

# **Global Production Systems and Decent Work**

**Working Paper No. 77**

**Stephanie Barrientos\***

**Policy Integration Department  
International Labour Office  
Geneva**

May 2007

Working papers are preliminary documents circulated  
to stimulate discussion and obtain comments

\* Dr. Stephanie Ware Barrientos – Research Fellow – Institute of Development Studies – University of Sussex – Brighton BN1 9RE – United Kingdom.

---

Copyright © International Labour Organization 2007  
First published (year)

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: [pubdroit@ilo.org](mailto:pubdroit@ilo.org). The International Labour Office welcomes such applications.

Libraries, institutions and other users registered in the United Kingdom with the Copyright Licensing Agency, 90 Tottenham Court Road, London W1T 4LP [Fax: (+44) (0)20 7631 5500; email: [cla@cla.co.uk](mailto:cla@cla.co.uk)], in the United States with the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923 [Fax: (+1) (978) 750 4470; email: [info@copyright.com](mailto:info@copyright.com)] or in other countries with associated Reproduction Rights Organizations, may make photocopies in accordance with the licences issued to them for this purpose.

---

Stephanie Barrientos  
*Global Production Systems and Decent Work*  
Geneva, International Labour Office, 2007

ISBN 978-92-2-119577-1 (print)  
978-92-2-119578-8 (web pdf)

*CIP data:*

*ILO Cataloguing in Publication Data*

---

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: [pubvente@ilo.org](mailto:pubvente@ilo.org)

Visit our website: [www.ilo.org/publns](http://www.ilo.org/publns)

---

*Abstract:* Global Production Systems (GPS) are a significant source of employment for developing countries. This employment can often be insecure and under poor conditions. There is debate as to whether there is a “race to the bottom” or whether participation in these systems is important to attract investment, increase technological capability, build industrial capacity, foster economic growth and create jobs. The major research question is which are the challenges for ensuring decent work in global production systems for all, and how to address these challenges; related questions are how pressures to reduce cost and enhance quality are playing out in terms of employment and ensuring decent work; how to better understand which workers within global production systems have access to what rights and social protection and whether all producers and sectors are able to engage in both economic upgrading and provide decent work. Also which leverage points can be identified for a process that benefits workers, links economic upgrading with decent work and facilitates the longer term sustainability of production, and what is the role of employers, trade unions, global civil society networks and voluntary initiatives in this.

*JEL classification:* F23, J24, J80, O33.

*Résumé:* Les Systèmes Globaux de Production (GPS) représentent une importante source d’emplois dans les pays en développement. Ces emplois peuvent être instables et avec des conditions inadéquates. Le débat porte sur la question de savoir s’il y a existé un «nivellement vers le bas» ou si, au contraire, la participation dans ces systèmes est bénéfique en terme d’investissements, de capacité technologique, de développement industriel, de croissance économique et de création d’emplois. La question essentielle pour la recherche est d’identifier les obstacles au travail décent dans les systèmes globaux de production, et de déterminer comment surmonter ces obstacles. Des interrogations portent sur l’effet des pressions sur les coûts et la qualité sur l’emploi et le travail décent. Il est également nécessaire de mieux comprendre quels sont les travailleurs dans les systèmes globaux de production dont les droits sont respectés et qui bénéficient d’une protection sociale, et quels sont les producteurs et les secteurs qui sont en mesure d’accroître leur valeur ajoutée et d’offrir du travail décent. Finalement, quels sont les processus qui peuvent bénéficier aux travailleurs, établir un lien entre accroissement de la valeur ajoutée et travail décent, et faciliter la durabilité à long terme de la production? Quel est le rôle des employeurs, des syndicats, des réseaux globaux de la société civile et des initiatives volontaires dans ces processus?

*Classification JEL:* F23, J24, J80, O33.

*Resumen:* Los sistemas globalizados de producción constituyen una fuente importante de empleo en los países en vías de desarrollo. Estos empleos pueden ser inestables y con condiciones inadecuadas. Existe un debate de si se trata de una ‘competencia hacia abajo’ o si, por el contrario, la inserción en estos sistemas es importante para atraer inversiones, aumentar las aptitudes tecnológicas, fomentar la capacidad industrial, alentar el crecimiento económico y generar empleo. La pregunta esencial para la investigación es identificar los desafíos que existen para lograr trabajo decente para todos en los sistemas globalizados de producción y cómo enfrentar estos desafíos. Temas relativos incluyen la manera en que la presión para bajar costos y mejorar la calidad interactúan con el empleo y con el trabajo decente; los mecanismos para mejorar la comprensión de los trabajadores que dentro de un sistema globalizado tienen acceso a cierto tipo de derechos y a ciertos tipos de protección social; y si todos los productores y sectores están en condiciones de mejorar su desempeño económico y ofrecer trabajo decente al mismo tiempo. Finalmente, importa identificar los medios que beneficien a los trabajadores, que articulen un mejor desempeño económico con trabajo decente, facilitando la producción a largo plazo de manera sostenible, y cuál es dentro de este proceso el papel de los empleadores, de los sindicatos de trabajadores, de las redes internacionales de la sociedad civil y de iniciativas voluntarias.

*Clasificación JEL:* F23, J24, J80, O33.

---

## The Policy Integration Department

The Policy Integration Department pursues the ILO's decent work and fair globalization agenda from an integrated perspective. Its central objective is to further greater policy coherence and the integration of social and economic policies at the international and national level. To this end, it works closely with other multilateral agencies and national actors such as Governments, trade unions, employers' federations, NGO's and universities. Through its policy-oriented research agenda, it explores complementarities and interdependencies between employment, working conditions, social protection, social dialogue and labour standards. Current work is organized around four thematic areas that call for greater policy coherence: Fair globalization, the global poor and informality, macro-economic policies for decent work, and emerging issues. Working papers disseminate research findings at an early stage in order to obtain comments, and are thus preliminary documents.

Director: *Duncan Campbell*  
Research Advisor: *Rolph van der Hoeven*

This paper was initiated by *Ümit Efendioğlu* and *Kenta Goto* and produced in cooperation with the *Regional Office for Asia and the Pacific*.

By reviewing the link between the social and economic aspects of Global Production Systems (GPS), this paper follows up on the recommendations of the report of the World Commission on the Social Dimension of Globalization, which identified expansion of GPS as both an opportunity and a challenge. The paper also serves as the principal background paper for research activities being undertaken under the ILO/JILPT (Japan Institute for Labour Policy and Training) Networking of National Institutes for Labour Studies Project, administered by the ILO/Japan Multi-Bilateral Programme in Bangkok, which involves fifteen research institutes from the Asia and the Pacific region. The current thematic focus of this research network is decent work in GPS in Asia and the Pacific.

---

# Global Production Systems and Decent Work

## Contents

	<i>Page</i>
<b>1. Introduction: The challenge of decent work in global production systems .....</b>	<b>1</b>
<b>2. Analytical Overview: The transformation of Global Production Systems .....</b>	<b>2</b>
<b>3. Transformation of Global Production .....</b>	<b>4</b>
<b>4. The Employment Challenge: Transformation of Work .....</b>	<b>7</b>
<b>5. Rights and Protection Challenge: Incorporating vulnerable workers.....</b>	<b>12</b>
<b>6. Policy Challenge: Identifying leverage and interventions in GPS .....</b>	<b>14</b>
<b>7. Case studies.....</b>	<b>19</b>
i. Bangladesh Garments .....	19
ii. South Africa Fruit and Wine.....	21
iii. Complexities of Global Production Systems .....	24
<b>8. Recommendation for further research.....</b>	<b>24</b>
References .....	29

---

# Global Production Systems and Decent Work

## 1. Introduction: The challenge of decent work in global production systems

Global production systems have provided the basis for a rapid expansion of employment in export production over recent decades. Much of this employment is often flexible, insecure and informal. Many workers face poor conditions of employment, lacking legal and social protection. Attention has been paid to the challenge of economic upgrading within global production systems. This allows producers to access higher value activities either in terms of the production of goods and/or the processes they are involved in. However little attention has been paid to the need for social upgrading – ensuring that workers linked to global production systems can also access decent work. The ILO is now addressing this through the implementation of a research project across 15 countries in Asia. The aim of this paper is to provide an overview of the challenges of enhancing decent work within global production systems, and contribute to developing a research agenda on this issue. The question it focuses on is what are the challenges for ensuring decent work in global production systems extend to all workers, and how can these challenges be addressed?

Export production has undergone a transformation over the past three decades. There has been a shift towards more coordinated and integrated production of goods and services. Multinational enterprises (MNEs) initiated this trend by relocating production to developing countries under the control of subsidiaries and franchises and similar agreements. But the trend now is towards direct sourcing by large corporations from global networks of producers over whom they have no formal ownership or legal ties. The concept of ‘Global Production Systems’ encapsulates this network, and locates it in the context of the social and institutional environment in which it is embedded. Employment within global production systems is both driven by the requirements of global buyers, and affected by specific local labour market norms and circumstances. It is often quite heterogeneous, ranging from full time permanent work to casual and contract work in export sectors that are more labour intensive.

Decent work, as defined by the ILO, is work that takes place ‘under conditions of freedom, equity, security and dignity, in which rights are protected and adequate remuneration and social coverage is provided’. Decent work has four pillars: Employment, Social Protection, Rights and Social Dialogue. In the context of global production systems, there are significant challenges in achieving these four dimensions of decent work within global production systems:

- The employment challenge to decent work arises from the diversity of employment generated by global production systems. Some of this work is permanent, regular and secure. But even within the same firm there is often simultaneously employment that is flexible, insecure and informal;
- The rights challenge relates to the difficulty of organisation or representation amongst such workers. Without collective power to negotiate with employers, workers are not in a position to access or secure other rights. The rights challenge is compounded where workers are highly mobile (migrant and contract workers), where there is gender discrimination, or the use of child labour;
- The social protection challenge relates to the lack of access many flexible and informal workers have to a contract of employment and legal employment benefits. They are therefore often denied access to other forms of protection and social assistance by the state;

- 
- The social dialogue challenge arises from the lack of effective voice and independent representation of such workers in a process of dialogue with employers, government or other stakeholders.

Decent work is operationalised through the application of international labour standards that have been agreed on a tripartite basis in the form of Core ILO Conventions. The main mechanism through which ILO Conventions are implemented is national government legislation and enforcement of labour market regulation. However, insertion into global production systems weakens the ability of national governments to ensure decent work. The employment decisions of domestic suppliers are increasingly controlled by meeting the requirements of large overseas corporate buyers. Yet these corporate buyers are not themselves employers and operate beyond the control of national governments in their sourcing countries. This provides an important challenge for attaining decent work in global production systems. National channels for achieving quality employment, ensuring workers' rights, providing social protection and facilitating social dialogue are undermined.

The aim of this paper is to assess this challenge, and provide guidance for further investigation into the issues by the ILO. The paper is divided into 8 sections:

*Section 2* provides an analytical overview of global production systems – how are they defined, and how can we analyse them. This provides a foundation for further exploration of the challenge of ensuring decent work within this global context.

*Section 3* examines the transformation of global production in greater depth.

Sections 4-6 unpack the different dimensions of decent work in more detail.

*Section 4* examines the employment challenge – how is insertion into global production systems affecting the employment relationship and related conditions of employment – particularly the expansion of flexible, insecure and informal work *within* global production.

*Section 5* examines both the rights and social protection challenges. Given the flexible and insecure nature of much employment within global production systems, what are the difficulties in terms of accessing workers' rights, and ensuring social protection?

*Section 6* examines the policy challenge. Social dialogue as a means of ensuring decent work needs to go beyond a national framework set by government, to include global actors. It explores what other actors have come into the picture, and what the policy levers are to promote social dialogue and international labour standards within global production systems.

*Section 7* provides examples of the challenges of achieving decent work, and innovative ways of addressing them, drawing on specific case studies in Bangladesh garments sector, and South African horticulture.

*Section 8* concludes by providing indications of how ILO research can help to further understand these challenges, and provide a more holistic policy steer on policies to support social upgrading within global production systems.

