

Global Perspectives on Minimum Wage Reform: Ethical and Policy Implications of the \$17 U.S. Proposal

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Abstract

Minimum wage reform remains a central policy instrument for addressing income inequality, poverty reduction, and labor market fairness in both advanced and developing economies. This article examines global perspectives on wage policy through the lens of the proposed U.S. federal minimum wage increase to \$17 per hour under the Raise the Wage Act of 2025. Drawing on economic theory, ethical analysis, and international case studies, the study situates the U.S. proposal within broader wage reform trends and evaluates its implications for key stakeholders, including without limitation employers, employees, governments, consumers, and suppliers. Three ethical frameworks: utilitarianism, rights-based ethics, and deontological duty are applied to assess the moral legitimacy of the policy. Empirical evidence from the United States and comparable economies such as Germany, New Zealand, Brazil, and South Africa is synthesized to highlight potential positive outcomes, including poverty reduction, enhanced public health, and wage equity, alongside potential challenges such as employment adjustments, sectoral disparities, and compliance gaps. The analysis concludes that, when paired with phased implementation, regional adjustments, SME support, and robust enforcement, the \$17 proposal is both ethically justified and economically viable, aligning with global best practices and advancing the United Nations Sustainable Development Goals on decent work, poverty eradication, and inequality reduction.

Keywords

Minimum Wage, Wage Reform, Business Ethics, Public Policy, Labor Economics, Social Justice, United States, Global Perspectives

1. Introduction

This Debates over minimum wage policy remain central to global discussions on

labor standards, poverty reduction, and equitable economic growth. As a core instrument of labor market regulation, the minimum wage serves to establish a statutory floor below which remuneration cannot legally fall, with the dual objectives of protecting low-income workers and promoting social justice (*International Labour Organization (ILO), 2020*). The ILO situates wage adequacy within its Decent Work Agenda and the United Nations Sustainable Development Goals (SDGs), linking fair remuneration directly to poverty eradication (SDG 1), decent work and economic growth (SDG 8), and reduced inequalities (SDG 10).

In the United States, the Raise the Wage Act of 2025 proposes a phased increase of the federal minimum wage from \$7.25 per hour unchanged since 2009 to \$17 per hour by 2030, alongside the elimination of subminimum wage categories and the indexing of future increases to median wage growth. This proposal is introduced in a context of rising living costs, post-pandemic economic recovery, and widening wage disparities, placing the U.S. within a broader international trend toward substantial wage reforms in both advanced and emerging economies (*OECD, 2025a*).

Minimum wage policy, however, is more than a technical labor market intervention; it is also a deeply ethical choice. From a utilitarian perspective, it is justified if it maximizes aggregate welfare by improving the livelihoods of the majority. Rights-based ethics regard a living wage as a fundamental entitlement inherent to human dignity, while deontological reasoning frames fair pay as a moral duty owed by employers to their workers irrespective of market forces (*Bentham, 1789/2007; Mill, 1863/1998; Kant, 1785/1993*). These normative frameworks converge on the principle that wage adequacy should be pursued in a way that balances worker protection with economic viability.

This article situates the \$17 U.S. proposal within the wider global discourse on minimum wage reform, integrating ethical theory, empirical evidence, and international policy comparisons. The analysis evaluates the potential impacts of such a reform for key stakeholders such as employers, employees, governments, consumers, and suppliers while drawing lessons from global experiences in countries such as Germany, New Zealand, Brazil, and South Africa. By combining normative and empirical perspectives, the paper aims to contribute to an evidence-based and ethically informed policy framework that aligns economic sustainability with social justice.

Methodology and Scope

This study employs a qualitative, conceptual methodology that integrates ethical analysis with international comparative case studies. The literature review was conducted using academic databases such as Google Scholar, JSTOR, OECD iLibrary, World Bank Open Knowledge Repository, and official publications of the International Labour Organization (ILO). Sources from 2015–2025 were prioritized to ensure that the analysis reflects the most recent empirical findings and

policy debates. Selection criteria included peer-reviewed journal articles, institutional reports, and policy evaluations that addressed minimum wage reforms, distributive justice, and labor market impacts.

