Building economic strengthening programmes for youth in South Africa: determinants of success and failure

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ABSTRACT
Africa, conceptually, geographically, politically, economically, religiously and socially is in bondage and this bondage is South Africa has one of the worst youth unemployment problems in the world. The high rate of youth unemployment results in multidimensional range of social challenges that negatively affect the wider community and economy. Social workers in non-governmental organisations (NGOs) are adopting economic strengthening programmes (ESP) to empower unemployed youth. However, factors that are key to determining success of ESP are not precisely understood. The study utilised qualitative case study research design. Data was collected using in-depth interviews from 30 purposively selected youth aged 15–24 years, 6 NGO practitioners and 5 Department of Social Development (DSD). The Ubuntu philosophy was used as a theory for analysing and interpreting data. Ethical clearance was obtained from the University of Fort Hare. The aim of the study was to explore the determinants of youth’s success in ESP in South African NGOs. Findings established that lack of access to start-up finance, poor links to strategic partnerships and mentorship platforms were inhibiting factors for youth to establish successful enterprises. The study recommends social workers and NGOs to merge efforts and resources with other stakeholders to foster implementation of effective ESP in marginalised communities.

KEY TERMS: economic strengthening programmes (ESP), South Africa, Ubuntu, unemployment, youth

KEY DATES
Received: May 2023
Revised: May 2023
Accepted: November 2023
Published: December 2023

Funding: None
Conflict of Interest: None
Permission: None
Ethics approval: Not applicable

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Current and previous volumes are available at: https://ajsw.africasocialwork.net

How to reference using ASWNet style:
INTRODUCTION

Unemployment and economic marginalisation of youth are rife in poor African communities. This has been attributed to several structural constraints such as inability by markets to create employment on the scale society needs, poor education outcomes, and gender inequality. Development professions, such as social work, have been indicted for their failure to be proactive in implementing targeted and rigorous economic empowerment programmes for youth. Leveraging on the power of the Ubuntu concept, a well-recognised people-centred African philosophy that calls for responsive communitarianism by availing opportunities to all people for economic advancement and autonomy, economic strengthening programmes (ESP) are increasingly being accepted as a valuable long-term strategy to address improve economic independence for youth in marginalised communities. An understanding of the specific factors that aid or deter the success of ESP is thus crucial to facilitate the design and implementation of effective ESP. This paper presents the views of youth regarding the factors that determine success of ESP as a mechanism for improving economic outcomes for youth. Findings of the paper can help to inform future innovations needed to strengthen economic capacitiation interventions for youth. The findings are key for social work practice whose role regarding poverty is to empower youth to become independent and self-sufficient by equipping youth with skills that they can use to access employment opportunities and to build their livelihoods sustainably.

BACKGROUND

Youth unemployment in South Africa

Youth unemployment is noted to be at its worst in South Africa, with estimations that about 60,7% of the country’s 32,6% unemployed population is youth between the ages of 15 to 24 years (Statistics South Africa [StatsSA], 2023). Loosely translated these rates show that almost one in every two young people of working age is unemployed (StatsSA, 2023). The causes for the increasing rates of youth unemployment are varied. At a national level, there has been no observable growth in the country’s gross domestic profit to create and sustain employment. Another biggest contributor to the problem of youth unemployment is the systemic mismatch between the skills required by the modern South African economy and the skills that youth have (World bank, 2018). Youth unemployment is also argued to be exacerbated by youth’s general lack of awareness of other economic strengthening opportunities that exist outside employment. As an example, it is noted that most youth lack education on entrepreneurship, which could provide them with useful knowledge about business start-up (Diraditsile et al. 2020).

