

COFFEE Project


Cooperation On Fair, Free, Equitable Employment

Guidance on Monitoring of Labor Brokers

TOOL 21 OF 28

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Fair Labor. Worldwide.

About Our Funding

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About the COFFEE Toolkit

This tool is one of 28 tools and 14 online training modules comprising the [COFFEE Toolkit](#), which was developed as part of Verité’s Cooperation on Fair, Free, Equitable Employment (COFFEE) Project through generous funding from the US Department of Labor’s Bureau of International Labor Affairs (USDOL-ILAB). The purpose of the COFFEE Toolkit is to promote coffee retailer, roaster, trader, cooperative, and farm adoption of socially sustainable sourcing and farming practices in order to promote improved working conditions for farmworkers in the coffee sector.

The COFFEE Toolkit was developed in alignment with USDOL’s [Comply Chain](#) model, with at least one tool created for each of the eight steps of Comply Chain (see graphic below). Many of the tools are derived from tools created for the [Responsible Sourcing Tool](#), developed by Verité with funding from the U.S. Department of State’s Office to Monitor and Combat Trafficking in Persons (J/TIP). The tools can be used á la carte, but it is important that companies have systems and tools in place for each step of Comply Chain.



Why Monitor Labor Brokers?

Adequate monitoring and oversight of labor brokers and recruitment and hiring processes can help to significantly reduce labor risks in the coffee sector. Risks are greater and harder to control when recruitment and hiring are carried out by third-party labor brokers, especially informal brokers — such as crew leaders, local agents, transporters, and contractors. Coffee farms and farm groups should do due diligence on labor brokers they work with, to reduce the risk of legal and code of conduct violations.

About This Tool

The **purpose** of this tool is to help farms/farm groups to monitor the practices of the labor brokers they work with, and spot potential problems in labor brokers' practices. Monitoring should be repeated periodically, and problems identified should be addressed promptly. This tool can be used to evaluate any labor brokers, formal or informal, registered or unregistered, institutional or individual, or any third party engaged in the recruitment, hiring, and or supervision of workers.

The main **audience** for this tool is farming operations (coffee estates, farms, cooperatives) that use labor brokers to supply and/or manage workers. The tool explains the topic areas that should be monitored, and how to monitor each topic area.

