
COUNTRY OF ORIGIN LABELLING AND PURCHASING CUT FLOWERS IN AUSTRALIA: WHAT ARE THE SOCIAL AND MORAL CONSIDERATIONS FOR CONSUMERS?

JULIA WERREN*

Buying cut flowers is often central to celebrating significant life events or occasions around the world. Many of us though would be unsure or perhaps ambivalent about where these flowers are grown or who actually grows them. In Europe and America there has been widespread attention given to this issue as a result of campaigns that were directed to consumers relating to the working conditions and rates of pay that many cut flower workers receive. To date, these issues have not received the same amount of attention in Australia that they have received in the aforementioned regions. The main question that this article will address is whether or not this apparent lack of consumer awareness about where our cut flowers are sourced and the working conditions in the industry is a problem in need of reform. In order to analyse this issue, this article will discuss some of the concerns that have been addressed in the literature relating to the cut flower industry in some overseas jurisdictions and will then go on to discuss whether or not these issues are relevant in the Australian context and to the Australian cut flower industry. The article will also comment on whether country of labelling for cut flowers in Australia should be made mandatory as it is for edible products. In this regard corporate social responsibility and consumer responsibility theories will be discussed in order to canvass what the possible areas for reform may be in Australia.

I INTRODUCTION

In the past decade there has been attention focused on the safety and conditions of workers within the cut flower industry in countries such as Colombia, Kenya and Ecuador. The concerns that have been highlighted about the industry have gained traction in countries such as the United States and the United Kingdom which led to consumer campaigns that in many cases have had a direct positive impact on cut flower workers' working conditions in developing countries. Interestingly though, the same level of awareness of these issues has not reached Australia. Whether or not this is a problem is a matter of contention, however, in the opinion of the author there has been a shift towards consumers wanting to know where the goods that they purchase are derived from, which would indicate that this lack of awareness is a problem. In Australia, consumers of cut flowers are often not in a position to

* Julia Werren is a Senior Lecturer at the University of New England's School of Law, NSW, Australia.

know where the cut flowers have originated from, as there is no regulatory requirement that country of origin labelling be present on flowers sold in Australia. This means that when consumers buy flowers in Australia they could be sourced from either within Australia or from a variety of overseas jurisdictions such as Colombia or Ecuador, but it is currently impossible for consumers to be able to draw this distinction.

This article will discuss some of the issues that have been raised in the literature surrounding the cut flower industry in the primary cut flower growing areas. The article will then look at whether or not these issues are of concern in the context of the rise of corporate social responsibility and consumer responsibility considerations. In conclusion the article will suggest that in order for Australian consumers to be more aware of where their cut flowers are coming from, the labelling requirements should be reformed to include country of origin labelling.

II SOME ISSUES THAT HAVE BEEN DISCUSSED IN THE LITERATURE ABOUT THE CUT FLOWER INDUSTRY IN SOME OVERSEAS JURISDICTIONS

A *An Overview of the Cut Flower Industry*

The commercial cut flower industry is a relatively new industry in many parts of the world. The industry has been embraced by developing countries for many reasons which include its adaptability to a wide variety of land sizes and business structures, the availability of government subsidies as well as its attractiveness to overseas investors. The industry has grown significantly in the last twenty years and in 2000 the global flower trade was assessed to be worth US\$7 billion.¹ There are many countries involved in the global flower trade but the industry is concentrated in the Netherlands, Colombia, Israel, Ecuador, Spain and Italy.² To a lesser extent, the industry is also becoming more popular with producers in developed countries such as Australia. For example, Australia's cut flower industry has been referred to as an increasingly important, but small, entity in the cut flower trade.³

The expansion of the cut flower industry has had a number of positive economic impacts on the countries that house the industry.⁴ There have, however, been numerous reports and articles written about the problems that exist within the industry, especially in developing countries. Some of the problems that have been canvassed by the literature include occupational health and safety, labour standards, discrimination and harassment. It is interesting to note that many of the aforementioned problems that are associated with the industry are not prevalent in the Australian industry. Nonetheless, the labour standards and economic structures of many of these developing countries do allow them to more effectively compete in relation to price than the Australian cut flower growers that are subject to considerable regulations. It also should be noted that some of the more recent literature has highlighted successful strategies that have been put in place to address some of the employment issues.

¹ Note that there is a lack of reliable resources and data in this area; Bettina Gollnow, *Exporting Cut Flowers* (21 October 2002) Primary Industries Agriculture
<<http://www.dpi.nsw.gov.au/agriculture/horticulture/floriculture/industry/export>>.

² Ibid.

³ Ibid.

⁴ V Meier, 'Cut-Flower Production in Colombia—a Major Development Success Story for Women?' (1999) 31 *Environment and Planning* 273, 273.

A large proportion of workers in the cut flower industry are women, which is an important consideration when addressing the concerns within the industry. For example, in Tanzania, 60% of workforces in the cut flower industry are women.⁵ In Zimbabwe, 79% of the workers in the floriculture industry are women.⁶ Finally, in Colombia up to 80% of the workers are female.⁷ At the beginning of the cut flower industry in Colombia, the female workers were predominantly the wives and daughters of local male sharecroppers or tenants.⁸ In modern times however, the female workers are more likely to be rural-urban migrants.⁹ Many of these workers may choose to work on the cut flower farms as opposed to domestic service, which is even lower-paid than unskilled work on the flower farms.¹⁰ Importantly, many of the women working in the cut flower industry are single mothers.¹¹ Furthermore, employment in the cut flower trade may also mean that women do not have to seek employment within the drug trade.¹²

However, even though there may be positive aspects for women relating to the cut flower industry there are many concerns relating to the industry that have been addressed in the relevant academic literature.

III CONCERNS ABOUT THE CUT FLOWER INDUSTRY THAT HAVE BEEN ADDRESSED IN THE LITERATURE

A *Environmental Concerns*

The sustainability of flower farms from an environmental viewpoint is an issue that will no doubt be of increasing significance on cut flower farms in future years. This is especially the case since flower farms are large-scale users of crop protection agents and fertilisers.¹³

Specific concerns about the environmental sustainability of the cut flower industry have already been raised in the literature. For example in Kenya, the fishing communities around Lake Naivasha in the Rift Valley have raised concerns about the spread of the water hyacinth.¹⁴ Apparently, this weed prospers when it is exposed to phosphates and nitrates

⁵ Tanzanian Plantation and Agricultural Workers Union, *Action Research Report: Factors Affecting Labor Conditions in Horticulture Industry in Tanzania* (February 2011), 7 <<http://www.women-ww.org/documents/Research-Booklet-TPAWU.pdf>>.

⁶ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, *Gender Dimensions of Agricultural and Rural Employment: Differentiated Pathways out of Poverty Status, Trends and Gaps* (2010).

⁷ Caroline Wright and Gilma Madrid, 'Contesting Ethical Trade in Colombia's Cut-Flower Industry: A Case of Cultural and Economic Injustice' (2007) 1(2) *Cultural Sociology* 255, 257.

⁸ Ibid 257.

⁹ Ibid 257.

¹⁰ Ibid 257.

¹¹ Nora Fern, 'Non-traditional agricultural export industries: Conditions for women workers in Colombia and Peru' (2008) 16 *Gender & Development* 13, 15.

¹² Ibid 261.

¹³ Robert Davies, 'The Impact of Globalization on Local Communities: A Case Study of the Cut-Flower Industry in Zimbabwe' (ILO/SAMAT Discussion Paper No 13, International Labour Organization, 2000) 25.

¹⁴ Christine Gichure, 'Ethical Sourcing and Moral Responsibility in Global Business: Is 'the Common Good' the Missing Factor? The Case of the Cut Flower Industry in Kenya' in G Moore (ed), *Fairness in International Trade* (Springer Science + Business Media, 2010) 69, 72.

which are in constant use on the flower farms.¹⁵ This in turn has a grave impact on the fishing stocks within the lake.¹⁶

There is some suggestion that social and environmental labelling can also have positive environmental ramifications, as the labels can help to isolate which flower farms have been environmentally responsible.¹⁷

B *Occupational Health and Safety Concerns*

1 *Introduction*

There are wide scale concerns relating to the cut flower industry and the health and safety of its workers. Many of these concerns came to light in the mid-1990s.¹⁸ The concerns highlighted in the literature relate to both the whole of workplace as well as women specifically. Our discussion will begin with an examination of the use of pesticides and other chemicals within the industry.

2 *Pesticides and Chemical Usage*

Pesticides and fertilisers are used intensively in the cut flower industry.¹⁹ When the cut flower industry was in its infancy, workers did not understand the ill effects that incorrect use of pesticides may have on their health.²⁰ Meier documents instances where workers used 'freshly sprayed flower leaves to clean their hands.'²¹ Today, workers and other stakeholders understand the problems that incorrect and unsafe pesticide usage may have on workers' health, but the literature indicates that there are still many safety concerns with the use of pesticides in the industry.

This is especially the case when protective clothing is not worn and adequate training is not provided for the workers.²² Korovkin has suggested that the farms that do provide their workers with adequate safety equipment are in the minority.²³ When protective clothing is supplied, there can also be issues in relation to the comfort levels the clothing creates and the adequacy of the equipment. According to some employers it is difficult to get the workers to wear some of the protective clothing, as the sprayers may find the clothing to be hot and uncomfortable, whilst the flower graders may find that the work takes them too long if they wear gloves.²⁴ Rose growers have also noted that chemical-resistant gloves are 'not supple and durable enough for rose harvesting.'²⁵ The other concern is that casual workers are rarely

¹⁵ Ibid.

