Introduction

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We learnt that some of the striking miners were medicinally fortified by a sangoma with the assurance that bullets will not harm them. A tragic delusion! But their delusion was not substantially different from the delusions of the beneficiaries of intoxicating greed in the new orthodoxy who believe that with the power of government behind them they are invincible and undiscoverable, and thus beyond accountability. (Njabulo Ndebele 2012)

Twelve years ago, in 2000, South Africa was regarded as a notable outlier to what was otherwise dismissed as the 'Dark Continent'. While South Africa was still celebrating its peaceful democratic transition, which had occurred against all odds, *The Economist* (13.05.00), was unequivocal about its prognosis for the rest of sub-Saharan Africa. Branding Africa 'the hopeless continent', the weekly proclaimed that 'the new millennium brought more disaster than hope to Africa,' and, as a result, 'the next generation will be more numerous, poorer, less educated, and more desperate'.

That this cynicism was misplaced is now common cause. In the years that it was predicted to descend into misery, sub-Saharan Africa achieved an annual average growth rate of 4.9 per cent between 2000 and 2008 – after South-East Asia the second highest for any region. Although the global recession slowed momentum towards the end of decade, the region's progress continued to outpace that of most others; growth for 2012 is still expected to be in the region of 5.3 per cent, two percentage points higher than projected global growth.

Already in 2010, McKinsey, the management consultancy company, became one of the first to profile the new face of Africa with its *Lions on the Move* study (MGI 2010), and by the end of the following year *The Economist* (03.12.11) also conceded its misdiagnosis with the cover story, 'Africa Rising: The Hopeful Continent'. Both publications, together with many others, rejected the notion that Africa's growing fortunes were merely a consequence of the commodity boom of the first half of the new millennium, and pointed to an emerging middle class that had managed to sustain growth with its consumption, alongside the boom of commodity exports. Most significantly, and relevant to the work of the Institute for Justice and Reconciliation (IJR), all attributed this new sense of optimism to a more peaceful continent, where institutions and policy reforms have been given the room to consolidate and gain traction within their respective countries. For the first time since the wave of post-colonial independence, younger generations of Africans have the real prospect of a life that is exponentially better than that of their parents.

However, while investors continue to speak in buoyant terms about the rest of sub-Saharan Africa as the 'new frontier', the tables seem to have turned for South Africa. In comparative terms, South Africa's economy remains the largest on the continent, its infrastructure is still superior and, by African standards, its democracy continues to be vibrant. Yet, since the advent of democratic rule 18 years ago, the national mood has hardly been more downcast. Growth remained subdued at around 2.5 per cent in 2012; unemployment, which has never returned to pre-recession lows, hovered above 25 per cent; and substantial hikes in petrol and electricity prices further weighed down an already overburdened public. As a consequence, government revenues declined and, in October, the medium-term budget policy statement had to revise the projected deficit for 2012/13 upward to 4.8 per cent (National Treasury 2012). The external pressures that sustain these conditions will remain in place. As the year drew to a close, a web of uncertainty about the European crisis, the looming fiscal cliff in the United States, and slowed growth in emerging economies – largely as a result of the two former concerns – further dimmed prospects for a speedy domestic recovery.

However, the defining moment of 2012 that will remain imprinted on the minds of most South Africans was when riot police opened fire and killed 34 striking miners in full view of news cameras at the Marikana platinum mine, close to the town of Rustenburg in August. Ten people (including two policemen) were killed in the week running up to the tragedy, which brought the final death toll of the strike to 44.

At the time of writing, a judicial commission of enquiry, was investigating the causes and circumstances of the massacre, but, regardless of its outcome, the tragedy has already come to be regarded as a watershed moment, with many going as far as referring to the country in pre- and post-Marikana terms. It has also come to serve as a metaphor for the way in which poverty and gross social inequality will unravel the country if not addressed with more urgency. The Marikana tragedy was a direct consequence of low wages and material inequity, but it and other strikes in the mining sector, as well as those in the Western Cape Winelands during November and December, revealed other fractured relations that extend beyond those between employer and employee.

