

# The Economic Impact of COVID-19 on businesses and workers

Thursday 30<sup>th</sup> April 2020

# Webinar Presenter Today



**Louise Herring  
Project Manager -  
HCL**

# “Housekeeping”

- Thank yous
- Agenda
- Participation & Chatham House rules
- Questions during the webinar – question box or email [programmes@alliancehr.co.uk](mailto:programmes@alliancehr.co.uk)
- Recording
- Feedback survey
- Future webinars
- Written summary.

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# Covid-19 Capacity Building Webinars

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During these globally challenging times, it's more important than ever to protect the health safety and livelihoods of workers in our global supply chain

This is a collaboration to provide a series of supplier-facing COVID-19-management webinars to provide guidance and support to protect workers during this period of unprecedented change.

# Purpose of the webinar

- Provide an overview of the **potential financial impact of COVID-19 on businesses and workers**
- Share **case studies** from global suppliers on the practical steps they are taking to support financially vulnerable workers and their communities during the crisis
- Look at **what role governments** need to play globally to protect workers and **how business and government can work together**
- Hear from various stakeholders about **what more businesses could be doing to support workers and their communities**
- Highlight **the need to involve workers and their organisations** in the development of solutions
- Discuss the **role of customers** in supporting businesses and workers.

# Context: job protection vs social protection

- **Social protection** – systems that “help individuals and families, especially poor and vulnerable, cope with crises and shocks, find jobs, improve productivity, invest in the health and education of their children, and protect the aging population” ([World Bank](#))
- **Job protection** - supporting workers through difficult times + building resilience for businesses to operate during and after crisis
- COVID-19 has required **governments** to **use** existing social and job protection mechanisms and **supplement** those mechanisms
- **55% of the world’s population do not benefit from any form of social protection**
- **Less than two-thirds of all countries have social insurance and/ or social assistance schemes in place to provide sickness benefits.** 40% of the world’s population has no health insurance or access to national health services.
- **Corporate responsibility** to respect human rights as set out in the UNGPs becomes more acute when:
  - Governments are unable to meet their obligations or are unwilling to do so
  - Macro-economic tools to combat the crisis are limited
  - Fiscal policy alone cannot overcome cash shortages and disrupted supply chains
- We will talk today about the role of business in respecting the rights of workers, supporting the vulnerable, using leverage for indirect employees, innovating and taking collective actions.

# Agenda

**Introduction**

**Macroeconomic impact of COVID-19**

**Financial effects of COVID on business**

**Tate & Lyle case study** - commercial viewpoint on investing in worker support and protection for COVID-19

**Global COVID-19 job and social protection picture** - Ergon

**Financial impact on workers** – Fairtrade and ETI

**Supplier case studies**

**Driscolls case study** – supporting migrant workers Mexico

**Indian tea case study, Thirst and Ambootia Tea Company** – supporting workers and their communities

**Colombia bananas case study** – Bananalink

**Migrant workers in Italy** - Oxfam

**Flower industry – case study** - Fairtrade

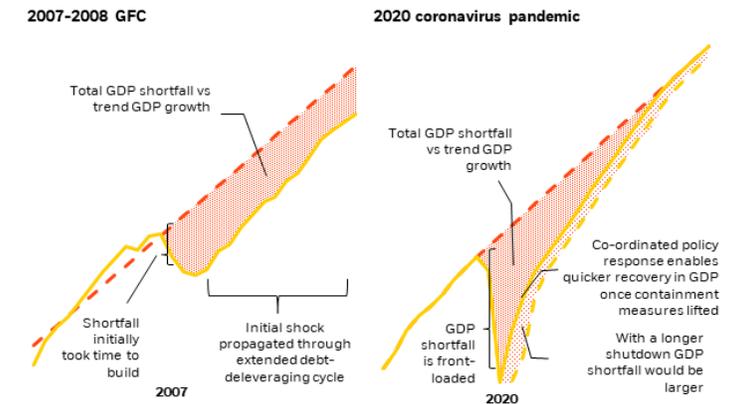
**Customer support considerations**

**Wrap & Q&As**

# Macroeconomic outlook: workers and businesses

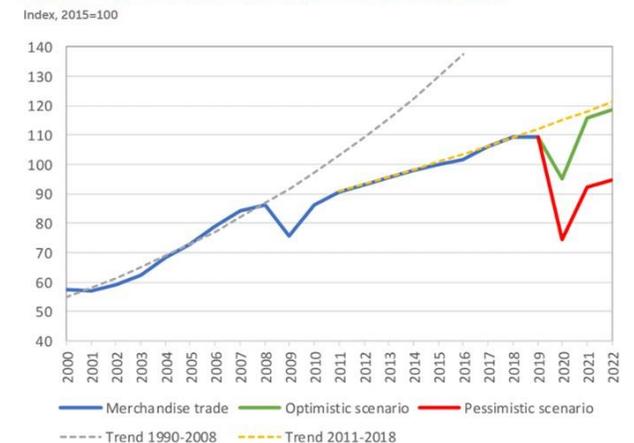
# Global GDP to shrink by 6% or grow 0.7%?

- Impact on global economy in 2020 - estimates vary from 6% contraction in GDP to growing by 0.7% - average 1.2% contraction
- Immediate decline in level of output between 1/5<sup>th</sup> and 1/4 in many economies. Consumer expenditure dropping by around 1/3<sup>rd</sup>
- Huge economic disruption alongside significant government interventions
- WTO anticipates a contraction of 13-32% in international trade in 2020
- Millions of workers face uncertain futures – at height of lockdown 2.7 billion workers, 81% of the world's workforce affected
- ILO estimates employment contraction (layoffs, reduced working time – 6.7% decline in working hours in 2<sup>nd</sup> ¼ of 2020, equivalent to 305m full-time workers).
- Economic impact not yet fully felt in agriculture but risks of food insecurity are emerging. If virus spreads to rural areas, workers will be increasingly affected
- Long term recovery in output – will depend on effectiveness of policy actions taken to support workers and companies and extent to which confidence returns.



