Union rights and collective bargaining in a casualized world

ILO ACTRAV Symposium on Precarious Work, Geneva, October 4-7, 2011
# Managing Temporary Staff and other Non-Regular Employees of Nestlé Best Practice

Instructions on how to use the Routemap: The Temporary Staff Best Practice Routemap is composed of four steps which can be used to provide you with guidance in successfully implementing Temporary staff into your market.

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What are the Governing Policies and Principles on “Temporary and Non-Regular Employees”? 

- Corporate Business Principles
- The Human Resources Policy
- M. Garrett and W. Bauer Notes on Temporary Staff

As influenced by:

- International Labor Organization
- OECD
- Local Laws
- Jurisprudence
Corporate Business Principles

Human Resources and the Workplace

Nestlé fully supports the United Nations Global Compact’s four guiding principles on labour: Nestlé therefore upholds:

- **Freedom of association and the effective recognition of the right to Collective bargaining** (Principle No. 3)
- The **elimination** of all forms of forced and compulsory labour (Principle 4)
- The effective **abolition** of child labor (Principle 5)
- The **elimination of discrimination** in respect of employment occupation (Principle 6)
- Also respects the local laws and the regulations applicable to human resources in each markets

The Company’s business practices are designed to: Offer **competitive salaries** and **benefits**.

- **Working hours, wages and overtime pay** comply with applicable local laws and are competitive with those offered by similar companies.
- **Limit overtime** to reasonable level.
- Create a **safe and healthy working environment** for each employee.
- **Respect right of employees to form representative organizations and to join or not to join** – trade unions.
- Treat every employee with dignity and **not tolerate** any form of mobbing harassment or abuse.
- Forbid the use of **forced labour** or involuntary prison labor.
Dealing with People

- A prerequisite for dealing with people is respect and trust.
- There can be no room for intolerance, harassment or discrimination of any kind.
- In case of discord between an employee and her/his superior or another employee, the possibility must be offered for a fair hearing.

Industrial Relations

- Nestle upholds freedom of association of its employees and the effective recognition of the right collective bargaining.

- Industrial relations are clear responsibility of local management and will be handled at the appropriate level first at site level (factories warehouse) subsequently at regional and national level, according to local law and practices.

- In accordance with local legislation, Nestle will refrain from any action restricting the employees’ right to be or not to be affiliated with a union.
Security of Tenure (Termination of Employment Convention 1982)

• employee’s right for job protection
• employee cannot be terminated without just or authorized cause and due process

Wage (Minimum Wage Convention 1970)

• earnings in money fixed by Law for work or service performed

Wage Protection (Protection of Wage Convention 1949)

• minimum wage (determined by local law or legislation)
• paid regularly
• paid directly to workers
• freedom to dispose
• Protected from attachment
• No deduction except if allowed by law
• To be fully settled upon termination
ILO Conventions and Recommendations 2/4

Other Social Benefits

**Working time (Hours of Work Convention 1931)**
- time where the employee is at the disposal of employer
- should not exceed 48 hours/week and 8 hours/day

**Rest Period (Weekly Rest Convention, 1921)**
- 24 consecutive hours for six consecutive days of work

**Overtime time Pay (Hours of Work Convention 1931)**
- Premium pay for work rendered in excess of 8 hours

**Night Work Pay (Night work Convention 1990)**
- Premium pay for work performed from midnight until morning (as defined under local laws)

**Holiday Pay (Holiday with Pay Convention 1936)**
- 6 days leave with pay for at least 1 year service
- For holiday pay - requirement is at least one year of service
ILO Conventions and Recommendations 3/4

Workmen’s Compensation (Workmen’s Compensation Convention 1934)

Medical Care
• medical care, curative or preventive in nature to maintain, restore, improve employee’s health

Employment Injury benefit
• covers temporary incapacity for work resulting to loss of income

Occupational Decease
• covers any disease contracted due to exposure to risk factors in work

Invalidity
• covers incapacity to engage in gainful employment which can be total or partial

Unemployment Benefit
• covers loss of earnings due to inability to obtain suitable employment

Old Age
• covers survival beyond prescribed age of 65 or as prescribed by Local Laws

Survivor Benefit
• covers loss of support suffered by widow or child due to death or employee

Note: Standards on conditions and coverage shall follow Local laws
Right to Organize and to Collective Negotiation (Right to Organize and Collective Bargaining Convention 1981)

Collective Bargaining
• Negotiation between employer and employee on working condition terms of employment relationship among employer, employee organization

• Measures to be adopted to promote collective bargaining

Equality of Opportunity and treatment (Employment and Occupation Convention 1958)

Discrimination
• distinction, base on race, colour, sex, religion, political opinion, nationality or social origin,

• Impairs equal opportunity or treatment in employment;
What are the different Types of Employee Arrangements?

