The future of the textile, clothing and footwear sectors in Europe
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface by Mr Joost van Iersel, Chairman, CCMI</td>
<td>5</td>
</tr>
<tr>
<td>Foreword by Mr Günter Verheugen, Vice-President of the European Commission, responsible for Enterprise &amp; Industry</td>
<td>7</td>
</tr>
<tr>
<td>Foreword by Mr Vladimír Špidla, Member of the European Commission responsible for Employment, Social Affairs and Equal Opportunities</td>
<td>9</td>
</tr>
<tr>
<td>Illustrated executive summary – CCMI/041 Information Report on the development of the European textile and footwear industry</td>
<td>11</td>
</tr>
<tr>
<td>Record of proceedings of the hearing held in Vila Nova de Famalicão</td>
<td>25</td>
</tr>
<tr>
<td>Interviews with participants in the hearing in Vila Nova de Famalicão</td>
<td>39</td>
</tr>
<tr>
<td>General information on the CCMI</td>
<td>47</td>
</tr>
</tbody>
</table>
Preface by Mr Joost van Iersel,
Chairman, CCMI

The selection of the textile, clothing and footwear industry as the subject of this in-depth investigation by the CCMI was no accident. As a key component of the European manufacturing base it is of course worthy of study in its own right. Previously held to be beset on all sides by the iniquities of a poor image, an uncertain future and the so-called scourge of globalisation, this industry is actually a case-study in how to face up to the challenges of the modern commercial world. As you will discover from the conclusions reached by the CCMI in its assorted projects on the subject – all contained herein –, the story of the industry is a lesson in adaptability and resilience; in the benefits of concerted and co-ordinated action of all social partners. You will note that the future of these sectors, notwithstanding partial relocation, is bright and you will appreciate that, to an overwhelming degree, this is due to the industry itself.

All of this is true and I am delighted to be able to report it. The origins of this investigation, however, go back a little further and are to be found in both the guiding principles behind the work of the consultative commission as a whole and the results of work carried out previously by the CCMI.

The CCMI’s role is to look at industrial change issues across a wide spectrum of sectors particularly affected by the modernisation of the economy. To achieve this, it makes use of its unique composition (EESC Members complemented by external CCMI Delegates) and of a well-defined theoretical approach. The latter is broken down into two main guidelines: the anticipation of change to European industry in general and the integrated sectoral approach. Very broadly, these can be described as horizontal and vertical perspectives, respectively.

Two years ago, the CCMI conducted a thorough evaluation of the impact of relocation on various sectors of the European economy. This wide-ranging project led to many conclusions, among which was the realisation that relocation as a phenomenon was extremely difficult to identify, define, measure and explore. We knew it was taking place, yet we simply couldn’t always put our finger on it. The only sectors where this was not the case were the textile, clothing, footwear and leather sectors. When the time came to select the subject of the present study therefore, the choice was made with this salient fact in mind. The present work therefore flowed from the relocation study; the vertical perspective was defined by the horizontal.
Moreover, the timing of the event was propitious, straddling as it did the period of the Portuguese Presidency.

You therefore now understand the why; I should like very much to say a few words on the what.

The textile and clothing sectors have recently been the subject of a High-Level Group and have been examined and reported on from a variety of angles by a host of other bodies. What makes the CCMI corpus of work on the subject unique? It attempts at all times to establish the degree to which sector-level studies are reflective of actual realities on the ground. Do the conclusions reached by, amongst others, the aforementioned erstwhile High-Level Group, reflect experiences at grassroots level? The CCMI has endeavoured at all times to match and merge the territorial and the sectoral. The real added value of this body of work lies therefore in its applicability to real-life situations and, as such, it is an extremely important diagnostic tool.

I invite you to make use of this anthology of work on the textile, clothing and footwear sectors. The lessons learned there could and should be applied elsewhere. There are areas that require improvement and other areas that require constant modification if track is to be kept of a very dynamic industry. One thing is certain and will be clear to all who peruse this brochure: the European textile, clothing and footwear industry is innovative and forward-looking and has a very bright future. We hope that this publication contributes in some small way.

Pleasant reading.

Joost van Iersel, Chairman, CCMI
The European textiles and clothing sector, together with footwear, is a key manufacturing sector in the European Union and its contribution to employment and value added in the European economy is considerable. Over many years the sector has shown enormous resilience in the face of fierce global competition and this capacity to adapt must be maintained. High quality and innovative technical and fashion products can only result from more technological innovation and better skills of a qualified labour force. In order to encourage the competitiveness of the industry public authorities must create the framework conditions favouring investments in innovation, research and labour skills and to ensure intellectual property rights are effectively protected. Highly specialised and innovative industrial sectors generate a great deal of wealth through exports. We know that in order to compete successfully on world markets we need to secure access to third country markets and develop a level playing field for European companies.

In addition, new challenges are emerging, notably, resulting from climate change and the increasing prices of energy and raw materials, which will also affect the sectors’ activities. Companies must turn these challenges into opportunities by improving energy and raw materials efficiency and by increasing innovation and excellence.

Restructuring and modernisation in the textiles, clothing and footwear sector has been a continual process and has had serious impacts on employment and socio-economic conditions in regions dependent on the sectors’ activities. We need to anticipate these developments and provide incentives to companies to embrace change and adapt to new conditions.

The Consultative Commission on Industrial Change of the European Economic and Social Committee is to be commended for the initiatives it has taken to explore the challenges faced by the textiles, clothing and footwear industries in recent years. The present brochure puts forward a series of important recommendations to strengthen the competitiveness of these industries on international markets and is welcome.

The conclusions of the report correspond closely to the European Commission’s analysis and its industrial policy strategy, developed in 2005.
In the European Commission we have developed an integrated strategy to bring greater coherence to our policies applied to manufacturing industries. Most policy measures today are horizontal, such as those affecting consumers and environment, competition or trade. But we need to be aware also of the specificities of individual sectors and take them into account. We have put in place instruments that stimulate innovation, knowledge and excellence and we will continue our efforts to reinforce the competitiveness of these industries.

I hope that this brochure will help increase knowledge of the achievements of the European textile clothing industry and stimulate awareness of the challenges faced by it in today’s global world.

Günter Verheugen,
Vice-President of the European Commission
I am very pleased to have this opportunity to contribute to the brochure on the textile, clothing and footwear sector, produced by the European Economic and Social Committee's Consultative Commission on Industrial Change (CCMI).

With 3.2 million employees, representing 9.3% of total employment, 250 000 businesses and a turnover of around EUR 240 billion, the textile, clothing and footwear sector accounts for 4% of the overall added value of the European Union's manufacturing industry. These figures demonstrate better than any speech the strategic importance of this sector.

This said, the sector is undeniably facing sizeable challenges, some of which are set out and explored in the CCMI's information report, namely:

• Globalisation, which is consolidating the role of more competitive non-EU countries, in particular China and India - hence the need to ensure, amongst other things, that the concept and philosophy of decent work are «applied» in all regions of the world. For my part, I have been committed to promoting the European social model - in which efforts to secure decent work for people are a key element - in the various international forums (United Nations, International Labour Organisation).

• The need for more effective transfer of certain technological advances that can bring about genuine, lasting improvements in the sector.

