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Let's not lose our thread

Only legislation at EU level will ensure fair treatment for garment workers

Unfortunately, most European clothing manufacturers shirk their responsibility for protecting human rights and working conditions in textile-producing countries. The firms claim they are unable to ensure environmental and labour standards are upheld throughout their supply chains. But is that true?

A little background: the global garment industry employs 75 million people, around 70–80 percent of them women with low qualifications. Global trade in textiles is worth over 2.86 trillion euros. Over 70 percent of garments imported into the EU are made in Asia, with China and Bangladesh the largest producers.

Following the collapse of the Rana Plaza factory in Dhaka four years ago, in which 1,129 people died and over 2,500 were injured, the industry took some immediate measures. In 2015, the G7 set up the Vision Zero Fund, a global fund dedicated to improving workplace safety, while trade unions and companies agreed the Bangladesh Accord for Fire and Safety, which aims to improve safety standards in factories in Bangladesh.

Consumers across the globe began to question the working conditions where their clothes are made. Some companies and industry organisations have responded with their own standards and certificates that demonstrate their social responsibility. The OECD first adopted its Guidelines for Multinational Enterprises in 1976. The guidelines contain recommendations for how companies can operate responsibly in terms of transparency, industrial relations, the environment, corruption and consumer protection. In February 2017, the OECD published updated guidelines specifically for the footwear and garment sector. Observance of the OECD guidelines is voluntary, and many companies and even governments are unaware they exist.

Some European states have also responded to the Rana Plaza disaster. In Germany, for example, the Partnership for Sustainable Textiles, spearheaded by development minister Gerd Müller, was launched in

October 2014. The partnership is a multi-stakeholder initiative that currently has over 140 members, including businesses, government bodies, trade unions and NGOs. Meanwhile, the UK introduced the Modern Slavery Act in 2015 and France adopted a new law that goes even further, imposing mandatory due diligence on French companies.

These voluntary commitments and legislation at national level are a start. But both businesses and states that have introduced such initiatives would like to see similar coordination at European level. Trade policy is a European matter, so issues relating to garment supply chains need to be tackled with binding legislation at a European level – and no number of voluntary industry initiatives or demonstrations of corporate responsibility can change this fact. We're still a long way off securing a living wage for all workers in countries such as Bangladesh, Pakistan and India or ensuring that textile-producing countries observe the International Labour Organisation (ILO)'s core labour standards: for example, respecting strike and assembly rights and abolishing slavery and child labour.

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Textile-producing countries and their (sometimes authoritarian) governments continue to flout workers' human rights. A particularly egregious example occurred in Bangladesh in December 2016, when 1,500 textile workers were sacked and dozens of trade union activists were arrested. The wave of arrests came after workers went on strike in support of a living wage. Groups including the international trade union organisation IndustriAll Global signed a letter of protest calling on companies that carry out production in Bangladesh to immediately contact the government to demand the trade unionists' release. The EU Commission responded to the incident by warning the Bangladeshi government that unless reforms to human rights and working conditions demanded by the ILO are introduced, the EU will suspend Bangladesh from the Generalised Scheme of Preferences.

Companies that have outsourced their production from Europe to countries with more limited workers' rights are now coming under increasing scrutiny from consumers and policymakers across the world, and there are growing calls for regulation. The situation is especially dire

in export processing zones (EPZs), which often have exemptions from labour laws and taxes or restrictions on trade union activity and collective bargaining. It should be remembered that companies profit, at least indirectly, from labour market policies that disregard human rights. The lower the wages, the higher the profits for H&M, Gap et al.

So resolute action needs to be taken at EU level. We need an EU-wide law that not only obligates companies to have traceable, transparent supply chains but also helps them achieve this. The EU Commission unveiled plans for such a law two years ago in its "Flagship initiative on the garment sector", but has yet to take action. The European Parliament felt it was taking too long, and in April 2017 a large majority of MEPs approved an own-initiative report calling for long-overdue legislation based on OECD guidelines, which would require all European companies to carry out due diligence checks. The law would bring companies' CSR activities under a coherent EU regulation. It would also benefit those at the other end of the supply chain, namely the workers in the producing countries.

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It's not all about giving companies more obligations: the report also pushes for SMEs to be given the resources and technical support needed to implement supply chain transparency, and calls on the Commission to actively promote recycling and provide funding for research and development.

The legislation wouldn't require the Commission to reinvent the wheel; it could take existing national initiatives (such as Germany's Partnership for Sustainable Textiles) as a template and build on them at EU level on the basis of the OECD guidelines. This wouldn't just be in the interest of states. It would also make sense for businesses – many of which are members of the partnership, and some of which have previously been invited to hearings before the EU Commission due to their experience. The Commission could adopt this sort of multi-stakeholder approach in the legislative process.

But unfortunately, the EU Commission is still dragging its feet about really tackling the issue. It is in favour of voluntary commitments, and its response to the own-initiative report was a working paper that simply lists things it has already done. But that's far from sufficient; legislation is needed. It worked for conflict minerals. EU Commissioner for Trade Cecilia Malmström argues that supply chains in the garment industry are much more complex and impossible to trace, making mandatory due diligence legislation unworkable. But that's the crux of the matter: the

chicken or egg question. Should we refrain from introducing a law because it would be too complex to implement, and so keep on gambling with workers' lives in textile-producing countries?

This would actually be a good opportunity for the Commission to apply its Sustainable Development Goals (SDGs) strategy in actual trade and economic policy and provide an example of best practice.

Progressive companies that have faced up to the problems and chosen business models based on traceable supply chains have already demonstrated that transparent, sustainable production is possible. One positive example is MaxTex, an international association of companies and scientific institutions that are serious about sustainability in the textile industry.

So there's already a clear path for the EU Commission and businesses to follow; they simply need to work together effectively to make change happen. At the same time, consumers need to assert their right to know where and how their clothes were made so that they can wear them with a clear conscience.



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