

# FROM LIVING WAGE TO LIVING TARIFF

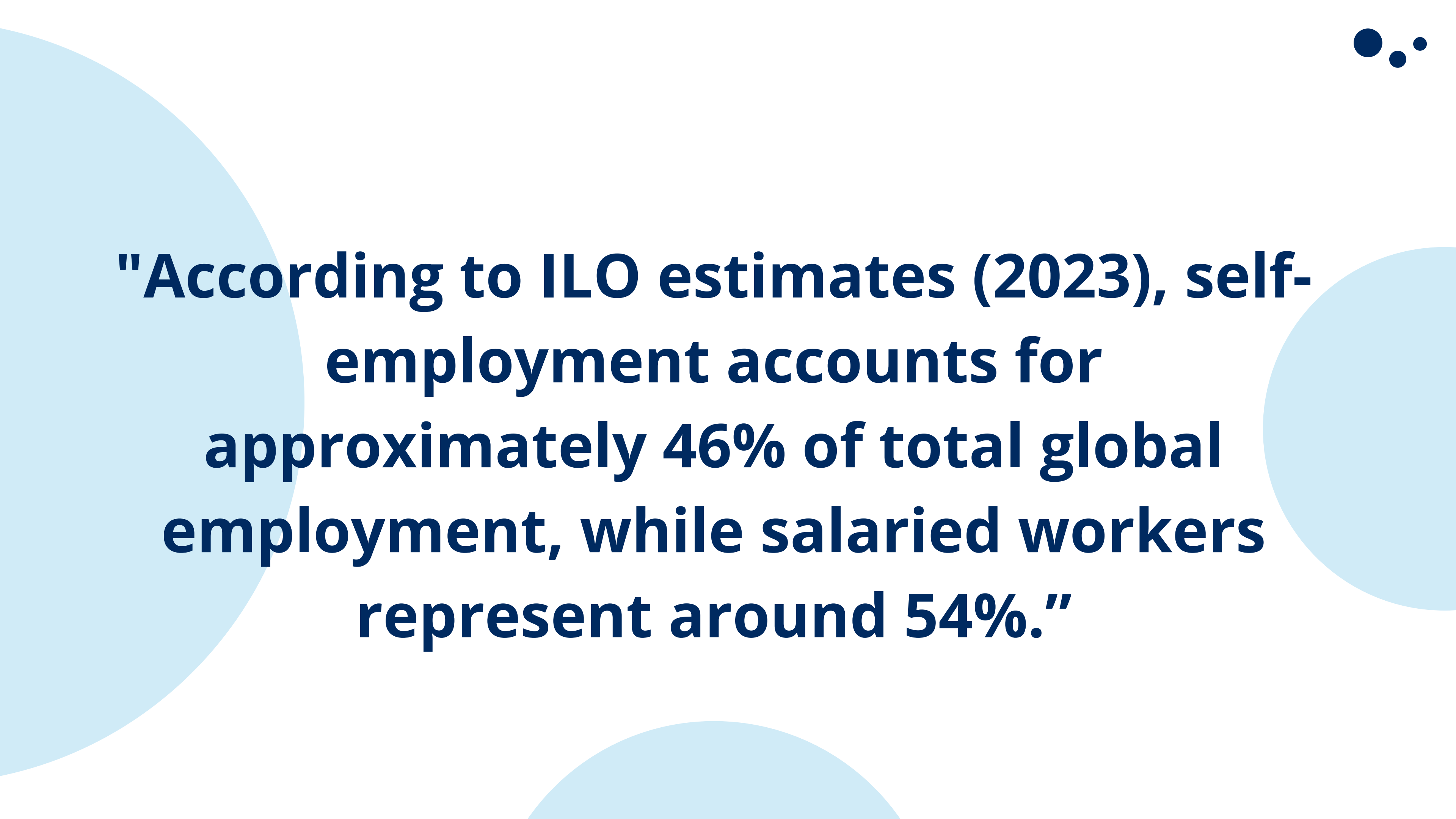
Establishing Decent Pay Standards for the Self-Employed

**A presentation at the  
9th Conference of the Regulating for Decent Work Network | July 3rd, 2025 by:**

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**"According to ILO estimates (2023), self-employment accounts for approximately 46% of total global employment, while salaried workers represent around 54%."**












# JOINT DECLARATION IN SUPPORT OF STANDARDS ON DECENT WORK IN THE PLATFORM ECONOMY AT THE INTERNATIONAL LABOUR CONFERENCE 2025

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- Guarantee of fair and living wages: Workers in the platform economy are struggling to earn a minimum and living wage. They find themselves submitted to earnings fluctuations, arbitrary pay deductions and opaque earning calculations that fail to properly reflect time spent at work and often rely on unpredictable models of dynamic pricing. The standards should ensure the income of digital platform workers meets minimum and fair standards and recognise the particularities of their working conditions, notably by including wait time.



		Minimum based on	
		Consensus based rates	Actual costs based rates
Legal status of the worker	Employed	National: statutory minimum wages Sectoral: minimum wages in collective agreements	Regional: Living Wage
	Self-employed		

Source: the authors.

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# The 4 pillars of the Living Tariff

01

Net living wage

02

Cost of income taxes and social security contributions for self-employed workers

03

Occupational-related costs for equipment

04

Occupational-related overhead time



# The 4 pillars of the Living Tariff

01

**Net living wage:** The methodology takes the year-round working days in a country as a basis and deducts the annual festive days and annual leave days from this. This results in a net living (hourly) tariff.

02

Cost of income taxes and social security contributions for self-employed workers

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Occupational-related overhead time

# The 4 pillars of the Living Tariff

01

Net living wage

02

**Cost of income taxes and social security contributions for self-employed workers:** The variables that are included in this part of the calculation are income taxes, insurance for medical expenses and provisions for pension costs, hours that cannot be worked due to illness, unemployment and disability insurance.

