

OUR VISION FOR SYSTEMS CHANGE

2021-2026

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A growing economy and society that **works**, powered by the potential of young people

The COVID-19 pandemic has exposed more starkly than ever the spiralling inequality that has emerged across the world as one of society's biggest challenges, and the urgent need to address it. The compounding effects of poverty, divergent educational access, and a transforming future of work fuel the spectre of a generation cut off from the hope of ever finding a job or earning an income.

"If you can just get some more [skills, degrees, training], you'll have a leg up on opportunity."

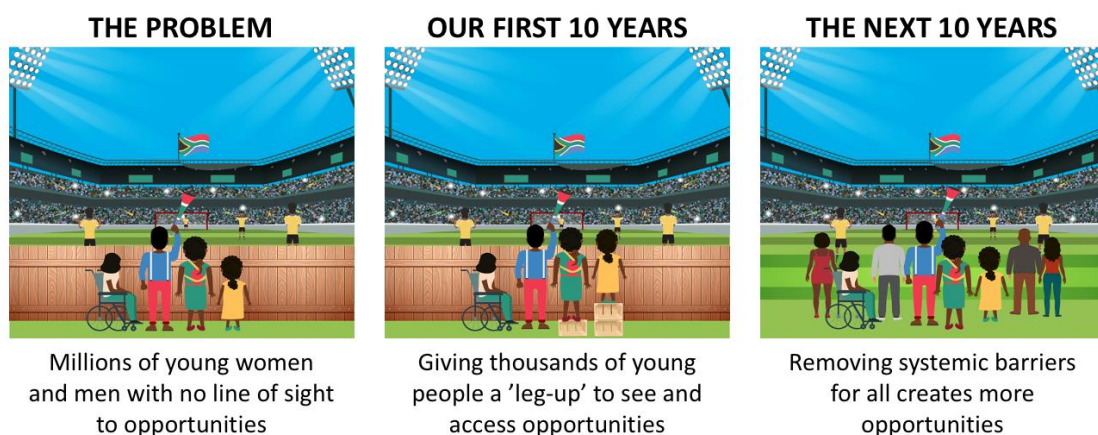
This familiar promise just isn't working for a generation of young Africans. The linear pathway from school, to university, to a first job no longer exists – anywhere in the world. Structural barriers (like jobless growth and ill-equipped education systems) and personal barriers (lack of money and networks) keep millions of youth out of opportunity. It is surprising that so many keep trying, but they do: every day, we meet a work-seeker who has been hunting for a job – for years – and rarely ever hearing back.

South Africa has the highest rate of youth unemployment in the world. Businesses struggle to hire and grow, governments invest limited tax revenues in incentives and training that don't deliver results, and motivated young people are locked out by so many barriers. In addressing South Africa's challenge – at scale and at its root – an African blueprint can be built to solve a growing global challenge.

Encouragingly, in recent years, leaders in government, business and civil society have been aligning around common coalitions, evidence-based solutions, and more coordinated plans of action, including South Africa's Presidential Youth Employment Intervention. Harambee believes that in the next decade we can leverage this momentum to achieve a **vision of a growing economy and a society that works, powered by the potential of young people**. This means collectively providing a solution for all 3 million motivated young people entering the labour market who have no prospect of opportunity and ensuring that at least 1 million of them meaningfully increase their income.

We can do this by creating industry alliances to generate jobs of the future, by supporting businesses to adopt hiring methods proven to drive inclusion, by creating new earning on-ramps in the informal economy, and by shifting government spend from input-based activities like training, to outcomes-based results like work experiences and job placement. We must do this by designing solutions with youth at the center and activating leadership coalitions across our society to deliver them.

For Harambee Youth Employment Accelerator, this means a shift in emphasis for our own work. In our first ten years we have focused on giving tens of thousands of youth a 'leg up'. Now we must step up efforts to remove the systemic barriers blocking opportunity for every young person:



What is the problem?

Today, young people navigate so many broken systems in the transition from a poorly performing education system into a labour market shaped by jobless growth and massive disruption. Barely a third will find work or be able to continue their education. The others will do their best to tirelessly look for opportunity in the face of scams, misleading adverts, and a lack of credible information – exacerbated by crippling search costs, high-priced internet access, and expensive public transport. The situation is particularly dire for young women, whose barriers to work-seeking are higher and harder than they are for young men.

