



POINT OF VIEW



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The Living Wage in New Zealand

The campaign to set new standards for wage levels in NZ began three years ago and, now, in 2015, an independent broad-based movement can claim to have put the concept of the Living Wage on the employment and political agenda. The Living Wage Movement Aotearoa NZ is a membership-based society with nearly 70 fee-paying organisations and an accreditation system that enables over 40 small, medium and large businesses to bare the trade mark of Living Wage Employer.



A number of important principles underpinned the development of this campaign and remain key to its success. Firstly, the initiative is not aligned to any political party, although the campaign has impacted on election pledges of three parties to date. The role of political parties in the Movement is to listen to civil society and adopt policies that enable the state sector to lead by example in government employment and procurement practices and also to support businesses which chose to adopt the Living Wage. Secondly, the concept of the Living Wage is owned by the community, which determines the criteria for accreditation and works hard to protect the brand. Thirdly, the activity emerges through the local organisation of civil society, which is represented at all levels of the Movement through three identified streams: faith-based religious groups, community/secular groups, and trade union groups.

The Living Wage Movement emerged because of the failure of the “market,” through individual and collective bargaining, to deliver working people a decent income. The issue of the poverty of hard working New Zealanders, young and old, skilled and unskilled, resonated across civil society, where church leaders, migrant and former refugee groups, unionists and health professionals, Pacific and Maori organisations were supporting workers and their families to cope with the consequences of inadequate incomes. The Living Wage Movement provided a mechanism to express collective concern and to organise the diverse voices of civil society for a just wage. In this sense, it is a project of democracy and is designed to create relationships that can be sustained beyond the life of the Living Wage.

Drawing on international experience the Living Wage rate (currently \$19.25/hour) is independently determined by the Family Centre Social Policy Research Unit in Wellington and employers must meet four criteria to become accredited, including that all contracted workers delivering services on a regular and ongoing basis are paying the Living Wage rate. Further, and controversially, employers must provide access to a union. Unions are public institutions for the enforcement of workplace rights and therefore are appropriate means to monitor the Living Wage.

The Living Wage Movement does not seek to raise the Minimum Wage but organises the voice of the community to win a liveable income in institutions funded by public money, such as local councils, and in large businesses with the means to pay. The Living Wage is a voluntary concept which many small employers have embraced. Sadly, large employers, with much greater resources, have resisted. The commitment of small businesses was unexpected but it suggests that the biggest hurdle may be the will, rather than the ability, to pay. One small business said the first step was to make the decision to pay a Living Wage and the second step was to work out how it could be done. They are now in their second year of accreditation in a highly competitive industry. The Living Wage rate is not up for negotiation by businesses that want to pay a little less or to pay a Living Wage to less than all the workers for whom they are responsible. The Living Wage belongs to the community and, because of that, it is here to stay for as long as the community sees a need for working New Zealanders to earn enough to fully survive and participate as active citizens in society.

This is the fourth ‘Point of View’ column in the MPOWER newsletter. Please contact us if you’d like to make a submission. ‘Point of View’ features express the opinion of their author, and not necessarily that of MPOWER or its members.

Nb: MPOWER empirical research on the Living Wage was recently presented at the Movement’s AGM (see p. 6). Findings from this study will also be presented at the HRINZ Executive HR Forum on 20 November (p. 13).