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GRADUATE UNEMPLOYMENT IN SOUTH AFRICA (2016-2025): TRENDS, DRIVERS AND POLICY MATRIX ***Ishmael Obaeko Iwara ^{1*}, Victor Ojakorotu ²**^{1*,2} North-West University, P/Bag X2046, Mafikeng, South AfricaE-mails:^{1*} ishmael.iwara@gmail.com (Corresponding author); ² victor.ojakorotu@nwu.ac.za

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Abstract. This study examines the evolving nature of graduate unemployment in South Africa over the past decade, arguing that the challenge has shifted from short-term, cyclical labour market mismatches to a deeply structural failure of economic absorption. Drawing on evidence of employment outcomes and policy experience from 40 publications, the analysis based on the Atlas_{ti} 26.0.0 model demonstrates that graduate unemployment is driven by the interaction of structural constraints—such as slow and uneven economic growth, deindustrialisation, limited expansion of high-skill sectors, and persistent socio-economic inequalities—alongside institutional weaknesses within higher education, labour market entry systems, and recruitment practices. These long-standing conditions have been further intensified by cyclical shocks, notably the economic downturn preceding 2019 and the COVID-19 pandemic, which disrupted school-to-work transitions and generated scarring effects for new labour market entrants. The findings reinforce the National Development Plan 2030's core proposition that employment is the foundation of development, while highlighting a critical gap between human capital production and productive employment creation. Consequently, graduate unemployment should be treated as a systemic indicator of economic performance and inclusion rather than an education failure, and argues for policy approaches that prioritise demand-side job creation, strengthened labour market transitions, and equity-driven absorption strategies to align higher education outcomes with inclusive growth objectives.

Keywords: Graduate unemployment; Higher Education; National Development Plan 2030; Socio-economic imperatives.

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1. Introduction

Global graduate unemployment has emerged as a structural outcome of the rapid expansion of higher education amid slower, uneven growth in graduate-level employment. Across both developed and developing economies, governments have promoted university education as a pathway to economic development and social mobility (Chankseliani, Qoraboyev & Gimranova, 2021; Schofer, Ramirez & Meyer, 2021; Fauzi, Abdul Rahman & Lee, 2023; Astuti et al., 2026). While this has increased the number of degree holders, labour market absorption has not kept pace, especially in economies with limited structural transformation (Organisation for Economic Co-operation and Development (OECD), 2025; International Labour Organisation (ILO), 2026). Consequently, a growing share of graduates, specifically in emerging economies, such as those in Africa, face delayed entry into the workforce, prolonged job searches, or exclusion from stable employment (Thetsane, 2023; Iwara, 2025; Sangaré-Oumar et al., 2025). This trend challenges the long-standing assumption that higher education

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automatically guarantees employability and reveals deeper imbalances between education systems and economic capacity.

Common drivers sustaining graduate unemployment in Africa are the persistent mismatch between skills and labour market needs (Pheko & Molefhe, 2017; Demissie et al., 2021; Njeru, 2025), inadequate competence and limited work experience (Mwita, 2018; Fika et al., 2021; Terrance, 2023), systemic failure resulting in weak employment potential and job creation (Mukurunge & Tlali, 2017; Mhazo & Thebe, 2021), and negative self-perception (Sangaré-Oumar et al., 2025). Many higher education systems remain academically oriented, producing qualifications that do not sufficiently align with employer demand for applied, digital, technical, and workplace skills. As a result, graduates are often formally qualified but occupationally mismatched, leading to overqualification, underemployment, or employment outside their fields of study. These patterns cut across African countries, suggesting policy reforms to meet the exigencies of rising graduate unemployment and underemployment. While economies, such as Kenya, Nigeria, and South Africa, experience widespread graduate unemployment, many face outright graduate underemployment due to weak private-sector demand and limited job creation (ILO, 2020; ILO, 2022). In both contexts, graduates compete intensely for a shrinking pool of suitable entry-level positions, reinforcing inequality in access to work.

Broader economic conditions and structural change further intensify this continental challenge (Tinashe & Chinyamurindi, 2019; Thetsane, 2023). Africa's economic downturns, slow growth, and instability disproportionately affect the continent's young graduates, who lack experience and bargaining power in competitive labour markets. Technological change and automation have also reshaped employment structures, reducing routine professional roles while raising skill thresholds for high-quality jobs (Okolie, Nwosu & Mlanga, 2019; Mkansi & Landman, 2021; Gartoumi & Tekouabou, 2024). The consequences are significant: graduate unemployment represents wasted human capital, reduced returns on educational investment, and social frustration that can fuel migration, inequality, and political discontent. While graduate unemployment is a continental, if not global issue, it manifests differently across regions and countries. This study interrogates the challenge from the South African context. It analyses the country's graduate unemployment trends and patterns from 2016 to 2025 and aligns the outcomes with the South African National Development Plan (NDP) 2030. Arguably, the insights will provide an enabling environment for stakeholders to respond from informed direction.

