

Living Wages

Carla Romeu Dalmau





Our Mission:

Drive **Systemic
Market
Transformation**
towards



Better jobs

+ 240,000 workers in factories reached
33% of living wage gap closed for 50,000 tea workers in Malawi



Better incomes

2.5m smallholder farmers reached
7.1m MT sustainably produced commodities



Better environment

2.6m ha under protection, restoration and sustainable rehabilitation



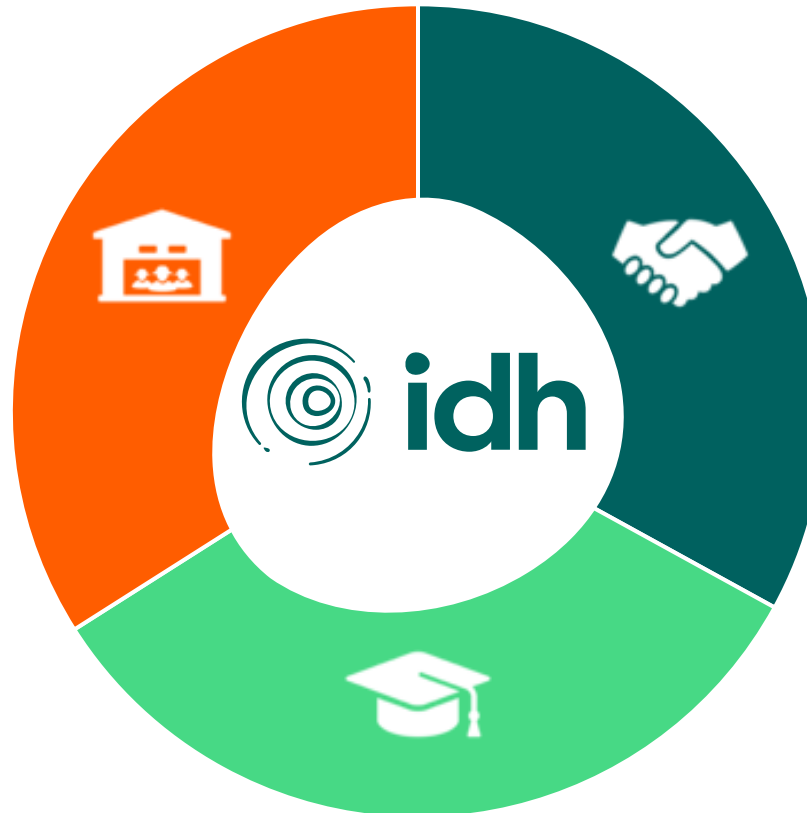
Gender as cross-cutting



How we work

Convening

Bringing knowledge, sourcing power
and jurisdictional power together



Co-financing

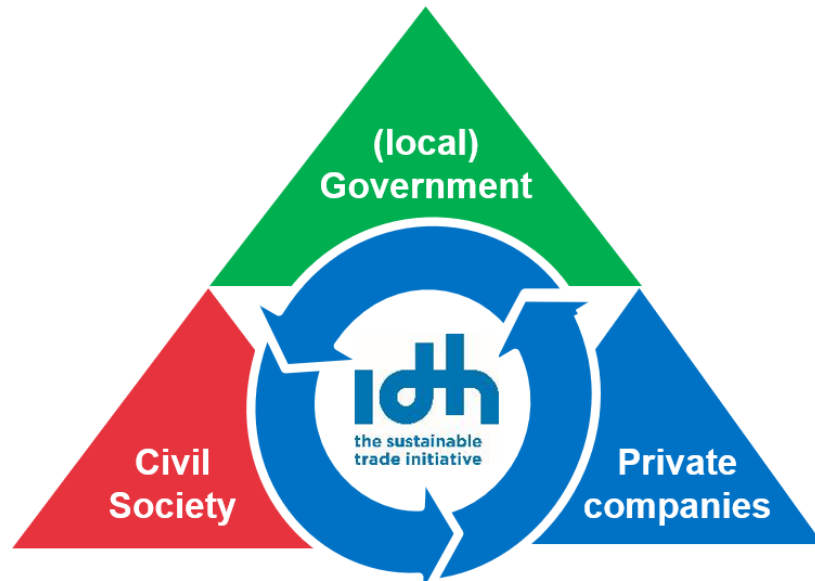
Triggering private investments
De-risking capital investments

