

October 26, 2016

Answers by Minister Ploumen of Foreign Trade and Development Cooperation to

Parliamentary questions by the members Voordewind (ChristianUnion) and Grashoff (GreenLeft) to the Minister for Foreign Trade and Development Cooperation on starvation wages and extremely poor working conditions at Indian suppliers to Dutch clothing brands (submitted Oct 5, 2016)

Question 1

Are you familiar with the report '*Uitgekleed-Aangekleed: Nederlandse merken, hoge werkdruk en lage lonen in Indiase kledingfabrieken*'⁽¹⁾ ["Dressed Down – Dressed Up: Dutch brands, high work pressure and low wages in Indian garment factories"] of the Clean Clothes Campaign and the India Committee of the Netherlands and the report '*Eliminating violence against women at work: Making sexual harassment laws real for Karnataka's women garment workers*'⁽²⁾ of the organizations Sisters for Change and Munnade?

Answer

Yes.

Question 2

Do you share the analysis of these reports, which show that a wide range of labour rights is violated, of which in particular approximately 80% of the female employees strongly suffer greatly?

Answer 2:

The reports present a harrowing picture of the daily life of the textile workers in India: low wages, excessively long working hours, discrimination against women. The situation is unacceptable and must improve. The reports offer suggestions for this.

Question 3

What will you do - given the fact that Indian garment companies that supply to Dutch brands usually do not pay more than a third of a living wage - to make sure that moving towards a living wage is picked up urgently by both companies participating in the Covenant Sustainable Clothing and Textile as well as by other clothing companies that are active on the Dutch market?

Question 4

Do you have the intention to urge the Dutch garment companies to come up with a concrete and measurable plan of action as quickly as possible to work towards a living wage in India and elsewhere, as well as to address other serious violations in the sector expeditiously?

Answers 3 and 4:

The government endorses the call for action for a living wage. The objective for a living wage should be addressed collectively. This view corresponds with that of the major international fashion brands and the international trade union movement, which have united for this purpose in the so-called ACT initiative (Action, Collaboration, Transformation). Dutch companies do have to separately monitor compliance with the statutory wage provisions. The Netherlands did organize the *Asian*

Living Wage Conference, last May in Pakistan, which was attended by textile producing countries from across the whole Asian region (Parliamentary document 32 735, no. 153). An outcome of this conference is that governments, employers and trade unions need to develop action plans for living wage at national level. This process is supported by the Fair Wear Foundation. Collective agreements for a living wage with a group of textile producers, supported by international fashion brands, can be an effective tool. The government will encourage Dutch brands to support and promote these national action plans for a living wage. Also at the recent conference *Sustainable Sourcing in the Garment Sector*, on 29 September in Bangladesh, the Netherlands did call on the purchasers from major fashion brands and local producers to realize a living wage for workers. In addition, the government is seeking cooperation on living wage issues with other EU countries such as Germany and Denmark, and with other initiatives such as ACT and the partnership with the Fair Wear Foundation. Thus the critical mass is created needed for the conclusion of sectoral collective agreements. Participants in the Dutch textile covenant have agreed to take collective action for achieving a living wage in their supply chains. In the first quarter of 2017 the government wants to make agreements with the parties to the covenant on the roadmap for living wage.

Question 5

Are you prepared to take specific action and / or to support organizations that address the extensive sexual, physical and other violence against women in the workplace – as is painfully described in *'Eliminating violence against women at work'* - and make efforts to reduce those?

Answer 5:

The government supports various organizations and initiatives which address this extensive and distressing problem. That way, the Fair Wear Foundation works towards combating violence against women, the creation of a living wage and the participation of women in social dialogue. For example, in this program hotlines are set up for filing complaints about sexual harassment. In addition, the program focuses in India on the realization of the - since 2013 legally required - complaints committees against sexual harassment in the factories. Fair Wear Foundation will also involve the relevant government agencies for better enforcement of this statutory provision.

In the *Better Work* program of the ILO and in the Trade Union Cofinancing Programme, conducted by Mondiaal FNV and CNV International, there is a specific focus on gender specific risks, such as sexual harassment in the workplace. In addition, discrimination and gender is one of the nine priority themes of the Covenant Sustainable Fashion and Textiles.

Question 6

Are you willing to discuss these and other major structural problems in the relationship between the Indian garment suppliers and the Dutch clothing brands with the Indian government, both yourself and via the Dutch Embassy in India, the European Commission and the [EU] Delegation to India, and to insist on working towards joint solutions?

Answer 6:

Improving working conditions in the textile industry is one of the *raison d'être* of the EU Garment Initiative of the European Commission. This initiative maps the existing initiatives and programs of Member States that benefit synergy, (financial) support and upscaling. Together with other like-minded countries such as Germany, Sweden, Denmark, Italy and France, the Netherlands assists the Commission with further shaping the initiative.

India is, like any Member State, under the supervision of the monitoring mechanism of the International Labour Organisation. This means that Indian trade unions can lodge complaints against their government at this organization. In addition, the office of the International Labour Organisation in India supports the [Indian] government in implementing the Decent Work Agenda. The [Dutch] government wants to collaborate with the Fair Wear Foundation to discuss the possibilities of closer cooperation with the International Labour Organisation in India. It will be discussed with the Dutch companies participating in the textile agreement if they will join this. The Dutch Embassy in India will play an agenda-setting and mediating role.

Based on the OECD Guidelines for Multinational Enterprises clothing companies are responsible for compliance with local laws. This also includes payment of the statutory minimum wage. However, compliance is also the responsibility of the Indian government. The Netherlands has placed the poor labour conditions on the agenda several times in the dialogue with the Indian authorities, including at ministerial level. In addition, the Dutch Embassy in India regularly draws attention within the EU to Corporate Social Responsibility (CSR) and *Business and Human Rights*.

Question 7

Can the OECD, also because of its almost completed *Due Diligence Guidance for Responsible Supply Chains in the Clothing and Footwear Sector*⁽³⁾, also play an active role in finding structural solutions? Are you willing to explore that possibility?

Answer 7

The *Due Diligence Guidance for Responsible Supply Chains in the Clothing and Footwear Sector* provides clothing companies indeed with concrete tools to address risks in the production chain, such as violation of labour rights or violence in the workplace. The OECD is also active in India in this field. In the end of 2015, the OECD has organized a round table on CSR in the textile and garment sector along with *the India Centre for Responsible Business* characterized by the use of risk management (*risk-based due diligence*) in the Indian textile and footwear sectors. The importance of risk management and identifying the most serious violations was recognized here. Suppliers and brands should subsequently work together to find solutions to these violations.

The conference *Sustainable Sourcing in the Garment Sector* organized by the Netherlands on September 29 this year in Dhaka, was dedicated to the relationship between buyers and producers. The OECD was present and promised to take the results of this conference at the completion of the *OECD Due Diligence Guidance for Responsible Supply Chains in the Clothing and Footwear Sector*.

Explanation:

These questions are in addition to previous questions by parliamentary member Van Laar (PvdA), submitted October 3, 2016 (question number 2016Z17949): <http://www.indianet.nl/pdf/kv161003e.pdf>

- (1) <http://www.indianet.nl/pb160927.html>; more elaborate version of this report in English: 'Doing Dutch - A research into the state of pay for workers in garment factories in India working for Dutch fashion brands', see <http://www.indianet.nl/pb160927e.html>
- (2) <http://sistersforchange.org.uk/india-eliminating-violence-against-women-at-work/>
- (3) <https://www.oecd.org/daf/inv/mne/Due-Diligence-Guidance-Responsible-Supply-Chains-Textiles-Footwear.pdf>