

The Living Wage

Winning
the fight for
social justice



War on Want is a movement of people committed to global justice.

Our vision is a world free from poverty and oppression, based on social justice, equality and human rights for all.

Our mission is to fight against the root causes of poverty and human rights violation, as part of the worldwide movement for global justice.

We do this by:

- working in partnership with grassroots social movements, trade unions and workers' organisations to empower people to fight for their rights
- running hard-hitting popular campaigns against the root causes of poverty and human rights violation
- mobilising support and building alliances for political action in support of human rights, especially workers' rights
- raising public awareness of the root causes of poverty, inequality and injustice and empowering people to take action for change

Join us!

The success of our work relies on inspiring people to join the fight against poverty and human rights abuse. There are three easy ways for you to donate and join the movement:

Call 020 7324 5040

Visit www.waronwant.org/support-us

Post tear off the membership form at the back of this report, and send to:

War on Want
44-48 Shepherdess Walk
London N1 7JP

The past four decades have seen a dramatic increase in the share of global wealth going to the most powerful corporations, their bosses and their owners. As labour's share of national income has declined around the world, there has been a parallel rise in the number of workers who find themselves trapped in poverty despite having a job – the so-called 'working poor'. In the Asia / Pacific region alone, over 600 million working people are still forced to live below the \$2 a day poverty line, many of them women or migrant workers. In the UK, more than six million people living in poverty are in a working household, meaning that in-work poverty is now more prevalent than out-of-work poverty among people of working age.

This continuing exploitation is an indictment of the globalised capitalist system. It is also one of the immediate causes of the financial crisis that brought the system to its knees in 2008. As working families found themselves increasingly unable to meet their basic everyday needs, so they were forced to take on ever greater sums of debt to make up the shortfall, without any hope of ever paying it back. Once banks realised that they were exposed to unknown quantities of bad debt that could never be repaid, the circulation of capital froze and the system crashed. Yet nothing has changed as a result of the crisis, and workers still find themselves condemned to a never-ending struggle to make ends meet.

The right to be paid a living wage is a basic entitlement of all working people the world over, whether they work in the public or private sectors, in the global South or North. The living wage differs from statutory minimum wages in that it is calculated according to workers' needs, not the demands of the labour market. A living wage

thus ensures that working people can earn enough to meet all their daily expenses and have some discretionary income left over to invest in their own or their children's future. A living wage, in other words, offers people a chance to work their way out of poverty.

The call for a living wage has a long history stretching back to the 19th century. Yet it is only in recent times that campaigns from across the world have begun to form into a global movement for a living wage. This report seeks to chart the rise of that movement and to highlight the different ways in which campaigns have mobilised in support of a living wage at the local, national and international levels. It also draws out conclusions from the most successful campaigns around the world, both as a guide to the positive alternatives that already exist and as an inspiration for what might be achieved elsewhere.

The fight for all workers to enjoy decent terms and conditions is a central pillar of War on Want's work for social justice. This report is a contribution to building the global movement for a living wage. It makes the call for all workers to be paid the living wage appropriate to their economic context as a basic right, not a voluntary extra over and above the statutory minimum set down by governments or national wage boards. It is a call to action for working people the world over. After generations of waiting, the living wage is a cause whose time has come.



John Hilary
Executive Director
War on Want

Contents

02

- 03 Executive summary**
- 05 1. The case for a living wage**
 - 1.1 A basic human right
 - 1.2 Boosting local economies
 - 1.3 Fighting poverty
 - 1.4 Benefits to employers
 - 1.5 Public savings
- 10 2. The global state of pay**
 - 2.1 Poverty wages: a global issue
 - 2.2 Rising inequality
- 15 3. Understanding the living wage**
 - 3.1 Calculating a living wage
 - 3.2 Living vs minimum wages
 - 3.3 A living minimum wage?
 - 3.4 Other labour rights
- 23 4. Local living wage campaigns**
 - 4.1 Alta Gracia: a living wage factory
 - 4.2 Baltimore living wage ordinance
 - 4.3 London Living Wage campaign
- 29 5. National living wage campaigns**
 - 5.1 Scottish Living Wage campaign
 - 5.2 Cambodia: the garment industry
 - 5.3 Malaysia: fighting for an equal wage
 - 5.4 UK Living Wage campaign
 - 5.5 South Africa: fighting for a living wage
 - 5.6 Indonesia: outsourcing and low wages
- 38 6. International living wage campaigns**
 - 6.1 Asia Floor Wage Alliance
 - 6.2 World Banana Forum
- 42 7. Learning from success**
 - 7.1 Developing demands and targets
 - 7.2 Building campaign coalitions
 - 7.3 Building a global movement

Executive summary

Millions of low paid workers around the globe spend their lives toiling in mines, factories, fields and offices, yet never manage to earn enough to lift themselves or their children out of poverty. The situation is especially stark for women and migrant workers, who face particular challenges in organising and demanding fair pay. Workers, trade union activists, community organisers and social justice campaigners are challenging this reality by joining together to demand a living wage for the lowest paid workers.

This report highlights the movements and campaigns for a living wage being developed in all corners of the world. From cleaners in Britain to farm workers in South Africa, from garment workers in Cambodia to banana workers in Latin America, the global movement for a living wage is gaining ground. Many of these campaigns have achieved not only better wages for the workers involved, but also permanent contracts, direct employment, improved conditions and trade union rights for low paid workers.

The demand for a living wage is a simple one: all workers should be able to earn, within a standard working week, enough to provide a decent standard of living for themselves and their families. Such a wage must be sufficient to provide nutrition, shelter, clothing, health care and education. It should cover other expenses such as communication and travel that are an essential part of life in the modern world. And it should provide enough so that a worker can save a small amount each week.

The concept of a living wage is grounded in the principle that all human beings have the right to a decent standard of living: a right to live in both dignity and freedom. This is not just a lofty ideal; this is a human right that is

central to the fight for social and economic justice. The living wage also has an important part to play in the fight against income inequality – a scandal that is stark and getting worse. Many of the campaigns highlighted in this report link the payment of a living wage to the wider call for a more equal distribution of wealth both within countries and along the global supply chains in which many of these workers are employed. The World Banana Forum, for example, explicitly links the two in its work on ‘redistribution of value’, calling for the industry’s profits to be more equitably shared among all those involved in getting bananas from field to market.

In Europe and North America, where the politics of austerity demand that the middle and working classes must all make do with less, the call for a living wage might seem untimely. In fact, this demand could not be more vital. Cuts to welfare payments, social services, health care and education hit low paid workers (particularly women) the hardest, and drive even more families into poverty. Paying a living wage to these workers would reduce the costs of welfare without reducing the incomes of the poorest families.

Opponents of the living wage say that such a demand is unachievable and impossible to calculate, and that it will harm workers themselves by reducing their employment opportunities. The campaigns highlighted in this report defy these arguments. In the Dominican Republic, the Alta Gracia factory proves that you can run a profitable business at the same time as providing a living wage. The calculation of a living wage was a clear, transparent and widely accepted process which took only a couple of months. Alta Gracia also shows that paying workers in one factory a living wage can provide a

boost to the local economy, creating further employment opportunities within small, local businesses.

Winning a living wage means challenging a system of exploitation that demands more rights for transnational corporations and less for the workers in those countries where they carry out their businesses. This system calls for increasing 'flexibilisation' of the workforce, meaning jobs which are low paid and insecure. Living wage campaigns are an important strategy for confronting these policies. The Asia Floor Wage campaign explicitly links its call for a minimum living wage for all garment workers across Asia to an alternative economic model, where growth is driven through increased wages to the lowest paid.

Campaigns in Baltimore and London proved getting a living wage for low paid and precariously employed workers is difficult, but not impossible. Using a model of campaigning that combines workplace organising with community activism, they have managed to win living wages for thousands of indirectly employed workers by challenging banks, hotels, hospitals and public contractors to take responsibility for the low paid workers

that were cleaning, providing security, driving buses and serving food. These campaigns also proved that, with the wider community behind them, migrant, low paid and agency workers could and would stand together to fight for better pay; in some cases, the campaigns even won the fight for union recognition in the workplace and for a return to direct employment.

The fight for a living wage is a vital part of any movement for social justice. As long as workers fail to meet their basic needs, despite working untold hours every week, poverty will remain a scar on our communities. As this report shows, the arguments in favour of a living wage are strong. It also shows that struggles for a living wage around the world are diverse, vibrant and growing, with many achieving real and lasting improvements to the lives of thousands of workers. These struggles must now grow into a global movement for a world where no worker ever has to choose again whether they should pay their rent or feed their children, and where the next generation has the possibility of really working their way out of poverty.

1.1 A basic human right

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, medical care, necessary social services, and the right to security...” Universal Declaration of Human Rights, Article 25.1

There are many benefits to providing a living wage to all workers, as this report will show. However, the most fundamental reason to fight for a living wage is that it is the only way to ensure that all workers can enjoy the right to an adequate standard of living.

For the majority of people, the only way of sustaining themselves and their families is through paid employment. If a worker does not receive a living wage for their labour, then they and their families are deprived of the possibility of obtaining many of the essential elements that contribute to a decent life:

adequate housing, good nutrition, health, rest and access to education and culture. They are deprived of the freedom to make choices about their own lives and are unable to provide opportunities for their children. This makes the failure to pay a living wage a serious violation of the fundamental rights to which all human beings are entitled.

A living wage must be sufficient to provide nutrition, shelter, clothing, health care and education. Workers should also be able to save a small amount of their wages so as to cover unforeseen expenses and provide them with some economic security. A worker should be able to earn this amount within the legal standard working week. It is the very fact that a living wage is defined by its ability to deliver a reasonable standard of living, and therefore to uphold the right to live in dignity and freedom, that distinguishes it from the minimum wage, which is rarely sufficient to meet the needs and rights of workers.¹



Women workers, Zambia



1.2 Boosting local economies

Many opponents of a living wage argue that the imposition of fixed living wage rates would harm the poor by reducing the number of jobs available. Yet there is evidence that increasing wages for the lowest paid workers can actually boost the economy, rather than damage it. Low paid workers are generally able to save very little, if any, of their earnings, so any money that they earn is circulated straight back into the economy.² They are also likely to spend that money locally. This means that even small increases to an hourly or weekly wage puts money in the pockets of those who are most likely to spend that money immediately in their local communities.³ This impact on increased consumer spending can be significant: research by economists at the Federal Reserve Bank of Chicago found that a \$1 increase in the US minimum wage would increase spending by a low-wage worker's household by \$2,800 over the following year.⁴

The increased financial security that comes from a permanent pay increase (rather than from less predictable bonus or overtime payments) also allows families to make more significant, long-term investments in their lives or in their children's futures. This type of spending helps to drive up consumer demand, which in turn promotes growth in local and national economies alike.⁵ This is by no means a new idea. In the 1930s, Henry Ford developed a policy of combining the production of cheap goods with the payment of wages that would allow for the workers themselves to buy his products. Even now, the principle of using wage increases to promote growth is accepted and used by some governments. In 2012, the government of Argentina decided to raise the minimum wage by 25% and forced private companies to

increase salaries specifically in order to boost consumer spending and accelerate the nation's economic recovery.

The case of the Alta Gracia factory in the Dominican Republic (see box) provides a clear example of how paying a living wage to a group of workers can have a positive effect on the wider community. Prior to the establishment of the factory, the community was marred by unemployment and poverty. Now, with a living wage factory on their doorstep, the schools are full, local cafés and restaurants are opening up and the local construction industry is booming.⁶

Paying all workers a living wage means redistributing the amount of money available elsewhere in the economy, for example in the profit margins of the employer, or through increasing the price of goods that are being made. Yet at a time of recession, it makes sense to increase the incomes of the poor. Further, at a time when global inequality is rising to unprecedented levels (see chapter 2), there is a clear argument for demanding the implementation of a living wage as an integral part of the political movement for a fairer distribution of global wealth.

1.3 Fighting poverty

Low paid workers, who are never able to earn enough to meet their basic needs, are caught in a poverty trap where the combination of insecurity, low pay and long working hours prevents them from participating fully in family and community life. Low pay also traps children of poor families into a cycle of poverty that is passed down through generations.⁷ Demanding that all employers provide a living wage to all their workers is one way of challenging this cycle and helping families to break free from the poverty trap.

Education is one channel through which a living wage can have a dramatic impact on intergenerational poverty, by challenging the pattern of low educational achievement among children from poor backgrounds. A living wage means that a worker can afford the costs associated with sending children to school, such as tuition fees, materials and school uniforms. A regular and stable job means that parents can commit to keeping their children at school for longer, and can support them to complete their education. If a worker is paid a living wage, they may even be able to save enough to support their children to go on to further education, or to university.

Low paid workers are forced to work long hours or take on extra jobs to make ends meet. Many may have to travel several miles to each job, adding on yet more time they must be away from home. This deprives workers and their families of the time they need to develop a happy and healthy family life, and can lead to the breakdown of families and communities. If workers earn a living wage, they have a greater opportunity to spend more time with their families; helping with homework or taking them on outings and holidays. Children can attend local clubs or have after-school hobbies. Workers themselves might even have time to return to education, learn a new skill, volunteer or participate in community activities.

1.4 Benefits to employers

As argued above, a living wage is essential simply because any other approach to calculating wages ignores the human right of workers to live in dignity. If paying such a wage reduces the huge profits of the corporations who benefit most from the current system, then that is a cost worth paying.

However, there is also a growing body of evidence to support a business case for paying a living wage. Numerous research studies into 'living wage workplaces' have shown that the costs of paying a living wage are offset by benefits brought to the companies concerned. These benefits include reductions in absenteeism, better staff retention rates, improved productivity, improved staff motivation and loyalty to the company, the ability to attract better staff, savings on training costs, more stable, reliable services and enhancements to the organisation's reputation.^{8,9}

An analysis of the economic impact of paying a living wage at the Alta Gracia factory (see box) shows that although profits from the factory initially increased at a slower rate than normal, the company was still able to pay a living wage and generate enough profit for the business to remain healthy. Furthermore, over the three years the business has been running, the initially slower rate of growth in profits was offset through greater worker productivity, reduced absenteeism and rapidly increasing consumer support.¹⁰

KMPG, an accredited living wage employer, has confirmed that: "Paying the Living Wage and improving other benefits, like holidays, sick pay and insurance have contributed significantly to our success... Turnover amongst our cleaning staff has more than halved. Morale has been raised. Despite improved sick pay potential abuse has not materialised. Productivity has improved; attitudes are more flexible and positive. Service has improved: our help desk gets far fewer complaints."¹¹

Many campaigners interviewed for this report said that the business case for a living wage needs to be more strongly emphasised by its proponents around the world. These

arguments are important, but need to be promoted alongside the moral and social justifications for a living wage. After all, the current system has been immensely effective in generating profits for corporations and for capital: keeping workers in constant fear of hunger, unemployment and debt can also lead to an incredibly productive workforce. That said, the available evidence leaves no doubt that a company can be successful, productive and profitable and still pay a living wage to all its workers.

