Sustainable Development
Sust. Dev. **26**, 65–82 (2018)
Published online 21 July 2017 in Wiley Online Library
(wileyonlinelibrary.com) **DOI:** 10.1002/sd.1691

Voluntary Sustainability Standards: A Squandered Opportunity to Improve Workers' Wages

Elizabeth A. Bennett*
Lewis & Clark College, International Affairs, Portland, OR USA

ABSTRACT
The sustainable development agenda has long been linked with social justice, income equality, and workers' rights. This article argues that voluntary sustainability standards-setting organizations (VSSSOs) can contribute to these goals by requiring employers to pay living wages and actively support collective bargaining. Examining the content of 25 voluntary sustainability standards (VSS) set by 16 systematically selected VSSSOs, this study finds that only 32% of VSS mandate a living wage, and only 16% rigorously support collective bargaining. It argues that supporting national minimum wages is helpful but not sufficient, examines sources of downward pressure on VSS, identifies potential explanations for variation among standards, and briefly describes a new initiative promoting living wage standards. While VSS are not a silver bullet for sustainable development or wage equity, VSSSOs are overlooking a significant opportunity to be a transformative part of a broader solution. Copyright © 2017 John Wiley & Sons, Ltd and ERP Environment

Received 3 November 2016; revised 23 April 2017; accepted 5 May 2017
Keywords: voluntary sustainability standards; fair trade; private regulation; wages; inequality; labor standards; Fairtrade International; collective bargaining

Introduction

THE SUSTAINABLE DEVELOPMENT AGENDA HAS LONG BEEN LINKED WITH SOCIAL JUSTICE, INCOME EQUALITY AND WORKERS' RIGHTS. Over the past two decades, voluntary standards and certification programs have become increasingly common Interventions for achieving sustainability goals. However, little attention has been paid to whether and how voluntary sustainability standards (VSSs) engage with the goal of improving workers' lives. This article aims to begin filling this gap. It identifies the ways in which VSSs could positively affect workers' incomes, and evaluates whether voluntary sustainability standard-setting organizations (VSSSOs) – the organizations that create standards and direct the processes of auditing and certification[1] – are leveraging or overlooking those opportunities. While VSSs are not a silver bullet for wage equality, or social justice more generally, this article

[1]On this term, see Bennett (2016). These organizations are also referred to as 'non-state certification systems' (Bartley, 2007), 'competitive supragovernmental regulation' (Meidinger, 2011), 'voluntary sustainability initiatives' (Potts *et al.*, 2014) and 'multi-stakeholder initiatives' (Cheyns and Riisgaard, 2014).

*Correspondence to: Elizabeth A. Bennett, Lewis & Clark College, Department of International Affairs, 0615 SW Palatine Hill Rd, MSC 36, Portland, OR 97219, USA.
E-mail: elizabethbennett@lclark.edu

argues that they can be part of a broader solution. Unfortunately, this study finds that few VSSSOs fully leverage their opportunities to improve workers' incomes.

The article is organized as follows. First, it explores the linkages between sustainable development, wage equity and voluntary standards. It argues that VSSSOs can play a role in addressing wage inequality by mandating living wages and rigorously supporting collective bargaining in their standards. To answer the question of whether VSSSOs are seizing or overlooking this opportunity, the article then examines the standards of 16 systematically selected VSSSOs. It finds that VSSSOs typically simply aim to enforce national minimum wages and International Labor Organization (ILO) standards, but rarely support living wages and actively bolstering collective bargaining. The analysis also reveals that VSSSOs that set multiple standards are inconsistent in their treatment of wage provisions across these standards. The article concludes with a discussion of the sources of downward pressure on VSS wage standards, potential explanations for variation among VSSSOs' standards, suggestions for future research and a brief description of a new initiative that aims to leverage voluntary standards to address income inequality. The principal argument is that many VSSSOs have overlooked the opportunity to improve workers' incomes, despite the fact that equity and social justice are central to their sustainable development goals.

Literature

Sustainability and Income Inequality

VSSSOs are non-state, multi-stakeholder organizations that set standards, accredit auditors and market certified products in order to bolster sustainable development. Examples include Fairtrade International, the Forest Stewardship Council and the Roundtable for Sustainable Palm Oil. Since their inception in the late 1980s, VSSSOs have rapidly proliferated and gained market recognition. In 2012 alone, the production of sustainability-certified commodities grew by 41%, in contrast with a 2% increase in their conventional (non-certified) counterparts (Potts *et al.*, 2014, p. 8). VSSSOs' origins, missions and governance structures are quite diverse. For example, fair trade certifications are typically established for the explicit purpose of improving conditions for the poor (Taylor *et al.*, 2005), while others are not. Yet, they share in common a commitment to sustainability and sustainable development (Bennett, 2017).[2]

The sustainable development discourse explicitly asserts that issues of equality, fairness, social justice and income equity fall within the sustainability agenda (Springett and Foster 2005; Vermeulen and Seuring, 2009, p. 269; Shrivastava *et al.*, 2013, p. 231).[3] As the 2011 UNDP Human Development Report (titled *Sustainability and Equity*) argued, 'sustainability is not exclusively or even primarily an environmental issue', but instead one that is 'inextricably linked to basic questions of equity – that is, of fairness and social justice and of greater access to a better quality of life' (UNDP, 2011, p. iv). For this reason, the 2015 United Nations Sustainable Development Goals for 2030 include 'reducing inequality within and among countries'. There is widespread consensus that social justice and environmental aspects of sustainability are inextricably and intimately connected, and possibly interdependent or mutually reinforcing (Boyce, 1994; Gladwin *et al.*, 1995; Magnani, 2000; Wilkinson and Pickett, 2009; Jorgenson *et al.*, 2015), even if policies addressing them at times may face tradeoffs (Scruggs, 1998; see Berthe and Elie, 2015). Although there are many dimensions of inequality – gender, race and ethnicity, to name a few – many sustainable development metrics focus on income equality as an indicator of progress (e.g. Hicks, 1997; Clarke and Islam, 2006, pp. 227–228; Schoenaker *et al.*, 2015, p. 293).

[2]On diversity and convergence in ethical and fair trade initiatives, see Smith and Barrientos (2005).
[3]The term 'sustainable development' emerged in the 1970s (Springett and Redclift, 2015) and was advanced and promoted in the 1980s (Cole, 1999, p. 90). It gained traction at the 1992 Earth Summit, where 'Agenda 21' obliged participating countries to create a National Sustainable Development Strategy and monitor progress via Sustainable Development Indicators (SDIs) (Schoenaker *et al.*, 2015, p. 286). Many scholars argue against the pursuit of a singular definition, which is inherently a product and propagator of power and political process (e.g. Springett and Redclift, 2015, pp. 18–20), instead promoting the idea of a sustainable development discourse that is shaped by a shared set of assumptions and capabilities and equipped to expose and critique issues of power and politics (see also Jacobs, 1991, 1999; Dryzek, 2000; Luke, 2013, pp. 83–85).

DOI: 10.1002/sd

Income inequality refers to an uneven distribution of earnings from capital, labor, assets, transfers or other sources. Not only is this a problem in and of itself,[4] but it also exacerbates other issues within sustainable development (see, e.g., UNDP, 2010, p. 86). For example, income inequality is linked with increased consumption of status-oriented goods and fossil fuels (Schor, 1998), erosion of social trust and inhibition of collective action around environmental issues (Ostrom, 2008; Wilkinson and Pickett, 2009; Cushing *et al.*, 2015), and slowing the diffusion of environmentally friendly consumer products (Vona and Patriarca, 2011). Today, two of the forces perpetuating global income inequality are increasing wage differentials and increasing returns to capital, relative to labor (Piketty, 2014, esp. Chapter 6; Karabarbounis and Neiman, 2014). In other words, low-income earners' wages are growing more slowly than high-income earners' (Goldberg and Pavcnik, 2007, 71); and those earning income primarily from wages (i.e. the less wealthy) are experiencing slower income growth than those with capital gains (i.e. the more wealthy) (Milanovic, 2016, p. 69). Thus, improving wages, especially for low-wage earners with little wealth, is key to improving income equality both globally and within individual countries.

Voluntary Sustainability Standards and Workers' Wages

VSSs can promote sustainable development by improving the incomes of the workers who produce their certified products. Wages are a significant source of household income, around 70–80% in developed countries and 30–60% in developing and emerging economy countries (ILO, 2014, pp. 35, 40). Massive wage differentials are a key contributor of income inequality (see, e.g., Goldberg and Pavcnik, 2007, 71; Piketty, 2014, Chapter 9; Keifman and Maurizio, 2014, pp. 268–270; Drennan, 2015, pp. 9–13), and in some contexts may be the 'single most important driver' of income inequality (ILO, 2014, p. 20). The differential between wages for unskilled and skilled labor, in particular, is increasing (Goldberg and Pavcnik, 2007; Atkinson, 2016). Exacerbating this trend, in some countries, the minimum wage for workers in the agri-food export sector has been decreased to make exports more competitive in the global market (Schuster and Maertens, 2016, 2394). One way to improve income equality is to raise wages for lower-income earners, who typically have fewer skills and less education (Goldberg and Pavcnik, 2007). In the emerging and developing economies where income inequality has actually declined in recent decades, an increase in minimum wages was a key factor (see, e.g., Keifman and Maurizio, 2012; Cornia, 2014).[5] Accordingly, the United Nations Sustainable Development Goals (SDGs), established in 2015, include protecting wages, supporting labor rights, and raising incomes for the bottom 40% of the global population as key strategies for reducing income inequality both within and among countries by 2030 (UN, 2015, Goals 8, 10).

