

Tanzania ATE dealing with minimum wages

The Association of Tanzanian Employers (ATE) is strongly involved in the topical minimum wage discussions currently being held, after a modification in law, which changed the minimum wage system and decided to merge the different sectoral minimum wage boards in one wage board for the private sector, next to one for the public sector. The minimum wage rate has not been adapted since 8 years, and the concern exists that the political authorities might intervene with a strong hike of the minimum wage, which would rather be based upon a political than a factual rationale.

With the support of DECP and ILO, ATE is hence developing a study on minimum wages, which can bring facts, figures and data, on which to rely to determine the new rate(s). Without yet moving to concrete proposals, the study shows that the promulgation of one national minimum wage rate for the whole country and uniform for all sectors would be impossible, given the very large differences in minimum wages amongst very diverse sectors such as agriculture, oil, mining and trade. The study also compares the minimum wages with those in other neighbouring countries of the East African Community countries and examines the possible employment effects of a strong increase in minimum wages.

Other discussions in the policy field are also topical. On the business environment, it was reported that the present policies are not fast tracking the reforms announced up to now; the skills discussion, where shortages and mismatches persist and where ATE is preparing concrete proposals for better quality outcomes, especially in technical-vocational education. More in general, during its visit to ATE, the DECP country manager could note important further progress of ATE in the past year. The organisation grew slightly in membership and achieved a certain turnaround in dealing with issues of non-paying membership. Also services in legal matters and training develop further and support the double role which ATE fulfils in favour of its members: voice of business and quality service provider.