



National Assembly – Mini Plenary Debate

Economic Transformation Cluster

Department of Employment and Labour

Budget Votes

Debate on Votes 31: Employment and Labour

19 May 2026

Cde B Maneli

Honourable House Chairperson,

Honourable Minister

Honourable Deputy Ministers

Honourable Members of the Portfolio Committee of Employment and Labour

Esteemed Members of Parliament, colleagues, and guests,

Today, I rise to reflect on the budget allocation for the Department and its entities, with a particular focus on the strategic role of the Compensation Fund and the Unemployment Insurance Fund in our nation's aspirations to drive state-led re-industrialisation through employment integration. This Budget Vote comes at a critical juncture when South Africa faces skyrocketing unemployment rates that threaten the very fabric of our socio-economic stability. It is therefore imperative that we harness the full potential of these two pivotal funds, not only as social protection mechanisms but as dynamic drivers of sustainable job creation and economic transformation. This

to us as the ANC is about *“People’s need first. Economic Transformation First. No Retreat, as we advance “A better Life for All” agenda.*

The Compensation Fund and the Unemployment Insurance Fund have long served as critical pillars in supporting worker stability and productivity. Their core mandate to provide income support to workers during periods of unemployment or work-related injury is fundamental to social justice and equity. However, as we confront an evolving labour market and the urgent call for economic revival, these funds must be more than safety nets, they must become engines of empowerment, inclusivity, and growth, this is so because the entities have got capacity, particularly the UIF to create mass employment as it has proven that it has got capacity through over 200 000 job placements in form of teaching assistant initiatives. Once more ours is about *“People’s Needs First. Economic Transformation first. No Retreat”*

Our call as the African National Congress to strengthen social protection frameworks is not simply about preserving the status quo but about ensuring that workers can participate productively in the economy with dignity and security. By supporting worker stability, we cultivate a workforce ready and able to contribute to the re-industrialisation imperative. This is particularly significant as we aim to revive manufacturing sectors, stimulate industrial productivity, and create decent jobs aligned with South Africa’s industrial policies.

Honourable House Chair, an essential focus area in this journey is enhancing claims management efficiency within both funds. Currently, service delivery delays undermine labour market confidence and the lives of countless workers depending on timely benefits. By modernizing our ICT infrastructure and streamlining benefit administration, we can significantly reduce turnaround times and improve user experiences. This digital transformation will also allow us to monitor claim trends better, manage risk proactively, and foster transparency and accountability which are key ingredients for restoring public trust and ensuring funds sustainability.

Vocational rehabilitation and return-to-work programmes represent another strategic avenue to facilitate workforce reintegration. Far too often, workers who suffer workplace injuries or who are displaced by technological and economic shifts find themselves side-lined without the necessary support to regain their livelihoods. Investing in tailored rehabilitation services and creating pathways back into

employment directly address this challenge. Moreover, such initiatives align with our broader industrial policies by ensuring an adaptive and resilient workforce, ready to meet the demands of modern industries.

Honourable House Chair, prioritizing labour activation programmes that target vulnerable groups such as youth, women, and persons living with disabilities reflects our commitment to inclusive growth. These groups have historically borne the brunt of unemployment and marginalisation. Dedicated interventions to upskill, activate, and integrate these populations into the workforce are fundamental to correcting structural inequities. The funds, through these targeted programmes, will act as catalysts not only for improved individual livelihoods but for broader social cohesion and national economic recovery.

Therefore, the repositioning process of these funds is a vital step in embedding the employment component within their strategies. This is more than an administrative adjustment; it is a paradigm shift that directly links social protection with active job creation efforts. By aligning their programmed initiatives with national industrial policy, the Compensation Fund and Unemployment Insurance Fund become proactive partners in economic development not merely reactive entities responding to labour market failures.

Honourable House Chair, supporting small enterprises, particularly through township supplier development, is a prime example of this forward-looking approach. Small and medium enterprises serve as engines of job creation, innovation, and inclusive economic development. The funds' proactive investment in these enterprises ensures that employment opportunities are generated locally, especially in historically underserved areas. This approach is tailored to building sustainable livelihoods and reducing reliance on large urban centres alone, thus facilitating more balanced regional development.

Building institutional capacity, closing skills gaps among staff, and advancing fraud prevention and financial oversight are non-negotiable pillars that safeguard the funds sustainability and public trust. In the face of increasing complexity and demand, the funds must operate with operational excellence and integrity where fraud and corruption occurred during COVID-TERS law enforcements agencies and courts built and strengthened by the ANC-led government since 1994 have been hard at work.

The system works and the system is delivering. Robust governance structures ensure that resources are utilized optimally and that the funds can respond dynamically to emerging challenges in the labour market and economy.

Honourable House Chair, expanding employer engagement and compliance mechanisms supports the formalisation of businesses and job creation. Informal employment remains a significant barrier to labour market stability. By encouraging voluntary compliance and formal integration of businesses into the social protection system, we can broaden the tax base, enhance labour standards, and foster inclusive economic growth.

The significance of these funds in driving state-led re-industrialisation cannot be overstated. The South African economy requires a coordinated, multi-faceted strategy where employment generation is intricately linked with industrial policy. The active integration of these funds in this strategy provides a dual benefit. On the one hand, it ensures that social protection reaches workers efficiently; on the other, it leverages this system to stimulate job creation in priority sectors. This integrated approach effectively positions the funds as catalysts and enablers of industrial revitalization, helping transform economic sectors in ways that create sustainable, decent employment opportunities.

The repositioning process is also symbolic of the Department of Employment and Labour's broader commitment to confront the unemployment crisis head-on. By embedding employment components within the operational frameworks of the Compensation Fund and the Unemployment Insurance Fund, the department asserts a direct role in tackling this challenge. This signals a decisive break from fragmented interventions towards a more strategic, coordinated, and impactful response.

In conclusion, Honourable House Chairperson and colleagues, the proposed Budget for Votes 31 provides a robust foundation upon which we can build a more resilient and inclusive labour market. The strategic refocusing of the Compensation Fund and Unemployment Insurance Fund as dynamic vehicles to stimulate employment and economic transformation is visionary and necessary. The modernization of ICT systems, investment in vocational rehabilitation, targeted Labour activation Programme for vulnerable groups, support for small enterprises, and strong

governance frameworks collectively represent a comprehensive package designed to tackle unemployment while fostering economic growth.

I urge this House to support the proposed budget allocations and strategic priorities outlined today. Doing so will enable the Department to fortify social protection while simultaneously driving meaningful job creation which are key to our collective pursuit of a prosperous, inclusive South African economy.

Let us seize this opportunity to champion policies that not only protect but empower workers, invigorate our industries, and uplift communities across our nation.

As the ANC we support this budget allocation

I thank you.