



International
Labour
Organization

► Sustainable supply chains to build forward better

Advancing decent work in five global supply chains of key importance to the European Union for a fair, resilient, and sustainable COVID-19 crisis recovery

About the Action

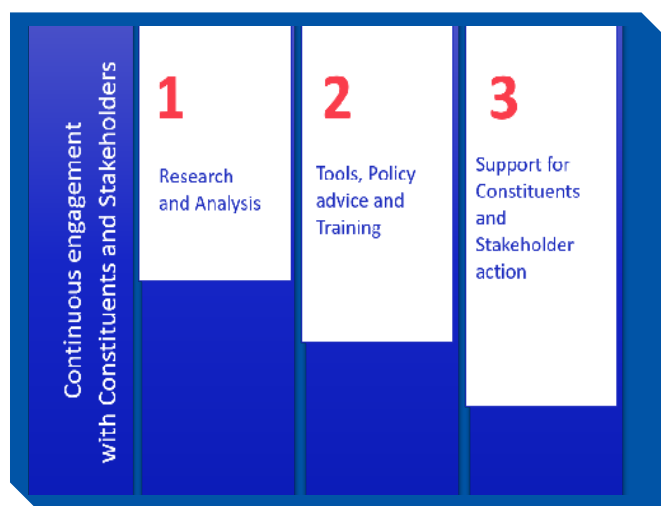
The world of work is profoundly affected by the COVID-19 pandemic. In addition to the threat to public health, the economic and social disruption threatens the long-term livelihoods and well-being of millions.

The COVID-19 crisis has contributed to a renewed awareness of the interconnectedness of the global economy. Tackling COVID-19's socio-economic consequences is a priority for the European Union (EU), including in the global supply chains to which it is connected. For its part, the ILO has emphasized that social dialogue and decent work is key to "building forward better."

The EU Programme for Employment and Social Innovation (EaSI) has partnered with the ILO for a joint intervention that uses global supply chains as an entry point to advance decent work. Over two years and with a budget of €1.4 million, the ILO will engage its constituents – governments, employers and workers – and other key stakeholders in global supply chains to ensure decent work principles remain at the forefront of the pandemic response and when contemplating a "new normal".

This Action will support the EU's commitment to responsible global leadership, to the Sustainable Development Goals (SDGs), and to promoting international labour standards. It also reflects the EU's global response to the pandemic, which emphasizes the importance of sustainability, labour rights and corporate responsibility throughout global supply chains.

Entitled [Sustainable Supply Chains to Build Forward Better](#), the Action is grounded in international labour standards and the decent work agenda, which – along with the SDGs – offer a strong basis for national level efforts to "build forward better". With a focus on five supply chains of key importance to the EU, including further tiers within different countries, the ILO will engage its constituents and key stakeholders to use participation in global supply chains to the EU and beyond as an opportunity to advance decent work.



Approach

The Action comprises three closely inter-related modules: 1) research and analysis on selected global supply chains and the impact of COVID-19; 2) tools, policy advice and training to ensure constituents and stakeholders are better equipped; and 3) support to constituents and stakeholders taking steps to advance decent work in their response to the COVID-19 crisis, making supply chains more resilient, fair and sustainable.

The ILO will focus on decent work challenges and opportunities across five commodities and products from five low – and middle-income countries – all of which are strongly integrated into global supply chains and account for a significant portion of imports by the EU market – to promote the essential role of decent work for a resilient recovery and sustainable global economy.

Supply chains covered



Coffee production in Colombia for the EU market

Europe is the world's largest coffee market, and imported 173,000 tonnes of coffee from Colombia in 2018. Colombia is the fourth-largest green coffee producer in the world, and the third-largest coffee exporting country. It exports about 90 per cent of its coffee production. The coffee industry accounts for 40 per cent of the rural labour force. Along with farmers and cooperatives, the industry features numerous buyers or intermediaries, threshers and exporters.

