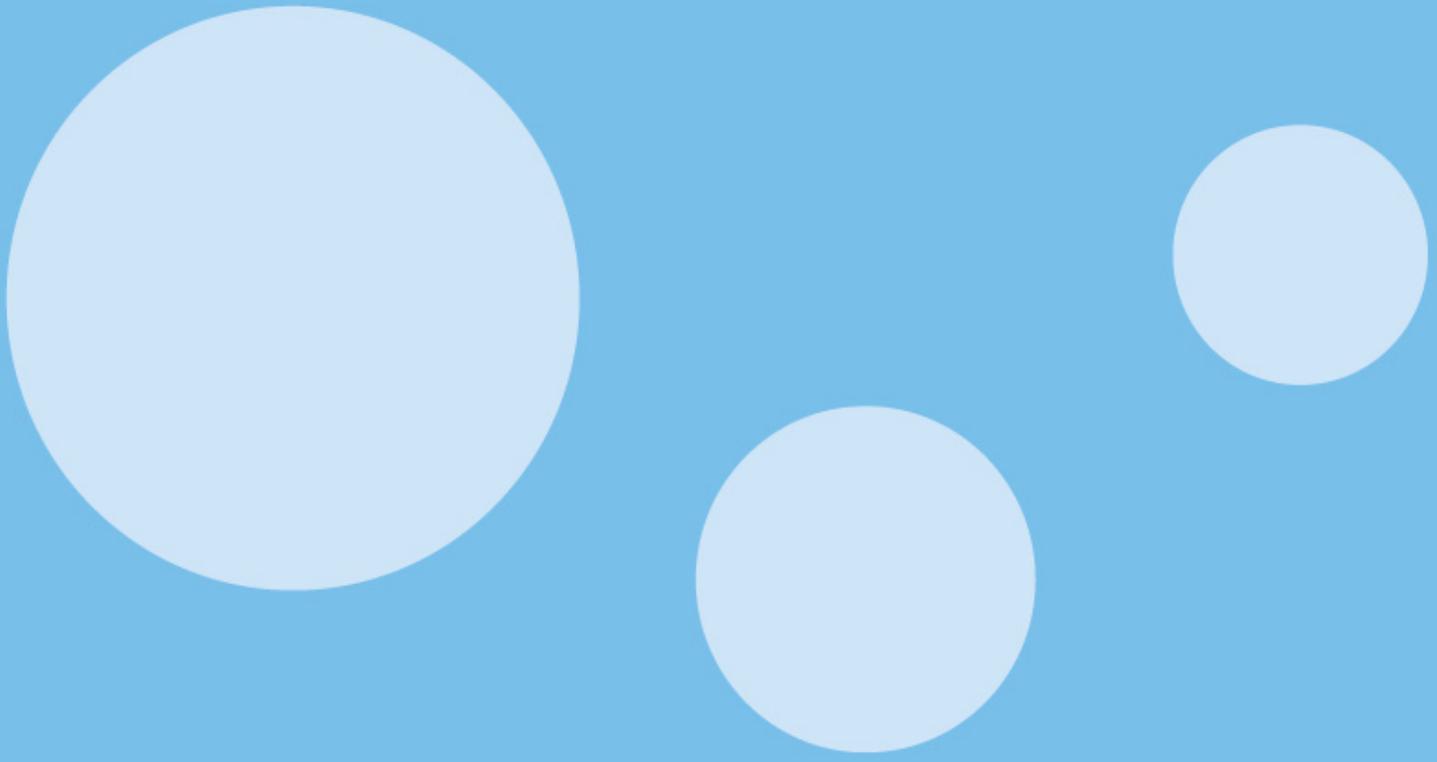


Estimating Living Wage Globally - 65 countries

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WageIndicator.org

About WageIndicator Foundation - www.wageindicator.org

The WageIndicator concept is owned by the independent, non-profit WageIndicator Foundation, established in 2003. Its Supervisory Board is chaired by the University of Amsterdam/Amsterdam Institute of Advanced labour Studies, the Dutch Confederation of Trade Unions (FNV) LinkedIn and Monster career site. The Foundation aims for transparency of the labour market by sharing and comparing wage data and labour conditions information. The Foundation operates national operations in some 75 countries. The websites have a so called 3 pillar structure: for wages, for labour law and minimum wages, and career. In more than 20 countries the national WageIndicator websites are supported with offline actions like face-to-face surveys, fact finding debates and media campaigns. In all 70 countries WageIndicator Foundation runs a Cost of Living Survey.

