

Minimum wage and women development

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Harnessing Economic Gains for Sustainable Socio-Economic Development was the theme of President Peter Mutharika's State of the Nation Address delivered during the opening of the Budget session of Parliament on May 5 2017.

Issues of gender, women and development are tackled on page 33 where in the forthcoming financial year government is committed to "establishing the National Platform on Women Economic Empowerment".

I assume that technocrats in government and elsewhere will consult widely.

On May 19, Minister of Finance and Economic Planning and Development Goodall Gondwe unveiled the national budget where government has raised the minimum wage from K19 000 to K25 000 per month across the board.

Prior to this, Malawi Congress of Trade Unions (MCTU) raised concerns with the prevailing system of universal minimum wage as "not making sense for some sectors". Instead, MCTU proposed a sector-based minimum wage.

The universal system tends to be discriminatory, especially against individual employers in domestic settings and small and medium enterprises.

It also disadvantages junior and unskilled workers in big enterprises and workplaces where they can receive more and better pay but for the universal minimum wage.

Research shows that most women in the country occupy junior positions. They mostly run small businesses whose income barely covers their basic needs.

Most women have added responsibility of taking care of the family as natural nurturers. In most households—even male-headed households—it is the women who employ and manage domestic workers, even if the women have a job or run a business.

The majority of women who are already receiving minimum wage or running small businesses are legally obliged to also pay their domestic workers or helpers the new minimum wage.

This is the question that the platform must address as they look into empowering women.

Government needs to consider the same question as it considers a sustainable minimum wage that is non-discriminatory.

Determination of minimum wage is regulated by the law providing that the Minister of Labour shall fix minimum wages of any group of wage earners in consultation with organisations of workers and employers relevant to the group of wage earners as to the appropriate level of minimum wage.

In considering minimum wage, the minister shall consider the following issues: the needs of workers and their families, the general level of wages, the cost of living, social security benefits and the relative living standards of other social groups.

Besides, the minister is also obliged to consider economic factors, including the requirements of economic development, levels of productivity and any effect the wage might have on jobs .

Apart from considering minimum wage and its effects on women's economic empowerment, the platform may consider that women with family responsibilities bear the same tax burden as men.

There are no tax breaks or incentives for women.

The burden of child care—including paying for prenatal, antenatal and post-natal medical services, child minders, early childhood education and related expenses—is borne more by women than men.

Lending institutions have taken advantage of financial vulnerability and illiteracy of the people to charge exorbitant and unconscionable interests.

Most of the affected people in all this are women.

The platform may wish to consider empowering women as a means of uplifting everyone be it at household level, education, health, reproductive and population issues and charities.

A healthy economy is an inclusive economy where everyone wins. Leaving anyone behind through discriminatory laws and policies is a waste of talent, energy and productivity.

The National Platform on Women Economic Empowerment is the last chance to take these measures into action.