

Appendix 4

Outcome 4: Decent employment through inclusive economic growth

1. NDP 2030 vision and trajectory

The NDP provides a long term vision through 2030 for accelerating GDP growth so that unemployment and inequality can be reduced and for creating a more inclusive society. This will be achieved through diligent implementation of implementation plans and programmes, in particular the New Growth Path (NGP) the Industrial Policy Action Plan (IPAP) and the National Infrastructure Plan.

The next five years will require a balance between creating a stable and supportive environment for growth and investment while at the same time addressing the many structural challenges our economy and society faces. In addition to long-standing regulatory, infrastructure and skills weaknesses, inequality in itself has become a core obstacle to investment and growth. By extension, efforts to support growth must simultaneously ensure more equitable distribution of ownership and income.

Specific measures to support growth include:

- Building enough energy generation capacity to power the economy
- Taking steps to ensure address the skills shortage including allowing importation in the immediate term
- Ensuring that the regulatory framework avoids unnecessary costs to producers and supports sustainable investment while continuing to encourage employment creation and economic inclusion.

Employment intensive programmes and initiatives will receive top priority, especially those that target the youth and women. Investment in new sources of growth will be encouraged and incentivised. Achieving this aim will depend crucially on:

- Implementation of the National Infrastructure Plan in ways that crowd in productive investment both by users of the infrastructure and by suppliers of inputs;
- Driving growth in the productive sectors and the other priority Jobs Drivers identified in the New Growth Path, through the implementation of IPAP and similar sector-based action plans for agriculture and mining;
- Supporting exports and African regional development;
- Maintaining a fiscal stance that promotes sustainable growth, investment and job creation;
- Improving the ability of the education and skills systems to meet the needs of the economy;
- Expanding public employment schemes, including the proposed youth brigades, as far as possible in ways that empower communities and support the involvement of youth in serving them;
- Supporting rural development and stimulating agricultural production and employment; and

- Strengthening the ability of the National System of Innovation to support inclusive growth.

2. Problem Statement

Since 1994, the South African economy has grown at the average for middle-income economies if we exclude China, after a period of extremely slow growth from 1976 to 1984. Moreover, since 1994 employment creation has picked up, so that the share of working age adults with employment stabilised at just over 40% after falling from the late 1970s through 1994. Still, the global norm is around 60%, and jobs growth has not been strong enough to raise the level of employment qualitatively from the low levels inherited in 1994. Investment rose from 13% of GDP in 1994 to around 20% in 2012. While exports climbed from 15% of GDP to 18%, imports also increased funded largely by short-run capital inflows into equity and bonds. The result has been a relatively large trade deficit, especially from the mid 2000's.

Despite these gains, extraordinarily high levels of inequality, poverty and unemployment persist. These carry severe risks, amongst others from workplace conflict, policy contestation, crime, corruption and social unrest. In addition, the country has failed to reap a demographic dividend by harnessing the potential of a proportionately large cohort of working-age youth. Achieving significantly higher growth is necessary, although not sufficient, to address these core socio-economic challenges. The NDP targets growth at over 5%.

The core factors that lead to reproduction of the inequalities entrenched under apartheid are:

- The structure of ownership and control established over the centuries of colonialism and apartheid, with most sectors dominated by a few large producers and the majority of households lacking financial and productive assets;
- Market and financial institutions and regulatory frameworks that evolved to serve high-income groups and formal companies, and find it hard to meet the needs of poor communities and emerging enterprises;
- The extreme backlogs in investment in historically black communities in both household and economic infrastructure and in government services like education and healthcare;
- The legacy of inequalities in education and skills development that mean historically black schools typically have fewer resources, books and support staff as well as worse buildings, with many unable to offer courses in maths, science, computer studies, advanced English or design, which are critical for the modern economy;
- Uneconomic and divisive settlement patterns that see almost a third of the population still living in the former so-called "homelands," which lack natural resources, productive investment and adequate infrastructure, and which consequently suffer from extraordinarily high levels of joblessness and poverty;
- Settlement patterns that also pushed most workers, and especially African women, far from economic centres; and
- Work organisation and facilities in many workplaces that sustain deep social and economic divisions and limit career mobility for unskilled and semi-skilled workers.

Government has made progress in addressing these deep-seated systemic blockages to more equitable growth. Still, much more needs to be done. The kind of far-reaching change required poses challenges, because:

1. The host of new regulations required must not impose unnecessary compliance burdens, costs that exceed the hoped-for benefits, or excessive risks of failure;
2. The complex of regulatory and systemic changes add to the capacity required of the state as well as other stakeholders; and
3. The risk of unintended consequences is high.

