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ETI Impact Assessment: initial findings & recommendations

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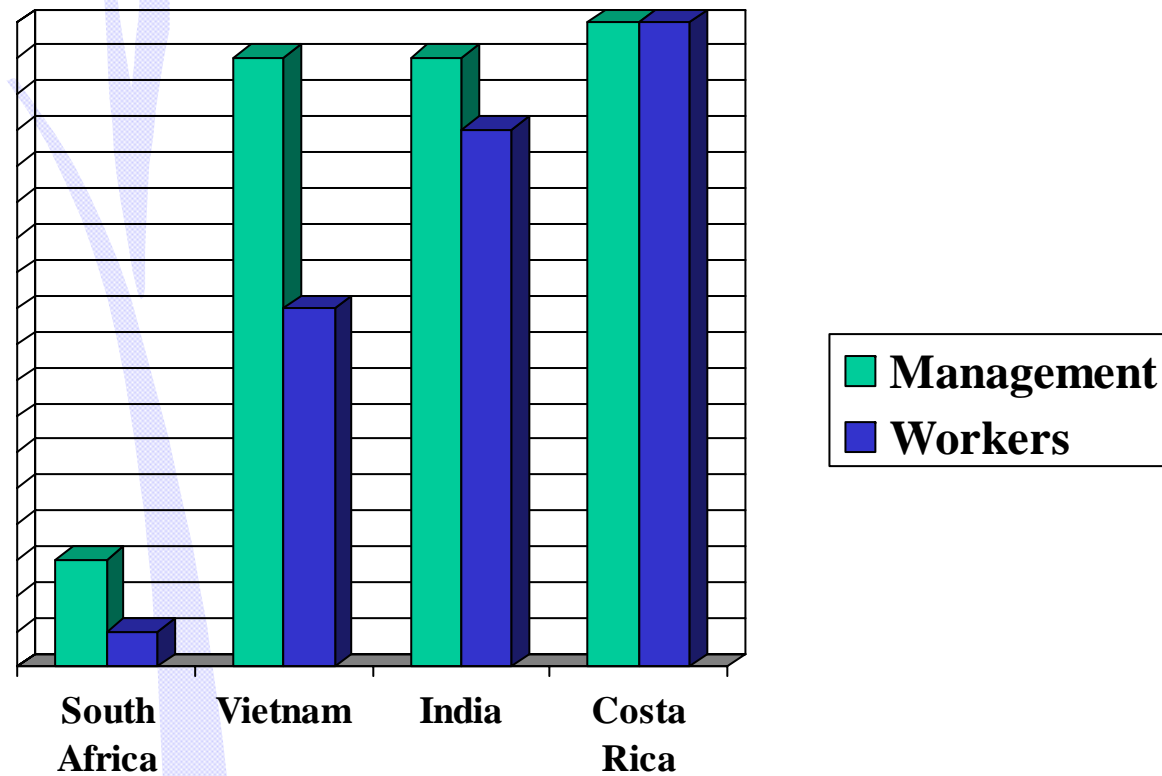
Methodology

- 3 Country Studies: South Africa fruit, India garments, Vietnam garments
- 2 Company Studies: Costa Rica bananas, UK horticulture
- Value Chain to Impact Mapping
- 10 ETI companies, 21 suppliers/sites, 364 workers
- KI interviews, Management SSIs, Worker FGDs & questionnaire, Household interviews, Workshop
- ETI Base Code vs. all codes