Insights & Innovation

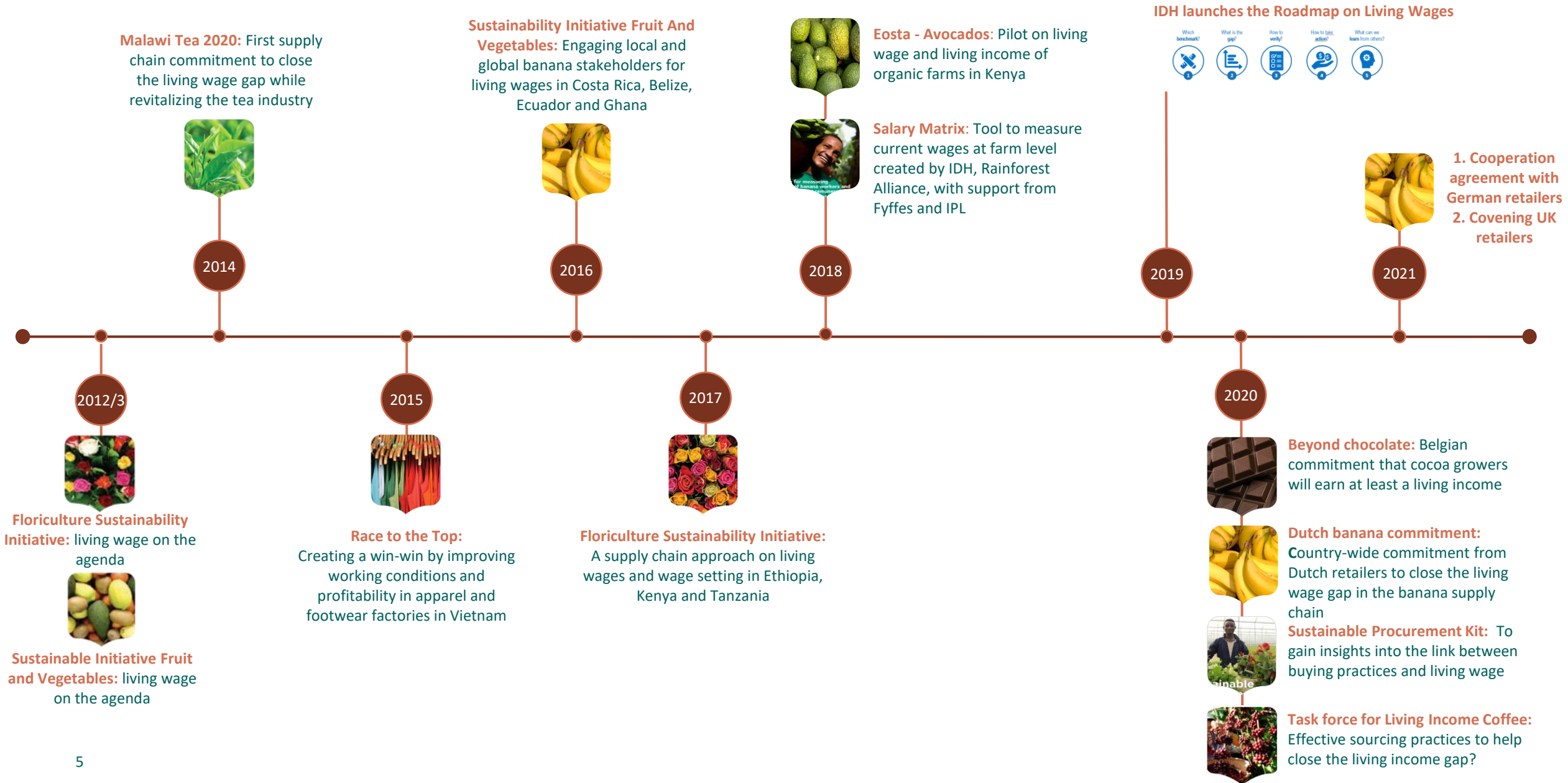
Testing new sustainability solutions and share learnings



Our partners



IDH Journey on Living Wages





Which
benchmark?



