

Why we need a 'war room' to beat the battle against youth unemployment

The youth unemployment rate is increasing, with efforts to address this national crisis failing. South Africa needs to tackle this growing social and economic problem with the urgency it requires with co-ordinated efforts, accurate resource allocation and strategic planning. In short, we need to go to battle against this crisis of growing unemployment, starting with forming a "war room" that provides us with accurate information and mapping, says Allan Gray Orbis Foundation CEO Yogavelli Nambiar. At the helm of an organisation which has enabled graduates to create 54 high impact businesses, two of which are valued at over R1-billion each, and a further 30 to create award-winning side hustles, Nambiar is well placed to see the impact employment can have in uplifting youth and their communities. The 54 businesses have created more than 680 jobs.



© rawpixel – [123RF.com](https://www.123RF.com)

An uncoordinated approach

The most recent statistics place the South African's unemployment rate at an 11-year high of 29%. Joblessness is concentrated among youth aged 15 to 25, who make up over two thirds of the country's unemployed. Of the over 10 million people in this age group, 32% were not employed or engaged in studying. Of the 20 million people aged 15 to 34, 40% were not employed or engaged in studying and training. However, research has indicated that the low employment levels are not due to a lack of effort by a range of stakeholders. It is instead the lack of co-ordination between these stakeholders that is yielding limited results. Despite there being over 340 organisations providing entrepreneurial support in the country, the entrepreneurial participation rate is still 40% lower than in comparable countries.

“As a country, our approach to unemployment is uncoordinated, ad hoc and not based on sectoral intelligence and data. We need a ‘war room’, a resource space that enables us to understand what unemployment looks like more comprehensively with in-depth information that contextualises challenges being faced. A mapping of services currently being provided with data on where the gaps and duplications may lie and a scoping of the opportunities within different

sectors would be beneficial to help focus our interventions,” says Nambiar.

A time for disruption

Added to this lack of co-ordinated efforts, there are other stumbling blocks facing the country: An education system that displays poor outcomes; layers of burdensome red tape and a lack of sustained economic growth.

“Education is one of the few sectors that hasn’t been disrupted for hundreds of years. We’re lacking an education system that enables young people to think critically, innovatively and to build the entrepreneurial competencies required to respond to a fast-moving, volatile and uncertain future,” Nambiar says.

Educational reform goes together with the creation of an enabling environment for Small and Medium Enterprises (SMEs), which are key drivers of economic growth, Nambiar says. Only 15% of South African start-ups are successful, despite South Africa having the 2nd highest ranking on the continent in terms of entrepreneurial environment according to the 2018 Global Entrepreneurship Index.

Added to this, The SME Growth Index reported a few years ago that local entrepreneurs described South Africa as a “hostile environment” for their business growth, Nambiar stresses. Small businesses report numerous obstacles in obtaining funding, accessing markets and responding to competition, alongside red tape and restrictive government regulations. Together with this, is an insufficient visibility of relatable role models and an inhibiting rejection of failure which leaves the youth with a high aversion to risk and exploration.

Harnessing the transformative power of entrepreneurship

But there is a way to fix it and start reversing the low employment among the youth, says Nambiar: Through upskilling the youth with an entrepreneurial mindset.

The Foundation commissioned a survey amongst over 3,600 individuals, to uncover the DNA of successful entrepreneurs. According to the findings, an entrepreneurial mindset consists of characteristics such as confidence, diligence, innovation, leadership, motives, resilience and self-control. This creates a clear picture of an entrepreneurial individual, Nambiar explains: Someone who believes in him/herself so strongly that failing is not an option. “However, should it happen; this person will keep going. These findings reveal a common thread – young potential entrepreneurs, men and women alike are confident and resilient, two fundamental characteristics when embarking on an entrepreneurial journey,” she says. The research indicated that the entrepreneurial mindset is a cultural artefact, bred by our social and educational systems – in short, people are made, not born, into entrepreneurs. Based on this belief that the entrepreneurial mindset can be taught, it is being passed on to youth through the programmes run by the Foundation.

One such programme is the Allan Gray Entrepreneurship Challenge, which gamifies entrepreneurship and introduces high school learners to entrepreneurial thinking and problem-solving. Over 14,000 learners participated in the challenge in 2019, with the game in its third year. Another 208 pupils have learnt these skills through the Foundation’s Scholarship

Programme, which offers high school scholarships to learners who are in financial need; have a curious, entrepreneurial mindset; and are high academic achievers.

“These programmes and the results stand as a testament to what can be achieved with a coordinated, holistic approach, which starts by tackling the education system shortfalls to ensure future economic growth and job creation,” concludes Nambiar.

For more, visit: <https://www.bizcommunity.com>