Social Responsibility Topics of the 21st Century: Student Committee Journal

June 2023 Volume 3

FOREWORD



The Fair Labor Association (FLA) has approximately 140 member colleges and universities across North America. Students are an essential part of this relationship because on campuses everywhere they are some of the most passionate and vocal defenders of workers' rights.

The FLA Student Committee offers students enrolled at member colleges and universities an opportunity to learn about social responsibility and connect with others who share similar interests. This year, select student committee members chose to write articles about social responsibility and human rights. This collection of their articles is the third issue of the Student Committee Journal. FLA is pleased to provide a platform through which students may share their ideas and opinions about protecting and promoting workers' rights. Share your feedback and questions with FLA at services@fairlabor.org.

DISCLAIMER

The views and opinions expressed in the Student Committee Journal are those of the students writing in their personal capacities. Opinions expressed in the articles are the authors' own and do not necessarily reflect the views of Fair Labor Association or the academic institutions where the students are enrolled.

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TABLE OF CONTENTS

| ADVANCING DEMOCRACY WITH INTERNATIONAL SOLIDARITY | 4 |
|--|----|
| BREATHING LIFE INTO LIVING WAGES IN THE FASHION INDUSTRY | 7 |
| COVID-19 PANDEMIC: UPENDED LABOR MIGRANTS | 10 |
| FROM 1911 TO 2023: THE FIGHT FOR FASHION WORKERS' LABOR PROTECTION | |
| MULTI-INDSUTRY TRENDS IN SUPPLY CHAIN TRANSPARENCY | 16 |
| THE NEED FOR INCREASED REGULATION OF UNITED STATES GARMENT MANUFACTURING | 18 |
| PAID SICK LEAVE IN THE UNITED STATES | 22 |
| PROTESTS AGAINST INDIA'S FARM LAWS | 24 |
| STUDENT BIOGRAPHIES | |

ADVANCING DEMOCRACY WITH INTERNATIONAL SOLIDARITY



The United States (US) Department of Labor launched its <u>Multilateral Partnership for Organizing</u>, <u>Worker Empowerment, and Rights</u> (M-POWER) on December 8, 2022, aiming to ensure working families thrive in the global economy while elevating the role of trade unions and organized workers as essential to advancing democracy. Governments, international and national labor organizations, philanthropic organizations, and members of civil society have joined forces to form M-POWER, a partnership that aims to uphold workers' rights, strengthen democratic unions' ability to organize and represent all workers, and create the right conditions for unions to play an active role in a thriving civil society. The US government allocated around \$130 million to M-POWER, its largest-ever contribution to improve workers' rights worldwide, along with a <u>further \$100 million from charitable contributors</u> who are members of Funders Organized for Rights in the Global Economy.

Using this program, the US government has taken its biggest step yet in supporting and elevating the role of unions across the world. It is making this effort because it believes that trade unions and freedom of association are essential components for strengthening democracy worldwide. As Secretary of Labor <u>Marty Walsh stated</u>, "For democracies to thrive globally, the international community must defend and support the fundamental rights of workers, including freedom of association and collective bargaining."

Democracy and Trade Unions: A Lesson from Tunisia

Freedom of expression is one of the most crucial elements of democracy — so crucial that it was included as the First Amendment to the US Bill of Rights — but how does it relate to labor unions? Trade unions represent workers in various industries and advocate for better working conditions, better wages and benefits, and other employment-related issues (higher safety standards, the establishment of complaint procedures, the creation of rules governing employees, and workers' bargaining power). Their very existence is a method for workers to maintain or improve the terms of their employment, including better wages and benefits, better working conditions. Trade unions contribute to the development of a more democratic and equal society by promoting these rights, beginning at their workplaces.

Trade unions are essential pillars of democracy, filling a critical role in protecting workers' rights, promoting social justice, and <u>enhancing</u> <u>economic stability</u>. In many countries, trade unions have played a vital part in strengthening democracy by engaging in various activities that promote civic engagement, political participation, and accountability. Allowing people to work collectively in search of better working conditions and against exploitation is the objective of freedom of association. One example of how labor unions can help advance democracy is the Tunisian Revolution, which began with Mohamed Bouazizi's selfimmolation in 2010 and sparked nationwide protests against injustice and economic hardship citizens faced under the Zine El-Abidine Ben Ali regime. As part of the larger Arab Spring movement, strikes and demonstrations against the corrupt government were led by the Trade Union of Tunisia (UGTT), toppling the dictatorship of 30 years.

During the transition, UGTT fought for workers' rights and led the charge to reestablish the country's democracy. As a result, the union was a key part of the regime change, mediating between the political parties and steering the country away from potentially <u>violent</u> <u>political conflict</u>. UGTT and the National Dialogue Quartet were awarded the Nobel Peace Prize in 2015 for their "decisive contribution to building a pluralistic democracy."

M-POWER: A Catalyst for Democracy

As previously stated, trade unions were essential in establishing democracy within Tunisia. It is crucial to understand how the freedom of association and expression of labor unions can advance democracy. By strengthening worker organizations, M-POWER can help build a more robust and effective labor movement. This could result in improving working conditions across the world and fostering an environment more favorable for workers' rights. And by collaborating with other governments to advance freedom of association where workers' rights and democratic ideals are at risk, M-POWER could play a significant role in promoting this labor movement.

