

## CURRENT CHALLENGES TO LABOR STANDARDS DEVELOPMENT

## Labour Standards for a Fair Globalization for Workers of the World

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## Introduction

Recent developments in globalization have highlighted our failure to reach a global consensus on the fundamental questions for a just and fair globalization for workers.<sup>1</sup> Finding justice for workers in a globalizing world raises many questions. Should there be international standards for conditions of work? What form and content should international labour standards have? Whose mandate should international labour standards fall under? And, how should compliance and non-compliance with international standards be monitored and remedied or penalized? There is no general model for international labour standards. Currently, countless initiatives, implemented by various actors, seek to address the problem. Further, new frameworks are constantly being proposed and debated. While some models are working better than others, we are still not close to a long-term solution.<sup>2</sup>

Current approaches to labour protection result from workers, employers or governments negotiating together, or where that is not feasible, acting unilaterally. The “go it alone” strategy not only severely limits one’s capacity to monitor and enforce labour standards, but it also puts into question the legitimacy of the entire model. Furthermore, politically and economically powerful actors are able to impose their models on others without regard to the rights of others. For example, the United States is unilaterally moving its labour standards agenda forward with regional and bilateral labour treaties attached to trade agreements.<sup>3</sup> As such, there is much to be gained from having fewer models, but with greater linkages between actors.

This paper reviews some of the major debates and challenges surrounding international labour standards to contextualize our own insights on the development of an international regime of labour standards. We include a brief overview of the effectiveness and limitations of the various approaches taken to address them and a summary of some of the new models being proposed. Our goal is to demonstrate that the success of any model for international labour standards will depend on greater consensus among the parties to the employment relationship (i.e., workers, employers and governments) on transparency in monitoring and reporting labour conditions and on the social goals of globalization.

## Justifications for International Labour Standards

There is nearly universal consensus within the international community that people are entitled to work under certain labour

standards by virtue of their humanity. As such, most countries agree that fair labour standards are needed in our society. International labour standards are viewed as a tool to uphold fundamental human rights across the globe.<sup>4</sup> The humanitarian argument is timeless and self-explanatory of the inclusion of labour standards in Article 23 of the *Universal Declaration of Human Rights*.

However, beginning in the 1970s, globalization and the expansion of trade shifted the focus of the debate towards economic justifications for international labour standards.<sup>5</sup> Developed countries became concerned that poorer labour standards, and lack of enforcement, create an unfair comparative advantage in global trade. Others argued that permitting trade based on poor labour standards promotes “social dumping” which is an attempt “to gain international competitiveness by cheapening labour in violation of fundamental rights at works...”<sup>6</sup> This can lead to a “race to the bottom”, which is the downward harmonization of labour standards caused by the need to remain competitive in the global market.<sup>7</sup> Thus, in a globalized economy it is argued that poor labour standards in one country have negative consequences for the workers in other countries. Additionally, some academics contend that much of the global evidence over the last century suggests that higher labour standards are positively correlated with economic prosperity.<sup>8</sup>

## Types of International Labour Standards

Labour standards may be conceptualized at two levels: basic and comprehensive.<sup>9</sup> Basic standards involve setting up a ‘floor’ which individual units are free to exceed, but cannot fall below. Alternatively, comprehensive standards involve a process for continual regulation and improvement. Verma (2003) notes that basic standards are more likely to be workable and acceptable as international labour standards because they leave space above the ‘floor’ within which national governments can legislate.<sup>10</sup>

Most countries have labour legislation stipulating labour conditions that may include, among other issues, minimum wages, maximum hours of work, occupational health and safety standards, and employee representation arrangements. It is not clear if any set of international labour standards could cover all aspects of work. Rather, it may be that only certain standards lend themselves to be regulated internationally. The International Labour Organization’s (ILO) Core Labour Standards have attracted substantial attention in recent years.<sup>11</sup> Despite not

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being ratified in all countries, the core standards are regarded as binding on all ILO members.<sup>12</sup> The ILO Core Labour Standards consist of:

- (a) Freedom of association
- (b) The elimination of all forms of forced or compulsory labour;
- (c) The effective abolition of child labour; and
- (d) The elimination of discrimination in respect of employment and occupation;
- (e) Right to collective bargaining.

