

Facts on The Global Garment Industry

1. Key Statistics

Employment in Garment Industry:

- About 60 million¹ to 75 million² people are employed in the textile, clothing and footwear sector worldwide (2014).
- To compare: in 2000 only 20 million people were employed in the industry.

Gender:

- About three quarters of garment workers worldwide are female.³

Worth of Global Garment Industry:

- The world's women's wear industry 2014 is worth 621 billion USD (497 billion EUR)
- The men's wear industry is worth 402 billion USD (322 billion EUR)
- The children's wear industry is worth 186 billion USD (estimated) (149 billion EUR);⁴

Other sources:

<i>World Garment Market 2012</i>	1.7 trillion USD ⁵ (1.3 trillion EUR)
<i>World Garment Exports 2014</i>	708 billion USD ⁶ (567 billion EUR); 412 billion USD ⁷ (330 billion EUR)
<i>World Textile Exports 2012</i>	294 billion USD ⁸ (235 billion EUR)
<i>World Garment Exports 2011</i>	412 billion USD (325 billion EUR) ⁹
<i>Value of the garment industry 2010</i>	1,781 trillion USD ¹⁰ (1.3 trillion EUR)

¹ 'Textiles, clothing, leather and footwear sector' (*International Labour Organisation*) <http://www.ilo.org/global/industries-and-sectors/textiles-clothing-leather-footwear/lang--ja/index.htm> accessed 16 January 2015

² 'Global Fashion Industry Statistics - International Apparel' (*Fashion United*) <http://www.fashionunited.com/global-fashion-industry-statistics-international-apparel> accessed 16 January 2015

³ Celia Mather 'Garment Industry Supply Chains' (*Women Working Worldwide*) http://www.women-ww.org/documents/www_education_pack.pdf accessed 16 January 2015

⁴ Melissa Breyer '25 Shocking Fashion Industry Statistics' (*Tree Hugger*) <http://www.treehugger.com/sustainable-fashion/25-shocking-fashion-industry-statistics.html>

⁵ *Ibid.*, (n.2)

⁶ 'Merchandise Trade' (*World Trade Organisation*)

http://www.wto.org/english/res_e/statis_e/its2013_e/its13_highlights2_e.pdf accessed 16 January 2015

⁷ *Ibid.*, (n.2)

⁸ *Ibid.*, (n.2)

⁹ *Ibid.*, (n.2)

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<i>Value of garment, textile, footwear and luxury goods industry 2010</i>	2,560 trillion USD ¹¹ (2 trillion EUR)

Wage Comparison:

Role	Wage
<i>CEO of H&M</i>	Maximum annual bonus of SEK 0.9 million (125,500 USD; 99,202 EUR) (after tax) ¹² Gross Salary: Unavailable
<i>Store Manager</i>	about 60,000 USD (47,400 EUR) a year (at H&M) ¹³
<i>Retail Worker</i>	In the lowest retail position, employees earn 9 USD (7 EUR) per hour (at H&M) ¹⁴
<i>Garment Factory Worker</i>	Amongst the countries that export to the US, Bangladesh and Cambodia have the lowest wages with 54EUR/68USD ¹⁵ and 102.21 EUR/128 USD, respectively. ¹⁶ Wages in Thailand are 9 USD (7 EUR) per day / 234 USD (184 EUR) per month. ¹⁷
<i>Intermediary</i>	Unavailable

¹⁰ 'Fashion Apparel Industry Overview' (Fashion Products) <http://www.fashionproducts.com/fashion-apparel-overview.html> accessed 16 January 2015

¹¹ *Ibid.*, (n.4)

¹² 'Remuneration 2014' (H&M) <http://about.hm.com/en/About/Corporate-Governance/Other/Remuneration/Remuneration-2014.html> accessed 16 January 2015

¹³ 'H&M Job Application' (*Job-applications.com*) <http://www.job-applications.com/hm-job-application/> accessed 16 January 2015

¹⁴ *Ibid.*

¹⁵ 'Rising wages squeeze Bangladesh garment workers as factories await upgrades.' (*Dhaka Tribune*, 16 April 2014) <http://www.dhakatribune.com/business/2014/apr/16/rising-wages-squeeze-bangladesh-garment-makers-factories-await-upgrades> accessed 16 January 2015

¹⁶ James Hookway, Sun Narin 'Cambodia Sets Minimum Wage Below Union Demands' (*The Wall Street Journal*, 12 November 2014) <http://www.wsj.com/articles/cambodia-sets-minimum-wage-below-union-demands-1415789944> accessed 5 February 2015

¹⁷ 'Thailand adopts Nationwide Minimum Wage Policy Amid Controversy' (*The Asia Foundation*, 30 January 2013) <http://asiafoundation.org/in-asia/2013/01/30/thailand-adopts-nationwide-minimum-wage-policy-amid-controversy/> accessed 16 January 2015

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<i>Cotton Picker</i>	2 USD per day (1.5 EUR) (India); ¹⁸ often nothing (Uzbekistan - forced labour); ¹⁹ 20 ²⁰ 21 40,000 USD per year (USA) ²²
<i>Spinning Mill Worker</i>	20 EUR to 52 EUR per month (India) ²³

Leading and Emerging Markets²⁴

Developing Countries: <i>Top Garment Producing Countries (2011)</i>	All Countries: Top Garment <i>Importing Countries (2011)</i>	Emerging Markets: <i>Top Emerging Garment Producing Countries (2005-2011)</i>
1. China	1. EU-28 (38% of the world garment imports) ²⁵	1. Panama
2. Bangladesh	2. US (20%) ²⁶	2. Mali
3. India	3. Japan	3. Samoa

¹⁸ Humphrey Hawksley 'India's exploited child cotton workers' (*BBC News*, 19 January 2012) <http://www.bbc.com/news/world-asia-16639391> accessed 16 January 2015

¹⁹ 'End Forced Labour in the Cotton Sector of Uzbekistan' (*Cotton Campaign*) <http://www.cottoncampaign.org/> accessed 16 January 2015

