THE LIVING WAGE & INCOME LAB IN 2023
ADDRESSING THE CHALLENGE, CATALYSING CHANGE

Established in 2015 as the pioneering platform to discuss living wages and incomes in Europe, the Lab became a hub for agri-food stakeholders to connect and co-create a future where poverty no longer risks international value chains. Despite progress, challenges persist, underscoring the urgency of collective action. Today, we look back on 2023, and see how the Lab continued its mission to make living wages and incomes strategies the norm.

The Global Living Wage Coalition publishes living wage benchmarks and reference values for 50+ countries, and updates them yearly.

WageIndicator Foundation showed us how collaboration with data providers can empower organisations. Besides benchmarks and minimum wage overviews, other tools supporting companies’ sustainability initiatives are the DecentWorkChecks and the Living Tariff Tool.

We learnt what’s behind the Living Income Reference Price methodology developed by Fairtrade International and how this is being used by companies worldwide. When data lacks, a Living Income Reference Price Estimator developed by GIZ allows you to independently estimate the value.

The role of companies in driving demands into the supply chain involves the evolution of purchasing practices. To effectively drive change in supply chains, we must approach it in a systemic way. For example, in partnership with suppliers, other businesses, governments and NGOs, Unilever is leveraging purchasing practices, collaboration and advocacy to create a level playing field and ensure the rights of everyone to collective bargaining and a decent standard of living.

Matteo Squire
Unilever’s Global Sustainability Manager

The lack of commitment at retail level has been a recurrent debate in our Lab sessions. To address this issue, the Lab brought Superunie and Colruyt in to discuss their business commitments and ongoing living wage and income projects.

What’s imperative? To broaden retail engagement beyond private labels, and to bring the decision for higher payments to the procurement level. The pivotal role of cooperatives: Fairtrade Original shared how verifying the payment of a Living Income Reference Price for Ugandan farmers depended heavily on the efforts of their partner ACPCU, a union of 26 cooperatives. Derrick Komwangi joined a session to share how this unfolded in practice.

A living wage is a negotiated wage, yet, in many supply chains, workers are seen as a cost item rather than an asset. It’s crucial to have a different mindset. Recognising workers as fundamental contributors to products or services, whether in tier four or tier one.

Ruben Korevaar
FNV Mondial

3. EFFECTIVE COMMUNICATION
Given the broad range of field interventions aimed at closing living wage and income gaps, the effectiveness and quality of projects is closely tied to transparent communication.

ISEAL’s new guidance on credible living wage claims illuminates the path. Clear, accurate and robust communication is paramount, as demonstrated in their guide. Staying away from greenwashing starts with differentiating what are ambitious goals and tangible progress.

Room for innovation: Commitments and impactful change can be communicated authentically. As the Lab’s way is through examples, we showcased the Fairtrade Original storytelling interface, realised by Fairfood in partnership with ACPCU, UgACof, and Solidaridad.

ROOM FOR IMPROVEMENT

4. LOOKING FORWARD: LEVERAGING PARTNERSHIPS FOR IMPACT
As we gaze into 2024, what can your organisation start doing differently? The answer is leveraging!

As part of their effort to close living income gaps in Tanzania, Dutch brand Johnny Cashew promotes their Living Income Reference Price study developed in partnership with Fairtrade International, so other companies operating in the region have a number to start with. Challenge yourself beyond pilots: Unilever showed that companies cannot let existing barriers hold them back from launching commitments and getting started on advancing living wages in their value chains.

As current regulations fall short in addressing living wages and incomes, frontrunner brands and companies are looking at sustainable purchasing practices that can future-proof their businesses by ensuring their suppliers remain in business.

PRO TIP

According to Lab participants, there cannot be progress unless retailers take responsibility for the low pay and low prices in their supply chains, not only cooperatives and trade unions come to the table in this debate.

Very much like cooperatives are crucial to ensure farmers’ engagement in living income projects or commitments, trade unions are a key part of living wage projects. They will make sure workers are on board with a company’s mission. But first, the company must be onboard with them.

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You were not yet aware of that?

Time to dive into the ALION platform and explore tools and resources needed for you to realise living wages and incomes faster.

1. TOOLBOX CHECK: WHAT DO WE STILL NEED? Examples from different ranges and sizes showed us that we already got what’s needed.

2. ENGAGING KEY STAKEHOLDERS
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