

INTERNATIONAL TRADE UNION CONFEDERATION
ITUC OnLine

ILO Supply Chains Debate a Test for Tackling Poverty

Brussels, 30 May 2016 (ITUC OnLine): The debate over global supply chains at the annual International Labour Organisation conference starting this week will be a major test of commitment to the rule of law in the global economy, according to the ITUC. This year's conference must set the stage for a new international standard to change the failed and exploitative supply chain model which dominates the global economy.

The ITUC report "Scandal" released in January revealed a hidden workforce of 116 million workers or 94 per cent of the total supplier workforce of 50 major multinational companies, with most of the companies failing to accept responsibility for a minimum living wage, job security or decent working conditions.

Sharan Burrow, ITUC General Secretary, said: "The global supply chain model is keeping workers and their families in poverty, while the companies they work for have been making huge profits by avoiding the rule of law outside their home countries. The challenge is for the ILO with its unique tripartite system to show that the rule of law is respected and that the world's wealth can be more fairly shared. Governments are now recognising the seriousness of this problem, and some major multinationals are now also realising that they must accept responsibility at all levels of the supply chains. Failure to act would keep millions of workers and their families in poverty, and further shrink markets at a time when the world economy needs the stimulus guaranteed by decent wages and secure jobs."

A new ITUC Frontlines Poll 2016 to be released tomorrow shows overwhelming support for action, with 82 per cent of people holding companies accountable for the actions of their subcontractors and 77 per cent of people wanting companies to be open and transparent about their subcontractors.

A core demand from workers at this year's ILO "general discussion" on decent work in global supply chains is that the conference agree on the need to develop a legal standard which would include requirements that governments hold companies based in their countries legally accountable for treatment of their whole supply chain workforce, and to mandate "due diligence" by companies throughout their supply chains.

"Governments and employers must recognise that the system today is failing working families, and accept that evading the rule of law for workers is no longer acceptable," said Burrow.

See also:

Reports from around the world on the ITUC Supply Chains Resource: Hub <http://www.ituc-csi.org/supply-chains-resources-hub>

"It Doesn't Add Up" Blog by Sharan Burrow on Equal Times: <http://www.equaltimes.org/it-doesn-t-add-up#.V0wNML63sms>

The ITUC represents 180 million workers in 162 countries and territories and has 333 national affiliates.

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