

PREPARATORY DOCUMENT

RAISING THE BANANA STANDARD

*A Conference to generate a more
informed debate on*
**VOLUNTARY SOCIAL
STANDARDS IN THE BANANA
INDUSTRY**

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This document was prepared by Dr Iain Farquhar for Banana Link

1. Introduction

The Rise (and Fall?) of Voluntary Social Standards

In June 1992, following a lengthy process of consultation with NGOs, unions and business, 179 heads of government signed the Agenda 21 agreement, in Rio. This was supposed to herald a new epoch, in which efforts would be made to ensure that future development was sustainable. The notion of sustainable development embraced three elements, the need for environmental protection, the need for social justice and the need for economies and businesses to remain viable.

Less than 2 years later representatives of most of the same governments met in Marrakech, Morocco at a secret meeting. Avoiding the glare of publicity, which had several times stalled the signing of a new GATT agreement, the delegates laid the foundation for the formation of the World Trade Organisation, whose remit was to encourage the further liberalisation of trade and to provide mechanisms for dispute resolution.

At the time there were many critics of the emergent WTO who saw ever more liberal trade as working against the sentiments and hopes expressed at the Earth Summit. Would freer trade merely mean a “race to the bottom” in which environmental and social standards would be continuously lowered by companies, struggling to survive in increasingly competitive global markets?

For those who hoped that things would be different after the Earth Summit, there has been little to celebrate. Child labour, denial of union rights, lengthy working days with inadequate remuneration, environmental pollution, and destruction of scarce resources continue apace, in spite of the acknowledgement by governments that humanity faced a crisis and that action needed to be taken urgently.

In many countries and many sectors the same dilemma was played out. Businesses, NGOs and governments all recognised the need for change, but when the crunch came businesses were constrained to follow cost-cutting policies, while the highest priority of governments (rich and poor) was to attract inward investment and

to encourage employment and stimulation of the economy, regardless of its environmental and social impacts. Poor countries who did not share the enthusiasm for the trend towards economic liberalism, were forced to conform anyway by IMF-initiated Structural Adjustment Programmes (SAPs) and pressures from the World Bank to boost exports.

Frustrated by the inability of governments and international institutions to act, non-governmental organisations (NGOs) working in a variety of sectors (tropical hardwoods, apparel, mining and others) began to target companies directly, through a series of awareness-raising campaigns and consumer boycotts.

Companies responded in various ways. Most typically however, they have sought to put in place better systems of industry self-regulation, whether this was through individual company codes or, more recently through universal standards, like SA8000.

In the banana sector, for the social dimension at least, most of the standards, used today and discussed in this document, incorporate the essential basic demands of NGOs and trade unions. However, it remains unclear how serious companies are. Self-imposed systems of regulation are easier to ignore than legally binding systems imposed by independent authorities.

Companies are not homogeneous. Within them are people who believe that business enterprises need to compete on a “level playing field” but that the “rules of the game” need to reflect higher standards. Football teams may “fight to win” but they accept rules, which limit the level of violence they inflict on each other.

If the rules are not properly agreed between the players, and above all, if conformity to the rules is not monitored by an independent referee, then they can easily be overlooked. The players begin with minor infringements, which are not checked. Before long the game has degenerated into a battle.

The effects of such degeneration were amply demonstrated by the experience of Costa Rica, following its bid in the late 1980s to become the world’s biggest exporter of bananas. The rapid expansion of the banana sector led to the

uprooting of communities, destruction of primary and secondary rainforest, intense agrochemical pollution and abuse of workers' rights. Much of these activities broke Costa Rican law; but with a government that is determined - under pressure from the World Bank, IMF and private creditors - to improve the country's economy, and with inadequately staffed environmental, labour and health Ministries, banana companies could operate more or less unhindered by the need to obey either national or even international regulations.

Pressure from the US-based Rainforest Alliance and the Fundacion Ambio brought at least one major Costa-Rican player, Chiquita, to the negotiating table to discuss voluntary standards in a bid to halt the descent into environmental and social destruction. Since then other companies have begun to consider the need for standards, whether in Costa Rica or elsewhere.

Today, the rules of the banana game have been largely agreed by the major players, in that the many social standards which now co-exist, cover much the same ground. But how the game is to be refereed is still uncertain. Without a referee the game continues to be in danger of remaining a game of "life or death" for many.

Furthermore, just as a consensus has begun to emerge that standards need to be raised, new threats have emerged. The collapse of prices in 1999/2000 has placed all the companies under enormous pressure and Ecuador's successful bid to become the number one exporter by massively increasing its own levels of production have contributed to further over-supply and low prices. The lowering of standards once again in a renewed "race to the bottom" has been dubbed by some Central American commentators as "Ecuadorianisation".

In such a financially challenging context, can companies like Fyffes realistically monitor themselves, without external verification? Can a single NGO, like the Rainforest Alliance, realistically monitor a powerful company like Chiquita? Does the adoption of a single universal social standard like SA8000 provide the kind of impartial referee which appears to be needed?

Or are all of these options intrinsically flawed, leaving consumers in a position where they are forced, with the help of organisations like FLO

or IFOAM, to build a different kind of business reality, where profits are subordinated to other imperatives (social justice and the conservation of natural resources), imperatives which the existing market seems unable to respect?

"Ecuadorianisation?"

Companies in various Latin American countries have, following pressure from trade unions and NGOs, attempted to improve labour conditions and wages. Costa Rican and Colombian plantation workers can earn \$10.00 a day or more. Panamanian workers can earn \$15.00 a day and get other benefits.

Most Ecuadorian and Nicaraguan workers, on the other hand, earn only \$4.00 a day or less and are often treated as casual workers. Ecuador's exports are expected to expand to take over more of the Colombian and Central American trade. If this happens the effect of EU policy will have been to favour the country with the lowest social standards.

Alternatively, would it be better, not only for those who suffer most (the banana workers and small-scale producers) but also even for the companies, to establish more binding legislation so the struggle for survival in a competitive market can reflect a healthy rather than a deadly competition?

These and other questions cannot be answered or decided by rational enquiry alone. They are questions of value and of commitment. They are questions of how we, individually and collectively, want to lead our lives, and they can only be decided by the stakeholders in the banana industry themselves.

The first part of this document presents a summary of today's voluntary social standards in the banana industry.

The second part looks at some of the difficulties with voluntary social standards, including the question of how credible the verification methods are.

The third part presents four questions, on which Banana Link invites you, the stakeholders (private companies, consumers, unions, NGOs and governments) to reflect further, in the hopes that together we can avoid a further "Ecuadorianisation" of the banana industry.

2. The Standards

- Social Accountability 8000
 - Fairtrade Labelling Organisations International
 - International Federation of Organic Agricultural Movements
 - Fyffes Code of Conduct
 - Chiquita Code of Conduct
 - Better Banana Project
 - ETI and UK Banana Group Codes
 - International Confederation of Free Trade Unions Basic Code
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SA8000 – Firm but Fair?

SA8000 sets out to be a universal standard, applicable to all sectors, all sizes of enterprise and to all regions. The SA8000 standards can be found at Social Accountability International's (SAI's) website at the following URL: <http://www.cepaa.org/publications.htm>

Social Accountability 8000, in common with many other standards is based on, or makes reference to, a number of ILO Conventions, (which are shown in the box below) and a number of international agreements.

