

Tackling living wage issues

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Who is working on wages in agriculture?

- Various organisations actively working on wages in agriculture





Wage initiatives: banana industry

- A new multi-stakeholder initiative, the World Banana Forum, set up 2009 see www.fao.org.wbf.
- Co-ordination by Dole and BananaLink. Tesco an active member.
- Agreed the industry should remunerate labour force with a 'dignified salary' via a step by step approach.
- Working group set up on Distribution of Value which has:
 - Developed principles and a methodology for working on a Living Wage.
 - Concluded the agricultural minimum wage often does not bear much relation to the cost of basic family basket of goods and services.
 - Aim is that plantation workforce can meet their basic needs.
 - Recognised key role of trade unions and collective bargaining.
 - Set up initiatives in Ecuador, Colombia, Cameroon involving industry, unions, government, retailers.

World Banana Forum looking at:



- Evaluating the effectiveness of CBAs in different countries.
- Conducting value chain analysis and looking at the potential for redistribution of value.
- 14 top banana exporting companies are gathering wage data to see how much wages need to be raised. Funding in place from FAO.
- Reviewing implications for sustainable production and market access.
- Important factors for progress include:
 - CBAs.
 - Sustained consumer/worker pressure.
 - political will from companies and retailers.
 - transparent social dialogue.
 - Building trust/empathy.
- Considering wage ladders for Ecuador and Colombia and keen to share approaches with members of ETP/Oxfam on the wages project.

Marks and Spencer's Fair Living Wage commitment

- Many current initiatives in the garment industry to move the debate on from discussion and guidance to commitment and action.
- In Plan A M&S made a public commitment to ensure its clothing suppliers 'are able to pay workers a fair living wage in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015'.
 - We will achieve this by ensuring the cost prices we pay to our suppliers are adequate to pay a fair living wage, and by rolling out our ethical model factory programme to ensure the cost price benefits are paid to workers.
- 'Ethical model factory' programme has increased wages (tho' a long way from a living wage).

Oxfam perspective on wage in the tea industry

- Tea industry – Long history of responsibility towards tea producing communities, eg housing, health care.
- BUT are monitoring to the minimum wage.
- Real risk that ‘certification of poverty’ could damage consumer confidence in tea.
- NGOs have evidence that wages are a big issue for tea pluckers, with cost of living rising.
 - Especially women heads of household.

The importance of considering gender issues in company supply chains

Gender and Poverty

Poverty

Two-thirds of the 1.3 billion people living in extreme poverty worldwide are women and girls

Education

Two-thirds of the 67 million children denied school worldwide are girls

Two-thirds of the 800 million illiterate adults are women

Income

Women work two-thirds of the world's working hours, produce 50% of the world's food, but earn only 10% of the world's income.

What NGOs are looking for

- NGOs know addressing this is complex.
- But don't use confusion about Living Wage as an excuse to do nothing.
- Invest time in understanding the issues.
- Engage with NGOs as 'critical friends' to identify solutions, eg Doug Miller/Action Aid work on process to get additional payment to workers.
- Make a public commitment to working towards a living wage – essential to bring in TUs.
- Tea wages project = a good start.

Thank you!
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