

Poor return on job investment

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With R2,4-billion at its disposal to save jobs in a time of recession, the government admitted this week that it had saved only 2 800 jobs in the past eight months.

This emerged in ministerial briefings in Parliament this week, when ministers in the economic cluster presented plans to foster growth and job creation in the year ahead.

Economic Development Minister Ebrahim Patel told journalists that the training layoff scheme, in which the government has invested R2,4-billion, is to be extended. But to date it has saved just 2 800 jobs.

The Industrial Development Corporation, which receives separate funding, saved 7 700 jobs.

Trade and Industry Minister Rob Davies told an ANC caucus media briefing that 15 000 jobs had been saved, but according to Patel's department, this figure is the correct one.

Capping executive pay is seen as another way of protecting jobs, but details about how government will force the private sector to do this remain vague.

A "green economy plan", to be presented to the Cabinet in July, will include ideas for the creation of green jobs, said Science and Technology Minister Naledi Pandor, the cluster chair.

The extended public works programme will also continue, while Davies is to begin implementing the new industrial policy, which he says will create 2,4-million "decent" jobs over 10 years.

The training layoff scheme was a key component of the government's response to the 900 000 job losses during 2009. President Jacob Zuma announced the extension of the scheme in his State of the Nation address.

In an interview Davies said the biggest beneficiary of the training layoff scheme is car manufacturer BMW, which has an assembly plant in Rosslyn, Pretoria.

"Therefore, it is no surprise that they were the first to announce an increase in their investment in South Africa," he said.

However, BMW spokesperson Guy Kilfoil told the *M&G* that BMW never planned to retrench staff. Instead, the idea was to move them to short-time work.

"The training layoff scheme helped us keep people on our staff by providing them with training for the rest of the time that they would've [spent] staying at home and not being paid or going out to find another job," Kilfoil said. "It helped us keep our staff complement the same."

Through the training layoff scheme, BMW ensured that about 1 100 employees were trained for the next phase of its investment programme. They received a national qualification level one certificate that taught them about BMW's business and the quality obligations of a premium manufacturer, Kilfoil said.

But, he said: "There's no direct relationship between the training and investment. With volatile production, the risk is that without the schemes we have in place over an extended period there would be a two-week shutdown when employees would not be paid.

"Investment and training are separate entities, but training is handled so that we can keep our working time account in place."

A working time account enables workers to "bank" overtime, so that they can continue drawing pay if the plant is temporarily closed.

BMW plans to start building its new 3-series in South Africa in 2012.

Source: Mail & Guardian Online

Web Address: <http://www.mg.co.za/article/2010-03-05-poor-return-on-job-investment>

