



**ASIA
FAIR
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**Living Wages -
An Overview**

Rain Morgan

Living Wages: An Overview...

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Living Wages: An Overview...

Why are we having this conversation at all?

Because as fair traders, our fundamental commitment is to fairness in trade,
Our customers are asking questions and their customers are asking questions...
and fairness starts with a Living Wage...

“There is a growing number of ‘conscience’ consumers who want to know where their products come from and how it was made. They expect that all the workers in the supply chain are treated fairly and receive a living wage: from the people who planted the seeds and picked the cotton, made it into yarn, made the fabric and the garments, to the packers, shippers, stock pickers and shop assistants...”



Living Wage is not just a fair trade issue, its not just a developing world issue -
it's a global labour issue and it's a basic human right.



Living Wages: An Overview...

Some uncomfortable truths in the developed “North”:

There is no county in the USA where a worker, earning minimum wage, can support a family. On average, it would take an increase of 65% for minimum wages to reach the level of Living Wages.

ILO Global Wage Report (2015):

“Since 1999, labour productivity (the things people make and the services they sell) has increased by over 20%, while wages have only increased by 8% - and there is no sign that this trend is slowing down - the gap is widening every year.”

It means wage earners are getting a smaller share of the economic growth while owners of capital are getting a bigger share.

Quality jobs: (sustainable jobs with good pay and good prospects) are growing very, very slowly...



Living Wages: An Overview...

The global economy is sluggish - growth is low and slow.

Over-population : too many people chasing too few jobs - 60% of the world lives in Asia, the next population boom is going to be in Africa...

Skills shortages : global education systems are turning out graduates with skills that simply do not match the current reality.

Ageing population in the 'North' - the young people are in the developing world.

	0-14yr	15-64yr	65yr+
USA, UK, EU	18%	66%	16%
SA & Nigeria	36%	59%	5%
India & China	24%	69%	7%



Living Wages: An Overview...

What happens when people do not earn enough?

- They make do without... often at great cost to their health.
- They get into debt - often at crippling interest rates.
- They engage in risky survival strategies: theft, gambling, prostitution, human trafficking...

Desperate people will do what it takes to survive... and none of the above are constructive, sustainable or make economic sense.

The issue of the 'working poor' is not confined to the developing world.

Globally - all of us - everyone who contributes to the economy - needs to engage the process of working towards Living Wages for all workers, everywhere.



What is the **GOOD NEWS**?

Living Wages is not just an issue inside the fair trading family.

- Big businesses - major brands - are engaging the process
- Governments are getting involved
- Activist consumers are getting 'louder'

All round, there are calls for greater transparency, more accountability - more fairness in conventional trade.

Here's the *really* good news: all the most difficult issues conventional trade are struggling with: **transparency, accountability, 'people before profit'**, are already built into Fair Trade (or Fairtrade).

We have the framework of the solution - the difficult work has been done - we do not have to start from scratch!



Living Wages: An Overview...

It is not going to be easy, its not going to be quick and no one can do it *for* us...

Where to start...

- Get informed - there is a wealth of information out there...
- Do not allow fear to dictate the process.
- Write a company policy that clearly states the aim to pay Living Wages.
- Include Fair Trade terms (or human rights clauses) in the terms of trade with your suppliers and customers - and encourage your governments to do the same when they contract with suppliers or other governments.
- Start talking about creating the solutions...



What is WORKING?

Collaborative initiatives : multi-stakeholder initiatives - a number of committed people at various levels who work together...

Malawi Tea 2020: 21 organisations signed up to a commitment of achieving a competitive, profitable Malawi tea industry where workers earn a living wage and smallholders a living income: (in alphabetical order): Ethical Tea Partnership, Ethical Trading Initiative, Fair Trade, IDH - Sustainable Trade Initiative, Jacobs, Douwe Egberts, Malawian Tea Traders Association, Marks and Spencer, Mother Parkers, OTG, Oxfam, Rainforest Alliance, Tata Global Beverages, Taylors of Harrogate, Tea Association of Malawi, Tesco, Twinings, Unilever, UTZ Certified, Van Rees.

Vietnam: National Wage Council are working with the GLWC, using the Anker methodology to legislate Living Wages as the minimum wage in Vietnam by 2017/18. The current (2016) level of the minimum wage is 80-86% of LW.



Living Wages: An Overview...

What does not work?

- “Imposed rules” : one size does not fit all - not even in the same country in the same industry...
- Unilateral decisions and any agreement based on fear and coercion
- Well meaning ‘laws’
- Going it ‘alone’
- Ignoring it and hoping it will go away...

“Each organisation, each member will have to make a personal commitment and drive the process from where they are standing...”

*We need to do what we can, with what we got -
there are no magic wands!”*



Living Wages: An Overview... **RESOURCES**



iSeal Alliance: Global Living Wage Coalition

www.isealalliance.org - look for benchmark studies.

The Global Living Wage Coalition includes Fairtrade International, Forest Stewardship Council (FSC), Goodweave International, Sustainable Agriculture Network (SAN), Rainforest Alliance (RA), Social Accountability International (SAI), UTZ, and the ISEAL Alliance, in partnership with Living Wage experts Richard Anker and Martha Anker.

UTZ - Guidance document Living Wages (v1.0|Aug 2016) - www.utz.org

PSI - Paying a Living Wage

Document commissioned by the Ministry of Foreign Affairs : Netherlands Enterprise Agency: www.rvo.nl/psi

Ethical Trading Initiative: Base Code Guidance: Living Wages

ethicaltrade.org



Thursday 20th Oct 2016, 10h45 - 12h00

Living Wages: An Overview...

We don't have to be perfect immediately, but we do have to engage the process in a meaningful way... our fundamental commitment is to fairness in trade, and fairness starts with a Living Wage.

Thank you!