1.5 Public savings

In the five years since crisis hit the global economic system, governments around the world have adopted severe austerity programmes based on drastic cuts in public services and the welfare state. These cuts have had a direct impact on the lives of the working poor, further limiting their access to housing, health care, education, legal support and nutrition. The implementation of a comprehensive living wage, by contrast, is a way of reducing public spending without further reducing the quality of life for millions of families.

Living wage campaigns can play an important role in challenging the myth that poverty is somehow the fault of the poor, by highlighting the extent to which welfare payments represent a massive subsidy both to employers and to landlords, who are profiting from high rents and low

pay. The London Living Wage provides a good example of this. From spring 2011 to autumn 2012, the London Living Wage stood at £8.30 an hour, but if benefit entitlements were not included in that figure, the rate would have needed to increase to £10.40 an hour.¹² That means that the state was paying, on average, £2.10 an hour to enable low paid workers to provide a decent standard of living to their families. If the current London Living Wage (now at £8.55 an hour) were increased to a real living wage level, the government could make huge savings to its welfare bill without reducing the living standards of the poor.

A living wage would be an important step towards tackling poverty, and the despair that accompanies it. The Joseph Rowntree Foundation estimates that child poverty in Britain, of which low pay is a significant cause, costs billions of pounds a year to the state in the form of services such as free school dinners, local authority programmes and primary health care.¹³ Poverty is also linked to poor nutrition and health, stress, increased crime levels, dependency on drugs and alcohol and low educational achievement; tackling in-work poverty by demanding a living wage could help reduce the costs associated with the provision of health care, policing and other social services while at the same time improving the lives of poor families.



In 2010, the Alta Gracia factory in the Dominican Republic opened for business: the first factory producing for a mainstream brand to explicitly agree to pay a living wage to its workers. Maritza Vargas, president of SITRALPRO, the trade union representing Alta Gracia workers, told us about the impact the factory has had on their lives and their community.

“When the Alta Gracia factory opened, our main demand was that they pay us a living wage. This has revolutionised the lives of the workers. On a personal level, I can now access nutritious food and I never have to worry that I can’t feed my family. We live in a nice house and we are saving up to try and buy our own home. I have been able to send my daughter to university and keep my son in high school – this was always my dream, but it would have been impossible to even imagine a few years ago. My co-workers have been able to buy their own homes, their own vehicles and get some financial security for themselves and their families.

“We don’t have to work the overtime hours any more, and the management are really accommodating to our schedules. This means that many workers at Alta Gracia now have the time and the money to start studying in the evenings. I have a computer and internet in my house now, and have the time to spend sitting and watching TV with my family. This was never possible before.

“This factory has really been a blessing to our community. There are lunch cafés opening to provide food to workers, the construction industry is booming as workers start to buy homes or improve the ones they live in, and the local schools are full and getting income from the school fees. These things weren’t here before because there were no good jobs, but now the money we are paid is circulating through the community.

“It is not just our wages that have changed. We also have social security and health insurance; all we have to do is sign up and we get access to health care. We have comfortable work stations and we have all been given training in things like health and safety, fire safety and first aid: we feel that we are building our capacity as workers.

“We now find we are treated with respect in the workplace – this is completely different to our experience in the other factory. Our union is able to operate freely and negotiate on conditions. Of course, nothing is perfect; there was an adjustment period as it is so different from other workplaces, but having a union helps keep things in check and means we can deal in a relaxed way with any issues that do come up.

“Finally we have the kind of workplace that we want. Alta Gracia has a happy and stable workforce, which is really efficient. Nobody ever wants to leave and we have lots of people who want to work here. We hope that we can keep on growing and give this opportunity to more of the workers in this community.”

2 The global state of pay

10

The prospect of earning a living wage is still a distant aspiration for millions around the world. As the impacts of the global economic crisis continue to reverberate, life is getting no better for low paid workers. One of the impacts of the crisis has been a stark change in the distribution of wealth, both internationally and within countries. The 2012/13 *Global Wage Report* published by the ILO reveals that average real wage growth is falling year by year, from 3% in 2007 to just 1.2% in 2011. The report also highlights a growing gap between the top 10% and the bottom 10% of wage earners, while the share of national income that goes to the labour force is declining in many countries across the world.¹⁴

2.1 Poverty wages

The problem of low wages is not limited to one sector or to one geographical area. In fact, wage deflation is particularly stark in countries normally considered to be the wealthiest. For example, in the UK over five million workers, including three million women, are now paid below £7.45 an hour – the amount calculated as the minimum wage needed for an acceptable standard of living outside London. More than three million households – 13% of the total – have at least one adult earning below the living wage. In the most deprived areas of the country, such as Wales and north-east England, over 30% of all workers are earning less than the living wage.¹⁵

In the world's poorer countries, the figures are even starker. In South Africa, 40% of workers still live on poverty wages. Farm workers receive a minimum wage of just £5-6 a day, which equates to the cost of just 2 kilos of chicken.¹⁶ In Bangladesh (see box),

most of the working population are earning well below a living wage.

The scandal of poverty wages is no accident, but a direct result of the current model of corporate globalisation promoted by economically powerful trading nations such as the European Union and the USA through international organisations such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO). This model is now also being promoted by the emerging economies known as the BRICS (Brazil, Russia, India, China and South Africa), as well as by many other governments seeking to expand the reach of capital into the global economy.

Through clauses embedded in trade and investment agreements, through debt relief programmes and WTO rules, governments are forced to privatise publicly owned companies (such as transport, water and energy), to deregulate labour and financial markets and to promote trade in public services. At the same time, transnational corporations have been exempted from the responsibilities they should have towards the citizens of each country in which they operate. Instead, corporations and international investors have been given ever more rights to demand full and unfettered access to any market they choose. These rights are enforced through international arbitration tribunals such as the World Bank's International Centre for Settlement of Investment Disputes (ICSID), which allow investors to sue states they consider to have adversely affected their investments.¹⁷ Together, these agreements have created what has been described by the UN Secretary-General's former special representative on business and human rights, John Ruggie, as a "permissive environment for wrongful acts by companies of all

kinds without adequate sanctioning or reparation.”¹⁸

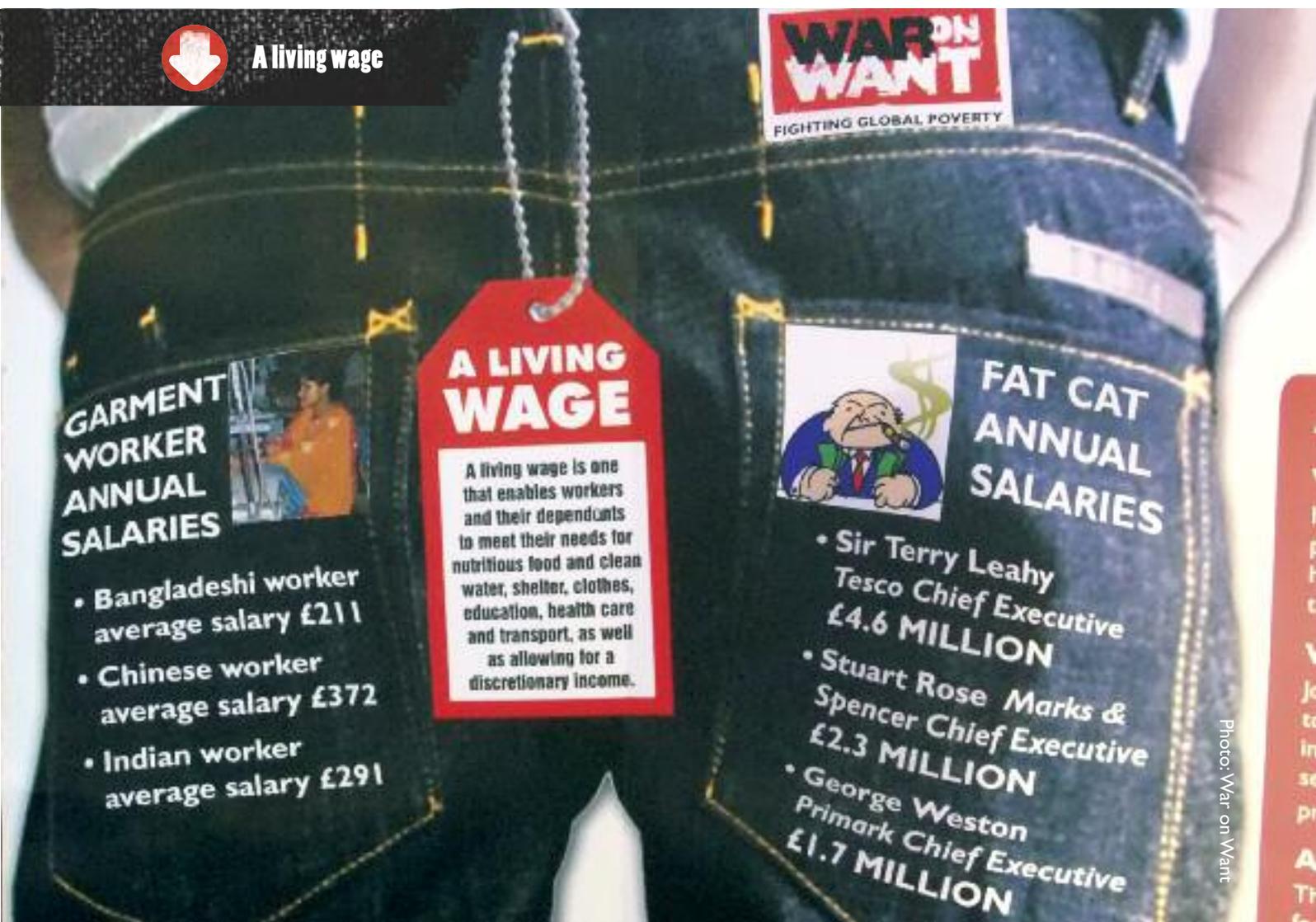
In turn, these agreements and policies have severely undermined the social, environmental and economic rights of the citizens of those countries affected. The opening up of global markets has created fierce competition between and within countries, all hoping to attract foreign investment in their quest to increase their own growth prospects. One way governments have tried to do this is by reducing the legal protection of workers’ rights, in the name of creating a more ‘flexible’ workforce. This has led to an increase in precarious work, a reduction in employee benefits, a lengthening of legal working

and overtime hours and the setting of minimum wages at levels well below the cost of living.

The strengthening of corporate power combined with the weakening of citizens’ rights has enabled transnational corporations to demand terms of trade that reduce their costs and minimise their risks. The costs and risks are thus pushed down the supply chain to the factories and farms in poorer countries that produce goods for export to the markets of the rich world. The removal of employment rights makes it difficult for workers in such countries to organise or join trade unions to fight against these pressures. Ultimately it is the workers themselves who are forced to bear the costs.



A living wage





Life on the minimum in Bangladesh

12

Garment workers in Bangladesh are among the lowest paid in the world, in an industry renowned for poverty wages and appalling working conditions. Research carried out by War on Want partners in Bangladesh revealed what poverty wages really mean for the 3.6 million workers employed in the country's garment industry:

"My daughter is now 8 years old, and I need to spend nearly 2,000 taka for her monthly education. I earn 5,000 taka on average every month; out of this money I have to give 2,500 taka for our food and shelter to my uncle. After this nothing is possible but to look out for more. I cannot save up... I need to save some money for my daughter's dowry."

There are a number of studies that have calculated the exact level of a living wage in Bangladesh (see next chapter). What is clear, however, is that the current minimum wage for garment workers – just 3,000 taka (£25) per month – is far below what is needed to feed a family. Research published in 2011 by War on Want already found average household expenditure on basic needs in the capital, Dhaka, to be 8,896 taka (£75) per month, and other studies have determined that a living wage would be considerably higher still.¹⁹

The workers we interviewed were extremely worried about their inability to provide a nutritious diet, and associated this poor diet with frequent illness and stunted growth among their children. For example, eggs are now the main or only source of protein in a garment worker's diet, as most are unable to afford the meat traditionally used in Bangladesh food. A garment worker on an average wage can only afford to buy four eggs a month for her family.

Of course, food is not the only expenditure for families, and workers have to cut costs in other ways too. This includes living in housing that is crowded and sub-standard. Most workers live in 'colonies': one-room living quarters housing families as big as 10 which line the narrow pathways of most workers' communities. Bathrooms are shared with up to 15 other families, and cooking spaces are shared in common between seven families.

In order to keep up with basic living expenses, workers feel pressured to work as much as they can. Many are working 10 hours a day, seven days a week – well over the legally stipulated 48 hours for a normal working week, or the maximum 57 hours that are permitted with overtime. These long hours spent in the factory leave little time for any kind of family or social life, or any time for rest. On top of this, garment workers are routinely abused if they fail to keep up with their punishing schedule. In the words of one woman worker:

"With overtime, I work 12 hours every day. In the last month, I worked 6 night shifts. If by any chance I happen to come a little late to work, they yell at me in front of everyone with the most foul words."

War on Want research has uncovered significant pay disparity between male and female garment workers. Almost half of the total factories surveyed gave lower starting wages to newly recruited women compared to equally qualified men, and many female employees are promoted much later than their male counterparts. We also found that male workers receive a higher wage than women, even when they are promoted at the same time to the same job.

2.2 Rising inequality

The current era of globalisation is based on a neoliberal economic model of unregulated competition, whereby corporations are free to scour the world looking for the cheapest way of producing their goods and services in order to maximise their profits. Proponents of this model claim that the promotion of free trade and unhindered competition is the most efficient way to provide goods and services for mass consumption, and that profits made at the top will 'trickle down' to those at the bottom in the form of higher levels of employment and cheaper consumer goods. This model is promoted by corporations, academics and the mass media as the only rational way to organise the global economy, with any attempts to regulate the actions of corporations criticised as an attack on freedom and a barrier to development.

