

The real issue behind youth unemployment in SA

By [Antoinette Pombo](#)

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Earlier this year, *Business Day* put the spotlight on the gravity of South Africa's unemployment problem. It's worse than it seems...

You see, South Africa's unemployment rate is about the same as Greece's, at around 25%. And, if you cast your mind back a little, you'll remember Greece ran the risk of being expelled from the EU because of its financial woes.

The truth is, Greece clocked this 25% unemployment rate after six long years of recession. South Africa's clocking that same rate following five years of economic growth. "But Europe's in a completely different league," you may be thinking.

So let's look a bit closer to home, then...

The International Labour Organisation (ILO) published its World Employment and Social Outlook report in January this year. In this report, youth unemployment (15 to 24 year olds) for sub-Saharan Africa is in the region of 11.8%. If you multiply that by four, you still won't get to South Africa's youth unemployment figure of 52%.

But it gets worse than this!

In 2013, more than 800,000 jobs in South Africa couldn't be filled according to Enrico Jacobs, Director at the Belgium Campus. The majority of these occupations were in the medical, accounting, engineering and IT fields.



Image via [123RF](#)

Clearly, the REAL problem is that we have a serious skills gap in South Africa. YDx Trax research shows an increasing dependence among the youth of South Africa because of this.

SA's youth are unsure about whether SA will be a better place for them in the future - with only one in three young adults (19 to 24 year olds) saying they're positive about their future in South Africa. 87% of teens (13 to 18 year olds) are worried about SA's economic performance; and 1 in 2 (51%) agree with the statement that they would like to leave SA (for a better job/opportunity/education overseas).

So where to from here?

Six steps South African businesses AND government can take to help curb youth unemployment

Let's face it, there are no winners when you consider unemployment. Businesses stagnate, individuals are left destitute and the country struggles. This massive skills shortage problem will only be fixed if EVERYONE rolls up their sleeves and does something about it.

You can implement all the BEE policies, bursaries and graduate programmes you want, and even lower the education standard to fill your universities "more equitably" at least for the first semester...

But until we have real solutions, we'll keep "walking the plank". And one of the fastest ways to uplift a country is to boost its entrepreneurial ability.

Here are six effective steps to help curb unemployment, reported by Forbes:

1. Start early with outreach entrepreneurial programmes aimed at young people while they are still in school. Foster hubs, incubators, accelerators and networks to uplift the best talent.
2. Celebrate success stories by highlighting entrepreneurial achievements. This will encourage other young entrepreneurs to try something similar in their own communities. Soon, success will catch on.
3. Government, simplify tax laws for young entrepreneurs. Provide support and guidance to young entrepreneurs in the form of workshops as well as practical policy frameworks.
4. Furthermore, develop tax incentives to encourage youth job creation across industries and sectors.
5. Financial institutions: Develop new loan product offerings for young entrepreneurs.
6. Sponsor start-up growth with low-cost funding for small businesses that show potential.

Entrepreneurship and innovation are the fastest ways to uplift a country. With so many young, energetic and adventurous minds sitting idling in South Africa, why not steer and ignite a passion in young people for success!

Go to www.ydx.co.za for more information about the YDx Trax research studies or email andrea.kraushaar@ydx.co.za.

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