

# Foreward

A scene on a British High Street. A woman goes into Marks and Spencer's to buy a pair of trousers. That week's newspapers have been full of the news that M & S has decided to buy up to 70% of its clothes abroad, making thousands of UK workers redundant. M & S had previously been proud of its policy of mostly buying from British factories. The woman tries on the trousers and sees on the label that they were made in Indonesia. As an active trade unionist, she feels bad about the job losses. On the other hand, she has read a War on Want pamphlet which said that poverty in Indonesia has meant children, especially girls, being taken out of school and that jobs are badly needed there. What should the woman do?

This is an everyday dilemma in today's globalised world for consumers and trade unionists living in the UK.

In order to come closer to a solution War on Want organised a forum in Dhaka, Bangladesh, in which garment workers from all over the world came together to discuss the best way forward for workers in the industry. What is the future of solidarity in a Global Economy which often seems to force workers to compete? How do we reconcile the fact that the wealth which is gradually lifting workers in the developing world out of poverty, often comes from the same corporations who are laying workers off in droves in the developed world?

If globalisation is to work in a fairer way which benefits the many rather than just the few, workers will have to reconcile these dilemmas. A common cause must be found, and this will mean going back to the basics of trade union solidarity, but making it relevant to the 21st century world, a world which is inter-dependent and inter-connected like never before. This report aims to help that task. It provides a starting point for workers concerned about the process of globalisation. It is intended that it will encourage fruitful relationships, discussions, campaigns and other activities which will lead workers across the globe towards the creation of a more just world.

**Catherine Matheson**  
**Director, War on Want**  
**June 2001**





# Part One



## What does Globalisation Mean for Garment Workers?

Globalisation affects workers everywhere. It is a term used to describe economies, culture and technology across the globe becoming more integrated and inter-dependent; a process which has accelerated tremendously over the last 20 years. Distance and national boundaries are no longer obstacles to trade or investment, and this allows corporations more freedom. Removing such barriers, together with new technology such as the Internet, has made it much easier for transnational corporations (TNCs) to produce and transport goods almost anywhere in the world.

In the textile and garment sector it seems that, all too often, workers have paid the price for this process. Proponents of globalisation believe that the best way to combat poverty is through employment and growth, and that increased trade and investment will facilitate this. But in the last 20 years the gap between rich countries and poor countries has increased, as has the gap between the rich and poor within those countries. Workers in countries like the UK have seen jobs disappear at an alarming rate, whilst in the developing world workers face exploitation as corporations employ people for very little in appalling conditions. Globalisation has created wealth and opportunities, but if this wealth is to benefit the majority of people in the world, workers need to act together to challenge the direction in which the global economy is moving.

### Is Globalisation New?

International trade is nothing new. India used to export cotton, which was shipped to England where textile factories made clothes which were then exported back for sale in the colonies. This gave the UK one of the largest textile sectors in the world. In a similar way, developing countries now import the raw materials and they make the garments for export to the developed world. What is new in all of this is the speed with which international trade and investment has increased.

The textile and garment sector have been in the front line of globalisation because they do not require large investment in technology and depend heavily on labour, which can easily be found across the world. This has led companies to have their clothes made as cheaply and easily as possible – wherever employment costs are lowest. Developing countries have doubled their share of world clothing exports in the last 30 years.

The growth of the garment industry has transformed the lives of workers in the developing world. Whilst conditions and pay in garment factories look poor to us, they represent a radical improvement on the alternatives available to workers, especially women. Women, mostly escaping rural poverty, have experienced a revolution in their lives, and for the first time are able to earn independent livelihoods and make their own day-to-day decisions. Lipi, a Bangladeshi garment worker, testified "Before joining the factory I was very timid but now I have

some confidence. I'm working in the city and at night I can go out. I even participate in demonstrations sometimes".

But it's not that simple. These workers often find themselves working very long hours for below subsistence wages and in conditions which endanger their health. When workers form trade unions to press for better conditions, this threatens to erode profits, and corporations simply move to countries with cheaper labour. Workers are thereby set against workers in a 'race to the bottom' to offer the cheapest and most exploited workforce in the world.

## **Garment Factories in Bangladesh**

In Bangladesh in the last 15 years almost a million jobs have been created in the garment industry, mainly performed by women. There are an estimated 2,700 factories.<sup>1</sup> The garment sector is extremely important to Bangladesh's economy, comprising roughly 73% of export earnings.<sup>2</sup> Approximately 55% of exports go to the US, and 41% to the EU. More than 65% of the workforce are young women under the age of 25.

Problems include a failure to implement the minimum wage, long hours, child labour, restrictions on freedom of association, and poor health and safety conditions. The government has set a minimum wage at 930 taka (£13.29) per month,<sup>3</sup> but the National Garment Workers' Federation estimate that this is not sufficient to run a household, for which 1,700 taka (£24.29) is needed.<sup>4</sup> Wages are often paid several months in arrears, which means that workers can find themselves unable to resign from a position without losing money.

## **Industrialising the Globe**

Many industrialised countries have had an important textile and garment

manufacturing sector at some point in their history. Frequently, the growth of the garment sector has been seen as a first step on the road to industrialisation, bringing growth and prosperity. Developing countries can offer cheaper labour than industrialised countries, and the garment sector gravitates towards this cheap labour, giving new opportunities for these countries to develop. Meanwhile, the developed countries use their new industrial base to move into more profitable, high-technology products such as cars and electronic goods.

