



INSIGHT 4

Monitoring & Compliance:

MSIs employ inadequate methods to detect human rights abuses and uphold standards





The Institute for Multi-Stakeholder Initiative Integrity (MSI Integrity) aims to reduce the harms and human rights abuses caused or exacerbated by the private sector. For the past decade, MSI Integrity has investigated whether, when and how multi-stakeholder initiatives protect and promote human rights. The culmination of this research is now available in our report, *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance*.

The full report contains six insights from experience with, and research into, international standard-setting multi-stakeholder initiatives. It also contains key conclusions from these insights, and perspectives on a way forward for improving the protection of human rights against corporate-related abuses.

This is an excerpt of the full report, focusing on Insight 4. The six insights are:

Insight 1: Influence — MSIs have been influential as human rights tools, but that influence, along with their credibility, is waning.

Insight 2: Stakeholder Participation — MSIs entrench corporate power by failing to include rights holders and by preventing civil society from acting as an agent of change.

Insight 3: Standards & Scope — Many MSIs adopt narrow or weak standards that overlook the root causes of abuses or risk creating a misperception that they are being effectively addressed.

Insight 4: Monitoring & Compliance — MSIs employ inadequate methods to detect human rights abuses and uphold standards.

Insight 5: Remedy — MSIs are not designed to provide rights holders with access to effective remedy.

Insight 6: Impact — There is little evidence that MSIs are meaningfully protecting rights holders or closing governance gaps.

Read the full report to find out more about the other insights, our key conclusions, and the background and knowledge base that informs this Insight and our wider analysis. The full report is available at www.msi-integrity.org/not-fit-for-purpose/.

MSI Integrity is now embarking on a new direction: applying lessons learned from the grand experiment in multi-stakeholderism to promote business models that center workers and communities in their governance and ownership. See our new work: [Beyond Corporations](#).

Find out about our new direction at www.msi-integrity.org/beyond-corporations/

Look out for our upcoming blog series, “Rethinking MSIs.”

Published July 2020
Copyright © 2020 MSI Integrity

This report may be shared or adapted with attribution under Creative Commons Attribution 4.0 International (CC BY 4.0).

Citation information: MSI Integrity, *Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance (Insight 4: Monitoring & Compliance)*, July 2020.

Monitoring & Compliance:

MSIs employ inadequate methods to detect human rights abuses and uphold standards



In this chapter: This chapter examines the requirements that MSIs have in place to monitor and report on compliance with their standards. It also examines how MSIs respond to instances of non-compliance with their standards and their level of transparency regarding member non-compliance.

Summary of our insights: MSIs put considerable emphasis on the standards that they set, but have not developed effective mechanisms for detecting abuses, enforcing compliance with those standards, or transparently disclosing levels of compliance. Despite the emergence of models that enable rights holders to legally enforce MSIs' standards or to be actively engaged in monitoring companies for abuses, MSIs have not adopted them. By focusing on setting standards without adequately ensuring if members are following those standards, MSIs risk providing companies and governments with powerful reputational benefits despite the persistence of rights abuses.

Key findings and observations:

- **MSIs employ inadequate methods to detect human rights abuses.**
 - MSIs that monitor their members' compliance with MSI standards do so through top-down professionalized audits. These approaches do not consider the power imbalances between rights holders and MSI members that may inhibit rights holders from reporting abuse or prevent auditors from detecting abuse. For example:
 - In reviewing the monitoring procedures of the 10 newest and 10 oldest MSIs, we found that no single MSI had procedural requirements that address the spectrum of issues rights holders may face when attempting to speak out about abuses, such as offering protection against reprisals or ensuring evaluators speak local languages/use an independent interpreter.
 - The majority of MSIs do not require any unannounced audits or spot checks.
 - There are now many well-documented failures to detect violations that have resulted in harm or abuse, such as audited factories collapsing or catching fire, or the documentation of severe labor abuses in farms or factories that have been certified by MSIs. Yet, despite the increasing evidence about the inherent limitations of MSI approaches to monitoring, most MSIs have not evolved to adopt rights holder-centric models.
- **MSIs have weak measures for upholding or enforcing compliance.**
 - MSIs respond to issues of serious non-compliance through their boards or certification bodies. As a number of examples illustrate, if a member disputes a report or allegation of non-compliance, the processes become vulnerable to delay and indecision. In worst-case scenarios, members withdraw if they do not want to remediate or address abuses.
 - Models have emerged that enable rights holders to enforce compliance, for example by requiring members to put legally-binding terms reflecting an initiative's standards in their contracts. However, MSIs have not adopted them and thus compliance remains dependent on the willingness of members to meet MSI standards.
- **Many MSIs are not transparent about the extent of member compliance with standards.** Information on members' compliance with standards and discipline is often unavailable or incomplete. For example:
 - Only half of the MSIs we reviewed that monitor compliance publish monitoring reports online,

and the quality of these reports varies considerably.

- Only 11 out of the 18 MSIs with the power to discipline members provide a list of members who have been suspended or expelled.

MSIs referenced: Alliance for Water Stewardship, Better Biomass, Bonsucro, Equitable Food Initiative, Equitable Origin, Ethical Trading Initiative, Fair Labor Association, Fairtrade International, Forest Stewardship Council, Global Coffee Platform, Global Network Initiative, Global Reporting Initiative, GoodWeave International, ICTI Ethical Toy Initiative, Infrastructure Transparency Initiative, International Code of Conduct for Private Security Providers, International Sustainability and Carbon Certification, Marine Stewardship Council, Program for Endorsement for Forest Certification, Rainforest Alliance, Roundtable on Sustainable Palm Oil, Social Accountability International, Sustainable Forestry Initiative, UTZ, Worldwide Responsible Accredited Production.

Background: Context and Approach

MSIs are only effective to the extent that they change the behavior of their members. In order to do this, MSIs need to have effective mechanisms for detecting if members are complying with their standards. They also need to have mechanisms or processes in place that adequately respond to evidence of non-compliance. Without such mechanisms, which can perhaps be thought of as performing the “regulatory” or “oversight” functions of MSIs, there is little assurance that the standards that MSIs set will lead to improved compliance or changes in human rights outcomes.

The centrality of effective monitoring and compliance mechanisms is well understood. Former UN Special Representative for business and human rights, John Ruggie, has called weak or underdeveloped monitoring efforts the “Achilles heel” of voluntary regulatory initiatives.¹ In addition, as MSIs lack the clear authority of governments, commentators have noted that their credibility depends in part on their willingness and capacity to enforce their rules.² MSIs that fail to take action against recalcitrant members or to publicly disclose the level of compliance of members with their standards risk loss of credibility. Indeed, for MSIs that are not transparent about member non-compliance, “the probability of compliance by companies and their business partners decreases.”³

Yet, we have observed that many MSIs have largely retained the initial top-down monitoring systems that they first embraced at their conception—or variations thereof—despite growing evidence that top-down approaches do not reliably detect the levels of compliance by MSI members.⁴ Nor have MSIs evolved to embrace efforts to make their standards legally binding or enforceable for rights holders. Instead, they continue to use the limited tools of suspension, revocation, or expulsion if major non-compliance is detected. These have combined to limit the ability of MSIs to uphold their standards or close the governance gaps that they are often viewed as attempting to fill (see **Insight 1: Influence**).

We base our analysis in this chapter on a number of sources. This includes examining the growing body of research on MSI monitoring methods, including our previous research that looks at MSI monitoring regimes from a human rights perspective. We also illustrate this trend through an analysis of the monitoring, accountability, and transparency policies and procedures of the 10 oldest and the 10 most recently formed MSIs against the relevant “essential elements of effective MSI design” in the *MSI Evaluation Tool and Essential Elements of MSI Design*.⁵ We selected these MSIs to ensure a representative sample of the procedures adopted by long-established MSIs, as well as any potential evolutions that might exist in more recently-formed initiatives. Where appropriate, we also draw on examples from other MSIs, including ICTI Ethical Toy Initiative, Program for Endorsement for Forest Certification (PEFC), Roundtable on Sustainable Palm Oil (RSPO), UTZ, and Worldwide Responsible Accredited Production (WRAP).

Finally, we note that an MSI's complaint system or grievance mechanism can theoretically also operate as a compliance mechanism by alerting an MSI to alleged instances of non-compliance reported by rights holders or their allies. These mechanisms are analyzed in **Insight 5: Remedy**.

1 MSIs employ inadequate methods to detect human rights abuses

Nearly all of the MSIs in our MSI Database have a system in place that is designed to offer assurance as to whether their members are meeting initiative standards or are taking steps to implement them. Our earlier research, conducted in conjunction with the development of our MSI Database, found that 91% of the MSIs in our MSI Database (in 2016) require their members to undertake some form of external auditing or monitoring.⁶ The vast majority of these MSIs (93%) do so through third-party audits or assessments, while the remaining 7% perform their own evaluations.

This is consistent with our analysis of the monitoring procedures of the 10 oldest and the 10 most recently formed MSIs reviewed for this report: 17 assess compliance with their standards by requiring that their members submit to external monitoring. Of these 17 MSIs, 15 use a third-party monitoring system to evaluate compliance against all of the MSI's standards.⁷ The three MSIs that do not require any external monitoring instead either rely on member self-reports or do not monitor their members at all.⁸

As most MSIs, if they attempt to verify the compliance of their members at all, do so through third-party audits—both in the sample of 20 MSIs and in the MSI Database—this section focuses on analysis and research relating to third-party auditing. While different MSIs and actors give this process different names, such as “professionalized social auditing,” “third-party auditing” or “validation,” we refer to this process as “*top-down third-party monitoring*,” as a catch-all term to encompass the process by all these MSIs. Note, that in each of the 15 MSIs reviewed in this section, the third-party auditor or monitoring body is approved by either the MSI or the entity being evaluated, rather than as a result of input from rights holders. This is why we consider it top-down.

A. MSI monitoring procedures reflect inadequate attention to rights holders' vulnerabilities when reporting abuse or sharing their experiences with third-party monitors

All of the MSIs discussed in this report, including the 15 that use top-down third-party monitoring, have standards that seek to benefit or protect rights holders, such as workers or communities living near company operations. Rights holders have direct, often daily, interactions with the entities that make up an MSI's membership and thus hold critical information regarding member compliance. Indeed, they may be the best—and sometimes only—source of information as to whether certain, less visible types of abuses are occurring, such as forced labor, discrimination, harassment, or freedom of association violations.

Yet, rights holders face multiple barriers—fear of reprisal, language, lack of awareness of rights—that may prevent them from reporting abuses or sharing their experiences with external monitors. The individuals that MSIs seek to protect often have little power or few resources to fight or prevent abuse. They are often in vulnerable positions—such as women asked to report sexual harassment—and may fear retaliation for speaking honestly and openly to evaluators, like loss of employment or the risk of violent reprisal.⁹ Indeed, the power imbalances between rights holders and companies (or governments) are immense. For rights holders to risk reporting to a third-party, they would need to have sufficient trust in the monitoring process to speak openly and honestly about their experiences. As a result, when evaluators conduct interviews, a failure to ensure adequate precautions undermines their ability to ascertain the actual conditions that rights holders face. Examples of rights holders who felt unable to speak out about actual conditions during audits and monitoring visits are outlined in Spotlight 4.1.

The use of out-of-town evaluators, with no local language skills or understanding, further compounds issues with obtaining input from rights holders, as explored in later in this section. The professional backgrounds and language capabilities of auditors—and their degrees of knowledge of the industry, relevant human rights issues, and the local context—all influence the effectiveness of the monitoring process. For example, evaluators with a background in operations or human resource management may be ill-equipped to detect worker or union harassment or illegal firings.¹⁰ An evaluator who lacks knowledge of the local context may fail to distinguish between an actual absence of violations and interviewees' perception that violations were either inevitable or so common as to be normalized.¹¹ All of this can be compounded in contexts where companies exercise some control over the monitoring process, as explored in the case study on the Global Network Initiative (GNI) in Spotlight 4.2.

The 15 MSIs with monitoring procedures that we reviewed all have some elements that focus on securing rights holder input, but no single MSI has requirements that address the spectrum of issues rights holders face in disclosing their experiences, nor do they have requirements for evaluators that could help overcome those barriers, such as knowledge of the relevant human rights issues or the local social context. Of the 15 MSIs we reviewed, four do not have procedures that require interviews with rights holders. In addition, six of the MSIs we studied do not set forth any procedures, such as off-site interviews, to protect interviewees from possible reprisal. Even among the MSIs that have certain protections in place, some MSIs mandate precautions only in specific instances, such as when informants specifically request confidentiality, or where the assessor has identified sexual harassment or risks to freedom of association.¹² Only eight require broader consultation with rights holders, civil society, or affected communities as part of regular monitoring efforts. Finally, while most of the MSIs we reviewed require language skills and knowledge of human rights within the local context, only three require that females conduct or assist with interviews, despite the fact that females are far less likely to discuss highly sensitive issues such as sexual harassment in a mixed-gender setting.¹³ We note that all of these are key features identified as central to effective monitoring generally, as well as in the *MSI Evaluation Tool* and *Essential Elements of MSI Design*.¹⁴

TABLE 4.1. Monitoring procedures and evaluator requirements

	Requires interviews with rights holders	Requires stakeholder consultation during regular evaluations	Sets forth procedures to protect interviewees from reprisal	Requires evaluator ability to speak local language or use an independent interpreter	Requires a female evaluator to conduct or assist with interviews	Requires at least one evaluator with knowledge of relevant human rights issues or local social context
Alliance for Water Stewardship	No.	Yes.	No.	Yes.	No.	No.
Better Biomass	Yes.	No.	No.	Yes.	No.	No.
Bonsucro	Yes.	No.	No.	No.	Yes.	No.
Equitable Food Initiative	Yes.	No.	Yes.	No.	No.	No.
Fair Labor Association	Yes.	Yes.	Yes.	Yes.	No.	Yes.
Fairtrade International	Yes.	No.	Yes.	Yes.	No.	Yes.
Forest Stewardship Council	Yes.	Yes.	Yes.	Yes.	No.	Yes.
Global Network Initiative	No.	Yes.	No.	Yes.	No.	Yes.
Good Weave International	Yes.	Yes.	Yes.	No.	No.	Yes.
International Code of Conduct for Private Security Providers	No.	No.	Yes.	Yes.	No.	Yes.
International Sustainability and Carbon Certification	Yes.	Yes.	No.	Yes.	No.	No.
Marine Stewardship Council	Yes.	Yes.	Yes.	Yes.	No.	Yes.
Rainforest Alliance	Yes.	No.	Yes.	Yes.	Yes.	No.
Social Accountability International	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.
Sustainable Forestry Initiative	No.	No.	No.	No.	No.	Yes.
TOTAL (out of 15)	11	8	9	11	3	9

Source: The source data for this information is available from the spreadsheet “MSI Trends Dataset,” which is available on our website at www.msi-integrity.org/datasets and contains information current as of June 30, 2019.

