

# Government can tackle high youth unemployment

To overcome the youth unemployment problem, we need a sound, sustainable, and a rapidly growing and job-absorbing economy.

Our economy must be reformed to deal with youth unemployment. Young people themselves must devise and propagate industrial and technological innovation policies that speak to their needs.

Youth employment should be the first priority of any government.

To achieve the objectives of youth employment we have to align our legal system and regulatory requirements to accommodate the youth aspirations.

This means the setting up of youth proactive employment policies must feature highly in government strategy.

Youth employment can be achieved by growing the economy, expanding demand, a stable fiscal and monetary policy, and the promotion of

targeted skills training.

SA's youth unemployment statistics are staggering (38.2% in the 15 to 34 years bracket).

This level of joblessness is a national security risk. The huge numbers are a recipe for all forms of destabilisation, lawlessness and constant anarchy.

All unstable and war-torn countries have one common denominator, youth unemployment. Unemployment creates hopelessness.

The high levels of youth unemployment explain Africa's civil wars. Sub-Sahara's youth unemployment stands at 60% for those below 25 years.

It is estimated that in 12 years the continent would have a labour force of 600 million, growing by 45% from 522 million, according to the World Bank. This is a serious problem.

This is bleak if you consider that most of Africa's working population participate in the informal sector.



**In My View**

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These levels of unemployment are the root cause of many social ills, such as mental breakdown, suicide, crime, drugs and many, many other problems.

The responsibility to create youth employment rests with governments. Unemployment became a stand-alone economic discipline after the ravaging Great Depression of 1928-1933.

Before that unemployment was dismissed as mere laziness.

However, scholars all over the world decided to put employment creation at the centre of government policy.

Governments partner with the private sector in the mission of creating employment, by encouraging and incentivising private investors.

The government's direct employment is limited to employing through the public sector and in the parastatals.

With a growing population, its ability is restricted.

Unemployment is caused by numerous factors, including structural changes, cyclical changes, growing population, skills mismatch and access to relevant education.

The mechanisation of production plays a big role in reducing employees.

Formal sector employment lags behind and is outpaced by graduate output.

As South Africans, if we want to confront our problems, we must take note of Centre for Development and Enterprise executive director Ann Bernstein's advice that we cannot "live in the parallel universes of ANC populism and economic reality. The former is marked by fiscal incontinence – public sector wages, endless bailouts for SOEs, etc. "

Our priorities should be fiscal discipline, growth-friendly policy certainty and the implementation of confidence-building reforms that would enable the private sector to do more of what the private sector does: increase economic activity, employ more people and pay more taxes.

We need to:

- Curb waste with less public spending;
- Adopt new policies to enable economic growth;
- Adopt meaningful youth public works projects;

- Abandon the current and useless internship programmes;
- Discourage state organs from using capital-intensive methods to produce goods and services;
- Employ young and properly trained youth to secure and protect state buildings (municipalities and public amenities);
- The police force must recruit young people every year for a minimum of six months basic training, as was the case before;
- Make the defence force an attractive career for young people;
- Create cadet programmes for people to take part in all sectors of the economy;
- Target deserving young people to be industrialists.

They must be mentored, and supported financially by the government and the private sector.

The government can set up suppliers who can manufac-

ture or produce all that the government consumes.

With the R800bn public procurement budget, this government can easily keep every young person occupied with a mountain of work.

That would fulfil what others are calling inward-oriented industrialisation.

In so doing the government will drop the crazy public sector investment in industries that tend to favour capital-intensive projects.

The government can also assist those who want to produce for export, by providing fiscal incentives.

Copy the right thing from the Chinese.

Their government regards persistently the development of the tertiary industry as a major orientation for the expansion of employment.

Another area that has low barriers of entry for the youth is in development of communi-

ty services, catering, commercial and retail trade, tourism, entertainment, etc.

Such activities do not seek too much funding. The state could make a quick impression cost effectively.

Small loans and interest subsidies to support the unemployed youth to start up their own businesses could go a long way to reduce the misery the youth is facing daily.

SMEs will be useful for practical development and to prepare the youth to be managers of the future.

If we can start with these steps we will be able to create employment for sections of our youth, skilled or unskilled, and those with primary, secondary and tertiary education.

● *This is shortened version of a speech Khusta Jack gave to the Absa BMF Nelson Mandela University Student Chapter on youth unemployment and how to close the gap.*