

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1283

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Dr D T George (DA) to ask the Minister of Finance:

Whether the National Treasury has conducted and/or commissioned a study on the (a) fiscal and/or (b) financial and/or (c) economic effects of the proposed banning of temporary employment services or labour brokers; if not, why not; if so, what are the relevant details?

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REPLY:

The National Treasury to date has not conducted and/or commissioned any study into the fiscal, financial and/or economic effects of the proposed banning of labour brokers.

The principle difficulty for conducting such a study is data. To conduct such a study would require detailed data on the number of workers involved with temporary employment services or labour broking, the wages of these workers and some estimate for the number of workers who would lose their jobs if labour broking were to be banned.

The data currently available is very limited and where it does exist, it is often conflicting. For example, official data from Statistics South Africa Labour Force Survey indicates only a small number of workers (37 115) were employed by labour brokers in 2007, with a further 273 000 workers paid by contractors or agencies (Statistics South Africa, September 2007). This is in contrast to industry estimates which suggest temporary employment services or labour brokers employ 500 000 workers.

The Department of Labour has conducted research on labour brokers and temporary employment services. This research did not focus specifically on the fiscal, financial and economic effects of banning labour brokers, but was aimed more at evaluating the extent of atypical forms of employment and their effects in the labour market.

The Department of Labour is also responsible for the policy and legal reforms associated with temporary employment services.

Without better data, any study would be unlikely to provide accurate or valid insights into the fiscal, financial and economic impact of banning temporary employment services or labour broking. Nevertheless, improving employment conditions and increasing employment in South Africa are key objectives of government policy.