



## Dealing with Labour Issues in Export Supply Chains – Labour Rights and CSR – The Case of Thailand

4 May 2012  
Amari Watergate, Bangkok

---

Tuomo Poutiainen, ILO-IPEC, CO Thailand

## We will go briefly through



- Expectations on companies in the « social » field
  - International guidance (instruments and frameworks) impacting MNEs operations
  - Why businesses should work on this?
-

## Expectations by stakeholders



- Obey national law
- Respect international standards
- Respect workers' rights – good working conditions
- Mature industrial relations
- Supply chains
- Human rights
- Community engagement
- Contribution to socio economic development

Dialogue and transparency  
Leadership in developing sustainable enterprises

## INTERNATIONAL FRAMEWORKS providing guidance to MNEs



## International Frameworks



- ILO Declaration of Principles concerning Multinational Enterprises and Social Policy (1977, most recent update 2006)
- OECD Guidelines for Multinational Enterprises (1976, most recent update 2011)
- UN Global Compact (2000)
- UN Millenium Development Goals (2000)
- UN Business and Human Rights Framework (2008) and Guiding Principles (2011)



**POLICY COHERENCE AT THE INTERNATIONAL LEVEL**

## General Policies of ILO MNE Declaratio



- **Promote dialogue between multinational enterprises, local business, trade unions and governments to encourage company:**
  - Compliance with national laws
  - Respect for international standards
  - Support for national development priorities

## Promote Better Conditions of Work and Life



- Wages, benefits and conditions of work in MNEs as favourable as those of comparable employers, or best possible conditions
- Basic amenities of a good standard for workers
- Ensure highest standards of occupational safety and health
- Respect minimum age for work (no child labour)
- No forced labour

## Industrial relations



- Respect freedom of association and the right to organize
- Recognize and facilitate collective bargaining
- Develop systems for consultations
- Establish processes to examine individual and joint grievances
- Establish voluntary conciliation machinery to prevent and settle disputes



TRIPARTISM and Social Dialogue are important...



Tools for continued social and economic stability ....

## OECD Guidelines for Multinational Enterprises



- First adopted in 1976, revised in 2000 and 2011
- Part of the OECD Declaration on International Investment and Multinational Enterprises
- Recommendations for responsible business conduct in a global context



## UN Global Compact



“I propose that you, the business leaders, and we, the United Nations, initiate a global compact of shared values and principles, which will give a human face to the global market.”

*Kofi Annan, WEF Davos 1999*



## UN Global Compact Principles



### HUMAN RIGHTS

- Universal Declaration of Human Rights (OHCHR)

### LABOUR

- ILO Declaration on Fundamental Principles and Rights at Work (ILO)

### ENVIRONMENT

- Rio Declaration on Environment and Development (UNEP)

### ANTI-CORRUPTION

- UN Convention against corruption (UNODC)

## 10 Global Compact Principles: Business should...



1	support and respect the protection of internationally proclaimed human rights
2	ensure that their own operations are not complicit in human rights abuses
3	uphold the freedom of association and the effective recognition of the right to collective bargaining
4	uphold the elimination of forced or compulsory labour
5	uphold the effective abolition of child labour
6	uphold the elimination of discrimination in respect of employment and occupation
7	support a precautionary approach to environmental challenges
8	undertake initiatives to promote greater environmental responsibility
9	encourage the development and diffusion of environmentally friendly technologies
10	work against all forms of corruption, including extortion and bribery

## UN Business and Human Rights Framework



- In 2005, UN Human Rights Commission requests UN SG to appoint a Special Representative (SRSG) - Professor Ruggie
- 2008 « **Protect, Respect, Remedy** » Framework unanimously endorsed by the Human Rights Council
  - Three pillars:
    - the state duty to protect against human rights abuses by third parties, including business;
    - the corporate responsibility to respect human rights, mainly through process of “due diligence”; and
    - the need for more effective access to remedies.