²⁰ 'Uzbekistan: 'H&M Sourcing Child Picked Uzbek Cotton,' claims anti-slavery group Ecousterre' (*International Initiative to End Child Labour*, 21 December 2012) <http://endchildlabor.org/?p=7106> accessed 16 January 2015

²¹ 'Uzbekistan's cotton industry relies on state - orchestrated forced labour of children and adults' (*International Labour Rights Forum*) <http://www.laborrights.org/industries/cotton> accessed 16 January 2015

²² 'Cotton Picker Salaries in Cushing, Oklahoma' (*Salary Expert*) <http://www.salaryexpert.com/index.cfm?fuseaction=browse.cushing-oklahoma-cotton-picker-salary-data-details&cityid=10445&positionid=76768> accessed 16 January 2015

²³ 'Flawed Fabrics' (*SOMO*) http://www.somo.nl/publications-en/Publication_4110 accessed 16 January 2015, p6

²⁴ Takahiro Fukunishi, Kenta Goto, Tatsufumi Yamagata 'Aid for Trade and Value Chains in Apparel Chains in Textiles and Apparel' (*Institute of Developing Economics Japan External Trade Organization, World Trade Organization, Organization for Economic Co-Operation and Development*, July 2013) http://www.oecd.org/dac/aft/AidforTrade_SectorStudy_Textiles.pdf accessed 22 December 2014, p13

²⁵ *Ibid.*, (n.6)

²⁶ *Ibid.*, (n.6)

4. Turkey	4. Hong Kong, China	4. Burundi
5. Vietnam (2011)	5. Canada (2011) ²⁷	5. Ethiopia

2. Economic Overview

Global Market: Characteristics and Trends²⁸

- The industry is a global one: supply and value chains are spread across many countries and continents.
- The industry has served as ‘a stepping stone to development’ in most countries. Currently the garment industry plays such a role in many least developed and developing countries.²⁹
- The late 20th century saw a period of significant change in the concentration of the garment market: since that time, the main producing and exporting countries have almost completely changed.
 - **Example:** In 1970, among the biggest exporters to US were: Japan, United Kingdom, Canada, Italy, France, etc. By 2011, the USA was receiving most imports from countries like China, Cambodia, Pakistan, Mexico, Bangladesh, etc.³⁰
- Production has, in general, shifted to least developed or developing countries. The bulk of production remains in Asia, although the production market in some non-Asian developing countries is growing: e.g. Panama, Chile Egypt. ³¹
- Countries like Turkey, Morocco and Tunisia have emerged as key players when it comes to exports to the EU-28 countries.³²

Key moment of change to the market's structure: End of the Multi-Fibre Agreement³³

²⁷ *Ibid.*, (n.24) p14

²⁸ *Ibid.*, (n.24) p22ff

²⁹ Dr. Maximilian Martin ‘Creating Sustainable Apparel Value Chains: A Primer on Industry Transformation’ (*Impact Economy*, December 2013) http://www.impacteconomy.com/papers/IE_PRIMER_DECEMBER2013_EN.pdf accessed 22 December 2014, p3

³⁰ *Ibid.*, (n.24) p15

³¹ *Ibid.*, (n. 24) p13

³² *Ibid.*, (n. 24) p 16

- The Multi Fibre Agreement (MFA) was established in 1974 to regulate global trade in garment industry.
 - Under this agreement, developed countries could impose quotas on imports from developing countries.
 - From 1995-2005, the agreement was phased out, and the MFA finally ended in 2005.
 - Since 2005, the global garment industry has entered a new, 'post quota' era, and the conditions for market access have changed.
- Some **preferential access schemes** have been developed in the 'post-quota' era. These include:
 - GSP Schemes
 - Bilateral and Multilateral Free Trade Agreements
 - America and EU also focusing on Africa, e.g. US African Growth and Opportunity Act (trade preferences given to certain African nations).
 - Aid for Trade: aid for trade schemes offer assistance to developing countries to improve the infrastructure needed for increased trade.³⁴

Industry Structure and Global Value Chain

- Major Characteristic: 'buyer-driven chain.' This means that the big retailers and marketers, and traders drive the market (i.e. they determine where to produce, what to produce and at what prices).³⁵
- These buyers are retailers and brands, typically situated in developed countries in Europe, Japan and the US. These brands do tasks such as branding, design, marketing and they outsource the production of the garments.
- Production: covered by the laws of the state where it is executed (e.g. Bangladesh) and by international human rights, labour law and commercial law standards (e.g. human rights treaties, ILO Conventions, codes of conduct³⁶)
- The most labour intensive parts of the chain are in developing countries, whilst most knowledge intensive parts remain in developed countries.³⁷

³³ *Ibid.*, (n.24) pp. 16 -18

³⁴ 'Aid for Trade' (*World Trade Organisation*) http://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm accessed 5 February 2015