The Foundation operates globally through a network of associated, yet independent regional and national partner organizations like universities, media houses, trade unions and employers organizations, and self-employed specialists for legal, internet, media issues, with whom the Foundation engages in long lasting relationships. WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Islamabad, Maputo and Minsk. Address: WageIndicator Foundation, Plantage Muidergracht 12, 1018TV Amsterdam, The Netherlands, office@wageindicator.org For more information please visit: WageIndicator.org.



The Story of WageIndicator

A more transparent labour market

A more transparent labour market in principle improves the functioning of economies as a whole.

WageIndicator believes every worker and employer should have free access to information about wages, labour laws and career. We collect and compare labour market information through on- and offline surveys and desk research. We share our findings and serve as an online up to date labour market library for millions worldwide.

WageIndicator believes this helps individual workers to fairly access the labour market and it helps employers to comply with national labour law. In some developing countries we even assist in mapping wage structures for the first time. We started in The Netherlands and now operate in over 70 countries worldwide with a staff of some 100 specialists.

Global information, local expertise

The first WageIndicator website, loonwijzer.nl, was an easy to use salary indicator for workers looking for information about wages. It was launched in The Netherlands in 2001 as a joint initiative by Paulien Osse, Director of the WageIndicator Foundation and Kea Tijdens, scientific coordinator of the WageIndicator and research coordinator at AIAS/University of Amsterdam.

Loonwijzer.nl quickly became a popular website for workers and job seekers looking for information on wages, collective agreements and career advice. Growing off our success in the Netherlands we soon branched out to other countries in Europe, Asia, Latin America, and Africa.

Our WageIndicator Foundation is assisted by world-renowned universities, such as University of Amsterdam and Harvard Law School, trade unions and employers' organisations.

Those who work for WageIndicator consider each other family members. Face to face meetings are rare, but our online staff and network is strong, dedicated and loyal. Many WageIndicator specialists are working parents, therefore WageIndicator babies get an miniature Atlas of the World to welcome them as new members of our global family.

Work to be done

In more developed economies our most consulted service is the Salary Check by occupation. In less developed economies there is a huge demand for detailed minimum wage and labour law information, which we provide online and offline.

In less developed economies like Guinea or Burundi much work is done to map the wage structure in a country for the first time. Moreover there is a general lack of information about the labour law. We

systematically collect and present major items of the national labour law in all countries. The system we have developed allows for international comparison of wages and law.

WageIndicator shows that labour law in many countries is often good enough, but compliance with the law is the real issue. Therefore WageIndicator offers compliance forms, mediation, a legal helpdesk and even a mobile judge. (Just nominated for HiiL Innovating Justice Award 2013)

We strive for a strong WageIndicator operation in all countries, making sure everybody gets a fair deal and can work under “OK” circumstances.

Frequently Asked Questions about Living Wage

The concept of living wage aims to provide the meaningful comparison of how costly is to lead a decent life across the globe. The calculation of the living wage estimate the monthly income necessary to cover the basic expenses comprising the cost of accommodation, food and public transportation.

How does WageIndicator calculate living wage?

WageIndicator uses the prices posted at Numbeo website to estimate the cost of housing, transportation and food necessary for an individual on monthly basis. In particular the concept of living wage comprises the monthly rent of 1 bedroom apartment outside of centre, public transportation monthly pass and monthly expenses on food per person. To follow the common practice the total costs is topped by 20% to allow for discretionary expenses.

Where the prices come from? What is Numbeo?

The calculation of living wage is based on prices posted at www.numbeo.com as of June 2013. Numbeo is the online database of user-contributed information about the cost of living in cities around the world. From January 2014 WageIndicator will use also data collect via WageIndicator websites in 70 countries.

How does WageIndicator calculate cost of food?

The prices of food assume a personal consumption of 2000 calories per day. The balanced food basket is constructed by Numbeo (e.g. 0.25 liter of milk, 130g of bread, etc.) and the cost of food is estimated on a monthly basis.

How does WageIndicator calculate cost of transportation?

The price of transportation reflects the average regular price of monthly public transportation pass in the country.

What other purchases are included in the living wage?

In addition to the cost of housing, food and transportation, living wage accounts for 20% monthly spending on non-specified discretionary purchases.

Is living wage gross or net?

The concept of living wage represents the amount of expenses in the the given country. Therefore the living wage should be understood as the concept of net income. WageIndicator performs gross income estimations in the Salary Checks.

Why does WageIndicator present living wage as for a single person?

The living wage is estimated for a single person and provides an easy and straightforward interpretation. In addition the living wage complements the statistics on minimum wage and

average wage per occupation provided by WageIndicator jointly in one application, the salary Check. <http://www.wageindicator.org/main/salary/Salarycheckers>

Is the wage information in the Salary Check controlled for inflation?

