



An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines

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Introduction

In the final quarter of 2010 the ITGLWF carried out research in major sportswear producer countries to examine working conditions in factories producing for multinational brands and retailers such as adidas, Dunlop, GAP, Greg Norman, Nike, Speedo, Ralph Lauren and Tommy Hilfiger (for a full list of the brands and retailers please see Annex 1).

The researchers collected information on working conditions at 83 factories, comprising 18 factories in Indonesia, 17 in Sri Lanka and 47 in the Philippines. In Indonesia researchers focused on 5 key locations of sportswear production: Bekasi, Bogor, Jakarta, Serang and Tangerang. In Sri Lanka researchers examined conditions in the major sportswear producing factories, mainly located in Export Processing Zones, and in the Philippines researchers focused on the National Capital Region, Region III and Region IV-A. All of the factories covered are producing

for export to the EU and North America, and many of those in the Philippines are also exporting to Japan.

Collectively the 83 factories employed over 100,000 workers, the majority of whom were females under the age of 35. This report contains an executive summary of the findings, based on information collected from workers, factory management, supervisors, human resource staff and trade union officials.

The research was carried out by the ITGLWF's affiliates in each of the target countries, in some cases with the assistance of research institutes. The ITGLWF would like to express our gratitude to the Free Trade Zones and General Services Employees Union, the ITGLWF Philippines Council, Serikat Pekerja Nasional and F GARTEKS SBSI.

The International Textile, Garment and Leather Workers' Federation (ITGLWF) is the global voice of textile, garment and leather workers. The ITGLWF brings together 217 trade unions from 110 countries with a combined membership of ten million workers.

Executive Summary

Contract and Agency Labour

The ITGLWF asked researchers in Indonesia and the Philippines to examine the use of contract and agency labour (CAL) in the sportswear sector. We use the term CAL to describe many forms of precarious work, including temporary contract and fixed-term employment, agency work, bogus self-employment, individual contracts, seasonal work, zero hours contracts, on call / daily hire and day labour.

Indonesia

Researchers in Indonesia found that a high percentage of workers, in a number of factories, were employed on short term contracts. At two factories in Tangerang, which we will call **Factory A** and **Factory B**, 80% and 50% of the workforce respectively were found to be employed on short term contracts. **Factory A** currently supplies apparel to one of the world's largest sportswear brands while **Factory B** supplies two well known US brands. The researchers also confirmed that the primary business of **Factory A** was acting as a subcontractor for a larger factory in the vicinity. In **Factory C** alone, a company which supplies shoes to a major sportswear multinational, 1,892 workers were employed on temporary contracts.

The shortest contract recorded in Indonesia was 6 months. The majority of workers employed on short term contracts had their contracts renewed between 2 and 4 times. One worker interviewed had been employed on a series of 6 month contracts at the same employer for over 5 years. It was also found that the use of contract workers was spread across most production positions and not limited to any specific role or level of responsibility.

The researchers found that the percentage of CAL workers employed at the surveyed factories has increased year on year since the implementation of Labour Legislation No.13/2003. Workers interviewed reported that management have forced

permanent employees to sign short term contracts. On average 25% of the workforce in the surveyed Indonesian factories were employed on a short term or temporary basis.

Researchers found that workers employed via private agencies were denied a number of entitlements and benefits. Workers reported that they did not receive:

- pay when taking annual leave
- separation payments at the end of the employment period
- written contracts
- sick pay

Workers told researchers that during peak season the factory would recruit permanent staff, but these workers were often fired at the end of their 3 month probationary period because the employer no longer required them. The employers would not pay minimum wage or social security provisions during this probationary period.



When comparing responses from permanent workers and CAL workers, researchers noted that contract and agency workers were more likely to be exploited by factory management, and were most likely to suffer from lower wages, forced overtime, intimidation and higher production targets.

Marisa, a worker at **Factory P** producing for a North-American luxury apparel company, told researchers:

“*Violations of labor standards is evident in the company such as non-payment of legally mandated minimum wage, especially to our co-workers who are under contractual arrangement, maltreatment of supervisors and non-payment of separation benefits.*”

The Philippines

In the Philippines researchers found that 25% of the workers were employed precariously, over one third of who were employed through a private employment agency. Other agency workers were employed through the DOLE Public Employment Services Office. The researchers report that the percentage of the workforce employed on a contract basis has been increasing steadily year on year, in line with DOLE figures¹ which show the use of contract labour increasing by 20% in recent years.

