

Plans for the future: How young people envision economic recovery in South Africa

Jayson Magooda reflections on entrepreneurial opportunities for youth June 2021

Cornerstone Institute hosted its fourth Critical Dialogue of the year on the 17th of June in commemoration and celebration of the youth who played a pivotal role in the Soweto uprisings of 1976.

Facilitator Jayson Magooda, Vice President and Academic Affairs Officer at Cornerstone Institute, opened the dialogue by overviewing the current economic landscape in South Africa, with specific emphasis on the growing increase in youth unemployment being confirmed by the country's current statistics (Stats SA). The discussion commenced with a panel of outstanding participants from diverse backgrounds, who are each stepping up to contribute towards positively developing the economy with their entrepreneurial projects, yet through the Critical Dialogue also spotlighted the vast extent to which the current economy is not structured for the benefit of the working class.

Participants in the discussion included: Faiez Jacobs, a South African politician who serves as a Member of the National Assembly of South Africa for the ruling African National Congress (ANC) and holds the chairperson portfolio of multiple funding programmes for the development of entrepreneurs; Nkanyezi Sikakane who graduated from the Gordon Institute of Business Science: Spirit of Youth Programme and is currently a BCom Undergraduate student at the University of the Western Cape. Sikakane presents at Good Hope FM, is co-founder of We Are Social, and a member of the organisation Snake Nation, an organization that helps to promote young artists; Nwabisa Mazana, a multidisciplinary creative and founder of Black Viola who is currently pursuing her Master of Arts degree in Political Communications at the University of Cape Town. Mazana's research focuses on the intersections of social media and activism against gender-based violence in South Africa; Sebastian Daniels, the founder of Ground Culture, was awarded the young South African Entrepreneur of the Year award in 2019 by the French South African Chamber of Commerce. Over the past three years, his work in the local informal areas has been driven by his passion and skilled research of the South African economy.

Sikakane captured many pivotal factors relating to South Africa's current economic situation, acknowledging that we are trillions of rands in public debt while youth unemployment escalates. Furthermore, she mentioned the lack of adequate representation or support for the youth from

government institutions. Yet, she expresses that contrary to the youth's problems in our current landscape, it is still a great time to be alive. What is encouraging is that the youth are discovering their creative genius and also coming to understand the market better. However, the unfortunate part, she said, was: "I think our South African economy is constructed in such a way that at any particular time the types of goalposts that are placed for our young people to be able to penetrate the labour market and succeed in business are constantly being changed."

Mazana agreed with Nkanyezi in that the continuous moving of goalposts creates disparities that keep on widening. Inequality remains the founding factor causing hindrance to economic transformation. She clearly identified the digital divide as exacerbating the problem, as only 64% of South Africans have access to the internet. Moving towards digitising all public spheres is easier said than done. She concluded by saying: "We find ourselves at a landscape looking at the present and our movement to the future, but in fact, the scale keeps tipping because people are being left behind in the current digital age."

Sebastian Daniels' vision of transformation stems from the belief that closing the gap between the informal and formal sectors will create synergy to produce economic sustainability in a holistic way to drive further progression. He explained that he was interested in the reconstruction of the economy to boost recovery. The current structure is still largely based on the old apartheid system of division. "The paradigm needed is for us to define the future of our country and its economy. This ideology will allow everyone to benefit, not just a few". Sebastian mirrored the sentiments of Nkanyezi and Mazana in that we live in a deeply divided society, saying that, "even though I was privileged growing up, things changed for me when I went to university. Ubuntu lives in South Africa, but it does not live in the formal economy. It's unfortunate because the people of South Africa don't know this." Sebastian concluded that the financial and educational systems had been built on 'feed' academics, in that the people with expertise feed into the financial and educational systems. The current stride of placing people from the informal sector into the formal sector is not working; they need to feed into each other to improve transitional growth.

Parliamentarian Mr Faiez Jacobs shared valuable information about the programmes offered by the government for young entrepreneurs furthering transformation in the economy. These include The Department of Small Business Development, The Youth Start-Up Support Programme (YSSP), which aims to provide financial and operational support to SMMEs and co-operatives; The Township and Rural Entrepreneurship Programme (TREP), which provides support to townships and rural start-ups; Department of Trade, Industry and Competition: Gro-E Youth Scheme which

encourages youth entrepreneurship and employment creation; The Department of Rural Development and Land Reform which is specifically aimed at unemployed rural youth aged between 18–25 who have a Grade 12 certificate and want to develop their literacy, entrepreneurial and income-generating potential; The Department of Public Works and Infrastructure: Vuk’uphile Learnership Programme who enhance the skills of emerging contractors specifically for labour-intensive projects. These resources can be explored on the Government’s Small Business Development website: www.dsbd.gov.za and can also be sourced on Cornerstone’s website at <http://bit.ly/RekYourCheque>, where you will find an article pointing to resources which were first published in the *Daily Voice*.

Although South Africa has many failing areas that need focusing on in order to place itself firmly on a path towards economic prosperity, the knowledge and insights expressed by the panel gives new hope and encouragement through the work that young entrepreneurs are doing for the future of the country. In furthering the knowledge of funding avenues available to new business owners we open ourselves to more opportunities at transforming the current economic landscape, bridging the gap between the informal and formal sectors, addressing the issue of digitising and eventually improving South Africa’s infrastructure.

The Critical Dialogue, “Plans for the future: How young people envision economic recovery” in South Africa can be viewed in full by following the link to Cornerstone Institute’s YouTube channel: <https://www.youtube.com/watch?v=k5VF8GczII>

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