29 ☐

30-35 ☐

36-41 ☐

42-47 ☐

48-53 ☐

54-69 ☐

70 & above ☐

2. What is your sex?

Gender

MALE ☐

FEMALE ☐

3. What is your race? ☐

Blacks ☐

Coloureds ☐

Whites ☐

Indians ☐

4. (a) What is the level of your education?

University ☐

Diploma ☐

Certificate ☐

Matric ☐

No education ☐

4. (b) Is lack of education responsible for youth unemployment?

Yes ☐

No ☐

5. Is lack of Government training schemes responsible for the high rate of unemployment?

Yes ☐

No ☐

6. Is Nature and extent of labour market responsible for the high rate of unemployment?

Yes ☐

No ☐

7. Is apartheid policy responsible for the high rate of unemployment?

Yes ☐

No ☐

8. Is Technology responsible for the high rate of unemployment?

Yes ☐

No ☐