



NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

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Nedlac press statement on the National Minimum Wage workshop – 20 June 2015

Nedlac convened a workshop on international minimum wage experiences on Saturday 20 June 2015. The workshop was chaired by Deputy President Cyril Ramaphosa and was addressed by experts from Brazil, Malaysia, UK, Germany as well as experts from the International Labour Organisation.

In addition to the above countries experiences were also shared from Argentina, Chile, Colombia, Costa Rica, Mexico, Uruguay, China, India, France, Turkey, Kenya, Mauritius, Morocco and Cape Verde.

The workshop was attended by leaders of Business, Community, Government and Labour as well as constituency members serving on the Nedlac Wage Inequality Technical Task Team.

The workshop follows President Jacob Zuma's call at the 2014 State of the Nation Address for the introduction of a national minimum wage in South Africa. The workshop gave an update on progress made in the negotiations, areas of agreement reached and also provided an overview of the wage setting structures in South Africa.

The Deputy President noted that 2015 is the 60 year celebration of the Freedom Charter – which in one of its clauses calls for a National Minimum Wage - and called the engagement “a signal of our determination to address the inequalities that remain in our society”. He pointed out that “for the first time in South Africa there is broad agreement on the need to introduce a national minimum wage. Today is an important step in the process of considering the modalities of a national minimum wage for South Africa”. The Deputy President indicated the importance of understanding the employment effects of the National Minimum Wage in addressing inequality, poverty and unemployment.

The following areas of agreement have been reached at Nedlac through constructive constituency engagement:

- The national minimum wage shall be the legal floor for a defined period of time, guaranteed by law, below which no employee may be paid in South Africa
- The national minimum wage will apply to all employees, both in the public and private sectors, unless provided for otherwise by an exclusion, phase-in or phase-out upfront agreement
- Collective agreements and sectoral determinations may only vary upwards from the minimum wage
- Although certain exemptions may be needed it is generally agreed that comprehensive coverage is desirable and a patchwork approach should be avoided
- The body responsible for determining the level will be similar to the Employment Conditions Commission and will be given the necessary capacity to undertake this important task

Evidence is currently being gathered to inform the discussions, particularly around the impact to business and workers in the context of the challenges of unemployment, inequality and poverty. This workshop forms part of the information-gathering process.

The Deputy President further stated that “in reaching this point in our deliberation over a national minimum wage, we are reminded again of the importance of social dialogue and the value of an institution like Nedlac”.

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