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# Clothes, chocolate and children: bitter-sweet realities in the cocoa and ‘fast fashion’ global supply chains<sup>1</sup>

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## What is the issue?

In efforts to combat extreme forms of exploitation of workers worldwide, there has been an increased demand for transparency within global businesses, meant to be achieved through voluntary disclosure. This global governance agenda has been enshrined in numerous national laws in the last years, including the UK Modern Slavery Act 2015 which requires UK-based companies with an annual global turnover of more than £36 million to prepare an annual statement on modern slavery and human trafficking in their supply chains. However, given the lack of sanctions, the question arises, just how effective is the transparency approach in tackling modern slavery and forced labour?

This project inquired into the added value of the transparency agenda for improving working conditions in cocoa and garment’s supply chains in four low and middle-income countries: Bangladesh, the Dominican Republic, Ghana and Myanmar. These countries were selected because of the prevalence of gender issues and the involvement of children in these sectors. Sites of production in these countries represent a mix of both established and emerging sources in global production networks.

## The research evidence

Research findings indicate that the UK Modern Slavery Act has helped to increase some aspects of transparency in both the cocoa and garment sector. However, it must be recognised that greater transparency reveals more about the quality of production rather than the actual working conditions in overseas settings. This is problematic because exploitative conditions can rarely be exposed solely by assessing the quality of the produced goods. For example, a high proportion of workers in the garment sector in the countries where research has taken place report everyday

<sup>1</sup> This note is based on a British Academy-funded project ‘*Clothes, chocolate and children: realising the transparency dividend*’. The project is part of the British Academy/DFID programme on [Tackling Slavery, Human Trafficking and Child Labour in Modern Business](#).

<sup>2</sup> Professor Brad Blitz led the British Academy/DFID programme on *Tackling Slavery, Human Trafficking and Child Labour in Modern Business* between 2017 and 2019.

violence, including gender-based and sexual violence. In the case of cocoa, widespread structural problems such as poverty, general precarity and the high cost of living affect workers who are subject to low-quality working conditions and experience poor health. Working conditions also unsettle family life and the research team has found a very high incidence of workers living separately or separated from their families for long periods. Family separation has a significant and negative emotional impact on workers, leading to stress, anxiety and physical issues such as tiredness, poor diet and ill health.

Transparency could be improved through well-developed auditing practices, codes of conduct or certification schemes. However, business innovations in this regard are not without their limitations. The project identified some unintended consequences of these practices that were mainly related to child labour. For instance, those who had received formal education were more likely to miss out on vocational training and skills development, which in the long run would force workers into more dangerous types of work. The project also shed light on one particular drawback of the transparency agenda: there tends to be a strong disconnect between brands and workers, with workers often unaware of where the products of their labour are distributed.

## **Policy and practice implications**

- Wider transparency measures, with a stronger focus on working conditions, are needed to increase public scrutiny and decrease the incidence of exploitative work scenarios.
- Better corporate communication mechanisms are required to enhance two-way communication and thus improve transparency within supply chains.
- Governance efforts that address working conditions should focus less on 'single-issue' campaigns (such as child labour). Instead, issues relating to modern slavery should be mainstreamed to achieve better results.
- Businesses should consider partnering with local organisations which can support them in enhancing transparency measures.
- Private sector actors may be able to enhance consumer awareness and ultimately transparency by branding products more carefully on the basis of origin.
- Thorough monitoring mechanisms (such as codes of conduct, auditing practices and certification schemes) are required to assess the implementation and impacts of corporate governance tools.