



With careful design, the SRD grant can help recipients to search for jobs and build productive livelihoods.

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In the 2022 Medium Term Budget, the Special COVID-19 Social Relief of Distress (SRD) grant was extended for the fiscal year 2023-2024. In the same announcement, National Treasury emphasised their view that financing the grant would require additional revenue or a budgetary reprioritisation from existing spending. Much of the discussion on the merits of the SRD grant treats it as a competitor to employment-creation schemes in the budgetary allocation. However, our research shows that the SRD grant can both complement these schemes and support the goals of promoting job search, employment and business creation independently. **The evidence compiled in our research suggests that with careful design, the SRD grant can help to support the policy priority of getting young people into work.**

We have recently released a **comprehensive review** of evidence about how the SRD can be redesigned to best reduce (i) poverty and (ii) unemployment. On the second of these goals, the evidence shows that both cash grants and job-search assistance programmes can increase the amount of time people spend looking for jobs, how effectively they search for a job and/or their likelihood of finding employment.

This article argues that the South African government should combine the SRD-replacement grant with job search assistance programmes. It looks at how unconditional cash grants lead to increased job search by supporting individuals with the resources to overcome the high job search costs present in South Africa. We then present ten job-search assistance programmes that may work to enhance this increased labour market activity by assisting individuals to search for work effectively and to communicate their skills to firms. This increased availability of suitable applicants and information to select the right candidates is likely to complement employment creation schemes and increase firm's willingness to take on new employees. Our ten programs were selected because of their evidence-base, cost-effectiveness and scope for online-implementation on the National Youth Employment Platform, sayouth.mobi.

How do cash grants and job search assistance programmes support labour market activity?

Cash grants

We reviewed studies from a number of low- and middle-income countries (LMICs) (for a summary see table A2.1 in our review paper) and consistently found that **[cash grant programmes do not discourage recipients from working or searching for jobs.](#)**

In fact, **[cash grants can increase job-search.](#)** Simply receiving a cash grant can enable recipients of the grant, and other members of their household, to increase their search for jobs even without placing conditions upon its receipt (e.g. minimum job-search requirements). Firstly, this is because cash grants can be used to cover the costs of job search. In South Africa, poor jobseekers face **[high costs](#)** when looking for a job (see also Table 1 in our review paper). Earlier this year, we surveyed jobseekers in Johannesburg about their job-search expenses in the last week and found they had spent an average of R82.50 on airtime and data, R57.34 on transport and R22.91 at internet cafes. While increased job-

search cannot address larger structural problems in the labour market, such as South Africa’s mismatch between under-demand and over-supply of unskilled labour, research suggests that there are returns to [jobseekers increasing the number of applications they submit](#).

Cash grants, especially lump-sum transfers or basic income, can also help recipients to make investments that ultimately [increase business revenues and profits](#). In rural communities, cash grants can help smallholders to increase their [agricultural profits](#).

Studies from South African grants also do not find that cash grants discourage labour market activity (for a summary see table A2.2 in our review paper). In fact, [pension](#) and [child support grants](#) may encourage job search particularly for [young, unmarried women](#) and [women who live in poorer households](#). The [one existing study](#) that directly examines the labour market effects of the SRD grant finds that the transfer increased the probability that a recipient is active in the labour market by 25 percentage points.

Job search assistance programmes

Job search assistance covers a wide range of programmes that help people search for jobs, such as providing information about jobs, subsidies to cover search costs, job-search training or matching platforms like LinkedIn. Job search assistance programmes can **reduce unemployment by helping the labour market to function better**. As in South Africa, many countries face persistent unemployment, especially among youth. This is partially because labour markets often don’t work optimally: jobseekers face barriers in looking for jobs and employers struggle to identify the right workers. Job search assistance programmes can reduce these “search-frictions”, potentially improving employment and earnings for workers and outcomes for firms.

In developing countries, job search assistance programmes have been shown to have [moderate effects on intermediary outcomes such as job search, interviews and job offers](#). Some studies also find that job search assistance programmes have [modest effects on employment and earnings](#) in developing countries. There is also some evidence that job search assistance programmes may [improve the quality of employment](#), by helping workers move from the informal to the formal sector.

Which job search assistance programmes could work in South Africa?

The following job search assistance programmes are supported by South African evidence and could be implemented on the National Youth Employment Platform, [sayouth.mobi](#)¹.

