Good work worldwide

Vision paper
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Vision paper by Federal Minister Dr Gerd Müller and Federal Minister Andrea Nahles
Globalisation has long since entered our daily lives – we experience it every day as consumers, or as employees whose companies are integrated into international supply chains. Yet this also imposes an obligation on us to view the world as a whole and to act accordingly. We therefore want to place the topic of “good work worldwide” at the top of the international agenda at last. The German G7 Presidency in 2015 offers us an outstanding opportunity to do so. Even if we set aside our moral obligation for a moment, the G7 countries are ideally placed, in view of their economic strength, to take responsibility for the effective implementation of labour, social and environmental standards worldwide.

Globalisation is opening up significant opportunities for developing countries. The growing role played by an international division of labour in production processes offers emerging economies and developing countries the opportunity to participate in value creation to a greater extent. If this value creation is successfully translated into broad-based increases in prosperity, we can significantly reduce the number of people living in absolute poverty. This will mean that more and more people are living on an income above the level of 1.25 US dollars per day, and in many cases well above that level. China can serve as an example: its rapid growth in industrial production between 2000 and 2013 freed more than 200 million people from poverty.

An essential pre-requisite for such development successes is for globalisation and production processes to be shaped in a socially and environmentally sustainable manner. Where social and environmental dumping gain ground, the result is not an improvement in people’s conditions of life, but rather a risk of greater hardship.

The catastrophe in Bangladesh two years ago revealed the dark side of globalisation, of a division of labour along global supply chains. Since the collapse of the Rana Plaza textile factory, at the latest, we have been aware of the price paid by others, especially women, so that clothing can be offered in our countries for prices which are sometimes ridiculously low. The collapse claimed the lives of more than 1,130 people, while more than 2,000 were injured.

Rana Plaza not only drew our attention to the intolerable conditions in which textiles are manufactured in Southeast Asia for well-known fashion brands and chains. The establishment of compensation for the victims of Rana Plaza was also a shamefully slow and halting process.

The Rana Plaza catastrophe raised awareness of working conditions worldwide. For even in the 21st century, examples of non-decent work still exist around the world. We cannot be indifferent when forced labourers in illegal mines in Congo are threatened with torture by local warlords to force them to dig for coltan to produce the tantalum used in the circuits in our smartphones and laptops. We cannot be unmoved when workers in Indian tanneries handle, without any protective clothing, toxic chemicals which cause skin and respiratory diseases and pollute rivers. It is most certainly our business when children in Pakistan toil in brickworks for up to 70 hours per week so they can contribute a few rupees to their families’ survival.

It is examples like these which open our eyes to the harrowing but well-established facts and figures. Every 15 seconds, someone in the world dies from a work-related disease or accident. The International Labour Organization (ILO) estimates the global number of children in child labour at 168 million. And more than 21 million people are victims of forced labour. Work-related accidents and diseases result in the loss of 2.8 trillion US dollars annually, equivalent to four per cent of global GDP. Meanwhile, the ILO estimates the illegal profits from modern forms of slavery at 150 billion euros per year.
Globalisation will continue. Ever more developing countries and emerging economies are asserting their own interests with growing confidence. They need knowledge, technology and infrastructure so they can make the most of the advantages of the international division of labour, including in the digital era. They need sustainable employment policies so they can offer prospects to their young and rapidly growing populations. And all countries need a dialogue, in a spirit of partnership, about how “good work” can be properly implemented.

OUR PERSPECTIVE ON THE CHARACTERISTICS OF GOOD WORK

We want our initiative to achieve progress not only by bringing concrete benefits to as many people in the world as possible, but also by going beyond the individual level to contribute to sustainable development. This can only be achieved if all countries are given the opportunity to participate in global value creation and are included in a fair manner. This applies to global rules on trade, investment and technology, but also
to concrete legal and factual conditions at local level. In particular, we believe there are two dimensions of “good work” where we are able and determined to achieve decisive improvements.

Firstly: decent work.
Work is an important means of eradicating poverty and fostering a country’s social and economic development. There are concrete questions in this context which we must work together to answer. For instance, how should work be shaped? What are the characteristics of good work for all, not just in Germany, but worldwide?

The ILO, a UN specialised agency which now has 185 member countries, has served as an advocate for decent working conditions for almost 100 years. All of these countries have a duty to implement the core labour standards – prohibiting child labour, forced labour and discrimination in respect of employment and occupation, and supporting trade union rights – and this constitutes a significant prerequisite for decent work, albeit not the only one. In addition, these countries have committed themselves, in the Decent Work Agenda, to the goal that everyone should have a chance of productive work for a fair wage, with appropriate rest periods. Everyone should be able to work in safety and should be protected from risks to life and limb in the workplace, for example in the use of chemicals or production processes with harmful effects on human health, such as the use of sandblasting in the production of jeans. Safety also means a minimum level of social protection in the case of illness, pregnancy, accidents at work, loss of employment or in old age.

