

# ENHANCING THE EFFECTIVENESS OF GRIEVANCE MECHANISMS IN MULTI-STAKEHOLDER INITIATIVES

POLICY BRIEF  
April 2023

## KEY MESSAGES

- 1** This briefing explores the potential of grievance mechanisms in multi-stakeholder initiatives to address the adverse impacts of corporate activity on workers and communities.
- 2** It is based on a four year research project which examined grievance mechanisms in six MSIs.
- 3** It finds that grievance mechanisms can provide significant benefits to workers and communities.
- 4** But individual grievance mechanisms perform very differently from one another. At the same time a variety of serious problems currently undermine the value of of grievance mechanisms for workers and communities.
- 5** The briefing therefore makes ten recommendations for how to enhance MSI grievance mechanisms in the future.

## KEY RESOURCES

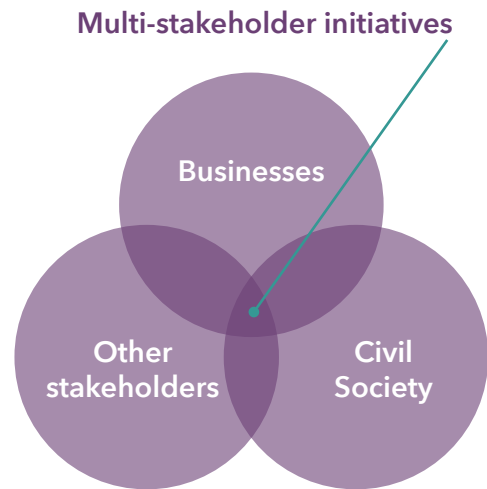
- [‘Grievance Mechanisms in Multi-Stakeholder Initiatives: Providing Effective Remedy for Human Rights Violations?’](#) Business and Human Rights Journal (2023): 1-23.
- ‘The value of complaints mechanisms in private labour regulation of GVCs: A case study of the Fair Labor Association’ Under review, International Labour Review, available on request from authors.
- [‘Assessing the effectiveness of non-state-based grievance mechanisms in providing access to remedy for rightsholders: A case study of the Roundtable on Sustainable Palm Oil’](#) Business and Human Rights Journal 6.1 (2021): 67-92.
- Nomogaia, [MSI grievance mechanisms database and reports](#) (2023)

# 1. WHY ARE GRIEVANCE MECHANISMS SO IMPORTANT?

**Multi-stakeholder initiatives (MSIs)** are collaborations between businesses, civil society and other stakeholders which seek to address issues such as human and labour rights and sustainability. However, academic studies have raised concerns that MSIs often fail to tackle the adverse impacts of corporate activity on workers and communities.

Grievance mechanisms allow communities and workers to complain about companies' behaviour and to have those complaints independently adjudicated. They therefore have the potential to play an important role in making MSIs more accountable. Our research sought to understand how grievance mechanisms are functioning in practice, and how they might be improved in the future.

We identified twenty-six MSIs which currently have grievance mechanisms (see below). More are likely to have them in the future. For instance, the German Human Rights Due Diligence Supply Chain Act and the draft EU Directive on Corporate Sustainability Due Diligence both require companies to provide for, or participate in, human rights complaint mechanisms.



**26**  
**MSIs with  
Grievance  
Mechanisms**

- The Aluminum Stewardship Initiative
- Bangladesh Accord
- Better Cotton Initiative
- Bonsucro
- Equitable Origin
- Fair Labor Association (FLA)
- Fair Stone
- Fairtrade International
- Fair Wear Foundation (FWF)
- Forest Stewardship Council (FSC)
- Global Organic Textile
- ICTI Care Process
- International Code of Conduct Association
- Kimberly Process
- International Seafood Sustainability Foundation
- International Sustainability and Carbon Certification
- Marine Stewardship Council
- Program for Enforcement of Forest Certification
- Rainforest Alliance
- Roundtable on Responsible Soy
- Roundtable on Sustainable Biomaterial
- Roundtable on Sustainable Palm Oil (RSPO)
- Social Accountability International
- Sustainable Forestry Initiative
- UTZ Certified
- UN Voluntary Principles on Security and Human Rights

## 2. RESEARCH METHODS

We investigated all six grievance mechanisms which had publicly available information about the claims they had received. These are the Bangladesh Accord, Bonsucro, the FLA, FWF, the FSC and RSPO.

