

ESTIMATING THE COST-EFFICIENCY OF ESSA AND CAREER COUNSELLING IN STRENGTHENING PUBLIC EMPLOYMENT SERVICE

Compiled by Siphamandla Khumalo using data from 2010/11 - 2015/16

BACKGROUND

- The rationale behind the introduction of **Employment Services of South Africa (ESSA)** system under the **Public Employment Services (PES)** programme was to create a platform for employers to advertise their vacancies and to enable work seekers to easily find job opportunities, as well as enhance work seekers skills to be employable.
- **Department of Labour (DoL)** has a budget of **R9.1 billion** to deal with unemployment.
- **R1.7 billion** goes toward PES programme
- **R1.1 billion** goes towards provincial office staff to implement amongst other projects, employment services, work seeker services, and the **ESSA** system.
- This PER covers Career Counsellors and the ESSA system as fundamental components of the PES programme due to the important role these elements play in recording the workseeker and enhancing the employability of the work seeker.

INSTITUTIONAL CONTEXT

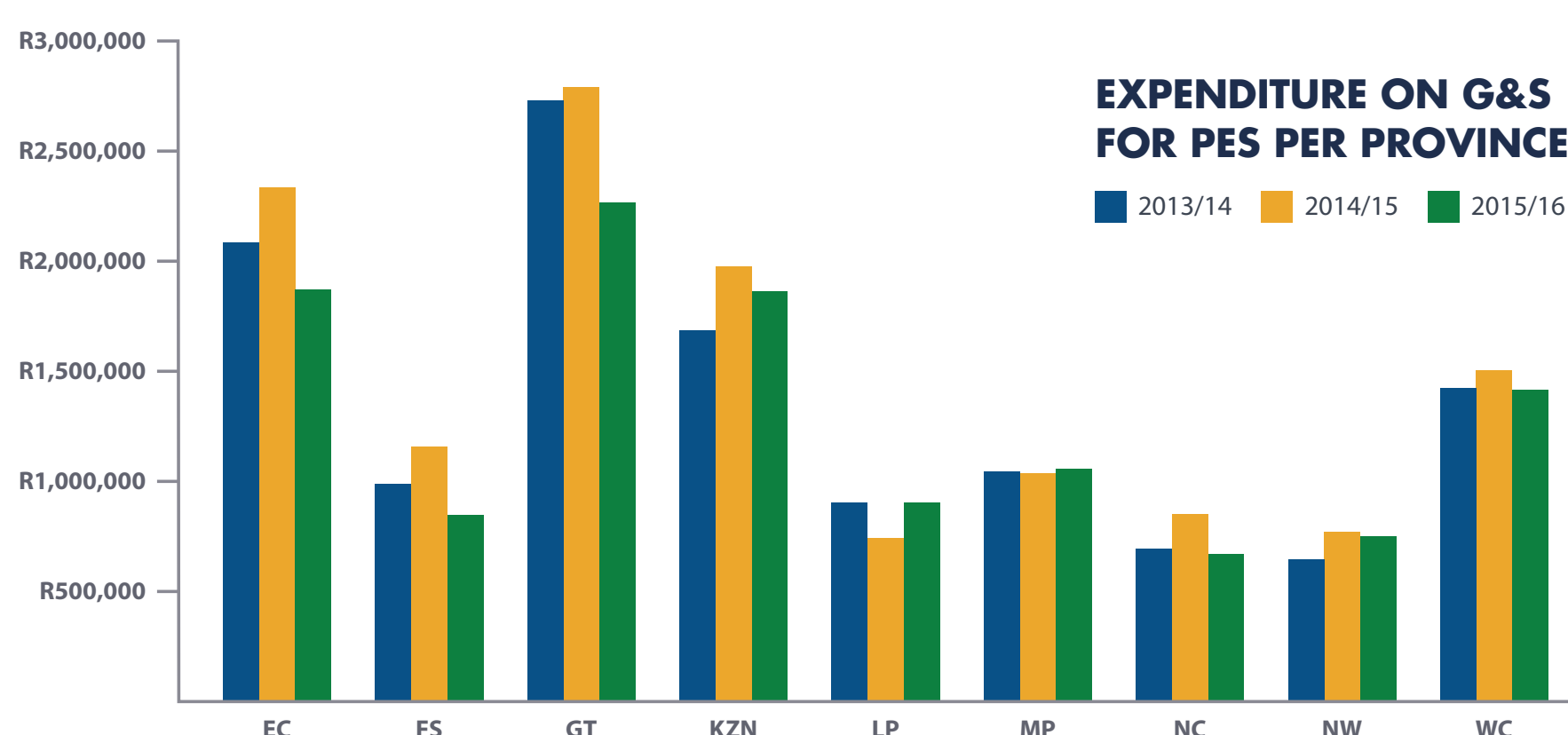
THE ESSA SYSTEM IS AN AUTOMATED **ONLINE REGISTRATION** AND JOB SEARCH SYSTEM LOCATED WITHIN THE PES PROGRAMME IN DOL



TECHNICAL SUPPORT FOR THE ESSA SYSTEM IS PROVIDED BY THE **STATE INFORMATION TECHNOLOGY AGENCY (SITA)**

THE ESSA DATABASE AND CAREER COUNSELLING SERVICES ARE BEING ROLLED OUT AT LABOUR CENTRES (LC) **ACROSS THE COUNTRY**

PERFORMANCE



THE PES PROGRAMME REGISTERS UNEMPLOYED PEOPLE AND PROVIDES CAREER COUNSELLING SERVICES AS THIS ENHANCES THE **EMPLOYABILITY OF WORK SEEKERS**

Spending in the **EC, GP** and **KZN** is high when compared to other provinces due to the ever increasing number of **unemployed people** in these provinces

The 2015/16 expenditure shows a **decline** in most of provinces This is mainly due to budget reductions and reprioritisation **IN THE DEPARTMENT'S ENTIRE BUDGET**

CAREER COUNSELLING (CC) IS AN INTEGRAL PART OF THE PES PROGRAMME THAT REQUIRES TRAINED **PSYCHOLOGIST**

CURRENTLY, THE PES HAS 66 CCS FOR 162 LABOUR CENTRES AROUND THE COUNTRY

In 2015/16, the councillors were able to counsel

208,861 WORK SEEKERS

AT A COST OF R45 MILLION inclusive of personnel and goods & services

Current personnel expenditure is **R42 million** which means these career councillors are under-capacitated which could result in the poor placement of work seekers

The programme has done well in term of registering the number of unemployed work seekers but has not supported this with providing counselling capacity to match the lack of other skills that are needed by work seekers to be employable

The PES programme lacks the capacity to provide adequate CC in all LC with regard to providing employment enhancement to work seekers

RECOMMENDATIONS

- Plan to provide at least one **CC** per labour centre to ensure that work seekers have skills that enhance employability.
- Address the mismatch work seeker's skills and skills employers seek by intensifying and extending reskilling and career counselling activities to every registered work seeker at first registration.
- Partnership between **Department of Higher Education and Training** and **DoL** to bridge the skills gap that exists in the current pool of unemployed work seekers, by signing a **MoU** to address the lack of skills among the unemployed.