

Leeds University Business School – Research and Innovation Podcast

Episode 21: Responding to the impact of COVID-19 on the textiles industry with communication and collaboration

Speakers: Fergus Dowling and Solène Bryson

Fergus: Hello and welcome to Leeds University Business School’s Research and Innovation Podcast. I’m Fergus Dowling, a research assistant from the University of Leeds, and today I’m joined by Solène Bryson, social development lead for the Foreign, Commonwealth and Development Office. Thanks for joining me today, Solène.

Solène: Thanks, it’s great to be here.

Fergus: And today, we’re going to be talking about the impact of COVID-19 and the impact it has had on the clothing industry and the clothing, textile supply chain’s management of modern slavery. So, Solène, first question: just looking at how has the pandemic impacted the clothing industry?

Solène: Huge question. But before I begin, I just wanted to just briefly note that these views are all my own and they don’t reflect necessarily strict government policy, but I’ve been working in government policy for the past year, since COVID has had a huge impact around the world. So, really pleased to speak about these issues today. So, in terms of the impact overall, I think it’s really just brought to light issues that were already there, to be honest. The reliance on flexible and docile labour really does just have its limits, and at the heart of any supply chain is people. So, for suppliers and retailers, we have seen a challenge on both sides, so on the supplier side you have obviously... struggling to get the raw materials from other countries at the beginning and to produce the garments in the manufacturing countries.

And then on the demand side, there was obviously a drop in demand because, you know, people aren’t going out purchasing fast fashion products. So, you really saw the impact on both sides and what that really means for people is that it’s increased the vulnerability across the whole supply chain, which is largely feminised, migrant labour, lots of, kind of, vulnerable dynamics there in many different countries that you can see those patterns. So, yes, they would be my top lines on that.

Fergus: And do you think there is anything that we can look at that has made a business more able to manage the impact? So, obviously not naming any businesses in particular, but anything around, kind of, good resilience or communication or collaboration?

Solène: Definitely. So, the response to COVID by the buyers in European and western countries was really... was varying, and the relationship that they had with

their suppliers before the pandemic really laid the foundation for what their responses were during the pandemic. So, I've interacted with many companies that are doing really good things and one of the main things was that they kept the communication going. So, the impact of COVID was very new for all of us at the same time, and a lot of companies dropped their communication with their suppliers. But those who managed to keep up the communication and not delay payments ensured that they are meeting their end of their contract, you definitely saw they have fared better.

And, of course, we're seeing also changes in some of the demand... has meant that other companies have naturally been able to manage it better. So, ones who maybe didn't have money, cash in reserve, or weren't able to switch to e-commerce, obviously haven't done as well. So, you've seen companies like Asos have acquired others, and that's a perfect example of... they've been agile and flexible to the demand in the market. So, yes, I think communication was one of the key ways in which many companies responded and have fared better. And then, also, as well as communication, I guess, lots of companies sought to collaborate, not only with their suppliers, but with government policy and have sought to really understand the kind of global system they are a part of. So, you may be aware of the ILO call to action last year. So, the International Labour Organisation launched call for lots of companies, or basically different players and stakeholders, across the industry to sign up to different issues, from, you know, not cancelling your orders to governments providing social assistance, anything to respond, basically, to the immediate impact of COVID. And you saw lots of UK companies sign up to that, and that was a really good first step of signalling that at least in voice that they are seeking to do better. So, yes, I do think there were some on a bit more of a positive end.

Fergus: And thinking about legislation here in the UK, do you think that the Modern Slavery Act has provided a best practice structure such as, similar to the Ethical Trade Institute's base code, at being able to insulate businesses and suppliers from some of the aspects of the COVID-19 impact?

Solène: So, I think what we've seen with COVID is really just a need for stronger accountability mechanisms to level the playing field. What I mean by that is, you know, you have unequal power dynamics throughout the supply chains, and it's not just the buyer has all the power, it really is different dynamics throughout. But one thing that the Modern Slavery Act seeks to do is to create this race to the top by requiring businesses to be transparent. And we've seen, you know, recently in January, the Foreign Secretary announced financial penalties for companies that fail to meet their statutory obligations. So, there is this element of trying to make it sure that we improve those accountability mechanisms, but it is, like anything, a work in progress, not just... we also adhere to the UN Guiding Principles of Business and Human Rights, that's another key policy that the Modern Slavery Act falls into. So, I

think that the Modern Slavery Act has provided a really good foundation, and it's constantly being reviewed.

