

Statement from First Dialogue of AFWA with Global Union Federations and the ILO 17th November, 2014, Hong Kong

On November 17th 2014, a historic dialogue process began between the Asia Floor Wage Alliance and the Global Union Federations in the presence of the ILO.

The Asia Floor Wage Alliance was represented by unions and ngos from Cambodia, India, Indonesia, Sri Lanka, Pakistan and Hong Kong, Clean Clothes Campaign from Europe, and Jobs with Justice from the United States. The Global Unions were represented by

- Sharan Burrow, General Secretary, ITUC (International Trade Union Congress);
- Jenny Holdcroft, Policy Director, IndustriALL;
- Stuart Howard, Assistant General Secretary, ITF (International Transportworkers Federation);
- Ben Vanpeperstraete, Global Supply Chain Coordinator, Union Network International (UNI) and IndustriALL
- Rita Tambunan, Program Director-Asia Pacific Region, IUF (International Union of Foodworkers)

The ILO was represented by Coen Kompier, Senior Specialist on International Labour Standards.

The dialogue began with affirming the goals of the dialogue:

- To present the synthesis of the work done in the previous four National People's Tribunals – in Sri Lanka, India, Cambodia and Indonesia.
- To learn from the GUFs and the ILO about their strategies on Living Wage
- To seek recommendations for the way forward, from national to international level.
- To start the mutual dialogue

At first, a presentation was made of the AFW process and the four National People's Tribunals organized by AFWA in Sri Lanka, Cambodia, India and Indonesia. In particular, as a way forward, the AFWA expressed intentions to

- engage with the GUFs and contribute to the convergence and consolidation of garment unions.
- bring about a renewal of unionisation in the global south and deepen these unions' participation in GUFs.
- create robust social alliances for additional support for solidarity and access to labour rights;
- enhance political capacity to enforce framework agreements over global supply chains;

AFWA expressed hopes for brand bargaining through a framework for converging strategies and actions between global, national and local unions, as well as broaden and deepen the key role of the social alliance networks; and for the GUFs to enable the evolution towards a Global Wage Accord, a framework agreement adapted to encompass the entire production network that makes Living Wage in the global garment industry a reality.

After the AFW presentation, each GUF presented its thoughts and strategies. The following points emerged from the combined presentations and dialogue.

Bargaining strategies

A new paradigm of Collective Bargaining is needed and broad and creative alliance building is very important. Stuart Howard from ITF gave examples of global bargaining from ITF's own history; however, garment industry and contemporary conditions require new strategies.

Jenny Holdcroft from Industriall expressed appreciation for AFWA's role in raising awareness about the gap between garment workers' earned income and living wage targets. She went on to say that in the past Collective Bargaining Agreements were conducted from factory to factory but now there was a need for industrial level agreements. She highlighted the need to focus on brands as the brands need to pay more but since they do not operate in isolation, industrial solutions were needed. She noted that the fact that brands are not recognized as the principal employers is a big problem.

Coordination and Unity

Ben Vanpeperstraete from UNI said that GUFs needed to coordinate their work over global supply chain and Industriall and UNI had already begun to do so by having a joint position for Supply Chain Coordinator.

For the future, he proposed that the participants at this Synthesis Event could be the seed for building a broad “Coalition of the Willing.” He pointed out the need for unions and NGOs to build closer alliances. In order to develop a new paradigm of collective bargaining, such alliances are critical.

Priorities

The Bangladesh Safety Accord has set a game-changing precedent and coordination. The Indonesian Freedom of Association Protocol is another example of bargaining. Both models are examples of what can be achieved when brands come to the negotiating table. The current wage struggles in Cambodia will be definitive and need to be prioritized.

Living Wage and Common Framework

It was noted that along with wages we have to also pay attention to employment relationships, Freedom of Association, and gender discrimination. Rita Tambunan from IUF specified that GUFs need to address human rights and uphold the principles specified in the OECD guidelines and the Ruggie guidelines.

As for Living Wage, she noted that it must sustain a family and should not be seen as a bonus but more as a fundamental right. She appreciated that AFW took the wage to a regional level and that the concept came from workers.

Jenny from Industriall noted that purchasing practices efficiencies were not leading to wage rise and therefore, wages should be a fixed cost.

It was noted that an overall framework could be developed according to core international standards with regional variations. It was important to give consistent messages to brands so that brands did not have reason to say they were confused by different suggestions. Industriall was focusing on a group of brands.

ONLY a Living Wage

Sharon Burrow from ITUC emphasized that ITUC would partner with GUFs and unions around issues and campaigns. She said that at the heart of inequality is corporate power and greed. ITUC’s approach is that minimum wage should be at least Living Wage. She said, “I am totally intolerant to a wage fixing which is not the living wage.” She proclaimed that 2015 would be a crucial year to tackle the impoverishment of the global supply chain and the model of international trade, which makes companies rich and workers poor. 2015 would be a “loud year” for living wage.

FOA as a Core Issue

Coen Kompier from the ILO cautioned that “legally binding” does not necessarily lead to enforcement and pointed to the need for multiple political processes to make agreements effective. He identified Freedom of Association as the core problem and noted that Asian unions do not make sufficient use of the ILO’s complaint process on FOA.

He advocated also for a “Coalition of the Willing” by which diverse unions are brought into the process. The question today is what kind of bargaining architecture is needed; brands have little experience in bargaining; and can the ILO play a convening or chairing role.

Conclusion

Various instruments such as Accord, Protocol had come into existence, providing ways for organizing with brands. It was important to target a group of key brands as a breakthrough strategy and to build convergence, alliances, and unity.

The fact that brands are not represented in the ILO, not recognised as employers, and not part of tripartite mechanism is a problem.

The Asia Floor Wage as a regional benchmark needs further discussion in future dialogues.

Regional strategies need to gain strength, be worker-led and provide for Southern leadership.

Common Position

- 1) In the face of overwhelming evidence of grave and systematic violations of individual and collective human rights suffered by garment workers, immediate action needs to be taken by a variety of stakeholders.
- 2) The evidence points to the fact that a living wage and decent working conditions are a pressing necessity in the industry.

- 3) In an industry which props itself up with illegal compulsory overtime, inhuman productivity measures, systematic denial of social security payments, overwork leading to fainting in the workplace, and active suppression of the right to freedom of association in the industry, it is clear its future is not sustainable.
- 4) Whilst decent pay is just one aspect of decent working conditions, it crucially impacts on the decisions workers make regarding health and safety, overtime and their ability to support their families. The impact of low pay ripples through their families, communities and countries.
- 5) Multinational brands must acknowledge their complicity in the rights violations. The brands are the real employers in the global industry, with suppliers taking the role of proxy employer, stripping workers of their right to directly negotiate with their employers.
- 6) The global union movement is open and willing to work with brands on finding solutions. Where brands are not willing to engage and negotiate, we will continue to strongly put our case for change, using industrial action where necessary.
- 7) The meeting found a broad agreement that unions at all levels, and the wider social alliance, need to collaborate and move towards a new paradigm for the industry, led by the global unions.
- 8) A joint strategy - between global, national and plant level unions, labour rights organisations, consumer campaigns and social movements - is the start of sustainable change. This strategy has taken a new step today.