

P7_TA-PROV(2013)0099

Global cotton value chain

European Parliament resolution of 14 March 2013 on sustainability in the global cotton value chain (2012/2841(RSP))

The European Parliament,

- having regard to Articles 3, 6 and 21 of the Treaty on European Union,
- having regard to Articles 206 and 207 of the Treaty on the Functioning of the European Union,
- having regard to Protocol 4 on Cotton to the Act concerning the Conditions of Accession of the Hellenic Republic and the Adjustments to the Treaties,
- having regard to key International Labour Organisation (ILO) conventions, including Conventions No 138 of 26 June 1973 concerning Minimum Age for Admission to Employment, No 182 of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, No 184 of 21 June 2001 concerning Safety and Health in Agriculture, No 87 of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organise, No 98 of 8 June 1949 concerning the Right to Organise and Collective Bargaining, No 141 of 23 June 1975 concerning Rural Workers' Organisations and No 155 of 22 June 1981 concerning Occupational Safety and Health, and to the United Nations Convention of 20 November 1989 on the Rights of the Child,
- having regard to the International Programme for the Elimination of Child Labour (IPEC) and to the Understanding Children's Work (UCW) programme,
- having regard to the EU's membership of international commodity bodies (ICBs),
- having regard to the outcome of the 71st plenary meeting of the International Cotton Advisory Committee (ICAC) held from 7 to 11 October 2012,
- having regard to the resolution on cotton of the 95th session of the ACP Council of Ministers, held in Port Vila (Vanuatu) from 10 to 15 June 2012,
- having regard to its resolutions of 25 November 2010 on human rights and social and environmental standards in international trade agreements¹ and on corporate social responsibility in international trade agreements²,
- having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences³,
- having regard to its previous resolutions on trade in commodities, access to raw materials, price volatility in agricultural commodity markets, derivative markets, sustainable development, water resources, child labour and the exploitation of children in developing

¹ OJ C 99 E, 3.4.2012, p. 31.

² OJ C 99 E, 3.4.2012, p. 101.

³ OJ L 303, 31.10.2012, p. 1.

countries,

- having regard to its resolution of 15 December 2011¹, withholding consent to a protocol on textiles to the Partnership and Cooperation Agreement between the EU and Uzbekistan on account of concerns relating to the use of forced child labour on cotton fields,
 - having regard to the UN Global Compact, the European strategy for raw materials, the EU strategy for Corporate Social Responsibility, the EU strategy for sustainable development, Policy Coherence for Development, and the EU Strategic Framework and Action Plan on Human Rights and Democracy,
 - having regard to the Commission’s statement of 14 March 2013 on the sustainability of the cotton value chain,
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas cotton is among the most significant crops in terms of land use, and is an important employment generator and a vital non-food agricultural commodity for rural communities, traders, the textile industry and consumers throughout the world;
- B. whereas cotton is the most widely used natural fibre and is grown in more than 100 countries, with around 150 states being involved in its trade;
- C. whereas an estimated 100 million rural households are involved in cotton production, and whereas the cotton sector is a major source of employment and income for more than 250 million people in the production, processing, storage and transportation stages of this agricultural value chain;
- D. whereas cotton production is dominated by China, India and the United States, with the United States, India, Australia and Brazil being the largest exporters and China, Bangladesh and Turkey the biggest importers; whereas Uzbekistan is the world’s fifth-largest cotton exporter and the sixth-largest producer;
- E. whereas the overwhelming majority of Bangladesh’s cotton imports are used for export-oriented textile and apparel manufacturing, accounting for 80 % of all manufacturing exports; whereas most of the textiles and apparel it produces are exported to developed countries, in particular the EU Member States, Canada and the USA;
- F. whereas in the EU cotton is cultivated over an area of 370 000 hectares by some 100 000 producers, primarily in Greece and Spain, who produce 340 000 tonnes of ginned cotton every year, amounting to 1 % of global ginned cotton production;
- G. whereas the EU became a net cotton exporter in 2009 and has a 2,8 % export market share, with Turkey, Egypt and China being its main export destinations;
- H. whereas the value of exports by the EU’s textile and clothing industry totalled EUR 39 billion in 2011, with the industry employing more than 1,8 million workers in

¹ Texts adopted, P7_TA(2011)0586.