What is the
gap?



How to
verify?



How to take
action?



What can we
learn from others?



IDH Roadmap on Living Wages



Recognition process
benchmark
methodologies

Benchmark finder

Next: explore global
public databased of
benchmarks.



Digital Salary Matrix

Guidelines, training and
helpdesk.

Adoption by key certification
schemes.

Next: further improvements,
adaptation to
manufacturing.

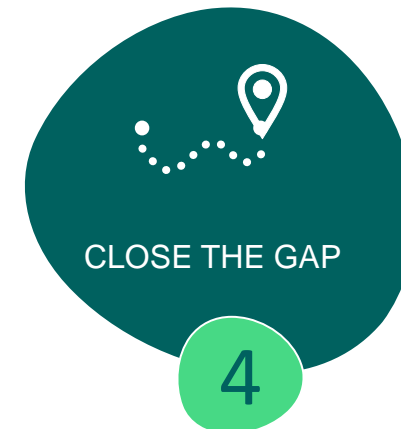


Verification guidelines &
reporting template

Partnership for training
auditors

MOUs with recommended
auditing bodies

Next: improved guidelines
and engagement of auditing
bodies.



Co-financing projects

Action Guide to support
closing of living wage gaps



Publication of case
studies and videos

LW Summit 2023

Partnerships for
disseminating lessons
learnt



How is a living wage benchmark calculated?



Food



Housing



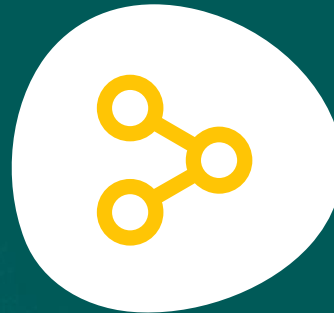
Education



Health Care



Transportation



Other essential needs
Including provision for
unexcepted events



Basic Costs for the Family



Living Wage Benchmark Methodology Recognition Process



Full-fledged Anker Methodology
Anker Reference Value Methodology



Typical Family Methodology



LIVING WAGE FOR US, Inc.

Monthly Living Wage Methodology



Typical Family Methodology



Collecting data

Estimate living wage based on data collected and representative of the location of the living wage benchmark



Cost of living

Measure the cost of living of a typical family in a region (family size is estimated based on regional/national family size data or birth-rate data)



Items of cost of living

The cost of living based on requirements for good nutrition, housing, education, healthcare, household goods, transportation, personal care, etc.



Working adults

Factor in the expected number of working adults in a family by dividing the total cost of living by 1+ the employment rate



Sufficient net income

Account for statutory deductions from gross income, such as taxes, union fee, etc.



Differences in context

City/region-specific or at least account for urban and rural differences



Conflict of interest

No inherent conflicts of interests.
Methodologies must have sufficient distance from funding sources to maintain integrity. In addition, individual benchmark results must not be influenced by the funding source



Transparency

Publish a clear and consistent methodology for data collection and calculation elements



Inflation estimation

Update the estimates yearly for inflation. Estimates can be updated for up to 5 years (considering local circumstances) before a new benchmark is needed