Additionally, M-POWER can contribute to international solidarity initiatives, which involve cross-national collaboration between labor groups and civil society organizations. An effective strategy to solve global labor concerns (low wages, poor working conditions, and labor exploitation) is through international solidarity movements. Thanks to its funding, M-POWER can utilize collective strength of the US government to safeguard democracy and workers' rights globally through information sharing, program coordination, action-oriented research, and joint strategy development that aims to strengthen its ability to defend and support global democratic worker organizations. M-POWER can boost efforts to promote global solidarity by increasing the capacity of worker organizations and encouraging cooperation between stakeholders.

It is important to remember that other elements outside of M-POWER impact the success of worldwide solidarity efforts. Building efficient solidarity networks can be difficult due to political, economic, cultural, and social concerns. Additionally, power imbalances among many stakeholders, including employees, employers, and governments, might affect solidarity initiatives' success.

ADVANCING DEMOCRACY WITH INTERNATIONAL SOLIDARITY

M-POWER was founded on the idea that all employees (regardless of where they live or work) should have the right to a safe and healthy workplace, a decent wage, and the ability to collectively organize and advocate for their rights. M-POWER has shown potential in several areas, but it has also faced some difficulties. Keeping the benefits achieved through the initiative sustainable over the long term is one of the main concerns. Governments, businesses, and labor unions will need to sustain their commitment to preserve the progress they have made.

BREATHING LIFE INTO LIVING WAGES IN THE FASHION INDUSTRY



Understanding the interaction between workers and living wages and its differences in various socioeconomic contexts is critically important, especially within the fashion sector. This article explores living wage work's history and its relationship to the fashion industry, the effects of the COVID-19 pandemic, the current state of this advocacy, and challenges and opportunities ahead.

Living Wage Landscape

There are many phrases and terms with similar connotations to "living wage," depending on the institution using them, a non-exhaustive list including "fair compensation," "fair pay," and "living income." A <u>2019 definition</u> from the International Labour Organization identifies living wage as: "The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country."

This definition is echoed in the Fair Labor Association (FLA)'s <u>Fair Labor Code</u>, as shared by Ruoxu Wang, Fair Compensation Associate: "Every worker has a right to compensation for meeting basic human needs and discretionary income." FLA and other labor rights organizations assess net wages using a formula-based calculation that determines the amount workers earn after all payroll deductions are made from contracted wages. While definitions like these are helpful, industry- and sector-wide nuances complicate the meaning of living wage work in specific situations.

Victoria Solbert, Fair Trade USA's Senior Director of Standards and Implementation Resources, notes the organization's flexible, <u>three-pronged approach</u> to supporting employers and workers in achieving a living wage. "The specifics of what [companies] have to do is unique to every supply chain and situation, and actions will be very different across different commodities," says Solbert. Both organizations acknowledge the role of leaders like the Global Living Wage Coalition and Anker methodology in setting benchmarks for considering and calculating living wages globally.

Standardization, Communication and Translation

How do living wage definitions interact with living wage standardization attempts? Should brands and suppliers even pursue standardization to achieve effective action on living wage implementation? Tiffany Rogers, FLA's Director of Fair Compensation and Member Engagement, shares that as human rights due diligence legislation gains steam around the world (such as <u>Germany's Supply</u>)

<u>Chain Act</u>, passed in July 2021), marketing and sales teams will need to be aligned with "customer culture preference," i.e. the values that consumers communicate in their interactions with brands, which also presents a key area for consumer education.

Communicating and translating what these phrases mean is a vital method for taking action within the fashion industry. According to a <u>2022 report</u> from The Industry We Want, garment and footwear workers in 13 countries (Southeast Asia's manufacturing hubs) earn just 55% of the pay needed to achieve a decent standard of living. Acknowledging that living wages are not standard in these countries, the Clean Clothes Campaign (CCC) released an <u>animated video</u> that highlights injustice in global supply chains of the garment industry based on its research in Central, East, and Southeast Europe.

While the global garment industry has doubled over the past 15 years, workers' wages remain only a fraction of what consumers pay for the clothes due to deep-rooted structural power dynamics. Though consumers pay \$18.50 for a T-shirt at retail prices, <u>the actual cost</u> when factoring in profit to the brand and factory; transport, intermediary, and overhead costs; and the worker's pay, amounts to \$35.60. This cost is rarely seen or considered by consumers. Furthermore, CCC works closely on wage-based work with the <u>Asia Floor Wage</u> <u>Alliance</u> (AFWA), a global labor and social alliance across garment-producing countries and consumer regions for addressing poverty-level wages, gender discrimination, and freedom of association in global garment production networks. In CCC's case, <u>"poverty pay"</u> indicates the pressures brands and retailers place on governments to keep minimum wages low in an effort to create jobs and provide an economic boost to their states.

Living Wage in the Spotlight: COVID-19

Living wage work in the fashion industry was catapulted into the spotlight at the height of the COVID-19 pandemic. Production, demand, and supply were all affected, disrupting fashion supply chain conditions in 2021 and exacerbating challenges that continue to the present day. Many workers reported instances of wage theft as consumer demand for garments sharply declined, with remittance campaigns from Remake and CCC (#PayUp and #PayYourWorkers, respectively) advocating for back pay from brands that canceled orders and invoked force majeure clauses during the rollercoaster of economic changes. "COVID-19 highlighted the importance of resilience at many scales," says Solbert. "Living wage is on more of a platform now, with opportunities to build out a business case for realizing this work."

A Complicated Road Ahead

Moving forward, who exactly is responsible for advancing living wage work in the garment sector? Governments can pressure industry through legislation targeted at improving wage conditions in the garment sector and beyond. As such, Rogers anticipates the German Supply Chain Act may influence what the rest of the European Union (EU) addresses in terms of human rights due diligence. FLA's

position as a multi-stakeholder initiative partnering with brands provides a runway for helping guide these powerful actors on how best they can report on living wage progress ahead of regulatory pressure. Coalitions of organizations — such as those present in the European citizen's initiative <u>Good Clothes, Fair Pay campaign</u> — alongside citizens are advocating for the EU to consider legislation that requires companies to conduct living wage due diligence in their supply chains.

