

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 564 [NW687E]
DATE OF PUBLICATION: 8 MARCH 2019**

564. Mr M S Shackleton (DA) to ask the Minister of Finance:

What (a) amount has been designated for the purposes of (i) creating jobs and (ii) addressing unemployment in the Government's national budget for the 2019-20 financial year and (b) are the details of each programme and/or department or entity that will benefit from these designations?

NW687E

REPLY:

What (a) amount has been designated for the purposes of (i) creating jobs and (ii) addressing unemployment in the Government's national budget for the 2019-20 financial year

Public employment programmes are key components of the government's drive to alleviate poverty, inequality and unemployment in South Africa. These programmes have a large multiplier effect on vulnerable communities by combining the social, environmental and economic objectives of employment generation, income support, and asset creation. Government has allocated a total of R15.4 billion in the national budget for the 2019/20 financial year towards addressing unemployment. This is mainly comprised of two public employment programmes, namely, the Expanded Public Works Programme (EPWP) (R14.6 billion) and the Jobs Fund now called the Employment Creation Facility Fund (R800 million).

The table below displays the breakdown of funds designated for the purposes of creating jobs in the 2019/20 financial year.

National departments (R'000)	13 807 428
Cooperative Governance and Traditional Affairs	4 038 608
Environmental Affairs	4 084 367
Labour	2 289 950
National Treasury	800 073
Public Works	1 812 036
Rural Development and Land Reform	411 153
Tourism	371 241
Provincial Departments (R'000)	1 586 094
Infrastructure Development	314 634
Public Works and Transport	1 271 460
GRAND TOTAL	15 393 522

Additionally, government launched the Youth Employment Service (YES) initiative in March 2018. This is a business-led initiative supported by government. It offers a quality one-year work experience to participating youth, coupled with training (both technical and behavioural) as well as boosting the access to networks relevant for finding the next job. It is complementary with government incentives such as the Employment Tax Incentive as well as custom Broad-based Black Economic Empowerment recognition work to further bolster the programme's impact. The YES directly contributes to employment creation but does not have a direct allocation from the government.

(b) What are the details of each programme and/or department or entity that will benefit from these designations?

Within the EPWP, there are two main modalities through which public employment is funded. The first is through direct budgetary allocations, where public employment is an explicit part of the purpose. The second modality is where focus on employment is not the primary or stated aim of a given programme, but where there is scope for labour-intensive work as part of the programme design. Part of the rationale for the incentive grants is to encourage public bodies to look at their programmes through this prism.

The incentive grants of the EPWP were initiated to expand job creation in specific focus areas, where labour-incentive delivery methods can be maximised. The grants are made up of the following components:

In provinces:

- Infrastructure sector
- Environment and culture sector

In municipalities:

- Social sector
- Environment and culture
- Infrastructure

At national level:

- Environment and culture

While each of the grants vary slightly in terms of design, they share the following purposes:

- To strengthen job creation outcomes in specific focus areas
- To maximise the use of labour intensive methods
- To incentivise increased job creation efforts within public bodies by linking budget allocations from the grant to performance.
- To use the grant to incentivise increased use of core budgets and other conditional grants for the purposes of job creation.

The EPWP is carried out by the following government departments: Labour, Public Works, National Treasury, Agriculture, Forestry and Fisheries, Tourism, Environmental Affairs, Cooperative Governance and Rural Development and Land Reform. The Department of Public Works leads and coordinates the expanded public works programme, as articulated in government's medium term strategic framework and the national development plan whilst the Jobs Fund is run directly by the National Treasury.

Complementing government's broader job creation programmes, the Jobs Fund is a specific grant financing instrument that uses public funds to catalyse innovation and investment in activities that contribute to job creation initiatives and longer term employment growth. In March 2018 the Jobs Fund issued its eighth call for proposals which it hopes to complete by the first quarter of the 2019/20 financial year.