Nevertheless, as the Commissioner responsible for social policy, I should above all like to emphasise the challenge of anticipating and preparing for industrial change. Effectively managing this part of the process is one of my major concerns and I can say that DG EMPL and myself have done a good deal of work in this area.
The many analyses (as summarised for example in the Communication on Restructuring and Employment) and initiatives we have conducted (in particular the «Restructuring» Forums) have allowed us to identify two key requirements:

- The need to anticipate restructuring and industrial change as much as possible. Rather than waiting until it is imposed on us, we need to act upstream and do as much as we can to anticipate restructuring.

- A further need to focus on partnerships: successful restructuring involves mobilising all the players concerned, in other words, employers, workers and the public authorities.

Both these conditions must be met in order for restructuring to be successful.

Naturally, the support of the social partners is also always vital in any restructuring and I should like to stress that the Commission has promoted and continues to promote sectoral social dialogue, in which the Committee for the textile and clothing sector has played a vital, proactive role for many years.

Vladimír Špidla,
Member of the European Commission responsible for Employment, Social Affairs and Equal Opportunities
DEFINITION OF THE SECTOR

This information report concerns the manufacturing macro-sector textiles, clothing and footwear (TCF), as defined in the Statistical Classification of Economic Activities in the European Community (NACE rev. 1.1)\(^1\), subsections DB and DC (divisions 17, 18 and 19) and subsection DG, division 24.7\(^2\). This macro-sector covers a large number of different activities and manufactured products in the area of textiles, clothing, furs and leather, and many different industrial processes, businesses and market structures\(^3\). It should be pointed out that, although standard, this definition fails to cater for a series of activities (classified under other NACE categories) such as R&D, design, distribution and wholesaling and retailing, which are directly related to textile, clothing and footwear production. The nature and characteristics of these activities separate them from the manufacturing sector as such but they are still essential links in the sector’s overall value chain and included in vertical business integration strategies. Hence the views expressed here on the overall socio-economic impact of the sector in the EU are actually an estimate of the sector’s overall impact on the Community economy.

---

1. The new, NACE rev. 2 classification became operational in 2007. However, for the purposes of analysing trends in the sector it is always preferable to refer to time series which use the NACE rev. 1.1 classification codes currently available.

2. Subsection DB – MANUFACTURE OF TEXTILES AND TEXTILE PRODUCTS, division 17: Manufacture of textiles and division 18: Manufacture of wearing apparel, dressing and dyeing of fur; Subsection DC – MANUFACTURE OF LEATHER AND LEATHER PRODUCTS, division 19: Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear; Subsection DG – MANUFACTURE OF CHEMICALS, CHEMICAL PRODUCTS AND MAN-MADE FIBRES, division 24.7: Manufacture of man-made fibres. These correspond to the new NACE rev. 2 divisions 13, 14 and 15.

3. It includes preparation and spinning of natural, synthetic and artificial textile fibres; textile weaving, finishing of textiles and wearing apparel (washing, printing, dyeing, plastic coating etc.); manufacture of made-up textile articles and knitted and crocheted articles (i.e. clothing industry); manufacture of carpets and rugs and household textiles – industrial and technical, including «technical textiles»; manufacture of footwear.
OVERVIEW OF THE SECTOR

The EU-27’s TCF sector is a key part of the European manufacturing industry, in terms of both total production volumes, creating added value and, most importantly, jobs.

With around 250,000 businesses (12% of the businesses in the entire manufacturing industry in the EU-27) and turnover of around EUR 240 billion, the TCF sector accounts for about 4% of the overall added value of the EU-27’s manufacturing industry (about half of which derives from the textile segment alone). The sector, which is the only sector to employ more women than men in the EU (64.5%), with its 3.2 million employees, also accounts for 9.3% of total employment in the EU-27’s manufacturing industry, the largest share of which is in the clothing sector (around 1.5 million). Lastly, the EU is the main target market and the main exporter in the sector, with a world share of over 20% (2005 data).

However, contrary to the overall trend in the EU-27’s manufacturing industry, in the past decade the sector’s added value has fallen by over 40% (50% in the case of clothing and even 60% in the case of footwear). It should be noted that this downward trend dates from before trade liberalisation in the sector related to the expiry in 2004 of the WTO Agreement on Textiles and Clothing (see figure 1). Employment in the sector followed a similar downward trend: over the same period it fell by over 40% (46% in the textile segment, 41.3% in the clothing segment and 42.9% in the footwear segment). The downward employment trend dates from before multilateral trade liberalisation as well.

Figure 1 – TCF share in EU-27 total manufacturing production and volume of production index trend

<table>
<thead>
<tr>
<th>TCF Share in EU-27 total manufacturing production (2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>textile: 1.71%</td>
</tr>
<tr>
<td>clothing: 1.29%</td>
</tr>
<tr>
<td>footwear: 0.43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment evolution 1997-2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>• manufacturing</td>
</tr>
<tr>
<td>• textile</td>
</tr>
<tr>
<td>• clothing</td>
</tr>
<tr>
<td>• footwear</td>
</tr>
</tbody>
</table>

Source: produced by the author on the basis of Eurostat data

As has been seen, trade liberalisation does not seem to have had a decisive impact on the downward trend in the sector. It was affected by other key factors, including, in particular, sluggish European growth and associated developments in private consumption; changes in distribution and supply due to new environmental standards and health protection; rising energy and transport costs for businesses, which are making salaries less of a key factor in setting the end prices for goods; and changes in exchange rates. The TCF sector reflects what is taking place on a wider level in all European manufacturing industries, where one notes an overall employment shift from industry to services. One also notes significant restructuring of industry due to changes in demography. In fact, compared with other manufacturing sectors, the TCF sector showed a substantial ability to respond, undertaking an arduous process of restructuring, modernisation and technological innovation, resulting in greater competitiveness and increased specialisation in the production of manufactured goods with high added value.

Figure 2 – TCF share in EU-27 total manufacturing employment and employment trend

Source: produced by the author on the basis of Eurostat data
While the TCF sector operates throughout Europe, employment and production are highly concentrated in specific regions (see figure 3). From the point of view of regional specialised production, Italy is the principal producer and generator of added value and employment in the sector (Italy alone accounts for over half the sector’s turnover and over 25% of overall employment). However, the sector plays a significant role in a large number of Member States, chiefly Germany, world leader in technical and industrial textiles, the United Kingdom, France and Spain.
Figure 3 – Share of TCF production value as proportion of total manufacturing production value, by EU-27 Member State, and TCF employment as a proportion of total manufacturing employment (2006)

Source: produced by the author on the basis of Eurostat data
It should also be noted that, at national level, the sector makes a substantial contribution to specialised production in Romania, Portugal, Lithuania and Estonia, with greater impact than in Italy (see figure 4).

Looking in more detail at specialised regional production, the following are good examples of clusters in Europe (see figure 5)\(^5\):

- for textiles, the Nord-Est and central regions (Romania), Norte (Portugal), Lodzkie (Poland) and Severozapaden (Bulgaria) and Severovýchod (Czech Republic);
- for clothing, Norte (Portugal), Severen tsentralen (Bulgaria), Lodzkie (Poland), Nord-Est (Romania), Yuzhen tsentralen (Bulgaria) and Emilia Romagna, Lombardy and Tuscany (Italy);
- for footwear, Norte (Portugal), Vest (Romania), Nord-Vest (Romania), La Rioja (Spain) and Marche (Italy).

