

STATEMENT



Clean
Clothes
Campaign



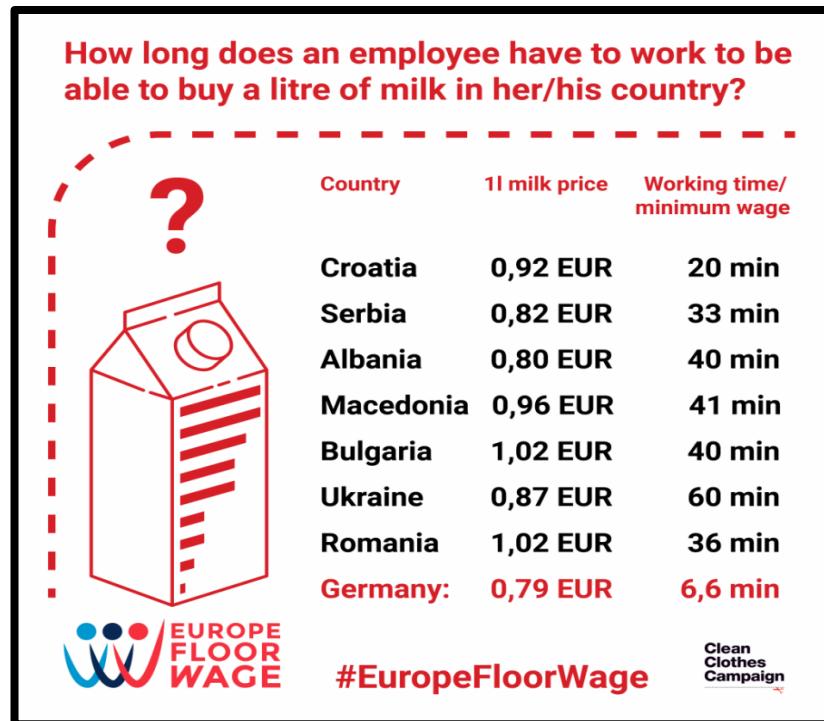
on the report of the rapporteurs of the EP's Committee
on Employment and Social Affairs
on the proposal for a directive on adequate minimum
wages in the European Union

Garment workers typically earn only the statutory minimum wage

The Clean Clothes Campaign welcomes the initiative of the EU Commission and the Committee for Employment and Social Affairs of the EU parliament “*to ensure both that minimum wages are set at adequate and fair level and that workers have access to minimum wage protection*”. The 35 Million garment workers worldwide – mostly women – are typical statutory minimum wage earners. This includes almost 1 Million garment workers in Central East-, East- and South East EU Member States. One important criterion for the sourcing decisions of fashion brands and retailers is the statutory minimum wages of potential sourcing countries. Brands and fashion retailers look for the countries with the lowest statutory minimum wages.

Strengthen the role of trade unions in collective bargaining and in setting statutory minimum wages

The gap between the statutory minimum wage and a base living wage in 15 European fashion producing countries tends to be 1 to 4 – while in Asia this gap is on average 1 to 3. In other words, in general workers in Europe's fashion industry only earn a quarter of what they need to make ends meet for them and their families.



Social Affairs' (EMPL) rapporteurs to strengthen the role of trade unions in collective bargaining and setting statutory minimum wages – and to increase transparency vis-à-vis trade unions by ensuring “*that companies provide trade union representatives with appropriate information and facilities*”.

In the very few cases of collective bargaining in garment factories of the region it is almost impossible for trade unions to negotiate wages higher than statutory minimum wages. This is due to the fast fashion business model, its constant relocation threat and extremely low output prices dictated by brands and fashion retailers. Minimum wage protection set out by collective agreements or by statutory minimum wage requirements are currently far from poverty-proof in EU's low wage countries.