Search IDH Recognised Living Wage Benchmarks

Return to instructions >

Q Brazil

Brazil

Brazil

Region	Full-Fledged Anker Methodology (publicly available)	WageIndicator Typical Family Methodology (available for purchase)	Fair Wage Network Typical Family Methodology (available for purchase)	Living Wage For US Monthly Living Wage Methodology (publicly available)
Brasilia			Jan, 2021	
Rondonia		2022 April	Porto Velho Jan, 2021	
Minas Gerais	(only for Southern and South Western Minas Gerais) July, 2019 Southern and South Western Minas Gerais July, 2021	2022 April	Uberlandia Jan, 2021 Belo Horizonte Jan, 2021 Contagem Jan, 2021 Juiz de Fora Jan, 2021 Pouso Alegre Jan, 2021 Jan, 2021	
Mato Grosso		2022 April	Cuiab�� Jan, 2021 Jan, 2021	



IDH Roadmap on Living Wages

supported by international companies & standards

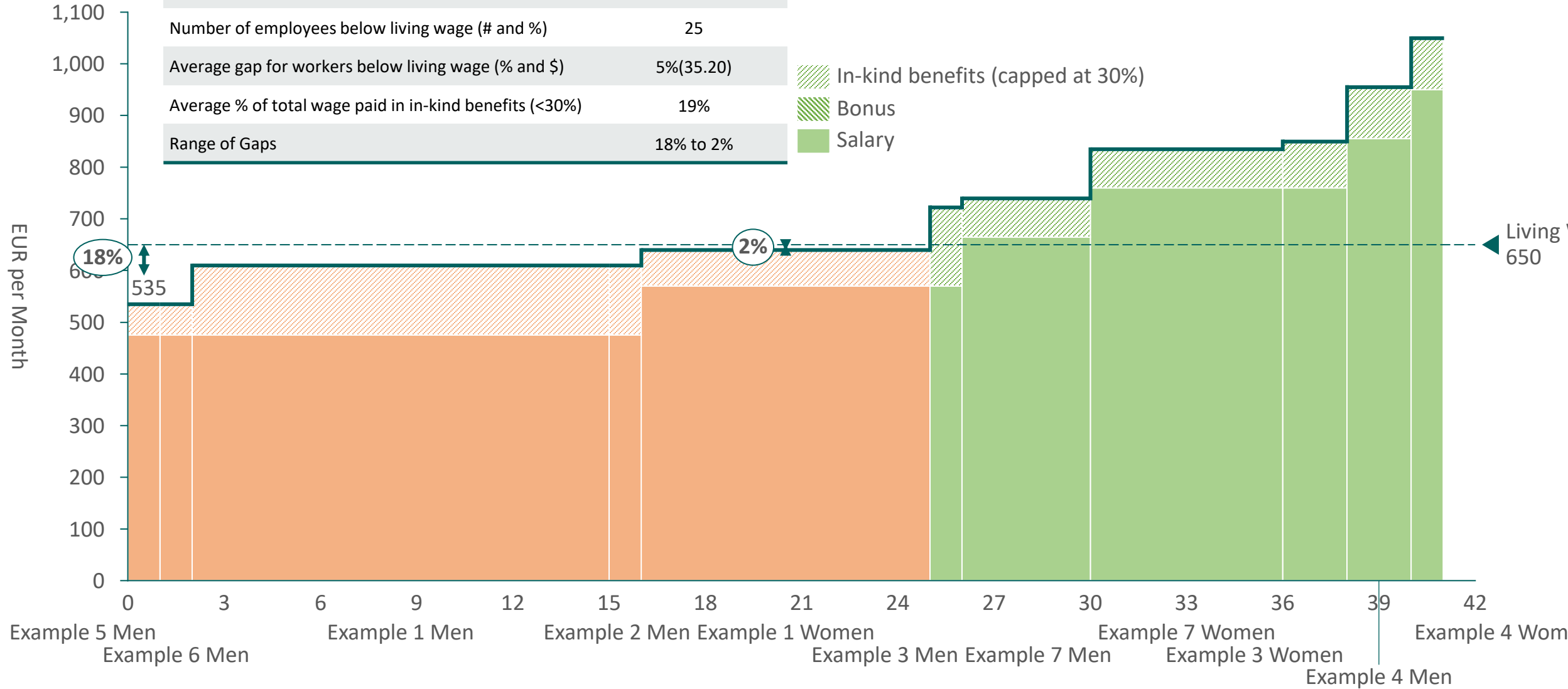
HOW ARE LIVING WAGE GAPS MEASURED?

