

# How to address wage issues in garment industry: boycott, pressurise or invest?

How the garment industry and consumers can bring about a change in the sweatshop conditions endured by workers in developing countries



A National Garments Worker Federation protest in front of the National Press Club in Dhaka, Bangladesh. Photograph: Zakir Hossain Chowdhury/ Zakir Hossain Chowdhury/ZUMA Press/Corbis

**Harriet Swain**

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**T**he collapse last year (2013) of the Rana Plaza factory building in Bangladesh, killing more than 1,130 garment workers, shocked the world. While campaigners had warned for years about the poor conditions endured by many of those making the cheap clothes worn and regularly discarded by western shoppers, the tragedy meant that the workers' plight could no longer be ignored. It also helped to highlight just how little they were paid for their work - often less than £30 a month.

How to address some of these issues and achieve a fair wage in the fashion industry was the subject of a recent seminar held by the Guardian, in association with the fashion retailer H&M.

The seminar, chaired by Jo Confino, an executive editor at the Guardian, involved a panel of experts:

Helena Helmersson, head of sustainability for H&M

Jenny Holdcroft, policy director of IndustriALL Global Union, which represents 50 million workers across the world

Ilona Kelly, campaign director at Labour Behind the Label, which campaigns to improve

conditions and empower workers in the global garment industry

Lucy Siegle, the Observer's ethical living columnist

Manuela Tomei, officer in charge at the International Labour Organization (ILO)

It was attended by an invited audience of sustainability experts, NGO employees and specialist fashion journalists.

## **Brands want to make a difference**

The panel heard that Rana Plaza and the accord on fire and building safety that quickly followed, which has now been signed by more than 180 brands, had proved game-changing. Holdcroft revealed that the union is now collaborating with 14 brands on building a model for future working that others will follow. She said:



Jenny Holdcroft.

One of these brands is H&M, but Helmersson said that the issues involved were not straightforward. Tomei said that the low wages paid to garment workers were a reflection of the low level of economic development in the countries where they were working, so part of the solution was helping to create the conditions for economic growth in those countries. It also reflected low levels of unionisation.

Panellists agreed that it was not just a matter of brands paying their workers higher wages or consumers making different choices about where to buy their clothes. Helmersson said:



Helena Helmersson.

Some of those attending the seminar suggested that it was also a gender issue, as garment

workers were predominantly women. It was also suggested that pushing wages up could also push up the local cost of living - so not only would these workers continue to struggle but workers in other industries would also be affected.

Holdcroft said that wages needed to increase and there also needed to be mechanisms for distributing them fairly, as there was no guarantee that factory owners would pass them on. Nor was it possible simply to increase wages factory by factory, because low wages were a problem across the industry, so more universal solutions were needed.

### **Made under ethical conditions?**

Recent controversy over a T-shirt bearing the slogan “This is what a feminist looks like”, produced in October to help fundraise for equality campaigning group the Fawcett Society, was a good example of the complexity involved, the seminar heard. David Cameron, the prime minister, was criticised as anti-feminist for refusing to follow both the deputy prime minister Nick Clegg and Labour leader Ed Miliband in wearing the T-shirt. The Mail on Sunday then reported that the T-shirt was unethical because it had been made by Mauritian sweatshop workers.

The Fawcett Society argued that checks showed they were, in fact, made under ethical conditions, with workers paid the national minimum wage. But Holdcroft told the seminar that this minimum wage had been last updated in 1984. Whatever the ins and outs of this particular case, all the speakers agreed that garment workers’ conditions needed to improve.

Siegle said staff working incredibly long hours were being paid so little that they could not meet their basic needs. Tomei said that they were often not paid on time or given their full salary. Kelly said the hours they worked to meet production targets were excessively long, which had implications for their health and whether they were able to raise their own children. She said:



Ilona Kelly.

### **The role of consumers**

Ideas for what consumers could do to help alleviate this suffering proved more controversial. “There is really nowhere you can shop that’s totally ethical right now, because no garment worker is paid a living wage,” Kelly said. But Helmersson said it was still

important to encourage consumers to act in an ethical way, adding: “I also think brands can make it easier for consumers to compare brands and products to be able to make a conscious choice.”

Siegle felt it was possible for the general public to make a difference, although more by supporting trade unions than by what they bought. She said unions in the UK should make it much clearer what they were doing to support workers in other countries.

Holdcroft was adamant that purchasing power was insignificant. “I think young people can do a fantastic amount, but they won’t do it by buying this or that T-shirt,” she said. “I don’t think we should be telling people that the way to do it is by choosing different things to buy.” This is because no one would know whether buyers had chosen a product because they approved of its ethics or because they simply liked the colour, she argued. “If you really want to make a difference, act politically. Do something.”

## The role of brands

For Holdcroft, brands’ willingness to engage with the issue was essential because they were the ones with a large enough stake in the supply chain to have the power to affect change.



Manuela Tomei.

They also had the money, argued Tomei. She said her organisation had collected data showing that productivity in the sector in Cambodia had increased by about 78% between 2000 and 2013. Over the same period, the purchasing power of average wages in the sector had increased by only 16%. This showed that companies’ margins were so significant they could afford to pay more.

Helmerson agreed that brands had an important role to play and said this was why a year ago H&M had drawn up a roadmap for a fair living wage (based on methodology drawn up by the Fair Wage Network) that aims to improve purchasing practices, implement pay structures that reward workers for skills and efficiency, and encourage worker involvement in negotiating their conditions. Results of implementing this in one factory used by the company had already seen significant improvements in wages and productivity, she said, and the scheme was to be rolled out to cover 850,000 workers.

Siegle suggested there was a contradiction between brands saying they were acting ethically

and expansion into new countries, such as Ethiopia and Burma, which attracted foreign investment because they were low-wage economies.

However, Helmersson said H&M carried out risk assessments to ensure that it moved into countries in a responsible way and worked with the ILO to help pressurise suppliers to ensure fair wages when a country had no official minimum wage.

### **Setting some ground rules**

Opening up in new markets could be problematic, but could also help create jobs, especially for women, and boost local economies, argued Holdcroft, who suggested that if responsible companies moved in, they could help set the ground rules for others.

For Holdcroft, a national minimum wage should be a key part of these ground rules. She argued that brands and campaigners should work with governments to develop the legislation needed. But a minimum wage was not just about setting a pay level; it was about how that level was reached, the panel agreed. Workers needed to be involved with employers in transparent and regular collective bargaining negotiations to improve their conditions.

Helmerson agreed with the need for collective bargaining, but suggested that one difficulty was the imbalance in a country if garment workers ended up being paid more than teachers or civil servants. “It’s just impossible for us to take responsibility for all industries in one country,” she said.

Whose responsibility is it then? asked Stephanie Norman, a business ethics assessor at GoodCorporation, which conducts independent assessments of ethical management practices, while Holdcroft said that problem should not be overstated. In most countries it was not the case that garment workers earned more than public-sector workers, and why should existing relativities be preserved anyway? Kelly said brands should not underestimate their influence. When the annual revenue of Adidas is higher than the annual GDP of Cambodia, she said, “brands really need to own up and take more responsibility”.



Lucy Siegle.

Siegle argued that because the fashion industry was huge and was wrestling with the effects of globalisation at every level of the process - from cotton growers upwards - it could

pioneer improvements in labour conditions for other industries, such as electronics. Siegle said:

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