---

\(^5\) These are clusters of high specialisation. For further information on the data and on the methodology used see the European Cluster Observatory website (http://www.clusterobservatory.eu/).
Figure 5 – Specialised production clusters in the textile, clothing and footwear sector in Europe

Source: European Cluster Observatory (http://www.clusterobservatory.eu/)
The TCF sector has been sheltered longer than other manufacturing sectors from international competition, thanks to the 1974 Multifibre Arrangement and then the 1995 Agreement on Textiles and Clothing (ATC). The sector is now to all intents and purposes open to free trade and with the expiry of the June 2005 EU-China Memorandum of Understanding the EU is now wholly vulnerable to competition from new international competitors.

Figure 6 shows the relationship between the rate of change of world imports in key trade sectors and the rate of change of the EU-27’s share in total world exports by sector for the period 2000-2005. As can be seen from the chart, despite the low rate of change for world imports in the TCF sector, the EU is still performing well in the clothing and, to some extent, textile segments although the footwear segment is performing badly. This shows, although only in the context of textiles and clothing, both that the EU is holding its own internationally despite very fierce competition and that international demand in the TCF sector is low. Moreover, it should be noted that the TCF sector has less international impact than the other leading export sectors, as is clearly illustrated by the size of the bubbles depicting textiles, clothing and, in particular, footwear.

Lastly, it is interesting to note that, overall, EU-27 TCF imports did not grow exponentially as feared after the liberalisation of the sector in late 2004. As can be seen from figure 7, the value of textile, clothing and footwear imports in 2005 was not much higher than the average figures for 2000-2004.
Figure 6 – Competitiveness of the EU-27’s TCF industry in key export sectors

Figure 7 – EU-27 imports in the TCF sector and key export sectors during the period 2000-2005
KEY PRIORITY ISSUES

Without claiming to be in any way exhaustive, the EESC decided to focus on a number of key priority issues seen as central to the future development of the TCF sector, to provide guidelines and specific options for action. These considerations follow on from discussions with leading organisations and experts in the sector and the main topics raised during the public hearing on the development of the European textile and clothing industry, held near Oporto on 30 October 2007 at the Technological Centre for the Textile and Clothing Industries of Portugal - CITEVE (Vila Nova de Famalicão, Portugal).

The first issue addressed was trade liberalisation following the expiry of the EU-China Memorandum of Understanding on 31 December 2007. The need to facilitate free trade and market access on a reciprocal basis by promoting fair competition between partner countries was stressed. The fundamental role played in the TCF global market by new emerging countries in Asia and the «New Independent States» in Central and Eastern Europe and the central role recently assumed by Euro-Asian relations in encouraging new European production with high added-value was also acknowledged. At the same time, the report stressed the need for liberalisation to go hand in hand with suitable instruments for monitoring flows and specific «early warning systems», and to shield European businesses in the sector from any unfair competition practices. Moreover, it pointed out the crucial nature of respect for fundamental labour rights, as defined in the ILO core minimum set of labour standards, ratified by the majority of the Member States, considering «social dumping» to be intolerable. It therefore proposed that binding technical, social and environmental standards be established to strengthen the European social model internationally, fully in line with the Lisbon Strategy.
It was also decided to launch a discussion on the sector’s competitiveness in terms of technological innovation and ability to project an image which is different from the stereotypical picture of conventional production in decline. The need to increase awareness of the EU-27’s role as a world leader in technology and innovation in production processes in the TCF industry was thus stressed. This must not, however, cause us to overlook the need for investment which can preserve this comparative advantage over time, extending the concept of innovation to all technological progress which has a – direct or indirect – impact on the sector. To this end, the report emphasised the need to promote the development of centres of excellence and strengthen technology partnerships between existing and new technology platforms and between these platforms and key European research and development policies and programmes so as to harness available resources more effectively. Stressing the need to foresee the industrial change that the sector will have to face in the coming years, the report recommended greater involvement of the social partners in disseminating best practices and innovative approaches at European level. European public procurement policy is also essential in this connection. Procurement contracts account for around a fifth of GDP in the EU-27. The sector’s businesses could benefit substantially from a new procurement policy which stimulates innovation, in particular in the sectors in which technical textiles are employed most extensively – mainly health, defence and transport.
In addition, the report pointed out the highly dispersed nature of the European value chain and the prevalence of small and medium-sized businesses in the TCF sector. In the EU-27 over 78% of the sector's businesses have fewer than 10 employees, and SMEs as a whole employ 72% of total labour in the sector, generating 74% of total added value (Eurostat data). This encourages dependence by suppliers on major clients, in particular in regions where the TCF sector is the main manufacturing industry. The prevalence of small businesses and the lack of specific European rules causes huge difficulties when it comes to measures to support innovation and technological updating, building networking capacity, and networking with global value chains. A thorough overhaul of aggregation and networking policy is therefore essential for the sector, stepping up cooperation within the chain, focusing particularly on the role of SMEs and strengthening synergies between the various stages in the production process and between production and the distribution and supply chains. In this connection it is particularly important to strengthen Euro-Mediterranean dialogue and take practical measures to develop an integrated sector incorporating businesses from both sides of the Mediterranean, in line with the European Parliament's proposal, by creating a Euro-Mediterranean textile production area.

6. EESC Opinion on Value and supply chain development in a European and global context (CCMI/037 – CESE 599/2007; rapporteur: Mr Van Iersel, co-rapporteur: Mr Gibellieri).

In social terms, the sustained job losses over the last decade make the adoption of specific, timely responses particularly urgent. First and foremost, there is an urgent need to raise existing training standards and invest in creating new, highly-qualified professional profiles which are in line with the innovation and technological development strategies called for by the international market. On a wider note, the report stressed the need to promote scientific culture and education at European level, to interest young people in scientific studies and careers and stimulate their spirit of enterprise and interest in jobs in the sector through specific awareness-raising campaigns. The sector needs a new image, to be promoted in pilot schemes aimed at ensuring close cooperation between design and knowledge centres in the TCF sector at all levels (EU, national, regional). Such pilot schemes should (especially in the case of SMEs) facilitate access to credit and result in increased focus on technology and innovation.
In view of the above, it must be pointed out that, while they have proved essential in terms of refocusing and reinvigorating the sector in response to pressure from global competition, there has regrettably been no horizontal or vertical coordination of the numerous initiatives of the main institutional (EU, Member States, regions) and private (employers, trade unions, consumers etc.) bodies to harness the expected benefits systematically.

The CCMI therefore felt it would be useful to take on more responsibilities as regards governance of the sector, performing monitoring on an ongoing basis and encouraging more dialogue between the social partners and other stakeholders with the stated aim of converting debate into practical action.

The CCMI also expressed the desire to support regional initiatives in this connection, in cooperation with the Committee of the Regions, focusing particularly on regions where the TCF sector is most predominant, to facilitate local governance of the process and the formation of European networks of the major regional TCF production centres, with the ultimate aim of involving them more in global value chains and innovation.
Lastly, the report addressed other key issues for the sector such as combating counterfeiting and protection of intellectual property, the environment and sustainable development, consumer protection etc. With regard to consumer protection it confirmed the need for consumers to be provided with clear, comprehensive product information, advocating the establishment of European rules on the origin, traceability and labelling of imported and exported products to highlight the key stages of value-added production in the value chain, and the introduction of processes and production geared towards energy efficiency and the use of renewable energies. Despite concern at excessive red tape resulting from the adoption of the REACH regulation (particularly for SMEs), it did acknowledge that the need for environmental protection could provide the sector with new opportunities, in terms of both the adoption of environmentally-sustainable production processes and the development of environmentally-friendly textiles.

