

# Youth wage subsidy jobs plan to go ahead

In a dramatic about turn, the government is set to implement its jobs-for-youth plan despite opposition to it by sections of the ANC and its alliance partners.



Indications are that the plan - known as the youth wage subsidy - will feature in President Jacob Zuma's *State of the Nation* address due to be delivered in about two weeks from now.

Since Finance Minister Pravin Gordhan first tabled the subsidy scheme in Parliament in 2011, the policy has been resisted by some sections of the ANC and labour federation, the Congress of South African Trade Unions (Cosatu).

But, speaking on the sidelines of the party's three-day *lekgotla* in Centurion, south of Tshwane, head of policy and Justice Minister Jeff Radebe on Thursday (31 January) said the youth employment scheme was still on the table.

He said it was "urgent" that the party finalise it because Gordhan had budgeted for it.

The youth wage subsidy has stalled at the National Economic Development and Labour Council - a forum at which labour, business and the government thrash out economic policies.

Radebe said the ruling party planned to call an urgent meeting with Cosatu ahead of Zuma's address on 14 February.

The wage subsidy will provide tax incentives to companies that employ young, inexperienced workers who would otherwise not find jobs because they are considered a risk.

Cosatu has argued that the subsidy would result in companies retrenching older permanent workers and hiring young employees at lower wages.

ANC secretary-general Gwede Mantashe said the party was considering different options.

He said the aim of the subsidy was to find a way of giving companies incentives to employ young people. This was in line with last year's ANC resolution that the government act to improve the quality of labour market policies and create incentives for absorbing young people into the workforce.

Mantashe said leaders at the *lekgotla* had urged the ANC to take charge of what was happening in the government.

Source: *The Times* via I-Net Bridge

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