

Symbols don't create jobs

By Dr Michael Cardo MP – DA Shadow Minister of Employment and Labour

Honourable Chairperson,

Unemployment should be South Africa's top policy priority. Instead, the ANC is focused on erecting flags and building graveyards for its struggle heroes. The more squalid its current rule becomes, the more the ANC tries to make something sacred of its past.

But symbols don't create jobs.

Living in the past doesn't create jobs.

Flags and graves won't stop President Ramaphosa from being hounded out of May Day rallies by his own alliance partners.

The fact is that unemployment in this country is a plague – a rapidly growing pandemic. But rather than administering the right medicine, the ANC behaves like a medieval quack. Government fuels the contagion.

The numbers are well-known. There are almost 12 million South Africans without a job. We have the highest unemployment rate in the world: 46.2% if you include people who have given up looking for work, and almost 70% among the youth.

Government incubates the virus. In ANC-run provinces and municipalities, service delivery has been gutted. The environment is rotten and putrid and un conducive to job creation.

No water, no lights, and sometimes no passable roads – all of this deters investment, strangles growth and kills jobs. It frightens away businesses, or forces them to close down, and starves communities of jobs.

The collapse of the State has been caused by the ANC's criminality, corruption and incompetence. State failure breeds poverty and joblessness. It spawns crime and allows social ills to fester.

The main reason South Africans don't have jobs is because the ANC has failed to make this country a viable place in which to operate a business and employ people.

Nationally, government's policy choices have been a disaster – from the crony enrichment scheme of Black Economic Empowerment, through repeated threats to property rights, to the way money is poured into State-owned sinkholes like South African Airways.

And now we have the Employment Equity Amendment Bill on the President's desk – a job-destroying jackhammer which allows the Minister of Employment and Labour to set racial targets for national economic sectors. It is another nail in the coffin of private enterprise.

The private sector in South Africa is shackled by the State, stifled by a plethora of policies, laws, and regulations that choke job creation and drive up unemployment.

Irrationally, our labour legislation provides for the automatic extension of collective bargaining agreements to small businesses. This could be undone at the stroke of a pen, and it would free up small enterprises and incentivise them to create jobs. Yet the Minister of Employment and Labour is not interested.

Through its acts, actions and inaction, the ANC has made South Africa an increasingly un-investable destination. The party is not fit to run a modern, industrial economy.

Meanwhile, the Department of Employment and Labour is not working.

Over the past six months the Unemployment Insurance Fund (UIF) has been paying out more in claims than it has been receiving in contributions. The UIF is becoming financially unsustainable. And those who are lucky enough to be paid out often have to wait for long, grueling periods before pay-day.

For years the Compensation Fund has been a financial and administrative quagmire. And now government wants to sever the only link in the chain that works: it wants to cut out third-party administrators.

Productivity SA has not produced the goods in making South Africa more productive: our productivity growth and overall competitiveness consistently languish at the bottom of international rankings.

As for Nedlac, nearly half its budget is spent on salaries, but what has this talk-shop achieved for the unemployed? Nedlac is a cosy tea party for big business and organised labour; the jobless don't feature on its radar. We hear endlessly about social compacts and accords, but the unemployed are accorded nothing. Their interests have been crumpled and compacted into smithereens, vanishing into thin air – unseen, unheard, uncared for.

Just about the only departmental entity that provides bang for its buck is the Commission for Conciliation, Mediation and Arbitration. But its revenues have been macheted just as workers are being retrenched hand over fist.

The Department of Employment and Labour's budget amounts to almost R4 billion, but it does nothing to oil the wheels of job creation in the private sector.

In 2022/23, the Department's Programme 4: Labour Policy and Industrial Relations will be allocated almost R1.3 billion (or one-third) of the budget.

We should be channeling those funds into an overhaul of labour market policy.

Only the private sector can create jobs at scale and rapidly absorb predominantly low-skilled workers into the economy. This means we need to unleash the private sector.

We must scrap the extension of collective bargaining council agreements to those who didn't sign them in the first place.

We must make it easier for firms to hire workers and to tackle youth unemployment with a real Youth Wage Subsidy.

We must empower individual economic sectors to set their own minimum wages, and offer tax exemptions to small businesses to help them absorb the cost of minimum wages.

If the ruling party is serious about the private sector creating jobs – as President Ramaphosa assured us in his State of the Nation Address – then it will wholeheartedly endorse these measures.

The time to act is now, before the plague of unemployment demolishes the foundations of our social order.