Links to relevant websites are available on http://www.eesc.europa.eu/sections/ccmi/index_en.asp
Record of proceedings of the hearing on
The development of the European textile and clothing industry

CITEVE,
Vila Nova de Famalicão (Portugal),
30 October 2007
The hearing was designed to allow for an exchange of experiences and best practices between different regions traditionally active in the textile industry. By examining the sector at grassroots level, it was possible to check how far conclusions reached through the significant amount of work recently undertaken in this domain reflected realities on the ground. The hearing also provided invaluable input for a CCMI Report on “The development of the European textile and footwear industry” (adopted 4 February 2008). The opening addresses and overview of the textile and clothing industry in Europe were followed by a set of ten presentations on seven different regions from six countries and a session on future prospects for the sector.

PRINCIPAL CONCLUSIONS

The conclusions reached during the hearing can be broken down into three main areas:

IMAGE

It is clear that the sector is suffering from an image problem. It is all-too-often associated with the problems posed by an apparent decline in employment and business prospects. Whilst this was true to a degree, it was argued that valuable opportunities for improving the industry’s decaying image are being missed out on, especially when one considers the distinctive characteristics of European textiles and the eye-catching potential of cutting-edge technology, innovative applications and original designs. It is fundamentally important to promote a dynamic and creative industry, but also to encourage socially responsible, and therefore consumer-appealing, production systems throughout Europe.

SOCIETAL RESPONSIBILITY

The increasing demands for socially and environmentally accountable industrial production represent an invaluable opportunity for European business. Notwithstanding certain enduring illegalities in various workplaces throughout Europe, the fact is that the social conditions we can generally offer give us a comparative advantage in this domain in terms of the attractiveness of the sector to young talent and qualified employees. The strategic focus in today’s knowledge-based society should therefore be placed on innovation and research as well as on skills and qualifications, as opposed to a stampede towards «low cost at any price», with all its associated problems in terms of the societal responsibility of corporations. Moreover, the capacity to anticipate and adapt to change through high-quality social dialogue must be promoted at all levels, as
growing pressures for Corporate Social Responsibility affect not only single companies but also regional industrial groups, along with national and international federations.

REGIONAL STRATEGY
The regional dimension – and the related potential of clustering/cooperation strategies for SMEs – is a fundamental characteristic of European textile production and distribution systems. In fact, given the known difficulties in accessing funding and European programmes of all sorts, as well as markets at the global level, clustering/cooperation strategies might prove to be crucial for SMEs in the textile sector. By working together, companies based in the same region can generate both commercial appeal for financial institutions and critical mass for accessing international markets. In fact, the emphasis should not be on creating quotas for imports from third countries, but on creating conditions for our products to access their markets. Coordination is required, both within and between regions and the exchange of best practices can play a critical role in developing successful strategies.

OPENING ADDRESSES

Mr António Amorim, chairman of the board of the Technological Centre for the Textile and Clothing Industries of Portugal (CITEVE), gave a short introductory description of the Portuguese textile and clothing industry and the challenges it faces within the European and global contexts. Described as a low-price and labour-intensive industry, the textile sector in Portugal (as in many other countries in Europe) had experienced significant difficulties due to globalisation and the resulting worldwide competition. However, in recent years the sector has regained vitality by taking advantage of the opportunities opened up by these same processes. By following the path taken in many other Member States, the Portuguese industry is increasingly flexible and creative. In Portugal as in Europe, this means that the future of the sector depends more and more on innovation and regular knowledge exchanges between companies, associations and responsible authorities.

Mr Linas Lasiauskas, chairman of an EESC study group on the issue, pointed out that the textile sector has always been innovative and a pioneer in facing up to the assorted consequences and challenges of globalisation. The EU’s textile and clothing sector continues to be an important driver of the European economy and remains one of the biggest exporters in the world; reports of the imminent collapse of this industrial sector may therefore be considered greatly exaggerated. Indeed, thanks to its flexibility, it has always been open to innovation and is one of the key engines in transforming Europe into a
knowledge-based economy. There is no room for complacency, however. In order to make the industry more competitive, a number of measures need to be undertaken. For example, improvements in the areas of standards, intellectual property rights, procurement practices and international trade law would contribute greatly to the sector’s ongoing competitiveness. Equally important in this regard is the reinforcement of cooperation between social partners at the regional level.

Mr Durval Tiago Ferreira, deputy mayor of Vila Nova de Famalicão, emphasised the economic importance of the town and the significance of its textile production. While drawing attention to the difficulties faced by the region as a consequence of globalisation – factory closures and increasing unemployment prominent among them – he also asserted that many companies have taken on new business opportunities based on modernisation, highly-qualified staff and new markets. Indeed, some of the biggest Portuguese companies active in the sector are now in Vila Nova de Famalicão, which makes the city a scientific, technological and industrial hub of the textile sector in Portugal.

OVERVIEW OF THE SECTOR

Mr Fernando Vasquez, deputy head of the Unit for «Working Conditions, Adaptation to Change» in the European Commission’s Directorate-General (DG) for Employment, focussed primarily on a global vision for European manufacturing industries in general. He began by explaining the Commission’s strategy in facing the current challenges posed by the fundamental changes in the world economy resulting from globalisation. A key instrument is the European Globalisation Fund. The aim is to defend the interests of European industries by focusing on high-value activities based on constant technological innovation and a qualified workforce. Such objectives require specific actions grounded on three key ideas: anticipation (instead of simple reaction to crisis), partnership (through social and territorial dialogue mechanisms at all geographical and political levels) and coordination (of policies and instruments). In relation to the specificities of the textile sector, Mr Vasquez pointed out the importance of coordinating policies in order to face up to increasingly open markets, while stressing the limits of sectoral approaches in responding to inevitable industrial changes involving harmful consequences at the territorial level. Moreover, he emphasised the importance of a greater espousal of the principles of partnership and anticipation at the company level.
Mr Pierluigi Montalbano, Professor of International Economics at La Sapienza University in Rome and an expert adviser for the February 2008 EESC Information Report, focussed in detail on current developments in the sector. Defining the textile and clothing sector as a heterogeneous group of manufacturing activities, he also saw it as being a key part of the EU’s manufacturing base. He made clear however, that, despite an increase in total manufacturing production at the European level, both production and employment in the sector had registered a decline in the 2000-2007 period. He pointed out another feature of this sector, namely that production and employment are characterised by a high degree of regional concentration throughout the EU. Finally, Mr Montalbano drew attention to the sector’s solid performance in extra-EU trade, despite the 2005 liberalisation process. He identified what he considered to be the critical issues facing the sector:

- Establishment of appropriate and effective checking systems in the EU/Asia trade liberalisation agreements
- Enhancement of networking schemes in order to deal with regional fragmentation and to improve SMEs’ ability to participate in global value chains
- Capitalisation on Europe’s existing comparative advantages
- Resolution of employment and social issues
- Strengthening of the role of innovation and research
- Improvement of legislative environment, including an appropriately conceived, implemented and monitored industrial policy

Mr Henrik Noes Piester, consultant at the Danish Technological Institute (DTI) and contributor to a sectoral study for the European Foundation for the Improvement of Living and Working Conditions (Eurofound), presented four scenarios (or alternative futures) for the European textiles and clothing industry by 2017. These were drawn from what he defined as the key drivers of change in the sector:

- Development of the global economy
- Consumer demands for products
- Public values and the degree of public involvement in the sector
- Global protection of Intellectual Property Rights (IPRs)
Projecting four different combinations of circumstances derived from the key drivers, Mr Piester pointed out that there are opportunities for growth and innovation in all the scenarios even though the main challenges for the sector differ substantially. This means that it is crucial to be able to anticipate change adequately so that both employers and employees are able to respond to it in an appropriate and timely fashion.

