Frequently Asked Questions

Labour rights and ethical manufacturing in the footwear and garment sector

www.oxfam.org.au
1. **What is the current situation for workers making clothes?**

Exploitative wages and conditions are still common in the garment sector in Asia. For example, despite long working hours or even forced overtime, workers generally receive inadequate wages and find it difficult to support their families. Genuine respect for workers' legal rights and freedom of association remains rare. Discrimination and harassment from management continue to be major concerns.

These conditions are well documented. See, for example, the *Offside!, Play Fair at the Olympics, We are Not Machines* and *Trading Away our Rights* reports.

For other reports on working conditions in the garment sector visit the Clean Clothes campaign and our labour rights resources page.

2. **What can I do to help?**

Subscribe to our labour rights campaign and receive monthly updates about workers' rights campaigns and how you can make a difference.

Take Action directly by sending a message to some of the biggest brands.

Receive international campaign e-actions by subscribing to weekly Labour Start alerts or the Clean Clothes Campaign's Urgent Action Network.

Send your sportswear receipts to Oxfam Australia with a note saying that you wish you could buy clothes and shoes made under decent conditions. This provides evidence that brand consumers are concerned and helps to pressure the brands to respect workers' rights. Address to:

Labour Rights Oxfam Australia
132 Leicester Street
Carlton, Victoria, Australia 3053

Become involved in a local group supporting workers' rights in the clothing industry. If you're based in Australia you could get involved in the FairWear campaign. In Europe there is a great network known as the Clean Clothes Campaign. In the US you could join groups like the International Labor Rights Forum, United Students Against Sweatshops or Team Sweat. In Canada there is the Maquila Solidarity Network. There are similar groups all around the world – search online to find one in your country.
3. **How can I shop for clothes ethically in Australia?**

Exploitation is common in the fashion and clothing industry. Many people are shocked to learn that workers making garments in their homes in Australia are often paid as little as $3 an hour. Consumers and companies can play an active role in supporting ethical manufacturing in Australia and around the world. If you have a favourite label and are not sure if they're ethical, write to them and ask them about their labour rights practices. Raise the issue of ethical clothing in your school or workplace. Here are some action ideas for you.

Thanks to the action of consumers, a market for ethically produced clothing has now emerged. If clothing carries the Ethical Clothing Australia (ECA) label it means the garment was manufactured in Australia and the manufacturer has committed to ensuring that all of the people involved in its production received, as a minimum, the legally stated wage rates and conditions (known in Australia as the industry Award wages and conditions).

If you want to use your purchasing power to support ethical Australian garment manufacturers see the ECA list of accredited brands (includes high-end fashion, corporate wear, casual streetwear, sportswear and uniforms).

4. **How do the brands compare?**

The 2006 Oxfam International’s report Offside! Labour Rights and Sportswear Production in Asia found that Reebok had made the most improvements (owner of Speedo and Lacoste), have demonstrated some interest in cooperating with trade unions and human rights groups to improve workers’ conditions. However, in each case it is either too early or there is not yet enough independent evidence to determine whether any workers are able to claim their rights, and in particular whether those workers are free to form and join trade unions.

When you are shopping you can also check the "made in" label to see where the runners were made. If the company I import from is

5. **Is there any brand of sports shoe I can buy with confidence?**

Unfortunately, none of the sports brands are successfully or consistently upholding labour rights in their supply chains. While some of the top brands are generally responsive when cases of labour rights violations in specific suppliers are exposed, systemic change is needed to ensure workers’ rights are respected across all supplier factories.

Nike, Adidas, Puma, Asics and Umbro have improved their labour practices by becoming more transparent. They’ve also stopped anti-union discrimination in some factories, and allowed some workers to receive training regarding their rights. But even these companies source most of their production in countries or free-trade zones where independent trade unions are banned. Puma, Adidas and Nike have cut orders to factories where workers have established trade unions.

Workers’ basic rights are only respected in a small percentage of supplier factories. Since the end of 2006 Adidas and Nike have pulled their orders out of several factories in Indonesia, leaving tens of thousands of people without work. In 2008 a Malaysian Nike supplier was found to be using forced labour and keeping workers in appalling living conditions. Nike, who had been sourcing from this factory for more than 10 years, rectified the situation once it was bought to their attention.

