COVID-19 virtual think tank
Food, Farming & Fisheries (FFF) sector

Accelerating transition: the future is now

29 April 2020
Agenda & housekeeping

- Two speakers blocks - followed by Q&A
- Questions to be posted in the chat box
- Questions not answered will be taken into consideration in the follow up note
- Please ensure you are on mute
- The session will be recorded.
- Link, slides & note will be cascaded
Welcome, aim & intent

Peter McAllister, ETI Executive Director

• We know the problems
• New narrative or tested solutions that need acceleration?
• New ETI strategic objectives includes:
  • Transitions & new world of work
  • Business models and purchasing practices
  • Equality and social inclusion
  • New and strengthen partnerships
• Vision and mission to drive change that respects workers rights and protections
Session one

Prof. Damien Grimshaw, Professor of Employment Studies at King’s College and ex-Director of Research at the ILO Geneva

- Time to reset unequal global value chains: Leveraging tripartite plus for a strengthened social contract

Bert DeWel, Climate Policy Officer, ITUC

- Just Transition and implications for agriculture
Time to Reset Unequal Value Chains:
Leveraging “tripartite plus” for a strengthened social contract

Damian Grimshaw
Professor of Employment Studies & Associate Dean for Research Impact
April 2020
The global pandemic is having a catastrophic effect on the world of work

• Crisis of unemployment & loss of income
• Few protections for people in precarious and informal work
• Enormous health risks of unsafe workplaces
• Inequalities of online work opportunities
• Country resilience is massively unequal (unequal financial and institutional resources, e.g. social protection)

Positive response requires a new social contract:
• Labour institutions and ‘tripartite plus’ essential –build on the ILO’s Universal Labour Guarantee?
• Link to new principles of inclusive growth
GVC suppliers & workers in developing countries are at the wrong end of highly unequal chains.
GVCs generate The implications of GVCs for the emergence of superstar firms huge in scale, high in market power, and large in profit rates are exacerbated by the disproportionate bargaining power that these large lead firms may have over their suppliers.

Although buyer firms in developed countries are seeing higher profits, supplier firms in developing countries are getting squeezed. Across 10 developing countries, the relationship between markups and forward participation is negative for developing countries in the textile and apparel sector (see figure 3.15, panel b, for India). Some developing countries, including China, enjoy a positive correlation. This finding is consistent with a growing number of firms from emerging economies graduating from supplier to lead firms in GVCs.
Figure 3.15 Increasing GVC participation is associated with rising markups in developed countries but falling markups in developing countries

The implications of GVCs for the emergence of superstar firms huge in scale, high in market power, and large in profit rates are exacerbated by the disproportionate bargaining power that these large lead firms may have over their suppliers.

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GVC suppliers & workers in developing countries are at the wrong end of highly unequal chains

Workers in GVC suppliers are exposed to exploitative employer power:

• Suppliers squeezed by powerful buyers
• Suppliers may enjoy political power of dominant export sector
• Low compliance with employment protections (there is often limited country resource for labour inspectorates)
• Chain of worsening labour conditions among upstream suppliers
Child labour also found upstream where difficult to address
GVC suppliers & workers in developing countries are at the wrong end of highly unequal chains

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• Suppliers may enjoy political power of dominant export sector
• Low compliance with employment protections (there is often limited country resource for labour inspectorates)
• Chain of worsening labour conditions among upstream suppliers
• Overall, missed opportunity in most developing countries to raise labour incomes
Labour income distribution by decile, global, 2004 and 2017 (percentages)

Source: ILO (2019: figure 3.5)
Establish a Universal Labour Guarantee

Provide a labour protection floor for all workers:

a. Fundamental workers’ rights
b. Basic working conditions (living wage, maximum hours, safe workplace)

Promote inclusive growth

• Long-term investment
• Fair income shares & decent work
• Environmental sustainability

Tripartism plus

• Wide network of representative stakeholders
• Agile & innovative union strategies
Just Transition for Climate Ambition in the agriculture sector

Bert De Wel
Policy Officer
International Trade Union Confederation (ITUC)
“The impacts of this crisis have brutally exposed the failings of the model of globalisation which has been imposed on working women and men. Public health systems have been debilitated by austerity, and the erosion of workers’ rights has left untold millions of workers exposed. Women, migrant workers, ethnic minorities and others who face discrimination are bearing a particularly heavy burden. This must change.”

