

WageMap Standard Development and Revision Procedure

Version 1.0 – DRAFT - **Public**

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ISEAL Code of Good Practice, v1.0, 2023: Incorporating Clauses 6.1, 6.9 and 6.10.

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Summary of changes

None. To be updated upon creation of next version.

1. Purpose and scope

1. This document specifies the procedure to be followed by WageMap for the development of any new WageMap standards, such as the Living Wage Reference Standard, and when substantive changes to existing WageMap standards are required to be made.
2. The purpose of this procedure is to ensure all WageMap Standards are and remain effective and credible, by following the ISEAL Code of Good Practice and allowing for transparency and equal participation throughout the Standard development process.
3. Any comments or feedback about this document are always welcome. Please send your comments to WageMap's Project Management Office – joost.backer@newforesight.com, which will be logged and taken

into consideration for future standard development and revision processes.

4. The WageMap Standard Development and Revision Procedure is different from the *Charter - Partner Committee Meeting* which governs internal organizational decision-making within the WageMap Consortium and therefore does not apply to the development or revision of any WageMap Standards.

2. Principles of the WageMap Standard Development and Revision Procedure

In the development and revision of the Living Wage Reference Standard, or any other Standard, the WageMap Consortium, Steering Group, Project Management Office, Technical Committee, and Working Group Manager, shall at all times uphold the following principles:

- 2.1 **Evidence-Based Decision Making:** Prioritize evidence-based insights in all decisions, minimizing political influences. Involve both external and internal experts to ensure a well-rounded perspective on each issue.
- 2.2 **Multiple Perspectives:** Consider multiple perspectives on any given topic or question to inform decisions. Ensure that the ultimate goal remains the guiding principle throughout the decision-making process.
- 2.3 **Adherence to Academic Standards:** Apply rigorous academic norms, such as the principle of hearing both sides (*audi alteram partem*), forming and revising hypotheses, and maintaining scholarly integrity.

3. Definitions

- 3.1 Interested party: Any person or group concerned with or directly affected by a standard – used synonymously in this procedure with the term stakeholder.
- 3.2 Non-substantive changes: Typographical errors, minor inconsistencies, mistakes in references.
- 3.3 Reviewing: The process of analyzing comments and feedback received to determine a standard’s continued effectiveness. A review shall consider whether the standard should be formally and publicly revised.

4. List of abbreviations

- 4.1 Project Management Office (PMO)
- 4.2 WageMap Consortium (WMCon)
- 4.3 Steering Group (SG)
- 4.4 Technical Committee (TC)
- 4.5 WageMap Community (WMC)
- 4.6 Member Groups (MGs)
- 4.7 Working Group Manager (WGM)
- 4.8 Living Wage Reference Standard (LWRS)

5. References

- 5.1 ISEAL Code of Good Practice for Sustainability Systems (v1.0, effective 01/03/2024).