Following the Industrial Revolution, Britain was the most important manufacturer of textiles and garments in the world, gradually to be challenged by the US and Germany in the late nineteenth century. Japan became a major exporter of garments in the 1920s. From the 1960s, the level of wages and skills in Japan rose and hundreds of thousands of garment workers lost their jobs as garments work spread to 'Newly Industrialised Countries' (NICs) like South Korea, Taiwan, Hong Kong and Singapore. Japan became more dependent on high-skill and high-investment technological products. More recently, garment production has moved out of the NICs, who also developed higher technology production, into a wide range of countries including India, the Philippines and Indonesia.

At this point, globalisation accelerated the rate of change, and this meant that these economies did not have time to develop the production of higher-value goods, before they were undercut by the next set of countries in Bangladesh, Pakistan, Mexico and Central America. Now, these countries are being undercut by even cheaper labour in China, Cambodia and Vietnam, before their economies have had time to develop.

1 CAFOD, "The Asian Garment Industry and Globalisation", p.12.

2 Robin Robison and Millius Palayiwa, Quaker Peace Service, "Report of a visit to Dhaka, Bangladesh, May 2000.

3 Taka 38 = \$1 (1995 rate).

4 Clean Clothes Campaign, *Unstitching the Child Labour Debate*, 1998.



To woo corporations into their countries, governments have established Export Processing Zones (or Free Trade Areas) which carry incentives for foreign corporations to source there. For example, corporations usually enjoy tax holidays and labour laws are frequently suspended. By 1998, China, offering some of the cheapest and least regulated labour in the world, had become the world's foremost garment exporter, and 42% of Britain's garment imports came from China.

**Export-Processing Zones**

The Bangladesh Export-Processing Zone, an hour's drive from Dhaka, is a walled and guarded industrial estate which exists to tempt transnational corporations into the country by offering zero taxes, 100% repatriation of profits, and exemption from many national laws such as freedom to organise into trade unions. The EPZ undoubtedly offers some of the best conditions for workers in Bangladesh. But where labour is so cheap, there is little point in risking consumer campaigns with poor conditions. The EPZ promises companies some of the cheapest labour in the world – 15 cents an hour compared to Mexico's \$1.60.

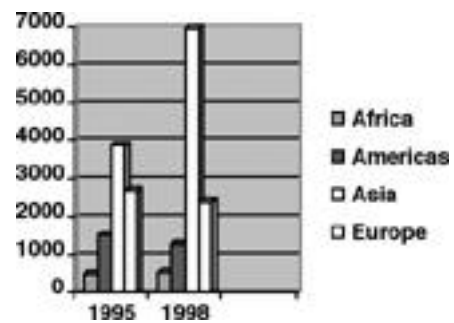
Better factories in the EPZ promise participation via 'Workers' Reps. '; full-time positions appointed, paid and responsible to the management. Otherwise, workers' attempts at organisation have been met with legal action and even jail. Many workers do not dare to try and join a union, not wanting to jeopardise their jobs.

The garments sector is one of the best examples of how globalisation has pitted workers against one another. Since 1970, developing countries have doubled their share of world clothes exports - from 30% in the early 1970s to over 60% in the

mid-1990s. In the north the effects of globalisation have been largely in terms of unemployment. Europe saw a fall in employment of nearly 50% between 1990-98. In the EU, it is predicted that up to 850,000 jobs could be lost in the next few years.<sup>5</sup>

Even within developing countries, the threat of relocation is the most pressing long-term concern for garment workers, creating feelings of competition and division. Key to arresting this 'race to the bottom' - to make globalisation work for the many rather than the few - is increased understanding and solidarity amongst workers across the world.

**World employment in clothing 1995-98 (in millions)**



**Mexican workers beaten**

The clothing sector in Mexico has grown enormously since the signing of the North American Free Trade Agreement (NAFTA). In 1996, jobs in 'maquila' factories accounted for 42% of jobs in the apparel industry. Union rights are restricted, and while labour laws in Mexico are good, they are not enforced in these factories. Workers who attempt to organise unions in the export sector are generally fired.

On 9 January 2001, 800 workers at the Kuk Dong international garment factory in Atlixco, Puebla, which produces for Nike and Reebok, stopped working to protest against illegal firing. Workers had been

<sup>5</sup> Source: ILO. Does not include employment in textile and footwear.

opposing wages of \$30 for a 45-hour week, rotten food in the cafeteria and a failure to pay the Christmas bonus. On 12 January, police in riot gear attacked 300 workers then occupying the factory. 15 required hospital treatment.

## The Multi-Fibre Arrangement

An essential element of globalisation has been the reduction and removal of trade barriers, like tariffs and quotas. This allows corporations to move their capital around the world more easily. In the garments sector, however, a short-term measure was put in place to protect the industry in developed countries from being flooded with cheap imports. This is the *Multi-Fibre Arrangement* (MFA).

The MFA places quotas on imports of various textile and clothing products, helping developed countries maintain some of their industrial base. But it has also inadvertently helped very poor countries like Bangladesh, which are given certain trade preferences because of their Least Developed Country status. The MFA expires in 2005 and though this will undoubtedly benefit some developing countries, others fear they will suffer.

## Health & Safety

Marie works in the Formosa garment factory in El Salvador,<sup>6</sup> owned by an American textile group, producing sportswear for brands such as Adidas. In June 1999, they employed approximately 934 people, 80% of whom were women. Women workers are obliged to take a pregnancy test when applying for work, and in 1998, one worker was dismissed without compensation for becoming pregnant.

The basic wage is not enough to live on, and workers are therefore reliant on overtime or second jobs. They are set a production target, which it is impossible to

fulfil within normal working hours. If they meet it during overtime hours, they are paid a productivity bonus, but if they don't, they are not paid for overtime. The production targets are so high that most workers reach them only once or twice a week.