From the ITUC May 1st Statement 2020
One World: Jobs, Incomes, Social Protection
“Intensive monoculture, subsidized over-production, reliance on oil-based fertilizers and hazardous pesticides, and trade and investment deals which serve the interests of corporate agribusiness are the foundations of a system that deprives agricultural workers of their basic rights and consigns millions to poverty. But this socially and environmentally destructive system delivers jobs to union members in meat and dairy processing.

From an IUF Climate Change Workshop, May 2019.
Lessons from COVID-19 crisis:

- Protect biodiversity
- Save nature
- Implement a Just Transition
Just Transition policies and measures deal with:

- impact of *climate emergency* on workers, their families and communities;

- impact of *climate policies* on workers, their families and communities.
## Objectives

<table>
<thead>
<tr>
<th>Climate protection</th>
<th>Poverty eradication</th>
<th>Sustainable development</th>
</tr>
</thead>
</table>

### Policy framework for a Just Transition

**Fundamental pillars**

- Decent Work Agenda
  - Labour Rights
  - Employment
  - Social Protection
  - Social Dialogue
  - Gender

1. Macro-economic policies
2. Industrial and sectoral policies
3. Enterprise policies
4. Building skills
5. Occupational Safety and Health (OSH)
6. Social Protection
7. Active labour market policies
8. Protection and safeguarding Labour Rights
9. Social Dialogue and Tripartism

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*The decent work agenda has to be central to all policies.*

*There is no unique recipe for all countries and regions!*

*Based on ILO documents*
Guidelines for a just transition towards environmentally sustainable economies and societies for all

(1) The greening of economies in the context of sustainable development and poverty eradication will require a country-specific mix of macroeconomic, industrial, sectoral and labour policies that create an enabling environment for sustainable enterprises to prosper and create decent work opportunities by mobilizing and directing public and private investment towards environmentally sustainable activities. The aim should be to generate decent jobs all along the supply chain, in dynamic, high value added sectors which stimulate the upgrading of jobs and skills as well as job creation and improved productivity in more labour-intensive industries that offer employment opportunities on a wide scale.

(i) regulate and incentivize companies to reduce, minimize, and, where possible, eliminate hazardous materials across the supply chain of products and production processes;

Guidelines for a just transition towards environmentally sustainable economies and societies for all

Enterprise policies

(h) establish targeted programmes in sectors where a significant proportion of enterprises and workers are informal with a view to promote formalization and awareness of social, economic and environmental policies; in this context, the use of the cooperative model, among others, can be an effective tool for formalization.

(e) promote the adoption by enterprises of long-term environmentally sustainable policies included, but not limited to, low-carbon policies, and engage workers and their representatives and governments, where appropriate, on the means to achieve that goal while creating and protecting employment.

A **Just Transition** is a process at the company, sector, region or economy level that produces the plans, policies and investments so that:

- Everyone has social protection
- All jobs are decent
- Emissions are low or zero
- Poverty is eliminated and communities are thriving and resilient.

Effective Just Transition policies need a (formal) **social dialogue** process between governments, employers, workers and their unions to develop plans and measures that will build trust and drive effective transformation.

This dialogue should also include other partners and stakeholders such as communities, regions, etc. in order to have support in society to realize the different Just Transition measures and policies.

**Just Transition is about having the voice of the workers being heard and to demand a space at the negotiating table.**
We need to tackle the challenges of Covid-19 and climate change together. Join the conversation to build resilient economies and workplaces.

June 24 #CEPOW

Global Day of Action
Thank you for your attention.

Bert De Wel
*Climate Policy Officer, ITUC*
Mail: Bert.DeWel@ituc-csi.org
Twitter: @BertDeWel
Session two

**Peter Andrews**, Head of Sustainability Policy, British Retail Consortium

**Kathy Roussel**, Policy and Government Affairs Manager, AMFORI

- *EU/continental perspective on EU support for the food supply chain*
Accelerating the transition – the future is now

Kathy Roussel, Policy and Government Affairs Manager, amfori
What is amfori?

