



Civil Society Campaigns and Transnational Governance of Working Conditions: Comparing Athletic Apparel/Footwear and Toys

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The problem: Sweatshop working conditions in global supply chains

- Problems of abusive employment practices at the lower end of global production chains: child work, long working hours, wages below living minimum, ban on union or workers representation, employee discrimination, lack of safety and health provisions, high insecurity of employment relations
- Significant gap between existing labor regulations (ILO conventions; ILO core labor standards; national labor laws in developing countries) and labor and employment practices in supplier factories in developing countries



Emerging forms of transnational industrial relations

- Explosion of transnational codes of conduct and international framework agreements

- Key actors
 - NGOs, civil society campaigns, unions, multinational companies, international organizations (ILO), municipalities, private governance organizations, auditing firms

 - Most of the actors are locally/nationally rooted actors (Tarrow) with cosmopolitan strategies, the targets of these strategies are also often local or national in nature; emergence of transnational coalitions of actors

- Multiple overlapping and intersected levels of governance
 - Company/supply chain; groups of firms or sectors; cross-sectoral

 - Local, national, regional, international



Tools, models and organizations of governance

- Different tools
 - Codes of conducts
 - International framework agreements

- Different models
 - Compliance
 - Empowerment

- Different governance organizations
 - Companies
 - Multi-stakeholder initiatives
 - Trade and employers associations



Open questions: How to upgrade? How to expand scope?

- Which forms and processes of transnational governance of labor issues in global production chains do favor or limit
 - an upgrading of working conditions and/or
 - an expansion of the scope of codes and frameworks?

- How do civil society campaigns by labor advocacy groups (NGOs and unions) contribute to upgrading and/or expansion?

- How can upgrading and expanding be integrated into a synergetic approach?



Our research approach

- Comparing transnational governance fields
 - Fields as perceived and constituted by the actors (campaigns, markets, supply chains, governance organisations)
 - Fields as moving targets
 - Fields as interrelated and multilayered entities
- Longitudinal study of interactions between key actors within and across fields since 1990
 - Retrospective analysis combined with real-time observation
 - Documents (Codes, Mailing lists, press articles), and/or participant observations
- Research dimensions: Different channels of diffusion
 - Vertical diffusion (along the supply chain)
 - Horizontal diffusion (within and beyond the field)
 - Competitive diffusion (different forms of governance driving each other up or down with regard to intensity and extensity of the improvement of working conditions)
- Country selection: focus on Europe (Germany), USA and Asia (China)



Global production of athletic apparel/footwear

- High consolidation, domination of a few brands (Nike, Adidas/Reebok, Puma), the Top 20 companies make up 95,8% of the world market share
- Full outsourcing, close ties to suppliers, large intermediaries, few tiers of supply, continuous buyer-supplier relationships, guaranteed volumes of production



Civil society activism in athletic apparel/footwear

- > High visibility: branding politics; major sport events (World Cup, Olympics)
- > The beginning: the evolution of the anti-sweatshop campaigns in the US and Clean Cloth Campaign in Europe: targeting Nike, Reebok, Adidas and Puma.
- > Transnationalisation of civil society cooperation and the role of international sporting events and sporting organisations