There are many reasons for these failures. Most are entrenched in outdated assumptions about how people move from education to employment: institutions and policymakers overwhelmingly assume that the reason for unemployment is a deficiency of skills among work-seekers. They assume that “work” means a stable career in the formal economy. They assume that training providers know what employers need and how to deliver it to students and trainees. These assumptions have only served a tiny fraction of South Africans, and are increasingly at odds with global transformations towards a non-linear, non-traditional future of work and learning.

Simply investing more money is not the answer. Many training and skilling programs are well-resourced yet fail to deliver employment outcomes. The result is a bloated skills and training infrastructure, much of it delivered in siloed certification programs by institutions focused on enrolment numbers, not job placement outcomes. It has become a system built to serve the interests of incumbents, rather than its users. Young people entering it grapple with little coordination, glaring gaps, and no clear pathway into and through the maze. Powerful forces further frustrate any efforts to address this challenge, including slowing economic growth, a dysfunctional schooling system, and spatial legacies in cities and towns that place affordable housing far from jobs. Legacy recruitment practices compound this by relying on exclusionary indicators of capability like prior work experience and educational qualifications. These forces create mutually reinforcing structures of exclusion that make the task of transitioning from school to work so hard and so slow for the majority of young women and men. The result: years of squandered productivity and potential.

Our Roadmap

Our experience and data show that the highest leverage points of the system are the broken and blocked pathways from learning to earning. So our roadmap focuses there, on the millions of young people who will exit schooling in the next five years, laying the foundation to deliver generational impact:



Our priority is the 3 million engaged youth who will actively seek work over the next 5 years. While we aspire to have a positive spillover effect on the 1 million youth who may become dangerously disengaged in this period, they are not our primary focus. One measure of success will be to ensure those who are currently engaged stay that way – and that the cohort of youth who are disengaged or inactive does not continue to grow.

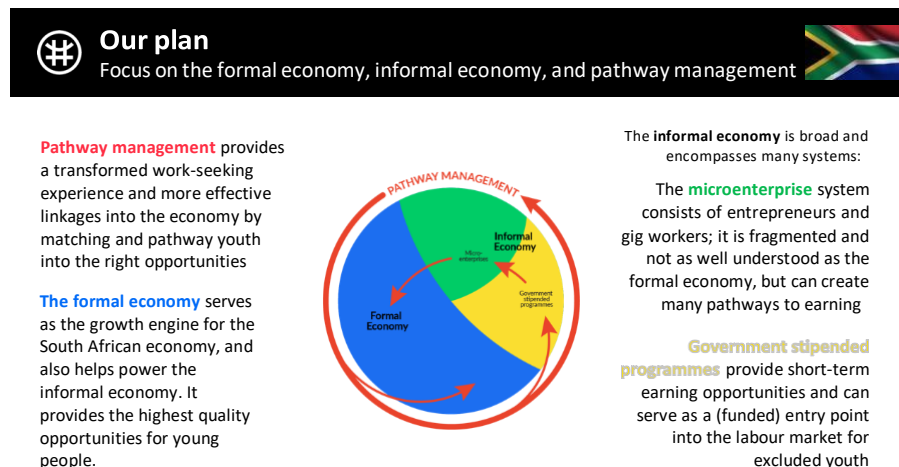
Each of these 3 million young women and men will experience the following outcomes:

- (1) a transformed work-seeking experience to stay engaged, one that reduces barriers and costs, giving them visibility to real jobs, work experiences and other income generating opportunities. This goes beyond mere job-

matching to become a ‘pathwaying’ process in which they continuously build their profile and grow their earning potential to capture the value of *all* their efforts at economic participation – this is what we call “pathway management”, and

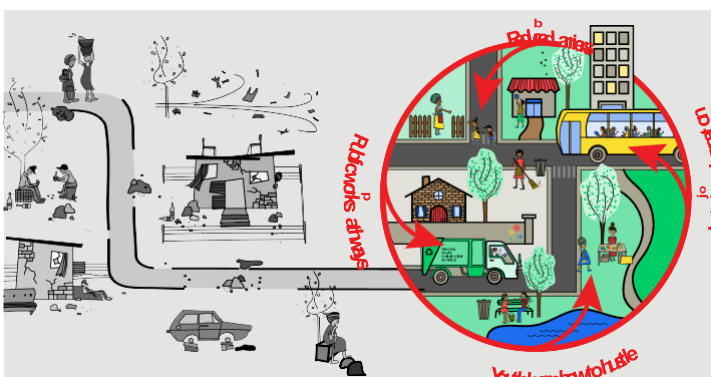
(2) access to actual jobs, work experiences and income generating opportunities

The importance of this second objective is why we have prioritised three ‘demand-side’ systems in the formal and informal economy. In the coming five years, our proposed initiative will deliver 1 million jobs, work experiences, and income opportunities for the network of 3 million youth. This will lay the building blocks to triple our impact in the following five years.