Using the Salary Matrix at the production level (digital format)



Example Facility	
Total number of employees	41
Number of employees below living wage (# and %)	25
Average gap for workers below living wage (% and \$)	5%(35.20)
Average % of total wage paid in in-kind benefits (<30%)	19%
Range of Gaps	18% to 2%

- In-kind benefits (capped at 30%)
- Bonus
- Salary





Today

more than 600+ matrices completed

- 20 sectors/commodities:
 - **Agriculture:** avocado, banana, coffee, flowers, pineapples, plantains, tea, tomatoes
 - **Aquaculture:** fish, seaweed
 - **Manufacturing**
- Countries: 30





IDH Roadmap on Living Wages

supported by international companies & standards

Schemes participating





Today

Efforts to map and close gaps continue to grow



- Dutch Retailers Initiative
- German Retailers Initiative with GIZ
- UK Retailers Initiative



- Floriculture Sustainability Initiative (FSI)



- Sustainable Juice Covenant
- Sustainability Initiative Fruit & Vegetables (SIFAV)



- Aquaculture and more...

We also have several individual partnerships with companies

Dutch retailers' commitment to living wages in bananas (2019)



16



What is the Dutch commitment?

For 100% of entire banana assortment sold in the Dutch market

1. First phase 2019 - 2020

Mapping current remuneration and compare with recommended living wages using the Salary Matrix

2. From 2021

Finding solutions involving retailers, suppliers and producers for a gradual reduction of potential difference between current remuneration and living wages by at least 10% per year

3. By 2025

*Achieve a reduction of potential differences between current remuneration and living wages by at least **75%***



WHO PARTICIPATED LAST YEAR?

All farms with hired labor that produce bananas purchased by participating Dutch retailers.



2019-2020 data: 16 retailers, 6 suppliers, 218 farms that hire 26,393 men and 4,046 women.

These farms produce 75% of the volume purchased by participating Dutch retailers.

The aim for 2021 data is to cover 100%.

2020 results

2020 Report



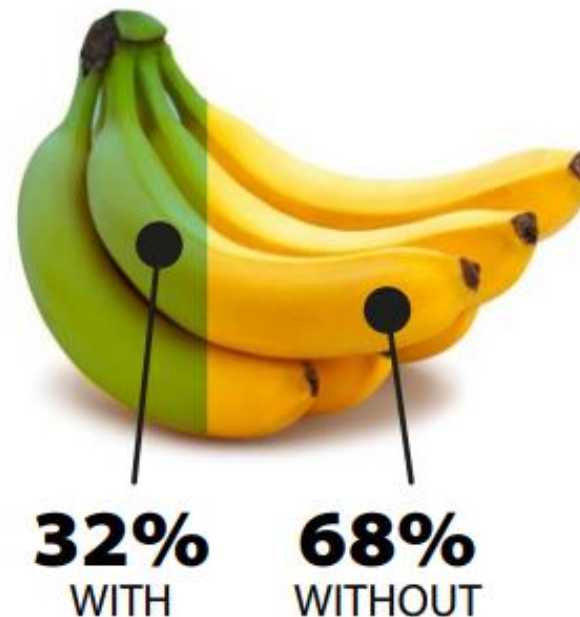
Average gap of **10,7%**.

Average wage gap of 9% for female and 11,1% for male employees.

