

ROAD MAP TO A LIVING WAGE

Expectations from NGOs and trade unions towards brands and retailers.

Contents

INTRODUCTION		2
RECOMMENDATIONS		
1	ENDORSE A LIVING WAGE	3
2	RESPECT FREEDOM OF ASSOCIATION	4
3	ENTER INTO DIALOGUE	6
4	PUBLICLY ENDORSE A LIVING WAGE BENCHMARK	7
5	AMEND PURCHASING PRACTICES	8
6	CONDUCT PILOT PROGRAMMES INVOLVING SUPPLIERS, TRADE UNIONS AND LABOUR SUPPORT GROUPS	10
7	ADVOCATE GOVERNMENTS OF SOURCING COUNTRIES FOR MINIMUM LIVING WAGES	11
8	ACT IN A TRANSPARENT WAY	12
9	COLLABORATE WITH OTHERS	13
10	PRESENT A ROAD MAP WITH CONCRETE TIMELINE FOR PAYMENT OF A LIVING WAGE	15

**Clean
Clothes
Campaign**

International Secretariat 

INTRODUCTION

A living wage is the cornerstone of decent working conditions.

The significance of establishing a living wage is that it makes concrete the idea that work should provide for one's life – that a working person should never, despite their best efforts, be unable to support themselves and their families. Hence, a living wage must be an inherent and inextricable core element of any truly sustainable corporate accountability framework.

Companies and brands sourcing garments have a huge responsibility in ensuring that the purchasing practices they use allow for a living wage to be paid. The influence that many brands have in the supply chain on employers and within the countries they source means that they also have the opportunity to lead a change in the garment industry that will see all workers wherever they sit within the supply chain being paid a wage they can live on.

In order to move toward the long term and sustainable payment of a living wage, there are 10 key recommendations that brands should take. This document outlines these recommendations, highlighting the current issues and the steps brands can take to address them.

These proposed recommendations should not be considered individually, rather they should be combined to form a road map. Sadly, there is no magic bullet regarding the implementation of a living wage, but it should be the result of serious engagement with several (if not all) of these recommendations.

The living wage issue is a crucial test for global buyers to effect improvements in the working conditions throughout their garment production chains. Insufficient wages mean that workers, families and communities who depend on wage labour for their well-being cannot lead a dignified life.

So, even if a company behaves in an environmentally responsible manner or takes steps to ensure that worker rights are respected in certain areas, for example, by promoting strong health and safety procedures, without ensuring that workers actually receive a living wage for their labour a company is unable to truly claim to be working in a socially responsible manner.

1. ENDORSE A LIVING WAGE POLICY

What's the problem?

While most global buyers have adopted a **code of conduct** that reflects a set of labour standards, only a minority have actually endorsed a **living wage standard**. Instead, most codes refer only to minimum or prevailing industry wages. This is problematic because legal minimum wages often fail to protect workers and their dependents in low-wage occupations.ⁱ The same is true for prevailing wages, which, in the garment industry, may be higher than the legal minimum wage but usually still fall short of a living wage based on local standards. In most production countries, legal minimum wages even fail to meet government-established poverty benchmarks.ⁱⁱ A living wage policy must be an inherent and inextricable core element of any truly sustainable corporate accountability framework. No company can claim to respect human rights as long as wages fail to meet the basic needs of workers and their families.

Our position

The bottom line is fairly simple: insufficient wages mean that workers, families and communities who depend upon wage labour for their well-being cannot lead a dignified life. Hence, endorsing a living wage principle is central to any credible corporate accountability program.

We call upon global buyers to:

To adopt a **statement of policy** to define their human rights responsibility with regard to living wages. In line with UN Guiding Principle No. 16, this should be approved at the most **senior** level of the business; Informed by relevant internal and/or external expertise; it should stipulate the enterprise's human rights expectations of its own personnel, other business enterprises directly linked to its business operations, products or services, and be both publicly available and communicated internally and externally.

Adopting a living wage provision shows that global buyers not only recognize the importance of a decent wage, but also recognize that minimum and prevailing industry wages are often insufficient. Of course, adopting a living standard is only a **first step** and will obviously not automatically lead to a higher wage. This requires an **engagement strategy**, which we discuss in the remaining part of this document.

2. RESPECT FREEDOM OF ASSOCIATION

What's the problem?