What is Pathway Management?

The reality is that these systems do not sit alongside each other in tidy silos. There are many points of intersection between the formal economy, the growth engine of the country, and a fledgling informal economy. And there are many zig-zagging pathways for young people: some might start earning a stipend and secure enough work experience to apply for a formal sector job; some might end a short-term job and find themselves starting a micro-enterprise. Earning an income in the formal and informal economy is not linear, continuous or sequential. Historically, there has been no way to trace, let alone map and guide people on these pathways.



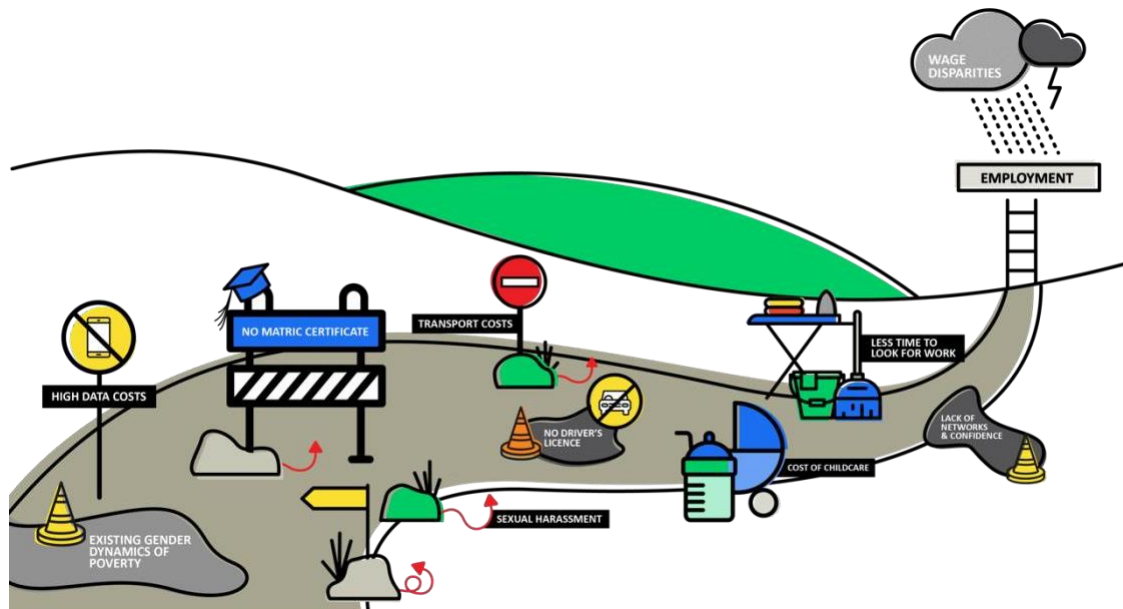
Pathway management changes that, acting as a constant link across zig-zagging journeys and in the aggregate, revealing patterns we can build on. Above all it is a promise to young people that they will remain inside of a network designed to *work* for them – even if they lose a job, finish skills training, or fall out of an educational program – and need to find a path to the next opportunity.

Practically, this is done through a multi-channel, societal platform called “SA Youth.” It aggregates earning and learning opportunities from across the private sector, government, and civil society in a single place and serves them up to millions of young people in a free, relevant, and accessible way through many channels of support including a zero-rated mobi-site, a toll-free support line to call for help, and the resources of hundreds of partners on the ground.

Barriers for Young Women are Higher and Harder

Women make up 50% of the youth population and 55% of NEET youth.

At every step of the way, challenges experienced by men are intensified for women because of systemic patriarchy—leading to high levels of gender discrimination, misogyny, and violence.



The effects¹ are staggering:

- Young women work-seekers are 8% less likely to find employment than men;
- Young women are less likely to have finished school with a secondary school qualification (young men are 1.5 times more likely than young women to have a matric or high school degree);
- Women are 17 times more likely to do unpaid work for the household, and 62% of women who are not in employment, education and training are inactive due to caregiving responsibilities;
- Fear of gender-based harassment and violence means that women often have higher travel costs as they take precautions in searching for work – these are not required of men; and
- 30% of working women say they experience sexual harassment in the workplace.

The COVID-19 pandemic has dealt a further blow to women's economic security, locking out millions of women due to care and household obligations.

