

Minimum wage: Cronin warns of job losses

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PICTURE: JACQUES NAUDE



Deputy Minister of Public Works Jeremy Cronin addressing government officials at the EPWP training workshop in Pretoria.

PUBLIC Works Deputy Minister Jeremy Cronin said the implementation of the national minimum wage policy to the Expanded Public Works Programme (EPWP) could result in at least 300 000 beneficiaries losing their work.

The minimum wage policy stipulated that employers are legally obliged to pay at least R20 per hour to their workers. The EPWP rate stood at R9.28. Deputy President Cyril Ramaphosa announced last month that the national minimum wage policy would come into effect in May next year.

But the threshold of R3 500 would not be affordable to government if it were to be applied to public works programme, Cronin said.

"It is not going to work. These are the radically unemployed, not in the labour market.

"We are dealing with the segment which is not in the labour market," he said

Cronin was speaking at the opening

of the five-day training workshop for government and non-governmental officials held in the city in Sunnyside yesterday.

The workshop is aimed at empowering officials with knowledge to assist them to effectively manage the programme.

Participants will deliberate on the EPWP reporting system, compliance to the ministerial determination and recruitment guidelines.

Cronin said the intention of the EPWP beneficiaries was to deal with the problem of chronic poverty and unemployment.

"The Freedom Charter says everyone has the right to work, but to implement that in our country is very difficult."

He lauded the EPWP for its positive impact on the lives of people in the country by citing the 2011 statistics by Statistics SA, which showed that 12.4% of people who had previously participated in the programme had permanent jobs.

The statistics also showed that 4.8% of former beneficiaries ended up starting their own businesses.

"Half of them have temporary work like plumbing," Cronin said.

He said the EPWP had also assisted in mitigating against the level of protests in the country.

"If we didn't have the expanded public works programmes, the levels of tension resulting in protests would be certainly higher."

The recruitment process into the EPWP projects was often marred with corruption by some local councillors.

Cronin said: "There are often allegations that the way people are recruited into the programme is based on one's political affiliation. This is corruption."

He said the EPWP was a government programme aimed at creating more than 6 million work opportunities for the poor

by 2019.

Cronin said the expanded public works programme was meant to address the crisis of unemployment and poverty.

Over 70% of public works beneficiaries have qualifications below matric, he said.

"All our beneficiaries should have work experience and some rudimentary skills. "Training is very important. "Don't underrate the importance of training."