Fergus: Yes, and from some of the interviews that I've had with other brands and retailers, and other stakeholders, it seems to be quite a common theme that's coming through, good beginning standard but I think there is a desire for more. Now, also thinking about the pandemic and issues around modern slavery, has it created any new issues around modern slavery within supply chains?

Solène: Yes. I mean, this is what I was saying at the beginning, I don't think they are particularly brand new issues, but they have maybe evolved and taken on a different face. So, if you're a worker and you have poor working conditions, if you're working in a factory, therefore COVID might mean that you don't have the right protective gear to wear, and therefore you are at increased vulnerability at work. Because of COVID there have obviously been dismissals and increased discrimination against people from different ethnic minorities in certain countries, particularly, and especially for those who are part of trade unions. So, then if you're dismissed what is your survival strategy? What is the debt that you're then going to incur? And then that leads to modern slavery, you know? It can lead to. As well as home workers are also working on a piece rate, they don't get any social assistance, they are not covered in policies, so, again, they would be forced further into vulnerabilities.

So, all those... I see modern slavery as on a continuum with decent work. So, anything that doesn't fall and adhere to decent work eventually could lead to a downward spiral towards people being trapped in situations of slavery. And you've also seen governments trying to, in different countries, trying to recover by maybe changing some of their labour laws and making it easier for companies to buy in those countries, to facilitate growth. But then that might come at the expense of labour rights. So, it's really... I would say it's just taken on maybe a new face, but those issues of people not being paid enough for their work, meaning they have no safety net, meaning they turn to other survival strategies isn't new.

Fergus: And in terms of those issues that have been either changed as a result of the pandemic, or even some other issues that have arose, especially things around mass unemployment, where does the responsibility lie for protecting those workers that have been affected by those issues?

Solène: Good question. I do think that it's important that we see it not necessarily as a burden and shift of who thinks they need to do what they need to do, but really thinking about the policy that we all adhere to, which is the UN Guiding Principles for Business and Human Rights, which really tries to leverage multiple governance systems, so both public, civil, corporate and what I think is really positive about that policy framework is that they take us

beyond this kind of mandatory, voluntary approach and, you know, the key language in it is protection, respect and remedy. So, really it's everyone's responsibility to protect the workers in their supply chains, for the governments to provide protection through, you know, either cash, social assistance, or the enabling environment, thinking about trade policy. There are lots of different ways that we can think about protection. But, ultimately, everyone has a role to play.

Fergus: And just, last question, just thinking about what can we take away as the key lessons that can be learned from the pandemic for improved management of modern slavery and global supply chains? And if you have any specific thoughts about government policy whether it's UK or overseas, and also business policy and best practice?

Solène: Yes. So, key lessons, for me, are that we learn, as I said earlier, that modern slavery isn't an isolated event, but it is on a continuum of decent work. So, you know, it's important that we see the link between how a company buys, their purchasing practices, and how they buy and how much time they give their supplier. It all leads... and how much money they are paying, it all links to the worker and then that foundation of those purchasing practices are really key when it comes to times of stress like COVID, and your actions can lead, and have, unfortunately, a negative impact on workers. I would also love to see a bit more of a holistic view on social and environmental impacts.

So, this year we obviously have COP26, as a government, we're really trying to ensure that we put the... we're thinking about the environmental impact of what we're doing. And lots of the conversation between labour rights and human rights and sustainability is often siloed. And as we recover out of COVID, I mean it's hard to think about that, but as we emerge from COVID, I would like to see a bit more of a merger in thinking about those dynamics and those relationships. And then, this is just kind of a classic social development answer, but, for me, it's like power dynamics are so important to think about, and a collective action is really required to change any behaviour. So, in terms of best practice, a really good example, you know, I think, are enforceable brand agreements, so, the Bangladesh Accord, that was initiated a few years ago, shows you that with collective effort you can have a real positive impact to protect the interests of many different stakeholders, but it required unions, buyers, local government, national government, and companies all to... and, you know, most importantly as well, worker voice plays a role in that. So, if we can try to learn from that and replicate that in different contexts, that would be really good. So, collective action, for me is really key because the power dynamics are just so complex.

Fergus: Well, it is a very interesting time to be in, but I think one of the benefits is, maybe moving forward, is hopefully we'll see some really good development. But thank you very much for your time today, Solène, been very, very interesting insights.

Solène: You're very welcome. I attended Leeds University many moons ago, so I attended... I went to Leeds University, so it feels like full circle, a pleasure to be here.

Fergus: Brilliant. Well, if you're interested in finding out any more about this research, you can visit our project webpage or get in touch, the details are available in the show notes.