“Employment standards in world food production – the place of GLOBALGAP supply contracts and indirect legislation.”

Rupert Tipples and Richard Whatman
(Lincoln University, New Zealand & Department of Labour, Wellington, New Zealand)

“Regulating for decent work: innovative regulation as a response to globalization”
Conference of the ILO, Geneva, 8-10 July 2009.
Track 2: New directions in the implementation and enforcement of ‘non-core’ norms.
Food Production in New Zealand

• Ag/Hort production is still a huge part of the NZ economy (56% Merchandise exports, 2008 StatsNZ)

• Labour intensive horticultural production has grown exponentially since the mid 1970s

• 1991 de-regulated rural labour market did not work for horticulture long-term

• There are ongoing recruitment, retention & compliance problems;

• There is an uncertain labour supply with low unemployment
Research questions

• How does private governance of quality ensure compliance with labour standards?
• How can New Zealand horticulture’s need for seasonal labour be met to ensure timely, quality and certificated production?
• Could the large relatively under-employed labour force around the Pacific solve New Zealand’s seasonal needs for workers?
• Does the Recognised Seasonal Employer scheme deliver Win:Win:Win outcomes for stakeholders in New Zealand & the Pacific?
Changes in food distribution and retailing

- Corporate supermarkets at the end of highly controlled supply chains
- They are risk averse and concerned to maintain a ‘good, socially responsible and environmentally friendly ‘brand image’’
- Governments withdrew from previously regulated areas ⇒ private governance took over
- Those pursuing Economies of Quality can thrive in new global trading environment (Campbell & Rosin, 2007)
New Zealand timeline of private governance

- 1996 NZ Vegetable Growers Federation commission ‘Quality improvement’ research
- 1999 NZ Approved Supplier Programme (NZASP) with full traceability and HACCP based – one set of standards for producers (includes fruit + flowers)
- 2002 EUREPGAP introduces social standards, primarily for health/safety, as well as a full QA programme
- 2006 NZGAP compliant with EUREPGAP
- 2007 GLOBALGAP, NZGAP fully compliant for trade worldwide
- Non-compliant producers cannot trade with major buyers, both domestically and internationally.
Contrasting approaches to governance: Walmart (US) v. Tesco (UK)

- Walmart have a simple policy for non-compliant suppliers who could become ‘bad news’. They are dropped because they are ‘bad news’ (Christopherson & Lillie, 2005)

- Tesco have adopted the ‘kaizen principle’ of true quality management and work with non-compliant suppliers to help them improve, but will drop those who do not (Tesco plc website: ‘Nature’s Choice’, 2009)
Background to Recognised Seasonal Employer Scheme

- Need to maintain duly certified quality production
- Need to have a labour supply to deliver that quality product
- RSE resulted from serendipitous convergence of several themes
‘The crisis in NZ horticulture’

• 2004 NZ Minister of Immigration confronted on TV that Thai immigrants worked better than NZ unemployed (squash grower)

• Politically sensitive time so Minister calls parties together to work out what can be done about the labour shortage:
  – by government e.g. absolute staff shortages
  – by industry e.g. improved employment practices
Annual peaks in horticultural employment – the problem each year

Figure 2 - Estimated seasonal labour demand for the New Zealand Fruit Industry, 2004
Getting down to ‘Practice Making’

“Appling” system was represented in the room. Developmental Work Research Techniques ‘unpacked’ the system and remade it.

www.edu.helsinki.fi/activity
“Appling” cf Orcharding

- **the HAND**: Improved skill, more timely, quality rewarded
- **the hand acting on the Apple**: Better handling, quality focus
- **the APPLE**: Better presented, easier harvest, premium variety
- **the OUTCOME**: High quality with quantity, higher productivity, more sustainable
# Changes in horticultural employment – the industry diagnosis

## Rapid Employment Transformation in Horticulture

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<tr>
<th>Past</th>
<th>Future</th>
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<td>Productivity the key</td>
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<td>High turnover</td>
<td>Loyalty - full time or returns</td>
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<td>No staff development</td>
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<td>Illegal labour common</td>
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<td>Staff seen as cost</td>
<td>Staff seen as key to success</td>
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<tr>
<td>Unplanned offshore staff</td>
<td>Planned recruitment offshore</td>
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</table>
The Horticulture/Viticulture Seasonal Labour Strategy

“Supporting Industries with Seasonal Labour Demands to Achieve Sustainable Growth”
The National Strategy

1. Work for New Zealanders first
2. Accessing Global Labour
3. Supply and demand of Seasonal Labour
4. Workforce skill development and productivity
5. Contractors
The path to the Recognised Seasonal Employer scheme – political good fortune

- Paper promoting the RSE Policy goes to Cabinet at same time as a paper on Pacific Labour mobility
- RSE scheme announced at 37th Pacific Islands Forum in Fiji in October 2006
- December 2006 discussions with industry, government and island representatives
- From January 2007 – April 2008 is covered in following video
SEASONAL
RECOGNISED
EMPLOYER
Employer requirements

• To meet the policy definition of a New Zealand employer
• To have a high standard of human resource policies and practices
• To have good work practices
• To be committed to recruiting and training New Zealanders
• To be in a sound financial position
• To be willing to pay market rates and ‘take care’ of their RSE workers (Department of Labour, 2009)
Employer responsibilities

• To pay half the travel costs for workers flying to and from New Zealand
• To pay for at least 240 hours work
• To provide at least 30 hours per week work over the period of their employment
• To provide evidence of pastoral care of their RSE workers e.g. suitable accommodation, translation, transport, availability of suitable churches to attend, recreation facilities, and an introduction to life in New Zealand
• To pay at full market rates
• To contribute to the cost of removal of overstayers, if that should arise (Department of Labour, 2009)
Worker requirements

To be:
• At least 18 years old
• Have an employment agreement
• Have a return ticket
• Satisfy health and character requirements, and
• Be able to show they only want to stay in New Zealand temporarily

(Department of Labour, 2009a)
How the FPJ saw the potential 2009 crisis

- RSE bigger than new variety profile in helping to get high quality fruit to market
- So NZ is replacing other southern hemisphere producers
- Pacific labour has helped delivering fruit at exactly right time for best fruit maturity => best keeping => best travelling
- Minister announces continuance of improved RSE scheme 4 June 2009
Research questions

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• How can New Zealand horticulture’s need for seasonal labour be met to ensure timely, quality and certificated production?
• Could the large relatively under-employed labour force around the Pacific solve New Zealand’s seasonal needs for workers?
• Does the Recognised Seasonal Employer scheme deliver Win:Win:Win outcomes for stakeholders in New Zealand & the Pacific?
Answers to four research questions

1. No compliance with QA standards – no sales
2. The RSE scheme
3. Yes
4. Win: for governments - NZ accessing global labour; Islands given work & foreign exchange
   Win: for growers – fruit was picked on time in best condition
   Win: for workers – well paid seasonal work, savings and remittances to family and community