

EXCLUSIVE: National minimum wage commission finally in place

The minimum wage legislation is set to improve the lives of at least 6-million workers who currently earn less than the set R20 hourly rate

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Mildred Oliphant. Picture: GCIS

Labour minister Mildred Oliphant has finally appointed the 13-member national minimum wage commission following a tussle over candidates that delayed the implementation of the law in 2018.

Business Day has been reliably informed that Oliphant will publicly announce the members of the commission this week.

The new commission will be chaired by professor Adriaan van der Walt, a labour law academic at the Nelson Mandela Metropolitan University in Port Elizabeth. He occupied the same position at the Employment Conditions Commission.

Other appointees include Global Business Solutions CEO Jonathan Goldberg and Nedbank executive Kaizer Moyane, who were nominated by the business grouping at the National Economic Development and Labour Council (Nedlac).

Wits University's dean of commerce, law and management, professor Imraan Valodia, who chaired the expert panel that recommended the R20 rate, senior economist at Trade & Industrial Policy Strategies Neva Makgetla and associate professor of sociology at Wits University Sarah Mosoetsa were appointed as independent experts.

Cosatu deputy general secretary Solly Phetoe also sits on the commission.

The minimum wage legislation is set to improve the lives of 6-million workers who earn less than the set R20 hourly rate.

President Cyril Ramaphosa enacted the policy that was earmarked for May in November after pressure by union federation Cosatu to finalise the legislation. At the time, insiders told Business Day he had objected to signing the bill sent to him on August 30 by MPs before the commission had been appointed.

However, disagreement between Nedlac constituencies, government, labour and business over the composition of the commission dragged on even after the law came into effect on January 1.

The National Minimum Wage Act establishes a commission that will, among other functions, review the national minimum wage and recommend its adjustment annually, and investigate and report on the effect of the regime.

More critically, the commission will encompass responsibilities of the Employment Conditions Commission that advises the minister on sectoral determinations and other issues arising out of the application of the Basic Conditions of Employment Act.

Each Nedlac constituency has to nominate three commissioners, while the minister has the final say over the chairperson and three independent experts.

Cosatu general secretary Bheki Ntshalintshali said labour was pleased with the composition of the commission, albeit that its finalisation had been “frustrated by business”.

The business constituency rejected the inclusion of Makgetla because she had worked for Cosatu at some point in her career, and objected to Mosoetsa, whose views supposedly leaned too far to the left, he said.

Business Unity SA CEO Tanya Cohen said it was the overall composition of the commission that business remained opposed to. Business has concerns about the commission’s ability to balance the social and economic factors that have to be taken into account when the rate is reviewed and studied, she said.

“When we negotiated the composition of the commission in Nedlac one of the areas was that it should reflect that balance. We don’t think there is enough labour economics expertise that will understand small business issues and challenges as well as the delicate balance that needs to be struck to ensure the wages are not detrimental to jobs,” she said.

There have been fears that the national minimum wage will lead to mass job losses, with the Commission for Conciliation, Arbitration and Mediation stating that it expects a 15% caseload rise from disputes related to the law.

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