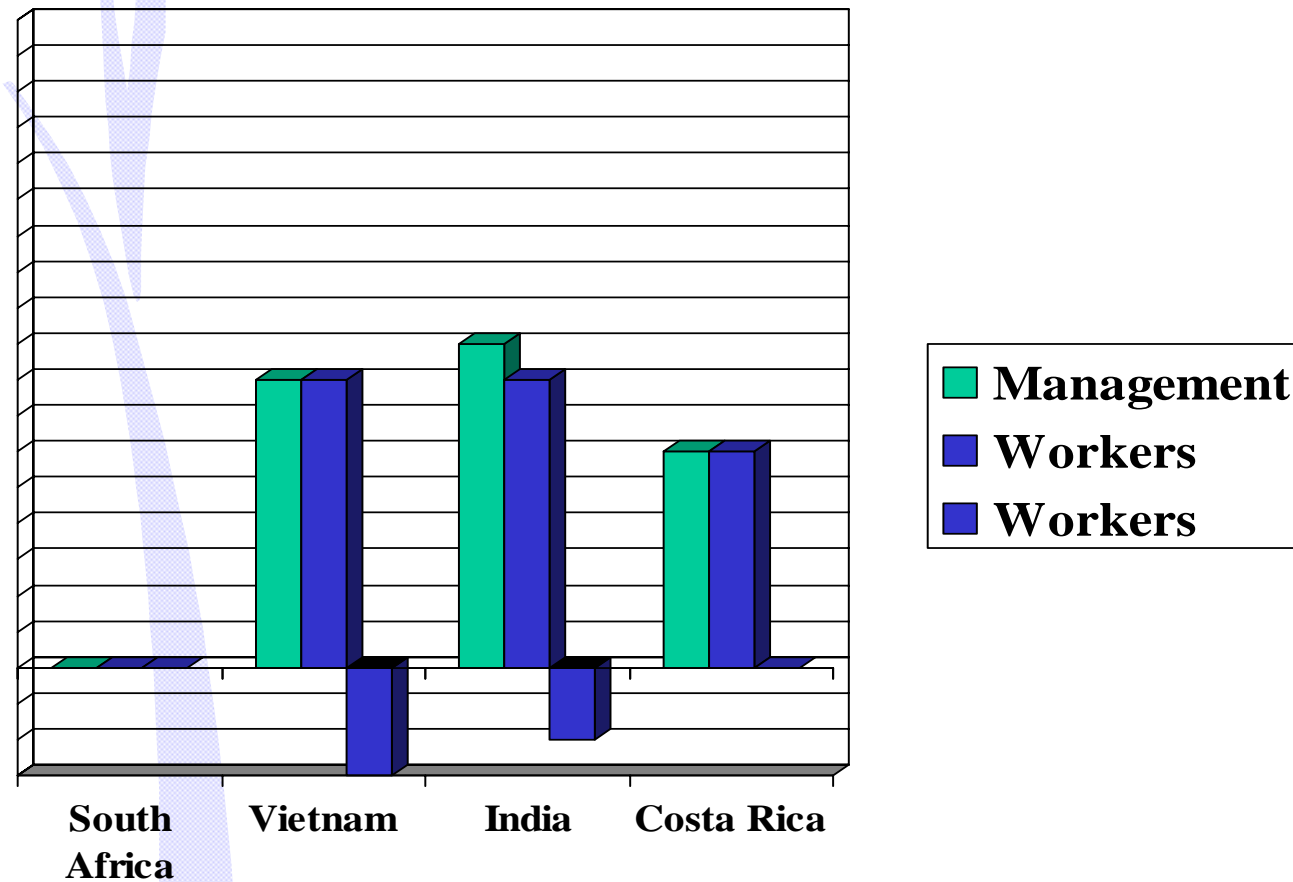
Summary of impacts by Base Code Principle

- Areas with most positive impacts = Health & Safety, Working hours, following by Living Wage
- Areas of least impact where serious issues remain = FoA, Discrimination, Regular Employment

