



## **Mitigating the crisis of youth unemployment in South Africa: PSA perspective**

*June 2025*

June is Youth Month in South Africa. It is the month in which the nation commemorates the contribution of the youth in the struggle for freedom. In particular, 16 June is National Youth Day, a time when we pause to remember the scores of young people who were mowed down by a hail of bullets when they protested in a peaceful march against the use of Afrikaans, a language of then oppressors, as a medium of instruction. As we commemorate this year's youth month, a question that yells for an answer is: Have the youth reaped the fruits of a democratic government or were their efforts in vain? Whilst progressive legislative reforms to remove institutionalised racism have been processed since the advent of democracy, the demon of apartheid continues, and from time-to-time rears its ugly head. Efforts to redress past injustices and to level the playing field for the historically oppressed black majority meaningfully to participate in the economy have failed, leaving scores of young people bearing the brunt of unemployment and falling victim to social ills such as crime and substance abuse.

In this article, the PSA examines the extent of youth unemployment, its contributing factors, and the role of unions in addressing the crisis. The PSA further explores youth participation in the public service, government interventions, and the effectiveness of programmes such as the Youth Employment Service (YES) and stimulus packages. A critically analysis of the potential of youth conscription as a solution is also done.

### **Extent of the crisis**

Youth unemployment remains one of South Africa's most pressing socio-economic challenges. With a rapidly growing young population and an economy struggling to create sufficient jobs, millions of young South Africans face bleak employment prospects. South Africa's youth unemployment rate is amongst the highest in the world. According to Statistics South Africa, the official unemployment rate for youths aged 15 to 34 stands at 45.5%, significantly higher than the national average of 32.9%. When including discouraged job seekers - those who have given up looking for work - the expanded youth unemployment rate rises to 62.1%. Essentially, there are 8.9 million young people (aged 15 to 34) who are not in employment, education, or training (NEET).<sup>i</sup> With only 24.4% of youth in employment, as compared to 42.1% of adults (aged 35 to 64), the youth are actually the face of unemployment in South Africa.

The crisis is not limited to those who are less educated or with only a secondary school certificate. It worse with those with post-school qualifications. Unemployment amongst graduates is staggeringly standing at 32.6%, suggesting a huge crisis of skills mismatch between what educational institutions are producing and the skills demand in the labour market. This crisis exacerbates poverty, inequality, and social instability, as frustrated youths become vulnerable to crime and political disillusionment.

Although endowed with a youthful population, the South African economy has, therefore, failed to take advantage of a demographic dividend.

Whereas the public sector is a major employer, youth representation remains low. Government's National Youth Policy (2020 – 2030) aims to increase youth employment in the public sector to 25%. It is actually an indictment on government that only 12% of public servants are under the age of 35. Even with the 12%, most youth appointments are in entry-level positions such as example clerks and interns. It is not only the private sector that has not been absorbing the youth, the public sector has not done better, suggesting a paradox in which government has no confidence in the quality produced by the public education system. Whilst over 5 000 interns are placed annually in government departments, only 30% secure permanent positions afterwards. The Expanded Public Works Programme (EPWP) is doing little to provide on-job training. It has become a grant disbursement programme where the youth are either loitering in yellow overalls or sleeping under trees whilst awaiting payday. Youth unemployment is real and, if unmitigated, could become worse and ignite serious unrest and socio-political instability.

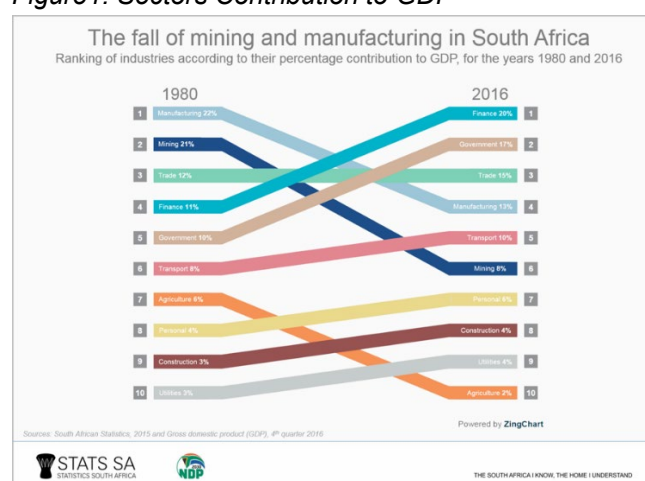
## Causes and factors

Several structural and economic factors contribute to high youth unemployment. The youth are casualties of a serious crisis of poor economic growth and stagnation; a failing education system and skills mismatch; a labour system failing to reform; and a persistent legacy of apartheid spatial planning and racial inequalities.

