

**October 26, 2016**

**Answers by Minister Ploumen of Foreign Trade and Development Cooperation to**

***Parliamentary questions by member Van Laar (Labour Party) to the Minister for Foreign Trade and Development Cooperation on the exploitation of Indian workers by Dutch garment companies (subm. October 3, 2016)***

**Question 1**

Are you familiar with the conclusions of the research report '*Uitgekleed-Aangekleed: Nederlandse merken, hoge werkdruk en lage lonen in Indiase kledingfabrieken*'<sup>(1)</sup> ["Dressed Down – Dressed Up: Dutch brands, high work pressure and low wages in Indian garment factories"] of the [Dutch] Clean Clothes Campaign and the India Committee of the Netherlands? What is your reaction to the report? Can you confirm that the companies mentioned let produce are having garments produced for them during the research period in the region that has been investigated?

**Question 2**

How do you assess the reaction of the companies as included in the report, being very general and meaningless? How do they relate to the recently signed agreement on International Corporate Social Responsibility (ICSR) in the textile sector, in which it is agreed that companies will sell sustainable clothing? Do you distance yourself from companies which produce garment in factories where garment workers are exploited? If so, how?

**Answers 1 and 2:**

The report presents 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 report offers suggestions for this.

The government notes that the ten Dutch brands mentioned all have made use of the possibility to comment on the research but were hampered by the fact that the names of the factories investigated were not named. Although the motive of the Clean Clothes Campaign (CCC) for this is respectable (i.e. protection of the interviewed workers), the government is of the opinion that CCC better should have reported the names of the factories in confidence to the Dutch garment companies. Only then companies can take action aimed at improvements in the respective factories.

The government wants the report '*Uitgekleed-Aangekleed*' to be discussed in the context of the ICSR covenant for the garment and textile sector concluded in July. The garment companies participating in the covenant have committed themselves to map the abuses, to report them and to work together with trade unions and NGOs on solutions. Some garment companies have their supply chain largely in order, others still are at the beginning of this process. The companies participating in the covenant should perform their due diligence within a year and make a plan of action. Via the covenant, the report will be recommended with the companies on behalf of their due diligence investigation. Companies that purchase

in India and are not participating in the covenant, should take knowledge of the research of CCC and consider how to contribute to improvements. The government will make them aware of the report and ask them to take these recommendations seriously.

### **Question 3**

Are the findings of this research report about the violations of working conditions, conditions of employment and non-payment of minimum wages – in your opinion - reason for a complaint to the arbitration commission of the recently signed textile covenant? Are you aware that information about the precise location of the factories is often not shared with companies, in order to protect workers from retaliation and to ensure that companies exercise due diligence in all their production sites, not just those identified in a report? How can a balance be found between the publication of information about production locations etcetera to companies concerned or an arbitration committee and the protection of workers involved?

### **Answer 3:**

If CCC believes that the afore-mentioned Dutch covenant parties insufficiently fulfill their obligation to due diligence, the organization can submit a complaint to the complaints and disputes committee of the textile covenant. In the covenant it was agreed upon that the participating companies supply information to the secretariat of the covenant from the first year onwards, about the countries in which they produce and per country which production sites and processes are involved. This information will be used among others by the secretariat to publish a list of suppliers of the participating companies. The aim is to create more transparency. If abuses are found in certain factories CCC may consider, using the public list of suppliers, whether garment companies under the Dutch covenant purchase from these factories. If so, CCC can contact these clothing companies through the secretariat of the covenant. This method also provides protection to the workers.

### **Question 4**

How do you see the relationship between some of the companies concerned and the *Business Social Compliance Initiative (BSCI)* certification mark that they have and the findings of the report? Are you going to address the BSCI code of conduct on this?

### **Answer 4:**

It is for the companies that make use of the *Business Social Compliance Initiative* to assess the process and results of this certification mark. Given the high percentage of employees not receiving the minimum wage according to the investigation, there is reason for the companies to jointly engage in a dialogue about this with the *Business Social Compliance Initiative*. Although the Dutch government is not a party to this compliance initiative, she encourages such a dialogue and is ready to facilitate this.

### Question 5

Can you explain what was the role of India during the Asian Regional Living Wage Conference in Pakistan (May 2016)<sup>(2)</sup>, co-organized by the Netherlands?

#### Answer 5:

From India there was particular interest from NGOs, trade unions and research institutions for the living wage conference in Pakistan. Unfortunately, problems occurred in the issuance of Pakistani visas to Indian interested parties, ultimately resulting in limited participation from India. But India is one of the countries with which dialogue will be sought in follow-up activities around living wage within the framework of the strategic partnership with the Fair Wear Foundation.

### Question 6

Can you explain whether the International Labour Organization (ILO) is involved in the supervision by the Indian government on the payment of the minimum wage in South India? What opportunities do you see to strengthen the role of local or national authorities in India in the pursuit of decent work in India? What responsibility do Dutch companies have if they have their garments produced in India?

#### Answer 6:

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.

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(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) Parliamentary document 32 735, no. 153