It is therefore important that the coming period include a stock-take of regulations that aims to reduce unnecessary delays, compliance burdens and costs. That does not mean the developmental state will not take vigorous action to drive transformation, but rather that it will seek to achieve its aims as efficiently as possible, in ways that support growing productivity, competitiveness and investment.

3. MTSF sub-outcomes and actions to achieve the vision

To pave the way for accelerated economic progress over the next 20 years, South Africa needs to make tough decisions that will involve both compromises and trade-offs. These decisions are captured broadly in the NDP, with more specific proposals included in the NGP, IPAP and the National Infrastructure Plan. That said, many economic factors lie outside the control of the government and indeed may originate outside the country altogether. Nonetheless, it is important to develop consistent, efficient and effective strategies to support growth with job creation and equity.

Radical change must bring real benefits to working people and the poor across South Africa. At the same time, Government will engage with business through the Presidential Business Working Group and the related bilateral on key areas of interest to identify blockages to production and employment and to encourage local and foreign investors to do more to support inclusive growth.

Driving inclusive growth requires that economic agencies increase their capacity in terms of institutional structure and skills to address promptly blockages to investment and job creation in their areas of responsibility, as well as to identify and facilitate sustainable programmes that can act as catalysts for long-term economic development.

Key sub-outcomes and the actions to achieve them are the following.

Sub Outcome One: Productive investment is effectively crowded in through the infrastructure build programme

The National Infrastructure Plan is intended to crowd in productive investment through developing the economic infrastructure required for growth of both existing and emerging producers, with appropriate pricing, regulatory, procurement and other supports. Public investment should rise to around 10% of GDP over the period.

The provision of infrastructure falls under Outcome 6, but the departments in Outcome 4 can maximise the economic multipliers of the build programme by:

- Establishing complementary measures to support new investment based on the improved provision of logistics, energy and water
- Increasing the levels of local procurement by supporting local production of infrastructure inputs
- Assisting in assessing both the macro and micro economic costs and benefits of infrastructure projects, and recommending appropriate financing strategies and tariffs for producers on that basis.

Sub Outcome Two: The productive sectors account for a growing share of production and employment

The Industrial Policy Action Plan (IPAP) provides well-defined, sector-based plans for manufacturing, with specific deliverables and timeframes. It will be supplemented by similar plans for agriculture, mining and emerging industries as well as the other Jobs Drivers in the New Growth Path. These plans will be supported by all state agencies, with regular reports to the Productive Sectors Forum, the Economic Sector and Employment Sectors Cluster as well as the relevant MinMECs. They will:

- Address the specific constraints on key sectors and clusters for growth and job creation;
- Support more diversified exports, especially to Africa, as well as increasingly affordable and quality production of necessities and intermediate inputs;
- Promote local procurement to increase domestic production and monitor compliance with Preferential Procurement Policy Framework Act;
- Support African regional development through development of regional value chains;
- Help manage the transition to a greener economy in ways that minimise the costs, especially to working people and poor communities, and maximise the benefits; and
- Improve the regulation of the economy through the use of more rigorous impact assessments for both prospective and existing regulations as well as consistent consultation with stakeholders.

Sub Outcome Three: The elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods fosters business confidence, reduces costs for working people and producers, and sustains investment and economic growth

The state will improve overall competitiveness by ensuring a more efficient regulatory framework and by reviewing both administered prices (especially for electricity, freight, telecommunications, education and water), and prices for intermediate inputs and necessities such as food, health, steel and heavy chemicals. Specifically, the Outcome 4 Coordinating Departments will:

- Improve engagement and trust with economic stakeholders through the Presidential Business and Labour Working Groups and related bilaterals on key areas of interest to identify blockages to production and employment.
- Work with Cabinet Office and other departments to improve the systems and capacity for assessing the impact on growth, investment and employment of proposed and existing regulations, with a view to improving them.
- Work with the relevant departments and metros to measure and as far as possible reduce delays and unnecessary red tape around authorisations needed for investments.
- Monitor administered prices to producers as well as prices for wage goods and, where they are rising above inflation, identify realistic options for slowing their increase to the rate of inflation or below.
- Monitor prices for intermediate inputs and, where they include monopoly rents of any kind, identify ways to reduce them.
- Improve and streamline regulation to reduce the burden of importing core and critical skills needed for the economy.

Sub Outcome Four: Workers' education and skills increasingly meet economic needs

The engagement of economic stakeholders and policymakers in demand-side planning for education and skills development will be improved, so that investment in these areas more effectively meets economic needs and does more to support employment creation, growth and constructive workplace relations.

This sub-outcome supplements Outcome 5 by projecting the key skills and qualifications required for economic growth, with more detail provided on infrastructure.