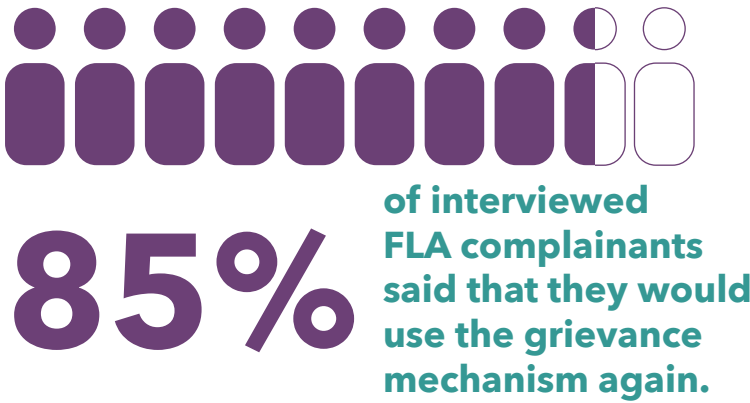
### This research included:

- **Creating a database** of more than 2,000 claims that involved human rights issues.
- **Categorising those claims** in various ways including whether claims were upheld and whether MSIs said that claimants received remedies.
- **Interviewing** claimants, MSI representatives, civil society organisations, trade unions and other relevant actors (more than 90 interviews and focus groups in total) to understand how grievance mechanisms functioned and the outcomes they produced for rightsholders.

### 3. KEY FINDINGS

Grievance mechanisms can provide significant benefits to workers and communities (e.g. compensation, injunctive relief, reinstatement to jobs, action taken against abusive corporate officials etc.).

For instance, our study of the Fair Labor Association Grievance Mechanism identified that the vast majority of complainants found it to be valuable.<sup>1</sup>



*I would use the FLA complaint mechanism again because it was the main reason we got paid a compensation [after the factory closure]. I would use it again and recommend that others use it*



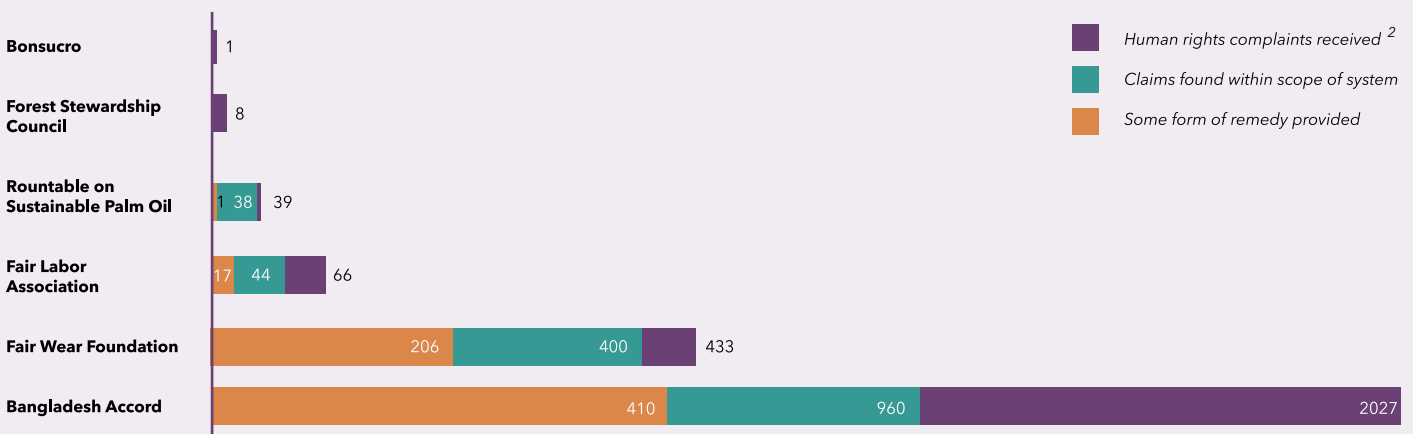
*FLA claimant (Guatemala), WhatsApp call, 4 May 2021).*

But individual grievance mechanisms perform very differently in terms of the number of claims they receive and the proportion of claims where some form of remedy is provided to the claimant.

