

ACTION UPDATE VOLUME #31



Supporting garment workers worldwide

ACTION UPDATE WINTER 2020

✉ info@labourbehindthelabel.org

🌐 labourbehindthelabel.org

☎ 0117 954 8011

🐦 [labourlabel](https://twitter.com/labourlabel)

📘 [labourbehindthelabel](https://www.facebook.com/labourbehindthelabel)

📷 [labourbehindthelabel](https://www.instagram.com/labourbehindthelabel)

Labour Behind the Label,
The Old Co-op, 38–42 Chelsea Road,
Easton, Bristol, BS5 6AF

Labour Behind the Label Limited supports garment workers' efforts worldwide to improve their working conditions. It is a not-for-profit cooperative company, registered in England No. 4173634. The Labour Behind the Label Trust is a separate organisation that raises funds for the organisation's charitable activities, registered charity number 1159356.

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Welcome

This year has been a hard year for many, not least for garment workers who have been bearing the brunt of the economic impact of the Covid-19 crisis. In this issue we will be sharing what we have been doing in the past six months and how our work is supporting workers to claim their rights. This includes our work calling out boohoo and their poor practices in Leicester and the #PayYourWorkers campaign where we are asking Primark to tell us if they have paid their workers. We will also share our Black Friday action, news related to our current urgent appeals and our upcoming matched giving campaign where each donation up to £4k will be matched!

In solidarity,

Anna, Caroline, Dominique and Meg –
The Labour Behind the Label Team

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Labour Behind the Label at a glance

Labour Behind the Label campaigns for garment workers' rights worldwide, supporting garment workers in their struggle to live in dignity and work in safety. We believe that everyone with a stake in the garment industry has a responsibility to improve conditions - workers need to join together and demand better rights,

consumers need to take ethics into account in the way that they shop and enter into dialogue with companies, governments need to step in and defend workers' rights through legislation, and companies, especially the big brands at the top of the supply chain, need to be accountable to their workers.

Garment workers in crisis following pandemic wage cuts

Since the start of the pandemic, garment workers around the world have not received their regular wages, or have not been paid at all. The most vulnerable in global supply chains are shouldering the cost of the economic collapse.

US and European fashion brands refused to pay overseas suppliers for more than £12.3 billion of goods between April and June 2020 alone. This meant cancelling of orders they had already made in part or in full, asking for huge retroactive discounts or postponing payment indefinitely. As suppliers had already spent the cost of making goods on raw materials, this left factories in a highly precarious position. The #PayUp campaign this summer forced many brands to take responsibility for their orders but some, including Arcadia group (Topshop, Burton, Dorothy Perkins etc) Edinburgh Woollen Mill, Asda and Matalan still have yet to pay.

The Clean Clothes Campaign estimates that workers globally continue to be owed between \$3.19 to \$5.79 billion for the first three months of the pandemic alone

Many suppliers continue to be unable to fulfil their responsibility towards wages and rights. 75% of suppliers interviewed in a recent study said they have had to cut

workers' hours. On average they reported dismissing 10% of their workforce but said another 35% was likely if current order payment delays, price cuts and undercutting demands from brands continued. With an estimated 35 million workers in the global garment export sector at the start of the year, this could see 12.2 million workers without jobs by the end of 2020.

The Pay Up campaign, although effective, did not mean that workers were eventually paid. In fact, there is very little evidence that when payments for orders did come through to suppliers, wages that were delayed in March – May were paid at all, as suppliers took on costs that they couldn't cover. The Clean Clothes Campaign estimates that workers globally continue to be owed between \$3.19 to \$5.79 billion for the first three months of the pandemic alone.

Estimates for Bangladesh show 72% of workers who were sent on leave and 80% of dismissed workers were unpaid in March 2020. \$500 million is owed to Bangladeshi garment workers alone for the period between March and May 2020. More than 1 million workers are estimated to have lost jobs in this period

