

Struggle for R10,000 NOW!

New minimum wage signs poverty wages into law

We need to organise!

From 1 May 2018 South Africa will have a national minimum wage. It has been set at R3,500 per month (or R20 per hour) for a 40 hour working week. This rate is so low that in effect the ANC government has written poverty into law. Employers will be allowed to apply for exemptions. The new wage will not cover the 330,000 EPWP workers who will be expected to continue struggling by on R83 per day. Nor will it cover farmworkers or domestic workers.

Despite these enormous limitations, the increase will still come as a relief to the 6.6 million workers who currently earn less than R3,500 – a condemnation of the devastating poverty of the working-poor rather than praise for the new poverty-level minimum wage.

This 'too little, too late' reform comes a huge 22 years after the ANC came to power. It is a desperate attempt by the ANC to strengthen their crumbling working class electoral base and give something to the disintegrating Cosatu as proof that their alliance with the ANC "works". No doubt as planned, after a month of carefully staged mock outrage at the low rate, the Cosatu leadership has now fallen into line and alongside the other major trade union federations, signed-up to accept the R3,500 wage. The vacuum of working class leadership has been demonstrated yet again.

But workers cannot take even this small concession for granted. For example, employers simply ignored an anti-labour broking law that came into effect at the start of 2015. In other words, the existence of the law was not enough. The bosses had to be *forced* to implement it. Even then, it was not the existence of the law that was decisive. Court cases against labour broking are being forever delayed in the courts. The workers of the Shoprite distribution centre in Centurion are in the third year of their court case to end labour broking with no end in sight.



Only when workers organised and led mass struggle in the powerful and ongoing #OutsourcingMustFall campaign (started by WASP) has labour broking and outsourcing been challenged – and even defeated. The improved wages in the mining industry were won as a result of mass struggle, including the sacrifice of those workers murdered at Marikana.

We can expect the new national minimum wage to be window dressing too. For example, employers can apply for exemptions. Without making provisions for a regime of workplace inspections we can expect that the bosses will hide their money and cry poverty. If the ANC government were serious about implementing even R3,500 per month, they would already be employing and training thousands of inspectors to visit every workplace in the country. As is always the case, workers can only rely on their own organised power to raise wages.

Stats South Africa concluded that the monthly cost of essential food and non-food items (those needed just to survive) is R1,319 per month/per person or **R5,276** for a household of four people.

That does not take account of the often non-optional support for extended families when unemployment is running close to 40%. It also means zero quality of life. But it does put the greed of the bosses in perspective!

...and minimum wages

Maximum wages...

According to the Blumberg Survey South Africa ranks seventh in the world for the best paid CEOs. The Labour Research Service's 2011-12 survey revealed the super-pay of SA's bosses...

- mining sector **R20,205,714** per year
- banking sector R11,201,744
- health sector R8,546,687
- hospitality sector R9,697,555
- industrial sector R9,949,004
- retail sector R14,489,300

Izwi says...

- For an immediate increase in the new national minimum wage to R10,000 p/m as a step toward R12,500 p/m.
- Organise a rigorous regime of workplace inspections to ensure compliance under the democratic control of workers' representatives.
 - No exemptions. Open the books of big business to inspection by workers' representatives. Nationalise non-complying and job-shedding big businesses. On the basis of proven unaffordability, subsidies and tax relief to small and family businesses.
- End unemployment. For a massive public works programme to build all the houses, schools, hospitals, roads, etc. needed in our communities. Development of skills and training to be at the heart of the programme.
- Reduce the working week and share out the work without loss of pay to improve the quality of life for workers and allow all those living in South Africa willing and able to work to do so.
- Organise mass struggle to implement the above programme. Build a socialist trade union federation and a socialist mass workers party.

If the bosses cannot afford decent wages, then workers cannot afford the bosses!

The different attitudes of the different political organisations towards the national minimum wage mirror their positions in the broader political spectrum. But the differences between these parties are secondary. Ultimately their attitudes to the minimum wage all defend the rights of the bosses to make profits at the expense of the workers.

Below, **Xolani Mashalaba**, WASP National Committee, examines the different positions different organisations have taken and what it tells us about them.

The ANC

The new minimum wage is the ANC's invention and it is too little, too late. Why did it take 22 years? The ANC pays lip service to the need for the country to decrease wage inequality and to reduce poverty. This is rooted in their need to try and maintain a mass base amongst the working class. On the other hand, the likes of Gwede Mantashe do not forget to worship and defend the ANC's capitalist masters by highlighting the need to promote employment through attracting investment. This is contradictory as the attraction of investment obviously means that wages must be kept low to attract the bosses with the hope of more profit. Setting the minimum wage at a poverty-level shows whose interests Mantashe and the ANC are prioritising – the bosses!

COSATU

The ANC's 'labour desk' called for a National Minimum Wage of R4,500-6,000 since their 2015 Congress. They base this amount on the international benchmark used to set NMWs of 40-50% of the average wage, also using the 'poverty line' or 'minimum living level' as a second benchmark. But COSATU eventually "welcomed" the R3,500 NMW. Obviously a difference of R1,000+ p/m can easily be sacrificed to maintain the 'holy' Tripartite Alliance and support for the Marikana Monster, Cyril Ramaphosa, as the next president of SA. Accepting capitalism just like the ANC, the Cosatu leadership has acted as a policeman of the workers, encouraging 'restraint' on wage demands and accepting the wrong logic that high wages will destroy jobs. Their policy on the NMW is no different.

The DA

In parliament the DA's Shadow Minister of Labour, Ian Ollis talked about the negative impact that a minimum wage would have on the 8.4 million unemployed South Africans "sitting on the side of the road". The DA are at the forefront of peddling the lie that higher wages automatically means less jobs. It is sickening to watch them posture as the friends of the unemployed. Mr. Ollis makes it clear that the DA is opposed to a minimum wage and that all the workers should just be happy with whatever they are paid. If they dare to hope for more they will find themselves sitting on the side of the road! The DA's response to the NMW issue serves as a quick reminder of where the party stems from. It is a party of the bosses.

The EFF

The Economic Freedom Fighters has criticised the new minimum wage and has said that no worker should earn less than R4,500. Their demand is not as radical as would have been expected! For a party that positions itself as a militant alternative, the EFF fails to link the question of wages to nationalisation (a position they have been moving further and further away from). Further, the EFF leadership is completely uninterested in the development of an independent workers' movement capable of leading mass struggle. As we have explained [above], this is the only way that major gains on wages can be made, with or without the new minimum wage legislation. Sadly, this leaves the EFF's fighting talk as nothing more than rhetoric.