

# THE PRESIDENTIAL EMPLOYMENT STIMULUS

## Supporting Social Employment

"We are working from the premise that there is no shortage of work to be done to address the many social problems in our society. The aim is to support the considerable creativity, initiative and institutional capabilities that exist in the wider society to engage people in work that serves the common good. This work cuts across a range of themes, including food security, ending gender-based violence, informal settlement upgrading and much more."

**From the desk of President Cyril Ramaphosa,  
19 October 2020.**

'Social Employment' is an important new part of our social economy strategy. It will strengthen a 'whole of society' approach to tackling the unemployment challenge, by supporting a range of social actors to take their initiatives to greater scale - with greater impact.

**From Ebrahim Patel, Minister of Trade,  
Industry and Competition**



# The Presidential Employment Stimulus is now supporting a strategy of social employment, as part of its portfolio of interventions to create jobs and support livelihoods.

This part of the stimulus recognises the crucial role played by non-state actors in communities across the country.

Its aim is to support such organisations to create employment at greater scale, on terms that contribute to the common good – often building on their existing efforts. This is part of building a ‘whole of society’ approach to tackling our unemployment challenge.

As part of the stimulus, the Department of Trade, Industry and Competition (**the dtic**) is establishing a Social Employment Fund, with the Industrial Development Corporation (IDC) as the fund manager. This forms part of **the dtic**’s mandate to support the wider social economy.

## 1. What is ‘Social Employment’?

The concept of ‘social employment’ expands the traditional definition of public employment (or public works) programmes that are run directly by the state, to recognise the role that non-state actors already play in creating forms of work that serve the common good or provide public benefit.

This is not new. The aim however is to recognise it in new ways, with additional instruments of support and to enter into partnerships, or ‘pacts of collaboration’ with diverse social actors from civil society organisations and the private sector to enhance public value creation. This is part of the

wider agenda of ‘building back better’, on terms that build meaningful partnerships and use our collective strengths and assets to create work on the scale required. In the process, this builds local development capacities and unlocks unused labour in communities, to build a better society and economy.



## 2. What is 'work for the common good'?

'Work for the common good' refers to work that contributes to public goods and services, rather than private ones. It includes work that supports the Sustainable Development Goals and improves the quality of life in communities, with a focus on disadvantaged communities and groups. The following are indicative examples of typical theme areas:

### Placemaking

This is a multi-faceted approach to the planning, design and management of public spaces. Placemaking capitalises on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, livelihoods, happiness, well-being and safety.

### Community safety

Violence prevention and action against gender based violence

### Health and community care

### Food and nutrition security

### Youth support and recreation

### Support for digital inclusion

### Community and public art programming

### Informal settlement upgrading

### Education support

Early childhood development.

### Greening

Environmental action, biodiversity protection and climate change mitigation strategies.

**And much more –**  
including crosscutting and area-based approaches.

In practice, there is no shortage of organisations – national and local – already making a difference in multiple ways in all these spheres. Too often, though, such efforts are under-resourced and the hard work involved is undervalued or unrecognised. It is sometimes difficult to sustain voluntary efforts. The social employment approach aims to change that: to recognise the public value created and to expand the scale and scope of support to such initiatives. The effect on participants and on communities could be transformative. It should be designed to be so.





### 3. Social Employment is part of the Social Economy

**‘The pursuit of social objectives for the benefit of its members of the community is, broadly, the mission of all social economy activity.’**

*Social Economy Draft Green Paper*

Social employment fits directly into this vision, along with the emphasis on solidarity, social inclusion and self-organisation.

Social employment is a term for forms of employment that are not market-based and that are not reliant on producing a market-based return, focusing instead on creating social value. Such value cannot always be monetised – even if the interventions do in fact create opportunities for market-based activities. As a simple example, a placemaking intervention that transforms a dumping ground into a local park will attract people there, enhance community safety and wellbeing – and create new enterprise opportunities in the process.

The social economy includes enterprise activity with a social goal as well as non-profit activities. Social employment fits mainly within the latter category. It does, however, have a potentially strong interface with forms of social enterprise, which combine social purpose with market-based activity. Support to social employment can augment the scale and scope of the social purpose dimension of such enterprises, in the process, enhancing their sustainability. While it is a form of public employment, and not a wage subsidy to the market-based dimensions of social enterprises, it can support those dimensions of their activities that are focussed on the common good.

### 4. Guiding principles

The social employment strategy is informed by the following guiding principles:

- For participants, the employment opportunity not only provides an income, but is also designed to provide them with meaningful experience, skills and capabilities.
- The work undertaken creates public goods and services that create social value. Most directly, this is in relation to development outcomes evident at the neighbourhood/ community level, but with scope for societal-level benefits when taken to scale.
- Vulnerable communities and/or groups are the main beneficiaries of the work opportunities created and also of the public goods and services delivered.
- Partnerships between public, private, civil society and community structures are promoted.
- The approach builds local organisational capabilities and leadership and leverages local resources and assets.
- Sustainability is strengthened, including environmental, social and economic, underpinned by organisational effectiveness and relationship building.



## 5. Key design features

### 5.1 Work 'for the common good'

The fund will support employment creation that serves a 'common good' purpose, that creates public goods and services rather than private ones.

### 5.2 The work is part-time

The Fund will support a total of 100 days per annum per person. The allocation of this time is flexible depending on the needs of a given organisation: e.g. it can be broken into half days or aggregated monthly.

The rationale for this is that part-time employment provides a minimum level of income security, as well as the advantages of structure, networks, capabilities and inclusion associated with participation in work. This provides a platform for participants to utilise non-work time to pursue pathways into self-employment or entrepreneurial activity, or part-time skills development opportunities, all of which enhance their pathways to sustainable forms of employment.

### 5.3 Decent work

The programme is designed to contribute to decent work principles by embracing a human-centred approach to work, connecting people to each other, strengthening social cohesion and integration. The work is socially useful, ethical work that enhances the quality of life. The base-level wage is the National Minimum Wage and the work complies with regulated minimum labour standards. The work does not displace existing jobs.

### 5.4 The work is implemented mainly by non-state actors

Non-state actors are encouraged to organise themselves in ways that ensure that while the contracting entity has the requisite capacities, there is a concerted strategy to partner with and build capacities in community-based organisations that may lack these. This can include partnerships, consortia, and other mechanisms of collaboration. Partnerships with public bodies are encouraged.

### 5.5 The work is labour intensive

A minimum of 80% of the costs of approved contracts must go to wage costs. The allocation of non-wage costs will vary by programme but should cover inter alia the programme management fees of the implementing agent, protective gear where required, tools and materials, and training and technical support costs.

### 5.6 The strategy is designed for scale

A critical challenge in South Africa is the inability to take development interventions to scale. In order to achieve the scale of impacts intended, the approach will focus on support to proposals whose combined effect is to deliver a minimum level of scale of 1,000 participants.

### 5.7 A portfolio approach

The fund will take a portfolio approach that aims to ensure a level of spatial equity as well as a spread of thematic focal areas.



## 6. What next?

The Industrial Development Corporation will open bid windows for programmes that can take this agenda forward. Watch this space.



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