A core premise in our systems change agenda is that addressing systemic barriers for women—such as transport, childcare, qualifications, and workplace gender norms—can unlock value not just for women alone, but for the economy and society as a whole.

The African proverb “to go fast, go alone; to go far, go together,” was never more true.

A growing coalition of stakeholders has begun to acknowledge the inadequacy of the status quo and to look for new ways to respond. There is an increased awareness of the need to prioritise the ‘demand’ side of labour market systems, where the income opportunities are going to come from. This must span the formal and informal economy, it must create as many ‘on ramps’ to earning as possible, and it must be designed for the reality that most work will be short-term, transient, and non-linear.

Equally, we see increased recognition for something more – a consensus that adaptive approaches are needed to lower the barriers that keep young people (the ‘supply’ side) from being able to secure these opportunities. Embedded is a recognition that many of the most significant barriers they face are not skills-related.

¹ Singizi Consulting Africa, (2020), ‘Harambee’s learnings and recommendations on improving gender outcomes for young women’, July.

Harambee's decade of experience in addressing broken linkages, unresponsive training curricula, and exclusionary hiring practices has built a robust evidence base showing that pathway management can shift the equilibrium. Something new has emerged from our decade of delivery, learning and evidence: a formidable, multi-channel capability that makes South Africa's 'outsiders' visible at scale for the first time. This provides the means to reach millions of excluded youth, map their capabilities, deliver the right resources to them at the right time, and track their progress as they move in and out of learning and earning opportunities. Its power is not in what Harambee has built, but in its usage and adoption by others in the system – as the backbone of a nationally coordinated plan of action on youth unemployment.

That plan is the Presidential Youth Employment Intervention. It is supported by a dedicated project management office in the Presidency that coordinates the efforts of state and non-state actors to “actively support a diverse cohort of young people, who are otherwise excluded from the labour market, to build their profile and more effectively transition into, and between, a diverse range of opportunities that are centred on the needs of the young person and that are informed by opportunities available to young people so as to enable their continued involvement in the economy.”

President Cyril Ramaphosa's support for pathway management to be adopted at scale



This is a powerful moment for change: to debunk entrenched and outdated assumptions that preserve the status quo and to redirect a well-resourced system to outcomes that will shift the prospects for millions. Endorsements for this adaptative approach are supported by earmarked government funding and with redefined roles for key partners, including Harambee. There is also a clear commitment for change that is compelling in its bias against unachievable targets and unimplementable rhetoric, and for its preference for swift action, ‘lean’ iteration, rapid evaluation and feedback.

What systems have we specifically prioritised for change?

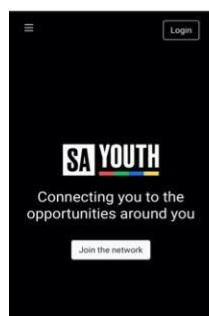
System: Pathway Management

We believe the biggest myth hampering the smooth(er) functioning of the labour market is a misplaced fixation on skills training, instead of the many other broken 'links' that keep work-seekers from being able to access jobs they may already be skilled enough to do. In the idealised labour market, young people would leave educational institutions well-equipped to pursue and secure their preferred job among the abundant opportunities close by. Following this view, we would just need to level-up education, and the system would self-correct. But this is not how the real world young people confront actually works. Even in the highest equilibrium labour markets, a vast subsystem of linkages perform this task—personal networks of recommendation, further education, matching engines, CV/resume services, professional certification programmes, recruitment agencies, and the like. ***That is why there is the greatest value in shifting this system – apart from the need to create income opportunities for as many young people as possible. Otherwise, even if more jobs can be created, they are likely to remain out of sight or reach.***

In South Africa, like in many other places, this architecture of linkages simply does not function for excluded youth trying to gain a first foothold in the economy. The spatial legacy of apartheid means that most jobs are too far away for affordable transport. If there is an opportunity close enough, the application process is either unclear (online forms and questionnaires written in bureaucratic shorthand), or expensive (requiring printing, mailing or even traveling for multiple interviews), or expressly designed to filter out candidates who don't "know the game". If these young people still somehow manage to get an interview, there is little chance they have enough exposure to successfully navigate this very specialised and formal style of encounter. And yet they keep trying: using grant monies intended to provide food and shelter to print CVs that will never be considered, and spending scarce transport money to apply door-to-door, the most inefficient and expensive way to look for a job. A young work-seeker who refuses to give up is rare: the tragedy is that her tenacity and determination, which may be incredible assets to an employer, are completely invisible to the system.

