The role of joint voluntary initiatives in the promotion and momentum of social dialogue in the textile, clothing and footwear industries

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

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Foreword

The author of this report began by completing a work placement in the Sectoral Activities Department with a view to conducting research into the field of voluntary private initiatives, in particular on “Sustainable Forest Management Certifications”. She then worked as a consultant for the ILO Voluntary Private Initiatives Programme and helped to draft employment sector Working Paper No. 11: *Self-regulation in the workplace: Codes of conduct, social labelling and socially responsible investment.*

This study was carried out in the Sectoral Activities Department under the leadership of Mr. Jean-Paul Sajhau, who is responsible for the textile, clothing, footwear and leather sectors.

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**List of abbreviations**

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<tr>
<td>AAMA</td>
<td>American Apparel Manufacturers Association</td>
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<td>AIP</td>
<td>Apparel Industry Partnership</td>
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<td>CCC</td>
<td>Clean Clothes Campaign</td>
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<td>CEEC</td>
<td>Central and East European Countries</td>
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<td>CEP</td>
<td>Council on Economic Priorities</td>
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<td>CEPAA</td>
<td>Council on Economic Priorities Accreditation Agency</td>
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<td>ECFTU</td>
<td>European Confederation of Free Trade Unions</td>
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<td>ETI</td>
<td>Ethical Trading Initiative</td>
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<tr>
<td>ETUF:TCL</td>
<td>European Trade Union Federation of Textiles, Clothing and Leather</td>
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<td>EWC</td>
<td>European Works Councils</td>
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<td>FLA</td>
<td>Fair Labor Association</td>
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<td>IEPCE</td>
<td>European Initiative for Ethical Production and Consumption</td>
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<td>ITGLWF</td>
<td>International Textile, Garment and Leather Workers’ Federation</td>
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<td>ITS</td>
<td>International Trade Secretariats</td>
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<td>JVI</td>
<td>Joint Voluntary Initiatives</td>
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<td>SAI</td>
<td>Social Accountability International</td>
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<td>SA8000</td>
<td>Social Accountability 8000</td>
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<td>TCF</td>
<td>Clothing and Footwear</td>
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<td>TUC</td>
<td>Trades Union Congress</td>
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<td>VPI</td>
<td>Voluntary Private Initiative</td>
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<td>WRAP</td>
<td>Worldwide Responsible Apparel Production</td>
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<td>WRC</td>
<td>Worker Rights Consortium</td>
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“When the means becomes the end and the end becomes the means, when human beings are beholden to money rather than vice versa, rationality becomes the failure of reason and the world is immersed by the absurd”.

René Passet.

Introduction

Consideration of the social dimension of globalization and of the social responsibility of companies has, for a number of years, generated an enormous number of discussions and initiatives. It now appears to have been acknowledged that the liberalization of international trade, the globalization of the labour market and the increased interdependence of economies should be accompanied by consideration of the imperatives of development and thus meet the increasing aspirations in support of a return to an economy with a human objective able to produce sustainable well-being for all individuals.

This sustainable well being is the result, inter alia, of the guarantee of decent work for everyone everywhere. One of the fundamental mechanisms guaranteeing decent work lies in the practice of social dialogue between governments and workers’ and employers’ representatives at the national and international levels, and within production entities. For about the past ten years, we have, however, witnessed the appearance of new mechanisms, involving new participants whose aim is also the overall enhancement of working conditions. Is this a case of the promotion of the first mechanism by the second, competition, complementarity, or positive interaction between the two? These are the issues this study is designed to clarify.

Following the pressure exerted by certain players (consumers’ associations, media, trade unions, non-governmental organizations (NGOs) and the development of the markets in which the company image has become an important factor in competitiveness, an increasing number of companies and distribution groups, in particular in the textile, clothing, footwear and leather sectors, have, since the beginning of the 1990s adopted ethical codes or codes of conduct, on a voluntary basis and without undertaking any kind of legal obligation. These codes of conduct can be defined as commitments made by companies with a view to respecting a number of ethical rules relating to environmental standards and to fundamental labour standards when producing their goods, both for their actual employees but also for their subcontractors and suppliers from developing countries. Within these initiatives, also known as voluntary private initiatives (VPIs), activities are therefore carried out in support of companies’ social responsibility. These may be codes adopted unilaterally by representatives of individual companies, or joint initiatives devised and implemented by coalitions that may include company or employers’ associations, trade unions, NGOs and other players from civil society who at times even receive the support of governments.

These joint initiatives, also known as hybrid codes of conduct, are able, through their composition, aims, operating methods and activities, to provide new frameworks to support the promotion of social dialogue. It therefore appears to be of interest to study some of these hybrid codes in order to try and assess their role in relation to the
One of the strategic aims of the ILO is to strengthen tripartism and social dialogue. This dialogue is defined in the broad sense as covering all forms of negotiation, consultation, or simply the exchange of information between, or among, the representatives of governments, employers and workers, on issues of mutual interest relating to economic and social policy. At a time of globalization, of the weakening of social links and the appearance of new forms of labour organization, the strengthening of social dialogue constitutes a major challenge in the introduction of decent work for all, as well as stability and long-term social and economic peace.

In the past few years, economic growth has not always gone hand in hand with social progress, nor has it been accompanied by systematic respect for workers’ fundamental rights. This bears witness, inter alia, to an unequal balance of power between economic and social concerns, and the difficulty faced by States in achieving respect for national legislation relating to human rights in the workplace. In order to re-establish a balance between these different priorities, the dialogue between governments and workers’ and employers’ representatives must be promoted and placed at the heart of any discussion on the improvement of working conditions, since it is only through the involvement of and discussions between these three players that sustainable progress can be made.

The practice of social dialogue must, however, face up to numerous obstacles and its fundamental nature remains largely unacknowledged. In this context, the formidable momentum created by voluntary private initiatives and the fact that they have become almost incontrovertible, in particular in the textile, clothing and footwear industries, are of particular interest in so far as these industries are able to play a role in promoting social dialogue. Joint voluntary initiatives (JVI)s, in which a number of different players are involved, such as traditional social partners, NGOs and various associations, are, in this regard, the most interesting to study, inter alia, in the textile, clothing and footwear sectors where they are the oldest and the most numerous.

Having discussed the benefits and shortcomings of social dialogue, this paper will then study the role of these joint initiatives, in the textile, clothing and footwear sectors, in promoting social dialogue by means of different case studies. It will be interesting to see what type of dialogue is therefore promoted, what the role of the traditional social partners is in these initiatives, who the new players are and what their influence is, as well as what the consequences might be for the future of social dialogue.
1. Social dialogue, a fundamental but still fragile practice

As part of its InFocus Programme on strengthening social dialogue, the ILO defined this practice “to include all types of negotiation, consultation, or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy”.¹

The process in question is one of consultation between the different social partners and, where necessary, governments allowing the problems and differences of opinion opposing the latter to be solved by means of consensus rather than dispute or recourse to legal proceedings. The process must not, however, be considered merely a mechanism of last resort which is used after the event, since it also enables major labour and employment-related themes or, in more general terms, economic and social policy to be formulated and discussed. Thanks to meetings between different partners and better mutual understanding of the diverging and often opposing interests of each party, the definition and promotion of common interest are enhanced. This is a process which therefore re-establishes a relationship of equal strength between economic and social priorities so that the latter may be incorporated on an equal footing in development projects and policies.

Social dialogue may assume various forms. The simple exchange of information enables each partner to achieve a broader and more objective understanding of the situation. For its part, consultation allows everyone concerned to give their opinion on matters of interest to them and to make suggestions. Finally, negotiation, which is akin to joint decision-making, results in the preparation of collective agreements, pacts, or even codes of conduct.

In general terms, these activities take place either within a formal tripartite framework where government representatives represent the third party or, more commonly, within a less formal and more spontaneous framework which brings together employers’ and workers’ representatives, and where the government acts as an invisible partner that has previously established the rules encouraging the practice of social dialogue. Furthermore, social dialogue may take the form of negotiations which are sometimes known as “tripartite plus” when they involve the participation of other groups concerned with the subjects under discussion.

1.1. The scale and scope of social dialogue

Social dialogue may also therefore take place within a bipartite or tripartite framework on a more or less formal basis, but may also be conducted at different levels, ranging from negotiation in the workplace to negotiation at international level, via regional or national negotiation, and may therefore deal with a number of different issues.

1.1.1. International level

At the international level, the ILO currently represents the only forum where governments and employers’ and workers’ representatives meet regularly on an official basis. Convinced of the need for and effectiveness of tripartism, the ILO pays particular

¹ InFocus Programme: Strengthen social dialogue so all voices can be heard, International Labour Organization, 2000, Geneva.
attention to the promotion of this approach towards other international organizations, in particular international financial institutions in the preparation of their development policy. In 1987, the ILO established a dialogue with the Bretton Woods institutions. The World Bank and International Monetary Fund participated at that time in a high-level colloquium on employment and structural adjustment alongside representatives of governments, employers and workers who are members of the ILO Governing Body. Since that time, these institutions have demonstrated greater understanding of the need for the social partners to participate in structural adjustment programmes and are ever more aware that sustainable reform programmes cannot do without the support of workers and employers.  

The aim of social dialogue, at the international level, is to work towards achieving broader consideration of the social dimension in the process of globalization and the liberalization of trade and investment.

1.1.2. Regional level

The majority of regional or subregional forums have also felt the need to establish institutional mechanisms to promote social dialogue as a necessary complement to their economic integration projects.

In Europe, for example, there is a long tradition of social dialogue, which was first institutionalized in 1957 with the establishment of the Economic and Social Committee, a consultative body which brings together the social partners of the European Union as well as associations and various representatives of civil society. In the course of European construction, the need has been felt to complement this body with other social dialogue forums such as the Standing Committee on Employment attached to the European Council or, more recently, the Social Dialogue Committee, which groups together employers’ and workers’ representatives at the interprofessional level, and the sectoral social dialogue committees. In 1994, a directive was also adopted for the setting-up of European Works Councils (EEC). This directive is designed to “improve the right to information and consultation for workers in community-wide companies and company groups”. The directive concerns all companies that hire at least 1,000 employees in member States or at least 300 employees split between two of the member States (see insert no.1).

As part of the North American Free Trade Agreement (NAFTA) signed in 1994 by Canada, Mexico and the United States, an agreement, the North American Agreement on Labor Cooperation (NAALC) also provides for methods to promote social dialogue. A tripartite commission for social affairs and labour has been set up within the common market of Latin American countries, MERCOSUR, which comprises Argentina, Brazil, Paraguay and Uruguay. The common market of the Caribbean Community, CARICOM, has also drawn up a declaration of principles for labour and industrial relations, which envisages cooperation between the social partners. The Association of South East Asian

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4 CARICOM comprises the 15 Caribbean States: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
Nations (ASEAN), which groups together Indonesia, Malaysia, Singapore, the Philippines and Thailand, signed an agreement in 1992 providing for the establishment of a free trade area, the ASEAN Free Trade Area (AFTA), within which the Council of Regional Trade Unions gained observer status.

1.1.3. National and sectoral level

At the national level, the institutional mechanisms of social dialogue have frequently been set up in order to facilitate the revision of labour law, to establish dispute settlement procedures, and to help to enhance national social and economic development. In general, social dialogue procedures are subject to certain rules for the purposes of determining when, how and between whom social dialogue must take place. This system enables the State, even where it does not participate directly in the negotiations, to retain a role as mediator, or even moderator, in the discussions.

At the sectoral level, dialogue is conducted between the employers’ associations of a particular activity sector and the trade union representatives of the same sector, be it at the regional, national or international level. Trade unions are represented by international trade secretariats (ITS) of the different activity sectors, grouped together mainly in the International Confederation of Free Trade Unions (ICFTU).

At the company level, social dialogue can take place informally and spontaneously between management and representatives of company workers in order to settle disputes or, more formally, to establish new rules with regard to remuneration, time, or working conditions, by means of collective bargaining.

None of the levels in question is more favourable to negotiation than any of the others, nor does it give rise to more convincing results; each level has its strengths and weaknesses. Company negotiation, for example, provides a certain amount of flexibility but often leads to the creation of large wage disparities or, in broader terms, in working conditions between different companies. Social dialogue at the sectoral level rather helps to generate a certain uniformity in the same areas but, by contrast, neglects the specific problems encountered by the different companies. Generally speaking, company negotiation predominates in North America and Japan, whereas sectoral negotiation is traditionally more widespread in western Europe. During the past ten years, sectoral negotiation has lost ground in favour of company negotiation, in particular owing to the need to have available a flexible instrument to deal with problems resulting from exacerbated competition. 5

Social dialogue therefore has many forms and can take place at varying levels and thus meet different needs, by providing for a more or less variable combination of participants. These different forms of social dialogue are both complementary and interactive, thereby representing a whole unit which has its own momentum.

1.2. Functions and objectives

In the broad sense, social dialogue is designed both to find a consensus solution to the differences of opinion which oppose the social partners and to allow the formulation and implementation of an economic and social policy that reflects the common interest. Social dialogue is therefore a process that is able to promote balanced and harmonious economic

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and social development providing access to decent employment for all. It is also a flexible tool enabling the problems created by structural changes and economic crises to be tackled. Finally, apart from the fact that it is a flexible process and tool, social dialogue also constitutes an end in itself, since it strengthens the democratic process in professional relations.

1.2.1. A tool for promoting harmonious development

In the 1960s, development programmes were based on one unique priority, that of economic growth. According to the economic theory dominant at the time, this growth was to engender social progress by means of an automatic redistribution of wealth. Unfortunately, this theory is far from having kept all its promises. Without questioning the need for economic growth in order to achieve development objectives, it is therefore now acknowledged that the two elements necessary for development, economic growth and social progress, are indissociable and must receive equal attention. Social progress is achieved, inter alia, through the improvement of working conditions for all and respect for workers’ fundamental rights. In these conditions, social dialogue constitutes the only instrument able to allow a consensus to develop regarding the actions to be undertaken so as to guarantee egalitarian and sustainable development, since it involves the three major development players, i.e. employers, workers and governments.

In the world of work, employers and employees often have conflicting interests, whereby the former seek to maximize their profits and minimize the costs, while the latter fight for increased wages and improved working conditions. Notwithstanding, both parties also have common interests, that of creating a working environment favourable to productivity, but also nowadays that of meeting the expectations of consumers in the North. Since the latter have now reached a stage of “consumerist maturity”, they are ever more sensitive to the social quality of the products they purchase. It is only through discussion, consultation and negotiation that the problems can be solved and, in the long term, that the peace and stability necessary to attract investments can be achieved.

Social dialogue therefore constitutes an instrument for promoting both economic growth and lasting respect for the fundamental rights of workers throughout the world.

1.2.2. A means of dealing with structural changes and economic crises

Social dialogue also proves to be an instrument capable of dealing with the problems brought about by structural changes and economic crises. The development of new communication technologies, globalization, the accelerated integration of economic interdependence and the development of international competition are all factors which force the world of business to adapt in order to survive and cause significant transformations in the organization of manufacturing and work. There is also increased precariousness as well as the development of a spate of subcontracting, work at home and the informal sector. In these changing times, only dialogue between the different social partners is able to provide just and appropriate solutions allowing the objective, which remains the same, to be achieved, i.e. decent employment for all.

1.2.3. An end in itself

Social dialogue therefore comprises all the elements of an effective and flexible instrument able to contribute to the realization of a just and equitable form of development. However, as well as being a means, social dialogue is also an end in itself.
By allowing each participant in the world of work to express his or her claims, via the representatives they have appointed, and thus to take part in decision-making which directly affects them, social dialogue is nothing less than a democratic process. If it is considered that the establishment of a democratic environment in relation to labour issues and on actual production sites is an aim to be pursued, social dialogue can therefore be regarded as an end in itself.

The importance of social dialogue and its indispensable nature in achieving long-term development objectives are thus assessed.

The effectiveness of social dialogue is, however, hampered by numerous obstacles.

1.3. Factors hampering effective social dialogue

In order for the practice of social dialogue to develop and operate effectively, the social partners must engage in the process on an equal footing, have the capacity and the desire to participate in the process in a responsible manner, and be sufficiently strong, independent and open to adapt to modern conditions and to the issues which they will face.

1.3.1. Restriction of freedom of association and weakness of the social partners

The principle of freedom of association and the right to collective bargaining for example, which constitute the very basis of social dialogue, are not always respected and are even prohibited at times. Where these rights are respected, we often witness a decline in trade union membership, in particular in the industrialized countries where company-level negotiations have weakened national trade-union action, but also in the transition countries where trade unions, after having been State instruments, must redefine their role and their place in society. In developing countries, trade unions must face up to the development of the informal sector and position themselves in relation to this state of affairs. Generally speaking, trade unions are faced with inadequacies in terms of financial resources which hamper the consolidation of their skills and limit their ability to deal with modern challenges.