Mizuno, New Balance, Lotto, Kappa, and Pentland (owner of Speedo and Lacoste), have demonstrated some interest in cooperating with trade unions and human rights groups to improve workers’ conditions. However, in each case it is either too early or there is not yet enough independent evidence to determine whether any workers are able to claim their rights, and in particular whether those workers are free to form and join trade unions.

When you are shopping you can also check the "made in" label to see where the runners were made. If the company was taken over by adidas in 2006. Among the least transparent sportswear brands was FILA, who showed extreme reluctance in dealing with labour rights violations in its supplier factories.

The Clearing the Hurdles campaign has started rating sports brands on their labour rights policies. While policies are not the same as practises, this is a good starting point for guaranteeing workers’ rights and implementing positive change across the sector. Have a look at their chart of brand responses.

In terms of Australian based manufacturing, brands accredited for good labour rights practices can be found at Ethical Clothing Australia. To get more general updates about how Australian brands are performing visit the Fair/Wear Australia website.

6. **Why are unions important?**

If one worker fights for better conditions in a factory, they can easily be dismissed or discriminated against. In a group, workers have more power to collectively voice their concerns and bring about positive change. Trade unions can be very effective in strengthening the position of workers, bringing about better conditions and fairer wages.

This is why in many parts of Asia, violence is sometimes used to stop workers from organising themselves into trade unions. For instance, the Jaqalanka case examined in Oxfam International’s 2006 Offside! report involved violent assaults on union organisers. As in other cases, union members were threatened with death if they did not stop their union activities. Alternative tactics used by factory owners include demoting union organisers to menial tasks, dismissing workers for participating in industrial action, using verbal abuse and other forms of harassment against union members and threatening to close or relocate the factory.

7. **How do I find out if the company I import from is ethical?**

Below are several checks you can make and actions you can take.

- Adopt a code of conduct or another instrument to ensure that core labour standards are implemented including a living wage. Both the Clean Clothes Campaign (CCC) and JO-IN codes of conduct include a living wage.
- Before you place orders with a new supply factory:
  - Organise an independent verification of conditions at the factory;
  - Take a look at whether the core ILO conventions and other ILO Conventions are respected in supplier’s country;
  - Check whether fundamental labour standards including trade union rights of Freedom of Association (FOA), and the right to organise and collectively bargain are being respected in the factory;
  - Search the internet to see if there have been any campaigns revealing labour rights violations directed at the factory;
• Talk to the union (if there is one) about the situation in the factory and establish a relationship with them;
• Find out the following through independent verification and your own research: Is there an independent union in place at the factory? Is there a collective bargaining agreement already in place? What are the wages and conditions like?
• Is the factory paying a living wage? What are the workplace health and safety conditions?
• Include performance indicators into your contract with the supplier relating to respect for labour rights. Ensure you are providing a unit price and turnaround times that enable the supplier to respect labour rights.

If you are ordering through an agent or through licensees then you should raise these same issues with your agents/licensors. Your agents/licensors should check these issues with their suppliers.

**Independent verification of conditions**

In addition to credible factory audits, it is important to have in place independent and regular verification of conditions and to assess the situation in the factory in relation to Freedom of Association (FOA). A local labour NGO might be able to conduct an investigation or verify standards at the factory. The NGO should be able to interview workers confidentially outside the factory to determine if there are any obstacles to freedom of association in the factory. These interviews would also indicate if there is a democratic and independent union inside the factory. If there is a democratic trade union then it would be important to consult with the leaders of that union. Workers may risk dismissal or other forms of discrimination if they report problems at the factory, so confidentiality is essential.

**Reward your supplier with stable orders**

You can include performance indicators into the contract relating to respect for labour rights (particularly if the factory has a democratic, independent union in place) and reward their good performance with long-term, stable orders. You should always ensure you are providing a unit price that enables the supplier to respect labour rights.

1. Find out whether the country where the goods were made (also known as country of origin) has ratified, and is giving effect in national law to, the core International Labour Organisation (ILO) conventions relating to: Freedom of Association (FOA). A local labour NGO might be able to conduct an investigation or verify standards at the factory. The NGO should be able to interview workers confidentially outside the factory to determine if there are any obstacles to freedom of association in the factory. These interviews would also indicate if there is a democratic and independent union inside the factory. If there is a democratic trade union then it would be important to consult with the leaders of that union. Workers may risk dismissal or other forms of discrimination if they report problems at the factory, so confidentiality is essential.

**Organize and Collective Bargaining, 1949 (No. 98)**

For a list of Asian countries that have ratified these conventions, see What is the current situation for workers making clothes? For all other countries, visit the ILO standards database.