Types of Employees

- **REGULAR**
  - Full Time
  - Part Time

- **TEMPORARY**
  - Direct Hire
  - Third Party Agency

- **OUTSOURCED**
  - In-Premise
  - Out-Premise
Who Controls?
Under exclusive and direct control and supervision of Nestle both to manner, methods and results including hiring, discipline and termination.

Registration Requirements?
Registered under Nestle's official employment documents i.e. payroll register, withholding tax, social security, medical, workmen's compensation, etc.

What task is performed and for how long?
Performs tasks on an indefinite basis within the legal registration of Nestle.

Can the worker join the union?
Qualified to join or form unions and negotiate collective bargaining contracts directly with Nestle as part of the bargaining unit.

Can the worker participate in Retirement?
Qualified to participate to Nestle's Retirement / Provident Plans if existing.
## Characteristics of the Types of Employee’s Arrangements (2/5)

### Temporary - Direct Hire

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<th>Types of Employees</th>
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<th>Temporary</th>
<th>Outsourced</th>
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<tr>
<td>Who hires?</td>
<td></td>
<td>Directly hired by Nestlé to perform a task which is temporary or urgent in nature, or a specific project for a <strong>definite period pre-determined at the start of engagement</strong>.</td>
<td></td>
</tr>
<tr>
<td>Who Controls?</td>
<td></td>
<td>Under <strong>direct control and supervision</strong> of Nestlé both to manner, methods and results including hiring, discipline and termination.</td>
<td></td>
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<tr>
<td>Registration Requirements?</td>
<td>Registered under Nestlé’s official employment documents i.e. payroll register, withholding tax, social security, medical, workmen’s compensation, only for the duration of the engagement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What task is performed and for how long?</td>
<td>Performs tasks on a <strong>defined period</strong> within the legal registration of Nestlé.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can the worker join the union?</td>
<td><strong>Qualified to form / join</strong> union or associations, <strong>but not as member or part of</strong> Nestlé’s bargaining unit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can the worker participate in Retirement?</td>
<td>Generally does not qualify to participate in Nestlé’s Retirement/Provident Plans, except for some markets where temporary employee may participate in the retirement plan.</td>
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### Characteristics of the Types of Employee’s Arrangements (3/5)

#### Temporary - Third Party Agency

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#### Who hires?
- Directly hired by a legitimate third party agency

#### Who Controls?
- Assigned to under exclusive and direct control and supervision by Nestle both to manner, methods and results but not hiring, discipline and termination.

#### Registration Requirements?
- Registered under the Agency’s official employment documents i.e. payroll register, withholding tax, social security, medical, workmen’s compensation, etc.

#### What task is performed and for how long?
- Performs tasks for a defined period within the legal registration of Nestle.

#### Can the worker join the union?
- Qualified to join or form unions and negotiate collective bargaining contracts directly with the Agency’s as part of the Agency’s bargaining unit.

#### Can the worker participate in Retirement?
- Qualified to participate to Agency’s Retirement/Provident Plans if existing.
Outsourced: In-Premise

**Who hires?**
Directly *hired by* the legitimate In-premise Contractor

**Who Controls?**
Under *exclusive and direct* supervision of the In-premise Contractor both to manner and method *including hiring, discipline and termination*. Contractor is answerable to *on the Result* based on specific standard, quality, cost, process, etc.

**Registration Requirements?**
Registered under the In-premise Contractor’s official employment documents i.e. payroll register, withholding tax, social security, medical, workmen’s compensation, etc.

**What task is performed and for how long?**
Performs tasks on an *indefinite basis* within the *legal registration of the In-premise Contractor*

**Can the worker join the union?**
Qualified to join or form union and negotiate collective bargaining contract *directly with the In-premise Contractor* as part of the Contractor’s bargaining unit.

