

I. Overview of stakeholders involved in promoting decent work in Brazilian agriculture

Brazilian national and regional authorities

It should be noted that all the Brazilian Government's employment policies are based on the concept of "decent work" as formulated by the ILO in 2003. To this end, the National Agenda for Decent Work was introduced in 2006, which set out priorities, strategies and outcomes in collaboration with trade unions and employers. The Government Decent Work priorities are to the generation of more and better jobs; the eradication of forced and child work; and the strengthening of social dialogue.

Within the Brazilian government, several Ministries and Commissions are involved in promoting decent work in the agricultural sector. The Labour Ministry (MTE – *Ministério do Trabalho e Emprego*) has a pivotal inter-ministerial role and is particularly involved in the areas of child labour and forced labour. A special unit of the Labour Ministry, *Fundacentro*, focuses exclusively on occupational health and safety, including in rural workplaces.

Other Ministries such as the Ministry of Social Development and Hunger (MDSCF – *Ministério do Desenvolvimento Social e Combate à Fome*) and the Ministry for Agrarian Development (MDA – *Ministério do Desenvolvimento Agrário*) also have an important role in fighting rural poverty and promoting decent work. Placed under the direct authority of the President, several special secretariats have been created to advise the government on various issues such as human rights, equality or racial discrimination issues.

Governmental policies and actions in relation to child labour and forced labour are set out in National Action Plans on these issues. Two national commissions – CONAETI for child labour and CONATRAE for forced labour – are composed of government representatives and other national stakeholders, and have responsibility for coordinating the implementation of the National Plans. The commissions facilitate dialogue between different actors and organise a broad range of activities.

Capacity building with rural workers and family farms is undertaken by a variety of state and non-state actors. A key governmental organisation, alongside the agricultural extension and research institutes – EMATER and EMBRAPA – is the micro- and small-business development agency SEBRAE (*Serviço Brasileiro de Apoio às Micro e Pequenas Empresas*), which is also active in promoting access to finance for smallholder producers (see Promotion Practices Review – Access to Finance).

At the regional level, the State of Bahia – also an important cotton-producing state and home to producers participating in Pure Brazil Cotton – is leading the way in promoting decent work. In 2007 the Bahia State Secretariat for Labour developed a Decent Work Agenda for Bahia, the first state in Brazil to do so.

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International and intergovernmental organisations

A range of international organisations, international development agencies and international NGOs are active in Brazil.

With more than 30 staff members and running several programmes, the ILO is the most important intergovernmental actor in promoting decent work in all sectors in Brazil, including agriculture. In Brazil, ILO focuses on child labour, forced labour, gender and race discrimination and on building trade union capacity.

From an agricultural development finance perspective, the UN International Fund for Agricultural Development (IFAD) provides significant funding to support the Brazilian government's efforts to reduce poverty and increase the productivity of the rural poor in ways that are both socially and environmentally sustainable. IFAD is also a signatory to the inter-agency partnership on child labour in agriculture, involving ILO, FAO, IFAP and others.

The Inter-American Development Bank (IDB), alongside the World Bank, also provides financing and technical assistance on projects targeting small family farmers in Brazil. It should be noted that the IDB requires that all projects financed must meet environmental, social, health and safety, and labour requirements including compliance with all applicable country and international regulatory requirements. UNICEF has undertaken significant work on rural child labour in Brazil since the 1980s: this is described in the next section. Other intergovernmental organisations, such as UNDP and UN ECLAC, are also active in Brazil but with less focus on decent work in agriculture.

Among the international development agencies, GTZ – the German technical cooperation agency – and USAID – the United State agency for international development – have been identified as the most relevant. GTZ aims to help the Brazilian government reduce social inequality and has been particularly supportive of private and multi-stakeholder initiatives which promote voluntary social and ecological standards (see below). USAID used to provide technical cooperation funding for the ILO to run activities in the field of forced labour / trafficking and child labour, but now focuses on youth unemployment. USAID has also supported the TransFair 'Responsible Sourcing Partnership Project', seeking to link small-holder coffee producers in Brazil to the US fairtrade certified coffee market.

Rural trade unions and employer-producer organisations

The National Confederation of Rural Agricultural Workers, CONTAG (*Confederação Nacional dos Trabalhadores na Agricultura*) is the world's largest national organisation representing both agricultural wage earners and self-employed farmers. CONTAG has some 9 million members, approximately 3 million waged workers and 6 million smallholders, and is affiliated to the national trade union confederation, CUT (*Central Única dos Trabalhadores*) and, at global level, to the IUF.

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Created recently – having started in Santa Catarina in 1997 and becoming a national organisation only in 2005 – the National Federation of Workers in Family Agriculture (FETRAF- *Federação Nacional dos Trabalhadores e Trabalhadoras na Agricultura Familiar do Brasil*) is also affiliated to CUT, but not to the IUF at global level. Fetraf-Brazil states that it represents around 500,000 rural families in 22 states, who are organised into approximately 1,000 unions.

There are substantial differences of opinion, strategy and interest between the two agricultural trade unions.

On the employer side, CNA (*Confederação da Agricultura e Pecuária do Brasil*) brings together 27 agriculture federations and more than two thousand unions and promotes the development, protection and legal representation of Brazilian rural producers. CNA represents agricultural employers within national and regional structures: as such it is the bargaining partner of CONTAG and FETRAF.

The cotton sector affiliate of CNA is the ABRAPA national cotton producers' association. ABRAPA has been engaged with the most important programme seeking to promote responsible labour practices in cotton in Mato Grosso (MT) state – the *Instituto Algodão Social* – since its inception. The IAS model, which is supported by the Mato Grosso producer association AMPA, as well as the cotton growers' support fund FACUAL, is now set to expand to other key cotton producing states through 2008. As such, ABRAPA will oversee the development of a National Socio-Environmental Programme for Cotton Production (*Programa Sócio-Ambiental da Produção de Algodão*), with the first steps being to expand in 2008 to the states of Goiás and Mato Grosso do Sul.

Other rural industry associations have also sought to promote sound employment practices in recent years. The activities of the ICC initiative in the charcoal sector, the Brazilian Association of Vegetable Oil Industries (ABIOVE) and the 'sustainable agribusiness' think-tank *Instituto ARES* are described in detail below.

Multi-stakeholder initiatives and other private initiatives

The recent exponential growth in Brazilian export agriculture has seen an accompanying interest in – and scrutiny of – the sustainability of agricultural production. This work has seen the development of several NGO and private voluntary schemes with a broad environmental and social focus, including international sustainable commodity initiatives focusing on soy (RTRS), coffee (4C) as well as social certification schemes including SA8000 and fair-trade.

A large number of national/Brazilian multi-stakeholder and private initiatives have been identified, either developing their own standards or adapting internationally recognised standards. This reflects the extent to which CSR is highly developed in Brazil, not simply among multinational companies, but also national government, financial institutions and civil society.

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The most important existing national programme for BCI's attention is the IAS Social Cotton Institute (*Instituto Algodao Social*), based in Cuiabá, Mato Grosso. IAS was created in 2005 by producers in Mato Grosso 'to 'regularise labour relations' in the state's cotton sector, in response to concerns of Government, civil society and buyers relating to the use of forced labour. IAS has made considerable steps toward implementing a farm-level labour auditing system, based on a comprehensive verification list requiring compliance on key issues including pay, contracts of employment and formality of employment, working hours, occupational health and safety, training and workers' living conditions. The Institute is a private not-for-profit which seeks to become self-funding in the long-term through levying a fee for issuing compliance certification (the original funding for IAS came from the Mato Grosso cotton producers' association AMPA and the state cotton grower's support fund, FACUAL). As noted above, ABRAPA is supporting the expansion of the IAS model to the states of Goiás and Mato Grosso do Sul through 2008.