The calculations of living wage are frequently updated to account for the change in prices. Currently the living wage is based on information in 2013.

What is the difference between living wage and minimum wage?

The minimum wage levels are enforced by law. By contrast the concept of living wage is not written in the law and should be perceived as a suggested income level to achieve decent living standards. The definition of decent living standards can vary between countries and individual preferences. In majority of countries the estimated living wage is higher than the minimum wage.

How does living wage relate to the national poverty line?

Definitions of the poverty line may vary considerably among nations and therefore national estimates of poverty line are not comparable. For example, rich nations generally employ more generous standards of poverty than poor nations. The concept of living wage aims to provide a consistent estimate on how costly is to lead a decent life in a given country.



Estimating Living Wage Globally

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Abstract

In the last decade the concept of living wage has received renewed international attention. This paper contributes to the living wage discussion and introduces a method to calculate living wage globally. The proposed approach is innovative in the way that it uses prices collected through web-surveys in order to provide timely, reasonably accurate and globally comparable estimates. The living wage is estimated for 100 countries and rates are contrasted with the indicators of relative poverty line and national statutory minimum wages. Living wage is normatively based therefore offers an additional metric of economic adequacy that reflects the needs of workers and their cost of living. Findings demonstrate that many workers in countries of Eastern Europe and in the most middle-income countries do not receive a living wage.

Key words: living wage, international comparison

JEL Classification: I32, J30, J80

1. Introduction

The income level necessary to secure a decent standard of living is an important economic yardstick of income adequacy. A living wage is defined as a wage paid for a standard working week that meets the basic needs of workers and their families and provides some discretionary income. The need for a living wage has also been recognized by the international community. In 1919 the International Labor Organization (ILO) has defined a living wage as a basic human right under their conventions and recommendations to the Universal Declaration of Human Rights Article 23 (ILO, 2008). In 1948 the United Nations Universal Declaration of Human Rights officially recognized the need for workers to receive a living wage. There was never a consensus on how to define a living wage but in the recent decades governments, municipalities, international and local trade unions, and labor research institutes developed their own definitions and measurement methods of a living wage. Debates have appeared in different fora about how best to calculate this standard in a given context. Anker (2011) is the most comprehensive review on how the living wage has been described, defined and measured around the world. In many countries, the concept of living wage is based on a number of different definitions. Different methodological approaches make it difficult to produce a globally comparable living wage. Moreover, the estimation of living wage hinges on the availability of timely information about the cost of living, which is seldom available in developing countries. Anker (2011) argues that greater clarity with regards to the definition and measurement of living wage is a prerequisite for the widespread consideration of living wages and employee needs, by companies, unions and governments.

This paper contributes to the living wage discussion and suggests a method to calculate living wage globally. The proposed approach is innovative in the way that it uses prices collected through web-surveys. Online survey tools can be a very cost-effective way for gathering data quickly and easily. The data collection through one central system is very efficient when current global overview is needed. The proposed methodology is sufficiently flexible to be easily extended and used by municipalities, corporations and universities interested in estimating their own living wage rate on the basis of their own set of assumptions.

The remainder of this article is divided into four sections. The next section introduces the existing methods used to calculate living wage internationally. Section 3 describes the data sources and the calculation method. Section 4 presents the living wage estimates and Section 5 concludes.

2. The living wage international estimates

The available methodologies for estimating a living wage internationally are based on different approaches but they share several common features. First a living wage has a normative basis and therefore does not depend on the general level of wages in a country. Second, the estimation methodology is sensitive to national conditions in order to provide a meaningful cross-national comparison. Third, the method is transparent and assumptions are clearly indicated so that the meaning of having low pay could be easily communicated. Finally, the living wage figures are possible to update regularly for a large number of countries. In below, three approaches to estimate living wage internationally are described.

2.1. Minimum acceptable standard of living

Minimum Income Standard (MIS) is a programme developed in the UK that regularly reports on how much income households need to afford a socially acceptable standard of living. MIS is based on public views about a minimum standard for different family types. The approach comprises respondents organized in groups from a mixture of social and economic backgrounds. The groups arrive at a negotiated consensus about the cost of goods and services to enable a minimum essential standard of living. The MIS is defined as the gross income necessary to afford these expenditures, taking account of the tax liabilities and social welfare entitlements of each household type. The MIS is annually updated for inflation, changes in the tax and benefit system, and the basket of items is adjusted every two years to follow the standard of living perceived by the society. To give an example, in 2013, the MIS budget for single individual in UK is estimated at 274 £ per week which translates to gross weekly earnings of 323 £ (Hirsch, 2013). The MIS programme has been also developed in Ireland and the estimates are comparable (Collins, Mahon, Weld, and Thorton, 2012). The MIS was successfully adapted to serve different campaigns (e.g. London Living Wage; Rural Scotland) and number of countries are developing their own estimates of living wage based on MIS approach (e.g. Austria, France, Portugal and Japan). The advantage of MIS is that it reflects the real household needs in a very comprehensive way and figures are typically provided for a broad range of household types. The downside of MIS is the high initial cost of development and the monitoring of living standards in the society necessary for regular updating. Therefore the universal applicability of MIS method internationally remains limited.

