

**Activist Campaigns, Codes of Conduct, and “Corporate Responsibility”:
Impacts on Working Conditions and Labor Rights
in the California and the Pacific Rim Apparel Industry**

Proposal submitted to the
Institute for Labor and Employment
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by
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Project Summary

A critical set of issues arising from contemporary processes of globalization involves social externalities unaddressed by either international or domestic systems of regulatory rules and laws. Within the apparel industry, such externalities affect wages, working conditions, forced overtime, child labor, and lack of the right to free association (union organizing). The objective of this project is to examine the impacts of activist campaigns and “corporate responsibility” programs intended to foster social regulation within apparel industry factories in developing countries. An assessment of such “self-regulatory” efforts is of critical importance to labor organizing and rights within California and the United States as well as host countries, in order to avoid a “race to the bottom.” The project builds on prior and current research by the Principal, and requests \$15,000 in GSRA support and travel funds to conduct fieldwork in several Asian countries during summer, 2001. Research to date has been funded by the Pacific Basin Research Center of Soka University-America, the Non-Profit Sector Research Fund of the Aspen Institute, and the Academic Senate Committee on Research of the University of California, Santa Cruz.

Activist Campaigns, Codes of Conduct, and “Corporate Responsibility”: Impacts on Working Conditions and Labor Rights in the California and the Pacific Rim Apparel Industry

Ronnie D. Lipschutz

Introduction

A critical set of issues arising from contemporary processes of globalization involves social externalities unaddressed by either international or domestic systems of regulatory rules and laws (Braithwaite & Drahos, 2000). Within the apparel industry, such externalities affect wages, working conditions, forced overtime, child labor, and lack of the right to free association (union organizing). California is not immune from such concerns: the reappearance of sweatshops in the United States has brought the externality problem close to home (Bonacich & Appelbaum, 2000). The objective of this project is to examine the impacts of activist campaigns and “corporate responsibility” programs intended to foster social regulation within apparel industry factories in developing countries. An assessment of such “self-regulatory” efforts is of critical importance to labor organizing and rights within California and the United States as well as host countries. If these programs are successful in host countries, they may help to avoid a “race to the bottom” and this may limit the further spread of unregulated sweatshops in California. If they are ineffective, there will be no pressure on regulators in consuming countries to monitor and enforce those regulations on the books. The project builds on prior and current research by the Principal Investigator (Lipschutz 2001, forthcoming 2001, forthcoming; Lipschutz & Fogel, forthcoming). I am requesting \$14,077 in GSR support, travel funds, and miscellaneous costs to conduct fieldwork in several Asian countries during summer, 2001.

Background

Generally speaking, one would expect social regulation to be addressed by the states within which the production facilities are located. Yet, it has become evident that many governments have neither the interest in nor the capacity to enforce such rules as are on the books. While some countries do have laws on the books that address working conditions and permit the formation of labor unions, practice does not often live up to this ideal (ICFTU 1999a, 1999b, 2000). Moreover, there is a strong disinclination to regulate internationally through mechanisms such as the WTO.

In the apparel sector, the regulatory problem is further rendered problematic by the international division of labor: many U.S.-based companies operate no factories themselves (and some own no production facilities at all) and contract with producers—often owned by companies based in Japan, South Korea, and Taiwan—in the host developing countries. The manufacturers claim, therefore, that the problem is largely out of their hands.

It is in this gap that “self-regulation” projects have emerged. With organizations and campaigns in both the United States and Europe, the anti-sweatshop movement has gained growing visibility and broadened support in its efforts to shame, cajole, or bully apparel manufacturers into paying more attention to the conditions in their subcontractors’ factories. Organizations such as Sweatshop Watch in the United States, Clean Clothes in Europe, national unions (AFLCIO), and international union associations (ICFTU) are using consumer pressure

and education to force companies to adopt codes of conduct and improve working conditions. Unions are also, in some instances, working with counterparts in host countries.

Manufacturers, responding to activist pressure and alarmed by the implications of consumer activism, have responded. They have established organizations such as the Industry Apparel Partnership-Fair Labor Association, organized through the Clinton White House, and the Global Alliance for Workers and Communities, sponsored by Nike, Mattel, the World Bank, the MacArthur Foundation, and the International Youth Foundation. Both activists and corporations are also developing inspection and certification programs, whereby companies and factories will be inspected and given clean bills of health, and whose logos can be affixed to products (Sabel, O'Rourke & Fung, 2000).