How can VSSSOs improve wages for workers who produce certified products? VSSSOs have already developed the capacity to set standards for farmers and workers, accredit auditors to verify adherence to standards and certify compliant entities (Bazillier, 2008; Schuster and Maertens, 2016). They typically work in less developed countries (Potts *et al.*, 2014, p. 93) and in sectors that typically pay low wages, such as light manufacturing, agri-food and extraction (see Mahutga, 2006). VSSSOs are also intimately familiar with the nuances of complex international supply chain management and have built relationships with importers, exporters, traders, retailers, transporters, processors and producers. This unique bureaucratic infrastructure and specific operational expertise distinguishes them from typical development NGOs or foreign aid programs, which may share the goal of improving wages but lack the operational infrastructure or sector-specific expertise and relationships to do so. VSSSOs also have some

[4]Income inequality is not natural or inevitable, but rather a consequence of social, political and economic forces (Piketty, 2014; Bourgignon, 2016). Since the 1980s, within-country income inequality has become worse (Milanovic, 2010; Clark, 2011), increasing in more than twice as many countries as it has decreased (UNDP, 2010, pp. 6, 19). In China, the most populated country in the world, inequality (as indicated by the Gini coefficient) grew by more than 50% from 1983 to 2013 (Wang *et al.*, 2014). In the wake of globalization, global income inequality has received increased attention (Milanovic, 2010, 149–151; Anand and Segal, 2015, p. 973; on approaches to measuring global income inequality see Clark, 2011, p. 566). Despite serious data limitations (see Galbraith, 2012, Chapter 2), researchers generally agree that global income distribution is *less equal* than within any single country, with a Gini coefficient of around 0.80 or, if incomes are adjusted for lower prices in some countries, around 0.70 (Milanovic, 2010, p. 152; Clark, 2011; Bourgignon, 2016). These estimates (of great inequality) may actually be *optimistic*, as the wealthy often do not report income on tax documents, which provide data for inequality calculations (Bourgignon, 2016, p. 14). While scholars disagree on whether global inequality has remained about the same (Milanovic, 2010, pp. 152–154), become worse (Anand and Segal, 2015, p. 975) or slightly improved (Clark, 2011) during the most recent wave of globalization, there is consensus that global incomes are not converging at a rapid pace, and that divergence in the long term is possible (Milanovic, 2013) or even likely (Rougoor and van Marrewijk, 2015).
[5]According to the ILO, the *predominant* cause of reduced inequality in these countries is more equitable wage distribution (2014, p. xvii).

DOI: 10.1002/sd

advantages over state policy makers, who must balance the benefits of wage increases with pressures to produce cheap exports, attract manufacturing jobs and reduce spending on law enforcement (Stiglitz, 2003; Fridell, 2013). As the onus to improve workplace conditions shifts away from the state (Toffel *et al.*, 2015, p. 205), a regulatory space is opening for non-state actors, such as VSSSOs. The VSS community can leverage existing capacities to improve wages, and thus address income inequality in two ways: including wage outcomes in their standards and supporting process rights for workers.

First, VSSSOs can include wage outcomes in their standards. Some types of requirement will increase wages more than others. At a minimum, VSSs can enforce the national (legal) minimum wage or the prevailing industry wage (the 'going rate' for workers in a specific occupation in a particular region or country). VSSSOs can determine a prevailing wage by averaging payroll records, drawing on survey data or examining collective bargaining agreements (Miller and Williams, 2009, p. 101). The prevailing wage is not necessarily greater than the national minimum, so a more impactful standard would mandate paying the higher of the two wages. Yet, both minimum and prevailing wages are typically far below a living wage (Miller and Williams, 2009, p. 100). Thus, more rigorous standards would mandate paying a premium – an amount or percent over base pay – or a living wage, 'remuneration received for a standard work week 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, transport, clothing, and other essential needs including provision for unexpected events' (ISEAL Alliance, 2013).

Second, VSSSOs can support workers in their own efforts to raise wages by including process rights, such as freedom to associate and the right to collectively bargain, in their standards. These provisions have long been considered critical components of tackling wage inequality (Kerrissey, 2015). The collective agreements they produce can lift wage floors and compress wage distributions (Checchi *et al.*, 2010, p. 101). Since the 1980s, declines in collective bargaining have been one of the main factors contributing to rising wage inequality and an expanding low-wage workforce (Wright and Brown, 2013, p. 21). To support process rights, VSSSOs should, at minimum, include ILO Conventions 87 and 98, the 'Freedom of Association and Protection of the Right to Organize' and the 'Right to Organize and Collective Bargaining' in their standards. A more rigorous standard would mandate that employers actively educate workers about their rights, provide support and opportunities for collective action and respect the outcomes of collective agreements. In sum, VSSSOs can contribute to bolster workers' incomes by mandating living wages or equivalent wage premiums and requiring employers to actively empower and incentivize workers to bargain collectively.

The potential impact of VSSs on workers' incomes should not be underestimated. Today, VSSSOs affect tens of millions of workers – *at the very least*. The exact number of workers whose wages are directly affected by VSSs is difficult to estimate for several reasons. Some certifications, such as Aquaculture Stewardship Council, apply standards to farms or factories and the number of people working within those settings is unknown. Other certifications, such as Forest Stewardship Council, publish certification statistics in hectares, not workers or number of workplaces. Even if each VSSSO provided an estimate of the number of workers it certifies, the total of these figures would overestimate the number of workers, as some workplaces are certified by several systems. However, six of the 16 VSSSOs included in this study report (on their websites) how many workers they certify, and these figures can be used to estimate a range and average (see Table 1). The average number of workers certified by these VSSSOs is about one million. If we discard the largest and smallest, the average is about 1.2 million. Using these averages we can estimate that roughly 16–19 million workers' wages are regulated by the VSSSOs included in this study. This is about a quarter of one percent of the world's population – similar to the population of a mid-sized country, such as The Netherlands, Chile or Malawi. And these (as described in the methods section) are just the industry leaders – over 400 other eco labels exist (Ecolabel Index, 2016), and many major labels (such as Fairtrade International) are reporting increases annually. While VSSs alone cannot raise workers' wages worldwide, they certainly have the potential to be part of the solution.

Improving Workers' Incomes: History and Context

For most of the 20th Century, unions were the primary organizing tool through which workers advocated for better conditions and higher wages. However, in the 1970s–1990s traditional modes of industrial organization gave way to indirect sourcing, labor deregulation, mobile capital and globalized value chains. These shifts in the international

DOI: 10.1002/sd

VSSSO	Farmers & workers
Social Accountability International (SAI)[1]	2 040 582
Fairtrade International (FI)[2]	1 650 000
Better Cotton Initiative (BCI)[3]	1 500 000
Global Coffee Platform (formerly 4C)[4]	1 450 000
Union for Ethical Biotrade (UEBT)[5]	250 000
Responsible Jewellery Council (RJC)[6]	113 740
Total	7 004 322
Average	1 000 617
Average, multiplied by 16 VSSSOs	16 009 879
Smallest, multiplied by 16 VSSSOs	1 819 840
Largest, multiplied by 16 VSSSOs	32 649 312

Table 1. Number of individuals working under voluntary sustainability standards
[1]http://www.saasaccreditation.org/certfacilitieslist.htm
[2]http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2015-Monitoring_and_Impact_Report_web.pdf
[3]http://bciannualreport.org
[4]http://www.globalcoffeeplatform.org/latest/2015/the-2014-annual-report-is-out
[5]http://ethicalbiotrade.org/dl/BSR-2016-report_FINAL.pdf
[6]http://www.rspo.org/about/impacts

political economy created new challenges for unions' traditional tools of local industrial action and social contracts, and unions experienced declines in membership and political influence (Barrientos, 2000; Riisgaard, 2009). At the same time, the sustainability efforts and the NGO sector were gaining steam (Eade, 2004). Although unions identified as part of the sustainability movement and had a long history of advocacy around improving workers' wages (Springett and Foster, 2005), they were somewhat overshadowed – especially in the clothing, textile, footwear and agrifood sectors – by two types of non-union, non-state activity: company codes of conduct and voluntary labeling initiatives (Blowfield, 1999; Barrientos, 2000).

In the 1990s, company codes of conduct became the most common instruments for showing social and environmental responsibility (Blowfield, 1999). While some companies consulted external experts or drew on common models, most developed their codes unilaterally (Barrientos, 2000). The codes established principles and criteria for company performance, and sometimes specified how they might be implemented (Blowfield, 1999). Most were not public (Blowfield, 1999), and some were so lax they did not recognize the standards developed by the ILO (ETI, n.d.). In 1998, a group of companies, trade unions and NGOs established the Ethical Trade Initiative to raise standards, bolster credibility and maximize codes' impact on workers (ETI, n.d.). Companies can become members of ETI by adopting codes of conduct that meet its base code, which include living wages (ETI, n.d.).

