



International
Labour
Organization



Setting
Adequate
Wages

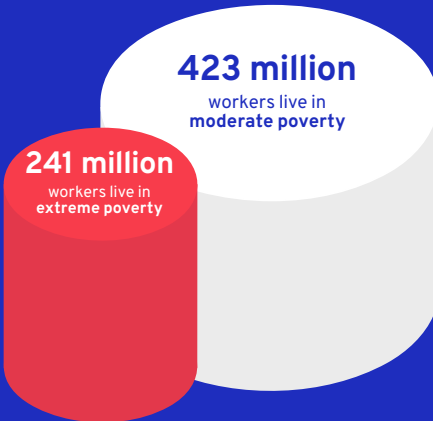
SAW Project

Setting Adequate Wages



► Context

Millions of workers across the world continue to earn very low wages, forcing them to live in poverty. More than:



(Source: ILOSTAT, ILO modelled estimates, November 2023).

Minimum wages, either statutory or negotiated, are fundamental to address the issue of low pay. However,

- **57 million wage earners** live in countries without a minimum wage and
- **266 million wage earners** around the world earn less than existing minimum wages.

(Source: Global Wage Report).

Decent wages are central to economic and social development and essential in reducing poverty and inequality, as well as in ensuring a decent and dignified life and in advancing social justice.



► Objective

The **Setting Adequate Wages (SAW)** Project seeks to support wage setting mechanisms, including minimum wages and collective bargaining, in making a stronger use of data and evidence on the needs of workers and their families and economic factors. The project also contributes to identify national factors and conditions that enable wage increases at the macro-level, and supports measures to raise productivity in selected supply chains. Finally, the project contributes to raise awareness on living wages, provides technical assistance to constituents in this regard, and engages with existing living wage initiatives to promote alignment with ILO living wage principles.



► Strategic framework

PILLAR 1

Support wage setting mechanisms

Making a stronger use of data and indicators in the determination of adequate wages in existing wage setting mechanisms.

INTERVENTION RESULTS:

- 1.1. Minimum wage settings are based on relevant indicators of the needs of workers and their families and economic factors.
- 1.2. Social partners use information on the needs of workers and their families and economic factors for meaningful and informed collective bargaining of wages.
- 1.3. Compliance with statutory and negotiated wages is improved.

ACTION AREAS:

- **Generate evidence** to inform wage-setting processes and to promote compliance with statutory or negotiated wage rates.
- **Provide training** to governments and social partners on the use of evidence on the needs of workers and their families and economic factors in wage-setting processes.
- **Promote social dialogue** around evidence-based wage setting processes through consultations and workshops.



PILLAR 2

Enable wage growth

Identifying macroeconomic factors and conditions that enable wage growth, and support enterprises and social partners in selected supply chains to raise productivity and pay higher wages.

INTERVENTION RESULTS:

- 2.1. Productivity and wages are improved in enterprises in selected supply chains.
- 2.2. Macro factors and institutions that support and enable rising wages are assessed.

ACTION AREAS:

- ▶ **Close knowledge** gaps on macro factors affecting wage growth.
- ▶ **Provide training** to selected enterprises on ways to increase productivity and wages, and support them in implementing identified changes.
- ▶ **Document and disseminate** good practices on linking wages and productivity.



PILLAR 3

Engage with living wage initiatives

Raising awareness on living wages, providing technical assistance to constituents, and engaging with existing living wage initiatives to promote alignment with ILO living wage principles.

INTERVENTION RESULTS:

- 3.1. Governments and social partners have a better understanding of living wages.
- 3.2. International and national living wage initiatives follow ILO living wage principles.

ACTION AREAS:

- ▶ **Carry out research and raise awareness** on living wages.
- ▶ Develop and disseminate the **ILO methodology to estimate living wages**.
- ▶ **Engage with existing living wage** initiatives to promote alignment with ILO living wage principles.



► Countries covered



► Costa Rica

► Côte d'Ivoire

► India

► Viet Nam

► Timeframe

From October 2022 to September 2026



2022



2023



2024



2025



2026



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For more information,
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