

Coalition for Fair Wages and Working Conditions for Homeworkers



33 Cecil Street, Toronto, Ontario M5T 1N1 Phone: 977-1384 Fax: 977-6999

The Coalition formed in November 1991 after completion of a major research project conducted by the International Ladies Garment Workers Union. The research showed that homeworkers were not receiving minimum wage, worked in hazardous conditions, and did not receive many of the basic employment standard of other workers. The Coalition initiated action with a lobby to Queen's Park to demand that the Ontario government make immediate changes to the Employment Standards Act to ensure fair wages and working conditions for homeworkers.

Coalition Objectives

1. Struggle: To fight for fair wages and working conditions for homeworkers
2. Organize: Homeworkers into an Association who can advocate collectively for their rights, and to provide direct information and services to homeworkers.
3. Educate: To raise awareness of the wages and working conditions of homeworkers
4. Lobby: For legislative change to improve the rights of homeworkers to ensure decent wages and working conditions
5. Coalition-Building: to reach out to community groups, labour organizations and activists to build a campaign to end the exploitation of the most isolated women workers, such as homeworkers.

The Clean Clothes Campaign

Retailers are now dominating the garment industry, driving a low wage strategy that forces wages down. At the bottom are isolated homeworkers - mainly immigrant women who are paid less than minimum wage stitching garments in their homes.

Retailers need to be pressured to ensure that the garments they buy are produced by workers who are paid fair wages and work in decent conditions. Help us with the campaign, next time you buy a piece of clothing, fill out the Clean Clothes Scorecard - see if your retailer is buying garments made by homeworkers and if the homemaker is paid fair wages and works in decent conditions.

Mail the cards to Canada's big retailers and tell them you want them to stop their low wage strategy and ensure homeworkers have fair wages and working conditions.

FAIR WAGES AND WORKING CONDITIONS FOR HOMEWORKERS COALITION

BACKGROUND # 1

Question #1: Aren't clothes made by workers in factories?

The clothes you are wearing tell a story about the garment industry. Let's start with your shirt. If it's 5 years old, chances are that it was made in a factory along with dozens of other shirts. Now, suppose that factory closed down and moved to Texas, along with dozens of other garment factories. OK. Let's look at your jacket. Is it new? If you bought it last month, odds are pretty good that it was made in someone's home. In fact, the woman who sewed it together probably made \$5.00, working on her own equipment.

The structure of Canada's garment industry has changed dramatically in just a few short years. Toronto used to have a thriving garment industry. Now there are just a handful of factories but there are literally thousands of women working from their homes for less than minimum wage and in poor working conditions.

The best way to describe the structure of the garment industry is to think of a pyramid. The top of the pyramid is dominated by a few large retailers. Retailers like the Hudson Bay Co., Eaton's and Dylex control over 40% of the market. Dylex owns retail outlets such as Fairweathers, Braemar, Bi-Way, Club Monaco, Harry Rosen, Suzy Shier and Thrifties.

Because they control so much of the market, retailers can dictate to garment manufacturers when they want a garment, the exact time to produce it and the price they will pay for it. Some retailers, like the Hudson Bay, are even taking garments on consignment this year.

Retailers complain they are losing money. They say they can't compete. Well, in 1991 the Hudson Bay Co. made almost \$160 million in straight profit.

The next level down the pyramid from manufacturers is "jobbers" or contractors and sub-contractors. Garment manufacturers no longer operate factories directly. They work as "jobbers" as well. They design the garment, buy the fabrics and textiles for it and perhaps cut the garment. Then they farm the work out to other sub-contractors who farm it out to individual homeworkers to finish the garment.

In other words, well-known labels like Jones New York and Alfred Sung are owned by manufacturers who send their work out to contractors and then down the pyramid to homeworkers.

ILGWU research shows that homeworkers are mainly immigrant women. They are most often paid less than minimum wage. The average wage is \$4.50 an hour and some homeworkers

make as little as \$1.00 an hour. Homeworkers don't get vacation pay. Their employers don't pay Unemployment Insurance or Canada Pension Plan premiums. They don't get paid for overtime work. Often they don't get paid at all for work they've done. They have no control over working conditions, sometimes receiving an order on Friday and being told it is due back on Monday. This is why just two of Canada's largest retailers made over \$200 million in profits combined in 1991, in the middle of the worst recession we've had since the 1930's!

Many homeworkers used to work in garment factories. One of the common stories is that they didn't return to the factory after a maternity leave because they couldn't find decent child care that they could afford. So now they are doing the same work, sometimes for the same employer, for less money in their homes. The double day of factory work and family care becomes the endless day of homework and family care.

Garment manufacturers are using homeworkers because large retailers, like the Hudson's Bay, Eaton's and Dylex, at the top of the pyramid want to lower direct labour costs and avoid paying a decent living wage to unionized workers. This low wage strategy maximizes their profits.

Question #2: Is this the only way to produce clothes? Are there alternatives?

The garment industry is often described as a dying industry. There is no question it is in trouble. But it isn't much different from the rest of manufacturing in Canada. Global economic restructuring is putting pressure on all manufacturers to shift production to low wage countries.

In countries where women and children work for extremely low wages in poor working conditions clothes are produced more cheaply. These cheaper prices are not generally passed on to the consumer. Retailers often prefer to buy imported garments because they mean a bigger mark-up and more profit.

Manufacturers argue that imports are killing the industry. But they don't say what's going on in the industry here in Canada. They don't talk about the low wage strategy being used here in Canada. They don't talk about using homeworkers in the garment industry as a way to maximize profits by driving wages down.