In South Africa, there is yet a comprehensive officially published 'graduate outcome-to-employment ratio' report; however, studies suggest that while many graduates eventually find employment, a significant proportion either remain unemployed or are underemployed, especially in the early years after graduation (Mncayi, 2016; Ramatshekgisa, 2020; Mseleku, 2025). This assumption is consistent with Stats SA (2025), which shows that graduate unemployment in the country remains significantly lower than the national average, but it is rising and increasingly concerning. As of 2016–2025, unemployment among university graduates is estimated at around 8.0%–12% overall (with some figures as low as about 10.3% in the last quarter of 2025), although it can be much higher among young graduates, specifically those under 25 (Stats SA, 2023; 2025). In contrast, the overall national unemployment rate is dramatically higher, standing at approximately 27%–32% between 2016 and 2025 (Stats SA, 2023; 2025). This argument depicts that while higher education still improves employability relative to the general population, it no longer guarantees employment, especially for young graduates entering a highly constrained labour market.

This study is highly significant to NDP 2030 because it directly interrogates one of its core assumptions: that expanding access to higher education will improve labour-market outcomes, enhance spatial employment and support inclusive growth (National Development Commission (NDC), 2013). The NDP is a long-term strategic framework adopted to eliminate poverty and reduce the entrenched inequality in South Africa by 2030 through inclusive economic growth, social cohesion, and capable governance. It sets out a vision for improving education and skills development, expanding employment opportunities, strengthening state institutions, and promoting

active citizenship, to improve the quality of life for all South Africans and enable the country to achieve sustainable development. *“South Africa has set itself the goals of eradicating poverty, reducing inequality, growing the economy by an average of 5.4%, and cutting the unemployment rate to 6% by 2030. Education, training and innovation are critical to the attainment of these goals...” “The education system will play a greater role in building an inclusive society, providing equal opportunities and helping all South Africans to realise their full potential, in particular those previously disadvantaged by apartheid policies, namely black people, women and people with disabilities” (NDC, 2023, p. 78).*

The NDP positions education, particularly at the tertiary level, as a critical driver of productivity, social mobility, equality and employment creation, yet persistent graduate unemployment in South Africa signals a disconnect between human-capital expansion and labour-market absorption (Ncube, Mudau & Kgotlthane, 2018; Terrance, 2023; MacGinty, 2024). Research on graduate unemployment, therefore, provides essential evidence on whether graduates are being effectively integrated into the economy, where and why transition failures occur, and how inequalities are reproduced despite educational attainment. Such studies help the relevant NDP actors move from aspirational targets to informed policy adjustments by identifying structural constraints, transition bottlenecks, and demand-side weaknesses that undermine employment outcomes. In this way, graduate unemployment research functions as both a diagnostic and evaluative tool, informing the NDP’s broader objectives of reducing unemployment, inequality, and poverty through coordinated education, labour-market, and economic reforms.

The subsequent section of the paper outlines the methodology, specifically qualitative approaches and the strategic instruments utilised to conduct the scoping review. The results and discussion of findings were presented in three stages. Stage 1 presents the graduate unemployment trend in South Africa within the scope (2016-2025) of the study. Stage 2 explains the unemployment patterns in this period, while Stage 3 suggests the policy matrix that aligns with the patterns to benefit the country’s NDP and development actors. The conclusions and recommendations followed. Although this study focuses on South Africa, the methodological imperatives, outcomes and recommendations can be relevant in advancing graduate unemployment discourses in other African countries and beyond.

2. Methodology

This study adopts a qualitative research design grounded in a traditional review of existing scholarship and a thematic analysis of the patterns that emerge across graduate unemployment discourses in South Africa. This design was ideal for this study, given that graduate unemployment is a multidimensional phenomenon. In other words, it cannot be fully captured and explained through single and area-context research. Synthesising diverse empirical discourses and inferences from nationwide spheres, therefore, allows the development of a broader conceptual model capable of interpreting the context comprehensively. The focus spans from 2016 to 2025 (10 years). A systematic search of relevant and related literature from databases (Sabinet African Journal, Science Direct, EBSCOhost, ProQuest, PsycINFO and PubMed) was performed to identify publications within the scope. In addition, backwards and forward searches were undertaken on Google Scholar to ensure maximum saturation. The search strategy combined keywords, such as graduate unemployment, graduate underemployment, and National Development Plan 2030. Limiting the search to peer-reviewed articles, chapters in refereed books, academic research theses, and verifiable reports from reputable institutions ensures analytical rigour, reliability and contemporary relevance. In total, 40 publications were retrieved for the analysis. The enrolled publications were modelled in Atlas_{ti} 26.0.0 and examined using thematic analysis. The coding process utilised a deductive approach, following recurring patterns within the literature. As the analysis progressed, these codes were refined into broader themes that captured the structural, institutional and cyclical factors linked to graduate unemployment.