03

Occupational-related costs for equipment

04

Occupational-related overhead time



# The 4 pillars of the Living Tariff

01

Net living wage

02

Cost of income taxes and social security contributions for self-employed workers

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**Occupational-related costs for equipment:** contains all costs for equipment needed to execute a profession.

04

Occupational-related overhead time

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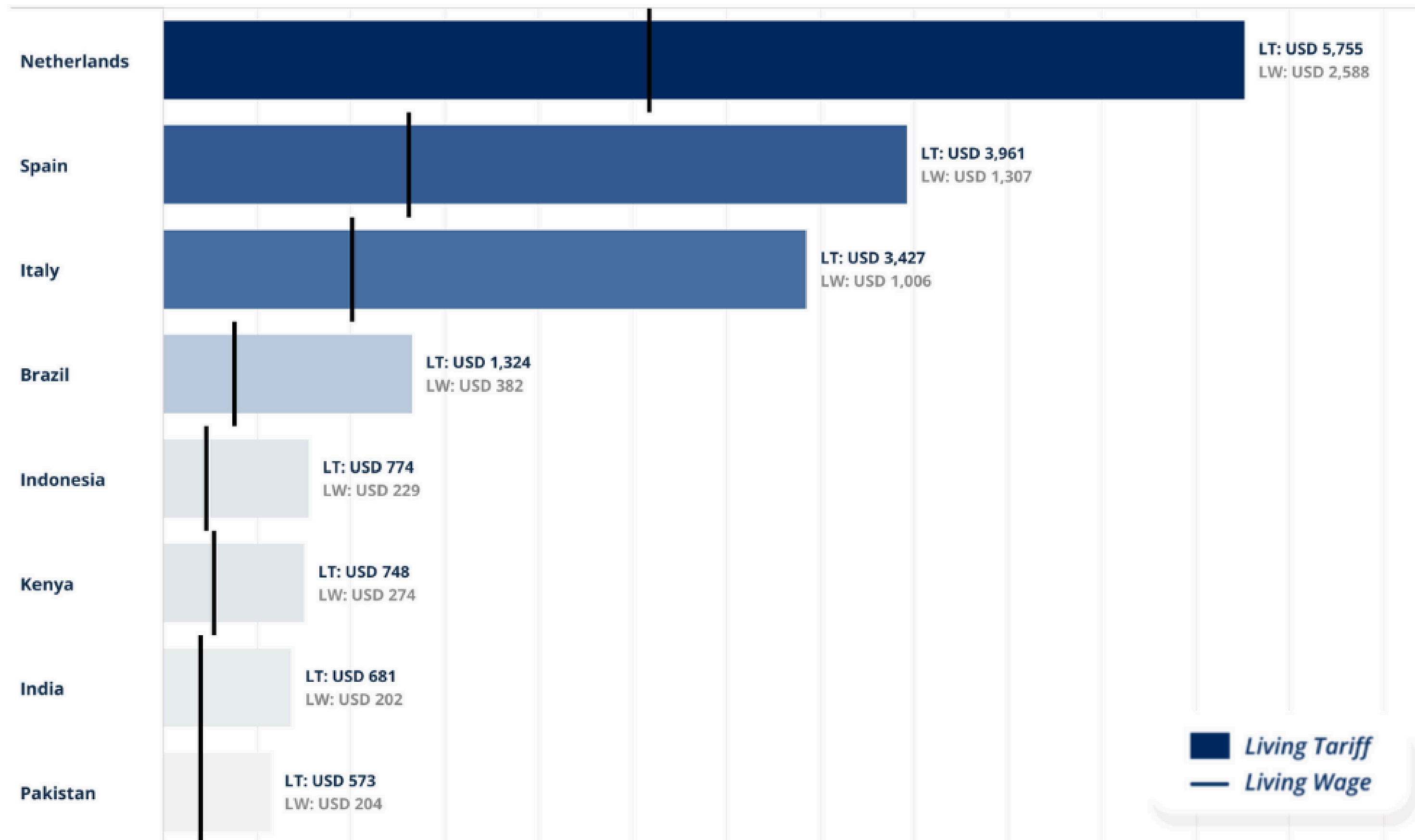
**Occupational-related overhead time:** refers to time that the self-employed worker must spend on their profession but which is not directly deductible. Examples: compensation for time spent on administration, acquisition and communication with customers, training to maintain and develop skills, and job-specific variables such as waiting time in the case of taxi drivers and delivery riders.





# **EMPIRICAL INSIGHTS (1)**

Living tariff and living wage levels and the ratio between the two pay floors (per occupation, in USD).

