



The B4IG Coalition accelerates action on the Living Wage

In June 2021, Business for Inclusive Growth (B4IG) published a [statement](#) calling on the global business community to support efforts toward closing the living wage gap. By taking a public stance on living wage, member companies decided to make it a priority and committed to take action to achieve living wages. Since then, our coalition has been working with OECD, key stakeholders, including living wage pioneers, NGOs, and business organisations to enable companies to learn from their peers and share best practices to advance on the journey.

In this race to the top, and aligned with B4IG members' [pledge to inclusive growth](#), we believe that it is the responsibility of businesses to address inequalities. Ensuring that workers are provided with a living wage will be one of the most effective ways to lift people out of poverty and contributes to a decent standard of living, delivering on the 2030 UN Sustainable Development Goals in the "Decade of Action".

In today's context of recurring crises and growing inequalities, addressing living wages is more necessary than ever as many workers find that being employed does not give them and their families a way out of poverty. Inflation has highlighted how crucial businesses are to ensuring a decent quality of living and acting as a catalyst in eradicating poverty. Recent [studies](#) have reinforced the case for the living wage by demonstrating its benefits for companies, including fostering a more motivated and productive workforce, and reducing staff turnover rates.

The topic has been gaining momentum within the business communities and beyond. More and more business coalitions, companies and NGOs are addressing it in their actions and publications. The ILO, several governments and the European Union take the concept into account and work on it.

We are now entering a new phase. In addition to helping companies advance on the living wage by sharing best practices and knowledge to foster engagement and education, we also recognise that a key aspect of the journey is about individual companies taking action. It is about companies working to identify the gap towards a living wage in their organisations and making a commitment to provide a living wage not only to their own employees, but also to ensure that workers in their supply chains can also have access to living wages as an essential component of decent work.

The coalition collectively welcomes the campaign launched by the United Nations Global Compact (UNGC) as a step in the right direction for companies to advance living wages and incomes in their own operations and supply chains. As such, we encourage members companies and beyond to individually sign up to the targets:

1. Ensure that 100% of employees across the organization earn a living wage by 2030.

and / or

2. Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.

We also call on other organisations to take similar action.

About B4IG

Business for Inclusive Growth (B4IG) is a global CEO-led coalition of major companies fighting against inequalities of income and opportunity. With the OECD as its strategic partner, B4IG coordinates with governments to scale up business action on inequality. More information on <http://www.b4ig.org/>.

The opinions and arguments expressed herein are those of the authors and do not necessarily reflect the official views of the OECD or its member countries.