However, applying this legislative pressure is not a perfect solution. Importantly, Solbert acknowledges that various governments may view living wage work as controversial. Focusing instead on voluntary standards and brand and consumer education that align with supply chain resilience is a potential path forward. Education, as hinted at before via the consumer preference lens, is also important from a brand engagement perspective. Brands can engage with FLA through its <u>Fair Compensation Toolkit</u>, a scalable and easy-to-use Wage Data Collection Tool and Fair Compensation Dashboard that together show companies the gap between what their workers earn and what they need.

Realizing living wages for the people who make our clothes is a complicated journey. As regulatory momentum gains steam, will legislative pressure be sufficient to prioritize living wages in global fashion supply chains? What responsibility do brands have in realizing this change, and how can they most effectively drive this work forward, either with legislation or on their own? People — vital forces of humanity — are involved not only in garment and footwear production, but also in payment mechanisms that support livelihoods.



This piece seeks to establish foundational knowledge of migrant workers' challenges in the wake of the coronavirus pandemic alongside existing protections for this at-risk community. To understand migrant laborers as a vulnerable population, one must also acknowledge the multifaceted nature of the challenges they face, and recognize vulnerability as a dynamic process shaped by power relations and social order of the majority. With this in mind, appreciating migrant laborers' contributions and sociocultural barriers as a marginalized population provides a lens for policymakers when determining accessibility to social services and federal relief.

Context of Uncertainty

Immigrants decide to leave their homes and move to another country with the intention of staying there, while refugees are forced out of their countries due to violence or persecution (as described by the International Rescue Committee). Migrants are distinguished from immigrants through their seasonal nature, and are incredibly susceptible to situational vulnerabilities resulting from systemic discrimination and structural economic inequities; labor migrants and migrant workers are used interchangeably. From the need to travel in search of work and hardships faced when trying to return home to the fundamental necessity of ensuring compensation for their labor, uncertainty surrounds nearly all aspects of migrants' existence. Recruitment fees, wage theft, loss of employment and precarious working conditions pertaining to health and safety characterize the environment in which labor migrants work for menial wages, a reality that has only worsened since the onset of the pandemic.

Making a Bad Situation Worse

COVID-19 lockdown restrictions and unclear labor regulations exacerbated the economic injustices migrant workers face, leaving thousands without pay, totaling more than \$16.3 million in India alone. As economies shut down in the second quarter of 2020 and canceled orders affected profit margins, employers cut wages or dismissed employees without pay. Compounded by their inability to access social services, like safety-net systems and federal relief that could prevent them from being fired or ensure they aren't terminated without notice, migrants suffer the harsh repercussions of economic downturn. In 2020, a Los Angeles-based garment factory staffed by undocumented immigrants was shut down after more than 300 workers tested positive for COVID-19, and four died. Without a structure to report negligence (as undocumented individuals are hesitant to seek health care for fear of deportation and cannot access

US judiciary systems), labor migrants were left to battle COVID-19 alone.

Predominant labor-sending countries include Bangladesh, India, Myanmar, Nepal, the Philippines, and Sri Lanka (among other countries in South and Southeast Asia). The most popular destinations in 2019 for the estimated 169 million migrant workers were Europe and North America. Considering migrant workers globally is necessary for a holistic understanding of wage theft and other abuses this group has faced. As a result of the pandemic, transnational supply chains and the realities of labor migration demonstrate that no country or industry is exempt from being liable for withholding pay, according to the Business and Human Rights Resource Centre's <u>Best Practice</u> Guidance on the Ethical Recruitment of Migrant Workers.

"Poor Quality Jobs"

The International Labour Organization (ILO) <u>characterizes "poor quality jobs"</u> as those with low pay, lack of security, limited social protection, and unsafe working conditions. As discussions of legitimacy and supposed "job theft" by migrant workers distract from the acute challenges these workers face as a group, it becomes increasingly important to address how the pandemic has exacerbated the challenge of providing remedy for these workers. Particularly in the US, political systems dictate narratives on the sociocultural status of migrant workers from a pointedly detached perspective, challenged by findings of migrant laborers filling positions that were offered to and declined by native-born US workers.

A <u>Vice News investigation</u> near Buffalo, NY asked people outside a career center if they were interested in an alternative work proposition: milking cows from 2 a.m. to noon. Of the roughly 15 people shown in the video, all the US citizens declined, while three migrants from Mexico expressed gratitude for the job and promise of undisclosed pay.

While this example certainly isn't representative of the wider American population, it is necessary to remember when considering the significance of migrant workers to the US economy. In 2019, immigrants constituted 13.6% of the national population, <u>328 million</u>, and possessed over <u>\$1.3 trillion</u> in spending power the same year. Paying over <u>\$466 billion</u> in taxes in 2019, their share paid is disproportionate to their composition of the total population.

Recruitment: The Dark Side of Obtaining Migrant Work

Recruitment fees are an aspect of mirgant work that perpetuate the time spent overseas earning to support one's family as an excess cost unrelated to contracted work. Often financed by a lender under the agreement that the migrant will pay it back with interest, recruitment

fees become leverage for lenders to act against labor migrants and their families as recompense for the debt. Moneylenders, or people who connect migrants to job opportunities through industry networks, harass migrants who return without money with threats and violence, like <u>disclosing personal details of the laborer online</u> or sending demand letters to the migrant workers' places of employment. Understandably, debt has "<u>financial, social, and psychological implications for the reintegration of returnees</u>," an immense cost to the risk of going abroad for a wage that isn't guaranteed.