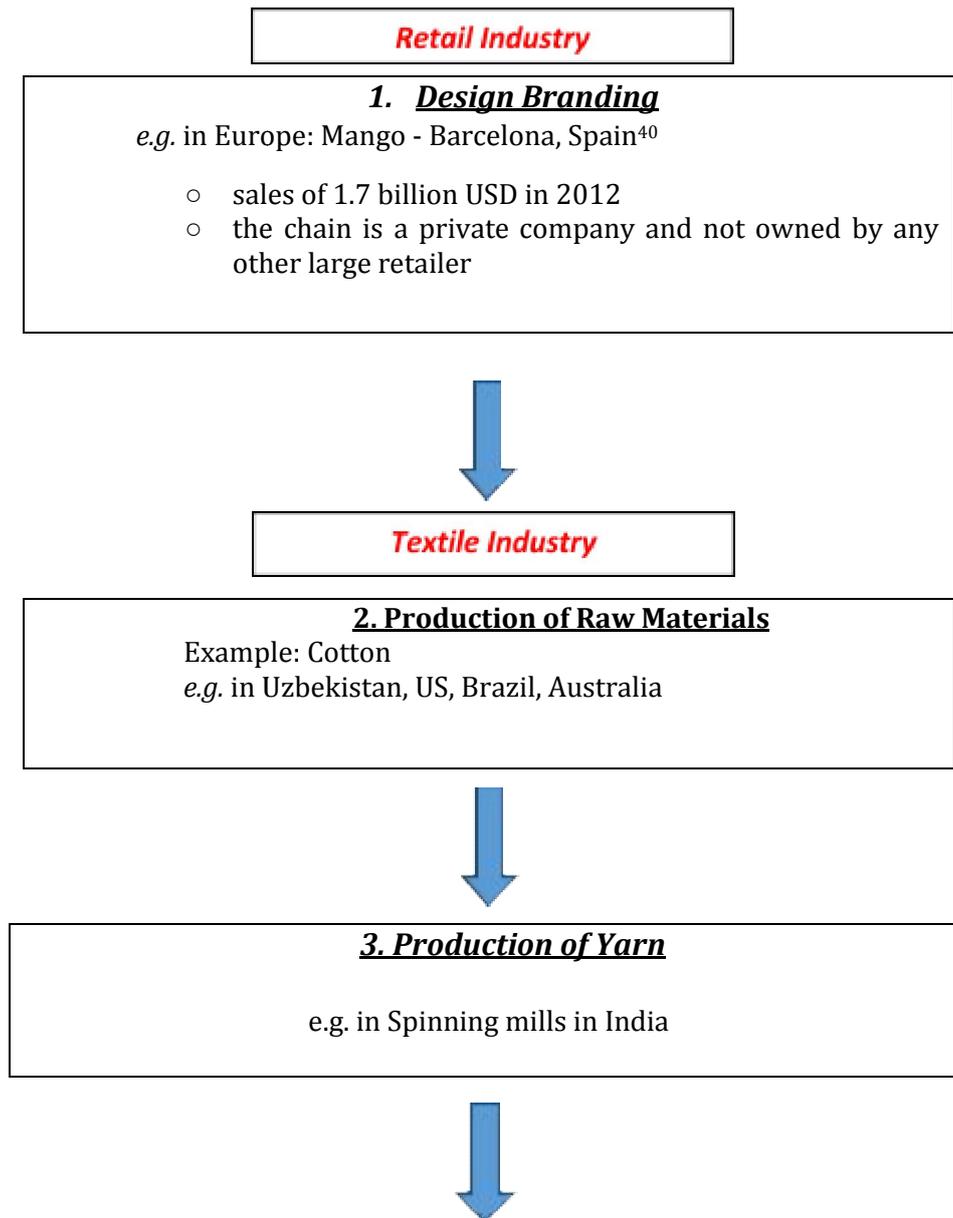
³⁵ *Ibid.*, p 22

³⁶ 'Sweatshops are the norm in the garment industry. We're standing up to change that.' (*International Labour Rights Forum*) <http://www.laborrights.org/industries/apparel> accessed 16 January 2015

³⁷ *Ibid.*, (n.24) pp 21- 26

- Asia dominates garment production, although the market in some non-Asian developing countries is growing: e.g. Panama, Chile Egypt³⁸
- Recent years have also seen a change in how garments are sourced: there has been a move towards consolidation of supply chains. This is likely a result of market demand for 'fast fashion.'³⁹

Example Production Chain: Mango



³⁸ *Ibid.*, (n.24) p 13

³⁹ *Ibid.*, (n.24) p 21

⁴⁰ 'MANGO' (*LinkedIn*)<https://www.linkedin.com/company/mango> accessed 16 January 2015

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4) Cutting of fabric

- The factories themselves source the fabric; the brand itself is not the buyer of the fabric
- in the factory, e.g. in China
 - 42% of Mango's clothes are made in China.⁴¹ Other production countries that supply Mango are Turkey (12%), South Korea (9%), Spain (8%), Morocco (6%), Bangladesh (6%), India (5%), Vietnam (4%)⁴²
 - Mango also produced in the Bangladeshi Rana Plaza factory that collapsed in 2012⁴³

According to Mango, their code of conduct and a series of other procedures gets enforced, controlled and followed-up.⁴⁴ According to Clean Clothes Campaign, however: "Mango has yet to make any commitments at all to ensure workers in its supplier factories receive a living wage, even in its own code of conduct, although it claims it does agree with our definition of a living wage."⁴⁵



5. Assembly of clothes

- sewing the garments (in the factory, e.g. in China)



6) Finishing Work (Labelling, etc)

- in the factory, e.g. in China
- Finished as per the brand's requests.

⁴¹ 'Spain's Mango takes on Retail Fashion Rivals Inditex and H&M' (*The Business of Fashion*, 17 June 2013) <http://www.businessoffashion.com/2013/06/spains-mango-takes-on-retail-fashion-rivals-inditex-and-hm.html> accessed 16 January 2015

⁴² 'Tailored Wages' (*Clean Clothes Campaign*, March 2014) <http://www.cleanclothes.org/resources/publications/tailored-wages/view> accessed 16 January 2015, p73

⁴³ 'Benetton and Mango: Rana Plaza Survivors Risk Losing Their Homes' (*Clean Clothes Campaign*, 2013) <http://www.cleanclothes.org/news/2013/08/01/rana-plaza-survivors-losing-homes> accessed 16 January 2015

⁴⁴ 'Mango Sustainability Report 2012' (*Mango*) http://www.mango.com/web/oi/servicios/company/US/empresa/rsc/english_2012.pdf accessed 16 January 2015

⁴⁵ *Ibid.*, (n. 43) p72



Retailing Industry (Chain ends where it began)

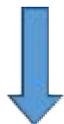
7.) Intermediary between factory and brand

- to bring the clothes from the production country to retail country
- *E.g.* located in China, and co-ordinates transport from factory to the brand.