The choice of Germany, New Zealand, Brazil, and South Africa as comparative case studies reflects their diversity of institutional contexts. Germany represents a high-income OECD economy that only recently adopted a statutory minimum wage (2015) but has since expanded it significantly. New Zealand offers an example of regular wage indexation and long-standing wage-setting traditions. Brazil provides evidence from a large emerging economy where minimum wage policy has been closely tied to poverty reduction and social inclusion. South Africa, by contrast, illustrates the challenges of introducing a national wage floor in a highly unequal society with widespread informality. While these cases enrich the global perspective, their institutional frameworks such as collective bargaining coverage in Germany or high informality in South Africa underscore that direct transferability to the U.S. context must be approached with caution.

2. Literature Review & Global Context

2.1. Definition and Evolution of the Minimum Wage

The minimum wage is a legally mandated floor on remuneration, designed to prevent unduly low pay and ensure a basic standard of living for workers (ILO, 2020). While the concept dates back to early 20th-century labor reforms in countries such as New Zealand and Australia, it has since become a near-universal labor policy instrument, with over 90% of ILO member states maintaining some form of minimum wage system. The scope, level, and enforcement mechanisms, however, vary considerably across jurisdictions.

In the United States, the federal minimum wage has remained at \$7.25 per hour since 2009, resulting in a significant erosion of real purchasing power due to inflation. In contrast, many OECD countries employ automatic adjustment mechanisms tied to inflation, productivity, or median wage growth, thereby safeguarding real wage value over time (OECD, 2025a). Examples include Germany's statutory minimum wage, introduced in 2015 and substantially increased in 2022, and Brazil's formula linking annual adjustments to both GDP growth and inflation (Neri, 2019).

2.2. Ethical Dimensions of Wage Policy

Minimum wage policy embodies principles of economic justice and fairness. At this point, it is important to distinguish between the statutory minimum wage and the broader concept of a living wage. The minimum wage refers to the legally mandated wage floor that employers must pay, while the living wage is defined as the level of pay sufficient for workers to meet their basic needs such as food, housing, health care, and education and to participate in society with dignity (Anker & Anker, 2017). Although related, the two are not synonymous, and much of the

ethical debate arises from the persistent gap between minimum wages and living wages in many countries. Connolly, Althaus and Skipper (2015) argue that allowing wages to fall below subsistence levels constitutes a form of exploitation and a moral wrong. From a utilitarian standpoint, higher wages for low-income workers produce outsized welfare gains due to their higher marginal propensity to consume (Cengiz et al., 2019). Rights-based ethics anchored in Article 23 of the Universal Declaration of Human Rights frame adequate remuneration as an inherent entitlement essential to human dignity (United Nations, 1948). Deontological perspectives, drawing on Kant's categorical imperative, emphasize the employer's duty to treat workers as ends in themselves rather than as mere means to profit (Kant, 1785/1993; Sandel, 2009).

These ethical foundations also intersect with public health imperatives. Himmelstein and Venkataramani (2019) demonstrate that underpayment in low-wage sectors particularly among women of color in healthcare perpetuates economic vulnerability and health disparities. Tsao et al. (2016) similarly find that a \$15 wage in New York City could have prevented thousands of premature deaths, illustrating the direct health implications of wage adequacy.

2.3. Global Trends and Variations

Globally, trends in minimum wage reform reveal diverse approaches shaped by institutional capacity, economic structure, and political will.

- New Zealand conducts annual wage reviews linked to living costs, maintaining one of the highest wage floors in PPP terms.
- Germany combines statutory increases with strong collective bargaining frameworks, reducing wage inequality without significant employment loss (Bossler et al., 2024).
- South Africa introduced a national wage in 2019 as part of post-apartheid labor reforms, with measurable reductions in extreme low pay despite compliance challenges in informal sectors (Bhorat et al., 2021).