Mr Manuel Almeida dos Santos, representative of DECO, the Portuguese Consumers’ Association, began by stressing the importance of providing adequate information to consumers through effective labelling of products. It was, he acknowledged, impossible, due to the rapid pace of societal change and the limits of consumers’ knowledge, to accomplish what he termed the «utopia of the well-informed consumer». Nevertheless, Mr Almeida dos Santos argued that consumers are becoming more demanding when it comes to choice, resulting in a call for high ethical standards and for the fostering of universal human rights at all levels of production. Such aspirations are however limited by the current political, social, economic and cultural order.

REGIONAL PRESENTATIONS – SESSION I

The first panel, chaired by Mr Claudio Cappellini, EESC member and author of the CCMI’s February 2008 Report focussed on Eastern and Southern Europe. He stressed the key importance of dialogue between all actors in enhancing widespread ownership in the sector.

Mr Jerzy Kropiwnicki, Member of the Committee of the Regions and Mayor of Łódź, described how the city had been a key centre of the Polish textile and clothing industry until the late 1980s. Łódź as a whole suffered immensely when the industrial sector was confronted by international competitive markets at the beginning of the 1990s.
In responding to such problems, a strategy was developed based on the following fundamental pillars:

- Rationalisation of value and supply networks, including –where appropriate– outsourcing and offshoring
- Logistics
- Manufacturing of household appliances (white goods)
- Focus on new technologies

Initiatives are now being launched to coordinate the actions of the various players involved in the sector and to create a textile and clothing cluster in the city. These are designed to foster an innovative renaissance of the region’s textile heritage and respond to the challenges currently facing the city and its industrial activities. Joining the European Textile Collectivities Association (ACTE) in 2005 was one such initiative. As an important platform for cooperation, ACTE intends to help territories to mitigate the impacts of restructuring by encouraging strategic planning and collaboration as well as providing tools for the most vulnerable companies to deal with those impacts. As the current President of ACTE’s General Assembly, Mr Kropiwnicki called for mass participation in a petition demanding the regulation of product importation from outside the EU, which would have the objective of allowing consumers to choose in an informed fashion, thereby upholding the interests of the European textile and clothing industry. Mr Kropiwnicki called upon all the relevant stakeholders to identify ways and means to take advantage of European potential and tradition in order to overcome the challenges of globalisation.
Mr Kropiwnicki’s speech was followed by a set of presentations on Northern Portugal. The first was given by Ms Francisca Bonet, representative of Acções e Território (ACTO, a consultancy firm active in territorial innovation). Starting from the point of view that Northern Portugal shows peculiarities in its reaction to the globalisation processes that need to be taken into account, Ms Bonet brought together different interpretations of the current situation of the textile and clothing sector in this region and the impact of globalisation and relocation. In relation to the situation of the sector, the following main characteristics were identified:

- Predominance of small-sized activities with a tendency for both downsizing and progressive fragmentation in production systems
- Low level of control over the various links of the value chain
- Highly territorialised system of subcontractors
- Sector traditionally requiring high levels of employment but in which the current tendency is more to reduce the number of employees

The general perception is that Northern Portugal is deeply affected by globalisation. A majority of companies perceive themselves as being «victims» of the phenomenon; only a minority claims to have done well. This perception would seem to be based on such factors as geographical location; traditional or established position in the value chain; degrees of cooperation.

The impact of globalisation on the sector in the region has taken place in three distinct and successive phases:

- Relocation of foreign companies hitherto based in the region
- Activity outsourcing by «native» Portuguese companies
- Gradual decrease in orders from abroad

The second presentation on Northern Portugal was given by Mr Hélder Rosendo, General Manager of CITEVE, who explained the Centre’s interpretation of the situation of the textile and clothing industry in this region. Mr Rosendo focussed on showing the strengths of the sector in Northern Portugal while depicting the consumer’s role in the sector and argued that competitiveness depends on five interrelated factors:

- Creativity
- Innovation
- Design
- Distribution
- Service
These factors depend on human resources as well as on management capacity. This led him to depict the links with other fields of knowledge and to argue that differentiation depends mainly on constant innovation. In order to innovate it is important to cooperate, to access new markets, to take advantage of consumer trends by involving end users/consumers and to develop more complex products (including better services). Innovation is also favoured by the capacity to attract young talent to the sector and, especially, to «think outside the box».

Representing the Centre for Policy Evaluation and Regional Studies of the Coordination Commission of Northern Portugal, Ms Alina Silva gave the last presentation on Northern Portugal. With a focus on the future, Ms Silva laid out briefly the Regional Commission’s 2015 Regional Strategy, including the plans of the region regarding the use of European funds during the period 2007-2013, and depicted the textile and clothing sector as remaining an important source of both income and jobs. She acknowledged that the sector has indeed changed substantially over the last 15 years due to technological advances, introduction of new production methods, outsourcing and reorganisation of producers, but much remained to be done. In her view, it is no longer possible to maintain this sector on a purely manufacturing basis; rather, companies should make every effort to evolve into sales-based entities. As a whole, the Regional Commission’s strategy puts in place a new model of public policy implementation that is based on timely and accurate planning.

The first panel of regional presentations was concluded by Mr Luca Rinfreschi, former Chairman of the Prato Chamber of Commerce and vice-president of Italian Textile Fashion. Mr Rinfreschi emphasised the importance of strong labelling regulations on goods from countries outside the EU. European industries are, he argued, subject to numerous regulations relating to, for example, social and environmental sustainability, which is not always the case for competitors from outside the European Union. These regulations can be fundamental to stimulating innovation, such as has been argued for REACH. However, a means of differentiating between products that are manufactured within the regulated boundaries and those that are not must be established. Adequate labelling is required to allow informed decision-making on the part of consumers. For this reason, Italy has introduced a voluntary system of traceability that aims to set Italian products aside from others much more thoroughly than is legally required, thereby enhancing significantly the value of production pedigree.
In Mr Rinfreschi’s opinion, what is needed now is more stringent regulation and encouragement for consumers to be more inquisitive and to make informed purchases.

A short and intense discussion focussed on training and social issues and on the degree of representativeness that small and medium-sized enterprises (SMEs) have at the European level of decision-making.

REGIONAL PRESENTATIONS – SESSION II

The second panel of regional presentations focussed on Central Europe and was chaired by Mr Radoslaw Owczarzak, Research Manager at the European Monitoring Centre on Change (EMCC) within Eurofound, who, in the context of his research, called for advanced and innovative practices by European companies.

