

BCCI-Media Information Session

December 12th 2022

What is BCCI's Position on MW?

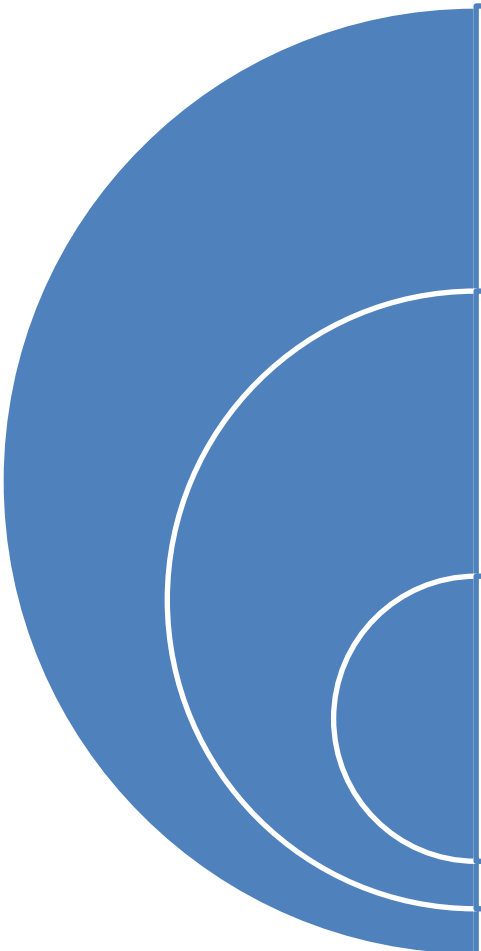


The BCCI **supports** an increase in the Minimum Wage;

But says that said increase must be guided by the principles enshrined in the ILO's ***Balanced-and-evidence Based Approach***.

This approach advises “successive, gradual” adjustments over the next three years.

Living Wage v Min. Wage



The statutory Minimum Wages are laid down in laws or government regulations and therefore constitute both a worker's rights and an employer's obligation.

By contrast Living Wages are not prescribed by law and can therefore not be legally enforced. Instead, Living Wages provide a benchmark for employers who **voluntarily** commit to pay wages according to the local living standards.

Living Wages can be family-, region- and time-specific and therefore may be pretty accurate. Clearly, legally prescribed Minimum Wages and **voluntarily** paid Living Wages are different in nature ([See HERE](#)).

Living Wage Employer Programs



BECOME A LIVING
WAGE EMPLOYER

GET LIVING WAGE
ACCREDITATION
TODAY

Living Wage Employer Programs

ONTARIOLIVINGWAGE.CA

A Guide to Becoming a
Living Wage Employer



LIVING WAGE FOR US, Inc.

We overcome the barriers and create the incentives to enable employers to pay living wages, affording a decent quality of life for working families.

What makes For US unique?

For US certifies U.S. employers that pay their workers and contractors a living wage based on real costs of living. More than that, we create a community to support employers in understanding how to pay living wages in a way that benefits workers, employers, and communities. We engage consumers and other interested stakeholders through social media, telling the positive stories of those whose lives are affected by higher wages and building the business case for living wage payment. We use research to navigate the impacts of policy changes on how workers can achieve a decent living, creating a space where solid research leads to strong action. We join in solidarity with all of you who believe that hard work should ensure a decent living, and celebrate the employers, investors, and organizations who are leading the way.

