In June 2018, Oxfam launched a new campaign to expose the economic exploitation faced by millions of small-scale farmers and workers in food supply chains, and mobilize the power of people around the world to help end it. The campaign is underpinned by extensive new research, as outlined in Oxfam’s *Ripe for Change* report and associated annexes. This paper gives an overview of the methodologies behind the research.

INTRODUCTION

The research that underpins Oxfam’s *Ripe for Change* campaign report used a mixture of qualitative and quantitative methods to better understand macro-level trends in the food industry and conditions faced by small-scale farmers and workers in food value chains, and investigate potential solutions to the challenges faced.

Research included:

- an assessment of relevant supply chain policies of major European and US supermarkets (Oxfam’s Supermarkets Scorecard) (p.3);
- a series of semi-structured interviews with experts on global value chains (p.11);
- a series of case studies in eight countries/regions (p.12);
- a Household Food Insecurity Access Scale survey in five countries (p.19);
- quantitative analysis of the distribution of value across a basket of food commodities over time (p.21); and
- a calculation of shareholder dividends, executive compensation and worker comparisons (p.25).
1 THE OXFAM SUPERMARKETS SCORECARD: HOW WE ASSESSED SUPERMARKETS’ SUPPLY CHAIN POLICIES

To inform Oxfam’s new campaign, we have assessed the publicly available policies and reported practices of some of the biggest and fastest growing supermarkets in Germany, the Netherlands, the UK and the US. We focused in particular on what these policies and practices mean for the transparency of their supply chains, and for the workers, small-scale farmers and women working in them. The results are presented in Oxfam’s Supermarkets Scorecard (see Figure 1). This section of the methodology note gives an overview of the approach taken.

Why develop a scorecard?

This initiative draws on Oxfam’s experience in developing a scorecard to assess the biggest 10 food and beverage manufacturers in the Behind the Brands campaign.¹

We found that an assessment tool of this kind:
• encourages companies to put more information in the public domain so that their performance can be assessed by important stakeholders (including the companies’ customers, suppliers, shareholders, workers in their supply chains, governments, trade unions and other civil society organizations);
• provides companies with practical key performance indicators (KPIs) to demonstrate to these stakeholders the extent of the progress they are making, and to benchmark themselves against other companies;
• leads to more constructive dialogue with companies because they require Oxfam and the companies to address the details of complex issues;
• encourages constructive competition that drives improvements in a ‘race to the top’.
**Figure 1**

**SUPERMARKETS SCORECARD**

<table>
<thead>
<tr>
<th>Transparency &amp; Accountability</th>
<th>Workers</th>
<th>Farmers</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahold</td>
<td>4%</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Albertsons</td>
<td>13%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Asda</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Aldi</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Costco</td>
<td>4%</td>
<td>21%</td>
<td>0%</td>
</tr>
<tr>
<td>ALDI</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Jumbo</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>PLUS</td>
<td>17%</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>REWE</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Sainsbury's</td>
<td>8%</td>
<td>38%</td>
<td>17%</td>
</tr>
<tr>
<td>TESCO</td>
<td>29%</td>
<td>42%</td>
<td>15%</td>
</tr>
<tr>
<td>Walmart</td>
<td>0%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Whole Foods</td>
<td>0%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**These scores are based on supermarkets’ publicly reported policies and actions in their food supply chains.**

**Reported human rights allegations in the supply chains of companies can be found here:** [www.business-humanrights.org/barcodes](http://www.business-humanrights.org/barcodes)

**Key**

- Poor 0-10
- Good 91-100
Who are we scoring?

Oxfam identified leading food retailers in various countries in the US and Europe, with whom to work on an initial assessment. We mostly selected the largest and/or fastest growing food retailers in the sector as these were deemed to have the greatest potential leverage on their supply chains. Criteria for selection included revenue, market share of the groceries sector and growth. Some companies were chosen because they could have good potential for leverage for other reasons, such as their customer profile.

We have initially assessed the following companies and will repeat the assessments annually:

• Ahold Delhaize
• Albertsons
• Aldi North
• Aldi South
• Costco
• Edeka
• Jumbo
• Kroger
• Lidl
• Morrisons
• Plus
• Rewe
• Sainsbury’s
• Tesco
• Walmart
• Whole Foods

How are we scoring them?

The scorecard indicators were developed following several rounds of consultation with companies, NGOs, other benchmarking organizations and technical experts, to determine the issues of most relevance to respecting the rights of people working in supermarket supply chains.

The scorecard is divided into four themes: 1) Transparency and accountability; 2) Workers; 3) Farmers (and other small-scale food producers); and 4) Women. Each theme has eight indicators (except Women which has seven indicators) and each indicator has three sub-indicators.
Oxfam believes that supermarkets should take responsibility for the social and environmental impacts of all the products they sell. In many cases, their leverage to achieve change in their supply chains in this regard is likely to be higher with respect to their private label products as opposed to premium brands. However, in assessing the supermarkets’ performance against the indicators, Oxfam has taken into account the company’s policies concerning all the products they sell, regardless of whether these are premium products or private label brands.