Retailers and garment manufacturers will tell you that this is the only way they can survive. But is it? The garment industry in Bangladesh employs children at 5 cents an hour. In Canada homeworkers make as little as \$1.00 an hour. Does "competitiveness" really mean driving wages down, creating poorer working conditions and getting rid of unions?

There are alternatives. There can be fair wages and working conditions for homeworkers. Workers can use their skills and their abilities to work in their own communities. Retailers do not have to call all the shots. Factories can be modernized in a way that increases productivity and wages and gives greater control to workers.

FAIR WAGES AND WORKING CONDITIONS FOR HOMEWORKERS COALITION

BACKGROUNDER # 2

Canada's Most Prestigious Label - Alfred Sung - Made by Homeworkers for Less Than Minimum Wage

The Alfred Sung label is sold at Eaton's, Hudson's Bay Co., Holt Renfrew and other popular retailers. The label is owned by ETAC Sales Ltd. Ltd., a large clothing manufacturer who made over \$2 million profits last year. Over the last two years ETAC Sales Ltd.'s revenues have grown by 36%. ETAC Sales Ltd., like many large manufacturers, sends much of its actual production work out to sub-contractors who, in turn, send it out to be finished by homeworkers.

The Stories Behind the Label

► Ming-Zhen

Ming-Zhen makes \$4.15 for sewing a women's jacket. It takes an hour to sew the jacket. As new styles arrive she has to teach herself to make the new design with no compensation for training time.

At Eaton's the jacket sells for somewhere between \$275 and \$375.

► Poi-Yee

Sewing a dress will take Poi-Yee at least an hour. She makes \$5 for her work. She has had to buy the sewing machine she is working on and she pays all her operating costs like hydro and heat.

The dress sells for between \$150 and \$200 at a high-end retail boutique.

► Yen

Yen is paid \$3 to \$3.25 for sewing a skirt. It takes at least forty minutes to complete the garment. Often the contractor delivers her work on a Friday and Yen is expected to complete the skirts by Monday morning. She works at least 10 hours a day all weekend. Yen has no child care and must take care of her children while working.

The skirt sells for \$150 to \$200 at the Hudson Bay Co.

There are many other designer labels using homeworkers -- Jones New York, Linda Lundstrom, Peanut Power Children's Wear -- just to name a few.

(Homeworkers names are fictitious. Their stories are not)

Clean Clothes Test

What Does 'Clean Clothes' Mean?

Clean Clothes are made by workers who are paid a fair living wage. **Clean Clothes** are made by workers under safe working conditions.

Right now, garment manufacturers are trying to find ways to drive down costs. And they've decided the best way to do this is to drive down labour costs. That means wages. One way to do this is to use what they call homeworkers - mainly immigrant women working out of their homes. Homeworkers are paid below minimum wage. Without affordable childcare, they have to work and take care of their children, both at the same time.

Homeworkers sew the clothes and designer labels you might be wearing. But looking at the clothing label won't tell you very much. You might find that the garment is made right here in Canada. Buying 'Made in Canada' clothes is no guarantee that the workers making those clothes will have fair wages and working conditions. That's because more and more garment manufacturers are closing down their plants and sending the clothes out to homeworkers. Homeworkers aren't paid fair wages, and they don't work under safe working conditions.

You might see a union label. But only a handful of garment manufacturers put the union label on their clothes. Even unionized garment manufacturers may contract work out to isolated homeworkers who are not paid decent wages and who work in poor working conditions. The union contract is undercut and factory workers end up being pitted against homeworkers. This starts a spiral of lower and lower wages throughout the industry.

Here are some suggestions for what you can do. And remember, as a consumer, you can choose to support manufacturers who make sure that their workers receive fair wages and work under fair working conditions:

◆ **Pressure the Retailers** to buy from garment manufacturers who pay fair living wages and provide decent, safe working conditions.

A Designer label like "Alfred Sung", through the corporate owner, ETAC Sales Ltd., uses homeworkers who are paid less than the minimum wage, are forced to work weekends if they want the work, while trying to look after their children. Homeworkers are paid as little as \$4 for a jacket that sells for \$375. Who gets the remaining \$371?

◆ **Tell the Retailers** to stop exploiting homeworkers. Tell the retailers to stop pressuring manufacturers for lower prices on garments which drives wages down.

Clean Clothes Scorecard

Test Your Clothes: Are they clean?

The next time you buy clothes, ask the Retailer these questions:

1. Does the retailer or any of her/his suppliers use homeworkers? Yes No
2. Are they paid at least minimum wage? Yes No
(Homeworkers wages average \$4.64, less than minimum wage, some are paid as little as a dollar an hour)
3. Are homeworkers paid on time? Yes No
(Often homeworkers are paid weeks later for completed work)
4. Are they paid for all hours of work? Yes No
(Often homeworkers are not paid for all hours worked, like the time it takes to learn a new design)
5. Are homeworkers given reasonable turn around time to complete each job? Yes No
(They often have to work weekends to get a contract)
6. Has the original supplier registered for a Homeworkers permit, as required under the Employment Standards Act? Yes No
(Manufacturers are required to register and use a Homeworker permit. Only 75 homeworkers are registered in the entire province. The ILGWU estimates a minimum of 3,000 Homeworkers in Toronto)
7. Does the original supplier/employer make contributions to Unemployment Insurance and Canada Pension Plan? Yes No
(Often Homeworkers are denied access to UI and CPP)
8. Were the homeworkers intimidated from joining the Homeworkers' Association? Yes No
(Homeworkers are harassed for joining the Association and may have work denied to them)

A Score of **less than 8 Yeses** means the Homeworker is not receiving fair wages and working conditions.