DEL MAPS NEW APPROACH TO LAP AND PROTECTION OF WORKERS IN THE PLATFORM ECONOMY

Acting Director General: Jacky Molisane

The Portfolio Committee on Employment and Labour met today, 26 August 2026, to receive briefings from the Department of Employment Labour (DEL) on the progress of the Labour Activication Programme (LAP) and developments within South Africa's digital platform economy. Chairing the virtual meeting was Portfolio Committee Chairperson Hon. BM Maneli, MP.

UIF repositions Labour Activation Programme to strengthen pathway from training to employment

The Department opened its presentation with an overview of the strategic direction of the Labour Activation Programme (LAP), with greater emphasis being placed on linking skills development directly to available employment opportunities and the needs of the labour market.

The Programme is aimed at enhancing employability, supporting entrepreneurship and preserving existing jobs, with all three objectives ultimately directed at reducing unemployment.

Through its employability interventions, unemployed contributors and beneficiaries receive training aimed at improving their prospects of entering the labour market, while enterprise development, new venture creation and cooperative formation support pathways into self-employment. LAP also supports interventions aimed at preserving jobs in distressed businesses through the Temporary Employer/Employee Relief Scheme (TERS) and the Business Turnaround and Recovery Programme.

Central to the briefing was the repositioning of LAP from what had largely been a training-focused intervention into a programme in which employment outcomes increasingly determine the training that is funded.

Acting UIF Commissioner Thulani Tshefuta

The Department told the Committee that, historically, training providers largely proposed programmes based on the training they were accredited and equipped to offer, while placement into employment was regarded as a desirable outcome rather than being built into the programme from the outset.

Under the repositioned model, this approach is being reversed. Employers and labour-market demand will increasingly determine where opportunities exist, with training then designed to equip beneficiaries for those opportunities. Employer engagement is expected to take place before projects are contracted and commitments to absorb beneficiaries into employment will form part of the conditions for awarding partnerships.

The Department summed up the shift as moving **"from funding training that may lead to work, to funding work that requires training"**, with employer commitments established before contracts are awarded.

This also changes how the success of LAP is measured. Rather than focusing primarily on the number of beneficiaries enrolled and trained, the programme is being repositioned to focus on how many participants complete their interventions and move into meaningful economic participation, either through formal employment or self-employment.

The approach recognises that training alone does not necessarily remove all the barriers preventing unemployed people from accessing work.

The Department identified a number of "catalyst skills" and interventions aimed at addressing these barriers. These include accredited certification and Recognition of Prior Learning for people with skills but without recognised qualifications; workplace exposure, internships and apprenticeships for those without work experience; and employment-entry credentials such as drivers' licences, PSIRA registration, trade tests and other statutory requirements.

For aspiring entrepreneurs, interventions include enterprise development, cooperative formation and support to improve access to markets. LAP is consequently being positioned as a broader instrument of Active Labour Market Policy, incorporating employment mediation, labour-market training, employment subsidies, public employment programmes, entrepreneurship and self-employment.

The programme currently supports training and employment interventions across sectors including engineering, ICT, renewable energy, construction, hospitality, agriculture, transport and logistics, security, wholesale and retail, business and financial services, education and training, and textiles.

LAP reaches beneficiaries across the country

The Department told the Committee that, LAP had contracted implementing partners across all nine provinces and that **291 322 beneficiaries had been enrolled in the programme.**

Of these, the Department reported that **179 523 beneficiaries had been absorbed into post-training employment,** with the presentation indicating an overall placement rate of about 67% when the broader national partnerships were taken into account. The Department explained that the overall figures included beneficiaries supported through the national partnership involving the Department of Basic Education (DBE) and the Industrial Development Corporation (IDC).

Job preservation remained another important component of the programme. reporting 1**5 339 jobs had being supported through TERS,** while a further **15 914 jobs has been preserved through the Business Turnaround and Recovery Programme.**

Partnerships extend the reach of LAP

The Department also highlighted collaboration across government as an important component of LAP, with partnerships being used to combine mandates, resources and implementation capacity to achieve greater impact.

These partnerships extend beyond the Employment and Labour portfolio and include institutions such as the Commission for Conciliation, Mediation and Arbitration, Productivity South Africa, National Youth Development Agency, National Empowerment Fund, Industrial Development Corporation, Department of Basic Education and Technology Innovation Agency, as well as provincial development agencies.

One of the largest examples is the collaboration with the Department of Basic Education and IDC, through which **163 647 beneficiaries were enrolled nationally and placed in schools across all nine provinces**. The UIF participated as a funding partner, while the programme was led by Basic Education.

The repositioning of LAP therefore places employment at the centre of programme design, with training, partnerships and other interventions increasingly expected to respond to identified labour-market opportunities and lead beneficiaries towards sustainable economic participation.

Rapid growth of platform work brings opportunities and new labour protection challenges

The rapid expansion of South Africa's platform economy has opened new avenues for work and income generation, but has also raised questions around worker classification, earnings, occupational safety, social protection and the ability of existing labour laws to adequately protect workers operating through digital platforms.

The Department said platform work was growing at a fast pace and had the potential to absorb significant numbers of unemployed people. However, the expansion of the sector had moved faster than the regulatory framework governing employment relationships.