2. If the country of origin has ratified these first two conventions, you can ask the supplier some questions to find out whether these standards are actually respected within the factory. Are workers free to join a democratic and independent trade union? If there is no democratic union in place in the factory, then do workers have the right to join (or not join) a union of their choice?

What percentage of workers in the factory are permanent employees? (Temporary and short-term work means that workers don’t have any job security, are less likely to join a union and are often not able to access the same entitlements and benefits as permanent employees) Has the country of origin ratified the other core labour conventions? These include:

- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

You need to find out whether these conventions are given effect in national law in the countries where they have been ratified. This is because some countries ratify conventions but do not implement them.

**8. Who can I contact about making garments ethically?**

For transparent production in Australia, contact Ethical Clothing Australia
Find out how to source Fairtrade cotton
Support a success story Dignity Returns (Thailand)

Want to support a success story? Workers at the Bed and Bath factory in Bangkok, Thailand, turned up to work one
9. What is Fairtrade?

Fair trade is an alternative approach to conventional trade. It contributes to sustainable development by offering better trading conditions (including a better price) to, and securing rights of, marginalised producers and workers –especially in low-income regions.

For small farmers, access to market or price information is difficult and as a result, many become increasingly dependent on middlemen and receive smaller and smaller returns for their work. In bad times, many lose their only property – their land – and thus, their livelihoods. Similarly, many plantation workers endure low pay, unsafe working environments and poor living conditions. The way that many products are produced, traded and consumed is unjust and this is a factor contributing to poverty.

In terms of textiles and garments, the Fairtrade mark may only certify one part of the production and may not relate to the whole product. For example, a T-shirt made with Fairtrade Mark certified cotton is not automatically manufactured under the same principles. Some goods, on the other hand, like Rise Up Productions, are made with Fairtrade cotton and their production (sewing) is also certified by Ethical Clothing Australia (ECA).

Coffee, tea, cocoa, cotton and rice are some of the products that are available fair trade. Find out more.

In Australia

Fairtrade Association of Australia and New Zealand (FTAA NZ) Inc is an incorporated, not-for-profit, member based body for individuals and organisations interested in and supportive of Fairtrade.

If you would like to more information about Fairtrade certification of cotton and its relationship to the garment supply chain, please contact FTAANZ at info@fairtrade.com.au

10. Does Fairtrade certification mean the item has been made fairly?

Companies that sell clothing made from Fairtrade cotton have to provide some evidence they’ve asked for information from their suppliers about the labour standards in the factory where the garments were produced. However, products made with Fairtrade certified cotton can be – and often are – manufactured in the same factories as regular clothing. At this stage, Fairtrade cannot guarantee that all garments made with Fairtrade certified cotton are ‘sweat-free’ and made under conditions that empower workers.

The economic benefits of Fairtrade – the price and premium – are only being paid to the cotton producers. It is possible, however, to make garments both Fairtrade and ethically manufactured. This is when the material is Fairtrade cotton and the production is certified by Ethical Clothing Australia.

For more info on the Ethical Clothing Australia see: How can I shop for clothes ethically?

11. My T-shirt is made from fair trade cotton, what does this mean?

Fairtrade Cotton

Some garments (and other items) can be made with Fairtrade certified cotton. The aim of Fairtrade certification is to ensure that farmers receive a fair price for their cotton and a Fairtrade premium for them to invest in social, environmental and economic development of their communities. However, products made with Fairtrade certified cotton are frequently manufactured in the same factories as regular clothing. At this stage Fairtrade cannot guarantee that all garments made with Fairtrade certified cotton are ‘sweat free’ and made under conditions that empowers the workers. The economic benefits of Fairtrade – the price and premium – are only being paid to the cotton producers.

It is possible, however, to make garments both Fairtrade and ethically manufactured. This is when the material is Fairtrade cotton and the production is certified by Ethical Clothing Australia.

For more on this, see How do I find out if the company I am importing from is ethical?

12. I own my own business. Can I get my garments made in Fairtrade factories?

A first step to ensuring fairer conditions is to source from countries where the right to freedom of association has legal force and the core ILO conventions have been ratified and given effect in national laws. For more on this, see How do I find out if the company I am importing from is ethical?
13. My supplier tells me the factory conditions are excellent (for example, workers have air conditioning and can attend English classes at night). Does this mean workers’ rights are being respected?

