

FACT SHEET ON “NEETS”

(Persons who are not in employment, education or training)



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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1. BACKGROUND

The exceedingly high number of young people who are not in employment, education or training (NEET) is of grave concern, both nationally as well as internationally. The NEETs are considered to be disengaged from both work and education. As a result, information about NEETs is of interest to many countries world-wide due to the possible implications that being NEET may have on their future labour market opportunities and experiences. Information about the NEET is also used by many countries to monitor the labour market and the social dynamics of young people.

According to the Organisation for Economic Co-operation and Development (OECD) (2015)¹, the state of NEETs in a country implies a stagnation or decline in human capital, which is particularly worrying if it affects low-educated youth with little or no work experience. The OECD adds that young people lack the financial cushion in the form of savings or benefit entitlements to cope with temporary spells of low income or unemployment. Periods out of employment or education can have negative long-term consequences by giving rise to potentially 'scarring' effects, i.e. by permanently reducing a young person's future employment and earnings potential.

The NEETs are defined, internationally, as young people aged 15-24 years who are not employed and who are not in education or training. Since the Department of Higher Education and training (DHET) is responsible for the entire Post-School Education and Training (PSET) system comprising of all education and training provision for those who have completed school, those who did not complete their schooling, and those who never attended school, this fact sheet will focus on the analysis of the NEETs in the entire working age population² (15-64 years).

2. PURPOSE

The purpose of this fact sheet is to provide a brief analysis of NEETs in South Africa. The statistics in this fact sheet are based on the Quarterly Labour Force Survey conducted in April to June 2016 (Q2: 2016) by Statistics South Africa. The NEET rate has been calculated by dividing the number of persons in a given age group who are NEET, e.g. persons aged 15-24 years, by the total population of the same age group in a country, e.g. 15-24 year old population.

3. FINDINGS

¹ Carcillo, S.et al. (2015), "NEET Youth in the Aftermath of the crisis: Challenges and Policies", OECD Social, Employment and Migration Working Papers, No. 164, OECD Publishing, Paris.

² Definition obtained from Quarterly Labour Force Survey, Statistics South Africa.



Total number of NEETs increased from 2013 to 2016

Table 1 shows the number of persons who are NEETs and the associated NEET rates for the period 2013 to 2016.

Table 1: Number and percentage of persons who are NEET, from 2013 to 2016

Period	Number of persons aged 15-64 years who are NEET, in thousands	Total number of persons aged 15-64 years, in thousands	NEET rate (%)
2013	14 056	34 712	40.5
2014	14 164	35 332	40.1
2015	14 093	35 955	39.2
2016	14 752	36 591	40.3

Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016 (Calculations by DHET)

