



# Towards a Living Wage Reference Standard



# Agenda

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1. Welcome and introductions
2. Next steps from UNGC and the ILO
3. Why a Living Wage Reference Standard?
4. Spotlight on the Ontario Living Wage Network and Turkish United Metalworkers Union
5. BREAK
6. WageMap consultation process
7. Scope of the Living Wage Reference Standard
8. Q&A discussion
9. Close



# The WageMap Consortium's founding member organizations



Supporting a global network of more than 300 leading companies to build a more just and sustainable world, BSR has deep expertise in building impactful multi-stakeholder collaborations and nearly twenty years supporting companies to establish living wage programs.



The team behind the UK Living Wage Foundation's cost-of-living number generation. CRSP also supports research teams across the globe to engage their citizens in meaningful conversations on the true cost of living in decency.



**LIVING WAGE FOR US, Inc.**

Creates public benchmarks across the U.S. and certifies U.S. employers that pay their workers and contractors a living wage based on real costs of living. Also brings tools and approaches so that all those working toward global living wage payment can continue to advance this movement.



UK accreditation scheme for over 14,000 recognized Living Wage Employers, including over half of the FTSE 100. Now expanding its Global Affiliate Network to offer multi-country accreditation (tier 1). Convenor of local and global Living Wage movements to foster alignment, consensus, and collaboration.



Strategy consultancy firm driving transitions towards sustainable economies in over 35 sectors and 45 countries. Expertise across the full living wage & income journey from benchmarking (incl. creating local benchmarks where needed) to strategy to close gaps.



Publishes data and information to support and inform workers, trade unions, employers and policy makers to improve wage negotiations - in every country in the world, in national languages. Manages a truly global team collecting cost-of-living data on a quarterly basis.



# WageMap's mission is to support the achievement of living wages for workers globally

## Establish a Living Wage Standard



Develop a universally accepted living wage standard through collaborative consultations



Guide data providers, offer a foundation for creating incentives, and promote transparency in employer actions.

## Globally Comparable, Locally Specific, Benchmarks



Determine a consistent living wage benchmark that is globally comparable yet locally tailored – for every location.



Set a universal understanding of the optimal living wage data available, thereby fast-tracking its implementation



## Strengthening Implementation Support



Build a robust network of service providers who can guide and support entities in adopting best practices for sourcing, pricing, and compensating workers.



Build a Knowledge Hub to curate, organize, and disseminate information

## Expand the Global Movement



Cultivate a vast community of stakeholders, both global and local, committed to promoting living wages.

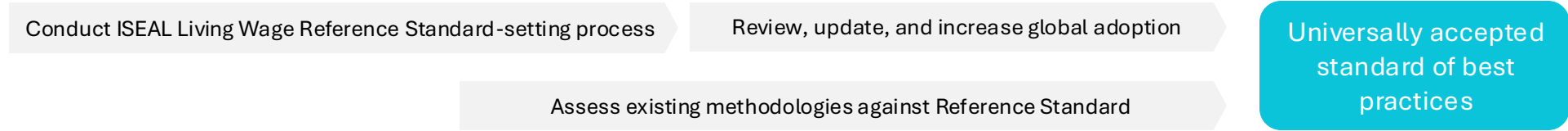



Reaching consensus and alignment across multiple stakeholder groups leads to closer collaboration – maximizing collective impact and acting as a knowledge hub

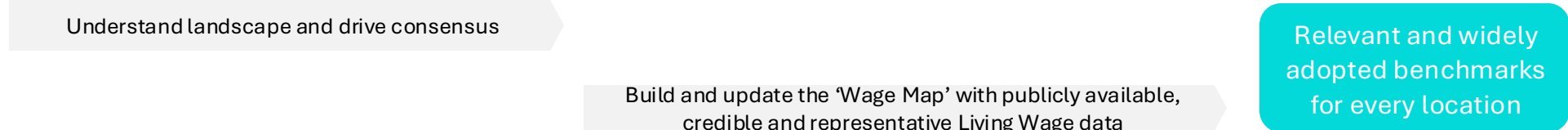
# WageMap plan



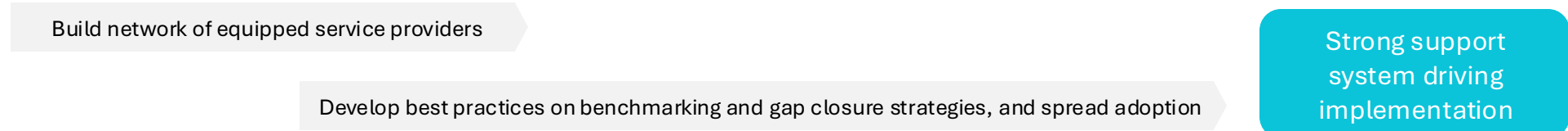
 **Establish a Living Wage Reference Standard**