## **2. Analytical Overview: The transformation of Global Production Systems**

In order to analyse global production systems, we first have to be clear what we mean, and how we are using this term. Global production has undergone rapid transformation over

---

the past two decades. This has taken place at different levels – economic, social and political. Firstly, economic liberalisation and the expansion of transportation and communication have opened many developing economies up to export oriented growth. A shift has taken place, particularly in many final goods and service sectors, from control of production by MNEs through ownership of overseas subsidiaries or franchises towards out-sourcing of production to suppliers where there is no legal ownership, but over whom global corporate buyers are able to exert a high level of control. Corporate buyers may be international agents, brands or retailers. They are not necessarily northern based, and increasingly dominant firms are emerging within regional production networks inside Asia, Africa and Latin America.<sup>1</sup>

Secondly, deregulation of labour markets and the transformation of production have contributed to a significant change in the nature of employment. There has been a shift away from formal, regular employment to more flexible, informal and insecure work directly linked to global production. With this a change has occurred in the composition of the labour force, with greater female participation and use of ‘non-regular’ workers such as migrant and contract labour. Thirdly, the transformation of global production has increasingly challenged the ability of states to regulate or hold MNEs accountable. In many cases governments have lured overseas investment and contracts by offering tax and regulatory concessions, such as in export processing zones (EPZs). In this context, global institutions such as the OECD, UN, ILO, as well as civil society actors, particularly trade unions and non-government organisations, have used their access to global governmental and civil society networks to influence the activities of MNEs and hold them to account.

In order to better analyse these different dimensions of the organisation of global production, Efendioglu, Posthuma and Rossi have focused on the concept of global production system. This is seen as ‘the interaction of not only various [production] networks but also different levels and domains of policy, institutions and their social actors that impact upon the functioning of the system. Defined as such, a global production system entails a social as well as an economic dimension’ (Efendioglu, Posthuma et al. 2005). There is no single analytical perspective that captures these different dimensions of global production systems. In this paper we draw on three approaches that help to unpack the nature of the transformation that has taken place:

- Firstly, at the level of the industrial organisation of global production we draw on analysis of global value chains and production networks (Gereffi 1994; Gereffi 1995; Kaplinsky 2000; Dicken, Kelly et al. 2001; Sturgeon 2001). These focus on analysing the linkages between commercial actors engaged in productive activity without necessarily any formal ownership, and the power more dominant firms are able to exert through their governance of suppliers. Chain analysis focuses more on the industrial and structural linkages, whereas production networks focuses more on the complexity of linkages between firms as well as wider institutional actors. An important limitation of these approaches is that they do not sufficiently incorporate the role of workers engaged in global production (Barrientos 2001a);
- Secondly, in terms of the transformation of employment we draw on the analysis of flexible labour, insecure and informal work (Standing 1999; ILO 2002; Chen, Vanek et al. 2004). These approaches analyse the shift from formal, secure and regulated labour markets to the increasing use of informal, insecure and unregulated labour. The

<sup>1</sup> For example, Li and Fung based in Hong Kong is a major global sourcing agent across Asia, which plays a dominant role within the garments and accessories production networks in that region. Regional supermarkets are also playing an increasingly important role the expansion of agribusiness. The South African supermarket Shoprite has 119 outlets in 16 African countries, plus India.



---

analysis of this type of labour provides an important complement to global value chains and production networks. Linking these approaches helps us assess the challenge of attaining decent work within global production systems;

- Thirdly, in terms of the changing role of civil society actors in influencing and holding MNEs to account we draw on analysis of global civil society (Hulme and Edwards 1997; Edwards and Gaventa 2001; Scholte 2004). This helps to understand the changing role of trade unions and non-government organisations in influencing global corporations and advocacy for enhancing decent work. It provides a global dimension where key corporate players influencing social upgrading in global production systems are beyond the reach of government and national mechanisms of social dialogue.

Each of these three analytical approaches are explored in more depth below in the context of their contribution to understanding the challenge of enhancing decent work. They combine to help unpack and more clearly define the contemporary nature of global production systems.

It is important to highlight a tension when drawing on these different approaches. They draw on different disciplinary perspectives, which do not necessarily interact with each other easily, particularly with reference to labour. Some analysis of global value chains, as well as conventional labour market analysis, draws on an economic perspective that focuses on industrial structure and views labour as a factor of production, similar to other factor inputs such as land and capital, in isolation from its human dimension. In contrast, some analysis of production networks, labour flexibility, informality and insecurity, as well as analysis of global civil society, draws on a sociological perspective that gives greater importance to human agency, and workers' rights. Those who focus on the industrial and structural dimension of global production systems often ignore labour, or make an implicit assumption that economic upgrading and raising labour productivity will *de facto* lead to improvements for workers. Many who focus on the social dimension of global production systems, particularly global trade unions and international NGOs, argue that the dynamic of global production systems has in itself been a factor undermining decent work, and is responsible for a downward trend in labour standards and the provision of decent work (Oxfam 2004).

Case studies would suggest that this is a complex issue. Even within the same country and sector, some workers appear to have benefited from employment in global production, but others less so, even though global production has generated much needed employment for them. The challenge of enhancing decent work in global production systems is thus not straight forward. We need to unpack in much greater depth the different types of production linkages that exist, the different types of employment generated, and how this affects workers rights and ability to access social protection. On this basis, we are in a better position to understand how social dialogue can be made more effective in this changing global environment.

### **3. Transformation of Global Production**

Globalisation has witnessed a shift in international trade from exchange based on distant market relations to closer commercial inter-connections between firms. This process has taken place both through an expansion of intra-firm trade, i.e. within MNEs, but increasingly through sourcing by firms that do not own or formally control production in their supplier locations. Global value chain analysis has examined this in terms of the shift from producer-led to buyer-led chains. In the latter increased linkages between production, distribution, retailing and consumption are dominated by large corporate buyers who own no production (Gereffi 1994; Gereffi 1995; Kaplinsky 2000; Dicken, Kelly et al. 2001; Sturgeon 2001). Three characteristics of value chains that have been highlighted are upgrading (the ability to move to a stronger position in the chain through product design,

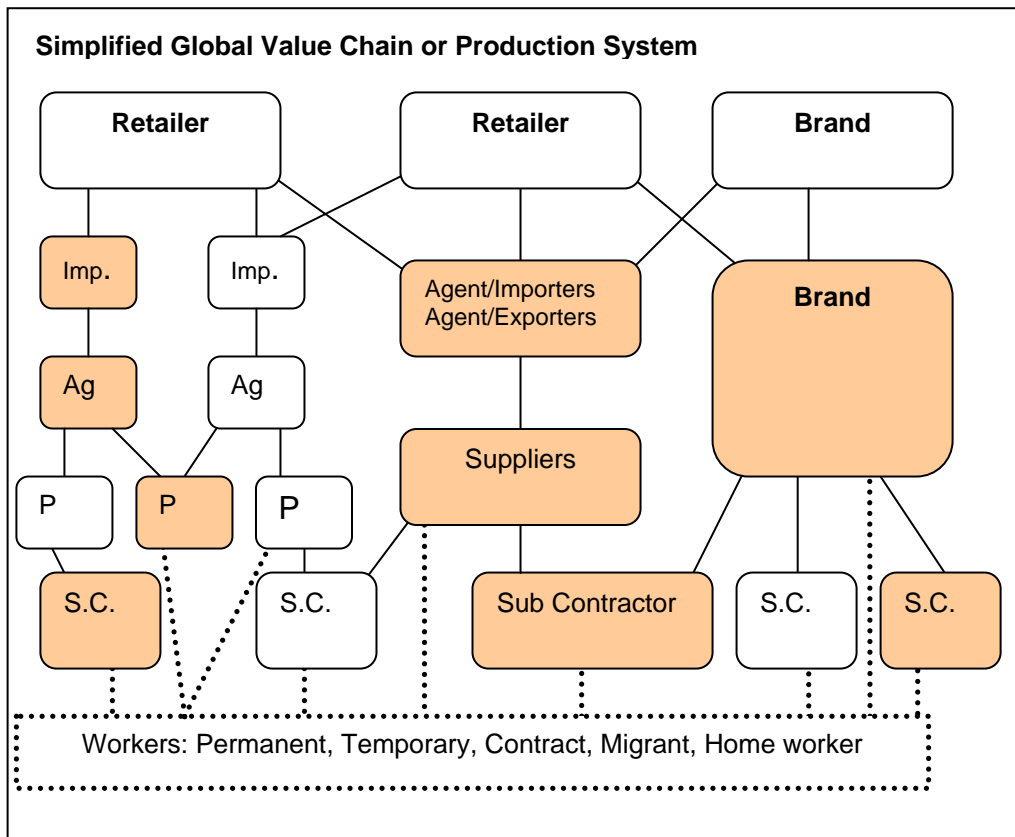
---

processing or industrial orientation in order to access higher value activities); governance (the ability of more powerful firms to dominate and control the activity of weaker firms in the chain); and economic rents (the ability to capture additional value through upgrading or exercising control over weaker commercial actors in the chain).

An important feature of global production systems is their shift from a producer to a consumer orientation. Rapid transformation has taken place in the way global production is organised across countries to maximise efficiency, minimise waste, and ensure a constant supply of goods at competitive prices that meet changing consumer tastes and requirements. Global buyers are able to maintain flexibility and respond to changing consumer demand by sourcing through complex networks of suppliers globally. At the same time, consumer appeal is maintained by cultivating a focus on quality and brand image, through which corporate buyers access niche markets and are able to attract higher spending consumers and sales. Here high economic rents are acquired through reputation or appeal.

Not all global production is for the higher end, and many sectors are characterised by a mix of high and low end networks of producers and retailers, providing access to different segments of the consumer market. In order to maintain homogeneity of products sold (despite diversity of suppliers) and maintain quality with little direct control over suppliers, buyers have increasingly codified their requirements in the form of standards with which suppliers have to comply as a condition of supply. Some are regulatory (e.g. trade rules), but increasingly standards are set by the private sector, initiated by sectoral trade associations and/or individual buying companies. They cover a range of issues from product specification and safety through processes of production, to wider environmental and social issues (Dolan and Humphrey 2004). Codes of labour practice and corporate social responsibility are a more recent addition to this range of standards, which will be examined below.

Figure 1:



Source: Adapted from Gereffi, Humphrey and Sturgeon 2005.

It is possible to characterise different types of value chain, in terms of whether they involve arms length, modular or hierarchical forms of governance. The different forms of governance are affected by the complexity of transactions between firms within a value chain, and the extent to which transactions can be codified in terms of standards that control how suppliers perform, either in terms of the product they produce or the process by which it is produced (Gereffi, Humphrey and Sturgeon 2005). Figure 1 provides a simplified outline of these three forms of governance. An arms length chain on the left is one with a number of firms (buyers and sellers) with weak linkages between them. Here the complexity of transactions between firms is low, and transactions can be easily codified. A modular chain in the middle has a smaller number of firms, more direct linkages between them, but little formal vertical integration. Here transactions between firms are more complex, but codification is possible through standards. A hierarchical chain on the right involves a greater degree of vertical integration. Here transactions between firms are complex and difficult to codify, and the dominant firm exercises more direct control over suppliers.

Global value chain analysis has tended to emphasise the structural mapping of vertical linkages between firms with little attention to the social and institutional context in which chains operate. A related approach is that of global production networks, which places greater emphasis on analysing relations across networks of firms (local, regional and global). Production networks are perceived in terms of embedded social relations and asymmetrical power relations that are played out as an ongoing process by different social actors and intermediaries (Dicken, Kelly et al. 2001). This approach places greater emphasis on understanding the role of human agency in affecting the change and transformation within networks. It gives greater weight to the social and institutional context in which global production takes place, and facilitates analysis of diverse influences that can affect changes in production as a socially embedded process.

---

We draw on analysis of both value chains and production networks in order to analyse different dimensions of global production systems. At one level it is important to be able to isolate and trace key structural linkages between different firms as they interact across countries and regions, and the role dominant firms can play in affecting the activity of others. At a wider level it is important to understand the institutional and social influences on firms in terms of their participation within networks that are in a process of transformation. It is this latter dimension that helps us to bring labour in, not simply as a factor of production whose productivity can be engineered, but as a social agent with rights that can affect change within the global production system. It also helps us to locate production within a wider institutional context that might differ across countries from the global to the local. This opens up the analysis to wider groups of actors who might influence processes of change through an agenda of decent work (see below).

Within global production systems, increasing dominance of corporate buyers is characterised by the commercial power they exert over suppliers. Suppliers that are increasingly dependent on sales to large corporate buyers are caught in this complex web of shifting sourcing, competitive pricing and rising standards (Acona 2004). In their commercial relations, dominant firms often strive to offset any risks of production (a fall in demand, shifting consumer trends, poor quality) onto their suppliers.<sup>2</sup> At the same time, they are able to exploit their position to increase the economic rents they extract, either through branding or upgrading their position, or simply through reducing input prices. Brands and dominant firms argue that they are responding to the pressures of a competitive global economy, and efficient suppliers are able to improve productivity to meeting more exacting commercial demands and remain competitive. But many suppliers are caught in a pincer movement between falling prices, and rising quality demands (Barrientos and Kritzinger 2004). This affects the basis on which employment takes place within global production systems.

