

Frequently Asked Questions: Social Employment Fund October 2022

Why is unemployment a national crisis in South Africa?

Unemployment is recognised as the single biggest cause of poverty in South Africa - the effects of which have been exacerbated by the Covid-19 pandemic, which led to widespread job losses.

The effects of unemployment are manifold. The unemployed have limited access to valuable networks which contributes towards social exclusion, lowers self-esteem and their perceived value. This may contribute to anti-social behaviours which negatively affect the wider community.

What is the Social Employment Fund (SEF)?

The South African Presidency launched the R800 million national [Social Employment Fund](#) (SEF) in early 2022, as part of [South Africa's Economic Reconstruction and Recovery Plan](#) announced in October 2020. The SEF, which is administered by the IDC, is part of the Presidential Employment Stimulus (PES), which supports a range of public employment, livelihoods, and job-retention programmes, using direct public investment to both reduce the impact of the Covid-19 pandemic and enable South Africa's economic recovery. The SEF aims to create 50,000 new work opportunities in South Africa in the first phase. The fund pays participants a minimum wage stipend for a two-day work week over a period of nine months.

Why invest in public employment schemes?

While market development strategies are important, they take time to deliver results and reach the most marginalised far slower than if the unemployed were targeted directly with employment opportunities. Direct public investment in employment and sustainable livelihoods helps to achieve the government's current economic recovery agenda which was developed in response to the Covid-19 pandemic.

What is social employment?

The concept of social employment recognises labour as having social value even if it doesn't have market value. Through the SEF, the state rewards people who are already working on the ground in their communities in productive ways and helping them to continue by paying them a stipend.

Social employment has value far beyond the employed individual because it enriches society and promotes the public good by fostering local engagement, mutual partnerships, and community resilience through 'work for the common good'. 'Work for the common good' includes providing services to support community safety, food kitchens, early childhood development and gender-based violence initiatives among others.

Social employment represents a shift in the state's relationship with communities, moving away from a top-down approach towards co-creative partnerships to support bottom-up work that promotes community agency and unleashes creativity at a grassroots level.

Why should volunteers in communities get paid?

Social employment recognises the value of grassroots organisations whose workers are already building community resilience and cohesion on a voluntary basis. However, volunteerism has its limits. Volunteer efforts are usually an immediate response to a crisis and sustaining the momentum in the long term requires resources to implement organisational structure, build skills and oversee administration for long-term impact.

The SEF provides support for community organisations to scale interventions in communities by enabling them to pay their volunteers and in this way, extending the impact of the services that they provide. The stipend provided by the fund facilitates a sustainable pathway for organisations and paid participants to access the benefits of paid work.

What/Who are the Strategic Implementing Partners (SIPs)?

Strategic Implementing Partners (SIPs) are 28 civil society organisations whose work impacts urban and rural areas across all nine provinces. These SIPs serve as intermediaries of the SEF by dispersing monthly stipends to participants and providing capacity building to many of their grassroots partner organisations which are delivering services on the ground.

Eighty percent of the fund's allocation to SIPs is paid directly to participants as a stipend and the remaining 20% is allocated to the SIPs administration costs. However, in order to optimally operationalise the fund, many SIPs have invested their own funds to support the rollout of the SEF. All SIPs meet regularly through the Social Employment Network to share their insights, applied solutions and collaboration efforts in the rollout of the fund.

Applications from civil society organisations opened in late November 2021 and the Presidency's official launch with all contracted SIPs took place on June 3, 2022.

What is the Social Employment Network?

The Social Employment Network is a peer-to-peer learning and support network and community of practice that supports partner organisations across South Africa involved in the roll-out of the SEF. The learning network, which is convened by the Western Cape Economic Development Partnership ([EDP](#)) and [DG Murray Trust](#), facilitates a regular meeting space for SIPs to address common challenges and collaborate around opportunities, while sharing and documenting learnings that are fed back to government as structured input to inform the design of future iterations of the SEF.



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