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Profile of young people not in employment, education or training (NEET) aged 15-24 years in South Africa: an annual update

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Profile of young people not in employment, education or training (NEET) aged 15-24 years in South Africa: an annual update*

Gibson Mudiriza[a] and Ariane De Lannoy [b]

Abstract

This paper presents the latest profile of young people aged 15 to 24 not in education, employment, or training (NEET) in South Africa, utilising data from the Quarterly Labour Force Survey (QLFS), Quarter 1, and the General Household Survey (GHS). The findings reveal that South Africa has consistently had a NEET youth rate above 30% for the past decade, with over 3 million young people affected. This signifies a failure to achieve SDG 8, Target 8.6, of substantially reducing the proportion of NEET youth by 2020 and poses a risk to the country's progress towards the 2030 Agenda for Sustainable Development. Contrary to popular belief, our findings dispel the misconceptions that NEET youth are disinterested or unwilling to work, as more than 2 million of these youth expressed wanting to work. The analysis shows that a significant portion of the unemployed NEETs are new entrants to the labour market who have been searching for employment for extended periods, exceeding one year or even five years. Additional analysis shows that a staggering 2.4 million (68.5%) of young NEETs continue to reside in income-poor households. The analysis further identifies being female, married, residing in urban areas, living in income-poor households and households with children under seven years as key factors associated with being NEET among youths. Being married and living in income-poor households are the most influential factors in the likelihood of being NEET among young people. These findings carry important policy implications for reducing the NEET rate in South Africa and for fostering increased educational and labour market engagement among young people.

Keywords: NEET, youth, education, unemployment, inactive, South Africa

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Introduction

More than two decades since South Africa's transition to democracy, young people continue to face significant challenges in their lives. One of these challenges is the persistently high rate of young people who are not in employment, education or training (NEET), which has exceeded 30% for the past ten years, despite various private and public interventions aimed at addressing this situation.[1] This translates to more than 3 million young people aged 15 to 24 who are NEET. The significance of addressing this phenomenon cannot be overstated, as young people who are NEET are highly vulnerable in the labour market and are at risk of continued social exclusion, particularly when they have been NEET for a longer periods of time. Indeed, existing research demonstrates that prolonged disconnection from the labour market and education or training opportunities significantly increases the risks of enduring income poverty and mental health issues (Branson et al., 2019; Gariépy et al., 2021; Rahmani and Groot, 2023). Consequently, as illustrated in Figure 1, this situation perpetuates an endless cycle of exclusion that exacts a significant toll on the affected young individuals, their families, and society at large. Furthermore, the consistently high NEET rate means that South Africa has failed to meet the target of the post-2015 Sustainable Development Goals (SDGs) 8, Target 8.6, of substantially reducing the proportion of youth not in employment, education or training by 2020 (see United Nations, 2015; 2022). Failing to effectively tackle this challenge thus not only jeopardises the country's progress towards meeting its 2030 Agenda for Sustainable Development but also exacerbates the risks and challenges faced by the youth population.

To ensure a thorough understanding of this large group of young people who are NEET, the Southern Africa Labour and Development Research Unit (SALDRU) undertakes an annual analysis that profiles these individuals. Through this annual update, we aim to offer valuable insights for policymakers, researchers, and stakeholders. By gaining a better understanding of the characteristics and circumstances of this vulnerable group, we can work towards implementing effective interventions and strategies to reduce youth unemployment, enhance education and training opportunities, and foster social inclusion. Ultimately, these efforts will contribute to a brighter future for the young people who are NEET.

In our 2022 analysis, we highlighted that the total number of NEET youth was 3.5 million, accounting for 34.3% of the population in the 15 to 24 age group (see Mudiriza and De Lannoy, 2022). Contrary to popular belief, a significant majority of these NEET youth were not inactive. In 2022 alone, over 2.3

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[1] The statistics in this paragraph are derived by the authors using the 2023 Quarterly Labour Force Survey (QLFS), Quarter 1 data, and the 2021 General Household Survey (GHS) data.

million NEET youth expressed a desire to work. Among those who actively search for employment, a staggering 81% were new entrants to the labour market who had never experienced employment before. 82.7% of these new entrants had been searching for work for more than a year, with a considerable portion persistently seeking employment for more than five years. In addition, a significant segment of the NEET youth cohort had lost hope and given up on their job search altogether.

Figure 1: The vicious cycle of poverty and mental ill-health
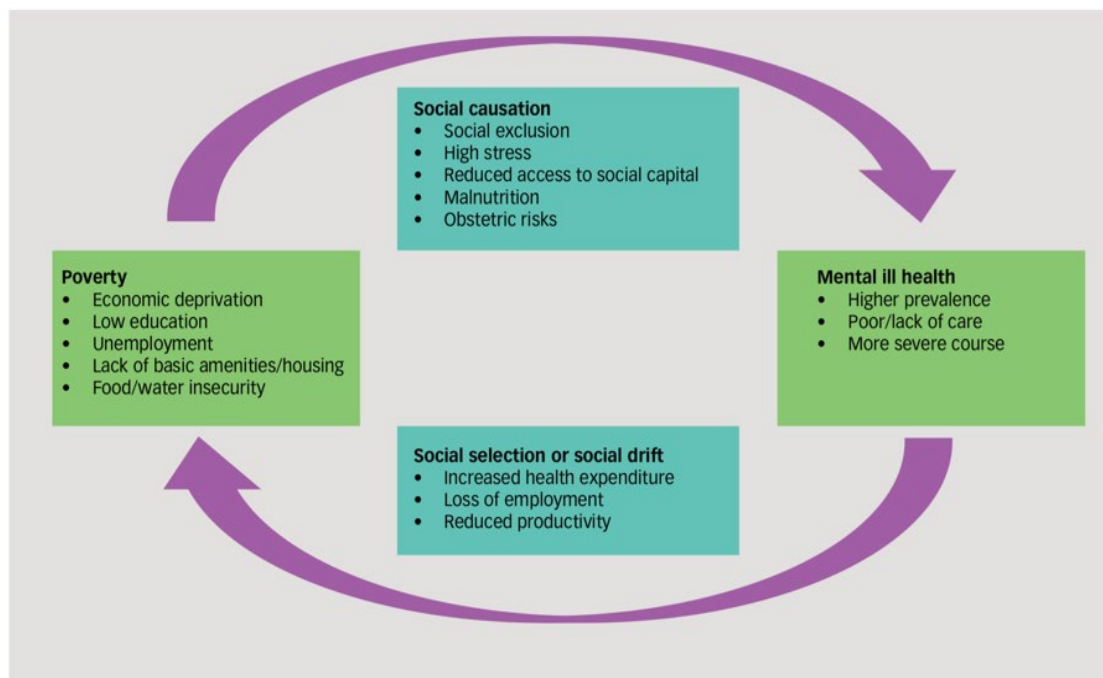
Source: Lund C, de Silva M, Plagerson S, Cooper S, Chisholm D, Das J, Knapp M & Patel V (2012) *Poverty and Mental disorders: Breaking the Cycle in Low-income and Middle-income Countries.* Prime Policy Brief 1. Cape Town: Programme for Improving Mental Health Care, UCT.