6. Decision to develop or revise a new WageMap Standard

- 6.1 Proposals for revisions or clarifications to the standard, as well as to develop a new standard may be submitted at any time by any interested party and the input received shall be logged centrally in the ‘Decision Log’ document maintained by the WageMap Project Management Office. The input received shall be considered in the subsequent review process (see 5.6.1.a).
- 6.2 The decision to develop or review a new WageMap standard shall rest with the Steering Group (SG), advised by the WageMap Project Management Office (PMO), Technical Committee (TC), the WageMap Community (WMC) and Member Groups (MGs).
- 6.3 WageMap standards shall be reviewed on an ongoing basis, with the period of the next review to commence on a date not exceeding 5 years from official publication date of the previous final version of the standard.
- 6.4 The date of the subsequent scheduled review shall be made publicly available and shall be included in the standard.
- 6.5 A review process shall consider a standard’s continued relevance, effectiveness, and whether external circumstances have changed to the point where change is required.
- 6.6 After each review, a recommendation shall be made by WageMap to the SG on whether a revision shall be initiated.
- 6.7 Reasons why a revision process may be recommended and initiated are:
 - Stakeholder and/or internal WageMap feedback as captured in the Standard Feedback File.
 - Changes in the relevance of the Standard
 - Change in legislation.
 - Any other significant change in the debate on Living Wages.
- 6.8 If the development or the revision of a Standard is approved, the WageMap Steering Group shall establish:
 - A WG ensuring a balance of interest between different geographies, stakeholder groups and expertise, so that no stakeholder group can control decision making. The WG will include individuals based on the following criteria:
 - Expert knowledge and/or experience of the issue(s) under consideration.
 - Capacity to contribute a wide range of viewpoints, for example of different socio- economic, geographic, cultural, gender, organizational and size of interest
 - Represent potentially affected stakeholders.
 - Understanding of WageMap’s mission and vision, including knowledge of WageMap’s way of working and procedures.
- 6.9 The WG shall as a minimum include a designated Working Group Manager from the WageMap Steering Group. The WG Manager shall produce a plan with roles and accountability. The work plan shall reflect the processes described in the Standards Development and Revision Procedure.
- 6.10 Prior to starting the revision or development process, the WMCon shall elaborate a stakeholder mapping, including a stakeholder engagement plan. The stakeholder engagement plan shall present identification of strategies for reaching underrepresented stakeholders (disadvantaged and vulnerable), with roles and responsibilities.
- 6.11 The WG Manager shall identify and inform peer standards of the intention to develop or revise a Standard and seek input to the ToR from peer standards and encourage their participation in the development or revision of the standard.

7. Process to develop or revise a WageMap Living Wage Reference Standard and/or other standards

The process to develop or revise the WageMap Living Wage Reference Standard and/or other standards is as follows:

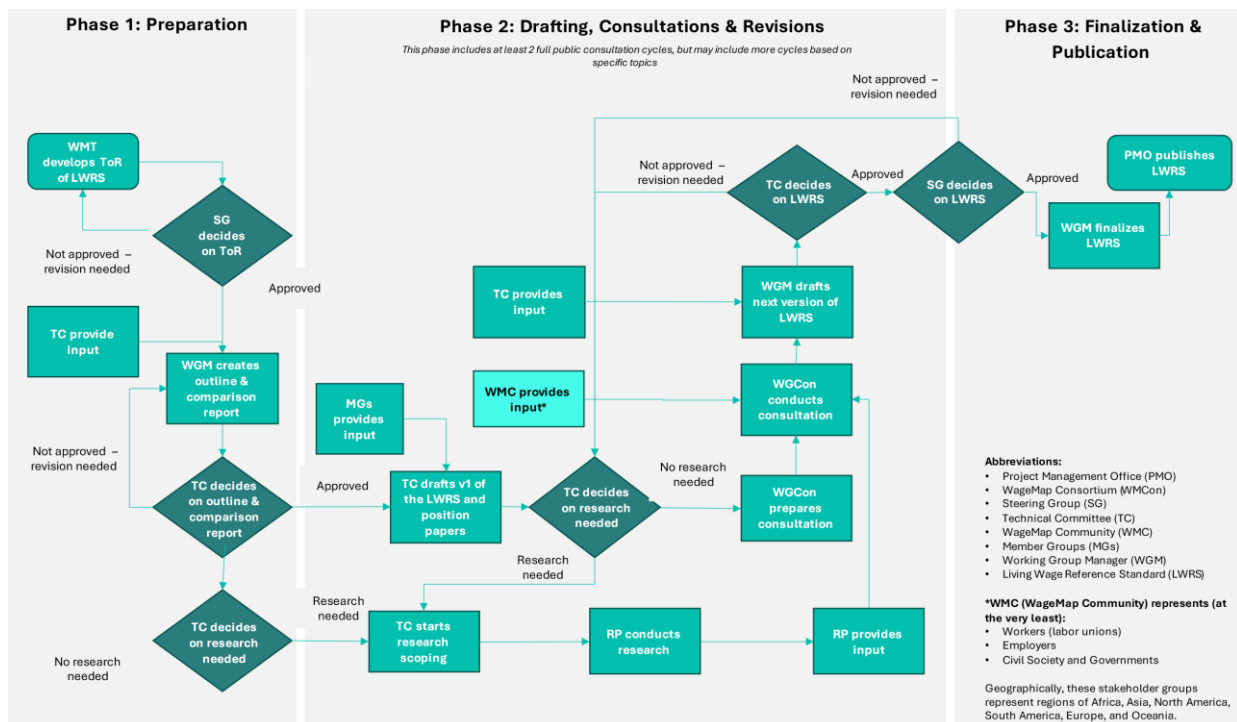


Figure 1 Decision-making flowchart on Living Wage Reference Standard-setting process

7.1 Develop Terms of Reference for the Standard: At the start of the development of any Standard, the WageMap Consortium (WMCon) shall develop a Terms of Reference (ToR) for the standard in line with WageMap’s intended outcomes and strategies. The ToR shall include at least:

- The intended outcomes and strategies
- the intended scope of the standard
- the intended sustainability outcomes of the standard, consistent with the scheme’s sustainability impacts and strategies
- a justification of the need for the standard, including how the standard complements existing external standards with overlapping scopes
- the intended sustainability claims that the standard will substantiate
- an addendum which contains the project plan, including activities, roles and responsibilities, and time budgeted, to execute the activities.

7.2 Create Living Wage Reference Standard outline and comparison report: This phase will ensure that the contents of the Standard properly reflect what is needed for the project and categorizes the issues where additional research or discussion is necessary. The Technical Committee will create an outline for the proposed topics initially to be covered. This outline shall flag issues where a deeper dive or additional research is necessary for consensus and contain reference details for points where general agreement has been achieved and alignment is expected to be simpler. References for those areas of current comparison among publicly available Living Wage Estimate methodologies will be included alongside external consensus points on defining a living wage methodology.

7.3 Draft Comparison Metrics Report for Methodologies – The Working Group Manager will lead the process pulling together current completed work on Living Wage estimate methodology comparisons to identify the areas where differences are not yet understood and thus need additional research. The comparison report will review a large range of living wage estimation methodologies to discover the elements correlated with differences in data among estimates. This report provides the map of differences among living wage estimation methodologies that will lead to a comprehensive standard wherein clear decisions on best practice as well as acceptable practices and unacceptable practices can be informed by academic rigor and stakeholder input. Differences identified in this report are grouped in three clear categories to inform the standard as listed below:

- i. **Research and Data Collection** – Differences found in living wage estimates that seem spurred by data collection techniques that would not be considered significantly robust to provide reliable and consistent results will be identified and the best practice for the standard set at the level that the wider research community deems sufficient. A group of academics may be consulted to inform some of the decisions taken in this category of difference if best practice is not clearly determined. Research based decisions that require knowledge of appropriate research approaches will be informed by researchers with appropriate expertise. WageMap members will ultimately work toward consensus on these decisions and present them to stakeholders to consider and allow for feedback. Balancing the need for quality research with the need to practically implement.
- ii. **Basket Composition for a Living Wage** – Current differences between what is and is not included in living wage estimates will be examined to provide more depth to the categories of cost in the living wage “basket”. This goes beyond broad categories to the specifics of each category listed. For example, three different methodologies might all include the cost of transport in a living wage estimate. But one might look only at public transport, another at car ownership and all associated expenses, another might be examining motor bike ownership and use. The three estimators in the same location would have wildly different figures for this cost of living. The standard will clarify best practice among these differences. If different types of transportation for example are appropriate in different countries or regions, guidance will be supplied through the standard on local stakeholder input necessary to drive choices and transparency behind those choices. Thus getting us to a point where we know what is in the basket and if it is different in different locations, why that is necessary based on local stakeholder input in alignment with ILO guidance. Additionally, some categories of cost might be altogether omitted in some estimates and yet establish a large portion of the cost of living in others e.g. care expenses. Where included in living wage estimates, differences might be present in how they are included e.g. amortized over the workers’ life or included for every year the worker is employed. These differences will be presented for broad stakeholder input to assess geographic and developmental impacts on approaches as well as appropriate guidance for the standard on assessing what is locally appropriate but still internationally comparable.
- iii. **Overarching Elements that Impact Living Wage Values** – Geographic coverage, tax calculations, number of workers per family, and family size estimations can have large impacts on differences across methodologies in terms of establishing consistent living wage estimates. Any aspect of estimates wherein methodologies are taking different approaches that impact the overall estimation but are not part of the “basket” or data collection categories will be included in this third category decision making structure