¹ [sayouth.mobi](#), offers a useful policy lever for encouraging effective job search for active jobseekers. It is a jobseeker database created and managed by the NGO Harambee. Delivering job-search assistance programmes through [sayouth.mobi](#) could be an effective way to reduce costs, administrative burden and allow the government to reach a greater number of jobseekers.

1. *Certification of work-relevant skills*

- a. Formal certification of communication and numeracy skills was found to substantially increase job search, employment and earnings in both [South Africa](#) (and [Uganda](#)). Participants completed tests and received certificates explaining their results that they were able to share with potential employers.

2. *Reference letters*

- a. A scheme that encouraged young jobseekers to include a reference letter with their job applications and provided them with a simple template letter substantially increased employer call-backs, particularly for women, in [South Africa](#).

3. *Training on online platform use*

- a. Training jobseekers on how to join and use LinkedIn increased employment in [South Africa](#) for at least 12 months because workers gained better information about employers and were better able to communicate their skills.

4. *Job-search action plans*

- a. Encouraging youth to create an action plan for their job search increased job offers and employment in [South Africa](#). Jobseekers did not spend more time searching but searched more efficiently.

The following job search assistance programmes are supported by international evidence and could be implemented on sayouth.mobi:

5. *Labour market information* Providing labour market information is low-cost and evidence shows it can help jobseekers to improve their job-search strategies. Providing information about:

- a. new job opportunities increased training and employment in [India](#),
- b. job vacancies increased employment in the very short-term in [Peru](#)
- c. local unemployment rates and the benefits of job-search increased employment and earnings for disadvantaged jobseekers in [Germany](#)
- d. alternative occupations increased the types of jobs considered by jobseekers in [Scotland](#) and increased interviews.

6. *Personalised information about suitability for job opportunities*

- a. In [Iraq](#), the addition of personalised information to an online job platform led to better self-targeting amongst (particularly new) jobseekers. For each job advert, the portal gave jobseekers information about their suitability.

The following job search assistance programmes are (weakly) supported by international evidence and could be implemented off-platform:

7. *Providing airtime*

- a. As we have seen jobseekers face high costs of job search. Providing airtime to jobseekers who are active on [sayouth.mobi](#) could increase job search.

8. *Job search workshops*

- a. Job search workshops are another possible intervention. In [Ethiopia](#), job search workshops that helped participants to showcase their skills in CVs and cover letters, improved the quality of employment, but not employment itself.

9. *Job search clubs*

- a. Peer group job-search clubs may also improve outcomes not only because jobseekers can support each other with the job search process but because these clubs may decrease feelings of isolation, depression and low self-esteem, which are exacerbated by unemployment. In [France](#), job search clubs with participants' peers were more effective than one-on-one sessions with caseworkers.

10. *Mental health services*

- a. Levels of [depression increase throughout periods of unemployment and psychological research suggests that depression may reduce job search effort](#). Therefore, mental health services for jobseekers could be valuable.

Should the grant be conditional on job search?

Whilst [many developed countries](#) make grant receipt conditional on job search, conditions are unlikely to help people find jobs in South Africa. South Africa has a large number of unemployed people who are actively searching for work and struggling to find jobs. There are few gains to be had from encouraging unemployed individuals who are not already searching for work to start looking. Job-search programmes targeted at unemployed people who are already actively looking for jobs are more likely to succeed, because this group of people are more likely to find work despite the scarcity of jobs. [Additionally, conditions are difficult and expensive to set, monitor and implement.](#)

Labelling the grant as a “jobseekers grant” may be just as effective. Labelling the grant as a “jobseekers grant” can encourage recipients to use the grant for job search without the need for stringent conditions that can reduce take-up amongst the poorest. Related studies in [Kenya](#) and [Morocco](#) found that a labelled grant was as effective as a conditional grant.

There are two key caveats about combining job search assistance programmes and cash transfers at a national scale.

1. The programmes above have not been tested at a national level. It is possible that any positive effects of these programmes on employment [conceal a displacement effect](#): programme participants get jobs at the expense of nonparticipants. There is very limited evidence about the effects of implementing job search assistance programmes at a national level. If job search assistance programmes were rolled out nationally to all active jobseekers, it is quite likely that there will only be a small or insignificant net benefit to employment because of displacement. This is particularly true in South Africa, given the very limited supply of jobs.
2. There is very little research about the effects of combining cash grants and job search assistance services and no direct evidence from South Africa. These programmes would need to be rigorously evaluated and phased in over time, based on the strength of their evidence-base and the costs associated with their implementation.