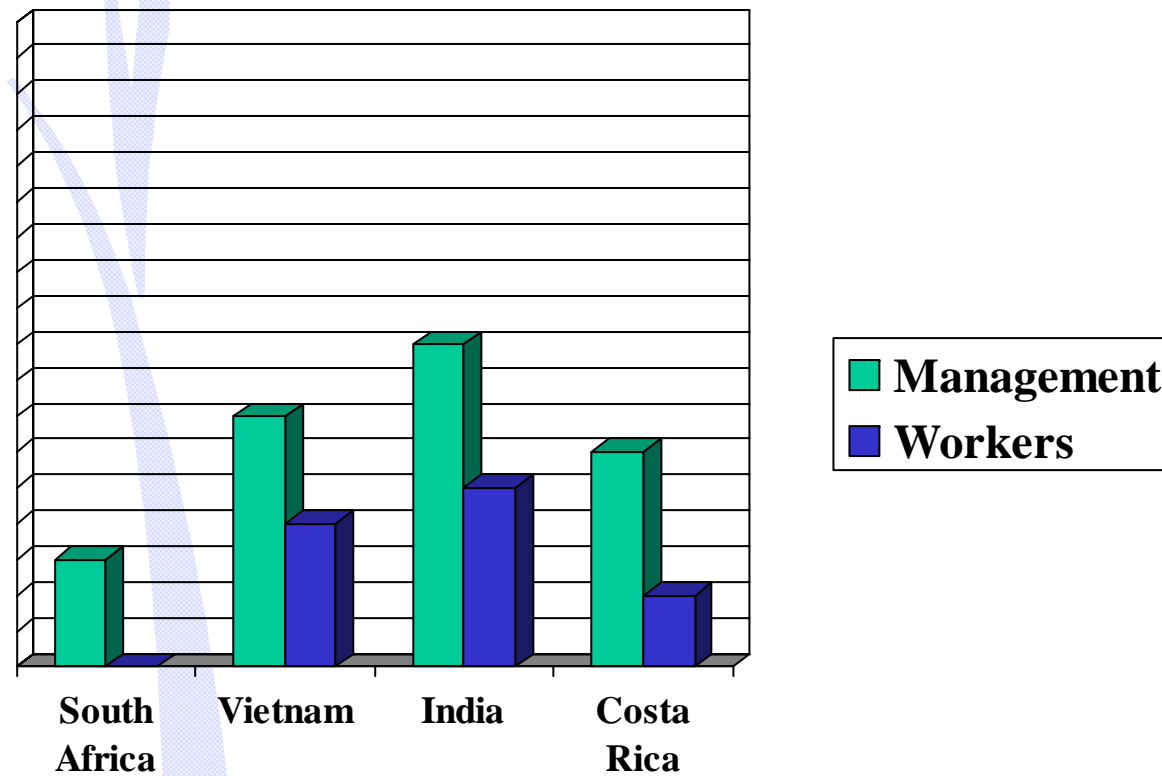
Impact on Health & Safety



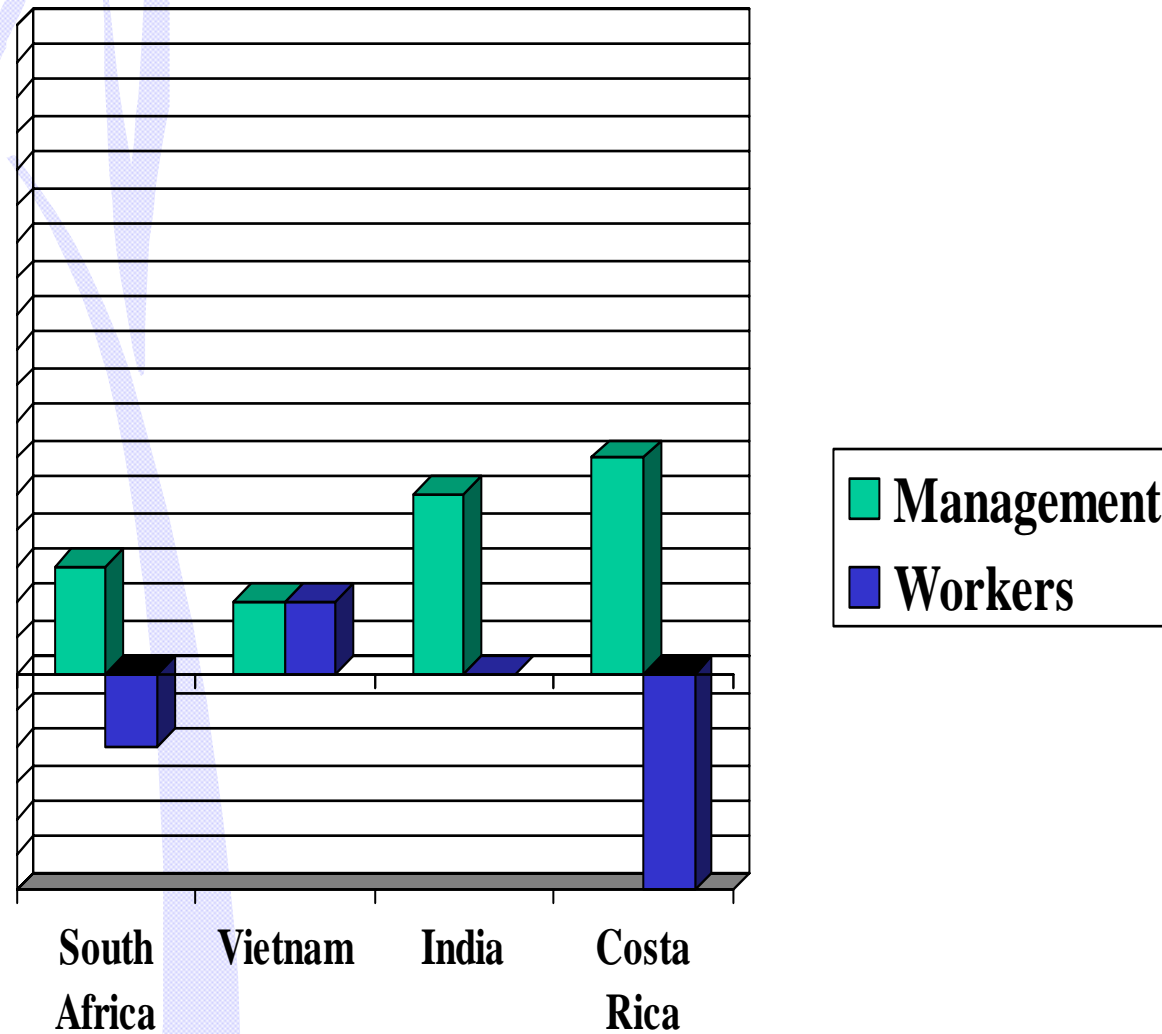
Impact on Hours of Work



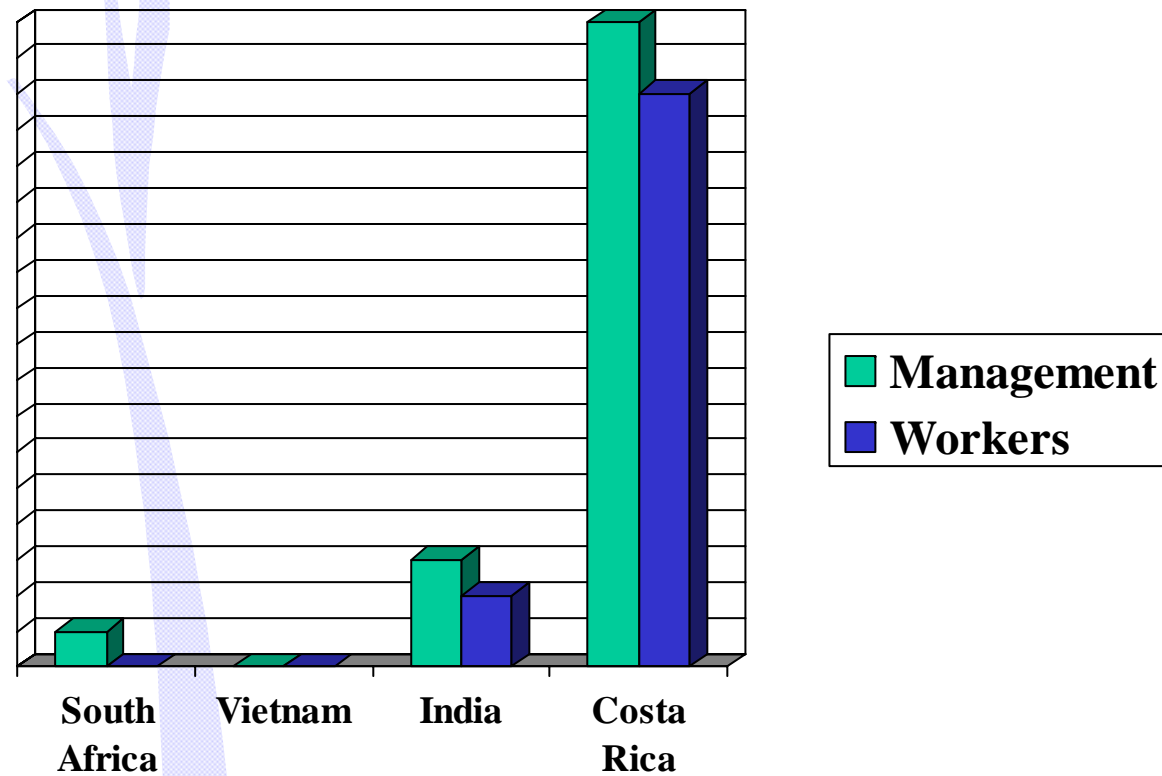
