

A Conversation with Lisa A. Cox, Director, Catholic Responsible Investments



CBIS

Lisa A. Cox
Director

Since “Human Life and Dignity” is one of CBIS’ three pillars of engagement, it’s no surprise the apparel sector remains a focus area for Impact & Justice (I&J). Has California’s “Garment Worker Protection Act” affected your work in any way?

Ms. Cox: SB 62 is an anti-wage theft and brand accountability bill that requires that garment workers in California are paid an hourly rate not less than the minimum wage. On review, we found two portfolio companies — Ross Stores and Abercrombie & Fitch — with significant operations in Los Angeles. Both firms, among others, came out strongly against SB 62.

Are wages the biggest issue for the apparel industry?

Ms. Cox: The whole notion of a living wage is still emerging, but we’re aware that more companies are talking about it and doing their own research around the issue.

How do you define “living wage”?

Ms. Cox: While there’s no agreed-upon definition of a living wage, there’s consensus around what constitutes a living wage: a wage that provides workers and families a basic but decent lifestyle.

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So, it’s likely to be different from country-to-country. How can companies possibly come up with a number?

Ms. Cox: The Global Living Wage Coalition utilizes the Anker Methodology to estimate living wage for more than 30 locations around the world. There’s also an alliance of international financial institutions called Platform Living Wage Financials that monitors companies in global supply chains.

We’d have to think that even with a reasonable target, the wage issue is incredibly complex.

Ms. Cox: Absolutely. How do companies train their suppliers? How do companies guarantee that everybody in these incredibly deep supply chains is getting paid a living wage? How do companies make sure their suppliers are treating their employees well? What does a company do if it finds instances of violations? All of this has to do with living wage.

It sounds like a straightforward issue of economics for the apparel companies.

Ms. Cox: Sure. If a company pays a living wage to everybody in its supply chain, that’s a real dollar expense. But while companies would like as much profit as possible for their shareholders, they also must respond to these legitimate concerns.



Are we to assume there are concerns beyond living wage?

Ms. Cox: Yes. There are environmental and social issues, but the way we think about costs is changing. When a company pollutes, there is a cost to all of us. That reality needs to be factored into prices.

And by factored into prices, you mean they have to go up?

Ms. Cox: If we consider pollution a business cost, that has to be reflected in the price. If companies pay people more, they may have to charge more for a t-shirt. If children aren't going to school because they're working in garment factories, that's a cost to society. So, yes, ultimately things will often get more expensive.

But isn't it true that as long as there's a five-dollar t-shirt, the consuming public is going to buy it?

Ms. Cox: Regrettably, yes. Part of changing that behavior is getting the word out. To that end, the media and labor unions have roles to play. Responsible companies like Patagonia, Eileen Fisher, and Lululemon could do more to make the consuming public aware of the good they're doing. And, guess what? Investors have a huge role to play in changing corporate — and consumer — behavior.



Online Resources

SB-62 Bill

Global Living Wage Coalition

Know the Chain

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