



Economic Digest 30

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Living on a minimum wage

More than a century ago, Pope Leo XIII spoke about the need for a living wage. In his 1891 encyclical *Rerum Novarum*, he said that a living wage should be enough to provide for a family's basic living expenses so as to keep them out of poverty. South Africa first implemented a minimum wage in 2019, set at R21.69 per hour. However, the minimum wage for some sectors, like domestic workers and farmworkers, was set far lower. Since its introduction, the minimum wage has been steadily increased, though not always keeping pace with the cost of living increases faced by lower-paid workers. See the articles below regarding the new minimum wage, which came into effect in 1st March.

New minimum wage

The national minimum wage is now set at R23.19 for each ordinary hour worked. No specific worker groups have been excepted, with the minimum wages for domestic workers and farmworkers now also set at R23.19.

<https://tinyurl.com/2p9974v9>

Minimum wage around the world in 2022

A study covering 64 countries in Europe, North and South America, Africa, Asia and Australia, compared government-set minimum wages. South Africa's minimum wage (the old one) ranked 36th. The study also examined whether the minimum wage is enough to purchase a basket of basic foods that would be sufficient to meet the minimum nutrition requirements.

<https://tinyurl.com/2v3y3k5j>

Minimum wage: Farmers concerned about extra cost

Some farmers are concerned that they may not be able to absorb the extra costs, which may lead to job losses.

<https://tinyurl.com/5n6sap7j>

Rising food prices and the minimum wage

According to the Pietermaritzburg Economic Justice & Dignity (PMBEJD) group, a basic basket of food for a family of seven cost R4 355,70 in February. The average minimum wage (in February) for a general worker was R3 470,40 which must cover food, transport, electricity, etc.

<https://tinyurl.com/4kx2uczv>

PMBEJD's monthly Household Affordability Index can be accessed here: <https://pmbejd.org.za/>

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