When interrogated more closely, these protest actions of the latter half of 2012 expose a more worrying underlying phenomenon: a society that, in addition to its primary fault lines, appears to be fragmenting into an ever-growing number of polarised sub-strands, which make it increasingly difficult to arrest complex social conflicts as they arise. The IJR's annual SA Reconciliation Barometer Survey, which has been measuring public opinion on national reconciliation and social cohesion (as well as their determinants) for the past nine years, points to material inequality, race and contestation between political parties as the most significant driving forces behind social division in present-day South Africa. For six consecutive years now, material inequality has been the most frequently identified cause of division, ahead of party political differences and racial prejudice. However, it is not as simple as ranking each choice, because they are fluid, and manifest in unexpected ways that are often too difficult to distinguish from each other. What is evident is the way that they conspire to entrench trust deficits amongst citizens, which, in turn, raises the transaction costs incurred by the elusive search for consensus on almost any imaginable matter. Ultimately, these elaborate processes hold progress to ransom.

Yet, these same dynamics pervade relationships between, and within, the motive forces of our society. The Marikana tragedy not only showed up rifts between the government, political parties, business, labour and civil society, but also highlighted seemingly intransigent positions held by stakeholders at opposing ends within these constituencies. As a result, the search for common ground has become infinitely more complex. Since former president Thabo Mbeki first introduced William Butler Yeats' 'Second Coming' to our political discourse in his 2006 State of the Nation address, analysts have obsessed *ad infinitum* about whether 'the centre can hold' under the weight of the country's multiple developmental challenges, on the uncritical assumption that they actually knew where the 'centre' was located. Maybe the growing diffusion of stakeholder groups should lead us to question whether the centre still is where we always thought it was. More to the point, at least from an ideas perspective, has there been a coherent centre at all in recent years?

Business does not speak with one voice and once again is divided racially after the Black Management Forum (BMF), unhappy with the perceived inability of Business Unity South Africa (BUSA) to transform, terminated its membership of BUSA, and in 2012 reconstituted the Black Business Council (BBC), which had been disbanded with the creation of BUSA in 2003. Whether accurate or not, the grounds forwarded by the BMF are fundamental and go to the heart of the post-1994 nation-building project; they point to serious mistrust within a sector that should be instrumental in the creation of a more inclusive economy, and complicate any policy process that requires representative agreement by business. Not surprisingly, the sectoral reaction to the Marikana incident, which affects it to the core, was disparate, inconclusive and devoid of the insights one would expect from a stakeholder that ought to provide leadership under circumstances like these.

The labour movement faces similar challenges. The emergence of more militant unions, like the Association of Mineworkers and Construction Union (AMCU), has challenged the hegemony of the largest affiliate of the Congress of South African Trade Unions (COSATU), the National Union of Mineworkers (NUM), and has implications for the leverage that the governing African National Congress (ANC) has over organised labour, through the tripartite alliance.

Marikana, after all, marked a departure from established centralised bargaining processes, resulted in an illegal strike that coincided with intimidation and, in the absence of a means to find consensus, culminated in a massacre. Neither the existing institutional processes for dealing with such conflicts, nor the social capital within the tripartite alliance, could be leveraged to achieve a peaceful outcome. As economic forecasts remain dim for the foreseeable future – and, as a consequence, to the earnings of workers – there will be pressure on COSATU affiliates to stymie the prospect of developments similar to those that have occurred in the mining sector. Should they do so by upping wage demands to keep pace with emerging union competitors, without commensurate productivity increases, it will have a profound impact on the country's competitiveness. Arguably, it will also strain relations within the tripartite alliance and jeopardise the degree of predictability that it has given to broader national policy processes over the years.

