THE EFFECT OF SOCIO-ECONOMIC CHALLENGES OF YOUTH UNEMPLOYMENT ON THE ECONOMY OF SOUTH AFRICA, A SPECIFIC REFERENCE TO LIMPOPO PROVINCE

BY

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SUPERVISOR: PROFESSOR M.M. KANJERE
DEDICATION

This mini-dissertation is solely dedicated to my family who had been with me throughout difficult and happy time.
DECLARATION

I, Dr. Letlema Leonard Choenyane, declare that “The effect of socio-economic challenges of youth unemployment on the economy of South Africa, a specific reference to Limpopo Province” is the title of my mini-dissertation. I, therefore, submit it to the University of Limpopo for the degree Master of Business Administration. This mini-dissertation has not been submitted to any other university before. All materials contained in this mini-dissertation have been acknowledged.

_____________________

Dr. Choenyane
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- My lovely children, Tshegofatšo, Lebogang, Itumeleng, Bokang, Rorisang and Dineo, I thank you for your patience and love that you displayed to me as your father during this hard times.
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- For his Grace God the Almighty, the overseer, all this is reality because of you. Continue to lend your helping hand to others as you did to me.
ABSTRACT

This study investigated the socio-economic effects of the youth unemployment on the economy of Limpopo Province. Youth unemployment is rife in the province whereby drugs, alcohol abuse, HIV/AIDS, and crime affect young people. A great number of these young people are unskilled or semi-skilled and are therefore not able to create jobs for themselves; they rely on government for job creation. Thus, a research was conducted in Capricorn District of Limpopo Province, wherein participants were drawn from two municipalities. The two municipalities that were identified for the study were Polokwane and Lepelle-Nkumpi. These municipalities were identified due to the number of active youth programmes that they conduct. A total of 54 individuals participated in the study. They included the municipality officials and the young people. A quantitative research approach was used to collect and analyse data. A Likert scale was used as a research instrument to collect data. Self-administered questionnaires were distributed to the selected participants. Thus, the Statistical Package for the Social Sciences (SPSS) version 25 was used to analyse data. The major finding in the research was that unemployment affected all the youth across the entire education spectrum. The study therefore recommended changes in the education system, and rigorous programmes on entrepreneurship.
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CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1. INTRODUCTION

One of the major socio-economic challenges that young South Africans face include unemployment. Graham and Mlatsheni (2015) maintain that high levels of youth unemployment in South Africa serves as an area for concern. The situation has worsened under the Covid-19 pandemic, which saw a great number of people lose their jobs as companies collapsed under difficult economic environment. Cassim and Oosthuizen (2014) argue that youth unemployment has steadily been on the rise for the past two and half decades. However, a positive change was observed between 2003 and 2007, when there was a growth in the economy.

The current statistics of youth unemployment in South Africa stands at 46.3% during the first quarter of 2021. The statistics refer to the age group 15-34 years who are actively seeking employment. The total number of unemployed youth in South Africa is 7.2 million, out of that number, 52.4 % have the education level, which is less than matric, and 37.7% have matric. Only 2.1% of unemployed persons were graduates, while 7.5% had other tertiary qualifications (Businesstech, 2021).

Youth unemployment challenges affect all the provinces differently. The provinces that are economically feasible, such as Gauteng Province and Western Cape are commonly expected to have lower unemployment numbers, but that is always not the case. Nevertheless, provinces like Limpopo Province, Eastern Cape and Northern Cape tend to have high youth unemployment numbers because their economies are small. STATS SA (2020) reported that education and prior experience play an important role in one getting access to labour market, irrespective of the provinces they are coming from. Therefore, more often than not, adults that are well trained and have better education tend to stand a better chance of being employed than young inexperienced youth with good education.
The research has thus looked into statistics of youth unemployment in the nine provinces. The statistics show unemployment rates amongst the adults in different provinces to highlight the scourge of youth unemployment rates and their effect on the economy. The following table depicts youth unemployment in nine provinces of South Africa, with specific reference to Limpopo Province:

Table 1.1: Statistics of youth unemployment across nine provinces in South Africa

<table>
<thead>
<tr>
<th>Names Of Provinces</th>
<th>Limpopo Province</th>
<th>Mpumalanga Province</th>
<th>Northern Cape Province</th>
<th>Eastern Cape Province</th>
<th>Western Cape Province</th>
<th>Gauteng Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Unemployment statistics</td>
<td>30,4 %</td>
<td>38,8%</td>
<td>45,1%</td>
<td>41,0%</td>
<td>29,9%</td>
<td>39,8%</td>
</tr>
<tr>
<td>Adult unemployment Statistics</td>
<td>11,0 %</td>
<td>17,5%</td>
<td>22,3%</td>
<td>18,3%</td>
<td>13,6%</td>
<td>19,5%</td>
</tr>
<tr>
<td>Names Of Provinces</td>
<td>Free State Province</td>
<td>North-West Province</td>
<td>Kwa-Zulu Natal Province</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth Unemployment statistics</td>
<td>39,4%</td>
<td>39,7%</td>
<td>33,4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult unemployment statistics</td>
<td>21,3%</td>
<td>17,7%</td>
<td>13,8%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Statistics South Africa, 2015)

The statistics depicted above show that every province of South Africa experience unemployment. However, the interest of this research was on Limpopo Province. This study investigated the effect of socio-economic challenges of youth unemployment on the economy of Limpopo Province, South Africa. Limpopo Province is one of the nine
provinces in South Africa, which is bordered by Zimbabwe, Mozambique and Botswana. Limpopo Province is predominantly rural and has three predominant indigenous languages. The languages are Tshivenda, Sepedi, and Xitsonga. The province still depicts the previous homeland borders, wherein the Sepedi speaking people are in Lebowa homeland, the Xitsonga speaking in Gazankulu homeland and Tshivenda in Venda homeland. Nevertheless, these people of different languages are integrated in Polokwane city. People have been migrating to Polokwane city from other parts of the province to seek economic opportunities and employment (Draft Integrated Development Plan, 2021).

Limpopo Province is divided into five districts, which are, Vhembe, Waterberg, Mopani, Capricorn, and Sekhukhune. These districts are in turn subdivided into local municipalities. Limpopo Province has twenty-two local municipalities that have programmes for youth development. Youth development programmes focus on equipping the youth with life skills that will help them overcome socio-economic challenges and participate actively in the economy. Chauke (2015) states that youth development programmes enable the young people to deal with their challenges and respond to opportunities that will help them participate actively in the economy.

Globally, youth programmes are at the forefront of economic development; such programmes are meant to build quality leadership among young people and make them active participants in the economy. Different countries accentuate youth programmes and come up with strategies on how such programmes can be implemented (Nicolson, 2013). In South Africa, youth face many challenges amongst other conundrums such as HIV/AIDS, drug abuse, crime, illiteracy, alcohol abuse, and unemployment. These challenges have a negative impact on the South African economy, HIV/AIDS is a typical example. Young people, particularly girls, contract the virus early in their lives due to teenage pregnancies. The Department of Statistics South Africa (2019) maintains that South Africa is faced with a number of socio-economic challenges, but it has purposed to improve the lives of its citizens by targeting poverty, inequality and unemployment, especially unemployment amongst the youth. If socio-economic challenges affecting
young people can be addressed, youth would be in a better position to participate actively in the economy. In contrast, Salami (2013) argues that youth have to change their way of thinking and begin to try to make a living for themselves.

Most of the youth lack skills that can help them to make a meaningful contribution in the economy. Hence, the government came up with a number of policies and strategies to address youth challenges. Some of those strategies include the formulation of agencies such as the National Development Agency and National Youth Development Agency. The purpose of establishing the agency was to provide a platform that will create a number of interventions such as career guidance, mentorship, skills development, training and other activities that would help the young people access information. The National Youth Development Agency (2009) ensures that all youth issues are integrated in all spheres of government.

1.2. THE BACKGROUND OF THE DIVERSITY OF THE LABOUR MARKET

Several factors explain the diversity of labour market reactions to women and youth. These factors include amongst others initial conditions such as the stage of business cycles, the degree of the physical space presence of the housing. The factors also include the strength of the labour market and the degree of fiscal space (Islam and Verick, 2011). These factors and many others determine if the business is ready to employ the youth or not.

In Europe a comparison of youth unemployment systems between France and Switzerland were conducted. The scholars agree that unemployment insurance is not offering sufficient benefits for young people in both countries (Chabanet and Glungi, 2013). However, unemployment systems in Europe tend to show some similarities with all the other countries over the years studied. The long-term effects of early labour market experience influence working life beyond the low educational behavioural problems. It is crucial to take into account the socio-economic consequences such as migration.
However, Statistics of South Africa reported there was a high rate of unemployment, which was more common amongst the youth. Naidoo and Wilson (2021) report that unemployment in South Africa is at a new high of 32.6%. They also indicate that there was a decline in youth unemployment from the second quarter of 2017 from 55.9% to 52.2% in the third quarter of 2017. It was also found that the unemployment rate among the youth averaged 51.95% from 2013 to 2017. The unemployment rate among the youth continued to rise and reached an all-time high of 55.9% in the second quarter of 2010. In the fourth quarter of 2014, it reached a record low of 48 per cent. Looking at the definition of the expanded unemployment which also includes discouraged workers, it is found that the unemployment rate went up from 36.4% to 36.6% in the first quarter of 2017. The unemployment rate amongst the youth has become a serious problem to authorities and it comes with important social, economic and political implications. There are social tension and anguish among the youth, particularly in black South African families due to unemployment.

The long-term effects of the early labour market experiences influence working life beyond the low educational behavioural problems. Also, the socio-economic consequences such as the migration and marginal nation are important when the long-term effects of the economic downturn are evaluated (Barlett and Uvalic, 2013).

