

# Calculating Living Wage Levels via Quality of Life Indicators



science & innovation  
Department:  
Science and Innovation  
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN  
RESEARCH CHAIR:  
Creation of Decent Work &  
Sustainable Livelihood

In **South Africa**, the **dignity** aspect of **decent work** is particularly relevant as politically, economically and socially most South Africans have been **denied dignity** systematically over multiple generations.



**Income** through work can contribute to **affording dignity**. Income is one of the ways in which employers communicate that they see employees as **human beings**.



As **behaviour scientists** in the field of **Work Psychology** we are concerned with people's behaviour at and in relation to work and its influence on other individuals, groups, organisations and society.



# National Living Wage Study



- > 100 University of Cape Town students trained in data collection annually.
- Training builds awareness about implications of inadequately low wages. Assumption: Students influence organisational decision making in their future work lives.
- Data collectors are paid a living wage.
- Rapid payment of data collectors to account for potential financially restricted living circumstances.

**Core Principle: Dignity**

**Importance:**

**“Why?” ≥ “How” ≥ “What”**



# Living Wage Survey Research

2015

N = 400 (Tshwane & Cape Town)

2019

N = 953 (Cape Town)

2022/2023

Nov - Feb

N = 1,575 (National)

2023/2024

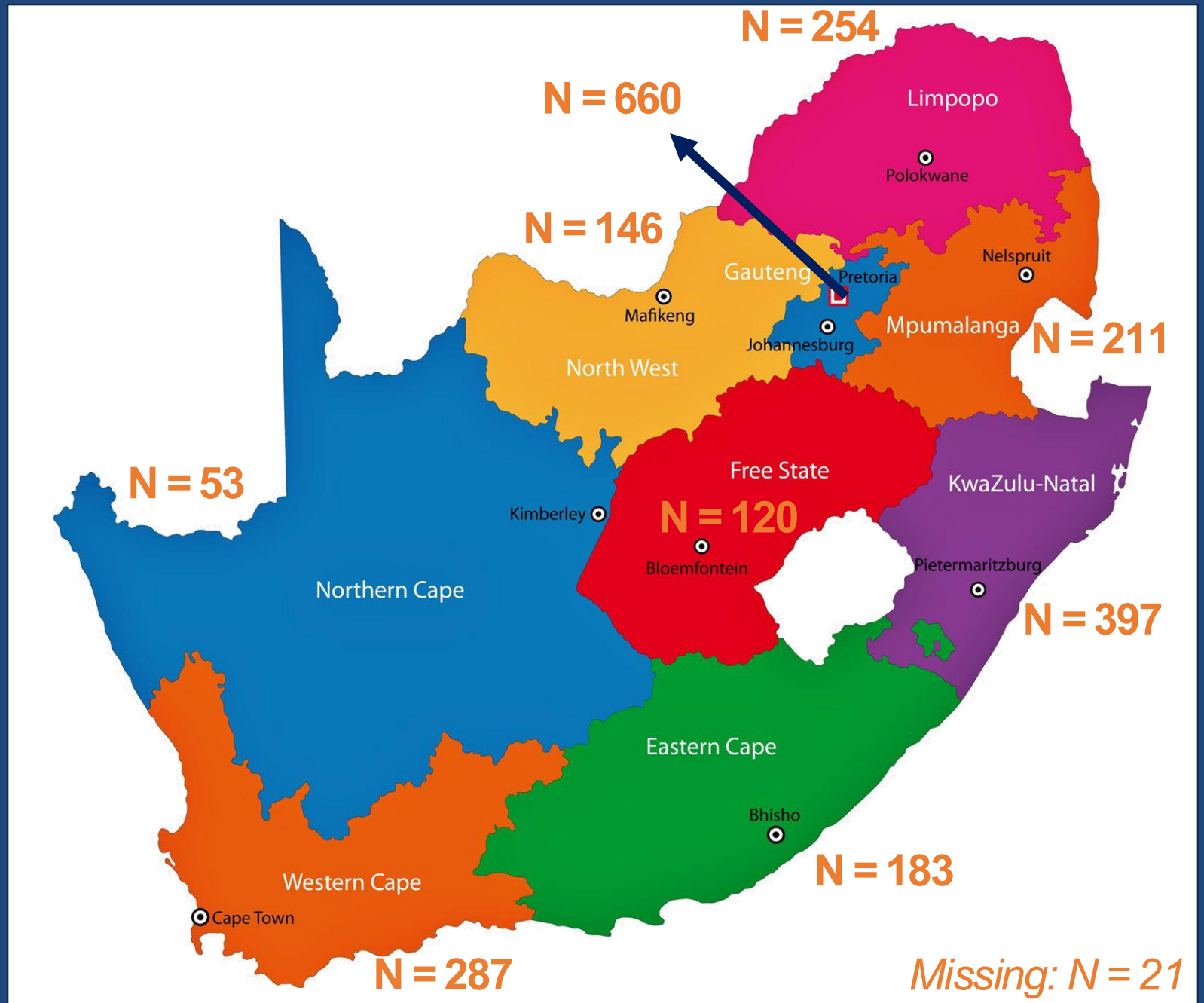
Nov - Jan

N = 2,332 (National)

2024/2025

Analysis to be completed

Targeted N = 2,300 (National)





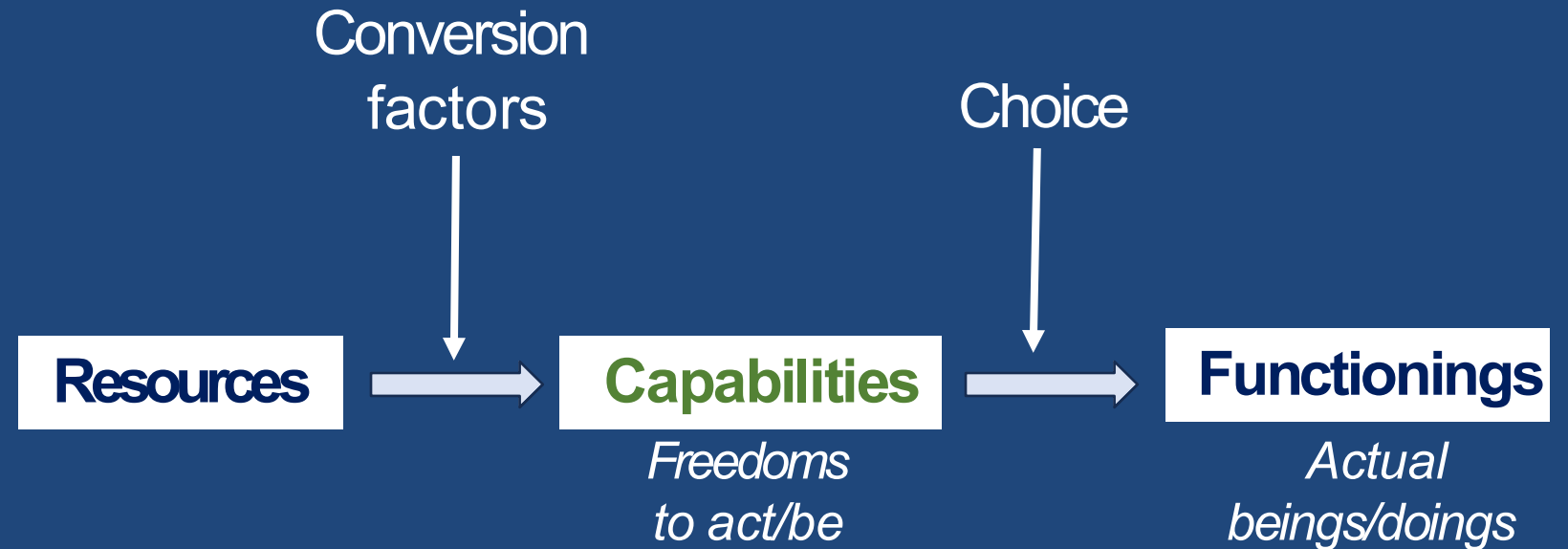
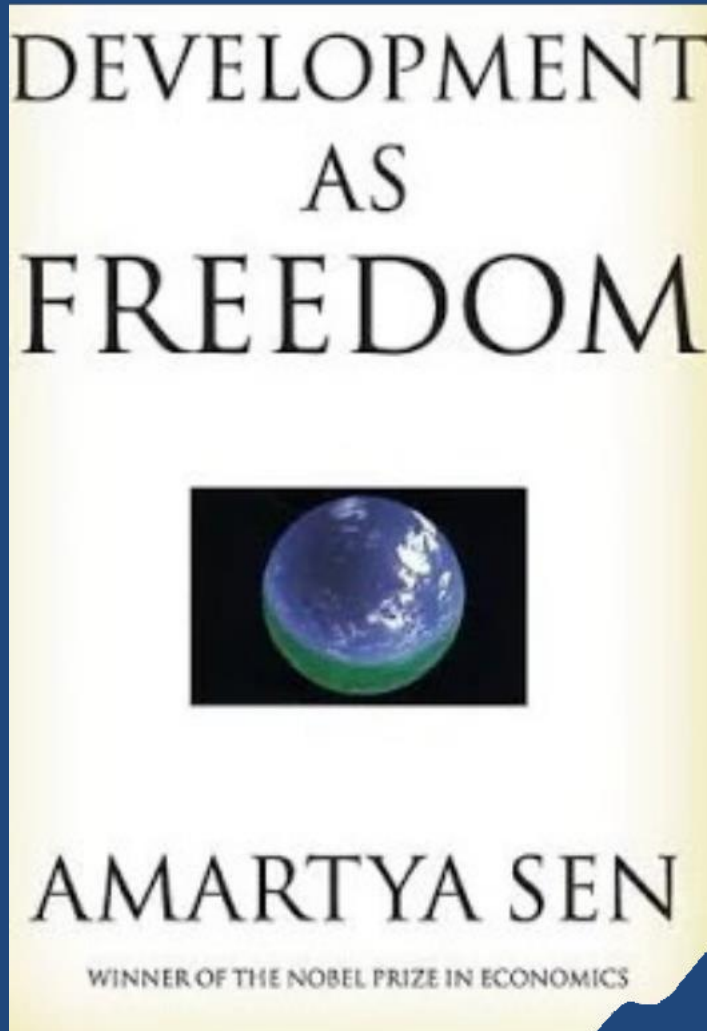
# Living Wage Calculation