All the casual² and short term contract workers surveyed were found to be carrying out core business activities yet were being denied regular employee status as provided for in Article 280 of the Labour Code of the Philippines. This article states that employment will be deemed regular “where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer”.

The findings also suggest that employers are systematically circumventing the law in order to avoid regularising their workforce. Researchers noted that CAL workers are denied the regular employment status automatically granted after 6 months, as they are usually let go after only 5 months. The research findings show that no casual or temporary worker surveyed was employed beyond the 6 month point, although some were rehired on new contracts. The short-term nature of their employment means that all casual and temporary workers are essentially subject to a probationary period for their entire employment period. This means that the workers are easier to dismiss and they are entitled to fewer benefits.

¹ <http://www.bles.dole.gov.ph/LABSTAT/Vol14 6.pdf>

² Filipino definition of a Casual Worker: A worker engaged to fill up a vacancy or a new position created by the absence of a prospective employee or qualified job applicant. Unlike permanent or regular employees, they are given appointments for the position for a fixed date or time only.

Workers are also unlikely to challenge management practices or raise grievances relating to working conditions as they feel that those who do so are unlikely to secure permanent employment at the end of the probationary period.

At **Factory D** in Cavite, 50% (1,500) of workers were employed on 5 month contracts. Researchers found that the company forced workers to join the in-house manpower cooperative before providing them with a new contract. This manpower cooperative was set up by the factory owner and as such contravenes Philippines Labour code provisions on contracting and subcontracting arrangements which prohibits the “Contracting out of a job, work or service through an in-house agency”.

At **Factory E** in Bataan 85% of the 1,600 employees were employed on 5 month contracts. At the end of the 5 month period workers were forced to sign a letter acknowledging that their contract had expired. They could then apply to work as an emergency worker for 15 days. If they wished to continue employment after these 15 days workers were required to submit yet another application, and were then hired on another 5 month contract.

The number of instances where such practice was documented shows that it is widely practiced. It also seems that employers are letting go of workers just before they would be granted regular employment and security of tenure as defined by the Philippines Labour Code.

The Filipino Courts have ruled as invalid the use of 5 month contracts involving workers who were performing activities usually necessary or desirable to the business. Despite this practically all of the temporary workers covered in our research were performing core duties.

³ Department Order No. 18-02 on contracting and subcontracting.

⁴ (Pure Foods Corp. vs. NLRC et al, 283 SCRA 133).

**SUPREME COURT FIRST DIVISION
G.R. No. 122653 December 12, 1997
Pure Foods Corp. vs. NLRC et al, 283 SCRA 133**

“This scheme of the petitioner (employer) was apparently designed to prevent the private respondents (employees) and the other “casual” employees from attaining the status of a regular employee. It was a clear circumvention of the employees’ right to security of tenure and to other benefits like minimum wage, cost-of-living allowance, sick leave, holiday pay, and 13th month pay. Indeed, the petitioner succeeded in evading the application of labor laws. Also, it saved itself from the trouble or burden of establishing a just cause for terminating employees by the simple expedient of refusing to renew the employment contracts.

The five-month period specified in private respondents’ employment contracts having been imposed precisely to circumvent the constitutional guarantee on security of tenure should, therefore, be struck down or disregarded as contrary to public policy or morals.

To uphold the contractual arrangement between the petitioner and the private respondents would, in effect, permit the former to avoid hiring permanent or regular employees by simply hiring them on a temporary or casual basis, thereby violating the employees’ security of tenure in their jobs.”