7.4 Draft the Living Wage Reference Standard – Utilizing the comparison report, the WageMap Technical Committee will review all elements and differences and establish where the group can settle on consensus for suggested approaches to every element of the standard. Where consensus is established, language is proposed for the standard itself. Where consensus is not established, the various approaches currently being utilized and prospective paths the standard could follow are presented in the first draft of the standard. Existing research will be utilized to the highest extent possible to guide these suggestions and potential new research shall be ordered where necessary.

7.5 Conduct stakeholder consultations – 3 distinct stakeholder groups with representation across Africa, Asia, North America, South America, Europe, and Oceania will be formed and consulted on 2 to 3 rounds of webinars and standard iterations regarding the elements of the standard. These stakeholder groups will represent (at the very least):

- Workers (labor unions)
- Employers
- Civil Society and Governments

Focus will be on gathering thoughts and opinions among these groups for components of areas b) and c) listed in the comparison report description above. Comments will be accepted for both the issues wherein the WageMap Technical Committee has not achieved consensus as well as the areas where the WageMap

group has come to a consensus perspective. Should we have alignment among stakeholder groups on a particular direction, the WageMap Technical Committee will pursue that choice in the next standard draft. Should feedback vary by region

more than stakeholder group, we will do further stakeholder consultation to inform guidance on locations which might differ from global best practice and where methodologies estimating living wage should specifically engage country-based stakeholders to drill down on appropriate variations to the standard. Clear guidance on consultation parameters would be incorporated in the standard based upon ILO guidance. Any accepted variations would be supported by statements of stakeholder perspective on said variations.

If among the stakeholder groups there is variation on the appropriate direction to take, we will strive for a blended solution. But ultimately, if no consensus can be achieved, the WageMap standard will reflect the perspective of the majority of stakeholder groups engaged.

- 7.6 **Make final decisions** - It is the intent of WageMap to achieve stakeholder consensus and agreement on all elements of the standard. However, in cases where stakeholders are evenly split even among stakeholder groups regarding political decisions in the standard, and the WageMap technical group cannot achieve consensus, the WageMap steering committee will be tasked with a one vote per WageMap member organization decision on the direction of the standard. The intent is to never need to implement this decision-making mechanism. However, it is present should there be absolute need.
- 7.7 **On the role of academia** - The stakeholder-based decision making-structure outlined above applies primarily to political decisions within the standard. Academic and research decisions on data gathering shall be informed by accepted practices of rigor in research. These decisions will still be presented for stakeholder input, but the aim of WageMap will always be on having data collection reflect practices that establish as much accuracy as is feasibly possible for living wage estimates while balancing the need for practical implementation.
- 7.8 **Overarching frameworks** – The WageMap Consortium is committed to ensuring that all decisions taken in the standard are both aligned with existing IDH guidelines for living wage estimates as of June 2024 and with ILO guidelines on living wage estimation. WageMap is committed to partnering with these organizations to ensure correct interpretation of existing standards. WageMap does not intend to create a new methodology, but to build on the existing work of the movement and provide clarity on estimates that are meeting best practices and ways to improve to overcome differences in data and estimations.