

SA will not create 5m new jobs says Mkhize

The government's target of creating 5m jobs by 2020 is unlikely to be met because of a range of factors including labour unrest and the strained relationship between the state and big business, says Economic Development Deputy Minister Hlengiwe Mkhize.

By [Sam Mkokeli](#) 23 Jan 2013



Image: GQIS

Job creation is a key goal of the government's New Growth Path economic blueprint, which envisages annual economic growth of 7%. But the Treasury estimates growth will be just 3% this year although most economists believe it will be lower than that.

However, African National Congress (ANC) secretary-general Gwede Mantashe said on Friday (18 January) that the party would not revise the jobs target.

Mkhize said in an interview on Monday (21 January) job creation required social partners - including labour and business who were circumspect about the realities of the economic environment, including SA's downgrading by three rating agencies in the past 12 months.

She said that if social problems related to poverty and unemployment were not tackled, SA was "not going to attract any serious investors". This meant that business, government and organised labour had to move beyond their sectoral interests and focus "on the big picture".

Mkhize said she recognised the problems in the relationship between the government and the private sector, caused by the "cynicism of business, which is sometimes understandable".

Cabinet ministers and ANC leaders have criticised Anglo American Platinum's decision to mothball shafts and sell a mine, which may result in 14,000 retrenchments. But they have not criticised Harmony Gold's intention to close a mine at a cost of 6,200 jobs.

Meetings are planned this week between mining bosses and ANC leaders in a bid to minimise the effect of mining sector upheavals on SA's investment status.

Workers in the mining and agricultural sectors - wracked by violent strikes in the past few months - are in the ANC's core constituencies and general elections are due next year.

The New Growth Path envisages that 250,000 new jobs will be created in agriculture, 140,000 in mining and beneficiation, 225,000 in tourism, 50,000 in business services and 30,000 in the green economy.

The Department of Economic Development says this would result in unemployment falling from about 20% to 15%.

Last year several accords were signed between business, labour and the state, including commitments to accelerate skills development and job creation.

Mkhize said the New Growth Path was only a guide for building an inclusive economy and "extraordinary responsibility" was required to ensure its success.

she said the current political economic climate - characterised by violent, illegal strikes and threats to retrench workers and mechanise production - mitigated against the plan.

"We are not going to achieve the job creation goals if we don't systematically look at priority sectors," Mkhize said.

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