Trade union rights

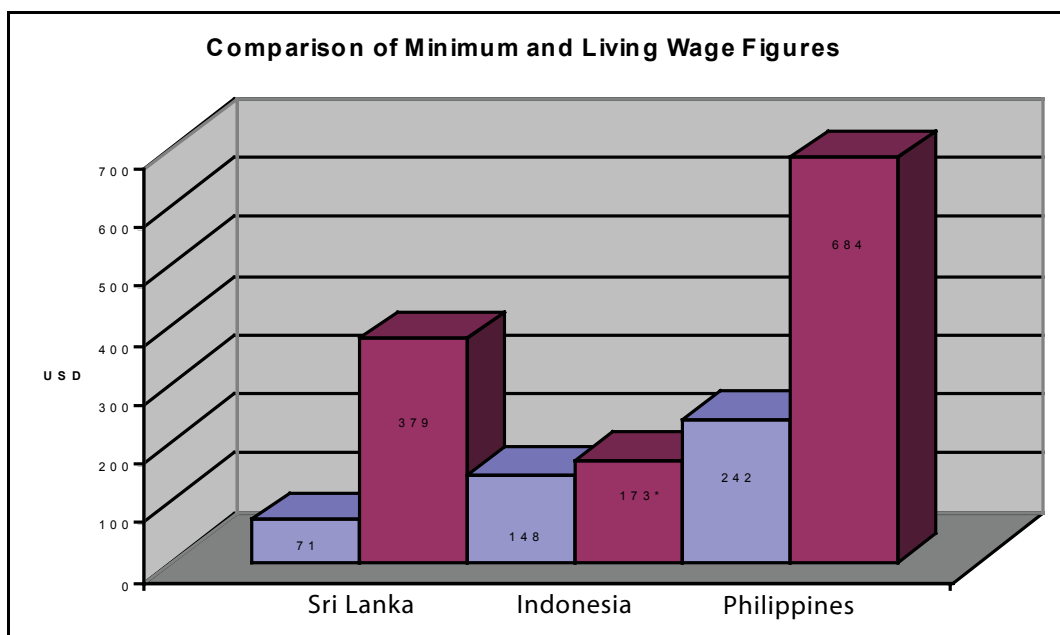
In both Indonesia and the Philippines researchers found that the vast majority of CAL workers were not members of trade unions. The main reason for this was fear that if management and employers found out about their union membership they would not have their contract extended. This seems to be a justified concern as trade unions confirmed that the majority of CAL workers they recruited did not have their contract renewed.

Such practices are in direct contravention of international labour standards, and the 350th report of the Committee on Freedom of Association clearly states that the non-renewal of a contract for anti-union reasons constitutes a prejudicial act within the meaning of Article 1 of ILO Convention No. 98.

It states: “The Committee emphasizes that all workers, without distinction whatsoever, whether they are employed on a permanent basis, for a fixed term or as contract employees, should have the right to establish and join organizations of their own choosing”.

Wages

Not one of the 83 factories covered by our research paid a living wage to workers. In fact many of the factories employed workers on less than the legal minimum wage.



* The figures in the table above represent monthly payments. The living wage figure for Indonesia is from 2009. All other figures relate to 2010⁵.

⁵ There are regional variations in minimum wage levels for Indonesia and the Philippines. The minimum wage figure for Indonesia is the highest regional figure, the figure for the Philippines is the average of the minimum wage for the three regions of intervention, which includes the highest national minimum wage figure for the NCR region.

Sri Lanka

In Sri Lanka researchers recorded that wages are based on productivity targets despite Sri Lankan law clearly stipulating that workers should be paid based on the number of days worked as opposed to the number of items produced.

At **Factory F** in Girigara workers had their basic pay cut if they did not achieve the targets set unilaterally by management. At another factory owned by the same company, **Factory G** in Katunayake, workers did not receive any incentive pay unless the entire quota was reached. However, workers reported that the targets set unilaterally by management were impossible to meet and thus they never received any bonus, even when denying themselves toilet breaks and rest periods in an attempt to reach their target.

At **Factory H** and **Factory J** workers were forced to work unpaid overtime until they met the productivity targets set by management.



Indonesia

In Indonesia researchers found that 2 factories, **Factory K** and **Factory L**, employed workers on substantially less than the minimum wage on the basis that a loyalty bonus would be paid at the end of the workers' service. Researchers found that workers would have to work 15-20 years to achieve a loyalty bonus sufficient to make up for their illegally low wages. However, workers interviewed at these two companies stated that no worker had ever received these payments. The research found that only management and supervisors were paid loyalty bonuses.

Researchers also reported that shop floor managers and supervisors at these two factories were paid target bonuses when quotas were reached. Financially rewarding shop floor managers and supervisors based on output undoubtedly contributes to the widespread abusive treatment of rank and file workers who reported being put under huge pressure, including being forced to work overtime, to meet targets. As noted in the section on forced overtime below workers at **Factory K** were forced to work up to 40 hours overtime per week to achieve targets.

Across the board there were large discrepancies in wages and benefits between those employed on permanent contracts and those employed on fixed-term contracts or via agencies. Researchers found that CAL workers were significantly worse off: the basic wage for CAL workers was at least 10% less than for permanent workers and in some cases as much as 15% lower.

The researchers found that employment agencies were taking a cut of at least 10% before paying agency workers their wages, meaning that many of these workers were actually receiving less than the legal minimum wage.

In **Factory K** in Jakarta workers' pay slips displayed that the company had made deductions for social security (Jamsostek payment) each month for the period September – December 2010. However, researchers found that the factory was not passing on these social security contributions for the workers, leaving workers without a social safety net in the event they became unemployed.

