

## BUILDING SOCIAL DIALOGUE CAPACITY TO MANAGE WORKPLACE DISPUTES – FAIRTRADE

### Solving work disputes in the Peruvian banana sector

Global Deal partners are actively engaged in promoting social dialogue and building capacity in many different ways. This article serves as a case example for locally led conflict resolution, and as inspiration to improve labour relations by building trust and strengthening social dialogue.

Fairtrade International aims to change the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers in developing countries. Persistent work disputes in a banana-growing region in northern Peru prompted Fairtrade International to team up with trade union and producer representatives, a labour rights NGO and a local labour expert to find a lasting solution.

As one of the world's biggest fruit exporters, Peru has more than 800,000 workers in the sector. Large-scale Peruvian exporters can employ their workforces on an unlimited series of short-term contracts according to the "Non-Traditional Export Promotion Law", which led to tensions with regard to the protection of workers' fundamental rights. This special legislation also affected the Fairtrade banana cooperatives and associations in northern Peru. Although their members are small-scale farmers, the producer organisations employ workers to harvest, clean and pack the bananas. These workers are often unionised and, for several years, disputes over topics such as pay, contracts and trade union rights were commonplace. The cooperatives' general lack of experience in hiring and managing workers, and in resolving labour disputes, exacerbated the situation. The result was a highly tense and conflictual relationship between banana farmers and workers. Moreover, there was a major lack of trust and collaboration between the Peruvian Agricultural Workers' Union (SITAG) and Fairtrade-certified producer organisations.

Mechanisms to prevent and resolve conflict and disputes are necessary to promote sound industrial relations. Effective social dialogue is both a product of, and a prerequisite for, sustainable labour dispute settlement systems.<sup>1</sup> With the support of a labour expert and in collaboration with relevant stakeholders, Fairtrade explored various options for improving the management of workplace disputes in the Peruvian banana sector and decided to establish a permanent platform for dialogue, grievance handling and conflict resolution in the northern region of Peru: a roundtable, run by the farmers' organisations and the union themselves. Over the years, this solution would result in a lasting impact on worker-employer relations in the region; the importance of having local leadership was key to the implementation of the solution.

Two representatives from Peru's national network of Fairtrade producers (CNCJ-PERU) and the Latin American Coordinating Body of Banana and Agro-industrial Workers' Unions (COLSIBA) played an instrumental role; the producers had recognised that working closely with this umbrella organisation was crucial for establishing a successful dialogue. While the two representatives worked to gain support for the initiative, Fairtrade supported the formation process with financial resources and training. Additionally, Fairtrade worked to establish a training programme in human resources

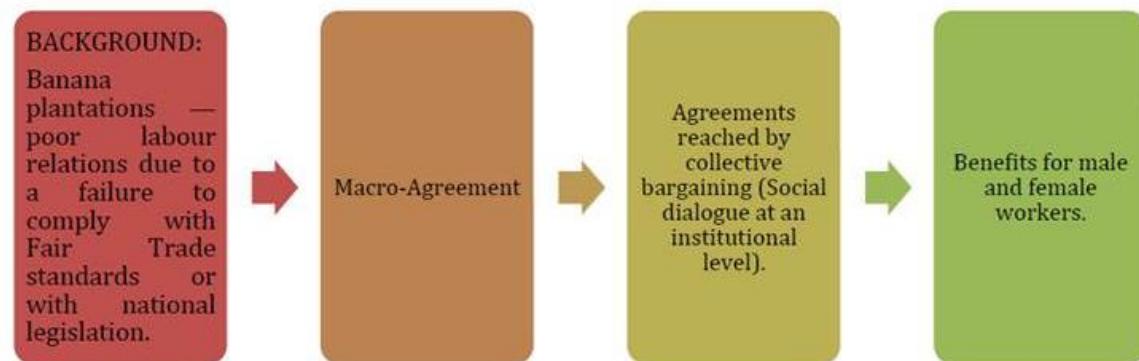
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<sup>1</sup> [ILO: Social Dialogue and Tripartism, Report VI](#), International Labour Conference, 107th Session, 2018, para. 48

management and dispute resolution, tailored to the needs of the banana associations and cooperatives.

The result of the efforts bore fruit in 2014, when an assembly of almost 100 representatives of workers and producers made the collective decision to establish a roundtable for dispute resolution, as the only viable and sustainable solution to resolve the ongoing conflicts between workers and employers in the organic banana sector. The roundtable brought together four main actors: Fairtrade International; CNCJ-PERU, representing the Fairtrade cooperatives; COLSIBA (the umbrella trade union); and its Peruvian member union SITAG. This form of social dialogue was the first of its kind in Peru. Although social dialogue is enshrined in the National Labour Council and the Regional Labour Councils in Peru, these fora focus typically on the discussion of wider employment policies. Since then, the worker-employer relations have strengthened and the roundtable has become a safe space and a vehicle for conflict resolution, thanks to its strong social dialogue structure, the training provided and the willingness of the parties involved to collaborate.

Additionally, this ground-breaking industry dialogue provided the basis for concrete negotiations on a Macro-Agreement, which was signed on 15 August 2016 by seven small organic banana-producing associations and cooperatives. This agreement enshrines a recognition of the fundamental rights of both male and female banana workers, including the right to organise and to bargain collectively, the respect for workers' representatives, ensuring permanent social dialogue and improving labour relations — with the aim of benefiting workers and employers alike.



Source: SITAG Perú, Reports 2015-2017

### How the roundtable works in practice

A Framework Agreement defines the principles of the roundtable. It is based on a layered model of decision-making between producers and workers. An Operational Committee oversees the dialogue process, made up of Fairtrade, SITAG, COLSIBA, CNCJ-PERU and two representatives from small producer organisations. A matter is first discussed at organisation-level between an association or cooperative and its trade union committee. If not resolved, the case is brought to the members of the Operational Committee. If the matter still cannot be settled, the case is referred to the Roundtable Assembly. Beyond that level, the case can be passed to other legal mechanisms or international initiatives. However, it is testimony to the roundtable's success that every case so far has been resolved either at organisational level or by the Operational Committee.

## **A drive for improvement**

Going forward, the Roundtable Assembly wants to continue strengthening their work, including by improving communication and interpersonal dynamics in meetings, strengthening relationships between roundtable members, and further regulating the dialogue mechanism. This conflict resolution process was initially driven by Fairtrade, but it is now managed by the producers themselves, represented by CNCJ-PERU, and the trade union, represented by COLSIBA. To strengthen the locally-led process, Fairtrade's Latin American producer network CLAC has taken on funding of the programme.

## **Sharing lessons learned to inspire others**

The Peruvian experience of the roundtable has been shared in Latin America and Côte d'Ivoire and was presented at the 2017 World Banana Forum. UK-based not-for-profit co-operative Banana Link has published a report<sup>2</sup>, which documents the process, challenges and achievements. This report will be shared at the World Banana Forum in 2021.

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<sup>2</sup> World Banana Forum - Working Group 03 on Labour Rights & Other Workplace Issues. Labour Relations: Successful examples from the banana industry (Case study on the Peru 'Macro' Agreement (October 2020))