Although there is a growing movement recognizing these standards as fundamental human rights, it is important to note that the ILO core standards are, to some extent, controversial. Specifically, freedom of association, the right to collectively bargain, and the ban on child labour are all problematic.<sup>13</sup> Freedom of association and the right to collective bargaining are controversial because many countries recognize them only within certain limits and not as a universal right. The ban on child labour can be also problematic, in that it ignores the context in which children are pushed into the labour force in developing countries. There is evidence that abolishing child labour, without addressing its root causes, can throw children from the factory floor into a life of prostitution and crime.<sup>14</sup>

These problems notwithstanding, the ILO's core labour standards are an effective point of departure for future models. Servais (2004) notes that the ILO standards have "... the greatest potential of transcending the strictly inter-governmental framework ..."<sup>15</sup> This is so because they spell out the standards without specifying an implementation procedure. Further, the ILO core standards can be easily transferred into trade agreements as social clauses and, can also be used by other global actors, such as financing agencies, nongovernmental organizations (NGOs), and multinational corporations (MNCs).<sup>16</sup>

### Dimensions of International Labour Standards

There are three steps in the process of creating a labour standards framework: developing the standards, monitoring compliance, and providing for remedies and penalties for non-compliance.<sup>17</sup> A consideration of these steps requires that we make some choices along several dimensions such as direct versus indirect, public versus private, and soft versus hard. Although the various typologies overlap, they do provide us with useful tools for framing the debates for each stages of the process.

The direct/indirect dimension captures the closeness of contact between the group imposing the standards and the workers. At the most direct level there is the corporation and the union representing the workers. Still closely connected but a greater dis-

tance are the industry association, local NGOs, project financiers, and the local government. The most distant from the shop floor are inter-governmental organizations, home governments, and international or northern NGOs. The more direct the connection the easier it would be to monitor or remedy any violations.

The public/private dimension focuses on whether or not governments, at any level, are party to the standards. The public model involves negotiated agreements between governments or between a government authority and other parties. Private standards are generally voluntary arrangements made by individual firms or industry organizations unilaterally or bilaterally with worker organizations or NGOs. Private standards are enforced through social and political influence of the affected parties rather than through legal action.

Lastly, the hard/soft approach, currently the focus of extensive public policy literature, refers to the formality of the standards regime. A "hard" approach to labour standards uses binding legislated minimum standards and includes stipulated penalties for noncompliance with those standards.<sup>18</sup> On the other hand, a "soft" approach generally refers to administrative arrangements among the parties that are voluntary and not legally binding.<sup>19</sup> "Hard" standards generally require national government support in the form of laws, monitoring and enforcement. Where government inaction or ineptness makes labour standards ineffective, affected parties must rely on a "soft" approach. If social and political conditions are not supportive, even national governments, who have the ability to legislate a "hard" approach, often lean to soft standards.

Based on these concepts, in the next section, we turn our attention to two models generally followed in the implementation of international labour standards. The first model is the "linkage" model in which trading privileges are linked to labour standards. It is one of the most discussed, evaluated, and controversial models. In terms of the three dimensions discussed earlier, it can be classified as an indirect, public method with "hard" features. The second model is the pressure and response model, which relies on codes of conduct, certification, and reporting. It is best classified as a direct, private approach with "soft" characteristics.

### Model 1: The Linkage Model

There is no consensus in the international, academic, and civil communities on how fundamental labour rights should be achieved for workers world-wide. One of the more controversial proposals is to link trade and labour standards. It is noted that some of the justifications for international labour standards deal specifically with solving trade related inequalities.<sup>20</sup> Yet, it is important to recognize that even if fair trade is the reason for having international labour standards, it does not mean that the optimal solution is to link standards to trade.<sup>21</sup> This model is attractive to some because labour standards are easily

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assimilated into well functioning institutions, such as the World Trade Organization, and operational agreements, such as the North America Free Trade Agreement (NAFTA).

Yet, the linkage question has been incredibly divisive as it has split the international community into two camps. The global North, led by the United States and other developed countries, has sought the inclusion of labour standards as a condition of international trade in GATT, and subsequently, the WTO. The proponents of a linkage include besides the US Congress and the Executive Branch, US trade unions, progressive university students, and many leading academics.<sup>22</sup> On the other hand, the global South, led by India, Brazil and other developing countries, has remained strongly opposed to any sort of linkage. Supporting this position are many large corporations, trade unions, and NGOs in developing countries, as well as, many progressive academics.<sup>23</sup>

There are a variety of reasons for which developing countries oppose linking trade and standards. Kolben (2006; 2007) divides the arguments into three categories: economic, political, and structural.<sup>24</sup> The economic argument is that comparative advantage is decreased when trade and labour standards are linked.<sup>25</sup> Specifically, a linkage is predicted to reduce trade and, as a result, employment and economic growth in countries with lower labour standards.<sup>26</sup> As such, developing countries argue that international labour standards are really about protectionism and benefiting developed countries, by protecting their citizens' jobs, at the expense of developing countries.<sup>27</sup>