OECD (2025a) data indicate that in many advanced economies, real minimum wages have partially recovered after recent inflationary shocks, though they remain below early-2021 levels in several jurisdictions. This underscores the importance of periodic uprating mechanisms to maintain wage adequacy over time.

2.4. Institutional and Organizational Support

International bodies such as the ILO and the United Nations advocate for adequate wage systems as essential to the global decent work agenda and the attainment of the SDGs (ILO, 2023). At the national level, advocacy coalitions including the Fight for \$15 movement in the U.S. and the Living Wage Foundation in the U.K. have played a central role in shaping public discourse and legislative action. Empirical research suggests that strong institutional support, combined with enforcement capacity, is critical for translating statutory wage provisions into actual worker protection (ILO, 2020).

2.5. Link to the Sustainable Development Goals

Minimum wage reform is directly relevant to the achievement of multiple SDGs. SDG 1 calls for the eradication of poverty, SDG 8 promotes sustained, inclusive, and sustainable economic growth with full and productive employment, and SDG 10 seeks to reduce inequality within and among countries. Adequate wages contribute to these goals by raising household incomes, narrowing pay disparities, and enhancing social mobility. The \$17 U.S. proposal, when contextualized within this global framework, can thus be understood as part of a broader commitment to equitable economic development.

3. Case Study—The U.S. \$17 Minimum Wage Proposal

3.1. Legislative Overview

In April 2025, Representative Bobby Scott (D-VA) and Senator Bernie Sanders (I-VT) introduced the Raise the Wage Act of 2025, a comprehensive federal legislative initiative to address wage stagnation and declining real incomes. The bill proposes to increase the federal minimum wage from \$7.25 per hour, unchanged since 2009 to \$17 per hour by 2030, with phased annual increases. It also mandates the elimination of subminimum wage categories for tipped workers, youth employees, and individuals with disabilities, and it indexes future adjustments to median wage growth to preserve real purchasing power (Economic Policy Institute (EPI), 2025).

EPI's impact assessment projects that this policy would directly benefit approximately 22.25 million workers, or about 15% of the U.S. workforce, resulting in an aggregate annual wage increase of \$70 billion and an average annual gain of \$3200 per worker. The largest proportional benefits are expected among women, workers of color, and employees in low-wage sectors such as hospitality, retail, and care services (EPI, 2025; NELP, 2025).

It is important to note that projections of the impacts of a federal wage increase differ across institutions. The Economic Policy Institute (EPI) emphasizes the distributive benefits, estimating large aggregate income gains and poverty reduction with limited adverse employment effects. By contrast, the Congressional Budget Office (CBO) adopts a more conservative model, projecting that while millions would see higher incomes, there could also be modest job losses as firms adjust to higher labor costs (CBO, 2021). This article primarily references the EPI's estimates, as they incorporate a broader range of distributional outcomes and align more closely with international evidence from OECD and ILO studies showing minimal net job loss alongside measurable equity gains.

3.2. Political and Economic Context

The proposal arises within a broader debate over the adequacy of the federal minimum wage, whose real value has fallen more than 30% since its peak in 1968, even as labor productivity has significantly increased (Reed, 2021; OECD, 2025b).

Inflationary pressures following the COVID-19 pandemic have exacerbated the gap between wages and living costs, prompting renewed calls for a substantial wage floor adjustment.

Political support for the Raise the Wage Act draws heavily from progressive lawmakers, labor unions, and advocacy groups such as the Fight for \$15 campaign, which has recalibrated its goals to reflect the post-pandemic cost-of-living context. Proponents frame the measure as both an economic stimulus and a moral imperative, capable of reducing poverty, narrowing racial and gender pay gaps, and promoting public health (Himmelstein & Venkataramani, 2019; Tsao et al., 2016).