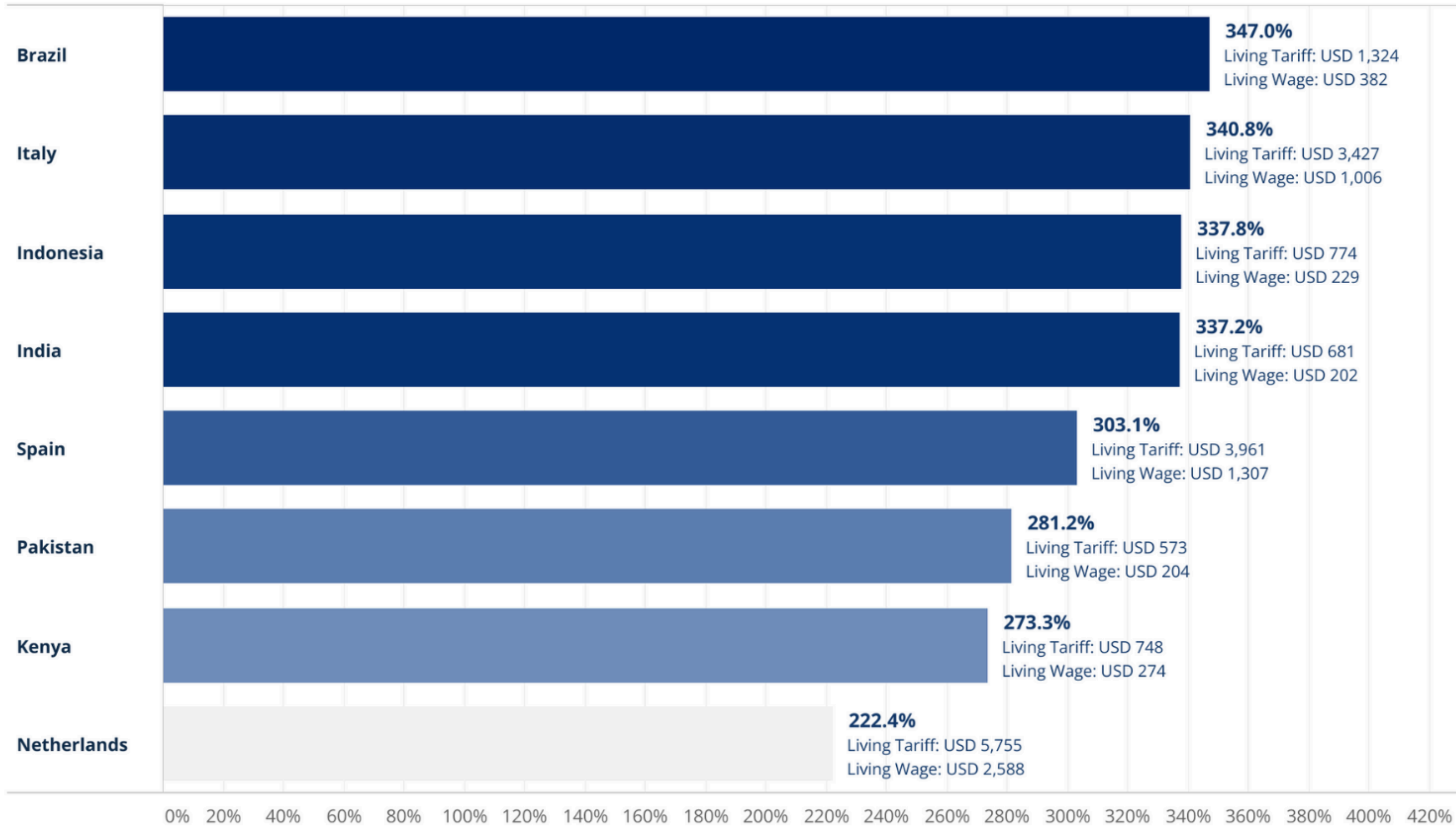


Source:

1. WageIndicator Car Taxi Driver Living Tariff (April 2025)
2. WageIndicator Living Wages Guidance Typical Family (2024)

\*USD rate as of 18th June 2025





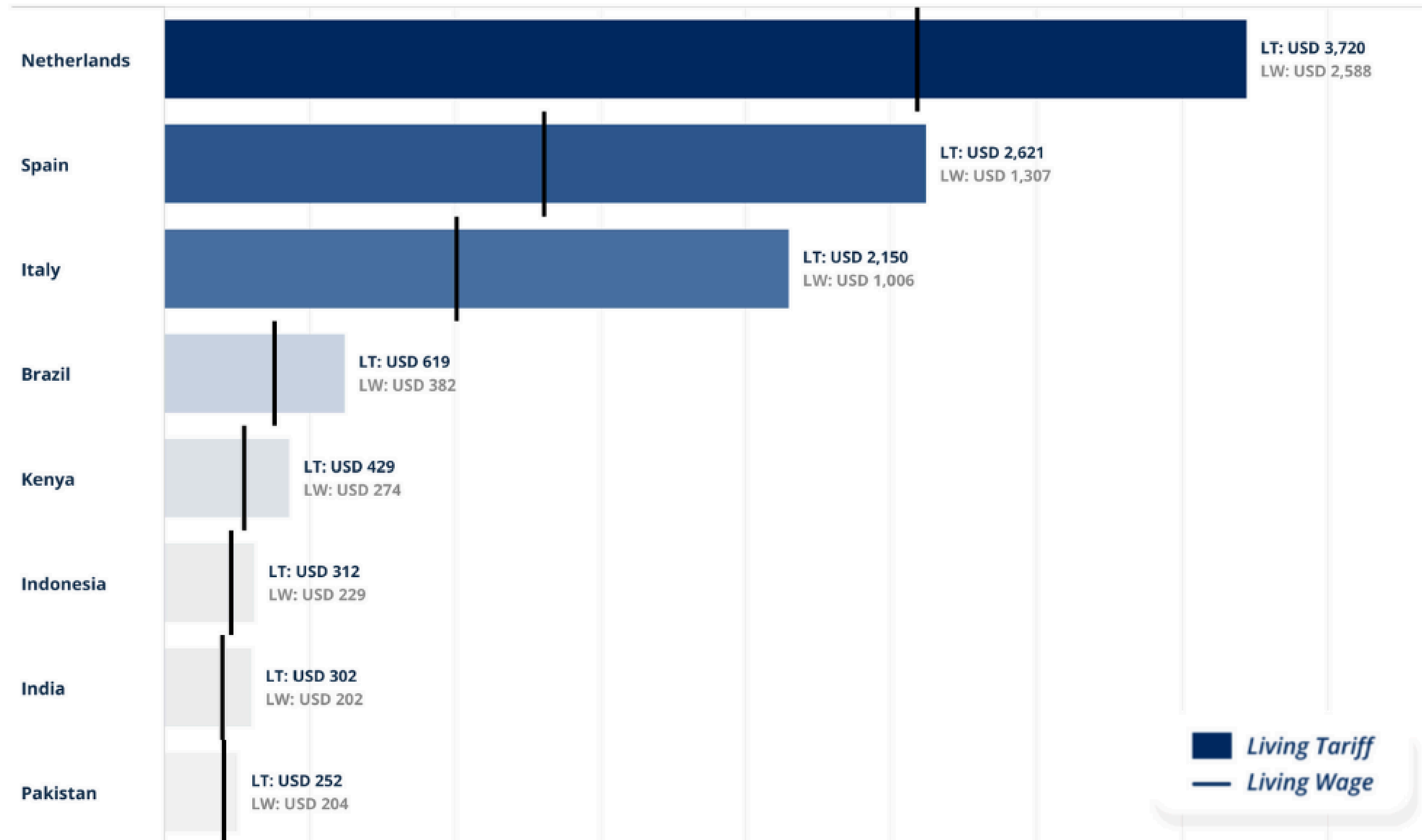
Percentage = Living Tariff / Living Wage \* 100%