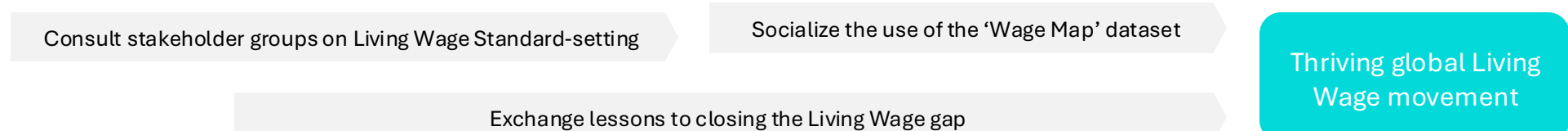
 **Provide Globally Comparable, Locally Specific, Benchmarks**



 **Strengthen Implementation Support**



 **Expand the Global Movement**



# Introduction to speakers

## WageMap Speakers

### Moderator



**Fiona Dragstra**

Director  
*WageIndicator Foundation*

### Lead Community workstream



**Shaheen Hashmat**

Head of Global Living Wage  
*Living Wage Foundation*

### Lead Living Wage Reference Standard workstream



**Michelle Murray**

CEO and Founder  
*Living Wage for Us*

## External Speakers



**Elva López Mourelo**

Project Manager on Setting  
Adequate Wages  
*International Labour Organisation*



**Megan Galvin**

Labour Rights & Decent Work  
*UN Global Compact*



**Anne Coleman**

Director of Programs and Services  
*Ontario Living Wage Network*



**Eyüp Özer**

International Secretary  
*Turkish United Metalworkers  
Union - Birleşik Metal İş*

# ILO Conclusions on Living Wages

Elva López Mourelo

ILO

22 August 2024



# The ILO living wage:

The ILO denotes that **the concept of the living wage** is:

- the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the **normal hours of work**;
- calculated in accordance with the **ILO's principles of estimating the living wage**;
- to be achieved **through the wage-setting process in line with ILO principles** on wage setting.



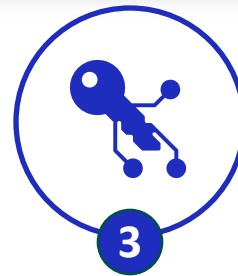
Estimation through evidence-based methodologies



Consultation with employers' and workers' organizations



Transparency on data and methods



Robustness of the data in terms of representativeness



Timely public availability of the estimates

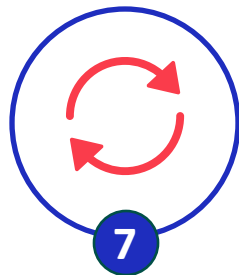


## ILO Principles for living wage methodologies

Specification on whether estimates are gross or net



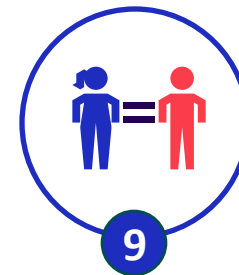
Regular adjustments to consider changes in the cost of living



Quality control, including sound technical review and validation



Promotion of gender equality and non-discrimination



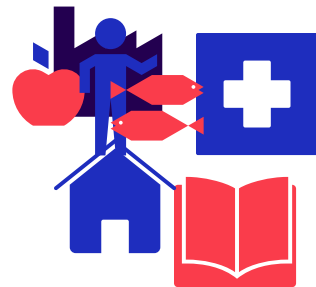
Consideration of the regional or local context



# Identification and assessment of a basket of goods



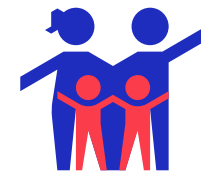
Using local  
prices



Including at  
least food,  
housing,  
health and  
education



In accordance  
with national  
circumstances



Decent living  
standard of the  
worker and his/her  
family

For some elements, international  
standards are well-established and  
should be used