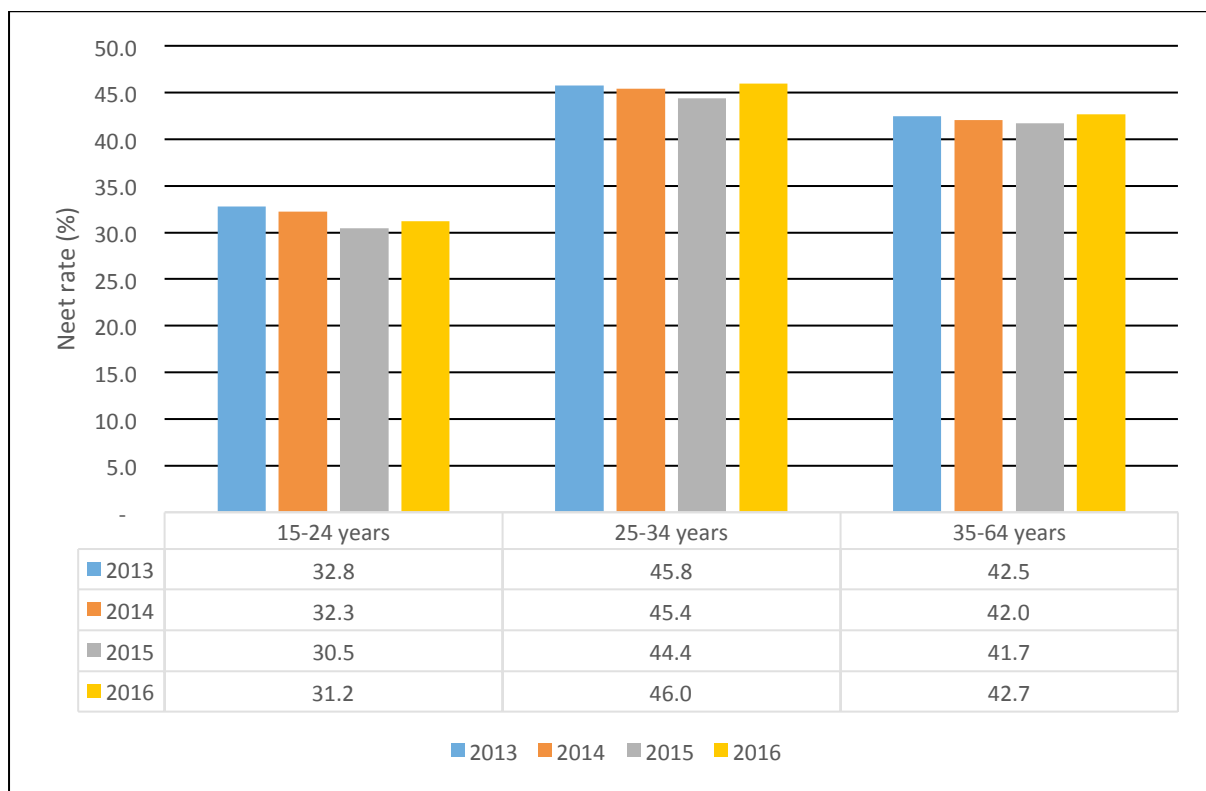
As indicated in Table 1 above, approximately 15 million persons aged 15-64 years were NEET in South Africa in 2016. This figure translates to 40.3% of the number of the 15-64 year olds who are NEET. The number of NEETs fluctuated between 2013 and 2016. The NEETs grew by almost 700 000 persons from about 14.1 million persons in 2013 to 14.8 million persons in 2016.



NEET rate higher amongst the youth aged 25-34 years

Figure 1 below shows the NEET rate by age group from 2013 to 2016. The youth aged 25-34 years recorded the highest NEET rate when compared with the other age groups. In 2016, the NEET rate for the youth aged 25-34 years was 46.0%, followed by the adults aged 35-64 years with 42.7% and the youth aged 15-24 years with 31.2%. The NEET rates for the youth aged 15-24 years reported a declining trend from 2013 until 2015 and then increased slightly in 2016. Although the NEETs aged 25-34 years and 35-64 years also reflected a declining trend from 2013 until 2015, they recorded the highest NEET rates in 2016.

Figure 1: NEET rates by age group, from 2013 to 2016



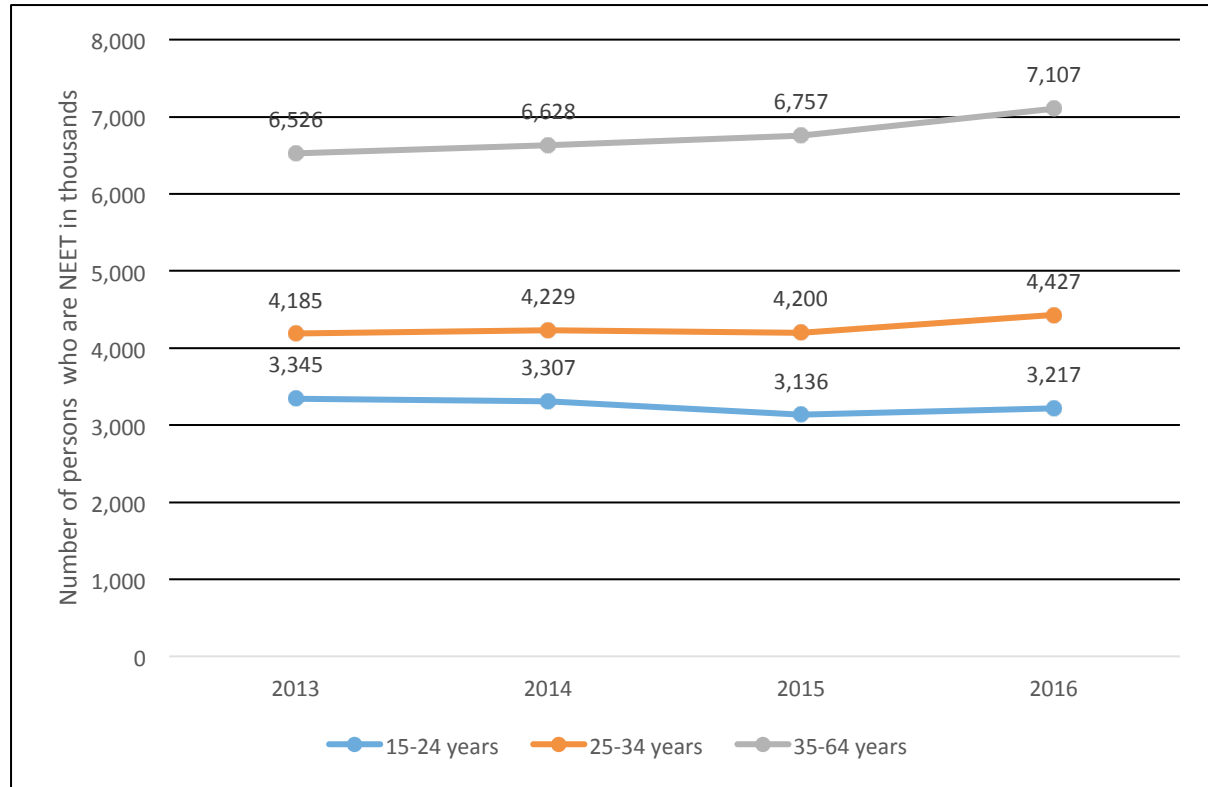
Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016 (Calculations by DHET).



