

For more quality jobs in the

# TEXTILE SERVICES SECTOR IN EUROPE

A trade union action plan



**The textile services sector** provides industrial firms, hospitals, hotels and many other organisations with clean, safe and robust textile items, such as professional clothes/linen (including sterilised linen for surgical operations, or for industrial clean rooms in the microelectronics sector), bed and table linen for hotels and hospitals, or hygiene articles (towels, soap). The used items are collected, cleaned in water or chemical solvents (aka “dry cleaning”), ironed, sterilised and repaired if necessary, and delivered back to the users, in a closed loop that exemplifies the “circular economy”.

The sector employs 134,000 workers in Europe, mainly to process textiles, and to collect and deliver the items.

The sector’s success is based on the economic trend towards outsourcing, and on the fact that managing textiles is not generally considered by customers as being a core part of their business.

**The workers’ situation has not always been easy: operating in hot, humid conditions, on low pay with very limited prospects for training or professional development.**

Recently, it has become even harder, with the consequences of the financial crisis, and large players in the sector falling deep into debt to buy out their competitors. Workers have paid the price for this strategy, with pressure on wages and on the pace of work, in order to pay back creditors.

Following all of these efforts, the situation of companies in the textile services sector has significantly improved. Debt has fallen back to sustainable levels, productive investment in equipment and machinery has resumed, and workplace efficiency has improved.

At the initiative of industriAll European Trade Union, workers from the European textile services sector participated in coordination meetings throughout 2015 and 2016 to assess the situation.

Luc Triangle, Deputy General Secretary of industriAll Europe, summarised their discussions as follows:

**It is time for the workers in textile services to receive their share of the recovery in the sector. Margins have risen. The services are local, and cannot be offshored. There is room for improvement as far as the situation of workers is concerned - and this room for manoeuvre should be used."**

Better wages, investment in safe and healthy working environments, training to cope with the long-term developments in the sector (digitalisation, energy efficiency and the efficient use of water) are all on the agenda, and should be discussed between trade unions and management, in a fully-fledged social dialogue.

## A trade union analysis: a mature sector competing on price, with worrying working conditions



IndustriAll Europe mandated the auditing firm *3e Consultants* to draw up a picture of the textile services sector in Europe. The consultants performed a very thorough analysis, which forms the basis of a specific, extended report. The report highlights some key industrial and social issues for the sector.

**From an industrial perspective, the sector is mature, with a limited number of well-established firms competing fiercely on very local markets, with no international competition.**

Competition is mainly on **price**, despite claims that high-quality service is a key selling point. This competition on price appears to have a negative impact on quality - in addition to deteriorating wages, working time and working conditions. Potential customers refrain from using outsourced services, and even go back to handling some of their textile management activities in-house (e.g. hospitals in France). The penetration rate of textile services firms in their target markets is stagnating, and the overall growth of the sector is below expectations.

In this very static environment, where firms historically operate at a local level, the growth model is that of external acquisitions, fuelled by **credit**.

The only exception to this trend is the German firm Mewa. As a consequence, creditors are being paid before workers, and short-term profitability is being prioritised. This short-term financial strategy has a negative impact on investment and on the capacity to innovate - and thus on working conditions.

**The textile services sector is also involved in technological innovation.**

RFID tags enable the automated **tracking** of textile items (thereby preventing theft), and the automated **sorting** of incoming used textiles. This is still an emerging trend, limited by high costs. Should this trend develop, it could threaten low skilled work and arduous jobs (i.e. jobs in unhygienic conditions, with a risk of microbial contamination). Managing this issue may pose a dilemma for trade unions - who have to prioritise either the preservation of jobs or the improvement of working conditions.

Satellite navigation and mobile communication enable the **geo-tracking** of vehicles which collect the used textile items and deliver the processed ones. For drivers, this can lead to a feeling of being under surveillance and increase their stress levels.

Companies are making ongoing efforts to reduce their **environmental impact**, and their consumption of water, energy and detergents.

These efforts are motivated by cost savings, and by marketing considerations, because this increased efficiency in the use of resources is a selling point compared to keeping one's textile management in-house. However, the sector is wary of environmental regulation, and tends to resist any new mandatory targets.

The sector is a front-runner of the **circular economy**. The requirements for longer-life, recyclable products, driven by this policy agenda, could fuel further growth in the rental of textile items. They could also bring about the manufacturing of high-quality textiles for rental in Europe. Thereby, the textile services sector could contribute to a rebirth of the textiles & clothing sector in Europe. However, this remains uncertain given that, for now, such ideas are largely speculative.

**From a social perspective, the sector is not only plagued by traditionally difficult working conditions and low wages, but also suffers from competition which is driven purely by price.**

**Working conditions** are made difficult by heat and humidity in the production process, as well as by the cold and wind during the handling and transportation of the textiles. Aggressive chemical detergents, perfumes and disinfectants pose a health risk, simply by contact or by inhalation. The handling of hospital linen is a potential source of microbial contamination, made more dangerous by the presence of multi-resistant bacteria. These cannot be eliminated by antibiotics and are thus a specific source of concern. Additionally, musculoskeletal disorders are caused by repetitive tasks, which are ill-conceived from an ergonomic perspective (if at all) and performed at high speed, regardless of the workers' age. As a result, ca. 7% of the workforce is on long-term sick leave - a statistic which highlights the generally poor working conditions, whatever their nature.

