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Anonymous/AP - Migrant workers carrying shovels walk to have lunch near a construction site in Beijing, China, Monday, April 18, 2011.

Restoring workers' rights is not about blame; it's about innovation

By Dan Viederman, Published: November 8

Workers' rights are a universal concern. Companies seek to operate legally and avoid tarnishing, if not destroying, their brand, while consumers seek to make purchases that advance their highest ideals. [Dan Viederman](#) is the CEO of [Verité](#), which partners with organizations, including some of the world's largest and most popular companies, to ensure the world population works "under safe, fair and legal conditions."

We asked Viederman five questions addressing the problems facing the modern, global workforce and the innovations currently in use and in development that stand to solve this long-standing challenge.

1) Your clients include some of the world's largest corporations, including Wal-Mart, Apple and Starbucks. These are companies that have all struggled with ensuring that, throughout their supply chain, workers' rights are being respected. What techniques or policies should smaller companies institute in the beginning to avoid workers' rights violations as they grow?

Workers' rights violations are everywhere, in every sector and every part of the world, including the United States. So it's not possible for a business person to confidently say, for example, "I'm not sourcing from China, so I don't have any problems with workers' rights." The image of a "sweatshop" in which poor women sit in rows sewing garments has to be replaced in our minds with pictures of farms in Alabama, construction sites in Dubai and fishing boats in New Zealand—these are all places one may find exploited workers.

But it's not only about avoiding problems. Businesses of all sizes can support broad-based economic development by taking steps to make sure workers are paid, that workplaces are safe, and that women have equal opportunity. In addition, respecting workers' rights means more than mere compensation. It requires raising the salaries for the working poor. They, in turn, will spend their income on better housing, food for their kids, education and better nutrition.

There are a few rules of thumb that smaller companies can adopt. They all fall under the common sense idea that it is better to avoid problems than to have to solve them later. Business leaders should design their operations with the risk of labor violations in mind, which will save them from having to spend more money down the line.

There are several rules of thumb, some of which are obvious:

1. Don't buy from places with known workers' rights violations – A simple search online can identify where some of these are. If you are buying t-shirts that are made in Tirupur, India for example, [you run the risk](#) of employing debt-bonded adolescents who work in the fabric mills there.

2. Be aware of the risk associated with outsourcing – Whether you are buying from an overseas supplier or hiring through a temp agency, businesses should use as few supplier layers as possible. The farther your business is from where its products are being made, the less knowledge business leaders have about what's going on in the workplace.

3. Demand good working conditions from your suppliers - Suppliers may not have heard from a buyer that working conditions are important. So, a simple conversation may motivate them to do better. If your suppliers say that the workers are well-treated, push back. Ask if they interviewed workers or if they had a reputable third-party do so? Did they have a long-term workforce or one characterized by rapid turnover? Does the supplier talk about “social responsibility” with their own suppliers?

4. Know where migrant workers are present - In the U.S., some of the worst labor conditions have been found on small, family farms in the Southern and Western U.S., and at local garden centers in the Northeast, because migrants were employed in slave-like conditions by labor contractors.

5. Talk directly to the workers - Some of the best small businesses have gone directly to the farms where they buy tea, for example, and made sure to have conversations with farmers and workers. There's no substitute for direct interaction. While this isn't a perfect solution, since vulnerable workers are not likely to share the worst abuses they are facing, it is a simple, effective place for business owners to start.

2) What is the greatest challenge Verité has faced in terms of implementing change to improve labor conditions? How did you overcome that obstacle?

We're finally making progress when it comes to resolving one of the most critical risks that companies face: the exploitation of workers who cross borders for employment legally and illegally. Roughly 10 years ago we began to notice that bad working conditions — unpaid wages, excessive overtime, harassment of female workers — was related to the presence of foreign migrants in a factory. This was occurring in places like Taiwan, where the predominant factory workforce is Filipino, Thai, Indonesian and Vietnamese. It was also happening in Mauritius where the workforce was almost all South Asian and Chinese workers.

With the support of a couple of forward-looking companies, we began to investigate the problem and

found out that these foreign workers had often borrowed thousands of dollars to be matched with a job, often paying usurious interest rates. And when they arrived, they were paid less than what had been promised — if they were paid at all. Workers, over the course of two years, sometimes paid fees amounting to half of their promised salary, which means they were working for free for a year. These workers were also trapped, since they couldn't take the risk of being forced to return home before their debts were paid, since they would have to face their creditors. They also couldn't leave the job, since their immigration status was dependent on their keeping their current job. The labor brokers were the only ones making a profit, in this situation, since they would take money from the workers and often from the employers as well.