Employers’ organizations are not in much more of an enviable situation either. They are now faced with strong competition from the various advisory offices which have sprung up in the industrialized countries, and are weakened by the fragmentation of decision-making centres. They are few and far between, or even non-existent in the transition countries and not always representative in developing countries.

1.3.2. Fragmentation and loss of the traditional negotiating area

The decisions taken within companies are now largely determined by competition and international constraints, while in parallel we witness the development of a company’s structures and organization towards greater decentralization. With the development of contractual relations in the form of subcontracting, participation or joint companies, we are witnessing fragmentation of the decision-making centres and therefore the loss of the

traditional discussion and negotiating areas. This development favours individual action, to the detriment of collective action.

The practice of social dialogue also appears to be out of sync with the time frame of the company world. Dialogue, consultation and negotiation are activities which require time and consistency if results, which more often than not are medium and long-term undertakings, are to be achieved. The time frame of the company is characterized by the short term. It is a place where it is necessary to act and react quickly, and where results must be almost immediate. This confrontation, between the short and long term, leans more often than not in favour of a company’s direct economic imperatives. Social dialogue is not an easy practice and it implies permanent confrontation between diverging priorities, a relationship of strength which is difficult to balance and compromises which are often complex in their establishment.

States and governments therefore have a major role to play in promoting and creating an environment and culture of social dialogue, since it must be pointed out that the role and manifold advantages of this practice are not currently sufficiently acknowledged.
2. **VPIs, from individual to hybrid codes, progress towards social dialogue?**

Despite its indispensable nature, social dialogue must face up to numerous obstacles which hamper its effectiveness; it therefore appears to be paramount to combat these obstacles and make the promotion of this practice a priority.

For about ten years, we have witnessed a proliferation of voluntary initiatives based on codes of good conduct and, in parallel, the appearance of joint voluntary initiatives and their model codes which appear able to provide social dialogue with new momentum, in particular in the TCF industries. These joint initiatives are designed to work towards the improvement of working conditions throughout the world by encouraging the social responsibility of companies, but they also constitute new platforms which potentially favour the promotion of social dialogue.

After making a brief presentation of voluntary private initiatives in general followed by joint voluntary initiatives (JVIs) in the TCF sector, where they are the oldest and most numerous, we will try to determine the potential influence of these JVIs on the promotion of social dialogue in the TCF industries, prior to studying their specific effects by means of case studies.

2.1. **The appearance of new players and mechanisms in the promotion of workers’ rights**

2.1.1. **New players**

For about ten years, the appearance of influential groups in society concerned with the improvement of working conditions in the world has been a fact of some significance with possible repercussions on the practice of social dialogue.

Myriad NGOs have been set up in both the North and the South, to deal with a wide variety of problems and, in particular, to campaign for respect for fundamental rights in the workplace, thus shoring up the traditional role of trade unions. The growth and dynamic approach of NGOs are features of our age. They have been at the origin of many voluntary initiatives in the fight against child labour or, more generally, of the social responsibility of companies through, for example, the promotion of codes of conduct. As a result of their flexibility, creativity and mastery of new forms of communication, they have been able to bring to light the injustice of certain situations and thus promote awareness raising in civil society.

This mass mobilization, relayed by the media, has exerted unprecedented pressure on a number of multinational companies, that have been particularly exposed, in particular in the textile, clothing and footwear sectors, thus forcing them to adopt a more ethical stance. We have therefore witnessed a veritable proliferation of voluntary private initiatives which have echoed the now unavoidable debate on the social aspects of international trade relations.

2.1.2. **Voluntary private initiatives**

Voluntary private initiatives are understood to represent activities conducted in the context of the social responsibility of business, in order to promote respect for fundamental labour rights. These may be unilateral initiatives by individual companies or joint
initiatives developed and implemented by coalitions which may bring together company associations, trade unions, NGOs and other participants in civil society.

A common feature of voluntary initiatives is that they operate outside any restrictive regulatory framework. In an economy that is now globalized, the growth of private economic activity is accompanied by a boom in transnational company networks which are established by the most diverse methods (subcontracting contractual relations, participation, joint companies and so on). As a result of this development, economic activity falls more and more outside the control of the nation State and the scope of national regulations appears to be less and less suited to actual economic structures.

The emergence of a social role for companies therefore corresponds to a noticeable shift in economic power, from the State to companies, which are henceforth universally acknowledged as the principal engine of growth. The preservation or affirmation of a positive image in the eyes of consumers becomes an increasingly important feature of competitiveness in the consumer goods sectors, especially if the companies concerned are globalized and make use of subcontractors in countries with different development levels. Affirming a willingness to respect a number of ethical principles can represent a significant commercial asset for a company in so far as its business practice conforms to the principles displayed.

2.1.3. The TCF sector, first to be exposed and first to be affected by codes of conduct

Owing to their globalized nature and since they often function as part of a complex subcontracting system throughout the network, particularly in developing countries, and use a large workforce, the TCF industries are among the most exposed to the pressures of civil society. Moreover, TCF products are highly personalized, which makes consumers particularly attentive to the conditions in which they are prepared. Consequently, it is not surprising that it is in these industries that we have witnessed, during the past ten years, a proliferation of voluntary initiatives, which now places this group of industries among the most advanced and the most exposed to criticism as regards social responsibility. Although the concept of ethics has made a remarkable breakthrough in the past few years as part of the strategic approach adopted by companies, it is undoubtedly in the TCF sectors that the movement has been the most widespread. American companies have played a pioneering role in that regard.

2.2. From individual to hybrid codes

2.2.1. The proliferation of frequently incomplete codes

The many codes of conduct or ethics adopted unilaterally by individual company managers are very variable in terms of their degree of accuracy and content. These codes may contain general principles such as the concept of non-discrimination, or detailed commitments which a company intends to respect in producing the goods it markets. The content of these codes is strongly determined by the pressures imposed by consumers and NGOs, which are themselves relayed by the media. It is not by chance that all the TCF codes refer to child labour, a subject which has been the focus of broad media coverage in the past few years. By contrast, freedom of association and the right to collective bargaining are rarely mentioned, although they constitute an essential prerequisite to respect for fundamental rights in the workplace. It appears, however, that there now exists a form of tacit consensus among TCF company owners and distributors as to what a code should contain, i.e. a limited number of social standards which reiterate, either directly or
indirectly, fundamental ILO standards, while remaining silent, however, on freedom of association and collective bargaining.

2.2.2. Definition of standard features of hybrid codes

Although the content of TCF company codes is being gradually standardized, in addition to individual initiatives a number of professional associations, trade unions and NGOs, as well as coalitions of several of the aforementioned participants, have developed in the past few years “standard codes” or “model codes” designed to serve as a basis for companies wishing to adopt an ethical strategy. When these standard codes are produced by a coalition of participants as the result of a joint initiative, they can also be called “hybrid codes”. These codes are often operational, i.e. directly applicable to a company and accompanied by an implementation procedure and an external and independent monitoring mechanism; certain hybrid codes can therefore serve as a basis for a certification system.

Table 1. Definition of standard features

<table>
<thead>
<tr>
<th>Voluntary private initiatives (VPIs)</th>
<th>Individual code of conduct</th>
<th>Standard code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed by an employers’ association or by trade unions or by NGOs, to serve as a basis for companies wishing to make an ethical commitment, or to help trade unions to negotiate the adoption of a complete code. Example: Standard code of the International Confederation of Free Trade Unions (ICFTU).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Or: hybrid code</td>
<td>Standard code developed by a coalition of participants (employers’ association, companies, trade unions, NGOs and so on). Example: ETI base code, Code of Labour Practices of the Clean Clothes Campaign.</td>
<td></td>
</tr>
<tr>
<td>Based on a:</td>
<td>Or: Standard code developed by a coalition of participants, to serve as a basis for a Certification System. Example: SA8000, FLA, WRAP Workplace Code.</td>
<td></td>
</tr>
<tr>
<td>Joint voluntary initiative (JVI)</td>
<td>Or: International framework agreement, signed between the trade unions of an international trade secretariat and a multinational company. No example in the TCF sectors.1</td>
<td></td>
</tr>
<tr>
<td>Or: International sectoral framework agreement, signed between the trade unions of an international trade secretariat and employers’ associations in the same sector. Example: Charter by the social partners of the European textile and garment sector, EURATEX/ETUF-TCL.</td>
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</table>

1 The first international framework agreement was signed between the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF) and the French company Danone in 1988. Framework agreements were also signed between the IUF and the Accor hotel group in 1995, the IUF and Nestlé concerning the EU Guideline on Works Councils in 1996, the IUF and Del Monte Fresh Produce in 2000, the International Federation of Building and Wood Workers (IFBWW) and the Swedish furniture company IKEA in 1998, the IFBWW and the company Faber-Castell in 2000, the IFBWW and the construction company Hochtief in 2000, the International Federation of Chemical, Energy, Mine and General Workers’ Union (ICEM) and the Norwegian oil company Statoil in 1998, ICEM and the German multinational Freudenberg in 2000 and between Union Network International (UNI) and the Spanish company Telefónica in 2000.

A hybrid code can also take the form of an international framework agreement when it is devised and signed by a trade union organization such as an international trade secretariat (ITS) and a multinational company or an employers’ association in the same sector.
activity sector as the ITS; in such cases, the hybrid code is an international sectoral framework agreement. These codes have a particular status in so far as they are really at the meeting point between what is known here as a joint voluntary initiative and a conventional regulatory mechanism. Framework agreements are initially based on a voluntary procedure involving a multinational or employers’ association and trade unions committed to respecting, and to achieving respect for, a number of fundamental rights, outside any restrictive regulatory framework. However, once it has been signed by the social partners, this framework agreement can become restrictive since it is akin to a collective agreement which is binding in accordance with legal precedents.

2.2.3. Joint voluntary initiatives, towards standardization, increased credibility and greater consultation

The different hybrid codes which now exist and which are based on joint voluntary initiatives are the most successful. Broadly speaking, they take precedence over individual codes of conduct which they sometimes absorb by encouraging them to adapt to their requirements (for example, a company code which needs to be adapted when becoming part of the Ethical Trading Initiative). They also have an ever increasing influence on the adoption of new individual codes. This success is the result both of the fact that they contribute, as seen above, to the harmonization of the VPI phenomenon, but also to the fact that they promote a process whereby their credibility is increased.

The recent proliferation of codes of conduct made a certain amount of standardization necessary in order to meet the aspirations of consumers and associations which were critical of the fact that these codes were not easy to read. The credibility of individual codes was itself limited by the lack of precision of their application procedures and above all by the inadequacies of monitoring systems. The first generation of codes was often based on the introduction of internal company monitoring. In order to be effective, this system was based on the premise that a company trains skilled staff sufficient in number to evaluate the actual implementation of the code. In the globalized TCF sectors, only a handful of companies were able to put in place such a mechanism. In most cases, it was the responsibility of product quality controllers to verify the application, by subcontractors, of the principles contained in the codes. Owing to a lack of training, such monitoring could not be carried out satisfactorily. Moreover, the credibility of the companies concerned was not guaranteed since this was an internal company process and, consequently, subject to caution. In TCF companies, the current trend is towards the increasing use of independent external monitoring. For that reason, more and more companies adhere to structured initiatives which provide for methods for external code monitoring, using the services of a firm of auditors, or taking charge themselves, as coalitions often led by NGOs, of monitoring and producing social assessment reports. These external procedures cannot, of course, completely replace internal monitoring which remains essential to the integration of an ethical approach into a company culture.

Joint voluntary initiatives, which provide for implementation procedures and an independent monitoring system, therefore also meet the aspirations of companies that wish to benefit from a credible code and therefore from an effective marketing tool which is not likely to detract from their interests.

2.2.4. Potential positive interactions between JVIs and social dialogue

Hybrid codes provide above all a certain legitimacy for the social responsibility movement in companies in so far as they are the result of a consensus between different social players such as trade unions, employers, various consumers’ or solidarity associations, and sometimes governments. In addition to the advantage of devising a more
complete code, which takes account more systematically of the right to freedom of association and collective bargaining for example, these joint voluntary initiatives also have the immense interest of promoting the practice of social dialogue in the broad sense. They constitute new areas for meeting, exchanging information and communication between the different social players. As seen, they are also the basis for a hybrid code which is itself the result of an exchange and negotiations, whereby the code represents a compromise and a common project, through which each partner can achieve recognition and benefit. The realization of this project favours the introduction of a climate of confidence or at least envisages relations between social partners, no longer only in terms of confrontation but also of cooperation. Finally, since these initiatives create a more or less permanent body for the implementation of this common project, they consolidate the practices of social dialogue by making them more regular. Moreover, thanks to the activities conducted on the ground and linked to the implementation of their code and its monitoring, JVIs can even contribute to the strengthening of the capacity for action and representative nature of the social partners, exactly where those partners experience a cruel lack of means for achieving respect for workers’ fundamental rights.

Joint voluntary initiatives therefore appear able to support the promotion of social dialogue, or even to allow the traditional social partners to reaffirm their dominant role in the debate on the social dimension of globalization and the resulting activities which relate directly to their original prerogatives. It is, however, important to emphasize that, although JVIs may have a role to play in the promotion of social dialogue, social dialogue is itself at the origin of these initiatives and their success. In order to overcome the inadequacies of the individual codes, the need has been felt to conduct an exchange of views so as to devise a more complete, more credible and more legitimate code. It is therefore the acknowledgement of the virtues of dialogue that has enabled the JVIs to be successful and which now makes them incontrovertible.

Owing to these varied forms of interaction, hybrid codes provide an additional element, which in no way could replace, but can strengthen, the application of national legislation and international labour standards. Similarly, the joint voluntary initiatives from which these codes stem could in no way replace collective bargaining but can, however, help to consolidate the practice, at different levels, of social dialogue which is alone able to guarantee a sustainable improvement in working conditions throughout the world.

Nevertheless, a number of forms of interrogation persist as to the specific impact of these JVIs on social dialogue, as regards the participants involved and the role they afford to traditional social partners, and therefore the type of dialogue they promote. For that reason, it is now necessary to study individually some of the most successful JVIs in the TCF sector and to highlight the participants involved in each of them, their respective roles and activities which may have an impact on the promotion and momentum of social dialogue.
3. Case studies

3.1. The Charter by the social partners in the European textile and clothing sector

3.1.1. Origins, partners and content of the Charter code

The Charter by the social partners in the European textile and clothing sector was signed in September 1997, following more than a year of negotiation, between the European Apparel and Textile Organization (EURATEX) which groups together a large number of employers’ federations, ¹ and the European Trade Union Federation of Textiles, Clothing and Leather (ETUF:TCL) with the support of the Directorate-General (DG) Employment and Social Affairs of the European Commission.

This Charter, negotiated as part of the European social dialogue (see insert no.1), affirms the commitment of the signatories to respect a code of conduct (article 1 of the Charter) containing the fundamental ILO standards ² and, in particular, Conventions Nos. 87 and 98 relating to freedom of association and the right to collective bargaining. This Charter constitutes a “first” in the field of voluntary social initiatives in so far as it combines trade unions and employers’ organizations. In its preamble, it displays the willingness to establish a balance between the economic and social concerns of each partner by emphasizing that it is necessary to work towards “a European textile and clothing industry that is productive, internationally competitive and based on the respect of both workers and employers”.

The code of conduct does not contain any clauses providing for a guaranteed minimum living wage, the prohibition of an excessive number of hours worked and compulsory overtime, nor minimum standards for occupational health and safety; this is, however, the result of a voluntarily gradual procedure. After having tried unsuccessfully to negotiate individually with fifteen of the most important European multinationals in the textile and clothing sector, the ETUF:TCL preferred to opt for a more global approach and became directly involved in the European sectoral social dialogue. Thus, the code relates only to fundamental ILO Conventions but, thanks to the widespread affiliation among its signatories, it provides coverage for 60 to 70 per cent of European companies in the sector, be they multinationals or SMEs. This is not without interest if it is considered that, unlike the situation in the United States, the textile and clothing sector in Europe is very fragmented. Generally speaking, the ETUF:TCL therefore believes that it is “more efficient to ask the whole sector to take one small step forward rather than ask a handful of companies to take a huge leap”. ³

¹ More than 20 associations from the 15 European Union countries as well as about ten associations from related countries such as the Czech Republic, Estonia, Morocco, Poland, Slovakia, Slovenia, Switzerland and Turkey. The complete list of employers’ associations that are members of EURATEX is available on www.euratex.org.

² ILO Conventions Nos. 29 and 105 against forced labour, Convention No.138 against child labour and No.111 for non-discrimination of employment.