<https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/global-macro-outlook>

Chart 1 - World merchandise trade volume, 2000-2022



[https://www.wto.org/english/news\\_e/pres20\\_e/pr855\\_e.htm](https://www.wto.org/english/news_e/pres20_e/pr855_e.htm)

# What this means for the food industry...

- **Growth in spending on groceries** reflects lockdown – UK shoppers spent £524m more on groceries by mid-April (Kantar)
- **Online shopping** has grown exponentially whether in the UK, US or Singapore – basket sizes grow as store visits shrink
- UK Consumers are continuing to buy organic, British, Fairtrade etc.
- **Future of the food service industry is unclear** - only three countries – Austria, the Czech Republic and Italy – have put a tentative date on when restaurants can resume service
- **Too many unknowns to plot a clear future for food industry**
- Potential next stages could include a return to recessionary behaviours (rise in private label and growth in price-oriented formats) followed by the development of a “new” new normal – reduced interaction, more E-commerce
- **A “light” has been shone on supply chains and workers**

## UK consumers choosing big weekly shops during lockdown

Convenience stores also get big boost as Britons spend £524m more on groceries this month

- [Coronavirus - latest updates](#)
- [See all our coronavirus coverage](#)



*"The people on the tills are now more important than celebrities"*  
Futurist, Howard Saunders

# Financial effects of COVID on businesses

# COVID responses – boom and bust

Some businesses booming beyond capacity, others struggling to survive, some seeing losses and gains. Companies struggling have elected to:

- Reduce hours or create job-shares to preserve as many jobs as possible
- Reduce pay by, on average, 10% to 50%
- Place employees on furlough
- Move roles to cheaper locations/ off shore
- Freeze hiring or hire only for critical roles
- Rescind job offers/ cancel contracts/ cancel internships
- Issue layoffs, though many intend to rehire if possible
- Provide benefits to employees on furlough
- Provide full severance to laid-off workers with staggered payments/ extended timeframe
- Incentivize early retirement among high earners
- Help laid-off employees to access unemployment benefits

## Tesco links with Branston to sell potatoes cheaper usually sent to foodservice

1 APRIL 2020 NEWS

Covid-19: Fazer to temporarily lay off 597 shop-in-shop bakery workers

## Nestle CEO not getting carried away by strong first-quarter sales growth

Frozen chips maker McCain Foods to furlough staff at Whittlesey factory as demand falls

## PepsiCo sees snacking boost as lockdowns hammer soda sales

*The company said it had seen an increase in consumers making breakfast and snacking during the day while stuck under stay-at-home orders, leading to a surge in sales of snacks, oatmeal and Aunt Jemima pancakes late in the first quarter.*

# **Supplier Case Study: Mac McLachlan, VP International Relations, Tate & Lyle Sugars**



**TATE & LYLE  
SUGARS**

# **COVID-19 Management Capacity Building Webinars to Protect Workers**

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**Mac McLachlan**  
**30<sup>th</sup> April 2020**

## Industry Structure (Mill)

- BSI is the only sugar mill operating in northern Belize.
  - Processes 1.3mmt of sugar cane farmed by 5,200 smallholder cane farmers which are Fairtrade certified.
  - BSI employs 670 people directly
  - Direct employment in the sugar industry of approximately 9,000 people
  - The business and wider industry supports the livelihoods of around 40,000 people in northern Belize representing around 20% of the population
  - Supplies around 15% of the country's electricity needs



*Aerial Photo of BSI*

## Industry Structure (Fields)

- Independent small farmers with an average farm size of 5-7 acres
- The crop is cut by hand by a temporary work force of 1,100 largely from the same community
- Farmers are all Fairtrade certified



*Aerial Photo of a farmer field*



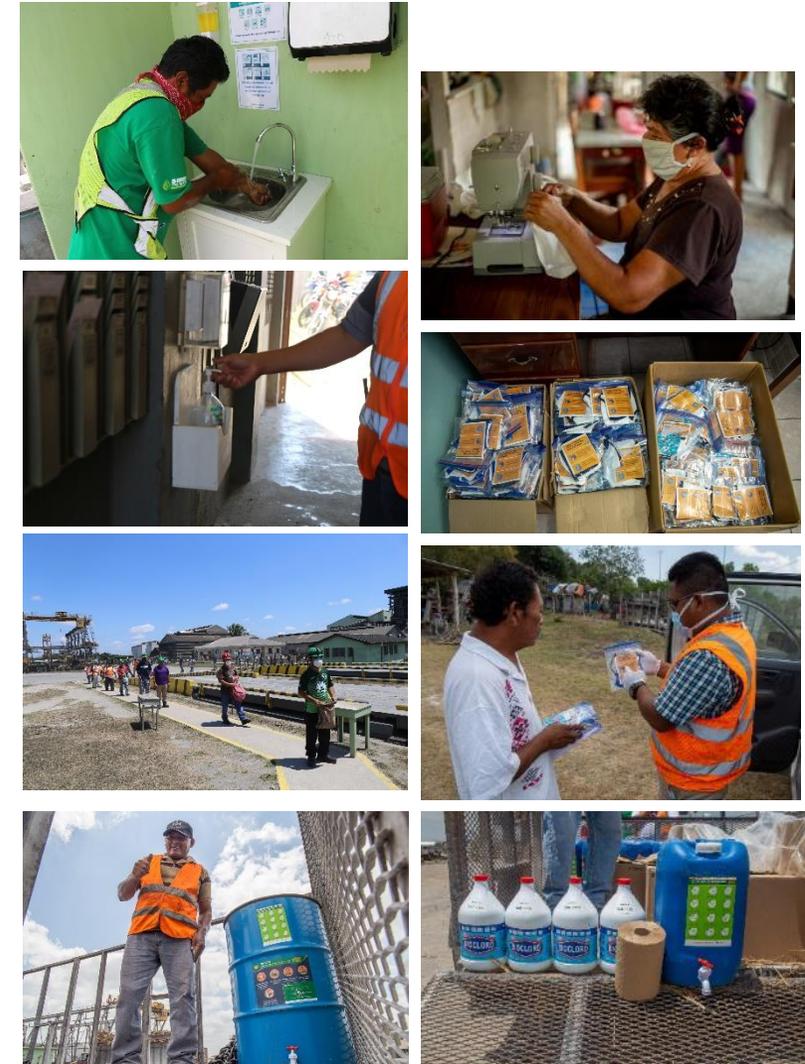
*Photo of cane farmers*

# COVID-19 RESPONSE

## Preventative Measures Taken

Covid-19 first appeared in Belize on March 21, 2020 with 18 recorded cases and unfortunately 2 fatalities. Mapping exercises are still being conducted.

- Industry COVID-19 action plan cost is approx. US\$40K and rising
- Agreement with cane farmers' leaders to promote action and advocacy
- Social distancing, sanitizer, transport, temperature tests, hand washing
- ASR-BSI Collaborating with Women's Groups to Provide 6,000 Face Masks with a budget of US \$16k
- Government and opposition are working together with industry
  - BSI donated BZ\$250k to COVID-19 relief fund for frontline support
  - Formed part of agro producers group advising Government on how to cope and reenergise sector after COVID-19



*Pictures of industry preventative measures*

# COVID-19 RESPONSE

## Education is Essential

- Leaflet for cane cutters, cane truck drivers and employees produced and distributed early on.



