

# How CSI can help tackle youth unemployment in a meaningful way

South Africa grapples with high levels of unemployment and poor educational and skills development outcomes - many of which have been exacerbated by the pandemic. The country's official unemployment rate was 32.6% in the first quarter of 2021, the highest it has been since Statistics SA started measuring these levels quarterly in 2008.



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Most impacted by these rising rates of joblessness are South Africa's young people: the unemployment rate among youth between 15 and 34 years was 46.3% in the first quarter of 2021 – up from 43.2% in the first quarter of 2020. Most vulnerable are youth between 15 and 24, with over 63% unemployment.

With almost one in every two young people in the South African labour force without a job, there can be little doubt that youth unemployment has reached critical levels in the country. "Even though the statistics tell a grim story, there are opportunities to help create a future for our country's young people," says Nkosinathi Mahlangu, portfolio head for youth employment at Momentum Metropolitan Holdings (MMH).

"Creating and unlocking these opportunities requires collective action because government alone cannot turn the tide – the country's corporates need to help and play their part, even in the face of shrinking budgets," adds Mahlangu.



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Sivuka Youth 23 Jun 2021



Corporate social investment (CSI) is typically how businesses make a difference, and it is an important piece of the economic puzzle in South Africa. Companies in South Africa spent approximately R10,7bn on corporate social investment in 2020, for example, with CSI expenditure growing in real terms of 1.2% from 2019's R10,2bn even in the face of constraints presented by the pandemic.

Education, social and community development were the most supported causes – but the common denominator was young

people, and if organisations can empower and enable the country's youth, they can drive their strategic objectives.

## Moving from employability to employment: CSI with intent

"It needs to be a case of teaching the country's young people to fish, rather than giving them a fish, however – we need CSI with intent, and corporate South Africa needs to move to the next level and shift from a focus on harnessing employability to employment, covering the spectrum from finding jobs to pursuing entrepreneurship and becoming job creators," says Mahlangu.

As an example, Momentum Metropolitan Holdings, through its Momentum Metropolitan Foundation and network of non-profit organisation (NPO) partners, actively made youth employability and empowering young South Africans its focus in 2017.

This partner network has trained 1,503 and placed 927 young people in the period of 2018-2020 – but the organisation has recognised that it needs to take the next step, because if they are made employable, then they should be economically active.



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"One of our partner programmes – with WeThinkCode, an institution working to upskill youth with critical digital skills like software engineering and web development through a two-year programme and provide their students with a path to employment – has helped yield these results and indicate CSI with intent: of the first intake of 15 interns that we brought into Momentum Metropolitan Holdings as part of our partnership, six have been permanently employed with the business," says Mahlangu.

The two also focused on empowering the country's most vulnerable and underserved population groups, including women, by partnering on a WomenThinkCode initiative to increase the representation and participation of women in technology. Momentum Metropolitan Holdings was a founding funder of this inclusion initiative and sponsored 15 students in 2019 and 15 in 2020 to complete the two-year training programme.

## Power of partnership

"These types of initiatives let corporate South Africa shift from employability to employment, based on critical skills needed in business today and going forward – so not training for the sake of training, but rather around business and economic needs," says Mahlangu.

"To build on this momentum, corporates need to stop taking a siloed approach to tackling youth unemployment – we need to

join hands, collaborate more and form partnerships for greater impact to bridge the skills and employment gap. That is when we will start to see a wave of positive change.”

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