We are the leading non-profit business association of global commerce that enables organisations to enhance human prosperity, use natural resources responsibly and drive open trade globally.

We call this Trade with Purpose

105
Food/beverage members

2000
Food/beverage producers
COVID-19 impacts on agriculture in the EU

Disruption of logistics and international trade
- EU agri-food sector disruption by the measures taken by EU countries to limit the spread of COVID-19
- DG TRADE report foreseeing a 9.7% decrease in global trade for 2020
- The WTO anticipates a contraction of 13% to 32% in international trade

Shortage of seasonal workers
- Disruption in food production and processing due to shortage of foreign seasonal workers
- Problem for fruits and vegetables to be harvested soon
- Local seasonal workers are less affected
EU’s immediate reaction to the crisis: Food security and supply chains

• The European Commission created ‘Green lanes’ to keep food flowing across Europe

• Seasonal workers were qualified as ‘critical workers’ to secure the necessary labour for the food sector

• Direct support is available for farmers and rural areas

• Coordination to keep the trade going at global level
Key challenges for a green recovery

Open and sustainable trade
• Supply chain resilience depends on trade flows
• Concluding ambitious trade and investment agreements will be crucial

Building a resilient supply chain
• Having clear picture of the structure of the supply chain
• Sustainable supply chains are also more resilient

Responsible purchasing practices
• Proceed with payments
• Communicating with local producers
• No cancelling orders already in production
• Supporting struggling business partners

Protecting workers
• Inclusive strategies needed
Thank you!

kathy.roussel@amfori.org
Session three

Dr. Martin Buttle, Head of Good Work, Share Action

*How investors can be leveraged to support the building of more ethical and resilient supply chains*

Prof. Stephanie Barrientos, Global Development Institute, University of Manchester university

*The changing nature of value chains/women’s equality*
What is the Workforce Disclosure Initiative?

2017
Workforce Disclosure Initiative established to provide standardised, comparable data missing from existing reporting.

2018
90 companies disclosed, up from 34 in 2017.

2019
130+ investor signatories with AUM $14 trillion

2016
Investors lack meaningful information on workforce metrics.

Long-term goal
Improve quality of jobs in direct operations and supply chains worldwide.

@WDIwork
What do we want to achieve?

Investors are actively engaged with companies to improve workforce policies and practice.

Companies are held to account on their workforce policies and practices.

Engagement results in better quality jobs and improved conditions for workers in companies’ operations and supply chains.

https://shareaction.org/wdi
Theory of Change

ShareAction’s Workforce Disclosure Initiative (WDI) brings together 137 investor signatories calling for more meaningful and comparable data on workforce issues. This data helps investors and companies engage on areas where they can improve and align investment decisions with the UN Guiding Principles on Business and Human Rights. Ultimately, the initiative will lead to changes in workforce policies and practices that will help realise “full and productive employment and decent work for all.”

Vision: a world where all finance powers social progress

Investors and the companies they invest in sustain a fair, just, healthy society by ensuring a positive impact on the communities they are a part of.

Quality of jobs improves worldwide as a result of increased transparency of workforce practices and investor engagement with companies on areas of concern.

Importance of “S” in ESG raised with investors and companies:

Investors and companies are aware of the impact poorly managed social risks have on business success and working lives.

Investors and companies engage on workforce issues:

- Living wage, precarious work, modern slavery, diversity and inclusion, skills, training and development and the future of work.

Investors encourage companies to complete the survey:

- Investor backed coalition of signatories call on companies they invest in to complete the Workforce Disclosure Initiative survey.

Companies release data:

- A critical mass of companies disclose workforce data on workers' rights, pay ratios, supply chain structure and much more.

**Investor-company engagement:**

- Long-term engagement between investors and companies on areas for improvement identified by the survey.

**On-going dialogue on workforce practices:**

- Discussions within companies and with their stakeholders on workforce issues and areas for improvement.

**Investors use data to encourage better jobs:**

- Critical mass of investors integrate workforce data into investment decisions and engagement with companies.

**Improved policies and practices:**

- Companies bring workforce practices in line with International Labour Organisation standards.