**See the figure below which sets out:**

- (1) the number of complaints each grievance mechanism received,
- (2) how many complaints were accepted as within the scope of the mechanism and
- (3) how many complaints were upheld and some form of remedy was provided according to the MSI.

**FIGURE 1: Complaints, claims and remedies within grievance mechanisms**



<sup>1</sup> The Fair Labor Association was the only MSI with significant numbers of cases both where some form of remedy was provided and where we were able to speak directly to rightsholders.

<sup>2</sup> The claims reviewed were all those reported until these dates: RSPo: 1 April 2020; FSC: 1 September 2021; Bonsucro: 1 January 2021; Fair Labor Association: 1 September 2021; Fair Wear Foundation: 1 January 2021; Bangladesh Accord: 30 September 2021. For FWF, a number of claims still open on 1 January 2021 were not counted.

## The key issues here:

- The numbers of complaints handled by the different mechanisms are **VERY different**.
- The outcomes achieved in terms of cases where remedy is provided **also VARY significantly**.



### OUTREACH & ACCESS

The Bangladesh Accord and Fairwear Foundation had the most claims.

The Bangladesh Accord had a major outreach and training programme which includes handing out booklets at 'all worker' meetings with its complaint system's phone number.

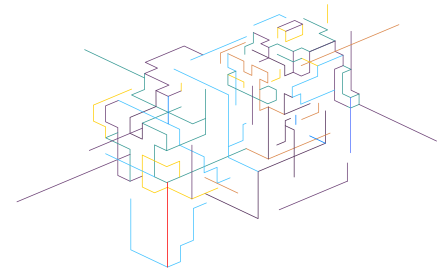
FWF posted the phone numbers of its claims handlers in factories. Those claims handlers answered claimants' phone calls in appropriate local languages.

## COMMON PROBLEMS

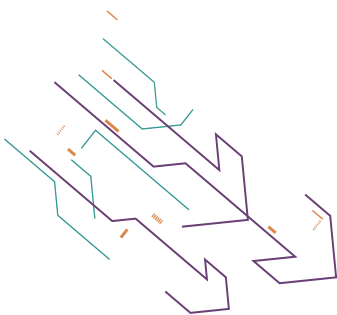
with grievance mechanisms which limited the numbers of claims brought and remedies provided included:



**Insufficient outreach** to make workers and /or communities aware of the grievance mechanism in the first place.



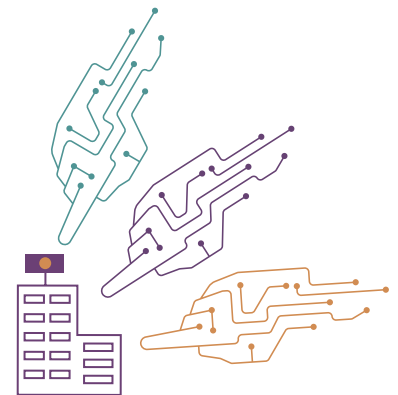
**Complex and inaccessible** systems for making claims (e.g. not in languages used by claimants).



**Insufficient resources** and ability to properly and speedily investigate claims.

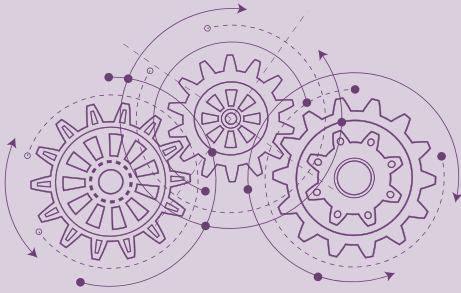


**Lack of effort** to tackle retaliation against claimants.



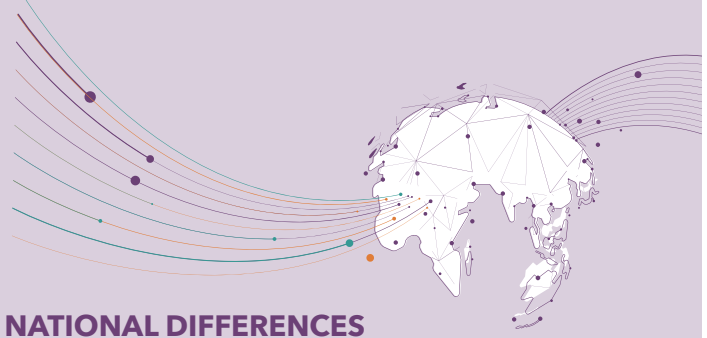
**Problems with ensuring that relevant corporate actors actually comply**, where claims are upheld and remedies ordered,.