Sub Outcome Five: Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the build programme and densification in the metros

Agricultural employment is critical for improving incomes and inclusion of rural people. The relevant departments, provinces and municipalities will work together to improve district-based planning as the basis for a holistic approach to achieve the targets for new smallholders and

commercial agricultural employment set in the New Growth Path. Technologies to support expanded employment and smallholders in agriculture and agro-processing will be prioritised. These efforts will build on the systematic push under the National Infrastructure Plan to overcome the backlogs in infrastructure left in the former “homeland” regions.

This sub-outcome supplements Outcome 7 by focusing on employment creation in particular through smallholders, which is the core concern for inclusive growth in this regard.

In the metro areas, whose efficiency is crucial for national economic growth and job creation, programmes will be intensified to support more productive and integrated township economies, the densification of housing along transport corridors, and continued improvement in public transport as well as, where appropriate, bicycles, motorcycles and “put puts”. The aim is to facilitate job searches by the unemployed, and to improve attendance at work and reduce the cost of living, bolstering productivity and facilitating continuous production.

Sub Outcome Six: Macroeconomic conditions support employment-creating growth

Government will continue to pursue fiscal policy that supports sustainable growth, employment creation and investment.

In addition, Government will implement measures to ensure the financial sector serves the real economy and people. This will necessitate the assessment of measures to increase the availability of industrial finance at competitive costs and for appropriate periods of time given that industrial projects are long-term investments; measures to lower the cost of financial services such as banking costs and retirement fund costs for especially for poor people; and steps to improve the stability of the exchange rate at a competitive level accompanied by measures to reduce the impact of currency volatility on the productive sectors.

Sub Outcome Seven: Workplace conflict is reduced and collaboration between government, organised business and organised labour improves

Identifying effective interventions to reduce workplace conflict and facilitate constructive labour relations, in particular by engaging with business and labour on ways to enhance career mobility linked to skills development, improve communication in the workplace, and reduce unfair inequalities; and support the improvement of social partner engagement with a greater emphasis on industry and workplace level cooperation. Labour regulation in this regard will play an important role to protect and extend worker rights, support more equitable pay, and improve efficiencies in the labour market.

Sub Outcome Eight: Economic opportunities for historically excluded and vulnerable groups are expanded and the growth and development in small business and cooperatives is improved markedly

While all economic policies and programmes should provide specific support for historically excluded and vulnerable groups (in particular black women and youth as well as people with disabilities), it is important to develop targeted measures to improve their engagement with and benefits from economic activity.

Government will continue to implement the Youth Employment Strategy and review and strengthen strategies to improve the position of black women, in the formal economy in particular. The new Small Business Ministry will work with sectoral departments and development finance institutions to ensure that opportunities for small business expand, in particular through expanded access to incubators, marketing agencies and co-ops, industrial and retail sites, and finance amongst others. Growth in small business and cooperatives will help reduce in the current high levels of market concentration and monopolies in key sectors of the economy.

Sub Outcome Nine: Public employment schemes provide relief for the unemployed and build community solidarity and agency

Employment in public employment schemes will grow to 6 million work opportunities by 2019, with most of the growth by 2015 (we can only say this of it is in line with the current MTEF), in the Youth Brigades and the Community Work Programme.

Sub Outcome Ten: Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and supporting the development of new industries.

Technological advance should support increased productivity in both the formal sector and in emerging and smaller enterprises, as well as raising the living standards of poor people. Government will explore ways to incentivise increased and more effective research, development, innovation and diffusion of technologies to achieve these aims. Partnerships and funding arrangements will be strengthened to effectively translate advances in publicly-funded capabilities and competencies in Science, Technology and Innovation into new industrial development and employment opportunities. Finally, local technological solutions will be included in IPAP and in the delivery of large-scale infrastructure projects.

4. Management of Implementation

Implementing the targets related to outcome 4 will be led by the Minister of Trade and Industry and require a coordinated effort by the Ministers of Trade and Industry, Economic Development, Finance, Public Enterprises, Small Business Development, Rural Development and Land Reform, Science and Technology, Mineral Resources, Agriculture, Food and Fisheries, and Public Works.

The core departments will monitor outcomes for the jobs drivers as well as cross-cutting interventions and develop an early-warning system to ensure a faster response to threats and opportunities. They will report on the findings in a narrative form in the Outcome 4 reports. These reports will include a dashboard indicating where decisions and actions are required to achieve the overall outcome.