Statistics South Africa in 2017, conducted the Quarterly Labour Force Survey (QLFS) to show changes in the unemployment rate. They came up with the following table showing market indicators of labour.
Table 2.2: Quarterly Labour Force Survey (QLFS)

<table>
<thead>
<tr>
<th></th>
<th>Oct – Dec 2016</th>
<th>Jul-Sep 2017</th>
<th>Oct-Dec 2017</th>
<th>Qtr-to-Qtr change</th>
<th>Year-on-Year change</th>
<th>Qtr-to-Qtr change</th>
<th>Year-on-Year change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population aged 15-64 years</strong></td>
<td>36 905</td>
<td>37 373</td>
<td>37 525</td>
<td>152</td>
<td>621</td>
<td>0.4</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Labour force</strong></td>
<td>21 849</td>
<td>22 402</td>
<td>22 051</td>
<td>-351</td>
<td>202</td>
<td>-1.6</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Employed</strong></td>
<td>16 069</td>
<td>16 192</td>
<td>16 171</td>
<td>-21</td>
<td>102</td>
<td>-0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Formal sector (Non-agricultural)</td>
<td>11 156</td>
<td>11 379</td>
<td>11 244</td>
<td>-135</td>
<td>88</td>
<td>-1.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Informal sector (non-Agricultural)</td>
<td>2 695</td>
<td>2 689</td>
<td>2 808</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>919</td>
<td>810</td>
<td>849</td>
<td>39</td>
<td>-70</td>
<td>4.8</td>
<td>-7.6</td>
</tr>
<tr>
<td>Private households</td>
<td>12 999</td>
<td>1 313</td>
<td>1 270</td>
<td>-43</td>
<td>-29</td>
<td>-3.3</td>
<td>-2.2</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>5 781</td>
<td>6 210</td>
<td>5 880</td>
<td>-330</td>
<td>99</td>
<td>-5.3</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Unemployed</strong></td>
<td>15 055</td>
<td>14 971</td>
<td>15 474</td>
<td>503</td>
<td>419</td>
<td>3.4</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Not economically active</strong></td>
<td>2 292</td>
<td>2 436</td>
<td>2 538</td>
<td>103</td>
<td>246</td>
<td>4.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Discourage work-seekers</td>
<td>12 763</td>
<td>12 536</td>
<td>12 936</td>
<td>400</td>
<td>173</td>
<td>3.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Other (not economically active)</td>
<td>26.5</td>
<td>27.7</td>
<td>26.7</td>
<td>-1.0</td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rates (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>43.5</td>
<td>43.3</td>
<td>43.1</td>
<td>-0.2</td>
<td>-0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment /population ratio (absorption rate)</td>
<td>59.2</td>
<td>59.9</td>
<td>58.8</td>
<td>-1.1</td>
<td>-0.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Stats SA, 2017

Quarterly Labour Force Survey, Quarter 4, 2017
Table 1.2 illustrates that there are variations in percentages between the labour force and the working population. When the labour force declines, the working population rises. The various percentages are reflected in the table. Thus, when that happens, the employment rate also declines. That was in the fourth quarter of 2017.

It is problematic that people study hard, and when they graduate there is no employment opportunities for them. They study courses that are not market-related, in other words, such qualifications do not have market value. Some of these qualifications are not apt for the modern labour market. Therefore, the majority of the youth tend to settle for jobs that are not in their qualification scope. To some extent, poor career choices contribute to youth unemployment. At the same time, most companies need a good resume from job seekers i.e. job experiences, good qualifications, etc. How do people get a working experience when they have just graduated? It can be frustrating for the youth. The youth is important to any country because they carry future hopes, and some are the potential leaders. Hence, it is momentous for youth to be economically involved as well as to contribute to the country’s economic growth (Stats SA, 2017).

In South Africa, youth unemployment is too high. Many young people are in the streets in seeking employment, but they seldom succeed. A large number of unemployed youths come from poor backgrounds and sometimes they are the ones heading their families. Limpopo province is predominantly rural and impoverished. The level of education is low due to poor backgrounds. Finding a job is a serious conundrum. The government in Limpopo province does not prioritise youth unemployment. It appears to be a political, social and an economic game. They do not come with tangible and workable solutions that could help sort out the youth unemployment problem. As the problem escalates, it impacts negatively on the youth. It appears that the youth are discouraged and that they have resorted to other means of trying to make a living rather to waste time looking for a job that is scarce. The problem with the government is that they employ people without the necessary knowledge to occupy positions of strategic importance as a result they underperform. Corruption, bureaucracy, patronage and egocentrism are at the centre of the government.
Limpopo province is rich in various minerals that largely contribute to the economy. Most of the investors are from other provinces and they come with their own people. They extract minerals in Limpopo province and take them away to grow the economies of other provinces, thus criminally avoiding social accountability. That seems to have blindfolded the local authorities due to the incompetence running of the mineral resources. Since the province is predominantly rural, the youth lack resources that can help them locate vacancies that suit their capabilities. They cannot form networks socially since they live too far apart. Due to poor family backgrounds, to locate and migrate to areas where they can find employment are always a challenge. Moreover, sometimes they seek help from their families as support to locate job opportunities (Rankin and Robert, 2017).

The most affected parts in South Africa are rural areas, particularly the Limpopo province is one of the most affected by youth unemployment. Of the causes can be described as poor living conditions, lack of proper education, lack of basic resources such as water and electricity. How do you study under conditions of using a Bunsen burner, a candle, to mention a few? Due to all problems that have already been mentioned, the youth in Limpopo province tend to have no skills nor experience that make them employable and that makes it difficult to fit in the labour market. They also take a long time trying to search for employment but never succeed due to lack of required skills (Rankin and Robert, 2017).

Employers have a fundamental contribution to make in tackling youth unemployment, as they provide the job opportunities, which enable young people to enter the labour market. They should engage with young people in other ways to help them prepare for work. In contrast, the labour market demand high skilled labour (Graham and Mlatsheni, 2015). Understanding the crucial role that the business sector has to play in the employment of young work seeker is important. The South African government launched the employment Tax Incentive Act in January 2014, commonly known as the youth wage subsidy. The act allows businesses to claim back some tax for employing young workers that adhere to certain requirements. The legislation encourages employers to hire young people by
reducing the amount of PAYE payable to SARS, thereby reducing the cost of employment to the employer while leaving the company earnings unaffected.

During the Covid-19 period, one has seen the devastating effect unemployment has brought to the total youth of the country. It was predominantly youth and the researcher even asked a participant if the youth who were in a long queue if they are waiting to register for courses or not. This was however not the case since they were waiting to receive a government relief fund of R350.00. They are supposed to be working or at school to better themselves, and contribute to the gross domestic product of the country. Graham and Mlatsheni (2015) maintain that young people should gain the necessary market skills by participating in learnership and on-the-job training.

1.3. THE PROBLEM STATEMENT

The South African economy is steadily declining and that affects the chances of job opportunities for young people. Yu (2013) observed that the socio-economic challenges that the young people face, make them by standers rather than active participants in the economy of South Africa. He further stated that South Africa is one of the countries that have a high statistics of youth unemployment. Mail and Guardian (2020) also reported that the economy of South Africa is on a severe recession and is declining day by day. Thus, with the declining economy, many young people who were hoping to get employment may become despondent. They may end up joining the majority of young people who engage in illegal activities such as drug abuse.

Perold, Cloete and Papier (2012) maintain that criminal activities such as gang involvement and drug abuse diminishes the chances of young people to join the labour market. Africa News (2017) also reported that drug abuse amongst the youth is on the rise, especially in the areas wherein unemployment is high; those areas also have a high rate of crime. Thus, unemployment has ripple effect on the society. Unemployment amongst the youth in Limpopo Province, denies young people opportunities to develop their skills. Kyei and Gyekye (2012) argue that Limpopo Province has the highest rate of
unemployment due to the fact that the province is predominantly rural and has low living conditions when compared with the other provinces.

Thus, the youth in Limpopo Province do not have enough opportunities for development. As a result, local municipalities facilitate most youth development programmes. This study is conducted in local municipalities in Capricorn district of Limpopo Province. Many studies on youth unemployment have been conducted, but there is paucity of research in Limpopo Province on such issues.

1.4. THE AIM OF THE STUDY

The aim of the study is to investigate the socio-economic effects of unemployment on the economy of Limpopo Province, South Africa.

1.5. OBJECTIVES OF THE STUDY

The objectives of the study are presented as follows:

1.5.1. To investigate the status of youth unemployment in Limpopo Province.
1.5.2. To assess the effects of youth unemployment on the economy of Limpopo Province.
1.5.3. To develop strategies to mitigate youth unemployment challenges in Limpopo Province.

1.6. RESEARCH QUESTIONS

The research questions are stated as follows:

1.6.1. What is the status of youth unemployment in Limpopo Province?
1.6.2. What is the effects of youth unemployment on the economy of Limpopo Province?
1.6.3. What strategies can be developed to mitigate youth unemployment challenges in Limpopo Province?
1.7. **THE SIGNIFICANCE OF THE STUDY**

The study is important in that it highlights the knowledge gap in youth unemployment in Limpopo Province. It could help the policy makers to consider developing certain strategies that could reduce the effect of youth unemployment on societal challenges. Thus, the study provides policy makers with possibilities of either developing new policies or amending the existing ones. The study exposes different strategies that could mitigate socio-economic challenges of youth unemployment.

1.8. **MOTIVATION/RATIONALE OF THE STUDY**

The researcher has observed that a number of social ills occur amongst the despondent and unemployed young people. The researcher had also observed the frustrations experienced by unemployed young people in Limpopo Province; with many graduates unable to find jobs. This had prompted others to drop out of universities and high schools because of seeing no value of being educated. Therefore, the high rate of youth unemployment in Limpopo Province prompted the researcher to investigate the socio-economic challenges of the youth in relation to the economy of the province.

1.9. **THE DEFINITION OF CONCEPTS**

The following concepts are defined in the study:

1.9.1. **Unemployment** – refers to people moving around looking for employment without success. Unemployed people are active individuals who are seeking employment in South Africa (Stats SA, 2019).

1.9.2. **Challenges** - are any problems that people face in life, for example, unemployment, alcohol abuse and social problems, mental illness, and financial problems.

1.9.3. **Discouraged work-seeker** - it is a person who seeks employment but does not find one, therefore gives up searching, usually, they do not have skills to match the available job opportunities.
1.9.4. **Economic activities** - in any country’s economy, there are various activities involved in the production of goods and services. These activities are referred to as economic activities.

1.9.5. **Employed** - persons are those aged 15-64 years, who during the reference week did any work for at least one hour, or had a job or business, but were not at work (for example, were temporarily absent).

1.9.6. **Employment-to-population ratio (labour absorption rate)** - according to Stats SA (2017) it reflects the proportion of the working-age population that is employed.

1.9.7. **Informal employment** - according to Stats SA (2017), persons who are in precautionary employment situations irrespective of whether or not the entity for which they work is in the formal or informal sector.

1.9.8. **The labour force** - comprises all persons who are employed including those who are unemployed.

