

DoL accused of 'undermining' meaningful NMW package

The Department of Labour (DoL) has placed further hurdles in the way of a meaningful national minimum wage package, this time in the course of the parliamentary process. This is according to Wits University academic Gilad Isaacs, who writes in **Daily Maverick** that the department, which played a dominant role in the redrafting process, **has, in a number of instances, either ignored the letter or spirit of decisions taken by Parliament's Labour Portfolio Committee**. The committee reconvened last week to consider amendments to the National Minimum Wage Bill and further amendments to the Basic Conditions of Employment Act and Labour Relations Act. Isaacs writes that certain points raised in various submissions were left out of the summary prepared by the department and others were inaccurately conveyed in the department's verbal inputs to the committee. The national minimum wage has been promoted since 2014 as the first step in a multi-pronged strategy to reduce wage inequality but adds that this has not found expression in this round of the process. He says Parliament still has a window of opportunity to amend the Bills to ensure they offer maximum protection to workers and a strong, independent and well-resourced commission to oversee this critical policy intervention.

The University of the Witwatersrand's National Minimum Wage Research Initiative has slammed the Labour Department for ignoring critical concerns raised by the public and social partners on the impending amendments to the Labour Relations Act. According to a **Mail & Guardian** report, the research initiative accused the department of **failing to meaningfully engage the concerns put forward by the Parliament's Labour Committee – legislative weaknesses which they say could negatively affect the most vulnerable workers**. The statement said that both the National Economic Development and Labour Council (Nedlac) agreement and the committee – which is tasked with considering the scope of the legislative amendments – agreed that the lower wage levels of farm workers and domestic workers should fall away after two years. But, they said, this two-year deadline was not reflected in the amendments, despite the issue being raised with the Labour Department.

The SA Federation of Trade Unions (Safu) said that 'it has noted with grave concern a press release from National Minimum Wage Research Initiative at the University of the Witwatersrand on 14 May 2018.' Safu said in a report on the **Polity** site that it is **'angered that the DoL has totally ignored the submission we made to the Portfolio Committee. We believe that the department is hell-bent on pushing through its own policies and ignoring any contrary views'**. The Wits report says that Safu's is not the only submission to have been disregarded, and that the DoL has, in a number of instances, ignored either the letter or spirit of decisions taken by the Portfolio Committee itself. It argues that the department's selective presentation of certain issues to the Portfolio Committee suggests a pursuit of particular outcomes that ignore critical concerns raised by the public and social partners, and thereby undermines the ability of the Committee to conduct a balanced engagement on the Bills before them.'

Some of the 'propaganda' against the national minimum wage is nothing more than electioneering and an attempt to score cheap political points. This is according to Labour Minister Mildred Oliphant, who said in Parliament during her budget vote speech that **it was disturbing that those who were against the national minimum wage had nothing to offer as alternatives but wanted to keep the status quo**. 'While the introduction of the national minimum wage may not mean a lot to those who are well looked after in the world of work, for the majority of the vulnerable workers it will make a huge difference. National minimum wage is by no means an end in itself, but a means to an end,' Oliphant is quoted in **Business Day** as saying.

A construction industry stakeholder has warned of a looming crisis in the multibillion-rand sector if the proposed R20-an-hour national minimum wage is implemented, says **Business Report**. Gerald Ndlovu, founder and executive director of Black Suppliers, which focuses on the development of emerging building service providers, argued that emerging contractors were beneficiaries of sub-contracting work and should be exempt from paying the minimum wage. 'Their prices are largely fixed and the work is ad hoc, because there is no steady stream of projects,' he said. Ndlovu said **if the national minimum wage was 'forced across the industry' it would have a detrimental effect on those seeking employment**. He said it would decrease the number of job seekers the sector could employ to dent the scourge of unemployment in the country, which was sitting at 26.7%.

Labour experts have, meanwhile, criticised a World Bank report that, among other things, suggests that the introduction of a national minimum wage in SA would shift labour demand towards skilled labour. **Business Day** reports that the conclusions are contained in the 11th edition of the *South Africa Economic Update* released in

April. In it, the bank writes that the implementation of the minimum wage, to be set at R20 an hour, **would also deepen the intensity of capital at the expense of unskilled labour and disproportionately affect the price of goods consumed by the poor.** While the bank said the effect of the legislation on inequality was not clear-cut given poor enforcement, its micro-economic analysis suggested 'that the introduction of the national minimum wage would have a positive, but marginal, impact on reducing inequalities, depending on its negative effect on employment'. According to the report, local labour institutions are planning to challenge the report and other suggestions shared by the World Bank.