Belize's Living Wage Estimates

Living Wage for Rural Belize Rural



Living Wage

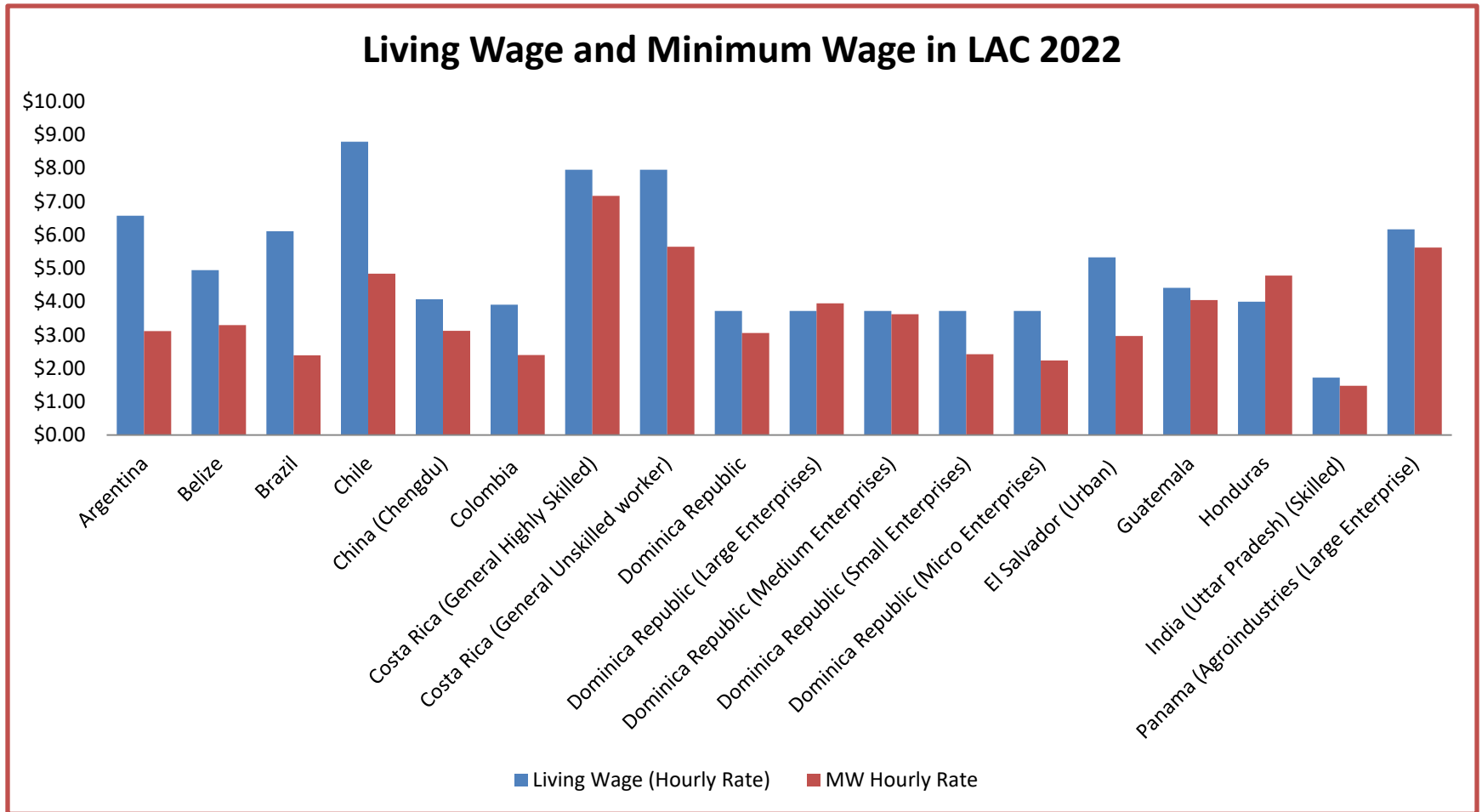
BZ\$963

BELIZEAN DOLLAR PER MONTH

= \$US 482 per Month

2022 Estimate

Living Wage v. Minimum Wage

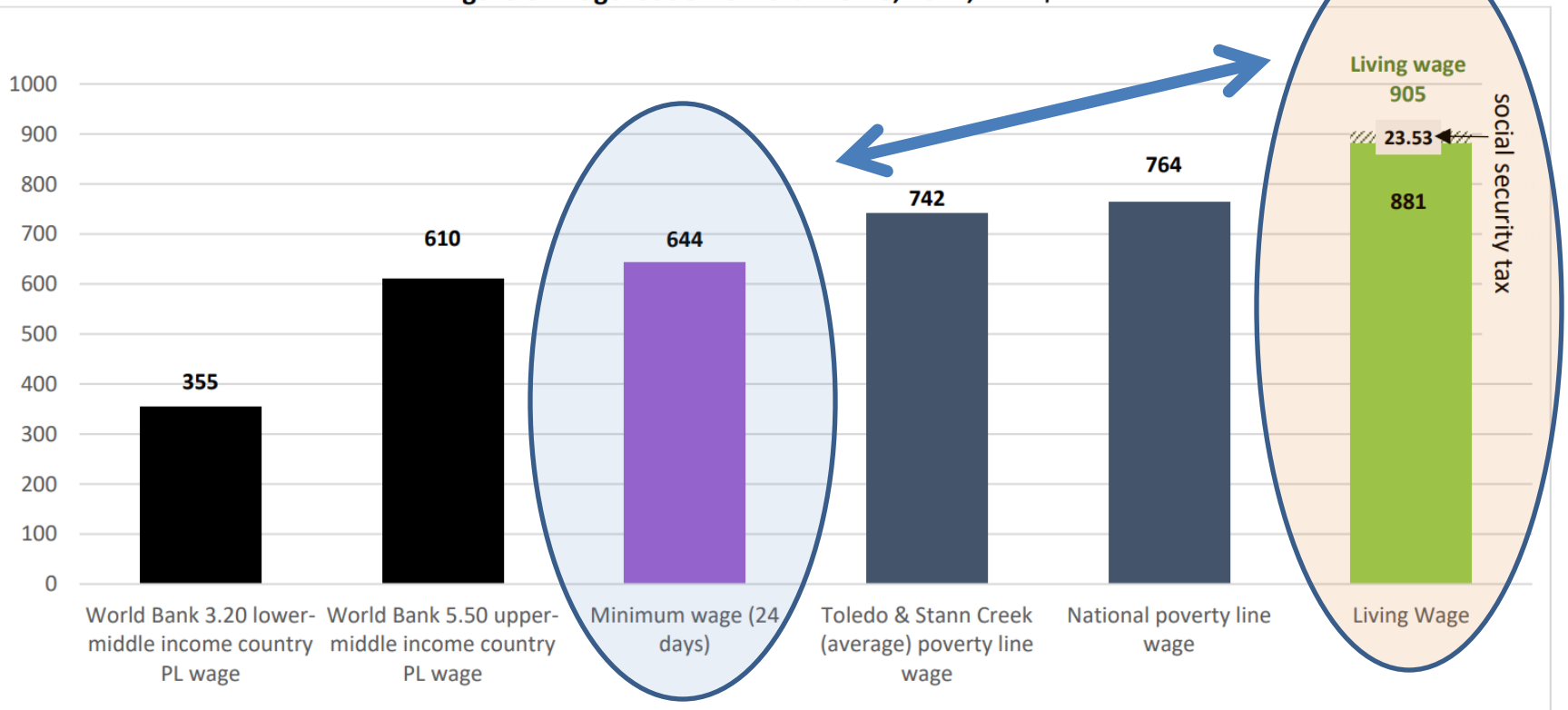


Living Wage Report 2021

Living Wage Report: Rural Belize

Up 6.4% to \$963 in 2022

Figure 6. Wage ladder for rural Belize, 2021, in BZ\$



ILO's Balanced-and-Evidence-Based

5.1 What is a balanced and evidence-based approach?

A balanced approach is one that takes into account, on the one hand, the needs of workers and their families and, on the other, economic factors. Such an approach combines both social and economic factors in order to find a level that benefits workers and society without prompting negative effects. A balanced approach is necessary because a minimum wage is a redistributive tool that has both benefits and costs.

If set too low, minimum wages will have little effect in protecting workers and their families against unduly low pay or poverty. If set too high, minimum wages will be poorly complied with and/or have adverse employment effects.

Have a medium-term strategy

Many countries have discovered that a gap exists between the legitimate needs of workers and their families and what the economy is capable of paying in terms of minimum wages. It will not be possible to eliminate this gap in a single minimum wage adjustment, at least not without adverse economic effects.

This suggests that there should be a medium- to long-term target for this policy – that is, closing this gap in successive, gradual adjustments. This approach has also been used for example in the domestic work sector (see chapter 8).

Phased-In Approach

Establishment of a Minimum Wage Task Force

Belmopan. March 2, 2022. 1:10 p.m.