The sector probably most compromised by competing sources of power was the government itself. In last year's *Transformation Audit*, Neva Seidman-Makgetla illustrated how the government policy agenda gets hamstrung by incongruent priorities and conflicting vested interests, and concluded: 'Given this institutional fragmentation, it was easy for policy-makers to end up representing, not the majority in the democratic sense, but rather their key stakeholders' (2012: 12). In 2012, this was amplified by the ruling ANC's five-yearly national conference in Manguang, which loomed large, and (as was the case in the run-up to its previous conference in Polokwane in 2007) factionalism both indirectly affected and directly afflicted the government's ability to be decisive and provide leadership. During the most fragile period in the immediate wake of the Marikana shootings, ousted ANC Youth League (ANCYL) leader, Julius Malema, appeared to leverage worker discontent purposefully against his detractors in the government and in favour of those who backed him. While Malema was embraced by workers, television cameras captured anxious government ministers and their entourages, leaving the scene of the shootings hurriedly in clouds of dust. Equally difficult to ignore was the extent to which aspersions were cast over the role that ANC heavyweight and Lonmin director, Cyril Ramaphosa, played in the instigation of police violence, at a time when he was regarded as a serious contender for the party's presidency in Mangaung.

To compound matters, the initial, and unfortunately predictable, knee-jerk response of the official opposition to the tragedy – calling for the head of the president, before it could commiserate with families of the slain workers – appeared more like political expediency than serious engagement with a national crisis. At a moment where it had the opportunity to show leadership, it added to the polarisation of the situation.

Not surprisingly, this confluence of events prompted the ratings agency Moody's to downgrade the country's credit rating, bringing it in line with that of Fitch and Standard and Poor's. All cited doubts about the country's longer-term political stability. To add insult to injury, a cover story in October by *The Economist* (20.10.12), titled 'Cry the Beloved Country' after the celebrated Alan Paton novel, offered a scathing assessment of the country's future. Citing high structural unemployment, the education crisis that sustains the mismatch between labour market demand and supply, the growing scourge of corruption and the resultant entrenchment of poverty and inequality, the publication asserts that 'South Africa is in a worse state than at any time since 1994' and concludes that 'the country is now moving backwards'.

While it is tempting to come to a similar conclusion under the present circumstances, *The Economist* may be premature in its assessment, as it was with its damning, but misguided, appraisal of Africa's future prospects in 2000. It has again drawn on incontrovertible facts that few can fault, but their selection, at the expense of some more encouraging ones, seems to force a conclusion that is more categorical than circumstances suggest. While it cites South Africa's dismal rankings of 132 and 143 out of 144 for primary education and maths and science teaching respectively in the 2012/13 *Global Competitiveness Report*, it omits to mention that the same report ranked the country 15th for the quality of its management schools and 34th for its research institutions. Other rankings included: 1st for regulation of securities exchanges; 2nd for the availability of financial services, after Switzerland and ahead of the United States; 2nd for the soundness of its banks; 2nd for the accountability of private institutions; 6th for the effectiveness of anti-monopoly policy; and 20th for intellectual property protection.

While these figures do not suffice to rebut claims that the country has serious (and game-changing) challenges to overcome, they imply a somewhat more open-ended future than that inferred by *The Economist*. What they do suggest is that, despite several setbacks over the past year, change is not unidirectional. Particular pockets of excellence exist and, in some instances, they have managed to improve their global standing over the past year. However, poor education rankings should alert South African policy-makers to the reality that the country's achievements can only be sustained and expanded if investment in the cognitive and skills development of young South Africans is taken seriously.

