

## 2023 GTAC PUBLIC ECONOMICS CONFERENCE PROGRAMME

South Africa confronts several major challenges in its public finances: a rising debt burden, difficult spending choices, transformation of the electricity sector, and the need to support growth and employment creation. The *2023 Public Economics Conference* puts these challenges under the spotlight, drawing on the insights of recent expert studies and GTAC's own research into selected public expenditure programmes and Jobs Fund experience. During the Conference we will shine a spotlight on governments initiatives to boost job creation and address unemployment in a labour surplus economy.

**Day 1** begins with overview of our fiscal policy challenges, and the spending choices required to narrow the gap between government's policy agenda and the available resources. We also examine the investment requirements of the energy transition and implications for the national electricity grid of the shift from coal to renewable energy resources. The opening day concludes with a review of income statistics drawn from SARS data: what the trends tell us about income distribution, employment and growth over the past decade.

**On Day 2** we present evidence from Spending Reviews and Jobs Fund evaluations that inform choices in respect of employment policy and programme design. Spending Reviews bring to light the links between policy development and implementation, through providing a better understanding of the institutional landscape, policy, cost and budgetary implications. The Jobs Fund's funding interventions seek to overcome some of the identified barriers to job creation. Some of these relate to demand for labour, some to the supply of labour and some to the broader institutional environment. As such, we conclude Day 2 with a panel discussion on how we should think about the "costs" and benefits of employment programmes in a high-unemployment economy.

### DAY 1: WEDNESDAY 6 SEPTEMBER 2023

#### Fiscal Policy, the Energy Transition, Employment, and the Tax Base

Time	Topic	Presenters / Facilitators / Panels
8:30 – 9:00	Welcome and housekeeping	<b>Facilitators:</b> Vusi Maupa and Velisubuhle Buti, National Treasury
9:00 – 9:30	Welcome and opening remarks: <ul style="list-style-type: none"> <li>GTAC</li> <li>National Treasury</li> </ul>	Ronette Engela, Acting Head: GTAC Enoch Godongwana: Minister of Finance
9:30 – 10:00	<b>Content session</b> Fiscal Policy Challenges, and spending choices	<b>Facilitator:</b> Yolande Smit, Chief Director, Economic Policy, National Treasury <b>Presenter:</b>

	<a href="#">Reading: Austerity Without Consolidation: Fiscal policy and spending choices in Budget 2023</a>	Michael Sachs, Southern Centre for Inequality Studies (SCIS), University of the Witwatersrand
<b>BREAK 10:00 – 10:15</b>		
<b>10:15 – 11:15</b>	<b>Panel Discussion</b> <b>Fiscal Policy Challenges, and spending choices</b>	<b>Panel members</b> 1) Michael Sachs 2) Rashaad Amra, Southern Centre for Inequality Studies (SCIS), University of the Witwatersrand 3) National Treasury (tbc)
<b>11:15 – 12:45</b>	<b>Content session (Two 20 minute presentations)</b> A) The political economy of spending choices: institutional perspectives in the context of inequality and unemployment B) Tackling low labour utilisation in South Africa: What are the key drivers of the low labour utilization rate, and what is the impact of labour-market policies. <b>Panel discussion</b> Policy priorities and budget choices – social and economic sustainability	<b>Facilitator:</b> National Treasury (tbc) <b>Presenters:</b> A) Steven Friedman, University of Johannesburg B) Andreas Wörgötter, Institute of Mathematical Methods in Economics, TU Wien <b>Panel members:</b> Steven Friedman Andreas Wörgötter Thoko Madonko, Southern Centre for Inequality Studies (SCIS), University of the Witwatersrand Mthokozisi Tshuma, Policy Specialist, United Nations Development Programme
<b>LUNCH 12:45 – 13:45</b>		
<b>13:45 – 15:15</b>	<b>Content session (Two 20 minute presentations)</b>  (A) Implications of fossil fuel economics & climate policy on SA's energy system & economy	<b>Facilitator:</b> Neil Cole, Just Energy Transition Partnership (JETP) <b>Presenters:</b> (A) Jesse Burton, Dept of Chemical Engineering, University of Cape Town

	<p>(B) Integration of renewable sources into the South African electricity system: opportunities and risks</p> <p><b>Panel discussion</b></p> <ul style="list-style-type: none"> <li>• Unlocking investment in grid infrastructure</li> <li>• Accelerating investment in renewable energy</li> <li>• Managing employment and social impacts of the energy transition</li> </ul>	<p>(B) Bernard Bekker, Centre for Renewable &amp; Sustainable Energy Studies, University of Stellenbosch</p> <p><b>Panel members:</b></p> <p>Jesse Burton Bernard Bekker Presidency PMU (tbc) National Business Initiative (tbc)</p>
<p>TEA 15:15 – 15:30</p>		
<p>15:30 – 17:00</p>	<p><b>Content session (Two 20 minute presentations)</b></p> <p>A) What has happened to the personal income tax base over the past decade? B) Employment tax incentives: evidence on its impact</p> <p><b>Panel discussion</b></p> <p><b>Income tax, employment and social security – reform options</b></p> <ul style="list-style-type: none"> <li>• Is there scope for raising the tax burden?</li> <li>• Tax implications of social security reform and NHI</li> <li>• Reflecting on active labour market policies, alternative instruments</li> </ul>	<p><b>Facilitator:</b> Vukile Davidson, Tax and Financial Sector policy, National Treasury</p> <p><b>Presenters:</b></p> <p>A) Andrew Donaldson, Southern Africa Labour and Development Research Unit (SALDRU), University of Cape Town B) Vimal Ranchod, Southern Africa Labour and Development Research Unit (SALDRU), University of Cape Town</p> <p><b>Panel members</b></p> <p>Andrew Donaldson Vimal Ranchod Josh Budlender, Southern Africa Labour and Development Research Unit (SALDRU), University of Cape Town Andreas Wörgötter</p>
<p>17:00</p>	<p><b>Closure and summary of the day</b></p>	<p>Vusi Maupa and Velisubuhle Buti, National Treasury</p>
<p>17:30 COCKTAIL FUNCTION</p>		

