

WSR FEASIBILITY ASSESSMENT

This document is one of five concept briefs published by the Worker-driven Social Responsibility (WSR) Network. The briefs are for practitioners who seek to understand and implement the WSR model. Since the concepts and elements described in these briefs must be implemented as an interlocking and self-reinforcing system, the briefs are not intended for use outside of the WSR context. Taken individually, these concepts do not constitute the WSR model, which requires full implementation of all of these elements together. Additionally, the Network is engaged in an ongoing process to further develop and expand the WSR paradigm and as the model expands to new sectors and workplaces, this will inform our understanding of its implementation.

OVERVIEW

This document outlines feasibility criteria for creating WSR initiatives beyond where it now operates. In doing so, it is hoped that it will serve as a useful resource for worker organizations as well as aligned advocates and researchers. While some characteristics described below are highly resistant to change (e.g., the market structure of a given sector), others are more susceptible with sufficient time and determination (e.g., the capacity

and power of a worker organization). Still other criteria may be addressed on even shorter time horizons (e.g., the documentation of abuses in a given sector). Therefore, assessment and/or self-assessment with these criteria should be viewed as a dynamic, iterative process that may help to inform an organization's ongoing strategic planning and development, as well as the design of a WSR campaign and program.

PROBLEM & INDUSTRY

PROBLEM

Key Questions

- Are there documented human rights abuses in the supply chain?
- What is the scope of the problem?
- Are there other initiatives in place to address the problem which have proven ineffective?
- Are there other worker organizations in the sector or geographic area?

Analysis

- **Documentation of Abuses:** Third-party documentation of human rights abuses within a supply chain may be demonstrated through a combination of academic and NGO research, media exposés, regulatory agency findings (e.g. departments of

labor, health, etc.), and successful litigation or criminal prosecutions that spotlight routine or worst-case examples. It is also possible for the practitioner organization to publish firsthand research, though collaborating with an external partner such as a university may improve the credibility of the final product for some audiences.

- ***Scope of the Problem:*** Any WSR effort must be tailored to the scope of the problem. Around the world, low-wage workers at the base of corporate supply chains experience similar human rights abuses, which are the result of underlying economic pressures that are similar across countries and industries. At the same time, factors unique to a given sector, location, or specific worker population may result in particular concerns and priorities for workers that should also be reflected in program design. Ideally, a WSR agreement would address human rights abuses at a broad regional or global level, in order to impact the greatest number of workers possible. It is possible, however, that there are other factors – such as highly concentrated levels of production, the uniqueness or quality of a product, and logistics considerations such as geographical proximity to consumer markets and delivery timelines – that could strengthen the relative bargaining position of workers in those industries and improve the feasibility of a more delimited solution.

It is also important to bear in mind the intense price competition that exists between suppliers, and the consequences this can have when WSR agreements are relatively limited in scope. If a supplier's costs increase because it has implemented improvements mandated by the WSR program, there is a danger that buyers will terminate the supplier and switch to lower-cost suppliers with worse conditions. This is known as “cutting and running.” The scope of a WSR agreement should be as broad as possible to prevent this dynamic. The challenge of achieving a living wage in the garment industry is illustrative. Were a garment-producing country to significantly raise wages, buyers would simply shift their purchases to a competing country with lower wages. In this instance, regional or even global approaches with a WSR program spanning multiple countries are likely necessary for a sustainable solution.

- ***Other Organizations and Initiatives:*** What other worker organizations, if any, are present in the sector or geographic area? A mapping of the landscape using the Practitioner Metrics in this document would summarize their respective histories, capacities, and track records.

Similarly, if previous attempts have been made to address the problem, assess their origin, structure, and outcomes. A comprehensive analysis can be performed by utilizing the principles and mechanisms of WSR as metrics. This assessment can be performed based on media, academic and NGO reports, the program's own publicly available data (often more revealing for omissions than content), and through firsthand experience that the practitioner organization or others in the field may have with the program. Key to any analysis are two factors, a) the presence of certain key elements, such as an effective monitoring regime and market consequences for violations, and b) concrete, measurable outcomes that demonstrate the on-the-ground changes achieved, or not achieved, by the existing initiative.

INDUSTRY

Key Questions

- What is the profile the industry and workforce?
- What is the basic structure of the supply chain?
- Who are the end buyers, and what are the reputational risks for their brands?

Analysis

- **Profile:** This should include the financial and geographic footprint of the industry and demographic information about the workforce (age, gender, nationality, immigration status, wage levels, etc.).
- **Supply Chain Structure:** Understanding the structure, layers and timing of the supply chain, including product and financial flows, is a necessary precondition for designing a WSR program with an enforcement mechanism that applies to both buyers and suppliers. In the case of buyers, the agreement is enforced through legal mechanisms (via judicial systems or private arbitration) and/or economic consequences. In the case of suppliers, enforcement is enacted through market consequences, whereby the Signatory Buyer is legally obligated to cease doing business with any supplier that commits violations and fails to effect remedies. If the product (or service) is not traceable or segregable within the supply chain, there must be an alternative method for establishing supply chain responsibility. There must be an ability to separate bad and good actors within the supply chain so that those that are “good” (in compliance with human rights standards) can be rewarded and those that are “bad” (in violation of the standards) can be effectively identified and consequences, including market consequences, can be applied.
- **End Buyers:** Over the past two decades, campaigners have repeatedly demonstrated that brands are sensitive to public revelations of worker abuse in their supply chains. Strategic public campaigning has proven effective in compelling concrete changes in corporate practice. The bigger the brand’s footprint in the market and popular culture, the more vulnerable the brand may be to pressure. First, determine if there are any brands that could realistically be pressed through a corporate accountability campaign to change conditions in the supply chain. If so, assess the likelihood of the brand’s target market to respond favorably to such an accountability campaign.