As worn out as the adage 'the youth represents a country's future' might be, it remains as relevant to South Africa as ever. In October, Statistics South Africa released the results of the country's 2011 Census, which shows that the country's population has grown from 40 million in 1996, when the first post-apartheid census was conducted, to 51 million today. For politicians, policy-makers, business and everybody else who has a stake in the country's future, the most notable take-away from these results should be that two-thirds of the population are 35 and younger. Unlike the developed north, this is 'no country for old men' (or women), but one that is endowed with a decidedly youthful population, brimming with energy that, if directed properly, has the potential to catapult our economy into sustained and higher growth rates than those we have experienced up to now. For this reason, this year's *Transformation Audit*, titled *The Youth Dividend*, hones in on the place of young people in the South African economy. Policy-making without taking this largest section of the population into consideration is bound to be futile.

We know that 70 per cent of the unemployed, economically active, working-age population are younger than 35, and 42 per cent of the 18–24 age cohort are neither in employment, nor in education or training. Not only is this a wasted opportunity of our demographic dividend, it also can become a liability to our social stability. This is recognised in the final version of the National Development Plan (NDP) of the National Planning Commission (NPC), which notes that this reality provides a 'window of opportunity', but in a context of low growth and unemployment it also has the makings of a 'perfect storm'.

The NDP, which projects its desired outcomes to 2030, is by its very nature a youth-oriented document and offers a well-considered assessment of the country's challenges, as well as integrated approaches to overcome them. Elsewhere in this publication NDP secretariat staff provide a more detailed analysis of the plan and how it proposes to enhance the ability of young people to take up a more active role in the economy and society at large. At this stage, it is important to underscore the utility of having a plan, regardless of shortcomings, that is the product of broad national consultation and offers a potential rallying point for more cohesive responses to South Africa's developmental challenges.

However, as also mentioned in relation to the draft version of the NDP in last year's *Transformation Audit*, it will stand and fall by its implementation. A deflated global economy certainly does not provide the ideal context for launching a development plan that has factored lofty growth expectations into its model for achieving national goals. Maybe there is a conversation to be had about a 'Plan B', which has the same objectives, but incorporates different growth scenarios. What happens if the economy continues to grow at a more modest rate of, say, 3.0 per cent, and how will we extract the optimum social returns from it?

The whims of the global economy aside, there are circumstances over which we should be able to exercise more control. In a recent address to the National Union of Metalworkers of South Africa (NUMSA), Reserve Bank Governor Gill Marcus cautioned the union and its fellow COSATU affiliates to weigh carefully the interests of their members against those of the country's longer-term objectives. Commenting on the sharp decline in third-quarter growth of just 1.2 per cent (revised down from 3.4 per cent) and predictions that fourth-quarter results may also be 'very low', she remarked that these declines have been self-inflicted by strike action during the third quarter, a period that included the Marikana massacre (Maswanganyi 2012). According to Marcus, the increasingly violent nature of these strikes has sown the seeds of 'great destruction'. In the same vein, she raised questions about the government's stated prioritisation of education, even though it has repeatedly failed to comply with court orders compelling it to deliver timeously on something as basic as school text books.

Many of these, and other, self-inflicted wounds cannot be attributed solely to one actor. Quite often, they are the product of the interplay between failed system and trust deficits. Closer analysis of the past six months' violence suggests complicity in different configurations. The actors include: employers who exploit workers; unions that seem to be more concerned about their hegemony than the interests of their workers; and a government that has failed to assert itself through the constitutional and legislative processes and procedures at its disposal. Ultimately, this social fragmentation, which manifests in a polarised winner-take-all mentality, is putting the proverbial brakes on our progress.

This complex interplay of social forces rubbishes claims that the ruling ANC is solely to blame for all the country's current problems. However, the ANC cannot be absolved for the role that its factionalism, sustained by a network of material patronage, has played in weakening the fragile cohesion that exists within our country. This, it must by now have observed, has come at the cost of its own credibility and ability to govern. Education offers a case in point. The text-book saga in Limpopo, the Eastern Cape Education Department's refusal to be called to order by the national government, and the creation of no-go areas in the Northern Cape, which prevented the Minister for Basic Education from intervening on behalf of children who were kept from attending school, suggests either a loss of influence or weak implementation capacity or both. The situations in Marikana and, to a lesser degree, the Winelands of the Western Cape, raise similar questions about the sustained strength of the tripartite alliance's combined influence in an even more direct way.