It is often thought that these campaigns and codes have had a significant impact on the factory floor in host countries, but evidence on this point remains quite limited. Some conditions have improved in some plants in some countries, but the general impact is less obvious. According to reports by campaigners, researchers, and unions (see, e.g., UNITE 2000; O'Rourke, 2000; Quan, 2001), major problems continue in most factories. Moreover, available evidence suggests that the institution of codes of conduct and even improvements in working conditions and wages have had little, if any, impact on the attitudes of governments and factory owners where the right of free association is concerned (ICFTU, 1999a, 1999b, 2000).

Objectives & methods

How effective in improving both conditions and the exercise of labor rights are the activist campaigns and corporate responses? What has been their impact in the host countries, in both the apparel sector and labor more generally? Can reliance on markets and consumer behavior work, in the medium-term, to address these social externalities? While there is a growing body of research into these regulatory projects (see, e.g., Braithwaite and Drahos, 2000; Meidinger, 1999-2000; Schoenberger, 2000), no one, so far as I know, has tried to investigate their broader effects. These are empirical questions that require investigation, which is the goal of this project (Lipschutz, 2001).

For the purposes of my research, I call the general sector- and countrywide upgrading of labor conditions and rights, as a result of self-regulation programs, "spillover." If spillover is taking place, it should become increasingly visible as a result of reforms instituted in specific factories, increased respect for workers, and growing public and private support for their rights as encompassed by relevant ILO conventions and domestic law. I suggest three possible outcomes:

1. Effective spillover: Self-regulation results not only in the formal recognition of workers' rights to organize but also in actual improvement of labor's status in the country as a whole, evidenced by the formation and recognition of national, sector-wide, and factory-based unions and the enforcement of rules by appropriate state authorities.

2. Partial spillover: States attempt to oppose powerful domestic and foreign interests in the effort to assert their authority to legislate and enforce social regulations, and to establish capacity for some degree of control over the political conditions governing labor and other social rights.

3. No spillover or active resistance: There is no detectable spillover to sector and labor, even though workers in some factories labor in improved conditions and have been able to organize factory unions. There is evident corporate and state resistance to self-regulation projects.

In order to focus this research and to build on prior work (Lipschutz, forthcoming), the PI and a GSRA will conduct fieldwork during Summer 2001, in several Pacific Rim countries—Hong Kong, Thailand, Indonesia, and the Philippines—in order to assess whether any spillover has occurred, and what might be required to effect spillover. We will interview a selection of workers, union members and officials, and factory owners in the apparel industry, appropriate state agency officials, and staff at non-governmental organizations in the host countries, using a loosely-structured, in-depth, ethnographic approach.* Interviewees will be selected through consultation with researchers and investigators, at UC-Berkeley and elsewhere, who have been involved in or studying campaigns and codes of conduct. The results of these interviews will be used to prepare a report on the extent of spillover, methods for fostering spillover, and the implications for labor rights and labor organizing in California and the United States.

This project builds on research already underway on global social regulation. I have written and presented several papers on this project, some of which will be published as book chapters and others as journal articles (Lipschutz, 2001; Lipschutz & Fogel, forthcoming; Lipschutz, forthcoming 2001, forthcoming). The report required for this grant will be revised for submission to a peer-reviewed journal and will be integrated into a book by the PI on social and environmental regulation under globalization.

References

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- and Cathleen Fogel. Forthcoming. "Regulation for the Rest of Us? Global Civil Society & the Privatization of Transnational Regulation," in: Thomas J. Biersteker and Rodney Bruce Hall (eds.), *Private Authority and Global Governance*.
- Forthcoming, 2001. "Crossing Borders: Global Civil Society and the Reconfiguration of Transnational Political Space," *Geojournal*.
- Forthcoming. "Doing Well by Doing Good? Transnational Regulatory Campaigns, Social Activism, and Impacts on State Sovereignty," in: John Montgomery and Nathan Glazer (eds.), *Challenges to Sovereignty: How Governments Respond*.
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* That is, we will formulate a questionnaire, but will not conduct survey research or attempt to code the interviews.

Project Budget

Salaries

GSR II, 3 mo. summer salary @ \$2,614	\$7,842
GSR benefits @ 3%	235
Salary total	8,077

Travel

1 RT, SF-Taipei	1,300
Additional funds to cover PI's travel to Hong Kong	250
Ground & regional transportation	850
Travel total	2,400

Other costs

Per diem for 21 d @ \$100/day	2,100
Misc. project costs (copying, books, phone & fax)	1,500
Total other costs	3,600

Total	\$14,077
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RONNIE D. LIPSCHUTZ
curriculum vitae

EDUCATION

DOCTORATE in Energy and Resources, University of California, Berkeley, 1987.
MASTER of SCIENCE in Physics, Massachusetts Institute of Technology, 1978.
BACHELOR of SCIENCE in Physics, BACHELOR of ARTS in Liberal Arts, University of Texas-Austin, 1975.