#### **4. The Employment Challenge: Transformation of Work**

The employment challenge to decent work arises from the need both to create jobs, but also to provide employment of quality that ensures workers with their rights. The transformation of the global production system has had important implications for workers. It has generated a rapid growth in the labour force engaged directly or indirectly in global production, particularly female employment. The exact numbers are hard to estimate. Many workers are employed by suppliers and sub-contractors, and it is difficult to differentiate from sectoral labour force data what percentage are engaged in supplying global buyers as opposed to domestic buyers alone. Given complex inter-firm linkages, many enterprises supply both local markets and feed indirectly into global production networks even though they themselves are not exporters. In addition, many workers are employed on an informal or insecure basis, and do not necessarily appear in official labour force surveys (particularly women).

An indication of the size of the labour force engaged in global production systems can be gleaned in relation to certain sectors. It is estimated that there are 40 million garment workers, with a significant proportion female, globally (Hale and Wills 2005). This includes export and non-export production, but garments are an important sector within global production systems. In agriculture, it is estimated that there are 450 million waged workers, approximately 40 percent female (FAO/IUF/ILO 2005). Again, this does not differentiate export oriented agriculture, but we know that the employment of waged

<sup>2</sup> Examples include shortening lead times in the garment industry, refusing deliveries on spurious 'quality' grounds in the food sector because of over supply, and reducing prices paid to suppliers or lengthening the payment times.

---

labour is increasingly prevalent in this sector. It is also estimated that approximately 50 million workers are employed in Export Processing Zones (Efendioglu, Posthuma et al. 2005). Many firms linked to GPS are not based in EPZs, but it gives us an idea of the large numbers potentially involved in global production. An important research challenge is to try and acquire better information on the number of workers engaged in global production systems, even if only on a regional or cross country basis.

There are challenges, however, in relation to the quality of employment generated by global production. High degrees of production flexibility, insecure and short term orders, constant changes in trends, seasons and consumer demand have all contributed to the growth in flexible, insecure and informal working within the global production system, much of it female. Flexible employment represents a shift away from permanent, stable and regular work, towards temporary, casual, part-time, and contract working (Standing 1999). Flexible working allows the employer to vary the duties or operations performed by a worker. Three types of flexibility have been identified:

- Functional flexibility: when the specific job functions of workers can be varied or multiplied;
- Pay flexibility: when the pay arrangements of a worker can be changed or varied, such as through the use of variable piece rates;
- Numerical flexibility: when the numbers of workers employed at any time can be varied at short notice, e.g. through hiring on short term contracts or through third party contractors.

Flexible employment thus allows an employer to alter the size and cost of the firm's labour force at short notice, depending on fluctuations in orders and prices. It also helps to reduce labour costs, if workers are only paid/employed when there is work available, and do not receive payments in low seasons. It plays a key role in allowing producers to integrate into global production systems, keeping labour costs down whilst meeting variable and at times volatile production orders with short lead times (Barrientos et al. 1999).

In addition to being flexible much employment in global production systems is also informal, without an employment contract or the associated rights that flexible workers with a contract should receive.<sup>3</sup> This allows producers to further shift the costs and risks of production (from adverse market conditions or fluctuations) onto workers. Traditionally the division between formal and informal forms of working has been denoted by distinct formal and informal sectors. This rigid classification is untenable in a global economy where the boundary between formal and informal is blurred, and informal workers are increasingly employed within 'formal' sectors.<sup>4</sup> This process has been accelerated in a climate of deregulation, with increasing numbers of both men and women now employed in 'informal' types of employment, as the share of secure, permanent, full-time jobs declines throughout the world (Standing 1999; Lund 2000; ILO 2002). Today, informal work arrangements are increasingly prevalent in many export sectors linked to the global production system.

<sup>3</sup> Flexible work is not necessarily informal work, and vice versa. It is possible to be a flexible worker with formal employment contract and benefits, and therefore not informal. It is also possible to be a regular full time worker without a formal employment contract and benefits, and therefore working informally.

<sup>4</sup> The ILO (2002) redefined the informal economy to capture the increasing number of workers employed (whether for small or large firms) without a formal contract of employment, legal benefits or social protection.

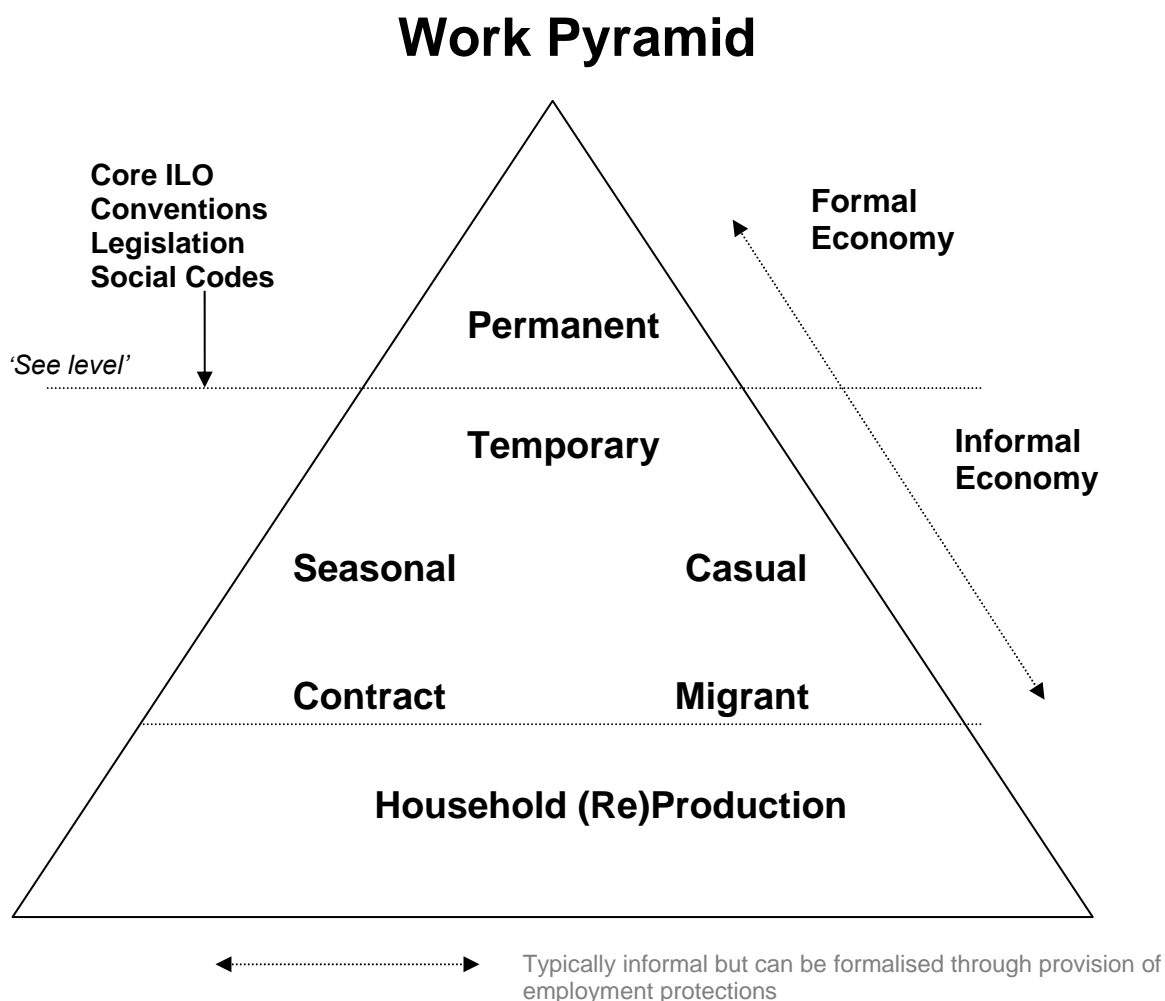
---

Female employment in global production systems is estimated to be significant in many sectors. Again, data on the gender composition of employment in global production is unreliable or not available. Case studies suggest female employment is particularly high in some sectors such as garments and agribusiness, and women tend to be concentrated in more flexible and insecure work. The ILO has estimated that women constitute a majority of the informal economy (Chen, Vanek et al. 2004). Embedded labour market discrimination has traditionally restricted women's access to full time permanent employment. Women are seen as 'flexible' in that they can move between paid productive and unpaid reproductive work in the home as dictated by fluctuating needs of global production. This is most obvious in the case of home workers, where the division between paid and unpaid work in the household becomes most merged. Women are also employed because employers perceive them to have particular skills in relation to dexterity and nimble operations, that allows them to produce high quality goods productively (Elson 1981; Barrientos et al. 1999; Collins 2003; Kabeer 2003).

There is evidence that many workers engaged in global production systems experience poor working conditions. However, case studies suggest that employment conditions can vary according to category of work and employer, and we cannot necessarily generalise across all workers in a sector (Barrientos, Dolan et al. 2003; Barrientos and Smith 2006).<sup>5</sup> Analysis of the different categories of work has been described as a hierarchy or 'employment pyramid' (see Figure 2).

<sup>5</sup> The Ethical Trading Initiative Impact Assessment covered case studies in five countries (India, Vietnam, South Africa, Cost Rica and the UK) across three sectors (garments, footwear and horticulture). It found that all the countries and sectors studied involved a range of categories of employment beyond permanent and regular workers. Migrant labour (internal and international) was found in all five countries, and the use of third party contract labour was found in all countries except Vietnam (Barrientos and Smith 2006).

Figure 2:



Adapted from: Barrientos et al. 2003; Chen 2005; Kabeer 2003; Hale and Wills 2005.

At the tip of the pyramid workers in permanent employment are more likely to receive better pay, have access to employment benefits and are more able to organise through trade unions. Moving down the pyramid, temporary and casual workers are likely to have poorer working conditions, less access to benefits, and less ability to organise. Home workers, migrant labour and contract workers hired through third party labour providers at the base of the pyramid are normally in the worst position. The gender composition of these categories can vary by sector and country, but evidence suggests that women are less likely to be found in permanent work, and more likely to be found in the insecure categories further down the pyramid where conditions are poorest (Barrientos et al. 2003). The categories of work described by the pyramid are also described as a 'continuum' between formal and informal work (Chen et al. 2004). At the formal end, workers have a permanent employment contract and enjoy full benefits, and at the informal end they receive none of

---

these benefits. Many workers in export industries are likely to be located in between, receiving some benefits but not others. Migrant, third party contract and home workers are more likely to be found in informal work.<sup>6</sup>

Some Global Union Federations (GUFs) and International NGOs have focused on the commercial imperative of global production systems and the activities of global buyers as driving a downward cycle of low pay and poor employment for workers in global export sectors (Oxfam 2004). They argue that the commercial activity of large global buyers is putting pressure on suppliers to reduce wages and lower employment conditions. Buyers' purchasing practices are seen as undermining internationally agreed labour standards and voluntary codes of labour practice. Some companies have responded by engaging with GUFs and INGOs on this issue and becoming more transparent about labour issues within their supply chains (Gap 2004; Nike 2005). However, many buyers and retailers believe that efficient suppliers should be able to raise labour productivity in order to simultaneously meet more demanding commercial requirements and maintain labour standards. Differences have fuelled a debate over purchasing practices and their effect on workers in the supply base of large corporate buyers. This debate highlights potential tension between commercial imperatives and the ability to achieve decent work within global production systems.

Case study evidence, however, suggests that the situation is complex, and that there are pressures to both enhance and reduce labour standards taking place simultaneously within global production systems (Barrientos and Kritzing 2004; Barrientos and Smith 2006). Those brands and retailers aiming at the higher end of the consumer market want to source at competitive prices, but also put an important premium on quality of the goods. There is increasing consumer awareness of the social and environmental context in which high value brand named goods are made. Quality now relates to both the physical product, but also the process in which it was produced. Brands have thus become very vulnerable to civil society pressure to raise labour standards within their value chains. But at the same time, the commercial pressures on suppliers to produce at short notice with lower prices continues. Case studies suggest that suppliers cope with this through multiple forms of employment, not dissimilar to the employment pyramid above. They maintain a core of regular workers who are able to provide quality of production through their acquired skills and experience, but to meet fluctuating orders they complement this with the use of casual, temporary and contract employment as needed. Much of this employment is migrant and female workers, who are perceived to be more flexible. However, many dominant firms engaged in global production systems do not have a brand image to protect, or have deliberately positioned themselves at the lower price end of the market. For them, quality (including social and environmental quality), is not a key issue.

