

September 11, 2015

Answers by Minister Ploumen of Foreign Trade and Development Co-operation to

Parliamentary Questions by the member Van Laar (Labour Party) to the Minister of Foreign Trade and Development Co-operation about half a million children working in the cottonseed production

[submitted: July 29, 2015]

Question 1

Are you familiar with the report *Cotton's Forgotten Children*⁽¹⁾ by Dr. Davuluri Venkateswarlu?

Answer 1

Yes.

Question 2

Do you believe that the estimate of almost half a million children in India working in the cottonseed production is realistic? Do you share the concerns about the still increasing number of children working in the cotton seed production in India?

Answer 2

Yes, I consider the estimates to be realistic. There are also other sources reporting around half a million children under the age of 18 working in the cotton sector. I share your concerns about the large number of children still working in the sector.

Question 3

What opportunities do you see to further reduce the number of working children reduced in some areas and expand this reduction to other regions?

Answer 3

The report indeed indicates that in some regions, particularly in Andhra Pradesh and Tamil Nadu, positive trends can be observed in the proportion of child labour in cotton seed production since 2006-2007. It is not clear from the report whether specific best practices are responsible for this decline which could be replicated in other states.

Question 4

How do Dutch companies prevent that cotton from seed produced by children ends up in their products? Can they do more to prevent this? Do these companies also ensure that a living wage is paid in their production chain? If so, how? If not, why not?

Answer 4

Dutch companies are on the basis of the OECD Guidelines for Multinational Enterprises responsible for identifying and addressing the risks in their supply chain. If child labour in cotton seed production emerges as a risk, the company in question is supposed to take action. The company can for example make agreements with farmers that they monitor the origin of the seeds and join the approach of *Better Cotton*. This sustainability initiative has an approach that combats child labour in relation to the local context. In the Action Plan for a sustainable Dutch textile and garment sector, the objective is

formulated to achieve a living wage throughout the chain by 2020. The working group for living wage will seek an alliance with among others the Strategic Partnership between the government and the Fair Wear Foundation, CNV Internationaal and FNV Mondiaal. Furthermore, living wage subject of consultation as part of the ICSR covenant in the textile sector. Solutions are being sought in promoting social dialogue and in higher legal minimum wages. The conference in Pakistan on living wage in the regional textile industry, to be organised by the Netherlands and Germany in 2016, will be focused on that. As long as collective agreements have not been realized, Dutch companies will have to make efforts at factory level. They often form only a minority of the customers of a factory. Realizing a living wage therefore requires cooperation between – sometimes foreign - brands that produce in the same factories, and with trade unions. The objective cannot be achieved otherwise than through a process of gradual improvement, taking into account differences between the frontrunners and companies that need some more time.

Question 5

Have Dutch seed companies freed their supply chain of child labour? If so, how? Do you see opportunities to further expand this approach? Do these companies also ensure that a living wage is being paid? If so, how? If not, why not?

Answer 5

Reports such as *Cotton's Forgotten Children* of the India Committee of the Netherlands (ICN) do help in combating child labour and other abuses in Indian cottonseed production. In 2013 a report titled *A Tale of Two Companies*⁽²⁾ led to agreements between Dutch companies such as Bejo Zaden and Nunhems, sector association Plantum and myself. Late 2014, Plantum published a report on this subject, presenting the results of a survey among its members. The majority of the respondents which produce in India indicated to have a policy against child labour or that they are willing to develop such a policy. Plantum is discussing the development of a child labour policy with companies that (let) produce in India but do not have such a policy. Plantum also organised a meeting for its members last May on the design of control mechanisms for increasing insight into the chain. Currently the sector association is working on an instrument for its members to contribute to a further increasing awareness of corporate social responsibility (CSR), including combating child labour and providing a living wage. Together with my colleague Minister Kamp I am working on establishing ICSR [International Corporate Social Responsibility] Covenants with Dutch business sectors and civil society. Within a Covenant business sectors, government and civil society can jointly agree on how to prevent and address child labour and making a living wage into the norm.

Child labour has been identified as one of the ICSR risks cutting across sectors that explicitly must be dealt with in the in the covenants (at least, for those sectors in which child labour is a risk). UNICEF and the Stop Child Labour Coalition are involved in the Covenant process, which guarantees the taking the *Children's Rights and Business Principles* into consideration is guaranteed.

Question 6

Do you endorse the 11 recommendations made in the report? What opportunities do you see for yourself and others to realize the implementation of these recommendations? Can this issue be addressed, for example, during a subsequent visit to India, or in bilateral contacts?

Answer 6

I endorse the eleven recommendations. As the report states, some of the recommendations are part of the working process of the large multinationals in the cotton seed industry. The situation on the cotton fields that are part of multinationals is better than that which are part of Indian companies. As

far as we know, there are no Dutch companies active in the cotton seed industry. The implementation of the recommendations will be a shared responsibility of the Indian government and companies. The Netherlands has signed a Memorandum of Understanding (MoU) with India in the field of corporate governance and corporate social responsibility. This MoU provides a framework for the dialogue with the Indian government, companies and civil-society organisations on CSR. In March a delegation from the Department of International Market Regulation and Trade Policy of my Ministry visited India to speak at a conference in Delhi organized by the Indian government organised on CSR and to fine-tune how the MoU can be implemented in the coming years. A first result was the kickoff I made early June during my mission to India for a "CSR dialogue", where in addition to Indian parties also Dutch companies and organisations participated. The idea is to come together several times a year with this group, to discuss various risks and opportunities in the production chain and to exchange knowledge and experience on how to tackle it. Furthermore, I also will discuss this issue with Kailash Satyarthi, during my interview with him scheduled for December this year.

Notes:

- (1) Report *Cottons'Forgotten Children*: <http://www.indianet.nl/CottonsForgottenChildren.html>
- (2) Report *A Tale of Two Companies*: <http://www.indianet.nl/ATaleOfTwoCompanies.html>

Translation from Dutch by ICN: <http://www.indianet.nl/pdf/kv150911.pdf>