Information about a company’s own recruitment and employment practices was not treated as relevant for the purposes of this initiative, with the exception of indicators that refer to a company’s own operations.

Publicly-disclosed information

Oxfam staff and consultants with expertise in corporate issues and labour rights (the ‘assessors’) scanned the corporate website of the sixteen companies and those of any subsidiary companies where relevant. They looked for links to topics such as sustainability, corporate social responsibility, supplier policies or codes of conduct and assessed company annual reports, accounts and sustainability reports.

Other websites, such as blogs, news reports and other organizations which work with the company were also treated as valid sources of publicly available information for certain sub-indicators (e.g. ‘Senior managers have spoken out on the need for support to small scale producers’).

If a company told the assessor that they had certain policies or were involved in certain relevant projects but could not publish them for some reason, for example, because they involved commercially or politically sensitive information, they were not able to score.

An announcement in a shareholder meeting or other public event could only be counted as publicly available if it was documented and available on a website or in a report for everyone to access, not just the people who were present at the event.
Scoring

If the assessor found information in the public domain which met the criteria, they selected ‘Yes’. If no such information was found or if information was found that only partially met the indicator, the assessors selected ‘No’. In the case of some indicators, if relevant information appeared only on the website or corporate report of a subsidiary of the company, the assessor selected ‘Subsidiary only’.

If in doubt, assessors said ‘No’ and we asked the company for clarification, or asked them to make the publicly available information clearer.

For each sub-indicator in which the assessor said ‘Yes’, the company scored a single point. Where only a subsidiary met the sub-indicator, they scored half a point. If a policy or statement that met the indicator appeared only on the parent website, it was assumed that this applies to the whole company and therefore a full point was awarded.

Thematic scores for each company were calculated based on the percentage of the available points achieved by the company in that theme. Similarly, overall scores for each company (used to calculate rankings in some countries) were calculated based on the percentage of the total available points that the company achieved across all four themes. Rankings were based on overall scores rounded to the nearest whole number. Where two companies in a country had the same overall score, they appear on the scorecard graphics alphabetically and Oxfam considers them to have the same rank.

Fairness and consistency

The exact wording in the indicator was followed in each case. For example, if the sub-indicator asks if the company has made an action plan and committed to report regularly against it, and the assessor found that they have made a plan but not committed to report against it, the company could not score.

This was to ensure consistency across the many companies and countries being assessed. Cases like this are good opportunities to encourage the company to improve – in dialogue with the company the assessor can explain that committing to reporting regularly would earn them a point.

Engaging with the companies

Oxfam believes that by engaging with companies positively and constructively, rather than simply criticizing, we are more likely to bring about positive change in relation to company policy and practice. Companies were approached several weeks before the assessment to make them aware that Oxfam was working on these issues in their food supply chains and that they were going to be assessed. We shared the scorecard tool with them and gave them the opportunity to raise any concerns and ask for clarification about the purpose and process.
After an initial assessment, companies were given four weeks to comment or alert assessors to publicly available information they may have missed. They also had the chance to publish new, relevant information for the assessors to take into consideration for the final assessment. Companies were given a strict deadline by which they needed to publish new information, after which date it would not count towards this year’s assessment. Companies were also able to ask assessors for further explanation of certain indicators.

Assessments were reviewed in light of new information and clarifications from companies and the final assessments used to compile the scores. Companies were given advance notice of the intention to publish the scores.

The four themes

Transparency and accountability

The UN guiding Principles on Business and Human Rights (UNGPs) state that: ‘The responsibility to respect human rights requires that business enterprises have in place policies and processes through which they can both know and show that they respect human rights in practice. Showing involves communication, providing a measure of transparency and accountability to individuals or groups who may be impacted and to other relevant stakeholders, including investors.’

By asking food retailers to be transparent about their policies and practices, we are seeking to encourage good practice in protecting, respecting and fulfilling human rights in global food supply chains.

What is more, in the information age, consumers not only care about how the people who produce their purchases are treated, they are also increasingly able to find out whether or not workers and producers are being subjected to economic exploitation, or are able to earn wages that allow them to enjoy a decent standard of living.

Some companies, encouraged and supported by civil society, have demonstrated a degree of leadership in being transparent and conducting due diligence. However, companies with considerable leverage in their supply chains can and should go further in being transparent about where they source from, what they expect from their suppliers and how their own policies enable – rather than hinder – suppliers’ efforts to meet these expectations.

Doing so will not only help them to meet their obligations under the UNGPs, it will also strengthen the sustainability of their supply chains and will enhance the reputation of the company with consumers and investors.

Workers

Around the world, tens of millions of people are working in global food supply chains, demonstrating the potential for the private sector to contribute to the fight against poverty and inequality. However, these jobs
are not all equally to the benefit of workers – falling along a spectrum from forced labour at one end to decent and fairly remunerated work at the other.³

Oxfam’s extensive new research reveals numerous examples of labour rights violations in supermarket supply chains. From dire working conditions endured by women picking fruit and vegetables in southern Italy,⁴ to exposure to dangerous chemicals on pineapple plantations in Costa Rica⁵ and poverty wages paid to tea pickers in India,⁶ our research confirms a widely documented conclusion:⁷ that workers around the world are suffering in order to stock supermarket shelves.