Critics, including some business associations and fiscal conservatives, raise concerns about potential adverse effects, such as job displacement, higher operating costs for small and medium-sized enterprises (SMEs), and upward price pressures in labor-intensive sectors. The Congressional Budget Office (CBO) (2021) forecasts that while a higher wage floor would increase earnings for millions, it could also modestly reduce employment depending on the pace of implementation and sectoral conditions.

In addition, potential unintended consequences warrant consideration. Firms may accelerate automation in routine service tasks as wage floors rise, with evidence that technology adoption is more pronounced in occupations intensive in automatable tasks (Lordan & Neumark, 2018; Neumark & Shirley, 2022). Wage floors can also induce wage compression, narrowing differentials between low- and mid-skill jobs and potentially dampening incentives for skill upgrading, although cross-country evidence suggests these effects are typically modest and context dependent (OECD, 2025b). In developing and dual labor-market settings, higher statutory floors may spur informalization, the reclassification of work outside formal contracts especially when enforcement capacity is weak (Kanbur, 2020). These channels do not negate the equity gains from higher wage floors but underscore the importance of phased implementation, strong enforcement, and complementary policies that support productivity growth and formal employment.

3.3. Stakeholder Perspectives

Employers: Large firms already paying wages close to or above the \$17 threshold may face minimal operational disruption and could benefit from reduced turnover and improved productivity (Repetti & Roe, 2018). SMEs in low-margin industries, however, may experience tighter profit margins and greater adjustment pressures, potentially leading to workforce restructuring or increased prices.

Employees: Low-wage workers overwhelmingly support the proposal, anticipating higher earnings, greater financial stability, and reduced reliance on public assistance programs. Gains are expected to be particularly significant for workers in high-cost metropolitan areas, where the current federal floor falls far short of basic living expenses (Tsao et al., 2016).

Government: As both regulator and employer, government agencies would need to strengthen enforcement mechanisms to ensure compliance while also preparing for potential reductions in public assistance expenditures due to higher household incomes (ILO, 2020).

Consumers and Suppliers: Consumers may face moderate price increases in certain goods and services, but these are likely to be offset by improvements in service quality and economic stability in low-wage sectors. Suppliers particularly those embedded in domestic supply chains could encounter cost pass-throughs from downstream employers, with impacts varying by bargaining power and market concentration.

3.4. Global Comparative Perspective

When adjusted for purchasing power parity (PPP), a \$17 federal minimum wage would position the United States among the highest statutory wage floors globally. Countries such as Australia and New Zealand maintain minimum wages exceeding USD \$16/hour in PPP terms, supported by strong wage-setting institutions and annual adjustment mechanisms (OECD, 2025a).

Germany's minimum wage reforms, introduced in 2015 and increased to €12/hour in 2022, significantly reduced wage inequality without large-scale employment losses, although adjustments in marginal "mini-job" arrangements were observed (Bossler et al., 2024). In Brazil and South Africa, minimum wage policies are indexed to inflation or GDP growth, ensuring real value preservation but also highlighting enforcement challenges, particularly in informal sectors (Bhorat et al., 2021; Neri, 2019).

Comparative evidence suggests that wage increases of the magnitude proposed in the U.S. are most effective when accompanied by phased implementation, SME support measures, robust enforcement, and complementary social policies. This aligns with findings from Vergara (2022), who argues that coupling wage floors with redistributive fiscal tools such as earned income tax credits maximizes equity outcomes while mitigating adjustment costs.

4. Ethical Framework

Minimum wage policy is not solely an economic instrument; it is also a normative statement about the obligations of governments, employers, and society toward workers. Ethical reasoning provides a critical lens for evaluating the legitimacy and design of wage reforms. This section applies utilitarian, rights-based, and deontological perspectives to the proposed \$17 U.S. federal minimum wage, situating them within a global discourse on labor standards and social justice.

4.1. Utilitarianism and Aggregate Welfare

Utilitarianism, rooted in the work of Bentham (1789/2007) and Mill (1863/1998), evaluates policies based on their capacity to maximize overall well-being. From a utilitarian standpoint, a wage increase is justified if the aggregate welfare gains to

workers and society exceed any associated costs.