A Migration Policy Institute brief addressed the complexity of fees at every level of securing work abroad. After paying a recruitment agency to connect them with employers abroad, a migrant might be forced to pay an additional placement agency to be considered and matched to a position. Documentation costs (like passports or travel documents) further increase recruitment costs. In obtaining an international placement, a person could be thousands of dollars in debt before they've even left their home country – forced to outsource from local lenders with high-interest loans or pledge one's services as repayment for a debt as family needs materialize. All in all, the relationship between lenders and workers in one's home country creates a challenging and complicated dynamic for seeking work in other countries.

Systemic Changes and Additional Recommendations

The ILO <u>outlines recommendations</u> that call for mandatory access to grievance mechanisms for immigrant laborers and bilateral protection agreements to achieve better safety standards, such as the inclusion of immigrants in social protection packages and increased oversight of recruitment practices. Furthermore, reconsidering of how politics and rhetoric fuel negative perceptions of immigrants might prove beneficial in recognizing the significance and necessity of labor migrants.

The ability to live with dignity is defined as a fundamental human right in Article 1 of the United Nations' <u>Universal Declaration of Human</u> <u>Rights</u>, a document which underscores that before migrants are laborers, they're people. As such, the continued lack of a comprehensive system for hiring migrant workers with appropriate workplace protections worsens their struggles in a world with enough resources to ensure they are paid for their work. The onset of the pandemic excluded millions of foreign-born "essential" workers from stay-athome orders, effectively making them more likely to contract and die from COVID-19 as they returned to agriculture and <u>service sector</u> <u>placements</u>; 74% of undocumented immigrants fell into essential work categories, compared to 65% of native-born workers. Once again, the disproportionate representation of migrant laborers in vital US supply chains warrants an increased focus on remedying the human and labor rights violations they face as an invaluable community. The COVID-19 pandemic has been an irreconcilable journey, shifting culture and habits significantly. Accepting immigrants as people shouldn't be political, but it is. False rhetoric is powerful in framing people as dangerous or inherently criminal, and migrant workers are unlikely to receive the benefit of the doubt. A safe working environment and access to health services are human rights for all laborers, and this idea should apply to migrant workers, respecting and remedying the dynamic human rights challenges they face.

FROM 1911 TO 2023: THE FIGHT FOR FASHION WORKERS' LABOR PROTECTION



2022 marked the 111-year anniversary of the infamous New York City Triangle Shirtwaist Factory fire, a tragedy that claimed the lives of 146 garment workers — <u>mostly young girls from low-income families</u>. The fire, while devastating, marked a turning point in worker safety and compensation laws within the fashion and garment industries.

Although there have been many strides made in the last century, there are still desperately needed improvements to workers' rights in the fashion world. This was proved in March of 2022 when several members of the <u>Model Alliance</u> announced the Fashion Workers Act in New York City. The Model Alliance's Executive Director Sara Ziff, <u>who founded the nonprofit in 2012</u>, was joined by New York State Senator Brad Hoylman-Sigal as well as models Karen Elson and Teddy Quinlivan to announce their new <u>pro-labor legislation</u>.

This act would introduce accountability measures for management agencies and provide labor protection not only for models, but also for <u>hair and makeup artists</u>, stylists, influencers, and other behind-the-scenes creatives. They argue that these professionals are owed the same protections as other New York workers, and that the city's fashion industry, which employs 180,000 people (6% of the city's workforce) and <u>generates \$10.9 billion in total wages</u>, should not be allowed to continue throwing up-and-coming fashion creatives to the wolves. In particular, the speakers focused on the demoralizing conditions that new models and creatives endure, including issues receiving timely payment and an overall lack of financial transparency, as well as predatory practices that can force new industry entrants into debt.

Quoting author Idowu Koyenikan, Quinlivan said, "Money is the symbol of the value you create." She went on: "I want everyone to think of [what] the models, makeup artists, hair stylists, and other creatives bring to the fashion industry and what that's worth.

This is not the first time that the Model Alliance has valiantly promoted pro-labor legislation. Most notably, the group partnered with New York state senators in 2013 to propose the Child Model Act. The legislation aimed to afford underage models the same protections of other child performers in the state, defined as anyone <u>under the age of 18 who renders</u> artistic or creative services. The Act passed unanimously in the New York State Senate and Assembly and was signed into law that June.

The Model Alliance has also supported a variety of pro-labor legislation trying to make its way into law, as well as **publishing its own research** on the well-being of models in the industry and the injustices they face.

Ziff said, "From creating protections for models from workplace sexual harassment and pressures to engage in starvation dieting, to calling for transparency and accountability across global supply chains, we need to inject a labor consciousness into fashion. The Model Alliance aims to lead this effort."

Unfortunately, almost exactly nine years after the Child Model Act of 2013 was signed into New York State law, the Fashion Workers Act was <u>defeated in the New York State Senate</u> on June 3, 2022. Luckily, the bill is not dead. Instead, the act will be sent to committee until it is put up to another vote – hopefully with a more favorable outcome. The bill's most recent movement was its reintroduction by Senator Brad Hoylman-Sigal and Senator Robert Jackson in the <u>2023-2024 session on January 20, 2023</u>, and many different groups are holding out hope that it will become law and offer a variety of workers in the fashion industry the labor protections that are severely lacking.

