# Making the Invisible Visible: The Transformative Value of Public Employment Programs (PEPs) in South Africa (S.A.)

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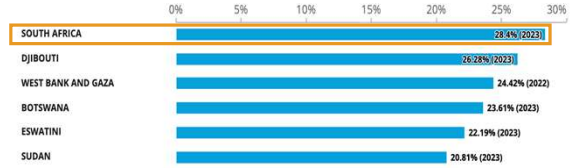
HART LEADERSHIP PROGRAM

**Unemployment strips individuals of more than income; it denies them their agency, purpose, and sense of belonging.**

**South Africa has the highest unemployment rate in the world.**




*Source: Unemployment (%) 2021-2023 | 217 Economies from the WorldBank Group | Data 360*

**The effects of unemployment are multidimensional:**

- Generates negative multiplier effects on the economy
- Limits young people's ability to build work experience
- Harms mental health
- Contributes to social unrest
- Undermines the South African constitutional vision to improve the "quality of life of all citizens and free the potential of each person" [1]

Macroeconomic solutions take time to materialize. South Africa needs an immediate, interim response.

**Public Employment Programs (PEPs)** are:

- Government-funded programs that directly create temporary, part-time, or transitional work for unemployed people when the market fails to create those opportunities.
- Long-term programs serve as an employment guarantee, "with the State serving as an employer of last resort."[2]

**THESIS:** In the context of SA's unemployment crisis, PEPs are more than temporary jobs. As a complement to long-term economic reform, PEPs can create immediate work opportunities, build skills, strengthen pathways into employment and entrepreneurship, restore dignity, and support communities. PEPs are vital because they address the multidimensional effects of unemployment.

## Methodology

### A mixed-method approach

- Literature review of South African and international research on PEPs and unemployment
- Semi-structured, qualitative interviews with researchers, PEPs participants, community leaders, and parliamentarians
- Stories from PEPs beneficiaries
- Site visits to implementing partners of PES

## PEPs create jobs, stimulate local economies, and enable self-employment.

### PEPs provide jobs when employment is scarce

In Q1 2026, the end of Phase 5 of a major PEP was the largest contributor to the rise in unemployment.[3]

### PEP spending circulates through local economies

If you scale up the effect of the R4,000 program stipend on the local economy to the whole South African economy, based on 200,000 [PEP] participants nationwide per year, the recirculation effect adds R38 million per month to the South African economy.[4]

### PEP promote self-employment.

PEPs can create "interfaces and pathways into small enterprise or co-operative activities," through "entrepreneurship support," "exposing participants to new livelihood opportunities."[5]

## PEP participants build technical and transferable skills.

**4 ×** Young people with work experience are **more likely to secure employment**[6]

**93%** Graduates of the Sozo Foundation, a PEP implementing partner, **progressed to employment, education, training, or entrepreneurship**[7]

### Sibongile Joni

*Case study*

*"Through working very closely with principals and educators," she developed "a very strong sense of professionalism and effective communication."*

BCom graduate → **Teaching Assistant (PEP)** → NGO Site Supervisor → Mercedes-Benz HR Intern

## PEPs improve mental well-being.

### Unemployment poses a significant public health concern

"Long-term unemployment is associated with greater incidence of suicide."[8]

### Employment builds purpose and fulfillment

South African youth who transitioned into employment reported stronger career identity, future planning, well-being, and life satisfaction.[9]

## PEPs strengthen communities.

**2 ×** **Reading benchmarks doubled** in schools supported by PEP-supported literacy coaches[10]

**40-50%** **Lower conflict levels** in Indian districts where participation in PEPs responded to income shocks[11]

*"[I want to] empower kids to see a superhero in themselves rather than looking for it in other people."*

### Litha Sam-Sam

*Case study*

**Before PEP funding:**
Individually building a mobile reading library in Vrygrond.
**After PEP funding:**
→ hired local young adults
→ purchased more books and materials
→ created after-school programmes
→ opened a permanent library
→ expanded into other villages

## PEPs advance Constitutional promises.

- **Sections 1(a) and 7(2):** Unemployment blocks the promise of "human dignity" and of freeing "the potential of each person." PEPs are a way for the state to "respect, protect, promote and fulfil" these rights.
- **Sections 26-27:** The state must take "reasonable measures" toward the "progressive realization" of socioeconomic rights.

## *Model for a Changing Global Labor Market*

Unemployment is projected to increase worldwide, fueled by climate change and the AI boom. South Africa's PEPs can serve as a model for how other countries address unemployment.

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