

exCHAINS



*Solidarity along the supply chain:
from production to retail,
workers unite!*

Workers' exchange between Germany and Bangladesh



In November 2011 a group of German works council members in garment retail (Zara, H&M, real/Metro) traveled to Bangladesh. The journey was part of the ExChains project. The group was accompanied by Johann Roesch (ver.di union, national level commerce sector) and Heiner Köhnen (TIE). The trip was designed to enable a direct encounter with the working and living conditions of the workers who make the clothes that we are buying and selling in Germany on a daily basis.

"We were ready to face disturbing impressions, but the reality we met exceeded our anticipations by far", this is how Johann Roesch resumes the group's insights into the working conditions in Bangladesh's garment industry. Workers have to cope with never-ending working hours on six or even seven days a week. They are under permanent pressure to reach excessive production targets. The "ordinary conditions" in the factories are heavily burdensome: sticky heat, the air loaded with pollutants and filled with the deafening sound of machines. For exposing herself to this torture each and every day, the legal minimum wage for a helper is 3.000 taka, equalling just under 29 Euro a month; skilled machine operators can make up to 4.200 taka, a mere 40 Euro.

For a little "room", actually rather resembling a parcelled shed of 10 to 14 square metres, in a building that looks like a corrugated sheet box, a helper would have to spend her

complete monthly wage. This would leave her nothing to live on, so the workers must share one such room with their families or with co-workers. The building that was visited by the German group, housed a total of 140 people. They all had to share one "kitchen" and one "bathroom" – "kitchen" designating an open space with 8 hot plates, and "bathroom" a room with washing facility and one single toilet.

The German group's exchange trip included meeting garment factory workers and NGWF union activists. They visited several H&M, Zara and Metro supplier factories, and



Developing and strengthening links between workers from Asia and Europe, working along the subcontracting chain of garment production, is the main objective of the **ExCHAINS** project. These links are vital to the global fight against the exploitation of workers and for the eradication of poverty.

In the **ExCHAINS** project, TIE (Transnationals Information Exchange) is collaborating with three regional unions:

✓ Free Trade Zones and General Services Employees Union (FTZ&GSEU, Sri Lanka)

✓ National Garment Workers Federation (NGWF, Bangladesh)
✓ Vereinte Dienstleistungsgewerkschaft (ver.di, Germany)

We want:

✓ to raise awareness concerning the international production chain in the textile, garment and retail sector;
✓ to establish concrete solidarity between workers along the supply chain;

✓ to support freedom of association and the right to organise;
✓ to support concrete campaigns;
✓ to pressure big retail companies to name their suppliers and to support the right to organise at their suppliers.

For more information:

Website:

www.exchains.verdi.de
www.tie-germany.org

E-mail:

info@tie-germany.org
ftzunion@wow.lk
ngwf@dhaka.net



they met H&M and Metro CSR staff and monitoring personnel. The exchange programme was jointly organised by the labour network *Transnationals Information Exchange* (TIE Germany), the local union *National Garment Workers Federation* (NGWF), and the German union federation *Vereinte Dienstleistungsgewerkschaft* (ver.di).

Support by the German union federation *Deutscher Gewerkschaftsbund* (DGB Bund) also enabled us to realise a joint seminar on Occupational Health and Safety. During this seminar, the participating workers from Germany and Bangladesh formulated a number of locally specific problems, but also a surprising number of “cross-continently” similar problems concerning their working conditions and environments. Workers here and there are confronted with numerous health problems (f.i. stress related complaints such as overstrain, fatigue, headaches, anxiety, but also digestive problems and musculoskeletal disorders), which have already turned into chronic condition in many cases, caused by unfavourable working conditions. Bangladeshi workers prominently named the following causes for these problems: large workload, mainly caused by exceedingly high production targets; long working hours; massive pressure by supervisors; bad working environment (bad air, noise, pollutants, lack of drinking water). German workers named as causes: deliberate lack of manpower (meaning: employers systematically

reduce staff numbers for a given workload), time pressure, precarious contracts, and a bad working environment, too.

Although their working and living conditions are different, colleagues from both countries exchanged experiences which are indeed comparable: experiences of humiliation, annoyance at indecent conditions, and last but not least difficulties concerning union and workplace organising.

This exchange between workers happened through the process of health mapping, a method of union organising on the issue of occupational safety that is being widely and successfully used by the TIE Network and the VidaViva Health Programme in a number of countries in Asia, Europe, Africa, and Latin America.