A key weakness of the existing system is its opacity: young people in search of work or training opportunities are unable to access at a central point reliable, comprehensive data on is available, much less what is most suitable for them. The result is a demotivating waste of time, resources and energy – and the high risk that they instead become so discouraged as to be dangerously disengaged.

Shifting the system will require that an enlarged pool of opportunities is made visible and accessible to young people. This is a piece of infrastructure that has, historically, simply not existed as there has been no entity capable of providing it. Any attempt to shift the equilibrium of the whole system must address this gap: the system must enable young people to see clearly what pathways make sense for them based on their own profiles, must provide them with customised advice and recommendations, and help them consider what pathways to follow. The SA Youth platform, managed by Harambee Youth Employment Accelerator, is built to deliver this as a centrepiece of the Presidential Youth Employment Intervention.



System: Formal Economy

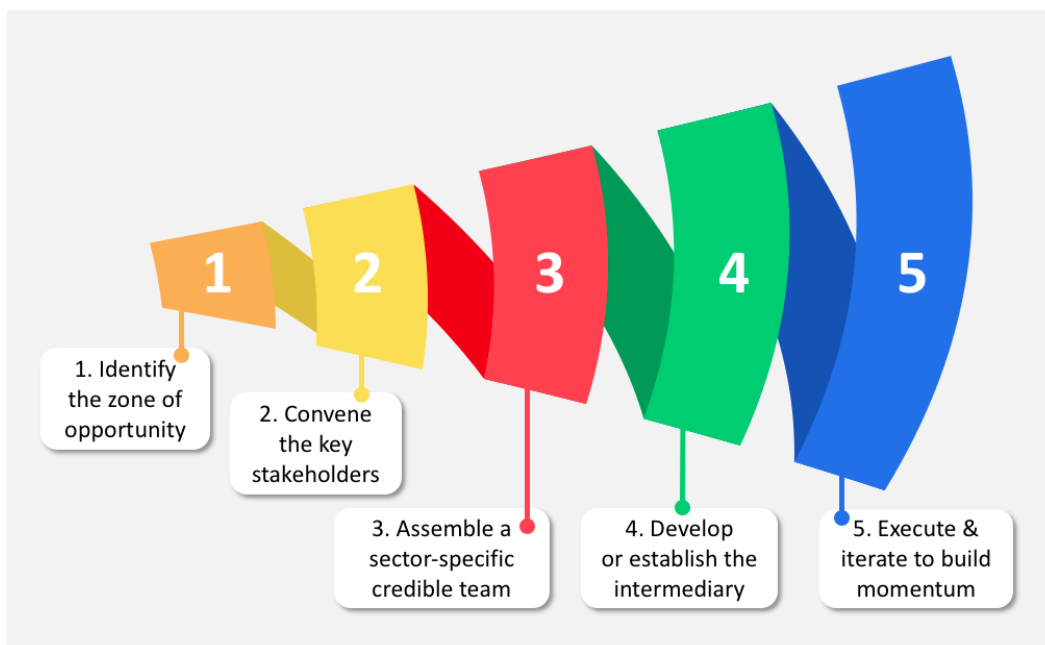
South Africa's formal economy makes up 85% of employment and well over 90% of economic activity. It is dominated by services (like retail, finance, logistics) and by the standards of emerging economies, it is highly productive and employment is well-remunerated. The incomes generated in the formal economy fund government operations, social security payments to poor households, and stipended public employment. Incomes earned in the formal economy also power much of the activity in the informal economy, which is also dominated by retail (especially of household goods) and personal services (transport, plumbing, car repair, hairdressing, etc.).

The formal economy is not projected to generate enough new jobs to absorb more than a subset of the people who enter the labour market each year – in this initiative it is estimated to provide 20% of the opportunities in the next 5 years but with a significant multiplier in the following five years. Yet, as seen through the eyes of the young person, this system provides the most transformative trajectory for individuals and households trying to climb out of poverty.

Because the formal economy powers South Africa's society, including the informal economy and the social assistance grants upon which so many depend for their livelihoods, supporting the efforts of government and the private sector to grow formal sector jobs is our Plan A (and also our Plan B, Plan C and Plan D).

We will focus on two priorities: facilitating new job creation in growth sectors by helping to remove obstacles and accelerate incentives, and also promoting inclusive hiring practices at scale. Both of these priorities are based on models Harambee has pioneered and refined with consistent results over the last several years.

On the first priority, significant effort has already been underway for many years to accelerate new job creation across growth sectors. This is being driven by a specific, documented Harambee model of ecosystem facilitation that coordinates stakeholders from government, industry bodies and intermediaries, enterprise development programs, and civil society organisations.



