

Call to action to UN Member States:

## Prioritise the issue of living wages at the Second World Social Summit for Social Development

Ensuring workers are paid a living wage is one of the most transformative things states and businesses can do to help reduce social inequality and [advance human rights and the Sustainable Development Goals \(SDGs\)](#). Globally, an estimated [241 million workers](#) still live with less than \$2.15 a day; and [11% of wage workers](#) earn less than half of the median wage – rising to 22% for workers in low-income countries. Despite a 36% rise in global real average wages, growing inequalities in income distribution leave hundreds of millions of people on very low wages, while a small percentage of people enjoy fast increasing income and wealth. Such high levels of inequality erode trust in political and economic systems, fuel social unrest, constrain economic growth and can put financial stability at risk. If businesses paid their workers a living wage, and ensured their suppliers did the same, it would not only benefit individual workers, but would extend far beyond, lifting those individuals as well as their families and communities out of poverty, reducing inequality and creating a multiplier effect on economies and society at large<sup>1</sup>.

However, companies cannot achieve this transformation alone. For businesses to commit to paying living wages and ensuring their suppliers do the same, there must be clarity on the distinct responsibilities of companies and states, and a level playing field enabled through regulatory action. This is especially critical in developing economies, where broader economic factors must be considered to ensure a sustainable and phased transition towards living wages. Collaborative efforts between governments, workers, employers, businesses and other stakeholders are essential to align incentives, drive accountability, and support systemic changes that enable fair living wages globally.

The 2025 UN Second World Social Summit for Social Development (WSSSD) presents a critical opportunity to spotlight living wages, and drive transformative action building on the momentum since the [1995 Copenhagen Declaration](#). Key developments include the [ILO's formal agreement on living wages](#) and the centrality of this issue in the [Global Coalition for Social Justice](#), the [commitments from 700+ companies](#) under the UN Global Compact Forward Faster initiative on living wages, the [EU's Corporate Sustainability Due Diligence Directive](#) requirements on living wage, and financial institutions advocating for change through initiatives like the [Platform Living Wage Financials](#). These efforts signal a growing global push to align wages with social justice and poverty reduction goals.

### In this context, we call UN Member States to:

- 1) **Prioritise living wages at the Second World Social Summit**, explicitly recognising in the Declaration the critical role of living wages in advancing social justice and achieving the SDGs, as well as the commitment and responsibility of Member States to work towards living wages for all.
- 2) **Recognize with appreciation the International Labour Organisation's clear articulation of the concept of living wages**, as well as its principles for estimating living wages and for wage-setting processes, and encourage further technical support to the implementation of these principles.
- 3) **Clarify the distinct responsibility of both states and businesses in ensuring workers receive a living wage**, in line with the UN Guiding Principles on Business and Human Rights.
- 4) **Establish and support a time-bound global living wage target for large and transnational companies<sup>2</sup>**, building on the progress of existing initiatives such as the UN Global Compact Forward Faster initiative, to create the clarity that business needs and calling on these businesses to:
  - i) assess and disclose the living wage gap in their own operations and supply chains;
  - ii) pay their own workers a living wage;

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<sup>1</sup> Estimates suggesting that closing the living wage gap could boost global GDP by \$4.5 trillion every year through increased productivity and spending. See <https://tacklinginequality.org/flagship-report> p. 80

<sup>2</sup> Starting with large and transnational companies to be followed in time with smaller companies

- iii) collaborate with their suppliers, peer companies and other stakeholders – including through conducive procurement practices – to close the living wage gap in their supply chains.
- 5) **Take legal, administrative or policy measures** to:
- i) promote effective social dialogue and empower wage-setting institutions, particularly collective bargaining;
  - ii) set and regularly adjust minimum wages to ensure they meet the level necessary to afford a decent standard of living for workers and their families, in line with the ILO's definition of a living wage;
  - iii) encourage and enable businesses to pay living wages in their own operations and collaborate with others to close the living wage gap in supply chains.

## Signatories

As of 09 July 2025





**Pensioenfond**s  
 >>> Particuliere Beveiliging



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**Detailhandel**

	<b>Quizrr</b>	<b>NewForesight</b>
<b>Transformative Procurement Change</b>	<b>Agri-Logic</b>	<b>SocialDrives</b>
<b>The Folksam Group</b>	<b>The Circle</b>	<b>School Sisters of Notre Dame Collective Investment Fund</b>
<b>Malhar Roadlines</b>	<b>Fair Trade Advocacy Office</b>	<b>Mirova</b>
<b>EcoVadis</b>	<b>Center for Alliance of Labor and Human Rights, Cambodia</b>	<b>Forster Communications</b>
<b>Next Level Apparel</b>	<b>Pek Danismanlik Ltd. Sti.</b>	<b>PAMA Holding SARL</b>

## Background and rationale

### 1. First World Summit for Social Development and living wages

#### 1.a Living wages as a method for poverty alleviation

The 1995 Copenhagen Declaration on Social Development and Programme of Action ("Copenhagen Declaration"), adopted at the First Social Summit, emphasises the urgent need to address profound social problems, especially poverty, unemployment and social exclusion.

