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Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

**Stakeholder responses on the implementation of the National Minimum Wage in the Domestic,
Agriculture and Construction sector amidst the COVID-19 pandemic.**

A qualitative study

26 October 2021

Acknowledgements

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Abbreviations and Acronyms

BCEA	Basic Conditions of Employment Act of 1997
CCMA	Commission for Conciliation, Mediation and Arbitration
COVID-19	2019 Novel Coronavirus
CSDA	Centre for Social Development in Africa
DEL	Department of Employment and Labour
DPRU	Development Policy Research Unit
EMPLAB	The Employment, Labour Markets and Youth Branch
FAWU	Food and Allied Workers Unions
ILO	International Labour Organisation
LRA	Labour Relations Act
LWO	LWO Workers Organisation
NEDLAC	National Economic Development and Labour Council
NELA	National Employers Library Association
NMW	National Minimum Wage
SACTWU	South African Clothing and Textile Workers' Union
SADSAWU	South African Domestic Service and Allied Workers Union
Stats SA	Statistics South Africa
TERS	Temporary Employee Relief Scheme
UIF	Unemployment Insurance Fund

Executive summary

The Commission must undertake on-going monitoring of the implementation and impacts of the national minimum wage. The aim is to support evidence-based decision-making, and in particular to continually improve implementation while minimising unnecessary costs and maximising the benefits. The research reports will be published on the website of the Department of Employment and Labour at www.labour.gov.za. The internal research team of the Department of Employment and Labour conducted a qualitative research study to understand the stakeholder responses in the construction, agriculture and domestic sectors. The study was a build-up from a previous study conducted by the Centre for Social Development (CSDA) at the University of Johannesburg(UJ) in the previous years. The study employed a purposive sampling technique to gather in-depth insights from relevant respondents in the agriculture, domestic and construction sectors (which typically have low median wages). Within each sector, a sample consisted of trade union representatives, employer organisations and economic and labour experts. This sample amounted to twenty-six (26) respondents; six (6) trade union representatives, thirteen (13) employer organisations and seven (7) experts in labour and economy related matters. Respondents were drawn from the agriculture, domestic and construction sectors.

The aim of qualitative research is not to provide a statistically significant sample but rather to explore views and experiences of stakeholders and experts in greater depth. The following are the main findings aligned to the objectives of the study:

Study aim and objectives

The main aim of the study is to assess stakeholder experiences and responses to the preceding review of the NMW in the domestic work, agriculture and construction sectors. The following are the objectives of the study:

1. To assess knowledge of the NMW policy among employees and employers from the view of employee representatives and employer organisations;
2. To understand the views of respondents on the National Minimum Wage and the level at which it is set
3. To establish whether the NMW policy is viewed as a good policy or not
4. To understand if and how the NMW influences wages and other working conditions (e.g. hours worked per employee, social benefits and casualization);
5. To assess compliance with the NMW policy;
6. To analyse how the COVID-19 pandemic affected the implementation of the National Minimum Wage;
7. To assess the views of experts in labour and economics on the national minimum wage.

Key Findings

The following were the key findings emanating from the study, grouped according to the themes in the objectives

Knowledge of the national minimum wage policy among workers and employers from the view of employee representatives and employer organisations

The research by Patel, Mthembu and Graham (2020) indicated that in the domestic sector both employers and employees had limited knowledge of the minimum wage requirements. In the current study it emerged that mostly unionised employees are aware of national minimum wage in the domestic sector, while employers are often unaware, from the perspectives of the respondents. In the Patel et al (2020) study, most employers and employees in the agriculture sector indicated that they knew about the national minimum wage; however, in the current study there was an indication that the employers knew about the national minimum wage while employees had a relatively lower level of knowledge. In the construction sector both the employers and employees report as being aware of the national minimum wage. The experts indicated that they saw no proper education and awareness campaigns on the Act.

Views on the level at which the national minimum wage is set

In Patel et al. (2020), employees considered that the minimum wage for farm workers and domestic workers was too low. Employers generally expressed support for a living wage for domestic workers, but several expressed concerns about affordability. In the agriculture sector, several employers argued that increases in the minimum wage since 2012 were excessive and had a negative impact on the viability of their businesses. In the current study, the agriculture and domestic sector employee representatives were of the view that the national minimum wage offered hope of a living wage, although it started low.

The employer organisations in the agricultural sector felt that the national minimum wage was not taking into consideration other factors that affect the sector and this could subsequently lead to job shedding and mechanisation. In the construction sector, neither the employer, nor the employee representatives raised concerns regarding the level at which the national minimum wage was set.

Is national minimum wage a good policy tool in addressing labour issues?

In the current study, an extra question was added to better understand if the national minimum wage was viewed as a good policy tool in addressing labour issues. The experts indicate that it is too soon to establish the impact of the national minimum wage. However, there is a general consensus amongst the experts that the national minimum wage is a good policy, which requires little amendments.

Effects of national minimum wage on employment, wages and working conditions

Patel et al (2020) found that in the domestic sector, the national minimum wage did not affect non-wage benefits; however, in the agricultural sector there were reductions observed in these benefits. In the domestic and construction sector, no evidence was reported on the effect on employment and hours, and all reported changes were attributed to COVID-19 and the decline in the economy. The agricultural sector already reports an effect on employment. A common theme in the domestic and agriculture sector is that the sectors indicate feeling unheard and under-represented in decision-making platform. It is quite evident from the findings that the impact of the national minimum wage on hours, employment and non-wage benefits could not be easily separated from the impact of COVID-19 on businesses and other economic factors.

Compliance

Patel et al (2020) suggested broader compliance in agriculture, with slightly lower compliance levels in domestic work. In the current study lower compliance is reported in the domestic sector by both employer and employee representatives. Arguably, the affordability of the national minimum wage is said to be based on the area or location and the socioeconomic status of employers. In the domestic sector, employees perceived a high rate of exploitation mainly due to a lack of enforcement. In the construction sector, both employer and employee representatives report compliance.

The agricultural sector employer reported high levels of compliance despite concerns that the national minimum wage was unaffordable. The agricultural sector employee representatives indicate that compliance is only high if a business is unionised. The experts also observe a lack of compliance on the part of employers and suggest that the national minimum wage is set too low. One other important finding that kept emerging from various respondents is that employers generally do not find the systems of the Department of Employment and Labour user friendly. This consequently leads to non-compliance with national minimum wage and other legislation in the organisation.

COVID-19 impact

Employee representatives in the domestic sector report that the pandemic negatively affects the working conditions of employees in the domestic sector. The construction sector also report that retrenchments took place during the strict lockdown period. The employee representatives in the agricultural sector felt that the sector was impacted by COVID-19 and they felt that employers also used it as an excuse not to pay the national minimum wage. The wine industry was interrupted due to restrictions of liquor sales in the country during stricter levels of the lockdown.

Patel et al. (2020) gathered limited data on the impact of COVID-19 as the study was conducted at the start of the pandemic. However, similar to the current study, it indicates that the domestic sector was impacted greatly while agriculture sector was not affected as they offered an essential service.

To assess the views of experts in labour and economics on the national minimum wage

The experts who participated in the study raised concerns over the usability and availability of data from the Department of Employment and Labour. They further highlight that the lack of adequate information dissemination, enforcement, and inspection from the Department of Employment and Labour led to lack of compliance. The level at which wages were set was queried by the experts; there was a feeling that the national minimum wage was set to low, thereby hindering the impact of the Act being readily observed.

Recommendations

Knowledge of national minimum wage

- The Department of Employment and Labour should evaluate the effectiveness of education drives and awareness campaigns on any new legislations promulgated to identify gaps to ensure that the message reaches all citizens especially in rural areas.
- A thorough detailed study on the affordability of the agricultural sector should be conducted to ensure the sector does not mechanise or lose seasonal workers due to the national minimum wage.

Effect on employment, hours and working conditions

- The lack of consultation in decision-making seems to be a troubling matter in the domestic and agricultural sectors. The NMWC needs to revert to proposals and other concerns tabled by the sector to identify the reason for the outcry and concerns in the sectors.

Compliance

- There is an outcry regarding the non-user-friendly systems of the Department of Employment and Labour. This discourages compliance of the employers and employees. The department should look into these systems to ensure that they are easy to access for the general public.
- Over and above the availability and readiness of data, the Department of Employment and Labour needs to conduct a data cleaning and collation project to ensure the organisation has usable and accessible data for research purposes.

Chapter 1: Introduction

1.1 Introduction

The International Labour Organisation (ILO) (2021) defines the minimum wage as the minimum remuneration that an employer is required to pay wage earners. The central purpose of a minimum wage is to improve the wages of lowest paid workers, protect workers from unreasonably low wages, promote collective bargaining, supporting economic policy and reduce inequality (ILO, 2021). According to the ILO (2021), New Zealand was the first country to implement a minimum wage in 1894, it was followed by the Australian state of Victoria in 1896 and the United Kingdom in 1909. Initially minimum wages were especially applied to women and children to protect them as vulnerable workers.

South Africa remains faced with the so-called triple challenges i.e. poverty, unemployment and inequality. Adelzadeh and Alvillar (2016) revealed that as much as fifty percent (50%) of the South African population is living in poverty and a third of workers earned less than R2500 per month. This amongst others, has been the impetus behind the introduction of the National Minimum Wage (NMW) Act, with the aim and objective to respond to the three big challenges facing the South African country i.e. inequality, poverty and discrimination. It is quite evident in the fight against these three challenges that the injustices of the past perpetuated by apartheid would be difficult to reverse and annihilate completely. Over and above the NMW Act being a direct response to poverty, inequality and discrimination, it is also a highly political issue, which finds its roots in the freedom charter as one of the goals of workers as early as the 1930's (Adelzadeh and Alvillar, 2016).

The NMW Act came into effect as of 1st January 2019. The establishment of the NMW Act, is aimed at protecting vulnerable employees, alleviate poverty and promote equity. The NMW Commission is a commission instituted by the minister of Employment and Labour, one of its roles being to review the NMW annually, informed by research and make recommendations on any adjustment of the National Minimum Wage. These research studies inform the NMW Commission on the impact of the NMW on the economy, wages and employment. The findings enable the NMW Commission to make decisions based on scientific evidence during the time of the review.