Total Number of NEETs over time

Figure 2 shows the number of persons who are NEETs by age group from 2013 to 2016.

Figure 2: Trends in the number of NEETs by age group, from 2013 to 2016



Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016.

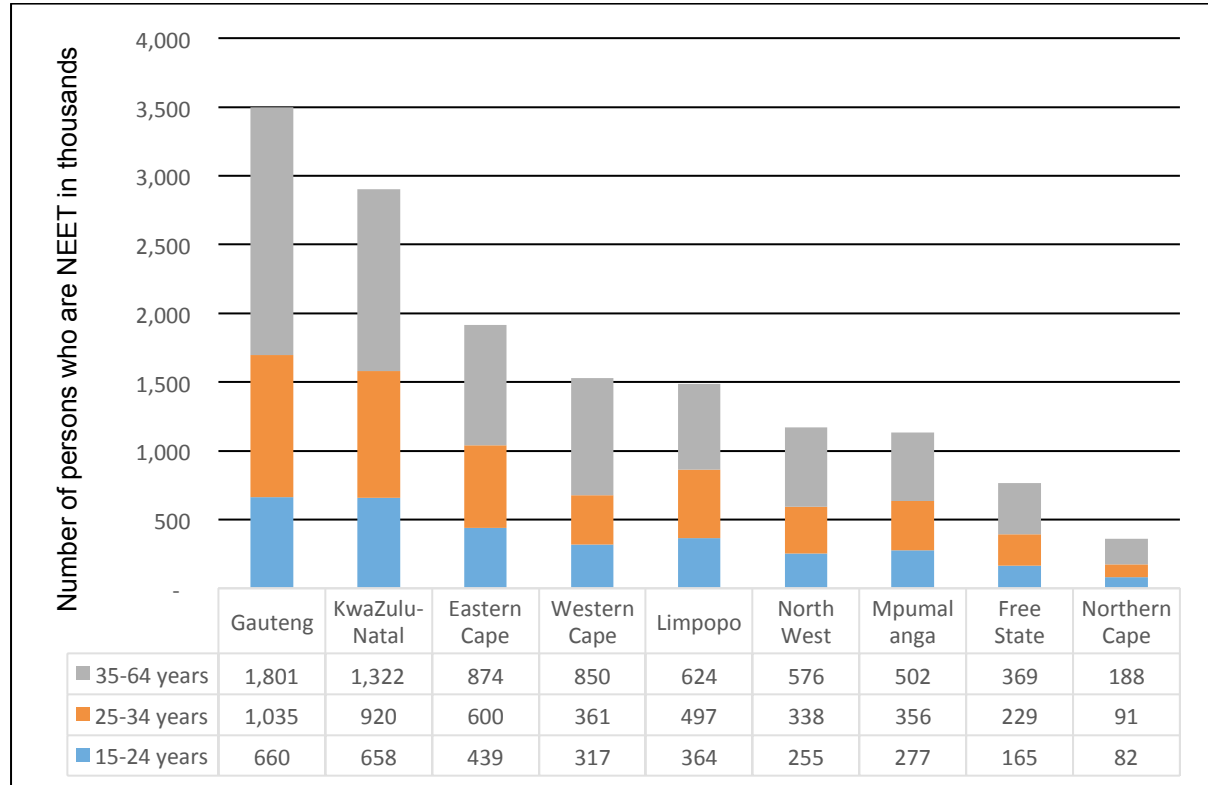
Figure 2 above shows that the highest number of NEETs was recorded among adults aged 35-64 years with 7.1 million persons, followed by persons aged 25-34 years with 4.4 million persons, while the youth category aged 15-24 years recorded 3.2 million persons in 2016. The number of NEETs for adults aged 35-64 years and youth aged 25-34 years increased by 581 000 and 242 000 persons respectively, from 2013 to 2016. On the contrary, the number of youth aged 15-24 year old who are NEET, dropped slightly by about 128 000 persons from 2013 to 2016. Figure 2 demonstrates that the prevalence of NEET is higher among older persons. This is probably because many persons aged 15-24 are beginning to take advantage of the opportunities available in education and training.



