Labour rights abuse in global supply chains for PPE through COVID-19 — issues and solutions

July 2021
Section one: who is on the other side of the production line?

‘I feel like I am in prison. I only work and go home over and over again. I cannot do anything else.’
Migrant worker, medical glove factory, Malaysia

The COVID-19 pandemic has created a global surge in demand for PPE (personal protective equipment). At the same time, labour rights concerns about the production of PPE have been gaining traction amongst advocates, policy makers and the media.

Our 2016 report *In good hands: Tackling labour rights concerns in the manufacture of medical gloves* found that exploitation of workers is endemic within the manufacturing industry of one key piece of PPE – medical gloves. A decade ago we also reported concerns about the manufacture of medical masks assembled by homeworkers in Mexico.

Following on from these reports, it is timely to look again at the issue and new evidence, and consider what more can be done to ensure transparency and accountability in global supply chains – protecting the labour rights of the people who make everyday items used in the health service.

Rising demand – concerning consequences

The COVID-19 pandemic has presented the public sector with challenges around keeping supply chains open and ensuring the rising demand in PPE is met.

Designed to protect healthcare workers and patients from bodily fluids and transmissible diseases, PPE (personal protective equipment) can include gloves, aprons and gowns, face masks and eye/face protection.
Early in the pandemic ‘an extremely overheated global market’ emerged – ‘a “sellers’ market” – with desperate customers competing against each other, pushing up prices, and buying huge volumes of PPE often from suppliers new to the market’.4

It became clear that the existing model for procuring and distributing goods was inadequate to service demand in PPE for the NHS. By March 2020, the Department for Health and Social Care (DHSC) in England had, for example, instigated a parallel supply chain, which set about evaluating over 15,000 offers of PPE supply, and awarding over 400 contracts to both existing and new suppliers.5 Between February and July 2020, 32 billion items were ordered at a cost of £12.5 billion through the parallel supply chain.6

In these exceptional circumstances, where public authorities needed to procure supplies with extreme urgency, vulnerabilities of global supply chains have become apparent, and there was, and remains, a heightened risk that purchasing practices can fail to protect the people working in them.

**Country profiles – Malaysia and China**

Many of the masks and aprons distributed in the first six months of the pandemic were sourced from China and the majority of the 1.9 billion examination gloves were sourced from Malaysia. Smaller volumes of PPE came from Thailand, Egypt, Mexico, Germany and France.7

During the COVID-19 pandemic, new reports have emerged from Malaysia and China of serious labour rights concerns in the production of PPE.

**Malaysia**

In Malaysia, labour rights abuse of migrant workers had been documented for many years prior to the pandemic.8 There are continued allegations of forced labour in a number of factories making medical gloves.9,10,11,12 Factory owners have denied allegations and the situation is now under review by authorities in the Malaysian Government.

There are reports of workers not leaving company factory premises or accommodation for a year and working excessive hours.

‘Since COVID-19 started there were huge working hours. Even I worked 15 hours a day and as there was no weekly day off since before COVID continuously, I worked 29 days a month. And additional hours are paid as overtime calculation (...) I feel pressured to work overtime as managers always say there is a lot of glove demand and less workforce (...) but I will need to work at fast pace because even though there is less workforce we need to finish certain targets every day anyway.’13

Migrant worker, medical glove factory, Malaysia
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One worker reported that he ‘didn’t know what Malaysia looked like as [he] wasn’t allowed out’.14

There are also allegations of exploitation and debt bondage resulting from high recruitment fees of up to $5,000 paid to agents to secure the job;15 inadequate pay, illegal retention of passports, a lack of worker voice mechanisms; and beating of some workers.16

Whereas measures have been put in place in some factories to curb the spread of COVID-19, there are cramped conditions in some factories (and associated accommodation), with a lack of social distancing alleged to have contributed to at least one large COVID-19 outbreak amongst workers, resulting in 6000 infections.17

Forced Labour in the Malaysian Medical Gloves Supply Chain before and during the COVID-19 Pandemic: Evidence, Scale and Solutions (July 2021)18

A study looking at the supply of medical gloves during the pandemic – from factories in Malaysia to the NHS19 – highlights the labour rights abuses, deception, restrictions on movement, isolation, violence and intimidation that some workers can face.

The study makes a number of recommendations to prevent and mitigate current and future risk to bring about change, including the following priority recommendations:

- ‘Purchasing power of government institutions must be leveraged in ways that mandate greater transparency in supply chains and more meaningfully address labour issues.
- ‘Procurement organisations should require evidence of forced labour diagnosis and remedy as a condition of contract (which most commonly is with intermediary suppliers) rather than the current paper based or audit assurances.
- ‘Manufacturers should provide functioning, confidential external grievance mechanisms (e.g. helplines) operated by independent third parties for workers and those being recruited.
- ‘Manufacturers should also engage with third party expert support to diagnose forced labour issues, and develop robust corrective action plans. Corrective actions must include effective awareness training to workers on issues of forced labour, how to report these, and company actions to prevent recurrence.
- ‘Workers should engage with the third party grievance mechanisms and also with worker representatives where these exist, to report issues whenever possible.
- ‘Where there is brazen or persistent breach of contract over issues of forced labour, buyers should take action for financial or legal redress.’

