

ITUC Frontlines Poll

Special Topic: Trust in global companies and supply chains

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Foreword

The exploitative model of supply chains corrupting global trade must end. G7 leaders, meeting in Germany for their annual summit can effect change.

Labour is not a commodity. This principle is at the very heart of the Constitution of the International Labour Organisation (ILO), yet the global web of supply chains that dominate global trade have been allowed to operate on this basis.

G7 nations have laws that guarantee fundamental rights for workers in their own countries. They can guarantee equal treatment for workers in other countries where companies based in G7 countries operate, by extending the same rule of law beyond their boundaries.

The UN Guiding Principles on Business and Human Rights provide a framework for this by clarifying respective obligations of governments and corporations: governments need to protect human rights; corporations need to respect and follow human rights.

A corporation's responsibility to respect human rights "exists independently of States' abilities and/or willingness to fulfil their own human rights obligations, and does not diminish those obligations."

The UN Principles make it clear that corporations have a responsibility to respect the rights of workers throughout their activities – including sub-contractors and suppliers.

When the business model of the 21st century assumes that wage rates are a market issue we need to remind corporations that earning a living wage is a human right.

The United Nations Universal Declaration of Human Rights (Article 23/3) states: *"Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection."* In other words: living wages are a basic human right. And respecting basic human rights should be non-negotiable.

This is reflected in both the ILO Declaration of Philadelphia and the Social Justice Declaration of the ILO.

Corporate Social Responsibility (CSR) has failed. Only the rule of law can mandate: transparency; due diligence for labour rights and safety; minimum living wages and collective bargaining; and social protection.

Soft law also has a role. We ask the G7 to support the strengthening of the OECD MNE Guidelines and the role of Contact Points in the complaints mechanism and the consequences.

We ask that the role of the ILO be supported and strengthened to purge informal work and forced labour and to monitor corporate behaviour.

We also ask that governments look to their own laws such that remedy is available where soft law fails.

And government have the support of people, 55 % of people in four G7 countries (France, Germany, UK, USA) agree that companies can't be trusted to look after their workers.

The G7 can make a difference.

Sharan Burrow, General Secretary, International Trade Union Confederation

Commentary

In 2014, the ITUC Global Poll of 14 countries found that 53% of the world's population family income had fallen behind the cost of living.

Coupled with those that reported their income had 'stayed the same' (29%), an overwhelming 82% of the world's population reported that their income was stagnating or fallen behind.

58% of people in his same poll reported that they could not save – a figure that was replicated over the previous two years, with 61% reporting that they couldn't save in 2013, and 60% in 2012. In 2014, 10% of these same respondents reported that they did not have enough for basic essentials.

Within this context, 60% of respondents in the 2014 poll reported that they felt corporate interests had too much influence over setting the rules for the economy, while 84% felt that ordinary citizens to did not have enough. 62% of these same respondents wanted their government to do more to tame corporate power. An overwhelming 82% also though their government should do more to ensure fair wages for workers in their country.

Based on this background information, the ITUC conducted further research in the form of a short poll with people from a range of nine developed and developing nations.

Together these countries represent the opinions of people from countries who make up 50% of the world's GDP.

In addition, the ITUC commissioned further questions focussed on people in three producer nations; Indonesia, Turkey and the Philippines, where large workforces are employed by multi-national companies in their supply chains.

The populations of the G7 countries agree that companies cannot be trusted to look after their workers

Over half (55%) of people living in the G7 countries of France, Germany, the United Kingdom and the United states believe that most global companies can't be trusted to look after their workers and tougher laws are needed.

This belief was most prevalent in Germany, where 66% indicated that they did not think global companies could be trusted to look after their workers – this was followed by the United Kingdom and France at 54% and the United States at 47%.

Belief that global companies cannot be trusted to look after their workers was higher for those aged 55+ (63%).

Those who are currently working were in line with the average, with 55% believing that global companies cannot be trusted to look after workers.

In the economies of Indonesia, the Philippines and Turkey there is a strong belief that most employers prioritise profits over the safety of their workers

80% of respondents agreed that most employers prioritize profits over the safety of their employees.

This belief was highest in Turkey, where 89% agreed. However at least three-quarters of those in Indonesia (77%) and the Philippines (75%) also agreed that workers safety was not as important to employers as their profits.

Overwhelmingly, people in the economies of Indonesia, the Philippines and Turkey believe that businesses should pay all their workers a decent minimum wage – no matter where they are

More than three-quarters (78%) of people in producer economies agree that a business should only operate if it can afford to pay all the workers through its supply chain a minimum wage high enough to live on.

Support for this statement is highest in Indonesia (82%), followed by the Philippines (79%) and then Turkey (72%).

Although working people (79%) were more likely to agree with this, the percentage was only slightly higher than those who were not currently working (74%).

