



Federal Ministry
for Economic Cooperation
and Development

Topic

Sustainable textiles: What German development policy is doing





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Sustainable textiles: What German development policy is doing



“We can no longer accept the often inhuman conditions in which people employed in the textiles industry live and work in Asia and Africa. Germany can and must take a leading role in efforts to improve working conditions.”

Dr Gerd Müller,
Federal Minister for Economic Cooperation
and Development

Dear readers,

In April 2013, the Rana Plaza factory building in Bangladesh collapsed, killing more than 1,100 people, including many who had been producing garments for us here in Germany. This tragic accident clearly revealed to us the catastrophic conditions in some sectors of the textiles industry: unsafe buildings, poor fire protection, toxic chemicals and wages that are barely enough to survive on are the harsh reality in many factories.

Although we were able to provide emergency measures to assist many of the victims, I am sure we all agree that we do not wish to have clothes touching our bodies that have been produced in places where human rights are being trampled underfoot and people are being exploited and poisoned. We need decent work worldwide. And we need binding minimum social and environmental standards worldwide. That is something I am working hard to achieve in my efforts at national, European and international level.

I am aware that the textiles industry's supply chains, from the cotton field to the coat hanger, are highly complex and integrated. For that reason, we cannot make all stages in the production process more environmentally, socially and economically sustainable at a single stroke. But we can – and must – make a start. Consumers have a right to expect that together, we will bring about improvements and create more transparency for their purchasing decisions.

That's why, in October 2014, I launched the Partnership for Sustainable Textiles together with representatives of the textiles and garment industry, retailers, trade unions and civil society. Together, we aim to achieve real improvements in the textiles and garment industry. We are starting with minimum standards that have already been agreed at the international level, and will then go further, step by step. I am very confident that we will soon win over many more participants. After all, in the long term, no responsible company will be able to deny itself the opportunity to announce that its supply chains are free from environmental and social dumping and child labour.

We take our responsibility for our ONE WORLD seriously and do so in many diverse ways. We support international organisations in implementing globally binding social and environmental standards, seek dialogue with our partner countries, and work on projects together with the private sector and civil society.

So that you, as consumers, can support our goals, we are safeguarding transparency by setting up an information portal and launching an app for your smartphone.

In our brochure, you can find out more about our work and your options. Please join us!



Dr Gerd Müller,

Member of the German Bundestag

Federal Minister for Economic Cooperation and Development



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BACKGROUND

WORKING CONDITIONS IN THE GLOBALISED TEXTILES INDUSTRY

Worldwide, many millions of people work in the textiles and garment industry, most of them in developing and emerging economies. The industry is characterised by a high level of international integration and complex supply chains. It makes a significant contribution to economic growth and development. However, in some producer countries, working conditions are not yet in line with internationally defined environmental and social standards.

Nowadays, most of the clothing sold in Germany is manufactured in other countries, mainly China, Turkey, Bangladesh, India, Viet Nam, Cambodia and Pakistan.

TOPIC

PAY

The wages paid in the textiles industry are often insufficient for workers to pay their rent, buy food, pay for their children's schooling, and pay for medical care. Even where countries have introduced a legal minimum wage, this is often too low for people to make a living. In Bangladesh, for example, unskilled female garment workers are paid minimum wages amounting to just 50 euros a month.

According to the Confederation of the German Textile and Fashion Industry, in 2011, one hour of labour in the garment industry in Germany cost 27.70 euros. Wage levels are similar in other European countries. Many of the work processes involved in textile production are therefore being outsourced to low-wage countries.



A workshop for garment workers in a women's café in Bangladesh

TOPIC

WORKING HOURS AND HEALTH

Textile producers in Asia are in some cases facing aggressive purchasing practices from the wholesale and retail trade. If they fail to meet certain price levels and deadlines, they lose business to competitors. They often pass on this pressure to their employees, who have no option but to work overtime.

In such situations, many garment workers work not just 10 or 12 hours but up to 16 hours a day. Despite the existence of legislation, it is common for workers to have to work seven

days a week during peak periods. There is no holiday or sick pay, and overtime is often not properly remunerated. Many workers are employed on a piece-rate basis and are paid according to the number of units they produce. National or international labour regulations are often violated with impunity.