Although the Fashion Workers Act has yet to find success, recent legislative milestones have increased labor protections for garment and fashion industry workers. In September 2021, the now fairly-famous California Garment Worker Protection Act was signed into law; it <u>establishes a new accountability precedent</u> for brands and manufacturers that will penalize wage theft and other illegal pay practices and marked a landmark victory for California's garment industry employees. The road ahead for providing fashion industry workers with the needed labor protections is long, with no shortage of obstacles. However, there are certainly reasons to remain optimistic about its future and to commend the individuals and organizations that are positioning themselves on the front lines of this ongoing fight.

Last August, Ziff said: "With a decade of legislative victories under our belt and a strong, resilient community behind us, we're confident we can bring the [the Fashion Workers Act] over the finish line next session."

MULTI-INDUSTRY TRENDS IN SUPPLY CHAIN TRANSPARENCY



"Supply chain transparency" refers to disclosures about a company's supplier, manufacturing, and distribution channels and how this information relates to ethical, environmental, and social issues. In recent years, customers have become increasingly conscious of the environmental and social impacts of their purchases, leading to a greater demand for ethically and sustainably made products. Under pressure to ensure transparency and accountability within their supply chains, companies have begun to adopt supply chain transparency practices as part of their **corporate social responsibility strategies**.

In addition to consumer pressure, ethical considerations, legal requirements, and business benefits are also factors in the shift toward supply chain transparency. Companies have recognized their responsibilities and the impacts on their bottom line. These entities recognize their responsibility to ensure <u>ethical supply chains</u> by identifying and addressing issues such as child labor, forced labor, and environmental degradation. By supporting <u>the Consumer Goods Forum Resolution on Forced Labor</u>, companies agree to not hire workers who have been coerced nor work with any suppliers affiliated with forced labor. By shining a light on unethical practices, companies can positively change their supply chain, and put pressure on suppliers thereby ensuring they stop any unethical transactions within their own companies. This is a crucial connection because withholding business is a strong motivator to ensure the whole supply chain avoids forced labor.

Coupled with growing customer awareness and company action, governments (particularly <u>in Europe</u>) are introducing legislation that requires companies to report on the social and environmental impacts of their supply chains. Additionally, actions can occur outside of governmental structures. For example, companies can sign <u>the Transparency Pledge</u>, which was formed by nine global unions and human and labor rights organizations, and pledge to prevent forced labor and protect workers' rights.

Why Are Companies Moving Toward Transparency?

Transparency is beneficial to business – it can facilitate improved reputation, increases customer loyalty, better manages risk, and enhances efficiency. Through this, companies <u>demonstrate and build trust</u> with customers, investors, and other stakeholders. As a result, customers are more likely to purchase products from companies that prioritize ethical and sustainable practices, meaning that a more transparent supply chain may increase sales and revenue. By gaining visibility into their supply chains, companies can also identify inefficiencies and opportunities for improvement with cost savings in mind, reducing <u>up to 25%</u> of costs. Furthermore, supply chain transparency enables companies to <u>identify potential risks</u>, such as supplier bankruptcy, natural disasters, or geopolitical instability.

How Can Public Disclosure Benefit Workers?

A transparent supply chain allows companies to identify and uncover issues such as unsafe working conditions, forced labor, and other forms of worker exploitation. By identifying their suppliers and conducting due diligence, companies can be held accountable for their own practices and help ensure fair worker treatment and safe and healthy working environments. Companies can work with suppliers to ensure safe conditions – for example, by negotiating on their behalf or raising prices of products to accommodate higher costs upstream. By creating a collaborative relationship with suppliers, companies also give workers a voice in the decision-making process, equipping them with more power to negotiate better working conditions and wages.

However, there are significant challenges in achieving supply chain transparency. Many companies have complex supply chains with numerous suppliers spanning multiple countries, making it difficult to gain visibility into every aspect of the supply chain and trace products' origins. Some suppliers may be reluctant to share information about their practices, particularly if they have concerns about confidentiality or competitive advantage. Finally, there is no standardized framework for reporting on supply chain practices, which can be an obstacle for stakeholders wishing to compare different companies.

The Road Ahead

A recent study shows that <u>94% of consumers</u> are more likely to be loyal to a brand that offers complete supply-chain transparency, with 39% stating that they would switch to a brand with a higher level of transparency. Companies are beginning to recognize the importance of supply chain transparency and are adopting practices to ensure that their supply chains are ethical and sustainable. While progress has been made, there is still much to be done to ensure that workers throughout global supply chains are treated fairly and with dignity.



The textile and garment industry employs almost 100,000 workers in the United States (US) and is rife with labor rights violations, especially wage thef. In addition to their dangerous working conditions, factories use piece-rate compensation systems that often pay far below the minimum wage. Wage and overtime violations are rarely prosecuted because workers, especially immigrants, fear retaliation for voicing complaints. When violations are brought to state governments, they take years to process. Companies rarely pay the fines and lost wages to workers. US clothing factories have to compete with consumer demand for cheap clothing, which is produced in Asia or South America at low manufacturing costs.

The prices brands are willing to pay manufacturers are often not enough for workers to earn a living wage. Steps in the right direction have been made, like California's Garment Worker Protection Act (GWPA), but tens of thousands of industry employees are still subject to wage theft and labor rights violations with little recourse. A newly introduced bill, the **Fashioning Accountability and Building Real Institutional Change (FABRIC) Act**, would extend protections in the GWPA nationwide.

