Background
Many companies have supply chains extending beyond factories to informal settings where accessories or embellishment processes are completed. People working in the informal sector—artisan clusters, home workers, micro-producers and marginalized communities—are particularly vulnerable given the unregulated nature of those workplaces. Companies do not always have the means or tools to monitor them, and are unaware of the social impact of their intervention on those groups. It is, however, widely recognized that responsible trade can substantially improve workers’ lives in remote areas and rural communities.

Project Objectives
FLA’s FAIR-ART project helps companies to better understand the functioning of the informal workplace and offers innovative tools to monitor working conditions, remediate issues and risks, build capacity at the local level, and measure the social impact of their intervention in targeted clusters and communities.

Methodology
The cultural and socio-demographic conditions in the informal sector call for a strategy based on socio-economic empowerment as opposed to auditing. FAIR-ART follows the FLA’s sustainable compliance methodology, which is an innovative approach that identifies the root causes of persistent and serious labor issues and risks and offers recommendations for overcoming them. The following elements outline FLA’s approach to strengthening social compliance and improving workers’ lives in informal settings:

1. Supply chain mapping and risk assessment. FLA conducts a comprehensive study to 1) map various stakeholders in the supply chain; 2) map the supply chain; 3) map all tasks involved in production; and 4) conduct a risk mapping of the production process and supply chain in general.

2. Risk prioritization and standard setting. The results of the mapping studies are shared with relevant local and international stakeholders during in-country multi-stakeholder consultations to identify and reach consensus on the priority issues to be monitored and addressed. Once the priority issues are established, an in-depth root cause analysis is conducted.

3. Participatory approach to workplace assessment and remediation. The next step of the process involves issue prioritization with the target communities, clusters and micro-producers. The participatory approach helps assessors to understand the artisans’ perceptions and set priorities for each community group. The tools focus on problem identification, prioritization, goal identification, solution finding, and action planning at the community level.
4. **Capacity building.** FLA has designed awareness and capacity-building trainings specifically targeting the root causes of existing labor issues and risks, and imparts skills and knowledge to various actors in the supply chain. FLA identifies and works closely with reliable, competent and skilled local service providers that are responsible for adapting the trainings to the local conditions and in local languages. These trainings are designed for the communities and also for the implementing personnel from companies and organizations working with the informal sector.

5. **Social impact assessment at the cluster/community level.** FLA has developed a methodology to measure the impact of an intervention program on the capabilities, livelihood and well-being (material, psychological, physical and social) of the workers involved. A set of preliminary indicators are identified, which are then further refined through input from the workers, photo elicitation, and consultation with local experts. The social impact measurement consists of a baseline assessment and a repetition of the assessment after a period of time to measure the impact of the program.

**Special Project with the International Trade Center**
FLA’s FAIR-ART program was established following a special project and ongoing collaboration with the International Trade Center (ITC) and its Ethical Fashion Program. The tools and methodology developed for this project have been piloted in Kenya with marginalized communities producing goods for the international fashion market. Read the Ethical Fashion Africa Project Update at [http://www.fairlabor.org/sites/default/files/efa-report-july-2012.pdf](http://www.fairlabor.org/sites/default/files/efa-report-july-2012.pdf).

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