Pesticides are used to protect large cotton monocultures. Often, these toxic substances are sprayed on crops by hand or even by aircraft while people are working in the fields. If employers

fail to provide proper protective clothing, workers' health may suffer. Particularly frequent health conditions are respiratory and skin diseases and damage to the eyes and nervous system.

Many textile factories neglect the issue of health protection as well. For example, chemicals that can cause serious diseases are used in the processing of fabrics. Sandblasting jeans to give them a "distressed" look is one example: sandblasting exposes workers to a high risk of developing silicosis, a deadly lung disease. However, many of these workers are not supplied with the proper protective clothing.



▲ A machinist in a garment factory in Bangladesh

"We do overtime every day. During the peak season, we work until 2 or 3 a.m. Although we're exhausted, we have no choice.

We cannot refuse overtime: our basic wage is too low."

Phan, 22-year-old garment worker in Thailand



Parmin,
a garment worker

"I WANT MY CHILDREN TO HAVE A BETTER LIFE THAN MINE"

Parmin is 27 years old and has worked in a garment factory in Dhaka in Bangladesh for seven years. Originally from a small village, she never went to school. Seven years ago, she came to Dhaka to start work in a factory, where she learned to sew. Parmin lives in a slum outside Dhaka. Her two children stayed in her home village, where they go to school.

"When I came to Dhaka seven years ago to work in a garment factory, I started at beginners' level – level 7. In just two months, I worked up to level 2. But at the end of the month, I still only take home 6,900 taka [around 70 euros] for working 10 hours every day."

The average minimum monthly income required to survive in Dhaka, according to a study by the Bangladesh Bureau of Statistics, is around 160 euros. But Parmin has no prospect of promotion or a pay rise because she has no formal training.



“My daughters Kia and Pia didn’t come to the city with me. Most of the small amount of money that I earn is spent on them and their schooling. There’s nothing left over, so I can’t save. I don’t see my daughters very often – just two or three times a year. I simply don’t have the money to visit more often.

I live outside Dhaka. I share 10 square metres with two other young women, who also work in a factory. Eight of us share two communal hotplates, washing facilities and two toilets.

I want to give my children a better future. I don’t want my daughters to work in the garment industry when they’re older. The work is too hard and you can’t earn enough to live on. I want my older daughter to study and become a doctor. I want both of them to have a better life than mine.”

TOPIC

SAFETY AND ENVIRONMENTAL STANDARDS

Serious accidents frequently occur because safety standards are ignored. In 2012, fires at the Ali Enterprises garment factory in Pakistan and at Tazreen Fashions in Bangladesh claimed a total of more than 360 lives. In 2013, the nine-storey Rana Plaza commercial and factory building near Dhaka in Bangladesh collapsed. The garment factory there had been manufacturing for Western textile companies. More than 1,100 people were killed and over 1,500 were injured. An investigation showed that sev-

eral storeys of the building had been erected without permission and that poor-quality building materials had been used.

In the first few days after the accident, Germany provided legal services to assist victims with compensation claims, and also supplied medical care, food and emergency financial support. After the disaster, a compensation fund was set up for the victims, which is being managed by the International Labour



A worker at a dyeworks in Bangladesh pours used fabric dye into a river.

Organization (ILO). Numerous Western companies pledged to make payments in support of the families of those who lost their lives. To compensate the victims, the fund requires around 40 million US dollars. However, by mid-September 2014, only half that amount had been received.

Where environmental standards are absent or ignored, this has very serious consequences for the natural environment and human health. One example is the disposal of toxic chemicals used

in garment factories. If these chemicals are discharged untreated with other wastewater, this causes major pollution in rivers and other bodies of water in producer countries.

Cotton production often causes environmental problems as well. Pesticides from cotton fields seep into groundwater and drinking water, and large-scale monoculture production depletes the soil.



Training for survivors of the Rana Plaza disaster in Bangladesh. Here, machinists are learning to sew a complete garment.

