



Winning a pay rise: union strategies for securing minimum living wages

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Foreword

Despite economic growth over the last decades and the unprecedented growth rate of the global GDP over the past years,¹ wages continue to stagnate all over the world, not keeping pace with rising GDP and productivity. Multiple global challenges, from the climate emergency, the socioeconomic consequences of the pandemic, to the global impacts of the Russian invasion of Ukraine, are all contributing to surging inflation and living costs. In many countries of the world, minimum wages are too low to provide adequate living conditions to workers and their families.

Maintaining low labour costs through suppressing or keeping wages low has been used as a misguided strategy by governments to improve competitiveness and to attract foreign investment to underpin economic growth. However, this theory does not correspond to reality; low wages inevitably constrain consumption and reduce aggregate demand – particularly during times of accelerating inflation. Empirical examples of the introduction or major increases to the minimum wage show that the minimum wage does not crowd out employment and growth, but in fact positively contributes to well-functioning labour markets and stronger economic performance. Unions around the world are at the forefront of negotiations for minimum wages that are sufficient to live on. As underlined by the latest ILO Global Wage Report, adequately adjusting minimum wages to address inflation is necessary now more than ever to avoid the poorest households being hit the most severely by any further shocks.

This report shares successful stories from eight countries: Argentina, Bulgaria, Costa Rica, Malaysia, Nigeria, North Macedonia, Senegal, and South Africa. It is a key resource for the global labour movement, as it illustrates the main approaches and strategies adopted by unions in these countries to negotiate better working and living conditions. In particular, it highlights the importance for wage policies to be rooted in rights-based approaches that ensure universal coverage and explains how some unions have been working to extend coverage of the minimum wage to excluded categories of vulnerable workers, such as agricultural and domestic workers. In addition, it reports the evidence that unions have been using to back their demands, as well as methodologies for cost-of-living estimations that some unions have developed to inform wage-setting discussions. It reviews how international frameworks on minimum wages, including ILO Convention 131 on Minimum Wage Fixing, is relevant to establishing regular, tripartite processes for setting and reviewing the minimum wage. And finally, the report reviews the strategies that unions have used to mobilise their members, as well the general public, to demand the pay rises that workers both need and deserve.

¹ World Bank: GDP growth – Annual %

Executive summary

There is strong evidence to support the wide range of social and economic benefits that could be generated through setting and increasing minimum wages. Despite unprecedented global economic growth over the last decades, wages have stagnated and inequality around the world has steadily increased. Over the last months, nearly every country in the world has experienced a rapid growth in the prices of energy, food, and other essential goods and services, which – coupled with the insufficient and often volatile incomes that workers receive – are leading more and more people, sometimes those working multiple jobs, to live in poverty and economic desperation.

This study reviews the strategies and actions used by unions across different regions of the world to win introductions of or increases to minimum wages. The report provides detailed accounts of unions' activities in Argentina, Bulgaria, Costa Rica, Malaysia, Nigeria, North Macedonia, Senegal, and South Africa and draws out some key lessons:

The report showcases that minimum wages are not detrimental to employment and growth, but rather have a powerful economic stimulus effect. Within their campaigns and negotiations, trade unions have successfully showcased the economic benefits of minimum wages in order to win pay rises. The Nigerian Labour Congress (NLC), for instance, worked to develop evidence on the macroeconomic benefits of increasing minimum wages, finding that a higher wage increases the propensity to consume, leading to higher aggregate demand, and even higher labour productivity. A study conducted by NLC also showcased how a minimum wage increase would generate an

even greater increase in national GDP, with positive effects on job creation. Likewise, in Malaysia, trade unions highlighted how increasing minimum wages is a necessary component of the government's strategy to transition from a middle-income to a high-income country.

Minimum wages must take into account the cost of living and be regularly updated in order to ensure that the real wages of low-income earners do not deteriorate over time.

Some unions, such as those in Bulgaria and North Macedonia, successfully compile their own cost-of-living data for use within national wage-setting discussions. These are deployed to showcase the urgency of increasing the minimum wage to provide adequate protection to workers and their families. Unions in Senegal demonstrate the need to increase the minimum wage to address the serious decline in workers' real wages after two decades of government inaction.

International labour standards and regional frameworks on wages can have a powerful influence on national wage-setting processes.

ILO Convention 131 on Minimum Wage Fixing notably sets out the need for regular, tripartite processes for minimum wage setting, and requires that the needs of workers and their families be taken into account during wage setting discussions, in addition to economic factors and other criteria. Unions in Senegal cited the provisions under Convention 131 when they requested a review of the minimum wage in the country after years of stagnation. In addition, regional frameworks can play an important role in influencing minimum wages. The recently adopted EU Directive on Minimum Wages and Collective Bargaining will require

the government of Bulgaria to further review the adequacy of its minimum wage.

Statutory minimum wages do not undermine collective bargaining, and can complement and even strengthen collective bargaining on wages.

Minimum wages can provide a legal guarantee as a floor of adequacy, under which workers cannot earn less, while also providing a powerful benchmark for collective bargaining above the minimum wage level. As evidenced within this report, minimum wages can have a strong effect in raising the levels of collectively negotiated wages. In Bulgaria collectively agreed wages for certain sectors, such as construction, automatically increase whenever the minimum wage is increased. In Nigeria, an increase in the minimum wage triggers an automatic review of wages across a broad range of sectors, in addition to the level of social protection benefits.

Minimum wages have a positive impact in enhancing gender equality, boosting the incomes of workers in low-paid and precarious jobs and sectors where women are particularly overrepresented. In North Macedonia, trade unions reported that when minimum wage increases, a greater increase among women's earnings are registered. Unions in Senegal similarly showcased how raising the minimum wage can effectively reduce the gender pay gap.

Unions have a variety of resources at their disposal to drive increases to the minimum wage. This includes their institutional power stemming from their involvement in national wage setting institutions, as well as societal power through their capacity to mobilise members and the general public to successfully pressure governments to act. In all the countries under review, unions are active

members of official tripartite wage or labour councils responsible for reviewing minimum wages, providing workers with a degree of institutional power in the wage-setting process. In Nigeria, for instance, the Nigeria Labour Congress organised a general strike when the government refused to implement a minimum wage increase that had been agreed among social partners, thereby mobilising societal and structural power to fulfil the agreement. Unions in Malaysia made the issue of the minimum wage a major issue to be debated during political election campaigns, while in Costa Rica, unions mobilised political parties and the public to get the issue of a minimum living wage on the public agenda, thereby mobilising their coalition powers.

The report underlines that minimum wage policies should be rooted in a rights-based approach.

The report explains how unions have been working to address major discrepancies between the minimum wage between different regions or sectors, as well as exclusions that leave certain categories of workers especially vulnerable. Unions in South Africa, for instance, successfully equalised the minimum wages of domestic workers to the national minimum wage. Unions in Senegal maintain their call for the lower minimum wage of agricultural workers, compared to that of all other sectors, to be addressed. The Malaysian Trade Union Congress campaigned for the inclusion of migrant workers under the national minimum wage, as well as working to equalise the minimum wage across different regions in the country, based on the principle that all workers have the right to the same floor of protection.

Introduction

The minimum wage is a central institution of labour and social policies, and an instrument of social cohesion for developed and developing countries. It has the capacity to improve the lives of millions of workers.

Minimum wages were first introduced in the 19th century, with the objective of protecting workers against unduly low pay by ensuring a floor of adequacy for their earnings. Over the past several decades, minimum wages have steadily gained importance and have been introduced in many countries where they previously had not existed. Today, minimum wages exist in more than 90 per cent of all countries.

Wages are a fundamental determinant of human well-being in all countries. Wages are the primary determinant of the standard of living for most people in paid employment globally, and one of the primary purposes of a minimum wage is to provide workers with a floor of income security.

One of the fundamental human rights is the right to a just remuneration that ensures an existence worthy of human dignity. The Universal Declaration of Human Rights (1948) Article 23, section 3, recognises that:

Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

The United Nations International Covenant on Economic, Social and Cultural Rights (1966) also recognises:

- (i) Fair wages and equal remuneration for work of equal value without distinction

of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work.

- (ii) A decent living for workers and their families in accordance with the provisions of the present Covenant.

The preamble of the International Labour Organization (ILO) Constitution, from 1919 identifies the provision of an adequate living wage as one of the conditions for social justice. In 1944, the ILO Declaration of Philadelphia referred to the importance of “a minimum living wage to all employed and in need of such protection”. This was also reiterated in the 2008 ILO Declaration on Social Justice for a Fair Globalization.

Considering that decent work is not possible without decent wages, the ILO has adopted several international labour standards that relate to minimum wages. The ILO adopted for the first time the Minimum Wage-Fixing Machinery Convention, 1928 (No. 26). The Convention was ratified by numerous countries and with 108 ratifications it is still among the most widely ratified in the ILO and recognised as having played a substantial role in the realisation of minimum wages in the 20th century. Later, the ILO adopted the Minimum Wage-Fixing Machinery (Agriculture) Convention, No. 99, (1951) which complements Convention No. 26 to cover agricultural workers, as well as the Minimum Wage-Fixing Convention, (No. 131 in 1970), which promotes broader protections and national coverage. In addition, Convention 95 on Protection of Wages (1949) seeks to ensure that workers are paid the wages that they have earned, and Convention 100 on Equal Remuneration (1951) seeks to address non-discrimination in the payment of wages.

The ILO Centenary Declaration for the Future of Work (2019) emphasises the importance of strengthening labour market institutions and ensuring “an adequate minimum wage, statutory or negotiated” for all workers regardless of their employment status (ILO 2019, 5).

Minimum wage systems must be the centrepiece of any policy plan that is genuinely committed to raising living standards for working people and eradicating poverty in all countries. However, while minimum wages exist in most countries, they remain dismally low in many cases and are insufficient to ensuring a living wage that allows workers and their families to live in dignity. According to the ITUC Global Poll, 83% of people in 13 of the G20 countries believe that the minimum wage is not enough to live on. The coverage of minimum wages is also a major issue; globally, it is estimated that more than 260 million workers earn less than the legal minimum wage, either because of non-compliance or because they are not legally covered by national minimum wage regulations. Ensuring a **‘minimum living wage’** is a key demand from the international labour movement, whereby minimum wages guarantee all workers and their families dignified livelihoods.

Since 2017, the International Trade Union Confederation (ITUC) and its affiliates have

been calling for the promotion of minimum living wages, under the motto **‘the world needs a pay rise’**. Unions have been campaigning in Africa, Latin America, Asia-Pacific, Europe and Eastern Europe to demand fair and decent wages, through regional campaigns:

- 100% Africa: Dignity, Value and Wages
- Cerrar la brecha: Salario digno
- ASEAN Fights for +50
- Fair pay in Eastern Europe: to eat, to live, to stay.

The fundamental premise of these campaigns is that minimum wages must be adequate and universal, covering all workers. Wage levels must be guided by evidence of the cost of living and developed with the full involvement of social partners, i.e., unions and employers. Collective bargaining on wages should be promoted, and agreements should have wide coverage and be enforced by law, and obstacles to freedom of association must be effectively addressed.

This research report takes stock of some of the activities undertaken by unions involved in these campaigns and identifies successful elements of their strategies.

Background:

WHAT IS A MINIMUM WAGE?

A minimum wage is the minimum pay rate that an employer is legally required to pay; a rate that cannot be reduced by collective agreement or individual contract. The primary objective of a minimum

wage is to protect workers against unduly low pay. Minimum wages can be statutory – i.e., grounded in minimum wage legislation – or collectively negotiated between social partners.

Statutory minimum wages can be set in different ways and can have fundamentally different roles in different countries. The minimum wage can be set on an hourly, weekly, or monthly bases, it can also present differences in scope, from a single national universal rate, to differentiated figures according to categories such as industry, profession, age, region, etc. Around half of the countries with a statutory minimum wage have a single national minimum wage rate; other countries have more complex systems, where minimum wages are determined across different sectors, jobs or categories of workers (e.g., skill levels).² The complexity of minimum wage systems has been shown to significantly complicate their enforcement.³

The role of social partners in statutory minimum wage setting processes can also vary. Unions tend to be closely involved in the process for minimum wage fixing within tripartite wage committees or councils. ILO Convention 131 provides for the consultation and direct participation of unions in minimum wage-fixing processes.

Statutory minimum wages can help to support high levels of coverage, however their scope can vary significantly between countries. Certain categories of workers are frequently excluded from minimum wage regulations. The most common exclusion clauses apply to domestic, or homebased sectors and agricultural workers.⁴ As of 2020, an estimated 18 per cent of countries with statutory minimum wages exclude either agricultural workers, domestic workers, or both from minimum wage regulations⁵. In many cases, these categories of workers have separate minimum wages applying specifically to these sectors, which are lower than national minimum wage rates.⁵

Minimum wages often exclude workers in the informal economy, representing around 60% of the global workforce.⁶ While in most countries, minimum wages do in principle apply to unregistered small-scale enterprises, enforcement is significantly more complicated for workers when their employment is not registered or takes place in unregistered enterprises.⁷ Minimum wages have nevertheless been shown to influence wages in the informal economy indirectly through the so-called “lighthouse effect”, whereby wages in the informal economy adjust to the rates provided by minimum wage regulations.⁸

Differentiated minimum wage rates are often applied to strategic export-oriented sectors and free trade zones. Many developing countries have relied on a strategy of low labour costs to attract investment in job creation based on foreign investment, looking to attract investors based on trade competitiveness, as if adequate wages and development strategies were incompatible. This is a fallacy, as relying on low wages has had catastrophic economic consequences for workers and whole economies. Low wages restrain household consumption, reducing aggregate demand. This in turn jeopardises job creation and productivity, posing limits to economic growth. It is shown that decent wages can contribute to more equity, higher welfare and more inclusive patterns of development and economic growth.

