



Fast Fashion :

Working Conditions in the Garment Industry

Report of the Standing Senate Committee on Human Rights

The Honourable Mobina S.B. Jaffer, Chair

The Honourable Salma Ataullahjan, Deputy Chair

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MEMBERS OF THE COMMITTEE

The Honourable Mobina S. B. Jaffer, Chair

The Honourable Salma Ataullahjan, Deputy Chair

and

The Honourable Senators:

Raynell Andreychuk

Nicole Eaton

Art Eggleton, P.C.

Elizabeth Hubley

Nancy Ruth

Thanh Hai Ngo

Scott Tannas

Ex-officio members of the committee:

The Honourable Claude Carignan, P.C., (or Yonah Martin) and James Cowan
(or Joan Fraser).

Other Senators who have participated from time to time in the study:

The Honourable Senators Enverga, Marshall and Rivard.

Parliamentary Information and Research Service, Library of Parliament:

Julia Nicol and Jean-Philippe Duguay, Analysts.

Senate Committees Directorate:

Mark Palmer, Clerk of the Committee

Lori Meldrum, Administrative Assistant

Senate Communications Directorate:

Ceri Au, Communications Officer

ORDER OF REFERENCE

Extract of the *Journals of the Senate*, Tuesday, November 19, 2013:

The Honourable Senator Jaffer moved, seconded by the Honourable Senator Munson:

That the Standing Senate Committee on Human Rights be authorized to examine and monitor issues relating to human rights and, inter alia, to review the machinery of government dealing with Canada's international and national human rights obligations;

That the papers and evidence received and taken and work accomplished by the committee on this subject since the beginning of the First session of the Thirty-seventh Parliament be referred to the committee; and

That the committee submit its final report to the Senate no later than June 30, 2014.

After debate,

The question being put on the motion, it was adopted.

Extract of the *Journals of the Senate*, Thursday, June 12, 2014:

The Honourable Senator Jaffer moved, seconded by the Honourable Senator Munson:

That, notwithstanding the order of the Senate adopted on Tuesday, November 19, 2013, the date for the final report of the Standing Senate Committee on Human Rights in relation to its examination and monitoring of issues relating to human rights and, inter alia, to review the machinery of government dealing with Canada's international and national human rights obligations be extended from June 30, 2014 to March 31, 2015.

The question being put on the motion, it was adopted.

Gary W. O'Brien

Clerk of the Senate

Extract of the *Journals of the Senate*, Tuesday, March 31, 2015:

The Honourable Senator Jaffer moved, seconded by the Honourable Senator Munson:

That, notwithstanding the orders of the Senate adopted on Tuesday, November 19, 2013, and Thursday, June 12, 2014, the date for the final report of the Standing Senate Committee on Human Rights in relation to its examination and monitoring of issues relating to human rights and, inter alia, to review the machinery of government dealing with Canada's international and national human rights obligations be extended from March 31, 2015, to February 29, 2016.

The question being put on the motion, it was adopted.

Charles Robert

Clerk of the Senate

FAST FASHION: WORKING CONDITIONS IN THE GARMENT INDUSTRY

INTRODUCTION

On 12 May 2014, the Standing Senate Committee on Human Rights (the Committee) began studying the ready-made garment industry in developing countries under its general order of reference to: Monitor issues relating to human rights and, inter alia, to review the machinery of government dealing with Canada's international and national human rights obligations. At the time of writing, the Committee had held three meetings and heard from 13 witnesses from the federal government, the International Labour Organization (ILO), business, academia and non-governmental organizations. This interim report provides a brief overview of their testimony.