8.) Logistics of the Brand

In order to bring the clothes to all franchises Mango has its own logistics system⁴⁶



9.) Marketing and Retailing

In the export destinations, e.g. EU: Mango's largest number of stores is in Spain, but it also has stores in Africa, the Americas and Asia.⁴⁷ ⁴⁸In total, Mango has 2,598 stores.⁴⁹

⁴⁶ 'Behind the Brand' (*Mango*) <http://www.mango.com/web/oi/servicios/company/US/empresa/detrasMarca.htm> accessed 16 January 2015

⁴⁷ 'Mango news and facts history' (*Fashion United*, March 2007) < <http://www.fashionunited.co.uk/news/mango.htm> > accessed 4th February 2015

⁴⁸ 'How Mango used Localisation and Internationalisation to Conquer High Street Global Fashion' (*Kwintessential*, October 2013) < <http://www.kwintessential.co.uk/read-our-blog/how-mango-used-localisation-and-internationalisation-to-conquer-high-street-global-fashion.html> > accessed 4th February 2015

⁴⁹ *Ibid.*, (n.42)

The Role of the Informal Economy in the Garment Industry

- Many garment workers (particularly women and migrant workers)⁵⁰ in developing countries work in what is known as the informal economy.
- In 2004, it was estimated that the informal economy generated 35% of global GDP; the figure is likely higher now.⁵¹
- Whilst there is no universal definition of the informal economy, the ILO has identified some key factors: informal workers '*are not protected under the legal and regulatory frameworks*' and are, '*characterised by a high degree of vulnerability*.'⁵²
- Informal workers are not typically recognised by the law and hence do not have access to social security, and most forms of labour protection.
- The ILO has acknowledged that there is '*no clear dichotomy or split between the 'informal economy and the 'formal economy.'*'⁵³
 - **Example in Garment Industry:** Formally registered factories subcontracting to informal enterprises or workers in order to meet demands.
 - Workers with no contract, etc. working in formal sector alongside formal workers.
- Some groups such as WIEGO are helping to promote and advocate for increased recognition of the rights of informal workers.⁵⁴

3. Workers' Rights: Development of Law

- States (represented by their respective governments) can play an influential role in impacting change in the garment industry.
- The creation of the **International Labour Organisation** (ILO) has been instrumental in the international recognition of fundamental minimum labour standards.
- The creation and development of many international human rights treaties have enshrined certain internationally guaranteed rights which can positively affect labour conditions in the garment industry.

⁵⁰ Nina Ascoly, 'The Global Garment Industry and the Informal Economy: Critical Issues for Labour Rights Advocates' (*International Restructuring Education Network Europe, Clean Clothes Campaign*) <<http://www.cleanclothes.org/resources/publications/04-09-informal-labour-seminar-discussion-paper-ccc.pdf>> accessed 16 January 2015, p 7-12

⁵¹ *Ibid.*, p4

⁵² 'Decent Work and the Informal Economy' (*International Labour Organisation*, 2002) <http://www.ilo.org/public/english/standards/reim/ilc/ilc90/pdf/rep-vi.pdf> accessed 16 January 2015 p3

⁵³ *Ibid.*, (p4)

⁵⁴ 'Women in Informal Employment: Globalizing and Organizing' (*WIEGO*) <http://wiego.org/wiego/about-wiego> accessed 2 January 2015

- Some regional and national legal developments have also helped to improve standards in the garment industry.
- **Current Issues:** The ILO lacks an effective enforcement mechanism, and whilst the human rights treaties have enforcement mechanisms, they are complex and expensive, meaning such mechanisms are not readily available to garment workers whose rights have been infringed.

International Law Instruments

The following will list three types of international law that give rights to (garment) workers and impose obligations on employers.

a) ILO Conventions:

A source of international law that is of importance for workers are the ILO Conventions. The following list details the 8 fundamental ILO Conventions regarding the rights of workers:

- **C029 – Forced Labour Convention**
- **C087 – Freedom of Association and Protection of the Right to Organise Convention**
- **C098 – Right to Organize and Collective Bargaining Convention**
- **C100 – Equal Remuneration Convention**
- **C105 – Abolition of Forced Labour Convention**
- **C111 – Discrimination (Employment and Occupation) Convention**
- **C138 – Minimum Age Convention**
- **C182 – Worst Forms of Child Labour Convention**

→ **Supervision and Enforcement:** These Conventions are binding upon states which have ratified them. However, they may only be *indirectly* enforced in the following ways:

Mechanism	Details
Regular Supervisory Mechanism⁵⁵	States have an obligation to submit regular reports on their compliance with the conventions.

⁵⁵ 'Applying and Promoting International Labour Standards' (*International Labour Organisation*) <http://ilo.org/global/standards/applying-and-promoting-international-labour-standards/lang--en/index.htm> accessed 16 January 2015

Representations⁵⁶	Employers or workers organisations may file complaints against states.
Complaints⁵⁷	States may file complaints against other states (provided both have ratified the convention in question)
Special Procedure: For complaints concerning Freedom of Association⁵⁸	A special committee: <i>The Committee on Freedom of Association</i> examines complaints on violations of freedom of association, whether or not the country has ratified the corresponding conventions. Complaints may be brought by employers or workers' organisations.

The following key garment producing countries have ratified the core ILO Conventions:

Country	Number of Fundamental ILO Conventions Ratified	Fundamental Conventions which have not been ratified
Bangladesh	7	<ul style="list-style-type: none"> ● C138- Minimum Wage Convention⁵⁹

⁵⁶ 'Representations' (*International Labour Organisation*) <http://ilo.org/global/standards/applying-and-promoting-international-labour-standards/representations/lang--en/index.htm> accessed 15 January 2015

⁵⁷ 'Complaints' (*International Labour Organisation*) <http://ilo.org/global/standards/applying-and-promoting-international-labour-standards/complaints/lang--en/index.htm> accessed 16 January 2015

⁵⁸ 'Committee on Freedom of Association' (*International Labour Organisation*) <http://ilo.org/global/standards/applying-and-promoting-international-labour-standards/committee-on-freedom-of-association/lang--en/index.htm> accessed 16 January 2015

