Coneybeer, Justine & Maguire, Rowena
(2022)
Evading Responsibility: A Structural Critique of Living Wage Initiatives and Methodologies.
International Journal for Crime, Justice and Social Democracy, *11*(2), pp. 15-29.

https://doi.org/10.5204/ijcjsd.2406

IJCJ&SD **11**(2) 2022 ISSN 2202-8005

Evading Responsibility: A Structural Critique of Living Wage Initiatives and Methodologies

Justine Coneybeer and Rowena Maguire
Queensland University of Technology, Australia

Abstract

Despite the existence of multiple living wage initiatives and methodologies for calculating a living wage, there has been limited improvement in increasing garment workers' incomes. This paper applies Iris Marion Young's responsibility for structural injustice theory to connect apparel brands and retailers as the actors with power, privilege and capacity to enact change to improve poverty wages. This paper critically analyses two living wage methodologies and three living wage initiatives, drawing upon Young's theory to understand why progress on living wage has stagnated. The analysis also considers whether gender has been incorporated, finding that most methodologies and initiatives fail to adequately embed gendered considerations. Findings reveal that the most powerful actors in apparel global values chains (brands and retailers) evade responsibility through performative membership with initiatives that prioritise profit, ignore gendered considerations and require minimum changes from businesses as usual.

Keywords

Living wage; gender; feminist theory; responsibility; structural injustice; garment workers.

Please cite this article as:
Coneybeer J and Maguire R (2022) Evading responsibility: A structural critique of living wage initiatives and methodologies. *International Journal for Crime, Justice and Social Democracy.* 11(2): 15-29. https://doi.org/10.5204/ijcjsd.2406

ISSN: 2202-8005

Introduction

What is the purpose of paid employment if not to sustain a dignified living? Globally, many workers are paid insufficient wages to support housing, food, health care and education costs (Hirsch and Valadez-Martinez 2017). Despite widespread knowledge of this issue, the lack of a living wage in the garment industry is an ongoing problem, with minimal improvements made over the last few decades (Miller and Williams 2009).

There is no global consensus on what constitutes a living wage or how it should be calculated (Platform Living Wage Financials 2021), though the International Labour Organization (ILO) and United Nations (UN) have enshrined a decent wage as a human right. The *Universal Declaration of Human Rights* (1948) provides that workers have the right to 'just and favourable remuneration ensuring for [themselves] and [their] family an existence worthy of human dignity' (Article 23), while the ILO *Minimum Wage Fixing Convention, 1970*, requires a minimum wage to include 'the needs of workers and their families' (Article 3). Despite recognition within these international instruments, there have been no significant initiatives conducted by UN bodies to ensure the implementation of these provisions. Further, UN bodies have not clearly defined the requirements of a living wage, leaving the interpretation of the principle up to non-state actors. This has resulted in fragmented and diverse approaches to defining a living wage and makes measuring progress difficult because the schemes enacted by non-state actors have different criteria and evaluation methods. While some definitions exclude discretionary income and savings or deny the worker leisure spending or emergency funds, other definitions exclude tax and only account for the gross wage or do not specify the hours of a working week, ignoring the particularly prevalent issue of forced overtime in the garment industry (LeBaron et al. 2021).

This paper shows that action on defining and implementing a living wage in the fashion industry has come from non-state actors. Non-state actors have applied pressure on the private sector to address the issue, resulting in brands and retailers adopting (and creating) a multitude of living wage initiatives and methodologies. However, this voluntary nature translates to limited resources for monitoring and limited mechanisms to drive compliance. The fragmented action on improving a living wage allows brands and retailers to participate in living wage initiatives or adapt definitions that best serve their interests. Additionally, the creation of obligations by non-state actors means that governments have no international obligations arising with respect to living wages. This places governments in the Global South in a conflicted position where they allow multinational corporations to take advantage of their populations on the basis that it will provide formal employment while also being aware that factory conditions raise a number of human rights concerns.

The variance between living wage requirements from the non-state actors' governance is demonstrated in Figure 1. Figure 1 was drawn from an analysis by the Fair Labor Association (FLA) to show the large wage gap between different approaches and definitions of a living wage, illustrating how brands and retailers can claim they are taking responsibility and yet be supporting substantially different 'living wages'.

As Figure 1 demonstrates, different definitions of a living wage allow for drastic differences in wage calculations. This paper favours the Clean Clothes Campaign's (as cited in LeBaron et al. 2021: 4) definition of no more than 48 hours per week and a wage that allows for a family's housing, education, healthcare and small savings for unexpected expenses to be covered. The 48-hour work week is derived from the ILO *Hours of Work (Industry) Convention, 1919.* The Clean Clothes Campaign definition is preferred because it specifies parameters around working hours and 'basic needs' and includes important discretionary funds crucial for emergency spending (e.g., during a global pandemic). From a gender perspective, a formula that includes enough to cover costs for children and healthcare is essential because these are expenses that women are commonly expected to meet at the household level (Boserup et al. 2007)