Freedom of association (FoA) and collective bargaining (CB) are two of the fundamental rights of all workers. They are often referred to as 'enabling rights'. This means that when these rights are respected, workers can use them to ensure that other labour standards, including a *living wage*, are upheld. Unfortunately, workers face many barriers to joining or forming a trade union and to bargaining collectively. Many governments restrict, undermine, obstruct, or even outlaw independent trade unions. Employers often express a hostile attitude toward trade unions and frequently use a range of tactics to prevent unions from emerging, including intimidation, discrimination, dismissal, blacklisting, and even physical violence. At the same time, companies often refuse to bargain in good faith. As a result, few workplaces are covered by collective bargaining agreements.

Our position

Clean Clothes Campaign believes a **collective bargaining strategy** in an industry dominated by global buyers is essential. The goal is to achieve a living wage through **negotiations**. While implementation will involve various institutions and agencies, enforcement will *only* be effective if union and workers representatives are part of the process. Thus, the right to organise is essential to the ultimate success of living wage policies. Any success requires mature systems of industrial relations in which workers and their representatives play an active role in identifying and resolving workplace issues and can bargain in good faith with their employers to achieve higher wages and better working conditions.

Global buyers should take steps to ensure that workers are not subject to dismissal, discrimination, harassment, intimidation, or retaliation when they join a trade union or participate in trade union activities.

However, continued patterns of abuse at garment and sportswear factories suggest that more proactive and positive measures are needed to ensure that these abuses first of all stop occurring and that the chronic anti-union activities engaged in by management are prohibited. This requires that business respects the rights of workers to form or join a trade union by not doing anything that would have the effect of discouraging workers from exercising this right. In addition, business should respects the right of workers to collective bargaining by not refusing any genuine opportunity to bargain collectively.ⁱⁱⁱ

We call upon global buyers to:

- Adopt a positive and proactive freedom of association policy and communicate this to workers in their own languages in the form of a ‘Right to Organise Guarantee’.
- Ensure that all workers are aware of the freedom of association provisions through training and communication.
- Ensure that suppliers respect the workers’ right to collective bargaining;
- Provide access and opportunities for unions to disseminate information to workers regarding freedom of association. This can be achieved by signing access agreements that would give local unions access to production sites.
- Assure workers, their representatives and factory management that they will **not** relocate as a response to higher wage initiatives. It is essential that workers, unions and manufacturers be ensured that any collective bargaining agreements must enhance their businesses, not harm them.
- Set measurable incentives – for example, preferential orders, long-term, stable supply contracts, measurable collective bargaining agreement premiums in unit prices – for factories that have a collective bargaining agreement with an independent trade union;
- Provide information (confidentially) about the unit price the buyer is paying for goods to workers’ representatives engaged in collective bargaining negotiations with suppliers.
- Accept that it has duty to enter into (good faith) collective bargaining (see also step 3)

What happens if FoA and CB are restricted by law?

Where Freedom of Association and Collective Bargaining are restricted by law, companies should take identifiable measures to promote genuine freedom of association within the country concerned, including engaging with workers collectively to facilitate their self-organisation in ways that are consistent with the principles of Freedom of Association. This should include activities engaged in at supplier facilities with the goal of obtaining some of the positive benefits associated with an industrial relations system that genuinely includes collective bargaining. Some global buyers have supported the election of workers to participate in health and safety committees, productivity committees, or similar bodies.^{iv} Global buyers should call on all countries to formally ratify ILO Conventions 87 and 98 regarding freedom of association and collective bargaining. Nike, here, has set a positive example by writing a letter urging the Chinese government to ratify these principles.^v

3. ENTER INTO DIALOGUE

What is the problem?

Too often workers are ignored in the corporate accountability programs of global buyers, even though they are the purported beneficiaries of code implementation and monitoring programs. Some brands interview workers in their auditing/monitoring efforts, or occasionally consult workers, but it is difficult to find concrete examples of serious dialogue – let alone negotiation – between global buyers and workplace or national-based worker representatives on worker rights issues, including wages. Many global buyers prefer to hire commercial auditing firms to investigate labour standards at supplier factories, and keep worker input to a minimum. This lack of worker participation undermines the credibility of these programs and thus this issue needs to be addressed.

