

Clean Clothes Campaign

International Office 

UN Working Group on Business and Human Rights
UNGPs 10+ / Next Decade BHR

Date: 25 February 2021

Regarding: Business and human rights – towards a decade of global implementation

Esteemed members and staff of the UN Working Group on Business and Human Rights,

As the International Office of the global Clean Clothes Campaign network frequently refers to the UNGPs in the course of our efforts to improve working conditions in the garment industry, we welcome the opportunity to share some of our findings in response to the open call for input.

Due to capacity issues related to the pandemic we were unfortunately not able to prepare a submission by the November deadline, but we are pleased to have been able to take part in the UNWG's consultation with European CSOs in August 2020. Now we are following up with short summaries of some of our research reports published in recent years. Our aim is to provide evidence of fashion industry's failure to implement the UNGPs despite many multi-stakeholder and other initiatives that underpin garment brands' public claims of social sustainability and respect for human rights in their value chains.

This has led us to advocate for policy approaches that would translate the UNGPs into binding rules and complement those with both criminal and civil liability. In that context, we have recently published "[Fashioning justice: A call for mandatory and comprehensive human rights due diligence in the garment industry](#)". This paper does not present new research findings and is therefore not included in the summaries, but it may nevertheless be of interest as it lays out a series of recommendations as well as an overview of human rights violations and lack of access to remedy in one of the most labour intensive global industries.

Please do not hesitate to get in touch if we can help with any further information.

Sincerely,

Neva Nahtigal,
Lobby & Advocacy Strategist (neva@cleanclothes.org)

Improving working conditions in the global garment industry 

P.O. Box 11584
1001 GN Amsterdam
The Netherlands

Tel + 31 20 412 2785
Fax + 31 20 412 2786
Email info@cleanclothes.org
www.cleanclothes.org

Chamber of Commerce 412 108 20
Triodos Bank
IBAN NL95 TRIO 0197 7781 27
BIC/SWIFT code TRIO NL2U

Clean Clothes Campaign

International Office



Fig leaf for fashion: How social auditing protects brands and fails workers (2019)

This report aims to contribute to a better understanding of the corporate-controlled social auditing and compliance industry. It takes stock of evidence on the effectiveness of the dominant auditing regimes and the auditing firms that are currently active in the apparel industry.

The report connects the dots between the most well known business-driven social compliance initiatives, such as Social Accountability International, WRAP, the FLA, and amfori BSCI, and the largest corporate-controlled auditing firms, including Bureau Veritas, TÜV Rheinland, UL, RINA, and ELEVATE, as well as the brand interests that they serve.

The case studies presented in detail in this report illustrate how - far from being an effective tool to detect, report, and remediate violations - corporate-controlled audits often actively aggravate risks for workers. By relying on inadequate methodologies which produce flawed, unverifiable outcomes, these audits provide false reassurances around worker safety and deflect attention away from the underlying mechanisms and power imbalances (price pressure, time pressure, payment terms, etc.) within brands' supply chains, which often contribute to the violations rather than preventing or mitigating them.

The report builds upon previous analytical work done by academics, journalists, and labour advocates, as well as on the Clean Clothes Campaigns' (CCC) substantial experience working on remedy in specific instances of human rights violations in factories over the past thirty years. This history provides a rich case base of more than 200 documented instances of auditing failures, which serve as the basis for the primary analysis.

Evidence clearly shows that the industry has failed spectacularly in its proffered mission of protecting workers' safety and improving working conditions. Instead, it has protected the image and reputation of brands and their business models, while standing in the way of more effective models that include mandatory transparency and binding commitments to remediation.

The report offers glaring examples of corporate negligence through case examples from the past decade. These include: the Ali Enterprises factory fire in Pakistan in September 2012, in which over 250 workers died, unable to escape due to bars on exits and windows; the devastating collapse of

Clean Clothes Campaign

International Office



the Rana Plaza building in Bangladesh in April 2013, which killed 1,134 workers and left thousands more injured and traumatised; and the July 2017 boiler explosion in the Multifabs factory in Bangladesh, killing and injuring dozens of workers.

Each of these factories had been assessed and declared safe by several of the prevailing auditing companies, including TÜV Rheinland, Bureau Veritas, and RINA, using the standard, methodology and guidance of leading compliance initiatives such as amfori BSCI and SAI. In the cases of both Ali Enterprises and Rana Plaza, accredited auditors had deemed these facilities safe just weeks or months before they were reduced to ruins. In terms of Ali Enterprises, this assessment was made by auditors who reportedly never even visited the building.