In addition to a lack of emphasis on securing rights holder input, the majority of the MSIs whose audit procedures we analyzed do not require unannounced monitoring in addition to scheduled visits. Research has found that pre-announced monitoring visits “enable producers to falsify records and rid facilities of unauthorized agency contractors or exploited workers.”¹⁵ Despite this, only four MSIs subject all of their members to at least some unannounced audits.¹⁶ Of the remaining 11 MSIs, 10 do not require unannounced visits at all, while one other only requires that a small percentage of auditors’ total number of audits be unannounced.¹⁷ While monitors in some situations may need to make prior arrangements to secure travel documents or ensure security or access in conflict zones, construction sites, or remote areas, exceptions can be made in those cases, and thus they do not explain why most MSIs do not require at least some unannounced visits for other sites or locations.¹⁸

As noted in Table 4.1, just over half of the MSIs require consultation with stakeholders as part of ongoing monitoring efforts. However, for those that do, their procedures vary regarding what this entails.¹⁹ For example, the Alliance for Water Stewardship merely requires that auditors check that certified operations have evidence of stakeholder commentary on their performance, but provides no guidance on who should be consulted or the procedures for doing so.²⁰ This risks making the commentary a check-the-box exercise, which is compounded by the fact that many rights holders face obstacles that prevent them from speaking out (see Spotlight 4.1). This does not need to be the case. The Forest Stewardship Council (FSC), for example, has a detailed procedure dedicated to stakeholder consultation, which sets forth who should participate, the required notice to participants, confidentiality, culturally appropriate methods of engagement, and requires that monitors report back to the stakeholder participants.²¹

The general lack of rigorous details to ensure that rights holders are able to safely and fully share their experiences suggests that many MSIs either do not perceive rights holders as a central source of information, or are failing to understand the importance of overcoming the significant risks that rights holders may face when they report abuses. If rights holders had been given an active role in designing these monitoring systems, we do not believe that this top-down third-party model would persist.

SPOTLIGHT 4.1. Rights holder voices: Inability to speak out on actual conditions

Our interviews with workers who are the intended beneficiaries of MSIs in Cameroon and the Philippines revealed how fear of retaliation, lack of knowledge of their rights or the MSI standards, pressure by management, and other barriers prevent them from reporting complaints or abuses. For example, workers at certified factories said the following during interviews:

What happens is that they prepare the staff for external evaluations, telling us: “If people come and ask you X question, this is what you answer.” They do this with every section [of staff]. And they pick the people who will answer. The impression they give to workers is that if you forget the right answer, don’t answer because then they will close the company and you will lose your job. So you have to answer with their lies.²²

Each time . . . they call the workers and tell them exactly what to say. . . . If you don’t say what they want you to say, they can fire you.²³

Most of the time, it was the Chairman and the Vice-Chairman who were interviewed because most of us had a hard time understanding the interviewers. . . . I would have been willing to speak with them if they brought translators who spoke the local dialect.²⁴

They ask questions to workers in front of the hierarchy. . . . The management will use their eyes to signal what should be said. . . . They should hold interviews like we are doing now to make sure you have a real conversation.²⁵

Before the audit, the factory prepared. They looked at the needles, they cleaned the surroundings, in the hallways. The hallways are often very full, with a lot of scrap materials. They painted; they cleaned the ceiling. They changed the fire extinguisher, the medicine box. They got us [uniforms and protective equipment]. . . . Management tells us that the auditor is coming, to wear the proper uniform, ID, mask, hairnet. Sometimes they tell us what to say.²⁶

One week before, management prepares for the inspection. All employees are given orientation about what to say to inspectors. If they have questions about wages, management told us to say that we received minimum wage. However, a lot of employees didn't actually get minimum wage. Contract workers were not getting minimum wage.²⁷

Back then I was new, I had only worked two months as a contractor. I said what the company told me to say. We were informed that when an auditor asked about overtime pay that we should say that we did get it, although we actually didn't get it. We were also told that if we were asked about safety equipment, to say that facemasks and finger protectors are always there. They're actually only there during audits. I remember that they were told that if they don't say those things that the orders won't come through. So I willingly followed those instructions to tell even if they're lies.²⁸

The factory prepares for the audit. They manipulate us, they give us a script of what to say. . . . The factory cleans, clean the machines. But what's really important is that they ask us to lie. If we don't follow the script, they will fire us.²⁹

We do very hard work. Cramped aisles. But they clear them out if there are visitors. When aisles are not cleared—which is most of the time—you can't get out of the building in three minutes due to piles of garments in the aisles. It's a safety problem if there's a fire. It's an obstacle course: you have to jump over machines which they pack into the aisles. . . . We told them about it, but they did nothing due to rushed orders, and urgency of getting shipments out.³⁰

Before the interview, management oriented workers, told them to answer in specific ways. . . . Management says to say good things so that we can have more clients.³¹

SPOTLIGHT 4.2. The Global Network Initiative: Substantial member control over external monitoring and lack of rights holder involvement

GNI requires that its internet, technology, and telecommunication member companies commit to the *GNI Principles*, which “provide high-level guidance to the ICT industry on how to respect, protect, and advance user rights to freedom of expression and privacy, including when faced with government demands for censorship and disclosure of users’ personal information.”³² However, the GNI monitoring process does not require any direct interviews with rights holders to understand how they were treated, or the consequences of any privacy or freedom of expression abuses they faced.

In 2016, concerns that the Global Network Initiative’s assessment process required changes to make it more “efficient, effective, transparent, and credible” contributed to a decision by the Center for Business and Human Rights at New York University’s Stern School of Business to withdraw from the Initiative.³³

Under a new assessment procedure adopted in 2018, companies have significant control over the process. After one year of membership and an initial self-assessment, companies undergo an independent assessment of their systems, policies, and procedures to implement the *GNI Principles*, which includes a review of case studies to illustrate whether and how those policies and procedures work in practice.³⁴ Companies select the assessor from a list of firms accredited by the GNI Board and companies and assessors must agree on the case studies that assessors review.³⁵ Although non-company GNI members have input into case selection, the company and assessor can reject those proposals, so long as they explain their reasoning in the assessment report.³⁶ A company can also withhold information if legal requirements bar them from disclosure, or “to protect attorney-client privilege, to maintain user privacy, to fulfill its contractual commitments, or for competitive reasons.”³⁷ The assessor cannot demand information, but instead states in the report whether they had sufficient access to conduct the assessment and if a company’s withholding of information materially affected the assessment.³⁸

Companies also have a degree of control over the *outcome* of the assessment process. The company can suggest revisions to the assessment report before it is shared with the GNI Board, and can identify information to be removed for confidentiality, privilege, user privacy, contractual, or competitive reasons.³⁹ If the Board makes recommendations based on its review of the assessment, a company can modify or reject them so long as it explains the basis for its decision.⁴⁰ A rejection, however, may factor into the Board’s determination of whether the company is making a good faith effort to implement the *GNI Principles* and improve over time.⁴¹

Finally, there is no requirement that members share the assessment report publicly. Rather, they need only share the outcome, “using a format of their own choosing.”⁴² GNI only provides public assessment reports with the information aggregated and anonymized to preserve confidentiality.⁴³ Thus, civil society representatives and individual rights holders who are not GNI members cannot analyze the assessment itself and are left with limited information to understand how member companies are living up to their GNI commitments.

2 A growing body of evidence points to the inherent limitations of MSI approaches to monitoring

The failure of MSIs to adopt monitoring processes that are designed to engender the trust of rights holders to report abuses is further compounded by the growing body of research that shows top-down third-party monitoring, by itself, cannot effectively prevent abuses in supply chains.⁴⁴ Many factories or certified sites have passed audits and shortly thereafter experienced catastrophes or exposure of major violations, as Figure 4.1 illustrates. Research compiled by the Business & Human Rights Resource Center and the Clean Clothes Campaign points to wide concern that this model, in its current form, has not been effective in preventing labor abuses.⁴⁵ The problems with external monitoring have been corroborated in numerous contexts, including a study on internal factory audit reports in four Southeast Asian countries, interviews with labor rights and monitoring organizations, and two recent studies on failures to detect modern slavery in cocoa and tea supply chains.⁴⁶ MSIs have also begun to recognize these shortcomings. The Fair Labor Association (FLA) has stated that “conventional auditing” methodologies, which rely heavily on checklists, “do little to prevent recurring violations or drive sustainable and progressive improvements in working conditions.”⁴⁷ The Ethical Trading Initiative has recognized a lack of progress in addressing discrimination and harassment and “that fundamental principles, such as workers’ rights to join a trade union and negotiate collectively, are not being sufficiently addressed.”⁴⁸ This section synthesizes the key lessons learned about the failures or limitations of top-down third-party monitoring.

Most monitoring visits are limited in that they present only a snapshot of some conditions at a particular location, at a specific time. Research has found that monitoring can produce basic improvements in health and safety, but that these can be “unstable in that many factories cycle in and out of compliance over time.”⁴⁹ In addition, most monitoring schemes rely on sampling. FLA, for example, audits only 5% of a participating company’s suppliers where the company accounts for a non-negligible amount of the supplier’s total production.⁵⁰ Rainforest Alliance’s requirements for group surveillance audits specify that the sample size be the square root of the total number of member farms in a group.⁵¹ A recent study on the failures of audits to detect forced labor in cocoa and tea production noted that samples can comprise as little as 5% of the farms within a cooperative.⁵² While top-down auditing can, theoretically, be supplemented with effective compliant or whistleblowing mechanisms, as **Insight 5: Remedy** explains, MSIs have failed to design effective complaint procedures.

“Most monitoring visits are limited in that they present only a snapshot of some conditions at a particular location, at a specific time.”

In addition, cost concerns and the corporate orientation of commercial auditing firms can result in a lack of focus on rights holder experiences and a concomitant failure to detect or prevent abuses. Typically, the company or entity under review selects the firm who will conduct the audit from a list of firms accredited by the MSI.⁵³ Currently, for-profit firms perform the majority of social audits, competing for market share in an industry whose value is estimated to be between US\$15–80 billion annually.⁵⁴ For example, to maintain a Social Accountability International (SAI) certification, suppliers must undergo monitoring visits every six months, which run from one day (for sites with up to 250 employees) to 3.5 days (for sites with more than 15,000 employees), at a set fee of \$400–1,500 per day.⁵⁵ This is on top of initial certification costs, and also excludes the daily travel fees and the cost of “airfare, meals, and hotels, and the cost of interpretation” that are borne by the supplier.⁵⁶ The high day-rates charged by commercial auditors creates pressure to complete audits in less time and with smaller teams, which may rule out in-depth techniques such as off-site interviews or repeated visits to build trust.⁵⁷

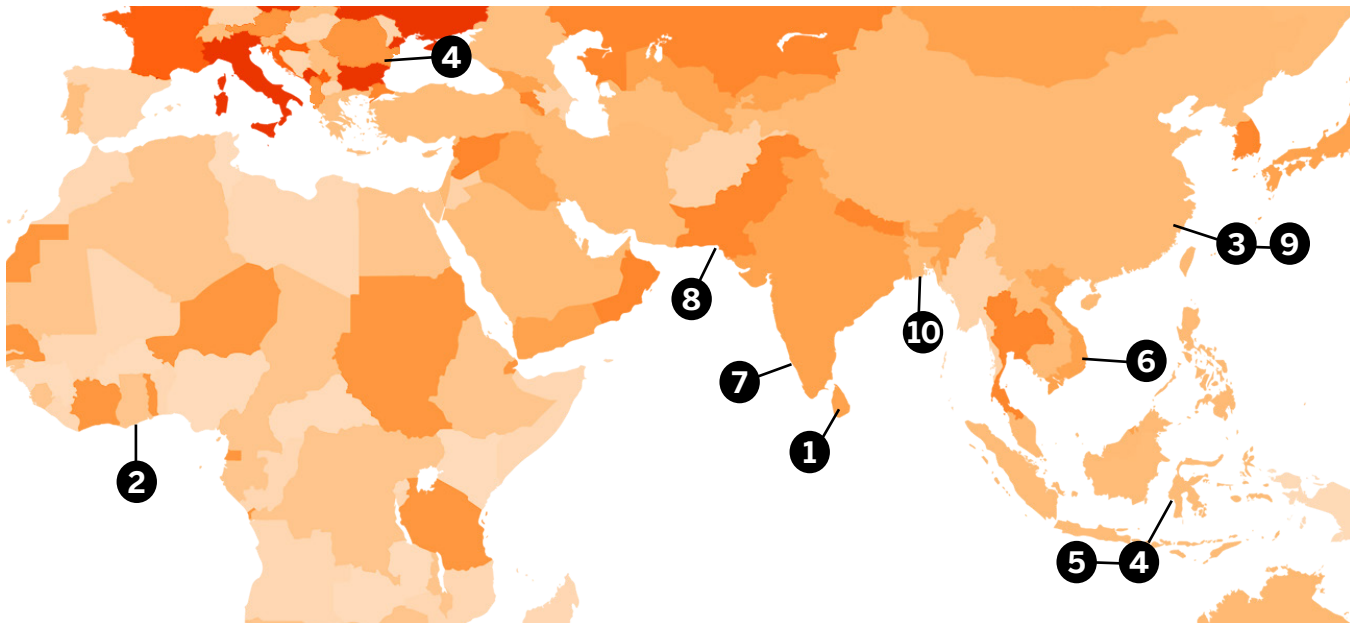


FIGURE 4.1. Prominent examples of MSI monitoring systems failing to detect abuses or non-compliance

- 1 **2019:** Thomson Reuters investigation found tea estates in **Sri Lanka** certified by Rainforest Alliance and Fairtrade International paying workers as little as US \$0.14 a day after fees and deductions levied without consent, in violation of Rainforest Alliance and Fairtrade standards;¹
- 2 **2018:** An academic study found widespread forced labor in tea plantations in India and cocoa communities in **Ghana**, including those that were certified by Fairtrade, Rainforest Alliance, UTZ and other MSIs;²
- 3 **2018:** A report by **China** Labor Watch found poor labor standards, including excessive overtime, exposure to toxic chemicals and poor living conditions, at toy factories in China certified by the ICTI Ethical Toy Initiative, in violation of its standards;³
- 4 **2017:** A France2 TV special report on the timber sector in **Romania** and **Indonesia** revealed that the Program for Endorsement for Forest Certification issued certifications for sites—including a nuclear power plant and a French nightclub— based on submissions apparently approved by mail with no questions asked;⁴
- 5 **2016:** A report by Amnesty International found severe labor abuses, including forced labor and child labor on **Indonesian** palm oil plantations certified by the Roundtable on Sustainable Palm Oil;⁵
- 6 **2016:** A journalist uncovered labor violations at a Fair Labor Association-certified factory in **Vietnam**, including wage penalties, which violate the Association's standards.⁶
- 7 **2015:** A BBC investigation uncovered child labor, crumbling housing, and other poor conditions on Rainforest Alliance-certified tea estates in **India**;⁷
- 8 **2012:** A fire at the Ali factory **Pakistan** killed nearly 300 workers three weeks after it passed a Social Accountability International inspection;⁸
- 9 **2012:** An investigation by Chinese media found that students, some as young as 14, had been coerced to work on iPhone 5 production at Foxconn in **China** after a Fair Labor Association assessment found that Foxconn's internship program participants understood that they were free to leave;⁹
- 10 **2010:** A fire in a factory alleged to have been certified by the Worldwide Responsible Accredited Production (WRAP) in **Bangladesh** killed 21 workers because failing safety provisions and blocked exits made it impossible to escape.¹⁰ WRAP refutes that it ever certified this factory.

