THE JUS SEMPER GLOBAL ALLIANCE

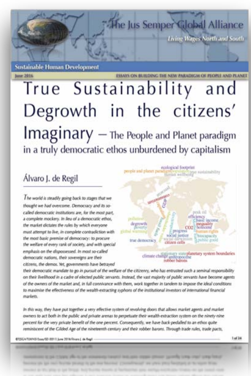
# TLWNSI NEWSLETTER

*The Living Wages North and South Initiative (TLWNSI)*

## *Long-term Sustainable Development Through Gradual Wage Equalisation*

**HIGHLIGHTS** **TLWNSI Newsletter – Winter-Spring 2017**

**True Sustainability and Degrowth in the Citizens' Imaginary– The People and Planet paradigm in a truly democratic ethos unburdened by capitalism** *To achieve true sustainability, we must embark on a quantum leap paradigmatic change that puts an end to marketocracy..* **Page 2**



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Living Wages North and South

Sustainable Human Development

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Álvaro J. de Regil

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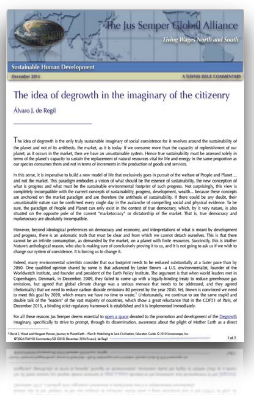

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**New 2015 real living-wage gap analysis update for all employed in manufacturing in 12 economies (Germany, France, Italy, Canada, U.K., Spain, Japan, South Korea, Singapore, Brazil , Australia and Mexico) and the U.S.** *Our annual analysis 1996-2015, for nine developed and three "emerging" economies, of wage gaps in PPP terms.* **Page 3**

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Wage Gap Charts

Wage gap charts for Group of Seven (G7) large economies and other selected economies, including 'emerging' economies with available wage and PPP data (1996-2015)

**Argentina´s (1996-2015) real Living-Wage Gap Analysis for all employed in manufacturing.** *Despite high inflation and currency devaluations since 2010, real wages grew powerfully in US dollars. This allowed manufacturing wages to only lose two points in their Equalised Index (Eq-Idx) since 2013, when they reached their best index (56) in twenty years.* **Page 3**

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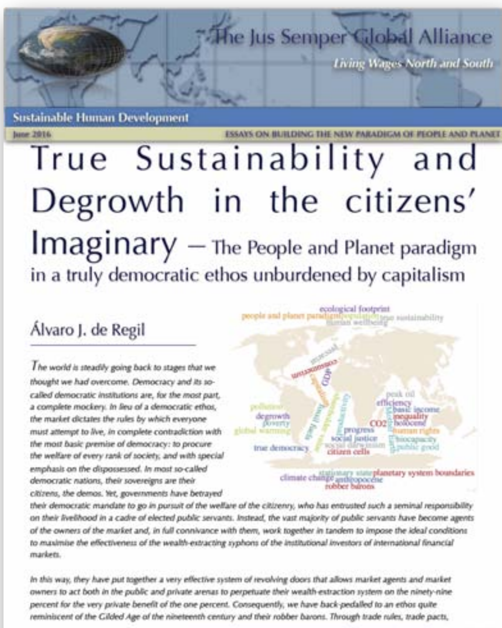
**RESOURCE CENTRE**

## TRUE SUSTAINABILITY AND DEGROWTH IN THE CITIZENS' IMAGINARY – The People and Planet paradigm in a truly democratic ethos unburdened by capitalism

The world is steadily going back to stages that we thought we had overcome. Democracy and its so called democratic institutions are, for the most part, a complete mockery. In lieu of a democratic ethos, the market dictates the rules by which everyone must attempt to live, in complete contradiction with the most basic premise of democracy: to procure the welfare of every rank of society, and with special emphasis on the dispossessed. In most so-called democratic nations, their sovereigns are their citizens, the demos. Yet, governments have betrayed their democratic mandate to go in pursuit of the welfare of the citizenry, who has entrusted such a seminal responsibility on their livelihood in a cadre of elected public servants. Instead, the vast majority of public servants have become agents of the owners of the market and, in full connivance with them, work together in tandem to impose the ideal conditions to maximise the effectiveness of the wealth-extracting syphons of the institutional investors of international financial markets.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June 2016 ESSAYS ON BUILDING THE NEW PARADIGM OF PEOPLE AND PLANET

True Sustainability and Degrowth in the citizens' Imaginary – The People and Planet paradigm in a truly democratic ethos unburdened by capitalism

Álvaro J. de Regil

*The world is steadily going back to stages that we thought we had overcome. Democracy and its so-called democratic institutions are, for the most part, a complete mockery. In lieu of a democratic ethos, the market dictates the rules by which everyone must attempt to live, in complete contradiction with the most basic premise of democracy: to procure the welfare of every rank of society, and with special emphasis on the dispossessed. In most so-called democratic nations, their sovereigns are their citizens, the demos. Yet, governments have betrayed their democratic mandate to go in pursuit of the welfare of the citizenry, who has entrusted such a seminal responsibility on their livelihood in a cadre of elected public servants. Instead, the vast majority of public servants have become agents of the owners of the market and, in full connivance with them, work together in tandem to impose the ideal conditions to maximise the effectiveness of the wealth-extracting syphons of the institutional investors of international financial markets.*

*In this way, they have put together a very effective system of revolving doors that allows market agents and market owners to act both in the public and private arenas to perpetuate their wealth-extraction system on the ninety-nine percent for the very private benefit of the one percent. Consequently, we have back-pedalled to an ethos quite reminiscent of the Gilded Age of the nineteenth century and their robber barons. Through trade rules, trade pacts,*

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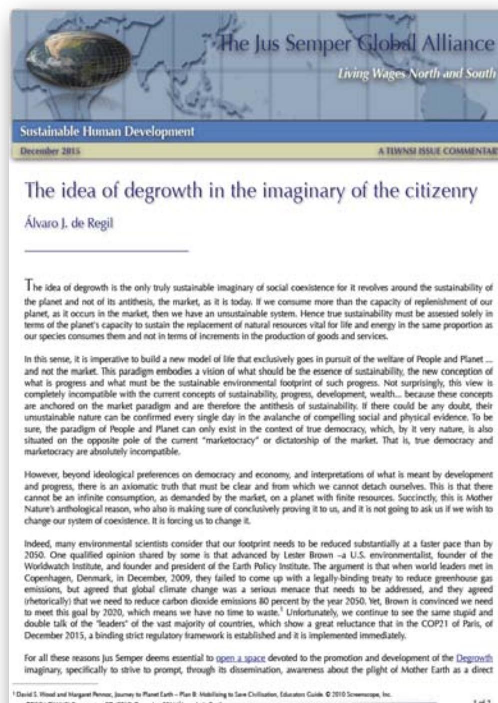
In this way, they have put together a very effective system of revolving doors that allows market agents and market owners to act both in the public and private arenas to perpetuate their wealth-extraction system on the ninety-nine percent for the very private benefit of the one percent. Consequently, we have back-pedalled to an ethos quite reminiscent of the Gilded Age of the nineteenth century and their robber barons. Through trade rules, trade pacts, climate change accords as well as carefully-designed financial, public health and geopolitical false flags, the market agents have consistently bypassed the judicial systems of nations and have placed the interests of corporations and their investors above national sovereignties, so that they can unobtrusively privatise and exploit every aspect of life, every public good and every natural resource in their benefit. From a geopolitical perspective, their propaganda machines are working unrelentingly to convince billions of people that a number of non-declared wars are justified for the sake of peace, justice, democracy and human rights. Reminiscent of the 1930s, and notwithstanding other military conflicts mostly in the Middle East and Africa, we are on the brink of another world war. In fact, this war is already ongoing. It has not been formally declared but it undoubtedly carries powerful global economic and geopolitical interests for the contending actors; interests that have nothing to do with their propaganda argumentation. Indeed, not since WWII have there been so many nations involved in one single war theatre in Syria and Iraq. Thus, we are immersed in a prolonged capitalist recession and in a number of conflicts where the robber barons in command of nations are attempting to make their global interests prevail through war. It is all about greed; namely, economic imperialism.