Company codes of conduct have not been widely successful in delivering a living wage. In 2007, for example, ETI suspended Levi Strauss & Co for refusing to adopt the living wage provision, an event that drew attention to the question of whether or not other ETI members were ensuring that workers received a living wage (Miller and Williams, 2009).[6] In fact, many ETI members and other companies with codes of conduct admit that ensuring that their suppliers pay their workers 'enough to meet basic needs and to provide some discretionary income' (as mandated in the base code) is little more than aspirational, and that they struggle to provide even the statutory minimum wage (Miller and Williams, 2009, p. 100). Yet, ETI, Global Compact, the Clean Clothes Campaign and other NGOs continue to focus their attention on codes of conduct. In 2014, for example, ETI reiterated its expectations that members live up to the 'living wage' clause of the base code (ETI, 2014).[7]

[6]Levi Strauss & Co. subsequently terminated its membership (Miller and Williams, 2009).
[7]Companies were reminded that in becoming ETI members they agreed to support enabling conditions for payment of a living wage, establish living wage levels through free and fair collective bargaining, seek to influence government policy that supports living wages, enable living wages and be transparent about progress and share learned lessons to aid others in developing good practice (ETI, 2014).

DOI: 10.1002/sd

Voluntary labeling emerged, in part, to improve upon the shortcomings of company codes of conduct (Mutersbaugh and Wilson, 2015). The question of whether and how VSSSOs include wage provisions in their standards is difficult to answer because previous studies either limit cases to specific sector(s), focus on standards within particular countries or regions, examine only a small number of cases or are not systematic about case selection. Yet, the findings of these studies are similar: standards, though diverse, have converged to some extent around minimum wage laws and ILO standards.[8] For example, O'Rourke (2006) found that six labor-focused standards operating in the United States and Europe converged around ILO principles for health and safety, wages and hours, and treatment of women (O'Rourke, 2006, pp. 900–901). Schuster and Maertens (2016) show that seven labor-oriented standards operating in Peruvian horticulture converged upon ILO conventions but several 'extended on these norms' in different ways, such as moving toward living wages (p. 2396). In a white paper examining '16 of the most important standards' active in agriculture, forestry and biofuels, Potts and collaborators (2014) found that 63% of VSSs enforce the national minimum wage (p. 77) and 29% require payment above the minimum wage (p. 86). They also suggest that standards for labor seem to be less robust than environmental or social provisions (p. 77). This aligns with several studies that show how VSSs focus more on safety and efficiency than on issues of social and economic inequality, such as access to and distribution of resources (Cheyns, 2011, 2014; Nelson and Tallontire, 2014; Raynolds, 2014).[9] Several studies have made suggestions about the international political economy and institutional factors that may put downward pressure on standards. These are examined in the discussion section.

The objective of this study is to describe the standard content and identify areas of convergence or divergence among a systematically selected group of high-profile VSSSOs that work across sectors and regions. By better understanding how VSSSOs incorporate wage outcomes and process rights into their standards, scholars and practitioners are better equipped to support VSSSOs in leveraging the opportunity to positively affect wage equality and, thus, sustainable development.

Data and Methods

The objective of the empirical research was to learn whether voluntary sustainability standards include wages and collective bargaining in their written standards and, if so, how. More specifically, it aimed to determine whether or not VSSSOs mandate living wages and rigorously support collective bargaining, or alternatively if they 'overlook' the opportunity to participate in global efforts to make incomes more equal. To answer this question, this study examines the world's leading standard setting organizations, whose standards are most likely to be imitated by others in the field (Reinecke *et al.*, 2012, p. 804). To limit the study to leading VSSSOs, the first criterion for case selection was membership in the ISEAL (International Social and Environmental Accreditation and Labelling) Alliance. ISEAL is an independent NGO that provides guidance for international social and environmental standards-setting organizations. It is a central actor in developing a cross-domain certification community (Bartley and Smith, 2010, p. 369) and is widely considered a core actor in defining the field (Dingwerth and Pattberg, 2009; Bernstein, 2011; Loconto and Fouilleux, 2014). ISEAL does not require members to include wages or collective bargaining in their standards, and thus does not bias results. The second criterion for case selection is that all cases included in this study set standards for globalized supply chains, in which production and consumption occur in multiple and different regions of the world. This aims to minimize the influence of local customs and cultures on standards content, as all cases must govern across diverse production contexts and market goods in varied consumer regions.

[8]VSSSOs are not alone in focusing on minimum wages. Studies of corporate codes of conduct show similar convergence (O'Rourke, 2003; Barrientos and Smith, 2007; Miller and Williams, 2009).
[9]VSSs are not alone in this trend. CSR strategies may be stronger in quality control, health, safety and environmental management than in employee compensation and benefits (Kortelainen, 2008, p. 433) and ILO standards may be more focused on horizontal wage equity (e.g. equal pay for equal work) instead of vertical wage equality (e.g. wage differentials between white collar and blue collar employees) (Standing, 2008).

DOI: 10.1002/sd

Case selection and data collection occurred May through August of 2016. Of the 21 ISEAL members, 16 met the criterion of setting standards for globalized supply chains. Of those VSSSOs, three set multiple standards: the Aquaculture Stewardship Council (ASC) certifies abalone, bivalve, fresh trout, pangasius, salmon, shrimp and tilapia; Fairtrade International (FI) certifies hired labor, small producer organizations and textiles[10] and UTZ Certified certifies both groups and individuals. By reviewing multiple standards set by the same VSSSO, we can learn about convergence or diversity of standards content within individual VSSSOs. In total, 25 standards (from 16 different VSSSOs) were analyzed.[11]

To gather data, the standards were downloaded from each VSSSO's website and relevant sections were identified by searching for the terms: wage, bargaining, contract, discrimination, discipline, community, development, income, payment, salary and compensation. A cursory review of these sections was used to create two sets of codes: one for wages and one for collective bargaining. The researcher and two assistants coded each organization's standard(s) and their coded data were compared (and discrepancies reviewed) to provide inter-coder reliability. The result is a rigorously generated depiction of wage and collective bargaining requirements among the world's leading VSSSOs, across sectors and regions. To be clear, the results of this analysis of standards speak to whether or not VSSSOs *may intend* to raise wages and bolster collective bargaining rights – not whether or not they succeed in doing so. These descriptive data were organized to illustrate commonalities and diverse features, as presented in two tables and described in the following section.

Findings

The wage standard findings are displayed in Table 2. Shaded borders are used to draw attention to similarities across standards. Symbols are used to communicate the content of each standard. Of the 25 standards reviewed, 23 include wage requirements. The two exceptions are the Marine Stewardship Council (MSC) and GoodWeave. MSC is the only VSSSO in the study that does not include a social goal within its mission statement, and does not include any wage outcomes in its standards. GoodWeave's mission is to end child labor, and although it does not require certified rug makers to abide by wage standards its standards support progress toward 'national legal standards or industry benchmark standards, whichever is higher' and 'enough to meet basic needs and to provide some discretionary income'.

Of the 23 standards with wage requirements, eight mandate a fair, decent, living or basic needs wage, often in addition to following the legal, prevailing wage or collective bargaining agreement (GCP, RSPO, BCI, SAI and four of the ASC standards). Of the remaining 15 standards, eight mandate adherence to collective agreements and the legal wage (EO, RJC, RSB, and all UTZ and FI standards); three require the prevailing wage and legal minimum (SAN and two ASC standards); three simply require the legal wage (Bonsucro, UEBT, FSC and one ASC standard) and one only requires the prevailing wage (FSC). Seven VSSSOs (28% of the 25 studied) require progression toward a living wage (UTZ individual standard, all FI standards and three ASC standards). Their timelines for progress toward a living wage vary greatly. FI's textile standard, for example, mandates incremental increases that close the gap in no more than six years, while UTZ's individual standard requires progression to occur 'over a reasonable period of time'. While progress standards (when enforced on a timeline) can have the benefit of fostering development over time, they also risk participants entering while standards are low, gaining reputational rewards and exiting before meeting more rigorous requirements. Furthermore, those with vague timelines suggest that certification could be maintained with very little progress over long periods of time. Among the 15 standards that mandate a living wage or require progress in this direction, there is great variation in whether and how 'living wage' is defined. Some draw on an outside definition of living wage (e.g., GCP uses ISEAL's 2013 definition, while ASC's shrimp standard draws on the OECD definition). Others mandate how it should be calculated (e.g., ASC's salmon standard requires calculation in consultation with workers and 'other credible sources'). In sum, while almost all standards reinforce the national minimum wage, *only 32% mandate that employers pay a living wage at the time of initial certification*.

