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OF THE REPUBLIC OF SOUTH AFRICA

Policy Brief:  
2019-2024 MTSF Priority 2: Outcome 1: More  
decent jobs sustained and created

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Director: Dr Dumisani Jantjies

Author: Dr N Orlandi

Enquiries: [norlandi@parliament.gov.za](mailto:norlandi@parliament.gov.za)

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To obtain additional copies of this document, please contact:

Parliamentary Budget Office

4<sup>th</sup> Floor Parliament Towers

103-107 Plein Street

Parliament of the Republic of South Africa

Tel: +27 021 403 2360

Email: [pboinfo@parliament.gov.za](mailto:pboinfo@parliament.gov.za)

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## 1. Purpose

The purpose of this brief (as part of a series of analyses) is to provide Members of Parliament (MPs), specifically the Finance and Appropriations Committees, with an overview of the relevant national departments leading the implementation of the outcomes envisaged by the 2019-2024 Medium Term Strategic Framework (MTSF). The aim is to link the interventions identified for achieving the priorities of the 2019-2024 MTSF with budget programmes to determine:

- The financial provisions for the achievement of specific outcomes
- The performance indicators/outputs that contribute to the outcomes of the 2019-2024 MTSF

It should be acknowledged that achieving the outcomes identified by government for the 2019-2024 MTSF requires integrated and cross-cutting interventions by all sectors of government.

## 2. Introduction and Background

The 2019-2024 MTSF acknowledges that the NDP Vision 2030 is government's blueprint to unite all South Africans to address the triple challenges of unemployment, poverty, and inequality (UPI). Although the NDP is government's long-term plan, several medium-term interventions have been identified to reach the longer-term goals. One of the pressing problems facing South Africa is the absence of faster and sustained inclusive growth. South Africa needs to improve productive capacity, human capital, and state capability mainly through broad-based investments to address unemployment and livelihood insecurities facing citizens.

The 2019-2024 Medium-Term Strategic Framework (MTSF) is South Africa's second 5-year implementation plan for the NDP. The MTSF consists of 7 priorities, 81 outcomes, 337 interventions and 561 indicators. The 2019-2024 MTSF sets out the interventions per department or relevant government institution that will advance the seven priorities adopted by government:

- Priority 1: Building a capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and World

As part of the Parliamentary Budget Office's support to the oversight process, the Office provides analysis that specifically assists MPs to determine how the budget programmes support the implementation of the National Development Plan (NDP), 2030.

The 2023/24 series of analyses is a continuation of the 2022 assessments on the progress made with the implementation of the 2019-2024 MTSF. This series concentrates on budget programmes per relevant department that contribute to the outcomes envisaged for the 5-year priorities. This brief specifically focuses on Priority 2: Economic growth and job creation, which aims to achieve 7 outcomes:

- More decent jobs sustained and created, with youth, women and persons with disabilities prioritised
- Investing for accelerated inclusive growth
- Industrialisation, localisation and exports
- Improve competitiveness through ICT adoption, research and innovation
- Reduced concentration and monopolies and expanded small business sector
- Quality and quantum of infrastructure investment to support growth and job creation improved

- Supply of energy

This analysis concentrates on outcome 1: More decent jobs sustained and created, with youth, women and persons with disabilities prioritised.

### **3. Methodology**

Since the reporting on the 2019-2024 MTSF outputs are not directly linked to expenditure, this briefing will focus on showing budget programmes related to the 2019-2024 MTSF priority outcome and associating them with the relevant budget allocations of departments.

Departmental budgets, Annual Performance Plans (APPs) and Annual Reports (ARs) are the main sources of data. These sources provide the purpose of the budget programmes and the proportions of departmental budgets spent on programmes that are related to the interventions contributing to implementing the outcomes of the 2019-2024 priorities of government. The APPs were examined to determine whether the specific indicators of the outcomes are included in the APP for monitoring the implementation of the priorities of the 2019-2024 MTSF. In some instances, the Annual Reports were consulted to find specific indicators to measure performance on the MTSF priorities. The identification of indicators assisted in identifying the budget programmes supporting the interventions.

### **4. Contributions and findings per department**

The NDP Vision 2030 set a target of reducing unemployment to 6 per cent by 2030, resulting in a working labour force of 24 million. The COVID-19 pandemic resulted in over 2 million people losing their jobs. Several public and private-sector initiatives are planned to create jobs, specifically for the youth. The revised 2019-2024 MTSF, specifically, puts measures in place to mitigate its effects.

