Written evidence submitted by Labour Behind the Label

About Labour Behind the Label
Labour Behind the Label supports garment workers’ efforts worldwide to improve working conditions, wages, and ensure basic rights are respected. It does this through solidarity with workers, trade unions and NGOs in producer countries; lobbying of retailers, brands and decision makers at all levels; promoting action; and the exploration of legal possibilities for improving conditions.

Although small, we make a big impact. Our team were instrumental in ensuring $30 million+ compensation was paid to survivors and the families of victims of the Rana Plaza disaster in 2013. We played a significant part in wages struggles in Cambodia. Our ongoing daily work promotes rights at an individual factory level for thousands of garment workers.

We are the UK part of the Clean Clothes Campaign - a global network of NGOs, unions and workers’ rights organisations with a common aim. The Clean Clothes Campaign has a jointly agreed strategy for working towards change, and a strong democratic process for making decisions involving workers at all levels of supply chains, connecting struggles for workers’ rights around the world.

The scope of our submission
As a campaign group that focuses on improving conditions and workers’ rights in the global fashion industry, rather than then environmental problems the industry creates, our submission will focus on the human aspects of sustainable garment manufacture. However, it is important to say that we see a clear link between the environmental impacts of the industry, and its effects on workers and citizens in many of the world’s least developed countries, particularly around water pollution and disease spread from leather tanneries, and water shortages due to industry consumption. Our submission focuses on how fast fashion has a social impact globally, on what government and trade envoys can ensure they meet their commitments under SDG 8 to “protect workers’ rights”, and the effectiveness of industry standards and certifications to provide guarantees to consumers.

Summary of main points:

• The Fast fashion business model has an adverse effect globally on women, on poverty and on working conditions
• European production countries are increasingly being used for their low-cost labour and poor human rights enforcement mechanisms
• The UK Government must go further to deliver mandatory due diligence reporting and mitigation mechanisms to ensure UK brands are held to account. A further step should also include work to give access to justice for overseas victims of corporate abuse in UK courts.
• Social auditing, on which most ethical labelling systems are based, is not a functioning system for protecting human rights or addressing violations. Its use can actively aggravate rather than mitigate risks for workers.
• Measures to increase transparency such as government requiring mandatory disclosure of supplier lists or product code labelling to improve traceability, would help to improve visibility of human and environmental rights issues for workers.

Is “fast fashion” unsustainable?
Fast fashion, the business model that dominates our high streets, relies on a simple premise: selling more for less. It is this business model that makes fast fashion inherently unsustainable, as a human cost of exploitation is built into the model. Fast fashion, selling more ever faster, pushes a global race to the bottom on price. Fast fashion is increasing the negative effects of what is already an unsustainable industry built on a model of exploitation and a search for ever decreasing labour costs. The competition for ever cheaper clothing puts factory owners under pressure to offer garments at the lowest cost possible, meaning corners are cut on health and safety and wages are kept at poverty levels. Production country governments involved in setting minimum wages equally see themselves as in competition with other low wage nations to keep wages low to attract exporters, resulting in poverty for a vast majority of garment
workers. In particular the Fast fashion model sees suppliers pressurised to produce new clothing lines in as fast a time as possible – increasing the likelihood of precarious work through contract labour as well as excessive overtime and workplace harassment to fulfil orders.

Women are at the centre of the fashion industry, both as consumers and as the garment workers who make the clothes. Approximately 80% of garment workers worldwide are women. It is an industry which turns over $1.2 trillion a year worldwide, yet workers can earn as little as $21 a month. Low wages are the inevitable central tenant of fast fashion’s production and consumption model. Many costs concerning manufacture, such as machine running costs, are fixed, so wages become the flexible element and are pushed to poverty levels. Systemic human rights abuses pervade the industry. Long hours, typically 10-14 hours a day six days a week, rising to seven days when deadlines loom, in unsafe conditions where often basic necessities such as access to safe drinking water or the toilet are denied or dangerously restricted. This can have dire implications for pregnant women. Low wages and unaffordable childcare force many women to leave their children with relatives, only seeing their children once or twice a year.

This doesn't just apply to Asian and African production regions. As fast fashion demands ever shorter lead times, the Eastern and Southern European industry has grown substantially, and research has found endemic poverty wages and exploitative working conditions in garment and shoe factories there. Despite working overtime, workers in the Ukraine make just EUR 89 a month, whereas a living wage that could support a family's basic needs would have to be five times that much - 438 EUR a month as a union estimate based on a food basket study. Perilous working conditions include exposure to heat and toxic chemicals, unhygienic conditions, unpaid and illegal forced overtime, and abusive treatment by management.