¹⁶ Ibid, 72.

¹⁷ Davies, above n 13, 25.

¹⁸ Christopher Riddselius, *Certification Process of International Standards in the Kenyan Cut Flower Industry* (Master's Thesis, Stockholm University, 2011).

¹⁹ Davies, above n 13, ix.

²⁰ Meier, above n 4, 284.

²¹ Ibid, 284.

²² Wright and Madrid, above n 7, 259.

²³ Tanya Korovkin, 'Creating a Social Wasteland? Non-traditional Agricultural Exports and Rural Poverty in Ecuador' (2005) 79 *European Review of Latin American and Caribbean Studies* 47, 55.

²⁴ Catherine Dolan, Maggie Opondo and Sally Smith, 'Gender, Rights & Participation in the Kenyan Cut Flower Industry' (Natural Resources Institute Working Paper No 2768, Natural Resources Institute, 2002), 46.

²⁵ John Megara, 'Silver Anniversary: Comment: The Rose Industry Exception for Early Entry Into Pesticide Treated Greenhouses: Romance in Regulation' (1998) 25 *Boston College Environmental Affairs Law Review* 941, 986.

provided with protective clothing.²⁶ In addition, workers have documented that they have been directed to re-enter greenhouses straight after spraying and that they also work in the fields without shoes or gloves on.²⁷

The symptoms of pesticide poisoning include delayed neurological deficits, increased risks for some cancers and reproductive complications.²⁸ Often proving the causal connection between prolonged pesticide exposure and the aforementioned health complaints is difficult, to say the least.²⁹ As Dr Bolivar Nera, who is a health specialist at the Health Environment and Development Foundation in Quinto has stated: 'No one can speak with conclusive facts in hand about the impact of this industry on the health of the workers, because we have not been able to do the necessary studies.'³⁰

Korovkin has stated that there have been reports of workers suffering from bad headaches, dizziness, nausea and blurred vision after working with pesticides on the flower farms.³¹ Other workers have reported health problems such as skin, eye and upper respiratory tract infections as well as irregular menstrual cycles for women.³² In 2002, within the areas where the flower farms are situated in Colombia, doctors reported that in some instances there were up to five cases of acute poisonings per day.³³ It has also been suggested that pesticide-related health problems are the reason why many workers are no longer working on the flower farms.³⁴

The other concern is that it is not only the flower workers who may be exposed to the pesticide residue. The families of workers can also be exposed to pesticides as a result of pesticide residues being brought into the family home on the clothes, shoes and skin.³⁵ Also if the workers and families are living near the farms, pesticide residue may also drift into their homes from nearby farms.³⁶

There has also been some suggestion that the health of children who reside in high pesticide exposure communities have been reported as poorer than other children who do not reside in these communities.³⁷ Children aged 3–23 months in communities with high pesticide exposure scored lower on gross motor, fine motor and socio individual skills as opposed to children outside of the exposed areas.³⁸ Children can be exposed in these communities from open irrigation ditches and water systems.³⁹

²⁶ Angela Hale and Maggie Opondo, 'Humanising the Cut Flower Chain: Confronting the Realities of Flower Production for Workers in Kenya' (2005) *Antipode* 301, 312.

²⁷ *Ibid* 308.

²⁸ Thomas Arcury et al, 'Reducing Farmworker Residential Pesticide Exposure: Evaluation of a Lay Health Advisor Intervention' (2009) 10 *Health Promotion Practice* 447, 448.

²⁹ *Ibid* 448.

³⁰ Ginger Thompson, 'Behind Roses' Beauty, Poor and Ill Workers', *The New York Times* (online), 13 February 2003 <<http://www.nytimes.com/2003/02/13/international/americas/13ROSE.html>>.

³¹ Korovkin, above n 23, 55.

³² Hale and Opondo, above n 26, 308.

³³ Ferm, above n 11, 17.

³⁴ Korovkin, above n 23, 55.

³⁵ Arcury et al, above n 28, 447.

³⁶ *Ibid*.

³⁷ Alexis Handal et al, 'Effect of Community of Residence on Neurobehavioral Development in Infants and Young Children in a Flower-Growing Region of Ecuador' (2007) 115 *Environmental Health Perspectives* 128, 128.

³⁸ *Ibid* 128.

³⁹ *Ibid* 129.

3 *Working Environment*

The working conditions and environment on the cut flower farms may also have significant occupational health and safety implications. For example, the high intensity of work may lead to health problems such as repetitive strain injuries.⁴⁰ This is caused by the fast pace and 'awkward movements' that are required when engaging in highly productive flower picking, as an example.⁴¹ Mena and Proaño assert that these and other work conditions may have physical and mental ill effects on cut flower workers.⁴²

The working conditions within the greenhouses may also have adverse impacts on worker's health.⁴³ The use of pesticides within the confined spaces of a green house is one area of concern.⁴⁴ In addition, the extremes of cold and heat within the greenhouses may have health and wellbeing implications.⁴⁵

4 *Occupational Health and Safety Concerns and Reproductive Outcomes*

There has been some suggestion that the reproductive health outcomes of women who work in the cut flower industry in countries such as Colombia are cause for concern.⁴⁶ Mauricio Restrepo et al conducted a study of 8867 people, 2951 men and 5916 women, who were working in the cut flower industry in the Bogatá area of Colombia for at least six months.⁴⁷ Statistics relating to foetal loss, prematurity and congenital malformations were analysed among the offspring of workers in the Bogatá district of Colombia.⁴⁸ These workers were exposed to 127 different types of pesticides.⁴⁹ This study found that spontaneous abortions and foetal malformation moderately increased within pregnancies that occurred after the workers entered the cut flower industry.⁵⁰ This study needs to be looked at with some caution though as it was conducted more than 20 years ago and the accurate recording of spontaneous abortions may be subject to error.⁵¹ Note however, that recent studies have also highlighted the same issues in relation to reproductive health and pesticide usage in the cut flower industry.⁵²

Similar studies have been undertaken in Ecuador. In a study conducted by Handal and Harlow it was found that once adjustments for age were factored in, women working in the cut flower industry had a 2.6 fold increase in the odds of having a miscarriage than women

⁴⁰ Wright and Madrid, above n 7, 259.

⁴¹ Molly Talcott, 'Gendered Webs of Development and Resistance: Women, Children, and Flowers in Bogata' (2003) 29(2) *Signs: Journal of Women in Culture and Society* 465, 471.

⁴² Norma Mena and Silvia Proano, 'Sexual Harassment in the Workplace: The Cut Flower Industry' (Case Study, International Labor Rights Fund, April 2005), 11.

⁴³ Wright and Madrid, above n 7, 259.

⁴⁴ Molly Talcott, above n 41, 472.

⁴⁵ Wright and Madrid, above n 7, 259.

⁴⁶ Mauricio Restrepo et al, 'Prevalence of Adverse Reproductive Outcomes in a Population Occupationally Exposed to Pesticides in Colombia' (1990) 16 *Scandinavian Journal of Work, Environment and Health* 232, 232.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

⁵¹ *Ibid* 236.

⁵² Wright and Madrid, above n 7, 259.

who were working outside the industry.⁵³ The research also indicated that the odds of having a spontaneous abortion increased the longer a woman was working within the cut flower industry.⁵⁴ Thus, women who had been working in the industry for 4–6 years reported that the odds of miscarrying were 3.4 times the odds of people not working in the cut flower industry.⁵⁵

There is also some suggestion that paternal cut flower workers may also have adverse reproductive outcomes.⁵⁶ In other words, a male worker may influence pregnancy loss through contaminated seminal fluid and/or bringing contaminated clothing and equipment into his domestic premises.⁵⁷ Note that there has been some suggestion that rather than as a result of pesticide usage, the higher spontaneous abortion rate may be as a result of long work hours and physical strain that often accompanies workers in the cut flower industry.⁵⁸ Working in greenhouses is hot and exhausting work, and this could also help to explain the aforementioned results.⁵⁹

C *Discrimination and Pregnant Workers*

Some studies have suggested that women who become pregnant whilst working on the cut flower farms have either been fired or forced to pay for a replacement worker during their maternity leave.⁶⁰ Also, if pregnant women are in temporary employment, in many instances this worker will not be offered another contract with the flower farm once her contractual term is finished.⁶¹ Hale and Opondo stated that because of this fact, abortions are common in the cut flower industry.⁶²

According to some commentators, cut flower employers may ask women to undertake a pregnancy test and/or prove that they have been sterilised before they are given a job in the sector.⁶³ This notion was affirmed in a Corporación Cactus poll, which concluded that 85% of workers had been asked to perform a pregnancy test before they were employed in the sector.⁶⁴ It is unclear from the literature what the motivation behind conducting these tests is, but some reasons may be concerns for the health and safety of the worker as well as the company's unwillingness to be subject to workplace disruptions.

