

# Key strategies to win a minimum living wage

Drive regional and national campaigns to introduce or increase the minimum wage by implementing key findings of ITUC research on minimum wage gains across eight countries.



# The cost-of-living crisis has impacted workers across the globe and, in both advanced and emerging economies, workers are calling for higher wages to help them meet the rising costs of energy, food, accommodation and transport.

According to the World Bank's latest figures, between October 2022 and January 2023, high inflation continued to impact almost all low- and middle-income countries, with inflation levels above 5% in 83.3% of low-income countries, 90.2% of lower-middle-income countries, and 91% of upper-middle-income countries, with many experiencing double-digit inflation.

For the poorest households, such rising costs have been devastating. The latest [ILO Global Wage Report](#) emphasised the importance of adequately adjusting minimum wages to avoid the poorest households being hit the most severely by any further shocks. Here is one area where unions play a vital role.

Minimum living wages are a key element of the ITUC's [New Social Contract](#), and ITUC support for affiliates' campaigns for higher wages is a commitment within the [Congress Statement](#) adopted in November 2022. In the report [Winning a pay rise: union strategies for securing minimum living wages](#), ITUC research carried out in eight countries across varied regions,

revealed crucial strategies employed by unions to win increases in the national minimum wage and notably, as in the case of South Africa, the historic introduction of a national minimum wage.

Some employers falsely claim that minimum wages are detrimental to employment and growth. In fact, adequate minimum wages provide an important floor for wages in general across the economy. The report highlights how, within their campaigns and negotiations, unions successfully highlighted the broader economic benefits of minimum wages to win public support and push back on prevailing government and employer narratives that blocked progress. The study offers examples from Nigeria and Bulgaria where minimum wage increases have led to higher levels of collectively negotiated wages above the minimum, refuting the claim that minimum wage increases crowd out collective bargaining gains. The study, in fact, emphasises the complementarity of national minimum wage floors with broad-

based collective bargaining which can together enable fair pay rises above the minimum.

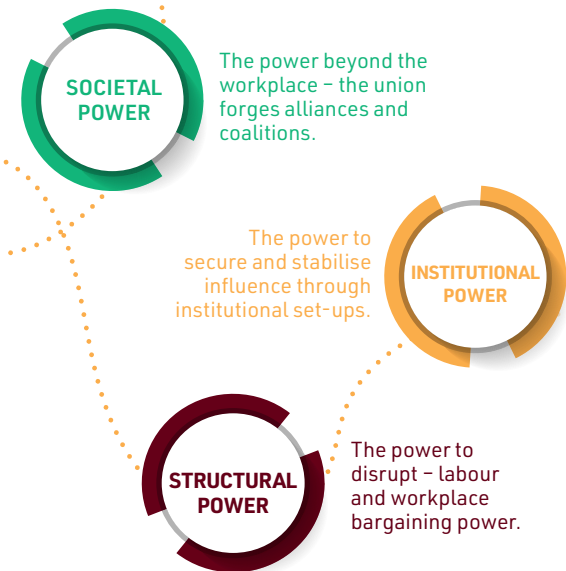
**The Nigerian Labour Congress (NLC)**, developed evidence on the macroeconomic benefits of increasing minimum wages and found that wage rises for low-income workers increased the propensity to consume, leading to higher aggregate economic demand, and higher labour productivity.

The research accentuates the vital role unions can play in campaigning for a minimum living wage in their regions and countries. By compiling supporting evidence, launching public campaigns, using international labour standards to back their demands and, where necessary, taking industrial action, unions can be a driving force of positive change for their members, communities, and societies.

The ITUC believes the world needs a pay rise and that unions help workers to achieve it.

## Union power: four key organising strategies

Unions can work across four vital fronts to achieve their members' aims<sup>1</sup>:



These four power resources can be strategically leveraged by unions to actively engage in political processes, such as negotiating, campaigning and lobbying decision makers.

## Union wins: case studies in campaigning

The report looks at eight countries where unions successfully deployed the four organising strategies at different points of their campaigns to achieve their goals: Argentina, Bulgaria, Costa Rica, Malaysia, Nigeria, North Macedonia, Senegal, and South Africa.

Despite individual differences in national context, unions deployed the strategies to raise public awareness and support for introducing a minimum wage or significantly increasing the

The power of the union as an organisation based on strong member participation and union democracy.



<sup>1</sup> Schmalz et al. (2018) The Power Resources Approach: Developments and Challenges.

minimum wage and expanding the number of workers it covers; to build data-driven cases for negotiations; to use international labour standards to justify demands and to mobilise members to take industrial action where necessary.