2.2. Living wage based on poverty line

A living wage is intended to enable workers to support themselves and their household at an acceptable standard of living. There is some similarity between the concept of poverty and living wage while both relate to the fulfillment of basic needs. Anker (2006) explains that the poverty line is measured at the household level because the household is a societal unit where people consume and pool resources. Living wage, in contrast, is measured at the individual-worker level because this is where most income is earned. Anker (2006) proposes a method suitable to estimate the living wage internationally and he demonstrates his method by calculating the living wages for 12 countries at different levels of development. In the first step Anker estimates the cost of food based on a model diet and then adds an estimate of the cost of non-food necessities. Food expenses are derived from the information of national per capita calorie needs taken from Food and Agriculture Organization of the United Nations (FAO) and the official national food prices obtained from ILO. For each country Anker constructs a different model diet while it is observed that as development level in the economy rises, the percentage of calories intake from proteins increases, and the percentage of calories from carbohydrates decreases. The expenses on non-food purchases are estimated based on well-known relationship between household income and expenditure on food observed by Engel (The German statistician Ernst Engel was the first to investigate the relationship between goods expenditure and income systematically in 1857). Based on the empirical evidence the assumption is made that the percentage of total expenditures devoted to non-food expenses differs from 30 per cent for low-income countries, to 40 per cent for lower middle-income countries, 50 per cent for upper middle-income countries, and 75 per cent for high-income countries (Anker, 2005). The sum of food and non-food expenses then provides internationally comparable estimates of national poverty line. In the second step Anker scales his estimates to the cost for a family of four (two adults and two children) and then divides by the number of full-time working hours considered acceptable in each country. In this way he obtains the estimate of the hourly pay rate a fulltime worker would need to earn to support a household at the poverty line. Finally a 10 per cent margin is added to ensure that the living wage is sustainable in allowing for unforeseen events such as illness, accidents or unemployment. The margin also accounts for the fact that people are not as efficient and knowledgeable about diets or shopping as assumed when poverty lines are estimated. Despite its universality this approach also includes several drawbacks. First the applicability of approach depends heavily on food prices which are

currently available at ILO websites as of 2007.¹ Second, the calculation of non-food expenses relies solely on food prices and hence may not sufficiently capture the development of non-food prices (e.g. the price of housing). Third, ILO food prices are provided nationally and therefore do not allow further extensions such as the calculation of urban and rural specific living wages.

2.3. Asia Floor Wage

In many developing countries the legally defined minimum wage is far too low to secure basic living needs. A large proportion of world's unskilled workers live in South Asia and they are attracted to the labor-intensive garment industries present there. The rise in the incidence of low-paid work stimulated Asian trade union leaders and labor rights organizations to unite in a campaign called Asia Floor Wage (AFW). The campaign seeks to define the right to a minimum living wage particularly for workers employed in garment industry. The latest calculation was done in 2012 and the AFW has been set at the purchasing equivalent of \$540 PPP USD a month (Bhattacharjee and Roy, 2012). The figure is stated in purchasing power parity units for comparative purposes and to allow conversion to actual wage. The AFW calculation is very simple and based on the poverty line concept. The concept is based on a single income family with three adult consumption units. The food expenses are estimated to provide daily meals for the household of two adults and two children assuming 3,000 calories for an adult and 1,500 for a child. The evidence from Asian countries shows that garment workers typically spent half of their income on food and therefore non-food costs are taken to be the other half of the income. The AFW defines a monthly wage that would allow a worker working 48 hours per week to support him/herself and dependents. The AFW campaign receives an international attention and gains recognition as a credible benchmark for living wage in the industry. Campaigners claim that garment workers' wages make up a very small proportion of the final retail price for clothes – around 1 to 2 per cent – therefore wage rise is possible without increasing retail prices.