Picture of leaflet for cane cutters



Picture of leaflet for cane truck drivers



Mask use guide for factory workers



Mask use guide for farmers and cutters



Hand washing guide

## ASR-BSI Collaborates with Women's Groups to Provide 6,000 Face Masks



*Photos of Mask Contribution*

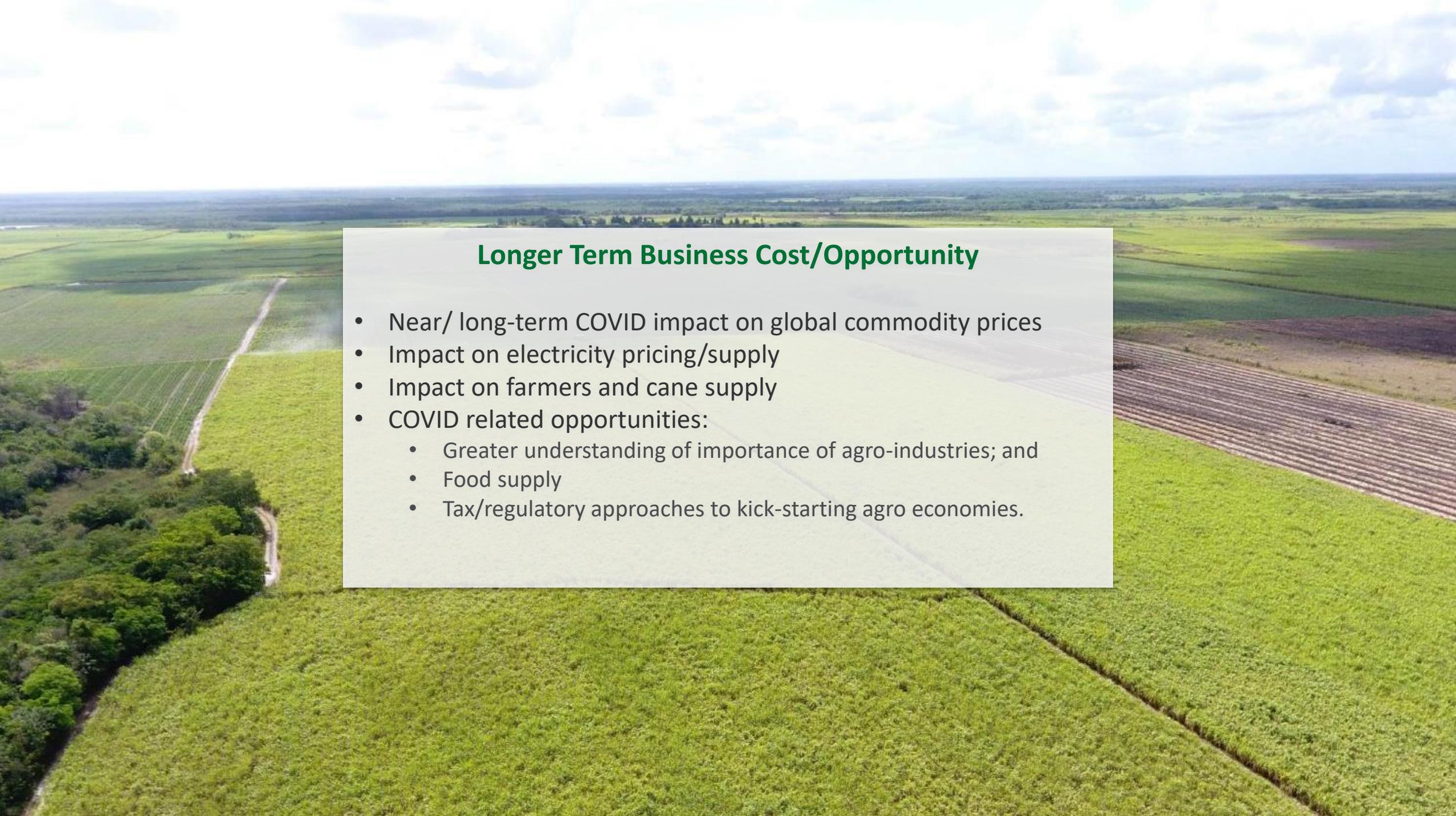
# COVID-19 RESPONSE

## Social distancing, sanitizer, transport, temperature tests, hand washing

- Ensuring safety in the fields and mill
- Business continuing delivering food and energy
- Strict regime on responding to potential cases – self isolating



*Photos of preventative measures*



## Longer Term Business Cost/Opportunity

- Near/ long-term COVID impact on global commodity prices
- Impact on electricity pricing/supply
- Impact on farmers and cane supply
- COVID related opportunities:
  - Greater understanding of importance of agro-industries; and
  - Food supply
  - Tax/regulatory approaches to kick-starting agro economies.

# **Financial impact on workers: Beverley Hall, ETI and Tim Aldred, Fairtrade**



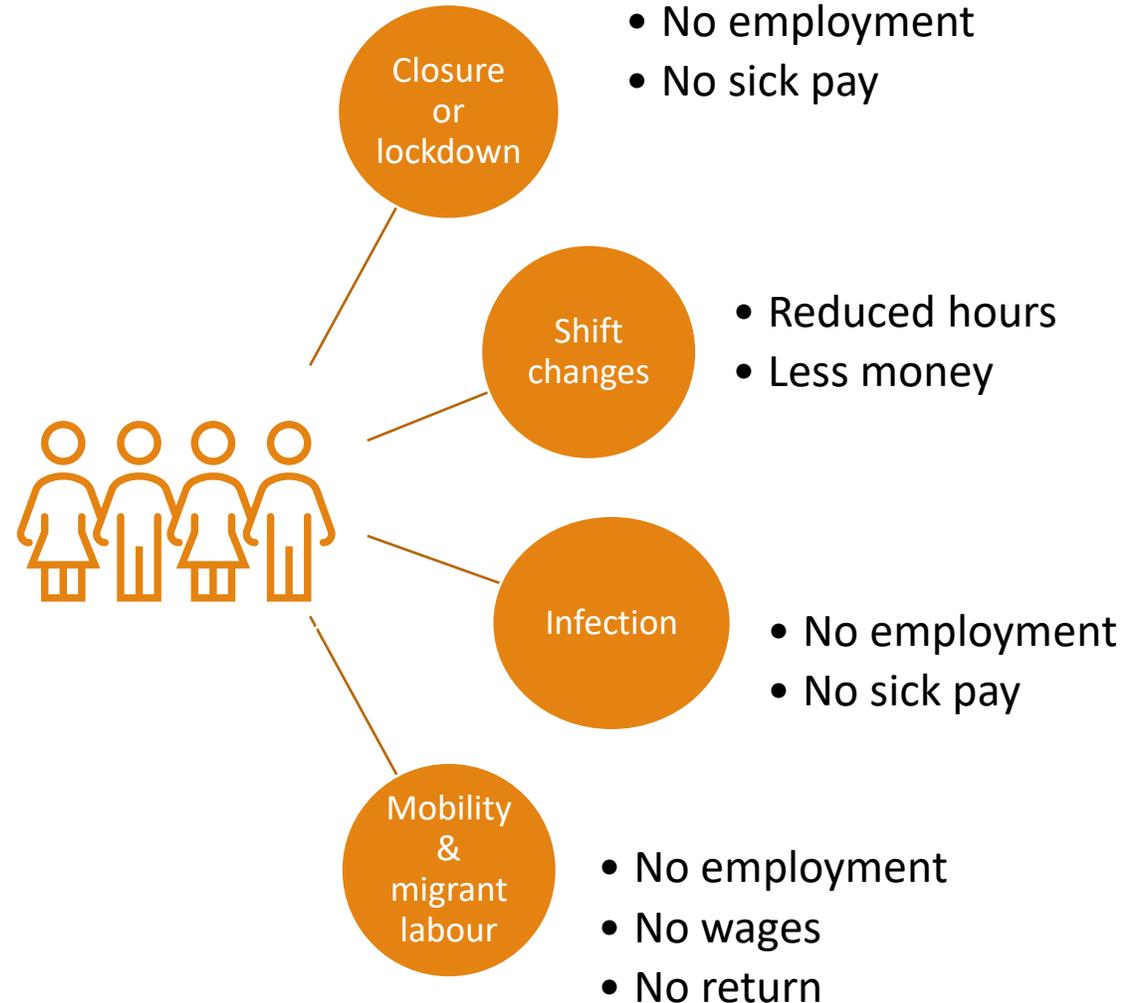
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For workers' rights. For better business.