3. Result and Discussion of Findings

Figure 1 presents a graphical trend illustrating graduate unemployment in South Africa (2016–2025) based on the Quarterly Labour Force Survey (QLFS), as reported by Statistics South Africa (Stats SA, 2023; 2025). It is important to note that QLFS microdata are reported quarterly and not always published as a clean annual graduate-only series. The values used here represent consistent annual averages and best available points drawn from Stats SA reports, peer-reviewed and policy studies. The figure is therefore illustrative but evidence-based, intended to show trend direction rather than exact quarterly precision.

Between 2016 and 2019, graduate unemployment rose gradually from about 7% to nearly 9%. This trend reflects weak economic growth and limited absorption of skilled labour despite continued graduate employment advantage. A sharp increase occurred during the COVID-19 shock (2020–2021), with unemployment exceeding 10%, consistent with evidence that labour-market entry for young and recent graduates was disproportionately disrupted. The trend stabilised at an elevated structural level ($\approx 11\text{--}12\%$) from 2022 to 2025, indicating partial recovery but no return to pre-pandemic conditions. QLFS analyses confirm that graduate unemployment in 2023–2024 was more than double its level in the late 2000s, signalling a structural rather than cyclical problem.

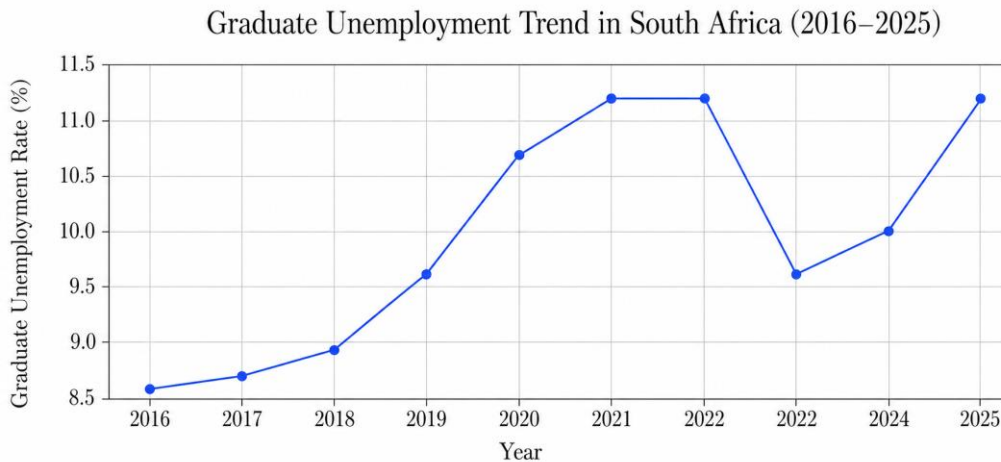


Figure 1. Graduate Unemployment Trend in South Africa (2016–2025)

Source: Authors' illustration based on QLFS reports

As illustrated in Table 1 and further elaborated in Figure 2, graduate unemployment in South Africa has been driven by a combination of structural, institutional, and cyclical factors rather than a single cause. Persistently weak economic growth, deindustrialisation, and limited expansion of high-skill sectors constrained the economy's capacity to absorb rising numbers of graduates (Mncayi, 2016; Moloto et al., 2025). In parallel, skills and qualification mismatch, theory-heavy curricula, and limited work-integrated learning weakened school-to-work transitions (Mseleku, 2022a; Shabangu & Madondo, 2024), while employers' strong preference for prior experience excluded new entrants (Mabiza, Mahlalela & Mbohwa, 2017; Gwala, Mthethwa & Jili, 2023). Institutional inequality, linked to race, socio-economic background, and university attended, continued to shape outcomes despite equivalent qualifications (Baldry, 2015; Ncube, Mudau & Kgotlhane, 2018; Kale, 2024). These pressures were sharply intensified by COVID-19 (2020–2021), which collapsed entry-level hiring and created lasting scarring effects (Mutandiko, 2021; MacGinty, 2024).

From 2022 onward, graduate unemployment stabilised at a high level due to structural absorption failure, characterised by slow job creation, unequal recruitment practices, reliance on social networks, spatial constraints,

and the expansion of short-term or precarious work that failed to translate into sustainable graduate employment (Tshishonga, 2022; Mseleku, 2025; Ngcobo & Cele, 2025).