The big difference with the Gilded Age and with the interwar period of the 1930s, however, is that we have reached a stage where the unrelenting consumption of resources –an indispensable condition for the protraction of capitalism– has become completely unsustainable. As a consequence of the ecological footprint produced by market-based societies, thousands of species have ceased to exist in the last one-hundred years. Likewise, our predominant use of non-renewable resources to provide the energy necessary for our consumeristic living standards, has not only brought fossil fuels to a dire state of diminishing returns and scarcity, but has triggered a dramatic climate change. We are witnessing a consistent warming of the planet, of which we are only beginning to endure its hardships, without knowing with any reasonable certainty what will be its worst consequences for humanity and the rest of the living beings. Furthermore, predictions point at the very likely probability that we have already crossed the threshold where we will not be able to return to the conditions of the planet that prevailed only half a century ago, even under the unrealistic scenario that we put a drastic end today to our sheer consumeristic system and radically build new truly sustainable life systems.

Parting from this context of rapidly escalating geopolitical conflicts and the patent reaction of the planet against the unsustainable anthropocentric consumption of resources by the global marketocratic system, the premise of this work is that we must start today to radically change our life styles to put them in harmony with what Mother Earth can provide in food, water, energy and other natural resources in a truly sustainable manner for us and for all living beings. This means that we must embark on a quantum leap paradigmatic change that puts an end to marketocracy. If there is any long-term hope for humanity and the rest of living creatures, we must replace the current marketocratic ethos with a truly democratic ethos. To put it succinctly, we will not be able to build a sustainable system without replacing capitalism, because the true sustainability of people and planet –social justice and a healthy planet– are completely incompatible with the premise of capitalism. True sustainability and capitalism are an oxymoron. Consequently, replacing the capital accumulation paradigm is the only way to make realistic the construction of a new paradigm anchored on the drastic degrowth of our ecological footprint. However, given that all national and international institutions have been captured by the market, we must start by rescuing them from the market-driven agents. In other words, we must start by legally and peacefully removing from power the owners of the market and their market agents entrenched in the halls of governments. This is the quintessential sine-qua-non condition to realistically attempt to build what for now I can best describe as the Paradigm in pursuit of the welfare of People and Planet and Not the market.

**Download the full document on True Sustainability and Degrowth here!**

## THE IDEA OF DEGROWTH IN THE IMAGINARY OF THE CITIZENRY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Sustainable Human Development

December 2015 A TLWNSI ISSUE COMMENTARY

The idea of degrowth in the imaginary of the citizenry

Álvaro J. de Regil

The idea of degrowth is the only truly sustainable imaginary of social coexistence for it revolves around the sustainability of the planet and not of its antithesis, the market, as it is today. If we consume more than the capacity of replenishment of our planet, as it occurs in the market, then we have an unsustainable system. Hence true sustainability must be assessed solely in terms of the planet's capacity to sustain the replacement of natural resources vital for life and energy in the same proportion as our species consumes them and not in terms of increments in the production of goods and services.

In this sense, it is imperative to build a new model of life that exclusively goes in pursuit of the welfare of People and Planet ... and not the market. This paradigm embodies a vision of what should be the essence of sustainability, the new conception of what is progress and what must be the sustainable environmental footprint of such progress. Not surprisingly, this view is completely incompatible with the current concepts of sustainability, progress, development, wealth... because these concepts are anchored on the market paradigm and are therefore the antithesis of sustainability. If there could be any doubt, their unsustainable nature can be confirmed every single day in the avalanche of compelling social and physical evidence. To be sure, the paradigm of People and Planet can only exist in the context of true democracy, which, by it very nature, is also situated on the opposite pole of the current "marketocracy" or dictatorship of the market. That is, true democracy and marketocracy are absolutely incompatible.

However, beyond ideological preferences on democracy and economy, and interpretations of what is meant by development and progress, there is an axiomatic truth that must be clear and from which we cannot detach ourselves. This is that there cannot be an infinite consumption, as demanded by the market, on a planet with finite resources. Succinctly, this is Mother Nature's anthological reason, who also is making sure of conclusively proving it to us, and it is not going to ask us if we wish to change our system of coexistence. It is forcing us to change it.

Indeed, many environmental scientists consider that our footprint needs to be reduced substantially at a faster pace than by 2050. One qualified opinion shared by some is that advanced by Lester Brown –a U.S. environmentalist, founder of the Worldwatch Institute, and founder and president of the Earth Policy Institute. The argument is that when world leaders met in Copenhagen, Denmark, in December, 2009, they failed to come up with a legally-binding treaty to reduce greenhouse gas emissions, but agreed that global climate change was a serious menace that needs to be addressed, and they agreed (rhetorically) that we need to reduce carbon dioxide emissions 80 percent by the year 2050. Yet, Brown is convinced we need to meet this goal by 2020, which means we have no time to waste.[1] Unfortunately, we continue to see the same stupid and double talk of the "leaders" of the vast majority of countries, which show a great reluctance that in the COP21 of Paris, of December 2015, a binding strict regulatory framework is established and it is implemented immediately.

For all these reasons Jus Semper deems essential to open a space devoted to the promotion and development of the Degrowth imaginary, specifically to strive to prompt, through its dissemination, awareness about the plight of Mother Earth as a direct

[1] David S. Wood and Margaret Pennoc, Journey to Planet Earth – Plan B: Mobilising to Save Civilisation, Educators Guide. © 2010 Screenscope, Inc.

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For all these reasons Jus Semper deems essential to open a space devoted to the promotion and development of the Degrowth imaginary, specifically to strive to prompt, through its dissemination, awareness about the plight of Mother Earth as a direct consequence of the human activity, which takes place in a structural and systemic way in the marketocracy paradigm. This is an endeavour through which we hope that increasingly more people will come to see the enormous need for everyone to start taking responsibility for our own ecological footprint and strive to modify it to live in harmony with nature. In this sense, the idea of Degrowth proposes the best vision to move from the current market paradigm of infinite consumption to the paradigm in pursuit of the sustainable Welfare of People and the Planet, of the responsibly restrained consumption, and NOT of market welfare.

**Download the commentary on the Imaginary of Degrowth here!**

## NEW 2015 REAL LIVING-WAGE GAP ANALYSIS UPDATE FOR ALL EMPLOYED IN MANUFACTURING IN 12 ECONOMIES AND THE U.S.

*Our annual analysis 1996-2015, for 9 developed and 3 "emerging" economies, of wage gaps in PPP terms*


From an equalisation perspective, among East Asian countries, South Korea has not been able to sustain its growing trend and instead declined in 2014 and then stalled. Japan shows a similar equalisation trend and has been declining since 2014 as well. After strong gains since 1996, particularly for South Korea, both reached their best position in 2012 or 2013, but in 2015 both dropped back to the levels recorded in 2010 for South Korea and 2006 for Japan, with Eq-Idx of 66 and 67 respectively. Singapore in contrast has been able to sustain a growing Eq-Idx, and despite a drop in 2013, it has now been able to recover and reach its best position ever, with a 78 index in 2015.