146 000 companies throughout the EU¹;

- I. whereas the environmental footprint of cotton is multiplied by excessive use of pesticides (of which it accounts for 7 % of world use), insecticides (of which it accounts for 15 % of world use) and water, leading to soil degradation and contamination and to loss of biodiversity;
- J. whereas most of the global cotton harvest comes from irrigated land, putting considerable strain on freshwater resources; whereas cotton accounts for more global insecticide releases than any other crop;
- K. whereas the EU is the largest provider of cotton-related development assistance via the EU-Africa Partnership on Cotton and other programmes², and was the world's leading importer of textiles and clothing from the Least Developed Countries (LDCs) in 2009;
- L. whereas the reform of the Union's generalised system of preferences (GSP)³ will reinforce the incentives under the GSP+ scheme to respect core human and labour rights and environmental and good governance standards;
- M. whereas the real magnitude of child labour in the cotton value chain is hard to estimate owing to incomplete and fragmented information;
- N. whereas the ILO estimates that more than 215 million children worldwide are child labourers and that 60 % of them work in the agricultural sector⁴;
- O. whereas, for the purpose of this resolution, child labour is defined by ILO Conventions No 138 concerning Minimum Age for Admission to Employment and No 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, respectively;
- P. whereas different forms of child and forced labour occur in a large majority of the major cotton-producing countries worldwide during cultivation, the harvesting of lint and seed and the ginning of cotton⁵;
- Q. whereas child and forced labour in the cotton and textile sectors cannot be tackled in isolation from their main causes: rural poverty and lack of alternatives for income generation, insufficient protection of children's rights, failure to put in place mandatory education for all children, rigid community structures and prevailing attitudes;
- R. whereas working conditions, including health and safety standards as well as wage levels,

¹ 'The EU-27 Textile and Clothing Industry in the year 2011', European Apparel and Textile Organisation (Euratex), 2011.

² The total value of development assistance to the African cotton industry by the EU and its Member States since 2004 exceeds EUR 350 million. See World Trade Organisation data on cotton development assistance, 31.5.2012.

³ See Texts adopted of 13 June 2012, P7_TA(2012)0241.

⁴ ILO-IPEC, 'Global Child Labour Developments: Measuring Trends from 2004 to 2008', 2011.

⁵ 'Literature Review and Research Evaluation relating to Social Impacts of Global Cotton Production for ICAC Expert Panel on the Social, Environmental and Economic Performance of Cotton (SEEP)', July 2008.

remain an issue of great concern in cotton production and textile and apparel manufacturing, in particular in the LDCs and developing countries; whereas since 2006, 470 people in Bangladesh alone have been killed in fires that broke out in textile companies;

- S. whereas the ICAC brings together 41 cotton-producing, -consuming and -trading countries and aims to improve transparency in the cotton market by raising awareness, fostering international cooperation, gathering statistical data and providing technical information and forecasts in respect of the cotton and textiles markets;
 - T. whereas the ICAC remains one of a few ICBs of which the Union is not yet a member, and whereas seven EU Member States are currently members of the ICAC;
 - U. whereas cotton is vital to the Union's trade, development and agriculture objectives;
 - V. whereas the Union's accession to the ICAC would enhance cooperation on cotton issues, make the Union's action more consistent and increase its influence in setting the 'cotton agenda';
 - W. whereas membership of the ICAC would allow the Union enhanced access to information and analytical advice and facilitate linkages and partnerships between the textile sector, cotton producers and public authorities;
 - X. whereas Parliament will be requested to give its consent to the Union's accession to the ICAC;
1. Calls for further efforts to fight trade-distorting measures and to improve transparency in commodity derivatives markets;
 2. Urges all stakeholders in the cotton sector, without further delay, to work together through the ICAC in order drastically to minimise environmental degradation, including water footprints and the use of pesticides and insecticides; emphasises that these unsustainable production methods undermine conditions for future cotton production; regards the Union's accession to the ICAC as instrumental to developing a common ICAC work programme in this direction;
 3. Underlines the importance of fighting violations of human and labour rights and environmental pollution throughout the cotton value chain, including in the textiles and clothing sectors; suggests that the ICAC develop a means of facilitating the independent monitoring by NGOs of human rights violations throughout the cotton value chain and asks the Union, once it is a member of the ICAC, to engage with this issue;
 4. Stresses the need to create the right conditions for small-scale producers from developing countries to gain access to the main value chains serving the Union's textile and clothing industry, move up the cotton-textile-clothing value chain and grasp the potential of organic and fair trade cotton; calls on the Commission to evaluate how public procurement legislation in the EU can bolster the take-up of fair trade cotton;
 5. Urges the Commission, in the context of Economic Partnership Agreement negotiations and Development Cooperation Instrument national development plans, to step up its efforts to support national and regional cotton strategies in the cotton-producing LDCs;