1.10. **CONCLUSION**

The South African government should set the record straight about their plans on youth unemployment. This is because when the youth are in the streets, they have a tendency of becoming a liability to the country. Thus, employment opportunities should not be the responsibility of the government only. The private sectors should also play an important role in creating jobs for the youth. Furthermore, the government should also create a conducive environment for investors to invest in the Limpopo Province. Their policies should instill confidence in the potential investors. Therefore, chapter 1 covered the introduction and background of the study, the aim and objectives as well as the research problem and questions. Chapter 2 will focus on literature review.
CHAPTER 2: LITERATURE REVIEW

2.1. INTRODUCTION

In this chapter, the researcher focuses on the effect of socio-economic challenges of youth unemployment in the South African economy, with a specific reference to Limpopo Province. This chapter explains the critical aspects on the topic under investigation. This study explores what the world has to say about youth unemployment. Moreover, when the researcher looks at what is happening around the world today in financial circles, it is clear that the economies of the world are not doing well. As such, the youth finds it difficult to get their exact position in the labour market and that dates back to 2010. Young people around the world have been moving from place to place to find a suitable job that has proven to be in vain (Scarpeta, 2010). That is due to the economic crisis that the world found itself in it. When people are ready to work, but cannot find employment at the current wage level, they get stressed out since they cannot put food on the table. Psychologists and experimental sociologists have studied that to a larger extent (Marcus, 2013).

Due to unemployment, one loses his or her identity, cannot mix socially with others because you need to have a financial backing most of the time. These people are afraid to mix with others. Unemployment can cause people to have a depressed immune system that makes them vulnerable to diseases. Thus, one’s health can be affected in one way or the other by being unemployed (Marcus, 2013). Unemployed can impact negatively on individuals and it may also lead to stress.

From a different perspective, it has been found that even though people are employed, they suffer almost the same effect as those that are not working. At work, people have stressors which make their lives miserable (Marcus 2013). While some people who are employed have financial challenges, they cannot cope with life and may have suicidal tendencies. Sometimes things are taken for granted, and locally people may think that Europe does not have the same challenges that Africa has due to modern civilisation.
However, that is a myth, because the percentages of unemployment youth or the youth that are involved in sub-standard jobs are increasing at an alarming rate. The thought may arise that they have better technology and innovation so they are smarter than others, which may not be the case (ILO, 2014). In determining the rate of unemployment, differentiation and classification should be based on individuals among the physically handicapped, what people prefer in life and their expectation in life.

2.2. YOUTH UNEMPLOYMENT IN OTHER COUNTRIES

In Europe, they established what they call the European Council in 2013. They describe the rate of unemployment in the following way. They consider the age group of 15 to 24 years. Thus, they look at the percentage of unemployed youth, and it is compared with the labour force. Europe experienced a high unemployment rate of more than 23.4%, which dates back to 2013. During the same year, it was Germany, which had the lowest unemployment rate, which stood at 7.9%. Another striking factor, Spain had the highest youth unemployment rate during the same period of about 55.5%. The reason that can account for this discrepancy could be a lack of necessary skills in open the vacancies. Education remains the cornerstone of everything and it does not matter whether you are in Europe or elsewhere (European Council, 2013).

Youth unemployment affects countries that are referred to as MENAP. This refers to the middle East, Pakistan, Afghanistan as well as North Africa. These countries in the researcher’s opinion are the most dangerous in the world. Afghanistan is on top of the list. Every day on television, the wars in the world can be viewed. The Middle East and Afghanistan is always at the top of the list. Now, the question is where is the youth in countries that are always at war? Is the youth practising terrorism? Is terrorism in these countries a priority? These are difficult questions to answer, but one cannot run away from the truth that more concentration is towards war than anything else. According to Piazza (2006), who took time to make a study in these countries, he then came with the average natural unemployment rate for each country which would be expected to bear a significant positive relationship with terrorism as unemployment precipitated the street of
role workers who might suffer from unmet economic expectations, therefore, resort to political violence.

2.3. **YOUTH UNEMPLOYMENT IN SOUTH AFRICA**

South Africa has a population of over fifty million people of which a large proportion is youth. There is a need for future studies to investigate factors that cause youth unemployment (Mlatsheni and Leibbrant, 2011). The young people who are affected by unemployment are those who do not have decent qualifications. Scarce skills in some fields would guarantee one a job placement. South Africa is one of the countries that is negatively affected by a high rate of unemployment particularly amongst youth. This makes resources to be unavailable to other communities.

Due to overcrowding, resources in schools become scarce and not all learners receive quality education since the allocation of resources becomes a problem. When they do not have good education that affect their chances of finding a job. People in the past have protested against poor education and youth unemployment. It is notable that various organisations and individuals, particularly the youth, have blamed the government for sidelining them.

In South Africa, the rate of unemployment is not common among other racial groups but it is found to be higher among the black youth, both female and male. BusinessTech (2015) stated that unemployment amongst the blacks is on the rise and it stands at 39% whereas with whites it is at 8.3%. This can be due to the fact that black people had been oppressed for a long time. They had been deprived of quality education and good opportunities that exist in life. The majority of black people are uneducated and unskilled because the apartheid regime reduced them to mini-slaves.

When people have nothing to do and are just idling in and roaming the streets, they will resort to crime and become more violent. In South Africa, Limpopo province included, people should not shy away from the lack of skills and the necessary job experience,
which are some of the major contributors towards youth unemployment. Companies want to make a profit so they need people with technical knowledge to contribute to the company’s production. Most companies regard unskilled workers at a high risk. Poor judgment towards youth is now an obstacle in finding proper jobs.

South Africa is a resource-based economy. Britannica Encyclopaedia (2021) mentions that South Africa has a variety of minerals and is rich in gold, diamonds and iron ore. Thus, mining is a sector that creates many jobs for youth in the country. is dependent on primary activities such as agriculture, and mining. That is why when the precious metals do not get anything from the international markets, mines are then closed to reduce production costs. That has contributed much towards unemployment.

The government should also ensure that investors respect the environment, social and safety and security factors because those play a material role toward their profits. The government should encourage a drastic move towards manufacturing. They should encourage the establishment of small business and fund them as much as they can. The slogan “Proudly South African” should be a song in the South African business sector. The purchase of locally produced goods will promote employment and add to exports when more is exported, more will be produced, added to which the GDP will improve hence better employment opportunities.

Agriculture does better in rainy seasons and badly in dry seasons. A careful consideration should be taken as to which direction to take to grow the economy. The economy is presently growing at a rate of 0.6% per annum which is bad for the South African society especially the youth. The country also needs to develop to a large extent human capital. It is unique and differs from other forms of capital. The country should strive to develop knowledge, experience and skills in its population, especially the youth since they are important for the moving forward of the country. Research and information about the industry insights can help bring the design that can match the world markets. The youth here play a critical role. To grow a better South African economy, the youth should be involved in their expertise to contribute positively towards their country.
2.4. YOUTH UNEMPLOYMENT IN LIMPOPO PROVINCE

Limpopo province has many young people staying in rural areas where the living conditions are not favourable. There are families, which still lack basic services such as tarred roads, running water, electricity, good infrastructure, and schools. They still use candles to study and primus stoves to cook. They share water with animals from dirty dams and rivers. The youth do not see the point of studying since the conditions are not conducive for proper learning. Thus, they end up dropping out of school. Fourie (2013) mentions that there is a close link between unemployment and poverty. Sometimes malnutrition is a detrimental factor for some school learners. How can one study while hungry? The government allocated resources to solve the problem in rural areas, but these resources end up in the hands of vultures.

Poor infrastructure also hinders development in rural areas. Therefore, this negatively affect the youth, especially girls. Boys also start smoking and drinking alcohol. Some abuse drugs because they do not see the point of going to school under difficult conditions at their families. Unemployment dominates the rural parts of Limpopo and causes devastating consequences. Consideration should be given to what has happened or is happening now in 2020.

The adversity of Covid-19 pandemic has brought misery to the people of the world and Limpopo province is no exception. The government allocated resources to reach the poor but in the most instance that never reached them. People are concerned about the high rate of looting of resources that were supposed to reach the poor. People have lost their jobs and small businesses were also closed. Now many families, especially in the rural areas are living in hardships because there is no food, no jobs and the youth is the most affected.

Going to school on an empty stomach is also a drawback. Vultures in government departments have hijacked food parcels that were meant for the poor and allocated them
to their friends or families. You cannot go to school hungry. Some schools are kilometres away. Now the youth end up dropping out of school to add to the high numbers of youth unemployment. The rural parts of Limpopo province are not well studied because that is where most of the problems are. As a matter of urgency, drastic steps should be taken to correct the situation.

2.5. SOCIO-ECONOMIC CHALLENGES EXPERIENCED BY THE YOUTH

Socio-economic challenges are issues faced by young people, which result in negative mental, physical and emotional health. These issues also affect the financial aspect of the youth and the way they perceive themselves in society. Some of socio-economic challenges are stated as follows:

- Poverty and unemployment
- Health challenges associated with youth unemployment
- Gangsters and criminality
- Alcohol and drug abuse
- Discouragement from the labour force

2.5.1. Unemployment and poverty

Therefore, if the body cannot function mentally and physically well, if no food is provided it cannot be fit in totality. That can only happen when the body receives the right food to keep on charging. When an individual is not working, he may not be in a position to buy food and other requirements that make the body function. It becomes easier when one is employed and is not begging for cash to function well (Fourie, 2013).

In Limpopo Province, most areas are rural and the people around the place lack skills to develop the local economy; consequently, poverty dominates. People might be sitting on strategic resources, but because of a lack of knowledge on how to extract them or because of poor economic systems that are followed, they will continue to be poor and
stay hungry. When one looks at the two concepts together, they can depict to result from an economic system where some people, particularly the poor are restricted from performing activities that are part of the rich. Thus, the gap between the poor and the rich or the so-called haves and the have-nots continues to widen (BusinessTech, 2015).

2.5.2. Health challenges amongst the youth

In the context of good health, it is clear that young people who are not physically, mentally and otherwise fit, are unable to enter the labour market with ease. They pass the fitness test with difficulties. Companies need people who are healthy because those individuals will not be a burden to them and will positively contribute toward production. Transition from a certain age to adulthood causes changes to the physical and mental aspects of a young parson. The relationship between the youth and their parents, peers, brothers, and sisters also becomes important in one’s life (Marcus, 2013). Thus, in summary, people who are prone to ill health run the risk of remaining unemployed for a long time, because companies considers the health of individuals.

