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EMPLOYMENT

Unions celebrate minimum wage hike

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THERE have been mixed reactions by workers' unions and the agricultural sector following the Department of Employment and Labour announcing an increase in the National Minimum Wage (NMW) from R27.58 to R28.79, equivalent to R1.21 or 4.4%.

The Department said South Africa introduced the implementation of the National Minimum Wage Act in 2019, which is subject to annual review and increases annually from March 1.

The 2025 NMW amendments are a step forward in addressing income inequality, said John Botha, a labour market specialist.

"By ensuring that farmworkers, domestic workers, and Expanded Public Works Programme (EPWP) participants receive fair pay, the government is making progress in reducing wage disparities. Employers who embrace these changes may benefit from improved employee morale, reduced turnover, and enhanced productivity. With robust planning and collaborative efforts, South Africa can advance toward a more equitable and resilient economy."

Farmworkers and domestic workers are now fully aligned with this rate, achieving parity in sectors that have historically been underpaid.

For EPWP participants, minimum wage for these workers increases from R15.16 per hour in 2024 to R15.83 per hour in 2025.

Botha said other significant changes included that the minimum hourly rates for contract cleaning workers have increased and now vary by region, with Area A (urban/metropolitan areas) set at R31.69 per hour and Area B (rural areas) at R28.98 per hour.

"This regional differentiation acknowledges varying costs of living but poses challenges for wage standardisation across the cleaning industry," he said.

Another change is the weekly allowances for workers in learner-ship programmes, which have been updated in a new schedule, reflecting the importance of financial support

during training.

"However, ensuring compliance and adequate employer contributions will require careful oversight," Botha said.

Matthew Parks, parliamentary co-ordinator of Cosatu, said the union federation welcomed the progressive increase in the NMW of inflation plus 1.5%. "Cosatu had tabled a slightly higher proposal to the NMW Commission. We are pleased that our demand for a positive above-inflation increase prevailed."

He said the increase "will inject badly needed stimulus into the economy, spurring growth, sustaining and creating badly needed jobs. It will provide relief to 6 million workers earning within the NMW range".

However, Gerhard Papenfus, CEO of the National Employers Association of South Africa, was opposed to the move.

"The concept of a legislated national minimum wage is simply not feasible or responsible in a developing economy like South Africa. The government interference in the free market leads to artificially created wage scales which are not in tune with the economic realities on the ground and will simply lead to further unemployment, reduction in working hours, or non-compliance by employers."

Wandile Sihlobo, the chief economist of the Agricultural Business Chamber of South Africa (Agbiz), said: "Wages can be an issue for some farmers during hard times. Thus, we think the recent 4.4% increase in the minimum wage for agriculture is fair."

Johann Kotzé, AgriSA CEO, said the organisation recognised that the National Minimum Wage Commission has strived to take a balanced approach in its decision-making process. However, the timing of this wage increase is significant as the agricultural sector is grappling with numerous challenges.

"Including a contraction of around 5% in GDP for 2024. Recent disruptive weather patterns have led to severe drought conditions across many farming regions, placing considerable strain on producers and threatening profit margins over the short term," Kotzé said.