

*[Note to editors: the following statement accompanies a joint press conference between the DA and Cope that was held earlier today. A copy of the position paper, 'Reforming Labour Broking', can be downloaded from the [DA Media Centre](#), as can [high resolution photos](#) of the press conference]*

**STATEMENT BY ANDREW LOUW, MP, PHILLIP DEXTER, MP, AND IAN OLLIS, MP  
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SHADOW DEPUTY MINISTER OF LABOUR  
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*Democratic Alliance (DA) and Congress of the People (COPE) joint position paper on labour brokers*

**Release:** immediate

Labour brokers, or Temporary Employment Services, have become prominent role-players in the South African economy where they facilitate job creation, train workers and assist businesses to operate in the most effective possible way.

The industry generates turnover of in excess of R23 billion per annum and places more than 500 000 temporary assignees in jobs every day in South Africa.

Labour brokers operate across the entire economy, including the professional and manual labour markets. Brokers provide temporary staff for government and state owned enterprises (SOEs), the IT industry, the financial sector, production industries, construction and mining. Labour brokers are, therefore, a key component of economic activity, and provide a vital service to the workers they place and the companies they staff.

The concerns that have been raised regarding the exploitation of individuals employed by labour brokers are in some cases real, and need urgent attention. It is likely, however, that an outright ban or excessive regulation will deepen exploitation by driving the industry underground.

The question of labour brokers, and how this industry is going to be handled, will have a far-reaching impact on how South Africa tackles its problems in the future. It is for this reason that the Democratic Alliance and the Congress of the People have decided to publish a joint policy paper on the matter.

**We believe that this industry is a critical component of our economy and must continue to exist. To ensure that it operates ethically, we propose a similar self-regulation system which currently applies to a variety of other industries, with industry peers and government monitoring the process.**

This will involve:

1. Mandatory registration for all practitioners.
2. The establishment of an Institute or self-regulatory Board of Labour Brokers that will enforce a set of standards for the industry.
3. A code of conduct, enforced by the industry board itself. (Legitimate players in the industry have an incentive to stamp out those labour brokers who exploit workers – they place the industry at risk and take away business).
4. Annual consideration of profit margins attained.
5. Initiatives to promote job creation.
6. A redesigned, resourced and better managed labour inspectorate with a computerised database of registered brokers, transport to all remote corners of the Republic, powers to search premises and issue notices, and the support of the SAPS to gain access under certain conditions. This would include access to the records of the Institute/Board to be established.

**Self-regulation is an effective mechanism, as demonstrated in actions to address exploitive practices in the micro-lending industry. In this instance new legislation neutralised undesirable practices in that industry. The Estate Agency Affairs Board continues to regulate an industry which, similarly, has many small operators in remote locations.**

Labour brokers perform a useful service within the economy and must be permitted to operate, provided that they do not transgress industry self-regulated norms and standards designed to prevent exploitation.

Our proposals create a win-win situation. The corrective to worker exploitation is not necessarily more heavy-handed regulation, but smart regulation and appropriate enforcement, which is sorely lacking in South Africa. Government everywhere has a poor performance record when compared to the private sector. The less we have to rely on government to regulate, the more effective an industry will generally be.

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**POLICY DOCUMENT:**

<http://www.damediacentre.co.za/documentvault/reforminglabourbroking.pdf>

**HIGH RESOLUTION PRESS CONFERENCE PHOTOS:**

[http://www.damediacentre.co.za/home/main.php?g2\\_itemId=2032](http://www.damediacentre.co.za/home/main.php?g2_itemId=2032)

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