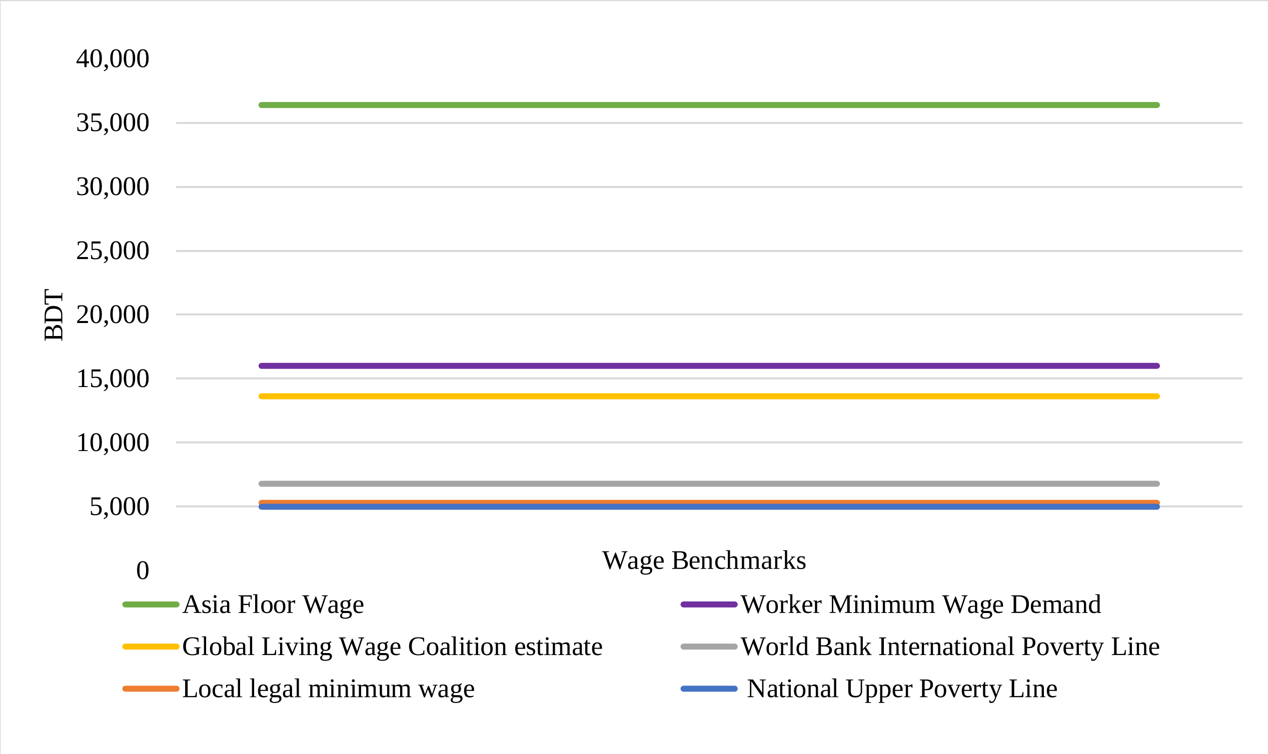

Figure 1. The variance between monthly wage benchmarks in Bangladesh, 2015 to 2017 (FLA n.d.)

This paper applies Young's (2006) social connection model to determine responsibility for paying a living wage. The paper starts by situating the problem of low garment worker wages as a structurally unjust issue perpetuated by compounding forces in global apparel production. Young's conception of structural injustice and their related social connection model is utilised to demonstrate the complex nature of low wages and pinpoint brand and retailer responsibility to address the issue. McKeown's (2017) theory of structural exploitation is also used to frame low wages as a gendered issue, and feminist literature is drawn upon to describe the oppression of female garment workers. These theories are then used to critique two living wage methodologies and three living wage initiatives, assessing the degree to which powerful global value chain (GVC) actors are evading responsibility. The paper finds that the largest and most powerful actors (fashion brands and retailers) are failing to use their power and influence to disrupt the structural issues responsible for low wages.

Structural Injustice and the Responsibility to Address it

Structural injustice theory is largely attributed to Young (2006, 2010), whose work explored political theory, gender, race and justice. Young (2010: 52) defined structural injustice as the culmination of:

> social processes [that] put large categories of persons under a systematic threat of domination or deprivation of the means to develop and exercise their capacities, at the same time as they enable others to dominate or have a wide range of opportunities for developing and exercising capacities.

Young (2006), developing on social structure theories, stated that social structure is a multidimensional space filled with processes, positions, interactions and actors, offering differing and unequal opportunities. In this space, unjust norms are produced and reproduced to become morally acceptable (Young 2010). Young (2006) argued that actors operate in these structures to their benefit, attracting no liability within these structures and thus, being able to avoid or shift blame. However, Young (2006, 2010) argued that actors who are *connected* to and operate in these structures (and particularly those who benefit from such structures) should be held responsible.

Young's (2006, 2010) social connection model is based on five principles: (1) no isolation of perpetrators; (2) criticism of accepted social norms; (3) proactive as opposed to reactive action; (4) shared responsibility; and (5) collective action. Young (2006) argued that the greatest responsibility to address injustice should sit with those who have power, privilege, interest or collective ability to enact change. In this model, 'power' refers to the capacity to influence change, 'privilege' refers to the ability to leverage advantages to instigate change, 'interest' involves incorporating the perspectives of the key beneficiaries arising from the structural change, and 'collective action' refers to obligations arising for all within the supply chain to take action (Young 2006, 2010). This paper applies Young's theory to connect brands and retailers as the most powerful actors in apparel GVCs who hold the power, privilege and collective ability to take action on implementing a living wage.

Low Wages as Structural Injustice

Poverty wages are embedded into the very structure of apparel production that favours profit over people. In this paper, 'poverty wages' is used to describe wages that are so low that workers are unable to escape poverty despite being employed full-time. The acceptance of poverty wage norms and practices within GVCs can be construed as *structurally unjust*, having become an accepted characteristic of apparel GVCs (Young 2006). As this section will demonstrate, the causes of poverty wages are multiple and compounding and attributable to multiple actors within global production networks, making it both difficult and redundant to isolate blame to a single cause or actor.

The apparel production system is a complex web of connections and activities that appears nearly impossible to detangle, with many researchers across industry, academia and civil society attempting to pull at its threads (see, e.g., foundational authors, Barrientos 2019; Barrientos and Smith 2007; Anner 2012, 2019; Anner et al. 2013; Gereffi 1994; Gereffi and Frederick 2010; Gereffi et al. 2005; Gereffi and Memedovic 2003; see also, Oxfam publications, Raworth 2004; Nayeem Emran et al. 2019; see also, publications from the Clean Clothes Campaign, Maher 2009; Luginbühl 2019). A key finding within this research has been the identification of the collective power and influence that corporate brands and retailers hold and how they have used this power to drive wages down through their purchasing practices (Gereffi et al. 2005; Raworth 2004).

Gereffi (1994) described apparel GVCs as buyer-driven, referring to the practices of buyers seeking out the cheapest production prices (and thus, cheapest labour) and shifting production to increase corporate profit. Purchasing power provides brands and retailers with immense power in the supply chain, resulting in excessive competitive pricing among suppliers and across countries. This drive for higher profit margins results in a disregard for workers' rights and has constrained workers' wages in the form of short-term contracts, informal and home-based work, excessive overtime, exclusion of benefits (e.g., maternity leave), underpayment and non-payment of wages, and generally low legally mandated wages (Barrientos 2019; Raworth 2004).

Brands evade responsibility for paying a living wage by blaming other actors within supply chains as those responsible for poverty wages. A common approach is to frame labour issues as factory-level problems (Anner 2012) and then claim that they have limited power to influence suppliers (Starmanns 2017). Brands also claim that paying more than their competitors puts them at an unfair disadvantage and argue that paying higher wages to suppliers will not guarantee that suppliers will pass along higher wages to workers (ACT n.d.). This means that, rather ironically, brands blame the decentralised, temporary nature of apparel GVCs, created by them as the systematic barrier preventing payment of fair wages. As a result of this conduct, factories do not have enough money to pay a living wage to workers and do not apply pressure on their buyers out of fear they will lose business (Miller 2013). Governments within the Global South are also hesitant to improve labour standards, fearing that brands will relocate production if they raise minimum wages and pay related working entitlements (Bhattacharjee and Roy 2016; Miller and

Williams 2009). Unions, suppressed by suppliers and governments, are then limited to agitating for minor increases in minimum wages if they are able to unionise at all (Ford and Gillan 2017).

