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Where is sportswear produced?

Sports shoes are mainly produced in China, Vietnam, Indonesia and Thailand. Brands source their footwear from a handful of key suppliers. Yue Yuen is the largest branded athletic and casual footwear manufacturer in the world. It produces products for Nike, Adidas, Reebok and Puma.

The manufacture of clothing is more widely dispersed geographically. Nike produces clothing in around 35 countries, the majority in Asia. Adidas produces in around 65 countries, with production concentrated in China, India, Indonesia, Thailand, Turkey and Vietnam.

What are the key issues for workers?

More than 15 years ago sportswear brands like Adidas, Nike, New Balance, Pentland and Reebok adopted codes of conduct on labour standards. Yet workers making their products:

- continue to be paid poverty wages
- may be intimidated or sacked if they try to join or form a trade union
- tend to be employed on repeated short-term contracts
- face extreme pressure to meet production targets
- may be forced to work overtime in excess of legal limits
- can be verbally and physically abused
- can experience threats to their health and safety.

Why are workers expected to work so hard?

Usain Bolt and the Jamaican team's 4x100m relay record of 37.10 seconds may be staggering, but think about the 30.35 seconds that Nike expects factory workers to stitch a shoulder seam in! Every seam and section of work is broken down into targets of a few seconds.

When brands place last-minute orders with their suppliers, this puts workers under pressure to work long hours and they may not have a choice about working overtime. In these cases workers are often made to work 12–16 hour shifts. If they refuse, they risk losing their jobs. A seven-day working week is becoming the norm in the peak season, particularly in China, despite legal limits.

Production targets for workers are often unrealistic and, if they do not complete them, they may have to stay behind after their normal hours to finish off, but without payment. Workers may work through their lunch breaks and even take inadequate toilet breaks so they can meet their target – and get a bit extra on top of their usual low wage.

What's the problem with short-term contracts?

The use of short-term contracts or casual labour has become widespread in the sportswear industry. By using short-term contracts, suppliers to the big brands can avoid meeting their legal obligations – like paying maternity cover or health insurance contributions. These types of contracts have been used to undermine workers joining or forming a trade union. Employing workers on short-term contracts gives brands and suppliers more flexibility to respond to quieter or busier periods, so workers can be hired or fired as and when needed.

Why don't some workers join trade unions?

Being able to join a trade union and negotiate for better wages and working conditions is a human right. However, this is widely opposed throughout the garment industry, even though it may be included in a brand's code of conduct. Workers who try to join or form a trade union are often bullied and intimidated. Therefore, workers may decide not to join a trade union because they are afraid it could threaten their jobs.

What's the difference between a living wage and a minimum wage?

Minimum wages are set by governments. They have to balance the interests of workers against the pressure from companies to keep wages low and remain competitive in the global market. As a result, minimum wages often bear little relation to the cost of living. In many garment-producing countries, the minimum wage leaves families well below the poverty line, and in some countries there is no legal minimum wage.

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A living wage is based upon the actual cost of living in a particular place. It means that workers earn enough to provide their family with the essentials of life. This includes food, water, shelter, clothing, healthcare, education and transport, and also some to spare.

Sportswear workers in Sri Lanka make products for Adidas, Nike, Speedo, Puma and Reebok. Their current wages (July 2011) can work out at just above the UN global poverty line of \$2 per day. The minimum wage in the sector is £44 per month, but the living wage is estimated at around £130 per month.

Why is it difficult for workers to get a better deal within global supply chains?

UK sportswear sales were estimated at £4.5 billion in 2010 and the profits of sportswear brands like Adidas, Nike and Speedo are predicted to grow with sporting events like London 2012. Retailers such as Footlocker and JD Sports provide brands with access to consumers and have huge negotiating strength to push down the cost price of a product. Sportswear brands tend to retain high-profit inputs into a product, like design and marketing, but outsource the low profit parts, like manufacturing, to countries where costs are cheaper. Some brands use agents/trading companies to deliver the whole production package, which includes sourcing the raw materials, production planning and export.

Manufacturers are contracted directly by brands or through an agent/trading company. Some manufacturers are multinational companies like Yue Yuen, the largest footwear manufacturer in the world with factories in China, Indonesia and Vietnam. But there are many smaller manufacturers in low-cost producing countries, which have less power to negotiate prices and costs.

Workers manufacturing the goods may be employed directly by the factory, through an agency, as a home worker, or at a factory sub-

contracted to produce the goods. Because these workers are at the end of the supply chain, they have the least power to negotiate better pay and working conditions, especially if their right to join/form a trade union is not respected.

Forced labour and slavery

Forced labour conditions or commonly slave-labour conditions can be defined according to a number of factors. According to the International Labour Organisation, if two or more of the following conditions are present, this is a strong indication of forced labour:

- threats of or actual physical and/or sexual violence
- restricted movement and being confined to a workplace or a limited area
- debt bondage: where workers work to pay off a debt or loan and are not paid for their services
- withholding wages, refusing to pay a worker at all, or significant wage reductions
- retaining a worker's passport or identity documents
- threats of denouncing workers to the authorities.

Child labour and the Beijing 2008 Olympics

Children as young as 12 were involved in the production of official, Olympic branded stationery for the Beijing 2008 Olympics. Children hired by the Lekit Stationery Company in China were forced to work 13 hours a day. Their job was to group notebooks together, tie them up and place them in cartons. The usual schedule was starting at 7.30/8 a.m. and working until around 10.30 p.m. One reason for employing children was that they could be paid lower wages.

Lekit kept no records of the employment of these children, or any other factory workers, to evade its responsibility as an employer. There was no trade union in the factory to represent the workforce.

Source: No medal for the Olympics on labor rights (2008)



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Compulsory overtime above the legal limits can constitute forced labour when combined with the threat of a penalty. For example, if workers fear dismissal for refusing such overtime.

Uzbekistan forced cotton picking

A case study to illustrate the use of forced child labour in the clothing supply chain is the Uzbekistan cotton industry. Uzbekistan is the third biggest exporter in the world. Government officials have closed down schools and forced children, some as young as nine years old, out of their classrooms and into the fields to pick cotton. One child says:

“We’re really afraid of getting expelled from school. Every September 2, the first day of school, the Director warns us that if we don’t go out to pick cotton, we might as well not come back to school.

The school administration does everything to create the impression that the school children themselves are the ones who have decided to go out to the cotton fields. But just try to ‘voluntarily’ not go out to the harvest!

We’re all forced to obey this unwritten law. And moreover, the only way to get cash is to go out and pick cotton. It’s painful to see how kids knock themselves out in the cotton fields to earn this rotten money. Just think about it: in order to earn 50 sum (4 US cents), a kid who is barely 14 has to bend down to the cotton bush over 50 times. And his earnings from a day of this work won’t even buy him a pair of ugly socks.”

Boy, ninth grade (14 years old), Kashkadaria province.

Source: Forced Child Labour in Uzbekistan’s 2007 Cotton Harvest: Survey Results by Group of Human Rights Defenders and journalists of Uzbekistan (Tashkent, 2008)

Building fair societies through decent work

The International Labour Organisation (ILO) has developed decent work as a strategy to build fair and inclusive societies. Decent work includes:

- equal access to employment without discrimination
- living wages for workers to allow them and their families to live with dignity
- social protection in case of illness, pregnancy or the normal ups and downs
- being free from exploitation
- allowing people to organise themselves to represent their interests collectively through trade unions and engage in genuine dialogue as citizens and workers.