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UCT study to avert time bomb of unemployed youth

“There are more unemployed young people in Nigeria than the total population of South Africa,” says UCT researcher

Between 60% and 65% of young people in Sub-Saharan Africa (15 to 35 years) are unemployed or under-employed. Researchers from the University of Cape Town are conducting a study that they believe could help avert this potential time bomb.

Funded by a grant of R12,45 million from the International Development Research Centre (IDRC) in Canada, the three-year pan-African study is being conducted in the Faculty of Commerce's Development Unit for New Enterprise (DUNE). Dr Mike Herrington, executive director of the Global Entrepreneurship Monitor, together with Jacqui Kew, of UCT's College of Accounting are the project co-ordinators of the study.

The researchers will gather information about the mind-sets, perceptions, attitudes and intentions of youth with respect to entrepreneurship. Having started in South Africa, the project will span 10 countries, including Angola, Botswana, Ethiopia, Ghana, Malawi, Namibia, Nigeria, Uganda and Zambia.

“It's important to know what our youth are thinking because this has a very real impact on the future of our country and others in sub-Saharan Africa,” says Dr Herrington.

Kew said the project will not only “help policymakers make better decisions to foster youth entrepreneurship, but it is also an important mechanism to foster invaluable collaborations between UCT and research academics from other African countries.”

The South African leg of the research started with a pilot study conducted in the Free State in December. This research is in conjunction with the International Labour Organisation (ILO) and 750 young people (between 15 and 35 years) shared their insights on what it means to be an entrepreneur, what challenges they face in starting a business and whether they consider entrepreneurship as a career option.

Dr Herrington said: "Unemployment figures, when applied to a country like Nigeria, with a population of approximately 180 million, show that there are more unemployed young people in Nigeria than the total population of South Africa. This is a potential time bomb which needs active solutions."

This study is the first consolidated youth study undertaken in the sub-Saharan African region. Findings from the study will provide comparable data with respect to the youth in South Africa's neighbouring countries.

"More and more of South Africa's development possibilities are becoming linked to developments throughout Africa, and in order to fully benefit from this, we need a better understanding of key issues in other sub-Saharan African countries," said Kew.

In South Africa SMMEs contribute more than 35% of the country's total GDP and just over 50% of the employment opportunities. However, the latest international measures find that South Africa is lagging behind most of the world in entrepreneurial interest and activity. This is most worrying because South Africans, especially the youth, have a low perception of opportunities for starting their own businesses (40% in South Africa versus 80% in Uganda and 81% in Zambia).

"Our prediction is that in two years' time, Nigeria, with its progressive, positive attitude to small business development will be the economic leader in Africa," said Herrington.

Professor Don Ross, dean of the Faculty of Commerce concludes: "Preparing young people to be the architects of their own success is key to reducing poverty and inequality in South Africa. But this wisdom has little practical significance until we identify and prepare realistic interventions."

"We need a much clearer understanding of the present barriers. DUNE sets out to capture that crucial knowledge," he adds.

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