Sources: The sources and citations for Figure 4.1 are available in the Cited Sources list at the end of this chapter.

The typical labor-focused monitoring visit—in which an external monitor spends one to three days at a site, proceeds through a checklist of items, and moves on—has limited opportunities for rights holder-focused interaction and dialogue.⁵⁸ Thus, external monitoring favors more “visible” issues, such as “blocked aisles, uncharged fire extinguishers, and irregular personnel records,” but fails to reliably detect “invisible” issues, such as harassment, illegal firings, discrimination, and restrictions on freedom of association or the right to unionize,⁵⁹ despite the fact that the ability to organize is key to workers’ ability to safeguard their rights. Research commissioned by the Ethical Trading Initiative acknowledged this shortcoming, recognizing that “results directly affecting the lives of workers” were “largely limited to the more ‘visible’ (and readily accessible)” aspects of their standards, such as child labor or health and safety violations.⁶⁰ Others have noted that monitoring may fail to detect forced labor, or reach home workers and other temporary or informal workers because these take place outside of formal employment relationships, which means the most vulnerable workers are often overlooked.⁶¹

SPOTLIGHT 4.3. Worldwide Responsible Accredited Production: Failure to detect freedom of association violations

WRAP focuses on factories in the supply chains of the garment and footwear industry. There are currently over 2,200 WRAP-certified facilities employing over two million workers.⁶² To become certified, facilities must commit to WRAP’s standards—which include compliance with local labor laws and respect for employees’ rights to freedom of association and collective bargaining—and undergo an audit by a WRAP-accredited external monitor.⁶³ WRAP requires that monitors have knowledge of relevant labor laws where the factory is located, the local language, and the predominant language(s) used by employees.⁶⁴ Once certified, factories are subject to random, unannounced audits during the certification period.⁶⁵

In 2017, MSI Integrity staff interviewed employees of a garment factory in the Philippines, which at the time was WRAP-certified as “Platinum,” its highest level. Those interviews indicated that factory management coached workers to lie to monitors about working conditions.⁶⁶ Interviewees also indicated that management violated the *WRAP Principles* addressing respect for freedom of association and collective bargaining. In particular, multiple interviewees confirmed that management had threatened workers with factory closure if they voted to form a union.⁶⁷ One union member also reported that management placed all pro-union employees on one factory line together to separate them from the other workers,⁶⁸ while others indicated that the factory had shut down months earlier in response to organizing efforts.⁶⁹

After MSI staff had completed their field research and departed, workers held an election to form a union. Weeks later, the factory shut down again, affecting 400 workers.⁷⁰ According to union officers, when the factory reopened, they were not allowed to return to work, even as 200 workers, all non-union, were rehired.⁷¹

The factory is no longer listed as a certified facility on the WRAP website, but we are not aware of the circumstances that led to its removal. This case nonetheless serves to illustrate that monitoring can fail to detect even flagrant freedom of association violations, such as those described by the workers we interviewed, as well as to point to the lack of transparency in WRAP’s decision-making and accountability practices.

In addition, while such firms may be skilled at assessing corporate practices such as procurement processes, financial procedures, or other internal controls, they are unlikely to have expertise in conducting human-rights focused interviews among vulnerable workers, indigenous communities, or others who have experienced rights abuses.⁷² Indeed, evidence from focus groups on sexual harassment has illustrated how commercial auditors may assume companies are in compliance unless they find evidence to the contrary, and as a result, take workers' statements about the lack of abuses at face value, rather than explore whether workers understand their rights and feel comfortable talking about violations.⁷³ Another study concluded that monitors perceive codes of conduct "as standards that relate to labour as a disembodied factor of production, not to people with rights."⁷⁴

Finally, social audit firms currently lack the legal accountability of their counterparts in the financial auditing industry.⁷⁵ Professional auditing firms accredited by MSIs often openly state that their priority is mitigating reputational damage and business risks, rather than actually exposing and solving workplace violations.⁷⁶ Some critics ascribe this narrow approach to a corporate bias among commercial auditors, noting, for example, that "[c]ommercial firms are not naturally inclined to explore the socially constructed realities of workers and seek to empower people for change—it might upset their clients."⁷⁷ There is a lack of strong oversight that is necessary to counter the risk of companies producing flattering social audit reports to appease clients, and MSIs have so far failed to fulfill this role.⁷⁸

Taken together, these shortcomings—particularly the lack of worker involvement and direction, the lack of transparency and accountability, and the inability of workers or local civil society organizations (CSOs) to verify results—undermine the ability of monitoring processes to reliably detect abuses, to improve conditions, or to prevent abuses. We believe, as do a growing chorus of researchers, that "audits are ineffective tools for detecting, reporting, or correcting environmental and labour problems in supply chains," and instead, "reinforce existing business models and preserve the global production status quo."⁷⁹

While much of the research into monitoring is focused on social auditing in the labor context—and, indeed, much of our focus in this section has been on MSIs with a labor focus because they make up a significant portion of MSIs—we have noticed that the concerns and critiques of monitoring apply to other contexts where there is also professionalized monitoring without rights holders' engagement. The case study on GNI in Spotlight 4.2 is one example. Another is the Extractive Industries Transparency Initiative (EITI), which we have closely studied and critiqued for its failure to reliably detect threats to the freedom of expression and movement, the right to privacy and ability to act free from reprisal, all of which are part of its standard.⁸⁰ Their approach, as well as GNI's, mirrors that of social auditing. In both scenarios, rights holders are not part of the design of the evaluation and little is done to engender trust with local CSOs or rights holders.⁸¹ In the case of EITI, there are no requirements to protect individuals speaking with auditors (who they refer to as "validators") against reprisal for reporting abuses or that interviews will be confidential—indeed, there are no requirements at all that rights holders are spoken to directly or even that field visits to regions affected by extractive activity occur.⁸²

This is not to suggest that all approaches to external monitoring are inherently problematic. As the discussion in Spotlight 4.4 highlights, independent monitoring may be effective if it empowers and centers rights holders, is sufficiently transparent and inclusive, and enables CSOs and rights holders to verify or comment on the results.⁸³ However, MSIs have not adopted such rights holder-centered approaches.

SPOTLIGHT 4.4. New monitoring approaches: Potential effectiveness hinges on rights holder empowerment

We note that there are emerging options that move “beyond social auditing” toward approaches that place more focus on the needs and interests of rights holders.⁸⁴ In particular, technology-enabled “worker voice” tools have emerged to promote worker engagement in the monitoring process.⁸⁵ These tools use technology such as smartphones to improve grievance and reporting mechanisms across global supply chains.⁸⁶ Laborlink, for example, is a mobile worker survey and grievance tool that allows workers to directly and anonymously report on working conditions.⁸⁷ Another alternative strategy gaining traction in other private governance efforts is the creation of “participation committees,” which are loosely defined groups of rights holders—workers or otherwise—who external auditors can then engage with directly.⁸⁸

While it is encouraging that these alternatives are emerging, unless they address rights holder knowledge and empowerment, these new tools will ultimately fail to address—and may even replicate—the limitations of existing efforts.⁸⁹ For example, “worker voice” technology is a modern twist on hotlines or online complaint forms, which some MSIs have had for a long time.⁹⁰ Even proponents of “worker voice” technology recognize that these tools often “lead to a one-way collection of feedback, rather than a dialogue that enables workers to become directly involved in using data for meaningful change.”⁹¹ The Worker Engagement Supported by Technology Principles attempts to address these issues by identifying best practices for creation of such tools, which include involving workers in design, building worker trust through engagement, managing security risks, and communicating results back to workers.⁹² Similarly, the “participation committees” parallel or substitute the role of unions or pre-existing community-based organizations, and have been criticized in practice as being “unrepresentative groups that are often controlled by management,”⁹³ and which may even undermine efforts to establish unions or promote community empowerment.⁹⁴

The rights holder centrality to monitoring that is key to the Worker-driven Social Responsibility model is also an alternative approach that seeks to overcome the power imbalances that characterize traditional social auditing. This is discussed further in **Insight 1: Influence**.

3 MSIs have weak measures for upholding or enforcing compliance with their standards

A. MSIs have remained voluntary despite innovations in enforceability

Membership in MSIs is voluntary. For those entities that do decide to join, they are encouraged and expected to comply with an MSI’s standards. If they do not, they generally risk suspension, expulsion, or other internal measures. Ultimately, however, a member’s commitments are not binding and enforceable.

This is despite the fact that innovations around enforceability of private governance standards have emerged over the last decade. For example, the Corporate Accountability Lab is piloting a program where corporate buyers enter into contracts with suppliers that mandate rights holder protections, and explicitly grant rights holders the power to enforce those provisions in court as third-party beneficiaries

of those contracts.⁹⁵ In the MSI context, this could translate to requiring members to put MSI standards in their contracts, with right holders as third-party beneficiaries. Another example are the Worker-driven Social Responsibility initiatives, discussed in **Insight 1: Influence**. These require members to adopt legally binding standards that rights holders can legally enforce outside the initiatives. In the Accord on Fire and Building Safety in Bangladesh, for example, corporations who voluntarily join must enter into legally binding agreements with trade unions that require the companies to finance and implement a fire and building safety program at their supplier factories.⁹⁶ Under the Agreement, parties with unresolved disputes submit to a final and binding arbitration process, the outcome of which is enforceable in court.⁹⁷ Other possibilities can also be imagined relevant to different MSIs. Yet none of the MSIs in our MSI Database have chosen to revise their approach to include mechanisms that would legally compel their members to comply with the MSI's standards.⁹⁸

B. MSIs have weak mechanisms for responding to contested cases of non-compliance

In the event of non-compliance, rather than give rights holders the power to enforce standards, MSIs generally have rules that allow them to suspend or revoke membership or certification as the ultimate consequence for repeated or grave failures to comply with standards. This decision is left to the monitoring agency or the MSI board or relevant subcommittee. Among the 20 MSIs that we analyzed for this chapter (the 10 oldest and 10 newest MSIs in our MSI Database), 18 have procedures to suspend or expel members for violations.⁹⁹ The two that do not have this power are the Global Coffee Platform and the Global Reporting Initiative.¹⁰⁰ This is broadly consistent with our earlier research, conducted in conjunction with the development of our MSI Database, which found that the majority (78%) of international standard-setting MSIs sanction members in this way, while the remainder (22%) do not sanction members at all.¹⁰¹

While these formal suspension or expulsion processes exist, in our observation, the culture and modality of many MSIs is to, where possible, constructively engage with members who are in non-compliance to help them address the behaviors or practices that are causing harm or otherwise violating their standards, rather than to default to formal or adversarial processes. In cases where these issues are not contested and there exists a genuine willingness on the part of the company to reform or address the concern, this approach can be very useful and effective. We are aware of a considerable number of such cases—many of which never become matters that are publicly discussed by the MSI, but rather were resolved between participants.

It is when members dispute the allegations or do not wish to change their practices that MSI's accountability processes are vulnerable to breaking down. In many certification MSIs, allegations of non-compliance are initially, and sometimes exclusively, issues for the third-party auditor who monitored the site to investigate or resolve.¹⁰² Given the large financial interests at stake in these relationships, in practice such investigations have been charged as lacking sufficient impartiality to be credible.¹⁰³ For those MSIs that instead examine cases through a multi-stakeholder process—or who have multi-stakeholder panels for appeals—we have observed that tensions rise and constituency-based factions are more likely to emerge. As our analysis in **Insight 2: Stakeholder Participation** explains, in such contested cases MSIs tend to favor the status quo: a majority or consensus of votes is ordinarily required if the board or a board sub-committee is needed, while civil society—the constituency who most consistently, in our observation, support pro-human rights outcomes—faces disadvantages in rallying support from other constituencies, and so forth. The question of whether to hold a member to account can also spill over to encompass wider issues about retaining membership and the relationship dynamics within the initiative.¹⁰⁴