Figure 2 visualises the power dynamics at play in apparel GVCs and illustrates which actors have the most power and influence in the industry, brands and retailers. Garment workers' wages account for about 1% to 3% of the garment price, with the majority of profit retained by fashion brands and retailers (Bhattacharjee and Roy 2016). However, these predominately Global North companies are immensely wealthy—for example, Inditex (2022) reported a net profit of EUR3.24 billion for the 2021/2022 fiscal year—and thus, operate in a privileged position. Additionally, their collective ability to act on living wages is well established, with a history of industry bodies and multi-stakeholder initiatives where brands and retailers are key members (Baumann-Pauly et al. 2017). Young's (2006,2010) model is used to position brands and retailers as the actors with the greatest resources and, thus, responsibility for remedying the structural injustice of poverty wages.

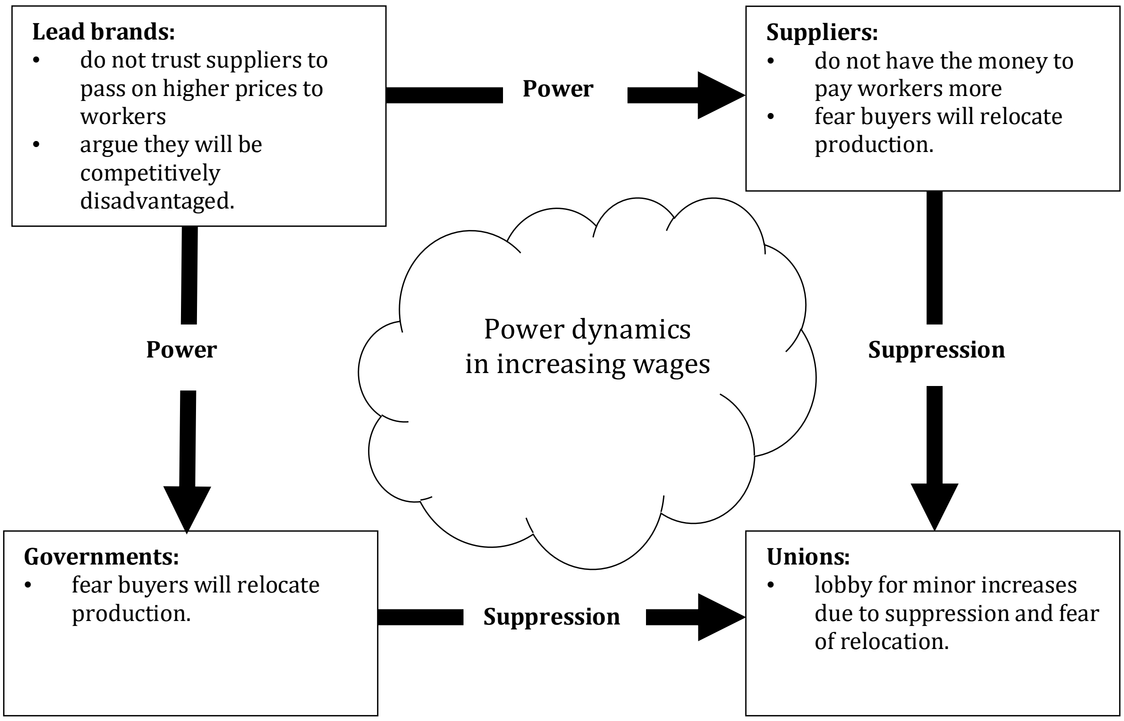

Figure 2. Power dynamics in global value chains (created by the authors)

Norms that Justify Exploitation and Slow Improvement

Brands and retailers' failure to address poverty wages is the result of the accepted norms within the industry, capitalism and Eurocentric thinking. These norms are what Young (2006) characterised as the undisputed 'background conditions' that perpetuate injustice. In the fashion industry, globalisation and the lineage of colonisation have established norms that justify the exploitation of workers as necessary for the development of the people and country (see Powell 2014; Robinson 1964). Labour exploitation and poverty wages are fundamental to the business models that these companies operate (LeBaron 2014). Corporations have not only deliberately structured global apparel production to avoid legal ownership and liability, but they also utilise the complexity of GVCs as an excuse for failing to improve pay conditions. However, there is rarely a discussion of the business models that perpetuate low wages (LeBaron 2014).

Persisting norms in apparel GVCs both legitimise poverty wages and excuse inaction on the basis that the system operates transnationally across jurisdictions with varying legal structures and protections

(LeBaron, 2014). Global capitalist norms and the pursuit of profit further justify the use of suppliers in countries with the lowest wages (Selwyn, 2019). While some brands and retailers have explored options for reshoring fashion production to address social and environmental concerns, the background conditions of the GVC model mean that local manufacturing and capacity is limited within the Global North (Ashby, 2016). This makes it difficult for individual actors to rationally take radical action to address these issues in isolation.

Sweatshop Labour as Structural Exploitation of Women

Structural injustice goes beyond our geopolitical and economic systems and also calls for recognition of the structure of patriarchy and gender-based oppression. McKeown (2017) furthered Young's (2006,2010) conception of structural injustice by expanding on the gendered and racial structures that contribute to injustice. McKeown (2017: 158) described structural exploitation as 'the forced transfer of the productive powers of *groups* positioned as socially inferior to the advantage of groups positioned as socially superior' (emphasis added). McKeown's (2016) intersectional perspective on structural exploitation provides an appropriate lens through which to analyse and critique living wage methodologies and initiatives.

Most garments in apparel GVCs are sewn by a woman in the Global South who is grossly underpaid (Raworth 2004) and has limited power in systems that reproduce gender inequality norms. Yet the majority of GVC scholarship fails to recognise the gendered experiences of workers within global supply chains (Ahmed 2018; Vijeyarasa 2020), and as the analysis below will demonstrate, most living wage initiatives and methods are gender-neutral at best. A feminist analysis of labour across global assembly lines provides insights into how contemporary capitalist systems entrench gender inequality (Mezzadri and Majumder 2020). This paper draws upon feminist critiques of apparel GVCs to show that gender inequality norms also play a role in enabling the payment of poverty wages. The following discussion demonstrates structural injustices experienced by the predominately female garment workers in apparel GVCs and shows how the failure to provide a living wage to this feminised workforce contributes to a cycle of invisible labour, debt, ill-health and enhanced responsibilities.

There is growing evidence demonstrating that female garment workers remain indebted during the entire period of their working lives (Khan and Richards 2021). Studies have shown that the predominantly female workforce enters the workforce carrying debt that they are unable to pay off while working full-time in garment factories (Mezzadri and Majumber 2020). Additionally, it has also been found that workers often go deeper into debt while employed in garment factories as a result of poverty wages being insufficient to meet basic living expenses (Lawreniuk 2020; Luginbühl 2019). A study conducted in Cambodia after the COVID-19 lockdowns, when several factories suspended garment work, found that of the 162 garment workers interviewed, 158 (98%) held at least one loan and the majority (106/65%) held a microloan. Of these microloan holders, 76 (72%) had already reduced their food intake to pay the loan and, most concerningly, 16 (15%) had sold their land to repay their loan. The most common reason for taking any kind of loan was to repay another loan, and 86 (81%) of microloan holders reported that their livelihoods worsened after taking the loan (Cambodian Alliance of Trade Unions et al. 2020). This indebtedness means that there are enduring effects of poverty wages even after income is improved, and delays in implementing living wages deepen the hole that workers must climb out of. Therefore, a living wage that does not consider the enduring effects of poverty wages on future circumstances will fail to afford workers decent lives.