Our position

Clean Clothes Campaign believes worker involvement is a key consideration for any credible attempt to improve working conditions in general and wages in particular. This implies that workers and their organisations should be involved in any discussions involving the achievement of a minimum living wage and should have an active role in the design, implementation, and evaluation of programs that aim to improve wages. This level of dialogue can be organised in various ways and at different levels:

- On the **factory level**, global buyers could participate in – and, if necessary, help facilitate – a dialogue between worker representatives and management on the achievement of a living wage (see also **recommendation 1**). This could lead to concrete action regarding the achievement of a living wage i.e., through pilot studies, adjusting pricing mechanisms, etc. – see also **recommendations 5 and 6**);
- On the **national level**, global buyers could discuss progress strategies regarding wages on the national level with national living wage committees. This could be organised via roundtables, for instance;
- On the regional **level**, global buyers could enter into discussions with appropriate alliances or bodies, such as, for example, the **Asian Brand Bargaining Group (ABBG)**, which consists of Asian unions in the garment-export sector.

We call upon global buyers to:

Express a willingness to initiate dialogue with campaign partners at factory, national and regional levels to discuss and develop concrete steps towards implementing of a living wage in their supply chains (see also **recommendation 6** on pilot studies).

4. PUBLICLY ENDORSE A LIVING WAGE BENCHMARK

What is the problem?

Global buyers have long argued that there is no universally accepted definition of a living wage and no reliable method of calculation. As a result, they pointed out, there are no accurate figures against which they can benchmark the wages suppliers pay, except for the official minimum wage. This is problematic because the legal minimum wage typically fails to meet basic human needs based on local standards, and buyers consider the minimum wage as the starting point in seeking code compliance, and therefore fail to encourage suppliers to pay higher wages. The minimum wage should be the floor not the ceiling. It is not surprising, therefore, that evaluations of the impact of codes of conduct show that progress on wages has been limited.^{vi} The **UN Guiding Principles** establish that companies need to **know and show** that they respect human rights. This means that companies should identify and assess actual and potential adverse human rights impacts. With regard to wages, this requires assessing if and to what extent current wages fail to address basic needs of workers and their families. To do so, in turn, requires providing clarity on what benchmark would constitute a living wage.

Our position

The argument that there is no accurate definition or calculation of a living wage is no longer valid. Many credible attempts to define and calculate a living wage exist. One important example here is the **Asia Floor Wage**, which offers a clear definition and methodology for determining a living wage applicable to various Asian countries.^{vii} But in many other countries, living wage demands have been adopted that companies could take as a benchmark. Clean Clothes Campaign encourages buyers to set credible minimum living wage benchmarks for each country they source from.

As a **first step**, buyers should collect information on the minimum wages paid by suppliers, prevailing industry wages, negotiated wages, and any gender differential in wage levels, all vis-à-vis local minimum living wage benchmarks.^{viii} The collected information on factory wage

levels can be used to chart the wages on a (so-called) **wage ladder** (see fig. 1.). The Fair Wear Foundation has developed an innovative online tool that helps brands, factories, trade unions and NGOs to work towards living wages for garment and other workers.^{ix} The **second step** involves utilising this information as a tool to push factories “up the ladder” in the direction of compliance with the minimum living wage standard and award suppliers that meet a minimum living wage standard, for example, by giving them preferential status over suppliers that pay lower wages. Ultimately, buyers should communicate that the implementation of the minimum living wage will be a condition for engaging a particular supplier. This information can further be used in discussions with trade union partners on how to improve factory wages (see **recommendation 3**) or as input for pilot studies (**recommendation 6**).

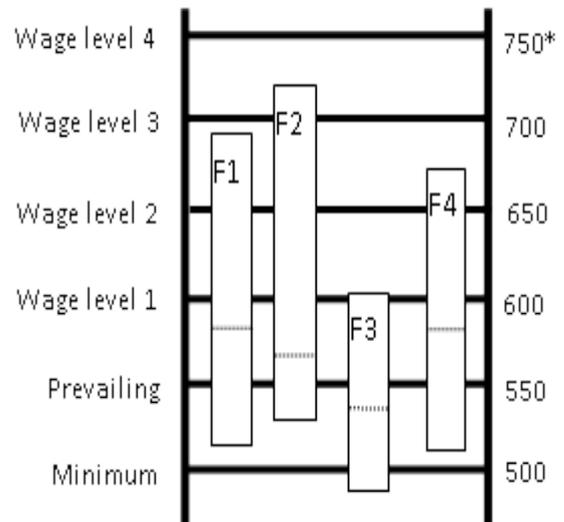


Fig 1. Wage ladder

We call upon global buyers to:

- Publicly endorse a living wage benchmark, like for example the Asia Floor Wage;
- Monitor suppliers against a living wage benchmark for both men and women workers;
- Communicate to suppliers that implementation of the a living wage payment within a transparent timeline will be a condition of future orders.
- Set measurable incentives – for example, preferential orders, long-term, stable supply contracts, premiums in unit prices – for factories that pay a living wage.

