



Consultation on the GLA and Supermarket Protocol

This response is submitted by Unite. Unite is the UK's largest trade union with 2 million members across the private and public sectors. The union's members work in a range of industries including agriculture, manufacturing, financial services, print, media, construction, transport and local government, education, health and not for profit sectors.

Unite is the only trade union in the agricultural sector and the biggest trade union in the food processing sector. Unite played a major role in the creation of the Gangmaster Licensing Authority and continues to actively support the GLA's work on ending abuse of gangmaster labour.

Unite would be willing to provide further verbal or written evidence on any issues covered in this response.

Executive Summary

- The protocol is a welcome development and a useful weapon in the GLA's arsenal.
- It will put greater pressure on employers and gangmasters to abide by the law.
- The supermarkets have to shoulder some of the responsibility for conditions in their supply chain. They should therefore have greater obligations on them rather than just a voluntary agreement.

The Unite section case in detail

1. Unite welcomes the consultation on the supermarket protocol. It is clear recognition that the supermarkets share liability for employment and other ethical practices that take place in their supply chains.
2. The GLA continues to do a good job tackling exploitation in the sectors that it covers with limited resources. This protocol will be another useful weapon in its arsenal.

Supermarkets

3. The supermarkets are a major contributor to the problems facing workers in their supply chains. The strangle hold they have over suppliers and the markets that they work in make poverty wages, poor terms and conditions and gangmaster exploitation almost inevitable in the UK's deregulated employment market.
4. While the GLA has made a welcome difference it is clear that the race to the bottom in employment practices will continue unless supermarkets hardwire minimum standards into their contracts.
5. Unite is worried that this protocol may have the detrimental effect of giving more powers to the supermarkets over suppliers without placing any formal obligations on them.

Voluntary Code

6. Voluntary codes are just that, voluntary. This means that when it is not in the interest of the company they will have the option to withdraw.
7. Unite has experience of voluntary codes through engaging with the Ethical Trading Initiative. While Unite believes that the ETI code provides useful practical leverage with retailers and their suppliers we feel that it is not strong enough to prevent determined abuse.

8. Unite would argue that at the very least there should be an obligation on the retailers to provide justification for the “operational reasons” (paragraph 4) for not meeting the terms of the protocol. This means that a clear definition of what a “valid operational reason” is needs to be established.

GLA enforcement powers on supermarkets

9. Unite strongly believes that the GLA should have enforcement powers over supermarkets that knowingly work with suppliers that break licensing standards or are negligent with their contracting. This would put more onus on the supermarkets to pay a fair price for products and therefore for suppliers to treat their workers properly. Unite recognizes that this would require changes to legislation that are outside the remit of this consultation.

Sharing information

10. The sharing of information is a crucial part of this protocol. If retailers supply information about breaches that they are aware of to the GLA this will hopefully improve the levels of intelligence available to the GLA and is a welcome move.

11. Unite is happy with the SPOC system assuming the SPOC from the retailers has access to the necessary information and power to act. Unite is also happy with the information that the GLA is proposing to exchange with the retailers.

12. Unite does however have concerns over the extra leverage that supermarkets may have over suppliers. This could be abused to the detriment of workers unless there are greater obligations attached.

13. Paragraph 8 could potentially be beneficial if it uses the power of supermarkets to force compliance with requests for information. However there is potential for this to be used to forewarn suppliers of a compliance inspection that may allow suppliers to cover up any breaches.

14. Unite would argue that the retailers should warn the GLA directly and not through the supplier otherwise it shifts responsibility away from the retailers.

Working together

15. Unite is happy for the GLA to meet regularly with the supermarkets and all other actors involved in the sector.

Supplier visits

16. The proposals around joint visits are positive and welcome.

17. Unite feels that there should also be recourse for the GLA to invite the retailers to visit a supplier selected by the GLA as there may be a tendency for retailers to select their best suppliers. Unite would also argue that there should be clearly specified reasons why a retailer may decline a visit.

18. Using the supermarkets to support the GLA with uncooperative workplaces will be useful but Unite would like the supermarkets to commit to take stronger action than “a phone call” (paragraph 15) to force compliance.

Communications

19. The agreement for the GLA and retailers to communicate regularly is positive.

20. Unite however believes that the commitment to “encourage suppliers/ labour users to register for the GLA’s active check service” (paragraph 16) is too weak. This should be a condition of all contracts. The information provided by the GLA around active checks would then work directly to enforce the standards. If all supermarket contracts with their supplier made this a condition it would make a level playing field for both suppliers and supermarkets and bring up the standards for workers.

21. Similarly in Unite's view the requests to provide contact information on an annual basis is not strong enough (paragraph 19). As it stands Unite believes it is unlikely that a retailer would terminate a contract with a business because of it failing to provide the GLA with contact information.

22. Unite is supportive of the idea of events to provide details of inspection findings and outcomes to communicate to the retailers' suppliers (paragraph 20) and also that the GLA would be able to attend the supplier conferences of each retailer (paragraph 21).

23. Unite is concerned though about the imprecision of the term "where appropriate" (paragraph 21). The process for deciding what is appropriate needs to be clarified.

Action following GLA investigation

24. Unite would like the agreed action following a GLA investigation (paragraph 23) to require the retailer to take decisive action on its supplier rather than leaving this to the discretion of the supermarket. As it stands there is no mention of the outcomes if nothing were to happen, e.g. negative media for retailer inaction.

25. The threat of de-listing a supplier should definitely be used to force a supplier to comply with the GLA. This could potentially be done through a 'notice to improve' with a time period before de-listing would come into force. When this happens the supermarkets should join the GLA in publicising the action (see below).

26. As with licence revocation this does leave the workers in the vulnerable situation of facing exploitation or unemployment. Unite would argue that the interest of the workers being mistreated need to be the top priority when standards are enforced.

Publicity

27. The GLA's high profile media strategy has been extremely successful and Unite would strongly support this continuing. Using the publicity machine of big retailers will make a major difference in communicating the message and bolster the resources of the GLA press team.

28. If the retailer has been cooperative then Unite would support the GLA notification prior to releasing the press releases and information on a case.

29. There should also be joint press releases issued when either collaboration has led to enforcement activity from either the GLA or the supermarkets (i.e. de-listing of a supplier).

30. At the same time there should be a policy of publicising retailer inaction and/or obstruction if the retailer has chosen not to support the GLA in its enforcement activity in its supply chain once notified of the issue by the GLA. In the latter cases there should be no advanced warning for the retailers.

Protocol review

31. Unite thinks that the protocol review process is welcome but adds a note of caution that there should be a process to make urgent changes if absolutely necessary.

Conclusion

32. Unite is supportive of the GLA and Supermarket Protocol but feels that it could be strengthened in terms of the obligations on supermarkets.

Chris Kaufman

National Secretary

Rural, Agricultural and Allied Workers

Unite the Union

For clarifications and further information please contact:

James Lazou

Research Officer

Unite the Union

020 7611 2594

James.lazou@unitetheunion.com

20 July 2009

David Nix, Head of Policy and Communications

GLA, PO Box 8538,

Nottingham, NG8 9AF

Consultation@glg.gsi.gov.uk