Garment work is often described as 'unskilled work' that is 'relatively safe' (Vergès 2021). Though in reality, this work depletes women's bodies to the point of unemployment. A life history analysis of garment workers in India found a 'revolving door' of garment workers entering and exiting the workforce, leaving for care responsibilities or due to frustration. The study found that most women leave sweatshops permanently by the age of 35 to 40 as a result of employers imposing this age or as a result of their exhaustion, body depletion and other caring responsibilities (Mezzadri and Majumder 2020). Action to address living wages should account for this burden on women's bodies and consider both the immediate and long-term effects of garment work on women's health (Prentice et al. 2018).

Feminist studies also show that women's entry into formal employment within apparel GVCs has produced complex social and cultural changes and has doubled women's workload. Despite women entering the paid workforce, unpaid care responsibilities for children, husbands and family are ongoing, with such care roles now squeezed in before the long, arduous shifts at the factory (Nayeem Emran et al. 2019). Additionally, transnational feminists have argued that interventions focused on increasing income for women, absent of a change in gender roles, can decrease women's status relative to men (Khader 2019: 54). While poverty wages are an accepted norm within apparel GVCs, the entry of women into paid employment has not necessarily improved their standard of life but has increased their responsibilities and workloads.

While brands and retailers find ways to justify their inaction or incremental improvement, women become more indebted, endure more negative health effects and become ever more exhausted by their domestic and factory work (Khan and Richards 2021; Mezzadri and Majumder 2020; Prentice et al. 2018). Truly transformational living wages initiatives need to account for the conditions that women endure while receiving poverty wages and the long-term effects on their health.

Structural and Gendered Analysis of Living Wage Methodologies and Initiatives

In the absence of guidance from state-based regimes, living wage methodologies and initiatives have been created by non-state actors. This section draws upon Young's (2006, 2010) structural responsibility model and assesses gender considerations of two living wage methodologies and three living wage initiatives. The methodologies examined are the Asia Floor Wage Alliance (AFWA) and Global Living Wage Coalition (GLWC). The living wage initiatives examined are the ACT, FLA and Fair Wear Foundation (FWF). Young's (2006, 2010) theory is used to highlight the performative action of brands and retailers engaging in these processes and argue that brands need to use their collective power and privilege to address living wages in their value chains. The analysis also considers how workers' voices have been included and argues for the prioritisation of workers' perspectives as those with lived experiences in dealing with problematic gendered and capitalist norms of apparel GVCs. This analysis also shows that most of these initiatives are either gender blind, meaning they do not account for the diverse roles and needs of women (UN Women Training Centre n.d.a), or gender-neutral, meaning they do not value a gendered perspective (UN Women Training Centre n.d.b). They fail to recognise the predominately female workforce, the structural barriers contributing to female underpayment and the lack of understanding about female unpaid care modes. Tables 1 and 2 provide summaries of the paper's findings.

Table 1. Summary of living wage methodology findings

Methodology	Worker-Informed	Gender-Sensitive	Multinational Brand and Retailer Engagement
AFW	Y	Y	N
GWLC	Y	N	Y

Notes: AFW = Asia Floor Wage; GWLC = Global Living Wage Coalition

Table 2. Summary of living wage initiative findings

Initiative	Leading Brands*	Methodology	Reproduce Unethical Norms	Utilise Brand/Retailer Power/Privilege
ACT	H&M Inditex (Zara) Primark C&A Next	None	Y	N
FLA	Adidas Fast Retailing Hanesbrands Inc. (Bonds)	GWLC	Y	N
FWF	No leading brands Notable brands include: Nudie Jeans Acne Studios	AFWA GWLC	N	Y

Notes: *According to Fashion United (n.d.). ACT = Action, Collaboration, Transformation; FLA = Fair Labor Association; FWF = Fair Wear Foundation; GWLC = Global Living Wage Coalition; AWFA = Asia Floor Wage Alliance

Methodology 1: Asia Floor Wage Alliance—Transformational Change Dismissed by Brands

The Asia Floor Wage (AFW) is an established benchmark in the Asian manufacturing market located in South and Southeast Asia, a key global manufacturing hub for apparel (Ford and Gillan 2017). The AFWA is a bottom-up initiative because it emphasises worker organisation as the key agitation tool to achieve a living wage (Ford and Gillan 2021). The AFWA centres representatives from the Global South (Asia) because they are the most interested and knowledgeable parties regarding increasing wages. Importantly, AFWA acknowledges that meaningful reform will not come from brands or activists of the Global North but from empowered workers of the Global South (Merk 2010). Worker-led approaches align with transnational feminist critiques that are critical of white saviour approaches, which involve foreigners assuming responsibility for change without having a clear understanding of the place, culture, economic and political factors blocking reforms (Siddiqi 2009).

The AFWA calculates a wage in terms of an imaginary World Bank currency, 'PPP', which can be translated into the currency of the local country. A living wage is defined as income from a regular working week (maximum 48 hours and excluding benefits) that can support a worker and their dependants (usually one adult and two children), housing, food (3000 calories per adult), education and healthcare (AFWA n.d.a, n.d.b). This initiative contains some gendered considerations, such as recognising the load of unpaid domestic and care work that women typically undertake (AFWA n.d.b). The methodology also acknowledges that wage dependants include people outside the nuclear family because women often endure the social expectation to care for sick family members or meet the needs of their parents, who might look after their children while they are working (Luginbühl 2019).

The AFWA approach has stagnated because it has received limited buy-in from industry stakeholders who hold the power, privilege and collective ability to implement this methodology. Brands have criticised the methodology as being too expensive (Miller and Hohenegger 2016), and unions in Indonesia and Cambodia, while somewhat supportive, have deemed the benchmark unrealistic (Bhattacharjee et al. 2015; Ford and Gillan 2017). Union positions reflect the power dynamics of the value chain (see Figure 2). Because unions hold limited bargaining power in GVCs, campaigns for radical pay increases are generally avoided, with emphasis placed on achieving smaller gains (see the difference between AFW and the worker minimum wage demand in Figure 1) (Ford and Gillan 2017). Because AFWA places responsibility for increasing wages on brands, a fundamental barrier to implementing this approach has been brands' lack of adoption of collection action from brands and retailers of this methodology. As a result, the majority of female garment workers in Asia continue to be underpaid (Bhattacharjee and Roy 2012).