Empirical evidence supports the welfare-enhancing potential of wage increases for low-income workers, who have high marginal propensities to consume (Cengiz et al., 2019). This increased consumption stimulates aggregate demand, benefiting the broader economy (Allegretto & Reich, 2018). Public health research strengthens the utilitarian case: Tsao et al. (2016) estimated that a \$15 minimum wage in New York City could have averted up to 8% of premature deaths in low-income neighborhoods, suggesting potentially greater health benefits at \$17 on a national scale.

While concerns exist over possible employment adjustments, the utilitarian calculus weighs such losses against the disproportionate benefits accruing to the majority. CBO (2021) modeling suggests that even if higher wage floors lead to modest reductions in employment, the net income gains for those who remain employed would still be substantial.

4.2. Rights-Based Ethics and the Living Wage Principle

Rights-based ethics, grounded in human rights frameworks, asserts that certain entitlements are intrinsic and must be upheld regardless of economic efficiency arguments. The principle of a living wage is enshrined in Article 23 of the *Universal Declaration of Human Rights*, which guarantees remuneration sufficient to secure “an existence worthy of human dignity” (United Nations, 1948).

From this perspective, the \$17 proposal is not merely an economic adjustment but a fulfillment of a fundamental social right. The *International Labour Organization* (2020) reinforces this view through its *Decent Work Agenda*, which calls for fair remuneration as a safeguard against exploitation and as a foundation for social inclusion. Rights-based reasoning rejects the idea that wage levels should be determined solely by market forces, emphasizing the state’s obligation to protect workers whose bargaining power is structurally weaker (Piketty, 2014).

4.3. Deontological Duties and Employer Responsibility

Deontological ethics, as articulated by Kant (1785/1993), focuses on moral duties and the inherent worth of individuals. Applied to wage policy, this framework holds that employers have a categorical duty to treat workers as ends in themselves, not merely as means to maximize profit. Fair pay is a non-negotiable obligation, independent of its economic consequences, because it recognizes the worker’s dignity and contribution.

The principle of reciprocity further supports this duty: employees provide labor, commitment, and expertise, and employers are morally obliged to offer compensation sufficient to sustain a dignified standard of living. This duty becomes especially salient when firms possess the financial capacity to pay living wages but choose to prioritize shareholder returns or cost minimization instead (Sandel, 2009).

4.4. Integrating Ethical Perspectives in Policy Design

While these ethical frameworks differ in emphasis, they converge on key points:

- 1) Utilitarianism underscores aggregate welfare gains from higher wages.
- 2) Rights-based ethics demands wage adequacy as a matter of human dignity.
- 3) Deontology frames fair pay as a moral duty owed by employers.

Policy design can incorporate all three by ensuring that wage increases are phased to maintain economic stability, indexed to preserve real value, and supported by targeted measures for SMEs and vulnerable sectors. International experience such as Germany's phased increases, Australia's annual wage reviews, and Brazil's indexation formula demonstrates that ethical imperatives and economic viability can be reconciled when supported by robust institutional frameworks (ILO, 2023; OECD, 2025a).

5. Stakeholder Analysis

The proposed \$17 U.S. federal minimum wage increase is not an isolated labor market intervention, it has multifaceted implications for a wide range of stakeholders. Effective policy evaluation must consider the varied and sometimes conflicting interests of these groups.

5.1. Workers

For low-wage workers, the primary stakeholders, the reform offers direct and substantial benefits. An estimated 22.25 million workers would experience a real and sustained income increase, improving purchasing power, reducing financial stress, and decreasing dependence on social safety net programs (EPI, 2025). Research shows that higher wages are associated with reduced turnover, improved job satisfaction, and enhanced health outcomes (Reich, 2022; Tsao et al., 2016).