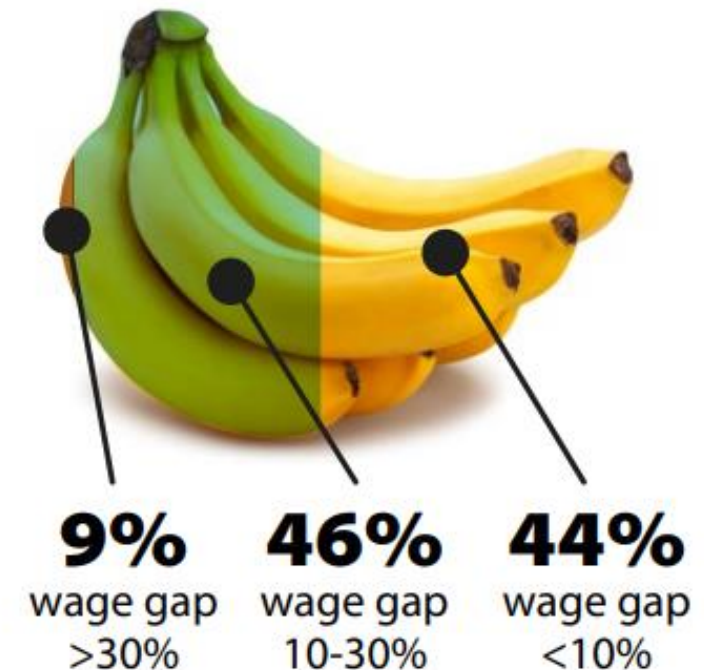
Farms
with/without living wage gap



Workers
with/without living wage gap



Size
of living wage gap



UK and Belgian Retailers' Commitments (2022)




9



4

Three key developments that will shape HOW European retailers and importers work on sustainability in the next decade



Due Diligence
as a (legal)
requirement

Impact at the
forefront

Data & tools are
now available



IDH Roadmap on Living Wages

supported by international companies & standards

Closing the living wages gap: Collaboration is key!

About the Living Wage roadmap

The Roadmap on Living Wages is created by IDH and supports companies and other organizations on their journey towards a living wage economy. You are now in step 4 of the roadmap. This step is all about taking action.

Collaboration

This framework provides insights into the roles of and interventions for separate actors, but it is important to highlight that collaboration is key in closing the living wage gap.

Guidance

Select your role in the framework on the left and find your path all the way to the right in order to select the intervention most suitable for your situation. Or just browse through the different elements and explore the rich information available to help you act on living wages.

[Continue >](#)



We use cookies to make our website more user-friendly. All the data saved by those cookies is anonymised. We also use marketing cookies. By responding 'Yes, fine', you accept all our cookies. If you don't make a choice, we'll set only functional and anonymised statistical cookies

[No, rather not](#)

[Yes give me cookies](#)