#### **4.1. More decent jobs sustained and created, with youth, women and persons with disabilities prioritised**

To be able to achieve the target of more decent jobs sustained and created, with youth, women and persons with disabilities prioritised, government has set a target to improve the unemployment rate from 29.1 per cent (2019) to between 20 and 24 per cent by the end of 2024. To be able to reach this target government intends to:

- Support the creation of jobs through the:
  - Job Summit Commitments
  - Operation Phakisa
  - Economic Reconstruction and Recovery Plan and
  - Other public sector employment programmes
- Implement the Presidential comprehensive youth employment interventions (inclusive of the National Pathway)
- Create an enabling environment for employment through policy and regulations

The following departments are leading the interventions to be able to create more decent jobs sustained and created, with youth, women and persons with disabilities prioritised.

##### **4.1.1. The Department of Employment and Labour**

The Department of Employment and Labour (DEL) plays a significant role in reducing unemployment, poverty and inequality by pursuing the objectives of decent work for all through employment creation and enterprise development; the setting of standards and the protection of rights at work, including the facilitation of equal opportunities and social dialogue; and the provision of social protection.

Over the 2019-2024 MTSF, the Department committed to the following outputs:

- Create 275 000 jobs per year until 2024 through Job Summit initiatives
- Create 800 000 employment opportunities by March 2021/22 through the Mass Employment Stimulus Programme
- Create 1 million youth jobs by 2024 youth NEET absorbed in employment
- Draft an employment policy and implemented by 2024

The department reported the achievements on the above outputs in the 2022/23 Annual Report.

In support of the 2019-2024 MTSF commitments, programme 3: Public Employment Services assists companies and workers to adjust to changing labour market conditions. The objectives of programme 3 are to:

- Provide the following public employment services by March 2024:
  - registering 900 000 work seekers on the Employment Services of South Africa database
  - providing employment counselling to 250 000 work seekers
  - filling 60 000 registered employment opportunities
  - registering 110 000 work opportunities on the Employment Services of South Africa database
- Increase employment opportunities for people with disabilities by:
  - providing quarterly funding
  - monitoring and evaluating funded organisations for people with disabilities on an ongoing basis

To be able to provide a sense of the size of the expenditure on 'More decent jobs sustained and created' by the DEL, table 1 shows the expenditure estimates of the DEL per programme. Funding towards the objectives of programme 3 has increased from 19 per cent of the total funding of the Department in 2019/20 to 25 per cent in 2022/23. The allocation to support the creation of jobs within the Department declines to 18 per cent of the total allocation in 2025/26.

Table 1: Expenditure estimates of the Department of Employment and Labour per programme from 2019/20 and over the 2023 MTEF

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2022/23 - 2025/26	
R million									
1. Administration	871.1	854.0	856.4	1 101.2	1 076.0	1 132.3	1 195.5	2.8%	27.8%
2. Inspection and Enforcement Services	560.6	499.4	546.6	614.9	650.6	679.2	709.2	4.9%	16.4%
3. Public Employment Services	605.6	598.4	615.9	1 014.7	1 020.8	686.5	725.6	-10.6%	21.3%
4. Labour Policy and Industrial Relations	1 178.6	1 151.3	1 213.2	1 377.0	1 344.9	1 404.4	1 467.2	2.1%	34.5%
<b>Total</b>	<b>3 215.9</b>	<b>3 103.1</b>	<b>3 232.2</b>	<b>4 107.8</b>	<b>4 092.2</b>	<b>3 902.4</b>	<b>4 097.5</b>	<b>-0.1%</b>	<b>100.0%</b>

Source: National Treasury

The Department is estimated to transfer, on average, 42.3 per cent of the budget over the 2023 MTEF to other institutions to deliver services on behalf of the Department. Programme 3, which is mainly responsible for supporting job creation, transfers on average, 56.6 per cent of the budget to other institutions.



