**Accounting for the “working poor”: Analysing the Living Wage Debate in Aotearoa New Zealand**

Peter Skilling

Senior Lecturer, Management

Faculty of Business and Law

Auckland University of Technology

Auckland, New Zealand

peter.skilling@aut.ac.nz

Helen Tregidga

Reader in CSR/Sustainability

School of Management

Royal Holloway, University of London

Egham, TW20 0EX

United Kingdom

Helen.Tregidga@rhul.ac.uk

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**Purpose:** To analyse justifications for, and accounting’s role in, arguments for and against the living wage.

**Design/methodology/approach:** A systematic content analysis of arguments made for and against the living wage in a range of secondary data sources is conducted. Boltanski and Thévenot’s typology of “orders of worth” provides the framework for analysis.

**Findings:** Arguments for a living wage are found to draw on a range of orders of worth. These arguments hold that while market signals have a valid role in informing wage decisions, such decisions should also take into account the *civic* order’s emphasis on collective outcomes, the *industrial* order’s emphasis on long-term organisational performance, and an emphasis on the inherent dignity of the human worker drawn from the *domestic* and *inspired* orders. Business arguments against a living wage hold that the current weight given to the tests and objectives of the *market* order is optimal and that a living wage would undermine firm competitiveness and, ultimately, collective well-being. Justifications of existing low-wage practices are shown to be reflected in, and naturalised by, accounting discourses and practices.

**Originality/value:** This study contributes to the emergent literature on the relationship between accounting and inequality. It elucidates accounting’s role in supporting the *market* order of worth and thus the stabilisation and perpetuation of income inequalities. Its analysis of the orders of worth invoked by those calling for a living wage contribute to the task of imagining and constructing an alternative, more equitable, accounting discourse and practice.

**Keywords:** income inequality, accounting for inequality, social accounting, pragmatic sociology

**Paper type:** Research paper

**Introduction**

Accounting discourses, rationales, technologies and calculations, have long been recognised as supporting the hegemonic discourses of capitalism and neo-liberalism (Catchpowle, Cooper & Wright, 2004; Cooper, 1995; Rose, 1991). Until recently, however, accounting has been largely silent on the relationship between accounting and economic (in)equality (Sikka, 2015; Tweedie & Hazelton, 2015).[[1]](#endnote-1) Ravenscroft and Denison (2014, p. 91) argue that “accounting narratives have been silent on corporations’ role in expanding income inequality” even though this is “a phenomenon which causes significant problems for individuals, and could threaten the survival of our tradition of democratic institutions”. The crucial significance of this issue, and the role of accounting in the allocation of firm resources (and in transparency and accountability in relation to this allocation), has led to recent calls for social accounting, with its stated agenda of social emancipation, social justice and progressive social change, to engage with issues of economic inequality (Sikka, 2015; Tweedie & Hazelton, 2015). We respond to these calls and contribute to studies which examine (and problematise) the relationship between accounting and economic inequality.

We address a gap in the literature by examining the role of accounting norms, practices and artefacts in generating and stabilising the unequal distribution of income and wealth through wages. In keeping with Dillard and Vinnari’s (2016, p. 2) contention that raising awareness of social problems and their causes is a necessary first step towards affecting emancipatory change, we begin by analysing the public critiques and justifications of existing practices of low-pay and income inequality. We then assess (1) how justifications of existing income inequalities are stabilised and normalised by dominant accounting discourses and practices, and (2) how critiques of those existing inequalities can help specify ways in which accounting discourses and practices might be re-formed so as to support more egalitarian outcomes. In responding to Sikka’s (2015, p. 47) call for more “scrutiny of the very concepts and categories of accounting which … facilitate inequitable distribution of income and wealth”, we add to the literature which examines, and suggests changes to, accounting discourse and practice in relation to income and wealth inequalities (e.g., Cooper, 2005; Haller, van Staden, & Landis, 2016; Ravenscroft & Denison, 2014; Sikka, 2008; 2015; Tweedie & Hazelton, 2015).

We focus our study on calls for a living wage in Aotearoa New Zealand.[[2]](#endnote-2) Recent calls around the world for a living wage have emerged in response to growing concern over inequality and (especially) in-work poverty. These calls construct the “problem” of the “working poor” and offer a particular solution. In a context of public opposition to traditional forms of (tax-funded) political redistribution (Collison, Dey, Hannah & Stevenson, 2010), the living wage movement does not call for more state support for low-paid workers. Rather, it holds business practices as responsible for causing - and, therefore, responsible for addressing - the problem of the working poor. In analysing the living wage debate, we first examine how arguments for a living wage construct specific critiques of the existing situation. We then examine how, in response, business, predominantly through business lobby groups, refute these calls through offering justifications of the status quo. We show how both sides construct the role of business in accounting (or refusing to account) for the “working poor”.

As such, we make visible accounting’s role in this critical contemporary issue through addressing three research questions: (1) what critiques and justifications of existing levels of income and wealth inequality are made in New Zealand’s public living wage debate? (2) How do (currently dominant) accounting norms, practices and artefacts normalise and support the justifications made of existing levels of income and wealth inequality? And importantly, (3) how does understanding critiques of these inequalities help us to imagine and construct new forms of accounting that could support the more equitable distribution of income and wealth?

We draw on the pragmatic sociology of Boltanski and Thévenot (1999; 2006) to show the various conceptions of the common good appealed to (and challenged) by actors arguing for and against a living wage. Boltanski and Thévenot’s typology of “orders of worth” is used to (a) empirically analyse how accounting naturalises and (thus) perpetuates the current prominence of the *market* order of worth in a way that privileges certain objectives, certain actors, and certain measures of performance; and to (b) demonstrate how critiques of low wages draw on a specific combination of competing orders of worth that suggest alternatives - new visions and possibilities for accounting discourse and practice. Boltanski and Thévenot’s pragmatic sociology offers a particularly useful framework for showing how critiques and justifications of existing arrangements proceed not just through words and ideas, but also through the legitimacy and status that they accord to specific objects, metrics and people.

The paper is structured as follows. First, we position our study within the limited but expanding literature on accounting and economic inequality. Second, we discuss income and wealth inequality and trace the emergence of the concept of the living wage. Third, we outline our theoretical framework, showing how this framework informs our method. In the fourth section we discuss the context for our research as well as our approach to data selection and analysis. Findings are then presented and analysed. Lastly, we discuss how accounting is implicated in calls for and against a living wage, before making concluding comments.

**Accounting and Economic (In)equality**

As noted, previous research on the relationship between accounting and inequalities of income and wealth is surprisingly limited (Ravenscroft & Denison, 2014). Indeed, the topic has remained “on the periphery of social accounting research” (Tweedie & Hazelton, 2015, p. 113). This is likely to change as we see increasing attention to this issue across civil society, increasing acknowledgment that accounting is implicated in creating and legitimating inequalities, and increasing calls for accounting to engage with this critical contemporary issue (see Sikka, 2015; Tweedie & Hazelton, 2015).

Within the extant literature, one important strand considers how corporate structures and practices lead to inequality. Sikka (2008), for example, considers corporate governance mechanisms in the UK in relation to income inequality. His research extends to a consideration of the role of the state in developing links between corporate governance and the distribution of income and wealth. Sikka notes limitations of UK law in relation to areas that would foster the more equitable distribution of income and wealth, such as enhanced consultation and reporting on wage and wage distribution. Cooper (2005) makes a specific call for accounting academics to engage on the issue of income equality. She argues that “given the harrowing impact of market fundamentalism on the everyday lives of millions of people”, accounting academics have a responsibility to resist the myth of markets as “normal”, to elevate the voices of the poor, and to contribute to the “building [of] social movements” (Cooper, 2005, p. 604). Sikka (2008) reinforces these calls to consult widely, and especially with the least powerful, on issues of wage distribution.

In line with this “public intellectual” role, Cooper and colleagues produced a social account of student experiences working while in full time education, to examine one experience of financial hardship (Cooper, Taylor, Smith & Catchpowle, 2005). They demonstrate how the logic of market economies places pressure on capitalist enterprises “to raise levels of labour exploitation as a condition for the survival of the capitalist enterprise” (Cooper et al., 2005, p. 972). They note how the dominance of market ideology makes it difficult to question such relations of exploitation and domination: work is positioned as “the inevitable outcome of nature’s laws”, and “state benefits [as] unnatural” and socially harmful (Cooper et al., 2005, p. 972). Collison et al. (2010) also consider the potential of social accounting, and in particular silent and shadow accounts, to hold capitalism to account by exploring the issue of income inequality in relation to child mortality. They suggest that the possible efficacy of silent or shadow accounts lies in their ability to “strike a chord with a (reassuringly persistent) level of public sentiment towards notions of equality and a “common good” (p. 974).

More recently, a number of papers have focused on accounting techniques, metrics and artefacts and their role in the inequitable distribution of income and wealth. Sikka (2015), for example, focuses on accounting calculations and discourses in relation to the determination of wages and taxes. He argues that the labelling of wages as costs dictate, within the hegemonic discourse of capitalism, that they are to be considered always and only as a necessary evil to be reduced. He subsequently argues that the payment of “wages are not seen as legitimate rewards for the employment of social and human resources, but as barriers to expansion of capital” (p. 49) and that accounting practices “celebrate the gains to capital, but do not give visibility to the human consequences of the drive to reduce wages and tax payments” (p. 58). Sikka (2015) calls for further scrutiny of accounting concepts and practices related to income and wealth distribution.

Other studies looking at accounting techniques and practices and the role of accounting in income inequality emphasise the need for increased transparency and disclosure. Ravenscroft and Denison (2014, p. 91) argue “that the public interest is undermined when disclosure requirements are too narrow, thus allowing corporations to behave unethically (though legally), without sufficient scrutiny … [or] accountability”. They argue for further corporate disclosure on transactions that contribute to current income inequality and suggest mandated disclosure in three key areas: compensation, taxation and non-business expenses. Haller et al., (2016) also focus on disclosures, in particular value added disclosures in sustainability reports. Arguing that value added disclosures represent “the monetary economic contribution of an entity to society” (p. 1), they investigate such statements to “determine if the information provided is useful for assessing distributional fairness between stakeholders” (p. 1) and note pointedly that companies appear “either reluctant to provide value added information” or that they “deliberately use value added disclosures to obfuscate” (Haller et al., 2016, p. 15).

