

The Effects of COVID-19 on the Textile and Apparel Value Chain

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Editorial Introduction

This paper reports on the impacts of COVID-19 on the textile and apparel value chain. It is part of the 'Strategies for improving labour condition within the Australian cotton value chain' project funded by the Cotton Research and Development Corporation (CRDC). Australian cotton is part of a long and complicated chain of networked actors who make up the global textile and apparel industry. The fibre is primarily sent to offshore facilities in the Global South for textile and garment production. From here, it is embedded in a value chain that is labour-intensive, exploitative and difficult to monitor.

This research investigates how the Australian cotton industry can influence working conditions along the textile and apparel value chain and mitigate the risk of labour abuses occurring downstream (Boersma et al., 2022). This represents a novel approach to a well-known problem. This paper reports on some of the effects of the COVID-19 pandemic on garment workers worldwide to present the opportunity for 'downstream due diligence'. The findings spotlight the need for stakeholders throughout the value chain to work collaboratively to protect worker well-being. As is argued, a wider network of actors both 'in' and 'out' of the fashion industry needs to be involved in collaborative, multi-stakeholder organising to appropriately respond to injustice in the value chain.

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Introduction

The COVID-19 pandemic brought a sudden and unprecedented disruption to global value chains. In 2020, the closing of factories, cancelling of orders and changing patterns of consumption ignited what many called a 'crisis' in the fashion industry. These events were felt by most but had a particularly calamitous effect on the lives of garment workers in the Global South. While the effects of the COVID-19 pandemic were extraordinary and continue to represent a crisis for social and human rights; the pandemic also highlighted the precarity and injustice which is a part of the ordinary and everyday structures of the textile and apparel value chain. When large corporations cancelled their orders (for products that may have already been made or shipped), they were exercising a contractual right to withhold payment which is 'enshrined in standard contracts between Global North buyers and Global South suppliers' (Pham, in press). Consequently, while the collapse of value chains during the pandemic was extraordinary, this discourse of exceptionalism should not obscure the structural inequalities which have always seen garment workers and suppliers vulnerable to human rights abuses. The language of 'crisis' which surrounded the pandemic did, however, ignite renewed attention to the moral processes of fashion production and consumption.

The global workforce for the textile and garment industries is estimated to be 75 million people, with the majority being women in the Global South. They face the special burdens of gender-based violence and harassment (Brown, 2021, p. 114). These workers are employed by 'global brands' whose headquarters and consumers are often located in the Global North. When the COVID-19 pandemic hit, these global brands cited lowered consumption rates and disrupted supply chains as justification for cancelling (and not paying for) garment production orders. In a study of 13 million workers in seven countries, the Clean Clothes Campaign (CCC) estimated lost wages to be between \$3.19 and \$5.79 billion just through May 2020. This had a dramatic effect on household income, leading to an increase in malnutrition and homelessness (Brown, 2021, p. 115). The way in which the effects of the pandemic rippled across the Global North and the Global South highlights the need for corporate, government and citizen action to enforce international standards and best practice guidelines (Sajjad & Eweje, 2021, p. 9).

Methodology

The effects of COVID-19 are ongoing, and many countries are experiencing surges, different variants and returns to lockdown, putting garment workers economically, socially and medically at risk. By extension, many of the effects of the pandemic on workers' long-term health and economic security are immense and largely unknown. The findings presented in this briefing paper are based on civil society and non-government organisations (NGO) reports publicly available in late 2021. This paper builds on the research funded by the CRDC, which reviewed the production practices and critical labour issues particular to 19 countries that manufacture textiles using Australian cotton. These are China, Japan, Vietnam, Thailand, Malaysia, Indonesia, Cambodia, Myanmar, Philippines, Bangladesh, India, Sri Lanka, Pakistan, Jordan, Turkey, Kenya, Ethiopia, Egypt and Morocco. These countries all face different social, political and economic circumstances and this paper reflects on aggregate information about the trends and impacts of COVID-19 on garment workers.

