



CNV Internationaal

## Social dialogue and living wages bring about innovation in the sugar sector

Everyone has the right to good work. CNV Internationaal and independent unions work together to combat poverty by improving working conditions for employees in Africa, Latin America, and Southeast Asia. They jointly tackle issues, like a decent wage, a safe working environment for both men and women, the right to assemble and form a union, and improved skills for youth workers. These things are “normal” in the Netherlands, but in many other countries, this is not the case.



# CNV Internationaal and Bonsucro: A sweet cooperation

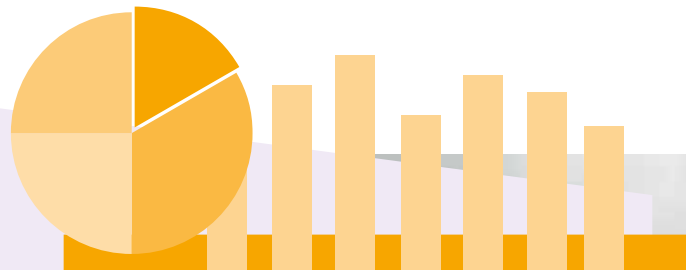
CNV Internationaal works to improve the position of workers worldwide. Bonsucro is a multi-stakeholder organisation working to improve sustainability in the sugar industry. CNV Internationaal and Bonsucro joined forces in 2019 to improve the production standard for certification for companies in this industry.

## CNV INTERNATIONAAL: “MORE ATTENTION TO PEOPLE AND WORKERS’ RIGHTS”

Like many other certifying organisations, for the past several years, the Bonsucro Production Standard has mainly focused on environmental and economic sustainability. Now it’s time to focus more on the development of social sustainability. While this aspect is already being considered, there’s still room for improvement! Social issues often seem to be less visible in audit reports, issues like extremely long working days, piecework rates far below the living wage, not enough break time, and not enough drinking water. But also the lack of opportunity to freely organise as workers seems to be a challenge to capture in audits.

Bonsucro member CNV Internationaal focuses mainly on human rights and workers’ rights, the social aspects of sustainability. International standards such as the UN Guiding Principles and the OECD guidelines should be the guiding factors in the creation of a credible, trustworthy, and future-proof production standard.

On this note, CNV held a working session on 24-25 September 2019 to gather input for the working group for the revision process. We did this in cooperation with trade unions, Bonsucro representatives, work group members, various experts, and companies from Nicaragua, Guatemala, Honduras, El Salvador, Costa Rica, Colombia, and Bolivia. The event took place in Nicaragua. Two main issues for the revised standard were addressed during this meeting: The inclusion of social dialogue and living wage.



## Facts & numbers

The buyers of **20%** of the world production of sugar are member of Bonsucro



**25%** of the worlds sugarcane land is engaged in Bonsucro





## THIS IS THE BONSUCCRO PRODUCTION STANDARD

The Bonsucro Production Standard covers everything that happens on and around plantations and production factories, including suppliers. The Standard consists of 6 interrelated principles. Every 4 years, the Standard will be revised and updated. In 2019, Bonsucro began the foreseen regular revision process, a participative process by means of consultations and discussions which will take place until the end of 2020. CNV Internationaal is contributing to this process with knowledge and expertise.

# The voice of the workers: “Social dialogue and decent wages will boost the Bonsucro Production Standard”

Certification is internationally seen by business, investors, and consumers as a trustworthy way of minimising ecological, economic, and social risks along the supply chain and of offering both consumers and investors a way to see that business is being conducted in an ethical way. However, NGOs have done research over the past years and this has shown that the standards still aren't a guarantee for decent wages. In the same way, neither is freedom of association guaranteed by these standards. It is important to put extra effort and attention into these issues if we want the standards to remain valuable and trustworthy.

## 1. WORK TO ACHIEVE SOCIAL DIALOGUE

Getting the workers involved in this process is crucial. Employees in modern companies want to have a say in their company and feel like they belong. This is good news. Engaging in conversation is the best way to work together to create sustainable solutions. Workers and companies have a joint responsibility and common purpose to address the health and sustainability of the company, and hence, of employment. And if workers and companies can manage to have a dialogue between equal parties, sustainable solutions can and will be created.

