

LABOUR BEHIND THE LABEL

ANNUAL REPORT 2007 »



Labour Behind
the Label

ABOUT US

LABOUR BEHIND THE LABEL

Labour Behind the Label is a campaign that supports garment workers' efforts worldwide to improve their working conditions. We educate consumers, lobby companies and government, raise awareness, and encourage international solidarity with workers. Our members include trade unions and their local branches, consumer organisations, campaign groups, and charities. We are the UK platform of the international Clean Clothes Campaign.

Three-quarters of garment workers are women, working in factories, 'sweatshops' or as homeworkers. Wages are very low, often below minimum wage levels, hours are long, forced overtime is common, and health and safety standards are poor. Workers are often denied the right to join trade unions to work together to improve their conditions. They may be employed by a sub-contractor, or be on a temporary or seasonal contract or have no contract at all. Many workers, whether in factories or working in their homes, are not legally recognised, meaning they may find it difficult or impossible to claim social security benefits, to take action against abusive employers or claim any of their legal rights.

To support workers in their struggle for better conditions, we work in four areas:

1. Work in solidarity with garment workers, trade unions and NGOs in producer countries to ensure workers' rights are respected and working conditions and wages are improved.
2. Pressure retailers and brands to ensure that their garments are manufactured in decent working conditions, in line with the core conventions of the UN's International Labour Organisation.
3. Raise awareness of working conditions inside garment factories and possible actions that can be taken to improve the situation by providing accurate information, in order to mobilise people to use their power as consumers, citizens, future decision-makers and employees in the industry.
4. Explore legal possibilities for improving working conditions, and lobby for legislation to promote good working conditions and compel governments and companies to become ethical consumers.

A YEAR TO CELEBRATE FROM THE CHAIR »»

This has been a year in which Labour Behind the Label grew and flourished like never before.

Our work in fashion colleges came into its own as the project entered its second year, giving us the exciting and privileged opportunity to work with a new generation of future designers, buyers, merchandisers and technicians to explore how we can fashion an ethical industry. All of us were delighted by the attendance and participation of students and tutors at the project's annual conference, *Creating an Ethical Future for the Fashion Industry*.

This new way of working and new audience presents new challenges and opportunities, while at the same time bringing LBL back to its development education roots. Information on the project and a wide range of materials are available at www.fashioninganethicalindustry.org, also the most stylishly presented resource to come out of LBL!

For our campaigns work, too, this was a year in which we moved up a gear. High-quality publications, especially *Let's Clean Up Fashion*, have helped drive our reputation for uncompromising but thoughtful policy recommendations; dedicated funding for urgent appeals has helped consolidate this reputation by bringing the unrivalled and authoritative expertise of our in-country partners into direct contact with a growing number of companies. Meanwhile more proactive media work and a revamped website have raised our profile bringing LBL and our issues to a much wider audience than ever before; our growing supporter base makes us increasingly a force to be reckoned with.

LBL is nothing without its partners and members, and our work this year has strengthened and consolidated these contacts. *Let's Clean Up Fashion* pooled the expertise of a platform of ten organisations, and the ensuing Christmas campaign saw us work in concert with these partners to mobilise people in their thousands.

For every report or action we publish, we advise on several more behind the scenes; for every media story in which we are mentioned, there are another few which would not have happened without our contacts and expertise.

Bangladesh is a case in point. LBL here was at the forefront of partner-led policy work, within the international Clean Clothes Campaign network, during the wage negotiations: we contacted companies to urge them to take a constructive role in the wage negotiations, and travelled to Brussels to address European Parliamentarians on the subject. Meanwhile we stepped up the pressure with campaigning and media work, culminating in the *Fashion Victims* report written and researched by LBL, published by member organisation War on Want.

The outcome of this international solidarity campaign was a substantially increased minimum wage: still nowhere near a living wage, but a significant improvement. Meanwhile the living wage itself - previously shrugged off by companies as an aspiration - is now on the radar for key players in the garment industry, especially in Bangladesh.

We have a long way to go before we see an ethical industry, but each year we get a few steps closer: this year there were some leaps and bounds too.