⁵⁹ 'Ratifications for Bangladesh' (*International Labour Organisation*) http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103500 accessed 16 January 2015

Laos	5	<ul style="list-style-type: none"> ● C087 - Freedom of Association and Protection of the Right to Organise Convention, ● C098 - Right to Organize and Collective Bargaining Convention, ● C105 -Abolition of Forced Labour Convention ● Note: set the minimum age at 14⁶⁰
Pakistan	8	<ul style="list-style-type: none"> ● Note: set minimum age at 14⁶¹
Thailand	5	<ul style="list-style-type: none"> ● C087 - Freedom of Association and Protection of the Right to Organise Convention, ● C098 - Right to Organize and Collective Bargaining Convention, ● C111 - Discrimination (Employment and Occupation) Convention; <p>declared that the Minimum Wage Convention only applies to certain sectors, not to the garment sector;</p>
India	4	<ul style="list-style-type: none"> ● C087- Freedom of Association and Protection of the Right to Organise Convention, ● C098 - Right to Organize and Collective Bargaining Convention, ● C138 - Minimum Age Convention,

⁶⁰ 'Ratifications for Lao People's Democratic Republic' (*International Labour Organisation*)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103060 accessed 16 January 2015

⁶¹ 'Ratifications for Pakistan' (*International Labour Organisation*)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103166 accessed 16 January 2015

		<ul style="list-style-type: none"> ● C182 - Worst Forms of Child Labour Convention⁶²
Indonesia	8	Note: Set minimum age: 15 ⁶³
China	4	<ul style="list-style-type: none"> ● C029 - Forced Labour Convention, ● C087 - Freedom of Association and Protection of the Right to Organise Convention, ● C09 - Right to Organize and Collective Bargaining Convention, ● C105 - Abolition of Forced Labour Convention⁶⁴ <p>Note: set minimum age at 16;</p>
Cambodia	8	Note: set the Minimum Age at 14 ⁶⁵

b) Human Rights Treaties

There are four international human rights treaties with importance for workers' rights:

- ICCPR (International Covenant on Civil and Political Rights)
- ICESCR (International Covenant on Economic, Social and Cultural Rights)
- CRC (Convention on the Rights of the Child)
- CEDAW (Convention on the Elimination of all forms of discrimination Against Women)

⁶² 'Ratifications for India' (International Labour Organisation)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102691 accessed 16 January 2015

⁶³ 'Ratifications for Indonesia' (International Labour Organisation)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102938 accessed 16 January 2015

⁶⁴ 'Ratifications for China' (International Labour Organisation)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103404 accessed 16 January 2015

⁶⁵ 'Ratifications for Cambodia' (International Labour Organisation)
http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103055 accessed 16 January 2015

→ **Enforcement:** These treaties are binding on the states that have ratified them. These states are obliged to comply with them; however, there is no mechanism for enforcement unless the state has also ratified the optional protocol to the respective treaty.

Major garment producing countries that are party to the optional protocols against which individuals can invoke their human rights:

- Philippines (ICCPR),
- Cambodia (CEDAW),
- Thailand (CEDAW);
- In the remaining countries (Laos, Pakistan, India, Bangladesh, China) there are no enforcement mechanisms for any of the abovementioned treaties available.

C) UN guiding principles⁶⁶

These principles are a guideline for companies to conduct business in a human rights respecting way. In these guiding principles, states and corporations are urged to take measures to uphold and enforce human rights. Moreover, these principles state how to access remedies as individuals in case of a human rights violation.

→ **Enforcement:** there is no enforcement mechanism; these principles are only guidelines.

Regional Efforts: Focus- Supply Chain Transparency

- **European Union (EU):** In late 2014, a new 'non-financial reporting' directive has entered into force in the EU.
- The directive will need to be implemented by Member States by 2017.
- The directive requires that large companies (500+ employees) report on several non-financial aspects such as due diligence processes and supply chains.^{67 68}

Developments in National Legal Systems: Focus- Supply Chain Transparency Legislation

⁶⁶ 'Guiding Principles on Business and Human Rights' (United Nations Human Rights Office of the High Commissioner, 2011) http://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_en.pdf accessed 16 January 2015

⁶⁷ European Parliament and Council Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups' [2014] OJ L330/1 http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.330.01.0001.01.ENG accessed 16 January 2015

⁶⁸ 'Disclosure of non-financial information: Europe's largest companies to be more transparent on social and environmental issues.' (European Commission Press Release Database, 29 September 2014) http://europa.eu/rapid/press-release_STATEMENT-14-291_en.htm accessed 16 January 2016

- **California, USA: Transparency in Supply Chains Act 2010.**⁶⁹ This legislation requires companies who meet a certain threshold (businesses making more than \$100 million) to disclose their supply chains. However, there is currently no monetary fine or other consequence for companies who do not do so.⁷⁰
- **UK: Modern Slavery Bill:** The bill is currently going through parliament; it includes regulations on supply chain disclosure.⁷¹

4. In Practice: Main Rights Issues Facing Garment Workers

Forced Labour

Forced labour may still be found in some of the labour intensive parts of the supply chain, e.g. forced labour exists in the cotton picking industry.⁷² Furthermore, forced labour exists in the spinning and weaving stage of the chain.⁷³ Systems like the *Sumangali* system in India, where young girls participate in deceptive schemes and are often not allowed to leave the factory premises, effectively constitute forced labour.^{74 75}

Women's Rights

Since the majority of garment workers are female, the effective protection of women's rights is imperative. Violations are, however, all too common. Common problems are the existence of sexual harassment and discrimination within garment factories.⁷⁶ Further, the right to maternity leave is often not granted,⁷⁷ and women who are hired on fixed duration contracts

⁶⁹ California Transparency in Supply Chains Act of 2010 <http://www.state.gov/documents/organization/164934.pdf> accessed 2 January 2015

⁷⁰ Simone Larson 'The New Social Network: Momentum towards a World without Slavery' (*Oakland Local*, 11 December 2014) <http://oaklandlocal.com/2014/12/the-new-social-network-momentum-towards-a-world-without-slavery/> accessed 2 January 2015