The collective bargaining findings are displayed in Table 3, organized similarly to Table 2. Of the 25 standards reviewed, 23 included collective bargaining. The two exceptions were the same VSSSOs as did not include wages:

DOI: 10.1002/sd

VSSSO and standard		Wages included in standards?	Fair, decent, living or basic needs wage	National or regional legal or official minimum wage	Average, standard or prevailing regional, sectoral or industry wage	Wage established through collective bargaining agreement	Premium (wage per hour or price per pound above market value) to individuals
1	Social Accountability International (SAI)	yes#	X	X*	X*	X*	
2	Roundtable on Sustainable Palm Oil (RSPO)	yes#	X	X*	X*		
3	Aquaculture Stewardship Council (ASC) – fresh trout	yes^	X	X	X		
4	Aquaculture Stewardship Council (ASC) – pangasius	yes^	X	X	X		
5	Better Cotton Initiative (BCI)	yes	X	X	X		
6	Global Coffee Platform (GCP) (formerly 4C)	yes^	X	X		X*	
7	Aquaculture Stewardship Council (ASC) – abalone	yes	X				
8	Aquaculture Stewardship Council (ASC) – bivalve	yes	X				
9	UTZ Certified – individuals	yes^	XP	X		X	X
10	Fairtrade International (FI) – hired labor	yes^	XP	X	X	X	
11	Fairtrade International (FI) – small producer orgs	yes^	XP*	X	X	X	
12	Fairtrade International (FI) – textile	yes^	XP	X	X	X	
13	Aquaculture Stewardship Council (ASC) – salmon	yes^	XP	X	X		
14	Aquaculture Stewardship Council (ASC) – tilapia	yes^	XP	X	X		
15	Aquaculture Stewardship Council (ASC) – shrimp	yes^	XP	X			
16	Union for Ethical Biotrade (UEBT)	yes^	*	X			
17	Equitable Origin (EO)	yes^		X	X	X*	
18	Responsible Jewellery Council (RJC)	yes^		X	X	X*	
19	Roundtable on Sustainable Biomaterials (RSB)	yes^		X		X	
20	UTZ Certified – groups	yes^		X		X	

(Continue)

DOI: 10.1002/sd

	VSSSO and standard	Wages included in standards?	Fair, decent, living or basic needs wage	National or regional legal or official minimum wage	Average, standard or prevailing regional, sectoral or industry wage	Wage established through collective bargaining agreement	Premium (wage per hour or price per pound above market value) to individuals
21	Sustainable Agriculture Network (SAN)	yes^		X	X		
22	Bonsucro	yes		X			
23	Forest Stewardship Council (FSC)	yes			X		
24	GoodWeave	no*					
25	Marine Stewardship Council (MSC)	no					
Totals		23	8	20	14	10	1

Table 2. Inclusion of wage provisions in voluntary sustainability standards
Key: X, standard required; XP, progress toward this standard is required;
*see notes below;
^if multiple standards are required, the highest must be met;
#if multiple standards required, any of them may be met.
Notes (number corresponds to the far left column of the table (such that Note 1 is about SAI, etc.)
1 Mandates a decent living wage plus discretionary income *and* either the national *or* industry *or* collective wage.
2 RSPO mandates a decent living wage *and* either the national *or* the ILO wage.
3 If legal or industry wage does not meet basic needs and provide discretionary income (or no legal minimum exists), the auditor determines a proxy for basic needs.
4 Provides a formula for calculating basic needs and discretionary income, based on the SA8000 Guidance Document.
6 Commits to honoring 'sectoral agreements' which are counted here as collective bargaining agreements. GCP employs ISEAL's 2013 definition of living wage.
9 If the collective or legal minimum wage are not a living wage, 'actions are taken to increase it towards the Living Wage within a reasonable period of time'.
10 After one year, if wages are below the living wage, they must be increased annually to close the gap. A definition of living wage is provided.
11 After three years, small producer organizations must increase salaries (but there is no specific mandate to move toward living wages over time)
12 If initial wage is below living wage, it must be increased each year and close the gap in no more than 6 years.
13 If no legal minimum wage, must meet industry standard. Must work toward a basic needs wage, calculated in consultation with workers and 'other credible sources'.
14 Provides a definition of basic needs, which includes discretionary income.
15 Basic needs calculation based on OECD definition. No formula is provided for discretionary income.
16 'Seeks to pay living wages' but does not require it.
17 EO requires adherence to all CBAs, but does not mention CBAs in the discussion of wages.
18 Requires adherence to all CBAs, but only mentions CBAs in the discussion of overtime wages.
19 Requires adherence to 'international conventions' which we interpreted as ILO conventions.
21 Requires that workers have access to a copy of the CBA during the hiring process.
22 If national minimum wage does not exist a wage is to be determined 'using ILO C131 article 3'.
24 Supports 'national legal standards or industry benchmark standards, whichever is higher'; 'enough to meet basic needs and to provide some discretionary income'.

DOI: 10.1002/sd

	VSSSO and standard	Collective bargaining included in standards?	Cannot prevent or interfere with collective association or bargaining	When CB is restricted by law, employer must facilitate parallel means of independent free association and collective bargaining	Must follow ILO Conventions 87 and 98	Must make workers aware of right to organize; encourage formation of associations; or provide relevant training	Must adhere to company or sector collective bargaining agreements
1	Equitable Origin (EO)	yes	X	X	X	X	X
2	Fairtrade International (FI) – hired labor	yes	X	X	X	X	X
3	Fairtrade International (FI) – small producer orgs	yes	X	X	X	X	X
4	Fairtrade International (FI) – textile	yes	X	X	X	X	X
5	UTZ Certified – groups	yes	X	X		X	X*
6	UTZ Certified – individuals	yes	X	X		X	X*
7	Roundtable on Sustainable Biomaterials (RSB)	yes	X	X	X	X	
8	Roundtable on Sustainable Palm Oil (RSPO)	yes	X	X		X	
9	Social Accountability International (SAI)	yes	X	X		X	
10	Aquaculture Stewardship Council (ASC) – tilapia	yes	X	X	X*		
11	Responsible Jewellery Council (RJC)	yes	X	X*			X
12	Global Coffee Platform (formerly 4C)	yes	X		X		X
13	Aquaculture Stewardship Council (ASC) – abalone	yes	X	X			
14	Aquaculture Stewardship Council (ASC) – bivalve	yes	X	X			
15	Aquaculture Stewardship Council (ASC) – fresh trout	yes	X	X			
16	Aquaculture Stewardship Council (ASC) – pangasius	yes	X	X			
17	Aquaculture Stewardship Council (ASC) – shrimp	yes	X	X			
18	Sustainable Agriculture Network (SAN)	yes	X		X		
19	Forest Stewardship Council (FSC)	yes	X		X		
20	Aquaculture Stewardship Council (ASC) – salmon	yes	X		X*		
21	Bonsucro	yes			X		
22	Union for Ethical Biotrade (UEBT)	yes			X		
23	Better Cotton Initiative (BCI)	yes	X				
24	GoodWeave	no*					
25	Marine Stewardship Council (MSC)	no					
Totals		23	21	16	12	9	8

Table 3. Inclusion of collective bargaining provisions in voluntary sustainability standards

Notes (number corresponds to the far left column of the table (such that Note 5 is about UTZ – groups, etc.)

5 Will honor wages and in-kind benefits offered by CBAs.

6 Will honor wages and in-kind benefits offered by CBAs.

10 Standards are based on ILO standards on collective bargaining.

11 Cannot obstruct alternative means of associations.

20 Only ILO Convention 98.

24 Although the certification does not have any wage requirements, it supports progress toward relevant ILO standards and national laws and supporting the right associate and to bargain collectively without discrimination.

MSC and GoodWeave. Of those including collective bargaining provisions, 21 prohibited employers from preventing or interfering with collective association or bargaining; 16 noted that, in contexts where collective bargaining is restricted by national or local law, employers must facilitate parallel means of independent free association and collective bargaining and 12 mandated adherence to ILO convention 87, Freedom of Association and Protection of the Right to Organize, and ILO convention 98, The Right to Organize and Collective Bargaining. Nine of the standards mandated that workers must be aware of their right to organize, trained in bargaining or effective representation, or encouraged to form associations. Finally, eight standards mandated that companies must honor bargaining agreements. In sum, while almost all standards include collective bargaining provisions, *only 16% require employers to encourage workers to organize and respect the outcomes of collective agreements*.

Analysis across the two data sets generates additional findings. First, by comparing the most rigorous and least rigorous VSSSOs on each list, we see that the VSSSOs with the most rigorous wage outcome standards (ASC, BCI, GCP, RSPO and SAI) are not the same as those with the most rigorous process rights standards (EO and FI). If FI's progressive living wage standard is considered as rigorous as the others, however, FI becomes the only VSSSO to support both rigorous outcome and process standards. Interestingly, of the eight VSSSOs with the least rigorous process rights, seven were also among those with the least rigorous wage provisions (BCI, Bonsucro, FSC, Goodweave, MSC, SAN and UEBT). In other words, while only Fairtrade International was consistently rigorous, several VSSSOs were universally lax. Second, by comparing the content of multiple standards set by the same VSSSO, we find that VSSSOs are relatively consistent in their treatment of process rights (across multiple standards) but relatively inconsistent in their treatment of wage outcomes. Both FI and UTZ addressed process rights in the same way across their multiple standards, and ASC was consistent across five standards, with some variation in the remaining two. However, all three VSSSOs addressed wage outcomes differently across their standards. That is to say, VSSSOs are not always consistent across multiple sets of standards. These findings are discussed below.

