ILO-OECD Roundtable on Responsible Supply Chains in the Textile and Garment Sector

29-30 September 2014

Welcome Remarks on behalf of Sandra Polaski, ILO Deputy Director-General for Policy, delivered by Alette Van Leur, Director, Sectoral Activities Department, ILO

I would like to extend a very warm welcome to everyone on behalf of the ILO and Deputy Director General for Policy Sandra Polaski, who could not attend due to a conflicting requirement. Our thanks to the OECD for hosting this forum on building responsible supply chains in the textile and garment sector.

The ILO values its collaboration with other multilateral institutions, like the OECD, that encourage responsible business conduct to foster better jobs, healthy industrial relations and social dialogue. Together we are more likely to make progress on our goals of decent work and rising living standards for all.

This forum will examine the challenges in building decent working conditions and higher living standards throughout textiles and garment supply chains. We will look at the roles and responsibilities of the different actors in the supply chain to explore how business can make positive, practical contributions and improve relations with workers and other stakeholders as well as communities and countries of operation.

We will identify the different challenges that confront businesses, workers and governments in this sector and discuss how to assess risks and take action to achieve fair wages, safe working conditions, freedom of association and freedom from non-discrimination, forced and child labour, and social protection, including for accident, sickness, and maternity.

As the UN agency with the global mandate to address labour issues, the ILO has been working on challenges in supply chains for many years and through a variety of channels and strategies. These include the development, adoption and implementation of international labour standards for use by governments, business and labour around the world.

The principles contained in ILO standards are important benchmarks for responsible business conduct in buyer and supplier countries, and form the basis for key reference tools, like the ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD’s Guidelines for Multinational Enterprises that build on ILO standards. We assist with the effective implementation of these principles by providing
practical advice and assistance to Governments, business and workers through laws, policies and practices; and we engage in dialogue with MNEs to enhance the positive contributions they can make and minimize possible negative impacts of their operations.

The ILO’s membership covers 185 member states and workers’ and employers’ organizations in both buyer and supplier countries. Therefore the ILO is in a unique position to promote hands-on projects and partnerships that bring together governments and representative organizations of business and labour in supplier countries with global companies and union federations active in the supply chain.

The ILO’s network of field offices and specialists provide guidance and technical support on a range of issues affecting quality of work and enterprise development. Our work combines grassroots capacity building for compliance at the enterprise level with public policies and programmes. Our experience demonstrates that the coordination of public and private efforts are required to achieve sustainable growth in supplier countries and achieve meaningful improvement in respect for fundamental principles and rights at work, better terms of employment, safer conditions of work, investment in skills and productivity, and healthy industrial relations practices.

I invite you as participants to this roundtable to look toward the future for expanded opportunities to collaborate in support of decent work and responsible business conduct. You will hear directly from ILO officials and our partners about concrete approaches and programs that have yielded substantial positive gains in the sector.

These methods combine: practical advice and guidance based on international labour standards and policies (including through an on-line “ILO Helpdesk for Business on international labour standards”), hands-on assistance to governments, business and labour, and ILO’s role as a “convening space” for dialogue across buyer and supplier countries and actors. Some of our recent initiatives reveal what I call the “tripartite difference”, the productive dynamic for change when ILO has brought together national and global actors to tackle common and urgent problems in the supply chain.

One example specifically in the textile and garment sector is the Better Work programme, in which ILO, in partnership with the International Finance Corporation of the World Bank Group (IFC), provides over 1000 garment factories with objective assessment of their level of compliance with national labour law and international labour standards. The program then offers training and coaching to managers and workers on how to remedy poor labour practices at the firm level.

The Better Work model also mobilizes and sustains activities at a national level in supplier countries and harnesses the commercial influence of global garment buyers to incentivise and accelerate the improvement process by aligning the incentives facing buyers and suppliers with those of workers, governments and consumers.

This intensive, sectoral approach engages national and international constituents in the root causes of poor working conditions also creates wider opportunities to strengthen labour market governance. In countries like Haiti, Jordan and Vietnam ILO is building on the Better Work programme by supporting law reform, stronger mechanisms for social dialogue and building the capacity of labour inspectorates.
Another recent example is the case of Bangladesh where buyers and global unions joined the national tripartite constituents in the country in asking the ILO to help them establish a mechanism to provide compensation for the victims of the Rana Plaza factory collapse in 2013.

The ILO convened the Rana Plaza Coordination Committee – a representative body of Bangladeshi and industry stakeholders – that developed a single mechanism to deliver a benefit system for fair and equitable entitlements to the thousands of victims of that tragedy. This work is part of a broader ILO program in the ready-made garment sector in Bangladesh through which government, employers and workers are taking the demanding and difficult steps needed to build safer workplaces, where workers have the right to organize and bargain to improve their terms and conditions of work.

The ILO actively promotes dialogue between governments, employers and workers to seek solutions to challenges to decent work in this sector. Last week, a Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries was held in Geneva.

Representatives from 60 governments, as well as from employers and workers organizations from around the globe adopted a set of consensus points on ways to address challenges related to wages and working hours in the sector. In particular, they called on governments to work towards improved conditions of work in this sector by enforcing labour legislation; and to ensure workplace compliance through effective labour inspection systems. The Forum also asked employers’ and workers’ to engage in effective social dialogue to promote decent work and sustainable enterprises in the sector; and to develop mechanisms to involve buyers in improving working conditions, productivity and competitiveness; and promote sourcing and subcontracting practices that enhance compliance.

Participants strongly recommended the development of unified data systems and research on issues such as employment levels and minimum wages, wage structures, total cost of labour, working hours, productivity, competitiveness and on global profit margins. These points of consensus will inform the work of the ILO and its members in this sector around the world and provide guidance to better align industry policies and practices with International Labour Standards and the MNE Declaration.

Let me close by conveying Sandra’s regret that she could not join you in person for this discussion, not least because of her strong and long professional collaboration with so many of you in the long-term effort to improve working conditions in global supply chains. She looks forward to hearing the full report of discussions and new insights that will be developed here to guide future institutional and in-country collaboration.