Pure Brazil Cotton¹ is a 'sustainable cotton' initiative registered in Brazil, with strong connections to US retailers. In November 2007, two US-based companies – Springs Global US Inc and Fort Mill – established the non-profit Pure Brazil Cotton Council together with Brazil-based textile manufacturers Santista Textile, Marisol SA and Coteminas SA. The Pure Brazil Cotton Council, which is supported by the Bahia State Association of Cotton Producers (ABAPA), is structured as a private "not-for-profit" legal entity in Brazil. The PBC Council has been designated as the advisor for the programme. The Council also has responsibility for managing the implementation of best practices and procedures for sustaining social, environmental and quality excellence throughout the Pure Brazil Cotton value chain (from seed to finished product). While Global Springs Inc public communications on PBC state solely that "facilities used to handle and produce the Pure Brazil Cotton products are being audited by a 3rd party firm against ISO14001² standards and in-country environmental rules and regulations", other publicly-available sources strongly suggest that labour standards are included in the PBC approach³. The PBC website states that the PBC standard includes the following 'Social Standards': fair wages, education, healthcare and housing; health and safety programmes; and improving the livelihood of farming communities.

Outside the cotton sector, Brazil has developed a national programme of forest certification, CERFLOR, designed to offer an alternative to FSC. CERFLOR achieved international recognition as a forest management certification standard by the Programme for the Endorsement of Forest Certification schemes (PEFC) in 2005.

¹ Information from publicly-available presentation made by Springs Global Inc, September 2007:

<http://seechange.businessroundtable.org/Media/PDF/09.18.07%20Springs%20S.E.E.%20Change%20Workshop.pdf>

² ISO14001 covers Environmental Management practices alone.

³ See for instance, www.akatu.org.br/central/especiais/2007/2o-semester/lista-suja-da-escravidao-uma-vergonha-nacional

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In the charcoal production, the Citizen's Charcoal Institute, ICC (*Instituto Carvão Cidadão*) is a sectoral initiative whereby a number of steel and pig-iron companies in Carajás region (Pará, Maranhão and Tocantins states) are working in collaboration with the Labour Ministry and the ILO to address forced labour in their charcoal manufacture supply chain.

The Ethos Institute (*Instituto Ethos*) is a private sector membership association which promotes CSR (social and environmental) and business ethics in Brazil. Ethos is particularly relevant to the decent work agenda in the work it has undertaken to coordinate the private sector Pact Against Forced Labour. *Instituto Ethos* also provides guidance to private companies on CSR good practice and reporting, particularly through development of tools and indicators. It should be noted that Ethos has been critical of the IAS Social Cotton Institute, which has yet to sign up to the Pact⁴, for its lack of transparency and openness to stakeholders, and the legitimacy of claims made around the IAS 'Social Seal'.

The Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas – ABNT*) is ISO's official representative in Brazil. ABNT has recently entered the domain of workplace labour standards through its development of its ABNT NBR 16 001 standard (Social Responsibility Management System Requirements) which was launched in 2004 and is available from www.abnt.org.br. In 2007, ABNT reached a partnership agreement with IAS Social Cotton Institute to endorse the IAS certification system leading to the IAS 'Social Seal'.

Other initiatives include the GlobalGAP-based SAPI (*Sistema Agropecuário de Produção Integrada*) for fruit, vegetable, coffee, soy, rice products and the faire and solidarity trade, CJS (*Comércio Justo e Solidário*) in the fruit and vegetable sectors.

NGOs and other civil society organisations

Brazil has a vibrant civil society, which is particularly active in the areas of forced and child labour and in relation to land rights and family farming.

For more than 30 years, the Pastoral Land Commission, CPT (*Comissão Pastoral da Terra*) has been promoting rights for agricultural workers and indigenous peoples and combating forced labour. Also very active on forced labour issues, *Reportér Brasil* is an investigative journalism NGO which objectives are to raise awareness and promote actions to address human rights violations.

The Social Observatory Institute, IOS (*Instituto Observatorio Social*) is a trade union-funded research institute that undertakes research on the performance of multinational, national and state companies in relation to the fundamental rights of workers, according to ILO conventions.

⁴ It is noted that, while IAS has not yet signed up to the National Pact Against Forced Labour, it has signalled its intention to do so, and one of the partner organisations in establishing the IAS 'Social Seal' is ABIT, the Brazilian Textiles Association, which is a signatory to the Pact.

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Jointly created by the Brazilian Agricultural Research Corporation (EMBRAPA) and the CONTAG agricultural trade union, the Lyndolpho Silva Foundation has promoted the sustainable development of family farming since 1996.

Another key civil society organisation in Brazil, the Landless Workers Movement, MST (*Movimento dos Trabalhadores Rurais Sem Terra*) is one of the largest social movements in Latin America with an estimated 1.5 million landless members organized in 23 out of 27 states. MST promotes the rights of landless agricultural workers.

II. Main programmes and projects promoting decent work in Brazilian agriculture

Cotton specific

Instituto Algodão Social

IAS is the most important initiative with regard to the BCI Decent Work principle in the context of Brazilian cotton cultivation. IAS has the most experience in working on the issues in the sector and, moreover, is the model for an expanded nationwide programme to be supported by ABRAPA, starting with the expansion of a similar approach into Goiás and Mato Grosso do Sul in July 2008.

IAS currently covers some 400 large-scale growers in Mato Grosso – the vast majority of production in the state – of which 364 had been subject to initial audits as of 2007, and 300 certified as compliant with IAS requirements. Working with four 2 two-person teams comprising health & safety and labour specialists, the Institute delivers training to farm managers and workers, monitors farm labour standards and proposes corrective actions. In November 2007, IAS announced that it had recruited that had been recruited 94 new labour auditors to work in Mato Grosso, in order to ‘comprehensively fulfil’ its work. The competences of these auditors, or their terms of retention, are not known.

Moreover, in October 2007, IAS reached a partnership agreement with the the Brazilian Association for Technical Norms (*Associação Brasileira de Normas Técnicas - ABNT*). As a result, the assessment process has changed since the 2007/8 season, entailing a supplementary role for ABNT to provide third-party oversight of the monitoring and certification procedure. Accordingly, starting with the 2007/8 season, IAS audit teams are now accompanied by ABNT auditors. Moreover, ABNT certifies the attribution of a ‘social label’ – *Selo de conformidade social*. With the launch of the ‘Seal of Social Compliance’, IAS will become fully self-funding through a levy (30 R\$ cents per bale) for issuing the seal.

During IAS monitoring visits, which are all announced in advance, a proportion of workers are interviewed (15%), alongside questions put to management. Where the IAS audit team finds a

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non-compliance, this is communicated to the farm's management and the IAS and management on a time-bound corrective action plan, whose implementation is verified by a subsequent follow-up audit by IAS.

The IAS audit methodology therefore entails three stages:

- Initial audit, including awareness raising with management and training and worker interviews (min. 15% of workforce), and diagnosis of outstanding non-compliances; formulation of time-bound corrective action plan where necessary
- Follow-up audit to ensure implementation of corrective action plan
- Final evaluation audit and attribution of certification status

The IAS describes its strategy (in *Boletim ABNT – Outubro 2007*) as following three steps: providing guidance for producers on IAS standards; training for workers on their rights under law, and on working practices (such as use of PPE and appropriate handling of agrochemicals); engaging the Brazilian textile industry to support their efforts. According to the same source, cotton farmers in Mato Grosso have spent at least R\$16m on improvement to bring their operations in line with labour and OHS legislation.

IAS reports that it has held 18 courses on labour standards and OHS good practice, organised in focal towns across Mato Grosso state and attended by some 2000 persons. It is not clear what proportion of attendees are employees, and what proportion management.