5. MTSF sub-outcomes and component actions, responsible ministry, indicators and targets

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome One: Productive investment is effectively crowded in through the infrastructure build programme				
1. Support for local suppliers for infrastructure programme	Trade and Industry and Economic Development, supported by Public Enterprises and Science and Technology	Progressively rising local content levels in government infrastructure	75% of all procurement of those products capable of being manufactured locally on a commercially feasible basis, by 2019	Guidelines published with implementation plan Annual measurable improvement in targets set

Actions	Minister responsible	Indicators	2019 target	First year target
2. Infrastructure will support productive investment and growth	Presidential Infrastructure Coordinating Commission, supported by Economic Development, Trade and Industry, Mineral Resources, Agriculture Fishing and Forestry, Rural Development and Land Reform, Transport	New productive investments utilise the infrastructure provided by every SIP	Every major economic infrastructure project will have a list of productive investment projects utilising its key elements by 2019	Lists finalised for 5 SIPs and agreements to achieve them initiated; initial lists developed for further 5 SIPs annually
3. Ensure monitoring of off-takes by end users on the infrastructure programme	Sectoral ministries responsible for economic infrastructure, such as Energy and Transport, together with Economic Development, supported by Finance, Mineral Resources, Agriculture Fishing and Forestry, Rural Development and Land Reform	Measurable improvement in support of end-users	List of off-take agreements for major economic infrastructure where applicable	Off-take agreements identified for 5 SIPs

Actions	Minister responsible	Indicators	2019 target	First year target
4. Government develops and applies best practice system for assessing macro and micro economic costs and benefits of infrastructure projects	Economic Development responsible, supported by Finance	% of infrastructure projects subjected to authorised system	100% of infrastructure projects valued at over R100 mn by 2019	System adopted in 2014
5. DPE, DOE, DPME, EDD and NT develop plans to finance electricity generation that will avoid excessive tariff hikes and ensure a sustainable financial framework and minimise construction risks while protecting the necessary investments in generation and distribution capacity	Public Enterprises responsible, supported by Energy, Planning Monitoring and Evaluation, Economic Development and Finance	Reserve margin increased Tariff hikes to industry at lowest level required for sufficient investment in generation and distribution	8% 100%	Implementation of plans initiated
6. Postal infrastructure and Post Bank services deployment monitored	Telecommunications and Postal Services	% of Postbank Corporatised	Corporatisation of Postbank facilitated and coordinated	Development and assessment of strategy to support corporatisation

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome Two: The productive sectors account for a growing share of production and employment				
1. IPAP implemented and reviewed regularly in terms of impact on growth, employment, investment, output, exports and African regional development	Trade and Industry responsible, supported by Finance, Economic Development, Science and Technology	IPAP sector interventions towards growth, employment creation, more equitable incomes and more diversified exports underway	All IPAP sector interventions being implemented	3 SEZs proclaimed 250 investment projects facilitated Export Council to develop African export markets established
2. Agricultural Policy Action Plan (APAP) developed, implemented and reviewed regularly in terms of impact on growth, employment, rural incomes, investment, output, exports and African regional development	Agriculture Fishing and Forestry responsible, supported by Rural Development and Land Reform, Finance, Economic Development, Trade and Industry, Science and Technology	APAP sector and cross-cutting interventions towards growth, employment creation, higher rural incomes and strong exports underway	All APAP sector and cross-cutting interventions being implemented	Annual report on implementation of APAP, with review and extension of plans Framework implemented as part of APAP review, with report to Cabinet
3. Implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)	Agriculture Fishing and Forestry responsible, supported by Rural Development and Land Reform, Economic Development and Trade and Industry	CAADP Compact and investment plans underway	95% of CAADP investment plans implemented	Implementation of investment plans

Actions	Minister responsible	Indicators	2019 target	First year target
4. Agriculture, Forestry and Fisheries Market and Trade Development Strategy	Agriculture Fishing and Forestry responsible, supported by Finance, Economic Development, and Trade and Industry	Trade and Development Strategy and cross-cutting interventions towards growth, employment creation and higher rural incomes underway	95% of Agricultural, Forestry and Fisheries Market and Trade Development Strategy implemented	Annual report on implementation of the Agricultural, Forestry and Fisheries Market and Trade Development Strategy
5. Minerals Beneficiation Action Plan (MBAP) developed, implemented and reviewed regularly in terms of impact on growth, employment, rural incomes, investment, output, exports and African regional development	Trade and Industry responsible, supported by Mineral Resources, Economic Development, Energy, Transport, Public Enterprises, Finance and Science and Technology	MBAP developed and implemented	Increased use of local metals in South African manufacturing	MBAP incorporated into IPAP Two major higher-level beneficiation projects funded by IDC

