

Global fashion

By Fred Warren

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**Hello,
my name is Fred Warren and I am currently involved with the British
charity Oxfam.**

**Today I am going to highlight working conditions in factories owned by
TNCs (trans national corporations). The majority of these factories
are based within LEDCs (less economically developed countries). The
workers in these factories are often exploited by their employers by
being given long demanding hours, inadequate pay etc, factories like
this are given the term sweatshop.**

In this presentation I will outline:

- why we have sweat shops,**
- what is going on in these sweat shops,**
- whether things are improving in these sweat shops,**
- whether the workers can change anything,**
- examples of TNCs encouraging the use of sweat shops**
- and what I believe to be the solution to this issue.**

The response to this question is very simple:

**Like any business, the fashion industry revolves around money and
profit and this has lead to millions of people working in cramped,
unsanitary conditions for extremely low pay. This is down to the
TNCs (almost all of which are based in MEDCs), realising that wages
are generally lower in LEDCs than in their resided country. There is
a much higher demand for work in these countries so of course
people will be willing to work more hours for less money.**

However, it is not TNCs that control the wages of the factory workers, it is the owner, but if says he needs more money for wages, fewer hours and improved working conditions then the TNC might threaten to move their trade to a different factory. The conclusion is that although the TNCs are not directly responsible for the wages and conditions of these factories they are encouraging them meaning that they are just as responsible.

The TNCs decision to move their manufacturing abroad is an example of globalisation. However, it is not a positive one as rather introducing people to a product or technology they exploiting them to manufacture their products.

We all know that these sweat shops exist, however we very rarely receive any hard core facts about them. This is predominately down to companies and factories being very elusive with their statistics so making it hard to actually evaluate the situation. Now, thanks to governments forcing TNCs to carry out audits and numerous independent investigations we now know a lot more regarding these factories.

TNCs say that they set standards such as a minimum wage in China (which doesn't exist normally) which is between 45 and 101 (USD \$ a month) and 40-44 hour weeks (beyond which overtime pay is required), yet it is currently estimated that only 20% of Chinese suppliers comply with these wage rules and 5 % obey hour limitations. Also, in Vietnam and China, chemicals causing liver, kidney and brain damage are at 177 times the legal limit in factories, and 77% of workers suffer respiratory problems.

A report carried out by the Fair Labour ASSN based on unannounced audits of 88 of its members' supplier factories in 18 countries found an average of 18 violations per factory, including excessive hours, underpayment of wages, health and safety problems, worker harassment and child labour.

Despite all the startling statistics regarding sweatshops, people are saying that standards are improving thanks to pressure from governments and companies such as Wal-Mart who claim to do more audits than any other company--13,600 reviews of 7,200 factories last year alone. They have also permanently banned 141 factories in 2005 as a result of serious infractions, such as using child labour. Some factories are now receiving almost daily visits from inspection teams who demand pay roll and production records, facility tours and interviews with managers and workers.

However, these positive facts may just be down to factories getting better at concealing abuses. Internal industry documents reviewed by *Business Week* have revealed that numerous Chinese factories actually keep double sets of books to fool auditors and distribute scripts for employees to recite if they are questioned. The percentage of Chinese suppliers caught submitting false pay roll records has risen from 46% to 75% over the last four years; this does not show that things are getting better but implies the reverse. The blame for this will probably fall on the factory owner, however, if the factory is being set targets by the TNC which cannot be achieved whilst abiding by the TNCs rules (without any profit) then the real responsibility lies with the TNC.

With all the amount of pressure coming from governments and the public to end sweat shops, ultimately it is the actual workers who have the most power to change things. Thanks to a booming economy and a tightening labour supply in china, workers in some areas have been encouraged to demand better wages, frequently with success.

Also, in Indonesia 75% of all workers working in Nikes factories quit because of poor wages and conditions, even though most of them depended on the wages to live. Still, if there is a demand for jobs In the area where the factory is based then any protests from the workers would end in their dismissal, and some one new employed.

Nike: is one of the biggest clothing companies in the world, yet it is one biggest perpetrators for encouraging the usage of sweatshops. Nike originally based its factories in Taiwan and South Korea but after they changed their labour laws they moved to places such as China and Vietnam, where the wages are low and where workers are not allowed to establish union. The average wage of a worker in one of Nikes factories in: Indonesia is \$2.46 a day, in China it is \$1.75 and in Vietnam it is just \$1.60. These are ridiculously low wages, however, now from heavy public pressure and other companies doing the same thing Nike have started to self evaluate their factories by employing 97 people to randomly inspect hundreds of factories used by them. From this they are given a number which indicates a grade (between A and D), if a factory receives a D then Nike will threaten to cut off their trade. This is a serious improvement from Nikes old response to sweat shop allegations which was just to state that they did not own the factory therefore were not responsible

Primark: Primark is clothing company who are renowned for selling incredibly low cost products, yet they have always said “it is possible to sell T shirts for £2 without compromising the ethics”. This sadly, is not true as they been shown to be using child labour in slum workshops in India for wages as low as 60p an hour. However, sweatshops are not confined to places like India and China. It has recently been discovered Primark are running factories in the UK, forcing 12 hour days and pay as little as £3.50 an hour! This suggests that is also a huge demand for jobs in the UK as people are willing to work under such poor conditions.

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My own opinion

My opinion of how to end the use of sweat shops by TNCs is to just, simply, continue to raise public awareness of the issue. If people know some of these startling facts then some of them will stop buying clothes produced in un ethical conditions, if this grows to a large scale then companies will be forced to change their habits (this has already worked to a certain extent). An example of how this has fully worked is the fair trade mark on food products which tells consumers that the food they are buying was ethically produced. Though, this theory may not be so effective in the short term as the current economic recession has made people think of themselves and their own money more so they might be tempted to go for a cheaper product, even if has been un ethically produced.

The End