



UNLOCKING YOUTH POTENTIAL IN SOUTH AFRICA

Skills, systems and shifts for a future-ready generation

24 July 2025



The Youth Unemployment Crisis

Key Data (Q1 2025)

Expanded youth unemployment (ages 18–34) stands at 56.3%, with 7.28 million youth unemployed (Stats SA, 2025).

Of the 17.6 million youth aged 18–34, 9.2 million are NEET (not in education, employment, or training), a 52.3% disconnection rate.

Young men (18–34) have seen a sharp decline in employment, down 400,000 over the past decade to just 3.2 million employed in Q1 2025.

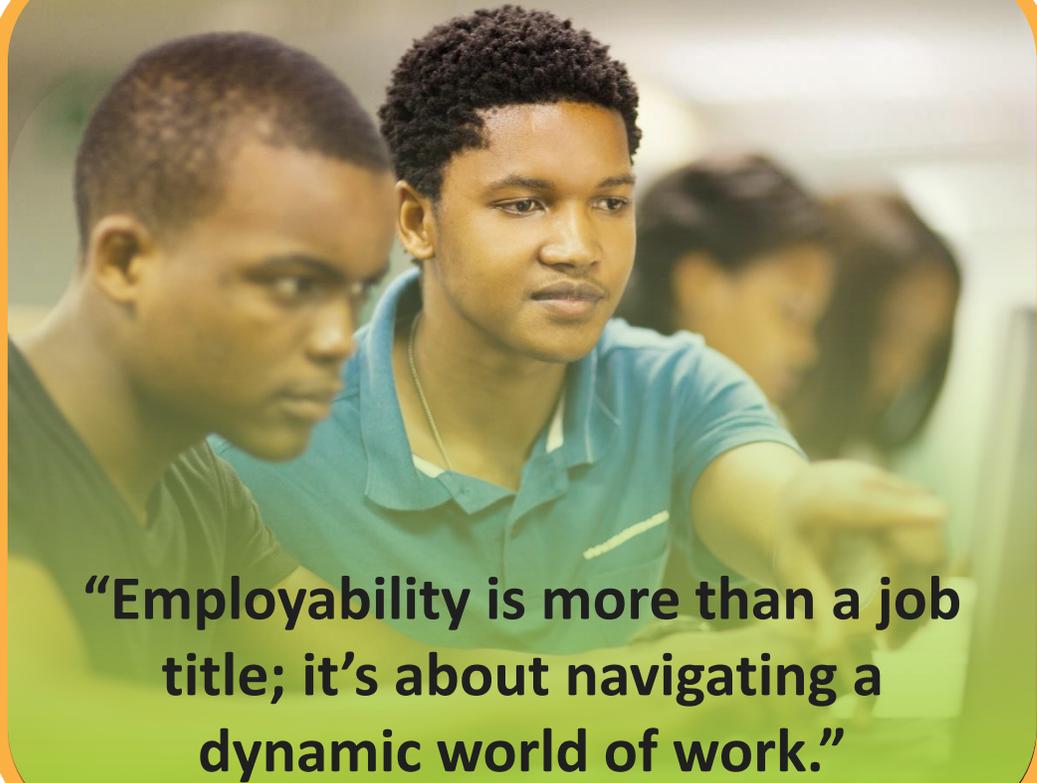


Formal sector jobs dropped by 245,000, with only marginal gains in the informal sector.

The scale of demand is clear. In June 2025, 1.9 million youth applied for just 205,000 BEEI Phase V opportunities, a 9 to 1 ratio. Of these applicants, 75% were women and 28% were from rural areas, showing the urgency for more



WHAT DOES IT MEAN TO BE EMPLOYABLE?



“Employability is more than a job title; it’s about navigating a dynamic world of work.”



Skills are essential for success in today's job market, ensuring that individuals meet the demands of various industries.



Access to Opportunities is crucial, as it opens doors to positions that align with one's skills and aspirations.