Maggie Burns

EQUIPPING A NEW GENERATION

FASHIONING AN ETHICAL INDUSTRY »

Fashioning an Ethical Industry (FEI) is a unique approach to the challenge of improving conditions for garment workers across the world. The project, which is now approaching its third year, works directly with tutors and students on fashion related courses to give an overview of how the fashion industry can positively and negatively impact on working conditions in garment manufacture, and to inspire students – as the next generation of industry players – to raise standards for garment workers in the fashion industry of the future. The project's activities include running student workshops, organising tutor training events, providing teaching resources and working with tutors to integrate ethical issues related to garment manufacture into their teaching.

Over the last year FEI has facilitated student workshops in 11 universities across the country with students from a variety of year groups and a range of different fashion courses (design, buying, marketing, business and textiles). The impact of purchasing practices – the way in which fashion companies do business with their suppliers – on working conditions in the garment industry has been the focus of these workshops. A role-play, the first in a series of educational resources aimed specifically at fashion-related higher and further education students, 'Buying Power: how decision making in the fashion industry impacts on working conditions,' encouraged students to think about how a last minute design change on a dress or the constant quest for lower prices by buyers impact on conditions for workers.

"After this workshop I will make an effort to help change the way the industry operates when I gain a job after graduating," said one International Fashion Business student, at Nottingham Trent University.

Tutor training also covered purchasing practices and gave participants the opportunity to hear from industry specialists. Tutors have gone on to integrate the information from the training session into their teaching.

Tutor training sessions and the project steering group, which meets three times a year to guide and evaluate the project, provides tutors with the invaluable opportunity to network with tutors from other universities.



One of the highlights of the year was the project conference 'Creating an Ethical Future for the Fashion Industry,' which was held in March at the Fashion and Textile Museum, London. The event brought together representatives from Gap, Topman, Next, PeopleTree, the Ethical Trading

Initiative, Nicaraguan Women Workers' Organisation (MEC) and trade unions (ITGLWF) with fashion students and tutors to discuss where the fashion industry goes from here to improve conditions for garment workers. Industry specialists were given the opportunity to present different visions of what an ethical industry could look like and participants then broke into workshops, covering a variety of topics from slow fashion to multi-stakeholder initiatives, to discuss how these visions might become a reality.

At the conference, as well as at a public showing of award-winning film about the garment industry 'China Blue' and at other events, the project hosted speakers from labour rights organisations and trade unions from Nicaragua and China. The power of their personal stories, depth of knowledge and passion really engaged the fashion students and tutors.

"One of the most informative and inspiring elements of the FEI project was a meeting with trade unionists from China. It was really interesting to hear directly about their work. I had not realised how important the right of [freedom of] association was to garment workers – it opened my eyes to the limitations of codes of conduct as a tool for monitoring working conditions." - A Fashion Tutor who attended the China Blue Film event.

The FEI website is now up and running. Reports, factsheets, interviews, films and images provide a wealth of information about the global garment industry. The publication of a monthly e-bulletin keeps students and tutors informed of new resources on the website, highlights up and coming events run by both FEI and other organisations working in the field, circulates information about student opportunities and keeps people up-to-date with developments in the industry.

Curriculum development is taking place in a number of universities, and many are bringing workers' rights into their teaching through films, resources and training accessed through FEI. FEI has helped London College of Fashion develop an elective module on ethical fashion and project staff are involved in teaching a new module on ethical consumerism at Central St Martins in the coming academic year. The project has been a catalyst for the establishment of a Masters in Ethical Fashion at the University of the Creative Arts (Epsom) and a Masters in Fashion and the Environment at London College of Fashion.

Student reps have been able to disseminate information from the project more widely through becoming student reps. Other students have been able to take up the opportunity to become an FEI intern – and assist the project as well as develop their own knowledge and skills.

The project was initially funded by the Department for International Development (DFID) from the Development Awareness Fund for three years, and has recently secured a major grant from the European Commission that will allow it to run for a further 2 years until 2010, as well as to develop into a European network. Over the coming year, workshops are planned in universities across the country. The project will focus on developing links with universities in the North of England, Scotland and South of England. After the success of our last conference we will be holding a large event in Manchester. This year will also see the launch of the FEI student's and tutor's manuals.

PUSHING FOR CHANGE

STRATEGIC CAMPAIGNING »

LBL works strategically to identify the pressure points and use public and private tools to leverage pressure on the industry. This year our focus has been on prices, wages, and the new breed of budget retailers.

