



Apparel

Summary of Key Trafficking in Persons Issues in Apparel Production

- ✓ Structural Supply Chain Features Contributing to Trafficking in Persons Vulnerability
 - Long, Complex, and/or Non-Transparent Supply Chains
 - Short Production Cycle
- ✓ Undesirable and Hazardous Work
- ✓ Vulnerable Workforce
 - Child Labor
 - Migrant Labor
 - Gendered Dynamics of Production
- ✓ Presence of Labor Intermediaries

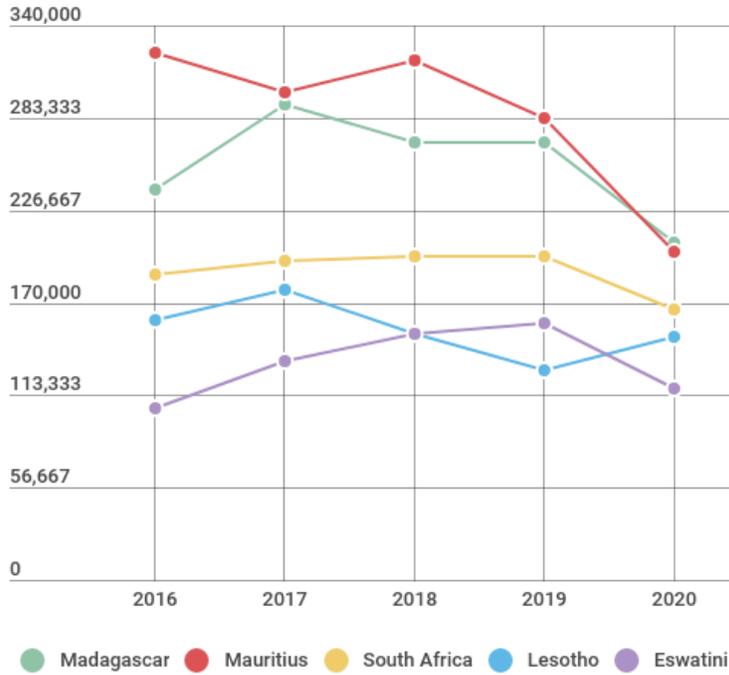
Overview of Apparel Production in Sub-Saharan Africa

Trade

The top exporters of apparel goods from sub-Saharan Africa are Madagascar, Mauritius, South Africa, Lesotho, and Eswatini.ⁱ



Top Exporters of Apparel/Textiles (Value USD/Thousands)



Africa currently manufactures about three percent of apparel globally. Mauritius has been the traditional leader of apparel production in sub-Saharan Africa. Kenya and Ethiopia are becoming prominent garment manufacturing hubs, fueled by both preferential market access to U.S. and European markets, friendly tax laws, cheap labour, and an abundance of young talent.ⁱⁱ

Reports have cited Madagascar as the future of Africa apparel manufacturing due to their recent positioning as the preferred supplier in the fiercely competitive apparel sourcing network. It is predicted that the country’s textile and garment industry will create 200,000 complementary jobs by 20.³

The African Growth and Opportunity Act (AGOA), United States Trade Act, is a unilateral trade program that significantly enhances U.S. market access for (currently) 41 sub-Saharan African countries. The Act was originally enacted to last from October 2000 to September 2008, but amendments have extended AGOA to 2025.^{iv} Countries that have capitalized on AGOA, such as Lesotho, have seen boosts to their apparel manufacturing sector. Conversely countries such as the Gambia and Swaziland that have been excluded or dropped from AGOA status have seen rapidly contracting sectors.

The top importers of apparel from sub-Saharan African countries are the United States, Germany, Japan, United Kingdom, and France.^v For Madagascar, the region's largest exporter of apparel, the European Union is the largest importer.^{vi}

Features of Production and Supply Chain

Apparel and textile supply chains are complex, unpredictable, and often include informal relationships. The current global sector has developed in response to globalization, and multinational brands' requirements for flexibility and quick turnaround times. Major brands have outsourced manufacturing to other countries and have shifted their focus mainly on branding and marketing. Production for multinational companies is largely managed by agents with large networks of worldwide factories. Brands attempt to shorten lead times, putting pressure on suppliers, causing an increase in temporary, contract, and seasonal labor within the workforce (see below).

