

# Five reasons to be optimistic about youth unemployment in 2019



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Working in the youth employment sector, we have seen first-hand the struggles that youth face in trying to attain employment. The economic downturn and political uncertainty that has plagued 2018 has left many young people feeling sceptical and discouraged about finding employment.



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But 2019 promises to come with increased employment opportunities. Here are five reasons why this year will be a better year for youth employment.

## 1. More companies saying yes to YES

The Youth Employment Service programme (YES) is a business-led partnership with government, labour and civil society aiming at providing one million black South Africans between the ages of 18 and 35 with jobs by 2020, through paid work experience. One of its key focuses is the creation of new job opportunities in existing organisations for youth. Participating companies can increase their B-BBEEE scorecard by two levels, so as more companies are educated about the YES programme and its benefits to their scorecard, we will see increased participation from businesses and more interns being placed in private companies. As internships are the best driver for sustainable job creation, this will turn the tide on youth unemployment.

### 2. Government adding value to communities

Preparation for next year's national elections are underway with various provinces and government departments contacting us to partner up with them on job creation strategies. These departments are demonstrating a commitment to real change and adding value to their communities, especially through youth job creation and skills development initiatives.

#### 3. Less labour brokers, more formal employment

With the Constitutional Court ruling against relying on labour brokers for long-term staff, companies are required to hire temporary staff earning below a certain threshold permanently after three months. This applies to entry-level positions, and means that more young people will be formally employed. Since 80% of labour broker workers have been employed for more than three months, employers must now turn to other sourcing alternatives and explore formally employing staff that they previously sourced via labour brokers.

# 4. Companies rethinking their need for experience

President Cyril Ramaphosa has been vocal in addressing how the private sector should reform its hiring practices. We believe that companies will start to rethink their requirement for experience for certain jobs. Companies traditionally look for experience, but this practice excludes a huge amount of people from the job market who in fact have the skills, aptitude and attitude to quickly learn what is required.

#### 5. Rise in formalised experiential work programmes (apart from YES)

Across the country, we have seen an increase in requests to implement job creation initiatives. More municipalities and local governments are demonstrating a commitment to implementing job creation initiatives which work. This means that the youth will have greater access to formalised learnerships, internships and work programmes, in addition to the YES programme. Many of these organisations already have existing budgets for such programmes, and channelling these funds for job creation projects like Lulaway provides means more opportunities for those who need it. Real work experience results in increased social capital and skills, which equates to a higher chance of long-term active participation in the economy.

Despite how this year has panned out in terms of the economy and the youth unemployment rate, next year promises to be prosperous and more stable in terms of curbing the high unemployment figures faced by South Africa's youth, adding another reason to be optimistic about 2019.

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