

Deputy President announces minimum wage of R3500

Deputy President Cyril Ramaphosa has announced that the national minimum wage has been set at R20 per hour or R3500 per month for those that work a 40-hour week.



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Those who work a 45-hour week will have their minimum wage set at R3900.

Briefing journalists at the Imbizo Centre in Parliament in Cape Town on Wednesday, the Deputy President said the new minimum wage will come into effect on 1 May 2018.

The Deputy President's briefing was aimed at providing details on the status of National Economic Development and Labour Council (NEDLAC)'s Committee of Principals (CoP) discussions on labour relations and wage inequality.

"The national minimum wage, which is a floor below which no worker will be paid, will significantly improve the lives of millions of low-paid workers and begin to address the challenge of wage inequality in our country.

"At its introduction next year, South Africa will join several countries around the world that have implemented a national minimum wage as an instrument of economic as well as social development.

“The social partners have agreed to set the national minimum wage at a level that has meaningful impact on the wages of the lowest paid worker, while minimising any negative impact on employment,” he said.

In agreement

The Deputy President made the announcement as the country gears up to watch President Jacob Zuma’s State of the Nation Address on Thursday evening.

The Deputy President said social partners representing organised labour and civic society organisations at NEDLAC, signed agreements on measures to strengthen labour stability as well as to deepen the process of collective bargaining, as well as the modalities to introduce the national minimum wage.

He said all partners signed the agreements with the exception of the trade union federation COSATU, after they asked to be given some time to complete their own internal processes of consultation.

“In fact, much more of reporting than consultation because I just spoke to the President of COSATU [Sidumo Dlamini] said no, it is not consultation, it is reporting to their Central Executive Committee (CEC), which is going to be meeting in two week’s time.

“So they are also part of this process. They are on board if one can use that colloquial term with regards to the agreements that have been arrived at,” he said.

The agreements that were signed on Tuesday represent a significant advance “in our efforts as a nation and as people to address the challenges of wage inequality in our country as well as stabilising the labour market”.

He said the agreements also power up the momentum to tackle inequality and poverty.

The agreements restore the dignity of all poor South Africans.

Moving towards a living wage

The Deputy President said 6.6 million workers were living on a living wage of under R3500 and that there is a need to begin a journey of improving the income of low-paid workers.

“What we arrived at in terms of the national minimum wage is not a living wage. This forms a firm foundation of moving our country towards a living wage. It is a start. These agreements are a result of nearly two years of deliberations.

“They are response by the call that was made by President Zuma.

“In the declaration on wage inequality that was signed yesterday and on labour stability, social partners confirmed the principles that have underpinned deliberations which form the basis for the agreements that have been reached.”

He said companies that cannot afford the national minimum wage can apply for exemption from government.

The Deputy President also said the minimum wage would be evaluated from time to time to assess its impact on jobs.