Anything your supplier tells you should be able to be independently verified to ensure credibility. Working air-conditioning may well be useful for factory workers, but what counts are their overall conditions of employment and whether workers basic human and legal rights are being respected in the factory.

For a check-list of some things to look for when assessing your supplier, go to: How do I find out if the company I am importing from is ethical?

The right to organise and collectively bargain is particularly important, because without the right to organise and be in the union of their choice, it is very difficult for workers to speak out about their conditions and gain any real improvements within their factory.

The JO-IN model code and the Clean Clothes Campaign’s Full Package Approach to Labour Codes of Conduct are both useful guides for companies.

You can use Fairtrade cotton to ensure farmers receive a fair price for their cotton.

If you are looking for some assurance that your garments are made under fair and transparent conditions, one option is to use a manufacturer accredited by Ethical Clothing Australia (ECA). You can also apply to have your business accredited by ECA which entitles you to sew the Ethical Clothing label into your garments.

14. What are the key human and legal rights that must be guaranteed to workers?

Basic human and legal rights are set out in the core International Labour Organisation (ILO) conventions which include:

- Freedom of Association and Protection of the Right to Organize, 1948 (No. 87)
- Right to Organize and Collective Bargain, 1949 (No.98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Countries are bound by core ILO Conventions whether or not they have ratified them. However, it is important to find out if these laws have actually been given effect in the legal system of the country that has ratified them. Other ILO conventions, once ratified, should be enforced through the country’s legal system.

15. How can I determine whether a company is manufacturing ethically for clothing made outside Australia?

A comprehensive certification system for labour standards across the global garment sector does not yet exist. However there are a few other instruments and initiatives that can assist in assessing how companies are performing.

**Codes of Conduct**

Unions, NGOs, activists, consumers’ organisations and other groups have campaigned for more than a decade for the global garment and sportswear industries to take responsibility for workers’ conditions in their supplier factories. As this pressure grew, companies created policies on the minimum labour standards and conditions they expect in their supplier factories. These guidelines for suppliers are often called a Code of Conduct but there are other names such as compliance codes.

A Code of Conduct should include all provisions based on the International Labour Organisations (ILO) Core Conventions. and include guidelines around the following:

- freedom of Association and Protection of the Right to Organise
- right to collective bargaining
- no forced labour
- no child labour
- no discrimination
- maximum hours of work
- health and safety
- a living wage
- security of employment

The Clean Clothes Campaign, an international campaigning network has guidelines on what companies can do to better assess, implement, and verify compliance with labour standards in their supply chains, and eliminate abuses where and when they arise: Full Package Approach to Labour Codes of Conduct. The JO-IN model code, which includes a living wage, is also useful guide.

Adopting a code of conduct is only the first step for a company. The real challenge arises in implementing the code and verifying that the code has been implemented. And ultimately in ensuring workers rights are respected and improved throughout the company’s supply chain. Some companies have adopted codes that do not include all the basic worker rights, and other companies have adopted fairly comprehensive codes, but they are not implemented in the factories where their goods are made.

You can also do your own research on the company’s labour and human rights record. Websites such as Business and Human Rights and CorpWatch have fairly comprehensive databases and company profiles which can assist investigations. Even a simple Google search for the name of the company with key terms (such as ‘human rights’ and ‘labour rights’, ‘transparency’, ‘rights abuse’, ‘supplier’, ‘factory’, ‘workers’) can be useful.

See also: What initiatives exist to encourage respect for labour rights in the footwear and garment industry?

**Asian countries that have ratified ILO Conventions No. 87, 98 & 135 (as at September 2010)**

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<th>Country</th>
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16. How does the location of garment manufacturing influence labour rights?

The labour rights of garment workers differ from country to country and between different areas. FairWear Australia has compiled a brief list of reports on labour rights in several countries.

Oxfam Australia suggests that companies source from countries and free-trade zones where the right to freedom of association has legal force and the core ILO conventions have been ratified and given effect in national law. Companies should also prioritise retaining production in unionised factories.

Sourcing from countries and free-trade zones where labour rights treaties have been ratified does not guarantee that workers will all be treated fairly in factories. National laws giving effect to these conventions need to be enacted and implemented. However, ratification of these core labour standards is an important step.

In 2000, the California Public Employees’ Retirement System (CalPERS) commissioned a report to assist with investment decision-making for emerging markets. The report, conducted by Verite, provided a quantitative ranking of 27 countries based on labour conditions, adherence to United Nations standards and governmental efforts to address problems relating to labour rights. You can view the 2006 results of this study at: Emerging Markets Research Project.

