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## Asda: poverty guaranteed

Why Asda should pay women clothing workers a living wage



A worker in a Sri Lankan factory that makes clothes for the UK high street.

Photo: Michael Huges/ActionAid

## Summary

Asda has its sights trained on becoming Britain's number one cheap fashion retailer. But while the company tries leaping ahead of its rivals on the high street, it's falling behind in its efforts to improve conditions for women workers in poor countries, whose wages are keeping them trapped in poverty.

New research by ActionAid shows that it doesn't have to be this way. If Asda paid just two pence extra on each t-shirt it buys from India, the women who make them could be paid a living wage. Similar sums hold true for workers across the developing world.

These tiny amounts show that Asda and other fashion retailers can pay a living wage without passing the extra cost to consumers – and with making barely a dent in their profits.

Yet Asda's own surveys show that workers who make its clothes are still being paid wages that leave them unable to feed, clothe and educate their families properly.

Many garment workers are denied even the legal minimum wage. In the Indian city of Bangalore, for example, one of Asda's suppliers has been taken to court for refusing to pay the legal minimum rate to workers.

Recent research shows around 125,000 workers were robbed of almost £10 million in wages by unscrupulous clothing suppliers in Bangalore. This is an open secret in the city, where Asda's parent company Wal-Mart has an office dedicated to corporate responsibility.

Asda says it's making improvements to workers' pay. But its limited efforts in this area have left the company trailing way behind its competitors including Marks & Spencer, which has publicly committed to paying a living wage to all its clothing workers in South Asia by 2015.

If Asda changed its ways and paid workers a living wage, thousands of lives would be transformed as the company pushes for the number one spot. And as an important part of Wal-Mart, the biggest retailer in the world, Asda should take the lead and set an example that could lift even more women out of poverty.

ActionAid is part of a new, ground-breaking coalition that has come together to demand a living wage for all garment workers across the whole Asian continent – the 'Asia Floor Wage'.

### ActionAid calls on Asda and all other garment buying companies to:

1. Publicly commit to pay a living wage, as defined by the Asia Floor Wage coalition, and publish a timetable for implementation.
2. Ensure that prices paid to factory suppliers cover the cost of a living wage.
3. Ensure that workers and their representatives are central to the implementation of a living wage, and promote trade union rights in factories.

### 1) Always low ambition: Asda's record on workers' rights

In April 2010, Asda announced plans to become the UK's biggest non-food retailer within five years.<sup>1</sup> If successful, the company would be on track to replace Primark as Britain's number one cheap fashion chain.

If Asda is to achieve its ambition, it should not come at the expense of clothing workers in developing countries. Yet Asda has a poor track record on workers' rights, making its expansion plans a cause for deep concern.

New research by ActionAid shows that clothing workers needn't struggle to survive on poverty wages. If Asda and other fashion retailers paid just two pence extra on each t-shirt they buy from factories in India for example, the women who make them could be paid a wage that allows them and their families a decent life.<sup>2</sup>

And, because workers' wages make up such a tiny proportion of the retail price for clothes – usually just one or two per cent – retailers could cover the cost of higher wages without increasing the price of clothes in shops.

But while the British fashion industry continues to record dizzying profits,<sup>3</sup> millions of clothing workers in poor countries – the majority of them women – are helping to make these riches possible by working excessively long hours in deplorable conditions, for wages that keep them trapped in poverty.

**Who gets what from a £4 t-shirt?**



Asda has been a target of high-profile anti-sweatshop campaigns for almost 15 years now.<sup>4</sup> Most recently, its ethical performance came under the spotlight in October 2009, in a survey that ranks fashion retailers according to their efforts to ensure workers are paid a decent wage.<sup>5</sup>

Asda trailed behind 10 of the top high street chains, including Primark, Tesco and Marks & Spencer – its key rivals in the race to become Britain’s leading clothes retailer. When it comes to ensuring workers are paid a living wage, the survey concluded that Asda, “is falling well behind its closest competitors in regard to the quality of its work in this area.”<sup>6</sup>

**What is a living wage?**

A living wage allows workers to live with dignity. It should be enough to cover workers’ and their dependents’ basic needs for nutritious food and clean water, healthcare, education, shelter, fuel, clothes and transport, as well as providing for some discretionary income. It should be based on a standard working week, before overtime, and apply after any deductions.<sup>7</sup>