A research study was commissioned by the NMW Commission in 2019, the study was conducted by the Centre for Social Development in Africa (University of Johannesburg). The study explored the impact of the NMW in South Africa, a qualitative report was produced. The key findings of the studies are summarised below (Patel, Mthembu and Graham, 2020):

- In the domestic sector both employers and employees had limited knowledge of the minimum wage requirements. In contrast to the agriculture sector were most employers and employees indicated that they knew about the regulations.
- The research suggested broader compliance with the national minimum wage in agriculture, with slightly lower compliance levels in domestic work.

- In the domestic sector the national minimum wage did not seem to affect non-wage benefits where as in the agriculture sector there were reductions in these benefits
- Overall, besides the reports of job losses in the agriculture sector there were no adverse effects on employment or wages due to the implementation of the national minimum wage
- Employees considered that the minimum wage for farm and domestic workers was too low. Several argued that it was unfair that the minimum wage in their sectors was lower than the national minimum wage.
- Employers generally expressed support for living wage for domestic workers, but several expressed concerns about affordability. In agriculture, a number of employers argued that increases in the minimum wage since 2012 were excessive and had a negative impact on the viability of their businesses.
- None of the domestic employers and employees reported having been visited by a labour inspector from the Department of Employment and Labour. Similarly, few farm workers recalled labour inspectors visiting their workplaces.
- Labour inspectors reported a lack of capacity to monitor compliance. The challenges are particularly steep for domestic workers since the normal procedures for accessing workplaces are not designed for private residences.
- With regards to the impact of COVID-19, the study could only collect limited data, this might have been due to the fact that the study was conducted at the beginning of the pandemic. The domestic sector was shown to be mostly impacted while the farm workers and employers of farm workers, in the agriculture sector said their operations were not affected by the pandemic since they were delivering an essential service.

While the 2019 NMW study highlighted that it was premature to draw firm conclusions on the impact of the NMW policy in the initial stages of implementation, it necessitates for a follow up study to be conducted to investigate the impact over a longer period. This study will be a follow up on the preceding study. The main aim of this study was to assess stakeholder (employer representative, employee representatives and experts) experiences and responses to the reviews of the NMW in the domestic work, agriculture and construction sectors. It will look at the impact of the NMW on employment, wages and non-wage benefits.

The NMW Act comes into effect at a time when the whole world is hit by the COVID-19 pandemic. The national lockdown regulations which among others, restricted trade, social gatherings and the movement of people, were put in place to combat the spread of the virus. These restrictions have had devastating effects of the economy and livelihoods of many. A number of businesses have been affected and many people have lost their jobs and wages in the process. It is therefore, almost not feasible to study the impact of the NMW without considering the role of COVID-19 and how it has affected workers and employers in these sectors. The effects of the NMW Act are bound to be tainted or influenced one way or another by the COVID-19 pandemic. Table 1 outlines the number of people employed in the agriculture, construction and domestic sector from the first quarter of 2020 to the second quarter of 2021.

Table 1: Total Employment by sector

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
	Employment (Thousands)					
Agriculture	865	799	808	810	792	862
Construction	1 343	1 066	1 080	1 166	1 079	1 222
Domestic	1 004	745	864	897	848	892

Source: Quarterly Labour Force Survey (Q2 2021). Statistics South Africa.

From the above table it can be observed that the three sector's employment levels were higher than the current levels pre COVID-19 lockdown. Although it may be prejudicial to articulate the aggregate drop in employment to COVID-19 hard lockdown restrictions in the sectors between quarter 1 2020 and quarter 2 2020, it cannot be disputed that it had some impact. The Employment, Labour Markets and Youth Branch (EMPLAB) of the ILO launched the rapid country assessments around the world to provide constituents and other stakeholders with a practical tool for the real-time diagnosis of the employment impacts of the COVID-19 pandemic to inform policy responses. This assessment was also conducted and published for South Africa in October 2020. The findings from the study painted bleak picture, their modelling estimated that between 887,016 and 2.66 million jobs are at risk over the next 24 months or so, with a concentration of job losses in lower-wage, more precarious, lower-skilled sectors located in the agricultural primary sub-sector and service sectors of the economy, such as domestic work, retail, and hospitality. This is also where informal sector workers appear to be predominantly employed. The research showed that COVID-19 unfortunately was likely to impact the most vulnerable workers in the South African economy hardest (Strauss, Isaacs, Rosenberg and Passoni, 2020).

The CIDB (2020) states that the construction industry was one of the hardest hit sectors in the wake of the lockdown restrictions and consequently experienced more job losses due to many of them being in the short term, project based contracts. The devastating effects of COVID-19 cannot be ignored on the implementation of the NMW Act, therefore one of the objectives of the study will be to investigate the impact of the COVID-19 on Minimum Wage earners in the domestic and construction sectors.

1.2 Selection of Industries

The selection of industries was guided by the Statistics South Africa's Labour Market Dynamics in South Africa report. Table 2 indicates that Private Households, Agriculture and Construction sectors remain the industries with the lowest median monthly earnings of employees. While the preceding study focused on the Domestic and Agriculture sector this will further add the Construction sector. This is done as part of an exercise to cover all the industries with low wage earners. It should be noted that the evidence provided in this table excludes the informal sector which will have less median wages than the formal sector.

Table 2: Median monthly earnings of employees by industry, 2014 -2019

	2014	2015	2016	2017	2018	2019
	RANDS					
Agriculture	2153	2231	2500	2600	2816	3033
Mining	7000	7500	8440	10000	8500	9000
Manufacturing	3900	3800	4000	4333	4000	4333
Utilities	7000	7500	8000	9000	10000	9000
Construction	2816	3000	3083	3400	3500	3683
Trade	3033	3100	3466	3500	3600	3900
Transport	4000	4000	4200	4500	4000	4333
Finance	4000	4000	4200	4500	4400	4500
Services	5000	5000	5000	5000	4800	4500
Private Households	1400	1500	1500	1733	1900	2000
Total	3033	3100	3300	3500	3500	3800

**Adapted from the Labour Market Dynamics in South Africa report, 2019 (2020). Statistics South Africa.*

1.3 Aims and objectives

The main aim of the study is to assess stakeholder experiences and responses to the preceding review of the NMW in the domestic work, agriculture and construction sectors. The following are the objectives of the study:

1. To assess knowledge of the NMW policy among employees and employers from the view of employee representatives and employer organisations;
2. To understand the views of respondents on the National Minimum Wage and the level at which it is set
3. To establish whether the NMW policy is viewed as a good policy or not
4. To understand if and how the NMW influences wages and other working conditions (e.g. hours worked per employee, social benefits and casualization);
5. To assess compliance with the NMW policy;
6. To analyse how the COVID-19 pandemic affected the implementation of the National Minimum Wage;
7. To assess the views of experts in labour and economics on the national minimum wage.

1.4 Rationale for conducting the study

This study will form part of continuous monitoring of the impact of the NMW Act. This type of study is crucial in ensuring the impact of the NMW Act is measurable and visible. The study will inform policy and decision making for the commission and all other relevant stakeholders.

1.5 Utilization of the results

The study findings will be presented to the NMW Commission to assist in decision making. The study will be published for public consumption upon consultation with relevant decision makers.

Chapter 2: Methodology

2.1 Research method

The methodology employed in the study is a qualitative research method. Campbell (2014) defines qualitative research method as collecting qualitative data that is used to create themes, allowing for a study of an exploratory nature.

2.2 Population, sample and sampling technique

The purposive sampling method is used in the study. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities that the informant possesses. It is a non-random technique that does not need underlying theories or a set number of participants. The researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience (Tong co, 2007:148). The study sample consisted of employer organisations and trade union representatives in the agricultural, domestic and constructions sector. A total of twenty-six (26) participants took part in the study, six (6) trade union representatives, thirteen (13) employer organisations and seven (7) experts. The experts were selected based on having work experience in the National Minimum Wage (NMW), economics and labour matters.

Table 2: Sample size by categories

	Trade unions	Employer organisations	Experts	
Domestic	3	3		
Construction	1	3		
Agriculture	2	7		
Experts			7	
Total	6	13	7	26

2.3 Data collection

A frame of employer organisations and trade unions in South Africa related to the domestic, agriculture and construction sectors was sourced from the South African Labour guide website. The experts were selected purposefully by the researchers in collaboration with the commission. The participants were selected based on willingness and availability to take part in the study. The interviews were conducted in focus group discussions with labour union representatives, experts and employer organisations representatives in separate groups. A total of seven (7) focus groups were conducted separately. The employer organisations were interviewed per sector, and trade unions were also interviewed per sector. Trade unions in the construction and agricultural sector could not avail themselves for the focus group interview and were therefore interviewed individually, with an exception of one respondent who opted to fill an emailed questionnaire. The interviews were facilitated online using Microsoft Teams in order to adhere to COVID-19 regulations.

In instances where participants were unable to participate on the focus group interviews, individual telephonic interviews were conducted. A number of participants were unable to take part telephonically and through the Microsoft Teams online platforms, in this instance the research instruments were forwarded through emails for self-completion. All telephonic and Microsoft Teams interviews were recorded and transcribed in detail.

2.4 Data analysis

The data is analysed using thematic analysis; thematic analysis is a method for identifying, analysing, and reporting patterns or themes within data. It minimally organises and describes the data set in detail; it also often goes further than this, and interprets various aspects of the research topic (Braun and Clarke, 2006:79).

2.5 Ethical considerations

Research ethics were adhered to in the study. Participation in the study was on a voluntary basis. Written informed consent forms were sent to the participants for completion prior to the interviews being conducted. A large number of participants failed to submit the informed consent form, to make up for this, the study participants were requested to provide verbal consent prior to the commencement of the interview sessions. All ethical principles were explained to the participants prior to the interviews. The study participants will be kept anonymous; no names of institutions were published in the report. The participants were advised that failure or unwillingness to participate in the study will have no consequences for them.