This paper provides an overview of our latest analysis on NEET youth in South Africa, utilising data from the 2023 Quarterly Labour Force Survey (QLFS), Quarter 1, and the 2021 General Household Survey (GHS).

Data sources

The study draws upon data from two distinct sources collected by Statistics South Africa (Stats SA) to provide a comprehensive analysis of the NEET youth phenomenon. Firstly, we utilise the first-quarter data from the 2013-2023 Quarterly Labour Force Survey (QLFS) to profile the characteristics of the NEET cohort aged 15 to 24. This dataset offers valuable insights into the labour market situation of the NEET youth population. To complement the QLFS analysis and gain a more comprehensive

understanding of the NEET youth population, we also use data from the 2013, 2018, and 2021 General Household Survey (GHS). The GHS data provides additional household-level information that is not captured by the QLFS, enriching our analysis of the situation of youth who are NEET. Specifically, we leverage the GHS data to examine household income poverty status among these youth.

Furthermore, the GHS data enables us to conduct a regression analysis that allows us to explore the individual and household factors associated with being NEET among young people in South Africa. It is important to note that all descriptive estimates presented in this paper have been weighted using the personal weights provided in both the QLFS and GHS datasets. This weighting ensures that the findings accurately represent the broader youth population and enhance the reliability and generalizability of our conclusions.

Trends of the youth NEET rate in South Africa[2]

Figure 2 indicates the high share of young people between the ages of 15 to 24 years who are NEET in South Africa over the past decade, with a rate consistently exceeding 30%. This rate represents over 3 million young people and reached a peak of 34.3% in 2022. We note a slight but statistically insignificant decrease to 33.3% in 2023.

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[2] The young people not in education, employment or training rate (the youth NEET rate) is defined as the number of young persons who are not in education, employment or training as a percentage of the total youth population aged 15-24 years old. Our NEET rates are slightly lower than what is reported by Statistics South Africa because we reclassified all inactive youths who indicated being students/scholars, while also reporting that they did not attend any educational institution as students/scholars.

Figure 2: Proportion of young people who are NEET in South Africa, QLFS Q1 data for 2013–2023.
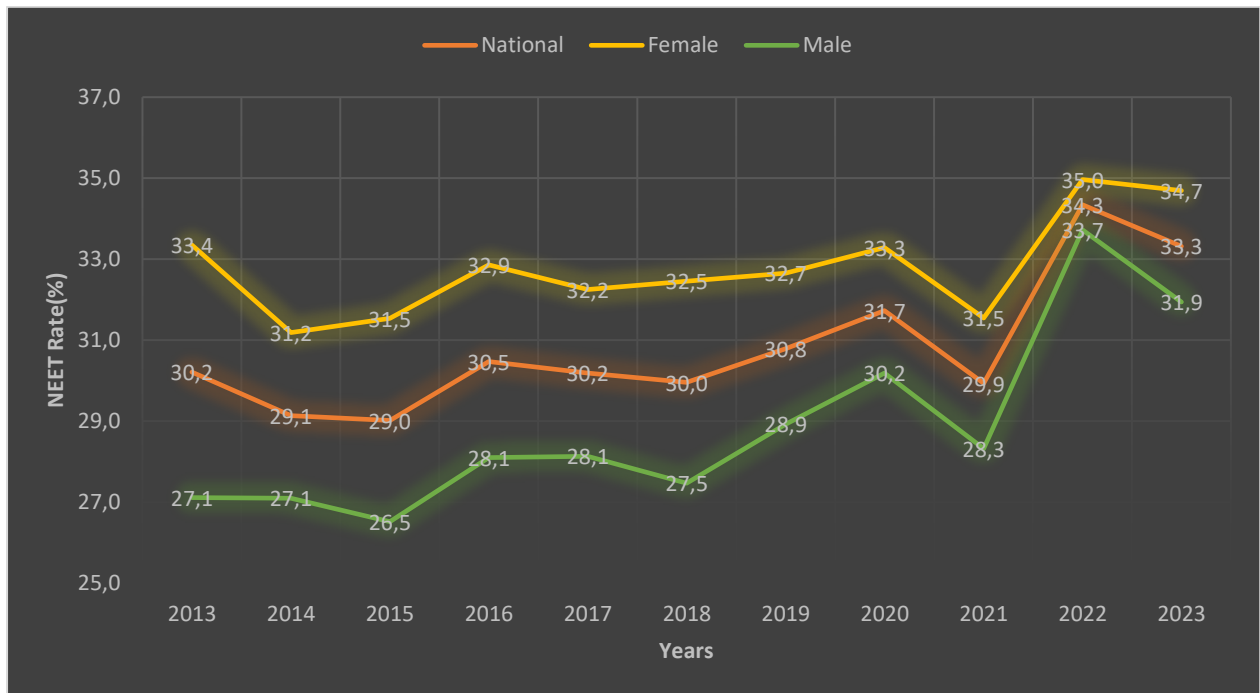
Notes: Point estimates are weighted using person weights.

Figure 2 further provides a gender breakdown of the NEET rate, demonstrating a persistent and significant gender gap over the past decade. In 2013, the NEET rate for young females was 33.3%, which was 6.2 percentage points higher than the rate for young males at 27.1%. Similarly, in 2023, the NEET rate for young females was 34.2%, with a 1.8 percentage point difference compared to the rate for young males, which stood at 32.4%. These findings are consistent with existing research that confirms substantial gender disparities in the NEET rate (Perry et al., 2022). Despite a gradual reduction in the gender gap over time, the NEET rate for female youth consistently remains lower than that for male youth. These results underscore the ongoing disadvantage faced by young women in the labour market, despite their higher educational attainment compared to their male counterparts. Further examination of the underlying factors contributing to this gender disparity is crucial in order to develop targeted strategies and policies to address and rectify this inequity.

Overall, these rates are relatively high compared to those of countries at the same level of development as South Africa, like Brazil and India. For example, International Labour Organisation data from 2021, places the NEET rate for youth aged 15-24 in South Africa at approximately 30.6%. In contrast, Brazil recorded a NEET rate of around 23.4%, while India's NEET rate was about 28% (International Labour Organisation, 2023). These statistics underscore the scale of the NEET youth challenge in South Africa and highlight the substantial effort required to reduce this, at least to levels comparable to its peer countries.

