



**2016/2140(INI)**

10.2.2017

# **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Development

on the EU flagship initiative on the garment sector  
(2016/2140(INI))

Rapporteur: Jean Lambert

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas 60 million people worldwide work in the textile and clothing sector, which creates many jobs, particularly in developing countries;
  - B. whereas this industry is particularly closely intertwined internationally, and whereas supply chains are therefore particularly complex and, as a result, isolated national initiatives quickly reach their limits;
  - C. whereas textile manufacturers in developing countries are constantly exposed to aggressive purchasing practices by the international wholesale and retail trade, which is also due to fierce global competition;
  - D. whereas the scope for entrepreneurial influence is limited, in particular in performing the tasks of sovereign states, but the governments of the producing countries should therefore create the economic and legal framework conditions in order to carry out their control functions;
  - E. whereas international treaties are an essential part of combating labour and social protection abuses in third countries, and whereas companies are required to base their entrepreneurial activities on these principles;
1. Notes that the garment industry is one of the most precarious, with often inadequate working conditions for workers both within and outside Europe, particularly as regards the protection of health and safety; calls on the flagship initiative to put at its core the ratification and implementation by participating countries of ILO conventions, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Decent Work Agenda; highlights the importance of focusing on those most vulnerable and exposed to exploitation, especially children and women;
  2. Condemns all instances of child labour, and calls for the EU and its Member States to do everything within their power to completely eliminate the importation into the European single market of garments produced by child labour; stresses, in this respect, the importance of registers of responsible suppliers; condemns and draws attention to the abusive practices of some subcontractors who apply inferior and unlawful labour standards; considers it vital for the participating countries to guarantee the ratification and implementation of ILO conventions 182 on the worst forms of child labour and 138 on the minimum age for admission to employment and work; calls on the Commission to learn from the experience of the International Programme on the Elimination of Child Labour (IPEC) and the Global Alliance to Eradicate Forced Labour, Modern Slavery, Human Trafficking and Child Labour;
  3. Notes that the garment industry creates jobs for a wide range of skillsets, from low-skilled workers to highly specialised roles;
  4. Considers that voluntary initiatives to adopt an ecological, ethical and sustainable

approach contribute positively to the textile sector; notes however that, on their own, they cannot adequately address fundamental labour rights, including workers' protection, freedom of association, collective bargaining and issues such as child labour, health and safety, living wages, social security and working time; emphasises the need to move towards regulatory measures to be put in place and enforced by the countries concerned, aimed at ensuring respect for labour rights throughout the supply chain and the need to strengthen labour administrations and labour inspection systems and for the establishment of grievance mechanisms; stresses the importance of ensuring that national laws and regulations are in conformity with ILO core conventions;

5. Notes that price is still a determining factor in the buying practices of brands and retailers, often at the expense of workers' welfare and wages; calls for the EU to work with all relevant stakeholders to promote a successful social partnership and to support stakeholders in the development and implementation of wage-setting mechanisms in accordance with relevant ILO conventions, especially in countries where there is a lack of adequate legislation; stresses the need for workers to be guaranteed the regular payment of an adequate wage that permits them and their families to meet their basic needs without having to put in regular overtime; stresses the need for collective bargaining agreements to prevent negative wage-cost competition and the need to raise consumer awareness of the potential consequences of a demand for ever-lower prices;
6. Stresses that the governments of the producing countries must be able to implement international standards and relevant legislation, as they are a necessary partner in social dialogue and in efforts for improvement to be pursued under the flagship initiative;
7. Encourages the EU initiative on the garment sector to promote skills training and lifelong learning, including entrepreneurial training, which contribute to economic and social development; encourages all initiatives to promote awareness of core labour rights and legal assistance mechanisms for when those rights are violated, and to include training workers and employers about social dialogue and collective bargaining; underlines that the initiative should contribute to women's empowerment, as women represent the majority of the garment workforce and yet are overwhelmingly underrepresented in higher skilled and management positions; considers therefore that the initiative should actively promote non-discrimination and gender equality, including in terms of remuneration, as well as the enhancement of women's role in the societies of third countries, which would benefit the wider family and society;
8. Considers that the Commission has already taken some first steps in the right direction in terms of its proposed objectives for the flagship initiative, including raising awareness among consumers and supporting developing countries in endorsing and implementing international labour and environmental standards; regrets, however, that the Commission's current objectives and approach, as outlined in its report on the High-Level Conference on Responsible Management of the Supply Chain in the Garment Sector of 25 April 2016, are neither targeted nor ambitious enough to concretely improve the garment sector; notes that the preliminary findings of a Commission study on garment supply chains identified gender equality, workers' rights, the environment and supply chain transparency as the main gaps; calls on the Commission to release as a matter of urgency the report it commissioned identifying gaps in current policy and to put forward specific proposals to address these gaps;