Impact on Living Wage



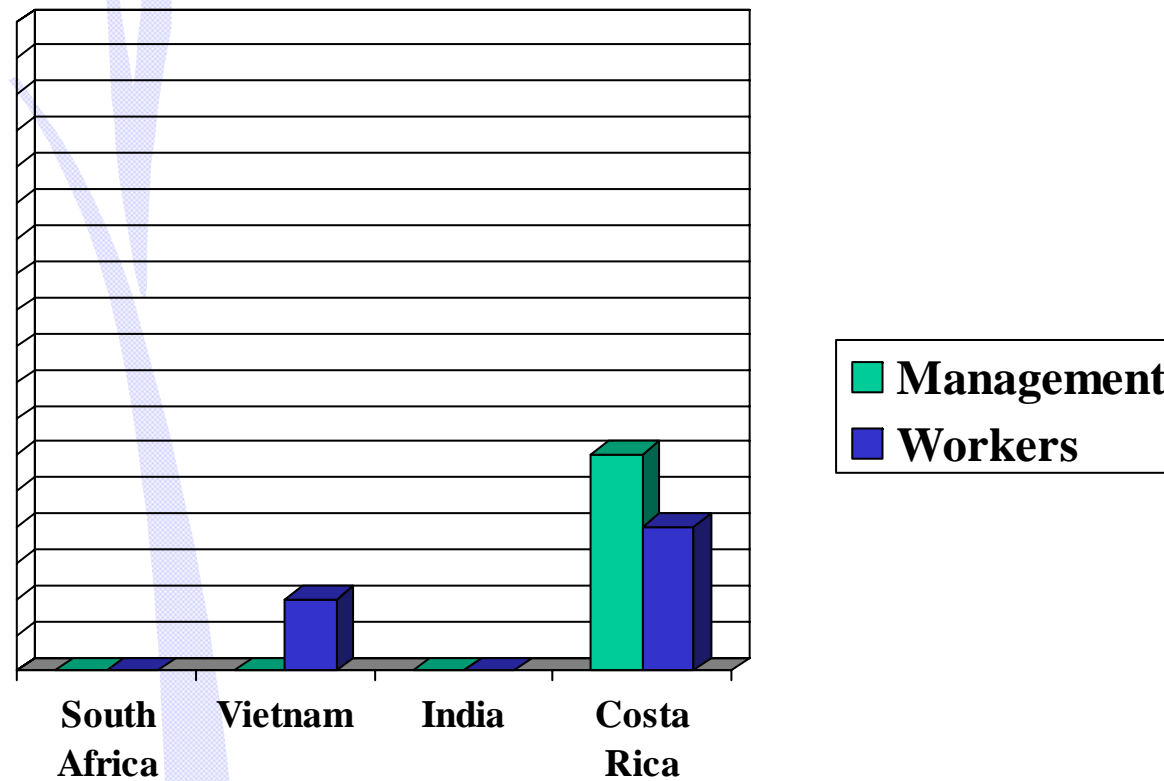
Impact on Child Labour



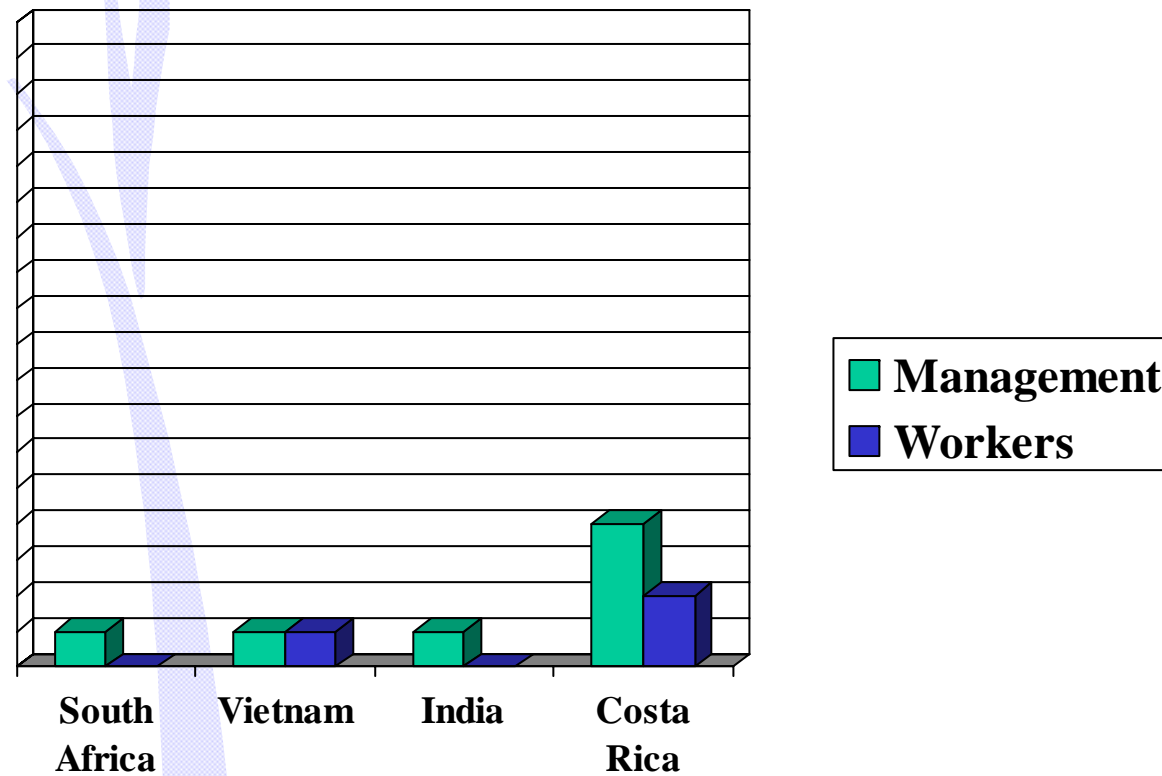
Impact on Harsh Treatment