Asda, currently the UK’s second-biggest ‘value’ fashion retailer behind Primark, says that it, “operates ethically and with a clear conscience and does not tolerate abuse of any kind.”<sup>8</sup>

The company also says that for the workers who make its clothes in developing countries, “pay varies from minimum wage to above and beyond that.”<sup>9</sup>

But in most poor countries, the minimum wage is set far below the level needed to meet clothing workers’ basic needs and allow them to escape from poverty.<sup>10</sup>

**Minimum wage v living wage in Asian countries**

	<b>Minimum Wage</b>	<b>Living Wage</b>
<b>Bangladesh (taka)</b>	1,663	10,754
<b>China (yuan)</b>	687	1,639
<b>India (rupee)</b>	4,238	6,968
<b>Indonesia (rupiah)</b>	972,604	1,868,650
<b>Sri Lanka (rupee)</b>	5,046	16,706
<b>Thailand (baht)</b>	4,368	7,567

Source: Asia Floor Wage Alliance

Even with overtime added, garment workers’ wages usually fall a long way short of covering the most basic necessities that we take for granted – things like having enough food to eat, essential medicines, decent housing and an education for our children.<sup>11</sup>

A recent survey by Asda showed that workers in five of its factories in Bangladesh are paid, on average, £6.70 for a standard working week of 48 hours. While this is over the legal minimum of £4 a week, it’s barely a quarter of the £25.90 per week workers need for a living wage in Bangladesh.<sup>12</sup>

While it’s business as usual for Asda, other major fashion chains are starting to step up their game. For example Marks & Spencer, the UK’s biggest clothing retailer, has publicly committed to ensuring all its workers in Bangladesh, India and Sri Lanka receive a ‘fair living wage’ by 2015.

Significantly, Marks & Spencer has pledged it will ensure the prices it pays to factory suppliers are sufficient to cover the wage increases.<sup>13</sup>

Meanwhile New Look, another major fashion chain, is making significant improvements to workers' pay on a large scale, and has a clear plan to roll out its wage programme across the company's entire supply base.<sup>14</sup>

**Business booms for retailers**

Asda made over half a billion pounds profit in 2008.<sup>15</sup> Meanwhile its US parent Wal-Mart, the third-biggest company in the world, made a £16.3 billion profit from sales of over £278 billion in 2009 – a turnover equivalent to the economic output of Thailand, Vietnam, Cambodia and Sri Lanka combined.

By and large, big clothing retailers have had a good recession. Many have defied the downturn by selling cheaper clothes to shoppers on tighter budgets, while 'value' chains such as Primark, Asda, New Look and Peacocks have thrived.<sup>16</sup>

Overall, the fashion business appears to be in robust health. According to the Office for National Statistics, sales at clothing retailers increased by 9.5 per cent in the year up to April 2010. This compares to sales at retailers that focus mainly on food, which fell by 1.7 per cent over the same period.<sup>17</sup>

Asda has not completely ignored pressure to pay better wages to clothing workers, and the company is following an industry trend to implement projects in a small number of garment factories that are aimed at increasing workers' pay.

In Bangladesh, Asda is carrying out a project in five factories to improve productivity and pass on the financial gains to workers. As a result, average wages in these factories have gone up from £5.80 to £6.70 per week.

Any wage increase for garment workers is welcome, but this falls woefully short of the £25.90 per week needed to reach a living wage. Furthermore, these five factories make up less than one per cent of Asda's production base, yet the company has made no public commitments to roll out the project to all its factory suppliers.

Asda is keen to promote an ethical image and to this end, it recently installed webcams in two of its clothing factories in Bangladesh that allow customers to view working conditions.<sup>18</sup> However, the cameras are switched off outside standard working hours of 9am to 7pm, in a country where workers who make clothes for Asda have reported doing 18-hour shifts for 15 days in a row.<sup>19</sup>

While Asda's webcams provide a limited insight into conditions at two of its factories, the vast majority of its supply chain remains closed off to public scrutiny, including the wages paid to workers.