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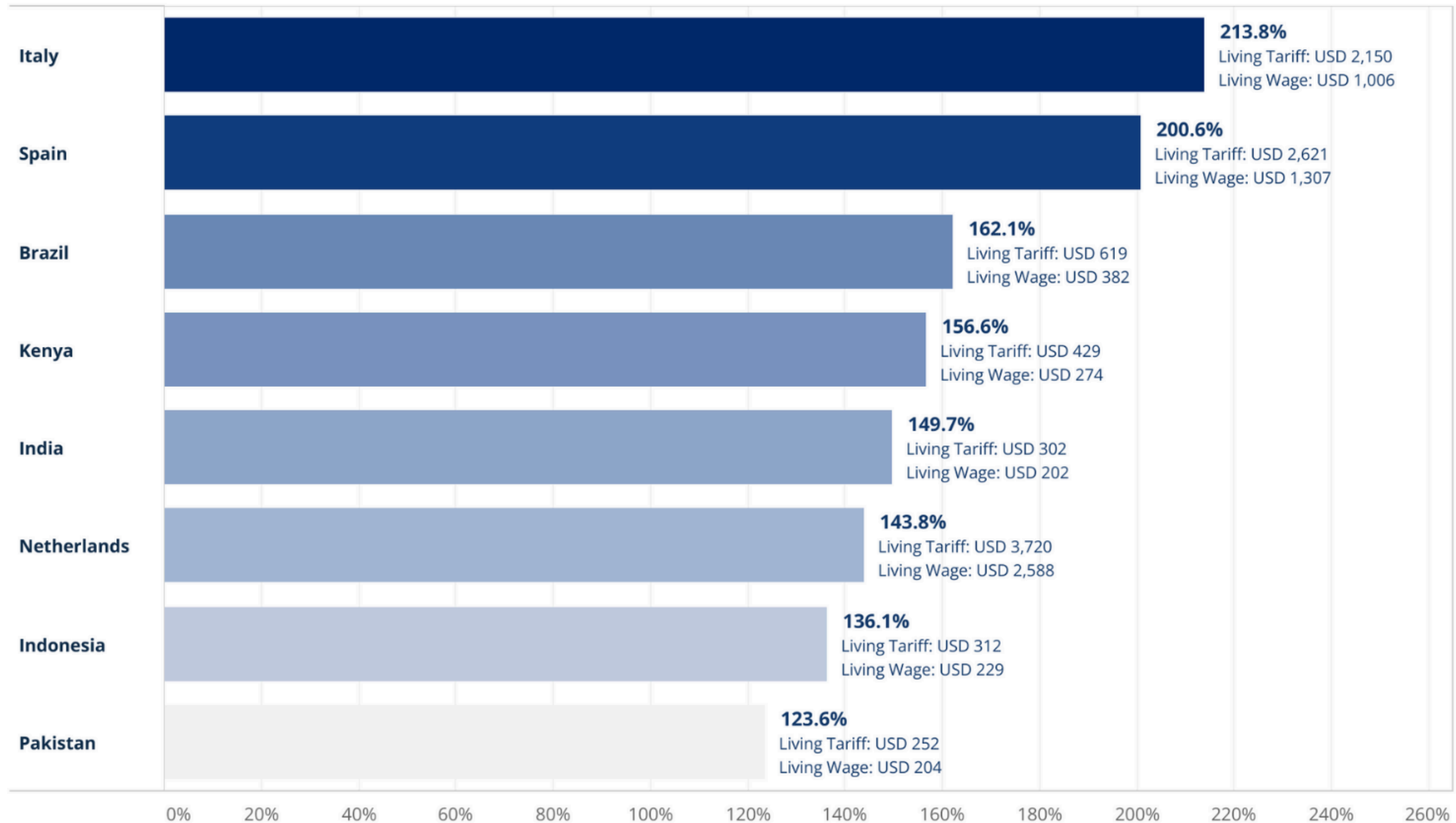