In the UK, suppliers are forced to compete on prices with overseas producers. This has resulted in a local industry, which has been shown, in one city alone to pay only around 20% of its 3,000, mostly female workers the national minimum wage. Most workers were found to take home an average of £3 an hour and worked in unsafe conditions. This is despite efforts, publicised in 2014 to promote reshoring back to the UK because of the UK’s “good regulatory environment, strong legal frameworks and a dynamic labour market.”

By treating our clothes as disposable, we are fuelling a system that oppresses and exploits its mainly women workers. A £4 dress is only a ‘bargain’ because someone somewhere is paying the true price: the garment workers. The fashion industry, churning out endless cheap clothes for ever-changing trends, does so at a human cost.

2. How are Government and trade envoys ensuring they meet their commitments under SDG 8 to “protect workers’ rights” and “ensure safe working environments” within the garment manufacturing industry? What more could they do?

UN Guiding Principles on Business and Human Rights give key advice to governments on what they should do to ensure safe working environments and their role in working alongside the private sector to protect workers’ rights. In global garment supply networks, where complex webs of sourcing exist without clear lines of responsibility, there is an even greater need for state intervention to look at protecting workers’ and providing access to justice.

Whereas the UK has started on the road towards promoting human rights through the Modern Slavery Act (MSA), there is much more to be done to strengthen requirements on companies, that are currently

1 http://www.wsj.com/articles/search-for-ever-cheaper-garment-factories-leads-to-africa-1436347982
inadequate, and bring in mandatory reporting for UK Companies on human rights due diligence that covers all the supplier network. This includes providing sanctions for companies who fail to report on modern slavery in their supply chains and call on government authorities to publish information. It also means committing government departments and public bodies to report on modern slavery. For example, one recent report shows that around a third of companies supplying uniforms for UK public sector workers, do not report on slavery in their supply chains – alleging that neither the MoD nor the MoJ make any reference to responsible procurement on their websites.  

At the moment, reporting on efforts to identify and address modern slavery in supply chains is not underpinned by any legal sanctions. The UK government itself has stated that the only sanction is reputational damage to the individual and company; “..., a failure to comply with the provision, or a statement that an organisation has taken no steps, may damage the reputation of the business. It will be for consumers, investors and Non-Governmental Organisations to engage and/or apply pressure where they believe a business has not taken sufficient steps.”  

This is not good enough.

Tackling modern slavery means adopting holistic approaches that work together in both narrowing the circumstances where modern slavery is most likely to occur and encouraging better practice in the treatment of workers – secure employment, higher wages, proper contracts, and ultimately improved supplier oversight.

Access to justice and remedy is also urgently needed. It is essential to develop national and international legal frameworks through which to hold brands responsible when people are hurt or die making the cheap clothes they profit from. In the case of Rana Plaza workers, it was only through some years of public campaigning on brands sourcing from the factory and pressure from global unions and workers’ rights groups, that an agreement to pay compensation to survivors and the families of victims was reached. States have a duty under the UN Guiding Principles to ensure access to justice for victims of corporate abuse through appropriate mechanisms based on international human rights standards, when national justice systems fail.

There is an urgent need for the UK government to do more to ensure a holistic approach to sustainable supply chain management – both within the U and where UK companies operate abroad. At the same time, the UK government needs to ensure that companies cannot simply refer to unworkable codes of conduct and shift responsibility onto suppliers. Companies cannot continue to take the moral high ground without investigating, and most importantly remediating their business practices which encourage a cheap and disposable workforce. Procurement practices must be examined and a commitment to labour rights and positive change must be embedded throughout company policy and practice – and most importantly this commitment must be designed to be acted upon. The UK government has a role to play by showing the way in developing protective employment legislation for its workers.

Steps that could be taken include:

- Make it compulsory for transnational companies to implement a due diligence plan to identify, prevent, mitigate and account for adverse impacts of their operations on human and labour rights in the entire supply chain, as recently legislated in France.  

³ CORE and ICAR; Who made our Uniforms? U.K. Public Sector Apparel Procurement: Ensuring Transparency and Respect for Human Rights:
https://static1.squarespace.com/static/583f3fca725e25fcd45aa446/t/5bae3a034785d3386bfa2fe8/1538144776811/ICAR+Core+Report+-+Who+Made+Our+Clothes+-+UK+Public+Sector+Apparel+Procurement.pdf

⁶ Transparency in Supply Chains etc. A practical guide, Guidance issued under section 54(9) of the Modern Slavery Act 2015;
• Enable overseas workers who are victims of corporate harm in the supply chain of UK brands to access remedy via UK courts. This should include removing financial barriers that prevent victims from bringing cases and developing criminal laws to hold businesses accountable for their involvement in extraterritorial human rights violations.

