

September 2016

PROMOTING LIVING WAGES FOR AGRICULTURAL WORKERS



Sustainable Agriculture Network

Despite the fact that agricultural workers perform some of the most important jobs in the world – providing sustenance while stewarding natural resources for humankind – globally, they remain among the poorest paid workforces. Recognizing this reality, Standard Systems along with non-profit organizations, donor governments, and some pioneering brands have begun calling for a shift toward living wages for agricultural and other workers. As leaders in social and environmental sustainability, the Sustainable Agriculture Network (SAN) and Rainforest Alliance work to improve livelihoods for farmers and farm workers. This includes an honest, practical approach toward living wages.

Rainforest Alliance Certification – which requires compliance with the Sustainable Agriculture Network (SAN) Standards – has long provided a recognized mechanism to protect workers’ rights, meet basic needs, and provide fair and safe working conditions. The new 2017 version of the SAN Sustainable Agriculture Standard takes this commitment to workers one step further, by requiring demonstrated progress toward living wages. It does this pragmatically using a basic needs approach that is achieved through a combination of critical and new “Continuous Improvement Criteria”, with planning processes for living wage payments led by the certified operation.

In the revised version of the SAN Standard, the “Critical Criteria” (meaning those criteria with which full compliance is a prerequisite for certification) on wages have been updated and now include the criterion on overtime pay, which was previously non-critical. The standard states that, *all workers receive no less than the legal minimum wage or wages negotiated collectively, whichever is higher*, and in-kind benefits are not to exceed 30% of the total wage amount. *All overtime is paid at the rate required by law or as collectively negotiated, whichever is higher*, and where no legal rate is established, *overtime is paid at 1.5 times the regular pay rate*.

In addition, all workers shall have access to potable water and decent housing (when housing is provided). Discrimination in hiring practices or wage rates is strictly prohibited (including, maintaining wage rates for pregnant and recently delivered women reassigned to lower-risk jobs). Workers have the right to organize and are provided grievance mechanisms to, among other things, object to paid wages and have their objections reviewed. Additionally, employers cover the cost of work-related gear, equipment or trainings.

Continuous Improvement Criteria recognize that meaningful, lasting change often requires a longer timeframe. This group of criteria thus establishes three levels through which farms and farmer groups must progress. These are levels **C** (good), **B** (better), and **A** (best) -with level A being the highest measure of sustainability. More extensive updates on wages are found in these Continuous Improvement

Living wages are remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, housing, education, health care, water, transport, clothing, other essential needs including provision for emergencies and unexpected events (Global Living Wage Coalition)

Living wage benchmarks are the calculated value of living wages. The benchmarks that apply to the SAN Standard are established by the Global Living Wage Coalition using the Anker Methodology and have been validated through multi-stakeholder processes.

Criteria. They fall into two categories- 1. criteria that apply regardless of whether living wage benchmarks exist for the location, and 2. criteria that apply once living wage benchmarks do exist for the location¹.

The following Continuous Improvement Criteria apply regardless of the existence of living wage benchmarks:

Housing

- **C 4.28:** Enhanced requirements for employer-provided worker housing (consistent with ILO Guidance on Workers' Housing Recommendation 1961 (No. 115)).
- **B 4.30:** Additional requirements for employer-provided worker housing that exceeds the ILO Guidance on Workers' Housing Recommendation No. 115, including provisions to further heighten safety for women and children.
- **A 4.32:** Additional requirements for employer-provided worker housing, including space for recreation and drying clothes and upgraded sanitation and washing facilities.

Health care and education

- **C 4.29:** Farm management and group administrators develop and implement plans to provide workers and their families access to health care and education.
- **B 4.31:** Access to health care and basic education for all workers.

Cash wages

- **A 4.27:** Increase in inflation-adjusted cash wages at least annually.

Other remuneration benefits include paid vacation, minimum overtime pay, maternity leave, and flexible working schedules for pregnant, nursing, and new mothers.

The second category of Continuous Improvement Criteria applies only under the condition that a living wage benchmark is available:

- **C 4.29:** Farm management and group administrators negotiate, document, and implement a living wage plan with workers or through a collective bargaining agreement procedure
- **A 4.33:** Living wage paid to all workers. Payment may include in-kind remuneration, pursuant to the plan in criteria C 4.29.

Taken in its totality, 90% of all level C criteria in the SAN Standard must be met by year 3. 90% of level B criteria and half of all level A criteria must be met by year 6. This provides flexibility for producers who find it challenging to fully achieve some of the level A criteria, including payment of living wages, within a six year timeframe, whilst advancing across all sustainability outcome areas.

¹ Living wage benchmarks can be found at www.globallivingwage.org

Living wages represent a meaningful approach for improving the lives and livelihoods of agricultural workers. The road toward living wage realization will have obstacles, which can only be overcome through collaboration within and across sectors. Critical to the SAN/RA approach is its active membership in the Global Living Wage Coalition. Rainforest Alliance and Sustainable Agriculture Network are working with five other standards systems – Fair Trade International, Forest Stewardship Council, Goodweave, Social Accountability International and UTZ, along with ISEAL Alliance and living wage experts Richard Anker and Martha Anker, to establish – through research and local verification/consultation – the first living wage benchmarks using a consistent, objective, and agreed-upon approach across all focal countries. These wage benchmarks serve as a common guidepost for all the member standards systems and certification schemes, as well as participating farms, farm workers and companies.

Just as SAN/RA is committed to workers' wellbeing, we remain committed to supporting our community of farms and group administrators with contracted workers that have made the conscious decision to produce sustainably. We believe that successful implementation of living wages can meet the best interests of farms and farm workers alike, if done thoughtfully and collaboratively with a clear understanding of economic viability and long-term benefit.

To support farms' movement toward living wages, SAN and Rainforest Alliance are developing in-person and online guidance materials, and are available to answer questions and provide additional support on development of implementation plans.

The full SAN Sustainable Agriculture Standard includes additional, rigorous, criteria on human rights and labor practices that are not discussed in this paper. It is available from www.san.ag