CONFERENCE:
ACCELERATING INCLUSIVE YOUTH EMPLOYMENT
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OPENING REMARKS

Many of us were participants at the 2014 conference on measures required to speed up the transition of young people from school into meaningful economic activity. We agreed then, that this activity by Yellowwoods through Harambee, and others such as Vulindlel'eJozi and Tshepo 500K constitute an important form of social mini-compacting.

Abstracting from the specific themes of that conference about the lived experiences of young people, we concluded then that both demand-side and supply-side measures are required urgently to start making a dent on youth unemployment. One such intervention, which is the focus of the Harambee initiative, is the programme to address the mismatch between young people with secondary school education and a labour market that yearns for work-ready employees.

We meet again two years later to assess work that has been done; and to share ideas on how initiatives such as these can be scaled up. We are all familiar with the social profile of youth and the urgency with which we need to address their marginalisation, which constitutes an existential challenge not only to social cohesion; but also to the very legitimacy and sustenance of our polity.

One of the recent datasets which flashed a macrosocial red alert for me was Statistics SA's recent publication on the social profile of youth. A critical takeout from the data was the observation, in a workshop that the Mapungubwe Institute held with StatsSA, that our society may in fact be missing the demographic dividend. As we all know, Sub-Saharan Africa is in that sweet-spot, where the labour force grows faster than the section of the population dependent on it. In the abstract, this is meant to free up resources for investment in economic development and social welfare. But a demographic dividend is a temporary phenomenon – it is a transient state – and as South Africa enters the twilight of the period, youth marginalisation remains as stubborn as ever. And so, almost in a daze, our society may in fact be sleep-walking through its youth bulge. Needless to say, the macrosocial implications of these are enormous.

There is a variety of interventions required to address this challenge, and time is not on our side. These range from economic growth, to quality education and skilling, and supply-side measures such as the ones on the agenda of this conference. The interventions have to encompass both macro- and micro-dimensions; they should be national and local in scale; and the conceptualisation should be both generic and specific.

We are all certainly familiar with the multitude of initiatives at the public policy level to address these issues. The National Development Plan, the National Youth Accord, the programmes of the NYDA, the youth employment subsidy and the township economy initiatives in Gauteng and elsewhere – all these are commendable interventions. Recently, the joint team of business, labour and government initiated the R1bn fund further to support small and micro-enterprises; and it has also been agreed that, at 330-thousand a year, South Africa can absorb some 1-million interns over three years.

And so the train of practical work is chugging along. Yet the problem remains as huge as when we started; the dent we are making is barely palpable.

The challenge before us, over the next two days, is how to scale up these interventions, and what new solutions can be crafted to massify the absorption and retention of young, first-time work-seekers in the formal economy. It is about how to grow the work-ready pool of young people for both the public and private sectors.

Just to reflect on the matter of scale: We were told at a recent conference in China that, when Japan climbed up the manufacturing sophistication ladder, it released some 10-million jobs that were offshored to other parts of Asia. When the same happened in South Korea, about 2-million jobs were released. Now, with China following the same trajectory, it is expected that about 85-million jobs will be offshored; and Rwanda, Ethiopia and Kenya have started taking advantage of this opportunity. Maybe South Africa is too advanced for this; maybe its reservation wage is too high; or maybe it lacks the creativity, through various mechanisms, to absorb some of these manufacturing opportunities.

The fact of the matter, though, is that these opportunities range from basic manufacturing to opportunities for tech-savvy young people that the NASREC and other ICT IDZs can take advantage of.

Since the 2014 conference, knowledge exchange activities have taken place, with a focus on existing initiatives, institutions and resources – across the public, private and social sectors. Concrete access barriers have been isolated, and behavioural and competency gaps have been identified for practical action. Issues pertaining to financial means and social networks have also come up. These and many other challenges require the abiding spirit of compacting among all social partners, through deliberate planning, provision of resources, as well as the will and intent to scale up all the initiatives. Needless to say, it also requires that all of us, especially our public institutions, recoil from actions of hubris, that (as in Greek mythology) can only result in nemesis.

If two years ago, we were only starting to cross the river through feeling the stones, now we must focus on practical and scalable solutions; and what each one of us can do to make an impact.

That will be one way in which we shall turn the bane of a youth bulge into a demographic dividend. If any rationale were required, this is the reason why the Mapungubwe Institute has chosen to be a partner in this initiative.

Thank You.