All parties involved in the exchange visit to Bangladesh finally agreed on planning a joint long term campaign between Bangladesh and Germany, aiming at the promotion of three central demands facing the large, internationally operating corporations in garment retail:

1. Transparency and Opening the List of Suppliers

The multinational companies who dominate the garments markets in the major consumer countries, must open their list of suppliers. This is a prerequisite for unions and workers to be able

to publicly disclose and survey working conditions.

2. Higher Wages through higher piece prices for suppliers

► Existing minimum wages in Bangladesh are scandalous and unacceptable.

Minimum wages in Bangladeshi garment factories have been newly fixed in 2010, at 3.000 taka (just under 29 Euro) for simple helpers up to 4.200 taka (40 Euro) for seamstresses in the highest grade and for simple jobs on the machines. These wages are a scandal! No one can live on them decently, not even in Bangladesh. With them, workers can hardly cover their rent expenses (see above: rent and housing conditions). But even though they are sharing small rooms in large numbers: In order to be able to feed and dress themselves, let alone raise children and care for elderly relatives, workers are forced to work a virtually infinite number of “voluntary” overtime hours.

This means that giant garment retailers such as H&M, Zara (Inditex) and Metro are making profits on the general conditions of exploitation and misery. It also means they are indirectly responsible for child labour, because even though there may be no children working in the large retailers’ direct supplier factories, many parents are still forced to send their children to work. Not carelessness, but existential poverty and distress forces mothers and fa-

thers to accept that their children go to work on a regular basis in order be able to contribute to the family's bare survival.

➤ The companies in the production countries must pay a living wage, or at least higher wages

The multinational corporations of garment retail like to advertise their products as being "clean" clothes, produced in compliance with key social (and environmental) standards. Consequently, we call on these corporations to seriously commit themselves to support the payment of a living wage to workers employed at their suppliers' factories.

The concept of a "living wage" means that

- ✓ workers can cover basic needs such as housing, energy, food, clothing, health and social insurance, education, clean drinking water, childcare and transport;
- ✓ workers can finance additional expenses for entertainment, holidays, old age pensions, life insurance etc.;
- ✓ expenses for dependent family members are included;
- ✓ this wage is being paid for regular working hours (excluding overtime hours); and



- ✓ this wage is being raised in accord with the costs of living.

H&M, for instance, generally agreed with the demand for a living wage in its CSR report of 2003, but then declined to include a living wage in its Code of Conduct "for practical reasons", mainly the problem to calculate the amount of a living wage. Even if H&M suggested a mode of calculation, they argued, other buyers might go for different modes of calculation, while the legal minimum wage was decided by the government and could not be disputed by suppliers or other buyers. They resume: "We agree that the legal minimum wage in many countries, such as Bangladesh, is too low and we would welcome a raise. It should however be a government decision." (H&M CSR report 2003, p. 46)

We state: This kind of position is not acceptable, because one of the world's major buying companies pretends to be ignorant of its own de facto power, including its de facto responsibility for workers and conditions in the economies of their supplying countries.

➤ Major buyers (garment brands and retail corporations) must pay higher unit prices for garments in order to enable the payment of higher wages

Therefore, we are asking retail companies to pay higher unit prices to their suppliers in order to enable higher wages for the workers. The following mechanism might be used to make sure that higher unit prices do in fact result in higher wages: Buyer and supplier negotiate a competitive price. Additionally, they agree on a wage bonus which is being passed on to the workers directly. The supplier company should contribute to this bonus.

An exemplary calculation for an H&M supplier factory in Bangladesh: 750 workers produce 300.000 pieces of garment a month for H&M. If each worker's wage was increased by 50 Euro a month, the garments would cost an additional 37.500 Euro in total, increasing the unit price by 0,12 Euro.

➤ Workers must receive the total of this extra payment as a bonus incre-



asing their wages. This must be controlled, and local unions must be part of the control mechanism.

3. Access Rights to Supplier Factories for Labour Unions

Local unions in the supplier countries are playing a key role in the struggle for improved working conditions and a life in dignity for workers and their families. Only by organising in independent, democratic unions of their own choice, workers themselves can bring about a change in their situation and fight for their rights and entitlements.

Workers in Bangladesh are entitled to the freedom of association and the right to organise according to national labour law. In fact, they are being prevented from exerting these rights by factory managements on a regular basis. If workers' legal rights shall become de facto rights, labour unions must be granted access to the workers in the factories. Therefore, we are asking major buyers and retail companies to include union access rights to the factories in their codes of conduct, and to implement them with their suppliers.

Unions must be enabled to regularly meet workers in their workplaces and inform them about their rights and about possibilities of union organising.

In the frame of the ExChains project, retail workers, ver.di union, the NGWF, and TIE Germany are asking for implementation of these demands, in order to enable union organising and higher wages for workers in the supplier countries.