Tweedie and Hazelton (2015) discuss the relationship between economic inequality and accounting and set out an agenda for social accounting. They argue that growing economic inequality highlights the need for greater attention to the social dimension of sustainability and call for accounting research to “extend its engagement with issues that threaten shared social bonds” (Tweedie & Hazelton, 2015, p.117). Noting that high levels of inequality have been associated with decreased levels of generalised social trust (OECD, 2011a; Uslaner, 2008) and with an erosion of social cohesion (OECD, 2011a), we agree that there is an urgent role for (social) accountants to engage more with the issue. Tweedie and Hazelton (2015) identify two implications for social accounting that are particularly relevant for this study.

Firstly, Tweedie and Hazelton argue that social accounting research should delineate, expose and problematise the existing distribution of wealth. There is both a technical and normative role in “exposing wealth to democratic scrutiny” (Piketty, 2014, p. 471, also cited in Tweedie & Hazelton, 2015). They argue that, to be meaningful, social deliberation on the acceptable level of inequality needs to be informed by the insights that accounting can generate on the ownership and distribution of capital. In short, there is a role for social accountants to highlight the levels of income inequality that exist, how widespread they are, and to interrogate the structures that are implicated in the distribution of wealth and income. Our investigation of a public dispute where income inequalities are being explicitly critiqued and justified is ultimately an attempt to further understand and problematise the dominant market-centred discourse. We show that such a problematisation cannot proceed simply at the level of ideas and arguments: a meaningful analysis must also consider the material and institutional practices – including, in this case, the accounting discourses and practices - that stabilise certain arrangements.

Secondly, and in developing the above point, Tweedie and Hazelton articulate a role for social accountants in linking public concerns over economic inequity to real changes in wealth and income distribution (see also Piketty, 2014, p. 570). Like Haller et al. (2016), Ravenscroft and Denison (2015) and Sikka (2015), Piketty (2014, p. 570) focusses on the crucial role of disclosures, reporting and transparency, arguing that corporate accounts that report firm performance but contain no information about how firm wealth is “divided between profits and wages … are entirely inadequate for allowing workers or ordinary citizens to form an opinion about corporate decisions”. Piketty is also explicit, however, that transparency is “of little use” unless it is supplemented with a real right to intervene in corporate decision-making.” “Information”, he argues, “must support democratic institutions; it is not an end in itself” (Piketty, 2014, p. 570, also cited in Tweedie & Hazelton, 2015, p. 118). Here, we consider how the various sides in the living wage debate seek to construct and activate audiences for their arguments: calls for a living wage, for example, seek to mobilise and empower the public to put pressure on firms to respond to concerns over inequality and transparency. We also consider areas for further research and practice to enhance pressure and facilitate change.

As this review demonstrates, despite social accounting’s long-standing concerns with social justice and emancipatory social change, research examining accounting’s role in economic (in)equality remains limited. An emerging literature notwithstanding, significant gaps remain in our understanding. We respond to these gaps in two main ways. First, by analysing specific justifications of existing income inequalities, we show how the objects, norms and people privileged within currently dominant modes of accounting normalise and legitimate firms’ refusal to account for the working poor. Second, by analysing the critiques of inequality embedded in calls for a living wage, we identify ways in which accounting could be reimagined (the different sorts of objects, norms and people that would need to be included and authorised) in order for accounting to support the more equitable distribution of income and wealth. Importantly, our use of Boltanski and Thévenot allows us to understand and specify the links between the arguments on either side of the living wage dispute and the different systems of accounting they imply. However, we first outline the context of our study.

**Income and Wealth Inequality and the rise of the living wage**

While increasing inequality has been a feature of many western societies for the last thirty years (Förster & Mira d'Ercole, 2005; OECD, 2008; Piketty & Saez, 2006), public and academic attention to the issue has recently risen sharply. This attention can be traced in part to the aftermath of the global financial crisis and the public outrage - expressed most starkly in the “we the 99%” rhetoric of the Occupy movement - over the disparities between the high rates of pay for some, and the hardship experienced by those in precarious, part-time and low-paid work. Public concern has also been sparked by studies that posit a relationship between high levels of inequality and a wide range of negative consequences, including the erosion of social cohesion and trust (OECD, 2011a; Uslaner, 2008), reduced democratic responsiveness (Bartels, 2008), decreased levels of overall happiness (Layard, 2005), and poor public health outcomes (Wilkinson, 1996). Indeed, concern over existing levels of inequality is no longer restricted to the “usual suspects” on the political left, but include a wide range of organisations and institutions, including the IMF (Ostry & Berg, 2011), the OECD (2011b), and the World Economic Forum (Mohammed, 2015; World Economic Forum, 2014).

As noted by Collison et al., (2010), this emerging consensus on the dangers of high levels of inequality (Humpage, 2014; Skilling & McLay, 2015) has not translated into support for potential public policies that promise to reduce inequality - especially if those redistributive policies are linked to an increase in taxation (Humpage, 2008; Taylor-Gooby, 2013). Given this limited appetite for addressing inequalities through political *re*-distribution, some commentators (Wade, 2013) and politicians (see van den Heuvel, 2012) have argued instead for a focus on *pre*-distribution: a focus on how the market distributes earnings amongst its various participants *before* taxes and transfers. Within this context, local living wage movements around the world have emerged that draw attention to, and aim to eradicate, working poverty. Responding to the erosion of union density and union power over the last thirty years (Newman, 2014), living wage campaigns represent new vehicles through which to place pressure on wage-paying organisations to raise the incomes of the lowest-paid.

Taken generally, the living wage movement calls for an hourly wage determined not simply by the “market justice” principle of earned desert in the market, but also by the “political justice” principles of need and equality (Lane, 1986). This call emphasises the role of below-subsistence wages in the production of economic, social and political inequalities. Very low-wages, it is further argued, are often accompanied by income support schemes for the low-paid, in what is effectively a taxpayer-funded subsidy for low-paying employers. A living wage, it is claimed, would benefit not just the low-paid workers directly involved, but also society more broadly, since increased incomes for the poorest families are expected to create a virtuous cycle of improved health, educational and crime outcomes. Importantly, arguments for a living wage present it not as a favour, or an act of charity towards low-paid workers. Rather, a living wage is held to improve firm performance, as workers become more engaged, motivated and productive.

**Theoretical Framework**

Boltanski and Thévenot’s pragmatic sociology is selected for our analysis because it offers a useful “tool box” to analyse the different ways in which critiques and justifications are made (the ways in which legitimacy is disrupted or secured) in contested contexts marked by multiple, competing sets of values (Patriotta, Gond, & Schultz, 2011; van Bommel, 2014; Cloutier & Langley, 2013; Jagd, 2011). Its insistence that critiques and justifications are expressed not just in words and ideas, but also through the status accorded to material objects and practices, is particularly useful to our analysis.

Pragmatic sociology is typically applied in a situation of dispute. It asks how agreement and harmony is possible, given that a good deal of social life takes place in “fragmented and contested” settings where “the harmonious arrangement of things and persons” cannot be “taken-for-granted”, but is “always ‘up for grabs’” (Patriotta et al., 2011, p. 1808). According to Boltanski and Thévenot (1999; 2006), social life is regulated by multiple (but not infinite) “orders of worth”. Pragmatic sociology offers a framework to analyse the different claims that are made, and “the struggles over legitimacy that are a natural side-effect of [this] pluralism” (Cloutier & Langley, 2013, p. 360). As Jagd (2011, p. 347) notes, “Boltanski and Thévenot (2006) assert that agreement may be reached in the face of this plurality in three ways: with reference to “one – dominating – world only at the expense of the other competing” orders of worth, through an *ad hoc* “local arrangement aimed at a temporary and local agreement around specific decisions” or on the basis of a “compromise aimed at a more durable agreement constructed on the basis of different” orders of worth.

In their foundational 2006 text *On Justification*, Boltanski and Thévenot identified and outlined six orders of worth: the *market, industrial, civic, domestic, opinion*, and the *inspired*.[[3]](#endnote-3) Each order of worth has its own standards for assessing the worthiness of arrangements, objects and actors. These orders are explicitly moral: each grounds its claims by appealing to a conception of the common good that is widely understood and acknowledged. Boltanski and Thévenot (2006, p. 66) describe these orders of worth as “systematic expressions of the forms of the common good … commonly invoked in today’s society”. van Bommel (2014, p. 1162) adds that each is “comprised of a set of material, cognitive and symbolic elements that make up unique ‘worlds’”. The summary in Table 1 shows that within each of these six worlds, worthiness is conferred by distinctive qualified people, with reference to distinctive qualified objects, calling forth distinctive modes of evaluation, tests and forms of proof.

**[Table 1 about here]**

Worthiness within the *market* order, for example, is established by the market competitiveness of a freely circulating good or service, with market participants (the buyers and sellers of those goods and services) designated as the qualified evaluators of worth. This can be seen as the expression of a moral vision since the market’s “invisible hand” is held to align the individual interests of market participants with the collective good by promoting economic efficiency and innovation. Meanwhile, worthiness is determined in the *civic* world not by the buyers and sellers of the market order, but by the collective will of equal citizens. The common good is assured, not through the pursuit of individual interests, but precisely by each individual renouncing a “deficient, selfish state” and by consciously making themselves “the embodiment of a *general interest*” (Boltanski & Thévenot, 2006, p. 187, emphasis in the original).

Within this framework, successful attempts at critique or justification do not represent simply the triumph of certain words or ideas. Justifications also incorporate, crucially, a material dimension (Patriotta et al., 2011, p. 1809). As Annisette and Richardson (2011, p. 235) note, “the engagement of qualified objects in tests of worth” is a crucial feature of pragmatic sociology. “Qualified objects”, they continue (objects like uniforms and badges, or in the realm of accounting practice, spreadsheets, annual reports, and accreditations) are used “as *proofs of worth* and as *signals of the order of worth that is appropriate in a given circumstance*” (Annisette & Richardson, 2011, p. 235, emphasis added).