With regards to wages and income, the Copenhagen Declaration emphasises that "adequately and appropriately remunerated employment is an effective method of combating poverty and social integration"<sup>3</sup>. Accordingly, parties committed to "enable all men and women to attain secure and sustainable livelihoods through freely chosen and productive employment and work" through "the promotion of appropriately and adequately remunerated employment"<sup>4</sup>.

#### 1.b. "Adequate and appropriate wages" as living wages

While the concept of living wages was not used as such in 1995, the concept of "adequate and appropriate wages" used in the Copenhagen Declaration is closely related. Interpreting "adequate and appropriate wages" as "living

<sup>3</sup> <https://www.un.org/en/conferences/social-development/copenhagen1995>, p. 54

<sup>4</sup> Ibid., p. 11

wages" involves recognizing that wages should be sufficient to meet basic living expenses (adequacy) and should be aligned with the local cost of living (appropriateness). This interpretation aligns with the concept of "fair wages" in the Universal Declaration of Human Rights (article 23) and the International Covenant on Economic, Social and Cultural Rights (article 7), according to which fair wages should enable workers to afford a decent living for themselves and their families.

## 2. The need for accelerated progress on living wages

### 2.a. Living wages are key for achieving 2030 agenda

Ensuring a living wage is an accelerator for achieving the SDGs as it directly enables Goal 1: No Poverty and Goal 8: Decent Work and Economic Growth, as well as Goal 5: Gender Equality and Goal 10: Reduced Inequalities. It also contributes materially to the achievement of many other goals (Figure 1). With 2030 fast approaching, accelerated progress on living wages is needed to achieve the Goals.

Recently, the International Labour Organization (ILO) has further emphasised the importance of living wages for social development. In [its report on the meeting of experts on wage policies](#), published in February 2024, the ILO confirmed that decent wages are essential for reducing poverty and inequality, as well as for ensuring a decent and dignified life and advancing social justice.



Source: [Shift and WBCSD](#) (2018)

### 2.b. EU CSDDD will make contributing to living wages a legal requirement

Companies are faced with increasing legislative requirements regarding their responsibility to contribute to a living wage throughout their value chains. In particular, [CSDDD](#) mandates that large multinational companies covered by the Directive must: 1) conduct due diligence on the payment of living wages in both their own operations and value chain; 2) use their leverage to contribute to living wages in their value chains; and 3) ensure they adapt their business plans and strategies to prioritise their contribution to living wages for their suppliers where appropriate.

### 2.c. Progress on living wages is slow

Despite urgency, corporate progress towards the payment of living wages is still too slow. [Research by the World Benchmarking Alliance](#) (WBA) demonstrates that only 4% of 2000 the world's most influential companies disclose that they are currently paying a living wage to their own workers or have set targets to do so. And, while often workers in supply chains are often disproportionately impacted by payment below living wages, companies are making even less progress there. Just 3% of companies assessed disclosed that they are working on living wages in their supply chains and only a handful of companies have set targets for paying living wages in the supply chain.

### 3. The need for global targets on living wage

#### 3.a. Targets for accelerating progress

Drawing lessons from the global fight against climate change, where the “Net Zero by 2050” target has galvanised countries’ and businesses’ efforts to reduce emissions, having a global target and clarity on the responsibility of individual companies can significantly accelerate the transition to living wages. While it can be challenging for a company to single-handedly raise wages when their peers are not following suit, a target can help level the playing field, making living wages the norm, instead of the exception.

In just over a year, the [UN Global Compact’s Forward Faster](#) initiative has already incentivised over 650 companies to commit to paying living wages in their own operations by 2030, and over 400 companies to develop a joint action plan with their contractors and supply chain partners. The initiative provides a useful mechanism for increasing corporate ambitions, accountability and transparency on living wages.

