Global Labour Governance: An Idea Whose Time Has Come

Paul Marginson and Guglielmo Meardi

Concerns over globalisation have acquired fresh prominence in the UK and elsewhere over recent months. One focal point is big, multinational businesses and their tax arrangements, but globalisation has consequences beyond how much money Starbucks, Google and Amazon pay into the Exchequer. Another, highlighted by the Rana Plaza factory collapse in Bangladesh, is the conditions under which inexpensive consumer goods are manufactured. Paul Marginson and Guglielmo Meardi explain why we need to explore globalisation’s wider impact on the workforce and the responses of trade unions, governments, NGOs, international organisations and civil society.

Concerns over the consequences of globalisation, specifically around labour standards, have drawn growing attention to the potential and limitations of established and emerging forms of labour governance at the global level. Prominent amongst the emerging forms are a range of initiatives involving different combinations of public and private bodies, including international governmental organisations, business associations, multinational corporations, trade unions and civil society organisations. Examples include fair trade certification schemes, international framework agreements between multinationals and trade unions and the UN’s Global Compact. Comparative analysis of the nature, rationale, functioning and effectiveness of these new hybrid and private forms of global labour governance is an area IRRU is now exploring, together with other Warwick academics.

Also in this issue

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Recently published

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Editorial: Work Employment and Society Conference and Beyond: Connecting Research on Employment and Work

The term ‘multi-disciplinarity’ is becoming omnipresent in academia and research policy today, but all too often in a lip service manner. In publication as well as teaching, demarcations between disciplines are actually strengthened by the overarching urge to classify all intellectual work into predefined separate “tables”. A field where multi-disciplinarity has long been needed and applied is the study of work, and one place where it is practised is IRRU: economics, law, sociology, history, psychology, politics have featured as areas of expertise of IRRU researchers, but applied in such a multidisciplinary manner that the resulting publications could speak to different disciplines.

Actual multidisciplinarity requires two things. First, a serious engagement with constituting disciplines: it should not be an easy way out from disciplinary rigour, but a further application of it. And second, a continuous application not just in theory, but also on empirical problems. This also means that multi-disciplinarity is never a given but always a process. IRRU has made a few more steps in multi-disciplinary collaboration recently: out of necessity, because it is increasingly difficult to be, or pretend to be, self-sufficient, but above all out of genuine intellectual belief.

On the first front, IRRU has engaged with sociological debates by organising (together with colleagues in the Sociology department) the Work, Employment and Society Conference 2013 at Warwick. This is the triennial conference of the British Sociological Association dedicated to work, and has become the most important sociological conference on the field anywhere. This year’s conference was a major success, with 358 delegates (a record of paying delegates) and enthusiastic feedback. As organisers, we decided to dedicate the conference to the topic of the state. In the last decade, the muscular rise of state capitalism of the Chinese kind, the talk of ‘competitive’ and ‘developmental’ states, fast-growing comparative research on national institutions such as in the ‘Varieties of Capitalism’ approach, unprecedented state intervention in the economy following the crisis and subsequent radical reform plans for the public sector and the welfare state have pointed at the importance of studying the link between states and work. In practice, this was done in particular through three plenary sessions on state theory, on the public sector, and on international migration. Moreover, two keynote speakers addressed the important political implications: sociologist Saskia Sassen on the financial crisis, and Han Dongfang, leading Chinese dissident and Director of China Labour Bulletin. Several IRRU members also presented their research during the conference, and we are pleased that Professor Melanie Simms, one of our team who has now moved to the University of Leicester, has subsequently become the Editor-in-Chief of the prestigious Work, Employment and Society journal.

The second aspect of the multi-disciplinary effort has occurred locally through strengthened collaboration with other departments across Warwick University (Institute of Employment Relations, Sociology, Law, Politics, as well as the rest of WBS). This has taken the form of joint workshops, seminars and research projects, especially on global labour governance (as covered extensively in this issue of IRRU briefings), unpaid work, Chinese labour, and European IR. The idea is to move towards more systematic collaboration, under the idea of ‘Connecting Research on Employment and Work’ within the University. I could go on in listing our broadening collaborations: we have successfully proposed to establish a Midlands group of the British University Industrial Relations Association, which will hold its inaugural seminar in May; we have jointly re-launched with ACAS Midlands a ‘West Midlands Forum for Work’, with local academics, HR managers and unionists; and we have strengthened our links with the Charted Institute of Personnel and Development, of which many of us are Fellows and Members. But IRRU Briefing has only space for a short note: our longer works are available on-line and in specialised publications.