Annisette and Richardson (2011, p. 235) argue that Boltanski and Thévenot offer “a nuanced framework for understanding the multiplicity of ways accounting can participate in social relations.” We use Boltanski and Thévenot’s framework to examine how justifications of the status quo are stabilised not just by logical argumentation, but also by the material objects of contemporary accounting discourse and practice. Conversely, calls for changes in business practice (i.e., changes to existing practices of low pay) necessitate not just the cognitive acceptance of new ideas, but also changes in these material factors: an acceptance of different regimes of measurement; different types of reporting, and a different (and wider) set of people accepted as “qualified” and “authoritative”.

While there is no established hierarchy amongst pragmatic sociology’s various “orders of worth” (Patriotta et al., (2011, p. 1809) argue that they are “symmetrical” and “carry equal weight”), this is a purely formal symmetry. Critiques and justifications are never presented in a cultural vacuum, but in specific contexts where certain orders of worth are more or less available and resonant (Lamont & Thévenot, 2000). Further, the status of “a particular order is linked to issues of power and legitimacy within a field”, such that “in certain fields, some actors are more powerful than others and will therefore have voices that are “louder” than others” (Patriotta et al., 2011, p. 1811). Thus, while Boltanski and Thévenot (1999, p. 360) assert that persons involved in public disputes are all equally constrained by “an imperative of justification”, Benatouil (1999, p. 390) argues that “dominant positions exist within social spaces” that “authorize their occupants to more easily impose their definitions of reality in a large number of people, or … to escape the requirements of justifying their actions”.

This is essentially a question of power: of the differential capacity of actors to make their partial interests appear natural and inevitable. Pragmatic sociology, however, has been criticised for its weak analysis of power relations (Wagner, 1999, p. 349; Gond et al., 2015), and for not regarding “actors’ universalistic claims as hiding particular interests” (Lamont & Thévenot, 2000, p. 5, Annisette & Trivedi, 2013). Indeed, pragmatic sociology is founded on an explicit rejection of critical sociology’s tendency to explain disputes in terms of “force … deception and delusion” (Boltanski & Thévenot, 1999, p. 364). It contends that disputes “can be reduced neither to a direct expression of selfish interest” (Boltanski & Thévenot, 1999, p. 366) nor to an “anarchic … dialogue of the deaf” (Boltanski & Thévenot, 2006, p. 13). Pragmatic sociology appears to posit an ideal-type speech situation where actors are truthful and sincere; where they are driven not by a desire to “win” the dispute but by “an authentic desire for justice” (Annisette & Richardson, 2011, p. 231), and for “convergence at the very heart of a disagreement” (Boltanski & Thévenot, 2006, p. 13).

While it is not within the scope of this paper to resolve these tensions, we do leave open the question of power, asking how certain orders of worth come to be accepted and natural and appropriate in this disputed setting. Following Gond et al. (2015), we propose a division of labour in which we adopt Boltanski and Thévenot’s typology as a descriptive heuristic that allows us to specify the orders of worth that different actors appeal to in the living wage dispute we examine, while remaining attentive to the cultural and historical forces that privilege certain orders of worth (in the present case, the *market* order) and the actors that rely on them. More specifically, we focus on the role of accounting discourse and practice, asking how accounting discourses, processes, objects and qualified people work to naturalise certain orders of worth and (therefore) certain business practices.

Our analysis shows how current dominant accounting discourses and practice embodies and in turn stabilises a particular conception of the common good. In this way, we argue that accounting is implicated in naturalising and stabilising existing business practices of low pay and economic inequality more broadly. Beyond this, we offer a more practical contribution, by setting out how accounting can be an integral part of a progressive agenda for change. These suggestions for accounting are based on our analysis (and, as such, on real-world arguments made by a social movement), as well as a consideration of current accounting discourses and practices and prior literature. By specifying the alternative orders of worth that are deployed in public critiques of the status quo, we suggest ways in which accounting could be (re)imagined and (re)structured so as to embody and express these alternative orders. We ask what specific things accounting would need to measure, value and produce (and what sorts of people accounting would need to recognise as authoritative and qualified) if it was to embody and express the competing conceptions of the common good found in calls for a living wage.

**Research Context and Approach**

***Inequality and Living Wage Debates in Aotearoa New Zealand***

New Zealand is an illuminating site in which to explore the interplay between arguments for and against raising the incomes of low-paid workers. Inequality increased rapidly in the decade after the country implemented a rapid and rigorous programme of economic liberalisation in the mid-1980s, with incomes at the top of the distribution rising as those at the bottom stagnated (OECD, 2011; Perry, 2015). While New Zealand does not experience the extreme concentration of wealth witnessed in, for example, the United States (Piketty & Saez, 2006), the years since 1990 have seen the emergence of the category of the “working poor”. Official reports show that 40% of children in poverty live in a household where at least one adult is working full-time (Perry, 2015).

The central regulatory institutions of the New Zealand labour market have undergone significant change since the 1980s. The Employment Contracts Act (1990) radically reduced the rights and powers of unions, and enshrined an individualistic vision of formally equal, rational actors contracting with one another in the pursuit of their respective interests. While this Act was replaced in 2000 by the Employment Relations Act and its explicit acknowledgment of the “the inherent inequality of power in employment relationships” (New Zealand Legislation, 2015, S.3) successive amendments to that Act since 2008 (and the arguments that have supported them) have tended towards greater flexibility for employers, and fewer statutory rights for workers (Rasmussen, Fletcher, & Hannam, 2014).

Given that the working poor appear to escape the stigma attached to “something-for-nothing” beneficiaries, strong public support for increasing the wages of the low-paid (Neal, Govan, Norton & Ariely, 2011; Skilling, 2014), and that living wage campaigns have enjoyed some success overseas, living wage advocates in New Zealand have some useful discursive resources on which to draw. When living wage advocates launched their campaign in New Zealand, however, they faced an unpromising political environment. Existing institutional settings were supported by – indeed, had been constructed by – a stable centre-right government.[[4]](#endnote-4) Responding to a situation in which “their old methods of negotiating wages no longer work” (Shuttleworth, Tan & Collins, 2013; Newman, 2014) unions and other groups established a new movement – Living Wage Aotearoa (LWA) – in 2012 as a coalition of organisations committed to the principle that “work should lift you out of poverty, not keep you there” (LWA, 2012b). LWA strategically by-passes traditional political and regulatory channels. Instead, it appeals directly to wage-paying organisations, asking them to commit to paying a living wage, and also to the public, asking them to support living wage employers. The living wage is proposed not as an increase to the statutory minimum wage, but as a voluntary response by those wage-paying organisations “who can afford to pay” (LWA, 2012c).

***Methods and Data***

We approach the debate over a living wage in New Zealand (constituted in the public statements of groups supportive of, and opposed to, calls for a living wage) as a single case study. On the one side, LWA, its member organisations and its supporters offer a critique of the consequences of existing low-wage practices, and propose the living wage as a response. On the other side, business lobby groups and their supporters offer a critique of the living wage proposal, and a justification of the status quo. In looking at business lobby groups, we focus on the two largest and most nationally representative organisations: Business New Zealand (BNZ) and the Employers and Manufacturers Association (EMA). In addition to the organisations directly involved in the dispute, a range of voices allied with these two “sides” of the debate - including politicians, academics and media personalities - are included in our analysis. We restrict our attention to the two-year time period from May 2012 to May 2014. Figure 1 provides the rationale for this temporal focus by showing the sudden spike in public attention to the living wage concept after the official launch of Living Wage Aotearoa (LWA) in May 2012.[[5]](#endnote-5)

**[Figure 1 about here]**

Within this timeframe, we collected a comprehensive range of data from multiple sources to capture multiple aspects of the debate. Our data for analysis, however, draws from three main sources. Our first source is the public statements (web-pages, press releases, speeches, reports and submissions) of parties to the dispute: 63 pieces of data in total. Our second data source is parliamentary debates. We searched the online record of New Zealand Parliamentary Debates (Hansard) for references to the phrase “living wage” in our chosen time period (identifying 62 speeches) and include those that contained an explicit argument (28 speeches). Our third data source is media commentary on the living wage debates. Based on a comprehensive search of media coverage of the dispute, we identified and analysed the articles and editorials that contained an explicit argument for and/or against the living wage: 19 articles and editorials in total. Clearly there were many more news articles about the living wage. In the *New Zealand Herald* (New Zealand’s *de facto* paper of record) alone, there were 232 articles in our selected time period that included the phrase “living wage”. However, the vast bulk of these reported only on whether certain actors opposed or supported the proposal, and a surprisingly small number of texts contained a clear argument either way.

While we read a wide range of additional data sources (e.g. submissions or reports on minimum wage rates, youth rates, perspectives on taxation, child poverty and welfare) for essential context, our systematic content analysis was restricted to these 110 pieces of data. The data sources are summarised in Table 2. Since we are interested in the living wage debate as a public dispute, our data selection criteria focuses on how actors on both sides of the dispute made their arguments to a public audience. Given this focus, we do not report here on internal documents or communications.

**[Table 2 about here]**

The data selected for analysis, as can be seen in Table 2, is asymmetrical in nature, with arguments for the living wage heavily outnumbering arguments against it. This asymmetry is inherent in the nature of the issue and the structure of the dispute. LWA was the main protagonist in this case, seeking to disrupt a well-established status quo. On the other side, making an explicit public defence of in-work poverty is potentially unpopular, and some living wage-sceptics appeared to take a wait-and-see approach before entering the debate. Figure 2 illustrates the temporal asymmetry across our selected time period. Advocates of the living wage offered a large number of public arguments from May 2012 – March 2013 (with discernible spikes around the official launch of LWA in May 2012, the release of a report establishing the official living wage rate of $18.40/hour in August 2012, and the leadership contest within the Labour Party in March 2013). Public arguments against the living wage, however, were relatively few in number until the second half of 2013.