Indicators under the 'Workers' theme assess the extent to which supermarkets have put in place measures to ensure workers' rights are respected. Critical in this regard is addressing the role of supermarkets' own purchasing practices in squeezing suppliers on labour costs, supporting the establishment of adequate minimum wages in sourcing countries and supporting the right of their suppliers' workers to freedom of association and collective bargaining.

It is notable that in many countries from which supermarkets source, the bargaining power of workers has been either suppressed or eroded in recent years.

• In several countries, minimum wages do not exist at all. Even where they have been established, they are nearly always set at a level far below that needed to support the right to an adequate standard of living.⁸

• The 2017 International Trade Union Confederation (ITUC) Global Rights Index found that the number of countries in which workers experience physical violence and threats rose by 10% in just one year.⁹ Attacks on union members were recorded in fifty-nine countries. Over three-quarters of countries deny some or all workers the right to strike.¹⁰

This is not the first time Oxfam has raised the issue. Our 2015 report In Work but Trapped in Poverty¹¹ provided evidence that workers in numerous sectors around the world, mostly women, continue to work hard but remain trapped in poverty producing food (and garments) for consumers. Oxfam believes that everyone must gain a fair share of the economic value their work helps to generate, sufficient to live decent lives and save for the future.

Farmers

The vast majority of farms in the world are small-scale, and farming is critical to the livelihoods of hundreds of millions of the world's poorest people. The growth of global food supply chains over the past 20 years has provided new markets and opportunities for economic empowerment for some, but as Oxfam's Ripe for Change report shows, for many of those producing for supermarket supply chains a tipping point is being reached in which the very viability of their livelihood is threatened.¹²
As the research in the *Ripe for Change* report shows, there has been a long-run decline in export prices for several food commodities which, coupled with often rising costs of production, means small-scale farmers struggle to make profits adequate to support a decent standard of living for them and their families.

For example, export prices have declined around 60% over the past 20 years in the case of Kenyan green beans, or around 90% in the case of Brazilian orange juice. In both countries, the numbers of small-scale farmers have declined markedly, with large-scale plantations using hired labour increasingly taking their place in global supply chains.

Indicators under the 'Farmers' theme assess the extent to which supermarkets have put in place measures to ensure farmers' rights to a decent standard of living are respected. Critical in this regard is ensuring that supermarkets' own purchasing practices do not undermine the viability of small-scale agriculture (for example by paying producers below their costs of production, or offering only short-term contracts), encouraging small-scale producers to organize collectively, and advocating for small-scale farmers to receive adequate government support.

**Women**

Women make up a large proportion of workers in the food and agriculture sector. Yet because of entrenched gender norms around the world, women are particularly concentrated in the lowest paid and least secure roles in global food supply chains.

Expected to undertake the majority of unpaid care work in the home, women's access to permanent and more senior roles is often limited. Forced into informality, these women are further excluded from even basic benefits available to many men such as minimum wages, sick pay or pensions.\(^1^3\)

Even where women are in formal roles, they face additional barriers to realizing their rights. As detailed in *Ripe for Change*, many report, for example, facing the risk of sexual harassment or violence from male supervisors, pregnancy testing as a condition of employment or discrimination over pay and progression.

Companies that source from countries where gender inequality is endemic to the culture may feel they will not be able to influence how women in their supply chains are treated. However, workplaces are controlled and structured environments into which new information, expectations, skills and structures can enter.

Indicators under the 'Women' theme assess the extent to which supermarkets have put in place measures to address the specific human and labour rights impacts on women in their food supply chains. Critical in this regard is adoption of the UN Women's Empowerment Principles, tracking and disclosing key gender-disaggregated data around women's work and conditions, and incentivising suppliers to address the root causes of gender inequality.
2 KEY INFORMANT INTERVIEWS

In 2017, Oxfam researchers undertook 12 semi-structured, hour-long key informant interviews with experts in global value chains in order to better understand the challenges faced by farmers and workers, to investigate solutions and to identify further research questions.

Where their interviews are used in Oxfam’s Ripe for Change paper, interviewees remain anonymous to protect the confidentiality of key informants.
3 COUNTRY CASE STUDIES

Investigations undertaken in Costa Rica, Ecuador, Georgia, Italy, Indonesia, the Philippines, Rwanda, Thailand and West Africa aimed to:

• understand the perspectives and experiences of small-scale farmers and/or workers operating in selected food value chains in these countries, with a particular focus on women;
• investigate the political and institutional context within which these value chains operate;
• identify examples of where small-scale farmers and/or workers have captured more of the value deriving from food production and trade;
• and/or to understand positive examples of new business models or ways of doing business in the food sector in producer countries.

Researchers used a mixed research method based on qualitative interviews with a sample of small-scale farmers and/or workers, coupled with a supplementary literature and/or data review. See the individual case studies below for further details. Further information related to the methodology used in the primary research in the seafood sector in Indonesia and Thailand is given below.