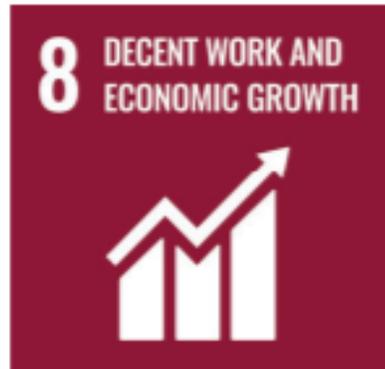
# Financial Impact on Workers

# Worker scenarios

- 195 million jobs worldwide
- 2.7 billion workers globally live in countries affected by full or partial lockdown measures
- Informal sector – account for 61% of the global workforce or 2 billion people



# Impacts on workers and the SDGs



Economic activities suspended; lower income, less work time, unemployment for certain occupations



Loss of income, leading vulnerable segments of society and families to fall below poverty line



Food production and distribution could be disrupted



Women's economic gains at risk and increased levels of violence against women. Women account for majority of health and social care workers who are more exposed to COVID-19.

# UN Guiding Principles on Business & Human Rights



# Some practical ideas

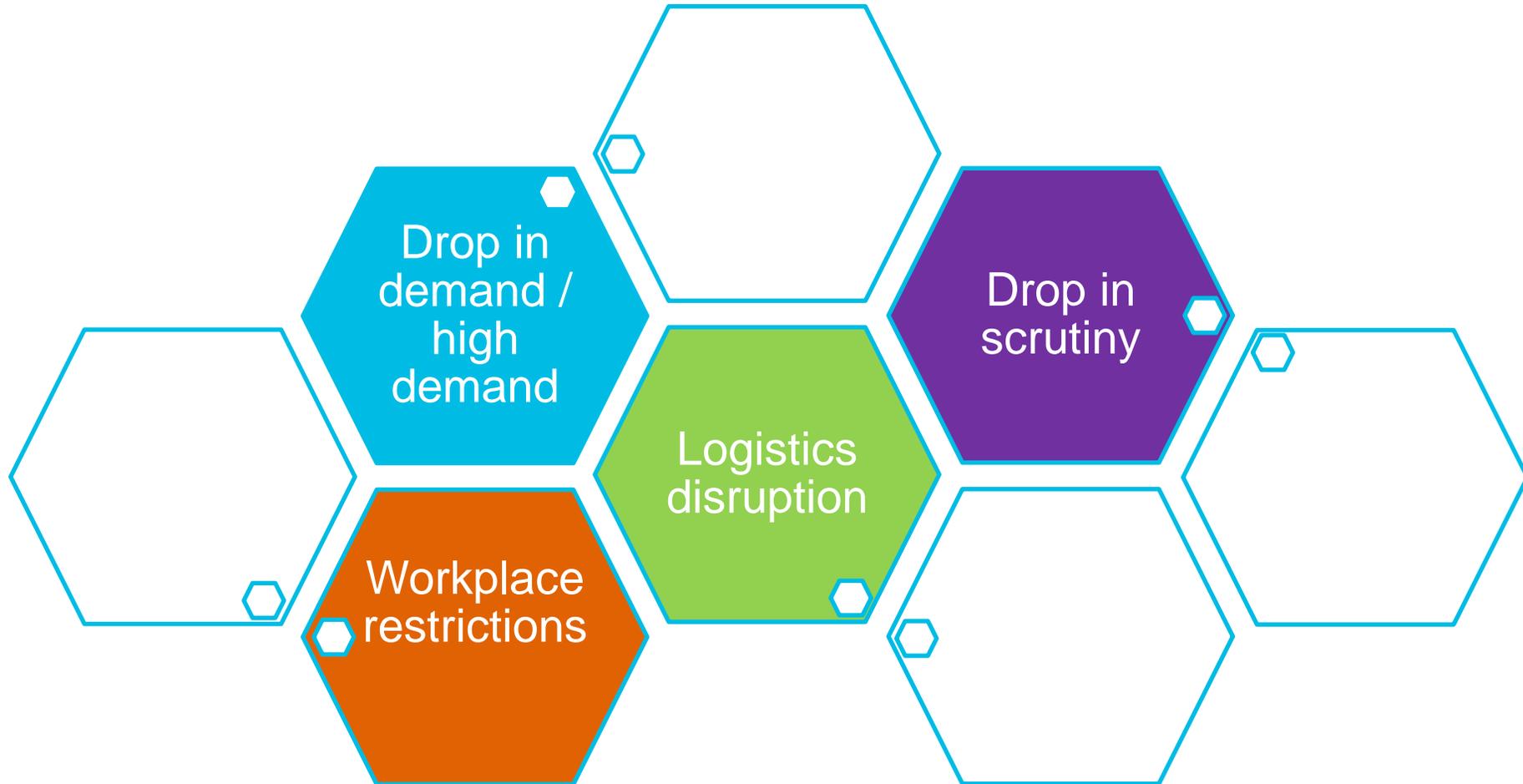
## Business or industry associations

- Collective advocacy with governments on:
  - Pay protections, unemployment & hardship funds and health care provision. For example, the South African Government changing the Unemployment Insurance Fund to pay protection delivered through Sectoral Boards.
  - Logistics to keep goods moving
  - Enhanced and shared OSH provision for workplaces, for example, rural clinics/ OSH professionals donating expertise
  - Security and food for abandoned migrant/ seasonal workers, for example, the State of Kerala in India and “guest camps” for inter-state migrants who can’t get home

## Workers

- Workplace community is a conduit for **communication** – keep in touch with vital information via social media/apps with workers
- Consult with workplace trade union or elected bodies on:
  - Changes to employment, OSH arrangements
  - Adaptation solutions
  - Feedback on situation for workers no longer employed.

