

# Conference Report

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## International Responsibility in the Global Garment Industry: What Role for the EU?

Sabine Gerhardt

For a long time the textile and clothing industry has been one of the most striking examples for social and environmental problems in global supply chains, which have resulted in catastrophic accidents time and again. NGOs have been drawing attention to this state of affairs for years, but their voices have often gone unheard. The situation culminated 2013 with the collapse of the Rana Plaza building in Bangladesh, leaving more than 1000 people dead and 2000 injured. This tragedy had the effect of a wake-up call so that efforts to introduce responsible supply chain management gained fresh momentum. Against this background, the Development and Peace Foundation (sef:) and its cooperating partners, the German Federal Ministry for Economic Cooperation and Development (BMZ), the international alliance of Catholic development agencies CIDSE, the Permanent Representation of the Federal Republic of Germany to the European Union and the Representation of the State of North Rhine-Westphalia to the EU invited a high-level panel to discuss and analyze the respective EU initiative in Brussels on 4 November 2015.

### Germany has raised the bar

As a starting point for discussion, Dr Bernhard Felmberg from the BMZ presented the aims and efforts of the German Textile Partnership which was founded in October 2014. The Partnership is set up as a multi-stakeholder initiative, comprising the textile and clothing industry itself as well as retailers, trade unions and civil society. It aims at pooling the strength and expertise of its members in order to bring about social, ecological and economic improvements all along the textile supply chain. In doing so, the Textile Partnership aims to tackle common challenges more effectively, generate synergies through joint projects on the ground, learn from one another and improve underlying conditions in the producer countries. Only one year after its start, the initiative quintupled its members; they now add up to 170, representing more than 50% of the German textile market, Felmberg proudly stated. But the Partnership is not limited to the national level. As most textile companies and civil society organisations are operating on a multinational basis, the initiative seeks to grow beyond German borders as well. Therefore, however, it needs the support by the European Commission.

### European Commission for joined forces

Klaus Rudischhauser, Deputy Director-General of the Directorate-General Development and Cooperation at the European Commission (DG DEVCO) then reported that besides Germany, who is actually taking the lead, initiatives on responsible supply chain



sef: Policy Briefing: Arne Lietz, Dorothee Starck, Bernhard Felmberg, Tapan Kanti Ghosh, Gerd Harms, Denis Auclair, Klaus Rudischhauser, Elin Åström

management in the garment industry exist in other member countries, too. Although all these initiatives are commendable, efforts are often overlapping thematically and/or geographically. This leads to an increasing need for coordination to improve their impact, he stated. Furthermore, harmonisation is needed within the European Commission itself, where besides DEVCO five other DGs, such as Trade, Employment and Justice, are engaged in fostering responsible supply chain management issues. Against this background, a multi-stakeholder



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roundtable has been established by DG DEVCO early this year which should lead to the launch of an EU initiative in early 2016. Participants of the roundtable have been discussing how ongoing activities at national and EU level could be valorised in a collaborative and mutually reinforcing way. Furthermore, the need to further improve communication, transparency and the sharing of best practices and information has been on the agenda. “Our aim is not to copy or undermine existing initiatives. We need to engage complementarily instead,” Rudischhauser said. In doing so he would like to start with a number of “early deliverables”, such as a tool box focusing on how the different DGs could engage best.

## Voluntary agreements vs. binding legislation

The two statements were then commented on by representatives from the private sector, civil society, the European Parliament and supplier countries. All of

the speakers welcomed the initiatives and highlighted the need for capacity building and technical assistance for suppliers. Nevertheless, the assessment of remaining challenges was – of course – different. This became apparent when speakers discussed the Pros and Cons of voluntary agreements vs. binding legislation. Elin Åström, Global Sustainability Business Expert from Hennes & Mauritz, underlined the importance of a stronger and regular training of workers and the respective factory management as this would be much more effective than additional controls. Mr Rudischhauser refused the idea of new legislation “despite the very strong calls”, admitting that a lack of success in the first three years of a voluntary approach may lead him to change this opinion. Denise Auclair, representing CISDE, was very much in favour of a new legislation. According to her, voluntary approaches have been very successful in setting standards and motivating companies to go ahead. But there have been “companies who are not willing” to join in. For them, binding agreements on due diligence at each stage in the supply chain would be much needed. She added that the Commission should also have a closer look at other policy areas in which voluntary approaches have changed to binding ones as it happened with the EU timber initiative or the new legislation on conflict minerals. Her arguments were supported by Arne Lietz, MEP, who also advocated for regulation and legislation. Tapan Gosh, Minister of Commerce at the Embassy of Bangladesh to the European Union, raised another important point regarding the responsibility of companies after a tragedy such as Rana Plaza. To him “it was a shame” how long it took for the Rana Plaza victims to get compensation and how few companies contributed to the Fund – while at the same time talking about their engagement in CSR issues. In the future, sourcing companies have to be held accountable after such incidents by law, Gosh demanded.

He also added that the issue of poverty is often neglected in the discussion on responsible supply chain management: If workers were not as poor and badly educated, they would not have to work under such bad conditions. Thus, implementing the Sustainable Development Goals will help to improve the situation in the global garment industry. For Arne Lietz “a stronger engagement for more responsible global supply chain management in the textile and garment industry could even serve as flagship-project in implementing the new 2030-agenda for sustainable development”.

### Cooperating Partners



### Imprint

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