



WHO MADE MY CLOTHES?

The truth behind fast fashion

Contents

| | | | |
|--|---|---|----|
| The situation | 3 | How did our clothes end up being manufactured overseas? | 9 |
| Big issues facing the fashion industry | 4 | How does our supply chain work? | 10 |
| How much do garment workers make? | 5 | How the purchasing practices of brands play a role | 11 |
| Rabeya's story | 6 | The life of a garment worker: Rumi's story | 12 |
| What's the impact? | 7 | What's the solution? | 13 |
| Snapshot of Australia's fashion industry | 8 | | |



Garment worker Sabina cuts over 2000 shirt collars a day. After sending money home for her three children and paying bills she is left with nothing. Dhaka, Bangladesh.

Photo: Fabeha Monir/Oxfam

THE SITUATION

What in our life makes us unique but also unifies us at the same time?

Clothing!

Regardless of whether we love or hate fashion and shopping, we all wear clothes.

Our sense of style can be unique, showcasing our personality; it can also signify a stage in our life, our upbringing, our aspirations or values.

A wedding dress, for example, can mark a special day in our lives. Clothing can also mark sadness, with people wearing dark or special colours at funerals, based on the traditions of their culture. Many factors influence our choice of clothing, including the weather, the natural environment, our hobbies, work, family, religious beliefs and the social and cultural environment in which we live.

But there is a big problem with Australia's fashion industry.

And not only **our** fashion industry, but the entire global fashion industry.

Big brands are keeping the women who make our clothes living in poverty.

Despite long hours away from their families, working full time, plus many hours of overtime, garment workers are not paid enough by big clothing brands to cover the basics of life. Food, housing, healthcare, clothing, transportation, utilities and other essential needs – including money that can be put aside for unexpected events – are the basic elements of a 'living wage'.

WHAT IS THE EXTENT OF THE GLOBAL PROBLEM?



MORE THAN ONE-QUARTER

OF VIETNAMESE WORKERS REPORTED THAT THEY CONSTANTLY FEAR LOSING THEIR JOB



IT WILL TAKE A GARMENT WORKER

70 YEARS

TO EARN WHAT A FASHION CEO MAKES IN A WEEK



INCREASING THE RETAIL PRICE BY

JUST 1% ON AVERAGE

IS ENOUGH TO SUPPORT A LIVING WAGE FOR THE WOMEN WHO MAKE OUR CLOTHES

Source: Oxfam

Big issues facing the fashion industry

The Australian clothing industry, its global counterparts and the women who make our clothes face three critical issues:

1. Lack of transparency
2. Poor working conditions
3. Low wages

A lack of transparency refers to a lack of honesty by many clothing brands when it comes to publishing crucial information about how and where their clothes are made. This is a big problem for consumers who want to know about the clothing supply chain and who made their clothes.

The clothing supply chain refers to connections between the source of raw materials, the factories where materials are made into garments, and the distribution network by which clothes are delivered to consumers. The clothing industry is one of the most globalised industries in the world, spanning from fibre to yarn, to fabrics and accessories, to garments and on to trading and marketing.

Without transparency, there is no way to accurately answer these questions for any given piece of clothing:

- Who made this?
- Where do these workers live?
- How much were they paid?
- What were the working conditions in the factory? For example, were these women given lunch and rest breaks? Was their factory a healthy and safe working environment, including being safe from injury? Were workers' rights respected?



Transparency is at the core of these questions – and of ethical fashion.

Many Australian brands don't publish their complete factory list on their website. Even worse, some brands don't even know what their entire supply chain looks like. This is a result of subcontracting, as well as not investing the time and energy to find out where their clothes come from.

This lack of transparency keeps the women who make our clothes invisible. It prevents the supply chains of Australian brands from being thoroughly checked and investigated, allowing poor workplace practices to thrive. Major companies could be selling clothes that have been made by people in physical danger, or who cannot afford to eat, go to the doctor, buy medicines or send their children to school.

It also keeps consumers in the dark.

The clothing industry is plagued by some of the worst conditions for workers, most of whom are women.

In April 2013, the Rana Plaza building in Dhaka, Bangladesh, which housed five garment factories, collapsed. At least 1,134 people were killed and more than 2,500 were injured.