3. The WageIndicator living wage

The WageIndicator Foundation for more than a decade contributes to the transparency in the labor market by providing up-to-date information on employment conditions, on labor law and on collective agreements. To pursue its mission WageIndicator collects labor market information through desk research, online and offline surveys. All findings are compared and published through WageIndicator web-sites. WageIndicator is particularly active in the less developed countries where workers lack the information about the labor law. WageIndicator shows that labour law in many countries is often good enough, but compliance with the law is the real issue. WageIndicator therefore developed a system that collects the major items of the national labor law in all countries and allows for international comparison of law and wages. WageIndicator believes this helps individual workers to fairly access the labor market and it helps employers to comply with national labor law. WageIndicator started in the Netherlands and now operates in over 70 countries in Europe, Asia, Latin America, and Africa with a staff of some 100 specialists. WageIndicator Foundation is assisted by world-renowned universities, such as University of Amsterdam and Harvard Law School, trade unions and employers' organizations. WageIndicator, by serving as a labour market library for millions worldwide, improves the transparency in the labour market and contributes to the functioning of economies in general.

In 2013 WageIndicator introduced the concept of a globally comparable living wage that informs on how costly is to lead a decent life in different parts of the world. The WageIndicator living wage is the first attempt to provide the globally comparable estimates of living wage for the large number of countries.

3.1. Data sources

Examples discussed above show that every attempt to calculate living wage internationally requires the considerable information from various national data sources or an international databases on consumption patterns, food prices, and labor statistics. Even if data of required quality can be obtained for the large set of countries it is very likely to be outdated with limited use without further adjustments. This paper proposes an innovative approach in the way that it uses prices collected through web-surveys in order to provide timely, reasonably accurate and globally comparable living wage estimates. The data is currently provided by the website *Numbeo.com* which uses the knowledge of the web visitors to obtain the prices on different items. Web visitors are invited to provide information on prices of about 50 items and indicate their place of residence.

¹ <http://laborsta.ilo.org/>

Users are aware that by updating information about their city they contribute to the project and help the others looking for information. The database collected by *Numbeo.com* is the world largest database of user-contributed information about cities and countries. The calculation of living wage presented in this paper is based on prices posted at *Numbeo.com* from January, 2012 until June, 2013. All prices are converted to EUR with the exchange rate taken on the day of entry. For the estimate of living wage the prices are taken at the mid-point of responses submitted for a given country. The final selection includes 100 countries for which the prices are provided from at least 50 web visitors. Recently WageIndicator started the online collection of prices through the WageIndicator Cost of Living web survey that includes the comparable set of items as are found in the *Numbeo.com* database. In addition the offline version of survey will be used to collect the information on prices in places where the internet penetration is low. WageIndicator Cost of Living Survey is expected to deliver more data that will help to improve living wage estimates and expand the set of countries in the future.

3.2. Components of WageIndicator living wage

The estimation of living wage combines the data from public sources with the experience of existing methods. While the definition of living standards can vary between countries and individual preferences the emphasis is given to ensure comparability across the globe. The universal principle is applied to provide the estimation of living wage in all countries. WageIndicator defines living wage as the amount of money for a single person sufficient to cover food expenses, cost of accommodation, transportation and some discretionary income on a monthly basis.

Food expenses are based on a personal consumption of 2,830 food calories (kcal) per day recommended by the Food and Agricultural Organization (Faostat, 2009). A balanced food basket is constructed following the food guide developed by Katamay et al (2007) for the Government of Canada.² The Canada's food guide describes the types and amounts of foods that should be eaten in order to meet nutrient standards and to reduce the risk of nutrition-related chronic diseases. The guide divides all food into four groups: i) Grain products; ii) Meat and alternatives; iii) Milk and alternatives; iv) Vegetables and fruit; and prescribes the number of servings that should be eaten from each food group. The guide allows us to construct a diet model composed of food items for which *Numbeo.com* database collects prices. Table 1 in Column 1 lists 11 food items for which we observe prices. Column 2 and 3 show the four food groups and the standard size of one serving. Column 4 provides the amount of food calorie equivalent to one serving, the information is taken from McCance and Widdowson (2002). The Canada's food guide suggests a daily consumption for an adult person of 8, 3, 2 and 8 servings from grain, meat, milk and vegetable food group respectively. Column 5 presents the diet model that delivers the daily consumption of 2,830 kcal per day and complies with the total number of servings per day recommended by the Canada's food guide. The food calorie of the diet model is expressed in Column 6. Obviously the construction of diet model is limited by the number of food items included in the *Numbeo.com* database and based on the assumption that observed food items are representative of its food group (in terms of price per food calorie). The calculation of monthly food expenses is then calculated as the cost of the food items specified in the diet model and multiplied by 30 days. The cost of food basket vary with the diet model but the differences are small (e.g. when the diet model with less meat is evaluated the maximum difference in monthly food cost is about 10 EUR).