Young girls get into relationships early in their lives. They fall pregnant and when opportunities arise, they start running around, wishing to terminate their pregnancies. Some are already advanced and it becomes too late to terminate. They deprive themselves of opportunities to be employed.

2.5.3. Criminality among the youth

Young people, particularly those that drop out of school early in their lives, fall into a trap of forming gangs and getting into acts of criminality. Sometimes the youths join the gangs under duress because they are told that if they do not join, they will be killed. When they have joined the gangs, they feel complete, they think they are in control in particular by joining in a gang to rebel against the authorities that protect them. Therefore, young people carry the risk of falling into those traps or crime and they forget about getting a
good job to support themselves and their families. In Limpopo province, acts of crime are not prominent due to poor living conditions and lack of information amongst the youth.

2.5.4. Discouragement from the labour market

The high unemployment rate in South Africa, especially amongst the youth, has made many young people to be discouraged from seeking employment, and as a result not contribute to the growth of the economy. Department of Statistics South Africa (2020) posted that in the first quarter of 2020, there were 20.4 million young people between the ages of 15-34 years that were unemployed. The rate of unemployment amongst that group was 43.2% with the graduates standing a better chance of being employed. The less skilled individuals were the vulnerable group that ended up being discouraged from seeking employment. Many young people have not been taught to become entrepreneurs. They rely on the government to create jobs for them.

Young people, especially from rural areas, become easily distracted from entering the labour market. One of the reasons can be due to the lack of confidence, a result of the poor skills that they possess. Without the necessary skills and competency, they feel excluded from the mainstream of the labour market. Young people from rural areas lack self-esteem. Thus, they shiver when they are confronted with situations that need responsibility. They get discouraged from entering the labour market since they do not have those qualities that are needed.

2.5.5. Teen pregnancy and money

It is common today to find young people as young as fourteen years pregnant. The researcher recalls one school in Limpopo where all the girls in one class were pregnant. The love of money appears to be a problem among young girls. They fall into the trap of older people who give them money to buy what they want. They end up falling pregnant and drop out of school. Getting a proper education to help get a better job later in life becomes a nightmare. They become adults earlier in their lives and some get infected
with diseases like HIV/AIDS. Their lives are cut short in other words; their live expectancy gets reduced. They should receive support structures encouraging them to return to school to further their studies.

2.6. SUGGESTED INTERVENTIONS ON YOUTH UNEMPLOYMENT

2.6.1. Education reforms

South Africa has good legislation with regard to education reform; however, such legislation is not implemented fully. For example, a great number of children still do not complete compulsory schooling. Hence, there is a sizable number of unskilled labour amongst the youth. Enough resources should be allocated to reach poor provinces like Limpopo Province. Some schools in the province do not have running water, electricity or proper ablution facilities. Thus, effective education is compromised in those areas. Furthermore, libraries, laboratories and good career guidance should be made available to all children (Mlatsheni and Leibbrant, 2011). Children from poor families do not perform to their maximum due to lack of some essential resources.

Educational reforms may not come as expected, particularly if the government hires at the top strategic level people who are knowledge deficient. Comrade deployment is dangerous to South African society. This is what leads to a collapse of various organs of state and promotes corruption. Therefore, well-qualified people should implement the educational reforms. Some other countries came with some reforms for ten years but these did not work. The problem is that people go to other countries to copy what they do and expect the same to work here. That is wrong. This country differs in terms of resources available, population density, technology, innovation, and others. A person cannot just wake up and adopt an education system of England in South Africa because it might not work. The two countries differ in terms of many things. Firstly, England is rich and embraces itself with highly skilled personnel. South Africa is poor and dominated by a high rate of unemployment among its youth, corruption, and social grants. Good quality,
free, compulsory education is important for youth development, especially in rural Limpopo province.

2.6.2. Career guidance

Bridge for Change (2021) maintain that career guidance in schools make the learners to make educational, training and occupational choices. Teachers of basic education should be able to take their learners through various career choices available ahead of them. Thus, learners will have an idea of what career path to follow. Wrong career choice can lead to unemployment in certain instances.

Most young people find it difficult to make correct career choices and even to get funding for their careers. Educators should therefore assist them. They can present various careers to the youth and allow them to ask questions as they may be considering a particular career. Career guidance enables the young people to acquire the necessary skills demanded by the market (Bridge for Change, 2021).

It is, therefore, imperative that the government should have a good career guidance in sholls. Enough resources should be provided to the rural schools of Limpopo. Teachers in these schools should be trained to guide learners to the available careers.

2.6.3. Technical and Vocational Education

Today, society is living in the world of technology and innovation. The changes that occur in society, economically and politically are more revolutionary than evolutionary. It is, therefore, important that the youth of today, particularly those residing in the rural Limpopo, should have better career qualifications that set them apart from their counterparts in other provinces. That can only happen when the Limpopo government establishes enough TVET colleges. This is because there are no technical colleges that provide various career choices in the province. People should be able to choose through
a wider range of careers. They should know that they can be Artisans, Boilermakers, Electricians, and other careers among others.

These courses should be offered at the local colleges where a majority of the youth can have reasonable access. These will avoid unnecessary trips to other provinces, and save costs for the people. As they study in their provinces and get employed there, they will contribute positively to the development of their economy and province. There is a so-called brain drain. It will be avoided since the youth will be working in their province and making a difference in the local economy.

The acquisition of skills and technical know-how in certain careers is important because those skills can be used to develop that sector. They can be able to impart some of their skills to others and develop them career-wise. The skills that they shall have acquired, no one can take away from them, in other words, they are lifelong. The government of Limpopo should not be ashamed in providing quality technical colleges for their youth. The rate of unemployment can be reduced drastically.

2.6.4. Entrepreneurship

Moreover, the government ought to ensure that its youth receive financial support to train as entrepreneurs and be able to run their businesses. In this case, the heavy yoke that the government carries will be off-loaded. People should be trained for various jobs where they can open businesses and hire others. One can describe entrepreneurs as people who create jobs. As they start running their businesses, they get challenges which make them think out of the box. Entrepreneurs have different skills due to different jobs that they were trained for. With their skills, they are able to teach others, how things are done and through transferring their skills to others. They also develop and grow.

They may start small, and slowly grow their businesses until it becomes bigger. As they grow, they hire more people and increase their production. As production increased, revenue generation also goes up. They contribute to the country’s gross domestic product
and pay taxes to the government. Limpopo needs to be careful and work hard to invest in the training of its youth in entrepreneurship. Funds should be made available to fund the small emerging and aspiring entrepreneurs.

2.7. CONCLUSION

The youth is the cornerstone of every country’s economy because they are the leaders of tomorrow. They need to be empowered to prepare for the future. Starting to educate children early, especially during the basic education years will help the country to reduce the unemployment rate. South Africa should ensure that the youth receive a free quality education that will prepare them for the future. All these have to start from the foundation phase so that when they reach the higher levels they can choose their careers well. The employers should narrow the gap between skills and employment vacancies, because when they are well-skilled, they will be market orientated. In other words, they can be absorbed immediately after completing their training.

This country suffers from a high rate of unskilled workers who do not have any positive contribution towards economic growth without proper education. South Africa will face difficult challenges and the rate of unemployment will continue to escalate. The country also needs a high technology economy. In other words, processes should be developed which will help in the conversion of the available input into an output. This will help in creating wealth for the country, as the country is already in the fourth industrial revolution where everything is becoming digitalised. The country has to include in their curricula a module on technology to ensure that people are prepared well in years to come. Technology is part of today’s life and no one can survive without it. There is going to be mechanisation of labour. Technology is when you implement learning and knowledge to help human endeavours.
CHAPTER 3: RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter discusses the methodology that was used in conducting research. The previous chapter focused on the socio-economic challenges of unemployment and how they impacted on the youth. This chapter focuses on how data were collected, analysed and interpreted.

3.2. RESEARCH DESIGN

Research design is a blueprint as well as the master plan for a scientific study. Descriptive design was employed in this study. Proper research needs a good design, as such descriptive design is suitable for this study. A design that one comes up with should be a design that seeks to speak to the research questions. It is crucial when collecting data (Cresswell, 2014). At the end of it all, there are data analysis, information clarification, and with a good research design, these work well without leaving any piece of information behind.

3.3. QUANTITATIVE RESEARCH APPROACH

When research was conducted, the researcher chooses an approach that is apt for the project. Quantitative research approach was used in this study. The research approach is determined by the nature of the study. Quantitative research approach looks at a wider population group rather than on a small number of participants.

Quantitative research has the following characteristics:

- Information is collected and some deductions are made.
- Every step of the way is clearly explained to avoid misconceptions.
- In the quantitative research approach, the researcher may use theories or hypotheses testing to make sense of the research.
The researcher collected data and roped in the service of a statistician to help in the statistical analysis.

A quantitative research method covers a wider range of people, which makes the research to be easily conducted. In a descriptive form, one can say that it entails the collection of numerical data, in other words, it is a distinctive research approach. The method also prefers a natural science approach and positivism. The method also adopts an objectivist conception of social reality (Bryman, Bell, Hirschsohn, Dos Soutos, Du Toit, Masenge, Van Aardt & Wagner, 2017). In this study, the quantitative research method was used as a method of collecting data. A cross-sectional survey that employs quantitative data was adopted in this study. It is ideal for descriptive analysis (Waliman, 2011).

3.4. THE STUDY AREA

The study area was in Capricorn District in Limpopo Province, a province that is predominantly rural. Limpopo Province has five districts, namely, Mopani, Vhembe, Capricorn, Waterberg and Sekhukhune District.

3.5. POPULATION

This study focuses on a wider group of participants, it is, therefore, important that a good population is found. A population refers to a larger group of individuals, who together can be helpful in the study (Creswell, 2014). Therefore, the total population for the study include the officials working with the youth in Capricorn District Municipality and the unemployed youth enrolled for development programmes.

3.6. SAMPLING

Sampling is a practical way of identifying and selecting participants for the study. Sampling has its properties, particularly when dealing with a large population. Sampling
is a representative of the whole data set. This study employs a stratified random sampling technique to select the participants in the study.