Who are the young people who are NEET in South Africa?

NEET youth are a highly heterogeneous group with different experiences and needs. Table 1 provides evidence of the persistent heterogeneity within the group in South Africa over the past decade. Similar to the situation in 2013 and 2022, the majority of the 3.4 million youth who reported being NEET in Q1 of 2023 were unemployed. However, we see a notable decrease in discouragement and an increase in searching unemployed NEET youth in 2023, compared to 2022. These changes are substantial and statistically significant at the 95% confidence interval, indicating meaningful shifts in the composition of NEET youth with more now actively searching for opportunities in the labour market. On the other hand, the number of inactive NEETs in 2023 was 1.05 million, a slight change from previous years.

Table 1: Overview of NEET youth in South Africa, QLFS Q1 data for 2013, 2022 and 2023

	Indicator	2013		2022		2023	
		Total number	%	Total number	%	Total number	%
Total SA population:	Total youth (15-24 yrs.)	10 176 081		10 229 911		10 231 567	
	NEET youth (15-24 yrs.)	3 074 501	30.2	3 513 134	34.3	3 408 610	33.3
Of those young people who are NEET:	Status: Unemployed	1 334 076	43.4	1 541 797	43.9	1 671 347	49.0
	Discouraged	695 676	22.6	856 577	24.4	683 055	20.0
	Inactive	1 044 748	34.0	1 114 760	31.7	1 054 208	30.9
	Gender: Male	1 386 631	45.1	1 727 857	49.2	1 637 214	48.0
	Female	1 687 869	54.9	1 875 276	50.8	1 771 396	52.0
	Race: Black	2 673 479	87.0	3 110 120	88.5	3 012 171	88.4
	Coloured	272 956	8.9	303 826	8.7	286 964	8.4
	Asian/Indian	35 792	1.2	32 530	0.9	46 421	1.4
	White	92 274	3.0	66 658	1.9	63 054	1.9
	Geo type: Rural	1 289 673	42.0	1 344 123	38.3	1 398 390	41.0
	Urban	1 784 827	58.0	3 169 011	61.7	2 010 220	59.0
	Age category: 15 -19	612 625	19.9	701 876	20.0	694 036	20.4
	20 – 24	2 461 876	80.1	2 811 258	80.0	2 714 574	79.6
	Education level: Less than matric	1 827 871	59.7	1 576 559	45.1	1 576 431	47.0
	Matric	1 133 490	37.0	1 783 885	51.1	1 626 532	48.5
	Any tertiary[3]	101 809	3.3	132 823	3.8	148 927	4.4

Notes: Point estimates are weighted using person weights.

In addition, Table 1 shows that the gender distribution among NEET youth remains very similar in 2023 compared to previous years, with slightly more females than males. Youth who are NEET also remain more concentrated in urban areas than in rural areas and within the Black sub-population. The relatively high proportion of NEET youth in 2023 who have a matric indicates a potentially lower protective

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[3] Youth with "Any tertiary" education are those with at least 13 years of education, and for an explanation of the specific qualifications falling within the 13-year educational threshold, see Mudiriza and De Lannoy (2022).

function of the matric certificate than ten years ago. Worryingly, a slightly larger proportion of NEET youth have some form of tertiary education in 2023 than what we saw in the previous years. This increase is primarily driven by female youth, whose proportion with any tertiary education rose from 3.8% in 2022 to 5.9% in 2023 – a shift that requires further investigation and policy attention.

Labour market engagement among young NEETs

Table 1 showed that the majority of young NEETs are unemployed, rather than inactive. Table 2 illustrates that, within the cohort of youth who are NEET and have an orientation towards the labour market – in other words, those who indicate wanting to work – the majority are experiencing long-term unemployment. This is a trend that is also reflected in the below disaggregation of NEET youth who are new entrants into the labour market. However, alongside the decrease in discouragement noted above, we see statistically significant increases in both short-term unemployment and long-term unemployment compared to 2022. While the large numbers of long-term unemployed youth remain, the shift away from discouragement and the increase in short-term unemployment could be considered promising as it suggests that more individuals are now actively seeking employment opportunities, and some remain unemployed for shorter periods of time.

Table 2 also shows the composition of the inactive NEET youth cohort – in other words, those disengaged from the labour market. As in 2022, a significant proportion of inactive NEET youth identify their primary reason for inactivity as homemaker responsibilities. The majority of inactive young homemakers are females (82.5%). The statistically significant rise in the number of inactive NEET youth due to health reasons compared to 2022 should be noted (from 16.2% to 21.6%). This rise carries important implications for the overall well-being and future re-engagement options of these young people with the labour market or education.

Table 2: NEET youth by unemployment and inactive sub-groups, QLFS Q1
data for 2013, 2022 and 2023

		2013		2022		2023	
		Total number	%	Total number	%	Total number	%
Engaged ('Active')	Short-term unemployed	534 680	26.2	345 630	14.3	468 957	19.8
	Long-term unemployed	799 396	39.2	1 196 166	49.7	1 200 096	50.7
	Discouraged	695 676	34.1	856 577	35.6	683 055	28.9
	Seasonal workers	12 176	0.6	10 541	0.4	14 033	0.6
Engaged Total		2 041 928	100	2 407 056	100	2 366 141	100
Not engaged ('inactive')	Homemakers	504 854	56.0	339 148	44.3	322 139	44.0
	Health reasons	132 605	14.7	123 661	16.2	158 181	21.6
	Other inactive	263 826	29.3	302 183	39.5	251 757	34.4
Not Engaged Total		901 274	100	764 991	100	732 077	100

Notes: Point estimates are weighted using person weights. The total number of NEET youths in the Engaged and Not engaged categories does not add up to the total number of NEET youths who are unemployed and inactive because we excluded the following youths from this analysis: those (1) who reported being students under the reasons for being inactive; (2) who did not give a reason for why they did not want to work; (3) who gave a reason that was specified as other reasons and (4) who gave as a reason that they had retired or were too old to work – the latter of which seems incompatible with the age group under consideration.

Similar to previous years, we note that the majority of youth who are NEET are new entrants to the labour market: they have never worked before (Table 3). Table 4 indicates that of those new entrants, the vast majority have been looking for work for well over a year. However, compared to 2022, we also note a statistically significant increase in the proportion of youth who have been looking for work for less than 3 months (from 7.8% to 11.2%), in line with the increase in short-term unemployment noted earlier.

Table 3: Searching unemployed NEET youth by unemployment status,
QLFS Q1 data for 2013, 2022 and 2023.

