

'Uphold Freedom Charter'

Trade union federation says that the new law will further entrench poverty wages of the apartheid era

Analysis

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THE National Minimum Wage Bill passed in the National Assembly on Tuesday will officially condemn millions of workers to struggle to survive and feed their families on a poverty wage of R20, R18, R15 or R11 an hour, a level which both President Cyril Ramaphosa and Minister Mkhred Ollphant admit is not a living wage. It is a poverty wage!

This vote shows how far the ANC and its allies in the leadership of Cosatu and other trade union federations have degenerated from the time when they led a national liberation movement inspired by the Freedom Charter's demand that "the people shall share in the country's wealth".

South Africa is the most unequal society in the world. The top 10% of South Africans receive half of all wage income, while the bottom 50% of the workforce receives just 12%. Ownership of wealth is even more skewed in favour of the rich. The top 10% of the population own more than 90% of total wealth in the country, leaving 80% of the population with virtually no wealth.

At the other end of the scale, a report by the SA Labour Market Monitor has revealed that more than 6 million workers are "the working poor", paid less than R3500 a month and left with little or no money after spending on critical expenses such as housing, transport, education and insurance.

Most of those who will now get R20 an hour will still earn less than the poverty-wage level of R3500 a month, which will only go to those who work for a full month, which many do not, and employers have threatened to keep their wage costs the same as now by employing workers for fewer hours.

Farm, domestic and expanded public works programme workers, earning R18, R15 and R11 an hour respectively, will never receive R3500 a month and be stuck below the poverty-wage line.

The Food and Allied Workers Union says that the sectoral determination wage in agriculture is R16,25 an hour, so the R18 minimum for farmworkers will mean a rise by a mere R1,75 an hour. "While this adjustment of 10,8% will lead to hundreds of thousands of farmworkers 'lifted' from a low base of R16,25 and into a new 'improved' yet poverty base of R18 it is not meaningful at all."

The National Minimum Wage Bill will do virtually nothing to lift workers out of poverty or to reduce the huge wage and wealth gap we inherited from the years of apartheid, which kept black workers in abject poverty for years. It will entrench it.

The government has capitulated to white monopoly capitalists, whom they demagogically condemn but refuse to do anything to force them to pay the workers a living wage, despite the fact that the employers' wealth is

created by the labour of their workers.

It is a disgrace that the government and their sweetheart union federations try to justify the R20 an hour with the argument that this is "better than nothing" and that because thousands of employers pay even lower wages, R20 will be an improvement for millions when it will still leave them mired in poverty.

Employers will always try to get away with paying the lowest possible wages and will exploit desperate unemployed workers who have no choice but to accept whatever the employer offers.

But that in no way excuses an ANC government, which talks about "radical economic transformation" from adopting the same attitude to poverty wages as the employers – that R20 is the most we can afford to pay the workers.

The South African Federation of Trade Unions (Safu) fully supports the need for a national minimum wage but it insists that it must be a living wage on which workers and their families can live a decent life, eat sufficient and healthy food, receive good medical care, educate their children and enjoy holidays.

That's why we support the call, made first by the mine workers at Marikana in 2012 for a minimum wage of R12500.

We reject the argument that minimum wages will lead to job losses. The National Minimum Wage Advisory Panel in 2016 said that it "has been encouraged by the fact that the effect of national minimum wages across the world on unemployment have, at worst, been negligible. In some instances, this has even resulted in employment growth".

In Brazil former President Lula introduced big rises in the minimum wage and pensions, and the Bolsa Familia programme, which gave 12 million families small but life-changing amounts of cash in return for having their children vaccinated and keeping them in school.

By boosting domestic demand, these policies have contributed to economic growth and created jobs rather than destroyed them.

The same would apply in South Africa, where one of the main reasons for sluggish economic growth and sky-high unemployment is because so many millions of both the unemployed and working poor can only afford to

buy basic essentials and play virtually no part in the country's economy. With a living wage, these millions would have money to spend on goods and services and more workers would be needed to produce these goods and deliver the services.

Jobs will be created, not lost.

Safu will press ahead with its campaign against this poverty minimum wage and will continue to make its voice heard, to demand the repeal of the national minimum wage and for a living minimum wage of R12500.

We are calling a two-day general strike and shall hit the streets with even bigger marches and stayaways than the magnificent demonstrations on April 25.

We shall be protesting against all the assaults on workers living standards and job security and the increasing arrogance of employers, the government and union leaders who, instead of "returning the wealth of the land to the people" as the Freedom Charter called for, are grabbing more of it from the people.

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