Yet there is no evidence to suggest that this economic system has delivered a higher standard of living to the majority of the world's population. Even in countries where neoliberal policies have resulted in increased economic growth, they have failed to improve the lives of the poorest. They have instead contributed to increasing inequality both within and between countries. A report produced in 2012 by the Africa Progress Panel found that while most countries in Africa have experienced growth figures of over 4% in recent years, over half of all Africans are still living on incomes below the internationally accepted benchmark for extreme poverty of \$1.25 a day.²⁰

Wealth gaps between the richest and poorest around the world are growing fast, with the

top 1% of individuals seeing their incomes increase massively over the last 20 years.²¹ This trend is not limited to a particular country or place. In China, the top 10% now take home nearly 60% of national income, while in the USA the share of national income going to the top 1% has doubled since 1980 and now stands at 20%. In South Africa, wealth inequality is even worse now than at the end of the apartheid era.²²

A recent report by Bloomberg calculated that the 200 richest individuals in the world enjoy a combined wealth of over \$2.7 trillion, at a time when the poorest 3.5 billion people (half the global population) together hold only \$2.5 trillion. This list of billionaires includes the owners of clothing, food, mining and jewellery companies: the ultimate employers of millions of low paid workers fighting for a living wage around the world.²³

There is a growing consensus on the need to tackle the increase in wealth inequality. In its 2013 Global Risks report, the World Economic Forum identified severe income disparity as one of the top two prevalent global risks.²⁴ The IMF has warned that global inequality could lead to increased social and political instability, with disastrous consequences for the world economy.²⁵ The fight for a living wage could play an important part in reversing this trend, leading to a fairer distribution of wealth between workers and employers, contributing to poverty reduction among low paid workers and ensuring more of the wealth created within poor countries stays in the local economy instead of being transferred to the pockets of the rich.



Farm workers in South Africa mounted two waves of strike action in late 2012 and early 2013, and won a 52% increase in the minimum wage. Patricia Dyata, General Secretary of Sikhula Sonke, a women-led union of farm workers in the Western Cape and long-term partner of War on Want, told us what poverty wages mean for South African workers, their families and their communities.

“South African farm workers want the same as everyone else: to be able to feed and clothe their children, provide shelter and keep them warm. Yet for them this isn’t possible – wages are so low that some parents have to choose what night of the week they eat. No mother should be forced to choose when she will feed her kids.

“The youth in South Africa have no future. A survey of children living in the Western Cape in 2010 showed that between 60% and 80% of children drop out at grade 10 because they can’t afford the fees for high school or the uniforms they are required to wear. Employers are no longer giving jobs to those young people who grew up on the farms. They want to bring in people from the outside, to employ labour brokers to bring in workers that have even less rights and benefits. These young people are getting thrown off the farms, with no education and no possibility of work, and now we have a situation where the youth are killing each other. The media and the politicians claim that they are just thugs and hooligans, but this is not true. People are hungry, they see others having good food, good homes and good lives, all things that they want and can’t have. It is hard for them to resist.

“We have to work long hours and have no time to be with our kids. We know that they are at risk of being drawn into gangs, getting into drugs and into crime. Our daughters are vulnerable to

exploitation, but we can’t be there to watch them and protect them. We are working all day and don’t know what is happening to our children. This is a constant worry.

“Few workers are able to access quality health care. Many workers have to walk miles to the nearest clinic and even then most cannot afford the treatment they need. By now AIDS should be on the decrease, but it continues to rise among workers as they can’t access the medicine they need. Women in particular are suffering from this. Even though many women are the main breadwinners of the household, few can get permanent jobs and are forced to rely on seasonal work with no benefits. They can’t access housing in their own right or earn enough to care for themselves and their kids, so they remain trapped and vulnerable. They cannot push for their husbands to use protection, and they continue to submit to abusive and destructive relationships.

“The number of migrant workers employed on farms is increasing. They are brought over by labour agents from Mozambique. These workers are even more exploited and vulnerable than we are. They have no rights at all and are totally reliant on their employer. If a migrant worker tries to join a union, they are deported immediately. The employers use the presence of migrant workers to try to divide us. Xenophobia is on the increase as South African workers feel migrant workers are undermining their wage and conditions, but this is not the fault of the migrant workers.

“Farm workers have never been on strike in their lives, but they would rather die with dignity than carry on living like this. Workers, wherever they are from, don’t deserve to live like this. All workers are entitled to earn a living wage.”

3 Understanding the living wage

3.1 Calculating a living wage

Opponents often argue that a living wage is impossible to define. In reality, although setting a standard that applies to the varying circumstances of every worker is not simple, most attempts to develop a figure for the living wage in different countries and locations are remarkably similar. Calculations are normally based on national statistics defining what should be included in a measure of basic needs, and these are in turn broken down to include a ‘basket’ of goods to cover both food and non-food expenditure. Some calculations factor in a number of more complex variables (family size, availability of

social security, nutritional needs etc). Others make assumptions in regard to costs and family size and work from that point.

As already explained, the living wage is a demand for wages to be calculated according to what is needed to guarantee a worker their human right to live in dignity. Once this basic principle is accepted, the method of calculation, the list of goods to be included and the number of people one wage needs to provide for can be negotiated and agreed. The following table provides an overview of calculation methods from some of the living wage campaigns described in this report:

Table 1: Varying methods of calculating a living wage

| | Basket of goods (food) | Basket of goods (non-food) | Family size | Increase? | Who calculates? |
|--|---|--|--------------------------|-----------------------|--|
| Alta Gracia, Dominican Republic | Food bought at local market rates | Includes 25% additional amount for discretionary income and 7.5% for savings | 1 adult, 2 children | Annually by inflation | Initial calculation done by Worker Rights Consortium |
| Asia Floor Wage | Basic foods bought at local market rates providing 3,000 calories per adult | Workers assumed to spend same on non-food as on food goods | 2 adults, 2 children | Annually | Surveys done on basket of goods in each country; final figure negotiated based on average across the countries |
| Baltimore, USA | n/a | n/a | 2 adults, 2 children | n/a | Living wage defined as what is needed to meet the federal poverty threshold |
| United Kingdom | Everyday food bought at Tesco supermarket | Rent, child care, clothing, transport, internet, phone, social and cultural activities | 1-2 adults, 3-4 children | Annually | Centre for Research in Social Policy, Loughborough University |

3.2 Living vs minimum wages

The fact that there is a legal minimum wage in many countries around the world is a testament to hard won struggles fought by workers and their unions against poverty wages over the years. Yet the minimum wage is rarely sufficient to provide enough for a worker and their family to live in dignity. Indeed, it is the failure of the minimum wage to keep pace with the needs of working people that has inspired campaigns for a living wage.

Minimum wages are not calculated according to the needs of workers but are based instead on what the government, national wage board or other appointed body

determines that the market can bear. The wage figure for each country and employment sector is normally decided through a process of research, consultation and/or negotiation which will attempt to balance the needs of an individual worker with prevailing labour market rates. This process is political: the level at which the minimum wage is set is often dependent on the comparative strength of the different actors involved. In countries where trade unions and the wider labour movement have a strong voice, the minimum wage may be closer to a living wage level. Where capital and business interests are strong, the minimum wage can be almost worthless as a measure of a fair or living wage.

Table 2: Comparison of minimum vs living wage rates (monthly, except UK)

| Country | Minimum wage | Living wage |
|---------------------------|-------------------------|-------------------------|
| Dominican Republic | 6,376 pesos (£100) | 18,153 pesos (£287) |
| Cambodia | US\$75 (£50) | US\$283 (£187) |
| United Kingdom | £6.19 per hour | £7.45 per hour |
| Indonesia | 2,244,600 rupiah (£150) | 3,015,230 rupiah (£200) |

Sources: Worker Rights Consortium, January 2013, Asia Floor Wage figure for 2011, Living Wage Foundation, Asia Floor Wage figure for 2012

3.3 A living minimum wage?

If the basic human rights of all workers are to be fully respected, then the minimum wage should not fall below living wage levels. Increasingly, more and more campaigners are calling for the legal minimum wage to be set according to the needs of working people, not market rates, and thus to become a living wage. However, not all living wage campaigns demand that the minimum wage itself be set at the level of a living wage. For some, there are tactical advantages to keeping the two levels separate, even if only for a transitional period.

The UK Living Wage Campaign made a conscious choice not to campaign for the minimum wage to be raised to match the living wage. Campaigners believed that attempting to push the minimum wage up to a living wage figure would make their demand economically and politically

unrealistic in the short term, particularly for small and medium businesses, and therefore more difficult to obtain. They chose instead to target employers who were considered easily able to afford a living wage, and to build broader acceptance of the concept of a living wage by persuading those companies to agree to it voluntarily.²⁶

Whatever tactics are chosen in any given situation, campaigns for a living wage should actively support demands for the establishment of a minimum wage where such a legal requirement does not yet exist, and should use the concept of the living wage to argue for increases to the minimum wage so that it meets workers' needs. Ultimately, these campaigns can represent a first and practical step towards a future where a living wage is the norm. The call for a living wage can also provide ammunition for local demands for wage increases, and as such help create a greater space for negotiation.



War on Want: Living wage campaign





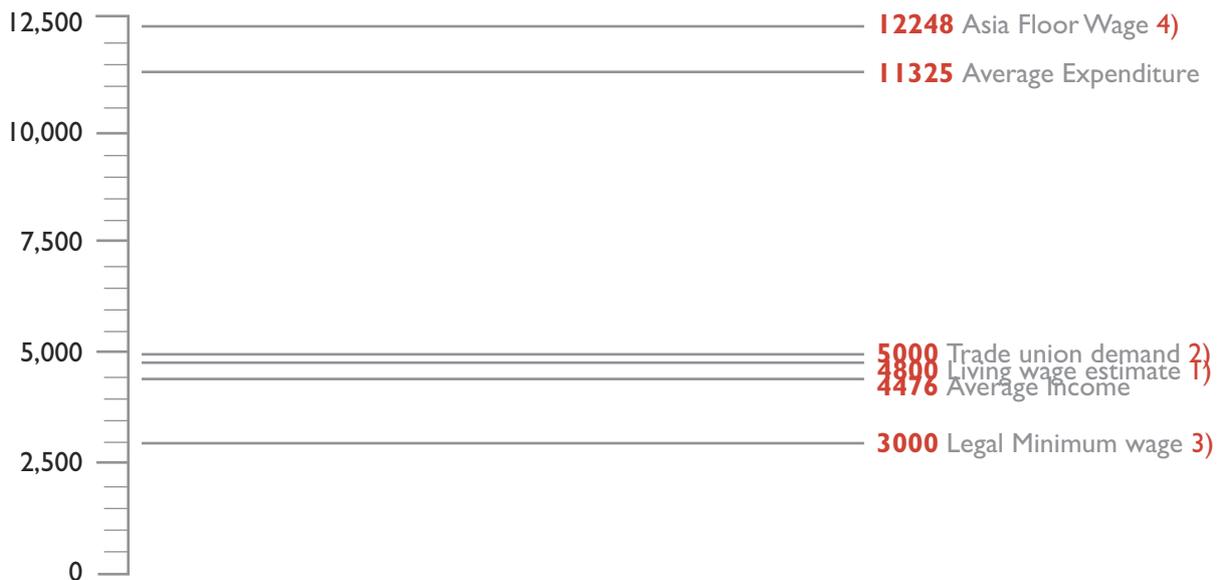
A wage ladder for Bangladesh

Defining a living wage in Bangladesh has long been controversial. The garment industry, which employs millions of mainly women workers, is notorious for low pay and unsafe working conditions, as witnessed by the horrific Rana Plaza building collapse of 24 April 2013, which killed at least 1,129 people. Yet the industry is also dependent for its survival on its ability to provide cheap clothing for the low-cost fast fashion industry based in Europe and North America. Researchers attempting to develop a living wage figure for the industry have found few people willing to discuss the topic, keen to avoid getting dragged into an argument between a decent wage for workers and the protection of an industry on which so many Bangladeshi families are dependent. Yet the failure to come to an agreed figure around which the labour movement can unite has proved to be a major barrier in demanding that

workers receive anything close to a living wage.

The Fair Wear Foundation, a Dutch multi-stakeholder organisation, has developed the concept of a wage ladder to help companies, factories, trade unions and NGOs work towards a living wage. The wage ladder uses a benchmarking system to chart income levels relative to various costs and wage standards in a country or region. This is now being used by campaigners to push brands and retailers to ensure the wages paid to workers in their supply chain are increased. The graph below shows a wage ladder marking the legal minimum, average incomes, trade union demands, average expenditure and the Asia Floor Wage figure. It demonstrates clearly how much wages would need to increase if a living wage is to be achieved in Bangladesh:

Wage Ladder Bangladesh



- 1) Estimate of living wage AMRF 2010 (as of: April 2010)
- 2) Trade union demand during negotiations 2010 (as of: June 2010)
- 3) Legal Minimum wage (as of: November 2010)
- 4) Asia Floor Wage (as of: May 2011)

This chart was created using the Fair Wear Foundation wage ladder tool, which is available for public use. The wage ladder tool is provided for information purposes only. This chart does not imply that the user is a member of or certified by Fair Wear Foundation. Please visit www.fairwear.org for more information.

3.4 Other labour rights

Although campaigning for an hourly wage that is sufficient to provide for the basic needs of a worker and their family is important, there are other labour rights that must also be respected if a living wage is to make a meaningful difference to the lives of low-income families.

a) Freedom of association

All major human rights conventions include the right to freedom of association, whereby workers are entitled to join together with others (normally in trade unions) in order to make collective demands on their employer. Having a trade union in the workplace means that workers can bring complaints against abusive practices, negotiate together on pay and conditions, and raise concerns over long working hours or safety issues. On a sectoral, national or international level, a strong labour movement can operate as a counterbalance to the power of corporations.

In recent decades, trade unions have come under increasing attack across the world. The increase in precarious work (see below) has undermined their ability to organise, and many low paid workers feel unable to join or organise a union. Partly as a result of this, trade unions around the world have seen stark declines in their membership and a weakening of their ability to defend rights. In the UK, trade union membership has been shrinking since its peak in the late 1970s, when 13 million British workers were members of a trade union.²⁷ By 2011 only 6.4 million workers were trade union members.²⁸ Similar declines in membership have been seen in North America,²⁹ Europe,³⁰ Asia³¹ and Australia.