Chapter 3: Results and findings

This part of the report focuses on the findings of the study. The responses of the trade union representatives and employer organisations representatives in the domestic, construction and agricultural sectors are aligned with the objectives of the study. The direct quotations of the respondents are included in order to capture the views of the respondents more accurately. The findings are also thematised to ensure the key common issues are highlighted with more clarity.

3.1 Domestic sector

This section provides the views of respondents representing the trade unions and employer representative organisations from the domestic sector.

3.1.1 Knowledge of the NMW policy among workers and employers

The first question posed to the trade union representatives was to uncover whether they believe employees are aware of the national minimum wage, it appears as per the quotations below that the majority of the employees who know about the National Minimum Wage (NMW) are those who belong to trade unions. There is a feeling that those who do not belong to unions are not aware of the NMW and that employers ignore the Act. The following quotations attest to this:

I would say it's still a very small percentage of workers that actually know about it, and it's being ignored by employers generally.

Even though, we said workers know about it, those are the workers who are part of unions or organisations, and it's a tiny fraction of the number of workers in the country. So I would say it's still a very small percentage of workers that actually know about it

On the other hand, it emanates from the findings that employer organisations report that a lot of employers seem to be unaware of the NMW and to many it comes as a shock when they are informed of the rates by their employer organisations. This is clearly illustrated in the quotations below:

A lot of the clients or prospective clients that I deal with are not even aware of the national minimum wage. And sometimes they will ask if there's something like that, but they wouldn't frame it as such

Some are and some definitely not

Shocked about the value of it per hour totally shocked

3.1.2 Views on the level at which the NMW is set

The study also went on to enquire if the NMW set at right level from the view of the employee representatives. There were a number of remarks indicating that the decision to start off the domestic sector at a lower rate than other sectors affected the domestic workers negatively as it made them feel less valued and in the eyes of the law, this can be seen below:

they gave us a lower minimum wage; it makes us feel as though we're not equal to other workers. We are not actually professionals, we are not workers in society, we are less than, and it relays that same message to employers.

So I think, and it also starts to impart equality and dignity on behalf of workers when the wages are so low, employers take domestic workers for granted and they don't they don't treat them with respect, when you're paying a little bit more.

There was an optimism noted, indicating that the NMW offered some hope that they might get better wages even though it is not living wage as seen below

It brings hope to them that at least you're going to get a better salary, but it is not a living wage at all

Consultation with stakeholders

A persistent theme that comes out in both employer and employee representative is the feeling of exclusion or lack of consultation of the domestic sector in the decision making platforms done by the government. As can be seen below, employers feel that they were not consulted when these changes and acts were made or that there might be other organisations posing as domestic sector who are not even involved with domestic workers at all whose voices are louder. This can be seen in the quotations below:

And just to come back to the minimum wage, our feeling is that there is not enough input from domestic employers into the proposals that actually go to the NMW considerations. And, you know I think there are a lot of things that employers would like to table, you know, to be considered by the Minister

I don't think that is something that the minister must sit in and make changes, you know, first ask input from a large percentage of our employees and employers, so that you can really, you know, make sure that you touch on our employees in the rural areas, employers in the cities, and everything, so that you get that the minister can understand the circumstances of the different areas

The trade unions in the domestic sector also raised a concern on the lack of representation of the domestic sector in decision making platforms where the matters on the NMW are discussed. The view is that the commission consults organisations that do not work directly with the domestic sector, this therefore is seen by the domestic sector as a lack of consultation on decision making, which as a result leads to a lack of understanding on what informs the national minimum wage. The following quotations indicate this:

I think we need to set up. some type of meeting to also have our views and talk together about this new NMW before it is in effect next year as promised by the labour, that to me would be a fair way forward to not just impose on the job losses and employers telling a story, but also knowing that we have been part of that discussion. And we are prepared for taking this forward the national minimum wage.

We want to be part of the decision making of the NMW commission. They must not take it from the movements that are not working directly with the domestic workers. So it will be great if they understand that the national minimum wage commission can also come to domestic workers' meetings in future and hear what domestic workers are saying for themselves.

And the other thing that I think should happen is that those labour movements who are representing workers, at NEDLAC, Department of Employment and Labour must include domestic workers to be part of that

3.1.3 Is NMW a good policy tool in addressing labour issues

When asked whether the NMW was an adequate response to challenges in the sector, the majority of employee representatives felt that the NMW is not an adequate response but is only the beginning. There was a recommendation that formalising the domestic sector and adequate enforcement of the NMW could make the NMW more effective a tool to improve conditions of employees as stated below:

The NMW alone cannot reduce our challenges in the sector

There are a lot of issues with working conditions that the NMW will not address. But what I think will help to address those issues is formalisation.

The general response was that the policy should not be scrapped but to be amended as attested to below:

I think that the policy must be amended.

I would agree it needs to be amended, domestic workers should not be earning less than other workers. Because of what I said earlier, it sends a terrible message out to both workers and employees

The same question was posed to employer representatives, the general view from the employer representatives is that the NMW is a good principle and should be maintained, however there needs to be amendments to the Act taking into consideration the concerns and challenges faced by employers.

the NMW is a very good principle. And I think it was high time for force for a NMW to be established

it is definitely a very good starting point... we are very far from having arrived as yet. But it is good to start to formalize this the sector without doubt.

would say I am leaning towards the word amended, but I will rather say it will evolve over time. This definitely applies for that there is without a shadow of a doubt, a strong need for this, but it must evolve.

3.1.4 Impact of NMW on employment, wages and working conditions

Impact on employment

In response to whether or not the NMW affected employment, the trade union representatives stated that there was no reported impact. Instead the feeling was that the NMW was so little that the employers would not even feel its impact. Also, there was a feeling that domestic work was a much needed service, so much so that most employers would still proceed to hire domestic workers to make their lives easier despite the introduction of the national minimum wage. The quotations below bear testament to this:

...generally for employers, that is going to be a marginal incremental amount... is not enough to cause an employer to say, Oh, I'm not I'm not going to hire a domestic worker.

Domestic worker will always be there; it is one work that will always be there. We have proven that employers will always need for somebody to take care of their children. We make other people's work easy

The employer organisation representatives also reported that there was no reported effect of the NMW on employment from the employer's view.

But no, I don't think at this point in time. You know, it will have that that kind of a negative effect on the employment opportunities.

Impact on hours of work

Trade union representatives highlighted that there is some noted effect in the hours of work as reported by the respondents, however this cannot be ascribed directly to the effects of the National Minimum Wage. It appears that the employers are using the pandemic as a reason for the increasing the hours of work of domestic workers as they were not allowed to leave the premises during the lockdown. COVID-19 affected the hours of work so much that it was hard to establish or distinguish the effects of the NMW to those of the pandemic on the hours of work as can be seen in the quotations below:

those domestic workers were not allowed to go anywhere [because of the lockdown] Instead of just sitting there in their backrooms... they will wake up, go and do dishes even on Saturday and Sundays meanwhile, they are not paid for those days.

They are [employers] using COVID as an excuse and saying, Okay, well, there's an economic crisis. So we're reducing your wage, but you're still working the same number of hours, which is obviously completely against labour regulations

In contrast, employer organisations representatives highlighted a decrease in the hours of work and days of work, however this cannot be directly ascribed to the NMW policy as this happened after the imposing of the lockdown restrictions.

The people are reducing the number of days... a person worked five days a week, they will cut down to three. That that does happen. And that's normal... based on their own financial situation, but you can't say it's only because of the national minimum wage.

I have seen that since March of last year that there was there's been a cut back on days from five to two or three days, but that is purely because of the affordability because a lot of the one or both of the employers in particular household have lost their jobs or certain forms of income, because of COVID

They have reinstated the days again. So it could have been just a temporary effect, but definitely not because of the national minimum wage.

Impact on Non-wage benefits and working conditions

According to the trade union representatives the working conditions of many domestic workers seem to have deteriorated however this is largely exacerbated by the COVID-19 pandemic. It seems that some benefits were cut, some retrenchments were observed and many times the employers would use the pandemic as an excuse to victimise and exploit workers. Therefore, it is unclear or hard to distinguish whether any of these factors were caused by the introduction of the NMW or not, as seen in the quotations below:

Employers are having workers take Uber or Taxify, because they are afraid of COVID transmission from normal taxis. And in some cases, they are not increasing any sort of transport allowance. So that is quite a big jump in transport costs

They decided to keep them at their properties because they did not want those domestic workers to meet with other people or to travel by Taxis by buses because fearing that they will bring a Corona virus to them. So, this there was this reduce allowance or transport allowance for other domestic workers

There was no notable effect of the NMW on the non-wage benefits on the employers' side. The only observations were linked to reduction of benefits due to the pandemic as some employers felt no need to increase or add to wages as some domestic workers were not working during the hard lockdown but still getting paid. However, all of this was not directly linked to the NMW but to the COVID-19 lockdown.

When the employers do an annual increase of salaries, they would immediately say, for example, well, we will not even increase now in January or February, because we paid our domestic worker right through COVID. And she did not even work So they would not willingly give an increase

Not a direct correlation to the introduction of the national minimum wage, and also the change of the wage earlier in this year

3.1.5 Compliance

Trade union representatives reported that those employees who have some knowledge of the NMW still feel paralysed and unable to initiate this conversation with their employers due to the fear of victimisation as there is no thorough inspection and enforcement from the government. There is a feel that if there was enforcement from the government, the employers would be more likely to comply, as currently they are not complying. The following quotations indicate this clearly:

Some domestic workers are afraid to ask for a minimum wage because they are scared that if they talk about minimum wage, they will lose their jobs

It has not really had any impact amongst employers because they do not feel that there is any accountability

An employer will respond differently to hearing about the NMW from the government or from media, than if their own domestic worker says it, ...the domestic worker says it to them, they will get defensive, and potentially not take it too seriously, and maybe make threats. Whereas if they're hearing it from the Department of Labour, then there's more of a fear

... it [NMW] is being ignored by employers generally.