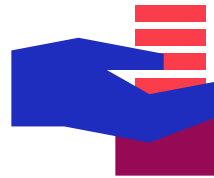
Methodologies should be clear on:

- the family size
- number of wage earners

# General considerations regarding Living Wage Methodologies



Disaggregated by components



Presented in various wage units: hourly, monthly quarterly and annual figures



The result of robust empirical analysis of the population, including surveys and censuses, at country or regional level



# ILO actions related to living wage methodologies



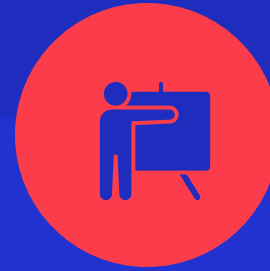
## Engaging with living wage initiatives

- To promote alignment with ILO principles



## Reviewing the ILO methodology

- To align it with the ILO principles for living wage methodologies



## Providing technical assistance

- To constituents on the ILO methodology to estimate living wages



## Developing a communication strategy

- Including on the ILO principles for living wage methodologies



# **UN GLOBAL COMPACT FORWARD FASTER**

**Megan Galvin  
Manager, Labour Rights and Decent Work**



**FORWARD  
FASTER**

# 5 AREAS OF ACTION



	Target 1	Target 2
<b>Gender Equality</b>	Equal representation, participation and leadership across all levels of management by 2030.	Equal pay for work of equal value by 2030.
<b>Climate Action</b>	Set corporate science-based net-zero emissions reductions targets in line with a 1.5°C pathway, with the goal of halving global emissions by 2030 and reaching net-zero by 2050 at the latest.	Contribute to a just transition by taking concrete actions that address social impacts of climate change mitigation and adaptation measures in partnership with actors such as workers, unions, communities and suppliers.
<b>Living Wage</b>	100 per cent of employees across the organization earn a living wage by 2030.	Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.
<b>Water Resilience</b>	Build water resilience across global operations and supply chains and join hands to achieve collective positive water impact in at least 100 vulnerable prioritized water basins by 2030.	N/A
<b>Finance &amp; Investment</b>	Align corporate investment – to the fullest extent possible – with SDG policies and strategies, and set targets, track and report on the amount and proportion of such SDG investments..	Establish a corporate financing strategy that is linked to SDG investments and performance, and report on the amount and proportion of such SDG finance.





**FORWARD  
FASTER**

# LIVING WAGE TARGETS

## TARGET 1

100 per cent of employees across the organization earn a living wage by 2030.

550 companies

## TARGET 2

Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.

330 companies



## 1. Go to the Forward Faster website

[Forwardfaster.unglobalcompact.org](https://forwardfaster.unglobalcompact.org)



## 2. Log in to select targets

### Move your company Forward Faster for 2030

Ready to take ambitious corporate action to achieve the Sustainable Development Goals?

These 5 areas of action have been selected because they cut across all 17 SDGs and are where the private sector can collectively make the biggest, fastest impact by 2030. Each area has specific target(s) to help you build a more resilient company.

Begin by selecting the targets that you would like to take action on:\*

#### Living Wage

- 100 per cent of employees across the organization earn a living wage by 2030.
- Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.



# UN GLOBAL COMPACT PROGRAMMATIC OVERVIEW

## LIVING WAGE

### POLICY ADVOCACY IN ACTION: COUNTRY ROUNDTABLES ON **LIVING WAGE**

Australia	Malaysia & Brunei	USA
Brazil	Mexico	Europe
Finland	Netherlands	Latin America & The Caribbean
France	Sweden	UAE
Germany	Switzerland	
Ghana	UK	
India	Uruguay	



- **Europe** living wage webinar series

- **Africa** roundtable on living wage

- **Peer Learning Groups** on Living Wage

- **Latin America** regional event



**ILO Meeting of Experts on Wage Policies, Including Living Wage.**

**2025 Focus:**  
Living Wage in Supply Chains



# UN GLOBAL COMPACT UNGA 79 KEY EVENTS

September 23, 2024

## Private Sector Forum

Hosted by the UN Secretary-General and organized by the UN Global Compact, this exclusive **invitation-only, CEO-level** event, held as the luncheon of the UN Summit of the Future, explores pressing issues and policy barriers impacting sustainability today—and opportunities for tomorrow.