	2013		2022		2023	
Unemployment Status	Total Number	%	Total Number	%	Total Number	%
Job loser	237 508	17.8	201 008	13.0	266 277	15.9
Job leaver	54 934	4.1	31 827	2.1	21 625	1.3
New entrant	976 222	73.2	1 243 893	80.6	1 316 017	78.7
Re-entrant	44 941	3.4	30 493	2.0	31 763	1.9
Last worked more than 5 years ago	20 472	1.5	35 575	2.3	35 666	2.1
Total	1 334 076	100	1 541 797	100	1 671 347	100

Note: Sample restricted to NEET youth who are searching unemployed. Point estimates are weighted using person weights.

The persistently high proportions of NEET youth who are long-term jobseekers highlight the resilience of young people in their pursuit of employment opportunities. Despite facing multiple challenges, these youths continue their job search endeavours, demonstrating their determination and the importance that they place on gaining employment.

Table 4: Searching unemployed, new entrant NEET youth by time in the labour market looking for work, QLFS Q1 data for 2013, 2022 and 2023

Time in the labour market looking for work	2013		2022		2023	
	Total number	%	Total number	%	Total number	%
Less than 3 months	138 642	14.2	95 462	7.8	146 903	11.2
3 months - less than 6 months	61 042	6.3	59 852	4.9	41 039	3.1
6 months - less than 9 months	26 75	2.7	16 766	1.4	9 916	0.8
9 months - less than 1 year	78 105	8.0	39 177	3.2	44 950	3.4
1 year - less than 3 years	376 354	38.6	503 363	41.1	512 724	39.1
3 years - 5 years	183 430	18.8	265 66	21.7	274 207	20.9
More than 5 years	112 474	11.5	243 999	19.9	280 721	21.4
Total	976 222	100	1 223 686	100	1 310 459	100

Notes: The sample is restricted to NEET youth who are searching unemployed and new entrants in the labour market. Point estimates are weighted using person weights.

Where are the young NEETs in South Africa?

The distribution and profile of young people aged 15–24 years who are NEET vary significantly across provinces. Figure 3 shows that the majority of young NEETs remain concentrated in Gauteng (23.1%), KwaZulu-Natal (20.0%), and the Eastern Cape (13.2%). Moreover, Figure 4 shows how the youth NEET rates display substantial variation across provinces, indicating that the national average of 33.3% masks worse situations in provinces like North West (42.8%), Mpumalanga (36.8%), and KwaZulu-Natal (35.8%).

Figure 3: Distribution of NEET youth 15-24 years in South Africa by province

	Northern Cape	Free State	Mpumala nga	North West	Western Cape	Limpopo	Eastern Cape	Gauteng	KwaZulu-Natal
■ 2013	2,2	5,0	9,1	8,2	9,3	11,8	13,7	21,0	19,7
■ 2022	2,2	4,4	9,2	9,3	9,4	10,2	12,0	21,4	21,9
■ 2023	2,2	4,4	9,2	9,3	9,4	10,2	12,0	21,4	21,9
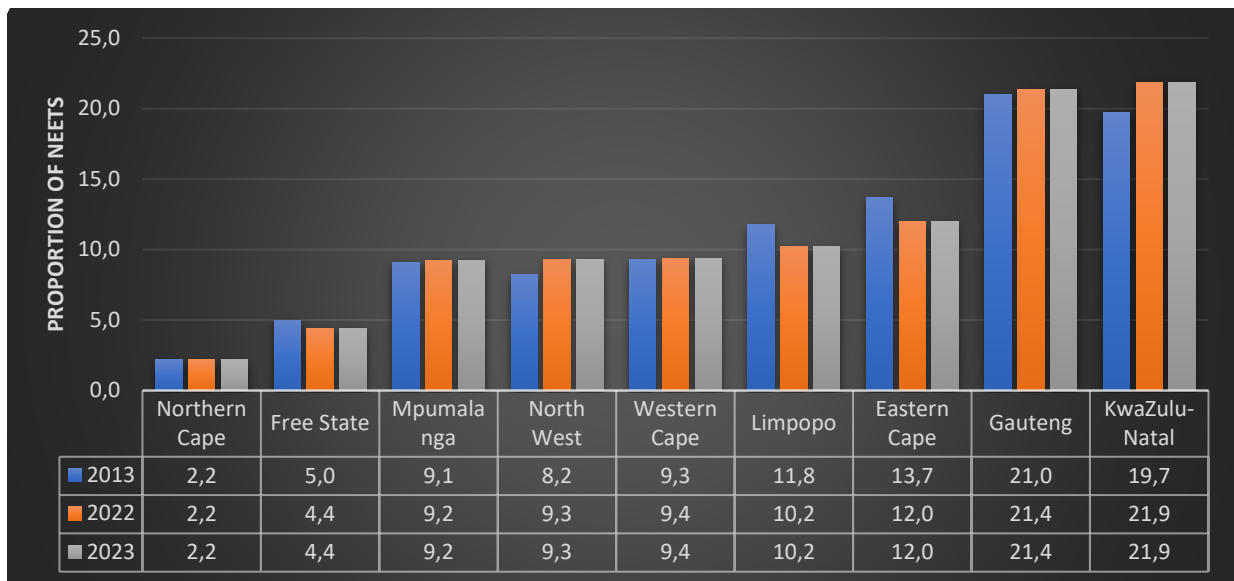
Notes: Point estimates are weighted using person weights.

Examining the profile of young people who are NEET, we observe significant differences across provinces. For example, in terms of activity status, in Mpumalanga, North West, Free State, Western Cape, and Gauteng, the majority of NEET youth are actively searching for employment. In contrast, in the Eastern Cape, Northern Cape, KwaZulu-Natal, and Limpopo, the majority of NEET youth are inactive. Given that North West and Mpumalanga have consistently recorded the highest NEET rates since 2013, it is essential to prioritise these provinces in policy interventions.

Figure 4: Proportion of NEET youth 15-24 years in South Africa, by province, 2023.

Proportion of NEET youth 15 – 24 years in South Africa, by province, 2023
Based on Quarterly Labour Force Survey 2023, first quarter

NORTHERN CAPE

% of total NEET youth population	36%
Unemployed	31%
Discouraged	27%
Inactive	42%
Male	46%
Female	54%
Rural	31%
Urban	69%
15 – 19	27%
20 – 24	73%
Less than matric	59%
Matric	38%
More than matric	3%

LIMPOPO

% of total NEET youth population	32%
Unemployed	36%
Discouraged	35%
Inactive	28%
Male	40%
Female	60%
Rural	83%
Urban	17%
15 – 19	18%
20 – 24	82%
Less than matric	52%
Matric	42%
More than matric	6%

EASTERN CAPE

% of total NEET youth population	31%
Unemployed	43%
Discouraged	7%
Inactive	50%
Male	50%
Female	50%
Rural	58%
Urban	42%
15 – 19	20%
20 – 24	80%
Less than matric	68%
Matric	31%
More than matric	2%

