



EUROPEAN COMMISSION
Employment, Social Affairs and Inclusion DG

Employment and Social Governance
Social dialogue

**SECTORAL SOCIAL DIALOGUE COMMITTEES FOR "TANNING AND LEATHER"
AND "FOOTWEAR"**

**6 September 2018
Joint working group meeting
MINUTES**

Chair : Commission

1. Adoption of the draft agenda

The agenda was adopted. The committee welcomed Ms Maike NIGGEMANN of industriAll. Mr LEFEBVRE announced his upcoming departure by the end of the year, after 25 years of service in various social dialogue organisations.

2. Introductory remarks of the social partners

By way of introduction, Mr LEFEBVRE pointed at the importance of next year's European elections in showing the direction that Europe will take. Other challenges for workers and employers include digitisation and the inclusion of young workers; these issues can best be addressed by sectoral social dialogue, although there is also a need for cross-industry social dialogue.

Ms ARIAS pointed at the need to look for synergies between the tanning and the footwear sector. She asked for more concrete actions by the Commission in creating added value for the industry, and in dealing with the interest of consumers.

For the tanning sector, Mr GONZALEZ-QUIJANO pointed at a number of factors having a negative impact: the pressure on leather prices, the lack of control on the use of the term "leather", and trade issues. Leather has lost market shares in most applications, however, the sector still enjoys a high demand from the automotive sector.

3. Industry Topics

3.1 European Development Days - Garment events – DEVCO activities.

In their presentation, (attached) Ms ALLIO and Ms AURELL informed the participants on the activities of DG DEVCO, which focus on cooperation outside the EU, with a particular focus on women, decent work and transparency in subcontracting. The objective of projects financed by DEVCO is to reduce poverty. An example of this is a project in Ethiopia on the leather value chain. For many projects, cooperation is sought with civil society and the private sector, as well as with the International Trade Center (ITC) in the field of decent work and job creation. The June 2018 Development Days focussed on the importance of compulsory rules, living wages and collective bargaining.

For COTANCE, Mr GONZALEZ-QUIJANO reacted by saying that there are legitimate concerns in that the EU is supporting competition for its own industry. While COTANCE understands the need to support the development of infant industries in third countries, including in the leather sector, the EU should be more selective in the countries and the type of support granted to foreign leather

industries, in particular when these apply unfair trade measures or social or environmental dumping. He enquired whether DG DEVCO could consider including industry experts in its projects evaluation committees, or cooperating with UNIDO, the United Nations Industrial Development Organisation. He also pleaded to have an OSH component in DEVCO projects. For CEC, Ms ARIAS regretted that DEVCO support was focussed on third countries where big brands are very active, whereas such level of attention was not given by the Commission to EU SMEs. She pleaded for a higher focus on the EU industry, example with more actions from DG GROW. For industriAll, Mr LEFEBVRE claimed that the focus of DEVCO projects should be on traceability and transparency, and that DG DEVCO should pay more attention to priority setting in the selection process of projects. All three EU social partners asked to be informed and more involved in DEVCO activities, such as the Development Days.

Ms ALLIO replied that the activities of DG DEVCO are based on a precise mandate to foster development. She confirmed that DG DEVCO closely cooperates with other DGs, such as GROW, EMPL and JUST, and provided an overview of contacts with other organisations. Regarding the preparation of the European Development Days, she invited the social partners to react to the next call for interest in activities in this framework.

3.2 UNECE initiative on more sustainable clothing

Cancelled.

3.3 President Juncker's "New Deal for Consumers"

The presentation (attached) given by Ms ZUBER and Ms BRAUN (DG JUST) informed the participants on two legislative proposals which are based on the conclusions of the fitness check & the Consumers' Rights Directive evaluation (23 May 2017).

- The "Omnibus" proposal on better enforcement and modernisation both addresses traders' and individual consumers' concerns in terms of enforcement and dealing with online marketplaces. It also aims at burden reduction and clarification of existing rules.
- The "Proposal on Representative Actions for the Collective Interests of Consumers" deals with "class actions" and actions for compensatory collective redress. It enlarges the scope to cover rights under other (sector specific) EU instruments, as described in its Annex I.