Only cynics would rub their hands with glee at the sight of the ANC's current internal turmoil. Its persuasive power may have declined, but it remains a powerful social force, which still – more than any other entity – has the ability to influence the developmental course of this country. During these challenging times, a functional and efficient ANC, serving South Africans, is as important to its supporters as it is to its detractors. Consequently, all South Africans, many of them young and not yet of voting age, have a vested interest in the best possible outcomes at the Mangaung conference. However, in coming years, as they become part of the voting public, it will be up to these young people to pass the verdict on whether the leadership elected and policy choices made at Mangaung represented the rebirth of a modern future-oriented party that speaks to their needs, or whether it marked an endorsement of the self-destructive ways that may ultimately cost Africa's oldest liberation movement its dominance.

Chapter summaries

This edition of the *Transformation Audit* makes young people its focal point; accordingly, most of the articles have been written or co-written by emerging young scholars and practitioners. The review articles are incisive, and the opinion articles highly provocative, which is in line with our objective to provide deeper insight, but also to get South Africans talking. As in previous years, the format consists of four chapters that look at broader macro-economic developments, the labour market, skills and education, and poverty and equality. Unlike the previous edition, we did not include a public opinion chapter, given that the 2012 SA Reconciliation Barometer Survey only includes those questions relating to socio-economic justice on a biennial basis. This chapter, therefore, will feature once again in the 2013 *Transformation Audit*.

Chapter 1: Economic governance

Ashraf Kariem and Sithembile Mbete of the NPC invoke Thandi, a fictional character used by the commission to personify the challenges that South African youth face at present. Thandi and her real-life peer demographic can look forward to only a marginal chance of entering the job market or earning a salary that is either regular or above the poverty line, and may only look forward to income stability when eligible to receive a state old-age pension. The national economy, they write, is caught in a low-growth, middle-income trap, characterised by a lack of competition, little workforce participation, low savings and a poor skills profile. This is despite the formidable economic prospects that come with a young population. Kariem and Mbete map out three possible developmental scenarios, finding that a diversified economy with improvements in investment, exports, skills and human capital, and reduced costs of basic goods and services and to business operations, is the most appropriate path.

In the opinion section of the chapter, Mzukisi Qobo and Eusebius McKaiser reflect on whether generational change will have any impact on the brand of South African politics that is practised in years to come.

Eusebius McKaiser's assessments of political discourse and the quality of young leadership in both the ANC and DA are pessimistic: McKaiser's diagnosis is that the ANC has employed 'fuzzy historicism' to gloss over corruption and weak governance, and has invoked legacy capital to bolster support at the polls – at the expense of appropriately managing citizen expectations and delivery. The DA, he suggests, has conversely adopted an 'overactive ahistoricism' that places party political ideals far above the conceptual and practical realities of achieving equality. McKaiser finds with both parties a lack of substantive difference, critical thought and open debate between young and older leaders. He proposes that far more intellectual energy be dedicated to building an effective bureaucracy over ideological squabbles, and finds more hope in emerging civil society organisations and leadership than in either party.

Qobo challenges the notion that South Africans will continue to wait patiently for economic transformation, and questions whether current leadership has the capacity to effect real change. Government, he argues, is plagued by maladministration and corruption, and despite the benefits to millions who have received new opportunities and better services, millions of others 'also feel aggrieved'. The author paints a picture of an ANC that is over-reliant on history, memory and struggle symbolism, and places little hope in the current crop of young leaders to change party culture. Will this translate into support for opposition parties? According to Qobo, the answer is not clear cut. Without broader, open debates on race, socio-economic cohesiveness and redress, he suggests, the official opposition, the DA, will be unable to capture the political support of most South Africans.