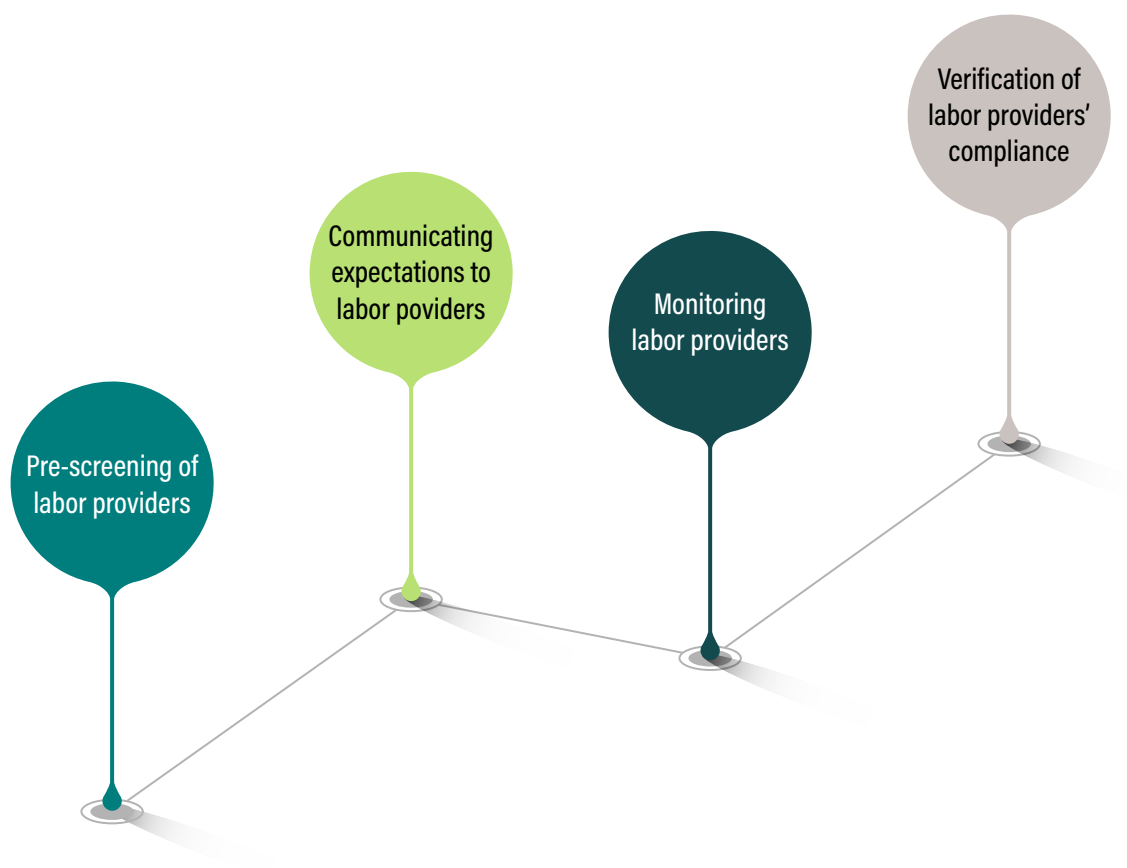


Source: Joa Souza/Adobe Stock

Key Topics to Monitor

Farms/farm groups that choose to work with labor providers should take a number of steps to ensure that labor providers comply with laws and codes of conduct/standards. They should pre-screen labor providers (see [Tool 16: Self-Assessment Questionnaire for Labor Brokers](#)), communicate expectations and train labor brokers on those expectations, as needed (see [Tool 20: Guidance on Communication and Training Across the Supply Chain](#)), monitor their compliance, as discussed in this tool, and use third-party monitors or auditors to verify their compliance (see [Tool 27: Labor Broker Interview Questions](#)).

Figure 1. Due Diligence of Labor Brokers



To facilitate monitoring, farms/farm groups should begin by reviewing:

- All applicable labor laws covering coffee workers
- Applicable codes of conduct, certification, or other standards
- Labor broker licenses, registration, certifications, etc.

Topic to Monitor	What to Monitor	How to Monitor (Choose multiple methods to triangulate information)
Recruitment Fees	<ul style="list-style-type: none"> — Labor broker is not charging workers any recruitment fees or related costs during the entire recruitment and hiring process, including for paperwork, identity documents, health exams, and transportation to the work site — Labor broker is not working with other intermediaries who charge workers (<i>providers of transportation, paperwork services, testing services, etc.</i>) 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor brokers ○ Review agreements/contracts (written or documentation of verbal agreements) between labor broker and workers ○ Validate that labor broker has a process in place for worker complaints/concerns ○ Interview/have discussions with a sample of workers ○ Review complaints received by the farm/farm group's grievance mechanism
Fraudulent Recruitment	<ul style="list-style-type: none"> — Labor broker provides accurate information to workers during recruitment about their terms of work, wages, and working and living conditions 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ Review a sample of agreements/contracts (written or documentation of verbal agreements) between labor broker and workers ○ Review labor broker's process for recruiting workers: <i>how are workers informed of their wages and working and living conditions?</i>

