

## 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.



- 3 Sessions
- 100 participants
- Representing key stakeholders like the Dutch Ministry of Foreign Affairs, Cargill, Tradin Organic, Volcafe, B Lab, Rainforest Alliance, IDH, Maastricht University, Wageningen University, Oxfam Novib
- Contributions by
  - 5 companies: Johnny Cashew, Fairtrade Original, Colruyt Group, Superunie, Unilever
  - 3 research institutes/data providers: Impact Institute, ISEAL, WageIndicator Foundation
  - 3 organisations representing farmers and workers: FNV Mondiaal, Fairtrade International, ACPCU cooperative

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](#).

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

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.

**Challenge:** While we discuss a living wage, non-compliance with minimum wages is still prevalent. Greater alignment in the agri-food sector is needed to raise the bar: a minimum wage should be a living wage.



### 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.

You were not yet aware of that? Time to dive into the [ALIGN platform](#) and explore tools and resources needed for you to realise living wages and incomes faster.

### 2. ENGAGING KEY STAKEHOLDERS

According to Lab participants, there cannot be progress unless **retailers take responsibility** for the low pay and low prices in their supply chains, nor until cooperatives and **trade unions** come to the table in this debate.

**PRO TIP** including trade unions in the advisory board of private companies: **Speak with workers, not about them.**

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 theirs.**

“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 Mondiaal

“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 on Social Equity and Inclusion

### 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.

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 income is a shared responsibility. The market is going towards sustainable consumption, people want to know about the coffee they drink, and the impact it has. If this is what it takes for us, producer organisations, we are willing to do that, but we need others in a multifaceted approach”

~ Derrick Komwangi  
Project Manager at ACPCU

**Insight** 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.

### CALL TO ACTION

Leverage partnerships and bring others on board! Don't know where to start? Count on the Living Wage & Income Lab to be your platform in 2024.

**In 2024, let's turn discussions into tangible solutions.**