

MEDIA RELEASE PSA welcomes recommendation by Commission to increase National Minimum wage with CPI plus 3%

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The Public Servants Association (PSA) supports the recommendation by Commission to increase the National Minimum wage by CPI plus 3% for 2024.

The National Minimum Wage is aimed at improving the socio-economic situation and encourage economic growth. It is a policy established to respond to pressing economic issues such as unemployment, poverty, and inequalities experienced in South Africa where many households remain poor. The policy intends to bridge salaries disparities, which continue to promote inequality and poverty in vulnerable communities. The introduction of the minimum wage had a positive impact on the labour market. Since its inception, there has, however, been challenges with non-compliance by various business sectors. Therefore, the proper functioning of bargaining councils must be strengthened in various sectors, such as mining and manufacturing, to encourage compliance with minimum wage provisions. The Minister of Employment and Labour previously announced that the National Minimum Wage for each ordinary hour worked would be increased from R23.19 to R25.42 with effect from 1 March 2023, an increase of 9.6%. The National Minimum Wage applied to all low-income earners.

The new national minimum agreement outlined better wages for vulnerable workers in various sectors such as farm workers and domestic workers. Workers employed in the Expanded Public Works Programmes received a lower rate at R13.97 per hour. The current economic climate necessitates the annual increase as recommended by the Commission. The unemployment rate is at 32.6% and the cost of living is too high. The consistent increase of the petrol price and unstable rand worsen the economics situation. Wage earners cannot afford to buy food anymore. Even though businesses are under pressure owing to the increase in the cost of labour, the recommendation by the Commission is justified owing to prevailing worsening economic conditions. Minimum wage earners are faced with hardships and dire economic circumstances, which cannot be ignored.

The purpose of the National Minimum Wage is to ensure a living wage for vulnerable workers. The challenging economic environment in South Africa makes it hard for wage earners to survive. Half of the population is unemployed, without any income at all. In addition, take-home pay and buying power are decreasing. The PSA thus supports the annual increase for wage earners to be aligned to the current inflation rate plus 3%. The proposal will make a difference for low-income earners. The PSA urges the Minister of Employment and Labour to consider the recommendation favourably and to relief low-income earners from economic hardships.

END