The compliance of employers to the NMW was probed, and it appears from the findings below that there is a view that only those who are law abiding would comply, whereas there are still those who would not bother to comply as there is no fear of punishment or any consequences. There are also some sentiments that suggest the type of residential area tends to determine the wage, employers in the cities seem to be more accepting of the NMW than those in rural area. There are some concerns about the lack of user friendly systems which discourages compliance to any other

legislations and processes by the department of employment and labour. Lack of enforcement and inspections seem to be the leading reason for employers' failure to comply.

I think for law abiding citizens...they would not hire somebody, if they could not pay them the correct wage. But there is a lot of people out there who will just go ahead and hire people at a lower wage anyway.

Like, it is really difficult to register with UIF, people find it confusing. Like if there were guidelines on what you actually need to do ... Because when you take away the difficulty of doing certain things, then people are more likely to do it. if people look at it, and they think this is such a hack that I have to do this, they will generally not do it

I think trying to get people to comply to it that will be problem number one. Because how do you make sure that everybody's doing what they're supposed to be doing? We cannot even get all the employers to register them for UIF and they have known about that for years.

People in the rural area, finds it, like shocking, and people in the cities... are more acceptable to it.

Affordability

The respondents were further asked if they believe the NMW was affordable to the employers in the domestic sector. The responses of employee representatives were all affirmative, the belief was that most employers can afford to pay even more than the prescribed NMW as can be seen in the quotations below:

I do believe that many employers can afford to pay the national minimum wage. The reason I am saying this is because we have many domestic workers who are earning way beyond the national minimum wage

The employer representative agreed that the NMW was affordable however, elaborated that the affordability of the NMW in the domestic sector seems to be determined by factors such as type of socio economic status of the employer and area of residence. They listed a few factors that determine the affordability of the NMW:

- The elderly employers in need of care also struggle to afford the NMW;
- There are some concerns from employers that the NMW does not take into account other benefits (e.g. electricity, food) that employers provide to the employees which would otherwise be at the expense of the employee in other sectors.

There are employers who can pay well, beyond the minimum wage, that should be paying a living wage, and then the employers who do not earn as much who need help and who hire domestic ladies, and you know, they may find it difficult

When a domestic worker lives in, she uses electricity... she gets food from the household. they provide like, a breakfast, lunch and supper ...now, that is something that the employers, you know, find strange that that is not considered when it comes to do the national minimum wage.

the elderly are looking after themselves, when they are also dependent on SASSA grants as employers as well, but they need the assistance of somebody that can assist them... then it becomes a problem, you know, when you sitting with a household with a reduced income, compared to the people employed in the formal sectors now

Wage setting

Respondents were asked to give their view on how the wages were set in the domestic sector. According to trade union representatives, there is no indication at all that employers consult the Act, however, the most common response was size of the household determines how much the worker would be paid.

Some employers are deciding themselves what to give the domestic worker and others they depend on the size of the house that domestic worker is working at.

The employer organisation representatives alluded that the employers might discuss amongst each other and set their own wages in a particular area, to make it difficult for the employees to challenge any offers below the NMW as quoted below:

The workers are convinced that all the employers have come together this was a year or two ago, they were saying that everybody was getting paid 1 500 Rand, and that was kind of the range for domestic workers. And they almost felt like especially because it is a community where everybody knows each other

There are communities where it looks like the employers are holding their own meetings or night meetings where they will agree that domestic workers must not get anything more than R2 000

This also reverts back to the lack of inspection and enforcement from the government, which in turn empowers the employers to do as they please.

Employer organisations alluded that none of the employers that they assisted report consultation with the Act or the Department of Employment and Labour. The majority of the employers' benchmark from friends and family members, social media and thumb sucking in order to benchmark against each other on what other employers are paying.

It is a gut feel or they speak to their friends, or their family members. And they ask, how much are you paying your domestic worker? And that's exactly what they do.

I have seen people asking on Facebook, you know, guys, what is the good wage to be paying your domestics. So I think people gather the information from a number of different places.

They do their own little bit of investigation and appoint on that basis. And maybe on top of the wage, they'll throw in, you know, the food accommodation. some instances, I've come across, they will add transport for children, for the children of the domestic worker to school examples of such I have seen, but it is really almost a thumb suck

3.2 Construction sector

This section provides the views of the trade unions representatives and employer organisations representatives from the construction sector.

3.2.1 Knowledge of the NMW policy among workers and employers

The responses from the construction trade union representatives indicate that the sector is aware of the National Minimum Wage (NMW) and that the employees in the sector generally earn higher wages than the stipulated NMW. This is supported by the quotation below:

Yes, [they are aware] they are paid a higher wage

The employer organisations in the construction sector indicated that the employers were aware of the NMW. The information on new legislations and changes in the NMW was communicated through bulletins and workshops to ensure that the information is filtered down timeously to the members as seen in quotations below:

Yes. Yeah, I would also agree, yes from our side we send out notifications in our bulletin, which goes out on a weekly basis. So anything that happens in the Labour Department is notified to the members immediately

In addition to sending out any legislation that comes out, we also hold workshops that our members do participate in, and we've had quite a few workshops about the national minimum wage. So they are very much aware on what is going on

3.2.2 Views on the level at which the NMW is set

The trade union representatives reported that they believed that the NMW was set at the right level and that the Act should remain as is, and never be changed or scrapped as employees were already struggling to afford things due to high prices as can be seen below:

Yes [the NMW is set at the right level]

Employees in the country suffering already because of high prices no, the NMW should not be scraped]

The overall view of the representatives of the employer organisations on the NMW from the employer's view in the construction sector is that the policy should be kept as is and not be amended. The consensus is that it is beneficial as it is protecting employees and is also affordable. Once more as seen in other sectors, there is an outcry for the Department of Employment and Labour to ensure to revisit the process of applying for exemption to make sure the system is easier to use and the rules are less strict. The quotations below confirm this:

The NMW is quite reasonable. Maybe it could have been more, the fact that it only increases with about three to 4% on an annual basis is also beneficial.

It is, of course wrong to exploit anybody. So I am happy with the NMW. And I am happy with the fact that the increment is almost equal to the inflation rates. And I think all employers can adapt to that

I think it should be left as is. And as we all agreed that it is fair for the NMW and it is fair to prevent exploitation from employers

I would advise that to assist, especially the smaller employers, that they should lessen the strict rules of the exemption applications.

3.2.3 Is NMW a good policy tool in addressing labour issues

The employer organisations representatives in the construction sector felt that the NMW was good policy as it set a benchmark preventing exploitation of workers and allowing the employer to pay more as can be seen below

I think there was a bit of expectation from employees, for the employers to pay them as little as possible for them to work a full day. And I am not saying that right. It is, of course wrong to exploit anybody. So I'm happy with the NMW. And I am happy with the fact that the increment is almost equal to the inflation rates. And I think all employers can adapt to that

And also remembering that it is a minimum wage. So those who are able to pay more can still pay more, but I think that it was an important way of balancing out where people were being exploited and not paid reasonably for the work that they were doing. So definitely I support the NMW and the way that it does go up according to inflation is also a good a good factor.

The employer organisations representatives in the construction sector felt that the NMW should be left as is, as it protects employees from exploitation:

I think it should be left as is. And as we all agreed that the NMW is fair and it prevents exploitation from employers

I agree with that as well...

The employee representatives felt that the NMW was not a good policy to address labour issues in the country, but however they indicate that removing the policy would allow even more poverty and suffering due to high prices already in the country as seen in the quotation below:

No, employees in the country suffer already because of the higher prices

3.2.4 Impact of NMW on employment, wages and working conditions

The respondent was asked if the increase in the NMW resulted in any impact on employment, wages and working conditions. The representative from the trade union indicated that there was no reported reduction of hours in the sector. There were some retrenchments reported however these were attributed to the economic situation in the country at large. No response was given on whether or not hours of work and benefits were affected by the NMW. The respondent was unavailable to be interviewed telephonically for further probing and opted to complete a questionnaire. The following are some of the quotations attesting to this:

Not that we are aware of [reduction of hours and benefits]

Our wages are higher in the building industry

There have been retrenchments due to the economic situation in the country

Smaller businesses closed their doors

In response to the type of impact the NMW has on employment, the representatives from the employer organisations alluded that there was no evidence of the effect in employment in the sector. There was a feel that the sector is in demand of more workers due to large amounts of work, although there was mention of a decline in the sector due to the economic crisis in the country. Overall though, there was no indication of the NMW being a factor or cause of a decline in employment in the construction sector as seen below:

I would certainly not say that is the case. there is so much work, you know at this point that I cannot see that will be the case in one of our areas, The NMW has been established more than two years ago. So our members had time to adapt. And also to make provision for the NMW in their tender processes. So now I do not think it will have a problem for the reduction of staff in the construction industry

The industry has been in decline for a few years already. So I would not say that the employees would lose the day jobs due to the minimum wage specifically. But I think that there are other economic factors at play that would cause for people to lose their jobs.

One important aspect to be guarded carefully in the implementation of the NMW is the effect it has on the hours of work of the employees. It is however to be noted that there is a level of bias that exists in the response to a question of this nature, as any reduction of hours of work is illegal, therefore self-response from employers might not be the most reliable form of method to gather the answer to this type of question. The response was indeed on the negative, the quotation below suggests that there was no reduction on the hours of work, as seen below:

First of all, an employer cannot reduce hours of work, unilaterally. It is an unfair labour practice. So if they want to reduce their hours of work, they have to consult with employees and then reach an agreement with employees. However, in our case, there was none such a reduction of hours of work.

Another important aspect to be considered in the implementation of the NMW is the effect it has on other non-wage benefits. There was no reported effect observed in the non-wage benefits in the construction sector, although there was some speculation that this could have happened in the smaller companies, although no formal reports or complain were received. The impact of COVID-19 was mentioned as reason for any effects seen in the sector.

I have not experienced any member informing me or complaining to me about things like that. But it is possible that it could have happened in smaller companies

COVID affected the industry. I do not think that minimum wage had a big effect. I think under the circumstances, it was just unexpected in the industry, and then devastating.