In line with the current trend, Australia reached its best equalisation in 2013 (88) and then stalled in 2014 and 2015. The Australian dollar devalued 6,3% in 2014 and almost 16,7% in 2015 for a total devaluation of almost 22% for the period. Yet, a drop of 20% in the PPP cost of living in U.S. dollar terms, enabled Australia's manufacturing wages to only drop from an EQ-Idx of 88 in 2013 to 87 in 2014 and 2015. The UK has lost another two points since 2013, and it is now 18 points behind its best Eq-Idx of 2006, by producing legions of cheap workers, or, as Guy Standing would say: "the Precariat". Canada continued at its lowest level since 1996 with a 79 Eq-Idx.

Due to the devaluation of the euro against the dollar, France, Italy and Spain have reached a plateau at their highest or close to a highest Eq-Idx since 2012. Germany has also stalled, but unlike the other economies, it has done it ten points below its highest level, recorded in 2000 (131). Despite the stagnation trend, France was able to remain at its highest Eq-Idx level in 2015.

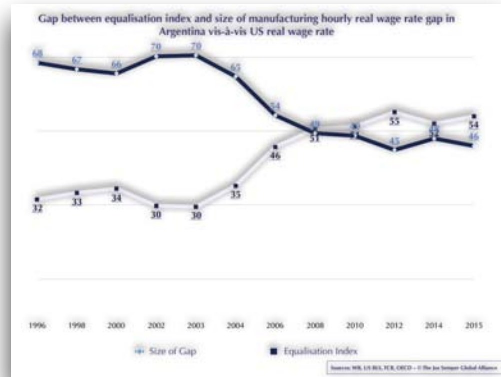
Brazil has no longer sustained its Eq-Idx due to the deep recession that has ensued in the last years. This has devalued the Real since 2010 by 47,2% against the dollar. Brazil's government has continued complying with its minimum wage appreciation law, which increased its nominal value 72,5% since 2010 vis-à-vis a 38,4% increase of its consumer price index. The increase of the minimum wage has had a direct effect on manufacturing wages and the Real's devaluation has lowered the PPP 32,7% since 2010. This has allowed Brazil to record an Eq-Idx increase in 2014 and then only a slight drop of two points to an Eq-Idx of 34 in 2015, despite the recession.

There is nothing new in Mexico's performance. Mexico's track record since 1996 (and since 1985 if we look back at production-line hourly wages) exposes a deliberate State policy of maintaining real wages at the level of modern-slave-work wages. This can be observed by comparing its 26 Eq-Idx in 2015 with its lowest and highest indices (25 and 27 respectively) since 1996. There has been virtually no change in equalisation terms for the entire nineteen-year period. This makes Mexico, barring the Philippines, the country with the worst living-wage equalisation position of the 33 countries in the three regions of our living wage gap assessments.

**Download the pdf file with the wage gap update for 12 economies (Germany, France, Italy, Canada, U.K., Spain, Japan, South Korea, Singapore, Australia, Brazil and Mexico) here.**

## NEW ASSESSMENT OF ARGENTINA'S WAGE RATE GAP 1996-2015

*Despite high inflation and currency devaluations since 2010, real wages grew powerfully in US dollars. This allowed manufacturing wages to only lose two points in their Equalised Index (Eq-Idx) since 2013, when they reached their best index (56) in 20 years.*




Our analysis of Argentina's living wages in the manufacturing sector from a global perspective (purchasing power parities) can no longer assume that Argentina's government will continue to regard the appreciation of real wages as a fundamental element of its economic policy. Unfortunately, with the Macri government we have to assume the opposite, given that its economic policies are clearly supply-side and completely committed to resuming the old centre-periphery relationship that applies a neocolonial ethos to Argentina's economic policies for the years to come. Once we assess the behaviour of hourly manufacturing wages of 2016 vis-a-vis inflation and exchange rate, we will know if we were right in being pessimistic or not.

The above notwithstanding, the two projections included in this analysis clearly show that Argentina can achieve a living-wage equalisation in the manufacturing sector within eleven years or less if it is able to control inflation and generate a minimally meaningful economic growth, as outlined in the criteria applied in both projections.

To be sure, the probability of reducing inflation to at least a 17% average and of averaging an annual GDP of 2,5% or more depends to a great extent on successfully neutralising the pressure of all the factors that feed inflation and devalue the peso. This appears to be quite unlikely given the return of Argentina's economic policies to a praxis equated with the customary demands of the international financial markets' institutional investors, who have imposed a sheer neoliberal global capitalism, including the demands of such actors as the vulture funds. Indeed, as soon as Macri took office, the peso was devalued by 30% and export taxes on beef and grains were eliminated and reduced for soy; export quotas were also eliminated. These measures immediately benefited exporters, squashed real wages and reinforced the inflationary spiral, projected to reach 40% in 2016, according to MIT's estimates (already at almost 36% as of October 2016). Moreover, many subsidies to utility services and energy, including water, electric power, gasoline and domestic gas, were completely or partially eliminated. As could be expected, so far Macri has recanted on his campaign promise to eliminate a profit tax levied on workers. By the same token, labour security already experienced its first attack when Macri ordered the creation of five thousand new jobs for young people with wages below the official minimum wage. Lastly, Macri immediately fulfilled the demands of the vulture funds by issuing debt for nine billion dollars to pay Elliot Management, an action that immediately allowed other holdout bondholders to be demand payment.

Parting from this rather negative context, if inflation is not reduced to less than half of its present level (+35%), real wage appreciation will not be sustainable. In fact, as we can observe in the high-inflation projection, using the latest available inflation data, living wage equalisation does not continue to grow until 2018, once inflation drops to 17% and nominal wages sustain their growth by 25% annually. Unless nominal wages sustain their growth a few points above inflation, equalisation will stop and could easily drop. For the period 2003-2015, Argentina's nominal wages in local currency increased an annual average of 27,4%, whilst inflation grew at an annual average of 19,9% and the peso devalued by 69%. Such equation cannot be sustained long term without fully moving into a vicious cycle. Thus, the only way to sustain the equalisation of wages in PPP terms in the long term is by cutting down inflation to at least 10%, tacitly containing currency devaluation and increasing wages several points above inflation. As previously asserted, this is rather unlikely with a neoliberal government.

One of the greatest benefits of the appreciation of real wages of any country –in the context of a living wage ethos– is the direct impact on the eradication of the conditions of inequality and exclusion; conditions that have prevailed in Argentina for many decades and have only been reduced substantially in the last ten years (Roxana Maurizio: Labour formalization and declining inequality in Argentina and Brazil in 2000s: ILO Research Paper No.9, February 2014). Therefore, unless the Macri government miraculously recants its economic paradigm and keeps in check both the unrelenting domestic and foreign pressures whose interest's deliberately seek to reduce labour's share of income, poverty and inequality will come back.