Guglielmo Meardi
IRRU Director

Highlights from my 2013...

In June, I gave the concluding keynote talk at the European Congress of the International Labor and Employment Relations Association in Amsterdam, with the title ‘The (Claimed) Irrelevance of Employment Relations’. The talk can be seen on-line at www. ilera-europe2013.eu, and the text, which represents a sort of manifesto for IRRU’s next future, is now published in the Journal of Industrial Relations (56:4, 2014).

In October, I attended the Third Global Dean’s Forum on Labor Science at Renmin University in Beijing, with the directors of the world’s most important industrial relations centres. The visit was also an opportunity to strengthen our links to Renmin, one of our main research and teaching partners.

And to finish, I spent two quiet and inspiring months writing and reflecting on German and European industrial relations as a guest of the Max-Planck-Institut für Gesellschaftsforschung in Cologne. The visit included participation in seminars at the neighbouring Wirtschafts- und Sozialwissenschaftliche Institut in Düsseldorf.

Guglielmo Meardi
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Concerning effects, distinctions have been drawn in the degree of independence of the monitoring of implementation, as well as its rigour, and the mechanisms, if any, available to ensure compliance. Research should also consider the risks of displacement of some forms of governance through others.

Most research to date has been exploratory, focusing on specific initiatives. Systematic research is missing on the intersection of the formal, substantive and consequential aspects of global labour governance.

Moreover, the roles of new actors from civil society such as NGOs, in both developing and developed economies, also require systematic investigation. This would allow the democratic nature of global labour governance, according to criteria of representation, legitimacy, transparency and accountability, to be assessed; the scope for transnational civil society action to be established; and the potential for negotiations and understanding between organisations from developed and developing countries to be identified.

The idea of global labour governance is not unproblematic or uncontroversial. It has been criticised on many grounds, including for being a distraction from deeper causes and from harder regulatory instruments, for being driven by protectionist interests of rich countries, and for focussing only on formal labour and overlooking new and worse forms of exploitation. However, the fact that it is gaining momentum in scope and depth does indicate a dynamic process that opens new scope for action by a number of actors – and that needs to be followed closely.
The Rana Plaza Disaster: Issues and Responses

When the Rana Plaza complex collapsed on 24th April, 2013, killing over 1100 people and injuring more than 2500, it provided a vivid picture to the developed world of the prevailing state of labour conditions but also facilitated multiple lines of co-operation between social movements, NGOs and labour organisations across the world. Two lines of pressure emerged.

First, within Bangladesh, the Government came under significant pressure to take legal steps to improve both the minimum wage in the textile sector and improve inspections on labour standards. Second, and the focus of this research, Western firms right along the supply chain came under significant public pressure to rethink their low cost strategies. IRRU researchers Juliane Reinecke and Jimmy Donaghey focus their research on the responses of a number of social movement organisations, NGOs and unions, with a particular attention to how they created a broad based response, the nature of this response and the relationships between the organisations in formulating this response.

The Rana Plaza Tragedy and its aftermath
On 24th April, in the Savar suburb of Dhaka, a building complex which housed over 3000 garment workers collapsed, leaving over 1100 dead and a further 2500 injured. The building had seen four floors being added without planning permission and was originally built as a shopping complex and office block, not a factory housing 3000 workers and heavy machines. On the previous day, large cracks had emerged in the building and, with the exception of the garment factory, all other parts of the building were closed that day. After the collapse, it quickly emerged that firms based in the complex supplied a checklist of household names in developed countries including Primark, Walmart, Marks and Spencer’s to name a few. Very quickly, and reminiscent of the attention to Nike over child labour, within developed countries, attention shifted onto these end sales point brands. While legally, these brands had no legal duty of care to these workers, pressure grew on these companies to take responsibility for the incident. Within weeks of the disaster, a host of leading textile brands has signed up to the “Bangladesh Ready Made Garment and Fire Accord” (hereon the “Accord”). However the story is more complex than simply following a horrific human tragedy, since a group of leading brands, in conjunction with global trade unions and labour campaigning organisations, devised and signed up to a legally binding agreement to improve building safety in Bangladesh.