Chart 1: Trust in Global Companies (G7 Total)

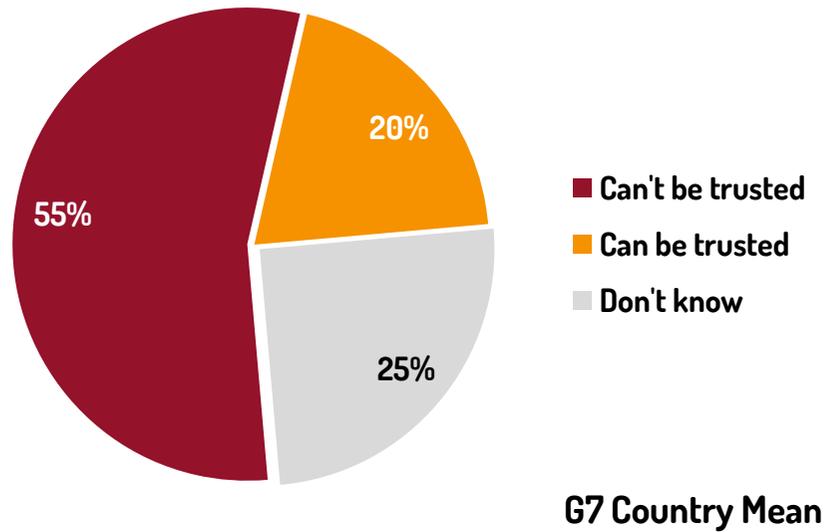
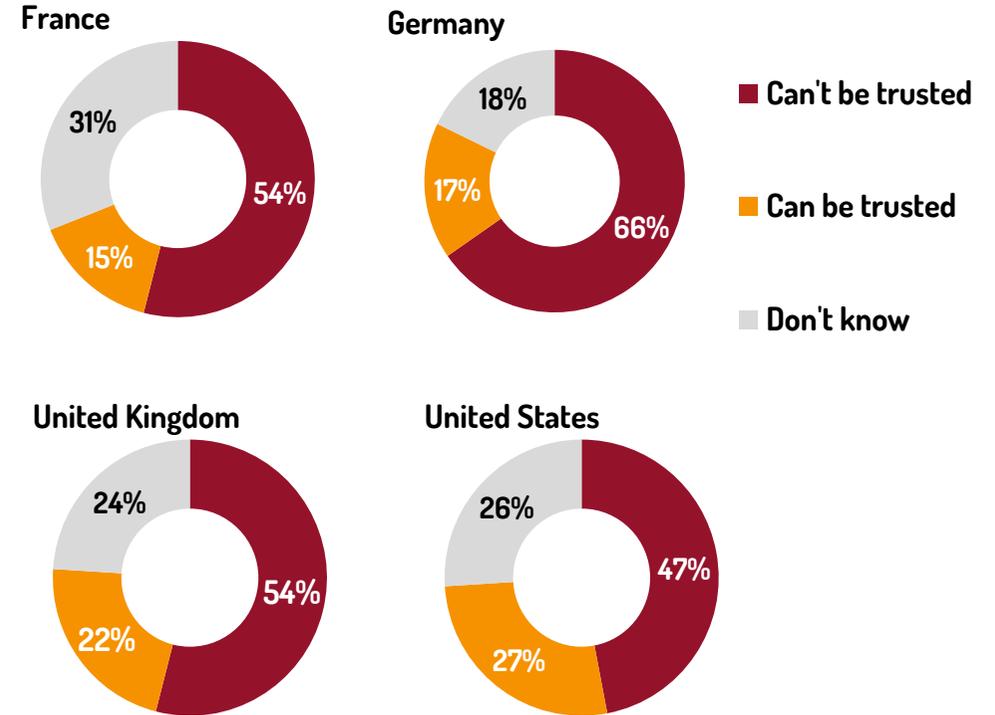


Chart 2: Trust in Global Companies (By Country)



Notes: G7 countries included are France, Germany the United Kingdom and the United States. Sample sizes for these countries are included in the methodology

Question: *People are divided on the best way to ensure that workers around the world get fair wages, rights and conditions. Some believe that global companies can be trusted to look after workers in all countries that supply their business, Other people believe that tougher laws are needed to make sure workers get fair wages, rights and conditions. Which one is closest to your view? Most global companies can be trusted to look after their workers in different countries OR most global companies can't be trusted to look after their workers and tougher laws are needed*

Chart 3: Businesses should pay a decent minimum wage to all workers in their supply chain (Producer Country Total)

