Wage Protection Legislation: Transcending the “To Be or Not to Be” Minimum Wage Debate

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Why is Wage Protection a Concern in the 21st Century

- Wage payment & remuneration: Surely a “fait accompli”?  

- Different reasons for problem of wage compliance & wage arrears:
  - Poor institutional development (Africa)
  - Great socio-economic upheaval (Russia)
  - Industrialised countries (Employer avoidance)

- Affects more than workers: Families, Migrants, & economies (local to national)
Wage Protection Legislation: International Standard to National Legislation

- ILO Protection of Wages Convention, 1949 (No. 95)
- Trans-national legislation: EU Directives 91/553/EEC & 2002/74/EC
- Convention as proxy for wage protection legislation: 95 Countries with WPL
Countries Ratifying ILO Protection of Wages Convention, No. 95 (1949)

- Afghanistan
- Albania
- Algeria
- Argentina
- Armenia
- Austria
- Azerbaijan
- Bahamas
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bolivia
- Botswana
- Brazil
- Bulgaria
- Burkina Faso
- Cameroon
- Central African Republic
- Chad
- Colombia
- Comoros
- Congo
- Democratic Republic of the Congo
- Costa Rica
- Côte d’Ivoire
- Cuba
- Cyprus
- Czech Republic
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- France
- Gabon
- Greece
- Grenada
- Guatemala
- Guinea
- Guyana
- Honduras
- Hungary
- the Islamic Republic of Iran
- Iraq
- Israel
- Italy
- Kyrgyzstan
- Lebanon
- Libyan Arab Jamahiriya
- Madagascar
- Malaysia
- Mali
- Malta
- Mauritania
- Mauritius
- Mexico
- Republic of Moldova
- Netherlands
- Nicaragua
- Niger
- Nigeria
- Norway
- Panama
- Paraguay
- Philippines
- Poland
- Portugal
- Romania
- Russian Federation
- Saint Lucia
- Saint Vincent and the Grenadines
- Senegal
- Sierra Leone
- Slovakia
- Solomon Islands
- Somalia
- Spain
- Sri Lanka
- Sudan
- Suriname
- Swaziland
- Syrian Arab Republic
- Tajikistan
- Tanzania
- United Republic of
- Togo
- Tunisia
- Turkey
- Uganda
- Ukraine
- Uruguay
- Bolivarian Republic of Venezuela
- Yemen
- Zambia
What are the Issues?

- Asymmetric Information: Legal Theory 0, Economic Theory 1

- Asymmetric Information can lead to monopsony

- Compliance: Law is there, but economic incentives are not

- Labour compliance mechanisms: Know penalties exist, don’t know how they function
Legal & Policy Recommendations

- One word: Information, Information, Information
- Acknowledge that other disciplinary theories my strengthen WPL
- Use pyramid of compliance, but reconsider who contributes (i.e. tax authorities)
- Create a name & shame list for sanctions (if private shame is not enough, perhaps public shame is)
- Create legal mandates for accurate record keeping of sanctions