

P O L I C Y B R I E F

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Where are the jobs? Addressing the discrepancy between graduate unemployment and skills policies in South Africa



Executive summary

Amidst the noticeably extreme shortages of critical and scarce skills, the perpetual unemployment rate, particularly of trained graduates, has become a serious problem for South Africa. The country is not extracting value from the investment it has made in training these graduates. The ever-changing developments in the labour market may also be influenced by the rapid innovations inspired by the Fourth Industrial Revolution (4IR), which has brought technology into workplaces and rendered some human activities obsolete. Thus, this policy brief addresses the growing disparity between graduate unemployment and the current skills policies in South Africa. The rising levels of unemployment amongst

graduates point to the skills mismatch, where there is an extremely short supply of critical skills that are required by the labour market. Despite South Africa's substantial mineral wealth and significant global reserves of key resources, the country faces a severe paradox with high levels of youth-graduate unemployment and poverty. Over the past sixteen years, graduate unemployment has doubled, reflecting a disconnect between educational outputs and labor market demands. This brief critically examines the limitations of existing policies, such as the National Youth Policy 2020–2030, which, while progressive, fails to address the practical realities of graduate unemployment.

This policy failure calls for the immediate implementation of progressive measures, focusing more on investing in actionable solutions. Labour Market Intelligence (LMI) research and existing employment models, such as internships and learnerships, are criticised for their lack of sustainability and partial relevance to current needs. Some occupations are the major contributors to unemployment. This brief highlights the need for a dedicated regulatory framework within the National Youth Policy (NYP) 2020–2030 to track graduate employment, ensure meaningful job placements, and integrate

industry partnerships.

The proposed policy reforms include developing a comprehensive regulatory framework, revising employment models, enhancing collaboration between educational institutions and industry, and implementing support programmes for graduate entrepreneurs. By addressing these gaps, the brief aims to bridge the divide between educational outcomes and employment opportunities, fostering sustainable career development and contributing to broader socio-economic progress.

Introduction and policy context

Despite Africa's vast natural mineral wealth, exemplified by South Africa's significant global reserves of gold, platinum group metals, and other key resources (Mineral Resources, 2012/13), it ironically grapples with some of the highest levels of youth unemployment and poverty globally. This stark paradox highlights that while Africa, like South Africa, is resource-rich, its youth remain economically marginalised. Over the past sixteen years, South African graduate unemployment has doubled, revealing a growing disconnect between the outputs of educational institutions and the demands of the labour market (MacGinty, 2024). Stats SA (2024) reports an alarming 45,5% unemployment rate among youth, aged 15 to 34, emphasising a crisis that extends beyond mere numbers and threatens the future of South Africa.

Adding to this dilemma, LMI research, although focused on skills trends and mismatches, remains largely theoretical and fails to bridge the gap between potential jobs and actual job availability. Further compounding the issue is the Home Affairs Critical Skills List, which continues to import foreign labour for positions that South African youth are qualified to fill. This raises critical questions about the effectiveness of higher learning institutions: if earning a degree does not translate into employment or

entrepreneurship opportunities, what is its real value? The current focus on critical thinking in academia, without a corresponding emphasis on tangible job creation and economic empowerment, casts doubt on the relevance of education in addressing South Africa's labour market challenges.

Moreover, the traditional approach to tackling graduate unemployment is proving inadequate. Many colleges, technikons, and industry sites are either closing down or failing to adapt to evolving market needs, worsening the unemployment crisis. This is further exacerbated by increasing political interference, which hampers the implementation of effective solutions. Employment models, such as internships, learnerships, and graduate fellowship programmes, are often unsustainable, providing only short-term opportunities without long-term career prospects (Madiba, 2015). This primarily affects graduates who, despite their qualifications, struggle with unemployment and the resulting social instability.

The intended audience for this policy document includes policymakers, educational institutions, industry leaders, and employment agencies. Accountability partners should involve government departments, higher education

institutions, and private sector stakeholders. It is clear that academia, alongside the government and industry stakeholders, must evolve beyond traditional paradigms to address the urgent needs of South African youth and contribute meaningfully to resolving this systemic crisis.

Therefore, the aim of this policy brief is to establish a dedicated regulatory framework within the NYP 2020–2030 policy that focuses specifically on graduate unemployment. Such a

Research approach and method

This policy brief emerges from an in-depth analysis of existing data sources, such as strategies, annual progress reports, other official publications of the relevant entities, and respective policies and strategies. It is from

Results and policy implications

The NYP 2020–2030, particularly Policy Imperative 2: Economic Participation, Job Creation, and Entrepreneurship, outlines 17 indicators aimed at addressing unemployment (Department of Women, Youth, and Persons with Disabilities, June 2021). While this represents a positive initial effort to tackle the issue, there is a crucial need to refine this framework to more effectively address the specific challenges faced by graduates.

Current approaches to addressing graduate unemployment reveal significant gaps. Many colleges, technikons, and industry sites are either closing or failing to innovate, exacerbating joblessness, rather than creating new opportunities. This issue is further compounded by political interference, which undermines effective solutions. Contemporary employment models, such as internships, learnerships, and graduate fellowship programmes have been criticised for their lack of long-term sustainability and impact (Madiba, 2015). While these models have made some progress in addressing graduate unemployment, their focus on short-

term solutions has limited their effectiveness. They often prioritise immediate engagement and the mitigation of unemployment, rather than fostering sustainable career pathways. As a result, these models may be more about managing societal pressures and maintaining appearances than about driving genuine economic growth, personal development, and equitable advancement.

the in-depth synthesis and analysis of these select documents that essential and unique knowledge, insights and dynamics had been appreciation.