One very important element of decent work is the freedom for workers to express their opinions, organise and engage in collective bargaining. Only then are the conditions in place for a functioning social dialogue, which is key to stable labour relations and productive development.

Secondly: sustainable production processes.
Production must ensure that future generations also have fair opportunities for development. This means that scarce resources, such as raw materials, water, soil, energy, clean air and sensitive ecosystems, must be managed carefully in the producer countries. But it also means taking more responsibility for the development of our entire planet.

Economic development must not inevitably go hand in hand with greater resource consumption or emissions. We must help to sever this link and drive forward the decoupling of economic development from resource consumption, particularly in the global production of goods. The people in developing countries are often those most severely affected by the damage to the environment and human health caused by unsustainable production methods. This is true in the workplace, if appropriate safety standards are not in place, or in the areas surrounding factories, if untreated wastewater is discharged into rivers and lakes, for example. Environmentally friendly and resource-conserving production methods also help to preserve jobs in the long term, and offer great potential for creating additional jobs. Such “green jobs” embody decent work, helping to preserve or restore environmental quality, whether in agriculture, industry, the services sector or public administration. These jobs reduce consumption of energy and raw materials, curb greenhouse gas emissions, minimise waste and pollution, protect and restore ecosystems, and empower businesses and communities to adapt to climate change.
SHARED RESPONSIBILITY – EVERYONE CAN PLAY A PART

The aforementioned challenges for good work and future development trends show the need for political and societal action. Not just governments, but also businesses, consumers, trade unions and non-governmental organisations in North and South, East and West, need to face up to their responsibility to implement good work worldwide. It is important for all key stakeholders to be aware of their responsibility – and, above all, to be equipped to actually fulfil this responsibility. In our view, there are three levels to this responsibility, and at each level we want to promote tangible improvements by presenting concrete proposals in the G7 framework.

MORE TRANSPARENCY FOR CONSUMERS

The first level is that of consumers and civil society. More and more people are asking how their products are manufactured – and they want to do something. Growing demand for goods and services manufactured in an environmentally and socially sound manner is increasing the pressure on businesses to provide transparency about their production processes and to use more sustainable methods. Environmental and social labels are a useful instrument for both sides, in this context. Consumers’ critical awareness can thus be used to improve working conditions, and to open up new market opportunities for businesses. In the past, consumers have had few means of obtaining comprehensive information about social and environmental standards and labels.

The German Government is launching a Sustainable Standards Comparison Tool (SSCT) in 2015, allowing consumers to learn what a certification label or system of standards really means. This enables them to compare products and take better-informed decisions about what to buy. For different product categories, the tool compares and evaluates the social and environmental content of nationally and internationally recognised systems of standards and certification labels. The aim is to create transparency for consumers and public purchasers, and to encourage sustainable purchasing decisions. This is an area where we, the G7 nations, can make a positive contribution and create greater transparency for all consumers in our countries. For only in this way can we encourage more people to think about production conditions and enable consumers to act on their sense of responsibility in their purchasing decisions.

Businesses are the second level. Corporate social responsibility has been the subject of increased discussion for several years. Many businesses already take this responsibility very seriously today. They engage with the social and environmental implications of their business activities and strive for socially responsible corporate management. For some businesses, it is already standard practice to require their own suppliers to implement minimum social and environmental standards. We must build on this. These good practices must be developed further. The UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy are among the standards which provide a framework for this.
Sustainable cotton production in Benin.
SUPPORT FOR RESPONSIBLE BUSINESSES

Small and medium-sized enterprises, in particular, often find themselves facing a dilemma: while they are willing to assume social responsibility not just within their own business but throughout their supply chains, in practice they quickly find themselves overwhelmed. After all, businesses are confronted with very different and at times contradictory requirements, in the form of labour legislation in the target country, international standards, self-regulation, and contractual commitments to customers and suppliers, for example. The next question facing businesses is how to translate the standards and rules into their own management processes. This is an area where businesses need our support and guidance. It would therefore be significant progress if the G7 countries were to take action.

RANA PLAZA MUST NEVER HAPPEN AGAIN – PRIORITISING PREVENTION

We want to help to prevent catastrophes like Rana Plaza, and in this context we are focusing on prevention and occupational safety and health, in particular. It is not just governments and businesses in emerging economies and developing countries which have a duty to act. Businesses in the G7 countries could also help to significantly improve the working conditions in the producer countries. One possibility would be a voluntary prevention fund, which would be used to support – financially, but also with expertise and organisational and technical assistance – the introduction of fire safety installations, measures to promote occupational safety and health, the establishment of accident insurance, and the education of employer and employee representatives on issues relating to occupational safety and health.
Such a “Vision Zero Fund”, financed by corporate contributions, would have the aim of reducing the number of accidents at work to the lowest level possible, with the vision of bringing the number close to zero. Businesses in G7 countries could in this way continue to fulfil their responsibility to facilitate “good work” not only at their head office, but also at their suppliers’ facilities worldwide.

