Government Technical Advisory Centre

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LABOUR MARKET REGULATION AND EMPLOYMENT CREATION: FINDING THE RIGHT BALANCE

NYIKO MPIKA MABUNDA

HEAD: LABOUR MARKET POLICY & PMO

DEPARTMENT OF EMPLOYMENT AND LABOUR

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Topics

01 Strategic Mandate of the DEL

02 Research outputs: Evidence based

03 Labour Market Regulation: Origins

04 Worker Vulnerability and impact on the Labour Market

05 Improving Employability in South Africa

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Strategic Mandate

Trio priorities for DEL

- Promoting safer working environments through enforcement of labour laws, occupational health and safety and increased inspections
- Facilitating employment creation, local hiring and youth placement in jobs; and
- Advocacy as partners for legal accountability and a social net for vulnerable workers.

🎯 Dual Mission:

- Protecting worker rights while actively promoting economic growth.
- Core Goal: Eliminating the false choice between decent work and job creation.

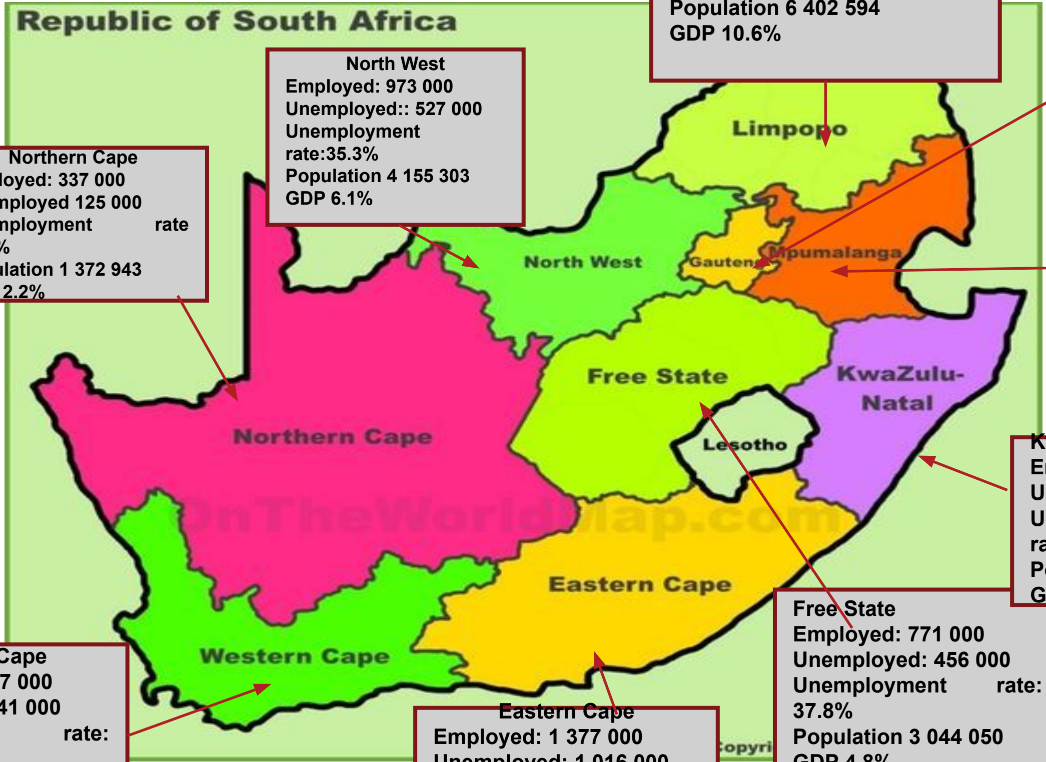
⚖️ The Policy Balance

- Regulate: Preventing worker exploitation through fair basic conditions of employment.
- Enable: Creating a stable, predictable environment that attracts business investment.
- Transform: Redressing historical inequalities through proactive equity legislation.

🛠️ Key Implementation Pillars

- Decent Work Agenda: Ensuring safe working conditions and fair, livable wages.
- Labour Market Flexibility: Adapting rules to support small businesses and emerging industries (i.e. Gig and Platform economy).
- Social Dialogue: Using forums like NEDLAC to co-create solutions with business and labour.

