



Reaching suppliers beyond tier one

*Addressing working conditions and occupational safety and
health in global supply chains
Examples of ILO initiatives*



International
Labour
Organization



Creating 'win-wins' in the Dominican Republic banana industry

Reaching suppliers beyond tier one – ILO, 30 November 2017

Steve Hartrich – ILO – The Lab



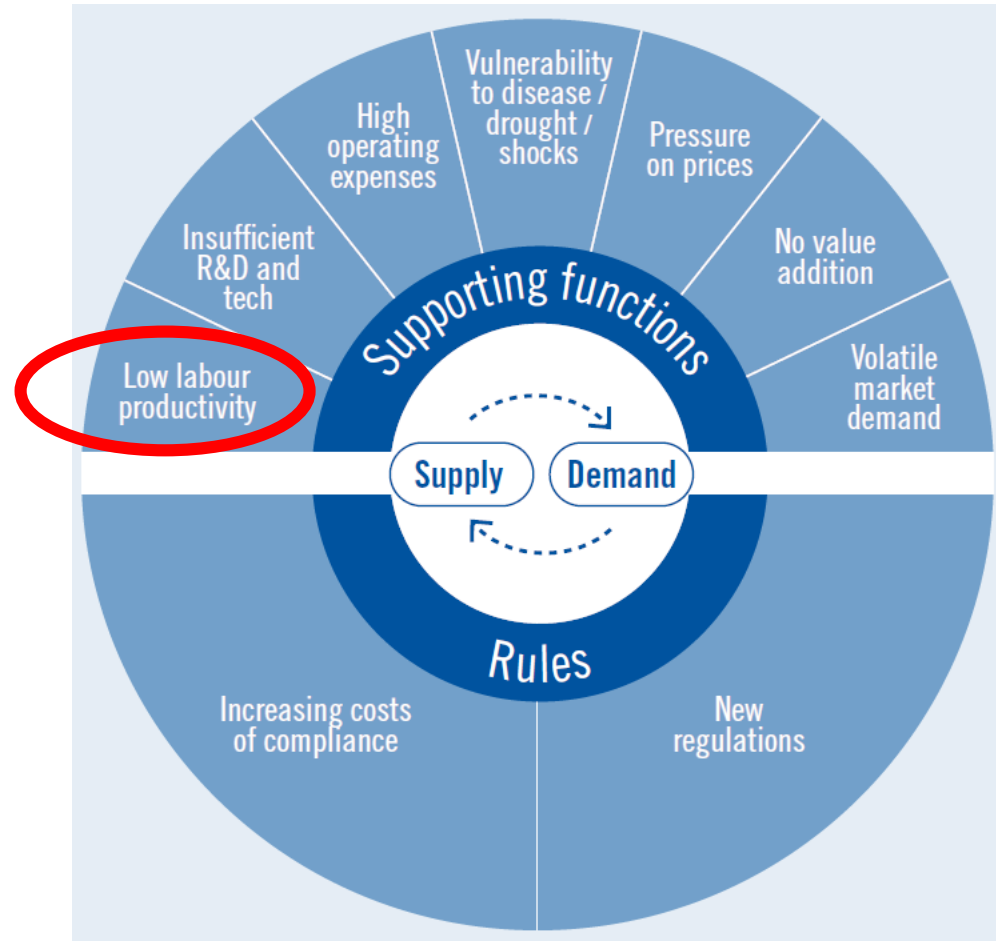
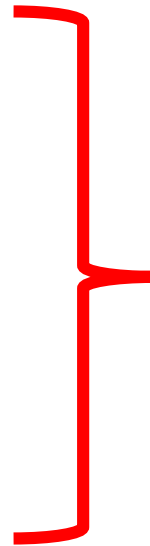
Step 1: What's constraining the Plantations?

How do these constraints relate to improving worker wages?

Relevance: High - worker output is directly related to base wages and variable pay