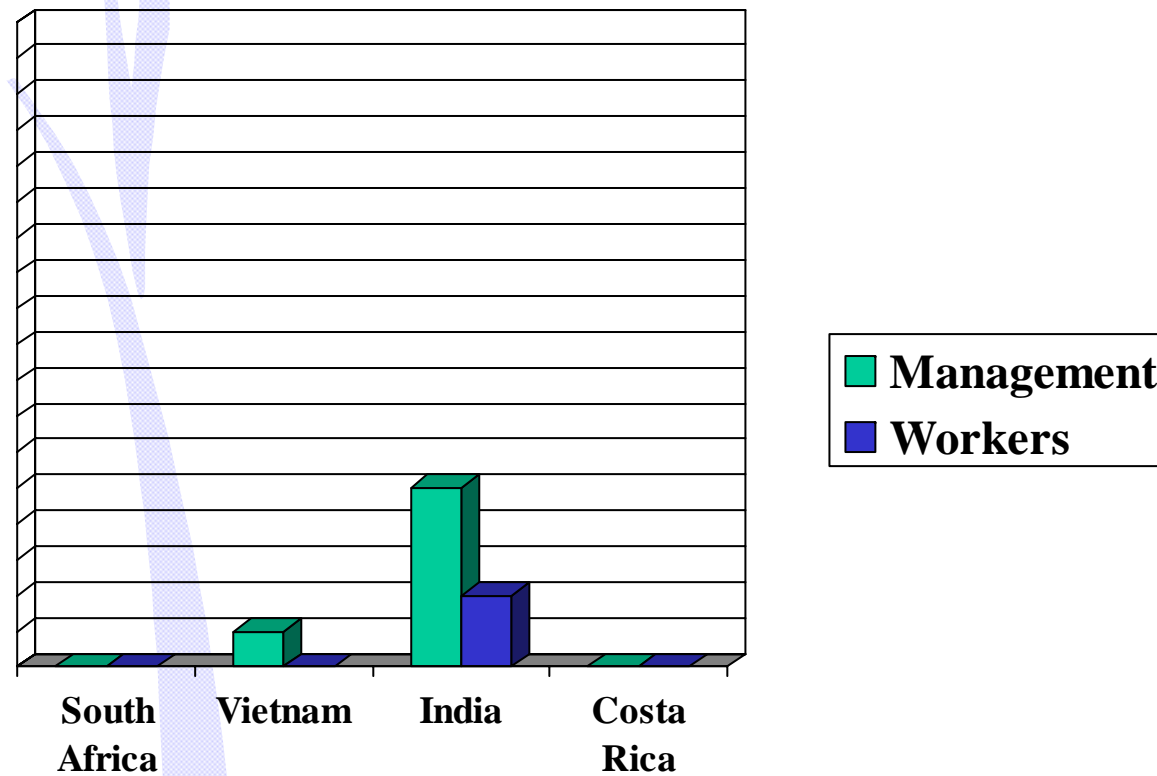
Impact on Freedom of Association



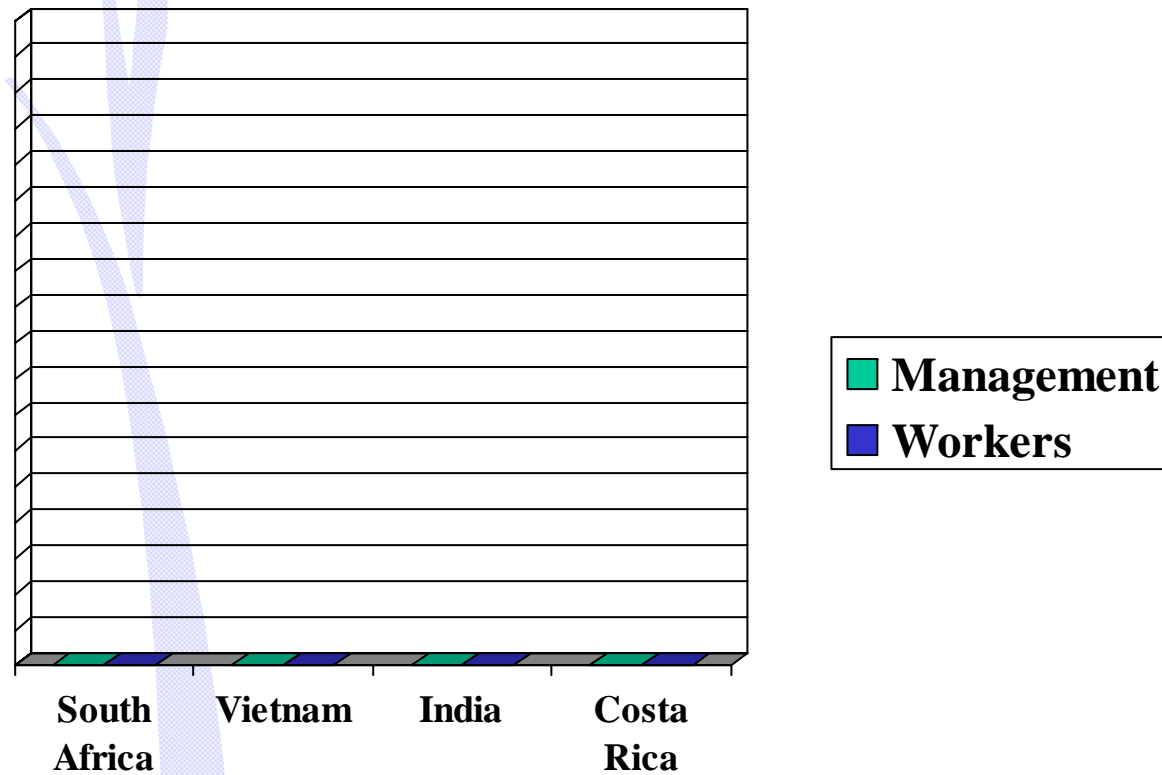
Impact on Discrimination



Impact on Regular Employment



Impact on Freedom of Employment



Other worksite impacts

- Increased awareness of and/or compliance with national legislation in all countries (e.g S. Africa)
- Vietnam & Costa Rica: some workers have increased knowledge of rights
- India, Vietnam & Costa Rica: Improved management-worker relations on some sites