Textile and garment manufacturing has long been a staple of the US economy. These sectors have also been infamous for workplace safety violations and low wages. In the past five decades, brands have increasingly <u>offshored their garment and textile manufacturing</u> to South America and Asia where labor costs are reduced due to lower wages and less strict regulations on working conditions and hours. However, the industry shows signs of growth. The <u>output of US textile manufacturing</u> was up 23.8% in 2021 from 2009 for a total of \$16.59 billion. Disruptions in global supply chains, the Biden Administration's pro-US made policies, and the unique advantages of speed and skill in US garment and textile manufacturing have all contributed to an increase in the industry in recent years.

As of November 2022, 95,800 people are <u>employed in garment and textile manufacturing</u> in the US. <u>California</u> leads US states in employment, with around 46,000 workers in Los Angeles alone. Additionally, there is garment and textile manufacturing in <u>every single</u> state. Sixty percent of garment and textile workers are women.

Piece-rate compensation is common practice for garment manufacturers. Workers are paid <u>per piece they complete</u> instead of hourly. This often results in workers being paid well below the state and federal minimum wages and not paid time-and-a-half for overtime work, even though this is illegal under the 1938 <u>Fair Labor Standards Act</u> (FLSA). The Los Angeles based Garment Worker Center says the <u>wage</u> <u>complaints</u> filed with them show an average pay of about \$5 an hour, which is slightly more than a third of California's minimum wage of \$14. A <u>study from the Department of Labor</u> corroborated that many workers were making \$5 or less an hour. It found wage violations at 85% of garment factories they investigated, which totaled \$1.3 million in unpaid wages. Another <u>analysis by the Center for Public</u> **Integrity** found that the garment industry has the second-highest incidence of wage theft of any industry in the US over the last 15 years.

Sixteen percent of all US workers are immigrants, rising to 42% in garment manufacturing. Immigrants from Central and South America, as well as Asia, work in Los Angeles factories, but other hubs of garment manufacturing like Texas and New York also employ many immigrants. Immigrant employees, most of whom are women, are less likely to report wage violations due to a lack of awareness of their rights and a fear of retaliation, especially if they are undocumented. Though undocumented workers are protected by the FLSA, employers have been <u>exposed by the Department of Labor</u> for threatening to fire or report undocumented employees to immigration authorities if they complained about the company's labor practices.

Like other factories staffed by low-wage and immigrant workers, garment and textile factories are unsafe places for employees. Workers report chronic injuries from the performance of "precise and repetitive tasks." Hunching over non-adjustable sewing machine workstations for 10 to 12 hours a day can cause musculoskeletal problems. The piece-rate system exacerbates these issues, as workers are encouraged to work as fast as they can. Other labor violations, like long hours with no breaks, extend workers' proximity to harmful conditions. Garment and textile workers are regularly exposed to toxic chemicals and airborne hazards (dust, fiber, etc.) that lead to lung and cardiovascular disease.

The COVID-19 pandemic revealed shortfalls in garment and textile worker safety. The <u>virus spread through Los Angeles apparel</u> <u>factories</u>, which led to 300 positive tests at a single factory, Los Angeles Apparel, in 2020. Management did not inform workers of cases or follow proper safety protocol, leading the Los Angeles Department of Public Health shutting down the factory due to "flagrant violations" of COVID-19 infection control policies.

California passed Assembly Bill 633 in 1999 to try to end wage theft and extend other protections to garment and textile workers. This bill has been largely ineffective because brands subcontract out to manufacturers in order to avoid regulations and shirk responsibility. Brands contract their manufacturing out to factories, which means any labor or wage violations fall on whoever owns the factory, <u>and not the brand</u>.

Workers who report complaints of wage theft must wait months or years for their claims to be reviewed by state labor agencies. California has the most robust system, but the high volume of wage theft violations slows the system and workers have to wait to be compensated. The state established a restitution fund for garment workers that all companies must pay into annually, as well as reimbursing the fund for any lost compensation paid to workers. This fund has had to be repeatedly replenished with other funding sources, as companies often <u>refuse to pay</u> or claim bankruptcy to avoid paying fines and compensation. Some states, like Florida, do not even have labor departments, forcing workers to dispute lost wages in small claims courts.

With the rise of fast fashion, consumers are demanding more products at lower prices. According to the <u>American Apparel and Footwear</u> <u>Association</u>, "the average American spent a record-breaking high \$1,101.52 for 69.1 pieces in 2021." To meet this demand with US manufacturing, brands on average <u>pay their contractors only 73%</u> of what would be needed to pay their workers a living wage, while being able to skirt any legal responsibility. Even if brands desire to have ethical supply chains, it is difficult to regulate the conditions of the factories they contract out to. Also, brands that want to pay their workers well <u>have to compete</u> with brands that use these loopholes to pay their workers below minimum wage.

Changes have been made to improve the conditions of garment and textile workers. Most notably, the <u>GWPA was enacted</u> on January 1, 2022, making piece-rate compensation illegal and extending responsibility for lost wages to brands in addition to contractors. Piece-rate based bonuses are still allowed, as well as certain piece-rate compensation as agreed upon by a collective bargaining contract. Any employer found using illegal piece-rate compensation will be fined \$200 per employee per pay period. Contractors, manufacturers, and brands are jointly responsible for any unpaid wages, attorney fees, and fines resulting from a workers wage theft claim. Measures on how effective the GWPA will be have yet to be seen, but the bill was an important step in enshrining garment and textile worker's rights.

However, California is only home to about half of all garment and textile workers. Tens of thousands of garment and textile workers across the country still lack protections and will continue to be victims of labor violations and wage theft. The GWPA could also lead to companies outsourcing manufacturing to other states, resulting in lost jobs for the very workers the GWPA aims to protect. Brands are increasingly choosing to manufacture in the US, often for <u>purported reasons of ethical supply chains</u>. With no brand accountability, garment and textile workers will likely be increasingly subject to labor violations as the industry continues to grow, and companies may try to avoid financial responsibility to continue to produce cheap clothes at a high profit margin.

