

Days of *Temp* and broker may soon end

Taken off the Blue Chip business intelligence website, 26 August 2009

The days of the *temp* who moves from one contract site to the next without individual job security may soon be coming to an end, as will that of the labour broker who, for a cut of his remuneration or a fee, finds the temp jobs and at the same time cushions the actual employer against the dictates of labour- and other laws. While an outright ban seems to be off, heavy regulation is in the making.

The legislative process to amendment laws such as the Labour Relations Act (LRA) and the Basic Conditions of Employment Act (BCEA) in order to end labour brokering and temporary employment in South Africa kicks off this week.

The process is being spearheaded by the African National Congress and its ally, the Congress of South African Trade Unions (Cosatu).

It is believed that many South African companies, if not the majority, will be affected as South Africa's strict labour laws and current uncertain economic outlook have made labour brokering and casual labour options more attractive.

Many employers argue that the strict and inflexible South African labour law regime in the first place created the scope for a proliferation of outsourcing of labour needs and the casualisation of the labour market.

However, far from any intention of relaxing the labour laws, the ANC and Cosatu are aiming to close any remaining loopholes in the laws and enforce an outright ban on any such practices.

Demonstrating their sentiment over the issue, the ANC and Cosatu have referred to these practices in submissions to the Parliamentary Portfolio Committee as "human trafficking", "illegal" and "exploitation".

Many in business and industry, as well as opposition political parties such as the Democratic Alliance (DA), believe a total shutdown of these practices will inevitably lead to further job losses at a time when South Africa can least afford it.

The DA has, for example, suggested that the Department of Labour (DoL) should be more effectively policing the labour market. The DoL should clamp down on the exploitation of workers by sending out many more inspectors to ensure compliance with the LRA and the BCEA. It should also enforce compliance with protective instruments such as the Unemployment Insurance Fund (UIF) and Compensation Fund and PAYE requirements, among others.

The DA claims that many labour brokers report that they have never been visited by an inspector from the DoL in the past 10 years, or at all.

The party argues that only minor amendments to the existing legislation is required in order to clarify the responsibility of labour brokers and temporary employment agents.

It would seem that the real culprit may actually not be the practice of labour brokering and temporary employment per se but rather the capacity restraints demonstrated by the DoL.

Some industry experts blame the lack of oversight by the department as the primary cause of exploitation taking place in this regard.

The issue has specific ideological connotations for the ANC left, as well as some emotional bearing.

If left unchallenged, the ANC, with the help of its left-wing allies, is certain to bulldoze through legislative amendments that may have more negative than positive consequences in the long run.

Stakeholders and interested parties can this week make submissions to the Parliamentary Portfolio Committee on Labour.