• Supermarket Responsibilities for Supply Chain Workers’ Rights: Continuing challenges in seafood supply chains and the case for stronger supermarket action (co-published with the Sustainable Seafood Alliance Indonesia)
• A Fair Share for Georgia’s Grape Growers
• Human Suffering in Italy’s Agricultural Value Chain
• The Plight of Pineapple and Banana Workers in Retail Supply Chains: Continuing evidence of rights violations in Costa Rica and Ecuador
• Land But No Freedom: Debt, poverty and human suffering in the Philippine banana trade
• Tuzamurane Pineapple Cooperative, Rwanda: Empowering smallholder farmers to benefit from the global market
• Taking a Fresh Approach: Enabling local producers to meet rising demand in West Africa’s dairy sector

Supermarket Responsibilities for Supply Chain Workers’ Rights: Indonesia research

Authors, scope and objectives

In 2017, the Sustainable Seafood Alliance Indonesia conducted research to investigate the labour conditions of farmers and workers in the seafood sector in Indonesia. The Alliance designed and applied its own methodology as described below.
The Alliance members have distinct work areas, networks and areas of expertise. KPI focuses entirely on fishing vessel workers, while YLKI focuses on consumers. ISBS has the most expertise on seafood processing workers, while KIARA is known for its work on small-scale fishers and shrimp farmers, and has been developing expertise on vessel workers as well. YLBHI is a legal aid network.

The primary research is based on semi-structured interviews conducted between February and December 2017 with current and former workers, small-scale farmers and selected stakeholders engaged in:

- aquaculture shrimp processing in Surabaya and Lamongan, East Java;
- aquaculture shrimp farming and processing in Dipasena and Bratasena, Lampung;
- fishing in Muara Baru, Java and Benoa, Bali.

Rather than attribute specific workers’ rights concerns to specific actors in these locations, the research sought to identify examples of the kinds of labour rights concerns and challenges that can arise in seafood supply chains originating in Indonesia that all supply chain actors and relevant stakeholders should be aware of.

In addition to the summary of key findings included in the Supermarket Responsibilities for Supply Chain Workers’ Rights report, the Alliance will publish the background research report in Bahasa and English (forthcoming).

**Analysis related to shrimp processing and farming**

The Alliance carried out value chain analyses for two Indonesian companies producing and exporting shrimp for international markets.

For the first, the initial value chain analysis was conducted by the Alliance’s consultant Dr Ria Fitriana and KIARA between February and April 2017. The initial value chain analysis for the second company was conducted by ISBS in August and September 2017. These value chain analyses were later enriched and cross-checked via additional interviews, as described below.

Both primary and secondary data were collected. Primary data collection included semi-structured interviews and observations in Bratasena, Dipasena, Lamongan and Surabaya. For the value chain analysis of the first company, 119 people were interviewed including over 20 former processing workers (17 female) and more than 19 shrimp farmers (five female) – identified through a mixture of convenience and snowball sampling techniques – as well as local traders, local and national government officials, outsourcing company representatives and management identified through the Alliance’s networks.

For the value chain analysis of the second company, 21 key informants were interviewed including current and former workers and farmers – identified through a mixture of convenience and snowball sampling
techniques – as well as labour union representatives, traders and local government officials identified through the Alliance’s networks.

For both analyses, secondary data were gathered through literature review and desk study, and observations were conducted by walking through the relevant location and/or community.

After a first iteration of the investigation indicated that labour rights abuses were potentially present in the activities of the companies, the Alliance decided to conduct further validation interviews. On the issues pertaining to the first company, this additional research was conducted for the Alliance by Dr Fitriana and KIARA, including semi-structured interviews with a further approximately 40 farmers and other key informants, including current and former workers in June and July (Bratasena and Dipasena) and November (Jakarta) 2017, identified through the same sampling techniques.

The additional research related to the second company was conducted for the Alliance by Dr Fitriana and ISBS, including semi-structured interviews with a further 15 former workers and three experts19 between October and December 2017 (Surabaya and Lamongan), identified through the same sampling techniques.

In all cases, semi-structured interview questions were designed to solicit data related to, for example, demographics of workers, basic living conditions, entry into the sector and working conditions (including types of contract and terms of work, working hours, wages, gender discrimination and the presence of trade unions and/or grievance mechanisms available to workers).

**Analysis related to fishing vessels**

Another Alliance consultant, M. Agung,20 and Alliance member KPI conducted research on issues around Indonesian fishing vessel workers. This included both mass media analysis and semi-structured interviews with key informants between April and June 2017. Key informants included: fishing vessel workers – identified through a mixture of convenience and snowball sampling techniques – labour union representatives, an agent and government officials identified through the Alliance’s networks. Follow-up interviews with experts and workers were conducted for the Alliance in Benoa in June and July 2017. In total 13 vessel workers were interviewed.

**Consent and identity protection**

All interviewees were asked for and gave consent to be interviewed and for their responses to be quoted and/or described in published reports. To avoid risks of retribution, all interviewee names have been replaced throughout all published reports, unless the individuals consented to using their real names.

To further protect the identities of interviewed workers, specific concerns and challenges reported by workers have not been attributed to the specific companies. The research findings are instead intended to
demonstrate the kinds of issues that supermarkets and other buyers should be aware of in seafood and many other global food supply chains.