It must be clear, however, that with both the previous and the current governments, Argentina's economy has always been anchored on the market-centric paradigm, which is intrinsically unstable and completely unsustainable economically, socially and environmentally given its unbridled profit-driven nature, which defeats any possibility of building a sustainable and balanced system. It is the nature of capitalism that destroys all possibilities of humankind and the environment from enjoying a long-term sustainable and balanced interdependence. As a result, the concept of the living wage is at odds with marketocracy, for it requires a system of balanced interdependence of resources and of all participants in the economic activity, and such design is antithetical to the current system. Therefore, establishing an ethos of living wages in Argentina or elsewhere is directly contingent on transcending the market through a paradigm transition to an ethos that has as its only purpose the pursuit of the welfare of people and planet and not the market.

**Download the pdf file with the analysis of Argentina's wage gap here.**

## MEXICO'S (1996 - 2015) REAL LIVING-WAGE GAP ASSESSMENT

*Nothing has changed in 2015 except to get worse. The Mexican State, permanently challenged for the lack of legitimacy of its 2006 and 2012 elections, corroborates every year its vocation as a customary violator of the labour rights of its citizens.*


The premeditated and carefully designed State policy of all governments in power since the 1980s –which deliberately pauperises the Mexican labour force– leaves no alternative but to continue exhibiting the nefarious consequences of such policy on the real wages of workers and the huge wage gaps with equivalent workers in the U.S. Moreover, it is necessary to depict once again the political context in which this planned pauperisation is imposed. Assessing the wage data of Mexico's manufacturing sector since 1975, irremediably exhibits the exploitative and repressive character of the group that has wielded real power for more than three decades. A group that has completely submitted itself to international financial capitalism and the interests of its corporations, by working as its market agent in exchange for the benefits of its full support to remain in power. This ethos stands out on a global scale for the tremendous erosion of labour rights. The illegitimate and mafia-like nature that accurately delineates the Mexican State, has imposed an ethos of modern-slave-work, of near labour bondage that drags the country back to conditions prevailing before the social revolution of 1910.

As we are forced to repeat every year, the future of wage rates for all employed in the manufacturing sector in Mexico is absolutely ominous unless society removes from power those who have imposed the Mafia state and puts in place a citizen's government of real democracy. Every year the government's economic policies contain or further erode real wage rates. Additionally, the State has unleashed a policy of repression of the rights of freedom of association and to organise and collective bargaining. Contrary to what corporate media like to portray, the deep, deliberate and perverse pauperisation of Mexicans is an incontrovertible fact. Official data acknowledge that 81% of Mexicans are poor (Coneval 2009). By the same token, in 2014 the minimum wage was able to afford 12,3% of the goods of the CBI or indispensable basket of goods from UIA, (Informe 2014 del Observatorio de Salarios, Universidad Iberoamericana, Puebla), which is deemed essential for survival. Moreover, the current government has maintained since 2013 the customary policy of strong price increases in the energy sector, which guarantees a greater pauperisation of real wages. Parting from these findings, it is estimated –with a great degree of confidence– that less than 20% of all salaried workers could afford the CBI in 2014. This prospectus remains with exactly the same tone conveyed in previous reports since 2007, for the deprivation, depredation and deliberate pauperisation – as a State policy– continue deepening.

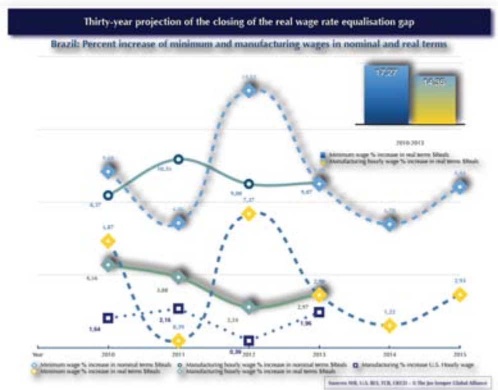
The government's recent decision to add an arbitrary amount to the minimum wage above GDP inflation, with no evident rationale other than to support the income of workers earning a minimum wage, seems only a token to cope with the unrelenting denunciation worldwide of its modern-slave-work wage model. It is necessary to wait and see if a well articulated policy is announced in 2017 to understand what the government intends to achieve.

In summary, three decades of predatory capitalism exposes, decisively, a government's policy of a perverse and premeditated pauperisation and exploitation of Mexican labour, for the only public policy of the Mafia State is to govern for the benefit of domestic and foreign institutional investors and their corporations. Thus as long as the "robber baron" elites currently in power remain in control, the deepening of the pauperisation of Mexico's demos is more than guaranteed. The predatory ethos is so perversive and entrenched in the captors of Mexico, that the odds in favour of making the closing of Mexico's living-wage gap a reality in the term of twenty-nine years is currently zero.

**Download the pdf file with the analysis of Mexico's wage gap here.**

## BRAZIL'S (1996 - 2015) REAL LIVING-WAGE GAP ANALYSIS

*Brazil has no longer sustained its Eq-Idx due to the deep recession that has ensued in the last years. Brazil's government has continued complying with its minimum wage appreciation law, but equalisation will not resume until economic growth also resumes.*




Parting from the implications carried by the plan of Brazil's government to increase minimum wages in a sustainable manner up to 2023 –and using as the benchmark Brazil's workers in the manufacturing sector– it can be asserted that the policy to be applied will generate, in all certainty, rather meaningful social and economic benefits in all economic sectors.

Although Brazil's plan will not close whatsoever the living wage gap with the United States by 2023, it will undoubtedly embody a meaningful improvement that will trigger different multiplying effects that will generate the endogenous development of Brazil. This will place it closer to the socioeconomic indicators of developed than of developing countries. With Dilma Rousseff's government ousted, it remains to be seen if the current government will continue to apply the binding regulation, or sends an initiative to abolish it. In fact, the new government is proposing a constitutional amendment (PEC 55) to freeze all public spending for 20 years, which implies that constitutionally-protected government expenditures in the areas of health, education and other social sectors would remain stunted until 2036. This may also stand in violation of Brazil's obligations under international human rights law, as confirmed by recent warnings from the Inter-American Commission on Human Rights (Brazil Social Rights Under Siege: Center for Economic and Social Rights: http://www.cesr.org/downloads/PEC55_joint_analysis_eng.pdf). It is clear that the new government has a vested interest in reducing the labour's share of income. Thus, it would not be surprising if the minimum wage appreciation policy is stopped. However, if the minimum wage plan continues with successive governments, it is very likely that Brazil will reach equalisation in the term of thirty years or less as it is proposed by TLWNSI's concept. For 2017, the new government has followed the rule and the minimum wage proposed is of 7,47%, which is the inflation rate the government estimates for the end of year. This could easily be revised before the end of 2016.

It is very unlikely, but if Brazil's new government keeps a demand-side economic policy, this will generate multiplying effects that will consolidate social development, anchored on the generation of aggregate demand. This will increase not just wages, but formal employment, tax revenue, the sustainability of the social security system, economies of scale and the competitiveness of the Brazilian economy in the global context, among other things. To be sure, the greatest benefit will be the drastic decrease of poverty and an abatement of innumerable social problems engendered by poverty and exclusion. In this way, Brazil would move ahead and approach, meaningfully, the making of an ethos where a majority of Brazil's society would have full access to the enjoyment of a broad array of human rights instrumental in the development of their capacities to carve a dignified life.