The consequences of unemployment on youth are enormous. Unemployment destroys youth’s self-esteem, social standing, mental well-being, and dignity by putting brakes on their economic dynamism and productivity. Youth that are unemployed are noted to have a deficit of skills, capabilities and assets needed to open-up economic opportunities for themselves (Diraditsile et al. 2020). Unemployment has also been discussed as an underlying factor for youth to engage in social ills such as prostitution, substance misuse, crime, gangsterism, and gender-based violence. Applying the philosophy of Ubuntu to unemployment, some social scientists are warning that youth unemployment is a vice that need to be speedily addressed if the state of Ubuntu is to be preserved. The state of Ubuntu is defined by Mugumbate et al. (2023) as African humanism, communality, and co-existence. The social scientists argue that if youth unemployment is not addressed the youth might engage in violent protests, which could breed political and economic instability in society.

Economic strengthening programmes for youth

Pushed by the veritable concerns that are ushered by youth unemployment and economic exclusion, some NGOs have started investing and implementing ESP to allow youth to pursue a range of economic strengthening options suitable for their individual areas of strength. There are various widely shared definitions of economic strengthening. The United States President's Emergency Plan for AIDS Relief (PEPFAR) (2012) definition states that, economic strengthening is the development of economic assets and capacities to address drivers of poverty and attain sustainable livelihood. ESP are noted to be critical in empowering youth with indispensable skills and competencies that they need to make informed and effective decisions regarding their economic lives. ESP’s foundations are entrenched in the belief that, when youth are economically empowered, they will have abilities, knowledge, resources, and networks to decrease the crippling barriers that drive their unemployment (Diraditsile et al. 2020). Thus, the building of economic skills can be a critical strategy to increase youth’s economic participation.

PEPFAR, through the United States Agency for International Development (USAID), has invested in NGOs in South Africa, such as HIVSA and Family Health International (FHI) 360, to develop and implement ESP. The economic strengthening package that is currently used with youth has gone through various adaptations and
refinements since 2012 and constitutes three separate but integrated curriculum or core modules. The first module, referred to as Financial Capabilities prioritises financial literacy. The module builds on the understanding that the ability to understand financial concepts and money management (earning, spending, saving, borrowing, and investing) can be translated skillfully into behaviour (Belitski et al. 2022). The second module is aimed at skilling youth job seekers to enhance their chances of finding employment. Referred to as the Employability module, the module helps youth to build self-awareness for job recruitment processes and matches youth to entry-level job opportunities. Entrepreneurship module is the third package in the intervention. The module engages youth in entrepreneurial activities with the aim of helping them to think about, actively start and sustain their own micro-enterprises.

Although there has been increased focus on the importance of ESP and its potential to address youth unemployment, there are gaps in understanding the specific determinants that influence the success and failure of the programme. Commenting on the gaps, Banks (2017) observes that, most ESP in sub-Saharan Africa that are targeted at youth have poor designs, are besieged by barriers and shortfalls that render them ineffective to help youth translate their economic aspirations into action. Furthermore, the persistent high youth unemployment rates are noted to be an indication of the inability of current ESP to equip youth with capabilities to harness their economic potential (Belitski et al. 2022).

Despite the traction that ESP is garnering, there are limited studies that have been undertaken to specifically examine the barriers and challenges that are encountered by NGOs implementing the programme with youth in marginalised settings. In examining the views of youth regarding the factors that determine their success in ESP, this qualitative study presents valuable narratives of the underlying factors underscoring the acceptability, influence, reach, and effectiveness of ESP as an alternative mechanism for improving economic outcomes for youth. New knowledge on measures that need to be put in place for ESP to be springboards for earnest empowerment of youth are proposed.

Ubuntu philosophical framework

This study is guided by the philosophy of Ubuntu, an indigenous African philosophy. There have been increased calls for use of Ubuntu as a philosophical framework for social work practice in addressing vulnerability factors that contribute to youth unemployment and economic exclusion. Creating employment for the youth is essential for Ubuntu, a philosophy that supports creation of economically sustainable opportunities for everyone to move out of the perpetual cycle of poverty. According to Mupedziswa et al. (2019), although Ubuntu is not a fixed, singular construct, the philosophy is associated with the core social work value of social justice, which refers to an ideal condition in which all members of a society should have access to same basic economic and socio-political rights. The Ubuntu philosophical framework is thus a suitable lens of explaining the challenge of youth unemployment and what could be done in African social work practice if ESP is to be mainstreamed as an effective solution.