GAUTENG

% of total NEET youth population	31%
Unemployed	66%
Discouraged	14%
Inactive	20%
Male	51%
Female	49%
Rural	3%
Urban	97%
15 – 19	16%
20 – 24	84%
Less than matric	35%
Matric	59%
More than matric	6%

NORTH WEST

% of total NEET youth population	43%
Unemployed	45%
Discouraged	30%
Inactive	25%
Male	54%
Female	46%
Rural	48%
Urban	52%
15 – 19	24%
20 – 24	76%
Less than matric	49%
Matric	48%
More than matric	3%

MPUMALANGA

% of total NEET youth population	37%
Unemployed	51%
Discouraged	23%
Inactive	26%
Male	44%
Female	56%
Rural	60%
Urban	40%
15 – 19	20%
20 – 24	80%
Less than matric	44%
Matric	52%
More than matric	5%

KWAZULU-NATAL

% of total NEET youth population	36%
Unemployed	40%
Discouraged	27%
Inactive	33%
Male	46%
Female	54%
Rural	61%
Urban	40%
15 – 19	21%
20 – 24	79%
Less than matric	41%
Matric	55%
More than matric	4%

FREE STATE

% of total NEET youth population	31%
Unemployed	50%
Discouraged	8%
Inactive	42%
Male	52%
Female	48%
Rural	11%
Urban	89%
15 – 19	24%
20 – 24	76%
Less than matric	49%
Matric	47%
More than matric	4%

WESTERN CAPE

% of total NEET youth population	29%
Unemployed	57%
Discouraged	9%
Inactive	34%
Male	48%
Female	52%
Rural	4%
Urban	96%
15 – 19	27%
20 – 24	73%
Less than matric	54%
Matric	42%
More than matric	4%

Range of NEET youth rates
- (36.8 – 42.8%] North West
- (35.5 – 36.8%] KwaZulu-Natal, Mpumalanga
- (31.0 – 35.5%] Limpopo, Northern Cape
- (30.8 – 31.0%] Gauteng, Eastern Cape
- [29.0 – 30.8%] Western Cape, Free State

Note: The percentages for each dimension in the provincial tables might not add up to 100% as the figures were rounded off.

Mudiriza, G and De Lannoy, A (2023) NEET youth aged 15-24 year old, in South Africa. Southern Africa Labour and Development Research (SALDRU), University of Cape Town. This updated map was generated with support from the French Development Agency (AFD) through the EU-AFD Research Facility on Inequalities.

Young people who are NEET and live in income poverty

Drawing on the 2021 General Household Survey (GHS) data to further enhance our understanding of the South African NEET youth cohort, we find that 39.4% of these young people live in households with no employed adult, a number that has been consistently above 35% over the past decade. This number is important as it points to the lack of social, cultural and financial capital in these young people's households, all of which would thwart their ability to connect to the labour market themselves (see Thompson and Dahling, 2019, for more).

Table 5: Overview of NEET youth by household income-poor status, GHS data 2013, 2018 and 2021

		2013		2018		2021	
	Indicator	Total number	%	Total number	%	Total number	%
	Total youth (15-24 vrs.) Income-poor youth	10 203 328 5 731 012	56.4	9 532 726 4 736 967	49.8	9 720 550 5 690 360	59.0
	NEET youth	3 330 528	32.8	3 229 911	34.0	3 539 634	36.5
Of those young people who are NEET:	Income-poor No employed adult.	2 175 525 1 204 653	65.8 36.2	1 875 265 1 148 645	58.4 35.5	2 405 492 1 391 939	68.5 39.4
Of those young NEETs who are income poor:	Gender: Male Female	972 853 1 202 672	44.7 55.3	809 035 1 875 265	43.1 56.9	1 051 726 1 353 766	43.7 56.3
	Status: Unemployed Discouraged Inactive	776 017 428 468 971 040	35.7 19.7 44.6	756 017 348 681 770 567	40.3 18.6 41.1	1 302 681 345 193 757 619	54.2 14.4 31.5
	Location: Rural Urban	1 116 046 1 059 479	51.3 48.7	986 253 889 013	52.6 47.4	1 193 954 1 211 538	49.6 50.4
	Age category: 15-19 20-24	512 469 1 663 055	23.6 76.4	395 692 1 479 379	21.1 789	514 607 1 890 886	21.4 78.6
	Education level: Less than matric Matric Any tertiary[4]	1 475 915 638 989 55 636	68.0 29.4 2.6	738 692 714 141 27 905	49.9 48.2 1.9	1 168 454 1 127 814 74 940	49.3 47.6 3.2

Notes: Point estimates are weighted using person weights. The total number for the different sub-groups might not add up to the total youth population due to missing information in some sub-groups.

Of concern is the large and statistically significant increase in the proportion of young NEETs living in income-poor households: from 58% in 2018 to 68.5% in 2021.[5] This rise can partly be attributed to the impact of the COVID-19 pandemic, which led to widespread job losses and reduced incomes in South Africa (see Casale and Posel, 2021; Posel et al., 2021). These findings underscore the fragility of this cohort of youth and the urgent need for targeted policies and interventions to address the complex challenges that they face. Previous research has indicated the difficulty of moving out of NEET status when living in poverty (Branson et al., 2019). Understanding whether interventions such as the Social

[4] Youth with "Any tertiary" education are those youths with at least 13 years of education; these youths have the following qualifications: 13 years - Certificate with grade 12/ Std. 10, diploma with grade 12/ Std. 10, N5/NTC 5, N6/NTC 6, Higher Diploma; 15 years - Post Higher Diploma (Masters; Doctoral Diploma), Bachelors Degree; 16 years - Bachelors Degree and Post Graduate Diploma, Honours Degree and 18 years - Higher Degree (Masters/PhD).

[5] To determine the proportion of NEET youth who live in income-poor households, we use Statistics South Africa's upper-bound poverty line of 2021 of R 1335, which refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line (Statistics South Africa, 2021).

Relief of Distress grant make a difference in the pathways of these young people will be crucial to help South Africa determine the value of this and additional interventions going forward.

Similar to previous years, we see that most NEET youth living in income-poor households are women (56,3%), are aged 20–24 years (78.6%) and have less than, or only, a matric or matric equivalent (96.9%) level of education.

Understanding the factors associated with being NEET among young people.

The preceding sections of this study provided valuable updates to the profile of the NEET youth population in South Africa. To enhance our understanding, we now utilise 2013, 2018, and 2021 General Household Survey data to estimate a pooled multivariate logistic regression model with NEET youth status as the dependent variable. The aim of this model is to identify the factors associated with young people being NEET. In our analysis, we estimate a multivariate logistic regression equation where the probability of being NEET among young people is represented by

$$\Pr(\text{neet}_i = 1; X) = \beta_0 + \sum_{i=1}^{k} \beta_i X_i + \varepsilon_i \qquad (1)$$

Where neet_i is a binary outcome variable equal to one if the individual youth is NEET and zero otherwise; X_i is a set of individual and household-related characteristics likely to influence the probability of being NEET among young people. β_i is a set of parameters to be estimated and ε_i is the random error term.