Discussion

Do VSSSOs Address or Overlook the Opportunity to Affect Workers' Wages?

The findings of this study support what previous research has suggested: almost all VSSs include some type of wage and collective bargaining requirement, but most do not mandate living wages or empower collective bargaining, and only one does both. What does this say about whether VSSs address or overlook income inequality? On one hand, mandating national minimum wage laws and ILO collective bargaining provisions are important contributions to sustainable development. VSS certified factories and farms do not necessarily implement national laws if they are not written into standards and audited (Schuster and Maertens, 2016; Kortelainen, 2008). Therefore, by enforcing national laws, VSSs provide an enforcement mechanism service that many states are unable or unwilling to provide (Gindling and Terrell, 2010, p. 908). In states where citizens are advocating for increased and enforced minimum wages, this means that VSSs are supporting democratically generated policy outcomes (Gindling and Terrell, 2010). They are also supporting global norms by providing an enforcement mechanism that the ILO lacks (Weisband, 2000, p. 648; Toffel *et al.*, 2015, pp. 207–208). VSSs' enforcement of state standards is particularly important for low-wage workers, who are more likely to suffer the consequences of non-compliance, which further exacerbate inequality (Gindling and Terrell, 1995).

Reducing VSSSOs to an enforcement mechanism for state and ILO standards also has several downsides. Because minimum wages are typically much lower than living wages (Miller and Williams, 2009, p. 100) – by some estimates 200–300% – this trend limits voluntary standards' impact on wages, and thus on income equality (Anker, 2006; Miller and Williams, 2009, p. 101). Furthermore, widespread convergence on others' standards constrains the creativity, innovation, progressive values – 'norm entrepreneurship' – that VSSSOs might otherwise exhibit (see Hutchens, 2009). VSSSO reliance on state and ILO standards also calls into question whether contemporary global governance is as 'multi-layered' as some claim it to be (e.g. Djelic and Sahlin-Andersson, 2006, p. 376), or

DOI: 10.1002/sd

whether states remain at the fore. Finally, if corporate pressures on public policy succeed in further depressing wages and eroding labor standards (Pepper, 1998), the standards that VSSSOs are enforcing may have less impact over time. To more effectively leverage their distinctive capacity to address income inequality, VSSs should mandate living wages, actively support worker organizations and adhere to collective agreements, yet only Fairtrade International comes close to these high standards.

What Accounts for these Findings?

Why are VSSSOs' (intended) contributions to income equality, on average, rather disappointing? What accounts for the variation across VSSSOs' standards? What explains diversity among multiple standards set by the same organizations? This section draws on the interdisciplinary literature on private regulation to identify factors that may shape standards content, and offers suggestions for future research.

One approach to explaining standards content is to examine factors taking place outside of individual organizations. In these explanations, the level of analysis is the organizational field, or an aggregated, recognized area of institutional life populated by organizations that produce similar services or products (DiMaggio and Powell, 1983, p. 148). Here I discuss four ways the organizational field can explain standards outcomes: isomorphism, wage taboos, corporate pressure, and anxiety about negative externalities. Isomorphism is the idea that similar organizations are constrained by comparable forces because they inhabit the same environment (DiMaggio and Powell, 1983, p. 149). Explanations that examine organizational fields through this lens suggest that as organizations compete for resources, power and legitimacy (DiMaggio and Powell, 1983, p. 150) they mimic more established or successful organizations, resulting in standards convergence (Boiral and Gendron, 2011). This may create a race to the bottom, or convergence at the top (see Eberlein *et al.*, 2014, p. 5). Among organizations in newly emerging fields of private governance, organizations may work together to access legitimacy and reputational resources at first, and become more competitive after their authority has been established (Smith and Fischlein, 2010). A second set of theories suggests that a pervasive culture of free-market capitalism makes it difficult for labor advocates to intervene in wage-setting or process rights, as doing so challenges embedded capital–labor relationships and may chafe against norms about who benefits from the process of production (Barrientos and Smith, 2007; Potts *et al.*, 2014, p. 77). Some studies from this approach focus on the ways in which global value chains are organized, and the constraints that these structures create for both workers and the organizations that advocate for them. For example, Riisgaard (2009) shows how retailer strategies such as just-in-time ordering pressure suppliers and promote labor flexibility at the expense of labor organization (Riisgaard, 2009). A third perspective is that corporate interests pressure VSSSOs (though the promise of contracts or via their participation in VSSSO governance) to ratchet standards downward or away from labor issues to reduce costs and increase profits (Schrage, 2004, p. 171; Young and Tilley, 2006, p. 405; Bird and Manning, 2008, pp. 920–921; Jaffee and Howard, 2009; Luke, 2013, pp. 86, 89; Marx and Wouters, 2015, p. 8; Bartley *et al.*, 2015, p. 216). Studies show, however, that robust standards do not necessarily harm the bottom line (Miller and Williams, 2009, p. 99; Alvarez, 2011). Finally, weak wage standards may reflect trepidation that higher wages will increase unemployment, feed the informal sector or adversely affect vulnerable workers (Friedman, 1962; Gindling and Terrell, 2010, p. 909; Neumark *et al.*, 2006), although these tradeoffs are contested (ILO, 2014, p. xix). Overall, this approach to understanding VSSSOs suggests that certification programs emerge in ways that reflect political opportunities, the market context and the structure, scope and governance of previous initiatives within the sector, and that organizations' initial iterations have an enduring impact on their evolution (Auld, 2014). Given the results of this study's findings, research at this level of analysis might focus on the ways in which more rigorous standards (e.g. Fairtrade International) have been able to navigate these pressures differently from other, similar VSSSOs, and what (if anything) might be done to establish a standards floor, limiting the depths of 'the bottom'.

A second approach to understanding standards content outcomes is to look within organizations. One such explanation focuses on the distribution of power within their governance structures. Bennett (2017) finds that VSSSOs often exclude producers from high-level governance bodies, such as the board of directors, and that doing so may dilute the benefits they receive (Brown, 2008; Jaffee and Howard, 2009; see also Bennett, 2016). Similarly, van der Ven (2015) shows that labeling organizations with non-profit structures or NGO partners are more likely to comply with best practices, such as setting meaningful standards, than those dominated by the public sector or

DOI: 10.1002/sd

industry actors. This may also shed light on why standards vary within organizations. Renard (2015) and Stevis (2015), for example, suggest how incorporating smallholder farmers and labor unions in Fairtrade International's governance can shift standards in ways that benefit these groups. Future research should further examine the relationships between governance structure, best practices and standards content. A second perspective is that standards content reflects VSSSOs' missions, such that socially oriented VSSSOs (e.g. FI) would be more likely to adopt rigorous labor standards than environmental organizations (e.g. MSC) (see Blowfield, 2000, p. 192; Fridell, 2009, p. 90). Future research might compare the content of organizations' missions with the results presented here to examine the relationship between mission and income equality provisions.

Are VSSSOs Likely to Improve Wage Standards?

In 2012, Fairtrade International, GoodWeave and SAI initiated the Living Wage Project, an effort to improve workers' conditions and wage levels. In 2013, SAN, FSC and UTZ joined this effort, and these six organizations now constitute the Global Living Wage Coalition. The coalition argues that the sustainability standards sector has a unique and influential role to play in promoting living wages. It has adopted a common definition and commissioned economists to create a methodology for calculating living wage. The 'long term goal' is to improve workers' wages by using these calculations to engage organizations, supply chain partners, workers, trade unions and others to 'take stronger action to increase wages' (ISEAL, 2016). At the time of writing, the coalition has completed four pilot studies and 18 prevailing wage reports, each calculating living wages for cities or countries where coalition products are sourced. Moving forward, coalition members are expected to incorporate these calculations into their standards, but are permitted to do so in different ways (ISEAL, 2013, 2016).

The Global Wage Coalition has the potential to address two of the barriers to living wage promotion, yet expectations should be tempered by lessons from previous living wage campaigns. The coalition's goal to 'work towards the long term goal of improving wages' leaves plenty of room for inaction, long lag times and lackluster results, all of which have been outcomes in the past (O'Rourke, 2006). The wage estimates are not stunningly generous. The Wage Report for the Dominican Republic, for example, notes that its estimates are 'not much higher than what the President of the Dominican Republic recently referred to as a misery wage' and 'well below the inflation adjusted living wage for free trade zone apparel workers in Dominican Republic estimated by the Worker Rights Consortium' (Anker and Anker, 2013, p. 4). Although the coalition believes estimates ought to be updated annually to account for inflation and every 10 years to adjust for other variables (and more frequently in countries with high inflation or rapid growth rates), there are no specific plans for funding this work over the long term (ISEAL, 2015, Minutes 44, 47). Past experience shows that VSSSOs fail to update wage-related standards on schedule, which effectively erodes the value of wage standards over time (Jaffee and Howard, 2009).