9. Urges the Commission to present, as soon as possible, the EU flagship initiative on responsible management of the supply chain in the garment sector, promised as part of the European Year for Development 2015, which should take into account existing national initiatives such as those in Germany and the Netherlands; believes the EU has the ability and duty to be a global supporter of supply chain responsibility in response to tragic events such as the Rana Plaza collapse in Bangladesh, and in light of the unprecedented interest of EU citizens;
10. Believes that any action resulting from the flagship initiative should help foster multi-stakeholder initiatives such as the ILO/IFC Better Work Programme, which combines a tripartite approach with factory compliance and the creation of worker-management dialogue at national level, or ACCORD, created in Bangladesh, which is legally binding, includes trade unions and provides for not only factory inspections but also remediation;
11. Calls on the Commission to issue a report that maps current initiatives and their contribution to improving conditions for workers in the garment industry;
12. Points out that workers' organisations and employers' federations are necessary partners in social dialogue and collective bargaining and should be promoted; stresses that independent, representative workers' organisations must be able to operate independently and freely to promote and protect workers' rights, particularly in the area of the protection of health and safety at work; stresses in this regard the importance for these organisations to have access to factories to educate workers on their rights and their safety; points out that the actions resulting from any initiative on the garment sector should foster fundamental workers' rights and promote the ratification and implementation of ILO conventions, in particular 87 and 98, and that workers' representatives should be included in the due diligence process set up at company level;
13. Believes that compliance with applicable law and collective labour agreements is a sine qua non of corporate social responsibility; also believes that socially responsible behaviour absolutely must translate into proper relations with trade unions, in particular as regards respect for trade union rights and a continuous flow of information to workers and their representative organisations;
14. Stresses also the need to strengthen the capacity building of rule-of-law structures in the producing countries, which should be consistently promoted and required within the framework of European development and foreign policy;
15. Believes that health and safety protection for all workers should be ensured through international standards, national law implementation and collective bargaining, at all levels (factory, local, national and international), and through factory-level occupational health and safety policies such as action plans drawn up in writing, implemented and monitored with the involvement of workers and their representatives;
16. Believes that any EU initiative on the garment sector should recognise that the EU is an appropriate level for supporting and further developing the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinationals, under which enterprises are accountable in their supply chain; notes that enterprises should develop procedures that enable them to identify and mitigate the impact of their entrepreneurial activities on human rights and working conditions; proposes adapting standards to the

specificities of small and medium-sized enterprises (SMEs);

17. Recognises existing efforts on management and worker training in health and safety, labour law and gender equality as fundamental to improving workers' rights, and calls on the flagship initiative to develop a dedicated platform for sharing best practice on worker and management training, focusing in particular on middle management positions;
18. Encourages the EU to support developing countries in the adoption and implementation of international standards and conventions; calls on the Commission to continue to include the ratification of core ILO standards, health and safety inspections and freedom of association in discussions on continued preferential trade with countries linked to the global supply chain for the garment sector and to strengthen human rights and labour and environmental conventions under the Generalised System of Preferences; considers that the EU should include provisions in its trade agreements for improving the lives of workers and stresses that a clause promoting the ratification and implementation of ILO conventions and the Decent Work Agenda must be included in both bilateral and multilateral trade agreements;
19. Emphasises the importance of independent labour inspections in early warning and prevention, as well as in enforcement of national rules and regulations on health and safety at the workplace, yet notes that factors such as audit fatigue can undermine their effectiveness and that audits reflect only the state of affairs at the time they are conducted; believes that the ratification and implementation of ILO convention 81 is important to detecting abuse; recommends further research on ways of improving audits and inspections, such as converging audit standards and methods and sending different labour inspectors each time, which can lead to more stringent standards, especially in countries with corruption issues; notes the importance of adequate recruitment of labour inspectors and ongoing training for new and existing inspectors alike on international conventions and standards, local labour laws and appropriate inspection techniques; calls for the EU to continue to support, both financially and technically, the development of labour inspectorates in developing countries in line with relevant ILO standards, in particular in the context of its development funds;
20. Notes that, since the rise of social auditing in the apparel and footwear supply chain more than 20 years ago, the number of social audit standards and methods has increased dramatically, some with only minor differences, and that, with brands and retailers each applying their own slightly different standards, manufacturers are allocating valuable resources to manage a steady stream of audits; therefore recommends accelerating and supporting existing industry efforts to converge audit standards and methods in consultation with stakeholders;
21. Believes that responsibility should extend throughout the entire supply chain, including all sub-contractors, and commends existing efforts to this effect; believes, however, that the EU is best placed to develop a common framework creating a legal obligation of corporate human rights due diligence for EU garment companies outsourcing production to third countries, including binding measures to secure traceability and transparency, which would oblige companies wishing to operate on the European market to provide information about the entire supply chain of their products; recommends that regulation, developed with the involvement of local and global unions, should come in addition to

and in support of voluntary initiatives at national, European and international level;

