

'Harsh' tactics used to keep wages low for Vietnamese garment workers

By Beh Lih Yi

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KUALA LUMPUR (Thomson Reuters Foundation) - European and U.S. fashion brands sourcing from Vietnam must stop their "harsh" tactics that push down workers' wages and trap millions in poverty, labor rights campaigners said on Thursday.

Vietnam, which is one of the world's largest garment manufacturers and supplies fashion chains such as Zara and H&M, is home to over 6,000 garment and textile factories that employ about 3 million people, government figures showed.

Many work excessive hours, sometimes more than 50 hours of overtime a month without rest days, and still struggle to make ends meet, a new study by U.S.-based campaign group Fair Labor Association (FLA) showed.

Out of the 13,000 Vietnamese garment workers surveyed by the FLA, most were earning more than double the country's minimum wage but still unable to pay for their basic needs.

"Workers should not have to rely on excessive overtime to provide for themselves and their families," FLA president Sharon Waxman told the Thomson Reuters Foundation in an email.

"Brands should avoid using harsh negotiating tactics with suppliers that lead to razor-thin margins, which often can be a driver of involuntary or excessive overtime."

The Vietnamese government should increase its minimum wage and fashion brands must review their costing policies to ensure workers are fairly compensated, she added.

Vietnam's labor ministry did not respond to emails seeking comment.

Garment workers in communist-ruled Vietnam generally enjoy higher wages than those employed in the other regional garment-making hubs such as Cambodia and Bangladesh.

The government has hiked wages in the past few years, with the current minimum wage range from \$125 to \$180 a month.

Despite some advances for workers, global businesses have come under pressure in recent years to ensure their supply chains are free of labor exploitations, as a worldwide push to end modern slavery gains momentum.

Earlier this year, charity Oxfam criticized Australian fashion firms for using a "system of entrenched exploitation" that see workers in their supply chains in Bangladesh and Vietnam not earning a living wage.

These tactics include pressuring garment factory owners during price negotiations or using short-term contracts.

A living wage means enough money is earned to cover basic needs such as food, housing, education and healthcare.

"Brands have a role to play and more brands should take responsibility," said Alexander Kohnstamm, director of the Amsterdam-based non-profit Fair Wear Foundation, which is not involved in the study.

Kohnstamm said better production planning and contract pricing could cut workers' reliance on overtime work, which often lead to labor rights violations.

"Western brands are part of the problem but they can also choose to be part of the solution," he said.

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