### Economic stagnation and jobless growth

A stagnant economy fuels unemployment. South Africa's economy has either stagnated or experienced a negative growth. Over the past decade the economy has only performed at an average of 0.7% annually,<sup>ii</sup> which is insufficient to absorb new labour-market entrants. Key sectors such as mining and manufacturing have declined, whilst the informal sector has struggled to provide sustainable employment. This has, in the main, been a crisis of structural weaknesses in key industries. The mining sector, especially gold and diamond, which have been the windfalls and cornerstones of the South African economy, have reached their twilight. Compounding this decline, which is owing to resource depletion, has been the aging infrastructure, frequent labour disputes, and policy uncertainty. Mines have become deep, dangerous, and expensive to mine. As a result, mining's contribution to the GDP and employment has significantly diminished.

Figure1: Sectors Contribution to GDP



The manufacturing sector, which has been an anchor of the South African economy, has been wiped off. Deindustrialisation has undermined the country's potential to create stable, mid-skill jobs. The sector has faced stiff global competition, high production costs, and an unreliable power supply, leading to decreased output and reduced employment capacity.

Steel, which is the bedrock of manufacturing, has been in perpetual decline, with *Iscor* and *ArcelorMittal* facing shutdown. Agriculture remains underutilised as a growth and employment driver owing to land-reform challenges, water scarcity, and limited investment in rural infrastructure and technology.

High levels of household debt, political instability, and crime have constrained domestic demand. Companies remain reluctant to expand operations or hire, perpetuating a cycle of low investment and low job creation. Whilst the informal sector absorbs a significant share of the unemployed, it often consists of precarious, low-paying jobs without social protection or prospects for upward mobility. The absence of targeted support and access to finance by the informal sector constrains its growth potential.

South Africa has been a consumer and an importer of goods produced elsewhere and not a key exporter of key inventions of the new information and technology-based economy. South African industries have increasingly adopted capital-intensive technologies to remain globally competitive, especially in mining, manufacturing, and finance. Whilst this boosts productivity, it also reduces the demand for low- and semi-skilled labour, exacerbating "jobless growth."

#### Education system failures and skills mismatch

The education system has been ailing and maiming the future of the youth in the process. From basic education to tertiary, the education system continues to frustrate the hopes and futures of the youth. Whilst many of the youth fall through the cracks and drop out before they complete matric, those who complete come out with neither skill nor competence to participate meaningfully in the labour market.

The country's basic education compares poorly amongst a community of nations. South Africa consistently ranks near the bottom in international assessments such as the *Trends in International Mathematics and Science Study* (TIMSS). In the 2019 TIMSS, South Africa ranked last amongst participating countries in both math and science performance. National assessments show that by Grade 4,<sup>iii</sup> nearly 80% of learners cannot read for meaning, and many students lack basic math competencies even at secondary school levels. The inequalities in the education system persist with the legacy of apartheid continuing to shape educational disparities. Under-resourced schools in townships and rural areas often lack qualified educators, basic infrastructure, and learning materials, deepening inequality.

Technical and Vocational Education and Training (TVET) colleges are underutilised despite a high unemployment rate. Blue-collar jobs are dominated by foreign nationals whilst the TVET colleges remain half empty. It is shocking that TVET colleges only enrol about 6% of youth,<sup>iv</sup> compared to far higher rates in successful middle-income economies. This limits opportunities for practical skills development in trades and technical fields. The Ministry of Education has failed to improve the reputation of TVET colleges in the eyes of the youth. Many young people view vocational education as a "second-tier" or undesirable option, owing to outdated curricula, poor facilities, and weak industry links. Consequently, graduates often struggle to find employment. A critical shortage of structured programs that combine classroom learning with hands-on experience exacerbate the problem. There is limited apprenticeship and work-integrated learning opportunities, resulting in students exiting the system with theoretical knowledge but little practical ability.

The disconnect between tertiary education and the labour market is increasing as the education curriculum reform is tailing rapid changes in the economy. University emphasis on academic degrees is outmoded in an economy that is fast paced towards the fourth industrial revolution. Whilst universities graduate thousands of students each year, many of their degrees, particularly in the humanities and social sciences, do not align with sectors experiencing labour demand (e.g., Information technology, engineering, agriculture, and health sciences).

There is a gross lack of career guidance and labour-market information. Students often make education choices without reliable data on job prospects or required skills. This leads to oversupply in some fields and shortages in others. Surveys by business associations and employers frequently highlight a gap between what graduates know and what is expected in the workplace, including critical thinking, communication skills, and digital literacy.