High Street: Let's Clean Up Fashion

In September 2006 we published *Let's Clean Up Fashion: the state of pay behind the UK high street*. Based on information supplied by the companies themselves, the report and accompanying website profiled 35 high street companies, the most comprehensive such resource ever. It examined three issues: living wages, freedom of association, and monitoring and verification of working conditions.

In the six months after its launch, the report underpinned a number of media stories, including in the Independent (including the main leader), Guardian, New Consumer, Daily Mail and Time Out London. It was downloaded a total of 20,000 times, with a further 6,000 visitors and 20,000 page views per month for the online version of the report at www.cleanupfashion.co.uk.



Perhaps more importantly, *Let's Clean Up Fashion* has become an authoritative resource for researchers, campaigners, consultants, journalists, CSR experts, and even companies themselves. It opened up dialogue with a number of companies from which we had previously not received communication, was read at CEO level at a number of retailers, and generated inquiries from several socially responsible investment fund managers. So great was the demand that the exercise will be repeated in 2007.

Budget chains and supermarkets

The three biggest clothing retailers in Britain are supermarkets, and one garment in four is bought from 'value' retailers such as George at Asda and Primark. This price deflation has created a huge pressure for retailers to cut costs and reduce prices, compromising efforts to improve working conditions. Coupled with this is an intense media interest in 'the true cost of cheap clothes'.

In July 2006, we published *Who Pays for Cheap Clothes? 5 questions the low-cost retailers must answer*, a brief report explaining the issues around budget retailers. It was downloaded 15,000 times by the end of March 2007, and we soon ran out of hard copies. The intense media interest led to several major media hits.

We worked with LBL members War on Want, researching and writing *Fashion Victims: the true cost of cheap clothing at Asda, Tesco and Primark*, a media report in November 2007 about working conditions in Bangladeshi factories supplying these three retailers. This report received a huge amount of interest, with front page coverage that reverberated around the UK (and Bangladeshi)

media for weeks. It brought us into direct dialogue with two of these companies.

Our aim has been to leverage as much pressure on these brands by shining the media spotlight on them and by targeted campaigning: to this latter end, LBL's supporter network swung into action at Christmas time, our traditional peak of supporter action. With the help of our trade union members, NGO networks and Ethical Consumer magazine's supporter lists, 14,000 postcards aimed at George at Asda were distributed, with an estimated 2,000 posted.

Cooperative working in this area is key, and LBL is a member of two key alliances. The first is the TescoPoly alliance, which campaigns for a government intervention to limit the power of the supermarket giants. The Office of Fair Trading held a consultation on supermarkets, to which LBL made a submission, and which led to a Competition Commission inquiry. As well as supporting the alliance's general demands, LBL argued that supermarkets' growing influence on clothing retail resulted from an unfair advantage gained from their existing dominance of the grocery sector, and that it manipulated the market, forcing down prices and reducing the space to improve respect for garment workers' rights.

Our second alliance is within the international Clean Clothes Campaign, where LBL co-ordinates the Giant Retailers working group. We are working towards a truly international campaign in 2008-10, which will unite consumers and workers throughout supermarket supply chains, including in countries like Thailand, where these retailers have both garment production and retail operations.

Sportswear campaigning: Playfair 2012

LBL works with the Trades Union Congress to campaign on labour conditions in sportswear and Olympic supply chains. With preparations for the London games well underway, we developed a proposal for LOCOG, the games organisers, and met with them to discuss it. Public campaigning will back up our work on this in the future.



BUILDING SOLIDARITY URGENT APPEALS »

Round the world, right now, thousands of garment workers are fighting for their rights. Urgent appeals cases are LBL's response to direct calls for solidarity from garment workers and their representatives who are persecuted, discriminated against, or lose their jobs because they have tried to organise to improve the conditions in which they work. Where abuses are found in a company's supply chain, we call on that company to put pressure on the supplier concerned to protect workers' rights, not to 'cut and run' by withdrawing its orders.