Collective labour agreements, if concluded between equal parties and involving representative workers' organisations, can lead to sustainable change. Social dialogue is a way to address problems and work towards the future—the company's future and the workers' futures. Therefore, it's important for the Bonsucro Production Standard to not only monitor how many workers are covered by a collective bargaining agreement, but also to ensure that these collective labour agreements are kept up to date and improved on a regular basis. In addition, we should expect companies to establish policies in close consultation with their workers. Workers, for instance, should be included in consultation sessions and commissions related to occupational health and safety and should also participate in dialogues on other themes relevant to them.

### INVOLVE ALL THE STAKEHOLDERS

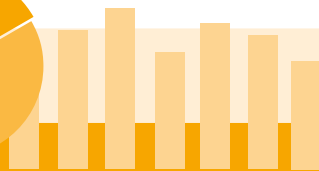
Involving all the stakeholders (think about the community, workers) is essential to creating an effective social dialogue. To achieve this, it's important for the company to have an accurate, current overview of who the stakeholders are and how they are currently involved in decision making processes. There also needs to be a actualised, accurate risk analysis showing the impact the company has on the various stakeholders. This should include risks like child labour, forced labour, and the employment of migrant workers. Providers

should check whether any human or labour rights are being violated.

### GROW AND DEVELOP WITH AN INDEPENDENT GRIEVANCE MECHANISM

A second aspect of social dialogue is the establishment of a clear and trustworthy, accessible, independent complaints procedure which holds the most significant stakeholders in the supply chain accountable. The complaints procedure is an important tool for resolving conflicts and thereby ensuring company peace and productivity. Everyone needs to be made aware of this procedure, especially less educated workers and communities in remote areas. An independent third-party should conduct the investigation of the complaints. This is important to both the workers and the companies. It is a way to protect companies against false claims.

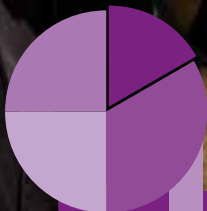




## The bitter truth

- Sugar is the largest and one of the most complex agricultural commodities in the world
- Workplace health and safety is one of the most recognized issues in sugarcane production
- Decent work deficits related to pay and working conditions remain an issue in many developing countries that produce sugarcane
- Social dialogue in the sugar sector is weak and fragmented

*\* ILO rapport on sugarcane production, 2017*



## Social Dialogue is part of these ILO conventions:

- 87 (trade union freedom)
- 98 (the right to collective labour negotiations)

## 2. INCLUDE THE LIVING WAGE CONCEPT IN THE PRODUCTION STANDARD

Throughout the world, quality standards are increasingly incorporating the Living Wage concept. One example of this is RSP0, the Round Table on Sustainable Palm Oil. This concept on Living Wage could be a solution to the negative impact of certain issues, such as child labour, forced labour, and health risks caused by working too many hours under conditions that are too stressful.

The Living Wage concept guarantees workers a standard work week as defined by the ILO and a decent wage so they can support their families. There are various methods available to calculate the wage gap, like the SA8000 Wage Indicator or the calculation methods used by the Global Living Wage Coalition. Calculations start by looking at the salary being paid and take more into consideration than simply the lowest salaries. They need to include the structure of how salaries are built up within the company, also taking into consideration direct employees, sub-contracted workers, and seasonal workers.

Including the Living Wage Concept in the Bonsucro Production Standard would be a major step forward and make the Bonsucro production standard stand out positively in comparison to other standards. But this probably won't be accomplished all at once. Therefore, we suggest some interim steps.

### These would be:

- Define the wage gap between the living wage and the actual wage, using a consensuated method like the ones mentioned above
- Create joint agreements (companies-workers) for a growth path when there is a defined gap between the paid salary and the living wage
- Implement a gradual increase in payment which will at least meet the annual rate of inflation
- Forbid piece work payment
- Agree to a minimum age of 18 years for workers, no exceptions permitted

## DID YOU KNOW

### Social dialogue goes beyond the trade union

Democratic trade unions representing their members are, of course, part of social dialogue. But social dialogue is more than collective bargaining for salaries. Working conditions, like health and safety, are also topics for a constructive dialogue. In fact, this is actually an excellent way to start a social dialogue. Workers in modern companies want to have a voice in their companies. This makes them feel relevant and part of the company. Being part of consultations on specific themes contributes to their sense of belonging. In such situations, unions aren't the enemy; they are, in fact, a kind of partner to management.