The IAS audit protocol (*Lista da Verificação Safra 2007/8*) comprises a series of questions in line with international standards on labour auditing protocols, and covers a broad series of compliance benchmarks to national labour and OHS law (and where applicable collective agreement), based on the provisions detailed below, taken from the formal declaration of commitment made by IAS member farms:

IAS principles (from <i>Declaração de Compromisso de Responsabilidade Social de Empresa Beneficiadora de Algodão</i>)	
Child labour	The employer does not use nor will the employer use, under any pretext, child labour in its business activities nor supports its use for customers or suppliers, in view of the statutory prohibition on the employment of minors aged under 16 years, as established in the Federal Constitution, Labour Code (CLT) and Statute of the Child and the Adolescent (<i>Estatuto da Criança e do Adolescente</i>).
Forced labour	The employer does not use nor will the employer use, in the execution of its business activities, forced labour or forms of labour analogous to slavery, nor tolerate this practice in customers and suppliers. The use of labour exacted under false promises is understood as forced labour. Employment contracts will be regularly formalised; workers' remuneration must observe as a minimum the collectively agreed rate for the job, or in the absence of collective agreement, the binding minimum wage in force. Workers' freedoms shall not be constrained by means of debt or by retention of documents or personal possessions. Workers' right to the freedom of movement shall not be curtailed, nor shall workers be subject to physical punishments of any sort, nor threatened by security forces whether armed or not. Workers shall not work more than 10 hours daily, 44 hours weekly (plus 12 additional hours overtime weekly), or 220

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	hours monthly (plus 2 hours overtime per day worked).
Degrading work	The employer shall respect the dignity of the worker and the worker's right of citizenship, and shall not submit workers to undignified or degrading working conditions, particularly with regard to lodging, housing, feeding, hygiene and workplace conditions. Safety standards are to be observed through the provision of guidance, training and personal protective equipment and will be in compliance with the statutory standards (NRs) issued by the Labour Ministry.
Hazardous Work	The employer shall not, under any pretext, employ minors aged under 18 years in unhealthy activities (risking health – exposure to agro-toxins or other chemical, biological or physical agents) or dangerous activities (risk to life – inflammable or explosive agents). The use of workers aged over 60 years in the handling of toxic agents is prohibited.
Hours of Work	Workers shall not work more than 10 hours daily, 44 hours weekly (plus 12 additional hours overtime weekly), or 220 hours monthly (plus 2 hours overtime per day worked). One to two hours' break shall be afforded for daily rest and meals. Workers shall benefit from 11 hours rest between two consecutive working days, 24 hours rest per week (not including holidays) and 30 days rest per year worked.
Remuneration	Workers' remuneration must observe as a minimum the collectively agreed rate for the job, or in the absence of collective agreement, the binding minimum wage in force. At least 30% of the worker's wage must be paid in cash monthly. The employer shall not, under any pretext, oblige the worker to remain in his employ, nor fail to accept offer of resignation, on grounds of debts owed by the employee.
Freedom of Association & the Right to Collective Bargaining	The employer must respect the right of all employees to form or to join a trade union, and to bargain collectively. The employer shall promote collective bargaining and permit, pending prior information, union representatives to have access to the workplace in order to undertake meetings with workers, provided the timing of any such meetings does not impede the normal functioning of the workplace, and will refrain from any retaliation against workers involved.
Non-discrimination	The employer shall not discriminate on grounds of race, social class, nationality, religion, disability, sex, age, sexual orientation, trade union membership or political views in recruitment, the execution of the employment contract and in business activities.
Disciplinary policy	The employer shall not, in the course of disciplinary procedures, use of any form of corporal punishment, psychological, physical coercion or verbal harassment.

Source: IAS www.algodaosocial.com.br/library/Anexos/declaracao.doc

The IAS audit protocol is organised under the following headings: general information about production unit (the phrase used to denote farms); information on workforce; prohibition of child labour; prohibition of forced labour; freedom of association; non-discrimination; contracts of employment; and occupational health and safety.

IAS is seeking to expand the scope of work to include environmental impacts: monitoring already includes health and safety – pesticide use and storage, provision and use of PPE – and it is intended to include this to cover input usage levels and better agronomic practices.

The 2007/8 monitoring process – undertaken from January to March 2008 – included a preparatory environmental component which is intended as a first step to developing a full social and environmental package in the future.⁵

⁵ Termo de Adesão Processo de Certificação Selo de Conformidade Social, Safra 2007/2008: www.algodaosocial.com.br/mostrarnoticia.aspx?id=98

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Furthermore, in January 2008, IAS undertook a survey⁶ of its member farms on social initiative and questions relating to environmental impacts: in particular, the survey focused on the extent to which farms have in place environmental management systems (including impact assessment of new land development), as well as issues relating to habitat preservation, set-aside, agrochemical impacts and the degree of training offered to employees on environmental impacts of agrochemicals, pesticide container recycling and other practices core to BCI Production Principles. (It is noted that the results of this survey would be an invaluable source of information for BCI as it develops implementation strategies for large farms in Brazil.)

At the 6th Brazilian Cotton Congress, 2007, IAS identified three key challenges in seeking to promote decent work on large-scale commercial cotton farms: the issues around statutory limits on working hours per day during the harvesting season and the need of rural employers; the advent of rural OHS regulation NR 31, which brought with it significant new requirements on workplace training and equipment; ‘non-tariff trade barriers’, namely the imposition of standards other than market price and quality in the negotiation and expedition of world trade.

Pure Brazil Cotton

During the 2007/08 season, the second season that Pure Brazil Cotton (PBC) has been in existence, four producers in the west of Bahia were certified for PBC. The audits were announced visits conducted by SGS-Brazil on the properties of Group Horita, Fazenda San Francisco (Ademar Marçal), Group Mizote and Fazenda Busato. The assessments took over a period of some 30 days, with practices benchmarked to standards relating to fibre quality, environmental management, occupational health, safety and social responsibility (namely labour practices and living conditions for workers). PBC seeks to monitor all parts of the supply chain up to retailer level.

It is not clear that Pure Brazil Cotton has sought to link its activities in any way to the Bahia state Secretariat for Labour ‘Decent Work Agenda’ described below.

Moreover, it is noted that one of the examples of ‘good practice’ in addressing forced labour in supply chains highlighted by Patricia Audi⁷, former head of the ILO Forced Labour programme in Brazil, relates to the purchasing practices of Coteminas (*Companhia de Tecidos Norte de Minas*), a textile manufacturing member of PBC. Coteminas requires all lint suppliers to provide a note establishing the provenance of the cotton, back to the farm-gate. The textile manufacturer then cross-references this note with the information provided by organisations associated to the forced labour ‘blacklist’ which identifies farms found by government agencies to be using forced labour.

⁶ Pesquisa Levantamento sobre Iniciativas Sociais e Questões Ambientais das Fazendas Associadas à AMPA, Safra 2007/2008: www.algodaosocial.com.br/mostrarnoticia.aspx?id=101

⁷ See www.ethos.org.br/DesktopDefault.aspx?TabID=3345&Lang=pt-B&Alias=Ethos&itemNotID=8278

ESPLAR/Veja

Recognising the vulnerability⁸ of cotton producers in the Northeast, French footwear brand Veja has established a sourcing link with smallholder cotton producers in Ceará and Paraná supported by local NGO ESPLAR (itself supported by ICCO). Veja states that it buys cotton ‘respecting fair trade rules’ and has a long term commitments to the cooperatives. The production is not (yet) fair trade certified, and hence there is no express labour standards commitment; cotton is certified organic. Recognising the importance of product price in determining social and environmental outcomes and opportunities, Veja offers twice the market price to the Brazilian producers to buy their organic cotton. This price is negotiated directly with producers.