One of the greatest benefits of the appreciation of real wages of any country –in the context of a living wage ethos– is the direct impact on the eradication of the conditions of inequality and exclusion; conditions that have prevailed in Brazil in a rather brazen manner. Thus, if Brazil seriously commits to the long term materialisation of this central objective of social justice, it will accomplish the transformation of its society into one where equality and a high degree of wellbeing prevail –the sine qua non attributes of truly democratic societies.

Unfortunately, it is necessary to emphasise that these assumptions are made in the context of a market-dominated ethos, which, by definition, is unsustainable both in the core and the periphery of the system, for the additional consumption to be generated is unsustainable in the long term. Consequently, for a living wage ethos to emerge and become sustainable in the long term, eventually, consumer societies will have to transform themselves into societies with a new paradigm centred on the welfare of people and planet and not the market, with an ecological footprint that drastically reduces the consumption of resources. This will require not just a radical change in economic policy but a radical cultural change in all societies in a global context.

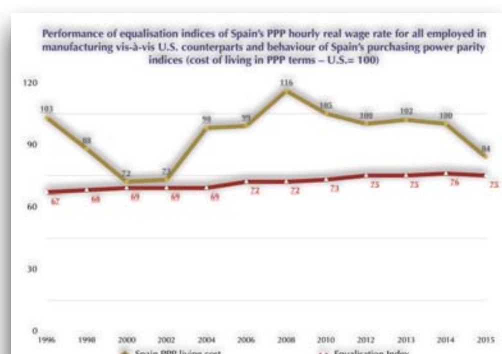
To be sure, there is no guarantee that the current minimum wage appreciation policy will be maintained by the current and future Brazilian governments. However, the responsibility for making sure that this policy remains falls directly on society, which bears the full load for making Brazil's future governments feel compelled to consolidate this objective. Hence, it is indispensable that Brazilians become fully aware about the need to permanently get involved in the public matter to make sure that future governments work for the benefit of society and not for the owners of the market and their very private interests, as the vast majority of governments enthusiastically pursue in most countries today. Brazilians must increase their involvement in the public matter to ensure that those they choose to govern work in pursuit of the welfare of people and planet and NOT the market. Otherwise, demand-side and other socially-oriented policies will cease to exist and inequality will go back to the levels prevalent last century. That would be a major mistake attributable mostly to the demos.

**Download the pdf file with the analysis of Brazil's wage gap here.**

## SPAIN'S (1996 - 2015) REAL LIVING-WAGE GAP ANALYSIS

*Overall, as with most countries, wage equalisation in Spain's manufacturing sector has stagnated.*

To put Spain's living wage rate position in a European perspective, only three economies recorded gains in 2015 vis-à-vis 2014, seven others recorded no change , whilst Spain and nine others recorded a widening of their living-wage gap with equivalent U.S. wages. This is worse than when comparing 2015 versus 2012, when Spain and three others recorded no change but seven recorded gains in their equalisation. Overall, as with most countries, wage equalisation in Spain's manufacturing sector has stagnated, but extremely high unemployment and the deliberate neoliberal job casualisation policy remain its most conspicuous features.




In line with the drastic government-induced depression of the Spanish economy –with the evident ulterior motive of imposing the further privatisation of its Welfare State– Spain's planned process of convergence with the major economies of the EU has stalled since 2012. The Equalisation Index (EQ-Idx) of Spain's manufacturing sector wage rates have reached a plateau, which, in line with Germany, France and Italy, have experienced little or no change since 2012. Only the United Kingdom seems to keep sliding its EQ-Idx further down.

The fact that Spain's Eq-Idx has not improved since 2012 is a direct reflection of the EU's deliberate policy of depressing the wage's share of income for the benefit of employers, their shareholders and financial investors across the EU area. Indeed, wage rates for those who are employed in Europe are stagnating. In 2015, only three European economies recorded a slight gain in their Eq-Idx, ten economies including Spain recorded a lower Eq-Idx than in 2014, whilst seven economies recorded no change. In fact, since 2012, eight European economies have a better EQ-Idx in 2015, but all but France and Portugal are in Eastern European countries.

Spain's manufacturing real wage rates in local currency have sustained a consistent improvement since 1996. Inflation increased 60% for 1996-2015, with no increase in the last two years, but nominal wage rates did so by 81%. Thus, real wage value improved in euros by 21 percentage points or grew 35% more than prices for the period. As for their behaviour in U.S. dollars, while U.S. wage rates for all employed in manufacturing increased 67,8% between 1996 and 2015, Spanish wage rates grew by only 52,8% for the same period, due to the devaluation of the euro since 2008. As a result, equalisation improved from a 67 Eq-Idx in 1996 to a 75 Eq-Idx in 2015. In fact, when looking at wage rates for production-line workers in previous reports, which go as far back as 1975, the Eq-Idx for Spain climbed from a 52 to an 89 Eq-Idx between 1975 and 2009. Thus, Spanish wages in the manufacturing sector consistently improved for over three decades and have nearly converged with the equalisation levels of the largest western European economies and are already ahead of UK's Eq-Idx since 2010. However, this trend has been at a stand still since 2013. Nominal hourly compensation costs (wage rates) in manufacturing in euros averaged a growth of 4,9% between 2000 and 2008. Yet between 2008 and 2010 the annual average growth decreased to 3,5%, between 2010 and 2012 the average further dropped to 2%, between 2012 and 2014 the average was 0,9% and in 2015 the increase was barely 0,3%. In real PPP terms, hourly wage rates in U.S. dollars averaged an annual growth of 4,3% between 2000 and 2015. However, although they grew 4,95% from 2012, U.S. wage rates did so by 5,81%, thus the Eq-Idx remained the same.

When assessing all economic sectors, including manufacturing the picture is bleaker. For the whole economy, wage rates had been dropping consistently in gross terms, 0,8% in 2012 (INE: Índice de Coste Laboral Armonizado (ICLA). Base 2008, 29 de julio de 2013), 0,2% in 2013 (INE: Índice de Coste Laboral Armonizado (ICLA). Base 2008, 29 de julio de 2014), and 0,5% in 2014 (INE: Índice de Coste Laboral Armonizado (ICLA). Base 2008, 17 de marzo de 2015). It is only in 2015 when wage rates improved by 0,7% (INE: Índice de Coste Laboral Armonizado (ICLA). Base 2008, 27 de julio de 2016), but the trend is consistent with global trends. Spain's labour share has gradually dropped almost every year since its peak of 67,5% in 1976 to 58% in 2008 and 54,9% in 2015 (Eurostat: AMECO Database: Adjusted age share. Last update 9 November 2016). The loss of labour's share of income is, to be sure, not the worst indicator of Spain's labour market. As widely known, unemployment remains at extremely high rates by EU and global standards, which directly ensues from the harsh policies imposed since the start of the crisis. The unemployment rate was 8,26% in 2007, just before the crisis ensued, but by 2013 the rate climbed to 26%. Finally it began to drop in 2014 and by third quarter 2016 it had further dropped to 18,9% and from 51,8% to 41,9% for the 16-24 age group. Both numbers are extremely high by any standard (INE: Encuesta de Población Activa (EPA) Tercer trimestre de 2016, 27 de octubre de 2016). Unfortunately, the gradual transformation of Spanish wages into living wages is bound to experience a hard regression as part of a global trend engaged in the deliberate policy of reducing all salaries, frightening the labour force, weakening labour unions and dismantling the welfare state (Vicente Navarro, The Disastrous Labour And Social Reforms In Spain, Social Europe, 3 March 2014).