Arguably, some of these concerns have been addressed by social codes that have recently been introduced. Most codes mandate that women cannot be discriminated against whilst pregnant when applying for a job or whilst they have a job in the industry.⁶⁵ Furthermore, many of the codes indicate that pregnant women should be given duties that are appropriate

⁵³ Alexis J Handal and Sioban D Harlow, 'Employment in the Ecuadorian Cut-Flower Industry and the Risk of Spontaneous Abortion' (2009) 9(25) *BMC International Health and Human Rights*, 1.

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*

⁵⁸ *Ibid* 3.

⁵⁹ *Ibid* 3.

⁶⁰ Mena and Proano, above n 42, 12; Also see Ferm, above n 11, 18.

⁶¹ Dolan, Opondo and Smith, above n 24, 49.

⁶² Hale and Opondo, above n 26, 311.

⁶³ Ferm, above n 11, 18.

⁶⁴ *Ibid.*

⁶⁵ Dolon, Opondo and Smith, above n 24, 47.

for pregnant workers.⁶⁶ Whether or not, in practice this actually happens is the subject of some debate.⁶⁷

Access to adequate childcare is another concern of many mothers who work in the industry. In some instances, if adequate childcare cannot be found, mothers are forced to leave their children in the care of family members who are often residing in rural areas away from the cut flower growing.⁶⁸

D *Sexual Harrassment*

Sexual harassment issues within the cut flower industry have been the subject of ongoing concern. Dolan, Opondo and Smith found in their study of the Kenyan cut flower industry that sexual harassment was reported on all of the farms that they studied.⁶⁹ Also in a recent study in Tanzania, sexual harassment was reported as being a serious concern within the industry.⁷⁰

Sexual harassment is usually targeted at young, widowed or divorced women on the farms.⁷¹ The type of work the female worker is undertaking also has a direct correlation with the likelihood that she will be the victim of sexual harassment.⁷² For example, women who earn lower wages, are in lower status jobs or with precarious employment are most likely to be sexually harassed within the industry.⁷³

Sexual abuse and other forms of harassment are made possible in the cut flower industry due to the work conditions. In the cut flower industry many cultivation activities are done in isolation from other people.⁷⁴ Furthermore, long working hours that may extend into the evening and the burden of achieving high levels of production may also allow workers to be the subject of sexual harassment and abuse by their superiors.⁷⁵ In a Kenyan study: 'one picker recounted how she has had difficulties with her male supervisor ever since she refused his sexual advances and now lives in fear of dismissal.'⁷⁶ Furthermore, in Tanzania women may be incited into providing sexual favours by their superiors by promises of 'maintaining their status' and being able to work 'under less severe conditions.'⁷⁷ Sexual harassment concerns have also been reported in literature relating to the Colombian cut flower industry.⁷⁸ A study of the Ecuadorian cut flower industry, where 101 flower workers were interviewed, found that 55% of flower workers were victims of sexual harassment in the workplace.⁷⁹ When the results were isolated to 20–24 year old flower workers, the incidence of sexual

⁶⁶ Ibid.

⁶⁷ See for example the discussion in *ibid*, 47; Also see Hale and Opondo, above n 26, 311.

⁶⁸ Dolon, Opondo and Smith, above n 26, 51.

⁶⁹ *Ibid* 8.

⁷⁰ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, above n 6, 37.

⁷¹ *Ibid*.

⁷² *Ibid*.

⁷³ *Ibid*.

⁷⁴ Mena and Proana, above n 42, 12.

⁷⁵ *Ibid* 1.

⁷⁶ Dolon, Opondo and Smith, above n 26, 39.

⁷⁷ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, above n 6, 37.

⁷⁸ Meier, above n 4, 284.

⁷⁹ Mena and Proana, above n 42, 1.

harassment was even higher at 71%.⁸⁰ The same study indicated that very few of these women (5%) reported incidences of sexual harassment to their managers.⁸¹ It should be noted that these figures also reflect reported cultural norms in Ecuador where violence against women is a normal cultural practice.⁸²

Korovkin has also indicated that there is a stigma attached to workers in the cut flower industry because of the supposed amount of sexual misconduct that takes place on the flower farms.⁸³ This not only relates to sexual assault cases, but also consensual sexual unions.⁸⁴ In Ecuador the instance of consensual sexual union in the cut flower industry is higher than among other peasant women.⁸⁵

These and other factors have reportedly led to the erosion of communities and families in some flower farm areas.

E *Erosion of Community and Families*

The erosion of community networks and families has also been reported as being a problem on cut flower farms. For example, in Ecuador, absentee fathers have long been a problem.⁸⁶ There is also some evidence to suggest that with the arrival of the cut flower farms, due to long working hours, mothers are now also absent from their children.⁸⁷ In one report from Ecuador, 90% of female cut flower workers indicated that they had to work on the weekends, which would have a significant impact on families.⁸⁸ Overtime is even more of a problem during peak times of production, such as Valentine's Day and Mother's Day.⁸⁹ These issues are exacerbated by the difficulties of accessing childcare in many of the countries where the flower farms are present.⁹⁰ The concerns surrounding the functionality of families of cut flower workers are highlighted by the fact that there is some evidence to suggest that children of cut flower workers are more likely to be malnourished than children of other peasant workers.⁹¹

Community activities and organisations are reported to be disintegrating in cut flower areas, as workers ordinarily do not have the time to participate in community activities and organisations.⁹² For example, in Ecuador, since the inception of the cut flower industry, it is virtually impossible for workers within the industry to participate in community labour and assemblies as these are generally held on the weekends.⁹³ In Ecuador two thirds of the community (aside from cut flower workers) attend community labour and meetings, whereas only one third of flower workers participate in the aforementioned community events.⁹⁴ In

⁸⁰ Ibid 1.

⁸¹ Ibid 1.

⁸² Ibid 1.

⁸³ Korovkin, above n 23, 57.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid 57-58.

⁸⁹ Ibid 58.

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Ibid 60.

⁹³ Korovkin, above n 23, 30.

⁹⁴ Ibid 31.

addition to this 'community relations' which include networks that may help with childcare and credit, may erode when workers don't have time to participate within the community.⁹⁵

There is also some concern that in Ecuador the rise of cut flower farms has been accompanied by a rise in social violence.⁹⁶ In addition, concerns have been expressed about the rise of gangs and prostitution in cut flower growing areas.⁹⁷ Many of these concerns are directly related to the labour standards that are present within the industry.

F *Labour Standards*

5 Introduction

In relation to benchmark labour standards, the International Labour Organization (ILO) has prescribed certain conditions which indicate whether or not 'decent work' is available within an industry. The objective of the ILO's Decent Work Framework is: 'employment that takes place under conditions of freedom, equity, security and dignity, in which rights are protected and adequate remuneration and social coverage are provided.'⁹⁸ This framework also includes freedom of association and the right to collective bargaining as part of its function.⁹⁹ Whether or not the cut flower industry has achieved these provisions is the subject of some debate.

6 Levels of Remuneration

One of the objectives at the inception of the cut flower industry in developing nations was to increase the economic position of the countries who became involved in the industry. It is unlikely that this objective has been achieved in relation to individual workers though. In fact, Tanya Korovkin has suggested that rather than the cut flower industry helping to alleviate poverty in developing nations, it actually encourages poverty.¹⁰⁰ In addition, Gichure has suggested that a 'new form of poverty is emerging, occasioned by the notion of global business.'¹⁰¹ It has been suggested that even though the industry creates employment opportunities, the level of remuneration does not allow workers to live above the poverty level.¹⁰² The wages in the cut flower industry are very low, even though the workers are usually paid the minimum wage within the jurisdiction.

In particular, in many countries the workers do not receive a 'living wage' in the cut flower industry. A living wage is one that 'enables workers and their dependants to meet their needs for nutritious food and clean water, shelter, clothes, education, health care and transport, as well as allowing for a discretionary income.'¹⁰³ For example, in Tanzania, workers are paid as low as 65 000 Tanzanian Shillings per month, which does not meet the workers' basic

⁹⁵ Thalia Kidder and Kate Raworth, 'Good Jobs' and Hidden Costs: Women Workers Documenting the Price of Precarious Employment' (2004) 12 *Gender and Development* 12, 16.

⁹⁶ Korovkin, above n 23, 58.

⁹⁷ Ibid 59.

⁹⁸ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, above n 6, 2.

⁹⁹ Ibid 107.

¹⁰⁰ Korovkin, above n 23, 47.

¹⁰¹ Gichure, above n 14, 91.

¹⁰² Korovkin, above n 23, 47.

