



Wages in Global Supply Chains

ERGON ASSOCIATES AND WAGES IN GLOBAL SUPPLY CHAINS

Ergon works with leading international brands, international agencies, trade unions and multi-stakeholder initiatives to help them address challenges on labour and human rights.

Wages and collective bargaining are a central issue for our work, and an area in which Ergon has global experience. Our approach brings together our experience of industrial relations and worker-management dialogue to inform strategies that support sustainable improvements to supply chain wages.

In recent years, the Ergon team has worked on wage issues in a range of sectors worldwide, including:

- tea, flowers and bananas
- garments
- consumer goods
- electronics

We have worked on wage challenges for both multi-stakeholder initiatives and private sector companies. In 2015, Ergon drafted the JETI report 'Living Wages in Global Supply Chains: A New Agenda For Business'.

Our team members have backgrounds in industrial relations, wages policy, employment law, human resource management and ethical trade. This means we understand both the commercial and industrial relations environments in which living wage debates take place and we can focus on practical strategies.

Ergon's wages services – how can we help?



Wage risk-mapping

Poverty wages are firmly on the agenda for due diligence under the UN Guiding Principles on Business and Human Rights. Our red-flag wage screening identifies locations where low wages pose a particular risk of adverse impact.

Accurate data and situation analysis

Much of our work on wages starts with the development of wage ladders to benchmark wage levels against normative values and household basic needs, accompanied by analysis of the industrial relations, regulatory and business context. Wage ladders can be commissioned as a stand-alone service. However, we have found that wage ladders function well as a springboard for discussion, providing a shared picture of wage issues which can forge the consensus necessary for further work between buyers, suppliers, workers and civil society.

Fostering internal buy-in: building the business case

We recognise the value of informed debate and we facilitate and support internal debates within business and MSIs. This involves working through potential business rationales, and also delivering internal training and awareness-raising in terms which communicate directly to a business audience.

Supporting a strategic response to wage challenges

Too often, wage improvements remain in the 'too difficult' box. We bring a positive, strategic direction to this challenge. Our work aims to be action-oriented, making practical, feasible recommendations, helping our clients both relate to local stakeholders and institutions and to take account of commercial practice.

Facilitating dialogue and collaboration

We understand that real progress on wages requires the sort of sector-wide collaboration that is beyond the scope of a single brand – or, indeed, a single consultancy. That is why we seek to guide our clients towards collaborative responses, working with their peers, with social partners and regulators, as well as with international agencies.

MORE INFORMATION

Please contact us to discuss how we could assist your organisation.

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