It is important to consider the complementarity of statutory minimum wages and higher levels of collective bargaining. Minimum wages can provide a legal guarantee of a wage floor under which workers cannot earn less, while collective bargaining can be based on wage floors that

² ILO (2016) Minimum Wage Policy Guide (Chapter 2.2)

³ Ibid.

⁴ ILO Global Wage Report 2020-2021.

⁵ Ibid.

⁶ ILO (2021) Transition from the informal to the formal economy – Theory of Change.

⁷ See ILO Minimum Wage Policy Guide (Chapter 7.5) for more information on minimum wages and informal workers.

⁸ ILO (2016) Minimum Wage Policy Guide

are specific to certain sectors or occupations, and take into account the specificity of that sector in terms of productivity, profit or other considerations. Minimum wage levels can be an important benchmark for collective bargaining negotiations, and minimum wages have been shown to have a strong signalling effect on other wages in the labour market, including

for informal/non-registered workers, whereby increases to the minimum wage often can support increases across the wage distribution spectrum. As evidenced, within some of the country examples in this report, minimum wage increases often directly trigger reviews and increases of collectively negotiated wages, as they have, for instance, in Bulgaria and Nigeria.

THEORETICAL DEBATE AND EMPIRICAL EVIDENCE ON THE IMPACT OF MINIMUM WAGES

Following three decades of dominant neoliberal policies, labour market institutions in many countries and wage negotiation mechanisms have eroded and reduced wage level; wages have stagnated compared to economic growth and productivity, and the real value of wages, including minimum wages, has declined in many countries.⁹

Since the 1980s neoclassical economists have argued that increasing minimum wages has detrimental effects on employment, for at least some groups of workers (Bazen/Martin 1991; Neumark/Wascher 1992). The policy implications are that governments should engage in a policy of ‘wage repression’, keeping minimum wages low to avoid this effect.

This theory was refuted after several studies have shown that overall, there is no clear, systematic relationship between minimum wages and employment, including informal employment, with

the effects often being negligible.¹⁰ Card and Krueger (1994) even found a positive link between minimum wage increases and employment. Over time, it has become widely acknowledged by major international institutions, including the ILO, OECD, World Bank, European Commission and others that establishing and/or raising the minimum wage does not have a direct negative impact on employment, and in some cases, the impacts of minimum wages on employment and the broader economy can be positive.¹¹

A large body of evidence has found that higher minimum wages change the income distribution benefiting low-paid and low-skilled workers, especially women.¹² In distributive terms, minimum wage increases can reduce poverty as well as inequalities. By raising minimum wages, they positively contribute to closing gender pay gaps, as women tend to be over-represented among low-paid workers.¹³ Minimum wages can thus be a powerful policy tool to reduce or contain inequality in the lower end of the wage distribution; contributing to social justice.

⁹ ILO (2020) Global Wage Report 2020–21

¹⁰ See for instance Maurizio (2016) The impacts of minimum wages on employment: evidence from Latin America; Perez (2020) The minimum wage in formal and informal sectors: Evidence from an inflation shock.

¹¹ World Bank (2015) Balancing Regulations to Promote Jobs; EU Minimum Wage Directive (2022) and accompanying Impact Assessment (2020); OECD (2022) Minimum Wages in times of rising inflation.

¹² See summary of evidence in L20 (2018) The Case for Wage-Led Growth.

¹³ ILO (2020) Global Wage Report 2020–21 (page 16)

¹⁴ See summary of evidence in L20 (2018) The Case for Wage-Led Growth.

Empirical evidence also shows positive benefits for firms and overall labour market performance. Higher wages have been shown to help reduce employment turnover rates; increase motivation, labour productivity, and efficiency.¹⁴

In macroeconomic terms, increasing wages via statutory minimum wages and/or collective bargaining can be an economic stimulus, to promote increased demand and overall economic growth. The aggregate demand effects are particularly noticeable when raising incomes benefits low-wage earners, as these have a higher propensity to consume than higher-income earners.

Some employers' organisations argue that wage increases are a key driver of inflation. However, this claim is not backed by recent research. Empirical evidence gathered from the United States and Germany show that the effect of minimum wage rises on inflation is negligible and/or temporary, because the price rises are concentrated in the months following the minimum wage increase and gradually decline over time, and only if firms transfer wages increase to prices.¹⁵

KEY CONSIDERATIONS FOR MINIMUM WAGE-SETTING

Processes for setting statutory minimum wages differ largely depending on country-specific factors, however there are several key institutional considerations concerning the wage setting process that have been shown to play a role in the adequacy and coverage of minimum wages.¹⁶

Coverage: Minimum wages must apply to enough workers, ideally the coverage would be universal to ensure a basic floor of security for the labour force. A wide floor of coverage also reduces complexity, making it easier for both employers to understand what their obligations are and for workers to understand what they are entitled to, thereby supporting higher levels of compliance. The existence of exemptions for certain sectors (e.g., agricultural, domestic workers) or categories of workers (e.g., youth, workers in export processing zones), jeopardises protections

for workers and complicates compliance efforts and should be reconsidered as a priority.

- **Level:** To provide effective protection for workers against unduly low pay, minimum wages should take into account the needs of workers and their families and should, therefore, be guided by evidence on the cost of living. In addition, minimum wage fixing considerations can take into account additional economic factors, such as productivity increases or GDP, in order to ensure that profits and economic growth are shared among workers, especially the lowest income earners.
- **Type and frequency of adjustment:** Minimum wages should be regularly adjusted to consider inflation and rising living costs, so that they retain their real value over time. The institutionalisation

¹⁴ See summary of evidence in L20 (2018) *The Case for Wage-Led Growth*.

¹⁵ See for instance Card and Krueger (1993) *Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania*; CEPR (2021) *Reallocation effects of the minimum wage*; ILO (2020) *Global Wage Report 2020-2021*.

¹⁶ See for instance ILO *Minimum Wage Policy Guide*.

of adjustments guarantees that, in the case of growing inflation, a real minimum wage is not overly devalued. The institutionalisation can be determined by periodical review or by establishing an automatic mechanism which calls for revision if an economic indicator (i.e., inflation rates) reaches a predetermined threshold.

- **Institutional setting and the role of social partners:** Social dialogue plays a central role in setting minimum wages. Unions, as direct representatives of workers, can effectively ensure that the minimum wage process adequately reflects workers' needs. Statutory minimum wages should be set by the government with formalised input from unions and employer's associations, in line with ILO Convention 131.
- **Enforcement:** The enforcement mechanisms around minimum wages are essential to take into consideration, since regulations on minimum wages are not valuable without adequate structures to monitor compliance and dissuasive

penalties for employers who violate such rules. Ensuring adequately resourced labour authorities and inspectors to monitor the implementation of minimum wage legislation can help ensure that they are respected, that they establish a 'level playing field' across companies and across the economy, as well as ensuring realworld, dissuasive penalties for non-compliance.

In addition to these considerations, it is important to consider **the interlinkages between statutory minimum wages and collective bargaining**. Statutory minimum wages are not a substitute for wage bargaining. Collective bargaining can meaningfully complement statutory minimum wages by setting higher-level wage floors for specific jobs or sectors that take into account their specificities in terms of productivity and skill levels of the workforce. Minimum wages can serve as an important benchmark in collective bargaining processes and help to ensure higher levels of negotiated wages within collective bargaining agreements.

Summary of successful union strategies for raising minimum wages

Unions have been on the frontlines, demanding adequate wages for workers. This study provides an overview of strategies employed by unions to introduce or increase minimum wages across eight countries: Argentina, Bulgaria, Costa Rica, Malaysia, Nigeria, North Macedonia, Senegal, and South Africa.

The strategies of workers movements are contextualised against the Power Resources Approach (PRA), an analytical tool which typifies and describes union power resources.

PRA is based on the premise that organised labour can successfully defend its interests by collective mobilisation of power resources.

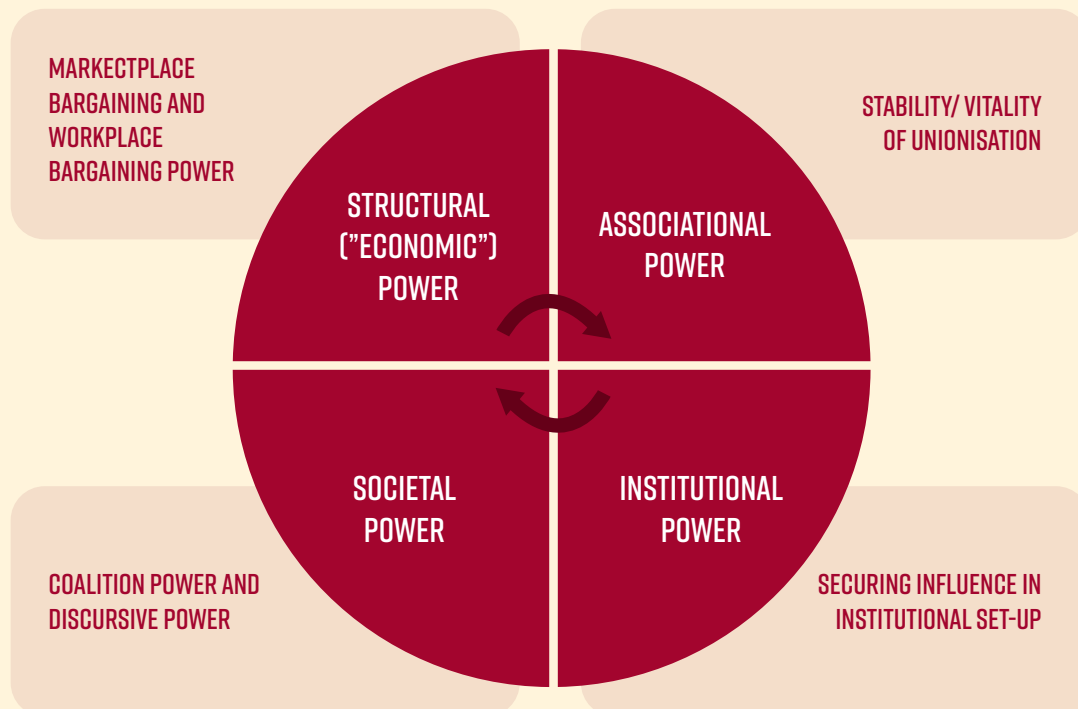
Throughout the years, a growing literature has emerged on power resources, with different taxonomies. For this report, associational, institutional, structural, and societal powers will be considered. Their definitions, according to Schmalz, et al. (2018) are as follows:¹⁷

- **Associational power:** concerns the vitality of unionisation, member numbers, infrastructural resources, organisational efficiency, member participation, and internal cohesion.
- **Institutional power:** regards legally established rights, constitutional law and legislation. Institutional power is often the result of struggles and negotiation processes based on structural power and associational power – where for example,

new institutions arise at the end of cycles of labour unrest.

- **Societal power:** coalitional power and discursive power.
- **Structural power:** Workplace bargaining power and marketplace bargaining power. Power to cause disruption (disruptive power). E.g.: strikes, sit-ins, go-slows, and street marches and blockades.

Unions actively engage in political processes, such as in campaigning and lobbying decision makers for minimum living wages, and, in doing so, strategically choose which resources to mobilise as a response to the context and challenges they face.



Expanded chart based on Gerst, Pickshaus and Wagner (2011)

¹⁷ Schmalz et al. (2018) The Power Resources Approach: Developments and Challenges.

Overall, some key strategies emerge from the report:

- **To inform tripartite wage negotiations, unions develop cost-of-living evidence to underpin their wage claims.**

For example, the Confederation of Independent Trade Unions of Bulgaria (CITUB) has been researching the cost of living since the 1980s. The union has developed its own research institute, which provides support by conducting periodic surveys to analyse the price fluctuations of the basket of goods and services in order to provide comprehensive estimates on the cost of living. With time, the methodology used by the CITUB has gained legitimacy throughout the country and is today widely accepted as a reference by policymakers working on wage and social security policies. The union's membership is highly mobilised for the collection of data and is essential to ensure a wide territorial coverage to collect relevant samples. Likewise, the Federation of Trade Unions of Macedonia (SSM) has been calculating and publishing a Trade Union Minimum Consumers' Basket for over a decade, providing a more comprehensive estimate of living costs than the "basic consumer basket" prepared by the State Statistics Office in order to inform adequacy considerations during minimum wage discussions.

- **Public campaigns and involvement of a broader audience remain crucial for trade unions to gain public support and be heard at national level.** In addition to institutional participation in wage setting negotiations, this study highlights the importance of a variety of strategies adopted by unions to ensure that their demands are successfully part of the public discourse, and discussed in the

national and local media so that wages are recognised as a priority theme across the country. For instance, in Costa Rica, Bulgaria, and Nigeria, media campaigns have been critical for debunking fake news about minimum wage increases, to defend and highlight the desirability and positive effects of establishing and increasing minimum wages.

- **It is critical to counter the narrative used by employers and others that minimum wages are detrimental to employment and growth.** Within their campaigns and negotiations, unions have successfully showcased the economic benefits of minimum wages to win pay rises. The Nigerian Labour Congress (NLC) for instance worked to develop evidence on the macroeconomic benefits of increasing minimum wages, finding that wage rises for low-income workers increase the propensity to consume, leading to higher aggregate economic demand, and higher labour productivity. A study conducted by NLC showcased how a minimum wage increase would generate an even greater increase in national GDP, with positive effects on jobs creation. Likewise, in Malaysia, unions highlighted how increasing minimum wages was a necessary component of their government's strategy to transition from a middle-income to a high-income country.