¹⁰³ Riddselius, above n 18, 11.

needs.¹⁰⁴ The ‘living wage’ for an average Tanzanian family is approximately 315 000 Tanzanian Shillings per month.¹⁰⁵ In Colombia, cut flower workers generally receive the minimum wage, but the wage is less than adequate in terms of achieving an adequate living standard.¹⁰⁶ Ferm has indicated that cut flower workers in Colombia earn approximately \$200 per month, which after social security contributions and other deductions only equates to about \$100 per month.¹⁰⁷ Oxfam have indicated that in Colombia the minimum wage that a cut flower worker receives only covers 45% of a family’s basic living expenses.¹⁰⁸ Also in Ecuador, the flower worker’s salary will only cover approximately 47% of the basic family food basket.¹⁰⁹ These statistics are even more significant when one notes that in Colombia for 39% of women in the cut flower industry, this is the only source of income for their household.¹¹⁰

Not surprisingly, the inability of cut flower workers to adequately cater for the basic needs on his or her family leads to social, familial and personal conflicts.¹¹¹ In the likely event that the women are single mothers, this creates a serious crisis situation for their households, especially when they don’t have job security.¹¹²

The discrepancy between the woman’s wage and the value of the produce that is exported highlights the issue. Where a female cut flower worker in Colombia is paid approximately US\$2 per day, the flowers that she will pick in a day have a retail value of US\$600–\$800.¹¹³

This is a complicated issue as some companies argue that if they increase wages significantly they would go out of business, or at the very least would be unable to stay competitive within the international industry.¹¹⁴ Thus, the competitive pressure on companies to keep costs low as well as the abundance of unskilled labour and the absence of enterprise bargaining all contribute to the issues relating to the levels of remuneration.¹¹⁵

The low level of remuneration is the one area which the literature consistently indicates is still a significant problem on all cut flower farms.¹¹⁶

7 Levels of Productivity and Overtime

Even though wages have not increased,¹¹⁷ the expectations of workers’ productivity probably have. For example in relation to roses, in the late 1980s, workers were expected to pick from

¹⁰⁴ Tanzanian Plantation and Agricultural Workers Union, above n 5, 24.

¹⁰⁵ Ibid.

¹⁰⁶ Wright and Madrid, above n 7, 259.

¹⁰⁷ Please note that Ferm did not specify if this was US dollars. One would assume that this is what she meant though as the other literature speaks in US dollars when quantifying the salaries of workers ;Ferm, above n 11, 16.

¹⁰⁸ Wright and Madrid, above n 7, 259.

¹⁰⁹ Mena and Proana, above n 42, 10.

¹¹⁰ Ferm, above n 11, 17.

¹¹¹ Mena and Proana, above n 42, 10.

¹¹² Ferm, above n 11, 17.

¹¹³ Wright and Madrid, above n 7, 259.

¹¹⁴ Dolon, Opondo and Smith, above n 24, 38.

¹¹⁵ Wright and Madrid, above n 7, 263.

¹¹⁶ Davies, above n 13, 34.

¹¹⁷ Ibid,25.

20–30 beds in a day, whereas in 2000 workers were expected to pick all the roses from 50 or more beds.¹¹⁸

In addition to this, concerns have been raised about the high amounts of involuntary overtime that is expected at peak periods of flower production.¹¹⁹ It has been suggested that in Colombia around peak cut flower times, flower workers are expected to work as many as 80 hours per week.¹²⁰ It should be noted that voluntary overtime is often welcomed by workers, as long as it is remunerated, because of the low wages in the industry.¹²¹ Involuntary overtime, however, does cause problems for women with children in particular, as they may not be able to make adequate childcare arrangements when short notice is given.¹²² There has been some progress in this area though, as Dolon, Opondo and Smith noted that all of the Kenyan farms that they looked at did pay overtime at a rate of one and a half times the basic pay and double time for Sundays and public holidays.¹²³

8 *Precarious Employment*

Many workers, especially female workers, within the cut flower industry are on precarious working contracts. For example, in Tanzania, women make up 85% of the casual workers working on the flower farms.¹²⁴ Short-term contracts may be utilised on cut flower plantations, even though in many instances workers will work at the same farm for many years.¹²⁵ There are many reasons why there is a high level of casual employment on cut flower farms. First, this type of employment may be advantageous to farms that may not be able to abide by the conditions that the labour laws in each jurisdiction provide, as casual workers are often not covered by these laws.¹²⁶ In some instances informal working arrangements may be advantageous for some women, especially if they are less desirable workers who have had difficulties gaining other more formal employment.¹²⁷ Informal work conditions can also suit women who need flexibility so that they can maintain their childcare commitments.¹²⁸

There can be significant concerns with informal work as it may mean that labour conditions become more difficult to scrutinize, as these workers often fall outside the formal working structures.¹²⁹ Furthermore, these work arrangements are often synonymous with adverse labour conditions such as low pay, unsafe working conditions and very long hours.¹³⁰ The

¹¹⁸ Korovkin, above n 23, 25.

¹¹⁹ Wright and Madrid, above n 7, 259; Also see Mena and Proana, above n 42, 10.

¹²⁰ Ferm, above n 11, 16.

¹²¹ Anne Tallontire 'Reaching the Marginalised? Gender Value Chains and Ethical Trade in African Horticulture' (2005) 15 *Development in Practice* 559, 567.

¹²² Ibid 567.

¹²³ Dolon, Opondo and Smith, above n 24, 36.

¹²⁴ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, above n 6, 24.

¹²⁵ Wright and Madrid, above n 7, 259.

¹²⁶ Susana Lastarria-Cornhiel, 'Feminization of Agriculture: Trends and Driving Forces' (Background Paper for the World Development Report 2008, Rimsip - Latin American Centre for Rural Development, November 2006) 7.

¹²⁷ Nicole Grimm, 'The North American Agreement on Labor Cooperation and its Effects on Women Working in Mexican Maquiladoras' (1998) 48 *The American University Law Review* 179, 211.

¹²⁸ Ibid, 211; Also see Greta Friedemann-Sanchez, 'Assets in Intrahousehold Bargaining Among Women Workers in Colombia's Cut-Flower Industry' (2006) 12(1) *Feminist Economics* 247, 250.

¹²⁹ Grimm, above n 127, 212.

¹³⁰ Ibid.

other main concern with short term employment is that in times of economic downturns 'precarious jobs are the first to go as employers reduce their payrolls in this global recession.'¹³¹ This will clearly have significant repercussions on the lives of the workers, as they may lose their jobs when they are least able to find another one.

The other employment practice of concern that has been reported in recent literature is farms which hire workers through 'co-operatives' which are essentially acting as subcontracting agencies.¹³² This practise means that the workers employed by these co-operatives are not given the same rights as other workers under the relevant labour law system.¹³³ This is the case as these workers are deemed as 'associates' rather than 'employees'.¹³⁴

The reports are inconsistent, but there is some evidence to suggest that the numbers of women who are permanently employed in jurisdictions such as Kenya and Zambia have increased.¹³⁵ In Kenya 61% of women are on permanent contracts whereas in Zambia the figure is even higher at 66%.¹³⁶ This is consistent with the 2002 study of Dolan, Opondo and Smith who found that in Kenya 33% of the farms that they studied contained workers in insecure jobs.¹³⁷ Nevertheless, the practise of placing many workers on temporary employment contracts is unlikely to change in the industry; even though producers are under pressure from retailers to adhere to codes and other requirements, they are also under pressure to keep costs low. This means that there is a tendency towards short-term employment options rather than permanent employment.¹³⁸ Informal workers are often not entitled to join a union and this is another area that has been of concern within the industry.¹³⁹

IV HOW HAVE THESE CONCERNS BEEN ADDRESSED OVERSEAS?

As a result of the concerns that have been highlighted in the literature surrounding the cut flower industry, several campaigns have been launched in order to both educate consumers and try to improve the employment conditions of the workers in the cut flower industry.

A *Ethical Trade Campaigns*

The array of campaigns, codes and labelling that now exist in order to try to eradicate many of the alleged problems within the industry that have been highlighted within this article are extensive.

International attention has been directed towards the cut flower industry and the many issues that surround it, particularly relating to workplace safety. This has led a number of stakeholders, consumers and other members of the supply chain to take action to improve these conditions. There have been a large number of initiatives in each of the main cut flower growing jurisdictions, which this article will discuss. There have been many movements

¹³¹ International Trade Union Confederation, *New Report Shows Global Gender Pay Gap Bigger Than Previously Thought* (5 March 2009) <<http://www.ituc-csi.org/new-report-shows-global-gender-pay.html>>.

¹³² Ferm, above n 11, 16.

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Tallontire, above n 121, 565.

¹³⁶ Ibid.

¹³⁷ Dolon, Opondo and Smith, above n 24, 8.

¹³⁸ Tallontire, above n 121, 566.

¹³⁹ Ferm, above n 11, 16.

towards solving the aforementioned problems with the international cut flower industry. One of the central campaigns relates to ethical trade and trade networks. The relationship between the developing country producer networks and the consumers in the developing world is complicated, with many and varied interconnected participants.¹⁴⁰ These campaigns are often instigated by consumers who are concerned about the occupational health and safety issues and the low levels of remuneration surrounding workers in developing nations.¹⁴¹ An example of a consumer instigated campaign is a Swiss-Colombian initiative that in the lead up to Mother's Day circulated information about the poor working conditions and low wages within the cut flower industry.¹⁴² The consumers were then asked to write to the Colombian embassy to express their concerns with the industry.¹⁴³ Soon after this, an entity that became known as Flower Coordination Switzerland negotiated with Swiss supermarkets to develop a flower labelling system.¹⁴⁴ Systems such as this have spread across Europe.¹⁴⁵

The international labelling system gives flower farm owners a 'market incentive' to achieve adequate occupational health and safety and employment conditions.¹⁴⁶

Social labelling programs are an avenue used within the cut flower industry to improve the conditions of the workers. This means that labels on the cut flower packaging display logos, trademarks and text which may help to differentiate the product.¹⁴⁷ In Ecuador, some farms have participated in the Flower Label Programme (FLP), which is a European certification system. This program requires flower growers to meet certain environmental and social standards in order to have their flowers labelled with the FLP slogan.¹⁴⁸ The idea of this program, as with others, is that the flower farms will get access to the higher paid 'green' markets if they adhere to the conditions of the program.¹⁴⁹ Korovokin reported that only a few farms engage with this program as many of the flowers from Ecuador are exported to America.¹⁵⁰ The other problems that have been reported with this method of labelling and other fair trade concepts is that consumers have little notion of what the term 'fair trade' actually means.¹⁵¹ Studies have indicated that even amongst people in the food and agricultural industry, there is no definitive definition of 'ethical sourcing'.¹⁵² Some actors within the industry, and consumers view 'ethical sourcing' as relating to the way the product is packaged and produced, whilst others thought that the term related to fair wages and access to social benefits.¹⁵³ Reportedly, very few equated the term as relating to 'social benefits for their workers, the protection of children, equal opportunity and occupational

¹⁴⁰ A Hughes, 'Retailers, knowledges and changing commodity networks: the case of the cut flower trade' (2000) 31 *Geoforum* 175, 179. ,

¹⁴¹ For a discussion on this and other issues see Caroline Wright and Gilma Madrid, 'Contesting Ethical Trade in Colombia's Cut-Flower Industry: A Case of Cultural and Economic Injustice' (2007) 1(2) *Cultural Sociology* 255.