And the following recommendation for campaigners:

- ‘Continue to identify problems of forced labour and other labour rights issues to maintain the visibility of these issues, as this visibility drives positive change.’

Newcastle University, Brighton and Sussex Medical School, University of Sussex, University of Nottingham Rights Lab, and Impactt on endemic forced labour in the medical gloves sector (funded by the Arts & Humanities Research Council and the Modern Slavery Policy & Human Rights Policy & Evidence Centre).
The UK High Commissioner to Malaysia raised labour rights concerns with the UK government early in the pandemic and ‘warned that Britain’s audit framework used to assess companies was not fit for purpose.’\textsuperscript{20}

The US government has impounded imports from two Malaysian companies on the basis of labour rights infringements; and the US Bureau of International Labor Affairs (ILAB) now includes Malaysian rubber gloves in its ‘List of Goods Produced by Child Labor or Forced Labor’ noting that:

‘Forced labor predominately occurs among migrant laborers from Bangladesh, India, Myanmar, and Nepal working in more than 100 rubber glove factories throughout Malaysia. Reports indicate that there are an estimated 42,500 migrant workers employed in the Malaysian rubber glove industry. Workers are frequently subject to high recruitment fees to secure employment that often keeps them in debt bondage; forced to work overtime in excess of the time allowed by Malaysian law; and work in factories where temperatures can reach dangerous levels. Additionally, laborers work under the threat of penalties, which include the withholding of wages, restricted movement, and the withholding of their identification documents.’\textsuperscript{21}

\section*{China}

Serious ongoing concern has also been raised over human rights abuses in the Xinjiang province of China, and reports of forced labour of Uyghur populations\textsuperscript{22} in the production of a wide range of goods – fashion, retail, media and technology – and also face masks.\textsuperscript{23}

The World Medical Association (WMA) adopted a resolution at the end of 2020 on human rights violations against Uyghur people in China – calling, among other things, for ‘medical association members to promote fair and ethical trade in the health sector, and insist that the goods they use are not produced at the expense of the health of workers in the global community.’\textsuperscript{24}

The UK government has been pressed in parliament on what steps it is taking to ensure the UK is not complicit in forced labour in China to produce masks and PPE\textsuperscript{25} and in March 2021, the House of Commons Business, Energy and Industrial Strategy Committee published its report \textit{Uyghur forced labour in Xinjiang and UK value chains}\textsuperscript{26} noting concerns about ‘reports that the Government procured [PPE] from factories in Xinjiang and other parts of China implicated in modern slavery during the early part of the Covid-19 pandemic.’\textsuperscript{27}

They made a series of recommendations to the UK government, including accelerating government proposals to amend and strengthen the Modern Slavery Act 2015 (see page 5 of this report).

In addition to forced labour of Uyghur populations, an investigation by \textit{The Guardian} newspaper reported evidence of forced labour of hundreds of North Korean workers in China producing gowns for the NHS.\textsuperscript{28} It is alleged that they work under surveillance 18 hours a day, are unable to leave the factory, and with about 70% of their monthly wages (£240 – 310) going to the North Korean state, a practice labelled state-sponsored forced labour by the International Labour Organization.\textsuperscript{29} These allegations have been strongly denied by the supplier of these gowns, and are currently subject to further investigation.\textsuperscript{30}
Section two: governing international supply chains

‘The complexities of global supply chains mean that companies need to be constantly vigilant in assessing and addressing their risk exposure.’

Department for Business, Energy & Industrial Strategy (BEIS), 2021

Currently, there is no legal duty for companies to make sure they are not sourcing goods from suppliers who violate labour and human rights, although aspects of other legislation, commitments and regulations may be engaged. For example:

**UK Modern Slavery Act 2015**

The 2015 Act requires companies undertaking business in the UK (including supplying goods to the public sector in Britain) with a budget of £36m or more to publish a public annual slavery and human trafficking statement, which includes an evaluation of labour conditions in their global supply chains.

Building on this legislation, in March 2020 the government outlined steps it is taking to address the issue in the UK government modern slavery statement33 – including raising the profile of risk among public sector buyers.

**UK Government PPE strategy**

The UK government’s PPE strategy published in September 2020, highlighted this further, noting that:

‘...where it is relevant and proportionate, contractual clauses will be included to prevent instances of modern slavery. Additional contractual provisions could allow for further auditing, supplier remediation, and/or adherence to international labour standards...We will work in partnership with our suppliers to make tangible improvements to worker conditions if any issues are identified and take remedial action where documented abuses have not been adequately addressed.’