**Can the worker participate in Retirement?**
Qualified to participate to the *In-premise Contractor’s* Retirement/Provident Plans if existing.
### Characteristics of the Types of Employee’s Arrangements (5/5)

#### Outsourced: Out-Premise

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<th>Can the worker join the union?</th>
<th>Can the worker participate in Retirement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>Directly hired by the legitimate Out-Premise Contractor</td>
<td>Under exclusive and direct supervision of the Out-premise Contractor both to manner, methods including hiring, discipline and termination. Out-premise Contractor operates based on Pre-Agreement with specific standard on quality, cost, process, raw materials / packaging materials criteria, etc.</td>
<td>Registered under the Out-premise Contractor’s official employment documents i.e. payroll register, withholding tax, social security, medical, workmen’s compensation, etc.</td>
<td>Performs tasks on an indefinite basis within the legal registration of the Out-premise Contractor</td>
<td>Qualified to join or form unions and negotiate collective bargaining contracts directly with the Out-premise Contractor as part of the Co-Manufacturer/Co-Packer/Distributor’s bargaining unit.</td>
<td>Qualified to participate to Out-premise Contractor’s Retirement/Provident Plans.</td>
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The Vanishing Worker and the ILO

• Company claims to be in full compliance with Conventions of the ILO
• Do ILO Conventions guarantee the right of non-permanent workers at the company to join a union of permanent workers together with other workers in the company system and collectively bargain with the company? At plant, national, global level?
• Does national legislation guarantee these rights?
Unilever Pakistan - the Vanishing Unilever Worker

• “The company employs directly and indirectly more than 8,000 people in 5 factories and offices throughout the country” - **total 371 direct employees!**
• Walls Ice Cream Lahore - 89 permanent employees, 750 casuals
• Lipton Tea, Karachi - 122 permanent, 450 casuals - until August 31, 2008 when the plant was closed and production transferred to a co-packer using agency labour exclusively
• Khanewal Tea Factory - 22 permanent workers and 729 casual employees from labour hire agencies
Unilever 2009 - international campaign in support of Lipton workers
Casual-T Action: International Solidarity
Casual-T Campaign Outcome

20010 Settlement at Khanewal

- ten-fold increase in permanent jobs
- union membership guaranteed to those who want it
- compensation to contract workers
- Unilever agreed to mediation, recognition of IUF, establishment of an international disputes-resolution mechanism
Vicious Anti-Union Offensive at Colombian Tuna Processor Seatech

28-09-2010

Seatech International is a Colombian tuna processor committed "to give society a healthy environment together with sustainable development." At the company's giant Cartagena plant, 1,500 workers produce Van Camp's branded products for export throughout Latin America. Yet only 13 of these workers are employed on permanent contracts. The rest are outsourced, disposable, casual workers.

Many workers at the plant have been employed for decades on these "temporary" contracts. According to company human resources director Jaime Davila Pestana, it is "not possible" to have direct employees.

On August 7, over one hundred Seatech workers formed a union, the Trade Union of Food Industry Workers (USTRIAL). Notified of the union's formation two days later, management immediately began dismissing members, including most of the union officers. The layoffs continued until August 12, when the plant was closed until August 23 "for maintenance". The number of dismissed then climbed to 87. According to Luis Pedraza, who heads the IUF-affiliated UNAC, USTRIAL President Fredis Marrugo - one of the 13 permanent employees - is a prisoner at work, constantly surrounded by security officials who prevent him from talking to fellow workers. Police have cordoned off the plant and denied the dismissed workers all access, even to the road.
Vitasoy, a Hong Kong-based transnational company with manufacturing operations in Hong Kong, Shenzen, Shangahi, Singapore, Ayer (Massachusetts, USA) and Wodonga (Victoria, Australia), promotes its premium soy-based food and beverage brands under the slogan "where healthy life begins" - yet the company appears to be far less concerned about the health of its workers in Hong Kong. The Hong Kong Vitasoy Employees Union escalated its campaign for union recognition and collective bargaining rights this week after management refused for 11 months to respond to repeated requests by the union to hold union-management meetings and engage in wage bargaining.  
www.iuf.org. 09-06-2011
In 1998, Vitasoy USA opened a state-of-the-art tofu processing facility in Ayer, MA and in 2001 became the corporate headquarters.

Vitasoy USA’s environmental initiatives include the recycling of approximately 80 tons of corrugated cardboard per year. It also pre-treats more than 34.6 million gallons of waste water annually. In addition, more than 3.4 million pounds of the company’s unused soy, called “okara”, is reused as animal feed by local farmers every year.
The Precarious Worker and Fundamental Rights at Work

- Need for clear ILO jurisprudence at global level
- Proactive national law and practice review of applicability of C87/98 in the face of massive casualization
- Action at national level
- Liberate equal pay for equal work from discrimination based on ‘inherent characteristics’ - the violation of rights inherent in precarious work is inherently discriminatory!