These foreseeable and avoidable disasters exemplify systemic failures of corporate-controlled social auditing; an industry which in the words of [one auditor](#) goes “as far as the brands want us to go”. This industry is operating with impunity. There have been few, if any, negative repercussions for the auditing companies and social compliance initiatives involved in these deadly disasters. In fact, these initiatives continue to grow, with revenues and profits of the industry key players increasing over the years, in tandem with the growing number of audited factories.

The industry has been able to keep the many failings under the radar because of its notorious lack of transparency and the opaque chains of accountability which preclude sharing any outcomes with the outside world, including the workers whose rights, lives and health are at stake. The structural causes of these social auditing failings, and the ways in which these should be addressed, are explored throughout the report, with extensive recommendations offered to numerous industry stakeholders, including calls for more transparency, accountability, and genuine worker involvement.

Full report:

<https://cleanclothes.org/file-repository/figleaf-for-fashion.pdf/view>

Summary briefing:

<https://cleanclothes.org/file-repository/figleaf-for-fashion-brief.pdf/view>

Clean Clothes Campaign

International Office



Un(der)paid in the pandemic (2020)

The report "[Un\(der\)paid in the pandemic](#)" analyses the non-payment of wages to garment workers during the months of March, April and May 2020 that resulted from order cancellations by apparel brands, unpaid leave, and state-sanctioned wage cuts during the Covid-19 crisis. The purpose of the report is to demonstrate the breadth of the lost wage ("wage gap") workers have faced. A conservative guess of wages lost by garment workers worldwide, excluding China, for the months of March, April, and May alone amounts to between 3.19 and 5.79 billion USD. However, as many workers did not return to work or regular working hours, the wage gap continued to grow after these three months.

Based on a review of news reports and information from worker organizations, this report provides an estimate for the wage gap of 13 million workers in seven countries. The underlying calculations and sources are explained in each section. Clean Clothes Campaign and Worker Rights Consortium estimated that across South and Southeast Asia garment workers have received 38% less than their regular income. In some regions in India, this number rises above 50%.

Based on the wage gaps in the seven analysed countries, the CCC has attempted to estimate the wage gap for the garment industry more broadly. In order to estimate the total global wage gap for the same three months (March, April, and May 2020) we developed two global scenarios.

The first scenario focuses on the 50 million workers in global garment, textiles and footwear industries, who earn on average 200 USD per month. Assuming that the average wage gap in the seven researched countries cannot be applied globally, as there are strong indications of the availability of more government support in other countries, we apply only half the average percentage of 38.6% to come to the estimated wage gap.

The second scenario only focuses on workers in the apparel exporting sector, with a workforce of 20 million workers. It assumes that the average wage gap of 38.6% can be used on a global level, if excluding China where it is likely that workers can rely on more government support. This leaves 13.2 million workers, who earn on average 200 USD per month and have experienced a 38.6% wage gap.

Clean Clothes Campaign

International Office



The first scenario leads to an estimated global wage gap of 5.78 billion USD for the first three months of the pandemic. The second scenario arrives at the figure of 3.19 billion USD of wage losses.

The wage gap, although based on only rough estimates, indicates the amount of funding that is needed to make workers whole. The report emphasizes that the severity of this crisis could have been averted if living wages had been paid, and social protection mechanisms had been implemented. The only way to reverse the catastrophic loss to workers' livelihoods and prevent a crisis like this from ever happening again is for brands to take immediate and lasting action.

While the direct employers are legally obligated to pay workers' wages, it is the brands that dictate how profits are made and distributed along their supply chains. Brands choose to base their supply chains in countries with low wages and weak social protections. As workers, unions, and civil society groups have long argued, global supply chains are defined by an acute power imbalance between brands at the top of supply chains and workers employed in factories. Brands' economic power allows them to dictate how profits are made and distributed along their supply chains, including the ever-smaller share available for suppliers to pay their workers decent wages, ensure safe and healthy working conditions, or provide workers with legally mandated benefits upon termination. Brands also have chosen to turn a blind eye to the lack of social security mechanisms, such as unemployment insurance schemes or guarantee funds, that could cover wage payments in time of lockdown or crisis.

Moreover, argues the report, brands are obliged under the UNGPs and the OECD Due Diligence Guidelines to prevent and mitigate adverse human rights impacts at their suppliers, and to provide for or cooperate in the remediation of harm that they have caused or contributed to. The shortfall in workers' wages therefore rests on the shoulders of the brands.

