



Communication and Marketing Department  
Isebe loThungelwano neNtengiso  
Kommunikasie en Bemerkingsdepartement

Private Bag X3, Rondebosch 7701, South Africa  
Welgelegen House, Chapel Road Extension, Rosebank, Cape Town  
Tel: +27 (0) 21 650 5427/5428/5674 Fax: +27 (0) 21 650 3780

[www.uct.ac.za](http://www.uct.ac.za)



**30 August 2012**

This paper will be presented at the *Strategies to Overcome Poverty and Inequality Conference* to be held at the University of Cape Town from 3 until 7 September 2012. The 2012 conference will focus on understanding the experiences and causes of inequality, and particularly on considering practical strategies – policies and actions – that are aimed at significantly reducing inequality and poverty in both the short- and long-term.

There will be a host of experts in the social, economic, labour and health fields and will include contributions from Trevor Manuel (Minister in the Presidency, National Planning Commission) and Dr Mamphela Ramphele.

### **Design and Policy Implementation issues In South Africa's Jobs Fund and Youth Wage Subsidy**

Eddie Rakabe, Financial and Fiscal Commission, ([eddie@ffc.co.za](mailto:eddie@ffc.co.za))

The South African Government is increasingly experimenting with the introduction of numerous policies and programs to fight what appears to be an obstinate unemployment problem. Among the latest of the country's policy artillery launched and proposed in the battle against joblessness are the Jobs Fund and Youth Wage Subsidy to complement existing Active labour Market Policies (ALMPs).

In particular, the youth wage subsidy continues to be the subject of controversy among politicians and trade unions over its desirability. Effectively both the programs seek to provide temporary relief to employers by reducing the cost of acquiring and or training labour, particularly the youth.

Performance of similar programs internationally has been uneven over the years even leading to their abandonment. Evidence point to proper design and implementation as the key determinant of success.

However, the focus of policy makers in South Africa appears to be fixated on how these interventions increase jobs directly. Optimal design, not only ensures overall effectiveness but also minimises some common, unintended consequences associated with ALMPs. This study provides a review of South Africa's newly

introduced ALMP programs against best international practices and the context of unemployment conditions. We conclude that in their current form the Jobs Fund and Youth Wage subsidy require some level of redesign to maximise labour market outcomes.

### **Note to journalists**

**For full programme visit  
For accreditation please  
RSVP**

www.carnegie3.org.za  
kemantha.govender@uct.ac.za [or](tel:0216525627) 021 652  
5627

**Parking**

Accredited media will have access to all sessions of the conference.

**Updates**

Plenty of free parking will be available near the venue (on the south side: P5, P4 and P17) Key sessions will be record and webcasts can be accessed via the conference website or UCT's youtube site. Daily blogs and links to media reports will also be placed on the conference website.

**Conference venues**

The main conference will be held in the Leslie Social Science Building on UCT's upper campus.

All evening events will be in the Baxter Theatre on Rondebosch Main Road. (Please note that media wishing to attend the Impumelelo Social Innovation awards ceremony should contact Impumelelo directly at (021) 424 6360 or [info@impumelelo.org.za](mailto:info@impumelelo.org.za))

***ENDS***

***Issued by: UCT Communication and Marketing Department***

**Kemantha Govender**

Tel: (021) 650 5672

Fax (021) 650 5628

**Cell: 084 737 6522**

E-mail: [kemantha.govender@uct.ac.za](mailto:kemantha.govender@uct.ac.za)

University of Cape Town

Rondebosch

Website: [www.uct.ac.za](http://www.uct.ac.za)