

December 19, 2001 – Version 1.0

**Submission of TUAC to the UNEP Industry Sector Reports:
Tanning and Textiles**

CAVEAT

The following report is based on information obtainable by the author during the course of research and writing. Attempts have been made to obtain input from appropriate labour groups. However, it is important to note that there may be relevant policy documents and points of view not represented here. This document is subject to change as additional input may be forthcoming. Please ensure that you are reading the most recent version. Therefore this report should be considered an introduction to trade union thinking on these issues rather than a final or complete position.

INTRODUCTION

The Trade Union Advisory Committee (TUAC) to the Organisation for Economic Cooperation and Development (OECD) along with the International Confederation of Free Trade Unions (ICFTU) welcome this opportunity to provide our response to the Industry Sector Reports being prepared by international industry associations under the auspices of the United Nations Environment Program (UNEP); Division of Technology, Industry, and Economics.

It is disappointing, although perhaps not entirely surprising, that the textiles, garment, leather and related industries have failed to produce a report on sustainability for this UNEP process. Given their performance record in the three dimensions of sustainability, especially the social dimension, they might understandably be reluctant to hold it up for public scrutiny. In the case of other industry sectors, labour has been invited to respond to the employers' reports. In the case of this group of industries, the international trade union movement challenges the industry leaders to respond to this, our submission.

When seeking information on the sustainability of any industry, it is important to remember that the input from industry management and industry associations is only one-half of the story - the owners' part. Workers, through the unions which represent them, are able to complete the picture.

Business hopes to ensure that its positive contributions to sustainability are appropriately recognized. Trade unions, as part of both "industry" and civil society, acknowledge that in many cases, industries and sectors have made important progress in the areas of technology development and technology transfer, environmental management systems and tools, and voluntary initiatives.

However, there are many unfulfilled past promises, and complex future challenges for industry. These are neither uniform between industry sectors, between nations, nor even within single nations and industry sectors.

Workers will be among the first to congratulate those employers who have "done well by doing good". However, at the World Summit on Sustainable Development, the world calls upon those industry sectors where progress towards sustainability has been minimal, or even negative, to account for their actions.

LABOUR'S VIEW OF SUSTAINABLE DEVELOPMENT

The simplest definition of sustainable development states that we must meet the "needs" of today's generation without sacrificing the ability of future generations to meet their needs. This simple definition becomes more complex upon examination of the word "needs". "Needs" does not just mean environmental or economic concerns, which is a common misinterpretation, but includes environmental, economic, and social concerns.

The concept of "sustainable development" has proven to be difficult for many people to fully understand. Perhaps that is because it requires integrative rather than compartmentalized thinking, and is not well adapted to explanation in five-second media "sound bites". Environmental, economic and social concerns must be addressed simultaneously. Very simply: if we fail to protect the environment we will have no jobs, no communities, and no future; but if we attempt to impose environmental solutions that ignore economic and social realities, we will face disaster of a different sort. Practitioners of the scientific professions, for example, need to occasionally put aside their technical and scientific training and reflect upon the broader consequences of what they do.

The first objective along the path towards sustainability will be to integrate consideration of all environmental, economic, and social impacts into all of society's decisions; whether these take place within governments, corporate boardrooms, or other institutions of civil society. Reaching this objective will in turn require a review of decision-making processes (particularly the application of consensus-building as a decision-making tool in settings that previously have neither acknowledged consensus-building as a need nor an opportunity). It may even require a complete reconstruction of many existing institutions, structures, and decision making methods – some of which are quite resistant to change. Finally, the integration of environmental, economic, and social thought into those decision-making processes will necessitate the utilization of human knowledge from the widest possible range of sources and across the widest possible range of disciplines.

Environmental, social, and economic concerns are frequently described as "the three pillars of sustainability". While this is a useful analogy in the sense of acknowledging the requirement for each to ensure the stability of the whole, it is also problematic. Pillars are very solid and distinct objects. Perhaps a better image for a discussion of how to integrate these needs is that of three puddles of paint on a plate, slightly stirred. The interfaces (social-economic, social-environmental, environmental-economic) are blurred and indistinct, and there is great difficulty in separating one from the other. Not only that, but within each component exists a myriad of subsidiary interfaces.

Environmental non-governmental organizations (ENGOS) and business have significant expertise and are powerful advocates for the environmental and economic components of sustainability, respectively. Unions, too, have a particular expertise regarding the environment and the economy that differs from that of ENGOS and business. However, the social component of sustainability is the component that unions feel has been rather neglected in the debate; and coincidentally is the area in

which we are most uniquely qualified. It falls therefore upon labour to speak up for social needs - as it has so often in the past.

