

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1530 [NW1850E]

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Mr A P van der Westhuizen (DA) to ask the Minister of Finance:

- (1) Which trade unions or federations of trade unions submitted written comments on the discussion document titled Confronting Youth Unemployment: Policy Options for South Africa before the due date of 30 April 2011;
- (2) whether any of these inputs suggest an alternative solution to the proposed youth wage subsidy to alleviate youth unemployment; if not, what is the position in this regard; if so, what were these alternative solutions?

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REPLY:

- (1) No trade unions or federations of trade unions submitted written comments to the National Treasury on the discussion document "Confronting youth unemployment: Policy options for South Africa" before the due date of 30 April 2011. However, the document is currently being discussed at Nedlac; several meetings including a workshop have been held.

During engagement at Nedlac, oral comments have been made and several issues have been raised including concerns regarding the possible substitution of older workers younger workers, destructive churning (the process whereby subsidised workers are "let go" at the end of the subsidy period and replaced by a different subsidised worker), the duration of probation, to lower the age threshold of 18 possibly encouraging early exit from the school system and the impact on the collective bargaining system.

The Business constituency of Nedlac has submitted written comments to Nedlac. COSATU has issued a response to the youth employment incentive on its website on 25 June 2012.

- (2) The COSATU document proposes that the National Skills Development Strategy be used to expand the number of young people in the FET sector to 1 million a year by 2014, combined with state owned enterprises, government departments and the private sector absorbing these young people through practical training and work experience.