



NATIONAL MINIMUM WAGE KEY MESSAGES

BRIEF:

The National Minimum Wage will be implemented on Workers' Day, 1 May 2018 following intensive deliberations between social partners under the auspices of the National Economic Development and Labour Council (Nedlac).

The process for a National Minimum Wage began in 2014 when former President Jacob Zuma in his State of the Nation Address tasked all social partners to deliberate on the untenable labour relations environment and wage inequality.

On 20 November 2016 an Advisory Panel set up by Nedlac recommended a National Minimum Wage at R20 per hour or R3 500 per month. The announcement was a historic step towards implementing a National Minimum Wage in South Africa. Sectors that could experience a negative impact on jobs such as farm and domestic workers will be exempted from the full National Minimum Wage.

On 1 November 2017 Cabinet approved the National Minimum Wage Bill and it was submitted to the National Assembly and the National Council of Provinces for debate and enactment. The implementation of a National Minimum Wage supports South Africa's fight against the triple challenge of unemployment, poverty and inequality. It will help reduce high levels of poverty and address inequality in our society.

Findings of a study by the National Minimum Wage Research Initiative at the University of the Witwatersrand highlight that a national minimum wage, set at an appropriate level, can achieve the central objectives of reducing working poverty and inequality in South Africa.

KEY MESSAGES	SUPPORTING STATEMENTS
<i>The National Minimum Wage will be implemented on Workers' Day.</i>	<ul style="list-style-type: none"> • South Africa will make history on 1 May 2018 when the National Minimum Wage will come into effect. • A minimum wage of R20 per hour as agreed by stakeholders in Nedlac will be applied across the economy. • The introduction of a minimum wage is expected to increase the earnings of more than six million working South Africans. • Farm workers, domestic workers and those working on an extended public works programme are excluded as their wage is determined by sectoral determinations. • From 1 May, farmworkers will earn R18 an hour, domestic workers R15 per hour and workers on the extended public works programme, R11 an hour.
<i>A national minimum wage equals poverty relief.</i>	<ul style="list-style-type: none"> • The National Minimum Wage will combat rising inequality and persistent poverty within the country. • It extends our social net to the most vulnerable in our midst and helps us build a more inclusive society. • This introduction of a National Minimum Wage is a historic first step in a wider strategy of developing a caring economy. • It will undo the phenomenon of the “working poor” allowing employees to cover the needs of their families. • In raising low wages we can make strong inroads into transforming the inherited apartheid wage structure.
<i>The National Minimum Wage offers a win-win situation for the country.</i>	<ul style="list-style-type: none"> • The R20 per hour minimum wage offers ordinary South Africans a national wage floor to undo unequal pay levels. • South Africa’s current wage gap drives inequality with the top 10% of employees averaging an income 82 times more than that of the bottom 10%. • The R20 per hour wage is a result of an intensive process that looked into global best practice, comparable socio-economic conditions and the cost benefit analysis. • It is structured to make a real difference in the lives of ordinary South Africans without negatively impacting the economy.
<i>A national minimum wage can help grow the economy and create jobs.</i>	<ul style="list-style-type: none"> • The implementation of a National Minimum Wage will boost job creation and economic growth. • According a National Minimum Wage Research Initiative by Wits University, it can increase buying power as money is put in the hands of the workers.

KEY MESSAGES	SUPPORTING STATEMENTS
	<ul style="list-style-type: none"><li data-bbox="699 237 1401 331">• In turn this can lead to greater economic activity that will help stimulate the economy and create more jobs.<li data-bbox="699 338 1401 432">• The National Minimum Wage will help reduce inequality in our society which is seen as a major obstacle to economic growth.