Agreements and ILO Conventions to which SA8000 adheres:

ILO Conventions 29 and 105 (Forced & Bonded Labour)
ILO Convention 87 (Freedom of Association)
ILO Convention 98 (Right to Collective Bargaining)
ILO Conventions 100 and 111 (Equal remuneration for male and female workers for work of equal value; Discrimination)
ILO Convention 135 (Workers' Representatives Convention)
ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation)
ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
ILO Convention 159 (Vocational Rehabilitation & Employment/Disabled Persons)
ILO Convention 177 (Home Work)
Universal Declaration of Human Rights
The United Nations Convention on the Rights of the Child

SA8000's mission is to improve working conditions globally. Companies may use the standard to audit themselves, they may be audited by a purchaser, or they may have a third party assessment. Only the latter can lead to certification.

SAI accredits organisations to certify company practices. Certifiers can be certification agencies, accounting firms or NGOs, providing that these have been accredited to conduct audits. SAI undertakes assessment of certification bodies and publishes the list of these bodies on its website.

Interested parties including NGOs, trade unions or workers' groups can appeal against either the certification of a company or the accreditation of a certification body. If an appeal (which must proffer some evidence) is made against the certification of a company, the certification body must re-audit the company at its own expense. Certifiers are given guidelines on how to carry out their work.

SA8000 is "business-friendly" and non-punitive. If a company fails to conform to the standards, its certification would not normally be removed. Instead it is asked to respond to Corrective Action Requests. The company is then checked after six months.

An important principle of the standard is that certified companies have to check that their suppliers also conform to SA8000. Potentially therefore a single company can exert leverage over a whole supply chain.

What is SAI?

Social Accountability International was formerly the Council on Economic Priorities Accreditation Agency, is an affiliate of the New York-based NGO Council on Economic Priorities, a pioneer in the field of social responsibility. It was founded in 1969 when it set out to give accurate and impartial analysis to evaluate corporate social performance, promote good practice and provide consumers and investors with information. The SA8000 standard was first published in 1998 and reviewed in 2000. SAI's advisory board includes business, NGO and union representatives.

FLO – Nurturing the Disadvantaged?

The FAIRTRADE Banana criteria can be examined at the following URL:

<http://www.fairtrade.net/banana.html>

Whereas SA8000 aims to be a universal standard, the international certification body, Fairtrade Labelling Organisations International (FLO), sets out to provide “a viable alternative for disadvantaged producers and workers.” It does this by helping disadvantaged farmers and workers to set up or develop further their own enterprises. By adopting FLO standards, producers, who either hire labour or who form a collective organisation, can use the Fairtrade label and sell in the conventional market.

This gives them a guaranteed minimum Fairtrade price and access to a premium. The former is based on a calculation of the full costs of production, supplemented by a reasonable margin. The costs of certification are borne not by the producers but by the companies licensed to market Fairtrade products and in turn by consumers.

FLO’s central focus is on social standards. However, because of the particular importance of environmental issues in the banana sector, it has included detailed environmental as well as social standards in its banana criteria. This allows FLO to formulate some its social standards more precisely than is possible within SA8000, particularly those relating to occupational health. So, for example, as FLO has drawn up specific criteria for banana producers, it is able to extend its requirements for Health and Safety to include such issues as the length of time which should be left before workers can re-enter plantations after aerial spraying.

The FLO criteria are based on the same ILO Conventions as SA8000 (p5), except that they mention in addition Convention 110 (Plantations). They refer to specific articles of the Conventions in a more precise way than SA8000, but do not refer to some of the ILO Recommendations incorporated in the latter.

To qualify for certification, producers must comply with certain minimum social and environmental requirements. The environmental requirements embody the principles of Integrated Crop Management but there is also encouragement for organisations to adopt some organic production methods.

Beyond this producers must also comply with process requirements “on which producers must show continual improvement” (see also p. 16). This allows FLO to encourage producers to develop beyond the minimum standards, particularly in the area of social standards. Whereas SA8000 is framed in terms of meeting fixed standards, FLO encourages organisations to become more inclusive and to promote education and training as a means to encourage fuller participation and democratisation. Crucially, decisions about how to use the Premium generated by labelling are to be made, not by management alone, but rather through democratic processes. Details depend on the nature of the organisation (i.e. plantations or farms).

The standards lay out means of verification, which include both examination of records and random interviews with workers. Failure to meet standards is probably unlikely to lead to withdrawal of the Label, unless there has been a gross violation. Rather the emphasis is on looking for solutions and improvements to performance.

Fairtrade Labelling Organisations International

“Fairtrade labelling aims to support marginalized producers and workers on the road towards sustainable development.”

FLO International is the umbrella organisation for the independent national Fairtrade labelling initiatives in 17 countries. In 1997, these national initiatives combined to form FLO international.

The FLO Banana Criteria were fully revised in May 2000.

IFOAM – People matter too!

IFOAM's Basic Standards may be viewed at <http://www.ifoam.org/standard/basics.html>

IFOAM: "The federation's main function is co-ordinating the network of the organic movements around the world. IFOAM is a democratic federation and grass-root oriented. Major activities within IFOAM are carried out by our World Board, various committees, working groups and task forces."

The primary focus of the International Federation of Organic Agricultural Movements (IFOAM) has traditionally been on environmental and natural resource issues. However, at least since the end of the 80s, IFOAM has shown an interest in and expressed a desire to incorporate a social dimension into its standards.

With its major area of expertise in technical issues concerning production and processing, it has not as yet succeeded in devising social standards as precise as those which it has laid out for other areas.

IFOAM does not directly certify producers. Instead it lays out basic standards. To gain accreditation with IFOAM, certifying bodies need to draw up their own standards and these have to be at least as strict as the basic standards.

"The IFOAM Basic Standards are presented as General Principles, Recommendations and Standards. The General principles are the goals organic production and processing works towards. The Recommendations provide standards which IFOAM promotes but does not require. The Standards are the minimum requirements which must be fully incorporated into certification standards." [from the above URL]

Although the Basic Standards are not as detailed as many national or other standards adopted by accrediting organisations, they are nevertheless quite detailed in a number of areas, particularly as regards such issues as permitted levels of chemicals, make up of

animal feed, etc. In contrast Section 11 "Social Justice" is extremely brief. Its content is displayed in the following box :

Basic Standards of Social Justice

General Principles: Social justice and social rights are an integral part of organic agriculture and processing.

Recommendations: All ILO conventions relating to labour welfare and the UN Charter of Rights for Children should be complied with.

All employees and their families should have access to potable water, food, housing, education, transportation and health services.

Social security needs should be met, including benefits such as maternity, sickness and retirement benefit.

All employees should have equal wages when doing the same job and they must have equal opportunities irrespective of colour, creed and gender.

In all production and processing operations, labour conditions regarding noise, dust, light and exposure to chemicals should be within acceptable limits and workers should have adequate protection.

The rights of indigenous peoples shall be respected.

Standards: 11. 1. The certification body/ standard-setting organisation shall ensure that operators have a policy on social justice.

11. 2. The certification body/ standard-setting organisation shall not certify production that is based on violations of basic human rights (in cases of clear social injustice).

The Basic Standards cover most of the areas covered by the other social standards, considered in this document. However the lack of detail raises questions as to how far these standards are enforced by certifying bodies. In particular only the last two items are actual standards, while the remainder are merely recommendations (i.e. not required).

