

Debate over minimum wage for EPWP workers

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THE government might have to fork out an extra R10 billion if the National Economic Development and Labour Council (Nedlac) decides that temporary workers employed under the Expanded Public Works Programme (EPWP) be included in the national minimum wage.

Social partners in Nedlac have agreed to meet to discuss outstanding issues on the minimum wage.

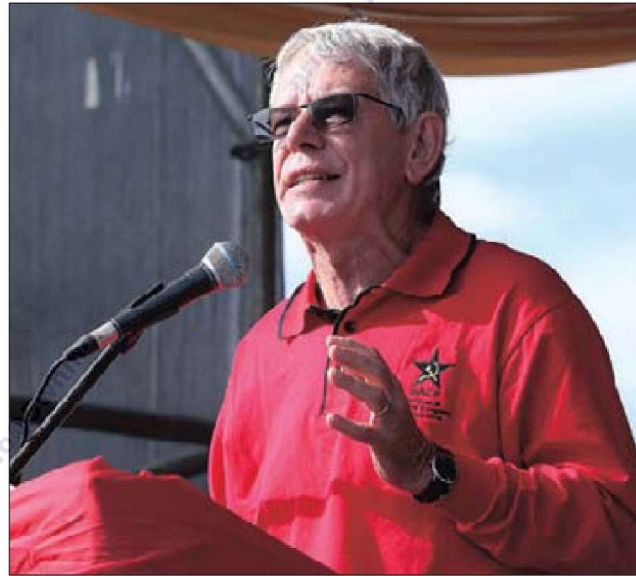
This emerged this week after business, government, community-based organisations, the Federation of Unions of South Africa and the National Council of Trade Unions signed the minimum wage agreement to be implemented in May 2018. Cosatu has not yet signed the agreement, which provides for the minimum wage of R3 500.

According to the agreement, the minimum wage, which provides for R20 per hour, will be overseen by a seven-member commission.

The commission has been tasked to decide, among other things, whether EPWP participants should be excluded from the minimum wage since they are paid a R83 a day stipend.

Some unions, Samwu in particular, have complained about EPWP participants substituting labour force and also being paid less than the minimum wage in municipalities.

EPWP, launched in 2004, is a nationwide programme covering all government and



Public Works Deputy Minister Jeremy Cronin

PICTURE: SIBONELO NGCOBO

state-owned enterprises aimed at poverty and income relief through temporary jobs.

The government aims to create six million EPWP work opportunities by 2019. Deputy President Cyril Ramaphosa has confirmed there were questions on the inclusion of EPWP participants in the minimum wage.

Labour Minister Mildred Oliphant said in principle there was agreement that EPWP be excluded but organised labour has called for a reconsideration of the matter.

Ramaphosa said the inclusion of the programme would punch a big hole in the fiscus.

“Just with a stroke of a pen you will be able to comply with R20 per hour for the 330 000 participants in a year. That is a negative impact,” he said.

In an interview, Public Works Deputy Minister Jeremy Cronin said the government position was that EPWP should be excluded from the minimum wage determination.

“Presently they are paid R83 a day. If we increase that to R20 an hour, 310 000 will be out of work opportunities in a year,” Cronin said.

“If we pay R20 an hour, the government will have to find an extra R10 billion. In the current (economic) situation, that is not going to happen.

“EPWP needs to be understood as a move towards a social security system. It is not possible to extend the social security net, but you can cover it. We would like to cover as many as possible,” Cronin added.

He said EPWP was not about competing in the labour market but rather to close the gap in the social security system, especially for those not covered and aged between 18 and 60.

Dennis George, general secretary of Federation of Unions of South Africa, said EPWP was not a programme for productive economy but it created jobs for a short period of time.

“We will have a discussion with social partners to see what to do... We want to spread the (labour) regime like in domestic workers and agricultural workers because of their special needs,” he said.