⁷¹ 'Big Businesses to be held to account to keep supply chains slavery free' (*Gov.UK*) <https://www.gov.uk/government/news/big-business-to-be-held-to-account-to-keep-supply-chains-slavery-free> accessed 2 January 2015

⁷² Joanna Lillis 'Uzbekistan Students Stage Rare protest against forced labour in cotton fields' (*The Guardian*, 13 November 2014) <http://www.theguardian.com/world/2014/nov/13/uzbekistan-students-rare-protest-forced-labour-cotton-picking> accessed 16 January 2014

⁷³ 'Bonded Labour in Pakistan' (International Labour Organisation) http://www.ilo.org/global/topics/forced-labour/publications/WCMS_096991/lang--en/index.htm accessed 16 January 2015

⁷⁴ Behind the Showroom: The hidden reality of India's garment workers' (FIDH) http://www.fidh.org/IMG/pdf/india_garment_workers_report_2014.pdf accessed 5 February 2015 p4

⁷⁵ 'Captured by Cotton: Exploited Dalit Girls produce garments in India for European and US markets' (SOMO, India Committed for the Netherlands, July 2011) p 14

⁷⁶ 'Sweatshops in Bangladesh' (*War on Want*) <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh> accessed 16 January 2015

⁷⁷ *Ibid.*,

(FDCs) often do not get them renewed after maternity leave.⁷⁸ Many factories lack adequate nursing facilities or child care which effectively discriminates against women, making it very difficult for them to continue working once they have children.⁷⁹ Unfortunately, women get paid less for the same work as men do.⁸⁰

Child Labour

Child Labour is an issue of much concern in the garment industry and can be found in many parts of the industry, e.g. child labourers have been found working as cotton pickers in Uzbekistan,⁸¹⁸² Child labour is also a problem in India where young girls are hired into Sumangali schemes.⁸³ Child labour presents a difficult problem to tackle in countries where many people do not have accurate birth records or could easily lie about their age. In some countries work study programmes or internships disguise child labour.⁸⁴

Reasonable Working Hours

The requirement to work very long hours and overtime presents itself as a problem particularly in the production stage. In order to meet the high demands of the orders, workers often find themselves working to excess. In Bangladesh, many garment workers have to work 14-16 hours shifts each day (most often six days per week).⁸⁵ In Pakistan, it occurs that workers have to work 10 or more hours a day.⁸⁶ In Thailand during peak season, excessive overtime is common because factory owners are reluctant to hire additional workers.⁸⁷ During off-peak season the

⁷⁸ 'Practical Challenges for Maternity Protection in the Cambodian Garment Industry' (*ILO Regional Office for Asia and the Pacific*) http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_203802.pdf accessed 18 November 2014, p14

⁷⁹ 'Thirtieth Synthesis Report on Working Conditions in Cambodia's Garment Sector' (*Better Factories Cambodia*, July 2013) <http://betterfactories.org/wp-content/uploads/2013/07/30th-Synthesis-Report-Final-EN.pdf> accessed 18 November 2014, p 12

⁸⁰ 'Thailand: Violations of all core labour standards and exploitation of migrant workers' (*International Trade Union Confederation*, November 2007) <http://www.ituc-csi.org/thailand-violations-of-all-core> accessed 16 January 2015)

⁸¹ Jasmin Malik Chua, 'H&M Sourcing Child Picked Cotton, Claims Anti-Slavery Group' (*Ecouterre*, 20 December 2012) <http://www.ecouterre.com/hm-sourcing-child-picked-uzbek-cotton-claims-anti-slavery-group/> accessed 5 February 2015

⁸² *Ibid.*, (n.19)

⁸³ 'Update on FWF's Efforts to Eliminate Forced Labour in South India' (*Fair Wear Foundation*) <http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/india/sumangaliFWFupdatemay2012.pdf> accessed 3 February 2015

⁸⁴ 'China Country Study 2013' (*Fair Wear Foundation*) <http://www.fairwear.org/ul/cms/fck-uploaded/documents/countrystudies/china/FWFChinaCountryStudy2013Final.pdf>, p20 ff

⁸⁵ *Ibid.*, (n.66) Sweatshops in Bangladesh

⁸⁶ Aoun Sahi 'Women workers in Pakistan: An invisible workforce?' (*Equal Times*, 31 March 2014) http://www.equaltimes.org/women-workers-in-pakistan-an#.U8410fl_vTA accessed 16 January 2014

⁸⁷ Voravidh Charoenloet 'Thailand after the economic crisis of 2007: Labour Issues' (*International Development Economics Associates*) http://www.networkideas.org/feathm/jul2007/pdf/voravidh_charoenloet.pdf accessed 16 January 2015

average is 7.7 to 10 hours a day.⁸⁸ Sometimes, *e.g.* in India and Laos this overtime is compulsory or forced.^{89 90}

Safe Working Conditions

The high profile factory collapse at Rana Plaza in 2013 brought the issue of safety in garment factories to the world's attention. Indeed, unsafe working conditions continue to be a problem not only in Bangladesh, but in many developing countries where production occurs. Often, workers face unsafe, cramped and hazardous conditions at work which can lead to health problems of the workers and to dangerous situations in the factories such as fires and collapses.⁹¹ Furthermore, some fashion styles *e.g.* jeans with a worn look, require workers to engage in very dangerous practices such as sandblasting.⁹² Schemes such as the ILO's Better Factories programme are working to see an improvement in safe working conditions in Cambodian garment factories.⁹³ This project has, however, faced criticism for failing to address 'longstanding labour rights issues.'⁹⁴

Discrimination

The most prevalent discrimination issue in the garment industry is gender discrimination. Indeed, in many countries, Discrimination of women in the garment factories is commonplace.⁹⁵ People with lower social status, and migrant workers can also become be disadvantaged or discriminated against at work.^{96 97} Workers may also be discriminated because of their involvement with Trade Unions (see below).

