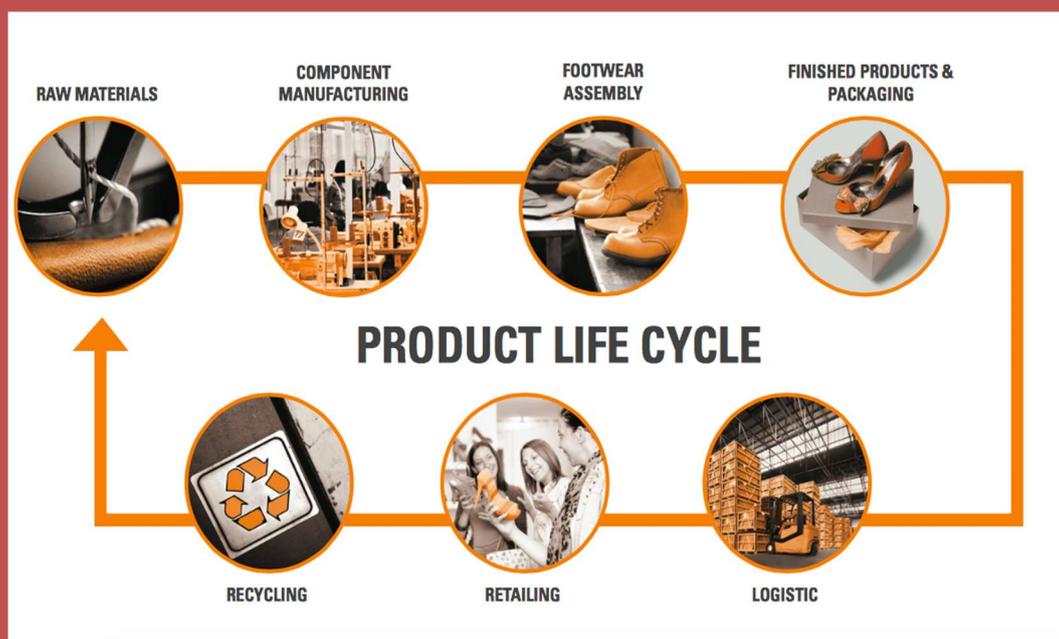


The life cycle of footwear production

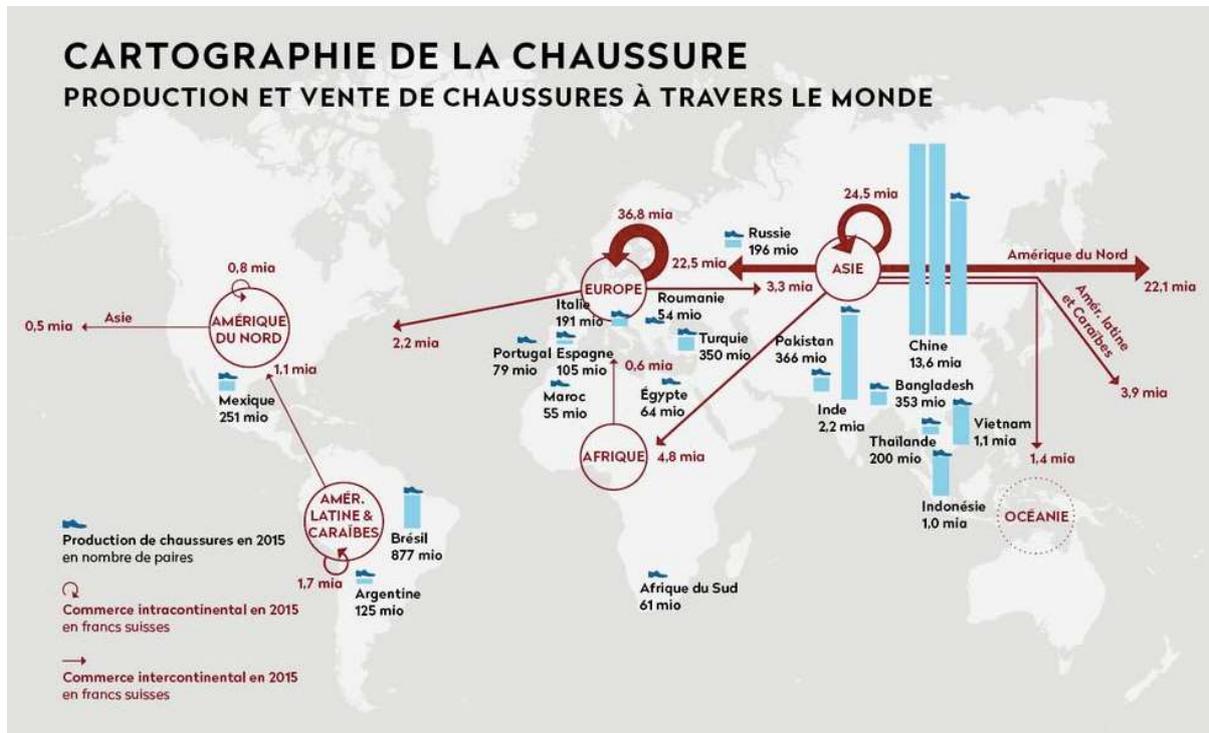


Walking Towards a sustainable future Source : SGS, 2013

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The life cycle of footwear production



General structure

“The market in footwear had a turnover of around 49 million euros in 2011, and produced 2.1 million pairs of shoes. The EU’s share of global production was only 5%. Small and medium-sized enterprises (SMEs) dominate the market and it is particularly exposed to international competition” (Enterprise Development Agency, 2014).

The foremost global exporter of footwear is China, followed by India, Brazil, Vietnam, Indonesia, Pakistan, Bangladesh, Mexico, Thailand, Italy and Turkey (International Labour Organization, 2018). The EU accounts for only 3% of global footwear production.

In France, the sector “has shrunk by a factor of 10 in terms of employees in 35 years, and by a factor of 6 in terms of the number of pairs of shoes produced” (Ministry of the Economy, Industry and Employment, 2008) However, there has been a very significant rise in imports, by a factor of 10, in the last 30 years: France imported 47 million pairs in 1971, as against 445 million in 2007. (Perotti-Reille, 2008).

	Millions paires	Millions€	Valeur par paire
Chine	240	950	4 €
Italie	38	890	23 €
Viet-Nam	45	424	9 €
Portugal	17	355	21 €
Espagne	19	271	14 €
Indonésie	9	136	15 €
Roumanie	5	124	25 €

Source Fédération Chaussure

Importations 2007

	1971	1995	2007
Production (Milliers de paires)	223	147	35,9
Effectif total	78 000	29 500	8 700
Nombre d'entreprises	587	257	114
Importations (Milliers de paires)	47	250	445
Consommation apparente	212	346	415