For Mugumbate et al. (2023), Ubuntu philosophy is about cooperation and collaboration and commitment to addressing macro issues in a way that is beneficial to all members of the community. When applied to youth unemployment, Ubuntu philosophy thus guides the way social workers interpret the problem and think about innovative and contextualised solutions. Accordingly, Ubuntu can be understood to be a dynamic and multifaceted philosophy with a goal to strengthen the knowledge and capabilities of weak groups in society to realise their fullest potential to address their problems (Mugumbate and Nyanguru 2013). This connotes that progress in addressing youth unemployment will only be made when youth are at the centre, when they are given a voice and are equipped with assets, and skills to change their lives and economic destinies. Accordingly, within Ubuntu philosophical framework, it makes sense that ESP are designed to use a mixture of interventions or curriculums, such as financial capabilities, entrepreneurship, and employability. Equipping African youth with a range of ESP options that are tailored to their individual areas of strengths produces youth that have adaptable skills that suits local realities and indigenous ways of life.

METHODOLOGY

The study utilised a qualitative research approach and an exploratory design, with a case study as a specific design. The aim of the study was to explore the determinants of youth’s success in ESP in the Gauteng province by asking what factors influence the success and/or failure of ESP in resource-constrained settings. The study was conducted with youth from 6 NGOs that were implementing ESP in Soweto, Alexandra, and Orange Farm in the City of Johannesburg, in Gauteng Province of South Africa. The researchers utilised a non-probability sampling technique, namely purposive sampling, to select a sample of 30 youth, 6 NGO practitioners and 5 DSD officials. Selection criteria for the youth included: being youth, male or female, aged 15 to 24 years; and having at least a year’s experience participating in the ESP. The youth also had to be willing and available to participate in the study. The NGO practitioners and DSD officials were directly responsible for supporting the implementation of
the ESP and had enormous understanding of the community. Data from the 30 youth was collected by means of one-on-one semi-structured interviews. Two separate focus group discussions were used to collect data from the NGO practitioners and DSD officials. The thematic content analysis method was used to analyse study findings. Throughout the study, some degree of research indigenization (Chilisa, 2020; Mupedziswa et al. 2019) were applied. The researchers applied the Ubuntu values and ethics by being kind to the participants and encouraging open communication. Further, participants were handled with trust, dignity, and honest. All participants were educated on the ethical premise that anyone had the right to withdraw from research engagement in case they felt uncomfortable with the research questions or process. As a mechanism to share the study findings, the researchers held meetings with the three categories of participants that participated in the study. The study was cleared by the Faculty Research Higher Degrees Committee at University of Fort Hare. Ethical clearance number was TAN021SZIB01.

FINDINGS

The findings presented below are arranged into key thematic areas that emerged during analysis and illustrate youth, NGO practitioners and DSD officials’ perspectives on the factors that influence the success and/or failure of youth’s ESP. The findings are arranged into four main thematic areas that emerged, namely: Lack of access to start-up finance; Training is “too little” and “too theoretical” to build needed skills; Lack of mentorship infrastructure; and Uncoordinated multisectoral partnerships. Quotations are excerpts from English transcripts; in brackets are details of the participants’ sample group (youth: YM [Male]/YF[Female], depending on one’s gender; NGO practitioners: NP and; DSD officials: DO).

