



# Worker Rights Consortium: Explained.

*By Sam Maher from Labour Behind the Label*

This briefing is intended to explain the issues behind extending the current Worker Rights Consortium system for monitoring and implementation of labour standards to the UK higher education sector. This proposal is being made jointly by the Buy Right campaign and Labour Behind the Label for the improvement of ethical procurement in UK universities. It is quite in depth, so if you, your university or your student union have any questions about how joining the Worker Rights Consortium might work for you, read on.

## Overview

### 1. What's the campaign calling for?

The **Buy Right campaign**, which is currently being run by People & Planet, with support and advice from Labour Behind the Label, is calling for UK universities to affiliate to the WRC. P&P view student unions as both a political and a substantive step towards this goal and are therefore calling on student unions to pledge to join the WRC and pay 'a fair share' (which will differ from institution to institution). Birmingham SU is the first to have passed this motion. They have been followed by UEA it is expected that UWE are not far behind. They have pledged to sign up **at the same time** as the university, a model we are expecting to see repeated. The People & Planet campaign also has campaign demands that are concerned with getting universities to introduce or strengthen human rights and poverty concerns in their procurement of all products, as these concerns at present are held to have less buy-in from universities than carbon reduction. These other demands are not discussed here but can be found on the People & Planet website.

The **Playfair** campaign, made up of the TUC, the NUS, Labour Behind the Label and others, has a similar aim, although a slightly different approach. Labour Behind the Label is also a project partner in this campaign and sees that the two campaigns have a potential to compliment each other well in reaching common aims and objectives, namely the improvement of labour conditions in university supply chains and increased awareness of labour rights in supply chains among UK students and university staff. We aim to use the occasion of the London Olympics to generate interest in and support for workers rights in the sportswear and mechanise industries and improve the ethical purchasing practices of UK universities.

Both Labour Behind the Label and People & Planet have worked with the WRC on workers rights cases and view the development of a similar model for the UK as a realistic way to ensure that actions taken here can have a genuine impact on the lives of workers across the globe.

### 2. What's the problem?

Since the early 1990s the issue of labour rights abuses in global supply chains for garments and sportswear became the subject of global campaigning, but many of the most serious abuses such as freedom of association, poverty wages, long working hours, discrimination and abuse remain widespread. This is despite a plethora of codes and initiatives developed by brands, retailers, organisations and others. The same argument can be made for other products that pass through global supply chains including merchandise, toys, stationary, electronics and food.

At the time of the first campaigns the demand was for company codes of conduct, based on internationally recognised standards that could be used by workers to understand and protect their rights. Since then pretty much all companies of a decent size will have some kind of code of conduct however limited. Most organisations that are committed to ethical practice, like NUSSELL, public bodies and local authorities will have some kind of commitment to upholding standards on a range of issues from the environment to animal welfare to labour rights.

The use of codes of conduct and standards has simply failed to address the roots of the problem. For the larger brands and retailers, a lack of genuine commitment, an unsustainable sourcing model and the economic realities of searching for ever high profits means that there is limited incentive to carry out proper monitoring and implementation of standards. These companies will, where they can, attempt to cover up the problem with good PR but are still a long way from tackling the root causes. However even those companies or organisations theoretically committed to sourcing ethically and fairly have struggled to develop sound mechanisms for implementing and enforcing labour rights standards.

### **3. Why are codes and standards not working?**

#### *a) Passing the buck:*

We see that a lot of companies and organisation spend a lot of time and money on developing codes of conduct and standards but then fail to take any steps to actually implement or uphold them. Instead they pass the responsibility on to suppliers, who don't see the implementation of these standards as in their own interest (particularly if they have to cover costs for improvements). It's a definite case of leaving the fox to guard the hen house. If suppliers were so happy to uphold these standards then frankly we wouldn't need the codes in the first place, yet the vast majority of companies will tell us that sending an updated manual of standards is enough to solve the problem.

#### *b) Ineffective auditing/reporting:*

If companies are doing anything at all to implement codes of conduct it will be almost always be through the use of audits. There is plenty of evidence to show that the use of audits to monitor and implement codes, while a profitable business, does little to improve standards in a workplace. In large part the most serious labour rights violations cannot be seen. Often companies and their auditors will tell us that haven't "found evidence of" or "their auditor didn't see" those violations we report to them. This is unsurprising given that serious abuses, for example, sexual harassment, bullying, trade union repression, are very unlikely to take place in front of an inspector (announced or not) or reported by workers in front of the very people committing the abuses. Even those abuses that can, at least in theory, be documented, such as low wages, overtime hours and social security payments, are often covered up through double bookkeeping and inaccurate record keeping. We have limited experience of companies willing to talk to those workers who reported the violations in the workplace.