Source : Evolution du secteur de la Chaussure en France [The development of the footwear sector in France] (Ministère de l'économie, de l'industrie et de l'emploi [Ministry of the Economy, Industry and Employment], 2008).

Production.

Industrial processing in footwear manufacture is closely tied to the industrial processing of the components (heel, sole and counter), and this fact makes the production process very slow and difficult to manage (Fornasiero, Tescaro etc., 2009). According to Collectif Ethique sur l'Etiquette (CEE) (The Ethics for Labelling Collective), production is organised in a complex and dispersed subcontracting chain that makes it difficult to trace the origin of materials employed. This lack of traceability represents a major issue for CEE since it means the product manufacturing conditions remain invisible. The outcome of this is massive violations of human rights, and these underlie the production model. Numerous studies have been carried out on leather, a major element of the footwear industry, that have exposed the various violations that production causes.

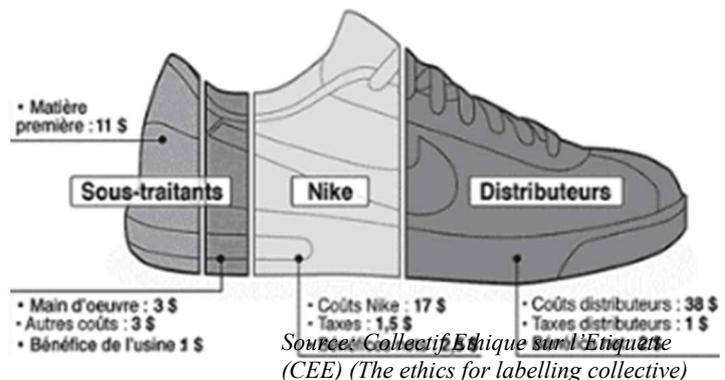
On the one hand there is the social impact of leather production. According to the NGO, People for the Ethical Treatment of Animals (PETA), workers often endure very difficult working conditions. For example, many are inadequately equipped and have "to walk barefoot in water courses toxic with chromium, and handle acid and bleaching agents, leading to chronic skin diseases, and even cancers". In this way they develop serious respiratory problems and some become victim to serious work accidents such that "up to 90% of tannery employees die before the age of 50" (PETA).