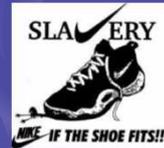


## REPUTATION DAMAGE – THE COST



### Individual companies

- BP – clean up more than \$2.65bn, compensation \$128m and rising. \$70 billion off the share price (45% of market capitalization).
- Apple – think Foxconn



### Industries as a whole.

*“Reputational sanctions are very real: their stock price impact is on average 10 times larger than the financial penalties imposed.”*

## SOCIAL MEDIA - FACEBOOK



## SOCIAL MEDIA - TWITTER





**Boycott Apple**  
@Boycott\_Apple

Pressuring Apple to end labor abuses in China. The company's ignoring the issue rather than solving it.  
-Former Apple exec. Petition: <http://chn.ge/wubtRW>  
<http://www.facebook.com/pages/Boycott-Apple/157824344331874>



**FIFA Boycott**  
@FIFA\_Boycott

Boycott FIFA sponsors until they stop supporting the corrupt, out-of-touch organization intent on ruining the game.  
Everywhere <http://www.facebook.com/FIFASponsorBoycott>

560	48	467
TWEETS	FOLLOWING	FOLLOWERS



**MonsantoBoycott**  
@MonsantoBoycott

Join the Monsanto Boycott and say NO to GMO!  
<http://monsantoboycott.com>

132	94	390
TWEETS	FOLLOWING	FOLLOWERS



**Boycott Tesco**  
@BoycottTesco

How long are we going to let Britain's vast supermarket chains trash the farmers, the producers, the environment and independent shops?  
UK <http://www.facebook.com/BoycottTesco>

126	456	328
TWEETS	FOLLOWING	FOLLOWERS

## THE PRESS LOVES A GOOD STORY....



**[The Sun] Sweatshop horror exposed**  
THE SUN | MARCH 14, 2012 |  
**SWEATSHOP workers were yesterday revealed to face beatings and humiliation as they churn out clothes for BHS - on slave wages of just TEN PENCE an hour.**

The scandal at two Chinese-owned knitwear factories in Bangladesh was uncovered by investigators who found:



**THE IE CONOMY**  
In China, Human Costs Are Built Into an iPad



# Trafficked Fishermen Return From Thai Trawler Ordeal

By PHOK DORN AND KATE BARTLETT  
THE CAMBODIA DAILY

Am Sam Ath, senior investigator at local rights group Licadho, said that young men were forced by poverty at home to seek work ab-

Thirty Cambodians who were

---

THE PHNOM PENH POST MAY 16, 2011

## Migrant workers face Thai action

David Boyle and Mem Kunthea

THAILAND has ordered that an estimated two million migrant workers from Cambodia, Myanmar and Laos register their presence within two months or face legal action or deportation.

Under the scheme, migrant workers will be required to pay 3,880 baht (US\$128) for health insurance, a medical check-up and work permits that al-



worked in palm and rubber plantations, large farms, animal rearing and construction - especially on island resorts such as Koh Chang.

Numerous efforts by the government since 2005 to register migrant workers through nationally verification programs, he said, had failed to give any reliable indication of the total number of migrant workers in Thailand. He described this latest registration push as a "pipe dream."

International Organisation for Migration statistics show



### International Labor Rights Forum BUILDING A JUST WORLD FOR WORKERS

WORKING WOMEN | SWEAT-FREE WORLD | FREEDOM AT WORK | STOP CHILD LABOR | ABOUT ILRF

## Stop Child & Forced Labor END FORCED LABOR IN VIETNAM

DONATE NOW



About the image

### End Forced Labor in Vietnam

[Printer-friendly version](#)

In detention centers all over Vietnam, some 40,000 men, women, and children are being held against their will and forced to labor for the Vietnamese government. The victims are held without a hearing or a trial in a court of law in drug detention centers on suspicion of using illegal drugs. Most detainees are picked up in "street sweeps" or on the basis of a single positive urine test. Even those who enter the centers voluntarily in the hopes of getting help for addictions are not allowed to leave. Many are held for up to five years of forced labor, often to produce goods for private companies.