² <http://www.hc-sc.gc.ca/>

Table 1 The construction of diet model

Food item in Numbeo (1)	Food group (2)	One serving in kg (3)	Food calorie per serving (4)	Diet model in servings (5)	Diet model in kcal (6)
Bread	Grain	0.035	76.7	5.7	437
Rice	Grain	0.125	448.8	2.3	1032
Eggs (1pc=53g)	Meat	0.106	160.1	1.5	240
Chicken breast	Meat	0.125	221.3	1.5	332
Milk	Milk	0.250	165.0	1	165
Cheese	Milk	0.050	205.5	1	206
Apples	Vegetable	0.125	58.8	2	118
Oranges	Vegetable	0.125	46.3	2	93
Tomato	Vegetable	0.125	21.3	2	43
Potato	Vegetable	0.125	98.8	1	99
Lettuce	Vegetable	0.250	65.0	1	65
Total					2828

Source: author's calculations

The cost of housing is the major component of living wage and so the housing price has a substantial influence on the final estimates. The *Numbeo.com* includes the rental rate of a 1-room apartment outside of an urban centre that is used as an estimate of housing cost.

Living wage accounts for the cost of transportation while most people commute for work or travel for their daily activities (e.g. shopping). In most places the transport service is available for use by the general public so the price of a monthly public transportation pass is taken as the cost of transportation. The average cost of monthly pass varies between countries in the sample from 5 to 100 EUR but the price is higher when city level is observed (e.g. the price of monthly pass in London reaches 150 EUR).

To summarize, living wage is the sum of food expenses, the housing rent, and public transportation pass. Following the practice observed in other studies (e.g. Anker, 2006; London Living Wage campaign) the final estimate of living wage is increased by 20 per cent margin to account for spending on non-specified discretionary purchases (e.g. clothing, health care, etc.).

4. Living wage estimates

The living wage estimates are provided for 100 countries for which the information is sufficient in the *Numbeo.com* database. The sample includes about two thirds of high-income; half of upper middle-income income; and one fifth of lower middle-income countries. Zimbabwe is the only representative of low-income country in the sample. In the future the set of countries can be easily expanded when more data is obtained. The Cost of Living Survey initiated by the WageIndicator Foundation aims to collect information on prices in the less developed countries which are currently underrepresented in the sample.

4.1. Living wage estimates for 'Eurostat' countries

Table 2 presents the living wage estimates for 30 European countries which are also included in the Eurostat database. For each country we construct two estimates of living wage, the first is the living wage for the country and the second is the living wage for the country's capital city (only exceptions are Italy and Switzerland for which figures refer to Milan and Zurich respectively). Not surprisingly in many countries the cost of living is higher in the capital city. The largest difference is observed in the UK, where the estimated living wage in London is 50 per cent higher compare to the country average. Interestingly the living wage estimate for London of 1,740 EUR is consistent with hourly rate of £8.80 promoted by the London living wage campaign in 2013.

Next living wage estimates for European countries are compared to the poverty threshold defined at 60 per cent of the national median equivalised disposable income in 2012 (in Column 3) and to the official national statutory minimum wage (in Column 4). Both figures are collected and officially published by Eurostat. Some European countries do not have legally determined minimum wages so the poverty threshold is a useful indicator to access the quality of living wage estimates. As one

would expect the poverty threshold is generally stated below the minimum wage also because minimum wage refers to a gross amount. The important observation is that living estimates are in many countries found close to the minimum wage level. It means that living wage is capable to provide a practical basis for helping to set the level of a statutory minimum wage for a country but also that statutory minimum wage is satisfactory and secures a decent standard of living. However in few countries of Eastern Europe (particularly in Bulgaria, Czech Republic, Latvia, Romania, and Slovakia) the living wage estimates are 50-120 per cent above the official minimum wage (and much more above poverty threshold). Living wage is normatively based and reflects the needs of workers and their cost of living. Poverty threshold published by Eurostat is a relative poverty scale so in the case that the median household earns less than it needs, then a person who earns the median income would not be considered poor on a relative poverty scale, even though the person is clearly poor on an absolute poverty scale. Living wage therefore offers an additional metric of economic adequacy. By this metric workers employed in the low paid occupations in Eastern Europe are likely to earn below the level that allows the acceptable standard of living.

