



Responding to the Global Crisis

A Framework for Action

Millions of young women who have migrated to urban areas to work in factories supplying apparel and footwear worldwide are being made unemployed and homeless because of the economic crisis. This unprecedented collapse in their and others' livelihoods threatens their personal safety and prospects, the economies of their families and communities, and social stability.

Simultaneously, *the apparel and footwear sector, the developing world's single largest source of manufacturing employment and export earnings is undergoing permanent structural changes*, accelerated by the recession. The competitive imperatives of lean and green manufacturing will drive future sourcing to those countries that provide the right skills, infrastructure and policy environment. Nations desperate for employment need to invest now in creating the right enabling conditions for the sector, without which today's recession-driven unemployment will become a permanent downturn in many countries.

Exceptional circumstances calls for exceptional action. Governments have recognised the scale of the crisis, most recently at the G20 Summit, through the estimated US\$5 trillion that governments have committed to spend in the next 18 months to kick start the global economy, and through a raft of specific initiatives such as the launch of the World Bank's Vulnerability Fund and the ILO's mobilisation of key players in early June at its summit on the global crisis.

Needed is a practical means to get help quickly and effectively to those most in need, whilst simultaneously investing for the medium and long term. Speed and scale are huge challenges approaches that more often take months or years to design and mobilise. Just knowing where to act is in itself a challenge with little 'real time' information existing outside of the business community. Moreover, to focus exclusively on the short term,



whilst understandable, sows the seeds for deeper long term problems for vulnerable communities and economies

A Framework for Action, now, has been developed by participants of the multi-stakeholder initiative, the MFA Forum, which includes leading apparel and footwear companies, labour and civil society organisations, international organisations including the ILO, and all of the leading multi-stakeholder initiatives active in the sector. This Framework builds on the Forum's on-going work on responsible transitions stemming back to the end of the Multi-Fibre Arrangement, as well as its country-level activities. Most of all, the Framework is grounded in the potential of collaboration to leverage knowledge, competencies and resources quickly and effectively to realise a scale and impact fit for the current circumstances.

The Framework for Action advocates and describes how to act simultaneously on six, closely-linked fronts:

- (1) *Catalyzing awareness* of the emerging crisis and real options for action, in the apparel and textiles sector but potentially using a comparable approach in other sectors.
- (2) *Establishing a real-time rapid assessment process* to assist in predicting where interventions are needed across sprawling global supply chains;
- (3) *Leveraging the brands* in their advocacy to their suppliers and engagement with other participants with public bodies of the Forum's Responsible Transition Guidelines, focused especially on securing the rule of law where retrenchment is inevitable.
- (4) *Guiding the channelling of short term trade finance* to avoid wherever possible retrenchment and closures arising for this reason.
- (5) *Mobilising and guiding direct support to those retrenched* by providing information, and mobilising resources and capacities on the ground.



- (6) *Producing the longer term sustainability of the sector in key countries, by generating strategic scenarios for key countries and encouraging enabling policy developments and investments.*

The proposed Framework for Action is one right starting point for immediate, practical and scaled action through the involvement of international agencies, governments, labour and civil society organisations, and the business community. It clearly cannot be for the MFA Forum's participants to address alone for the scale and effectiveness of its potential to be realised.

As a first step, we need to undertake a rapid 'first look' assessment and prepare a briefing on the current situation and predictions. This will inform a convening of the MFA Forum on 7th April 2009 in Washington DC and result in agreed policy recommendations and immediate activities for response. A follow up meeting will take place on 21st/22nd 2009 May for broader communication of the recommendations and activities and a launch of any agreed programmatic implementation plans.

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About the MFA Forum

The MFA Forum was established in the first quarter of 2004 and is an open network of companies, trade unions, non-governmental organisations, and international institutions promoting and working toward responsible competitiveness in the textile and garments industry. It was established in response to the growing need throughout the garment and textile industry to manage the transition to a post - Multi-Fibre Arrangement (MFA) trading environment responsibly or there would be several possible dangers and threats. Anticipated consequences included Negative impact on workers, communities and local and national economies in vulnerable countries. In addition, businesses and governments, as well as other institutions, would face risk of culpability in not preventing this negative impact. And finally, these two consequences would erode trust in the broader agenda of development through trade. The MFA Forum's organising principles are published in The Collaborative Framework for Guiding Post-MFA Actions.

Currently, the MFA Forum works in Bangladesh, Lesotho, and Morocco. In addition, the Forum has a working group on issues in the Americas and has begun engaging in Mexico, Nicaragua and the Dominican Republic. In addition, a critical issues working group focuses on responsible closures.

In July 2008 the Responsible Transitions working group published the Responsible Transitions Guidelines - A process that brought together, for the first time, companies, trade union, multilateral agencies, NGOs and multi-stakeholder initiatives to discuss the expectations for different actors regarding the mitigation of negative impacts to workers affected by large-scale retrenchment, either at the firm or country level. The Responsible Transitions Guidelines can be downloaded at http://mfa-forum.net/responsible_transitions.asp on the MFA Forum website <http://mfa-forum.net>.



MFA Forum Participants

AccountAbility, Adidas, American Needle, Arcadia Group, Arnetta, Asda/George, Bentex Group, Business for Social Responsibility (BSR), C&A, CARE Bangladesh, CARE International, Carrefour, CGM Group, Character World, Columbia Sportswear, ComMark, The Co-operative Group, Com-Mark, The Cotton Group, Department for International Development (UK), DATA, Edun, Ethical Trading Initiative, Fair Labor Association, Franco Manufacturing Co., Inc., Gap Inc., German Development Cooperation (GTZ), Gilden, Global Business Coalition on HIV/AIDS, Global Fairness Initiative, H&M, Hudson Bay Company, Inditex, Interfaith Center for Corporate Responsibility (ICCR), International Labour Organisation (ILO), International Labour Rights Fund (ILRF), International Textiles, Garmnet, and Leather workers Federation (ITGLWF), Khan Lucas, Inc., Karstadt Quelle, Levi Strauss & Co., Levi Strauss Foundation, Mango, Maquila Solidarity Network, Marks & Spencer, Metro Group, Next, Nike, Next, New Look, nZania, Oxfam International, Oxfam Novib, Parisgeneve, Inc., Social Accountability International (SAI), Swedish International Development Agency (SIDA), Tchibo, Tesco, Traidcraft, TVMania, UN Development Program, UN Global Compact, United States Agency for International Development (USAID), Vandererve.be, Wal-Mart, The Walt Disney Company, Whitaker Group, Women's Edge Coalition, and The World Bank Group.