

**Ministry**

**Employment & Labour**

**Republic of South Africa**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1256 [NW1447E]**

**1256. Mr M Nxumalo (IFP) to ask the Minister of Employment and Labour:**

What strategies, financially and otherwise, is the Government implementing to ensure that companies retain workers as the country prepares to emerge from COVID-19, given the interruption brought by the COVID-19 pandemic in the employment and labour sector? NW1447E

**REPLY:**

With the outbreak of the COVID-19, There is now a sense of URGENCY to accelerate implementation of the Employment Services Act, No. 4 of 2014; the UI Amendment Act, No. 10 of 2016, specifically section 5 (d) which provides for the financing of the retention of contributors in employment and the re-entry of contributors into the labour market; the Presidential Jobs Summit Framework Agreement, 2018 with a focus on: (i) protecting jobs, (ii) informal sector support, and (iii) inclusive growth interventions. The COVID-19 pandemic coupled with the advancement in technology presents us as a country with an opportunity to place productivity at the centre of the country’s long-term competitiveness and economic activity and recovery.

The pandemic, which has devastating effects on our socio-economic systems and the labour market is also creating an important opportunity for leadership in government to create an enabling environment and partner with leaders in business and labour to take decisive and urgent action to turn things around.

Over the next ten (10) years (2021 to 2030), Productivity SA strategic objectives and plans will be focused on vigorously unlocking South Africa’s productivity and potential for sustained competitiveness and economic growth as part of our interventions to implement the Economic Reconstruction and Recovery Plan, particularly priority areas 2: Industrialisation and Growing the productive economy; and priority area 5: Macro-economic interventions and enablers for economic growth. During this period, our Enterprise Development and Support Programmes will be focused on supporting an Integrated Enterprise Development and Support Ecosystem (government-wide programme in collaboration and partnership with social partners) to create a coherent platform to enhance access and coordination of SMME support to preserve existing job and create productive and decent employment.

The Department has allocated over R104m to Productivity SA whereby the entity implements turn-around strategies and plans to restructure and improve the productivity and operational efficiency of companies facing distress to be sustainable, competitive and create conditions conducive for job retention and creation. Funds have been made available in this regard and for the 2020/21 financial year over R104m was allocated to Productivity SA. Part of the interventions include establishing Workplace /Future forums (committee comprising on management and workers), training and capacitating their members on productivity improvement solutions.

Productivity SA also have a productivity and Competitiveness Improvement Programme which is designed to improve the competitiveness and sustainability of enterprises, targeting small enterprises and cooperatives in the productive sectors of the economy in line with the Sector Master Plans. Overall, 2796 companies were supported through the programme in the 2020/21 financial year, which included emerging entrepreneurs and cooperatives.

There are also targeted interventions through the Workplace Challenge Programme (WPC), with 109 companies mostly in the Special Economic Zones and Industrial Parks assisted and 3 industrial clusters were established in the Forestry, Footwear and Leather, and the Creative sector.