Lack of access to start-up finance

Participants noted that lack of access to financial resources blighted the ESP and acted as a key obstacle that made it difficult for youth to believe in the goal of the programme of helping them to attain improved financial stability. Lack of access to start-up capital was also cited as a persistent stumbling block for youth to pursue entrepreneurship as it made it impossible for youth to acquire business inputs that they required to venture into business. Youth reported that they were from poor households and as such, it was not beneficial to train them on financial capabilities concepts such as savings, budgeting, and banking if the programme had no financial resources to support the implementation of newly learnt concepts. Some participants shared their experiences as follows:

*The problem is that even after teaching us about the meaning of entrepreneurship and how to start our own businesses, the organisation does not have money to give us to help us start off some work on our business ideas.* (YF18).

*I do not see the advantages of having participated in the financial education as I do not have any money or income to practise any saving, budgeting, and banking.* (YM4).

*I now understand the importance of saving and keeping money in the bank. If you do not save money, you cannot buy things you want to buy in the future, and in case you need money for an emergency you will not have anything to use. The problem is that my family is very poor so there is no one who will give me money to save in the bank.* (YF13).

*The programme does not provide us with start-up capital to implement our business ideas. So, though we might want to do something to generate income, we do not have the funds to do anything.* (YM1).

In addition, some NGO practitioners expressed concern that the lack of financial resources was making some youth to lose interest in the programme altogether. The following excerpts highlight the disempowering effect that the inability of the programme to provide start-up capital was having on the youth:

*Some of our youth feel dissatisfied with the programme, they complain because we are not able to give them any money to save or launch their business. Their parents are also poor, depending on state grants.* (NP6).

*Without money to assist them to carry out their ideas, these young people are not getting enough motivation to stay in the programme and some of them are absconding the sessions.* (NP1).

*There might be some interest in the types of informal and township enterprises that we teach youth – but access to finance remains a challenge. This, of course, has a negative impact on the programme as some
youth no longer see entrepreneurship and enterprise development as a viable route to income generation, employment, and job creation. (NP2).

Training is “too little” and “too theoretical” to build needed skills

Articulated in the narratives of participants was a feeling that the economic strengthening trainings were marked by inadequate education that did not provide youth with sufficient basis and experience to trigger or change their economic trajectories. Youth believed that although the financial capabilities training had taught them some good money management skills, the training lacked hands-on exposure. Also, despite the emphasis that entrepreneurship was a very important component of economic strengthening, most youth reported that there was misalignment between the level of knowledge they were being taught and their expectations of the skills they thought they needed to be creative and thriving entrepreneurs. Participants ventilated their frustration on how the financial capabilities, entrepreneurship, and employability trainings poorly capacitated youth to handle real life situations:

The trainings are just in class, teaching us how to manage money well if we get it, how to write a good CV and behave in a job interview when searching for a job … they never get to show us how to practically do those things, so we do not know how to do what they teach us. The trainings are so brief and do not have industrial attachments for us to gain the valuable business and technical experience that we need as youth to start our own businesses. There are some young people who are now selling sweets and muffins at school after attending the training… you know those small things that do not change anything. We want to be taught big things also, to be shown how to run big businesses. (YF7).

We sometimes get discouraged that our efforts are too small, and our interventions are too ineffective and fragmented to address the enormity of the crises head on. We worry if we will ever reduce youth unemployment in our communities. If we are to make a real difference, we need large scale trainings that are backed with multi-stakeholders with large investment. (NP1).

Lack of experience presents a common barrier for young people to start their business enterprises. There is not much support from the private sector to teach, mentor or absorb these young people into their entrepreneurial readiness programmes. Without much support from the private sector our efforts are unsustainable and unscalable. (NP4).

Lack of mentorship infrastructure

Mentorship was raised to be a fundamental component of entrepreneurship that the programme had neglected. It was explained that the programme did not provide any individual or group specialised entrepreneurship mentoring. Some participants complained that, by not having any links to experienced business mentors, the programme denied youth access to role models who could guide them through the challenging early stages of establishing a business.