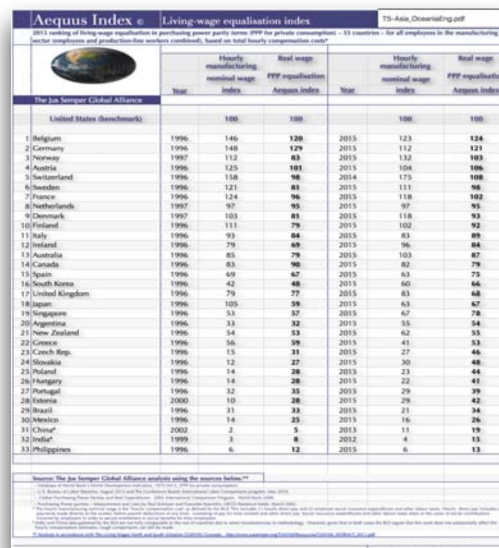
There is a clear cause for this disastrous situation in Spain and all across Europe. The ensuing effects of the systemic global capitalist crisis are exerting a toll on real wages in the entire Euro area since 2009, which will be felt far more harshly in the coming years as the effects of the current economic policies are deepened. Greece, Cypress, Portugal, Italy, Ireland, Belgium and Spain have been forced to impose drastic economic policies that can no longer be considered supply sided or even recessionary but truly economically depressive. Euro-area policies centred on the harsh reduction of public deficits are not being met as planned. Hence the European Commission asserts that, unless even harsher measures are applied, public deficit objectives will not be met. Indeed, Spain's deficit in 2013 was 6,8% (7,1% if the cost of the banking bail out is included) instead of 6,5%, 6,6% in 2014, close to the latest target of 6,5%, but originally planned to be of only 2,8%( (Joaquín Maudos, Varapalo a las previsiones, Cinco Días, 28-2-2013) and of 5,16% instead of the planned 4,2% for 2015 (Julien Warnand, Guindos dice que el déficit público quedó "muy cerca" del objetivo del 6,5% en 2013, Cinco Días, 10-03-2014) and (Francisco Pérez García (Dir.) Crecimiento y Competitividad. Los Desafíos de un Desarrollo Inteligente. Informe Fundacion BBVA-Ivie-2014, Madrid, 18 de diciembre de 2014). (Jaume Viñals Coll: Montoro prohíbe a las comunidades elevar el gasto tras cerrar el déficit en el 5,2%, Cinco Días, 01-04-2016). Once again Spain did not meet the 2016 goal and is ending with a 4,6% public deficit instead of the 2,8% approved by the European Commission (El Senado avala los objetivos de déficit público y el techo de gasto, El Economista, 20/12/2016). This will of course sustain the policy of deliberately diminishing the public budget expenditures that support Welfare State entitlements, such as health, education, pensions, labour rights, etcetera.

**Download the pdf file with the analysis of Spain's wage gap here.**

## AEQUUS INDICES. LIVING WAGE EQUALISATION IN THE MANUFACTURING SECTOR

*The most relevant indicator of our work exposes either the size of the gap or the advantage that real wages have over the wages of equivalent U.S. workers for up to 33 countries*

From inception, TLWNSI developed its living-wage equalisation index, which measures how close the real wages of manufacturing workers in a specific country are to those of equivalent workers in the U.S. in purchasing-power-parity terms. The "Aequus Index", Latin for "equal" or "balanced" exposes either the size of the gap or, in some countries, the true compensation advantage that real wages have over the wages of equivalent U.S. workers.


Aequus Index © Living-wage equalisation index

TS-Asia_OceaniaEng.pdf

2015 ranking of living-wage equalisation in purchasing power parity terms (PPP for private consumption) – 33 countries – for all employees in the manufacturing sector (employees and production-line workers combined), based on total hourly compensation costs*

The Jus Semper Global Alliance

| | | Year | Hourly manufacturing nominal wage index | Real wage PPP equalisation Aequus index | Year | Hourly manufacturing nominal wage index | Real wage PPP equalisation Aequus index |
|---|---|---|---|---|---|---|---|
| | United States (benchmark) | | 100 | 100 | | 100 | 100 |
| 1 | Belgium | 1996 | 146 | **120** | 2015 | 123 | **124** |
| 2 | Germany | 1996 | 148 | **129** | 2015 | 112 | **121** |
| 3 | Norway | 1997 | 112 | **83** | 2015 | 132 | **103** |
| 4 | Austria | 1996 | 125 | **101** | 2015 | 104 | **106** |
| 5 | Switzerland | 1996 | 158 | **98** | 2014 | 175 | **108** |
| 6 | Sweden | 1996 | 121 | **81** | 2015 | 111 | **98** |
| 7 | France | 1996 | 124 | **96** | 2015 | 118 | **102** |
| 8 | Netherlands | 1997 | 97 | **95** | 2015 | 97 | **95** |
| 9 | Denmark | 1997 | 103 | **81** | 2015 | 118 | **93** |
| 10 | Finland | 1996 | 111 | **79** | 2015 | 102 | **92** |
| 11 | Italy | 1996 | 93 | **84** | 2015 | 83 | **89** |
| 12 | Ireland | 1996 | 79 | **69** | 2015 | 96 | **84** |
| 13 | Australia | 1996 | 85 | **79** | 2015 | 103 | **87** |
| 14 | Canada | 1996 | 83 | **90** | 2015 | 82 | **79** |
| 15 | Spain | 1996 | 69 | **67** | 2015 | 63 | **75** |
| 16 | South Korea | 1996 | 42 | **48** | 2015 | 60 | **66** |
| 17 | United Kingdom | 1996 | 79 | **77** | 2015 | 83 | **68** |
| 18 | Japan | 1996 | 105 | **59** | 2015 | 63 | **67** |
| 19 | Singapore | 1996 | 53 | **57** | 2015 | 67 | **78** |
| 20 | Argentina | 1996 | 33 | **32** | 2015 | 55 | **54** |
| 21 | New Zealand | 1996 | 54 | **53** | 2015 | 62 | **55** |
| 22 | Greece | 1996 | 56 | **59** | 2015 | 41 | **53** |
| 23 | Czech Rep. | 1996 | 15 | **31** | 2015 | 27 | **46** |
| 24 | Slovakia | 1996 | 12 | **27** | 2015 | 30 | **48** |
| 25 | Poland | 1996 | 14 | **28** | 2015 | 23 | **44** |
| 26 | Hungary | 1996 | 14 | **28** | 2015 | 22 | **41** |
| 27 | Portugal | 1996 | 32 | **35** | 2015 | 29 | **39** |
| 28 | Estonia | 2000 | 10 | **28** | 2015 | 29 | **42** |
| 29 | Brazil | 1996 | 31 | **33** | 2015 | 21 | **34** |
| 30 | Mexico | 1996 | 14 | **25** | 2015 | 16 | **26** |
| 31 | China* | 2002 | 2 | **5** | 2013 | 11 | **19** |
| 32 | India* | 1999 | 3 | **8** | 2012 | 4 | **15** |
| 33 | Philippines | 1996 | 6 | **12** | 2015 | 6 | **13** |

Source: The Jus Semper Global Alliance analysis using the sources below.**

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The index for all employees dates back, depending on the country, to 1996 and, except for India and China, compares the benchmark year with 2015 and will continue to be updated every year. India and China's wage data is currently available for the periods 1999-2012 and 2002-2013 respectively. A word of caution, nonetheless, is required with these data, for India and China data gathered by the BLS are not fully comparable to the rest of countries due to some inconsistencies in methodology. However, given that in both cases the BLS argues that this does not substantially affect the hourly compensation estimates, rough comparisons can still be made, and thus, we have decided to include them in our Aequus Index.