WORKING CONDITIONS IN THE READY-MADE GARMENT INDUSTRY: AN OVERVIEW

On 24 April 2013, the Rana Plaza factory in Bangladesh collapsed, killing more than 1,100 people and injuring many others. This incident not only “focused international attention on the many problems that plague the [ready-made garment] sector” in developing countries, such as Bangladesh, Vietnam and Cambodia - the involvement of Canadian companies also brought the issue closer to home.¹ As Shannon Brown, Director of Business Development and Commercial Relations at *Fairtrade Canada*, stated “the Rana Plaza tragedy shook Canadians to the core. It forced all of us to confront our own responsibility for our shopping dollars and the kind of world we are voting for with our purchases.”²

The textile, clothing and footwear sectors “are among the most globalized, providing waged employment to more than 60 million workers, including millions of women, migrants and young workers, mainly in the developing world.”³ According to the Fairtrade Foundation, the clothing industry alone was worth \$421 billion in 2011.⁴ Witnesses informed the Committee that Canadian companies are manufacturing their garments in developing countries largely as a result of trade liberalization and to cut costs to remain competitive.⁵

¹ Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 12 May 2014 (Peter MacArthur, Director General, South, Southeast Asia and Oceania Bureau, Foreign Affairs, Trade and Development Canada).

² Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 8 June 2015 (Shannon Brown, Director, Business Development and Commercial Relations, *Fairtrade Canada*).

³ Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 12 May 2014 (The Honourable Jane Stewart, P.C., Special Representative and Director, International Labour Organization Office to the United Nation).

⁴ Fairtrade Foundation, *Fairtrade and Cotton*, March 2015, p. 3 (Written Submission).

⁵ Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 12 May 2014 (Duane McMullen, Director General, Trade Commissioner Service Operations and Trade Strategy, Foreign Affairs, Trade and Development Canada); Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 8 June 2015 (Bob Kirke, Executive Director, *Canadian Apparel Federation*) and (Barry Laxer, President, *Radical Design Ltd*).

While this industry can potentially contribute to a country's economic development, "the low-skilled nature of production and its price sensitivity make the industry prone to risks, such as precarious work conditions, low pay, long hours and, in the worst cases, a lack of safety standards and human rights violations."⁶ Barry Laxer, President of Radical Design Ltd., a garment factory owner from Montreal whose manufacturing is based in Bangladesh, informed the Committee that he witnessed, in other factories, men and women working 20 hours a day for about \$23 a month when he first moved his factory to Bangladesh in 2003. He also stated that "coercing workers, verbally abusing and beating them, were common forms of factory discipline."⁷

THE CAUSES OF POOR WORKING CONDITIONS IN THE READY-MADE GARMENT INDUSTRY

The Committee heard that the garment industry is very complex and multi-layered, with varying conditions depending on the country and segment of the supply chain examined. Shannon Brown noted that it is not only garment factory workers that face tough working conditions. Farmers involved in cotton production, for instance, "are at the very end of the supply chain and are most squeezed by the fast fashion price demands."⁸ Ananya Mukherjee-Reed, Professor within the Department of Political Science at York University, stated that "cotton textile affects very substantially the lives of agricultural workers on cotton farms."⁹

Officials from the Department of Foreign Affairs Trade and Development (DFATD) also told the Committee that challenges are different in every country:

One thing we have learned ... is that each country faces different challenges and the environment is different. For example, in Bangladesh it became obvious — too late — but the main challenge there was building safety and fire safety. In other countries, say, for example in Jordan, initially the key challenge turned out to be migrants' labour and working hours. Each country has a different environment.¹⁰

The Committee was told that "challenging institutional environment[s]" in developing countries are also contributing to the difficulties experienced by workers in this industry.¹¹ Mr. Laxer stated that doctors had to medically determine the age of his workers as the majority "have no birth records and most of them don't know how old they are," which makes it very difficult to identify underage workers.¹² Moreover, according to DFATD, many developing countries "don't have a government that's capable of enforcing building safety or hours of work or various labour codes."¹³ Bob Kirke, Executive Director at the Canadian Apparel Federation, for example, argued that the Rana Plaza

⁶ *Evidence*, 12 May 2014 (Stewart).

⁷ *Evidence*, 8 June 2015 (Laxer).

⁸ *Evidence*, 8 June 2015 (Brown).

⁹ Standing Senate Committee on Human Rights, *Evidence*, 2nd Session, 41st Parliament, 12 May 2014 (Ananya Mukherjee-Reed, Professor and Chair, Department of Political Science, York University, as an individual).

¹⁰ *Evidence*, 14 May 2015 (McMullen).