The first presentation, given by Ms Anne van Lancker, Member of the European Parliament, focussed on the Belgium region of Kortrijk-Mouscron-Tournai. Providing a brief overview of the Belgian textile and clothing industry, Ms van Lancker characterised the textile segment as having been able to maintain production levels and a positive trade balance in a good overall performance that reflects a high degree of specialisation (in technically advanced textiles). However, employment levels had registered a steep decline in the last 30 years due to increasingly automated and highly technological production processes. In relation to the clothing segment, a completely different story was told. In terms of both production and employment the figures are dramatic, with decreases further compounded by increased internationalisation of production and high pressures on prices. As a whole, the main problems faced by the regionally-concentrated and SME-based Belgian textile and clothing sector are the following:

• Negative image and subsequent lack of qualified labour
• Low levels of labour mobility
• Continuous disrespect for the existing social code of conduct
• Closed third markets inhibiting exports
• Counterfeiting
• Problems caused by a strong euro
Ms van Lancker identified the major challenges for the sector as being:

- Improvement of the image of the sector
- Development of local strengths
- Further integration of the European market
- Reduction in social and economic dumping
- Increase in the potential to access foreign markets by reducing tariff and non-tariff barriers
- Implementation of an efficient system to prevent and fight counterfeiting

Mr Antonio Simina, Chairman of the Works Council of Hugo Boss and Deputy Chairman of its Supervisory Board, made the first of two presentations in the German context (Hugo Boss is based in Metzingen, in the state of Baden-Württemberg). Mr Simina gave a personal account of Hugo Boss’s successes in Germany and of where he sees opportunities for the future development of the textile and clothing industry. In his opinion, in order to face up to the reality of relocation, it is fundamental to react at different levels (not only at company level, but also in terms of policies), but most of all to focus on innovative methods to motivate and attract qualified and talented people to work in this sector. These include a range of incentives to improve the well-being of employees, such as providing opportunities for personal development or even kindergartens for the workers’ children, so as to build a workforce capable of adding value to the existing know-how and thereby increase the competitiveness of the European textile and clothing companies. This kind of thinking has ensured the success of Hugo Boss in Germany, a country in which, despite the existing difficulties in running a company, the overall environment allows for innovative work organisation strategies and for high degrees of personal development within companies. At the end of his presentation, Mr Simina expressed some concerns about the fact that his company had recently been bought by a private equity company, which, in his opinion, could wipe out long years of accumulated experience, a phenomenon that, as Mr Owczarzak then said, can be a symptom of what could be happening throughout Europe in the near future.

The second presentation in the German context focussed on the region of Thüringen and was given by Mr Ralf Lechner, Managing Director of Getzner Textil Weberei GmbH. Presenting the development of the textile and clothing industry in Thüringen over the past decade, Mr Lechner pointed out that despite a steady downtrend in the number of firms (and therefore in the number of workers), the use of modern manufacturing technology and niche specialisation have made it possible to
increase turnover per employee almost tenfold. When viewed separately, both the textile and clothing segments show downward trends, but these have been much more dramatic in the latter. Mr Lechner highlighted the fact that the incomes of workers at firms with collective wage agreements have risen in line with economic trends, following the implementation of a new wage negotiation that places emphasis on skills and qualifications. The main problems faced by the sector in Thüringen were identified as follows:

- Explosive rise in energy costs
- Steady increase in raw material prices
- Increasing bureaucracy
- Protection of intellectual property

Another issue of great concern to Mr Lechner is the fact that demographic trends – including the exodus of many young people from the region – threaten to deprive the textile and clothing sector of young skilled workers. Fortunately, a new approach to training and an improved economic situation have once more made it possible to offer more training places. Nevertheless, the insufficient number of trained technicians, skilled workers and engineers continues to be a source of great concern to entrepreneurs in Thüringen. It is necessary to fight against a lack of willingness on the part of young people to enter technical vocations, something that can be done through partnerships between companies and schools promoting future-orientated innovative and vocational training in the textile sector.

Mr François Castro, a consultant at Castex, was the first to talk about the French region of Rhône-Alpes. Giving a personal account of his own path as an entrepreneur, Mr Castro emphasised the crucial importance of innovation in the textile and clothing sector. Industrialists nowadays tend to think more of spending less than of moving forward, but the key is innovation. By acting together with all staff members and giving them a sense of belonging, it is possible for the management to understand the existing needs and encourage staff to develop new ideas. Diversification, creativity and openness to employees’ inventiveness are essential, as is being able to understand customers’ preferences.
A second presentation on the Rhône-Alpes region was made by Mr Claude Szternberg, general delegate and vice-president of UNITEX, who delivered a speech on the regional context, its reaction to globalisation and the subsequent policies to cope with and induce change. Characterising the region as possessing the necessary assets for success in the textile and clothing industry and maintaining its leading role at the national level, Mr Szternberg described a universe of SMEs that make up a significant segment of the world market. The region displayed an aptitude for inventiveness and a capacity to learn, while maintaining a close working relationship with public authorities and being committed to ongoing social dialogue. The Rhône-Alpes region was not immune to the effects of globalisation and had indeed suffered significant setbacks, but, overall, the advent of the global marketplace had brought about a renewed context to which the textile and clothing sector has been able to adapt by setting itself apart in the fields of fashion-related trade, technological change and functional textiles. The strategy at company level, Mr Szternberg said, is to sell the right product at the right time, possibly requiring any of the following:

- Step-change
- Innovation
- Alliance
- Marketing

In terms of wider policies, Mr Szternberg drew attention to an association that has been set up in the Rhône-Alpes region, which works together with the public authorities to improve conditions for the textile and clothing sector.

A short discussion took place after the formal presentations, centring both on the benefit of partnerships between companies and local authorities and on the role of technological and innovation centres.

The importance of team work at company level was also debated. The session finished on an optimistic note from Mr Owczarzak on the future of the sector.
CONCLUSIONS AND PROSPECTS

The final session was conceived both as an epilogue to the day’s events, drawing certain conclusions from the meeting, and as a prologue to continued analysis of the industry’s future prospects. Ms Agnès Soulard – in an overview of the main findings of the hearing – and the final speakers – Mr William Lakin, Director-General of EURATEX, (European Apparel and Textile Organisation); Mr Patrick Itschert, Secretary-General of the ETUF-TCL (European Trade Union Federation – Textiles, Clothing, Leather); Mr Luc Hendrickx, Director for Enterprise Policy of UEAPME (European Association of Craft, Small and Medium-sized Enterprises); and Mr Luis Filipe Girão, Head of Unit at the European Commission’s DG Enterprise and Industry—focused on three distinct yet related issues: image, societal responsibility and regional strategy.
Interviews with participants in the hearing in Vila Nova de Famalicão

Following completion of the project, it was deemed of interest to interview certain of the participants in the hearing. Three questions were put to each of the interviewees:

1) The CCMI’s information report contains a series of conclusions and recommendations designed to boost the European textile, clothing and footwear sector, accompany its development within the context of a global market and maximise existing comparative advantages. In your opinion, which measures should be granted immediate priority?

2) The information report calls for a level playing field in terms of labour standards, environmental legislation and competition practices (e.g. trade access issues, safeguarding of intellectual property rights, etc.). What policy options could be put forward by the EU institutions to ensure this and how can optimum dovetailing with local, regional and national policies be achieved?