Translations

As all interviews were conducted either in Bahasa or in Indonesian local languages, where direct quotes are given in published reports, these have been translated to English. Where possible, the testimonies have been translated literally. Consequently, the English syntax and grammar of the translated quotes may not always be correct. In some cases, minor edits have been made to ensure clarity.

Law

All references to or quotations of Indonesian Law relevant to the facts presented in this report have been checked for the Alliance by YLBHI, a legal aid foundation.

Limitations of the study

Both of the companies employed processing workers and sourced shrimp from Indonesian aquaculture farmers at the time the research was conducted. However, operations at two of the three processing plants whose workers were interviewed were terminated in 2017, and the interview findings therefore reflect the situation before termination. For the third plant, the findings reflect the situation at the time when the interviews were carried out.

While researchers took great care to conduct interviews discreetly and to protect the identities of informants, nonetheless, it is likely that at least some workers were not completely forthcoming about their working conditions due to the risk of reprisals.

Due to the use of non-random sampling techniques, the study should not be considered statistically representative at a national or sectoral level. Similarly, not all of the findings highlighted in the Supermarket Responsibilities for Supply Chain Workers' Rights report or in the forthcoming background research report should be considered as representative of employer practices or working conditions at all of the research locations.

Finally, because of the decision not to link specific concerns and challenges reported by workers to specific locations, it is harder for the companies involved and other stakeholders both to verify the issues and to act to address them. Furthermore, it is possible that some conditions may have improved at some locations in the period between the interviews being conducted and the publication of the findings in the Supermarket Responsibilities for Supply Chain Workers' Rights report.

However, in spite of these limitations, the Alliance is confident that the research has produced a robust depiction of the kinds of issues that are prevalent within the Indonesian seafood sector, particularly among shrimp producers and exporters. Furthermore, the similarity of many findings with those identified in the separate study in Thailand (see
Supermarket Responsibilities for Supply Chain Workers' Rights: Thailand research

Scope and objectives

In the first half of 2017, Oxfam conducted research to investigate the labour conditions of workers in the seafood sector in Thailand.

The primary research was based on semi-structured interviews conducted between March and October 2017 with current and former workers engaged in:

- seafood processing in Songkhla, Samut Sakorn and Chumphon;
- work at ports in Songkhla and Samut Sakorn; and
- work on fishing vessels in Songkhla and Samut Sakorn.

Rather than attribute specific workers' rights concerns to specific actors in these locations, the research sought to identify examples of the kinds of labour rights concerns and challenges that can arise in seafood supply chains originating in Thailand that all supply chain actors and relevant stakeholders should be aware of. A summary of key findings is included in the Supermarket Responsibilities for Supply Chain Workers' Rights report.

In the first phase, a total of 96 Cambodian and Myanmar migrant workers were interviewed between March and July 2017 through focus groups and individual interviews. They were identified through a mixture of convenience and snowball sampling techniques and with the assistance of local NGO partners active in the sector.

Interviewees comprised 68 people (44 women, 24 men) working in seafood processing facilities – including workers from some of the country's biggest shrimp and other seafood exporters – 14 (nine women, five men) working at fishing piers and ports and a further 14 (all men) working aboard fishing vessels. Some had experience working in multiple settings (e.g. they had worked on boats and in processing).

In a second phase, initial findings were validated through a further 20 individual interviews conducted between September and October 2017 with women and men in the same three provinces. These included men working on fishing vessels and women and men working in various capacities in processing plants. In addition, semi-structured interviews were conducted with staff from local NGOs with a history of working with this population of workers.

In all cases, semi-structured interview questions were designed to solicit data related to, for example, demographics of workers, basic living conditions, entry into the sector (including payment of recruitment fees and associated debts incurred) and working conditions (including types of contract and terms of work, working hours, wages, gender discrimination and the presence of trade unions and/or grievance mechanisms available.
to workers). Where applicable, victims of forced labour were identified using the operational indicators and guidelines for assessing forced labour developed by the International Labour Organization (ILO).21

In addition, interviews were conducted with relevant Thai ministries, namely the Ministry of Labour, the Department of Fisheries in the Ministry of Agriculture and the Command Centre for Combating Illegal Fishing (CCCIF), as well as relevant external stakeholders in the seafood industry. This was to provide inputs and recognition of the reform progress being made by the Royal Thai Government and key stakeholders over the past few years.

Consent and identity protection

All interviewees were asked for and gave consent to be interviewed and for their responses to be quoted and/or described in published reports. To avoid risks of retribution, all interviewee names have been replaced throughout all published reports, unless the individuals consented to using their real names.

To further protect the identities of interviewed workers, specific concerns and challenges reported by workers have not been attributed to the specific companies. The research findings are instead intended to demonstrate the kinds of issues that supermarkets and other buyers should be aware of in seafood and many other global food supply chains.

Translations

As all interviews where either in Thai, Khmer, or Burmese, quotes have been translated to English. Where possible, the testimonies have been translated literally. Consequently, the English syntax and grammar of the translated quotes may not always be correct. In some cases, minor edits have been made to ensure clarity.