**Download the 1996-2015 Aequss Index for All Employed in manufacturing here!**

## TABLE T5*: 1996 – 2015 REAL LIVING-WAGE GAPS FOR TWELVE ECONOMIES, IN PURCHASING POWER PARITY (PPP) TERMS, FOR ALL EMPLOYED IN MANUFACTURING*

(The pivot table used for all PPP real-wage gap analysis)

*Beginning with the 2012 living-wage gap assessments, the purchasing power parities (PPPs) that all our assessments use refer to private consumption (i.e., household final consumption expenditure), as opposed to the PPPs for Gross Domestic Product previously applied. Thus PPPs for private consumption have been therefore revised for all years beginning with 1996.*

| | | | 1996 |
|---|---|---|---|
| Benchmark | 1. U.S. Hourly Manufacturing Wage Rate* (Hourly compensation costs) | | 22,47 |
| Spain | PPP conversion factor, GDP (in country currency) | | 119,447 |
| | Exchange rate | | 126,68 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 0,94 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 21,19 |
| | 3. Actual PPP Real wage rate US $ | $ | 16,42 |
| | 4. Actual Nominal wage rate US $ | $ | 15,48 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 5,71 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,73 |
| Japan | PPP conversion factor, GDP (in country currency) | | 170,600 |
| | Exchange rate | | 108,78 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 1,57 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 35,24 |
| | 3. Actual PPP Real wage rate US $ | $ | 15,09 |
| | 4. Actual Nominal wage rate US $ | $ | 23,67 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 11,57 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,67 |

Although many nominal wage rates increased in 2014, they all devalued in 2015, averaging a drop of 12,6% in dollar value. Yet, of the 12 economies in this assessment, only half recorded a drop in their equalisation rates in 2015 vis-à-vis 2014, five were able to experience no change and one improved its position. This makes evident that manufacturing wage rates in local currencies increased enough to compensate for the drop in value in U.S. dollars and, more importantly, to compensate for fluctuations in purchasing power parity rates for private consumption. Nonetheless, equalisation trends for most economies have been stalled since 2010. Only Singapore has been able to sustain a growing trend. In contrast, the UK equalisation index has been dropping since 2006 and it is at its lowest level since 1996.

**Download the pdf file of Table 5 here.**

## TABLE T5-EUROPE: 1996 – 2015 REAL LIVING-WAGE GAPS FOR EUROPEAN ECONOMIES, IN PURCHASING POWER PARITY (PPP) TERMS, FOR ALL EMPLOYED IN MANUFACTURING

| | | | 1996 |
|---|---|---|---|
| Benchmark | 1. U.S. Hourly Manufacturing Wage Rate* (Hourly compensation costs) | $ | 22,47 |
| France | PPP conversion factor, GDP (in country currency) | | 6,483 |
| | Exchange rate | | 5,1158 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 1,27 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 28,47 |
| | 3. Actual PPP Real wage rate US $ | $ | 21,95 |
| | 4. Actual Nominal wage rate US $ | $ | 27,82 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 0,65 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,98 |
| Italy | PPP conversion factor, GDP (in country currency) | | 1621,441 |
| | Exchange rate | | 1542,7600 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 1,05 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 23,62 |
| | 3. Actual PPP Real wage rate US $ | $ | 19,98 |
| | 4. Actual Nominal wage rate US $ | $ | 21,00 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 2,62 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,89 |

In 2015, reversing the previous improving trend of 2013, nine economies suffered a growing wage-equalisation gap, four experienced no change and eight recorded a growing Eq-Idx vis-à-vis 2012. However, five of the eight economies recording gains are former eastern block economies, with Estonia and Slovakia recording powerful gains of six and five points respectively in their Eq-Idx. Among the other economies, only France and Portugal recorded a slight gain in 2015 from 2012. In contrast, Ireland was the worst performer, followed by Belgium with a nine and a four-point loss respectively, and then Greece, the Netherlands, Norway and the UK, all with three-point losses. Germany, Belgium, France, Norway, Austria and Switzerland have wage rate surpluses instead of gaps with U.S. wage rates.

**Download the pdf file of Table 5-Europe here.**

## TABLE T5-ASIA AND OCEANIA: 1996 – 2015 REAL LIVING-WAGE GAPS FOR ASIA AND OCEANIA, IN PURCHASING POWER PARITY (PPP) TERMS, FOR ALL EMPLOYED IN MANUFACTURING

| | | | 1996 |
|---|---|---|---|
| Benchmark | 1. U.S. Hourly Production-line Rate (Hourly compensation costs) | $ | 22,47 |
| Japan | PPP conversion factor, GDP (in country currency) | | 170,600 |
| | Exchange rate | | 108,78 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 1,57 |
| | 2. Equalised PPP nominal compensation US $ | $ | 35,24 |
| | 3. Actual Real compensation US $ | $ | 15,09 |
| | 4. Actual Nominal compensation US $ | $ | 23,67 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 11,57 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,67 |
| South Korea | PPP conversion factor, GDP (in country currency) | | 731,420 |
| | Exchange rate | | 805,00 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 0,91 |
| | 2. Equalised PPP nominal compensation US $ | $ | 20,42 |
| | 3. Actual Real compensation US $ | $ | 10,50 |
| | 4. Actual Nominal compensation US $ | $ | 9,54 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 10,88 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,47 |

In line with the current trend of currency devaluations and meagre real wage hikes, both South Korea and Japan were no longer able to sustain the closing of their living-wage rate gaps. Australia has followed a similar pattern and stalled since 2014. A similar trend is the case of New Zealand, which has made no progress since 2013. As for the Philippines, it continues to show no change since 2010. India appears to be very slowly closing its wage-rate gap, whilst China is improving at a rather fast pace. In clear contrast, Singapore has continued increasing its Eq-Idx –or closing its wage rate gap, reaching its best position ever in 2015.

**Download the pdf file of Table 5-Asia and Oceania here.**

## TABLE T5: FOUR LARGEST ECONOMIES IN THE AMERICAS (CANADA, BRAZIL, MEXICO AND ARGENTINA): REAL LIVING-WAGE GAPS 1996-2015, IN PURCHASING POWER PARITY (PPP) TERMS, FOR ALL EMPLOYED IN MANUFACTURING

| | | | 1996 |
|---|---|---|---|
| Benchmark | 1. U.S. Hourly Manufacturing Wage Rate* (Hourly compensation costs) | $ | 22,47 |
| Canada | PPP conversion factor, GDP (in country currency) | | 1,213 |
| | Exchange rate | | 1,3638 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 0,89 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 19,99 |
| | 3. Actual PPP Real wage rate US $ | $ | 20,93 |
| | 4. Actual Nominal wage rate US $ | $ | 18,62 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 1,37 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,93 |
| Argentina | PPP conversion factor, GDP (in country currency) | | 0,931 |
| | Exchange rate | | 0,9997 |
| | PPP conversion factor, GDP (in U.S. dollars) | $ | 0,93 |
| | 2. Equalised PPP nominal wage rate US $ | $ | 20,93 |
| | 3. Actual PPP Real wage rate US $ | $ | 7,98 |
| | 4. Actual Nominal wage rate US $ | $ | 7,43 |
| | Compensation Deficit in US $ (2 minus 4) | $ | 13,50 |
| | Wage Equalisation index (4÷2 or 3÷1) | | 0,35 |
| | Wage Equalisation index with unofficial inflation | | |

In the Americas, all four major economies have stalled since 2012 or earlier in their living wage equalisation. Canada has not been able to make any progress since 2008 and has the greatest loss of all 33 economies in our assessments since 1996. Despite high inflation and currency devaluation, Argentina managed to recover some ground lost since 2013. Brazil's deep recession has reduced previous gains. Mexico confirmed, for the nth time, the imposition of a state wage policy designed to block any gain in real wages and in living-wage equalisation for the last three decades.