The Treaty of Rome, signed in 1957, originally established the Economic and Social Committee (ESC). This body brings together representatives of employers, trade unions and various social and economic interest groups (craftsmen, cooperatives, mutual associations, consumer protection associations, environmental protection associations and so on). It is a purely advisory body whose role was, however, strengthened by the Treaty of Maastricht (1992) which empowered it to express its opinion on issues at its own initiative. The Treaty of Amsterdam (1997) broadens still further the Committee’s field of activity, in particular in social affairs: in addition, it can now be consulted by the European Parliament.

The second phase took place when, in 1970, the European Council (which comprises the heads of State and Government of the member countries) considered it useful to establish a dialogue with the social partners and set up the Standing Committee on Employment (SCE).

The third phase was initiated on 31 January 1985 by Jacques Delors, President of the Commission at the time, during the first Val Duchesse summit which brought together the three main social partners at the community level, i.e. the Union of Industrial and Employers’ Confederations of Europe (UNICE), the European Public Enterprise Centre (CEEP) and ETUC (European Trade Union Confederation). This call was seen as an appeal to economic and social circles to mobilize and to provide assistance in the relaunch of community construction. Since the first meeting, social dialogue has had a truly mobilizing effect and created a climate more favourable to exchange and discussion.

On 31 October 1991, the social partners therefore reached an important agreement on their role in developing the Community social dimension. This agreement, repeated in the social protocol annexed to the Maastricht Treaty allows the social partners to be more closely involved in the Community decision-making process. It supports the development of a more qualitative social dialogue and opens up the prospect of true conventional relations at the European level. This agreement conveys the willingness of the social partners to play a more important role in the Community legislative process. This development was accompanied by the Commission which published an initial report in 1996 on the development of social dialogue in the Community, followed by a second one in 1998 to “adapt and promote social dialogue at the Community level”. The Social Dialogue Committee (SDC), which groups together representatives of employers and workers at the interprofessional level was set up at the time and subsequently, at the request of the social partners in specific sectors, sectoral social dialogue committees have recently been established. In the meantime, three framework agreements have resulted from these new interprofessional and sectoral social dialogue structures, one on parental leave, the other on part-term work and the last of the three on fixed-term contracts, as well as an agreement on working time in certain transport sectors. These framework agreements have been translated into European directives so as subsequently to be transposed into national law.

At the company level, reference can also be made to the directive adopted in 1994 for the introduction of European Works Councils. The aim of this directive was to improve the right to information and consultation of workers in Community-scale undertakings and Community-scale groups of undertakings. The directive therefore relates to all companies that employ at least 1000 employees in Member States or at least 300 employees divided between two Member States.

European social dialogue is therefore an old tradition, has many forms and is closely linked to European construction. Social dialogue contributes to what is commonly known as the “European social model”. In the context of enlargement, it is described as an acquis
**3.1.2. Methods of operation and application of the charter**

A central part of the methods used to adopt and implement the code is reserved for social dialogue. After having been negotiated and adopted at the European level, the code must be adopted at the national level by the different EU Member States by means of a social dialogue conducted at that level, and then negotiated, adopted and implemented at the company level. This is therefore a global system which makes the social partners responsible at all levels, allows them to assimilate the code completely and thus to incorporate it naturally in their list of priorities.

In order to facilitate this process, the Charter stipulates (article 2) that the EURATEX and ETUF:TCL partners are committed to promoting and circulating the code, translated into the relevant languages, among their national members as well as at the company level so that they implement the code gradually.

The Charter therefore envisages making a transposition at the national level by incorporating the clauses of the code in the collective agreements negotiated and concluded at the national level, thereby giving legal force to the code for the companies covered by these agreements. However, the Charter also provides for the adoption and application of the code directly within companies. The code can therefore be adopted as it is or, for companies which already have a code, may serve as a complement through the adoption of the clauses missing from the original code. Firms must therefore consider the code to be an integral part of the agreements which they reach with their subcontractors and suppliers. They must also take concrete steps, for example by appointing officials

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4 Negotiations have also been undertaken for this purpose with the European management of the Sara Lee company (cf. Letter from Patrick Itschert to Mr. Abebe Abate, Chief of the Bureau for Multinational Enterprise Activities, ILO, Geneva, 17 Apr. 1998). Sara Lee is an American company which has its own code of conduct that does not contain any reference to ILO Conventions and, above all, does not refer to respect for freedom of association and the right to collective bargaining. As regards the Charter, which applies to all European companies but also to foreign subsidiaries based in Europe, a request has been made for these elements to be added to the Sara Lee code or at least for the Charter to be countersigned by Sara Lee Europe.
responsible for implementing the code and informing all employees and their suppliers or subcontractors appropriately … 5

Finally, the Charter provides (article 3) that the follow-up and evaluation of its implementation must be carried out jointly by the European social partners in the sector, EURATEX and ETUF:TCL, as well as their respective members, during an annual meeting.

Social dialogue is therefore at the heart of the procedure for implementing the Charter, which provides for the support of interaction and a harmonious dialogue at the European, national and company levels, in order to promote respect by European textile and clothing companies for fundamental labour rights for all of their activities.

The Charter therefore recognizes the essential role of social dialogue and provides it with a framework allowing it to develop and flourish or, more exactly, helps to strengthen the pre-existing framework of European social sectoral dialogue. Through meetings, the exchange of information between the social partners and the search for common solutions, the Charter strengthens the existence of an environment and a culture designed to promote the regular practice of social dialogue on issues such as the social responsibility of European companies.

3.1.3. Activities, results and impact of the Charter on the promotion of social dialogue

The Charter appears to have set itself two aims, which are different but complementary, that of becoming a European instrument with legal force and that of serving as a standard voluntary code for companies, both of which must be the subject of a follow-up and a joint evaluation by the social partners.

The first aim was largely realized since, in the space of three years, the code has been transposed into national collective agreements in 13 of the 15 member countries of the European Union and has thus acquired the force of law. Only two European countries still refuse to take the necessary steps for this transposition. For deep-seated reasons, these are Portugal, which continues to have problems in the area of child labour but also, for reasons of principle, Sweden which is still reluctant to accept the idea of a European social dialogue. 6 Despite these two refusals, the Charter can be said to have succeeded in introducing the problem of the social responsibility of companies into the concerns of the social partners at the national level. It has had a perceptible influence on the agenda of the sectoral negotiations in the different Member States, thereby prejudging what a “social Europe” might look like in the future, with a contractual negotiating area. 7

However, the labour law of each member country already contains the clauses of the code and, in general, goes much further. This success should therefore be considered in relative terms, since although the transposition of the code into the collective agreement grants it the force of law, it is only inside the country in which this agreement has been signed that such legal force applies. A company, obliged to respect the agreements adopted


7 Thus far, only one such agreement relating to agriculture and on the particular subject of working hours has been transposed in this manner (Letter by P. Itschert, dated 12 Mar. 2001).
in its country for its national activities, is no longer subject to the same constraints when it produces or subcontracts abroad. For that reason, the Charter also envisages being adopted and implemented by European companies themselves, which therefore make a direct commitment, i.e. among their own national bodies or subsidiaries based overseas, and an indirect commitment, i.e. in their subcontractors and suppliers throughout the world, to respect the fundamental ILO Conventions.

In order to encourage companies to take this step and to promote general awareness of the importance of these issues, the European social partners committed themselves in the Charter to circulate and disseminate the code among their members and in the largest possible number of companies. 40,000 copies 8 of the code were therefore distributed and translated in one year, firstly into the 11 EU languages, then into the 10 languages of the Central and Eastern European applicant countries, but also into Turkish in September 2000. 9 This allowed all parties including companies and trade unions to have a common basis for discussion and negotiation, thereby obviously promoting dialogue and action.

In Germany, the code was countersigned and improved by incorporating references to a decent salary for example, within the Hartmann European Works Council. Similar discussions are also in progress within the Schiesser and Triumph European Works Councils. Moreover, the code of conduct of the American multinational Sara Lee (see footnote 10) has been improved, since the new version contains a first reference, albeit still insufficient, to the right of association. Even though very few European textile and clothing sector companies have as yet adopted the code directly, 10 they can no longer ignore its existence, considering its wide distribution, especially since their direct or indirect employees are also aware of it thanks to trade unions.

The follow-up to and evaluation of the actual implementation of the code in companies has, however, revealed a number of difficulties. The ETUF:TCL had initially envisaged adopting a stage-by-stage approach. At the first stage, it was necessary to ensure that the code was properly implemented in European companies and their subsidiaries or subcontractors located in areas bordering the EU, i.e. the CEECs as well as in Mediterranean countries. Secondly, it was necessary to take an interest in the situation of the subsidiaries and subcontractors of European bodies in the rest of the world. The first evidence gathered relating to the multiple violations of trade-union rights in the CEECs, and even in EU countries, has, however produced a willingness to expand the first phase.

The first meeting to assess the code, which took place on 29 June 1998, brought to light a number of violations of workers’ fundamental rights by European multinationals. The most common violations take the form of anti-union actions or discrimination against hiring, but also include the practice of compulsory overtime poorly or not at all remunerated, the absence of basic occupational health and safety provisions, or even the

8 Figure reached in Mar. 1998, which represents dissemination in about 50 per cent of European textile and clothing sector companies. Letter addressed by Patrick Itschert to Michael Urminsky, dated 18 Aug. 1998.

9 A request was made for the Charter to be translated also, during 2001, into the languages of the countries in the Mediterranean basin (Morocco, Tunisia, Egypt and so on) where a part of European industry is being decentralized or subcontracted.

10 The launch of a campaign designed to promote the adoption of the code by European multinationals appears to be scheduled for the next ETUF:TCL Congress which will be held in Toledo in Apr. 2001.
practice of physical and/or sexual abuse of employees.\textsuperscript{11} It therefore became clear, for example, that an important multinational clothes manufacturer, which claims to be particularly keen to respect human rights in the workplace, proved to be conducting an anti-union campaign in its Polish subsidiary but also in its manufacturing unit located in the United Kingdom.

Since the follow-up and evaluation procedure envisaged by the Charter had served as a basis for the social partners to indicate cases in which the code was violated, joint actions and initiatives were able to be launched. A meeting was, for example, held between trade unions and the management of VF Lee Europe, following the violation of the principle of freedom of association in a factory in Scotland.

However, faced with the numerous cases of violations observed in Eastern European countries and Turkey, the first evaluation meeting concluded above all on the need to strengthen information and code-promotion activities in these regions by organizing seminars involving the local social partners.

Two seminars were therefore organized jointly by EURATEX and the ETUF:TCL, with the support of the Directorate-General Employment and Social Affairs of the European Commission, one in Prague (Czech Republic) in November 1999 and the other in Istanbul (Turkey) in September 2000. These conferences dealt with the problem of respect for workers’ fundamental rights but also, in more general terms, the subject of social dialogue.

The Prague seminar demonstrated the need to expand European social dialogue to the applicant countries of central and eastern Europe (CEECs), at least as observers, but also to strengthen their employers’ and workers’ organizations in order to meet the challenges both of transition and globalization in this region. During the seminar, the employers’ representative emphasized strongly that since the beginning of the transition the Czech textile and clothing sector had lost half of its production capacity and the representative of the Czech trade union confederation stated that the “European social model” was undermined by the phenomenon of globalization.\textsuperscript{12}

According to its organizers, the Istanbul seminar allowed real progress to be made in relation to social dialogue. This was the first time that all the Turkish and European social partners had met. In more specific terms, the seminar also established initial contacts between EURATEX and the Turkish employers’ federation which is responsible for collective bargaining. The Secretary General of the ETUF:TCL also stated that in an EU applicant country such as Turkey, the persistent nature of child labour was unacceptable, as were provisions restricting the right to strike in free-trade areas as well as the need for trade unions to request authorization if they wished to join European organizations or for foreigners to be able to speak at trade union conferences.\textsuperscript{13} Finally, this conference had the major interest of bringing together Turkish employers’ and union representatives and allowing them to discuss respect for workers’ fundamental rights, which, although it might appear anodyne, represented a significant step forward or at least an essential preliminary to the improvement of working conditions in Turkey. It appears that up to that point the

\textsuperscript{11} Report of the meeting of 29 June 1998 concerning textile and clothing sectoral social dialogue at the European level, relating particularly to the initial assessment of the EURATEX/ETUF:TCL code of conduct.

\textsuperscript{12} Report of the Conference on the promotion of social dialogue and EURATEX/ETUF:TCL code of conduct in the applicant CEECs, Prague, 8-9 Nov. 1999.

\textsuperscript{13} Report of the seminar on social dialogue and codes of conduct, Istanbul, 29-30 Sep. 2000.
social partners had not spoken the same language, since whereas employers’ representatives expressed commitment to greater social responsibility, trade unions referred to significant restrictions on freedom of association in the textile and clothing industry, and criticized the government’s double speak in that regard.

Rather than seeking to achieve direct application of the code through a complex system of monitoring and penalties, within the Charter it is necessary to create the pre-existing conditions required for its implementation. In specific terms, dialogue and a climate of trust should be fostered between the social partners in areas where problems exist so that they may be solved.

With a view to enlargement, the Charter also establishes a minimum common basis for respect for workers’ rights, which represents a first step towards the harmonization and integration of EU-applicant CEECs. The implementation of the code in the applicant countries can be part only of a gradual long-term procedure based on incentives and partnership. The fact that above all the sector contains a majority of small companies of course adds to the difficulties. Permanent and structured cooperation between social partners of the applicant and EU countries, as proposed by the Charter, therefore proves to be of great interest and suitability. It is obvious that the Charter also represents a global but nevertheless flexible instrument for combating “social dumping”.

This approach appears promising since it has been considered of interest to extend the experiment. Almost identical charters have therefore recently been signed in the footwear and tanning sector.

In the footwear industry, employers meeting within the European Confederation of the Footwear Industry (CEC) had of course had the merit of being the first to accept in 1995, following two years of negotiations, the signing with ETUF:TCL of a charter to prohibit child labour. Subsequently, they hesitated for a long time before extending the code so as to incorporate all the fundamental ILO Conventions. However, on 17 November 2000 the agreement was finally signed. This charter now contains the same clauses as that relating to the textile and clothing sector and also accepts the principle of independent verification and monitoring of the code’s application.

In the tanning sector, on 11 July 2000 employers meeting within COTANCE (European Tanning Confederation) agreed to sign a charter with ETUF:TCL, which goes beyond the two previous ones since it also contains references to a decent wage, working time, and health and safety conditions.

Generally speaking, it can be said that this initiative model goes beyond codes of conduct since it aspires to become both a voluntary and a legally binding tool, owing to the fact that it is transposed into national collective agreements. It also goes beyond the traditional framework agreement since it is signed with the representatives of employers from a whole sector rather than with a particular company. The title of sectoral framework agreement could therefore be given to this type of approach. It is important to emphasize that if this action model has emerged within the European Union, this is above all because the social dialogue culture is already entrenched and the European Commission, which seeks to promote the “European social model”, actively supports the practice of social dialogue. It remains to be seen whether this type of action can be exported outside the EU and the applicant countries. The social responsibility of European companies should not be limited to these borders; it is difficult to imagine how a sectoral framework agreement can operate in countries where there are few or no employers’ associations, and where freedom of association is restricted. The resolutely gradual approach adopted appears to consist initially in helping to strengthen or to establish representative social partners, whereby respect for fundamental rights becomes a more medium to long-term objective.
Nevertheless, the incorporation of the problem of companies’ social responsibility in sectoral social dialogue has significant advantages. The deterioration in working conditions, or at least the obstacles to their improvement, can largely be attributed to the highly competitive context in labour-intensive industries such as the TCF sectors. Competition will cease to have a decisive influence in this area only when the sector as a whole commits itself to respecting the same fundamental rights, be they in multinationals or small companies producing goods for export or for the domestic market.

Sectoral social dialogue is both the basis for the Charter and the instrument used to implement the Charter, as well as being the practice to be promoted through the Charter’s application. The terms social dialogue are used here in the “traditional” sense of the words, i.e. a tripartite undertaking involving representatives of workers, employers and governments at the national level (or of the Commission at the European level). NGOs and other players from “civil society” are not considered here to be fully-fledged partners in social dialogue. According to the Secretary General of the ETUF:TCL, “any confusion in the role should be avoided” and work done to highlight “the specific nature of the trade union”. 14

Collaboration is not, however, rejected completely, and certain alliances are even considered desirable. This partnership is moreover already a reality within the European Initiative for Ethical Production and Consumption (IEPCE), founded in 1999, mainly at the prompting of the ETUF:TCL and the European Commission Directorate-General Employment and Social Affairs. This initiative, which brings together NGOs, consumers’ associations, academics, audit companies, employers’ representatives and trade unions, is designed to promote meetings and the exchange of information and experience between these different players, as well as to determine the best practices in terms of companies’ social responsibility and to help those that so wish to commit themselves to such a process.

The Clean Clothes Campaign, one of the other major European initiatives designed to fight for companies’ social responsibility, also forms part of the IEPCE.