DAY 2: THURSDAY 7 SEPTEMBER		
Evidence from Spending Reviews and Jobs Fund evaluations		
Time	Topic	Presenter/s   Facilitator/ Panel
8:30 – 8:45	Open, welcome and day 1 recap	<b>Facilitators:</b> Vusi Maupa and Velisubuhle Buti, National Treasury
8:45 – 9:15	A conversation on the history, aims, objectives and lessons learned from the spending reviews	Mbali Buthelezi, Acting Head: Spending Reviews in conversation with Ronette Engela, Acting Head: GTAC
9:15 – 09:45	<b>Masterclass</b> <b>Policy and programme evaluation in a labour surplus economy:</b> Methodological overview of review techniques for employment type programme evaluations	<b>Presenter:</b> Andrew Donaldson
09:45 – 10:45	<b>Spending review case study and response</b> <b>(A) The fiscal and institutional realities of SA’s Public Employment Programmes:</b> This review evaluated a selection of public and community work programmes, as well as the Presidential Employment initiatives. It looked at the scale, reach and contribution to poverty alleviation of the different programmes. <b>(B) The Presidential Employment Stimulus Programme:</b> The stimulus, growth and social value creation effects of the programmes PESP	<b>Facilitator:</b> Mbali Buthelezi <b>Presenters:</b> (A) Karen Hague, Long Term Advisor, GTAC  (B) Kate Philip, Presidential Employment Stimulus Programme <b>Respondent:</b> TBC
<b>BREAK 10:45 – 11:00</b>		
11:00 – 11:45	<b>Spending review case study 2</b> <b>National Artisan Development Programme (NADP)</b> At least 60% of students needs to pursue artisanal training to meet SA’s demand for scarce skills. This spending review identifies key cost drivers and explores the potential for cost savings or better value for money. It analyses expenditure trends and presents an updated model for projecting the costs of artisan development	<b>Facilitator:</b> Mbali Buthelezi <b>Presenter:</b> Amanda Jitsing, Long Term Advisor, GTAC <b>Respondent:</b> Fumani Mboweni, Department of Higher Education and Training (DHET)

	under various policy scenarios. It also identifies implementation challenges, how they are being addressed, and other critical issues.	
<b>11:45 – 12:30</b>	<p><b>Spending review case study 3</b>  <b>Farmer support programmes in GP</b>            What is being done to support emerging farmers? Is the FSPs sufficient for this purpose? How can we assess the efficacy of the resources that have gone into this sector? How can we derive value for money from the funding that the Departments of Agriculture and Rural Development are receiving, before embarking on allocation of additional resources?</p>	<p><b>Facilitator:</b> Mbali Buthelezi  <b>Presenter:</b> Donald Onyango, Chief Economist, Public Finance, Gauteng Treasury  <b>Respondent:</b> Wandile Sihlobo, Chief Economist of the Agricultural Business Chamber of South Africa (Agbiz)</p>
<b>LUNCH 12:30 – 13:15</b>		
<b>13:15 – 14:45</b>	<p><b>Jobs Fund</b>  <b>A discussion on Challenge Funds as an innovative funding mechanism to facilitate systems change and social impact.</b>            (A) The Jobs Fund: A case for Challenge Funds: Achieving impact in the context of fiscal constraints            (B) Catalysing Systems Change: A Private Sector perspective            (C) Perspectives from Harambee Youth Employment Accelerator on what it means to have public funding support and that resulting in the ability to scale impact.            (D) Demand led Job Creation: Evaluation of SMME support interventions focussing on township economy and agriculture.</p>	<p><b>Facilitator:</b> Najwah Allies, Head Jobs Fund  <b>Presenters:</b>            (A &amp; B) Nazeem Hendricks, Senior Technical Specialist, Jobs Fund and Heather Jackson, Chief Investment Officer RBN Asset Managers            (C) Zengeziwe Msimang, Harambee            (D) Vuyo Tetyana, Head Monitoring and Evaluation, Jobs Fund</p>
<b>14:45 – 15:45</b>	<p><b>Panel discussion/round-up of two days (presentation plus discussion)</b>            How should government think about the “costs” and benefits of employment programmes in a high-unemployment economy?</p>	<p><b>Facilitator:</b> Andrew Donaldson  <b>Panel members:</b> Kate Philip Najwah Allies TBC</p>

15:45 – 16:00

Closure

Ronette Engela