

## Zuma lauds youth agency's plans for jobs

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PRESIDENT [Jacob Zuma](#) yesterday lauded the interventions of the National Youth Development Agency, saying it planned to create more than 17000 new jobs, support 15000 young entrepreneurs, and procure more than R11m worth of loans for young, emerging business people.

Mr Zuma was addressing the government's main June 16 rally, in Mpumalanga, and was joined by African National Congress Youth League (ANCYL) deputy president Andile Lungisa, who also heads the youth agency.

Marking the 34th anniversary of the 1976 youth protest movement yesterday, Mr Zuma said it was "important to us as government to ensure that the youth reap the benefits of democracy".

Recently, senior government ministers painted a bleak picture of youth unemployment, peaking at between 55% and 60%, double that of the general jobless rate.

Yesterday, Mr Zuma said more than 30000 jobs had been created for young people through the intervention of the youth agency.

"In addition, more than 4000 business support vouchers were issued to young entrepreneurs to allow them access to key business development support services such as business plan development and tendering support.

"The agency has also helped improve access of the youth to funds," the president said. "About 7000 loans, amounting to R23m , were disbursed to microfinance enterprises," he said.

But as employment and job opportunities are created, the economy continues to shed jobs, with economists warning that the slow economic turnaround will remain largely jobless, placing a greater burden on the state to create an enabling environment to spur job creation.

Mr Zuma's comments come amid warnings that youth unemployment threatens social cohesion and is politically unsustainable in the long run, and the proposal by Finance Minister Pravin Gordhan for a subsidy for employers as a way to encourage them to hire unskilled youngsters. The subsidy will be discussed at the Cabinet lekgotla next month .

The ANCYL , the Young Communist League and the Congress of South African Trade Unions



President Jacob Zuma told a June 16 rally yesterday the government wanted to ensure that the youth would reap the benefits of democracy

have spoken out against the subsidy, saying it would create a “two-tier labour market” .

However, the Zuma administration is under pressure to fast-track young people into the economy and Mr Gordhan’s proposal is one of several options under discussion in the tripartite alliance.

Recently, Economic Development Minister Ebrahim Patel said the government was exploring a range of options to tackle the “stubborn” problem of youth unemployment, including a voluntary scheme where young people would get an allowance from the state .

Mr Patel said the idea came from discussions with the youth agency as part of efforts to get young people engaged in the real economy.

While Mr Patel stressed that the proposal was only an idea, it could present a way out of the deadlock likely to arise from rejection of the proposed wage subsidy to firms.

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