Following this tragedy, there has been pressure for companies to sign the Bangladesh Fire and Building Safety Accord. The Accord is an independent agreement designed to make all garment factories in Bangladesh safe workplaces. Since 2013, more than 160 companies have signed the Accord, including major companies with a presence in Australia, such as Cotton On, Kmart, Target, Forever New, City Chic, Woolworths, Hanes and Mosaic.

But signing the Accord is just the first step.

Australian brands still need to tackle low wages and a lack of transparency, while maintaining their commitment to better working conditions.

How much do garment workers make?

The global estimated average wage of a garment worker is just \$298 per month.¹

In comparison, the average Australian worker earns about \$7,669 per month² and collectively we spend \$20.4 billion a year on fashion.³

Research shows that right now, just 40 cents of the price of a \$10 t-shirt goes to the worker who made it. This is less than 5% of what you pay at the register.

Australian brands are an integral part of the system that keeps these women trapped in poverty. These brands can and must enable workers to lift themselves out of poverty. They can do this by ensuring that the factories they engage pay their workers a living wage. This change will allow them to buy nutritious food, live in decent housing, send their children to school and receive healthcare when they are sick.

A living wage for a worker earned over no more than 48 hours per week should provide their family with:

- Clothing
- Education
- Food
- Healthcare
- Housing
- Savings
- Transportation
- Utilities

**THE WOMEN IN BANGLADESH
WHO MAKE OUR CLOTHES
GET PAID AS LITTLE AS**

\$173 PER MONTH

**WHICH IS LESS THAN THE
AVERAGE AUSTRALIAN FAMILY'S
WEEKLY GROCERY SPEND.**



Source: Oxfam Australia

All monetary figures are expressed in Australian dollars unless otherwise stated throughout this report.

1. S. Ganbold, Dec 14, 2021 <https://www.statista.com/statistics/1281264/average-monthly-wage-garment-workers-asia/>

2. Average Weekly Earnings, Australia, May 2022 | Australian Bureau of Statistics (abs.gov.au), converted by Oxfam from weekly to monthly

3. Australian spending habits - Moneysmart.gov.au

RABEYA'S STORY

In Bangladesh, Rabeya advocates for the rights of workers to organise, earn better wages and improve their working conditions.

She works as a trade union leader at Jatio Sromik Jot, a national trade union federation, and as a trainer at Karmojibi Nari, a non-profit women-led workers' organisation.

Rabeya sees firsthand the tremendous pressures workers are under – from being deprived of wages, to enduring verbal abuse, to lacking access to drinking water, fresh air and basic safety equipment. As a result, garment workers are suffering a variety of health problems such as headaches, body aches, mental health issues and tuberculosis.

While there is still a long way to go, Rabeya has seen some positive changes in building safety and working conditions since the Rana Plaza disaster. She believes a well-run trade union, as well as ensuring fundamental rights – such as a fair wage, maternity leave and sick leave – before any orders are taken from international brands, are critical in maintaining workers' rights.

"If the workers feel good, the quality of work will be good and the buyers will be happy and the owners will get more buyers; so, it's a win-win situation for everyone," Rabeya says.



Dhaka, Bangladesh: Trade union leader Rabeya, who advocates for improved working conditions for the women who make our clothes.

Photo: Mohammad Rakibul Hasan/Oxfam.

What's the impact?

Low wages and poor working conditions have many impacts on the women who make our clothes.

Physical

- Poor nutrition, including low iron caused by the inability to afford enough food.
- Long working hours, which make it difficult to see a doctor when sick.
- Lack of money to pay for a visit to a doctor.
- Limited access to running water and clean toilets.

Mental & social

- Poor sleep from long work hours.
- Risk to children's education, with children frequently dropping out of school at a young age to help earn money.
- Family separation. Parents need to work long hours to make enough money, and children sometimes need to live with extended family.