Efforts to defend the right to freedom of association for low paid workers are an

essential part of any movement for a living wage. Any gains won through wage campaigns will only be sustained if workers themselves, through their own trade unions, are able to ensure employers continue to pay wages that provide for their basic needs in the long term. All living wage campaigns must be careful to reinforce rather than undermine trade union rights.

b) Job security

Low paid workers are fighting not only declining wages but also increasing job insecurity. Many are now employed on a variety of fixed or short-term contracts, and many more are employed through labour agents rather than directly by the company where they carry out their job. The increase in precarious work is a direct result of policies aimed at introducing a more 'flexible' labour force.

In Indonesia, the use of short-term contracts has become widespread in the manufacturing industry. Indonesian trade unions estimate that the number of permanently employed workers in the formal labour force fell from 67% in 2005 to only 35% in 2011. These workers are normally employed on repeated three month contracts, then employed for a short period through a labour agent and then re-employed on new short-term contracts – all in an effort to deny them the rights and entitlements they would receive as permanent workers.³² Workers employed under such contracts live in constant insecurity. This makes it impossible for them or their families to plan their expenditure, to save for unforeseen circumstances or to invest in long-term purchases such as housing, transport or education.

A living wage is only meaningful if workers are given a fixed and adequate number of working hours per week. The use of 'zero

hour' contracts is becoming more common, where an employee has a permanent contract with an employer but has no idea how many hours each week they will be expected to work. Other low paid workers are employed for a very small number of hours each week, requiring them to take on several jobs to make ends meet. In London, for example, a job cleaning at a university or at an office in Canary Wharf may only provide two or three hours' work, and many cleaners have a number of different jobs, each providing only a few hours a week. Often these jobs will be scattered across London, and each will require the worker to be at work in the very early morning or late evening. The amount of money a worker needs to spend on travel and childcare also detracts from the value of a living wage and adds significant extra time to the working day.

Living wage campaigns need to link wages with terms of employment. A number of campaigns have already started doing this: Queen Mary, University of London agreed to bring its entire cleaning staff back in-house after recognising that the use of labour agents and temporary staff made the implementation of a living wage impossible. In Indonesia, campaigners have explicitly linked the living wage and secure employment together as part of their campaign.

c) Labour agents

Many low paid workers are now employed by labour agents rather than directly by the company or organisation that owns their workplace. This is happening in both the private and the public sectors, where private companies are used to provide building maintenance, construction, security, cleaning, catering and administrative services.

Labour agencies or brokers who provide workers for service contracts such as

cleaning, security or catering compete with other similar providers for tenders. Their entire business model operates on being able to sell the labour of others at a profit while providing services at as low a cost as possible. This system prevents workers from demanding a living wage, as labour costs are already pre-agreed as part of the tender process.

Companies use labour agents in order to save on costs involved in directly employing someone to do the same job and to avoid responsibility for the pay and working conditions for the workers themselves. It also means that the workers in a single workplace such as a hospital or factory no longer have a single employer, but are all legally working for different bosses. This makes organising and bargaining for improved rights within that workplace both practically and legally impossible.

Thousands of workers, particularly migrant workers, are obliged to pay fees to the labour agent for arranging paperwork, contracts, immigration documents, uniforms or simply for finding them work. Many migrant workers will also have a significant part of their salary deducted for low quality food and overcrowded, substandard accommodation.³³

d) Social security

Almost all workers receive less in their pay packet than the hourly wage they are contracted for. Deductions are made from this gross salary as contributions to social security schemes, pensions, taxes and job-related expenses such as uniforms, food, accommodation or transport. A living wage needs to provide for the basic needs of a family, and must therefore be calculated as take-home pay: the amount the worker receives *after* these deductions are made.

Just as important are the social security provisions that a worker can access. For low paid workers, whose ability to save for the future is limited, rights such as maternity pay, sick pay, holiday pay, pensions and unemployment insurance are vital to ensure that sudden changes in circumstances will not plunge them back into poverty. These rights also mean a worker is able to take holidays with their family, look after sick relatives or children, and maintain a healthy and stress-free pregnancy, all of which contribute to a decent quality of life and all of which are of particular importance for women workers.

Many low paid workers, particularly those employed on short-term contracts, through labour agents or on a 'self-employed' basis, are denied these basic rights. A number of the living wage campaigns featured in this report have included provision of improved sick pay, holiday pay and maternity rights in their demands for a living wage.

e) Migrant workers

Millions of workers around the world are living and working outside the country or region of birth. Migrant workers are often employed in low paid jobs and systematically deprived of the rights provided to local workers.

Wages are a particular issue for migrant workers, as the wages they receive rarely match those promised by the labour agents that are normally involved in recruiting them. At the same time, migrant workers incur significant costs for travel, legal documents and agents' fees; most have to borrow money from family and friends, money lenders or the labour agent themselves.³⁴ As migrant workers, they are expected to send remittances back to their families and are subject to wage deductions for accommodation, food and health insurance.

The right to earn a living wage applies to all workers, regardless of their country of origin or legal status. Yet often migrant workers, who are even more vulnerable to exploitation than their local colleagues, are systematically denied the right to an equal wage, let alone a living wage.

Migrant workers face significant barriers to organising and are often unable to access legal protection for their rights. This means that, although strikes or other forms of industrial action are not uncommon in the migrant worker community, such struggles are usually short-lived and often result in the loss of the legal right to work, and ultimately deportation.



UK: Cleaners join together to fight for a living wage

22

Consuelo and Lenin are activists from Justice for Cleaners, a campaign demanding a living wage, union recognition and direct employment for cleaners at London universities. Here they tell us about their struggle.

Consuelo: I came here, like most migrants, to find a better future. Once I arrived I came up against a lot of barriers, like having a different culture. I ended up working as a cleaner at the School of Oriental and African Studies in London. As cleaners we suffered a lot of injustice such as unfair pay and abuse. We had no information about our rights and this is what the company takes most advantage of. They make changes to our work and we never know why. We never know about them until it is too late. We have said they should tell us if they are making changes to holidays, but they never do.

In 2007, after three months of us not getting paid, the cleaners came together and joined UNISON in order to demand that our rights are respected. We organised a demonstration, got petitions signed, made posters and sent letters to the university and to Labour MPs. We also managed to get support from the students and lecturers here. We were demanding a London Living Wage, the recognition of our union and direct employment by the university.

Finally we won the fight for the living wage and for union recognition. This has really helped the families of the cleaners economically, and due to the support we got from the students and staff here it has made us more viable as workers. We are very grateful for the unconditional support we were given. We felt before that nobody knew us or cared. We were simply the cleaners and

nothing more. Now they know us, they listen to us, they support us.

Lenin: Unfortunately, despite these gains, the fight for our labour rights continues. After we won the living wage, the company carried out reprisals against our union. They called in the immigration authorities and got a number of our friends deported, even though they hired them in the first place because of their vulnerability to exploitation. Although they recognised our union, they have never been willing to negotiate with them or come to any agreements, even in those cases where rulings have been made in our favour. We get no sick pay, no holiday pay and no pension, and we are discriminated against, humiliated and victimised.

For all these reasons, we continue to demand direct employment from the university, but they don't want to do this, they think it is too expensive. Yet, although we work through intermediaries, our work is directly in the university: for it to be nice, for people to be able to study and work, for the place to be clean. So they should take us into account. We deserve it!

As workers and human beings we must join together and demand our rights. We have to fight with solidarity, optimism and bravery and not allow anyone to treat us as though we are worthless. We deserve to be treated the same as any other workers and to have our rights respected. We have to start fighting now, not just for a living wage but for our dignity. We can't wait for tomorrow; we have to keep fighting until we win.

For more information:
soasunion.org/campaigns/justice-for-cleaners

4 Local living wage campaigns

4.1 Alta Gracia: a living wage factory

The Alta Gracia factory in the Dominican Republic is the first and to date the only living wage garment factory in the world. Described by its employees as “the kind of workplace all workers dream of”, it has proved that respect for workers’ rights is possible in an industry as competitive as the garment and sportswear industry.³⁵

Alta Gracia was set up by the American company Knights Apparel, which wanted to see if it was possible to provide reasonably priced and ethically produced clothing for the student market. After engaging in extensive dialogue with a range of labour and student organisations, Knights Apparel agreed that their new factory would set out to provide a real living wage, the full range of trade union rights and good health and safety practices. They also agreed to establish the factory on the site of the now closed BJ&B factory,

where union activists had fought for a decade for the recognition of their trade union and improved labour rights (see box).

The Worker Rights Consortium was mandated to calculate a living wage level that would be sufficient to maintain a decent standard of living for one adult and two children. Workers, trade unions and local experts were consulted on what items should be included in a basic basket of goods and services; a survey was then conducted to calculate the cost of these items in local shops and markets. An extra 2.5% was added as discretionary income and a further 7.5% for savings. Employer and employee deductions were also included in the final figure. The living wage for 2010 was calculated to be 235,987 pesos a year (£3,700). This figure was over three times the minimum wage in the Dominican Republic, which in 2010 (the time of calculation) was 70,200 pesos a year (£1,100). The wage figure is linked to inflation and increased annually.³⁶

THE ROOTS OF ALTA GRACIA: UNION STRUGGLE AND INTERNATIONAL SOLIDARITY

“If we wanted to get decent treatment, we really had to reach out and find allies. It wouldn’t have been possible to get a union otherwise.” Maritza Vargas, President of SITRALPRO

In 2001, 150 workers at the huge BJ&B factory were fired for organising a trade union to challenge appalling conditions and poverty wages. The union reached out to United Students Against Sweatshops asking for support. In April 2003, following a long international campaign in North America and Europe, the union was finally able to sign a collective bargaining agreement with management, the first ever to be

signed in a Dominican Republic free trade zone. The agreement included a 10% increase in wages, productivity bonuses and other benefits.³⁷

The change was short lived. Less than one year after the agreement was signed, BJ&B management began to reduce the workforce, shifting work to other factories both within and outside the Dominican Republic. In February 2007 the management suddenly announced it was closing the factory. The closure devastated the community, leaving thousands of workers unemployed and with little hope of finding new work.

For the Alta Gracia project to remain credible, it was important to ensure that the originally agreed standards were maintained. As the factory has fully recognised the trade union and engages in collective bargaining with its representatives, workers are able to resolve most issues at the factory level. SITRALPRO has maintained its direct links with United Students Against Sweatshops and with other student and fair trade groups across the USA, meaning workers are able to raise any unresolved issues directly with consumers. The Worker Rights Consortium has free and regular access to the factory and the workers, and produces monthly reports on conditions at Alta Gracia that are publicly available.

The target market for Alta Gracia was always intended to be (although not limited to) university outlets, including both independent and chain stores. The involvement of Knights Apparel, an existing college supplier, meant access to this target market was reasonably open. The presence of a highly visible and active student anti-sweatshop movement has also facilitated the success of Alta Gracia. After years of campaigning against sweatshops, students were now able to promote university products that were verifiably sweatshop-free and that were produced by workers with a long history of student-worker solidarity. These groups actively began to promote the Alta Gracia brand to university-owned outlets, book stores and churches in and around their campuses, allowing for the brand to become quickly established as an alternative to the major sportswear brands.

The workers themselves are the face of the Alta Gracia brand. Every label on every Alta Gracia garment carries the face of one of workers. Promotion also includes regular workers' tours, where Alta Gracia employees

can talk directly to consumers about their experience. Retail outlets also display promotional boards carrying the personal stories of all those involved in the Alta Gracia story.

The difference between Alta Gracia and mainstream garment suppliers is not just the wages its workers earn. Workers testify to a fundamental shift in the power relations between them and their employer, and a workplace that is based on respect for the dignity and rights of its employees. There is no reason why such a scenario cannot be replicated throughout garment supply chains, but consumers need to be cautious about companies that claim to pay a living wage but fail to implement the checks and balances integral to the Alta Gracia model.

Alta Gracia proves that it is possible to do things differently. If the combination of an organised workforce, socially aware consumers and a company with the political will to do things differently could be adopted more widely, then the garment industry could finally deliver a way out of poverty for both its workers and the communities where it operates.

4.2 Baltimore living wage ordinance

The first US living wage campaign began in Baltimore as an initiative of Baltimoreans United in Leadership Development (BUILD).³⁸ Baltimore had suffered a dramatic decline in the availability of decent work in the decades leading up to the living wage campaign. This was in part due to the contracting out of previous public sector jobs to private sector companies, which offered lower paid, less secure part-time employment to workers doing identical jobs.

In early 1994, BUILD teamed up with the American Federation of State, County, and Municipal Employees (AFSCME), the largest union representing government employees, to launch a campaign calling on the City of Baltimore to include living wage clauses in all its service contracts. The campaign argued that workers employed on projects funded or subsidised by the city should be paid enough to keep their families out of poverty.