• Bolster the MSA to require all central Government departments and public bodies with a turnover of more than £36 million to publish an annual slavery human statement which includes their action to protect labour rights standards. Provide sanctions for failure of due diligence and reporting and amend section 54 to remove the option to report that no steps have been taken.

• Ensure that the departure of the UK from the EU does not water down existing regulations and protection for workers, including those for contract workers.

• Work with trade unions and civil society groups to take effective measures to protect and promote labour rights violations in supply chains.

The role of trade envoys, as UK approaches Brexit and is in discussion about our trade arrangements around the world, is key. Rather than this being a moment to drop standards, this can be a moment to work alongside production country governments and reinforce the requirement from UK trade for markets where ILO conventions on decent work are enforced, functioning labour inspectorates are in place, and national workplace policies ensure safe working conditions.

3. Are there any industry standards or certifications in place to guarantee sustainable manufacturing of clothing to consumers?

There is a strong desire from consumers, understandably, to have a label that marks clothing as 'fair' or 'okay'. But whereas certifications in other industries such as bananas or tea can deal with one supplier level, the garment industry has multiple supplier levels, including cotton farming, ginning, spinning, knitting / weaving, dying, then garment cut make and trim, with possible outsourcing for printing, embroidery, or capacity, all before a garment is shipped. The garment industry’s response to this problem has been social auditing, and industry standards and certifications have been built based on the collected outcome of factories at all levels 'passing' social audits.

It has been widely acknowledged that social auditing as an industry has failed, repeatedly, to protect human rights or address violations or safety concerns in factories and is an industry primarily concerned with protecting reputations of major brands and retailers. Auditing as an industry was developed when sweatshop revelations first started to surface to give brands an oversight of conditions in their suppliers. It serves a purpose in giving brands visibility, but the outcomes are notoriously sloppy, secretive and weak on remedy – it is a system that is failing workers by design. Rather than working with trade union leaders and staff that have a century or more of history in monitoring workplaces, the social audit industry depends on self-assigned experts, and quasi-independent ethical enterprises who get an (often manufactured) snapshot of factory conditions on one day. Remedies to human rights violations often fail to be followed through and importantly, these audits are not public, so solutions cannot be discussed broadly by workers and their representatives, labour inspectorates, MSIs, and more.

The collapse of the Rana Plaza building in Bangladesh on 24 April 2013, which cost at least 1134 workers their lives and left thousands more injured and traumatized, and the fire that took the lives of 254 workers in the Ali Enterprise facility in Pakistan on 11 September 2012 offer the most devastating of case studies. The fact that both factories had been deemed safe by approved auditors just weeks before they were reduced to ruins -and in the case of Ali Enterprises, had done so by SAI auditors who had never even visited the facility- proves what labour leaders, campaigners and activists had argued for

7 See as a reference the law adopted in France on February 21st 2017 named “Loi relative au devoir de vigilance des sociétés mères et des entreprises donneuses d’ordre”
http://www.assembleenationale.fr/14/dossiers/devoir_vigilance_entreprises_donneuses_ordre.asp
years: that brands and retailers will only move towards inspection and remedy, and take their human rights due diligence duties seriously, when external pressure from governments or markets, and if the threat of reputation damage compels them to do so.

Social Accountability International – SA8000; GOTS certified; Fairtrade Textile Standard and more are all based on this social auditing model, which serves a purpose for helping brands and retailers gather data about their factories, but overall is failing to improve factory conditions. The alarming reality is often that by providing misleading assurances of workers’ freedom and safety, social auditing can actively aggravate rather than mitigate risks for workers.

**Transparency as one solution**

Although there are no labels that provide a guarantee to consumers, there is a need for honest information that brings connection across supply chains between consumers, brands, workers, governments, growers and more. Government can play a role in this. Solutions could include:

- Make it compulsory that companies publicly disclose a full list of supplier facilities, at least on an annual basis. Data should include at least names of all authorised supplier facilities at all levels, site address, parent company, types of product made, number of workers and wage levels and be made available in a searchable format.
- A requirement that products sold within the jurisdiction are labelled to include a product code\(^8\) linked to a database (such as the open apparel registry - info.openapparel.org) that provides information about the production facilities.
- Operate a standardised shipping database at an EU level which stores records for all exports and imports of cargo entering European ports, noting the class of cargo, the trading names of the companies involved, the point of origin, the value as an FOB price and quantity, and the ultimate destination and recipient, and make this available by access request.

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\(^8\)This is similar to a system used in the US by the Federal Trade Commission [https://www.ftc.gov/tips-advice/business-center/selected-industries/registered-identification-number-frequently-asked](https://www.ftc.gov/tips-advice/business-center/selected-industries/registered-identification-number-frequently-asked)