- **Unions can reference international labour standards and regional frameworks to influence national wage-setting processes.** ILO Convention 131 on Minimum Wage Fixing notably sets out the need for regular, tripartite processes for minimum wage setting, and requires that the needs of workers and their families be considered during wage setting discussions, in

addition to economic factors and other criteria. Senegal cited the provisions in Convention 131 as a rationale for needing to review the minimum wage after years of government inaction. In addition, regional frameworks can play an important role in influencing minimum wages. The recently adopted EU Directive on Minimum Wages and Collective Bargaining will require the government of Bulgaria to further review the adequacy of its minimum wage.

- **Developing union institutional power is still crucial to ensure constructive social dialogue and negotiations that allow for periodic minimum wage adjustments.**

In all the countries under review, unions are active members of official tripartite wage or labour councils responsible for reviewing minimum wages.

Case studies

Some significant cases of adopting and raising minimum wages following union pressure are referenced. These case studies make use of primary research, i.e., interviews that were held with union representatives; and secondary data, official documents and media reports were consulted (see references section).

BULGARIA

TRADE UNION STATISTICS ON LIVING WAGES

The Bulgarian minimum wage has been increasing steadily over the last decade, and the Bulgarian unions have played a major role in these increases. Since 2011 the minimum wage has increased nominally by 270%, or 150% percent in real terms if considering inflation. The minimum wage in Bulgaria is an institution set by the government after consultation with social partners within the National Council for Tripartite Cooperation, which is composed of

the government, representative employers' associations, and trade union organisations.

To ensure an informed participation in the Council, the trade unions have been producing estimations of the cost of living, to back their demands with evidence-based data and to dismantle fallacious discourses on the negative impact of increasing the minimum wage. The Confederation of Independent Trade Unions of Bulgaria (CITUB) is an outstanding example of how unions can successfully employ a variety of strategies to win significant pay rises for workers.

BACKGROUND: COST OF LIVING CALCULATIONS

Since 1979, CITUB has been researching and publishing data on the cost of living, otherwise known as the 'living wage', to inform wage setting discussions and public discourse on the adequacy of wages. Since the early 1990s, they have engaged in periodic observations of living costs. Every quarter, the Institute for Social and Trade Union Research (ISTUR) presents a press conference on the cost of living according to its own methodology based on a consumer basket of goods and services that represents the necessary costs for a standard four-member household. The calculation has become a broadly accepted reference for cost of living that informs policymaking in Bulgaria. The living wage is intended to reflect the level of pay that allows a particular type of household to enjoy a decent standard of living. The figure is the equivalent of what a fulltime worker should earn monthly to cover the costs of food, housing, education, health, clothing, transport, and communications. Later, the living wage is compared with the minimum wage to consider its adequacy. The calculated cost of living is also used as a reference for overall collective bargaining.

CITUB successfully used their infrastructural resources for the calculation of living wages, both as material and human resources, as the union's technical staff contribute with expertise in economics and statistics as part of a scientific research institute.

The union also demonstrated organisational efficiency as well as the engagement of their members in the collection of data for the cost-of-living survey. Trade unionists from each district receive a survey card with which they can visit stores and service providers to take note of the prices of the goods and services

from the consumer basket, i.e., the price of a loaf of bread. By recording the prices, trade unionists collect the data that will compose the sample that will later serve to calculate the cost of living. Therefore, union presence across the country is essential to guarantee a representative territorial coverage (28 cities, covering big urban areas and small rural villages) and to reflect the difference within the regions. The data collection also includes surveillance clusters: a sample of permanent commercial sites, services workshops, restaurants, and cafés in the settlement of the territorial coverage.

Cost of living estimations are constructed as an adaptation of the methodology developed by Richard Anker and Martha Anker, in 2017.¹⁸ The estimations consider a combination of food and non-food items.

162 products are considered in the food basket, following FAO (Food and Agriculture Organization) nutritional recommendation. The food expenditures count for 36.3% of the living wage. For non-food items and services, some of the following are considered:

- Housing maintenance, repair, and renovation costs: heating and lighting, materials and services for current repairs, water supply services, rent.
- Home furnishings and household appliances and accessories: furniture, glassware, appliances, and durable home furnishings.
- Clothing, footwear, and personal accessories.
- Personal hygiene and healthcare.

¹⁸ For more information on the methodology see: Anker, Richard; Anker, Martha (2017) : Living Wages Around the World: Manual for Measurement

- Educational expenses.
- Transport and communications.
- Hospitality, leisure and entertainment.
- Administrative and legal fees for personal or citizen services.

When considering the costs for the basket, the lifespan of certain items are considered (i.e., furniture and appliances) as well as the consumption patterns of the population. Furthermore, it is calculated that the wage should be enough to cover the needs of the typical household, in terms of size (i.e., census 2011: 2.7 persons) and composition (earners per dependent ratio).

The data from June 2022 shows that the amount needed to support an average household is BGN 2282 or approximately US\$ 1164. This value is still far from the current minimum wage. The minimum wage represented 32% of this estimation.

CITUB has used these estimations to demonstrate the inadequacy of the national minimum wage. By showcasing these figures in national media outlets, trade unions were able to trigger a real scandal and to raise public and government awareness, demanding social dialogue consultations to address the issue.

Comparing the national wage to other European wages was also useful for trade unions' advocacy. Indeed, the fact that the Bulgarian minimum wage is the lowest in Europe is useful to put pressure on the government to reduce the gap and move towards an upward convergence of minimum wages across Europe.

Apart from the absolute value, the unions have also illustrated this difference in more accessible terms – considering the purchasing power, by pointing to the number of goods that can be bought with a net minimum wage

(i.e., how many ounces of bread can you afford in Romania with a minimum wage versus how many in Bulgaria).

In large part due to the strong and concerted efforts from trade unions, in recent years there has been a consistent growth of the minimum wage, and compared to 2010, the minimum wage rate has nearly tripled from EUR 107 to EUR 363 in 2022. The pace of increase is significantly higher than the EU average.

The steady increase in the value of the minimum wage in Bulgaria in recent years demonstrates the effective exercise of societal power by CITUB, expressed by its ability to successfully intervene in public debates with a high degree of discursive power and public pressure. That said, the minimum wage level is still too low to guarantee an adequate living standard for the population.

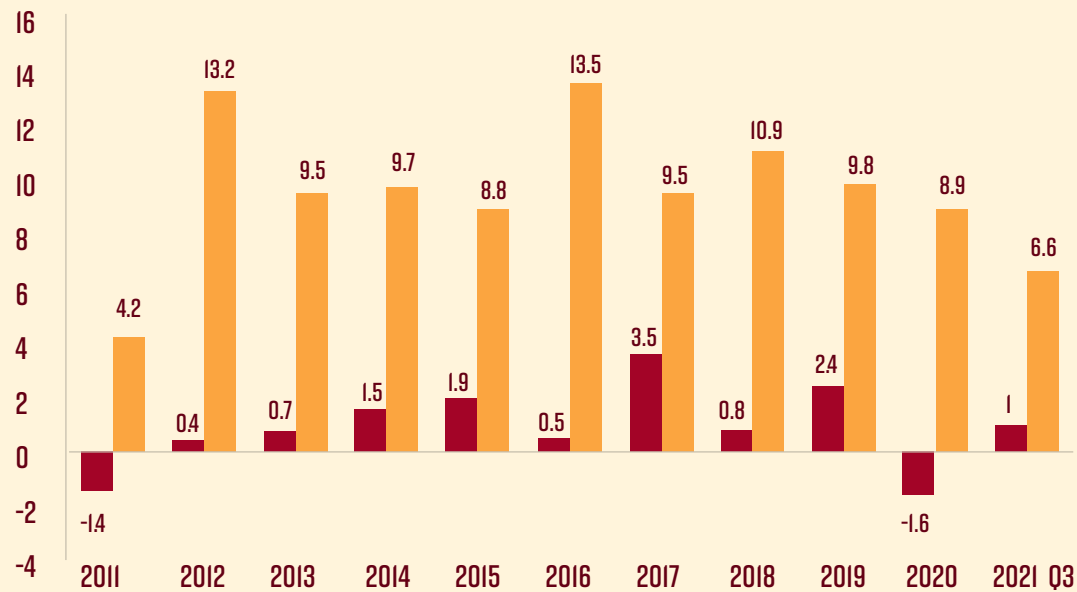
COMPETING DISCOURSES

In their efforts to win increases to minimum wages, trade unions have had to address competing discourses on minimum wages, mainly by the employers' associations.

While some employers see it as their responsibility to pay a living wage, most employers in Bulgaria expressed opposition to the increase in the minimum wage rate, as they maintain that it would cause higher unemployment as well as bankruptcy for many small and medium-sized enterprises (SMEs). They support the idea that a low-wage policy would attract foreign direct investment, therefore making Bulgaria an appealing country with competitive low labour costs. CITUB however has been able to contradict employers' arguments by showing that successive minimum wage increases over the past decade have not led to an increase of unemployment; rather

employment has grown.

CHANGES IN EMPLOYMENT RATE (P.P./ MARKED IN BLUE) AND GROWTH OF MINIMUM WAGE (%/ MARKED IN ORANGE) IN BULGARIA



NEGATIVE IMPACTS OF LOW-WAGES IN BULGARIA

The years of low-wage policy have had negative impacts on the Bulgarian labour market, the economy and society. Low wages, in combination with the opening of the European market to Bulgarian citizens in 2007, has led to high levels of emigration as workers moved from Bulgaria to western European countries in search of better wages and working conditions.

According to the National Statistics Institute (NSI), in 2017, 23% of the population aged 1864 intended to look for work abroad, approximately 1,006,464 persons. The survey 'Impact of labour

migration on the Bulgarian economy' showed that the main reason that motivates people to consider looking for work abroad is higher wages (95%). The same research also points out that 74% of those intending to work abroad declare that a salary between BGN 1001-BGN 3000 (or US\$ 508-1524) would motivate them not to seek work abroad.¹⁹

This emigration has resulted in a shortage of skilled labour as well as exacerbating demographic decline and threatens the sustainability of public finances. Today,

¹⁹ Kalfin (2018) The impact of labour migration on the Bulgarian economy

emigration is one of the most severe constraints affecting economic growth in Bulgaria.²⁰ CITUB used the issue of emigration and demographic decline in Bulgaria as an important argument for wage increases within national negotiations.

The large discrepancies between wages in Bulgaria and western European member states was also one of the reasons that the Bulgarian trade unions actively lobbied for the establishment of EU-wide legislation on Minimum Wages and Collective Bargaining, together with the European Trade Union Confederation (ETUC). The directive, which was adopted in 2022, put in place a procedural framework for the regular review of minimum wages according to a set of clear criteria, including on adequacy of wages. The directive, in parallel, looks to promote the extension of collective bargaining across the EU. The directive is expected to further support increases in the minimum wage across Bulgaria as well as the rest of the EU and help address high levels of social and labour market divergences between member states that are driving the massive emigration of Bulgarian workers.

DRIVING WAGE INCREASES ABOVE THE MINIMUM WAGE

In addition to its advocacy for raising the minimum wage, CITUB has been active in campaigning and negotiating for wage increase above the minimum level. Just in the end of June 2022 CITUB organised a protest campaign before the Bulgarian National Assembly. Following this campaign, wage increases were granted to a wide range of public sector employees including those in the education sector, structures of the Ministry of Interior, workers in universities and libraries, district and municipal administrations, National Social Security Institute and others. Sector

and company level collective bargaining is used by unions to guarantee private sector wages increases. For instance, the collective agreement in the metal sector provides for a minimum wage floor (EUR 388) that is higher of the national minimum wage (EUR 363), while the brewery sector agreement fixes the minimum wage in large companies to EUR 455. The construction sector agreement stipulates that the sectoral minimum wage equals the national minimum wage multiplied by a coefficient of 1.25.

CITUB has recognised the important complementarity between the national minimum wage and sectorally negotiated wages. While CITUB looks to negotiate wage floors for each economic activity, given that social partners are not sufficiently represented in a number of sectors, they are strong advocates for a national minimum wage that can provide a floor of protection for all workers across jobs and sectors. Increases to the national minimum wage can moreover help unions during their collective agreements, since any increase to the national minimum wage provides an important impetus for increasing sectoral wage floors.

CONCLUSION

CITUB has been able to provide its own narrative resources, building consensus out of conflicting demands in order to defend the collective interest going beyond the benefit of its affiliates. By mobilising its associational and societal power resources, CITUB increased its influence on daily politics and contributed to the increase in the minimum wage values. In 2022, over 870,000 people who work on a salary that is up to or equal to the minimum wage, benefited directly from its efforts.

In addition, even though Bulgaria is growing at a faster pace than the EU average, CITUB

²⁰ Ibid.

chose not to rely on GDP as its sole indicator to defend the increase in the minimum wage. The union produced its own data on the cost of living with technical staff and the participation of union members. The difference between

the cost of living and the current minimum wage was a solid argument used to defend an increment. There is still a long way ahead, as the Bulgarian minimum wage is still the lowest in Europe, but if the trend is maintained, the future is promising.

NORTH MACEDONIA

MOBILISING THE PUBLIC FOR INTRODUCING A MINIMUM WAGE

In 2005, the Confederation of free trade unions of Macedonia (KSS) started collecting signatures from citizens to introduce a Minimum Wage Law in North Macedonia. The collection of signatures was held in several cities across the country in public squares and more than 45,000 signatures were gathered. On the 1 May 2006, the KSS submitted a first proposal to the government in support of the introduction of a minimum wage. The Federation of Trade Unions of Macedonia (SSM) and the Confederation of Free Trade Union Organizations of Macedonia (KSM) were also active in campaigning and mobilising public support for a minimum wage.