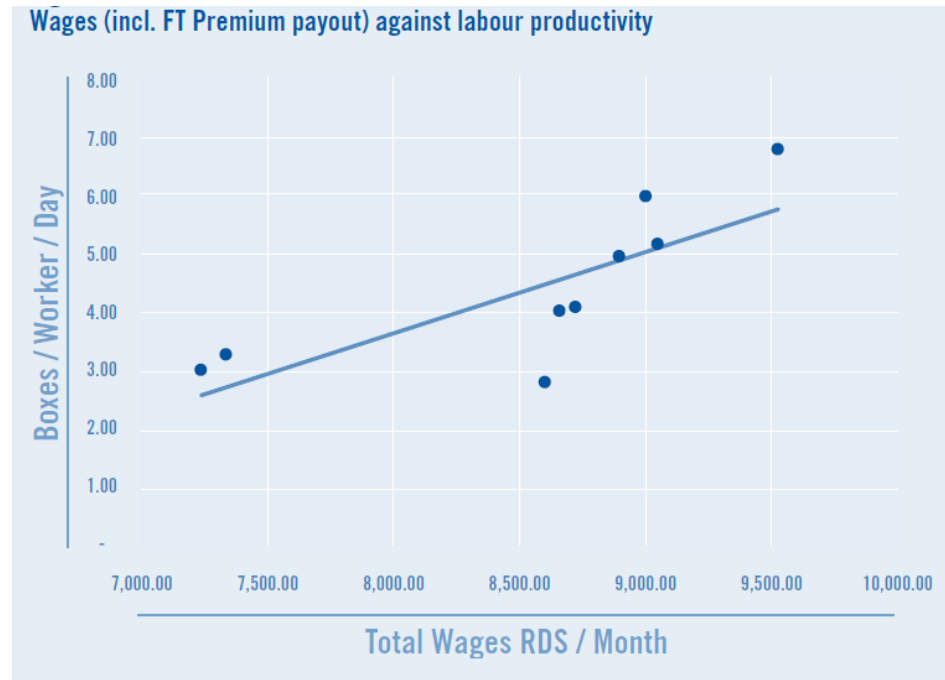
Feasibility: Medium - improving productivity presents particular contextual challenges related to soft skills and language

Opportunity: High - productivity improvement schemes could put cash directly in the pocket of workers

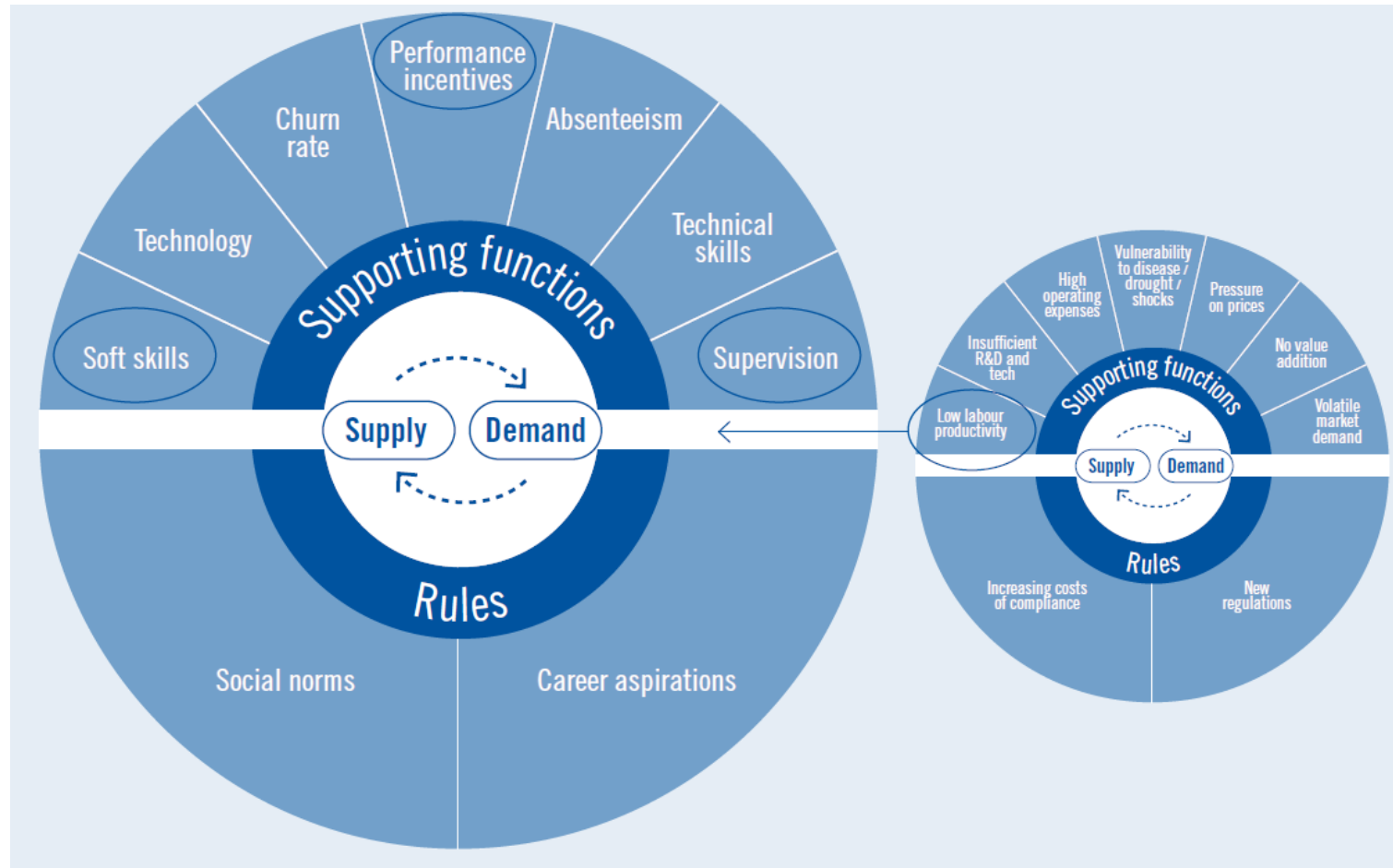


Step 1: What's constraining the Plantations?