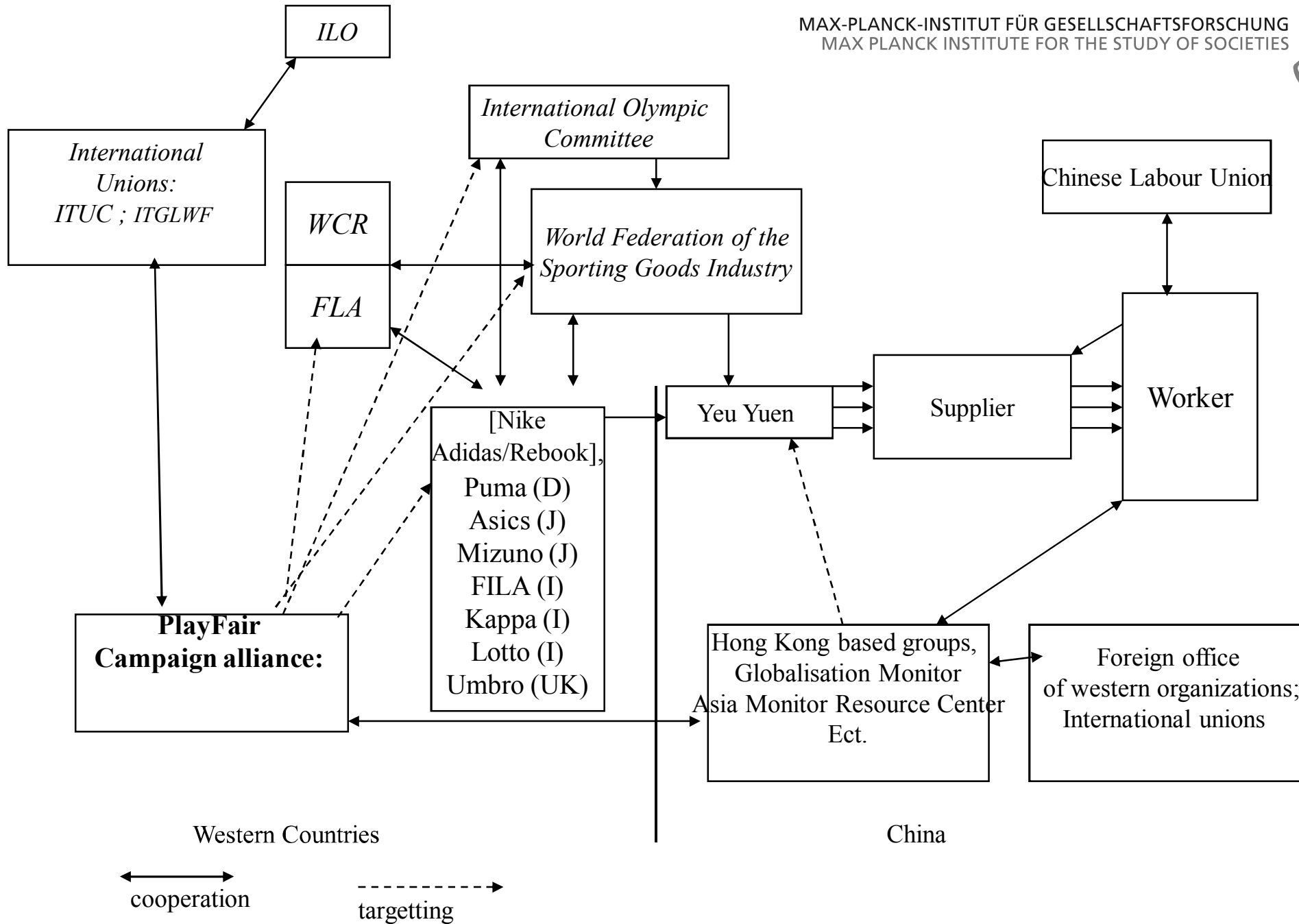
Governance organisations in athletic apparel/footwear

- Large companies
- Fair Labor Association
- Workers Rights Committee
- WFSGI



Regulatory dynamics in athletic apparel/footwear

- Vertical diffusion
 - facilitated by supply chain structure and local collaboration
- Horizontal diffusion
 - driven by cooperation of industry leaders, civil society campaigns and the FLA
 - Smaller firms tend to adhere WFSGI
- Competitive diffusion
 - Upgrading: mainly between FLA and WRC – changes in codes
 - Extending scope: ambiguous role of WFSGI





What are the key challenges?

- > How to reach the lower tiers of the supply chain?
- > How to reach producers outside of the brands?
- > How to cover multinationals from Asian countries?
- > How to integrated informal productions?



Global production of toys

- Fragmented markets
- A few very big and many medium-sized companies: Mattel, Hasbro and Lego make up only 18% of the world sales in traditional toys
- Dominance of big retailers: Wal-Mart, Toys‘R‘Us
- „Loose“ outsourcing: fluctuation of suppliers, multiple tiers of low-cost-low-quality supply, high seasonality, short product life cycle
- Need for inter-supply cooperation because of safety requirements