Given that many corporations are vulnerable to accountability campaigns, a cottage industry of public relations and crisis management consultants has arisen to help companies navigate these turbulent waters. (Indeed, CSR and many MSIs are a part of this industry.) Strategic research, including charting a brand’s history, if any, of responding to similar issues is valuable as it may reveal their playbook. Taken together, these factors can help illuminate a brand’s overall vulnerability in relation to a possible corporate accountability campaign.

PRACTITIONER & ORGANIZING CONTEXT

MEMBER PARTICIPATION & LEADERSHIP MODEL

Key Questions

- How does the organization define membership?
- How does the organization engage its members, and what roles do members play in strategic planning?
- How are staff selected, and what is the economic distance between members and staff?

Analysis

On a practical level, effective application of the WSR model requires deep participation from the worker community. In effect, the WSR model should offer tangible and concrete opportunities for further strengthening of worker organizations. This participation is necessary for such tasks as identifying workplace problems and solutions for an enforceable Code/Standard, creating an effective and credible worker education program, evaluating and refining the program's workplace inspection protocols, assisting as needed in the investigation of worker complaints filed under the Code/Standard, and providing overall strategic direction for the program. Therefore, an organization's ability to engage workers in a participatory and sustainable manner is a necessary condition for it to be able to serve as an effective spearhead for a WSR program. Organizationally, this worker participation is best channeled through a worker organization that is viewed as accessible, trustworthy and credible by its members, including trade unions, worker based human rights organizations, or other organizations that genuinely represent workers' interests.

CAMPAIGN HISTORY

Key Questions

- What is the organization's campaign history, including targets and outcomes?
- How broadly and deeply does the organization represent workers in the targeted sector?
- What domestic or international partners has the organization collaborated with?

Analysis

Chart the scope, arc and impact of the organization's previous campaigns. Establish if the organization has the experience negotiating or has the capacity to negotiate and enforce settlements during these campaigns. Importantly, the campaign history assessment will reveal the nature of its relationship to employers. It will also help assess the organization's capacity for planning and executing an accountability campaign and negotiating a binding WSR agreement with corporate buyers. A list of previous partners may provide a window into the organization's milieu and identify active and passive allies (as well as active and passive opponents) for the accountability campaign and WSR program.

An organization must: understand or be willing to learn negotiating strategies and positioning; have a history of regular planning, persistence and focus in its campaigning practices; demonstrate an ability to engage and challenge employers strategically (with power but also dialogue); and demonstrate it either has an existing web of strong and willing allies or has the capacity to develop one.

STRATEGIC PLANNING

Key Questions

- What is the organization's strategic planning process?
- How are major decisions made?

Analysis

An organization's ability to develop effective strategy – a plan of action to achieve an objective within the constraints of limited resources – is necessary for the organization to become a successful WSR practitioner. Exploring the organization's strategy development process will likely intersect with other metrics in this feasibility assessment, including campaign history and leadership model. While successful outcomes are a clear reflection of effective strategic planning, it is also important to understand the planning process itself, including how key decisions are made and on what timelines.

Specifically, it is important to assess whether decisions are made deliberatively and with broad participation within the organization (and even input from key allies), and whether there is follow-through on implementation and accountability to the plan. Additionally, the organization must demonstrate a willingness and capacity to enter into a long-term planning process leading to a focused multi-year campaign, and the ability to accurately assess its internal capacity in relation to its planned activities.

FUNDING

Key Questions

- Who is currently funding the organization?
- Can the organization acquire resources for WSR implementation?

Analysis

Though the “return of investment” is quite remarkable in terms of WSR's rights-protection ability for workers, these programs cannot be done on the cheap. Even as WSR programs incorporate self-financing mechanisms, such as Signatory Buyer support payments to underwrite implementation costs, there will be a need for resources for the worker organization and independent monitor. Possible sources of funding may include dues, mass membership, foundation grants, government support and fee for service. If a program generates buyer support payments to underwrite monitoring costs, practitioners must be careful that the overall proportion of funding from this source does not pose the risk of undue corporate influence or introduce potentially compromising dependencies. A diversity of funding streams serves as a necessary check against this risk.

FREEDOM OF ASSOCIATION

Key Questions

- What security climate does the organization operate within?
- Can workers be relatively protected against severe retaliation for exercising basic rights such as association?

Analysis

The WSR model requires that workers enjoy sufficient access to their rights of assembly and expression. While organizing is dangerous in many contexts, it is particularly difficult to imagine a WSR program taking root where worker organizations cannot operate above ground in a formal and relatively secure manner. The model may not then be suited the current realities of China, to cite one prominent example, where independent worker organizing is forbidden by the state. However, even in environments as difficult as Bangladesh, the model has proven effective at leveraging sustainable change.

LEGAL SUPPORT & CONSTRAINTS

Key Questions

- Does the organization have access to legal support?
- Are there legal constraints to pursuing WSR?

Analysis

Legal support is necessary for navigating the fine lines required by a corporate accountability campaign as well as for drafting the Code/Standard and binding WSR agreements with corporate buyers. If the organization does not have in-house legal counsel, evaluate whether external support can be attained and whether that support will be sufficient for and attuned with the identified objectives. Similarly, are there legal constraints the worker organization could face in pursuing WSR agreements and/or implementing a WSR program?