



Social Dialogue:
The key to decent work in the palm oil sector
A call to action for RSP0



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1. Introduction

Research and experience show that social dialogue improves labour conditions in a sustainable and structural manner.

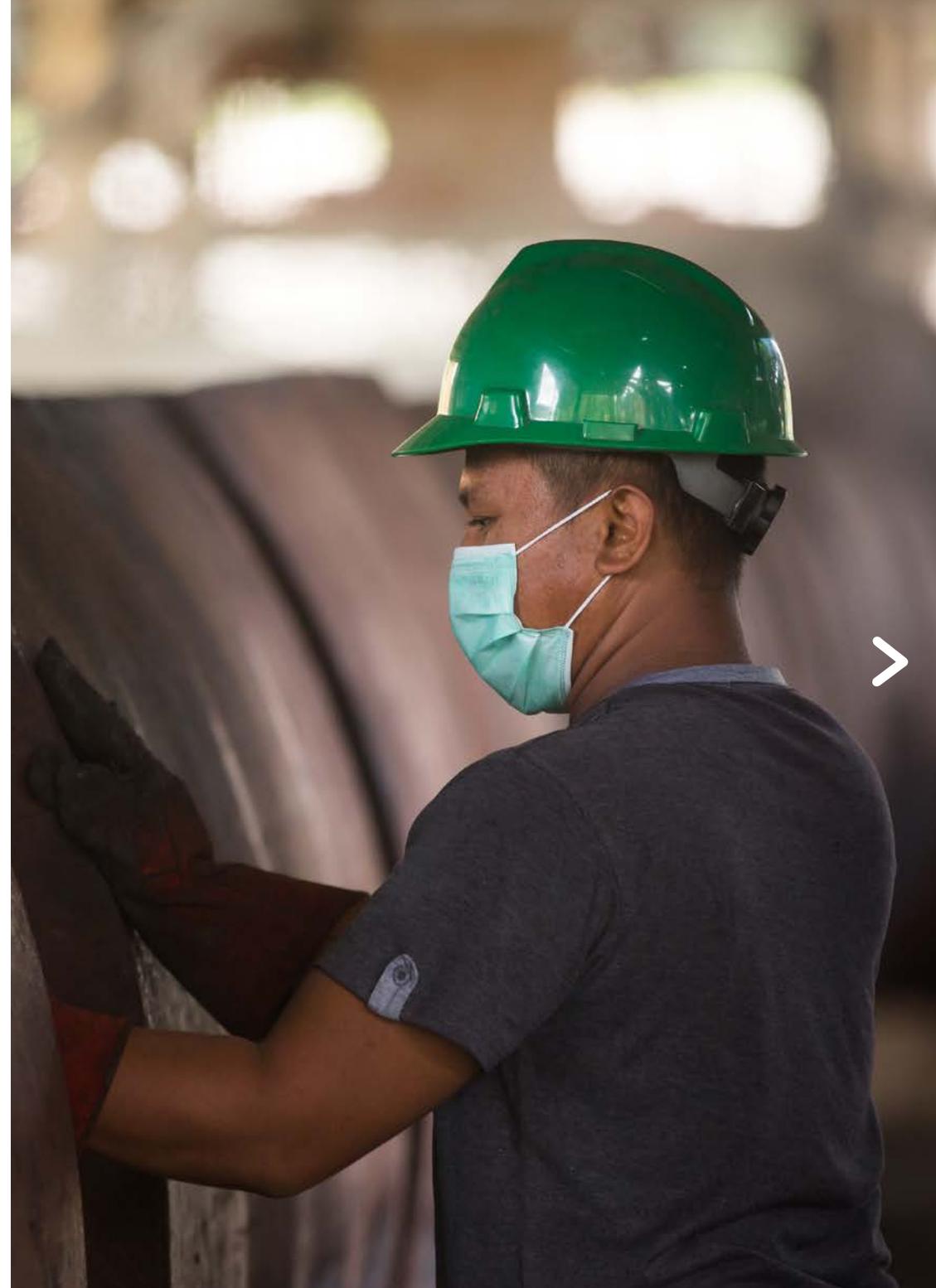
The benefits of social dialogue are being increasingly recognized in a variety of supply chains. Coalitions are being formed to firmly anchor social dialogue in sustainable practices. Although the Round Table on Sustainable Palm Oil (RSPO) refers to freedom of association (FoA) and the right to collective bargaining in their principles and criteria, social dialogue is not explicitly mentioned or integrated into the standard. Our research indicates that labour rights violations still occur, despite the progress made by RSPO. That means there is still room for improvement. Therefore, we invite CSOs, governments, the financial sector, and companies of growers, processors, and retailers to join us in our call to action to strengthen social dialogue as a key principle for minimizing the negative impact of palm oil production on workers.



2. Labour rights violations remain prevalent

Over the last 5 years, CNV Internationaal has done research on the most important labour issues in the palm oil sector.