ILRF is calling on the U.S. Trade Representative to denounce compulsory drug detention, and to demand that Vietnam permanently close the forced labor centers before rewarding Vietnam with the benefits of joining the Trans-Pacific Partnership (Free Trade) Agreement.

The detainees are forced to work under harsh conditions for little or no pay to produce goods such as shirts, trousers, and nylon jackets, assemblies.

**Support Workers' Rights**

Your donation will help end forced labor, child labor, and other workers' rights abuses around the world.

[Donate now](#)

**Subscribe to ILRF's News & Action Alerts**

Stay informed on pressing labor rights issues by signing up for ILRF's news and action alerts today.

[Sign up here](#)

What You Can Do: Publications and Resources  
News Archives

Search this site:

There are GOOD STORIES TOO - CSR as a tool for BRAND RETENTION AND MARKETING,,,,,



## SCHOOLS RISE TO THE CHALLENGE

**Honda network draws on student power to help save the planet**

MA YUEE SUK VING CHARDEN WONG THE NATION

Amid several top-down approaches to handling environmental problems, Asian Honda Motor kicked off a project 12 years ago, inviting schools nationwide to share their ideas on conservation.

Since its inception in 1999, the "Honda School Environmental Challenge" has attracted 765 schools and helped the company build up the Green Schools Network with a number of sustainable environmental conservation projects.

Siriporn Srisuk, social contributions manager of Asian Honda Motor, said the project was launched to celebrate His Majesty the King's 72nd birthday and to honour the King's long-term commitment to the environment. Hosted every two years, this year the challenge involves 84 schools, each receiving ฿60,000 financial support. The one producing the most



Supaporn Kamon, 13, joined the school's project when she was 10. First considering it as a subject, she learnt later that all must take care of the environment, starting from home. She shared her knowledge of organic fertilisers with her father, and after successful results, her father never uses chemicals to get rid of bugs again.

The school now has 10 techniques to share. I myself am interested in hydroponic plantation. I could build a career in it," she said.

Joining the challenge in 2008, Fangchanupathum School won the trophy thanks to the integrated farming approach of which environmental conservation is the top priority.

With support from all teachers and students, the school allocated a plot of 188-rai for the new farming approach, based on His Majesty's sufficiency economy philosophy. Of the plot, 30 per cent is reserved for water retention, 30 per cent for rice farming, 30 per cent for fruit plantation and 10 per cent for housing.

Tittinart Saktanaont, director of the school, added that through the inclusion of conservation in all subjects, students are also urged to take part in environmental conservation.

"We believe that children would be the key drivers in tackling environmental problems," he said. The effort



TOP: Supaporn and her friend are tending the vegetation area at the back of Samparal School.

LEFT: At Fangchanupathum School, conservation is the key. Infrastructure is made to facilitate the care of plants

### Tesco Lotus campaign

Tesco Lotus goes ahead with its sustainable CSR campaign to help 1,000 communities in 2012 under its "1 Million Hours Year 3" project. Sunthorn Arunanondchai, chairman of Tesco for Thais Foundation and Tesco Lotus, said last year the company's staff devoted 2.3 million hours in helping more than 800 communities, aside from donating necessities worth ฿36 million to flood victims.

"That more than 38,000 staff lent their help to community service should significantly raise social responsibility awareness for sustainability," he said. This year, all the credits would be presented to His Majesty the King, who will celebrate his 85th birthday. - The Nation

For queries on CSR news, contact [achara\\_a@nationgroup.com](mailto:achara_a@nationgroup.com) and get updates at [www.csrthailand.net](http://www.csrthailand.net).