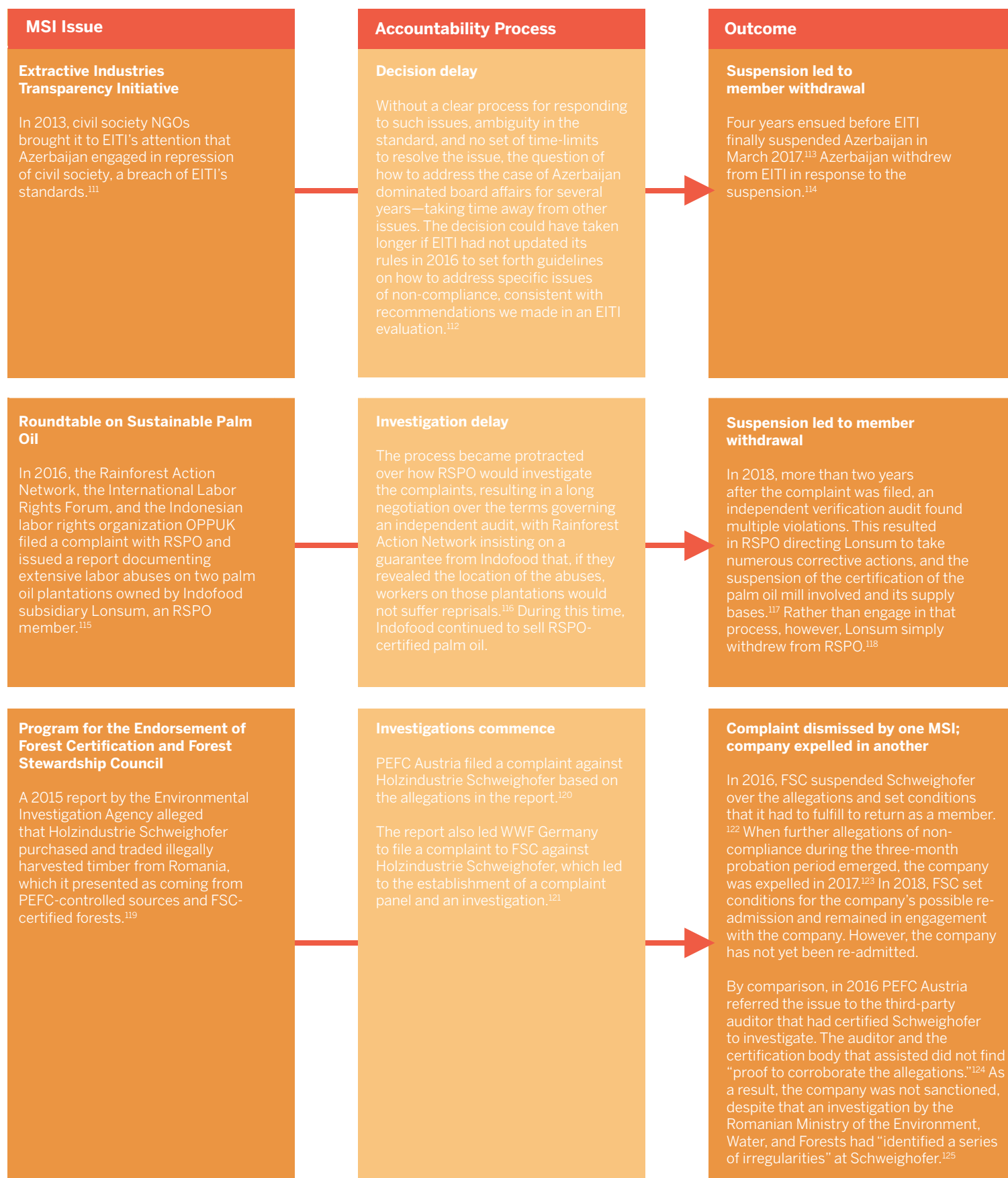
The steps an MSI or auditor will take when faced with evidence or allegations of non-compliance depends on a host of factors. These may include how the non-compliance has come to the attention of the initiative—through a complaint filed in an MSI's grievance mechanism (see **Insight 5: Remedy**), an

audit, or perhaps if a CSO participant directly raises allegations to the board—as well as the severity of the issue and the MSI’s specific procedures and policies. While in some circumstances, the response is clearly prescribed—for example, an MSI might require that if a critical or major violation is found by an external monitor then the MSI member loses its certification, or that minor issues must be corrected within a specific timeframe¹⁰⁵—however, in general, finding that a member has violated an MSI’s standards does not necessarily promptly lead to the member’s suspension or expulsion. This is because the multi-stakeholder process can often result in protracted decision-making. This is compounded by the fact that, out of the 18 MSIs we studied that have the power to suspend or expel members, 12 allow an appeal, heard by the full board or a subcommittee or panel. Only 3 out of those 12 impose a deadline on the final decision. In addition, only 5 out of the 12 explicitly state that suspension or expulsion remains in effect during the appeal process.¹⁰⁶

The decision to suspend or remove non-complying members can thus be bogged down in committee reviews, and risks being further compounded if an MSI uses ambiguous language about the grounds on which suspension or expulsion are appropriate. For example, GNI requires its Board to consider whether the member made “good faith efforts to implement the Principles with improvement over time” before determining a response to member non-compliance, and its charter requires a supermajority (two-thirds of the Board, and at least 50% of each constituent group) to terminate a member.¹⁰⁷ FLA looks to whether a member “fails to meet or maintain” participation criteria and also requires a supermajority, defined as at least two-thirds of each constituent group.¹⁰⁸ In both MSIs, the board can vote to extend the review and delay the decision indefinitely.¹⁰⁹ Other MSIs also have vague language for when suspension or expulsion is warranted—such as a “serious failure” to meet membership obligations, behavior that “jeopardizes the integrity” of the initiative, or for “flagrant non-conformity” with the standard.¹¹⁰

Ultimately, in the absence of binding legal obligations—which MSIs have failed to adopt—if a member does not want to accept responsibility, rectify their behavior, or provide a remedy to a rights holder, they can simply withdraw from the initiative. Due to the lack of transparency around compliance or breaches (explored further in the following section of this chapter), or the decision-making related to it, it is difficult to accurately analyze how frequently such withdrawal has occurred. However, we include some examples of this in Figure 4.2. These are not intended to be comprehensive, and only represent a tiny fraction of the hundreds of allegations of non-compliance MSIs have investigated, but rather to illustrate how some of these issues manifest in practice. The RSPO case study on our website also illustrates how severe delays in responding to non-compliance allegations can undermine the effectiveness and credibility of an MSI. It outlines how nearly a decade after a Liberian NGO presented a complaint to RSPO against a palm oil company for a range of abuses, including failure to obtain the free, prior, and informed consent of local communities, these abuses continue and the matter is still under investigation.

FIGURE 4.2. Examples highlighting the vulnerabilities of MSIs in responding to evidence or allegations of non-compliance



MSI Issue	Accountability Process	Outcome
<p>Social Accountability International</p> <p>In 2010, Dolefil, an SAI-certified Dole subsidiary, refused to comply with an order by the Philippines Department of Labor to reinstate recognition of the democratically elected union in advance of upcoming elections. The union: (1) sought a resolution through SAI's complaint management system by filing an informal complaint against the parent company Dole; (2) filed a complaint against the auditor with the SAI body that accredited it, for allowing labor violations to continue at Dolefil over several years of audits; and (3) complained to the SAI-certified auditor seeking another audit at Dolefil and a corrective action plan.¹²⁶</p>	<p>Procedural confusion</p> <p>In response to the first two types of complaints (the complaint against Dole and the complaint against the auditor), an assessment eventually concluded that Dole had violated its SAI commitments. The SAI Advisory Board, however, dismissed the case on the grounds that the complaint to the auditor was the proper venue for the union to pursue the issues.</p> <p>In response to the union complaint with the auditor, however, the parent company Dole responded to the auditor's finding that Dolefil had violated workers' associational rights by filing its own complaint against the auditor—resulting in a process that excluded the union.¹²⁷</p>	<p>No disciplinary action</p> <p>After more than two years of investigation, SAI let Dolefil keep its certification: "in the end, the workers' complaints were dismissed without a clear resolution and the workers were without any further recourse or appeal of the decision."¹²⁸</p>
<p>Bonsucro</p> <p>In 2011, international and Cambodian NGOs jointly submitted a complaint to Bonsucro, alleging that, in 2008 and 2009, Bonsucro member Mitr Phol had forcibly confiscated land to make way for a sugar plantation and did not provide fair compensation to the hundreds of families that were displaced.¹²⁹</p>	<p>Procedural confusion and withdrawal</p> <p>A year after the complaint, Mitr Phol withdrew from Bonsucro.¹³⁰ Three years after the withdrawal, however, Bonsucro reinstated Mitr Phol, without restarting the complaint process.¹³¹ Three NGOs then filed another complaint with Bonsucro on behalf of the victims.¹³² Almost three years later, in 2018, Bonsucro dismissed the complaint on the grounds that the events took place before Mitr Phol first became a member, and it would only consider the actions of Mitr Phol during its membership.¹³³</p>	<p>No disciplinary action; Complaint filed with UK National Contact Point</p> <p>Mitr Phol remains a member of Bonsucro.</p> <p>The victims have since filed a complaint with the United Kingdom National Contact Point (NCP), under the Organization for Economic Co-operation and Development (OECD) <i>Guidelines for Multinational Enterprise</i>, alleging that Bonsucro, rather than hold Mitr Phol to its standards, helped to whitewash its human rights abuses.¹³⁴ The UK NCP has decided that the <i>OECD Guidelines</i> apply to Bonsucro and has accepted the complaint.¹³⁵ The case was still pending as at the time of writing.</p>
<p>Roundtable on Sustainable Palm Oil</p> <p>Since 2012, Transformation for Justice Indonesia (TuK Indonesia), an Indonesian community rights group, has pursued a complaint with the RSPO against PT Mitra Austral Sejahtera (PT MAS), a subsidiary of the palm oil giant Sime Darby, regarding confiscation of indigenous villagers' land in West Kalimantan.¹³⁶</p>	<p>Decision delay</p> <p>After more than five years of discussions with no resolution, TuK Indonesia asked RSPO to issue an injunction preventing Sime Darby from selling its stake in PT MAS before the conflict was resolved.¹³⁷ The sale proceeded in June 2019, however, despite a resolution passed by RSPO in November 2018, which called on members subject to complaints not to avoid accountability by divesting or withdrawing their membership.¹³⁸</p>	<p>Complaint remains under investigation since 2012; Additional complaint filed with the National Contact Point of Switzerland in 2018</p> <p>TuK Indonesia has filed a complaint against RSPO with the NCP of Switzerland, under the <i>OECD Guidelines</i>, alleging that RSPO has failed to address its complaint within a reasonable period. The Swiss NCP accepted the complaint, reasoning that the RSPO, though not a traditional multinational enterprise, is covered by the <i>OECD Guidelines</i> because it has commercial activities.</p> <p>The Swiss NCP facilitated a discussion between TuK Indonesia and RSPO that resulted in the two parties agreeing on a process for a pending legal review of the complaint by the RSPO Complaints Panel, a joint action plan to conclude the complaint, commitments for continued communication, and a follow up on the process with the Swiss NCP.¹³⁹</p>

4 Information on compliance and discipline is often unavailable or incomplete

Transparency about the level and extent of compliance by members with an MSI’s standards is crucial. It allows external actors to independently understand and scrutinize whether particular member companies or governments are meeting their human rights commitments, and can incentivize members to follow through on their commitments to the initiative in a rigorous and rights-compatible way.¹⁴⁰ In addition, transparency regarding members’ compliance aids an understanding of whether MSIs have changed the behavior of their members in the ways that they intend.

However, despite the importance of such transparency to MSI legitimacy, most MSIs either do not disclose key information about member compliance, or if they do, it is highly inaccessible .

TABLE 4.2. MSI transparency regarding member compliance, suspensions, and expulsions

	Provides online access to monitoring/ compliance reports of current members	Provides a list of suspended or canceled members
Alliance for Water Stewardship	Yes.	No.
Better Biomass	Yes.	Yes.
Bonsucro	No.	Yes.
Equitable Food Initiative	No.	No.
Equitable Origin*	Yes.	Yes.
Ethical Trading Initiative	No.	Yes.
Fair Labor Association	Yes.	No.
Fairtrade International	No.	Yes.
Forest Stewardship Council	Yes.	Yes.
Global Coffee Platform***	N/A	N/A
Global Network Initiative	No.	N/A
Global Reporting Initiative***	N/A	N/A
Good Weave International	No.	Yes.
Infrastructure Transparency Initiative	Yes.	No.
International Code of Conduct for Private Security Providers	No.	No.
International Sustainability and Carbon Certification	Yes.	Yes.
Marine Stewardship Council	No.	Yes.

	Provides online access to monitoring/ compliance reports of current members	Provides a list of suspended or canceled members
Rainforest Alliance	Yes.	Yes.
Social Accountability International	No.	Yes.
Sustainable Forestry Initiative**	Yes.	Yes.
Total (of 20)	9	11

* Equitable Origin has only certified one site but has fully disclosed sanction information for that site.

** FLA and Sustainable Forestry Initiative provide monitoring reports, but it is not possible to search them to determine if they include suspended or withdrawn members.

*** Does not monitor or audit members.

**** Based on a review of the available company assessment reports, GNI has not suspended or withdrawn any members.

Source: The source data for this information is available from the spreadsheet “MSI Trends Dataset,” which is available on our website at www.msi-integrity.org/datasets and contains information current as of June 30, 2019.

Most MSIs, if they disclose compliance with standards at all, do so through the release of their monitoring reports or other board-approved reports. However, the incidence of this is very low. As Table 4.2 demonstrates, only nine out of the 18 MSIs that monitor compliance (either externally or through self-reports) publish their monitoring or audit reports online. Moreover, even among those MSIs that make audit reports available to the public, the level of detail available varies widely, both from auditor to auditor and from MSI to MSI. For example, in two recent audit reports for the Alliance for Water Stewardship, one auditor merely created a checklist that indicates whether criteria were met,¹⁴¹ whereas the other by a different auditor on the same standards went into much greater detail around decisions.¹⁴² The lack of sufficient requirements about the quality and content of reporting can mean it is difficult to comprehend the true level of compliance, or the significance of reported breaches. In the case of a company that meets an indicator based on discrimination, for example, this might be because it has a discrimination policy, or because there is no evidence of widespread discrimination against vulnerable groups. These are very different scenarios from a rights protection perspective, yet unless reports disclose sufficient details, these important distinctions are lost and remain outside of public scrutiny.

“Only 9 out of the 18 MSIs that monitor compliance . . . publish their monitoring or audit reports online.”

In addition, many of the MSIs we reviewed do not systematically disclose information on disciplinary actions against members. For example, of the 18 MSIs we reviewed that monitor member performance, only 11 provide a list of members who are suspended or expelled, and in most instances, this comprises a list of names without the bases for the decisions. Only seven MSIs allow the public to see the related monitoring report to determine the basis for a suspension or expulsion. Among these MSIs, two of them—FLA and the Sustainable Forestry Initiative—have all monitoring reports available, but a user would need to have already known that a company has been suspended or expelled, because it is not possible to filter through the reports by this variable.

Even when these lists or details of member compliance are technically available, the information is often very difficult to locate. Most of the MSIs we reviewed who provide compliance information do not have it easily accessible from their website homepage or in the main site navigation, which means

users often need to know where or what to search for. For example, on the website for SAI, users have to follow a circuitous route: clicking “SA8000 Standard” and then “Certified Organizations,” to access “the full SA8000-Certified Organizations list,” which is an Excel sheet that contains information on current as well as suspended, cancelled, or expired certifications.¹⁴³ The website for the Infrastructure Transparency Initiative requires a search on the “Resources” webpage to access monitoring reports.¹⁴⁴ It is quite possible that, unless individuals or actors knew such reports or details were available, they might not find them. This is very different from clearly and publicly providing transparent information about member compliance.

Finally, among supply chain MSIs, most provide compliance information for producers only, not for brands or corporate buyers. This is in keeping with an overall emphasis on producer conduct, rather than on actors that create and sell final products. For example, of the four MSIs in our MSI Database that primarily focus on the garment industry, two do not provide any reporting on the practices of brands, and another provides only limited and irregular reports on brand compliance (see Spotlight 3.6 in **Insight 3: Standards & Scope**). The exception is the Fair Wear Foundation, which produces an annual scorecard that is easily accessible, standardized, and includes evaluations against key standards. Indeed, its reporting is a good model for other MSIs.