Chapter 2: The labour market

In the review section of this chapter, Neil Rankin, Gareth Roberts, Volker Schör and Debra Shepherd locate young South Africans at the periphery of the labour market. Many lack work experience or the social capital required to access jobs, and after the 2008 global financial crisis, labour market participation has dropped while the number of discouraged job-seekers has climbed. Rankin et al. find that most employed young South Africans work in the formal sector and, while new positions are scarce, tend to stay in their current jobs for longer. A lack of both savings and start-up capital presents an obstacle to moving into self-employment. Mobility between states of employment, from working in the informal sector to searching for a job and discouraged unemployment, have also dropped. The authors consider the merits and drawbacks of the youth wage subsidy, tabled by the government but opposed by COSATU, and the job-seekers grant proposed by the ANC at its 2012 policy conference. Both seem unlikely to be implemented in the short term, but in the interim, there is an urgent need for sensible policy interventions.

In the opinion section of this chapter, we ask whether entrepreneurship, as an alternative to formal employment, has been exploited sufficiently to get young people to work.

Jacqueline Kew points to Africa's impressive growth rates over the past decade, and particularly before the global recession, but cautions that in many cases – as in South Africa – this has not been sufficiently jobs-producing. With predominantly young and increasingly urbanising populations in many African countries, frustrated youth without jobs have the potential to become a source of social instability. In South Africa, the formal and public sectors have not created enough employment, and Kew's article focuses on the critical importance of promoting entrepreneurship, enterprising behaviour and aspirations of self-employment. A common diagnostic, by, among others, the National Youth Development Agency (NYDA), has been that start-up finance is inadequate and should be supplemented. However, Kew also underscores the importance of inserting financial literacy and entrepreneurial training earlier on in the school system, the critical need for improvements in maths and science education, and skills development that allows young entrepreneurs to excel beyond merely establishing necessity or survival businesses.

Erica Penfold also asks whether or not South Africa has gone far enough in promoting entrepreneurship and establishing the necessary supportive infrastructure, in a time when self-employment has become tainted by the concept of 'tenderpreneurship' and a host of negative connotations of corruption and political patronage. Traditional sources of employment are drying up, she writes, and educational achievement, regulatory barriers and a lack of skills and awareness all hamper potential future entrepreneurs.

Chapter 3: Skills and education

The overview article of this chapter by Peliwe Lolwana underscores the importance of completion of senior secondary education, which offers a gateway to opportunities for individuals, especially those coming from previously disadvantaged backgrounds. In her assessment, passing the national senior certification examination, or 'matric', has become the minimum requirement for a better future for many young people and their families, who are struggling. Lolwana contends that limited access to education as a platform for social mobility exacerbates existing levels of inequality. Apart from the actual quality of education, she contends that the practical difficulties in obtaining a second chance at passing the senior certificate exams further exacerbate the travesty faced by many young people in trying to improve their future prospects.

However, even when young South Africans pass successfully through the schooling system, their challenges do not end. The cost of tertiary education is often beyond the means of those many that have worked diligently but come from disadvantaged backgrounds. In the opinion section of this chapter we ask whether enough has been done to provide financial assistance to the students that need it most.

The opinion article by Pierre de Villiers looks at the public financing of higher education in South Africa over the past two decades, and also provides an overview of the National Student Financial Aid Scheme (NSFAS), since its introduction in the mid-1990s. De Villiers contends that even though racial obstacles were removed in terms of student access, economic woes replaced them and have become the primary cause of unequal access to higher education. The introduction of NSFAS was aimed at countering this. Although it has had growing pains, the scheme has rendered important results and, over time, the racial composition of the student population has changed markedly. For example, in 1995, 50.2 per cent of students in higher education were black, compared to the 37.5 per cent of white students. By 2008 black students represented 64.4 per cent of the total, and white students 22.3 per cent.

