

Q1:How is the FTA going to further push the issue "Living Wage"?

A (FTA): BSCI has developed a tool to enable the factories that are going to be audited to calculate their "fair remuneration". It is called "Fair Remuneration Quick Scan". This is quite an innovative approach as we focus on the specific situation of the factory and not only on a regional or even country level. This exercise aims to make factories aware of the needs of their workers as well as promote dialogue between the factory management and the workers in order to get to a comprehensive number that fully reflects the situation at the very specific factory.

Specific training for factories on fair remuneration combined with decent working hours (working hours especially overtime closely linked to poor wages) and how to address them. As the paid wages are compared to the living wages calculated by the auditors, in case of a discrepancy, the preparation of a remediation plan is requested to the factory to address the issue.

Q2: Once you have established a living wage estimate what are the next steps needed to ensure workers actually get paid the living wage?

A (FWF): FWF member brands who are paying towards a living wage estimate have the payouts monitored by an external party. Additionally, a brand could verify wage records over a period of time to ensure workers actually get paid the living wage.

Having workers involved in the process of determining the living wage also empowers them throughout the implementation process.

Q3:To calculate a living wage, you need to find out the real costs for food+electricity etc. for each region. Research on my own is a lot of work! How to solve?

A (Ankers): This research needs to be done by a highly qualified researcher. Results of this can be used by all stakeholders. The GLWC is engaged in doing this type of research and making it public.

Q4:How is the Global Living Wage Coalition planning to finance the living wage calculations for all countries in the world?

A (Ankers+GLWC): The GLWC will not do living wage estimates for all countries of the world. Instead we will work strategically in places where we feel we have the best chance of achieving our goals of raising wages of workers. Thus far, funding has primarily been supplied for this work by the generous support of the members of the GLWC and The Ministry of Foreign Affairs of the Netherlands.

Q5: As the price of the product is going down for the producers but the demand for living wage is increasing. What FTA is thinking to make a balance situation?

A (FTA): It is difficult to intervene to the business relation between companies and producers. From the BSCI system perspective, BSCI participant should embed social responsibility into their business enterprise culture. By not putting their business partners in a position that prevents them from adhering to the BSCI Code of Conduct, among others.

Q6: What is the role of the brand/buyer in facilitating living wages within its supply chain?

A(FWF): The brand/buyer's role starts with knowing how its buying prices relate to the wages workers get. In addition, a brand/buyer needs to make clear to its suppliers it values the payment of a living wage and would like to cooperate (joined responsibility) to realize this. As most garment factory workers' wages are only a quarter or half of existing living wage estimates this is not something that can be realized overnight. Long-term commitment to its suppliers is therefore another important role for the brand/buyer.

Q7:How you can ensure if the higher price is giving to the producer, the additional amount will be distributed to the workers to fulfill living wage?

A(FWF): A brand/buyer needs to make clear to its suppliers it values the payment of a living wage and would like to cooperate (joined responsibility) to realize this. FWF member brands who are paying towards a living wage estimate have the pay-outs monitored by an external party. Additionally, a brand could verify wage records over a period of time to ensure workers actually get paid the living wage.

Q8: Why is the ILO not playing a stronger leadership role in the living wage agenda?

As this questions addresses ILO, cannot be answered by the panel

Q9: Is there timeline that living wage will replace minimum wage as the legislation by different country/province/region?

A (FWF): Not yet. However, as a brand it is important to convey the message to governments that it values payment of a living wage and will continue its business in a specific country, even if the minimum wages are raised. At the moment, the biggest argument for governments not to raise the legal minimum wage to living wage levels is that they are afraid it will have a negative economic effect.

Q10: Who should be responsible of establishing the correct living wages in each country/region? Governments, ILO, Unions, a coalition of all...?

A (Ankers+GLVC): Assessing an objective wage level that represents a level of decency meeting international norms and accounting for local preferences, should be done by highly qualified

researchers who are objective and are not beholden to unions or employers. The GLWC is an organization that is now experienced in making such living wage estimates. However, wage setting, and establishing an appropriate wage for a region is primarily the role of governments and unions, in partnership with the producers, suppliers, and other actors in the supply chain. An objective GLWC assessment of living wage is a tool to catalyze action on living wages, recognizing that living wage is a human right.

Q11: What responsibility does a living wage address in context to quality of life for a worker? How does a living wage allow for a worker to advance in life?

A (FWF): In the FWF Code of Labour Practices, a living wage is defined 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 includes costs like housing (with basic facilities including electricity), nutrition, clothing, healthcare, education, drinking water, childcare, transport, and savings.

A (Ankers): Living wage is the wage level that is sufficient for a worker to be able to support a basic but decent living standard for his or her family.

Q12: The formula is impressive however this need to be adopted and legislated/enforced on a government level- how to achieve that?

A (Ankers+GLVC): Payment of a living wage is almost always voluntary. It is not usually legislated like the minimum wage is. However, some countries do have laws or mandates that set minimum wage based on a living wage. In these contexts, it is very important to have the type of high quality information on living wage available that can be produced using the Anker Methodology. This is another reason to have cohesive support for one methodology, as it enables aligned advocacy efforts directed at government level solutions. It is also important to recognize the value of unions and collective bargaining in securing a living wage.