Internationally, evidence from Germany's 2015 minimum wage introduction and South Africa's 2019 national wage floor indicates similar benefits for vulnerable groups, including women, youth, and minority workers, without generating the severe employment losses predicted by some opponents (Bhorat et al., 2021; Bossler et al., 2024).

5.2. Employers

The effects on employers vary by sector, firm size, and market position. Large corporations, particularly those already paying above \$17/hour in high-cost regions, may see minimal operational impact and may even benefit from reduced recruitment and training costs due to lower turnover (Repetti & Roe, 2018).

However, small and medium-sized enterprises (SMEs) in low-margin industries such as hospitality, retail, and agriculture could face tighter financial constraints. International cases highlight mitigation strategies: in New Zealand, wage increases were paired with tax incentives for SMEs, while in Canada, phased adjustments allowed small businesses more time to adapt (OECD, 2025a).

5.3. Government and Public Institutions

The federal government has a dual role: as a regulator ensuring compliance and as an employer directly affected by wage increases. On the regulatory side, adequate enforcement mechanisms are essential, particularly in industries prone to wage theft or informal work arrangements (ILO, 2020).

Higher wages could yield fiscal benefits by increasing income tax revenues and reducing public expenditures on programs such as Supplemental Nutrition Assistance Program (SNAP) and Medicaid (Dube, 2019). However, governments must also anticipate increased payroll costs in publicly funded sectors such as elder care, home health, and education.

5.4. Consumers

Consumers may face modest price increases in goods and services where labor costs represent a significant portion of total expenses, such as restaurants and personal care services. However, studies from the United Kingdom and Australia show that price effects of minimum wage hikes are generally small and often absorbed by productivity gains, minor profit margin adjustments, or efficiency improvements (Metcalf, 2008; Leigh, 2021).

Consumer sentiment toward such increases often hinges on the perceived fairness of wages and the broader societal benefits of reducing working poverty. Surveys consistently find strong public support for living wage policies, particularly when linked to fairness and equity narratives (Pew Research Center, 2023).

5.5. Suppliers and Supply Chains

Suppliers, particularly in domestic procurement chains, may face indirect cost pass-throughs from wage increases at client firms. For example, a manufacturing supplier to a retail chain may experience higher input costs if the retailer's logistics providers raise wages to meet the new standard. The magnitude of these effects depends on industry concentration, bargaining power, and the degree of vertical integration. Global supply chain research suggests that such effects are often more significant in low-competition markets where cost absorption capacity is limited (Gereffi, 2018).

5.6. Broader Society

Societal benefits extend beyond immediate stakeholders. Reducing working poverty aligns with the United Nations Sustainable Development Goals, particularly SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). Wage adequacy also contributes to social cohesion and reduces reliance on low-wage labor migration, as seen in recent reforms in the European Union and parts of Latin America (ILO, 2023; Neri, 2019).

Conversely, if poorly implemented, wage reforms can exacerbate regional inequalities, particularly in economically depressed areas with lower average wages and weaker business ecosystems. This underscores the importance of complementary regional development policies alongside national wage mandates.

6. Global Policy Comparisons and Lessons Learned

Comparative analysis of international minimum wage policies provides valuable insights into the design, implementation, and impacts of wage reforms. While economic structures differ, cross-national evidence highlights strategies that can maximize benefits and mitigate potential downsides of substantial wage increases such as the proposed \$17 U.S. federal minimum wage.

6.1. OECD Economies

Germany introduced its statutory minimum wage in 2015 at €8.50/hour, following decades of sectoral bargaining without a national wage floor (Federal Ministry of Labour and Social Affairs, 2025). Subsequent evaluations indicate modest price effects, no significant aggregate job losses, and substantial reductions in wage inequality (Bossler et al., 2024). The country's Wage Commission comprising employer, labor, and academic representatives reviews and adjusts the rate biennially, ensuring alignment with inflation and productivity trends.