Following this initiative, in 2010, the Economic and Social Council (ESC) included in their agenda a discussion on the minimum wage initiative. The ESC was created by the Government of North Macedonia in 1996 based on Article 246 of the Law on Labor Relations, it is a tripartite body headed by the Minister of Labour and Social Policy with the aim of bringing together representatives of government, employers, and trade unions to ensure economic and social stability in the country. The ESC has a consultative role and works by issuing recommendations on draft laws, national strategies, and programs,

which are appreciated by the industrial actors before being considered by the Government.

The ESC guaranteed direct participation of workers' representatives in the formulation of the minimum wage system and its subsequent changes. As expected, employers' associations and trade unions had different views on the minimum wage.

MINIMUM TRADE UNION BASKET

To back up the proposal for introducing a minimum wage, the Federation of Trade Unions of Macedonia (SSM) calculated and published a Trade Union Minimum Consumers' Basket for the first time in December 2010. According to the SSM, the trade union figure is a more comprehensive estimate of living costs than the "basic consumer basket" prepared by the State Statistics Office, which exclusively considers foods and drinks. The SSM estimation, apart from foods and drinks, also considers housing, hygiene, transportation, clothing and footwear, culture, and other expenses for the maintenance and health for a family of four people.

The SSM has purposefully not included recreation costs, nor education, hotels and

restaurants, and family celebrations, not because they are not needed, but because the basket calculates only basic expenses. Below

is a breakdown of the Trade Union Minimum Consumers' Basket:

MINIMUM TRADE UNION BASKET – NORTH MACEDONIA, JULY 2022

ITEM.	ELEMENTS	DENARS	US\$	% SHARE OF THE BASKET
1	FOOD AND DRINKS	17,842.91	301.60	44.00
2	HOUSING	12,374.41	209.17	30.51
3	HYGIENE	2,760.17	46.66	6.81
4	TRANSPORTATION	3,508.74	59.31	8.65
5	CLOTHING	2,215.30	37.45	5.46
6	CULTURE	1,067.86	18.05	2.63
7	HEALTH	784.69	13.26	1.93
	TOTAL:	40,554.08	685.50	100

According to SSM, the Trade Union Minimum Consumers' Basket was a benchmark in union activity, the data was made with the purpose of informing union demands for the Minimum Wage Law. The basket is also an important reference for negotiations for collective agreements on wages. The SSM promotes the basket on their website, in economic magazines, with consulting companies and at press conferences.

CAMPAIGN FOR A NORTH MACEDONIAN MINIMUM WAGE AND NEGOTIATIONS

On the 1st of May in 2011, the SSM launched a campaign calling for the start of negotiations with social partners to establish the minimum wage. They emphasised that setting a minimum wage would provide material security for workers as well as support more productive work, which would have a positive impact on the total economy.

The negotiations on the Minimum Wage Law took place between 2010-2012. The Economic and Social Council sought to determine an amount that would not burden businesses while protecting workers from excessively low salaries paid in the country.

The minimum wage also aimed at poverty eradication and inequality reduction. In 2012, according to the North Macedonian State Statistical Office, 50.3% of the population lived at risk of poverty or social exclusion, while the percentage of workers that were poor and lived below the poverty line had been continuously increasing in the previous years, reaching to 11.1% in that year.

The common denominator established a US\$ 167²¹ (MKD 8,050 net) minimum wage – 38.5% of the national net average wage that year. It was only then that the Law on the Minimum Wage was announced (Gazette 11/2012) introducing a minimum wage for the first time

²¹ Average exchange rate for 2012: 47.9416 MKD/USD.

in the history of North Macedonia. This value applied to all workers, except for some labour-intensive sectors. Until 2017, the manufacture of textiles, apparel and leather had lower minimum wage rates than the national minimum wage, which were progressively adjusted within a three-year period, going from 78% of the minimum wage in 2012 to 93% in 2014, after which they levelled with the statutory minimum wage. This transition period was made to give time for the employers in these sectors to adapt to the new legislation.

The textile industry in North Macedonia is one of the biggest manufacturing sectors, holding 27% of all employees in manufacturing activities in 2019. 83.7% of textile workforce are women (Zezova et al. 2020). Before 2012, their branch collective agreements stipulated US\$ 114 (MKD 5,500) for the textile and US\$ 100 (MKD 4,800) for the leather and footwear industries. Therefore, the progressive implementation of the minimum wage for these workers meant an important payment increase for these low-paid workers.

Even though the introduction of a minimum wage in North Macedonia was a victory, the levels remained inadequate to support sufficient livelihoods for workers. Unions have continued the negotiation process to further increase the minimum wage in the country in the following years after its adoption.

AMENDMENTS TO THE MINIMUM WAGE LAW

Since its establishment, the minimum wage has experienced changes almost every year. The first of these changes concerned the level of the minimum wage itself, and the subsequent three modifications were related to compliance mechanisms and establishing financial penalties in case of law infringement. The amendments

from 2017 and 2018 reformed the minimum wage system significantly.

The minimum wage is subject to an annual automatic mechanism for readjusting the minimum wage based on three indicators: the cost-of-living index, the consumer price index, the gross domestic product, and the ratio of the minimum wage to the average wage from the previous year, all according to the data published by the State Statistics Office. It also considers the increase in the minimum wage in relation to the augmentation of average wages in the previous year, to prevent an increase in wage inequality.

In 2017, the newly elected Government of North Macedonia went for a bold amendment to the minimum wage law (Official Gazette N 132/2017). The minimum wage increased 19%, fixing it at US\$ 219 (MKD 12,000 net), meaning 52.4% of the national net average wage – making it one of the highest minimum wages in the Balkan region when considering purchasing power parity. The 2017 reform also abolished exemptions to the minimum wage for industries heavily relying on low-skilled workers, thereby guaranteeing the same wage floor for all sectors.

An ILO assessment of the 2017 and 2018 changes to the minimum wage law provided solid evidence that the minimum wage adjustment was successful in reducing wage inequalities. Prior to the reform, 14.7% of all wage employees earned less than 2/3 of the median wage, after the minimum wage increase, only 4.3% of wage earners fell into this category. Results showed a large increase in wages in the lower end of the wage distribution, while the middle and upper part of the wage distribution remained intact. The poorest 10% of wage earners saw a 40% increase in their share of all wages received. The study did not

find any evidence that the new minimum wage had a negative impact on employment or higher degrees of informality. The poorest 10 per cent

of female workers doubled the share of all wages received, from 2.9% to 5.9% (ILO, 2019).

NORTH MACEDONIA NET MONTHLY MINIMUM WAGE

YEAR	LOCAL CURRENCY: DENAR (MKD)	U.S. DOLLARS (US\$)
2012	8,050.00	167.91
2014	8,800.00	189.60
2015	9,590.00	173.00
2016	10,080.00	181.11
2017	12,000.00	219.73
2018	12,165.00	233.15
2019	12,507.00	233.48
2020	14,500.00	268.23
2021	14,934.00	286.62
2022	18,000.00	314.79

Note: Average USD/MKD exchange rate for the year in question.
Source: Author's elaboration based on the Official Journal of the Republic of North Macedonia - Ministry of Labour.

In February 2022, the minimum wage was again raised to US\$ 314 (MKD 18,000), directly benefiting 94,000 workers (17% of the workforce)(ILO, 2022). The new minimum wage represents 62% of the average net salary, the highest ratio of the minimum to the average wage in Europe. In most EU countries, the minimum wage ranges between 45-60% of the average wage.

In short, between 2012 and 2022, the minimum wage in North Macedonia increased in nominal terms by 123%, while inflation increased in 29%, meaning that the real value of minimum wages has nearly doubled over the last 10 years.

ALLIANCES AND MOBILISATION

The Federation of Trade Unions of Macedonia (SSM), the Confederation of Free Trade Unions (KSS) and the Confederation of Free Trade Union Organizations of Macedonia (KSOM) acted in unity to defend the creation and subsequent improvement of the minimum wage in North Macedonia. They based their proposals on expert economic analysis, they mobilised their associational power and relied on alliances with universities, foundations, and political parties to gather the necessary support for advancing their demands, the Friedrich-

Ebert Stiftung Skopje, International Centre Olof Palme, Solidarity and Progress Institute for Social Democracy and the parties Levica, DOM, Democratic Union, Socialist Party of North Macedonia were crucial allies.

According to the KSS, since 2019, the administration of the Social Democratic Union of Macedonia (SDSM) has recognised the arguments and analysis of unions to increase the minimum wage and stood side by side with workers in the defence of their needs.

Apart from the alliances, the mobilisation of workers was crucial to guaranteeing the success of the unions' strategy. In February 2022, for example, during the negotiations that culminated with the adoption of the MKD 18,000 minimum wage, the trade unions organised a protest in front of the headquarters of the employers' organisation.

CHALLENGES

Trade unions in North Macedonia continue to campaign for increasing the adequacy of minimum wages to the level of a 'minimum living wage' that covers the costs of living. The campaign led by the SSM says 'You cannot live

with a minimum wage; you can try to survive...'. In-work poverty in North Macedonia affected 8.9% of workers aged 18- 64 in 2016 (Gerovska, 2019). The value of the Trade Union Minimum Basket calculated by SSM in November 2020 shows that a sum of two minimum wages does not cover the living wage of US\$ 647.84 (MKD 33,742.00) for a family of four.

The second challenge concerns the implementation of the Article 8 of the Law on Minimum Wage (Official Gazette No. 11/12) which states that collective agreements must be adjusted to reflect the legislative changes within six months. It means that increases in the minimum wage should result in increases in other wages in all sectors.

Wage setting in North Macedonia is governed by a specific collective agreement at the national level, namely the General Collective Agreement (GCA). Article 17 of the GCA stipulates that the basic wage of a worker cannot be lower than the minimum wage, as prescribed in law. There are several rules for progressive wage setting, which consider, for instance, the degree of complexity of the job executed. Trade unions are acting in defence of the collective bargaining as complementary to statutory minimum wage systems.

ARGENTINA

THE MINIMUM WAGE: A LONGSTANDING PILLAR OF THE ARGENTINE LABOUR MARKET

The long tradition of minimum wages in Argentina dates from 1964. The Law 16459/64 established the minimum 'vital and mobile' wage. The minimum wage is the minimum wage floor set for workers covering the public and private sector as well as agricultural

workers. Those excluded from the minimum wage regulations are self-employed workers. However, even for this group, the minimum wage is an essential benchmark informing their earnings.

The term ‘vital’ refers to the aim of the minimum wage in being sufficient to cover an adequate basket of goods and services to cover living expenses. The term ‘mobile’ aims to incorporate the idea that the minimum wage cannot be ‘static’: its value must be readjusted to adapt to the fluctuations in inflation levels and unstable exchange rates. These two factors must be considered when adjusting the minimum wage.

The high level of volatility of Argentina’s economy has put pressure on the minimum wage over last years. Hyperinflation, currency devaluation and volatile exchange rates, in conjunction with rising costs of living, have required significant adjustments to the minimum wage over recent years. Although recent minimum wage increases have been significant, they have not fully compensated for losses in purchasing power. According to the Argentine Centre for Research and Training (CIFRA), the purchasing power of the minimum wage has declined since 2011, with a steeper drop compared to average wages.²² In 2022 alone, the average drop in the real value of the minimum wage was 1.6%. Nevertheless, the minimum wage has been shown to be a crucial stabiliser in periods of instability, protecting those most in need.

SOCIAL DIALOGUE IN PRACTICE: PERIODIC ADJUSTMENTS

Trade unions in Argentina have a high degree of institutional power in setting the minimum wage, as they are part of the National Council for Employment, Productivity, and the Minimum, Vital and Mobile Wage, a tripartite wage council responsible for the periodic determination of the minimum wage. It was created in 1991 but remained inactive for almost a decade until 2003. Since then, the minimum wage has been updated at least yearly. For this purpose, the Council meets bi-annually, and can also be

convened extraordinarily. The frequency of negotiations regarding the minimum wage in a short time frame aims at preventing the rapid erosion of workers’ purchasing power in a context of high inflation.

According to Law No. 24.013, the Wage Council includes 16 representatives of employers and 16 representatives of workers appointed by the Executive Branch and a president appointed by the Ministry of Labour and Social Security. In practice, the Minister of Labour, Employment and Security has been appointed chairman of the Council.

The trade union confederations General Confederation of Labour (CGT) and Argentine Workers' Central Union (CTA) participate within the Council.

BARGAINING POWER

When negotiating, the Argentine unions can count on their high structural power, thanks to their high unionisation levels and disruptive power, thanks to their mobilisation capacity. The trade union density in Argentina was 27.7% in 2014, and the collective bargaining coverage was 49.4%, one of the highest in Latin America, according to the OECD/ICTWSS database.²³ Apart from being unionised, the workforce is willing to act and engage in mobilisations called by the unions. For 2021, the Bulletin of Labour Statistics (BEL) by the Ministry of Labour, Employment and Social Security (MTEySS) has estimated the labour disputes as follows:

- Number of labour disputes with work stoppages: 740
- Number of workers who participated in work stoppages: 976,991
- Number of individual working days not worked: 3,710,332

²² CIFRA (2022) Informe sobre la evolución del salario mínimo, vital y móvil

²³ OECD and AIAS, Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) database.

Ministry of Labour, Employment and Social Security (MTEySS) and by the National Institute of Statistics and Census (INDEC).

Even while trade unions do not necessarily call for a general strike or demonstrations in every negotiation of the Wage Council, they have the power to interrupt economic activity which gives them substantial leverage during negotiations with employer and the government.

UNION PROPOSALS BACKED BY ECONOMIC EVIDENCE

The procedure to negotiate the readjustment of the minimum wage usually begins with the presentation of statements with estimations on the deterioration of buying power and proposals to address it. Unions' strategies during the negotiations are first to invest in the tripartite dialogue, and, if exhausted without concluding, they may use the possibility to undertake industrial action. The Argentinian unions CGT, CTA and CTA-A count on technical staff working full-time to prepare their argumentation for the wage council and advise the unionists. For instance, CTA-A has a research institute called 'Observatory of Social Rights' to systematise and analyse information on the state of labour relations in Argentina.

