

Good intentions are not enough: 3 radical actions to tackle unemployment

By Catherine Wijnberg and Anton Ressel

6 Dec 2021

The South African government released the latest unemployment figures last week. They're not unexpected, but they're harrowing - and damning. At 34.9%, South Africa has the highest official unemployment rate in the world. Add the expanded definition that includes discouraged job seekers and others who are not economically active and it's a staggering 46.6%.



Image source: raw pixel – [123RF.com](https://www.123RF.com)

But percentages allow us to look away unless we realise that this expanded unemployment rate translates to almost 11-million people – people just like us – who have no jobs, are not in training and have no means of providing for themselves, or their families. It's a catastrophe.

An entire sector has emerged to support the goal of small business development. Everywhere we look, we read about new job creation initiatives, youth development programmes, enterprise and supplier development activities, and joint initiatives by the private sector and government (such as the Youth Employment Service [Yes programme]), geared towards encouraging employers to employ jobseekers and making it easier for them to do so.

But somehow, despite billions of rands invested by the private sector and the earnest, if at times clumsy, efforts of the government to reverse the relentless downward trend, we (and here we include ourselves, as business growth specialists) are failing dismally to change the lives of those who need it the most. The water is not flowing down the hill, and people are dying of thirst.

The truth is, to absorb the almost 8-million unemployed jobseekers who make up the 34.9%, we would need to create 22,000 jobs per day for a year. That is the equivalent of starting and launching four businesses the size of Vodacom, every day. For a whole year.

Clearly, we are not even scratching the surface by doing what we have been doing for the last 25 years. We need a radically different strategy, a new level of bravery, and a nation-first mindset. There are three things we can do immediately to turn this tide:

Radical action 1 – stop ticking boxes

The government has created a well-funded ecosystem of business-support and job-creation organisations, including the Small Enterprise Development Agency, the Small Enterprise Finance Agency, the Industrial Development Corporation, the Department of Trade, Industry and Competition, the Department of Small Business Development, and others. This ecosystem is bolstered by hundreds, if not thousands, of private business-development support organisations of varying size and focus areas.

A common blind spot in the sector is measurement. Inputs are measured – how many people trained, how many business plans drafted, how many logos developed, how many mentorship hours spent, how much money lent, etc. But what really counts is the measurement of meaningful and lasting impact – how many successful, self-sustaining businesses have been created.



Pernod Ricard invests R38m into combating unemployment

Emily Stander 24 Nov 2021



In a country desperate for economic growth and jobs, we should be measuring our success solely in terms of growth – did the business grow its turnover and profit, did it stay in business longer because of our support, and how many jobs have been created and sustained?

Clearly, if we need results, we need to invest in and support organisations that know how to build job-creating businesses that last. There can be no prizes for effort when so much is at stake. One can't feed a family with a business plan.

Radical action 2 – stop being so precious

There is a tendency in the highly competitive business sector for people to play their cards very close to their chest, a culture of jealously guarding intellectual property and being wary of collaboration with other players. In the sphere of job creation, this mentality is small-minded, creates silos and crushes innovation.

We approach other crises collaboratively. Surely it is time to start working together and pooling our respective strengths to create solutions that are national, transformative, and so much bigger than any one of us can deliver on our own. Without

such a mindset, we will never make a dent in improving the lives of the ever-growing number of people with no work and no hope for a better future.

Radical action 3 – soften the blow

Finally, we need to face the difficult truth, which is that in our lifetime we will never create all the jobs we need to meet our growing population needs. Despite passionate effort, we only created eight million jobs since 1994 and we don't have the luxury of another 25 years to create the next eight million.

Given this harsh reality, we clearly need a mitigating strategy – a holding pattern of sorts – that focuses on improving the lives of the unemployed now, while we chip away at the structural issues hampering our economic growth.

We need a radical increase in the available funding and support of social enterprises and not-for-profit businesses that meet the gaps where the government lacks the resources or the manpower to provide these services.



Employment and Labour revamps Labour Activation Programme (LAP)

17 Nov 2021



We need support for organisations that provide access to healthcare, decent education, proper sports and recreation facilities, social services for the aged and vulnerable – the list goes on.

We need to actively support the ecosystem that is motivated and skilled at creating solutions to care for those without means.

There are only two choices. We can ignore the need for change, or embrace it with brazen courage. It's time to admit our collective strategies have failed and to have the courage to embrace new and radical ways of solving unemployment. It's time to genuinely serve the needs of the millions of our population that have been marginalised for far too long.

Let's discard what is not delivering, and radically change our approach. Let's work together and deliver meaningful change. Good intentions are not enough.

ABOUT THE AUTHOR

Catherine Wijnberg and Anton Ressel, Fetola

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