Senate Bill S.4213, known as the FABRIC Act, was introduced by Senator Kirsten Gillibrand (D-NY) in May 2022. The bill follows many of the same policies as the GWPA, amending the FLSA with the following policies:

- Makes piece rate compensation below the minimum wage federally illegal;
- Establishes a national garment industry registry with the Department of Labor; and
- Extends responsibility for workplace wage violations to brands and retailers in addition to manufacturers.

The bill also includes provisions to encourage the domestic garment and textile industry. It establishes a \$40 million Domestic Garment Manufacturing Support Program that will be dispersed to manufacturers for safety improvements and other workplace development initiatives. It also establishes a 30% reshoring tax credit for manufacturers who move production back to the US.

The FABRIC Act would extend the worker protections enshrined in the GWPA to all garment and textile workers in the US and preempt any possible job losses from firms moving manufacturing out of California to other states. The bill also offsets some of the increased costs with its industry promoting measures. The main effect of the bill will be increased enforcement. Companies that pay piece rates amounting to \$4 or \$5 an hour are illegal now and were illegal in California before the GWPA. Loopholes and weak enforcement mechanisms in past policy have been problematic. The creation of a registry and extending the responsibility for wage violations to brands closes these loopholes and encourages brands to pay their manufacturers enough so all workers can receive the minimum wage they are entitled to.

The textile and garment industry in the US is severely underregulated, leaving tens of thousands of workers being denied the minimum wage they legally are owed, and even that falls short of a living wage in many states. Extremely high rates of wage theft are being left unprosecuted while workers suffer. The GWPA remedied many of these issues for garment and textile workers in California, but workers in the rest of the nation remain unprotected. The FABRIC Act extends these protections to all garment and textile workers as well as encouraging investment in US manufacturing with a large tax credit.

PAID SICK LEAVE IN THE UNITED STATES



The lack of paid sick leave, which has been an issue in the United States (US) for generations, has recently been exacerbated by the COVID-19 pandemic. Sick leave is intended not only to ensure that employees can access adequate healthcare, but also to protect the welfare of other employees. Without paid sick leave, many employees will be forced to come to work ill, compromising the health of their coworkers — yet there is no federal mandate for paid sick leave. As a result, many employees are left defenseless against viruses, forcing them to choose between their essential income or health.

According to the <u>US Department of Labor</u>, paid sick leave is not a federal requirement, and even *unpaid* sick leave is only required for companies covered under the <u>Family and Medical Leave Act</u> (FMLA), which provides up to 12 weeks of unpaid sick leave. To qualify, an employee must have completed at least 12 months of service to the employer and state a specific reason (birth, care for child, adoption/ foster care, health condition, covered military member with additional time provided for military caregiver leave) that prevents them from completing their tasks. Additionally, the employer must have "at least 50 employees within 75 miles."

Even though cities and states can pass legislation to mandate sick leave and paid time off, many still fall short of protecting the health of their residents. Notably, most of these areas are in rural communities. According to a <u>National Public Radio</u> article, "most states where more than 20% of the population is rural haven't [implemented paid or general sick leave], leaving workers vulnerable." Furthermore, "[t]he 2020 Families First Coronavirus Response Act temporarily required all public employers and employers with fewer than 500 employees to give workers a minimum of two weeks of paid sick leave, but that requirement expired at the end of 2020." This requirement's expiration continues to leave rural communities vulnerable.

How are rural communities being disadvantaged? As a West Virginian, I am most familiar with the state's rural communities and will expand on those statistics regarding paid sick leave. According to the <u>West Virginia Center on Budget and Policy</u>, "Nationally, 87% of the highest earners have paid sick leave, while only 27% of the lowest income workers do. In West Virginia, 46.1% of private sector workers (approximately 254,000 West Virginians) lack access to paid sick leave." Almost half of those working in the private sector in West Virginia lack paid sick leave and access is even lower for those working in "essential industries."

The article further addresses how these startling realities disproportionately affect workers of color (since they are more likely to be in lower-paying jobs and/or on the frontlines of industries), promote higher turnover rates at companies, and force workers to seek emergency care frequently due to the inability to leave a job early. Based on these numbers and analytics, workers, their families, and the

PAID SICK LEAVE IN THE UNITED STATES

entire population will not be kept safe unless federal mandates are put in place to require paid sick leave. Otherwise, rural community residents and people of color working in the US will continue to suffer disproportionately. Therefore, I hope to see federal mandates expand FMLA regulations to — at minimum — provide unpaid sick leave to all individuals in the workforce. The ultimate goal is federally-mandated paid sick leave for all workers. While change is being made on the federal level, it is necessary for city and state governments to support their constituents, especially workers of color in rural communities, with increased access to paid sick leave.

PROTESTS AGAINST INDIA'S FARM LAWS



Indian farmers, particularly those in the country's northern states of Haryana and Punjab, have been protesting <u>three farm laws</u> passed by the national government in September 2020. While the government argues the laws will modernize the agriculture sector and benefit farmers, farmers claim the laws will leave them at the mercy of corporations and undermine their livelihoods.

The first law, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, allows farmers to sell their produce directly to private buyers rather than being limited to selling at government-regulated wholesale markets, known as "mandis." The second law, the Essential Commodities (Amendment) Act, removes restrictions on stockholding of certain food items, including staples such as wheat and rice, by removing them from the list of essential commodities. The third law, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, allows farmers to enter contract farming arrangements with agribusinesses and processors.