On the other hand, there is the environmental impact. Tanneries are, globally, one of the ten most toxic industries, according to the NGO, GreenCross & Blacksmith Institute in 2012. During the tanning process, numerous chemical products, such as tar derivatives, cyanide-based colorants and other dangerous substances, are employed and then disposed of in rivers, river banks or near fields, leading to water and soil pollution.

Lastly the industry is implicated in animal suffering. According to PETA, most leather comes from China, where, despite years of campaigning and lobbying, there is no regulatory framework restricting the mistreatment of animals. Thus, in addition to cows and sheep, the Chinese leather industry kills “around two million cats and dogs annually”.

Transformation

There are several steps in the process of footwear manufacture. Once the components have been got together, they have to be shaped, cut, sewn, and assembled.



A pair of shoes is manufactured in separate stages: shaping, cutting, sewing and assembling (ILO, 2018). In Europe workers in the labour market of the footwear sector are relatively old, as shown by the Enterprise Development Agency: “The current employees of the sector are generally well qualified, but aging”.

Over the last 20 years, little attention has been paid to educational programs for footwear factory workers due to the fact that the occupation is not attractive for students or their parents” (Enterprise Development Agency, 2014).

The Ethics for Labelling Collective stresses that the manufacturing stage in the footwear industry is often relocated to low labour-cost countries, where labour law is often little enforced. It is at this stage that violations of human rights often take place.

In other exporting countries, the workers in the labour market are often much younger, little qualified, and the salary paid on average represents only 2% of the sale price of shoes. These conditions do not permit workers to live with dignity. (Ethics for Labelling Collective & BASIC.2016).

With regard to this, the ILO undertakes annual field surveys in the clothing sector to identify problems linked to the disregard of labour law. According to these surveys, “the levels of ‘non-conformity’ regarding remuneration are especially high with respect to the non-payment of overtime, of statutory holiday pay, and of social security” (The Ethics for Labelling Collective & BASIC.2016).

Consumption

The market is a quasi-monopoly shared by a restricted number of players:

- Specialised hypermarkets, (those with at least 9 sales outlets). Among these are the VIVARTE group (whose footwear brands include Besson, Chaussland and La Halle) and ERAM (whose footwear brands include Gemo and Hyper). Large retailers represent more than 50% of the market as against 35% in 1992 (Ministry of the Economy, Industry and Employment, 2008).
- Smaller retailers represent another 20% of the market. They are often independents and choose to work directly with factories or central purchasing services.

France is among the top footwear-buying countries of the world. 6.5 shoes per inhabitant were purchased in 2007. This makes it the 2nd in the world, just behind the United States. The market has reached a value of 8.6 billion euros for an apparent consumption of 415 million pairs of shoes. The major part of consumption continues to be largely imported (Perotti-Reille, 2008). However, as stressed by the Ministry of the Economy, “The footwear sector is not sufficiently integrated into a larger value network. The trade must mobilise itself still more to make contact with other sectors and establish partnerships with them”.

Regulatory framework

The French framework

In France there is first of all Law no. 2017-399 of 27 March 2017¹ on the Corporate Duty of Vigilance of Parent Companies and Instructing Companies. This law imposes extensive obligations and applies to companies that fit certain criteria irrespective of their area of activity. Such companies are specifically required by the law to put in place a vigilance plan to ensure human rights are respected.

The website <https://plan-vigilance.org> provides tools to identify the companies covered by the law, locate their vigilance plans and analyse what measures they have put in place.

There are some legal norms that are especially specific to the footwear industry. These concern the labelling of materials utilised but also norms regarding classified facilities for the protection of the environment.

Legal norms for labelling

- **Decree no. 96-477 of May 1996**, Art. 1 to 14, concerning the labelling of materials used in the main components of footwear offered for sale to consumers. This decree is the result, in addition, of the adaptation of a European directive (94/11/EC) to French law.
- **Annex to Decree no.96-477** of May 1996: definitions of the parts of an article of footwear, with pictograms or corresponding textual information.
- **Decree 2010-29 of 8 January 2010** on the application of article L.214-1 of French consumer law to certain leather products or leather-like products and certain similar products.
- **Article L4311-1 and following, and R4313 and following, of French labour law.**

Legal norms concerning classified facilities for the protection of the environment:

¹ <https://www.legifrance.gouv.fr/eli/loi/2017/3/27/2017-399/jo/texte>

- **Decree of 25 July 2001** concerning the general requirements applicable to classified installations for the protection of the environment subject to declaration under the heading 2360 “Workshops for the manufacture of shoes, for leather goods, for leathercraft or work with hide”.
- **Decree of 7 December 2016** on the modification of the general requirements applicable to installations having a registration system under the headings no. 2101-2, 2102 and 2111 of the nomenclature of classified facilities for the protection of the environment.
- **Environmental law:** articles L511-1 to L517-2.