Fyffes' Code of Practice

As the Code is not available on the internet, Section 9 - Labour Practices - is reproduced in the following box. Although not reproduced here, it should be noted that Section 10 - Worker Health/Training - mentions the need for protective clothing etc. and training in the handling of pesticides.

Fyffes adopted its **Code of Practice for Banana Producers** in 1998, aimed at the company's suppliers worldwide. As in the case of IFOAM, there is a strong emphasis on environmental management. The environmental guidelines are based on "the Integrated Crop Management (ICM) concept". The introductory section makes no mention of labour relations, social justice or welfare except when it mentions the need to "protect the health of the workers".

The eleven page document (which is supplemented with a further nine page Guidelines document "For Pesticide Use and Waste Management") devotes only one page (p9) to Labour practices, although Worker Health is included on page 10. There is little indication of how the Code is to be enforced as regards its social content. Section 11 requires that "To ensure that the ICM system is working effectively" each farm should undertake an annual audit, "to monitor the level of adherence to the Code..." This last phrase implies that Section 9 of the code should be included in the audit. However, there is only mention of the environmental aspects of the Code. Producers are required to nominate an Environmental Manager to interface with Fyffes.

"Failure to comply with the code or take the necessary corrective action ... may result in a formal warning and possible suspension of purchases subsequently."

There is no reference to ILO Conventions. Nevertheless most of the areas covered by SA8000 are included in the Fyffes Code and the requirements for rest and vacations in 9.5 exceed the requirements in most other codes.

9. Labour Practices

Labour practices and living conditions in banana producing countries vary significantly with those of most countries where the product is consumed.

While recognizing the cultural, economic and social differences which exist, Fyffes is committed to playing its part to improve the working conditions of banana workers in producer countries. In particular, the Company is committed to ensuring that suppliers comply with the following labour practices:

9.1 All relevant legislation of the producing countries in question must be complied with in full at all times.

9.2 Workers may become members of labour organizations. Worker participation in organizations such as "Solidarity Associations" may be actively encouraged in order to promote small business ventures by employees through employer matched saving schemes; however, worker participation in such organizations should not preclude membership of labour organizations.

9.3. Workers should have access to jobs and training on equal terms, irrespective of gender, age, race, colour, political opinion, religion or social origin. Physical harassment or psychological oppression, particularly of women workers, must not be tolerated.

9.4. Wages should be paid in cash, direct to the workers on a regular basis. Information relating to wages should be available to workers in an understandable form. Wages should at least match industry averages or legal minimums and be at least sufficient for basic needs.

9.5. Normal working hours should not exceed 48 per week. Overtime should be voluntary, should not exceed 12 hours per week and should be paid according to national legislation. Workers should have at least 24 consecutive hours of rest per week and at least three weeks vacation per year.

9.6. Suppliers should endeavour to employ workers long-term on the basis of negotiated, legal, written contracts. Employers should give at least as much notice to employees as they demand from them. All the provisions of this code should apply to part-time, short-term and casual workers.

9.7. No children under 16 (or the legal minimum or school leaving age if higher) should be newly recruited. Children under 18 should not work at night or in hazardous conditions. No forced labour of any description should be permitted.

Chiquita Code of Conduct

The Code is available on the following URL

www.chiquita.com

In September 2000, Chiquita announced the company Code to thousands of its banana plantation workers in Latin America, and distributed a credit card-sized version of the companies 'core values'. If a worker presented this card in various local businesses in their banana area they could get retail discounts on a range of products and services. However, neither individual plantation workers nor the independent Chiquita workers' unions had ever been consulted in the development of the Code. The following month the regional Coordination body of banana workers' unions (COLSIBA) and the International Union of Food and Agricultural Workers (IUF) met with Chiquita to express their dismay at the lack of consultation.

Chiquita's Code of Conduct enthusiastically endorses SA8000. "We believe that SA8000, together with its guidance material and accreditation process, is currently the most credible and verifiable social accountability standard." (p5)

Accordingly Chiquita's own code (which is intended to cover all the company's operations, including those in the US) is a word for word reproduction of SA8000, with a few changes, helpfully highlighted in the Code's text, by being printed in italics. The SA8000 paragraphs that have been changed are reproduced in the box on this page, along with the italics which signal specific modifications.

"SA8000 was originally developed for manufacturing operations...and we believe that several elements of the standard are not appropriate for our shipping and seasonal non-banana business. Therefore Chiquita has adopted a Code that is slightly modified from the current SA8000 standard." (p5)

As with the SA8000 itself the code begins with the undertaking to respect the ILO Conventions as reproduced in the box on page 6 of this document. The Code continues by adopting the same headings and content as SA8000. These headings broadly correspond to the ILO

Conventions themselves and comprise the following:

1. Child Labour
2. Forced Labour
3. Health and Safety
4. Freedom of Association and right to Collective Bargaining
5. Discrimination
6. Disciplinary Practices
7. Working Hours
8. Compensation
9. Management Systems

SA8000 and Chiquita headings

The last heading requires a management policy regarding the standard, a system of review, the appointment of senior management and non-management representatives to take responsibility for the standard and its implementation, control of suppliers, mechanisms for taking corrective actions, outside communication, access for verification (where required by contract) and the maintenance of records.

It should be noted that, whereas the SA8000 Guidelines go into the issue of verification in some detail, laying out procedures for gathering relevant information, for how many workers to interview at random, and in what conditions, etc. The Chiquita Code does not however require external verification. Companies are invited to adhere to SA8000 standards even if they do not intend to go for certification, which does require verification. By setting up its own Code in a way which reproduces SA8000 almost word for word, Chiquita are able to modify the SA8000 Standard slightly, give the impression that they are conforming to it and yet avoid independent verification.

How Chiquita's Code departs from SA8000

Only the modifications that relate to banana production, are reproduced here

"4.1 The company shall respect the right of all personnel to form and join trade unions *and other organizations* of their choice and to bargain collectively" from p 9.

"5.1 The company shall not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, *veteran status, or the age of older employees.*" From p 9.

Better Banana Project

The standards are available at:

<http://www.rainforest-alliance.org/programs/cap/get-certified.html>

The Better Banana Project began in 1991. It set out to establish environmental criteria for the banana industry, working at first in Costa Rica.

The BBP standards were the outcome of a process of negotiation between the Rainforest Alliance, the Fundacion Ambio and Chiquita. In the late 90s, they were extended to include social standards, largely as a result of pressure from EU consumers.

In 1998, following encouragement from Chiquita, the project was extended beyond Costa Rica to include other Latin American tropical countries. The Fundacion Ambio dropped out, partly as a result of its doubts regarding their own and other organisations' capacity to verify the standards beyond Costa Rica.

The Rainforest Alliance negotiated with a number of new NGO partners to form CAN, the Conservation Agriculture Network. The Rainforest Alliance hosts the Secretariat of CAN and owns the "Eco-OK" label. CAN members are responsible for auditing enterprises and a successful audit leads to certification and the right to use the label (except in the EU, where the label cannot be used – in the EU "eco" implies organic).

The **Rainforest Alliance** "is an international non-profit organisation dedicated to the conservation of tropical forests for the benefit of the global community", and is based in New York.

