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MSN Statement on Discovery of Child Labour in Gap Subcontract Factory

On October 28, a UK paper, the *Observer*, published an exposé on child labour in India, revealing that clothes bearing the GapKids label were being made by children as young as 10 years old. The bonded labourers were reportedly working 16 hours a day for no pay in filthy working conditions.

What is Gap saying and doing?

According to Gap, the order was placed by one of its vendors in an unauthorized subcontract facility. When Gap learned of the situation, it stopped the work order and prevented the product from being sold in its stores.

Gap says that the children are now under the care of the local government. It also says that the vendor will be required to provide the displaced child labourers with access to schooling and job training, pay them an ongoing wage and guarantee them jobs as soon as they reach the legal working age. Gap says it will work with the local government and the Global March Against Child Labour to ensure that the vendor fulfills these obligations.

To date, Gap has not confirmed whether the vendor has agreed to take these actions, or what it will do if the vendor fails to do so.

Gap has also called an "urgent meeting" with all of its suppliers in the region to "reinforce [their] policies" prohibiting child labour. Gap says it will "continue to work with the government, NGOs, trade unions, and other stakeholder organizations in an effort to end the use of child labour."

How did this happen?

With 90 code compliance staff around the world, Gap has made a substantial investment in monitoring labour practices in its global supply chain. In MSN's experience, Gap is also more willing to respond to reports of worker rights abuses and to engage with unions and NGOs on how to eliminate them than most of its competitors.

So what went wrong?

Although factory monitoring is necessary, it is not sufficient. Audits by compliance staff or commercial auditing firms hired by brand buyers are notoriously ineffective at detecting worker rights abuses or unauthorized subcontracting, and are not designed to uncover the root causes of persistent code and legal violations.

In the current highly competitive free trade environment, Gap and other apparel brands are shifting their orders to countries like India where labour costs are lowest, enforcement of labour laws is weak, and subcontracting to unregulated sewing workshops that exploit children is common.

Constant pressure by the brand buyers on their suppliers to lower their prices, coupled with instability in order volumes, is also encouraging them to take as many orders as are available at any given moment, then subcontract work in order to meet deadlines.

Brand buyers therefore have a responsibility to ensure that their sourcing and purchasing practices don't encourage sweatshop abuses and child labour.

What should brands like Gap be doing?

To ensure that none of their products are being made in sweatshops or by child and/or bonded labour, Gap and other retailers and brands buying from India need to tackle the underlying causes of these abuses. MSN is therefore calling on Gap and all other brands and retailers whose apparel products are made in India to do the following:

1. Request a joint meeting of the buyers with the Government of India and the appropriate industry associations to discuss their commitment to sourcing from factories that provide decent wages and working conditions, do not use child labour, and do not engage in labour-only subcontracting in order to avoid meeting legal and code of conduct requirements.
2. Make a long-term commitment to suppliers making a serious effort to achieve and maintain compliance with national labour laws and codes of conduct, and offer to pay a preferential price to suppliers that pay a living wage that meets the basic needs of workers and their families, so that their children do not have to work.
3. Work with local trade unions and NGOs in India on ways to effectively identify and eliminate child labour in their Indian supply factories.
4. Take steps to ensure that suppliers respect the rights of all workers to form or join trade unions of their choice and to bargain collectively, and that they adopt a positive approach towards the activities of trade unions and an open attitude towards the organizational

activities of workers. (When workers are organized, they are better able to prevent child labour and less afraid to tell the truth about working conditions and labour practices, including whether unauthorized subcontracting is taking place.)

5. Enter into dialogue with the Indian government to convince it that labour rights NGOs are playing a legitimate and necessary role and should not be targeted for doing so.
6. Publicly disclose the names and addresses of all the factories they use in India and other countries, so that these workplaces are under public scrutiny.
7. Commit to ensuring that when children are found making their products, they will have access to quality education until they are no longer children, will be compensated at the legal minimum wage rate during that period, and will be offered decent jobs when they reach the legal minimum age.