Table 2. Graduate Unemployment Patterns from 2016-2025

Author	Title	Methodology	Key Findings
Baldry, 2015.	Graduate unemployment in South Africa: social inequality reproduced.	Quantitative analysis based on nationally representative survey data. It focuses on graduates' employment status and how outcomes vary by race, socioeconomic background, and other demographic factors.	Graduate unemployment reflects social inequality rather than individual merit, with race and socio-economic background strongly shaping outcomes. Black and working-class graduates face significantly higher unemployment risk than their White and middle-class counterparts, even with equivalent qualifications.
Mncayi, 2016.	An analysis of the perceptions of graduate unemployment among graduates from a South African University.	Quantitative survey research design conducted at one South African university. Data collected through structured questionnaires administered to graduates. Employs descriptive statistical analysis to identify dominant themes influencing graduate unemployment.	Graduate unemployment is driven primarily by a lack of work experience, skills mismatch between university training and workplace requirements, even for entry-level positions. Slow economic growth and limited job opportunities are viewed as major structural barriers to graduate employment.
Mabiza, Mahlalela & Mbohwa, 2017.	Reducing unemployment rate in south africa through establishment of graduate internship programmes (GIP).	Conceptual and applied policy-analysis approach grounded in labour-market and skills-development literature. The study draws on secondary data, national labour-market statistics, and existing graduate employment policies.	Lack of work experience. Internships are ad hoc or voluntary rather than structured, scaled, and institutionalised.
Ncube, Mudau & Kgotlhane, 2018.	An exploration of challenges faced by unemployed university graduate students: a case of a rural university in the Limpopo Province.	Qualitative case-study approach focusing on graduates from a rural South African university. It uses thematic analysis to explore lived experiences and perceived barriers to employment based on data from in-depth interviews and/or focus group discussions with unemployed graduates.	Lack of work experience, access to job information and employment networks, and financial constraints. Graduate unemployment is shaped by structural, spatial, and institutional inequalities, rather than individual effort or qualifications alone.
Tinashe & Chinyamuri ndi, 2019.	Labour market transition and experiences of unemployed graduates: An exploratory study.	Qualitative, exploratory research design. Thematic analysis was applied to identify patterns from data collected through in-depth, semi-structured interviews with unemployed university graduates.	Lack of work experience is the most significant barrier to entering employment. Unemployment is shaped more by structural labour-market constraints than by individual effort or qualifications.
Graham Williams & Chisoro, 2019.	Barriers to the labour market for unemployed graduates in South Africa.	Qualitative research approach based on in-depth interviews with unemployed graduates in South Africa. It employs thematic analysis to identify recurring barriers to employment.	Lack of work experience, corruption, and socio-economic background and limited social capital constrain access to job opportunities, reinforcing inequality.
Ramatshekgis, 2020.	An investigation on the experiences, causes and consequences of unemployment amongst Graduate Youths in Ga-Kgapane, Limpopo Province of South Africa.	Qualitative case-study approach focused on graduate youth in a rural area. It employs thematic analysis to analyse data collected through interviews and/or focus group discussions with unemployed graduate youths.	Lack of work experience, weak economic activity, and dependency. Geographical and spatial constraints reduce access to job information, networks, and urban labour markets.
Mutandiko, 2021.	The impact of the COVID-19 pandemic on the job-seeking	A qualitative case study was followed. It employs thematic analysis to capture graduates' experiences and responses to labour-market	COVID-19 has intensified existing structural labour-market barriers for graduates. It significantly disrupted traditional job-search