An important issue for research is to assess how the pressures both to reduce cost and enhance quality is playing out in terms of employment and ensuring decent work within global production systems. Are suppliers using mixed employment strategies, or is there a division between suppliers depending on which end of the market they service?

<sup>6</sup> Note that being a permanent worker does not automatically mean you are formal, or being a temporary worker mean you are informal. This depends on whether you have no contract etc. but the further down the pyramid research indicates the more likely a worker will be informal. Women and ethnic minorities are more likely to be found in the lower levels of the employment pyramid, particularly where paid work and household work interact (such as the case with home workers and unpaid family labour in agriculture).



---

## 5. Rights and Protection Challenge: Incorporating vulnerable workers

The rights and social protection challenges relate particularly to workers employed on a flexible, insecure or informal basis. Such workers are often denied access to their rights, collective organisation and trade union representation are difficult, and neither employers nor state provide them with adequate protection. We will first examine the rights challenge, and then related to this the social protection challenge.

### ***Rights Challenge***

The ILO has played a key role in addressing workers' rights through tri-partite agreement laid out in its Conventions, setting internationally agreed labour standards. In the context of decent work, we take Fundamental ILO Conventions relating to freedom of association and collective bargaining, no discrimination, child or forced labour as key workers' rights.<sup>7</sup> All ILO member countries, whether or not they have ratified those Conventions, have an obligation to implement them through national legislation – putting government regulation at the centre of the enforcement mechanism of labour standards. However, the implementation of core labour standards by governments is often weak, especially in the context of globalisation. Many governments have set up Export Processing Zones, where many labour regulations are suspended, in order to attract either direct foreign investment, or to provide a competitive low cost environment for suppliers feeding into global production systems. Where a MNE owns a subsidiary, a government formally has jurisdiction over that subsidiary. But in the case of global production systems where there is no formal ownership, governments have little ability to control international agents, brands and retailers whose activities affect employment conditions within their countries, but who are themselves outside their jurisdiction. This poses an important challenge implementing workers rights in the context of global production systems.

The extent to which workers' rights are undermined within global production systems depends on a number of factors. Some workers do have but others do not have access to all their rights embodied in Core ILO Conventions. Accessibility to rights varies between countries and sectors, but a factor appears to be where workers are located within the employment pyramid discussed in Figure 2. Those workers near the top of the pyramid, who have more regular work, are more likely to have contracts of employment and access to employment benefits than those further down. In the ETI Impact Assessment (see footnote 5) it was found that in global production networks across five countries and three sectors, few workers had effective access to freedom of association and no discrimination, but the study (mainly of suppliers to high end buyers) found little evidence of child or forced labour. However, differences, in terms of the rights workers were able to access, depended in part on their category of employment. Permanent and regular workers were more likely to have access to freedom of association or a workers' committee than casual workers. Few migrant workers were able to access freedom of association or had

<sup>7</sup> In 1998 the ILO Declaration on Fundamental Principles and Rights at Work stated that all member states, by virtue of their membership of the ILO, had an obligation to respect, promote and realize the fundamental rights contained in eight conventions. It is these Fundamental ILO Conventions that are commonly referred to as the 'core labour standards'. These Conventions are: No. 87 Freedom of Association and Protection of the Right to Organise Convention; No. 98 Right to Organise and Collective Bargaining Convention; No. 29 Forced Labour Convention; No. 105 Abolition of Forced Labour Convention; No. 111 Discrimination (Employment and Occupation) Convention; No. 100 Equal Remuneration Convention; No. 138 Minimum Age Convention; No. 182 Worst Forms of Child Labour Convention.

---

representation on a workers' committee, but in no case study were workers hired by third party contract able to participate in either (Barrientos and Smith 2006).<sup>8</sup>

Many flexible and insecure workers in global production systems thus lack access to rights, nor do they have access to workers' organisations or representation to secure their rights. Organisation is a particular challenge where workers are highly mobile between firms, and/or move in and out of employment on a regular basis where trade union recruitment is difficult, or where employers are hostile to unions. The rights challenge is compounded where there is gender discrimination, or the use of child labour.

### ***Social Protection Challenge***

The social protection challenge relates to interventions that can support vulnerable workers, and reduce the risk of them falling into poverty. This is of particular concern in the case of flexible, insecure and informal workers, who are more likely to be vulnerable to poverty. It is estimated by the ILO that there are 555 million working poor, a significant percentage female. We have no accurate data on the percentage engaged in global production systems, but case studies suggest that even in high value export sectors workers are not immune from vulnerability to poverty (Barrientos and Kritzing 2004; Barrientos and Smith 2006).

Renewed concern with the scope and effectiveness of social policy in developing countries against the background of globalisation and poverty has led to a reworking of the notion of social protection. Social protection consists of "public actions taken in response to levels of vulnerability, risk, and deprivation which are deemed socially unacceptable within a given polity or society" (Conway, de Haan et al. 2000). There are important nuances in the definition of social protection used by different donor agencies reflecting their specific outlook.<sup>9</sup> The ILO sees social protection as defined by "entitlement to benefits that society provides to individuals and households – through public and collective measures – to protect against low or declining living standards arising out of a number of basic risks and needs" (van Ginneken 2000).

Where workers linked to global production systems are in flexible and insecure employment they are more likely to have low and insecure wages and are at high risk of being unemployed. Case studies suggest that many such workers have limited or no access to employment benefits or effective social protection, depending where they are on the continuum between formal and informal work (Lund 2000; Lund and Nicholson 2003). Again this varies according to category of worker. The ETI impact assessment and other studies have found that those in regular employment are more likely to enjoy access to full employment benefits than those in more insecure work. Migrant and especially third party contract workers are least likely to have any employment benefits (Barrientos and Smith 2006 forthcoming; Hale and Wills 2005). When they are out of work due to being laid off, ill health or old age, they are unlikely to have access to benefits (e.g. unemployment, health or pension benefits) resulting from their employment. These workers are also often unable to access any other forms of protection and social assistance by the state (Barrientos and Ware Barrientos 2002; Lund and Nicholson 2003). Hence they suffer a significant social protection deficit linked to their lack of access to rights as workers.

<sup>8</sup> Freedom of association is determined by whether a worker feels free to make an informed choice as to whether they want to join a trade union, not whether they are actually a member.

<sup>9</sup> The World Bank's view, for example, defines social protection as consisting of public interventions "to assist individuals, households and communities in better managing income risks" (Holzmann 1999, p. 4). The emphasis on agency and income protection is in line with the Bank's social risk management strategy.

---

An important issue for research is to better understand which workers within global production systems have access to what rights and social protection, and particularly how to enhance the rights and social protection of the more vulnerable (often insecure and informal) workers. A particular focus should be on migrant workers (internal and international), women workers, and workers hired by third party labour contractors, who appear to have the greatest rights and social protection deficits.

## 6. **Policy Challenge: Identifying leverage and interventions in GPS**

Global production systems provide both challenges to decent work, but also create opportunities for addressing these challenges. The goal is to find new intervention levers that help to access those opportunities and reduce the risks. The social dialogue challenge is to identify which actors are in a position to contribute to this process, and assess how it can be done in a way that ensures the engagement of workers and their representative organisations in a process of dialogue with employers, government, corporate buyers and other stakeholders.

### ***Economic Upgrading and Decent Work***

We have seen above that there are two pressures operating on producers within global production systems. On the one hand buyers are exerting commercial pressure aimed at sourcing products at lower cost, with short lead times and often volatile ordering patterns. Some argue that these purchasing practices operate to increase insecurity, undermine conditions of employment and drive down labour standards for workers (Oxfam 2004; Acona 2004). However, on the other hand, buyers are demanding increasing quality of products produced. Under pressure from civil society campaigns, and in light of increasingly aware consumers, quality now includes social and environmental issues. This is putting pressure on producers to improve employment conditions, and ensure labour standards are met.

An important factor in meeting both higher labour standards and more exacting commercial requirements is whether producers can raise labour productivity. Where this is done, it is possible they will be able to attain both economic upgrading and provide decent work. Productivity enhancement in labour intensive export production is increasingly being undertaken through systems of production re-engineering. These examine ways to reduce wastage, increase speed of turn around, and raise output by each individual worker in a production line. They can involve introducing pay and incentive systems that reward enhanced worker productivity. However, not all producers have the resources or motivation to undertake this type of economic upgrading. And those that do raise productivity will not necessarily pass the gains to workers in the form of better employment conditions. Trade unions are not often involved in discussions on how production re-engineering might affect workers. This is particularly the case for producers that do not access the higher end northern brands and retailers, where there is little pressure to raise labour standards.

There are a number of research issues here that need better understanding. Firstly, are all producers and sectors able to engage in both economic upgrading and provide decent work, or are there particular sectors or groups of producers less able to do so? Secondly, how and to what extent can economic upgrading be done so that it ensures that gains go to workers in the form of better employment conditions and decent work? How can worker voice and representation be ensured in the process? Thirdly, what are the leverage points and who are the actors within global production systems that ensure this is a process that benefits workers, links economic upgrading with decent work and facilitates the longer term sustainability of production?

---

## ***Voluntary vs. regulatory environment – the role of Corporate Social Responsibility***

Global production systems, as we have seen above, have weakened the ability of national government to effectively regulate labour markets and ensure decent work in those sectors given their lack of control of corporate buyers who operate outside their borders. However, the expansion of global production systems dominated by large corporate agents, retailers and brands has opened up new avenues for civil society organisations (particularly trade unions and NGOs) to pressure large corporates to ensure labour standards are applied within their supply base. Brands and retailers are particularly vulnerable to campaigns in high value markets where consumers are conscious of environmental and social issues. An adverse campaign can potentially undermine the image, market position and share price of a large corporation.

In response, this has led to a mushrooming of corporate social responsibility (CSR) and codes of labour practice, both at the company level, and through diverse multi-stakeholder initiatives. Corporate social responsibility provides a broad umbrella of initiatives that relate to a company's 'triple bottom line' – profitability, social and environmental sustainability. Some CSR initiatives are primarily philanthropic, where companies or their foundations make social or environmental donations. CSR activities also vary by sector. CSR in extractive industries, for example, tends to focus more on environmental issues and effects of extraction on indigenous communities and people. Under growing pressure from international trade unions and NGOs, CSR has begun to focus increasingly on workers' rights in global production systems. At a narrow level this has related to addressing minimum labour standards for workers at supplier level through codes of labour practice (Jenkins 2002a; Jenkins 2002b; Urminsky Undated). But this has also begun to include wider initiatives that address social provision for workers, such as child care facilities and health education.

Company codes of labour practice usually define minimum labour standards that a supplier must observe as a condition of sourcing by a given buyer. Those that are defined by the corporate itself often have little reference to core labour standards.<sup>10</sup> However, individual company codes lack credibility if there is no independent means of verifying them, and a company remains vulnerable to trade union and NGO pressure. Multi-stakeholder initiatives have been established that include companies, trade unions and NGO. Two of the largest are the Ethical Trading Initiative (ETI) in the UK and Social Accountability International (SAI) based in the US. They both have comprehensive codes of labour practice (the ETI Base Code and SA8000), which use ILO Conventions as their central element, or require the implementation of national legislation if it sets standards that are higher.

Codes of labour practice provide a voluntary approach to ensuring decent work in global production systems. The ETI Impact Assessment found that they can be effective in addressing certain more visible issues, such as health and safety, but are less effective in relation to improving freedom of association and reducing discrimination. They are also more likely to reach permanent and regular workers rather than migrant and third party contract workers (Barrientos and Smith 2006 forthcoming). However, voluntary codes as a means of social dialogue have limitations. To date, they have tended to be driven by corporate buyers as another standard (in addition to product standards) enforced on their suppliers, with little buy in from the latter who are simultaneously having to operate under tighter commercial pressures. When they operate in complex global production systems,

<sup>10</sup> According to an ILO study of 258 codes, of the enterprise codes examined only 33 per cent contained references to freedom of association and/or collective bargaining (Urminsky n.d.).

---

with multiple buyers, agents, intermediaries and suppliers, the implementation of codes at a local level can be very variable. Codes of labour practice rely on the continued pressure of trade unions and NGOs to ensure they retain momentum. Despite limitations, they form a complementary approach to social dialogue at a national level. They help to address the vacuum resulting from government inability to hold MNEs and corporate buyers to account in the context of global production systems, and bring global unions and international NGOs into the search for new forms of global corporate accountability.