Total Number of NEETs higher in Gauteng Province

Figure 3 shows the number of NEETs by province and age group in 2016.

Figure 3: Number of NEETs by province and age group, 2016



Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016.

In 2016, there were about 3.5 million persons and 2.9 million persons who were NEET in Gauteng and KwaZulu-Natal respectively. Figure 3 above shows that most of the NEETs in Gauteng were aged between 35-64 years (1.8 million persons), followed by 25-34 years (1.0 million persons). The high number of NEETs in Gauteng can be partly explained by the migration of people from the rural provinces to the urban provinces in search of a better life. Northern Cape recorded the least number of NEETs.

Total Number of NEETs higher for those with less than Grade 12 completed

Table 2 shows the number of NEETs by highest level of education in 2016. The highest number of NEETs were recorded among those whose highest level of education attainment was less than Grade 12 (6.6 million persons), followed by those with Grade 12 as their highest level of education (3.8 million persons) and those with primary or less with 2.6 million persons as indicated in Table 2 below. This shows that most of the NEETs are not equipped with the right education and skills. This is a worrying factor as it decreases their prospects of



meaningful economic participation because they are not in school and thus not picking up skills that may give them both a better chance of finding a job as well as progressing up the career ladder (ILO, 2015)³. What is interesting to note is that of the 2.6 million persons whose education level is primary or less, most of them (1.8 million persons or 69.9%) were adults aged 35-64 years.

Table 2: Number of NEETs by highest level of education attainment, 2016

Education level	15-24 years	25-34 years	35-64 years	Total
	Thousand			
No schooling	38	61	600	699
Primary or less	351	438	1 833	2 622
Secondary education less than grade 12	1 499	2 313	2 829	6 641
Grade 12	1 145	1 292	1 352	3 789
Grade 12 with Certificate/Diploma	97	172	209	478
Degree ⁴	57	112	189	357
Other and Unspecified	31	40	94	165
Total	3 217	4 427	7 107	14 752

Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016 (Calculations by DHET).

NEET rates higher for women

Table 3 below shows the number of NEETs by highest level of education attainment and gender in 2016. The overall total shows that the NEET rates are significantly higher for women than men across all the age groups. The NEET rate of the women aged 15-24 years who have attained a degree was 31.7% whereas the NEET rate among the men in the same age group and educational level was 35.2%. The data shows that the gap in the NEET rates between men and women widens with age. One likely reason of the difference between the NEET rates of the men and the women is the traditional role-sharing among men and women where women will most likely be home-makers while men go to work.

³ International Labour Organisation (2015). Global Employment Trends for Youth: Scaling up Investments in Decent Jobs for Youth.

⁴ Degree includes the following: Persons who have completed a Bachelor's degree and/or post graduate Diploma; and/or an Honour's degree; and/or a Higher Degree (Masters/PHD).



Table 3: NEET rates by highest level of education attainment and gender, 2016

Education level	15-24 years		25-34 years		35-64 years	
	Men	Women	Men	Women	Men	Women
	NEET rates					
No schooling	75.5	78.3	56.3	81.6	57.8	74.6
Primary or less	30.9	36.9	46.1	73.2	48.0	64.7
Secondary education with less than grade 12	22.3	27.1	46.4	65.1	40.1	56.5
Grade 12	40.4	44.1	32.9	46.4	25.7	41.1
Grade 12 with certificate/diploma	42.0	60.2	23.0	29.9	15.9	20.2
Degree	35.2	31.7	18.3	18.7	9.7	19.0
Other and Unspecified	41.1	38.2	27.3	52.4	40.8	49.6
Total	28.8	33.7	38.9	53.3	34.7	50.0

Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016 (Calculations by DHET).