- **Let's not assume and prescribe what people need, ask them** about their quality of life, and work life
- **And map those onto monetary incomes**

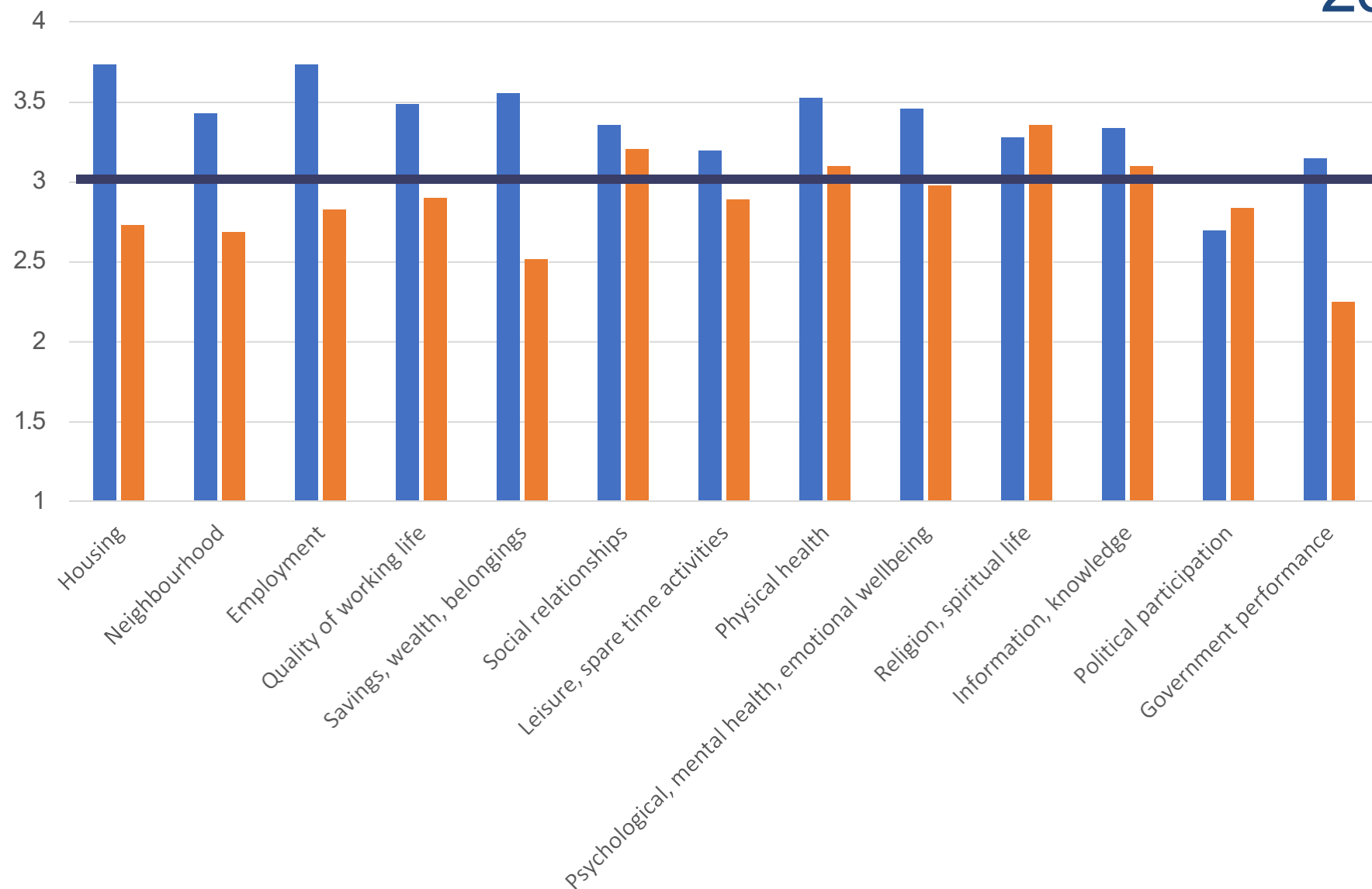
*A People development approach that*  
(1) estimates a Living Wage value,  
(2) charts its benefits for people,  
(3) for organisations and society.