**[Figure 2 about here]**

In line with Patriotta et al (2011) and Gond et al (2015), we subjected the data to a systematic content analysis, where the initial codes were based on Boltanski and Thévenot’s typology of orders of worth. Our analysis of the data was conducted manually to retain maximum sensitivity to actors’ use of language and their argumentative strategies. We approached the task of articulating actors’ statements with specific orders of worth holistically, looking at arguments for or against the living wage in terms of their overall logic. Keywords derived from Patriotta et al. (2011) were used as a secondary check on coding but, in line with Gond et al (2015, p. 337), a keywords-based approach “did not replace the researchers’ interpretation” of the data. In terms of process, the first author led the analysis and provided randomly-selected samples associated with different actors and representing different orders of worth for independent verification by the other author. We worked in an iterative fashion, discussing the data and its analysis at various stages, to ensure that the interpretation of texts was rigorous. Where an order of worth is drawn on within a given piece of data, within a speech, for example, it was not counted twice if it is drawn on a second time in the same piece, since this would tilt the analysis towards longer pieces of data, such as reports.

**Findings and Analysis**

While recognising that the arguments on either side of the living wage debate need to be understood in relation to each other, for the sake of clarity we analyse them here separately.

***Living Wage Aotearoa: A critique of the status quo and a proposed solution***

The argument for a living wage is based on a critique of existing practices of low-paid work. Arrangements between low-paid workers and their employers have traditionally been based on a compromise between the *market* order of worth (with wages partly determined by forces of supply and demand within the labour market); the *civic* order (where wages are also regulated by labour standards including the statutory minimum wage, with regard to values of social equality and stability) and the *industrial* order (where wages also reflect an interest in the long-term productivity and performance of workers and organisations). LWA’s position, when read utilising a Boltanski and Thévenot lens, is that the *market* test of demand within the labour market has assumed undue weight within this compromise, and its critique expresses the sense of injustice provoked “when justifications of a market order are extended beyond their legitimate boundaries” (Boltanski & Thévenot, 2006, p. 15). Table 3 summarises our findings, which we discuss further below.

**[Table 3 about here]**

The market’s distributive justice principle of “earned desert” (Lane, 1986) is critiqued both *empirically* (in the argument that the market does not, in fact, distribute its rewards according to its self-proclaimed criterion of deservingness (see Little, in NZPD, 30 July 2014)) and *normatively*: existing low wages are held to be “morally and ethically unacceptable” when they generate incomes “that workers can[not] survive on let alone have decent lives” (Matheson, 2012; SFWU, 2012). LWA thus argue “that earnings should be based … not on the market alone” (see also Mayman, 2012) but rather on political principles of justice: need and equality (Lane, 1986). Wages, LWA (2012e) claim, should be based on “what workers need to survive and participate in society”: they “should be based on need and not left to the market” (LWA, 2012a). This argument posits that an over-reliance on *market* tests in establishing wage rates at the bottom of the scale undervalues (1) the importance of the inherent dignity of the human worker; (2) the negative social impacts of low-paid work and inequality, and (3) the long-term performance of the wage-paying organisation.

Understanding human workers as labour (and thus as freely circulating goods in a market) is held to elide their inherent dignity. Each worker is positioned within the *market* order as a “freely circulating market good”, with employers (the buyers of labour) authorised as the actors qualified to assess the worth(iness) of that market good (see Table 1). LWA’s argument can be read as asserting that the undue emphasis on the test of market competitiveness dehumanises the worker, treating them instrumentally. It insists that workers are not mere commodities, but human agents. Such sentiment is seen throughout Table 3 (see quotes 1 - 11). It is expressed most clearly when Mayman (2012), echoing Karl Polanyi (2001 [1944]), argues that “people and their work have a dignity that makes the labour market substantially different from the purchase of other goods. The price of a person’s labour should not be determined solely by the market”.

The market is presented here not as a mutually-beneficial regime of justice, but rather as a regime of violence and domination (White, 2012; see also Boltanski & Thévenot, 2006; Wagner, 1999, p. 349), where low wages reflect the limited bargaining power of some workers (Table 3, quotes 3 - 5). LWA’s argument is that the free operation of the labour market has led to a stark reality of exploitation, hardship and meaningless work: precisely a “lack of freedom” for many (White, 2012). The claim that it is wage-paying organisations (rather than the state) that is responsible for ensuring sufficient income and resources to “enable workers to live with dignity” (see, for example, LWA, 2012e) rests on the idea, grounded in the *domestic* order of worth, of workers as embedded in meaningful and reciprocal relationships with their organisations. Members of LWA representing religious organisations, meanwhile, can be seen to also invoke the *inspired* order of worth to insist on the sacred dignity of each human being, and to assert that the living wage is morally required by the “inviolable dignity” (White, 2012) of each human person.

Brown (2015, p. 64) argues that the extension of “market principles … to every sphere of social interaction” means that the civic order’s “guarantee of equality through the rule of law and participation in popular sovereignty is replaced with a market formulation of winners and losers” (ibid., p. 41). In this context, she adds, “inequality becomes legitimate, even normative, in every sphere (Brown, 2015, p. 64)”. Likewise, LWA’s critique asserts that human workers are marked by their fundamental equality (*qua* citizens of the civic world) and their fundamental dignity (*qua* inherently valuable beings of the domestic and inspired worlds) rather than by their fundamental inequality (*qua* competitive actors in the market world). This fundamental equality and dignity is presented as holding not just within the political realm, but also within the labour market.

LWA’s second critique of the “expansive nature of market relations” (Walzer, 1983, p. 119) holds that when the worth of low-paid workers is based to a too-large extent on a *market* valuation, these low wages have effects that go beyond the individual worker. Income inequality and – more specifically – in-work poverty, they argue, has negative consequences not just for low-paid workers but also for society more broadly (Table 3, quotes 12, 13, 17 - 19). Since the wage decisions of firms contribute to income inequality and its impact on wider society, LWA holds that firms carry a responsibility for paying more: inequality and hardship ought to be addressed not just through political *re*-distribution, but also (and primarily) through the equalisation of market incomes: *pre*-distribution.

This critique (that existing low-wage practices erode collective welfare) draws primarily on the *civic* order of worth, which holds self-interest as unworthy, compared to the worth inherent in promoting the collective interest. “In the civic world”, Boltanski and Thévenot (2006, p. 190) note, “one attains worth by … refusing to place “*individual interests* ahead of *collective interests*.” The *civic* order in isolation, however, is not sufficient, since its qualified legal forms and objects (rules and regulations, official and universal policies) suggest the sort of formal, institutional response that LWA avoids. The living wage call is predicated not on the sort of state regulation characteristic of the *civic* world, but on a voluntary, active partnership between organisations, workers and society.

LWA’s arguments, then, contain a combination of multiple orders. Specifically, they contain a *civic*-*domestic* combination that constructs a particularly thick, rich conception of equality. For LWA, the equality that really matters to people appears to be a concrete, substantive equality of resources. In an oft-repeated phrase that becomes something of a mantra, LWA argues that people need not just equal legal rights and abstract opportunities but something more concrete: sufficient income and resources to “enable workers to live with dignity and to participate as active citizens in society” (see, for example, LWA, 2012e). This *civic*-*domestic* combination insists that the values of equality, solidarity and reciprocal relationships are salient and should be accounted for within the labour market.

If, as Boltanski and Thévenot (2006, p. 332) argue, business enterprises are fundamentally founded on a compromise between the *market* and the *industrial* orders, then it follows that an undue emphasis on *market* considerations will also undervalue the contribution of the *industrial* worth’s emphasis on long-term efficiency and productivity. LWA’s third critique of the status quo charges that its over-emphasis on the *market* world is self-defeating in the long-term. LWA argues that increasing the market incomes of low-paid workers, far from undermining firm competitiveness, would actually *enhance* it. A living wage would generate benefits for firms both directly (LWA (2012d) argues that it boosts “morale and motivation of workers; supports recruitment and retention of staff, … lowers the rates of absenteeism and … may enhance productivity”) and indirectly (due to the stimulative effects of better wages for the lowest-paid: “low income households spend a larger share of their income on a weekly basis than high income earners” (LWA, 2012d; see also Table 3, quotes 17 – 19)).

In sum, LWA’s critique of the status quo argues that its undue emphasis on the *market’s* valuation of worth leads to sub-optimal outcomes for low-paid workers, for workers’ families, their communities and wider society, and for the wage-paying organisation itself. This is in keeping with Boltanski and Thévenot’s dictum that justifications are constrained to show widely-shared benefits, not just the pursuit of sectoral interests. The living wage is presented not as a zero-sum game, where gains for workers come at the expense of employers, but as a win-win-win: “a living wage is good for workers, good for business and good for the community” (LWA, 2012d; see also Table 3, quotes 12 - 19): “all the community benefits when workers are paid enough” (LWA, 2013).

Importantly, the LWA discourse is not a totalising discourse. It does not argue for the annihilation of the *market* order of worth. LWA appears to accept that business should aim to operate efficiently and profitably (indeed, the living wage concept is promoted as a more certain long-term means to those ends). The LWA position, however, posits that the *market’s* test of worth (its reductive address of workers as atomised units of labour; its understanding of wages only as short-term costs to be managed) has become too influential in determining the wages of low-paid workers. LWA’s intent, therefore, is to shift the balance of the compromise that exists in arrangements between low-paid workers and their employers.

LWA’s position thus asserts that in setting wage levels, firms should balance *market* valuations with more emphasis on (1) the *domestic* order in accounting for the impact of low wages on the individual worker; on (2) the *civic* order in accounting for the impact of low wages on wider society; and on (3) the *industrial* order in accounting for the impact of low-wages on long-term organisational performance. It rejects what it sees as an arbitrary distinction that is often drawn between the *market* world of business activity and competition, and the *civic* world of social relations. The LWA essentially argues that business, as a major social institution that has a major impact on society, ought to account for the social consequences of its actions.

***The Business Response: “The real cost” of the living wage***

As noted, the dispute analysed is asymmetrical. Indeed, texts arguing against the living wage are reducible to a handful of key texts. The most important are Galt and Palmer (2013, hereafter the “Treasury Report”) on the likely impacts of living wage (which was subsequently translated and amplified by politicians and editorial writers) and two opinion pieces by prominent business lobby groups (O’Reilly, 2013; Campbell, 2013). These latter two pieces were published 10 weeks apart but are strikingly similar in their core arguments, structure and key phrases.