Agriculture specific

In the course of the research, several programmes and projects promoting decent work in Brazilian agriculture in sectors other than cotton have been identified. Those programmes and projects are run by national and international actors coming from the public and the private spheres. Some of the most relevant activities are detailed below.

Government and regional authority programmes

In Brazil, authority for enforcing labour and OHS regulation is established at the federal level in the Ministry of Labour (*Secretaria de Inspeção do Trabalho - SIT*), but its implementation takes place through a decentralized system. Approximately 3,000 labour inspectors are distributed across 27 state-level offices (*Delegacia Regional do Trabalho – DRT*), which are in turn subdivided into 110 *Subdelegacias*. These inspectors are supposed to cover more than 78 million occupied workers (both formal and informal) in 2.7 million registered undertakings. Given the size of the task, the number of inspectors in Brazil is 50% smaller than what is recommended by the ILO.

However, Brazil has developed a strong reputation for the rigour of its efforts in often arduous circumstances to address child and forced labour, not least by taking the first step of publicly acknowledging their existence.

Under the responsibility of the Labour Ministry, a Special Group for Mobile Inspection (*Grupo Especial de Fiscalização Móvil*) made up of labour inspectors, federal policemen and representatives of the Public Ministry of Labor (MPT) (an independent agency responsible for prosecuting labour infractions) has responsibility for locating and rehabilitating victims of forced labour.

⁸ See Summary Overview – *Aspectos de vulnerabilidade na exploração agrícola de algodão na região Nordeste* – www.cnpa.embrapa.br/produtos/algodao/publicacoes/trabalhos_cba4/012.pdf

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Launched with the support of the ILO by the Labour Ministry, the National Pact to Combat Forced Labour obliges member companies to remove from their supply chains any inputs produced with any involvement of forced labour. With the help of NGOs (Ethos and Reporter), the Labour Ministry also publishes a slave labour 'blacklist' (*lista suja*) of companies caught using forced labour and no longer entitled to receive public support.

The ILO, the Ethos Institute, and the Repórter Brasil NGO have developed this facilitated research system. The 'blacklist' is released by the federal government and serves as an information database for companies which have signed National Pact to Combat Forced and have agreed not to use products made from slave labour. For instance, the Federation of Brazilian Banks (FEBRABAN) decided in 2005 to suspend credits to companies included on the Government list. Companies included in the list are also no longer entitled to receive public support.

The existence of the blacklist is relevant to BCI in several ways:

- From a supply chain perspective, domestic textile manufacturers may use the list to verify the origins of their lint cotton (such is the case with Coteminas, as described above); moreover the Brazilian textiles association ABIT (*Associação Brasileira da Indústria Têxtil e de Confecção*) is a signatory to the Pact. This entails significant domestic impetus to address supply chain labour issues.
- From a finance perspective, public financial institutions such as Banco do Brasil, Banco da Amazonia, Banco do Nordeste and BNDES and also private banks, such as Banco Real ABN Amro, Santander and Bradesco, will not grant loans to any firm named on the forced labour 'blacklist' (see Access to Finance Practices Review). Again, this entails substantial national leverage.
- The continued presence of cotton farms – albeit in very small numbers – on the list ensures that forced labour in cotton cultivation will retain a high profile, nationally and internationally.

A similar database on child labour is also run by the Labour Ministry. The recently launched SITI⁹ (*Sistema de informações sobre focos de trabalho infantil*) provides up to date and interactive information on the forms and scale of child labour in each of the 25 Brazilian states. It includes a search facility by agricultural sub-sector, including cotton cultivation.

The National Forum for the Prevention of Child Labour (FNPETI) represents yet another part of the government's effort to combat child labour. In 1999, the forum constructed a National Network to Eradicate Child Labour, and individual forums within each of Brazil's 27 states.

⁹ See <http://siti.mte.gov.br/focuses/list>

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FNPETI's has developed strategies for intervention in situations where child labour exists. First implemented to remove children from the dangerous and unhealthy work of producing charcoal in the state of Mato Grosso do Sul, forum practices have become the pattern for programs throughout the country. For example, Mato Grosso do Sul's 'extended day' (*jornada ampliada*) program has successfully kept children in school and involved in other activities, and away from producing charcoal.

A key state intervention to promote decent work – and child labour in particular – in rural areas is the *Bolsa Familia* scheme, which uses conditional cash transfers to poor people provided they meet certain criteria such as that their children are enrolled in primary school. PETI, the programme to eradicate child labour administered by the Ministry of Social Development (MDS) in conjunction with state and local authorities, provides cash stipends to low-income families who kept their children in school and out of work. PETI also aims to reduce child labour by creating an after-school program which doubled the length of the school day – the aforementioned *jornada ampliada*. Forced labourers who are rehabilitated by the National Forced Labour Programme are automatically entitled to receive unemployment benefit and if they have children are eligible to the *Bolsa Familia* run by the Ministry of Social Development.

The federal programme on production and use of biodiesel (*Programa Nacional de Produção e Uso de Biodiesel*) launched in 2004 has a strong social component (*Selo Combustível Social*). The social seal promotes both economic inclusion of smallholder farmers in selected regions and standards set by the MDA (*Ministério do Desenvolvimento Agrário*), including the presence of a rural trade union official during negotiations between purchaser and seller. Biodiesel producers receive tax breaks if they source feedstocks produced by small farmers; family farmers gain preferential access to PRONAF credit.

At the regional level, the State of Bahia and the ILO have launched its own regional Decent Work agenda, designed in partnership with employers and workers organisation and civil society representatives. The priorities under the Agenda are: equality at work; youth; public service; workers' safety and health; actions against child labour; domestic labour; actions against forced labour; and biofuels. The State of Bahia has signed a technical cooperation protocol with the ILO to support the implementation of the Bahia's decent work agenda. Within this framework, the Secretariat for Labour has organised awareness raising activities, seminars and workshops on decent work topics.

International and intergovernmental agencies promoting Decent Work in Brazil

Intergovernmental agencies

At national level, ILO supports a project which seeks to strengthen and co-ordinate the actions of the national council to eradicate forced labour (CONATRAE) to rehabilitate and prevent rescued workers from falling-back into forced labour. ILO has also been implementing a large

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scale project which aims to build trade union and worker capacity through training and other activities.

In the field of child labour, ILO-IPEC's overall strategy is to increase understanding and of child labour, to raise awareness and build capacity of national stakeholders, to modify and enforce the national legislation and to implement pilot projects. IPEC is notably implementing a time-bound programme to address the worst forms of child labour, although this does not expressly concern cotton focal regions. Recently, IPEC has worked with the government on the national programme "*jornada ampliada*" designed to give extended school session to children to reduce the likelihood that children combine school and work.

UNICEF Brazil has played a major role in the process of combating child labour in Brazil since the early 1980s, and has substantial expertise in the area of child labour. UNICEF-supported initiatives have brought 109,000 former child workers back to school. UNICEF was instrumental in developing the school-grants (*Bolsa-Escola*) programme; Federal Government took over as the main sponsor of the programme, which went to scale. UNICEF is a key participant in the CONAETI National Council and provides advice in the areas of legislation, policy formulation and advocacy based on comprehensive research and concrete experiences on the ground.

Funded by IFAD and implemented by the Ministry of Agrarian Development, the North-East Rural Family Enterprise Development Support project targets rural poor people who have small farms and other rural enterprises, and those interested in developing small businesses. Many people in this area have benefited from agrarian reform but need technical assistance and credit which the project aims to provide. The project has a particular focus on women and young people.