Actions	Minister responsible	Indicators	2019 target	First year target
6. Review of the mining sector strategy to increased mining exploration and investment and production volumes increase and ensure sustainability and transformation of the industry	Mineral Resources responsible supported by Trade and Industry	Revised Mining Sector Strategy developed reported % volume of mining production	Revised Mining Sector Strategy to support mining exploration and investment developed and completed by 2015 3% annual increase in total mining output by 2019	Key constraints on exploration, development and investment in mining production identified and proposals for addressing them undertaken
7. Implement interventions that support the improvement in social and economic conditions of mining towns	Planning Monitoring and Evaluation supported by Mineral Resources, Economic Development, Cooperative Governance and Traditional Affairs, Social Development and Public Works	KPIs established and met	Upgrading of human settlements for 75% of households in mining belt	Plans initiated to reach 75% of households in mining belt

Actions	Minister responsible	Indicators	2019 target	First year target
8. Determine viable shale gas <ul style="list-style-type: none"> • Ensure development of and implementation of exploratory drilling plan • appropriate legislation developed • Ensure implementation of shale exploration programmes 	Mineral Resources responsible supported by Trade and Industry	Implementation in determining of economically viable shale gas reserves	90% of annual targets of viable shale gas reserves determined	Shale gas exploration programmes including technical cooperation programme implemented (DMR)
9. Implement National Tourism Strategy and review impact regularly in terms of impact on growth, employment, investment, output, exports and African regional development	Tourism responsible, supported by Economic Development, Trade and Industry, Rural Development and Land Reform and Finance	Tourism strategy interventions towards growth, employment creation and higher incomes for poor households underway	All tourism strategy interventions being implemented by 2020	NDT to report against framework

Actions	Minister responsible	Indicators	2019 target	First year target
10. Strategic support for each of the 10 drivers of the New Growth Path: (a) infrastructure (b) mining, manufacturing and agriculture; (c) the green economy, (d) the social economy (e) public services (f) tourism and other high level services (g) knowledge-based sectors as well as (h) African regional development to be managed by a structure that can ensure implementation across the state, monitor progress and address blockages as required.	Economic Development responsible, supported by Trade and Industry, Agriculture Fishing and Forestry, Mineral Resources, Tourism, Science and Technology, and Presidential Infrastructure Coordinating Commission	1. Develop and review realistic and sustainable strategy to grow output and employment and improve equality, support alignment across the state, manage monitoring of actions, address blockages and identify new opportunities and risks as they arise.	1. Coordinating structures modelled on the PICC established for 10 Jobs Drivers (some may be combined if appropriate)	Structures established for 5 Jobs Drivers that include all stakeholders across the state and have strong secretariats and monitoring capacity
		2. Sector and cross-cutting interventions towards growth, employment creation and higher incomes for poor households underway in specified jobs drivers	2. Sector and cross-cutting interventions being implemented for specified jobs drivers	
11. Establish industrial funding targets for identified job drivers	Economic Development responsible supported by Trade and Industry	Measurable improvements in funding for identified job drivers	90% of the agreed target	Targets included in relevant budgets as well as DFI plans

Actions	Minister responsible	Indicators	2019 target	First year target
12. Review where necessary and provide update of operational parts of the NGP that support the productive sectors of the economy	Economic Development responsible supported by Trade and Industry, Agriculture Fishing and Forestry, Rural Development and Land Reform and other ministries that support New Growth Path implementation	Improvement in the operational plan of the NGP	Regular reports provided on review and updates	Revised NGP submitted to Cabinet
13. Package support for supplier development especially for state procurement	Trade and Industry responsible supported by Small Business Development, Finance, Economic Development, Public Enterprises, Rural Development and Land Reform and Agriculture Fishing and Forestry	Progressively rising local content levels in total state procurement	75% local content by 2019	Monitoring system implemented which tracks local content levels of state procurement with improving accuracy and penalises non-compliance with PPPFA requirements
14. Amend Preferential Procurement Policy Framework Act to create supportive environment for state procurement from domestic manufacturers and monitor compliance with PPPFA regulations	Finance responsible supported by Economic Development and Trade and Industry	Progressively rising local content levels in total state procurement Compliance monitoring system implemented (EDD)	75% local content by 2019 and 95% compliance with Treasury regulations	Draft regulations to increase local procurement gazetted for comment

Actions	Minister responsible	Indicators	2019 target	First year target
15. Analysis of trade flows against national economic goals and support the efficient administration of ITAC	Trade and Industry and Economic Development	Measurable improvements in analytical reports on trade data Measurable Improvement in ITAC administration	Regular reports provided	Bi-annual reporting system initiated