The Ministry of Rural Transformation, Community Development, Labour, and Local Government is pleased to announce the appointment of a Minimum Wage Task Force to oversee the implementation of the five-dollar minimum wage commitment of Plan Belize. The task force conducted its inaugural meeting today at the ministry's conference room in Belmopan.

On November 25, 2021, Cabinet requested that the ministry develops a plan for the gradual implementation of the government's commitment to a five-dollar minimum wage. The current minimum wage is \$3.30 per hour, and it was phased in over a five-year period between 2007 and 2012, with the last raise taking effect on May 8, 2012. Ten years later, the existing minimum wage for unskilled workers and workers who are engaged in elementary occupations is being reassessed. In this context, the task force will develop a plan to institute the government's commitment to a five-dollar minimum wage.

The government recognizes that any increase to the present minimum wage would have implications for various sectors. As a result, the phased minimum wage increases must be linked to productivity growth and Belize's competitiveness. With stakeholder input, careful consideration will be given to the impact of these increases on the various sectors of the economy in the short-, medium- and long-term.

Possible Channels of Adjustment

- 1. Reduction in hours worked*
- 2. Reductions in non-wage benefits*
- 3. Reductions in training*
- 4. Changes in employment composition*
- 5. Higher prices*
- 6. Improvements in efficiency*
- 7. "Efficiency wage" responses from workers*
- 8. Wage compression*
- 9. Reduction in profits*
- 10. Increases in demand (minimum wage as stimulus)*
- 11. Reduced turnover*

Benchmarks on MW changes

**Dataset: Minimum wages
at current prices in NCU**

Average
Change **6.3%**

		Pay period: Annual								
		Time	2010	2021	2022	2014	2020	2021	2022	AVERAGE Changes
Country	Unit									
Australia	Australian Dollar		28,956	39,686	41,215		2.4%	2.1%	3.9%	2.9%
Belgium	Euro		16,650	19,639	21,504		1.0%	1.7%	9.5%	2.3%
Canada	Canadian Dollar		19,448	29,078	..		2.6%	2.3%		4.4%
Chile	Chilean Peso		2,022,000	4,002,000	4,388,000		6.8%	4.5%	9.6%	6.8%
Colombia	Colombian Peso		7,210,000	12,719,364	14,000,000		6.0%	3.5%	10.1%	6.3%
Costa Rica	Costa Rican Colon		2,431,376	4,132,903	4,219,280		2.5%	15.1%	2.1%	4.3%
Czech Republic	Czech Koruna		96,000	182,400	194,400		8.1%	4.1%	6.6%	8.4%
Estonia	Euro		3,336	7,008	7,848		8.1%	0.0%	12.0%	8.0%
France	Euro		16,089	18,655	19,237		1.2%	1.0%	3.1%	1.3%
Germany	Euro		..	19,139	20,398		-1.1%	3.3%	6.6%	2.4%
Greece	Euro		10,050	9,100	9,749		0.8%	0.0%	7.1%	2.2%
Hungary	Forint		882,000	1,996,000	2,400,000		8.1%	3.3%	20.2%	9.0%
Ireland	Euro		17,992	21,216	21,840		3.1%	1.0%	2.9%	2.5%
Israel	New Israeli Sheqel		46,202	63,600	64,500		0.0%	0.0%	1.4%	2.9%
Japan	Yen		1,491,880		2.3%			2.7%
Korea	Won		11,146,320	21,869,760	22,973,280		2.9%	1.5%	5.0%	7.4%
Latvia	Euro		3,067	6,000	6,000		0.0%	16.3%	0.0%	5.9%
Lithuania	Euro		2,780	7,704	8,760		9.4%	5.8%	13.7%	12.6%
Luxembourg	Euro		20,445	26,588	27,478		2.5%	3.4%	3.3%	2.3%
Mexico	Mexican Peso		14,500	36,842	44,946		20.0%	15.0%	22.0%	13.0%
Netherlands	Euro		18,297	21,940	22,558		2.5%	1.6%	2.8%	2.0%
New Zealand	New Zealand Dollar		26,390	41,028	42,900		9.3%	6.0%	4.6%	4.9%
Poland	Zloty		15,804	33,600	36,120		15.6%	7.7%	7.5%	7.6%
Portugal	Euro		6,650	9,310	9,870		5.8%	4.7%	6.0%	4.8%
Slovak Republic	Euro		3,692	7,476	7,752		11.5%	7.4%	3.7%	7.9%
Slovenia	Euro		8,536	12,291	12,893		6.1%	8.9%	4.9%	4.0%
Spain	Euro		8,866	13,300	14,000		5.6%	0.0%	5.3%	5.8%
Türkiye	Turkish Lira		8,937	42,930	91,241		15.0%	21.6%	112.5%	30.3%
United Kingdom	Pound Sterling		12,132	18,434	19,453		5.9%	3.1%	5.5%	5.0%
United States	US Dollar		15,080	15,080	15,080		0.0%	0.0%	0.0%	0.0%
Brazil	Brazilian Real		6,120	13,200	14,544		4.7%	5.3%	10.2%	6.7%
Malta	Euro		7,919	9,416	9,507		2.0%	1.0%	1.0%	1.2%
Romania	Romanian Leu		7,200	27,600	30,600		7.2%	3.1%	10.9%	14.6%
Russian Federation	Russian Ruble		51,960	153,504	173,400		7.5%	5.5%	13.0%	13.2%

