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Living wage in Africa – Fiction or reality?

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Humanistic Management Network, a platform that promotes economic activities that demonstrate unconditional respect for the dignity of life, together with the Christopher Kolade Centre for Research in Leadership and Ethics, Lagos Business School hosted a virtual discourse on the theme “Living Wage in Africa–Fiction or Reality”. The panellists were: Dr. Ines Meyer, an Associate Professor at the University of Cape Town; Dr. Timothy Olawale, director general at the Nigeria Employers’ Consultative Association (NECA); and Bradwell Mhonderwa, executive director at the Ethics Institute Zimbabwe.

In the African context, minimum wage levels are often very low and so there is a need for a higher level of wages, which allows people to live a sustainable life and save for future expenses such as funerals or weddings. While mi **Support**

allows people to survive, living wage allows people to live. Dr. Meyer believes that national economic prosperity is a false indicator of the standard of living of people and that excessive consumerism is an inhibitor of the possibility of living wage in Africa. She emphasized the fundamental purpose of money as an enabler of choice and a means to reduce the stress of not having enough to live by. To lead a sustainable life, we need to fundamentally change how we see the economy in terms of economic growth, consumerism, and globalisation.

Dr. Timothy Olawale, spoke about living wage and the need for its legal enforcement in Africa. He defined the concept of living wage as the lowest wage that enables people to live a meaningful life. Many employers in Africa don't find the idea of living wage attractive, thus, a legislative instrument is needed for them to act appropriately. Our political and business leaders need to be conscious about the reality of poverty in Africa and how it is a fuel for social vices. Living wage provides a means of social protection for employees and their families. Not only does it cover basic needs, it also covers unforeseen expenses and acts as discretionary income for employees. Civil servants in Nigeria and employees of some other sectors are severely underpaid and yet, expected to perform their duties with rigour. For the concept of living wage to come to fruition in Nigeria and Africa as a whole, there should be an existing synergy between the labour union and employers.

Employing a unique approach to the concept of living wage, Bradwell Mhonderwa spoke about corruption as the major inhibitor of the implementation of living wage in Africa. Quoting the book of Proverbs, which says, "A poor person's farm may produce much food but injustice sweeps it all away", he asserted that corruption undermines economic growth and development, and this impedes a business's ability to offer a living wage to its employees. According to Bradwell, the profound effects of corruption can be mitigated through incorporating ethics in African institutions and organisations. Ethics can be used by nations and organisations in Africa to curtail issues that threaten the possibility of implementing a standard living wage in African nations.

Some questions asked at the event include:

Should we be talking about a living wage instead of shared resources and shared prosperity in this age?

Answer (Dr. Ines Meyer): Inequality is at the core of the problem. The problem of inequality may not be completely solved, however, living wages can be implemented by collaborating with organisations that are willing to implement it.

Is the current wage gap in Africa a barrier to implementing a living wage? What steps can be taken to overcome it?

Answer (Dr. Timothy Olawale): The wage gap in Africa can be viewed as an outcome of unresolved issues like unfriendly environment for businesses in Africa, heavy regulations, and imposition of high tax rates on these businesses. Unfortunately, it is the workers that bear the brunt caused by these critical issues. The wage gap is a function of previously existing anomalies in the system. The government can ameliorate these problems by creating an enabling environment for businesses to survive. Also, laws and conventions concerning living wage should be implemented with a sincere dedication on the part of constituted authorities.

Who determines how much a living wage is?

Answer (Bradwell Mhonderwa): The legislature. They consider the economic situation of the country and prioritize sectors of the economy that need it more.

In conclusion, the speakers made it clear that while living wage is a voluntary commitment by employers to pay employees well enough to cover their expenses, the Government needs to back this up by providing an enabling environment to do such while all stakeholders work on eradicating corruption, which is a serious impediment to attaining living wage in Africa.

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