One worker producing at a factory in Tangerang, Indonesia that is currently supplying apparel to a major sports brand explained how the money she earns even with overtime is not enough to meet her basic needs.

“ Each month I am paid a wage including overtime of IDR 1,541,000 (USD 171) whereas my routine expenditure each month is IDR 1,747,500 (USD 194). Nearly every month I go into debt by IDR 206,500 (USD 23) even though I limit what I spend by decreasing the quality and quantity of things which we need as a family. ”

The Philippines

In the Philippines 30% of the workers surveyed were paid less than the legal minimum wage. The majority of workers were paid their wages through their ATMs (75%), others were paid in cash.

At **Factory M** due to the poverty wages workers regularly faced cash shortages at the end of the month. Management and employment agencies offered short term cash loans at 7% interest per month payable in 6 months. In return the worker would provide the person with their ATM card and pin number. On pay day whoever advanced the loan would withdraw the employee's wages and deduct the amount owed to them.

The researchers in the Philippines also found that there was considerable gap in pay between permanent workers and CAL workers. Casual workers were paid as little as 33% of the salary paid to permanent workers, while contract and agency workers were paid as little as 40% of the rate paid to permanent workers.

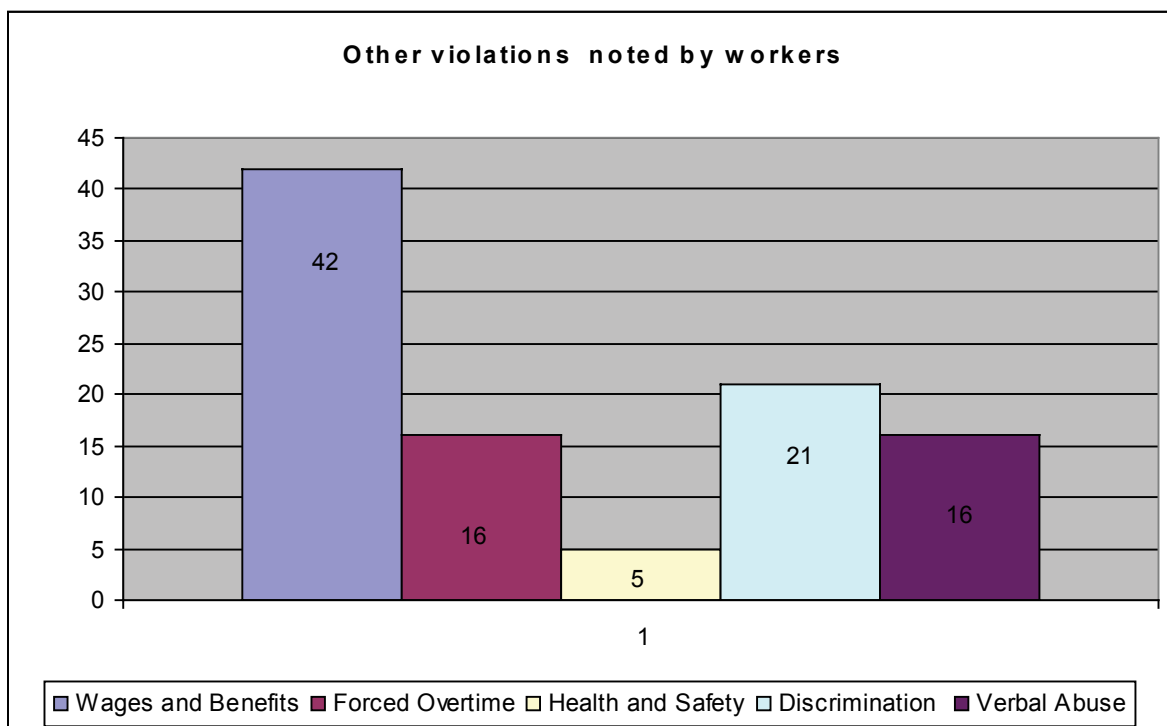
Only two-thirds of workers were paid for working rest days in accordance with the law. 29% did not receive any compensation for working on their days off and 5% received payment which fell short of the legal requirement.

At **Factory O** casual workers received no overtime payment at all, even though they were forced to work overtime on a daily basis.

Working conditions in the Philippines

In Factory D workers were forced to pay a monthly levy to management if they wanted access to drinking water.

Other concerns expressed by workers in the Philippines related mainly to the non payment of wages and benefits, the use of forced overtime and occupational health and safety issues.



