

Monday, June 15, 2009

## ***Making globalization work for the working poor***

The Global Fairness Initiative (GFI) promotes a more equitable, sustainable approach to economic development for the world's working poor by advancing fair wages, equal access to markets and balanced public policy to generate opportunity and end the cycle of poverty.

[www.globalfairness.org](http://www.globalfairness.org)

### Connect with GFI

At GFI we believe in dialogue and see engagement as key to creating fair and sustainable development initiatives. We have recently launched a new blog site and Facebook page.

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### Recommended Reading

#### **Human Rights Conditions Made Worse by Crisis**

*Discusses linkages between Human Rights, social unrest, and Economic prosperity*

#### **House of Representatives Committee on Foreign Affairs:**

*Berman introduces Legislation requiring US Foreign Assistance Strategy*

### GFI News:



## GFI Welcomes New Board Members Paula Dobriansky and Richard Nordstrom

This past two months we have had the pleasure to welcome two innovative thought leaders and veteran senior executives to our team of global leaders on



the GFI Board of Directors. Ambassador Paula Dobriansky and Richard Nordstrom bring a wealth of experience and insight to GFI's work on global poverty and will play a key role in the development, growth and impact of our programs throughout the globe.

**The Honorable Paula J. Dobriansky** is a U.S. foreign policy specialist who served as Undersecretary of State for Democracy and Global Affairs and was appointed Special Envoy to Northern Ireland under the administration of George W. Bush for which she received the Distinguished Service Medal for her involvement in the peace process.

[...read more about Ambassador Dobriansky](#)

**Richard Nordstrom** is the Global Chief Executive of McCann Healthcare Worldwide, a collection of local and global agencies that make up one of the largest healthcare marketing networks in the world. Previously, Mr. Nordstrom served as president of Omnicom Group's Corbett Accel in New York, overseeing such accounts as Merck and Bristol-Myers Squibb.

[...read more about Richard Nordstrom](#)

### Program Highlight:

#### **Improving Transparency and Access to Information in Guatemala**

Last month GFI released an assessment report of the Guatemalan government's capacity to collect and disseminate data and statistics on key workforce indicators effecting the informal economy. The report, which is part of GFI's PILAR (Promoting Informal Labor Rights) program, looks at the opportunities and barriers in Guatemala for the collection and analysis of workforce information with a particular focus on data effecting the informal economy. PILAR is using GFI's proven multi-stakeholder engagement process to create opportunities for the extension of labor rights and social protections to the informal sector in Central America. Additionally, the data assessment seeks to strengthen transparency and open access to trusted and accurate information that is fundamental to designing effective public policies and

**Featured GFI Partner:  
Institution Nicaraguense de  
Estudios Humanos**



*The Nicaraguan Institute for Human Studies (INEH) was founded in September 2007 with the objective of promoting studies, projects, and activities that improve the social, cultural, and economic status of Nicaraguans. Through trainings, projects, and education, INEH work*

creating stable and responsive economic development.

Written in collaboration with Poliarquía Consultores, the report draws from interviews with members of government, labor unions, civil society and the private sector as well as academic research and publications from local and international organizations. The report draws on international standards to design modules for gathering, analyzing, and disseminating data on the informal sector. In addition, training modules and materials have been developed and introduced in capacity building workshops conducted in Guatemala City with government officials, including representatives from the Ministry of Labor, Secretary of Planning, Ministry of Agriculture, Social Security Institute, and the National Statistics Organization.

The ultimate goal of the assessment report is to help Guatemala build a strong culture of statistical data gathering and analysis across sectors and to increase capacity for generating accurate and legitimate employment information. As a first

step, the report and the workshops with government have created an increased willingness of public officials, workers, and employers to come together and improve coordination as well as the data gathering and dissemination process. This sharing process has been widely recognized in the stakeholder groups as a core necessity for creating sound policies and is a key to the development of effective initiatives to benefit informal worker communities. GFI will release a similar report for Nicaragua this July.

**How did Guatemala do?**

**[Read the Guatemala Data Assessment Report](#)**

Feature:

**[Does the Economic Crisis Mean a New Day for Responsible Competitiveness?](#)**

With the spread of the global economic crisis cutting into credit availability, employment and increasingly prices for consumer goods, many companies are facing bottom line decisions about where to scale back. One area that is particularly vulnerable to corporate cuts in the current environment is investment in corporate social responsibility (CSR). The impact of the crisis so far on CSR initiatives is not yet entirely clear, but there are obvious questions about whether companies will continue to invest in responsible environmental and labor practices when finances are tight and layoffs a potential reality. The textile and apparel sector is an industry of particular concern as it often serves as a first step to formal employment for many of the world's poorest workers, particularly women. It is also an industry with a rich tradition of CSR initiatives which thrusts it at the center of the social responsibility question in a time of economic downturn. While overly simplified, this core question seems to come down to whether companies can maintain a competitive stance in the market with continued investment in CSR initiatives, or whether responsibility will be one of the many victims of recent economic failures.

Ultimately, this choice speaks to the nature of whether attention to corporate responsibility is merely a luxury of a healthy economic climate or an innovative way of linking social and economic initiatives in a profitable manner. For some textile and garment companies, ensuring higher wages and benefits for workers is considered an expensive and a risky investment given the uncertain economic climate and industry trend of moving operations and sourcing to countries with lower cost inputs. However, for other firms, negative impacts from expensive labor rights scandals only exacerbate existing financial concerns and undermine brand reputation and commitments to decent work. The Maquila Solidarity Network (MSN), a workers' rights organization based in Canada contends that the economic crisis presents the apparel industry with these two options: a "race to the bottom" which undermines worker protections, or a more ethical strategy that prioritizes workers rights and opportunities to earn decent livelihoods.

At GFI, we believe that this is fundamentally a flawed choice argument and that instead there is a clear business case for socially responsible production as well as a macro-economic argument for investing in fair labor and environmental standards in the Maquila sector and other labor-intensive industries during an economic crisis. This advancement of the business case, however, requires the engagement of all stakeholders and a commitment by government, workers, local employers, and international companies to clearly link competitiveness with responsible business practices. MSN rightly maintains that, “Better wages in the hands of low-income workers is the surest and most productive form of economic stimulus.” By continuing to invest in decent and fair working conditions for the millions of workers employed in garments, companies and countries can do their part in protecting some of the most vulnerable workers on the planet while simultaneously helping to stabilize economies and protect against economic viability of the kind we are experiencing throughout the globe.

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(Maquila Solidarity Network)***



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