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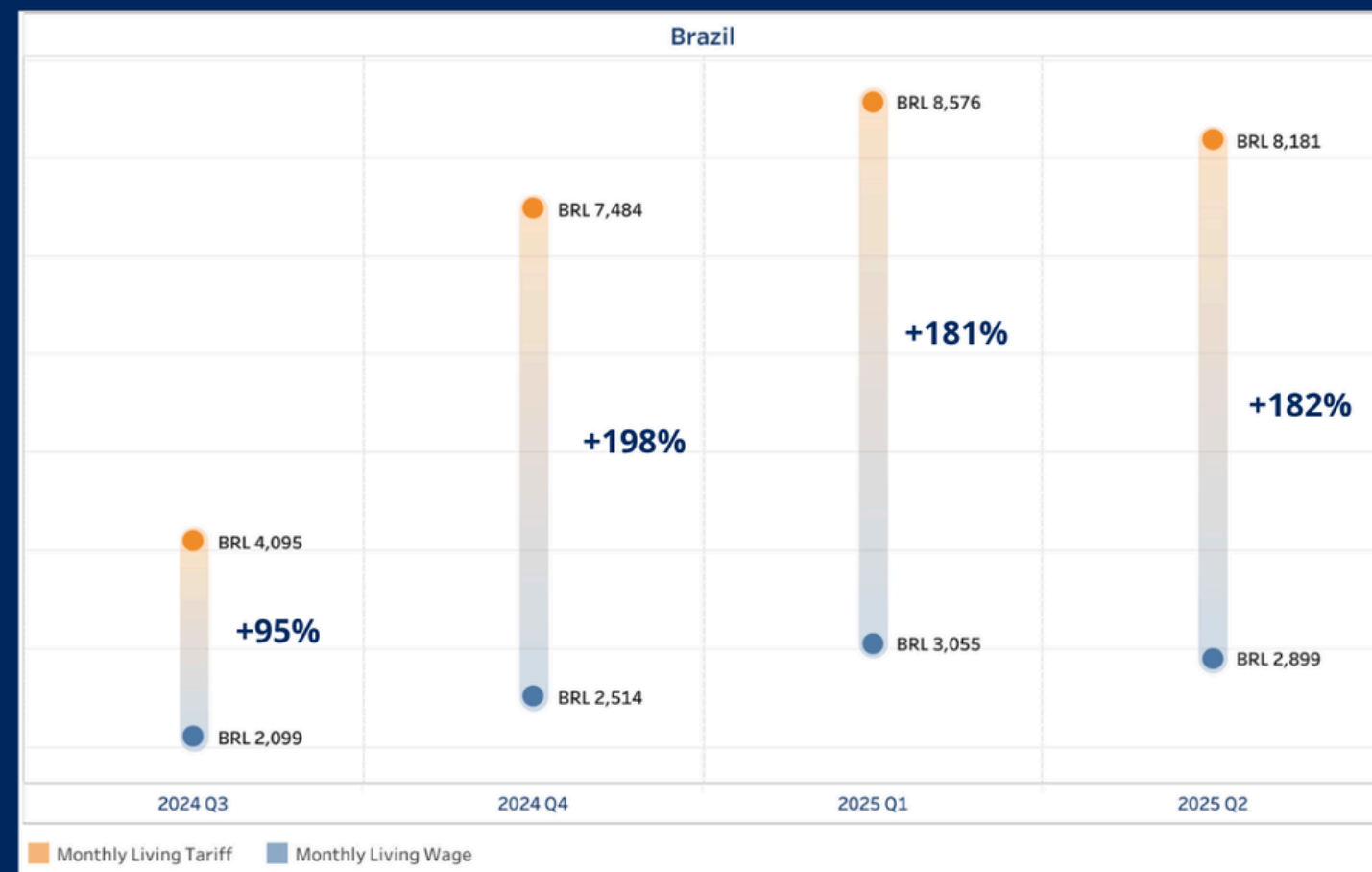
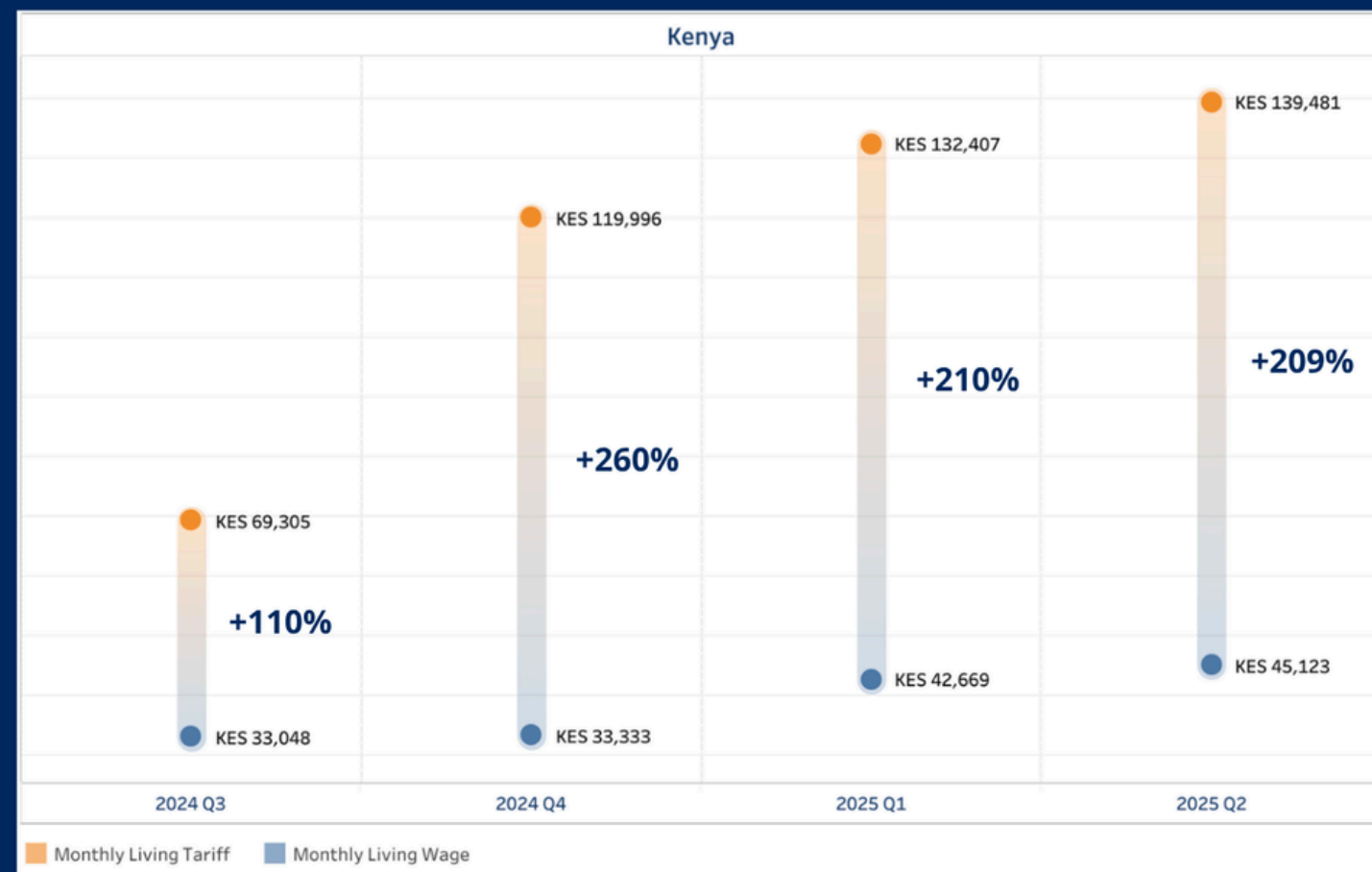