The starting point of discussions is the inflation rate, determined in Argentina by the Consumer Price Index (CPI). However, the CGT constantly points out the deficiencies of this criteria. The Consumer Price Index does not reflect the difference between the changes in the prices of the basic goods basket compared to the luxury goods and services. Inflation is not the same for everyone; it varies according to consumption profile. The products consumed by those earning a minimum wage usually rise more than average, and inflation therefore tends to weigh more heavily on the pockets of the poorest.

Inflation tends to be highest for food and non-alcoholic beverages. Considering the predisposition of minimum wage earners to spend a large proportion of their wages on basic expenses such as food and rent, the significant increase in food expenses causes a large deterioration of the purchasing power of these low-income workers.

EMPLOYERS' ARGUMENTS AND UNIONS' RESPONSES

During the Wage Council meetings employers' organisations are reluctant to increase minimum wage values under the premise that it would provoke higher inflation and unemployment. The trade unions' counterarguments point out the theoretical weaknesses of these orthodox assumptions, which are not based on empirical evidence.

Regarding inflation, the CTA-A recall that employers' organisations sitting on the bargaining table are price-setters. They have the privilege of the last move, after a hike in wages they can decide on changing distributional shares by reducing the profit margin or increasing product prices unilaterally.

Within negotiations the CGT, CTA and CTA-A have demonstrated that an increase in minimum wage warrants more purchasing power for workers with no saving capacity; by consuming all of their earnings, they leverage the aggregate demand, increasing the tax revenues and creating a virtuous cycle for the whole economy – promoting economic growth. This heterodox formulation is backed by empirical evidence and has shown to be effective in moments of crisis due to its countercyclical capacity.

The trade unions also propose a rights-based approach to calculate the minimum wage

without overlooking the economy. For them, the minimum wage should at least be above the extreme poverty and poverty lines, which is not the case in recent years. Since June 2018, the sum of two minimum wages is not enough to cover the poverty basket of a household composed of two adults and two children. In the same line, since March 2020, one minimum wage is not enough to cover the indigence basket for such a household.

This devaluation occurred during the neoliberal administration by President Mauricio Macri (December 2015-December 2019), which was marked by readjustments of the minimum wage behind inflation. Since the current administration by President Alberto Fernandez (December 2019) wage adjustments have been more aligned with the workers' demands and has so far guaranteed readjustments above inflation levels, albeit marginally.

COSTA RICA

The Costa Rican minimum wage system is complex, including differentiated rates for the public and private sectors, for different professions and geographical regions and skill levels. In addition, a minimum wage for all unskilled workers in the private sector, representing a wage floor under which no worker can go. The complexity of the minimum wage system in Costa Rica has forced trade unions to act across different fronts in the fight for minimum living wages.

The minimum wage for the unskilled workers in the private sector increased by 53.8% over the period from 2010 to 2020,

CONCLUSION

The CGT, CTA, and CTA-A have been key actors in negotiating and protecting the minimum – vital and mobile – wages in Argentina. They are protecting the interest of workers and pensioners. The minimum wage has been used as a reference point in collective bargaining on wages, as well as a benchmark for the regulation of social protection benefits, such as the Universal Child Allowance (AUH) and the minimum old-age pension.

The Argentinian social framework protects rights over time in an economic context marked by the instability of economic cycles. A balance has been achieved between institutional steadfastness and adaptability through biannual meetings of the Wage Council. The Argentinian case is an outstanding example of the trade union's institutional power with legally fixed rights.

while inflation during the same period was 29.7% leading to a real minimum wage increase of 24.1%. Meanwhile, the salaries of public sector workers are at the same levels as in 2017 due to a freeze dictated by government policies as part of its austerity agenda. Unions resisted these measures in a three-month strike, which galvanised considerable public and political support.

Unions also organised a draft bill for the adoption of a minimum living wage in Costa Rica. It was not accepted in its first attempt but was successful in setting the agenda for future endeavours.

LEGAL FRAMEWORK

In Costa Rica there are differentiated minimum wages for differences in productivity (branches and occupations) or cost of living (geographical areas).

The minimum wage rates apply directly to all wage earners in the private sector. The Government increases the minimum wage annually by inflation plus a share of past economic growth.

For the private sector, there were, by 2019, four minimum daily wages and nine full-time monthly minimum wages; the differences were based on the level of qualification, following a scale from unskilled to highly skilled (superior education or above). Additionally, there exceptional sectors with sub-minimum wages: coffee pickers; domestic workers; journalists; dockworkers, gatekeepers, and winchmen. The public sector workers have their own wage structure. In addition to all of these, there is a statutory national wage for unskilled private sector workers called *minimorum*, which is lower than all other minimum wages.

BARGAINING MECHANISMS

There are also two bargaining mechanisms for adjusting the minimum wage

1. National Wage Council (exclusively for the private sector).
2. Public Sector Wage Negotiating Commission (exclusively for public employees).

Trade union organisations are represented in both tripartite bodies; there is no restriction clause to trade union participation regarding their representativeness levels.

MINIMUM WAGE INCREASES

The non-qualified workers' minimum wage increased the by 53.8% from 2010 to 2020²⁴ (15.9% in real terms). The building of a union coalition to act unitarily was crucial for guaranteeing a successful strategy in the National Wage Council (NWC).

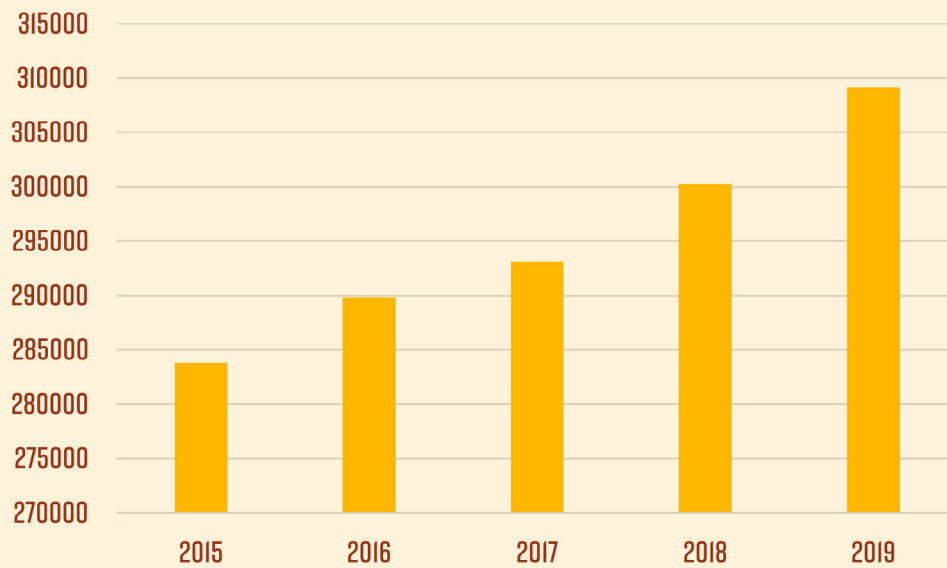
Workers' participation in the NWC starts with preparatory meetings to discuss criteria and define a proposal, which is consolidated in a joint statement by unions that can meet a common agreement and act in unity. For the 2019 Wage Council, these unions were the Confederation of Workers Rerum Novarum (CTRN), Central of the Costa Rican Workers Movement (CMTC), Unitary Confederation of Workers (CUT) and the Central Workers of Costa Rica (CGT).

In 2019, the trade union coalition statement took into consideration the data published by the National Institute of Statistics and Censuses (INEC) and the Central Bank of Costa Rica regarding GDP growth and inflation for the previous reference year for proposing a readjustment rate for the minimum wage. The unions requested an increase of 2.98% on all minimum wages, 2.53% to compensate for the erosion in the cost of living due to the inflation, and an added 0.45% increase considering the GDP per capita growth. In addition to the overall rise, they asked for specific increases for the particular sectors: coffee boot workers (2.5%) and domestic workers (2.33%) to reduce the wage gap between these sectors and the rest of the economy.

After negotiations with the employers' organisations and the government, it was approved by consensus to have an overall increase of 2.53% for all minimum wages (correcting the inflation), and the unions' proposal to increase 2.33% the wage for domestic workers was accepted unanimously.

²⁴ ILO minimum wage database.

COSTA RICA, NON-QUALIFIED WORKERS’ NOMINAL MINIMUM WAGE 2015-2019 CRC



Source: Central Bank of Costa Rica

COSTA RICA REAL WAGE GROWTH, 2015–19 CRC

2015	2016	2017	2018	2019
1.10%	6.00%	1.50%	-0.30%	1.60%

Source: Central Bank of Costa Rica

PUBLIC SECTOR WAGE NEGOTIATING

Different from the high increases in the private sector, the salaries of public sector workers have stagnated at the same level since 2017 due to a freeze dictated by the government as part of an austerity agenda. In December 2018, Congress approved the “Law of Public Finance Strengthening” N° 9635, which introduced a fiscal rule freezing public spending if the fiscal deficit were higher than 3% of GDP or the public debt were higher than 60% of GDP. The application of the rule implied an important contraction of public expenditure.

Unions have resisted cuts in public expenditure, defending the rights of workers in the public sector, as well as the quality of public services

for the whole society. The trade unions presented congress with a draft law for a progressive fiscal system as an alternative to austerity and went on an indefinite strike which unfortunately ended without a victory for the workers. However, public sector workers galvanised strong public support and proved their organisational power during the three-months long mobilisation.

By mobilising their structural and associational power resources, the public sector workers launched a general strike against the adoption of the fiscal rule, known as the ‘Combo Fiscal’ in September 2018. They demanded Congress reject the bill and open space

for social dialogue to discuss alternatives to the budgetary problem. The trade union confederations CMTC, CTRN, and CSJMP-ANEP,²⁵ presented a draft law called “A fair and solidary fiscal reform to Costa Rica” as an alternative to the ‘Combo Fiscal’. The general strike lasted for three months; however, the law was approved despite it.

The Law 9635 (part of the Combo Fiscal) determined the wage freeze in the public sector. The fiscal rule defined that the suspension was applicable for four years, or if the debt/GDP ratio exceeded 60%.

As a negative reaction to the long general strike, the government approved the Law 9808 “Law to provide legal certainty on strike action and strike procedures”, which limits and penalises the right to social protest, especially for the public sector. The public sector has the highest union density and organisational capacity; the limitation to the right to strike, freedom of speech, and protest can weaken their structural power.

As retaliation for their strike, public sector workers were exposed to a hate campaign which sought to portray them as privileged citizens with exorbitant salaries – which is not the reality. In the public sector, 14,042 people are earning less than CRC 250,000 per month (Approx. US\$ 374,55), according to the Costa Rican Social Security Fund.

MINIMUM LIVING WAGE

In parallel to their efforts to win pay rises for public sector workers, trade unions across Costa Rica have been campaigning over recent years to raise the lowest minimum wage to the level of a ‘living wage’. In 2016, a draft law (number 19312) for a minimum living wage was presented by the National Association of

Public and Private Sector Employees (ANEP), in alliance with the left-wing party Frente Amplio, to the Legislative Assembly. ANEP and Frente Amplio demanded the Supreme Electoral Tribunal to open a consultation with the Costa Rican people, via a referendum, on the minimum living wage.

The adoption of a minimum living wage would be in accordance with Article 57 of the Costa Rican Constitution, which states: “Every worker shall have the right to a minimum wage, fixed periodically for each working day, which shall provide for his well-being and dignified existence. The wage shall always be equal for equal work under identical efficiency conditions”. with the Costa Rican unions also cited the ILO Minimum Wage Fixing Convention, 1970 (No. 131), ratified by Costa Rica in 1979, which states that minimum wages should take into account the needs of workers and their families, among other factors.

The draft law established that every salaried person had the right to a minimum living wage that guaranteed dignified well-being and existence. It proposed that the estimate of the Minimum Living Wage should be founded on the “minimum living income”, which corresponds to the amount of money indispensable to guarantee that families can satisfy their most basic material needs and is calculated based on specific indicators such as the cost of rent, food expenses, payment of public services, and expenses for transport, footwear, recreation and health, thus forming a minimum living wage.

According to the draft, in 2013 – when the last calculation was made – the living wage for any worker should be US\$ 915 (CRC 457,723) per month. For reference, the minimum wage for the same year was US\$ 373 or CRC 186,595.

The draft law was analysed by the Economic Affairs Committee of the Legislative Assembly in

²⁵ Juanito Mora Porras Trade Union Federation (CSJMP)/National Association of Public and Private Sector Employees (ANEP)

a heated debate with Congress members and employers' representatives. The Costa Rican Chamber of Industry (CICR) and the Costa Rican Chamber of Commerce and Associations of the Private Business Sector (UCCAEP) expressed their opposition to the initiative. They argued that a minimum living wage would increase inequality and poverty rates, by forcing their companies not to hire more staff due to the expenses that an increase would imply, or even to lay off staff to guarantee the payment of the minimum living wage.

The employers' organisations also used the fiscal deficit to justify their opposition by stating that a living wage is not financially sustainable. Finally, they were against detaching the minimum wage from the GDP growth, to protect workers. For them, this detachment would mean the elimination of decision-making ability of the National Wage Council, as it forces it to make wage increases, even in periods of economic downturns.

The proponents of the initiative argued that the country urgently needed a minimum living wage law based on two arguments:

1. Generation of more social welfare and better redistribution of income.
2. To reactivate the real economy and national production.