¹⁴² *Ibid* 260.

¹⁴³ *Ibid*.

¹⁴⁴ *Ibid*.

¹⁴⁵ *Ibid*.

¹⁴⁶ Davies, above n 13, vii.

¹⁴⁷ Janelle Diller, 'A Social Conscience in the Global Marketplace? Labour Dimensions of Codes of Conduct, Social Labelling and Investor Initiatives' (1999) 138 *International Labour Review* 99, 104.

¹⁴⁸ Korovkin, above n 23, 55.

¹⁴⁹ *Ibid*.

¹⁵⁰ *Ibid*.

¹⁵¹ Gichure, above n 14, 75.

¹⁵² *Ibid*.

¹⁵³ *Ibid*.

health and safety.¹⁵⁴ Dolan, Opondo and Smith, did find that the implementation of the codes has led to positive outcomes, such as health, safety and maternity improvements.¹⁵⁵ They also suggested that there were improvements in terms of the formalisation of employment relations.¹⁵⁶

In Kenya, the Horticultural Ethical Business Initiative (HEBI) was launched in 2002. In 2002 members of HEBI investigated the claims that have been made about allegations of labour rights abuses on flower farms.¹⁵⁷ This entity formed from local civil society organisations that started a campaign on the poor working conditions in the industry.¹⁵⁸ This entity now houses members from government, civil society organisations, and trade associations employers.¹⁵⁹ This independent body means that hopefully one stakeholder will not make all of the decisions in relation to implementing the codes, as well as the other goals that are central to the body.¹⁶⁰

The practical differences that the labelling makes to the lives of cut flower workers is in contention, but it is interesting to note that even though Kenya is very heavily codified this has not stopped the 'ethical violations of basic rights of the workers and the natural environment.'¹⁶¹ Furthermore, it is probable that the codes do not aid the plight of informal and casual workers within the cut flower industry.¹⁶² This is the case as most codes only refer to permanent employees, with some protection given to part time and temporary workers whose employment has been formalised under contract.¹⁶³ Also, most codes only relate to working conditions and not to broader issues such as parental leave, childcare, reproductive rights and housing.¹⁶⁴ These issues are generally more pertinent to women than men.¹⁶⁵ Thus, it is arguable that these codes often do not have an extensive impact on the lives of women who are informal workers within the cut flower industry.¹⁶⁶ Furthermore, studies have indicated that many workers are unaware of the codes and relevant legislation that is applicable to employment rights.¹⁶⁷ In addition, the implementation of codes is costly to producers, but probably not insurmountable.¹⁶⁸ They may however lead to financial difficulties on the flower farms and in turn jobs may be lost.¹⁶⁹ In a recent study of the Tanzanian cut flower industry, the reasons that were given by some of the farm owners and managers for not adhering to the codes was the wage increase and legal contracts of employment, which would have significant cost ramifications.¹⁷⁰ In addition, one of the

¹⁵⁴ Ibid.

¹⁵⁵ Dolan, Opondo and Smith, above n 24, 27.

¹⁵⁶ Ibid.

¹⁵⁷ Peter Lund-Thomsen and Khalid Nadvi, 'Global Value Chains, Local Collective Action and Corporate Social Responsibility: A Review of Empirical Evidence' (2010) 19 *Business Strategy and the Environment* 1, 5.

¹⁵⁸ Dolan, Opondo and Smith, above n 24, 59.

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ Gichure, above n 14, 76.

¹⁶² Tallontire above n 121, 560.

¹⁶³ Ibid 564.

¹⁶⁴ Ibid.

¹⁶⁵ Ibid.

¹⁶⁶ Ibid.

¹⁶⁷ Dolan, Opondo and Smith, above n 24, 9.

¹⁶⁸ Ibid, 26.

¹⁶⁹ Diller, above n 147, 120.

¹⁷⁰ Tanzanian Plantation and Agricultural Workers Union, above n 5, xii.

concerns that have been voiced is that there may be too many different labelling systems and that it would be better if only one was generated for each country.¹⁷¹

9 Impact of Recent Reforms

Some commentators have suggested that the labour conditions for cut flower workers have improved since the inception of campaigns such as Florverde.¹⁷² Note however, that the International Labour Rights Forum has critiqued the Florverde label as doing more to promote selling flowers to US consumers, as opposed to protecting workers rights and health.¹⁷³ Greta Friedemann-Sánchez, who is an Associate Professor at the Humphrey School of Public Affairs, suggests that ‘much room for progress remains.’¹⁷⁴ In at least some instances, though, the literature suggests that some flower farms are putting in place procedures to enhance the lives of their flower workers.¹⁷⁵ For example, some farms have offered workshops on self-esteem and family violence.¹⁷⁶ Hale and Opondo state that not much attention has been paid as to whether or not the codes have made a significant difference to the workers.¹⁷⁷ The impacts of the Ethical Trading Initiative are largely positive as they encourage the implementation of corporate codes of practice, whilst also trying to promote an increase and compliance with labour standards.¹⁷⁸ Like many of the other initiatives that have been referred to, the results are varied depending on the performance of each individual member company.¹⁷⁹ Some of the problems that have been cited though, relate to companies needing to cut prices in order to be competitive whilst also being subject to greater costs to adhere to labour standard codes.¹⁸⁰ The article will now look at the Kenyan situation to see what the impact of the reforms has been.

V KENYA

There have been several reforms in Kenya relating to the cut flower industry since 2002 when attention was placed on the industry. The reports indicate that these reforms have led to improvements relating to employment. Areas where improvements have been documented include increasing the number of permanent as opposed to temporary workers and improvements in relation to working conditions such as reducing overtime hours and an increased emphasis on health and safety issues.¹⁸¹ For example, a recent study undertaken by Riisgaard and Gibbon found that more than 50% of workers were continuously working at the same farm for more than four years.¹⁸²

¹⁷¹ Tanzanian Plantation and Agricultural Workers Union, above n 5, 33.

¹⁷² Greta Friedemann-Sánchez, 'Assets in Intrahousehold Bargaining Among Women Workers in Colombia's Cut-Flower Industry' (2006) 12(1) *Feminist Economics* 247, 250..

¹⁷³ Clarissa Pintado, *Fairness in Flowers Campaign Toolkit* (25 April 2008) International Labor Rights Forum <<http://www.laborrights.org/publications/fairness-flowers-campaign-toolkit>>.

¹⁷⁴ *Ibid* 250.

¹⁷⁵ *Ibid* 259.

¹⁷⁶ *Ibid* 259.

¹⁷⁷ Hale and Opondo, above n 26, 307.

¹⁷⁸ Susanne Schaller, 'The Democratic Legitimacy of Private Governance: An Analysis of the Ethical Trading Initiative' (2007) 91 *Institute for Development and Peace* 1, 5.

¹⁷⁹ *Ibid* 25.

¹⁸⁰ *Ibid* 26.

¹⁸¹ Maggie Opondo, '*Emerging Corporate Social Responsibility in Kenya's Cut Flower Industry*' (2006) University of South Africa, 6

<http://www.unisa.ac.za/contents/colleges/col_econ_man_science/ccs/docs/Opondo.pdf>.

¹⁸² Lone Riisgaard and Peter Gibbon, 'Labour Management on Contemporary Kenyan Cut Flower Farms: Foundations of an Industrial-Civic Compromise' (2014) 14(2) *Journal of Agrarian Change* 260, 268.

The Kenyan cut flower market is now one of the most highly regulated cut flower countries in the world. For example, the flower farms in Kenya are subject to a variety of codes such as Fairtrade, The Flower Label Programme, Rainforest Alliance and MPS as well as standards implemented privately by supermarkets.¹⁸³ As a result of this widespread adherence and adoption of various codes, Riisgard and Gibbon have suggested that ‘the sector has become one of the most comprehensively subject to private regulation globally. Thus, of the 170 large-scale farms in 2011, 78 were certified to have adopted at least one standard covering both social and environmental issues.’¹⁸⁴

One issue is whether or not the improvements in industrial conditions are also evident in other developing countries where there is wide scale flower production. It is difficult to answer these questions without doing the requisite analysis for each region, but Riisgard and Gibbon suggest that ‘Kenya has achieved a degree of production stability that is unique in this sector.’¹⁸⁵ The commentators also state that the Ethiopian flower market comes closest to meeting the improved Kenyan conditions.¹⁸⁶

We will now turn to the second part of the article which relates to why these issues and considerations are relevant in the Australian context. It will be argued that Australian consumers and companies are becoming more concerned and accountable for both where and how the goods we purchase are sourced, produced or grown.

