

Effective partnerships for better labour standards

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Sean Ansett and Richard Feinberg explore how supply chain labour partnerships in developing countries can make everyone's lives easier

In order to implement sustained change in manufacturing and effectively implement labour standards, global brands and governments must work collaboratively and engage in partnerships that define clear divisions of labour between themselves. We advanced this argument last year in Ethical Corporation (Supply Chain Auditing: A New Public Partnership, February 2009).

These public-private partnership models have the potential to create a more level playing field, reduce auditing fatigue, and deliver sustainable improvements to both brands and suppliers.

Developing countries are fraught with challenging endemic issues that plague effective enforcement of labour standards, including institutional weaknesses, resource gaps, debilitating corruption, and lack of political will. For example, in El Salvador, government resources allow for only 159 labour inspectors capable of auditing only 4% of the labour force each year.

In Honduras, many government labour inspectors must take public transport to factories that may be up to two hours away – and then confront a hostile management that impedes entrance onto the factory floor. The inspectors must then struggle to fill out their official reports in sweltering temperatures. Clearly, social compliance officers working in corporate responsibility departments face fewer inconveniences.

Supply chain collaboration

To address these challenges, there are some programmes already launched in Central America, that are working collaboratively with both global brands and national governments. Central America is a key production location, supplying primarily the US market but also some feeding the supply chains of some Asian and European-based firms.

One such forward-looking project is CIMCAW which launched a broad based, multi-stakeholder alliance to help local suppliers in Central America meet the demand for high-quality apparel produced in working conditions that meet international standards.

CIMCAW builds factory capacity to foster continuous workplace improvement in labour standards. Its focus is on joint worker and manager trainings that are solutions oriented.

The project also promotes a culture of compliance through social dialogue around the benefits of labour standards compliance.

A critical part of the project focuses on training government labour inspectors to strengthen the capacities of the national ministries of labour in El Salvador, Guatemalan, Honduras, Nicaragua and the Dominican Republic. Project partners include Gap, Wal-Mart, Timberland, the International Textile Leather and Garments Trade Union and the consulting firm DAI. Social Accountability International (SAI) has provided technical assistance and training.

To date, the CIMCAW project has delivered 28 training sessions on social auditing, utilising SAI's expertise in social compliance, and focusing on problem issues such as child labour, forced labour, violations of freedom of association and excessive overtime. Inspectors are encouraged to "think outside the box" and consider new approaches to workplace inspections.

Innovative approach

In order to get at the root causes of systemic violations, the SAI trainers stress how important it is for auditors to interview workers – a method that is often not part of the routine inspection process in Central America.

The CIMCAW training programmes also focus on stakeholder engagement, including information sharing with local NGOs to ensure that the inspectors receive a complete picture of the production process and factory-community relations from a grassroots level. The inclusion of NGOs adds a critical third pillar to the business-government partnership.

CIMCAW training has yielded measurable results. In the Dominican Republic, 91% of trainees correctly identified cases of forced labour, compared to only 20% prior to the training. In Nicaragua, fully 100% of the trainees were able to give three examples of evidence needed to identify health and safety violations, versus only 49% prior to training.

One labour inspector from the Dominican Republic commented: “The training has provided us with valuable auditing knowledge, motivating us to elevate the level of our interviews with workers and not to be ‘blind’ to the violations we find. We still need more training so that we may be dignified representatives of our society.”

Strong partners

In a second initiative targeted at advancing responsible labour practices, Business for Social Responsibility (BSR) has proposed a public policy framework to El Salvador government. Drawing on wide-ranging consultations with local stakeholders, the report finds that the labour ministry needs strong partners. Moreover, it needs to wake up to the vast network of corporate codes of conduct and auditing practices that international brands already work through their supply chains in El Salvador. The report has been warmly received by Victoria de Aviles, the labour minister.

Among its key recommendations, the BSR report proposes:

- Building a partnership for labour standards enforcement (PLSE) between the ministry of labour and global brands. To open this timely dialogue, the ministry should invite the brands to share methodologies and best practices, and to explore efficient modes of collaboration in advancing responsible labour practices.
- Fostering public-private partnerships (PPPs) that strengthen responsible labour. A successful PPP already exists in the El Salvador sugar industry between the leading sugar mills and relevant government entities. A technical commission should examine the nation’s public policy framework to remove any obstacles to forming PPPs.
- Establishing a national system for monitoring and reporting of labour productivity and international competitiveness. Reliable metrics are an important piece of making a persuasive business case for high labour standards. The responsible entity could be a PPP with contributions from academia and labour unions.

It must be recognised, however, that even if such innovations as the CIMCAW programme and the BSR proposals are scaled up and fully implemented, they may not be sustained over the long-term unless national governments demonstrate the political will to enforce their laws and build institutional capacity. Global brands themselves should make it very clear that they demand strong labour law enforcement. Most effective would be strong partnerships between government labour ministries and international firms working together to make decent working conditions a reality.

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Links:

[1] <http://www.ethicalcorp.com/users/ec-newsdesk>

[2] <http://www.atstakeadvisors.com>

[3] <http://www.drcafta.bsr.org>