### 3.6.1. Sampling method and sample size

This study uses the stratified random sampling method as a research sample tool. A stratified random sampling method requires that the sample be divided into smaller groups called strata. The sample for this study was drawn from two selected municipalities in Capricorn District Municipality in Limpopo Province. The municipalities are Polokwane and Lepelle-Nkumpi. Twelve (12) officials from Polokwane and Lepelle-Nkumpi were selected. Fifteen (15) young people from each municipality were also selected for the study. Therefore, the following table presents the summary of the selected sample:

#### Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Name of municipality</th>
<th>Number of officials</th>
<th>Number of youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Polokwane</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>2. Lepelle-Nkumpi</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

A grand total of the sample size is equaled to 54 participants.

### 3.7. DATA COLLECTION

Data collection plays a crucial role in research, hence, there is no research that can be conducted without collecting data. Data serve the purpose of the researcher to achieve the objectives of the study. Two types of data that can be used in a research study, are primary and secondary data. When researchers go all out to collect data for their studies, that is called primary data. Some researchers may prefer to use data that are readily available at hand, and it is called secondary data. When the researcher collects data in this way, it is important because it seeks to give answers to the aims of the study (Leedy
and Ormrod, 2015). The most important aspect to take into cognisance here is that when the data have been gathered in this way it seeks to give or provide answers to the questions which were raised by the researcher. The researcher formulates questionnaires and goes all out to collect data from participants. The data are original since the researcher got it directly from the people taking part in the research (Leedy and Ormrod, 2015). The researcher draws up questionnaires and people occupying various positions were given these to complete the forms to get their opinions on the research topic. People voluntarily gave the necessary information (Bhattachejec, 2020). A set of questions were designed, and they were used to collect the required data. In 1930s Rensis Likert developed a scale now known as the Likert Scale (Leedy and Ormrod, 2015), to assess people’s attitudes. This scale was used in the collection of data in this study.

3.8. RESEARCH INSTRUMENTS

Research instruments are essential tools through the researcher collects data. They also enable the researcher to achieve his goals and objectives. The researcher chose the research tools that were relevant to this research. The researcher used relevant mechanisms on how to ultimately collect data and how to analyse the data collected. Various instruments that can be used to collect data from participants in the study are, such as radio, the internet, face-to-face interviews, questionnaires, and others (Blair, 2014).

3.9. QUESTIONNAIRES

In this study, questionnaires were used to collect data as part of research instruments. Questionnaires are the most effective, simple way of collecting data. They are a quick way of obtaining data without consuming a lot of time and irrelevant questions are not asked (Creswell, 2014).
3.10. THE ADMINISTRATION OF INSTRUMENTS

The researcher formulated questionnaires for the research study and forwarded them to the district where the research was conducted. The participants were told to take their time to understand what the questionnaires were all about before attempting to give answers. At the same time, they were also told that the questionnaires would be collected after specified dates.

3.11. DATA ANALYSIS

Collected data were analysed; analysing data also included verifying and double-checking whether the questions were fully completed or not. Information that was incomplete was discarded because it would affect the conclusions of the research (Creswell, 2014). Individuals responded to questions differently as they had different opinions on the research subject. In this research, SPSS software version 25 as data manipulative techniques is applied. An important aspect of the description of both independent and dependent variables is the shape of the distribution which is the frequency of values from different ranges of the variables. Simple descriptive statistics are used to provide information such as the mean, median and mode, sample variance and the sample.

3.12. VALIDITY AND RELIABILITY

3.12.1. Validity

The concept of validity seeks to explain if the questions asked in the questionnaires are questions that are designed to address the aims and objectives of the study. The research questions in this study were tested for validity (Creswell, 2014).

3.12.2. Reliability

The best and relevant research tools in collecting and analysing the data, make it more reliable, because it will be addressing the research objectives and aims. The participants
should be ensured that what they do remains a secret, thus, they should do their best to answer the honestly (Sprick, 2013).

3.12.3. Trustworthy

Tests can be carefully done to minimise a threat to validity. That will help the research to have results that are trustworthy and credible. All these are important when research methodology is designed and finalised (Cohen, 2011).

3.12.4. Ethical Considerations

Ethical conduct or clearance has to be obtained before conducting a study. Human beings are involved in the study. Thus, ethical clearance was obtained from the Research Ethics Committee of the University of Limpopo. Information obtained from participants was used for analysis of data. The researcher respected the wish of those participants who wanted to remain anonymous.

3.12.5. Ethical clearance

It is important and mandatory that the researcher obtains the ethical clearance letter from the University of Limpopo’s Turfloop Research and Ethical committee before embarking on data collection. No collection of data proceeds without the consent letter.

3.12.6. Permission to conduct research

The researcher obtained permission to conduct research from Turfloop Research Ethics Committee (TREC) of the University of Limpopo. The letter was the ethical clearance of the research project. The letter was later used to apply for access in the research area. Thus, the researcher wrote a letter to Capricorn District Municipality to obtain permission to conduct research.
3.12.7. Informed consent and voluntary participation

Participants were informed of their right to participate voluntarily in the study. There were also informed about the purpose of the study so that they can make an informed consent. Leedy and Ormrod (2015) maintain that participation in research should be voluntarily and the participants should have full information about the research topic. If they feel uncomfortable, they can withdraw their participation.

3.12.8. Neutrality and non-responses

The structured questionnaires used to collect data. One of the options on the questionnaire afforded the participants in the study to choose neutral on the questions on which they were unsure.

3.12.9. Anonymity and confidentiality

Means that when the participant has vowed to take part in the study, their identity will not be revealed to anyone. It remains confidential (Leedy and Ormrod, 2015). The information obtained to conduct the study was treated with confidence. Each participant brought forward their opinion, the information remains between the researcher and the participant. All information remained private and confidential.

3.12.10. No harm to participants

Leedy and Ormrod (2015) state that researchers need to be aware of the impact that their research has on participants to avoid exposing them to any unreasonable risks and harm to their emotional well-being. In this regard, the researcher minimised the possibility of harm on participants by explaining that it was not a test with any right or wrong answers and that no judgments were to be made about them as individuals. The test does not have any definite answers and that their responses will not in any way subject them to any judgement or scrutiny of their persons, intelligence or integrity.
3.12.11. **Limitations**

When conducting research, certain factors may limit the researcher as to how far he should advance the project. Thus, certain factors may limit the execution of the research project. All who read the research report should know precisely how far the research effort extended and what were its limits. In what relevant areas did research not enquire? What aspects of the problem were not studied? Limitations are also weaknesses that may cast doubts on results and interpretations. (Leedy and Ormrod, 2015).

3.12.11.1. **Time constraints**

Time is always considered a serious constraint or limitation in any research study. How the ethical clearance is obtained, how the research questionnaires are distributed and administered to the respondents and how data are collected are important and should be done quickly without hesitation. Therefore, time was a constraint in this research, as a larger area could not be covered.

3.12.11.2. **Finance**

This research study does not have any financial backup, but it attempted to deliver the best results. Money factor can also be constrained in a study. A reasonable population study is important due to time and financial constraints.

3.13. **CONCLUSION**

This chapter outlines the research design, population, and sampling, a selection of research approach, data analysis, and data gathering. The study would not be a success without obtaining ethical clearance. That was addressed to ensure that the research was carried out with due diligence.
CHAPTER 4: PRESENTATION AND DATA ANALYSIS

4.1. INTRODUCTION

The previous chapter presented a detailed description of the testing methods included in the analysis. The findings of all statistical analyses carried out are described in this section. The demographic profiles of the participants are summarised in this chapter. The summary of the results of the Element Review is also presented. The findings of the exploratory factor study are reported afterwards. The results from Pearson's correlation analysis and linear regression analysis are both discussed to address the research questions in the current report.

This current chapter discusses the framework that was used for analysing and interpreting the data before describing the characteristics of the research participants. Additionally, it deals with the analysis of the results obtained from the participants. This study aims to confront the effect of socio-economic challenges of youth unemployment in the South African economy. Most of the results in the current chapter are presented either through a tabular arrangement or in a diagrammatic format.

4.2. STATISTICAL ANALYSIS

The University statistician expeditiously assisted the researcher. The expert aided in various areas of study. The statistician guided the study on the applicable research design and construction on the data collection instrument. When the data were ready for analysis, the statistician gave guidance on choosing the most appropriate data analysis methods as well as how to use the SPSS software to analyse the data. Furthermore, the statistician also assisted by double-checking to see whether the interpretations done by the researcher were accurate. When the questionnaires were returned, they were screened to eliminate those that were incomplete, as well as those with the same answers. As a result, some of the respondents had not read the questions. This procedure was immediately followed up with the capturing of the data on a Microsoft Excel
computer package. The Excel document was then imported into the IBM SPSS Statistics Version 26 where it was coded in preparation for data analysis. Data analysis involved several rigorous statistical tests such as reliability tests, descriptive statistics and inferential statistics. A comprehensive diagrammatic representation of the research path adopted for data analysis in the study is presented in the next section.

4.2.1. Descriptive statistics

Descriptive statistics are techniques that help to state the characteristics or appearance of sample data (Zikmund et al., 2013). Frequency tables and the mean score ranking technique are major descriptive statistics employed in this study.

4.2.2. Frequency distributions

Frequency distributions such as percentages, graphs, line charts, pie charts, histograms and bar charts were utilised to display research findings. Frequency distributions are used to depict absolute and relative magnitudes, differences, proportions and trends (Zikmund et al., 2013). These methods use both horizontal and vertical bars to examine different elements of a given variable (Malhotra, 2011).

4.3. DEMOGRAPHICAL INFORMATION

The first section (Section A) of the questionnaire elicited information of the demographic characteristics of the respondents. Thus, to understand the nature of respondents, their socio-demographic profiles were sought. This section of the study presents the demographic profiles information to provide a profile (without the names) of the respondents of the study. The demographical profiles of the respondents are presented and address the following attributes on the respondents:

- Gender
- Age
- Work experience
• Level of education
Each characteristic is discussed.

4.3.1. Gender of the respondents

There was a need to determine the gender of the respondents to enable the researcher to make their biographical inferences. Figure 1 depicts the gender of the respondents.

![Gender of the respondents](image)

Figure 4.1: Gender of the respondents
Figure 4.1 shows that the male respondents constitute 30 (56%) of the respondents, and surpass their female counterparts, who constitute the remaining 24 (44%). The results indicate that a majority of the respondents in this study are males.