## Scenarios



## Tension between public health and livelihoods

Uganda – suspension of public transport – **worker mobility reducing production**

South Africa – farm operations exempt from lockdown **but wine exports banned**

India tea – restricted working / rotation; loss of demand and loss of production; **severe concerns at loss of worker income and poor social protection & public health protection**

West Africa – smallholder farmers – **no sick pay, poor healthcare, pre-existing poverty, cocoa price crash.**

Dominican republic – Haitian migrant workers **cannot apply for government social protection**

Banana production – **high demand but workplace & logistics restrictions** lead to lower output.



FAIRTRADE  
FOUNDATION

## Good Practice Suggestions

**Resist the false choice – farmers and workers have the right to both health and livelihoods.**

> social & business protection where restrictions are needed.

**Immediate financial support** (prevent precipitate closures / layoffs, strengthen virus protection at work).

**Make human rights / health expectations clear** (not an assumption of bad practice, but being clear that these remain high priority).

**Quick follow up on hotspots**

**Financial / contracts** – reassurance of existing commitments / enhanced commitments (e.g. forward contracting, loan holidays, payment terms)

**Advocacy role** (potentially through associations / alliances)



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## Public policy messages

- Food imports are a UK crisis response priority – 10-15% of UK food comes from Asia, Africa and Latin America.
- Building back better – policy that incentivises sustainable / fair sourcing builds resilience for crisis.
- Human rights risks are very high due to distress strategies and decreased scrutiny
- National measures (e.g. Kenya tax measures) & the international stimulus to pay for them