Garment workers' housing in Dhaka, Bangladesh  
Photo: Nasir Ali Mamun/ActionAid

If Asda and other retailers are serious about paying a living wage, they need to do more than make workers more productive, or set up webcams in factories. They need to:

- Publish a timetable that sets out when all workers in their supply chains will receive a living wage.
- Change their business practices, including pricing policies.
- Work with trade unions to ensure the benefits of any actions taken to improve wages reach workers.

While Asda's wage project in Bangladesh is a step in the right direction, none of these crucial elements are in place. Without them, the project offers no guarantees for delivering sustained pay increases for workers, let alone ensuring they receive a full living wage.

**Asda and the Ethical Trading Initiative**

In response to criticism of its record on workers' rights, Asda has made much of its membership of the Ethical Trading Initiative (ETI), a UK-based body whose members sign up to a code of practice that sets out what rights workers should have. These include the right to a living wage, and the right to form and join trade unions of their choosing.<sup>20</sup>

Asda is keen to point out that it was a founding member of the ETI, which was launched over ten years ago. Yet still workers who produce clothes for companies in the ETI are not being paid a living wage, and still many are denied their right to union representation.<sup>21</sup>

Poverty pay and poor working conditions are an industry-wide problem, and currently none of the major high street chains can guarantee that all their clothes are made without labour rights abuses.

But as one of the UK's biggest importers of clothing from poor countries, and as a company that has committed itself to implementing the living wage through its membership of the Ethical Trading Initiative, Asda should be doing much more to end the exploitation of workers who contribute to its mammoth profits.

**Poverty wages are rife in the global garment industry**

An estimated 40 million workers, most of them women, are employed in the global fashion industry.<sup>22</sup> These jobs should be providing women with the secure and decently-paid work they need to escape poverty.

But across the developing world, in countries such as Bangladesh, Sri Lanka, Vietnam and Cambodia, garment workers are rarely paid above the UN-defined poverty level of \$2 a day.<sup>23</sup>

Most have to work excessively long hours in return for their meagre wages, which are often around half what they need to provide themselves and their families with adequate food, education, healthcare and housing.<sup>24</sup>

Garment workers' basic pay rarely exceeds the legal minimum wage,<sup>25</sup> which in most developing countries is set below the level needed to meet workers' basic needs and to sustain a family.<sup>26</sup>

Yet all too often, workers are paid even less than the legal minimum wage and are cheated out of their overtime pay. These and other forms of 'wage theft', such as workers being denied benefits or severance pay, are rife in garment-producing countries.<sup>27</sup>

For example in 2009, the ETI reported that 48% of its corporate members' manufacturing sites were not paying workers the due amount in wages owed to them.<sup>28</sup> Similarly, a recent survey for the US based Fair Labor Association showed that 58% of supplier sites audited were underpaying

wages, and that 68% reported difficulties in paying overtime.<sup>29</sup>

Even when workers get pay rises, they seldom keep pace with inflation. As a result, soaring global food and fuel prices have left many workers in a desperate situation, with the real value of their wages actually falling in many countries.<sup>30</sup>

The effects of rising prices are being felt acutely in Bangladesh, where food price inflation has sparked massive garment worker protests of up to 40,000 people – some of which have boiled over into full-blown riots. Dozens of factories have been damaged, and employers have responded by providing subsidised rice rations to garment workers.<sup>31</sup>

**2) Robbing the poor: wage theft in India**

Poverty wages are taking a heavy toll on garment workers in the southern Indian city of Bangalore, where Asda and other British fashion retailers buy clothes in huge volumes.

An estimated 125,000 garment workers were paid below the legal minimum wage in Bangalore from March 2009 to May 2010, and workers' organisations in the city have filed a case against 11 major clothing suppliers at the local high court for refusing to pay the legal minimum rate.<sup>32</sup>

Asda sources clothes from one of these supplier companies (supplier X), which owns several factories across Bangalore. As a result of the legal challenge, this supplier has agreed to pay all its workers the statutory minimum wage.

Asda does not publish the names of its factories, and it's not clear whether Asda sourced clothes from individual production sites owned by supplier X that were paying workers less than the legal minimum rate.