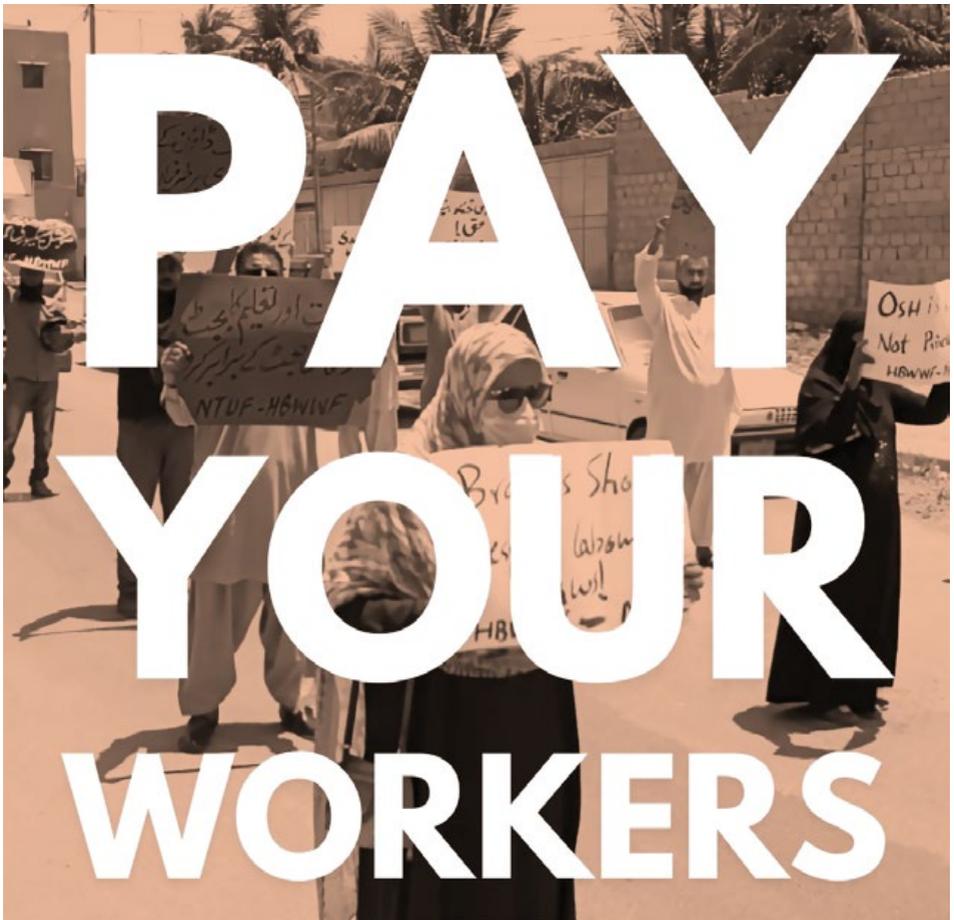
This has resulted in a growing humanitarian crisis for people working in factories, following years of living on a poverty line with no savings. Many have been forced to take out loans to cover costs

and have had to make even further cuts in their living costs. This looks like rent owed, food costs unmet, children taken out of education because school fees were not covered, health bills left unpaid. Workers are reporting being at breaking point.

The most vulnerable in global supply chains are shouldering the cost of the economic collapse

We refuse to let this situation be left as a casualty of the global pandemic. Brands

and retailers have a legal and moral responsibility to ensure that the workers in their supply chains are not paying the price for this pandemic. Agreeing to **#PayUp for orders** gives no guarantee that workers' owed wages will be paid. As the primary profit makers in the value chain, brands alone have the capacity to intervene. We are calling on all brands now to **#PayYourWorkers** and ensure that the workers who made their clothes at the onset of the crisis are paid their legally owed wages and severance. ●



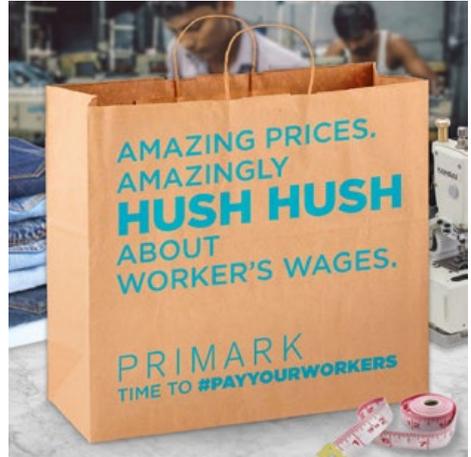
Primark - Time to #PayYourWorkers

Primark was quick to cancel all orders already placed with factories when the Covid-19 pandemic hit this spring. This had a devastating effect, leaving suppliers with a shortfall in cash and resulting in workers going without their wages. After intense pressure from campaigners, Primark eventually agreed to pay for orders. Yet the evidence is clear - paying bills hasn't resulted in workers receiving the wages they were owed.

Suppliers had costs they had to meet for raw materials, rents and much more, and given that the cash flow had suddenly stopped, workers were left to shoulder the cost. Since March, workers who produce Primark's clothes in Bangladesh, Myanmar and Cambodia have been protesting mass dismissal, unpaid wages and reductions in pay.

Primark announced a "wage fund" in spring which was intended to cover the wage component of cancelled orders. The fund was given in April, but the brand has offered no insight into how it was administered to ensure that workers were paid, and given reports from Primark workers that wages were not paid, this fund is called into doubt.