CAN is a coalition of independent, non-profit conservation groups which "consults with social and environmental groups, industry, government and other stakeholders to develop guidelines for well-managed tropical agriculture".

BBP social standards cover the same ground as most of the other standards considered here. They nevertheless refer explicitly to only two ILO Conventions (87 and 98).

BBP criteria are fairly strong on housing conditions and particularly strong on consultation with local community groups (see Box).

From CAN's Banana Standards and Indicators

4. COMMUNITY RELATIONS -Companies must demonstrate a commitment to the economic and social well-being of the communities in which they work.

4.1 The interests of community groups and local inhabitants must be considered during the planning and development stages of agricultural activities when these developments directly affect their living situation.

4.2 Areas of social, cultural, biological, environmental, and religious significance must be preserved.

4.3 Communities adjacent to the farm must have priority of employment as well as training opportunities that would prepare them to participate in the activities of the agricultural company.

4.4 The legally responsible representatives of the agricultural activity must prove their ownership or long-term right to use the land.

4.5 Producers should help protect community watersheds and forests.

4.6 Agricultural companies should contribute to the local economy and accept their fair share of costs of community infrastructure (schools, roads, water supplies, etc.)

However while the criteria look good on paper, there are doubts as to CAN's ability to monitor the standards effectively. In particular, most of the NGOs involved have experience only with environmental issues. They may be extending themselves beyond their capacities in taking on social criteria.

With Chiquita's adoption of its own social Code of Conduct, there is talk of BBP concentrating on the environmental criteria rather than social criteria. Concern has also been expressed by some as regards the close links that exist between Chiquita and CAN (see p18 for more on verification).

Ethical Trading Initiative (ETI)

The ETI's Base Code can be examined at the following URL:

http://www.ethicaltrade.org/html/about/basecode_en_short/framesets/f_page.shtml

Although the ETI has a "Base Code", which prospective members must accept, it does not offer accreditation or certification and will not endorse any product, company or other organisation.

The logic behind the ETI's position is that its approach is experimental or exploratory. "The purpose of the ETI is to acquire experience in the implementation of codes of labour practice."

The ETI is a UK alliance of (mainly) retail companies, NGOs and trade unions, committed to working together to identify and promote good practice in the implementation of codes of labour practice, including the monitoring and verification of the observance of codes. The initiative is supported by the UK government.

The ETI was formed in January 1998 and launched its Base Code in December. Having established the Code, it is now managing pilot projects in Southern Africa, South and East Asia and Central America, which investigate different methods of verification. One such project is the "Banana Pilot Project" in Costa Rica. This involves most of the ten biggest supermarkets in the UK in trying to ensure that their banana supply chains meet the ETI base code.

The Base Code itself is again very similar to SA8000. It covers the same areas (summarised on p9) but in a different order. The ETI Base Code refers in "Appendix A" to the same ILO Conventions as does SA8000, adding to its list a number of additional recommendations. The content under each heading is again very similar, with the exception of the final 10th heading "Management Systems".

This is presented separately, under the title "ETI Base Code Principles of Implementation". In this section, the format changes from the SA8000 presentation, precisely because the management systems themselves and in particular the method of monitoring or

verification is itself the focus for ETI's most pressing work. In posing the question, "What is the most effective way - or ways - of checking that Codes are adhered to?", it has to leave room for its members to experiment, investigate and share ideas.

Rather than asking its members to adopt particular approaches to management, it requires them to accept the principle that the implementation of codes will be assessed. Members are then asked to cooperate in designing and carrying out pilot schemes focussed on the very issue of verification.

Although the ETI is a tri-partite alliance, it would appear that its main focus is on the UK retailing sector. In the face of various campaigns highlighting the poor environmental and social performance of companies in the banana sector, it was the retailers who, in a sense, ended up on the front line, dealing with consumers who were demanding change. If the public increasingly demands fair and ethical trade, retailers want to meet those demands, but their problem lies in knowing what is worth supporting in this area. Improvements in verification methods are intended to give them greater confidence in stocking appropriate products, which meet known standards. Retailers who adopt the Base Code are expected to source produce from producers who can meet the Code.

The UK Banana Group (UKBG)

Another initiative in the UK is the UKBG, a group comprising 8 importers of bananas into the UK. They have produced their own code, which, they say, is based on ILO Conventions. However the social standards are presented in 7 short headings, without much detail. Standards for agrochemical usage are presented in much greater detail and there is also another short section on the environment. The UKBG code was made public in November 1998, shortly before the ETI launched its code and the Group's initiative has arguably been overshadowed by the appearance of the ETI. Several of the eight companies involved in the group have applied for membership of the ETI, but have been asked to wait until the results of the verification studies become available.

ICFTU/ITS Basic Code of Labour Practice

The International Confederation of Free Trade Unions adopted a text for a “Basic Code of Conduct covering Labour Practices” in December 1997 that is available at <http://www.icftu.org/displaydocument.asp?In dex=991209513&Language=EN>.

“The code aims to establish a minimum list of standards that ought to be included in all codes of conduct covering labour practices.”

“The purpose of this basic code is to promote the primacy of international labour standards and the inclusion of trade union rights in codes of conduct covering labour practices. A central idea of this code is that labour exploitation and abuse cannot be separated from the repression of workers and that therefore codes of conduct must incorporate freedom of association and the right to collective bargaining.”

“The basic code is meant to assist any trade union organisation in negotiations with companies and working with NGOs in campaigns involving codes of conduct. It can also be used as a benchmark for evaluating any unilaterally-adopted codes of labour practice.”

Reflecting the first possible use, space is provided for the name of the company at various points in the text and for the name of the union towards the end, where reference is made to an “implementation and monitoring agreement between the company and trade union and any other organisation”.

The Basic Code is extremely similar to SA8000, although as this code preceded the publication of SA8000, it would probably be more accurate to say that SA8000 incorporated the union code. To this extent it would appear that the ICFTU has been successful in encouraging “the use of consistent language in codes of conduct as part of a strategy to promote an international framework for worker rights”.

There are a few points where the emphasis is different. For example in the section on collective bargaining, the Basic Code says:

“Employers shall adopt a positive approach towards the activities of trade unions and an open attitude towards their organisational activities.” SA8000 however, referring to situations where freedom of association is restricted under law, states that companies shall “facilitate parallel means of independent and free association and bargaining for all such personnel”.

The Basic Code has a section entitled “Working Conditions are Decent”. This goes on to cover much of the material covered in the Health and Safety section of SA8000, but the latter gives more detail. Elsewhere there are whole paragraphs which are virtually identical or in which phrases are reproduced.

The biggest difference occurs in the end section of the two documents. In the case of SA8000 there are a number of details as regards implementing the code, establishing management practices for such implementation and so on. There are also requirements for the company to raise awareness among employees of the existence and terms of SA8000. These elements are missing from the ICFTU version.

The ICFTU Basic Code emphasises that its provisions should constitute only minimal standards.

2. Difficulties with the Standards

Convergence of the Standards

It can readily be seen, from the summaries of the standards presented in the previous pages, that there are considerable similarities between the social aspects of the 9 standards discussed.

Put more strongly, it appears that the ICFTU Basic Code provided a model for SA8000 and that this in turn provided a model for some of the other codes or standards.

In particular most standards refer to the ILO Conventions, and in most cases they refer to the same Conventions, which typically they describe as the basis for their own. The ICFTU Basic Code and SA8000 also have the same headings, although they occur in a slightly different order. Most other standards reproduce these headings, and usually adopt the SA8000 sequence.