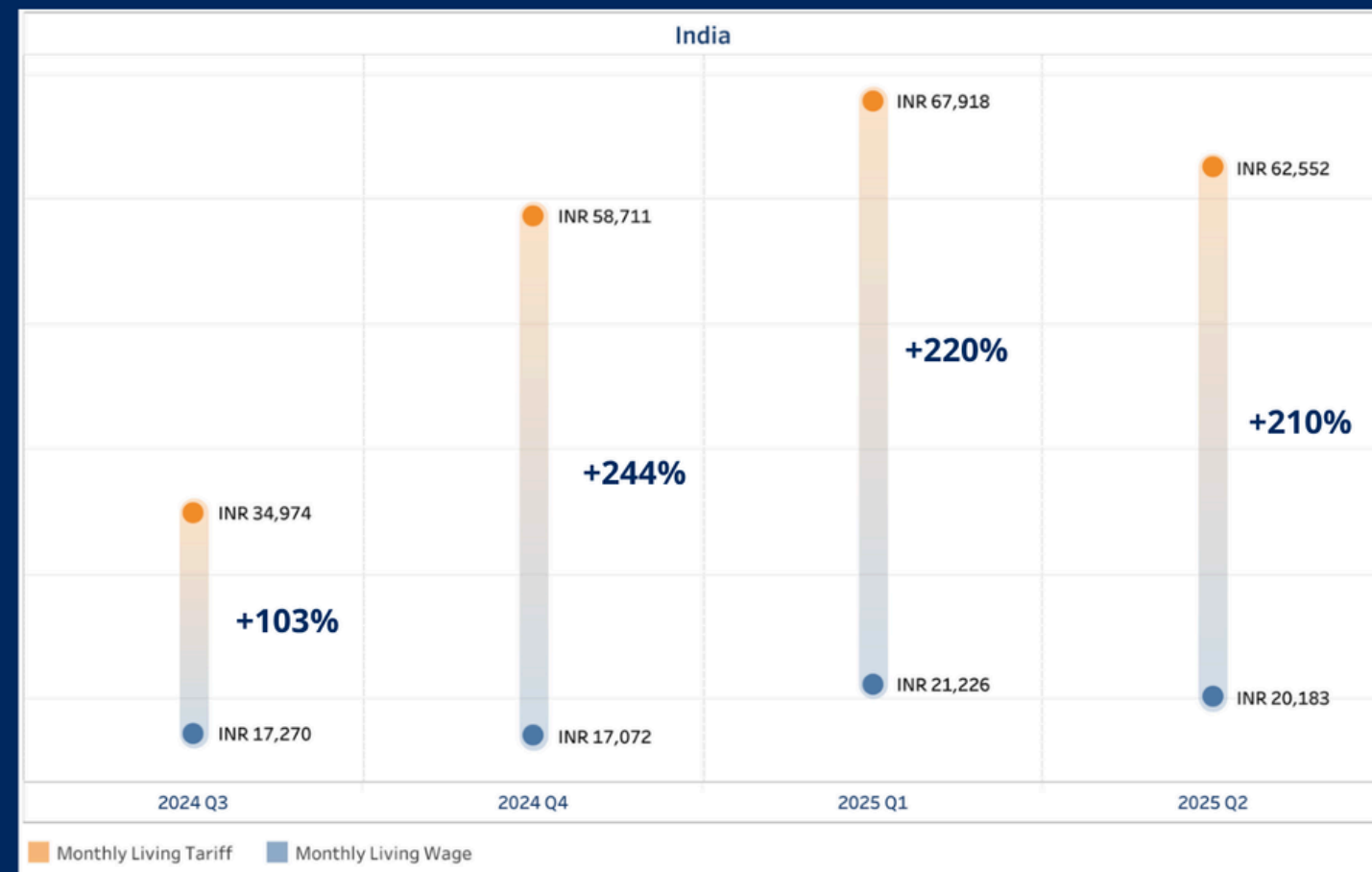
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