- *“If you demand too much from the workers, they leave!”*
- *“Workers don’t see that if they produce more, they earn more.”*
- *“You can’t be with the workers all of the time – if only they could see the benefits of their work.”*

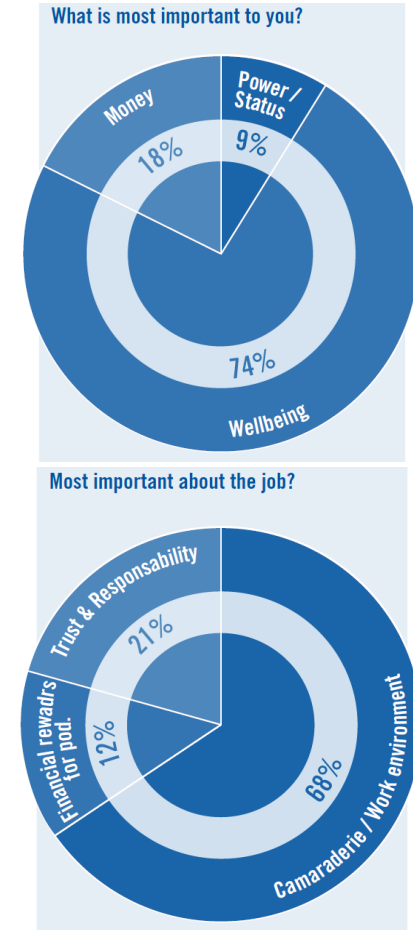


Step 2: Dig deeper (to the root cause)!



Step 3: Find the incentives to drive change

- Workers did not make the connection between the Fairtrade Premium pay-out and productivity.
- Fairtrade Premium pay-out largely flexible in terms amount to be paid-out as cash-bonus and payment intervals
- **Some evidence of incentive schemes** which anecdotally incurred productivity improvements, but largely absent – perhaps due to a **lack of understanding of worker motivations**.
- ...From all of this, ‘win-win’ interventions can be targeted, tested, improved and scaled!





Drivers and Constraints for OSH Improvement in Food and Agriculture Supply Chains

Reaching suppliers beyond tier one – ILO, 30 November 2017

Lou Tessier - ILO - LABADMIN/OSH Branch - ILO-EU project on OSH in GSCs



International
Labour
Organization



Context

ILO Programme of Action on Decent Work in Global Supply Chains (GSCs)