However, labour rights activists in Bangalore who have day-to-day contact with workers state that many of the factories owned by supplier X paid workers below the legal minimum wage from March 2009 to May 2010.

As such, Asda and other international buying companies should take immediate action to verify whether their suppliers in Bangalore complied with the minimum wage law from March 2009 onwards, and ensure that workers are paid the wages owed to them if violations are found.

Shanthy Devaraju, a 19-year-old machinist from Bangalore who sews jeans for British retailers, was being paid a basic wage of £45.44 per month at the end of 2009 – £1.76 less than the legal minimum at that time.<sup>33</sup>

This sounds like a small sum to shoppers in the UK, but in Bangalore it buys a kilogram of lentils – the main source of protein for garment workers – which is enough to feed a family of four for up to 10 days.

"Food prices weren't so high before," Shanthy says. "Now prices are high, sometimes I have food but other times I go without. But I feel that's alright because if I don't eat today, I'll eat tomorrow."

In March 2009, the local government announced a 25% rise in the legal minimum wage for garment workers, taking it to £1.89 per day – roughly the cost of a fancy cappuccino in one of Bangalore's glittering shopping malls.

This was the first time the minimum wage had gone up since 2001. However, the rise did not keep pace with inflation, which increased by 60% in Bangalore over the same period.<sup>34</sup>

**What does it cost in Bangalore?**

Bangalore epitomises India's divided society with glossy new malls standing alongside urban slums. For garment workers, many of the goods and services available to the city's growing middle class are out of reach. And even basic items are a stretch.

<b>A garment worker's daily wage:</b>	<b>£2.04</b>
<b>A kilo of lentils:</b>	<b>£1.75</b>
<b>A double scoop of Baskin Robbins ice cream:</b>	<b>£1.75</b>
<b>A kilo of chicken:</b>	<b>£1.75</b>
<b>A cinema ticket:</b>	<b>£1.75</b>
<b>School fees for 1 month:</b>	<b>£5.60</b>
<b>A pair of M&amp;S knickers:</b>	<b>£5.80</b>

In what appeared to be a coordinated industry tactic, supplier companies across Bangalore refused to increase workers' wages to the March 2009 minimum rate after it was introduced by the government.<sup>35</sup>

The minimum wage for garment workers was raised again in April 2010 bringing it up to £2.04 per day, but supplier companies again refused to raise workers' pay to the new minimum level.

By May 2010, around 125,000 workers – roughly a third of Bangalore's garment workforce – had been illegally denied wages worth almost £10 million since the minimum rate was increased.<sup>36</sup>

Vasudha Banu, a 29-year-old machinist who makes shirts for the British high street, was being paid £46.02 per month at the end of 2009 – £1.18 less than the legal minimum wage at that time.<sup>37</sup>

Vasudha says that higher living costs have forced her family to cut back on their staple food: "Now prices are very high, but I cannot stop eating – to survive I have to eat. So instead of buying one kilo of dhal [lentils], now I'll buy just half a kilo."

The legal case against Bangalore's clothing suppliers, filed in March 2010, prompted most of them into agreeing to pay the minimum wage before they were due to appear in court. However, trade union representatives intend to pursue the case to ensure workers are fully compensated.

While the blame for this scandal lies primarily with supplier companies, international fashion brands and retailers are also heavily implicated, as their buying practices – including the prices they pay to suppliers – make it difficult for factories to pay workers even the legal minimum rate, let alone a full living wage.

Furthermore, global brands and retailers, including notably Asda, make a point of publicising the fact they carry out thousands of factory audits each year to check workers are being treated fairly. Many fashion brands and retailers have offices in Bangalore, including Asda's parent company Wal-Mart. Representatives from other major brands have confirmed to labour rights activists that they were aware of the minimum wage violations from an early stage.<sup>38</sup>

The question campaigners are asking is, why was this flagrant abuse of the law allowed to go on for over a year within a large number of major suppliers that have close business relations with the world's biggest brands and retailers?

## Meet Rathna from Bangalore



Photo: Tom Pietrasik/ActionAid

J. M. Rathna, 39, has worked in Bangalore's clothing factories for 16 years. She lives with her husband and two sons in a tiny two-roomed flat in a slum district in the city. They share a toilet with four other families and have no running water in their home.<sup>39</sup>

Despite her long service in the garment industry, she is paid only the current minimum wage of £53 a month. "The cost of living is high," she says. "We have to pay rent, utilities bill, water bill and the salary we get isn't sufficient to meet all that."