5. AMEND PURCHASING PRACTICES

What is the problem?

Brands and retailers have a lot of influence on how production is organised throughout the global supply chain. For example, they set prices, select suppliers and set delivery times for orders. Many of these practices have an adverse impact on working conditions and wages. The purchasing strategies of global buyers and the pressure to reduce costs contribute to trends toward lower wages, wage violations, abuses by management, and long working days for the workers.^x Price pressure on suppliers is intense, which makes it increasingly difficult to demand and facilitate wage

gains even where trade unions already exist because employers will argue for a freeze on any wage demands because any increase in labour costs will ultimately undermine their international competitiveness.

Our position

Clean Clothes Campaign therefore believes that suppliers must be adequately compensated for the costs involved in meeting compliance demands. **This requires that pricing practices do not prevent suppliers from being decent employers.**^{xi} Global buyers should thus ensure suppliers that the prices they will pay at the very least will cover payment of a living wage. This also means that global buyers should do research and allocate resources appropriately to ensure that the prices they pay their suppliers are sufficient for the successful implementation of a living wage. This can be facilitated by calculating the minimum living wage unit labour cost of the supplier's products based on both the labour minute value and the actual work time norms and then perform a wage gap analysis.^{xii} This will allow global buyers to take the appropriate steps to alleviate the negative impact that purchasing practices would normally have on working conditions. At the same time, global buyers should also express a willingness to establish long-term relations with their suppliers. After all, when a global buyer is constantly changing suppliers, suppliers may end up feeling that there is no incentive for making the required improvements. In their view, buyers can easily add a 'pass through' clause to their contracts with suppliers, thus contractually imposing wage increases.

We call upon global buyers to:

- Recognise that purchasing practices and pricing policies have an impact on wages (and working conditions in general);
- Evaluate how purchasing practices need to be adjusted to make the payment of a living wage possible;
- Create incentives for the purchasing department as well as for suppliers to achieve a living wage.
- Make the payment of an minimum living wage a key criterion when selecting suppliers – along with the price, time and quality indicators;
- Establish stable, enduring relations with suppliers;
- Commit time and resources to calculate the labour costs of buyer's' merchandise to ensure that prices facilitate payment of a minimum living wage at the very least. This means that the FOB price should cover a living wage labour cost. In other words, **buyers should ring fence the cost of labour in a price negotiation.**

6. CONDUCT PILOT PROGRAMS INVOLVING SUPPLIERS, TRADE UNIONS AND LABOUR SUPPORT GROUPS

What's the problem?

Some buyers have argued that, while they agree in principle with the implementation of a living wage it is difficult to achieve in practical terms. For example, they argue that suppliers may be unwilling to collaborate or that it is difficult to design a mechanism that ensures that price increases will actually be passed along to the workers. For an overview of commonly used excuses by global buyers for not paying a living wage see: <http://livingwage.cleanclothes.org/top-10-excuses/>

Our position

While implementation of a minimum living wage policy may encounter practical difficulties, the need for a living wage is simply too important to ignore. Global buyers should not use practical difficulties as an excuse for disengagement. Instead, they should design programs through trial and error that create practical solutions to all possible hindrances. We encourage buyers to engage in pilot projects to properly inform stakeholders of their commitment to a living wage and demonstrate or test mechanisms that will facilitate the implementation of a minimum living wage. A credible project would directly include local labour organisations in the design, execution and evaluation phases of the project (see also **recommendation 3**).