## The 'Race to the Bottom'

Formally owning factories overseas has been a severe disadvantage for large corporations, hindering their ability to move around at will because they would have to buy and sell property and machinery, as well as having responsibility for workers in those factories. Therefore, corporations started to *sub-contract*. A corporation signs a contract with a local factory owner to supply a certain amount of goods at a certain time. This allows the corporation to move elsewhere at the end of the short contract if they find cheap labour elsewhere, or if the workers are demanding wage rises or improved conditions. What is more, the corporation does not have to deal with any aspect of managing people.

A typical chain might be the following: a UK retailer contracts a buyer in Hong-Kong to supply an order. The buyer then makes a contract with a South Korean-owned factory in Bangladesh to make the clothes. The cloth itself comes from Malaysia. This complex chain can mean that the retailer will never see the factories in which the goods are made. There may even be an extra stage in the process by which the factory contracts out some work to home-based workers. A medium-sized US retail company sources textile products from 13,000 suppliers, which in turn use on average five sub-contractors, resulting in the retailer sourcing from 78,000 different suppliers.<sup>7</sup> The companies at the heart of this are truly *transnational corporations* (TNCs) which divide up the

6 Source: Henrike Henschen, "Formosa Evergreen: Hoping for Justice", Christian Initiative Romero, Clean Clothes Campaign.

7 "Company codes of conduct: what are they? Can we use them?", Women Working Worldwide, July 1998.



world into a production line – sourcing production where it is cheapest and selling finished goods where they are most expensive.

### Codes of Conduct

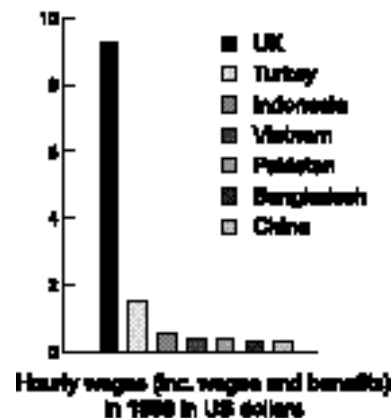
Kimoy produces clothes supplied to Disney at a factory based in Guangzhou. Although the factory has a Code of Conduct which is supposed to guarantee basic workers' rights, most workers are unaware that it exists for their benefit. When the Hong Kong Christian Industrial Committee monitoring team visited the factory, Kimoy was told to help falsify the payroll and rehearse a script about conditions, otherwise she would incur penalties.

Workers are required to work an 8-hour day plus 3 hours overtime, but are only paid for their overtime if their basic wage, calculated by piece-rate, is insufficient to reach the minimum wage. At times of low orders, workers are required to take leave, in lieu of wages owed for their uncompensated overtime. A survey found that more than half of foreign-owned factories paid their workers less than the minimum wage.<sup>8</sup>

If Codes are to be at all meaningful, the right to organise is essential. The only way of verifying the truth about pay and conditions in factories is by listening to the workers themselves, in forums which allow them anonymity, protection and collective strength.

### Inequalities of wealth

*Massive disparity in wage levels worldwide is the principal reason for the globalisation of the clothes industry. In industrialised countries, labour costs may form 75% of the total costs of a garment, while in Bangladesh the figure is as low as 5%.*



### Workers in the UK

In the last 25 years, the total number of jobs in the UK clothing and textile industry has fallen from one million to 271,300 people,<sup>10</sup> largely as a result of retailers outsourcing and companies relocating. The industry is currently losing over 2,000 jobs a week. Over half the clothes sold in the UK today are imported.

Corporations' ability to use cheaper sources of labour has been felt by all of us. The real price of clothes has not increased dramatically over the last 20 years. In turn, this has caused an increased demand for clothing on the part of the British public. In 2000, consumers in the UK spent about £400 per person on clothes; this amounted to a sum of £23 billion<sup>11</sup> - larger than the UK automobile market.

### Relocation from the UK

Sandy Rankin is a 55-year trade unionist recently made redundant from a Kilmarnock factory, in south-west Scotland, where he made lace curtains. He doesn't know if he will ever find another job and he thinks he is too young to retire. When the factory was closed, all the machinery was sent to China. The GMB is looking at country-of-origin labelling to ensure workers' rights are implemented by forcing retailers to be

8 CAFOD, "The Asian Garment Industry and Globalisation", p. 15.

9 Source: The Times (23 October 1999), p. 31, and Werner International.

10 KFAT, The Garment Workers' Project, 2000, p. 9.

11 Retail Intelligence, UK Retail Report 116 (December 2000).

responsible for their suppliers.

Sandy started to become aware of globalisation about 5 years ago when companies started to close. His union has worked with other unions to avoid redundancies and they held a mass lobby of Parliament which led to the setting up of the All Party Group on the Textile Industry, though he's sceptical about its success.

"We should campaign among western consumers to help people realise it's Multi-National Corporations making big profits and small companies not making much" Sandy says "The general public in the West are the only people that can stop this because the buying power of consumers is so important."

More recently UK garment exports have been adversely affected by a number of factors including: the strength of the pound; the Asian crisis which led to a drop in demand for UK products; competition from abroad and lack of capital investment. It is instructive to note that companies which produce for niche markets reported that they had not been adversely affected by competition.

## Retailers

The UK has 30,000 independent garment retailers which have less than five stores each, but the top 4 retailers control over 40% of the UK clothes market:

- Marks and Spencer, which had 20% of the market share in 1999.<sup>12</sup>
- The Arcadia Group (Dorothy Perkins, Top Shop/Man, Burton Menswear, Evans, Principles, Racing Green, Hawkshead, Wallis, Warehouse, Miss Selfridge): 10.5%.
- Storehouse: (Mothercare, Bhs): 6.4%
- Next: 4.2%

By UK standards, garment sector wages are not high. Wages are below the national average for UK manufacturing industries – 28% lower for men, and 14% for women. In some cases it is below the legal minimum wage: 6% of all cases of underpayment of the minimum wage occurred in the garment and footwear industries.<sup>13</sup> This underlines just how low wages are elsewhere around the world.