3.2. The Ethical Trading Initiative (ETI)

3.2.1. ETI partners and mission and code content

The Ethical Trading Initiative (ETI) was founded in 1998 in the United Kingdom for the purposes of developing practical instruments for the production and implementation of ethical commercial policies by companies and retailers supplying the British market. The aim of this procedure is to have a positive impact on the life and rights of producers, suppliers and subcontractors in developing countries. The ETI, which is supported by the Department for International Development (DfID) of the British Government is therefore an alliance of retailers, NGOs and trade union organizations that have committed themselves to working together to identify and promote good practices in the area of companies’ social responsibility.

This initiative is a non-profit making entity whose secretariat is based in London. The ETI is open to companies from all sectors and not only to companies and retailers from the textile, clothing and footwear industries. However, the activities under this initiative in general, but also those which directly concern the distribution of TCF products, are of

14 Extract from the letter by Patrick Itschert, dated 12 Mar. 2001. The specific nature of the trade union and the activities relating to verification and monitoring of the code will be the subject of discussions during the forthcoming Congress in Toledo, Spain.
some importance and it is therefore of interest to devote attention to them as part of this study.

The first task for the ETI was to negotiate and prepare a model code of conduct, the “ETI Base Code” which incorporates the internationally recognized fundamental social and labour standards, beginning with those established by the International Labour Organization. This Code is therefore exact and exhaustive since it refers to the relevant ILO standards and includes respect for freely chosen employment, freedom of association and the right to collective bargaining, respect for occupational health and safety, non-recourse to child labour, the guarantee of a minimum living wage, a reasonable number of hours worked, the principle of non-discrimination, the prohibition of ill treatment and the guarantee of regular employment. The Base Code is accompanied by a series of implementation principles, in particular that of external and independent monitoring which each ETI member considered could lead to better practices in the application of codes of conduct and better traceability of products.

The companies that have joined the ETI have committed themselves to applying the Base Code to at least part of their supply chain or range of products, and to test the Code by means of different monitoring and verification systems through the introduction of pilot projects. They must also exchange and share information gathered during these experimental procedures and work in close cooperation with the other categories of ETI members, i.e. NGOs and trade unions.

The Ethical Trading Initiative currently comprises 20 member companies, 15 NGOs and four trade union organizations. Membership is open to companies which accept the aim and principles of the ETI and which commit themselves to participating actively in pilot schemes. The Base Code specifies in the paragraph concerning companies’ membership that “ETI membership is considered especially appropriate for companies operating in sectors which manufacture, market or distribute consumer products”. Membership requests are examined by the Initiative’s Board of Governors. The NGO and trade union groups have a right of veto in that regard, if they consider that a company does not meet the conditions necessary for its integration into ETI activities. Membership conditions for NGOs are similar to those for companies, since they must also accept the aim and principles of the ETI and commit themselves to participating actively in its


17 The International Confederation of Free Trades Unions (ICFTU), International Textile, Garment and Leather Workers’ Federation (ITGLWF), the Trades Union Congress (TUC), International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF).

activities. Trade union organizations are also responsible for guaranteeing the cooperation and participation of their members.

The ETI is managed by a Board of Governors where the three categories of members, NGOs, trade unions and companies, are equally represented. In recognition of its support, the British Government enjoys observer status at the meetings of this Board. Each member pays contributions to the ETI according to a scale specific to its category and the British Department for International Development for its part contributed an appreciable sum to the funding of this initiative. 19

The Ethical Trading Initiative is therefore above all a collective learning process, in particular as regards the best practices for implementing and monitoring codes of conduct. Its approach is intentionally based on consensus and is gradual. The standards of the Base Code have been devised gradually through a dialogue between the different partners concerned. Social dialogue is therefore at the very basis of this initiative, although this is a new kind of social dialogue, in so far as it involves the participation of new players, NGOs and irrespective of whether it takes place in turn in the form of company, national or international negotiation.

3.2.2. Functioning and implementation of the code

We must now examine to what extent social dialogue is, not only at the basis of the ETI, but also incorporated in the operating methods of this initiative and, above all, in the implementation principles of the code.

The operating methods of the Ethical Trading Initiative are based on cooperation between the three categories of members represented by trade unions, NGOs and companies. The first implementation principle of the code relates to the commitment of each member to accept the initiative’s aim and operating methods. Each member is therefore committed, simply by having joined the ETI, to co-operating with the other participants as part of the collective learning process. Social dialogue is therefore placed at the heart of the ETI’s operation. Moreover, all ETI member companies are committed to adopting the whole of the Base Code or to incorporating all its clauses in their own codes of conduct, if they had such codes prior to joining the ETI. This is of some interest since, according to the “Learning from Doing” review published by the ETI in April 1999, most member companies already had a code of conduct but freedom of association and especially the right to collective bargaining were rarely mentioned in those codes. ETI membership therefore enabled the content of the codes to be enhanced and above all made participating companies accept the need to take into account collective bargaining and therefore social dialogue as an essential element of improved working conditions.

As regards the principle of independent monitoring and verification, the “Learning from doing” review shows that this subject did not meet with immediate unanimous approval. The question of the cost of external monitoring, as well as that of auditors’ responsibility and competence, the problem of confidentiality and that of the restraint that may be imposed by unannounced monitoring visits on the establishment of a relationship built on trust with subcontractors and suppliers are all matters that were negotiated as part of the ETI. The result of these negotiations confirmed the need to conduct pilot projects in order to test the different monitoring systems and establish the best practices. The principle

19 The British Department for International Development appears to have funded the ETI secretariat’s activities for the period 1998-2001 to the tune of US$850,000 as well as providing 50 per cent of the cost of implementing the pilot scheme studies. Workers’ tool or PR ploy? A guide to codes of international labour practice, Ingeborg Wick, Friedrich Ebert Stiftung, Bonn, 2001.
of independent monitoring was, however, preserved, and included among the principles to be observed, which proves that a consensus was established on the matter, by means of the exchange of information and social dialogue.

For that reason, the Base Code stipulates that the pilot projects must be devised, implemented and analysed by member companies in close cooperation with the other categories of members. Moreover, ETI member companies agree that the support of the British Government and the participation of NGOs and trade unions are entirely beneficial. They agree with the view that one of the keys to success has been the creation and consolidation of the ETI as a real institution bringing together players with what are, in principle, conflicting interests. The involvement of the British Government in that respect is considered to be a mark of unquestionable credibility. The participation of NGOs and trade unions is recognized as being able to provide a number of considerable advantages. Companies acknowledge that these partners can, as a result of their skills, knowledge of the area and broad partner networks throughout the world, provide them with essential support for the effective implementation of their code. Moreover, such participation makes companies’ activity more credible and protects them from possible criticism or attacks stemming from these same groups and which may reduce to nothing their efforts to promote greater social responsibility by besmirching their reputation.

In order to create the conditions necessary for a constructive dialogue, based on the same criteria, the Base Code also provides that all “relevant personnel” of a member company, as well as suppliers and the employees whose work is covered by the code, “where possible” shall receive training on the content of the code and the guidelines for its application. This element, essential to the sound operation of the practice of social dialogue, is therefore taken into account in the implementation principles of the Base Code and we may thus conclude that the ETI is likely to support and promote this practice. However, a lack of precision in the exact definition of the persons who are to receive this training is obvious. In addition, a crucial element has not been immediately taken into account, i.e. the translation of the code into the local language, in the very place where it is supposed to be applied. This shortcoming has, however, been underlined in the interim review on the pilot schemes, which makes clear the need to make good this failing.

It is therefore noted that social dialogue is therefore not only at the origin of the ETI and its model code but that it is also incorporated in the operating methods of this initiative and in the principles for implementing its code. This leads the members of the initiative to consider it a real institution allowing fruitful cooperation for a particular period between the different partners concerned with the implementation of more ethical commercial policies.

### 3.2.3. Specific achievements and impact on the promotion of social dialogue

If we now turn our attention to the activities of the ETI, and in particular the implementation of pilot projects, it is noted that the lessons learned tend to highlight the need to strengthen further the practice of social dialogue in order to guarantee the sustainable success of companies’ ethical commitments. For that reason, it is interesting to study the specific achievements of the Ethical Trading Initiative and, in particular, those

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20 *Learning from doing review, A report on company progress in implementing ethical sourcing policies and practices*, Ethical Trading Initiative, Apr. 1999.

which support the promotion of social dialogue, and to emphasize the lessons learned from the pilot schemes which confirm the need to work towards that end.

Results of pilot schemes

The aim of the pilot schemes conducted by ETI member companies is to test the different “monitoring” and verification systems in order to establish the best implementation practices for the Base Code as well as to share them. This relates, for example, to testing the different systems of inspections, interviews and the possibilities of co-operating with NGOs, trade unions, academics or private firms of auditors, and ascertaining what combinations of participants are the most effective.

The ETI has thus far launched three pilot projects in different sectors and countries, one relating to the winemaking sector in South Africa, a second one in the horticulture sector in Zimbabwe and a final one in the textile sector in China. Two other pilot schemes are also being considered. They relate to banana production in Costa Rica and garment making in Sri Lanka. 22

The pilot scheme conducted in China relating to garment production was designed to test four monitoring methods on four different producers, working for four different retailers. One of the monitoring projects was therefore carried out internally, by the staff of a retailer, at one of its Chinese suppliers. Another monitoring project was carried out by a private firm of auditors at a second company. A further monitoring method was carried out by academics in relation to a third company and a last method by a team comprising several partner NGOs and trade unions for a fourth company. Taking into account the lack of freedom of association and therefore of free trade unions and independent NGOs in China, the last two methods have been difficult or even impossible to implement. It has been very difficult to find local academics to carry out the monitoring and contacts have therefore been established with United Kingdom-based academics specializing in Chinese affairs. The monitoring project involving several partner NGOs and trade unions had to be abandoned, following the enormous difficulties encountered in making contact with the partners, even where they were based in Hong Kong.

Thus, of the four monitoring methods tested in the pilot scheme in China only those involving external participants were completed successfully, i.e. where monitoring was carried out by staff of the retailer and that conducted by a private firm of auditors. The first monitoring project was completed in 1999 and an improvement plan was drawn up. The company concerned verified the implementation of this plan after six months and considered it to be satisfactory; further progress is anticipated for the next visit. The audit carried out by the private firm of auditors also gave rise to an improvement programme and a decision has been taken on a follow-up by the company concerned.

It is therefore noted that the local political and legal context plays an essential role in the development of pilot schemes and, above all, where partnerships are to be established with trade unions and NGOs. Social dialogue and the promotion thereof are therefore almost impossible without outside intervention or at least external diplomatic mediation with the local authorities.

However, where a political context exists that is favourable to the development of freedom of association and the action of organizations in civil society, the implementation

of pilot schemes based on a participatory approach is much easier and much more fruitful. This is clearly illustrated by the success of the pilot schemes carried out in South Africa and Zimbabwe, where it has been possible to set up local groups bringing together, along the same lines as the ETI, local NGOs, trade unions and employers. Local government actions also promote the work of the ETI, such as in South Africa where labour legislation and the labour inspectorate are developing rapidly, and therefore provide an environment favourable to change. Following the relative failures of the pilot schemes carried out in China in the textile and clothing sector, it has been decided to implement a new pilot scheme relating to this sector but this time in Sri Lanka, where the aim is to test essentially monitoring involving several partners.

The pilot projects carried out as part of the ETI have therefore strengthened exchanges and cooperation between the social partners in those places where political conditions were favourable and emphasized the need to find solutions to achieve such conditions where they did not exist. It is interesting, however, to see in more precise terms what exactly the actions of the different categories of ETI members have been with a view to promoting social dialogue.

Specific activities of ETI members and their impact on the promotion of social dialogue

The 1999-2000 ETI annual report\textsuperscript{23} indicates that the progress made by member companies lies in the fact that they have made a commitment to more active cooperation with local NGOs and trade unions, which allows them to identify more easily and solve the problems relating to violations of the code. Similarly, the improvement of these links with local NGOs and trade unions is one of the priorities which ETI member companies had set themselves for the year 2000.

For their part, ETI member trade unions have conducted a large number of activities to promote social dialogue. Generally speaking, their role within the ETI is to participate in the work of pilot projects, to defend the idea of more ethical commercial relations during their meetings and conferences throughout the world, but also and above all to build partnerships with trade union organizations where pilot schemes take place, or to strengthen and expand those links where they already exist but lack capacity for action.

The IUF has for example developed a programme to strengthen trade unions’ capacity for collective bargaining by means of technical training and support provided for its members, in particular in Costa Rica and Zimbabwe where ETI pilot schemes are taking place.

The TUC has supported negotiation training programmes targeted at women and is studying, inter alia, the technical information required by South African trade unions participating in ETI pilot schemes.

In general, member unions play a very important role in relations with the local authorities by meeting, for example and where possible, labour ministers in countries where the ETI operates.

ETI partner NGOs have also set themselves a number of aims such as working in conjunction with member companies, working to monitor supply chains, promoting ethical products or also conducting research in certain fields. A part of their activities consists, however, in the same way as trade unions, in strengthening the capacity of partners from

\textsuperscript{23} Op. cit.
the South to take an active part in the application of codes of conduct, be they local NGOs or trade unions. Several NGOs therefore finance and set up training programmes for women, trade unions and local NGOs so as to help them to organize themselves and have greater bearing in negotiations. NGOs also play a major role in developing and strengthening association networks, and therefore facilitate the exchange of information and cooperation between the many associations striving to improve working conditions throughout the world.

The activities of each category of ETI members therefore comprise elements to promote social dialogue and to consolidate the role of local partners. Furthermore, these activities and the pilot schemes themselves have also highlighted lessons which underline the need to strengthen partnerships.

The lessons highlighted by the ETI

The ETI interim report on pilot projects, 24 published in November 1999, highlights a number of interesting lessons. This report shows above all that the success of the monitoring and application of a code of conduct depends largely on the political situation of the country in which these activities take place, as well as on the labour legislation in force and the means existing to implement it. Success also depends largely, however, on the activity sector to which it is applied; it is easier to apply and to monitor a code on a short and transparent production chain than in a sector where the supply chains are complex and a part of which evades observers owing to their multiple ramifications, as in the case of the TCF sectors for example. One of the lessons highlighted therefore consists in demonstrating the need for a certain amount of flexibility and adaptability of monitoring.

A common point, however, has been highlighted by all the pilot projects, that which confirms the need to involve actively local partners and strengthen their capacity for action. The interim report emphasizes that the conduct of pilot projects has promoted the development of the ETI as a real institution promoting dialogue and cooperation. The report also underlines, however, the need to strengthen this cooperation through the systematic identification of local partners, their active involvement in activities relating to the code and the strengthening of their capacity for action. It has become obvious that it is only through the strengthening of this cooperation and through dialogue that tangible and sustainable results can be achieved. The strengthening of the local partners allows an ethical approach to be adopted at the local level, its implementation to be made autonomous, and an environment favourable to the extension of this procedure to other activity sectors to be created.

Finally, it also appeared necessary to involve local authorities and governments more systematically in the work of the ETI on the ground, to work more closely with labour inspectors who have much information to pass on in terms of the monitoring of working conditions, and to promote the mediation activities of the British Government which supports the ETI, in cases where intervention with national authorities is required. 25


In no way does the ETI wish to replace collective bargaining, just as the Base Code is not designed to replace national labour legislation, but it is a matter rather of creating the conditions necessary for the sustainable introduction of a more fruitful dialogue.

Social dialogue therefore serves as a basis for the ETI, is incorporated in the operating methods, but is also maintained and strengthened by the actual activities under this initiative, of which the advantages and the need to involve the different local partners have become increasingly clear.

3.3. The Clean Clothes Campaign and its code of conduct

3.3.1. Origins, partners and content of the code of the Clean Clothes Campaign

The Clean Clothes Campaign (CCC) was first set up in the Netherlands in 1990. It was founded by various Dutch organizations (consumer associations, trade unions, researchers, solidarity groups and other activists), following a protest campaign launched in 1989, against working conditions in the Asian subcontractors of a large distribution chain. Over the years, the CCC has striven to inform consumers and to encourage them to mobilize in support of the campaign against the poor working conditions in which the clothes they purchase are produced. In 1995, the CCC sought to extend the movement beyond the borders of the Netherlands and to rally the different European initiatives of a similar kind. National campaigns, formed from coalitions of NGOs and trade unions are active in nine other countries: Austria, Belgium, France (Collectif de l’éthique sur l’étiquette), Germany, Italy, Spain, Sweden, Switzerland and the United Kingdom (The Labour behind the Label). 26 They therefore form a European network which is coordinated by the Dutch CCC and by means of regular meetings. Each national campaign moves forward at its own pace, and is free to choose its strategy and to conduct its own experiments.