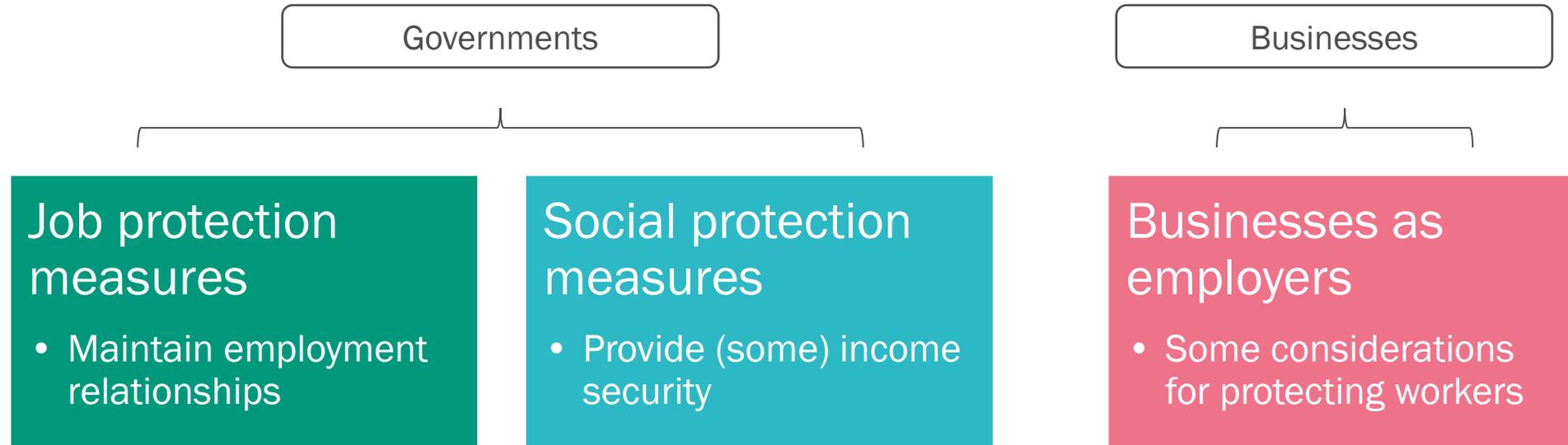


# **Global job and social protection measures: Sam Kelly, Ergon**

# Job protection and social protection for workers

## An overview of government responses to COVID-19

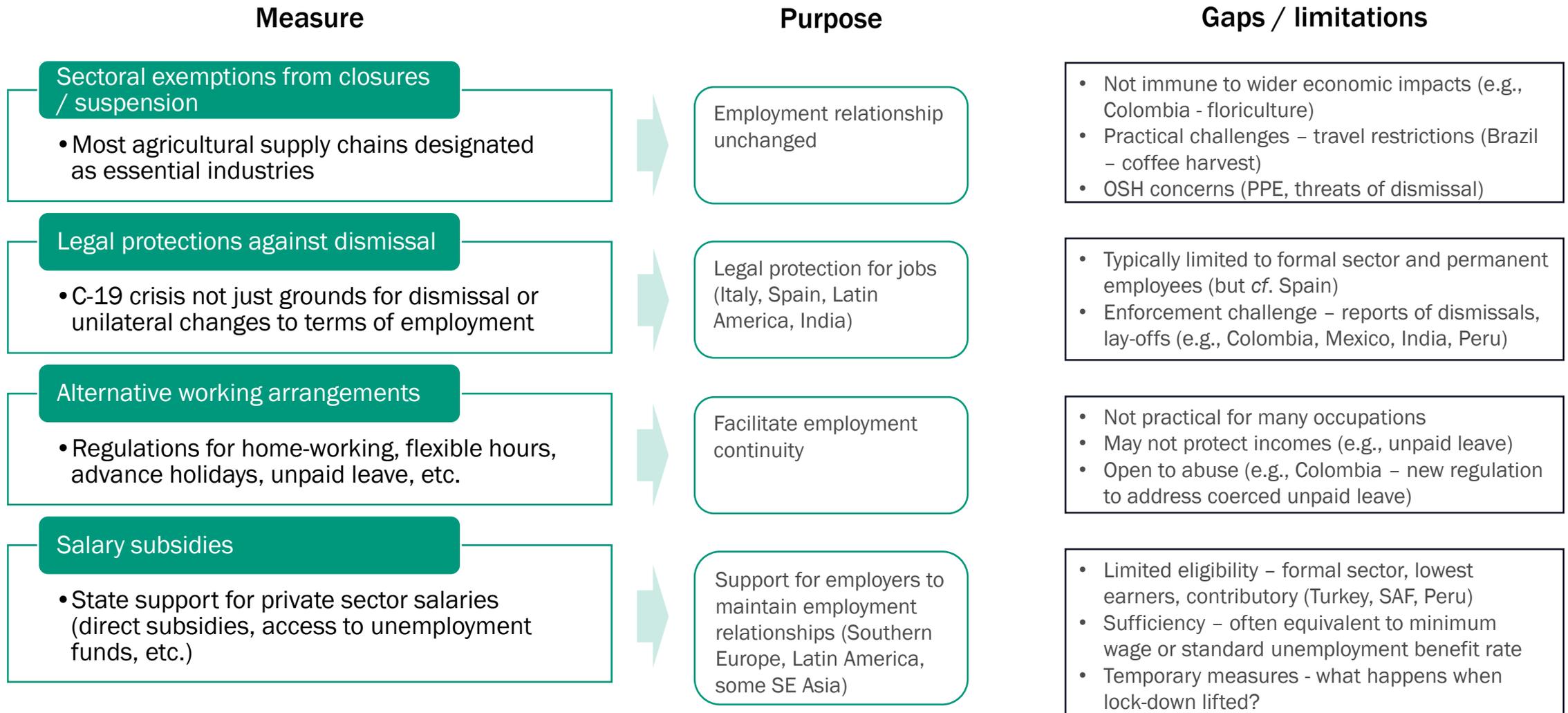
30 April 2020



Focus regions:

Southern Europe (Italy, Spain, Turkey)	Latin America and the Caribbean	Africa	Southeast Asia
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# JOB PROTECTION



# SOCIAL PROTECTION

## Measure

## Purpose

## Gaps / limitations

### Sick pay and health coverage

- Expanded paid sick leave entitlements
- Expanded access to health care



- Support for C-19 sickness or quarantined (e.g., Italy, Spain, El Salvador, Panama, Malaysia, SAF)
- Enhanced access to healthcare (e.g., migrant workers in Thailand)

- Lacking / limited sick leave entitlements in many jurisdictions
- Specific exclusions
- Migrant workers?

### Expansion of existing social assistance programs

- Additional payments to existing beneficiaries
- Extended coverage to new beneficiaries
- Simplified procedures (e.g., Philippines)



- Support for vulnerable groups
- low-income (multiple countries)
  - women (e.g., Egypt)
  - disability, elderly, sector schemes

- Pre-existing schemes:** uneven coverage and do not account for recent change in circumstances
- New measures:** Lacking in many jurisdictions (e.g., few African countries have new measures)
- one-off payments
  - low amount
  - practical distribution challenges

### Extraordinary social protection measures

- New (temporary) cash transfer programs



- Fill gaps in existing coverage:
- unemployed, laid off
  - informal, temporary, casual, self-employed (North Africa, Latin America, some SE Asia)

- Eligibility gaps** (pre-existing and new measures)
- migrant workers
  - tied to previous employment and/or contributions (e.g., Peru, India, Morocco)
  - based on existing social registers (e.g., India, Indonesia, Peru, Turkey, Central America)

# CONSIDERATIONS FOR BUSINESSES AS EMPLOYERS

Initial questions				
Business restructuring	Site-specific C-19 measures	Vulnerable workers	Third parties	Law and standards
Can output/services be changed? Can costs be saved (streamlining, re-organising)?	Are there govt. measures in place (e.g. job protection, social security)? Is the industry exempt from emergency measures?	Are parts of the workforce more vulnerable to income shocks? Are some workers exempt from state support? (e.g., migrant workers, contractors, care duties)	Are alternative payments measures possible for contractors or suppliers? (e.g. interim payments, forward payments)?	What are the relevant labour standards (sick pay, OSH – recent changes)? What are relevant social security provisions (income support, unemployment benefit)?
Potential responses				
Preventing transmission	Working time re-organisation	Workforce restructuring	Holding measures	
<ul style="list-style-type: none"> <li>• Distancing on site, rearrange accommodation, additional hygiene measures</li> <li>• Consider transport to/from work</li> <li>• Homeworking, flexible working, shift changes</li> </ul>	<ul style="list-style-type: none"> <li>• Best efforts to provide paid sick leave/care leave</li> <li>• Shift changes, flexible working</li> <li>• Permit unpaid/voluntary leave</li> </ul>	<ul style="list-style-type: none"> <li>• Release workers with key skills for emergency response</li> <li>• Redeploy workers to other parts of the business</li> <li>• Training to meet alternative skills needs</li> </ul>	<ul style="list-style-type: none"> <li>• Temporary lay-off / furlough - especially if state income support</li> <li>• Move workers to development, maintenance, upgrade activities;</li> <li>• Allow volunteering;</li> <li>• Livelihood support (food subsidies/ allow to remain in accommodation)</li> </ul>	

# **Supplier Case Study: Mario Steta, VP and General Manager Driscoll's of Latin America**





# Indian tea case study: Sabita Banerji, THIRST Indroneel Goho, Ambootia Tea





# **Colombian bananas case study: Alistair Smith, Bananalink**

# Good industrial relations produce good socio-economic and health protection measures

The example at the source of Britain's favourite fruit – the Colombian banana

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Alistair Smith

International Coordinator

# Augura – Sintrainagro "biosecurity protocol"

## 25th March 2020



**PROTOCOLO DE BIOSEGURIDAD COVID19 PARA EL PERIODO  
DECRETADO POR EL GOBIERNO NACIONAL-DECRETO 457 PARA  
TRABAJADORES DE LA CADENA AGROINDUSTRIAL BANANERA**

**RECOMENDACIONES GENERALES:**

1. Por su seguridad, la de su familia, absténgase de viajar fuera de la subregión de Urabá para evitar la propagación, siguiendo las recomendaciones del decreto 457 del Gobierno Nacional.
2. En caso de que tenga síntomas de gripe, comuníquese con la empresa quien se obliga a reportar a la respectiva seccional de salud y acuda a consulta médica a fin de que sea el medico quien determine el curso de las atenciones y certifique la correspondiente incapacidad, si a ello hubiera lugar. ¡No se automedique!
3. La empresa suministrara cuando sea necesaria y a la mayor brevedad posible un kit de aseo personal: paños húmedos, un tapabocas, gel antibacterial para todos sus trabajadores. El tapabocas se entrega como elemento disponible que deberá ser usado solo en aquella oportunidad que recomienda la Organización Panamericana de la Salud y el Ministerio de Salud y Protección Social, toda vez que estas entidades han desaconsejado el uso habitual del tapabocas para aquellas personas que no presentan síntomas asociados a la infección por COVID 19.
4. Evite llevarse las manos a la cara
5. Realice el lavado de manos con frecuencia, siguiendo las indicaciones adecuadas

# The basis for negotiating a safety protocol that works and is enforced

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**Collective bargaining** between a national agricultural workers' union and an employers' association representing some 260 plantations has been developed over 25 years. All the members of the association then adopt the terms of the agreement in their own plantations in collaboration with the trade union and their local committees.