There has also been a growth in British sweatshops. A BBC Watchdog programme<sup>14</sup> recently explored the plight of women working in a factory, Olympia garments, in Leicester. It spoke to a woman who said she had been locked in the factory until she finished her order, and received £2.75 per hour, well below the minimum wage of £3.70. When she brought up the issue with her employer, she was fired.

## Workers' Rights in Bangladesh

23-year-old Anya sews buttons onto clothes at a factory producing garments for big US chain stores. She works minimum 12-hour days, 7 days a week and enjoys one day's holiday per month. Overtime often means 17 hour days. When the orders are urgent she sometimes works through the night, grabbing a few hours sleep on the factory floor before starting all over again. And all for basic wages of 1,400 taka (about £20) per month.

Most women live between 1 and 2 hours away from the factory and walk both ways everyday. In monsoon season, the lack of changing rooms mean that the workers are soaking wet all day. Walking is also dangerous and cases of robbery and rape are frequent. Even resignation is difficult because workers wages are in arrears, so it would leave workers out of pocket and unable to pay their rent.

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<sup>12</sup> Retail Intelligence, The UK Retail Rankings, 2000.

<sup>13</sup> Source: DTI.

<sup>14</sup> April 2000.





# Part Two

## Solidarity in Action

"There have been trade unions in Britain for over 150 years... working on a simple principle – that while employers might be able to ignore the views of a single worker, they have to take notice if many workers speak with one voice – unions have been at the forefront of social change in countries as far apart as South Africa and Poland."

*UK Department for International Development 'Trade Unions and DfID',  
April 2000*

### Introduction

As a union member you have a vital role to play in creating a better world. Over the last 200 years trade unions have helped reduce poverty and improve the working and living conditions of the poorest in society. When workers combine into unions they gain the power to raise incomes, improve conditions, expand access to education and health care and, through this, forge more equal and just societies. They show how people can democratically work together, providing a model for the rest of society.

The right to association is enshrined in the United National Declaration of Human Rights, and is central to War on Want's strategy of reducing world poverty. When workers in the formal and informal sectors are able to organise, they can play an active role in reducing inequality. The existence of free trade unions is a prerequisite for a modern democracy. It allows workers to speak with a single powerful voice. If trade unions are to play a similar role in the global economy, workers must realise their common interests - that they would all benefit from a fairer world. We also have to realise that

the global economy presents opportunities for solidarity to be expressed in new ways.

### What Does Solidarity Look Like?

Globalisation does not only make global solidarity more urgent – it also makes it more possible. New communications technology, like the Internet, allows workers to contact each other across the world instantly. A global transport system and culture makes it easier to undertake exchange visits with partners across the world. The growing reach of transnational corporations (TNCs) means that many people work for the same employer around the world, giving workers something in common.

Diverse issues like the environment, human rights, poverty and defending the rights of workers, often boil down to the underlying problem that profits are being put before people. Only by working together can we effectively challenge this.

### Changing Attitudes in Bangladesh

Garment sector employment is much sought after in Bangladesh and this reduces the willingness of workers to join unions. Nonetheless, the experience of working together in a factory is galvanising workers, in much the same





way as it did when trade unions were formed in the West.

Expectations are rising. One worker, Joinab, explained: "I never went to school as the family needed me to work. I earn 1,500 Tk (£21) a month and so now my brother and sister go to school as I can contribute to the family income." Whilst Rena told us: "Through my wages I am keeping my mother and sister. Through the union activities I am getting some idea about society and here I am talking you."

Communication between developed and developing world workers can have a powerful effect on these expectations and on the possibilities for change.

### **Making Contact**

The first step in solidarity is talking to people in similar positions to yourself across the world. War on Want recently took garment factory workers to Bangladesh.

Learning is a two-way process. For one delegate, Sandy Rankin, the visit to Bangladesh clarified the fact that workers there were not responsible for outsourcing: "if the general public in the west was confronted with what we have seen in the last few days, they might start questioning the companies and demanding change". In this way, exchanges can be a valuable first step towards change.

Improving the conditions of garment workers world-wide, and monitoring success relies on accurate information. The Internet helps to find this information and create world-wide communities. Local issues can be transformed into international ones, for example when the same transnational corporation laying off workers in one area of the world is also abusing workers in another. Knowledge

like this can link workers across the world and lay the basis for powerful campaigns.

### **Organising in Bangladesh**

Organising workers is not easy in Bangladesh. Most women come from the countryside and are pleased to have any money at all. Workers can find themselves in much worse conditions than a garments factory as is witnessed by streets packed with beggars and children breaking bricks all day in the baking heat. This means there is an enormous pool of labour which, together with constant threats that transnational corporations will start sourcing elsewhere if wages become too high, makes workers terrified of losing their jobs.

Employers in Bangladesh often deny that they have the power to improve the wages or conditions of workers, stating "it's the western corporations that set the price they give us. They tell us what they're willing to pay for garments and we have to deliver that price, otherwise they will go elsewhere". Sometimes we can be most useful to workers across the world not only in our role as trade unionists, but as consumers.

### **Using Structures**

The trade union movement has a long history of internationalism, and can provide formal structures and advice. Just as trade unions work together through the TUC at a national level, trade unions work together internationally through the International Confederation of Free Trade Union (ICFTU). There are also international organisation for trade unions operating in specific sectors. The International Textile, Garment & Leather Workers' Federation (ITGLWF) provides co-ordination and information to unions in the garment sector. Asking for their advice and help, ensures that you are aware of already

existing arrangements, and keeping them informed of your activity helps other workers.

