
Kurdistan Region Labor Work Bill

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Summary : The Kurdistan Labor Law, with 120 pages, consisting of 20 chapters and 154 articles, was submitted to the Kurdistan Parliament Presidency for its second reading. Reasons for proposing the draft include changes and regulation of employer-worker relations

Intro

The 120-page Kurdistan Labor Law, comprising 20 chapters and 154 articles, has been submitted to the Kurdistan Parliament Presidency for its second reading. The draft aims to modify and regulate employer-worker relations, explicitly stating that "The labor law provides a wage sufficient to meet the basic needs of a worker to support their family and offers a total minimum wage for workers." According to Part VII of Articles 41 to 49, the minimum hourly or daily wage is not mentioned.

Article 50, Part I, states that

"In all cases, the wage may not be less than the maximum wage determined by law."

KRI Labor Work Bill (First Draft)

The KRI Labor Work Bill (First Draft) refers to the minister's decision in Article 51 to form a committee to propose a minimum wage. Afterward, the Kurdistan Region Council of Ministers agrees upon it.

An International Labor Organization (ILO) report reveals that only 8% of the 187 member states still require a minimum wage. Moreover, only six out of 27 European countries do not set a minimum wage. This analysis briefly focuses on the seventh section of the draft law, particularly articles related to salary determination and minimum wages.

Minimum Wage in the KRI

Chapter Seven, Section II, titled "Determining Wages" and Article 50, consisting of five paragraphs, addresses workers' wages. However, none of the paragraphs mention the basis for determination, such as age-based classification in the UK or a general level throughout the US.

Paragraph 3 states that "the following must be considered when determining the minimum wage level: the needs of the worker and their family, the general level of wages in the country, standards of living, and available price levels in achieving and maintaining a high labor force. This also includes the requirements for economic growth, production levels, and supporting abundant employment opportunities (KRI Labor Law, p. 44)."

The four criteria assigned by the committee necessitate a clear conclusion in determining a worker's minimum wage in the Kurdistan Region. Questions remain about the general level of wages in the country that the law refers to in the first paragraph: Will the measurement be done according to Iraq's classes, the Kurdistan region, or the standard of living in different locations?

Although the fifth paragraph refers to the amendment of the minimum wage from time to time, the law should establish a basis for a worker's minimum wage in the Kurdistan Region, with both the public and private sectors adhering to it. The current situation in the Kurdistan Region shows that various types of workers must work daily and monthly, with no reference to the difference in wages within the law.

Lowest Wages in the Middle East, EU, and the US

Arab countries, the EU, UK, and the US set different wages. For instance, Arab countries charge a monthly rate, Britain sets an hourly rate according to age, and the United States imposes a federal minimum wage of \$7. The methods of determining the minimum wage vary and can be defined in several ways at the general level. Among Arab countries, the minimum wage is \$206 in Qatar, \$845 in Oman, \$798 in Bahrain, \$247 in Kuwait, and \$310 in Jordan [1].

Significant differences exist in minimum wages between European countries, with 6 out of 27 European Union countries not setting a minimum wage. For example, Germany's parliament set the minimum wage at 12 euros per hour, while Bulgaria's is 2.19 euros, and Luxembourg has the highest rate at 13.05 euros per hour [2]. According to European Union data for June 2022, the minimum wage in Belgium was 363 euros, and in Luxembourg, the highest, it was 2313 euros per month [3].

The UK minimum hourly wage has now been updated based on age. Those aged 23 and over will receive £10.43 per hour, those aged 21-22 will receive £10.18 per hour, and those under 18 will receive £5.28 per hour starting in April 2023 [4]. Across the United States, minimum wages have been established, but the amounts vary. For instance, the federal minimum wage for a worker is \$7.25 [5], while the highest state minimum wages are \$16.10 in the District of Columbia and \$14.49 in Washington [6].

The minimum wage, whether daily or monthly, is not dependent on a state's financial status. The form of government and state system also does not impact it, as demonstrated by EU countries. The primary criterion for determining hourly wages in Europe is to enable workers to meet their basic needs.

Conclusion

Enacting new legislation and moving away from reliance on the Iraqi Labor Law of 1987 is a significant legal development for worker rights in the KRI. However, the focus should be on quickly establishing and enforcing minimum hourly or daily wages for employers. As it stands, the disparity between what workers receive for 12-hour days or seven-day weeks and their actual salaries is causing a growing divide between different income levels within society.

Wages should be sufficient to cover housing and necessities such as food, water, electricity, and other expenses. Setting minimum wages by law introduces complexities and does not alter the current minimum wage for any work. The law does not specify the minimum wage at the governorate level, by population, or according to the worker's age. Additionally, the bill requires a committee to determine the wage, which must then be approved by the minister and sent to the cabinet for approval. Therefore, enforcing the bill within companies is another challenge to overcome.

[1] https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_660002.pdf

[2] <https://data.oecd.org/emp/labour-force.htm>

[3] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Minimum_wage_statistics

[4] <https://www.bigissue.com/news/employment/minimum-wage-how-does-britain-compare-to-the-rest-of-the-world/>

[5] <https://www.dol.gov/agencies/whd/minimum-wage>

[6] <https://www.dol.gov/agencies/whd/minimum-wage/state>