If an MSI was committed to highlighting the level of respect for human rights by its members, and for holding those companies who did not respect rights to account, the quality and accessibility of this information would be high. It is not. Instead, the lack of transparency about suspended members, along with an absence of comprehensive reporting that details the level of compliance with each of an MSI’s standards, risks obscuring the degree of compliance by MSI members, and thus the degree of abuses that may be occurring both individually and across the industry. It risks allowing some members to gain reputational benefits despite abuses still occurring.

Our Insights

MSIs put considerable emphasis on the standards that they set, but have not developed effective mechanisms for detecting abuses, enforcing compliance with those standards, or transparently disclosing levels of compliance. Despite the emergence of models that enable rights holders to legally enforce MSIs' standards or to be actively engaged in monitoring companies for abuses, MSIs have not adopted them. By focusing on setting standards without adequately ensuring if members are following those standards, MSIs risk providing companies and governments with powerful reputational benefits despite the persistence of rights abuses.

The prevailing MSI model for external monitoring is ineffective at detecting abuses because it is not centered on understanding the perspectives and experiences of rights holders. Most monitoring regimes do little to engender awareness of rights, build trust, and overcome power dynamics—all of which are required before vulnerable individuals can speak plainly about rights violations. Put simply, rights holders have not been put in the center of the design or implementation of MSI monitoring or compliance systems.

The resulting experience for rights holders is often fairly similar—regardless of whether they are workers, local residents, activists, or members of an indigenous community. During the typical monitoring visit, an outside professional arrives for a few days, is unknown to rights holders, and may not share their language, class, race, or gender. Management may have announced the pending arrival, made preparations, or even coached people on what to say. The professional has initial meetings with management or officials and then summons certain individuals for conversations, in which they are asked questions about sensitive human rights issues that—if answered honestly—may result in them losing their job, cause division or economic damage in the community, or reveal traumatizing or stigmatizing abuses that they or others have experienced. Even in a best-case scenario, when rights holders know about their rights and the purpose of the evaluation, and are discreetly invited off-site for confidential interviews, the benefits of speaking frankly are often unclear—what remedial assurances can the MSI offer that offset the risk of whistleblowing?

Generally, the answer is that little can be assured because MSIs' accountability and compliance procedures are inherently weak. A key component necessary to overcome the barriers to reporting non-compliance to a third-party monitor (or through a grievance mechanism, as discussed in **Insight 5: Remedy**) is an understanding of what changes or consequences might occur as a result of reporting. Without the possibility of meaningful reform arising from rights holders reporting abuses, even with strong trust and support in the safety of the system, the risks of whistleblowing may not be worth pursuing. However, the systems and policies that MSIs have for enforcing or encouraging compliance have key vulnerabilities that undermine the ability of MSIs to assure rights holders that there will be meaningful consequences for reporting abuses. MSIs have not required their members to adopt binding commitments that are legally enforceable by rights holders. Instead, MSIs operate by primarily seeking to work with and encourage members to change the practices that may be leading to abuse. In instances when there exist such goodwill and sufficient resources to reform, rights holders may experience an improvement in their livelihoods. However, if a member contests an allegation of non-compliance or is not willing to change their practices, there is often little that an MSI can do. Ultimately, if a company or government does not want to comply with the MSI's standards, it can simply withdraw

from the initiative, as has occurred in a number of different MSIs.

This vulnerability leaves MSIs in a position where they need to internally decide whether to create clear and concrete consequences for wrongdoing—at the risk of possibly losing members—or if they prefer to retain their members even if there is evidence of non-compliance, presumably in the hope of continuous improvement through internal engagement. This inherent tension risks undermining an MSI's ability to consistently and reliably enforce its standards, while also excluding rights holders from opportunities to enforce their own standards.

A central assumption in the creation of MSIs was that the reputational cost and public relations harm of suspension or withdrawal from an MSI would be enough to incentivize reform. However, this generally has not deterred the worst-offending actors: companies and countries have withdrawn without major consequence. This is exacerbated by the fact that most MSIs are not fully forthcoming about compliance monitoring or disciplinary information, so that compliance failures, when they happen, remain hidden. Without transparent disclosures of the level of compliance, it is impossible to understand the extent to which members are meeting an MSI's standards. This creates a credibility issue because it obscures the performance of individual members, making it unclear whether the initiative is succeeding at improving practices across an industry—placing the voluntary scheme into question.

To us, the key design features of MSIs—premised on voluntariness, top-down monitoring and internally-controlled accountability mechanisms—mirror the same issues as underpinned in **Insight 3: Standards & Scope**: that MSIs have had to develop in ways that are satisfactory to, and will attract, corporate members. As robust monitoring and accountability present major litigation, reputation, and financial threats to companies, the multi-stakeholder nature of MSIs has meant that they have been unable to adopt them.

Ultimately, the shortcomings of MSI monitoring and enforcement compromise their legitimacy. MSIs all experimented with voluntary and top-down systems, and the results are highly dissatisfactory. Without robust monitoring and enforcement that facilitate rights holder participation, members may be able to reap the reputational benefits of an MSI without actually meeting its standards—while rights holders continue to suffer abuses.

Cited Sources

- Accord on Fire and Building Safety in Bangladesh. *2018 Accord on Fire and Building Safety in Bangladesh: May 2018*. IndustriALL Global Union and UNI Global Union, Amsterdam: The Accord, June 21, 2017. <https://admin.bangladeshaccord.org/wp-content/uploads/2018/08/2018-Accord.pdf>.
- AFL-CIO. *Responsibility Outsourced: Social Audits, Workplace Certification and Twenty Years of Failure to Protect Worker Rights*. Washington, DC: AFL-CIO, 2014. <https://aflcio.org/sites/default/files/2017-03/CSReport.pdf>.
- Amnesty International. *The Great Palm Oil Scandal: Labour Abuses behind Big Brand Names*. London: Amnesty International, 2016. <https://www.amnesty.org/download/Documents/ASA2151842016ENGLISH.PDF>.
- Anner, Mark. "CSR Participation Committees, Wildcat Strikes and the Sourcing Squeeze in Global Supply Chains." *British Journal of Industrial Relations* 56, no. 1 (2017): 75–98.
- Barlow, Henry. *Henry Barlow to Benny Tjoeng, President Director, PT PP London Sumatra Tbk, November, 2, 2018*. Letter. RSPO. <https://ap8.salesforce.com/sfc/p/#90000000YoJi/a/90000000PYaf/6mJ.T1HSMNHdkSdhiOT8z3ldAHk8eJ6fHGUelpz9jB0>.
- Barrientos, S., and S. Smith. "Do Workers Benefit from Ethical Trade? Assessing Codes of Labour Practice in Global Production Systems." *Third World Quarterly* 28, no. 4 (2007): 713–39.
- Bendell, Jem. "In Whose Name? The Accountability of Corporate Social Responsibility." *Development in Practice* 15, nos. 3 and 4 (2005): 362–74.
- _____. *Towards Participatory Workplace Appraisal: Report from a Focus Group of Women Banana Workers*. Occasional Paper. New Academy of Business, 2001. https://www.participatorymethods.org/sites/participatorymethods.org/files/participatory%20workplace%20appraisal_Bendell.pdf.
- Bernstein, L., and P. Scott. *Audit Requirements for Accredited Certification Bodies for the SA8000 Program*. Vers. 3.1. New York: Social Accountability Accreditation Services, 2017. http://www.saasaccreditation.org/sites/default/files/u4/SAAS_Procedure_200_v3.1_February.2017.pdf.
- Bonsucro. "Public Notification in the Matter of the Inclusive Development International (IDI), Equitable Cambodia (EC), and the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) Complaint against Mitr Phol." December 21, 2018. <https://www.bonsucro.com/public-notification-of-decision-idi-ec-licadho/>.
- Business & Human Rights Resource Center. "Beyond Social Auditing: Background Materials and Analysis." Accessed January 15, 2020. <https://www.business-humanrights.org/en/beyond-social-auditing/beyond-social-auditing-background-materials-analysis>.
- China Labor Watch. *A Nightmare for Workers: Appalling Conditions in Toy Factories Persist*. New York: CLW, 2018. http://www.chinalaborwatch.org/upfile/2018_12_04/20181207.pdf.
- Clean Clothes Campaign. *Fig Leaf for Fashion: How Social Auditing Protects Brands and Fails Workers*. Amsterdam: CCC, 2019. <https://cleanclothes.org/file-repository/figleaf-for-fashion.pdf/view>.
- Cockayne, James, and Emily Speers Mears. *Private Military and Security Companies: A Framework for Regulation*. New York: IPI, 2009. <http://www.ipacademy.org/publication/policy-papers/detail/81-private-military-and-security-companies-a-framework-for-r-regulation.html>.
- Corporate Accountability Lab. "CAL Victory! Test Case Offers Solution for Global Worker Exploitation." December 19, 2018. <https://legaldesign.org/calblog/victory-test-case-offers-solution>.
- _____. *Empty Promises: The Failure of Corporate Social Responsibility Initiatives to Improve Farmer Incomes in the Ivorian Cocoa Sector*. Chicago: CAL, 2019. https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/5d321076f1125e0001ac51ab/1563562117949/Empty_Promises_2019.pdf.
- Egels-Zandén, Niklas, and Henrik Lindholm. "Do Codes of Conduct Improve Worker Rights in Supply Chains? A Study of Fair Wear Foundation." *Journal of Cleaner Production* 107 (November 16, 2015): 31–40.
- Environmental Investigation Agency. *Stealing the Last Forest: Austria's Largest Timber Company, Land Rights, and Corruption in Romania*. Washington, DC: EIA, 2015. https://s3.amazonaws.com/environmental-investigation-agency/assets/2015/10/Stealing_the_Last_Forest/EIA_2015_Report_Stealing_the_Last_Forest.pdf.
- _____. "PEFC: A Fig Leaf for Stolen Timber." June 5, 2017. <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>.
- Ethical Trading Initiative. "Our Impact on Workers." Accessed May 2, 2019. <https://www.ethicaltrade.org/about-eti/our-impact-workers>.
- Extractive Industries Transparency Initiative. *Minutes*. 23rd EITI Board Meeting, Sydney, Australia, May 22, 2013. Oslo: EITI International Secretariat, June 27, 2013. https://eiti.org/files/documents/boardmeeting_023_minutes.pdf.

- _____. "Overview of Validation." Accessed February 9, 2020. <https://eiti.org/overview-of-validation>.
- _____. "Status of Azerbaijan." Updated December 20, 2018. <https://eiti.org/azerbaijan>.
- Fair Labor Association. "Our Methodology." Accessed January 15, 2020. <http://www.fairlabor.org/our-methodology>.
- Farbenblum, Bassina, Laurie Berg, and Angela Kintominas. *Transformative Technology for Migrant Workers: Opportunities, Challenges, and Risks*. New York: Open Society, 2018. <https://www.opensocietyfoundations.org/uploads/dfe50370-e15a-4a78-99f9-3954c0e73bb3/transformative-technology-for-migrant-workers-20181107.pdf>.
- Forest Stewardship Council. "Holzindustrie Schweighofer." Accessed February 7, 2020. <https://fsc.org/en/node/18810>.
- _____. *Stakeholder Consultation for Forest Evaluations*. Ref. code FSC-STD-20-006. Vers. 3.0. Bonn: FSC, 2009. <https://ic.fsc.org/en/document-center/id/66>.
- _____. *WWF Germany vs. Holzindustrie Schweighofer—Case Summary*. Bonn, Germany: FSC, 2017. https://fsc.org/sites/fsc.org/files/2019-06/Case%20summary_Schweighofer%20Group_December%202017.pdf.
- Fuller, Lisa. "Exclusive—Some Workers at Tea Estates Certified by Rainforest Alliance and Fairtrade Take Home as Little as 14 U.S. Cents a Day after Fees and Deductions." Thompson Reuters Foundation. March 27, 2019. <http://news.trust.org//item/20190327004859-frjnm/>.
Global Network Initiative. "Company Assessments." <https://globalnetworkinitiative.org/company-assessments/>.
- _____. "Core Commitments." Accessed October 14, 2019. <https://globalnetworkinitiative.org/core-commitments/>.
- _____. *GNI Assessment Toolkit*. Washington, DC: GNI, 2018. <https://globalnetworkinitiative.org/wp-content/uploads/2019/04/AssessmentToolkit.pdf>.
- _____. *Public Report on the Independent Assessment Process for Google, Microsoft, and Yahoo*. Washington, DC: GNI, 2014. <https://globalnetworkinitiative.org/wp-content/uploads/2016/10/GNI-Assessments-Public-Report.pdf>.
- Hengeveld, Maria. "Nike Boasts of Empowering Women around the World." *Slate*. August 26, 2019. <https://slate.com/business/2016/08/nikes-supply-chain-doesnt-live-up-to-the-ideals-of-its-girl-effect-campaign.html>.
- Heuty, Antoine. "Is 'Worker Voice' Technology More Than Just Kabuki Theatre in the Struggle for Labour Rights?" Business & Human Rights Center. April 26, 2019. <https://www.business-humanrights.org/en/is-worker-voice-technology-more-than-just-kabuki-theatre-in-the-struggle-for-labour-rights>.
- Heron, Robert, Henrick Vistisen, and Kazuo Yamazaki. *Conducting Labour Inspection Visits: A Practical Guide*. Geneva: ILO, 1998. https://www.ilo.org/asia/publications/WCMS_BK_PB_261_EN/lang-en/index.htm.
- Human Rights Watch. "Combating Sexual Harassment in the Garment Industry." February 12, 2019. <https://www.hrw.org/news/2019/02/12/combating-sexual-harassment-garment-industry>.
- ICTI Ethical Toy Program. *ICTI Ethical Toy Program Response to China Labor Watch Report—December 2018*. January 2019. https://wdr-test-icti.cdn.prismic.io/wdr-test-icti%2F8b7d6ade-b2e1-4f83-9737-c85ac4b8507a_ietp+special+investigation+report+-+clw+response+jan+2019+%281+feb%29.pdf.
- _____. *Worker Helpline: Successfully Addressing Factory Worker Concerns*. Accessed November 10, 2019. https://wdr-test-icti.cdn.prismic.io/wdr-test-icti%2F4693e764-fde2-4e83-9098-6a0290e745e1_ietp+worker+helpline+briefing++feb+2019.pdf.
- International Organization Development. *Ethical Training Initiative External Evaluation Report*. Sheffield: IOD PARC, 2015. https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_external_evaluation_report_-_iod-parc_2015.pdf.
- Inclusive Development International. "Human Rights Complaint Filed to UK Government against Ethical Sugar Association Bonsucro." March 11, 2019. <https://www.inclusivedevelopment.net/human-rights-complaint-filed-to-uk-government-against-ethical-sugar-association-bonsucro/>.
- _____. "Mitr Phol Land Grab." Accessed February 9, 2020. <https://www.inclusivedevelopment.net/mitr-phol/>.
- Infrastructure Transparency Initiative. "Resources." Accessed August 22, 2019. <http://infrastructuretransparency.org/resources/>.
- Islam, Muhammad Azizul. "Tackling Modern Slavery: What Role Can Accountants Play?" International Federation of Accountants. February 12, 2018. <https://www.ifac.org/knowledge-gateway/supporting-international-standards/discussion/tackling-modern-slavery-what-role>.
- Issara Institute. *What is 'Worker Voice' in the Context of Global Supply Chains?* Issara Institute, 2017. https://44f2713d-a205-4701-bba3-8d419653b4b6.filesusr.com/ugd/5bf36e_29160d3cfe05485e835b14c4d3dc43de.pdf.

