

Thousands will be kicked out

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MORE than 500 000 jobs could be lost through proposed changes to labour law, according to an analysis undertaken for business.

The “least-worse-case” scenario would be a loss of about 285 000 jobs, according to research carried out by SBP (The Small Business Project), an independent research company.

The research indicated an increase in the cost of hiring workers of 1% is likely to lead to a decrease in employment of 0.7%.

It indicates that the Labour Relations Amendment Bill will cost a minimum of 215 150 jobs as a direct consequence of the equalising conditions of service between contract and full-time staff.

Equalising conditions propose that all contract and part-time workers obtain the same benefits as permanent workers after six months.

Attempts to enforce equal benefits will further aggravate the problem of youth unemployment.

Many contract or part-time workers are young and at the start of their careers.

The study projects that anywhere between 11 684 and 105 155 jobs will be lost should changes prescribing wage increases on actual earnings be introduced.

Such a move would disincentivise business from employing more people because it will become more expensive and risky to do so.

The amendments will place a significant extra administrative burden on business in terms of time and money spent.

The research report said the amendments would set off extensive litigation, as workers, or groups of workers, would demand a broad range of rights and treatment based on what other workers receive.

By extending bargaining council agreements from the current estimated coverage of 22% to cover 33% of the workforce, employment can be expected to fall sharply — by between 38 671 and 80 783 jobs.