In Bangladesh, one of Primark's suppliers which usually employs 6000 people, currently only has 500 people working whilst the rest are on unpaid 'holiday'.



In Myanmar, another Primark supplier closed down in May, resulting in 2000 workers losing their jobs and receiving only partial compensation. One worker from a Primark supplier in Bangladesh said, "The factory said they cannot keep us non-permanent workers. We asked, how will we eat and pay rent? And the officer said they can't do anything. They gave me \$134 and told me not to come back."

We are calling on all brands to commit to paying workers their full wages during the pandemic. Individual brands like Primark must make a public commitment to guarantee that their workers have been and will be paid. If Primark is confident that their wage fund has been successfully implemented, why would they hesitate? ●

Sign our petition and ask Primark, do you #PayYourWorkers?
labourbehindthelabel.org/primark-pay-your-workers



THE BIG GIVE

1-8 DECEMBER

Double your donation, double the impact

We will be joining the Big Give's Christmas Challenge and launching our biggest end of year appeal ever. All donations up to £4k will be matched. Which means if you give, your donation will have double the impact.

Help us reach £8k from 1st December to continue to fight for a fair and just garment

industry. To ensure a transparent global garment supply chain in which workers are paid a living wage and no longer experience human rights abuses and labour exploitation.

Give from 12pm on 1st December at labourbehindthelabel.org/big-give

Boohoo in the spotlight for £3.50/hr wages

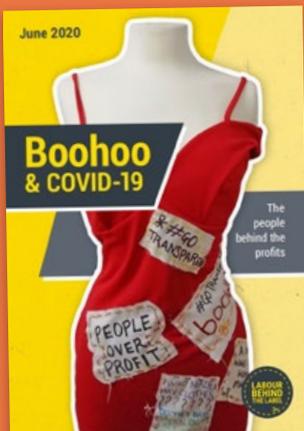
Whereas for much of the garment industry, everything shut down during the early months of the pandemic, UK manufacturing saw a boom as online retailers such as Boohoo cashed in on shoppers buying fast fashion from home. Our research in those months uncovered findings of illegal pay, furlough fraud, modern slavery, abusive working conditions, worker health and safety risks, as well as widespread wage theft and the exploitation of vulnerable workers making clothes in UK factories. Illegal wages as low as £3.50 an hour were recorded in Leicester suppliers producing for Boohoo during lockdown.

The news about exploitation in Boohoo's Leicester factories hit the headlines in July. The brand saw a £1.5bn loss in its value in just two days after retailers including Asos, Next and Amazon cut ties with the company and stopped selling its product, and a number of ethical investment firms further sold their shares. This prompted Boohoo to commission an "independent review" by a lawyer – Alison Levitt QC – into what happened in their suppliers. The review, published in September, found systematic evidence of massive wage theft and non-compliance with minimum wage regulations, inadequate and slapdash auditing, a lack of proper oversight of the supply chain, an unwillingness to take responsibility at the highest level within the Boohoo Group, and the overarching pursuit of profit and growth at the expense of proper corporate governance. The brand launched some fairly underwhelming pledges to reform its supply chain practices as a result.

Watch the video at bit.ly/LBL-vimeo ●

Read our report

Our report *Boohoo and Covid: The People Behind the Profits* is available to read on our website labourbehindthelabel.org



Boohoo must #GoTransparent

As Black Friday and the Christmas shopping season approaches – a period when Boohoo traditionally has a huge marketing push – Labour Behind the Label are continuing to push Boohoo to act.

Firstly, we want to make clear that Boohoo's £3.50/hr workers are owed millions of pounds in back pay after years of illegally low wages, which are established

as a norm in the Leicester industry. This illegal exploitation has led to mass profits for Boohoo who have used cheap manufacturing to build their business into a multi-million-pound profit engine. Despite its share price dip, Boohoo's profits have soared in the pandemic. Profits rose by 51%, as Boohoo made £68.1m in the six months to 31 August. Was this margin made on the back of illegal work and who is being made to pay? Evidence from as far back as 2015 clearly shows that Leicester workers have been illegally paid for a long time. Boohoo, anecdotally, source upwards

of 70% of the product coming from these factories. They must come clean about their record and pay back the wages that are owed.

Secondly, transparency and honesty must follow as soon as possible. For years Boohoo have refused to say where their clothes are made. Yet repeated studies have found Boohoo clothes made by workers working hugely long hours, paid through false pay slips and double records, on illegal pay. Boohoo must be honest about where its clothes are made and publish a supplier list without delay. This is the first step to change.