"It's very hard work," she adds, "but we have to live – there's no other way."

In common with her colleagues across Bangalore, Rathna is regularly given excessively high production targets, driven by the need to meet low prices and fast turnaround times set by fashion brands and retailers.

"They give us production targets which are very difficult to achieve," Rathna says. "Usually whenever there are new styles it takes time to learn them, yet targets are given and if we can't do that then we are forced to stay back and do overtime. They won't allow us to take breaks on those days and if breaks are taken they will give us an out-pass and send us back home."

Targets in some factories are so high that women forgo drinking water in order to avoid bathroom breaks, as workers who miss targets are shouted at, demoted or even dismissed.

"Sometimes we don't drink water because then we'd have to go to the toilet, so to avoid it we don't drink water," says Rathna.

In many export factories, workers have little choice but to stay on after standard hours in order to meet production targets, yet in many cases they do not get paid for the extra hours worked.

"If we stay back to meet our target we won't get paid, only if they declare that it's overtime will we be paid," Rathna says. "Whenever we do overtime we note it down but according to [the factory management] it's usually less."

In a recent survey of 100 garment workers in Bangalore, 46 respondents, employed at 14 different supplier companies, said they were not being paid fully for overtime worked.<sup>40</sup> The problem is so common, workers have a slang name for it: 'OC' (pronounced 'oh see').

Long working days leave women with little time for the 'second shift' of work they are expected to do after the factory gates close, which typically involves bringing up children, cooking, washing, cleaning and caring for older dependents.

**"I walk to work as I cannot afford the bus."**

Rathna, garment worker, Bangalore

Rathna describes her working day: "Usually I wake up at 5 o'clock in the morning. I do the dishes, I clean the house, I prepare food and I do the lunch boxes for my children, for myself and my husband. I leave home at about 8.45 in the morning. Before I go into work I usually worship God. I walk to work as I cannot afford the bus. I come

back at 8 o'clock after finishing overtime. I clean the house again, prepare food for my children. After they've had their food, I do the dishes and go to sleep at around 10.30-11 o'clock."

Trade unions are the most effective route for workers to improve their pay and conditions. But across Bangalore, workers are discouraged from joining unions, while union activists are routinely harassed and intimidated. "They [factory managers] advise us not to go to unions or other organisations by saying that we have all the facilities at the factory," Rathna says.

Women workers are by no means passive victims, however. Rathna is the general secretary of Munnade, a community-based women's group that provides micro-credit and counselling to garment workers. Munnade shows that when they unite to defend their interests, women workers can secure more of their rights.

"Earlier I used to face a lot of domestic violence and when I joined Munnade I became brave enough to oppose it. Now there is no problem in my home and I am helping other families to lead a normal life," Rathna says.

### 3) **Dodgy dealings: how retailers' business practices are helping to keep wages low**

Many factors are conspiring to hold down garment workers' wages, including repression of trade unions, unscrupulous factory owners and discrimination against women.

Yet clothing retailers also bear a heavy responsibility for poverty wages, as their business practices are a major obstacle to improving pay and conditions for workers.