This is a widespread problem – affecting everything from garment and electronics manufacture to agriculture (including the U.S.) and construction (in the Middle East). It's a safe bet that anywhere there are migrant workers, this problem exists. It starts with labor brokers in migrants' home countries. In some cases, it includes several intermediaries who help the worker get overseas, and concludes with yet another broker in the destination country. During the process of migrating for work, the worker will be in contact with several businesses, fall under the jurisdiction of several governments, and ultimately even do work for several multinational brands in the destination factory or farm. As a result, the solution requires knitting together accountability among a variety of actors, none of whom have been provided an incentive to do the right thing.

Our response has been to work with all of these groups. We have raised awareness of the problem among multinational brands, and trained their suppliers to adopt management systems to make sure workers get paid legally. We issued an online [toolkit](#) that will enable any brand, employer, or supplier – as well as other groups like socially-responsible investors – to understand this problem and adopt effective solutions in their businesses. We have launched a new program with Manpower, a leading global staffing agency, to create standards for the staffing industry that allow us to distinguish between ethical labor contractors and those that are treating workers badly.

This has had an impact, but abusive working conditions continue to exist on a massive scale. In Abu Dhabi, taxi drivers pay 10,000 dhiram to labor recruiters, or about \$3,000 – often in the form of a borrowed, lump-sum payment — to get a job that pays them around \$650 a month. This is on top of the costs for airfare and fees to a local recruiter in their home country. Imagine if these workers could keep more of their money to send home to families for food, better housing and schooling for their kids – or if they were able to save more to return home on a regular basis, rather than once every several years.

3) U.S. consumers are, generally, aware that labor conditions are poor — if not outright terrible — in many parts of the world, and that workers suffering under these conditions produce many of the products they buy. What is Verité doing to increase awareness of these conditions, and what new outreach efforts are being conducted to increase consumer awareness and empowerment?

Working conditions can be tremendously unfair here in the U.S. – particularly in agriculture, and especially among migrant workers. We have supported the [Coalition of Immokalee Workers](#) to build accountability in tomato farming in Florida. The Coalition has done as much as anyone here in the States to mobilize public action in support of migrant workers.

One of the most important lessons for consumers to learn is that this is a problem without an immediate, single solution. The information available to consumers about company performance on labor rights only presents a partial picture of a company's operations. Often, when individuals are asked to name a company that has "sweatshops," the name that comes up most often is Nike. The company had severe problems over a decade ago and is still not perfect. But, today, it is one of the most responsive companies to labor issues. Likewise, Apple is in the news lately — accused of having problems in its

Chinese supply chain. But that company's protections for migrant workers are providing leadership to the industry.

Verité shares information in a monthly issue brief, [Vision](#), which talks about what we have learned and the impact we're aiming to achieve. We have, in the past year, issued an online Toolkit and [Policy Brief](#) that describes the relationship between debt, migration and working conditions. We also recommend that consumers look at [Good Guide](#), which is mostly focused on the environmental impact of goods but is as close as anything has come to a point-of-sale guide to labor rights in supply chains.

4) If someone wanted to, on an individual level, affect change when it comes to improving global working conditions, how would you recommend they go about it?

The most impactful consumers are the ones who buy on behalf of their businesses –whether they work for the private sector or government. It is very important that procurement staff, through their relatively large business-to-business purchases, create incentives for ethical performance among suppliers. We know that some office supply companies and computer firms, for example, are including their social responsibility profile when they compete for a contract.

Business or government procurement officers can have a significant impact by asking respondents to fill out a request-for-proposal (RFP) to demonstrate how they protect workers. It merely requires adding an additional question or two. All individuals who buy products for their businesses – even items as small as promotional pens or cleaning and maintenance services– should make sure to talk to the vendor and find out how the owner of that business protects her workers.

For individuals, it is not quite as easy as going down to the neighborhood farmers' market and buying local produce. Instead, consumers must put a little effort into researching the companies they want to purchase from, and buying only from those with credible and impactful social responsibility programs. Most companies don't disclose meaningful information about their supply chain performance, in which case consumers should look for companies that admit they have had problems in their supply chains rather than papering over the issue.

5) What innovation most intrigues you today that you feel people should be made aware of?

The possibility of technology to dramatically extend our organization's reach is tremendously exciting. We have delivered training programs for Chinese workers for the past ten years. In that time, we have trained roughly 100,000 workers on everything from rights to inter-personal communication. Today, using the internet and mobile, which are nearly ubiquitous, we can increase our reach exponentially. In partnership with a communications company called [ClearVoice](#), we are delivering a phone and SMS-based grievance reporting system in Southeast Asia that gives workers in electronics factories an independent channel through which to have their problems resolved.

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