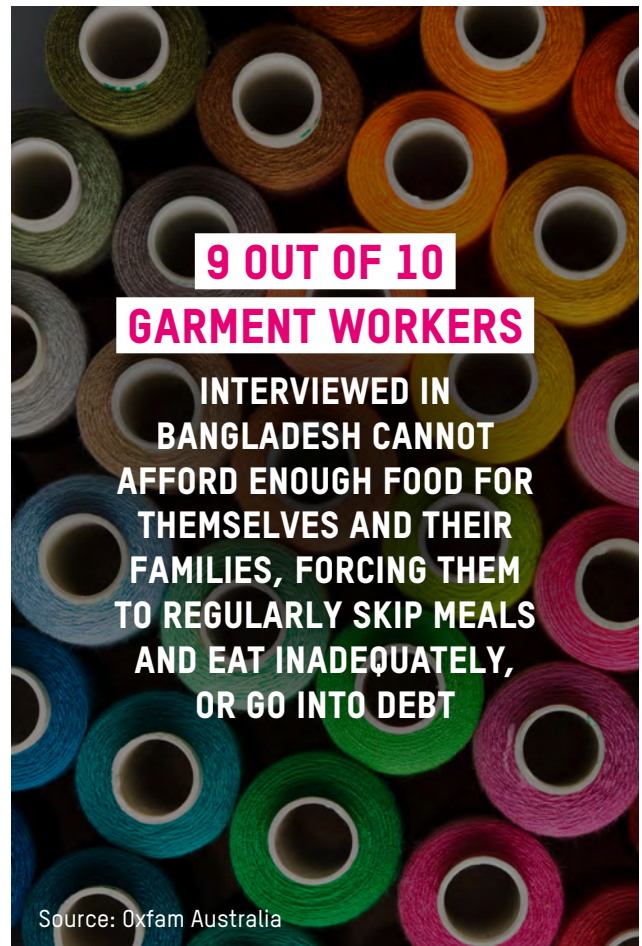
Economic

- No savings to fall back on for emergencies.
- Difficulty affording running water or a toilet at home.
- Being trapped in a cycle of poverty.

Persistent low wages lead to excessive work and overtime, trapping workers into a life of poverty and poor wellbeing.

Their life and livelihoods will be adversely impacted by:

- Insufficient rest
- No time for recreation
- No time to care for children
- Inappropriate housing



- Inadequate food
- Poor health
- Lack of, or no, education and skills
- No savings
- No, or limited, capacity to absorb financial shocks

And at work, they will be affected by:

- Job insecurity
- No time or choice
- Restricted freedom of association
- Poor health
- Poor safety and security
- Poor wages and wage cuts
- Unforeseen loss, accidents and injuries
- Absenteeism
- Low productivity
- High turnover

Snapshot of Australia's fashion industry

In FY 2021, the Australian fashion industry contributed approximately \$27.2 billion to the nation's economy.⁴

Yet a system of entrenched exploitation, coupled with the widespread practice of paying low wages, denies the workers who make our clothes the opportunity of a decent life.

Currently, a few major players dominate the Australian fashion industry. **Companies with retail shops** (both bricks and mortar and online) **include:**

- Cotton On (includes Supré and Factorie)
- The Just Group (includes Dotti, Just Jeans, Peter Alexander, Portmans & Jay Jays)
- Sussan (includes Suzanne Grae & Sports Girl)
- Country Road (includes Witchery, Trenergy, David Jones & Mimco)
- Spotlight (includes Anaconda, Mountain Design and Harris Scarfe)
- Mosaic (includes Millers, Noni B, Rivers & Katies)
- Factory X Retail Group (includes Gorman and Dangerfield)
- Fast Future Brands (includes Valley Girl and TEMT)
- City Chic (owned by CCX)
- Lorna Jane Active Living
- General Pants. Co.
- Glue

Australia also has a few larger retail groups:

- Myer
- Westfarmers (includes Kmart, Target, Bunnings and Work Wear)
- Woolworths Group (includes Big W)
- Best&Less
- David Jones

International brands in Australia include:

- H&M
- Zara
- Kathmandu
- Uniqlo
- lululemon

E-commerce/Online brands (mix of Australian and international brands):

- ASOS
- The Iconic
- Shein
- Showpo
- Boohoo.com



4. <https://www.statista.com/statistics/1263626/australia-economic-contribution-of-fashion-industry-by-activity/>

HOW DID OUR CLOTHES END UP BEING MANUFACTURED OVERSEAS?


Historically, local seamstresses or tailors would make people's clothes. As industrialisation took hold, the popularity of ready-made garments rose. Machines replaced hand labour, and the invention of spinning wheels, looms and sewing machines revolutionised all aspects of clothing. Quick, easy and less expensive manufacturing led to the ability to manufacture high volumes of clothing. In addition improved, cheaper transportation meant clothing could be distributed far and wide, and at a reasonable cost.