4.2. Living wage estimates for the rest of world

Living wage estimates for the rest of countries are shown in Table 3. Countries are grouped by geographical regions and then listed alphabetically. The living wage estimates are compared with poverty lines and official statutory minimum wage in the country. Since national poverty lines are not available for many countries, the method of Anker (2005) is applied to estimate them consistently. The poverty line is determined by the cost of food and non-food costs. It is assumed that essential non-food costs are a certain percentage of food costs hence non-food costs are estimated by multiplying food costs by a multiplier that increases with development level (following Engel's law). Based on available evidence Anker (2005) proposes that the percentage spent for food used to estimate national poverty lines falls from 60 percent on average for lower middle-income countries, to 50 percent for upper middle-income countries, and to 25 percent for high-income countries. In this way the estimate of poverty line is based solely on food prices while the living wage estimate accounts for food, housing and transportation costs. In countries with relatively low housing rents the living wage estimate is observed below the poverty line (e.g. Belarus, Mexico, Montenegro) while the opposite situation arises when housing rents are high relative to food prices (e.g. Australia, Qatar, Singapore). The important conclusion is that in all middle-income countries the level of statutory minimum wage is set below the living wage and below the poverty line in the majority of countries.

Table 2 Estimates of living wage for European countries

Country	Living wage country	Living wage capital city	Income poverty threshold	Statutory minimum wage
Austria	860	860	1065	0
Belgium	970	1010	1000	1501
Bulgaria	360	360	143	158
Croatia	450	500	270	400
Cyprus	730	740	846	0
Czech Republic	510	550	389	308
Denmark	960	1070	1329	0
Estonia	460	530	299	320
Finland	980	1230	1134	0
France	960	1310	1030	1430
Germany	740	760	979	0
Greece	510	510	475	683
Hungary	350	360	237	332
Iceland	1180	1180	968	0
Ireland	1060	1240	986	1461
Italy	800	1090	800	0
Latvia	420	430	221	284
Lithuania	360	420	216	289
Malta	510	510	569	697
Netherlands	1070	1240	1028	1477
Norway	1680	1730	2001	0
Poland	480	580	253	368
Portugal	600	670	416	565
Romania	340	400	105	179
Slovakia	580	660	346	337
Slovenia	630	630	606	783
Spain	690	930	598	752
Sweden	970	1060	1231	0
Switzerland	1610	1700	1696	0
United Kingdom	1140	1740	856	1189

Source: author's calculations based.

Note: Figures are stated in EUR. The living wage estimates for country capital refer to Milan and Zurich in Italy and Switzerland respectively. Income poverty threshold is set at 60 % of the national median equalized disposable income as of 2012 published by Eurostat.³ Statutory minimum wage for 2013 is published by Eurostat.⁴

³ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li01&lang=en

⁴ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_mw_cur&lang=en

Table 3 Estimates of living wage for other countries

Country	Living wage country	Poverty line	Statutory min. wage	Country	Living wage country	Poverty line	Statutory min. wage
Australia	1530	920	2095	Canada	1060	800	1430
Cambodia	310	199	0	United States	880	640	960
China	460	240	155	Argentina	510	280	593
Fiji	270	340	0	Brazil	480	240	283
Hong Kong	1020	640	505	Chile	500	440	325
Indonesia	410	240	68	Colombia	390	200	247
Japan	1090	1120	1087	Dominican R.	390	260	58
Malaysia	450	400	195	Ecuador	550	280	239
Mongolia	460	300	106	Guatemala	510	240	188
New Caledonia	1080	1080	0	Honduras	280	180	154
New Zealand	910	800	1460	Mexico	310	440	91
Philippines	260	240	95	Peru	250	180	214
Singapore	1710	720	0	Puerto Rico	540	720	0
South Korea	820	960	563	Uruguay	700	600	293
Taiwan	480	600	484	Venezuela	660	720	431
Thailand	400	200	189	Ethiopia	260	199	0
Vietnam	320	149	38	Kenya	520	199	43
Bangladesh	160	132	13	Namibia	590	260	0
India	170	99	43	South Africa	530	220	0
Nepal	120	116	70	Tanzania	510	199	19
Pakistan	150	99	80	Uganda	500	149	0
Sri Lanka	270	200	38	Zimbabwe	510	232	0
Egypt	210	140	0	Armenia	220	160	84
Emirates	960	480	0	Belarus	410	440	130
Iran	410	220	301	Bosnia&Herz.	270	200	158
Iraq	440	200	0	Georgia	280	200	41
Israel	680	560	841	Kazakhstan	520	480	94
Libya	430	400	269	Kyrgyzstan	250	132	13
Morocco	300	160	143	Macedonia	270	160	172
Oman	730	440	644	Moldova	250	160	56
Qatar	1070	520	0	Montenegro	370	440	186
Saudi Arabia	390	400	603	Russia	520	440	127
Syria	290	140	132	Serbia	290	180	170
Tunisia	180	120	100	Turkey	420	360	405
Yemen	250	182	0	Ukraine	360	180	112

Source: author's calculations

Note: Figures are stated in EUR. Statutory minimum wage is taken from WageIndicator and Wikipedia websites. In countries with several minimum wages the lowest figure is chosen. Poverty level is estimated from the cost of food applying Engel's law (Anker, 2005).