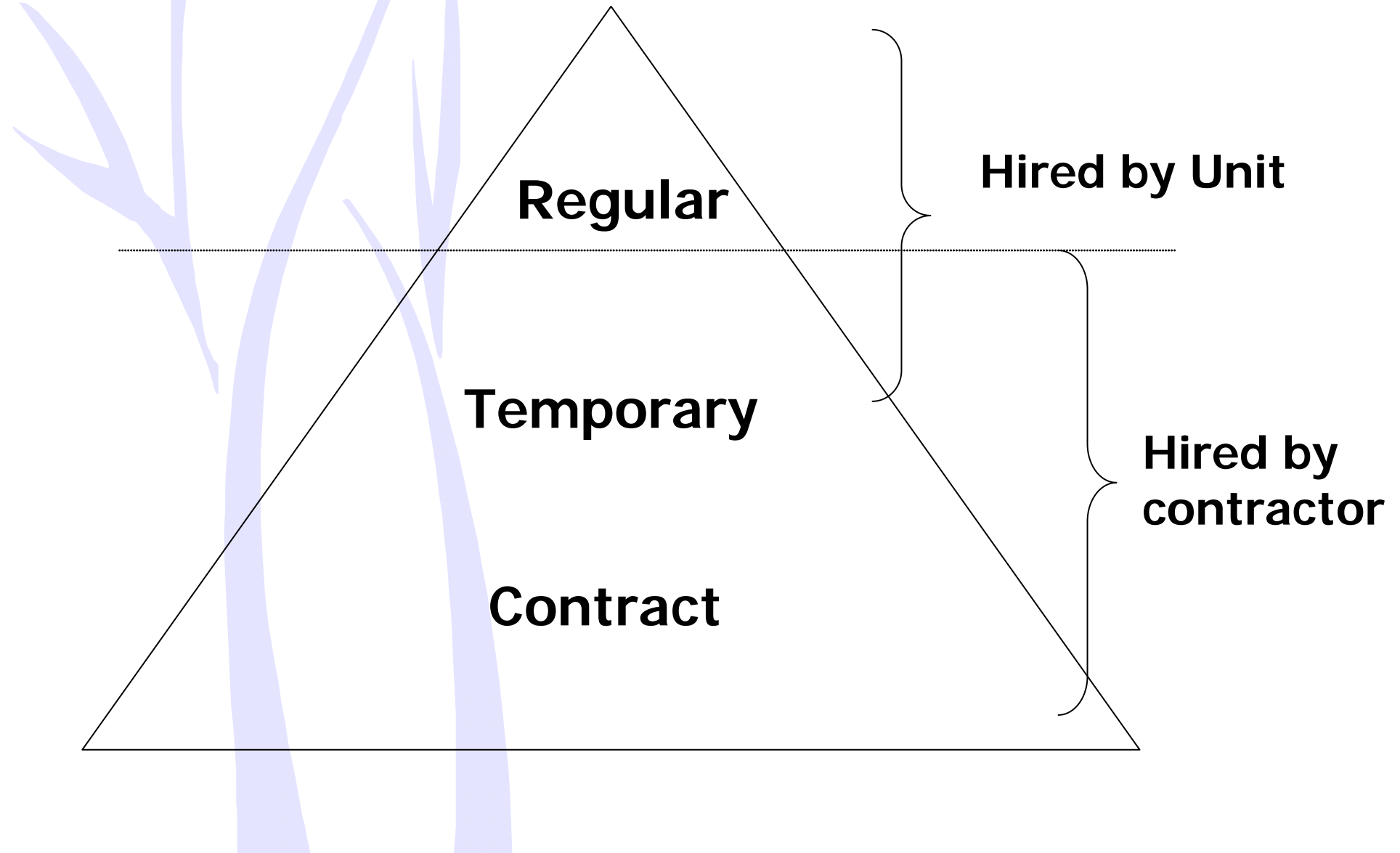
Impacts by type of worker

- Permanent workers benefit most
- Migrant, temporary and especially contract workers reported continued problems
- Women workers: Depends on sector & local employment practices. Some targeted/differential impacts but still disadvantaged.



India Garment Case Study: Workers' perspectives

Employment In Large Units



Regular

Hired by Unit

Temporary

**Hired by
contractor**

Contract

Impact by category of workers

- Code implementation has contributed to **significant improvements** in the areas of health & safety [cuts across workers] & child labour practices
- **Regular/salaried workers** get minimum wages (not living wages), pay slips & letters of employment, social security benefits & entitlements like minimum wages, ESI, PF, bonus, double overtime pay etc.

Issues Remaining

Contract workers

- Poor impact/problems of non-compliance
- Non payment of minimum wages, payment invariably delayed/ and made in installments, No benefits/entitlements i.e. ESI, PF etc.

Double book keeping

- Employees are shown as permanent/salaried workers in the employers' account books but in reality do not receive any benefits or allowances.
- Many workers alleged that one set of account books are maintained for the buyers & labour inspectors, and another for actual costs.

Other Issues

- **Overtime:** A large number of workers get paid at single rates for overtime; only a small proportion get double payment for the extra hours as stipulated in the labour laws/ETI codes.
- **Freedom of Association Discouraged:** Contract workers fear joining Tus; 4 sites report setting up Workers Committees
- **Harsh or inhumane treatment:** Offsite responses invariably revealed that workers were verbally abused at the hands of supervisors and line managers.

Gender

- **Few women workers** employed as compared to the number of men.
- They are mainly in **semi-skilled, unskilled jobs**, working as helpers, checkers, in quality control department, thread-cutting etc.
- **Gender differences** are perceptible among workers regarding overtime: most women workers preferring not to put in overtime hours as they have to tend to household responsibilities (domestic chores, childcare etc) after working hours.

Impact beyond the 9 principles of the ETI Base Code

- Contract workers continue to live in extremely poor conditions. More effective implementation of codes could result in better living conditions.
- However, regular/salaried workers are upwardly mobile, keep their homes clean, own household appliances (T.V., radio, etc.), are well turned out, in some cases their children are going to 'private English medium schools'.

Key Factors Affecting Impact

- Value Chain -

- Systematic Impact
 - Integrated chain
 - Higher leverage
 - Level of commitment of ETI member
- Random impact
 - Complex value chains
 - Multiple communication channels
 - Attitude of *individual* buyer / agent / supplier is key
 - Level of commitment of ETI members

Participant Recommendations 1

- Code Principles
 - Harmonisation of Codes
 - Build local approach
- Communication
 - Supplier communication
 - Worker communication
- Monitoring
 - Harmonised external audits
 - Greater worker focus
 - Participation of management, TUs, workers

Participant Recommendations 2

- Capacity Building
 - Training of managers, supervisors, workers on Labour Laws, Workers Rights, Codes.
 - Awareness raising/training on Discrimination & Freedom of Association
 - Support local initiatives (tools, seminars, etc.)
- Integration into Business Practice
 - Links between Buyers & ET managers
 - Price, lead times, deadlines
 - Reward compliance

IDS Preliminary Recommendations

- 'Company Ownership' of codes?
- Southern (not UK) Focus
- Greater local cooperation (ETI Cos. & external bodies)
- Strategic engagement locally (tools, conferences, projects, actors, initiatives)
- Address high risk vulnerable workers
- Capacity building on discrimination, gender & FoA
- Significance of:
 - Integration into Business Practice
 - Engagement with other initiatives/bodies (JO-IN)