

The Living Wage

Donald Hirsch and Laura Valadez-Martinez

Agenda Publishing

Newcastle upon Tyne

2017

ISBN 978-1-911116-46-2

Keywords Pay, Labour, Laws and legislation, National economy

Review DOI 10.1108/ER-07-2017-0178

The construct of a “living wage” is one that has resonated across the industrialised nations since ideas of waged labour emerged. The promotion and enforcement of a “living” wage is grounded in achieving fair rates of pay, but also includes the reduction of poverty, hardship and disease. These ideas underpin the necessity for a recognised and enforceable “living wage”. The “living wage”, therefore, is more than an idea or aspiration for modern economies; it entails wider debates around, for example, productivity in the economy, morality in paying a wage that protects worker interests and the maintenance of legal enforcement regimes to ensure its relevance. Important too are the questions about how we interpret the distinctions between minimum (i.e. compulsory) and living (i.e. adequate) wages. As campaigns for living wages gain support with workers and government’s, demands are made for legislating for higher minimums. The balance must then be reached to implement wages that do not have a damaging impact upon employment. This situation is starkly revealed by the UK care sector which estimates that the national minimum wage (NMW) will add £300 million to local authority care costs in 2016/2017, rising to £800 million by 2020 (Local Government Association, 2015). Studies show that care workers are likely to be paid below the NMW alongside increasing trends towards zero hours contracts (Bessa *et al.*, 2013).

Donald Hirsch and Laura Valadez-Martinez have written a comprehensive review of the history, development and implementation of the “living wage” in the global industrialised economies. This book informs the reader about the origins, enactment and expectations for the “living wage” positioned against the diverse backgrounds of economic and social changes in the global economy. The authors’ own views are that the “living wage” is an “hourly rate of pay considered sufficient to produce an acceptable standard of living”. However, their own analysis in later chapters shows the many ways in which the “living wage” impacts upon modern workers. The chapters are organised in a logical and structured fashion that allows readers to understand why realising the “living wage” is now a global movement, with interesting analysis of relevant debates upon incomes and social policy alongside those of sustainable living.

The book provides a thematic approach to the “living wage” encompassing its history, its public advocates and promoters. There are examples of metrics used to define a “living wage” – for example, household expenses and budgets, or definitions of poverty – highlighting that the need for a “living wage” can be linked to numerous working conditions and economic circumstances.



What the book does with efficiency is to identify the complexities of settling upon a workable estimate of a “living wage”. The narrative identifies the challenges posed because of the possibility of a fragmented implementation of wages locally and nationwide, allowing some employers to discount or avoid the “living wage” at their own workplaces. The reader is provided with an insightful and detailed review of pathways to a “living wage” in the UK, North America and Australasia. We are, for example, guided through the efforts of the Living Wage Commission in the UK, and also the “fight for \$15” campaign in the USA (Rosenblum, 2017), which has taken hold in many federal states.

A comprehensive approach to adopting the “living wage” is explained as the raising of the compulsory minimum wage rates to levels portrayed as a “living wage”, with, for example, the UK expected to achieve a 38 per cent real terms increase over the period 2015-2020. As the authors note, installing a legally enforceable minimum wage is measurable and certain, whilst securing “living” wages is a dynamic process with changes reflecting societies’ norms and values. What we are prepared to support as a “living wage” perhaps reveals what we as citizens see as decent living standards for all, irrespective of their position or working conditions.

The chapters guide the reader through the processes of recognising the “living wage” in different jurisdictions (Chapter 1), and then describing the various movements that support its continuance in numerous economies (Chapter 2). Further chapters review interesting perspectives upon, for example, the impact of free market philosophies such as the “wage floor” upon minimum wages (Chapter 3). The interactions between wages and the elements affecting whether households have adequate incomes to decently live on is debated in a contemporary review of the means employed at state level to achieve these objectives (Chapter 4). This enlightening chapter shows how social protection in the form of welfare payments interacts with the state’s intention to make the activity of work itself both worthwhile and rewarding financially. The final chapter (Chapter 5) takes four themes to consider the issues, dilemmas and choices presented to society by the continuance of the “living wage”, assessing whether or not it will remain economically viable in the long term.

This book is an overdue synopsis of many debates concerning the “living wage” and presents informed views about its viability in modern economies in an engaging and thought-provoking manner.

Jereme Snook

Department of Business and Management, Sheffield Hallam University, Sheffield, UK

References

- Bessa, I., Ford, C., Moore, S. and Stuart, M. (2013), *The National Minimum Wage, Earnings and Hours in the Domiciliary Care Sector*, University of Leeds: Commissioned by the Low Pay Commission, London.
- Local Government Association (2015), *Adult Social Care, Health and Wellbeing Spending Review Submission: A Shared Commitment*, Association of Directors of Adult Social Services, Future Funding, spending review submission, London.
- Rosenblum, J. (2017), *Beyond \$15, Immigrant Workers, Faith Activists and the Renewal of the Labor Movement*, Beacon Press, London.