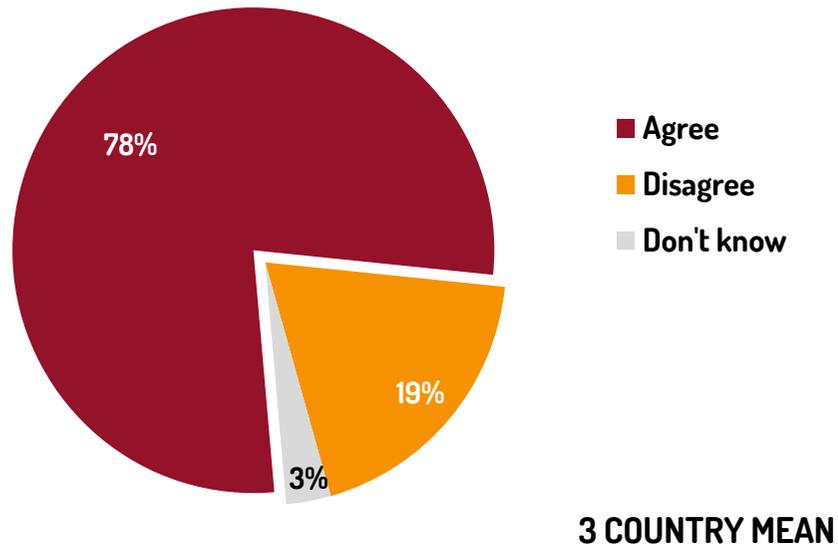
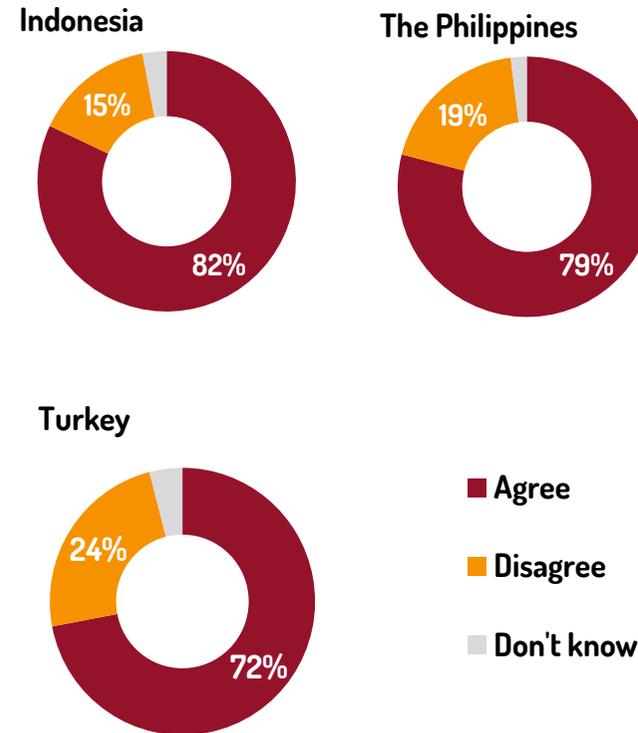


Chart 4: Businesses should pay a decent minimum wage to all workers in their supply chain (By Country)



Notes: Chart 3 shows results for Turkey, Indonesia and the Philippines only. Sample sizes for each country are listed in the methodology. For ease of reading, don't know labels not displayed on Chart 4 – please refer to tables.

Question: A business should only operate if it can afford to pay all the workers through its supply chain a minimum wage high enough to live on.

Chart 5: Business prioritize profits over safety of workers (Producer Country Total)

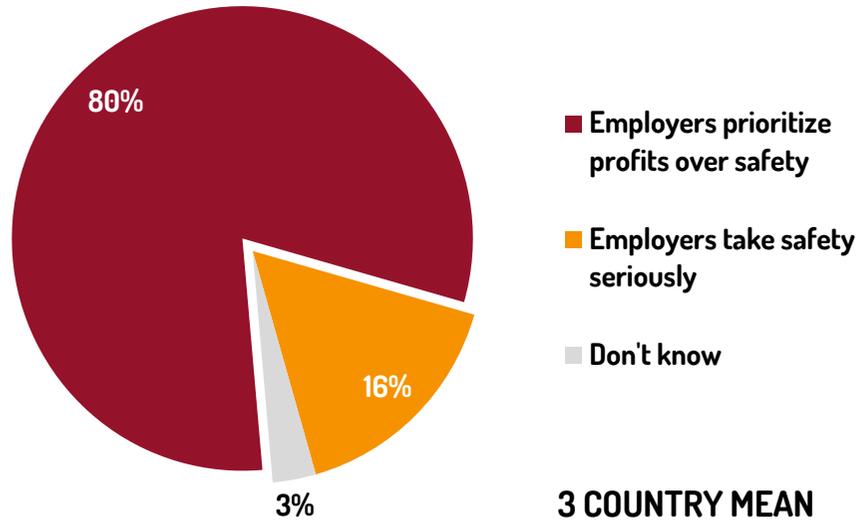


Chart 6: Business prioritize profits over safety of workers (By Country)



Notes: Chart 5 shows results for Turkey, Indonesia and the Philippines only. Sample sizes for each country are listed in the methodology. For ease of reading, don't know labels not displayed on Chart 6 – please refer to tables.