VI THE AUSTRALIAN CUT FLOWER INDUSTRY

Australia has a small but significant cut flower industry that is a relatively new industry, having emerged in the 1970s.¹⁸⁷ The size of the cut flower industry in Australia is relatively modest compared to other jurisdictions; as indicated by the fact that the Australian industry comprises less than 1% of world trade in cut flower production.¹⁸⁸ Over 90% of the flowers produced in Australia are sold on the domestic market, but a small amount of flowers are exported to overseas countries.¹⁸⁹ The countries to which Australia exports flowers to are predominantly, Japan (46%), the USA (22%) and the Netherlands (12%).¹⁹⁰ The export market is generally concerned with fresh flowers, with some dried flowers also present on the market.¹⁹¹

The structure of cut flower farms in Australia is diverse. For example in Queensland, which is indicative of the rest of Australia, cut flower enterprises range in scope and size from large multi-million dollar businesses to small family owned enterprises.¹⁹² Many cut flower farms

¹⁸³ Ibid 277.

¹⁸⁴ Ibid.

¹⁸⁵ Ibid 283.

¹⁸⁶ Ibid.

¹⁸⁷ Lotte von Richter, 'Commerical Growing of Cut Flowers' (Article presented at ASGAP 21st Biennial Seminar, Canberra Australian Capital Territory, 1-5 October 2001) <<http://asgap.org.au/APOL34/jun04-6.html>>.

¹⁸⁸ Gollnow, above n 1, 1.

¹⁸⁹ Ibid.

¹⁹⁰ Sally Sutton, 'Export Flower Industry A Review of recorded Statistics' (A report for the Rural Industries Research and Development Corporation, Rural Industries Research and Development Corporation, December 2002) (23 August 2011) vii.

¹⁹¹ Ibid 7, 16.

¹⁹² Flower Association of Queensland Inc, *Fact Sheet 2.1 Queensland's Cut Flower Industry*, 1

in Australia are less than five hectares in area.¹⁹³ In addition to this, over 60% of cut flower farms have an estimated annual value of agricultural operations of less than \$100 000.¹⁹⁴ The market in Australian flowers is seasonal with highest supply and demand in the September and December quarters.¹⁹⁵ The low season is in the March and June quarters.¹⁹⁶

The small size of the Australian cut flower industry is mirrored by consumer spending on flowers in Australia, which per capita is significantly lower in Australia than in other countries.¹⁹⁷ The outlets from which flowers are purchased has also significantly changed (this is again compatible with the overseas market) in the last ten years, as now an Australian consumer is more likely to buy cut flowers from a supermarket than a florist.¹⁹⁸ This change in behaviour is a result of the trend towards mass merchandising flowers that began in the 1990s.¹⁹⁹

The Australian cut flower industry is currently experiencing a decline, in both the numbers of operators and overall sales; as evidenced by the fact that employment numbers within the Australian cut flower market are predicted to fall by 1.3% over the next five years. This is largely because of the automating of processes and other factors.²⁰⁰ In addition to this, the number of cut flower operators is also expected to drop in the next five years in order to pursue scale economies.²⁰¹ This will result in further mergers as well as operators exiting the industry.²⁰²

The other main concerns within the Australian cut flower industry are that even though it is well established it is also fragmented.²⁰³ This is demonstrated by the fact that the industry is comprised of three separate entities.²⁰⁴ These are the traditional flower sector, the Australian native and Protea sector, and a tropical cut flower and foliage sector.²⁰⁵ This has implications for the industry in Australia, as even though it houses a large number of producers, it lacks 'sufficient scale to market their product overseas.'²⁰⁶

A *The Competitiveness and Viability of the Australian Cut Flower Industry*

<<http://www.hin.com.au/Resources/InfoNote---Queensland's-Cut-Flower-Industry.aspx>>.

¹⁹³ NSW Department of Primary Industries, *Commercial flower growing in NSW – an industry snapshot* (21 October 2003) Primary Industries Agriculture

<<http://www.dpi.nsw.gov.au/agriculture/horticulture/floriculture/industry/snapshot>>.

¹⁹⁴ Ibid.

¹⁹⁵ Flower Association of Queensland Inc, above n 192, 7.

¹⁹⁶ Ibid.

¹⁹⁷ The Flower Association of Queensland noted that AU\$25 was spent per capita in Australia as opposed to AU\$36 in USA and AU\$61 in Holland; Flower Association of Queensland, above n 192, 2.

¹⁹⁸ Suzannah Rowley, *Cut Flower Growing in Australia* (January 2011) IBIS World Industry Report AO112, <<http://www.ibisworld.com.au>>.

¹⁹⁹ Ibid.

²⁰⁰ Ibid.

²⁰¹ Ibid.

²⁰² Ibid.

²⁰³ Brian Shannon, *Sustainable Production Technologies for the Cut Flower Industry* (International Specialised Skills Institute, 2009).

²⁰⁴ Ibid.

²⁰⁵ Ibid.

²⁰⁶ Ibid.

The competitiveness of Australian flower exports as opposed to other countries is an issue for Australian producers. Many of Australia's competitors have both lower labour costs and larger pools of labour and many are situated geographically closer to export markets.²⁰⁷ Furthermore, Australian cut flower producers are disadvantaged by comparison with other exporting nations when selling to the Dutch market.²⁰⁸ This is of concern as the Dutch market is the third largest market for Australian cut flower producers.²⁰⁹ This is coupled by the concern that competitor suppliers, such as those from Zimbabwe and South Africa, can supply flowers cheaper than Australian producers because of their lower labour costs and freight costs.²¹⁰ There are also import duty exemptions on cut flowers from these suppliers, which brings their costs down even further.²¹¹

The future viability of the cut flower industry in Australia is tainted by other concerns within the industry. These include, rising airfreight costs and the high Australian dollar,²¹² as well as the difficulty in peak harvest times of obtaining the required airfreight space.²¹³ These factors together with drought and the global recession have meant that exports within the Australian cut flower industry have declined at an average annual rate of 4.4%.²¹⁴ Overseas consumers have also expressed concerns relating to 'food miles' or in this case 'flower miles' which relate to the amount of carbon that is generated as a result of transporting the perishable goods across the world.²¹⁵ This is of increasing concern to Australian producers given their geographical proximity to many of their exporting markets.

There have been concerns expressed by Australia's export markets about the supply and quality of some of Australia's exported flowers. This has led to much of the Australian export market being boutique in nature, where they have to concentrate on quality and customer service to survive in the competitive market.²¹⁶ This is especially the case as in the past Australia has had a poor reputation in some overseas markets. One example of this is from the Canadian export market where concerns were aired relating to the quality control problems and inconsistency of supply and suppliers from Australian cut flower exporters.²¹⁷ Within the Dutch market, problems have also been experienced with Australian cut flowers arriving mouldy and in the stages of decomposition.²¹⁸ One of the reasons for these problems may be that air transport often reduces the quality of cut flowers, due to poor temperature control and low humidity within aircrafts.²¹⁹ In addition to this, during the transportation

²⁰⁷ Gollnow, above n **Error! Bookmark not defined.**, 1.

²⁰⁸ Kim James, 'A Study of the Netherlands Flower Market' (Rural Industries Research and Development Corporation Report No 97/44, The Flower Export Council of Australia, June 1997) 15
<<https://rirdc.infoservices.com.au/items/97-044>>.

²⁰⁹ Ibid.

²¹⁰ Ibid.

²¹¹ Ibid.

²¹² Jenny Ekman, Joseph Eyre and Daryl Joyce, *Flowers by Sea Improving Market Access for Australian Wildflowers* (January 2008) Rural Industries Research and Development Corporation ix.

²¹³ Ibid 1.

²¹⁴ Rowley, above n 198, 7.

²¹⁵ Ekman, Eyre and Joyce, above n 212, 1.

²¹⁶ Gollnow, above n **Error! Bookmark not defined.**, 41.

²¹⁷ Kim James, 'A Study of The Canadian Flower Market' (Rural Industries Research and Development Corporation Report No 99/33, The Flower Export Council of Australia, April 1999) 13
<<https://rirdc.infoservices.com.au/downloads/99-034>>.

²¹⁸ Ibid 15.

²¹⁹ Ekman, Eyre, and Joyce, above n 212, 1.

process there may also be delays within airports whilst the relevant authorities are undertaking checks relating to customs, and drug and quarantine inspections.²²⁰

The Australian cut flower market is highly fragmented and the overall industry lacks a clear industry structure.²²¹ There have been calls for a peak industry body to be formed but this has not yet come to fruition.²²² It has been suggested that if Australia adopted a more regulated industry, this may encourage more export activity.²²³

This snapshot of characteristics indicates that the Australian cut flower industry has followed many of the industry trends of the overseas markets. The Australian industry however, is distinct, given its level of fragmentation as well as the size and diversity of the industry. The labour conditions and other occupational concerns within the cut flower industry specifically have received very little attention in the Australian context, unlike the international landscape.