This highlights the need to rethink and reform these models to ensure they contribute meaningfully to sustainable career development and broader socio-economic progress. While acknowledging the efforts made by current policies, it is important to recognise their limitations and advocate for a more transformative, emancipatory, dynamic, and integrated approach to policy development.

A plethora of policies, including the White Paper for Post-School Education and Training (WPPSET), the National Plan for Post-School Education and Training (NPPSET), the National Skills Development Plan (NSDP), and the NYP

2020–2030, have been introduced to tackle youth unemployment and poverty. These documents incorporate progressive ideals aimed at improving education; however, they often fail to fully address the socio-economic challenges faced by graduates of higher learning institutions. As Paulo Freire (1970) emphasises, the focus should shift from merely delivering quality education to fostering emancipatory education – education that liberates and empowers. Incorporating ubuntu principles into this framework could enhance its transformative potential.

These policies were developed with the optimistic assumption that South Africa’s youth, when provided with the necessary support and opportunities, could drive efforts to reduce poverty and inequality over the next decade (NYP, 2020–2030). They recognise young people as a crucial resource, whose employment and fair remuneration could be harnessed to capitalise on demographic advantages. However, despite these ambitions, the policies tend to overlook the immediate challenges of the job market, focusing more on potential outcomes, rather than providing concrete, actionable solutions to current employment issues.

The limitations of existing policies and employment models are evident, as they continue to fall short in addressing the root causes of graduate unemployment and fail to support sustainable career development. This short-term approach not only prolongs unemployment but also impedes broader socio-economic progress by neglecting to fully harness the potential of the graduate workforce.

Persistently high rates of graduate unemployment demonstrate a significant gap in the effectiveness of current employment strategies. The focus on short-term solutions, such as temporary placements or internships, rather than sustainable career development, has resulted in the perpetuation of the problem. This calls for a more comprehensive approach that provides long-term, meaningful employment opportunities, ensuring that policies not

only address immediate unemployment but also contribute to lasting socio-economic advancement.

This argument intends to advocate for a deeper, more transformative approach where youth are not merely recipients of opportunities, but active contributors to economic growth, benefiting from and shaping a meaningful demographic dividend. The persistent gap between aspirational policy goals and practical outcomes highlights the urgent need for actionable, context-specific strategies to bridge this divide. While higher education is intended to be a pathway to empowerment and progress, its failure to deliver tangible opportunities not only undermines individual aspirations but also contributes to broader disenchantment and mental strain among the youth.



This argument challenges us to re-evaluate the role of academic institutions and support systems in addressing these critical socio-economic issues. It calls for comprehensive reforms of current employment models and policies, ensuring they contribute effectively to sustainable career development and economic growth. By recommending policy revisions and the development of a more resilient framework, this argument advocates for innovative approaches to career development, stronger collaboration between educational institutions and industry, and the creation of policies that adapt to the evolving job market.

Policy recommendations

1. Invest in long-term sector-focused learnerships, internships and apprentice programme

In addition to the provisions of the NYP 2020–2030, there is a need to establish a clear regulatory framework dedicated to graduate unemployment, which has a database that tracks graduates' employment status, job placement, and career progression. As implemented by the SETAs, these programmes have proven to be effective in facilitating graduates' access to employers and, eventually, employment.

Responsible actors: Government departments, educational institutions, and industry leaders

a. Revise employment models: Within the regulatory framework mentioned above and under the Monitoring, Evaluation and Learning (MEL) Framework below (4.1.2.), the policy framework must have a section that deals with reviewing the current employment models to see what works for whom, under what circumstances, and why. Include industry partnerships to ensure alignment with market needs.

Responsible actors: Policy makers, educational institutions, and industry stakeholders

b. Monitor, Evaluate and Learning (MEL) Framework: Establish mechanisms for ongoing monitoring, evaluation, and learning of employment policies to ensure they are effective and responsive to changing economic conditions.

Responsible actors: Government departments, independent research bodies, and policy analysts

c. Enhance collaboration between education and industry: There must be a structure that foresees the fostering of stronger partnerships between educational institutions, and industry to create pathways that align educational outcomes with employment opportunities.

Responsible actors: Educational institutions, business organisations, and government agencies

2. Implement support programmes for graduate entrepreneurs

From the Office of the Presidency, there must be a policy framework that is dedicated to developing support programmes for graduates to start their own businesses, including access to funding, mentorship, and resources.

Responsible actors: Government agencies, financial institutions, and entrepreneurship support organisations

3. Increase investment in career counselling and development

There must be a structure that invests in comprehensive career counselling services that help graduates navigate the job market and identify career opportunities.

Responsible actors: Educational institutions, career services organisations, and government agencies.

Conclusion

In 1998, the country implemented the National Learnership Policy, and the Sector Skills Authorities (SETAs), which focused on learnerships, internships, and apprenticeship programmes as the most reliable tools through which graduates have been assisted to connect with employment. By design, these are tailored to equip learners and graduates with essential skills that the labour market requires, hence, they are responsive to the needs of the economy. Emerging evidence suggests that there is no need for additional policy reform, but intensification of the current vocational training programmes and sustained partnerships with employers (industries). Vocational training

enables employers, or industries, to influence the training curriculum and create adequate space for experiential learning (workplace-based learning). Overall, this approach has effectively reduced the shortage of critical, scarce and hard-to-find skills for various sectors (HWSETA, 2017/18). It may benefit the country to closely examine the Sector Skills Plans and skills shortage lists (scarce, critical and hard-to-find skills) that are annually generated and published by the SETAs (through DHET). This transparent reporting by SETA/DHET on skills shortage could help guide national skills funding, which will positively impact the demand and supply of skills in the labour market.

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