What are the Limitations of VSSs in Improving Wages and Income Equality?

VSSSOs are well positioned to contribute to sustainability goals in many ways, including improving workers' wages, yet VSSs are not a silver bullet for income equality and sustainable development (Barrientos, 2000). They do nothing to address inflated incomes at the top, which require further action, such as abolition of tax havens or a global tax on wealth (Piketty, 2014). They also fail to affect the wages of the world's poorest people, who are often marginalized from global value chains (Brandi, 2016) or less reliant on wages (ILO, 2014, pp. 35, 40). Finally, VSS may function best in places that need them least. As Toffel *et al.* (2015) illustrate, standards compliance is better in countries that have ratified many ILO conventions, passed highly protective labor regulations and secure press freedom (p. 218).

Even when VSSSOs include robust wage provisions, the outcomes may fall short of expectations. The implementation of standards can be impeded by poor communication, support and enforcement (Miller and Williams, 2009, p. 100), which require not only organizational capacity but also political will (see Barrientos and Smith, 2007; Nelson and Tallontire, 2014). The auditing process can also present challenges (Davenport and Low, 2013): studies suggest that some standards cannot be evaluated in an annual audit, random samples are not necessarily representative, routinization may result in superficial auditing, remuneration arrangements may generate conflicts of interest, and process standards may be more difficult to evaluate than outcomes (Walgenbach,

DOI: 10.1002/sd

2001; Barrientos and Smith, 2007; Boiral and Gendron, 2011; Marx and Wouters, 2015). These challenges may contribute, in part, to the finding that (even when living wages are mandated) producers do not always experience an increase in income (see, e.g., Francesconi and Ruben, 2014, on FI; Brandi, 2016, on RSPO).

A final limitation is that VSSSOs, like many labor-oriented NGOs, have largely marginalized unions, despite potentially productive synergies (e.g., Hale, 2004). Both NGOs and unions aim to halt abusive behavior by multinational companies and promote the broader goal of checking corporate power in the global economy (Compa, 2004). Yet, tensions have emerged between the two types of group.[12] While NGOs create space for workers to exercise their rights, they may also undermine labor laws, state enforcement and union power; they may also exclude important stakeholders, operate with impunity or lack democratic or transparent processes (Compa, 2004; Eade, 2004; Riisgaard, 2009). Unions, on the other hand, may be more accountable to all members, address class-based issues head-on and have broader reach, but at the same time might be over-bureaucratized, slow to respond to change and inattentive to informal-sector workers, women workers, child labor and export-oriented factories (Compa, 2004; Groves, 2004; Roman, 2004). Despite these tensions, trade unions and NGOs still have more in common with one another than either has with neoliberal institutions or multinational corporations (Compa, 2004). Although their relationships have not always been easy, some studies suggest that when they work together on particular disputes or campaigns, their differences can be minimized (Groves, 2004).

Conclusions

Voluntary sustainability standards can and should address income inequality by requiring employers to pay living wages and actively support collective bargaining. However, most overlook this opportunity by simply enforcing national minimum wages and upholding ILO standards for collective bargaining. Future scholarship should identify the conditions under which VSSSOs adopt more robust wage standards, looking beyond organization-level variables, as VSSSOs are inconsistent among their own standards. Income-equality advocates can draw on these results to encourage VSSSOs to leverage their unique capacities to address income inequality by improving wages for the producers of sustainability-certified products.

Acknowledgements

I am grateful for the thoughtful comments of two anonymous reviewers and the editor, whose ideas and suggestions greatly improved the article. I am indebted to Kyle Freund of Fairtrade America for insights that pointed me in the right direction. I owe very special thanks to my diligent, brilliant, and hardworking research assistants Benjamin Beecroft and Ellen Schwartz who gathered documents, coded and analyzed data, reviewed literature, developed arguments, wrote up findings, and brought the project to fruition. Their capacities are far beyond their years. Finally, my thanks to Lewis & Clark College for research funds and sabbatical time, and the Department of International Affairs for providing a supportive and provocative intellectual home.

References

Alvarez G 2011. The Impacts of Private Standards on Producers in Developing Countries, International Trade Center: Geneva http://www.intracen.org/The-Impacts-of-Private-Standards-on-Producers-in-Developing-Countries/ [29 September 2016].

Anand S, Segal P. 2015. The global distribution of income. In Handbook of Income Distribution, Atkinson AB, Bourguignon F (eds). Elsevier: Amsterdam; 937–979. DOI: https://doi.org/10.1016/B978-0-444-59428-0.00012-6

Anker R 2006. A New Methodology for Estimating Internationally Comparable Poverty Lines And Living Wage Rates, International Labour Organization: Geneva.

[12]For an excellent set of essays on this topic, see the 2004 special issue of *Development in Practice*, edited by Deborah Eade (Volume 14, Numbers 1/2).

Anker R, Anker M 2013. A Shared Approach to Estimating Living Wages: Short Description of the Agreed Methodology, ISEAL Alliance Living Wage Working Group: London http://www.ilo.org/integration/resources/papers/WCMS_079165/lang--en/index.htm [29 September 2016].

Atkinson AB 2016. How to spread the wealth: practical policies for reducing inequality. *Foreign Affairs* **95**(1): 29–33.

Auld G 2014. Constructing Private Governance: the Rise and Evolution of Forest, Coffee, and Fisheries Certification, Yale University Press: New Haven, CT.

Barrientos S 2000. Ethical trade and globalization: assessing the implications for development. *Journal of International Development* **12**: 559–570.

Barrientos S, 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.

Bartley T 2007. Institutional emergence in an era of globalization: the rise of transnational private regulation of labor and environmental conditions. *American Journal of Sociology* **113**(2): 297–351. https://doi.org/10.1086/518871.

Bartley T, Koos S, Samel H, Setrini G, Summers N 2015. Looking Behind the Label: Global Industries and the Conscientious Consumer, Indiana University Press: Bloomington, IN.

Bartley T, Smith S 2010. Communities of practice as cause and consequence of transnational governance: the evolution of social and environmental certification. In Djelic ML, Quack S (eds.). Transnational Communities: Shaping Global Economic Governance, Cambridge University Press: Cambridge; 347–374.

Bazillier R 2008. Core labor standards and development: impact on long-term income. *World Development* **36**(1): 17–38. https://doi.org/10.1016/j.worlddev.2007.02.010.

Bennett EA 2016. Governance, legitimacy, and stakeholder balance: lessons from Fairtrade International. *Social Enterprise Journal* **12**(3): 322–346. https://doi.org/10.1016/j.worlddev.2016.10.010.

Bennett EA 2017. Who governs socially-oriented voluntary sustainability standards? Not the producers of certified products. *World Development* **91**: 53–69.

Bernstein S 2011. Legitimacy in intergovernmental and non-state global governance. *Review of International Political Economy* **18**(1): 17–51. https://doi.org/10.1080/09692290903173087.

Berthe A, Elie L 2015. Mechanisms explaining the impact of economic inequality on environmental deterioration. *Ecological Economics* **116**: 191–200. https://doi.org/10.1016/j.ecolecon.2015.04.026.

Bird K, Manning C 2008. Minimum wages and poverty in a developing country: simulations from Indonesia's Household Survey. *World Development* **36**(5): 916–933. https://doi.org/10.1016/j.worlddev.2007.05.012.

Blowfield M 1999. Ethical trade: a review of developments and issues. *Third World Quarterly* **20**(4): 753–770.

Blowfield M 2000. Ethical sourcing: a contribution to sustainability or a diversion? *Sustainable Development* **8**(4): 191–200.

Boiral O, Gendron Y 2011. Sustainable development and certification practices: lessons learned and prospects. *Business Strategy and the Environment* **20**(5): 331–347. https://doi.org/10.1002/bse.701.

Bourgignon F 2016. Inequality and globalization: how the rich get richer as the poor catch up. *Foreign Affairs* **95**(1): 11–15.

Boyce JK 1994. Inequality as a cause of environmental degradation. *Ecological Economics* **11**(3): 169–178. https://doi.org/10.1016/0921-8009(94)90198-8.

Brandi CA 2016. Sustainability standards and sustainable development – synergies and trade-offs of transnational governance. *Sustainable Development*. . https://doi.org/10.1002/sd.1639.

Brown DL 2008. Creating Credibility: Legitimacy and Accountability for Transnational Civil Society, Sterling, VA: Kumarian.

Checchi D, Visser J, van de Werfhorst HG 2010. Inequality and union membership: the influence of relative earnings and inequality attitudes. *British Journal of Industrial Relations* **48**(1): 84–108. https://doi.org/10.1111/j.1467-8543.2009.00757.x.

Cheyns E 2011. Multi-stakeholder initiatives for sustainable agriculture: limits of the 'inclusiveness' paradigm. In Ponte S, Gibbon P, Vestergaard J (eds.). Governing through Standards: Origins, Drivers and Limitations, Palgrave MacMillan: London; 210–235.