Data extracted on 30 Nov 2022 20:19 UTC (GMT) from OECD.Stat

Dataset: Minimum relative to average wages of full-time workers

Average MW % of Mean	43%
Average MW % of Median	55%

		Unit
		Time
		2021
<u>Country</u>	<u>Series</u>	
<u>Australia</u>	Mean	0.44
	Median	0.52
<u>Belgium</u>	Mean	0.41
	Median	0.45
<u>Canada</u>		0.44
<u>Chile</u>		0.50
		0.49
<u>Colombia</u>		0.72
		0.62
<u>Czech Republic</u>		0.92
		0.37
<u>Estonia</u>		0.43
		0.36
<u>France</u>	Mean	0.49
	Median	0.61
<u>Germany</u>	Mean	0.45

Belize MW-Median and Mean at Present

- Min W-Median Ratio = 63%
- Min W –Mean Ratio = 55%

Belize MW-Median and Mean (@ \$5)

- Min W-Median Ratio = 96%
- Min W –Mean Ratio = 83%

Varying Approaches

Minimum Wage – Costa Rica

- Valid on december 2022
- Minimum wage with effect from January 1, 2022
- Minimum wage with effect till December 31, 2022
- The amounts are in Costa Rican Colon.

MW based on Skill Levels

SKILL LEVEL/EDUCATION LEVEL

	Per Day	Per month
Unskilled worker	CRC10,875.11	-
Semi-skilled worker	CRC11,825.90	-
Skilled worker	CRC12,043.60	-
Specialized worker	CRC14,205.12	-
Generic unskilled worker	-	CRC324,560.01
General semi-skilled worker	-	CRC349,175.77
Generic skilled worker	-	CRC367,058.74
General highly skilled	-	CRC412,202.85
Technical worker - Diversified Education	-	CRC384,651.40
Technical worker - Superior Education	-	CRC474,040.55
Technical worker - Diploma of Higher Education	-	CRC511,981.50
Technical worker - Bachelors University	-	CRC580,708.19
Technical worker - University Graduate	-	CRC696,873.72

Varying Approaches

Minimum Wage – Dominican Republic

- Valid on december 2022
- Minimum wage with effect from January 1, 2022
- The amounts are in Dominican Peso.

