

#### 4. MINORITY RECOMMENDATIONS

The three business representatives on the Commission provided the following recommendations, which diverge from the majority.

Our view as the Business representatives on the Commission, is premised on the need to avoid or minimise negative impacts on jobs in the sectors, especially at a time when the economy is struggling under the weight of multiple factors like Covid19, sovereign credit downgrades and poor growth outlook for the near term. Employers of domestic workers are mostly employees themselves in other sectors. With most sectors already reducing or maintaining salaries, and retrenchments expected to peak, it is reasonable to expect that employers of domestic workers are going to struggle to either absorb huge wage increases or even keep their employees. In respect of the agricultural sector, research has shown that big shocks in movement of legislated wages cause extensive job losses. This is clearly evident from research done around a large increase in the agriculture sector based on the sectoral determination following the protests in De Doorns. The agri census reports shows how much employment has slowed in this sector and can be seen in this link <http://www.statssa.gov.za/?s=agriculture>

We support the need to increase wages in these two sectors, but in a sustainable way. However, to give an additional increase beyond the annual increase in January 2021 would be very problematic for both these sectors.

We are supportive of a phase-in approach but believe the phase-in for both sectors should be over four years. We believe this would allow the increase over the next two years to be more sustainable for both these sectors. To induce shocks of double-digit wage increases in these sectors, which are large employers, is likely to result in massive job losses and/or increased non-compliance, both of which scenarios should be avoided where possible.

To reiterate, we cannot support a proposal that we know will lead to dramatic job losses, specifically in these two sectors that are being significantly affected by the Covid-19 pandemic. We are therefore supportive of a phase-in over a four-year period for both the farm and domestic worker sectors. This is the only reasonable proposal to avoid the negative impacts of massive wage increases.

We did stress to other commissioners that, regardless of the sector or constituency they represent or have an affinity with, we all bear a collective responsibility to act in ways that do not add to the country's burgeoning unemployment problem. A double-digit increase for the