



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Effecting Minimum Wage will help reduce poverty levels, says Workers' MP

"It is not true that there is a flat rate that has been arrived at. Those rates are being bundled around by people who..."



Gender minister Janat Mukwaya (left) receives a report on minimum wages from Minimum Wages Advisory Board chairperson Chris Kanya (right) at a past function. | @CSBAG2019

unfavourable economic policies, the Minimum Wage Bill will lead to the exact same problems it intends to address, particularly income inequality and poverty. They argue that the ability of the minimum wage legislation to address economic challenges depends on which sectors referred to and the type of workers and employers involved. They argue that employees in the public sector are already earning more than what will likely be set as minimum wage. .

Proposals

Back in 2013, Parliament granted leave to MP Arinaitwe Rwakajara to draft a Private Member's Bill on the minimum wage. In his Bill, Mr Rwakajara made a raft of proposals, including setting the minimum wage at Shs250, 000 per month, which trade unionists at the time argued would protect workers from exploitation. President Museveni has previously spoken against the minimum wage, arguing that it will stifle investment. The President's views are likely to be shared by

many investors who have often been accused of paying workers very low wages. The President has previously argued that The MPs and trade unions should attract investors and not chase them away. Given the very high unemployment levels in Uganda, many people are often exposed to exploitation and utter abuse because of their willingness to work low wages in work environment that is poorly regulated and often run at the whims of the employers.

Labour environment

Some argue that without formalizing the informal sector together with establishing economic policies, it is unlikely that the minimum wage legislation will bring about substances changes in Uganda's labour environment. Kenya and other African countries have a minimum wage in place. In most of these countries, employers pay different rates, but is not clear what the effect of the minimum wage has been on particularly in regard to poverty reduction.

Following the recent passing of the Minimum Wage Bill, Workers' MP, Arinaitwe Rwakajara, says implementing the minimum wage will among others help to reduce poverty levels. In an interview with CSBAG last week Hon. Rwakajara said besides protecting workers, there are obvious reasons why establishing a minimum wage will help improve the overall quality of life, especially for the most vulnerable workers. "Investors and other employers should know that you cannot cheat employees and get away with it." In fact if there are more people getting paid, over time this improves purchasing power and reduces poverty levels," says Hon. Rwakajara. However the MP was quick to add that there will not be a flat minimum wage rate that will apply to all. "It is not true that there is a flat rate that has been arrived at. Those rates are being bundled around by people who are against this Bill," he said.

Considerations

Hon Rwakajara added that the minister will constitute a board, which will be recommend minimum wages for all classes of workers and their terms of employment in the sectors and carry out periodic revision of the minimum wage. To arrive at the lowest wage, the board will reflect on, among other things, the needs of workers and their families. The board will among others will consider the skills of workers, their productivity and the general level of wages in Uganda in light of the cost of living, variations in consumer price index and any other matters that will be considered appropriate. Some analysts, have argued that if implemented under

OUR WORK IN PICTURES



Participants including CSBAG at a meeting last week with the EALA committee on Agriculture, Tourism and Natural Resources to negotiate a position to take in the upcoming Agriculture budget consultations.



National NGO Forum ED, Richard Sewakiryanga making opening remarks at the humanitarian platform workshop that was held last week to forge a way forward for the national partners. | CSBAG2019



Budaka Resident District Commissioner sensitizing farmers on food security at an event that was attended by CSBAG and other stakeholders in eastern Uganda. | CSBAG2019