The garment industry has long presented a challenge to those seeking to monitor workplace conditions. Garment manufacturing relies on diverse organizational methods that keep employers from directly employing the personnel that manufacture those products. For example, a company will often subcontract each piece of the manufacturing process to a different factory.^{vii} Each factory in the supply chain will employ workers independently, and therefore create a disconnect between workers and apparel brands. Furthermore, each time a piece of the process is subcontracted, the profit margin diminishes and competition between firms intensifies. Many small, informal sewing contractors can easily enter the market and compete for a limited number of contracts, resulting in downward pressure on prices and informalization of labor. Since labor costs comprise the bulk of input costs, many sewing contractors' only option to become profitable is to pay sub-minimum wages.^{viii}

The relationship between retailers and manufacturers further encourages labor violations. Brands negotiate prices and purchase finished garments from manufacturers, exerting strong pressure on manufacturers to keep costs low and to speed up production times. The manufacturers place that same pressure on the contractors and subcontractors who produce the goods, often through the exploitation of immigrant labor.^{ix}

Verité expert interviews indicate that brands have a significant amount of leverage over small-scale garment factories in unilaterally setting prices and turnaround times due to competition among various



factories. This leads to the factories paying their workers low piece-rates and demanding that they work overtime to meet production demands. Workers are paid the same piece-rates while working overtime, so are deprived of overtime premiums, resulting in wages that do not comply with minimum wage and overtime laws. In some cases, factories will take a loss on an order to maintain their business relationship with a brand. This can result in times during which factory owners do not have enough cash-flow to pay their workers, or in extreme cases, low profit margins that can force a factory to close, resulting in job losses, many times without workers being paid the wages owed to them.

There are two primary types of sub-contracting in the apparel sector. Vertical subcontracting means that the order passes from the tier one factory to smaller factory or unit. Orders may be vertically subcontracted several times. Horizontal subcontracting represents the partnering of two subcontracts who each make an indispensable component of the final product.^x According to a report published by UCLA, unauthorized subcontracting happens 30% of the time.^{xi} Value chain pressures incentivize suppliers to subcontract work to avoid late penalties or expensive airfreight bills. Subcontracting agreements are frequently not authorized by the brand's agreement with a supplier making it more difficult to monitor the conditions in these subcontracted factories. Industry watchdogs have reported that unauthorized subcontractors are "one of the greatest areas of risk in the global fashion industry supply chain."^{xii}

While little continent-wide data on apparel subcontractors in Africa is available, there is evidence that subcontracting facilities dominate the sector. In Kenya, for example, while there are roughly 40 large facilities located in Export Processing Zones, and 1.56 million licensed micro and medium-sized enterprises, which likely operate as subcontractors.^{xiii} Previous research has noted that most of the few African-owned factories in the region act primarily be subcontractors to larger, foreign owned facilities.^{xiv}

The World Bank notes that apparel production is often a "springboard for national development."^{xv} The sector has relatively low barriers to entry, as it is not highly capital intensive and primarily utilizes low-skilled workers. Further, production can easily be shifted from country to country in pursuit of lower production costs.^{xvi}

Key Documented Trafficking in Persons Risk Factors in Apparel Production

The U.S. Department of State's 2021 *Trafficking in Persons Report* identified trafficking in apparel/textile manufacturing in Burkina Faso, Lesotho, Nigeria, Uganda, and Zimbabwe.^{xvii}

The U.S. Department of Labor's 2021 *List of Goods Produced by Child Labor or Forced Labor* reports that hand-woven textiles are produced with child labor in Ethiopia.^{xviii}



Undesirable and Hazardous Work

Often, the working environments in the African apparel industry are unpleasant and dangerous. The same factors that result in low barriers to entry also put downward pressure on wages and working conditions. This pressure means that the sector is highly competitive. One key driver of growth of the apparel sector in Africa has been the investment from Asian apparel companies that have been constrained by rising costs of production – including labor – in more traditional apparel manufacturing sites such as China. These companies have been increasingly investing in large-scale production facilities in sub-Saharan Asia.¹⁹ Low wages have specifically been cited as drawing foreign investment in countries including Ethiopia,²⁰ where workers may earn as little as 26 USD a month.²¹

Health and safety risks facing workers in the apparel sector include chemical exposure, dust, poor ventilation, musculoskeletal stress, and noise exposure.²² Apparel and textile production, particularly sewing machine operation and hand sewing, often require workers to complete “monotonous, highly repetitive and high-speed tasks,”²³ Workers who are paid at a piece rate may be incentivized to work far beyond what is safe, in order to earn a basic wage. Musculoskeletal disorders caused by this type of work can lead to long-term disability. Chemical hazards include formaldehyde exposure during production and in warehouse areas. Formaldehyde exposure is associated with a higher risk of cancer. Organic solvents used in finishing can lead to neurological, central nervous system, and liver illnesses.²⁴ Sandblasting, a process used to fade denim, has been found to cause the serious lung disease and silicosis.²⁵ These risks apply to the global apparel sector, but may be particularly relevant where countries lack strong labor-law enforcement mechanisms, including many sub-Saharan African countries.

