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RSPO GUIDANCE IMPLEMENTING A DECENT LIVING WAGE

Endorsed by the RSPO Standards Standing Committee on 1st of June 2019

ACKNOWLEDGEMENT

The RSPO has developed this simplified guidance for members to help them implement a decent living wage in their units of certifications. As the RSPO has endorsed GLWC's Benchmarks and the Anker Methodology, this guidance has drawn strongly from '*Living Wages Around the World: Manual for Measurement, 2017*' which is authored by Richard Anker and Martha Anker and published by Elgar Publishing. Doi:

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TABLE OF CONTENTS

List of Acronyms	i
Glossary	ii
Introduction	1
Definition of a Decent Living Wage	2
Advantages for a Company Paying a Decent Living Wage	3
The Decent Living Wage Methodology	4
Implementing a Decent Living Wage	5
Determining the Decent Living Wage Benchmark in the Unit of Certification	7
Step 1: Determining the Unit of Measurement	7
Step 2: Determining the Price of a Living Basket	9
Step 3: Adding Additional Funds and Taxes	12
Step 4: Adjusting for Inflation and Updating the Calculations	13
Prevailing Wages	14
Calculating the Prevailing Wage	14
Living Wage Gap & Steps to Close the Gap	16
Annex	17
Annex 1- Ghana	19
Annex 2- Indonesia	22
Annex 3- Malaysia.....	27
Annex 4- Colombia.....	30
Bibliography	35

LIST OF ACRONYMS

CBA	Collective Bargaining Agreements
CMR	Child Mortality Rate
CPI	Consumer Price Index
DLW	Decent Living Wage
FAO	Food Agricultural Organisation
FTE	Full-Time Equivalent
GLWC	Global Living Wage Coalition
ILO	International Labour Organisation
LFPR	Labour Force Participation Rate
NFNH	Non-Food Non-Housing
PT	Part-Time Employment Rate
TFR	Total Fertility Rate
U	Unemployment Rate
UoC	Unit of Certification
WHO	World Health Organisation

GLOSSARY

Cash Allowances and Benefits

Cash Allowances and benefits are not linked to productivity. Cash allowances and benefits should be included with wages in comparison with a living wage, as it increases the disposable income of workers. Such cash allowances should be prorated to represent a monthly value. Examples of typical cash allowances include:

- 13th month pay
- Transportation cash allowance
- Housing cash allowance
- National holiday cash bonuses
- Birthday cash bonus
- Eid Bonus
- Christmas bonus.

Consumer Price Index

Measures changes in the price level of market basket of consumer goods and services purchased by households.

Contract Worker

Contract worker refers to persons engaged in temporary work, or work for a specific period. It also refers to workers who are not employed by the company but employed by a contractor or consultant with whom the company has a direct contact.

Decent Living Wage

The 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, water, housing, education, healthcare, transport, clothing and other essential needs, including provision for unexpected events.

Dependency Ratio

A key socio-demographic and economic measure, a dependency ratio conveys to what extent the working-age population can support the inactive-age population¹.

Full-Time Equivalent

FTE is a unit to express the workload of an employed person as compared to full-time work. For example, 10 FTEs are equivalent to 10 full-time workers, or to 20 part-time workers (each working half of the time).

Household

A household is usually defined as a group of persons (or one person) who make common provisions for food, shelter, and other essentials for living. This practice [on how a household is measured] varies significantly between countries.

In Kind Benefits

Goods and services provided to employees free of charge or at a reduced cost, that are clearly and primarily for the benefit of the employee, as a consumer. They comprise of food, drink, fuel, and other payments in kind; and cost, other than capital cost, of workers' housing borne by employers (cost for employer-owned dwellings, cost of dwellings not employer-owned, other housing costs).

1. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_629567.pdf

Labour Force Participation Rate	The rate of economically active people to total population (calculated for people in the age range of 25-59 years, to exclude child labour).
Living Basket	A living basket represents the basic costs that a family has. The GLWC methodology includes three living baskets: the food basket, the housing basket, and the NFNH basket.
Living Wage Gap	The difference between decent living wage and the prevailing wage.
Mandatory Deductions	Legal amount subtracted from the wage, which includes, but is not limited to, income taxes, social security taxes and union fees. These deductions may vary between countries where the UoC is located.
Migrant Worker	A person who migrates from one country to another with a view to being employed otherwise than on his own account, and includes any person regularly admitted as a migrant for employment. Migrants are defined as those who cross international boundaries for the purposes of employment, and do not include those workers who move within a country (transmigrants) for the purposes of employment.
Minimum Wage	The lowest possible legal remuneration to be paid to workers, which is mandated by law or special agreements, such as CBAs, between governments, unions, and employer representatives.
NFNH Cost	The costs needed to ensure that a DLW estimate is normatively based and that there are sufficient funds for healthcare and education. NFNH costs include costs relating to education, healthcare and transportation, which should first be based on secondary data and then cross-checked in the field. The NFNH basket includes clothing and footwear, educational materials, furnishings, household equipment and routine household maintenance, healthcare, transport to work, school and other, communication, recreation and culture costs, as well as education, and other miscellaneous goods and services.
Part-Time Employment Rate	The ratio of people working part-time compared to the amount working full-time. The assumption is that people who work part-time, on average, work half time, however this can be adapted if the local situation is very different (to be determined using interviews or statistical data on hours worked).

Plan	A time-bound and detailed scheme programme, or method for achieving objective(s) and desired outcome(s). Plans shall have clear targets and timelines for delivery, actions to be taken, and a process for monitoring progress, adapting plans to changing circumstances and reporting. Plans shall also include the identification of named individuals or positions responsible for the delivery of the plan. There shall be evidence that sufficient resources are available to carry out the plan and the plan is implemented in full.
Prevailing Wage	The sum of remuneration comprised of the basic wage, assured cash allowances and bonuses, fair and reasonable value of in-kind benefits, and assured production bonuses earned during normal working hours. The prevailing wage explicitly excludes overtime pay, deferred benefits, and non-assured bonuses.
Recruitment Fees	Recruitment fees refer to the costs and expenses associated with the recruitment and hiring of the worker, i.e. recruiter and agent service fees, document processing, employer-required skills and medical testing, training, documentation, visa, work permits, transportation (from departure country to point of entry, and return), administrative and overhead costs.
Reference Family Size	The amount of people for which a DLW should provide for, in the area where the worker lives. The GLWC method specifies the following: “It is not that workers must live with their family or that it is unacceptable when workers choose to live separately – it is rather that the decency concept of a DLW implies [...] that workers should have the financial means to be able to afford to have their family live with them”.
Rights	Rights are legal, social, or ethical principles of freedom or entitlement, in accordance with the International Bill of Rights, and other relevant international human rights instruments including the UN Declaration on the Rights of Indigenous people, UN Guiding Principles on Business and Human Rights, the Global Compact for Safe and Orderly and Regular Migration.
Stakeholders	An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.
Transmigrant	A person who migrates within the country with a view to being employed otherwise than on his own account.
Unemployment Rate	The percentage of unemployed workers in the total labour force (calculated for people between the ages of 25-29 to exclude child labour).

Unit of Certification

The unit of certification shall be the mill and its supply base and shall include both directly managed land (and estates) and Scheme Smallholders and out growers, where estates have been legally established, with proportions of land allocated to each.

Worker

Men and women, migrants, transmigrants, contract workers, casual workers and employees from all levels of the organisation.

Workforce

The total number of workers employed by the management unit either directly or indirectly. This includes contract workers and consultants.

INTRODUCTION

Every worker has the right to a decent standard of living, which is sufficient for the health and well-being of themselves and their family, as described in the Universal Declaration of Human Rights. To achieve this, a worker's wage should meet their basic needs and provide some extra income to help improve their livelihood.

Criterion 6.2 of the 2018 RSPO Principles and Criteria (P&C) requires that pay and conditions for staff and workers, as well as contract workers, meets that of legal and/or industry minimum standards and are sufficient for providing a Decent Living Wage (DLW). The wages will be paid to all workers including those on piece rate/quotas, for whom the calculations will be based on achievable quotas during regular working hours.