Implemented by *Fundação Lyndolpho Silva*, IDB's programme for small family farmers in Brazil, PROAF (*Programa de Fomentos de Oportunidades Comercias para Pequenos Produtores Rurais*) aims to improve the competitive advantage of agricultural micro-enterprises by increasing socially responsible market opportunities (ie certified organic and fair-trade) for agricultural micro-enterprises and small businesses, by providing technical support to improve the quality of production and market access.

International private voluntary initiatives

Other than the nascent BCI Decent Work Principle, the international standard currently most relevant to decent work in the cotton sector is SA8000, the social responsibility standard developed by SAI and perhaps the labour standards code best adapted for the agriculture sector. (SAI has worked with large plantations run by Dole to pilot differential approaches to SA8000 compliance in agricultural settings.)

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Brazil is also among the four countries with most SA 8000 certifications in the world, almost for the most part these facilities are not agricultural undertakings. The SA8000 standard has already been achieved by one large cotton producer – Maeda Group – and the standard has also set the tone for much domestic discussion – such as the Ethos Institute indicators described below – in Brazil. SA 8000 requires compliance with a range of ‘consensus’ labour standards; moreover SA8000 also focuses on the effective management (and management capacity), implementation and review of continued SA 8000 compliance. SAI requires independent certification and regular audits conducted by third-party experts including, in Brazil, SGS and Business Meets Social Development (BSD).

Outside the cotton sector, several international multi-stakeholder and private initiatives with an interest in responsible labour practices are active in Brazil, particularly in relation to coffee, soy and forestry. It is worth noting that the German development agency GTZ has played a central role in promoting voluntary social standards in the country.

Active in Brazil since 1996, FSC Brazil (*Conselho Brasileiro de Manejo Florestal*) promotes the responsible management of the Brazilian forests through a certification scheme which monitors social and environmental requirements, and stipulates compliance with ILO core standards and national legislation at a minimum.

In the soy sector, RTRS aims to provide a sustainable answer to the rapid growth of soy farming in Latin America and in Brazil in particular where soy extension puts forests under pressure and brings tensions between large and small farmers. RTRS also requires compliance with national law and ILO core conventions, alongside mitigation of broader social impacts such as improvement of living conditions of local communities. It should be noted that a set of criteria - called the 'Basel criteria' - were established in 2004 for sustainable soy production in Brazil (and so-named as Swiss retailer COOP was the impetus behind their development). However these criteria have *not* been endorsed by RTRS. The Basel criteria include comprehensive coverage of labour and OHS issues¹⁰.

The Common Code for the Coffee Community initiative (4C) brings together producers, trade & industry and civil society from around the world to work for more social, environmental and economic sustainability in the coffee sector. Recently launched in Brazil, the initiative is particularly active in the Mogiana and Espírito Santo regions. Also in the coffee sector, Coffee Coalition, a Dutch-led initiative supported by Novib, Novib, and Dutch trade union FNV, promotes the production of coffee under equitable terms, including international labour standards.

¹⁰ See http://assets.panda.org/downloads/05_02_16_basel_criteria_engl.pdf

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Also working in Brazil, with a national affiliate in the form of Fairtrade-Brasil based in Sao Paulo, the Fair Trade Labelling Organisation (FLO) certifies a range of fruits and is currently developing other certified products. FLO smallholder and hired labour standards both spell out a number of basic requirements with regard to labour practices, again aligned with ILO core conventions and national legislation, with incremental progress requirements and a distinction made between standards applicable to family farms and those applicable to hired labour situations.

The US FLO affiliate, TransFair USA, is also active in Brazil and is involved in the ‘Responsible Sourcing Partnership Project’ in the coffee sector which launched in October 2007. This project brings together USAID (financial contribution and performance oversight), TransFair USA (USAID implementing partner, financial contributor and service provider), Café Bom Dia (financial contributor, technical assistance and training provider and key trade link to US market), as well as Wal-Mart and Sam’s Club (purchasing coffee and contributing marketing and merchandising resources). Implementing partners in Brazil are BSD Consulting (in-country project management), SEBRAE-Minas Gerais (technical assistance and training and support for market linkage activities), UFLA (technical Assistance and training on coffee production and processing), and Imaflora (Rainforest Alliance/FLO joint certification). Working with ten participating producer groups representing 5,000 farmers in Minas Gerais and Espírito Santo, the project seeks to:

- expand and improve the quality of supply – through making investments in infrastructure; providing training and technical assistance in production, post-harvest processing and quality management
- increase producer capacity – by strengthening cooperative governance, administration, marketing and business management
- raise the marketing capacity of Brazilian coffee growers through producer- and impact-driven marketing in the US and Brazil.

The Sustainable Agriculture Network, through the Rainforest Alliance agriculture certification programmes, works in the forestry, coffee and fruit sectors. The Rainforest Alliance code requires all certified products to be cultivated in compliance with defined worker safety and labour standards. In 2004 Rainforest Alliance undertook a pilot audit on a cooperative orange orchard – as part of the SASA project – which explored various issues such as: producers’ knowledge about certification systems; potential for adding value to existing occupational safety and health legislation; the role of worker unions; the security of employing temporary workers; efficient and practical internal control systems; and, how to define the living wage. In particular, the audit highlighted a situation where subcontracting frees producer-employers from direct responsibility for their workers, and makes it difficult for auditors to verify workers’ employment conditions.

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As part of the Sustainable Agriculture Initiative (SAI) platform, Unilever has worked with tomato growers in Goiás state to promote sustainable tomato production, addressing the issue of child labour in particular. The risk of and actual use of child labour in tomato production was noted in 2002 by a Dutch trade union report and was denounced by the “Regional Labour Precinct” (DRT) of the federal Ministry of Labour. Unilever’s corporate legal director stated in 2002 that the company would suspend a supply contract upon any charge of child labour, but that it considered the prevention of child labour to be a responsibility of the Regional Labour Precinct. Unilever changed this position over the following two years and assumed an active responsibility to combat child labour and improve the conditions in the tomato supply chain.

Unilever first commissioned a study in the municipalities of Silvânia and Itaberaí, which supply 40% of Unilever’s tomatoes, to identify the causes of child labour. From this study it appeared that the children not only contribute to family income but also often have little alternative but to accompany their parents. The company subsequently created the “Protected Childhood” project and built a day care-centre and school at the pick-up location for farm workers. In 2005, the project was expanded to the cities of Turvânia and Vianópolis, which, together, supply nearly 20% of the tomatoes for Unilever’s Goiânia factory. The company has since expanded this project to more municipalities.

Research by the IOS and Dutch trade unions (2006)¹¹ notes that “it appears that child labour in Silvânia and Itaberaí already reduced by 60%, in particular among children from 8-12”. Moreover, the Unilever needs assessment in Itaberaí and Silvânia found that the state PETI programme did not meet the needs of the youth, who were looking for professional development and opportunities. In partnership with municipalities, Unilever plans to offer computer courses and a monthly food package to this group, to encourage them to stop their field work.

Unilever also runs the Rural Responsibility programme to promote the improvement of health and safety conditions of the rural workers of its suppliers. It focuses on the use of individual protection equipment (EPI), proper nutrition, hygiene and transportation.

National activities

Multi-stakeholder and private voluntary initiatives

The Citizen’s Charcoal Institute (ICC - *Instituto Carvão Cidadão*) has a well-developed labour compliance programme principally targeting forced labour, and has been recognised by the ILO Forced Labour programme in Brazil as representing ‘good practice’¹².