This year has seen further strengthening of the urgent appeals network both in the UK and on a European level. As ever the focus of the work is on solidarity work around specific cases, which this year included factories based in Morocco (Dewhirst), Bangladesh (Haitex, New Modern Garments and Harvest Rich), Cambodia (River Rich and GoldFame), Turkey (Paxar and Metraco), Indonesia (PT Theodore), Philippines (Chong Won) and India (FFI and Texport Creations). Non factory cases have included the fight for increased minimum wage in Bangladesh, campaigns for justice in the Chea Vichea and Hy Vuthy murders in Cambodia and support for Sri Lankan trade unionists attacked as 'terrorists.' River Rich and Paxar represented good wins following long and complex campaigns, other cases (PT Theodore) are entering their third year without yet reaching a satisfactory conclusion. The secure funding for urgent appeals is ensuring we can stick with these cases and hopefully report some positive outcomes in the near future.

A new focus on country wide strategies has also widened the focus of urgent appeals work. This developed primarily from the Bangladesh wage campaign, where we lobbied companies, governments and the European union on wages, trade union rights and working hours, building up pressure not just on one factory but on the whole sector.

In September 2006 we welcomed 5 speakers from China and Hong Kong, who met with companies, investors, trade unions and labour rights campaigners in the UK, as well as speaking at our AGM as part of our China Blue public events. Case work has also led to new and exciting working relationships in India, Morocco and Cambodia.



Other groups are now picking up on the appeals following work focused on developing the network for distribution, including LabourStart and student campaigners, People and Planet. We also wrote and designed a new action pack aimed to help supporters organise more effective local events and including tips for successful letter writing. This combined with an increased mailing list and improvements to the e-action page on our website has led to a much higher response rate from our supporters to appeals.

Over the next year we hope to improve and develop the website action pages even further, increase the country specific information available to supporters, activate and enthuse network members in carry even more of our appeal forward and develop greater solidarity links with producer countries through further speaker tours and finally achieve victory at PT Theodore!

STRENGTHENING OURSELVES

BUILDING AN ORGANISATION »»

Staff and governance

LBL's staff team grew from four to five staff members during the year (2.6 full-time equivalent), made possible by lower salary and operating costs for FEI, which moved from London to Bristol. Hannah Higginson and Liz Parker (0.6FTE each) took over from Tamsin LeJeune (0.8FTE) and Chantal Finney (0.2FTE) as Joint FEI Project Co-ordinators. LBL's other staff are Martin Hearson (Campaigns Coordinator, 0.6FTE), Sam Maher (Solidarity and Outreach Coordinator, 0.6FTE) and Debbie Payne (0.2FTE).

LBL once again benefited from a tremendous set of volunteers, and we wish to thank the following in particular: Seema Amin, Hannah Aldridge, Catherine Barter, Ruth Domoney, Mel Jones, Martin Scott, Rob Page, Amy Wilson.

LBL is a not-for-profit company limited by guarantee. Governance is by a management committee elected by our individual and organisational members. During 2006-7 our Management Committee consisted of:

Maggie Burns (chair)
Chantal Finney
Lisa Hardman
Alexandra Murrell
Ruth Rosselson (representing Ethical Consumer)
Mo Tomaney
Jane Turner (representing War on Want)

Finances

Our operating income for the year grew from £79,118 in 2005/6 to £99,870 in 2006/7, the bulk of which contributed to the FEI project, although income for campaigns also grew. Membership income grew once again, from £2,263 in 2005/6 to £3,812 this year. five times its value in 2003/4.

Our grant funders this year were: Oxfam, MRDF, CAFOD, Sigrid Rausing Foundation, Awards for All, Polden Puckham Charitable Foundation, Rowan Charitable Trust, DFID, Joffe Charitable Trust, Allan & Nesta Ferguson, FDHT, The Co-operative Bank.

Income

Grants	92,833
Donations	942
Sales	2,284
Membership	3,812
Total	99,870

Expenditure by area of work

High Street	22,284
Sportswear	3,695
Urgent Appeals	6,723
Campaigns	7,870
FEI Project	51,601
Core (Members, CCC, Overheads)	6,569
Total	98,742

Expenditure by type

Publications	10,882
Salaries	45,421
Office Expenses	8,313
Insurance	827
Repairs	69
Postage and Stationery	4,823
Events	10,444
Travel and subsistence	4,802
Consultancy	4,801
Accountancy	734
Legal Fees	0
Advertising	586
Intern Expenses	914
Bank Charges	23
Room Hire	3,440
Depreciation	2,251
Sundry	412
Total	98,742

Balance

Operating surplus	1,129
Interest received	284
Total	1,413