European Works Councils provide good opportunities for trade unionists. The councils arose from the EU Social Chapter and affect trans-european corporations employing more than 1,000 workers. Through these councils employees from different countries meet together with management and the corporation must fund this meeting. Employees are thus given a formal say in the running of the company. These councils often lack teeth, but they are at least a basis for international co-operation. After appropriate consultation with southern partners, European unions can use these fora to raise issues on behalf of counterparts in the developing world. Again, your trade union should be able to tell you how this might apply to you.

## **Discussing Issues**

There is no one 'right way' to change the world. Issues which seem quite clear to us, might have negative consequences on workers in the developing world. For example, whereas we might want to boycott a company for employing child labour, the effect of that boycott might throw workers out of work in the developing world and leave them in even worse poverty.

Around the world people are coming up with new ways of securing workers' rights. Before discussing ways to get actively involved with workers around the world, it is worth taking a look at some of these ideas.

## ***The International System***

The International Labour Organisation (ILO) was formed in 1919 to address "injustice, hardship and privation" in working conditions. It gives representation

to governments, employers and trade unions. The ILO deals with violations of workers' rights and promotes the idea that "poverty anywhere constitutes a danger to prosperity anywhere".

The ILO believes there are 4 basic rights which every working person is entitled to:

- The right to organise and bargain collectively
- The right to be free from slavery or bonded labour
- The right to one's childhood
- The right to be free from discrimination

Workers across the world can unite to ensure that these principles are incorporated in legislation everywhere, and that every corporation follows these standards. One proposal is to empower the ILO so that it has the 'teeth' to enforce its conventions. Indeed, the ILO has recently taken strong action against Burma, where it is believed 800,000 workers labour in conditions of slavery. In June 1999, the ILO condemned Burma's refusal to recognise workers' rights. The Burmese regime entered talks with the ILO but took no concrete action. In November 2000, for the first time in its history, the ILO urged its 174 members to review their relations with Burma and advocated sanctions.

Many still object that because the ILO is not dealing with economic self-interest, member states will never have the will to enforce core labour standards. As a result, there has been a call to link labour standards to trade.

## ***A Social Clause***

The World Trade Organisation (WTO) is the international body which enforces global trading rules. A 'social clause' in the WTO would mean that all trade agreements had fundamental workers' rights at their core. Although many trade



unionists support this idea, others fear that the social clause would be transformed into a form of protectionism, allowing developed countries to keep developing country goods out by claiming they are produced in sub-standard conditions. Developing country governments argue that the west built its economy on cheap labour during the Industrial Revolution, and that to deny developing countries the same opportunity is unfair.

Many people think that more attention should be concentrated on national legislation – for example fighting for minimum wages – but enforcement is the difficult issue. Again, trade unions can learn from one another in terms of these struggles. Other attempts are being made to make corporations directly subject to regulation. A recent attempt to do this by the European Union has shown initial signs of success.

### ***Child Labour***

Child labour has proved a contentious issue for trade unionists. Whilst all would like to see child labour ended, many developing world trade unionists argue that we cannot eliminate it immediately, and that by attempting this we actually risk making poverty worse.

There have been campaigns to eliminate child labour run by organisations in the developed world. On the back of these campaigns, many Bangladeshi children were dismissed from garment factories; as one Bangladeshi trade unionist told us, it was like "throwing these children to the wolves". A scheme was established to put children in school, but this only helped a minority. Some have ended up in worse jobs such as brick-making, lugging bricks around in scorching heat for 12 hours a day, or begging on the streets. Some trade

unionists in Bangladesh believe that consumers in the west are only concerned to ensure that their clothes are untainted by children's hands, rather than the actual fate of these children. War on Want argues that the real enemy is poverty and child labour is just a symptom.

### ***Home-working***

Many workers in the garment sector now work from home. These workers are often paid less than others and it is more difficult for them to join forces in order to improve their lives. They can pool information about their rights as producers and details about access to health, education and credit. Collectively they have more power than as individuals.

HomeNet co-ordinates an international network of groups of home-workers. The Self Employed Women's Association in India successfully organised home-based women garment workers in Gujarat to press the state government for the introduction of a minimum wage; after a demonstration by 2,000 workers, the measure was introduced in 1986. In Madeira, thousands of women embroiderers have been organised in a trade union since the 1970s, which has fought for their recognition and rights.

### ***Putting Pressure on Corporations***

Codes of conduct are voluntary guidelines adopted by many corporations which set down how that corporation will treat its workers, as well as its policies on environmental damage and other social concerns. They work by making companies afraid of the impact of negative publicity, as well as the threat of trade union action. Companies such as Levis, Reebok, Nike, Adidas, Walmart and the Gap have adopted such codes.

Codes of conduct have not always been a

resounding success. Many are imposed from above, rather than being produced in consultation with workers, which makes them little more than a marketing exercise. Where workers are not involved in formulation or implementation of the codes, there is no independent guarantee that codes will be enforced. It is generally agreed amongst trade unionists that codes should include the right to collective organisation if they are to be effective.

## **The Ethical Trading Initiative (ETI)**

The ETI is an UK-based alliance of companies, charities, and trade union organisations working together to develop corporate codes of conduct which have a real effect on the lives of the poor in developing countries. It bases itself on the success of consumer campaigns in applying pressure to corporations. Corporations agree to work with trade unions and charities in making codes meaningful to workers, rather than just public relations initiatives.