3.2.5 Compliance

Upon being asked whether the sector was compliant with the NMW, the response from trade unions was affirmative, also stating that the wages are set higher than the NMW, as seen in the next quotation:

Our wages are higher in the building industry

The employer organisation representatives indicated that the construction sector wages were already set at an already higher wage than the NMW, this would mean that these sector did not feel much of a pinch when the NMW was introduced. However, there should be recognition of the fact that the respondents could be representing the formal sector and bigger business. Therefore, the finding cannot be generalised to the informal sector as well. The quotation below highlights the fact that the smaller members are more likely to struggle with the NMW than big members:

There are some parts of the industry that are fine with it, the bigger members, and then the smaller members who would be struggling to cope with it, though as an association we do. We do support it as a balancing effect and scale across the industry.

The bigger companies will be participating in the voluntary bargaining Council, and they would have been at a higher rate, which, which was at the time in, in in 2019, it was 24 rand. So, they would have been operating at a higher rate, however, the smaller companies would, would all would have been struggling to, to meet that minimum wage.

Affordability

The issue of affordability of the NMW was also investigated. The trade union representatives indicated that it was affordable especially since the sector had wages that were higher

Yes, our current minimum wage is higher

The employer organisation cautioned that the affordability of the NMW in the construction sector seems to be more of a challenge to businesses located in the rural areas than in the cities, while there is also the opinion that the NMW is set at the right level, attested in the quotations below:

In city areas, urban areas, it was not a problem when the NMW was implemented in March 2019 being R20, but in the rural areas there was a big problem.

It is set at the right level. And there is no reason for employers who are able to pay more, not to pay more

Wage setting

In order to understand the steps taken by employer to determine wage, a question on wage setting procedures was asked. Trade unions explained that the sector was covered by a collective agreement and that was how the wages were set.

We are covered by a collective agreement

This was also asked to the employer organisations in the construction sector. The leading response was that there was a reliance on the bargaining council which assist in the process of wage setting in consultation with members and employees. This is seen in the quotes below:

So we get our mandate from the members the understanding that we take to the table at the Council, and that is the place where all negotiations take place, and whatever they agreed on, that will be sent down to the department at the end of the day

They [employers] are informed and it is recommended to them but it is still for them to comply and if they have any respect for the national laws they will comply

We sit at the bargaining council as well as the unions. So we sit there and we negotiate whether we are going to propose an increase, and I get demands from the members, and then we discuss that.

3.3 Agricultural Sector

This section gives a summary of the responses from the respondents representing the trade unions sector and employer organisations in the agricultural sector.

3.3.1 Knowledge of the NMW policy among workers and employers

According to the trade union representatives, there seems to be little understanding and knowledge of the NMW in the agricultural sector. The workers who do not belong to trade unions are the least knowledgeable on the Act. This is put down to a lack of training and awareness campaigns from the Department of Employment and Labour as can be seen below:

Workers in our sector know too little as Department of Labour has not run workshops in various sectors especially in the most vulnerable sectors of our economy such as agriculture

It is those who are unionized, yes they are aware, those who are not unionised, they do not know at all. They do not know even if an employer happens to increase the wages or reduce the hours they do not know what they are supposed to do. So now there is a lot of work that the Department of Labour needs to do in this regard to inform the workers about the NMW.

The response from employer organisations was that their affiliated employer organisations are aware of the NMW,

We are all aware of it

I think everyone is, most primary producers that all AGRI businesses that are member of organisations represented here today

3.3.2 Views on the level at which the NMW is set

The general view from trade union representatives is that the NMW is not set at the right level, although it gave some hope that one day the country will move to a living wage. There is a recurring themes of feeling discriminated by the government as the wages in the agricultural sector was set lower in the first two years of the Act being implemented. The above is elaborated further on in the quotations below:

They appreciate that the government is implementing the NMW to cover employees that are vulnerable to workers in the farm and the employees that are not organized, they appreciate but they also as workers hope that one day the government will go to the living wage

Where we started earning less than other sector, when the NMW was implemented, again they appreciate that government has a clause to equalize with other sectors, because the difference made them feel like they are being discriminated by their own government i.e. Labour.

There is actually hope that one day the government will look at the issue of the living wage but however as the union we always say to them that we can start with the NMW and then go to the living wage

It is not at the right level. Take into consideration the cost of living outside

According to the employer organisations the NMW not set at right level. Another burning concern within employer organisations in the agricultural sector is that the NMW does not take into consideration other non-wage benefits offered by the farmers. There is also a view that the NMW does not take into consideration the cost to company, which place many businesses at risk. The quotations below further support this statement:

By adjusting a minimum wage, you have not actually spoken to some of the key issues, for instance, you did not increase the output of a person, you only increase the cost the company. So there are many other issues. Unfortunately, this is a very complex situation.

we provide, which is not included in the minimum wage, nutrition, infrastructure, recreation, transport to work, healthcare, education, housing, with electricity and water etc. So people really looked like to look after the people. But it's not always factored in with a minimum wage

the NMW only looks at a wage, it does not really look at a lot of these other sort of aspects that agriculture sector provides. And agriculture really is very different from, say, the retail sector where you get your wages, and then you sort yourself out for the rest of your life, housing; transport; all of these issues are incredibly important.

The most dominant view of the employer organisations on the NMW is that the sector feels unheard and that despite the number of objections and submissions made to the minister, the government does not seem to understand or empathise with the situation of employers in the agricultural sector. The following quotes clarify this standpoint:

We are giving our feedback. And then the department said listen, we might be we aware of it. But guess what, this is what we are going to do.

But in terms of support to me is something different, support is listening to us, listening to the different stakeholders

3.3.3 Is NMW a good policy tool in addressing labour issues

The question was posed to the employer organisation in the agricultural sector to find out whether they believe the NMW was a good policy tool to address labour issues. The employer organisations felt that it was not a good policy as it did not consider the cost to the companies, they also felt it is a dis-incentivising process as the skilled and un-skilled employees are now being paid the same amount of money. The other benefits paid by farmers are not considered when the NMW is set. The following quotations are the direct responses from the respondents:

for instance, you did not increase the output of a person, you only increase the cost the company.

it has a major impact right through. And it is actually a dis-incentivising process, for instance, a trained person with a certain responsibility, etc. can earn exactly the same as somebody else, who does not have the skill, the experience, the expertise, or whatever. And that person might not even be permanently employed in this business. So they're not that vested. So one must also take those into consideration.

The social rent that we provide, which is not included in the minimum wage, nutrition; infrastructure; recreation; transport to work; healthcare; education; housing; with electricity and water etc. So employers really look after the people. But it is not always factored in with the minimum wage.

Now, the national minimum wage only looks at a wage, it does not really look at a lot of these other sort of aspects that that agriculture provides.

The employee representatives felt that the NMW is not an adequate response to the labour issues in the sector, but offers a good starting point towards the NMW as can be attested below:

Not, it's not as I said it to you, there is actually hope that one day the government will look at the issue of the living wage. However, as the union we always say to them we can start with the NMW and then go to the living wage

definitely not NMW an adequate response to challenges facing the poor and the working class of SA in the face of Inequality, unemployment and are subject to poverty the only solution is for government to adopt the Living Wage R12,500

There is also a feel that the NMW should be amended and be linked to inflation, while one respondent said it should be scrapped as it perpetuates poverty, as can be seen below:

it must keep on changing and be adjusted. And also my proposal, maybe to adjust the NMW and link it with inflation

It must be scrapped, as it perpetuates scourge corruption by the employers and deepens poverty and Inequality in society. We call for a Living Wage of R12500

3.3.4 Impact of NMW on employment, wages and working conditions

Impact on Employment

In probing whether the NMW has had any effect on employment, the trade union representatives indicated that it was not true, while there was another view that some employers have used the labour relations act to dismiss employees for operational requirements as observed below:

It will definitely not lead to any reduction of staff in workplaces

There are a number of businesses that have invoked section 189(a) of the LRA (Labour Relations Act) in some instances moved to retrench workers

The views of the employer organisations is that the NMW has already had negative effects on employment in the agricultural sector. A lot of employees have and still will lose their jobs in the agricultural sector, as can be seen below:

We provide accommodation to a lot of unskilled workers, where we could give them a wage compared to the contribution to the business, ... it is not a financially good decision to provide accommodation to workers. So you rather go on with without them

And it will definitely lead to job shedding. If I look at since 2012 in our particular industry. When we first had a significant increase in terms of the minimum wage, the number of people that we used to employ per hectare it has come down significantly from 1.3 people now are at 1.1. And we are going to see the trend continue.

It will definitely lead to a reduction. In our particular industry, our employee cost is roughly about between 35 to 45% of our direct input cost. Suddenly, if that within the business context, suddenly, if that portion goes up, just for argument's sake, with 16%, you cannot pass that on to the consumer. Because we are in a price taker environment

It has already led to retrenchments; it has a major impact on our seasonal workers. And just from a wine industry, on average, our cost production cost is sitting also on 40%. So the moment when you start looking at the new word of sustainability, and feasibility and breakeven analysis, you will see producers making new calculations and maybe adjust and adapt to new practices.

Another unavoidable after effect reported to be looming in the agricultural sector is the mechanising of work that could result from the sector being unable to afford the high level of the NMW. This is highly undesirable and could lead to more job losses as illustrated below:

When you are speaking of a general worker without any skills on a farm where you might be in the past use them to pick up mealies that was wasted during the harvest process you will rather make use of cattle

It is a dog eat dog business out there, it is all about price at the end of the day, with an increase in wages that will have to be passed on eventually to the customer. And we run into the risk of higher input prices ourselves that which leads into mechanization. It is at a tipping point, a lot of companies have already mechanized

Impact on hours of work

The trade union representatives alluded that there is some report of employers reducing hours of work in response to the NMW, despite this being illegal. There was also reported instances of increase in the working hour in the sector in order to respond to the higher demand. The quotations below show this:

I have noticed as we work with people on the ground, where you talk of hours of work, employers capitalize, instead of implementing the NMW adjustment, by reducing hours. I know in the NMW Act there is a clause that covers them. I think it is clause 8 where it says an employer may not change the conditions of employment, but the employers justify this, as to why they reduce hours, they do somethings at operations to make sure workers no longer work 8 hours, so they work less than 8 hours

In the essential service sectors that is why we experienced increased hours of work but workers' remuneration remained the same

Although no current reduction of hours is directly reported, there is a pre-emptive view from the employer organisation representatives that this will eventually take place. This is seen as unavoidable to make sure other businesses remain afloat. The following quotations confirm to this:

One cannot actually foresee that they will not be a reduction in hours of work

Because obviously when you when you sit from a practical point of view, to see whether a business must stay open or whether it must close completely, one must consider whether you implement reduced hours of work for some employees, and whether you increase hours of work for others just to keep the business flat.

