

# WHAT IS WORKER-DRIVEN SOCIAL RESPONSIBILITY (WSR)?

In a shrinking world of increasingly globalized markets, low-wage workers at the base of corporate supply chains remain isolated, vulnerable, exploited and abused. Governments, which should be responsible for protecting the rights of their citizens, often lack the resources or political will to do so. State-based enforcement agencies and policy frameworks consistently fail to protect workers from dangerous sweatshop conditions and even severe abuses, including forced labor, sexual harassment and rape, in no small part because those suffering the abuse are largely voiceless. Where collective bargaining rights exist and are enforced, unions can provide effective workplace protections. But even when those rights exist in the law, they are ignored in practice for millions of workers, while millions more are excluded from the legal right to form a union altogether.

Corporations of course also bear responsibility for ensuring that human rights are respected in their suppliers' operations, but they tend to treat the discovery of abuses in their supply chains as public relations crises to be managed, rather than human rights violations to be remedied. Seeking to protect their brands from reputational harm, corporations embrace strategies that profess adherence to fundamental human rights standards but establish no effective mechanisms for enforcing those standards. This approach, known broadly as Corporate Social Responsibility (CSR), is characterized by voluntary commitments, broad standards that often merely mirror local law, ineffective or non-existent monitoring, and the absence of any commitment to or mechanisms for enforcement of the meager standards that do exist. CSR has failed to address the ongoing human rights crisis in global supply chains in large part because it does not put workers—the very people whose rights are in question and who have the most direct knowledge of the relevant environment—at the center of developing and enforcing

solutions to the problem. This failure is evident at all levels of CSR—in its structure, governance, operation and allocation of resources—and it is this fundamental design flaw that makes the failure of these systems inevitable.

In recent years, however, this bleak portrait has begun to change. Both in the US and abroad, workers and their organizations have forged effective solutions that ensure the real, verifiable protection of human rights in corporate supply chains. This new paradigm is known as Worker-driven Social Responsibility (WSR). It has been tested in some of the most stubbornly exploitative labor environments in the world today—from the agricultural fields of Florida, which were once dubbed “ground zero for modern-day slavery” by federal prosecutors, to the apparel sweatshops of Bangladesh, the locus of some of this century’s most horrific factory fires and building collapses. In these oppressive environments, WSR has proven its ability to eliminate longstanding abuses and change workers’ lives for the better every day. Accordingly, recognition



*Two dozen children were among the 275 people freed from a forced labor operation on a large Mexican farm after authorities raided it in 2013.*

of this new paradigm is increasingly widespread, and supporting it is now a moral and functional necessity.

In order to achieve meaningful and lasting improvements, labor rights programs in global supply chains must be worker-driven, enforcement-focused, based on legally binding commitments by global corporations that place responsibility at the top of the supply chain for improvements in working conditions in suppliers' operations:

1) **Worker-driven:** Workers are the only actors in the supply chain with a vital and abiding interest in ensuring that their rights are protected. As importantly, only workers are fully aware of the many manifestations of abuse that occur in their workplace. Indeed, they are the first to know about the vast majority of human rights violations. Consequently, workers are uniquely situated to be the most effective monitors of their own rights, and they and their organizations must be at the head of the table in the creation, monitoring, and enforcement of programs designed to improve their situation. Where workers are unable to participate freely because of repressive laws or practices, companies sourcing from those places should nonetheless embrace all other aspects of WSR, including, most importantly, an effective enforcement mechanism.

2) **Enforcement-focused:** Respect for human rights in corporate supply chains cannot be optional, voluntary, or time-limited. Effective enforcement is key to the success of any social responsibility program. Worker organizations must be able to enforce the commitments of brands and retailers as a matter of contractual obligation. Among the obligations of the brands and retailers must be the imposition of meaningful, swift, and certain economic consequences for suppliers that violate their workers' human rights, as meaningful economic consequences for suppliers have proven uniquely effective for the enforcement of those rights in the workplace. Only programs that include such economic consequences can ensure real human rights protections for workers at the base of global and domestic supply chains.

3) **Placing responsibility at the top of the chain:** Increasingly consolidated corporations at the top of supply chains place constant downward price pressure on their suppliers, and this price pressure inexorably translates into downward pressure on wages and labor conditions as suppliers seek to protect often thin profit margins. In this way, the market regularly incentivizes abuse. Companies at the top of the chain must do their part to reverse this pernicious dynamic. Specifically, corporations must

incentivize respect for human rights through a price premium, negotiated higher prices, and/or other financial contributions (such as licensing fees, support payments for monitoring, or direct payments for work facility improvements, etc.). With this support, suppliers can afford the additional costs associated with compliance with decent labor standards.

Beyond these three overarching characteristics, social responsibility programs must include the following monitoring and enforcement mechanisms to be successful. Together, these mechanisms constitute the core of the WSR model:

### **Workplace-specific codes of conduct**

Codes of conduct cannot be “one size fits all.” They must be tailored to address the particular abusive practices and actors specific to the industries in which they apply. Unlike outside experts, workers and their organizations have the direct experience necessary to develop industry-specific standards, making worker participation indispensable in the drafting of effective codes of conduct.

### **Worker education**

Workers must know their rights under the code if they are to be effective frontline monitors of those rights. Further, independent audits are infinitely more valuable when coupled with worker education, which allows workers to act as partners with outside auditors, building trust in what is otherwise often a foreign and suspect process for workers. Worker education empowers workers to play their unique role in making labor rights a daily reality in the workplace.

### **Complaint mechanism**

Audits, often infrequent and perfunctory, are the exclusive monitoring mechanism in the vast majority of traditional CSR programs and have proven inadequate time and time again. The only truly effective mechanism for uncovering and fixing human rights violations is a protected, 24/7 complaint investigation and resolution process. Traditional audits are, at best, a snapshot of working conditions during a brief window of time, while an effective complaint



NEW YORK TIMES

*1,137 garment workers died in the 2013 Rana Plaza factory collapse in Dhaka, Bangladesh. The Accord on Fire and Building Safety is addressing these risks to prevent future tragedies.*



resolution mechanism functions like a continuous video feed from the workplace, providing an open channel for workers to bring code violations to the attention of investigators without fear of retaliation.

### **Comprehensive audits**

When combined with effective worker education and a protected complaint resolution mechanism, independent audits can identify and address code violations that take place outside the workers' direct experience. To be effective, audits must go well beyond the traditional audit protocols and include interviews of a percentage of workers sufficient to establish a comprehensive picture of workplace dynamics, as well as unfettered access to management personnel and documents. Preferably, to avoid the gaming of audits that is today the norm, the auditors should have a deep understanding of the industry being audited.

### **Market consequences for suppliers that violate standards**

Workers and corporate buyers must enter into legally binding contracts that establish swift and certain economic consequences for suppliers who fail to comply with the applicable Code, including zero tolerance for the most egregious violations.

Additionally, transparency is an essential component of any effective labor rights pro-



*Workers on a Fair Food Program farm receive training on their rights and mechanisms for redress established under the Code of Conduct.*

gram. Worker-driven Social Responsibility should include public disclosure of the names and locations of participating buyers and suppliers.

Finally, where WSR programs exist, governments should support them through procurement, including by formally joining the programs as Participating Buyers.