The unions argued that higher wages would stimulate consumption, which in turn would positively affect the growth of the national economy and, at the same time, combat inequality and poverty.

Furthermore, they argued that the Costa Rican development model has focused on attracting foreign investment based on low wages and labour standards, and that this growth model was unsustainable.

The draft bill was shelved. However, the attempt was successful in agenda-setting, giving greater public visibility to the issue and garnering increased public support for minimum wage increases. In the context of austerity measures, restrictions on the right to strike and free speech, and negative media campaigns, the Costa Rican trade unions have mobilised their power resources to resist and propose alternatives.

SOUTH AFRICA

In 2018, after four years of arduous negotiations, the national interprofessional minimum wage was adopted for the first time in South African history, coming into force in January 2019.

The National Minimum Wage Act (NMWA) was a demand of the trade union movement since the 1930s. Still, it was only

in 2014 that representatives of government, labour and businesses effectively engaged in a negotiation.

The NMWA set a mandatory national minimum wage at US\$ 1.44 (20 rand) for each ordinary hour worked. Monthly, it accounts for approximately US\$ 252,00 (3,500.00 rand) for a forty-hour week.

According to the memorandum accompanying the bill, the “main object of the bill is to provide for a national minimum wage in order to advance economic development and social justice by improving the wages of lowest paid workers, protecting workers from unreasonably low wages and promoting collective bargaining and supporting economic policy.” (National Minimum Wage Bill, B 31B—2017, Memorandum on the Objects of the National Minimum Wage Bill, 2017, at 11).

The national minimum wage applied to every worker apart from the South African Defence

Force and the National Intelligence Agency. However, the national minimum wage is not universal in its application; the NMWA imposes lower minimum wage rates for farm workers, domestic workers, and persons engaged in expanded public works programs. Farm workers are entitled to a minimum wage of 18 rand per hour. Domestic workers are entitled to a minimum wage of 15 rand per hour. Workers employed on an expanded public works programme are entitled to a minimum wage of 11 rand per hour.

SOUTH AFRICAN MINIMUM WAGE, DIFFERENTIATED SECTORS 2018

CATEGORY OF WORKER	HOURLY		MONTHLY		PERCENTAGE
	ZAR	US\$	ZAR	US\$	
GENERAL WORKER	ZAR 20.00	US\$ 1.44	ZAR 3500.00	US\$ 252.00	100%
FARM WORKERS	ZAR 18.00	US\$ 1.30	ZAR 3150.00	US\$ 226.80	90%
DOMESTIC WORKERS	ZAR 15.00	US\$ 1.08	ZAR 2625.00	US\$ 189.00	75%
EXPANDED PUBLIC WORKS PROGRAMME WORKERS	ZAR 11.00	US\$ 0.79	ZAR 1925.00	US\$ 138.60	55%
WORKERS WHO HAVE CONCLUDED APPRENTICESHIP AGREEMENTS	ALLOWANCE BASED ON NQF LEVEL AND CREDITS EARNED BY THE LEARNER				NA

Source: Own elaboration, based on NMWA, 2018.

It was not until 2022 that domestic workers had their wages equalised from the original 75% to 100% of the MW. This accomplishment was the result of a process that included a campaign from the United Domestic Workers of South Africa (UDWOSA) and other trade unions, an

investigation into the wages and conditions of work of domestic workers, as well and a series of workshops and public hearings.

The national minimum wage has increased by 16% since its inception in January 2019. The

national minimum wage in 2022 is US\$ 1.50 per hour (23.19 rand) or US\$ 263.47 USD monthly (4058.25 rand). This change took effect on 1 March 2022 and represents an increase of 6.9% from the minimum wage set in 2021.

LEGAL FRAMEWORK

The wage calculation for the NMWA is the amount payable in money for ordinary hours of work, excluding any payment in kind, bonuses, tips, or allowances.

An exemption may be granted if the delegated authority is satisfied that the employer cannot afford to pay the minimum wage; and every representative trade union representing one or more of the affected workers has been meaningfully consulted. If there is no such trade union, the affected workers have been meaningfully consulted. The grace period can be conceded for one-year maximum, during which the employer must specify the wage or the percentages of the national minimum wage that the employer is required to pay workers.

BACKGROUND

Since the 1930s, the trade union movement has demanded the introduction of a cross-sectoral national minimum wage system. Back in 1935, a draft bill to establish a national minimum wage was submitted by the Department of Labour but it fell due to resistance from employers' organisations who lobbied to reform the existing 1925 Wage Act. This topic was the subject of discussion again in the 1940s, 1961 and 1974.

As part of the opposition to the apartheid regime, the Freedom Charter of 1955 adopted by the Congress of People organised by the political party African National Congress (ANC) called for a national minimum wage, as well as

'living wages and shorter hours of work'. In 1957, the national minimum wage campaign 'A-Pound-a-Day' was launched following the bus boycott directed against increases in transport tariffs.

After the Durban strikes of 1973 and the Soweto uprisings of 1976, in 1977 the South African Congress of Trade Unions (SACTU) called for a weakly national minimum wage of 50 rand. The government was forced to establish the Wiehahn Commission of Enquiry in 1977, which investigated the issue of a national minimum wage. The Commission stated that, "although there was a difference of opinion on the issue in the commission itself, it came to a clear conclusion that a number of weighty considerations preclude a recommendation that South Africa should introduce such legislation".

These were:

- a) That such a policy would run counter to the government's policy of encouraging and promoting free collective bargaining at the industry and company levels.
- b) That the introduction of a national minimum wage would have a detrimental effect on the country's high rate of unemployment and job creation.
- c) That the ILO prescribed a careful approach which took into consideration certain economic factors in determining minimum wages. The above factors, as we shall demonstrate later, would be critical in determining future policy in South Africa (Cottle, 2015).

Ignoring the rise in trade union mobilisation in the 1980s, in 1983, the National Manpower Commission Report on 'The Principle and Application of a National Minimum Wage' repeated the result of the Wiehahn Commission and decided that "in a developing community

such as that in South Africa there was certainly room for a partial system of statutory minimum wage determination, it could not find justification for either a general National Minimum Wage or a regional minimum wage system” (ibid).

The reasoning behind the Commission’s decision was the fear of a national minimum wage causing adverse effects on employment and growth, especially for labour-intensive, export-oriented sectors, such as agriculture. They considered that a minimum wage did not align with South Africa’s development agenda at that time.

Despite the conclusions of the 1977 Commission, COSATU, at its Inaugural Congress in 1985, called for “a legally enforced national minimum living wage”. In 1991, the Labour Research Service (LRS) published its first economic policy paper that put the view of trade unions who wished for a national minimum wage to fight low pay in South Africa. The study supplied data to demonstrate the huge income disparities in the labour market to back union proposals.

Since the early 1990s, in the post-apartheid era, a national minimum wage was not considered by decisions makers, it was not included in the 1996 Constitution. It was only in 2014 that the African National Congress’ (ANC), the party in rule since 1994, decided under pressure from COSATU to include an investigation into the introduction of a national minimum wage.

In 2014, President Jacob Zuma declared in an official communication about the necessity of exploring minimum wages to cope with the country’s challenges, unemployment, poverty, and inequality.

“ Given the impact of the untenable labour relations environment on the economy, it is critical for social partners to meet and deliberate on the violent nature and duration of the strikes. The social partners will also need to deliberate on wage inequality. On our side, as Government, we will during this term investigate the possibility of a [national minimum wage] as one of the key mechanisms to reduce the income inequality. Deputy President Cyril Ramaphosa will convene the social partners’ dialogue, within the ambit of NEDLAC – the National Economic Development and Labour Council. President Jacob Zuma, 2014 State of the National Address.

On 4 November 2014, a Labour Relations Indaba²⁶ was held in the city of Ekurhuleni, it concluded with the Ekurhuleni Declaration ‘Promoting Employment and Strengthening Social Dialogue: Towards Transformation of the South African Labour Relations Environment’ which appointed a tripartite committee within NEDLAC to develop an agreement to guide the introduction of a national minimum wage in South Africa. The Declaration was signed by the government, business organisations, community, and labour. COSATU, NACTU and the Federation of Union of South Africa (FEDUSA) endorsed the declaration on behalf of workers.

²⁶ An indaba is an important conference held by the izinDuna of the Zulu and Xhosa peoples of South Africa. Indabas may include only the izinDuna of a particular community, or they may be held with representatives of other communities. The term "Indaba" comes from the Zulu and Xhosa languages.

NEGOTIATIONS

The National Economic Development and Labour Council (NEDLAC) is a representative and consensus-seeking statutory body established in law through the National Economic Development and Labour Council Act of 1994. It aims to facilitate sustainable economic growth, greater social equity in the workplace and in communities, and to increase participation by all major stakeholders in economic decision-making at national, company and shopfloor levels.

From 2014 until 2018, NEDLAC served as a tripartite social dialogue table to consider how to protect low-paid workers, while guaranteeing fair and effective competition in the labour market. Apart from the representatives from labour, business, and government, NEDLAC counted with an advisory board chaired by Professor Imraan Valoria of the University of Witwatersrand, and the ILO.

Businesses originally pushed for 11 rand per hour. Ultimately, a 20 rand per hour minimum wage was agreed, which the Congress of South African Trade Unions (COSATU) saw as a victory. Although being short of a living wage, it would be subject to future adjustments. COSATU saw this figure as a starting point, not an end.

The legislation set a platform for reducing inequalities and decreasing income disparities. According to the World Bank, over 55% of the South African population lives in poverty and, with a Gini Index of 63, South Africa has one of the world's highest levels of inequality (World Bank, 2018). According to the National Minimum Wage Panel, in 2016, 6.7 million people, or 47% of the South African labour force, earned less than the minimum wage, were below the working poverty line, which at the time was estimated to be US\$ 309.00 (4,317.00 rand). Among those, an estimated 2.4 million workers were not covered by any form of wage regulation in the past.

The other group was protected by the pre-existing sectoral determinations, however, the median minimum wage across all sectoral determinations was US\$ 235.94 (3277.00 rand) per month, which meant that many of these agreements set sectoral minimum wages below the national minimum wage (DPRU, 2016; Elsley et al, 2018). From this perspective, the national minimum wage mattered. It offered a minimum where there was no minimum before and in the case of the sectoral determinations, it often raised minimums that did exist.

Alongside the Minimum Wage bill, NEDLAC also negotiated the Basic Conditions of Employment Amendment Bill and Labour Relations Amendment Bill, which together provided the technical arrangements to support the implementation of the national minimum wage.

IMPLEMENTATION

The NMWA prescribed that the minister of labour has the authority to determine the changes in the wages, but it also set the National Minimum Wage Commission to review yearly the minimum wage rates and recommend adjustments it deems necessary.

After consultation with NEDLAC, the minister of employment and labour appointed the chairperson and three independent experts and the members nominated by the organised business community and organised labour.

The National Minimum Wage Commission presently comprises a law professor as chairperson, three independent experts with knowledge of the labour market and conditions of employment appointed by the minister, three representatives of employers organisations, three members of the organised community and, representing the interest of organised labour, the Deputy General Secretary of the National Council of Trade Union (NACTU) Edward Thobejane; the Deputy General

Secretary of COSATU Solly Phetoe and the Executive Director of the Labour Research Service (LRS) Trenton Elsley.

In making recommendations on minimum wages, the Commission is required to consider inflation, the cost of living; wage levels and collective bargaining outcomes; gross domestic product; productivity; the ability of employers to carry on their businesses successfully; the operation of small, medium or micro-enterprises and new enterprises; the likely impact of the recommended adjustment on employment or the creation of employment; and any other relevant factor (Id. § 7. NMWA).

The largest nationally representative labour force survey is the Labour Force Surveys (QLFS) conducted by Statistics South Africa. The Commission has complained about the difficulty of using this source, considering that the most important data on wages is only released annually. There is a commitment to increase the frequency, making quarterly publications.

There have been a few efforts to calculate the value of a living wage, Labour Research Service

(LRS), in collaboration with Southern African Social Policy Research Institute (SASPRI) and the Studies in Poverty and Inequality Institute (SPII) are working to fill this gap by producing the Decent Standard of Living Index (DSLII).²⁷ The DSLII amount for April 2018 was US\$ 581.75 (7,043 rand) per person per month.

MOVING FORWARD

The introduction of a minimum wage in South Africa has been a crucial instrument in the struggle against poverty and the low-wage economic model inherited from apartheid. The recent equalisation of domestic workers' wages with the national minimum wage was a victory in recognising domestic workers as individuals with equal rights.

However, there is still a long way to go. Compliance with the minimum wage remains a challenge, as well as adequacy. Unions are continuing to call for increasing the national minimum wage to the level of a living wage. Only then can all South African workers be guaranteed a dignified livelihood.

NIGERIA

From 2015 until 2019, the Nigerian Labour Congress (NLC) and the Trade Union Congress (TUC) have led a conflict-ridden negotiation with the Nigerian government for minimum wage fixing. The negotiations were the most prolonged in history and were characterised by industrial action, namely demonstrations, warning strikes, and actual strikes to compel the government to commit to wage increases.

In 2019, the signing of the new national minimum wage into law, increasing the minimum wage by two-thirds – from 18,000 naira to 30,000 naira²⁸ – was the successful result of a four-year struggle by workers, which was followed by an intensive campaign for its implementation.

²⁷ More information at www.dslnow.net

²⁸ Converting to US dollars, the value decreased from 117,00 USD to 67,00 USD.

BACKGROUND

In 2015, a review was planned for the 2011 Minimum Wage Act, based on an agreement to revise the minimum wage every five years. The NLC and TUC started demanding to open negotiations, however, the federal government claimed that the state of the economy did not support any wage increase. The local currency (Naira) was losing its value against the dollar, mainly due to the vulnerability of the Nigerian economy to the fluctuation of oil prices.