- Kyritsis, Penelope, and Mark Anner. "New Buzzword, Same Problem: How 'Worker Voice' Initiatives Are Perpetuating the Shortcomings of Traditional Social Auditing." Business & Human Rights Center. December 3, 2019. <https://www.business-humanrights.org/en/new-buzzword-same-problem-how-worker-voice-initiatives-are-perpetuating-the-shortcomings-of-traditional-social-auditing>.
- Lam, Bouree. "Cellphones Are Letting Companies Learn What Their Factories Are Really Like." *The Atlantic*. February 1, 2016. <https://www.theatlantic.com/business/archive/2016/02/laborlink-factory-survey/434004/>.
- LeBaron, Genevieve. *The Global Business of Forced Labor: Report of Findings*. Sheffield: SPERI, 2018. <http://globalbusinessofforcedlabour.ac.uk/wp-content/uploads/2018/05/Report-of-Findings-Global-Business-of-Forced-Labour.pdf>.
- LeBaron, Genevieve, and Ellie Gore. "Gender and Forced Labour: Understanding the Links in Global Cocoa Supply Chains." *The Journal of Development Studies*, (2019): 17–18.
- LeBaron, Genevieve, and Sharon Lister. *Ethical Audits and Supply Chains of Global Corporations*. Sheffield: SPERI, 2016. <http://speri.dept.shef.ac.uk/wp-content/uploads/2016/01/Global-Brief-1-Ethical-Audits-and-the-Supply-Chains-of-Global-Corporations.pdf>.
- Locke, Richard, Matthew Amengual, and Akshay Mangla, "Virtue Out of Necessity? Compliance, Commitment, and the Improvement of Labor Conditions in Global Supply Chains," *Politics and Society* 37, no. 3 (2009): 319–51.
- Mena, S., and G. Palazzo. "Input and Output Legitimacy of Multi-Stakeholder Initiatives." *Business Ethics Quarterly* 22, no. 3 (2012): 527–56.
- Minister of the Environment, Water and Forest, Directorate of Communications. "Press Release." Government of Romania. July 30, 2015. http://www.mmediu.ro/app/webroot/uploads/files/2015-07-30_CP_controale_paduri.pdf.
- MSI Integrity. *The Essential Elements of MSI Design*. Berkeley: MSI Integrity, 2017. http://www.msi-integrity.org/wp-content/uploads/2017/11/Essential_Elements_2017.pdf.
- _____. "The Multi-Stakeholder Initiative Database." Accessed February 24, 2020. <https://msi-database.org>.
- _____. *The New Regulators? Assessing the Landscape of Multi-Stakeholder Initiatives*. Berkeley: MSI Integrity, 2017. <https://msi-database.org/data/The%20New%20Regulators%20-%20MSI%20Database%20Report.pdf>.
- MSI Integrity and the International Clinic for Human Rights at Harvard Law School. *MSI Evaluation Tool: For the Evaluation of Multi-Stakeholder Initiatives*. Version 1.0. Berkeley: MSI Integrity and ICHR, 2017. http://www.msi-integrity.org/wp-content/uploads/2017/11/MSI_Evaluation_Tool_2017.
- _____. *2013 MSI Evaluation Report: Working Draft*. Berkeley: MSI Integrity, 2013. <http://www.msi-integrity.org/wp-content/uploads/2013/04/EITI-Working-Evaluation-Report-FINAL.pdf>.
- Nova, Scott, and Isaac Shapiro. *Polishing Apple: Fair Labor Association Gives Foxconn and Apple Undue Credit for Labor Rights Progress*. Economic Policy Institute Briefing Paper 352. Washington, DC: EPI, 2012. <https://www.epi.org/files/2012/polishing-apple-fla-foxconn-apple-undue.pdf>.
- NYU Stern: Center for Business and Human Rights. "Why We're Leaving the Global Network Initiative." February 1, 2016. <https://bhr.stern.nyu.edu/blogs/why-were-leaving-the-gni>.
- OECD Watch. "IDI, EC, and LICADHO v. Bonsucro." Accessed February 9, 2020. https://complaints.oecdwatch.org/cases/Case_534.
- O'Rourke, Dara. *Monitoring the Monitors: A Critique of PriceWaterhouseCoopers (PwC) Labor Monitoring*. Cambridge: MIT, 2000. <https://nature.berkeley.edu/orourke/PDF/pwc.pdf>.
- Outhwaite, Opi, and Olga Martin-Ortega. *Monitoring Human Rights in Global Supply Chains: Insights and Policy Recommendations for Civil Society*. BHRE Research Series Policy Paper no. 3. London: University of Greenwich, 2017. <https://static1.squarespace.com/static/56e9723a40261dbb18ccd338/t/590c593bff7c502a077939fc/1493981502635/Monitoring+Human+Rights+in+Global+Supply+Chains+BHRE+Policy+Paper+3+May+2017.pdf>.
- Partido Manggagawa. "Sein Together Union Officers Reinstated after Month-Long Fight." Partido Manggagawa. November 19, 2017. <http://partidomanggagawa2001.blogspot.com/2017/11/sein-together-union-officers-reinstated.html>.
- Pasion, Patty. "Cavite Workers Seek Gov't Intervention on Shut Down." *Rappler*. October 17, 2017. <https://www.rappler.com/nation/185474-cavite-workers-government-intervention-temporary-factory-shutdown>.
- Pfungen, Lorenz. "Schweighofer Gets to Keep PEFC Certificate." Trans. by Susanne Höfler. Timber-online.net. October 6, 2015. https://www.timber-online.net/schnittholz/2015/10/schweighofer_getstokeeppecertificate.html.
- Rainforest Alliance. *Rules for Planning and Conducting Audits: Farms and Producer Groups Involved in Crop and Cattle Production*. Vers. 1. New York: Rainforest Alliance, 2018. https://www.rainforest-alliance.org/business/wp-content/uploads/2018/03/85_rules-planning-conducting-audits_en.pdf.

- Rainforest Action Network, OPPUK, and International Labor Rights Forum. *The Human Cost of Conflict Palm Oil: Indofood: Pepsico's Hidden Link to Worker Exploitation in Indonesia*. 2016. https://www.ran.org/wp-content/uploads/rainforestactionnetwork/pages/15889/attachments/original/1467043668/The_Human_Cost_of_Conflict_Palm_Oil_RAN.pdf?1467043668
- _____. *The Human Cost of Conflict Palm Oil Revisited: How PepsiCo, Banks, and the Roundtable on Sustainable Palm Oil Perpetuate Indofood's Worker Exploitation*. 2017. https://www.ran.org/wp-content/uploads/2018/06/Human_Cost_Revisited_vWEB.pdf.
- Rogan, Dvveke, ed. *The EITI Standard 2016*. Oslo: EITI International Secretariat, 2017. https://eiti.org/files/documents/the_eiti_standard_2016_-_english.pdf.
- Roundtable on Sustainable Palm Oil. "PT Mitra Austral Sejahtera (a Subsidiary of Sime Darby Plantation Berhad)—(Respondent), The Communities of Sanggau (Kerunang & Entapang), Transparansi untuk Keadilan (TuK)—(Complainant)." Accessed February 9, 2020. <https://askrspo.force.com/Complaint/s/case/50090000028ErzsAAC/>.
- _____. "RSPO 15th Annual General Assembly (GA15) Summary Report and Voting Results." November 30, 2018. <https://rspo.org/news-and-events/announcements/rspo-15th-annual-general-assembly-ga15-summary-report-and-voting-results>.
- Rowlatt, Justin, and Jane Deith. "The Bitter Story behind the UK's National Drink." *BBC*. September 8, 2015. <https://www.bbc.com/news/world-asia-india-34173532>.
- Ruggie, John Gerard. "Business and Human Rights: The Evolving International Agenda." *The American Journal of International Law* 101, no. 4 (2007): 819–40. <https://www.jstor.org/stable/40006320>.
- Sanders, Scott R., Michael R. Cope, and Elizabeth R. Pulsipher. "Do Factory Audits Improve International Labor Standards? An Examination of Voluntary Corporate Labor Regulations in Global Production Networks." *MDPI Social Sciences* May 30, 2018: 84.
- SGS. *Audit Checklist—AWS Standard V1.0*. March 13, 2018. <https://a4ws.org/wp-content/uploads/2019/01/AWS-Audit-Checklist-PMI-130318-UA-y-LS.pdf>.
- Sinkovics, Noemi, Samia Ferdous Hoque, and Rudolf R. Sinkovics. "Rana Plaza Collapse Aftermath: Are CSR Compliance and Auditing Pressures Effective?" *Accounting, Auditing & Accountability Journal* 29, no. 4 (2016): 617–49. <https://www.emerald.com/insight/content/doi/10.1108/AAAJ-07-2015-2141/full/html>.
- Shen, A. "Worker Voice without Worker Agency Fails Seafood Workers." International Labor Rights Forum Blog. May 4, 2018. <http://w.sweatfree.org/blog/201805/worker-voice-without-worker-agency-fails-seafood-workers>.
- Social Accountability Accreditation Services. "Accreditation Fees." Accessed January 14, 2020. <http://www.saasaccreditation.org/fees>.
- _____. "SA8000 Certified Organisations." Accessed January 9, 2020. <http://www.saasaccreditation.org/certifacilitieslist>.
- _____. "Unannounced SA8000 Audits." Accessed January 14, 2020. <http://www.saasaccreditation.org/unannouncedsa8000audits>.
- Social Accountability International. "Certified Organizations." Accessed January 9, 2020. <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1843>.
- _____. "SA8000 Certification Costs." Accessed January 14, 2020. [http://www.sa-intl.org/_data/global/files/SA8000CertificationCosts\(1\).pdf](http://www.sa-intl.org/_data/global/files/SA8000CertificationCosts(1).pdf).
- The Star*. "SDP Units Sell Stake in PT MAS." June 27, 2019. <https://www.thestar.com.my/business/business-news/2019/06/27/sdp-units-sell-stake-in-pt-mas>.
- Taylor, Lisa Rende, and Elena Shih. "Worker Feedback Technologies and Combatting Modern Slavery in Global Supply Chains: Examining the Effectiveness of Remediation-Oriented and Due-Diligence-Oriented Technologies in Identifying and Addressing Forced Labour and Human Trafficking." *Journal of the British Academy* 7, sup. 1 (2019): 131–65.
- Terwindt, Carolijn, and Amy Armstrong. "Oversight and Accountability in the Social Auditing Industry: The Role of Social Compliance Initiatives." *International Labor Review*.
- Terwindt, Carolijn, and Gisela Burckhardt. "Beyond Social Auditing." Business & Human Rights Center. Accessed July 20, 2019. <https://www.business-humanrights.org/en/beyond-social-auditing>.
- _____. "Social Audits in the Textile Industry: How to Control the Controllers?" Business & Human Rights Center. April 2, 2019. <https://www.business-humanrights.org/en/social-audits-in-the-textile-industry-how-to-control-the-controllers>.
- Theuws, Martje, Mariette van Huijstee, Pauline Overeem, Jos van Seters, and Tessel Pauli. *Fatal Fashion: Analysis of Recent Factory Fires in Pakistan and Bangladesh: A Call to Protect and Respect Garment Workers' Lives*. Amsterdam: SOMO and CCC, 2013. <https://cleanclothes.org/resources/publications/fatal-fashion.pdf>.
- TÜV Rheinland. *Alliance for Water Stewardship Assessment Report as per AWS Standard Version 1.0 for Suntory Products Limited Okudaise n Bunanomori Water Plant*. Cologne: TÜV Rheinland, 2018. <https://a4ws.org/wp-content/uploads/2019/01/AWS-Suntory-final-20181124-public.pdf>.

- TV5Monde. "Cash Investigation: Razzia sur le bois, les promesses en kit des géants du meuble." L'épisode 15. Accessed February 24, 2020. <http://www.tv5monde.com/programmes/fr/programme-tv-cash-investigation-razzia-sur-le-bois-les-promesses-en-kit-des-geants-du-meuble/19703/>.
- Vuthy, Eang, David Pred, and Naly Pilorge. *David Pred, and Naly Pilorge to Complaints Manager, Bonsucro, February 5, 2016*. Letter. Equitable Cambodia, Inclusive Development International, and LICADHO. <https://www.inclusivedevelopment.net/wp-content/uploads/2016/02/Amended-Complaint-to-Bunsucro-re-Mitr-Phol-Group-05-February-2016.pdf>.
- Waras, Muhammad. *Muhammad Waras to Datuk Darrel Webber, CEO, RSPO, January 17, 2019*. Letter. PP PT London Sumatra Tbk. http://indofoodagri.listedcompany.com/newsroom/withdrawal_from_RSPO_certification_scheme.pdf.
- Worker Engagement Supported by Technology Principles. *White Paper: Realizing the Benefits of Worker Reporting*. WEST Principles, 2019. https://westprinciples.org/wp-content/uploads/2019/03/west_principles_white_paper-realizing_the_benefits_of_worker_reporting_digital_tools.pdf.
- Worldwide Responsible Accredited Production. "Certification Process." Accessed July 31, 2019. <http://wrapcompliance.org/en/certification#process>.
- _____. "History." Accessed January 14, 2020. <http://wrapcompliance.org/en/history>.
- _____. "Monitor Information." Accessed January 14, 2020. <http://wrapcompliance.org/en/monitor-information>.
- _____. "WRAP's 12 Principles." Accessed January 14, 2019. <http://wrapcompliance.org/en/12-principles>.

