

## YOUTH DAY 2026 - BREAKING BARRIERS

# Young people can power South Africa's growth — if we design the economy to include them

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**Fifty years after 16 June 1976, South Africa's young people have won their political freedom; yet their economic inclusion remains out of reach, and the latest data makes this impossible to ignore.**



Image: Harambee Youth Employment Accelerator

In the first quarter of 2026, the broad youth unemployment rate among those aged 18 to 35 reached 54.6%, one of the highest recorded outside the Covid-19 years. Across the labour market, 345,000 fewer people were employed, and 74% of that decline was felt by young people. The Quarterly Labour Force Survey (QLFS) is unsparring: when young people fall, they are the hardest hit and take longer to recover.

## The data tells one story. The future may tell another

Employment data, like climate data, is multilayered. It captures short-term 'weather', seen in the seasonal slowdowns expected of Q1 data, the geopolitical shocks impacting global economies, and the absence of large-scale Public Employment Programmes (PEPs) that previously cushioned tens of thousands of young people against exactly these dips. What it does not easily show is the long-term structural shift occurring quietly in the background. And that shift is real.

The economy is expected to grow by 1.6% in 2026, which is still below what is needed, but shows early signs of structural progress. Business and government are more aligned on youth employment as a national priority than at any point in recent memory. South Africa furthermore now has the infrastructure to find and support young people who were previously unreachable in the labour market — as seen via the SA Youth platform, which has reached more than 5.1 million young people and enabled over 2.3 million formal, self-employment and public employment opportunities. This progress provides the foundation for something much larger, if we choose to build on it. We have the alignment, infrastructure and seeds of early growth. The challenge is converting this into inclusive outcomes at scale.

## Growth powered by youth

Here is the uncomfortable truth about South Africa's economic growth over the past 17 years: it has disproportionately created jobs for older workers with the youth share of jobs declining. Growth, on its own, does not automatically include young people. In fact, it excludes them. Unless we design the economy differently.

The evidence on what that design looks like is strengthening. Retail accounts for 40% of formal economy placements on SA Youth. It is the most accessible entry point into the labour market for young people, and the sector with the greatest capacity to absorb them at scale.

Global Business Services has created 131,474 youth jobs since 2018, with 20% occurring in 2025 alone, marking the highest single-year figure recorded. Tourism grew direct employment by 28% between 2022 and 2024, and with 2.9 million visitor arrivals recorded in Q1 2026, the sector's trajectory is firmly upward.

These sectors are not growing by accident. They are growing because of intentional ecosystem coordination: policy alignment, skills investment, and employer partnerships that make youth hiring viable and cost-effective. Analysis from Harambee's latest income survey of 3,167 young people shows that landing a first structured work experience makes a young person 10 percentage points more likely to remain in the labour market, and 10 percentage points more likely to secure further wage employment. The first job is not just a stepping stone. It is a multiplier.

## Hope is not naive

Perhaps the most striking finding in this quarter's data is one that sits entirely outside the QLFS. Despite being the most excluded demographic in South Africa's economy, young people are more hopeful about their living conditions and the state of the country than older people. This is confirmed by Afrobarometer's latest survey and echoed in Harambee's own income data across 6,345 individuals.

This is not wishful thinking. It is a civic asset and it is fragile. When nearly 200,000 young people were engaged in Phase 5 of the Basic Education Employment Initiative at the end of 2025, and Q1 2026 data shows 255,000 fewer young people employed, the correlation is not coincidence. PEPs are shock absorbers. Their absence is felt immediately in national statistics, and eventually in the erosion of the grounded hope that keeps young people engaged and work-seeking rather than discouraged.

The SA Youth platform is designed to sustain that hope between opportunities through contact centre engagements that enable young people to take concrete action towards a better future. Since its launch in 2025, the SA Youth CV has been downloaded by over 782,167 young people, and makes transferrable skills obtained in informal and unpaid work visible to employers.

## The messy middle

Even the most optimistic growth trajectory cannot absorb everyone. Sustainable self-employment must form part of the answer and South Africa's self-employment challenge is not about motivation. Young people are willing but the barriers experienced are structural: a formality bias that creates regulatory friction for anyone operating in the 'messy middle'; an ecosystem of support that remains fragmented; and internalised risk aversion.

Shifting this requires coordinated action across the ecosystem, involving many distinct but interconnected actors: market intermediaries to enable flow through the system; financiers to provide capital; capacity builders to equip entrepreneurs with skills; youth intermediaries to make self-employment aspirational; and motivators for ongoing coaching. Organisations like Umuzi and Rhiza Babuyile already take on multiple roles, providing the wraparound support needed to scaffold young people's self-employment journeys.

## What Youth Day asks of us

Freedom for youth in 2026 means economic inclusion — one that propels growth. This requires the alignment of tax credits, subsidies and compliance instruments around inclusive hiring and skills investment; the removal of red tape that inhibits growth; and support for industrial policy that is labour-absorbing and service-led. It also means growth that includes youth by design: public employment that functions as permanent infrastructure, not an emergency measure, and self-employment that is treated as a legitimate, viable pathway. Reversing the tide is feasible — given the track record of partners within the coalition. Change is entirely within reach.

The young people of 1976 did not wait for permission. And today, young people are showing up on SA Youth in their millions doing the same thing: seeking opportunities and taking action. The question this Youth Day is not whether young people are ready. It is whether the ecosystem, the sectors, and the people in positions of influence are ready to meet them.