The selection of potential factors in Equation (1) is guided by existing literature that has explored various individual and household factors associated with the likelihood of being NEET among young people (see Quintano et al., 2018; Salvà-Mut et al., 2018; De Lannoy and Mudiriza, 2019; Malo et al., 2021; Caroleo et al., 2022; Rahmani and Groot, 2023). For individual factors, we include age, gender, marital status, education level and area of residence, while for household factors, we include household size, number of kids under 7 years in the household, household income-poor status and household adult employment. By considering these factors collectively within our regression model, we can gain deeper insights into their contributions to the likelihood of young people being NEET. For the specific definitions of these variables, please see Table 6.

Variable	Variable definition
NEET	Dummy variable equal to 1 if the individual is NEET and 0 otherwise.
Age group	Dummy variable equal to 1 if the individual is aged 15-19 and 0 if aged 20-24.
Gender	Dummy variable equal to 1 if the individual is female and 0 if male
Race	Categorical variable equal to 0 if the individual is Black, 1 if Coloured, 2 if Indian or Asian and 3 if White.
Marital status	Dummy variable equal to 1 if the individual is married and 0 otherwise.
Residence	Dummy variable equal to 1 if the individual lives in an urban area and 0 if residing in rural area.
Education	Dummy variable equal to 1 if the individual has any tertiary education and 0 otherwise.
H/h employed adult	Dummy variable equal to 1 if the individual lives in a household with an employed adult and 0 otherwise.
Household size	Continuous variable in levels which indicates the number of people in each household
Children under 7 years	Dummy variable equal to 1 if the individual lives in a household with children under the age of 7 years.
Income-poor	Dummy variable equal to 1 if the individual lives in an income-poor household and 0 otherwise.
Time dummy	Dummy variable equal to 1 if 2021, a period capturing the COVID-19 period and 0 if 2013 and 2018, a period capturing the pre-COVID-19 period.

Notes: The regression model uses the zero category as the reference group for each variable.

Multivariate logistic regression results

The results of the estimation of equation (1) are presented in Figure 5, displaying the odds ratios (aORs) and 95% confidence intervals (CIs) of the independent variables. These odds ratios provide insights into the strength of the associations between each variable and the probability of being NEET. A value greater than 1 indicates an increased likelihood of being NEET, while a value less than 1 suggests a decreased likelihood. A value close to 1 implies little to no association. In Figure 3, statistically significant factors are represented by CIs that do not cross the vertical red line. Holding all other factors constant, a factor positioned above the red line is statistically significant and associated with an increased

probability of being NEET, whereas a factor positioned below the red line is statistically significant and associated with a decreased probability.

Our results in Figure 5 reveal several significant factors associated with the likelihood of young people being NEET. Specifically, being female, Coloured, married, and residing in urban areas increases the probability of being NEET. Additionally, living in a household with a child under seven years, a relatively large household and a household in income poverty also increases the chance of being NEET. Conversely, being in the 15-19 year age group, belonging to the Indian/Asian or White racial groups and living in a household with an employed adult decrease the likelihood of being NEET. In addition to these factors, the time dummy reveals that the COVID-19 period increased the chance of being NEET compared to the pre-COVID-19 period.

Several findings align with expectations and existing research. Notably, being married and residing in an income-poor household have the greatest association with the probability of being NEET among young people in South Africa. Being married increases the probability of being NEET by a substantial 89.4%. Moreover, being female, increases the probability of being NEET by 25.4%, while having children under the age of seven increases the likelihood of being NEET by 17.4%. Taking into account societal expectations and gender roles, it is probable that being married and having children under the age of seven will exert a more significant influence on young females than males. To check this, we re-estimate equation (1) for male and female youths separately to shed more light on the gender-specific effects of marriage and having children under seven years on the likelihood of being NEET.

Figure 5: Adjusted odds ratios with a 95% CI for factors associated with NEET youth status among youth 15-24 years.
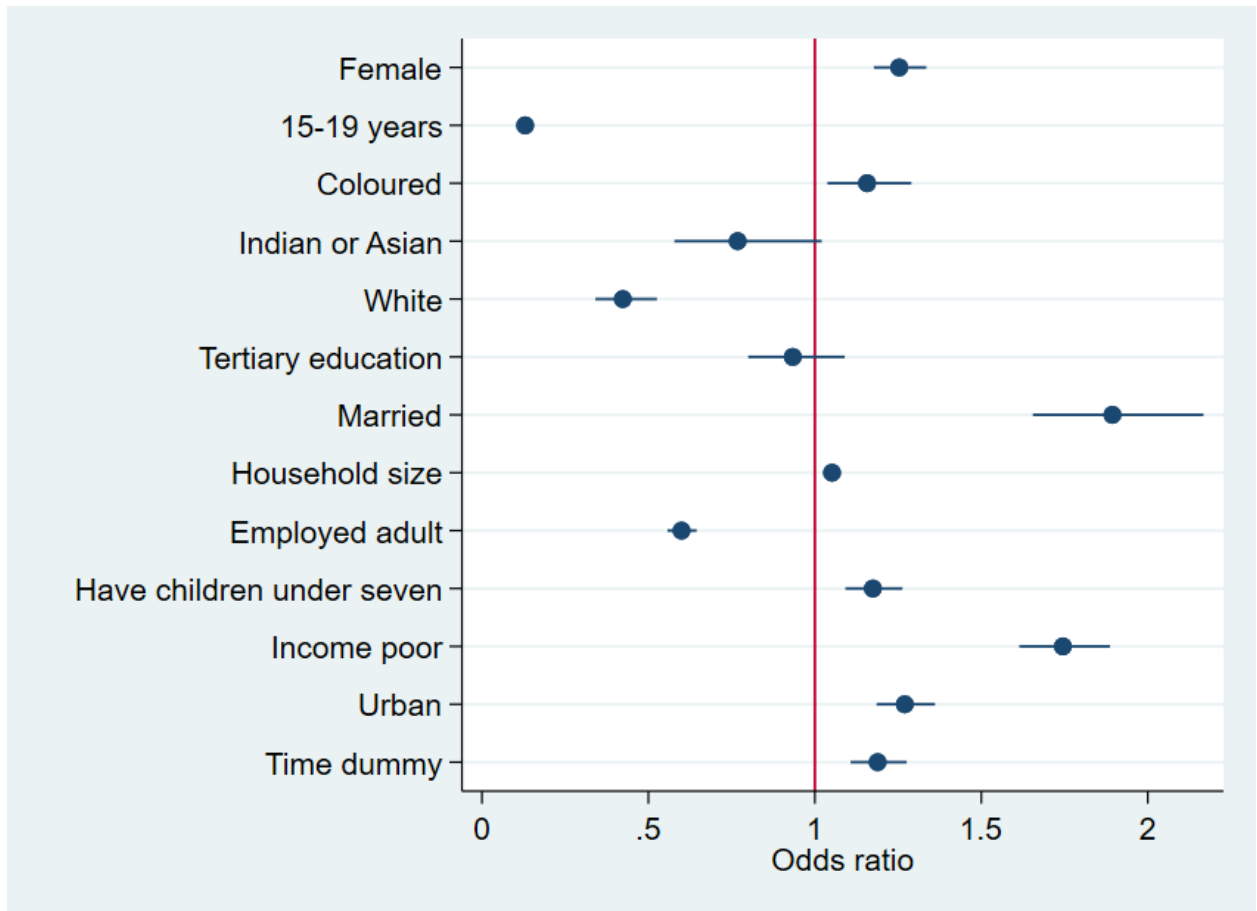
Notes: Based on the variable definitions given in Table 1, the regression model uses the zero category as the reference group for each variable. For Gender: Male, Race: Black, Education: No tertiary education, Martial status: Not married, Employment status: Household has no employed adult, Children under 7 years: Household has no children under 7 years, Income poor: Live in income-poor household, Residence: Residence in rural area and Time dummy: Pre-COVID-19 period (2013 and 2018).

