

domestic sector in the year 2021, as proposed by the existing phase-in model, would have a catastrophic effect on jobs and employment levels.

On the proposal of the majority of the commissioners on a projected increase of the minimum wage of 4.5%, farm workers would get a 16.1% increase and domestic workers a 20.65% in each of the two years proposed. We cannot support this as, even without research, no sector can absorb such increases. Indeed, when the phase-in provisions were first inserted into the NMW Act a few years ago, no one could have predicted the current set of difficult economic circumstances. To ignore the current reality in a quest to achieve the intended equalisation is akin to prioritising form over substance, which will not serve our economy well.

Furthermore, the NMW came into effect on 1 January 2019. The initial date of implementation was meant to be 1 May 2018, but the NMWA was only assented to on 23 November 2018. In 2020, an increase was recommended with implementation on 1 March 2020.

It is paramount that a regular, dependable cycle is established to ensure that employers know what is expected, well in advance. We have three possible dates for implementation, namely 1 January (the 2019 implementation date), 1 March (the 2020 implementation date) and 1 May (the original date). The consistent approach would be 1 March as implemented in 2020.

As far as the increase itself is concerned, we were guided by the Act:

Firstly, the NMWC must promote:

1. the medium term targets referred to in section 11(d)

We submitted that this would be impossible in the current economic reality, especially as we have no measure of ascertaining the pace of economic recovery.

2. the alleviation of poverty

We submitted that any increase in this environment will contribute to some relief of poverty.

3. the reduction of wage differentials and inequality

An increase in 2021 will be helpful in this regard, while no increase will widen the gap.

Secondly, the NMWC had to consider:

1. Inflation, the cost of living and the need to retain the value of the minimum wage