Freedom of Association

Sri Lanka

Sri Lanka has ratified ILO Conventions 87 and 98 on Freedom of Association and Collective Bargaining, yet in spite of this very few workers in the apparel sector are employed in an environment where these rights are respected. Sri Lanka's apparel industry is comprised of 250 factories yet there are only 4 collective bargaining agreements.

To gain a better understanding of barriers to freedom of association the researchers examined the use of Employee Councils (ECs) in Export Processing Zones (EPZs).

ECs were established in the mid 1990s to replace Joint Consultative Committees (JCCs). The EC model is based on a set of guidelines drafted by the Sri Lankan Board of Investment (BOI). These guidelines were drafted by the BOI with input from employers based in the EPZs. There was and continues to be no consultation with trade unions on the terms of these guidelines.

In accordance with the BOI guidelines an EC consists of a body of between 5-10 workers, elected by secret ballot, and who are responsible for the representation of collective bargaining and the settlement of industrial disputes. Eligible members are non-management / supervisory personnel employed by the factory. They are provided with 2 hours per month to carry out their functions. There is no fee for members, and employers fund the EC and its activities.

Employers and the BOI argue that these ECs meet the criteria laid down in ILO Convention 87 on Freedom of Association. However, the ILO recommended a number of changes to the guidelines in 2003 following a complaint by the ITGLWF and CMU⁶ some of which were introduced but others, which would have provided trade unions with similar rights, were ignored. Despite this however, the Sri Lankan authorities have continued to recognise ECs as legitimate forms of worker representation and have actively promoted their use to prevent the establishment of independent and democratic trade unions.

In order for a trade union to receive automatic recognition in a factory it must first organise 40% of the workforce, as per the 1999 amendment to the Industrial Disputes Act introduced by the Government of Sri Lanka. This is an excessively high target particularly given worker reports that management actively discourage EC members from attempting to form or join a trade union.

If a trade union is able to organise 40% of the workforce it is required to inform employers and employers tend to immediately challenge this assertion. The resolution mechanism defined in the Industrial Disputes Act states that the Commissioner for Labour must hold a referendum whereby the workers vote to say whether they are members of a trade union or not, thus establishing the unionised percentage of the workforce. The experience of the FTZ&GSEU is that the Commissioner for Labour moves extremely slowly when organising this referendum, which facilitates union busting activities. The FTZ&GSEU officials and members have direct experience of these activities, such as verbal abuse and discrimination. This intimidation leads to some workers giving up their union membership and makes it very difficult for unions to maintain the 40% membership threshold defined in the guidelines.

Another and deeply troubling way in which employers have prevented trade unions from organising is by securing recognition for their EC as a trade union.

The workers interviewed by our researchers feel that the ECs do not provide for democratic representation of workers. Furthermore, some employers are even failing to meet their obligations under the EC Guidelines, for example at 11 of the factories for which the trade union could secure information not one held elections for the EC by secret ballot. In addition the BOI did not monitor any of the elections that took place at these 11 factories.

The workers interviewed also reported that worker representatives are selected by management who choose their favourites or workers they are confident can be forced to support their positions. It was reported that employers provide these workers with extra benefits and privileges in order to retain their support.

⁶ [http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=sstatus01&textbase=1313&chapter=3&query=\(Sri+Lanka\)%40ref&highlight=&querytype=bool&context=0](http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=sstatus01&textbase=1313&chapter=3&query=(Sri+Lanka)%40ref&highlight=&querytype=bool&context=0)

The researchers found that the workers had a very low awareness of the BOI guidelines on ECs. The workers also reported that because of the nature of ECs there is little transparency or communication with the workforce. Once an EC is created workers are not informed of issues arising or discussions which take place. The workers also stated that they have no way in which to raise problems or concerns with the ECs.

Workers also reported that management or factory owners set the schedule and agendas of the meetings and that any discussion on wages, hours of work or working conditions tends to be prohibited. In the ECs analysed management were willing to deal only with the most marginal of work related issues.

A large Sri Lankan-owned group of companies with a broad portfolio of European and North American clients display a clear disregard for workers' rights to freedom of association. The **Factories F, Q, R, T, U, V and X** prohibit trade union representation and even fail to meet the BOI guidelines on the use of ECs. Instead this group maintains the old JCC structures which should have been replaced in 1995. The workers at these factories would only agree to be interviewed once given a clear statement that their identity would be kept secret as they feared employer reprisals for talking to trade union officials. Some of the issues that arose in the interviews included prospective female employees being forced to take pregnancy tests, forced overtime in excess of 100 hours per month, injured workers received no pay for leave taken to recover from workplace injury, victimisation and harassment of workers attempting to join a union, and no secret ballot when electing EC members.