As we have seen, the status quo arrangements regulating the wages of low-paid workers are built on a compromise between multiple orders. We have shown above how the call for a living wage claims that this compromise has, over time, given increasing weight to the tests and norms of the *market* order and that the *market’s* evaluation of worthiness needs to be supplemented with evaluations from the *domestic*, *civic* and *industrial* orders. In contrast, business groups’ arguments against the living wage (or, put otherwise, their justification of the status quo) hold that the balance of the *market*-*civic*-*industrial* compromise embodied in existing arrangements is appropriate and optimal. In their justification of the status quo, critics of the living wage call can be seen to appeal almost exclusively to the *market* order of worth, apparently seeking to deflect the criticism that existing arrangements over-emphasise the tests of the market in damaging ways. Further, they argue that the status quo (guided strongly, but not entirely, by the *market* order of worth) generates widely-shared beneficial outcomes that satisfy the requirements of the *industrial* and *civic* orders. Table 4 summarises our findings, which we discuss further below.

**[Table 4 about here]**

From our analysis we find that the simplest form of the appeal to the *market* grammar of justification in arguments *against* the living wage is the claim that the market is natural and immutable.[[6]](#endnote-6) The living wage is described as a “feel good but wrong” idea (EMA, 2013) since – it is claimed - it ignores “the realities of the marketplace” (O’Reilly, 2013). Better wages, it is said, will not come through attempts by “activists [to] impose an artificial wage rate on businesses” (English, 2013). Rather, within a supposedly natural labour market, it can be assumed that higher wages will be secured “through higher skills and productivity” (Business New Zealand, 2005). Better wages for workers are thus presented as naturally related to market performance (Table 4, quotes 6 and 7). Within this framing, attempts to intervene in or regulate the labour market are represented as misguided and artificial distortions of a natural system, as in the claim that “[y]ou can't just invent higher wages”; rather, workers have “actually got to earn them” (English, cited in Young, 2012). The living wage is semantically marked as artificial by the repeated practice of referring to the living wage in inverted commas and, occasionally, as the “so-called” living wage (Coleman in NZPD, 14 November 2012; English in NZPD, 5 November 2013; Baines, cited in MANZ, 2013).

Arguments against the living wage are also seen to hold that the *market* order of worth is consistent with widely-shared convictions about fairness. Allowing employers to determine wage rates for their workers is presented as respecting their property rights: “as the risk takers and entrepreneurs it is [employers’] prerogative to determine wage rates based on the job in question and productivity levels” (Barnett, 2013). A reliance on market signals in making wage decisions is also seen as fair to workers in that it respects the principle of equity, on which rewards ought to be proportionate to contribution. The free operation of the labour market, it is said, ensures that outcomes reflect inputs: “the more skills and education you have the more you will earn” (Mason, in Hunter, 2013). Such justifications are supported within the *market* world where it would be unfair to those who have invested in their own human capital if those who had not made that investment were unduly rewarded (O’Reilly, 2013). To reward unequal contributions equally would be to disrespect the sacrifices and investments made by higher-income workers.

The “realities of the marketplace” (O’Reilly, 2013) are held to impose strong limits on firms’ ability to increase the wages of the low-paid, since firms have to survive in a competitive market. The twin key opinion pieces (O’Reilly, 2013; Campbell, 2013) note bluntly that “instituting the ‘living wage’ proposal would reduce the competitiveness of many employers” (O’Reilly, 2013) and insist that firms should abide by the historical expectation that they focus solely on remaining competitive. Firms are held to be responsible simply for “being competitive and paying market rates” (O'Reilly, 2013), although the idea here that firms actually do pay “market rates” seems like a serious misrepresentation of labour history, in its elision of the historical role of unions and industry awards and the (ongoing) role of minimum wage legislation in determining pay rates. Still, the claim that firms’ primary duty is to their own competitiveness implies that it is not the responsibility of business to address any negative social consequences associated with low pay, nor to pay workers a living wage if workers did not – by the tests of the market - deserve it. Within a *market* order, if workers want better wages, it remains their responsibility to make themselves more competitive and attractive.

The *market* order of worth positions workers as saleable labour in the marketplace. The valid test of worthiness is the demand for that worker’s labour, as judged by the qualified person: the potential buyer of the labour. Within this order, a thing or a person is judged unworthy when it fails and loses out in a market test (Boltanski & Thévenot, 2006, pp. 197-9). If your labour is not desired (and competed for) then your labour, and you, are judged unworthy. Just as the worthiness of a worker is properly determined by an employer’s demand for their labour, the valid test of a firm’s worthiness is market demand for what it produces. Since demand is influenced by cost, this *market* test provides an incentive for firms to reduce their costs, including labour costs. Business groups, by linking low wages with firm performance, attempt to reject LWA’s claim that better wages for the low-paid actually enhances organisational productivity and performance. Arguments against the living wage adopt here a short-term timeframe that moves away from the *industrial* pole of the *market*-*industrial* compromise that “lies at the very heart of a business enterprise” (Boltanski & Thévenot, 2006, p. 332).

This is, however, no dogmatic *laissez-fairism*. The business groups involved in the living wage dispute do not hold that individual outcomes should be based entirely on one’s labour market performance. Rather, they appear to accept and defend a clear and important role for the state, with O’Reilly (2013) arguing that firms have “understood since the 1930s that employers should pay market rates *and the state will assist the unemployed”* (emphasis added; see also Campbell, 2013). Beyond this, we can see that the minimum wage is accepted as a necessary protection against potential “exploitation of the unskilled” (O'Reilly, 2013, see also Campbell, 2013); greater public investment is urged in training and skills, and Finance Minister Bill English (in NZPD, 2013) expressed pride in his record of regularly increasing the minimum wage. The argument, then, is not for a minimal state but, rather, for a clear demarcation between the responsibilities of the firm and those of the state. The ability for business practices (including practices of low-pay) to be increasingly guided by the *market* order of worth is made possible by the state taking increasing responsibility for the *civic* objectives of equality and collective welfare: a compromise where state action secures the ongoing legitimation of the market system.

While business groups draw primarily on the *market* order of worth here (in order to justify this order against the living wage critique) they are, in actuality, seeking to justify a compromise arrangement: the status quo is built on a compromise between (at least) the *market*, *civic* and *industrial* orders. It could be argued that the intent is to deny firm responsibility for any problems arising from low wages and income inequality. Business groups represent low-pay as the fault neither of exploitative employers, nor of an unfair and exploitative system. Rather, blame is individualised, and low-pay is represented in the texts as the result of individual workers failing to invest sufficiently in their own human capital, such that they remain of limited value within a competitive labour market. Far from being the victims of exploitation, low-paid workers are represented as the beneficiaries of work; as fortunate and privileged to have a job.

The key Treasury Report (2013) describes the living wage as an inefficient way to address the “real” problem, which is represented not as low wages or inequality *per se*, but rather as individual-and family-level hardship. Treasury’s preferred response returns those experiencing such hardship to the market, encouraging all workers to continually invest in their human capital through education and skills training (see also English, 2013). This response is presented as generating widely shared benefits, since more competitive workers are assumed to lead to more competitive firms and thus a more competitive national economy. If self-investment is insufficient in some cases, targeted state assistance is presented as a more efficient way of alleviating hardship than market distorting moves such as the living wage. We see here the strange irony of both business groups and political parties of the centre-right expressing a preference for addressing need through state welfare rather than through increased market incomes (English, 2013)*.*

The business response, in summary, stands against LWA’s attempt to give additional weight to a variety of orders (principally the *civic, industrial and domestic-inspired* orders) within a realm (the labour market). We show that the business response argues that the balance of the existing compromise regulating low-pay arrangements (and the precedence it gives to the *market* order) is appropriate and optimal. Again, business groups do not deny the validity of these additional orders: their presence within status quo arrangements appears broadly accepted (again, there is no principled opposition to the concept of the statutory minimum wage). They are arguing, more minimally, that these orders should not be given more weight, and that their objectives are not the responsibility of business. If, for example, *civic* outcomes are desired by society, then society should provide for them through collective means. Firms, it is argued, should operate – and make their wage decisions - with the existing degree of reference to the test of *market* competitiveness.

Boltanski and Thévenot (1999, p. 360) assume that a successful justification of the status quo is constrained to show how it is consistent with widely shared conceptions of the common good. Business groups cannot successfully oppose the living wage call simply on the grounds that firms would prefer to pay workers as little as possible. Rather, they contend that the living wage would prove destructive to the interests of all, including (and especially) the interests of those that it promised most to help. Opponents of the living wage thus argue that increased wages at the bottom would put “a lot of people out of jobs” by reducing firm competitiveness, and this, in turn, “would increase inequality, not the other way” (Bridges, in NZPD, 27 February 2013). Further, they argue that the impact of fewer job opportunities would be felt disproportionately by groups already disadvantaged in the labour market, including young workers, women and ethnic minorities (NZTU, 2013). A free labour market is said to work to the benefit of all, as the wage premium “for higher, more relevant skills” provides beneficial incentives towards upskilling and thus to innovation and productivity gains across the economy (O’Reilly, 2013).

Business groups thus invert the causal chain posited by LWA. They claim that wage rates based on the constraints of *market* competitiveness contribute to the *civic* goal of equality, and to the *industrial* goal of long-term productive efficiency. A short-term (*market*) focus on profit and competitiveness is thus presented as the best long-term (*industrial*) business strategy and, beyond that, as generating the best (*civic*) outcomes in terms of equal opportunities and outcomes and also, by respecting workers’ own efforts in self-investment, as respecting their (*domestic* and *inspired*) human dignity. There is, in sum, no reason for firms to account specifically for low wages, since (1) wage decisions are more-or-less imposed on firms by market constraints, and (2) paying low-wages in the pursuit of firm competitiveness is actually in the best interests of workers (even and especially low-paid workers) and society overall.