**Improved workforce policies and practices**

- **Direct operations:**
  - Increased diversity
  - Worker representation
  - Secure contract types
  - Living wage

- **Supply chains:**
  - Human rights due diligence embedded and acted on
  - Grievance mechanisms respected and followed
  - Living wages

On-going dialogue on workforce practices

Investors use data to encourage better jobs
Investor signatories to the WDI

140 Investors with $14tn Assets Under Management including:

HSBC Global Asset Management

Schroders

NATIXIS Asset Management

Amundi Asset Management

Aberdeen Standard Investments

UBS

Union Investment

AVIVA INVESTORS

apg

Legal & General Investment Management

AXA Investment Managers

See all signatories here: https://shareaction.org/wdi/signatories/

@WDIwork
2019 WDI Survey

1. Governance of workforce issues
2. Risk assessment, including human rights due diligence
3. Composition and Compensation, including contract types, diversity and pay
4. Stability, including workforce turnover and internal hires
5. Training and development
6. Health and safety and wellbeing
7. Workers’ rights, including freedom of association, staff engagement and grievance mechanisms
8. Supply chain structure
9. Sourcing and purchasing practices
10. Workers’ rights, including freedom of association, wages, working hours, recruitment practices, gender equality and grievance mechanisms
Ambition – 2020 and beyond

To drive up workforce disclosure:
• To continue an annual cycle of gathering workforce data, and to scale the number of companies that submit data (90 in 2018, 118 in 2019, 200 in 2020).
• To drive up disclosure rates for each company and to ensure data is comprehensive and of good quality.
• To increase the proportion of data that is disclosed publicly (for 2018 it is 36%)

To enable investors to engage on workforce issues:
• To continue to grow the investor coalition (currently at 140 institutions with $14tn AUM), especially to engage larger US funders and to diversify into other regions e.g. Asia.
• To convene and enable investors to engage on global work challenges (e.g. Living Wage, Workplace Rights, Modern Slavery, Precarious work, Equality & Future of Work) with their investees.

To be a thought leader on workforce practices:
• To be a thought leader on workforce practice, to perform and publish analysis based on the data gathered and to be in demand to speak in worldwide forums on the topic.
• To work more with the other organisations in this space, and to ensure we can understand, articulate and maintain WDIs uniqueness amongst reporting frameworks on workforce.
• To convene business, investors and civil society organisations to take action on global work challenges (e.g. Living Wage, Workplace Rights, Modern Slavery, Precarious work, Equality & Future of Work)
ETI Webinar
Accelerating transition: the future is now

Stephanie Barrientos
Global Development Institute
University of Manchester
s.barrientos@manchester.ac.uk
COVID shock across global value chains

Lower GVC tiers

Higher GVC tiers
## Workers in global value chains (VCs)

Estimate: 40 OECD and middle income economies 453 m jobs in GVCs – 190 m (42%) female (ILO 2015)

Many millions more: lower income countries; lower GVC tiers; casual work, informal work and smallholders – women’s work critical.

<table>
<thead>
<tr>
<th>Country/Product</th>
<th>Smallholder/Homeworkers</th>
<th>Est. Wage Workers</th>
<th>Est. % Female Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Garments</td>
<td>n/a</td>
<td>4 m</td>
<td>55-70%</td>
</tr>
<tr>
<td>South African Fruit</td>
<td>n/a</td>
<td>400,000</td>
<td>53%</td>
</tr>
<tr>
<td>Kenya Flowers &amp; Fresh Veg</td>
<td>220,000</td>
<td>100,000</td>
<td>75%</td>
</tr>
<tr>
<td>W. Africa Cocoa</td>
<td>1.5 m</td>
<td>n/a</td>
<td>25% farmers 45% family labour</td>
</tr>
</tbody>
</table>

COVID Shock vs. Resilient VCs

- Fragility of ‘just in time’ global value chains
- Vulnerability of all workers esp. in low income countries
- Women workers most vulnerable
- Adverse buying practices
- TU & NGO campaigns
- Governments scramble to intervene
- Mass consumerism to lockdown

- More resilient regional VCs inc. Africa, Asia and Latin America
- Decent work: rights, employment, voice & social protection
- Gender equitable VCs
- Social responsibility of buyers across VCs
- Social protection by governments
- More sustainable consumption
Summing up

Nick Kightley, ETI Strategic Lead, Food, Farming and Fisheries
Thank you