VII ARE THE ISSUES ASSOCIATED WITH THE OVERSEAS CUT FLOWER INDUSTRY RELEVANT TO THE AUSTRALIAN CONTEXT?

The concerns that have been documented relating to the cut flower industry in overseas countries are relevant to the Australian context for several reasons. These include the increasing prominence of corporate responsibility (CR); which is evidenced by the rise in CR reporting by Australian companies and a consumer desire to know where their goods are sourced. The importance of social responsibility and reporting these activities has become increasingly popular and widespread in the Australian context, as evidenced by the rise in CR reporting rates of Australian companies in recent years. Even though there is often no legal requirement for companies to report on their social and environmental activities,²²⁴ the KPMG Survey of Corporate Responsibility noted that reporting on corporate responsibility in Australia's largest 100 companies has risen from 23% in 2005²²⁵ to 82% in 2013.²²⁶

Furthermore, Australian consumers are becoming increasingly interested in CR initiatives and where their products are being sourced from. This awareness and concern about where Australian goods are sourced has increased due to events such as the Rana Plaza disaster where more than 1000 people were killed in Bangladesh whilst making clothes for western companies to sell to western consumers.²²⁷ This event received considerable attention in the Australian media, as did the recent events involving Hepatitis A and frozen berries. These

²²⁰ Ibid.

²²¹ Rowley, above n 198, 5.

²²² Ibid 7.

²²³ Ibid 30.

²²⁴ Note though that corporate annual reports in Australia need to comply with the *Corporations Act*, relevant accounting standards and if they are listed on the stock exchange, the requirements of the Australian Securities Exchange. For example, section 299(1)(f) of the *Corporations Act* notes that directors must give details of the entity's performance to environmental regulations if 'if the entity's operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.'

²²⁵ KPMG, *The KPMG International Survey of Corporate Responsibility 2008*, 16 <

https://www.kpmg.com/EU/en/Documents/KPMG_International_survey_Corporate_responsibility_Survey_Reporting_2008.pdf>.

²²⁶ KPMG, *The KPMG Survey of Corporate Responsibility Reporting 2013*, 26 <

<https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/corporate-responsibility/Documents/corporate-responsibility-reporting-survey-2013-exec-summary.pdf>>.

²²⁷ ABC Television, 'Fashion Victims', *Four Corners*, 24 June 2013 (Sarah Ferguson and Mary Ann Jolley) <<http://www.abc.net.au/4corners/stories/2013/06025/3785918.htm>>.

events and others have created the impetus for there being improved Country of Origin Labelling.²²⁸ This attention and consumer pressure has also led to a new country of origin labelling system for Australian food which has been recently announced by the Australian government.²²⁹

The other main reason why these considerations are important is due to the changing nature of business in Australian society. Large corporations in contemporary Australia are generally larger and more influential than in previous times.²³⁰ With this increasing influence comes ‘significant social, cultural, environmental and political impacts’²³¹ which have significant costs and benefits to society as a whole.²³² The dominance of larger public companies as well as the recent economic downturn has also had an impact on business in Australia; where many small businesses are finding it hard to survive and are being overtaken by larger multinational companies. The globalisation of business has also changed how many businesses operate in Australia and around the world. For example, Kobrin states that ‘the post Westphalian transition — emergence of multiple authorities, increasing ambiguity of borders and blurring the line between public and private spheres’²³³ has resulted in large companies not being subject to proper oversight.

Given the changing nature of Australian business as well as the increasing importance to both companies and consumers as to CR considerations and product knowledge, the aforementioned issues relating to the international cut flower market are becoming increasingly significant in the Australian context.

There is no doubt however that this is a complex problem which is difficult if not impossible to solve. On the one hand consumers in countries such as Australia have become dependent on cheap goods being readily available. Countries such as Bangladesh also rely on trading with western countries. For example, in Bangladesh 75% of all export income comes from manufacturing clothes for Western countries.²³⁴ Furthermore, the majority of the 3.5 million clothing workers in Bangladesh are young women who have in many instances come from poor rural backgrounds.²³⁵

The importance of price is permanently in the minds of both consumers and companies. However, there has been an increasing emphasis on the hidden costs of these low prices where: ‘some critics of industrial agriculture argue that the relatively low prices consumers pay for food and fibre goods in industrial societies conceal a host of hidden costs.’²³⁶ These concerns are reflected in the rise of both social corporate responsibility and consumer social responsibility ideals.

²²⁸ See for example The Greens, *Better Country of Origin Labelling* <<http://greens.org.au/country-of-origin>>.

²²⁹ Anna Henderson, ‘Government Announces New Labelling System for Australian Food’, *ABC News* (online) 21 July 2015, <<http://www.abc.net.au/news/2015-07-21/tony-abbott-announces-new-labelling-system-for-australian-food/6636662>>.

²³⁰ PJCCFS (Parliamentary Joint Committee on Corporations and Financial Services) *Corporate Responsibility: Managing risk and creating value* (2006) Australian Government, Canberra, 173.

²³¹ *Ibid.*

²³² *Ibid.*

²³³ S J Kobrin, ‘Private Political Authority and Public Responsibility Transnational Politics, Transition Firms, and Human Rights’ (2009) 19 *Business Ethics Quarterly* 349.

²³⁴ *Ibid.*

²³⁵ *Ibid.*

²³⁶ Paul Thompson, *The Agrarian Vision Sustainability and Environmental Ethics* (University Press of Kentucky, 2010), 33.

A *Social and Moral Responsibility Considerations*

This article will now go on to consider consumer social responsibility and corporate social responsibility principles that are relevant to business both in Australia and overseas. When the concept first started gaining prominence, it was primarily only used by large companies, now many small and medium companies also engage with CR principals.²³⁷ In fact using CR information to market goods and differentiate products has become very common in recent years.²³⁸

There are many different definitions that have been attributed to corporate responsibility (CSR or CR), but there is no absolute agreed definition for corporate responsibility, even though several commentators have provided guidance in this area.²³⁹ The societal obligations of conducting a business is one common theme in the literature surrounding defining CR.²⁴⁰ Societal obligations relates to how companies conduct their business affairs in order to 'create a positive and desirable impact on society in general.'²⁴¹ Holme and Watts have defined the concept as businesses choosing to develop sustainable economic development,²⁴² whilst Oppewal, Alexander and Sullivan have defined the concept as including 'the duty of the organization to respect individuals' rights and promote human welfare in its operations.'²⁴³ Thus, even though profitability is an important consideration for all businesses, they also have ethical responsibilities.²⁴⁴

There are many reasons why companies employ corporate social responsibility principles in their businesses. Companies who support CR principles may be perceived to be more reliable and have products that are of a higher quality.²⁴⁵ CR marketing strategies may also appeal to certain segments of the market so may help promote sales in some companies,²⁴⁶ whilst also differentiating a company from its competitors.²⁴⁷ CR activities have also been used to 'address consumers' social concerns, create a favourable corporate image, and develop a positive relationship with consumers and other stakeholders.'²⁴⁸ In some instances a concept known as 'enlightened self-interest' may also be relevant, as employing CR activities and strategies may be advantageous to companies who have deleterious reputations, in order to promote their image as socially responsible citizens.²⁴⁹ It should be noted though that if the

²³⁷ Mirela Popa and Irina Salanta, 'Corporate Social Responsibility Versus Corporate Social Irresponsibility' (2014) 9(2) *Management and Marketing* 137.

²³⁸ B Andrew Cudmore and Ronald Hill Karen Becker-Olsen, 'The Impact of Perceived Corporate Social Responsibility on Consumer Behaviour' (2006) 59 *Journal of Business Research* 46, 46.

²³⁹ Popa and Salanta, above n 237, 138.

²⁴⁰ Val Candy, 'Social Responsibility and Globalization' (2013) 29(5) *The Journal of Applied Business Research* 1353, 1357.

²⁴¹ Popa and Salanta, above n 237, 137.

²⁴² R Holme and P Watts, World Business Council for Sustainable Development, *Corporate social responsibility: Making good business sense* (2000).

²⁴³ Harmen Oppewal, Andrew Alexander and Pauline Sullivan, 'Consumer Perceptions of Corporate Social Responsibility in Town Shopping Centres and their Influence on Shopping Evaluations' (2006) 13 *Journal of Retailing and Consumer Services* 261, 261.

²⁴⁴ *Ibid.*

²⁴⁵ Abigail McWilliams and Donald Siegel, 'Corporate Social Responsibility: A Theory of the Firm Perspective' (2001) 26(1) *The Academy of Management Review* 117, 119.

²⁴⁶ *Ibid.*

²⁴⁷ *Ibid.*

²⁴⁸ Zeynep Gurhan-Canli and Norbert Schwarz Yeosun Toon, 'The Effect of Corporate Social Responsibility (CR) Activities on Companies With Bad Reputations' (2006) 16(4) *Journal of Consumer Psychology* 377, 377.