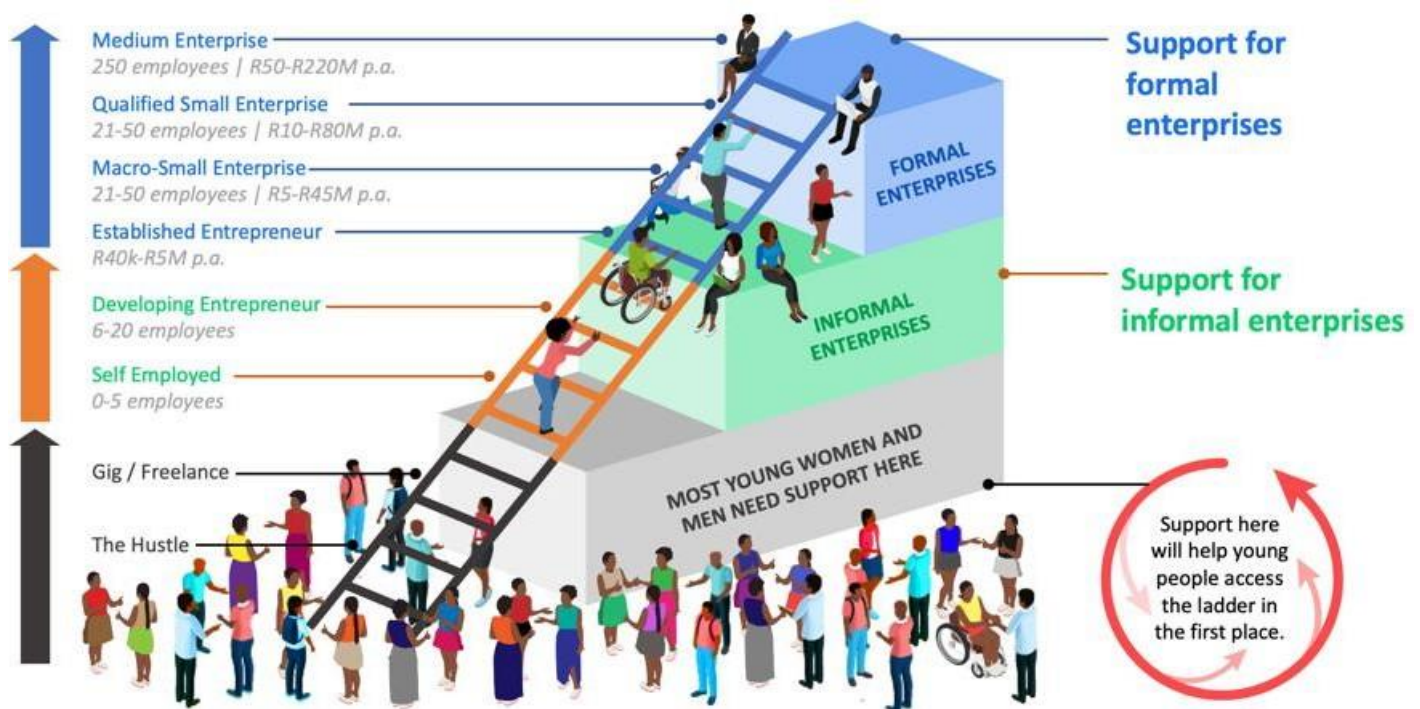
On the second priority, employers often hire using selection requirements that are exclusionary and arbitrary. Harambee's "employability map" diagnoses the capabilities needed and matches young people to opportunities on the basis of those capabilities rather than on the basis of their having obtained a particular credential. We will continue to encourage employers to adopt inclusive hiring practices at scale through direct advocacy and engagement that shifts existing hiring practices based on evidence for the advantages of inclusive hiring (e.g., efficiency and retention gains in hiring inclusively).

Informal Economy System: Microenterprises

By any standard, South Africa's informal economy is unusually small, both in terms of the output it generates and the number of people it employs (~3 million). Compared to the formal economy, productivity levels are very low, and competition is intense between people providing similar services. The result is low margins and earnings, especially among women, who often do the least paid work in the informal economy. The government support that does exist is marginal and is more than offset by the role that authorities sometimes play in suppressing informal economic activity and/or exploiting participants in the sector through bribery or extortion. Ordinary criminality, too, is a constant threat. Young people tend to be very loosely connected to the informal economy, generally finding little more than low-wage, temporary work, all of which can be unattractive in a society that prizes formal economy jobs.