September 24, 2024

## Leaders Summit

The Leaders Summit is the UN Global Compact's dynamic day-long conference dedicated to providing the tools, network, knowledge, and inspiration needed to scale the impact of private sector contributions to the 2030 Agenda.

**Breakout: Advancing the Living Wage Economy**

**10:30 AM - 12:30 PM**

September 25-26, 2024

## Global Africa Business Initiative

Under the leadership of the Deputy Secretary General of the United Nations, Amina J. Mohammed, the second Unstoppable Africa presented by the Global Africa Business Initiative is designed to place Africa in its proper spot on the world stage, bringing to focus a roadmap for Africa that is sustainable, inclusive, just, and managed by Africans for Africans.

# Why a Living Wage Reference Standard?

The purpose of the Living Wage Reference Standard is to serve as a ‘North Star’, compelling organisations, including WageMap consortium members and other living wage data providers and implementation organisations, to continually strive for improvement in their living wage calculation methodologies. The overarching goal will be to create external confidence in living wage estimates by having a stakeholder-consulted standard, agreed upon by the consortium members, that allows users to understand international comparability and local specificity so that they can confidently implement consistent living wages around the world.

The Scope of the standard will establish:

- ❑ Categories of costs contained within and practices for calculating living wage estimates
- ❑ Effective methods of collecting and verifying reliable cost-of-living data
- ❑ Harmonisation of a consistent technical utilisation of definitions and data architecture



# Why a Living Wage Reference Standard?

- Increase Transparency
- Take the Guesswork out of Deciding on Living Wage Estimates
- Understand Equivalencies and Divergent Impacts
- Identify Additional Necessary Areas of Research
- Guide Continual Improvement and Create a Responsive, Growing, Framework
- Create One Dataset to Access All Estimates
- Encourage New initiatives to Align Rather than Further Fracturing the Movement
- Bolster Locally Led Efforts on Living Wage
- Overcome Concerns About International Comparability
- Link Supply Chain and Own Worker Approaches
- Further the Understanding of Methods of Reaching a Living Wage



## Spotlight on...



**Anne Coleman**

Director of Programs and Services  
*Ontario Living Wage Network*



**Eyüp Özer**

Turkish United Metalworkers  
Union (Birleşik Metal İş)

# Canadian Living Wage Framework

Provides guidelines for consistent living wage calculations in Canada

Details what should be included in the calculation and what should not

Describes specific reference family

Provides methodology



# Ontario Living Wage Network

Worked with local living wage groups to build consensus on calculation methodology

Formed provincial organization

Had to react to changes in provincial tax credits



# National Context

Canadian Living Wage Framework as a guideline

Differences in provincial taxes and credits, data availability and resources require flexibility

Striving for consistency where possible





**BREAK**



# Public Consultation Timeline

Stage	Aug-Sept				Oct-Nov				Dec-Jan				Feb-Mar				April-May				June-July			
Standard Drafting & Prep																								
Public Consultation Phase 1																								
Standard Revision																								
Public Consultation Phase 2																								
Standard Revision 2																								

# Consultation dates

	Time Zone 1	Time Zone 2	Time Zone 3	
Corporate consultation 1	w/c 30.09.24	w/c 12.10.24	w/c 28.10.24	<ul style="list-style-type: none"><li>• <b>Time zone 1</b> – Europe, Latin America &amp; Caribbean, North America (EST): <b>2-5pm BST</b></li><li>• <b>Time zone 2</b> – Latin America &amp; Caribbean, North America (PST): <b>7-10pm BST</b></li><li>• <b>Time zone 3</b> – East Asia &amp; Pacific, Europe &amp; Central Asia, Middle East &amp; North Africa, South Asia, Sub-Saharan Africa: <b>8-11am BST</b></li></ul>
<b>Civil Society consultation 1</b>	<b>w/c 07.10.24</b>	<b>w/c 21.10.24</b>	<b>w/c 04.11.24</b>	
Consultation 2	Feb – Mar 2025 (dates to be confirmed)			

# Stakeholder types consulted

## Civil Society

- Unions and worker representative orgs
- Living wage projects & programmes
- National CSOs
- Certification bodies
- Labour rights experts
- Advocacy
- Research
- etc

## Corporate

- Multinational employers
- SMEs
- Buyers
- Suppliers
- Investors
- Business associations
- Trade intermediaries
- etc

## Government

- Policymakers
- Intergovernmental agencies
- etc.