TOPIC

TRADE UNIONS

Freedom of association is a fundamental human right. It is enshrined in Article 20 of the Universal Declaration of Human Rights. And Article 23 states: "Everyone has the right to form and to join trade unions for the protection of his interests."

If small-scale cotton growers or garment workers form associations, they improve their chances of asserting their rights.

Together, they are more likely to be successful in negotiating good working conditions and business terms.

However, in many producer countries in the textiles industry, there are legal barriers to trade union activity. Many plantation owners and textile producers try to impede or obstruct workers' attempts to organise.



Labour leader
Nazma Akter

“WHEN A WOMAN GARMENT WORKER KNOWS HER RIGHTS, SHE CAN DEMAND THEM FROM THE FACTORY.”

As a child, Nazma Akter (40) worked as a seamstress in a garment factory. Today, she is one of the most influential labour leaders in Bangladesh. She is also the founder of the AWAJ Foundation, which advocates for female garment workers and educates them about their rights and how to defend them vis-à-vis employers.

“I am not against garment factories per se; I believe that as a rule, they empower the women garment workers, many of whom are very poor. However, I am resolutely against exploitative and dangerous working practices in the garment factories. When a woman garment worker knows her rights, she can demand them from the factory.”

Nazma is determined to prevent another accident like Rana Plaza from happening. She is convinced that the accident was the direct result of wage dumping, so she advocates for decent pay and working conditions.

“One aspect is particularly important to me: respect for the workers and the hard work that these women perform every day. It is no help to the female garment workers if manufacturing is relocated to other countries such as Myanmar and India. That would simply result in the women in Bangladesh losing their jobs. It certainly wouldn’t improve the production problems; it would merely shift them elsewhere. I urge all stakeholders to cooperate and pull together to solve the problems where they occur, namely here in Bangladesh.”



Female garment workers in Morocco



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ONE WORLD –
OUR RESPONSIBILITY
BMZ'S ACTIVITIES

“Better working conditions, environmentally friendly production methods and fair wages: that's sustainable development in action!”

German Development Minister Dr Gerd Müller

German development policy aims to foster economic growth while at the same time enforcing decent working and living conditions and promoting the protection and sustainable management of the environment worldwide.

In the textiles sector, the Federal Ministry for Economic Cooperation and Development (BMZ) is working for environmental and social standards at various levels:

- ▶ ESTABLISHMENT OF THE PARTNERSHIP FOR SUSTAINABLE TEXTILES
- ▶ SUPPORT FOR INTERNATIONAL ORGANISATIONS

- ▶ DIALOGUE WITH PARTNER COUNTRIES
- ▶ COOPERATION WITH THE PRIVATE SECTOR
- ▶ COOPERATION WITH CIVIL SOCIETY
- ▶ CONSUMER EDUCATION

As a public authority committed to fairness, BMZ makes sustainability a priority in its procurement processes and promotes sustainable public procurement in the dialogue with other ministries.

PARTNERSHIP FOR SUSTAINABLE TEXTILES



German Development Minister Dr Gerd Müller (right) and signatories unveil the Plan of Action of the Partnership for Sustainable Textiles in Berlin.

In April 2014, German Development Minister Dr Gerd Müller invited various stakeholders to form a Round Table on the Textiles Industry and discuss options for improving environmental and social standards in this sector. More than 70 representatives of the textiles industry, trade unions and civil society took part in the Round Table and drafted an ambitious Plan of Action.

On 16 October 2014, the Partnership for Sustainable Textiles was officially launched. Its aim is to foster the continuous improvement of social, environmental and economic sustainability all along the textile supply chain.

This is to be achieved by means of the following strategy:

The standards of the Partnership for Sustainable Textiles are based on well-established international principles such as the ILO's core labour standards, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights. They have also been influenced by existing systems of standards (e.g. for organic textiles and Fair Trade), technical industry standards, and voluntary commitments (codes of conduct) within the private sector.