As Kolben (2006; 2007) explains, the mainstream political argument is that the imposition of labour standards at an international level constitutes an unacceptable infringement on national sovereignty. Additionally, resistance to a linkage can be viewed as a protest against globalization, the legitimacy of the WTO, and the continued Western domination of the global voice. Structural opposition focuses on the capacity of the institution to effectively enforce the linkage and questions whether trade sanctions are the most appropriate and effective tool.<sup>28</sup>

Proponents of a linkage rebut the accusations of protectionism with the language of human rights. Block et al. (2001) offer an explanation of the humanitarian argument for a linkage:

The main argument in favour of a social clause is premised on human rights: If a country wishes to reap the benefits of participating in the world trading system, then that country should have an obligation to guarantee the workers in the country at least a minimal acceptable level of standards.<sup>29</sup>

Yet, many in the developing world do not believe these claims. Dasgupta (2000) suggests that humanitarian considerations represent the overt aspect of the linkage argument, which is a smoke-screen for the covert, but 'real', motivation of protectionism.<sup>30</sup> One of the few solutions to this kind of distrust is to make labour standards subject to north-south collaboration in the form of process

rather than substantive standards.<sup>31</sup> Another specific suggestion is to broaden the actual set of standards in the model to reflect concerns of developing countries by including clauses such as, freedom from hunger and poverty in the core standards.<sup>32</sup> Further, both actors must contextualize the debate within the context of their historical relationship as some of the disagreement is fueled by recollection of the previous colonial relationship between the two sides.<sup>33</sup>

Kolben (2007) notes that the WTO has received attention entirely disproportionate to the likelihood that labour standards will be incorporated into its mandate. As more developing countries become WTO members, opposition to a linkage increases.<sup>34</sup> Further, even if a global agreement were to be reached that labour standards should be included in the WTO, one still has to ask how this would be implemented? There are many ways the WTO could institute labour standards. The most commonly proposed mechanism is a social clause. A second method is through direct negotiations between member-governments over labour standards, while they are negotiating tariffs.<sup>35</sup> Another proposal is to reinterpret the exception clause found in Article XX of GATT to allow countries to discriminate against products made in ways that violate human rights.<sup>36</sup> Article XX allows for restrictive trade measures where they are necessary for the enforcement of public morals, the protection of human life or health; or are related to the product of prison labour.

Despite strong opposition from much of the world and the improbability of a WTO-centered labour standards regime, the United States is pushing forwards with a linkage through bilateral and regional free trade agreements.<sup>37</sup> For the United States the trade-labour debate is settled—all US trade agreements must now have a workers' rights section.<sup>38</sup> Bilateral agreements are more acceptable to some developing countries compared to a general clause in the WTO because the former are negotiated. The caution for smaller countries is that under a bilateral trade regime the stronger party can impose whatever standards and mechanisms suit their needs.<sup>39</sup>

The United States has signed a handful of regional trade agreements in recent years, numerous bilateral agreements with both developed and developing countries, and is in the process of negotiations with many other countries.<sup>40</sup> In 1992 the North American Agreement on Labour Cooperation (NAALC) was signed as a side agreement to the North American Free Trade Agreement (NAFTA). NAALC created a complaints mechanism for situations where signatories were not enforcing their domestic law.<sup>41</sup> Subsequent to NAALC, labour clauses have become part of the main body of free trade agreements (FTAs) text. Further, whereas the NAALC was not about the harmonization of labour standards, new FTAs stipulate a host of specific "labour standards that go well beyond the ILO's core standards."<sup>42</sup> For example, the US-Singapore FTA defines what constitutes an acceptable minimum wage. As well, two of the most



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recent FTAs (US-Australia and US-Morocco) explicitly allow for disputes about labour standards to be resolved at the WTO.<sup>43</sup>

Yet, when one examines the contents of US's FTAs, and their enforcement and monitoring mechanism, it becomes harder to believe the rhetoric that the linkage-led model is needed for humanitarian reasons. For example, Article 6 of the US-Jordan FTA explicitly addresses a party's obligation not to engage in social dumping.<sup>44</sup> As well, in many of agreements the only labour complaints that can be subject to dispute settlement are those that arise in relation to trade between the parties. Thus, although the agreement stipulates specific labour standards, they are often not enforceable. Furthermore, in the most recent FTAs the only prohibitions that can be meaningfully enforced are those against a party violating its own domestic law.<sup>45</sup>