Impact on non-wage benefits and working conditions

Both the trade unions and the employer organisations indicated that there was no report of any effect of the NMW on the working conditions in the agricultural sector. However, there was a concern for the employees that are not unionised. This is quoted and was sourced from trade unions although it gave no further details and elaboration on the type of benefits that were reversed:

I did observe again where there is a high level of reverse of benefits to employees were also the employees are not unionized

The employer organisations indicated that there no specific loss in non-wage benefits has been reported, however there was report that hiring seasonal workers might be difficult with the new minimum wage:

Saving jobs is going to be extremely difficult and the reemployment of seasonal workers [will be] extremely difficult so maybe you will also see a numbers flying out of agriculture without work

3.3.5 Compliance

According to the trade unions the level of compliance to the NMW amongst the employers is seen to be higher in the formal sectors and those sector where the workers are unionised. There are employers who are reported to take advantage of the low literacy levels of employees in the agricultural sector, as seen in the quotations below:

Those employers that comply are the employers whose companies are unionized. Those employers comply with the NMW, I do not want to lie, those employers who are not unionized even though they know that there is a NMW act that they are supposed to adjust wages of employees to, they ignore that because they know that the level of education of workers in farms is too low, thy do not read the law, they do not know, they are not organised

In a more formal and unionised sectors there is a steadily move to implement the NMW with some resistance from individual employers, in the informal sector there is no cooperation from employers at all

Affordability

There is a general consensus among the union representatives that the NMW is affordable and that employers can actually afford to pay more as can be seen below:

I think it is affordable, NMW within the industry and they can afford more, let me just say it is affordable

The prescribed NMW is affordable and the employers can even do more

The affordability of the NMW is highly disputed by the employer organisations in the agriculture sector. The general consensus was that the government does not seem to understand that the sector does not dictate prices from the market. As a result, the majority of the sector profits will end up going to the wages.

The issue with us, especially with our members in the agricultural sector is that it seems that the department forgets that farmers or the agriculture sector employers are price takers. So our members cannot dictate, prices that they receive on the market or in the wholesome industry and so forth

It is cheaper for me now to go and import lumber from eSwatini than it is to buy it at a local store in South Africa, because our minimum wages are higher and input costs are higher. So that was just a quick example of the realities that we faced

Wage setting

It appears below that the majority of the farmers are well represented and therefore informed of the NMW by their affiliated employer organisations. They are then informed of the new wage rates and they apply it. There is also mention of some farmers who do not comply to it which leads to strikes by employees, as seen in the quotations below:

From what I noticed I would say employers, the farmers, because they are represented, the organisations tell them about the NMW, and that the money needs to be increased and about how much they need to be paid

Adjustments of salaries are not the same from one employer to the other, in some instances workers are forced to strike

The sector does report that the NMW is used as a guideline in the setting of wages in order to comply with legislation, despite the sector being unhappy with the legislation. The quotation below states this:

I think the minimum wage will be a guideline. I think also, when you are sitting in any industry, you will have to look at market related circumstances, you will look at the skills needed.

3.4 COVID-19 impact across all industries

COVID -19 affected the economy significantly, the agriculture, domestic and construction industries were not immune to the impact however the degree of impact varies between the industries. The domestic sector was hit the hardest this was also shown in table 1 in the earlier sections of the report. The trade unions reported that working conditions of employees in the domestic sector have been impacted negatively by the pandemic. Some benefits were cut and those who live in their employer's houses were not allowed to leave the home therefore increasing hours of work and some benefits. It is alleged that the pandemic might have increased exploitation of workers

I just think that they are exploiting the situation of the COVID- pandemic and mistreating domestic workers and making their work more and threatening them about losing their work.

Workers minds are so crowded whenever you ask them a question, even if you ask them about the unemployment fund, you ask him anything, it boils down to how to COVID-19 has affected them, they cannot see clearly anymore, because they think of the survival of their children.

The employer organisation representatives in the domestic sector reported that the employers were reluctant to increase wages and they also cut back on days of work which could be a direct impact of the employers losing their job during the lockdown. No specific link to the NMW was reported, as seen below:

I have seen that since March of 2020 there have been cut backs on days from five to two or three days, but that is purely because of the affordability because a lot of the one or both of the employers in particular household have lost their jobs or certain forms of income, because of COVID

Employers will say we will not even increase wages in January or February, because we paid our domestic worker right through COVID. And she did not even work. So they would not willingly give an increase. That is one thing that quickly jumps to mind right now.

The construction industry was also affected by the hard lockdown that was instituted in March 2020. The trade unions representatives reported that the effect of COVID-19 in the construction sector was the retrenchments that took place during the strict lockdown restrictions as can be seen below:

There have been retrenchments due to the economic situation in the country

From the employer's side the representatives indicated that small businesses struggled to pay their employees during the strict lockdown, however this was not attributed to the NMW but to COVID lockdown restrictions. The applications for TERS are were also listed as some of the difficulties the construction sector faced during the lockdown restrictions, this is demonstrated by the quotations below:

There was not much impact. But the big problem was the application of the TERS. And in our area, we had various strikes due to the incorrect interpretation of the TERS application funds.

So we were affected quite heavily with a numbers of businesses, not being able to pay their staff. So that's how COVID-19 affected the industry. I do not think that minimum wage had a big effect. I think, under the circumstances, it was just unexpected in the industry, than devastating.

According to the trade union representatives the agriculture sector was not impacted significantly by COVID-19, however they felt that employers used it as an excuse not to pay wages. There is however reported misuse of the TERS by employers and the use of COVID 19 as an excuse not to pay the right wages.

There is no big impact on the agriculture cause by COVID-19 since the sector was declared as essential services, that is my experience on the ground, but employers, used the COVID-19 pandemic as an excuse for not paying the correct wages, or to better the condition of employment of the farm workers, using the COVID- 19 as an excuse.

Government gave financial bailouts to struggling businesses, many employers saw an opportunity to loot from poor workers by not paying those monies over to the rightful owners

All in all, COVID-19 cannot be an excuse for non-implementation of NMW

The employer representatives in the winery industry reported to have been hit the hardest due to the constant closing of liquor sales in the country during stricter levels of the lockdown, however no definite figures could be given on the impact of COVID-19, as seen below:

We cannot provide figures. We do not have that on hand.

I think you need to make a note of that specifically from a wine industry side. Next year, when you start looking into a minimum wage, you will only see the ripple effect then, as we're really in a dire situation at the moment.

3.5. Expert opinions

This section summarizes the response from various experts who took part in the focus group interview.

3.5.1 View on the NMW level

There was a concern that prior research had revealed that the NMW should be set at an even higher level than the current value. However, there was some disappointment cited about the low levels at which the NMW was started.

Those of us who were involved in the number crunching, the data arguments at the time, we were disappointed that there was a pretty conservative number that was set, that was like a safe number that was introduced at the beginning. And it is a bit of a worry that the Commission is still playing it safe

Projections that were made in the presentations and data that was put together by organized labour at the time. The evidence that was submitted at the time seemed to suggest that if the level had been set quite a lot higher, it would have had a more significant effect on all three of the objectives of the NMW

The correct level is not just a short term employment impact effect, which might come and go and can be a fluctuation. But really, you want to assess at least in a five or ten year period? and seeing how is it impacting firms' investments, reduction in labour turnover? Is it increasing output per capita? ...

3.5.2 Is NMW a good policy tool in addressing labour issues

The experts were requested to give their views on the NMW. The NMW was described as an important tool to address the triples challenges of the country. Over and above that it was emphasized that the NMW will propel the country towards building a stable society as cited below:

So a minimum wage serves a number of things you need in a stable society. And a stable society is one that can afford certain minimum basics. That's what we need.

The NMW has an important role to play in addressing the triple challenges and learning more and more broadly, in terms of economic stimulus and development, quality of life, and so on.

3.5.3 Impact of the NMW on employment, wages and working conditions

None of the experts were able to give definite answers on this aspect. The view was that it was too early to measure the impact and that no credible empirical data was available at the moment to substantiate whether or not the Act had accomplished what it set out to do and whether the impact on wages and employment. The importance of longitudinal data and studies done over a longer period of time was emphasized. The quotations below indicate this:

With regards to evidence around how successful or how unsuccessful it might be. It is very early days to say.

The real impacts for both workers and, and employers actually cannot be accurately measured until there is compliance with.

I think that the question of data is, especially, the point of the importance of longitudinal data is really, really important. And if there is one thing that that government should be doing at the moment is, is really putting more resources into that collection

There is no evidence that the NMW is beginning to fundamentally shift the wage structure of South Africa, particularly the high levels of inequality. I mean, that is the short answer. It goes back to the importance of longitudinal studies

Another aspect that was highlighted was the importance of finding means to separate the impact of the NMW from the effects of COVID 19 as per the quotation below:

It is important to disentangle the effects of the COVID-19 pandemic in the broader macroeconomic economy, specifically the NMW.

3.5.4 Data quality and custodianship

In order for the Department of Employment and Labour to monitor the impact of NMW in the economy, it needs to utilize all the data options available including the use of administrative data. There is a view that the Department of Employment and Labour sits on large sets of data which is not optimally utilized which should be made available for public consumption. There is a view that the administrative data is of poor quality and this can be addressed if the department is capacitated to conduct thorough research and investigations, instead of relying on external institutions to conduct research of this nature.