**EXPOSING UNACCEPTABLE PRACTICES AND ENSURING VICTIMS’ VOICES ARE HEARD**

Alongside prevention and compensation, effective grievance mechanisms are another important aspect in better enforcement of standards. The G7 countries could, for example, agree to hold regular peer reviews of their National Contact Points for the OECD Guidelines. A commitment of this kind could help to ensure that, despite the differing national organisational forms, similarly high standards are achieved in resolving complaints via the mediation process. In doing so, the G7 would be playing a pioneering role and launching a process which could be emulated by other OECD countries or other countries with OECD Contact Points. In addition, the contact points and complaints offices which already exist in some large businesses could be supported, expanded, and developed where they do not already exist – including for the workers of suppliers. Businesses could then take internal action to tackle and eliminate unacceptable practices.

**JOINING FORCES TO MAKE A DIFFERENCE**

More and more businesses are voluntarily working towards better environmental and social conditions at their suppliers’ facilities. That is exemplary and should be emulated by others. Things will only change at suppliers’ facilities in developing countries if many customers from many countries want the same thing. The G7 countries could achieve this together.

However, the responsibility does not lie solely with businesses. Above all, it also lies with governments – both in the producer countries, and in our countries, the customer countries. Coordination and experience-sharing with governments, civil society and associations could help all involved to join forces. In our view, this is the third level on which action must be taken. It is an area where we, the G7 nations, can provide effective impetus and foster dialogue and cooperation between the various stakeholders. Support by multi-stakeholder networks for corporate responsibility can be organised by the state, as in the case of the German Government’s CSR Forum. In addition, such networks can, for a specific industry, define binding standards which the participating businesses can voluntarily commit to uphold. That is a concrete contribution to improving compliance with international standards throughout the global supply chains concerned.
For example, in 2014 the Federal Ministry for Economic Cooperation and Development launched a Partnership of Sustainable Textiles. Within this partnership, active German businesses, industry associations, representatives of trade unions and civil society, and international sustainability initiatives and standards organisations have come together to jointly improve social, environmental and economic conditions throughout the textile supply chain.

The international focus was ensured from the outset via the participation of international businesses. The next step is the involvement of additional international businesses and key stakeholders such as local suppliers and trade unions, the governments of the producer countries and international sustainability initiatives. The German Presidency proposes that the G7 take joint steps to enhance the coordination and links between these stakeholders.

BUILDING LOCAL CAPACITIES

Labour cost advantages alone are no guarantee of inclusive economic development in emerging economies and developing countries. To achieve this, it is necessary to gradually develop certain locational advantages, move from lower to higher levels of the value chain, and shape production processes in a more socially and environmentally compatible manner. This kind of development fosters higher incomes, better working conditions, more comprehensive social protection and technological learning. In this context, we, the G7 nations, can take various steps to support capacity building. Systems to implement and monitor sustainability standards must be developed, as must the related infrastructure within regions and businesses.

German development policy is already working in partnership with businesses in producer countries to implement practical measures to this end, such as the introduction of better procedures in the use of chemicals, the inclusion of social and environmental aims in corporate decision-making processes, and training with regard to sustainable processes. All of these measures can only be successful if the producer countries themselves gradually improve their legal and economic frameworks. The G7 countries should continue to support these policies and enhance their coordination in this context.

GOOD WORK – A BUILDING BLOCK FOR GLOBALPARTNERSHIP

Good approaches already exist in the G7 countries, at consumer, business and government level. The G7 nations have a great many partners with diverse programmes at local level. However, it is important to coordinate and bring together these measures at G7 level in order to make more rapid progress and close any gaps.

If the G7 countries seize the opportunity to actively work for sustainable global supply chains, they will also be providing an example of the global partnership which is to be established at the UN summit on post-2015 development goals. This summit, which will be held in New York in September, is intended to bring together the goal of poverty eradication and sustainability and climate goals to form a universal agenda which applies to all countries of the world.

It is up to us to ensure that 2015 becomes a pivotal year, one which we will subsequently look back on and say: that was the turning point in building a world in which we come together and support each other. We will do all we can to achieve this!
Painter in Viet Nam.
PUBLISHED BY
Federal Ministry for Economic Cooperation and Development (BMZ),
Public Relations, Digital Communications and Visitors’ Service Division
Federal Ministry of Labour and Social Affairs (BMAS), G7 Project Group

EDITED BY
BMZ, Public Relations, Digital Communications and Visitors’ Service Division
BMAS, G7 Project Group

DESIGN
Schumacher. Visuelle Kommunikation
www.schumacher-visuell.de

PRINTED BY
mediabogen, Berlin
www.mediabogen.net

The original document was printed on FSC-certified paper.

PHOTOS
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ILO;
Rana Plaza – © K. M. Asad / Corbis / Demotix (www.demotix.com)
Aid by Trade Foundation;
photothek.net/Thomas Koehler

AS AT
February 2015

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