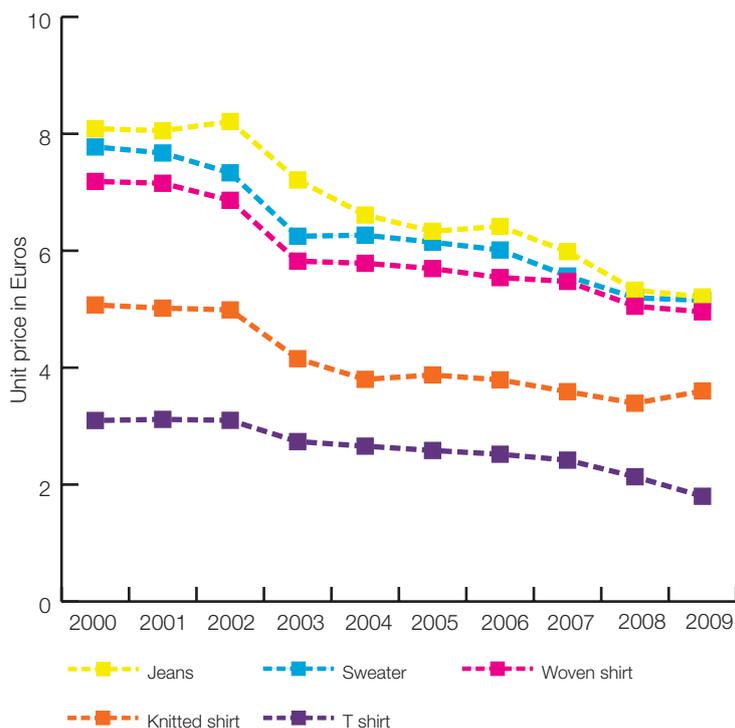
Research commissioned by the ETI concluded that its corporate members' buying practices were blocking progress on raising standards for workers: "Downward pressure on prices and lead times appeared to be having a negative impact: in all countries and sectors suppliers reported that this limited their ability to make improvements in labour practices."<sup>41</sup>

One study of garment buying practices, commissioned by a group of brands and retailers that includes Asda, found that buyers get quotes from various suppliers in different countries and use them to drive down prices as standard corporate practice.<sup>42</sup>

One of the companies surveyed said that it gets quotes from suppliers in Bangladesh, one of the lowest cost garment-exporting countries in the world, in order to push down prices in China and Turkey.

The following chart shows that fashion retailers have extracted ever-lower prices from suppliers of key clothing products imported into the UK over the last 10 years.<sup>43</sup>

#### **Price trends for selected garments imported into the UK, 2000-2009**



Similarly, figures collected by the US-based Worker Rights Consortium show that prices paid to factory suppliers of shirts across the developing world have collapsed.<sup>44</sup> (overleaf)

In addition to tumbling prices, clothing factories are also being hit by sharply rising costs, such as for fabric, transport and power.<sup>45</sup> Squeezed by higher costs on one side and falling prices on the other, suppliers often cut back on wages and working conditions to make the savings needed to stay in business.<sup>46</sup>

It follows then that fashion retailers should take care to ensure their buying practices, including the prices paid to suppliers, support rather than undermine decent working conditions. But new research by ActionAid shows that when British retailers negotiate prices with their suppliers, they do not factor in the true cost of labour.<sup>47</sup>

As one garment buyer explains: "Most companies negotiate using historic data... Example: you made that shirt for US\$2.00 – make this one for US\$1.90. Very little science goes into the negotiation and certainly 90% of companies that work this way will not care what the labour rates are in the factory."<sup>48</sup>

Retail price wars are also bearing down on workers' wages. Fashion chains compete ferociously to bring in customers, which often means cutting their selling prices to the bone. Asda, for example, sells jeans for £4 each. This puts pressure on retailers to extract the lowest possible prices from suppliers, in order to keep up with their high street competitors.

Clearly, if clothing retailers are serious about ensuring workers are paid a living wage, they need to change the way they do business with suppliers, as well as with their customers.

