

INTERNATIONAL TRADE UNION CONFEDERATION

ILO conference takes a strong stand on the future of work around global supply chains

Brussels, 10 June 2016 (ITUC OnLine): An agreement following the ILO ‘‘general discussion’’ on decent work in global supply chains was approved today which sets in motion a process that could lead to a legal standard improving the lives of millions of workers in global supply chains.

The ILO estimates the number of jobs in global supply chains in 40 countries increased from 295 million in 1995 to 453 million in 2013. More than one fifth of the global workforce have a job in a global supply chain. Millions more are hidden workers.

The ITUC found a hidden workforce of 116 million workers in the global supply chains of just 50 multinational companies, or 94 percent of their total supplier workforce, with most companies failing to accept responsibility for a minimum living wage, job security or decent working conditions.

Sharan Burrow, ITUC General Secretary said, ‘‘a convention that requires governments to hold companies to account is essential and these conclusions allow this debate to continue.

Equally the ITUC will continue to make the case to Governments that legislation that holds companies based in their countries legally accountable through mandating ‘‘due diligence’’ by companies throughout their supply chain would fill a gap in global governance.’’

A joint statement from employers, workers and governments was agreed following the ILO discussion on how to promote decent work through the many layers of global supply chains. A formal examination of governance gaps and standards could now lead to reinforcing existing standards and look at new international standards designed to protect workers in supply chains.

The acknowledgement of international agreements between global employers and global unions is a recognition of the shift in the global economy and the role the ILO could play. ILO support for mediation and dispute settlement including technical advice for the country based mediators of the OECD Guidelines puts the organization in a strong position to promote decent work.

‘‘Transparency, responsibility and accountability need to be associated with global supply chains, not unsafe, insecure low wage work.

Global supply chains contain exploitative and poor conditions for millions of workers. More than one fifth of the global population are in jobs where long hours, dangerous working conditions, forced labour and low wages have become the norm.

Gaps in governance have allowed companies and governments to grow a global business model which is based on the exploitation of working people,’’ said Sharan Burrow, General Secretary, International Trade Union Confederation

The next steps in this process will be an experts committee that will be requested to:

- Assess the failures which lead to decent work deficits in global supply chains;

- Identify the salient challenges of governance to achieving decent work in global supply chains;
- Consider what guidance, programmes, measures, initiatives or standards are needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains.

Catelene Passchier spokesperson for workers in the ILO negotiations expressed support for the outcomes but indicated the challenge ahead, “Everyone is connected but no-one is responsible. We need accountability and governance, particularly from the ‘economic employer’, the lead firm in the supply chain. We need standards that apply wherever the supply chain reaches. There can be no excuses, no exemptions, no blaming abuses on the local management just because it’s a subcontractor or far from the home country.”

There is overwhelming public support for action in global supply chains. The ITUC Frontlines Poll 2016 found 82 per cent of people hold companies accountable for the actions of their subcontractors and 77 per cent of people want companies to be open and transparent about their subcontractors in global supply chains.

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

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