DEL AND THE LABOUR MARKET



Limpopo
Employed: 1 552 000
Unemployed: 609 000
Unemployment rate: 31.7%
Population 6 402 594
GDP 10.6%

Gauteng
Employed: 5 183 000
Unemployed: 2 556 000
Unemployment rate: 34.1%
Population 15 931 824
GDP 24.3%

North West
Employed: 973 000
Unemployed:: 527 000
Unemployment rate:35.3%
Population 4 155 303
GDP 6.1%

Northern Cape
Employed: 337 000
Unemployed 125 000
Unemployment rate 30.4%
Population 1 372 943
GDP 2.2%

Mpumalanga
Employed: 1 283 000
Unemployed: 611 000
Unemployment rate: 32.3%
Population 5 057 662
GDP 8.3%

KwaZulu-Natal
Employed: 2 716 000
Unemployed:1 294 000
Unemployment rate:31.2%
Population 12 312 712
GDP 20%

Western Cape
Employed: 2 907 000
Unemployed: 641 000
Unemployment rate: 19.6%
Population 7 562 588
GDP 12%

Eastern Cape
Employed: 1 377 000
Unemployed: 1 016 000
Unemployment rate: 44.6%
Population 7 176 230
GDP 11.6%

Free State
Employed: 771 000
Unemployed: 456 000
Unemployment rate: 37.8%
Population 3 044 050
GDP 4.8%

Source StatSA QLFS 1/2026)

1. Labour Relations Act (LRA)
2. Basic Conditions of Employment Act (BCEA)
3. National Minimum Wage Act (NMWA)
4. Employment Equity Act (EEA)
5. Occupational Health and Safety Act (OHSA)
6. Compensation for Occupational Injuries and Diseases Act (COIDA)
7. Unemployment Insurance Act (UIF)
8. Public Employment Services Act (PESA)

Our Vision

The DEL strives for a labour market which is conducive to investment, economic growth, **employment creation** and decent work

The Research Policy and Planning (RPP) unit is primarily tasked with conducting research to monitor the impact of labour legislation, through:

- Developing a basket of research problems for the year (Research Monitoring and Evaluation Agenda;
- Partnering with academia and research partners on commissioned studies
- Participating in research seminars and publishing the Labour Market Review
- Developing the TORs and conducting research for BRICS Employment and Labour Ministries as part of the BRICS Network of Labour Research Institutes

Research Outputs

- Feasibility study on National Minimum Wage;
- Synthesis of labour legislation, & an investigation into the rigidity and flexibility of labour laws;
- Reduction of working hours since the introduction of the BCEA;
- Impact of sectoral determination on poverty;
- Noise induced hearing loss;
- Compliance with the UI Act;
- Impact of trade union membership and bargaining councils on wage differentials- etc.

The Labour Market Information and Statistics (LMIS) unit collects and analyses Labour market data to enable planners and policy makers on all aspects of the labour market. It has four main annual labour market reports:

- The Annual Industrial Action Report: It is a document that monitors labour stability in the country;

- The Annual Labour Market Bulletin documents the performance of the economy and the labour market trends during the financial year.

- Job Opportunity and Unemployment in the SA labour market report monitors vacancies advertised, job losses and benefit claims from the UIF;

- Annual Administrative Statistical data report documents the performance of achievement against targets in the APP for different branches and programmes.

- Bi-Annual Labour Market Bulletin constitutes a consolidation of statistics on the labour market, dispute resolutions, performance of the South African economy and workplace injuries and accidents.


SOURCES OF THE RESPONSIBILITY TO REGULATE
THE CONSTITUTION
SECTION 23: LABOUR RELATIONS
(1) FAIR LABOUR PRACTICES
COLLECTIVE AGREEMENTS
BILATERAL COOPERATIONS
MULTILATERAL OBLIGATIONS
GLOBAL STANDARDS
CELEBRATING WORKERS' RIGHTS AS HUMAN RIGHTS FOUNDATION
LABOUR IS NOT A COMMODITY
WORKER RIGHTS = UNALIENABLE HUMAN RIGHTS

Evidence emerging from research

- "South Africa faces a structural unemployment crisis. Our mandate cannot just be about protecting those who already have jobs; it must actively welcome those who are excluded. However, creating 'any job at any cost' is a trap. Working poverty destroys social cohesion. Our challenge is to build a regulatory framework that is firm on rights, but flexible on formalisation.“ Minister Meth, 2026/27 Budget Vote Speech

The DEL-HSRC “**Report on an Investigation of Youth Employment Policy Solutions adopted by the South African Government”** correctly conclude that:

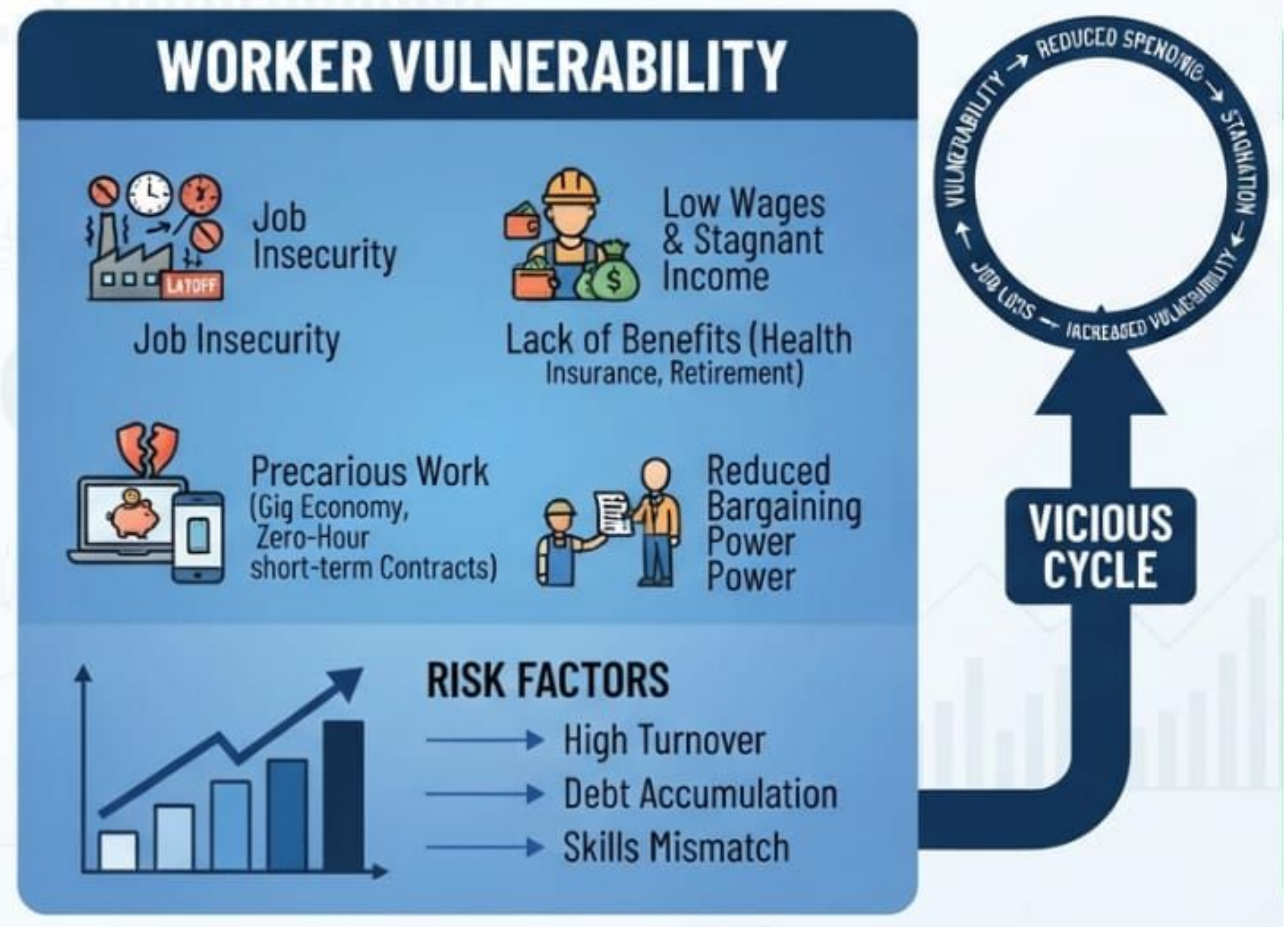
- High unemployment requires rapid job creation;
- Unregulated growth leads to exploitation and working poverty; and
- The solution is a regulated flexibility that protects rights while lowering barriers to entry.

DEL- Inclusive Economic Development (HSRC), 2023

Major APP targets for the year:

- “Research on the impact of labour legislation and employment creation”
- “Labour Market Trend Reports”

Worker Vulnerability and impact on the Labour Market



Impact of regulation on the Labour Market:

- Levels the playing field by ensuring employers adhere to the NMW
- Workplaces are safe and compliant
- Vulnerable workers have social net protection (i.e. registered for COID and UIF)

- Non-Compliance lead to cutting of corners on labour costs & worker safety.
- Non-compliant employers underbid legitimate businesses leading to substandard working conditions, subquality of construction and illegal employment practices, undermining the entire economy

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public economics

At an economic conference like this, we often hear that strict labour laws kill jobs, or that total deregulation drives growth. This presentation challenges that binary thinking. From the Department's perspective, regulation and employment creation are not enemies—they are two sides of the same coin.

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