



CIES, The Food Business Forum  
GSCP, Global Social Compliance Programme

Amsterdam, June 8, 2007

Dear Claudine Musitelli,

We refer to your invitation of 14 March to a meeting where GSCP Board members will present in more detail the objectives and working plan of the Global Social Compliance Programme. As we indicated in our initial response dated 29 March we appreciate your invitation although we have strong reservations concerning the value of another initiative in this area.

We are firmly committed to a multi-stakeholder approach to the various issues related to labour practices in international supply chains. The exploitation and abuses of workers in international supply chains prevalent in many industries are a consequence of both the failure of governments to protect their citizens and of the ability of business organisations to avoid their respective responsibilities to workers. Respecting the human rights of workers in a global economy is complex and challenging. We do not believe that companies, that source through, or that produce for, international supply chains, either acting alone or together, possess the credibility to address these issues by themselves.

Whether it is deciding on what labour standards to apply, or identifying what constitutes good practice in applying these standards, the involvement of other interested parties represented by their own organisations is essential. Only the multi-stakeholder organisations that involve others in the design, implementation and governance of their operations can lay claim to any measure of credibility in this respect. We believe that the GSCP should have involved stakeholders from the beginning rather than approaching them after key decisions related to the programme have been made. Sourcing companies and their suppliers simply do not have the moral authority to unilaterally decide their responsibilities in the current global environment and they can not be relied upon to determine good practices, let alone best practices, by themselves.

As you are no doubt aware, the JO-IN project brings together all of the most important and respected multi-stakeholder initiatives<sup>1</sup> involved with labour practice on issues including the harmonisation of codes of conduct and implementation systems.

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<sup>1</sup> Workers Rights Consortium, Clean Clothes Campaign, Fair Labor Association, Ethical Trading Initiative, Social Accountability International, Fair Wear Foundation

It would seem to us that CIES members would be better placed to address your goals through membership in one or more of these multi-stakeholder initiatives and, given your wish to develop a common code based on existing best practices, use the JO-IN draft code.

In addition, the draft JO-IN code is based on best practice of codes from these six organisations and would afford the greatest level of protection for workers. *Best practice* in the GSCP code would mean that it fully endorses freedom of association and collective bargaining. The experience is that understanding the link between the exploitation and abuse of workers and the repression of their right to organise and to bargain collectively is essential in understanding these problems. Based on the JO-IN code, this would imply that:

- GSCP member organisations should apply the code to *all* workers affected by labour practices for which your organization has some measure of responsibility. This includes all workers employed directly by your company as well as workers performing work in your supply chain. This means more than recognizing that all workers have a right to form or join trade unions and to bargain collectively. Your member companies should adopt a positive approach towards the activities of trade unions and an open attitude towards the organisational activities of workers;
- GSCP member organisations should take steps to ensure that their employees as well as those performing work in their supply chain are not subject to dismissal, discrimination, harassment, intimidation or retaliation for reason of union membership or participation in trade union activities;
- GSCP member organisations should ensure that workers' representatives have access to all workplaces and to those that they represent in order to carry out their representation functions and shall not, without justification, impede access for union organisers to employees (<http://www.jo-in.org/giris.htm>);

Instead, your draft code falls short of best practice as the scope is limited to *suppliers* only. In addition, because of inconsistency between various provision on freedom of association (3.1 and 3.3), living wage (6.3 and 6.4) and, hours (7.2 and 7.3), the GSCP draft code falls short of what is considered to be best practice in these areas.

We devote some length to this issue for several reasons. First, we wanted to illustrate why multi-stakeholder initiatives are needed to address issues unlikely to be addressed in a serious way by business-only initiatives. Second, we are concerned that initiatives such as GSCP could become a vehicle for companies hostile toward trade unions and help them gain a façade of credibility without changing their practices.

In this respect we find it hard to understand how one of GSCP's founder members, Wal-Mart, could credibly claim to adhere to the human right of workers to form or join trade unions and to bargain collectively, when its actions up to this point indicate a systematic absence of such commitment.

Wal-Mart has repeatedly failed to intervene when cases of suppression of trade union rights in supplier facilities are brought to its attention, for example in the Philippines (Chon Won case), El Salvador (Hermosa) and Cambodia (Fortune). Meanwhile, Wal-Mart's attitude to organising among its own employees and 'associates' is openly anti-union. Wal-Mart uses a variety of tactics to suppress the right to organize, among them: screening out potential union supporters through its hiring process; operating an anti-union hotline to crush any organizing effort; shutting down shops after workers chose union representation; distributing a "*Manager's Toolbox to Remaining Union Free*", and giving large grants to support anti-union organisations. These policies are widely documented and do not need any further explanation here.

This involvement of Wal-Mart raises for us serious questions concerning the character and purpose of GSCP. For a meaningful discussion on social compliance to take place, *Wal-Mart would need to take positive, identifiable and concrete measures to demonstrate a change of heart on trade union rights*, both in its own facilities and those of suppliers. It is hard for us to take the GSCP seriously in the absence of such a change.

Bearing in mind the points made above, we do not feel it would be appropriate for us to meet with the GSCP, and we do not see grounds for possible synergies unless fundamental changes are made, as outlined above. If at some point the GSCP, and in particular Wal-Mart, is able to guarantee us that these changes have been made in a manner that allays our concerns, we would of course be happy to meet with you to discuss the initiative in more detail.

Yours sincerely,

On behalf of the Clean Clothes

A handwritten signature in black ink, appearing to read 'Ineke Zeldenrust', is written over a faint, light-colored circular stamp or watermark.

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