This guidance document has been developed to assist RSPO members with understanding, interpreting, and implementing a DLW within their UoC, in line with the Anker methodology. It is assumed that the workforce in RSPO certified units is free of any elements of forced labour and have met all the relevant RSPO principles and criteria in relation to 'Respect Workers' Rights and Conditions². With the use of this guide, members will also be able to assess if they are already paying a DLW, and if not, develop a self-implementation plan based on the needs of their operations.

To determine a DLW within an RSPO member's unit of certification (UoC), the RSPO Secretariat has adopted the Anker Methodology³ and Global Living Wage Coalition (GLWC) benchmarks which are estimates based on the Anker method and published in the GLWC website⁴. The Anker methodology is based on the cost of a basic but decent standard of living. As such, cost estimates or benchmarks in a particular area should be looked at when determining the DLW.

For the Anker method, regional benchmarks are necessary⁵. The GLWC website provides cost estimates and/or benchmarks for several regions, which members should refer to. These estimates are based on extensive research using available secondary data and primary research, to make credible estimates. Where there are no local benchmarks available on the GLWC website, RSPO will endeavour to develop the same. In the meantime, members may refer to the Annexes in this document as a source of reference or refer to available national data to assess the estimated costs in the areas of their operation.

2. Principle 6 of the 2018 RSPO Principles and Criteria (P&C)

3. Anker, R., & Anker, M. (2017). Living Wages Around the World: Manual for Measurement.









4. GLWC website is <https://www.globallivingwage.org/>

5. Anker Methodology or Anker Method may be used interchangeably

DEFINITION OF DECENT LIVING WAGE

A DLW is ‘the remuneration received for a standard work-week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family’⁶. This calculation should not take into account any work completed outside of the worker’s standard working hours (i.e. overtime).

Elements of a Decent Standard of Living Include:

 Food	 Water	 Housing	 Education
 Healthcare	 Transport	 Clothing	 Provision

A DLW should be set at a rate that enables a basic but decent standard of living for a particular time and place, which improves in parallel with economic development, and should be sufficient to support a family.

Note

Where there are minimum wage requirements in a particular area of certification and the value exceeds the calculation of a DLW, the UoC shall pay the higher amount to the worker.

In the event that the UoC learns that the worker has already surpassed the payment of a DLW to its workforce, there should also be no reduction of wages and/or any benefits-in-kind taken away from the worker.

6. <https://www.globallivingwage.org/about/what-is-a-living-wage/>

ADVANTAGES FOR A COMPANY PAYING A DECENT LIVING WAGE

There are a number of advantages for a company to pay a DLW. Some are motivated by the desire to adhere to the UN Guiding Principles on Business and Human Rights⁷, whereas others aim to contribute towards the achievement of the UN Sustainable Development Goals (SDGs)⁸. Aside from this, there are a variety of other factors that drive companies to work towards paying a DLW to workers, such as⁹:

- **Attracting business from multinational companies concerned about social issues like DLW**
- **Increasing productivity and reducing production costs by reducing high staff turnover**
- **Recruiting better quality workers**
- **Reducing rejection rates**
- **Increasing worker commitment, effort, and confidence in their employers**
- **Reducing the number of strikes, work slowdown, and labour unrest**
- **Less absenteeism due to illness and higher energy levels to carry out work.**

7. Businesses have a responsibility to respect the right of workers

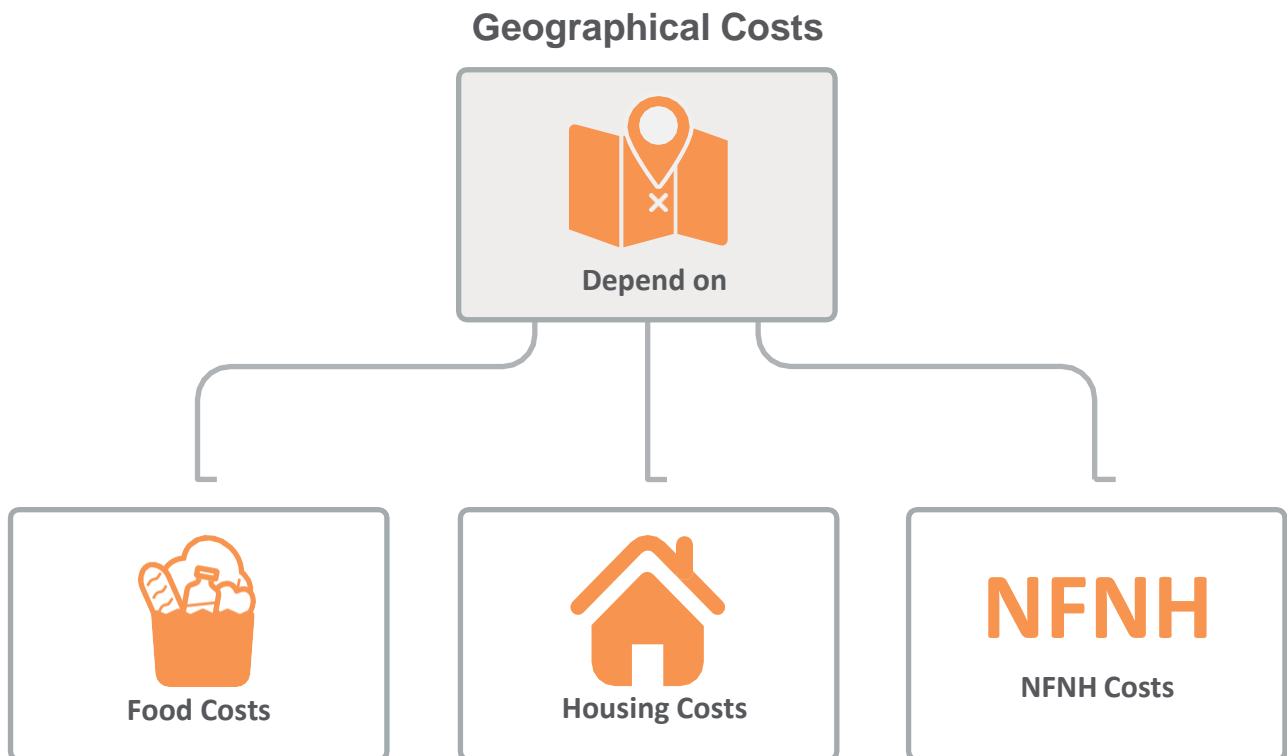
8. To end poverty and to provide decent work

9. <https://www.globallivingwage.org/faq/>

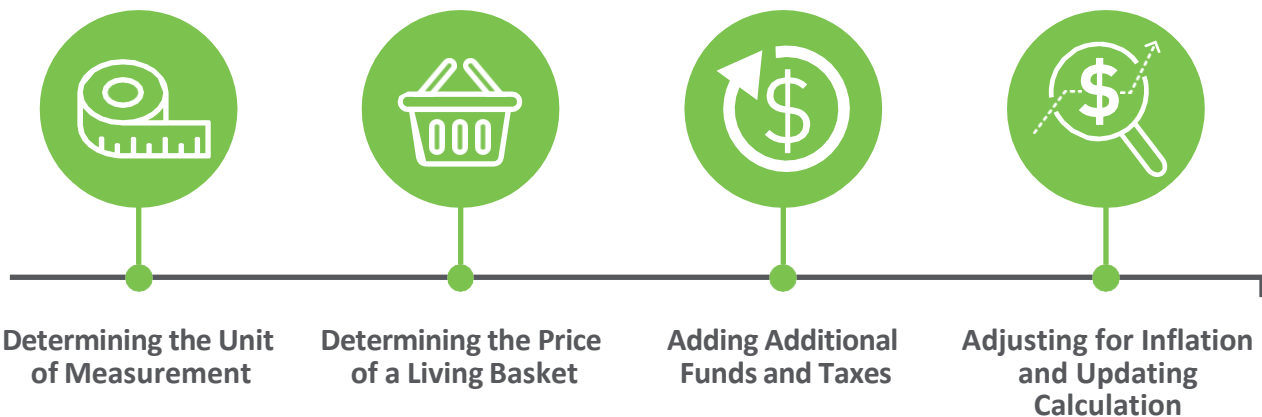
THE DLW METHODOLOGY

The DLW methodology adopted by the RSPO helps estimate the cost of a basic but decent standard of living for a worker and his or her family, as well as to determine if the estimated DLW is being paid to workers.