This has built **trust between the parties** so that when a crisis erupts like the new banana-killing fungal disease that arrived from Asia in 2019 or COVID-19 there is the basis of human relations between leaders on both sides that forms the basis for equitable negotiations.

# Economic measures beyond the basic

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- Perspex barriers between worker in the fruit selection and washing lines in the packhouse.
- All worker to have their temperatures tested in a regular basis by trained personnel in strictly controlled circumstances.
- All workers over 65 years old will be laid off and asked to use their outstanding leave, beyond which they will be paid 8 % above the minimum wage for the duration of national measures.
- All pregnant workers and those diagnosed with serious conditions will not work and once they have used their outstanding leave will be remunerated at 8 % above minimum wage.
- All canteen contractors to be closely monitored by both parties and will be blacklisted if found overcharging for food or flouting safety measures.



» 906

**trabajadores bananeros**  
que sufren dificultades de salud  
HOY están su CASA debido  
al acuerdo entre  
**Sintrainagro y Augura**

Éstas personas reciben su salario normal

sugar.entertainment2015@gmail.com



# Measures that build workers' trust

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- Joint occupational health and safety committees responsible for monitoring the implementation of the protocol in all farms/companies.
- Farm-based union committee can raise issues with joint company-union COVID-19 special commission.
- Daily visits by union officials to farms across Urabá to monitor compliance and iron out any practical issues.
- Union-staffed telephone hot-line to ring in case of measures being ignored or not properly implemented.

# Radio and video messages



# **Impact of the COVID-19 on undocumented workers in agriculture: Giulia Capitani, Oxfam**

# Impact of the COVID-19 on undocumented workers in agriculture.

Giulia Capitani – Oxfam Italy



**OXFAM**

Italia

## Italy: undocumented migrants in agriculture

Estimates indicate a number of about **600.000 undocumented migrants in Italy**, constantly growing because of the recent changes in the Asylum national legislation.

To a very large extent they work in domestic care (about 250.000).

**Agriculture** is the other economic sector which is key for Italian economy and is highly based on migrants' work.

Regular migrants in agriculture are 346.000 and cover the 26% of needed work. **Undocumented farm workers seem to be about 350.000, covering all main supply chains (tomatos, oranges, apples, grapes...).**

**At least as many are now needed by the agricultural enterprises.**

Beacuse of the restriction of internal movements in EU who prevent seasonal workers to come, and beacuse of COVID-19 that **locks both regular and irregular workers**, the 40% of the harvest risk to be lost this year.

# Impact of COVID 19 on undocumented farm workers (1)

The situation of irregular workers in agriculture is unacceptable under normal conditions. Now, it is **extremely alarming for them and for the communities they live in.**

Migrants are used to living in precarious conditions, because of the lack of documents and very poor salary (2,5-3 euro/h). In Italy these **informal settlements** are currently called «**ghettos**».

**They do not have access to running water. In these settlements there aren't taps, toilets or showers.** They sleep together in barracks, in promiscuity. They use free fire to cook, which is extremely dangerous. In some of these settlements (San Ferdinando, Rosarno, Borgo Mezanone) live more than 3000 people.



## Impact of COVID 19 on undocumented farm workers (2)

In this context, it is self evident that **no precautionary measure can work.**

They cannot wash their hands, or keep the «social distance» of 1,8 meters, they do not receive DPIs but from some local charities.

The obligation of confinement poses serious risks of contagion among each others, but also of a lack of essential resources as food and drinking water. Anyway, as **irregular workers they are not perceiving any salary now: in several ghettos a food crisis is beginning.**

Irregular migrants can go to the ER, but a lot of them are not aware of this right, and under COVID 19 emergency this is strongly discouraged.

# Reactions from Civil society and Government

## Lobby from civil society

- **Lobby letters** to responsible Ministers in order to:
  - Intervene in informal settlements with water supply and hygiene kits;
  - Open dormitories and emergency structures to guarantee possibility to confinement and/or quarantine
- Several **appeals for regularisation** of undocumented migrants
- Lobbying on the Parliament for the **adoption of a new law** about legal entry channels for work, under discussion since 2017.
- (for regular workers): Presenting **amendments** to postpone the expiry dates of the residence permits, since Police Offices are closed.

## Intervention from the Governemnt

Just one specific response to the situation in the Campania's ghettos. In collaboration with NGOs.

All the rest of interventions are done **directly by NGOs** (food distribution, hygiene kits provisions, information, psychological and medical support).



## An opportunity from the crisis?

The urgent need of workers in agriculture **re-opened the debate about regularisation of undocumented migrants**. There is a draft decree circulating.

Other stakeholders (i.e. Coldiretti) call for Italian students and retirees working in the camps and being payed through vouchers.

This regularisation would be reserved exclusively to workers in agriculture. It foresees fixed (short)-term contracts and, for the moment, expenses too high for employers.

Moreover, there's little space for talking about a new law including legal entry channel for work reasons (which would entail the real change).

But we anyway appreciate this step...

## What possible role for companies, apart being responsible toward their employees?

As Oxfam we are «enroling» **companies interested in support the request of regularisation** and, more broadly, of new laws able to guarantee decent life for migrants.

Some of them come from B-Corp/Impact investing movement, or are interested in developing CSR strategies.

In the Government perspective they are stakeholder stronger than No-profit sector.

From our angle, **even if we call for formal changes in law, (hard law perspective) we know that a private approach, where companies at the head of a supply chain ask for change their suppliers, can be much more efficient (soft law perspective).**

Oxfam Italy was born from the experience of Ucodep, an Italian NGO which has been involved in the fight against poverty and injustice for over 30 years.



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transparency,  
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# **Financial impact - flower supply chains: Anna Barker, Fairtrade**



WE MAKE  
TRADE WORK  
FOR EVERYONE



FAIRTRADE

## Case studies in the flower supply chains

Anna Barker, Fairtrade

April 2020

# Coronavirus impacting the flower industry

WE MAKE  
TRADE WORK  
FOR EVERYONE



- Flower sales have been reduced by over 80% in East Africa
- Fairtrade Africa estimate that over 90% of workers have been affected in some way
- 50,000 workers have already lost their jobs & wages
- Concerns around a lack of safety nets and access to basic goods for laid-off workers
- Air freight increasingly a challenge
- Most farms state that they can only continue to operate for another month in this current climate
- Fears of a lockdown

## No bed of roses: East Africa's female flower workers lose jobs as coronavirus hits exports

Nita Bhalla, Emeline Wuilbercq

6 MIN READ



NAIROBI/ADDIS ABABA (Thomson Reuters Foundation) - Emma Wanjiru had been packing roses at the flower farm in Kenya's Rift Valley town of Naivasha for six months when she was told not to come back two weeks ago.