# Theoretical Foundation: Capabilities Approach



# Average importance and possibility ratings per life domain assessed

2023/2024 Data



Averages per life domain are based on between 2,247 and 2,273 responses. A score of  $\geq 3$  indicates that participants, on average, saw a life domain at least somewhat important (blue bars) or saw it as at least somewhat possible that right now they could achieve in the life domain the kind of life they needed to have a good life (orange bars). A Quality-of-Life index was calculated per person as the average of the person's possibility scores across the 13 life domains, each weighted by the person's rating of the life domain's importance.



# Net monthly income (2023/2024 participants)

## Income

Average: R9,200  
Median: R6,300  
  
N: 1,189  
Missing: 1,143

## Income Category

(included are participants who provided both,  
actual net income + income category)

	N	%
Under R2000	74	3.2%
R2000 to R3500	172	7.4%
R3500 to R7000	475	20.4%
R7000 to R10000	239	10.2%
R10000 to R15000	200	8.6%
R15000 to R25000	267	11.4%
Over R25000	70	3.0%
Missing System	835	35.8%

# Results

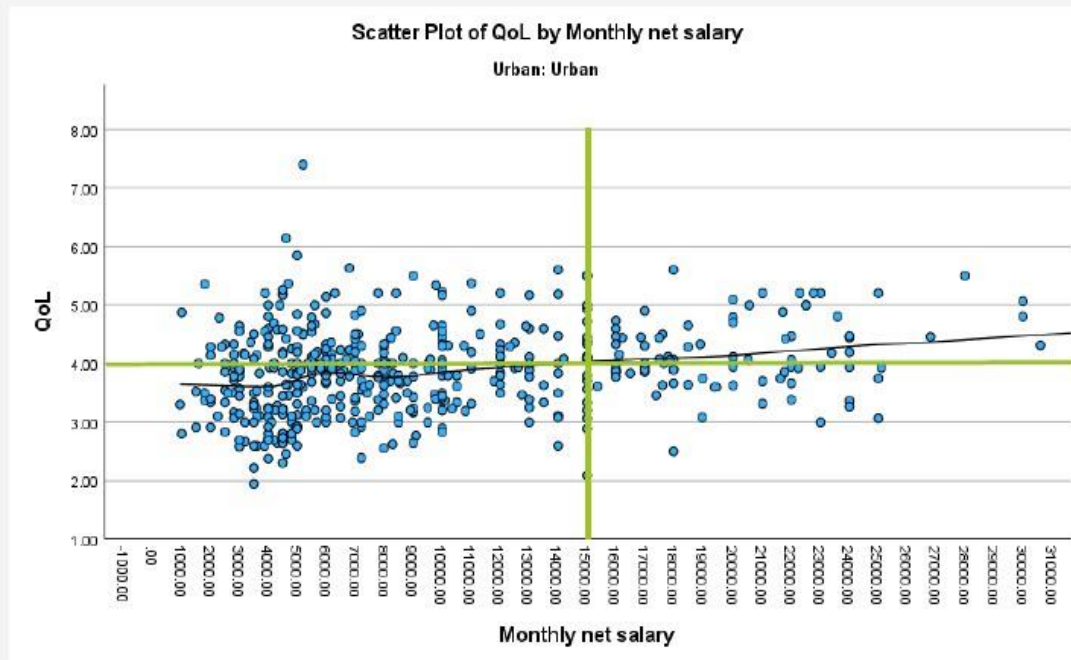


## 2024 Living Wage - South Africa

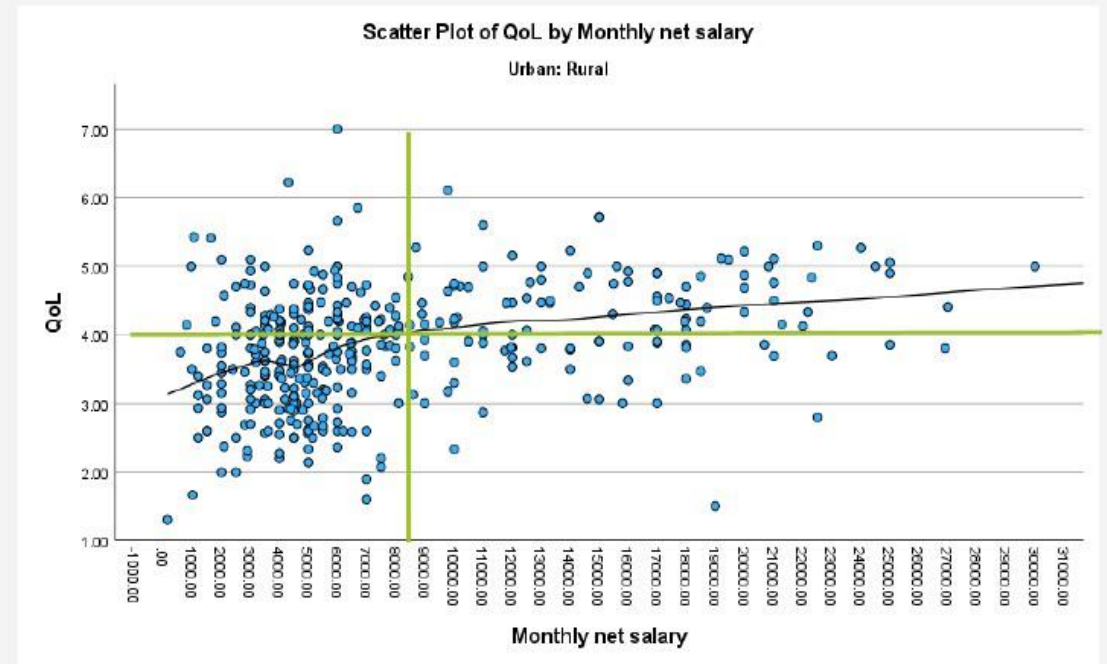


Based on data provided by permanent, contract, project-based or self-employed individuals working fulltime in South Africa across provinces between November 2023 and January 2024

636 individuals working in **urban** areas **R15,000/month/net**



522 working individuals working in **rural** areas **R8,500/month/net**