Methodology 2: Global Living Wage Coalition—Rigour- and Place-Based but Gender-Neutral

The GLWC and related Anker methodology bring methodological rigour to the debate on what constitutes a living wage via a technical approach (Ford and Gillan 2021). GLWC adopted the definition of a living wage from a 2011 ILO report that systematically reviewed how living wage was described, defined and measured (Anker 2011). GLWC defines a living wage as:

> the remuneration received for a standard workweek, by a worker in a particular place, sufficient to afford a decent standard of living for the worker and her or his family including: food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. (GLWC n.d.: [2])

This approach acknowledges the unique context of garment workers in different geographical locations and further facilitates local union bargaining agreements through a justifiable living wage (Ford and Gillan 2021). Despite the GLWC's more nuanced place-based approach, this method is gender-neutral.

While both the AFWA and GLWC methodologies have different strengths for calculating a living wage, brands and retailers have continued to claim confusion around what constitutes a living wage. Both methods are worker-informed and methodologically rigorous; however, only the AFWA method accounts for women's double burden of responsibilities by incorporating unpaid domestic work into their methodology. Luginbühl (2019) explained that the key difference between the methodologies is the calculation of consumption units. The AFWA approach includes two adults and two children in their calculation, while the Anker method reviews the wage earner to wage dependant ratio for a household. However, since women often endure a double burden of responsibilities and are time-poor, AFWA and Luginbühl (2019) have argued that a gender-sensitive methodology must include the ability to pay for care work (looking after older people or paying grandparents/siblings that help with child rearing). Additionally, considering the extensive hours that garment workers endure coupled with the social care expectations of women, time poverty needs to be better addressed in living wage calculations. Women do not have time to participate in union activities when they have so many other domestic responsibilities (Merk 2010). Nor do they have the time to seek out the cheapest food calculated to ensure they meet decent nutrition requirements (Luginbühl 2019).

Initiative 1: Action, Collaboration, Transformation—Optimistic but Performative

ACT is the popular living wage initiative embraced by major buyers (e.g., Inditex, H&M and PVH) (Ford and Gillan 2021) because it does not require them to take immediate, drastic action on living wages. Instituted in partnership with IndustriALL Global Union (the manufacturing global union federation) and leading brands, the initiative intends to achieve a living wage via country-level, industry-wide collective bargaining agreements (CBA) between manufacturers, trade unions and governments. Upon an agreement being signed, brand and retailer signatories 'support' the CBA through purchasing commitments that include higher wages calculated into pricing, long-term partnerships and designating that country as a preferred sourcing location (ACT 2018). The initiative argues that by setting a country-wide wage floor, manufacturers will have to compete through efficiency, quality and industrial upgrading rather than pushing down wages (ACT 2018). The key problem with this initiative is that the resolution of a living wage is conveniently pushed into some utopian future where 'competition' acts to drive prices up rather than down. Since its inception in 2015, no significant steps towards a living wage have been achieved (ACT n.d.; LeBaron et al. 2021). Brands and retailers performatively engage in this initiative to address living wage issues, which requires no change from businesses.

These aspirational CBAs would be legally enforceable; however, they exclude critical actors in the supply chain who yield the most power, buyers. Instead of being held legally accountable, the ACT initiative positions brands as 'supportive' actors who will 'commit' to improving their purchasing practices to align with increased wages and improved forecasting and planning (ACT n.d.). This language mimics the decades-old language in voluntary codes of conduct that have proven largely ineffective (Barrientos and Smith 2007; Egels-Zandén and Lindholm 2015; Yu 2008).

ACT has been critiqued as a 'whitewashing' strategy that continues to place responsibility on factories and governments while allowing brands reputational benefits of membership (Bhattacharjee as cited in Godrej 2020). The 'frequently answered questions' response on the ACT website reads: 'why do brands not simply pay higher wages to garment workers?' The answer: (1) there is no mechanism to ensure higher purchasing prices would be transferred to workers; (2) since suppliers usually service more than one brand, one buyer paying higher prices would cross-subsidise other buyers' purchase orders; (3) other suppliers would be pressured into paying higher wages they cannot afford without buyer support; and (4) brands paying higher purchasing prices will be competitively disadvantaged by those companies who are not trying to improve living wages (ACT n.d.). ACT supplies this response without any references to empirical evidence and instead refers to the accepted norms within apparel GVCs that encourage profit over people and negate a critical analysis of their own business models. Further, implicit in this response is the framing of irresponsible and 'untrustworthy' factory owners in the Global South as compared with the 'would be good doers' in the Global North implementing rational business logic and conveniently ignoring the immense power and privilege that the Global North could draw upon to enact change.

ACT founders have argued that unilateral action on living wages is futile because the only way to guarantee workers are receiving a living wage is if 100% of the factory capacity is captured by a single buyer (Ashwin et al. 2020). Such logic, requiring sudden collective action or no action at all, alleviates brands of responsibility until everyone is sharing the responsibility. The ACT initiative feigns collective action through its multiple brands and retailers' signatories; however, in practice, it largely fails to utilise the power, privilege and collective ability of brands to enact transformational change. With ACT justifying its all-or-nothing approach, women continue to fall deeper into debt, failing to meaningfully benefit from this initiative.

Initiative 2: Fair Labor Association—Data- and Productivity-Driven, Gender Blind

The FLA is a multi-stakeholder initiative that requires member companies to voluntarily commit to a compliance regime monitored through internal self-assessment and third-party evaluation by the FLA (Camilleri 2015). Established in the late 1990s, the FLA *Workplace Code of Conduct* has become the default standard for the apparel industry (Baumann-Pauly et al. 2017). Initially, the code did not include a living wage standard. Though, the initiative has since adopted the GLWC definition (Posner 2021; Prakash Sethi and Rovenpor 2016). However, FLA (2016) does not advocate for specific wage levels but instead proposes that members collaborate with local stakeholders to determine a wage goal, rendering their adoption of the GLWC redundant.

The FLA has adopted a technical approach to improving wages by persuading members to collect compensation data from their suppliers, map that data against industry benchmarks (including the GLWC and AFWA) and publish their commitments for improvement (Bhattacharjee and Roy 2012; FLA 2021). The FLA has suggested that wage increases will come about through 'internal conversations' (FLA 2020), improved purchasing practices (forecasting, planning and communication) and worker incentive pay (FLA 2021). An incentive-based approach to improving wages somewhat positions the issue of low wages as the fault of workers' lack of productivity and fails to recognise that women's abilities to increase their productivity are dependent upon them having adequate rest from paid and unpaid work and the ability to afford nutritious food. It also exemplifies Eurocentric thinking that places the Global South as inferior when, in fact, garment workers' productivity is comparatively higher compared with similar firms in the Global North (Ness, 2015, at cited in Selwyn 2019: 82). Additionally, as Miller and Williams (2009: 111) have argued, productivity increases only bring wages up to the bare minimum of a living wage, so workers are not gaining additional value from their hard work.

Although the practice of collecting compensation data increases the likelihood of paying a living wage (Platform Living Wage Financials 2021), with some FLA members increasing wages (FLA 2021), the obligations placed upon FLA members are weak and unlikely to create the transformational system changes needed to sustain women's lives and families. Refusing to advocate for a specific methodology further muddies the waters on living wage debates and impedes buyers' collective ability to agree upon a living wage benchmark. As a result, buyers select the cheapest living wage methodology and thus, deny women gender-sensitive living wages set by AFWA.