A note on productivity projects

Some brands – mostly located in the UK – have initiated living wage (pilot) projects in supplier factories. Most of these studies focus on productivity increases as a way of achieving higher wages. The suggestion is that productivity gains result in lower unit costs, and that resulting savings can be passed along to increasing wages. The argument for improving working conditions is usually framed in business terms. While productivity increases may play a role, they should not be considered a panacea. In fact, these types of projects may actually have a negative impact on working conditions. For example, this may occur in cases based on bonus systems that encourage workers to work even harder, thus increasing already high stress levels and other health hazards. Moreover, it remains unclear whether and how efficiency benefits will be utilised to improve wages (rather than simply boosting profits, for instance). Another problem is that these projects shift the responsibility of solving the problem of poverty wages to the manufacturer, which ignores the issue of (fair) pricing (see **recommendation 5**). Finally, while productivity strategies may play a role, equal weight should be given to other wage increase options such as collective bargaining, adjustment of the prices buyers pay or establishing framework agreements.

We call upon global buyers to:

- Engage in pilot projects to find concrete ways to implement a minimum living wage;
- Involve labour rights organisations in the development, implementation and evaluation of pilot projects;
- Set clear guidelines and targets on how productivity projects will help improve wages.

7. ADVOCATE GOVERNMENTS OF SOURCING COUNTRIES FOR MINIMUM LIVING WAGES

What's the problem?

Governments should ensure that minimum wages are set at a level that provides a living wage, and is regularly adjusted to sufficiently maintain workers' purchasing power. However, governments often set the minimum wage below current poverty standards. They fear that any wage increases or stronger labour legislation will cause global buyers to pull out of the country, taking thousands of jobs with them. The threat of factory closures and relocation continues to be a powerful disincentive to the enactment of minimum wage legislation that would guarantee living wage standards, as well as a perceived barrier to attracting global buyers. Sadly, some global buyers are duplicitous: on the one hand, they may commit to ethical standards, while, on the other, they may still be fervently lobbying governments – sometimes through business associations -- to keep wages as low as possible. The business sector meanwhile continues to argue that higher minimum wages will have a significantly negative impact on the current business climate and could eventually lead to redundancies, declines in investment or even relocation to a cheaper country.

Our position

Clean Clothes Campaign calls on global buyers to use their influential position to insist that governments adjust their garment industry wages to satisfy minimum living wage standards. For Asian countries, the AFW of PPP\$540 can function as credible benchmark. Global buyers should let their dissatisfaction regarding current wage levels in all regions be known and furthermore clearly declare that wage increases will not lead to their relocation of orders. They should also express support for national minimum wage increases and other specific income supports such as subsidized child care programs as an intermediary step towards reaching the minimum living wage. A good example here, is how, in early 2010, a group of brands and retailers – including

H&M, Levi's and Tesco – sent a joint letter to the Bangladeshi government urging that it immediately increase the minimum wage and review it regularly. While this letter was not a public statement, it showed that major brands and retailers are capable of lobbying governments for higher wages and worker rights.

We call upon global buyers to:

- Recognise that the legal minimum wage often fails to meet minimum living wage standards;
- State publicly that they will not relocate as a result of official minimum wage legislation that ensures a living wage and further convey this position to the governments that continue to set the minimum wage below living wage benchmarks.

8. ACT IN A TRANSPARENT WAY

What's the problem?

Transparency and accountability should be central to any credible corporate accountability program. There is, however, currently plenty of room for improvement in at least three areas.

- First, while many buyers make corporate accountability claims on their company websites, the information provided is often minimal. Very few company reports offer any insight regarding their objectives, efforts, timelines and actual progress on the achievement of a living wage.
- Second, most buyers do not disclose the locations and names of their supplier facilities. Thus it is impossible for trade unionists, consumers and public institutions to actually verify where their products are made. This veil of secrecy makes it difficult to link a buyer to the factories that make their clothes. It limits the abilities of unions to organise the workers employed by particular buyers, and makes it difficult to verify whether a particular company's reports on working conditions are accurate.
- Third, social auditing results, even if they are based on input provided by workers, remain a well-guarded secret to both the workers and their representatives. Workers are often asked to collaborate on social auditing surveys, but are subsequently left in the dark about the results and any remediation efforts.

Our position

In order to assess the buyer's program on wages it needs to be transparently applied. To demonstrate that all activities undertaken by buyers to implement a living wage are meaningful, identifiable and verifiable. This means that buyers should report on their programs, objectives, efforts, timelines and progress toward achieving the living wage.