The work of international NGOs and local bodies has informed much of this research, and we continue to learn about the effects of COVID-19 on workers in the Global South by centralising the first-hand experience and knowledge of those 'on the ground'. This means that the findings in this paper are informed by information published by organisations such as Better Work, the CCC, the International Labour Organisation (ILO), Solidaridad and the Worker's Rights Consortium, who are committed to not just reporting on but providing a voice and networking support for garment workers.

Effects of COVID-19 on Individual and Public Health

COVID-19 poses a serious threat to global public health in both developing and developed countries. The countries included in this research, and those which are commonly the producers of apparel, are generally 'developing and overpopulated' (Kabir et al., 2021, p. 47). Slow preparedness towards both the identification and spread of the virus placed pressure on public health sectors. Worker access to healthcare was already a concern in the industry, and the overrunning of hospitals during the pandemic made this even worse.

National vaccine rollouts varied between countries, with some proving less effective against new strains of the virus (ABC, 2021). There are concerns about the lack of preventative health measures to protect workers in factories upon their return to work, particularly the difficulty of social distancing in the often small, overcrowded factory sites of garment production. The choice imposed on workers between income and the risk of catching the virus has an immeasurable effect on mental health, and this is an ongoing complication in the longer-term effects of COVID-19.

The disparity in access and support for public health measures worldwide was made clear through the pandemic. For example, the production of personalised protection equipment (PPE) by garment workers in the Global South (who themselves often had no access to such protections) for citizens and corporations of the Global North was treated as an 'ironic revelation' about global value chains (Pham, in press) at the same time as it was described as a swift and strategic move by factories to create jobs (Mezzadri & Ruwanpura, 2020).

Effects of COVID-19 on Economic and Job Security

The loss of jobs in apparel manufacturing was caused by several factors and continues to have a ripple effect on the longer-term economic security of workers. Disrupted access to raw materials, increased shipping costs and cancelled orders resulted in a mass loss of employment in manufacturing facilities. Millions of workers have lost or have been at risk of losing their jobs due to the disruption to global trade (CCC, 2021). This has put many in difficult financial situations and increased the burdens of debt (CATU, CENTRAL & LICADHO, 2020). Reports of the unfair termination of union-affiliated workers (CCC, 2020) and pregnant and older workers were evident (Brown, 2021, p. 115). Unpaid wages for work that was already complete was one of the most publicised issues surrounding worker rights (Khan & Richards, 2021).

As well as losing a stable income, many workers who were furloughed or lost their jobs were not paid for the work they completed or were only given partial payments on what was owed to them (Better Work, 2021). Some textile workers had access to government support payments; however, the criteria for receiving these were often high, and many workers did not receive support during the pandemic (CCC, 2020). In some countries, government support schemes were 'marred by inefficiency and corruption' and failed to remunerate workers appropriately (CCC, 2020). The future of the sector in some countries is predicted to be threatened due to ongoing political and economic tensions. However, it is estimated that other countries might see an increase in jobs and demand for labour because of this.

Effects of COVID-19 on Women and Families

In the textile and apparel value chain, women make up 80% of the labour force, meaning that they have been disproportionately affected by COVID-19 in the sector (LeBaron et al., 2021). While often in already precarious employment, women workers have faced increased job insecurities, which has affected other gender-based harms both in the workplace and at home (ILO, 2020). The gendered divisions of labour in the home means that the burden of COVID-19 on families was intensely felt by women. The closing of schools in accordance with lockdown measures placed additional work on mothers to home school and has increased the risk of child labour in some countries where the family might be desperate for additional income

at this time (GoodWeave International, 2020). The increasing demands of unpaid care and domestic labour have landed on women, and these family obligations might also present barriers to their future employment (ILO, 2020). Women with families are expected to face higher barriers to finding new employment opportunities when trying to re-enter the sector (Just-Style, 2020).