3) All are agreed that the image of the sector needs to be revamped. Not only crucial to its continued short-term success, image plays a vital role in ensuring a constant flow of fresh blood. What could be done to stimulate greater involvement and interest of young people in the sector?

Their responses to these are to be found hereafter. To facilitate your reading of this, each answer is preceded by a couple of key words drawn from the question posed.

List of interviewees:

- Mr William Lakin, Director-General of EURATEX
- Mr. Patrick Itschert, Secretary-General of ETUF-TCL
- Mr Luc Hendrickx, Director for Enterprise Policy of UEAPME
- Ms Anne Van Lancker, Member of the European Parliament
- Mr Jerzy Kropiwnicki, Member of the Committee of the Regions, Mayor of Łódź, president of the General Assembly of ACTE (European Textile Collectivities Association)
- Mr Hélder Rosendo, General Manager of CITEVE (Technological Centre for the Textile and Clothing Industries of Portugal)
1. Immediate priorities

It is my firm conviction that the industry must now turn its back on past experience and look resolutely into the future – a future without quotas in which its ability to compete must be based on its own capacity for innovation, creativity and the harnessing of new technologies. This is principally the task of the industry itself, in co-operation with its best centres of research and excellence, using to the full opportunities offered by FP7 and other EU funding programmes. This has also to go hand in hand with the enhancement of existing training programmes and improved awareness across the industry of the need to protect IPR internally, at the EU borders and on export markets.

2. Dovetailing of policy options

The absence of clear-cut solutions at international level where labour standards and the environment are concerned poses a serious problem to which there is no immediate solution and on the subject of which there is probably inadequate political will in national administrations in any case. It may well be the case; however, concern on these matters will create the conditions under which our authorities will look more closely at the overall conditions under which imported goods are produced. I personally see existing dovetailing of local, regional and national policies in these and many other areas as inadequate, in spite of some excellent individual examples of collaboration. This too requires more consultation with companies locally and in the regions and closer co-operation locally and in the regions and closer co-operation between companies to achieve critical mass.

The market access message is fully understood, but we cannot expect much from the DDA (as of 5 March 2008)

3. Greater involvement of young people

To improve the industry image and to attract the younger generation is one of today’s biggest challenges. Many federations at national, regional and EU level work hard to offer a view of the industry as one producing high quality apparel, using cutting edge technology to manufacture products unthinkable even a generation ago. Companies too should be encouraged to present and publicize their good news stories, and to make more widely known the bewildering variety of end-uses. All these efforts can unfortunately be reduced to nothing by certain doom and gloom merchants. They should be discouraged from making public statements of this nature.
Mr. Patrick ITSCHERT
Secretary-General of ETUF-TCL

1. Immediate priorities

Europe needs a competitive and sustainable industrial manufacturing base that generates services. In the textile and clothing (T&C) sector, as in other sectors, there are good and bad companies; the latter are set to disappear all the more rapidly as a result of increasing globalisation. The future of the T&C sector depends – and this is a necessary but not a sufficient condition – on the manufacturing of high-tech, innovative or fashionable products with high added value, which meet consumer needs. However, in order to regenerate itself, the EU T&C industry also requires better access to third-country markets as well as stable and fair trading conditions. Protectionism is out of the question but the industry must also be vigorously defended against dumping, breaches of intellectual property rights and other violations, which is not contradictory. EU industrial and trade policies must be more mutually consistent in order to offer an integrated environment.

2. Dovetailing of policy options

Unfortunately, we are forced to acknowledge that, in practice, the EU has become highly reluctant to promote core labour standards. The trade union movement is not opposed to free trade, but it has noticed, and others have since come to the same conclusion, that although it may increase global wealth in the world, it also, and above all, adds to the dualisation of the world and an increase in breaches of certain core standards (relative failure of corporate social responsibility). The refusal of certain third countries to cooperate in tackling social and environmental issues multilaterally cannot, however, be used as an excuse; sustainability and decent work must be established as binding factors in bilateral negotiations for instance (there are interesting precedents) at all levels. Finally, although it is inappropriate to criminalise consumers, the time has come for them to act more responsibly. In exchange, it will be necessary to ensure traceability in order to provide clear and full information; origin marking labels would be a first step in this direction.
3. Greater involvement of young people

It is true that improving the T&C sector’s image is a real challenge. Nevertheless, it would be simplistic to restrict ourselves to condemning a number of alarmist assertions about «post-industrial» Europe. Too many EU T&C firms continue to base their competitiveness on costs, which, given the salary differential with Asia, no longer makes much sense, and use this argument to justify low salaries and bad working conditions. Moreover, a better capacity for foresight and improved social dialogue would ensure more stable career paths.

«Yes, the textile and clothing industry does have a future in the EU, but it will employ fewer, better qualified, and hence better paid staff» – That is a message worth heeding.

Mr Luc HENDRICKX
Director for Enterprise Policy of UEAPME

1. Immediate priorities

For UEAPME the main priority is to create a SME-friendly environment in all policy fields. It are the SMEs who create jobs and wealth, not the policies. In addition to that, measures to diversify, measures to help and support SME to develop niche markets are key. In the field of trade policy better market access conditions have to be created for our SMEs.

2. Dovetailing of policy options

This is probably the most challenging issue, both in the short as in the long turn, and also here especially for SMEs. An optimum dovetailing can certainly be achieved in the fight against counterfeiting. The number of seized counterfeited goods in the EU show clearly that a handful of countries do an excellent job, while in the majority of member states the political will is missing to tackle the problem.

3. Greater involvement of young people

We certainly don’t need huge campaigns in the media to improve the image. What we see also in other industrial sectors is that the possibilities, the opportunities of the sector are not known. Therefore we need in the first place (better) cooperation between the sector and the education system: teachers need a better insight and understanding of the sector. Company visits should be organised and also short time stages. Secondly, the level and the image of the technical training colleges have to be improved. The partitions between the technical training colleges and the general education system need to be lifted in order to facilitate the moving up.
Ms Anne VAN LANCKER
Member of the European Parliament

1. Immediate priorities

Research and development of new products and processes are of vital importance if the European textile, clothing and footwear industry wants to safeguard its leading role in delivering quality goods of high added value. Innovation and investment in technological advances in new areas responding to new needs should be promoted, by building technology platforms and by developing centres of excellence, including small business. An important asset for the improvement of the competitive position of the sector is the quality of its people. Therefore, it is essential to raise investment in training and to create a highly-qualified workforce. Sectoral social dialogue should be reinforced to avoid harmful consequences of restructuring, by putting in place reconversion units, providing training courses to improve workers’ qualifications and guide them to new job opportunities.

2. Dovetailing of policy options

The European institutions should develop new strategies to ensure respect for fundamental labour rights and environmental standards by making these standards binding in preferential trade agreements and by labelling textile and clothing products that do respect these standards throughout the production chain. European public procurement policy should take into consideration social rights and the ecological quality of products as essential criteria to award contracts. Europe must also develop effective monitoring and early warning systems, make better use of its trade defence instruments and launch anti-dumping, anti-subsidy and safeguard mechanisms when unfair competition undermines the interests of European producers and their workers.