Yet, this is where many young people are likely to find pathways to income – even as a 'side hustle' alongside other work they may take on in a stipended programme, or even a formal job. Selecting this system for intervention comes with cautions and caveats. The micro-enterprise landscape is extremely fragmented and uncoordinated. Many others have already invested with very little systemic improvements to show for their efforts. We will need to learn more about the institutions, incentives, and dynamics to clarify exactly what shifts can be made with success.

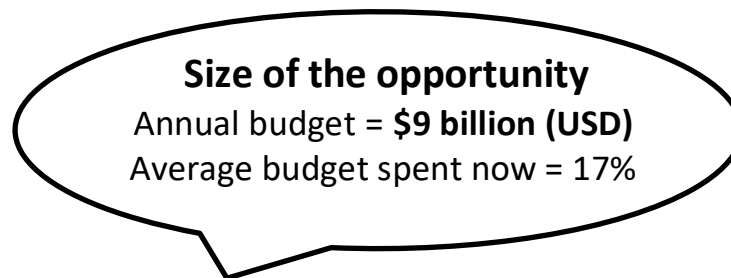
That said, it is very clear that millions of young people who are at home and not working can learn to 'get busy' in the hustle of a micro-enterprise. From their lens, they can move from standing still to climbing the first rung of what we call the 'enterprise ladder.' In the process, many of them may find their way up further rungs of the ladder as they formalise their small businesses and become sustainable entrepreneurs.



Working with community organisations over the last few years, Harambee has piloted approaches to engaging young people stuck at the first level. We have used limited-duration stipends, coaching, peer-learning and group accountability to help youth begin earning through their own sales activities – in a manner that generates agency, connectedness, and an ability to move from the stand-still of unemployment to the business of activity. By adopting this approach at scale, and maximising the recruitment of women, hundreds of thousands of young people can begin to earn on a pathway to more formal entrepreneurship.

Informal Economy System: Government Stipended Programmes

Billions of public funds are allocated by South Africa's government to stipended programmes that support nearly 1 million people each year. These programmes rarely deliver on the services required by a community and often do not spend their full budget allocation. Many do not really target young people's participation. Pulling the right levers could unlock billions and direct it to both communities in need and young people eager to earn.



Viewed from the perspective of the young person, and the young woman in particular, this sub-system is where we see the highest value-multiplication in the next five years. These stipends can serve as 'on ramps' for young people into some kind of earning. This is also a unique lever to shift the opportunities provided by public employment towards addressing the barriers that keep women out of the workforce. These include work programmes that provide child- or elderly care, improve public transport safety, or deliver after-school programmes. Increasing these services would help free young women up to find work and pursue livelihoods

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Return on Investment

The investment case for this vision is strong. This initiative that will be financed using a 2:1 match between government funding ($\pm 70\%$ of budget) and social donor investment ($\pm 30\%$ of budget). We see leverage for improving the existing spend in the system by over 72X. And we estimate is a significant 9:1 return on investment in terms of reduced costs and increased income for young people. A detailed budget breakdown can be made available upon request.

Seizing the Moment

These interacting, interlinked systems that make up the youth labour market are not "managed" from any central point. There is no single actor whose actions definitively determine the outcomes. These are the result of complex relationships, of cause and effect driven by people's preferences, and through the choices and actions of institutions and individuals in all parts of the society: government at all levels, business executives, community-based organisations, training institutions, and work-seekers.

We understand that shifting these constellations of actors will be hard and may even be risky, given the complexity of the labour market, the many stakeholders involved (public, private, social), and the diffuse nature of power and authority. Yet, these are all societal actors with a common problem to solve. They have resources, even if their spending does not yet yield the results needed. Most of them will readily admit that the entire system needs a re-think. Perhaps the biggest risk is not acting fast enough for young people who need solutions. The roadmap that we describe here is achievable and will bring tangible benefit to the everyday lives of millions of young people, however complex and difficult their journeys. And it will yield insights relevant to labour markets the world over. Harambee Youth Employment Accelerator is well-positioned to partner with others so that we rebalance our society, tilting it towards a more just and inclusive equilibrium.