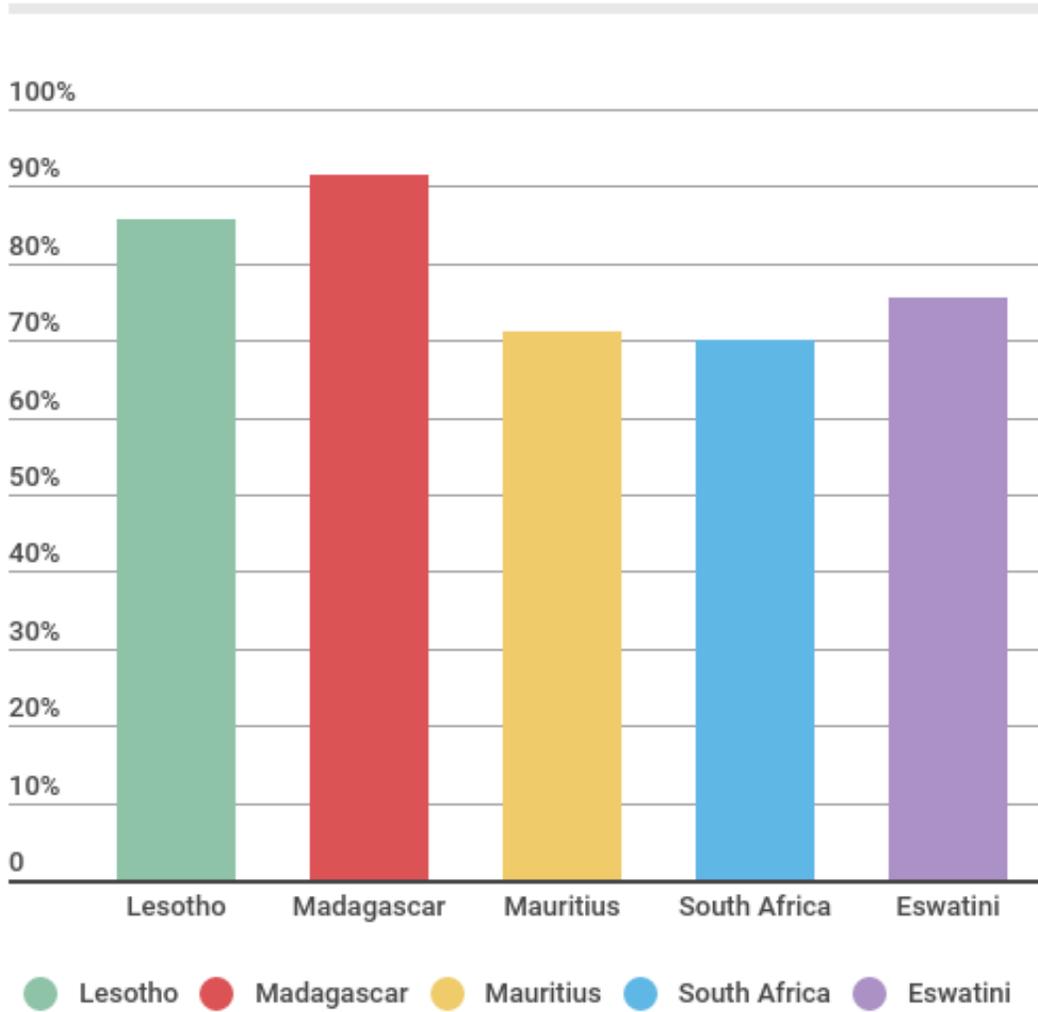
Vulnerable Workforce

Gendered Dynamics of Production

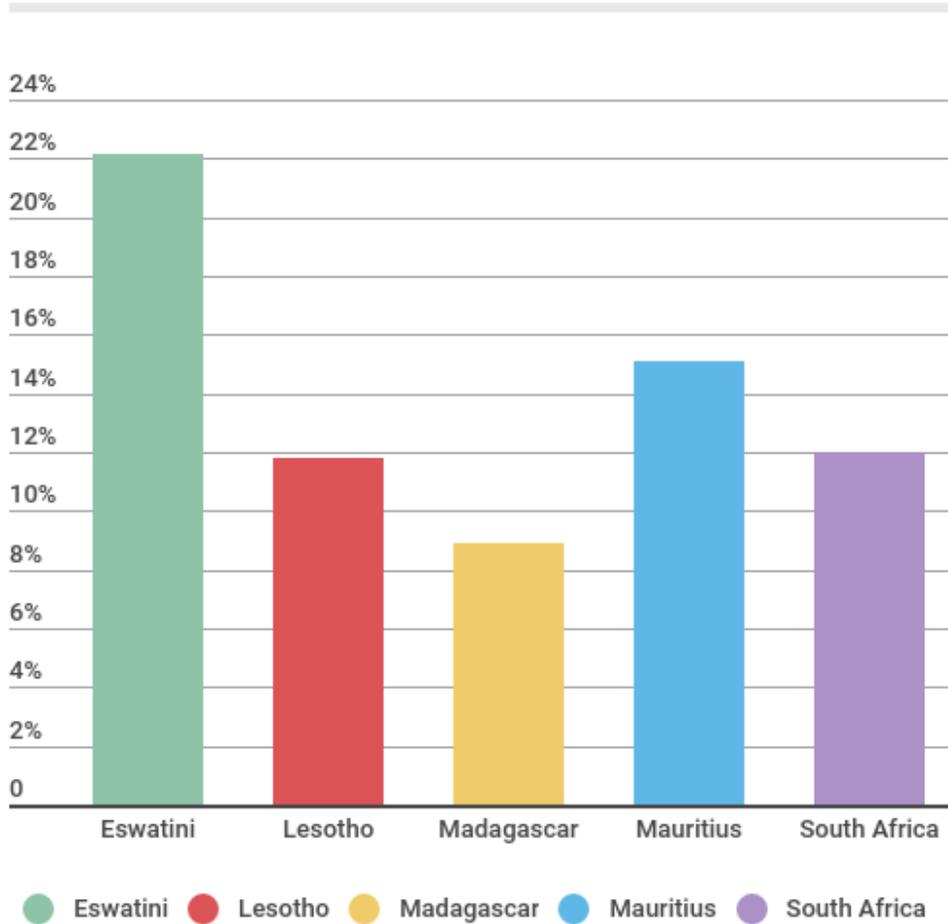
The workforce in the global apparel sector – and in sub-Saharan Africa in particular – is predominantly female. Women make up an estimated 80 percent of workers most apparel producing countries in sub-Saharan Africa, however, men are more common in Malawi and Zimbabwe.²⁶ For many workers, employment in the textile apparel sector offers a first opportunity to gain employment in the formal economy, which is typically higher paid and more stable than the informal sector or agriculture. This appears to be true in many emerging apparel sectors in sub-Saharan Africa. For example, a study among female garment workers in Ethiopia found that most had never worked in the formal sector prior to their apparel sector employment.²⁷ However, recent research found that women tended to be overrepresented in lower level positions, leaving them more vulnerable poor working conditions and wage instability.²⁸



Percentage Female Employment in Industry in Apparel Exporting Countries



Percentage Female Unemployment Rate in Apparel Exporting Countries



With the high rates of female employment in the apparel industry, manufacturing jobs are some of the only livelihood options available to women.