Limitations of the study

While researchers took great care to conduct interviews discreetly and to protect the identities of informants, and Oxfam reasonably believes that the interviewees shared their direct experience of working conditions truthfully, nonetheless, it is likely that at least some workers were not completely forthcoming about their working conditions due to the risk of reprisals.

Due to the use of non-random sampling techniques, the study should not be considered statistically representative at a national or sectoral level. Similarly, not all of the findings highlighted in the Supermarket Responsibilities for Supply Chain Workers’ Rights report should be considered as representative of employer practices or working conditions at all of the companies whose workers were interviewed.

Finally, because of the decision not to link specific concerns and challenges reported by workers to specific locations, it is harder for the companies involved and other stakeholders both to verify the issues and to act to address them. Furthermore, it is possible that some conditions may have improved at some plants in the period between the interviews
being conducted and the publication of the findings in the *Supermarket Responsibilities for Supply Chain Workers' Rights* report.

However, in spite of these limitations, Oxfam is confident that the research has produced a robust depiction of the kinds of issues that are prevalent within the Thai seafood sector, particularly among shrimp producers and exporters. Furthermore, the similarity of many findings with those identified in the separate study in Indonesia (see above), and a number of other recent reports from other organizations referenced in the *Supermarket Responsibilities for Supply Chain Workers' Rights* report, suggest that these are challenges which go beyond one or two problematic supply chains, and are instead systemic.
4 HOUSEHOLD FOOD INSECURITY ACCESS SCALE (HFIAS) SURVEY

According to the UN Food and Agriculture Organization (FAO), food security is ‘a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life’.  

The HFIAS is an experience-based tool for assessing food insecurity at household level. It is a survey of nine questions which explore the respondent’s experiences of food access. It was developed for use in USAID’s Food and Nutrition Technical Assistance Project, and was used initially to measure household food insecurity in the United States. It has since been used extensively in countries around the world, by government bodies, NGOs and academics. It is one of the few such tools which is adaptable to local contexts, and so can be used effectively across countries and cultures. It can be completed quickly and easily, in any language, and either in writing or verbally.

The HFIAS approach enables an assessment of food insecurity at household level by providing a set of indicators of the key factors which constitute food insecurity – asking questions about time (how often people do not have enough to eat), food quality (whether people are able to access safe and nutritious food) and food preferences (whether people are able to eat what they would like to eat). The full list of questions is provided in the spreadsheet containing the raw data from the surveys available at the link below.

It enables interviewers to create a snapshot of a household’s food situation, but it can also be repeated over time to gather information about long-term trends or seasonal differences in access to food.

For the purposes of this study, in April–July 2017, Oxfam staff and partners conducted HFIAS surveys with small-scale food producers and workers in five countries, all of whom were connected to international supply chains serving supermarkets or other food retail outlets. The research in South Africa was carried out by the Women on Farms Project.

See Table 1 below for details.
### Table 1: HFIAS survey countries and commodities

<table>
<thead>
<tr>
<th>Country</th>
<th>Commodity</th>
<th>Sample size</th>
<th>Date</th>
<th>Interviewed</th>
</tr>
</thead>
<tbody>
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<td>Italy</td>
<td>Fruit and vegetables</td>
<td>42</td>
<td>June 2017</td>
<td>Seasonal workers; permanent workers</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Rice</td>
<td>100</td>
<td>July 2017</td>
<td>Rice growers; rice workers</td>
</tr>
<tr>
<td>The Philippines</td>
<td>Bananas</td>
<td>147</td>
<td>June 2017</td>
<td>Harvesting or planting workers; farmers; packing workers</td>
</tr>
<tr>
<td>South Africa</td>
<td>Grapes</td>
<td>101</td>
<td>June 2017</td>
<td>Seasonal workers; permanent workers</td>
</tr>
<tr>
<td>Thailand</td>
<td>Shrimp</td>
<td>64</td>
<td>April 2017</td>
<td>Pier workers; pier workers/fishers; factory workers; fishers</td>
</tr>
</tbody>
</table>

5  ANALYSIS OF THE DISTRIBUTION OF VALUE ACROSS A BASKET OF FOOD COMMODITIES OVER TIME

To underpin the quantitative analysis in Oxfam’s *Ripe for Change* report, Oxfam commissioned two comprehensive studies to better understand the distribution of value in food value chains and its evolution over time.

**Duke Center on Globalization, Governance and Competitiveness study on Measurement in a World of Globalized Production**

A study by renowned global value chain academics Ajmal Abdulsamad and Gary Gereffi aims to empirically illustrate trends in the distribution of value-addition in agri-food value chains. It also applies the global value chain (GVC) governance framework to conceptualize the primary drivers of ‘unequal’ value distribution.

The research approach integrates quantitative and qualitative GVC analytical methods and draws on different databases to source country- and firm-level data and statistics. First, it applies the decomposition method from Z. Wang, Wei, Yu and Zhu (2016) to model distribution of value in agri-food GVCs using World-Input Output Database (WIOD) tables. Demand in the model is represented by food consumption in 40 WIOD countries. Supply to satisfy this demand is global – it includes domestic production in each of the WIOD countries and imports of intermediate and final agri-food products under different production sharing models from around the world.