The Bangladeshi context
After China, Bangladesh is the second largest textile producing economy with over 5,000 factories employing approximately four million, mainly women, workers, producing primarily for the developed world. In addition, in terms of Bangladesh exports, the textile sector dwarfs all others with $19bn (approximately 75% of total) in annual exports. For Western corporations, the Bangladesh sector provided cheap produce from primarily Bangladeshi owned factories, thus removing Western brands from legal liability over labour abuses. The nature of Bangladesh factories is such that these factories prepare garments for multiple buyers, with many factories preparing for dozens of buyers. The Bangladesh garment sector has according to the Workers’ Rights Consortium the lowest minimum wage for garment workers in the world: $43 per month/ 21c per hour. From the mid-2000s onwards, increasing attention came to be drawn on labour issues within the Bangladeshi fabrics sector. In particular, focus was beginning to be drawn onto the poor quality of buildings which housed these factories: building and fire safety was often lacking, with buildings often having locked exits and illegal extensions upwards being built on top of existing buildings.

Three disasters prior to Rana Plaza stood out in terms of bringing conditions in the Bangladeshi garment sector to the fore. First in 2005, the Spectrum disaster killed 64 and injured 80 when illegally built floors on top of an existing building collapsed. In many ways, this highlighted to activists in developed countries the issue of building safety in Bangladesh. In December 2010, the That’s It Sportswear Factory, which produced for GAP, Abercrombie and Fitch and Target amongst others, saw a fire which killed 29 workers. November 2012 saw the Tazreen fire with 112 confirmed dead. While the media attention captured by these fires was not high, they provided an important spur to action amongst campaign groups such as the Workers’ Rights Consortium (WRC) and the Clean Clothes Campaign (CCC). Following these disasters, pressure began to grow on brands that there had to be something done on the issue of fire and building safety in the Bangladesh. In particular, the WRC and CCC, along with the Ethical Trading Imitative, played a major role in developing the “Memorandum of Understanding” (MoU). The MoU was an initiative targeted at a number of large buyers from Bangladesh to sign up to committing resources into developing greater fire and factory safety in factories. In order for the MoU to come into existence it required four companies to sign up and make a financial commitment of $500,000. By mid-April, two companies, Tchibo and PVH, had signed. A meeting was due to take place in Germany on 29th April where the German Development Agency, GIZ, the ETI and IndustriALL were going to try to persuade two other companies to sign. However, on 24th April, the Rana Plaza disaster occurred, which was to quote one interviewee “a game changer”.

After Rana Plaza, momentum behind the MoU gathered pace but no longer was a voluntary contribution sought: the focus shifted onto developing a legally binding collective agreement. Three key
transformations took place between the MoU and what was to become the Accord and which make the Accord unique in international employment relations. First, unlike Corporate Codes of Conduct and IFAs, the Accord is a legally binding agreement. Second, all signatories agree that arbitration awards or enforcement of fees may be pursued in their national legal system. In terms of legal obligations, companies agreed to pay an annual fee on a sliding scale for five years to the Accord for its administration and to make factory improvements. Second, once Rana Plaza occurred, the emphasis grew onto creating a proper collective agreement, with IndustriALL and UNI Global being the global union federations involved. IndustriALL had been involved to this point but for the first time, UNI Global, which represents retail workers, also participated. This was of particular significance as it signified a shift onto developed world brands. Third, the focus of the MoU, as outlined above, was to concentrate on gaining the commitment of a small number of brands (minimum of four) which sourced heavily from Bangladesh. As this stage, the entry fee was changed from $500,000 dollars to a tiered contribution system which was based on volume of products coming from Bangladesh. The Accord at time of writing has approximately 130 signatory companies encompassing those who source heavily down to companies who do not source from Bangladesh.

