

## min-wage-isaccs-twitter



**Gilad Isaacs**

@GiladIsaacs

Following



The proposed national minimum wage (NMW) in South Africa has become controversial. What to make of this?

My thread as coordinator of [@WitsUniversity](#) NMW Research Initiative [@SA\\_NMW](#) after 3 years of work on this. [@Wits\\_News](#) 1/10

5:56 AM - 25 Apr 2018

28 Retweets 22 Likes



2 28 22



Tweet your reply



**Gilad Isaacs** @GiladIsaacs · 14h



Amount: R20 p/h (R3900 p/m) is not enough to bring workers above the working poverty line (+-R4900 p/m). It is far from a living wage. Not all workers work fulltime. Workers need and deserve more. 2/10

5 19 11



**Gilad Isaacs** @GiladIsaacs · 14h



Amount: R20 p/h will raise wages for 35% of the formal-sector workforce (over 4million workers). This is more than in any other country for which we can find data. In mid-2000s during large increases, majority of NMWs in Latin America directly impacted < 15% of workforce. 3/10

2 6 4



**Gilad Isaacs** @GiladIsaacs · 14h

Amount: R20 p/h will raise wages for 35% of the formal-sector workforce (over 4million workers). This is more than in any other country for which we can find data. In mid-2000s during large increases, majority of NMWs in Latin America directly impacted < 15% of workforce. 3/10



2



6



4



**Gilad Isaacs** @GiladIsaacs · 14h

Amount: Must take account of economic realities – it is not feasible (in current economy) for wages to jump massively in one go (we must fight to change current economy). R20 p/h COULD be a viable starting point for the NMW – this depends on the PACKAGE that accompanies it. 4/10.



2



5



3



**Gilad Isaacs** @GiladIsaacs · 14h

Package: Major flaws in NMW Bill. 1.Contains yearly review but no minimum increase: value could stay the same or fall. 2.Aim was to have strong medium-term target – start at R20 but reach e.g. R30 within few years. In Bill target only set in 3yrs time & reached 3-5yrs later! 5/10



1



4



3



**Gilad Isaacs** @GiladIsaacs · 14h

Package: 3. Business associations allowed to apply for exemptions for their members, they could develop a conveyor belt and abuse this provision. 4. No parameters are given for exemption criteria. 5. The NMW Commission Secretariat is not independent from the Dept of Labour. 6/10



1



5



3



**Gilad Isaacs** @GiladIsaacs · 14h

Package: 6. Workers must get paid for 4 hrs even if they only work 1-3 hrs – this is good but currently doesn't cover all workers. 7. The Bills could reinforce need to reduce wage inequality by others means but don't. 7/10



1



4



3



**Gilad Isaacs** @GiladIsaacs · 14h

Lower tiers: R18 p/h increases wages for 60-80% of farm workers & R15 p/h increases wages for 50-60% of domestic workers– internationally v. high %. Lower tiers internationally accepted to allow ultra-low sectors to adjust. BUT no deadline for when these must reach full NMW. 8/10



**Gilad Isaacs** @GiladIsaacs · 14h

Lower tiers: Expanded Public Works Programme workers get only R11 p/h. This is unconscionable and a below inflation increase over current levels. No guarantee level will increase in line with NMW & no deadline when it must reach NMW. Higher wage levels = fiscally affordable. 9/10



1



5



2



**Gilad Isaacs** @GiladIsaacs · 14h

Conclusion: Current NMW could be viable starting point. Level must consider workers' need & economic realities. But package must ensure improvements over time and protect workers – it fails on this. We must engage with the detail and make a final push for a better package. 10/10



2



5



7



**Gilad Isaacs** @GiladIsaacs · 14h

Impact: Most appropriate statistical modelling and international evidence shows this level will help reduce poverty and inequality, raise incomes and spending, and modestly boost output and growth. Limited employment impacts over medium-term. Economically beneficial. Bonus/10



1



6



5