#### *c) Lack of transparency:*

With every brand, retailer and organisation having differences in standards and implementation methods it is impossible for the limited number of labour rights advocates working on this issue to monitor every factory. Even if we could this is not and should not be our role. For change to happen at workplace levels the workers and those local organisations that support them need to have access to information about where their goods are going to if codes and standards are to be more than words on paper. This requires transparency in regard to production locations, which in turn could provide the workers themselves the opportunity to use these paper commitments for leverage in their own struggles. The worker organisations themselves can use this information to help in planning organising strategies. While companies refuse to be more transparent over the locations of their supply base codes of conduct are of limited use to workers.

#### *d) Complexity of issues:*

Over the years of campaigning we have found that even those organisations or companies that are committed to ethical procurement or sourcing ultimately fail to put into practice the commitments they make on paper, particularly in the area of labour rights. The issues involved,

unclear lines of responsibility for improvement, the power to effect real change and simply the distance both geographically and psychologically, between the worker, retailer and consumer all add up to a complex situation, which most companies, including those involved in the fair trade movement, end up failing to deal with adequately.

The obstacles for organisations like the NUS or committed universities to effect genuine change for the workers producing their goods are very real and difficult to overcome. But it is vitally important that such organisations, committed by their nature to social justice, continue to push the boundaries of the debate and take on board innovative and new ways of trying to address the problems outlined above.

## **The Workers Rights Consortium (WRC)**

### **1. Background:**

The Workers Rights Consortium grew out of the student anti-sweatshop movement of the late 1990s. These groups realised that the pressure that it was generating through activism was failing to have a significant impact on the workers it aimed to support for all of the reasons outlined above. Therefore it was decided that a multi-stakeholder organisation be set up, controlled by representatives of student activists, academics and labour rights experts and university representatives that would monitor the implementation of the standards that had been agreed as a result of several years of campaigning.

The US universities would join as a member (or 'affiliate') of the WRC through a letter of interest and pay a membership fee equivalent to 1 percent of the income generated through sales of university branded products or a flat fee of \$1500 if the university makes less than this, or if it simply procures but does not sell garments. Since its inception the WRC has accepted members from local authorities and smaller universities that use a procurement model rather than a licensing model as well. The universities would then embed the code of conduct, along with a supply chain disclosure requirement, into their licensing or procurement contracts with the brands and retailers supplying branded products, sports and staff-wear. The locations of factories are publicly available through the WRC database allowing students to find out exactly where goods are produced and workers to find out if their workplace is covered by the WRC code. The fees are used to fund field representatives who can maintain networks of contacts in different production countries, promote the code and investigate conditions in these supplier factories. The factory investigations and recommendations, backed up with the threat of loss of contract could be used as leverage to ensure continuous improvement.

### **2. Obligations and benefits of WRC affiliation:**

*Affiliates are required to:*

- Adopt a manufacturing Code of Conduct and work toward the incorporation of this Code into applicable contracts with licensees/suppliers.
- Provide the WRC with a list of names and locations of all factories involved in the production of their branded goods
- Pay annual affiliations fees. These are £1000 per year or 1% of garment turnover, whichever is higher. Some US universities pay £35,000 per annum. It is likely that almost all UK universities will pay only £1000 (which may be split between the university and the SU)

*Through their affiliation, colleges and universities derive the following benefits:*

- Accurate, thorough, timely and impartial assessments of conditions in factories that produce collegiate apparel and other goods– with specific reference to whether factories are in compliance with the universities' Codes of Conduct.
- Research on important dynamics and trends in the apparel industry that affect workplace conditions in factories that produce collegiate goods.
- The ability to work in concert with other WRC affiliates to address problems at supplier factories and improve conditions.
- Access not just to reports on WRC factory assessment, but to in-depth consultation with WRC staff and investigators.
- The ability to consult on issues of interest with the labour rights experts on the WRC advisory

council and other international experts and advocates who work with the WRC.

- The ability to visit communities where factories are located and meet with workers and local NGOs.
- Participation in an organization that is in a position to earn the trust of all elements of the university community.
- The ability to help shape WRC policies and practices as the organization develops – through the election of university representatives to the WRC Governing Board, through participation in the WRC University Caucus, and through consultation and collaboration with WRC staff and Board members.