Freedom of Association/ Collective Bargaining

⁸⁸ 'Working Hours' (*Labour Behind the Label*) <http://www.labourbehindthelabel.org/jobs/item/614-working-hours> accessed 16 January 2015

⁸⁹ 'Indonesia Tribunal Demands Living Wage for Garment Workers' (*Fibre2Fashion*, 24 June 2014) http://www.fibre2fashion.com/news/textile-news/indonesia/newsdetails.aspx?news_id=165006 accessed 16 January 2015

⁹⁰ Philip S. Robertson Jr. 'Background Study on Laos' (The Fair Wear Foundation, January 2007) <http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/Laos/countrystudylaos2007.pdf> accessed 16 January 2015

⁹¹ *Ibid.*, (n.76)

⁹² 'Jeans and Sandblasting' (*Shop Ethical*) <http://www.ethical.org.au/get-informed/issues/jeans-sandblasting/> accessed 19 January 2014

⁹³ 'Better Factories Cambodia' (*Better Factories Cambodia*) www.betterfactories.org accessed 19 January 2014

⁹⁴ 'Monitoring in the Dark: Improving Factory Working Conditions in Cambodia' (*Mills Legal Clinic: Stanford Law School*) <http://humanrightsclinic.law.stanford.edu/project/monitoring-in-the-dark/> accessed 19 January 2015

⁹⁵ *Ibid.*, (n.86)

⁹⁶ Serajul Islam, 'Women's rights and discrimination in Bangladesh' (*Dhaka Tribune*, 9 July 2013) <http://www.dhakatribune.com/op-ed/2013/jul/09/women%E2%80%99s-rights-and-discrimination-bangladesh> accessed 16 January 2015

⁹⁷ 'Restricted Rights' (*War on Want*) <http://www.waronwant.org/attachments/WOW%20Migration%20Report%20low%20res.pdf> accessed 16 January 2015

Garment workers often face issues when it comes to the exercise of the right to freedom of association. Common problems are arbitrary dismissal of TU members or leaders.⁹⁸ Further, in some countries, strikes are quashed by law enforcement, often violently.⁹⁹ ¹⁰⁰ Tight governmental control of unions also poses a problem in some countries such as China¹⁰¹ and Laos.¹⁰² As such, freedom of association in these countries may be nothing more than an illusion. Where the right does exist, workers do not join unions because they fear dismissal.¹⁰³

Living Wage

Perhaps the inequality between the production and retail sections of the garment industry can be best illustrated by the huge disparity in wages between retailers and those who make the clothes. In many of the countries where garment production takes place, the legal minimum wages does not amount to a living wage.¹⁰⁴ Such low wages can lead to issues such as workers having to work extremely long and exhausting hours, low nutrition, bad housing conditions and a bad quality of life. As an example, the wages in Bangladesh are amongst the lowest in the world and the situation, many workers are in could be regarded as economic exploitation. The minimum wage is 5,300 taka a month (68 USD; 54 EUR).¹⁰⁵ In Thailand, despite a legal minimum wage being set at 300 Baht (9.8 USD) per day, there are numerous cases of garment workers receiving less. For example, many Burmese migrant workers often get paid 40-60% less¹⁰⁶ and receive as little as 175 baht per day (around 5 USD)¹⁰⁷ ¹⁰⁸ (2015)

5. The Role and Influence of Stakeholders

Consumers

⁹⁸ 'Statement on Cambodia' (*International Trade Union Confederation*, 13 January 2014) http://www.ituc-csi.org/IMG/pdf/ituc_press_statement_-_draft_3_.pdf accessed 12 November 2014

⁹⁹ *Ibid.*

¹⁰⁰ 'Urgent Appeal: Tell Uniqlo and G2000 to stop using violence against workers in Artigas Factory' (*Hong Kong Federation of Trade Unions (International)*) 19 December 2014) <http://en.hkctu.org.hk/mainland-china/press-release-and-statement-cn/urgent-appeal-tell-uniqlo-and-g2000-to-stop-using-violence-against-workers-in-artigas-factory/> accessed 22 December 2014

¹⁰¹ 'Labour Rights in China' (*AFL CIO America's Unions*) <http://www.aflcio.org/Issues/Trade/China/Labor-Rights-in-China> accessed 19 January 2015

¹⁰² *Ibid.*, (n.90) p 21 ff.

¹⁰³ *Ibid.*,

¹⁰⁴ 'Minimum Wage vs. Living Wage' (*Clean Clothes Campaign*) <http://www.cleanclothes.org/livingwage/living-wage-versus-minimum-wage> accessed 19 January 2015

¹⁰⁵ *Ibid.*, (n.15) Currency converted on www.xe.com

¹⁰⁶ 'Background Study Thailand' (*Fair Wear Foundation, Ethical Trading Initiative Norway*, April 2007) http://www.fairwear.nl/ul/cms/fck-uploaded/documents/countrystudies/othercountries/thailand/country_study_thailand.pdf accessed 16 January 2015 p33

¹⁰⁷ *Ibid.*, (n.88) ITUC thailand

¹⁰⁸ 'False Promises: Migrant Workers in the Global Garment Industry' (*Clean Clothes Campaign*) <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=2764&context=globaldocs> accessed 16 January 2015

- The complex global supply and value chains mean that the demands of consumers in Europe or America have an effect on the conditions and wages of workers thousands of miles away.
- Characteristic of consumer market in developed countries: need for 'fast fashion.' whilst in least developed countries (LDCs) the demand is 'generally for less sophisticated and lower quality clothes.'¹⁰⁹
- **Average Spend in a developed country:** In 2010, American households spent an average of 1,700 USD on apparel, footwear and related textile products and services¹¹⁰;
- Studies have shown **increased awareness among consumers** of ethical issues which plague the industry.
- ***Problem:*** Whilst there is a general desire for more ethically produced products, for the most part consumers do not want to pay more for their products.^{111 112}
- Ultimately brands respond to consumer demands and the most powerful tool which consumers have is the power of choosing where to spend their money.
- Consumers may also partner with NGOs and Trade Unions to take part in campaigns which send a clear message to the brands.