# Reference Standard Overarching Frameworks

## Don't Reinvent the Wheel

Alignment

### **ILO Guidelines**

Clarifying Meaning to Guide Standard Creation

Alignment

### **IDH Roadmap**

Step 1: Identify the Living Wage - Recognition Process

Alignment

### **Living Income Community of Practice**

Constant Communication on New Guidelines Alignment with GIZ and LICoP

Alignment

### **ISEAL**

Codes of Good Practice in Standard Setting

### **Providing Value to Local Efforts**

- USA
- New Zealand
- United Kingdom
- South Africa
- Philippines
- Hong Kong
- Jersey
- Ireland
- India
- Singapore
- Bermuda
- Canada



# Reference Standard Comparisons

Going Deeper

## Categories of Cost

- Inconsistent Cost Categories
- Consistent Cost Categories with Inconsistent Contents



Going Deeper

## Influential Variables

- Geographic Scope
- Family Size and Composition
- Number of Workers Per Family
- Taxes and Public Benefit
- Influence of Whole Costs vs. Amortization

How Was it Done?

## Data Collection

- Secondary or Primary Data
- Sample Sizes and Data Saturation
- Period of Data Collection
- Inflation Updates vs. Recalculation

# Reference Standard Components

Going Deeper

## **The Standard Itself**

- Categories of Cost
- Influential Variables
- Data Collection
- Local Specificity
- Stakeholder Engagement
- Industry Specific Deviations

Going Deeper

## **Standard Guidance**

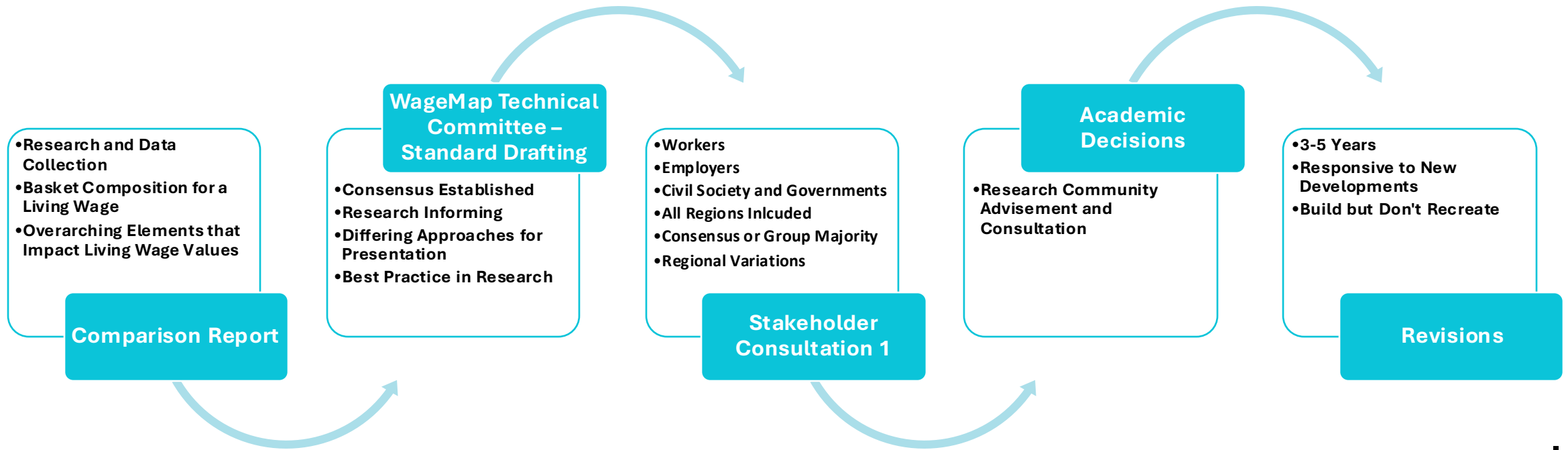
- Presentation of Data
- Assessing Total Remuneration
- Local Ownership
- Use Cases by Various Stakeholders
- Relation to Living Income and Usage
- Consideration of Policy Changes and Influence on Living Wage

Making it Easier

## **Dataset**

- Most Aligned Figures – Scoring and Continual Improvement Standard
- Cancellation of Geographic Overlap
- Notes on Non-compliances Present
- Objective Comparisons
- Public Data