The Plan of Action was developed in a collaborative process involving businesses, civil society, the trade unions and the German government and defines binding standards for the production and processing of raw materials in the textiles and garment industry (spinning, weaving, knitting, dyeing, finishing and sewing).

Smooth and gap-free monitoring of all production processes is still a major challenge for the industry and retailers at present. The Partnership for Sustainable Textiles will therefore focus initially on the most urgent issues, especially transparency in value chains, production chemicals, freedom of association, and living wages.

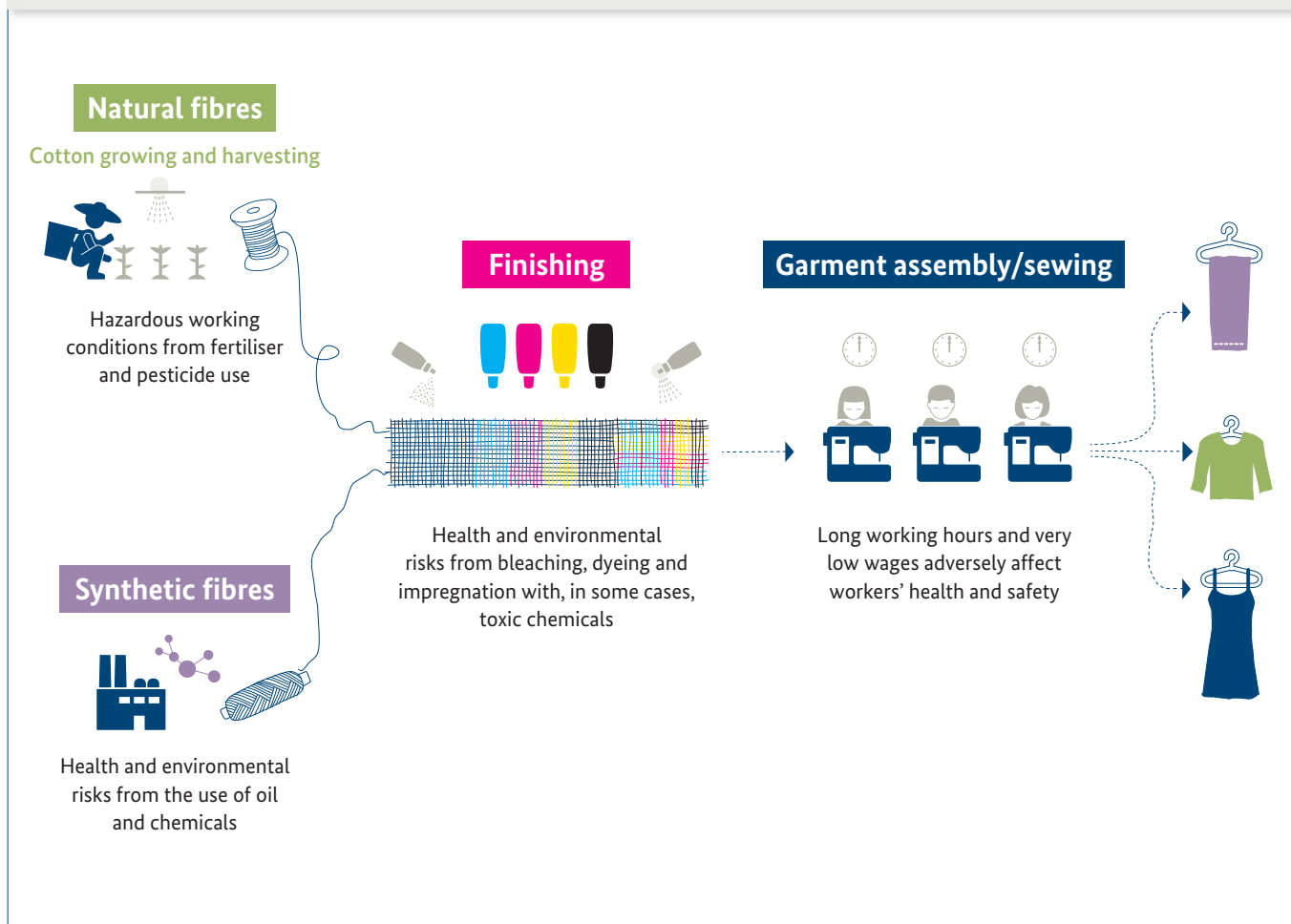
The focus will initially be on cotton, the most important raw material in the industry. Later, the production of synthetic fibres will also be included.