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome Three: Elimination of unnecessary regulatory burdens and lower price increases for key inputs fosters investment and economic growth				
1. Regular meetings between economic departments and stakeholders identify blockages to growth, investment and employment creation	Planning Monitoring and Evaluation supported by Economic Development, Finance and Trade and Industry	Meetings of Presidential Business and Labour Working Groups Task teams established to deal with key topics as required	Every six months (95%) Meetings as agreed – 95%	Second meeting of Working Groups reviews progress of bilateral working groups

Actions	Minister responsible	Indicators	2019 target	First year target
2. Measure and reduce delays and unnecessary red tape around authorisations needed for investments in metros	Small Business Development and Trade and Industry jointly responsible supported by Finance, Economic Development and Cooperative Governance and Traditional Affairs	Number of procedures analysed and re-engineered per annum	5 per annum	Report on five processes submitted to Cabinet
3. Establish early warning system to monitor critical prices on infrastructure and other inputs and on wage goods, and propose responses if they increase above inflation	Economic Development responsible, supported by Trade and Industry and Finance	Inflationary prices identified and where necessary options reviewed and interventions proposed	Inflationary prices identified and where necessary options reviewed and interventions proposed	<p>Support the review of early warning system shows strategic responses undertaken, with an assessment of effectiveness</p> <p>Report on increases in administered prices to assess if they were economically justified, sustainable and unavoidable, and minimise impact on the poor</p> <p>Amendments submitted to Cabinet</p>

Actions	Minister responsible	Indicators	2019 target	First year target
				of the Competition Act to permit action on monopoly pricing of strategic intermediate inputs and wage goods
4. Continued development and support towards the building of a world class Competition Authority provided	Economic Development supported by Trade and Industry	Strong actions taken against cartels and public interest clauses included in mergers and accusations	Regular reports provided	Review completed with specific proposals for strengthening the competition authorities
5. Reduce regulatory burdens and reduce the time required for importing requisite skills for the economy and for investment, including by introducing a “one stop shop” at government level.	Home Affairs supported by Planning Monitoring and Evaluation, Economic Development, Trade and Industry, Labour and Higher Education and Training	Changes to subsidiary legislation on immigration to facilitate the importation of economically important skills and for investors as identified by economics and infrastructure departments, SOCs and producers Maximum period for approval to import required skills	Changes made to improve immigration regulation that promote economic growth and supports the build programme 3 months by 2019 approval from application to approval for import of skills for productive investors and SOCs	Increased immigration of skilled personnel and investors supports economic growth, equity and the build programme Baseline report on period of approval, numbers approved and numbers rejected, with reasons, submitted to Cabinet

Actions	Minister responsible	Indicators	2019 target	First year target
6. Work with Cabinet Office and other departments to implement Social Economic Impact Assessment System (SEIAS) and develop expertise on impact assessments on policy, regulation and legislation	Planning Monitoring and Evaluation responsible, supported by Economic Development, Finance, Trade and Industry, State Security, Environmental Affairs and Social Development	Implementation of SEIAS across government	95% of new regulations assessed using SEIAS format and panel identified by DPME	Annual report on extent to which major new laws and regulations underwent SEIAS, learnings from the process, and modifications to strategy if required

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome Four: Workers' education and skills increasingly meet economic needs				
1. Development and implementation of demand-side forecasting system for skills for the economy and in particular those required for the Infrastructure Programme	Planning Monitoring and Evaluation, supported by Higher Education and Training, Economic Development, Trade and Industry, Agriculture Fishing and Forestry, Mineral Resources, Transport, Basic Education, Science and Technology	Further education institutions use information on economic needs supplied by Economics and Employment Sectors Cluster	95%	Forecasts submitted to Cabinet for economic skills Skills plan for infrastructure approved by Cabinet

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome Five: Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the build programme and densification in the metros				
1. Development of smallholder production in context of improved district planning and link to land reform, extension, marketing and other systems	Agriculture Fishing and Forestry responsible, supported by Rural Development and Land Reform, Economic Development, the dti, Finance and Science and Technology	Plan to support smallholders developed and incorporated in APAP, with clear annual targets	300 000 new smallholders (producing for market) by 2019	Number of small-scale producers (agriculture, forestry and fisheries) supported towards increased market participation and employment Implementation of proposals monitored by DAFF and NT
2. Township economies supported and commuter transport costs and unreliability reduced in metropolitan areas through both improved transport and densification	Small Business Development supported by Cooperative Governance and Traditional Affairs, Presidential Infrastructure Coordinating Commission, Transport and Human Settlements	Increased share of metro production from townships Reduced cost and improved reliability and safety of commuter transport	5% 10% reduction in cost and 20% improvement in safety and reliability	Township economies strategy piloted System implemented in metros