Sources Cited in Figure 4.1

1. Lisa Fuller, "Exclusive—Some Workers at Tea Estates Certified by Rainforest Alliance and Fairtrade Take Home as Little as 14 U.S. Cents a Day after Fees and Deductions," Thompson Reuters Foundation, March 27, 2019, <http://news.trust.org/item/20190327004859-frjnm/>.
2. Genevieve LeBaron, *The Global Business of Forced Labor: Report of Findings* (Sheffield, UK: Speri and University of Sheffield, 2018), 3, <http://globalbusinessofforcedlabour.ac.uk/wp-content/uploads/2018/05/Report-of-Findings-Global-Business-of-Forced-Labour.pdf>
3. China Labor Watch, *A Nightmare for Workers: Appalling Conditions in Toy Factories Persist*, December 6, 2018, http://www.chinalabor-watch.org/upfile/2018_12_04/20181207.pdf. See also ICTI Ethical Toy Program, *ICTI Ethical Toy Program Response to China Labor Watch Report—December 2018*, January 2019, https://wdr-test-icti.cdn.prismic.io/wdr-test-icti%2F8b7d6ade-b2e1-4f83-9737-c85ac4b8507a_ietp+special+investigation+report+-+clw+response+jan+2019+%281+feb%29.pdf.
4. TV5Monde, "Cash Investigation: Razzia sur le bois, les promesses en kit des géants du meuble," l'épisode 15, February 24, 2020, <http://www.tv5monde.com/programmes/fr/programme-tv-cash-investigation-razzia-sur-le-bois-les-promesses-en-kit-des-geants-du-meuble/19703/>; see also "PEFC: A Fig Leaf for Stolen Timber," EIA, blog post, June 5, 2017, <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>.
5. Amnesty International, *The Great Palm Oil Scandal: Labour Abuses behind Big Brand Names*, 2016, 11, <https://www.amnesty.org/download/Documents/ASA2151842016ENGLISH.PDF>.
6. Maria Hengeveld, "Nike Boasts of Empowering Women around the World," *Slate*, August 26, 2019, <https://slate.com/business/2016/08/nikes-supply-chain-doesnt-live-up-to-the-ideals-of-its-girl-effect-campaign.html>.
7. Justin Rowlatt and Jane Deith, "The Bitter Story behind the UK's National Drink," *BBC*, September 8, 2015, <https://www.bbc.com/news/world-asia-india-34173532>.
8. AFL-CIO, *Responsibility Outsourced: Social Audits, Workplace Certification and Twenty Years of Failure to Protect Worker Rights*, August 1, 2014, 7, <https://aflcio.org/sites/default/files/2017-03/CSReport.pdf>.
9. Scott Nova and Isaac Shapiro, *Polishing Apple: Fair Labor Association Gives Foxconn and Apple Undue Credit for Labor Rights Progress*, Economic Policy Institute Briefing Paper 352, November 8, 2012, 4–5, <https://www.epi.org/files/2012/polishing-apple-fla-foxconn-apple-undue.pdf>.
10. Clean Clothes Campaign, *Fig Leaf for Fashion: How Social Auditing Protects Brands and Fails Workers*, 2019 Report, 24, <https://clean-clothes.org/file-repository/figleaf-for-fashion.pdf/view>.

Endnotes

- 1 John Gerard Ruggie, "[Business and Human Rights: The Evolving International Agenda](#)," *The American Journal of International Law* 101, no. 4 (2007): 836.
- 2 S. Mena and G. Palazzo, "Input and Output Legitimacy of Multi-Stakeholder Initiatives," *Business Ethics Quarterly* 22, no. 3 (2012): 527–56.
- 3 Mena and Palazzo, "Input and Output Legitimacy," 546.
- 4 MSIs may use different terms for ongoing member oversight, such as public assurance, validation, monitoring, surveillance audits, or assessment, and for the people who perform it, such as certification body, monitor, auditor, or compliance assessment body. For the sake of clarity, we use the generic terms "monitoring" and "evaluator" to refer to MSI oversight procedures and those who perform them, respectively. Our use of these terms is not intended to denote a value judgment concerning the type or quality of monitoring.
- 5 The source data for this information is available from the spreadsheet, "[MSI Trends Dataset](#)," which is available on our website and contains information current as of June 30, 2019. The list of MSIs in order of date launched is contained in Appendix 2. The essential elements of effective MSI design are contained in: MSI Integrity and the International Clinic for Human Rights at Harvard Law School, [MSI Evaluation Tool: For the Evaluation of Multi-Stakeholder Initiatives](#), vers. 1.0, (Berkeley: MSI Integrity and ICHR, 2017), 29–32; MSI Integrity, [The Essential Elements of MSI Design](#), (Berkeley: MSI Integrity, 2017), 10, 12.
- 6 MSI Integrity, [The New Regulators? Assessing the Landscape of Multi-Stakeholder Initiatives](#) (Berkeley: MSI Integrity, 2017), 13.
- 7 The source data for this information is available from the spreadsheet "[MSI Trends Dataset](#)," which is available on our website at and contains information current as of June 30, 2019. According to this data, Equitable Origin does not publish its procedures for monitoring. In the case of Infrastructure Transparency Initiative (CoST), the initiative has two levels of standards that member governments are supposed to meet. The first are a set of "principles," which includes expecting that member government will set up a multi-stakeholder group; this multi-stakeholder group is then expected to implement the MSI's "standards," which represent the second set of obligations. See Infrastructure Transparency Initiative, [Guidance Note: Joining CoST](#) (London: CoST, 2020), 2. With respect to the "principles," the monitoring is done through periodic reporting to the CoST International Secretariat and Board. See Infrastructure Transparency Initiative, [Monitoring the performance of CoST National Programmes](#) (London: CoST, 2016), 1. With respect to the "standards," the initiative requires members to set up an "assurance process." However, unlike other MSIs, which set out the process for this monitoring, it is up to countries to establish an assurance process. CoST only provides guidance on "core steps that are essential to the Assurance Process and a number of optional steps to consider." See Infrastructure Transparency Initiative, [Guidance Note: 7. Designing an Assurance Process](#), vers. 1, (London: CoST, 2013), 1. As the MSI uses this hybrid approach and does not have prescribed minimum standards for the monitoring, we exclude it from the analysis in this report as it is not representative of most MSIs.
- 8 Of these three, the Ethical Trading Initiative relies on member self-reports, while the Global Coffee Platform and the Global Reporting Initiative do not monitor members' performance with their standards. The source data for this information is available from the spreadsheet "[MSI Trends Dataset](#)," which is available on our website and contains information current as of June 30, 2019.
- 9 See, e.g., "[Combating Sexual Harassment in the Garment Industry](#)," Human Rights Watch, February 12, 2019; A. Shen, "[Worker Voice without Worker Agency Fails Seafood Workers](#)," International Labor Rights Forum Blog, May 4, 2018; see also Genevieve LeBaron and Ellie Gore, "Gender and Forced Labour: Understanding the Links in Global Cocoa Supply Chains," *The Journal of Development Studies*, (2019): 17–18.
- 10 Richard Locke, Matthew Amengual, and Akshay Mangla, "Virtue Out of Necessity? Compliance, Commitment, and the Improvement of Labor Conditions in Global Supply Chains," *Politics and Society* 37, no. 3 (2009): 333–34.
- 11 Jem Bendell, "[In Whose Name? The Accountability of Corporate Social Responsibility](#)," *Development in Practice* 15, nos. 3 and 4 (2005): "In Whose Name?" 365–68.
- 12 Forest Stewardship Council, [Stakeholder Consultation for Forest Evaluations](#), ref. code FSC-STD-20-006, vers. 3.0, (Bonn: FSC, 2009); Rainforest Alliance, [Rules for Planning and Conducting Audits: Farms and Producer Groups Involved in Crop and Cattle Production](#), vers. 1, (New York: Rainforest Alliance, 2018).
- 13 See, e.g., Human Rights Watch, "Combating Sexual Harassment."
- 14 See, e.g., James Cockayne and Emily Speers Mears, [Private Military and Security Companies: A Framework for Regulation](#) (New York: IPI, 2009), 9; Robert Heron, Henrick Vistisen, and Kazuo Yamazaki, [Conducting Labour Inspection Visits: A Practical Guide](#) (Geneva: ILO, 1998), 10–11; Bendell, "In Whose Name?" 365–67. *The MSI Evaluation Tool* and *Essential Elements of MSI Design* identify the following as essential for effective MSI monitoring regimes to encourage compliance and accountability: conducting secure interviews with rights holders; consulting rights holders and other relevant stakeholders; engaging an unbiased evaluator with relevant training (e.g. related to the industry and potential human rights issues) as well as an understanding of the local context; and undertaking at least some unannounced site visits. MSI Integrity and the International Clinic for Human Rights at Harvard Law School, *MSI Evaluation Tool*, 29–32; MSI Integrity, *The Essential Elements*, 10, 12.
- 15 Genevieve LeBaron and Sharon Lister, [Ethical Audits and Supply Chains of Global Corporations](#) (Sheffield: SPERI, 2016), 3.
- 16 Good Weave requires that all audits be unannounced. Fairtrade International, the Marine Stewardship Council, and Social Accountability International all require at least some unannounced audits. The source data for this information is available from the spreadsheet "[MSI Trends Dataset](#)," which is available on our website and contains information current as of June 30, 2019.
- 17 The source data for this information is available from the spreadsheet "[MSI Trends Dataset](#)," which is available on our website and contains information current as of June 30, 2019.
- 18 See "[Unannounced SA8000 Audits](#)," Social Accountability International, accessed January 14, 2020.
- 19 Some MSIs require stakeholder consultation as part of an initial certification decision, but do not include that as a requirement for regular monitoring to maintain certification or membership.
- 20 Alliance for Water Stewardship, [AWS Certification Requirements](#), vers. 1.0 (North Berwick: AWS, 2015), 17.
- 21 Forest Stewardship Council, [Stakeholder Consultation Evaluation](#).
- 22 Interview 42, farm worker, Cameroon, June 6, 2017.
- 23 Interview 52, farm worker, Cameroon, June 6, 2017.
- 24 Interview 90, factory worker, Philippines, August 29, 2017.
- 25 Interview 51, farm worker, Cameroon, June 6, 2017.
- 26 Interview 70, factory worker, Philippines, August 16, 2017.

- 27 Interview 85, factory worker, Philippines, August 19, 2017.
- 28 Interview 76, factory worker, Philippines, August 16, 2017.
- 29 Interview 71, factory worker, Philippines, August 16, 2017.
- 30 Interview 72, factory worker, Philippines, August 16, 2017.
- 31 Interview 84, factory worker, Philippines, August 19, 2017.
- 32 "Core Commitments," Global Network Initiatives, accessed October 14, 2019, <https://globalnetworkinitiative.org/core-commitments/>.
- 33 "Why We're Leaving the Global Network Initiative," NYU Stern Center for Business and Human Rights, February 1, 2016, <https://bhr.stern.nyu.edu/blogs/why-were-leaving-the-gni>.
- 34 Global Network Initiative, *GNI Assessment Toolkit* (Washington, DC: GNI, 2018), 6.
- 35 Global Network Initiative, *GNI Assessment Toolkit*, 6, 8.
- 36 Global Network Initiative, *GNI Assessment Toolkit*, 8. According to information provided to MSI Integrity by GNI, there has only been one case to date in which a non-company GNI member recommended a case study that was not included in a report. GNI feedback to MSI Integrity, November 4, 2019, on file, citing Global Network Initiative, *Public Report on the Independent Assessment Process for Google, Microsoft, and Yahoo* (Washington, DC: GNI, 2014), 14.
- 37 Global Network Initiative, *GNI Assessment Toolkit*, 9–10.
- 38 Global Network Initiative, *GNI Assessment Toolkit*, 10.
- 39 Global Network Initiative, *GNI Assessment Toolkit*, 10.
- 40 Global Network Initiative, *GNI Assessment Toolkit*, 10.
- 41 Global Network Initiative, *GNI Assessment Toolkit*, 12.
- 42 Global Network Initiative, *GNI Assessment Toolkit*, 12.
- 43 See, e.g., Global Network Initiative, *Public Report*.
- 44 See, e.g., Scott R. Sanders, Michael R. Cope, and Elizabeth R. Pulsipher, "Do Factory Audits Improve International Labor Standards? An Examination of Voluntary Corporate Labor Regulations in Global Production Networks," *MDPI Social Sciences*, (May 30, 2018): 3; Noemi Sinkovics, Samia Ferdous Hoque, and Rudolf R. Sinkovics, "Rana Plaza Collapse Aftermath: Are CSR Compliance and Auditing Pressures Effective?" *Accounting, Auditing & Accountability Journal* 29, no. 4 (2016): 642–45; LeBaron and Lister, *Ethical Audits*, 1, 3–5; Opi Outhwaite and Olga Martin-Ortega, *Monitoring Human Rights in Global Supply Chains: Insights and Policy Recommendations for Civil Society, Global Brands and Academics*, BHRE Research Series Policy Paper no. 3, (London: University of Greenwich, School of Law, 2017), 3; Locke et al., "Virtue Out of Necessity?" 333–34.
- 45 "[Beyond Social Auditing: Background Materials and Analysis](#)," Business & Human Rights Resource Center, accessed January 15, 2020.
- 46 Sanders, Cope, and Pulsipher, "Do Factory Audits?" 5, 10, studying audits in Southeast Asia; Outhwaite and Martin-Ortega, *Monitoring Human Rights*, 2, interviews with labor rights and monitoring organizations; Genevieve LeBaron, *The Global Business of Forced Labor: Report of Findings* (Sheffield: SPERI, 2018), studying forced labor in tea and cocoa supply chains; Corporate Accountability Lab, *Empty Promises: The Failure of Corporate Social Responsibility Initiatives to Improve Farmer Incomes in the Ivorian Cocoa Sector* (Chicago: CAL, 2019).
- 47 "[Our Methodology](#)," Fair Labor Association, accessed January 15, 2020.
- 48 "[Our Impact on Workers](#)," Ethical Trading Initiative, accessed May 2, 2019.
- 49 Locke et al., "Virtue Out of Necessity?" 323.
- 50 Fair Labor Association, *Charter* (Washington, DC: FLA, 2014), 24, indicating that the initial level of monitoring will be 5% of the member company's "applicable facilities." "Applicable facilities" are those that are not *de minimus*. Fair Labor Association, *Charter*, 4. "De minimus facilities" are those in which the member company contracts for production for six months or less in any 24-month period or the member company accounts for 10% or less of the annual production. Fair Labor Association, *Charter*, 6.
- 51 Rainforest Alliance, *Rules for Planning*, 18; "The sample shall be the square root of the member farms included in the Farm Member List, of which 30% should be members evaluated in the previous audit."
- 52 LeBaron, *Global Business*, 44.
- 53 Clean Clothes Campaign, *Fig Leaf for Fashion: How Social Auditing Protects Brands and Fails Workers*, Amsterdam: CCC, 2019), 17–18, <https://cleanclothes.org/file-repository/figleaf-for-fashion.pdf/view>.
- 54 Carolijn Terwindt and Amy Armstrong, "Oversight and Accountability in the Social Auditing Industry: The Role of Social Compliance Initiatives," *International Labour Review*, 4.
- 55 L. Bernstein and P. Scott, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#), vers. 3.1 (New York: Social Accountability Accreditation Services, 2017), 77; Social Accountability International, *SA8000 Certification Costs*, accessed January 20, 2020.
- 56 See "[Accreditation Fees](#)," Social Accountability Accreditation Services, accessed January 20, 2020.
- 57 Bendell, "In Whose Name?" 366; Locke et al., "Virtue Out of Necessity?" 332–33.
- 58 Locke et al., "Virtue Out of Necessity?" 332–33; Clean Clothes Campaign, *Fig Leaf for Fashion*, 76–77.
- 59 Sinkovics et al., "Rana Plaza," 643; Niklas Egels-Zandén and Henrik Lindholm, "Do Codes of Conduct Improve Worker Rights in Supply Chains? A Study of Fair Wear Foundation," *Journal of Cleaner Production* 107 (November 16, 2015): 34–35.