The Plan of Action also defines the stages in which the Partnership Standards are to be implemented. Deadlines have been set in order to ensure that continuous improvements are made. The timetable will be reviewed and updated at regular intervals.

Many other European governments have launched similar initiatives. With the Partnership, Germany is thus making an important contribution to Europe's efforts to fulfil its responsibilities in relation to sustainable global development.

THE TEXTILE PRODUCTION CHAIN

The Partnership for Sustainable Textiles views the textiles and garment supply chain as an integral whole, with sustainability to be built into every processing stage.



SUPPORT FOR INTERNATIONAL ORGANISATIONS

Germany is working to ensure that international development organisations such as the World Bank, the International Monetary Fund (IMF) and the United Nations Development Pro-

gramme (UNDP) promote environmental and social standards in their dialogues with developing countries..



International
Labour
Organization

IN PROFILE

ILO

Germany supports the International Labour Organization (ILO), in particular, as the lead institution in efforts to enforce core labour standards worldwide. In May 2014, the BMZ and the ILO signed a cooperation agreement on the financing of ILO programmes in the Asian textiles and garment industry. The programmes will focus on strengthening trade unions, fostering dialogue between the social partners, and enforcing living wages.



Garment workers in a textile factory in Viet Nam

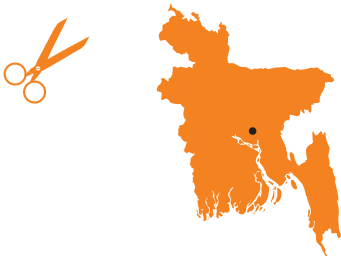
DIALOGUE WITH PARTNER COUNTRIES

The BMZ supports the introduction and recognition of environmental and social standards in the partner countries of German development cooperation. In the textiles sector, there are relevant programmes in Bangladesh, Pakistan and Cambodia, for example. Among other things, Germany advises these countries' governments on the development of labour and environmental legislation.

With a view to improving compliance with ILO core labour standards in the textiles sector, Germany is pursuing targeted efforts to foster the dialogue between employers and workers, so that they are able to jointly identify problems and find solutions. In order to enable workers to assert their interests effectively, Germany supports the establishment of unions and associations and the provision of training for union workers.



A training session for garment workers in Bangladesh



IN PROFILE

BANGLADESH

Since 2010, more than 200,000 garment workers, managers and factory owners in Bangladesh alone have undergone a training to learn more about their rights and responsibilities. Training and better equipment are also provided for public labour inspectors, who are responsible for carrying out checks in the factories.

After the collapse of the Rana Plaza factory building, Germany also offered training for former textile workers and is helping them to build new livelihoods by setting up small businesses.



A worker monitors the washing and drying of dyed fabric in a textile factory in Pakistan.



IN PROFILE

PAKISTAN

In Pakistan, the textiles sector accounts for around 70 per cent of total industrial water abstraction, making it one of the country's largest water consumers. Water consumption and environmental pollution from wastewater are far higher than the international average. At the same time, the textiles industry is becoming increasingly important for the country's economy and is one of its largest employers. Low environmental, labour and social standards are widespread, especially in smaller enterprises.

A programme in Pakistan aims to increase the efficiency of water use by textile companies and thus reduce water consumption and contamination of wastewater. With training and technical measures, water pollution from dyes and chemicals is decreased. This reduces the health burden for workers and protects local water resources.

COOPERATION WITH THE PRIVATE SECTOR

When it comes to enforcing environmental and social standards, the private sector is an important partner for policy-makers. The BMZ is therefore working with the business community in a variety of ways. Among other things, the Ministry set up the Round Table Codes of Conduct together with the private

sector, business associations, non-governmental organisations, trade unions and government agencies. Its target group consists of German businesses with production sites or suppliers in developing countries. The Round Table aims to promote the implementation of social standards in global supply chains.



