The Structural Crises of Labour
Flexibility:
Strategies and Prospects for Transnational
Labour Organising in the Garment and
Sportswear Industry

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Clean Clothes Campaign
A campaign focused on improving working conditions in the global garment and sportswear industries, and empowering the workers in it.

An alliance of trade unions, labour rights groups, NGOs and consumer organisations.

There is a CCC in 12 European countries: Austria, Belgium, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Denmark, Switzerland and the UK.

We take our cue from partners in production countries.
Structure paper

1 A structural crisis of labour flexibility
   - Barriers to organisation
   - The relocation threat
   - Deflation and sourcing practices

2. Three areas of CCC activity
   - Corporate accountability
   - Urgent appeals
   - Global campaigns

3. Comprehensive counter-strategies
   - Local strategies
   - Regional strategies
   - Sector-wide (global) strategies
Global outsourcing and poor working conditions

- Structure of the apparel and footwear industry
- ‘functional split’ between brands and retailers (or sourcing companies’) and suppliers (manufacturers).
- Extreme fragmentation of production
  - Sourcing companies often use hundreds of suppliers located in dozens of countries.
- Poor working conditions throughout the industry (low wages, overtime, H&S issues, flexibilisation of labour etc.)
(1) barriers to organising

- Political repression of unions
- Discrimination of trade unionists (promotion denial)
- Over-supply labour (reserve army)
- Unequal gender relations

- Male union leadership contrasts with female work force
- Lack of resources (time, knowledge)
- Precarious, flexible nature of employment
(2) The structural power of capital

- The most important tool for companies to keep wages down and discipline work forces is the relocation threat.

- Capital can play off workers in different localities and put different geographical jurisdictions into competition with one another. By contrast, labour is much more locked into a particular place.
(3) Limits to export-led growth

1. Deflation

- Prices have been falling in the garment industry for the last 25 years
- China’s entry into global markets led to decline of terms of trade of developing countries manufacturing exports (Kaplinsky and Morris 2001)
- ‘Survival of the cheapest’ and the growing importance of Giant Retailers like Wal-Mart
2. Purchasing practices

- Purchasing practices have a **direct impact** on working conditions
  => e.g. Short lead times and unpredictable orders lead to excessive overtime

- They also have an **indirect impact** on working conditions
  => e.g. Short lead times and unpredictable orders lead to greater use of temporary, informal labour
To summarise

Barriers to organizing, the relocation threat and deflation can be taken as three main sets of reasons why poor working conditions in the garment industry have got an enduring, structural character.

The global supply chain itself has turned into a barrier for organizing.
Strategy CCC

(a) Corporate accountability

(b) Urgent appeals and international solidarity

(c) Global campaigns
(a) Corporate accountability: four areas of contestation and debate

1. Making corporations accept responsibility
2. Credible codes
   - ILO standards, living wage
3. Multi-stakeholder initiatives
   - How to verify corporate claims…
4. Worker involvement
   - How to ensure that the intended beneficiaries have a meaningful role in these systems?
(b) Urgent appeal system

Urgent appeals are requests for action on violations of workers rights which the CCC receives, verifies, and disseminates.

In the period 2000-2005 the CCC has taken up 184 cases in 34 countries (but 119 cases in 7 countries)

Most cases are brought forward by local trade unions or labour-NGOs and concern violations re. freedom of association or wage issues
The urgent appeal system makes it possible:

- to create a space for workers’ concerns to be heard beyond the local or national level;
- to build solidarity with and amongst workers in producer countries;
- to strengthen workers’ influence over the manufacturer by strategically using brand leverage;
- to raise consumer awareness on substandard labour conditions on concrete cases;
- to involve consumers in ways that can contribute to workplace improvements;
- to keep sourcing companies accountable for substandard working conditions throughout their supply chains;
(c) Global Campaigns

A third area of CCC activity takes place around campaigning:

- National campaigns (local targets, aims)
- Global campaign (cross-border campaigns)

Sportswear campaigns

- Building large transnational alliances (that include Oxfam, ITGLWF, ICFTU)

**Giant Retail campaign**, i.e. focus on large multi-product retailers with much purchasing power
What have these strategies achieved so far?

- Growing awareness on sweatshop problems
- Growing capacity to organise cross-border campaigns
- Meaningful collaboration with some companies through MSIs
- Small improvements re. health and safety issues (outcome standards)
- No progress re. freedom of association, collective bargaining and wages (see ETI impact assessment)
- Majority of companies still run PR approaches
- Dominance of auditing/service industry (managerialist approaches)
- No progress re. national law enforcement

Meaningful problems achieved growing awareness of sweatshop problems and some improvements in health and safety issues. However, there has been no progress on freedom of association, collective bargaining, and national law enforcement.
Local strategies / thematic campaigns

Limits to the no. of urgent appeal the CCC can run (case-by-case is time-consuming and inefficient)

Therefore, more focus on core themes in urgent appeal work related to a particular production area

Such thematic campaigns are rooted in a specific geographic area, and executed in direct collaboration with local groups who define priorities, goals and targets.

Ex. Sri-Lanka
Thematic campaigns could help to:

- support local organisations in their efforts to reform and strengthen national laws;
- stimulate direct engagement between local groups and CSR staff of global brands; and
- Bring attention to issues often ignored by both monitoring or cross-border solidarity campaigns.
Regional strategies

Local strategies need to be complemented with a strategy to counter capital relocation

Asian Floor Wage Campaign:
- an alliance of 34 trade unions and labour NGOs from 14 Asian countries together with CCC and U.S organisations

Will campaign for Asian Floor Wage by:
- Setting a common wage standards across Asia
- Connecting to local/national living wage campaigns;
- Emphasizing the pricing policies of brands and retailers
Sector-wide strategies

Many of the causes behind the structural crisis of labour flexibility require a collective or sector-wide response.

The challenge faced here is how to persuade multiple, to various degrees, intransigent agents, operating in a highly pluralistic and decentralised context to participate in such an approach.