The CCC, which celebrated its tenth anniversary in the year 2000 and which can be characterized as the first joint voluntary initiative in the TCF sectors, is above all a formidable network which now comprises almost 200 solidarity, consumer and trade union organizations. Thanks to this network, the CCC informs and establishes contacts between social players in order to encourage respect for the fundamental rights of workers throughout the world. It therefore promotes dialogue, in particular the exchange of information in so far as it allows workers from the South, via local NGOs and trade unions, to voice their claims and to obtain the active support of associations and consumers from the North, by organizing information and mobilization campaigns.

The CCC also acts, however, on a different front, since it has its own code of conduct. In order to compensate for the shortcomings of the numerous individual codes, the CCC decided to work on devising a model code itself. This work began in 1996 as part of the Dutch campaign. In cooperation with the International Confederation of Free Trade Unions (ICFTU) and different International Trade Secretariats such as the International Textile,

26 The Ethical Trading Initiative is sometimes presented as the British arm of the CCC. It seems more judicious, however, to study it as a fully-fledged initiative. Its activities relate essentially to the application of its code and to the search for the best monitoring system, rather than to the organization of consumer information and mobilization campaigns. The activities of The Labour behind the Label campaign correspond more closely to those of the CCC, even though it is true that this association is also an ETI member.
Garment and Leather Workers Federation (ITGLWF) and the European Textile, Garment and Leather Workers Union Federation (ETUF:TCL), as well as in direct consultation with a handful of workers’ networks in Asia, the process of developing a common code of conduct resulted, in October 1997, in the “Code of Labour Practices for the Apparel Industry including Sportswear”.

This code defines a precise and exhaustive catalogue of fundamental workers’ rights and, wherever possible, refers to the ILO Conventions and reiterates the idea of a foundation responsible for the monitoring and independent verification of the code, thereby providing a basis for joint claims under the different national campaigns.

In its introduction, the code describes first of all its general commitments and its aim, as well as its precise field of application. It is therefore apparent that the companies which adopt this code must accept their social responsibility in relation to the working conditions of those who manufacture their products, irrespective of whether they are their direct employees. The code is therefore applied to the whole of the production chain, including suppliers, subcontractors, licensed producers and even homeworkers. The code then reviews the fundamental rights of workers to be respected, including: freely chosen employment, non-discrimination at the time of hiring, non-use of child labour or, where necessary, secondary measures to assist the reintegration of child workers, respect for freedom of association and the right to collective bargaining, guarantee of a minimum living wage, respect for a reasonable number of working hours, and decent working, health and safety conditions.

The CCC code can be characterized as a hybrid code since it has been devised by a number of different players. It is, however, important to emphasize that no company or representative thereof was involved in this undertaking, which perhaps explains its naturally complete and demanding aspects, but also the fact that it remains largely theoretical, since it is still implemented very little in its entirety.

Only the Swiss CCC, one of the most recently established, has signed an agreement directly and entirely based on the CCC code with three important Swiss retailers, and for that reason emphasis will be placed more particularly on this national example of the CCC.

The other national campaigns have chosen to concentrate more on the implementation of pilot schemes in order to test the validity of the code and an independent monitoring system.

Differences also exist between the national CCC campaigns in terms of their composition. The Swiss CCC for example does not currently involve any trade-union organization, whereas the Dutch, French and Swedish campaigns comprise at least one national trade union organization. Similarly, while the Swiss and Swedish campaigns work only with companies and retailers themselves, the Dutch and French campaigns also include national employers’ associations among their members.

27 The “Code of Labour Practices” of the CCC was greatly inspired by that of the Dutch CCC, the “Fair Trade Charter”, previously drawn up in cooperation with the Dutch Trade Union Federation (UNV), the Christian Union Federation (CNV), the Dutch development organization, Novib, and two of the three large associations of Dutch retailers and producers (Mitex and Fenecon).

28 Even if, as we have seen (cf. previous note), it is based on a code which is itself the product of negotiations among employers’ organizations (Mitex and Fenecon in the Netherlands).
### Table 2. Composition of the different national campaigns under the Clean Clothes Campaign

(Extract of the Report Overview of Recent Developments on Monitoring and Verification in the Garment and Sportswear Industry in Europe)  

<table>
<thead>
<tr>
<th>Initiative</th>
<th>NL</th>
<th>FR</th>
<th>SW</th>
<th>CHCCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethique sur l’étiquette</td>
<td></td>
<td>Hennes &amp; Mauritz, Indiska Magasinet, KappA hl, Lindex</td>
<td></td>
<td>Mabrouc SA/Switcher, Migros Charles, Veillon SA</td>
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<tr>
<td>Swedish project on independent verification</td>
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<td>CHCCC project on independent verification</td>
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#### Membership

- **Industry associations:**
  - MITEX, MODINT
  - Auchan, via FCD (Federation of Commerce and Distribution Companies) Carrefour, Promodès

- **Trade unions:**
  - Federation FNV and FNV Bondgenoten
  - CFDT (French Democratic Labour Confederation)
  - LO Industrifacket

- **NGOs:**
  - CCC/NL, South-North Federation, Novib, Max Havelaar
  - CCFD (Catholic Committee against Hunger and for Development) and Artisans du Monde coordinator of CCC/France
  - Fair Trade Center to represent the NGOs of CCC/Sweden
  - Swiss CCC (Bern Declaration, Bread for All, Catholic Lenten Fund)

#### Structure of the organization

- **Board:**
  - Committee of experts;
  - Independent project/pilot coordinator

- **Informal committee:**
  - Auchan + French CCC and FDC + French CCC
  - Project group:
    - Companies and Swedish CCC
  - Pilot board:
    - Four unions, four NGOs, the four retailers;
    - Independent president;
    - Secretary Independent pilot coordinator and project coordinator

- **Project leadership:**
  - Swiss CCC and the signatory companies of the declaration of intent
  - A working group, with three representatives of the NGOs and three of the companies Swiss CCC; Secretariat

The Clean Clothes Campaign is a network of participants, which promotes the exchange of information. Its code of conduct is itself the result of joint negotiation between different players from civil society. However, given the lack of direct participation by companies or representatives thereof during the preparation and adoption of this code, the code cannot be considered the result of a social dialogue as defined above. Although the Code of Labour Practices serves as a basis for the different national campaigns, those campaigns retain a relatively broad degree of autonomy and can adapt this Code to their own procedures. According to the number of members involved in each of the national campaigns and, above all, their membership (companies, trade unions or NGOs), the adoption, or even the adaptation, of the code is therefore the result of a procedure more or less close to social dialogue.

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3.3.2. Operating methods and application of the Code of Labour Practices

The operating methods and application of a code of conduct represent only part of the activities of the Clean Clothes Campaign and its national members. It is, however, interesting to consider these two points in detail, in order to see to what extent they incorporate the practice of social dialogue.

If reference is made to the text of the CCC Code of Labour Practices, the implementation of the Code is the sole responsibility of the signatory company which must ensure that its ethical commitments are applied both internally and in relation to its suppliers and subcontractors. For that purpose, the company undertakes to take positive steps with a view to respecting the Code, to inform all workers of the existence and content of the Code, to designate persons responsible for the sound operation of the activities linked to the Code’s implementation, to incorporate the Code in all the contracts signed with its commercial partners and to verify the correct application of the Code by those partners. The Code also specifies that a company shall assist, either financially or technically, its commercial partners from developing countries in order to correct the possible violations observed.

As regards monitoring of the application of the Code, responsibilities are on this occasion shared between the different players gathered together within “the Foundation”. This Foundation is presented as if it comprises NGOs, trade unions and companies or employers’ associations. It will be designed to conduct independent monitoring of the Code (directly or indirectly using a private firm of auditors which it will previously have accredited), assist companies in implementing the Code and informing consumers of respect for the Code by companies and of working conditions in the garment industry in general.

It is therefore noted that a signatory company, where it is solely responsible for implementing the Code, will, however, be assisted for that purpose by the Foundation. It is specified that the Foundation will provide “technical assistance to companies in implementing the Code, in particular by training the company’s staff”. It is also specified that the Foundation is responsible for publishing and translating the Code into different languages, according to the requests made by participating companies, and that the Foundation prepares and publishes guidelines and manuals designed to help companies to apply the Code. In such conditions and given that the Foundation consists of trade unions, NGOs and company representatives, it can be said that the CCC Code provides for the incorporation of social dialogue in the activities supporting the implementation of the Code, since these activities will be prepared and carried out jointly by the three players.

Similarly, since it is carried out by the Foundation independent monitoring incorporates social dialogue in its core activities. It is specified that the establishment of the monitoring criteria and indicators is the result of consultation and cooperation between the different participants gathered together within the Foundation, in the same way as the study and analysis of monitoring reports, the establishment of a confidential appeals system provided for workers and the setting-up of a certification system.

30 “When an insufficient number of companies or employers’ organizations have adopted the code of conduct for the garment making and sports clothing trade and industry, they will establish, in conjunction with the appropriate trade-union organizations and NGOs, an independent institution […] the Foundation”: extract from the CCC Code of Labour Practices.
The Code also specifies that the monitoring criteria established by the Foundation will be based “on the best practice of the two existing professions which monitor labour practices, labour inspection and the practices of applying trade union contracts”.

It is, however, interesting to emphasize that although the Foundation consists of the three players in question, those players will be divided into two groups with equal representation and not into three groups, with the NGOs and trade unions forming one group and the employers’ representatives the other group.

If we now consider the operating and application methods of the Code within the Swiss CCC, it is clear that they are the result of a somewhat different procedure, at least in the preliminary phase.

The Clean Clothes Campaign was launched in Switzerland in January 1999. More than 55,000 postcards were sent by Swiss consumers to the country’s clothing manufacturers and distributors. Subsequently, most of the companies involved responded to the mail they received and some of them contacted the association. Among them, three companies took the step of adopting the Code of Labour Practices devised by CCC International. In so doing, these three companies undertook to respect and to achieve respect, from their suppliers, subcontractors and licensed producers, for the principles contained in the Code, in particular that of independent monitoring. Contacts were therefore established with a view to conducting pilot projects so as to make the independent monitoring system more accurate. These contacts resulted in the signing of individual agreements in March 2000 between the Swiss Clean Clothes Campaign and the three companies concerned. The agreements envisage the implementation of a pilot independent monitoring project for a number of Asian suppliers to the three companies.

As we have seen previously, the Swiss campaign originally comprised only three NGOs, i.e. the Catholic Lenten Fund, Bern Declaration and Bread for All. Contacts have been made with trade unions with a view to their participation in the activities of the Swiss CCC, but the very rapid chain of events in Switzerland has not enabled these contacts to be monitored or consolidated, and therefore no trade union became a fully-fledged member of the campaign, even though a number of them support it. The contacts and negotiations which have taken place between the Swiss CCC and the three companies have therefore occurred without trade union participation.

It cannot therefore be considered that the agreement signed between the Swiss CCC and the three companies, providing for the implementation of a pilot independent monitoring project, is the result of the practice of social dialogue. However, although the results of this pilot project are conclusive and lead to a Foundation being established, as specified in the Code, trade unions will be involved as fully-fledged members. In the meantime, the pilot project agreement sets a number of objectives and envisages the setting-up of bodies for the implementation of monitoring, which it will be interesting to consider in detail.

Independent monitoring is defined in the agreement as having to make the code of conduct effective in workplaces and credible in the eyes of consumers and civil society in

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31 Mabrouc SA (Switcher), the leading Swiss distributor Migros Federation of Cooperatives and Ch. Veillon SA.

32 According to the remarks made by Lara Cataldi, a member of the Swiss Clean Clothes Campaign, in a telephone conversation of 21 Feb. 2001.

33 Cf. previous note.
the North, as well as meeting the requirements of companies’ social responsibility, transparency, participation and monitoring control. Participation is defined as that of the individuals and/or organizations concerned in the decisions to be taken and the implementation of monitoring. Those involved are therefore production site workers and their representatives, trade unions, NGOs and firms of auditors. This participation, and therefore social dialogue, is presented as a guarantee of an independent procedure.

In addition to testing the feasibility of a monitoring model, the aims of the pilot project also consist in helping to set up a network of partners in producer countries able to participate in the monitoring and production of training material on workers’ fundamental rights.

In order for the pilot project to proceed smoothly, it is specified that three bodies are set up, the working group, the secretariat and the monitoring team. The working group is the decision-making body. It comprises representatives of the three participating companies and representatives of the three NGOs involved in the Swiss CCC. This working group is responsible for appointing the member(s) of the secretariat, assessing monitoring documents, deciding on the corrective measures to be taken and providing consumers with details of the progress made in the process. The secretariat and the monitoring group are also implementing bodies. The secretariat coordinates the monitoring activities, carries out the necessary research prior to the launch of monitoring, verifies the measures taken by companies to implement the Code, looks for local partners and forms the monitoring team. This monitoring team, supervised by the secretariat, consists of trade unions and NGOs responsible for interviewing workers, and a firm of auditors responsible for administrative and technical inspections on production sites. Local partners, also comprising NGOs and trade unions, are responsible for assisting the secretariat in acquiring knowledge on the ground and in preparing basic working and training documents.

It is noted therefore that although trade unions are not part of the decision-making body, they are nevertheless present at the implementation and monitoring stages of the Code, as well as having an advisory role similar to that of NGOs. In relation to the Code’s operating, application and monitoring methods within the pilot project, it is therefore observed that social dialogue is not incorporated in all stages of the process. The pilot project is, however, presented as a preliminary stage, as we have seen, prior to the establishment of a Foundation which will include trade unions, NGOs and companies on an equal footing in what will constitute the decision-making body.

3.3.3. Activities, results and impact of the CCC on social dialogue

As we have seen, many activities are carried out within the Clean Clothes Campaign. They consist primarily in organizing information and mobilization campaigns designed to attract consumers’ attention to violations of labour rights in the textile, clothing and footwear industries. However, the CCC also carries out a variety of research and documentation work on working conditions in different countries and organizes training programmes on labour rights in producer countries, as well as international seminars and local working groups on the same subjects; finally, the CCC has introduced an urgent appeals system, together with a code of conduct and test projects for developing an independent monitoring system.

34 No details are provided on the affiliation of the secretariat member(s).
Generally speaking, these activities have produced results which are more than positive. The CCC is undoubtedly the initiative which has placed the issue of respect for fundamental labour rights in the TCF sectors among the concerns of European consumers and producers, and has generated real awareness of the need to act to improve working conditions in the producer countries of the South.

By means of information and mobilization campaigns, thousands of postcards have been sent by consumers from different European countries calling on the major producers and distributors of clothes to accept their responsibilities and act to improve the working conditions of their trading partners in developing countries. One of the great successes of the CCC is therefore that it has allowed this formidable mobilization and awareness-raising in Europe, as evidenced by the comments collected during the broad consultations conducted by the international CCC among all its members in August 2000. The summary document produced following this consultation exercise also emphasizes that the creation of a network, comprising more than 200 different organizations throughout the world, is a real success which promotes contacts, facilitates the exchange of information and allows cooperation. The CCC also represents a formidable source of information, as evidenced by the wealth of its Internet site.

Consequently, and by relaying the claims of workers in the South, the CCC has above all helped to re-establish, in certain areas, a balance of forces, favourable to the improvement of working conditions. This is one of the essential prerequisites for the establishment of a constructive and effective social dialogue.

In specific terms, according to the remarks made by CCC members, this has enabled workers in the South to organize themselves better and to fight more actively to achieve respect for their rights. Following an urgent appeal and the conduct of a mass campaign, the Swiss CCC for example managed to have trade union leaders, who had been dismissed for activism in an Indonesian factory producing goods for a Swiss mail order company, reinstated.

However, if consideration is given to the CCC’s activities relating to its Code of Labour Practices and the test projects launched to determine an independent monitoring system, the picture is a more mixed one. The evaluation document published by the CCC shows that members’ opinions on this subject are divided. For some of them, the code represents the campaign’s most important tool and foundation, while for others this code is in appropriate or even ineffective, and the time and energy devoted to it are therefore wasted. These differences of opinion within the campaign itself illustrate the difficulty for the CCC of combining lobbying activities with those relating to the application of the Code. It is difficult to exert pressure on companies and, at the same time, cooperate with them in a climate of confidence and constructive social dialogue.

Consequently, owing to a lack of sufficient distance from the pilot projects launched, little information is available to evaluate the result of the activities devoted to the implementation of the Code and their impact on social dialogue. It has been observed, however, that companies and employers’ representatives have not always been involved in the CCC’s discussions, since the Code of Labour Practices has not, for example, been drawn up with the participation of industry representatives. Moreover, although the CCC

35 Following this consultation exercise, carried out to evaluate the CCC and decide on the strategic direction to be taken after 10 years in existence, a summary document was published: Clean Clothes Campaign Discussion Paper: Evaluating the CCC, available on the Internet: www.cleanclothes.org.

clearly manifests a willingness to support workers and their local trade union organizations, in the evaluation document some CCC members criticize the lack of a connection with the movements of workers in the North. It can be stated that the Swiss CCC envisages working in cooperation with local trade unions in producer countries but does not have any trade union representatives among its national members.