More needs to be done and data needs to be made public. especially since the Department of Labour is sitting on a vast mine of data. We had some access to it, a lot of the data is very poor quality and difficult to use. I think it is also poor quality, because no one uses it. And there needs to be some feedback loop in getting this data checked in.

we really need to institutionalize our instruments. And we should not be doubting whether this is public or private, all data must be public, especially one that has been bought collected by civil servants in the line department or where we know it will be public... addressing the scourge of poverty have to be at the centre of being visibly institutionalized.

The capacity was very thin on the ground in in the Department of Labour, there is simply not enough people required to be able to do thorough investigations. And yeah, so I would hope that in this review process, both the NMW Commission and the staff of the Department of Labour are being asked the questions about what additional capacity they need, in order to fulfil the obligations of the NMW Act, and, and so on

It's really unacceptable, that it is left to just to the universities and NGO's to do the crunching of the significant data that is needed for such an important national policy

3.5.5 Compliance

Lack of compliance is a common theme that comes up from all stakeholders, including the experts. The concern is that compliance from employers is low due to lack of proper enforcement and inspection from the Department of Employment and Labour, as seen below:

You need an Inspectorate that is vigilant and so on. And that's been robbed because the department not having enough staff.

I think the levels of non-compliance have remained very high. So I think, it goes back to my point I made earlier that, the real impacts for both workers and, and employers actually cannot be accurately measured until there is compliance with.

The issue of non-compliance is probably quite important in also trying to assess the level of which the national wages is set, so you are going to want to see reasons for non-compliance, in surveys and case studies, and all those kinds of things and see if non-compliance is a result of lack of knowledge.

There was a concern over the lack of awareness and campaigns educating the public on the NMW. There is a feeling that the NMW is not being publicized as it should be, the below quotation reports on this:

What has been disappointing, both about the trade union response and from the Department of Labour is the absence of any concerted information campaign, because one of the reasons that we always argued as labour with regards to the NMW was that you need an amount that everybody knows that if you ask anybody in the street, what is the national minimum wage? they would be able to say it's 22, an hour, or whatever the amount is, and so that, it then becomes easy to claim that right. But there's been a real silence both on the Department of Labour and on the part of the trade union movement

Chapter 4: Discussion

This part of the report focuses on the key findings of the employer representatives, employee representatives and experts in the domestic, agricultural and construction sector. The findings will be discussed below in relation to the objectives of the study and further correlated to the findings from the previous research study conducted by Patel et al (2020).

The study sample is small and the results cannot be generalised to the views of all non-unionised employees, all the trade unions and employer organisations, however it gives insight into the views of the stakeholders on the implementation of the NMW. A limited sample was utilised because the study was a build up from the previous study conducted by Patel et al (2020).

1. To assess knowledge of the NMW policy among employees and employers from the view of employee representatives and employer organisations

Employees in the domestic sector are reported to be aware, while employers are often unaware of the NMW. In the agricultural sector the knowledge of the NMW is low among employees and high amongst the employers. This is in slight contrast to the findings of Patel et al (2020) which indicated that the domestic sector both employers and employees had limited knowledge of the minimum wage requirements. In contrast to the agriculture sector were most employers and employees indicated that they knew about the regulations. In the construction sector, both the employers and employees are reported as being aware of the NMW. This strengthens the case for further enforcement and education of citizens across the country on any new legislations in the country.

2. To understand the views of respondents on the National Minimum Wage and the level at which it is set.

The previous study i.e. Patel et al. (2020) reported that employees considered that the minimum wage for farm and domestic workers was too low. Several argued that it was unfair that the minimum wage in their sectors was lower than the national minimum wage. Employers generally expressed support for living wage for domestic workers, but several expressed concerns about affordability. In agriculture, a number of employers argued that increases in the minimum wage since 2012 were excessive and had a negative impact on the viability of their businesses.

In the current study, the trade unions in the domestic sector seem to feel that the NMW is affordable and actually employers could afford to pay more. In contrast, the employers feel that this varies from one employer to another. A persistent theme that comes out from both employer and employee representative is the feeling of exclusion or lack of consultation of the domestic sector in the decision making platforms. The domestic sector feels that they were not consulted when changes and acts were made or that there might be other organisations posing as domestic sector who are not even involved with domestic workers at all who are being consulted instead. Overall the Act is seen as a good start to moving toward the living wage and the formalisation of the sector. This is also true for the agricultural

sector trade unions, whereas the employer organisations in the agricultural sector feel that the Act will affect business negatively.

The smaller businesses in the construction sector are more likely to struggle with the NMW and the affordability of the NMW in the construction sector seems to be more of a challenge to businesses located in the rural areas than in the cities. The overall view on the NMW from the employer's view in the construction sector is that the policy should be kept as is and not be amended. The experts expressed concern over the low levels at which the wages were set and that prior research had indicated that it should be stated at a higher level.

3. Is NMW a good policy tool in addressing labour issues

The domestic sector employee representatives felt that the NMW is not an adequate response but is only the beginning of the policy and that the policy should not be scrapped but amended, while employer organisations. Employer representatives also felt that the NMW is a good principle and should be maintained, however there needs to be amendments to the Act. Experts felt that the NMW was a good policy but needed to be amended, however they felt that it was too soon to establish the impact of the NMW as it needs to be monitored over time. Employer organisations and employee representatives in the construction sector felt that the NMW was good policy as it set a benchmark preventing exploitation of workers and allowing the employer to pay more and should be left as is, as it protects employees. Employer organisations in the agricultural sector felt that the NMW policy was not a good policy at all, while the employee representatives felt that it was a good start towards establishing a living wage.

4. To understand if and how the NMW influences wages and other working conditions (e.g. hours worked per employee, employment, social benefits and casualization)

In the previous study, in the domestic sector the national minimum wage did not seem to affect non-wage benefits whereas in the agriculture sector there were reductions in these benefits. In the current study, the working conditions of employees in the domestic sector seem to have been more testing during the lockdown season, there are reports of domestic workers whose hours of work increased due to being stuck at the employer's home during lockdown, some retrenchments and exploitation was reported. No direct effects on the NMW were reported by both sides of the stakeholder as they all believed any changes were due to COVID -19.

In the construction sector there was no reported reduction of hours of work in the sector by both trade unions and employer organisations. There were some retrenchments reported however these were attributed to the economic situation in the country at large. No response was given on whether or not hours of work and benefits were affected by the NMW. There was no evidence of the effect in employment in the construction sector, instead there was a feel that the sector is in demand of more workers due to large amounts of work, although there was mention of a decline in the sector due to the economic crisis in the country.

In the agricultural sector no changes were reported in non-wage benefits by employers, however trade unions report job cuts and strikes due to lack of compliance with the NMW. This tallies with findings from the previous research which indicated that overall, besides the reports of job losses in the agriculture sector there were no adverse effects on employment or wages due to the implementation of the national minimum wage. The employers are of the view that the sector will eventually opt to mechanise, cut seasonal workers and reduce hours in order for the business to remain afloat. None of the experts were able to give definite answers on the impact of the NMW on employment, wages and working conditions as they felt it was too soon and this could only be observed over a longer period.

5. To assess compliance with the NMW policy

According to Pate et al (2020), research suggested broader compliance with the national minimum wage in agriculture, with slightly lower compliance levels in domestic work. It emanates from the findings in this study however that both employer organisations and trade unions in the domestic sector do not believe that there is a compliance with the NMW policy. The employers seem to be unwilling to respond due to lack of knowledge or simply, lack of enforcement, whereas the employees are afraid to raise the issue due to fear of being retrenched or victimised. Although the current study did not delve into aspects of enforcement, it is worth noting that the previous study indicates low levels of inspection and enforcement as majority of respondent reported not being visited by a labour inspector from the Department of Employment and Labour. Similarly, few farm workers recalled labour inspectors visiting their workplaces. This was further reiterated by Labour inspectors who reported a lack of capacity to monitor compliance. The challenges are particularly steep for domestic workers since the normal procedures for accessing workplaces are not designed for private residences.

The setting of wages seems to be largely based on benchmarking exercises done amongst employers, this is reported by the employee and employer organisation. This could be an indication of lack of information or support on how the wages are set, or deliberate refusal to comply with legislation by employers. There is a feel that the NMW should be taking into account other benefits provided by employers to the employees by both the domestic and agricultural sector. The construction sector indicated that wages were set at higher level than the NMW, therefore the sector was complying. The agricultural sector trade unions, indicated that employers covered by trade unions are complying, while the non-unionised are often victimised. The employer organisations report that the sector does comply despite the levels being unaffordable. The experts also reported also to have observed a lack of compliance from employer organisations.

Data from the CCMA indicates that 1% of total referrals received from 1 January 2019 to 30 June 2021 were pertaining to the NMW. The building, domestic sector and agriculture sectors appear in the top six (6) list of disputes received by the CCMA, with the three sectors accounting for 7%, 5% and 4% of the total number of referrals respectively. The dispute types are listed as follows:

Claims for failure to pay any amount owing in terms of the NMWA	4 649 (75% of the NMWA referrals)
Unilateral changes to terms and conditions in terms of the NMWA	1 340 (22% of the NMWA referrals)
Dismissal for operational reasons related to the NMWA	98 (2% of the NMWA referrals)
Any other dismissal related to NMWA	90 (1% of the NMWA referrals)

6. To analyse how the COVID-19 pandemic affected the implementation of the National Minimum Wage.

In the domestic sector, there is evidence of hours and days of work being cut, however this is largely linked to the changes in employer's socioeconomic matters because of the pandemic. The employees report increase in hours and direr working conditions due to the pandemic. There is no evidence of this being due to the implementation of the NMW in all the sectors.

In the construction sector, small businesses struggled to pay their employees during the strict lockdown, however this was not attributed to the NMW but to COVID-19 lockdown restrictions.