As a minimum, trade unions believe that we can start addressing the social component of sustainability by promoting or developing, and fully implementing:

- the International Labour Organization (ILO) Core Labour Standards;
- the United Nations Universal Declaration of Human Rights;
- "Just Transition" programs (see explanation in following paragraph);
- The United Nations Secretary-General's "Global Compact" Initiative;
- Industry Voluntary Initiatives and Agreements

Of these five, "Just Transition" programs occupy a unique position within labour's view of sustainable development. Briefly, a "Just Transition" program ensures that the costs and benefits of moving towards a more sustainable future are shared fairly; and especially, that the workers, families and communities who rely on industries or activities dubbed "unsustainable" by society are protected during the transition to more sustainable activities. First and foremost, "Just Transition" programs are a necessary prerequisite to making any substantial progress on environmental issues. Secondly, the existence and quality of "Just Transition" programs are indicators of social sustainability.

Fairly standard and well accepted indicators of economic performance exist. Environmental indicators of various sorts have been proposed and there is an emerging consensus on at least the broader categories of what they are. Clearly, however, social indicators have been the poor relation in policy analysis.

Industry, broadly, has made progress in recognizing some of the environmental imperatives of sustainable development and integrating them into its economic decision-making. Labour applauds this progress and encourages its continuation but notes that the recognition and integration of social needs into corporate decision making has made far less progress.

Every industrial sector has its own particular challenges and concerns, with considerable variation between and within regions and sectors. Sustainability for any sector can only be achieved when each of those challenges and concerns is dealt with in a consensus-seeking, integrative fashion that attempts to balance the environmental, economic, and social imperatives of sustainability.

TANNING AND TEXTILES

This group of industries, including textile, garment, leather and shoemaking, is heterogeneous, with huge multinationals as well as small and medium-sized enterprises.

The textile, garment and leather and shoe industries have undergone globalization and severe restructuring in recent years. The social dimension of sustainability has been paid little attention throughout this process.

Textiles, garments, leather and shoes have experienced every downside of the globalization process. Historically the process of internationalization, meaning transfer, decentralization, trade and shipment of goods across borders began in these

industries before any other. This was due to many factors. It was relatively easy to “globalize” these industries. For one thing, it is easy to move production, because of the nature of the production process, much of which can be done without huge machines, and massive capital investment. For another, employers have chosen to move production to any locale where they can seek lower and lower labour costs. Technological change has favoured this process, as well. Many famous brand names exist as “virtual corporations” with no production facilities of their own. Their main functions are to design, advertise, and take orders for products. Their actual production is contracted out to producers anywhere in the world.

Globalization within this group of industries, over the last couple of decades, has been mainly a process in which the most exploitative forms of labour practices have been utilized and institutionalized; including poor working conditions, lack of attention to basic safety, exploitation and blackmail of women workers, and even child labour. The International Textiles, Garment, and Leather Workers’ Federation has concluded that globalization in these sectors is based almost solely upon the search for lower labour costs and lower workplace and environmental standards.

It is difficult to even catalogue the abhorrent labour practices that have emerged over the last fifteen years under the economic agenda of laissez-faire globalization and free trade. Following the signing of the Uruguay Round of international trade agreements at Marrakech in 1995, there has been a steady deterioration. These sectors employ many women, who are able to work from their homes. In fact, there is a tradition and history of women working from their homes, in many parts of the world. The combination of this ability and tradition makes this group of industries a field where exploitation and abuse of women is much easier than for many others. Crowded, multi-story workplaces, locked doors, “sweatshop” working conditions, little light or ventilation, occupational diseases, an absence of even basic electrical safety, fire prevention and fire escape measures, as has been demonstrated in many recent disasters, such as the garment factory fires in Dhaka, Bangladesh, in the area known as Mirpur. Vicious and violent union busting is common.

Occupational diseases are rampant. In many other industries in developed countries, sophisticated approaches to ergonomics are being developed and implemented. In the world of contracted-out garment production, workers rarely even get chairs to sit on. In developed countries, workplace conditions are regulated but in the world of contracted-out garment production you may find workers working where they live, working on wharves and warehouses, working anywhere. In developed countries, child labour persists but the scope of the problem is limited. In the world of contracted-out garment production, the common use of child labour destroys the future for these children, their families, their communities, and their countries. To mention but one example among many; we cite the garments industries in Tirupur, near Coimbatore, South India.