Q13: Will BSCI focus on strengthen human resource management systems as a way to push living wage?

Question is not clear.

Q14: How can/will NGO's work with governments to secure an actual, accepted definition, in money, of living wage in the different countries?

A (FTA): Organizations such as FTA, with strong presence and active role as facilitator and provider of a platform for dialogue, are key to achieving this objective.

Q15: Is BSCI considering adopting Anker's methodology to calculate Fair remuneration/living wages?

A (FTA): The living wage estimate is to be calculated by the auditor previous the audit, relevant to the region. Any method that is recognized or equivalent refence form governments, trade unions or NGOs in principle are acceptable.

Q16: How to solve the issue when not all customer asks for living wage, just a few in a factory customer base?

A (FWF): FWF aims to empower factory management to be able to bring the message across to other customers. Additionally, different initiative addressing living wages are planning to work more closely together to ensure that more brands will approach factory management in a similar way.

Q17: Does the living wage formula include advancement opportunities, or is it a formula to meet min needs of a healthy worker in order to create workforce stability?

A (FTA): For the calculation of the fair remuneration in the BSCI system, the skills and qualification of the worker are taken into consideration, a concept that traditionally is not part of the living wage calculation.

Q18: What can the companies do by our own to assure living wage payments? Besides strategic partners alliances.

A (FWF): The company's role starts with knowing how its buying prices relate to the wages workers get. Companies need to make clear to its suppliers it values the payment of a living wage and would like to cooperate (joined responsibility) to realize this. FWF member brands who are paying towards a living wage estimate have the pay-outs monitored by an external party. Additionally, a brand could verify wage records over a period of time to ensure workers actually get paid the living wage.

Q19: What is the living wage that is mentioned in the BSCI audit reports based on?

See answer to Q15.

Q20: What is the difference between living wage and living income?

A (Ankers): A living wage estimate refers to the wage that a wage worker needs to earn to support a basic but decent life for his or her family. A living income refers to the family income needed by a farmer who own their own farm.

A(FWF): FWF Living wage is often referred to in the factory/industry context, while living income is a term often used in reference to small holders/entrepreneurs.

Q21: How well are the 8 FairWear labor standards in line with the BSCI CoC?

A (FWF):

Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

There is no discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognized. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Reasonable hours of work

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Legally binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Q22: what is the thinking of FTA to ensure it for factories workers, where still has lacking to ensure minimum wages.

See answer Q1

Q23: If a BSCI audit delivers no remuneration or wage issues at a factory or farm. Should we look further? If so, how?

A (FTA): Dialogue between the brand, the factory and the workers is key. There is valuable information that can be extracted from the BSCI audit report such as the

- Legal minimum wage applicable in local currency (e.g. X per hour)
- Legal minimum wage applicable in euros (i.e. X per hour) *
- Specific industry-based remuneration, if any
- Valid collective bargaining agreement, if any
- Legal regular working hours per week*
- Legal regulation for overtime, if any
- Standard day off in the country (please select) *
- Calculated living wage in local currency (e.g. X per hour) *
- Calculated living wage in euros (i.e. X per hour) *
- Social benefits granted legally
- Total minimum remuneration for a regular full-time worker (wage + social benefit)
- Specific overtime premium rate for standard day off, if any
- Legal regulation of shifts, if any
- Information that the factory might be providing through the Fair Remuneration Quick Scan.

Using this quantitative information to better understand the situation at the factory/farm level and identify potentially room for further / continuous improvements.

Q24: Can the calculation of LW be simplified to make it operationable at individual farm or factory level. Or should we see it as an ambition rather than a goal.

A (Ankers+GLVC): A living wage is for an area rather than a specific factory or farm, since everyone in a geographical area pays the same price for basic goods and services. Any factory or farm in that geography should be able to use the same living wage estimate that would be used by neighboring farms or factories. This is why all GLWC estimates are made public, to ensure that any farm or factory can assess their own wage levels against the living wage in their area. Guiding principles on how to assess current wage levels against living wage are relevant for individual scenarios on farms and factories and can be found in Living Wages Around the World: A Manual for Measurement (<https://www.elgaronline.com/view/9781786431455/9781786431455.xml>)

Q25: We talk a lot about the role of brands and suppliers, but how can we make sure local authorities also take a leading role on living wages?

A (FTA): See answer Q14

Q26: You mentioned a database earlier where the calculations for living wage are made. What and where is this database?

A (FWF): This is the link to our waveladder: <http://www3.fairwear.org/548/login/>

Q27: Has a study been conducted to find the limit beyond which trying to reach a theoretical LW, would drive buyers to switch sourcing (worst global country impact)?

A (FTA): not to our knowledge.

Q28: Is not all workers want to work in the fair line?

A (FTA): We assume that yes, they want to receive a decent payment.

Q29: Effect of living wage are much broader than the workers directly involved. People might lose their job. How to address those effects?

A (FTA): Companies have to have a strategy in order to avoid negative side effects. Implementation of living wage goes beyond simple raising workers' salaries.