The trade unions feel that the COVID 19 did not hit as hard in the agricultural sector as the sector is an essential service and kept working optimally even with the lockdown. The employer organisations dispute this and the most affected industry is said to be the wine industry as they were mostly non-operational during the hard lockdown.

The previous research by Patel et al. (2020) could only produce limited data on the impact of COVID-19 as the study was conducted at the start of the pandemic. However, it appears that similarly to this current study, the domestic sector was shown to be mostly impacted while the farm workers and employers of farm workers, in the agriculture sector said their operations were not affected as much by the pandemic since they were delivering an essential service.

7. To assess the views of experts in labour and economics on the national minimum wage

The experts in labour and economics highlighted concerns over the usability and availability of data from the Department of Employment and Labour. There was concern over lack of enforcement and inspection to ensure compliance. The lack of adequate information dissemination on the NMW to the public was also a point highlighted. The level at which the wages were set was queried and the role and effectiveness of the NMW was called into question.

Chapter 5: Conclusion

The study above was conducted by the National Minimum Wage (NMW) research and monitoring unit upon request of the NMW Commission. The aim of the study is to gather the stakeholder response on the impact of the NMW in the agriculture, domestic and construction sector. The study was of a qualitative nature, focus groups with trade union representatives, employer organisation representatives and experts were conducted through the Microsoft Teams platforms, a few other respondents were interviewed telephonically and through self-completion of questionnaires. A total of 26 participants took part in the study.

It can be deduced from the findings of the study that the impact of COVID-19 lockdown restrictions shadowed the impact of the NMW, making it difficult to separate the impact of the Act to that of the lockdown. The knowledge of domestic workers on the NMW seems to be quite high however the lack of enforcement paralyses the workers from demanding what is rightfully theirs. The agricultural employees belonging to unions are said to be aware of the NMW however those not belonging to unions are not knowledgeable.

Compliance with the NMW appears to be quite low in the domestic sector, while quite high in the agricultural and construction sector. However, employee representatives still feel this is based on whether or not there is active trade unions in the institution. The effects on employment, seems to be more visible in the agricultural sector as the sector reports inability to afford the payment of seasonal workers and having to opt for mechanisation. The agricultural sector feels unheard and that the government imposes instead of taking time to understand their industry.

Hours of work seem to have increased for the domestic sector, with benefits being affected. There is some mention of some reluctance by employers to increase wages due to the effects of the lockdown. The agricultural sector was affected mostly in the winery sector due to lockdown restrictions.

5.1 Recommendations

Knowledge of national minimum wage

- The Department of Employment and Labour should evaluate the effectiveness of education drives and awareness campaigns on any new legislations promulgated to identify gaps to ensure that the message reaches all citizens especially in rural areas.
- A thorough detailed study on the affordability of the agricultural sector should be conducted to ensure the sector does not mechanise or lose seasonal workers due to the national minimum wage.

Effect on employment, hours and working conditions

- The lack of consultation in decision-making seems to be a troubling matter in the domestic and agricultural sectors. The NMWC needs to revert to proposals and other concerns tabled by the sector to identify the reason for the outcry and concerns in the sectors.

Compliance

- There is an outcry regarding the non-user-friendly systems of the Department of Employment and Labour. This discourages compliance of the employers and employees. The department should look into these systems to ensure that they are easy to access for the general public.
- Over and above the availability and readiness of data, the Department of Employment and Labour needs to conduct a data cleaning and collation project to ensure the organisation has usable and accessible data for research purposes.

5.2 Limitations

The limitations of the study are those characteristics of design or methodology that impacted or influenced the application or interpretation of the results of the study. They are the constraints on generalisability and utility of findings that are the result of the ways in which you chose to design the study and/or the method used to establish internal and external validity (USC Libraries, 2011, n.p). The following are some of the limitations that can be deduced from the study;

- The use of email and telephone to collect data has a low response rate. There is an opportunity for the unit to derive new means of data collection as the use of email to disseminate questionnaires and MS Teams results in low response rate.
- The sampling strategy in use, which is purposive sampling, has embedded weakness. A non-probability sampling method is more biased, because the individuals chosen are not random. They also might not represent the views of the entire population.
- The study sample is of a small proportion and the results cannot be generalised to the views of all non-unionised employees, trade unions and employer organisations, however it gives insight into the views of the stakeholders on the implementation of the NMW. A limited sample was utilised because the study was a build up from the previous study conducted by Patel et al. (2020).

5.3 Lessons learnt

- There is a shortcoming in the availability and accessibility of administrative data from the Department Of Employment and Labour. This delays and hampers data collection processes as more effort is put into mundane tasks such as deriving contact details of clients. The research and monitoring unit should consider further engagement with various stakeholders in the organisation on how to generate accurate and readily

available administrative data. The impact of COVID-19 cannot be ignored in the implementation of the NMW as it had a large effect in many industries across the country

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ANNEXURE A: RESEARCH INSTRUMENTS

Employer Organisations

1. Are your affiliated employers aware of the NMW Act?
2. Is the prescribed NMW affordable in your industry? Please elaborate
3. How are wages set in your industry? How do employers decide how much employees will be paid?
4. Has your industry adjusted the salaries of the employees to match the prescribed NMW? Please elaborate on why
 - 4.1 Do you believe the adjustment of the salaries did/will lead to the reduction of staff in your institution?
5. What has been the impact of COVID-19 on your industry? How does this affect the implementation of the NMW in your industry?
6. Has your industry reduced or increased the hours worked by any category of workers? Why?
7. Has your industry downsized employment or reduced hours of work this year? If no, do you see this happening in the future?
8. Have you observed a change in allowance or deductions for accommodation, transport and other benefits in your industry?
9. What challenges have emanated/will emanate from the implementation of the NMW in your industry?
10. What is your view of the NMW policy? Do you think it is an adequate response to challenges in this sector?
11. Do you think the minimum wage amounts are set at the right level? Please elaborate
12. Do you think the NMW is having an effect in the sector? Please elaborate on how so (prompt wages, employment numbers, effects on wages, effects on non-wage benefits)
13. Do you think the NMW policy needs to be scrapped, amended or left as they are? Please elaborate
14. What are some of the steps that the government can take to support employers to ensure compliance with the NMW act?
15. Do you have any other comments that you think are relevant?

Trade Unions

1. Are employees in your industry aware of the NMW Act?
2. Do you believe the prescribed NMW is affordable in your industry? Please elaborate
3. What are the views of employees on the NMW act?
4. How are wages set in your industry? How do employers decide how much employees will be paid?
5. Has your industry adjusted the salaries of the employees to match the prescribed NMW? Please elaborate on why
 - 5.1 Did/will the adjustment of the salaries lead to the reduction of staff in your institution?
6. What has been the impact of COVID-19 on workers? How does this affect the implementation of the NMW in your industry?
7. Has your industry reduced or increased the hours worked by any category of workers? Why?
8. Has your industry downsized employment or reduced hours of work this year? If no, do you see this happening in the future?
9. Have you observed a change in allowance or deductions for accommodation, transport and other benefits in your industry?
10. What challenges have emanated/will emanate from the implementation of the NMW in your industry?
11. Do you think the NMW is an adequate response to challenges in this sector?
12. Do you think the minimum wage amounts are set at the right level?
13. Do you think the NMW is having an effect in the sector? Please elaborate on how so (prompt wages, employment numbers, effects on wages, effects on non-wage benefits)
14. Do you think the NMW policy needs to be scrapped, amended or left as is? Please elaborate
15. What are some of the steps that the government can take to support employers to ensure compliance with the NMW act?
16. Do you have any other comments that you think are relevant?

Experts

1. Please give a brief introduction of yourself (Including any work you have done around labour issues and or/the National Minimum Wage).
2. South Africa's NMW took effect on the 1st of January 2019, in an effort to address income inequality and is intended to protect low-paid workers and assist in overcoming the debilitating inequality that characterizes the South African society. What is your view of the NMW Act?
3. What are some of the biggest changes you have seen for workers after the introduction of the National Minimum Wage?
4. What are some of the biggest changes you have seen for employers after the introduction of the National Minimum Wage?
5. Please elaborate on whether or not you think the NMW amounts are set at the correct level?
6. What effects do you think the NMW is having on wages in South Africa? Please elaborate
7. What effects do you think the NMW is having on employment in South Africa? Please elaborate
8. Do you think the NMW Act is an adequate response to challenges in South Africa i.e. inequality, unemployment and poverty? Please elaborate
9. In your view, what has been the impact of COVID-19 on the implementation of the NMW Act?
10. Do you think the NMW Act needs to be removed, amended or left as is? Please elaborate
11. What steps can the government take to increase compliance with the NMW Act?
12. Please state any other comments that you think are relevant?

ANNEXURE B: LIST OF RESPONDENTS

(The names of respondents who gave permission for their names to be published will reflect below, those who did not give permission were kept anonymous)

LIST OF EXPERTS

- ❖ David Francis, Economist Researcher, Southern Centre for Inequality Studies
- ❖ Dr. Ilan Strauss, Senior Research Associate, University of Johannesburg
- ❖ Dr. Pali Lehohla, Founder: Pan African Institute for Evidence
- ❖ Jane Barrett, Director, Organisation and Representation Programme
- ❖ Megan Rose Bryer, Senior Economist; Senior Economist: Macroeconomic Policy, National Treasury
- ❖ Prof. Fiona Tregenna, Director, South African Research Chair in Industrial Development, University of Johannesburg

EMPLOYER ORGANISATIONS

CONSTRUCTION SECTOR

- ❖ Gerhard Olivier, Master Builders Eastern Cape, Port Elizabeth, its employer organisation, which was established in 1898.

AGRICULTURE SECTOR

- ❖ Christo Conradie from Paarl representing members in the wine producers and the wine cellars
- ❖ Francois Oberholzer, Forestry SA

TRADE UNIONS REPRESENTATIVES

DOMESTIC SECTOR

- ❖ Pinky Mashiane, United Domestic Workers of South Africa (UDWOSA)
- ❖ Amy Tekkie, Izwi Domestic services
- ❖ Myrtle Witbooi, South African Domestic Service and Allied Workers Union (SADSAWU)