Actions	Minister responsible	Indicators	2019 target	First year target
3. Increased support for township economies by Development Finance Institutions (DFI's)	Economic Development supported by Small Business Development and Trade and Industry	Measurable improvement in support by DFI's	10% rise in support over 2 years from baseline	3% increase in DFI support for township economies
Sub Outcome Six: Macroeconomic conditions support employment-creating growth				
1. Counter-cyclical fiscal and monetary policies pursued	Finance responsible, supported by Economic Development, the dti and Public Enterprises	Implementation of counter cyclical fiscal and monetary policy	95% implemented	Explicit policy for fiscal and monetary policy discussed in Cluster and agreed by Cabinet
2. Increase in industrial finance available from DFIs and departments	Economic Development responsible, supported by Trade and Industry and Finance	Increase in industrial finance available	30% increase on baseline	Report shows increase in commitments in line with funding envelop of DFI's and departments
3. Decreasing turn-around times for approval by DFIs of projects funded	Economic Development supported by Trade and Industry	Measurable improvement in turn-around times	95% achievement of new targets set off the existing baseline	New systems implemented that reduce turnaround times measurably

Actions	Minister responsible	Indicators	2019 target	First year target
4. Reform of banking industry to improve efficiency and serve small businesses and poor households	Finance responsible, supported by Economic Development and Trade and Industry	Cost of banking services	25% reduction in real terms	Proposals agreed on and initiated
5. Develop cost specific options for stabilising the exchange rate at a competitive level	Trade and Industry responsible, supported by Finance and Economic Development	Option selected and implemented	95% implementation of option selected	Options submitted to Cabinet and initiated.

Sub Outcome Seven: Reduced workplace conflict and improved collaboration between government, organised business and organised labour

1. Development of programmes to address workplace conflict through (a) improved communication, career mobility, skills development and fairness in workplaces, and (b) stronger labour-relations systems	Labour responsible, supported by Economic Development, Mineral Resources, Trade and Industry and Finance	Measurable improvements in social partner and workplace relationships	Process implemented in 3 sectors and 10 workplaces	Report on progress on agreed initiatives Process piloted Progress in implementation of all elements of Presidential package relating to platinum belt
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------	----------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------

Actions	Minister responsible	Indicators	2019 target	First year target
2. Strengthen implementation of existing labour regulations to improve the protection of vulnerable workers and create a decent work environment as well as well as address labour market inefficiencies	Labour responsible, supported by Economic Development	Increase in number of inspections and follow-ups	30%	Cabinet approves options for strengthening the inspectorates (DOL)
3. Standards will be set to reduce inequality in pay and minimum wages will be set for all vulnerable workers	Labour responsible, supported by Economic Development, Trade and Industry, Agriculture Fishing and Forestry	Income Differentials in pay assessed to promote the principle of Equal Pay for Work of Equal Value Gaps in minimum wage determinations covered	150 income differentials assessed 95%	150 income differential sasessed in terms of Employment Equity Act (DOL) per year Strategies for extending minimum wage nationally submitted to Cabinet (DOL with the dti, DAFF and EDD)

Actions	Minister responsible	Indicators	2019 target	First year target
4. Collective bargaining structures and dispute settlement mechanisms are strengthened	Labour responsible, supported by Economic Development, Mineral Resources, Trade and Industry and Public Service and Administration	The share of unprotected strikes in total strike action	50% decrease	Strategy to improve collective bargaining submitted to Cabinet
Sub Outcome Eight: Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.				
1. Programmes to ensure increased access to employment and entrepreneurship for black women and youth in the context of stronger support for emerging and smaller enterprises overall	Small Business Development, supported by Economic Development, Higher Education and Training, Minister in The Presidency for Women, Trade and Industry, Agriculture Fishing and Forestry, Rural Development and Land Reform and Finance	Youth in employment or education Share of women in formal employment	Measurable increase Measurable increase	Youth Brigades and public-sector internships programmes initiated (EDD) Report on evaluation of wage incentive provided to Cabinet Options approved by Cabinet
2. Provide coaching, incubation, intensive support and financing to sustain existing small	Small Business Development responsible supported by Economic Development, Agriculture	Strategy and programmes to support existing as well as develop new small	Programmes implemented 30% above 2014 level	Regulations on targeted procurement to support SMMEs and co-ops gazetted