The mother-of-two was devastated to lose the monthly wage of 7,200 Kenyan shillings (\$72) in a nation where the cost of living is high and her husband's wage as a mason too meager to support their

### Kenyan trade unions okay sacking of 50,000 farm workers

The process of declaring thousands of horticulture workers redundant due to the current crisis caused by Covid-19 has started.

The Agricultural Employers Association (AEA) and Central Organisation of Trade Unions (Cotu) in a joint exercise, will send an estimated 50,000 workers home without salaries, as the number of those affected by the pandemic globally continues to rise.

Flower farm workers will be the most affected after the total collapse of the sector that employs more than 150,000 workers directly.

According to the AEA boss Wesley Siele, they had a meeting with Cotu in which it was agreed that the workers would be sent home due to the current crisis.

He noted that already, seven farms had

Business

## Kenya Destroys Fresh Roses as Virus Crashes Demand in Europe

By David Herbling

March 19, 2020, 7:51 AM GMT Updated on March 20, 2020, 7:46 AM GMT

► Farms in Kenya dumping about 50 tons of flowers daily

► Flower growers already had poor sales on Valentine's Day

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# Case studies

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## Case Study 1: Valentine's

*Helping redundant workers with food and health services*

- Over 60% of workers sent home as sales fall by over 50%
- Used the flexible Fairtrade Premium to supply food packages to the workers sent home for one month
- They have also used the Fairtrade Premium to stock the dispensary with masks, sanitisers and soaps for the local community
- Therefore, workers sent home can still access PPE and food despite not being on the farm



## Case Study 2: Bigot

*Preventing lay-offs through 50% rotations*

- Selling 10% of normal volumes
- Operating with half staff at any given time, with workers on 15-day shifts
- Managed to keep all 1,075 workers on the pay roll
- As with all the farms, screening temperature and all workers supplied with masks and sanitisers. Notice boards display information.
- All workers are 2 meters apart

## Case Study 3: Oserian

*Supporting workers through new roles*

- 22 employees who had been sent on leave trained on tailoring skills through the Fairtrade Premium
- They are now earning income through producing masks for workers, their families and the community
- This also saves costs on buying the masks at market price





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# How customers can support suppliers: FNET



Food Network for Ethical Trade (FNET) - <https://foodnetworkforethicaltrade.com/>

# Supplier feedback

- **Mixed picture of support from customers** – some getting guidance and information
- **Most valued support** has been:
  - Price increases to cover rising costs
  - Practical adjustments e.g. relaxing of technical specifications or social auditing requirements
  - Direct communication
  - Guidance documents
- **Additional support** requested:
  - Openness and flexibility
  - Continuity or increase of orders
  - Shorter/ faster payment terms
  - Ongoing practical adjustments
  - Joined up approach/ collaboration.

# Wrap up & Questions

# Concluding comments

- Too early to understand clearly the longer-term financial impact of COVID-19 on businesses
- The **response of many governments has been significant** but is not accessible to all
- The **financial impact on many workers will be significant** – those in the food industry may be protected by responsible businesses however all workers are vulnerable, particularly **migrant workers**
- **Actions taken to** protect businesses and workers are having an impact on individuals and communities, particularly steps to:
  - Protect workers and communities health and safety
  - Provide sick pay and protection provisions
  - Safeguard jobs
  - Put in place generous and flexible working hours policies
  - Furlough rather than lay-off staff, and re-examine severance policies
- Emerging from this crisis requires **collaboration between suppliers, retailers, workers and worker organisations, governments and civil society.**

# Webinar Programme

Date	Webinar Title	Audience
8 <sup>th</sup> April 2020	Managing Labour Responsibly	UK
9 <sup>th</sup> April 2020	Accommodation, Transport and H&S On-site	UK and Global
23 <sup>rd</sup> April 2020	Furloughing and SSP	UK
30 <sup>th</sup> April 2020	Economic impact of COVID-19 on businesses and workers	Global
6 <sup>th</sup> May 2020	Engaging and supporting workers through anxious times	UK
7 <sup>th</sup> May 2020	Engaging and supporting workers through anxious times	Global

# Final poll

**Q: Did you find today's webinar useful?**

**A. Yes**

**B. No**

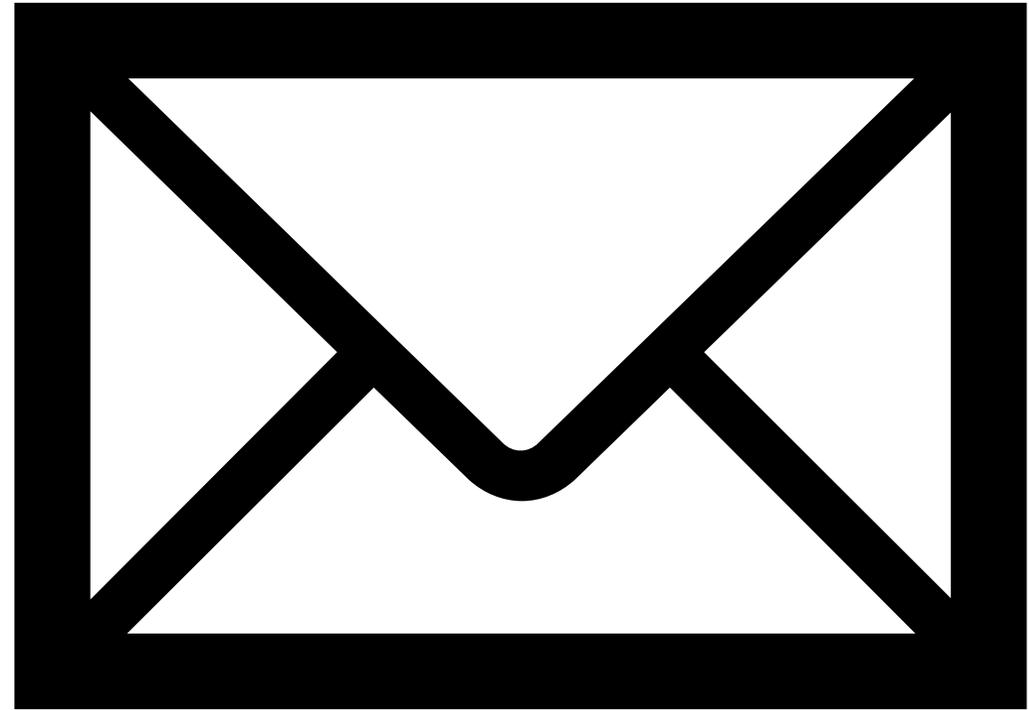
# Feedback survey

<https://www.surveymonkey.co.uk/r/30-04-20>



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