Another approach to enhancing decent work in global production has been through International Framework Agreements (IFAs) negotiated between Global Union Federations (GUFs) and individual MNEs covering labour standards of the company or its suppliers. GUFs have affiliates spread through different regions of the world, and IFAs provide the basis for appropriate social dialogue with the MNE and its affiliates or suppliers in different countries. The main purpose of framework agreements is to establish an on-going relationship between the MNE and GUFs that can solve problems and work in the interest of both parties across different sourcing countries (Justice 2002).<sup>11</sup> They reflect a move beyond national collective bargaining agreements to take account of the global dimension of much contemporary sourcing by large MNEs. But they tend to be restricted to designated MNEs, rather than extend to the complex network of agents and dominant firms that characterise many global production systems. IFAs have an important role where a global buyer sources regularly from the same suppliers in different countries. However, they are likely to be more limited in effectiveness where a buyer is constantly switching sourcing.

At a wider inter-governmental level, a number of voluntary initiatives have been introduced by multi-lateral organisations in order to encourage MNEs and corporate buyers to address decent work within their sourcing operations. The ILO MNE Declaration sets out principles to encourage the positive contribution which MNEs can make to economic and social progress. It provides guidelines that incorporate ILO Conventions. Governments, employers' and workers' organizations and MNEs are recommended to observe these on a voluntary basis. The principles include: employment promotion; equality of opportunity and treatment; security of employment; conditions of work; health and safety; freedom of association and the right to organize. The OECD Guidelines are recommendations on responsible business conduct addressed by governments to MNEs operating in or from the 33 countries that have agreed to adopt them (plus Argentina, Chile and Brazil). They provide non-legally binding principles and standards covering a broad range of issues in business ethics including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology. The ILO MNE Declaration is important in that it encompasses, but has a wider scope than minimum labour standards enshrined in the 1998 Declaration on Fundamental Principles and Rights at Work. It provides a foundation for addressing decent work in global production systems, including employment, rights, social protection and social dialogue. Multi-lateral declarations and frameworks provide an important benchmark based on ILO Conventions for good practice by global buyers in global production systems. But they are voluntary, and lack regulatory teeth to ensure their implementation.

The UN Global Compact, at a broader level, seeks to promote good practice by large corporations and MNEs. It draws together a number of UN agencies, including UNEP, OHCHR, ILO and UNDP. It involves a wide range of stakeholders, including

<sup>11</sup> Examples of these agreements include IUF/Danone (1988); IUF/Chiquita (2001); IFBWW/IKEA (1988); IFBWW/Faber-Castell (2000). IUF is the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Associations. IFBWW is the International Federation of Building and Wood Workers.

---

governments, companies, civil society organisations. It provides a ‘truly global political forum as an authoritative convener and facilitator’. The Global Compact seeks to provide a contextual framework to encourage innovation, creative solutions, and good practices among participants.

The above CSR initiatives can complement, but are not a substitute for regulatory structures or national systems of collective bargaining. They begin to address the global dimension of production, and the need to engage MNEs and corporate buyers if decent work is to be achieved within global production systems. They reflect an increasing recognition that other stakeholders, in addition to states, also have an obligation for ensuring that rights are observed (Ladbury and Gibbons 2000). They promote social dialogue at a global level, but their limitation, like codes, is their voluntary nature. Whilst more progressive companies may choose to participate, there is no means for calling companies that do not participate to account. An important issue for CSR is whether companies will address the pressure their commercial purchasing practices can put on suppliers, undermining the effectiveness of codes of labour practice they introduce. In global production systems it is likely a two pronged approach is needed. At the global level CSR initiatives (if necessary driven by trade union and NGO advocacy) and International Framework Agreements addressing the activities of international agents, brands and retailers and their suppliers. But ultimately this needs to be driven at a national level through government regulation and enforcement of Core ILO Conventions and social protection provision, to ensure the application of decent work for all workers linked to global production systems operating in their country.

### ***Leverage and intervention points – linking global and national actors***

Voluntary initiatives that operate at a global level reflect a new found role for different global actors in trying to improve working conditions in global production systems. They involve increasing linkages between civil society networks at global, national and local levels. Civil society is the collective groups, both non-profit making and non-state, which engage in activity to mould the rules and norms that govern society or affect democratic and social change (Scholte 2001; Edwards and Gaventa 2002).<sup>12</sup> Global civil society has increasingly been able to shape social norms and rules in the context of a changing global social geography where commercial flows and actors operate across international borders (Scholte 1999; Scholte 2001). They have become participants in new forms of multi-layered global governance beyond the arena of the state engaged in the private regulation of global companies (Scholte 2004). This has been achieved by mobilising networks of NGOs and trade unions in the north and south, the use of information technology, accessing the media and where deemed appropriate mounting campaigns. Brand name companies have become increasingly vulnerable to the risk of adverse publicity. This has enhanced the social power of civil society organisations to mobilise collective resources beyond the sum of their individual organizational capacities.

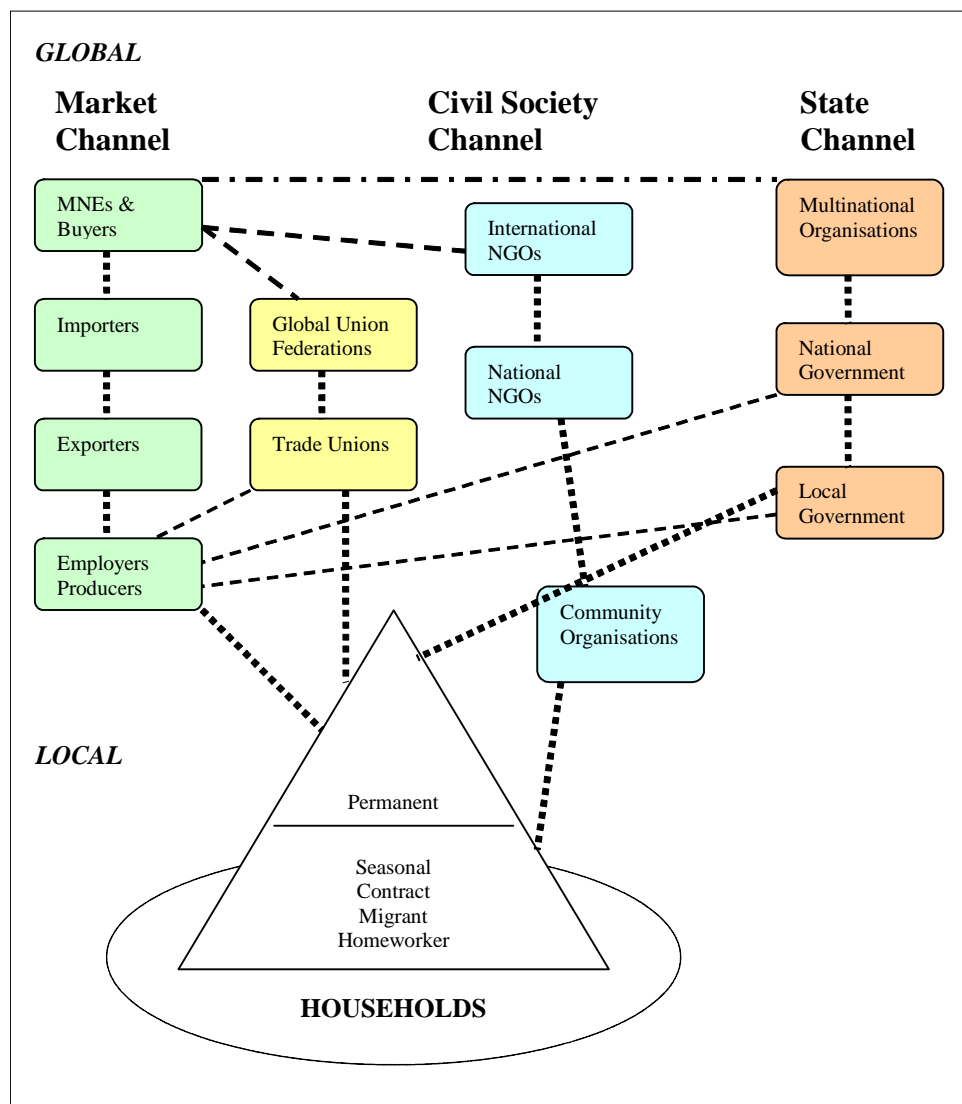
These global social networks have increasingly focused on, and in some instances (through multi-stakeholder initiatives) engaged with global production networks. This helps to open up channels for social dialogue and worker protection through a combination of market, civil society and state linkages that are inter-connected at global and local levels. These channels are mapped in a very simplified form in Figure 3. Firstly there are the market channels that link MNEs, corporate buyers, intermediaries and suppliers. Secondly, the civil society channel that involves Global Union Federations and their national affiliates who represent workers; and international NGOs and their national affiliates that work in

<sup>12</sup> One important source of information on global civil society has been the ESRC Centre for the Study of Globalisation and Regionalisation, University of Warwick.

local communities. Finally, the government channel that links inter-governmental organisations, national and local government. Social dialogue can take place both through and across these channels at a global, national and local level. It involves actors with different perspectives and motives. There is often tension between actors from the different channels, at times conflict, but sometimes consensus. This helps to assess social dialogue beyond the national framework, as a wider global social process that also takes place at a national level.

This mapping helps to identify new leverage and intervention points to address decent work in global production networks. Multi-stakeholder initiatives around codes of labour practice and the UN Global Compact are both examples of interventions that have involved different actors from across the terrain of global production systems. We need to identify the role of national government and local government in these global networks, if decent work is to be based not only on a voluntary but also a regulatory approach in order to have wider scope and be more sustainable. An important research question is to understand better how global civil society networks engage with global production networks to enhance decent work, and how voluntary initiatives can complement and help to reinforce regulation based on sustainable improvement in decent work and social upgrading in global production systems.

**Figure 3: Global Production and Worker Protection**



Source: Barrientos and Ware Barrientos (2002).

---

## 7. Case studies

In this section we explore two case studies that help to illuminate some of the challenges of addressing decent work in global production systems. These are Bangladesh garments and South African horticulture. They are selected to provide a comparative cross-regional and cross-sectoral example of the challenges of addressing decent work in global production systems that straddle diverse local contexts and industries. As global retailing advances we are seeing the rise of large ‘multiples’ or supermarkets such as Walmart that sell both food and garments, who will often be sourcing from both locations.

### i. Bangladesh Garments<sup>13</sup>

#### *Background*

The Bangladesh garment industry was established in the 1970s, largely in response to the introduction of the Multi-Fibre Arrangement (MFA). By 2001 garments exports accounted for US 5.2 billion, representing 68 per cent of total Bangladesh exports in terms of foreign exchange earnings. In that year there were approximately 3,600 clothing firms.

Many companies own more than one site, and production is often passed out from the parent company site to other sites within a group. There is extensive subcontracting within the sector, making up a complex web of suppliers. The sector originally included homeworking, and child labour was commonly found, but international pressure and codes of labour practice have reduced this over the past decade. Bangladesh garment production has been marked out by cheap labour and low levels of productivity.

#### *Employment*

In 2000 it was estimated that up to 1.8 million workers were employed in the industry, approximately 90 per cent of whom are women. The industry draws heavily on younger unmarried women, often migrating from rural areas to Dhaka and Chittagong, where the main factories are located. Over recent years, however, there has been a noted increase in the average age of workers to the early twenties.

The garment industry is responsible for a rapid expansion of female employment in the country. Traditionally the position of women was seen as in the private sphere of the home, not in the public sphere of the workplace. Some commentators have noted that this has had empowering effects on the lives of women workers. But this has also created tensions in a society where many have not accepted the newly acquired position of women in the labour force.

<sup>13</sup> I would like to thank Sarah Best for helping to compile information used in this case study. For in-depth examination of the workers in the Bangladesh garment industry see: N. Kabeer (2000). *The Power to Choose, Bangladesh women and labour market decisions in London and Dhaka*. London, Verso; N. Kabeer and S. Mahmud (2004). *Globalization, Gender and Poverty: Bangladeshi Women Workers in Export and Local Markets*. Journal of International Development 16: 93-109. D. Bhattacharya and M. Rahman (1999). *Female employment under export-propelled industrialization: prospects for internalizing global opportunities in Bangladesh's apparel sector*. UNRISD Occasional Paper. Geneva, UNRISD; J. Khundker (2002). *Garment Industry in Bangladesh. Garment industry in South Asia: Rags or Riches?* G. Johsi. Geneva, International Labour Organization; S. Mahmud and N. Kabeer (2006). *Compliance versus accountability: struggles for dignity and daily bread in the Bangladesh garment industry*. Rights, Resources and the Politics of Accountability. London, Zed Books.



