

New Age, Pg 13, 7/11/2017 (Inside) Minimum Wage row rages on

It's either 'a pitiful amount' or 'a good start'

THELMA NGOMA
AND REFILWE MAGASHULE

THE fierce debate over the national minimum wage (NMW) rages on as the Cabinet gave the go-ahead for implementation to take effect in May next year.

The controversial bill has been met with strong approval and equally strong rejection. The South African Federation of Trade Unions said yesterday that the minimum wage - at R3 500 a month or R20 per hour - would condemn millions of workers to poverty.

Farm workers will receive only R18 per hour, while domestic workers will get even less - R15. People employed in the government's Expanded Public Works Programme (EPWP) will receive R11 an hour. Siftu called this a "pitiful amount" especially in relation to how wealth is distributed in South Africa.

The Cabinet's approval of the NMW followed consultations and agreements with business, labour and communities at the National Economic Development and Labour Council (Nedlac).

Nicolette Nicholson of the SA Payroll Association said the commission should consider the ability of the employer to carry on business successfully and examines issues such as the operation of the small, medium and micro enterprises, the cost of living, conditions of employment, income differentials,

equality and the impact of the increase to business.

"Numsa remains opposed to NMW in its current form and Cosatu has pointed out that it is far from solving the challenges of inequality, poverty and unemployment. They have, however, said it is a good start," Nicholson said.

Enterprises not regulated under a wage-regulating measure are indicating that they will be unable to afford the increase. This view confirms the concerns raised by trade unions and analysts - that the NMW may escalate the unemployment crisis. "The NMW could have a further negative impact on job losses at small businesses.

Jessica Canada Wellman at the Free Market Foundation said raising the minimum wage would put a strain on South Africa's already stressed labour market.

"By the laws of supply and demand in the labour market, settling a wage above the natural market wage will cause some people to be forced to work fewer hours or lose their jobs."

Cosatu, part of Nedlac, said it welcomed the NMW policy yet remained cynical in terms of whether the government will meet its commitment. In contrast, Federation of Unions of South Africa (Fedusa) general-secretary Dennis George said the NMW would help alleviate inequality and poverty.

thelma@theneuwege.co.za