### **3. Benefits of WRC to the work of individual universities, or procurement consortia:**

We understand that the current approach of procurement consortia and often individual institutions is to engage in dialogue with key garment suppliers to encourage more ethical practice within business, using influence as volume buyers to push for best practice. As with other organisations that take this approach, for example ethical banks and churches, it is unreasonable to assume or expect individual institution staff to have an in depth overview of every issue or problem. Neither they, nor even the consortia who often have considerable supply chain expertise, have access to the global networks that will allow them to monitor the impact of this dialogue on the livelihoods of workers or farmers at the other end of the supply chain.

Membership of the WRC will give institutions or consortia access to information, from the ground, about the particular facilities that are producing apparel and textile goods (and some merchandise) for NUSL suppliers and will therefore allow the dialogue already being done to be more directly linked to the reality on the ground. It will ensure that suppliers will need to do more to prove that their claims of ethical practice measure up in reality.

Individual institutions do already have some suppliers of Fairtrade produce to enable student unions and student societies to make a positive choice in selected lines of produce. Membership of the WRC would widen the choice available to these groups by giving them direct, up to date information about the locations and communities involved in manufacturing apparel goods.

Finally interested institutions and consortia would be pioneering an approach that, although successful in the US has yet to be tested within the UK, thereby increasing their reputations as organisations with ethics. This is an exciting time to be involved in the WRC work with a number of new projects, including Designated Supplier (DSP) and Book-store programmes, which are promoting the purchase of goods from factories they consider to already meet ethical standards, specifically in regards to the issues of freedom of association and living wages, the areas that other initiatives have most struggled to make progress on.

## **Questions and Issues**

People & Planet and Labour Behind the Label acknowledge that there are some important differences regarding the models and size of the university procurement sector, the presence and role of the NUS (which doesn't exist in the same way in the US), and the prevalence in the UK of straight procurement of garments by universities, rather than licensed branded goods which are sold.

### **University procurement**

#### **1. Current approaches by universities on ethical procurement.**

People & Planet have already commissioned a piece of research by Anna Heywood, about Fairtrade garment procurement. It seems that there is very little Fairtrade cotton procurement, and conversations with procurement managers at PPAPC and SPCE have suggested that labour rights have only been addressed, if at all, by supplier questionnaires. They have not been addressed through monitoring, as no other organisation offers this in the UK.

#### **2. Procurement and licensing**

Many US universities licence out the use of their name to garment brands, a practice which is more unusual in the UK. Many of the WRC's US affiliates however, are not big enough to licence out their brand name, and they therefore use the WRC to monitor the supply chains of the suppliers that they use for *procurement*. This is the model that is applicable to the UK. The WRC also operates as a monitoring

and enforcement organisation for town councils in the US, which do not licence their name but procure in the same way as public institutions do here.

### **3. Decentralised procurement**

Some UK universities have a very decentralised procurement system, doing it from department to department. The WRC is offering to operate standards on that garment procurement that is overseen by central procurement departments, or alternately the main bulk of supply of universities and student unions. In evidence we've seen in confidence from one university, and from FOI requests sent to all UK universities that this is the majority. In other words they would exclude from their system tiny amounts of garments, (for example those bought in a decentralised fashion from local shops), which it would not be cost effective or particularly useful to bring into the monitoring system.

Anna Heywood's research shows that, despite the decentralisation of some garment procurement, there are universities (e.g Northumbria University) that *have* started to introduce certain products based on ethical criteria, namely garments and textile products using Fairtrade cotton. This supports the idea that, where the political will is there such purchasing preferences can be made regardless of the garment procurement model.

## **Conclusion**

Both People & Planet and Labour Behind the Label are pushing for UK universities, student unions and other bodies like procurement consortia to make use of this new model of ethical procurement. Universities and other bodies, where they have the power and mechanism to prevent serious abuses of workers and human rights, are now able to take steps towards doing so.

## **Further information**

### **People & Planet's Buy Right campaign**

[peopleandplanet.org/buyright](http://peopleandplanet.org/buyright)

### **More info and how to join the Worker Rights Consortium**

[peopleandplanet.org/wrc](http://peopleandplanet.org/wrc)

### **Labour Behind the Label**

[labourbehindthelabel.org](http://labourbehindthelabel.org)

### **Playfair Coalition**

[playfair2012.org.uk](http://playfair2012.org.uk)