



Women in Informal Employment  
Globalizing and Organizing

## Regulating Global Value Chains to realize labour rights for homeworkers

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WIEGO Research Conference, Harvard 10 November 2017

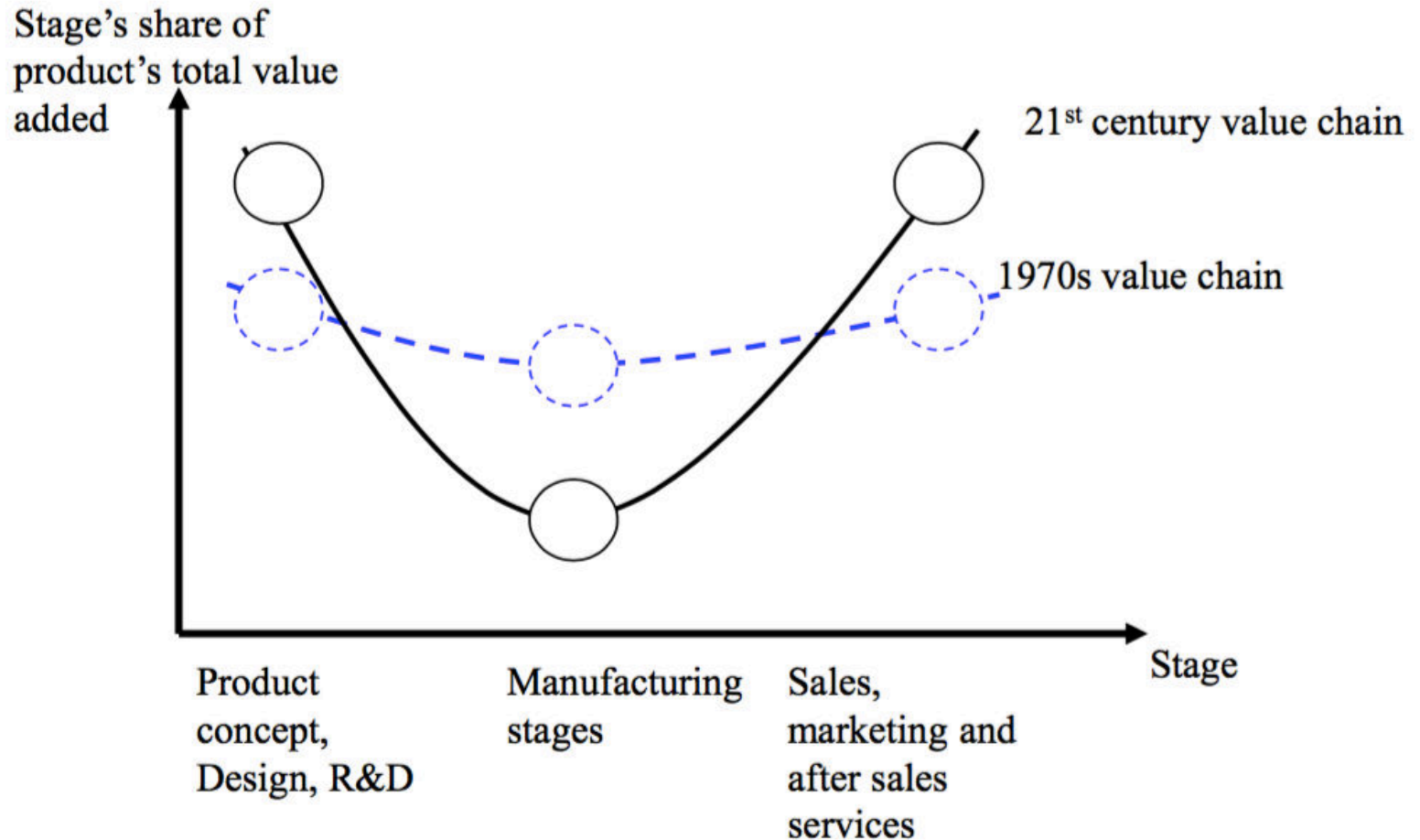
# SUPPLY CHAIN



# 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