It is a company’s responsibility to ensure that workers’ rights are respected throughout its supply chain. Companies should be able to prove this is the case through transparent monitoring and verification systems.

For more resources and news you can also visit the following links:

Clean Clothes Campaign
Labour Behind the Label
Maquila Solidarity Network
International Labour Rights Forum
Worker Rights Consortium

Multi-Stakeholder Initiatives

There are several Multi-Stakeholder Initiatives (MSIs) globally that are relevant to the garment and sportswear industry, bringing together different groupings, usually consisting of companies, trade unions, universities and NGOs, to implement codes of conduct that try to protect workers’ rights.

The Clean Clothes Campaign provides a short overview of five international multi-stakeholder initiatives that have been initiated in the sportswear and apparel sector:

1. Ethical Trading Initiative
2. Fair Labor Association
3. Fair Wear Foundation
4. Social Accountability International
5. The Jo-In initiative
6. Workers Rights Consortium (WRC) Independent of any industry, the WRC’s only stakeholders are US and Canadian universities.

An example of a continuous improvement program is Better Factories Cambodia. The program is not intended to guarantee complete compliance with labour standards. It focuses on continuous improvement.

There are some criticisms of the effectiveness of MSIs, particularly around their ability to uphold workers’ rights to Freedom of Association, and the Right to Organise and Collectively Bargain.

In 2007, experts from a large variety of initiatives, countries and backgrounds workedshopped what could be done to improve the effectiveness of MSIs in a consultation convened on behalf of the UN Secretary-General’s Special Representative on business and human rights.

Participants at this consultation workshop felt that the social auditing model (which is the model that MSIs have adopted) has been effective in identifying health and safety problems, but generally ineffective in issues such as freedom of association, discrimination, harassment and physical abuse. See a summary of these discussions.

Earlier research by the Ethical Trading Initiative made similar findings in its 2006 report, Getting smarter at auditing: Tackling the growing crisis in ethical trade auditing.

17. What initiatives exist to encourage respect for labour rights in the footwear and garment industry?

18. Can I get garments manufactured ethically in Australia?

Brands like adidas need to do more to respect the rights of the workers who make their products. This includes ensuring that workers enjoy freedom of association, safe working conditions and are paid a living wage. Photo: Lara McKinley/OxfamAUS.

In Australia, the ILO conventions on Labour Rights have been ratified and workers have entitlements under both Federal and State laws through the industrial relations system. However, textile workers (and particularly homeworkers) in Australia are often paid as little as three dollars an hour and are often denied basic legal conditions.

There is a growing base of consumers looking for ethical suppliers of products in Australia.

Ethical Clothing Australia (ECA) is a joint industry-union initiative administered by an independent committee.

The principle behind ECA is exploitation can be identified and addressed if companies make their production chain transparent.

There are commercial and moral incentives for eliminating exploitation in the Australian garment industry. Companies can position themselves to meet this demand by using the respected ECA label.
20. What is the NikeWatch campaign?

Global campaigning around Nike’s practices started in 1990. Community Aid Abroad, now Oxfam Australia, joined the international Nike campaign in 1995.

The aim of the NikeWatch campaign is to persuade sports brands to respect workers’ rights. Several international NGOs and campaign groups around the world focus on Nike and/or other sports brands, campaigning for improvement in their respect for workers’ rights. It’s a human right to form and join a democratic trade union, work decent hours and in safe conditions.

Oxfam Australia writes the monthly NikeWatch News that reports on labour rights in sportswear companies including Nike, Adidas, Puma and Asics. Subscribe to NikeWatch News.

For latest campaign updates, including public actions, visit our labour rights blogs.

21. I am writing a report on Nike and social responsibility. Where can I find information?

NikeWatch News has information about the ongoing problems in Nike’s current practices. You will also find links to research reports on Nike, media articles and workers’ stories.

22. Where can I find more resources?

Here are some links to research, reports and articles on the topic of fair fashion and ethical consumerism. The list is by no means exhaustive.

23. Why do labour rights matter to Oxfam Australia?

Supporting labour rights is – fundamentally – about supporting an end to global poverty. Employment conditions and the legal rights of waged workers are intrinsic to the fulfilment of fundamental human rights as well as key issues for global poverty reduction, gender equality and development. To find out more visit Oxfam Supports Workers’ Rights.