

Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear IndustriesGeneva
23–25 September 2014

Points of consensus ¹**Most important issues pertaining to wages and working hours in the textiles, clothing, leather and footwear industries**

1. The textiles, clothing, leather and footwear (TCLF) sector is labour intensive, female dominated and is characterized by geographically dispersed production and rapid market-driven changes, as buyers determine by whom and where production takes place. Many jobs have been created in developing countries, especially for women, youth and low-skilled workers. As the employment creation potential continues to grow in many countries, the sector can also play an important role in industrial development, often acting as a gateway to manufacturing.
2. National contexts differ greatly. The TCLF sector is very competitive and manufacturers generally have low profit margins. Buyers and market pressures are driving down sourcing costs, including the cost of manufacturing, which includes labour costs.
3. Minimum wage levels in the sector are generally low and sometimes do not fulfil the needs of workers and their families. The fulfilment of these needs is sometimes only achieved through excessive overtime work. Wage levels are also influenced by national policies and the price paid by buyers.
4. Fluctuations in demand and short lead times require flexibility in working time in the TCLF sector. However, when these are poorly managed, they can often result in unduly long working hours. Excessive overtime is a concern for occupational safety and health and work–life balance of workers. Overtime should be an exception.
5. In relation to both wages and working hours, compliance is a challenge in the sector. The existence of non-compliant producers presents considerable barriers to ensuring sector-wide compliance, which often leads to unfair competition and unethical sourcing.

¹ These points of consensus were adopted by the Global Dialogue Forum on 25 September 2014. In accordance with established procedures, they will be submitted to the Governing Body of the ILO at its 323rd Session in March 2015 for its consideration.

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6. Social dialogue plays an important role in determining wages and working hours. Where it is absent, it is a concern. Governments should ensure that fundamental principles and rights at work are promoted, respected and realized.
 7. Generally, there is a lack of national data regarding wages, working hours and gender inequalities, as identified in paragraph 22(d).

Measures to enhance workplace compliance with national labour laws and regulations, international labour standards and collective agreements on wages and working hours in the TCLF industries

8. There are notable gaps between law and practice in the TCLF sector in relation to wages and working hours. Since compliance is critical for achieving decent work and to ensure that human and labour rights abuses cannot take place, there is a great need for governments to ensure compliance with national laws and regulations and ratified ILO Conventions. Challenges in relation to compliance have different causes, including the existence of informality and corruption, as well as enforcement deficits by governments.
9. An effective labour inspection system is central to ensuring compliance and contributing to a level playing field. In order to ensure the effectiveness of labour inspection systems, countries should regularly review and update their functioning and capacity including through training of inspectors and adequate resourcing. Information technology can contribute considerably to their effectiveness by improving the collection of necessary data. Regular inspections are critical.
10. The labour inspectorate and general compliance enforcement policies should not only sanction and penalize, but also set positive incentives for compliance. It should provide relevant technical information and advice to employers and workers, and measures should be taken to ensure that labour inspectors are free from improper external influences. Information and awareness campaigns can further support workplace compliance.
11. Private compliance initiatives cannot substitute labour inspection; they can, however, complement countries' efforts in increasing compliance. However, experiences with corporate compliance programmes that rely on an auditing model and do not involve the social partners have shown the limitations of such approaches.
12. Governments, in consultation with employers and workers, have an important role to play in promoting gender equality measures through appropriate legal and institutional frameworks. Social partners and governments need to collaborate on measures, among others, to ensure that education, and training and employment opportunities are provided to women workers without discrimination and provide facilities for workers with care responsibilities.
13. Governments need also to ensure that sex-disaggregated data is collected that can be used to assess the situation in the TCLF industries and guide future public policy-making and tripartite actions.
14. As education and skills are important factors relating to wage levels, one focus should be to provide workers with more skills upgrading and training, including on-the-job training.

How social dialogue can contribute to addressing challenges on wages and working hours in the TCLF industries in order to promote decent work and sustainable enterprises

15. Social dialogue is an important means to achieve constructive and harmonious industrial relations. It must be based on respect for freedom of association and the effective recognition of the right to collective bargaining.
16. Production in the TCLF sector is truly globalized and therefore social dialogue can profit from participation of international actors, such as buyers. Sectoral social dialogue can take place at workplace, national, regional and international levels.
17. In many countries parts of the TCLF sector are informal. Social dialogue can play a role in contributing to the promotion of transition from the informal to the formal economy with the formalization of informal economy enterprises and workers.
18. Social dialogue is most effective when practiced regularly and proactively, and between social partners who have the capacities needed. Transparency and reliability of relevant data (as identified in paragraph 22(d)) contributes to the success of social dialogue.
19. Social dialogue in the sector can contribute greatly to its stability and success. Governments should create and enhance supporting regulatory frameworks, as appropriate, and take steps to ensure that agreements are better complied with.
20. Social dialogue also plays an important role in setting of labour legislation; the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), is of particular importance in this context.

Recommendations for future action by the International Labour Organization and its Members

21. In view of the discussion at the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries the following future action was recommended.
22. **The Office should:**
 - (a) continue to promote the ratification and effective implementation of international labour standards relevant to the TCLF sector, including the Protocol of 2014 to the Forced Labour Convention, 1930, and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), and those related to freedom of association and collective bargaining, as well as the promotion, respect and realization of fundamental principles and rights at work;
 - (b) promote social dialogue, which includes collective bargaining, in TCLF industries and develop capacity of tripartite constituents to effectively engage in social dialogue;

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- (c) provide technical assistance programmes to member States and constituents to help to design and implement adequate regulatory and institutional frameworks to improve conditions of work, skills, productivity, wages, competitiveness, training of labour inspectors and sustainability in the TCLF industries;
 - (d) assist member States in designing unified data systems to collect regular data on employment levels, minimum wages, wage structures, working hours, compensation, total cost of labour, productivity and other relevant data to better understand the national context; and
 - (e) undertake research and comparative analysis at a global level, map good practices and share knowledge on all of the data identified in (d) and on profit margins at a global level.

23. Governments should:

- (a) work towards improved conditions of work in the TCLF sector by enforcing labour legislation and effective protection of workers' rights as well as building capacity of workers and employers;
- (b) ensure workplace compliance through labour inspection systems that have efficient and effective methods of governance, provide transparency and can establish broad partnerships (including private compliance initiatives (PCIs), including with international buyers;
- (c) procure from compliant TCLF factories;
- (d) develop and improve public policies aiming at the transition from the informal to the formal economy;
- (e) assist social partners, upon mutual request, in setting up appropriate representative negotiating bodies;
- (f) promote social dialogue, which includes collective bargaining, in TCLF industries and develop capacity of bipartite constituents to effectively engage in social dialogue; and
- (g) must promote, respect and realize fundamental principles and rights at work.

24. Employers' and workers' organizations in the TCLF sector should:

- (a) engage in effective social dialogue in order to promote decent work and sustainable enterprises;
- (b) promote social dialogue and identify and develop mechanisms to involve buyers in improving working conditions, productivity and competitiveness; and
- (c) promote sourcing and subcontracting practices that enhance compliance.