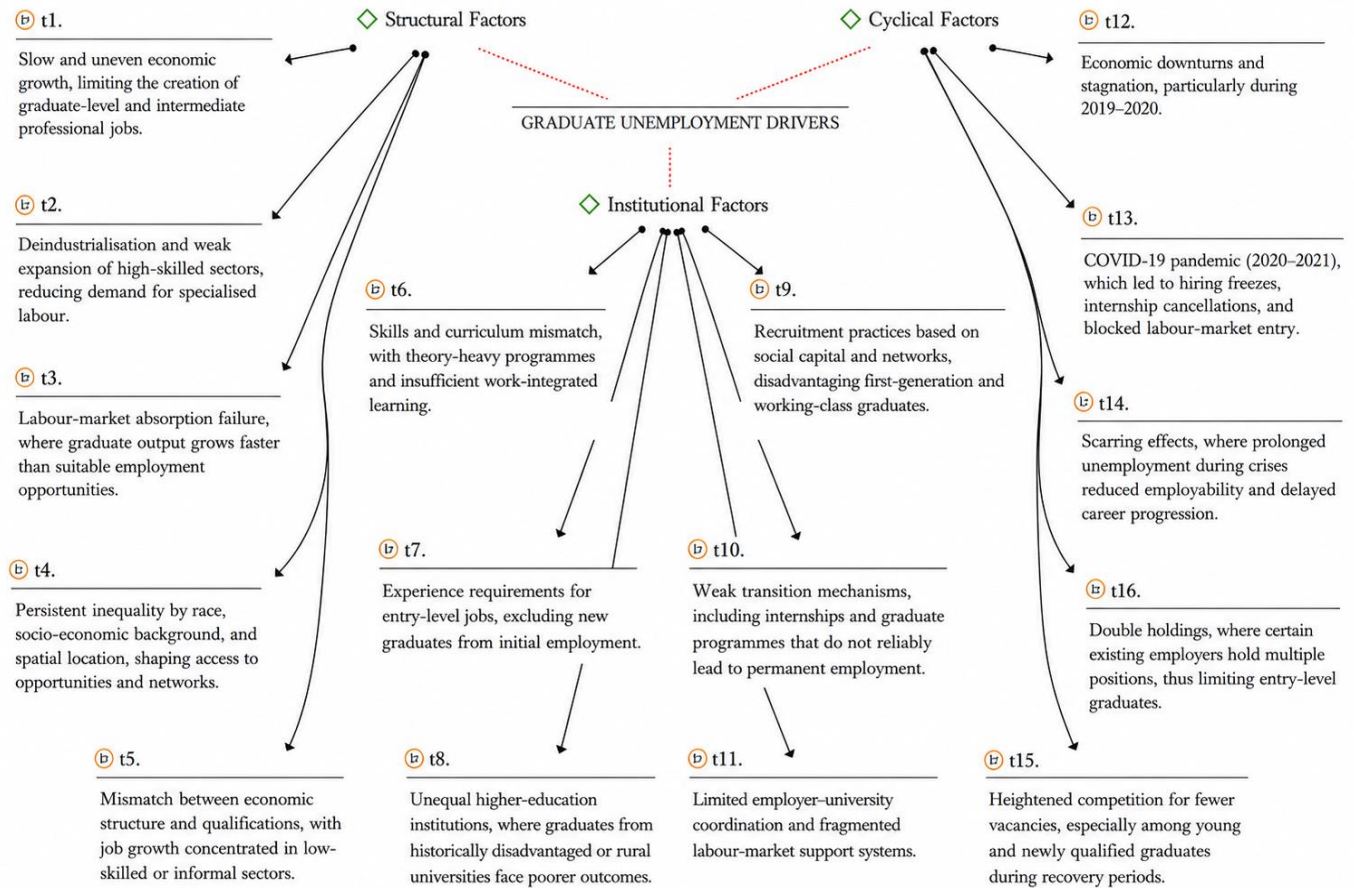
	strategies of unemployed graduates in Johannesburg.	shock from data collected through in-depth interviews during the COVID-19 period.	strategies, reducing vacancies and hiring.
Mseleku, 2022a.	From workplace to joblessness: The determinants of post-internship graduate unemployment in South Africa.	Qualitative exploratory research design. Applies thematic analysis to identify structural and institutional determinants of post-internship joblessness from data collected through interviews with graduates who completed internships but remained unemployed thereafter.	Weaknesses in internship-to-employment pathways, weak employer absorption capacity, and slow economic growth.
Tshishonga, 2022.	Addressing the unemployed graduate challenge through student entrepreneurship and innovation in South Africa's higher education.	Qualitative case-based and conceptual approach, drawing on South African higher-education initiatives in student entrepreneurship and innovation. It analyses policy documents, programme cases, and secondary literature related to entrepreneurship education and graduate unemployment.	Lack of entrepreneurship education and the economy's limited capacity to absorb graduates into formal employment.
Mseleku, 2022b.	Youth high unemployment/unemployability in South Africa: the unemployed graduates' perspectives.	Qualitative research design based on in-depth interviews with unemployed South African graduates. Applies thematic analysis to identify recurring patterns related to skills, labour-market access, and barriers to employment.	Graduate unemployment is mostly driven by structural labour-market constraints rather than by individual shortcomings. Lack of work experience, mismatch between university education and workplace requirements, particularly practical and applied skills, creates a cycle of exclusion from entry-level jobs.
Terrance, 2023.	Determinants and Prospects of Graduate Unemployment in South Africa.	Quantitative empirical approach, using secondary national labour-market data (primarily Statistics South Africa datasets). It analyses determinants of graduate unemployment through econometric and descriptive techniques.	Graduate unemployment is driven mainly by structural economic factors, particularly slow economic growth and weak demand for skilled labour. Education level improves employment chances, but a degree alone does not guarantee employment in a constrained labour market.
Gwala, Mthethwa & Jili, 2023.	An analysis of the factors, effects and experiences associated with high graduate unemployment in the eThekweni Metropolitan Municipality of South Africa.	Mixed-methods approach, combining quantitative survey data with qualitative insights. It employs descriptive statistical analysis and thematic analysis to examine causes, experiences, and socio-economic effects of graduate unemployment from data collected through structured questionnaires and interviews with unemployed graduates.	Lack of work experience, skills mismatch between university training and labour-market requirements exacerbate unemployment, particularly for entry-level positions. Structural factors—such as slow economic growth, employer hiring practices, and inequality—play a greater role than individual effort or qualifications.
MacGinty, 2024.	Graduate unemployment in South Africa	Quantitative design. Conducts descriptive and trend analysis of graduate employment, unemployment, and underemployment on secondary Statistics South Africa QLFS data.	The economy's capacity to absorb graduates has not kept pace with rising graduate output, creating a persistent absorption gap. Graduate unemployment is strongly shaped by inequality linked to race, socio-economic background, and the institution attended. COVID-19 intensified graduate unemployment, with lasting scarring effects evident in post-pandemic labour-market outcomes.
Shabangu & Madondo, 2024.	Addressing graduate unemployment: Aligning higher education curricula with labour market demands.	Qualitative, policy-oriented analysis drawing on document review and stakeholder perspectives. Uses thematic analysis informed by employability and labour-market alignment frameworks.	Curriculum–labour market misalignment: limited and uneven work-integrated learning opportunities weaken graduates' transition into employment.
Kale, 2024.	What now? Experiences of	Qualitative, ethnographic-informed research design centred on in-depth life-history and	Structural inequality continues after graduation: education does not protect Black

