

counterfeit \neq improvement of labour conditions

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Companies affiliated to Fair Wear Foundation (Fair Wear) are sometimes confronted with counterfeit: imitations of branded goods, produced and sold with the intent to take advantage of value built up by a brand. Counterfeit weakens companies' efforts to make sustainable improvements of labour conditions in their supply chains.

Fair Wear Foundation (Fair Wear) promotes the improvement of labour conditions in the garment industry. Key to its approach is the concept of 'supply chain responsibility': companies are (co-) responsible for the labour conditions in their supply chain. Fair Wear provides independent verification of the step-by-step implementation of its Code of Labour Practices in the factories that supply Fair Wear's affiliates.

Counterfeit items are produced without any possibility of monitoring the production process.

"Even as the major brands work to improve labour standards and workplace safety at their outsourced manufacturing sites, counterfeit goods producers take advantage of global sweatshops. As licensed manufacturers try to improve their environmental impact standards, counterfeiters enjoy the cost savings of dirty production. In short, anywhere that the international community attempts to establish good practice standards for industry, counterfeiters undercut them."

(from *The Globalization of Crime, A Transnational Organized Crime Threat Assessment* by the United Nations Office on Drugs and Crime)

Consumers who buy a counterfeit item have no way of knowing in what conditions it was made. While companies affiliated to Fair Wear invest in the improvement of labour conditions, make sure they comply with environmental standards and pay taxes in both production

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and consumer countries, counterfeiting organisations operate away from scrutiny: due to the unfair and illegal nature of counterfeit products, the whole production process and trade in counterfeit goods is largely hidden from public view.

Fair Wear stresses that counterfeiting is not a victimless crime. The workers who make the counterfeit items have no way of assuring fair labour conditions. As factories where counterfeit goods are produced are illegal, labour inspectorate, unions and other stakeholders do not have access to the people working there.

For more information about the serious problems that are related to counterfeit, please visit the International Anti-Counterfeiting Coalition at www.iacc.org.