---

Commonly cited positive effects of employment in garments include:

- **Reduced income poverty.** Wage rates tend to be higher in the garment sector than other sectors, and contribute to poverty reduction in those households;
- **Better working conditions.** Garment workers in EPZs report higher wages, more regular wage payments, and better provision of employment benefits than those working in other sectors;
- **Empowerment.** Female garment workers surveyed have reported a greater sense of self-reliance the work has given them.

**Problems** workers face in the workplace include lack of awareness by workers of their rights, significant occupational segregation and discrimination, wages and gender pay gap, employment insecurity, long working hours, compulsory overtime, lack of childcare or maternity leave, poor health and safety, overcrowding and poor working conditions.

The ILO's general assessment on Bangladesh's labour laws and industrial relations is that 'Labour laws are quite comprehensive, but weak implementation capacity has resulted in frequent violations of laws, poor working conditions, discrimination in employment, and high incidence of child labour.'<sup>14</sup>

Freedom of association and collective bargaining remains a particular challenge in the garment sector. Trade unions were banned in the EPZs until very recently, although a bill passed in January 2004 allows for the formation of trade unions, with a delay until 2006 of provisions to allow for 'full-fledged' trade union bodies.<sup>15</sup> The ILO is also supporting organisation amongst female workers through supporting the new Bangladesh National Committee for Women Workers' Development.

### ***Code Implementation***

Many of large global buyers source in Bangladesh, including Gap, Hennes and Wal Mart. Many operate codes of compliance for their first tier suppliers, and most of the parent company factories are regularly monitored. The BGMEA is also drafting its own code covering employment conditions. Studies which have looked at the impact of Codes of Conduct in Bangladeshi garment firms (Murshid, Chaudhuri et al. 2003; Hale and Wills 2005; Mahmud and Kabeer 2006) found that:

- Levels of awareness amongst workers were usually low;
- Ethical trading has had a positive impact on workers in factories that are code-compliant, but workers are worse off in non-compliant firms;
- Working conditions have improved in large factories that receive direct orders from retailers. But small and medium sized firms, often operating as sub-contractors, find it too expensive to comply.

<sup>14</sup> <http://www.ilo.org/public/english/region/asro/bangkok/arm/bgd.htm>

<sup>15</sup> [http://nation.ittefaq.com/artman/publish/article\\_10752.shtml](http://nation.ittefaq.com/artman/publish/article_10752.shtml); also <http://www.fairlabor.org/2004report/freedom/bangladesh.html#>

---

Ethical trading changes importers strategies towards large factories and longer trading relationships – although, this may also be explained by increased quality requirements.

### ***MFA Phase-Out***

The MFA phase-out is likely to have a significant employment impact. Many workers – often female migrants from rural areas – are likely to lose their jobs as factories close (particularly smaller factories outside the EPZs). At the same time, some buyers have indicated that Bangladesh’s low labour costs mean it remains an attractive option for sourcing of lower cost items.

A number of global companies and stakeholders have joined an MFA Forum, coordinated by Accountability 1000, to work together in addressing post MFA effects. The MFA Forum is a network of companies, trade unions, non-governmental organisations, and international institutions that is building collaboration for sustainability in the textile and garments industry worldwide. It aims to promote social responsibility and competitiveness in national garment industries that are vulnerable in the new post-MFA trading environment. The Forum facilitates a group of brands/retailers which buy garments from Bangladesh to discuss how compliance with codes of conduct and better productivity can be achieved in factories which they source from. It provides a practical example of how different actors can work together to address issues of decent work in some segments of global production systems.

## **ii. South Africa Fruit and Wine<sup>16</sup>**

### ***Background***

South Africa has a long history of producing fruit and wine, particularly in the Western Cape. Exports of these products have expanded since the end of apartheid in 1994. Total fruit exports accounted for 30 per cent of all agricultural export trade in 1999, when the total value of deciduous exports alone stood at US \$700 million (DFPT personal communication). South Africa has approximately 2,000 deciduous fruit farms, most of which are commercial farms producing for export via an export agent. In wine there are approximately 4,500 primary producers, in addition to cooperative and private cellars and eight producing wholesalers. The UK provides an important export market for both fruit and wine, taking approximately 36 per cent of all South Africa’s deciduous fruit exports, and over 40 per cent of total wine exports by value.

South Africa fruit and wine is linked into a rapidly expanding global production system based around agribusiness. Large supermarkets, such as Walmart (US), Carrefour (France) and Tesco (UK), increasingly dominate food production and retailing. They source from around the globe, depending on season, to provide a year round supply of fresh and processed food. Supermarkets chains are now expanding within Asia, Latin America and Africa (Reardon, Timmer et al. 2003). Some are owned by northern companies, but many

<sup>16</sup> For a more indepth examination of workers in South African horticulture see: A. Barrientos and S. Ware Barrientos (2002). *Extending Social Protection to Informal Workers in the Horticulture Global Value Chain*. Washington D.C., World Bank; S. Barrientos and A. Kritzinger (2003). The poverty of work and social cohesion in global exports: the case of South African fruit. *What Holds Us Together: Social cohesion in South Africa*. D. Chidester, P. Dexter and J. Wilmot. Cape Town, HSRC Press; S. Barrientos and A. Kritzinger (2004). *Squaring the Circle – Global production and the Informalisation of Work in South African Fruit Exports*. Journal of International Development 16: 81-92.

---

are owned regionally (such as Shoprite in Africa and India – see footnote 1). Supermarkets tend to source directly from networks of producers, rather than through open markets, and operate a number of standards to ensure food quality. These include technical as well as social standards (see above). Supermarket production systems are influencing the way local agricultural markets function.<sup>17</sup>

### ***Employment***

Employment in the fruit sector was estimated to be approximately 250,000 permanent and temporary workers in the mid 1990s. Of these 53 per cent were estimated to be female, although there was a much higher concentration of women in temporary employment than permanent. The wine industry was estimated to employ approximately 55,000 permanent or regular workers in 2000, with the same again employed as seasonal workers during the grape harvest.

Under apartheid coloured workers lived on farm (or black African workers were brought in as migrants from the ‘homelands’). Men living on farm were employed on a permanent basis, and their female partners or family members were employed as temporary labour when required as a condition of a man’s contract. The introduction of progressive legislation has led to significant improvements in the rights of women farm workers.

Since 1994 a wide raft of legislation has been introduced which has enhanced the employment rights of agricultural workers. These include the Basic Conditions of Employment Act, Extension of Security and Tenure Act, and Employment Equity Act. South Africa has also ratified all Core and a range of other ILO Conventions. It thus now has a raft of progressive labour legislation, including on gender equity. Although enforcement remains a major challenge in practice.

However, there has been significant retrenchment since the mid 1990s following the introduction of legislation covering security of tenure for workers living on farm, and commercial pressures to become more efficient. There has been an increasing move amongst growers away from on-farm labour. At the same time, recruitment of off farm temporary and seasonal workers is increasing, along with continued use of migrant labour. In both sectors, there is an increasing use of third party labour brokers, who bring gangs of workers onto farms and estates to carry out specific tasks. Much female employment is temporary, and women are concentrated in off farm seasonal work.

Employment issues facing many workers relate to their lack of employment security, low pay, poor access to benefits, inadequate childcare (especially for seasonal workers), lack of access to on farm housing and lack of training or promotion.

### ***Organisation***

Union membership amongst fruit and wine workers is historically low (estimates stood at between 2-8 per cent of agricultural workers unionised in the mid 1990s). The Farm and Allied Workers Union (FAWU) is affiliated to COSATU, but there are a large number of local unions in the fruit and wine sector. There were an estimated 14 unions in the Western Cape alone in the early 2000s, most focusing on a specific locality. Unions tend to recruit more amongst permanent workers living on farm, who are predominantly male.

<sup>17</sup> For more information on the regional activities of supermarkets, see T. Reardon, C. Timmer, C.B. Barrett and J. Berdegue (2003) *The Rise of Supermarkets in Africa, Asia and Latin America*. American Journal of Agricultural Economics, Vol. 85 No. 5 pp. 1140-6.

---

### *Codes of Labour Practice*

UK and other foreign supermarkets have promoted their codes of labour practice, particularly amongst first tier growers and pack houses in the fruit sector. Fresh produce counts as 'own brand' by supermarkets and thus codes are meant to be a condition of supply. Employment conditions amongst pack house workers, permanent farm workers (male and female) and temporary workers remaining on farm have generally improved. There is awareness of the need for compliance with legislation, which is generally better than codes, if selling to overseas markets. Employment conditions and benefits amongst off farm workers remain poor. This is particularly so for workers sourced through third party labour contractors and migrant workers. Legislation has been less effective and codes have barely reached these workers. Given the concentration of women and black African workers in these categories of employment, it would appear that codes have been less effective for these groups.

### *Wine and Agriculture Industry Ethical Trade Association (WIETA)<sup>18</sup>*

In 1999 the ETI set up one of its first pilot studies in South African wine. Six wine estates were included in the pilot. The main aim was to assess different forms of auditing, and code implementation. The wine pilot was completed in 2003.

Following the wine pilot, the Wine Industry Ethical Trade Association (WIETA) was set up in 2003 to cover the wine industry. In 2005 it was expanded to include all of wine and agriculture. WIETA is an autonomous body which companies, trade unions and NGOs linked to the wine and agriculture sectors, and committed to its objectives, can join. It has an Executive Committee which comprises representatives from each constituency group plus government. WIETA has its own code of practice (linked to the ETI base code and South African legislation) and sets out in more detail what each of the ETI principles entails within the South Africa wine and agriculture context. It has the mission of:

- Formulating and adopting a code of good practice governing employment standards for those involved in agricultural production and production and bottling of wine;
- Promoting the adoption of and adherence to the code of good practice amongst all wine producers and growers;
- Educating producers and workers on the provisions of the code;
- Appointing independent social auditors to ensure that members of the association observe and implement the code of good practice;
- Determining ways of encouraging implementation of and compliance with the code and determining measures to be taken in the case of non-compliance with the code.

An important challenge for WIETA has been recognition of its code (which is based on the ETI Base Code, but adapted to the local South African context and legislation) by overseas buyers. However, a number of UK supermarkets have now recognised the WIETA code, and four are members of the organisation.

<sup>18</sup> For more detail see WIETA webpage on <http://www.wosa.co.za/wieta.asp>. For background information on the ETI Wine Pilot see 'Inspecting labour practice in the Wine Industry in the Western Cape, South Africa, 1998-2001' published by the ETI, 2004, <http://www.ethicaltrade.org/Z/lib/2004/02/sawine-rept/index.shtml>.

---

In early 2004, WIETA had 48 members, and by the end of that year it had grown to over 60 members, and by the end of 2005 this had grown to over 100 members. These included some UK supermarkets, the Department of Labour and Agriculture, and some third party labour contractors. It has successfully introduced independent local monitoring as an ongoing process, which involves all stakeholders.

Local initiatives that involve companies, trade unions and NGOs working together have the potential to be able to address embedded issues such as gender discrimination in a more effective way than one-off external snap shot social audits. This will hopefully encourage greater awareness amongst producers of workers' rights, and enhance the effectiveness of codes of labour practice to address issues facing workers within global production systems. It complements government legislation, and helps to reinforce labour regulation where producers are locked into global production systems.

### **iii. Complexities of Global Production Systems**

These two case studies highlight some of the complexities of employment in global production systems. Both sectors have seen high levels of growth as they have inserted into global production systems, particularly Bangladesh which did not originally have a significant garment export sector. In both there are significant levels of female employment. In Bangladesh this was an important departure from women's traditional role in the home. In South Africa women have long worked in export agriculture, but usually dependent on a male relative or partner. However, in both workers are often unable to access their rights, not necessarily because of a lack of labour regulation but because of its lack of enforcement. The widespread employment of workers (often female) on a casual or informal basis within export production is symptomatic of this. However, both sectors have had to apply buyer codes of labour practice resulting from international pressure from trade unions and NGOs. These codes have had some limited impacts. But both have seen the establishment of wider CSR initiatives operating at a local level, particularly the MFA Forum in Bangladesh and WIETA in South Africa. These reflect shifting engagement by corporate buyers in addressing labour standards, and the involvement of a wider set of actors including trade unions, NGOs and government representatives at a national level. Hence, the two case studies provide examples of where new forms of engagement at a global and national level might help to address decent work in global production systems.