### 4.1.2. The Department of Planning Monitoring and Evaluation (DPME)

The purpose of DPME is to improve government service delivery through integrated planning, monitoring and evaluation. In support of outcome 2 of the 2019-2024 MTSF, to create decent jobs, the Department committed to creating 402 950 jobs by 2024 through Operation Phakisa. The purpose of the budget programmes of the Department focuses on:

- Supporting the implementation of the NDP through the National Planning Commission
- Coordinating planning programmes across government
- Monitoring to support the implementation and achievement of government programmes and priorities
- Evaluating to support the implementation and achievement of government programmes and priorities

Job creation and the sustainment of decent jobs could not be linked with the purposes of the budget programmes of the DPME. However, programme 3: Sector Monitoring Services ensures government policy coherence. This purpose includes the development, facilitation, support and monitoring of the implementation of sector plans and intervention strategies, which include:

- Assessment reports for Operation Phakisa, which highlights progress and challenges over a six-month period on the implementation of interventions as well as jobs created by the responsible departments (DALRRD, DFFE, DMRE, Tourism, DPWI, DOT & DPE)
- Concept notes of the technical design of an electronic monitoring and reporting system for Operation Phakisa (OP)

To be able to provide a sense of the size of the expenditure on 'More decent jobs sustained and created' by the DPME, table 2 shows the expenditure estimates of the DPME per programme. Funding towards the objectives of programme 3, on average, amounts to 14.7 per cent of the total funding of the Department.

Table 2: Expenditure estimates of the Department of Planning, Monitoring and Evaluation per programme from 2019/20 and over the 2023 MTEF

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25		
R million									
1. Administration	178.7	156.5	176.0	194.3	193.0	201.6	210.5	2.7%	40.5%
2. National Planning Coordination	79.6	64.7	57.2	86.3	84.6	88.4	92.3	2.2%	17.8%
3. Sector Monitoring Services	63.5	57.4	57.2	71.3	69.5	72.6	75.8	2.0%	14.7%
4. Public Sector Monitoring and Capacity Development	82.6	75.9	75.1	84.9	85.6	89.4	93.3	3.2%	17.9%
5. Evidence and Knowledge System	34.7	32.6	31.2	44.4	43.1	45.0	47.0	1.9%	9.1%
<b>Total</b>	<b>439.2</b>	<b>387.1</b>	<b>396.7</b>	<b>481.4</b>	<b>475.8</b>	<b>497.0</b>	<b>519.0</b>	<b>2.5%</b>	<b>100.0%</b>

Source: National Treasury

### 4.1.3. The Department of Public Works and Infrastructure (DPWI)

The purpose of the DPWI is to provide policy formulation, and coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. The DPWI is also responsible for:

- Enhancing intergovernmental relations by coordinating concurrent public works functions
- Leading and directing the implementation of the National Expanded Public Works Programme (EPWP)
- Promoting growth, job creation and transformation in the construction and property industries

In support of outcome 2 of the 2019-2024 MTSF, to create decent jobs, the Department committed to creating 5 million work opportunities by 2024. Programme 3: Expanded Public Works Programme coordinates the implementation of the EPWP, which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people. To be able to provide a sense of the size of the expenditure on 'More decent jobs sustained and created' by the DPWI, table 3 shows the expenditure estimates of the DPWI per programme. Funding towards the objectives of programme 3, on average, amounts to 35.6 per cent of the total funding of the Department.

Table 3: Expenditure estimates of the Department of Public Works and Infrastructure per programme from 2019/20 and over the 2023 MTEF

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25		
R million								2022/23 - 2025/26	
1. Administration	460.7	384.3	416.5	555.0	554.8	568.8	595.1	2.4%	6.4%
2. Intergovernmental Coordination	52.4	42.3	44.2	62.2	59.8	63.2	65.5	1.7%	0.7%
3. Expanded Public Works Programme	2 638.2	2 412.1	2 811.5	3 035.9	3 078.0	3 226.6	3 369.0	3.5%	35.6%
4. Property and Construction Industry Policy and Research	4 583.8	4 643.8	4 757.2	4 427.7	5 028.2	5 242.2	5 469.5	7.3%	56.5%
5. Prestige Policy	85.1	48.5	52.8	71.8	61.4	66.8	70.0	-0.9%	0.8%
<b>Total</b>	<b>7 820.2</b>	<b>7 531.0</b>	<b>8 082.2</b>	<b>8 152.7</b>	<b>8 782.1</b>	<b>9 167.6</b>	<b>9 569.0</b>	<b>5.5%</b>	<b>100.0%</b>

Source: National Treasury

The Department transfers on average, 85.6 per cent of the budget to other institutions to deliver services on behalf of the Department. Programme 3, which is mainly responsible for supporting job creation, transfers on average, 87.5 per cent of the budget to other institutions. Most of the EPWP projects are funded at the municipal and provincial spheres of government.