4.3.2. Age distribution of the participants

The participants were required to indicate their ages to establish whether age had any impact on the effect of socio-economic challenges of youth unemployment on the economy of South Africa.
Figure 4.2: Age distribution of participants

Figure 4.2 Indicates that 32% (n=17) of the participants were between 26 and 35 years of age, accompanied by between 18 and 25 years of age with 24% (n=13); 22% (n=12) were between 36 and 45 years of age; 20% (n=11) were between 46 and 70 years of age, although 2% (n=1) of respondents did not indicate their age.

4.3.3. Years of working experience

The researcher solicited information on the number of years of working experience that respondents have in their current position. Respondents were asked to indicate a total number of years they had worked in South Africa. Figure 4.3 presents the results of registry officers who participated in this study.
Figure 4.3: Years of working experience

Figure 4.3 demonstrates that the bulk of respondents 17 (32%) had minimal experience and just 7 (13%) had served for 1-2 years. The analysis also shows that only 12 (22%) served for 3-5 years, 10 (19%) served for 6-10 years and 1 (2%) worked for more than 10 years. The overall results highlight that the majority of the youths are unemployed.

4.3.4. Educational background

Table 4.1. (On the next page) indicates the degree of education among the participants in the sample. The fact that the plurality of participants has a college education suggests the willingness of the participants to know their care well, appreciate and consider its significance and the potential implications of not adhering to care in the long run. There has not been any correlation between illiteracy and compliance in terms of literature on adherence, and the contrary has been established.
Table 4.1: Level of Education

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school</td>
<td>11</td>
<td>20.4</td>
</tr>
<tr>
<td>College diploma</td>
<td>23</td>
<td>42.6</td>
</tr>
<tr>
<td>University degree</td>
<td>15</td>
<td>27.8</td>
</tr>
<tr>
<td>Not indicated</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.4: Level of education

Figure 4.4 above indicates that forty-three per cent of the respondents obtained college diplomas as their highest qualification. In comparison, Figure 4.4 further indicates that 9% of the respondents did not reflect their level of education. In comparison, the pie chart further shows that at least 28 per cent of the respondents have a junior degree and 20% of the respondents have a high school experience.

4.4. RELIABILITY TESTING

Many mathematical measures can be used to assess internal accuracy. Examples include Average Inter-Item Correlation, Average Item Overall Correlation, Split-Half
Precision, and the Cronbach’s alpha (Wells & Wollack, 2003). Throughout the process of this analysis, Cronbach's alpha is used as an intrinsic accuracy-test throughout the measurement. Cronbach’s alpha is also called a test of the homogeneity of the element, i.e. high alpha values mean that the objects are tapping a similar domain. The size of the Cronbach reliability measure varies from 0 to 1. Scores close to 1 mean that the instrument has good reliability, although scores close to 0 suggest that the reliability of the instrument is poor (Wells & Willock, 2003:4). Most researchers require reliability of at least 0.7 before they can use the instrument. In this study, the Statistical Package for the Social Sciences (SPSS Version 20.0) is used to test the reliability of the measuring instrument. Once again, Cronbach’s alpha test proved to be both appropriate and handy as it provided a summary of inter-correlations that existed among the items on the grade 12 educators’ perception in their capacity to perform their duties.

Table 5.2: Reliability Testing

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Inter-item correlations</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.786</td>
<td>0.319</td>
<td>8</td>
</tr>
</tbody>
</table>

Item-Total Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Youth experience a number of challenges due to unemployment. 0.752</td>
</tr>
<tr>
<td>B2 Unemployment may lead to alcohol or drug abuse 0.755</td>
</tr>
<tr>
<td>B3 Youth unemployment contributes to a high crime rate in your area. 0.737</td>
</tr>
<tr>
<td>B4 Many social ills and high pregnancy rates amongst the girls are due to high unemployment rate. 0.803</td>
</tr>
<tr>
<td>B5 Unemployed youth are generally discouraged in life. 0.737</td>
</tr>
<tr>
<td>B6 Unemployed youth do not contribute to the economic growth. 0.743</td>
</tr>
<tr>
<td>B7 Peer pressure contributes to unemployed youth making wrong choices in life. 0.774</td>
</tr>
<tr>
<td>B8 The economic impact by the youth contributes to a larger extent to the wellbeing of the country’s economy if unemployment is reduced. 0.790</td>
</tr>
</tbody>
</table>
From the findings given in Table 4.2, the alpha value of Cronbach for each test definition varies from 0.743 to 0.803 and is thus all above the appropriate value of 0.6, while the average alpha value of Cronbach is 0.786, which is on the reasonable limit as suggested by Wells & Wollack (2003). The significance of the typical inter-item correlation is higher than the minimum reasonable value of the correlation.

**Exploratory factor analysis of the effect of unemployment on the socio-economics factors of the youth.**

Exploratory factor analysis is a statistical technique used to identify a set of latent (hidden) constructs underlying a battery of measured variables (Norris & Lecavalier, 2009). Howell, Breivek and Wilcox (2007) also describe exploratory factor analysis as a set of procedures that are used to reduce and summarise and to identify simple patterns and factors underlying relationships between variables. Through grouping the variables and reducing those to a small set of factors will aid in understanding the relationship between the variable.

Toni and Tonchia (2001) highlight that that exploratory factor analysis is conducted to uncover the underlying dimensions, to eliminate problems of multicollinearity, and to reduce the number of variables to smaller sets of factors, hence the name factor analysis. Exploratory factor analysis was selected because it is applicable when the researcher does not have a priori hypothesis about the factors or patterns of measured variables (Bandalos & Boehm-Kaufman, 2008), which is the case in this study.

This study is an analysis of 28 variables associated with the effect of socio-economic challenges of youth unemployment in the South African economy. The first step in conducting a factor analysis was to produce a correlation matrix to determine if the study variables are related and if they are, to what extent. If no correlation exceeds 30 then the use of factor analysis is questionable. Bandalos and Boehm-Kaufman (2008), advise that researchers should look for a substantial number of large correlations, but commented, “How large is somewhat arbitrary”. The correlation matrix showing the relationships of all
28 variables in this study. The correlation matrix yielded a substantial number of large correlations indicating that factor analysis is an appropriate statistical methodology.

**Table 6.3: KMO and Bartlett’s Test**

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.673</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td></td>
<td>Df</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
</tr>
</tbody>
</table>

Table 4.3 shows the scale obtained an acceptable Kaiser Mayer-Olkin measure of sampling adequacy value of 0.673 and Bartlett’s test of sphericity test value was significant 180.375 (df = 28, p = 0.000).

**Table 7.4: Exploratory factor analysis of the effect of unemployment on the socio-economics factors of the youth**

<table>
<thead>
<tr>
<th>Component matrix</th>
<th>F1</th>
<th>F2</th>
<th>F3</th>
<th>F4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth experience a number of challenges due to unemployment.</td>
<td>0.745</td>
<td>-0.482</td>
<td>-0.151</td>
<td>0.08</td>
</tr>
<tr>
<td>Unemployment may lead to alcohol or drug abuse</td>
<td>0.715</td>
<td>-0.368</td>
<td>0.03</td>
<td>0.484</td>
</tr>
<tr>
<td>Youth unemployment contributes to a high crime rate in your area.</td>
<td>0.787</td>
<td>0.026</td>
<td>-0.392</td>
<td>0.306</td>
</tr>
<tr>
<td>Many social ills and a high pregnancy rate amongst the girls are due to high unemployment rate.</td>
<td>0.371</td>
<td>0.779</td>
<td>0.193</td>
<td>0.312</td>
</tr>
<tr>
<td>Unemployed youth are generally discouraged in life.</td>
<td>0.731</td>
<td>0.214</td>
<td>0.359</td>
<td>-0.33</td>
</tr>
<tr>
<td>Unemployed youth do not contribute to the economic growth.</td>
<td>0.708</td>
<td>0.484</td>
<td>-0.303</td>
<td>0.185</td>
</tr>
<tr>
<td>Peer pressure contributes to unemployed youth making wrong choices in life.</td>
<td>0.602</td>
<td>-0.199</td>
<td>-0.082</td>
<td>0.695</td>
</tr>
<tr>
<td>The economic impact by the youth contributes to a larger extent to the wellbeing of the country’s economy if unemployment is eradicated.</td>
<td>0.388</td>
<td>-0.175</td>
<td>0.849</td>
<td>0.073</td>
</tr>
</tbody>
</table>

The principal component analysis was carried out on the effect of socio-economic challenges of youth unemployment on the South African economy. The scale obtained an acceptable Kaiser Mayer-Olkin measure of sampling adequacy value of 0.673 and
Bartlett’s test of sphericity test value was significant 180.375 (df = 28, p = 0.000). As expected, two factors with eighteen values in the above Table 4.4 were extracted explaining approximately 86.54%, and 22.397% of the variance respectively.

4.5. DESCRIPTIVE STATISTICS

The rewards scale shows that on average, participants had been neither satisfied nor dissatisfied with their rewards, thus, (\(\bar{x} = 1.96; SD = 0.548\)). The mean for the employee motivation scale showed that most participants’ level of motivation was neither high nor low (\(\bar{x} = 1.83; SD = .423\)). The acceptable values for skewness and kurtosis fall within -2 and +2 (George & Mallery, 2010). As shown in Table 5, both the rewards scale and the motivation scale had acceptable values of skewness and kurtosis, thereby suggesting normality.

Table 8.5: Descriptive statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Analysis</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth experience a number of challenges due to unemployment.</td>
<td>1.83</td>
<td>0.423</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Unemployment may lead to alcohol or drug abuse</td>
<td>1.85</td>
<td>0.452</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Youth unemployment contributes to a high crime rate in your area.</td>
<td>1.89</td>
<td>0.462</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Many social ills and high pregnancy rates amongst the girls are due to high</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>unemployment rate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed youth are generally discouraged in life.</td>
<td>1.96</td>
<td>0.548</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Unemployed youth do not contribute to the economic growth.</td>
<td>1.83</td>
<td>0.466</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Peer pressure contributes to unemployed youth making wrong choices in life.</td>
<td>1.91</td>
<td>0.486</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>The economic impact by the youth contributes to a larger extent to the wellbeing of the country’s economy if unemployment is eradicated.</td>
<td>1.89</td>
<td>0.372</td>
<td></td>
<td>54</td>
</tr>
</tbody>
</table>

Table 4.5 shows the following statements with mean and standard deviation results. Youth experience has several challenges due to unemployment (\(x^- = 1.83, SD= 0.423\)). This was followed by the following indicators: Unemployment may lead to alcohol or drug abuse (\(x^- = 1.85, SD= 0.452\)). Youth unemployment contributes to the high crime rate in the area (\(x^- = 1.89, 0.462\)). Many social ills and the high pregnancy rates amongst the girls are due to the high unemployment rate (\(x^- = 1.96, SD=0.548\)). Unemployed youth
are generally discouraged in life ($\bar{x} = 1.83$, SD= 0.466), Unemployed youth do not contribute to economic growth ($\bar{x} = 1.98$, SD=0.532). Peer pressure contributes to unemployed youth making wrong choices in life ($\bar{x} = 1.91$, SD=0.486). The economic impact on the youth contributes to a larger extent to the wellbeing of the country's economy if unemployment is eradicated ($\bar{x} = 1.89$, SD=0.372).