The final section of the report calls on global brands and retailers to make a wage assurance to workers in order to fill the devastating wage gap.

Full report: <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>

Clean Clothes Campaign

International Office



Out of the shadows: A spotlight on exploitation in the garment industry (2020)

“Out of the shadows” shines a light on the poor work practices and poverty wages of the garment sector. The report brings to life the data from the Clean Clothes Campaign’s Fashion Checker transparency launched in June 2020.

- The report consolidates desk-based and field research from 2019-20.
- Questionnaires were sent to 108 brands and retailers from 14 countries. Interviews were conducted, and payslip data submitted by 490 workers, based in China, India, Indonesia, Ukraine and Croatia, working in 19 different factories.
- Brand research reveals that not a single brand included, pays a living wage to all workers in their supply chain despite numerous pledges to do so.
- Field research brings to life the poor work practices that are hidden behind the numbers. It shows that garment workers are forced to navigate excessive overtime, complicated payment systems and fulfil quotas, in order to earn pitiful wages.
- The Covid-19 pandemic has exacerbated unpaid wages and job insecurity for garment workers, as brands such as Arcadia (Topshop), Bestseller, C&A, Primark and Walmart (Asda) have cancelled orders and imposed discounts on suppliers.

Worker interviews and evidence from payslips show that poverty wages continue to be a systemic problem in the garment industry, often hidden deep within complex and secretive supply chains.

The field research reveals the struggle that workers face, in order to earn poverty wages. Despite excessive overtime of over 100 hours a month, only two workers earned an amount equal to living wage, in effect working two jobs each.

Wage breakdown is often given to workers in complex formats, making it difficult for workers to understand their wages, or challenge pay inaccuracies. For workers in India and Indonesia, the information on payslips is so unreliable that many workers do not even know how what they receive relates to what is on their payslip.

In an industry predominantly powered by a women’s labour, the research also highlights gender discrimination in wages. For instance, in India women earn on average only 88% of what men

Clean Clothes Campaign

International Office



wages. In our company survey, not a single brand surveyed provided evidence or public information on overall gender pay gaps in its supply chain.

The brands' failure to pay living wages is intrinsically linked to a lack of transparency. Whilst brands make grand promises of sustainability and ethical production, behind the scenes they wield immense power to pick and choose between low-wage economies.

The data revealed in the 'Out of the Shadows' report reinforces the need for brands and governments to take urgent action and meet the demands set out by the Clean Clothes Campaign on the Fashion Checker website to increase transparency, and use living wage benchmarks to implement living wages throughout the industry.

Full report:

https://cleanclothes.org/file-repository/ccc_dci_report_outoftheshadows_sept2020_highres.pdf/view

Clean Clothes Campaign

International Office



Exploitation Made in Europe: Human Rights Abuses in Facilities Producing for German Fashion Brands in Ukraine, Serbia, Croatia, Bulgaria (2020)

Germany is one of the world's largest importers and exporters of garments. Additionally, German fashion brands and retail-ers are the primary buyers of fashion items from Ukraine and Bulgaria, as well as the second most important buyers from Croatia and Serbia. For this study, workers from different suppliers of German brands and retailers in Ukraine, Serbia, Croatia and Bulgaria were interviewed. In all four countries investigated, an estimated 120,000 workers are sewing for German brands.

Across the board, the main human rights abuse is the non-payment of a living wage. To make things worse, in none of the production facilities supplying German brands were workers able to earn above the EU's own poverty threshold – not even with the addition of overtime and allowances. At the Ukrainian supplier to Esprit and Gerry Weber, workers' wages are sometimes delayed for months or not paid in full.

In all countries, the garment industry – a feminised industry – is the worst paid manufacturing sector. Among the most poorly remunerated roles carried out within a garment factory is sewing, which is almost exclusively done by women. Most sewing jobs are paid on piece rate. While women are overrepresented in these workplaces, they are much less present in managerial positions. These are indications of gender discrimination.

Workers from all investigated factories report threats, insults, humiliation and intimidation. This repressive treatment contradicts the right to just and favourable working conditions and human dignity. Employees' reports about management's 'propaganda strategies' are strikingly similar across the Europe-East/South region: "[the] factory is about to close", "there is the door" and other threats of job loss.