The Accord also has a number of other novel features. First, unlike International Framework Agreements which are generally made between one MNC and EU, the Accord covers multiple employers. Secondly, the Accord has a tripartite governance system with employers, the labour caucus, comprising of the unions and four labour based campaign organisations, and finally the International Labour Organisation acts as the independent chair. While the labour caucus is comprised of both unions and campaign groups, the unions are the parties to the agreement and the campaign groups are witness signatories. In addition, the Accord has its own secretariat to administer the process and to employ inspectors for the factories. Finally there is a complaints procedure which has a legally binding arbitration system. Thus, in many ways, the Accord marks a rather unique departure in the area of international industrial relations. As an aside, many US brands have refused to sign up and 26 have formulated an alternative called “the Alliance”. This effectively is a multi-company code of conduct which is neither legally binding nor has any representatives of labour involved.

Developing research into labour standards in global supply chains

In a recently published article, IRRU researchers (Donaghey et al, 2014) highlight that to date, work on global supply chains and labour has either concentrated on consumer based social movements or “traditional”-type collective bargaining in the form of IFAs. This research seeks to provide an exploration of the dynamics of labour-NGO-social movements in responding to a crisis of labour standards. In particular we seek to explore the inter-organisational relationships between the participants. To do this, we are currently conducting a series of semi structured interviews with key actors in the field from company, union, campaign groups and other multi-stakeholder groups.

Key questions to be addressed by the ongoing research include:

• When do complementary social movement-trade union relationships emerge and be sustained?
• How do unions, campaign groups and other multi-stakeholder groups co-operate in complex transnational agreements?
• What are the experiences of unions, companies and campaign groups in the design and implementation of agreements like the Accord?
• Does the Accord mark a blueprint for the future of labour governance in complex supply chains?

Further reading from IRRU research on global labour issues:


IRRU staff produce a wide range of books, reports, articles, chapters for edited collections and other published outputs. Warwick research has also provided materials for key reference and teaching texts. From Industrial Relations in Britain edited by George Bain in 1985 and Personnel Management in Britain edited by Keith Sisson in 1989, through Industrial Relations in the New Europe edited by Anthony Ferner and Richard Hyman in 1992, the leading British textbooks in the area have come from here, informed by both research and teaching experience.

Three just published edited books show how IRRU publishing work and traditions continues and evolves, in wider collaboration with other institutions.

Arrowsmith and Pulignano, IRRU Associate Fellows who after employment at Warwick have continued brilliant international careers in New Zealand and Belgium, have edited the long-awaited sequel to the comparative European reference book edited by Ferner and Hyman in 1994 (New Frontiers in European Industrial Relations). The authors dedicate the book to IRRU by acknowledging that ‘without IRRU, this book – and so many others – would not have been possible’. The text is in fact rooted in IRRU’s tradition of theoretically-informed practical enquiry and includes two chapters by current members of the Unit (Keith Sisson’s on private-sector collective bargaining, Guglielmo Meardi’s on Central Eastern Europe), in addition to Arrowsmith’s and Pulignano’s own chapters on working time, on EU regulations and on the concluding comparative argument.

The added value of the book is bringing together the analysis of different areas into a coherent interpretation of the cumulative change in the direction of ‘flexibility’ that has marked the last two decades of European employment relations.

The book is organized into three parts exploring the institutions and processes of employment relations; the outcomes and more specifically pay, working time and work organization; and EU-level policy. This analysis of important and controversial ‘issues’ explores the motivation of the actors, its implementation of change, and its evolution in a diverse European context. The text will be of interest to managers, trade unionists and policy makers as well as academics. As Europe continues to cope with a serious economic crisis, understanding the dynamics and implications of work transformation has never been more important.

This prestigious handbook, edited by Geoffrey Wood, has been published with the co-operation of the world’s leading academic institutions and policy makers in the field of industrial relations. It is a comprehensive and up-to-date account of the state of the art in this field.


Recently published
Jimmy Donaghey, with colleagues at Griffith, Galway and Harvard Universities, has co-edited an innovative Handbook on the topic of employee voice, a traditional but evolving field of inquiry for IRRU. The Handbook combines different disciplines, and the employment relations approach with those of HRM and organisation studies. The 29 chapters by 50 well-known academics from different countries (including one by Jimmy Donaghey, with Niall Cullinane, on ‘Employee Silence’) provide a comprehensive account of ‘employee voice’, defined as the ways and means through which employees can attempt to have a say and influence organisational issues that affect their work and the interests of managers and owners. The concept is distinct, but related to and often overlapping with issues such as participation, involvement and, more recently, engagement. This Handbook provides an up-to-date survey of the current research into employee voice, sets this research into context, and sets a marker for future research in the area.