Grynberg and Qalo (2006) explain that unlike the United States, the European Union (EU) has shown little interest in inserting social clauses in FTAs. For example there are no labour standards provisions in EC-Mexico FTA and the EC-South Africa FTA. However, the recent EC-Chile FTA does explicitly recognize the ILO's core standards. Yet, unlike US FTAs it does not go any further than the ILO core standards, nor does it require that countries include their domestic laws.<sup>46</sup>

Labour standards and trade have also been linked through the Generalized System of Preference (GSP) regimes. GSPs allow non-reciprocal tariff preferences for developing and least developed countries.<sup>47</sup> In both the US and the EU the receiving of preferences has been conditioned on the enforcement of fundamental ILO labour standards.<sup>48</sup> Specifically, the US requires that a country be moving towards affording its workers internationally recognized standards.<sup>49</sup> Countries can, and have been suspended from the GSP program. The US GSP scheme only applies to a select group of countries, for a select group of products. For example, China, as well as, many textile products, are excluded.<sup>50</sup> With respect to the EU a country receives additional tariff incentives if it has ratified or implemented the ILO's core standards.<sup>51</sup> It is important to recognize that GSPs are entirely one-sided. The country offering the tariff preference has no obligation with respect to enforcement of its labour standards within its own territory.

The North-South debate is camouflaging an equally important concern about the scope of a trade-linked model. Specifically, such a model is very narrowly focused. Only workers employed in formal jobs producing traded commodities are covered. As such, much of the work force is left vulnerable. The challenge of reaching a consensus on a connection between the right to trade a good and the conditions under which it was produced, means that it is almost inconceivable that a country will allow the international trade in good A be conditioned on the way domestically-consumed good B was manufactured. If we remind ourselves that the ultimate goal is one of protecting fundamental human and labour rights, it is hard to find the "fair" trade debate anything but distracting.

## Model 2: The Pressure and Response Model

One of the outcomes of globalization and the expansion of trade has been a dramatic increase in the power of multinational corporations (MNCs). Today MNCs have the ability to shape the development of entire countries. Part of this has to do with the design of global "value chains", whereby large multinationals with well-recognized brands and franchises, from the North, control a network of suppliers in the South.<sup>52</sup> Deplorable conditions exist in many of these supplier factories. Global communications combined with greater activism by NGO rights groups have made the public aware of this reality.<sup>53</sup> Attention is especially focused on firms susceptible to competition based on poor labour standards. These are firms where startup and equipment costs are low, training is minimal, and there are no natural barriers to entry.<sup>54</sup> Generally, firms in the consumer goods sector, producing products such as apparel, sporting goods, and toys, fit this profile.

Non-governmental or private regulation utilizes this unique supply chain and involves MNCs, as well as, civil society groups.<sup>55</sup> Since the early 1990s, NGOs, labour unions, and consumers have called for MNCs to take responsibility for the morally unacceptable labour standards from which they profit. These demands have manifested themselves as bad publicity and consumer boycott campaigns. NGOs use international media to name and shame corporations whose products are produced using inhumane labour conditions. Consumers pickup on this bad publicity and direct their purchases accordingly. Elliot and Freeman (2003) found that most consumers are willing to pay modestly higher prices for goods made under higher labour standards. Further, over 80 percent of respondents said that at the same price they would choose an alternative to a t-shirt they were told was made under poor conditions.<sup>56</sup>

The most common response from corporations to this pressure has been the development of voluntary codes of conduct.<sup>57</sup> Codes of conduct were initially developed as a response to the exposure of supplier factory conditions in the early 1990s. Brand-named multinationals, like Nike, used codes of conduct as a mechanism to enforce labour standards in supplier factories.<sup>58</sup> Kaufmann et al. (2004) note:

The premise of codes of conduct is that the factory or supplier to the brand company is judged on compliance with a combination of the core conventions of the International Labour Organization (ILO) and local labour laws. Companies contract external auditors or utilise local staff to determine the adherence of a factory to these codes. If the supplier fails to pass the audit, then the contract may be discontinued (p. 92).<sup>59</sup>

Today codes of conduct are almost standard practice for large multinationals in any industry. Many of these codes are a direct