#### Labour-market rigidities

One of the criticisms labelled against the South African labour framework is that it is too rigid and protective of workers. Yet, the historical context of the institutional and regulatory environment explains the prevailing system of labour law. Under apartheid, employers abused, exploited, and dehumanised workers. They could hire and fire at will. Workers worked abnormal hours and were paid meagre wages with no benefits. With the advent of democracy, this exploitative labour system had to come to an end. Three decades into democracy, the global economy is changing at a rapid pace. The introduction of robotics and machinery on the shopfloor has changed the nature of work and the workplace. In the 21<sup>st</sup> century, people can work from home, let alone work for multiple employers. Fixed employment is a thing of the past. Yet, the labour regulatory system in South Africa is rigid and failing to adjust to the realities of the new industry. Labour-market demands for years of experience leave many of youth closed out of employment. The obsession with years of experience and an unwillingness to invest in training programmes for first-entrance employees are excluding the youth from accessing jobs.

#### Apartheid spatial planning and racial inequalities

Apartheid created a migrant labour system through forced removals of black people into peripheral townships and underdeveloped homelands far away from economic hubs. Townships and rural homelands often lack basic infrastructure, reliable transport, and services. This legacy of apartheid spatial planning lives on. Many youths in these townships and rural areas face limited job opportunities compared to their urban counterparts. The youth who reside in townships or rural areas where formal job opportunities are scarce are forced to bear huge costs and time-consuming commutes to urban centers where most jobs are located. This spatial mismatch increases barriers to employment and deepens racial inequality. Despite policies such as affirmative action and employment equity, subtle and structural racial biases persist in hiring, promotion, and retention, disproportionately disadvantaging black youth. There is an occupational segregation in the South African labour market where black youth are overrepresented in low-paying, insecure jobs whilst underrepresented in skilled and managerial positions.

#### **Youth conscription: Possible solution?**

As the country struggles with deepening social divides, widespread poverty, and a growing mismatch between the skills young people possess and those required by the economy, proposals for youth service have been mooted. Some policymakers, analysts, and civil-society groups have proposed mandatory national youth service - a modern form of conscription not into the military, but into civic, developmental, or public-service sectors. This idea aims to be a nation-building tool and a catalyst for youth empowerment, drawing on the legacy of past programs such as the apartheid-era military conscription (though with vastly different intentions) and post-1994 civic initiatives such as the National Youth Service (NYS).

A programme of this kind has its own pros and cons. On the good side, the NYS can offer structured employment for youth, especially first-time job seekers and those not in education or training. If properly structured and implemented with precision, it can be a solution to job-readiness training and work experience to increase employability. Its participants stand a chance to gain practical, vocational, and soft skills. In some countries it has served as a bridge to further education, apprenticeships, or full-time jobs.

It carries a huge potential to foster social cohesion by bringing together youth from different racial, socio-economic, and geographic backgrounds. It has the advantage of promoting national unity, building a sense of patriotism, fostering a shared national identity, inculcate citizenship values, and can reduce apathy or disengagement from society. It provides youth with the opportunity to contribute to community development and national infrastructure projects.

However, any form of conscription is bound to have downsides. In a constitutional order where human rights and personal freedoms reign supreme, a mandatory conscription programme may violate personal freedoms, infringe on individual rights, and freedom of choice. In a democratic society, this may be seen as coercive or authoritarian.

The cost of running a national youth service is not cheap. Implementing and sustaining a national program of this magnitude would require massive funding, proper planning, and coordination. The risk of tokenism remains a potential threat when programs are poorly designed or underfunded. Measures must be put in place to reduce the potential for corruption and ensure efficiency and avoid uneven quality across provinces. Its implementation must not be at the expense of much-needed economic reforms. If not properly regulated, the youth could be used as cheap labour without real skills development or advancement. When implemented as a compulsory programme, the NYS may leave many youths with resentment. This may counter the very objective of patriotism and social cohesion. This resentment could be worse if stipends are meagre. By its very nature, the NYS provides temporary jobs and cannot be seen as a magic wand that would end unemployment. After all, career progression in those jobs is minimal as cohorts must give way for others to participate.

The NYS is, therefore, not a permanent solution to the challenge of unemployment. It may contribute to develop skills and introduce young people to the world of work, but solutions to stimulate high economic growth rates, increase productivity of manufacturing sectors, revamp school and college curriculum to align with the new economy, must be prioritised.

### **Role of unions in youth employment: PSA proposals**

Unions are major stakeholders in the economic sector. They have the power to influence trends and shape the labour market. Unions have a significant voice in platforms such as NEDLAC and various sectoral bargaining councils. They can use their position to lobby for progressive policies and reforms that can stimulate increased absorption of youths in the labour market. Recognising this advantage and the extent of the crisis of youth unemployment, the PSA proposes measures that can be implemented to mitigate the crisis of youth unemployment in South Africa.