¹¹ Research conducted by IOS in co-operation with SOMO and FNV trade union – *FNV Company Monitor – Unilever Brazil*, 2006

¹² See www.ethos.org.br/DesktopDefault.aspx?TabID=3345&Lang=pt-B&Alias=Ethos&itemNotID=8278

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ICC came about on the basis of increasing labour inspection undertaken by the state, which found grave challenges in labour practices in charcoal production, most notable forms of labour coercion and trafficking. ICC is an initiative of the steel industry, whereby a number of steel companies in Carajás region, working in collaboration with the Labour Ministry and the ILO, formed an independent self-regulatory association in 2004 to monitor forced labour practices in the charcoal production parts of the steel/pig iron supply chain. The Institute has its own team of inspectors – including nine labour auditors and a technical OHS specialist - and promotes the reintegration of rescued workers back into the workforce by providing jobs for them. On the basis of its audits - which have been subject to externally verification by the trade-union research body IOS - charcoal facilities are 'named and shamed' where they fail to implement remediation plans proposed by ICC. On this basis, they are disengaged by off-takers.

ICC has developed regionally-specific checklists for its auditing teams to use, which contains a series of yes/no questions relating to employment practices, occupational health and safety and worker facilities (food, changing, cleaning) and accommodation. Auditors speak with both workers and management, and on the basis of this assessment, score the establishment in terms of 'major' non-compliances (eg curtailing workers' freedom, use of armed guards, non-payment of basic wages or social charges, employment of minors/children, non-provision of personal protective equipment) and 'minor' non-compliances (eg no wage records kept, no medical check-ups provided, overtime, non-payment of bonuses). Auditors also provide photographic evidence of working conditions.

ICC is important to this research – and to BCI's understanding of the promotion of Decent Work in rural Brazil – in several ways. Firstly, ICC covers a number of remote and often small facilities: even small facilities (eg <10 workers) are inspected. Secondly, it differs markedly from models – such as IAS – in the cotton sector, because ICC represents off-takers using their purchasing power to effect change within their supply chain, rather than primary processors (akin to cotton producers) monitoring and reporting on their own performance. (In this respect it resembles a supply chain initiative model, such as FLA or ETI.) This is an important distinction, in terms of potential conflict of interest and of transparency. In the later regard, ICC made important steps by opening up to the IOS trade union research institute who performed a 3rd party review of systems and outcomes in 2006.

IOS provided two researchers – funded by ICC, who also made all the necessary documentation available to IOS – and these researchers interviewed representatives of 14 of the 15 member companies, seven in Maranhão and seven in Pará. IOS has also interviewed the ICC president, as well as industry (SINDCARP) and trade union (STIRCV) representatives in the region, and also visited a sample of charcoal production facilities in the region. On this basis, IOS drafted a report in 2006¹³ which highlighted that, in many cases, significant positive steps

¹³ Available at www.carvaocidadao.org.br/ata/relatorio_social.htm#_Toc129431042

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had been achieved, and that this marked a change in approach in the part of steel industry. The report also noted some challenges, including:

- formalisation of charcoal production is rendered more difficult by the bureaucracy of public agencies
- employers and unions were unanimous in pointing the existence of labour traffickers (*gatos*) as the key challenge in addressing forced labour in the region
- employers and unions also agreed that state agencies, beyond undertaking inspections, should also provide guidance for charcoal producers and steel companies on corrective actions and appropriate timescales for corrective action plans
- in two regions, wage and/or document retention was a real issue, suggesting forms of labour coercion tantamount to forced labour
- there is a close correlation between non-payment of social charges and low productivity
- the report's results suggested that a majority of workers received some form of personal protective equipment, but considered it to be inadequate.

The National Technical Norms Association ABNT has developed one of the few CSR standards worldwide. The NBR 16001 CSR standard aims to provide organisations with the tools for an effective social responsibility management system that can be integrated into other management requirements. It does not establish specific social performance criteria, but applies to any organisation willing to demonstrate its compliance with applicable laws by: carrying out a self-assessment; seeking compliance assurance from stakeholders; seeking external assurance for its self-assessment; or seeking certification of its social responsibility management system by an external organisation.

The NBR 16001 requirements are generic so they can be applied to all organisations. With regard to labour practices, NBR 16001 includes: children's and adolescents' rights, including elimination of child labour; rights at work, including freedom of association and collective bargaining, fair compensation, and basic benefits, such as elimination of forced labour; promotion of diversity and combat to discrimination (e.g. cultural, gender, race/ethnicity, age, people with special needs); commitment to professional development; and promotion of health and safety.

ABIOVE, the Brazilian Association of Vegetable Oil Industries has signed the National Pact against Forced Labour. To this end, ABIOVE's members have including in their own purchasing contracts clauses prohibiting the use of forced labour by their contractors and members took the engagement to stop any contractual relationships with contractors found to be using forced labour. ABIOVE is also part of the RTRS.

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ABIOVE is also a member of the newly-founded *Instituto ARES* (Institute for Responsible Agribusiness). *Instituto ARES* is a sustainable agribusiness 'think-tank' NGO founded by 21 agribusiness members including: CNA, CNI, Abiec, Abiove, Aprosoja and Unica. Citing labour issues as a core concern, Ares states that it seeks to become a repository of good practice information and techniques for sustainable agribusiness. In March 2008, ARES published its first report – on the sustainability of Brazilian agribusiness ('Sustainability in the Brazilian Agribusiness - an Exploratory Qualitative Analysis') covering ten key sectors/supply chains, including cotton. The study identifies challenges, critical points and specific initiatives for each sector, relating to social, environmental and economic sustainability. The report is not publicly available. ARES has also published guidance on socio-environmental management systems for agribusiness, seeking to "consolidate the initiatives of models of multi-stakeholder governance present in Brazilian agribusiness".

The Abrinq Foundation for the Rights of Children and Adolescents (*Fundação Abrinq*) is a not for profit organisation founded by a group of employers (toy manufacturers) in 1990. Abrinq has been working on child labour with IPEC since 1991, and has worked successfully to implement industry codes of conduct in various key Brazilian industries, including car manufacturing, steel, shoes, citrus, and sugar. A company that complies with the codes has the privilege of using the Abrinq seal stating that no child labour was used in the making of its product. Abrinq has been particularly effective in encouraging Brazilian manufacturers to accept responsibility for their entire chain of production. Companies not only ensure that they use no child labour, but they require that their suppliers not use any either. The emphasis on voluntary compliance has worked well in convincing industries to police themselves.

Rural trade unions and producer-employers' associations

CONTAG's Child Workers' Programme started its activities in 1992/93 under ILO-IPEC and achieved international recognition in its effectiveness. Activities were located in the States of Pernambuco, Paraíba, Rio Grande do Norte (northeastern Brazil), Mato Grosso (central Brazil) and Paraná (southern Brazil). There are large numbers of rural workers in these areas. The main objectives of the Action Programme were to produce and disseminate information concerning the rights of rural working children and to train unionists to improve collective agreement clauses. The project produced 10,000 copies of a booklet on the rights of rural working children, provided five training courses for 150 union leaders and monitors and produced seven radio programmes aimed at awareness-raising using its network of 160 local radio stations. The success of the radio programmes was greater than expected. The experience in combating child labour in agriculture contributed to a growing awareness among trade unionists and community leaders. This Action Programme also brought together parents and working children to discuss the working and living conditions of children in rural areas.

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The agricultural employers' organisation CNA provides its members with guidance on labour and OHS legislation and practices, including a guidance publication (*Fazenda Legal*) and on-line tools, alongside labour legislation compliance checklists for employers.

NGOs

The Reporter Brasil “Slave, Never!” project focuses on eradicating forced labour by raising awareness and developing educational material to introduce the issue of forced labour in the school curriculum. An important component of the project is also to build capacities of school teachers and of heads of villages.

The Pastoral Land Commission (CPT) raises awareness on forced labour and works with victims of labour trafficking and coercion. CPT investigates and reports annually on cases of violence, assassination, forced labour. CPT also advises farmers, supports them through the process to acquire land by providing lawyers or organising activities to put pressure on the authorities, free slave workers and helps in rehabilitation of former forced labourers.