Led by farmers' unions, protests have been ongoing since November 2020, with <u>hundreds of thousands of farmers</u> camping out at protest sites on the outskirts of Delhi. The protesters demand that the government repeal the three farm laws, and have refused to engage in talks with the government until the laws are repealed.

The farmers' unions argue that the laws will ultimately benefit large corporations and hurt smallholder farmers by driving down prices and making it more difficult for them to sell their produce. They also <u>fear that the laws will</u> render the mandis redundant, forcing farmers to sell their produce at corporate-set prices and being exploited without a mechanism for negotiation.

On the other hand, the Indian government argues that the laws will provide greater choice and opportunities for farmers, enabling them to sell their produce directly to private buyers, rather than <u>being limited to selling at mandis</u>. They argue that this will increase competition and lead to better prices for farmers. The government has also stated that the laws will increase investment in the sector.

Participation in protests has been widespread across India, with many farmers joining demonstrations and strikes. The government has responded with force, deploying police and paramilitary forces to the protest sites, leading to several instances of violence and the use of tear gas and water cannons to disperse the crowds. The government has also **imposed internet shutdowns** and blocked roads leading to the protest sites, making it difficult for farmers to reach the protest sites and for journalists to cover the events.

Currently, there is no resolution in sight to the years of protests: farmers' unions will not back down until the laws are repealed, which the government has refused to do. The protests have become a major political issue in India, with the government facing criticism for its handling of the protests and opposition political parties backing the farmers. Additionally, the protests highlight the deep-rooted tensions between farmers and the government. The outcome will have significant implications for India's agriculture sector and farmers' livelihoods.

STUDENT BIOGRAPHIES

Irfan Asgani (author)

Irfan Asgani is a first-year graduate student in International and Comparative Labor at the Cornell University School of Industrial and Labor Relations, researching union responses to climate change in lower-income countries. Previously, he worked in Human Resources and Employee and Labor Relations at multi-national companies. When the COVID-19 pandemic hit in 2020, Irfan's interest in labor rights was sparked and he shifted focus to the labor movement and its influence on social protection, particularly in Southeast Asia.

Rena Lahn (author)

Rena Lahn is a dual MS/MBA candidate at the University of Michigan who is passionate about helping companies transition from carbonfueled to greener economies by identifying their environmental risks, defining their sustainability strategies, and helping implement concrete, effective environmental policies. She holds a bachelor's degree in Environmental and Global Studies from the University of California, Santa Barbara and has worked as a project management consultant and process and risk manager in Frankfurt, Germany.

Ruthy Lynch (author)

Ruthy Lynch is a junior at the University of Michigan's Ford School of Public Policy. Focusing on Southeast Asian labor policy for garment and footwear manufacturing, she also has a minor in Asian Languages and Cultures and has been studying Indonesian. In addition to founding a student group advocating for ethics in the university's apparel supply chain, Ruthy has been the Vice President for Marketing and Recruitment of the Inter-Cooperative Council at Ann Arbor, which coordinates student housing co-ops.

Aditya Madupur (author)

Aditya Madupur is a first-year student at the University of Pittsburgh who is eager to raise awareness about global sustainability issues Before joining FLA's Student Committee, Aditya shadowed a student at the Conn Center for Renewable Energy in Louisville, Kentucky where he innovated sustainable energy sources such as dye-sensitized solar cells, solar concentrators, and lithium batteries. Aditya hopes to continue to advocate for workers' rights and energy conservation through his writing and art and involvement with FLA.

Mackenzie Mock (author and peer editor)

Mackenzie Mock is a dual MS/MBA candidate at the University of Michigan's Erb Institute for Global Sustainable Enterprise, and a responsible fashion advocate working to advance the industry to safer, more equitable, and more environmentally sound practices. As

the former Communications Director of Fashion Revolution USA, she helped spearhead campaigns that galvanized audiences around the country to advance the fashion revolution movement through education and policy initiatives.

Emma Romano (author)

Emma Romano is a sophomore majoring in molecular and cellular biology with a minor in health and human values at the University of Arizona. Emma has an extensive background in leadership and community service as the Honors Service Club President, PATH Mentor and member of the Franke Leadership Forum. To combine her interests, Emma plans to apply for a JD/MD program focusing on healthcare restructuring and prioritizing underserved populations.

Kaitlyn Schammel (peer editor)

Kaitlyn Schammel is a third-year law student at the University of St. Thomas School of Law in Minnesota. Prior to law school, she graduated from the University of Minnesota-Twin Cities with a Bachelor's of Science in Business in Human Resources and Industrial Relations. Passionate about the intersection of law and labor relations/compliance, Kaitlyn hopes to pursue a legal career in furthering fair labor practices and protecting the rights of all workers.

Haylee Scibek (author and peer editor)

Haylee Scibek is a junior at the University of Connecticut School of Business. Majoring in marketing, with a concentration in social responsibility and impact in business, Haylee hopes to attend law school after graduation. She is involved in several student-organized campus clubs, and and serves as a student representative on the President's Committee on Corporate Social Responsibility. Haylee's dual passions for law and business initially drew her to FLA, and she intends to continue fighting for sustainability and increased human rights standards throughout her career.

Amina Shakeel (author)

Amina Shakeel is a rising senior at the University of Connecticut, double majoring in sociology and human rights and minoring in social impact and responsibility in business. A proponent of ethical, sustainable business practices and a prospective Peace Corps volunteer, she is primarily interested in the challenges displace people face and strengthening agency for protecting human rights. Amina advocates to the university's Student Services Committee for environmental justice and addressing food insecurity on campus, and was a research assistant this semester in the Sociology Department.