The campaign evaluation document also specifies that many CCC members have described the organization as consisting of NGOs and consumer associations, omitting to mention that trade unions are also part of it, which tends to prove that those unions are not necessarily regarded as key participants. Also in the evaluation document, others emphasize the divide between the vision of consumers in the North and the needs of workers in the South. Finally, emphasis is placed on the lack of capacity and technical and financial means afflicting local trade union organizations, and a request is made for more educational and training activities to be implemented by the CCC for workers in relation to their rights.

This all goes to show that employers and trade unions, as the major participants in social dialogue, do not always play a central role in the CCC’s activities, in particular those which relate to the Code’s implementation. It is noted, however, that this is not a voluntary procedure on the part of the CCC, in fact quite the opposite, but rather one of the consequences of the success and very rapid development of the organization’s activities. We can therefore be optimistic as regards the future development of the campaign, provided that it succeeds in making good use of the valuable information collected during consultations with its members.

3.4. Social Accountability International and the SA8000 system

3.4.1. Origins, members and content of the code

The Council on Economic Priorities Accreditation Agency (CEPAA), a non-profitmaking organization renamed Social Accountability International (SAI), was set up in 1997 by the Council on Economic Priorities (CEP), a non-governmental research institute and pioneer in the field of companies’ social responsibility. Founded in 1969 and based in New York, the CEP is entrusted with providing accurate and impartial analyses to evaluate the social performance of companies and promote company citizenship. 37

In 1997, in founding the CEPPAA the CEP decided to undertake to develop a social quality standard inspired by the managerial (ISO 9000) and environmental (ISO 14000) quality standards of the International Standardization Organization, in order to remedy the vague and incomplete codes of conduct adopted individually by companies. The aim was to establish a standard that could be applied to different industries, covering working conditions, and which was both exhaustive in terms of the rights protected and could be monitored and verified by independent monitoring officials. The SA8000 (Social Accountability 8000) standard was therefore adopted on 15 October 1997. It was drawn up on a consensual basis by the CEPPAA, in cooperation with companies, trade unions, NGOs and certification societies, and tested during pilot experiments which took place in Mexico, the United States and Central America.

37 The CEP is known, inter alia, for having published its guide for consumers entitled Shopping for a better world.
In the same way as the Base Code of the Ethical Trading Initiative, the SA8000 standard does not apply only to the textile, clothing and footwear sectors. The notoriety of this standard and its activities relating to the TCF sectors are, however, significant enough for it to be necessary to consider them in this study.

The SA8000 standard contains a number of criteria relating to workers’ fundamental rights which the signatory companies undertake to respect, and the implementation and monitoring methods which they commit themselves to introducing and applying (“management systems”).

The SA8000 standard reiterates all the rights contained in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, and also comprises all the criteria relating to occupational health and safety, as well as those on working hours and the minimum wage, referring wherever possible to the ILO Conventions. Moreover, the standard refers to the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child.

Contrary to the other initiatives described here, which tend towards product-based certification, the SA8000 standard is a certification system which relates to the production sites that a signatory company decides to have certified.

The SAI (formerly CEPAA) was therefore entrusted with developing, on a consensual basis, a voluntary social responsibility standard for companies, but also aims to promote this standard and to accredit classified agencies for verification purposes.

The SAI is supervised by a “Governing Board”, comprising five members including a CEP representative, three legal experts and an industry representative, and an “Advisory Board” which meets regularly and adopts or amends the content of the standards and Guidance Documents. The Advisory Board currently consists of 20 members, including nine company representatives, one auditing company (SGS) representative, three trade union representatives and seven NGO representatives.

At its launch, the SA8000 system was the subject of criticism as to the over-representation of industry representatives on the Advisory Board and therefore in the decision-making process. As we have seen, the SA8000 standard is, however, the result of negotiations and a consensus between different participants including representatives of multinational companies and international trade unions. The standard is therefore the result of a particular social dialogue. These negotiations have, however, taken place with the active involvement of other participants such as private firms of auditors and, above all, NGOs, without which the standard would not have seen the light of day.

It is also noted that a certain amount of reorganization has taken place within the Advisory Board which now comprises an equal number of company representatives on the one hand, and NGOs and trade unions on the other. Although this body now has more than twice as many NGO representatives as trade union representatives, the reorganization takes

38 These agencies may be private firms of auditors or NGOs. To date, seven agencies have been accredited by SAI. These are International Certification Services (SGS-ICS), Det Norske Veritas (DNV), Bureau Veritas Quality International (BVQI), Intertek Testing Services (ITS), Centro per l’Innovazione e lo Sviluppo Economico (CISE Network Lavaro Etico), RWTUV Far East Ltd. and Underwriters Laboratories Inc. (UL) (based on the list of accredited agencies, www.sa-intl.org/certification_to_sa8000.htm, consulted in Apr. 2001.

39 For the detailed list of Advisory Board members with their affiliation, see: www.sa-intl.org/advisory_board.htm.
into account the need to incorporate social dialogue in the decision-making process in a more solid manner.

### 3.4.2. SA8000 operating and application methods

We must now examine the role of the social partners in the operating and application methods of SA8000, and therefore see to what extent the practice of social dialogue is incorporated in these methods.

As specified above, the SA8000 system is not designed to certify products or brands, but to certify production sites. The adoption of the SA8000 standard by a company does not therefore imply that the whole of its production is automatically certified. Each production site subject to the standard is certified individually. It is therefore the company alone which decides on the scope of application of the standard. However, above all the standard extends only to the actual production sites of the company requesting certification. It does not extend to its suppliers and subcontractors. In order partially to remedy this system shortcoming, since November 1999 SAI has adopted new status provisions for companies wishing to participate in the certification process. An “SA8000 Member” status therefore exists, reserved for retailers and major distributors that do not engage in production activities directly and an “Applicant for SA8000 Certification” status for producers and suppliers of goods.

“SA8000 Member” companies must respect the principles of the standard and make public their willingness to find socially responsible suppliers as well as to assist their current suppliers in achieving the criteria of the standard and convincing them to engage in the SA8000 certification process. For that purpose, SA8000 Members must draw up a plan for implementing this social responsibility programme, informing their suppliers of their obligations, encouraging them to apply the SA8000 criteria and monitoring such application. SA8000 Member companies must eventually try to introduce a system which makes SA8000 certification compulsory for their suppliers who do not satisfy the criteria.

“SA8000 Certification Applicant” companies must contact a certification agency accredited by SAI and demonstrate their capacity to engage in the certification process. They must respect the “management system” principles contained in the SA8000 code, take internal measures to guarantee respect for the criteria of the standard, fund a pre-evaluation audit, carry out the necessary corrective measures and, finally, undergo an audit which will determine whether they receive certification. Once the SA8000 certificate has been obtained, supervision measures will be carried out every six months and certification will be renewed every three years.

Even if the new status of SA8000 Member provides that the company designated as such should support and help their suppliers to respect the criteria of the clause, it remains vague as to the nature of the support which appears to be limited to the transmission of information relating to the SA8000 standard and the introduction of monitoring activities. Furthermore, absolutely no information is provided as regards a company’s obligations in relation to its subcontractors. This being the case, “certification applicant” suppliers and subcontractors from the South are forced to bear all the costs and the responsibility.

40 These costs comprise a contribution of US$500 for each application, auditing costs of US$8625, to which travel and translation expenses are added, together with charges relating to the implementation of corrective measures in cases of non-conformity and supervision audit costs every six months, which may be as high as US$11,250. The annual contribution of SA8000 Member companies depends on the company’s income and ranges from US$1,500 for those with an income...
involved in the conformity and SA8000 certification process. This transfer of responsibility is likely to cause certain problems in the textile, clothing and footwear industries, the vast majority of whose production activities are subcontracted to the countries of the South and eastern Europe.

In this rather complex system, it therefore appears in principle that the only real participants are the management of companies that decides and implements the “management system” required to apply the standard and the auditors who monitor and decide on the SA8000 certification of a production site. In studying closely the criteria of the “management system” and above all the Guidance Document for SA8000, it is noted, however, that the reality is slightly different and more favourable to social dialogue.

As seen, the SA8000 system is inspired by the system for monitoring the ISO 9000 and ISO 14 000 quality standards, both in the implementation procedures and for independent monitoring. A company that opts for SA8000 therefore adopts a series of internal procedures, which are “management system” criteria, in order to comply with requirements and to monitor their observance.

As regards the “management system” criteria, it is noted that in addition to the need for signatory companies to define clearly a social responsibility policy, draft regular social performance effectiveness reports, ensure that the standard is applied, monitor their suppliers and take the necessary corrective measures, they must also work in close cooperation with workers and their representatives. As part of the management team, the company must for example appoint a code implementation representative, but must also elect a second representative or even an SA8000 committee from among the employees in that case, in order to facilitate communication with the management regarding the application of the social criteria. This requirement of the “management system” therefore takes account of the need, for effective implementation of the code, for social dialogue and cooperation between the company’s social partners. It is also specified that the company must ensure that its social commitments are known to and understood by all and, for that purpose, must train its new salaried workers and temporary employees, as well as providing regular training for all other employees on the content and application of the SA8000 code. Finally, the company must respond actively to the expectations of employees and other parties concerned in relation to compliance with the code. It is therefore noted that exchange and negotiation form part of the code implementation system.

Another major document in the application and monitoring of SA8000 shows that social dialogue is not excluded from the certification process; this is the Guidance Document which is regularly updated and refined by the SAI, and is a handbook designed to assist companies and monitoring officials in implementing and verifying SA8000. Although it does not impose any additional requirement and simply provides information, it proves, however, to be very useful in making the provisions of the standard operational. The Guidance Document reiterates all the code criteria, clarifies them and provides information on the means by which observance of them can be evaluated. It is noted that for many criteria it is strongly recommended to work in cooperation with employees, trade unions and local NGOs in order to evaluate the situation more effectively, identify problems and propose solutions. As regards the preparation of audits and their conduct by accredited monitoring officials, it is also specified on several occasions that this process must be carried out in close cooperation with trade unions and the different parties

of US$25,000,000 to US$15,000,001. Figures taken from Workers’ tool or PR play?, Ingeborg Wick.
concerned. A complete paragraph of the Guidance Document of several pages relates to consultation with interested parties, described as comprising workers, trade unions, research institutions, NGOs, community organizations and labour experts. This form of consultation is considered to be an effective means both for gathering information on potential problems and encouraging local organizations to monitor companies’ compliance on a continuous basis. It is recommended that trade union meetings and consultations take place at the national, regional and local levels within a company, and that links are established with international sectoral trade unions (international trade secretariats). All this is, of course, favourable to the promotion of social dialogue and even to the strengthening of local trade unions which, by means of this consultation and by coming into contact with their partners at different levels, can strengthen their capacity for action.

It can be said that the SA8000 operating, application and monitoring methods take into account the need for a regular social dialogue, in particular since the Guidance Document is produced and updated by the SAI Advisory Board which, as seen, involves many different partners. Dialogue and negotiation therefore take place at the international level but they are also encouraged at the local level through the implementation and monitoring guide. It is, however, important to emphasize that at the local level, it is mainly a matter of providing encouragement, advice and information which are in no way part of the compulsory principles required for obtaining SA8000 certification.

3.4.3. Activities, results and impact of SA8000 on the promotion of social dialogue

We have seen that social dialogue is to a certain extent the basis for the SA8000 system, since the standard was negotiated and devised by different participants including company and trade union representatives. Moreover, the practice of social dialogue is incorporated, even if it is essentially for information purposes, in the SA8000 operating, application and monitoring methods. We shall now therefore examine what the specific activities and results of this system are that can be considered to have an impact on the promotion of social dialogue.

Firstly, it is important to emphasize that to date, eight companies have SA8000 Member status and 66 production sites have been SA8000 certified. This result shows that the SA8000 system is fully operational and that it is very successful with companies. As regards the impact of these results on the promotion of social dialogue, it is possible only to make a number of suppositions. Firstly, since freedom of association and the right to collective bargaining are part of the principles to be observed for obtaining certification, the certification of 66 production sites, including about half (31) in China where these rights are subject to severe restrictions, can be considered positive. The clause of the SA8000 standard relating to respect for these 2 fundamental workers’ rights stipulates that in countries where they are subject to restrictions, companies must promote the adoption of parallel and independent means allowing for freedom of association and negotiation. It can


therefore be imagined that such parallel means have been introduced into certified Chinese production sites. Although these means constitute only an imperfect antidote to the formation of a real independent trade union movement, the positive impact of such initiatives cannot be denied in relation to the promotion of an exchange between employers and workers, and a dialogue learning process which is, after all, quite close to that of social dialogue, at least at the local level.

A further point contained in the SA8000 standard and which is binding envisages promotion of social dialogue in the 66 certified production sites; this is the Management System clause which provides for the appointment of an SA8000 staff representative, or even of an SA8000 staff committee. If this clause is observed in each of the certified sites, it can be said that this is likely to have a positive impact on the promotion of social dialogue as regards the principles of the standard, which may eventually be extended to other elements not covered by the standard. 44

As regards the information given in the Guidance Document, which is likely to promote the practice of social dialogue during the SA8000 implementation and monitoring activities, no conclusion can be drawn regarding their specific impact since they are optional. SAI now displays, however, a clear willingness to promote dialogue between employers and social organizations including trade unions. 45 Through the organization of “consultative workshops” in producer countries, SAI has set itself the new aim of strengthening the capacity of NGOs, trade unions and employers from the South to apply social criteria, ensure that working conditions are improved and effectively to monitor the sound operation of the SA8000 system. SAI must also secure the participation of NGOs and trade unions in the auditing process and encourage local partnerships to promote the social responsibility of companies. SAI appears to be ever more aware of the need to strengthen the dialogue between the social partners so as to ensure that audits are reliable and that the SA8000 system is viable and credible, as well as being acceptable to all in the long term. In specific terms, it is therefore through the organization of these Workshops that SAI intends to strengthen the participation capacity of each player in the certification process, by providing them with technical training, encouraging them to acquire the auditing mechanisms contained in the Guidance Document and inviting them to propose recommendations to improve this document. During the workshops, the aim is therefore to enable the different participants to meet each other, to inform them of the content of the standard and to train them in auditing techniques, and therefore to guarantee their participation and the strengthening of their commitment to social responsibility. Discussions and recommendations on the content of the Guidance Document are now considered central to the holding of the Workshops. Aware that the SA8000 standard and its monitoring system were implemented first in consumer countries, SAI is now attempting, by organizing these workshops, to ensure broader involvement of the participants from producer countries. These Workshops will essentially target South Asia, South East Asia, South and Central America, and Eastern Europe. Three workshops have already taken place in Brazil, the Philippines and Hungary.

44 The opposite argument has also been supported by the Labour Rights in China (LARIC) coalition of independent trade unions and NGOs based in Hong Kong. These unions consider that the SA8000 system tends therefore to isolate and weaken workers, and prevents the foundation of a trade union movement bringing together workers from different companies. No Illusions, Against the Global Cosmetic, SA8000, Hong Kong, Labour Rights in China (LARIC), 5 May 1999.

Finally and also in accordance with the logic of strengthening the capacity of trade unions to achieve respect for fundamental rights at work and to increase their involvement in the application and monitoring of the SA8000 standard, a three-year training programme has been launched with the participation of the International Textile, Garment and Leather Workers’ Federation (ITGLWF) for trade unions in 12 Latin American, Asian and African countries. This project is funded to the tune of US$600,000 by the Ford Foundation. This financial support has also been followed by the decision of the United States State Department in January 2001 to provide SAI with a contribution of US$1.6 million for the continuation of its activities.

Social dialogue is therefore at the basis of the SA8000 standard and is also incorporated more or less directly in its operating and monitoring methods, but above all it has become one of the major aims of SAI which has gradually become aware of the importance and need to strengthen the social partners in producer countries and to promote their involvement in the certification process in order to guarantee greater effectiveness and credibility for the SA8000 system.

3.5. The Apparel Industry Partnership and the Fair Labor Association

3.5.1. Origins, members and content of the FLA code

The Apparel Industry Partnership (AIP) was established in August 1996 at the behest of the American Government (in particular the Secretary of State for Labour, Robert Reich). The aim was to bring together, under the umbrella of the US Department of Labor, companies, 46 NGOs and trade unions, 47 in order to put in place new means to protect workers in the clothing and footwear sector in the United States and elsewhere in the world, and to provide appropriate information on these issues for consumers. On 14 April 1997, AIP members announced that they had reached an agreement on a code of conduct, the “Workplace Code of Conduct” and a series of monitoring principles entitled the “Principles of Monitoring”.

Negotiations between AIP members therefore continued with a view to setting up a non-profitmaking association intended to supervise the independent monitoring of the code of conduct in companies and to inform the public.