Child Labor

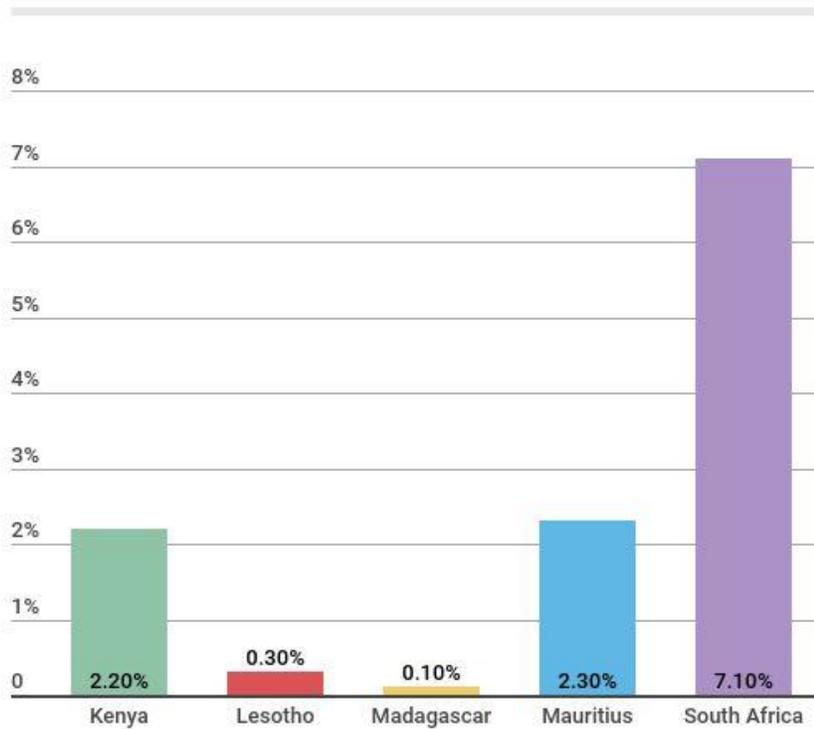
Child labor appears to be uncommon in the formal apparel manufacturing sector in sub-Saharan Africa, however, child labor in Ethiopia reportedly takes place in informal weaving production. Children – particularly boys – begin apprenticing as young as 12 years old.^{xxix}

Migrant Labor

The phenomenon of migrant workers in the manufacturing sector of Mauritius has been well documented. According to the U.S. Department of State, there are over 45,000 migrant workers in the manufacturing and construction sectors from India, Bangladesh, Sri Lanka, China, and Madagascar, “some of whom are subjected to forced labor.”^{xxx} Although it has previously been reported that local Mauritians are unwilling to work for the going wage rates creating a labor shortage, an additional factor creating a pull for migrant workers is short-term, four month contracts, which are unappealing to local workers while attractive to migrant workers.^{xxxi} Protections for workers are further weakened in Export Processing Zones, where many migrant workers are engaged.^{xxxii}

Percentage Migrant Share of Population in Apparel

Exporting Countries



Mauritius and South Africa have the highest population of transnational migrants of top apparel exporting countries.

The U.S. Department of State has identified forced labor conditions affecting migrants from South and East Asia in Zambian textile factories.^{xxxiii} There are also reportedly Chinese migrant workers in factories in Lesotho.^{xxxiv}

The U.S. Department of State reports that a “downturn in the textile industry [in Swaziland] has led textile workers to follow promises of employment in neighboring countries, potentially increasing their vulnerability to trafficking.”^{xxxv} Media reports from South Africa confirmed this account, profiling a Swazi migrant worker who, after losing her job in Swaziland, travelled to South Africa in search of apparel sector work. Upon her arrival, she met an informal labor broker who procured her a job in a factory. Although the worker felt that she was paid relatively well (as a result of working long hours), Swazi migrant workers in South Africa are vulnerable because most cannot afford to properly maintain their migration documentation status, and thus live in fear of police raids.^{xxxvi} In 2017, 72 people were allegedly trafficked from Mozambique, Swaziland, and Lesotho to apparel factories in South Africa.^{xxxvii}

Most of the low-skilled female migrants in the Lesotho apparel manufacturing industry are domestic migrants from other regions of the country.^{xxxviii}

Migrant workers have not been systematically documented in Ethiopia’s garment production sector, however, a McKinsey survey of sourcing professionals found that, in addition to Ethiopia’s low wage rates, the low cost of obtaining documentation for migrant workers was considered a benefit.^{xxxix}

Presence of Labor Intermediaries

Migrant workers to Mauritius typically secure their employment via third-party labor brokers, leaving them with recruitment related debt.^{xl}

Research has found that the use of subcontracted labor, even among local/domestic workers, is common in countries including Kenya, Tanzania, and Ghana.



Endnotes

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^{xviii} U.S. Department of State. *Trafficking in Persons Report*. 2019. <https://www.state.gov/reports/2019-trafficking-in-persons-report/>.

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^{xxxv} Mngoma, Nosipho. “Workers’ Fear and Uncertainty.” Business Report. February 16, 2017. <https://www.iol.co.za/business-report/economy/workers-fear-and-uncertainty-7783637>.

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