



National Economic
Development and
Labour Council

BRIEFING NOTE: NEDLAC 30 YEAR OF DEMOCRACY PROJECT

Nedlac social partners reflecting on 30 years of democracy and planning for the future

Theme: Economic development and employment

Sub-theme: Job creation

Welcome to the discussion on job creation, which will cover:

- Employment tax incentives;
- Public employment schemes; and
- Employment in targeted sectors including youth and women.

This briefing note will assist you in your discussion by:

- Highlighting key issues¹
- Setting out questions for you to consider.

You are free to add additional issues and questions to your discussion.

A. Key issues

1. Variables and driving forces

The Indlulamithi project has identified the following variables and driving forces to consider when planning for future scenarios:

- Continuing high rates of youth unemployment. In 2022, the unemployment rate for 18 – 24 was 63,9% and 42.1% for those aged 25 – 34, while the official national rate is 34.5%.
- Four million or 37% of young people aged 15 – 24 were “Not in Employment, Education or Training NEET) in the first quarter of 2022.
- SA is currently the largest economy in Africa, but it could shift as Nigeria, Egypt, and Ethiopia have rising growth rates and a potential demographic dividend
- Spatial inequality informs access to jobs, public space, public services and social capital.
- Black African women's unemployment stands at 38.3 %. Women are more likely to be discouraged from participating in the labour market (56.2%).

2. Achievements and changes

- **Job creation initiatives** have included the 2018 Jobs Summit, Youth Employment Service, Amavulandela Funding Scheme, Public Private Growth Initiative, Expanded Public Works Programme, Presidential Employment Stimulus, National Rural Youth Service Corps, and sector initiatives (Summary:19).

¹ These issues have been sourced from the DPME 30 year review, Indlulamithi driving forces scenarios, and work in Nedlac and AfDG dialogues held in 2022/23



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- The total number of work opportunities created by the **EPWP** since its inception in 2004 has been 10.3 million, with 4.8 million (47%) young people accessing the programme.
- In the last financial year, the Presidential Employment Stimulus, with a budget of R9.4 billion, provided 500 000 work opportunities; the EPWP, with a budget of R3 078 billion, provided 1038 742 job opportunities; and the CWP, with a budget of R4,3 billion, provided 250 000 job opportunities. This can be compared to the unemployment backlog of 11.7 million unemployed adults and 800 000 annual new labour market entrants.
- Through the Presidential Youth Employment intervention, the **SAYouth.mobi** was established as a zero-rated platform for unemployed young people to access opportunities for learning and earning. Over 4.3 million young people are engaged on the platform, and 1.6 have secured opportunities (Summary:31)
- About 2 million jobs were lost due to the **Covid-19** disruption (Summary:19)
- The **Employment Tax Incentive (ETI)** has been extended from 2019 to 2029. The ETI had a limited but beneficial influence on job creation among youth, creating approximately 98,000 jobs in the first two years of implementation (SARB study)

B. Questions to be addressed

- a) What are the achievements and lessons with respect to **employment creation schemes**? Evaluate
- Measures undertaken by the state directly, by the private sector, and by the private or NGO sector with government support
 - The role of public employment programmes, including in the provision of work experience, training and addressing targeted groups
 - The intersection of factors hampering the advancement of women, especially young women in employment, including racism, sexism, GBVF, and societal norms (Summary:31)
- b) Should and how should Nedlac and social partners collaborate to **intensify and scale up successful employment creation programmes**? Consider also the role of the ETI and a focus on young people, especially women.