As shown in Figure 3 below, demand in a country ‘s’ of the 40 WIOD countries is supplied, as follows: a) a purely domestic value-add component; b) direct import of intermediates that are then processed and consumed in ‘s’ (e.g. value-add bananas imported from Ecuador and ripened in U.S. for final consumption); c) imported intermediates crossing multiple borders before being processed and consumed in ‘s’ (e.g. German manufacturing and consumption of chocolates based on import of processed cocoa products from the Netherlands, which imported beans from Côte d’Ivoire); d) direct import of final products (e.g. US value-add import and consumption of packed fresh asparagus from Peru); and e) domestic intermediates that, once exported, return to country ‘s’ and are embedded in final product imports (e.g. Côte d’Ivoire’s value-add cocoa beans exported to European countries where chocolate is manufactured and returned for consumption back to Côte d’Ivoire). The
global model aggregates these value chain strands for an agri-food GVC that covers all countries – 40 countries plus the ‘rest-of-the-world’ – on the supply side and only the 40 WIOD countries on the food consumption or demand side.

Figure 3: Agri-food Global Value Chains: aggregate input-output model

Value distribution of final food products is across country-sector pairs that include 35 economic sectors and 40 countries, plus a category for ‘rest-of-the-world’ contained in the WIOD tables. Value-add embedded in a given dollar of food expenditure by consumers in WIOD countries is, therefore, estimated and distributed into shares of value that are appropriated in different agri-food GVC segments, ranging from the input and services to farming, intermediates trade, food manufacturing, and distribution and retail in destination countries (Figure 3).

Second, the model from Timmer, Dietzenbacher, Los, Stehrer, and Vries (2015) is applied to calculate value-add as shares of income to capital and the different categories of labour for each of the different country-sector pairs. This model estimates the ratio of production factors needed to produce one unit of output based on the global input-output structure of an industry. The model traces income accruing to labour and capital in producing one unit of final agri-food product.

In the third step, data analysis and interpretation of findings draw extensively on the GVC framework, firm-level analysis and literature covering dynamics in agri-food GVCs. This step focuses on conceptualizing potential association between trends in distribution of value and three variables as fundamental potential drivers of the
observed trends: asymmetries in ‘bargaining power’ between the successive segments in value chains; ‘positional power’ of lead firms in ‘driving’ value generation and appropriation in the chain; and the strength of policy and institutional frameworks affecting value generation and appropriation by small and medium producers in developing countries.

Three product-country case studies are included to further illustrate variations in product-market characteristics and differences in value chain governance.

The full research report will be published in 2018.

Bureau for the Appraisal of Social Impacts for Citizen Information (BASIC) study on the distribution of value and power in food value chains

A study by the Bureau for the Appraisal of Social Impacts for Citizen Information (BASIC) complements the Abdulsamad and Gereffi study, by drawing on the GVC framework to produce in-depth, bottom-up estimates of historical and projected future trends in the distribution of value across a basket of 12 common food products sourced from a range of developing countries and sold in seven consumer countries of particular interest to Oxfam's new campaign (Germany, Indonesia, the Netherlands, South Africa, Thailand, the UK and the US). It also assesses the changes necessary in the estimated current distribution of value to enable small-scale producers and/or workers to achieve estimated benchmarks of a 'living' income or wage.

The composition of the basket of products was guided by data availability and based on the following criteria: products which are commonly purchased by consumers in supermarkets; cultivated in small-scale as well as large-scale farming systems; and with significant participation from women in the workforce. For each, a single ‘representative’ country of production was chosen, guided by data availability and based on the share of imports into the seven countries of consumption.

The 12 products selected are orange juice from Brazil, coffee from Colombia, cocoa from Côte d'Ivoire, bananas from Ecuador, tea from India, canned tuna from Thailand, green beans from Kenya, tomatoes from Morocco, avocados from Peru, table grapes from South Africa, rice from Thailand and shrimp from Vietnam. Two further studies of shrimp from Indonesia and Thailand were subsequently added.

For each of these products, value distribution was estimated between 1991 and 2015, drawing on a wide range of sources, including trade databases, government statistics and secondary literature, to compile standardized data points for costs at each stage in the value chain, including consumer prices, VAT, costs of processing, tariffs, import and export prices, farm gate prices, workers’ wages and the cost of farm inputs.
These data points were converted into percentages of the total value accruing to actors at each stage in the chain, to allow 'snapshot' comparisons to be made between the distribution of value at different historical points. Results are presented both for individual food products sold into each of the consumer countries, and as weighted averages (according to the share of imports into each consumer country) across the basket for each of the consumer countries and across all of the consumer countries assessed. In addition, the data points have been adjusted for inflation to show their long-run evolution over time. Note that sometimes not all percentages in the chain sum to 100% due to rounding.

Estimates of the value distribution in 2030 have also been calculated for individual food products in a ‘business-as-usual’ scenario, using the future projections of the World Bank on commodity prices and a linear regression of the value distribution data consolidated since 1991.