The first step was to demand a 'right to organise' ordinance, which would void the contract of any contractor who fired a worker for organising. Fired workers would then be put on the city payroll.³⁹ This ordinance was passed in the summer of 2004 and was immediately followed by an intensive joint organising campaign, leading

to the recruitment of over 3,000 low wage workers into the newly formed Solidarity Sponsoring Committee, an organisation of low wage workers that became central to the success of the living wage campaign.⁴⁰

The next step was a mass campaign which called on the mayor of Baltimore to cut off subsidies to employers until they signed up to a plan to pay living wages to all their staff. Mass actions were organised in support of this demand, and the campaign was able to get support from local politicians by successfully exploiting political divisions in the run-up to city elections. Despite strong opposition from the business community and some sectors of the city government, the terms of a bill were negotiated and the Living Wage Ordinance came into effect in 1995.⁴¹



Baltimore City

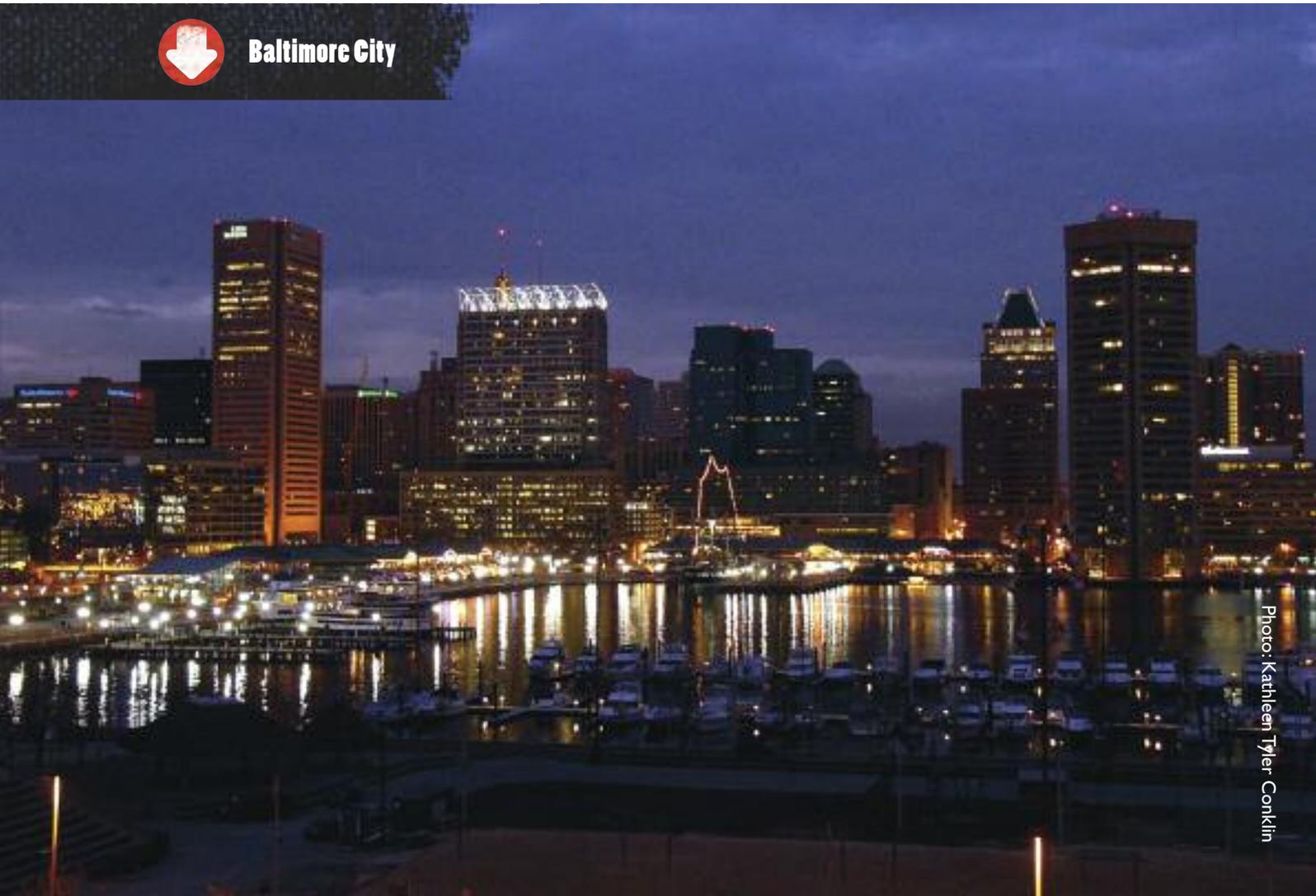


Photo: Kathleen Tyler Conklin

The ordinance required private contractors performing services for the city to pay workers employed on those contracts a stipulated minimum hourly wage of \$6.10 per hour, beginning in fiscal year 1996. This figure was based on the poverty level for a family of four, and would be raised annually in line with inflation. The ordinance applied to any contractor providing services to the city and operating contracts of over \$5,000.⁴²

There is a general consensus that the costs to the city of implementing the living wage ordinance have been insignificant. One analysis of 26 contracts affected by the law showed that in the first two years of its implementation the costs of contracts to the city had actually decreased. The reasons for this are unclear, but could be a result of lower profit margins for contractors, increased productivity and lower labour turnover.⁴³

The creation of the Solidarity Sponsoring Committee was vital in holding contractors to account. For example, by autumn 1996, almost two years after the legislation was passed, 26 school bus companies were still paying their school bus aides below the mandated living wage of \$6.60.⁴⁴ The agencies employed to monitor the implementation of the living wage had failed to notice this discrepancy, and it was down to organisers from the Solidarity Sponsoring Committee to raise the case with the city, finally winning the mandated pay increases and the back pay for the time workers had not been paid the correct amount.

Studies carried out in the years following the passing of the living wage ordinance estimate that around 1,494 jobs were affected by the new legislation; as not all jobs were carried out by one person, the number of individuals affected could be much higher. Workers who receive the increased wage have reported

increased financial security and a greater sense of worth and job satisfaction since the ordinance was passed. In the words of one worker: “Now I don’t have to worry about going out and finding another job. I’m comfortable paying my bills. I get to spend my money in the neighbourhood.... There’s a lot of different things that I can do in the community.”⁴⁵

The creation of an organisation specifically representing low paid workers is one of the most important long-term impacts of the Baltimore campaign. With the continued support of BUILD and AFSCME, the Solidarity Sponsoring Committee has been able to win more benefits for low paid workers, including protection from contract changes, increased access to benefits and the right to organise.⁴⁶

Baltimore’s success has in turn inspired the establishment of living wage campaigns across the USA, and living wage ordinances have now been adopted by well over 100 US cities and localities. The campaign has also been cited as an inspiration by London Citizens, the organisation behind the London Living Wage campaign, which triggered a similar movement in the UK.

4.3 London Living Wage campaign

The UK’s first living wage campaign was launched in 2001 by The East London Communities Organisation (TELCO).⁴⁷ TELCO noted that, despite the introduction of the national minimum wage one year earlier, many workers were still struggling to earn enough to lift their families out of poverty. TELCO began their campaign by mapping out who low wage workers were and where they were being employed. They found that low pay affected both directly

and indirectly employed workers in catering, retail, hotels and public services. Many of the lowest paid workers were employed by labour agents to provide services such as cleaning and security to large corporations and public institutions in the capital.

The fact that many of these workers were employed through labour agencies made it difficult for them to demand wage increases beyond the minimum wage. The terms and conditions under which they were employed were set not simply by the labour agent, but as part of the terms negotiated when the tender or contract was agreed. TELCO decided that those large companies and public institutions that were the ultimate employers of low paid workers would be the target of their campaign. Their aim was to use public campaigning and workplace organising to force these employers to agree to pay a living wage to all staff, whether they were employed directly or indirectly.

Initial research commissioned by UNISON into the cost of living in the four boroughs of East London found that workers would need to earn a living wage of £6.40 an hour to meet their basic needs, almost £2 higher than the £4.50 minimum wage at that time. This figure assumed that a family lived in local authority housing, were all in good health, could walk or cycle to school, had no debts and claimed full social security entitlements.⁴⁸ The figure was revised by the London Living Wage campaign each year until 2005, when the Mayor of London agreed to establish a Living Wage unit to research and publish an annual living wage for the capital. The momentum behind the campaign built quickly through public actions, conferences and events. It was taken on as a key campaign of London Citizens, a coalition of community groups across London, including TELCO.

The first public institutions to be targeted by the campaign were five East London hospitals, where a large number of cleaners and support staff were employed through labour agencies. Activists from trade unions, religious organisations and community groups used petitions, media exposure and industrial action to support their demand for a living wage. In June 2003, Homerton Hospital agreed to provide contract workers the same pay and conditions as National Health Service (NHS) staff. By 2006, all five hospitals had made similar agreements, with one (Royal London) deciding to bring all staff back into direct employment.

The campaign was taken to university campuses in 2005. In 2005, Queen Mary, University of London became the first living wage campus in the UK, and by 2008 it too had decided to bring all cleaners back in-house, with much improved pay and conditions. The campaign spread to other London campuses, with the London School of Economics, School of Oriental and African Studies and Birbeck all signing up to a living wage by 2009. Between 2005 and 2009, a number of other public institutions were also persuaded to pay the living wage, including the London Fire and Emergency Planning Authority, Tate Modern and the Department for Children, Families and Schools.

Banks were the first private sector targets of the campaign, with actions taking place at local branches and bank AGMs. In February 2004, Barclays became the first private sector employer to sign up to a living wage, agreeing to new terms and conditions for contract cleaners employed at the company's new headquarters in Canary Wharf. HSBC quickly followed suit, agreeing to an 11% pay rise, extra holiday and sick pay and better working hours. Success at Barclays convinced the Transport and General Workers' Union

(now Unite the Union) that there was real potential in organising workers at Canary Wharf, and it deployed two full-time organisers to the area. Over the next two years Morgan Stanley, Lehman Brothers, Citigroup, KPMG, PricewaterhouseCoopers and Royal Bank of Scotland all agreed to become living wage employers.

Next London Citizens joined forces with UNITE-HERE to call on the Hilton Group to adopt the living wage. A mass campaign was combined with ongoing recruitment of Hilton workers to the London Citizens Workers' Association. In 2006 the Hilton Group announced that it would phase out its use of labour agencies and would pay a living wage to all in-house staff. This victory was followed by success in the retail sector, when the developers of the new Westfield shopping centre in West London agreed to become the first living wage retail zone in the UK.

To date it is estimated that around 15,000 workers have benefited from their employer signing up to the London Living Wage, with a further 100,000 temporary living wage jobs created during the 2012 Olympic Games.⁴⁹ Workers who are employed full time and not in receipt of benefits have seen the greatest impact, while part-time workers, who in many cases are employed for as little as two hours of work a week, and those claiming in-work

benefits, who get their benefit entitlement reduced as their wages rise, have experienced a much more limited improvement.

The London Living Wage campaign has allowed individuals and groups from a wide range of backgrounds to work together for a common cause, and this has in turn helped to build strong community organisation in some of the most excluded areas of London.⁵⁰ Bringing trade union and community activists together to campaign both inside and outside the workplace has enable workers to feel safer in their organising efforts, and has proved that contract and migrant workers are both able and willing to organise for their rights. This has enabled workers to gain not just higher wages but improved terms and conditions in regard to holiday and sick pay, better working hours and recognition of trade union rights.

Finally, the London Living Wage campaign has shown that it is possible to hold the real employer accountable for the working conditions of its outsourced staff, and to challenge or even reverse downward pressure on wages and conditions associated with indirect employment relationships. This success has inspired other groups around the UK to establish their own local living wage campaigns, and has triggered a stronger call for a national living wage.

5 National living wage campaigns

5.1 Scottish Living Wage Campaign

The Scottish Living Wage Campaign was started in 2007 by the Poverty Alliance and the Scottish Trades Union Congress. The coalition includes the main public sector trade unions, faith groups and many NGOs, all of which engage with the campaign on a variety of different levels. Coordination and administrative support is provided by the Poverty Alliance.⁵¹

The campaign has three main objectives: (a) to establish a robust evidence base that demonstrates the benefits of the Scottish Living Wage to employees, employers,

communities and the wider economy; (b) to persuade government at all levels to pay all of their workers no less than the Scottish Living Wage; and (c) to persuade private sector employers to pay no less than the Scottish Living Wage.

The Scottish Living Wage Campaign has decided to use the out-of-London UK living wage calculation (see below), which provides a well researched, independent and annually revised figure already widely recognised in other part of the UK. Ultimately the coalition hopes to convince the Scottish government to establish a living wage unit which would consider how the methodology for setting the living wage rate could be specifically applied to Scotland.



Scottish Living Wage Campaign



Photo: Scottish Living Wage Campaign

The Scottish Living Wage Campaign argued that the public sector should lead the way on provision of decent working conditions and set an example to wider society. For this reason it decided that the campaign should initially focus on government and public sector institutions. The strong presence of public sector trade unions in the campaign coalition made it easier to involve workers and support their demands for a living wage at the grassroots level.

The key task for the Scottish Living Wage Campaign has been to build political support and awareness of the living wage in Scotland, which it has done through public events, conferences and media work. Locally, the campaign began to press local authorities to sign up to a living wage, with the campaign coordinating and using this momentum to push for living wage commitments at a national level. The first victory came in Glasgow, when the city council became the first Scottish Living Wage employer in 2009.

During the 2011 elections for the Scottish Parliament, the Scottish Living Wage Campaign convinced the Scottish Labour Party, Scottish National Party and Scottish Green Party to include the living wage in their election manifestos. This provided the opportunity to use trade union rallies and political demonstrations to highlight the living wage as an election issue. Since then a number of parliamentary debates have been held on the living wage, raising the profile of the campaign even further. In 2011 the Scottish government committed to paying a living wage to all directly employed workers under its control, including all those employed in the NHS.⁵²

The next step for the campaign is to ensure that all those delivering public services who

are employed through private companies get a living wage. The demand is for living wage clauses to be embedded in public procurement contracts, as with the Baltimore living ordinance (see above). In August 2012, a member's bill was submitted by John Park MSP that sought to require private sector employees working on public sector contracts to be paid the living wage.⁵³ The biggest barrier to achieving this is EU legislation, which arguably prevents local and national governments from requiring contractors to pay a living wage. The Scottish Living Wage Campaign will continue to press for living wage clauses to be built into procurement contracts, and is working to obtain further legal opinions as to the compatibility of this demand with EU legislation.

In four years the Scottish Living Wage Campaign has made huge gains in Scotland, in large part due to its success in bringing together a wide range of organisations and the role it has played in coordinating the campaign on a number of different levels. The Scottish government, the NHS in Scotland and 20 out of 32 local authorities have now committed to paying the living wage to all their directly employed staff. It is estimated that this has benefited 15,000 workers across Scotland who were previously employed on less than the living wage.

The Scottish Living Wage Campaign has also succeeded in placing the living wage firmly on the national political agenda, and has won widespread support for the principle of a living wage. Despite this success, there remains opposition to the implementation of a living wage for all workers, and the extension of the campaign to private sector workers will be an important next step.

5.2 Cambodia: the garment industry

The Cambodian garment industry is one of the country's biggest employers, and its most important source of export earnings. The minimum wage for garment workers in Cambodia is currently US\$66 (£43) a month, making it one of the lowest in Asia. Massive inflation has meant that Cambodian garment workers have seen a real wage loss of over 14% during the last 12 years.⁵⁴

Labour rights campaigners say the current minimum wage is almost half that required to meet basic needs. A 2009 report already found that a living wage should range from at least US\$90 (£60) per month to US\$120 (£79) per month.⁵⁵ Trade unions have been calling for a minimum wage of US\$121 (£80) per month, while the Asia Floor Wage in Cambodia is set at US\$283 (£187) per month.⁵⁶

MASS FAINTINGS IN CAMBODIA

The phenomenon of mass fainting among Cambodian garment workers has been widely reported since 2011. In that year alone, over 2,400 workers fainted and were taken to hospital in 25 separate incidents. Over 1,100 workers were affected in 2012, and trade unions say many incidents simply go unrecorded.⁵⁷ It is unclear exactly what is causing these incidents. According to the ILO Better Work Programme contributory factors include poor hygiene and nutrition, heat stress, exhaustion, poor worker-management communications and mass psychogenic illness.⁵⁸

In 2010, the Coalition of Cambodia Apparel Workers' Democratic Union (C.CAWDU), along with the National Independent Federation of Textile Unions of Cambodia (NIFTUC), called the first ever national strike in the garment industry, demanding that the government increase the minimum wage from US\$61 (£40) per month to US\$93 (£62) a month. Over 68,000 workers participated in the initial day of the strike, and by the third day over 200,000 workers had joined the picket lines. The strike was suspended after the government agreed to enter into negotiations with unions.

