



RESPONSIBLE TRANSITION WORKING GROUP
Monday 08th Sept 2008
International Convening - New York

Attending:

Caitlin Morris - Nike
Sasha Radovich - MFA Forum Secretariat
Daniela Johns - MFA Forum Secretariat
Anna Turrell - MFA Forum Secretariat
Ayesha Khan - Business for Social Responsibility
Abel Navarrete - Columbia Sportswear
Cathy Dix - Com-Mark
HeeWon - Fair Labour Association
Nancy Contreras - Gap
Darryl Knudsen - Gap
Stan Byers - Global Fairness Initiative
Whitney Simon - Global Fairness Initiative
Carolina Quinteros - Grupo de Monitoero interpendiente de El Salvador
Maritha Lorentzon - H&M
Steven Oates - ILO
Lynda Yanz - Maquila Solidarity Network
Alek Durquiza - Nike
Fukumi Hauser - Nike
Joyce Kortlandt - Oxfam
Judy Gearhart - Social Accountability International
Paul Dearman - Tesco
Doug Cahn - The Cahn Group
Gabriella Rigg - U.S. Department of State
Anastasia Liu - USAID
Suez Francois - Wal-Mart

Main topics covered:

Chair: Caitlin Morris, Chair (Nike)

1. Welcome / Introduction
2. Debrief with participants on past achievements
3. Discussion around impact and concerns
4. Discussion of different future options
5. Action points

2. Debrief with participants on past achievements

The first major achievement of this working group was the publication of the 'Responsible Transition Guidelines'. Reaching consensus took several months in which the input of the ILO, ITGWLF and different NGOs was perceived as particularly

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valuable. The distinctive feature of these guidelines is that by drawing on existing publications and tools it brings together a range of different recommendations in one document.

After a brief review of the revised MFA Forum strategy, the attendees agreed that this is the right time to define the future direction of this working group.

3. Discussion around impact and concerns

Thinking about the future direction of this working group, Caitlin Morris provided the group with different aspects that could achieve **positive impact for workers** through responsible transition.

- **Social protection and safety nets** (e.g. decent unemployment schemes): The question here would be whether the MFA Forum can strengthen these activities (e.g. finding solutions that ensure that benefits actually reach the workers).
- **Workers' retraining and new job opportunities** in times of transition: One possibility could be to partner with other industries (e.g. technology industry). This would not only be of macroeconomic benefit, but also in the interest of the workers on the ground.
- **Move towards more green jobs** (i.e. retrain workers in a way that creates greener and safer jobs for the future): The MFA Forum hopes that this will attract donor organisations' interest in a sense that would go beyond the sole retraining of workers.

Participants voiced the urgent need to define the added value of this working group and where this work on responsible transition fits in with the wider debate of the MFA Forum. It was acknowledged that the uncertainty around how future supply chains may look like (i.e. consolidated and restructured supply chains) will significantly influence the strategy of this working group.

There was some discussion amongst participants on whether activities around responsible transition should be the responsibility of respective governments or individual companies. This will ultimately also influence the level at which the guidelines are implemented. Darryl Knudsen (Gap) shared with the group that the reasons for closure and transition go beyond purchasing practices, and that for some problems solutions can be found (e.g. invest in machinery, training, improved communication). While there was consensus that these are areas that are fundamentally government responsibility, it was also recognised that the problems' root cause is to a large extent inked to increased competitiveness. Therefore, retailers and brands should share this responsibility with governments (e.g. engagement in training programs). Participants then raised the point that even if corporations were to take on this responsibility, it is uncertain as to what extent it would be possible to push an entire industry to take up the produced guidelines or if it would be more feasible to implement them on a company level.

Darryl Knudsen (Gap) also raised concern over the fact that the discussion jumps too quickly to transition and closure instead of discussing solutions that will save the industry. There is a need to think about other options, e.g. seek solutions in the



purchasing practices work. Participants requested more clarity on what the Purchasing Practices group is working on and mentioned that clear terms of reference would help.

In addition, Lynda Yanz of MSN expressed frustration that the guidelines have not been used by all participants of the MFA Forum and that approximately 80% of factory closures these guidelines are not applied.

4. Discussion of the different future options

Since there was consensus on that the main achievement so far is the publication of the guidelines, one suggestion was to keep the key focus on these guidelines by advocating the discussion around them. This also raised the question on how the MFA Forum can influence public policy effectively and how it could get other actors to use the guidelines (e.g. governments). Another idea that was put forward was to pick certain elements of these guidelines and define clear tasks.

Action:

A separate call will be scheduled to go over the guidelines again.

There was a proposal to implement the guidelines in a project that would show measurable results that can be reported on. This is also beneficial for testing whether the guidelines are feasible in its current form. This can be on different levels - for specific country cases (these could go beyond the existing MFA Forum in-country activities) and/or for brands/retailers. It was suggested that having some kind of monitoring and reporting system in place could also make companies more accountable. An associated problem with this, so Caitlin Morris, would be that this is not necessarily a collective action and that each company will report against their own guidelines. She added that she will seek discussion on the higher implementation of the guidelines with the World Federation of the Sporting Goods Industry.

A further proposition was to pick a set of factories and apply the “untested” guidelines in practice. The benefit of using case studies is to generate real examples that drive learning and hopefully change corporate behaviour (i.e. encourages other companies to take up the guidelines). Related to this is the possibility that companies share their practices publically (i.e. cross-company learning). Furthermore, participants agreed that the production of case studies would enable the testing of the guidelines’ feasibility and allow for the selection of certain guidelines to focus on. Judy Gearhart (SAI) suggested exploring the possibility of working closely with universities to identify best practice and negative trends.

Action:

A separate call will be scheduled to discuss the possibility of case studies.

In addition, using the web (i.e. the new MFA Forum website) as a learning platform where news and ideas can be uploaded was another suggested possibility. Using this tool will allow participants to share existing material and it would help to keep momentum.



Finally, by working more closely with other industries (e.g. electronics or automobiles) cross-industry partnerships could be created. This may also shift the conversation from responsible transition to responsible communities.

5. Action points

These proposals were translated into short action points, which in turn will form the basis for a more detailed and concrete work plan. This work plan should be delivered to ExCo by December 2008.

- Promote guidelines, report on how they are being used and the challenges for implementation.
- Develop a work plan that may include:
 - 1) Case Studies
 - 2) More learning and possible work to do on social protection and safety nets; worker retraining; working with institutions promoting building green jobs
- Analyse challenges to implementation of guidelines.
- Research current trends in factory divestiture.
- Bring new actors in, discussion on diversification.