This progress is encouraging, but not fast enough if we are to advance towards our collective goal of eradicating poverty, addressing the urgent challenge of inequality, and achieving the broader Agenda 2030. Having UN member states supporting a globally agreed target, in line with the targets proposed by Forward Faster, could build on the progress made by this initiative, and exponentially raise the ambition and accelerate the transition. Such a target can generate momentum among businesses, governments and civil society; and create a global norm that can be used by the investment community, workers, civil society, governments and other actors to hold lagging companies accountable.

#### 3.b. Implementation, reporting and transparency

A global target on living wages could be supported by company or industry-specific pathways and frameworks for implementation and monitoring. With the appropriate guidance, companies are enabled to develop tailored pathways for implementing living wages, taking into account their unique supply chain structures and geographic spread, similar to the creation of customised pathways for reducing emissions based on industry and starting point.

The transition to living wages for all workers is a process that will take time, particularly in contexts or industries where the gap between the lowest wages and living wages is still significant, and economic conditions are most challenging. This is why, alongside commitments and targets, it will be essential to establish frameworks for monitoring, reporting and verification to ensure there is consistent progress over time. Transparently reported information ensures that stakeholders, including investors, government and civil society, can take action to hold lagging companies accountable and reward those who lead.

### 4. The distinct responsibilities of states and businesses

Living wages are a human right, in line with the concept of fair wages included in the Universal Declaration of Human Rights (article 23) and the International Covenant on Economic, Social and Cultural Rights (article 7). As such, in accordance with the [UN Guiding Principles on Business and Human Rights](#) (UNGPs), states have a duty to protect, respect and fulfil this right; and business have a responsibility to respect it.

Businesses have a responsibility to “avoid causing or contributing to adverse human rights impacts through their own activities” and “seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts” (UNGPs, 13). As such, they have a responsibility when it comes to addressing the living wage gap both in their own operations, and their supply chains and business relationships.

States’ duty to protect and fulfil the right to a living wage includes multiple dimensions, encompassing their roles as regulators, active parties in social dialogue, public service providers, and employers themselves. In line with the UNGPs, they should clearly set out the expectation that all businesses operating in their jurisdictions respect human rights, and enable and incentivise them to do so through conducive legal, administrative and policy measures.

Additionally, the [ILO](#) has called on governments to invest in the quality and delivery of public services, including health, education, social protection and infrastructure, in order to reduce the burden of these costs on workers and employers.

Furthermore, governments can play a fundamental role in ensuring consistent progress towards living wages by realizing an enabling environment for fair labour practices, strengthening social dialogue and collective bargaining; and work with social partners to set and regularly adjust minimum wages to ensure they meet the level necessary to afford a decent standard of living for workers and their families, in line with the concept of a living wage set out by the ILO and based in the Universal Declaration of Human Rights (article 23) and the International Covenant on Economic, Social and Cultural Rights

#### **4. The opportunity of the Second World Social Summit**

The Second World Social Summit, to be held in Qatar in November 2025, aims to advance global efforts on poverty eradication, employment and decent work and social inclusion. The Summit seeks to adopt an action-orientated political declaration that addresses existing gaps, reaffirms the commitments of the Copenhagen Declaration, and generates momentum for the 2030 Agenda. While the promotion of living wages is a key commitment in the Copenhagen Declaration and essential for achieving the 2030 agenda, it is clear that progress has been too slow. Increased clarity and guidance is needed for both businesses and states, articulating their respective roles and responsibilities and strengthening accountability on this topic.

The Second World Social Summit provides an opportunity to accelerate the momentum on the issue of living wages, allowing Member States to reaffirm their commitment to social development and the SDGs by pledging to take action, and signal what is expected of businesses by establishing a corporate global living wage target. This would build upon the operationalisation of the ILO's global agreement on living wages, and accelerate the progress achieved by the UN Global Compact Forward Faster initiative. The approach would combine flexibility with accountability, allowing for tailored solutions that reflect local or regional differences, while ensuring that the overarching goal of living wages is met globally.

Furthermore, the World Social Summit must build off the momentum of the Summit of the Future (2024), which addressed global governance gaps needed to achieve the SDGs. Notably, Action 55(c) of the globally adopted [Pact for the Future](#), commits Member States *"to encourage the contribution of the private sector to addressing global challenges and strengthen its accountability towards the implementation of United Nations Frameworks"*. This represents a significant shift from recognising the private sector's potential in UN agreements to acknowledging its accountability in contributing to their implementation.

Establishing a global target for living wages will serve as a specific intervention to operationalise Action 55(c). It is crucial to ensure a coherent connection to other global processes and summits leading up to the World Social Summit. The Fourth International Conference on Financing for Development, taking place in Spain in June-July 2025, will also be an important opportunity to reinforce this connection and emphasise the need for a global target on living wages for businesses.