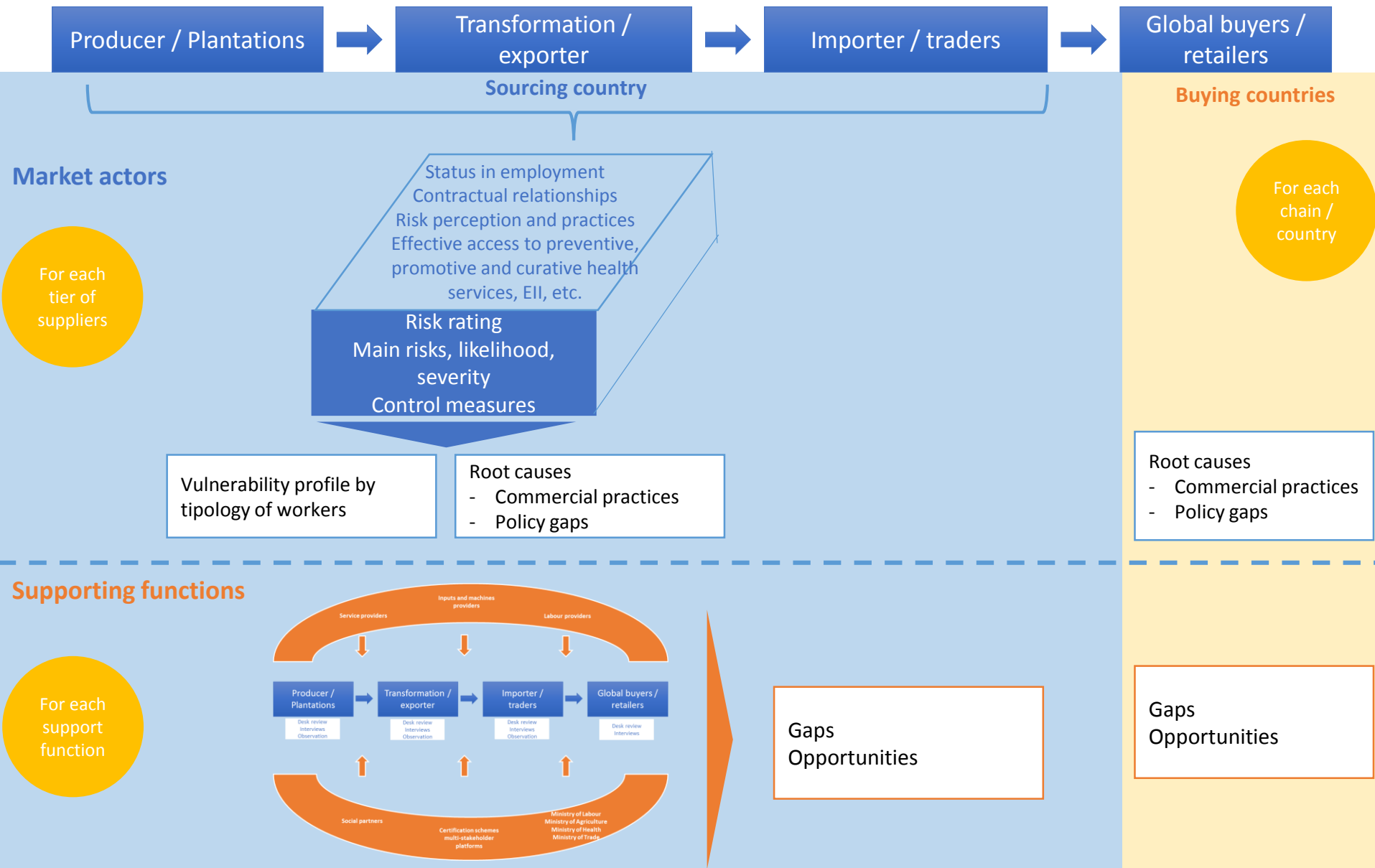
- ILC 2016
- ILO strategic priorities 2018-2019
- ILO Flagship programme on OSH

ILO-EU project on OSH in GSCs

Project focus: How to scope interventions to improve OSH in GSCs?

- Are traditional intervention models valid in the context of GSCs?
- Can GSCs contribute to leverage good OSH practices?
- What is the right mix of private and public interventions that are necessary to improve OSH at the different stages of a value chain?

What does the methodology do?



Examples of findings and entry points for interventions

Coffee from Colombia



Canada, EU, Switzerland,
US, Japan

Supply base: smallholders
Mills and export: medium and
large companies, some FDI
Importers: commodity
traders, roasters.

About 1 million workers

Institutionalization
Delegation of support
service provision

Informality

Palm oil from Indonesia



China, India, EU

Supply base: plantations &
smallholders
Mills/refineries: independent /
vertically integrated
Importers/buyers: commodity
trader, agro food and cosmetics
companies

Over 5 million workers

Vertical integration
Consumer pressure

Contracting relationships

Lychee from Madagascar



EU, Switzerland

Supply base: smallholders and
collectors
Exporters: medium size
companies, locally owned
Importers: specialized traders
and supermarkets

Over 70,000 workers

Food safety standards
Market incentives

Seasonality

Main markets

Value chain
structure

Employment

Example of drivers
and constraints for
OSH

Example of
employment patterns
linked to OSH
vulnerabilities

Tackling Hazardous Child Labour in Agricultural Value Chains

Reaching suppliers beyond tier one – ILO, 30 November 2017

Benjamin Smith – ILO – Fundamental Principles of Rights at Work Branch



Child labour in the fishing and seafood supply chain in Thailand

- Beyond audit: High quality training
- Action plans for improvement, with regular follow up
- Tripartite engagement
- Government ownership



Child labour in the fishing and seafood supply chain in Thailand

- Integrated fundamental rights based approach
- Whole of supply chain approach
- Social dialogue for sustainable change
- Child labour as a “safe” area to begin dialogue



Child labour in the cocoa industry in West Africa

- Public Private Partnership
- Integrated, area-based approach
- Community Action Plans
- Trade union outreach into informal economy



Child labour in the cocoa industry in West Africa

- Improved livelihoods are key
- Community-based monitoring
- Formalization and access to social protection





“Decent Work can lift whole communities out of poverty and underpins human security and social peace.”

- Guy Ryder, ILO Director-General





ilo.org/osh-gsc

Follow us on Twitter [@ilo_osh](https://twitter.com/ilo_osh)

Thank you for your attention
tessier@ilo.org