The most severe labour rights risks in South East Asia and Latin America include forced labour, child labour, health and safety risks, gender discrimination, unfair wages and income, and little or no access to social security. Also, trade union rights abuses continue to take place, especially in regard to a lack of freedom of association and the absence of collective bargaining agreements (CBAs). Workers have declared that the high targets set for harvesters often make it necessary for them to bring their wives and their children to work. Women often work on a daily basis but do not have a contract, leading to absence of social security and paid (maternity) leave. Male palm oil harvesters have also said that in order to reach high daily targets, they work up to 2 hours of unpaid overtime a day.



While RSPO's human rights working group is making some progress by getting vulnerable groups, such as the outsourced-, daily-, migrant-, and female workers, put onto the agenda, the issue of living wage is still not getting enough focus or support. This is significant because establishing living wages is key to addressing the root causes of poverty, inequality, and child labour.



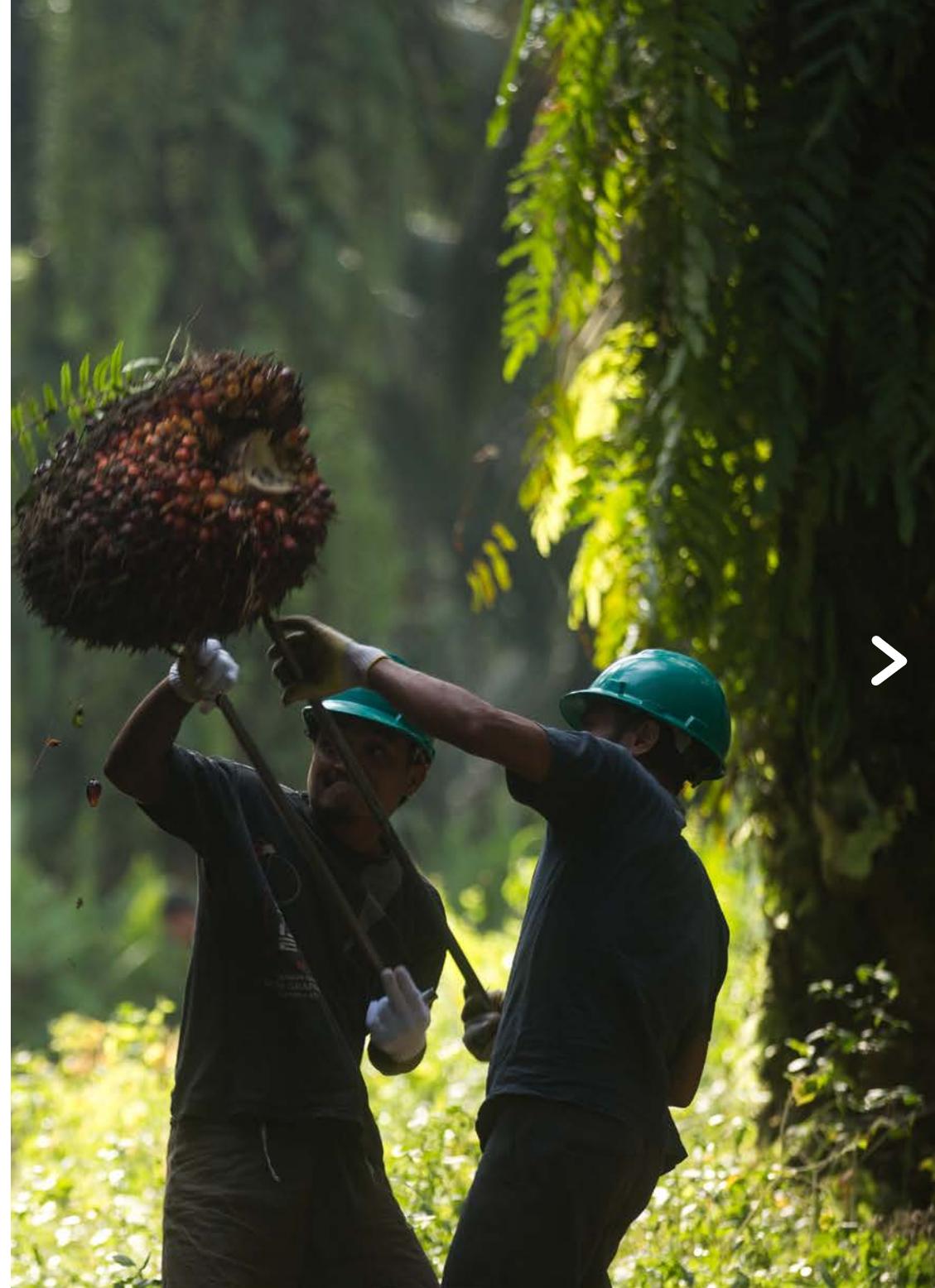
RSPO's steps to improve labour rights are timely as new forms of legislation, both in the US and Europe, are currently being created. Two examples of upcoming legislation include the proposed directive on Corporate Sustainability Due Diligence and a new regulation for deforestation-free products. Further, human rights due diligence legislation has been implemented in Germany and France. This legislation requires companies to improve their due diligence and increase transparency and collaboration throughout the entire value chain. Adherence to OECD guidelines for multinationals will no longer be voluntary, it is going to be a legal obligation.