It is not only the headings (reproduced on the Chiquita page – p9), which remain the same. In addition the content of the standards, which occur under these headings, are similar and in several areas virtually identical throughout the standards.

For example, everyone agrees that there should be no child labour and the definition of the child is the same throughout (except that Fyffes refers to not employing children younger than 16, whereas most other standards put the matter the other way round and refer to employing young people only if they are over 15). There are some differences of detail however in that some standards refer to the duty of companies to ensure that child labourers, when identified, are given educational opportunities, while others do not acknowledge this duty.

On the whole though, all the standards agree that there should be no child labour, no forced labour, no unreasonable disciplinary measures or abuse and no discrimination. There should be health and safety measures. There should be freedom of association and a right to collective bargaining. Working hours should not

be excessive (again all adopt exactly the same standard here, except Fyffes which is more generous) and compensation (payment/wages) should be adequate.

This final area is the one in which there are the biggest substantive differences (see the box below).

What is adequate compensation?

The usual formulation is that workers should receive wages which are adequate to meet their needs and provide an additional discretionary income (SA8000, Fyffes, Chiquita, ETI, ICFTU). Most standards say that incomes should meet the national minima and be at least as high as the national average for the sector (SA8000, Chiquita, ETI, ICFTU, BBP, UKBG, Fyffes). FLO says they should preferably be higher.

SA8000 provides specific guidelines for how to assess what is a 'living wage'. It requires a formula to be used, based on the cost of a weekly shopping bag, the average number of people in a household etc.

IFOAM does not comment about wage levels.

Where the standards diverge most significantly is in two areas – management systems and the scope or intention of the standards (see next page). SA8000 lays out management procedures which are intended to ensure that workers are aware of the code, that it is implemented and verified. Some standards are much weaker in this area (see box on next page).

While there is considerable convergence, committed negotiators may argue, with some justification, that actual wordings of standards make a real difference and that more work needs to be done on individual texts if there is to be harmonisation between the different standards. At this stage, however, it would seem that a much more crucial question is whether or not they are enforced and this is discussed on pages 15-19.

Divergence of Standards

The most striking divergence of the codes lies in their scope and intention.

The ICFTU Basic Code, SA8000 and the ETI Base Code are trans-sectoral standards, which cover all sectors and all sizes of enterprise. Their scope is confined exclusively to social standards. Chiquita's code is obviously applicable only to its own enterprises and suppliers but is also restricted to social issues.

In contrast, all the other standards include an environmental dimension, and in fact this dimension is usually more detailed than the social one. Clearly, the issues of rainforest destruction, pollution and poisoning of banana workers (and of communities living near plantations) have been particularly important in the banana sector and the avoidance of pollution is an issue which is not only environmental but also social.

Accordingly, organisations which deal primarily with the banana sector include both areas in a single standard (Fyffes, BBP, UKBG).

FLO and IFOAM also include both areas in their standards but some further comment needs to be made about the scope and orientation of their standards.

In the case of IFOAM the primary focus of its work has always been environmental. As we have seen, the social dimensions of its Basic Standards are brief and lack detail. Nevertheless, it should be mentioned that more detailed "Standards and Guidelines for Social Justice and Fair Trade" were decided at IFOAM's General Assembly in 1996. It was agreed that these should be incorporated "as standards 1998". However it appears that they were cut down and simplified again after the 1996 GA, even though they have not changed in their general tenor.

In the case of FLO banana criteria, not only is there a strong environmental dimension, specific to the industry but there are also important differences in the approach to management and verification. These differences hinge on the essentially collaborative

relationship between FLO and the organisations it certifies. FLO's focus is on the disadvantaged and its aim is to improve their lot and their opportunities for survival. This means that they are much more implicated in collaboration with producers, more involved in their communities and committed to the development of participatory democracy, while other standards are oriented more towards the avoidance of specific abuses.

Major differences in management systems

SA8000 requires a senior management representative to ensure that the standard's requirements are met. The company should also allow non-management personnel to represent them. The company should make both employees and suppliers aware of the standard. Chiquita follows SA8000 to the letter in this respect.

IFOAM, Fyffes, BBP, ETI, UKBG and ICFTU do not comment on the management systems which should be associated with the social dimension of the standards.

FLO includes in its criteria "process requirements". These, among other things, aim to increase worker participation in the management of a company over time (see p6).

The differences in style and orientation of the organisations and their respective standards are reproduced in the table below:

	Social only	Social and environmental	Env. with some social
Universal Trans-sectoral	SA8000 ICFTU ETI		IFOAM
Standards For Banana sector	Chiquita	FLO UKBG BBP	Fyffes

Is Verification Effective?

We have seen that there is considerable overlap between different social standards, but that there are important differences in scope, orientation and in particular management, associated with them.

It was suggested on page 13, that more crucial than the difference between the wording and formulation of the standards themselves (given that they do have so much in common) were the issues of whether they are actually applied and how this is monitored.

SA8000

SA8000 lays down detailed guidelines for how the standard should be verified, although verification is required only when certification is sought. Where verification is undertaken, verifiers are expected to follow certain procedures. For example, they are required to interview a certain number of workers in private and to interview a very limited number away from the place of work. They are also, in arriving at their assessment of the adequacy of pay, expected to find out such things as how much a family would need to spend on food each week and how many family members there are in a typical household. They are given guidance on where to go to find this kind of information. They are also instructed to consult with local NGOs and trade unions.

There are three types of organisations, which might be accredited to undertake verification. They could be auditing companies or professional verification businesses; they could be NGOs; or they could be trade unions. Although SA8000 does set out clear guidelines and although there is a strong emphasis on objective and professional approaches, there are still doubts as to how effective verification is.

For example, the Asia Monitor Resource Center (AMRC) and the Hong Kong Christian Industrial Committee (HKCIC) participated in verifier training workshops in Shenzhen (China) and Hong Kong in 1998 and 1999. They were shocked by what they considered to be a very low standard of training and an absence of knowledge, on the part of both trainees and

teachers of the human rights issues involved. A brief summary of some of their criticisms is contained in the box below.

“The Farce of SA8000 Training Courses”

The Shenzhen and Hong Kong courses were organized by the CEPAA, the predecessor of today's SAI.

AMRC and HKCIC report that the instructor on the courses they attended was a former manager in a large US company who had no experience of human rights issues, and who didn't even know what NGOs were. He had never visited any labour intensive factories except for two in Central America as part of his induction to his new job. He had never visited Asia before and knew little about it.

The people who attended the course in Shenzhen mostly came from existing auditing firms (such as BVQI and DNV) and most of them were already professional auditors of ISO technical standards, with backgrounds in engineering, chemistry and accounting. Again they had little knowledge of issues relating to human rights and labour rights.

The viewpoint of the teacher was that no company would willingly violate human rights and that if such violations occurred these would, most likely, be mistakes. He stressed to the trainees that what was most important was the company's "intent", rather than what was actually happening.

Some of the opinions expressed by participants were equally worrying. For example, one student, when asked what questions he would pose to management, when confronted by a worker being slapped, replied that he would ask if the worker was too lazy! Another said: "This is a management system...if we follow the words of the standard, who's going to get certified? Nobody."

