**THE PRESIDENCY: REPUBLIC OF SOUTH AFRICA**

Private Bag X1000, Pretoria, 0001

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NO : 3905**

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**Mr MGP Lekota (COPE) to ask the President of the Republic:**

Whether, subsequent to his declaration of 2011 as the year of job creation followed by the announcement of several initiatives to boost job creation, including the setting up of a R9 billion jobs fund, the Government has achieved any significant milestones towards creating five million jobs by 2020 and bringing the unemployment rate down to 15% as it had set out to do; if not, why not; if so,(a) has half that target been reached in half the time that was allocated to achieve that goal and (b) have decent jobs indeed been created on an incremental basis annually?

[NW4760E]

**REPLY:**

1. Yes, there has been progress in job creation in the South African economy, although the unemployment rate remains unacceptably high.

The most recent Quarterly Labour Force Survey released by Statistics SA puts total employment in September 2015 at 15 828 000. This is an increase of some 2 500 000 over the September 2011 QLFS estimate of 13 318 000 employed persons. It should be noted, however, that a new Master Sample based on the 2011 census data was introduced in 2015, and Statistics SA therefore cautions that year-on-year changes should be interpreted with care. Notwithstanding this caution, the data indicate that if the rate of increase in employment over the past years is continued over the period ahead, approximately 5 million jobs will be created by 2020.

It is also apparent from the QLFS data that the rate of increase in the labour force has exceeded the rate of job creation, and so the unemployment rate has remained broadly unchanged. In September 2011 the estimated rate of unemployment was 25.7 per cent, and in September 2015 it was 25.5 per cent.

1. With respect to the question whether decent jobs have been created on an incremental basis annually, Government is mindful that wages are low and employment opportunities are irregular in some parts of the economy. Between 2011 and 2015, formal non-agricultural employment increased by approximately 1.5 million. In the September 2015 QLFS, informal sector work accounts for 2.7 million jobs, agriculture employment is 900 000 and private households account for 1.28 million jobs. These are important and sizeable shares of the employment total, and working conditions are varied in these sectors.

Programmes and policy initiatives that are aimed at improving conditions amongst lower-income workers include sectoral wage determinations by the Minister of Labour, investment in training and skills development and small enterprise support programmes. Government’s main direct contribution to the expansion of job opportunities is through the Expanded Public Works Programme and the Community Work Programme, and the youth employment incentive has been introduced to encourage firms to create work opportunities for first-time young work seekers.

The objective of the Jobs Fund is to support innovative approaches to employment creation and work seeker support, thereby contributing to evidence and learning about effective employment initiatives and strategies. The Jobs Fund aims to create 150 000 sustainable jobs and will contribute to evidence-based policy making.

To date the Jobs Fund has issued 5 calls for proposals, and approved 108 project applications of which 85 are currently being implemented. R5.6 billion in grants has been committed to the 108 projects. These project partners have committed R7.9 billion in matched funding. To date R2.78 billion in grants have been disbursed to implementing projects and R4.2 billion in matched funding has already been leveraged from these partners. The 85 projects being currently implemented have to date created 60 675 new permanent jobs and an additional 30 358 persons have been placed in vacant positions on a permanent basis. 16 124 short term jobs have been created, 13 291 persons completed internships and 128 196 persons has received work readiness/technical training.

Most of the jobs created have been entry level jobs for which the salary ranges between the sectoral minimum wage and R3500. Most of those employed are youth in their first jobs. Jobs have also been created in the salary cohort of R3500- R8800 with a few jobs created at salary levels in excess of R8000 per month. Jobs are evidenced through the submission of contracts of employment and payroll amongst others.