The ETI is central to the UK Government's strategy of ensuring that workers' rights are taken seriously by corporations. It focuses on developing codes of conduct which include ending forced labour, sweatshops, improvements in health and safety, and labour rights.

## ***Reinvigorating the Garment Sector***

Workers in the developed world are naturally concerned with ensuring the continued existence of the western garment sector. A common suggestion is that the industry in developed countries needs to move 'up-market' to produce clothes where labour cost is a less important proportion of the final price. In Italy, for example, garment production has become more specialised and jobs have been protected.

Workers in the UK believe that the government should be more active in ensuring similar initiatives happen here: encouraging specialised design, moving further into the fashion industry and better co-ordination between retailers and manufacturers.

As well as national pressure for the government to reinvigorate the garment sector in the UK, international pressure is also required to ensure that transnational corporations pay a fair price to their developing world contractors. The price garment retailers pay for clothes in most developed countries takes into account the costs of materials, the process (e.g. dyes, machinery), services (electricity), overheads and labour. In the developing world, manufacturers do not need to calculate this – they simply hand a final price to a contractor who must fulfil the price or risk losing the business. Many contractors claim that they are not given enough money to pay their workers decent wages.

## **Union Ban in Sri Lanka**

Padmini works in a garment factory in Sri Lanka. Since 1992, factories everywhere in the country have been given the same privileges as those in Sri Lanka's Free Trade Zones. Whilst this means better wages, it also means more stringent conditions. In one German-owned factory the time limit for going the toilet is 30 minutes a week, as well as a ban on trade unions.

Workers evaded the union ban in two ways. First, they used the new system of 'workers' councils' which allowed a minimum level of representation though little accountability. The unofficial union contacted all representatives of the workers' councils and formed a joint committee. Second, they set-up women's centres and welfare groups, ostensibly as



support networks, but actually as fledgling trade unions which allowed for collective meetings and education.

When a Hong-Kong factory threatened to close down, the workers were in a position to fight the decision. They were successful and in the process received recognition of the union. This type of activity can provide important lessons for trade unionists around the world.

# Part Three

## Activists' Toolkit

### What does this mean to you?

Globalisation is driven from the developed world. Bangladeshi workers have no contact with the consumers for whom they are producing. When asked about wages, Bangladeshi factory owners often reply: "Corporations based in your countries set these low prices, that's why they're here". They drive down prices paid to manufacturers so that they can sell cheaper clothes. This presents us with an opportunity. Although we can help change the direction of globalisation through supporting the development of trade unions in the developing world, we can also use our position as consumers, pension-holders, or voters to help workers. Solidarity is about using whatever power is open to us to help put people before profits. This section of the report is intended to be a 'toolkit' for activists. We hope it will be only a beginning, and welcome your feedback at our solidarity website: [www.globalworkplace.org](http://www.globalworkplace.org)

### Trade Unionists as International Activists:

- **Make a link with a union overseas** - find a union which represents garment workers in the developing world. Your national trade union should be able to help with this as well as the ITGLWF. Start off on a small scale. The Internet, allows you to instantly exchange information with others around the world. This is a two-way process. Information is the first stage to launching joint campaigns, or monitoring the real effects of codes of conduct, or responding to attacks on unions overseas that might be ignored by the traditional media. Equally, workers in the developing world can benefit from our information. For example, a transnational corporation employing workers in Bangladesh may also be giving poor pay and conditions to its retail staff here. Only by exchanging information can we bring the issues together.
- **Organise an exchange** - as flights become cheaper, sending UK workers to a sister union overseas to see conditions first-hand is a great way for workers on both sides to better understand how the global economy works. It helps develop strong links and enables participants to talk with more knowledge and enthusiasm to colleagues when they return. Fundraising activities can often help to raise money for such a delegation.
- **Pass resolutions in your union** - motions are good ways of spreading the word about the importance of global solidarity, as well as ensuring that your union is taking action to support unions overseas.
- **Organise meetings on solidarity at local or regional level** - if possible find an international speaker, or someone from a campaign group to address a meeting on globalisation. Even better, if





a member of your union has recently been to the visit unions in the developing world, try and organise a series of meetings in your region to make the most of their experiences.

- **Coordinate with other branches** - other branches or regions around the country might already be involved in international work. Find out what they are doing and try to work with them. War on Want is establishing a series of regional committees for activists involved in international issues. Find out if one exists in your area. If not, find some other people who might be interested in setting one up.
- **Write articles and web-pages** - if you have a link with unions overseas, encourage them to write articles for your union journal, or to put details about themselves on your local website, if you have one. If not, why not write an article yourself, particularly if you're running a campaign on international issues. As well as raising awareness of the issues, articles in local newspapers can help recruit new members to the union.
- **Train union branch members** - all unions run training courses on being effective representatives. War on Want believes that this should include the knowledge and skills to effectively campaign around globalisation. We've produced a model training course unit which can be used by activists. It's also worth lobbying your union nationally to ensure provision of training on globalisation.
- **Lobby union organisation at a national and international level** - find out what your national union or the ITGLWF is doing on international issues and get involved. The more people you involve, the more effective your work will be.