Appendix: Learn more about Harambee Youth Employment Accelerator











Our Track Record

<p>2019 Skoll Award for Social Entrepreneurship in recognition Harambee has played in solving youth unemployment at sca</p> 	<p>Harambee is a regular contributor through the media and in other forums to thought leadership on youth employment and economic inclusion.</p> 
 <p>Conscious Companies Award, recognising Harambee for operating with integrity and purpose.</p>	 <p>South African Presidency, World Economic Forum, Business Leadership South Africa (BLSA), World Bank, Rockefeller Foundation and several others feature Harambee in case studies demonstrating effective solutions and partnerships.</p>
<p>7th favourite brand in South Africa amongst low-income earners, giving an indication of brands that young people feel are most relevant to them.</p> 	<p>Finalist for the John P. McNulty Prize (in partnership with Aspen Institute) which celebrates the impact of individuals who use their exceptional leadership abilities & entrepreneurial spirit to address the world's toughest challenges.</p> 
 <p>Top 2% of successful applicants for USAID's open innovation program that supports local organisations to test and scale creative solutions to the global development challenge.</p>	 <p>Best growth/ scale plan in Global Centre for Youth Employment Ideathon out of 200 submissions globally from 25 countries.</p>
 <p>Global Impact Sourcing "Influencer" Award and the CX Game Changer Award showcasing Harambee's influence in the global business services industry.</p>	

Our Partnerships

EMPLOYERS	GOVERNMENT	RESEARCH
		
SUPPLY SIDE		FUNDERS
	 <p>Nearly 10 years of coalition building with partners</p>	
CIVIL SOCIETY		OTHER
		
INTERMEDIARIES		

Our Impact

 <p>Randomised control trial (RCT) investigating the impact of signaling on 8000 Harambee youth, statistically significant results for labour market transitions.</p>	<p>Collaboration between global companies to build more inclusive supply chains. Harambee is a founding member.</p> 
<p>Visiting academic fellowships that support Harambee's research agenda on labour market insights, innovation and scale.</p>  	 <p>Global Center for Youth Employment <i>Generating solutions for a working world</i></p> <p>Workforce development specialists pursuing solutions to shortage of job opportunities for young people, Harambee winner of 2017 Global Ideathon.</p>
 <p>Harambee featured in Case Centre for Social Impact: Scaling Pathways: Using Data to PowerScale with USAID, Skoll Foundation and others.</p>	<p>Harambee youth featured in groundbreaking longitudinal financial diaries of income and expenditure flows.</p> 
<p>A multi-stakeholder partnership created to catalyze employment and productive work for 150 million youth by 2030.</p> 	 <p>Randomised control trial (RCT) investigating LinkedIn's network potential for ~1,500 excluded youth at Harambee</p>
 <p>Siyakha Youth Assets Study - Harambee was part of a longitudinal study to contribute to evidence-based employment interventions addressing long term chronic unemployment.</p>	<p>Global non-partisan network committed to producing an evidence base and empirical research on critical knowledge gaps in the global employment landscape. Harambee research was recently featured.</p> 

Our Leadership

Harambee's Board of Directors is made up of a diverse group of individuals whose collective experience is what the organisation needs at this moment. Our executive team brings decades of relevant experience and represents the best of South Africa's talent. Full bios can be found at www.harambee.co.za/about/

Additional Links

Skoll Award for Social Entrepreneurship:

<http://skoll.org/organization/harambee/> and video link is at
https://www.youtube.com/watch?time_continue=211&v=V8Gbsc2RkcY

Harambee's Work Featured in The Economist:

<https://www.economist.com/special-report/2019/04/25/high-unemployment-is-a-symptom-of-south-africas-economic-malaise>

Harambee's COVID Response Featured in the Stanford Social Innovation Review:

https://ssir.org/articles/entry/emerging_stronger_from_a_crisis#

Responsible use of machine learning to tackle youth unemployment:

<https://techcrunch.com/2018/05/24/navigating-the-risks-of-artificial-intelligence-and-machine-learning-in-low-income-countries/>

Google Cloud Platform Partners with Harambee in Africa:

<https://diginomica.com/harambee-recruits-google-cloud-in-fight-to-tackle-youth-unemployment>

Launching the first workforce development social impact bond in Africa:

<https://www.sagoodnews.co.za/jobs-fund-invests-sensibly/>
<https://www.brookings.edu/blog/education-plus-development/2019/07/12/first-social-impact-bond-in-south-africa-shows-promise-for-addressing-youth-unemployment/>

Lean Impact, the social impact compendium to best-seller *The Lean Start-Up*, has a chapter on Harambee:

<https://leanstartup.co/?s=harambee>

Fast Company, Memo to Silicon Valley: Here's What "Blitzscaling" looks like in the Non-Profit World

<https://www.fastcompany.com/90611533/memo-to-silicon-valley-heres-what-blitzscaling-looks-like-in-the-nonprofit-world>

Learn more at <https://www.harambee.co.za/blog-new/>