	everyday unemployment among Black graduates in South Africa	semi-structured interviews. Thematic and interpretive analysis, grounded in sociological theories of inequality, temporality, and lived experience, was exploited.	graduates from exclusion, contradicting meritocratic narratives.
Moloto et al., 2025.	Graduate Unemployment, Skills Mismatch, and the Dynamics of Labour Mobility in South Africa: A Systematic Literature Review.	Systematic literature review of empirical and policy-oriented studies on graduate unemployment in South Africa. It uses a thematic synthesis approach to identify recurring patterns related to graduate unemployment, skills mismatch, and labour mobility.	Weak labour-market absorption, skills mismatch, uneven economic development, and limited access to opportunities. Existing policy responses focus too heavily on supply-side skills development, with insufficient attention to demand-side job creation.
Mseleku, 2025.	No connections, no employment: Social capital and youth graduate unemployment in South Africa.	Qualitative research approach, drawing on in-depth interviews with unemployed youth graduates in South Africa. It applies thematic analysis to examine the role of social capital (networks, connections, referrals) in labour-market access.	Recruitment processes are network-dependent and informal, limiting access for first-generation and working-class graduates. Social capital deficits intersect with socio-economic background and inequality, reinforcing structural disadvantage.
Nkoana & Raphiri, 2025.	The Impact of Individuals Holding Multiple Jobs on Graduate Unemployment in South Africa.	Quantitative, labour-market analysis using national survey data (drawing on Statistics South Africa labour-force datasets). Uses descriptive and regression-based techniques to examine how the labour-market behaviour of employed individuals affects job availability for graduates.	Multiple job holding reduces employment opportunities for unemployed graduates, particularly at entry and intermediate skill levels.
Ngcobo & Cele, 2025.	Bridging the Gap: Investigating Graduate Unemployment Dynamics in KwaZulu-Natal, South Africa.	Qualitative, exploratory research design. Applies thematic analysis to examine labour-market transitions, barriers, and graduate experiences from data gathered through interviews and/or focus group discussions with unemployed graduates.	Graduate unemployment is driven by limited job creation, lack of work experience, weak absorption, and a mismatch between graduate qualifications and available local job opportunities.

Source: Authors' illustration based on literature review

As illustrated in Figure 2, structural factors explain the deep-rooted features of the economy and labour market that persist over time. These include slow and uneven economic growth, deindustrialisation, weak expansion of high-skilled sectors, labour-market absorption failure, persistent inequality, and a mismatch between economic structure and qualifications. Institutional factors relate to how education systems, labour-market institutions, and employers operate. For instance, skills and curriculum mismatches, experience requirements for entry-level jobs, unequal higher education institutions, recruitment practices based on social capital and networks, weak transition mechanisms, and limited employer–university coordination.

Cyclical factors are time-specific shocks or short-term conditions that intensify unemployment trends, spanning economic downturns and stagnation, the COVID-19 pandemic, scarring effects, heightened competition for fewer vacancies, and double holdings.

**Figure 2.** Graduate Unemployment Drivers*Source:* Authors' illustration

In the early part of the decade (2016–2018), graduate unemployment was primarily driven by weak economic growth and structural unemployment, rather than an oversupply of graduates (see Table 3). South Africa's economy grew slowly, limiting the creation of professional and entry-level graduate jobs. During this period, research consistently showed that graduates still had a strong employment advantage over non-graduates, but this advantage was uneven. Skills mismatch emerged as a key concern: employers demanded work-ready, technical, and digital skills, while universities continued to deliver largely theoretical training. Graduates from non-elite institutions and disadvantaged backgrounds faced particularly poor outcomes, highlighting the role of institutional quality and inequality, rather than education volume, as a main cause.