3. Greater involvement of young people

To stimulate young people’s interest, the sector should portray a positive new image of a creative, innovative and promising sector. Young Europeans should be much better informed about the job opportunities and the qualifications needed in the sector. Campaigns, job fairs and traineeships should encourage them to choose for technical education and stimulate entrepreneurship of young people.
1. Immediate priorities

The Association of European Textile Collectivities (ACTE), the General Assembly of which I have the honour of chairing, believes that immediate priority should be given to the respect of fundamental labour rights along with the strengthening of the European social model. For ACTE members, promotion of mobility and skill diversification of employees has an enormous importance. Enhanced training schemes are another ace up the sleeve for both employees who remain within the industry but need to shift their skills towards new products and new textile applications and for employees who have to leave the sector and need to seek employment elsewhere. The City of Łódź in Poland provides some good examples of specific tools for the promotion of entrepreneurship, enhancement of education and training, labour mediation, provision of land for new industrial activities, establishment of business parks and improvement of infrastructures, all of this with a view to raising attractiveness for foreign investors. In addition, the collaboration of laboratories and centres of excellence is contributing to improving the framework conditions for the textile industry.

It is also worth mentioning that ACTE has declared 2008 the Year of Innovation, in the framework of which a series of significant initiatives has been launched. On a different note, ACTE upholds the right of consumers to be informed properly of the origin, content, labelling and traceability of textile products. In a joint move with ETUF:TCL, ACTE is currently promoting the «Petition for a certified quality - Transparency, traceability, composition and origin of products of the TCL sectors», which expresses its members’ concerns on the health risks for European consumers and workers arising from the use of dangerous substances in the TCL sectors.

2. Dovetailing of policy options

The textile and clothing industry should not be treated as a monolith. In reality this industry is made up of at least two different sectors (textile & clothing), which represent complex and intertwined webs of value chains, each with their own defining characteristics. These include varying competitive advantage, differing territorial implications, etc. While the textile industry is often considered the more «scientific» – given its technological bent and capital and technological intensity, the clothing sector is much more geared around strength of design and brand. A level playing field can only be achieved if support mechanisms are tailored to the individual characteristics of each sector (professional consultancy, requisite
management and organisational skills, adapted training schemes, relevant IT systems, appropriate networking and clustering). The textile industry is one that often completely dominates individual regions, resulting in a «monoculture». This, in turn, exposes those regions to grave economic and social risk in times of sudden, unexpected restructuring. Given this exceedingly close territorial connection, it is very important to bear in mind the principle of subsidiarity when considering how to ensure the optimum policy integration.

3. Greater involvement of young people
Greater emphasis should be placed on the growth opportunities that exist (for example in the technical or industrial textile areas). New business opportunities with emerging economies should be given priority and a clear message that the textile and clothing industry has a great future before it, not only by facilitating our lives but also by generating huge potential for development, should be promoted. Only a positive image will mobilize efforts to attract young people to the technical colleges, to obtain finance for business projects from banks and to reach strategic agreements with other sectors present in textile territories.
1. Immediate priorities

There is nothing more negative and devastating for the economy than unfair competition practices. Therefore, from my point of view, priority should be granted to all measures likely to contribute to the creation of a level playing field in terms of competition between European and Asian countries. This should include ensuring equal access to markets abroad for European products. I really don’t see the logic behind being so demanding with European producers (assorted constraints on production), while, at the same time, allowing the entry into the European market of products without any sort of ethical or environmental content. Therefore, my answer to your question would be: immediately priority should be granted to every policy and measure designed to promote equal access to markets, to remove unfair competition practices, to apply rules of origin, to protect industrial property rights and to fight against counterfeiting. Last but not least, I also think that the REACH regulation should be reviewed and measures taken to evaluate deeply the impact of such regulation on European production and employment.

2. Dovetailing of policy options

From my point of view, for common people and consumers there is still a big distance between policy at European level and what really happens in our everyday life! Nowhere is this more the case than in situations involving decisions that are supposed to improve our quality of life. Therefore, every effort or every policy aiming at improvement in the areas mentioned above (labour standards, environmental legislation and competition practices) should be initiated in an environment of closer and better communication between European representatives and national and local representatives as well as civil society in general. Once this is achieved, coordination between European, national and regional policy would be enhanced.

3. Greater involvement of young people

There are some good projects in that context underway in several countries, but nothing has the impact, in both good and bad ways, of the media. Therefore, T&C organizations from every sector of activity should play a big role in educating the media and showing them the positive things about the textile & clothing industry. Some say that no news is good news! We should not, however, give up the chance to put on show the positive and accurate image of this sector. Textiles & clothing today are very technological products but also rich in design and fashion and this is true all along the value chain. I would like to call it a “sexy” sector!
General information on the Consultative Commission on Industrial Change (CCMI)

The role of the European Economic and Social Committee (EESC) in promoting a structured dialogue on industrial change in the EU

The European Economic and Social Committee’s Consultative Commission on Industrial Change (CCMI) combines over 50 years of experience with consultative dialogue gained from the European Coal and Steel Community’s Consultative Committee with a wide-ranging composition and remit to produce a body unique to the European institutions. It is a new kind of model for discussion/dialogue of policy issues between different actors in the field of industrial change.

The CCMI looks at industrial change issues across a wide spectrum of sectors. As such, it offers added value to the work of the EESC as a whole. It is of particular value to those new Member States currently undergoing the process of industrial change and its new composition, created at the end of 2004, reflects this fact in the form of significant representation from these countries.

The CCMI is more than just a repository of lessons learnt in the past. In keeping with the subjects it treats, the role of the CCMI is to look to the future. The emphasis is on anticipation, pre-emption and analysis so as to ensure positive common approaches to the management of industrial change from an economic, social, territorial and environmental point of view. The CCMI promotes coordination and coherence of Community action in relation to the main industrial changes in the context of the enlarged EU and advocates balance between the need for socially acceptable change, environmentally sustainable production and the retention of a competitive edge for EU industry.
BACKGROUND

In view of the expiry of the ECSC Treaty on 23 July 2002, the Industry Council of 18 May 2002 asked the European Commission to submit its ideas on the future of structured dialogue in the areas covered by this Treaty.

In its Communication of 27 September 2000 (COM(2000) 588 final), drawn up in close consultation with the EESC, the Commission proposed the creation of a specific structure within the Committee that would not only permit the retention of valuable expertise built up during the ECSC years and the continuation of structured dialogue in the areas of coal and steel, but would be expanded gradually, ultimately to cover all issues relating to industrial change in an enlarged EU.

CREATION

With regard to the content of this major extension of the EESC’s consultative role, the Commission stresses its «determination to examine the development of ECSC structured dialogue in a firmly future-based perspective». The ECSC’s unique «experience - notably in the fields of social consensus, industrial restructuring and research - will enhance the EESC’s ability to play an active role in modernising the European economy and making it more competitive»¹.

The other European institutions supported these proposals and provided the EESC with the resources needed to run this new body, which was set up on 24 October 2002 by the Committee's Plenary Assembly.

COMPOSITION

The CCMI is made up of 48 EESC members and 48 external delegates, drawing on a wide range of knowledge and experience gained in a variety of socio-occupational organisations in various sectors affected by the modernisation of the economy. The Chairman of the CCMI is a member of the EESC and the Co-Chairman is a delegate. The delegate body is divided into three categories (employers, employees, various interests), similar to the structure of the three EESC groups. Following the enlargement to 27 Member States and given the particularly appropriate nature of the CCMI’s expertise to the new Member States, the new CCMI composition includes a high proportion of members and delegates from these countries.

¹. COM(2000) 588 final