The FLA (2020) has acknowledged that brands may struggle to implement improvements alone but has encouraged brands to make progress individually despite a lack of collection action. As such, they advocate individual responsibility to form collective action on living wages. The FLA *Workplace Code of Conduct* and membership offers few practical benefits for workers due to the voluntary nature of membership, and participation is based on self-assessment with the incremental approach favouring corporations as opposed to worker interests. Prakash Sethi and Rovenpor (2016) identified the level of corporate control and the FLA's limited evidence of progress, along with its reputation for letting brands with noncompliant factories gain accreditation, as key failures of the initiative. Further, Baumann-Pauly et al. (2017) and Anner (2012) highlighted the lack of worker representation in governance structures, arguing that top-down solutions are preferred over worker-led approaches because it allows brands to have more control over the process resulting in less accountability.

Initiative 3: Fair Wear Foundation—Independent and Fair but Small Reach and Gender-Neutral

The FWF was co-founded in the late 1990s by the activist group Clean Clothes Campaign in collaboration with labour unions and retail associations. FWF's strict expectations have not attracted any leading brands to join the initiative, with its membership base consisting of smaller European brands sourcing from 22 suppliers in various countries (Ford and Gillan 2021). Therefore, its effects are limited by the collective ability of smaller buyers compared to multibillion-dollar buyers like Inditex (ACT member).

The FWF has adopted the AFWA and GLWC methodologies and defines a living wage as a:

> wage paid for a standard working week that meets the basic needs of workers and their families and provides some discretionary income. "Basic needs" further include costs like housing (with basic facilities including electricity), nutrition, clothing, healthcare, education, drinking water, childcare, transport, and savings. (2019: 5)

The FWF argues that a living wage is merely the starting point in collective bargaining and should not be mistaken as the end goal. It has provided tools to members to support 'bottom-up' pricing, whereby workers' wages are the starting point for costing orders compared with the target retail price (FWF 2019; Ford and Gillan 2021). This is calculated through a labour minute costing methodology, which calculates the cost of labour per minute to produce each garment. It is a highly credible approach endorsed by unionists and academics (Bhattacharjee and Roy 2016; Miller 2013). Accounting for a living wage in these calculations means brands are paying their fair share whether or not other buyers are doing the same. Since a buyer may only take up a small percentage of production capacity, it is unlikely that workers will be paid a living wage; however, there will be a larger pool of money to increase wages how workers see fit (e.g., distribute to the lowest-paid workers) (FWF 2019). The pilot programs that the FWF has implemented with members have proven to increase wages for workers (FWF 2016).

The FWF advocates for buyer responsibility for poverty wages. It rejects efficiency-based living wage models and agitates for increased funding from brands to apply transparent wage and costing methods and ensure worker-driven decision-making (FWF 2019). The initiative acknowledges the importance of collective action to achieve a living wage. However, it does not excuse brands and retailers from taking action on the basis that not all buyers in a factory are acting in good faith. As such, responsibility is scaled to brand capacity and is in direct contrast to the ACT approach, which explains the lack of leading companies engaging with this initiative.

Conclusion

Brands and retailers are able to avoid responsibility for paying a living wage by reproducing norms allowing for exploitation and dispersing responsibility to others to reduce their own responsibility (Khan and Richards 2021). This paper has positioned poverty wages as a structurally unjust practice that is attributable to many causes and perpetuated by multiple actors in global production networks. With the goal of overcoming the dispersed nature of the problem, this article has drawn on Young's social connection model to connect brands and retailers with the responsibility to address poverty wages. While it may appear as if brands and retailers are taking responsibility in the form of memberships with living wage initiatives, our analysis shows engagement with these initiatives, particularly ACT and the FLA, are performative and failing to improve wage conditions. This failure has been identified in three forms: (1) the lack of gendered considerations; (2) the exclusion of workers' voices and their lived experiences; and (3) the failure of brands to take collective action and hold themselves accountable.

With respect to gender, the ACT and FLA (and the related GWLC methodology) fail to consider the gendered nature of garment factory work and thus, ignore the gendered consequences arising from women's employment in apparel supply chains. These living wage calculations do not address the issues faced by women, including the double burden of responsibility, entrenched debt accrued through underpayment and ongoing health implications. In terms of workers' voices, the corporate domination of living wage initiatives prioritises the interests of brands and retailers over workers and excludes the critical voices that have the greatest stake in the establishment of living wages. This exclusion allows for the justifications of the 'all-or-nothing' (ACT) approach as opposed to buyer accountability with or without collective action (the FWF approach). Issues of increasing corporate responsibility remain beyond the reach of living wage initiatives. Because these initiatives are voluntary, brands choose to engage in initiatives that require no substantive action and accept norms of competitive pricing and profit as the most important issues.

While these are major failings, it is conceded that signing up for living wage initiatives furthers the ability for collective action. However, rather than push action towards a utopian future, brands involved in ACT and the FLA should define incremental steps that can be trialled, reported upon and scaled up to improve payment rates. Incremental improvements should result in incremental increases in worker wages as collective action increases, not as brands decide to incrementally scale up their individual responsibilities. Individual responsibility and collective action must be carefully balanced so that inaction on behalf of other powerful actors does not excuse the inaction of another. Further, if living wage calculations do not account for the gendered dynamics of garment work, living wage initiatives will not bring female garment workers out of poverty. Finally, a living wage will still undervalue the skill and expertise of garment workers. As such, this paper agrees with the FWF's (2019:5) statement that a 'living wage is only a starting point and not the end goal'. The labour, skill and expertise of women across GVCs need to be equitably recognised and their skills adequately compensated.

Acknowledgments
The authors would like to acknowledge funding from the Cotton Research and Development Corporation for the project: Strategies for improving labour conditions within the Australian cotton value chain.

Correspondence: Justine Coneybeer, PhD Candidate, School of Justice, Queensland University of Technology, Brisbane, Australia. J.coneybeer@qut.edu.au

References

ACT (2018) *Economics of the ACT approach*. https://actonlivingwages.com/2018/11/27/economics-of-the-act-approach/

ACT (n.d.) *FAQ*. https://actonlivingwages.com/who-we-are/faqs/

Ahmed FE (2018) Voice and power: Feminist governance as transnational justice in the globalized value chain. *Business Ethics: A European Review* 27(4): 324-336. https://doi.org/10.1111/beer.12192

Anker R (2011) *Estimating a living wage: A methodological review*. Geneva: International Labour Office. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_162117.pdf

Anner M (2012) Corporate social responsibility and freedom of association rights: The precarious quest for legitimacy and control in global supply chains. *Politics & Society* 40(4): 609-644. https://doi.org/10.1177/0032329212460983

Anner M (2019) Predatory purchasing practices in global apparel supply chains and the employment relations squeeze in the Indian garment export industry. *International Labour Review* 158(4): 705-727. https://doi.org/10.1111/ilr.12149

Anner M, Bair J and Blasi J (2013) Toward joint liability in global supply chains: Addressing the root causes of labor violations in international subcontracting networks. *Comparative Labor Law and Policy Journal* 35(1): 1-43.

