

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

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Mr M Swart (DA) to ask the Minister of Finance:

(1) (a) When was the pilot programme on the youth wage subsidy initiated, (b) how much money has already been spent on the programme in each month by (i) actual wage subsidy payout, (ii) monitoring costs and (iii) other costs, (c) how many persons are participating in the programme and (d) when will the scheme be implemented; (2) whether the National Treasury has any estimates on the (a) cost of implementing the youth wage subsidy and (b) number of persons to participate within the first year of its implementation; if not, what is the position in this regard; if so, what are the relevant details?

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REPLY:

(1) The youth wage subsidy is not a pilot programme, but a research project undertaken by a university-based research team into the effect of a youth wage subsidy on employment. The National Treasury in conjunction with the Department of Labour, is funding this research project.

(1) (a) The first phase of this research project began in April 2009 with the process of building the sample of youths who are to be part of the research project. This phase was completed at the end of August.

(1) (b) The allocation and distribution of subsidies among the sample has yet to take place. As such no money has been spent on (i) actual wage subsidy payout or (ii) monitoring costs for the research experiment. (iii) As of August 13, 2009, an amount of R465 515 had been spent and a further R143 077 committed towards

the individual surveys of the sample, overhead costs and salaries of the university-based research team.

- (1) (c) There are 4 000 youths aged between 20 and 24 participating in the research experiment.
- (1) (d) There is no scheme to be implemented as this project is only a research experiment at present.
- (2) No, it is not possible to provide estimates for (a) the costs of implementing a youth wage subsidy or (b) the number of persons to participate in the first year, as there is no policy decision to introduce a youth wage subsidy in South Africa.