Democratic Alliance speech by

**Ina Cilliers MPL**

DA Gauteng Spokesperson on Economic Development

Individuals are worth more than the bare minimum

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Madam Speaker,

The *Miami Herald* reported a few days ago that the large minimum wage increase in Venezuela has dealt a “fatal blow to 40% of Venezuelan shops”, leaving employees jobless.

Venezuela’s government ignored the most basic law of economics in raising the minimum wage: the law of supply and demand.

The ANC is under the misconception that the laws of economics stop applying because you choose to ignore them.

In the context of a technical recession, manufactured by chronic policy uncertainty, stalling investments – including a drying up of direct foreign investments, warnings from international institutions about our deficits and capacity to borrow on financial markets to fund a bloated government and bankrupt SOEs, and, of course, over 9-million unemployed South Africans – this begs the question:

Why is the ANC again ignoring the recommendations of their own high-level panel?

Why is the ANC again abandoning fact and evidence in favour of a proposal that works for big government, big labour and big business?

Its’ own panel stated clearly that small businesses, agri-businesses and family businesses should be given a reduced minimum wage or an opt-out altogether.

The report further stated that “*any employers who can effectively motivate why they are unable to meet the minimum wage level will be granted an exemption.*”

Perhaps the clues can be found in the origins of the minimum wage and its legacy of millions of job losses littered across the pages of history:

According to the Foundation for Economic Education, history shows that the minimum wage was originally conceived as part of a Eugenics strategy— an attempt to engineer a master race through public policy designed to cleanse the citizenry of undesirables.

To that end, the state would have to bring about the isolation, sterilization, and extermination of nonprivileged populations.

The height of Irony?

That is exactly what this government will unleash on the 9 million unemployed South Africans who are mostly young and mostly black, whom are completely excluded from economic opportunity and any chance at a better life for all.

The proposed minimum wage will re-enforce the structural concentrations in the economy, and the unemployed, small business, family businesses and start-ups will not have a seat at the negotiating table.

In its rush to ram a minimum wage through parliament, the ANC has abandoned fact and evidence-based policy-making, pandering instead to populist sentiments and using the economy and the vast, coercive power of the state to manage its internal politics with the unions – at the expense of the people of South Africa.

The DA, however, understands the need to balance the legitimate need to protect workers’ rights with the growth imperative of the economy to absorb new entrants to the labour market.

We are not opposed to a minimum wage that is set by sectors themselves through independent bodies, without political interference. The continued competitiveness of a business sector can only be ensured by the players themselves.

We would implement innovative policy tools to ensure that we expand individual freedom so that job-seekers willing to work at a rate of their choosing are given a legal mechanism to do so.

No one should be denied a seat at the table simply because of a rigid R20 an hour policy.

**Media Enquiries:**

Ina Cilliers MPL

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060 556 4344