We need successful people in business to come to our trainings and show us all the skills and steps that they followed; we all want to get where they are. Having a mentor to give each one of us personalised support will be a good step to develop our entrepreneurship abilities. Mentors will give us the confidence and one-to-one guidance which we need. (YM10).

It is unfortunate that we have failed to link youth to successful entrepreneurs whom they can learn from, this deprives them of opportunities to learn how businesses are set up and are run in real life. (NP2).

There are no public-private partnerships to help with mentorship for youth. We should have the private sector sharing their resources and leveraging their networks to mentor youth and to augment the good work that the NGOs are doing with the youth. (DO3).

Uncoordinated multisectoral partnerships

The findings revealed that, while there are government agencies and private sector entities that have been set up to fund and promote youth employment, skills training, and entrepreneurship development, there is no shared plan for these agencies to collaboratively work together. The lack of coordination among the agencies bred lack of
awareness and posed administrative ambiguities which inhibited NGOs and youth to access resources from the agencies.

We just hear that there is the as National Youth Development Agency (NYDA), which is funded by government to link us to jobs and training opportunities and those other organisations they talk about on radio and TV that they are there to help us, we do not see them, and I do not know of anyone in our community who has been helped by them. (YF5).

We are always told that South Africa has good policies and strategies to create business opportunities for the youth, but here on the ground, we do not know where to go or what process to follow to get help for these youth. (YF3).

We know that there are government agencies, such as the NYDA and other entities established to capacitate youth economically. However, there is a coordination problem as these agencies do not plan and work together ... it is difficult for us to know where to go for what. (NP4).

Youth face uncertainty as to where to go for help as there is no system for government and the private sector to work together in helping youth in these poor communities who have dreams to start their own business ventures. (DO2).

DISCUSSION

Findings from this study indicate that the participants had high hopes that participation in ESP would increase youth’s knowledge in financial literacy, employability, and entrepreneurship, which in turn, would help them to reduce unemployment and poverty. However, the programme’s lack of access to start-up finance was observed to be a hurdle for all youth who had interest in establishing business enterprises. The findings are an exemplification that the lack of investment in youth’s business enterprises is a significant structural barrier that impedes youth from establishing vibrant business enterprises that match their ambitions. Furthermore, the study revealed that poverty was an overarching and compounding barrier that underpinned the lack of start-up capital. Many parents in poor communities in South Africa depend on grant monies to feed and shelter their families. The work of Plagerson and Mthembu (2019) is supportive of the findings as the authors equally established that, lack of capital thwarted efforts by youth to engage in economic empowerment interventions through savings, budgeting, and banking. Guided by Ubuntu, which is critically concerned with social justice and innate worth and dignity of individuals, ESP should make concerted effort to address poverty. Addressing poverty ensures community equality, and that resources are disbursed to youth programmes, which creates an ideal condition in which youth pursue their basic Ubuntu right of economic renaissance.

The study findings indicated that youth regarded the trainings that they received in ESP as “too little” and “too theoretical” for them to build competent and sustainable skills needed to establish thriving businesses. After the trainings only, a few youths attempted to start some small-scale income-generation projects, like selling sweets at school. Without adequate training and support, it is difficult for mini-business ventures started by youth to result in any consequential improvement in their economic circumstances. These findings are corroborated by the African Capacity Building Foundation (2017) who observe that poor trainings and skills capacitation strategies in sub-Saharan Africa contribute to current state where only a meagre 6% of the youth’s total population is participating in entrepreneurship. These findings can be linked to the African communitarian philosophy of Ubuntu which abhors the practice of tokenism, especially when working with marginalised and under-represented groups such as youth. This implies that ESP should be implemented with the highest levels of thoroughness if sustainable changes are to be accomplished in the economic lives of African youth. Availing robust economic skills improvement programmes could be significant in addressing the gross under-representation and lack of interest in entrepreneurship by youth in poor African communities.

