

# About these guidelines

These guidelines present the recommendations and working tools developed by the ETI Smallholders Project Group for those working within international supply chains that source from smallholders. They seek to provide guidance on how retailers, purchasers, smallholders and others can take action to help improve the working conditions of smallholders. The ultimate aim is to work towards the implementation of internationally agreed labour standards on smallholdings, and specifically, those of the ETI Base Code.

## 1.1 Who these guidelines are for

These guidelines are intended for use by the full range of groups active within international supply chains sourcing from smallholders. They are primarily aimed at the commercial actors integral to these chains, but also contain chapters for use by non-commercial groups, such as trade unions and non-governmental organisations (NGOs) active in improving labour standards in this field. The guidelines were developed by ETI members, primarily for other members, but are also intended for a wider constituency of non-members, particularly:

- retailers
- purchasers, including agents, co-operatives, exporters, packing houses and suppliers
- commercial auditors involved in inspections of smallholders or purchasers
- smallholders
- trade unions
- non-governmental organisations.

The guidelines will also interest academics working on smallholder issues.

## 1.2 Why we need the guidelines

The application of codes of practice to small agricultural producers is emerging as an important and complex issue for retailers and purchasers as well as trade unions and NGOs active in the labour rights field. Research and members' experience has shown that smallholders and their workers frequently have poor terms and conditions of work.

Concurrently, smallholders appear to be increasingly prevalent in ETI company members' international supply chains. The degree to which markets depend on products sourced from smallholdings varies by product, but in certain cases, such as coffee, smallholders produce the majority of the commodity sold on world markets. In a significant number of developing countries, smallholdings are the most commonly found unit of agricultural production.

Despite their significance within supply chains however, smallholders present a number of challenges to retailers and suppliers committed to implementing labour codes. Such challenges include:



- the number and traceability of smaller producers involved;
- the cost of monitoring large numbers of scattered producers;
- the problems of identifying and classifying smallholders, due to the variety of definitions of smallholding and mechanisms by which they may be linked into international supply chains;
- the remoteness of retailers from the smallholder, due to the length and complexity of the supply chain linking the two;
- the need to interpret how codes based on international labour standards, designed primarily for formal workplaces, should be applied to less formal labour situations, such as smallholdings.

There is therefore a pressing need for specific guidance and tools for use by those involved at different levels in supply chains to enable all to work towards improving the working conditions of smallholders. These guidelines aim to provide such a resource.

### 1.3 How the guidelines were developed

These guidelines were developed by the ETI Smallholder Project Group during the three-year period 2002–2004. The Group is tri-partite in character, being made up of corporate members, TU representatives and NGO constituents. Corporate members of the group include major retailers from the food and general merchandising sectors, as well as suppliers, large and small, with experience of purchasing a variety of products from smallholders and using a wide range of buying mechanisms. They are: Asda, Ethical Tea Partnership, Flamingo Holdings Ltd, Marks & Spencer, Premier Foods, Ringtons Ltd, Sainsbury's Supermarkets, Somerfield Stores Ltd, The Body Shop International, The Co-operative Group (CWS) Ltd, Taylors of Harrogate and Union Coffee Roasters. The TU on the project is the Transport and General Workers Union, which has a membership of around 850,000. The NGO members range from small agencies working through local partners to large UK-based NGOs with offices and partners in many countries around the world. They include: Africa Now, Fairtrade Foundation, Oxfam GB, Traidcraft and Twin Trading. Collectively the Group has unparalleled practical experience of working with and for smallholders.

The Group first commissioned research into ETI members' current knowledge and experience of smallholders in their supply chains. Following that research, the Group defined the project's objectives, which are:

- to establish how the ETI Base Code applies to smallholders and how it can be implemented and monitored with smallholders and their workers;
- to establish a methodology of working with smallholders and their workers in order to improve their ability to observe Code provisions, while recognising that one methodology will not fit every country, crop or smallholder;
- to document approaches to implementing the Code in different supply chain structures.

In order to achieve these objectives, the Group undertook a variety of activities. These included gathering information on members' work in this area to date; defining how the ETI Base Code applies to smallholders and agreeing ETI's approach. The Group also agreed the need for a case study industry and country where we could

learn from approaches already in place and consult on the proposed ETI methods of applying, implementing and monitoring labour standards with smallholders.

Initially drafted by the Group in 2002–2003, the guidelines have undergone three substantial revisions.

- The first major revision followed consultation with stakeholder groups in the tea and fresh produce industries in Kenya. Participating stakeholders included retailers, purchasers, government officials, TU and NGO representatives.
- The consultation process enabled us to identify knowledge gaps that led us to commission research in Kenya with smallholders and their workers. The second major revision integrated the findings from this research.
- The research results were fed back to Kenyan stakeholders in November 2004 and their responses were integrated into a third version.

#### 1.4 Status of these guidelines

These guidelines are still a work in progress. The Group's company members plan to test the guidelines individually in their supply chains across different produce and countries. We will use the learning gathered from this work to revise the guidelines and produce a second edition in 2006. The Kenyan case study referred to above has informed the development of the guidelines, but they have been written to be as generic as possible and so will need to be adapted by the different users of this document to local situations and conditions.

#### 1.5 References

The guidelines have been written with reference to the following documents:

ILO Conventions and Recommendations: Convention 138 on the *Minimum age for admission to employment*, and its accompanying Recommendation 146; Convention 182 on the *Worst forms of child labour* and Recommendation 190; Convention 184 and Recommendation 192 on *Safety and health in agriculture*

Oxfam, *Fair Trade Programme: policies and procedures manual*, January 2001

Natural Resources Institute, *Smallholders in export horticulture: a guide to best practice*, NRI, University of Greenwich, 2002

Natural Resources and Ethical Trade Programme, *Theme Paper 6: Managing codes in the smallholders' sector*, NRI, 2001

Fairtrade Labelling Organisations International, *Generic fairtrade standards for small farmers' organisations/hired labour*, 2001

The Europe Africa Caribbean Pacific Liaison Committee (COLEACP), *Harmonised framework*, 2000. This represents the harmonisation of the codes of practice of several East and Southern African horticultural export associations

Convention on the Elimination of all forms of Discrimination against Women (CEDAW) Article 11, 1979

UN Fourth World Conference on Women, *Platform for action*, Chapter 5, 1995

Wine Industry Ethical Trade Association, *Manual for members of the Wine Industry Ethical Trade Association*, WIETA, South Africa, 2003

Agricultural Ethics Assurance Association of Zimbabwe, *Participatory social auditing of labour standards: a handbook for code of practice implementers*, AEAZ, 2002



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International Labour Organisation Bureau for Workers' Activities, *Bitter harvest: child labour in agriculture*, 2002

International Labour Organisation, Multinational Enterprises Programme, In focus programme on strengthening social dialogue, *National tripartite seminar on the Tripartite Declaration of Principles concerning Multinational Enterprises and social policy, and social dialogue in the plantation sector in Kenya: report on proceedings*, 2002