Despite many things that are said about this industrial sector, it possesses the economic ability to change. The economic dimension of sustainability is, in this case, closely linked to the social. Profits are actually quite good, and liabilities are almost non-existent; as evidenced by companies’ ability to move freely to other areas. In Morocco, for example, employers can close their factories at any time, with no obligations or liabilities for the workers, and the families who depend upon them, at

that production facility. The economic sustainability of the industry, from a trade union point of view, relies upon a “race to the bottom” mentality as production and jobs leave high-standard areas and in exchange, new workers receive very low wages and obtain very low standards in other areas.

The areas of greatest economic growth for the textiles, garments and leather industries is in the informal sector, and in the free-trade export processing zones (e.g. “maquiladoras” and similar zones). If the informal sector is counted, we believe that employment in these industries is actually growing, but we cannot base our answer on reliable statistics. Most of the workers are in countries where statistics do not exist.

The free-trade export processing zones are heavily exploited by the garments industry, perhaps more so than even the electronics industry (note: in the case of free-trade export zones, it is the garment industry, more than textiles and leather that is implicated). These zones, an outgrowth of the global market liberalization, free trade and deregulation mentality, have created many contrasting and contradictory situations. For instance, often people working in these zones produce clothing that they will never be able to afford to buy, themselves. Secondly, it is very difficult for consumers in developed countries to understand the complete process of production of clothing. If you consider a shirt, it is possible that the manufacture of the fabric, the cutting, the sewing and the final finishing are all done in different countries. The label that people look at is only the label of the last process. The third is that markets are often flooded with massive imports of e.g. Chinese products, or sometimes even used clothing donated by well-meaning people in developed countries but then purchased and sold by unscrupulous profiteers in developing areas of the world – imported with no regard to social and environmental conditions - driving out local production. For example Burkina Faso (formerly Upper Volta) was a significant producer of cotton but now their market is full of imported fabrics (e.g. synthetic fabrics from the Far East) and their former factories, producing for local markets with local workers in cotton, printing, dyeing, now are closed.

Environmental impacts of this industry sector are very significant. Even more, there is a problem with environmental justice as the sector is concentrated in areas where the poorest people live, and there is little consideration for the living conditions of people in the areas of production. If you consider the environment in the strictest sense, meaning, e.g. the external effects of production, then it is worth noting that the worst effects result from the textiles and tannery industries. Two examples:

- (1) In textiles, very often, the dyes that are used are not well characterized for human or environmental effects. Worse, even European companies operating in other countries use some e.g. azo dyes, which are forbidden in many parts of Europe. This situation is so serious that some clothes may be potentially harmful for the health of the wearer, let alone the workers. Again with respect to dyeing, we cite the practice in Malaysia of waste dyes and by-products being thrown out in open water, with the consequent effects on marine fauna.
- (2) In tanning, frequently the conditions of tanneries in many countries are really appalling. In Niger, for instance, there is a special area in Niamey, located on the bank of the river Niger, where there are a lot of open-air tanneries. The tanneries throw their wastes on the bank of the river. Many families live and work in this area, even where the waste is being left to rot. The smell is unbearable, and yet families are living there, catching fish, raising their

families – it is a nightmare situation. Similar conditions prevail in areas of Pakistan, Morocco, and in all likelihood other places.

Research on environmentally less-harmful tanning methods is actually very advanced, but there is a lack of will on the part of the industry to respect the environment. In Tuscany, there is advanced research on how the industry can convert or dispose of almost all of their waste in environmentally responsible ways. If they can do so, there seems no reason why this technology cannot be shared and distributed.

CONCLUSION

The labour movement's priorities for this sector are the implementation of the social standards described at the beginning of this document. Where women and children are exploited and working conditions are very poor in both quantitative and qualitative terms, this has to be the primary goal in terms of reaching sustainability.

Future challenges for this industry are linked to the continued liberalization of markets. We are obliged to think about how to face continuing globalization. Globalization is not an end in itself, but a process. The challenge is to be able to impose this process in a socially responsible manner.

Overlying this process are others, including technological change, and the re-organization of processes of production. However, as in the case of the other challenges mentioned, the social aspects need to be emphasized as the area where the industry must make progress over the next ten years.

The approach of many governments regarding respect for the law, including laws on labour and employment and other social standards, must change. We need enforcement of basic standards that in many cases already exist, and not just for multinationals but for enterprises of every size.

At the beginning of this new century, corporations like to talk about a new ethic of corporate social responsibility. Yet corporations are not their own creation, but are a creation of society. Societies - who grant them their charters of incorporation, and establish the conditions favourable to their growth (often at the request of these same corporations), surely have the right to expect something in return. Instead of corporate social responsibility, perhaps it is time to talk of corporate social accountability – i.e. what these companies owe to the outside world. This is real sustainability.