IN PROFILE

LIVING WAGES

The BMZ, the Ministry of Foreign Affairs of the Netherlands and the Round Table Codes of Conduct jointly hosted the first European Conference on Living Wages in Berlin and drafted an action plan.



Workers in a textile factory in Bangladesh



develoPPP.de

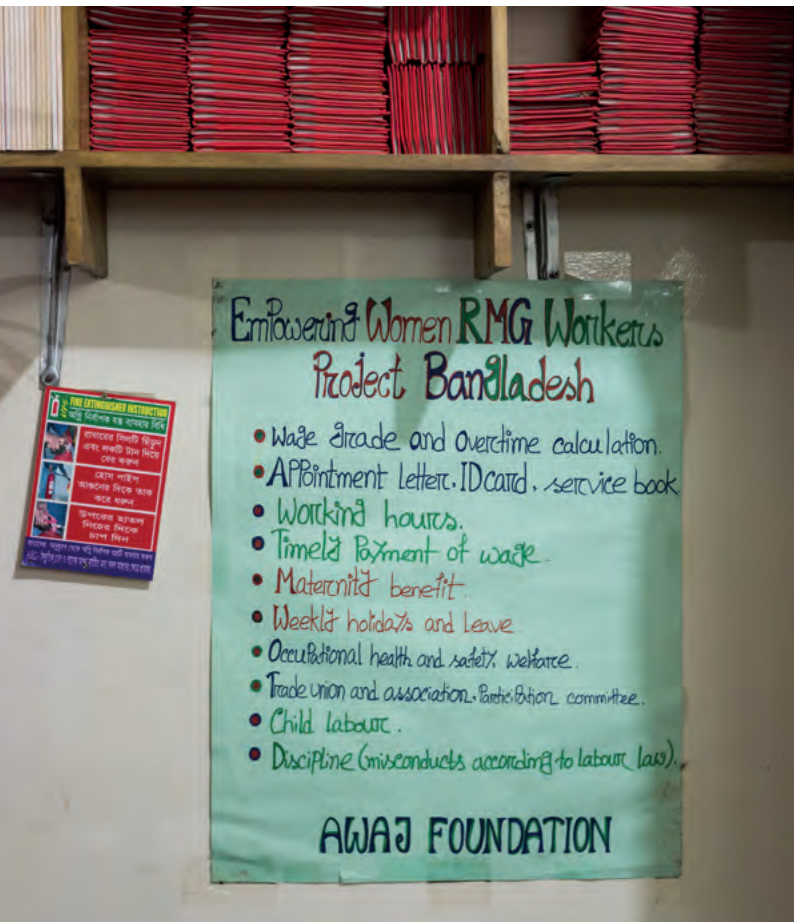


IN PROFILE

DEVELOPPP.DE

Through the develoPPP.de programme, the BMZ provides a proportion of the funding for projects implemented jointly with companies investing locally in producer countries; project activities can include the establishment of production facility pools, the introduction of new process technology, and training and upskilling. Through these development partnerships, which may last up to a maximum of three years, the BMZ provides financial and, if required, professional support. The company is responsible for covering at least half of the overall costs. Companies taking part in develoPPP.de cooperate with one of the three public partners appointed by the BMZ to implement the programme on its behalf: DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and sequa gGmbH.

COOPERATION WITH CIVIL SOCIETY



Non-governmental organisations (NGOs) play an important role in the preparation, introduction and monitoring of environmental and social standards in developing countries. NGOs generally have good relations with local communities and, as they are not dependent on government authorities, enjoy a high level of trust.

With a view to improving working conditions in the textiles sector, NGOs engage with workers, organise training events, and advocate for workers' interests both in the companies concerned and vis-à-vis the public authorities.

In the field of Fair Trade, too, civil society organisations and initiatives play an important role. For example, they work with all the various stakeholders on defining standards and also monitor compliance. Fairtrade Labelling Organizations International (Fairtrade International – FLO) is the world's largest organisation in the field of social standard certification. It guarantees that products sold under the Fairtrade label comply with uniform criteria all over the world.