4.6. TESTING FOR NORMALITY

An assumption in regression is that the dependent variable is normally distributed. Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores around in the middle combined with smaller frequencies towards the extremes (Pallant, 2005). Furthermore, the histogram in table 6 appears to be approximately normally distributed.
Table 9.6: Testing for normality

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>The effect of socio-economic challenges of the youth unemployment on the economy of South Africa</td>
<td>Mean</td>
<td>15.15</td>
</tr>
<tr>
<td></td>
<td>95% Confidence Interval for Mean</td>
<td>Lower Bound</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Upper Bound</td>
</tr>
<tr>
<td></td>
<td>5% Trimmed Mean</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Median</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Range</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interquartile Range</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Skewness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kurtosis</td>
<td></td>
</tr>
</tbody>
</table>

Tests of Normality

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Kolmogorov-Smirnova</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
</tr>
<tr>
<td>Effect of socio-economic challenges of the youth unemployment on the economy of South Africa</td>
<td>.325</td>
<td>54</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction
Figure 4.5: Normal Distribution variables (n=54)

The results as depicted in Figure 5.5 above shows that all variables are normally distributed.

4.7. THE STATUS OF YOUTH UNEMPLOYMENT IN SOUTH AFRICA

The National Youth Development Agency (NYDA) is concerned about the increasing rate of unemployment in the country, and particularly among the youth. Last year, Statistics South Africa (Stats, 2019) reported a staggering 34.2% for persons aged between 15-24 years who were not employed, in education or doing any form of training. South Africa has been a victim of high unemployment rates, with the official unemployment rate rising from 15.6 per cent in 1995 to a peak of 30.3 per cent in 2001 and minimally declining to 26.7 per cent recording a differential of 11 percentage points since 1995.

Limpopo tends to have the highest proportion of rural dwellers in South Africa hence, it is expected that conditions in the province are inferior to those of national average; implying a higher unemployment rate. After the demise of apartheid (post-1994), the supply of labour exponentially increased. The nascent labour entrants characterised as unskilled increased dramatically, but as the economy grew, there was a drastic shift towards a more skill-based economy creating massive lay-offs. This study attempts to find the determinants of unemployment in the Limpopo province using annual census data of 2008 from Global Insight.
4.8. STRATEGIES THAT CAN MITIGATE UNEMPLOYMENT CHALLENGES

4.8.1. Regression analysis

When running a regression, the main objective is to discover whether the coefficients of the independent variables are different from 0 (the independent variables have a genuine effect on the dependent variable). In other words, regression seeks to establish whether any apparent differences from 0 are due to random chance. The null hypothesis always shows that each independent variable has no effect (has a coefficient of 0) and will be looking for a reason to reject this theory. Several regression models were carried out to test the relationship between the variables. The regression analysis was undertaken at a 5% significance level. The study obtained the model summary statistics as revealed in the table below.

4.8.2. A model summary

*Table 10.7: Model summary*

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
<th>Sig. F Change</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.151a</td>
<td>.023</td>
<td>-0.07</td>
<td>2.445</td>
<td>0.023</td>
<td>0.912</td>
</tr>
</tbody>
</table>

The study set out to investigate the effect of socio-economic challenges of youth unemployment on the South African economy. The results reveal that there is a weak positive correction of ($R= 0.023$) between the dependent variable (Effects of youth unemployment) and predictors. The results further indicate that the value of the adjusted $R$-square was -0.07. This implies that the predictors (Gender, age, work experience and level of education) can account for 7% of the change effects of youth unemployment. A Durbin Waston statistic of 1.723 indicate that the variable residuals were not serially correlated since the value was more than 1.5.
4.8.3. Analysis of variance

The study sought to confirm the Goodness of the regression model through the ANOVA statistic. The outcomes of the study are provided in Table 8 below:

Table 11.8: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5.821</td>
<td>4</td>
<td>1.455</td>
<td>.244</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>250.988</td>
<td>42</td>
<td>5.976</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>256.809</td>
<td>46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: The effect of youth unemployment on the economy of South Africa
b. Predictors: (Constant), Educational background, Gender, Age, Work experience

Based on the above ANOVA statistics, it is determined that the regression model had a significance level of 0.0% which indicates that the model was ideal for predicting the effect of youth unemployment on socio-economic because of the value of significance (P=0.000) was less than 5%. This means that the model is fit for the data.

4.8.4. Coefficient of determination

Coefficient of determination was used as indicators of the direction of the relationship between predictors (gender, age, work experience and level of education) and the effect of youth unemployment. The P-value under the significance level section was connected to demonstrate the importance of the connection between the response and predictor factors. At a 95% certainty level, a p-estimation of under 0.05 was deciphered as a proportion of factual significance. As such, a p-value above 0.05 shows a statistically
insignificant relationship between the dependent and the independent variables. Table 4.9 give the results.

Table 12.9: Coefficient of determination

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>14.433</td>
<td>1.874</td>
</tr>
<tr>
<td>Gender</td>
<td>.578</td>
<td>.756</td>
</tr>
<tr>
<td>Age</td>
<td>-.206</td>
<td>.391</td>
</tr>
<tr>
<td>Work experience</td>
<td>-.030</td>
<td>.358</td>
</tr>
<tr>
<td>Educational background</td>
<td>.118</td>
<td>.616</td>
</tr>
</tbody>
</table>

a. Dependent Variable: The effect of socio-economic challenges of youth unemployment on the economy of South Africa

Based on the results above, it is evident that predictor factors such as gender and level of education produced positive and statistically insignificant values of this study (High t-value= 0.765 and p=0.449 and t-value= 0.191 and p=0.849 respectively). While age and work experience produced negative, but statistically insignificant values for this study as evidenced by (t= -0.528 and p=0.600, t-value= -016 and p=0.935 respectively.

The following regression equation was estimated:

\[ Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \epsilon_{ij} \]

\[ = 14.43 + 0.578x_1 - 0.206x_2 - 0.030x_3 + 0.118x_4 \]

Where

\( Y \) = Effect of youth unemployment
\( X_1 \) = Gender
\( X_2 \) = Age
\( X_3 \) = Work experience
On the estimated regression model above, the constant 14.43 shows that if predictor factors (gender, age, work experience and level of education) were rated zero, the effect of youth unemployment would be 14.43. A unit increase in gender and level of education would result in a decrease in the effect of youth unemployment by 0.578 and 0.0118 respectively. A unit increase age and work experience would result in a decrease on the effect of youth unemployment by 0.206 and 0.030 respectively.

4.9. CONCLUSION

This chapter explained the data analysis framework, including interpretation of findings with hypothesis and on the research questions. Initially, linear regression was computed to discriminate between two sets of the effect of socio-economic challenges of youth unemployment on the economy of South Africa. Subsequently, descriptive statistics were computed for all the constructs. Moreover, the discriminant validity test indicate that scales were significantly different from each other in measurement theory, hence, there is no severe multicollinearity. In contrast, reliability for all the constructs is greater than 70 indicating internal consistency of variables within constructs.

Results indicate Cronbach’s Alpha value for each of the constructs range from 0.743 to 0.803 hence above 0.70 as recommended by literature (Gliem and Gliem, 2003). Two statistical tests namely [1] KMO as well as [2] Bartlett’s Tests were computed to determine sampling adequacy and ascertain that data captured in this study was suitable for exploratory factor analysis. The results indicate that Kaiser-Meyer-Olkin (KMO) the measure of sampling adequacy was calculated at 0.673 and Bartlett’s Test of Sphericity at significant $p$-value = 0.000 supported by an approximated Chi-square of 180.325 at 28 degrees of freedom (df). This result indicates that data were suitable for factor analysis (Field, 2009).
Normality tests indicate that data collected were fairly distributed and hence appropriate for computing correlations and hierarchical regressions. Shapiro-Wilk results indicate that the $\rho$-value for all constructs was greater than the $\alpha$-statistic for all the constructs, hence the null hypothesis that the data came from a normally distributed population are not rejected. Pearson correlations indicate adequate linear and contingency relationships. Subsequently, regression analysis was computed. Regression analysis indicates that the effect of socio-economic challenges of youth unemployment on the economy of South Africa was positively and significantly influenced by socio-economic factors ($R= 0.023 \ (R^2 = 23\%, \ p=.000)$). The next chapter deals with findings, recommendation and conclusion.
CHAPTER 5: INTERPRETATION OF DATA, CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

In the previous chapter, the researcher addressed the analysis of the collected data. Various statistical methods of analysis were used and conclusion were drawn from the data. In this chapter, the researcher is concerned with the interpretation of the results as to how the respondents gave answers to the questions asked. Therefore, the researcher looks at the mitigating factors that can be applied to sort out the problem of youth unemployment. Recommendations are made to the relevant authorities in this chapter.

5.2. DEMOGRAPHICS

In chapter four, the researcher issued questionnaires to participants. The socio-economic background of the participants were formed to understand their background. The study shows that the majority of participants were males as compared to females. It is further found that the majority of the respondents were below the ages of 35 years. Again, it was because the researcher wanted to establish whether age had any bearing on the socio-economic effects of unemployment and its impact on the South Africa economy. The majority of unemployed people were the youth and the males responded in a larger number, which is an indication that people who are always in search of employment are the males.

As a male figure, employment is crucial, as they have accountability to provide. The finding in this study highlights that the majority of the unemployed had minimal working experience. They were never exposed to a working environment before. That jeopardises their chances of getting employment because of a lack of experience. Many companies need people who have experience, as it serves as advantage to the company. Therefore, on the results a higher percentage of the respondents were youth and they only had minimal experience. Poor family backgrounds and the places where they come from could be a contributing to the kind of people they are without proper knowledge of any job. On
the overall, the results show that the majority of people who are unemployed and who are looking for employment are the youth. Many of them become street kids because they have pressure from their families. Families are under pressure since they support members until they reach old age.