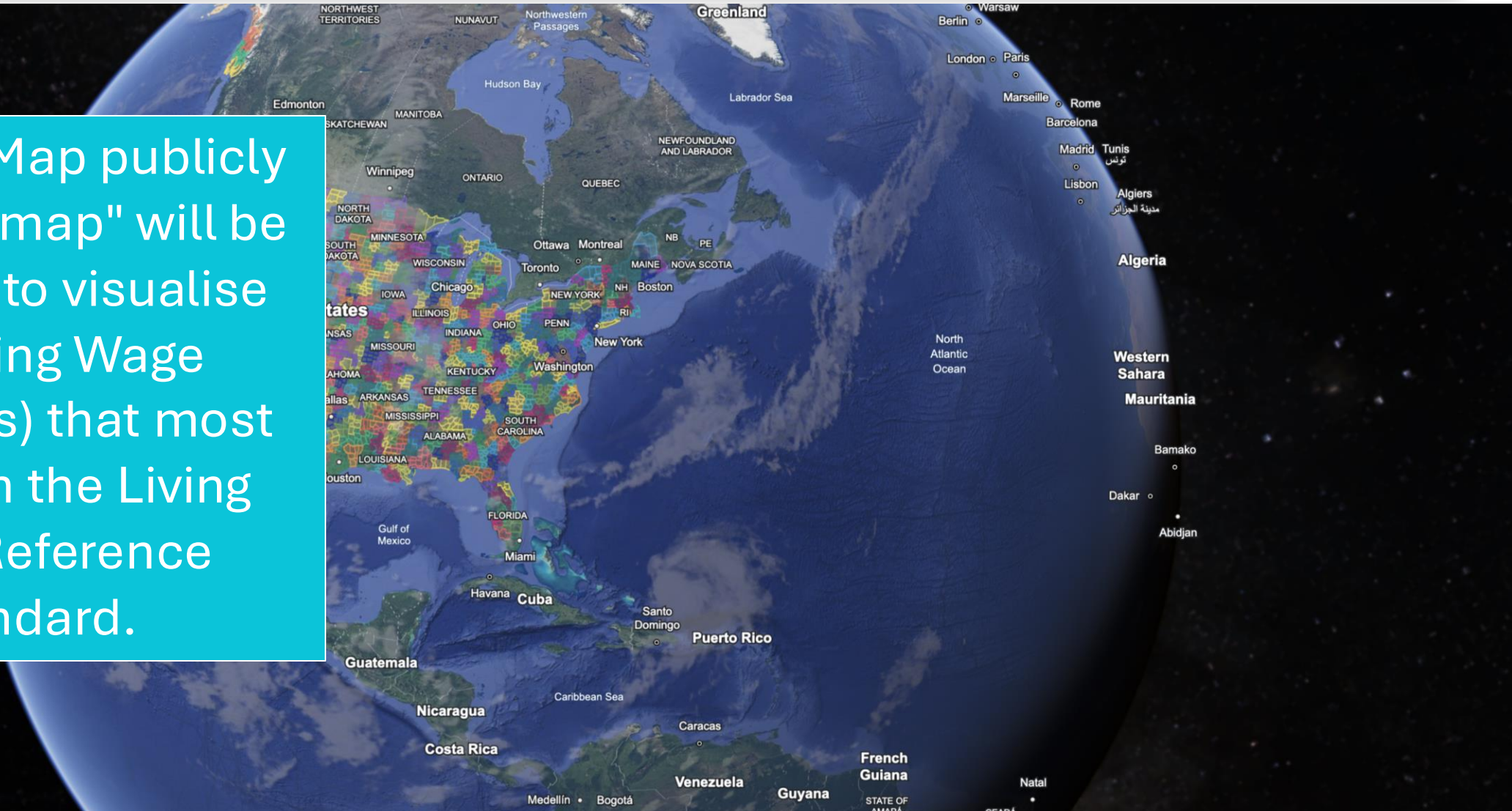
# Decision Making Structure for the Standard





# Dataset Visualization

The WageMap publicly available "map" will be designed to visualise the Living Wage estimate(s) that most align with the Living Wage Reference Standard.



# Contact us

To follow up on this deck, or for broader questions, please address communication to the Project Management Office:



**Joost Backer**

joost.backer@newforesight.com

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If you're familiar with any collaborating organizations and wish to discuss this project, please reach out to their designated lead contact for communication:



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