## **8. Recommendation for further research**

This paper has discussed some of the challenges of addressing decent work in global production systems. These are complex networks of producers, actors and institutions operating at a global level and across multiple countries and sectors. Types of employment within different countries vary greatly according to local business practice, actors, legislation and socio-economic environment. Existing analytical frameworks alone provide only partial insights into the transformation of work in global production systems. Traditional methods of data collection and analysis are proving inadequate for capturing the changes taking place in employment linked to export production. Established forms of regulation are often inadequate to ensure the rights of workers in export sectors, given the growing influence of global buyers operating outside government jurisdiction. Case studies are providing important insights into these changes, and into the challenges that need to be addressed to ensure decent work in global production systems. But case studies are often fragmented, and lack a common focus or methodology. Further cross-country and cross-sectoral research is needed to capture the wider trends and changes taking place. This requires a larger scale programme of research. There would need to be flexibility in a programme of this size and scope to account for sectoral and country differences. The following are recommendations to inform such a research programme based on experience

---

of coordinating the ETI Impact Assessment (see footnote 1 above and Barrientos and Smith 2006 especially Methodology appendix):

## **RECOMMENDATION 1 – RESEARCH QUESTIONS**

The analysis in this paper has thrown up key research questions, which have been identified in the course of the paper. The research questions raised above in this paper are now summarised below:

**Key Research Question:** The overarching question addressed above in this paper is - what are the challenges for ensuring decent work in global production systems for all workers, and how can these challenges be addressed?

### **Supplementary Research Questions:**

1. An important issue for research is to assess how the pressures both to reduce cost and enhance quality is playing out in terms of employment and ensuring decent work within global production systems. Are suppliers using mixed employment strategies, or is there a division between suppliers depending on which end of the market they service?
2. An important issue for research is to better understand which workers within global production systems have access to what rights and social protection, and particularly how to enhance the rights and social protection of the more vulnerable (often insecure and informal) workers. A particular focus should be on migrant workers (internal and international), women workers, and workers hired by third party labour contractors, who appear to have the greatest rights and social protection deficits.
3. There are a number of research issues that need better understanding. Firstly, are all producers and sectors able to engage in both economic upgrading and provide decent work, or are there particular sectors or groups of producers less able to do so? Secondly, how and to what extent can economic upgrading be done so that it ensures that gains go to workers in the form of better employment conditions and decent work? Thirdly, what are the leverage points and who are the actors within global production systems that ensure this is a process that benefits workers, links economic upgrading with decent work and facilitates the longer term sustainability of production?
4. An important research question is to understand better how global civil society networks engage with global production networks to enhance decent work, and how voluntary initiatives can complement and help to reinforce regulation based on sustainable improvement in decent work and social upgrading in global production systems.

## **RECOMMENDATION 2 – RESEARCH METHODS**

The goal of the research methodology in a cross-sectoral and cross-country programme should be to ensure that a common core of research questions are addressed by all component studies. Otherwise there is a high risk of the results being fragmented, with little basis for comparability. An agreed research methodology framework needs to be provided that will guide all country studies. This should include agreement on:

- the analytical framework to be used;
- methods for mapping global production system (commercial and institutional actors) within that country;
- criteria for selection of sectors and sub sectors;
- selection of key informants and industry/civil society actors that will be approached;

- method of selection of companies;
- means of accessing workers (particularly to ensure labour contractors, migrant and women workers are included in the study);
- research methods to be used (balance of structured, semi-structured and focus group discussions);
- outline research questions to be asked at each level of interviewing;
- methods of analysis of different types of data;
- methods for reporting findings.

Once a common research framework has been agreed, different country studies also need to have flexibility in their more detailed application depending on their specific circumstances. Ensuring a common framework from the beginning will allow synthesis of all the studies at the end of the project. Through this research findings can provide more than a collection of individual country studies, but a true cross country/sector analysis of *global* production systems. Through this the value added would be immense, with the potential of making this a truly innovative and path breaking study.

### **RECOMMENDATION 3 – RESEARCHING ACTORS IN GLOBAL PRODUCTION SYSTEMS**

There are many challenges researching global production systems. The key is to carry out a mapping of the selected sectors within global production systems, and all the relevant commercial actors, workforce as well as institutions that can or could engage with those sectors to address decent work. Figure 3 above provides an overview mapping of a global production system. For a more in-depth discussion of the issues see (Schmitz 2005). Below we consider some of the challenges in more detail:

- **Mapping wider actors and civil society organisations in global production systems**

There is no common methodology for mapping wider actors and civil society organisations linked to global production systems. It can help to start the research process by carrying out a mapping and interviewing actors linked to a selected sector. There are key actors that will be easily identified. Interviewing them will help to give an overview of the sector, and they can help to identify other actors that need to be contacted. A general mapping is shown in Figure 3 and the issues are discussed in more detail in: (Schmitz 2005).

- **Commercial mapping of global productions systems**

Value chain mapping provides a useful tool for tracing the linkages between different commercial actors (buyers/agents/retailers; distributors and sub agents; producers; subcontractors) in global production systems. For more information on how to carry out such a mapping see: (Kaplinsky and Morris 2001; Schmitz and McCormick 2001; Schmitz 2005). It is important to map all actors. Often only the central players are mapped, not the wider network of subcontractors etc. who make up the full production network. Once the commercial actors in any sector have been mapped, this can provide the basis for company selection. One approach is to use differentiate the value chain into different types of linkages, from more arms length through to more hierarchical see: (Gereffi, Humphrey et al. 2005). Select companies from each different type value chain found in the sector to gain a purposive sample of the complexities of the production system you are focusing on. This might give further insights into the different types of employment used within the sector.

- **Mapping and accessing the workforce in global production systems**

Accessing information about workers can be problematic in any global production system. Suppliers are often happy to be interviewed themselves, but more reticent about their workers being interviewed. When access is provided, there is an (often high) risk that

---

researchers will be guided towards more regular or permanent workers, who form the core of the workforce (the upper end of the employment pyramid). This will particularly be so where suppliers are subject to codes of labour practice and regularly audited by buyers.

When workers are interviewed through a supplier, it is important that a cross section of *all* workers are interviewed (male/female, permanent/temporary/casual, migrant and workers employed through third party contractors. Even where this is achieved on a site, many more marginal workers are likely to be reticent about discussing their actual employment circumstances, for fear of retribution later. Many workers have become used to (or trained to) respond to social auditors, and know their jobs could be at risk if the ‘wrong’ information is given.

In any study, off-site interviews should also be conducted, particularly with non-regular, migrant and workers employed by third party contractors. At a minimum these can help to triangulate information given on site. But it may reveal additional information that is not forthcoming on site, and give greater insight into the challenges of ensuring decent work in global production systems. These could either be organised through trade unions or NGOs working in the sector and/or through tracing workers to their homes and communities, through which the social protection needs of such workers can be understood. For further information on the practicalities of carrying out research into working conditions with workers see: (Barrientos and Smith 2006).

#### **RECOMMENDATION 4 – SYNTHESISING FINDINGS LINKING GPS AND DECENT WORK**

The original selection of sectors across countries and agreement on research methodology will be important in providing a coherent framework for later comparison. The ILO Decent work agenda provides a common policy platform that research can address, and can help to guide the overall goal of a research programme on decent work in global production systems. Once research has been carried out across countries it will be important to produce individual country reports that provide in-depth analysis of the research carried out and findings in that country. If those reports have a similar framework, readers will be able to move between them and compare findings easily. However, a really important outcome of future research would be to produce a single synthesis report, which assesses the research findings, policy challenges and recommendations across sectors and countries. Such a synthesis report would provide a significant contribution to advancing knowledge on how to address decent work in global production systems, and how to meet some of the challenges touched upon in this paper.



---

## References

- Acona (2004). *Buying your way into trouble? The challenge of responsible supply chain management*. London, Insight Investment Management Ltd.
- Barrientos, A. and S. Ware Barrientos (2002). *Extending Social Protection to Informal Workers in the Horticulture Global Value Chain*. Washington D.C., World Bank.
- Barrientos, S. (2001a). *Gender, Flexibility and Global Value Chains*. IDS Bulletin 32(3).
- Barrientos, S., A. Bee, A. Matear and I. Vogel (1999). *Women and Agribusiness: Working Miracles in the Chilean Fruit Export Sector*. Basingstoke, Macmillan.
- Barrientos, S., C. Dolan, et al. (2003). *A Gendered Value Chain Approach to Codes of Conduct in African Horticulture*. World Development 31(9): pp. 1511-26.
- Barrientos, S. and A. Kritzinger (2003). The poverty of work and social cohesion in global exports: the case of South African fruit. *What Holds Us Together: Social cohesion in South Africa*. D. Chidester, P. Dexter and J. Wilmot. Cape Town, HSRC Press.
- Barrientos, S. and A. Kritzinger (2004). *Squaring the Circle – Global production and the Informalisation of Work in South African Fruit Exports*. Journal of International Development 16: pp. 81-92.
- Barrientos, S. and S. Smith (2006). ETI Impact Assessment. London, Ethical Trading Initiative. See [www.ids.ac.uk](http://www.ids.ac.uk) and [www.ethicaltrade.org/d/impact](http://www.ethicaltrade.org/d/impact) report.
- Bhattacharya, D. and M. Rahman (1999). *Female employment under export-propelled industrialization: prospects for internalizing global opportunities in Bangladesh's apparel sector*. UNRISD Occasional Paper. Geneva, UNRISD.
- Chen, M., J. Vanek, et al. (2004). *Mainstreaming Informal Employment and Gender in Poverty Reduction*. London.
- Collins, J. (2003). *Threads: Gender, Labor and Power in the Global Apparel Industry*. Chicago, University of Chicago Press.
- Conway, T., A. de Haan and A. Norton (eds) (2000). *Social Protection: New Directions of Donor Agencies*, London, Department for International Development.
- Dicken, P., K.O. Kelly, et al. (2001). *Chains and networks, territories and scales: towards a relational framework for analyzing the global economy*. Global Networks 1(2): pp. 89-112.
- Dolan, C. and J. Humphrey (2004). *Changing Governance Patterns in the Trade in Fresh Vegetables between Africa and the United Kingdom*. Environment and Planning 36(3): pp. 491-509.
- Edwards, M. and J. Gaventa (eds) (2001). *Global Citizen Action*. London, Earthscan.
- Efendioglu, U., A. Posthuma, et al. (2005). *Decent Work in Global Production Systems: An integrated approach to economic and social upgrading*. Executive summary of an ILO Working Paper in progress. Geneva, ILO.

- 
- Elson, D. and R. Pearson (1981). *Nimble Fingers Make Cheap Workers': An Analysis of Women's Employment in Third World Export Manufacturing*. *Feminist Review* Spring: pp. 87-107.
- FAO/ILO/IUF (2005) *Agricultural Workers and their Contribution to Sustainable Agriculture and Rural Development*, Rome, FAO, October.
- Gap (2004). *Social Responsibility Report*.
- Gereffi, G. (1994). *Capitalism, Development and Global Commodity Chains*. *Capitalism and Development*. L. S. (ed). London, Routledge.
- Gereffi, G. (1995). Global Production Systems and Third World Development. *Global Change, Regional Response: The New International Context of Development*. B. Stallings. Cambridge MA, Cambridge University Press.
- Gereffi, G., J. Humphrey, et al. (2005). *The Governance of Global Value Chains*. *Review of International Political Economy*. 12(1): pp. 78-104.
- Hale, A. and J. Wills (eds) (2005). *Threads of Labour: garment industry supply chains from the workers' perspective*. Oxford, Blackwell Publishing.
- Holzmann, R. and S. Jorgensen (1999). *Social Protection as Social Risk Management: Conceptual Underpinnings for the Social Protection Sector Strategy Paper*. *Journal of International Development* Vol. 11, pp. 1005-27.
- Hulme, D. and M. Edwards (eds) (1997). *NGOs, States and Donors: Too Close for Comfort?*, Basingstoke, Macmillan.
- ILO (2002). *Decent Work and the Informal Economy*. Geneva, International Labour Conference, 90th Session.
- Jenkins, R. (2002a). The Political Economy of Codes of Conduct. *Corporate Responsibility and Labour Rights: Codes of Conduct in the Global Economy*. R. Jenkins, R. Pearson and G. Seyfang. London, Earthscan: pp. 13-30.
- Jenkins, R. (2002b). Corporate Codes of Conduct: Self-regulation in a global economy. *Voluntary Approaches to Corporate Responsibility: Readings and a Resource Guide*. Geneva, NGLS and UNRISD.
- Justice, D.W. (2002). Chapter 7: The International Trade Union Movement and the New Codes of Conduct. *Corporate Responsibility & Labour Rights: Codes of Conduct in the Global Economy*. London, UK & Sterling, USA, Earthscan, London, UK and Sterling, VA 20166-2012, USA: 90-100.
- Kabeer, N. (2000). *The Power to Choose, Bangladesh women and labour market decisions in London and Dhaka*. London, Verso.
- Kabeer, N. (2003). *Gender Mainstreaming in Poverty Eradication and the Millennium Development Goals*. London, Commonwealth Secretariat.
- Kabeer, N. and S. Mahmud (2004). *Globalization, Gender and Poverty: Bangladeshi Women Workers in Export and Local Markets*. *Journal of International Development* 16: pp. 93-109.
- Kaplinsky, R. (2000). *Spreading the Gains from Globalisation: What can be learned from value chain analysis?* IDS Working Paper (110).