The FTZ&GSEU began an organising campaign in the Katunayake EPZ at Factory N. Once management learned of the organising drive it paid union members to leave the company and placed anti-union representatives on the employees' council to completely eliminate the workers' opinions.

Indonesia

In Indonesia the researchers reported that while trade unions represented workers in the majority of the factories surveyed, all factories had taken anti-union measures to interfere with their activities. Most trade union officials reported that they were denied access to office space, refused allocated time to participate in trade union activities and that they were given unrealistically high production targets to deny them any time at all to carry out union duties. In many factories management simply refused to engage with trade union representatives.

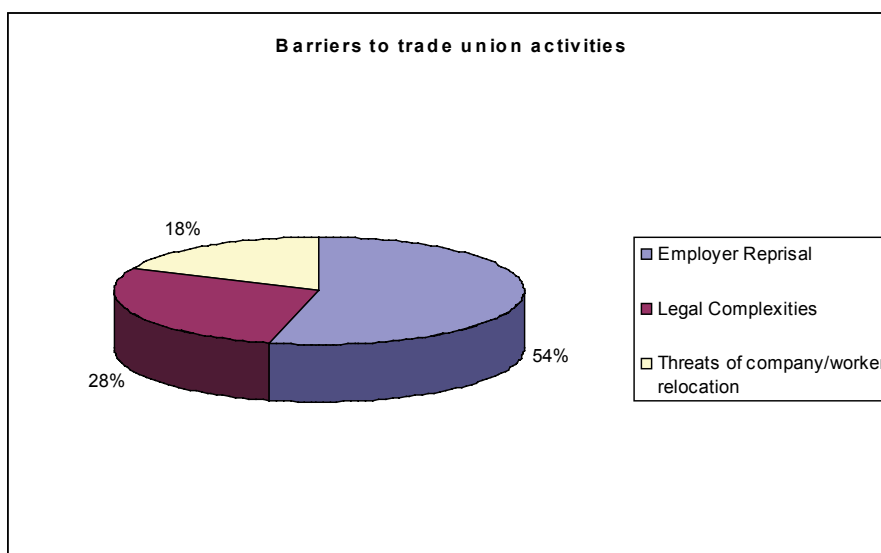
As a result of excessive working hours, including forced overtime, workers themselves had very limited time in which to engage in personal activities and employers refused to allow workers time off for union activities.

The union officials also expressed concern that employers are using CAL workers to undermine unions, as CAL workers who became union members were subject to intimidation, dismissed or denied the opportunity to have their contract extended so as to send a clear message to workers that union membership was not supported by management.

The Philippines

In the Philippines fewer than half of the surveyed factories had a trade union presence. Researchers asked trade union officials to state the main barriers to union activities. The main reasons cited by the union officials were fear of employer reprisal, legal complexities, and threats of company or worker relocation.





At just under half the factories researchers recorded the use of management-influenced worker representation bodies including labour management councils and employee cooperatives.

Of the 48 workers interviewed by the researchers 2 had suffered abuse as a direct consequence of their union membership, while 6 workers had suffered abuse when they highlighted the terms of the collective bargaining agreement with management. Over 60% of the workers interviewed did not understand or were not fully aware of the right to freedom of association.

Researchers also found that employers would go to significant efforts to prevent trade unions organising their workforce. At **Factory O** the union successfully organised a sufficient number

of workers to meet the requirements to bargain collectively with the employer. The employer reacted by pursuing a sustained campaign of harassment against union members culminating in the employer closing the factory and terminating the employment of 800 workers with immediate effect. A case is now pending with the Labour Court.

In response to being asked to describe the main barriers to improving conditions in the workplace workers replied that the barriers are: employers engaging in anti-union behaviour; employers refusing to uphold CBAs; new supervisors and managers' lack of understanding of CBAs; low awareness of worker rights and lack of worker representation. The most common solution to these problems suggested by the workers was unionisation of the workforce.

Excessive and Forced Overtime

Indonesia

In Indonesia Labour Legislation No 13/2003 states that 40 hours per week is the standard working week. Article 78, section 1, of the code states that overtime cannot exceed 3 hours per day or 14 hours per week.

Researchers found that excessive overtime was the norm in sportswear and leisurewear factories, with workers in all factories surveyed doing between 10-40 hours of overtime a week. **Factory K** had the highest levels of forced overtime with workers stating that they were routinely forced to work 40 hours overtime per week. Workers in all factories reported that overtime levels increased as deadlines approached, at which times overtime of

between 35 and 40 hours a week were the norm.