Of the 175 students who had been trained so far, only one had failed, and he had failed for linguistic difficulties.

From: "No Illusions. Against the Global Cosmetic SA8000". June 1999

Examination of the SA8000 document and particularly its associated Guidance document gives an excellent impression of reliability and professional integrity. The Chinese and Hong Kong experiences (and they are not unique) must raise doubts however about the ability of SAI to ensure that its operations are credible. Particularly disturbing in the case cited above, was the fact that many of the course participants already worked at auditing on technical standards and there was an implicit assumption that if you could audit one thing for BVQI or DNV you could audit another. There seemed to be little evidence in this case, that auditors with technically oriented mindsets and an overall confidence in the good intentions of companies could be adequately prepared for work on social issues by attending a brief three-day course, which was all that was required for them to qualify as social auditors.

SAI, conscious of the importance of transparency allows NGOs, unions and concerned individuals to challenge the certification of companies and even the competence of accreditation agencies themselves. Two factories, which were certified, had their SA8000 certification suspended in October 2000, as a result of the NGO critique described in the box on p15.

Nevertheless suspicions remain that the whole SA8000 project may be flawed. AMRC, HKCIC, LARIC (Labour Rights in China) and HKCTU (Hong Kong Confederation of Trade Unions), commenting in June 1999, pointed to the make up of CEPAA's Advisory Board, to justify their distrust of the whole enterprise. At this time there was only one union representative on the board and few NGO representatives. The Advisory Board was dominated by companies and many of these had poor records as regards labour rights. The NGOs dismissed SA8000 as a "Façade of Public Monitoring". Since that time the make up of the (SAI) Advisory Board has changed and today includes a more balanced mix of companies, NGOs and unions.

In the banana sector it is arguable that compliance with social standards alone is inadequate, given the industry's history of agrochemical use and abuse in Latin America. One strategy to cope with the need to have

additional environmental standards in this sector, is to complement SA8000 with another standard such as ISO14001. This strategy is being pursued by Dole.

Dole and Coop Italia get SA8000 certification

Dole already has ISO14001 certification. In June 2000 Dole Food Company received an award from Social Accountability International for having, as one of its wholly owned subsidiaries, the first agricultural facility to be certified for compliance with SA8000. The facility in question is a farm, processing and packing site, located in Murcia, Spain. Dole has also recently received SA8000 certification for parts of its banana and pineapple operations in the Philippines. There is a Dole representative on SAI's Advisory Board.

Co-op Italia, Italy's largest retail chain, has also recently been certified. After workers' rights violations had been reported in five Del Monte plantations in Costa Rica, consumers put Co-op Italia under pressure to insist on the five plantations submitting to SA8000 inspections by BVQI (Bureau Veritas Quality International).

FLO

Like SA8000, the FLO banana criteria have detailed guidelines as to how its requirements should be verified.

Its requirements fall into two categories: "minimum requirements", which producers must meet within a limited time frame and "process requirements". Process requirements are ones in "which producers must show continual improvement. The pace of progress depends on the earning of Fairtrade premium, and will be agreed between FLO-BR and the producer through yearly work plans."

There are different requirements for producer organisations which are "structurally dependent on hired labour" and "collective organisations". In the latter case, for example, the emphasis is on transparent administrative structures, ensuring that individuals can have a say

through, for example, General Assemblies. The principle means of verification are examination of documents and testimonies of randomly selected members.

For both kinds of organisation these are the main means of verification, but verifiers are also required to obtain written testimonies from local unions and federations and from NGOs regarding certain of the social criteria, notably freedom of association, collective bargaining and non-discrimination. For organisations dependent on hired labour the IUF also has to provide an “affirmation” (that management recognises union rights). On the question of “discrimination”, statements from “relevant civil organisations” are required.

Overall the level of detail and evidence required by FLO appears to be at least as great as that required by SA8000, but how does it compare in practice?

This is not easy to answer. We have already seen that SA8000 looks pretty good on paper, but that it does not seem to look so good in practice. However SA8000 has a very different relationship with producer organisations to that which FLO has established. FLO is not assessing companies from a distance. Rather it is helping disadvantaged producers to survive and to develop their organisations and production systems, by giving them access to a fairtrade minimum price and premium and by offering them various kinds of practical support. SA8000 may be used to assess a company, which has been a known and long-term offender against any kind of acceptable social standards. In this case, its job would be to assess whether the company is now behaving well. To do this job credibly, it needs to be very clear on measurable criteria and be able to verify these reliably.

FLO is unlikely to be asked to perform this kind of role. Its job is to help producers to develop in ways, which are consistent with the beliefs and values of the Fairtrade movement. To do this it needs to act as a kind of conduit between consumers who are prepared to pay the premium and producers who want to use this premium to enhance their work lives and communities. FLO is therefore very much a part

of the equation, an actor in a network, and not a neutral outsider.

FLO can avoid accusations of being partisan precisely because it doesn't pretend to be anything else. It has a clear agenda, which it wants to pursue. As long as consumers and producers perceive it to be operating as an “honest broker” it can, to some extent, avoid some of the pitfalls faced by SA8000.

IFOAM

As already noted, IFOAM's main focus is on environmental matters although it acknowledges the importance of social issues and embraces brief social requirements in its standards.

The details of standards in different countries depend however on local organisations and verification is also the responsibility of local certification bodies.

The considerable technical detail, which must be checked by certifiers, means that audits are more likely to be done by people with technical or farming backgrounds, than by people who are sensitive to social conditions. While IFOAM includes social standards, there is a clear danger that these will not be enforced with any great care. We have already seen, when looking at SA8000, that the belief that technical experts can be rapidly and easily trained to do social audits may be over-optimistic.

Better Banana Project

The BBP is in an unusual position regarding verification, because of its unique history. The Rainforest Alliance attempted to get stakeholders involved in dialogue about environmental standards, in a bid to alleviate some of the worst impacts of the banana industry in Latin America. However, after a short initial period only two other organisations remained involved with this dialogue, a local NGO (Fundacion Ambio) and Chiquita. Standards were agreed and were monitored in Costa Rica. Later Chiquita wanted to extend the work to other countries but Fundacion Ambio was unhappy with the development for various reasons. This left Chiquita and the Rainforest

Alliance on their own in a relationship which looked too intimate to outsiders, particularly to local trade unions.

The Rainforest Alliance encouraged the development of the Conservation Action Network (CAN), which comprised a number of NGOs in several countries. These NGOs were to be involved in auditing but the BBP criteria, which Chiquita and the Alliance had developed together, was left in the control of the Alliance which formed the Secretariat to CAN. Meeting the BBP criteria allowed producers (in fact Chiquita) to use the Eco-OK label (which had to be dropped when selling in the EU, where legally the prefix “eco” implies organic certification).

Because of the extreme inadequacies of labour conditions in the region and partly due to consumer pressure from Europe, the Alliance was rather reluctantly forced to move beyond its original area of expertise (environmental) and to include social criteria in the BBP criteria. The standards set were as high as many of the other social standards and in some areas (community involvement and housing) significantly higher than some of them.

Although in recent years companies other than Chiquita have been certified by CAN (notably Reybancorp in Ecuador), BBP has come to be perceived almost as Chiquita’s company initiative and the independence of the Alliance (and freedom to act) have been questioned. As the Cincinnati Enquirer put it on May 3, 1998, “while the Rainforest Alliance has continued to try and present the program as open to everyone, Chiquita’s participation overshadows all others”.

