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New US Report Exposes Sham Workplace Audits in Supply Chains

Brussels, 23 April 2012 (ITUC OnLine): A new report released in the US today has uncovered systematic failure by the "corporate social responsibility" industry to protect abused workers in supply chains of multinational companies. The report entitled Responsibility Outsourced (<http://www.aflcio.org/corporate-social-responsibility>), by the US trade union centre AFL-CIO, reveals how well-known social audit firms had certified factories in Pakistan and Bangladesh where hundreds of workers lost their lives in fires caused by lax safety standards.

Two of the main social audit players, Social Accountability International and the Fair Labour Association, come under fierce criticism for failing to involve or even talk to workers when inspecting workplaces. Even when complaints showed overwhelming evidence of violations of workers' rights, their reports and recommendations have backed company management without fail.

"The whitewash of corporate-financed workplace audits is starting to fade fast, and this landmark report calls time on a failed system which has done nothing to help workers in some of the most exploitative parts of multinational production chains," said ITUC General Secretary Sharan Burrow.

The report notes that some international "multistakeholder initiatives" where workers have a say in the process, such as the Workers' Rights Consortium, have had a positive impact in helping workers negotiate better wages and conditions. Conversely, company-financed initiatives have often followed the outsourcing model of the very companies they are supposed to police.

"The best system to identify and fix problems in the workplace - whether it's about workers' safety or the right to organize - is workers and unions themselves, not a PR-driven 'corporate social responsibility' program. Workers know what is going on every day, around the clock, in their workplaces. Company-led programs that send in 'experts' and pay them to evaluate working conditions are inherently flawed, as they miss the day-to-day reality. Some auditors have incentives not to report thoroughly or accurately what they do see. At best, CSR monitoring programs are limited. At worst, they hide problems and assert that working conditions are decent when they are not," said Richard Trumka, President of the AFL-CIO.

The report, which includes case studies from China, Guatemala, India, Indonesia, Honduras, Pakistan and the Philippines, concludes with examples of compliance programmes which do have genuine worker involvement, including agreements between multinational companies and Global Union Federations in different sectors.

"The ultimate responsibility is with governments. When governments legislate to ensure that International Labour Organisation standards are applied, employers including many of the best-known global brands will no longer be able to put corporate spin ahead of the lives and livelihoods of working people," said Burrow.

The ITUC represents 175 million workers in 156 countries and territories and has 315 national affiliates.

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