Workers reported that those who fail to meet production targets were sometimes subjected to mental and physical abuse. A recent incident in **Factory K** involved 40 workers being locked in an unventilated room without access to toilet facilities, water and food for over 3 hours as a punishment for failing to reach their production targets. Researchers were told that this type of behaviour was used by management to ensure workers met their targets in the future, and that sometimes an entire production line would be locked in the room for failing to meet targets.

Workers who were interviewed as part of the

research stated that they felt they had little choice but to work overtime, firstly because the minimum wage was not enough to cover basic living costs and secondly because if they refused they risked their employment being terminated.

Sri Lanka

In Sri Lanka following a change of Government in 2001 the legal provision relating to overtime was amended in 2002. The 1942 Ordinance had capped overtime at 100 hours per year.

The new Ordinance from July 2002 states:

1. Notwithstanding the provisions of this part relating to the hours worked and periods of employment, pressure of work in factory may be dealt with by the overtime employment of women and young persons who have attained sixteen (16) years of age but have not attained eighteen (18) years of age.

Provided that the overtime worked by a woman shall not exceed in the aggregate sixty (60) hours in any calendar month and overtime worked by a young person who have attained sixteen (16) years but have not attained eighteen (18) years, shall not exceed in the aggregate fifty (50) hours in any calendar month.

This new amendment also dropped the word "voluntary" from the ordinance on overtime, which unions believe has exacerbated the problem of forced overtime. This also contradicts international labour standards which state that overtime must be voluntary.

Interviews with workers revealed that a number of companies were forcing workers to work overtime.

At **Factory F** workers stated they were forced to work overtime of between 90-100 hours per month. The workers had to get prior approval from management before leaving the factory if they did not agree to work overtime. Workers said anyone who requested to leave would be denied and that management would verbally harass the worker for asking to leave. The workers noted that overtime worked was recorded on two cards - one white and one yellow. The workers believe that management did this to mislead inspectors.

At **Factory J** workers reported that they work between 100-130 hours overtime per month. Again those who refused to work overtime were subjected to verbal harassment and abuse by supervisors and management.

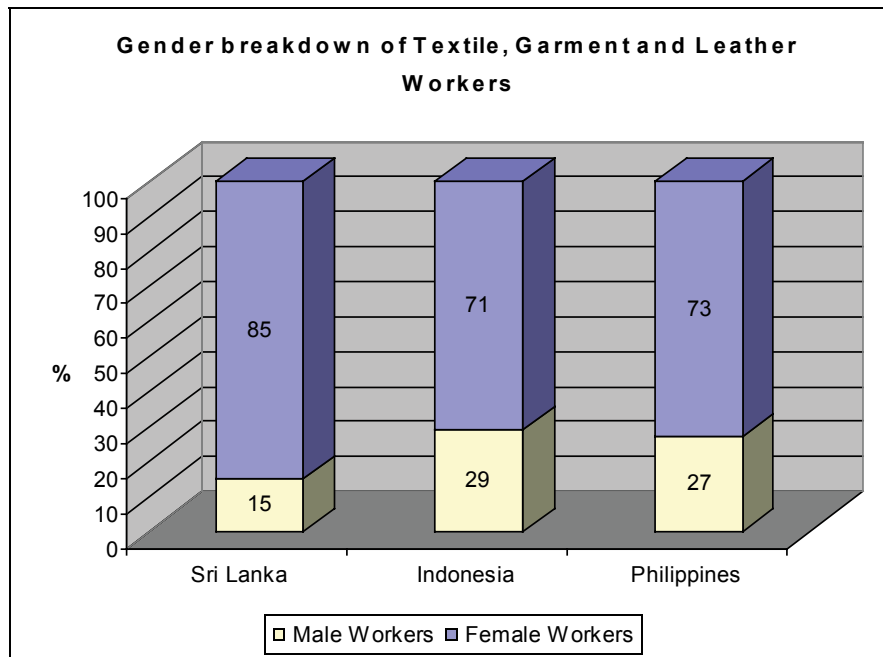


The Philippines

In the Philippines researchers recorded that 24% of the workers interviewed received no additional pay or did not receive the legal minimum compensation for overtime work. As in Indonesia workers reported that when deadlines approached forced overtime hours increased dramatically. 6% of the workers interviewed reported that they received no compensation at all for the overtime they worked. 18% received payment for overtime, but not the premium rates provided for by Filipino law.