### **Trade Unionists as Consumers:**

- **Link up with campaign groups** - as people living in the West, we buy the garments manufactured in the conditions that we are campaigning against. This does not mean that we need to feel guilty and try to boycott developing world goods – that would only increase poverty. But it does mean that we should use our role as consumers to put pressure on the corporations employing these workers. Many organisations work to raise consumer awareness of corporate behaviour in the garment sector, such as Labour Behind the Label. Open a discussion with these organisations about how you can work together – this helps your solidarity campaigns and may also encourage people to join your union. You might want to start by looking at who produces the confectionery in your staff canteen.
- **Put pressure on transnational corporations (TNCs)** - linking up with campaign groups and using the internet can help us to think about solidarity more pro-actively and open up new ways of campaigning. One International Trade Secretariat recently organised a 'Cyberstrike' – an international solidarity action against a TNC which had sacked workers for striking. Other groups use shareholder action – purchasing a few shares in a corporation so that they have the right to turn up to an AGM and raise labour issues directly. TNCs do give in to pressure, so it's the job of activists to ensure that as many people as possible raise their concerns with these corporations. In Haiti, War on Want ran a campaign in solidarity with workers picking oranges for the liqueur Grand Marnier. After trade unionists in this country applied pressure to Marnier, the company backed down and gave in to workers' demands.



## **Trade Unionists as Voters:**

- **Press for labour standards** - we need to make politicians aware of our concerns about working conditions and trade union rights across the world. When writing to decision-makers stress the importance of the International Labour Organisation; raise arguments about including a 'right to organise' clause in the World Trade Organisation; and inform them of attempts underway to regulate corporations directly.
- **Organise a lobbying day** - if you have already met with your MP/ MSP/ MWA/ MEP, you could always organise a collective lobbying day at their surgery, or even at the House of Commons. Link up with other concerned branches around the country, be clear about what it is you are asking for, and produce leaflets for everyone attending.
- **Write letters to your local paper** - more people read local than national newspapers. They are a great opportunity to get your point over to other people. Write a brief letter to your local paper about the effects of globalisation, and what they can do to get involved in your work.
- Don't forget local politicians - you may think that local decision-makers can have little effect on international labour standards, but local government, like central government, is a significant purchaser in its own right. Local Authorities should have guidelines which require them to take international workers' rights into account when they purchase public goods – this can lead towards private purchasers doing the same.

## **Trade Unionists as Pension-holders:**

- **Join the Invest in Freedom Campaign** - many of us do not think of ourselves as shareholders, but pension funds in

the UK account for \$800billion in stock. Most of this money belongs to ordinary working people, but few know which corporations this money is invested in, what practices are being supported and what effect this is having on people around the world. Through your pension fund, you can question these corporations and use your power here to work for some of the world's poorest without damaging your pension fund. War on Want's Invest in Freedom campaign encourages trade unionists to be more active in using their pension power to improve working rights.

## **Conclusion**

Globalisation can pose a threat to workers across the world, but it also brings opportunities for practical global solidarity. It offers the opportunity for trade unionists to work on different levels with groups not previously considered part of the labour movement. This report aims to be a part of this process. We hope the knowledge and experiences contained in this report will allow workers throughout the garments sector to make global solidarity a reality and to ensure that globalisation works for all of us.



# Who can help?



## **War on Want**

37-39 Great Guildford Street  
London SE1 0ES  
Tel: 020 7620 1111  
Web: [www.waronwant.org](http://www.waronwant.org)  
Email: [ndearden@waronwant.org](mailto:ndearden@waronwant.org)

*War on Want works to eradicate poverty. It works closely with the trade union movement both in supporting grassroots organisations abroad, such as trade union and women's groups in Bangladesh, and in campaigning for the international enforcement of workers' rights in the developed world.*

*War on Want also promotes a solidarity website at [www.globalworkplace.org](http://www.globalworkplace.org) which promotes links, actions, campaigns and background materials on globalisation and workers rights.*

## **Trade Union Movement**

### **International Textile, Garment & Leather Workers' Federation**

Rue Joseph Stevens 8 Bte 4  
B - 1000 Bruxelles Belgium  
Tel: (32) 25122606 25122833  
Web: [www.itglwf.org](http://www.itglwf.org)  
Email: [itglwf@compuserve.com](mailto:itglwf@compuserve.com)

*The ITGLWF co-ordinates international action between trade unions working in the garment sector. It brings together 220 affiliated organisations in 110 countries and has a membership of over 10 million workers.*

### **International Confederation of Free Trade Unions**

5 Boulevard du Roi Albert II, Bte 1  
1210 Brussels  
Belgium  
Tel: 32 02 224 0211  
E-mail: [internetpo@icftu.org](mailto:internetpo@icftu.org)  
Web: [www.icftu.org](http://www.icftu.org)

*The ICFTU is an umbrella body set up in 1949 to represent trade union centres across the world. The British TUC is a member. The ICFTU provides information and campaign tools on general or urgent trade union matters such as enforcement of trade union rights.*

### **Trade Union Congress (TUC)**

Congress House  
Great Russell Street  
London WC1B 3LS  
Tel: 020 7636 4030  
Email: [info@tuc.org.uk](mailto:info@tuc.org.uk)  
Web: [www.tuc.org.uk](http://www.tuc.org.uk)

*The TUC brings together and represents all trade unions in the UK. It deals specifically with education and international issues.*

## **Commonwealth TUC**

Congress House  
Great Russell Street  
London WC1B 3LS  
Tel: 020 7631 0728  
Web: [www.commonwealthtuc.org](http://www.commonwealthtuc.org)  
Email: [director@commonwealthtuc.org](mailto:director@commonwealthtuc.org)

*The CTUC co-ordinates trade union activity in the Commonwealth*

## **Global Unions**

[www.global-unions.org](http://www.global-unions.org)

*Global Unions is an action-based website managed by a number of international trade union organisations. It has a useful list of links, urgent action releases, and campaign documents.*

**The following unions all represent workers in the garments and textile sector, and have helped War on Want in the compilation of this report:**

## **KFAT**

55 New Walk  
Leicester, LE1 7EB  
Tel: 0116 255 6703  
Email: [headoffice@kfat.org.uk](mailto:headoffice@kfat.org.uk)  
Web: [www.kfat.org.uk](http://www.kfat.org.uk)