Our results presented in Appendix 1 Figure A1 reveal that our earlier findings indicating positive effects of being married and having children under seven years were primarily driven by females. Specifically, being married significantly increases the likelihood of being NEET among women while it reduces the chances of being NEET among men. Furthermore, residing in a household with children under 7 years also amplifies the probability of being NEET among female youth while it has no significant effect on young men. Consequently, being married and having children under seven years reinforces the positive impact of being female on the likelihood of being NEET. A plausible explanation for this finding is that, for females, being married and having children under seven years introduces additional responsibilities such as household management and child-rearing, which can limit young women's pursuit of employment or educational opportunities.

With regards to place of residence, living in urban areas is associated with a 27% higher chance of being NEET compared to living in rural area. Further, residing in an income-poor household increases the probability of being NEET by 74.5%. This finding is consistent with previous research, as income poverty can create barriers to education and limit access to resources necessary for career advancement, such as vocational training or higher education (MacDonald et al., 2020). Financial constraints experienced by individuals in income-poor households can also hinder their job search efforts. The results underscore the need for continued government support to households living in poverty, albeit with a focus on strategies that effectively mitigate the risk of NEET status.

Additionally, the analysis also includes a time dummy variable that highlights the impact of the COVID-19 pandemic. The results indicate an 18.9% increase in the probability of being NEET during the COVID-19 period compared to the pre-pandemic period. This finding aligns with the trends observed globally, as the pandemic led to widespread increases in unemployment and income poverty (Martin et al., 2020; Casale and Posel, 2021; Posel et al., 2021; Tekgüç et al., 2023).

Interestingly, some individual and household characteristics tend to mitigate and reduce the likelihood of being NEET among youths. Particularly, the results show that a young person living in a household with an employed adult has a 40.1% lower probability of being NEET compared to their counterparts residing in households without any employed adult. This finding is significant and adds to the body of existing research that demonstrates the positive influence of employed adults on the NEET outcomes of youth (Zuccotti and O'Reilly, 2018; Mudiriza and De Lannoy, 2019). Several potential mechanisms can explain the observed relationship. Firstly, an employed adult in the household has knowledge of job application processes and the work environment - they can therefore share valuable lessons, provide guidance, share personal experiences, and offer advice to young people. Additionally, an employed adult brings "social capital": networks that tap into the world of work and that can also benefit youth in their households. Finally, an employed adult is more likely to possess financial resources that can contribute to creating a conducive environment for education and skill development for young people.

Moreover, being relatively younger (15-19 years) significantly decreases the probability of being NEET by a massive 87%. This can be explained by the fact that many younger people in the country are still engaged in education. Further, racial dynamics continue to play a role, as compared to Africans, being White reduces the likelihood of being NEET by 57.7%, while being Indian/Asian reduces the probability by 23.2%. These disparities highlight the importance of addressing structural inequalities and promoting inclusive policies that provide equal opportunities for all young individuals, regardless of their racial background.

Regarding education, it is worth noting that while the coefficient has the correct sign, the lack of statistical significance for tertiary education might seem counterintuitive initially. We typically expect individuals with tertiary education to have lower risks of being NEET. However, this result could be attributed to the unique transitional phase that individuals in the 15-24 age group undergo. During this critical period, individuals experience significant educational and career-related transitions. They are completing their formal education, making crucial decisions about their career paths, and transitioning into the workforce. These transitional factors introduce a range of complexities that can influence NEET status. For instance, the time it takes to secure suitable employment after completing higher education, the availability of job opportunities, or the challenges associated with transitioning from education to work all come into play. Given the dynamic nature of this age group, it appears that factors beyond education level exert a more prominent influence on determining NEET status within the 15-24 age group.

Overall, these findings provide valuable insights on the complex interplay of various individual and household characteristics in influencing the NEET status of young people. To ensure the robustness of our results, we conducted an additional analysis using a linear probability model. Remarkably, we observed no significant differences in the direction and significance of the coefficients when compared to the logistic regression model. Therefore, we have chosen not to include the results of the linear probability model in this report.

Conclusions and implications of the findings

South Africa has been grappling with persistently high rates of young people who are NEET, which have remained above 30% for over a decade, despite numerous programs and interventions aimed at supporting young people's transition into learning and earning opportunities. This is of great concern, as prolonged NEET status can lead to detrimental outcomes such as physical and mental health problems, precarious job prospects, discouragement, social exclusion, and increased risk behaviour. This study sheds light on the characteristics of the NEET youth cohort and identifies the factors associated with being NEET among young people in South Africa, with the aim of informing intervention and policy design.

Our descriptive analysis reveals important characteristics of young people who are NEET in South Africa. They are predominantly female, Black, have attained a matric or lower level of education, reside in urban areas, and are unemployed. Contrary to misconceptions, our findings show that the majority of NEET youth are actively seeking employment and are eager to work. Many of them are new entrants

into the labour market and have been searching for work for extended periods, with some experiencing unemployment for over a year or even more than five years. These findings highlight the persistence and resilience of NEET youth in their pursuit of employment opportunities, underscoring their commitment and the importance they place on gaining employment.

