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Statement submitted by Society for Industrial and Organizational Psychology, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.

Statement

The Sustainable Development Goals need to build a Social and Business Case for Living Wages

Introduction.

One of the most direct and sustainable pathways out of poverty (SDG1) is finding a secure and decent job (SDG8), one that pays an inclusive (SDG9), living wage. In 2013, the World of Work report concluded that reducing income inequality in the workplace is a core, strategically important issue for the eradication of poverty to achieve sustainable development for all (SDG10). In particular, achieving shared prosperity hinges on lowering excess CEO pay ceilings while fundamentally, raising minimum wage floors to liveable but also affordable levels. This proposal focuses on that balance and how applied psychology can contribute to this important agenda to eradicate poverty.

Objective.

In 2014, UNDP's Barriers and Opportunities at the Base of the Pyramid found that living wages are integral to enabling job quality, quality of life and work life. Leading up to the SDGs, Oxfam reported that even in the formal sector, minimum wages globally have fallen short of real costs of living in a range of countries, across global supply chains. In 2016, half of all people classified in the world as "extremely poor" are not unemployed but working, in jobs. Almost a billion of the world's working population are earning just \$1.90-5.00 not per hour but per day. Redressing precarious, 'working poverty,' by setting genuinely living – socially, psychologically and economically - sustainable wages, has become a strategically crucial objective for poverty eradication.

Purpose.

While the idea of a living wage has captured public imagination, creating a plethora of living wage campaigns globally, the actual social, psychological and business benefits and risks of living wages have yet to be fully articulated. Fair wage surveys have tended to gather wage norms from populations with access to the Internet - thereby excluding precisely the lowest income brackets whose quality of life, and work life, are the most important and precarious. Living Wage campaigns have tended to set living wage levels econometrically - for example using cost-of-living surveys - without measuring any psychological, business or broader societal benefits at all. Astonishingly, nobody has systematically gathered work- and household-level data on the linkages at the very lowest ends, the nadirs of wage curves, between wages and income on the one hand and everyday actual quality of life, work life, and engagement/efficiency on the other. As a result many employers remain unconvinced that living wages are worth the risk. We want to break that deadlock.

Overview of the issue as it relates to our work

Psychology has the infrastructure to address further the concerns noted above. For example, the International Association of Applied Psychology is the world's foremost international professional association of applied psychologists. Division 1 of the IAAP includes a strategic focus on promoting decent work worldwide, through the application of rigorous and socially responsive applied psychology in and from the workplace. The IAAP has participated in multiple consultative rounds for the MDGs, and SDGs. Additionally, the Institute for Multicultural Counseling & Education Services promotes human rights whilst cultivating health and resilience among individuals and households. The Society for Industrial and

Organizational Psychology (SIOP) is an association of the world's top workplace behavioral scientists. With more than 8,000 members from 43 countries, SIOP is a diverse group with a key focus on improving the quality of working life on a global scale and impacting global organizations' policies regarding corporate social responsibility, gender/ethnic diversity and sustainability initiatives. Decent work opportunities and living wages are central to these human service goals.

Specific examples of our accomplishments and remaining challenges

Accomplishments.

During 2016 we have successfully laid the human and infrastructure foundations for Project GLOW (Global Living Organizational Wage). GLOW comprises a unique global network of research service and teaching hubs. It has grown the capacity to answer the following primary question: using Purchasing Power Parity, "Is there a Global Living Wage that enables people, organizations and communities to prosper and thrive?" In GLOW, a living wage is defined as a wage range in which both quality of life and organizational efficiency undergo a significant upswing, but below which people's inherent agency (and jobs growth) languish in poverty traps.

GLOW now has at least one hub in more than 25 countries, spanning trade routes and cities within and between them. Focused on everyday social and work life, it is an interdisciplinary, cross-sector Partnership (SDG17) between work and social sciences, practitioners, scholars and community groups, including professional and labour associations. It has an extended time-span beyond the SDGs, of fifty years. This gives GLOW the capacity to span multiple generations, and examine the temporal dynamics of living wages on income

mobility and shared prosperity. GLOW thereby has the methodological capacity to systematically track changes in income mobility and life opportunities in health and nutrition (SDGs 2&3), education (SDG4), and gender equity (SDG5).

Capacity building.

One key goal of GLOW is to grow the next generation of scholar practitioners dedicated to poverty reduction. In keeping with its multi-generational ethos, GLOW places a strong emphasis on building capacity for future generations, e.g., by recruiting graduate students and by enabling mobility between its hubs. GLOW has further recruited its own diplomatic corps whose social policy and business diplomacy skills and experience will enable GLOW to follow the Paris principles of ownership, alignment, harmonization, accountability and evidence-based policy. The vision for GLOW thus includes adding value to wage negotiations along global supply chains, for example, by marshalling evidence on what wages link to what qualities of life, work life and work engagement.

Proof-of-Concept.

GLOW members have published peer-reviewed conceptual, methodological and empirical studies, e.g., with the ILO, from New Zealand and South Africa. We have presented our models, methods and findings across multiple international peer-reviewed conferences. Earlier this year for example, members presented the GLOW methodology for gauging living wage levels, by invitation, at the recent UKAID/ESRC “Impact Initiative for International Development Research” Conference in Pretoria. Later this year, by invitation from the South African government, GLOW presents South African findings about the (non-linear, cusped) social and business efficiency linkages between wages and quality of life, and work life in a

range of sectors from agriculture and heavy industry to domestic work and business generation. This presentation will take place at South Africa's major public science event, the second "Science Forum South Africa", in Pretoria on 8 and 9 December 2016.

Impacts.

Findings from the GLOW project are informing wage policy setting at social, organizational, sector, national, and international supply chain levels. Findings will show how these ranges and inflexions are moderated by particular contextual influences, e.g., income thresholds at which national debt industries allow, and peddle access to, high-interest credit. Knowing the income range wherein quality of life, work life and efficiency pivot sharply upwards and/or cross from negative to positive quality of life, work life and engagement is crucial for setting wage levels to ensure sustainability. Over the mid- to longer-term, GLOW will potentially inform job creation, thereby reducing unemployment.

Remaining Challenges

Fragmentation/Harmonization. As long as wage policies remain fragmented, even if living wage levels are determined and implemented, jobs will continue to move to lower-wage economies. People from even lower-waged economies will continue to move to take economic advantage of them – potentially fuelling even further the politics of xenophobia and hate. Concerted harmonization, i.e., truly "global" partnership including from governments and multilateral bodies, is needed to break such depressive circles.

Sustainable funding models.

GLOW has been supported by seed money from host universities and professional associations, while other hubs are opting for crowdfunding to become fully operational. More

sustainable forms of funding will be required, but we expect to be positioned to apply to major international funding bodies within 2-3 years.

A way forward: Expectations, specific recommendations

Specific Recommendations.

We call on the United Nations and the SDGs, through the Commission for Social Development to endorse the aims and ethos of Project GLOW, and to provide feedback and guidance on how GLOW can continue to foster contributions towards sustainable livelihoods and their role in poverty eradication. GLOW has potential facets that cover every SDG. GLOW is therefore programmatic and fully integrated with poverty eradication as a set of interlocking SDGs.

Closing

A major challenge for the SDGs, like the MDGs before, is operationalizing the macro at micro and meso levels. Poverty and inequality will not be ended without research that shapes policy and community initiatives to promote sustainable living wages. Living wages provide a mechanism for operationalizing and advancing the SDGs in the context of people's everyday lives. GLOW is an instantiation of how to proceed in realising the SDGs.