

The majority of Commissioners felt that the COVID-19 downturn is a unique circumstance, and the implications for the national minimum wage remain difficult to anticipate. In this case, a modest real increase seems unlikely to aggravate the downturn, and could assist by working in tandem with other measures to stimulate the economy.

iv. Productivity

The COVID-19 downturn made it virtually impossible to estimate labour productivity realistically because of the extraordinary constraints on production.

v. Ability of employers to carry on their businesses successfully

The majority of commissioners recognised that the COVID-19 downturn had a harsh impact on most employers. Employers who are unable to pay the proposed adjustment are urged to utilise the exemption procedures.

Generally, any increase in the national minimum wage will require some adaptation by employers. The aim of the Act is to bring about a structural shift in pay scales to promote greater equality. The majority of commissioners considered that the proposed adjustment would not be unduly difficult for most employers. Initial research on the impact of the introduction of a national minimum wage has found that the policy did not place an undue burden on employers in its first year of implementation.

vi. The operation of small, medium or micro-enterprises and new enterprises

The majority of commissioners consider that some small, medium and micro enterprises and new enterprises may face some challenges as a result of the proposed increase in the minimum wage. These challenges should be mitigated by the exemptions procedure.

vii. The likely impact of the recommended adjustment on employment or the creation of employment.

As with the GDP, the initial lockdown to control the pandemic led to furloughs on a mass scale, although the COVID-19 Temporary Employer/Employee Relief Scheme (TERS) limited actual retrenchments. Around three million employees, or a third of formal private-sector workers, benefited from TERS payments, indicating that they were unable to work, at least during Level 5 and Level 4 of the lockdown.