6. Strongly condemns the use of child and forced labour on cotton fields;
7. Takes the view that only a holistic and coordinated framework that addresses the root causes of child and forced labour and is implemented on a long-term basis can lead to a more sustainable cotton value chain; calls, nevertheless, for the EU to take seriously any allegations of slavery or forced labour in the cotton supply chain and to respond with appropriate sanctions;
8. Emphasises that the sustainability of the cotton sector depends on producers, traders, input suppliers, textile manufacturers, retailers, brands, governments, civil society and consumers; points out that fair trade schemes provide for closer cooperation between consumers and producers, inter alia in the cotton sector, whose expertise and best practices should be evaluated by the Commission;
9. Calls on all cotton-producing countries to create an enabling environment for adequate monitoring and reporting of labour conditions in the cotton sector by government, industry, independent NGOs and trade union bodies, and to support farmer organisations and trade unions in their efforts to raise income levels and improve working conditions on cotton fields; underlines the need for those working at the coalface of the cotton industry to earn a decent livelihood from their work and share in the benefits accrued by cotton-producing countries;
10. Welcomes the Better Cotton Initiative (BTI), Cotton Made in Africa, the Global Organic Textile Standard (GOTS) and other multi-stakeholder initiatives aiming to increase the sustainability of the cotton and textiles value chain;
11. Urges those countries which have yet to ratify the UN Convention on the Rights of the Child, ILO Conventions Nos 138 and 182 or ILO Conventions Nos 87, 98, 141 and 155 to ratify and implement these conventions swiftly; takes the view that governments should adopt all appropriate policies in order to foster awareness of existing national and international rules on child labour and of core ILO conventions, throughout the entire cotton production chain;
12. Recalls that preferences granted under the Union's GSP, its main trade policy instrument for promoting core human and labour rights and sustainable development, can be temporarily withdrawn in the event of serious and systematic violations of core human or labour rights enshrined in the core UN or ILO conventions; stresses the responsibility of European companies to comply with these standards in their supply chains;
13. Underlines the importance of the special incentive arrangement for sustainable development and good governance (GSP+);
14. Calls upon the Commission to study and, if appropriate, submit to Parliament a legislative proposal on an effective traceability mechanism for goods produced through child or forced labour;
15. Calls on the Council to take a decision on the modalities of ICAC membership, allowing the Union to accede to the ICAC under an exclusive competence;
16. Calls on the participants in the cotton value chain to avoid unilateral measures such as export bans, to strive for increased transparency and coordination in order to reduce price

volatility and the scope for speculation, and to work to ensure the traceability of the cotton fibre trade on the open market;

17. Considers it important to safeguard cotton production in the Union, reinforcing transitional restructuring measures for the most affected regions;
18. Calls on the ICAC regularly to assess, through its Expert Panel on the Social, Environmental and Economic Performance of Cotton (SEEP), the social and environmental impact of cotton production and to make its findings public;
19. Calls on the ICAC to consider the possibility of creating an effective global labelling scheme guaranteeing that products have been produced without the use of child or forced labour at any stage of the supply chain or production process;
20. Calls upon the People's Republic of China, the biggest cotton market with the largest cotton reserves, to consider joining the ICAC and to play a constructive role in the cotton sector; further calls on the People's Republic of China firmly to combat the use of child and forced labour in the cotton and textiles sector;
21. Calls on the Commission to:
 - i. report regularly to Parliament on its work and activities in ICBs, including the ICAC;
 - ii. make full use of the potential of ICAC membership in order to strive for enhanced market transparency in the cotton garment industry and for sustainability;
 - iii. react swiftly to any possible cotton export restrictions or other actions leading to excessive price volatility;
 - iv. continue to ensure that the voices of European cotton growers, ginners, traders and researchers are heard;
 - v. improve coordination, statistical data collection, forecasting, information sharing and monitoring in respect of global cotton supply and value chains;
22. Instructs its President to forward this resolution to the Council and the Commission, the ICAC, the ILO, the Food and Agriculture Organisation of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF), the World Bank, the World Trade Organisation (WTO) and the Government of the People's Republic of China.