**Increasing productivity alone will not achieve the living wage**

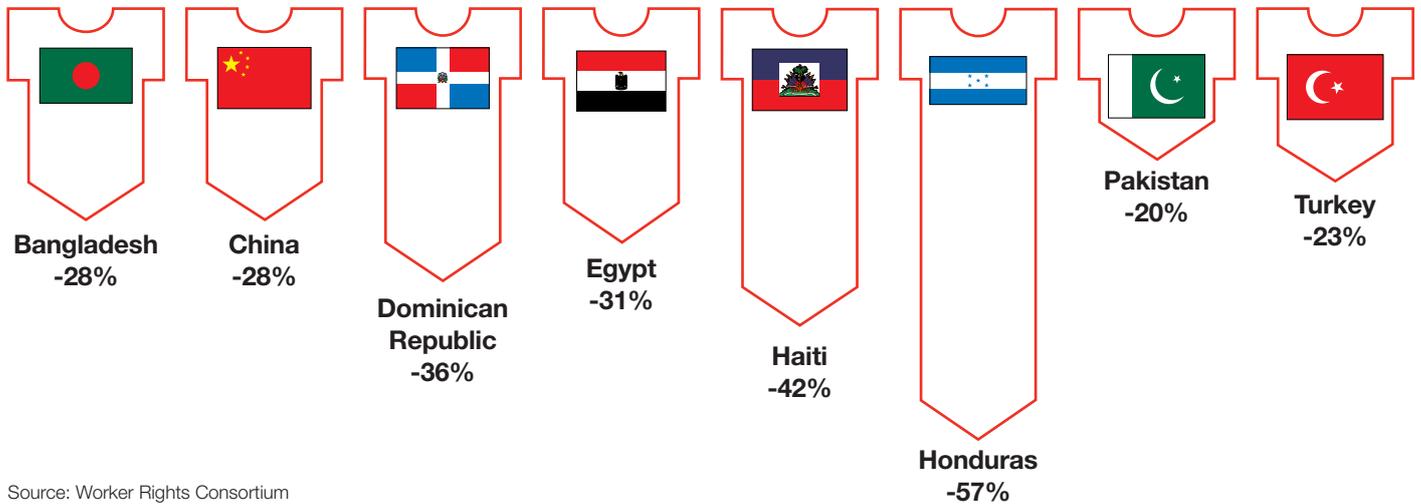
Asda is one of eight or so British fashion retailers that are running limited projects in a small number of factories to see if wages can be increased by improving productivity – for example, by changing production processes or introducing new machinery.

It's clear that in many factories, productivity improvements will be needed to support wage increases. However, the results from retailers' projects are showing that productivity improvements alone will not be sufficient to raise workers' pay up to living wage levels.

Retailers will have to pay higher prices to suppliers if a living wage is to be paid. To date, Marks & Spencer is the only retailer that has publicly pledged to do this.

**Reduction in factory prices for cotton knitted shirts, 1994-2004**

Reduction in unit price by country



Source: Worker Rights Consortium

**4) Workers fight back: the Asia Floor Wage campaign**

ActionAid is part of a new, inspiring coalition that has come together to demand a living wage for all garment workers in Asia.

Most of the world's clothes produced for export are made in Asia, yet Asian workers are paid the lowest. In response, Asian trade unions and campaign groups have developed a ground-breaking proposal to secure a living wage for garment workers across the whole continent – the 'Asia Floor Wage'.<sup>49</sup>

What began as a small alliance of Asian unions and labour rights activists has grown into a global movement that is now supported by over 70 organisations across Asia, Europe and North America.

By uniting across borders to demand a common living wage level, workers and their allies are fighting back against the power of multinational brands and retailers, who can simply take their business elsewhere if workers push for better wages in just one country.



Women workers in a Sri Lankan garment factory producing for export to the UK.

Photo: Michael Huges/ActionAid

**Meet Saroja from Bangalore**

Saroja K, a 33-year-old mother of two, moved to Bangalore when she was 15, where she worked in the city’s garment industry for 16 years. Saroja recently left the factories to work full time with Munnade, a community-based women’s organisation she helped set up in 2004.<sup>50</sup>

Munnade is campaigning to secure a living wage for Bangalore’s garment workers: “We are demanding just £103 [per month],” Saroja says. “It’s not really a big amount. It’s double what we are getting now, but still it’s not a big amount.

“The salary we demanded was calculated during 2006. Already four years have gone by and the cost of living has increased, so still it’s not sufficient. But if you had workers’ unions in the factories it would help give workers moral support and be brave enough to demand their rights.”

Saroja says that Munnade supports the Asia Floor Wage campaign. “We are demanding uniform wages throughout all the Asian countries. And if there are unions in your country and in Europe they can also work for better conditions for us.”

“We struggle so hard to stitch your clothes,” Saroja adds. “We work in such difficult conditions, so before wearing our clothes, just think about that for just one moment and, if it’s possible, help us to change our lives.”

Photo: Tom Pietrasik/ActionAid



Workers are at the forefront of bargaining for and winning the Asia Floor Wage. But garment buying companies also have a major role to play, as they have a huge amount of influence over factory pay and conditions.