The retaliation against workers was quick and brutal. Hundreds of workers were locked out of their workplaces and dozens of legal cases were filed against union organisers. Following an international solidarity campaign against this retaliation, 160 workers were reinstated and in March 2011 the government, industry and trade unions finally signed an agreement that would increase benefits to workers by US\$10 per month. Over the next year, C.CAWDU intensified its organising work around a living wage. Wage strikes continued, the most recent involving over 10,000 workers at seven different factories.

The strong trade union campaign for a living wage, the existence of clear wage demands and the availability of information on the impact of low wages on workers made Cambodia an ideal focus for international living wage campaigners. In February 2012, the Asia Floor Wage chose Cambodia as the venue for its second People's Tribunal, providing space for workers to offer testimony as to the impact of low wages on their daily lives, to examine the international and national legal provisions on wages and decent work, and to assess the extent to which human rights of Cambodian garment workers were being violated.



Photo: Andre van der Stouwe

In September 2012, the No More Excuses campaign was launched by the Europe-wide Clean Clothes Campaign. Starting with a series of mass ‘faint-ins’ at H&M stores across Europe, the campaign called on all brands buying from Cambodia to support an increase in the minimum wage, to call for regular wage negotiations in Cambodia and to develop a plan for implementing the Asia Floor Wage in their own supply chains.

Although workers have benefited from the wage increases of 2011 and 2012, the campaign has so far yet to translate into anything approximating a living wage for Cambodian garment workers. The attempts made by trade unions to negotiate with the Garment Manufacturers Association of Cambodia (GMAC) in February 2013 ultimately failed to achieve any results, and the government only agree to a legal minimum of US\$75 per month, a figure significantly lower than any estimate for a living wage.

However, the inspiring work of C.CAWDU in organising garment workers around the issue of a living wage has strengthened the independent trade union movement in Cambodia and helped build trade union membership and support among factory workers. It has also helped Cambodian garment workers to build alliances within the national labour movement, giving them a stronger voice than ever before.

5.3 Malaysia: fighting for an equal wage

The Malaysian Trades Union Congress has been campaigning for a minimum wage since 2000, arguing that the reliance on ‘market forces’ was keeping many workers in poverty. In June 2012, the Malaysian government announced that a minimum wage would be introduced on 1 January 2013. Since the Minimum Wage Act was announced, Malaysia’s employers have been actively campaigning for

migrant workers to be exempted. As a result, the government has announced various amendments to the Act that reduce the benefits to migrant workers that would otherwise be gained through wage increases. For instance, in January 2013 the government announced that the levy which an employer must pay to the government for each migrant worker they employ can now be deducted from the wages of the migrant workers themselves.⁵⁹ In March 2013, the government further announced that it was allowing small and medium sized companies to defer the payment of a minimum wage to migrant workers until the end of the year.⁶⁰

There are over 2.3 million registered migrant workers in Malaysia, employed in construction, manufacturing, agriculture, services and as domestic workers. These workers come from all over Asia, including Indonesia, India, Burma, Vietnam, Nepal, Bangladesh and the Philippines.⁶¹ The Malaysian Trades Union Congress has argued that the above measures operate as a form of discrimination against these workers, and will wipe out any increase to be gained through an improvement in migrant workers' salaries.⁶² A further 82 national and international groups have joined the campaign, launching a petition calling for the abolition of the government amendments.

In February 2013, Nepalese and Bangladeshi migrant workers at several furniture factories in the southern town of Muar went on strike after their employer refused to pay them the minimum wage. A further 500 workers went on strike at an electronics factory in the nearby town of Senai, claiming that after wage restructuring and deductions they were now earning less than they had done before the new law came in. At the huge Recron textile factory in Malaysia's Nilai industrial zone, migrant and local workers

have been campaigning together for the new minimum wage law to be implemented. The management offered to give the minimum wage to local workers within weeks, but continued to refuse payment to migrant workers, stating that they were negotiating an exemption from the government.⁶³ On 1 March 2013, all 2,600 migrant workers from Bangladesh, Vietnam and Nepal went on a five-day strike to demand their wages be increased to the legal minimum.

The fight for an equal minimum wage for migrant and local workers has been the first struggle to unite workers of different nationalities in Malaysia, with local and migrant workers coming out together to demand its fair implementation. The national trade union structure, whose membership is almost entirely made up of indigenous workers, has continued to advocate strongly for equal pay, recognising that such equality is vital in maintaining the gains it has won for its membership. It is unclear whether this unity will remain over the long term, as employers and the government attempt to divide workers by offering different and better terms to their local employees.

Organising workers already divided by language and culture is no easy task, and maintaining solidarity between different nationalities will remain a challenge for the workers' movement in Malaysia. Yet these are challenges that must be taken up, not just in Malaysia but around the world. With labour migration on the increase, the marginalisation of migrant workers' rights and their exclusion from traditional trade union struggles only serves to undermine rights for all workers. The answer to this is not to prevent migration, but to ensure that the demand for a living wage applies to all workers, regardless of their nationality or

legal status. The nascent campaign for an equal wage in Malaysia provides proof that such solidarity is possible.

5.4 UK Living Wage campaign

The success of the London Living Wage campaign (see above) has inspired similar initiatives around the UK. These campaigns have been built locally, with the formation of coalitions made up of trade unions, religious, student and other community-based organisations. To date, living wage campaigns have been formed in more than 10 UK cities. In order to support these efforts, the community organising umbrella group Citizens UK set up the Living Wage Foundation, which works to encourage public bodies, organisations and companies to introduce the living wage. The Foundation's work includes providing advice on how to implement a living wage, offering accreditation for employers and campaigning on the living wage towards government, business, media and the public.

There are two living wage figures for the UK: one for London and one for all areas outside London. These are calculated annually by the Centre for Research in Social Policy at Loughborough University, based on research into basic costs of living including food and drink, clothing, household goods and services, personal goods and services, transport, social and cultural participation, housing and childcare. The final figure includes a number of 'caps' that, under certain economic conditions, keep the announced figure lower than a true living wage. This means two figures are calculated each year: (a) the living wage that accredited employers must pay, and (b) an 'aspirational' wage which the living wage should aim to reach over time. The idea is that while the aspirational wage remains higher than the announced figure, the

maximum increase will be applied every year until it is met, spreading out the cost of that increase over time. In 2012, the actual wage needed to meet the cost of living (outside London) was calculated to be £8.80 per hour, while the living wage figure that accredited employers are expected to pay was announced as £7.45.⁶⁴

Since March 2012, the National Union of Students (NUS) and the public sector union UNISON have been collaborating on a campaign to get universities and further education colleges to become accredited living wage employers. Together they have produced campaign resources, published information on the living wage and provided support for groups during both the campaigns and the resulting negotiations. Joint events have been held on campuses to raise awareness of the issue and to help build links between workers and other members of the university community.

The NUS is also providing training to student union officers and members of its affiliate student unions to inspire campus campaigns. The trainings have focused on providing the information, organising and negotiation skills needed to win a campus living wage campaign. UNISON has been asking its members to take part in research into pay levels at their universities, and to feed this information into a database showing income disparity in universities and colleges. The process of collecting the research aims to support campaign building in those campuses where it is carried out.

To date, most of the successful campaigns have achieved results through the compilation of research, the building of coalitions and the presentation of demands to the administration targeted. Agreements have generally been reached through a process

of negotiation involving both students, university staff and the affected workers. Although campaigns have started on over 30 campuses, these are often scattered and not always publicly documented. The decision of NUS and UNISON to join forces has the potential to bridge the traditional gap between students and employees and to facilitate better communication between these groups. Through better coordination of campaigns, student and trade union activists hope to pool resources, share information and avoid duplicating work.

The existence of an independently set living wage and an independent accreditation body that can provide assistance and information has helped local campaigners to make concrete demands to the employers they are targeting, to unite around a single figure and to translate an aspirational demand into a concrete reality. There are now over 100 accredited living wage employers in the UK, including big businesses, local

authorities, universities, student unions and charities. All these employers have committed to paying the announced living wage and to update this annually. Living wage campaigns at educational institutions have gained particular momentum: over 30 campuses now have coalitions or groups calling on their college administrators to sign up to a living wage.

5.5 South Africa: fighting for a living wage

Workers across South Africa face a constant struggle to survive on wages that are well below the cost of living. Trade unions estimate that about 75% of workers earn an average of 3,300 rand per month (£220), well below the monthly 'minimum living level' estimated to be between 4,000 and 5,500 rand (£270-370).⁶⁵

The Congress of South African Trade Unions (COSATU) has identified the living wage as



Better wages campaign, South Africa



one of its key priorities, identifying it as “the primary means for workers to fight poverty, close the apartheid wage gap and address broader inequalities in our society”. The COSATU campaign is broad, calling not just for a living wage but for a ‘social wage’ which includes guaranteed decent employment, provision of decent housing, access to land, access to a national health scheme and a national retirement scheme, universal free education, affordable public transport and changes to labour legislation including maternity pay and the abolition of labour brokers.⁶⁶

Industrial unrest in South Africa attracted international attention in August 2012, when 34 striking workers were killed by police at the Lonmin platinum mine in Marikana. The strikes had been called by rock drill operators, who were demanding a dramatic increase to their salary from 4,000 (£270) to 12,500 rand (£830) per month. Lonmin management refused to engage in dialogue with the strikers, escalating tension over the period of a week until 16 August, when police opened fire on the striking workers with automatic weapons, killing 34 and injuring over 78 others. The strikes at the Lomin mine continued for several weeks after the massacre, despite attempts to force the rock drill operators back to work. On 19 September 2012, the workers agreed to return to work after the company agreed to a 22% pay increase.⁶⁷

The images of the police opening fire on Marikana miners drew the attention of the world to the huge inequality that continues to exist in South Africa, and put the issue of wages firmly on the political agenda. In October 2012, thousands of agricultural workers in the Western Cape went on an

unofficial strike to demand higher wages and benefits for farm workers. Started by a group of non-organised seasonal workers at the De Doorns plantations, unrest spread quickly across the region, with over 8,000 workers participating in the strike in the first two weeks. Years of poverty and frustration boiled over and the strikes turned violent: fruit packing houses and farm houses were burned down, while strikers were attacked by the police. Two striking workers were killed and there were widespread reports of violence against the communities where strikes were taking place.

The strikes were called off in December to open space for negotiations to take place, but no agreement was reached. Strikes erupted again in January 2013, with thousands of workers at De Doorns declaring they would continue protests until a living wage was paid.⁶⁸ Strikes were again suspended for negotiations, but the majority of farms refused to participate. Shortly after the suspension of the strike, thousands of workers were fired from the plantations in retaliation.⁶⁹ In February 2013, the government announced that the minimum wage for farm workers would rise by over 50% from the beginning of March.⁷⁰

5.6 Indonesia: outsourcing and low wages

Indonesia’s economy is now the 16th largest in the world and growing rapidly: over the last two years, the country has consistently reported economic growth rates of 6%.⁷¹ Much of this growth has come about through a large manufacturing sector which employs millions of workers to produce electronics,

garments, cars and other consumer goods. Yet little of this wealth has trickled down to the workers. Although Indonesia has a legal minimum wage, this is not sufficient to provide a decent standard of living.

The current minimum wage is around 2 million rupiah (£125) per month, two thirds of the Asia Floor Wage figure of over 3 million (£190).⁷² This figure does not include social security benefits and is calculated to cover only a single worker rather than a family. While all workers are guaranteed the minimum wage, discrimination exists between men and women workers in the form of family benefits and tax incentives, which only apply to married men.⁷³ This means millions of women workers are earning even less than their male counterparts. The problem of job insecurity is also on the increase, as a large number of workers, particularly in manufacturing, are employed on short-term contracts. At the same time, economic growth has led to increasing inflation⁷⁴, eroding even further the value of already low wages.

Trade unions in Indonesia campaign for increases to the minimum wage each year through lobbying and demonstrations. In 2012, the Indonesian Confederation of Labour Unions (KSPI) launched a campaign for decent work which focused on increasing wages, eliminating the use of outsourcing and strengthening social security claims. The trade unions argued that while Indonesia was becoming richer, this was not improving the lives of the millions of workers who were producing the nation's wealth. Unions called for an improvement in the level of the minimum wage and in its implementation, an increase in the national benchmark for a decent (living) wage, an end to the use of

precarious work and the widening of social protection schemes for workers.

In September and October 2011, thousands of Indonesian mine workers went on strike to demand a five-fold increase in their wages. This was followed by strikes by thousands of car workers in February 2012, which were triggered by a court decision to overturn a minimum wage increase for their province. In response to the strikes, Indonesia's President Susilo Bambang Yudhoyono stated that if the Indonesian economy continued to grow, it would also be necessary to increase workers' wages.⁷⁵ This presidential statement was not, however, followed by any concrete action to improve salaries for Indonesia's lowest paid workers.

In July 2012, KSPI called a national day of action to demand that these promises were kept.⁷⁶ The action, entitled HOTSUM (Outsourcing Abolition and Declining Wage Refusal), called for demonstrations at three locations in the capital Jakarta and in 15 provinces and cities across the country. HOTSUM's main demand was for the government to increase the number of basic goods included in government calculations to define an acceptable living standard. A total of 40,000 workers joined the protest, paralysing the centre of Jakarta.⁷⁷ Further demonstrations took place in September and October 2012, when tens of thousands of factory workers took part in a one day strike to demand a higher minimum wage and an end to the law allowing employers to hire workers on one year contracts without benefits, as well as to oppose a proposal to deduct 2% of wages for social security payments.⁷⁸

6 International campaigns

38

The Living Wage **Winning the fight for social justice**

In addition to the national and local campaigns that are the mainstay of the global movement, there have also been a number of innovative international campaigns bringing together workers from across different localities in a common struggle for a living wage. The global union federation IndustriALL is coordinating living wage campaigns on behalf of its many affiliated trade unions around the world – including affiliates from Indonesia and Cambodia mentioned in the previous chapter. The following initiatives, the Asia Floor Wage Alliance and World Banana Forum, represent cross-border campaigns for a living wage in two very different contexts.