Facing government resistance to open a dialogue, in May 2016, the trade unions threatened to go on strike against the increase in fuel prices and demanded the installation of a committee to discuss the minimum wage readjustment. As a response, the federal government set up a Joint Technical Committee to consider both requests.

After two years of a tepid response by government, workers were forced to picket the Minister of Labour, Dr. Chris Ngige, during the 2017 May Day celebration. Subsequently, based on the recommendations of the Technical Committee and public pressure, the government was forced to constitute a Tripartite National Minimum Wage Committee on 27 November 2017 to revise the 2011 minimum wage.

The Tripartite Committee only started negotiations in March 2018. The Committee was composed of 30 representatives: the NLC and the TUC on the labour side; the Nigerian Employers Consultative Association (NECA), the Manufacturers Association of Nigeria (MAN), Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the Nigeria Association of Small and Medium-Sized Companies (NASME), for the employers; and both federal and state governments. The state is the largest employer in Nigeria, so it behaved as an employer defending its

interests more than as a moderator for other stakeholders.

The NLC prepared a 50-page memorandum to present to the Committee, showcasing data and arguments to demonstrate that the 2011 minimum wage of 18,000 naira was grossly inadequate to cover basic living costs. The NLC highlighted high inflation levels from 2011 until 2016, which considerably weakened workers' purchasing power by increasing the cost of living, as well as the devaluation of the naira in relation to the US dollar. The NLC has used every opportunity in the media to defend the desirability of a new national minimum wage.

The NLC also commissioned independent research on the cost-of-living index to support their negotiations. It estimated the level of a basic needs basket that included the cost of utilities, food items, rent, and transportation and considered inflation. Based on these calculations, the NLC and the TUC proposed to raise the minimum wage from 18,000-56,000 naira (US\$ 90,00-280,00).²⁹ The trade unions took part in six public hearings across the whole country discussing these proposals with workers and galvanising their support.

The Nigerian Labour Congress has used estimations from the Computable General Equilibrium Model (CGE) to project that an increase of 211% in the minimum wage (from 18,000 to 56,000 naira) would increase household income by 6.76%, considering the higher propensity to consume of the low-earners, total household consumption would increase by 5% and household savings by 3.6%. It would also provoke an increase in productivity by 3.65%. The NLC also anticipated a substitution effect, with an increase in the consumption of locally produced goods by 5.41% in detriment of imported goods, which would decline by 0.41%.

²⁹ Exchange rate for 27/04/2016 – the day of the proposal.

The simulation showcased how an increase in the minimum wage would be accompanied with an overall increase in national GDP. This would come with attendant positive consequences for job creation and employment in Nigeria.

Considering the resistance from employers who claimed that an increase in the minimum wage would promote job retrenchment, as companies would struggle to pay; the unions have shown with empirical data that productivity in the private sector was increasing. They argued this should be reflected in increased wages, and that it would boost the consumer base and lead to the creation of opportunities for new employment. Unions also demanded transparency over the state's financial books for public auditing as an answer to state governors' claims of an inability to pay.

The Central Bank of Nigeria and the National Productivity Centre also received research assignments from the Tripartite Committee and then considered all the reports. During the period of the meetings of the Committee, the representatives of the federal government deliberately failed to present any figure for the minimum wage, and multiple sums were presented by the state governors without any consensus. The trade unions went into bilateral negotiation with the employers' associations, and they found common ground on 30,000 naira. The joint agreement was presented to the government; however, the administration rejected it and suspended the negotiation.

Considering the government's lack of respect for social dialogue, trade unions resorted to street protests and undertook a 14-day strike that forced a quick reaction from the public authorities, which hurried the conclusion of the Tripartite Committee's report. Following a restart of discussions, the federal government offered to increase the minimum wage from 18,000 naira to 22,500 naira but this figure was rejected by labour due to its insufficiency, leading to a new impasse.

The unions threatened a new indefinite strike to start on 6 November 2018 in order to force the government to consider the bipartite agreement. By acknowledging that labour was not going to surrender, the federal government met the Committee and promised to present the sum agreed to the president that same day if the unions dispersed the strike, and so it was. President Muhammadu Buhari received the proposal and promised to send it immediately to parliament, following the protocol.

Delays forced the NLC to embark on protests which compelled the government to transmit the agreed wage to the parliament. On the day the draft bill was to be analysed, the NLC organised a massive protest in front of the parliament, the senators heard the unions in a public hearing. On 22 January 2019, the National Council of State finally passed the act officialising the 30,000 naira minimum wage, and that was officialised by publication in the national gazette. Following a new round of protests asking for its implementation, on 19 April 2019, the law was signed by the president, making it the National Minimum Wage Re-Enactment Act, 2019.

Apart from the raise, the '2019 Act', as it became known, also officialised a five-year cycle for reviewing the minimum wage. Under this agreement, negotiations should start six months before the expiration of the previous act and should reach a conclusion within this timeframe. The report should be finished within this timeframe to prevent the repetition of prolonged bargaining such as the one that took place from 2016 until 2019. The federal government must constitute a minimum wage negotiation apparatus with experts to consider the readjustment; and include provisions for non-compliance, with the provision of payment of interest for delays.

IMPLEMENTATION AND ATTACKS

Many regional governors have refused to implement the national minimum wage, claiming that they do not have the capacity to pay it. This stalemate has led to new industrial actions, with unions giving an ultimatum for governors to comply with the law. There have also been attempts from the governors to remove the national minimum wage from the exclusive legislative list and move it to the concurrent legislative list, which would facilitate the federal states to determine their own wages, independent from the national provisions. The NLC has led very robust campaigns to defeat these initiatives and protect workers' rights from attacks.

One of the arguments behind the resistance of the government to approve – and later implement – the raise in the minimum wage in Nigeria is the fact that Nigeria's minimum wage laws trigger a consequential adjustment: once the minimum wage value is fixed, there is a cascade effect across the 17 wage grids, where all these wages are also reviewed. Minimum wage increases therefore have positive effects for workers across the wage distribution. In addition, pension levels are reviewed following minimum wage increases. The government very often attempts to exclude the consequential adjustment from the bargaining table; however, unions have historically resisted.

In May 2019 the Consequential Adjustment Committee started discussions, with the Joint National Public Service Negotiating Council (JNPSNC) representing the workers' side. After a contentious negotiation, in October 2019, the salary adjustment was resolved and progressive increases for public servants and pensioners were agreed.

REMAINING CHALLENGES

The labour movement has been successful in making their demands heard, however, the experience shows that the Nigerian government has not honoured its agreements with labour, which led to highly conflict-ridden industrial relations.

The new national wage of 30,000 naira (US\$ 67.00) represents a sizeable increase from its previous level of 18,000 naira, however it remains far below living wage estimations. The NLC is continuing to mobilise for wage increases, both through minimum wages as well as collective bargaining.

The coverage of the minimum wage is another outstanding challenge. Following the amendment of the National Minimum Wage Act in 2019, the minimum threshold of the number of employees in an establishment to trigger the payment of the national minimum wage was reduced from 50 to 25. Looking forward, the NLC is defending an amendment to the act to guarantee the extension of the scope to cover all workers, without restrictions.

For unions, it is important to build an alliance with small- and medium-sized companies, adequately considering the balance between guaranteeing a decent living for workers and their families. Within future negotiations, it will be important to prove that SMEs have the ability to pay increased wages while remaining competitive and without job retrenchment.

SENEGAL

INCREASING THE MINIMUM WAGE AFTER A 22-YEAR FREEZE

From 1996 until 2018 the minimum wages for agricultural and non-agricultural workers in Senegal were frozen, leading to a deterioration in their purchasing power of 38% due to inflation. It was thanks to the work of the National Confederation of Senegalese Workers (CNTS), the National Union of Autonomous Trade Unions of Senegal (UNSAS), the Confederation of Autonomous Trade Unions (CSA) and the National Confederation of Senegalese Workers/Forces of Change (CNTS/FC) that it was possible to promote the revalorisation of the minimum wage rates after 22 years of stagnation.

LEGAL FRAMEWORK

The national base minimum wage rates for non-agricultural workers (SMIG) and agricultural workers (SMAG) in Senegal are decided by decree by the Minister of Labour – Decree n° 96-154/ 19th February 1996. Prior to setting the minimum wage rate, the minister must consult the National Labour and Social Security Council.

The Council is composed of the Minister of Labour and Social Security (or the Director-General for Labour and Social Security), four members of the National Assembly, eight union representatives for industry; four union representatives for commerce and banking; and one union representative each for agriculture and cooperatives, eight employers' representatives for industry; four employers' representatives

for commerce and banking; and one employers' representative each for agriculture and cooperatives.

REGISTER OF GRIEVANCES

The Senegalese case is a thriving example of trade unions mobilising existing powers while building new kinds of power. On the established side, the institutional power is reflected by the legally fixed rights,³⁰ the Article L. 109 of the Labour Code which establishes the minimum wage, and the right to tripartite consultation.

The successful use of institutional power is seen in the ability to use institutions through lobbying and by exhausting the legal possibilities available. Every year in Senegal, the most representative trade union organisations present a register of grievances (le cahiers de doléances) to the head of state. This procedure aims to promote dialogue and consultations among labour relation actors and facilitate the development and implementation of public policies. This protocol has been solidified on the agenda of the Senegalese Republic following a tripartite approach involving the state and the social partners.

In 2013, the trade unions used this opportunity to demand an increase in the minimum wages to correct the losses of buying power of workers since 1996. This demand was repeated yearly until April 2015 when the government signed an agreement between the state, the employers' organisations, and the workers' trade union centres for the creation of a tripartite commission to discuss the revaluation of the minimum wages, starting a dialogue that would finish in 2018, when an agreement was reached.

³⁰ Labour Code of Senegal, Law No.97-17 of 1 December 1997, Journal officiel, 1997-12-13, No. 5776, pp. 504-537, as amended up to Law No.2003-23 of 2003.

The commission was set up on 12 January 2016 and was composed of the most representative employers' organisations: the National Council of Employers (CNP) and the trade unions CNTS, UNSAS, CSA and CNTS/FC, facilitated by government authorities. The social partners met on the issue several times between January 2016 and April 2018 to find a compromise between the employers' constraints and the expectations formulated by the workers' movement.

BUILDING STRATEGIC ALLIANCES

A coalition of trade union centres worked together to compile arguments and evidence to support increases to the SMIG/SMAG, drawing on official information including that of the National Agency of Statistics and Demography (ANSD) and the Consortium for Economic and Social Research (CRES). They developed a comparative analysis of minimum wages in African francophone countries which showed that no other country's minimum wage had been left for so long without a re-evaluation having taken place.

The arguments presented by unions also referred to the national and international legal frameworks. Domestically, the legislation that establishes the SMIG stipulates that it should be above the poverty line. Regarding international legal frameworks, unions in Senegal cited the provisions of ILO Convention No. 131 on Minimum Wage Fixing, which sets out that minimum wages should take into account the needs of workers and their families, among other factors, and that there should be a mechanism set up to regularly review the minimum wage together with social partners.

The high level of GDP growth rate, estimated at 7.2% in 2017, and the beginning of the exploitation of oil and gas as for 2021 were also pointed to as signals of economic prosperity,

providing the structural context favourable to the valorisation of the minimum wage.

The National Employment Survey of Senegal (ENES) conducted in the second quarter of 2016 by the ANSD showed that the average monthly salary of an employee is estimated at CFA 131033 or US\$ 233, far from the SMIG value of CFA 47700 until 2018. This survey also highlighted the gender pay gap and the inequalities within the regions. A higher minimum wage could contribute to tackling these disparities.

The successful use of evidence offered the trade unions a high degree of discursive power. This discourse was propagated through the press, gaining public support. Even though the unions successfully mobilised their societal power and gained public support, the functioning of the commission was contentious.

EASING OFF THE OPPOSITION FROM EMPLOYERS

The employer organisation National Council of Employers of Senegal (CNP) blocked the discussions, opposing any increase and arguing that the firms did not have the means to fund a wage increase and forcing them to do so would lead to dismissals and increase unemployment levels. They focused upon sectors which would be more severely affected by the minimum wage increase, such as security and hospitality.

After three years of heated negotiations, a compromise within the CNP was achieved through a strategy of easing the SMIG readjustment in three phases. This strategy sought to alleviate the impact of a minimum wage increases on small- and medium-sized companies by increasing it gradually, so that instead of a single sudden shift, enterprises would be provided with time to adapt.

UNBLOCKING THE FREEZE OF THE MINIMUM WAGE

A Memorandum of Understanding concluded between the most representative employers' organisation and trade union centres, and dated from 30 April 2018, established the hourly rate of the guaranteed interprofessional minimum wage (SMIG) for workers in professions subject to the legal working week of 40 hours as follows:

- 302.890 CFA francs as from 1st June 2018.
- 317.313 CFA francs from 1st January 2019.
- 333.808 CFA francs as from 1st December 2019.

The Joint Commission in charge of the work on the revaluation of minimum wages also decided on a single increase for the agricultural workers fixed at 213.392 CFA francs, which took effect on 01 June 2018.

After the tripartite compromise was reached in Dakar, the National Advisory Council on Labour and Social Security met on 11 May 2018 and Decree n° 2019-103 was signed by the competent authority on 16 January 2019.

This achievement was a result of the successful leveraging of a combination of institutional and

societal power by Senegalese trade unions. The defreezing of minimum wage values after 22 years of stagnation benefits minimum wage earners from agricultural and non-agricultural sectors. The scope is even broader when considering that, in terms of social protection, the minimum wage is used as a basis for calculating non-contributory benefits, such as the pensions for those with a permanent disability and their dependents.