**ActionAid calls on Asda and all other garment buying companies to:**

- Publicly commit to pay a living wage, as defined by the Asia Floor Wage coalition, and publish a timetable for implementation.
- Ensure that prices paid to factory suppliers cover the cost of a living wage.
- Ensure that workers and their representatives are central to the implementation of a living wage, and promote trade union rights in factories.

**ActionAid calls on the UK government to:**

- Ensure that UK companies respect workers’ rights overseas by establishing a Commission for Business, Human Rights and the Environment.

**“We struggle so hard to stitch your clothes... help us to change our lives.”**

Saroja, women’s rights activist, Bangalore

**Endnotes**

**1** *The Telegraph*, Asda aims to take Tesco's non-food crown by 2015, 16 April 2010.

**2** Thanks are due to Professor Doug Miller at the University of Northumbria for devising the methodology used to calculate the two pence figure. The Asia Floor Wage rate for India (Rs 6,968) is divided by the number of minutes worked within standard working hours (12,480). This gives Rs 0.55 – the cost of an Indian garment worker's labour for one minute at the Asia Floor Wage rate. The standard number of minutes needed for a worker to make one t-shirt is 10.565, giving an Asia Floor Wage rate for one t-shirt of Rs 5.81, or 3.53 pence in GBP sterling. The minimum wage in Bangalore is currently Rs 3,666 per month, or 52% of the Asia Floor Wage. Fifty-two per cent of 3.53 pence gives 1.86 pence, which means an extra 1.67 pence is needed to get from the minimum wage to the Asia Floor Wage level.

**3** The top 10 UK clothing retailers pre-tax profits in 2009 were for Marks & Spencer £3,371,000,000; Next £909,000,000; Arcadia £260,600,000 (2008); Primark £252,000,000; TJX Europe (TK Maxx) £170,700,000; Asda £520,400,000 (2008); Matalan £166,000,000; New Look £720,000,000; Tesco £3,130,000,000; Peacocks £98,400,000.

**4** For examples see Madden, P and Orton, L. *The global supermarket: Britain's biggest shops and food from the third world*, Christian Aid, London, 1996; *The Guardian*, Asda attacked over employees' rights, 17 October 2005; Alam, K and Hearson, M. *Fashion victims*, War on Want, London, 2006; Kelly, A. *Who pays the real cost of cheap school uniforms?*, ActionAid, London, 2007; McMullen, A and Maher, S. *Let's clean up fashion 2009: the state of pay behind the UK high street*, Labour Behind the Label, Bristol, 2009.

**5** McMullen, A and Maher, S., 2009, op cit.

**6** Ibid.

**7** Ibid.

**8** George Clothing, Ethical FAQs. See [www.george.jobs/downloads/csrfaq.pdf](http://www.george.jobs/downloads/csrfaq.pdf)

**9** Ibid.

**10** Setrini, G. and Locke, R. *What constitutes a decent standard*, conference paper, *Exploring common approaches to corporate accountability*, Massachusetts Institute of Technology, July 10-11 2005.

**11** Merck, J. *Stitching a decent wage across borders: the Asia floor wage proposal*, Asia Floor Wage Alliance, Delhi, 2009.

**12** This weekly wage figure is the current Asia Floor Wage level for Bangladesh in GBP sterling. See Merck, J., 2009, op cit.

**13** Marks & Spencer, *Our Plan A commitments 2010-2015*, Marks & Spencer, London, 2010, p54.

**14** McMullen, A. and Maher, S., 2009, op cit.

**15** According to *The Independent*, Asda made a pre-tax profit of £520,400,000 in 2008: *Asda delivers storming full-year sales but profits slip*, 8 November 2009.

**16** *just-style*, *In the money: value clothing retailers defy downturn*, 9 June 2009.

**17** Office for National Statistics, Retail sales, 20 May 2010. See [www.statistics.gov.uk/cci/nugget.asp?id=256](http://www.statistics.gov.uk/cci/nugget.asp?id=256)

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**36** Figure based on Worker Rights Consortium calculations.

**37** ActionAid interview, 21 December 2009.

**38** Personal communication, 4 June 2010. Representatives from major brands also confirmed to Worker Rights Consortium that they had been aware of the minimum wage violations. See Worker Rights Consortium, 4 March 2010, op cit.

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