Please join us this season in calling on Boohoo to change its ways, to pay its workers and to finally disclose its supplier factory list. ●



Call on Boohoo to #PayYourWorkers and #GoTransparent

How you can help:

- 1 Sign and share our petition calling on Boohoo to pay back its workers for the wages stolen from them and to publish its factory list: boohoo.org/petition
- 2 Take to social media (in particular, Instagram) to let #Boohoo know that they must pay their workers and go transparent. Feel free to use images from the boohoo.org spoof website and Instagram accounts
- 3 Make a complaint using the Boohoo whatsapp complaint line. Go to tiny.cc/boohoocomplain on your phone and it should link to a WhatsApp channel to start a discussion.

WIN: Tesco agree to pay Burmese workers compensation

A group of 26 Burmese garment workers from the Kanlayanee factory in the Mae Sot region of Thailand have been fighting for justice for the last year for the abuse and exploitation they suffered while making products for Disney, NBC Universal, Starbucks and Tesco, but we are now some steps closer to resolving their case, after Tesco agreed this month to pay their part in compensation.

They worked 12 hours a day, with only one day off each month, and were illegally paid only \$1 an hour (Thailand is cheap, but not that cheap). In September 2019, workers spoke out to a journalist about their conditions, but the result was that Starbucks cut orders causing the factory to close immediately. The workers, as well as being without work, were blacklisted for being troublemakers preventing them from getting new jobs. Without income, and stranded in Thailand the workers have been destitute and foraging for food from local plants – it had got that bad.

Their case was taken to the local labour court and they were collectively told they were owed 3.46 million baht (approx. £83,500) in compensation. Yet the factory owner, Kanlayanee Ruengrit, offered only 1 million baht (approx. £25,000), just 30% of the total amount owed to the workers, as the maximum that she could pay (she is going bankrupt). Labour Behind the Label has been lobbying Tesco to intervene in the case, as workers reported making Tesco products. Although there was some disagreement about it being an official supplier, Tesco eventually were the first to agree to pay a quarter of the outstanding amount to the workers. Starbucks have followed suit. This is a huge step forward and a big win for the workers.

At the time of publication, we are still calling on Disney and NBC Universal to play their part and pay the remainder of the amount owed. You can sign the petition here: cworker.org/petitions/pay-the-workers-making-your-clothes ●



Urgent cases on the rise since the pandemic

Due to major economic disruption in global supply chains caused by order cancellations, impacts on a factory by factory level are strongly visible, and human rights violations are on the rise.

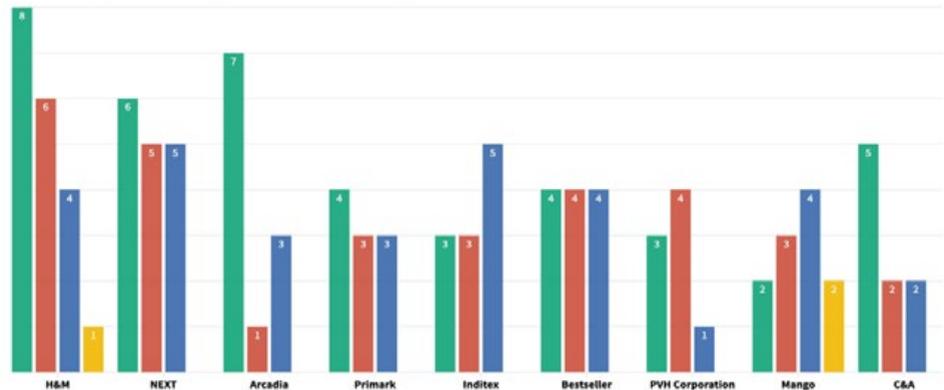
We have seen a huge influx in the number of cases we are being called on to support in recent months. These are grouped around wage theft, where workers haven't been paid for months or have been refused legally owed benefits; mass dismissals where workers are fired without warning and without being paid

their legally owed severance; union busting where factories downsize their workforce in a discriminatory way focussing heavily on organised workers and removing union leaders under the guise of necessary COVID reductions; and instances of unsafe working conditions where workers face health risks due to a lack of protective equipment or procedure in cramped and poorly managed workplaces.

We continue to bring each of these cases to the relevant brands and call for them to intervene. ●

Major Brands' Rights Violations during COVID-19

■ Wage Theft ■ Mass-dismissal ■ Union Busting & harassment ■ Unsafe Working Conditions



Join our Activist Network

There is strength in numbers, and we are looking for motivated people to take a role in key cities to campaign to improve working conditions and empower workers in global garment industry.

Activism takes lots of different forms and there are many ways to get involved. This could range from coordinating local shop protests, to organising letter writing nights, to film screenings and fundraising events. Get in touch with meg@labourbehindthelabel.org if you have a skill to offer. Together we can make change happen.



JOIN US FOR

THE BIG GIVE

1-8 DECEMBER

www.labourbehindthelabel.org/big-give