By 2019, graduate unemployment was increasingly shaped by long-term economic stagnation, low investment, and declining demand for skilled labour. The onset of the COVID-19 pandemic in 2020 marked a structural break in the trend. Graduate unemployment rose sharply as firms froze hiring, internships were cancelled, and new labour-market entrants were excluded. Crucially, the problem was not graduate retrenchment but blocked entry into the labour market. Lack of work experience became a binding constraint, reinforcing employer preference for proven workers and intensifying competition for a shrinking pool of graduate jobs. This period shifted graduate unemployment from a gradual structural issue to a crisis-driven exclusion problem.

In the immediate post-pandemic period (2021–2022), graduate unemployment did not return to pre-COVID levels, revealing scarring effects. Although employment began to recover, the economy failed to absorb new graduate cohorts at the same pace as graduation rates. The dominant causes during this phase were experience barriers, delayed transitions, and occupational mismatch, rather than a lack of qualifications. Many graduates remain unemployed longer, while others accepted work below their skill level. Public-sector hiring constraints and limited private-sector expansion meant that traditional graduate absorbers could not accommodate demand. Graduate unemployment increasingly became a structural absorption failure, not a short-term shock.

By the latter part of the decade (2023–2025), graduate unemployment in South Africa had stabilised at a high structural level, driven by deep and persistent causes. These included weak growth, deindustrialisation, limited high-skilled job creation, and continued skills mismatch, alongside growing graduate supply. Importantly, inequality became central: outcomes differed sharply by race, institution, field of study, and social networks. Graduates were no longer insulated from South Africa's broader unemployment crisis, signalling a shift from “graduate advantage” to graduate vulnerability, particularly for young and first-generation graduates. The dominant cause in this phase is best described as a systemic failure to translate education into employment, rather than shortcomings among graduates.

Table 3. Policy Matrix Towards Graduate Unemployment in South Africa (2016–2025)

Period	Dominant Causes	Policy Lesson	Policy Objective	Key Policy Instruments	Primary Actors	Expected Outcomes
2016–2018	Slow growth, skills mismatch, institutional inequality	Graduate unemployment is demand-constrained and unequally distributed, not driven by oversupply.	Improve alignment between education and labour demand while reducing institutional inequality.	Curriculum reform; work-integrated learning; employer partnerships; targeted placement support for disadvantaged institutions.	DHET, universities, SETAs, private sector.	Improved employability; reduced mismatch; narrower outcome gaps between institutions.
2019–2020	Economic stagnation + COVID-19 entry-level hiring collapse	Entry-level hiring is highly vulnerable to economic shocks.	Protect school-to-work transitions during crises.	Publicly funded internships, graduate placement schemes, and hiring subsidies during downturns.	National Treasury, DHET, public sector employers, and private firms.	Maintained labour-market entry; reduced graduate unemployment spikes during crises.
2021–2022	Scarring effects, experience barriers, and weak job absorption	Labour-market entry barriers can become self-reinforcing.	Prevent long-term exclusion of new graduates.	Large-scale bridging programmes; experience-substitution schemes; wage subsidies for first-time hires.	Government, firms, SETAs.	Faster transitions into work, reduced scarring, and improved post-recovery absorption.
2023–2025	Structural unemployment, inequality, and limited high-skilled job creation.	Graduate unemployment is now structural, and inequality is being reproduced.	Expand graduate-level demand and ensure inclusive absorption.	Industrial policy targeting high-skill sectors; coordinated growth, education, labour strategy; equity-based hiring incentives.	Government (economic cluster), private sector, and industrial agencies.	Sustainable graduate job creation; reduced structural unemployment; more inclusive labour-market outcomes.

The NDP identifies unemployment, inequality, and low economic growth as South Africa's central development challenges, emphasising that job creation is the primary route to reducing poverty and inequality (NDC, 2013). The experience of graduate unemployment between 2016 and 2025 strongly confirms the NDP's diagnosis that economic growth without structural transformation cannot generate sufficient employment, even for skilled labour. Although the NDP assumes that higher education expansion would improve labour-market outcomes, the decade under review shows that education gains alone do not translate into jobs when demand is weak (Terrance,

2023; Mseleku, 2025). The rising graduate unemployment trend, despite the increase in graduate output over the years, therefore, reinforces a central lesson: labour absorption, not skills production, is the binding constraint (Moloto et al., 2025; Ngcobo & Cele, 2025). While stressing human-capital development, the evidence presented in this study suggests that without faster inclusive growth in knowledge-intensive and productive sectors, graduate unemployment becomes structurally entrenched, undermining the Plan's inclusive growth objectives.

