

Q&A Living Wage Reference Standard

Q&A from the public consultation session on 23 October 2024

Question

What is the cost of Living Wage (LW) assessments, and how is the balance between the reliability of numbers and the effort required determined? How are updates in dynamic markets being addressed to ensure timely, informed decisions and dialogues?

Answer

These questions are relevant to individual methodology holders. WageMap will discuss the element of addressing dynamic markets as well as timely and informed decisions and dialogues with the different methodology holders to understand the differences and stimulates methodology holders to describe this transparently.

Question

How is the Standard coordinating with the emerging Task Force on Inequality and Social-related Financial Disclosures (TISFD)?

Answer

WageMap is not currently engaged with the TISFD. We understand the group launch was September 2024 and occurs after this workshop. Thus, TISFD has not been "on our radar," so to speak. We appreciate having the work of this group brought to our attention and will reach out to understand more.

Question

Can you clarify the terminology of "Living Wages" and "Fair Wages" as it relates to standards and practices?

Answer

Here is relevant information about this, developed to provide clarity in definitions, practices, and standard applications. The terminology is explained to support aligned understanding across contexts.

Question

How do education factors play a role in living wage decisions and assessments?

Answer

We know that a range of factors contribute to living wage decisions, including education levels, which impact skill availability and overall job qualifications within regions. These details help us understand labor dynamics and wage needs.

Question

What is the timeline for having the standard reference methodology released, and what steps are being taken to ensure adherence to this timeline?

Answer

WageMap will work on the reference standard in phases. Initial drafts are targeted by early 2025, with ongoing collaboration and consultation rounds through the next year. Stakeholders are encouraged to follow updates closely for contributions.

Question

What is the role of different parties in the verification and certification of living wages under the proposed methodology?

Answer

Verification and certification involve both third-party assessors and internal review mechanisms. WageMap will provide frameworks but relies on methodology holders for the validation of on-ground practices within their specific operational landscapes.

Question

How does the methodology address wage gaps in varying geographic regions with different economic scales?

Answer

The methodology is designed to be flexible and considers regional economic contexts, but methodology holders must localize their approach to account for specific wage gaps. WageMap encourages transparency in methods and results.

Question

What are the expectations around minimum wage adjustments in contexts where they may not align with local cost of living?

Answer

WageMap emphasizes that minimum wage should be a base level that aligns with local living

costs, advocating for adjustments where needed. Stakeholders are encouraged to work collaboratively with local policy makers.

Question

How are annual wage reviews planned, and what criteria will inform the assessment for these adjustments?

Answer

Annual wage reviews are anticipated to incorporate inflation metrics, cost of living changes, and economic indicators. Methodology holders will provide their respective criteria to WageMap for alignment and transparency purposes.

Question

What is the primary focus of WageMap in coordinating with global organizations on wage standards?

Answer

WageMap's primary focus is on alignment and harmonization of wage standards with a global perspective, aiming to support fair wage practices through consistent methodology application across regions and industries.