**Discussion**

Our analysis has shown how actors on either side of the living wage dispute have constructed their critiques and justifications of existing low wage practices. Here, we draw on pragmatic sociology’s conceptual tool-kit once again to show how these critiques and justifications are made not just through words and ideas, but how they also incorporate the objects, beings and forms of proofs deemed qualified by the different orders. We bring together Boltanski and Thévenot’s theoretical framework, our findings above, and a consideration of current accounting discourses and practices to address our Research Questions 2 and 3. We explore (RQ2) *how (currently dominant) accounting norms, practices and artefacts are implicated in normalising and supporting justifications of existing levels of income inequality*, and (RQ3) *how understanding the critiques of low-wage practices can help us to imagine and construct new forms of accounting that could support the more equitable distribution of income and wealth*.[[7]](#endnote-7)

Before turning to this task, however, we briefly consider the crucial role of power in this dispute, to better understand the context in which the competing parties are operating. As noted above, pragmatic sociology has been criticised for its weak theorisation of power (Wagner, 1999). By design, it refuses to explain disputes in terms of “force … deception and delusion” (Boltanski & Thévenot, 1999, p. 364).[[8]](#endnote-8) However, we recognise that the living wage dispute does not take place on a level discursive playing field. Business organisations’ defence of the *market* order of worth is supported by a much broader cultural consensus on key neoliberal norms, including individual responsibility and competitiveness (Dardot & Laval, 2014; Brown, 2015). Research has demonstrated that while the public is uncomfortable with existing levels of inequality, they remain unconvinced that anything can be done, given an acceptance of “the market” as natural and immutable (Humpage, 2014; Skilling, 2014; Bamfield & Horton, 2009). A context where a certain order of worth has been comprehensively naturalised and institutionalised allows arguments aligned with that dominant order “to escape the requirements of justifying their actions” (Bénatouïl, 1999, p. 390) and gives them certain advantages over critiques of the status quo.

Within this unequal context, business groups’ justification of existing arrangements for judging the worthiness of workers rests not just on words and ideas, but also on the “material dimension of justification” (Patriotta et al., 2011, p. 1809): on the practices, artefacts, beings and forms of proof asserted as qualified and natural. We begin our discussion by exploring how current accounting discourses and practices privileges the *market* order’s valuation of workers as competing units of labour power (RQ2) over and against the valuation of the human worker implied by the *domestic*-*inspired* combination, and by assessing the implications of accounting of this latter combination (RQ3).

In the findings above, business groups were seen to hold that the value of a worker is determined by the relevant “market rate” (O’Reilly, 2013). Wages, meanwhile, are positioned as a cost to be reduced in the pursuit of competitiveness (see Sikka, 2015). Our findings show that the underlying ideology of “labour exploitation as a condition of the survival of capitalist enterprises” (Cooper, 2005, see also Cooper et al., 2005) applies with particular force to the poor and low-paid.[[9]](#endnote-9) The *market* order’s forms of proof (monetary) and qualified beings (consumers and sellers) support status quo arrangements in relation to wage decisions. The accounting practice of quantifying labour costs in monetary terms is a technique that abstracts the human worker through reducing work and workers to a single measurement. This leads to a severely limited account of wage decisions and distributional outcomes. By maintaining that the firm (as the buyer of labour) is the being qualified to assess the value of that labour (and to provide an account of labour costs in the privileged artefact of financial statements included in, for example, the annual report), current accounting discourses and practices stabilise and naturalise the market order’s evaluation of a worker’s worthiness. In this way, accounting marginalises and disqualifies the experiences and accounts of other actors, including those of workers themselves.

What, then, could be learnt from the *domestic-inspired* combination? Central to LWA’s claims that draw on this combination is an insistence on the need to consider the inherent and inviolable dignity of the human worker. Bringing these considerations within the ambit of accounting would require challenging the *market* order’s inclination to test a worker’s worthiness solely on their market competitiveness, and its inclination to posit the firm (as the buyer of labour) as the being solely qualified to provide an account of wage decisions. While it could be argued that “better”, more holistic, quantifications of a worker’s worthiness could be achieved (e.g. quantifications that measured more aspects of work drawing lessons from, for example, social impact and full cost accounting), we would suggest that for the notion of the dignity of the worker cannot be fully captured by such abstractive practices. Quantitative practices enable the capture of labour within the financial statements (currently as costs, see Sikka, 2015), yet they do not enable an account of the broader aspects of employment / work / professional and personal accomplishment (an account of the human worker). Moving away from, or at the least supplementing, such measures is, we argue, needed to account for the human as worker and also the various other social outcomes of work.

Furthermore, given the *domestic* order’s understanding of workers as enmeshed in meaningful relationship with their employer, it would seem important to consider the beings counted as worthy and qualified. Rather than accepting the firm as the sole authorised account provider, we suggest the need to develop systems of accounting for the other, by the other (Mouck, 1995). If, accounting practice was to be informed by the *domestic-inspired* order, and account for the impact of the wages on the worker, it would need to be an account prepared *by* (or at least *for)* the worker. While these could take the form of worker accounts embedded within, or as part of, usual accounting artefacts such as the annual report, they could also be prepared outside of the firm. For example, external accounts where workers or others outside of the firm give voice to the employee of work and in particular accounts for (low) wages (Cooper et al’s (2005) study on student hardship discussed above provides some insights on the potential here). Only then, we suggest, would accounting for the dignity of the human worker be possible.

Secondly, we ask how does current accounting discourse and practice privilege the firm-centric focus of the *market* order (RQ2) over and against the recognition of social impacts implied by the *civic* order, and what are the implications for accounting of this latter order (RQ3)? The *civic* polity, Boltanski and Thévenot state (2006, p. 110), calls each individual “to escape [a] selfish, deficient state and to reach a second state in which they are concerned not with their own interest but with the interest of all”. In this world, “one attains worth by … refusing to place “individual interests ahead of collective interests” (ibid., p. 190). In arguing that the social problems that arise from inequality and low wages are not the responsibility of firms, business organisations insist on a strong firm-society division that privileges the (*market* order) self-interest of profit-focussed employers over a (*civic* order) concern for the collective good of society. It is central to the living wage call that firms and their wage decisions have impacts on society, and that firms are not separate from but, rather, nested within society. Firms rely on social resources – not only physical infrastructure, but also human capital resources such as a healthy, educated workforce - yet these are also often taken-for-granted and not accounted for in current accounting practices.

Once again, current accounting discourses and practices stabilise and naturalise the *market* order in this respect. Annual reports are by their nature narrowly firm-centric: broader societal impacts are typically excluded and seen as externalities. Even in non-financial reporting practices where, arguably, the relationship between the firm and society is broadened, disclosures outlining the social impacts of wage distribution and impacts on society through income distribution are not common. This is perhaps driven by current reporting frameworks such as the Global Reporting Initiative (GRI) which, despite having a range of social indicators listed (including ratios on equal remuneration for women and men and an indicator on benefits), does not outline indicators for reporting on the broader social impacts of remuneration decisions. As Bebbington and Unerman (2018, p 13) note, accounting researchers need to “expand their horizons, moving beyond more familiar forms of organization-centric annual sustainability reporting (such as GRI reports) that have focused on concerns of organizational-level responsibility, performance and accountabilities” and embrace novel indicators and technologies.

Expressing *civic* values within accounting discourses and practices would require a reconsideration of what beings are taken to be worthy and important within the low-wage relationship. Rather than assuming that individual workers and individual firms are the appropriately qualified beings (*qua* market participants) the *civic* order posits the collective being of society as qualified. As such, we should supplement firms’ accounts of their own performance with social accounts of the costs imposed on society by firm decisions. The most obvious way in which accounting could account for the impact of low wages on wider society would be to measure and publish information about income distributions within firms, and within society. An important aspect here is the call for more, and “better” disclosures (Ravenscroft & Denison, 2014; Haller et al., 2016). As we have discussed above, however, calling for additional disclosures (for example, on compensation, taxation and non-business expenses (Ravenscroft & Denison, 2014) and value-added statements which reveal distributional fairness (Haller et al., 2016)) is unlikely to be effective unless it addresses firms’ interests in disclosing such information and is supplemented with a real right to intervene in corporate decision-making (Piketty, 2014). As such, while a way to facilitate more disclosure practices would be to include such disclosure items in current reporting guidance documents (e.g. the GRI), given the limitations of corporate disclosure, there are likely to be other, more effective, ways to embody civic values within accounting discourses and practices.

Social groups and accountants, for example, might look to measure and publish the extent to which low wages are effectively subsidised through collectively-funded welfare programmes and in-work tax credits. As Laile Harre (in NZPD, 13 August 1997) argues in the New Zealand context examined here, “employers who depend on the increasing burden on taxpayers to top up the wages of the low paid through a range of welfare measures are as dependent on the State for their profits as the low-paid people they employ are dependent on those top-ups”. Also in parliament, Green MP Sue Bradford (in NZPD, 1 June 2005) described this sort of government assistance to the working poor as a “massive taxpayer bailout of employers”. Currently data produced remains at the national level (e.g., IRD, 2017, Farnsworth, 2015) however exploring ways to calculate at the level of industry sectors, or even at the level of the firm, would appear fruitful in order to highlight the extent to which industries/firms are dependent on society in this way.

The assumptions underlying such an exploration would appear from our findings to provoke an immediate response by business: business groups would likely argue that firms’ provision of jobs generate significant social value, and that it is only possible to provide many jobs when firms are able to pay market rates. While this argument cannot be easily dismissed, it remains useful to construct a social account of the negative social consequences of low-paid work. Working with government departments and willing organisations would be needed, but such work would help inform the public dispute (see CitizensUK (2015) and The Living Wage Foundation (2017) for examples[[10]](#endnote-10)). Drawing on our findings, we see potential in using the *civic* order and its values of equality and collective welfare to inform such social accounting.

