



Food industry alarmed at proposals to water down Gangmaster Act

Up to 150,000 temporary workers in the food industry stand to fall through a government-created loophole in legislation designed to avoid a repetition of the tragedy of Morecambe Bay.

Nearly two years on from the deaths of 23 cockle pickers at Morecambe Bay and important details of the legislation designed to protect an estimated 300,000 – 600,000 temporary workers have yet to be signed off. And government proposals introduced as late as October this year have prompted fears that a vast tranche of workers will remain unprotected.

Ethical Trading Initiative¹ Director and Chair of the Temporary Labour Working Group² Dan Rees says:

“The entire food industry is alarmed that the Government is considering excluding the great majority of food processing and packing from the Gangmasters (Licensing) Act. The Act was agreed with full cross party support in both Houses under assurances from ministers that any room for exclusions and loopholes would be kept to an absolute minimum. Now, at the 11th hour, we face a real danger that the fastest growing sector of the industry – packing and processing - will be excluded from the Act. This will create huge loopholes and allow unscrupulous operators to continue to exploit vulnerable workers”.

The Department for Environment, Food and Rural Affairs (Defra) is expected to announce the Government’s decision in mid January on which parts of the food industry should be excluded by the Gangmasters (Licencing) Act, passed by Parliament in July last year to stamp out exploitation of these vulnerable workers.

Without exclusions, the Act offers protection for up to 600,000 workers. This is based on figures from the Association of Labour Providers (ALP) and Defra itself, who agree that the industry employs between 300,000 and 600,000 temporary workers. If secondary food processing is excluded and the Act is limited to primary agriculture alone, an estimated 150,000 workers will immediately fall outside of the scope of the act and be beyond the protection of the law.

Says Rees:

“The government should crack down on the illegal activity that led to the Morecambe bay tragedy and support responsible employers by creating a level playing field – the government should implement this Act in full across the entire sector.”

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¹ The Ethical Trading Initiative (ETI) was established in 1998 to improve the lives of workers around the world who produce goods for the UK market. We believe that companies producing, supplying and selling these goods should observe national and international labour laws. Our purpose is to identify and promote responsible corporate practice that will help to make this a reality. We are an alliance of international business, trade union and non-governmental organisations.

² The Temporary Labour Working Group (TLWG) was set up by ETI as an alliance representing the entire food chain, trade unions and labour providers themselves. In 2004, it developed a Code of Conduct for temporary labour providers that is based on an employer’s existing legal obligations to workers and aims to improve the business practices of labour providers and labour users before compulsory licensing takes effect.

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Notes to editors:

1. The Gangmasters (Licencing) Act was passed in July 2004 to help stamp out exploitation and create a level playing field for providers of temporary labour in UK food and agriculture
2. Defra completed its second round of consultations 16 December over whether food processors and packers should be included within the Gangmaster (Licencing) Act. Four options were put forward by Defra:
 - **Option One:** Exclude second stage processing
 - **Option Two:** Exclude second stage processing using a refined definition of initial/second stage processing linked to a review of the definition and its impact by the Gangmasters Licensing Authority
 - **Option Three:** Exclude off-farm facilities linked to a review of off-farm labour provider activity by the GLA
 - **Option Four:** No exclusions for processing and packaging of food and agricultural products
3. Without exclusions, the Act offers protection for up to 600,000 workers. This is based on figures from the Association of Labour Providers (ALP) and Defra itself, who agree that the industry employs between 300,000 and 600,000 temporary workers. If exclusions as proposed under Options 1, 2 and 3 come into being, the number of workers potentially protected is scythed back. For instance, if secondary food processing is excluded and the Act is limited to primary agriculture alone, then an estimated 150,000 workers will immediately fall outside of the scope of the act and be beyond the protection of the law.
4. The decision on exclusions is expected to be announced by the Department for Environment, Food and Rural Affairs (Defra) in mid January. The Gangmasters Licensing Authority (GLA) plans to 'switch on' licensing in April 2006.
5. The deaths of 23 migrant cockle pickers at Morecambe Bay in February 2004 shot the issue of exploitation of temporary workers in the UK food industry to the top of the political agenda