III. Notable practice in promoting decent work in Brazilian agriculture

In this section, we provide key examples of notable practices in implementing decent work on large farms and for smallholders. This section does not provide an exhaustive list of practices but rather try to give a concise overview of the most consistent practices identified.

Large farms

Guidance and training on decent work for farmers and workers

IAS reports that it has held 18 courses on labour standards and OHS good practice, organised in focal towns across Mato Grosso state and attended by some 2,000 persons. It is not clear what proportion of attendees are employees, and what proportion management.

The agricultural employers' organisation CNA provides its members with guidance on labour and OHS legislation and practices, including a guidance publication (*Fazenda Legal*) and on-line tools, alongside labour legislation compliance checklists for employers.

The OHS unit of the Labour Ministry, Fundacentro organises 160 courses annually, involving approximately 5,000 participants on OHS issues. Themes include health and safety for rural workers.

The ICC charcoal initiative provides training services including:

- Recruitment and training of labour rights auditing teams
- Sharing information and holding education sessions with suppliers and workers in the sector in order to address problematic work practices.

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As mentioned above, one of the objectives of CONTAG's Child Workers programme was to and to train unionists to improve collective agreement clauses. To this end it provided 5 training courses for 150 union leaders on how to bargain for contract clauses limiting child labour and/or requiring employers to provide child workers with education.

Recruitment practices

The employment consortium

Informality of employment is a key challenge in Brazilian agriculture. Unregistered workers cannot realise their employment rights under law; at the same time, bureaucratic procedure perpetuate the likelihood of informal arrangements. This is particularly the case in the context of seasonal demand for harvest-workers in rural areas, which frequently creates a mismatch between existing employment regulation and the context in which firms perform their activities.

Labour inspectors report that the problem of labour informality is often embedded in widespread illicit hiring arrangements – ranging from labour force intermediaries (*gatos*) to fraudulent labour cooperatives – all designed to bypass legal obligations and costs. Medium- and small-size rural employers in this region adopted these arrangements because they considered prohibitive the financial and administrative costs of formally hiring (*carteira de trabalho*), for example, 2,000 workers to harvest for a short period of time. Labour inspectors in Minas Gerais pioneered the implementation of a solution that respected the legal principle of extending formal employment, offering at the same time an efficient way to allocate temporary labor force in rural areas: the consortium of rural employers (hereafter referred to as consortiums).

The consortium is a formal association of individual rural producers with the single purpose of directly hiring rural workers. Unlike a producers' cooperative, consortiums are associations, in which their members share co-responsibility only for labour-related issues. They are also different from labour cooperatives, in which workers get together to sell their labour force as a service for contracting firms. Consortiums are collective-rural-employers who hire individual workers in the same way that any firm formally hires a worker. Consortiums are not only a legal solution, alternative to illicit arrangements, but they also allow the reduction of labour costs for each individual producer. Consortium members share the burden of administrative costs, mandatory payments for workers' benefits (eg retirement benefits, unemployment insurance), and compliance with health and safety norms. For workers, consortiums offered opportunities for longer-term employment, as they move on from farm to farm, and the right to enjoy all legal benefits (eg minimum wage, paid leave, unemployment insurance).

Moreover, consortiums simplified relationships between producers and inspectors, since the later could monitor the performance of consortiums (through monthly reports), instead of inspecting every single rural property, reducing the "audit pressure" on farmers. As such, this provides a response to the challenge identified in the Rainforest Alliance/SASA pilot audit in

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Brazil (described above), which suggested that employee outsourcing confused rights/responsibilities, and thus the monitoring process.

Monitoring

The challenges relating to monitoring labour standards are not unique to Brazil, and are exacerbated in the context of agricultural employment.

ILO 2008¹⁴ notes several challenges relating to the labour rights auditing model, of which the following are most pertinent in this context:

- There are limited capabilities of third party and in-house auditors to understand and detect violations, particularly of freedom of association;
- There is a focus on policing and finding flaws, rather than on advising and fixing problems;
- There is limited scope for reaching sub-contractors and the more vulnerable casual workers;
- There is lack of engagement with public labour inspections and any other efforts to improve governance and compliance over the long term.

Perhaps the most advanced research on labour standards monitoring in Brazil is summarised in the recent paper – *The Craft Of Compliance: Labor Inspectors And The Reconciling Of Economic Development With Social Protection In Brazil*¹⁵ - which addresses the following question: how can we reconcile workers' rights with firms' competitiveness and productivity? The research suggests that, in some cases, labour inspectors have been able to implement the labour law in a way that promotes both the improvement of working conditions as well as economic competitiveness. By combining both punitive (eg fines, sanctions) with pedagogical (eg technical and legal assistance) enforcement strategies, state labour inspectors have been able to promote these outcomes – exemplified in alternative arrangements for formally hiring short-term rural workers (as in 'consortiums', described above) for example.

Moreover, as ILO-Brasilia notes, there remain significant challenges in establishing monitoring of labour practices in private sector undertakings *per se*: “*The challenge now is to implement a monitoring system of the National Pact [on Forced Labour]. This will bring more transparency to it and better articulate employers’ action against forced labour*”.¹⁶

¹⁴ www.oit.org/public/english/employment/multi/download/oecd-salazar.pdf

¹⁵ www.dep.ufscar.br/grupos/neseft/st/anais_st/eixoIII/Roberto_Pires.pdf

¹⁶ Forced labour in Brazil: 120 years after the abolition of slavery, the fight goes on, ILO 2008 - [www.ilo.org/global/About_the_ILO/Media_and_public_information/Feature_stories/lang--en/WCMS_092663/index.htm](http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Feature_stories/lang-en/WCMS_092663/index.htm)

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In terms of private voluntary monitoring, ILO-Brasilia suggests that the best practice is the ICC Citizens' Charcoal Initiative. ICC, in collaboration with the Labour Ministry and the ILO, formed an independent self-regulatory association in 2004 to monitor forced labour practices in the charcoal production parts of the steel/pig iron supply chain. The ICC has developed regionally-specific monitoring checklists for its auditing teams to use, which contains a series of yes/no questions relating to employment practices, occupational health and safety and worker facilities (food, changing, cleaning) and accommodation. Auditors speak with both workers and management, and on the basis of this assessment, score the establishment in terms of 'major' non-compliances (eg curtailing workers' freedom, use of armed guards, non-payment of basic wages or social charges, employment of minors/children, non-provision of personal protective equipment) and 'minor' non-compliances (eg no wage records kept, no medical check-ups provided, overtime, non-payment of bonuses). Auditors also provide photographic evidence of working conditions. On the basis of its audits - which are externally verified by the trade-union research body IOS, ICC also publishes its own 'blacklist' and decertified any offending suppliers, meaning that each and every member of the association will cease doing business with the supplier. As of February 2007, ICC stated that it had decertified over 312 suppliers. The information published can then be used by the Government authorities to deny any financing to suppliers using charcoal camps with forced labour.

Other organisations involved in private voluntary monitoring of labour standards in Brazil include Business Meets Social Development (SA8000, FLO, ETI and others), SGS (Pure Brazil Cotton and others) and IMAFLORA (Rainforest Alliance).

It should be noted that the practice of according a 'seal' or 'label' denoting responsible or sustainable labour practices is widespread in Brazil. This has been the approach taken by several influential initiatives, including Abrinq Foundation, UNICEF, and the government's 'social bio-diesel' programme.

