

# 'Poverty wage' meant to save jobs, says government

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**Tebogo Tshwane**

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The proposed national minimum wage is being punted as a way to reduce inequality and alleviate poverty but the aim is also to ensure that there are no job losses and that the economy is stimulated, according to the department of labour.

The suggested R20 an hour minimum wage, or about R3500 a month, has been criticised as insufficient by the South African Federation of Trade Unions (Saftu), the National Union of Metalworkers of South Africa (Numsa) and the Economic Freedom Fighters, who participated in a nationwide protest on Wednesday.

"We utterly reject the argument that this [National Minimum Wage] Bill should be supported because R20 an hour is 'better than nothing'," said Saftu. "The scandalous fact that so many employers currently pay employees less than this poverty wage in no way justifies the govern-

ment agreeing to a statutory minimum, which will still leave workers trapped in poverty, entrench the apartheid wage structure and widen income inequalities even further."

Numsa, the country's largest trade union, called the proposed minimum wage an insult "imposed in the labour market by the ANC government, which takes the black and African working class back to the racist apartheid faultline".

The Bill, which was to have been implemented on May 1, has been delayed to allow the parliamentary portfolio committee on labour to consider public submissions.

The Bill is now with the labour department for redrafting, after the portfolio committee asked it to take the submissions into account. Once finalised, it will go back to the portfolio committee and the National Council of Provinces, and then the National Assembly, for ratification.

This week, the portfolio commit-

tee approved amendments to the Basic Conditions of Employment Amendment Bill to retain sectoral determinations for farmworkers (R18 an hour), domestic workers (R15 an hour) and those on the Expanded Public Works Programme (R11 an hour).

Labour department spokesperson Teboho Thejane said the different wage tiers are expected to be phased out to meet the national minimum wage after a transitional period of two years. This will be done to avoid job losses in these vulnerable sectors.

Thejane said the national minimum wage is trying to address pov-

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erty and the disparities of the past, but also take cognisance of the fact that, "as much as we want to ensure that people live properly, we should not also create the negative impact of job losses. To avoid job losses, what do you do? You ensure that you create an environment that will sustain jobs," he said.

Gilad Isaacs, researcher at the University of the Witwatersrand's National Minimum Wage Research Initiative, said the workers' grievances are understandable because the mooted wage is low when compared with the working poverty line of about R4750, which is what a worker would need to earn to lift themselves and their dependents out of poverty.

He also said that the proposed minimum wage is a viable starting point in the context of the South African economy.

Thejane said that, depending on how quickly the National Minimum

Wage Bill goes through the labour department and Parliament, it should be finalised within the next two months.

Isaacs is concerned about other elements of the Bill, such as a stipulation that the minimum wage must be reviewed every year even though there is no mandatory increase.

The Bill also makes allowances for companies that claim that they can't afford the minimum wage to be granted exemptions following an affordability assessment by the labour department. But Isaacs says the Bill does not provide guidelines for these exemptions. Instead, it gives the minister "a free hand".

Saftu also raised concerns about amendments to labour laws which they say would threaten their right to strike.

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**Tebogo Tshwane is an Adamela Trust financial reporter at the *Mail & Guardian***