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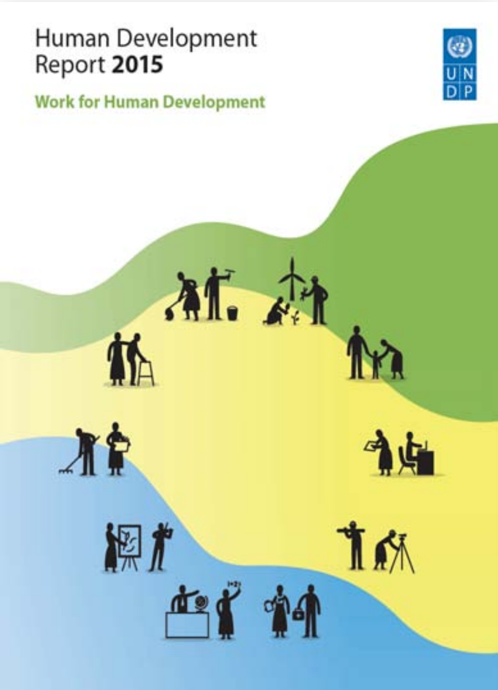
## RESOURCE CENTRE

### HUMAN DEVELOPMENT REPORT 2015

*Work enhances human development, but some work damages human development and some work puts workers at risk.*




When positive, work provides benefits beyond material wealth and fosters community, knowledge, strengthens dignity and inclusion. Nearly a billion workers in agriculture, 450 million entrepreneurs, 80 million workers in health and education, 53 million domestic workers, 970 million voluntary workers contribute to human progress.

When negative, in the form of forced labour, child labour and human trafficking, work can violate human rights, threaten freedom and shatter dignity. An estimated 21 million people are currently in forced labour of whom 14 million (67 percent) were exploited for labour and 4.5 million (22 percent) sexually exploited. There are still 168 million child labourers worldwide. And some work e.g. work in hazardous industries may put workers in risk. There are 30 million workers in mining and their face risks every day.

Over the years work has contributed considerably to impressive progress in human development. However the progress has been uneven with significant human deprivations and large human potentials remain unused.

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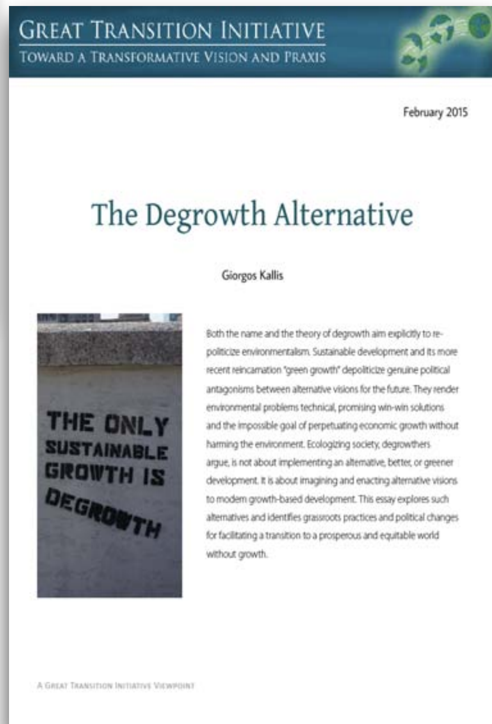
### THE DEGROWTH ALTERNATIVE

Both the name and the theory of degrowth aim explicitly to repoliticise environmentalism. Sustainable development and its more recent reincarnation "green growth" depoliticise genuine political antagonisms between alternative visions for the future. They render environmental problems technical, promising win-win solutions and the impossible goal of perpetuating economic growth without harming the environment. Ecologising society, degrowthers argue, is not about implementing an alternative, better, or greener development. It is about imagining and enacting alternative visions to modern growth-based development. This essay explores such alternatives and identifies grassroots practices and political changes for facilitating a transition to a prosperous and equitable world without growth.


Great Transition Initiative
Toward a Transformative Vision and Praxis

February 2015

The Degrowth Alternative

Giorgos Kallis



Both the name and the theory of degrowth aim explicitly to repoliticize environmentalism. Sustainable development and its more recent reincarnation "green growth" depoliticize genuine political antagonisms between alternative visions for the future. They render environmental problems technical, promising win-win solutions and the impossible goal of perpetuating economic growth without harming the environment. Ecologizing society, degrowthers argue, is not about implementing an alternative, better, or greener development. It is about imagining and enacting alternative visions to modern growth-based development. This essay explores such alternatives and identifies grassroots practices and political changes for facilitating a transition to a prosperous and equitable world without growth.

A Great Transition Initiative Viewpoint

Under the prevailing neoliberal regime, global interdependence makes it impossible for a country to undertake a degrowth transition on its own. Doing so would entail substantial penalties from capital flight, bank and currency collapses, asset devaluations, collapse of public and security institutions, and political isolation. This would undermine the ability of a nation to pursue a quiet contraction on its own. Likewise, if a single country or block of countries were to successfully downscale their economies, a global reduction of resource prices would likely follow, producing a rebound in consumption elsewhere. In a sense, then, escaping growth is a global collective action problem. To be successful, the transition to degrowth must be global.

Degrowth requires a commitment not just to protect nature or to manage and mitigate the impacts of capitalism, but also to create an alternative socialecology and a fundamentally different basis for action. From this new perspective, environmentalists opposing a mega-project need not perform cost-benefit calculations or devise alternatives that accommodate growth. They can simply assert that such projects do not fit the world in which they want to live. They can say that there is alternative, and it is called "degrowth."

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| The Living Wages North and South Initiative ***(TLWNSI) -Working Draft*** |
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| TLWNSI Issue Analysis: ***Wage Gap Graphs Based on PPPs – Argentina*** |
| TLWNSI Issue Analysis: ***Wage Gap Graphs Based on PPPs – Twelve economies*** |

## A final thought

Mexico City policeman chains himself to the main doors of the City Assembly in protest because his salary does not make a living wage (19 December 2006).

A living wage is, universally, the most important element in the achievement of everyone´s right to a dignified life and the eradication of poverty. Relative to the social responsibility of business, a corporation or organisational entity employing people, regardless of size or trade, public or private, cannot be considered to behave in a socially responsible manner if it does not pay a living wage, regardless of how responsibly it behaves in all other areas of activity.

Just as the International Labour Organisation's Decent Work Agenda states, *the decent work concept has led to an international consensus that productive employment and decent work are key elements to achieving poverty reduction*. Yet, everything remains in the realm of rhetoric and hypocrisy, and the system, imbued in the most perverse human instincts, remains.

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