

High street giants including H&M & Next pay Bangladesh manufacturers £2.30 per day

High-street retailers, including H&M and Gap who source clothes from Bangladesh for the UK market, are reportedly paying below the cost of production, according to a major new survey of 1,000 Bangladeshi clothing manufacturers. Bangladesh is the second largest garments¹ exporter in the world, providing millions of garments to the UK market.

- 5 A new report by researchers from the University of Aberdeen and UK-based Fairtrade organisation Transform Trade claims that the majority of fashion retailers paid manufacturers the same as prior to the pandemic – despite rising prices of raw materials due to global inflation – causing factories to struggle to pay workers the minimum wage of £2.30 per day.
- 10 Examining the time period between March 2020 to December 2021, the report discovered that 90% of high street retailers engaged in “unfair practices”: 86% cancelled orders, 85% reduced prices compared with the ones agreed in the contract, 50% refused to pay for goods already in transit and production.

- 15 Transform Trade senior policy advisor Fiona Gooch called for a UK watchdog for the fashion industry. “This research is a wake-up call,” said Gooch. “When retailers treat suppliers badly by breaching previously arranged terms, it’s workers who suffer. If a retailer fails to pay the agreed amount, or delays payments, the supplier has to cut costs some other way, and this is frequently passed on to their workers, who have the least power in the supply chain.”

- 20 “Reports of being rehired on worse pay and conditions, bullying and unpaid overtime are the predictable result. We need a fashion watchdog to regulate UK garment retailers.” she added.

- 25 Professor at the University of Aberdeen Business School project lead Muhammad Azizul Islam said: “Two years on from the start of the pandemic, Bangladeshi garment workers were not being paid enough to live on, with one in five manufacturers struggling to pay minimum wage.”

The survey also found that post-lockdown, garment factories only employed 75% of the workers they had before, suggesting that up to 900,000 workers could have lost their jobs.

By Georgia Wright - January 9, 2023

Source : www.retailgazette.co.uk

¹ garments = clothes