

BUDGET VOTE 18 : LABOUR

UCDP : Hon IC Ditshetelo

Tuesday, 08 May 2012

OAC, 14:00 TO 16:30

Chairperson,

Amongst other things, the Department of Labour is mandated with the task of improving economic efficiency and productivity. When you test this mandate against the scary statistics reflecting us as having highest numbers of youth unemployment globally, then, it must be asserted that the department needs to pull up and ensure that economic efficiency is achieved and that the labour markets can absorb the unemployed. The unemployment rate among all 15- to 24-year-olds is 51 percent, more than twice the national unemployment rate of 25 percent, according to the latest South Africa Survey published by the South African Institute of Race Relations.

The Department has done relatively well with regards to protecting labour rights through legislation and policy. However more often, this has not translated to change in practices in the workplace. It also appears that race still plays a significant role in determination of the unemployed. It bears a question on effectiveness of the policies if today statistics still show that unemployment is highest among African women aged 15 to 24 years, at 63 percent. Youth unemployment is lowest among Indian men, at 15 percent and that youth unemployment rate varies considerably between the races at 57 percent among Africans, 47 percent among coloured youths, 23 percent among Indians, and 21 percent among whites. These statistics are so much of a reflection of the past but they are an embarrassment.

There are other arguments however, that hold merit with regards to recent moves on amending legislation, and such arguments cannot be ignored. Many allege that what our legislations have set as minimum wage is infact a barrier to job creation. It is economically impossible for employers to pay employees more than they are worth that is, more than they create, or to hire employees that they do not need. Companies that try to do this go bankrupt. If the government truly wants to create jobs, it will try to find ways to enable South Africans to create wealth. That is the only way out of the unemployment mess.