Ashby A, (2016) From global to local: reshoring for sustainability. *Operations Management Research* 9 (3): 75–88. https://doi.org/10.1007/s12063-016-0117-9

Ashwin S, Oka C, Schuessler E, Alexander R and Lohmeyer N (2020) Spillover effects across transnational industrial relations agreements: The potential and limits of collective action in global supply chains. *ILR Review* 73(4): 995-1020. https://doi.org/10.1177/0019793919896570

Asia Floor Wage Alliance (n.d.a) *Calculating a living wage*. https://asia.floorwage.org/calculating-a-living-wage/

Asia Floor Wage Alliance (n.d.b) *Living Wage: Concept*. https://asia.floorwage.org/our-work/#tab-id-2

Barrientos S (2019) Gender patterns of work in global retail value chains. In *Gender and work in global value chains: Capturing the gains?* 49-78. Cambridge: Cambridge University Press. https://doi.org/10.1017/9781108679459.004

Barrientos S and Smith S (2007) Do workers benefit from ethical trade? Assessing codes of labour practice in global production systems. *Third World Quarterly* 28(4): 713-729. https://doi.org/10.1080/01436590701336580

Baumann-Pauly D, Nolan J, van Heerden A and Samway M (2017) Industry-specific multi-stakeholder initiatives that govern corporate human rights standards: Legitimacy assessments of the Fair Labor Association and the Global Network Initiative. *Journal of Business Ethics* 143(4): 771-787. https://doi.org/10.1007/s10551-016-3076-z

Bhattacharjee A and Roy A (2012) Asia Floor Wage and global industrial collective bargaining. *International Journal of Labour Research* 4(1): 67-83. https://nationalminimumwage.co.za/wp-content/uploads/2015/09/0203-Asia-Floor-Wage-and-global-industrial-collective-bargaining3.pdf

Bhattacharjee A and Roy A (2016) Bargaining in garment GVCs: The Asia Floor Wage. In Nathan D, Tewari M and Sarkar S (eds) *Labour in global value chains in Asia*: 78-93. Cambridge: Cambridge University Press. https://doi.org/10.1017/9781316217382.006

Bhattacharjee A, Roy A, Bhardwaj K and Ghosh S (2015) Towards an Asia Floor Wage: A Global South initiative for garment workers in Asia. *South-South Dispatch* https://asia.floorwage.org/towards-an-asia-floor-wage/

Boserup E, Su Fei T and Camilla T (2007) *Woman's role in economic development*. London: Routledge. https://doi.org/10.4324/9781315065892

Cambodian Alliance of Trade Unions, Centre for Alliance of Labor and Human Rights and Cambodian League for the Promotion and Defense of Human Rights (2020) *Worked to debt: Over-indebtedness in Cambodia's garment sector*. https://www.licadho-cambodia.org/reports.php?perm=230

Camilleri MA (2015) Fair Labor Association (FLA). In Idowu SO, Capaldi N, Fifka MS, Zu L and Schmidpeter R (eds) *Dictionary of corporate social responsibility: CSR, sustainability, ethics and governance*: Springer International Publishing. https://www.springer.com/gp/book/9783319105352

Egels-Zandén N and Lindholm H (2015) Do codes of conduct improve worker rights in supply chains? A study of Fair Wear Foundation. *Journal of Cleaner Production* 107: 31-40. https://doi.org/10.1016/j.jclepro.2014.08.096

Fashion United (n.d.) *Combined top 200 fashion brands, public/private*. https://fashionunited.com/i/top200/

Fair Labor Association (2016) *Toward fair compensation in global supply chains*. https://www.fairlabor.org/projects/toward-fair-compensation-in-global-supply-chains/

Fair Labor Association (2020) *The Fair Labor Association's 2020 fair compensation strategy*. https://www.fairlabor.org/issues/living-wage/

Fair Labor Association (2021) *Reaching living wage for garment workers*. https://www.fairlabor.org/projects/reaching-living-wage-for-garment-workers/