Furthermore, our analysis of the GHS 2021 data reveals concerning trends. There has been an increase in the proportion of NEET youth living in income-poor households and in households without a working adult. However, the QLFS data provide some hope, indicating small but significant changes that could indicate early signs of recovery, such as lower proportions of NEET youth who are discouraged.

Our multivariate logistic model findings reinforce the significance of several individual and household factors in influencing the probability of NEET among young people. Being female, married, residing in urban areas, living in income-poor households and households with a child under seven years old are primary contributors to NEET status. Conversely, belonging to the 15-19 age group, being White (or Indian/Asian), and residing in a household with an employed adult decrease the likelihood of being NEET. Notably, being married and living in income-poor households are the factors most strongly influencing the likelihood of being NEET among young people. The gender dimension that stands out is that being married and having children under seven years reinforces the positive impact of being female on the likelihood of being NEET.

Overall, our findings highlight the complex and interconnected challenges faced by young people who are NEET in South Africa, including poor labour market prospects, low education levels, household income poverty and the lack of employed adults in the household. To address these challenges effectively, innovative, and tailored interventions are imperative, taking into account the specific needs of different sub-groups within the NEET population. Promoting gender equality should be a key focus, with policies designed to provide young women equal access to education and employment opportunities. Investing in early childhood development programs and affordable childcare can provide crucial support to young women in their pursuit of education, training and employment, thereby lowering their likelihood of being NEET. Additionally, efforts to alleviate income poverty for vulnerable households are essential in reducing NEET rates. By implementing evidence-based, targeted interventions, considering also the different profiles of NEET youth in different provinces, policymakers can begin to address the multifaceted challenges faced by NEET youth in South Africa. This approach will not only contribute to reducing youth unemployment but also enhance education and training

opportunities, foster social inclusion, and ultimately align with the country's goals for sustainable development and social progress.
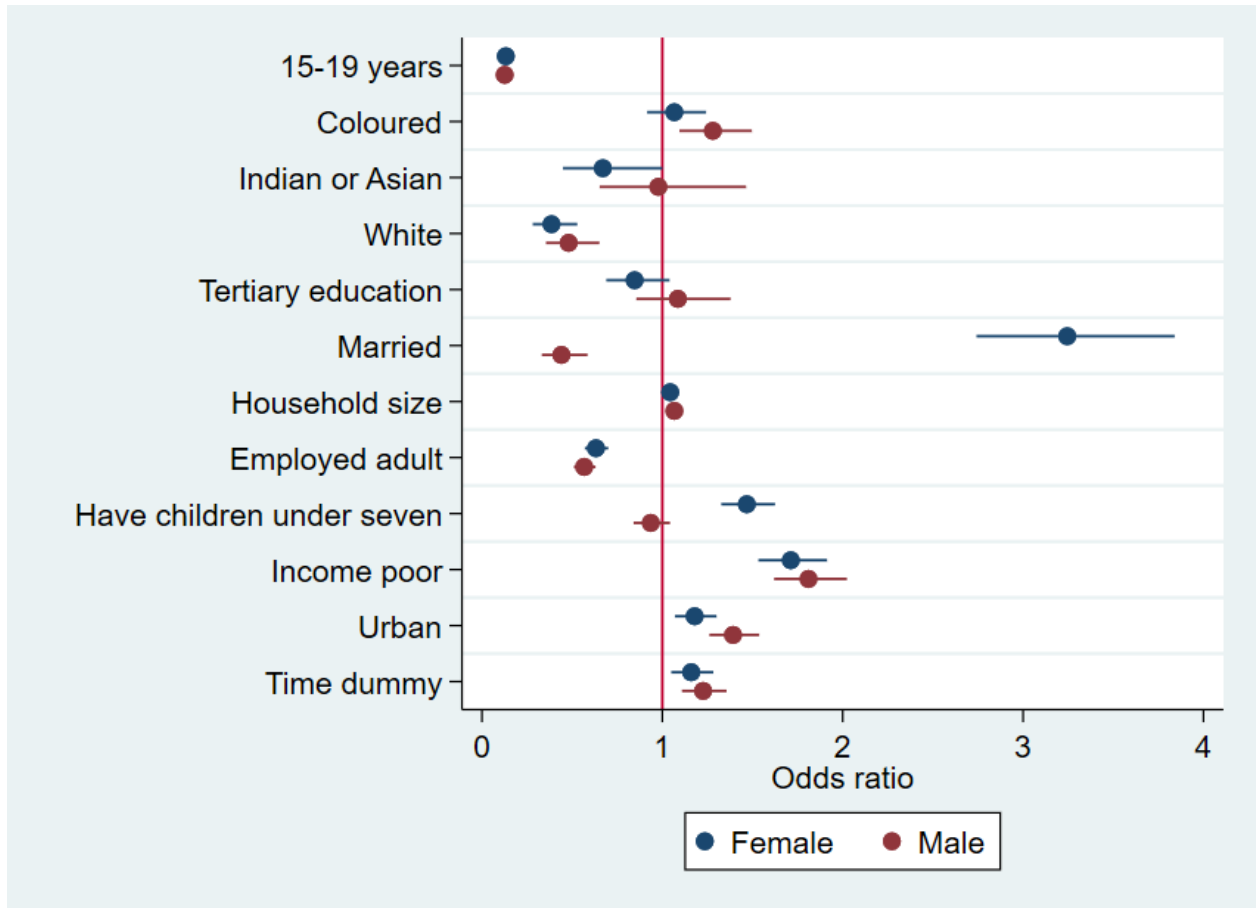
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Appendix 1

Figure A1: Adjusted odds ratios with a 95% CI for factors associated with NEET youth status among female and male youths 15-24 years.

Notes: Based on the variable definitions given in Table 1, the regression model uses the zero category as the reference group for each variable. For Race: Black, Education: No tertiary education, Martial status: Not married, Employment status: Household has no employed adult, Children under 7 years: Household has no children under 7 years, Income poor: Live in income-poor household, Residence: Residence in rural area and Time dummy: Pre-COVID-19 period (2013 and 2018).

SALDRU

Southern Africa Labour and Development Research Unit

Founded in 1975, the Southern Africa Labour and Development Research Unit (SALDRU) is a research-based social responsiveness initiative housed in the School of Economics at the University of Cape Town.

The unit carries out research and capacity building in applied empirical microeconomics with an emphasis on poverty and inequality, labour markets, human capital and social policy. We strive for academic excellence and policy relevance.

SALDRU has implemented a range of innovative surveys in South Africa including the Project for Statistics on Living Standards and Development (PSLSD), Cape Area Panel Study (CAPS) and the National Income Dynamics Study (NIDS), among others. Building on these large data gathering projects, we conduct a range of training and capacity building activities in the use of survey data to analyse social well-being.

Our mission is to challenge inequalities through policy relevant academic research.