



Institute of
Development Studies

**Do Workers Benefit from Ethical Trade?
Codes of Labour Practice in Global
Production Systems**

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Introduction

- ETI Impact Assessment
 - Aims and Objectives of Impact Assessment
 - Key Findings
- Why have codes had limited effect in GPS?
 - Analysis of Labour in GPS
 - Economic and social tensions
- How to address workers rights in GPS?
 - Voluntary vs. regulatory approaches
 - What form of global/local governance?

ETI Impact Assessment

- Aims and Objectives
- 5 Studies: South Africa fruit, India garments, Vietnam garments; Costa Rica bananas, UK horticulture
- Value Chain to Impact Mapping within each study
- Methodology: 10 ETI companies, 25 suppliers/sites, 400 workers
- Learning not Proving approach to impact assessment
- **Reports available at www.ethicaltrade.org/d/impactreport**

ETIA Summary of Findings

- **Positive impacts on ‘visible’ issues**
 - Health and safety
 - Child labour
 - Working hours
 - Minimum (not Living) wage
- **Little or no impact on ‘less visible’ issues**
 - Freedom of association
 - Discrimination
 - Regular employment
- **Category of Employment**
 - Positive impacts for regular/permanent workers
 - Worse conditions for casual, migrant and especially third party contract workers – codes have had little impact

Analytical Approaches

- **Global Production Systems**
 - Global value chain linkages between firms
 - Governance by lead firms / standards
 - Socially & institutionally embedded production
 - Power asymmetries (corporate/civil society)
- **Duality of Labour in GPS**
 - Labour as factor of production
 - Output Standards – Compliance approach
 - Economic Upgrading

versus

 - Workers Rights, Entitlements and Well Being
 - Process Rights (eg. Freedom of Association)
 - Social Upgrading
- **Global Civil Society**
 - Social vs. economic power
 - Consumer mobilisation

Challenges of code implementation in complex value chains

- Type of supply relationships and level of leverage within ETI company value chains varies
- Code implementation *haphazard* in complex value chains
- Multiplicity of buyers/codes
- Key issue – Purchasing practices of buyers
 - ‘Double standards’ of compliance approach
- Underlying tension between commercial (quality/cost/flexibility) and social requirements (codes/rights)

How to address Workers Rights in GPS?

- Global Civil Society
 - Shifting power relations
 - Campaigns vs. advocacy
 - Civil Society/Corporate
- Forms of Governance in GPS
 - Voluntary vs. Regulatory (eg. GLA, UK)
 - Global vs local (eg. WIETA S. Africa)
- Concluding remarks:
 - Role and limits of codes
 - New forms of global governance?