Each of Chiquita’s fincas has a coordinator for Eco-Ok as part of the quality control department. External Eco-Ok monitors do audits yearly, mostly based on the internal documentation, although they also make some random visits.

A close observer of this process implies that the collaborative nature of the partnership makes it difficult for the “external monitors” to question internal records or to involve NGOs, local communities or other stakeholders in assessing

the truth or otherwise of these records. In many ways the result appears to be not very different from the operation of a Company Code, in spite of the intentions to keep a separation between the company and the NGO.

There are doubts whether in such a situation the independent monitoring and verification systems are sufficiently robust. In 1998 there were reports of aerial spraying of workers, and the use of banned chemicals. More recently there have been reports of violations of the criteria on labour relations. However, there does not seem to be any suggestion that fincas will lose their certification as a result of these transgressions.

Company Codes

Clearly this kind of apparent failure to enforce standards is something which is also likely to occur with company codes, and which forms one of the major objections to them. Company codes are produced by the companies themselves, often without consultation with unions or other stakeholders. The criteria for and method of verification are also set by the company. Where practice fails to correspond to the code, it is up to the company what if anything it proposes to do to rectify the situation. The results of the monitoring process are seldom published and if results are published, there is no way that anyone can know if the results were accurate or whether the published results tell the whole story or only a part of it. Company codes can gain a greater credibility when they are externally monitored (often known as third party verification). The external monitors could be a trade union, an NGO, a combination of the two, or a professional auditing service. In the banana sector, the nearest example of such ‘third party verification’ of a company code is the BBP, which though independent in intent, has ended up looking much like a company code with an external NGO monitoring it. As we have seen this route does not lead to a very high level of credibility. Use of professional auditing services cannot necessarily be relied on either, as we have seen in the case of SA8000 verification. Working in other sectors, PriceWaterhouse has, for example, been heavily criticised for its “shoddy job” in monitoring factories (New York

Times, Sept 28, 2000) and has been accused of overlooking “many safety and wage violations”.

Chiquita’s violations of its own Code... and the BBP criteria...and ISO14001?

The following are short extracts from a report by Don Pollard, Banana Link, following his visits to the SITAGAH banana workers union in Costa Rica and to Chiquita’s Finca Gacelas on Feb 28th, 2001.

“We spoke to Ramon Barrantes, the General Secretary of SITAGAH and three other members of his union (two of them women) at his union office in Puerto Viejo...

“Ramon Barrantes said that there had been no wage rise on the Chiquita finca for the past seven years except for the rises in the National Minimum Rate. There are no fixed rates for the different tasks on the fincas, only a daily rate or piece work rate. This contributed to lower wages for workers. The National Minimum Wage agreed last June was ignored by Chiquita, despite it being the law. They did pay it in the first two weeks of January 2001, but then withdrew it for all its unionised members...

“When the union accused Chiquita of breaking Costa Rican law by not paying all workers the NMW the company threatened to break off all talks.”

[NOTE: Both the Chiquita Code of Conduct and the BBP Criteria require the National Minimum Wage to be respected.]

“None of the workers had heard of the Rainforest Alliance or the Better Banana Project and no worker had met or been consulted by anyone from these projects (despite the plantations being certified).”

“The union members were particularly angry about the company’s introduction of ISO 14001 standards on the fincas. They had refused to sign the ISO forms because they were not being trained on the issues stated on the form. Some workers had been sacked for their refusal to sign the forms.”

ETI

It is clear that the issue of verification remains both crucial and contentious. The ETI has chosen to concentrate on the issue as a focus for its current work. This involves investigating and assessing the relative effectiveness of two types of approaches to verifying adherence to its Base Code.

One is third party verification by a professional auditing company (BVQI). The other involves a multi-stakeholder approach (involving unions and NGOs). The pilot study in the banana sector is to be carried out in Costa Rica.

It remains to be seen what the outcome of the pilot will be. As a senior member of the ETI is on the Advisory Board of SAI, the outcome may well have an impact on the future verification methodologies used for the SA8000 standard.

The Ambivalence of the Unions

Although the ICFTU has drawn up its Basic Code partly with the intention of providing guidelines for unions (see p 12), which decide to participate in negotiating Codes of Conduct, the attitude of the union movement towards Company Codes remains ambivalent. It is less ambivalent about SA8000 as this sets out to be universal and independently verifiable.

The main concern expressed by unions about Company Codes is that they could become a replacement for collective bargaining and for rights of association. Central to the ICFTU's position is, then, the insistence that these rights must be included in any code which is adopted by companies. It also emphasises that ILO Conventions should be the basis of any codes.

In the case of the banana sector, all the standards, including the company codes of conduct, incorporate labour rights and most refer to the relevant ILO Conventions.

As the ICFTU itself points out, the adoption of codes by a company can provide a useful tool for unions, in their defence of workers' rights, particularly where the right to unionise is challenged by management.

Nevertheless, many unions, particularly local unions, remain concerned that Company Codes are being adopted merely as public relations exercises. The case is put forcefully in an article in a Latin American union magazine (see box).

Once more the key questions are whether the codes are implemented and whether they are verified. Chiquita, for example, is currently, at least in theory, constrained in its activities by both the requirement of its fincas to adhere to BBP criteria and by its own company Code of Conduct. Both of these recognise the usual rights. In spite of this, local unions complain that conditions remain poor, working hours excessive and that in some areas there is discrimination against union members. In some other banana companies there have been attempts to de-unionise the workforce (see Box).

Suspicion and Confusion around Codes of Conduct, COLSIBA Bulletin, No 15 June 2000

"These codes bring with them a series of consequences which appear to be largely negative. They generate confusion among the workers, are incomplete in their demands and run the risk of being seen as an alternative to international conventions and collective agreements on workers rights.

"In spite of the fact that they could be used to fight for workers rights (as occurs in some US universities) they vary from business to business and from country to country. Many are produced by members of companies in developed countries to apply to under-developed countries, leading to a situation where the standards established are unrealistic in particular contexts.

"What is more, critics of the codes think that they can lead to a waste of time and energy for unions which get involved with monitoring them. Several questions hang in the air:

"Who will monitor the standards?"

"What links will those who monitor them have with the Companies?"

"What access will there be to the information generated by monitoring?"

Finally, "will the monitors be trustworthy?"

"I tell you, this is the truth" - from a report by Don Pollard, Banana Link, March 2001

"In front of a worker's hut a group of 18 workers gathered to tell the union official of their situation. They and all the other workers on this banana plantation, Finca Agropecuaria de Matina, owned by Rodolfo Gutierrez Carranza, currently the Costa Rican Ambassador to the United Kingdom, had just been sacked without any notice. However, unlike their fellow workers, they had not been reinstated on the reduced rates of pay and worse conditions. They were not offered that opportunity and had been issued with eviction notices. The reasons for this discrimination was that they were all members of SITRAP, the local banana plantation workers' union.

In a very simple, direct and determined manner, these workers' spokesman told their story. He started by saying, "I tell you, this is the truth." He said that the union members on this finca had had 4 years of persecution. They were given the heaviest work, received the least wages and their health was not respected. When the sackings were announced the farm manager, Walter Smith Madrigal, threatened these union workers that they would never be able to get another job on any banana plantation and he hoped they would die of hunger..."