Faced with stalemate in these negotiations, a group of four companies (Liz Claiborne, Nike, Reebok and Phillips van Heusen) as well as five participating NGOs (Business for Social Responsibility, Lawyers Committee for Human Rights, National Consumers League, International Labor Rights Fund and Robert F. Kennedy Memorial Center for Human Rights) concluded separately a preliminary agreement on 2 November 1998, which they introduced to the other participants. The other companies joined the agreement while the remaining NGOs and trade unions rejected it.

46 Nike, Reebok, Liz Claiborne, Warnaco, Nicole Miller, Patagonia, Phillips van Heusen, LL Bean, Kathy Lee Gifford.

The agreement of 2 November 1998 is the Charter which establishes the Fair Labor Association (FLA), responsible for supervising the monitoring of companies, informing the public of their performances, accrediting external monitoring officials, drawing up annual reports on companies’ social performance and receiving possible complaints. The companies and NGOs which have signed the agreement have become the first FLA members. They have gradually been joined by more than one hundred colleges and universities which have sports articles produced under licence on their behalf and by a handful of companies such as Adidas and Levi Strauss. However, following the refusal of the trade unions to sign the charter establishing the FLA, this initiative, whose code is nevertheless the result of negotiations conducted between the different social partners and NGOs, cannot be considered to be based on a process incorporating social dialogue.

The FLA Charter is not, however, the only factor responsible for dissension with trade unions, since the Workplace Code of Conduct on which this initiative is based is itself the subject of criticism by those unions. The Code, adopted jointly by the social partners and a number of NGOs, contains a series of provisions that are quite similar to those to be found in the codes studied previously. The Code stipulates that child labour, forced labour and harassment are forbidden, provides for the observance of the principles of non-discrimination, freedom of association, the right to collective bargaining, and contains rules for occupational health and safety, the guarantee of a minimum wage and a reasonable number of hours worked. However, contrary to the previous codes no reference is made to ILO texts or Conventions. Moreover, trade unions criticize the lack of precision, or even the inadequacy of the Code’s provisions. They emphasize the weakness of the wages clause which refers to the guarantee of a legal minimum wage or the minimum wage in force in the branch and country concerned, and not to the principle of a minimum living wage covering the fundamental needs of workers and their families. Trade unions also criticize the fact that the code, which envisages the recognition and observance of freedom of association and the right to collective bargaining, does not provide any alternative or means of pressure for applying these rights in countries where they are subject to considerable restrictions.

These two aspects represent the major criticisms directed by trade unions against the content of the Code. They therefore considered it necessary to make good those shortcomings before making the Workplace Code of Conduct the basis of an operational certification system, in which case this system would itself be destined to a state of inadequacy. The FLA Charter, which determines the methods for implementing this certification system and the monitoring thereof, envisages the Code as its basis, as originally drawn up and without amendment. This is therefore one of the original reasons why the trade unions refused to sign the Charter; however, other reasons, which are based on the certification system’s operating and monitoring methods, also help to explain this refusal.

3.5.2. FLA Code operating, application and monitoring methods

The FLA certification system is designed for products and brands rather than production sites such as SA8000. Companies joining the FLA must ensure that their articles are produced in conformity with the AIP-FLA Code of Conduct. This Code can either be adopted as such by companies or serve as a model for the preparation of the code or the adjustment of a code already in existence. Companies joining the FLA must therefore have a code containing at least the provisions of the Workplace Code of Conduct.

Companies that join the FLA must also undertake to respect the “Principles of Monitoring” of the AIP-FLA code, which extend to suppliers, subcontractors and licensed producers. A company must therefore submit a monitoring plan which has to be approved
by the FLA. In the plan, the company undertakes to carry out its own monitoring of its production sites, and its suppliers and subcontractors (internal monitoring). Furthermore, it chooses a monitoring official accredited by the FLA to monitor its production sites (external monitoring). The monitoring reports are forwarded by the company and the accredited monitor to the FLA. Each year, the FLA therefore publishes a report on the company’s social performance and decides whether to certify the company for a 12-month period.

It is, however, important to emphasize that the FLA Charter excludes from monitoring production sites (subcontractors, suppliers) that are not so important (“De Minimis Facilities”). These are production sites with which the company has contracts of less than six months’ duration, or production sites where company production accounts for less than 10 per cent of the site’s total production. Moreover, a company that joins the FLA is not obliged to ensure that all its production activities show respect for the code, it can choose to submit only a handful of brands, where it has several such brands, or a number of product ranges to the code, while undertaking, however, to broaden gradually its commitments to the whole of its production.

As regards the operating methods summarized above, American trade unions are very critical as to the fact that the company itself chooses the sites which it will certify and they also express doubt regarding the independence and competence, in relation to labour law, of the private firms of auditors responsible for monitoring, as well as the lack of transparency of the whole system. 48

Trade unions consider that it is not normal for a company that adopts the FLA Code to be able to decide for itself, in consultation with the firms of auditors of its choice (previously accredited by the FLA), the production sites to be inspected. In addition, they criticize the fact that the company is not obliged to observe the code throughout the whole of its production.

Trade unions also consider that the external auditing and monitoring, which are characterized as independent, are not actually like that. They believe that since the private firm of auditors is appointed and paid by the company itself, it does not have the status to guarantee its independence in relation to the company using its services. Moreover, trade unions regret the fact that they are not assigned a more important role in the monitoring and question the competence of the firms of auditors in evaluating the problems relating to workers’ fundamental rights.

Finally, trade unions criticize the lack of transparency of the system which of course provides for communication to the general public of details on the social performance of member companies, but which also includes the principle of the existence “of confidential information”. This principle, considered to be poorly defined, allows companies the possibility of censuring information they do not wish to disclose.

These different arguments and the criticisms made against the content of the Code itself therefore help to explain the refusal of American trade unions to sign the FLA Charter. Consequently, this Charter and the operating methods it puts forward cannot be considered to be the result of social dialogue or of a consensus. Moreover, the FLA which has nevertheless been institutionalized does not therefore include trade unions in its decision-making body, the Board of Directors which does, however, have the authority to

48 Why unions can’t support the Apparel Industry Sweatshop Code, Labor pulled out of the Apparel Industry Partnership because its plan does too little to empower workers, Alan Howard (UNITE) in WorkingUSA, July/Aug. 1999.
amend, inter alia, the monitoring code and principles. This management committee consists of six member company representatives, five NGO representatives and an academic representative (currently from Princeton University). The absence of trade unions within the FLA decision-making body is not, in principle, likely to promote the practice of social dialogue and its incorporation in the core certification operating methods. It may, however, be observed that the “Principles of Monitoring” of the code refer to the need, for internal and external monitoring purposes, to consult local NGOs and trade unions on a regular basis, and to keep employees informed of the existence and content of the code. This need is not referred to directly in the Charter but is, however, specified in the FLA Monitoring Guidance Document. The Guidance Document contains a whole chapter devoted to the gathering of information from local players, which emphasizes the need to identify the local organizations able to provide information of use to companies and monitoring officials. This information may be general and relate to the local social, economic and cultural context, working conditions, the most sensitive problems and the most appropriate communication techniques, in order to target problems more effectively and optimize the effectiveness of inspections and interviews. The need to consult NGOs and trade unions is also stated in the same document, in the chapters relating to the best indicators for verifying that each of criteria contained in the code are observed. Notwithstanding, these instructions merely provide an indication and, above all, they limit the participation of trade unions to a purely advisory role. The only criterion allowing workers and their representatives to have an active role in the application of the code is that relating to the establishment of confidential communication channels allowing them to denounce, in complete confidence, potential violations of the code by a company.

### 3.5.3. Activities, results and impact of the code on the promotion of social dialogue

The FLA’s activities are focussed primarily on the implementation of pilot projects to test the application of the code and its monitoring. The Collegiate Licensing Company and the Verité monitoring organization are conducting a joint monitoring project in Mexico, Costa Rica, Republic of Korea and India, while companies such as Reebok and Liz Claiborne are funding projects of the same type in Indonesia and Guatemala. Other programmes are intended to promote the participation of NGOs in verification activities, for example the International Labor Rights Fund is currently carrying out pilot projects in El Salvador, Guatemala, Honduras, Taiwan (China) and Indonesia, while a number of American universities have themselves launched into these kinds of activities. Taking into account the lack of distance in relation to these activities, it is difficult to pass an opinion as to their general impact and, more precisely, their impact on social dialogue. However, the absence of trade unions from the FLA management team is not, in principle, a factor likely to favour the promotion of the practice of social dialogue, both within the FLA and on the ground during pilot projects, even though consultation with trade unions forms part of the code’s requirements.

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50 The National Consumers League, the National Council of Churches, the International Labor Rights Fund, the Lawyers Committee for Human Rights and the Center for Human Rights of Yale University School of Law according to the FLA Internet site: www.fairlabor.org/html/affiliates/board.html, consulted in Apr. 2001.

The FLA system has the advantage of offering American companies from the clothing and footwear sector a certification model made credible by the support of the American Government. However, since it did not manage to establish a consensus at the beginning of the negotiations with participating trade unions, the FLA is striving to incorporate the practice of social dialogue in its core activities and is the subject of sharp criticism from trade unions themselves. For some time, the FLA has even been in competition with a new movement, that of the Worker Rights Consortium (WRC), consisting partly of NGOs, trade unions, universities and colleges critical of, or even hostile to, the FLA.

3.6. Other initiatives

Other initiatives, which are more recent or are based on a slightly different logic to previous schemes, but relate more specifically to the textile, clothing and footwear industries, exist and are worthy of mention in this study. These are the Worker Rights Consortium, the American Apparel Manufacturers Association (AAMA) and its Worldwide Responsible Apparel Production (WRAP) initiative, and the Global Alliance.

3.6.1. The Worker Rights Consortium

The Worker Rights Consortium (WRC) was founded in April 2000 in New York at the initiative of the United States Students Against Sweatshops (USAS). This is a coalition of American NGOs, trade unions, universities and colleges, which decided to launch its own movement, in particular in reaction to the FLA system which was considered unsatisfactory.

The aim of the WRC is to improve working conditions in the manufacturing workshops of suppliers producing under licence clothing in the colours of a number of American universities. This initiative is not designed to issue any kind of certification and does not really have a code of conduct, but is based on a series of fundamental rights at work, and requires participating universities to incorporate its minimum criteria in the contracts they sign with their licensed suppliers. The system introduced by the WRC is subsequently designed to verify and inspect the working conditions in these manufacturing workshops through the development of a network of local organizations (NGOs and trade unions). These local organizations will aim to inform the workers concerned of their rights and to allow them to denounce, with complete security and confidentiality, any violation on the part of their employers.

By joining the WRC, universities and colleges also undertake to disclose to the general public a maximum amount of information regarding their suppliers (workers’ wages, their working conditions, contracts and so on), in order to facilitate verification on the ground and provide maximum transparency able to create “positive pressure” so as to promote social responsibility. A WRC team may, if it is informed of the existence of violations of workers’ rights, carry out surprise inspections of worksites.

As seen, this system has been developed with the participation of trade unions, NGOs and universities, but no company has been involved in the project concerned. The WRC is

52 For the complete list of participants and management committee members, see their Internet site: www.workersrights.org.

53 Minimum living wage, freedom of association and right to collective bargaining, health and safety, prohibition of child labour, forced labour and discrimination, women’s rights and so on.
not therefore involved in the practice of social dialogue and tends rather to exert constant public pressure on producers, via the universities which purchase their goods, so that they respect a number of fundamental rights. This initiative does, however, offer the possibility of re-establishing a balance of forces between employers and workers, by echoing the latter’s claims and offering local trade union organizations the possibility of organizing themselves in a better manner.

3.6.2. The American Apparel Manufacturers Association (AAMA) and its Worldwide Responsible Apparel Production (WRAP) initiative

In 1998, the American Apparel Manufacturers Association (AAMA), which is a federation of American clothing industry representatives, set up its own certification system, the Worldwide Responsible Apparel Production (WRAP). Developed jointly by clothing industry experts, academics and different NGOs, WRAP is a certification system for production sites. It is based on a code (WRAP Principles) which comprises a dozen or so fundamental criteria and rights at work to be observed, but makes no reference to the ILO Conventions.

Company representatives wishing to see their production site certified by WRAP must engage in a three-stage process. They must first of all produce a pre-certification report so as to determine the actions to be taken in order to comply with the WRAP Principles. An external auditor, previously accredited by the WRAP committee, must then inspect the site and assess the extent of its compliance and, where necessary, the corrective measures to be taken. Finally, the WRAP certification agency will determine, based on the documents supplied by the company itself and by the auditor, whether it can issue certification and decide after how long this certification must be renewed.

The WRAP system has not been developed in cooperation with trade unions and is considered to offer insufficient coverage for certain fundamental workers’ rights. It does not therefore appear able to enjoy sustained credibility and it is surely for this reason that it has not as yet enjoyed major success. Excluding the participation of trade unions and containing only a small amount of information on the need to work in cooperation with unions on the ground, the WRAP system does not currently appear to form part of a procedure that is able to promote the practice of social dialogue.

3.6.3. The Global Alliance

The Global Alliance for Workers and Communities, launched in April 1999, represents a new form of partnership between private, public and non-governmental institutions, designed to enhance the living and working conditions of young adult workers. This alliance was founded by the International Youth Foundation, an independent NGO working to improve the conditions and prospects of young people, the John D. and Catherine T. MacArthur Foundation, a private and independent charitable institution, the World Bank, and the multinationals Mattel and Nike.

This initiative differs somewhat from previous schemes since it is not based on a code of conduct containing a series of criteria and fundamental rights to be respected. The Global Alliance has set itself the task of helping companies to develop means able to meet the needs and aspirations of their workers, and specific to each production site. Consequently, the aim is firstly to identify and assess the needs and aspirations of workers, using a system of questionnaires and in-depth interviews targeted at certain groups of workers, instead of determining them in advance by means of a code. The first stage is therefore entitled “needs assessment” and should be followed by the implementation of
workers’ development programmes or training programmes for company managers, intended to meet previously identified needs. The development programmes may relate to health and safety education, academic or school education and vocational training, whereas the training programmes for managers may relate to management techniques for dealing with problems concerned with working conditions. One of the Alliance’s aims is also to provide regular reports on companies’ social performance.

The activities of Global Alliance have been launched in Thailand, Viet Nam and Indonesia on the production sites of member companies, prior to being extended, in the future, to assessing the needs of sites located in Cambodia, China and the Philippines, and subsequently to fifteen countries or so in Asia, Central America and Eastern Europe.

Two assessment reports of the needs and aspirations of workers have already been published, one in September 2000 for 12 Nike suppliers in Viet Nam and Thailand, and the other in February 2001 for workers on 9 Nike production sites in Indonesia.54 These two reports portray a completely satisfactory situation for the workers concerned. Nike’s participation in the FLA’s activities did not put a stop to the criticism it underwent from associations and trade unions regarding its overall supply policy and, for that reason, the multinational undertook a new initiative such as the Global Alliance.

This initiative does not, however, involve trade unions and appears to promote direct contact with workers, to the detriment of close cooperation with their trade union representatives. The Global Alliance does not therefore actually form part of a procedure likely to favour the promotion of social dialogue. However, strengthened by an initial budget of US$10 million, this still recent initiative has already completed a significant amount of work and achieved a number of its aims.

4. Summary and comparison of the role of the initiatives studied in the promotion of social dialogue

A large number of studies have already been carried out on the origin, aims and methods of the voluntary private initiatives in the TCF sector. The aim of this paper was above all to analyse their potential and actual impact on the promotion of social dialogue. For that reason, social dialogue, as described in the first part, served both as a guiding thread and a reference parameter for the different case studies.

Through these studies, it is therefore noted that social dialogue often serves as the actual basis of the most successful joint voluntary initiatives. In most of the initiatives, such dialogue is also incorporated in their operating methods and it is observed that the value of the dialogue is the subject of increasing attention, if the specific activities of certain initiatives are taken into account.

As we have seen, the process varies, however, between the different initiatives. Not all the initiatives studied are based on the involvement of the same combination of participants, identical incorporation of social dialogue in their operating methods, or on similar activities. It is therefore necessary to summarize and analyse in comparative terms the role of the initiatives studied in the promotion of social dialogue, by taking up each of these three points.

4.1. The founding members and their respective roles in the decision-making system

“Founding members” is intended to mean the different participants responsible for an initiative and the preparation of a code of conduct.

According to the initiatives studied, these founding members are divided between two or three major categories, i.e. representatives of companies, trade unions and NGOs. Certain initiatives may also have government support. Thus, the Ethical Trading Initiative, Social Accountability International and the Apparel Industry Partnership (the basis of the FLA) were founded by a coalition of members belonging to these three categories, while the ETI and AIP also enjoy the support of the British and American governments respectively. The Charter by European social partners does not comprise any NGO members but enjoys the support of the European Commission. The Clean Clothes Campaign was founded essentially by NGOs and its code of conduct was drawn up with the support of trade union representatives.