The methodology requires input of data based on:



The Anker methodology is divided into four (4) steps:



IMPLEMENTING A DECENT LIVING WAGE

The first step that members need to take in implementing a DLW is to check if on average, the wages provided to their workers meet the given benchmarks on the GLWC website¹⁰ or the amount provided in the Annexes¹¹ below (hereinafter collectively referred to as “Living Wage Estimates”). If the wages meet the Living Wage Estimates, the member is already in compliance with Criteria 6.2.6 of the 2018 P&C and will not need to take further action.

If the member finds that the wages provided do not meet the Living Wage Estimates, the member will need to calculate the value of the Prevailing Wage for the UoC. Once this is done, members shall then refer to the Living Wage Estimates to check if the value of the Prevailing Wage equals to the Living Wage Estimates. If so, the member will be in compliance with criteria 6.2.6 of the 2018 P&C.

If the Prevailing Wage does not match the DLW, the member will have to develop an implementation plan within their respective operations, which shall include the following:

- **Assessment of average costs of a living basket and a calculation on what the DLW in the UoC should be**
- **Assessment of prevailing wages and in-kind benefits currently being provided**
- **Identification of any gap between the DLW and prevailing wage**
- **What steps the UoC will take to close the gap?**

The implementation plan should outline the steps the member will take towards paying a DLW to its workers with specific targets and timelines.

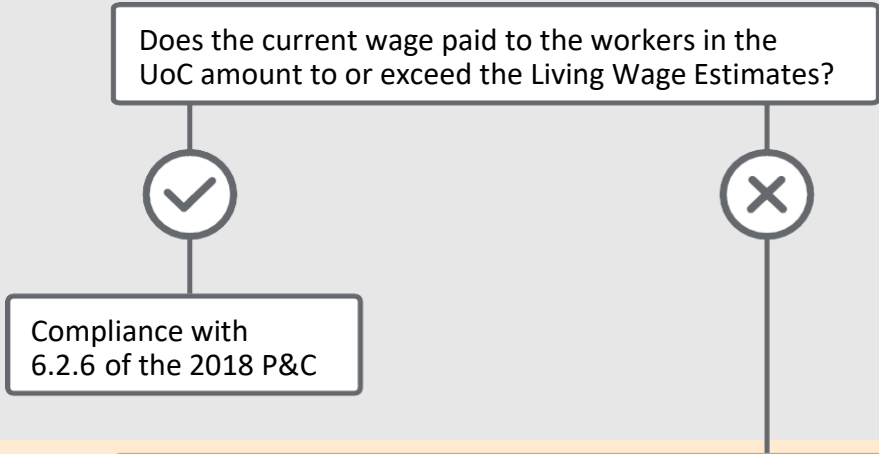
The following sections will guide members to calculate the Prevailing Wage and to develop an implementation plan to meet the payment of DLW in their UoCs.

10. Businesses have a responsibility to respect the right of workers

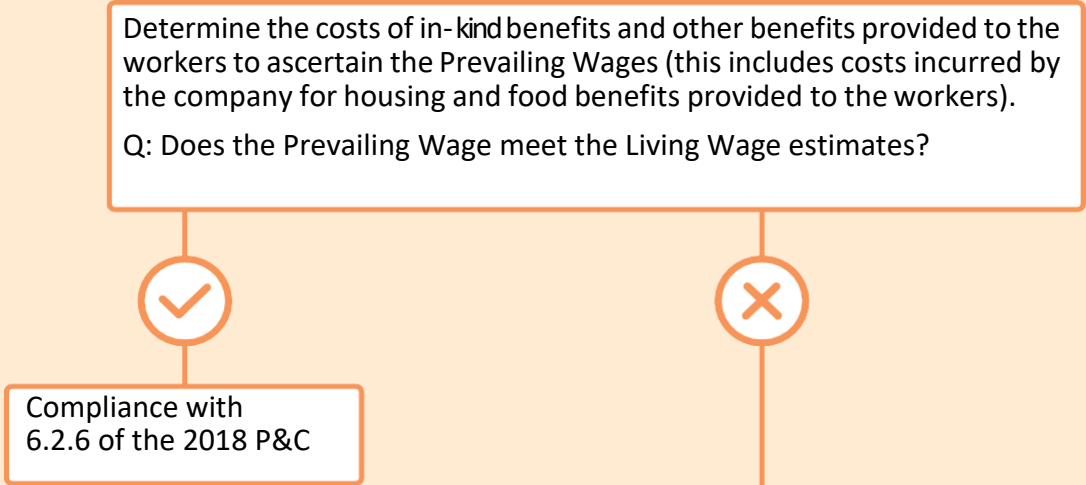
11. <https://www.globallivingwage.org/>

Where there are no benchmarks provided by the GLWC, members may use the estimates provided in the annexes to measure if DLW is being paid to workers in the UoC.

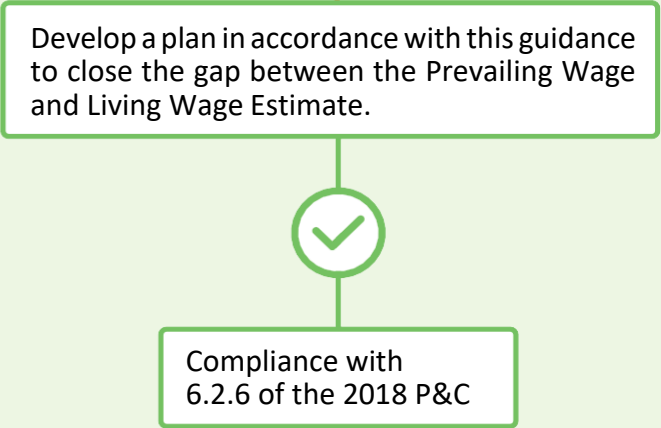
1
STEP



2
STEP



3
STEP



Note

Members should consider ethnicity and cultural differences within the workforce when determining a DLW. This is to ensure there is no discrimination on any terms, for example based on race or caste.

DETERMINING THE DLW BENCHMARK IN THE UOC

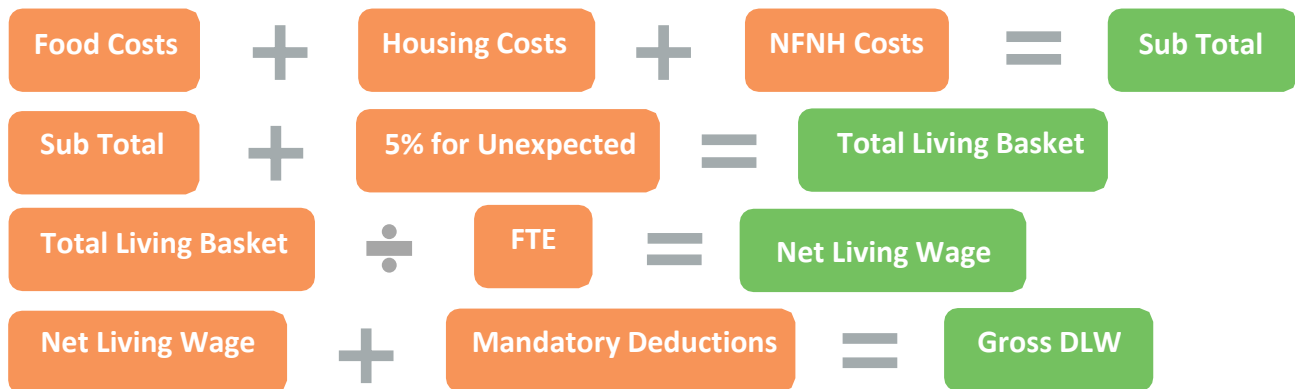


Figure 1. Calculating the DLW in your UoC

Source: GLWC website (<https://www.globallivingwage.org/about/anker-methodology/>)

STEP 1: DETERMINING THE UNIT OF MEASUREMENT



As DLW's are location-specific, members must:

1. **Determine the boundaries of the UoC;**
2. **Identify the characteristics of a family in the region as a reference (Reference Family Size).**

Members should identify the borders within which it operates. This will help determine the data that needs to be collated and applied to establish the DLW in the UoC. Consideration should be made to where the worker typically lives and works.

The concept of a 'Reference Family Size' refers to a nuclear family¹². The Anker method determines a family size by calculating **the average number of children and assuming there are two adults per family**. For the calculation of the average number of children per family, the total fertility rates where the member operates are used¹³. This would apply to all workers, including migrant workers.

12. A couple and their dependent children, regarded as a basic social unit.

13. Members can refer to the National Statistics Department to determine the Reference Family Size in that region.

Reference Family Size = 2 adults + TFR (1 – CMR)

TFR = Total Fertility Rates
CMR = Child Mortality Rates

Refer to the Annexes for sample calculations



In the Anker methodology, the amount of work done per household is calculated using statistics on labour force size, unemployment rates and hours worked. Based on this, the number of working adults per household is estimated, expressed in a Full-Time Equivalent (**FTE**) per family, and is also known as a dependency ratio. This is used to determine the wage that one FTE should earn for a reference family to cover its living costs.

Formula for Calculating FTE

$$\text{FTE per family} = 1 + \text{LFPR} \times (1 - U) \times [1 - (\text{PT}/2)]$$

LFPR = Labour Force Participation

RateU = Unemployment Rate

PT = People Working Part Time

What About Migrant Workers?

Accounting for migrant workers is common in Anker Methodology studies. There are many different types of migratory workers. For example, transmigrant and foreign migratory workers who cross international borders while their families remain in their country of origin. In all cases examined, it is guided by two main principles:

- 1. Workers shouldn't have to migrate without their families because their pay at a living wage level is not sufficient to keep their family intact.** Some workers may choose for their family to remain at a location separate from where they work. In some circumstances, immigration laws make it impossible for migrant labourers to bring their families along, however, a living wage is meant to enable a decent standard of living from a human rights perspective, and thus, should allow for the possibility of supporting an intact family at the location in which the work is done.
- 2. If two different living wages are set for the same area; one for a migrant worker whose family lives in a separate location and one for a local worker who lives with his family, this would encourage discrimination, which is not in line with the concept of a DLW within the human rights framework.**

Source: Global Living Wage Coalition¹⁴.

14. <https://www.globallivingwage.org/faq/>

STEP 2:

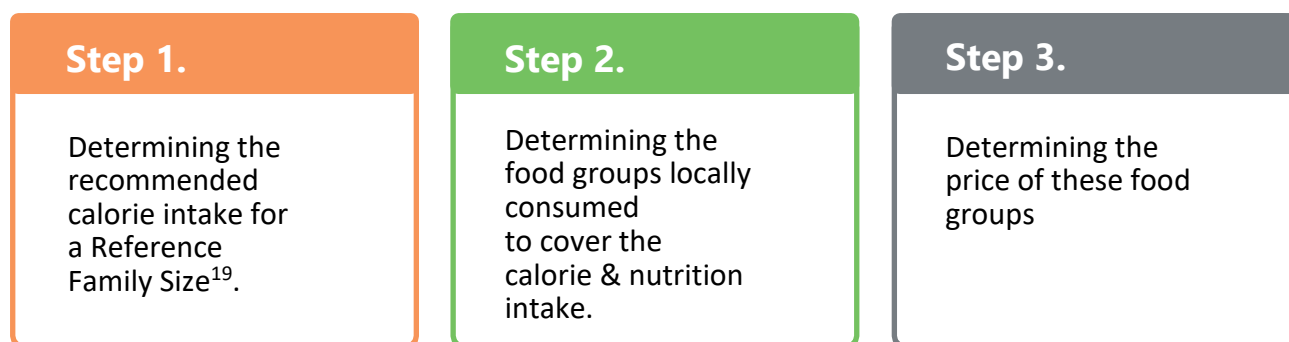
DETERMINING THE PRICE OF A LIVING BASKET



1. Food Basket

- 1.1 A food basket represents the cost of a model diet for a Reference Family Size, that is consistent with local food preferences and is relatively low in cost for a nutritious diet.
- 1.2 The UoC can assess the price of local food through a survey within the UoC or where the workers usually shop for food.
- 1.3 The food basket should consist of a selection of items that meet the WHO¹⁵ and FAO¹⁶ guidelines, specific to local food preferences and accounted for in recent surveys conducted¹⁷. The food basket includes the costs for food and non-alcoholic beverages.

Steps to determine Food Costs within the UoC¹⁸:



*in the absence of GLWC benchmarks, members are encouraged to use location specific data where possible and national data where the location specific data is not available.

When conducting assessments of the food costs, members can refer to the available benchmarks or Annexes. If members find that the cost is different from the estimates provided in the Annexes, they must show evidence of the variation to justify the same.

2. Housing Basket

- 2.1 The housing basket encompasses the estimated housing costs for a DLW to be sufficient for workers and their families in accordance with National laws, or in their absence, the ILO Guidance on Workers' Housing Recommendation No. 115²⁰.

15. WHO - Healthy diet https://www.who.int/nutrition/publications/nutrientrequirements/healthy_diet_fact_sheet_394.pdf?ua=1

16. FAO - Food-based dietary guidelines <http://www.fao.org/nutrition/education/food-dietary-guidelines/en/>

17. Malaysian Dietary Guidance: <http://www.moh.gov.my/index.php/pages/view/370>

Pedoman Gizi Seimbang- Indonesia: <http://gizi.depkes.go.id/download/Pedoman%20Gizi/PGS%20Ok.pdf>

18. Refer to Annex 1 as an example of the food groups locally consumed in Malaysia & Indonesia

19. Pending the established benchmarks, the model diet of 2,100 calories will be used as the Reference Calorie Intake

20. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R115






	Electricity		Access to garbage disposal
	Adequate lighting		Adequate ventilation
	Access to clean water and sanitation		Housing should provide physical and structural safety and protection from the cold, heat, humidity, rain, wind, flooding, and potential health threats

Figure 2. Principles to Apply

Indicator 6.2.4 of the 2018 P&C

The unit of certification provides adequate housing, sanitation facilities, water supplies, medical and welfare amenities in accordance with national standards or international standards where no such public facilities are available. In the case of acquisition of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (five years) is allowed to upgrade the infrastructure.

By meeting the indicator above, if the UoC provides housing for the worker and his or her family, it therefore meets the requirement for the housing basket. As such, this benefit will be factored into the calculation of the DLW in the UoC.



- 2.2 If workers are provided dormitory accommodation, this should not be included in the entire cost of the Housing Basket when calculating the DLW.
- 2.3 Rent for acceptable local housing should be used to estimate housing costs wherever possible based on a local housing survey. In locations where not many dwellings are rented, housing costs can be estimated using the following equation:

$$\text{Annual Housing Cost} = \text{Construction cost of house excluding land cost} \div \text{Expected service life of the house} + \text{Annual cost for routine maintenance and repairs} + \text{Annual taxes, fees, levies and house insurance}$$

- 2.4 In the case of acquisition of non-certified units, the development plan should include how the housing standards will be raised and how it will be accounted for, towards closing the income gap.

3. NFNH Basket

3.1 The NFNH basket refers to the costs for other essential needs besides food and housing. This basket is needed to ensure that a DLW estimate is normatively based. NFNH costs should first be based on secondary data and then cross-checked in the field. The NFNH basket should include clothing and footwear, educational materials, furnishings, household equipment and routine household maintenance, healthcare, transport to work, school and other, communication, recreation and culture costs, education, and miscellaneous goods and services.

Determining the Costs of a Living Basket	
 <p>Food Basket</p>	<p>Use secondary data to establish the number of calories required per person per day</p> <ol style="list-style-type: none"> 1. Data from FAO and WHO <ol style="list-style-type: none"> i. Determine a model diet using local market survey ii. Determine local food prices using local market survey 2. Consider seasonality of food
 <p>Housing Basket</p>	<ol style="list-style-type: none"> 1. Determine a local decent housing standard <ol style="list-style-type: none"> i. International minimum standards ii. Indicator 6.2.4 of the 2018 RSPO P&C iii. Local housing standards from governments 2. Find the cost for acceptable local housing (including utilities, maintenance, and taxes)
<p>NFNH Non-Food Non-Housing Basket</p>	<p>Education, healthcare, and transportation</p> <ol style="list-style-type: none"> a. First estimate the basis of secondary data such as household expenditure b. Conduct post-checks using primary data

STEP 3:



ADDING ADDITIONAL FUNDS AND TAXES

1. Once the estimated living basket per household is established, it is divided by the number of working adults per family, expressed in FTE.
2. From this figure, 5% of the determined wage is added to account for unforeseen costs. This percentage does not include statutory deductions such as compulsory payment of Employment Provident Fund, Disability Insurance, Unemployment Insurance, Government and Medical Insurance.
3. Income taxes, social security taxes and union fees that are normally deducted from wages are also added into the DLW calculation as Mandatory deductions. Taxes for housing should be accounted for in the estimation of the housing basket. The result of this step is the DLW benchmark per FTE.

Provision for Unexpected Events²¹

“ Unforeseen events and expenses can quickly put workers living at a basic lifestyle into poverty and debt for which it is often difficult to recover. Possibilities of such events are numerous such as accidents, illnesses and deaths/funerals. For this reason, it is common when estimating a living wage to add a small margin above the cost of the basic quality of life allowed for by a living wage.

This added margin helps workers to ride out costly unforeseen events. Without a margin, a living wage is not sustainable.

[...]

There is no generally agreed margin for unexpected events to use for a living wage to help ensure sustainability. The Anker (2011) review of living wage methodologies provides some information on this. Social Accountability International as well as ourselves in earlier work used 10%. Ad hoc living wage estimates for factories in Asia with mostly young single women workers used 15% and 25% (Anker 2011). London’s living wage includes 15% ‘to protect against unforeseen events’ (GLA Economics, 2015). The first minimum wage law for Massachusetts in 1914 included a 2.6% ‘reserve for emergencies’.

To be conservative, we recommend including 5% above the cost of the basic living style afforded by a living wage to allow for unforeseen events to help ensure sustainability. This percentage is a judgement call given the lack of consensus. We feel that 5% is consistent with the fact that our methodology uses decency standards and is fairly comprehensive in the goods and services covered. At the same time, 5% is conservative enough that it should not lead to criticisms of living wage estimates as being unreasonably high. ”

21. Living Wages Around the World Manual for Measurement, R. Anker and M. Anker (pp 229-230)

STEP 4:



ADJUSTING FOR INFLATION & UPDATING THE CALCULATIONS

1. Every year, the DLW benchmark should be adjusted for inflation and tax changes. The GLWC method prescribes the use of the Consumer Price Index (CPI) for this purpose, which is published by the government and most closely reflects the impact of inflation on workers' lives. This is to be done at the end of each year, unless inflation is more than 10% per year, in which case it should be done more often.
2. This should be included in the implementation plan and corrected on a regular basis.

Figure 1 provides the formula to estimate DLW in the UoC.

PREVAILING WAGES

A Prevailing Wage represents the remuneration earned by a worker during normal working hours. The Prevailing Wage is then compared to the DLW benchmark to determine **the living wage gap**.

Why do we need to determine the living wage gap?

Identifying the difference between the living wage benchmark and the prevailing wage will allow members to develop a management plan to bridge this gap (if any).

CALCULATING THE PREVAILING WAGE

The Prevailing Wage includes basic wage, assured cash benefits, allowances and bonuses, fair and reasonable value of benefits in kind and assured production bonuses earned during normal working hours. The prevailing wage is the accumulated figure of the total value of the remuneration received by a worker.

In determining the prevailing wage, members can include the costs of benefits in kind that are provided to the workers free of charge or at a markedly reduced cost, that are clearly and primarily for the benefit of the employees, as consumers. In assessing the in-kind benefits that can be included in the calculation, members should bear in mind that these benefits are not exhaustive and may differ based on local regulations and practices. Members are advised to pay attention to these local needs/requirements.

General Principles on the Inclusion of In Kind Benefits for a Prevailing Wage

- Considered of benefit and value to workers or their families and for personal use
- Meets minimum standards
- Customary for an industry when estimating typical prevailing wages
- Received within one year
- Guaranteed – not at the discretion of employer

General Principles on the Valuation of In Kind Benefits for a Prevailing Wage

- Value of an in-kind benefit should not exceed the cost to employer
- Value of an in-kind benefit should not exceed its replacement cost to workers if they purchased it on the market
- Value of free meal should not exceed cost of replacing equivalent meal prepared at home
- Value of in-kind benefit cannot be lower than an alternative cash allowance option offered to workers when such an option is available
- When an in-kind benefit is not free, the cost to workers needs to be subtracted



Acceptable In Kind Benefits to be Considered as Partial Payment of Wage

Meals at work

Food rations or food commodities given for free or at a reduced price (e.g cooking fuel)

Housing benefits (inclusive of electricity, water and fuel)

Transport to and from work (and on weekends from estates) or transport allowances

Childcare

School for workers' children and transport to and from school

Medical clinic and medical care not required by law and not for work related sickness/injuries

Medical insurance not required by law



Unacceptable In Kind Benefits to be Considered as Partial Payment of Wage

Visas, work permits for migrant workers for which the employer is legally mandated to pay

Clothing, equipment and supplies for work

Dormitories or shared housing for seasonal/ temporary workers

Drinking water provided at work for the workers

Land for kitchen garden

Charitable contributions to the community that are not channelled exclusively to the workers

The contribution to social security to the national health service by the employer, as stipulated by law

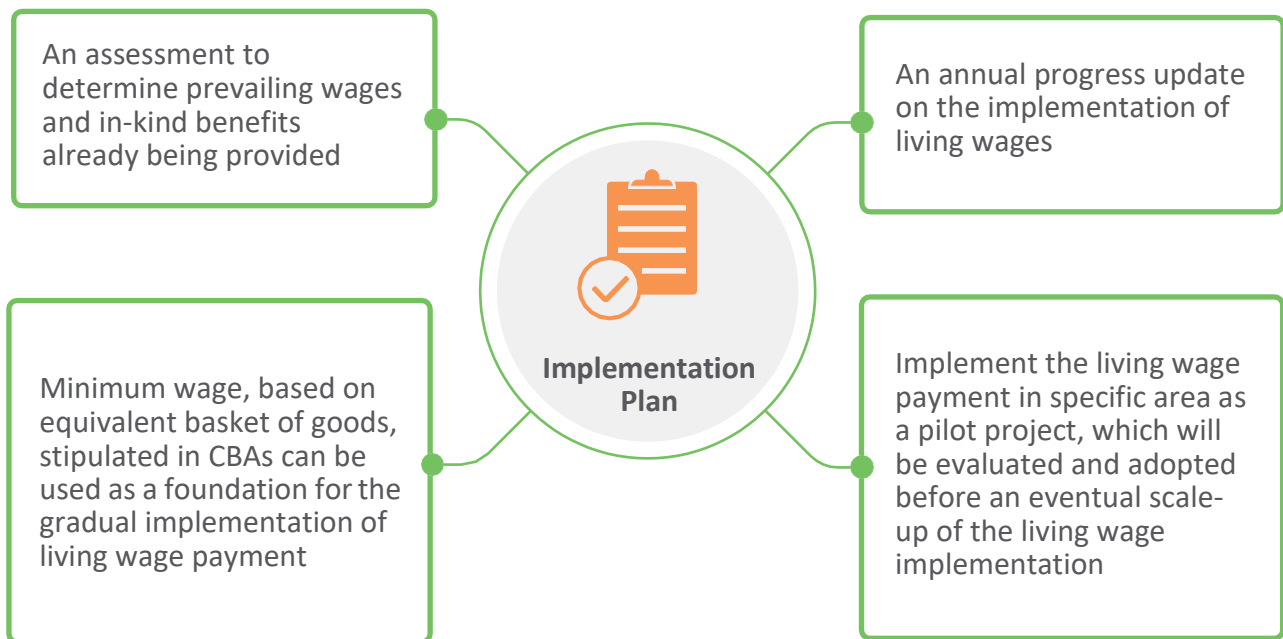
Time off work for vacation, sick leave, maternity leave, or public holidays, as required by law

LIVING WAGE GAP

& Steps to Close the Gap

$$\text{Decent Living Wage} - \text{Prevailing Wage} = \text{Living Wage Gap}$$

Where a living wage gap has been established, the management of the UoC can develop an implementation plan to elevate employees in the UoC who are not receiving a DLW. This implementation plan should have specific targets and can be done through a phased-implementation process. The implementation plan should include the following:



Without disrupting the wage distribution, employers can provide more (or better) in-kind benefits to increase the living standards of their workers, as long as it is agreed upon by the trade union/worker representatives.

ANNEX

This Annex aims to provide an overview of how the Anker living wage methodology, as presented in the guidance above, can be applied within the context of the oil palm industry.

For this purpose, we have Annexed the living wage benchmark for the Lower Volta River area from Ghana²² and sample calculations²³ for three countries: Indonesia, Malaysia and Colombia. The sample calculations demonstrate the first impression of a DLW, using mostly publicly available data²⁴. Except for GLWC's benchmarks, those sample calculations do not apply Anker methodology in full.

The calculations differ between regions, as the cost of living and demographics often vary. For Indonesia, the regions of North Sumatra, West and East Kalimantan are considered. For Malaysia, the regions of Peninsula, Sabah and Sarawak are considered. For Colombia, only an average of rural areas are considered, with a focus on the Magdalena region.

22. <https://www.globallivingwage.org/living-wage-benchmarks/ghana/>

23. Benchmarks are not yet available for these countries.

24. Where there are no default values, the UoC may conduct surveys in the UoC to help estimate the same.

Geographical Demarcation of Living Wage Sample Calculations and Key Data Sources Used for Each Region

REGION	KEY SOURCES
Ghana	
Lower Volta River area	GLWC 2017 ²⁵
Indonesia	
North Sumatra	Indonesian Palm Oil Stakeholders
West Kalimantan	Indonesian Palm Oil Stakeholders
East Kalimantan	BPS (2016); BPS (2014); PwC, (2017); Wage Indicator (2017)
Malaysia	
Peninsula	Department of Statistics Malaysia (2016); Department of Statistics Malaysia (2017); MAPA/NUPW (2015)
Sabah	Department of Statistics Malaysia (2016); Department of Statistics Malaysia (2017); MAPA/NUPW (2015)
Sarawak	Department of Statistics Malaysia (2016); Department of Statistics Malaysia (2017); MAPA/NUPW (2015)
Colombia	
North- Magdalena region	DANE (2009); IBS, 2012; KPMG, (2017); Wage Indicator (2018); World Bank (2016)

The sample calculations for the following countries can be found in the Annexes below:

- **Annex 1 - Ghana**
- **Annex 2 - Indonesia**
- **Annex 3 - Malaysia**
- **Annex 4 - Colombia**

The RSPO endeavours to develop benchmarks for the areas where its members operate. In the meantime, members may use the figures referred to in the Annexes below to assess the DLW estimates in their respective operations. Where it is found that the estimates provided in the Annexes below are different from the expenses in the UoC, members must provide evidence to show that they have conducted the necessary surveys to justify the difference.

25. <https://www.globallivingwage.org/living-wage-benchmarks/ghana/>

Annex 1 - Ghana

The living wage benchmark report for Ghana was published by the Global Living Wage Coalition (GLWC) in November 2017. The report focuses on the Lower Volta River area, which is a relatively small geographical area close to the Ghanaian capital and comprises of parts of the Greater Accra Metropolitan Area (GAMA) as well as the Eastern Region and Volta River Region (see Figure 2). These areas are neither purely urban, nor purely rural, and can thus, be characterised as peri-urban.

The table below outlines the main elements of a living wage, including the three main baskets of food, housing and NFNH costs. This sum is complemented with an additional 5% buffer for cases of illness, job loss or other unexpected setbacks. Together, this results in the net living wage, which consists of the total living costs per household divided by the number of FTE worked by adults in that household. The net living wage is translated to the gross living wage by the addition of taxes and other statutory deductions.

In terms of deductions from pay, an average of 12.7% applies to general workers. This includes 5.5% of basic salary for Social Security and National Insurance Trust (SSNIT), 5% or 6% of basic salary for Provident Funds and 2% of basic salary for workers union dues. The SSNIT tax can be considered to be representative of other sectors in Ghana. The personal income tax is based on the taxable monthly income, according to payroll data for January 2017. The first GHS 216 earned are exempted, while 5% income tax applies to the next GHS 108, 10% to the next GHS 151 and 17.5% to the next GHS 2,765.

Overview of Living Wage Calculation for Lower Volta River, Ghana²⁶

	UNIT	LOWER VOLTA RIVER, GHANA
Food	GHS/hh/month	734
Housing	GHS/hh/month	217
NFNH	GHS/hh/month	533
Unexpected events (5%)	GHS/hh/month	74
Total living basket	GHS/hh/month	1558
Net living wage	GHS/FTE/month	875
Mandatory deductions from pay	GHS/FTE/month	70
Personal income tax	GHS/FTE/month	83
Gross living wage	GHS/FTE/month	1,028

hh = household

26. https://www.globallivingwage.org/wp-content/uploads/2018/04/Ghana_Living_Wage_Benchmark_Infographic.pdf

Food Basket

Geographical Demarcation of Living Wage Sample Calculations and Key Data Sources Used for Each Region²⁷

Food Item	Edible grams per day (g)	Cost per KG Purchased grams (GHS)	Cost per person per day (GHS)
Maize	235	1.66	0.39
Rice	28	4.98	0.14
Bread	42	5.76	0.24
Cassava	169	1.50	0.25
Yam or cocoyam	46	2.50	0.14
Plantain	59	2.23	0.20
Groundnut paste	20	10.21	0.20
Cowpeas (black eyed peas)	17	6.42	0.11
Milk (powdered)	12	39.81	0.49
Eggs	14	10.95	0.17
Dried fish	28	18.40	0.52
Beef and offal	7 7	18.46 14.83	0.12 0.12
GLV: Cocoyam leaves	15	5.49	0.10
Cabbage	35	3.32	0.15
Tomatoes	25	6.65	0.18
Tomato paste	7	10.61	0.07
Garden eggs (eggplant)	50	4.40	0.27
Onions	35	3.94	0.15
Oranges	75	1.44	0.15
Palm Oil	30	8.54	0.26
Sugar	30	4.59	0.14
Milo	3	30.00	0.09
Total per person per day (GHS)			4.65
Total with 15% added for misc. costs (GHS)			5.35

*The total value is then multiplied by the Reference Family Size and the average month in the year (30.5) to calculate the total food basket for the month.

27. https://www.globallivingwage.org/wp-content/uploads/2018/04/Ghana_Living_Wage_Benchmark_Report.pdf

Housing Basket

For the Ghanaian living wage benchmark, housing costs are estimated at GHS 217 per month for the reference family size, which includes GHS 100 for rental of a basic acceptable dwelling, GHS 40 for electricity and other lighting, GHS 27 for water and GHS 50 for cooking fuel. The costs for routine repairs and maintenance are not included, as it is assumed that these are covered by landlords.

A local housing survey was used to estimate rental costs that meet the local housing standard. This amounted to GHS 100. The cost of utilities was also based on the same local housing survey, in combination with secondary data and discussions with workers.

NFNH Basket

Costs that do not fall into the food or housing basket are collected in the NFNH basket and their cost is estimated using secondary expenditure data. Post checks are done for healthcare and education using primary data, in order to ensure that sufficient amounts are included in the NFNH estimation. For healthcare, it was judged reasonable to include some funds for out of pocket health expenses, even when workers and their families are covered by health insurance. Based on this information, the preliminary calculation for healthcare costs (based on secondary data), was adjusted by the addition of GHS 12 per month. The post check for education did not provide any strong argument for adjusting the calculation for education costs.

Overview of NFNH for Lower Volta River, Ghana

	Unit	Lower Volta River, Ghana
Preliminary NFNH costs	GHS/hh/month	521
Healthcare post check adjustment	GHS/hh/month	+12
Education post check adjustment	GHS/hh/month	-
Final NFNH costs (after post check)	GHS/hh/month	533

hh = household

Source: GLWC (2017).

Reference Family Size

Formula Used to Determine Reference Family Size²⁸

Reference Family Size = 2 adults + TFR (1 – CMR)

TFR = Total Fertility Rates

CMR = Child Mortality Rates

28. Anker, R, and Anker, M. (2017). Living wages around the world. Manual for measurement

Overview of Family Reference Size for Lower Volta River, Ghana

	Unit	Lower Volta River, Ghana
Adults per household	#people	2
Children per household	#people	2.5
Reference Family Size	#people	4.5

Overview of Number of Dependent Children for Lower Volta River, Ghana

	Unit	Lower Volta River, Ghana
Average TFR	#children	4.4
Surviving children	#children	3.7
Dependant children	#children	2.5-3

FTE per Family

Formula for Calculating FTE

Likelihood of Full-Time Equivalent =
Average adult LFPR × (1 – unemployment rate) × (1 – 1/2 part-time employment rate)

A total of 1.78 FTE per reference family size is estimated, based on the data of the labour force participation rate, unemployment rate, and part-time employment rate for men and women between 25-59 years of age. The data is based on the GLSS 6 Labour Force module.

Annex 2 - Indonesia

The following sample calculations focus on the provinces of North Sumatra, and East and West Kalimantan. The sample calculations for North Sumatra and West Kalimantan are based on primary data of local prices provided by local palm oil stakeholders. Location-specific data was used when possible.

Kebutuhan Hidup Layak (“KHL”)

The provincial minimum wages are based on the Indonesian Decent Living Needs Standard (Kebutuhan Hidup Layak, hereafter abbreviated as KHL), which comprises of the requirements for a single worker/labourer to be able to live physically fit for one month. The KHL consists of seven components: Food & Beverages (11 items), Clothing (13 items), Housing (26 items), Education (2 items), Health (5 items), Transportation (1 items), Recreation and Savings (2 items). The value of which is determined through market surveys.

Due to the lack of publicly available recent data from KHL surveys, this sample calculation draws on different sources to determine the living costs for North Sumatra, East Kalimantan and West Kalimantan. A major difference between the KHL Standard and the GLWC methodology, which is used for the living wage sample calculation, is that the KHL considers the needs of one full-time worker. In contrast, the GLWC methodology takes into account both the reference family size as well as the number of FTE workers per family, for each region.

Geographical Demarcation of Living Wage Sample Calculations and Key Data Sources Used for Each Region

	Unit	North Sumatra	West Kalimantan	East Kalimantan
Food	IDR/hh/month	1,737,750	1,847,250	2,100,000
Housing	IDR/hh/month	720,000	680,000	1,460,000
NFNH	IDR/hh/month	2,269,000	1,932,000	1,046,000
Unexpected events (5%)	IDR/hh/month	236,338	222,963	230,300
Total living basket	IDR/hh/month	4,963,088	4,682,213	4,836,300
Net living wage	IDR/FTE/month	3,007,932	2,837,705	2,931,091
Social security & income taxes	Percentage (%)	4	4	4
Gross living wage	IDR/FTE/month	3,128,249	2,951,213	3,048,335

hh=household

Source: BPS (2016).

Food Basket

Example of a Model Diet Per Person Per Day for Rural North Sumatra and West Kalimantan

Food Items	Grams per day	Energy (kcal)	Monthly consumption (kg)	North Sumatra	West Kalimantan
				Total cost (IDR/pp/month)	Total cost (IDR/pp/month)
Rice	375	1,350	11.25	123,750	112,500
Meat	32	59	0.96	24,960	43,200
Oils	23	197	0.69	7,590	8,280
Sugar	36	127	1.08	12,420	12,960
Milk	31	15	0.93	30,000	30,000
Vegetables	70	24	2.1	16,800	16,800
Potatoes	9	6	0.27	2,700	3,780
Egg	10	15	0.3	7,200	6,600
Fish products	59	44	1.77	61,950	70,800
Nuts	27	93	0.81	4,050	4,050
Cassava	118	118	3.54	21,240	24,780
Fruits	52	32	1.56	18,720	11,700
Soya beans	2	8	0.06	300	300
Onions	23	9	0.69	14,490	20,700
Tea	1	0	0.03	1,380	3,000
Total	868	2,100	26.04	347,550	369,450

pp = per person

The food cost is sourced from primary and secondary data. The secondary data is based on a monthly per capita expenditure from the 2016 national household expenditure survey²⁹.

*The total value is then multiplied with the Reference Family Size and the Average month in the year (30.5) to calculate the total food basket for the month.

29. https://media.neliti.com/media/publications/48260-ID-buku-3_pengeluaran-untuk-konsumsi-penduduk-indonesia-per-provinsi-berdasarkan-ha.pdf

Housing Basket

In accordance with Indicator 6.2.4 of the 2018 P&C, the unit of certification is required to provide adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities according to national standards.

The Indonesian Law No. 1 of 2011 on Housing and Settlement Area provides the minimum conditions for housing, which needs to be met.

Sample Calculation for Rural North Sumatra, West Kalimantan and East Kalimantan

Unit	North Sumatra	West Kalimantan	East Kalimantan
IDR/hh/month	720,000	680,000	1,460,000

hh = household

Source: BPS (2016).

NFNH Basket

Living costs that do not fall into the food or housing basket are included here. Post checks are done for healthcare, education and transport, which may be adjusted based on primary and secondary data such as the Department of Statistics³⁰.

In using secondary data, it should be noted that expenditure on NFNH may vary significantly between urban and rural areas. In such situations, the value of the rural areas should be chosen. Indonesian members may also refer to the KHL surveys to determine the estimates and the kind of NFNH that can be included into the estimations.

Overview of NFNH for Rural North Sumatra, West Kalimantan and East Kalimantan

	Unit	North Sumatra	West Kalimantan	East Kalimantan
Clothing	IDR/hh/month	555,000	533,000	123,000
Transportation	IDR/hh/month	924,000	603,000	323,000
Education	IDR/hh/month	480,000	480,000	400,000
Healthcare & personal hygiene	IDR/hh/month	310,000	316,000	200,000
Total NFNH	IDR/FTE/month	2,269,000	1,932,000	1,046,000

hh=household

Source: BPS (2016).

30. https://media.neliti.com/media/publications/48260-ID-buku-3_pengeluaran-untuk-konsumsi-penduduk-indonesia-per-provinsi-berdasarkan-ha.pdf

Reference Family Size

Formula Used to Determine Reference Family

$$\text{Reference Family Size} = 2 \text{ adults} + \text{TFR} (1 - \text{CMR})$$

TFR = Total Fertility Rates

CMR = Child Mortality Rates

Overview of Number of Dependent Children for Rural North Sumatra, West Kalimantan and East Kalimantan

	Unit	North Sumatra	West Kalimantan	East Kalimantan
TFR	#children per woman	3	3.1	2.8
CMR	#deaths per 1000 live births	23	23	23

Overview of Reference Family Size for Rural North Sumatra, West Kalimantan and East Kalimantan

	Unit	North Sumatra	West Kalimantan	East Kalimantan
Adults per household	#people	2	2	2
Children per household	#people	3	3	2.5
Reference family size	#people	5	5	4.5

FTE Per Family

Formula for Calculating FTE

$$\text{FTE per family} = 1 + \text{LFPR} \times (1 - \text{U}) \times [1 - (\text{PT}/2)]$$

LFPR = Labour Force Participation

RateU = Unemployment Rate

PT = People Working Part Time

31. Anker, R, and Anker, M. (2017). Living wages around the world. Manual for measurement

Overview of Reference Family Size for Rural North Sumatra, West Kalimantan and East Kalimantan³²

	Unit	North Sumatra	West Kalimantan	East Kalimantan
LFPR	Percentage (%)	72.80	72.80	72.80
U	Percentage (%)	2.21	2.26	2.3
PT	Percentage (%)	18	18	18
FTE	FTE/family	1.65	1.65	1.65

Annex 3 - Malaysia

The Malaysian living wage sample calculation focuses on Peninsula, Sabah and Sarawak. Location-specific data was used where possible and national data was used when the same was not available.

Overview of Living Wage Sample Calculation for Peninsula, Sabah and Sarawak in 2016³³

	Unit	Peninsula	Sabah	Sarawak
Food	RM/hh/month	750	467	561
Housing	RM/hh/month	650	560	440
NFNH	RM/hh/month	1,261	728	768
Unexpected events (5%)	RM/hh/month	133	88	88
Total living basket	RM/hh/month	2,794	1,843	1,857
Net living wage	RM/FTE/month	1,615	1,007	1,026
Social security & income taxes ³⁴	Percentage (%)	13	13	13
Gross living wage	RM/FTE/month	1,825	1,138	1,159

hh = household

32. BPS Statistics Indonesia, Demographic and Health Survey 2012. Retrieved from <https://dhsprogram.com/pubs/pdf/FR275/FR275.pdf>

33. Department of Statistics Malaysia (2016). Report on Household Expenditure Survey.

34. The percentage given here is an average. Members should make the inclusion for all mandatory deductions which is usually made to the worker's wage.

Food Basket

The average monthly expenditure has been obtained from the Department of Statistics Malaysia (2016). In the survey, 18% of the average expenditure per household was spent on food and non-alcoholic beverages³⁵.

Overview of Monthly Food Expenditure by State

State	Monthly Expenditure on Food (RM)	State	Monthly Expenditure on Food (RM)
W.P. Putrajaya	1,255	Negeri Sembilan	664
W.P. Kuala Lumpur	1,119	Pahang	597
Selangor	933	Perlis	555
Melaka	787	Perak	582
Pulau Pinang	754	Sarawak	561
Johor	747	Kedah	551
W.P. Labuan	732	Kelantan	518
Terengganu	684	Sabah	467

Housing Basket

The Workers' Minimum Standards of Housing and Amenities Act, 1990 (No. 446) provides information on the minimum conditions for housing that need to be met.

Sample Calculation for Peninsula Malaysia, Sabah and Sarawak³⁶

Unit	Peninsula Malaysia	Sabah	Sarawak
RM/hh/month	650	560	440

hh = household

35. Department of Statistics Malaysia (2016). Report on Household Expenditure Survey

36. Department of Statistics Malaysia (2016). Report on Household Expenditure Survey

NFNH Basket

Overview of NFNH for Peninsula Malaysia, Sabah and Sarawak

	Unit	Peninsula	Sabah	Sarawak
Clothing	RM/hh/month	114	76	73
Transportation	RM/hh/month	504	300	304
Healthcare	RM/hh/month	77	22	31
Education	RM/hh/month	42	10	9
Furnishing, household equipment and routine household	RM/hh/month	122	74	90
Communication	RM/hh/month	151	92	94
Miscellaneous goods and services	RM/hh/month	251	154	167
Total NFNH	RM/hh/month	1,261	728	768

hh = household

Source: Department of Statistics Malaysia.

Reference Family Size

Formula Used to Determine Reference Family

Reference Family Size = 2 adults + TFR (1 – CMR)

TFR = Total Fertility Rates

CMR = Child Mortality Rates

Overview of Number of Dependent Children for Peninsula Malaysia, Sabah and Sarawak

	Unit	Peninsula	Sabah	Sarawak
TFR	#children per woman	2	1.4	1.7
CMR	#deaths per 1000 live births	8.1	7.2	7.5

37. Anker, R, and Anker, M. (2017). Living wages around the world. Manual for measurement

Overview of Family Reference Size

	Unit	Peninsula	Sabah	Sarawak
Adults per household	#people	2	2	2
Children per household	#people	2	1.5	1.5
Reference family size	#people	4	3.5	3.5

hh = household

Overview of FTE per Family for Peninsula Malaysia, Sabah and Sarawak

	Unit	Peninsula	Sabah	Sarawak
LFPR	Percentage (%)	76	86	84
U	Percentage (%)	2	2	2
PT	Percentage (%)	5	5	5
FTE	FTE/family	1.73	1.83	1.81

*Values are assumed due to lack of data.

Annex 4 - Colombia

The Colombian living wage sample calculation focuses on the northern region, although in the absence of location-specific information, data for rural Colombia is used.

This sample calculation is based on publicly available secondary data, rather than the collection of field data on local prices, as prescribed by the GLWC method.

The GLWC is currently working on the living wage benchmarks in the Rural Urubá Region and the Rural Santa Marta Region³⁸. Pending the completion of this, RSPO members may refer to the sample calculations in this Annex.

38. <https://www.globallivingwage.org/countries/colombia/>

Overview of Living Wage Sample Calculation for Rural Colombia in 2017³⁹

	Unit	Rural Colombia
Food	COP/hh/month	523,456
Housing	COP/hh/month	530,000
NFNH	COP/hh/month	473,000
Unexpected Events (5%)	COP/hh/month	76,323
Total living basket	COP/hh/month	1,602,779
Net living wage	COP/FTE/month	1,014,417
Social security & income taxes	Percentage (%)	8
Gross living wage	COP/FTE/month	1,095,570

hh = household

Food Basket

This sample calculation for food costs is not based on primary data collection but on publicly available statistics. It is based on a food basket that has 2100 calories per person per day. Prices are taken from Wage Indicator, an online platform that maintains several databases with information about wages and prices, collected through an online Cost of Living Survey. The daily costs per person, that result from the grams of food per item needed and the price per kilo, are then multiplied by the reference family size and expressed as monthly costs. Wage Indicator presents a range of prices, and we have used the lower end of the national average prices, as this is estimated to be reflective of the prices in rural areas.

39. <https://wageindicator.org/salary/living-wage/colombia-living-wages-2018-country-overview>

Example of a Model Diet Per Person Per Day

Food Item	Grams per day	Energy (kcal)	Price per kilo (COP/kg)	Cost/person/day
Wheat, barley, cereals	67	183	2,400	160
Rice	60	221	1,800	108
Meat (beef, pork, poultry)	114	186	7,000	798
Oil (soyabean, olive, palm)	31	273	5,000	155
Sugar (raw equivalent)	124	435	2,200	272
Maize and products	64	198	1,800	115
Milk- excluding butter	231	139	2,000	462
Vegetables, other	40	11	2,000	80
Potatoes & products	71	50	1,500	106
Butter, ghee	3	22	2,750	4
Groundnuts (shelled Eq)	6	10	5,000	30
Pulses, other products	3	11	1,500	4.5
Cassava & products	82	71	1,500	123
Eggs (price per 10 eggs)	23	30	3,000	69
Sunflower seed oil	1	10	6,000	6
Fish products	13	9	10,000	130
Beer	89	32	3,600	320
Sweetener, others	1	5	2,000	2
Beans	7	23	2,200	8
Bananas	22	14	1,500	33
Soybeans	2	6	5,000	10
Yams	12	11	3,000	36
Apples & products	5	2	3,000	15
Tomatoes & products	31	6	2,000	62
Onions	19	8	1,500	28
Oranges, mandarins	16	5	2,000	32
Plantains	113	103	1,500	169
Peas	4	12	1,500	6
Roots, other	3	3	2,000	6
Wine	1	1	13,300	13
Citrus, other	29	8	1,500	44
Lemons, limes and products	5	1	1,500	8
Coffee and products	4	2	4,600	18
Total		2,100		3,432.50

Source: Wage indicator (2018).

Housing Cost

For the present sample calculation, collecting field data was not possible. As such, the housing costs are based on the lower end of the national average for a family of four people, as published by Wage Indicator⁴⁰.

Although this value is a national average, which includes estimations for urban and rural areas, it constitutes the cost for a family of four. Given that the estimated reference family size in this sample calculation is for five people living in a rural area, we consider this value to be a reasonable approximation.

NFNH Basket

Overview of NFNH for Rural Colombia in 2017

	Unit	Magdalena, Rural Colombia
Clothing	COP/hh/month	72,000
Transportation	COP/hh/month	84,000
Healthcare	COP/hh/month	35,000
Education	COP/hh/month	23,000
Furnishing, household equipment and routine household products	COP/hh/month	30,000
Communication	COP/hh/month	35,000
Recreation services and culture	COP/hh/month	40,000
Restaurants and hotels	COP/hh/month	63,000
Miscellaneous goods and services	COP/hh/month	91,000
Total NFNH	COP/hh/month	473,000

hh = household

Source: DANE (2009).

Reference Family Size

Formula Used to Determine Reference Family

Reference Family Size = 2 adults + TFR (1 – CMR)

TFR = Total Fertility Rates

CMR = Child Mortality Rates

40. <https://wageindicator.org/salary/living-wage/colombia-living-wages-2018-country-overview>

41. Anker, R, and Anker, M. (2017). Living wages around the world. Manual for measurement

Sample Reference Family Size for Rural Colombia

	Unit	Rural Colombia
Adults per household	#people	2
Children per household	#people	3
Reference family size	#people	5

Overview of Number of Dependent Children for Rural Colombia

	Unit	Rural Colombia
TFR	#Children per woman	2.80
CMR	#Deaths per 1000 lives	14

Overview of FTE per Family for Rural Colombia

	Unit	Rural Colombia
LFPR	Percentage (%)	69
U	Percentage (%)	9.20
PT	Percentage (%)	15.90
FTE	FTE/family	1.58

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The RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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