For industriAll, Mr ZIBELL questioned the impact of the proposals on working rights and decent working conditions, as well as on SMEs. DG JUST replied that the proposals' first aim is rather to address consumers' concerns.

On a question by industriAll on transparency regarding algorithms used on IT platforms, DG JUST informed that algorithms should be mentioned in a list of references included in the general conditions.

On a question by COTANCE about the possibility to link the term "leather" to search results, DG JUST replied that claims in this respect are possible, taking into account member states' legislation.

3.4 Sustainability and proliferation of certification schemes

The social partners discussed the different views on the definition of the term "sustainability" and the proliferation and lack of coordination and mutual recognition of private audit & certification schemes. The phenomenon has led to audit fatigue at

company level. In addition, brands and distribution chains tend exploiting consumers' awareness regarding sustainability, although the terminology used (bio, eco, vegan, etc.) is confusing and covers different subjects.

For industriAll, Mr ZIBELL stated that audit and certification starts at home : purchasing practices by big brands exert pressure on prices and on working conditions in the SMEs producing goods. In this context he informed the audience about the existence of the Social and Labour Convergence project (<https://slconvergence.org/>) which is based on a single certified data collection by means of an audit without initial judgement, which can then be exploited for any purpose (e.g. obtaining any label). This approach enables a swift adaptation to changes in the sector. As Mr LEFEBVRE pointed out, the governance aspect is of high importance in obtaining the criteria that will be used. Mr GONZALEZ-QUIJANO criticized private audit & certification schemes although some may be interesting. He claimed that they exclude social dialogue and disregard or ignore the social partners' position and competence to develop social indicators. He also questioned the cost of the data collection and the ownership of the data. Finally, he reported about the OECD "Due Diligence Guidance" as an important element in the discussion. Ms ARIAS pointed at the unsuccessful eco-label for the footwear sector, and pleaded for harmonisation of existing labels.

The social partners concluded by saying that the initial stage of the discussion does not allow setting up a project. However, they agreed to continue the discussion in the committee, involving the Commission, and possibly resulting in a joint opinion.

4. Joint Declaration on Market Surveillance

industriAll started the discussion by pointing at the responsibility of member states in verifying whether goods made available on the internal market comply with EU rules and regulations. Thus, the Commission will not take the initiative in case of breach of the internal market regulations. DG GROW published a proposal for a regulation on market surveillance in December 2017, taking into account the need to improve the process. industriAll claims that the presence of non-conforming products on the market is a threat to employment by exerting an unfair competition. The Commission proposal, however, focusses on consumers' health and safety rather than taking into account the economic or environmental impact. Therefore, industriAll asked the employers to consider signing the draft statement, which they circulated. According to CEC, the statement should focus on the more risky products on the market. COTANCE asked to set a deadline for comments, and to address some lacking rules (such as on leather authenticity). Deadline agreed for a final draft was mid or end October.

5. Social Dialogue projects

5.1 Due Diligence Project.

COTANCE reported on the state of play of the project, which will result in the final conference on 9 October 2018 (presentation attached).

5.2 Attracting New Skilled Workforce for Quality Jobs in the European Footwear Sector

CEC presented this project, which was managed by Assocalzaturifici (presentation attached). industriAll stressed the added value of the project in showing the value of manufacturing jobs to youngsters, which is a genuine social challenge.

5.3 2018 Calls for proposals

At the time of the meeting, the 2018 social dialogue call for proposals was still open. The social partners briefly discussed the possibility to submit a CSR project in 2019, although industriAll announced that it could not reflect on the issue yet due to capacity issues.

6. AOB

- COTANCE announced the adoption of the “Tanning and Leather” Roadmap in April latest.
- COTANCE informed the meeting that the French government addressed a letter to the tanning sector, acknowledging the issue with leather authenticity rules. The French ministers of Agriculture and Industry, together with the President, decided to draft a note to the European Commission, asking for urgent and imperative action on the subject. COTANCE asked the national affiliates to urge their respective governments for similar action.

Annexes :

- List of participants
- Presentation : Sustainable Garment Value Chains through EU Development Action
- Presentation : EU New Deal for Consumers
- Presentation : Due Diligence for Healthy Workplaces in the Leather Industry
- Presentation : Attracting New Skilled Workforce for Quality Jobs in the European Footwear Sector