Topic to Monitor	What to Monitor	How to Monitor (Choose multiple methods to triangulate information)
Fraudulent Recruitment <i>(continued)</i>		<ul style="list-style-type: none"> ○ Review any materials that labor brokers provide to workers during recruitment (flyers, training materials, etc.) ○ If labor brokers provide training, attend a training to ensure it covers all relevant topics ○ Validate that information/training is provided to workers is accurate provided in languages they understand ○ Review a sample of records of training attendance ○ Interview/have discussions with a sample of workers to validate their understanding
Payment of Worker Wages <i>(Applicable if workers are paid directly by labor brokers)</i>	<ul style="list-style-type: none"> — Labor brokers pay workers accurately, in accordance with their contracts/agreements — Worker earnings have been calculated accurately and in compliance with laws/standards, including piece rate calculations, overtime, and other factors 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ Review a sample of agreements/contracts (written or documentation of verbal agreements) between labor broker and workers ○ Review a sample of labor broker's payment records (hours worked, rates paid, dates of payment, etc.) ○ Review a sample of worker pay slips, if provided, or verbally calculate production, earnings, and deductions with workers to ensure that they have been paid fairly
Loans, Deposits, and Deductions <i>(Applicable if workers are paid directly by labor brokers, and/or if labor brokers provide loans)</i>	<ul style="list-style-type: none"> — If labor brokers pay workers directly, any deductions taken from workers' pay are in compliance with laws/standards 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ Review a sample of agreements/contracts (written or documentation of verbal agreements) between labor broker and workers ○ Discuss with labor broker typical wage deduction practices (e.g. meals, housing, repayment of loan, etc.)

Topic to Monitor	What to Monitor	How to Monitor <i>(Choose multiple methods to triangulate information)</i>
Loans, Deposits, and Deductions <i>(Continued)</i>	<ul style="list-style-type: none"> — If labor brokers provide workers loans or advances, they are not connected to recruitment fees or related costs and workers can leave their jobs before paying them off — Workers are not required to provide collateral for loans/advances 	<ul style="list-style-type: none"> ○ Review a sample of labor broker's payment records (hours worked, rates paid, dates of payment, deductions taken, etc.) ○ Review a sample of worker pay slips, if provided ○ Review documentation associated with loans/advances ○ Interview/have discussions with a sample of workers
Housing <i>(Applicable if labor brokers provide worker housing)</i>	<ul style="list-style-type: none"> — Housing provided to workers complies with legal and standard requirements (number of workers per room, space per worker, temperature, electricity, water, conditions of sleeping quarters, cooking facilities, toilet facilities, etc.) — Workers have freedom to enter or leave the premises — If workers are charged for housing, the costs were previously communicated to workers and are legal and reasonable (do not exceed the rate for similar housing in the local area) 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ If a third party owns/manages housing, interview/discuss housing with third party ○ Review labor broker records of housing occupancy, rent/fees charged and paid, rates ○ Review workers' copies of proof of payment for housing ○ Review documentation of housing rules (entry and exit, curfews, security, sanitation and cleanliness, sharing of cooking facilities, etc.) ○ Visit/inspect housing conditions ○ Interview/have discussions with a sample of workers

Topic to Monitor	What to Monitor	How to Monitor (Choose multiple methods to triangulate information)
Food <i>(Applicable if labor brokers provide workers food)</i>	<ul style="list-style-type: none"> — Food provided to workers complies with legal and standard requirements (quantity, quality) — Food is distributed equally to all workers — If workers are charged for food, costs are reasonable and do not exceed average food costs in the area — If workers are provided with food on credit, the food is provided at a reasonable cost and workers are provided with accurate records for purchases 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ If a third party owns/manages dining facilities or stores, interview/discuss with third party ○ Review documentation related to food costs ○ Visit/inspect housing and dining facilities ○ Interview/have discussions with a sample of workers
Personal Documents	<ul style="list-style-type: none"> — Workers have access to a safe place to store personal documents/property — Labor brokers only retain workers' documents for processing or safekeeping if this practice is allowable under local law — If labor brokers retain workers' documents for processing or safekeeping, workers have access to them whenever they choose 	<ul style="list-style-type: none"> ○ Interview/have discussions with labor broker ○ Review policies related to safekeeping or processing of documents ○ Inspect facilities for document storage (e.g. lockers) ○ Interview/have discussions with a sample of workers

Next Steps