²⁴⁹ *Ibid.*

intentions of a company who instigates CR activities are not based on a genuine desire to do some good, CR activities can backfire on the companies involved and actually worsen the reputation of the company.²⁵⁰

Other more altruistic advantages of complying with CR codes and values may be that social and environmental standards may be enhanced in developing countries as well as helping to reform business processes and allow for there to be an openness surrounding global chains.²⁵¹ These considerations are important in the cut flower industry as ethical responsibilities are arguably more important in relation to retail businesses, such as florists and other businesses who sell cut flowers; and this has been reflected by the fact that the retail industries have displayed higher rates of social responsibility when compared to other industries.²⁵²

There are of course obstacles to businesses implementing CR principles, such as the fact that complying with CR ideals may add costs to businesses.²⁵³ In addition to this, many of the CR codes are developed by people in different countries without sufficient communication and input from the relevant stakeholders.²⁵⁴ Furthermore, in some cases producers can be subject to a number of different codes and requirements which may be contradictory.²⁵⁵ Nonetheless, moving towards CR ideals in business is increasingly pervading modern society. CR is becoming increasingly coupled with consumer social responsibility which is the close cousin of corporate social responsibility.

1 Consumer Social Responsibility

Consumer Social Responsibility relates to the ethical responsibilities that consumers have when buying products. Consumer Social Responsibility has recently gained an increase in attention, but it is a concept that has been around for more than 50 years.²⁵⁶ The scope and definition of consumer social responsibility is still narrow and limited.²⁵⁷ In effect though consumer social responsibility relates to the 'socially conscious consumer' as a 'rational, individual decision-maker, motivated toward ethically augmented products.'²⁵⁸ Consumer social responsibility considerations highlight the fact that the usual incentives that are sold to consumers such as 'price, convenience, reliability and availability' are not the only considerations that are of importance when conducting business and consuming.²⁵⁹ Thus, considerations such as 'justice, fairness, rights, virtue and sustainability' are also factors that are of importance when one considers consumer social responsibility.²⁶⁰ Consumer social responsibility considerations are of great importance with the growth of globalisation in relation to industries such as cut flowers as products are often sourced from countries with

²⁵⁰ Ibid.

²⁵¹ Lund-Thomsen and Nadvi, above n 157, 1.

²⁵² Oppewal, Alexander and Sullivan, above n 243, 261.

²⁵³ Lund-Thomsen and Nadvi, above n 157, 1.

²⁵⁴ Ibid 2.

²⁵⁵ Ibid 2.

²⁵⁶ Edward Morrison and Larry Bridwell, 'Consumer Social Responsibility-The True Corporate Social Responsibility' (2011) 9(1) *Competition Forum* 144, 144.

²⁵⁷ Robert Caruana and Andreas Chatzidakis, 'Consumer Social Responsibility (CnSR): Toward a Multi-Level, Multi-Agent Conceptualization of the 'Other CR'' (2014) 121 *Journal of Business Ethics* 577, 577.

²⁵⁸ Ibid.

²⁵⁹ Ibid.

²⁶⁰ Ibid 583.

much lower labour costs.²⁶¹ Thus, some supporters of corporate social responsibility, and consumer social responsibility advocates think that the failure of business and consumers to demand adequate social and working conditions is exploitative.²⁶²

It is fair to say that in many instances there is consumer apathy towards many of these issues. The apparent level of indifference with many consumers is an interesting and complex phenomenon. It is also hard to gauge what the mood of the day is as some causes and events can create widespread support whilst others do not. That is not to say that consumers do not indicate in market surveys that they are not concerned about ethical business behaviour, but often this social desire does not translate when purchasing the goods.²⁶³ There is also a suggestion that how consumers behave and purchase may be in part cultural. For example, in the Australian context there has been a suggestion that many Australians feel that it is irrational to buy goods that are not the lowest prices even if they have strong ethical beliefs.²⁶⁴ The recent economic downturn has also had a negative impact on how people make purchase decisions. For example, recent research, albeit in the UK, indicates that buying greener and more ethical products is a nice thing to do as opposed to something that is necessary to do.²⁶⁵ Furthermore, the recession that has been evident in many parts of the world has also meant that many consumers are no longer in a financial position to pay extra for green or ethical products.²⁶⁶

Furthermore, achieving social and moral responsibility is becoming increasingly difficult given the recent global food, fuel and financial crises.²⁶⁷ However it is still the author's contention that conscious consumers should be armed with the knowledge and information to know where goods have come from in order to achieve consumer social responsibility if they so choose.

VIII SUGGESTED AREAS FOR REFORM IN THE AUSTRALIAN CONTEXT: LABELLING REQUIREMENTS IN AUSTRALIA

This article has illustrated the nature and extent of the cut flower industry and some of the problems and challenges within the industry that have been documented in the relevant academic literature. These issues have not received a lot of attention in the Australian context and as such when Australian consumers are purchasing cut flowers in Australia it is usually impossible to know where the flowers have come from. This is the case as country of origin labelling is not a requirement for cut flowers as it is for imported food goods.²⁶⁸

With the increasing awareness and desire for information as to where our food comes from, there have also been some limited calls for transparency as to where our cut flowers are grown. For example, flower bodies in Victoria and New South Wales have asked that

²⁶¹ Morrison and Bridwell, above n 256, 147.

²⁶² Ibid, 147.

²⁶³ Timothy M Devinney et al, *The Other CSR: Consumer Social Responsibility*, 4 <<http://ssm.com/abstracts=901863>>.

²⁶⁴ Ibid 8.

²⁶⁵ Mintel, *Consumers want greener living but not at any cost* (13 October 2009) <<http://www.mintel.com/press-centre/social-and-lifestyle/consumers-want-greener-living-but-not-at-any-cost>>.

²⁶⁶ Ibid.

²⁶⁷ The Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, above n 6, 30.

²⁶⁸ Sam Butler, *The Cut Flower Industry* (5 September 2014) CHOICE <<http://www.choice.com.au/reviews-and-tests/money/shopping-and-legal/shopping/cut-flowers.aspx>>.

consumer laws be reformed so that consumers are not deceived into thinking that ‘freshly cut’ flowers are always freshly picked in Australia.²⁶⁹ The Australian Consumer Laws however do not require businesses to provide a country of origin claim in relation to cut flowers.²⁷⁰ Thus, it is only in cases where a label is deliberately misleading, where there may be an issue with providing false and misleading statements.²⁷¹

Many consumers for example, may be interested to know that when imported flowers arrive in Australia under Australian regulations, they are ‘devitalised’ which means that they are ‘treated with a herbicide that disables propagation to prevent exotic diseases and pests’ by the Australian Quarantine and Inspection Service.²⁷² In practical terms this means that when the flowers arrive in Australia their stems are dipped in Roundup which is a common glyphosate herbicide for approximately 20 minutes.²⁷³ This may be an important consideration for consumers who avoid buying products with chemicals on them.

Thus, given that in many instances there is no way for Australian consumers to know for certain where their cut flowers are sourced from due to the lack of country of origin labelling requirements, it is suggested that given the problems and concerns within the cut flower industry that country of origin labelling should be a requirement when selling imported cut flowers in Australia. This may also have the flow on effect of maintaining the viability of the Australian cut flower industry that is currently in decline. In terms of the consumer and corporate social responsibility considerations, product labelling is also relevant as it allows ‘national governments [to play] protecting or enabling roles.’²⁷⁴

Of course, labelling may negatively impact on the cut flower industry in overseas jurisdictions. This was a concern that has been raised by one of the Ethical Trading Initiative Annual reports where it was documented that ‘one of the largest fears of workers is that foreign companies might stop sourcing from their employer.’²⁷⁵ Thus it would be necessary to make sure that safeguards, such as incorporating positive labelling, were implemented in order to counteract negative impact to the world’s most vulnerable workers. In addition there are other complexities relating to country of origin labelling, such as the structures that are often employed within the supply chain of the cut flower industry. Other details such as who should take responsibility for the labelling would also need to be analysed in order to determine what would be the most cost effective system to employ.

IX CONCLUSION

This article highlights some of the concerns that have been documented within the global cut flower market. These concerns have received a lot of attention in places such as Europe and America, but very minimal attention in Australia. There is evidence to suggest that many of the employment conditions have improved since these issues were broadcast in the aforementioned jurisdictions. It is clear though, that there are still many concerns and

²⁶⁹ Damon Kitney, ‘Fresh Supermarket Flowers? A Blooming Miracle’, *The Australian* (Melbourne), 26 December 2013.

²⁷⁰ Australian Competition and Consumer Commission, *Country of origin claims and the Australian Consumer Law* (2014), 20.

²⁷¹ *Ibid.*

²⁷² Kitney, above n 269.

²⁷³ Butler, above n 268.

²⁷⁴ Caruana and Chatzidakis, above n 257, 577.

²⁷⁵ Susanne Schaller, ‘The Democratic Legitimacy of Private Governance: An Analysis of the Ethical Trading Initiative’ (2007) 91 *Institute for Development and Peace* 1, 26.

challenges within the global cut flower industry. Thus, the inability for consumers in Australia to know where the flowers they are purchasing are sourced and grown, would be a concern to some if not many Australian consumers. This article therefore calls for reform in the labelling of cut flowers in Australia to include country of origin labelling. This reform would mean that consumers could more readily appreciate and understand where their goods are coming from and be able to make educated choices about which goods they choose to purchase, whilst helping to maintain the viability of the Australian cut flower industry. These reforms would also be in line with the increase in consumer and corporate responsibility principles that are now an important consideration in relation to business.