Australia maintains one of the highest minimum wages globally, currently at AUD 24.95 per hour (AUD 948 per 38-hour week) as of July 1, 2025, determined through the Annual Wage Review conducted by the Fair Work Commission (Fair Work Commission, 2025). Annual adjustments are determined through a tripartite process considering economic indicators, living standards, and fairness. Australia's robust enforcement system, combined with complementary welfare policies, has been instrumental in preventing wage underpayment and ensuring compliance across sectors (Leigh, 2021).

United Kingdom operates a tiered system through its National Minimum Wage and National Living Wage, with different rates for age groups and apprentices. The independent Low Pay Commission (LPC) guides policy, targeting two-thirds of median earnings by 2024. This graduated approach has balanced wage growth with economic competitiveness (Metcalf, 2008).

6.2. Emerging and Middle-Income Economies

Brazil links annual minimum wage adjustments to inflation and GDP growth, institutionalizing wage maintenance without requiring legislative renegotiation (Neri, 2019). This has contributed to significant poverty reduction in the 2000s, though recent macroeconomic challenges have tested the system's resilience.

South Africa implemented its first national minimum wage in 2019 to address extreme inequality and working poverty. Early evidence suggests modest income gains among low-wage workers without significant employment displacement, though enforcement remains challenging in informal sectors (Bhorat et al., 2021).

China operates a decentralized framework where provincial governments set wage floors based on local economic conditions (Ministry of Human Resources and Social Security (MOHRSS), 2021). This allows flexibility but results in wide disparities between regions. Studies show that higher local wage floors have reduced rural-to-urban migration pressures in wealthier provinces while encouraging productiv-

ity improvements in export-oriented manufacturing (Yang & Li, 2022).

6.3. Key Lessons for the United States

1) Independent Wage-Setting Bodies

Countries such as Germany, Australia, and the U.K. demonstrate the value of independent commissions in depoliticizing wage adjustments and grounding them in empirical evidence. A similar U.S. body could enhance credibility and stability in wage policy.

2) Indexation Mechanisms

Linking minimum wages to inflation or median earnings, as in Brazil and the U.K., preserves real purchasing power without requiring frequent political intervention. This can prevent the prolonged erosion of wage value experienced in the U.S. since 2009.

3) Phased and Tiered Implementation

Gradual rollouts, possibly with lower initial rates for small businesses or regions with lower median wages, can ease adjustment pressures. The U.K.'s tiered system offers a model for balancing fairness with economic adaptability.

4) Robust Enforcement Frameworks

Enforcement is critical to policy success. Australia's Fair Work Ombudsman model illustrates how proactive inspections, strong penalties, and public reporting can ensure compliance.

5) Complementary Policies

Wage increases are most effective when paired with supportive measures such as tax relief for SMEs, workforce training programs, and targeted regional development initiatives. Brazil's experience shows that without complementary measures, wage gains can be offset by inflation or productivity stagnation.

6.4. Relevance to the \$17 U.S. Proposal

Applying these lessons, a phased \$17 wage coupled with indexation to median wages, independent oversight, and targeted SME support could balance the ethical imperatives of living wages with the pragmatic demands of economic adaptation. Such a framework would not only improve worker well-being but also enhance the stability and predictability of U.S. wage policy, aligning it more closely with global best practices.

7. Policy Recommendations and Conclusion

Building on economic evidence, ethical analysis, stakeholder perspectives, and global policy lessons, this section outlines actionable steps for implementing a \$17 U.S. federal minimum wage in a manner that maximizes benefits while minimizing potential disruptions.

7.1. Policy Recommendations

See [Table 1](#).

Table 1. Comparative global practices and U.S. application.