Smallholders

Incorporating DW on farmer education and capacity building

*There is little research or report material on the express incorporation of Decent Work considerations into participatory farmer education activities in Brazil. Indeed, one report by CIRAD – on the promotion of sustainable agriculture indicators in the Northeast – notes: “the next step is to validate the sustainability indicators by taking account of the parameters that are missing: **the labour resource, which is a major production factor**”¹⁷. It seems likely that this assessment may be characteristic of much sustainable agriculture promotion activity in Brazil (and, indeed, elsewhere).*

¹⁷ www.cirad.fr/en/actualite/communiqu.php?id=518

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However, there are a number of projects which seek to build the capacity of rural producer communities to create the circumstances for Decent Work in agriculture – economically, socially and environmentally sustainable rural activity – and hence may have a strong, if indirect, effect on decent work dynamics.

For instance, an important component of the PROAF programme for small family farmers in Northeastern Brazil run by *Fundação Lyndolpho Silva* and funded by IADB is to provide training and technical assistance for producers. The objective here is to train local technicians and provide technical assistance to small farmers on organic and management practices, to improve the quality of production while ensuring it is socially and environmentally responsible, until organic certification is achieved. Given its composition – as a foundation jointly established and administered by EMBRAPA and CONTAG – and its mission to work with small farmers to achieve more sustainable agriculture, particularly in the Northeast, it is suggested that BCI may wish to engage further with *Fundação Lyndolpho Silva* in the context of BCI work with smallholders in Brazil.

As part of IDB's project on Poverty Reduction through Regional Integration of Local Capacities in Brazil's Northeast, an anti-poverty model that has helped hundreds of thousands of rural women in India start microenterprises will be exported to north-eastern Brazil, where more than half the population lives in extreme poverty. The project, implemented by World Vision (*Visão Mundial*), will help rural women establish self-help groups, providing them access to skills training, literacy programs, microcredit and business links. Backed by IDB and World Vision the project is expected to involve a network of at least 50 local NGOs, cooperatives, small business associations and microcredit institutions in 10 states in northeastern Brazil, which will use the "Hand in Hand" model to assist some 50,000 people in establishing small groups to work on income-generating opportunities.

Funded by the Ministry of Agrarian Development, the Dom Helder Camara Programme for education and health (*Programa Dom Helder Câmara – Educação E Saúde*) targets rural workers in settlements and family farmers in the Northeastern semi-arid region and provides literacy (*Sertão Central* - 30 literacy classes for young people and adults benefiting 598 students) and agricultural technique trainings (*Sertão São João do Piauí* - training of 40 young people from farming families in agriculture techniques). Moreover, the Syngenta Foundation for Sustainable Agriculture has aligned itself with the work of the Dom Helder Camara Programme with its ELO Project. The Project objectives are: to facilitate access to adequate and innovative technologies; to promote the reduction of losses during harvesting, transport and marketing of the products; to promote the safety of foodstuffs, access to markets and certification of the products; to support increased value by means of the industrialisation of agriculture; to support education in the fields of agriculture, socio-economics and the environment, and joint organisational processes.

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Through the *Bolsa Familia* conditional cash transfer programme, families with children receive monthly cash stipends to keep their children in school. Families with children seven to 15 years of age working in selected hazardous activities receive monthly cash stipends and the children may participate in extended school programmes which help reduce the likelihood that children combine school and work. Using the same approach, the ILO has recently helped the government in the design of training modules to carry out a national programme entitled *jornada ampliada* designed to give extended school sessions to children.

In the context of the Social Seal for Biodiesel, GTZ (in partnership with Brazil Bio-Diesel and *Fundação Birman*) organised the training for 20 advisors and 15 smallholders' families and farm workers for a total of €552,000. GTZ also provided €10,000 advisory services for smallholders in the certification process and explanation of demands for fair traded products and another €25,000 to support farmer groups for the certification process (1350 families). In addition, GTZ and Neumann coffee group have supported around 200 smallholder farming families in Espírito Santo in the preparation for the implementation of the 4C code (€580,000).

As part of the FETRAF GMO-Free Soy project¹⁸ working with family farms in the States of Parana and Mato Grosso do Sul, producers receive training on implementing the programme's social criteria. These include: receipt of price premium for implementation of environmental and social criteria; production by farmers with small landholdings; production using family labour; farmers are organized in small farmers' cooperatives; access to training in Sustainable Agricultural Practices (*Agroecologia*) or Organic Farming; no use of child labour.

Monitoring

There is a paucity of information, potentially reflecting the state of activities, relating to monitoring labour practices within smallholder 'family' agriculture in Brazil.

As mentioned above, Labour Ministry inspectors are in charge of monitoring labour legislation, in particular in relation to child labour. Although labour inspectors prioritise inspections in the informal sector, they remain unable to enter private homes and family farms.

As part of their activities, Fair Trade (FLO) and other labelling/certification initiatives (CJS, FSC, Ecocert, Rainforest Alliance) work with smallholders and have a strong monitoring component. Of particular note, as part of the USAID-funded 'Responsible Sourcing Partnership Project' in the small-holder coffee sector, Imaflora provided training to farmers on joint Rainforest Alliance/Fairtrade certification.

¹⁸ See www.fetrafsul.org.br/downloads/Artigos-Cronicas/Soja/Prospectos_Soja/FETRAF_prospectus_GMfree_soy.pdf

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Under the aegis of CJS, GTZ provided €25,000 to support the harmonisation of the requirements of FLO and *comercio justo* and to provide support to farmer groups (1350 families in total) for the certification process.

Within the context of the ‘Social Seal for Biodiesel’, GTZ provided support to the social seal bio-diesel in the northeast of Brazil and help developing a monitoring system for social and ecological impacts.

IV. Indicators

Ethos

Ethos CSR Indicators are aimed at providing (larger) companies with a tool to support the process of incorporation of CSR in their management: they are not currently specifically tailored for agricultural enterprises, but are intended to be consistent with approaches used in the agricultural sector, most importantly SA8000.

The Ethos ‘Workplace’ indicators expressly include ‘Decent Work’ alongside other workplace issues. The indicators provide incremental practical benchmarks for human resource management practices. For instance, the indicator on Employee Health, Safety and Working Conditions states:

7. *Aiming to ensure good working conditions, health and safety, the company...*

Stage 1: strictly complies with legal duties and has devised plans and set goals to meet excellence standards in health, safety and working conditions in its sector

Stage 2: has indicators to monitor plans and goals to surpass the excellence standards in health, safety and working conditions in its sector

Stage 3: in addition, performs regular awareness-raising campaigns and surveys employees’ satisfaction regarding the theme in order to identify critical areas.

Stage 4: in addition to performing awareness-raising campaigns and surveys, the goals and performance indicators related to health, safety and working conditions are set with the participation of employees, included in the strategic planning, and are widely communicated.

Since 2003, Ethos and SEBRAE (Brazilian Micro and Small Business Support Service) have been developing indicators to use in smaller enterprises: *Ferramenta de Auto-Avaliação e Planejamento* (Self-Assessment and Planning Tool) – *Indicadores Ethos-Sebrae de Responsabilidade Social Empresarial para Micro e Pequenas Empresas* (Ethos-Sebrae CSR Indicators for Micro and Small Companies) – and *Responsabilidade Social Empresarial para Micro e Pequenas Empresas – Passo a Passo* (Corporate Social Responsibility for Micro and Small Companies – Step by Step). These

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publications are a set of management tools that enable the micro and small entrepreneur to diagnose and implement this process.

Ethos CSR Indicators – revised for 2008 – can be found (in Portuguese and English) at: www.ethos.org.br/docs/conceitos_praticas/indicadores/download

IOS

The Social Observatory Institute (IOS) is developing a ‘Decent Work Index’ with the purpose of verifying and monitoring the quality and conditions of work at enterprise level in Brazil.

Within the draft IOS ‘Decent Work Index’, sub-indicators are variables to be verified on the basis of data gathered from different sources of information, including secondary data and worker interviews/survey.

