**BUDGET VOTE SPEECH**

**The Department of Labour must work for the unemployed**

10 July 2019

Honourable Chairperson

Finding solutions to South Africa’s unemployment crisis should be the Department of Employment and Labour’s number one priority.

When we grow the economy and create jobs, we help to reduce poverty. We lessen inequality. And we promote social cohesion.

But the brutal truth is that, over the past 25 years, the Department of Labour has not worked for the unemployed.

It has worked for the trade unions. It has worked, or attempted to work (with many notable failures), for those fortunate enough to be in gainful employment. And it has worked for the 69-strong delegation of junketeers who got thuma mina’d all the way over to Geneva for the International Labour Organisation’s conference last month. But it has not worked for the 10 million poor, hungry and struggling South Africans without jobs.

Key statistics bear this out:

In 1994 there were 3.6-million unemployed South Africans. In 2019, that number is almost 10-million. Two adults in every five cannot find work.

In 1994, the official unemployment rate was 20%. Today it is 27.6%. If you include those who have given up looking for a job, the unemployment rate increased from 31.5% in 1994 to 38% in 2019.

Every single day for the past ten years, almost 900 people joined the ranks of the unemployed.

Today, only 43% of South African adults work. In most countries, the figure is 60% or more. And our youth bear the brunt of it. The youth unemployment rate sits at over 55%. This is the ticking time bomb that threatens to rip apart our social fabric.

The newly minted Department of Employment and Labour needs to put our 10 million unemployed South Africans at the centre of its mandate. It needs to broaden its focus from workplace compliance to job creation. It must start to work for the unemployed.

For too long, the ANC has exacerbated our insider/outsider economy by fixating on unionised workers at the expense of the jobless.

That is why the ANC postures about “decent work”, when 10 million unemployed South Africans are crying out for any work.

That is why the ANC is obsessed with the national minimum wage, even if it minimises the scope for new wage-earning opportunities.

And that is why the ANC is more concerned about regulating our rigid labour market instead of helping the unemployed get a foot through the door onto the factory floor.

In 2019/2020, the Department’s Programme 4: Labour Policy and Industrial Relations will receive R1.23 billion (or the lion’s share, at 36%) of the Department’s R3.34 billion budget.

We should use these funds to overhaul labour market policy.

The Department should focus its efforts on supporting labour-intensive sectors, like light manufacturing and tourism, to create new jobs and take on new workers. This is where the opportunity for growth, and access to a global market of 7 billion consumers, lies.

The Department should be making it easier for businesses to absorb large numbers of relatively unskilled workers into productive employment in technologically advanced sectors.

And it should be working flat out with other stakeholders to address our skills crisis, so that South Africa is prepared for the Fourth Industrial Revolution.

Chairperson, let us work to reform the labour market and labour relations.

To achieve this, the DA would:

- Firstly, pass our “Jobs Bill”, which focuses on two areas critical to economic recovery: foreign investment and SMMEs. The Bill provides for tax incentives and property allowances for foreign companies that meet socio-economic empowerment goals. And it provides a range of incentives for foreign companies to invest in SA. This will bring thousands of job opportunities to our country;

- Secondly, improve the ease of hiring through key changes to the Labour Relations Act;

-Thirdly, strengthen recognition for temporary work;

- Fourthly, exempt small and newly created firms from the thicket of regulation that inhibits job creation; and

- Fifthly, democratise labour negotiations, by taking on the big unions with vested interests. We must ensure that the labour regime serves not only the representatives of workers, but the workers themselves, and those who want to work.

Let us work together for the 10 million South Africans without work.

I thank you.