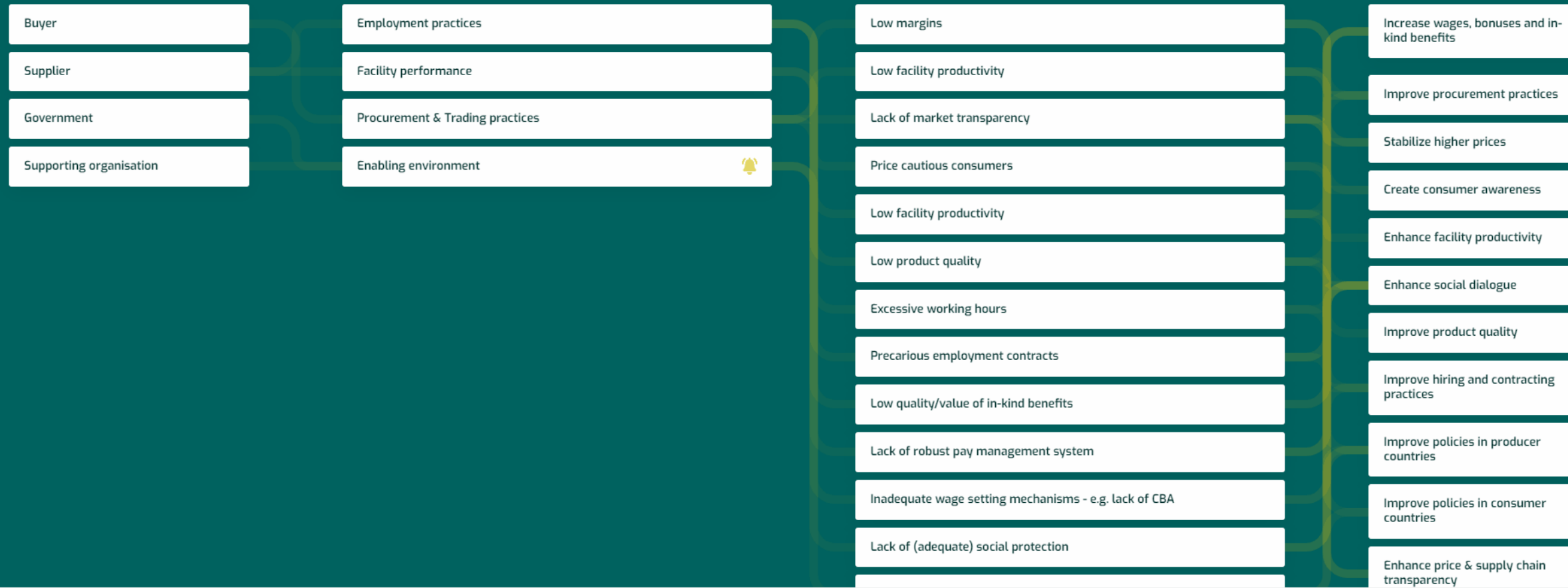


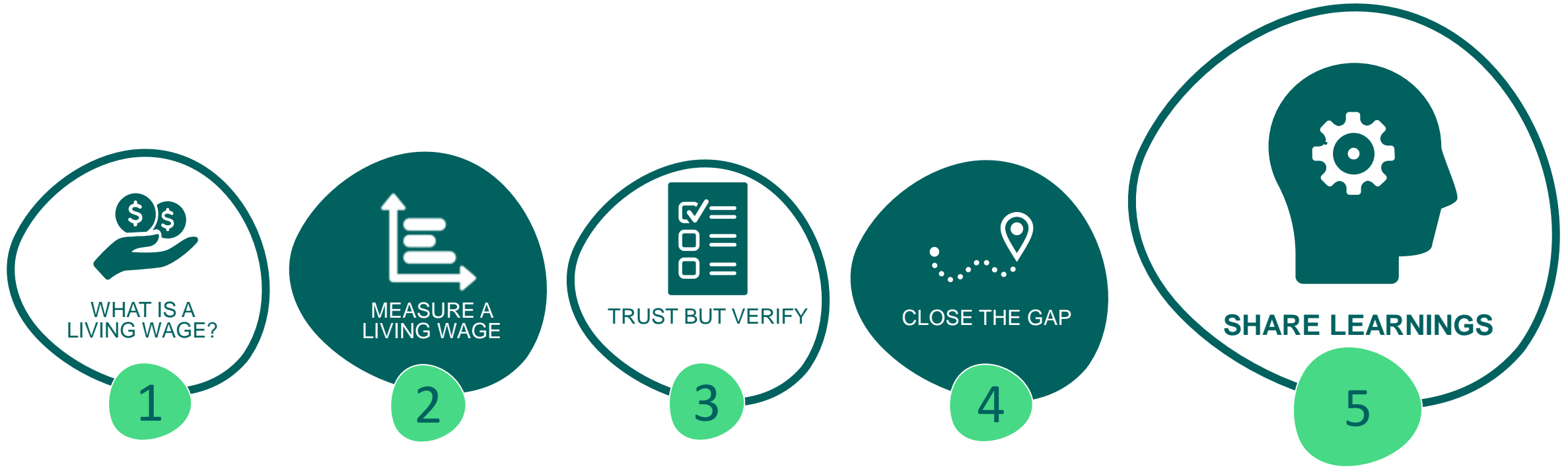
Actor

Impact area

Challenge

Intervention





IDH Roadmap on Living Wages

supported by international companies & standards

Living Wage Summit 2022

Brussels

December 7th, 2022

Join us!



Thank you

Carla Romeu Dalmau

romeudalmau@idhtrade.org

LivingWageMatrix@idhtrade.org



Ministry of Foreign Affairs



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO