



**UEBT**  
SOURCING<sup>®</sup>  
WITH RESPECT

**References to available  
living wage and living income  
benchmarks and estimates**

**March 2024**

## Introduction

UEBT promotes practices that ensure fair prices for producers in the supply chain, as well as decent living conditions for workers. In the UEBT Standard this is included under Principles 3 and 6.

The concepts of living wage and living income have been defined according to the [Global Living Wage Coalition](#) (GLWC) and the [Living Income Community of Practice](#), respectively. These definitions are the ones referenced by UEBT in our guidance to companies (i.e., our members and our current and potential certificate holders and verification clients) and to our auditing partners (i.e., certification bodies).

**Living wages** and **living incomes** are needed to ensure decent work and **decent living standards** for workers and producers/pickers **in a specific geography**. While both are calculated based on living costs for a decent standard of living for a family size average for the region, living wage is an individual concept while living income is a household concept.

The definition of a **living wage** given by the GLWC is:

*“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, health care, transportation, clothing, and other essential needs including provision for unexpected events.”*

This [three-minute video](#) explains the elements of a living wage according to the definition above.

According to the Living Income Community of Practice, **living income** is:

*“The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events.”*

UEBT is a supporting member of the [GLWC Action Network](#). This means that UEBT promotes the usage of methodologies, including the [Anker Methodology for Estimating a Living Wage](#), that are followed by the GLWC and the Living Income Community of Practice.

### *UEBT standard references*

**In Principle 3: Fair and equitable sharing of benefits derived from the use of biodiversity**, the UEBT standard promotes long-term relationships and payment of fair prices to producers – that is, the local pickers or farmers collecting or cultivating plants used for natural raw materials. It seeks to ensure such activities contribute to local development in the cultivation and collection areas. Moreover, it promotes compliance with legal requirements and good practices on access and benefit sharing (ABS).

Prices are based on cost-calculation and time spent in the activity is valued. Measures to contribute to a living income are, among others, valuing the average time spent by producers on cultivation or wild collection activities for the natural raw material at a rate proportional at least to a living wage.

**In Principle 6: Respect for the rights of actors involved in biotrade activities**, the UEBT standard promotes respect of human and workers’ rights and decent labour conditions along the supply chain, considering the relevant conventions of the International Labour Organisation (ILO) and national regulatory frameworks.

It focuses on respect for rights at the level of UEBT member companies, as well as in cultivation and wild collection activities (i.e., producers and local processing companies).

One critical stepwise requirement states that formal commitments and targets should be in place to advance towards a living wage for workers. Practically, when assessing progress towards a living wage, the total remuneration (i.e., wages and in-kind benefits) should be assessed against a living wage benchmark in accordance with the GLWC.

*How UEBT guides companies*

To guide companies and auditors in assessing the UEBT requirements, we have listed available living wage benchmarks and estimates offered by the GLWC. **UEBT prefers the use of the GLWC benchmarks and estimates that are developed using the Anker Methodology.** The Anker Methodology is considered the gold standard for estimating locally validated and accurately developed living wage and income estimations. Additionally, all studies produced by the Anker Research Institute are available as a public good.

There are three interlocking Anker Methodologies used by the Anker Research Institute to make internationally comparable living wage and living income estimates: Anker Benchmark Methodology, Anker Reference Value Methodology, and Anker Sub-National Estimate Methodology. Below is a table that explains key differences amongst them:

	<b>Anker LW/LI Benchmark</b>	<b>Anker Reference Values</b>	<b>Anker Sub-National Estimates</b>
<b>Geographical coverage</b>	Local/ Regional/ limited to a specific region	Urban/Rural national average	Local/ Regional/ for all regions in the country
Based on data from government statistics and surveys	✓	✓	✓
Based on data from fieldwork, to understand local costs	✓	✗	✗
Engagement with local stakeholders	✓	✓	✓
Consistent with Anker Methodology*	✓	✓	✓
Publicly available on website	✓	✓	✓
Published in a summary report	✗	✓	✓
Published in a full report	✓	✗	✗

Source: Anker Research Institute, 2024, *Our Work* <https://www.ankerresearchinstitute.org/our-work>

## Available Living Wage benchmarks

When searching for an applicable benchmark—that is, one that is geographically specific and updated to reflect changes in living costs—the list below is a starting point. It contains all available benchmark studies as of the date of publication of this guidance document. For the most up-to-date list, please consult the [GLWC resource library](#).

Anker Benchmark Studies	
Country	Region
Bangladesh	<a href="#">Satellite cities and districts surrounding Dhaka</a>
Bangladesh	<a href="#">Urban Dhaka City</a>
Belize	<a href="#">Rural</a>
Brazil	<a href="#">Non-Metropolitan Urban Sao Paulo</a>
Brazil	<a href="#">Urban Minas Gerais South/Southwestern</a>
China	<a href="#">Urban Zhengzhou</a>
China	<a href="#">Urban Chengdu</a>
China	<a href="#">Urban Hangzhou</a>
China	<a href="#">Urban Shanghai</a>
China	<a href="#">Urban Shenzhen</a>
China	<a href="#">Urban Suzhou</a>
Colombia	<a href="#">Rural areas and small towns</a>
Colombia	<a href="#">Caribbean coast</a>
Costa Rica	<a href="#">Rural, Limon and Heredia Provinces</a>
Dominican Republic	<a href="#">Urban Santo Domingo</a>
Dominican Republic	<a href="#">Rural North</a>
Ecuador	<a href="#">Rural Southern Coast</a>
Ethiopia	<a href="#">Non-Metropolitan Urban Ziway</a>
Ghana	<a href="#">Peri-urban Lower Volta</a>
India	<a href="#">Rural Andhra Pradesh</a>
India	<a href="#">Rural Madhya Pradesh Chhindwara District</a>
India	<a href="#">Rural Madhya Pradesh Ratlam District</a>
India	<a href="#">Rural Bahdohi Uttar Pradesh</a>
India	<a href="#">Rural Nilgiris Tamil Nadu</a>
India	<a href="#">Rural Tiruppur, Tamil Nadu</a>
Indonesia	<a href="#">Rural Sulawesi</a>
Kenya	<a href="#">Rural Kericho</a>
Kenya	<a href="#">Non-Metropolitan Urban Lake Naivasha</a>
Malawi	<a href="#">Rural South</a>
Mexico	<a href="#">Rural areas and small towns Yucatan</a>
Mexico	<a href="#">Rural areas and small towns Nayarit</a>
Mexico	<a href="#">Non-Metropolitan urban and Rural Northwest Michoacan</a>
Mexico	<a href="#">San Quitin Baja California</a>

Mexico	<a href="#">Ensenada Baja California</a>
Nicaragua	<a href="#">Managua Free Trade Zone</a>
Nicaragua	<a href="#">Northwest</a>
Pakistan	<a href="#">Rural Sialkot</a>
Pakistan	<a href="#">Urban Sialkot</a>
Pakistan	<a href="#">Rural Khyber Pakhtunkhwa</a>
Peru	<a href="#">Rural towns of Cajamarca, Cusco, Junin and San Martin</a>
Philippines	<a href="#">Rural Ilocos Sur Province</a>
South Africa	<a href="#">Rural Western Cape Province</a>
Sri Lanka	<a href="#">Estate Sector</a>
Uganda	<a href="#">Rural Lake Victoria Basin</a>
Vietnam	<a href="#">Region 4</a>
Vietnam	<a href="#">Region 3</a>
Vietnam	<a href="#">Region 2</a>
Vietnam	<a href="#">Region 1</a>

### Available Living Wage/Income Reference Values

When living wage benchmarks are not available, organizations may decide to use the [Anker Reference Values](#). Anker Reference Value estimates indicate the average living wage and living income for rural and urban areas of countries. Thus, they cover an entire country. These reference values enable preliminary analysis and discussions about living wages and living income when it has not yet been possible to organize and fund a full quality-assured Anker methodology living wage benchmark or living income study.

Since Anker Reference Values are based on a regression analysis, they do have a margin of error or confidence interval. This margin of error is approximately +/- 10% using a 95% confidence interval.

Anker Reference Values - Living Wage	
Country	Urban/Rural
Argentina	<a href="#">Non-Metropolitan Urban area</a>
Cambodia	<a href="#">Urban</a>
Cameroon	<a href="#">Urban</a>
Cameroon	<a href="#">Rural</a>
Chad	<a href="#">Rural</a>
Chile	<a href="#">Non-Metropolitan Urban area</a>
Congo	<a href="#">Rural</a>
Côte d'Ivoire	<a href="#">Rural</a>
Egypt	<a href="#">Rural</a>
El Salvador	<a href="#">Urban</a>
El Salvador	<a href="#">Rural</a>
Gabon	<a href="#">Rural</a>
Gabon	<a href="#">Urban</a>

Guatemala	<a href="#">Urban</a>
Guatemala	<a href="#">Rural Central</a>
Honduras	<a href="#">Rural</a>
Honduras	<a href="#">Urban</a>
Jordan	<a href="#">Urban</a>
Morocco	<a href="#">Rural</a>
Mozambique	<a href="#">Rural</a>
Nigeria	<a href="#">Rural</a>
Panama	<a href="#">Rural</a>
Peru	<a href="#">Rural</a>
Rwanda	<a href="#">Rural</a>
Sri Lanka	<a href="#">Urban</a>
Tanzania	<a href="#">Urban</a>
Tanzania	<a href="#">Rural</a>
Thailand	<a href="#">Urban</a>
Togo	<a href="#">Rural</a>
Togo	<a href="#">Urban</a>
Tunisia	<a href="#">Rural</a>
Turkey	<a href="#">Urban</a>
Zambia	<a href="#">Rural</a>
Zimbabwe	<a href="#">Rural</a>

Anker Reference Values - Living Income	
Country	Urban/Rural
Argentina	<a href="#">Rural</a>
Burkina Faso	<a href="#">Rural</a>
Cameroon	<a href="#">Rural</a>
Democratic Republic of Congo	<a href="#">Rural</a>
Madagascar	<a href="#">Rural</a>
Madagascar	<a href="#">Specific rural regions***</a>
Mozambique	<a href="#">Rural</a>
Papua New Guinea	<a href="#">Rural</a>
Peru	<a href="#">Rural</a>
Rwanda	<a href="#">Rural</a>
Tanzania	<a href="#">Rural</a>
Togo	<a href="#">Rural</a>
Turkey	<a href="#">Rural</a>

\*\*\*Note that for the regions of SAVA and Analanjirofo (in which vanilla is cultivated amongst other crops), as well as Alaotra-Mangoro (in which centella is picked), UEBT advises to use more geographically specific benchmarks.

- For SAVA and Analanjirofo - Benchmark included in Fairtrade's Living Income Reference Price for vanilla report
- For Alaotra-Mangoro – UEBT benchmark for centella

Both are based on the Anker Methodology. Please get in touch at [gina@uebt.org](mailto:gina@uebt.org) to receive any of these two estimates and further guidance.

If a needed benchmark is not available in the tables above--or in the [GLWC resource library](#)-- organizations may use 1) other recognized and credible living wage benchmarks, or 2) they may assess the local benchmark themselves as long as they enlist the support of local dedicated partners and use a trusted methodology.

#### *Local living wage studies commissioned by companies or organisations*

To fully support their internal strategy or commitments related to assessing and reaching a living wage or living income for actors in their supply chain, organizations may decide to commission to external experts, a local study on the cost of a decent living, or they may decide to carry it out themselves with a third-party validation.

These options may be preferred because they wish to fully understand the context and the data for their own supply chains at a very local level, or because other references are not available, or because they deem a reference value to not be precise enough for their reality (e.g., related to the region, the context, the specific ingredient, etc.).

Wherever possible, the organization is encouraged by UEBT to contribute to and/or to follow the [Anker Methodology](#) for these studies or estimates. The methodology is available and detailed instructions are available in [an open access manual](#) written by Richard and Martha Anker. Companies can work directly with the Anker Research Institute to also fund additional living wage benchmarks by contacting them via the GLWC at [glwc@globallivingwage.org](mailto:glwc@globallivingwage.org).

#### *A technical note on UEBT's approach*

UEBT's approach to assessing progress towards living wages and contribution to living income is detailed on the dedicated page in our website [Fair prices and living wages](#) as well as our guidance document on [Fair prices and sourcing arrangements](#). Still a note on how we use benchmarks is useful to include here:

1. When conducting a gap analysis on **living wages for workers**, the current remuneration is compared to the living wage benchmark
2. When assessing to what extent prices paid contribute to a **living income for producers or pickers**, our approach is to identify the average time spent on the activity (including family labour) and value that time at living wage levels.

Practically, this means that we use the living wage benchmark for both gap analyses. In the case that there is only a living income benchmark available for the region/location in question, the following formula is applied to obtain the living wage benchmark. This formula is part of the Anker methodology:

Living Wage = (Living Income benchmark/no. of full time equivalent workers per family) + payroll taxes and deductions

When UEBT assesses a company's commitment and progress towards a living wage in relation to the UEBT requirements (i.e., via UEBT certification or verification programmes), UEBT reserves the right to limit the external UEBT-related communication, or claims made on the progress if the living wage targets and actions are not based on a benchmark or estimate made by a recognized expert organization on these topics.