¹¹ *Ibid.*

¹² *Evidence*, 8 June 2015 (Laxer).

¹³ *Evidence*, 14 May 2015 (McMullen).

collapsed because “a whole series of corruption” allowed the owner to build extra floors without proper building integrity.¹⁴

Witnesses informed the Committee that working conditions are not only caused by challenging institutional environments, but are also the result of downward pressure from companies that are after the lowest price at any cost. As Syed Sajjadur Rahman, former Professor at the School of International Development & Global Studies at the University of Ottawa explained, for foreign buyers “the major concern is getting the product at the lowest cost possible. If Bangladesh cannot supply it, they will get it elsewhere.”¹⁵ As “[I]labour surplus economies like Bangladesh's and those of other major garment-producing countries need to create and maintain jobs in order to grow and reduce poverty,” companies seem to have the upper hand at the bargaining table.¹⁶

CANADIAN GOVERNMENT ACTION BEFORE AND AFTER RANA PLAZA

While the Rana Plaza disaster brought to light the negative aspects of the ready-made garment industry, these problems were not new. The Government of Canada was working to improve working conditions in Bangladesh before the collapse. The Canadian High Commissioner in Dakha, for instance, “had already been following developments in the sector for some time... promoting social responsibility following the deaths of a number of garment workers in various factory fires prior to the collapse.”¹⁷ More broadly, Canada has also been working with international partners, such as the ILO and the Organisation for Economic Co-operation and Development (OECD), to better working conditions in developing countries.¹⁸

Mr. Kirke, for instance, informed the Committee that, through the ILO, Canada has played an important role in the Better Work program, which is a joint project of the ILO and the International Finance Corporation (a World Bank institution) that seeks “to improve garment workers’ lives by striving to secure safe, clean, equitable working environments.”¹⁹ The Honourable Jane Stewart, P.C., Special Representative and Director at the International Labour Organization Office to the United Nations, for instance, stated that Employment and Social Development Canada’s (ESDC) “funding of \$493,000 allowed Better Work to develop and roll out training on occupational safety and health and human resources management systems in the Jordanian garment industry.”²⁰ Additionally, Ms. Stewart stated that funding from DFATD and ESDC for this program has “helped to improve working conditions and safety for millions of garment workers in the developing world.”²¹

To demonstrate Canadian commitment to responsible business practices and to help Canadian companies operate successfully and responsibly abroad, Canada adheres to the 1976 [*OECD*](#)

¹⁴ *Evidence*, 8 June 2015 (Kirke).

¹⁵ *Evidence*, 12 May 2014 (Rahman).

¹⁶ *Ibid.*

¹⁷ *Evidence*, 12 May 2014 (MacArthur).

¹⁸ *Evidence*, 14 May 2015 (McMullen); and *Evidence*, 12 May 2014 (Stewart).

¹⁹ See Better Work, [About Us](#).

²⁰ *Evidence*, 12 May 2014 (Stewart).

²¹ *Ibid.*

[Guidelines for Multinational Enterprises](#) and has significantly contributed to the further elaboration of these guidelines since then.²² In accordance with the guidelines, Canada has a National Contact Point, which helps resolve disputes by “helping consenting parties dialogue on the full range of CSR [corporate social responsibility] issues and sectors.”²³

DFATD also has more than 400 trade officers working in 60 developing countries to provide Canadian companies with advice on how to operate successfully and responsibly. Among their roles is to make Canadian companies aware of the potential issues and risks of operating in challenging environments.²⁴

Since the factory collapse in Bangladesh, the Government of Canada has been involved in a number of initiatives. For example:

- Canada provided \$8 million in development assistance to “a joint ILO-led initiative focused on improving worker conditions in Bangladesh's ready-made garment industry along with... partners in the U.K. and the Netherlands.”²⁵
- The High Commission of Canada to Bangladesh “published a guide on implementing the international CSR standards ISO 26000 in Bangladesh, with more than 8,000 copies having been distributed thus far to key contacts in Bangladesh, in the industry, to the unions and elsewhere on the ground.”²⁶
- Canada is also working in a ‘3+5+1’ group which includes the three Bangladeshi secretaries of labour, commerce and foreign affairs; five ambassadors from the U.S., EU, Canada, Netherlands and a fifth EU member; and the ILO.²⁷