#### Youth-inclusive policies

Apprenticeships and learnerships are the stepping stone to gainful employment. They carry the potential to provide on-job experience for new entrants. They provide young people with structured on-the-job training combined with classroom learning, help to bridge the gap between education and practical work experience, and thus improving employability. Government should expand the offering of apprenticeship and learnerships in state-owned enterprises and government departments. A new regulatory framework must be introduced placing a responsibility on companies operating in South Africa to provide a minimum number of youths with these opportunities. That number must be in accordance with the size and scale of the individual company. A percentage-based formula should be utilised to determine this number. The expanded provision of learnerships and apprenticeships must be accompanied by promotion of sector-specific skills development training. The PSA will be advocating for sector-focused training initiatives that align with labour-market demands in industries such as manufacturing, mining, agriculture, and information technology. This targeted approach will help to facilitate the development of a workforce with relevant, in-demand skills.

In order to circumvent exploitation of youth labour, there must be strict regulation on wages and benefits for these programmes. The details of such regulation must be ventilated in NEDLAC, collective bargaining forums, and policy dialogues to ensure a balance between worker protection and labour-market flexibility.

#### Youth representation and empowerment

Unions must not only advocate for youth inclusive policies. The PSA is challenging all unions and federations to practice what they preach by creating opportunities for youths in their structures and showing confidence in the ability of the youth to contribute in a workplace environment. They must establish youth wings or committees that specifically represent young workers' interests, providing platforms for leadership development and advocacy training. Unions must, within their own structures, facilitate mentorship programs pairing experienced workers with young entrants, helping youths navigate workplace cultures, understand rights and responsibilities, and develop professional networks. Unions must use their campaigns and workshops to educate young workers on labour rights, health and safety standards, and opportunities for skills development.

#### Partnering with government and business

Whilst youth conscription or national service programs are being explored as one solution to South Africa's youth unemployment crisis, a parallel - and potentially more scalable - approach lies in public-private partnerships that harness the power of government, business, and civil-society collaboration. One of the most promising examples of such a partnership is the Youth Employment Service (YES). We must optimise the opportunity provided for by this initiative to assist young people to gain work experience and expand their professional networks by being placed in government, private, and social enterprise roles.

#### Facilitating social dialogue and collaboration

Unions participate in national and sectoral forums such as NEDLAC alongside government and employer representatives. These platforms enable unions to contribute to shaping labour policies. The PSA is proposing a dedicated national dialogue on youth employment. This dialogue is long overdue. The outcome of such a dialogue must be a social compact signed by all partners showing a commitment to youth employment strategies and policies. Secondly, there must be an implementation plan with clear deliverables, measurable targets, and milestones. TVET colleges, universities, and training providers, must be part of these conversations to ensure alignment of curricula with workplace realities and to ensure that the graduates they produce are prepared for employment.

#### Reducing barriers to entry

Employers suggest that one of the most significant hurdles for young South Africans entering the labour market is the high cost of employment. They cry foul over the requirement of the minimum wage and that young people lack the experience to deserve high pay. Whilst the PSA advocates for decent work decent pay, the Union recognises the need to reduce barriers to entry. A strategic solution must be found that involves negotiating flexible, entry-level wages that balance fair pay with employers' ability to hire more youths. Organised labour must shake off the fear of job substitution and allow for labour reforms that respond to the crisis of youth unemployment and that take into cognisance the changing labour environment.

South Africa's youth unemployment crisis requires a multi-pronged approach, including education reform, private sector incentives, and expanded public employment programmes. The PSA calls on organised labour to use their power and influence to advocate for youth-inclusive policies. Government interventions such as YES and the EPWP need revamping and stronger linkages to permanent employment.

Whilst youth conscription offers a controversial but structured approach, long-term solutions depend on economic growth and skills development. Without urgent action, the country risks a lost generation, deepening inequality, and social unrest.

The PSA recommends the expansion of vocational training and apprenticeships; labour reforms to encourage youth hiring; strengthening of public-private partnerships for job creation; improved monitoring of youth employment programmes; and a national dialogue with measurable outcomes.

Instead of mouthing platitudes and howling curses on Youth Day, we must use this year's commemoration to commit firmly to put shoulder to the wheel and act swiftly to mitigate youth unemployment. The time to act is now, before the bomb explodes.

## Endnotes and references

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<sup>i</sup> Stats SA, 2024, Quarterly Labour Force Survey, <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q4%202024.pdf>

<sup>ii</sup> <https://www.worldbank.org/en/country/southafrica/overview>

<sup>iii</sup> HSRC 2022: The South African TIMSS 2019 Grade 9 Results, <https://www.timss-sa.org/publication/the-south-african-timss-2019-grade-9-results>.

<sup>iv</sup> [https://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Factsheet%20on%20new%20entrants%20in%20TVET%20colleges\\_2022.pdf](https://www.dhet.gov.za/Planning%20Monitoring%20and%20Evaluation%20Coordination/Factsheet%20on%20new%20entrants%20in%20TVET%20colleges_2022.pdf)