



Abstract

A Study on the 2021 Gyeonggi-Do Living Wage Model

In this study, computational standards and the amount of the 2021 Gyeonggi-Do living wage are proposed by reflecting the economic situation under the COVID-19 pandemic situation. In addition, the standard living wage proposal for the 31 cities and municipalities within Gyeonggi-do has been deduced with considerations to the regional characteristics.

- 2021 Gyeonggi-do living wages were analyzed by dividing them into 4 standards, including the household spending standard, earned income standard, household income standard, and standard for the 2020 Gyeonggi-do living wage.

In the event of not reflecting the COVID-19 effects at the time of the computation of the “2021 Gyeonggi-do living wage”, the living wage is computed on the basis of the model established last year. Meanwhile, by reflecting the effects of COVID-19, the living wage is computed by reflecting the forecast for the rate of reduction in private sector spending and in the 2020 GDP onto the model established last year.

- If the effects of COVID-19 are not reflected, the 2021 Gyeonggi-do living wage will become 10,580 Won if deduced with the computation standards proposed by the Living Wage Committee of Gyeonggi-Do in September of last year. As the result, the 2021 Gyeonggi-do living wage will increase by 2.1% in comparison to last year (while the minimum wage will increase by 1.5%).

- If the effects of COVID-19 are reflected, the 2021 Gyeonggi-do living wage will become 10,428 Won if deduced with the computation standards proposed by the Living

Wage Committee of Gyeonggi-Do in September of last year. As the result, the 2021 Gyeonggi-do living wage will increase by 0.6% in comparison to the figure from last year (while the minimum wage will increase by 1.5%).

In addition, this study has proposed guidelines for the living wages for the 31 cities and municipalities. The living wages for the 31 cities and municipalities are amended by considering the housing expenses and the extent of the financial independence of the cities and municipalities that illustrate the regional characteristics.

- If the effects of COVID-19 are not reflected, the regions with the highest living wage among the 31 cities and municipalities in 2021 include Seongnam-si (10,680 Won) and Gwacheon-si (10,656 Won), while the regions with the lowest living wage include Yeoncheon-gun (9,813 Won), Dongducheon-si (9,861 Won), Pocheon-si (9,874 Won), and Gapyeong-gun (9,951 Won). The gap in the living wages between the cities and municipalities (maximum/minimum) in 2021 is reduced from 13.8% to 8.8% in comparison to that in 2020.

- If the effects of COVID-19 are included, the regions with the highest living wage among the 31 cities and municipalities in 2021 include Seongnam-si (10,527 Won) and Gwacheon-si (10,504 Won), while the regions with the lowest living wage include Yeoncheon-gun (9,780 Won), Dongducheon-si (9,720 Won), Pocheon-si (9,810 Won), and Gapyeong-gun (9,809 Won). The gap in the living wages between the cities and municipalities (maximum/minimum) in 2021 is reduced from 13.8% to 8.3% in comparison to that in 2020.

Keyword Gyeonggi-Do, Living wage, Relative Poverty Baselines, Guidelines for the Living wages