Effects of COVID-19 on Migrant Workers

Migrant workers are important to the global textile labour force (SOMO, 2016). The exploitation of migrant workers has been an ongoing concern, and this group are also experiencing greater harm associated with the pandemic. Foreign workers are often employed on short and informal contracts and were the first to lose their jobs (BHR Resource Centre, 2020). Migrant workers also face greater barriers to accessing government support payments as these are often only available for citizens. Insufficient notice of job loss, lockdown measures and limited available transport options have meant that migrant workers also face complications in trying to return to their hometowns and families when required (Pandey, 2020).

Global Attention on the Effects of COVID-19 on Garment Production

The public reporting of the effects of COVID-19 in both fashion and general media generated strong awareness and attention to labour injustices. These discussions turned to complex discourses of responsibility which asked citizens and corporations of the Global North to address their implications for the suffering of garment workers in the Global South. While ignited by the context of a pandemic, these discourses reflect more significant questions about global justice and responsibility, which are worthy of deeper attention.

Global activism campaigns sought to mobilise support around the world. Some of these campaigns took an approach to working with industry bodies to ignite corporate accountability (Global Fashion Agenda, 2021) and others engaged consumers to agitate change in the value chain (CCC, 2021). This kind of activism was essential because many companies strategically avoided and absolved their responsibilities to the people who make their clothes (Brydges & Hanlon, 2020, p. 196).

One prominent example is '#PayUp', initiated by the CCC. The #PayUp campaign urged consumers to take responsibility by holding brands to account (Khan & Richards, 2021). Consumers were asked to use social media to call on global brands such as Uniqlo and H&M to pay their workers despite cancelling their orders. Significant public pressure led some brands to commit to payments, and the campaign was a successful example of how consumers can agitate corporate responsibility.

As well as responding to the events of the pandemic, many actors in this network of social initiatives are taking a 'future-proofing' approach to address harm by working to 'rebuild structures in a more sustainable and fair way' (Solidaridad, 2020).

Global Trade Post-Pandemic

Against the background of 'supply chain bottlenecks', shortages and gridlocks (McKinsey & BoF, 2021, p. 12) and 'a secular shift in the international order towards geopolitical rivalry between the US and China' (EU Parliament, 2021, p. ix), the future of global fashion trade and the flow of garments around the world is expected to change. The disrupted access to materials, government lockdowns and political tensions of some countries will give others a 'notable advantage' for export competitiveness (Just-Style, 2021).

For textile workers, this means that the distribution of labour worldwide may shift and provide new employment opportunities. Additionally, the global push for some textile industries in the Global North to 're-shore' production has become a topical issue in recent policy debates and might serve to alter the traditional relations between the Global North and South and ignite new forms of capital flow.

Responding to the Pandemic

This paper is not exhaustive but has overviewed some of the key impacts of COVID-19 on garment workers in the textile and apparel value chain. We examined the experience of garment work throughout the pandemic in order to understand some of the key questions raised by the disruption of global value chains. Importantly, we use this to inform our response to the sector's larger ethics and sustainability challenges which have become more urgent. The research funded by the CRDC seeks to investigate how the Australian cotton industry can influence working conditions along the textile and apparel value chain.

Responses to the problems faced by garment workers in production facilities, especially since the advent of COVID-19, typically place emphasis on the sourcing practices of major brands and fashion retailers. This is true for the Governments in the United Kingdom and Australia, through the introduction of a Modern Slavery Act in each country, as well as for civil society organisations and conscious consumers through their campaigns and purchasing decisions, respectively. These stakeholders' efforts have focused on potential points of leverage at the endpoint of the value chain, through major fashion brands and retailers, rather than exploring ways to effectuate change at other points in the value chain.

The supply chain disruptions of the pandemic and the resulting impact on workers spotlight the need and opportunity for stakeholders 'up' and 'down' the value chain to work collaboratively to protect worker well-being.

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