

Living wages, SDG's and ILO's Decent Work Agenda

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Introduction

- The notion that wages should be a main source of support for living standards, and therefore be ‘living wages’, has been gaining momentum. Their legal foundations can be found in international declarations.
- The basic living wage concept is now recognized by the OECD (2023) and most recently by the ILO (2024).
- ‘Living wage’ or ‘fair wage’ networks have been created mostly as multi-stakeholder initiatives (MSIs), such as ACT (Action, Collaboration, Transformation), ETI (Ethical Trading Initiative), FWN (Fair Wage Network), and GLWC (Global Living Wage Coalition).
- Until about 2018 optimism prevailed concerning the impact of these MSIs.

Research Outcomes

Yet, MSIs remain largely subject to voluntary private regulation.

Recent research outcomes throw up quite some issues concerning the MSIs:

- ❖ questions about their legal status and their legitimacy;
- ❖ questions about their voluntaristic nature: their lack of enforcement and accountability mechanisms;
- ❖ brands' preferences to implement Living Wages privately, not publicly (controllable);
- ❖ brands' avoidance of publishing wage data;
- ❖ brands' lack of attention for freedom of association rights, or, for a broader set of labour standards.

Current pressures

In garment rise of fast fashion most likely major factor. Anner (2019, 2022, 2023): price squeeze and sourcing squeeze. Major garment brands tend to pay increasing lower prices to suppliers while imposing short(er) lead times and high order volatility.

On the other hand: there is leverage in international declarations that

- ❖ may guide the functioning of MSI networks stricter
- ❖ open up more options for effective worker interventions.

These opportunities not only apply to garment, but also to other low-paid sectors.

SDGs and WageIndicator projects

- Assessment of the use of SDGs in bringing living wages closer
- Based on projects of WageIndicator and partners in
 - ❖ garment, horticulture and agriculture
 - ❖ encompassing Indonesia, Bangladesh, Ethiopia, Uganda, Kenya
- Living wage campaigns like those of WageIndicator most overlap with:
 - ❖ SDG 8 (Decent Work and Economic Growth),
 - ❖ SDG 1 (No Poverty),
 - ❖ SDG 5 (Gender Equality)
 - ❖ SDG 10 (Reducing Inequality within and among countries).
- Suggest to be selective: combine arguments from various SDG's, tailored to specific national or local conditions and workers' needs.

Wage Gaps!

- large gaps between the minimum wages (SMWs) and living wages:
- In 18 of 45 countries the gaps between the living wage of a typical family and the prevailing SMWs were over 50 % (WageIndicator research, 2021)
- In the production of cut flowers
 - ❖ in Kenya and Uganda living wages were 250-300% of SMWs
 - ❖ in Colombia and Ecuador living wages were 43-60 % of SMWs
- In garment production
 - ❖ in Bangladesh in lower tiers of garment supply chains indications of living wages being 30-40 % of SMW

Conditions causing large wage gaps - developing countervailing power - 1

Wage gaps often prove to be connected with three sets of conditions:

- ❖ lack of labour rights
- ❖ poor working conditions, low health and safety at work
- ❖ (lack of protection against) workplace violence and sexual harassment

Conditions causing large wage gaps - developing countervailing power - 2

Here, ILO's Decent Work Agenda comes in. Delivers instruments to support development of workers' countervailing power:

- ❖ allows to underpin stepwise approaches to support the expansion of the living wage-concept, taking into account: wages; job security; rights at work; working time; occupational health and safety; equal treatment;
- ❖ with focus on collective bargaining / collective agreements;
- ❖ detailed questioning on these issues through surveys and workplace interviews;
- ❖ connect outcomes with SDG's 8, 1, 5, 10, as to underpin demands.