Thirdly we ask, how does current accounting discourse and practice privilege the short-term focus of the *marke*t order (RQ2) over and against the valuation of long-term organisational performance implied by the *industrial* order of worth, and what are the implications for accounting of this latter order (RQ3)? Boltanski and Thévenot note that the key distinction between the *market* and the *industrial* orders is their distinct time horizons: the distinction between the “short-term, flexible” time formation of the *market* order and the *industrial* order’s focus on a “long-term, planned future” (see Table 1). In their arguments against the living wage, business groups adopt a short-term timeframe that supports the movement away from the historical balance of the *market-industrial* compromise (Boltanski & Thévenot, 2006, p. 332). LWA’s presentation of the “business case” for the living wage relies on asserting its long-term benefits to wage-paying organisations. This argument is located within the logic of the *industrial* world, with its longer time horizon of a planned future, and its core values of long-term productive efficiency - the “proper *functioning* of beings extends the present into a *future*” (Boltanski & Thévenot, 2006, p. 205). What is important here is for workers to be active, employed, efficient, and motivated; and for organisations to be reliable, predictable, productive and optimised (Boltanski & Thévenot, 2006, p. 205).

Current accounting discourses and practices are largely set up to support the short-term cycles upon which firms (and its employees) are measured (Jones, 2010). This sort of short-term focus leads to an understanding of wages as costs to be managed and workers as expenses. Existing privileged accounting artefacts (financial reports, annual reports) do not offer mechanisms to readily account for higher wages as a long-term investment in human capital. Within this *market* order, higher wages are positioned as unaffordable luxuries: “feel-good but wrong ideas” (EMA, 2013). In short, accounting discourses and practices that account only for short-term performance (with a correlative focus on cost minimisation) fail to account for longer-term “investments”.

Accounting that supports the *industrial* order of worth would, most fundamentally, adopt a future-oriented focus on long-term efficiency. As Boltanski and Thévenot (2006, p. 207) note, the *industrial* world’s qualified objects are those that denote a future focus on production and certainty: “objects apprehended according to their aptitude for managing the future, such as flowcharts, plans, and budgets”. Firms require accounting practices that account for the long-term impacts of pay decisions: not just for the hyper short-term impacts of reduced costs. Changing the accounting discourse in relation to wages and labour would be a place to start. A reframing of wages, from short-term cost to long-term investment, is put forth as a response by LWA (Miller, 2013; see also Sikka, 2015). This re-labelling of wages as investment rather than as cost would create different drivers (a focus on developing investments rather than reducing costs) and measures (measures that consider the well-being of the investment such as job satisfaction, engagement and the outcome of investments on firm performance).[[11]](#endnote-11) Further, it aligns with Boltanski and Thévenot’s (2006, p. 206) explication of the *industrial* order, where “to invest in human capabilities and energies is to use the best means for economic efficiency”.

One task for accounting here would be to measure and account for the links between higher wages and enhanced long-term firm performance. While benefits of paying the living wage are difficult to calculate (Thompson & Chapman, 2005; Miller, 2013), research which investigates the links between the living wage and business outcomes show areas where further (accounting) research could contribute (e.g. Coulson & Bonner, 2015; London Economics, 2009). Here, and drawing on our insights from Boltanski and Thévenot, accounting might seek to test and measure the relationship between wages (and wage differentials) within organisations with outcomes for workers: in what way do higher wages contribute to the *industrial* world’s stated objectives of active, efficient and engaged workers (Boltanski & Thévenot, 2006, p. 205)”.

Morbid symptoms such as absenteeism, a lack of engagement in the workplace and high turnover (along with the associated hiring and re-training costs) are obvious states of unworthiness: signs of “the poor functioning of a disturbed system” (ibid.). These things might usefully be measured and reported on,[[12]](#endnote-12) and set against wage decisions. While this approach still accepts the firm-centric claim that wage decisions are properly assessed by their impact on a firm’s market competitiveness, their longer-term time formation has the potential to challenge the market’s construction of wages always and only as a cost to be minimised. Following Boltanski and Thévenot (2006, p. 211), we also note that assessing the living wage in these terms (based on its benefits to organisational efficiency) threatens “the distinctive dignity of humanity” by adopting the *industrial* world’s “treatment of people as things”.

To be effective, problematising the dominance of the *market* test of worth will require not just new ideas and new accounting discourses and practices, but also new relationships: new partnerships between organisations, workers and societies. Indeed, LWA organiser Annie Newman (2014, p. 65) stated that it was not the propositional content of LWA’s arguments – not the “call for a living wage, or the evidence that justifies a living wage” – that would be transformative but rather their relational implications: “the activation of civil society around a common purpose”. There is, in this light, a role for accounting researchers to work with a wide range of social groups in the tasks of problematising existing arrangements, and developing alternative accounting norms, practices and artefacts (Tregidga, Milne & Kearins, 2015). We conclude our discussion here with an identification of some areas for future research, as well as some examples from the literature that would be useful to extend.

There is potential for accounting academics to work with or study those groups already engaging over issues of income and wealth inequality – as well as working with groups who seek to become more involved. Raising levels of financial literacy, conducting both a technical and normative role in “exposing wealth to democratic scrutiny” (Picketty, 2014, p. 471) would seem relevant. George (2016), for example, in her study of social accounting and social movements, finds a lack of accounting knowledge within groups such as unions and, importantly, a demand for this knowledge in order to engage in effective resistance. Her findings suggest a willingness for social movements to work with/alongside accounting academics. There is space here for academics to assist, or draw together various groups or individuals, in a way consistent not only with Piketty’s agenda of holding capital accountable but also with an agenda of providing more voice – working to change/disrupt perceptions of the legitimate account provider (Tregidga, 2017).

In considering the potential contribution of the *domestic-inspired* order, we see a particular role for external and counter accounting practices (Gallhoffer, Haslam, Monk & Roberts, 2006; Dey, 2007; Rodrigue, 2014; Thomson, Dey & Russell, 2015). Counter accounts, for example, could be used to demand that firms account for the dignity of the worker considered not as a unit of labour power but as a unique human being. We also see the potential for those seeking to engage with wage and income debates to form “chains of equivalence” (Laclau & Mouffe, 1985) with other social movement groups working to resist business on different, but related issues. The human rights agenda which also calls for rights and equality – for a different accounting *for* people (Li & McKernan, 2016; McPhail & Adams, 2016) – would seem one such movement.

Ultimately, research which gives “visibility to the human consequences of the drive to reduce wages” (Sikka, 2015, p. 58) is required, as is research that continues to question the practices of quantification and its consequences (Miller and Rose, 1990; Rose, 1991). Research like that of Amernic (1985) which analyses accounting’s role in wage setting and collective bargaining and Cooper (2005) who demonstrates how market ideologies make it difficult to question relations of labour exploitation and domination (which are positioned as the “inevitable outcome of nature’s laws”) would also further raise awareness of social problems and their causes as a necessary first step towards affecting emancipatory change (Dillard & Vinnari, 2016). In seeking to create further visibilities and problematisations, we see particular potential in case studies and social audits (Cooper et al., 2005) which provide an avenue for those impacted by wage decisions to be heard, and importantly, enable the informing of policy and practice.[[13]](#endnote-13) This engagement with important social issues, the institutions that regulate them, and the groups involved in public debates can be seen as a response to Cooper’s (2005) call for accounting academics to serve as “public intellectuals”.

**Concluding comments**

We have analysed the debate surrounding the living wage in Aotearoa New Zealand with the purpose of further understanding and problematising (Dillard & Vinnari, 2006) the currently under-explored relationship between accounting and income (in)equality. Specifically, we have analysed the claims and justifications made in the debate surrounding the (inequitable) distribution of income and wealth and have empirically analysed how accounting naturalises and perpetuates the current prominence of the *market* order of worth in a way that privileges certain objects, certain actors, and certain measures of performance. Through our use of Boltanski and Thévenot we have demonstrated how critiques of low wages draw on a specific combination of competing orders of worth that suggest alternatives – new visions and possibilities for accounting discourse and practice. In short, we have shown how the arguments for a living wage can help imagine and construct new forms of accounting that would support the more equitable distribution of income and wealth.

We conclude with the overall recognition that accounting is implicated in this, and numerous other, important contemporary social (and environmental) issues. As such, we note the need for accounting academics to give further consideration to these issues (Bebbington & Unerman, 2018) and to further problematise the relationship between accounting discourses and practices and social outcomes. As outlined above, we see opportunities for social accounting researchers to engage more widely in this issue– through, for example, exposing, problematising, working with community and social interest groups, and conducting social audits and counter/external accounts.

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***Table 1: Summary of the six orders of worth***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Market** | **Industrial** | **Civic** | **Domestic** | **Opinion** | **Inspired** |
| **Mode of evaluation** | Price, cost | Technical efficiency | Collective welfare | Esteem, reputation | Renown, fame | Creativity, grace |
| **Test** | Market competitiveness | Competence, reliability, planning | Equality, solidarity | Trust-worthiness | Popularity, recognition | Passion, enthusiasm |
| **Form of proof** | Monetary | Measurable: criteria, statistics | Formal, official | Oral, personally warranted | Semiotic | Emotional involvement and expression |
| **Qualified objects** | Freely circulating market good or service | Technical object, method, plan | Rule and regulations, welfare policies | Patrimony, locale, heritage | Sign, media | Emotionally invested body or item |
| **Qualified human being** | Consumer, seller | Professional, expert | Equal citizens, solidarity unions | Authority | Celebrity | Creative beings |
| **Time formation** | Short-term, flexible | Long-term planned future | Perennial | Customary past | Vogue, trend | Revolutionary, visionary moment |