## **Transport and General Workers Union**

128 Theobald's Road  
London, WC1X 8TN  
Tel: 020 7611 2500  
Email: [tgwu@tgwu.org.uk](mailto:tgwu@tgwu.org.uk)  
Web: [www.tgwu.org.uk/](http://www.tgwu.org.uk/)

## **GMB**

22/24 Worples Road  
London SW19 4DD  
Tel: 0208 947 3131  
Email: [gmb.information@geo2.poptel.org.uk](mailto:gmb.information@geo2.poptel.org.uk)  
Web: [www.gmb.org.uk](http://www.gmb.org.uk)



## **Campaign Groups**

### **Labour behind the Label**

c/o NEAD  
38 Exchange Street  
Norwich NR2 1AX  
Tel: 01603 610 993  
Email: [nead@gn.apc.org](mailto:nead@gn.apc.org)  
Web: [www.labourbehindthelabel.org](http://www.labourbehindthelabel.org)

*LBL is the UK centre of the Clean Clothes Campaign, an international network which brings together workers, consumers and activists to press for better working conditions in the garments sector. They publish material and the website contains excellent background information.*

### **Women Working Worldwide**

Room 4.12, Dept of Sociology,  
Manton Building,  
Rosamond Street West,  
Manchester M15 6LL, UK  
Tel: 0161 247 1760  
Email: [women-ww@mcr1.poptel.org.uk](mailto:women-ww@mcr1.poptel.org.uk)  
Web: [www.poptel.org.uk/women-ww](http://www.poptel.org.uk/women-ww)

*WWW is co-ordinating a UK network of organisations working for the improvement of labour conditions in the international garment industry. The network includes overseas aid organisations, local support groups, and ethical retailers and there is close liaison with the trade union movement.*

### **HomeNet**

24 Harlech Terrace  
Leeds LS11 7DX.  
Tel: 0113 270 1119  
Email: [homenet@gn.apc.org](mailto:homenet@gn.apc.org)  
Web: [www.homenetww.org.uk](http://www.homenetww.org.uk)

*Homenet looks specifically at the problems of organising in the informal sector and brings together those involved in organising here. It works to build an international network for home-based workers and their organisations as well linking them with NGOs, co-operatives, trade unions, researchers and women's groups.*

### **No Sweat**

Web: [www.nosweat.org.uk](http://www.nosweat.org.uk)

*No sweat! was launched in November 2000 as a campaign against sweatshop labour, both overseas and in the UK. It organises direct action campaigns to highlight the their policies and practices.*

### **Just Pensions**

37-39 Great Guildford Street,  
London SE1 0ES  
Tel: 020 7620 1111  
Email: [info@justpensions.org](mailto:info@justpensions.org)  
Web: [www.justpensions.org](http://www.justpensions.org)

*This project provides advice to pension fund and their trustees about the importance of socially responsible pension investment.*

## **Anti-Slavery International**

Thomas Clarkson House  
The Stableyard  
Broomgrove Road  
London SW9 9TL

Tel: 020 7501 8920

Email: [info@antislavery.org](mailto:info@antislavery.org)

Web: [www.antislavery.org](http://www.antislavery.org)

*Anti-Slavery works to combat slavery in all its forms throughout the world.*

## **Labour and Society International (LSI)**

Projects Office, Commerce House,  
Bridgeman Place  
Bolton BL2 1DW

Tel: 01204 381810

Web: [www.lsi.org.uk/](http://www.lsi.org.uk/)

*LSI works for human rights in the global workplace through advocacy, education and research, in partnership with trade unions and civil society organisations.*

## *Trade Union International Research & Education Group (TUIREG)*

Ruskin College

Walton Street

Oxford

Oxfordshire OX1 2HE

Email: [enquiries@ruskin.ac.uk](mailto:enquiries@ruskin.ac.uk)

Web:

[www.oxfordshire.co.uk/data/017040.html](http://www.oxfordshire.co.uk/data/017040.html)

*TUIREG aims to offer practical ways of promoting workers' rights and of increasing trade union solidarity.*

## **Sweatshop Watch**

Web: [www.sweatshopwatch.org](http://www.sweatshopwatch.org)

Sweatshop Watch is a US coalition of labour, community, civil rights, immigrant rights, women's, religious & student organisations, and individuals committed to eliminating sweatshop conditions in the global garment industry.

## **Labour Start**

Web: [www.labourstart.org](http://www.labourstart.org)

*An excellent site giving trade union news, actions, campaigns, discussion and plenty of resources from across the world.*

## **Ethical Trading Initiative**

2nd floor Cromwell House

14 Fulwood Place

London WC1V 6HZ

Tel: 020 7404 1463

Email: [eti@eti.org.uk](mailto:eti@eti.org.uk)

Web: [www.ethicaltrade.org](http://www.ethicaltrade.org)

*The ETI is an alliance of companies, NGOs, and trade union organisations working together to identify and promote ethical trade.*



## **National and International Institutions:**

### **International Labour Organisation**

4, route des Morillons  
CH-1211 Geneva 22, Switzerland  
Tel: +41 2 2 799 6111  
E-mail: [ilo@ilo.org](mailto:ilo@ilo.org)  
Web: [www.ilo.org/](http://www.ilo.org/)

*The ILO is the international body charged with monitoring and enforcing labour standards. It has representation from governments, employers and workers.*

### **Department for International Development**

94 Victoria Street  
London SW1E 5JL  
Tel: 020 7917 7000  
Web: [www.dfid.gov.uk](http://www.dfid.gov.uk)

*DfID is the UK Government Department responsible for international assistance and poverty reduction. It currently funds projects to help raise development awareness in trade unions.*