

Deal with structural unemployment or forget winning jobs war – economist

In the backdrop of a National Youth Day commemoration, statistics revealed that the unemployment rate among young people between 15-34 years of age has soared to 45.5% from 32.9% in the first quarter of 2024.

According to Statistics SA, youth with some form of experience were much quicker in transitioning from inactivity into employment between quarters, which was between the rates of 12.3% and 7.4%.

Sharing his hardships of being unemployed and how he navigated life, Ntuthuko Mabaso, a Mangosuthu University of Technology (MUT), Human Resources Management Degree graduate, said that after completing his studies he faced the harsh reality of a job market with a staggering 45.5% unemployment rate for the youth.

“To cope, I adopted several strategies to keep myself productive and marketable. First, I continued expanding my knowledge and skills through postgraduate courses, online courses and workshops.

“Secondly, I networked extensively by attending industry events and joining professional organisations.

“Lastly, I took on freelance projects and volunteered in my community to gain experience and build a professional network. To add on, radio also played a huge role in expanding my knowledge – I volunteered for years at community radio stations.”

Mabaso said the turning point in his journey came when he was introduced to an entrepreneurship programme offered by a non-profit organisation, iNtuthuko Dreamers Foundation. He added that the Mangosuthu University of Technology also introduced EDHE (Entrepreneurship Development in Higher Education), which honed his entrepreneurship skills.

He said the programme provided him with the necessary resources, mentorship, and networking opportunities to develop his business ideas into a viable venture.

In 2020, Mabaso said he started his own company, Savita Private Tutoring, but he believed he turned the corner in the following year when he ventured into poultry farming.

Reacting to the news, independent economist, Professor Bonke Dumisa, said unless the government and businesses deal with the structural unemployment problem in South Africa, unemployment will soon reach 60%.

Dumisa said he was disturbed by parties who were campaigning telling people their parties were going to create jobs if voted into power, which he said were “blue lies”.

On what needed to be done, Dumisa said the problem should have long been addressed by the National Economic Development and Labour Council where the labour unions, government and business meet.

The uMlazi-born economist said the forum has failed to address the skills shortage in the country by linking education with businesses.

“I think the problem is with Nedlac. The forum had not done its work. The education system is not linked to the economy which is why the graduates the country is producing are not finding jobs. The skills they have are not needed by the economy.”

During election campaigns, many parties promised to introduce graduate grants of up to R4 000 a month. However, economists say that would not help since those graduates may not be employable at all because the market does not need their skills.

Dumisa also warned that people are mostly looking at working for the government, and the reality was that the government would not be able to absorb everyone.

Source: Nkosingiphile Dladla - <https://iolnewsletters.co.za/dailynews/news/deal-with-structural-unemployment-or-forget-winning-jobs-war-economist-8231e5ad-0f7e-447d-a63e-1d5e88003e19>

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