The book examines the theory and history of employee voice and what voice means to various actors, including employers, middle managers, employees, unions and policy makers. The authors observe how these actors engage in various voice processes, such as collective bargaining, grievance procedures, task-based voice, partnership and mutual gains. The efforts that have been made to date to evaluate voice across and between firms are then assessed, before the contributors go on to open up the debate on potential new areas for voice research, with a focus on voice and its relationship to organizational inclusion and exclusion.

In 2013, Michel Goyer, Mark Hall, Sukanya Sen Gupta and Melanie Simms, after making enormous contributions to IRRU research, finished their employment at Warwick – Mark Hall remains in IRRU as an Associate Fellow. During the same time, Dimitrinka Stoyanova, Dulini Fernando and Shainaz Firfiray joined.

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IRRU embraces the research activities of the industrial relations community in Warwick University’s Business School (WBS). There are currently 16 academic and research staff in membership, plus a number of associate fellows. Our work combines long-term fundamental research and short-term commissioned projects. In both instances, we maintain the independence and integrity which have been the hallmark of IRRU since its establishment in 1970. We aim thereby to improve the quality of data and analysis available to industrial relations policy-making by government, employers and trade unions.

IRRU’s advisory committee includes senior representatives of the Advisory, Conciliation and Arbitration Service, the Chartered Institute of Personnel and Development, the Confederation of British Industry, the Department for Business, Innovation and Skills, and the Trades Union Congress.

IRRU’s research projects are clustered around four main themes:

- Internationalisation of employment relations, including employment practice in multinational companies;
- equality, inequality and diversity in employment;
- evolving forms of employee representation and voice;
- legal regulation of the employment relationship.

Textbooks by IRRU staff on industrial relations and human resource management include:


Keith Sisson, *Employment Relations Matters*, 2010, published online at: www2.warwick.ac.uk/fac/soc/wbs/research/irru/erm/

IRRU also publishes its own series of research papers – the Warwick Papers in Industrial Relations. These are available on-line at:

www2.warwick.ac.uk/fac/soc/wbs/research/irru/wpir/

IRRU is the UK national centre for the network of EU-wide ‘Observatories’ operated by the European Foundation for the Improvement of Living and Working Conditions. The network embraces the European Industrial Relations Observatory (EIRO), the European Working Conditions Observatory (EWCO) and the European Restructuring Monitor (ERM). A consortium consisting of IRRU and the Institute for Employment Studies is also among a small group of European research institutes responsible for coordinating EU-wide comparative analytical reports for the three Observatories.

The three Observatories’ databases, which are being restructured and revamped this year, into one single European Observatory of Industrial Relations and Working Conditions, are publicly accessible on-line at: www.eurofound.europa.eu

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**Warwick appointments for Spring 2014**

31st of March, 6pm: Annual Warwick-ACAS Lowry lecture: Guy Ryder, Director General of the International Labour Organisation: ‘The relevance of the ILO in the 21st Century’

7th of May, 2pm: Inaugural Seminar of the Midlands Study Group of the British Universities Industrial Relations Association: Prof. Marek Korczynski: ‘Towards understanding collective resistance in non-union workplaces: An ethnographic analysis of the material and cultural underpinnings of resistance’

19-20th of June: International Workshop, ‘Dimensions of the internationalisation of employment relations: Europe and multinational companies’

24th of June, 12:30pm: Public IRRU-IER lecture: Ray Markey, Macquarie University: ‘Lost opportunity: Climate change and the Australian workplace.

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**Further information**

Information on our current research programme and projects, and on recent papers and publications, is available from IRRU’s website: www2.warwick.ac.uk/go/irru/

Alternatively, please contact Val Jephcott, IRRU Research Coordinator, Warwick Business School, University of Warwick, Coventry, CV4 7AL; email: irruoffice@wbs.ac.uk; phone: +44 (0)24 7652 4268

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