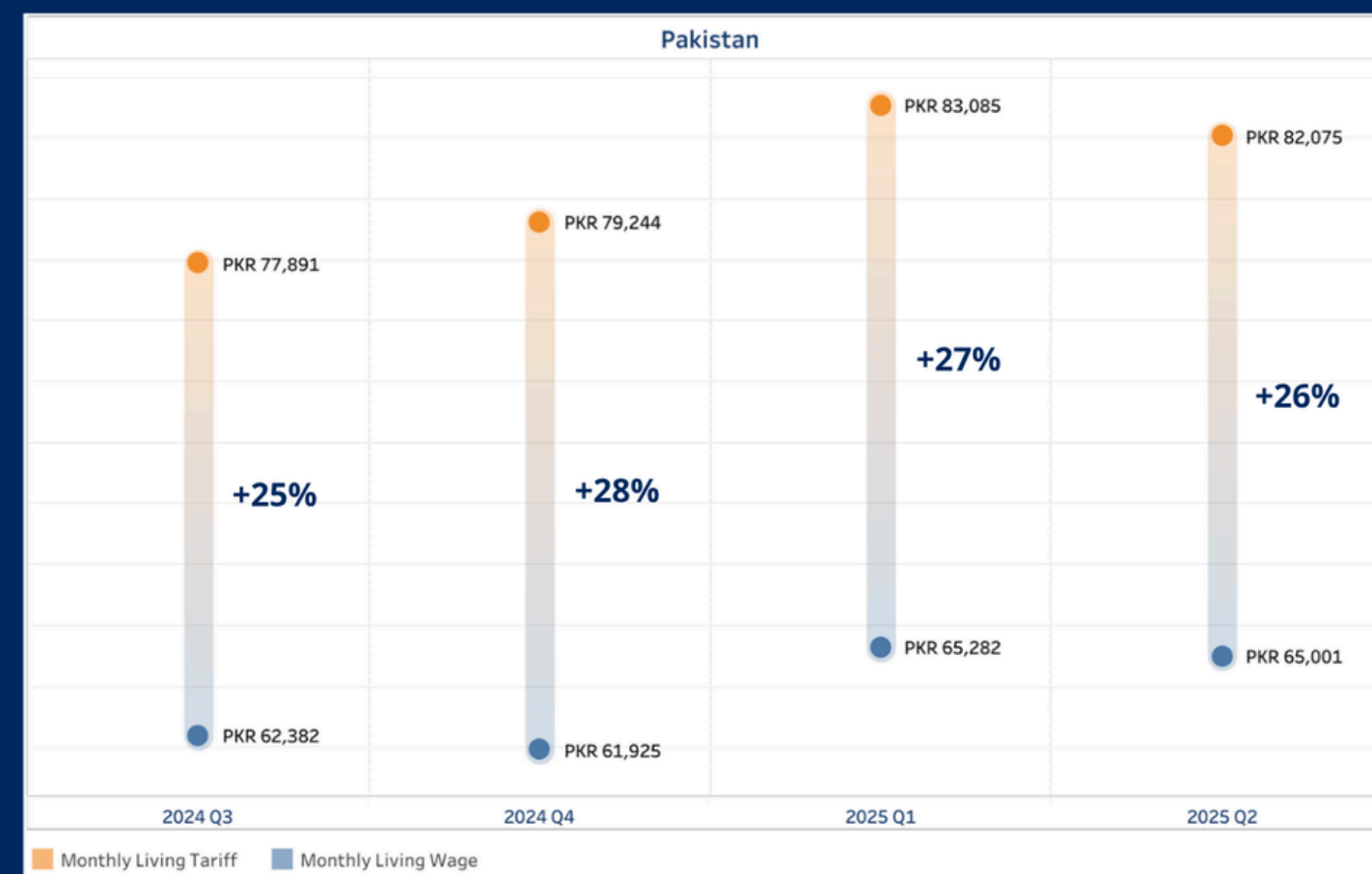
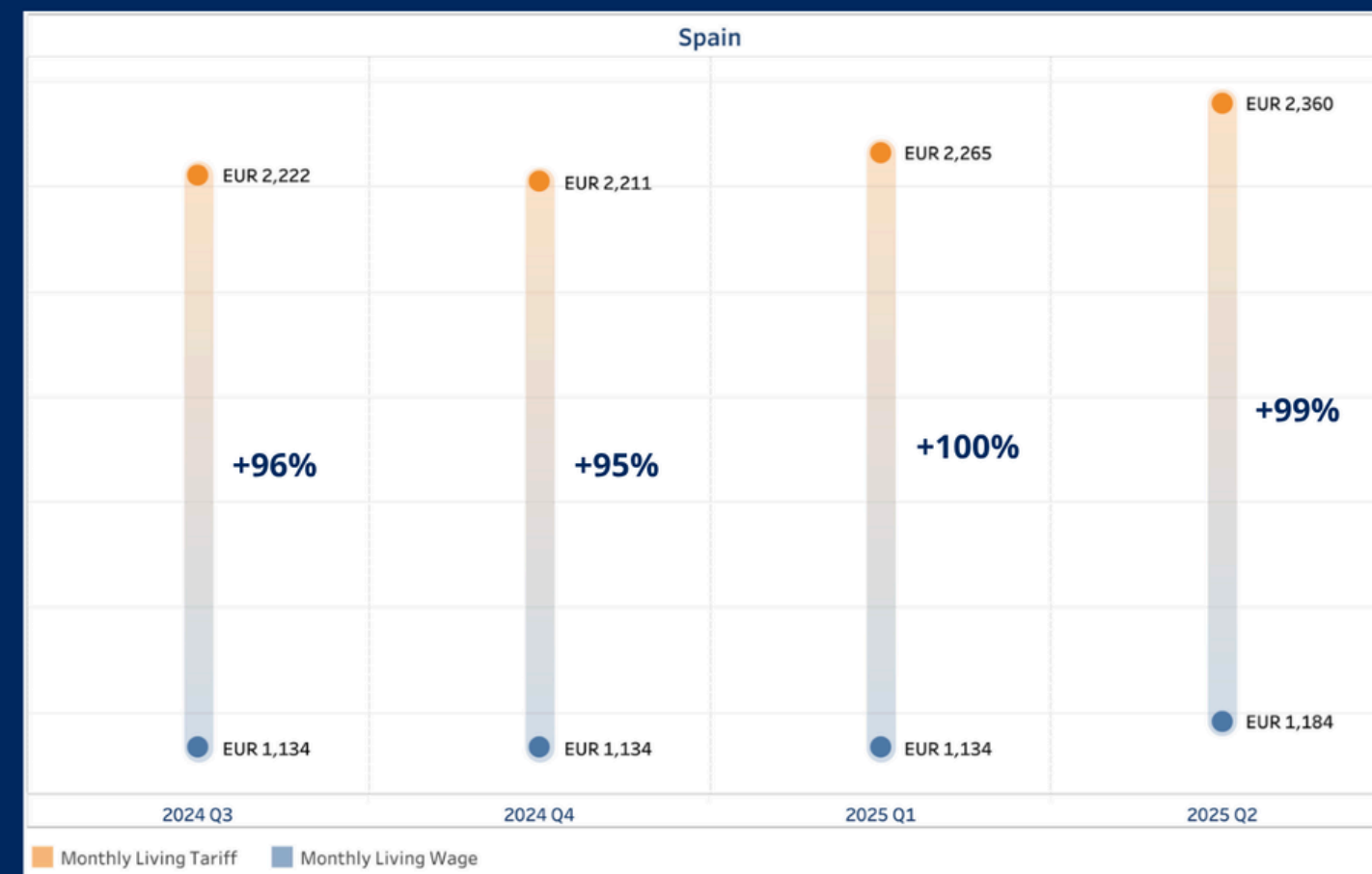
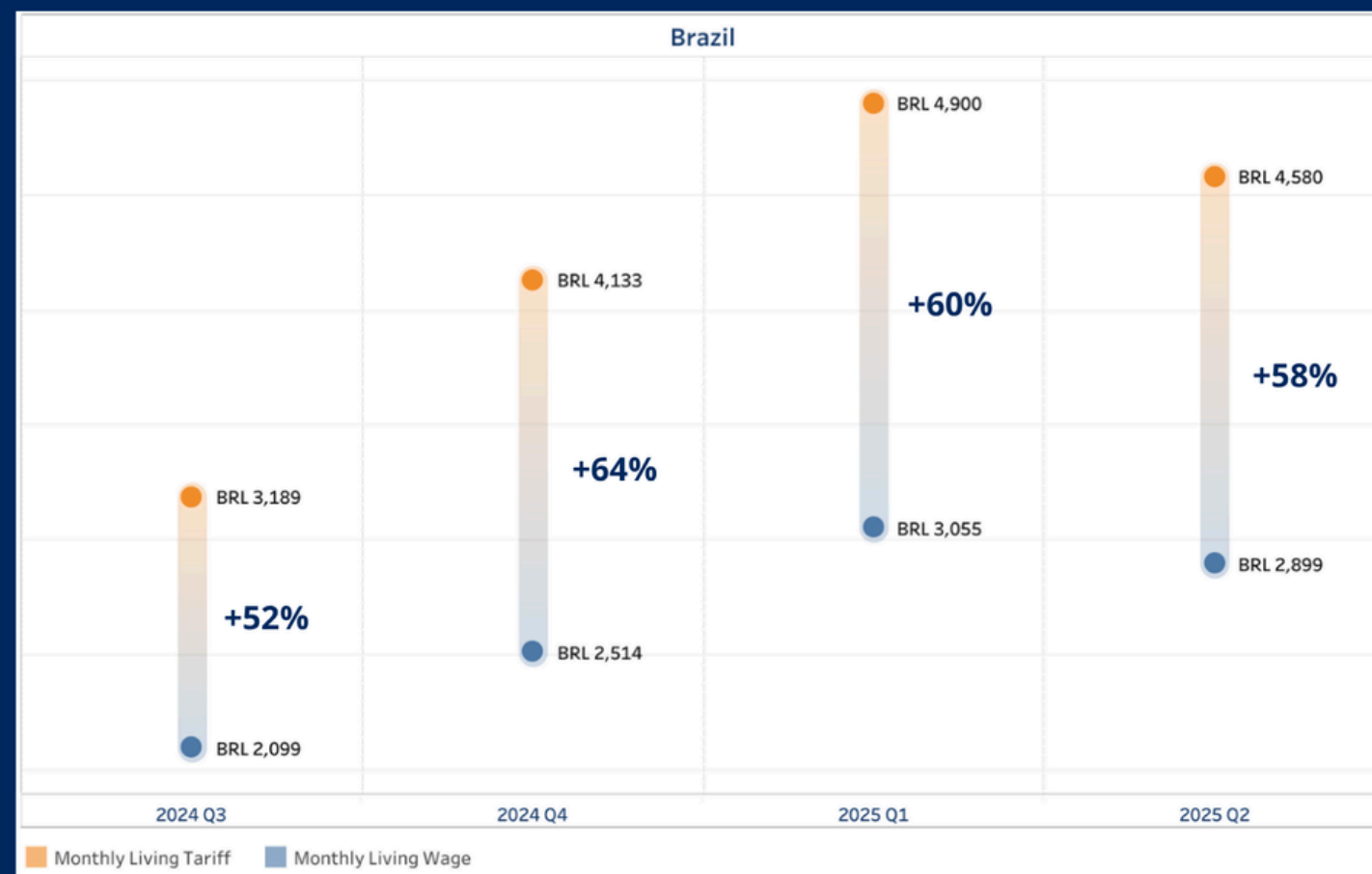