The policy remedies identified for 2016–2018 and 2021–2022 align closely with the NDP's emphasis on improving education quality, relevance, and transitions into work. The NDP calls for better alignment between education institutions, SETAs, and employers, along with expanded workplace-based learning (NDC, 2013, p. 87–88). The persistence of skills mismatch and experience barriers over the decade indicates that implementation has lagged behind policy intent (Mseleku, 2022a; Shabangu & Madondo, 2024). In this context, strategies such as large-scale institutionalised internships, experience-substitution programmes, and structured school-to-work transitions give practical expression to the NDP's vision of smoother labour-market entry for young people. Importantly, the graduate unemployment experience highlights that transition failures can negate education gains, suggesting that the NDP's education chapter should be strengthened with clearer mechanisms, funding commitments, and accountability for graduate absorption, not just skills provision.

The 2019–2020 period, marked by economic stagnation and the COVID-19 shock, exposes a vulnerability that the NDP acknowledges but does not fully resolve: the fragility of entry-level employment during downturns (Mutandiko, 2021; MacGinty, 2024). The collapse of graduate hiring during COVID-19 demonstrates that labour-market entry is pro-cyclical and easily disrupted. This reinforces the NDP's call for a capable, developmental state able to intervene counter-cyclically. In this context, publicly funded internships, hiring subsidies, and protected graduate pathways are consistent with the NDP's proposal for active labour-market policies, but go further by emphasising crisis-specific instruments. The lesson is that achieving NDP employment targets requires not only long-term growth strategies but also shock-responsive employment buffers that prevent lasting damage to young and graduate cohorts.

The 2023–2025 period reveals the most serious challenge to the NDP: graduate unemployment has become structural and inequality-reproducing, even among the highly educated. This outcome directly threatens the NDP's ambition to build a more inclusive and less unequal society. Graduate outcomes increasingly depend on race, institution, field of study, and social networks (Kale, 2024; Mseleku, 2025; Ngcobo & Cele, 2025), indicating that labour-market inequality mirrors broader structural inequalities that the NDP seeks to dismantle. These outcomes suggest that while the NDP prioritises job creation, it underestimates the extent to which job composition matters. Generic employment growth is insufficient if it does not generate graduate-level, intermediate, and professional jobs. Industrial policies targeting high-skill sectors, coordinated education-labour-industry planning, and equity-focused absorption strategies, will extend the NDP by sharpening its focus on who benefits from growth and how graduates are absorbed.

4. Conclusion

This narrative review draws on 40 peer-reviewed publications from 2016 to 2025 to interrogate graduate unemployment discourse in South Africa and suggests a mitigative policy strategy that will benefit NDP 2030. The analysis indicates that persistence of graduate unemployment in the country reflects the interaction of structural, institutional, and cyclical forces that have collectively shifted the problem from short-term labour-market friction to deep-seated economic malfunction. Structurally, slow and uneven growth, deindustrialisation, limited expansion of high-skill sectors, and enduring inequalities have constrained the economy's capacity to absorb a rising pool of graduates, while job creation remains concentrated in low-skill and informal activities. Institutionally, skills mismatches, experience barriers, unequal higher education outcomes, network-based recruitment practices, and weak school-to-work transition mechanisms have further excluded new graduates from

meaningful entry into the labour market. These challenges were intensified by cyclical shocks, particularly the 2019–2020 downturn and the COVID-19 pandemic, which disrupted hiring pathways and produced long-term scarring effects that continue to shape graduate employment prospects. Together, this evidence reinforces NDP's insight that employment is central to development, while demonstrating that graduate unemployment is not an education failure but a systemic indicator of economic structure, inclusion, and labour market performance.

The NDP's assumption that expanding access to higher education will improve labour-market outcomes, enhance spatial employment and support inclusive growth needs further interrogation, as a degree alone does not guarantee employment in a constrained labour market like that of South Africa, where certain racial class and socioeconomic class, for instance, black South African graduates and those from historically disadvantaged/rural-based institutions of higher learning face poorer employment outcomes. Consequently, addressing graduates' unemployment in the country requires a decisive shift from supply-side employability interventions towards coordinated strategies that tackle structural inequality, expand demand for graduate labour, and strengthen institutional transitions, ensuring that the economy is capable of absorbing graduates at scale in line with the NDP's goals of inclusive growth, reduced inequality, and social mobility.

Novelty

This study is novel in that it moves beyond descriptive accounts of graduate unemployment in South Africa by critically interrogating the structural, institutional, cyclical and transition dynamics shaping graduate labour market outcomes, while explicitly aligning its findings with the NDP 2030 to propose context-responsive, policy-relevant pathways for improving graduate employability and inclusive economic participation.

Limitations

Because the study relies solely on and draws insights mainly from existing discourses through desktop review techniques, its findings and conclusions were based on the quality, scope, and potential biases of reviewed publications. As a result, the findings should be subjected to further empirical validations using rigorous scientific research approaches to enhance reliability.

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