Actions	Minister responsible	Indicators	2019 target	First year target
businesses and cooperatives as well as expand the sector	Fishing and Forestry and Trade and Industry	<p>business and cooperatives to facilitate access to formal markets</p> <p>% growth in the number registered small business and cooperatives</p> <p>% of new small business and cooperatives that are supported and that are still operating one year after support provided</p>	<p>Development of systems to determine sustainability</p> <p>Annual incremental shift towards 30% target by 2019 above current baseline</p>	<p>Sefa and seda co-located in every province</p> <p>Report on progress of National Informal Business Upliftment Strategy</p>
	Planning Monitoring and Evaluation supported by Small Business Development and Finance	% public agencies' payment of SMMEs and coops within 30 days	100%	DPME to develop appropriate sanctions for departments that have payments over 20% beyond 30 days (See Outcome 12)

Actions	Minister responsible	Indicators	2019 target	First year target
Sub Outcome Nine: Public employment schemes provide relief for the unemployed and build community solidarity and agency				
EPWP Phase 3 (including CWP) implemented, monitored and evaluated including the establishment of a Presidential Public Employment Commission to coordinate the rollout of Public Employment Programmes	Public Works, supported by sector lead Ministries, Finance, Cooperative Governance and Traditional Affairs, Social Development and Environmental Affairs.	Number of work opportunities (mostly time-bound and some part-time) created	6 million work opportunities over 5 years with most CWP targets achieved in the outer years of the MTSF	Plan targets achieved
Sub Outcome Ten: Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor				
1. Research, Development, and Innovation partnerships between government and the private sector strengthened	Science and Technology, supported by Trade and Industry, Economic Development, sector ministries and Finance	% increase in the rand value of investment by government and the private sector in research and development partnerships	300% increase in the rand value of investment when compared to 2013	

Actions	Minister responsible	Indicators	2019 target	First year target
2. Emerging/new industries strategies aligned with IPAP and regularly monitored in terms of long-run growth and competitiveness, job creation and export potential	Science and Technology supported by Trade and Industry, Economic Development, Mineral Resources, Energy and Agriculture Fishing and Forestry	Emerging/new industry sector and cross-cutting interventions towards growth, employment creation and higher incomes for poor households underway	All emerging/new industry sector and cross-cutting interventions being implemented	Evaluation of five candidate projects for inclusion in the 2015 iteration of the EIAP
3. Review of existing market-based and state incentives for innovation in terms of effectiveness in increasing investment in innovation and nature of beneficiaries (size of enterprise and household income), leading to improvements	Science and Technology, supported by Finance	Institutional mechanism for the strategic management of public funding for research, development, and innovation	Improved institutional arrangements in place	Review finalised with specific, costed and viable proposals

6. High level Impact (or Outcome) Indicators

In contrast to other kinds of government service delivery, economic policy depends primarily on actors outside the state. That has implications for the outcomes-based system. In particular:

1. Changes in uncontrollable conditions, for instance in the global economy or commodity prices, may open up unforeseen risks or opportunities, making targets unachievable or a very low bar.
2. Even if government does everything it currently plans, other stakeholders may not react as hoped, leading to slower growth in the GDP, employment and investment.

By extension, it is particularly important to monitor the main high-level outcomes for the economy, and to adjust sub-outcome targets and activities as required as conditions change. The aim is to ensure a responsive state that can react to unanticipated risks and take advantage of new chances as they emerge.

Impact indicator	Minister responsible for reporting on the indicator	2009 Baseline	Latest Baseline of the indicator	2019 target	NDP 2030
1. GDP growth (annualised and quarterly)	Finance	GDP shrank by 1.5% in 2009	2.5% in 2012	5% growth in 2019	4.5% annual growth
2. Investment rate (% of GDP)	Finance	22% in 2009	20.5% of GDP in 2012	25% of GDP	30% of GDP
3. Public sector investment (% of GDP)	Finance	8.3% in 2009	7.8% of GDP in 2012	10% of GDP	10% of GDP
4. Share in household income of the poorest 60% of households	Economic Development	6.1% in 2009	5.6% in 2011/12	10%	10%

Impact indicator	Minister responsible for reporting on the indicator	2009 Baseline	Latest Baseline of the indicator	2019 target	NDP 2030
5. Employment creation	Economic Development	1 million jobs lost in downturn from 2008 to mid-2010	200 000 in year to March 2013 but over 300 000 in 2011	Annual employment growth to increase by 350 000 a year in 2014-15 and thereafter the rate of employment growth to increase, with targets set annually.	11 million more jobs, with annual targets set on a rising scale
6. Official unemployment rate	Economic Development	24% in 2009	25% in 1 st Quarter 2013	14% in 2020	6%
7. Percentage of adults working in rural areas	Economic Development	20% of the labour force	20% in fourth quarter 2012	30%	40%
8. Investment in Research and Development as % of GDP	Science and Technology	0.87% in 2009/10	0.76% in 2011/12	1.5% by 2019	No target specified but commitment made to increasing investment in R&D