Policy Feature	International Example	Observed Impact	Adaptation for U.S.
Independent Wage Commission	Germany, U.K., Australia	Depoliticized adjustments; stability in wage setting	Establish a U.S. Minimum Wage Commission with tripartite membership
Indexation to Economic Indicators	Brazil (inflation & GDP), U.K.	Maintains real wage value; prevents erosion	Link wage floor to median earnings & inflation index
Phased Implementation	U.K., Canada	Smooths economic adjustment; reduces SME shock	Introduce \$17 over 2 - 3 years, with SME adaptation period
Tiered Rates by Age/Region	U.K., China	Addresses regional economic disparities	Consider regional modifiers for low-cost rural areas
Robust Enforcement	Australia	High compliance; reduced wage theft	Expand Department of Labor enforcement resources
Complementary Policies	New Zealand, Brazil	Strengthens net benefits; mitigates inflation risk	Tax credits for SMEs, workforce upskilling programs

7.2. Implementation Considerations

1) Phased Introduction

Rolling out the \$17 minimum wage over 24 - 36 months allows employers to adjust through productivity gains, operational changes, and price adjustments without sudden shocks.

2) Regional Adjustments

Although a uniform federal floor upholds fairness, temporary regional variations could accommodate cost-of-living differences, as seen in China and Canada.

3) Indexation Mechanism

Linking wage growth to median wages and inflation ensures that purchasing power remains stable, preventing the stagnation seen in the current U.S. rate since 2009.

4) Employer Support Programs

Tax relief, training subsidies, and access to low-interest financing for automation or process improvement can help SMEs absorb higher labor costs.

5) Strengthened Enforcement

Expanding labor inspection capacity and implementing public “name and shame” reports, as in Australia, can reduce wage theft and ensure compliance.

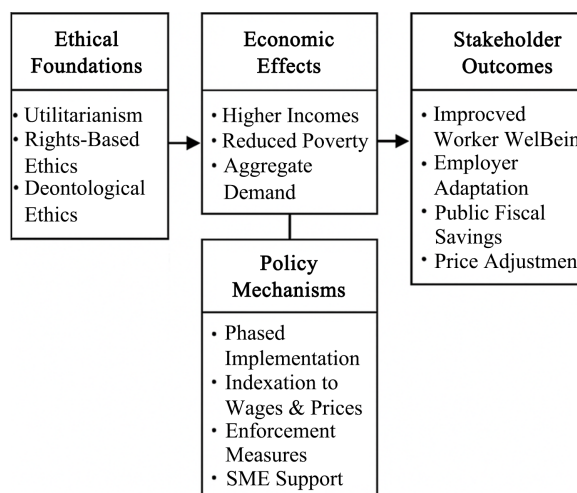


Figure 1. Conceptual framework: Ethical, economic, and policy linkages in minimum wage reform.

7.3. Conclusion

The proposed \$17 federal minimum wage represents both an ethical imperative and an economic opportunity. From a utilitarian perspective, it maximizes welfare by boosting incomes for millions, reducing poverty, and enhancing aggregate demand. Rights-based and deontological ethics frame it as a moral duty consistent with international human rights standards.

Comparative evidence from OECD and emerging economies demonstrates that carefully designed wage policies can achieve these goals without triggering the large-scale employment losses predicted by critics. Key success factors include independent oversight, indexation, phased implementation, and complementary business support measures.

In adopting these strategies, the U.S. would not only raise living standards domestically but also align its labor policies with global best practices, reinforcing its commitment to decent work and inclusive economic growth (Figure 1).

This conceptual framework illustrates the interconnected pathways through which minimum wage reform exemplified by the proposed \$17 U.S. federal minimum wage affects societal outcomes. At the foundation are ethical imperatives (utilitarianism, rights-based ethics, and distributive justice) which inform policy design. These ethical considerations shape economic mechanisms, including labor supply responses, aggregate demand effects, productivity shifts, and price adjustments.

The stakeholder outcomes layer captures direct and indirect effects on workers, employers, consumers, and the broader economy. These outcomes, in turn, influence policy mechanisms such as phased implementation, indexation, and enforcement, which serve as feedback controls, ensuring that wage adjustments remain sustainable and equitable. The cyclical flow emphasizes that policy reforms are iterative: empirical evidence from stakeholder outcomes informs subsequent ethical debates and policy refinements, both in the U.S. and globally.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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