

From classroom to boardroom: How education can drive South Africa's economic growth

By [Hendrik Mropodi](#), issued by [Mipark Education](#)

21 Aug 2023

We tell our youth that to succeed in a precarious economic climate they must be proactive, identify opportunities, initiate their own ideas. But without a secure foundation to give them a decent chance - both in the skills they'll need to progress and the supportive context - these are just empty words.



South Africa recently commemorated another Youth Day – a historic rallying call for the young people of our country to embrace their power and coordinate actions to help them realise their full potential. However, with [youth unemployment at a staggering 46.5%](#), poverty at 63%, and [unprecedented levels of power cuts tangibly hindering the economy's potential for growth](#), the environment in which our youth find themselves poses a constant threat to the optimism required to inspire such action.

Our young people need help – the economy, too, needs help. But neither can flourish without strengthening the other.

The way of the young

Africa is a youth-rich continent, as is South Africa, but with a youth unemployment rate that is the [highest in sub-Saharan Africa](#), this wealth is laid to waste. Despite this fact – or, perhaps because of it – one of the dominant refrains our youth hear today is of the value of entrepreneurship, of forging your own path and taking control of your time, your ability, your life. “Do your own thing,” we tell them. “Vuka uzenzele – get up and do it for yourself.”

In a business-friendly environment with an enabling economy, this would be sound advice. But in South Africa, there's little to no funding available for novice entrepreneurs, and even fewer opportunities to gain experience in the workplace and then branch out into the business space. [Our system is simply not set up to help young people to thrive economically – just 15% of business development services](#) available in the country have a focus on the youth population.

By not developing the people who will found and manage the country's SMEs, we are handicapping our own growth. [98.5% of all businesses in South Africa are SMEs, employing more than half of the national workforce and contributing almost](#)

[40% of our total GDP](#). And this is in a country where [the majority of young entrepreneurs do not even have a matric](#).

Imagine, with the right formal education and a greater level of financial literacy, what our entrepreneurs could do.

Born and not made?

Of the entrepreneurial giants who dominate our screens – the Gateses, the Jobses, the Zuckerbergs and the Bezos – we are often told that they are 'born and not made'. In truth, it takes not only determination and savvy to make a business work, but also a mastery of key skills. Business management, market research, accounting, and the ability to make economic projections are incredibly useful – if not critical – to any business out there. However, much of the time, [simply having sufficient managerial skills – such as finance, human resources, and marketing skills – vastly boosts an entrepreneur's chances of succeeding](#).

The good news? Every one of these skills can be taught.

Growth requires knowledge – and a strong foundation

Before anyone kicks off their enterprise, [they need to have a good understanding of the basics of a business](#). [Managing money by budgeting and being able to prepare and analyse one's own financial statements](#) are essential skills if entrepreneurs want each cent they invest to have maximum impact. [Knowing which bank will be right for a particular business](#) is another simple step that risks being overlooked by young entrepreneurs.

Additionally, [all budding entrepreneurs should have a good idea of the legal framework that affects them](#). This gives them a better understanding of what is and what is not allowed regarding core business components such as business tax, employee contracts, and advertising parameters. Infringements could cause a business to go bust before it's even begun.

Learning these skills teaches entrepreneurs even more than what's on the surface; [it engenders grit and tenacity](#), [introducing them to the need to adapt](#), [embedding a growth mindset that helps them remain determined to meet their goals](#). Such psychological strengths are [essential to an entrepreneur's success](#). They help people – any people – navigate complex economic systems – and volatility – with greater ease.

Beyond education and entrepreneurship

Even outside of entrepreneurship, business-related abilities such as leadership, decision making, communication and the ability to build and sustain relationships are all relevant for any young entrants heading into the field of work.

We need to be giving our youth clear, actionable direction and encouraging them to study appropriately for the futures they want. The options abound, from full-blown commerce degrees to shorter programmes focusing on finance or marketing. The number of online options is making it easier than ever to access education, with fully online or hybrid options with reputable institutions. And more can and must be done to help young people finance their educational goals – business certainly has a role to play here in funding studies for young, prospective or promising employees.

And while we are at it, let's not forget that – according to our country's definition of youth – South Africa itself is still young. Let's empower it, too.

ABOUT THE AUTHOR

Hendrik Mbroodi is a lecturer at the Milpark School of Commerce.

▪ **Empowering South Africa: Voting and education in a shifting landscape** 4 Mar 2024

▪ **Decoding the 2024 Budget Speech: Key takeaways and potential implications** 1 Mar 2024

▪ **From being a clerk to a top 10 finalist in *The Insurance Apprentice 2023*** 28 Feb 2024

▪ **Johnathan Dillon appointed as the new head of the School of Professional Accounting** 9 Feb 2024

▪ **Beyond the Matric marks: A path into higher education** 7 Feb 2024

Milpark Education



Milpark Education was established in 1997, becoming one of the first private providers of higher management education in South Africa. Milpark services the higher education needs of various corporate entities as well as public students, through the qualification offerings of four schools: the School of Professional Accounting (incorporating CA Connect), the Business School; the School of Commerce; and the School of Financial Services. It currently offers 23 accredited programmes in higher education.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [Facebook](#) | [RSS Feed](#)

For more, visit: <https://www.bizcommunity.com>