The National Treasury (2011) discussion paper gives some of the reasons why youth unemployment is still high in South Africa as follows:

- The majority of employers need skills and experience when hiring because according to them, unskilled, inexperienced workers are a risk to their businesses.
- Essentially, a lower youth unemployment rate is not necessarily an indicator of the progress of development but would be viewed as a reflection of the quality of employment, (Tadjoeddin, 2015). The low youth employment rate in the developing regions are explained by the high level of informality, which masks the extent of unemployment (Baah-Boateng, 2015).

5.3. THE REALISATION OF OBJECTIVES

5.3.1. To investigate the status of youth unemployment in Limpopo province

The results of the study show that the majority of people in Limpopo Province who are not employed are the youth, and some might have dropped out of school. While others could have qualified from colleges or universities are still searching for employment. The majority of those that qualify from college or university do courses that have proved to jeopardise their chances of getting employed. It should be remembered that there are some of the young people who are sitting at home discouraged from seeking employment.

5.3.2. To assess the impact of the youth unemployment on the growth of the South African economy, Limpopo Province – perspective

Youth unemployment has impacted negatively on the growth of the South African economy, mainly in Limpopo Province. A lot of young people have lost hope in finding employment. The economy of the country is contracting in consecutive quarters and
sinking into a recession. The majority of the youth are on the streets. South Africa has alluded that youth unemployment in the country has risen to over thirty per cent. What about those who are just sitting at home abusing alcohol and drugs since there is nothing to do? It has also become evident to many young people that what is the point of going to school if after finishing your studies you just stay at home.

5.4. RECOMMENDATIONS

5.4.1. To develop strategies that can mitigate youth unemployment challenges in Limpopo Province

The government of South Africa, Limpopo Province included, has to develop strategies that can be used to mitigate youth unemployment. The African Development Bank (AfDB) (2012) find that many young people in Africa find themselves unemployed due to lack of skills or vulnerable to informal employment, South Africa’s youth is not an exception.

5.4.2. Education

The results show that at least a higher percentage of respondents have a college diploma, a smaller percentage shows that some have a university degree. The problem here is that even though they have acquired those diplomas, they could be irrelevant to the working environment. The government should provide free quality and compulsory education to the youth. The young people enrolling in college or universities should study the courses that can lead them to a job. However, more emphasis should start from the foundation phase where children are taught life skills at a young age and as they grow, they develop more confidence and can face situations they come across.

5.4.3. Entrepreneurship

One of the key successes that government can implement is teaching the youth on becoming entrepreneurs. Not all people can be doctors, nurses, teachers, and others. Some individuals have to follow other career paths that can change their lives. Learning,
for example, shoe repairing, cooking, dressmaking, electricity, and others can change the situation of youth unemployment. People still cannot believe they can do these courses. The government has to encourage colleges to offer scarce skills, and people ought to be encouraged to study them. It is significant for the youth to complete the courses. Moreover, the government should provide funding to those with entrepreneurial skills. People with business knowledge should be brought in to assist the youth to develop themselves. Youth unemployment will be reduced. There is a higher rise in the volume of young people making their way into the labour market than the available job opportunities to occupy (BusinessTech, 2015).

5.4.4. Technology and innovation

Innovation and technology are vital in the mitigation of youth unemployment. People from around the country do not have the technological knowledge and therefore it is up to the government to ensure that these people reach technology. Good and proper infrastructure should be established as well in other rural areas not only in Limpopo Province but throughout the country. Good telecommunication networks will assist in alleviating the youth unemployment problem. The internet, WI-FI, and smartphones will help the youth in developing their knowledge and skills. Today’s world is full of many technology and innovations. The technology and innovations occur more revolutionary than evolutionary. There are many possibilities to choose from due to technology. Innovation can be radical or incremental. People will learn how to change input into output with the relevant technological knowledge. A lot of time will be saved and expenditure will be minimal, production costs are reduced when people have a specialised knowledge. Technology has to reach rural areas. The fourth industrial revolution where there is talk about robots, 3D-printing, and others is in evidence. There is development of new industries. Technology brings mechanisation of labour, but the youth should change to cope with all new developments.
5.4.5. Legislation and policies

The government should develop the kind of legislation and policies that focus on youth matters. The persons behind these should be young people who are well vested with qualifications, experience and can share information with their counterparts. The policies should be investor friendly. In other words, investors should feel free to bring their money to the country to open up companies. A good economic environment goes hand in glove with good policies of government. The political climate should also be conducive for investors. Thus, the investors should feel safe to bring their money into the country, since there are no wars or political unrests. The government should ensure that the infrastructure is up to scratch, to ensure that there is free movement of goods and services across countries. The South African President makes efforts to organise investor summits to encourage investments in the country. Companies make pledges worth millions of rand. If those pledges can become a reality and land in good hands, more job opportunities for the youth can be expected. Corruption should be eradicated.

5.4.6. Government private partnership

The South African government cannot solve the unemployment problem alone. They have to partner with the private sector to solve or reduce this long-standing problem. That is why the President is ever organising the investment summits. Unfortunately, most of the pledges if not all of them, are made in Gauteng, and the rural areas remain neglected. This will force people to move towards urban areas in search of employment. There will be congestion and that will promote crime. The government has to promote investments in rural areas. Investors should be convinced that their money will be safe in rural areas. Sekhukhune rural areas are rich with minerals. Developing rural economies mean wealth to the government and the South African citizens.

5.5. CONCLUSION

Unemployment is a critical issue, therefore, the South African government should not take it lightly. They have to be equipped with every possible means to develop themselves to
face the world. It is known that the world is changing and no one can stop the changes. There is climate change which also needs to be evaluated with caution. It puts more threats to the sustainability of the world. The youth should be equipped to deal with all those issues that threaten their wellbeing, and without the necessary skills and technological knowledge, they are doomed to fail. The responsibility lies with the government to ensure that enough job opportunities are created and the youth are employed. The unemployment among the youth is a global phenomenon but shows a greater bulge in rural areas of Limpopo province extending to the country as a whole.

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Enquiries: Dr. Choenyane L.L.  
Cell No. 079 917 4815  
P.O Box 1146  
Lebowakgomo  
0736  
25 / 06 / 2020

The Municipal Manager  
Lepelle-Nkumpi Local Municipality  
Lebowakgomo

Sir / Madam

APPLICATION FOR CONDUCTING RESEARCH AT YOUR MUNICIPALITY

1. I hereby wish to make an application to conduct research at your institution.  
2. I am a Masters student at the University of Limpopo (Turfloop Graduate School of Leadership Campus).  
3. My research topic is; “The socio-economic effects of unemployment and its impact on the youth of South Africa, a Limpopo Province”.  
4. All data that shall be collected will be confidential.  
5. I hope my application will meet your sincere appreciation.

Yours Faithfully

[Signature]
MBA RESEARCH: QUESTIONNAIRE FOR EFFECT OF SOCIO-ECONOMIC CHALLENGES OF YOUTH UNEMPLOYMENT ON THE ECONOMY OF SOUTH AFRICA, A SPECIFIC REFERENCE TO LIMPOPO PROVINCE.

PURPOSE
The purpose of this questionnaire is to gather information with regard to the socio-economy effects of unemployment in Limpopo Province. Through an analysis of the collected information we will be able to have a general conclusion as to why unemployment has such a great impact on the youth of Limpopo Province. The data will then be used to assist policy makers in strategies that may aid in finding solutions that will help in fighting unemployment among the youth in Limpopo Province.

CONFIDENTIALITY
Your answers to the questions will be held under strict confidentiality.

INSTRUCTIONS
This questionnaire consists of three sections. In the first section you will tell us about yourself without revealing your identity. The second section will use your answers as an analysis tool of why unemployment is such a problem among the youth. The last section will allow you to answer questions on an open basis which will help us to draw up recommendations.

SECTION A: DEMOGRAPHIC INFORMATION

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age category</td>
<td>18 – 25</td>
<td>26 – 35</td>
</tr>
<tr>
<td></td>
<td>35 – 45</td>
<td>46 – 70</td>
</tr>
<tr>
<td>Work experience</td>
<td>0 year</td>
<td>1 – 2 years</td>
</tr>
<tr>
<td></td>
<td>2 – 5 years</td>
<td>5 – 1 years</td>
</tr>
<tr>
<td>Educational background</td>
<td>Less than High school</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>College Diploma</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Degree</td>
</tr>
</tbody>
</table>
### SECTION B: Analysis of the effect of unemployment on the socio economics factors of the youth in the Limpopo Province.

State to what extend you agree or disagree with the provided statements. Mark your responses with an “X” in the appropriate boxes

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Youth experience a number of challenges due to unemployment.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Unemployment may lead to alcohol or drug abuse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Youth unemployment contributes to high crime rate in your area.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Many social ills and high pregnancy rates amongst the girls are due to high unemployment rate.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Unemployed youth are generally discouraged in life.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Unemployed youth do not contribute to economic growth.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Peer pressure contributes to unemployed youth making wrong choices in life.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. The economic impact by the youth contributes to a larger extend to the wellbeing of the country's economy if unemployment is reduced.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SECTION C: OPEN ENDED QUESTIONS
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Briefly explain the following in relation to the effects of the socio-economic factors of youth unemployment.</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>What strategies can be developed by the South African government to create employment for the youth?</td>
</tr>
<tr>
<td>10.</td>
<td>Can the private sector play a contributory role in helping the government to bring down the level of unemployment among the youth?</td>
</tr>
</tbody>
</table>
CONSENT FORM

<table>
<thead>
<tr>
<th>Name of the Researcher</th>
<th>Dr L.L. Choenyane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of the study</td>
<td>Analysis of the effect of unemployment on the socio economics factors of the youth in the Limpopo Province.</td>
</tr>
</tbody>
</table>

Dear Participant

You are hereby requested to give your consent to participate in the study. If you are willing kindly complete the form below.

Kindly note that the information that you will provide, will be treated with confidentiality and for the study purposes only. You will also not be named in any written work arising from the study. Should you require further clarity, you are free to discuss your concerns with the researcher.

I …………………………………………………………………………. give my consent to participate in the study titled; “Analysis of the effect of unemployment on the socio-economic factors of the youth in the Limpopo Province”. I am aware that my participation in the study is voluntary and that I am free to withdraw my participation at any time.

Signature

Date 5/2/2022