We call upon global buyers to:

- Publicly report on (account for) their programs and efforts toward achieving a living wage;
- Publicly report on the impact these programs have on achieving a living wage and on any differential impacts experienced by male and female workers;
- Publicly disclose their supplier facility lists on an annual basis.

9. COLLABORATE WITH OTHERS

What's the problem?

Achieving a living wage requires collaboration with various stakeholders such as trade unions and labour rights groups (see **recommendations 2 and 3**). It also requires collaborating with other corporations regarding assurances that working conditions meet decent standards. Many of the root causes of poverty wages remain difficult to address on a company-by-company basis; they require a sector-wide approach. Since most garment manufacturers supply several clients, collaboration among the buyers is often necessary to make any progress.

Our position

The Clean Clothes Campaign encourages global buyers to join together to discuss how a minimum living wage can be achieved within shared supplier factories. Major brands often contract suppliers who supply over 60% of their product solely to one brand. Furthermore, if 2 brands agree to approach suppliers where they each have 20% shares – that is already a 40% share. So, joint pilot projects are both possible and beneficial. While various forums can be used to achieve this kind of outcome, joining a multi-stakeholder initiative (MSI) can be a valuable step for companies in efforts to make progress on wage issues. MSIs require that companies, unions, and NGOs collaborate to

promote improved labour practices through codes and monitoring, as well as special projects to tackle systemic issues. Multi-stakeholder code initiatives in the garment and related consumer products sectors include the Ethical Trade Initiative (ETI) in the UK and the Fair Wear Foundation (FWF) in the Netherlands. These MSIs have adopted a living wage in their codes of conduct and create conditions for the sharing of best practice, stimulate collaborative initiatives and are helpful in facilitating an open discussion on wages among different stakeholders. Moreover, MSIs bring various brands together, which, when combined, represent a critical mass that can apply a certain amount of leverage over suppliers.

A note on anti-trust legislation

Some buyers have resisted the demand for a living wage because they claim they are afraid that it constitutes a breach of anti-trust or competition laws. Any action between buyers that might increase consumer prices or restrict competition could be considered legally prohibited. However, there are no known cases involving corporate social accountability activities that have actually led to any legal cases pursued by anti-trust authorities against any companies involved, and in fact some efforts that include wage improvements have received advance approval from the US Department of Justice. Despite this fact, the anti-trust argument continued to be used whenever companies are asked to take certain steps – such as information sharing among buyers involving prices paid to suppliers. The Clean Clothes Campaign, however, believes that solutions to these problems are possible. Multi-stakeholder initiatives like the FWF or ETI can play a role in resolving this issue.

We call upon global buyers to:

- Express a willingness to explore possibilities for collaborative programs with other buyers to achieve the minimum living wage, such as identifying suppliers in which participating buyers collectively control more than 75% of production on a regular basis;
- Join a multi-stakeholder initiative that endorses a living wage standard in its code of conduct to foster new ideas and best practices among global buyers.

10. PRESENT A ROAD MAP WITH A CONCRETE TIMELINE FOR THE PAYMENT OF A LIVING WAGE

What's the problem?

The lack of a comprehensive approach regarding the implementation of a living wage remains an obstacle to progress. Some companies have already adopted a living wage standard within their codes of conduct, but, unfortunately, very few global buyers have come up with any comprehensive plan for the implementation of a living wage among their suppliers. Some companies have initiated efforts to tackle the wage issue (beyond the mere monitoring of minimum wage compliance), but there is seldom a clearly articulated goal to make a living wage a reality for garment workers within a reasonable period of time. Other cases reveal that buyers have promised they are working on the issue but remain very vague (non-transparent) about the content of these programs.

Our position

Clean Clothes Campaign wants buyers to express their aspirations, timelines and concrete plans regarding the achievement of a minimum living wage clearly and show what steps they have taken in this regard. Clean Clothes Campaign suggests that each buyer come up with its own plan, strategy, or road map to achieve a minimum living wage within a certain time period. Of course, timelines may vary depending on various factors, including the particular activity, country or supplier in question.

We call upon global buyers to:

- Develop a comprehensive road map for implementing a minimum living wage;
- Set a clear target for the number of factories that need to achieve a living wage benchmark within a five-year and within a ten-year period.

Clean Clothes Campaign

International Secretariat



The Clean Clothes Campaign is dedicated to improving working conditions and supporting the empowerment of workers in the global garment and sportswear industries.