Question: Which of the following do you agree with more strongly? Most employers prioritize profits over the safety of employees OR Most employers take the safety of their employees seriously, even if it diminishes their profits OR don't know

Tables

Table 1: Trust in Global Companies

Question: People are divided on the best way to ensure that workers around the world get fair wages, rights and conditions. Some believe that global companies can be trusted to look after workers in all countries that supply their business. Other people believe that tougher laws are needed to make sure workers get fair wages, rights and conditions. Which one is closest to your view?

	TOTAL	China	France	Germany	India	Indonesia	Philippines	Turkey	UK	USA
Most global companies can be trusted to look after their workers in different countries	20%	-	15%	17%	-	-	-	-	22%	27%
Most global companies can't be trusted to look after their workers and tougher laws are needed	55%	-	54%	66%	-	-	-	-	54%	47%
Don't know	25%	-	31%	18%	-	-	-	-	24%	26%

	TOTAL	Under 35	35-54	55+	Working	Not Working
Most global companies can be trusted to look after their workers in different countries	20%	27%	18%	13%	23%	16%
Most global companies can't be trusted to look after their workers and tougher laws are needed	55%	48%	58%	63%	55%	56%
Don't know	25%	25%	24%	24%	22%	28%

Table 2: Businesses should pay a decent minimum wage to all workers in their supply chain

Question: A business should only operate if it can afford to pay all the workers through its supply chain a minimum wage high enough to live on.

	TOTAL	China	France	Germany	India	Indonesia	Philippines	Turkey	UK	USA
Agree	78%	-	-	-	-	82%	79%	72%	-	-
Disagree	19%	-	-	-	-	15%	19%	24%	-	-
Don't know	3%	-	-	-	-	3%	2%	4%	-	-

	TOTAL	Under 35	35+	Working	Not Working
Agree	78%	77%	79%	79%	74%
Disagree	19%	20%	18%	19%	21%
Don't know	3%	3%	2%	2%	4%

Table 3: Business prioritise profits over safety of workers

Question: Which of the following do you agree with more strongly?

	TOTAL	China	France	Germany	India	Indonesia	Philippines	Turkey	UK	USA
Most employers prioritize profits over the safety of employees	80%	-	-	-	-	77%	75%	89%	-	-
Most employers take the safety of their employees seriously, even if it diminishes their profit	16%	-	-	-	-	20%	22%	8%	-	-
Don't know	3%	-	-	-	-	4%	3%	3%	-	-

	TOTAL	Under 35	35+	Working	Not Working
Most employers prioritize profits over the safety of employees	80%	78%	84%	81%	80%
Most employers take the safety of their employees seriously, even if it diminishes their profit	16%	19%	12%	17%	15%
Don't know	3%	3%	3%	3%	4%

Methodology

These conclusions are based on the 2015 International Trade Union Confederation Frontlines Poll.

The results in document relate to three of nine questions asked in the Frontlines Poll 2015.

Of these questions, three were asked in nine countries, including China, France, Germany, India, Indonesia, the Philippines, Turkey, the United Kingdom and the United States.

The remaining six questions were asked only of people in Indonesia, Turkey and the Philippines.

The results to the questions not included in this report will be released separately.

In each of the nine countries, approximately n=1000 respondents were interviewed. Exact sample sizes are listed below.

Country	Sample Size
China	1024
France	1038
Germany	1047
India	1017
Indonesia	1027
Philippines	1001
Turkey	1011
UK	1047
USA	1046

The sample in each country has been selected by quotas to reflect national proportions in regards to age, gender and region.

SPSS Software and Microsoft Excel were used to analyse the results.

This project was conducted in line with AS: ISO 20252 guidelines.

The findings of this study represent the opinions of people from countries who make up 50% of the world's GDP.

Essential Media Communications were responsible for questionnaire design, data analysis and reporting.

TNS Opinion carried out the fieldwork between 23rd and the 29th April 2015.

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Postscript: Netherlands Data

In May 2015 the ITUC conducted a short poll independent of the one that constitutes this report.

This poll was conducted with 1010 adult residents of the Netherlands (aged 16-70) by IPSOS Mori.

This sample was also asked whether they thought global companies could be trusted to look after workers in the countries in which they operate, with 60% stated that they did not believe that global companies could be trusted to look after workers.

Just 36% agreed that companies could be trusted.

Although structured and worded differently, these results are in line with the questions presented in the rest of this report.