### Social dialogue is more about partnerships than strikes

Strikes also play a role in social dialogue. But statistics show there is more peace on the work floor when workers and employers see each other as partners. They are more likely to sit down and talk out their differences and they take each other seriously.

### Social dialogue generates useful company information

Companies gain valuable information when they organise social dialogue and consult with staff. Don't forget, workers are usually the ones who know the most about how work processes can be improved. Dialogues with workers improve risk management and the efficiency of the company's daily operations.



## DID YOU KNOW

### **The Living Wage Concept would boost the credibility of the Bonsucro Production Standard**

Guaranteeing a minimum wage isn't enough to maintain the credibility of the Bonsucro Production Standard. In practice, the minimum wage is often still far lower than the living wage. More and more investors, buyers, and consumers are demanding companies to invest in businesses (the major buyers in the sugar cane industry who are accredited on the stock market) who are actually paying decent living wages.

### **The market will demand a Living Wage Concept**

The Food and Agriculture industry and investors around the world find the Living Wage Concept to be of great importance. An example of this is the Dutch platform, "Living Wage Financials". This platform consists of various investors. They began a joint cooperation to stimulate a living wage for workers in the textile industry. Now they are getting into food brands and supermarkets. At the end of 2019, the governments of the Netherlands and Germany, in cooperation with several NGOs, organised a conference on this topic. Dutch supermarkets have also gotten involved; they have committed to purchasing their bananas from companies paying a living wage.

### **The Living Wage Concept will prevent a race to the bottom**

The (labour) market determines salary rates, to a certain extent. But the market doesn't always work perfectly. Child labour, forced labour, and health issues often keep wages low. Therefore, the national minimum wage is not necessarily a guarantee for a living wage. This concept of the living wage is crucial if we truly want rid the market of such practices and not create a race to the bottom.

### **The Living Wage Concept takes it step by step towards a living wage**

In most cases, it's simply not possible to achieve a living wage in one step. So first of all, we need to know how large the gap actually is between the minimum wage and a living wage. Then we can come up with a workable plan to bridge this gap. This is a dynamic process, which incorporates the comparison of the minimum wage(s).

### **The Living Wage Concept is a perfect fit for the Bonsucro Production Standard**

The Living Wage Concept is not intended to create a double standard. The Bonsucro Production Standard is the only one we're working with. We would like to introduce this Living Wage concept within the Production Standard (as a whole).

## FOR MORE INFORMATION:

### **BonSucro**

[www.bonsucro.com](http://www.bonsucro.com)

### **CNV Internationaal**

[www.cnvinternationaal.nl/en](http://www.cnvinternationaal.nl/en)

### **Global Living Wage Coalition**

[www.globallivingwage.org](http://www.globallivingwage.org)

### **Organisation for Economic Co-operation and Development (OECD)**

[www.oecd.org](http://www.oecd.org)

<http://mneguidelines.oecd.org/guidelines/>

### **Social Certification Standard SA8000**

<https://tinyurl.com/wyvs9m3>

## About CNV Internationaal

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CNV International works on social dialogue, on the employability of young people and on labour rights in (international) production chains, and is active in the palm oil, sugar, mining, textiles and metal industries, among others. We are the development organisation of the Dutch trade union CNV, and we work closely with international partner unions. We train colleagues from abroad to become strong negotiating partners in their own countries and strengthen the voices of young people and women. We do this by providing courses, exchanging knowledge and using our network. In addition, we work together with the Dutch government and the Dutch business community in making their international production chains more sustainable, e.g. by providing advice and laying down commitments for international responsible business conduct in voluntary IRBC agreements.

CNV Internationaal is an independent foundation. In the Netherlands, it is affiliated to the National Confederation of Christian Trade Unions (CNV). Together with its partner organisations, CNV Internationaal protects and promotes workers' rights based on the principles of international solidarity, personal responsibility, social dialogue and pluralism. In the Netherlands, CNV Internationaal contributes, working with the CNV confederation, to improving working conditions through lobbying, policy influencing and awareness building.

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