The Department told the Committee that the challenge was to strike an appropriate balance between regulation and innovation: excessive regulation could constrain the growth of a sector capable of creating work, while insufficient regulation could expose workers to exploitation.

Digital platform work covers a wide range of economic activity. It includes location-based services such as e-hailing, food and grocery delivery, courier services and domestic services, as well as online work such as freelancing and digital tasks.

Workers across these platforms are commonly engaged as independent contractors, while platforms determine prices and allocate work through algorithms, with workers often having limited recourse when their access to a platform is deactivated.

Deputy Director General: Public Employment Services: Sam Morotoba

This expansion was taking place against the backdrop of South Africa's high unemployment rate, increasing both the economic importance of the sector and the need to address the risks associated with it.

The Department noted that changing consumer behaviour and the expansion of e-commerce were also reshaping traditional business models, with businesses increasingly using online ordering, warehouses and last-mile delivery systems to reach customers directly.

Platform work deepening its footprint in South Africa

The Department said the exact scale of the platform economy remained difficult to quantify because there was no comprehensive database of platform workers and further research was still required.

However, its growing footprint was evident in transport and urban mobility, retail and logistics, food and grocery delivery, courier services, online retail and parts of the informal economy.

Thousands of people were already earning an income through e-hailing, delivery, courier and online retail platforms, with platform work serving as a primary source of income for many.

Opportunities for work and entrepreneurship

Despite the concerns surrounding platform work, the Department emphasised that the sector could not simply be viewed as a labour-market threat.

Digital platforms were generating new sources of income and providing comparatively low barriers to entry, particularly for young people and others who might struggle to access traditional formal employment.

Workers could enter activities such as driving, food delivery and basic digital work without having to navigate conventional recruitment processes requiring extensive qualifications and experience.

Platforms also offered flexibility, allowing individuals to determine when they worked, participate across more than one platform, or use platform work while searching for permanent employment.

The Department further highlighted the ability of digital platforms to connect people in townships and rural communities with regional, national and even international markets for freelance, creative and technical work.

Platforms could also provide opportunities for micro, small and medium enterprises and contribute towards bringing some informal economic activity into a more visible and potentially regulated environment.

Worker protection remains a concern

One of the central concerns raised was the classification of platform workers as independent contractors. The Department said this could, in some instances, amount to disguised employment, with commercial and occupational risks effectively being transferred from the platform to the worker while conventional employer obligations were avoided.

Earnings were another area of concern. The Committee was told that commission deductions on some e-hailing trips had reportedly reached between 40 and 50 percent, while there was currently no sector-specific minimum earnings standard that adequately took account of costs such as fuel, vehicle expenses and waiting time.

The Department also raised concerns about the lack of transparency in the algorithms used to determine pricing, ratings, work allocation and account deactivation.

Safety was identified as another major vulnerability. Platform workers, particularly delivery riders and e-hailing drivers, could be exposed to road accidents, violent crime, adverse weather conditions and pressure to complete trips within specified timeframes. Many workers also remained outside traditional labour protections such as paid sick leave, UIF, Compensation Fund coverage and collective bargaining arrangements.

ILO Convention 193 provides international benchmark

The Department said South Africa's efforts to respond to the changing nature of platform work were now also informed by the International Labour Organization's Convention No. 193 on Decent Work in the Platform Economy.

The Convention was adopted on 12 June 2026 during the 114th Session of the International Labour Conference in Geneva and became the ILO's first dedicated international labour standard for digital labour platforms.

South Africa participated in the process, with representatives from Government, organised business and organised labour forming part of the South African delegation involved in the adoption of the Convention. The Convention was reached by consensus among representatives of the ILO's 187 Member States.

The Convention covers platform workers regardless of whether their work is regarded as formal or informal and establishes principles covering issues including worker classification, occupational health and safety, fair remuneration, social security and transparency in algorithmic decision-making.

The Department said the Convention provided South Africa with an important international benchmark as it considered changes to domestic labour legislation and the appropriate regulatory framework for platform work.

Department responds to the changing nature of work

The Department told the Committee that it had already begun engaging platform companies and other stakeholders on employment, skills, recruitment and worker protection.

The Department said engagements with platform operators had included discussions around increasing opportunities for South Africans to participate in the sector, the skills required by companies and barriers such as delays in obtaining licences and permits.

The Department's presentation recorded an existing MOU with Uber and ongoing work with Checkers aimed at expanding access to platform opportunities for local South Africans. It also highlighted an Innovation Fund linked to the Presidential Youth Employment Initiative aimed at supporting young entrepreneurs to develop sustainable self-employment opportunities.

The Department was also considering a wider package of regulatory interventions. These included clearer worker-classification guidelines to distinguish genuine independent contracting from disguised employment; investigation of a:

- sector-specific minimum earnings standard; greater transparency around algorithmic decision-making;
- improved recruitment and compliance verification;
- and the extension of occupational health and safety, UIF and Compensation Fund protections to platform workers.

Ultimately, the Department said the regulatory response would have to recognise that the platform economy had become part of South Africa's labour market and could not simply be wished away.

The objective would therefore be to support its potential to create work and enable innovation, while ensuring that the growth of platform employment did not occur at the expense of decent working conditions, social protection and the rights of workers.

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