Supply Chain Labor Rights and Independent Monitoring in the Global Apparel Industry
The Workforce

20 million workers
80% women

The Industry

20,000+ Export Garment Factories
Export Apparel Production for the USA: Some Key Countries

- China
- Vietnam
- Mexico
- India
- Pakistan
- Honduras
- Thailand
- Indonesia
- Bangladesh
Setting the stage for sweatshop abuses

A globalizing industry...

and a worker rights crisis
Key Dynamics of Global Garment Production

**Outsourced Production**
Licensees and apparel brands do not directly manufacture apparel.

**Short-Term Contracts**
Factories receive short-term contracts for specific orders without any guarantee of long-term sourcing relationships.

**Multiple Customers**
It is typical for multiple brands to produce at a single factory with each brand accounting for a small percentage of production.

**Buyer’s Market**
Excess supply means intense competition among suppliers.

**Downward Price Pressure**
For factories, survival depends on offering lower prices than the competition.
Enormous pressure to drive down costs

Goverments believe foreign buyers care more about low prices, fast delivery than worker rights

Cost of cloth/energy/transport is fixed; labor can be squeezed

Factories know they can use illegal means to control labor costs and speed delivery times

Factories skirt wage laws, oppose unions, cut corners on safety

Result: poverty wages, poor working conditions, dangerous factories
Industry Audits & Certifications Fail Workers

Audits and certifications are purchased by factories and buyers.

Auditing and certifying firms are for-profit entities relying on volume sales and repeat business.

Workers are never interviewed away from the factory, factories are never inspected by safety experts.

Auditing reports are kept confidential, no requirement for remediation of violations.

Result: Deadly fires, forced labor, rampant wage theft in audited and “certified” factories.
WORKER-CENTERED SUPPLY CHAIN ACCOUNTABILITY

Legally-binding Codes of Conduct  Transparent Supply Chains  Independent Monitoring
Universities / Cities and Counties

Licensing Agreements / Procurement Contracts

Brands / Vendors

Factories

Workers

LEGALLY-BINDING CODES OF CONDUCT
Transparency
Independent Monitoring

WORKER RIGHTS CONSORTIUM
Build Trust with Local Worker Advocates

Press for Buyers and Factories for Remediation

Stay Engaged

Gather Factory Disclosure Data from Buyers

Investigate Allegations Offsite and Onsite

Report Findings and Results Publicly

How Independent Monitoring Works
Workers Helped

IMPACT FOR WORKERS

That’s a positive impact on 1,002,400 people when workers’ families are included.

250,600 total workers the WRC has helped directly

Violations Addressed

WAGE THEFT
The WRC has helped workers recover wages stolen from them when their employers failed to pay them the correct minimum wage, severance, or overtime pay.

HOW MUCH BACK PAY HAS THE WRC WON FOR WORKERS?

$25,463,280 Total back pay (USD)

$74,280,000 Purchasing power of that back pay in workers’ countries

HEALTH & SAFETY
The WRC has helped workers eliminate dangerous—and usually illegal—safety hazards from their workplaces, such as toxic chemicals, dangerously high temperatures, or a lack of fire exits.

WRONGFUL TERMINATION
The WRC has helped win reinstatement for worker leaders who have been illegally or wrongfully fired in retaliation for exercising their associational rights, such as by forming a union or by asking for help from local women’s or human rights NGOs.

103,325 workers who now work in safer factories due to the WRC’s casework

1,500 worker leaders reinstated after they were wrongfully fired

Case work involving back pay represents only 20% of the WRC’s workload.
Why Independent Monitoring Works

Legally-binding Code Requirements Makes Labor Standards Enforceable

Public Reporting Creates Reputational Incentives for Compliance and Remediation

Focus on Remediation Deters Violations and Builds Trust of Local Worker Advocates

Broader Participation Creates Greater Leverage with Industry and Shared Resources for Monitoring.