Findings from the study also highlight that the absence of structured mentorship platforms for youth was a challenge. It was stated that the lack of mentorship and role models were barriers to attracting and keeping youth interested in ESP. It was further noted that, had ESP had seasoned mentors with business acumen working with the youth on developing business plans, approaching funders and markets, and managing business income and expenses, some youth could have started sustainable business enterprises. Supportive findings can be deduced from a study by Lindsay et al. (2016). In their study to review the contribution of mentorship projects in aiding young people to transition from high school to adulthood, Lindsay et al. (2016) established that programmes with structured mentorship interventions led to significant improvement in work-related outcomes for youth. These findings are congruent with a key concept in Ubuntu’s philosophy that ‘a person is a person with, through and because of other people’ (Mupedziswa et al. 2019:21). In brief, the humaneness and interdependency between people within a community is brought out when they learn from each other and pursue development opportunities together (Mugumbate et al. 2023). For ESP it could be argued that mentorship would bring about positive
outcomes as mentors would perform the role of change champions in the lives of youth by encouraging, advising, and practically illustrating how economic strengthening tasks must be done.

Lastly, the findings indicated that there were fragmented partnerships between NGO, government and other entities involved in ESP. State funded public entities that were set up to address youth joblessness, such as NYDA, were reported to be either unknown or uncontactable for youth. Some of the products and services that the NYDA offers are exactly what was cited by participants as challenges for the programme. The products and services include business management training, mentorship, and market linkages. Without collaborative partnerships with other youth empowerment entities, NGOs will remain isolated and unable to tap into the resources that are meant to benefit youth. These findings bring out the essence of the guiding principle of Ubuntu that human beings are committed to sharing locally available resources in their environment for collective gain and are willing to work together to achieve common social goals. If the Ubuntu principles of collectivism, social contracting, responsibility, and accountability is applied by NGOs and all stakeholders, the economic exclusion of youth in marginalised communities is most likely to be effectively addressed.

RECOMMENDATIONS AND IMPLICATIONS FOR SOCIAL WORK

It is evident from the study findings that ESP for youth is marred by numerous challenges. These challenges include, among others, lack of financial resources, lack of mentorship and uncoordinated multisectoral partnerships. It is recommended that social workers in ESP interventions must pursue Ubuntu informed practices that address macro factors that contribute to economic and social injustice. Social workers must rally NGOs and other relevant agencies to work together as active collaborative partners, rather than in their silos. Ubuntu offers fresh and potent ways to advance economic upliftment of youth. Ubuntu-informed sustainable development and economic empowerment of youth are achievable when social workers learn how to leverage their skills to promote collaboration, collectivism, and communality to advance economic interests of disadvantaged groups. This follows that, social workers on the African continent must be accorded specialised training on ESP to arm them with the prowess to implement successful ESP that can free youth from the entrapment of poverty and unemployment.

The use of Ubuntu is growing in social work practice, which is useful and appropriate for anchoring the Ubuntu inspired solutions to local realities when addressing socio-economic problems. The role of social work regarding poverty and unemployment is to empower beneficiaries to become independent and self-sufficient. Notwithstanding the complexities involved, the social work community needs to be proactive. A responsive social work practice that is entrenched in Ubuntu, will move beyond traditional welfarist and remedial approaches, and will increasingly implement innovative, relevant, and integrated economic initiatives that empower vulnerable youth. Importantly, the Ubuntu philosophical values of cohesion, social justice, empowerment, capacity building, sustainability, and asset-building can be a bedrock upon which the responsive social work practice is anchored.

CONCLUSION

Whilst the paper underscores the significance of ESP, it has also highlighted the innate shortfalls that are limiting the programme’s capabilities to sustainably improve youth’s economic prospects. Taking guidance from Ubuntu philosophy, it has been presented that NGOs and all stakeholders need to pull their resources and efforts together and conjure joint plans that are easier to navigate for youth who are seeking for economic empowerment.
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