Since the global economic crisis of the 1970s, Australia's textile and fashion production has been in decline and large amounts have been moved offshore. This trend was also seen in other industries such as car manufacturing and was further accelerated in the 1980s and 1990s with new trade liberalisation policies. It's these

policies that encouraged globalisation⁵ and alongside the 1991-1993 recession, a significant number of Australian garment manufacturers either shut down or shifted to cheaper overseas production and manufacturing.⁶

During the 21st century another major shift has taken place, this time towards online retailing. In addition to their physical stores many brands also started selling online, some exclusively (The Iconic is a popular example). This shift to online was further cemented during the COVID-19 lockdown periods when e-commerce stores provided the only retail opportunities available to many Australian consumers.

While these major shifts explain how our clothes ended up being made overseas, they do not explain why the women who make our clothes are often not paid a living wage, and why they frequently suffer poor working conditions.



Cox's Bazar, Bangladesh: Women at an RW (Rights for Women) Welfare Society women's centre learn to make clothing.

Photo: Fabeha Monir/Oxfam.

5. Weller 2007, pg.1-3

6. Ibid, pg.4

How does our supply chain work?

It's important that we understand how our clothes are distributed from factories around the world to our favourite clothing stores.

1 Growing, ginning, trading

Ginners are people that receive cotton from multiple growers and separate the seeds and hulls from the cotton fibre. Ginners sell cotton fibres to the global market through traders.

2 Spinning, knitting/weaving, dyeing

Spinners use cotton or synthetic fibres from a variety of origins and sources to produce yarn; fabric mills produce fabric and dyers add colour to the fabric.

3 Cutting, sewing, trimming

Garment factories cut and sew fabric and add trim to make garments.

Garment factories that lack in-house capacity for some processes subcontract them to other factories.

4 Warehouse/shipping

Garment factories ship garments to the brands that place the order.

5 Retail

Brands distribute garments to retail and online stores.

Consumers purchase the garments from stores or online.

Why is the situation the way it is?

Poor purchasing practices have been influenced by greed and economic disadvantage.

Even back in the late 1800s, the women who made our clothes were often underpaid and working in poor conditions.



For example, many of the early clothing factories in Victoria, Australia, were overcrowded and unsanitary. Women were often paid half the salary of their male colleagues, yet were expected to work many more hours.⁷

In 1882, a group of women who worked for Beath, Schiess and Co staged a walkout when told that their "piece rates" were to be reduced.

"Before the proposed reduction, a trouser hand such as she [Ellen Creswell] could make 25 shillings a week, but only if she took home extra pairs at night. On the new rates, she would have struggled to make 20 shillings." - An employee of Beath and Schiess

By 1913, two-thirds of all factories were located in Melbourne, mostly in clothing and textiles.

In 1950, a minimum wage was set for women workers for the first time – this was still only 75% of the male rate. In 1972, the Arbitration Commission ruled in favour of the principle of equal pay for work of equal value – a landmark decision.

Despite progress in Australia, poor manufacturing practices still exist around the world today. These conditions have been accelerated and intensified by globalisation and gender inequality.

Current conventional purchasing practices, including aggressive price negotiation, late orders, short lead times and last-minute changes to orders, put manufacturers under intense pressure. This leads to poor working conditions and low pay for workers. These poor purchasing practices by brands also lead to overtime beyond legal limits, and unauthorised subcontracting.

How the purchasing practices of brands play a role

Purchasing practices leading to pressure on time and costs include:

- Power imbalance in buyer and supplier relationship
- Poor internal communications
- Inaccurate product specifications and forecasting
- Nomination and management of material/ input suppliers
- Frequent changes to specifications for garments
- Lack of ethical criteria in contractual terms
- Lack of support to meet ethical standards
- Aggressive price negotiation
- Late orders to factories

This pressure results in the following impacts on suppliers:

- Poor employment conditions
- High worker turnover
- Unauthorised subcontracting
- Reduced productivity

- Unresolved industrial disputes and lack of grievance mechanisms
- Low wages
- In-work poverty
- Child labour
- Forced labour

These all then lead to continued exploitation of workers and weak labour marketing, which in turn affects brands and retailers with:

- Damage to reputation
- Risk of disruption to supply
- Risk of inconsistency in quality of products
- Risk of being downgraded by the Ethical Trading Initiative (ETI) and other standards

This all leads to a loss of consumer confidence, loss of market share and possible reduction in share price and profits.