In **South Africa** unions successfully campaigned for the introduction of a minimum wage for the first time in the country's history, while in **Bulgaria** and North **Macedonia**, unions demanding a significant raise to the minimum wage, used their own cost of living estimates to highlight the inadequacy of the existing minimum wage in meeting workers' basic living costs. However, in all these cases, the strength of the trade union movement and its capacity to organise was crucial to winning higher wages.

## Estimating the cost of living

Unions leveraged their **associational power** and their **societal power** by carrying out their own research to ballast campaign aims, and by forging alliances with credible academics and progressive thinktanks. This enabled them to present irrefutable evidence during tripartite wage negotiations and to counter employer and government narratives that block minimum wage rises.

**Bulgaria:** The Confederation of Independent Trade Unions of Bulgaria (CITUB) has published its own data on the cost of living, otherwise known as the 'living wage,' since 1979 to inform wage setting discussions and public discourse on the adequacy of wages.

Every quarter, the Institute for Social and Trade Union Research (ISTUR) presents a press conference on the cost of living according to its own methodology, based on a consumer basket of goods and services that represents the necessary costs for a standard, four-member household. The calculation has become an accepted reference for the cost of living that informs policymaking in Bulgaria. The steady increase in the value of the minimum wage in Bulgaria in recent years demonstrates the effective application of **societal power** by the CITUB, expressed by its ability to successfully intervene in public debates with a high degree of discursive power and public pressure.

## Public campaigns

Unions deployed their **societal power** and their **institutional power** through campaigns to raise public awareness of the topic and through applying their influence in institutional settings to drive through their campaign aims.

**Malaysia:** In 2012, following a five-year campaign by the Malaysian Trade Union Congress (MTUC), Malaysia approved the Minimum Wages Order (MWO), establishing the country's first ever minimum wage, increased every two years. The introduction of the minimum wage was won by unions who succeeded in making the minimum wage a major topic of debate during political election campaigns. Furthermore, they aligned themselves with government strategy and highlighted that increasing minimum wages were a necessary component of

the transition from a middle-income to a high-income economy.

## International labour standards and regional frameworks

Unions utilised their **institutional power** using international and regional labour standards frameworks to justify their campaign aims and present legal arguments for minimum wage increases during tripartite wage negotiations.

ILO Convention 131 on Minimum Wage Fixing sets out the need for regular, tripartite processes for minimum wage setting, and requires the needs of workers and their families to be considered during wage setting discussions, in addition to economic factors and other criteria. Unions have successfully utilised the convention to demand higher minimum wages for their members.

**Senegal:** Unions cited the provisions under Convention 131 when they successfully requested a review of the minimum wage in the country after more than two decades of stagnation.

**Bulgaria:** The recently adopted EU Directive on Minimum Wages and Collective Bargaining, which Bulgarian unions were active in pushing for, will require the government of Bulgaria to further review the adequacy of its minimum wage and unions can use the framework to leverage their negotiations with government.

## Industrial action

Unions exercised their **associational power** and their **structural power** by taking industrial action to assert their bargaining power in negotiations for minimum wage introductions and adaptations.

**Nigeria:** From 2015 to 2019, the Nigerian Labour Congress (NLC) and the Trade Union Congress (TUC) led a conflict-ridden negotiation with the Nigerian government for minimum wage fixing. The negotiations were the most prolonged in history and led to workers taking industrial action in support of their cause. The NLC organised a general strike when the government refused to implement a minimum wage increase that had been agreed among social partners, thereby mobilising societal and structural power to ensure that the agreement was honoured.

## Strategies for success

Unions that have successfully campaigned for the introduction of, or inflationary adjustment to, the minimum wages in their countries offer best practice that can be used to create a road map for local campaigns. Optimising union capabilities across all four power resources will ensure members' voices are amplified and campaigns are galvanised to deliver real-world impact.

## 1

Counter the narrative that minimum wages are detrimental to employment and growth by gathering empirical evidence and research. This entails collecting comprehensive data on the cost of living to strengthen negotiations and emphasise the relevance of raising the minimum wage. In Bulgaria and Macedonia, this was a principal component of unions' strategies.

## 2

Optimise institutional power, as it is crucial to ensure constructive social dialogue, minimum wage negotiations and periodic adjustments. In all the countries reviewed, unions were active members of official tripartite wage or labour councils, ensuring workers' demands were heard by decision makers.

## 3

Engage in public campaigns and form alliances with progressive academics and thinktanks to push back on the political and social rhetoric that keeps workers underpaid, to gain public support, and to be heard at national level. In Bulgaria, Costa Rica and Nigeria, media campaigns were crucial to defend the need for and positive effects of introducing and adjusting minimum wages.

- *Winning a pay rise: union strategies for securing minimum living wages:*  
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- *ILO Minimum Wage Policy Guide*
- *ILO Global Wage Report 2022-2023*