

Private sectors is prepared to resolve South Africa's unemployment crisis, WEF hears – Business Report 4 September 2019

South Africa's private sector has called on all other sectors to come to the party and resolve the unemployment crisis in the country.

South Africa's unemployment rate rose to 29% in the second quarter (Q2) of 2019.

It is the worst unemployment rate since March 2003 when it stood at 29.3%.

There are nearly half a million more unemployed people in South Africa than a year ago.

Speaking at the World Economic Forum on Africa in Cape Town, PwC Southern Region CEO Shirley Machaba said the South African government should rely on private sector to tackle the unemployment rate.

“When you look at the unemployment rate in South Africa, you see that it is beyond 50% including the youth. There are plans that are being implemented by the government, but these plans cannot be implemented without the private sector,” said Machaba.

Machaba said different sectors will have to be given targets, on the number of youth they train and employ.

“We need to give different sectors a target, and say you at the IT environment youth, for instance one million youth. Big companies can be able to do that, especially if there are incentives,” said Machaba.

She also took the opportunity to address policy changes in the country, which included the National Health Insurance and land reform.

The South Africa Parliament has introduced the NHI Bill, which will ensure that all citizens of South Africa (and legal long-term residents) are provided with essential healthcare, regardless of their employment status and ability to make a direct monetary contribution to the NHI Fund.

It has also proposed the amendment of section 25 of the Constitution to allow for expropriation of land without compensation.

Machaba cautioned that these policy changes should be cautiously implemented, to ensure that there is confidence in doing business with the country.

“South Africa is still confident even though there are still concerns over certain threats. These threats include back here in our country, you will agree that there is so much happening. If you look at the SOEs, you can agree that the rebuilding policies are not necessarily yet finalised,” said Machaba.

“The whole issue of land reform, the whole issue of NHI needs to be finalised. As I said, there are definitely plans. If I move on to the next one, is over regulation,” added Machaba.

Machaba implored on South Africans within the private sectors to ensure that the goals set by the government are realised.