Since 1989, the CCC has worked to help ensure that the fundamental rights of workers are respected. We educate and mobilise consumers, lobby companies and governments, and offer direct solidarity support to workers as they fight for their rights and demand better working conditions.

The Clean Clothes Campaign is an alliance of organisations in 15 European countries. Members include trade unions and NGOs covering a broad spectrum of perspectives and interests, such as women's rights, consumer advocacy and poverty reduction.

We rely on a partner network of more than 200 organisations and unions in garment-producing countries to identify local problems and objectives, and to help us develop campaign strategies to support workers in achieving their goals. We cooperate extensively with similar labour rights campaigns in the United States, Canada, and Australia.

International Secretariat

Postbus 11584
1001 GN Amsterdam
the Netherlands

T: +31-20-412-27-85

F: +31-20-412-27-86

info@cleanclothes.org

www.cleanclothes.org

- i There are many studies that show legal minimum wage is failing to meet living wage standards:
For China see for example: <http://fairwear.org/2010-08-27/wages-in-china-still-fall-short-of-living-wages>; for Cambodia see for example:
- ii See for example: Setrini G., and R. Locke (2005), 'Wages in the Apparel Industry: What Constitutes A Decent Standard?'; conference paper: 'Exploring Common Approaches to Corporate Accountability and Workers' Rights' at the Massachusetts Institute of Technology, July 10-11, 2005; see also: US Department of Labor (2000), 'Wages, Benefits, Poverty Line, and Meeting Workers' Needs in the Apparel and Footwear Industries of Selected Countries', Bureau of International Labor Affairs.
- iii The ITUC together with IndustriALL Global Union, UNI Global Union and the Clean Clothes Campaign have issued a paper which outlines in detail what is expected from companies with regard to freedom of association and collective bargaining, see: ITUC, IndustriALL, UNI, CCC (2012) 'The UN Guiding Principles on Business and Human Rights and the human rights of workers to form or join trade unions and to bargain collectively', document available at: <http://www.ituc-csi.org/the-un-guiding-principles-on?lang=en>
- iv For a longer discussion on dealing with this in practice, see: Clean Clothes Campaign (September 2005) 'Freedom of Association and the Right to Collective Bargaining: A Clean Clothes Campaign Primer Focussing on the Global Apparel Industry', available at: https://cleanclothes.org/codes/docs/CCC_FoA_Primer.pdf.
- v Nike, China 2008 Corporate Responsibility Reporting Supplement. 11 March 2008, p. 22.
- vi Barrientos, S., and S. Smith (2006), 'The ETI Code of Labour Practice: Do workers really benefit?', Institute of Development Studies, University of Sussex, p. 16.
- vii Chapter four of the 'Stitching a Decent Wage Across Borders' report outlines step-by-step how the AFW alliance achieves this.
- viii For an example of how the wage ladder can be used, JO-IN, (2008) 'Jo-In Explanatory Note on the Treatment of the Living Wage Common Code Element during the Jo-In Pilot Project in Turkey's Garment Industry ~ 2006-2007', available at: <http://www.jo-in.org/pub/docs/Jo-In-%20Explanatory%20Note%20for%20Living%20Wages.pdf> [see also: http://www.jo-in.org/english/resimler/Wage_ladder.pdf. <http://www.jo-in.org/pub/docs/Jo-In-%20Explanatory%20Note%20for%20Living%20Wages.pdf>.
- ix See this Fair Wear Foundation document for a detailed discussion on how the wage ladder works: http://www.fairwear.org/ul/cms/fck-uploaded/documents/fwpublications_reports/wageladderbackgroundstudy.pdf
- x The impact of purchasing practices can have on working conditions is increasingly being researched, see, for example:
Insight Investment (2004) 'Buying your way into trouble? The challenge of responsible supply Chain Management' Lillywhite, Serena (October 2004) 'Responsible supply chain management Ethical purchasing in practice', Brotherhood of St Laurence's.
- xi For an overview of these recommendations, see p. 66 of the Play Fair report, <http://www.madeindignity.be/public/vetements/pdf/forum%20en.pdf>.
- xii For a detailed discussion of how labour minute value can be used for labour costing, see: Doug Miller, (2010) 'Towards Sustainable Labour Costing in UK Fashion Retail', A report for Action Aid UK, London.