**Key differences in terms of how and where grievance systems operated were also significant:**



**STRUCTURAL DIFFERENCES**

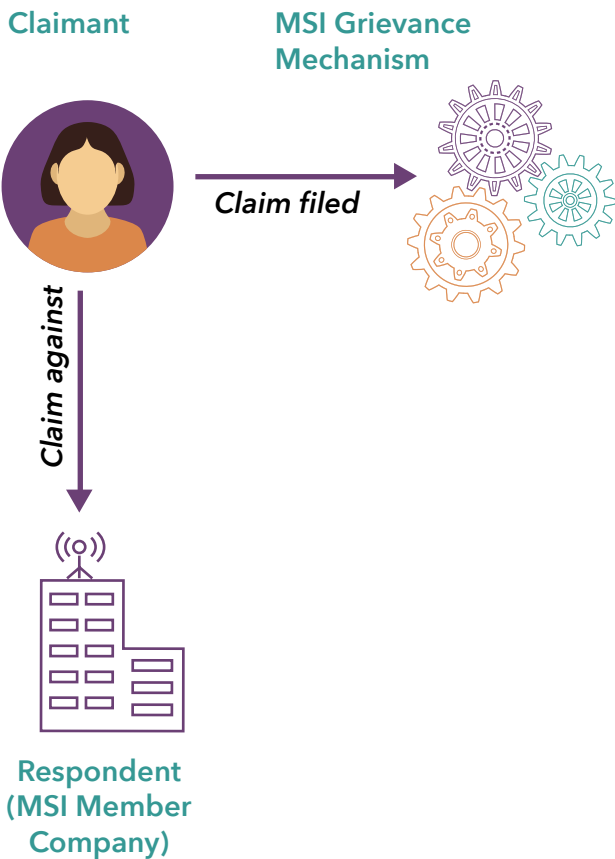
Significantly better outcomes were achieved by MSI grievance mechanisms which are tasked with addressing complaints made against the factories which supply MSI members (the Bangladesh Accord, FLA and FWF), compared with those where complaints are made directly against MSI Members themselves (Bonsucro, FSC, RSPO). The former we call “three-party systems”, the latter “four-party systems (see diagram below).



