

December 18, 2015

Answers to Parliamentary questions by the members Van Laar (Labour Party) and Voordewind (ChristianUnion) to the Minister for Foreign Trade and Development Cooperation on child labour and low wages in Dutch and in the Netherlands operating seed companies active in India [no. 2015Z22670, submitted November 26, 2015]

Question 1

Are you familiar with the report *Soiled Seeds - Child Labour and Underpayment of Women in Vegetable Seed Production in India*⁽¹⁾ by the India Committee of the Netherlands?

Answer

Yes.

Question 2

What is your reaction to the findings of the report that an increasing number of children - an estimated 156.000 - operates in the Indian vegetable seed production, that women are usually paid far below the official minimum wage and that a number of Dutch and in The Netherlands active seed companies are involved?

Answer

I think this is very worrying. The problem of child labour is broader than just the vegetable seed production. According to the most recent figures from the ILO (2013), there are worldwide still 168 million children involved. Although this means that child labour has declined with one third since 2000, there is still a lot to be done. The comprehensive commitment of the government against child labour is reflected in the recent parliamentary letters in response to the initiative memorandum by Mr Van Laar (Parliamentary Document 33 963, Nos. 5 and 7).

Furthermore, during the consideration of the BHOS [Foreign Trade and Development Cooperation] budget for 2016 a new child labour fund of € 5 million was created by amendment of member Van Laar. This fund is intended to finance new multi-stakeholder initiatives against child labour. Using the Fund contributions from companies can be doubled, for instance for specific projects against child labour in seed production.

Question 3

What is your opinion about the fact that at least 19 members of the trade association Plantum are operating in India, of which only 10 do some kind of monitoring on child labour under the age of 14, and that for the majority of the companies it is not known whether they also contribute to solutions to accompany these children to education.⁽²⁾

Answer

I expect Dutch companies to operate according to the OECD Guidelines for Multinational Enterprises. That means they have to map the risks in their supply chain and have to tackle them. If child labour emerges as a risk in the seeds sector, companies in this sector need to take action.

Sector organisation Plantum has, after publication of previous reports on child labour in the seed sector end 2014, made an inventory of members active in India. Plantum is engaging with them to bring this problem to their attention and make them aware of the fact that action should be taken. Given the urgency of the problem, some of these companies have a policy on child labour, others are already developing a policy. Plantum supports its members for example by organising a meeting on the implementation of monitoring by local parties with regard to complying with agreements with local farmers on the elimination of child labour. These measures are also mentioned in the report *Soiled Seeds - Child Labour and Underpayment of Women in Vegetable Seed Production in India*.

Next year Plantum will make a new inventory of the state of affairs with regard to tackling child labour by members which are active in India.

To further give shape to CSR there will be - in cooperation with MVO Nederland [CSR Netherlands] - an ICSR [International Corporate Social Responsibility] risk analysis in the first half of 2016, on the basis of which is examined what could be further measures to take. That could be measures regarding payment of wages and hazardous work by children between 14 and 18 years, as well as creating access to education. This will be done in contact with, among others, the India Committee of the Netherlands.

Question 4

Are you of the opinion that Dutch seed companies, which are violating Convention 182 of the International Labour Organisation (ILO) by doing little or nothing against hazardous labour by 14 to 18 year old children and are paying such low prices to farmers that they are inclined to pay women far below the minimum wage, must also actively take up these issues?

Answer

See answer on question 3.

Question 5

Are you willing to address companies and the trade association Plantum on the above mentioned issues? Do you find a Covenant [sector agreement] with the trade association, companies, civil society organisations and the government an appropriate measure to come to further arrangements about that?

Answer

The ministry is already discussing this with sector organisation Plantum, also in relation to the process of working towards ICSR sector covenants. I consider a sector agreement with the seeds sector and its stakeholders a suitable means to deal well with the issues which the report calls attention to. The ICSR covenants offer companies the opportunity to work together – within the sector context - with the government and other parties, such as NGOs and trade unions, to structurally address such issues as child labour and living wage and thus increase their influence (*leverage*).

Question 6

Are you prepared to support Indian organisations or new joint initiatives which have proved or from whom it can be expected that they can contribute to effectively tackling child labour in the vegetable seed production and to working on at least the official minimum wage, working towards a living wage?

Answer

Of course I am willing to assess new initiatives on their merits and to examine in each case whether support of the Ministry is worthwhile and possible. The new Child Labour Fund, which was created during the BHOS budget session, may be used in this.

Question 7

Are you and your colleagues prepared to raise this issue in your bilateral contacts with India, including in the framework of the *Memorandum of Understanding* on Corporate Social Responsibility (CSR), and if possible to contribute jointly to solutions?

Answer

Yes, I am willing to raise this issue in the appropriate fora and bilateral relations.

Question 8

Do you support the recommendation in the report that companies and trade associations should have an effective complaints mechanism to actively address and resolve individual as well as structural abuses?

Answer

Yes. According to the *United Nations Guiding Principles on Business and Human Rights (UNGPs)*, various forms are possible for this purpose, both at individual companies, combined enterprises or in multi-stakeholder context. Important is that the mechanism is independent.

Question 9

Do you also endorse the other recommendations in the report, and what opportunities do you see to contribute to their implementation?

Answer

Yes, I support the recommendations which call on parties to comply with the UNGP's. Specifically in relation to recommendation 7 on living wage, we can state that sourcing companies must arrange their purchasing practices in such a way that their producers are able to pay living wages to their employees. Being able to pay the statutory minimum wage is the least that should be done. If price competition means that farmers ask a price that does not enable them to abide by the law, the sourcing company has the responsibility to shape its purchasing practices in such a way that these laws are complied with. A second step is to determine whether the minimum wage is at the level of a living wage, and to take steps in multi-stakeholder setting to work towards such a living wage. The route to ICSR covenants offers the possibility, via sector organisation Plantum, to make arrangements with the Dutch seed sector in complying with the UNGPs.

Question 10

Are you prepared to answer these questions ahead of the Parliamentary Debate on International Corporate Social Responsibility on December 3, 2015?

Answer

Informed you by letter dated December 1 (2015Z22670) about the reasons why I did not answer these questions ahead of the ICSR Parliamentary Debate on 3 December.

1) See media release and report: <http://www.indianet.nl/pb151123e.html>

2) See memorandum Plantum: <http://www.indianet.nl/pdf/PlantumKinderarbeid.pdf>

[translation by ICN; original document: <http://www.indianet.nl/pdf/kv151218.pdf>]