PROFESSIONAL & ACADEMIC EXPERIENCE

Assistant/Associate Professor, Department of Politics, University of California, Santa Cruz, 1990-present.
Associate Director, Center for Global, International & Regional Studies, University of California, Santa Cruz, 1996-present.
President & Senior Associate, Pacific Institute for Studies in Development, Environment, & Security, Berkeley, 1987-1993.
Staff Scientist, Lawrence Berkeley Laboratory Energy Performance of Buildings Group, Berkeley, California, 1981-82.
Research Scientist, Massachusetts Audubon Society, Lincoln, Mass., 1980.
Scientific Staff, Union of Concerned Scientists, Cambridge, Mass. 1978-1980.

EXTRAMURAL HONORS, AWARDS, FELLOWSHIPS & GRANTS

Co-PI (with Paul Lubeck), Carnegie Corporation of New York, "Globalization, State Capacity, and Self-Determination: Comparative Muslim States, Movements, Networks and Strategies," 2001-2002 (\$269,129).
PI. Nonprofit Sector Research Fund, Aspen Institute, "Regulation for the Rest of Us": Global Civil Society and Global Social Regulation," 2001-2002 (\$40,000).
PI. Pacific Basin Research Center, Harvard University/Soka University-America, "Global Civil Society and Emerging Patterns of Social Regulation in the Pacific Basin," 2000-2001 (\$20,000).
Co-PI (with Caroline Pomeroy). National Oceanographic & Atmospheric Administration Grant, for project on "California Fishery, Farm and Environmentally Vulnerable Community Responses to the 1997-98 ENSO Event, 1999-2001" (\$135,000).
PI. MacArthur Foundation Research & Writing Grant, for project on "Minds at Peace? The Construction of U.S. Security Policy at Century's End," 1998-99 (\$35,000).

Recent & forthcoming books

Ronnie D. Lipschutz, Film, Fiction, and the Cold War—Popular Culture and Foreign Policy during America's Half-Century. (Boulder: Rowman & Littlefield, forthcoming 2001)
-----, After Authority: War, Peace and Global Politics in the 21st Century (Albany: SUNY Press, 2000).
Beverly Crawford & ----- (eds.), The myth of "ethnic conflict": politics, economics, and "cultural" violence (Berkeley: UC Berkeley International and Area Studies Press, 1998).

Forthcoming journal articles

- , "'Environmental History, Political Economy and Policy: Re-discovering Lost Frontiers in Environmental Research," Global Environmental Politics 1, #3 (Fall 2001).
- , "Why Is There No International Forestry Law? An Examination of International Forestry Regulation, both Public and Private," Natural Resources Journal (forthcoming).
- , "Crossing Borders: Global Civil Society and the Reconfiguration of Transnational Political Space," Geojournal (forthcoming).
- , "Terror in the Suites--Narratives of Fear and the Political Economy of Danger," Global Society 13, No.4, (October 1999): 411-39.
- , "Members Only? Citizenship and Civic Virtue in a Time of Globalization," International Politics 36, #2 (June 1999):203-33.

Recent and forthcoming book chapters

- , "Doing Well by Doing Good? Transnational Regulatory Campaigns, Social Activism, and Impacts on State Sovereignty," in: John Montgomery and Nathan Glazer (eds.), Challenges to Sovereignty: How Governments Respond (forthcoming).
- & Cathleen Fogel, "Regulation for the Rest of Us? Global Civil Society and the International Regulation of Forestry Principles," in: Michael Hatch (ed.), Evaluating Alternative Policy Instruments for Environmental Protection (forthcoming).
- & Cathleen Fogel, "Regulation for the Rest of Us? Global Civil Society & the Privatization of Transnational Regulation," in: Thomas J. Biersteker and Rodney Bruce Hall (eds.), Private Authority and Global Governance (forthcoming).
- , "Globalized Networks of Knowledge and Practice: Civil Society & Environmental Governance," in: Ho-Won Jeong, ed., Global Environmental Policies: Institutions and Procedures (London: MacMillan, forthcoming 2000).
- , "(B)orders and (Dis)Orders: The Role of Moral Authority in Global Politics," David Jacobsen, Mathias Albert & Yosef Lapid, eds., Identities, Borders and Order (Minneapolis: University of Minnesota Press, forthcoming 2001).
- , "The State as Moral Authority in an Evolving Global Political Economy," Jose V. Cipurut, ed., The Art of the Feud: Reconceptualizing International Relations (Westport, CT: Greenwood Publishing, 2000).