Workers unanimously mention constant exhaustion and chronic fatigue. Their human right to health is at risk. Their most pressing wish – next to earning decent and deserved wages – is to be able to rest properly and to spend more time with their families. According to workers, protective measures against acquiring COVID-19 are insufficient; employees are often pressured into taking unpaid leave.

Clean Clothes Campaign

International Office



Other human rights abuses stated by workers include forced labour, e.g. in the investigated suppliers to Esprit, Gerry Weber and Hugo Boss in Ukraine, Croatia and Bulgaria, as well as repression of trade union rights, especially at the Bulgarian Hugo Boss supplier.

Further irregularities reported by workers include blatant violations of the national laws in all investigated factories: irregularities concerning annual leave, sick leave, dismissal, overtime, short-term labour contracts and maternity leave.

The findings of this research show no change compared to earlier investigations. There is no visible trend for improvement. For instance, it does not seem to matter if a country is an EU member state. Commonalities concerning rights abuses among the four researched countries outweigh differences. The gap between workers' wages and a living wage remains considerable.

While garment production shows a reality of human rights and labour law abuses, fashion brands and retailers like Hugo Boss, Gerry Weber and Esprit engage in multistakeholder human rights initiatives, and also use certificates for fair and sustainable production. Over the past 20 years, these voluntary initiatives have been unable to systematically change the dire situation facing garment workers. Contrary to all the voluntary commitments made by fashion brands producing in the region, we found evidence of constant violations of labour law and human rights.

Over time the Clean Clothes Campaign has observed that brands, if they engage in voluntary initiatives, do not take the necessary measures to effectively protect workers' rights in their supply chains.

The report concludes that German fashion brands and retailers are failing to deliver on their obligations under the UNGPs in the investigated textile supply chains, and it calls for mandatory Human Rights Due Diligence legislation.

Full report: <https://cleanclothes.org/file-repository/exploitation-made.pdf/view>

Clean Clothes Campaign

International Office



Labour without Liberty: Female Migrant Workers in Bangalore's Garment Industry (2018)

Female migrants employed in India's garment factories supplying to big international brands like Benetton, C&A, GAP, H&M, Levi's, M&S and PVH, are subject to conditions of modern slavery. In Bangalore, India's biggest garment producing hub, young women are recruited with false promises about wages and benefits, they work in garment factories under high-pressure for low wages. Their living conditions in hostels are poor and their freedom of movement is severely restricted. Claiming to be eighteen at least, many workers look much younger.

These are some conclusions from the "Labour without Liberty" report. The study found that five out of the eleven ILO indicators for forced labour exist in the Bangalore garment industry: abuse of vulnerability, deception as a result of false promises (wages etc.), restriction of movement in the hostel, intimidation and threats, and abusive working and living conditions. Some of these aspects are also felt to a certain extent by the local workforce, but are more strongly experienced by migrant workers.

The three factories in the research belong to the largest garment manufacturing companies in Bangalore. Together they employ more than 4000 workers in various units in the country. According to export data these are their buyers: Abercrombie & Fitch, Benetton, C&A, Calvin Klein and Tommy Hilfiger (both PVH), Columbia Sportswear, Decathlon, Gap, H&M, Levi Strauss, Marks & Spencer. Most of these brands have code of conducts that prohibit forced labour, child labour and other labour rights violations.

Official statistics on migrants do not exist, but trade unions estimate that there are between 15,000 and 70,000 migrant women from northern states working in the Bangalore garment industry. Before travelling to the factories, they are trained in skill development centres in Jharkhand or Odisha. These centres are often part of government sponsored schemes which fall under Skill India. Skill enhancement is one of the pillars of 'Make in India', prime Minister Modi's major initiative to create employment opportunities and stimulate economic growth.

Recruitment agents are known for not informing recruits about their legal entitlements. They promise salaries ranging from about € 65 to € 105 and other benefits like free accommodation and

Clean Clothes Campaign

International Office



food. But upon arrival in the factories, these promises often appear to be false. Migrants find themselves earning less than they were told, having to pay for accommodation and food. Migrant workers live in hostels with cramped rooms. They are not allowed to leave on weekday evenings. Only at Sundays they are allowed two to three hours away from the hostel grounds. Many workers, although claiming to be eighteen or older look young enough to be fifteen or sixteen.

Full report:

<https://cleanclothes.org/file-repository/resources-publications-labour-without-liberty-2013-female-migrant-workers-in-bangalores-garment-industry-full-version-1/view>