



The Rethinking Value Chains Collective

Our Manifesto

The Rethinking Value Chains Collective stands for radical change. We work towards the creation of a global economic and political system where workers, small farmers and communities have access to the social, economic and environmental resources they require for a decent standard of living, whilst preserving and regenerating natural ecosystems. In order to transform the economy based on the principles of solidarity, justice and ecological integrity, we need to rethink value chains.

Who we are

Founded in 2016 and launched with a conference on the 'regulation and governance of value chains', the Collective brings together local and international not-for-profit actors and organisations including NGOs, trade unions, small farmer networks, academic institutions and independent research institutions. We understand the detail - and started out with specific expertise in agriculture, textiles, electronics and extractive industries - but we work to change the big picture.

We are increasingly working on other key sectors such as the transport, logistics and tertiary services towards a holistic vision of value chains. We invite new members to join the Collective in order to broaden our areas of expertise and deepen our analysis.

Our common goal is two-fold: to challenge the root causes of the economic exploitation, human rights abuses and environmental degradation that characterise the majority of international value chains¹, and to imagine alternatives based on respect for human rights and the essential need for ecosystem health.

Why we exist

The RVC Collective exists to analyse and address the **systemic issues that underlie the impunity** with which corporations frequently violate national laws and international standards protecting human and labour rights and the environment.

Investment-led economic development to achieve **market-driven growth is neither sustainable nor resilient as a model for development**. Value chains have become the dominant mechanism for international investment and trade. However, the power imbalances within these chains have resulted in a global economy dependent on a largely precarious workforce paid poverty wages (with informal and migrant workers being particularly vulnerable), on the concentration of land resources away from communities and into the hands of corporations, and on the continual degradation and destruction of vital ecosystems. In this context, women and girls undertaking reproductive and care work in

¹ Value chain: the series of stages involved in producing a product or service that is sold to consumers, with each stage adding to the value to the product or service, extending to include disposal at the end of the product's life.

the home and the community are dismissed as **high cost, low profit citizens** and are regularly subject to harassment and even violence when they do enter the world of work. Other marginalised groups such as indigenous and minority ethnic communities, migrants, LGBTQ+ citizens, older people, and those with disabilities are often excluded from and harmed by this economic system.

The prevalence of neoliberal economic policy since the 1970s has led to a period of **unparalleled consolidation of corporate power at global level directly linked to a decrease in the power of political institutions**. Trade and investment agreements, and the competitive nature of the markets they shape, further exacerbate the erosion of social protection and the ability of national governments to regulate in the public interest. A parallel justice system embedded in these agreements (Investor-state dispute settlement) directly undermines democratic processes by allowing corporations to sue states for legislation or court rulings that, they argue, will affect their profits.

Organisers, activists and journalists that stand up for the rights of workers, communities and other marginalised groups are increasingly subject to **repression and violence** at the hands of national governments or private companies.

What we do

The Rethinking Value Chains Collective provides a space to develop strategy and actions, based on the sharing of experience between our members, in order to support and strengthen our work towards changing the current economic and political system. We aim to improve **existing** economic, legislative and governance structures and redress power imbalances within them (“hegemonic” change). We also contribute to the construction of **alternative** models of trade, self-reliance and global interdependence (“anti-hegemonic” change).

The vision of the Rethinking Value Chains Collective is organised around four pillars:

I. **Empowered workers, producers and communities**

The empowerment of workers and their trade unions, small producers and their representative organisations, and local communities, is at the heart of our vision. It is essential that these primary stakeholders – including their female representatives – have the power and the ability to defend their rights and engage in negotiation, collective bargaining and legal action to make their voices heard at company, industry and government level.

The active engagement of all marginalised groups that may be vulnerable within value chains - to strengthen their social and economic position and to advance solutions that address their specific needs - is essential in the urgently necessary transformation to sustainable, fair and resilient value chains.

II. **Binding regulation on corporations**

The absence of an adequate regulatory structure has resulted in numerous disasters, from the Rana Plaza tragedy in Bangladesh, to the Chevron environmental disaster in Ecuador.

In the case where companies - or individuals and departments within them - have a genuine motivation to raise social and environmental standards along their value chains, the structural and institutional imperative to drive down prices and maximise shareholder profit repeatedly emerges as a barrier to change. In this context, the Collective takes the position that voluntary initiatives are insufficient to safeguard human and labour rights and ecosystem health at national and global level.

Our vision is of binding regulation and sanction systems on corporations that effectively safeguard the labour, human and environmental rights of workers, producers and communities along value chains and that ensure justice for victims. Companies must be made liable for violations, including those that are linked to their contractors, subcontractors, subsidiaries or suppliers. Where the willingness or ability of a state to regulate corporate activity is absent or weak, alternative law forums offer possible routes to justice. The primacy that trade and investment agreements have gained over the pre-existing international institutions and processes which were established to promote social well-being, environmental sustainability and peace needs urgently to be reversed.

III. **A fair distribution of value along chains**

Present day value chains are characterised by massive concentrations of (buying) power at the level of retailers and large traders who are able to dictate the terms of trade. The diminished bargaining power of producers and other suppliers means they are often left with a painful choice – to sell on poor and unpredictable terms, or not to sell at all. As the coronavirus pandemic in 2020 clearly demonstrated, these value chains are not resilient, and at times when trade is disrupted, risk is transferred down the chain so that the costs are borne disproportionately by the most vulnerable actors.

The transformation of economic and pricing systems, in order to safeguard human and labour rights and regenerate ecosystems, is an urgent necessity. The redistribution of value along existing chains is central to this transformation. However, in some chains the price to the consumer is currently below that needed to cover sustainable costs of production including, for example, the payment of living wages and respect for the reproductive rights of women workers. Measuring social, economic and ecological impacts at different stages of value chains - often known as market "externalities" - makes hidden costs visible so that they can be "internalised" in the financial flows and relationships that characterise international trade and investment.

IV. **Economic alternatives in construction**

The Rethinking Value Chains Collective provides a space to creatively and pragmatically reimagine the economic, governance, and legislative frameworks that shape value chains. We need a business ecosystem that is not defined and restricted by the primacy of shareholder profit over all other forms of social and environmental value. Different legal frameworks and models of ownership can enable enterprise that is redistributive instead of exploitative, ecological instead of extractive. We need also to strengthen the democratic structures through which human, labour and environmental rights are advanced - including the provision of universal basic services.

In this work of reimagining, we consider the need for relocalisation as well as the importance of value chains at regional, national and global levels. We hold a vision of open, localised economies based on equitable relationships, cultural diversity and ecological integrity. And we believe that global interdependence is enriching when it creates new possibilities, and when it is based on a broader conception of value, for example taking into account the social value of a good or service. Global interdependence can complement local self-reliance when international trade is managed within environmental limits and based on respect for human rights. During this period of transition and transformation, new enterprises and chains of value - their actors, their modes of production, distribution and disposal, and their values - require insulation from the growth-driven market economy.