# **EMPIRICAL INSIGHTS (2)**

Living wage vs. living tariff, in 4 countries, development across four data collection rounds









## **DISCUSSION AND CONCLUSION**

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  - Then agreeing on how these variables should be calculated and interpreted, while recognising that ongoing debate is inevitable and that flexibility must be preserved to accommodate individual circumstances of self-employed workers;
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  - The Living Tariff is presented here not merely as a benchmark, but as a cost-of-living-based minimum tariff. Its primary practical function would then be to provide a protective floor, particularly for vulnerable self-employed workers such as undeclared workers;
  - Pay floors do not operate in a societal vacuum; they intersect with market dynamics, informal labour practices, and broader societal debates about the valuation of work. Operating in an informal or low-wage market does not exempt clients from the responsibility to pay fair compensation.
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# **THANKS FOR YOUR ATTENTION**

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**Table 3.** Distribution of issues over which platform workers protest by region (%).

Issues	Total (%)	Europe	Asia	North America	Latin America	Africa	Australia and NZ	<i>n</i>
Pay	63.4	62.1	74.9	59.6	50.4	67.2	65.7	1268
Employment status	20.2	30.1	5.7	37.1	13.3	4.7	40	1267
Health and safety (H&S)	19.1	7.2	14	14.8	46.7	34.4	8.6	1268
Other regulatory issues	14.2	9.1	17.4	6.9	23.3	20.3	5.7	1268
Non-pay benefits	9.0	8	14	7.4	4.2	6.3	17.1	1268
Running cost/equipment	7.2	6.9	4.3	6.4	3.8	35.9	14.3	1268
Deactivation	5.7	6.7	2.6	5	7.9	6.3	8.6	1267
Union representation	5.6	7.2	3.1	9.9	5	1.6	0	1268
Working hours	4.8	4.3	6.8	2	2.5	7.8	8.6	1268





25%  
+ 5% TAX  
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30% Fee  
15% is Good...  
-----  
15% is Good...