Fair Labor Association (n.d.) *Country net wage analysis: Example of Bangladesh and Vietnam*. United Nations Global Compact. https://livingwages.unglobalcompact.org/country-net-wage-analysis.html
Fair Wear Foundation (2016) *Living wages: An explorer's handbook. Piloting living wages in garment factories*. https://api.fairwear.org/wp-content/uploads/2019/10/Fair-Wear-Explorers-Notebook.pdf
Fair Wear Foundation (2019) *Understanding Fair Wear's approach to living wages*. https://api.fairwear.org/wp-content/uploads/2019/10/Fair-Wear-Living-Wage-Approach-report-v03.pdf
Ford M and Gillan M (2017) In search of a living wage in Southeast Asia. *Employee Relations* 39(6): 903-914. https://doi.org/10.1108/ER-02-2017-0046
Ford M and Gillan M (2021) Living wage initiatives in the garment sector: Insights from Southeast Asia. In Dobbins T and Prowse P (eds) *The living wage*: 191-205. London: Routledge. https://doi.org/10.4324/9781003054078
Gereffi G (1994) The organization of buyer-driven global commodity chains: How U.S. retailers shape overseas production networks. In Gereffi G and Korzeniewicz M (eds) *Commodity chains and global capitalism*: 95-122. Westport: Praeger.
Gereffi G and Frederick S (2010) The global apparel value chain, trade, and the crisis: Challenges and opportunities for developing countries. In Cattaneo O, Gereffi G and Startitz C (eds) *Global value chains in a postcrisis world: A development perspective*: 157-208. Washington, DC: The World Bank. http://hdl.handle.net/10986/2509
Gereffi G, Humphrey J and Sturgeon T (2005) The governance of global value chains. *Review of International Political Economy* 12(1): 78-104. https://doi.org/10.1080/09692290500049805
Gereffi G and Memedovic O (2003) *The global apparel value chain: What prospects for upgrading by developing countries*? Vienna: United Nations Industrial Development.
Global Living Wage Coalition (n.d.) *The Anker methodology for estimating a living wage*. https://www.globallivingwage.org/about/anker-methodology/
Godrej D (2020) For a few cents more. *New Internationalist*, 20 April. https://newint.org/features/2020/02/10/few-cents-more
Hirsch D and Valadez-Martinez L (2017) The meaning, origins and development of a living wage. In *The living wage*: 1-20. Agenda Publishing. https://doi.org/10.2307/j.ctv5cg8j7.7
Inditex (2022) *Inditex FY21 revenues grow 36% to €27.7bn*. https://www.inditex.com/en/article?articleId=681510&title=Inditex+FY21+revenues+grow+36%25+to+%E2%82%AC27.7bn#:~:text=Revenue%20from%20online%20sales%20reached,a%20global%20leader%20in%20ecommerce
Khader SJ (2019) *Decolonizing universalism: Toward a transnational feminist ethic*. New York: Oxford University Press. https://doi.org/10.1093/oso/9780190664190.001.0001
Khan R and H Richards (2021) Fashion in 'crisis': Consumer activism and brand (ir)responsibility in lockdown. *Cultural Studies* 35(2-3): 432-443. https://doi.org/10.1080/09502386.2021.1898028
Lawreniuk S (2020) Necrocapitalist networks: COVID-19 and the 'dark side' of economic geography. *Dialogues in Human Geography* 10(2): 199-202. https://doi.org/10.1177/2043820620934927
LeBaron G (2014) Subcontracting is not illegal, but is it unethical? Business ethics, forced labor, and economic success. *Brown Journal of World Affairs* 20(2): 237-249. https://bjwa.brown.edu/20-2/subcontracting-is-not-illegal-but-is-it-unethical-business-ethics-forced-labor-and-economic-success/
LeBaron G, Edwards R, Hunt T, Sempéré C and Kyritsis P (2021) The ineffectiveness of CSR: Understanding garment company commitments to living wages in global supply chains. *New Political Economy* 27(1): 99-115. https://doi.org/10.1080/13563467.2021.1926954
Luginbühl C (2019) *Will women workers benefit from living wages? A gender-sensitive approach to living wage benchmarking in global garment and footwear supply chains*. Clean Clothes Campaign and Public Eye. https://cleanclothes.org/file-repository/ccc_dec2019_luginbuhl_lw_gender.pdf/view
Maher S (2009) *False promises: Migrant workers in the global garment industry—discussion paper*. Clean Clothes Campaign. https://archive.cleanclothes.org/resources/publications/migrant-workers-internal.pdf/view
McKeown M (2017) Global structural exploitation: Towards an intersectional definition. *Global Justice: Radical Perspectives* 9(2): 155-177. https://doi.org/10.21248/gjn.9.2.116
Merk J (2010) Cross-border wage struggles in the global garment industry: The campaign for an Asia Floor Wage. In Bieler A and Lindberg I (eds) *Global restructuring, labour and the challenges for transnational solidarity*: 116-130. London: Routledge. https://doi.org/10.4324/9780203842454
Mezzadri A and Majumder S (2020) Towards a feminist political economy of time: Labour circulation, social reproduction & the 'afterlife' of cheap labour. *Review of International Political Economy*. https://doi.org/10.1080/09692290.2020.1857293
Miller D (2013) Towards sustainable labour costing in UK fashion retail. *SSRN*. https://assets.publishing.service.gov.uk/media/57a08a46ed915d3cfd0006a0/ctg-wp-2013-14.pdf
Miller D and Hohenegger K (2016) *Redistributing value added towards labour in apparel supply chains: Tackling low wages through purchasing practices*. Geneva: International Labour Office.

Miller D and Williams P (2009) What price a living wage? Implementation issues in the quest for decent wages in the global apparel sector. *Global Social Policy* 9(1): 99-125. https://doi.org/10.1177%2F1468018108100400
Nayeem Emran S, Kyriacou J and Rogan S (2019) *Made in poverty: The true price of fashion*. Melbourne: Oxfam Australia. https://www.oxfam.org.au/wp-content/uploads/2021/11/Made-in-Poverty-the-True-Price-of-Fashion-Oxfam-Australia.pdf
Platform Living Wage Financials (2021) *Annual report PWLF 2021: The importance of long-term investor engagement on living wage*. https://www.livingwage.nl/wp-content/uploads/2021/10/PLWF_AnnualReport2021-FINAL-2.pdf
Posner M (2021) How the Fair Labor Association promotes a living wage for workers. *Forbes*, 20 October. https://www.forbes.com/sites/michaelposner/2021/10/20/how-the-fair-labor-association-promotes-a-living-wage-for-workers/?sh=501a2915728d
Powell B (2014) *Out of poverty: Sweatshops in the global economy*. Cambridge: Cambridge University Press.
Prakash Sethi and Rovenpor JL (2016) The role of NGOs in ameliorating sweatshop-like conditions in the global supply chain: The case of Fair Labor Association (FLA), and Social Accountability International (SAI). *Business and Society Review* 121(1): 5-36. https://doi.org/10.1111/basr.12079
Prentice R, De Neve G, Mezzadri A and Ruwanpura KN (2018) Health and safety in garment workers' lives: Setting a new research agenda. *Geoforum* 88: 157-160. https://doi.org/10.1016/j.geoforum.2017.11.024
Raworth K (2004) *Trading away our rights: Women working in global supply chains*. Oxford: Oxfam International. https://oxfamilibrary.openrepository.com/bitstream/handle/10546/112405/cr-trading-away-rights-women-global-supply-chains-10404-en.pdf;jsessionid=14FCB43A0AE65FD240E817167883F7B4?sequence=1
Robinson J (1964) *Economic philosophy*. Harmondsworth: Penguin.
Selwyn B (2019) Poverty chains and global capitalism. *Competition & Change* 23(1): 71-97. https://doi.org/10.1177%2F1024529418809067
Siddiqi DM (2009) Do Bangladeshi factory workers need saving? Sisterhood in the post-sweatshop era. *Feminist Review* 91(1): 154-174. https://doi.org/10.1057%2Ffr.2008.55
Starmanns M (2017) *Purchasing practices and low wages in global supply chains: Empirical cases from the garment industry*. Geneva: International Labour Office.
UN Women Training Centre (n.d.a) *Gender blindness*. https://trainingcentre.unwomen.org/mod/glossary/showentry.php?eid=51
UN Women Training Centre (n.d.b) *Gender-neutral, gender-sensitive, and gender transformative*. https://trainingcentre.unwomen.org/mod/glossary/showentry.php?eid=28
Vergès F (2021) *A decolonial feminism*. London: Pluto Press.
Vijeyarasa R (2020) Women, work and global supply chains: The gender-blind nature of Australia's modern slavery regulatory regime. *Australian Journal of Human Rights* 26(1): 74-92. https://doi.org/10.1080/1323238X.2019.1701265
Young IM (2006) Responsibility and global justice: A social connection model. *Social Philosophy and Policy* 23(1): 102-130. https://doi.org/10.1017/S0265052506060043
Young IM (2010) *Responsibility for justice*. New York: Oxford University Press.
Yu X (2008) Impacts of corporate code of conduct on labor standards: A case study of Reebok's athletic footwear supplier factory in China. *Journal of Business Ethics* 81(3): 513-529. https://doi.org/10.1007/s10551-007-9521-2

Legislation Cited

Hours of Work (Industry) Convention, 1919. 1st ILC session, No. 1 (28 November 1919). https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C001
Minimum Wage Fixing Convention, 1970. 54th ILC session, No. 131 (22 June 1970). https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C131
Universal declaration of human rights. GA Res 217A (III), UN GAOR, UN Doc A/810 (10 December 1948).