The majority of workers interviewed worked at least 2 hours overtime per day, with many workers also forced to work rest days. At **Factory O** the standard working day is 12 hours, from 06:00 to 18:00 but in the run up to deadlines workers were forced to work an additional 2 hours per day. If a worker was unable to work overtime they are required to find someone who will work the period for them. If they do not they face being reprimanded by management.

Gender Issues



Sri Lanka

In Sri Lanka 85% of apparel workers in the EPZs are female, mostly aged between 18 and 35. The majority of these workers come from rural areas in order to earn an income source for marriage and family costs. They are largely unaware of worker rights and labour legislation.

In interviews workers revealed that gender discrimination is common in sportswear and leisurewear factories. They said that:

- During the recruitment process management stated that they prefer workers not to marry.
- 4 companies carried out pregnancy tests and pregnant workers were not recruited.
- Workers who are up to 7 months pregnant were required to continue carrying out the full range of job tasks, without consideration given to the health of the workers and the child.
- Sexual intimidation or abuse was common.
- 2 of the 17 companies banned relationships between co-workers. Other workers reported that in some companies if 2 workers marry, one must leave their employment.

- In some cases workers were prevented from seeing their partners. Workers believe management do so because they fear employees might get pregnant and that the company would have to pay maternity leave.
- Extremely low wages in the sector impacts workers' ability to consider marrying and starting a family.

The Philippines

In the Philippines 60% of the workers surveyed were female. All of the interviewees were asked about maternity and paternity rights.

14% of workers said their employers do not follow the law with respect to paid paternity leave. 4% of workers reported underpayment of maternity pay and 4% said they have no maternity leave benefits at all.

A staggering 83% of companies did not provide single parent leave, as provided for under the Republic Act 8972 which states that single parents must be provided with 7 days additional leave every year because of the extra duties of single parenting.

The researchers also asked workers for information on sexual harassment in the workplace. 33% of workers stated that there was neither a policy posted in the workplace nor any code of decorum or grievance mechanism. Only 3% of workers surveyed stated that they knew of a sanction being imposed for sexual harassment.

Conclusion

While this report gives a summary of the findings from research into working conditions in factories in Sri Lanka, Indonesia and the Philippines, there is no reason to assume that the situation in these three countries is worse than those in other sportswear producing countries.

The factories covered in this research were chosen at random, yet the findings indicate that widespread violations and abuses of workers' rights continue to be the norm in the industry. Little wonder that the reputation of the sector has suffered to such an extent that employers in many countries find it increasingly difficult to recruit and maintain employees.

Employers who benefit from underpaying workers, from forcing workers to do overtime, and from repressing the fundamental human right to freedom of association must be held to account, both by government and by the multinational brands who generate huge profits from the labour of these workers.

At the same time governments and brands must reflect on their own policies and practices.

Workers in the sportswear and leisurewear industries work long hours, under huge pressure, to meet production targets. Yet it is often impossible for these workers to provide even the basics for themselves and their families. Governments everywhere must take immediate action to ensure that minimum wages are living wages.

The widespread use of forced and non-remunerated overtime points to a failure by brands to ensure that the volume and the price of goods agreed with their supplier can be delivered within legal boundaries.

The fact that this report has uncovered a litany of unaddressed abuses highlights that under-funded government labour inspections and expensive auditing programmes are failing to uncover true working conditions. Monitoring cannot happen in a snap-shot way, it has to be worker-led and sustainable. The most effective way of doing this is with the full involvement of trade unions who are elected to act as the collective voice for workers.

Efforts to achieve ethical conditions must have workers, and their unions, at their centre. The continued failure to recognise this is likely to make the path to decent work never-ending.

Annex 1

List of brands currently sourcing
from the 83 factories covered
by our research

Abercrombie & Fitch	Adeeba
Adidas	Athleta
Ann Taylor	AX
Banana Republic	Billabong
Bon Marché	Calvin Klein
Champion	Columbia
Converse	D&D Shirts
Dickies	DKNY
Dunlop	Espirit
Express	Fairtrade
Fila	Forever 21
GAP	Gemona
Greg Norman	GT
Jansport	JC Penny
Kelty	Konkep
Land's End	Levi's
Li & Fung	Macy's
Marks and Spencer's	Mizuno
Mountain Hardware	Nautica
NEXT	Nike
Nordstrom	Old Navy
Polo Jeans	Puma
Ralph Lauren	Reebok
Slazenger	Solomon
Speedo	Tesco
Triumph	Tommy Hilfiger
The North Face	Victoria's Secret
Wal-mart	Wanjielong
Wood Bank	WSN Phils
YM3	York AC

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