



**Women in Informal Employment
Globalizing and Organizing**

Regulating Global Value Chains to realize labour rights for homeworkers

Marlese von Broembsen

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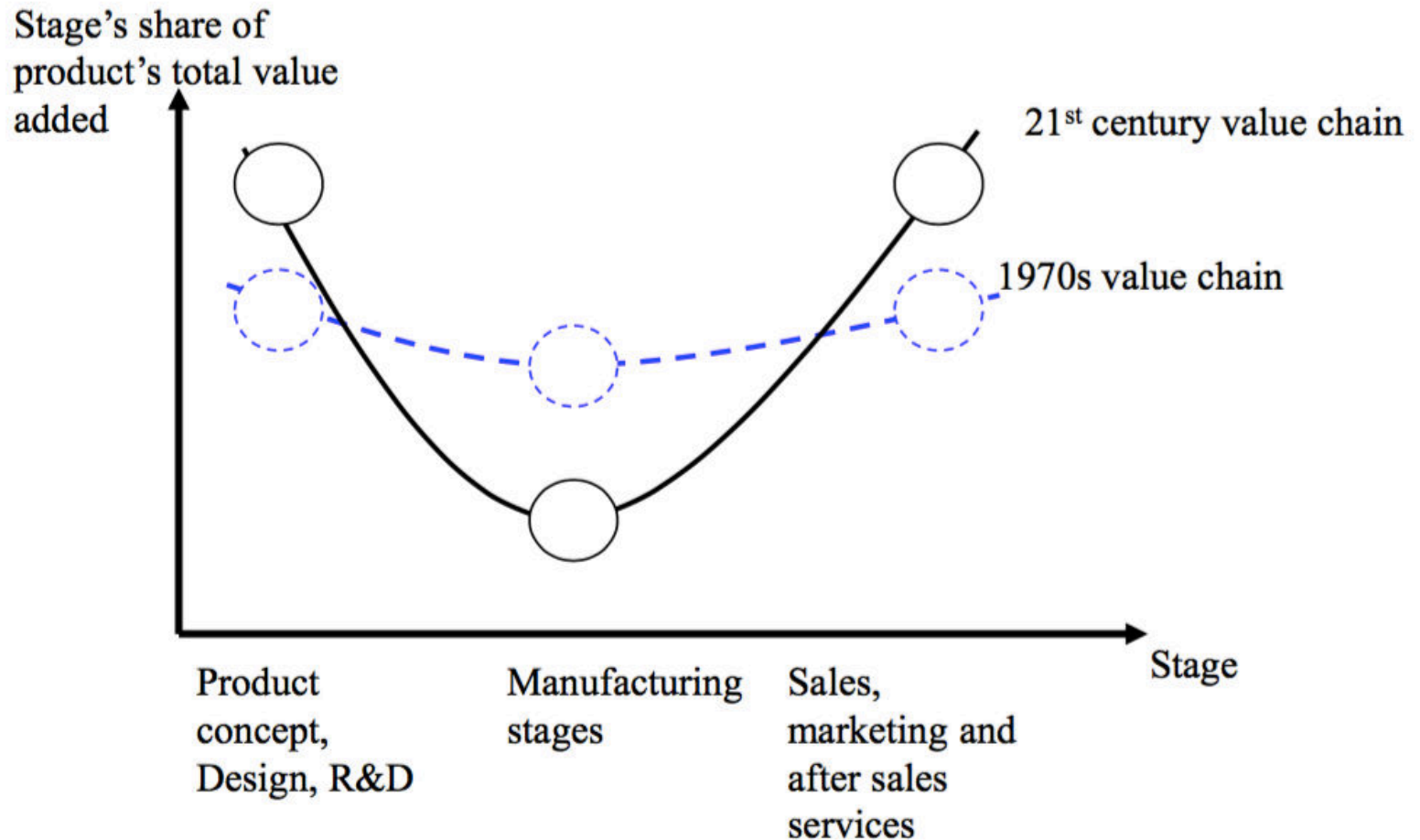
SUPPLY CHAIN



Vertical disintegration of production – global value chains

- Technological innovation, lower transport costs, exchange control de-regulation, WTO law (esp the General Agreement on Trade Tariffs); low wages in developing countries; and neo-liberal ideology propagating “labour flexibility”
- Labour flexibility (Standing 1999):
 - ▣ “*production or organizational flexibility (outsourcing)*”
 - ▣ “*wage system flexibility*” (the wage-costs of production)
 - ▣ “*labour cost flexibility*” (non-wage component of labour)
 - ▣ “*numerical flexibility*”(risk of low demand)

Smile Curve (Baldwin 2011)



Characteristics of chains that homeworkers participate in

- Mass-produced, labour intensive chains.
 - ▣ Product specifications are simple, barriers to entry are low
 - ▣ The main driver for brands and retailers is PRICE
- An ILO (2017) global survey of 1 454 suppliers from 87 countries :
 - ▣ suppliers face intense competition from other suppliers to produce goods for as little as possible.
 - ▣ Buyers continually pressure suppliers to drop their prices.
 - ▣ *Up to 52 per cent of suppliers surveyed sign contracts to produce goods at a loss.*
 - ▣ Demanding unpaid overtime, keeping wages low, and outsourcing to homeworkers are the suppliers' primary tactics for keeping costs low.
- Maldistribution is structurally embedded in these chains

Key Regulatory Responses

National

- Homeworkers are ‘disguised employment’ – Labour Law
- Thailand’s HomeWorker Protection Act– Law of Contract
- Supply Chain Legislation (Australia)

Global Level

- Global Framework Agreements
- Human Rights (trade unions)
 - ▣ ILO MNE Declaration
 - ▣ OECD Due Diligence Guidance for Transparency in Supply Chains

Key challenges from National Legislation perspective

Enforcement

- By homemaker— they fear reprisal.
- An over-supply of labour and their not having union recognition means their fear is well-founded.
- Need for thinking about grievance and enforcement mechanisms

Implications of Enforcement

- Who is an employment relationship established with : contractor or factory?
- What are the implications for the factory, and country given larger supply chain dynamics? Fear that capital will move.

Human Rights Approach

Enforcement

- **Voluntary instruments**
- “New Governance” regulatory techniques
 - ▣ Protocol Committing to Human Rights
 - ▣ Train suppliers
 - ▣ Labour rights a contractual term
 - ▣ Due Diligence of supply chains
 - ▣ Use leverage to bring suppliers into line
- Human Rights shift public consciousness

Implications for HW of OECD instrument

- Brands may ban homework
- Does not deal with MNE’s procurement practices i.e. structural maldistribution left intact

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WIEGO Law Programme(with ORP)

Theoretically

- Contribute to emerging field of transnational labour law + labour law as a discipline rethinking itself both normatively and conceptually

Practically : ORP and Law Prog

- Strengthening MBOs and Building alliances [ORP]
 - ▣ up the chain- - unions, factories?
 - ▣ Regional
- Need for research on good practice grievance + enforcement mechanisms
 - ▣ Engaging w regulatory theory
 - ▣ Australia
 - ▣ Thailand