The programme is on track to meet its MTSF target of 5 million work opportunities by 2024.

#### 4.1.4. Department of Higher Education and Training (DHET)

The purpose of the DHET is to develop and support a quality higher and vocational education sector and to promote access to higher education, vocational education and skills development training opportunities. In support of job creation, the Department was responsible for developing a Skills Priority Plan (SPP) by 2020/21.

Programme 5: Skills Development is responsible to:

- Promote and monitor the National Skills Development Strategy
- Develop skills development policies and regulatory frameworks for an effective skills development system.

The SPP Framework is updated annually so that Sector Skills Plans (SSPs) ensure that South Africa has adequate, appropriate and high-quality skills to contribute towards economic growth, employment creation and social development. The SSPs assist the country, among other things, in identifying the top



ten occupations in high demand in each sector of the economy, as well as the interventions that are required.

To be able to provide a sense of the size of the expenditure on 'More decent jobs sustained and created' by the DHET, specifically the monitoring of the SPP, table 4 shows the expenditure estimates of the DHET per programme. Funding towards the objectives of programme 5, on average, amounts to 0.3 per cent of the total funding of the Department.

Table 4: Expenditure estimates of the Department of Higher Education and Training per programme from 2019/20 and over the 2023 MTEF

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25		
R million									
1. Administration	392.7	399.4	432.6	492.0	517.5	539.8	562.7	4.6%	0.4%
2. Planning, Policy and Strategy	5 333.1	3 294.3	2 216.9	4 695.9	1 764.9	6 110.0	4 524.2	-1.2%	3.0%
3. University Education	69 308.1	75 650.2	80 130.7	88 839.9	92 644.5	98 559.5	102 973.9	5.0%	68.0%
4. Technical and Vocational Education and Training	11 404.3	12 079.9	12 062.3	12 725.2	12 755.0	13 323.5	13 918.7	3.0%	9.4%
5. Skills Development	291.2	273.7	392.0	407.0	432.0	336.4	350.8	-4.8%	0.3%
6. Community Education and Training	2 054.2	1 999.9	2 180.5	2 577.7	2 667.7	2 788.0	2 910.7	4.1%	1.9%
<b>Subtotal</b>	<b>88 783.5</b>	<b>93 697.5</b>	<b>97 415.0</b>	<b>109 737.6</b>	<b>110 781.6</b>	<b>121 657.1</b>	<b>125 241.1</b>	<b>4.5%</b>	<b>83.0%</b>
<b>Direct charge against the National Revenue Fund</b>	<b>18 283.8</b>	<b>12 413.0</b>	<b>19 011.6</b>	<b>21 238.1</b>	<b>23 027.0</b>	<b>24 815.6</b>	<b>26 845.7</b>	<b>8.1%</b>	<b>17.0%</b>
Sector education and training authorities	14 627.1	9 940.4	15 209.3	16 990.5	18 421.6	19 852.5	21 506.3	8.2%	13.6%
National Skills Fund	3 656.8	2 472.6	3 802.3	4 247.6	4 605.4	4 963.1	5 339.4	7.9%	3.4%
<b>Total</b>	<b>107 067.4</b>	<b>106 110.5</b>	<b>116 426.6</b>	<b>130 975.8</b>	<b>133 808.5</b>	<b>146 472.7</b>	<b>152 086.7</b>	<b>5.1%</b>	<b>100.0%</b>

Source: National Treasury

The Department transfers on average, 91.2 per cent of the budget to other institutions to deliver services on behalf of the department. The biggest transfers are programme 3: University Education, towards departmental agencies and accounts, which includes the National Student Financial Aid Scheme (NSFAS), and higher education institutions. The transfers mainly contribute to MTSF Priority 3: Education, skills and health.

#### 4.1.5. Department of Home Affairs (DHA)

The DHA is responsible to:

- Efficiently determine and safeguard the identity and status of citizens
- Regulate immigration to ensure security
- Promote development and fulfil South Africa's international obligations

In response to the outcome of the 2019-2024 MTSF for the creation of more decent jobs, the DHA committed to revise the visa regime to support the importation of critical skills and improve processing turnaround times of critical skills visas within 4 weeks from 85 per cent to 95 per cent. Programme 3: Immigration Affairs is responsible for the facilitation and regulation of the secure movement of people through ports of entry into and out of the Republic of South Africa, which includes the adjudication of critical skills visa applications.