Cheyns E 2014. Making 'minority voices' heard in transnational roundtables: the role of local NGOs in reintroducing justice and attachments. *Agriculture and Human Values* **31**(3): 439–453. https://doi.org/10.1007/s10460-014-9505-7.

Cheyns E, Riisgaard L 2014. Introduction to the symposium: The exercise of power through multi-stakeholder initiatives for sustainable agriculture and its inclusion and exclusion outcomes. *Agriculture and Human Values* **31**(3): 409–423. https://doi.org/10.1007/s10460-014-9508-4.

Clark R 2011. World income inequality in the global era: new estimates, 1990–2008. *Social Problems* **58**(4): 565–592. https://doi.org/10.1525/sp.2011.58.4.565.

Clarke M, Islam SMN 2006. National account measures and sustainability objectives: present approaches and future prospects. *Sustainable Development* **14**(4): 219–233. https://doi.org/10.1002/sd.264.

Cole MA 1999. Limits to growth, sustainable development and environmental Kuznets curves: an examination of the environmental impact of economic development. *Sustainable Development* **7**(2): 87–97. https://doi.org/10.1002/(SICI)1099-1719(199905)7:2<87::AID-SD102>3.0.CO;2-5.

Compa L 2004. Trade unions, NGOs, and corporate codes of conduct. *Development in Practice* **14**(1/2): 158–162. https://doi.org/10.1080/0961452032000l.

Cornia GA 2014. Inequality trends and their determinants: Latin America over the period 1990–2010. In Cornia GA (ed.). Falling Inequality in Latin America: Policy Changes and Lessons, Oxford University Press: Oxford; 23–48.

Cushing L, Morello-Frosch R, Wander M, Pastor M 2015. The haves, the have-nots, and the health of everyone: the relationship between social inequality and environmental quality. *Annual Review of Public Health* **36**(1): 193–209. https://doi.org/10.1146/annurev-publhealth-031914-122646.

Davenport E, Low W 2013. From trust to compliance: accountability in the fair trade movement. *Social Enterprise Journal* **9**(1): 88–101. https://doi.org/10.1108/17508611311330028.

DiMaggio PJ, Powell WW 1983. The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* **48**(2): 147–160.
Dingwerth K, Pattberg P 2009. World politics and organizational fields: the case of transnational sustainability governance. *European Journal of International Relations* **15**(4): 707–743. https://doi.org/10.1177/1354066109345056.
Djelic ML, Sahlin-Andersson K (Eds) 2006. Transnational Governance: Institutional Dynamics of Regulation, Cambridge University Press: Cambridge.
Drennan M 2015. Income Inequality: Why it Matters and Why Most Economists Didn't Notice, Yale University Press: New Haven, CT.
Dryzek J 2000. Deliberative Democracy and Beyond: Liberals, Critics, Contestations, Oxford University Press: Oxford.
Eade D 2004. Editorial overview: Special issue on trade unions and NGOs. *Development in Practice* **14**(1): 17–18.
Eberlein B, Abbott KW, Black J, Meidinger E, Wood S 2014. Transnational business governance interactions: conceptualization and framework for analysis. *Regulation and Governance* **8**(1): 1–21. https://doi.org/10.1111/rego.12030.
Ecolabel Index. 2016. www.ecolabelindex.com/ [28 October 2016]
Ethical Trade Initiative (ETI). n.d. Website [20 April 2017].
Ethical Trade Initiative (ETI). 2014. ETI's Expectations of Members Regarding the ETI Base Code Clause on Living Wages. http://www.ethicaltrade.org/resources/living-wage-expectations [20 April 2017].
Francesconi GN, Ruben R 2014. FairTrade's theory of change: an evaluation based on the cooperative life cycle framework and mixed methods. *Journal of Development Effectiveness* **6**(3): 268–283. https://doi.org/10.1080/19439342.2014.918164.
Fridell G 2009. The co-operative and the corporation: competing visions of the future of fair trade. *Journal of Business Ethics* **86**(1): 81–95. https://doi.org/10.1007/s10551-008-9759-3.
Fridell G 2013. Alternative Trade: Legacies for the Future, Halifax, CA: Fernwood.
Friedman M 1962. Capitalism and Freedom, University of Chicago Press: Chicago, IL.
Galbraith JK 2012. Inequality and Instability: a Study of the World Economy Just Before the Great Crisis, Oxford University Press: New York.
Gindling TH, Terrell K 1995. The nature of minimum wages and their effectiveness as a wage floor in Costa Rica, 1976–1991. *World Development* **23**(8): 1439–1458. https://doi.org/10.1016/0305-750X(95)00047-G.
Gindling TH, Terrell K 2010. Minimum wages, globalization, and poverty in Honduras. *World Development* **38**(6): 908–918. https://doi.org/10.1016/j.worlddev.2010.02.013.
Gladwin TN, Krause TS, Kennelly JJ 1995. Beyond eco-efficiency: towards socially sustainable business. *Sustainable Development* **3**(1): 35–43. https://doi.org/10.1002/sd.3460030105.
Goldberg PK, Pavcnik N 2007. Distributional effects of globalization in developing countries. *Journal of Economic Literature* **45**(1): 39–82. https://doi.org/10.1007/s13398-014-0173-7.2.
Groves L 2004. Implementing ILO Child Labour Convention 182: lessons from Honduras. *Development in Practice* **14**(1/2): 171–182. https://doi.org/10.1080/0961452032000170749.
Hale A 2004. Beyond the barriers: new forms of labour internationalism. *Development in Practice* **14**(1/2): 158–162. https://doi.org/10.1080/09614520320001.
Hicks DA 1997. The inequality-adjusted human development index: a constructive proposal. *World Development* **25**(8): 1283–1298. https://doi.org/10.1016/S0305-750X(97)00034-X.
Hutchens A 2009. Changing Big Business: the Globalisation of the Fair Trade Movement, Cheltenham, UK: Elgar.
International Labor Organization (ILO). 2014. Global Wage Report 2014/15: Wages and Income Inequality. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/--publ/documents/publication/wcms_324678.pdf [29 September 2016].
ISEAL Alliance. 2013. Joint Statement: a Shared Approach to a Living Wage. https://www.isealalliance.org/sites/default/files/Joint%20Statement%20on%20Living%20Wag%20November%202013_0.pdf [29 September 2016].
ISEAL Alliance. 2015. ISEAL Webinar: Update on the Global Living Wage Coalition. http://www.isealalliance.org/online-community/resources/iseal-webinar-update-on-the-global-living-wage-coalition [29 September 2016].
ISEAL Alliance. 2016. Global Living Wage Coalition. www.globallivingwage.org [29 September 2016].
Jacobs M 1991. The Green Economy: Environment, Sustainable Development and the Politics of the Future, Concord, MA: Pluto.
Jacobs M 1999. Sustainable development as a contested concept. In Dobson A (ed.). Fairness and Futurity. Essays on Environmental Sustainability and Social Justice, Oxford University Press: Oxford; 21–45.
Jaffee D, Howard PH 2009. Corporate cooptation of organic and fair trade standards. *Agriculture and Human Values* **27**(4): 387–399. https://doi.org/10.1007/s10460-009-9231-8.
Jorgenson AK, Schor JB, Huang X, Fitzgerald J 2015. Income inequality and residential carbon emissions in the United States: a preliminary analysis. *Human Ecology Review* **22**(1): 93–106.
Karabarbounis L, Neiman B 2014. The global decline of the labor share. *Quarterly Journal of Economics* **129**(1): 61–103.
Keifman SN, Maurizio R. 2012. Changes in Labour Market Conditions and Policies: Their Impact on Wage Inequality During the Last Decade, United Nations University World Institute for Development Economics Research (UNU-WIDER) Working Paper 2012/14 (Helsinki). http://www.cpahq.org/cpahq/cpadocs/Changes%20in%20the%20Labour%20Market.pdf [31 October 2016].
Keifman S, Maurizio R 2014. Changes in labour market conditions and policies, and their impact on wage inequality during the last decade. In Cornia GA (ed.). Falling Inequality in Latin America: Policy Changes and Lessons, Oxford University Press: Oxford; 251–273.
Kerrissey J 2015. Collective labor rights and income inequality. *American Sociological Review* **80**(3): 626–653. https://doi.org/10.1177/0003122415583649.
Kortelainen K 2008. Global supply chains and social requirements: case studies of labour condition auditing in the People's Republic of China. *Business Strategy and the Environment* **17**(7): 431–443. https://doi.org/10.1002/bse.634.