NGOs

- NGOS can play a role in advocacy, awareness and influencing action.
- NGOs lobby governments and multi-national corporations, and often facilitate negotiations between workers and employers or brands
- Research and publications by NGOs can bring greater awareness of the issues in the industry, and can help track change.

Recent Examples of Consumer Action facilitated by NGOs:

- **Clean Clothes Campaign: Living Wage Campaign** - Consumers may sign a petition on the website of Clean Clothes Campaign, demanding living wages, e.g. a minimum monthly wage of \$177 for Cambodian garment workers.¹¹³

¹⁰⁹ *Ibid.*, (n.24) p26

¹¹⁰ *Ibid.*, (n.4)

¹¹¹ Umfrage: Verbraucher wollen bei kleidung fair und billig zugleich' (*You.gov*: translation to English available at <http://yougov.de/news/2014/08/12/umfrage-verbraucher-wollen-bei-kleidung-fair-und-b/> accessed 16 January 2015

¹¹² 'This cry for help on a Primark label can't be ignored' (*The Guardian*, 25 June 2014) <http://www.theguardian.com/commentisfree/2014/jun/25/primark-label-swanssea-textile-industry-rana-plaza> accessed 16 January 2015

¹¹³ 'Take Action' (*Clean Clothes Campaign*) <http://www.cleanclothes.org/> accessed 16 January 2015

- **Stop The Traffik: Make Fashion Traffik Free Campaign** - Consumers may organise clothing exchanges to raise awareness of trafficking and exploitation in the garment industry. They may also fill in postcards to send to the branded clothing stores in their area asking them to ensure their supply chains are free from trafficking.¹¹⁴

Trade Unions

- Trade Unions (TUs) have the potential to play an effective role in solving disputes between workers and employers. By empowering workers to organise and to conclude collective bargaining agreements with employers, trade unions give workers a voice.
- Collective Bargaining Agreements (CBAs) are legally binding agreements concluded through negotiations between TUs and employers. CBAs offer a positive and less disruptive alternative to strike action.
- **Problems:** In many countries, internationally guaranteed rights such as the right to organise are highly restricted. Hence, many TUs are often tightly controlled, yellow unions exist, and TU members may be arbitrarily dismissed, detained or sometimes threatened with their lives. (e.g. in Cambodia¹¹⁵, Pakistan¹¹⁶) In these cases, the potentially helpful role of TUs is diminished.

Clothing Brands

- Global clothing brands are extremely powerful in this industry. Indeed, the brands which normally take the form of multinational corporations have power to create change in the industry.
- Some brands have started to respond to pressure from workers, NGOs, TUs and consumers and are developing and implementing Corporate Social Responsibility (CSR) policies.
 - **Recent Example:** In September 2014, some leading brands which source from Cambodia wrote a letter to the deputy prime minister in which they pledged to pay higher wages to workers.¹¹⁷

¹¹⁴ '4 Easy Campaign Actions' (*Stop the Traffik*) <http://www.stopthetraffik.org/campaign/fashion/what-you-can-do/225> accessed 16 January 2015

¹¹⁵ 'Cambodia: Bail denied to Imprisoned Unionists' (*International Trade Union Confederation*) <http://www.ituc-csi.org/cambodia-bail-denied-to-imprisoned> accessed 16 January 2015

¹¹⁶ 'Situation of Trade Union Rights in Pakistan' (*Labour Watch Pakistan*, 25 April 2011) <http://labourwatchpakistan.com/situation-of-trade-union-rights-in-pakistan/> accessed 16 January 2015

¹¹⁷ Christina Larson 'H&M Additional Fashion Brands Back Minimum Wage Hike in Cambodia' (*Bloomberg Business Week*, 22 September 2014) <http://www.businessweek.com/articles/2014-09-22/h-and-m-other-fashion-brands-back-minimum-wage-hike-in-cambodia> accessed 23 December 2014

- o **CSR Policy Example: Forever 21** - In its online CSR policy, Forever 21 commits to ethical sourcing, and ensuring vendor compliance with wages, and other fundamental workers' rights.¹¹⁸
- **New initiatives:** e.g. an investment company called Tau Investment is aiming to transform global supply chains in a way which brings profit and workers rights. The company aims to bring 'capitalist solutions for Capitalist Failures'^{119 120}
- **Problems:** Whilst some progress is being made with brands; much more is needed. Many brands still have little or no commitment to work towards implementing a living wage¹²¹ and continue to source raw materials and clothes from factories and farms where substandard working conditions are prevalent.¹²² Also, unfortunately CSR can often amount to nothing more than a PR exercise, with companies having the autonomy to decide on their own policies. As such, in practice, CSR often falls short of its potential.¹²³

¹¹⁸ 'Forever 21 and Corporate Social Responsibility' (*Forever 21*) <http://www.forever21.com/in/Htmls/CustomService/en-US/socialresponsibility.html> accessed 19 January 2015

¹¹⁹ Sarah Butler 'Big Business will force change in garment trade, vows Wall Street Boss.' (*The Guardian*, 7 September 2014) <http://www.theguardian.com/business/2014/sep/07/big-business-force-textile-plant-reforms> accessed 2 January 2015

¹²⁰ *Tau Investment Management* <http://tau-investment.com/> accessed 2 January 2015

¹²¹ *Ibid.*, (n.42)

¹²² Jasmin Malik Chua 'All Saints, Urban Outfitters Fail to Address Forced Labour in Cotton Sourcing' (*Ecouterre*, 27 February 2014) <http://www.ecouterre.com/allsaints-urban-outfitters-forever-21-fail-to-address-forced-labor-in-cotton-sourcing/> accessed 16 January 2015

¹²³ 'H&M's efforts in Bangladesh Show why we need systematic change in CSR.' (*Triple Pundit*, 27 May 2013) <http://www.triplepundit.com/2013/05/hms-efforts-bangladesh-show-need-systematic-change-csr/> accessed 16 January 2015