Given that the issues of implementation and verification are so crucial, some union leaders believe that they should play a role in verification. Advocates of this point of view suggest that it is only local unions, who represent the workers directly, and who are in a position to verify accurately what is happening on the ground.

The ICFTU on the other hand in "The new codes of conduct – Some questions and answers for trade unions" advises against involvement in verification. Whoever carries out "independent monitoring" "the companies, through their agreements with enterprises or NGOs control the monitoring process".

What is more, if verification is to be credible, then it needs, the ICFTU argues, to be carried out by suitably qualified people. At present, there is no established profession to provide such expertise. Unions, who undertake this role, could be undertaking work for which they do not have the capacity. They then appear to be complicit in supporting company codes whose verification procedures may be flawed.

Solidarismo

Solidarismo was born in Costa Rica half a century ago out of the idea that the employer and employees share the same goal, namely the success of the company. But it was not until the early 1980s that the idea was given broad practical expression. Following over a decade of confrontational relations between a nearly 100% unionised workforce and the banana companies, the industry seized on the idea and started to fund the creation of Solidarista associations in every plantation.

"The aim of the companies [...] was very practical: they wanted to dismantle the collective bargaining agreements that they had signed against their will with the unions following strikes, to replace them with direct workers' contracts, which would be designed by the companies themselves." (Juan Jose Flores, former official of the Solidarismo movement quoted in "El Solidarismo desde Adentro", ASEPROLA, 1989)

A 1993 law forbids solidarista associations from impeding unions.

In the banana sector, unions have particular concerns over the way that Solidarista organisations are supported or encouraged by banana companies. Two of the company codes (Fyffes' and Chiquita's) make explicit or implicit references to these organisations. However, companies may voluntarily allow unions to

operate in their premises under the terms of their codes, if they simultaneously promote affiliation of members to solidarista organisations by offering inducements, they may marginalize unions.

As a US/LEAP (Labour Education in the Americas) Memo points out: "A workers rights agreement signed between a company and a representative body of its workers is fundamentally different than a code of conduct [...] a code of conduct is more of a *de facto* agreement with Northern consumers, whilst a workers rights agreement would be an agreement with a company's workers". The ICFTU recommend the negotiation of framework agreements in preference to individually adopted Company Codes.

Two Framework Agreements: Del Monte's bad example, but now Chiquita....

Following a six-month consumer campaign in the UK, a 'macro' framework agreement was signed in December 1997 between **Del Monte Fresh Produce's Costa Rican subsidiary, BANDECO and independent Costa Rican union, SITRAP, giving workers the right to join a union without fear of persecution.** However, the key terms of this agreement were violated by the company within a year of signing it. Del Monte used the solidarista associations - and large amounts of its own money - to conduct psychological warfare against the thousand or so workers across its 24 plantations who had chosen to join SITRAP during 1998. In September 1999, the company then sacked all its 4500 workers plantation by plantation overnight, then offering them their jobs back the next morning if they took a 30-50% wage cut and loss of benefits. This allowed the company to get rid of most of the SITRAP members under the pretext of cutbacks due to the deep economic crisis in the industry. The agreement is now effectively dead in the water.

With Chiquita, an international campaign in 1998-99 succeeded in bringing the company to the negotiating table with regional union body, COLSIBA. After two initial meetings in the wake of the devastation of the company's plantations in Honduras by Hurricane Mitch, the unions proposed an International Workers' Rights Agreement to the company. But initially this was rejected by the company. However, in the face of a near-terminal financial crisis Chiquita decided to go back to the negotiating table in early 2001 and on June 14th signed an "Agreement between IUF, COLSIBA and Chiquita on Trade Union Freedom, Minimum Labour Standards and Employment in its Latin American Banana Operations" in the presence of the Director-General of the ILO in Geneva. The first evaluation with the unions of the implementation of the Agreement was held in Panama City in late August.

Sources: SITRAP. Siquirres, Costa Rica; COLSIBA, Honduras; IUF, Geneva; US/LEAP, Chicago, USA; Banana Link, England

3. Four Questions for the September Conference

One thing that stands out in the foregoing analysis is how modest most Voluntary Social Standards are in the banana sector. As has been demonstrated above, they are based on ILO Conventions, many of which have been accepted in principle for nearly half a century. It is also noteworthy that many of the "fundamental principles and rights at work" (to borrow from the title of the ILO's 1998 Declaration), which are incorporated in the Standards, refer to issues (like child labour and slavery) which were contentious in the eighteenth and nineteenth centuries. They were also resolved in early industrialising countries by national legislation (in the UK for example) in those centuries but have reappeared as contentious issues in the late twentieth and early twenty-first centuries, as economies have become globalised. In the last few years, banana-producing companies have accepted the importance of these minimal standards and have incorporated them into their own codes of conduct or other instruments. Nevertheless, it appears that even the very weak standards which have been adopted are still not being properly implemented or verified.

For consumers in rich Northern countries and the NGOs which reflect their interests, this is likely to be a cause for concern and companies which pay lip service to the need to improve standards, while continuing to violate them, may find themselves vulnerable to renewed consumer campaigns. Arguably the banana sector is particularly exposed in this respect as the marketing strategies of many companies like to focus on health, well-being and "fun", none of which necessarily sit very well with the realities of everyday production on their plantations. Furthermore, it should also perhaps not be forgotten that there is a growing trend in civil society away from negotiation (which many people, particularly young people, increasingly perceive as having been ineffectual) and towards more direct actions, whether these take the form of public events or the targeting of individual directors and shareholders. If those who advocate negotiation are unable to demonstrate any real progress, they may find it

difficult to argue against those who advocate less benign tactics in future.

For trade unions, there is still a preparedness to co-operate in the pursuit of voluntary approaches to raising social standards, but for many of their members and representatives, patience is wearing thin. Since the idea of voluntary social standards first emerged, there has been a strong element of cynicism within the union movement about the intentions of the companies which adopt them. For the cynics, the key question is: "Are the companies serious, or are they merely engaging in a public relations exercise?" The apparent failure of the industry to adequately implement and verify its own standards does nothing to strengthen the position of trade unionists who are looking for co-operative rather than conflictual relations with employers.

The high degree of congruence between the different standards reviewed in this paper suggests that there is little need at present for further discussions as to the nature or level of the various standards. Rather, the more urgent need is to find ways to ensure that the standards, which have already been adopted, are implemented rigorously and properly verified. Beyond this, there is the question of to what extent inter-governmental institutions and governments should play a more active role. To this end, the workshops in the afternoon of the 28th September 2001, at the conference, will focus on four key questions, as follows:

- **How to use supply chain relationships responsibly in order to guarantee improved labour standards? How can trade unions, NGOs and industry work better together on this?**
- **How to ensure the participation of plantation workers in the processes of implementation?**
- **What does 'independent' monitoring and verification mean in practice?**
- **What role, if any, should governments and inter-governmental institutions play in these private sector and civil society initiatives?**

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About the Organisers

Banana Link is a not-for-profit organisation that works on the social, environmental and economic issues associated with the international banana trade. Our aim is to help create a sustainable banana economy worldwide. In pursuit of this aim we work closely with independent plantation workers' unions in Latin America, Africa and Asia and with small-scale banana farmers' organisations in the Caribbean and Latin America.

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