Loconto A, Fouilleux E 2014. Politics of private regulation: ISEAL and the shaping of transnational sustainability governance. *Regulation and Governance* **8**(2): 166–185. https://doi.org/10.1111/rego.12028.
Luke T 2013. Corporate social responsibility: an uneasy merger of sustainability and development. *Sustainable Development* **21**(3): 83–91. https://doi.org/10.1002/sd.1558.
Magnani E 2000. The environmental Kuznets curve, environmental protection policy and income distribution. *Ecological Economics* **32**(3): 431–443. https://doi.org/10.1016/S0921-8009(99)00115-9.
Mahutga MC 2006. The persistence of structural inequality? A network analysis of international trade, 1995–2000. *Social Forces* **84**(4): 1863–1889.
Marx A, Wouters J. 2015. Redesigning enforcement in private labor regulation. Will it work? International Labour Review. DOI: https://doi.org/10.1111/j.1564-913X.2015.00040.x
Meidinger E 2011. Forest certification and democracy. *European Journal of Forest Research* **130**(3): 407–419. https://doi.org/10.1007/s10342-010-0426-8.
Milanovic B 2010. The Haves and the Have-Nots: a Brief and Idiosyncratic History of Global Inequality, Basic: New York.
Milanovic B 2013. Global income inequality in numbers: in history and now. *Global Policy* **4**(2): 198–208. https://doi.org/10.1111/1758-5899.12032.
Miller D, 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/10.1177/1468018108100400.
Mutersbaugh T, Wilson B 2015. Fair trade certification, performance, and practice. In Raynolds LT, Bennett EA (eds.). The Handbook of Research on Fair Trade, Elgar: London; 281–297.
Nelson V, Tallontire A 2014. Battlefields of ideas: changing narratives and power dynamics in private standards in global agricultural value chains. *Agriculture and Human Values* **31**(3): 481–497. https://doi.org/10.1007/s10460-014-9512-8.
Neumark D, Cunningham W, Siga L 2006. The effects of the minimum wage in Brazil on the distribution of family incomes: 1996–2001. *Journal of Development Economics* **80**(1): 136–159. https://doi.org/10.1016/j.jdeveco.2005.02.001.
O'Rourke D 2003. Outsourcing regulation: analyzing nongovernmental systems of labor standards and monitoring. *Policy Studies Journal* **31**(1): 1–29. https://doi.org/10.1111/1541-0072.00001.
O'Rourke D 2006. Multi-stakeholder regulation: privatizing or socializing global labor standards? *World Development* **34**(5): 899–918. https://doi.org/10.1016/j.worlddev.2005.04.020.
Ostrom E 2008. Frameworks and theories of environmental change. *Global Environmental Change* **18**(2): 249–225. https://doi.org/10.1016/j.gloenvcha.2008.01.001.
Pepper D 1998. Sustainable development and ecological modernisation: a radical homocentric perspective. *Sustainable Development* (1): 1–7. https://doi.org/0968-0802/98/010001-07.
Piketty T 2014. Capital in the Twenty-First Century, Harvard University Press: Cambridge, MA.
Potts J, Lynch M, Wilkings A, Huppé G, Cunningham M, Voora V. 2014. The State of Sustainability Initiatives Review, Report for the International Institute for Sustainable Development, Winnipeg.
Raynolds LT 2014. Fairtrade, certification, and labor: global and local tensions in improving conditions for agricultural workers. *Agriculture and Human Values* **31**(3): 499–511. https://doi.org/10.1007/s10460-014-9506-6.
Reinecke J, Manning S, Von Hagen O 2012. The emergence of a standards market: multiplicity of sustainability standards in the global coffee industry. *Organization Studies* **33**(5/6): 791–814. https://doi.org/10.1177/0170840612443629.
Renard MC 2015. Fair trade for small farmer cooperatives in Latin America. In Raynolds LT, Bennett EA (eds.). The Handbook of Research on Fair Trade, Elgar: London; 475–490.
Riisgaard L 2009. Global value chains, labor organization and private social standards: lessons from East African cut flower industries. *World Development* **37**(2): 326–340. https://doi.org/10.1016/j.worlddev.2008.03.003.
Roman J 2004. The trade union solution or the NGO problem? The fight for global labour rights. *Development in Practice* **14**(1/2): 100–109. https://doi.org/10.1080/0961452032000.
Rougoor W, van Marrewijk C 2015. Demography, growth, and global income inequality. *World Development* **74**: 220–232. https://doi.org/10.1016/j.worlddev.2015.05.013.
Schoenaker N, Hoekstra R, Smits JP 2015. Comparison of measurement systems for sustainable development at the national level. *Sustainable Development* **23**(5): 285–300. https://doi.org/10.1002/sd.1585.
Schor JB 1998. The Overspent American: Upscaling, Downshifting and the New Consumer, Basic: New York.
Schrage EJ 2004. Promoting International Worker Rights Through Private Voluntary Initiatives: Public Relations or Public Policy? , Centre for Human Rights, University of Iowa: Iowa City.
Schuster M, Maertens M 2016. Do private standards benefit workers in horticultural export chains in Peru? *Journal of Cleaner Production* **112**(4): 2392–2406. https://doi.org/10.1016/j.jclepro.2015.10.038.
Scruggs LA 1998. Political and economic inequality and the environment. *Ecological Economics* **26**(3): 259–275. https://doi.org/10.1016/S0921-8009(97)00118-3.
Shrivastava P, Ivanaj S, Persson S 2013. Transdisciplinary study of sustainable enterprise. *Business Strategy and the Environment* **22**(4): 230–244. https://doi.org/10.1002/bse.1773.
Smith S, Barrientos S 2005. Fair trade and ethical trade: are there moves towards convergence? *Sustainable Development* **13**: 190–198. https://doi.org/10.1002/sd.277.
Smith TM, Fischlein M 2010. Rival private governance networks: competing to define the rules of sustainability performance. *Global Environmental Change* **20**(3): 511–522. https://doi.org/10.1016/j.gloenvcha.2010.03.006.

DOI: 10.1002/sd

Springett D, Foster B 2005. Whom is sustainable development for? Deliberative democracy and the role of unions. *Sustainable Development* **13**: 271–281. https://doi.org/10.1002/sd.253.

Springett D, Redclift M 2015. History and evolution of the concept of sustainable development. In Redclift M, Springett D (eds.). Routledge International Handbook of Sustainable Development, Routledge: New York; 3–38.

Standing G 2008. The ILO: an agency for globalization? *Development and Change* **39**(3): 355–384. https://doi.org/10.1111/j.1467-7660.2008.00484.x.

Stevis D 2015. Global labor politics and fair trade. In Raynolds LT, Bennett EA (eds.). The Handbook of Research on Fair Trade, Elgar: London; 102–119.

Stiglitz J 2003. Globalization and Its Discontents, Norton: New York.

Taylor PL, Murray DL, Raynolds LT 2005. Keeping trade fair: governance challenges in the fair trade coffee initiative. *Sustainable Development* **13**(3): 199–208. https://doi.org/10.1002/sd.278.

Toffel MW, Short JL, Ouellet M 2015. Codes in context: how states, markets, and civil society shape adherence to global labor standards. *Regulation and Governance* **9**(3): 205–223. https://doi.org/10.1111/rego.12076.

United Nations (UN). 2015. Sustainable Development Goals. https://sustainabledevelopment.un.org/?menu=1300 [28 September 2016].

United Nations Development Program (UNDP) 2010. The Real Wealth of Nations: Pathways to Human Development, Human Development Report 2010. UNDP: New York http://hdr.undp.org/sites/default/files/reports/270/hdr_2010_en_complete_reprint.pdf [28 September 2016].

United Nations Development Program (UNDP) 2011. Sustainability and Equity: a Better Future for All, Human Development Report 2011. UNDP http://hdr.undp.org/en/content/human-development-report-2011 [28 September 2016].

van der Ven H 2015. Correlates of rigorous and credible transnational governance: a cross-sectoral analysis of best practice compliance in eco-labeling. *Regulation and Governance* **9**(3): 276–293. https://doi.org/10.1111/rego.12092.

Vermeulen WJV, Seuring S 2009. Sustainability through the market – the impacts of sustainable supply chain management: introduction. *Sustainable Development* **17**(5): 269–273. https://doi.org/10.1002/sd.422.

Vona F, Patriarca F 2011. Income inequality and the development of environmental technologies. *Ecological Economics* **70**(11): 2201–2213. https://doi.org/10.1016/j.ecolecon.2011.06.027.

Walgenbach P 2001. The production of distrust by means of producing trust. *Organization Studies* **22**(4): 693–714. https://doi.org/10.1177/0170840601224006.

Wang C, Wan G, Yang D 2014. Income inequality in the People's Republic of China: trends, determinants, and proposed remedies. *Journal of Economic Surveys* **28**(4): 686–708. https://doi.org/10.1111/joes.12077.

Weisband E 2000. Discursive multilateralism: global benchmarks, shame, and learning in the ILO labor standards monitoring regime. *International Studies Quarterly* **44**(4): 643–666. https://doi.org/10.1111/0020-8833.00175.

Wilkinson R, Pickett K 2009. The Spirit Level: Why More Equal Societies Almost Always Do Better, Bloomsbury Press: New York.

Wright CF, Brown W 2013. The effectiveness of socially sustainable sourcing mechanisms: assessing the prospects of a new form of joint regulation. *Industrial Relations Journal* **44**(1): 20–37. https://doi.org/10.1111/irj.12000.

Young W, Tilley F 2006. Can businesses move beyond efficiency? The shift toward effectiveness and equity in the corporate sustainability debate. *Business Strategy and the Environment* **15**(6): 402–415. https://doi.org/10.1002/bse.510.