THE LIFE OF A GARMENT WORKER: RUMI'S STORY

Rumi lives with her older sister and brother-in-law in Dhaka, Bangladesh, where she's been working in a garment factory for three years.

She folds and matches fabric pieces and has a target of 180 pieces per hour.

"When we meet the target, the supervisor says nothing, but if we don't meet targets then they scold us," Rumi said. "I want them to treat us better."

Continued on next page.

Dhaka, Bangladesh: Rumi works long hours in the garment factory but isn't paid a living wage to cover her basic needs. Photo: Fabeha Monir/Oxfam.

Rumi works hard in the factory and often has to wait until she has met her target before she's able to go to the bathroom.

"If I go [to the bathroom], I can't produce my target. My supervisor would scold me. After meeting the target, if I got one or two minutes' time, then I go," she said.

"I work eight hours in the factory every day. When there is work pressure, I work overtime. I work 56 hours in a week ... My salary is not sufficient ... I have two younger sisters at home. I bear their educational expense. I give them some money. I give room rent and help my sister and her husband."

Rumi's salary of 8,000 taka (AUD \$112) per month is not enough to cover her rent, food, clothes and medicine when she needs it.

"This is not sufficient for me. What I get is not enough. Our salary is not enough."

Rumi said a fairer monthly salary would enable her to live a better life.

"If I had a 23,000-taka salary, it would be better... I think a living wage is a proper payment that we should receive. With that, we could live in a good environment and live better. We could eat better. As it is, we cannot eat fish and meat in a week. Our salary is insufficient. If it increases, we could do everything better."

What's the solution?

Oxfam's "What She Makes" campaign demands big clothing brands pay the women who make our clothes a living wage, enabling them to afford a decent standard of living for themselves and their families.

Oxfam's Company Tracker rates the brands you buy on their progress towards creating a fairer fashion industry. Many of the country's biggest and most well-known brands are lagging behind, and Oxfam needs your voice.

We've made it simple for you to take action, and let brands know that you expect more from them.



Dhaka, Bangladesh: Rumi lives with her sister who is also a garment worker but she barely has enough to live on. Photo: Fabeha Monir/Oxfam.

Together, with consumers demanding action and Oxfam's direct engagement with brands, we can urge clothing companies to take the crucial next steps in creating a fairer fashion industry.

Companies need to become completely transparent about where their clothes are made.

- Transparency allows independent groups to visit factory sites and support workers in their campaigns for improved conditions.
- Garment companies need to ensure that all workers making their products receive a living wage, and that they are free to join a union and collectively bargain in the workplace.

Without full transparency about where a company makes their clothing, signing documents like the Bangladesh Fire and Building Safety Accord is the same as signing an IOU that you're never intending to repay.

Australian fashion brands have the power to lift millions of women like Parvin and Laily* (pictured), who also works in the garment industry, and their families out of poverty. This is what the women who make our clothes deserve.

Brands can and should balance the twin goals of responding to consumer demands and protecting workers' rights in factories. It is through their purchasing practices that businesses can have the most profound impact on human rights. This can only happen if brands invest in monitoring and correcting their purchasing practices, and commit to meeting industry best practice standards.

Brands need to address their poor purchasing practices, so consumers like you can purchase clothes from your favourite stores with a clear conscience, knowing that the women who make your clothes are paid a living wage in safe conditions.

Laily* works from home stitching bedding and dresses. With her income she hardly earns enough to survive. Dhaka, Bangladesh.

*Name has been changed to protect identity

Photo: Fabeha Monir/Oxfam



**WITHOUT FULL
TRANSPARENCY,**

**THERE'S NO WAY THAT PEOPLE
LIKE YOU AND I WILL BE ABLE
TO FIND OUT WHO MADE
OUR CLOTHES**



HOW CAN I HELP?

Everyone deserves to be treated fairly and to be safe in the workplace. So, whether you love clothes and are obsessed with fashion, or simply buy clothes just for their function, take some time to:

1. Research your favourite brands
2. Check if they have published their factory list
3. Ask them who makes their clothes
4. When shopping, be aware of the brands you decide to purchase
5. Visit Oxfam Australia's "What She Makes" campaign to learn more about the women who make our clothes and how you can help.
www.oxfam.org.au/what-she-makes

WWW.OXFAM.ORG.AU

You and Oxfam, tackling poverty together