INDUSTRY

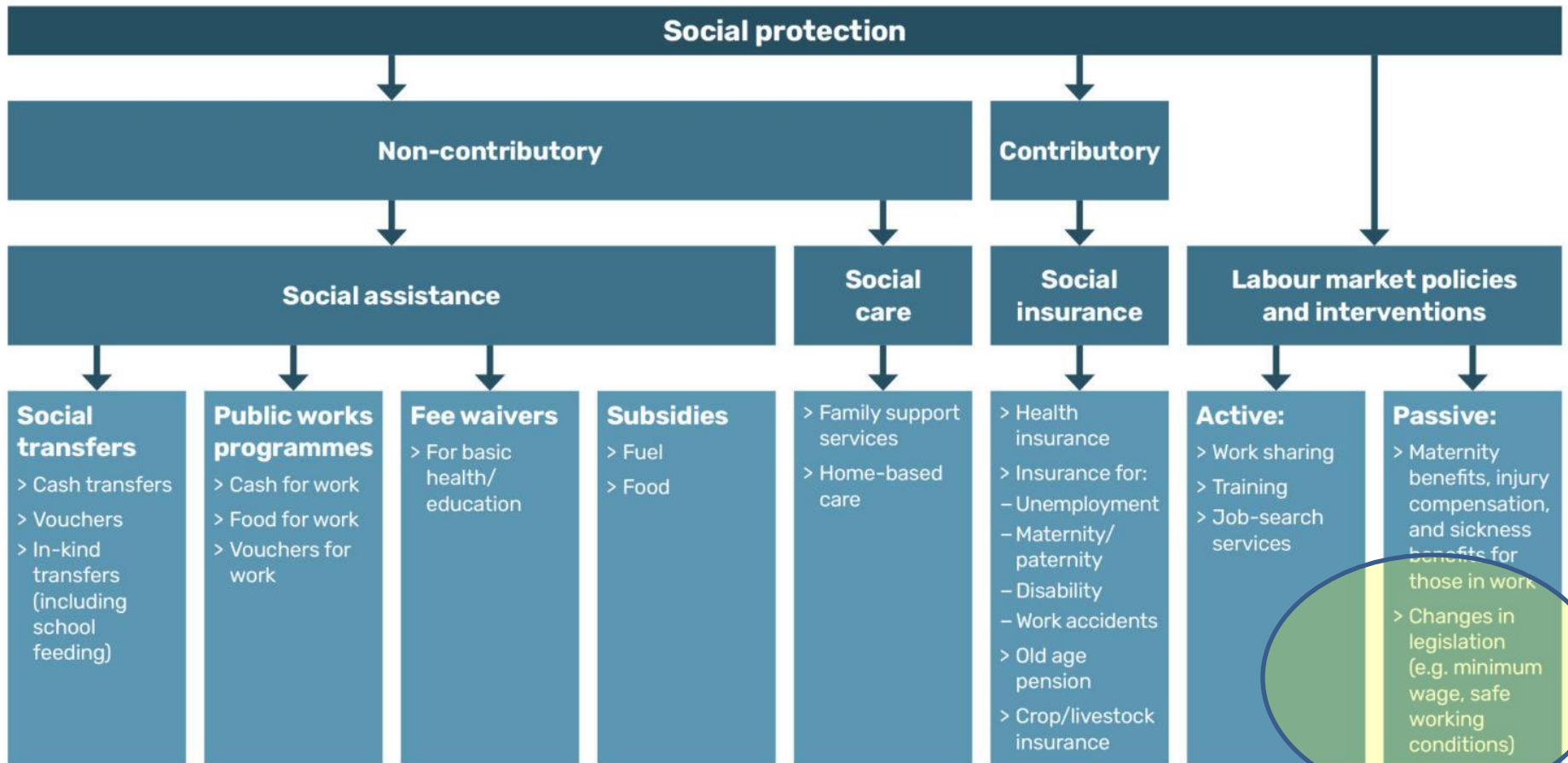
	Per month
A large enterprise with 151 or more workers OR an enterprise whose annual sales exceeds 202 million pesos	DOP21,000.00
A medium enterprise with 51-150 workers OR an enterprise whose annual sales lies between 54 million pesos and 202 million pesos	DOP19,250.00
A small enterprise with 11-50 workers OR an enterprise whose annual sales lies between 8 million pesos and 54 million pesos	DOP12,900.00
A micro enterprise with 10 or less workers OR an enterprise whose annual sales are up to 8 million pesos	DOP11,900.00

Min. Wage and Social Assistance

Min. Wage and Social Assistance

- A *Minimum Wage* is mandatory, determined through legislation. It should meet an individual's basic requirements but may still imply that a **worker relies on government subsidies for additional income.**

Min Wage and Social Assistance



Useful Links

- https://www.ilo.org/wcmsp5/groups/public/-ed_protect/---protrav/---travail/documents/publication/wcms_508566.pdf
- https://globallivingwage.org/wp-content/uploads/2021/06/LW_Rural-Belize_FINAL.pdf