◀ Poster advertising an AWAJ Foundation training project for female garment workers in Bangladesh

CONSUMER EDUCATION

Through their consumption behaviour, consumers bear some responsibility for working conditions in the garment industry. This means that by making informed purchasing decisions, they can ensure that more and more products which meet social and environmental standards come onto the market.

However, this requires transparency. Consumers need to be able to identify how their garments have been produced. Existing quality labels such as Fairtrade and the Global Organic Textile Standard (GOTS) can help. More and more companies are now specialising in environmentally friendly and ethical fashion. What is still lacking, however, is a comprehensive guide for consumers.

That's why, in early 2015, the German government is launching the Siegelklarheit web portal, which will compare and assess textiles industry standards and existing environmental and social labels.

The portal will also be available as a smartphone app. This will give consumers the tool they need to buy clothes with a clear conscience, secure in the knowledge that the garments have been manufactured under decent, environmentally sound working conditions at fair prices.

A person wearing a grey jacket and a teal shirt is holding several shopping bags. The bags have various handles, including black, brown, yellow, and orange braided ropes. Some bags are brown paper, while others are colorful with vertical stripes. A large orange number '3' is overlaid on the image.

3

HOW CAN I HELP?

TIPS FOR BUYING CLOTHES RESPONSIBLY

Anyone who buys clothes bears some responsibility for working conditions in the producer countries – and can make a difference by making informed purchasing decisions.

Here are some tips to help you buy clothes responsibly:

- ▶ LOOK OUT FOR QUALITY LABELS CERTIFYING COMPLIANCE WITH ENVIRONMENTAL AND/OR SOCIAL STANDARDS.
- ▶ BUY FEWER BUT BETTER QUALITY CLOTHES. DON'T BUY CHEAP GARMENTS THAT ONLY LAST ONE SEASON.
- ▶ ASK FOR INFORMATION AND EXPRESS YOUR VIEWS. ASK YOUR FAVOURITE SHOP OR BRAND ABOUT WORKING CONDITIONS IN THEIR GARMENT FACTORIES. NO COMPANY CAN AFFORD TO IGNORE THEIR CUSTOMERS' OPINIONS FOR LONG.

NEW CONSUMER INFORMATION WEBSITE

SIEGELKLARHEIT

At present, consumers have few opportunities to find out about and compare the various quality labels existing in the garment industry. That's why the German government is launching the Siegelklarheit portal (www.siegelklarheit.de) in February 2015. A website and an app for smartphones and tablets will explain what the various quality labels mean and how they differ from each other.

ADDRESSES AND LINKS

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PARTNERSHIP FOR SUSTAINABLE TEXTILES

www.textilbuendnis.com/index.php/en/

BMZ WEB PAGES ON THE TEXTILES INDUSTRY

www.bmz.de/textileindustry

GIZ'S WEB PAGES ON ITS PROJECTS IN BANGLADESH

www.giz.de/en/workingwithgiz/11859.html

ILO CORE LABOUR STANDARDS

www.ilo.org/global/standards/lang--en/index.htm

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

www.oecd.org/corporate/mne/

UNIVERSAL DECLARATION OF HUMAN RIGHTS

www.un.org/en/documents/udhr/

CLEAN CLOTHES CAMPAIGN

www.cleanclothes.org

FAIR WEAR FOUNDATION

www.fairwear.org

ROUND TABLE CODES OF CONDUCT

www.coc-runder-tisch.de

CSR WELTWEIT: GERMAN BUSINESS – GLOBAL CITIZEN INFORMATION PORTAL

www.csr-weltweit.de/en/index.nc.html

GERMAN CONSUMER INITIATIVE (VERBRAUCHER- INITIATIVE E.V.): SUSTAINABLE CONSUMPTION

www.oeko-fair.de

(in German only)

NRW CONSUMER ADVICE CENTRE: GARMENT QUALITY LABELS

www.vz-nrw.de/fair-trade-textil-1

(in German only)



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