Most of these initiatives are therefore the result of the practice of social dialogue, or even constitute new social dialogue structures since they enable company and trade union representatives to meet regularly, exchange views and work to devise a joint project. This often involves, however, a new kind of social dialogue, since it includes the participation of other members in the form of NGOs. These initiatives therefore appear to offer new ways of promoting and generating momentum for social dialogue.
Table 3. Founding members of the initiatives by category and their representation in the decision-making system

<table>
<thead>
<tr>
<th>Founding Members by category</th>
<th>Charter by European social partners</th>
<th>Ethical Trading Initiative</th>
<th>Clean Clothes Campaign</th>
<th>Social Accountability International</th>
<th>Fair Labor Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade-union organizations</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>#1</td>
</tr>
<tr>
<td>Company representatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Industrial federation</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>NGOs</td>
<td></td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>#2</td>
</tr>
<tr>
<td>Government support (not categorized)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Representation of categories in the decision-making system</th>
<th>Equal representation of each category</th>
<th>#3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Representation of the three categories divided into two groups (NGOs and trade unions within the same decision-making group)</td>
<td>#4</td>
<td>#5</td>
<td></td>
</tr>
</tbody>
</table>

1 Two American trade unions, the AFL-CIO and the Union of Needletrades, Industrial and Textile Employees (UNITE) participated, within the Apparel Industry Partnership in the preparation of the Workplace Code of Conduct on which the FLA is based. The FLA was not, however, founded with the participation of these trade unions. 2 The American Government is responsible for setting up the Apparel Industry Partnership but does not form part of the FLA which succeeded it. 3 A seat is also reserved for a member of the British government, but as an observer. 4 “The Code of Labour Practices for the Apparel Industry including Sportswear” of the CCC was drawn up by a coalition of NGOs and trade unions without the participation of company representatives. The Code specifies, however, that within the decision-making body, i.e. the Foundation, companies will be represented. 5 The absence of trade unions within the FLA does not really make it possible to determine whether or not they would be combined with NGOs in one single group. The make-up of the FLA implies, however, that this might be the case.

This also depends, however, on the role given to each of the categories of participants and their respective roles within the decision-making system specific to the initiatives. It is therefore noted that only the ETI and the Charter by European social partners grant equal representation to each of the categories of participants which comprise them, i.e. three categories for the ETI and two for the Charter. The other initiatives have a system of equal representation between two groups, one comprising company representatives and the other bringing together two categories of participants, trade unions and NGOs. The latter system has the disadvantage of not recognizing the specific nature of the two categories represented by trade unions and NGOs.

Finally, it can be emphasized that the Charter by European social partners (and the Dutch CCC) has a European TCF sector industrial federation (EURATEX) to represent employers, while all the other initiatives comprise individual company representatives. For the Charter, this implies a more global approach, since it is aimed at all the European TCF companies affiliated to this industrial association and therefore seeks to have a common code of conduct adopted by the whole sector. The aim of this procedure is to retain a number of fundamental workers’ rights and potential incidences of competition in the sector. By working in cooperation with individual company representatives, the other initiatives seek rather to convince a number of companies of the benefits they may derive from improving the working conditions of their employees in productivity, but also in...
image, terms. The procedure is therefore much less global and makes competition and competitiveness an argument in favour of the adoption of a code of ethics. It is true that companies appear to be more sensitive to this reasoning, which makes these initiatives more operational, not to say more effective on the ground, at least in the short term.

The involvement of the different categories of participants, their specific features, and the role and position allocated to them within each initiative may have an impact on the content of the code they adopt. The Charter code of conduct for example, drawn up with an industrial association and since it is intended to be accepted by all companies in the sector, including small and medium-sized enterprises, is limited to fundamental rights. By contrast, the CCC code, drawn up by NGOs and trade unions without the participation of company representatives, is exhaustive and demanding since it is intended to be applied to the whole of the production chain. It proves, however, to be extremely difficult to implement, particularly in the TCF sectors where production is often based on a complex subcontracting system across the board.

4.2. Incorporation of the practice of social dialogue in the operating, application and monitoring methods for codes

Most of the decisions relating to the operating methods of the initiatives, such as the approval of a new member, the decision to amend the code, or also the drafting of a handbook or code implementation guide, are often taken either by consensus or by a vote among the team of founding members referred to above. These decisions therefore stem from a particular kind of social dialogue, but in most cases it is a question of negotiations between representatives of companies, trade unions and NGOs in the North, and not from the producer countries. The initiatives studied, which have all been set up in consumer countries, therefore have a decision-making system often based on consensus and dialogue between participants from the North, whereas they relate above all to the improvement of working conditions in the producer countries of the South.

A number of arrangements exist, however, in most of the initiatives, allowing participants from producer countries to be involved in the decision-making system. Thus, the Charter by European social partners is the instrument which reflects this need most closely since although the code was first drawn up by those partners, provision is made, with a view to promoting its application, for it to be adopted successively by the social partners at the national and company levels. This system allows the dissemination and promotion of social dialogue at the different negotiating levels, but also promotes the gradual adoption of the code by the participants directly concerned with it, and therefore optimizes the chances of more effective long-term implementation and the granting of independence to the social partners.

In the SAI system, a change is observed towards broader consideration of local participants in the general decision-making system, in particular with the organization of workshops in producer countries. During these workshops, apart from having the chance to meet each other and receive SA8000 training, the social partners and local NGOs are able to express their opinion on the amendment of the code implementation handbook, the Guidance Document, which is one of the key tools of the initiative. This allows both the promotion of social dialogue in producer countries and also due consideration of the resulting decisions.

Within the ETI, the logic is a little different still, since decision-making within the initiative depends above all on the experience acquired during the pilot projects carried out on the ground. However, this learning-based system (“Learning from Doing” appears to be
the key concept) is also an effective means of taking into consideration the aspirations of partners from the South.

From the point of view of the application and monitoring of the code, responsibilities lie in most cases with companies and private firms of auditors. A notable exception to be underlined is the Charter by European social partners, which provides for the incorporation of the clauses of its code of conduct in the collective agreements negotiated at the national level, thereby giving those agreements the force of law and entrusting responsibility for monitoring of the code to trade unions and to their vigilance on the ground.

The other initiatives often specify that application of the code is the responsibility of the company giving the orders and its suppliers and/or subcontractors. The latter must therefore take a number of measures and steps to apply the code. The practice of social dialogue, which in principle is absent at this stage, can, however, be introduced through the application of particular provisions. This is the case as regards the activities of the ETI which, by means of a number of pilot projects, has set up implementation teams on the ground, based on the same model as the ETI management team, i.e. consisting both of company representatives, trade unions and local NGOs. In the SA8000 system, the representative or committee appointed by employees is responsible for ensuring that the standard is properly applied and promotes communication with the management of the company responsible for its implementation.

In most cases, monitoring is carried out internally by companies themselves and externally by an auditing body, be it private or consisting of NGOs, and previously accredited by the initiative management team. As to internal monitoring, the two methods mentioned above and intended to form part of the code’s application also have a role in its monitoring and allow this activity to be an essential part of the practice of social dialogue. The participation of trade unions and NGOs in monitoring activities as part of other initiatives is often limited to regular consultations with them, thereby also representing a form of social dialogue.

The practice of social dialogue is therefore more or less rooted in the operating, application and monitoring methods, according to the initiatives studied; however, apart from the dialogue between the social partners at each level (initiative, multinational, suppliers), it appears to be essential also to establish links, information communication and cooperation, and therefore a dialogue between each of these levels by category of participants. It is fundamental, taking into account the overlap between the phenomena and the interdependence of each of the participants, for trade unions in consumer countries, international trade unions and those in producer countries to exchange views and conduct a dialogue with each other, in the same way as the managers of multinationals with the owners of production sites. The balance of forces must therefore be redistributed not only between the categories of social partners, but also between the social partners in consumer countries and those in producer countries.

4.3. Activities and results of initiatives favourable to the promotion of social dialogue

As regards the activities and results of initiatives favourable to the promotion of social dialogue, most of them can be distinguished in the preceding part in relation to the summing up and comparison of operating methods. The provisions governing each of these initiatives have often been followed by specific actions.

Thus, the Charter by European social partners was transposed, in almost all European Union member countries, into collective agreements, and conferences took place and are planned in the CEECs and Mediterranean countries so that the process is extended there and is necessarily favourable to the promotion of social dialogue in those countries.
The pilot projects carried out by the ETI have revealed a large number of quite interesting lessons as regards the best methods for applying and monitoring the code. Worthy of note above all is the fact that people have become increasingly aware of this initiative, and of the need to act in support of social dialogue and to strengthen the ability of local participants to protect their interests.

The actions of the CCC have above all echoed the claims of workers from the South and helped those workers to organize themselves more effectively. Given their current status and the lack of distance, it is difficult to assess the impact of the activities under this initiative relating to its code of conduct on social dialogue.

The SA8000 standard is completely operational and a number of production sites have already been certified. However, the most important point is that, in the same way as the ETI, SAI appears to be aware of the need to promote social dialogue at the local level and to involve more clearly the social partners in producer countries in the SA8000 process, in order to guarantee greater effectiveness and credibility for the whole system.

The activities of the FLA show a willingness to involve local NGOs and trade unions on the ground, by allowing the former to participate in monitoring the code and the latter to be consulted regularly. Since trade unions in the North have, however, refused to support this initiative, its impact on the promotion of social dialogue can only be limited.

It is important to emphasize here that it is the initiatives which have incorporated social dialogue most effectively in their operating methods and activities that appear to be the most successful and the most readily operational. In return, we have witnessed the development of certain initiatives towards greater awareness of the need for and advantages of the promotion of social dialogue practices. It can therefore be said that social dialogue and joint voluntary initiatives complement each other and interact positively.
5. **JVIs and social dialogue: Complementarity, limitations and prospects**

We have seen that the practice of social dialogue between the social partners, through the exchange of information, consultation and negotiation at the international, national and production entity level, is fundamental and constitutes the most effective means for sustainable guarantees of respect for workers’ rights throughout the world and, to an even greater extent, in the highly internationalized sectors of textiles, clothing and footwear.

It is therefore essential to place social dialogue at the heart of all discussions relating to the improvement of working conditions and to prioritize the promotion of this practice.

We have just seen that social dialogue and the joint voluntary initiatives in the TCF sector are complementary and appear to interact positively; as a result of their momentum and activities in relation to companies’ social responsibility, these initiatives have become almost incontrovertible.

JVIs have crucial advantages to be gained from the systematic and sustainable integration of social dialogue in their activities, since that allows them to enjoy greater credibility, but also greater reliability and effectiveness, since a code of conduct cannot be applied and monitored without the active participation of the social partners at the different levels (international, national and local).

Similarly, the practice of social dialogue can also be strengthened by the action of JVIs which are sometimes described as new institutions for the exchange of information and dialogue for the social partners and NGOs. Moreover, by organizing and funding meetings between the social partners in producer countries and offering them various forms of training, some of these initiatives allow those countries to strengthen their capacity for individual action. The heads of local companies can acquire new staff management techniques and trade unions can find the means to make their claims better understood, both at the international and company level.

It can therefore be said that JVIs support the promotion of social dialogue, both by recognizing its fundamental nature and undertaking certain actions likely to strengthen the ability of the social partners to defend their interests.

It can be said, however, that this is a case of the promotion of a new type of social dialogue, which does not necessarily reflect the specific nature of the dialogue, depending on whether it has taken place at the international or production entity level, and which includes the involvement of NGOs as fully-fledged players.

Most of the initiatives studied have a code of conduct which was drawn up following negotiations between the social partners in consumer countries, the application of which concerns of course the multinationals that adopt it but above all their suppliers and subcontractors in the countries of the South. The first social partners concerned, even though they are often involved in the methods for implementing and monitoring the code, have not therefore participated themselves in the original negotiations that led to the code being drawn up. The momentum of the social dialogue promised by the JVIs is therefore a little different from that traditionally acknowledged, which is based on a system of affiliation between the social partners at the company, national and international levels. On a sectoral basis, this system of affiliation has the advantage of promoting the transmission of information and establishing a particular balance between the social partners at the different levels of decision-making.
The practice of social dialogue within most of the initiatives studied also has the particular feature of involving NGOs and different participants from civil society as fully fledged members. It is absolutely beyond question that NGOs are the originators of the movement to support social responsibility in companies. As a result of their dynamic approach, creativity and mastery of means of communication, they have been able to attract the attention of the media to the problems of non-respect for the fundamental rights of workers in certain regions of the world, they have informed and educated consumers in the North so that they are aware of the problem, take action and exert pressure on multinationals to change their behaviour. They have therefore really taken on board the problem of the overall improvement of working conditions and have undertaken a large number of actions, ranging from the launch of the initiatives in question, the education of workers from underprivileged countries as regards their rights, and their logistical and financial support.

All these activities have an undeniable impact on the rebalancing of the forces between social partners, and above all have echoed the claims of workers from the South.

It appears to be necessary, however, to recognize the specific nature of NGOs in relation to that of trade union representatives, elected by workers to defend their interests. The recognition of the specific nature of these two players within the joint voluntary initiatives is important since their task, methods and point of view on certain issues may diverge.

As a result of their origins and composition, some NGOs may have different aims. As part of companies’ social responsibility, they may for example aim to defend respect for workers’ rights in the South and the protection of consumers in the North. In order to combine these two aims, they will tend to propose solutions likely to meet the expectations of both workers and consumers, such as the creation of a social label guaranteeing respect for workers’ rights and which is easy for consumers to recognize. In a field as complex as that of improving working conditions, it is difficult to provide rapid but simple responses to consumers’ expectations, such as the legibility and ethical guarantee of a product, in particular in the TCF sectors based on a continuous subcontracting structure. Moreover, the enhancement of working conditions is a slow process which has difficulty in meeting the requirements of immediate results. In that regard, it is true that trade unions have only one mandate, that of defending workers’ interests.

As regards the methods used, NGOs are often imaginative and innovative, although they do have the advantage of benefiting from a certain freedom of action. Some NGOs therefore willingly pressurize companies and conduct campaigns to denounce them. This procedure has proved its worth and it is thanks to this type of campaign that the movement in support of companies’ social responsibility has assumed such dimensions. Trade unions’ room for manoeuvre is more reduced and the unions must by contrast promote dialogue with companies in order to achieve their aims without compromising employment.

Finally, it is important to emphasize that there are also issues on which NGOs and trade unions have diverging opinions. The most sensitive issue concerns workers in the informal or non-structured sector. Some NGOs consider that these workers deserve, in the same way as workers in the formal sector, to be supported. They have therefore undertaken actions to help them to organize themselves and to make their claims heard. Trade unions believe that it would be more beneficial in the long term for these workers to enter the formal sector which is able to guarantee them minimum social protection and a number of rights on which to base themselves in defence of their interests. Whereas NGOs favour emergency action and sometimes criticize the impotence of trade unions, the unions retort that they also wish to support informal sector workers and that in no way do they
underestimate the problem, but that unfortunately they do not have the financial, technical and human resources sufficient to deal with this situation effectively.  

NGOs have become ever-present players on the world political, economic and social stage, and in particular in the movement to support companies’ social responsibility; it is therefore completely legitimate for them to be involved as fully-fledged members of joint voluntary initiatives. It also appears to be important, however, to acknowledge their specific nature in relation to trade unions, particularly within JVIs. These two players should undoubtedly work together and use their respective skills to the benefit of a just cause, that of improving working conditions throughout the world. As part of the practice of social dialogue, it therefore appears to be expedient to involve NGOs in the information exchange and consultation stages, with the negotiating stage most probably being strictly reserved for the traditional social partners.

The question raised in this study, which seeks to determine what the role of JVIs is in promoting social dialogue, also makes clear the extent to which these initiatives are likely to lead to a certain amount of “privatization” of what forms a legitimate part of governments’ prerogatives, and also to replace collective bargaining. JVIs have been set up with the aim of making good the shortcomings of a system; everyone is, however, in agreement that in no way should such initiatives seek to replace the system. JVIs should not constrain the adoption of and efforts at implementing appropriate and effective national labour legislation, just as codes of conduct should not replace negotiation and the adoption of collective agreements. It therefore appears that one of the best forms of defence against this potential drift lies in the vigilance of the social partners and, above all, of trade unions and governments. Promoting the practice of social dialogue through the initiatives themselves offers the traditional social partners an opportunity to exercise this vigilance, to monitor the development of this new type of regulation, not to be excluded from it and, in addition, to benefit from it so as to strengthen their capacity for action.

1 According to the remarks made on 27 Mar. 2001 by Simon Steyne, a member of the British Trades Union Congress (TUC) and also of the Ethical Trading Initiative management committee.