*Source: adapted from Thévenot, Moody & Lafaye, 2000, p. 241.*

***Figure 1: References to “living wage” in the public sphere***



***Table 2: Dataset by source and type***

Press release

Web-page

Op-Ed piece

Editorial

Article

Report

Speech

Total

Pro-Living Wage

21

16

5

0

0

2

18

62

Anti-Living Wage

11

0

3

0

0

1

14

29

Media Coverage

0

0

0

4

15

0

0

19

***Figure 2: Dataset by source over the selected time period.***



***Table 3: Arguments for a living wage: illustrative quotes from the dataset***

|  |
| --- |
| Low wages at present are set with too much emphasis on market signals |
| 1. “Wages should be based on need and not left to the market” (LWA, 2012a).
 |
| 1. “The price of a person’s labour should not be determined solely by the market” (Mayman, 2012).
 |
| Low wages in the labour market reflect unequal power [critique of *market* order] |
| 1. “The employment agreements workers are compelled to agree to are affected by the deeply one-sided nature of free-market negotiation” (Miller, 2013, p. 5).
 |
| 1. “We have a modern day slave market that hires people according to the likes and dislikes of the slave masters rather than a job with dignity and a living wage” (Anglican Diocese of Auckland, 2012).
 |
| 1. “If the market leads to exploitation such that workers are forced to work for low wages or in meaningless work then this is an obvious sign of the lack of freedom… a basic income for all promotes real freedom for all” (White, 2012).
 |
| Low wages in the labour market do not provide for workers’ valid needs [critique of *market* order] |
| 1. “More and more New Zealanders don’t get paid enough to meet their needs, enjoy their lives” and “participate as active citizens in society” (LWA2012a; 2012b).
 |
| 1. “For the hard-working New Zealanders slogging their guts out caring and cleaning, wages are too low to put food on the table and pay basic household bills, let alone have a decent quality of life” (SFWU, 2012).
 |
| 1. “The living conditions of poor people and the economic disparities that we see along the lines of race and gender are causes for moral outrage” (Mayman, 2012).
 |
| 1. “The minimum wage is a dying wage and it is morally and ethically unacceptable” (Matheson, 2012).
 |
| The living wage recognises the inherent dignity of the human person [*domestic* – *inspired* orders] |
| 1. “We are created in the image of God and thus every human being has an inviolable dignity that should not be threatened. The living wage serves as something of a bulwark against such violation” (White, 2012).
 |
| 1. “People and their work have a dignity that makes the labour market substantially different from the purchase of other goods (Mayman, 2012).
 |
| The living wage recognises the impact of wage decisions on social outcomes [*civic* order] |
| 1. “The community inevitably pays for this shortfall, be it through poor health outcomes, educational failure, higher crime rates, weakening local economies, child poverty, a deterioration in community engagement with civil society groups, and the growing presence of crippling debt” ([Miller, 2013](#_ENREF_11)).
 |
| 1. “All the community benefits when workers are paid enough to not just survive but also participate in society” (LWA, 2013a).
 |
| A living wage generates long-term benefits for the firm (and broader society) [*industrial* order] |
| 1. A living wage “boosts morale and motivation of workers; supports recruitment and retention of staff, saving turnover costs me: lowers the rates of absenteeism and sick leave [and] may enhance productivity, through higher quality work performance” (LWA, 2012d).
 |
| 1. “Rather than being simply another fiscal cost for the council and service providers to endure, the Living Wage is an [sic] sound investment decision that makes good business sense” (Miller, 2013, p. 4).
 |
| 1. A living wage “improves [the] public image and reputation of businesses” (LWA, 2012d).
 |
| 1. “A living wage is good for workers, good for business and good for the community. Low income households spend a larger share of their income on a weekly basis than high income earners and so when workers earn more, businesses benefit” (LWA, 2012d).
 |
| 1. “Stagnating wages, underemployment and growing labour market … ultimately affects the broader economy if less is paid in wages to workers, the less money workers can pump into the economy” (Miller, 2013).
 |
| 1. “Much of the in-work poverty described above is already being subsidised by central government [and thus by taxpayers]” through welfare schemes and in-work tax credits (Miller, 2013, p. 16).
 |

***Table 4: Arguments against a living wage: illustrative quotes from the dataset***

|  |
| --- |
| Wages should be determined by market signals since the market is natural and neutral [defence of the *market* order] |
| 1. Market signals are better than “activists imposing” an “artificial rate” (English, 2013).
 |
| 1. “You can't just invent higher wages, you can't just go and borrow them from someone, we've actually got to earn them” (Finance Minister Bill English, cited in Young, 2012).
 |
| 1. “Campaigners for a living wage are ignoring the realities of the marketplace” (O'Reilly, 2013).
 |
| Basing wages on market signals respects the rights of employers [*market* order] |
| 1. “Businesses which take on workers pay what the job is worth. It is not appropriate to look to them to close this gap… and some members see it as completely inappropriate interference in their business affairs” (Barnett, 2013).
 |
| 1. The Labour Party’s “over generous declaration with “other people’s money” will most certainly bring many of the small businesses down and, ironically, cost jobs” (Whitehead, cited in SBV, 2013).
 |
| Basing wages on market signals fairly recognises the efforts of workers [*market* order] |
| 1. “An adult earning the minimum wage is doing so because they lack the skills or talent to earn more; a lifetime of decisions led them to this point and if they remain on a low income it is because they choose not to commit to the investment in themselves needed to command a higher wage” (Grant, 2013).
 |
| 1. “The more skills and education you have the more you will earn” (Mason, in Hunter, 2013).
 |
| A living wage would erode the market performance of firms [*market* – *industrial* orders] |
| 1. “Implementing a “living wage” could … quickly reduce [firms’] competitiveness and the number of jobs they can offer” (Campbell, 2013).
 |
| 1. “Employers are expected to focus on being competitive and paying market rates to be able to provide as many jobs as possible” (O'Reilly, 2013).
 |
| 1. “Businesses see the best way to achieve a high wage economy as being through policies that focus on increasing productivity, improving skills and enhancing the business environment” (Barnett, 2013).
 |
| Decreased firm performance would generate worse outcomes in terms of jobs and inequality [*market* – *civic* orders] |
| 1. “More important at this time is the creation of jobs so more people are in work. Growing businesses will result in more jobs” (Barnett, 2013).
 |
| 1. “A movement to introduce a voluntary living wage of $18.40 an hour … would cost 26,000 jobs” (National MP Simon Bridges, cited in Shuttleworth, 2013).
 |
| 1. “*Raising the minimum wage to the so-called “living wage” level* of $18.40 will cost jobs. That is a fact” (Michael Baines, cited in MANZ, 2013).
 |
| 1. “[Adoption of a living wage] may see less of [members of disadvantaged groups] groups gaining future employment with the Council as competition for these positions increase” (NZTU, 2013).
 |

1. Bapuji (2015) notes the same about the organisational literature more broadly. [↑](#endnote-ref-1)
2. Aotearoa is a widely accepted Maori name for New Zealand. [↑](#endnote-ref-2)
3. Additional orders of worth have been mooted, (e.g. the green order of worth in [Lamont & Thévenot, 2000](#_ENREF_20)). However these additional orders add little to our analysis, we therefore focus on the original six. [↑](#endnote-ref-3)
4. Between 2008 and 2017, the period of our analysis, the centre-right National Party was the political dominant party. [↑](#endnote-ref-4)
5. Figure 1 is based on the frequency of texts in the New Zealand Herald and in the Hansard record of parliamentary debates that include the phrase “living wage”. Our data set (Table 2; Figure 2) is both more expansive (i.e. it includes data from a wider range of sources) and more restricted (i.e. it includes only texts that contain an explicit argument for or against the living wage). [↑](#endnote-ref-5)
6. Again, this “market is natural” trope should be seen as rhetorical, since the argument is fundamentally a justification for the status quo which includes minimum wage and occupational health and safety (OSH) regulations, and including a welfare state (funded through taxation) that enables firms to pay very low wages while securing ongoing legitimation. [↑](#endnote-ref-6)
7. We recognise that the following discussion focuses largely on financial accounting and that insights from, and implications for, management accounting are also possible. [↑](#endnote-ref-7)
8. Pragmatic sociology assumes actors to be sincere: more interested in agreement than in winning (Annisette & Richardson, 2011, p. 231; Boltanski & Thévenot, 2006, p. 13). There are key moments in this case, however, where living wage sceptics seem more determined to “win” the debate than to search for a shared agreement at the heart of a dispute (see Boltanski & Thevenot, 2006). Specifically, many of their arguments proceeded as if the living wage would be imposed as a sudden, substantial increase in the statutory minimum wage (Galt & Palmer, 2013; see also Scott, 2014). While the Treasury Report (2013, p. 5) explicitly acknowledged that LWA was only calling for the living wage to be adopted by public sector organisations and by “the corporates and the big employers who can afford to pay” (LWA, 2012c; Waldegrave, 2014), its analysis was based on the assumption that “the living wage is universally adopted”. This led to the estimate that “employment would reduce by 25,000 if the minimum wage was lifted to the living wage” (2013, p. 10), a claim that was increased to “26,000 jobs” and duly reported in parliament (see Joyce in NZPD, 28 May 2014) and in the media (Shuttleworth, 2013). [↑](#endnote-ref-8)
9. Indeed, the high-paid seem to be generally exempt from this logic and particularly adept at justifying their (sometimes exorbitant) remuneration packages. As such, the market test does not seem to apply so strongly for those at the top of the pay scale. [↑](#endnote-ref-9)
10. CitizensUK (2015) provides an illustration of the potential, as well as difficulties, in calculating the public subsidy to low-wage employees of a specific employer while the Living Wage Foundation (2017) report provides a good illustration of how academics can work alongside others. [↑](#endnote-ref-10)
11. Some might argue that this move towards a longer-term focus and reframing the worker is what the IIRC (n.d.) is encouraging with integrated reporting (IR) - e.g., the move to consider human capital and its role in value creation in the short, medium and long-term. While we also note concern with the labelling of humans as capital, from an industrial order the success of IR in encouraging a longer-term view is yet to be ascertained. [↑](#endnote-ref-11)
12. We do recognise that some aspects relevant here (e.g. employee turnover) are currently included in the GRI framework. [↑](#endnote-ref-12)
13. Such work might include case studies of wage-paying organisations going through the process of increasing wages at the bottom. These case studies might begin by measuring and reporting on the posited benefits of a living wage: rates of staff absenteeism, turnover, attitude and productivity and, ultimately, firm performance. They would need to be longitudinal in nature, and designed, as far as possible, to allow for external factors affecting firm and industry performance. They would critically assess the industrial world claim evident in LWA’s critique for the long-term performance benefits of a living wage (see Table 1). [↑](#endnote-ref-13)