



Equality, Diversity and Inclusion Conference 2022

Cape Town: Disruption

Stream 12:

Disrupting views on living wages: Implications for employees, organisations and society

Paper submissions for this stream to be emailed in Word format to:

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Submissions to the stream can be in the form of long abstracts (up to 1500 words), developmental papers (3000-5000 words, including references) or full papers (no length restrictions) by the deadline of 15 March 2022. Please process your registration and paper submission online via the [EDI registration page](#).

Since the beginning of the 21st century, specifically, "living wage" movements have demanded employers to offer wage levels that enable individuals to live a decent life - and to accumulate savings as a protection against unforeseen expenses. Prominent movements exist in the United Kingdom, New Zealand, parts of the United States of America and the Asia Wage Floor in the textile industry, for example. While this may suggest that living wages are an ideal, a "nice to have", employers do actually have an obligation to pay a wage that enables individuals to live a dignified life.

This is as the International Labour Organization (ILO), a United Nations agency representing governments, employers, and workers from 187 countries, adopted the Declaration on Social Justice for a Fair Globalisation at its annual conference in 2008. In it, the ILO outlines the four pillars of decent work as well as member organisations' commitment to realise these, with a minimum living wage being one explicitly mentioned requirement (ILO, 2008). Through the lobbying of the ILO, decent work, and thus living wages, have also been included as Goal 8 of the United Nations Sustainable Development Goals (Goal 8: Decent work and economic development) (United Nations, 2015). Governments worldwide have committed to realising these goals by 2030.

The obligation to pay living wages has not only existed for the past 14 years, but, in fact, has been in place for the past century. In 1919, as part of the Treaty of Versailles following World War I, in response to growing worker exploitation and the belief that peace would only be sustainable and universal in a world based on social justice, the ILO was founded. In the preamble to its founding constitution, adequate living wages are presented as one necessary means to improve labour conditions (International Labour Office, 1919). For the three decades which followed, living wages were actively promoted. In 1933, US President F.D. Roosevelt, for example, emphasised living wages' importance in his statement on the National Industrial Recovery Act in which he proclaimed: "No business which depends for existence on paying less than living wages to its workers has any right to continue in this country" (Roosevelt, 1933, para 4). In 1948, the necessity of just and fair remuneration was reiterated when it became included as a human right in the United Nations Universal Declaration of Human Rights (1948). Specifically, Article 23(3) states that income for work provided should afford everyone who works and their family a life worthy of human dignity. If required, this income should be supplemented through social security measures. Post World War II this right was realised in a number of societies, such as in the social democracies of central and northern Europe and socialist states with strong social security measures, and conversations related to living wages became sparser. In most of the world, however, wages for part of the working population have been - and continue to remain - low, without adequate social security measures available. Living wages are thus particularly relevant in contexts in which the state does not provide a social safety net to protect individuals from poverty or where this safety net is inadequate. The continuous privatisations of until then state-owned services and institutions, which started in the 1980s, and globalisation from the 1990s, however, have increased working poverty and inequality the world over.

To date, living wage debates have surfaced specifically after periods of crisis, the first and second World Wars, globalisation and the economic crisis of 2008, while they received little attention at periods of relative stability. As another economic crisis, the Covid-19 pandemic could thus provide the opportunity to bring the topic back to the political and boardroom tables. A search across the Presidency's website, revealed that the concept of living wages occurred across multiple of South Africa's President's speeches between 2016 and 2019, but there has been no mention since. The Premier of South Africa's Western Cape Province, on the other hand, used the living wage concept in 2020 with direct reference to the Covid-19 pandemic: "What we do know is that when countries become poorer, people suffer very directly, and average life spans go down. Our response is an "all of government" response that understands that we cannot allow our people to starve, and that businesses which are allowed to operate to ensure people can earn a living wage and feed their families, can be a key partner in helping us "flatten the curve" through ensuring guidelines are strictly adhered." (Winde, 2020).

By far more familiar still is the notion of minimum wages, which enables employees' subsistence, but is too low to ensure a dignified life. A national minimum wage act prescribing the minimum earnings for business sectors not governed by collective bargaining agreements even was gazetted in 2018 only (Republic of South Africa, 2018). It was the result of a lengthy consultation process between government, trade union and business sector representatives. Among the South African public, the concept of living wages is largely unknown. Against this backdrop, a common initial reaction when presenting the idea of a living - rather than minimum - wage, is that it is detrimental to the economy and would

aggravate poverty. It would result in job losses in an environment in which already every third person willing to work is unemployed (StatsSA, 2021).

To date, we have been unable to find empirical evidence to substantiate this claim. We believe the reason that there is no supportive data to be as follows. Raising incomes to at least living wage levels benefits not just employees (e.g. by creating greater quality of life), but also the organisation (e.g. as it leads to greater profits) and society (e.g. through reduced inequality and poverty, less social ills, savings in government spending in areas such as policing, the legal system or health). The common assumption among employers, job seekers with limited formal skills and low-income employees that any form of employment is better than no work, however, legitimises, amongst others, the payment of low wages. The cycle of indecent wages and its acceptance by workers creates working poverty for employees and perpetuates inequality at societal level.

This stream invites empirical and conceptual papers as well as case studies, which contribute to explaining the assumed mechanisms outlined in the previous paragraph and which substantiate or dispel the assumptions we made in order to gain insights into the implications of living wages on individuals, organisations and society in different countries. Example questions of interest are mentioned below. Please know that this list is not exhaustive.

- What is an adequate living wage level and how do we know that it is?
- How should an adequate living wage level be determined?
- What are the consequences of wage levels on employee attitudes and behaviour?
- What are employees' and employers' views on living wages?
- How could employers go about implementing living wages successfully?
- Would living wages lead to job losses?
- How could attitudes towards living wages be shifted in a more favourable direction?
- What role do living wages play in equality and inclusion?
- What variables related to the local context (e.g. culture) play a role in the effects of raising wages to living wage levels?

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