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## **SOME THOUGHTS ABOUT YOUTH UNEMPLOYMENT ON WORKERS' DAY**

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Workers' Day provides us with an opportunity to assess the nation's labour relations and the degree to which our economy is succeeding in its responsibility to provide jobs for all our people - and particularly for our youth. We are confronted with the reality that, according to a recently released Statistics SA report, *The Social Profile of the Youth, 2009-2014*, approximately three-quarters (3.4 million) of the more than five million unemployed South Africans in 2014 were youth (aged 15–34 years). This alarming statistic requires an honest introspection into South Africa's current *modus operandi* in the labour arena and calls on us to confront the failures that are crippling our ability to create an inclusive and prosperous South Africa - particularly for our young people. There are four obstacles to solving the youth unemployment crisis.

The first of these is the deplorable state of our education system. While our GDP expenditure on education compares favourably with most developed and developing nations (at 6% in 2015), we are failing to produce the quality education needed to produce a labour force that is required for a competitive economy. The World Economic Forum's (WEF) 2015-16 *Global Competitiveness Report* ranked us at 120 out of 140 in the quality of education category. We are ranked 140 (last) in the quality of math and science education. This creates a situation where we are simply not producing school leavers with the skillset required for a modern economy. In particular, it also leaves us with a shortage of advanced skills for sectors requiring a solid mathematics and science background. We need an education system that prepares our young people to meet the urgent demands of our economy - particularly in the areas of quality service, with a strong emphasis on delivery and innovation.

The second obstacle to employment needing our urgent attention is the state of labour relations in our country. In the labour-employer relations category, the WEF's 2015-16 *Global Competitiveness Index* ranked South Africa 140 out of the 140 countries that were assessed. The Constitution protects the rights of workers to join trade unions and to be represented by them at the bargaining table. However, most of our unions are led by people with socialist ideologies who do not accept the right of most employers to exist and who look forward to the abolition of the free market system, which created the employment in the first place. The problem with a socialist approach to labour relations lies in its rejection of the need to make profits for the benefit of all, and that it characterises the free market system as the enslavement of the worker for the enrichment of the top executives.

This then is seen as the justification for the constant disruption of production in order to ensure that workers are paid a "decent wage". What seems to be ignored is that in order for the worker to be paid, the employer must make a profit. Excessive wage demands disrupt labour relations and often result in retrenchments to enable employers to pay fewer workers higher wages - since trying to pay higher wages to all the workers involved would disrupt the employer's ability to stay in business. The young workers are the ones who suffer



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the most from this situation, as they are often the first to be laid off when companies are forced to retrench.

The third obstacle to employment relates to labour law in South Africa. Our labour laws, which seem to favor the ideology of the aforementioned group of trade unions, are a primary concern for businesses operating in South Africa, as well as for prospective investors. This also discourages the employment of young people who are entering the job market for the first time. Often times, the recent graduate's tertiary degree is disregarded in the selection process due to the requirement for a certain amount of experience. Due to the red tape surrounding hiring and firing practices (ranked 138/140 by WEF), companies are wary of appointing first time job-seekers, particularly those without experience on their CVs. This leaves our youth with very few options as they need work experience to get a job, but no one will give them a chance to obtain that work experience.

The fourth obstacle is our inability to achieve sufficient levels of economic growth in recent years. Treasury has forecast an economic growth of only 0.9% for the year 2016/2017. This projection tells us that for every 30 young people who are looking for a place at the employment dining table, there will be space for only 10. This inevitably leads to frustration which can manifest in two scenarios. The first is the emergence of an apathetic generation, which sees no point in trying to push against the obstacles. The second, which seems to be more prevalent today, is the rise of radicalism that seeks to tear down the "system" in order to make room for the marginalised masses. The problem is, however, that after the revolution has torn down the system, there will be even fewer places for young people at the employment dining table. This will lead to the further marginalisation of the youth, with all the attendant dangers of increased racism, tribalism and xenophobia. The requirement is to ensure that there will be enough places at the employment table - but this cannot be achieved without sustained levels of high economic growth.

These four issues require honest analysis and a collective effort from Government, Business and Labour in order to chart a sustainable approach to education, labour relations, labour market regulation and economic growth. We have examples in other countries - including some of our fellow African nations - who have learnt the need for cooperation between these three pillars of the economy to ensure economic growth and job creation. We can profit from their lessons without making their mistakes. Moreover, it will require the willpower of the youth themselves. As a pioneer generation of a developing South Africa, we need to make our own contribution to the growth of the economy to ensure that future generations will have better prospects than us. We are willing to work - but for us - and for the country - we will need jobs.

**This article was written by an intern of the FW de Klerk Foundation and represents the views of the author. It does not necessarily represent the views of the FW de Klerk Foundation, its staff or its Board Members. The FW de Klerk Foundation is, however, committed to a broad public dialogue aimed at the promotion and protection of the values, rights and principles enshrined in the Constitution.**