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Promoting a living wage among aid workers in the Pacific

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According to the 2005 Paris Declaration on Aid Effectiveness, local workers and expatriate workers should be on similar pay scales. However, expatriate aid workers worldwide are paid more than local colleagues. Research by Professor Stuart Carr from Massey University's Poverty Research Group explores the effects of aid salary discrepancies in the island economies of the Solomon Islands and Papua New Guinea.

Impact of dual salaries

Research jointly led by Massey University and Trinity College in Dublin, tested the impact of salary discrepancies in the health, education and business sectors of six countries: Malawi, Uganda, India, China, the Solomon Islands and Papua New Guinea. The project revealed that on average, expatriate aid workers get four times more money than local employees for doing a similar job. In the Solomon Islands and Papua New Guinea this was found to be nine times higher. This study has shown that dual salaries perpetuate poverty and injustice, and undermine capacity building in low-income countries.

Rationale for research

Promoting a sustainable living wage in the Pacific can help low-income countries to reach the Sustainable Development Goals of ending poverty, promoting decent work, reducing inequalities, and building partnerships and capacity. The prevalence of dual salaries is a potential barrier to achieving these goals and promotes an “economic apartheid” (PNG participant).

Recommendations

Research findings suggest that organisations can be points of critical intervention to enable a fair living wage and to promote greater work justice and equity. Therefore, it is recommended that organisations be encouraged and supported to change their remuneration practices and engage in strategies for enhancing equity that include having career plans for all employees, performance appraisal and job evaluation. Introducing a living wage for local workers can help break the concrete ceiling that dual salaries represent, and help build capacity in lower income countries.

“... what they [ex-pats] might get in one week is what Solomon Islanders might live on in a year ... that's just sure to engender some bitterness eventually”. (Church leader)

For more information go to the [PRPC website](#) or contact [Litea Meo-Sewabu](#).

Key Points:

- Expatriate salaries were found to be nine times higher than local workers' salaries in the Solomon Islands and Papua New Guinea
- The disparity in salaries leave locally-paid workers below the poverty line, resulting in a keen sense of injustice, low job satisfaction levels, and a desire to work abroad which contributes to the local brain drain
- Organisations play a key role in enhancing equity that includes fairer pay and benefits, career plans and performance appraisals, thus improving productivity and poverty reduction itself