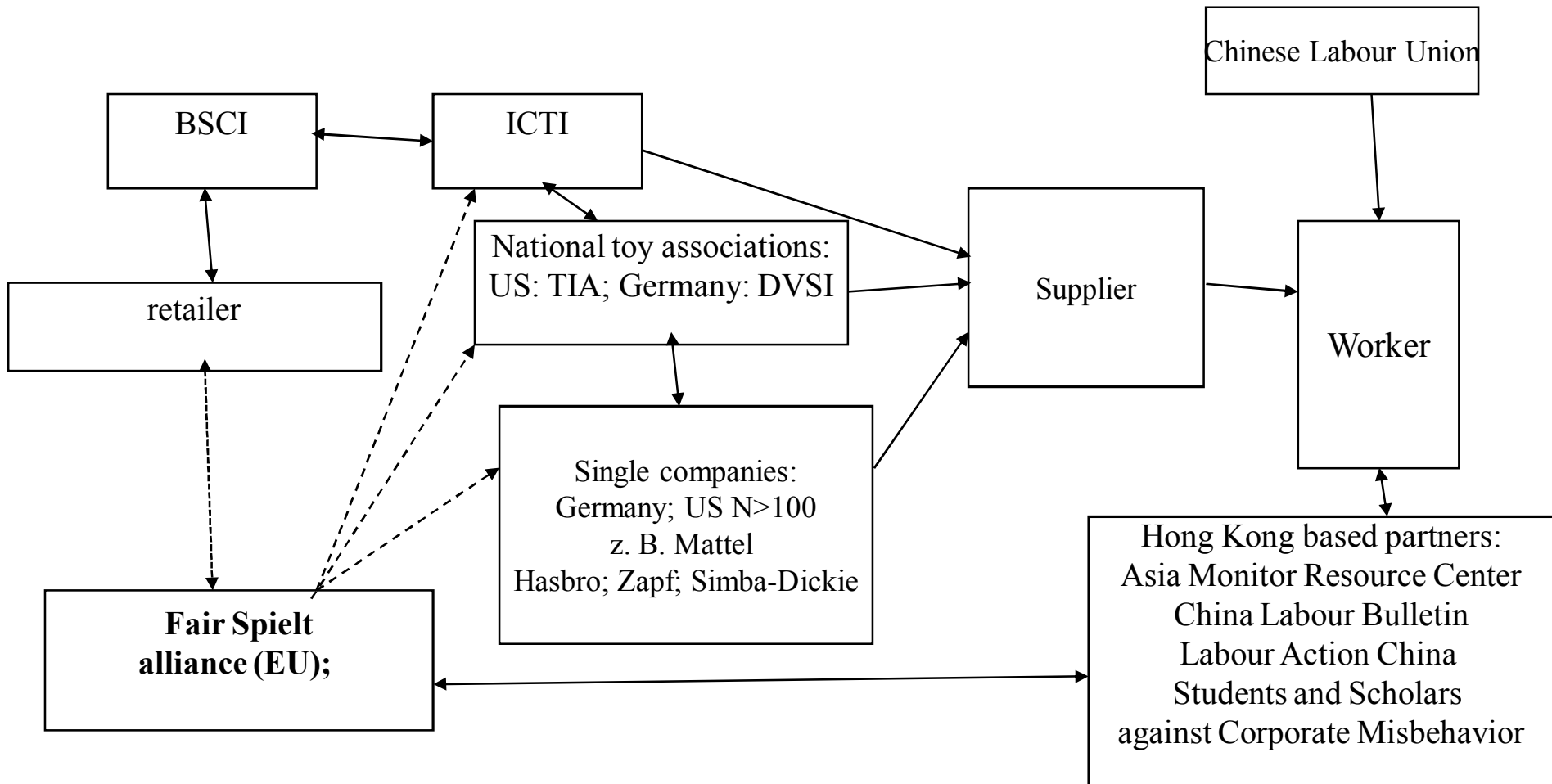
Civil society activism in toys

- Medium visibility, focused primarily on product safety
- Anti-sweatshop and safety campaigns in the US: targeting Mattel, Hasbro and national associations
- Campaigns in Europe: targeting industry associations
- So far no large transnational campaigns



Governance organisations

- National industry associations
- International industry association, ICTI care process
- Round tables, example: Nuremberg toy fair





Regulatory dynamics

- Vertical diffusion
 - Limited by top down monitoring problematic
- Horizontal diffusion
 - High: facilitated through associations and retailers in Germany, Matell, Hasbro in the US
- Competitive diffusion
 - Absence of competitive standards or initiatives



What are the key challenges?

- > How to upgrade codes of conduct?
- > How to reach lower tiers of supply chain?
- > How to support small and medium-sized companies in getting certified and improving working conditions?



Preliminary Findings: Field-specific governance dynamics

- The world of consumption: Types of products and structures of markets
- The world of production: Organization of global production chains
- The world of campaigning: Framing and targeting by NGOs/campaign networks; but also: negotiating, deliberating and convincing
- Dynamic interaction between these three worlds leads over time to the emergence of field-specific governance modes
 - Some have more potential for upgrading
 - Others have more potential for expanding scope