Strengthening social dialogue and freedom of association is key to achieving the improved labour rights required by these new forms of legislation. Therefore, we have published a clear road map on how to navigate this process.

3. Social dialogue: the most sustainable instrument for decent work

Freedom of association and collective bargaining are trade union rights. They are important pillars of decent work as defined by the International Labour Organisation (ILO).

They form the foundation of social dialogue and industrial relations to manage conflict in the workplace. When it comes to the palm oil sector, trade unions' and workers' contributions are important. They are the best people to provide accurate information about what happens on the plantation. Social dialogue gives them a place to share this information and work cooperatively on solutions and preventative measures.



Social dialogue provides:

- Information about the working and living conditions of workers, which can be used to monitor compliance with laws and standards.
- Coordination and input for the development, implementation, and monitoring of new policies and procedures, for instance gender-sensitive sanitary provisions.
- Transparency in negotiations. CBAs are legally registered and binding and are regularly monitored and updated. CBAs reached through social dialogue prove to be sustainable because all main stakeholders are involved.
- Information for workers on their labour rights, (collective) agreements, the existing international standards, specifically RSPO.
- A route for workers to report non-compliance without fear of reprisal, making it more likely that violations of labour codes will be reported.
- Identification of salient risks, like child labour or modern slavery, by worker representatives, like unions.
- Companies with early warning signs of human rights risks.

Inconvenient truth about CBAs

Last year, a study was conducted analysing all the CBAs in West Kalimantan. This study revealed the shocking fact that only 3% of the plantations (12 out of 400+) have CBAs and a total of 32 plantations only have company regulations. When the CBAs were compared to national legislation and international standards, some important findings were revealed. The most important being the fact that most of these CBAs do not cover daily workers' rights, including social security. Unfortunately, neither bi or tri-party negotiation was part of the drafting of the CBAs and as a result, the topic of wages hasn't been addressed properly. And while other issues like job transfer, targets, and sexual harassment have been included, the agreements appear to be based on unilateral decisions in most cases.



Susila is a female daily worker on a plantation in West Kalimantan.

She has been working on the same plantation without a fixed contract for five years. Most of the time she does pest control, including fumigation. Because she only works on a daily basis, she cannot appeal for workers' rights, like maternity leave or continued payment of salary if work is halted due to rain. According to national laws and regulations, she should be given a permanent contract, but unfortunately, she cannot show any payslips as they were not provided the first years she worked.



4 Call to action

Our agenda towards social dialogue

We come with a call to action for all RSPO stakeholders to accelerate their collaboration for social dialogue. It is essential creating significant and sustainable change in the sector.

Stakeholders should therefore start the process by organizing and funding the following actions:

1 Adding social dialogue to the RSPO standard

The current Principles & Criteria only refer to freedom of association. Social dialogue is not mentioned or required. Social dialogue should be added as a criteria in Principle 6 on Respecting Workers, Rights and Conditions. Another option would be to include it in Criteria 6.4 as a just means of ensuring collective bargaining as an effective standard operational procedure.

2 Providing technical assistance and training to members

RSPO should provide advice, technical assistance, and training to workers and employers on the concept of a living wage and social dialogue and give them tools to achieve these. A joint social dialogue training would help build trust, teach them how to effectively negotiate CBAs, and could even initiate some negotiations.

3 Initiating pilots and tools

Using specific plantations to initiate and support pilots like the SPOTT CBA database, to validate benchmarks, and to calculate prevailing wages with the workers' monitoring tool, will promote

freedom of association and social dialogue. Doing this will help employers and unions start negotiations for collective bargaining agreements, which can then serve as examples for upscaling among other plantations in the region.

4 Starting social dialogue on living wages

Get started! After training, mapping, and validating the current wage situation, the cost of establishing living wages needs to be determined. We should see what is needed for each group of workers to meet a decent standard of living. Moreover, there should be a shared responsibility framework; so that everyone contributes to paying living wages for all workers throughout the supply chains. Then, trade unions can carry out the role of monitoring the progress and implementation of the living wages.

5 Sharing the learning experience and good practices

Sharing the lessons learned in the Human Rights Working Group of RSPO, will make practical knowledge available to all the actors throughout the value chain. This will improve the dialogue processes.

6 Sharing information and data to increase transparency

Information on the origin of palm oil will provide transparency in the value chain. Creating a data portal of RSPO information on labour risk areas will make more information public and accessible to stakeholders. The information gathered in the data portals should be validated and verified by trade unions.

5. Concluding

One thing has become crystal clear: Social dialogue is essential to minimizing the negative impact of palm oil production on workers.

It is a democratic and inclusive approach which incorporates freedom of association and the right to collective bargaining. Workers, organized into trade unions, will be able to participate in defining sustainability targets. This will improve their labour conditions and bring more transparency. Employers and investors will be informed about the situation on the ground and therefore be able to prevent human rights risks. All stakeholders benefit from a transparent and sustainable palm oil supply chain.

Contact details:

Eva Smulders,

International responsible business coordinator
e.smulders@cnv.nl





CNV Internationaal
Postbus 2475
3500 GL Utrecht
The Netherlands
internationaal@cnv.nl
www.cnvinternationaal.nl/en