To be able to provide a sense of the size of the expenditure on 'More decent jobs sustained and created' by the DHA, specifically the adjudication of critical skills visa applications, table 5 shows the expenditure estimates of the DHA per programme. Funding towards the objectives of programme 3, on average, amounts to 10.2 per cent of the total funding of the Department.

Table 5: Expenditure estimates of the Department of Home Affairs per programme from 2019/20 and over the 2023 MTEF

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25		
R million									
1. Administration	2 689.0	2 184.7	2 636.9	2 802.4	2 719.5	2 751.6	2 885.4	1.0%	25.7%
2. Citizen Affairs	3 374.6	2 724.3	2 974.8	3 758.2	3 361.4	2 637.2	2 753.7	-9.8%	28.8%
3. Immigration Affairs	1 288.7	1 278.5	1 392.7	1 501.8	858.6	1 013.7	1 079.2	-10.4%	10.2%
4. Institutional Support and Transfers	2 175.2	2 282.8	2 427.1	3 033.8	3 923.9	4 106.4	4 292.6	12.3%	35.3%
<b>Total</b>	<b>9 527.5</b>	<b>8 470.3</b>	<b>9 431.4</b>	<b>11 096.2</b>	<b>10 863.3</b>	<b>10 508.9</b>	<b>11 010.9</b>	<b>-0.3%</b>	<b>100.0%</b>

Source: National Treasury

## 5. Findings

Table 6 summarises the relevant programmes per department that support public works programmes and interventions in the job market and education and training systems that aim to support the creation of jobs. Over the 2019-2024 MTSF, a total amount of R26.3 billion is allocated towards this outcome of which the biggest allocation is towards the EPWP (which is directly linked to job creation) and amounts to 53.2 per cent.

Table 6: Actual expenditure and estimates of the leading departments per programme towards 'More decent jobs sustained and created, with youth, women and persons with disabilities prioritised' between 2019/20 and 2023/24

Programme per Vote	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	Total
	2019/20	2020/21	2021/22			
R million						
DEL 3. Public Employment Services	605.6	598.4	615.9	1 014.7	1 020.8	3 855.5
DPWI: 3. Expanded Public Works Programme	2 638.2	2 412.1	2 811.5	3 035.9	3 078.0	13 975.7
DPME: 3. Sector Monitoring Services	63.5	57.4	57.2	71.3	69.5	319.0
DHET: 5. Skills Development	291.2	273.7	392.0	407.0	432.0	1 795.9
DHA: 3. Immigration Affairs	1 288.7	1 278.5	1 392.7	1 501.8	858.6	6 320.2
<b>Total</b>	<b>4 887.2</b>	<b>4 620.1</b>	<b>5 269.2</b>	<b>6 030.8</b>	<b>5 458.9</b>	<b>26 266.3</b>

Source: National Treasury, own calculations

An observation from the assessment of the purposes of the programmes contributing towards the 2019-2024 MTSF priority 2, outcome 1 is that most of the outputs are in terms of support, guidance or monitoring of the creation of jobs. The only programme that is directly linked to job creation is the EPWP. A concern is, however, how all these outputs are integrated, between the programmes contributing to MTSF priority 2, and with other MTSF priorities, such as Priority 3: Education, skills and health.

## 6. Conclusion

The targets set for outcome 1: More decent jobs sustained and created with youth, women and persons with disabilities prioritised, of MTSF priority 2: Economic transformation and job creation are not the direct responsibility of most of the lead departments identified to deliver on the outputs. The outputs of these departments could, however, support or guide job creation in general. It is also not clear if the support through guidelines/plans/policies/frameworks is monitored to determine the efficiency and effectiveness. Therefore, it is unclear how much of the actual spending on the discussed programmes has supported job creation. This report has not endeavoured to show the benefits and outcomes of the programmes discussed above. We have provided tables that show planned and actual expenditure on these programmes during the 2019-2024 MTSF (so far). The Parliament of South Africa should task the DPME, and each of the departments responsible for these programmes, to increase their coordination in meeting job creation and decent and sustainable work efforts. These departments should be tasked with co-ordinating to provide a single annual (or bi-annual) report that more clearly and directly reports on the number of jobs created, the proportion of those jobs that are decent jobs as well as progress on their efforts to improve labour markets and education and training programmes related to job creation and increasing decent work in South Africa.