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Retailers, NGO Create Standards for Artisans, Home-Based Workers

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Women prepare silk for a loom in a small workspace in India in May 2017. Nonprofit group Nest worked with retailers to craft standards for how to conduct compliance audits of home-based workers. PHOTO: NEST/SARA OTTO

Retailers are selling more unique, locally sourced products but worry whether they can quickly learn of compliance violations in homes or small workshops where these goods are made.

Manufacturing processes for artisanal goods present a compliance risk for the same reasons they appeal to customers—because they’re not mass-produced in factory conditions. But that makes it much harder for retailers to monitor.

Retailers have developed protocols to audit factories operated by their suppliers but it’s much harder to apply such standards in these smaller work spaces. It matters because international trade in art crafts is soaring. It reached \$34 billion in 2012, up from \$17.5 billion in 2002, according to the most recent data from the United Nations Conference on Trade and Development.

With that in mind, retailers including Target Corp., Patagonia Inc., Eileen Fisher and West Elm, part of Williams-Sonoma Inc., teamed with nonprofit Nest—an organization focused on the development of the global craft industry—to draft more than 130 compliance standards for home-based workshops.

The standards were introduced at the United Nations in December. Products that meet the [Nest Compliance for Homes and Small Workshops standards](#) are allowed to display a consumer seal.

The standards cover six categories: worker rights and business transparency; child advocacy and protection; fair compensation and benefits; worker well-being; health and safety; and environmental care.

Square peg round hole

The rules are designed to allow for a flexible approach that accounts for differences in local cultures, said Rebecca van Bergen, founder and executive director of Nest.

Many companies either have very dated homeworker policies or none at all, or they have policies that forced work occurring in homes and small workshops to be illegally subcontracted, said Ms. van Bergen.

“Or brands try to fit a square peg into a round hole and bring in a factory compliance system for their home workers. Historically that hasn’t worked that well,” she said.

Nuanced relationships

Chris van Bergen, chief operating officer at Nest and the husband of Rebecca, said these home-based businesses all look different from each other. One could be a small artisan with four or five workers or it could be an artisan using 3,000 to 4,000 homeworkers, with each individual in their own house, he said.

“It’s understanding the nuanced relationships in each chain so we can develop processes that make the most sense,” said Mr. van Bergen.

For example, as many home workers don’t work full-time, it’s hard to know whether what they are being paid meets local minimum-wage rules, he said.

In one case that meant sitting down with different sets of workers to time how long it took to produce the product—in this case, a basket—so workers could be paid based on that established time, said Mr. van Bergen.

“You can’t just say this group here makes \$10 a day because some might be making only \$3 or \$1 because they are only weaving one basket per day,” he said. “This makes sure the price-per-piece is fair to them.”

Deeper dive

The standards let retailers look deeper into the production base of where their small-scale products are produced, said Doug Guiley, senior vice president of global sourcing for West Elm.

For example, he said before the company could look at a basket supplier in the Philippines but not at the places on a different island where the 3,000 or so workers who make the baskets live.

“Our factory auditing standard ensured the finishing factory met our requirements but it was not a standard for how to audit that next layer,” said Mr. Guiley. “That’s what this program allows us to do.”

Ms. Mamic said it is important Target, which sources artisanal products from 30 countries, use its scale and the scope of its business “to ensure that responsible sourcing is ingrained in everything we are doing. We are using our scale to act as a change agent and we hope to inspire others to do more.”

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