



1 April 2022

Thought Leadership: Economic Inclusion - Action is Required to Address Current Unemployment

Why the Latest Unemployment Figures are Concerning

The latest unemployment figures from StatsSA have been released and if we were not previously worried and attempting to find solutions, we should be urgently spurred into action now.

Unemployment in Q4 of 2021 rose to a record high of 35.3%. In the expanded definition, which includes discouraged job seekers, the unemployment rate declined to 46.2% from 46.6%^[1]. However, the youth unemployment rate remains at 65.5%, which continues to be unacceptable.

The latest World Bank report^[2] confirms that South Africa remains the most unequal society in the world, and that the economy is failing to create jobs at the required pace. We also know that there are structural barriers that continue to exclude vast numbers of people, especially young people and women.

How We Can Make a Difference Together

The National Business Initiative (NBI) believes that business cannot thrive in an unstable and failing society, which is why we are deliberate about how we respond to these mounting challenges. We firmly believe that tackling these issues requires a multi-stakeholder approach that addresses immediate needs, while anticipating future concerns.

^[1] [StatsSA Quarterly Labour Force Survey \(QLFS\) – Q4:2021](#)

^[2] [Inequality In Southern Africa: An Assessment of The Southern African Customs Union, 2022](#)

Our work in Economic Inclusion leverages years of experience in skills development and youth employability, which we have combined in our work with TVET colleges to develop and implement agile and demand-focused training programmes for young people. The training focuses on Installation, Repair and Maintenance (IRM) and has a 3-month theoretical training component, which includes work readiness training and entrepreneurship education, followed by a minimum of 6 months on the job training. Since October 2019, we have trained **232** young people of which we have had a **54%** absorption rate thus far, in the midst of the Covid-19 pandemic. We have IRM training projects in Gauteng, KwaZulu-Natal and the Western Cape and are targeting a minimum of **1000** young people in 2022/23, as we look to scale up the programme over the next 3 years.

One of our biggest challenges has been to ensure that young people have employment opportunities once they complete the training, which is what led us to explore what skills are in demand, as well as ascertain how we can stimulate demand.

In response, the NBI is rolling out IRM Hubs within township economies, working to build the capacity of SMEs, provide market access to support their sustainability and increase their ability to create jobs and absorb young people into employment. **We are currently supporting 88 township based IRM SMEs and are assisting 30 SME owners and workers to upgrade their skills and gain recognised trade qualifications.**

The main aim of our programme is to build the capacity of the IRM ecosystem to be able to respond to the growing need of job creation. Our current strategic focus is on infrastructure, green skills and localisation, as the key opportunities we have identified to support our scaling and expansion ambitions. We also underpin our work with a strong focus on Gender Equity and Social Inclusion (GESI), as we are mindful of the exclusionary nature of both initial access to employment, but also access to opportunities once within the workplace.

As previously mentioned, shifting the ecosystem requires a multi-stakeholder approach across both the public and private sector and the NBI continues to explore and identify the broad range of these partnerships. The implementation of our programme is currently made possible through the direct support of member companies, such as **Nedbank, Absa, SAPPI, Growthpoint** and **Old Mutual**, as well as key donors: **German Development Cooperation (GIZ), Swiss Economic Cooperation and Development (SECO), the Confederation of Danish Industries**, as well as government partners, including the **Gauteng Department of Economic Development, Western Cape Department of Economic Development and Tourism, City of Johannesburg** and **City of Cape Town**.

The task at hand is mammoth, therefore we invite our member companies and stakeholders to work with us to address some of South Africa's most pressing challenges. Together we can go much further and make a much larger difference. **Join us today.**

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^[1] [StatsSA Quarterly Labour Force Survey \(QLFS\) – Q4:2021](#)

^[2] [Inequality In Southern Africa: An Assessment of The Southern African Customs Union, 2022](#)



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The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela.

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