- 
- Kaplinsky, R. and M. Morris (2001). *A Handbook for Value Chain Research*, Prepared for the IDRC.
- Khundker, J. (2002). Garment Industry in Bangladesh. *Garment industry in South Asia: Rags or Riches?* G. Joshi. Geneva, International Labour Organization.
- Ladbury, S. and S. Gibbons (2000). Core Labour Standards. *Key issues and a proposal for a strategy*. London, Department for International Development.
- Lund, F. and J. Nicholson (eds) (2003). *Chains of Production, Ladders of Protection: Social protection for workers in the informal economy*. Durban, University of Natal.
- Lund, F. and S. Srinivas (2000). *Learning from Experience: A gendered approach to social protection for workers in the informal economy*. Geneva, ILO-STEP.
- Mahmud, S. and N. Kabeer (2006). *Compliance versus accountability: struggles for dignity and daily bread in the Bangladesh garment industry*, in P. Newell and J. Wheeler Eds. *Rights, Resources and the Politics of Accountability*. London, Zed Books.
- Murshid, K., Z. Chaudhuri, et al. (2003). *Experience from Bangladesh with ethical trading initiatives*. Norway, Chr. Michelsen Institute (CMI).
- Nike (2005). *Corporate Responsibility Report*.
- Oxfam (2004). *Trading Away Our Rights. Women working in global supply chains*. Oxford, Oxfam International.
- Reardon, T., C. Timmer, et al. (2003). *The Rise of Supermarkets in Africa, Asia and Latin America*. *American Journal of Agricultural Economics* 85(5): pp. 1140-6.
- Schmitz, H. (2005). *Value Chain Analysis for Policy Makers and Practitioners*. Geneva, ILO.
- Schmitz, H. and D. McCormick (2001). *Value Chain Manual* (produced for WIEGO). Brighton, Institute of Development Studies.
- Scholte, J.A. (1999). *Global Civil Society: Changing the World?* Centre for the Study of Globalisation, University of Warwick Working Paper No. 31/99.
- Scholte, J.A. (2001). *Civil Society and Democracy in Global Governance*, Centre for the Study of Globalisation, University of Warwick, Working Paper No. 65/01.
- Scholte, J.A. (2004). *Globalisation and Governance: From Statism to Polycentrism*. Centre for the Study of Globalisation and Regionalisation, Working Paper No.130/04, University of Warwick.
- Standing, G. (1999). *Global Labour Flexibility: Seeking Distributive Justice*. Geneva, ILO, Programme on Socio-Economic Security.
- Sturgeon, T. (2001). *How do we define value chains and production networks?* *IDS Bulletin* 32(3): pp. 9-18.
- Urminsky, M. (ed) (Undated). *Self Regulation in the Workplace: Codes of Conduct, Social Labelling and Socially Responsible Investment*. MCC Working Paper No. 1. Geneva, ILO.

---

Van Ginneken, W. (2000). *The extension of social protection: ILO's aim for the years to come* in T. Conway, A. de Haan and A. Norton (eds) *Social Protection: New Directions of Donor Agencies*, London, Department for International Development.

---

## Policy Integration Department Working Papers

- No. 1 ILO activities on the social dimension of globalization: Synthesis report
- No. 2 Measuring decent work with statistical indicators – *Richard Anker, Igor Chernyshev, Philippe Egger, Farhad Mehran and Joseph Ritter*
- No. 3 Globalization and decent work: Options for Panama – *Philippe Egger*
- No. 4 Globalización y trabajo decente: Opciones para Panamá – *Philippe Egger*
- No. 5 Indicators of social dialogue: Concepts and measurements – *Lane Kenworthy and Bernhard Kittel*
- No. 6 Assessing the impact of the attacks of 11 September 2001 on women's employment in the United States – *Gertrude Schaffner Goldberg and Helen Lachs Ginsburg*
- No. 7 Decent work and the informal economy in Central America – *Juan Diego Trejos Solórzano and Miguel Del Cid*
- No. 8 Poverty initiatives in the ILO: A review of past and present approaches – *Pat Holden and Dagmar Walter*
- No. 9 Whither the International Standard Classification of Occupations (ISCO-88)? – *Debbie Budlender*
- No. 10 Improving occupational classifications as tools for describing labour markets: A summary of recent national experiences – *Debbie Budlender*
- No. 11 Recent developments in China's labour economy – *Thomas G. Rawski*
- No. 12 The Impact of economic liberalization on employment and wages in India – *Sonia Bhalotra*
- No. 13 The impact of trade liberalization upon inequality in developing countries – *Donald J. Robbins*
- No. 14 The impact of liberalization and globalization on income inequality in developing and transitional economies – *Giovanni Andrea Cornia*
- No. 15 The impact of technology transfer on employment and income distribution in developing countries: A survey of theoretical models and empirical studies – *Mariacristina Piva*

## Policy Integration Department Working Papers prepared for the World Commission on the Social Dimension of Globalization

- No. 16 International finance: Meeting the needs of people in developing countries – *José Guilherme Almeida dos Reis*
- No. 17 The gender dimensions of globalization of production – *Stephanie Barrientos, Naila Kabeer and Naomi Hossain*
- No. 18 Social exclusion in the context of globalization – *Jan Breman*
- No. 19 Gender and globalization: A macroeconomic perspective – *Çağatay Nilüfer and Ertük Korkurt*
- No. 20 Globalization, social exclusion, and work: With special reference to informal employment and gender – *Marilyn Carr and Martha Chen*
- No. 21 Resources for social development – *Antony Clunies Ross*
- No. 22 Does the new international trade regime leave room for industrialization policies in the middle-income countries? – *Alisa DiCaprio and Alice Amsden*
- No. 23 Social dimension of globalization in Latin America: Lessons from Bolivia and Chile – *Ivaro García Hurtado*
- No. 24 The social dimension of globalization: A review of the literature – *Bernhard Gunter and Rolph van der Hoeven*
- No. 25 The social dimension of global production systems: A review of the issues – *Susan Hayter*
- No. 26 Reforming global economic and social governance: A critical review of recent programmatic thinking – *Jeremy Heimans*
- No. 27 Corporate social responsibility: An issues paper – *Michael Hopkins*
- No. 28 Upgrading in global value chains – *John Humphrey*
- No. 29 Implications of globalization and economic restructuring for skills development in Sub-Saharan Africa – *Richard K. Johanson*

- 
- No. 30 The outcome and impact of the main international commissions on development issues – *Frédéric Lapeyre*
- No. 31 Globalization and structural adjustment as a development tool – *Frédéric Lapeyre*
- No. 32 Globalization and perceptions of social inequality – *Malte Lübker*
- No. 33 The changing structure of international trade linked to global production systems: what are the policy implications? – *William Milberg*
- No. 34 Corporate social responsibility: An overview of principles and practice – *Jill Murray*
- No. 35 Inclusive development strategy in an era of globalization – *Ignacy Sachs*
- No. 36 Social consequences of the globalization of the media and communication sector: some strategic considerations – *Seán Ó. Siochrú*
- No. 37 Globalization, history and international migration: A view from Latin America – *Andrés Solimano*
- No. 38 Towards a different kind of globalization, or how the anti-globalists view the world – *Gijsbert van Liemt*

## **Policy Integration Department Working Papers**

- No. 39 How do trade union rights affect trade competitiveness? – *David Kucera and Ritash Sarna*
- No. 40 Statistics on the employment situation of people with disabilities: A compendium of national methodologies – *ILO Bureau of Statistics in collaboration with the In Focus Programme on Skills, Knowledge and Employability*
- No. 41 Employment in the informal economy in the Republic of Moldova – *ILO Bureau of Statistics in collaboration with the Department for Statistics and Sociology of the Republic of Moldova*
- No. 42 Decent work in a least developed country: A critical assessment of the Ethiopia PRSP – *Graeme J. Buckley*
- No. 43 Unemployment and labour market institutions: The failure of the empirical case for deregulation – *Dean Baker, Andrew Glyn, David Howell and John Schmitt*
- No. 44 Women's access to occupations with authority, influence and decision-making power: Women as legislators, senior officials and managers around the world – *Richard Anker*
- No. 45 The world of work in the context of economic integration and trade liberalization – *Daniel Martínez*
- No. 46 Poverty reduction in Pakistan: The strategic impact of macro and employment policies – *Moazam Mahmood*
- No. 47 Trends in work stoppages: A global perspective – *L. J. Perry and Patrick J. Wilson*
- No. 48 Generating decent work for poverty reduction in Cambodia: The voice of workers, employers and the Government – *Moazam Mahmood*
- No. 49 The social dimension of regional integration in ECOWAS – *René Robert*
- No. 50 Measuring trade union rights: A country-level indicator constructed from coding violations recorded in textual sources – *David Kucera*
- No. 51 Patterns of job quality attributes in European Union – *Joseph A. Ritter*
- No. 52 Child labour, education and export performance – *David Kucera and Ritash Sarna*
- No. 53 Measuring the informal economy: From employment in the informal sector to informal employment – *Ralf Hussmanns*
- No. 54 Indicators of labour standards: An overview and comparison – *Richard N. Block*
- No. 55 The pattern of globalization and some implications for the pursuit of social goals – *Gerry Rodgers*
- No. 56 Statistical indicators of social dialogue: A compilation of multiple country databases – *Anne Chataignier*
- No. 57 Trade unions and informal workers' associations in the urban informal economy of Ecuador – *Catherine Vaillancourt-Laflamme*
- No. 58 Decent work, standards and indicators – *Monique Zarka-Martres and Monique Guichard-Kelly*
- No. 59 Social dialogue indicators: Trade union membership and collective bargaining coverage. Statistical concepts, methods and findings – *Sophia Lawrence and Junko Ishikawa*
- No. 60 Informality and gender in Latin America – *María Elena Valenzuela*
- No. 61 Labour developments in dynamic Asia: What do the data show? – *David Kucera and Anne Chataignier*

- 
- No. 62 Sources and Methods: Labour Statistics – Volume 5: Total and economically active population, employment and unemployment (Population censuses), Third edition
- No. 63 Desarrollo local en América Latina: Oportunidades y desafíos para el trabajo decente – *Francisco Alburquerque*
- No. 64 Bangladesh decent work statistical indicators: A fact-finding study – *Mustafa K. Mujeri*
- No. 65 The impact of globalization on poverty in Bangladesh – *S. R. Osmani*
- No. 66 International labour migration from Bangladesh: A decent work perspective – *Tasneem Siddiqui*
- No. 67 Globalization and decent work: A report for the Decent Work Pilot Programme in Bangladesh – *Sukti Dasgupta and Amelita King Dejardin*
- No. 68 East Africa reduction poverty and gender inequality: Selected strategies and issues
- No. 69 Sources et méthodes: statistiques du travail – Volume 5: Population totale et active, emploi et chômage (Recensements de population), Troisième édition
- No. 70 Fuentes y Métodos: Estadísticas del Trabajo – Volumen 5: Población total y económicamente activa, empleo y desempleo (Censos de población ), Tercera edición
- No. 71 The quantification of respect for selected core labour standards: Towards a social development index? – *Ludo Cuyvers and Daniel van den Bulcke*
- No. 72 A new methodology for estimating internationally comparable poverty lines and living wage rates – *Richard Anker*
- No. 73 Issues in macroeconomic and financial policies, stability and growth – *Yilmaz Akyüz*
- No. 74 From liberalization to investment and jobs: Lost in translation – *Yilmaz Akyüz*
- No. 75 Financial openness and employment: The need for coherent international and national policies – *Rolph van der Hoeven and Malte Lübker*
- No. 76 Socio-economic security and decent work in Ukraine: a comparative view and statistical findings – *Igor Chernyshev*
- No. 77 Global Production Systems and Decent Work – *Stephanie Barrientos*