6.1 Asia Floor Wage Alliance

The Asia Floor Wage Alliance is a coalition of workers' organisations from across Asia. Members include trade unions, labour organisations and NGOs from India, Cambodia, Indonesia, Sri Lanka, Thailand, China, Pakistan and Hong Kong. It is also supported by trade unions, labour NGOs, anti-sweatshop movements and academics from Europe and the USA.

The Asia Floor Wage concept was developed in 2005, when representatives of these groups came together to debate the possibility of establishing a minimum floor wage that would apply to all garment workers in Asia, in each of the countries in which they lived. The basic aim is to challenge the race to the bottom caused by a system of production in which workers in one Asian country are forced to compete with workers in another by accepting ever decreasing wages and terms of employment.

The campaign has been described by its proponents as a regional collective bargaining

strategy, where negotiations on wages take place along the whole supply chain of those multinational companies that control much of the garment industry in Asia. Once these negotiations are under way, it is envisaged that those unions involved could take advantage of the space provided to organise workers at the factory level. At the same time, the campaign would strengthen their ability to demand that their governments increase minimum wages to a living wage level.

Coming up with a formula by which a minimum floor wage could be applied across the region required the Asia Floor Wage Alliance to agree on a number of basic assumptions, including the family size of each worker, the amount that would be included for food and non-food items, and the method for levelling the floor wage across the region. Once this had been decided, a formula was developed for identifying a floor wage for each participating country (see box). This figure is revised annually using consumer price indices, and new surveys of food costs are carried out periodically. In most cases, the Asia Floor Wage figures announced for each country were significantly higher than the government-mandated minimum wage. In some countries, such as Bangladesh, the figure was six times higher than the minimum wage, while in most cases the Asia Floor Wage represented roughly double the statutory minimum wage.

On a national level, Asia Floor Wage alliances have focused on organising training programmes to build the capacity of local trade unions to organise and negotiate on wages. The Asia Floor Wage has also organised People's Tribunals on wages in Sri Lanka, Cambodia and India. On a regional level, the Asia Floor Wage is demanding that brands and retailers enter into negotiations to develop a process for implementing the

living wage across their supply chains. An Asia Brand Bargaining Team has been established in order to carry out negotiations with brands that agree to participate. The international campaign has focused on promoting the Asia Floor Wage as a legitimate benchmark for living wages across Asia, and a campaign has been launched against some of the biggest brands and retailers in the garment industry calling for a living wage to be implemented in Cambodia. The campaign will widen to other countries over the next three years.

The key success of the Asia Floor Wage to date has been in supporting the development of coalitions within countries that can organise around the implementation

of the living wage. The organising of the People's Tribunal in Cambodia contributed to the strengthening of calls for a living wage in that country and led to greater solidarity both nationally and internationally with the trade unions already engaged in industrial action on wages (see Cambodia case study, above). The existence of the Asia Floor Wage has provided campaigners with a concrete figure, which has come directly out of the Asian workers' movement, to demonstrate the gap between prevailing and living wages. This has enabled living wage activists to increase consumer pressure on brands and retailers to take action on this issue.

CALCULATING AN ASIA FLOOR WAGE

The assumptions: (a) A living wage for 1 adult = 50% food costs + 50% non-food costs

On average, workers spend about half their income on food and the rest on non-food goods and services. To arrive at a living wage figure, the cost of a basic basket of goods that would provide a minimum of 3,000 calories is multiplied by two.

(b) A living wage should be the amount needed for two adults and two children

A family is defined as two adults and two children. It is assumed that a child needs half the income of an adult to get adequate nutrition and standard of living. One adult is defined in the formula as one consumption unit; a family of two adults and two children is calculated as three consumption units.

A living wage is therefore calculated as: (cost of food goods x 2) x 3. This wage

should be earned within a standard (48 hour) working week.

The calculation: In 2009, a survey of food costs was carried out in each participating country, and the formula above was used to calculate a living wage level for each country. This was then standardised across the region according to purchasing power parity (PPP) dollars, which reflect what a worker would need in each country to buy the same goods that a worker in the USA could buy with US\$1. The figures that were produced for each country were averaged out and an Asia Floor Wage figure was established at PPP\$475; this figure was then converted back into the local currencies of each country concerned. Adjusted for inflation, the Asia Floor Wage for 2011 and 2012 was set at PPP\$540, and a new survey of food costs is currently being undertaken to inform future calculations.



Photo: War on What

6.2 World Banana Forum

The World Banana Forum, a multi-stakeholder initiative hosted by the UN's Food and Agriculture Organisation, was set up in 2009 to promote open dialogue on challenges facing the banana industry. It includes participants from producer organisations, trade unions, cooperatives, exporter groups, fresh produce companies, retailers, traders, public agencies, governments, research institutions and civil society organisations. One of the objectives of the Forum was defined early on as the “fair distribution of value” along banana supply chains, encompassing the need for banana workers to earn a decent wage as well as ensuring fair prices that would cover costs of production and enable a reasonable profit to be made.

The World Banana Forum's work is significantly different from other initiatives, in that it is attempting to deliver increased wages through social dialogue on an international level. Sustained campaigning by trade unions in Latin America, producers in the Caribbean and Africa and civil society groups in Europe and North America has been instrumental in creating the momentum for the establishment of such a forum. The need to develop an industry that is more environmentally, socially and economically sustainable has also pushed industry representatives from both South and North to engage in dialogue with other stakeholders in the international banana supply chain.

A paper commissioned by one of the Forum's working groups in 2010 suggested that a

living wage could be defined by looking at a) how much a worker should be paid in order to live decently or “with dignity”, and b) how much it is fair to pay when the wealth generated by banana production is taken into account. Although there was agreement that one of the Forum’s aims should be to work towards paying a living wage, the consensus among the various parties about how to move forward was more difficult to achieve. This included concern from the trade unions that if work on wages was not directly linked to collective bargaining it could undermine progress towards mature industrial relations.

It was agreed that the gap between minimum wages and the cost of a basic basket of goods and services was significant, and that a first step should be to look at how to close this gap, whilst undertaking research to better understand what an actual living wage should be in each country. A work plan was adopted that included actual wage studies in Ecuador and Colombia, which would for the first time involve the exporter associations in those countries. Wage ladders would be developed to show different wage indicators in eight countries: Cameroon, Colombia, Costa Rica, Dominican Republic, Ecuador, Ghana, Guatemala and Honduras. This would show the gap that needed to be addressed for living wages to be met in each country and provide benchmarks for progress. The results of these studies were presented at the World Banana Forum conference in Ecuador in February 2012, and further studies are being carried out in different banana producing regions, including West Africa. The Forum is now exploring mechanisms for how to redistribute value along the supply chain, including the development of pricing mechanisms to cover the costs of a living wage.

The World Banana Forum is still in its early stages, and its focus on relationship building

as the first step towards delivering higher wages means it is difficult to assess the impact of its work on the lives of workers on the ground. The development of a social dialogue process between actors that have been historically hostile and that have intrinsically different interests in the process is never going to be easy. A statement submitted by COLSIBA, the Coordinating Body of Latin American Banana and Agro-Industrial Unions, to the last World Banana Forum meeting drew attention to the lack of participation of producers and export companies in key working groups and the lack of commitment to working with the unions to meet the Forum’s objectives. At the same time, trade unions involved in the Forum have also stated that there has been an improvement in their ability to organise on the ground in recent years, including the negotiation of the first ever collective bargaining process in Peru. This may be attributed in part to the increased trust being built between different actors on the international level.

The potential of the World Banana Forum to deliver on living wages, along with other key labour and environment issues, lies in its provision of an open and transparent space for discussions and negotiations to take place. The Forum’s decision to establish a permanent process with clearly defined and agreed objectives and to focus on carrying out practical initiatives means that all the parties are held to account for their actions; it also allows ongoing negotiations on wages and conditions to take place. The biggest challenge for the Forum is to transform traditional power relationships between employers and workers’ representatives and between participants from South and North, and to develop relationships between those actors that will deliver on providing a more equitable industry.

7 Learning from success

42

The campaigns presented in this report vary considerably in their reach, targets and activities. Many share key elements that have contributed to their success in both raising the issue of a living wage and in translating this demand into real increases in pay levels for workers. This final section draws these elements together in an attempt to highlight the main points of learning from existing living wage campaigns.

7.1 Developing demands and targets

Most of the campaigns invested time at the beginning of the campaign in carrying out research into prevailing wage levels, the impact of poverty pay and the level at which a living wage should be set. As well as strengthening the credibility of the campaign, the research itself often provided a tool through which to involve and organise workers.

Some of the campaigns paid good attention to documenting their own progress, either through web pages or through academic research, but others have failed to present a clear overview of the work that had been done or much analysis of results achieved. For campaigns that are run by a single organisation or trade union, it is fairly straightforward to document activities and record what progress has been achieved; where campaigns are more disparate, producing coherent information is more of a challenge. Good documentation and information can help strengthen the demands of a living wage movement – for example, research into the benefits for employers who have already adopted the living wage in London has been used by local campaigns in other parts of the UK as part of their

lobbying strategy towards their own councils and employers.

All the campaigns featured in this report demand a living wage for workers. While most use the same technical definition of a living wage as one that provides sufficient income to provide for basic needs, there are variations in how this is measured. However, the essential elements of how a living wage is defined around the world are strikingly similar, with almost all campaigns basing their calculation on the cost of a basic basket of goods. Some take these figures from government statistics; others base their calculations on independent research. Yet the basic agreement on methodology negates any argument that it is impossible to agree on what a living wage might mean in practice.

In reality, the biggest problem with the living wage definitions used by most campaigns is that, with the exception of the Alta Gracia factory in the Dominican Republic, the figures used still tend to fall below a real living wage level. In some cases this is because of assumptions made on considerations such as family size, access to welfare and number of hours worked. In others, it is because there is a perceived need to develop a figure that is enough to make a real change to workers' lives but that remains politically realistic and winnable in the short term.

Although payment of a living wage is the central demand for all the campaigns featured in this report, the most successful campaigns have also helped trigger improvements in terms of employment, trade union rights and better treatment of low wage workers. A number of campaigns have linked terms of employment directly to the demand for a living wage, noting that job security must underpin wages if they are to have a genuine impact on the living standards of low paid

workers. For example, in Indonesia the campaign directly links these two issues, while the campaign at Queen Mary, University of London led to all contract staff being directly employed, with many being given longer hours. Most campaigns have also attempted to use living wage campaigns to strengthen trade union organising and to press for greater union recognition within workplaces, as in the case of Baltimore and within the international contexts of the World Banana Forum and Asia Floor Wage.

Many of the campaigns featured here have sought to look beyond the workplace to identify targets that have the power to make the living wage a reality. This is in part a reflection of the current model of low wage employment, where the direct employer may not have full control over pay and conditions. Campaigns in Scotland and Baltimore chose to focus primarily on public authorities, using the argument that public money must be used in a way that supports local economic development. This includes the demand that all private companies receiving public subsidy or supplying the public sector pay a living wage.

Campaigns in the UK targeting universities and hospitals have taken a similar approach, focusing their activities not on the labour agencies or private employers used to provide most of the services delivered by low wage staff, but on the administrations of those institutions where these workers carry out their duties. In London and the Dominican Republic, the target was the multinational companies that were not themselves the direct employers but that had the power to demand living wages were paid and the economic ability to assume the costs. Both the Asia Floor Wage and the World Banana Forum focus on the living wage as

part of a demand for fairer distribution of profits down global value chains.

7.2 Building campaign coalitions

The most successful living wage campaigns were those that brought workers and their trade unions together with students, community activists, consumer organisations or faith-based groups together to demand a living wage. Building broad-based coalitions has meant these campaigns benefit from a range of expertise in different but complementary skills including grassroots organising, negotiation, research, lobbying, policy work and campaigning. This has in turn ensured the development of strong platforms for demanding and winning a living wage.

The involvement of such a wide range of groups brings its own problems. A lot of energy can be taken up trying to maintain a cohesive campaign across groups with very different interests and priorities. Problematic power relationships can easily be replicated – for example, workers' groups can be sidelined, and groups from the global South can find themselves dominated by those from the global North; similarly, maintaining long-term commitment from each organisation involved can be a challenge. Once campaigns start registering successes, there is also a danger that splits emerge over the right way to move forward, presenting the question of who gets to ultimately represent the campaign in negotiations and decision making.

In most of the cases featured in this report, the building of coalitions constituted a significant part of the work of the campaign, particularly at the outset. This process, while time consuming, is essential in overcoming

some of the issues outlined above. Putting in the effort early in the process is also important in defining clear roles, building good working relationships between different groups and ensuring long-term commitment and unity within the wider campaign.

The fight for decent wages is the traditional domain of trade unions, carried out largely through workplace organising and collective bargaining. There is a real concern that campaigns for a living wage that are not based on trade union participation could undermine collective bargaining and union organising. Equally, if campaigns fail to involve low paid workers themselves or to combine the demand for a living wage with demands for trade union recognition, workers can be left without representation or the support needed to maintain the initial gains.

The majority of workers employed in the low wage economy are not organised into trade unions and are often from groups that the traditional trade union movement has struggled to organise, such as migrant, women or agency workers. The increasing prevalence of contract workers, whose legal employer is the labour agent and not the owner of the workplace, means that collective bargaining processes have little meaning. In these cases, living wage campaigns must concentrate on supporting workers to organise and demand their own rights, while the involvement of trade unions in campaign coalitions is essential to ensure that the fight for a living wage supports rather than undermines worker empowerment. The type of coalition campaigning already seen in the living wage movement offers new ways of fighting for labour rights; if done well, such campaigns can strengthen the work of trade unions by building solidarity between community organisers and labour activists.

7.3 Building a global movement

Workers across the world have already seen their incomes increase as a result of living wage campaigns. Local, grassroots campaigns have demonstrated the ability to improve wages for workers in their area, often with support from national and international coalitions. However, this improvement remains limited to a relatively small number of workers in the low wage economy. The impact of local campaigns can be increased by linking local struggles to national and international movements for a living wage. Their successes provide inspiration to others, making the winning of a living wage not only an aspiration but a real possibility.

International campaigns, obviously further removed from the grassroots level, have yet to demonstrate their full effectiveness in directly improving wages. However, provided they are linked to local and national movements, international campaigns are able to bring the issue of a living wage onto the global agenda and have the potential to demand more widespread structural change in both national and international supply chains.