The Government of Canada is also engaged in the work of the Accord on Fire and Building Safety in Bangladesh (the Accord) and the Alliance for Bangladesh Worker Safety (the Alliance). These private sector-led initiatives, which aim to improve garment factory safety standards in Bangladesh, bring many companies together “to come up with shared standards and guidelines in these areas where the local government is deficient.”²⁸ DFATD helps them further articulate “standards to make them more practical and to allow remediation efforts.”²⁹

CONCLUSION

Though many witnesses before the Committee saw positive changes in the industry overtime and in response to the Rana Plaza factory collapse, they unanimously agreed that much work needs to be done: wages remain below the cost of living in many countries, workers have difficulty unionizing, women face discrimination and violence, including sexual violence, and child labour is a major concern. While private sector initiatives, such as the Alliance and the Accord, and third-party

²² *Evidence*, 14 May 2015 (McMullen).

²³ *Ibid.*

²⁴ *Evidence*, 12 May 2014 (McMullen).

²⁵ *Evidence*, 12 May 2014 (MacArthur).

²⁶ *Ibid.*

²⁷ *Evidence*, 12 May 2014 (Stewart).

²⁸ *Evidence*, 14 May 2015 (McMullen).

²⁹ *Ibid.*

monitoring and certification processes were seen as important steps by some, witnesses were divided on the ultimate solution. Some witnesses questioned the effectiveness of such measures, calling for greater focus on and support for unionization efforts.

More testimony is needed for the Committee to fully understand the role of the various actors in the sector such as consumers, retailers/buyers, factory owners, workers and governments, and to identify the most effective measures the Canadian government needs to take to help improve safety and working conditions in the garment industry worldwide. This issue merits further study by a committee such as the Senate Human Rights Committee.

APPENDIX – WITNESSES

Monday, May 12, 2014

Foreign Affairs, Trade and Development Canada:

Duane McMullen, Director General, Trade Commissioner Service Operations and Trade Strategy;

Peter MacArthur, Director General, South, Southeast Asia and Oceania Bureau;

Dean Frank, Director, Strategic Planning and Operations, Asia Bureau (Development).

As individuals:

Syed Sajjadur Rahman, Part-time Professor, School of International Development & Global Studies, University of Ottawa;

Ananya Mukherjee-Reed, Professor and Chair, Department of Political Science, York University.

International Labour Organization:

The Honourable Jane Stewart, P.C., Special Representative and Director, ILO Office to the United Nations (by video conference).

Thursday, May 14, 2015

Foreign Affairs, Trade and Development Canada:

Duane McMullen, Director General, Trade Commissioner Service Operations Bureau;

Jeff Nankivell, Director General, Programming, Asia Pacific.

Monday, June 8, 2015

Export Development Canada:

Signi Schneider, Vice-President, Environment and Corporate Responsibility.

Canadian Apparel Federation:

Bob Kirke, Executive Director.

Radical Design Ltd:

Barry Laxer, President.

Fairtrade Canada:

Shannon Brown, Director, Business Development and Commercial Relations;

Sofia Molina, Category Specialist for Coffee.

Maquila Solidarity Network (MSN):

Bob Jeffcott, Co-founder and Policy Analyst (by video conference).

Solidarity Center:

Shawna Bader-Blau, Executive Director.

Monday, June 15, 2015

Gildan Activewear Inc.:

Peter Iliopoulos, Senior Vice-President, Public and Corporate Affairs, Head Office.

Loblaw Companies Limited:

Robert Chant, Senior Vice President, Corporate Affairs and Communications (by video conference).

As an individual:

Syed Sajjadur Rahman, Senior Fellow, School of International Development & Global Studies, University of Ottawa and Senior Associate, Universalia, Montreal.

Human Rights Watch:

Nisha Varia, Director of Outreach for Women's Issues (by video conference).

Thursday, June 18, 2015

International Labour Organization:

Dan Rees, Director of Better Work.