Wages higher than the SMIG and SMAG are also set by joint committees for sectors covered by collective agreements. These agreements may be extended to cover all workers in the sectors concerned regardless of whether they are members of the union's party to the collective agreement. These rates have been adjusted much more regularly than the SMIG and SMAG and tend to establish the actual minimum rates applied in practice. The overall labour bargaining power on these committees has been increased, as proven by the terms of the collective agreements signed following the increase of the minimum wage.

Looking forward, unions face the challenge of ensuring that the minimum wage is periodically reviewed to avoid another long hiatus in its adjustment. Moreover, addressing the lower minimum wage level of agricultural workers through the SMAG is an important consideration for future discussions.

MALAYSIA

In 2012, Malaysia approved the Minimum Wages Order (MWO), establishing the country's first ever minimum wage. The order went into effect on 1 January 2013, covering all workers – locals and

migrants – except for domestic workers. Since its creation, the minimum wage has increased every two years and is playing an essential role in reducing working poverty and providing social protection to many vulnerable workers.

Trade unions, such as the Malaysian Trade Union Congress (MTUC) were central to building momentum for the establishment of the minimum wage, as they had started lobbying for the creation of a minimum wage five years earlier in 2007. Unions have accomplished their goal by aligning themselves with the government's development agenda, stressing that the country's transition from a middle- to a high-income country could be achieved by increasing wages and upskilling the workforce.

BACKGROUND

For years Malaysia's economic model was established on a low-cost production model that was based on low-skilled, low-wage labour.

After its independence in 1957, Malaysia was a rural country, with its economic model based on exporting primary goods such as rubber and palm oil. During the 1970s and 80s, the country went through rapid industrialisation, which transformed the labour market from high unemployment in the mid-1980s to full employment in the early 1990s. The domestic population did not suffice to satisfy the labour demand and the rapid economic growth was only possible thanks to a supportive immigration stance that overcame the labour shortage in the 1990s.

Following the 'race to the bottom' rationale, Malaysia looked to attract foreign investment by creating a reputation of abundant and readily available cheap labour for labour-intensive cost-saving production, even banning unions from the most important export-oriented industry. The result of decades of adherence to this economic agenda is a dependency on foreign capital, and industry with low value added to its products, with distortions discouraging industrial upgrades and most of its population living inadequately.

In its 10th Malaysian Plan, in 2010, Prime Minister Najib Razak proposed the New Economic Model (NEM), a plan to transform the Malaysian economy from a middle- to a high-income country by the year 2020, leaving no one behind. This required workers' incomes at the bottom tier to be raised via minimum wage as a policy instrument.

The objectives of the Minimum Wage Order 2012 were to:

- (1) Ensure the basic needs of workers and their families can be met.
- (2) Provide adequate social security to workers.
- (3) Encourage employers to move up the value chain by increasing the productivity of their employees through the use of technology and other innovations.
- (4) Reduce Malaysia's dependence on unskilled foreign workers.

By bearing higher wage costs, employers should be encouraged to shift towards innovative production, investing in new technology, greater productivity gains and moving up their value chain, raising competitiveness. The assumption was that companies would retain and hire more skilled and productive labour to cope with the increased labour costs. Furthermore, with a fairer wage, workers should feel more motivated to work and encouraged to take part in innovative, more productive methods. Overall, it should provoke a transition from labour-intensive to capital-intensive production.

Following these principles, the Minimum Wage Order that was adopted aimed both at improving workers' lives, fulfilling their basic needs, raising their standards of living, and through that, also facilitating the transformation

of the Malaysian economy to become a high-income nation. The policies are aimed to benefit the bottom 40% income groups (B40), under the slogan: 'we will help the B40'.

From a macroeconomic point of view, the minimum wage also contributes to economic growth by raising consumption, and supporting domestic demand, as low-income groups tend to have a higher propensity to consume.

Following its adoption, Malaysia ratified Convention 131 on Minimum Wage Fixing, making it the first and only country to ratify the convention in South-East Asia.

Until 2019, there were still two separate minimum wage rates in the country, one for Peninsular Malaysia, and another for the regions Sabah, Sarawak and the Federal Territory of Labuan. The governments' justification for this discrepancy is the existence of differences in the labour market in these areas. The unions had been opposed to such territorial differences and, in 2019, they were key to the unification into one single national rate.

According to the National Wage Consultative Council, the minimum wage benefited 3.2 million private sector workers now of its adoption, which is close to one-third (27%) of the workforce nationally. By economic sector, the agriculture industry was the most affected, as 43% of workers in the sector received wages below the minimum wage prior to the implementation of the policy.

The minimum wages order applies to all employers in Malaysia. The scope covers all sectors except domestic workers. Trade unions continue to defend the extension of the coverage to include the domestic workers' sector.

MINIMUM WAGE FIXING MECHANISMS

According to the Minimum Wage Order, the competence of minimum wage setting is exclusive to the government. However, the public authorities should take into consideration the recommendations made by the National Wages Consultative Council, a tripartite advisory board.

The Council was set up by the National Wages Consultative Act of 2011 and is composed of an independent chairperson, a deputy chairperson, a public officer acting as secretary, five workers' representatives, five employers' representatives, five public officers, and five other members.

The Minimum Wage Order mandates reviews of the minimum wage value every two years. The Council has suggested a formula to calculate minimum wage readjustments that take into consideration variation in the cost of living, competitiveness, employment levels and poverty line statistics as guiding criteria. The Council meets at least four times per year and organises consultations on rate and coverage, it can order technical experts to collect and analyse data; conduct and disseminate research on wages and other socio-economic aspects.

Compliance is guaranteed by labour inspectors, failure to comply with the law results in a fine of up to US\$ 2,544 USD (MYR 10,000) and possible imprisonment. Fines are increased for repeat offenders.

A grace period was given to ease the impact of the minimum wage to SMEs' employers with less than five employees to apply a deferment implementation of this policy until January 2023. A similar concession was granted during the Covid-19 pandemic for SMEs which could prove

their inability to observe the Minimum Wage Order. However, even during the pandemic, the priority was to opt for the valorisation of the minimum wage as a measure to restabilise the wages at the bottom half of the pay scale, also helping companies by preserving the consumer base.

TRADE UNION ACTION

The MTUC kicked off their campaign for the creation of a minimum wage by aligning themselves with academics to lobby with ministers and members of parliament. The campaign defended the necessity of a minimum wage using statistics about the poverty levels and living wage costs, based on data produced by public institutions such as the Central Bank and the Malaysian Institute of Economic Research. The trade union's position was crucial in this contested terrain to gather more attention to family earnings and the difficulties of making ends meet because of the low-wage policies, which were worsened over time by the discrepancy between growing inflation levels and wages.

The trade unions took part in the discussions to prepare the 10th Malaysian plan when deciding which indicators were to be taken into consideration in the development agenda. They also participated in the discussions with the World Bank, counting on their team of international experts when receiving advice on how to make the transition from a medium- to a high-income country.

The debate around the minimum wage became an important agenda in every election from 2009 onwards, with candidates looking to attract working-class voters and small- and medium-sized entrepreneurs and their families. The trade union influence was seen in the labour-aligned position of politicians and political parties.

The MTUC engaged in discussions to face the opposition of employers' associations to the creation and subsequent increase of the value of the minimum wage. When faced with the threat of investors leaving the country, the union's counterargument was that prospective decisions on where to invest are made by considering several important factors, such as infrastructure, political stability, low corruption, an English-speaking workforce, and the provision of upskilling training to workers, rather than solely based on low wages.

After the adoption of the Minimum Wage Order, trade unions have engaged in the tripartite social dialogue via the Minimum Wage Council, providing recommendations on the readjustments, and deciding on the components of the poverty line indicator. They also take part in other committees governing the skills development agenda in cooperation with the Human Resources Development Fund.

Over the course of negotiations there were instances when the dialogue failed, and the trade union took the streets to demand an increase in the minimum wage. This was the case in 2018 when a gathering took place in front of the parliament. In that case, the MTUC demanded the minimum wage to be fixed at 1500 ringgit, and 300 ringgit for the cost-of-living allowances. The minister only agreed to gradual increases every year, starting with 1100 ringgit to take effect in 2019.

ADDRESSING THE EXCLUSION OF MIGRANT WORKERS

The Minimum Wage Order was also aimed at reducing the reliance on foreign workers. Foreign workers are vulnerable to exploitation, they are in a less powerful position when bargaining wages and work conditions because they are usually bound legally to a single employer, have incurred debt to migrate, and

face difficulties in accessing justice when suffering violations of their rights. This is especially true of undocumented migrant workers. Their vulnerable status often forces them to accept bad working conditions, provoking a depression on overall wages. As a result, there is a displacement of local talent to higher-paying employment countries, culminating in a brain drain for Malaysia.

Considering the distortions to the economy that come because of this dependency on foreign labour, some public policies, however, have had xenophobic connotations. During the negotiations to adopt the minimum wage, it was first thought that the minimum wage applied only to Malaysian local workers and excluded migrant workers. It was necessary for trade unions to call for compliance with the ILO Convention on non-discrimination, to guarantee coverage for all workers, independent of their migration status.

Employers of migrant workers must pay an annual levy for each worker; the rates depend on the sector employed. After the adoption of the Minimum Wage Order, employers were allowed by the government to deduct the cost of the levy, and other expenses incurred

by employers to recruit and bring in migrant workers, such as accommodation, from foreign workers' salaries. Approvals were given by the government with no consultation or agreement of the worker or their unions.

In February 2013, in a joint statement, a group of 75 civil society organisations and trade unions – including the MTUC – called on the government to withdraw the discriminatory decision that allowed deductions from migrants' wages, burdening them and preventing them from benefiting from the minimum wage policy. Since January 2014, the minimum wage is fully in force and applies equally to locals and migrants.

The equalisation of minimum wages across regions in Malaysia, as well as the coverage of minimum wages to migrant workers, were important measures to help achieve a wage floor for all Malaysian workers. A remaining challenge is to end the exclusion of domestic workers from the minimum wage.

Annex I: Acronyms

ACRONYMS

ANC	African National Congress
ANSD	National Agency of Statistics and Demography
ARS	Argentinian currency - pesos
BEL	Bulletin of Labour Statistics from Argentina
CGA	General Collective Agreement
CGE	Computable General Equilibrium Model
CGT	General Confederation of Labor from Argentina
CGT	Central Workers of Costa Rica
CICR	Costa Rican Chamber of Industry
CITUB	Confederation of Independent Trade Unions of Bulgaria
CMTC	Central of the Costa Rican Workers Movement
CNP	National Council of Employers of Senegal
CNTS	National Confederation of Senegalese Workers
CNTS/FC	National Confederation of Senegalese Workers/Forces of Change
COSATU	Congress of South African Trade Unions
CPI	Consumption Price Index
CRC	Costa Rican currency - Colón
CRES	Consortium for Economic and Social Research
CSA	Confederation of Autonomous Trade Unions
CSJMP/ANEP	Juanito Mora Porrás Trade Union Federation (CSJMP); National Association of Public and Private Sector Employees (ANEP),
CTA	Argentine Workers' Central Union
CTA-A	Autonomous Argentine Workers' Central Union
CTRN	Confederation of Workers Rerum Novarum
CUT	Unitary Confederation of Workers
DSLII	Decent Standard of Living Index

ENES	National Employment Survey of Senegal
EO	Employers' Organization
ESC	Economic and Social Council from North Macedonia
EU	European Union
FAO	Food and Agriculture Organization
FCFA	Senegalese currency - Franc
FEDUSA	Federation of Union of South Africa
GDP	Gross Domestic Product
GLWC	Global Living Wage Coalition
ICTWSS	Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts
ILO	International Labour Organization
INDEC	National Institute of Statistics and Census from Argentina
INEC	National Institute of Statistics and Censuses
ISTUR	Institute for Social and Trade Union Research Bulgaria
JNPSNC	National Public Service Negotiating Council from Nigeria
KSOM	Confederation of Free Trade Union Organizations of Macedonia
KSS	Confederation of free trade unions of Macedonia
LRS	Labour Research Service from South Africa
MAN	Manufacturers Association of Nigeria
MKD	North Macedonian currency - denars
MTEYSS	Ministry of Labour, Employment and Social Security from Argentina
MTUC	Malaysian Trade Union Congress
MW	Minimum Wage.
MWO	Minimum Wage Order
MYR	Malaysian currency - ringgit
NACCIMA	Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture
NASME	Nigeria Association of Small and Medium-Sized Companies
NEC	National Executive Council
NECA	Nigerian Employers Consultative Association

NEDLAC	National Economic Development and Labour Council
NEM	Malaysian New Economic Model
NGN	Nigerian currency - naira
NLC	Nigerian Labour Congress
NMWA	National Minimum Wage Act
NSI	National Statistics Institute
OECD	Organisation for Economic Co-operation and Development
PPT	accreditation of prior achievement
SACTU	South African Congress of Trade Unions
SASPRI	Southern African Social Policy Research Institute
SDSM	Social Democratic Union of Macedonia
SMAG	The Minimum Agricultural Wage (SMAG) is the minimum wage below which no wage in the agricultural and similar sectors can be paid. It is also determined by regulation.
SME	Small and Medium Sized Enterprise
SMIG	The guaranteed interprofessional minimum wage (SMIG) is the minimum wage below which no employee from non-agricultural sectors can be paid. The public authorities determine it.
SPII	Studies in Poverty and Inequality Institute
SSM	Federation of Trade Unions of Macedonia
TUC	Trade Union Congress
UCCAEP	Costa Rican Union of Chambers and Associations of the Private Business Sector
UDWOSA	United Domestic Workers of South Africa
UNA	Costa Rican National University
UNSAS	National Union of Autonomous Trade Unions of Senegal
US\$	Currency - US Dollar
ZAR	South African currency - Rand

Annex II: Key references

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