## INCREASED ATTENTION ON LINKS BETWEEN BUSINESSES AND ,,,



- Trafficking of people or 'modern day slavery'
- Forced labour including use of prison labour
- Child labour
- Vulnerable groups – migrants and indigenous people

### BUT ALSO RIGHTS IN GENERAL,,,,

- Displacement and forced relocation
- Land rights
- Environment and pollution
- Livelihoods

Government's abroad keep watch too,



**New California Slave Labor Law (SB 657) To Expose Ugly Side of Many Common Commodities; Impact 3200 Companies – CSR Wire 18 January 2012**

The California law, which came into effect 1 January 2012, requires corporations doing business in California with over \$100 million in gross global receipts to disclose their activities to eradicate slavery and human trafficking in their supply chains.

Report  
**THAILAND (Tier 2 Watch List)**  
Thailand is a source, destination, and transit country for men, women, and children who are subjected to forced labor and sex trafficking..

And watch businesses operating globally,



 EUROPEAN COMMISSION

Brussels, 25.10.2011  
COM(2011) 681 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A renewed EU strategy 2011-14 for Corporate Social Responsibility

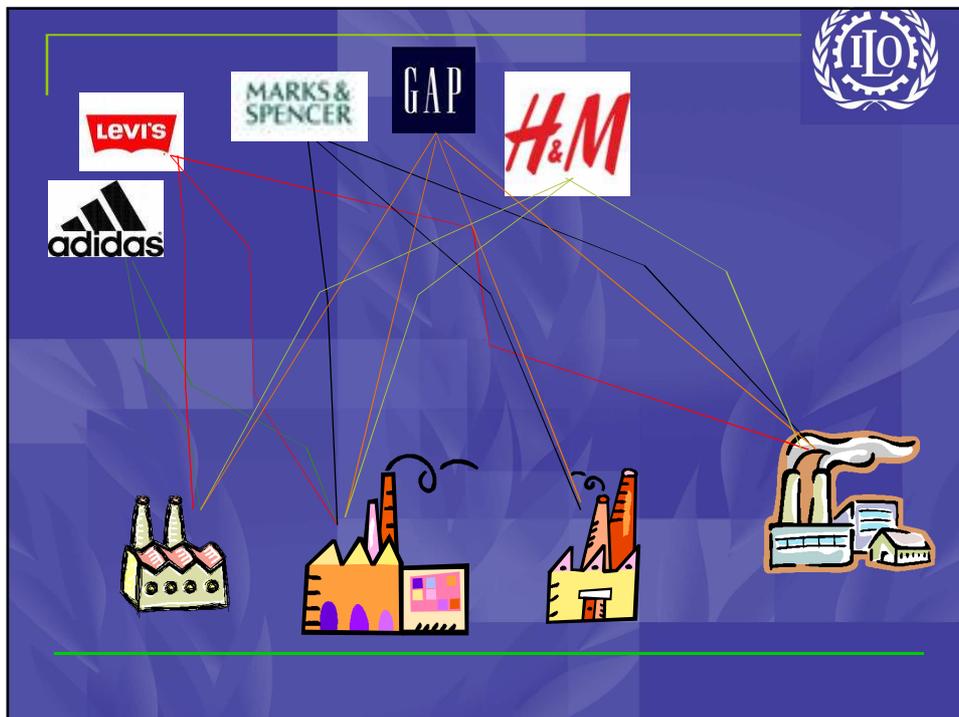
## MULTI STAKEHOLDER PARTNERSHIPS – WAYS FORWARDS



Besides CSR and corporate codes of conducts and private sector audit schemes for labour compliance there are many initiatives aimed at improving business practices through partnerships:

- International Cocoa Initiative
- Sustainable Palm Oil Initiative
- MFA Forum (garment sector)
- International Council of Toy Industries

ILO's best known programme in this area is Better Work (garments)





## Thinking Strategically

- AEC and further economic and social integration will put further emphasis on respect to labour and environmental standards
- Treatment and welfare of migrants and skilled ‘guest workers inter ASEAN will emerge as a bigger issue
- Internal markets will grow and consumers will expect higher principles and standards
- Thank You,,,,,