5. Conclusion

Many workers in the world experience a large gap between the required level of monthly income and the existing regular wage received for their work. While a living wage might mean different things in different parts of the world, all living wage campaigns aim to ensure wages are sufficient to meet the basic needs of workers and their families. Despite its importance, internationally comparable estimates of living wage do not exist. This paper suggests a method to calculate living wage globally using prices collected through web-surveys. The living wage estimates are normatively based and provide a practical basis for helping to set the level of a statutory minimum wage in the countries.

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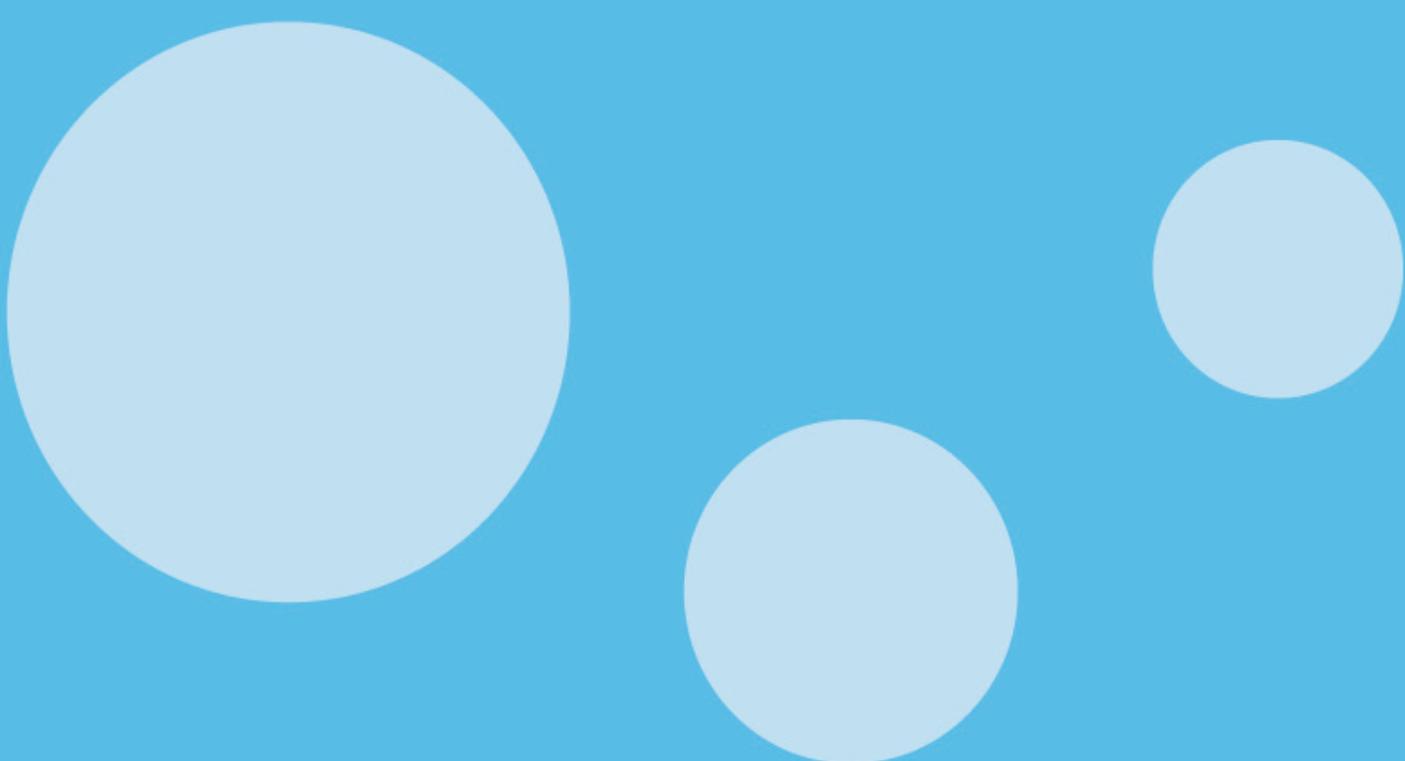
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