

## Whose job is it to train our youth in digital skills?

By <u>Msagan Naidoo</u> 22 Sep 2020

Our youth unemployment crisis is one of the biggest challenges facing South Africa, but this is not news. High unemployment has been the status quo for so long that it seems to have become acceptable. Let's be clear: high unemployment is entirely unacceptable, especially when we realise that 58% of our population is classified as youth.



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Prior to the Covid-19 pandemic, unemployment was at an 11-year high and it increased by 30% in the first quarter of 2020 according to Labour Minister Tulas Nxesi. Nearing the end of quarter three and six months into the pandemic, unemployment rates are off the charts. It's no exaggeration to say that more people will die from poverty than from Covid.

Now consider that in 2019 education received the largest share of South Africa's national budget and then ask yourself why unemployment is such a big issue in our country. At the risk of over-simplifying, it seems we're not educating our youth in the right subjects. We're certainly not equipping them for the kind of work that is available – and work is available.

We know that young people are good at technology and that they understand the digital world. Anyone under 35 has an innate ability to leapfrog legacy issues and pick up new technical and digital skills with ease. It's as if they're wired differently from preceding generations.

We also know that the world is increasingly digital: some of the most valuable companies in the world today are in the technology sector, including Google (now known as Alphabet), Amazon, Facebook, Apple, and Microsoft.

Consider that according to a research report published by MarketsandMarkets earlier this year, the global big data market is set to grow from \$138.9bn in 2020 to \$229.4bn by 2025. This is one measure of the place of digital in the world today. The report attributes this growth to 'increasing awareness of Internet of Things (IoT) devices, and increasing availability of data to gain deeper insights to remain competitive'.

In South Africa, this transition from physical and financial to human and intellectual capital is just as evident as it is elsewhere. The need to skill and reskill the workforce of our country is clear. Countries that will thrive are those that enable their people to continuously learn, so that they can meet the needs of employers.



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It has always been the case that people with few or poor skills are most at risk of losing employment and being left further behind while those who keep learning and adapting make themselves employable. But it is up to us to give our young people learning opportunities.

We can't leave it all to the government. What we need is a public/private collaboration. We need to re-examine education, and we need to do so through a business lens, rather than a government lens. This will enable us to channel the public money allocated for education in the most practical way.

SMEs and the informal economy have a role to play too. Our SMEs employ 50-60% of our workforce, yet their contribution to GDP is only 39% compared to the 57% in the EU. We need to think about ways to increase our spend in this sector. This is also where Covid-19 is having the most severe impact, especially on SMEs in the services sector with tourism, hospitality and entertainment being particularly hard hit. It is estimated that at least 50% of SMEs have had to reduce staff during the pandemic.

All that said, South Africa has a lot in its favour, including the youth of our population and our famous 'can do' spirit. Importantly, we're not a lagging in the science and technology departments either: digitisation, automation, and robotics are all alive and well and living in South Africa.

Our job in the short term is to train our youth in digital skills. In the long term, we need to aim beyond the immediate problem of youth unemployment and focus on creating a growth environment that provides a constant supply of sustainable jobs, including the development of entrepreneurial skills.

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