grow towards paying a living wage

*"A Living wage is more than an amount, it is an Approach"*

## Living Wage South Africa Network

Research, Resources, Advocacy

(294-415 NPO)

Information Services · 222 followers · 51-200 employees

<https://www.linkedin.com/company/living-wage-south-africa-network/>

[livingwagesa@uct.ac.za](mailto:livingwagesa@uct.ac.za)

**Locally, we are a founding member of the Living Wage South Africa Network**



# Links between research and practice

International

National

Living Wage South Africa Network

## What is the Global Living Wage (GLW) Affiliate Network?

The Global Living Wage Affiliate Network offers multinational employers a robust approach to provision of Living Wage across global operations. It is made up of **national level accreditation bodies similar to the Living Wage Foundation that have a globally aligned approach to recognising employers who pay a real Living Wage** to directly employed and contracted staff. Members operate according to shared values and best practice criteria around methodology, calculation, accreditation policy, and compliance. While maintaining global consistency in these areas, members work with a wide range of local stakeholders to make sure Living Wage rates are relevant to local context. Through our tried and tested principles of alliance-building, it is possible to create consensus on Living Wage calculation across national movements.

Local media

Professional associations

Project GLOW Living Wage Associations



PROJECT GLOW  
GLOBAL LIVING ORGANISATIONAL WAGE