Estimates of the necessary changes in the distribution of value to ensure that small-scale producers and workers achieve a decent standard of living for them and their families were based on available estimates of ‘living’ incomes and wages, each of which are described in detail in the forthcoming research report.

It is important to note that while data points were produced for as many costs at each stage of the chain as possible, the value shares should not be equated with net profit since each actor in the chain will have further costs to be covered from their share. Where value shares have increased over time, therefore, this may reflect increases in such further costs and/or increases in net profits of the respective actor.

Importantly, the calculations in this study are intended only to provide quantitative ‘orders of magnitude’ for the distribution of value among the most common set of actors in each chain. While acknowledging the wide variety of organizational frameworks that can be found in food value chains, which can lead to variations in the results, the estimates calculated in this study nevertheless provide a first comprehensive evaluation and basis for discussion among actors and stakeholders of each value chain analysed.

The raw data is available here: https://policy-practice.oxfam.org.uk/publications/ripe-for-change-methodology-and-datasets-620478

The full research report will be published in 2018
6 CALCULATION OF SHAREHOLDER DIVIDENDS, EXECUTIVE COMPENSATION AND WORKER COMPARISONS

To calculate executive pay, Oxfam used the figures for total calculated compensation. This is the sum of all compensation components which include: salary; bonus; other annual compensation; restricted stock awards; stock grants; long-term incentive plans (LTIPs); all other compensation; option awards; change in pension plan/non-qualified deferred comp earnings; director fees; director stock awards; director option awards; director non-equity incentive plan compensation; director change in pension plan/non-qualified deferred comp earnings; director all other compensation; director stock grants; non-equity incentive plan compensation; director bonus; non-equity annual incentive plans; and non-equity long-term incentive plans.

The cash returned to shareholders is the sum of common and special dividends and share buybacks.

The data on executive compensation, dividends and share buybacks is based on statutory reporting requirements sourced via S&P Capital IQ, based on the financial year 2016, the most recently available date at the time of research and publication.

Oxfam used the High Pay Centre’s methodology for calculating the number of working days of an executive. It was assumed that executives ‘work 12 hours a day, including three out of every four weekends, and take fewer than 10 days’ holiday per year.’

To calculate the gap between prevailing and living wages, the data was drawn from Asia Floor Wage, the ILO and a study by researcher Dr Ria Fitriana, cited below. Oxfam estimated the years worked for a shrimp processing worker in Thailand to be 50.

Exchange rates were drawn from XE.com.

The comparisons made with worker wages are designed to show an equivalency and are based on prevailing wages in that country and sector rather than being specific to the individual companies. It is not possible to determine the number of workers and typical wages in each of the individual companies based on publicly available data.


NOTES


7 See for example:


8 Note that the right to an adequate standard of living is enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights (1966). See http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx


10 Ibid.


14 Members: Kiana (Koalisi Rakyat Untuk Keadilan Perikanan), KPI (Kesatuan Pelaut Indonesia), ISBS (Institut Solidaritas Buruh Surabaya), YLIK (Yayasan Lembaga Konsumen Indonesia), and YLBHI (Yayasan Lembaga Bantuan Hukum Indonesia).


16 Value chain analysis is a method used to analyse how the market works through identifying the core processes and the full range of activities (e.g. production, processing, and distribution) conducted by actors; relationships between actors; and the produce values transferred along the chain to bring a product to final consumers.

17 Dr Ria Fitriana is researcher specializing in natural resource-based livelihoods of coastal communities in Indonesia, especially in the fisheries sector. Dr Fitriana regularly conducts research on marine product value chains in Indonesia and the involvement of communities of farmers and workers, especially women.

18 Name lists and transcripts are in possession of the researcher and the Alliance.

19 The three experts include the following: one has been working with processing workers at multiple companies for years, especially women, and knows the relevant conditions at two of the plants where workers were interviewed by the Alliance. As she requested anonymity, she is
referred to in this paper as a ‘labour expert.’ Dr Bejo (a pseudonym in order to protect his identity) is a medical doctor and an expert on occupational safety and health at an Indonesian university. Dr Bejo leads a provincial Association of Company Doctors which monitors occupational safety and health (OSH) policies and practices of companies, including seafood companies. Dr Joko (also a pseudonym) is a legal expert specializing in labour law. Dr Joko teaches at an Indonesian university and has specific expertise on workers’ health issues, as well as years of on the ground experience with company policies and practices.

Muhammad Agung Riyadi is a senior journalist with 20 years’ experience of investigative reporting, and has conducted fishing vessel research in Indonesia with Greenpeace. Agung is owner of villagerspost.com and an activist for the Green Media Forum.


A situation that exists when people (or a person) lack(s) secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life. It may be caused by unavailability of food, insufficient purchasing power, inappropriate distribution or inadequate use of food at the household level. Food insecurity, poor conditions of health and sanitation and inappropriate care and feeding practices are the major causes of poor nutritional status. FAO, IFAD, UNICEF, WFP and WHO. (2017). The State of Food Security and Nutrition in the World 2017. Op. cit.


Ibid.