There is a significant imbalance in the professional hierarchy within the sector. A large majority of employees perform tasks requiring a **low level of professional qualification**, and receive **very low salaries**. Their development opportunities remain extremely limited. The only benefit for them is a certain amount of job stability, due to the "repeat business" nature of long-term service contracts with customers. A small minority of managers, however, enjoy much higher salaries and considerable benefits, including a share in the company's profits - benefits which are not available to the rest of the workforce.

The workers strongly resent the fact that there is a distinct separation between their world and that of the managers and the lack of respect shown to them.

Due to this competition driven purely by price, and the necessity to pay back the creditors who facilitated the external growth strategy, **short-term cost factors** such as wages and individual production rates are under **constant pressure**. Much less effort has been made on productive investment. This is regrettable, since investment could create a sound basis for improving efficiency and working conditions.

Finally, companies in the sector often display **hostility towards trade unions**, and have a very **limited culture of mutually respectful social dialogue**.

## **Trade union demands: social dialogue to improve working conditions, quality and sustainability**

IndustriAll European Trade Union believes that the textile services sector would strongly benefit from a genuine, mutually respectful and bona fide **social dialogue**, both at company level and at sectoral level. IndustriAll Europe calls on the companies in the textile services sector, and the in-dustry federations in the sector, the European Textile Services Association - ETSA and the International Committee of Professional Textile Care - CINET, to engage in this type of social dialogue.

**IndustriAll Europe demands that a discussion be initiated with industry regarding occupational health & safety, working conditions, quality and certification, the sharing of value added and of profits, anticipation of change and innovation.**

Regarding **occupational health & safety**, industriAll Europe primarily demands that **data on occupational diseases** in the sector be published, so that priorities can be set regarding corrective action.

IndustriAll Europe also demands that measures be taken to assess and to prevent the **specific risks** within the textiles services industry: chemical intoxication (detergents, perfumes, disinfectants), bacterial contamination, specifically from multi-resistant bacteria (e.g. by enforcing European standard EN 14 065 "Risk Analysis and Biocontamination Control - RABC").

**Musculoskeletal disorders** should be prevented, namely through ergonomic studies for each type of workstation, by the dissemination of the results of these studies across the industry, and by a limitation on production rates. Considering the prospect of long careers, workplace ergonomics and pace of work should be adapted in two ways: (1) for younger workers, conditions should be improved to enable them to hold down a longer career without negative implications for their health; (2) for older workers, e.g. above 45 years of age, who have not benefitted from adapted working conditions, the pace of work should be adapted according to their individual health conditions, with no loss of pay.

Regarding **working conditions**, industriAll Europe demands that industry invest in **regulating temperatures and humidity** in the workplace, to bring these into line with standards that ensure high-quality and sustainable work. IndustriAll Europe also demands that the collection and subsequent use of **worker-related data**, e.g. the geo-tracking data of drivers, be subject to checks by workers' representatives.

From industriAll Europe's point of view, the **quality** of the service provided by the sector should be improved, through the definition of quality **metrics and standards**, and through their **certification** by independent bodies. The existence of commonly accepted quality metrics is an opportunity for companies to differentiate themselves on criteria other than price, and to restore consumer confidence. This would thus fuel growth of better quality jobs in the sector, providing its workers with a legitimate source of pride in their achievements. Quality of service should also be achieved by a **better trained workforce**, and by **better working conditions**, particularly for workers who are in direct contact with the customer - the day-to-day "ambassadors" of the firm.

### **IndustriAll Europe demands that the value added and profits be fairly shared among all workers in the company.**

Differences in salaries according to qualifications are acceptable. However, in the view of industriAll Europe, the gap should be limited, so as to avoid the division of the workforce, and career opportunities should remain open to all. Profit-sharing schemes should be open to all workers, and not reserved for a small elite.

IndustriAll Europe also demands that the **sharing of value added** between **the workers and creditors** be tilted back in favour of the workers. It is not acceptable that banks be prioritised over workers. A discussion should be initiated on the financial status of companies, and specifically their **debts**. In this discussion, workers' representatives should receive the technical assistance of dedicated auditors, paid for by the companies.

In industriAll Europe's view, textile services firms should promote more **sustainable development**. Furthermore, they should invest in their **processes**, in order to achieve greater **efficiency** in the use of all **resources**: water, energy and chemicals. Standards should be set regarding this efficiency, their application should be certified by independent monitoring bodies, and compliance with these standards should be discussed with workers' representatives. In addition, textile services companies should engage in the **responsible procurement** of their textile items: rental textiles must be produced under fair economic, social and environmental conditions, fully compliant with European social and environmental standards. Thereby, textile services could contribute to an improvement of working conditions in the European textiles & clothing sector.

Finally, full **consideration** should be given to the **long-term development** of the textile services sector, and specifically to the social impact of new technologies such as digital technology and new regulatory frameworks such as the circular economy.



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