22. Recalls that traceability and transparency of the supply chain is key to achieving sustained change; believes that a lack of access to information about the garment sector in third-country producers is often the most important obstacle to tackling human, social and labour rights violations in the global supply chain and that a reporting system is needed which provides information linking all the actors within the global chain of a single product, from the production place to the retailers; calls for the EU to support the development of a common framework for the collection of data on social, environmental and labour performance;
23. Believes that informing consumers plays a key role in assuring decent working conditions, a need highlighted by the Rana Plaza collapse; calls for consumers to be provided with clear, trustworthy information about sustainability in the garment sector, where products originate from and the extent to which workers' rights have been respected; recommends that information gathered as a result of EU action should be publicly available, and asks the Commission and the Member States to look into setting up a public online database of all relevant information regarding all actors along the supply chain;
24. Points out the need to provide a notion of corporate social responsibility (CSR) for the garment sector including areas such as the quality of work, organisation of work, equal opportunities and equal pay, social inclusion, anti-discrimination measures, the development of lifelong learning and training; calls on the Commission to present a proposal for the convergence of CSR requirements, including a framework for social reporting and for companies and managers to take responsibility for the consequences of abuse or misdemeanours, and setting a framework for European agreements on CSR; emphasises that CSR should promote projects that support a shift towards a sustainable economy; calls on the Commission and the Member States to provide incentives for EU enterprises to enter into commitments on CSR and on corporate diligence; points out that such diligence includes taking proactive measures to identify and prevent any violation of human, labour or environmental rights throughout the supply chain;
25. Calls for more awareness-raising among European consumers regarding the production of textile products; proposes, to this end, the development of EU-wide labelling standards for 'fair clothing', accessible to both multinational companies and SMEs, to indicate that fair working conditions have been respected and to assist customers in their purchasing decisions with better information;
26. Stresses that working conditions in the garment industry within some EU Member States have also repeatedly been found to be precarious on issues such as health and safety, wages, social security and working time; calls therefore for the development of efficient and well-targeted intra-EU initiatives which will improve the situation in the garment sector and boost employment in the Member States;
27. Considers that the lack of respect for international social standards in the garment sector represents a kind of social and environmental dumping that harms both businesses and workers; points out that the lack of observance of strict environmental provisions by European businesses in third countries must be put on the same footing as the observance of workers' rights, as such a lack jeopardises the health of workers and destroys rural and fishing areas, depriving local populations of any development opportunities;

28. Congratulates the Commission on contributing to the Zero Vision Fund, and encourages continuing investment in improving workers' safety; notes, however, that the fund and the majority of existing initiatives do not adequately address the issues of fair wages, the right to organise or discrimination in the workplace;
29. Calls for national and European initiatives to encourage consumers to buy products made locally;
30. Believes that the responsible management of the global supply chain in the garment sector can contribute to economic growth, decent job creation, poverty reduction, the strengthening of human and labour rights and the transition from the informal to the formal economy; notes, however, the particular situation of Export Processing Zones (EPZs), which, in some countries, are exempt from local labour laws, forbid union activity and do not provide legal redress to workers, which is not in compliance with ILO standards; calls for greater transparency in EPZs through monitoring and reporting;
31. Stresses the importance of a garment industry founded on innovation and higher added-value products in the Member States; calls on the Commission to provide financial support and to simplify financing under EU programmes for SMEs in the garment industry, as well as to support material research;
32. Supports SMEs in the Member States that make a significant contribution to preserving and enhancing European cultural heritage in the garment industry.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	6.2.2017
<b>Result of final vote</b>	+: 42 -: 4 0: 0
<b>Members present for the final vote</b>	Brando Benifei, Enrique Calvet Chambon, Lampros Fountoulis, Marian Harkin, Rina Ronja Kari, Ádám Kósa, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Anthea McIntyre, Elisabeth Morin-Chartier, Marek Plura, Sofia Ribeiro, Robert Rochefort, Maria João Rodrigues, Anne Sander, Sven Schulze, Jutta Steinruck, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Jana Žitňanská
<b>Substitutes present for the final vote</b>	Maria Arena, Georges Bach, Mircea Diaconu, Sergio Gutiérrez Prieto, Krzysztof Hetman, Dieter-Lebrecht Koch, Paloma López Bermejo, Edouard Martin, Alex Mayer, Csaba Sógor, Helga Stevens, Neoklis Sylikiotis, Flavio Zanonato
<b>Substitutes under Rule 200(2) present for the final vote</b>	Clara Eugenia Aguilera García, Jakop Dalunde, Ulrike Rodust, Marc Tarabella, Miguel Viegas, Daniele Viotti