- 60 International Organization Development, [Ethical Training Initiative External Evaluation Report](#) (Sheffield: IOD PARC, 2015), 17.
- 61 LeBaron and Lister, *Ethical Audits*, 3; Muhammad Azizul Islam, "[Tackling Modern Slavery: What Role Can Accountants Play?](#)" IFAC, February 12, 2018.
- 62 "[History](#)," Worldwide Responsible Accredited Production, accessed January 14, 2020.
- 63 "[WRAP's 12 Principles](#)," Worldwide Responsible Accredited Production, accessed January 14, 2019; "[Certification Process](#)," Worldwide Responsible Accredited Production, accessed July 31, 2019.
- 64 "[Monitor Information](#)," Worldwide Responsible Accredited Production, accessed January 14, 2020.
- 65 Worldwide Responsible Accredited Production, "Certification Process."
- 66 Interviews 70, 71, 76, factory workers, Philippines, August 16, 2017; Interviews 84 and 85, factory workers, Philippines, August 19, 2017.
- 67 Interviews 70, 72, 73, 74, 76, factory workers, Philippines, August 16, 2017; Interviews 82 and 85, factory workers, Philippines, August 19, 2017.
- 68 Interview 69, factory worker, Philippines, August 16, 2017.
- 69 Interviews 68, 69, 74, factory workers, Philippines, August 16, 2017.
- 70 Patty Pasion, "Cavite Workers Seek Gov't Intervention on Shut Down," *Rappler*, October 17, 2017, <https://www.rappler.com/nation/185474-cavite-workers-government-intervention-temporary-factory-shutdown>.
- 71 "<http://partidongmanggagawa2001.blogspot.com/2017/11/sein-together-union-officers-reinstated.html>," Partido Manggagawa, November 19, 2017.
- 72 Partido Manggagawa, "Sein Together"; S. Barrientos and S. Smith, "Do Workers Benefit from Ethical Trade? Assessing Codes of Labour Practice in Global Production Systems," *Third World Quarterly*, 28, no. 4 (2007): 725.
- 73 Jem Bendell, [Towards Participatory Workplace Appraisal: Report from a Focus Group of Women Banana Workers](#), Occasional Paper, (New Academy of Business, 2001), 23.
- 74 Barrientos and Smith, "Do Workers Benefit," 725.
- 75 Terwindt and Armstrong, "Oversight and Accountability," 22–23.
- 76 Clean Clothes Campaign, *Fig Leaf for Fashion*, 37.
- 77 Bendell, *Workplace Appraisal*, 26.
- 78 Terwindt and Armstrong, "Oversight and Accountability," 22–23; Clean Clothes Campaign, *Fig Leaf for Fashion*, 93–94.
- 79 LeBaron and Lister, *Ethical Audits*, 1.
- 80 MSI Integrity, [Submission on EITI Validation Process](#) (Berkeley: MSI Integrity, 2015).
- 81 See Global Network Initiative, [GNI Assessment Toolkit](#); "Overview of Validation," Extractive Industries Transparency Initiative, accessed February 9, 2020.
- 82 MSI Integrity, *Submission on EITI Validation Process*, 3-4.
- 83 Dara O'Rourke, [Monitoring the Monitors: A Critique of PriceWaterhouseCoopers \(PwC\) Labor Monitoring](#) (Cambridge: MIT, 2000), 1: "Independent monitoring can play a positive role in improving factory conditions, but only if it is much more transparent and accountable, includes workers more fully, and can be verified by local NGOs and workers themselves."
- 84 Carolijn Terwindt and Gisela Burckhardt, "[Beyond Social Auditing](#)," Business & Human Rights Resource Center, accessed July 20, 2019.
- 85 See, e.g., Bassina Farbenblum, Laurie Berg, and Angela Kintominas, [Transformative Technology for Migrant Workers: Opportunities, Challenges, and Risks](#) (New York: Open Society, 2018); Lisa Rende Taylor and Elena Shih, "Worker Feedback Technologies and Combatting Modern Slavery in Global Supply Chains: Examining the Effectiveness of Remediation-Oriented and Due-Diligence-Oriented Technologies in Identifying and Addressing Forced Labour and Human Trafficking," *Journal of the British Academy* 7, sup. 1 (2019): 131–65.
- 86 Issara Institute, [What is "Worker Voice" in the Context of Global Supply Chains?](#) (Issara Institute, 2017), 1.
- 87 Bouree Lam, "[Cellphones Are Letting Companies Learn What Their Factories Are Really Like](#)," *The Atlantic*, February 1, 2016.
- 88 See Penelope Kyritsis and Mark Anner, "[New Buzzword, Same Problem: How 'Worker Voice' Initiatives Are Perpetuating the Shortcomings of Traditional Social Auditing](#)," Business & Human Rights Center, December 3, 2019.
- 89 See Kyritsis and Anner, "New Buzzword."
- 90 For example, the ICTI Ethical Toy Program has had a hotline for complaints where over 15,600 calls have been received in the last nine years. Details on what happened to the 1,000 complaints that the initiative investigated are not public. ICTI Ethical Toy Program, [Worker Helpline: Successfully Addressing Factory Worker Concerns](#), accessed November 10, 2019, 2.
- 91 Antoine Heuty, "[Is 'Worker Voice' Technology More Than Just Kabuki Theatre in the Struggle for Labour Rights?](#)" Business & Human Rights Center, April 26, 2019.
- 92 Worker Engagement Supported by Technology Principles, [White Paper: Realizing the Benefits of Worker Reporting](#) (WEST Principles, 2019).
- 93 Kyritsis and Anner, "New Buzzword."
- 94 Mark Anner, "CSR Participation Committees, Wildcat Strikes and the Sourcing Squeeze in Global Supply Chains," *British Journal of Industrial Relations* 56, no. 1 (2017): 6–7.
- 95 "[CAL Victory! Test Case Offers Solution for Global Worker Exploitation](#)," Corporate Accountability Lab, December 19, 2018.

- 96 [“Guide for Potential Signatories.”](#) Accord on Fire and Building Safety in Bangladesh, August 18, 2018.
- 97 Accord on Fire and Building Safety in Bangladesh, [2018 Accord on Fire and Building Safety in Bangladesh: May 2018](#), IndustriALL Global Union and UNI Global Union, (Amsterdam: The Accord, June 21, 2017), 3.
- 98 See, [“The Multi-Stakeholder Initiative Database.”](#) MSI integrity, accessed February 24, 2020.
- 99 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 100 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 101 MSI Integrity, *New Regulators*, 14.
- 102 For examples, see the source data on compliance processes, available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 103 See, for example, Lorenz Pfungen, [“Schweighofer Gets to Keep PEFC Certificate.”](#) trans. Susanne Höfler, Timber-online.net, October 6, 2015; [“PEFC: A Fig Leaf for Stolen Timber.”](#) Environmental Investigation Agency, June 5, 2017.
- 104 For example, discussions between civil society participants about whether to demand the suspension of countries in the Extractive Industries Transparency Initiative (EITI) reflected concerns that if the MSI suspended one country, then it ought to suspend all similar countries, which could shrink the membership of EITI, and lead to civil society in those countries losing the potential for international attention through EITI membership (see **Insight 2: Stakeholder Participation**). We are also familiar with a number of other confidential examples that we are open to discussing with researchers or others within the bounds of the confidentiality that they were discussed with us.
- 105 For examples, see the source data on compliance processes, available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 106 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 107 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 108 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 109 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 110 The source data for this information is available from the spreadsheet [“MSI Trends Dataset.”](#) which is available on our website and contains information current as of June 30, 2019.
- 111 [“Status of Azerbaijan.”](#) EITI, updated December 20, 2018.
- 112 See Dveke Rogan, ed., [The EITI Standard 2016](#) (Oslo, Norway: EITI International Secretariat, 2017), 32–38. See our recommendations: MSI Integrity and International Clinic for Human Rights at Harvard Law School, [2013 MSI Evaluation Report: Working Draft](#) (Berkeley: MSI Integrity and ICHR, 2013), 31. It should be noted, however, that the timelines set out in the new *EITI Standard* are extremely long, and there is still a lot of problematic ambiguity as to how the rules might be applied.
- 113 See the discussion in minutes of the EITI Board from June 2013 where civil society raises concerns about NGO laws in Azerbaijan and noted that the EITI chair had written to Azerbaijan regarding this. EITI, [Minutes](#), 23rd EITI Board Meeting, Sydney, Australia, May 22, 2013, (Oslo, Norway: EITI International Secretariat, 2013), 23–3. See also EITI, “Status of Azerbaijan.”
- 114 EITI, “Status of Azerbaijan.”
- 115 Rainforest Action Network, OPPIK, and International Labor Rights Forum, [The Human Cost of Conflict Palm Oil: Indofood: Pepsico’s Hidden Link to Worker Exploitation in Indonesia](#) (2016), 4, 38.
- 116 Rainforest Action Network, OPPIK, and International Labor Rights Forum, [The Human Cost of Conflict Palm Oil Revisited: How PepsiCo, Banks, and the Roundtable on Sustainable Palm Oil Perpetuate Indofood’s Worker Exploitation](#) (2017), 33.
- 117 Henry Barlow, [Henry Barlow to Benny Tjoeng, President Director, PT PP London Sumatra Tbk, November 2, 2018](#), letter, RSPO.
- 118 Muhammad Waras, [Muhammad Waras to Datuk Darrel Webber, CEO, RSPO, January 17, 2019](#), letter, PP PT London Sumatra Tbk.
- 119 Environmental Investigation Agency, [Stealing the Last Forest: Austria’s Largest Timber Company, Land Rights, and Corruption in Romania](#) (Washington, DC: EIA, 2015), 4.
- 120 Lorenz Pfungen, [“Schweighofer Gets to Keep PEFC Certificate.”](#) trans. Susanne Höfler, Timber-online.net, October 6, 2015.
- 121 [“Holzindustrie Schweighofer.”](#) Forest Stewardship Council, accessed February 7, 2020; see also Forest Stewardship Council, [WWF Germany vs. Holzindustrie Schweighofer—Case Summary](#) (Bonn, Germany: FSC, 2017).
- 122 Forest Stewardship Council, “Holzindustrie Schweighofer”; see also Forest Stewardship Council, *WWF Germany*.
- 123 See Forest Stewardship Council, “Holzindustrie Schweighofer.”
- 124 Pfungen, “Schweighofer.”; [“PEFC Dismisses Romanian Government Findings, Clears Austrian Company Despite Documented Illegals.”](#) Environmental Investigation Agency, October 7, 2015.
- 125 Minister of the Environment, Water and Forest, Directorate of Communications [“Press Release.”](#) Government of Romania, trans. Google Translate, July 30, 2015.
- 126 AFL-CIO, *Responsibility Outsourced*.
- 127 AFL-CIO, *Responsibility Outsourced*.
- 128 AFL-CIO, [Responsibility Outsourced: Social Audits, Workplace Certification and Twenty Years of Failure to Protect Worker Rights](#), (Washington, DC: AFL-CIO, 2014).
- 129 [“Mitr Phol Land Grab.”](#) Inclusive Development International, accessed February 9, 2020.

- 130 [“Human Rights Complaint Filed to UK Government against Ethical Sugar Association Bonsucro.”](#) Inclusive Development International, March 11, 2019.
- 131 “Mitr Phol Land Grab,” Inclusive Development International.
- 132 Eang Vuthy, David Pred, and Nly Pilorge, [Eang Vuthy, David Pred, and Naly Pilorge to Complaints Manager, Bonsucro, February 5, 2016](#), letter, Equitable Cambodia, Inclusive Development International, and LICADHO.
- 133 [“Public Notification in the Matter of the Inclusive Development International \(IDI\), Equitable Cambodia \(EC\), and the Cambodian League for the Promotion and Defense of Human Rights \(LICADHO\) Complaint against Mitr Phol.”](#) Bonsucro, December 21, 2018.
- 134 “Human Rights Complaint,” Inclusive Development International.
- 135 [“IDI, EC, and LICADHO v. Bonsucro.”](#) OECD Watch, accessed February 9, 2020.
- 136 [“TuK Indonesia vs. Roundtable on sustainable Palm Oil \(RSPO\).”](#) OECD Watch, accessed February 9, 2020.
- 137 A complete history of the complaint is available on RSPO’s website: [“PT Mitra Austral Sejahtera \(a Subsidiary of Sime Darby Plantation Berhad\)—\(Respondent\), The Communities of Sanggau \(Kerunang & Entapang\), Transparansi untuk Keadilan \(TuK\)—\(Complainant\).”](#) Roundtable on Sustainable Palm Oil, accessed February 9, 2020.
- 138 [“SDP Units Sell Stake in PT MAS.”](#) *The Star*, June 27, 2019; [“RSPO 15th Annual General Assembly \(GA15\) Summary Report and Voting Results.”](#) Roundtable on Sustainable Palm Oil, November 30, 2018, showing approval of *Resolution GA15-6d*, discouraging RSPO members subject to complaints from avoiding their obligations by divestment or withdrawing their membership.
- 139 OECD Watch, “TuK Indonesia vs. Roundtable on Sustainable Palm Oil (RSPO).”
- 140 MSI Integrity, *The Essential Elements*.
- 141 TÜV Rheinland, [Alliance for Water Stewardship Assessment Report as per AWS Standard Version 1.0 for Suntory Products Limited Okudaisen Bunanomori Water Plant](#) (Cologne: TÜV Rheinland, 2018), 7.
- 142 SGS, [Audit Checklist—AWS Standard V1.0](#) (Geneva: SGS, 2018), 4. For example, on the requirement that members identify stakeholders and their water-related challenges, one merely indicated that this had been done, whereas the more detailed report described how the member had completed this task and listed the identified stakeholders.
- 143 [“Certified Organizations,”](#) Social Accountability International, accessed January 9, 2020, linking to [“http://www.saasaccreditation.org/certifacilitieslist,”](http://www.saasaccreditation.org/certifacilitieslist) Social Accountability Accreditation Services, accessed January 9, 2020.
- 144 [“Resources,”](#) Infrastructure Transparency Initiative, accessed August 22, 2019.