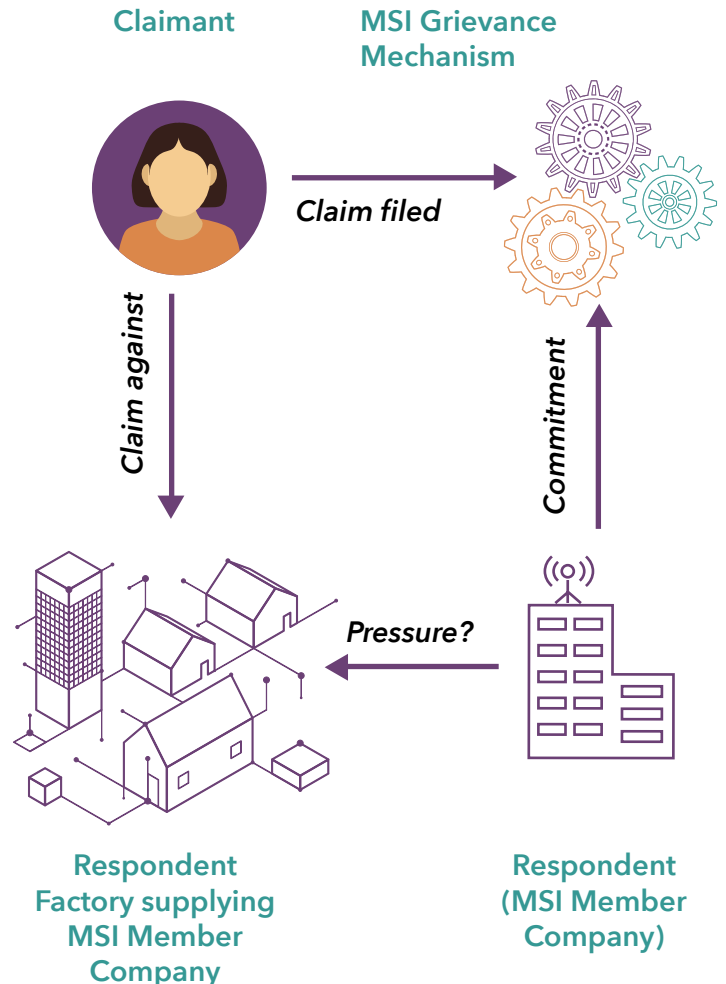
**NATIONAL DIFFERENCES**

The national policy context made a significant difference to the effectiveness of grievance mechanisms. For instance, FLA has very few claims from China (one) and Vietnam (two), despite massive apparel production in those countries. Those two countries do not have legitimate independent trade unions which confront factories over labour rights abuses and so cases are not brought by unions in these countries through the FLA system.

**THREE-PARTY SYSTEM**



**FOUR PARTY SYSTEM**



## 4. TEN RECOMMENDATIONS FOR EFFECTIVE GRIEVANCE MECHANISMS

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### A. MAKE IT REAL: Structure of the Grievance Mechanism

To function well, grievance mechanisms must be adequately resourced and intelligently scoped, addressing the types of claims from the types of claimants that they can actually handle in the contexts in which they arise:

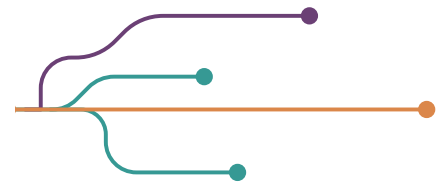


- 1 Make the effort and spend the money**  
Meaningful outreach, an accessible complaints system, credible and timely investigations, verified remedies for successful claimants. All of these elements require careful design and must be adequately resourced.
- 2 Tailor the mechanism to the national and local context**  
The barriers that prevent claimants from making claims, investigations being successfully completed and remedies being provided are different depending on the context. So, understanding those contexts is crucial.

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### B. MAKE IT WORK: Process

The focus should be on the claim and the claimants. Understanding the complaint mechanism from the claimants' point of view is vital. This needs to include:

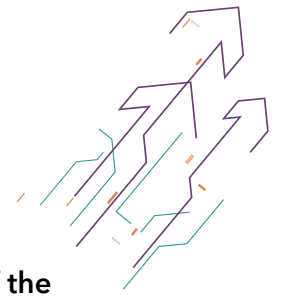


- 3 Conduct meaningful outreach and provide real access**  
Claimants will not find the grievance mechanism by themselves and they should not require expert help and assistance to bring a claim.
- 4 Undertake investigation of claims**  
The factual issues at stake in the claim must be investigated through the claims system. It cannot be left to the claimant and respondent to do this and then present the evidence to the claims system. There is too great a disparity in resources between them.
- 5 Provide demonstrably competent and impartial investigators:**  
The quality and experience of investigators and their trustworthiness to all parties in the dispute are critical. Investigatory standards should be carefully set and compliance regularly reviewed.
- 6 Act quickly**  
The time it takes to reach a decision matters hugely to the claimants. Speed up all parts of the decision process which do not impair the quality of the decision.
- 7 Create justified trust in claimants' protection from retaliation**  
Every effort must be made to prevent retaliation. This includes exposing and investigating retaliation as an additional process, as well as preventing retaliation by publicly sanctioning those responsible.

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## C. MAKE IT MATTER: Finding a remedy

For deserving claims, the ultimate outcome of the complaint mechanism is the remedy it provides. Complaint mechanisms are rightly judged on the effectiveness of the remedies they provide. Key aspects of this are:



### 8 Leverage over the respondent must be commensurate with the magnitude of the remedy ordered

If remedies are to be meaningful they will often be painful and expensive for the respondent. The grievance mechanism must have powers sufficient to cause the respondent to do as ordered.

### 9 Remedies must be verified

The case ends when the remedy has been carried out, not when it is ordered. This must include confirming with the claimant that the remedy has been received.

### 10 Address Systemic Issues

It is typical for grievance mechanism to see the same fact situation repeated many times. It is not enough to address each case individually. Rather information from claims should be used to fix the underlying problems.



**Please get in touch with the project team for more information**



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