Up to 85 per cent of coffee production takes place in the informal economy, where workers face long working hours and low insecure wages. Labour issues include violation of workers' and employers' right to freedom of association. Migrant workers are among the most vulnerable. Climate change is increasingly having an effect on coffee growing and production in Colombia. The COVID-19 crisis has added an additional threat to the livelihoods of smallholder farmers.

The Government of Colombia and the coffee growers' associations are working with employers' and workers' organizations to adapt the industry, which is faced with increasing competition and changes in consumption and demand. This includes new supply chain models, investments in new technology and skills, addressing informality, and promoting respect for fundamental principles and rights at work.



Electronics manufacturing in Viet Nam for the EU market

The EU-Vietnam Free Trade Agreement entered into force on 1 August 2020, and includes legally binding commitments to fundamental human and labour rights and environmental protection.

The electronics industry relies on supplies of components made in other Asian countries, which in turn are made from raw materials mined around the world. The COVID-19 pandemic has disrupted global supply chains and demand, and many Vietnamese firms have suffered from a loss of orders. In the sector, the existing - limited - data shows incidents of violation of rights at work and working conditions' issues.

Having recently introduced major revisions to its Labour Code, established a new industrial relations system, and ratified ILO fundamental Conventions on collective bargaining and forced labour, Viet Nam is taking important steps towards achieving decent work. The challenge now is effective implementation.

As one of the major engines of economic growth, the electronics industry can set a good example by embracing the new labour relations systems as an opportunity to achieve better productivity and working conditions.



Textiles manufacturing in Madagascar for the EU market

In 2017, four EU countries imported nearly 50 per cent of Malagasy garment production. Madagascar is the second largest garment exporter in sub-Saharan Africa.

Less than one tenth of the cotton produced in Madagascar goes into the local textile industry. Hence, in 2017, Madagascar imported 56,733 tonnes of fabric, mostly synthetic and mostly from Asia.

Working conditions are similar to those of the industry in other developing countries. There are reports of occupational safety and health issues, discordant labour relations, wage inequalities, and discrimination. The COVID-19 crisis has exacerbated these challenges: some 150,000 textiles and clothing workers risk losing their jobs.

Over the past years, Madagascar has been working towards an improved human and labour rights ecosystem by enhancing skills development and social dialogue, raising awareness on violence and harassment and advocating for non-discrimination and fairer wages. As women comprise the majority of the workforce, there is potential for constituents and stakeholders to contribute to gender equality with effects beyond the sector.



Rubber gloves production in Malaysia for the EU market

The COVID-19 pandemic has created increased global demand for rubber gloves. Since early 2020, exports of gloves to hard-hit countries, including several EU countries, have increased substantially.

Malaysia is the world's third-largest producer of rubber and meets more than 50 per cent of the demand for medical gloves in the world. The supply chain in Malaysia comprises rubber harvesting, processing and manufacturing.

The rising demand for gloves due to the COVID-19 crisis has in turn resulted in labour shortages. Migrant workers, who make up a significant proportion of the workforce in Malaysia, including in the production of medical gloves, remain vulnerable to unfair recruitment practices, confiscation of passports, withholding of wages, forced labour, excessive working hours, poor occupational safety and health practices, and inadequate living conditions. The EU has a strong interest in securing supply without undermining labour rights.



Fisheries in Namibia for the EU market

Over 90 per cent of total unprocessed and manufactured fish products is exported, and the EU is one of Namibia's most important markets. There have been reports of illegal, unreported and unregulated fishing, as well as child trafficking and forced labour, on some vessels using Namibian ports.

The fisheries industry in Namibia covers the full range of activities required to bring fish or fishery products to final consumers, from catch to final consumer, including handling, processing, and delivery.

COVID-19 has disrupted the fish supply chain worldwide, with negative impacts for fishers, including their ability to leave ships. The EC-ILO Action will seek to identify opportunities for global supply chains to contribute to local market development and decent work.

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