We therefore welcome the efforts of EP's Committee on Employment and



“We have reached the point where all an employee can earn is only enough to pay the electricity bill.”

female worker from Ukraine

#EuropeFloorWage

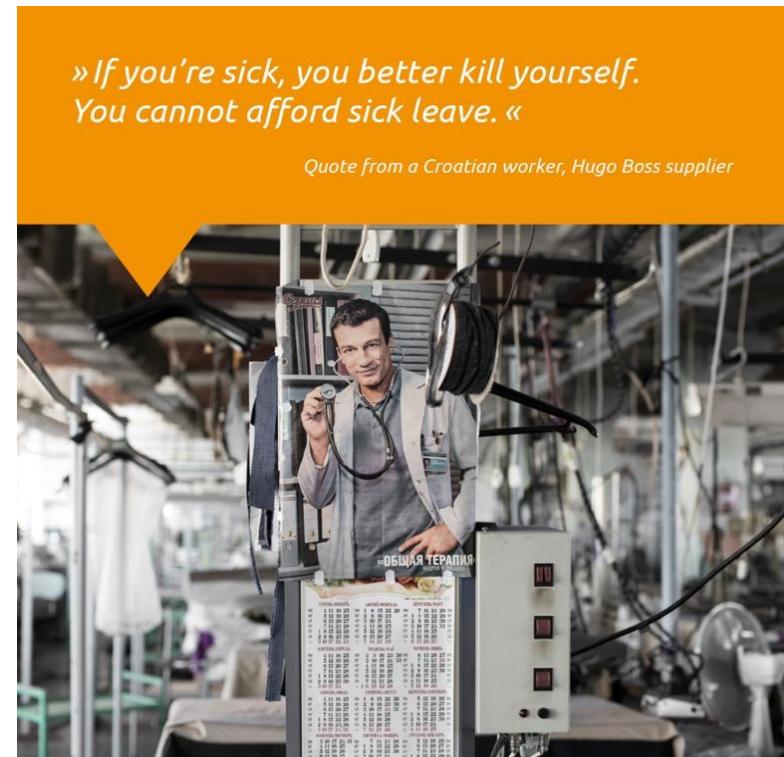


It specifically needs to be stressed that 60% of the gross median wage and 50% of the gross average wage are still inadequate and absolutely do not prevent poverty in current low wage countries of the EU and Europe: The average Bulgarian, Romanian or Serbian employee earns around 500 EUR net. A base costs of decent living in these countries would be at least 1.000 EUR.

Often European garment workers are remunerated even below this legal threshold.

In [Romania](#), an EU Member State and the biggest garment assembler in Europe, where sectoral collective bargaining is not allowed by law, workers often receive less than the minimum wage. According to the [ILO](#), workers who need to work overtime to complete the output assigned to them and only then earn the legal minimum wage, are forced labourers. In Romania about half of all interviewed tailors reported being subject to this abusive practice. Therefore we particularly welcome the inclusion of “*workers whose pay is calculated on the basis of output*” as “*non-standard workers*” in the scope of the amended Directive and that “*Member States should ensure compliance with the maximum working hours*”. The amended directive strives to more clearly indicate when wage deductions are unlawful. Furthermore, we welcome the explicit definition of “*decent standard of living for workers and their families*”. It reflects the reality of garment workers who are often breadwinners and care workers of their families.

One of the reasons for the non-payment of an even sub-standard minimum wage is that minimum wage law enforcement is weak. The independence and impartiality of State Labour Inspectorates must be strengthened – for instance through adequate remuneration of inspectors and adequate resources to increase the scale and the quality of wage monitoring.



»If you're sick, you better kill yourself.
You cannot afford sick leave.«

Quote from a Croatian worker, Hugo Boss supplier

The need for binding criteria related to a clear cost of living definition

To effectively “ensure adequate and fair levels” of minimum wages an EU Directive should set binding and clear criteria for the adequacy and fairness of statutory minimum wages. We welcome the efforts of the rapporteurs to improve the criteria catalogue. Still, the actual costs of living for a worker’s family must be positioned as the crucial and binding criterion for setting and adjusting statutory minimum wages. The human right to a living wage needs to be connected with statutory minimum wage setting, in a way that minimum wages are set with a view to enable a living wage. Reference values and adequacy indicators must include benchmarks which are calculated exclusively on the basis of costs of decent living. The Clean Clothes Campaign has developed such a [benchmark for a base living wage in Europe](#). According to this concept a base living wage for example in Bulgaria should be 1,026 Euro and in Slovakia 1,558 Euro.

*The garment workers in the photos are not the ones quoted



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