The bringing together of local, national and international campaigns is already creating a global movement for a living wage. This movement has succeeded in moving the demand for a living wage to the centre of debates around the global political economy, and in getting widespread support for the principle of a living wage. As the movement gathers momentum, the demand for a new model of employment based on local economic development and the ability of workers to invest in their own communities is growing stronger. Along with its partners, allies and affiliates in all countries, War on Want is proud to take its place in this global movement.

Notes

- ¹ See chapter 3 for more detail on the setting of minimum wage levels.
- ² Peter Drier and Donald Cohen, 'Raising the Minimum Wage is Good for Business (But the Corporate Lobby Doesn't Think So)', *Huffington Post*, 23 February, 2013
- ³ 'Minimum Wage as Economic Stimulus', Raise the Minimum Wage, www.raisetheminimumwage.com
- ⁴ Daniel Aaronson, Sumit Agarwal, and Eric French, 'The Spending and Debt Responses to Minimum Wage Increases' The Federal Reserve Bank of Chicago, 8 February 2011
- ⁵ Ibid
- ⁶ Interview with Maritza Vargas, President of SITRALPRO, December 2012.
- ⁷ 'Poverties or Poverty?' Poverties Org, Research for Social & Economic Development, www.poverties.org
- ⁸ 'Living Wage Employers', Living Wage Foundation, www.livingwage.org.uk
- ⁹ 'I want to live not just exist: the business case for a living wage', UNISON and NUS, Living Wage Campaign, www.unison.org.uk
- ¹⁰ Alta Gracia Living Wage Apparel, www.altagraciaapparel.com
- ¹¹ Guy Stallard, Director of Facilities, KPMG Europe, in 'Not Just For The Good Times: The New Imperative for Fair Pay', London, Fair Pay Network, 2009
- ¹² 'The London living wage: Numbers and money', As calculated by Jane Mills, Queen Mary, University of London, 5 November 2012
- ¹³ Glen Bramley and David Watkins, 'The public service costs of child poverty', Joseph Rowntree Foundation, October 2008
- ¹⁴ 'Wages and Equitable Growth', Global Wage Report 2012/13, International Labour Organisation, 2013
- ¹⁵ Kayte Lawton and Mathew Panneycook, 'Beyond the Bottom Line: The Challenges and Opportunities of a Living Wage', IPPR & Resolution Foundation, January 2013
- ¹⁶ Interview with Patricia Dyata, Secretary General, Sikhula Sonke, December 2012
- ¹⁷ Gus Van Harten, 'Investment Treaty Arbitration and Public Law', Oxford: Oxford University Press, 2007
- ¹⁸ John Ruggie, 'Protect, Respect and Remedy: A Framework for Business and Human Rights', Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, UN document A/HRC/8/57, April 2008
- ¹⁹ 'Stitched Up: Women workers in the Bangladeshi garment sector', War on Want, July 2011
- ²⁰ 'Jobs, Justice and Equity: Seizing opportunities in times of global change; Africa Progress Report 2012', Africa Progress Panel Geneva, 2012
- ²¹ 'The cost of inequality: how wealth and income extremes hurt us all', Media Briefing, Oxfam, 18 January 2013
- ²² Ibid
- ²³ Matthew G. Miller and Peter Newcomb, 'The World's 200 Richest People', *Bloomberg Markets Magazine*, November 2012
- ²⁴ *Global Risks 2013*, World Economic Forum, Geneva, 2013
- ²⁵ Dominique Strauss-Kahn, 'The Right Kind of Global Recovery', address to the Monetary Authority of Singapore, 1 February 2011
- ²⁶ Interview with Jane Wills, London Living Wage Campaign, December 2012
- ²⁷ James Achur, 'Trade Union Membership 2009', Department for Business, Innovation and Skills, April 2010
- ²⁸ Nikki Brownlie, 'Trade Union Membership 2011', Department for Business, Innovation and Skills, April 2012
- ²⁹ Wade Stone, 'The Decline of Trade-Unions in the US and Canada', Global Research, 7 June 2011
- ³⁰ Mark Carley, 'Trade Union Membership', European industrial relations observatory online, 25 May 2004
- ³¹ Sarosh Kuruvilla, Subesh Das, Hyunji Kwon and Soonwon Kwon, 'Trade Union Growth and Decline in Asia', British Journal of Industrial Relations, September 2002
- ³² 'Trade union rights violations around the world in 2011', ITUC Survey Indonesia, 2012
- ³³ See, for example, the cases described in *Restricted Rights: Migrant women workers in Thailand, Cambodia and Malaysia*, War on Want, May 2012
- ³⁴ Sam Maher, *False Promises: Migrant Workers in the Global Garment Industry*, Clean Clothes Campaign, 2009
- ³⁵ Information for this case study was taken from interviews with Maritza Vargas, President of SITRALPRO, and Rachel Taber, Community Education Coordinator at Alta Gracia, December 2012.
- ³⁶ 'Living Wage Analysis for the Dominican Republic', Worker Rights Consortium www.workersrights.org
- ³⁷ 'BJ&B Worker Union Gains Collective Bargaining Agreement!', US Labor Education in the Americas Project, April 17 2003
- ³⁸ Madeline Janis-Aparicio, Steve Cancian & Gary Phillips, 'Building a Movement for a Living Wage', in Poverty & Research Action Council (PRRAC), Poverty & Race Issue, January/February 1996
- ³⁹ Margaret Levi, David Olson, and Erick Steinman, 'Living-Wage Campaigns and Laws' WorkingUSA, Vol 6, 2003
- ⁴⁰ Reynolds David, 'The Living Wage movement mushrooms in United States', published in Deborah M. Figart, 'Living Wage Movements: Global Perspectives' Psychology Press, 2004
- ⁴¹ Ibid
- ⁴² Niedt, Ruiters, Wise, and Schoenberger, 'The effects of the living wage in Baltimore' Working Paper No. 119, Economic Policy Institute, 1999
- ⁴³ Ibid

- ⁴⁴ Robert Guy Matthews, 'School bus contractors to increase aides' pay Operators threatened with loss of city contracts' *The Baltimore Sun*, 19 December 1996
- ⁴⁵ Niedt, Ruiters, Wise, and Schoenberger; *The effects of the living wage in Baltimore*, Working Paper No. 119, Economic Policy Institute, 1999
- ⁴⁶ Reynolds David, *The Living Wage movement mushrooms in United States*, published in Deborah M. Figart, *Living Wage Movements: Global Perspectives* Psychology Press, 2004
- ⁴⁷ Jane Wills, *Mapping Low Pay in London*, UNISON and Queen Mary University of London, 2001
- ⁴⁸ Parker H (Editor), *Low Cost but Acceptable: A minimum income standard for households with children in London's East End*, The Family Budget Unit, April 2001
- ⁴⁹ *The London Living Wage: Numbers and Money*, London Living Wage research, Queen Mary University of London, 30 July 2013
- ⁵⁰ Jane Wills, *Work, identity and new forms of political mobilisation: An assessment of broad-based organising and London's living wage campaign*, Economic & Social Research Council, University of London, 2008
- ⁵¹ Scottish Living Wage, www.povertyalliance.org
- ⁵² Presentation of Finance Secretary John Swinney in the Scottish Parliament, The Scottish Government News, Budget Statement, 17 November 2010, <http://www.scotland.gov.uk/News/Releases/2010/11/117080954>
- ⁵³ Proposed Living Wage (Scotland) Bill, The Scottish Parliament, Parliamentary Business, 17 August 2012 <http://www.scottish.parliament.uk/gettinginvolved/53618.aspx>
- ⁵⁴ 'Minimum wage increases in Cambodia', Fair Wage Network, 23 January 2013, www.fair-wage.com
- ⁵⁵ Dr. Kang Chandararot Liv Dannel, *Living Wage Survey for Cambodia's Garment Industry*, Asia Pacific Industrial Relations Network, ILO Regional Officer for Asia and the Pacific, 2009
- ⁵⁶ 'Minimum wage increases in Cambodia', Fair Wage Network, 23 January 2013, www.fair-wage.com
- ⁵⁷ 'Targeted: Mass Fainting of More Than 140 Cambodian Garment Workers', Community Legal Education Center, Press Release, 22 November 2012, www.clec.org.kh
- ⁵⁸ 'Statement of the Project Advisory Committee of Better Factories Cambodia', ILO Better Factories Programme, 3 April 2013 <http://betterwork.com/cambodia/wp-content/uploads/2013/04/PAC-statement-SR29-EN.pdf>
- ⁵⁹ Charles Hector, *Minimum Wages and Migrant Workers*, Presentation at Clean Clothes Campaign, Migrant Worker Working Group meeting, April 2013
- ⁶⁰ Minimum Wage Policy, Ministry of Human Resources, Putrajaya, Malaysia, March 15 2013 http://www.mohr.gov.my/docz/Minimum_Wage_Policy_19032013.pdf
- ⁶¹ Reiko Harima, *Restricted Rights: Migrant Women Workers in Thailand, Cambodia and Malaysia*, War on Want, 2012
- ⁶² 'Migrant workers likely to be subject to further hardship', Malaysian Trade Union Congress <http://www.mtuc.org.my/sandbox/wp-content/uploads/2013/05/migrant-hardship-mac07.pdf>
- ⁶³ 'Demand Justice and Minimum Wages for RECRON workers!' New Socialist Alternative, Socialism-in Online
- ⁶⁴ Donald Hirsch, *Working paper: uprating the out of London Living Wage in 2012* Living Wage, Centre for Research in Social Policy, Loughborough University, 2012
- ⁶⁵ Gillian Jones, 'National minimum wage a moot point at Cosatu conference', *Mail & Guardian*, 16 Sep 2012
- ⁶⁶ 'The Struggle for a Living Wage the Quest to Restructure our Economy', COSATU, www.cosatu.org.za
- ⁶⁷ Peter Alexander et al, *Marikana: A View from the Mountain and a Case to Answer*, Jacana Media, 2012
- ⁶⁸ Benjamin Fogel, 'De Doorns: A community enveloped by fear and anger', *Daily Maverick*, 14 January 2013
- ⁶⁹ Alex D Smith, 'South African farmworkers sacked 'in truckloads' after strike, says union' *The Guardian*, 24 January 2013
- ⁷⁰ 'Labour Minister Mildred Oliphant announces new minimum wage for farm workers', South African Government News Agency, 05 February 2013
- ⁷¹ Novrida Manarung & Hidayat Setiaji, 'Indonesia Mulls Minimum Wage Boost Amid Protests: Southeast Asia', Bloomberg, 13 November 2012
- ⁷² Asia Floor Wage 2012 (adjusted in October 2012) www.asiafloorwage.org
- ⁷³ Interview with Prihanani, Vice President of Woman Empowerment, Federation of Indonesian Metalworkers Union (FSPMI), March 2013
- ⁷⁴ Novrida Manarung & Hidayat Setiaji, 'Indonesia Mulls Minimum Wage Boost Amid Protests: Southeast Asia', Bloomberg, 13 November 2012
- ⁷⁵ Bagus BT Saragih, 'SBY: labor salary should rise' *The Jakarta Post*, 1 February 2012
- ⁷⁶ 'Outsourcing Abolition and Declining Wage Refusal', KSPI, Sekretariat Bersama, www.sekberijp.wordpress.com
- ⁷⁷ Damiana Ningsih & Agustiyanti, 'Execs Slam Higher Wage Demands', *Jakarta Globe*, 16 July 2013
- ⁷⁸ 'Indonesian factory workers on strike for more pay', BBC News Asia Online, 3 October 2012 <http://www.bbc.co.uk/news/world-asia-19816462>

YES, I WANT TO SUPPORT WAR ON WANT BY BECOMING A MEMBER

Please fill in the whole form in capital letters using a ball point pen and send to:

Freepost RSKC-UCZZ-ZSHL, War on Want, 44-48 Shepherdess Walk, London N1 7JP

Do not return to your bank

Name _____

Address _____

Postcode _____

Home no. _____ Mobile no. _____

E-mail _____

I would like to make a regular donation of £5 £10 £20 or my own amount
monthly / quarterly / yearly (delete as appropriate)

Commencing on the 1st 8th 15th 22nd of mm yy (please tick as appropriate)
should be at least four weeks from today

Make your donation worth 25% more – at no cost to you.

giftaid it

I am a UK tax payer and I would like War on Want to reclaim tax on all donations that I have made in the last four years and all future donations that I make from the date of this declaration. I understand that I must pay an amount of Income Tax and/or Capital Gains Tax for each tax year that is at least equal to the tax that all the charities that I donate to will reclaim in that year. I understand that War on Want will reclaim 25p of tax on every £1 that I give. I am not a UK tax payer

War on Want will use all the details you provide to keep you informed about the important work we do.

However, if you do not wish to receive any further communications from us or related charities, please tick the appropriate box:

War on Want Other relevant charities

Instruction to your Bank or Building Society to pay by Direct Debit.

Name and full postal address of your Bank or Building Society
To the Manager Bank / Building Society

Address _____

Postcode _____

Name(s) of Account holder(s)

Branch Sort Code - -

Account No.

Service user number:



Reference: (to be completed by War on Want)

Instruction to Bank or Building Society:

Please pay War on Want Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with War on Want and if so, details will be passed electronically to my Bank/Building Society.

Signature(s)

Date

Banks and Building Societies may not accept Direct Debit Instructions for some types of account.

Thank you

Please call 020 7324 5040 if you would like guidance on how to fill in the form

You can also donate online at waronwant.org or call 020 7324 5040

Published: September 2013

Written by Samantha Maher

War on Want
44-48 Shepherdess Walk
London N1 7JP
United Kingdom

Tel: +44 (0)20 7324 5040
Fax: +44 (0)20 7324 5041
Email: mailroom@waronwant.org

www.waronwant.org

Company limited by guarantee
Reg No. 629916
Charity No. 208724

Printed on recycled paper

War on Want

War on Want fights poverty in developing countries in partnership and solidarity with people affected by globalisation. We campaign for human rights, especially workers' rights, and against the root causes of global poverty, inequality and injustice.

Cover picture: May Day Demonstration, Dhaka-Bangladesh © MUNIR UZ ZAMAN / AFP / Getty Images

Design by www.wave.coop

This report has been produced with the financial assistance of TRAIID. The contents of the report are the sole responsibility of War on Want and can under no circumstances be regarded as reflecting the position of TRAIID.