A proactive **Mindset/Agency** empowers individuals to take charge of their career paths, fostering resilience and adaptability in an ever-changing landscape.

WHAT SKILLS ARE IN DEMAND



CORE/TRANSVERSAL SKILLS

Why are they critical in south africa?

- Youth are entering a volatile, uncertain labour market
- Many are moving between sectors or creating work in the informal economy
- Employers seek adaptability and human-centric capabilities over rigid technical experience

Key transversal skills employers value:

- Employers look for young people who can communicate clearly, solve problems, work well in teams, and adapt to change.

Sector-Specific Examples:

- In tourism, adaptability and communication are key to guest service
- In GBS, self-management and digital fluency are critical for remote service delivery
- In the green economy, problem-solving helps navigate dynamic site-based tasks
- In care work, empathy and collaboration are essential



DIGITAL FLUENCY

Why it's important?

Digital technologies underpin modern work across sectors; tasks are increasingly tech-enabled. Fluency isn't about coding; it's about confidence in using everyday tools and platforms to communicate, collaborate, and solve problems.

Key competencies

- Confidently navigating platforms, devices, and apps for everyday work tasks
- Using AI tools to enhance productivity and support creative problem-solving
- Communicating effectively through messaging, video calls, and cloud-based platforms
- Interpreting, understanding, and applying data to inform decisions and actions

Examples:

- In GBS, digital fluency allows youth to work from anywhere.
- In retail and logistics, it supports inventory, scheduling, and customer interaction.
- In social services, digital platforms support remote monitoring and communication.



ANALYTICAL

Why It's Important:

We're flooded with information. The ability to make sense of data and trends is no longer a 'nice-to-have'; it's a necessity across every sector. Employers want thinkers, not just doers.

Key Competencies:

- Data Literacy: Reading charts, interpreting trends, drawing insights.
- Critical Thinking: Questioning assumptions and validating information.
- Judgement: Weighing evidence to make sound decisions.

Use cases:

- In digital marketing, analysis of engagement metrics guides strategy.
- In the green economy, data informs energy usage and impact.
- In health services, data helps track community needs and responses.



EMERGING SECTOR SKILLS

Why It matters:

Youth employment growth will come from 'sunrise sectors'; areas of the economy growing faster than average. These sectors demand a blend of soft and technical skills, plus the flexibility to learn on the job.

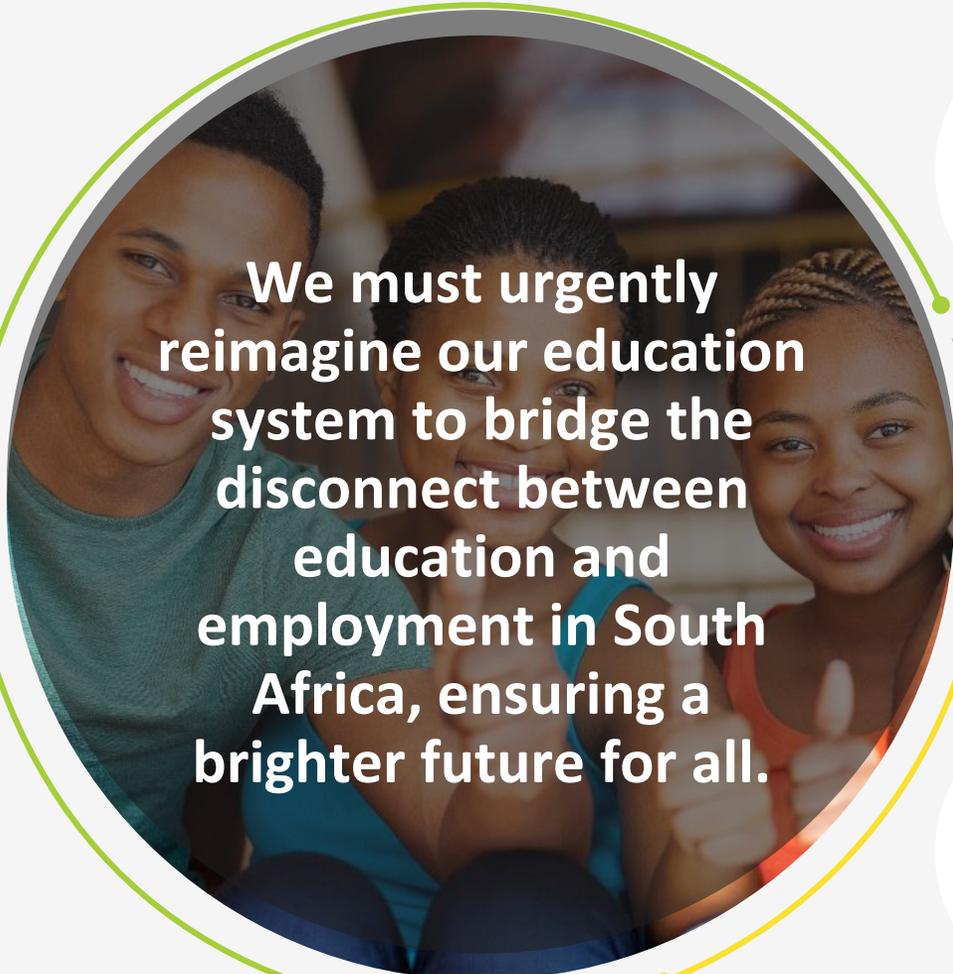
Growth Sectors Identified:

- Global Business Services (GBS): Customer service, sales support, remote work.
- Tourism: Hospitality, entertainment, logistics.
- Digital Sector: Coding, data, UX, content creation.
- Green Economy: Renewable energy, waste, water and land management.
- Care Economy: Early childhood development, elderly care, wellness.

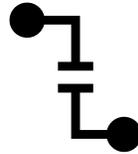
What they need:

- Technical know-how tailored to each industry.
- Transversal skills to work in teams, adapt, and communicate.
- Digital confidence to navigate tech-enabled workflows.

ADDRESSING THE GAP. WHY IS THE SYSTEM MISFIRING?



We must urgently reimagine our education system to bridge the disconnect between education and employment in South Africa, ensuring a brighter future for all.



Key points on the education-to-employment pipeline in South Africa

- The pipeline is broken, affecting job readiness and opportunities
- Curricula must be updated to reflect industry needs
- Essential transversal skills should be embedded in education
- Early career guidance is necessary for informed choices
- Work readiness must be a continuous process throughout schooling



Demand-led Skilling

- The current education system fails to meet labour market demands
- Training must align with high-opportunity sectors like digital and green energy.
- Embedding transversal skills like critical thinking and adaptability is essential for success.



Building industry partnerships for skills development

Effective industry partnerships are essential to align education with labour market needs. Organisations like SA Youth and Harambee play a critical role in connecting the ecosystem; identifying demand in high-growth sectors, coordinating actors, and ensuring that training and placement efforts are demand-led and opportunity-linked.



STRATEGIES FOR ACCESS AND OPPORTUNITY

Data-driven: Targeted Levers To Increase Youth Employment

Firing on all cylinders: The effect of all demand lever scenarios being realised together could see youth employment increase by a total of 3 million and the unemployment rate decline from a projected 56% to 34% by 2030

1

Increase inclusive hiring of excluded youth in sectors that are currently absorbing labour

2

Accelerate unlocking of new entry-level jobs in (relatively new and fast-growing) sectors

3

Enable youth self-employment in informal micro-enterprises and semi-formal work

4

Sustain work experience programmes to keep youth productively engaged

5

Advocate for demand-led skilling and work-integrated learning to increase pathways to earning

UNLOCKING SECTOR-SPECIFIC OPPORTUNITIES: THE CASE OF IRM



The Opportunity

There are **sectors and job families that have the potential to absorb many youth** that are currently locked out of **meaningful artisanal learning and career pathways**.