In the second opinion article, Gerald Wangenge-Ouma reflects on the funding challenges of achieving equity of access in South African higher education. He analyses the various factors that have impacted on access to education in the South African context and notes that access patterns in South African higher education reflect significant inter-group disparities. The higher education system is characterised by discrepancies in the participation rates of students from different population groups, with the African and the coloured sections being the worst affected. He delves into issues relating to funding, tuition fees and NSFAS, and notes that funding, which plays a key role in enhancing access, has not grown at levels that support the increase in demand for higher education by people from all walks of life. Consequently, many poor South Africans remain excluded from higher education. Given the challenges of funding higher education, as opposed to other national challenges, he highlights the need for the government, in collaboration with tertiary institutions, to develop credible alternative models.

Chapter 4: Poverty and inequality

Poverty is an inheritance that no one deserves, and no parent wishes on their children. However, in South Africa this is a sad reality for many households. In the overview article of this chapter, Katharine Hall describes the driving factors behind this phenomenon and considers ways to break the cycle.

Hall explains that our understanding is frequently clouded by datasets that are not entirely appropriate for a more nuanced perspective on child poverty. The high number of households in urban areas results in household-level statistics that, for example, mask patterns relating to child poverty. Many adults, who have migrated to urban areas for work, and are counted as single-headed households, may actually be supporting a family living in a rural area. Datasets that are more child-centred point out that poor children tend to live in households that are larger than the average household size, and are located primarily in rural areas. These areas are typified by high levels of access poverty, and low levels of service delivery, inferior infrastructure and few employment opportunities.

Ultimately, children rely on their adult caregivers and, under conditions where adults are either unemployed or working for low wages, intergenerational poverty proliferates. Poor economic and basic infrastructure (housing, water and sanitation, healthcare and education) further compounds the obstacles that communities have to overcome to escape this cycle. Hall contends that although government grants have had a significant impact on reducing the degree of child poverty, measures such as the smaller child support and the foster child grants, as well as the larger grants, may not be sufficient to break the cycle and lift households out of poverty.

In the opinion section of this chapter, it is asked how poor young people can be helped to escape reinforcing circumstances that confine them to poverty. In their article, Eric Atmore, Lauren van Niekerk and Michaela Ashley-Cooper examine access to ECD as a means to combat child poverty. While the NDP emphasises the importance of ECD, Atmore et al. argue that it does not adequately address the challenges of political will, systemic challenges and implementation challenges. They contend that the implementation and success of ECD measures are being hampered by self-inflicted obstacles.

Lauren Graham proposes the use of youth cash transfers. Given the negative perception that exists around the attitudes of youth, and the resultant suspicion that these allocations would be squandered, such a measure remains controversial in some policy circles. According to Graham, current interventions, such as the youth wage subsidy and the job-seeker's grant, have the potential to make some inroads, but start from the premise that in order to create jobs the government has to stimulate the supply of and demand for labour. This approach frequently overlooks the real structural constraints that impede the efforts of young people. Instead, she suggests that by boosting young people's financial assets, alongside the development of other assets, young people can overcome financial obstacles and have more control over their own destiny.

The Youth Dividend

With the rapid pace of change, we tend to forget that our actions do not only have immediate consequences, but may have repercussions far into the future. This is as true of the policy environment as it is of individuals. South Africa's challenges are both immediate and long term. Poverty dictates that thousands of South Africa's face existential choices about housing, nourishment and healthcare on a daily basis. We need urgent solutions for these. At the same time, the country needs to consider the investments that it makes today in the hope that they will render a better society years from now. One way in which we can do this is in physical infrastructure, but its ability to render dividends is constrained when compared to the returns that proper investment in our human resources, our people, can bring. For this reason, this year's publication has focused squarely on young South Africans, their challenges, their views, and how they can be equipped to make this a better country for all who live in it. We believe that this publication can make an important contribution to this debate.