According to the 2008 report published by the Ministry of the Economy, Industry and Employment on the footwear industry, owners of SMEs that manufacture footwear, “consider legal or regulatory restrictions as major handicaps to maintaining employment”, specifically because of the “weight of administrative procedures, whether it is a matter of obtaining authorisations, controls that must be undergone or filling in forms requesting support”. This report was based on the former French Labour Law revised in 2007, and also on dispositions strongly criticised in social law concerning SMEs - derived from the former regulatory framework (Book III and Book IV) and no longer in force.

European framework

- Council Directive 89/686/EEC relating to personal protective equipment.
- Council Directive 2006/96/EC of 20 November 2006 on the labelling of materials used in footwear. This directive derives from Directive 94/11/EC modified on 23/09/2003 and again on 20/12/2006. This directive puts in place a common labelling system of the main components of footwear for sale in the EU so as to harmonise the laws of member states to protect consumer interests and reduce the risk of fraud.

Thus, the labelling must inform the consumer of the composition of the upper, the lining, the sock, and the outer sole. Nonetheless, only the materials covering at least 80% of the surface or 80% of the volume of the outer sole has to be labelled.

- **Regulation (EC) No 1907/2006** concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), imposes obligations on companies in the sector that use chemicals in their production processes.
- **Regulation (EU) 2016/425** on personal protective equipment. This regulation applies to the footwear industry notably with respect to footwear designed to be worn by people as protection against one or several health risks, in hospitals for example.
- **Commission Implementing Regulation (EU) 2016/1395** imposing a definitive anti-dumping duty for certain footwear with uppers of leather originating in the People's Republic of China.

Lastly, in 1999, a European environmental label for footwear was created relating to all footwear categories, and including sports and work footwear for men, women and children, and specialist footwear for cold weather, casual wear, fashion and use indoors.

International framework

There are international norms, conventions and principles for the protection of human rights that apply to all industries. Among these are the guiding principles of the OECD, the UN, and the Conventions of the ILO against forced child labour, on equal pay and against discrimination in work. The criteria of Fairtrade International (FLO) for fair trade likewise supplement this international normative framework. The Ethics for Labelling Collective calls for a UN treaty requiring multinationals to further respect human rights. Such a treaty would be a significant means of better regulating the footwear production industry.

There are also a number of regulations specific to the footwear sector that impose certain obligations on companies. Specifically the recommendations of the European Council dated 17 May 2017. These recommendations are designed for the concrete implementation of the measures proposed by the OECD ‘Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector’ The recommendations aim to promote actively the utilisation and adoption of the Guidance. The OECD Guidance stresses that the risks of violation of the right to work and of human rights are especially high in the footwear sector because of the predominance of poorly qualified workers, of dispersed production and tight deadlines. Similarly the risks of environmental damage are high due to the materials used and the manufacturing process.

Alternatives

In recent years a movement called ‘sustainable fashion’ has come about. Based on the ethical and environmental principles of fair trade, this movement aims to promote the improvement of the social conditions of workers and of environmental protection. What follows are some initiatives that come within the scope of this movement.

- **Veja fair trade trainer:** a production process that respects the environment (canvas made from organic cotton; sole made from natural rubber; transport in containers of brazil wood made from 100% recycled waste; water-based glues) and that respects workers (work conditions, decent salaries above the Brazilian average, profits used to finance development projects).²
- **The Ethletic trainer certified by Fairtrade International (FSC) and IMO:** Its products derive from organic agriculture and they contain no animal-derived elements.

² Project Materials [online]. Veja [checked on 6 March 2019]. Available at : <https://project.veja-store.com/fr/intro/>

- **The FYE trainer:** using polyester canvas that is recycled and is derived from plastic bottles. And as for the sole, 50% of it comes from recycling old shoes.³
- **The Patagonia trainer:** the leather is certified to ISO 14001 and the sole is made from recycled rubber or rubber from the rubber tree.
- The Nike Reuse-A-Shoe Program (1993) that collects used trainers to recycle them (ConsoGlobe).
- **The Adidas x Parley trainer** (2016) of which 95% is made from recycled fishing nets.⁴

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