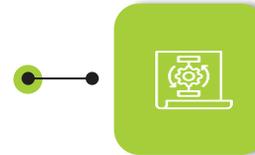
Many of the key growth sectors of the economy are **made up of large numbers of artisanal SMEs that are not creating jobs** because they are informal and face significant barriers to market access and growth.

This limits the **scope of demand for skills and jobs**.



IRM roles account for **around two million jobs (12% of all employment)** in the South African economy, of which 736 000 are occupied by young people¹.

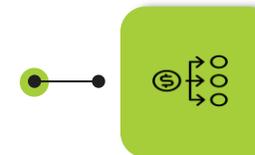
Two-thirds of these jobs are in small and medium-sized enterprises (SMEs), the majority of which are small and informal.



Many SMEs are **township-based** and face significant barriers to increasing **market access and realising growth**, which in turn limits their potential to **create and sustain employment**.



Township youth, in particular, **face significant barriers in accessing and sustaining employment opportunities**. It is therefore critical to support and develop township enterprises grow economic activity, and unlock employment and self-employment opportunities.



By taking a **local ecosystem approach** to the process of unlocking demand, the factors that **inhibit successful labour market transitions** for young people can be **addressed more systemically**, including the appropriate **development of skills**.

THE ROLE OF MINDSET: FROM PASSIVE TO ACTIVE



Understanding Mindset in Youth Employment
Mindset influences how youth engage in the job market.

Encouraging Proactivity and Self-Belief
Youth must see themselves as active agents of change.

Removing Barriers to Employment
Addressing obstacles like access to resources is crucial.

Pathways to Earning and Economic Participation

- **Public Employment Programmes.**
Empowering youth through job opportunities and training in various sectors.
- **Micro-businesses**
Encouraging youth to start their own ventures for economic independence.
- **Upskilling through Online Platforms**
Providing access to skills development and learning resources



THE ROLE OF EDUCATION AND COMMUNITY



*Building the Ecosystem for
Employability*

- **Schools teaching beyond theory**
Real-world skills like communication, teamwork, adaptability, and digital literacy should be prioritised.
- **Work readiness needs to be continuous**
It should be embedded throughout the education journey, not left until the end.
- **Career guidance should start earlier**
Young people need to be exposed to real options and understand the skills required for different paths.
- **Communities play a vital role**
Parents, faith groups, youth hubs, mentors, and sports coaches help shape confidence and aspirations.
- **Exposure builds aspiration**
When youth see relatable success stories, it becomes easier to imagine a future in the workforce.
- **Employability is a shared responsibility**
Schools, communities, and employers must work together to create supportive and connected pathways.



SYSTEM LEVEL SHIFTS NEEDED



01 Schools must do more than teach theory

Embed real-world skills like communication, teamwork, adaptability, and digital literacy as core outcomes.

01

02 Work readiness must be built-in

It can't be a once-off intervention before graduation. It needs to be integrated throughout learning.

02

03 Early and relevant career guidance is critical

Young people need to know what jobs exist and what skills are needed before making career decisions..

03

04

04 Aspiration grows through exposure

Seeing someone from your area succeed in a job you never imagined makes the goal feel possible.

05

05 Education-to-employment must be a shared effort

Schools, communities, and employers each play a role in building a more supportive and connected pathway.

06

06 Communities are part of the solution

Parents, caregivers, churches, youth hubs, mentors, and coaches shape confidence and exposure

SYSTEM LEVEL SHIFTS NEEDED

CONCLUSION AND CALL TO ACTION

Turning the tide together

- The youth unemployment crisis is urgent, but not unsolvable
- Data shows that inclusive, targeted, and scaled interventions work
- We must double down on what works: public employment, inclusive hiring, and sector-based strategies
- Youth need more than hope. They need access, preparation, and opportunity
- Systemic change requires bold collaboration across government, business, and civil society





THANK YOU!