Highest number of NEETs are homemakers

Table 4 below shows the number of NEETs by reason and age group in 2016. Approximately 2.7 million persons who were NEET in 2016 were home-makers, followed by about 2.5 million persons who were discouraged job-seekers and about 2.2 million persons who were new-entrants as shown in Table 4 below. This shows that most of the NEETs were not economically active. Most of the NEET aged 15-24 years were unemployed new entrants with about 1.0 million persons, followed by discouraged job seekers with 662 thousand persons and home-makers with 486 thousand persons. Of the persons aged 25-34 years, most of the NEETs were discouraged job-seekers (941 thousand persons), followed by new entrants (907 thousand persons), home makers (782 thousand persons) and job losers with 748 thousand persons. And lastly, the adults aged 35-64 years who were NEET were home-makers (about 1.5 million persons), followed by those who are too old/retired (about 1.3 million persons) and those who are inactive because of health reasons (about 1.2 million persons).



Table 4: NEETs by reason and age group, 2016

Reason	15-24 years	25-34 years	35-64 years	Total
	Thousand			
Job losers	254	748	765	1 767
New entrants	1 010	907	323	2 240
Re-entrants	54	126	118	298
Other unemployed ⁵	56	393	777	1 226
Home-makers	486	782	1 480	2 748
Health reasons	126	272	1 218	1 617
Too young/old/retired	51	4	1 289	1 344
Discouraged job-seekers	662	941	875	2 478
Other not economically active	518	255	260	1 034
Total	3 217	4 427	7 107	14 752

Source: Statistics SA, Quarterly Labour Force Survey Q2, 2016 (Calculations by DHET).

⁵ Other unemployed includes job leavers and other – last worked > 5 years ago.



4. Conclusion

The analysis presented above shows that unemployment, and in particular youth unemployment is a major challenge in South Africa. Close to half of the youth is not employed and not in education and training. This trend has been consistent from 2013 to 2016. It is worth noting that the greatest challenge facing South Africa at the moment is to respond to the twin challenges of participating in a globally competitive environment which requires a high skills base and a local context that creates low-wage jobs to absorb the large numbers of people who are unemployed or in vulnerable jobs⁶. The economy should start moving up the value chain by first strengthening low value-added production in the labour-intensive industries in order to absorb the growing levels of people, particularly young people, as first time labour market entrants; then move to mass production of the products for the export market which cater for the intermediate skills segment of the economy; and finally move towards deepening export production of these production in the direction of higher value-added products which make use of the high skills spectrum of the economy. Singapore has been cited in the international literature as one of the countries that has become more globally competitive through the application of greater knowledge intensity in production and a shift to a greater export-oriented manufacturing and high-skills services provision⁷. In South Africa, this will require significant changes to both industrial policy and the development pathways being pursued by the country.

A joined up policy which requires educational reforms to interlock with macroeconomic, industrial and labour market reforms so that their combined impact has a better chance of meeting the new conditions for global competitive must be strengthened. This will require policy makers to pay attention to the demand side of the skills equation as the silo policy to education and training is unlikely to have a significant impact on macroeconomic performance⁸. The biggest challenge facing the South African skills system at the moment is that there continues to be poor alignment of systems such as the linkages between post school education and training systems, sector education and training authorities, and employers which makes it even difficult to tackle the skills mismatch problem. To succeed in contributing to growth, it must be recognised that successful reforms in one institutional sphere is conditional on parallel changes occurring in others. The key institutional spheres being the education system, labour market and the economy.

⁶ Reddy, V., Bhorat, H., Powell, M., Visser, M. and Arends, A., (2016) Skills Supply and Demand in South Africa, LMIP Publication, Human Sciences Research Council, Pretoria.

⁷ Kraak, A. (2003). HRD and the skills crisis. In HRD Review. HSRC.

⁸ Lauder, H., Brown, P., & Ashton, D. (2004). Globalisation, skills formation and the dilemmas of integrated policy: the case of South Africa. In Debating High-Skills and Joined-up Policy. HSRC Press.



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