

Human rights in value chains

How to ensure HRDD works for
small farmers and workers

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10th December 2020

AGENDA

- HOW TO ENSURE HRDD FRAMEWORKS HAVE A POSITIVE IMPACT ON SMALL FARMERS AND WORKERS
- HRDD FOR PRODUCER COOPERATIVES IN THE GLOBAL SOUTH – REALITIES FROM THE GROUND AND EXPECTATIONS
- HOW SUSTAINABILITY SCHEMES SUCH AS THE FAIRTRADE SYSTEM CAN SUPPORT AN HRDD APPROACH

HOW TO ENSURE HRDD IS POSITIVE FOR SMALL FARMERS AND WORKERS

- FT MOVEMENT SUPPORTIVE OF CALL FOR A MANDATORY HRDD THAT LEADS TO REAL CHANGE IN COMPANY BEHAVIOUR AND BENEFITS SMALL FARMERS AND WORKERS.
- CHALLENGES:
 - How to address HR risks and who bears the responsibility and cost?
 - How to address the challenges faced by small farmers in engaging in HRDD?
 - How to ensure small farmer cooperatives are given the adequate resources and conditions to comply?
 - How to achieve HRDD frameworks that are flexible, adapted to local realities and that respond to the expressed needs of farmers and workers?
 - How to address developmental/structural issues from a business perspective? What issues can/cannot be entirely addressed at the supply chain level?



SOME CHALLENGES FROM THE LATIN-AMERICAN CONTEXTS AND PERSPECTIVES OF SMALL FARMER COOPERATIVES

AGRICULTURAL PRODUCTION HAPPENS MOSTLY WITHIN THE INFORMAL SECTOR = structural causes behind labor law breaches.

Farmer organizations operate within CONTEXTS OF POVERTY, INEQUALITIES, LACK OF FULFILMENT OF other HR = fundamental causes behind human rights violations

LOW PROFITABILITY/INCOME = many FARMER ORGANISATIONS STRUGGLING TO SURVIVE and to cover the costs of a sustainable production.

LIMITED CAPACITY and EXPERTISE to COPE WITH the HR EXTERNALITIES which are time and resource consuming

INCREASING DEMANDS around SOCIAL SUSTAINABILITY should be matched with FINANCIAL SUSTAINABILITY of farmer organisations = access to markets, reach LI/LW.



WHAT IS EXPECTED FROM BUYING COMPANIES?

- **LONG TERM ENGAGEMENT** with farmer organizations both at **COMMERCIAL LEVEL** (stable commercial relationships) and in addressing **HUMAN RIGHTS**.
- **CO- INVESTMENT + LINKAGE** with **GOVERNMENT** and **CSO** in the different **HRDD** steps = capacity building, impact assessment, prevention, addressing **FUNDAMENTAL CAUSES**, monitoring and remediation.
- **ADDRESS** the **CORRELATION BETWEEN LIVING INCOME/LIVING WAGE** and **CLIMATE CHANGE** with the **FULFILMENT** of other HR.

HRDD AND SUSTAINABILITY SCHEMES – A COMPLEMENTARY APPROACH

Legislation is needed - voluntary initiatives like sustainability schemes are not sufficient to solve human rights violations in global supply chains.

Ambitious sustainability schemes like the Fairtrade system can offer invaluable support for HRDD work by companies, workers and small farmer cooperatives.

But they cannot exempt companies from their human rights due diligence responsibilities.

THE FAIRTRADE SYSTEM AND HRDD

The Fairtrade system calls for mandatory human rights and environmental due diligence.

The Fairtrade system is strengthening its own HRDD process, building on its Human Rights Commitment of June 2020.

The Fairtrade system supports farmers', workers' and commercial partners' HRDD work.

OUR VISION FOR A HRDD LEGISLATION

- Explicitly **cover purchasing practices, including**, recognising that poor practices will often lead to human rights abuses;
- Require companies to ensure that the **price** they pay to their suppliers, and ultimately to producers, enables them to produce with respect for HR and the environment.
- Include reference to the importance of **maintaining long-term sourcing relationships** with suppliers; **require companies to support their suppliers in respecting HR, rather than abandon or avoid high-risk sourcing areas.**
- Cover at least all internationally recognised human rights, with **clear guidance on how to assess the severity of risks, including root causes** such as a lack of living wages and living income either as rights themselves or as preconditions for fulfilment of other human rights;
- **Engage rightsholders** at every step of HRDD, and give them the capacity to do so.
- Include and **empower those who fight against human rights violations, such as trade unions, civil society, and human rights organisations.**

To be complemented by:

- Partnerships with producer countries to support them in establishing an enabling policy environment.