**UK Government response to transparency in supply chains consultation**

When parliamentary time allows, the UK government has committed to strengthen the 2015 Modern Slavery Act’s legislation – including, extending section 5445 (transparency in supply chains) to public bodies with a budget of £36m or more, including the health sector in England and Wales. This includes a requirement for annual slavery and human trafficking statements to be published on the new government reporting service; and to develop options for civil penalties for non-compliance with section 54.
Future commitments

During a House of Lords debate in January 2021, the government committed to:

‘...provide guidance and extend provisions to support all UK public bodies to use public procurement rules to exclude suppliers where there is sufficient evidence of human rights violations in supply chains. Compliance will be mandatory for central government, non-departmental bodies and executive agencies. We expect this to increase public sector bodies’ ability and willingness to exclude specific suppliers, and we expect increased scrutiny to drive up standards and due diligence.’

Internationally

The UK is not alone in considering how to address the issue. For example, governments in Canada, France, Germany, New Zealand, Norway, and Sweden have taken steps to address labour rights in public supply chains, and international bodies have set out a number of principles and recommendations:

**UN Guiding Principles on Business and Human Rights**

The UN principles apply to all States and businesses and outline their responsibility to minimise human rights violations in their supply and procurement chains, irrespective of whether the business contributed directly to the violation, and a duty to adequately address any abuses that do occur. The UN Global Compact is a voluntary initiative for businesses based on a commitment to implement and take steps to support universal sustainability principles.

**WMA Declaration on Fair Trade in Medical Products and Devices**

The Declaration makes a series of recommendations, including calling on doctors to play a leadership role in integrating considerations of labour standards into purchasing decisions within healthcare organisations; to raise awareness of the issues, and to promote development of fair and ethically produced medical goods, amongst colleagues and those working with health systems.

The BMA will continue to monitor developments both in the UK and internationally.
Section three: call to action

Those who use, procure, supply, or manufacture PPE have the power to affect change – so what future steps can be taken to ensure transparency and accountability in international supply chains for medical goods?

‘In the midst of the Covid-19 pandemic, the NHS has relied on international supply chains more than ever before to meet demand. However, this absolutely cannot come at the expense of human rights and safety of workers in the manufacturing process.

‘Doctors, in their very nature, are primarily concerned with the health and wellbeing of all people, and they will be appalled to think that people on the other side of the world may have suffered while producing items they need to do their jobs.

‘While we recognise there are challenges, all purchasing bodies – including the NHS – need to commit to ethical procurement, and global authorities must hold companies to account when abuses are discovered.’

BMA comment, 2020

The BMA will continue to seek greater supply chain transparency and due diligence on the risk of serious labour exploitation. For example, urging the UK government to:

- strengthen human rights due diligence in procurement and supply chains – both in policy and practice;
- demand greater transparency in the origin of medical products and the conditions they are made under;
- ensure the NHS Supply Chain Labour Standards Assurance System (LSAS) is fit for purpose and applied in practice;46
- maintain engagement with suppliers of medical goods; and
- consider termination clauses or financial or legal redress (as a last resort) in contracts where failings are identified.
Individuals have an important part to play too. Healthcare workers, including BMA members, can be advocates and ambassadors for change by:

- promoting fair and ethical trade in the health sector – and insisting that the goods they use are not produced at the expense of the health of workers in the global community;

- raising awareness among colleagues, family and friends – share our 2012 campaign film The Human Cost of Healthcare, or our website www.bma.org.uk/fairmedtrade, and discuss the issue at meetings or on social media;

- becoming an ethical champion in your organisation – and campaign for your NHS organisation to purchase medical supplies ethically;

- speaking or writing to the chief executive of your organisation and asking them to implement the Ethical Procurement for Health Workbook;47 Increase your influence by asking your colleagues to join you, or your local MP; and

- asking healthcare suppliers where they produce their goods and under what conditions – more people asking this question should bring more transparency and accountability to supply chains.

Further guidance and support for those wishing to lobby for change in the UK can be found at www.bma.org.uk/fairmedtrade.
Endnotes


9 See, for example – Ellis-Petersen H. “NHS rubber gloves made in Malaysian factories linked with forced labour”, The Guardian, 9 Dec 2018.


19 The multi-sited research was conducted between August 2020 and April 2021, during the COVID-19 pandemic. The study took a whole supply chain approach, including fieldwork in Malaysia, the UK, and Sweden.


21 Bureau of International Labor Affairs (ILAB). List of Goods Produced by Child Labor or Forced Labor. The ILAB maintains a list of goods and their source countries which it has reason to believe are produced by child labor or forced labor in violation of international standards. The List comprises 155 goods from 77 countries, as of September 30, 2020. The List is primarily to raise public awareness and to promote efforts to combat them; it is not intended to be punitive, but rather to serve as a catalyst for more strategic and focused coordination and collaboration among those working to address these problems. Available at www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print?items_per_page=10&combine=rubber&field_exp_exploitation_type_target_id_1=All&tid=All&field_exp_good_target_id=All&order=name_1&sort=desc (Accessed 16 June 2021).


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46 The NHS Supply Chain’s Labour Standards Assurance System sets out the principles and guidelines required of suppliers to comply with, in order to ensure that good labour standards are driven throughout the NHS supply chain.
