



Presidential Employment Stimulus, South Africa

A direct job creation program that has created more than a million employment opportunities for workers in response to the COVID-19 crisis

Summary

A short-term public employment program as part of the Economic Recovery Strategy offering employment opportunities managed in a portfolio system to deliver a wide spectrum of socially valuable employment opportunities and protect existing jobs. The employment programs include expanding speed internet access to rural communities, improving schools, road maintenance, and arts and sports in an effort to combat the economic impacts of COVID-19 and build a better, more inclusive economy for the future (1).

Rationale

Employment creation in response to the COVID-19 economic crisis and preexisting high levels of unemployment.

Defining Principles

Public Employment projects as a pathway to greater community solidarity. “Its aim is to create jobs and strengthen livelihoods, supporting meaningful work while the labour market recovers - and augmenting existing commitments to doing so,” (2).

Dates of Operation

October 2020 - March 2024

Number of Program Participants

1.1 million beneficiaries, 770,000 jobs created between 2020 and 2022 (3).

Criteria for Participation

South African citizens 18 years and older (4).

Pay and Benefits

Base level is the national minimum wage (5).

Financing

Federally financed R32.6 billion over the program lifetime. Phase one (2020) cost R12.6 billion or about 0.23% of GDP (6).



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Implementation

15 government departments helped design and implement jobs programs (7).

Types of Work

Basic education; social development; agriculture, land reform, and rural development; environment, forestry, and fisheries; transport; sports, art, and culture; cooperative governance; trade, industry, and competition; health; science and innovation; public works and infrastructure.

Notable Features

63% of beneficiaries are women. 83% of beneficiaries are youth (8).

Challenges

Despite its success, as of July 2023 it is set to run out of funding by March 2024 without intervention (9).

Program Website

<https://www.stateofthenation.gov.za/employment-stimulus-dashboard>



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Citations

- (1) Office of the President. (February 2023). Presidential Employment Stimulus Update <https://pres-employment.openup.org.za/img/Presidential%20Employment%20Stimulus%20Update%20February%202023.pdf>
- (2) Office of the President. (February 2023). Presidential Employment Stimulus Update.
- (3) Office of the President. (February 2023). Presidential Employment Stimulus Update.
- (4) National Arts Council. (February 2023). New Call for Presidential Employment Stimulus Programme 4 (PESP 4) Funding Guidelines 2023-2024. <https://www.nac.org.za/wp-content/uploads/2023/02/PESP-4-Funding-Guidelines-2023-FINAL.pdf>
- (5) Office of the President. (October 2020). Presidential Employment Stimulus: Supporting Social Employment. <https://pres-employment.openup.org.za/img/Presidential%20Employment%20Stimulus%20Launch%20October%202020.pdf>
- (6) Republic of South Africa. (2023). Employment Stimulus Dashboard. <https://www.stateofthenation.gov.za/employment-stimulus-dashboard>
- (7) OECD Observatory of Public Sector Innovation. (January 2023). Presidential Employment Stimulus: Building a Society that Works. <https://oecd-opsi.org/innovations/presidential-employment-stimulus/>
- (8) Office of the President. (February 2023). Presidential Employment Stimulus Update.
- (9) Republic of South Africa. (2023). Employment Stimulus Dashboard.



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