



Text Sandra Burmeister  
CEO  
Landelahni Recruitment Group  
sandrab@landelahni.co.za  
011 750 9536

## MARKET PERSPECTIVE

### LANDELAHNI RECRUITMENT SAYS:

# Banning labour brokers could damage the economy

BANNING LABOUR brokers could negatively affect sectors such as infrastructure and telecommunications and could harm the economy.

In an era of growing global unemployment – a trend which SA is at pains to counter – that would be a disastrous unintended consequence.

The Temporary Employment Services (TES) industry covers not only unskilled workers, but a whole range of professionals, all regulated under the same legislation. The infrastructure projects currently being rolled out across the country in the electricity, roads, rail and telecommunications sectors rely on high-level project-based skills, particularly in engineering and information technology.

Such skilled individuals tend to move on when the start-up phase is complete and the project enters an operational or maintenance phase. No business can expect to thrive in an increasingly competitive market if it is expected to retain these expensive skills on a permanent basis.

Moreover, no business can be expected to staff up to meet peak demand, and then be faced with retrenchments in a downturn. Financial markets make provision for cyclical growth in every industry, and it follows that organisations should look to staff accordingly.

The TES sector helps companies to face global competitive pressure, allowing them to adapt their cost base and staffing levels. In fluctuating economic conditions, flexible employment comes to the fore as a way of balancing supply and demand.

The TES industry will be the first to create jobs as soon as the economy

recovers. It will also increase the participation rate in the labour markets by providing more work opportunities to more people. It will play a vital role in developing basic skills, reducing joblessness, providing a transition to permanent employment and contributing to the economy as a whole.

To compare human trafficking to labour broking, and to call for a ban on labour brokers, as labour minister Membathisi Mdladlana has done, is unfortunate in the extreme.

However, we fully support the government's stance that labour broking should be properly regulated. Most of the professional firms in the sector have for several years provided a range of benefits to temporary workers. We applaud any moves to ensure that rogue labour brokers are brought into line. But not all brokers should be tarred with the same brush.

Current labour legislation more than adequately addresses the use of labour brokers; what is needed is effective enforcement of those laws. Only then can government, business and labour move ahead with their vision to provide decent work and sustainable livelihoods for all.

However, it is simplistic to say the only 'decent work' is permanent work. That certainly isn't the definition subscribed to by the International Labour Organisation (ILO). Far from disregarding the rights of workers, the TES industry has played, and continues to play, a positive role in driving South Africa's economy.

During 2008, the European Union – in collaboration with the confederation

of trade unions across Europe – legitimised the TES industry across 28 countries, at the same time strengthening the regulatory framework with regard to worker benefits. The EU regards the TES sector as an integral part of a functioning economy, and believes it will play a vital role in creating jobs when the upturn comes.

Ciett, the international body representing the interests of private employment agencies across the world, argues that the sector makes a positive contribution to the labour market in providing work to job-seekers, improving labour market flexibility, helping to create jobs that would not otherwise exist, acting as a stepping stone to permanent employment and enhancing worker employability by keeping workers in touch with the job market and providing training.

The TES industry also creates opportunities for disadvantaged and diverse groups to enter the labour market. These include the long-term unemployed, first-time entrants to the labour market, women accessing the labour market, older people and disabled workers.

Job flexibility should not, however, be achieved through compromising on the rights and working conditions of the workers. We support calls for making regulation more effective so as to unlock the contribution of agency work to job creation. This will ensure that our temporary workers have access to the same rights as permanent workers with regard to employment benefits and unemployment protection. □