

Business Eswatini Engages on the National Minimum Wage with ILO Wage Specialist

Business Eswatini recently facilitated a consultation session for its members representing the diverse sectors of the economy aimed at evaluating the inception report on the feasibility of implementing a (National Minimum Wage) NMW in Eswatini. This follows the imperative given by the BE Board of Directors, to prioritize the exploration of the most suitable indicators for establishing a national minimum wage which will be informed by a comprehensive assessment of various economic and market factors to ensure equitable outcomes for workers' livelihood, enterprise sustainability and employment opportunities.

The inception report was facilitated by the International Labour Organization (ILO) as part of its support for the implementation of the Eswatini Decent Work Program. The consultation was facilitated by ILO Wage Specialist Mr. Guillaume Delautre and Program Officer Ms. Sindile Moitse. During the engagement, employers demonstrated their support for the concept of a NMW, emphasizing the importance of considering workers' needs alongside factors such as economic development, productivity levels, and employment rates. They underscored the necessity of a balanced approach to ensure mutual benefits for both workers and businesses.

Notably, discussions also highlighted the importance of distinguishing between the definitions of a national minimum wage and a living wage, urging stakeholders to adopt policies that cater to the interests of all parties involved. Concerns were raised regarding the potential repercussions of imposing a minimum wage equivalent to a living wage, including increased operational costs, possible job cuts, and challenges in maintaining competitiveness within the market.

Additionally, there was a consensus on the importance of conducting a comprehensive stakeholder analysis, expanding beyond the traditional tripartite approach to include representatives from the informal sector, domestic workers, and civil society groups. Other concerns were enterprise productivity, with emphasis placed on government responsibility in social development programs aimed at alleviating poverty levels.

Employers stressed the need for reforms in social protection systems to complement NMW. Recognizing the diversity across industries, employers advocated for a clear understanding of wage affordability based on various factors such as labour intensity and market conditions. Furthermore, acknowledging the necessity of sector-specific and enterprise-level readiness, employers emphasized the importance of evaluating the potential impact of NMW on operations, reviewing existing policies and contracts, and equipping personnel with the requisite knowledge for effective implementation.

Ultimately, employers concluded that a structured approach could facilitate a successful transition to a fair and equitable minimum wage system, aligning with the overarching goal of ensuring sustainability and enhancing the quality of life for all stakeholders.

Business Eswatini reaffirmed its commitment to continued engagement on this crucial issue, aiming to establish a robust reward system that fosters enterprise sustainability and contributes to an enhanced quality of life.