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response to bad publicity. Corporations can write their own codes, or they can adopt codes being offered by industry associations, unions, NGOs, and multi-stakeholder initiatives.<sup>60</sup> Often codes of conduct focus on core labour standards, however, they can be very specific and dictate specific guidelines on matters such as occupational health and safety. Stronger codes of conduct adopt the ILO core standards and other independently written guidelines. As in any voluntary scenario the legitimacy of codes varies; some codes represent genuine attempts to improve labour standards, while others are simply public relations propaganda.<sup>61</sup>

The effectiveness of a code of conduct depends on its monitoring and enforcement. The incentive to properly monitor and enforce the code is the product of two factors: the ability of NGOs and unions to publicize non-compliance, and consumer and investor preference for 'ethically-made' goods. There are a variety of ways to monitor compliance. Least transparent is the use of in-house divisions. A popular mechanism in the consumer goods sector is external monitoring via certification of compliance with a standardized, and independently written codes of conduct. These certification regimes have succeeded in replacing corporate self-regulation because of the obvious conflict of interest, and inherent lack of credibility.<sup>62</sup> In order to be certified a corporation is subject to monitoring of compliance by the certifying organization. Block et al. (2001) note that this choice of monitoring is rewarded by investors.<sup>63</sup>

There are a number of certification regimes, almost all of which are for consumer goods – specifically apparel. Examples include: Social Accountability 8000 (SA 8000), Fair Labour Association (FLA), Ethical Trading Initiative (ETI), and Worker Rights Consortium (WRC).<sup>64</sup> Compa (2004) explains that these are 'stakeholder' codes which involve "... a combination of company officials, trade unionists, human rights activists, religious leaders, consumer and community organizations, and other social forces."<sup>65</sup> Many of these certifications require further verification by an external agency contracted by the certification agency. Yet, certification regimes are often criticized for being overly controlled by industry and the product of corporate bias. For example, two unions – UNITE and the AFL-CIO – dropped out of the Fair Labour Association (FLA) partnership. The unions were dissatisfied with its failure to require a living wage and infrequent monitoring, as well as, the fact that the FLA permitted production in countries that neglect worker rights.<sup>66</sup>

One of the greatest challenges is the ability to extend the private global labour standards model beyond the consumer goods sector.<sup>67</sup> In the consumer goods sector penalization is a valid threat because production is organized in linked chains, which enables NGOs to identify the origin of each component in the final product and publicize the conditions by which it was made.<sup>68</sup> There are other sectors in the global economy where

buyers and sellers are only connected in the short term on international wholesale exchanges. Such arms-length relationships make it impossible for NGOs to verify the conditions by which the raw inputs to final consumer products were harvested. Further, consumers cannot directly influence the corporate behaviour of the MNCs selling their inputs to the wholesale exchange.

However, other actors are starting to fill the void where the consumer is absent or unidentifiable. Specifically, both investors and financiers can penalize corporations for poor worker treatment. Stock prices are the lifeline of MNCs in all sectors. In 1999 socially responsible investment funds accounted for around 13% of US investments.<sup>69</sup> Additionally, poor publicity about a corporation's labour practices can indicate that an investment is higher risk, and subsequently, stock prices will decrease. Further, non-consumer sectors like mining are capital intensive and often require public and private financing. The World Bank has social and environment criteria for lending money through the International Finance Corporation's (IFC) Performance Standards and Industry Specific Environmental Health and Safety (EHS) Guidelines. Over 45 private financial institutions are now signatories of the *Equator Principles*, which is "an industry approach for financial institutions in determining, assessing and managing environmental and social risk in project financing."<sup>70</sup> The *Equator Principles* require that a corporation be in compliance with IFC standards for loans of US\$10 million or more. One criticism of the IFC standards is that they do not recognize all of the ILO's core labour standards.

Another mechanism being embraced by all sectors is transparency through reporting initiatives. The Global Reporting Initiative (GRI), which commenced in 1997, is a project of the United Nations Environment Program and the Coalition for Environmentally Responsible.<sup>71</sup> The GRI "is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines."<sup>72</sup> The final objective is to create a harmonized system of environmental and social reporting, comparable to the financial reporting procedures. This allows for greater benchmarking and comparisons by stakeholders. However, the GRI is not a code of conduct, not a set of principles, and not a performance standard; it is a way of documenting policy and procedure (GRI, 2005).<sup>73</sup> It is argued that the GRI "and broader efforts for social disclosure, could strengthen and help standardize existing codes and monitoring systems."<sup>74</sup> With respect to labour standards the list of indicators that a corporation is expected to report on is very comprehensive. Corporations are expected to not only report what their policies are, but to explain how they are applied and monitored. The GRI does not require monitoring or external verification, although some corporations are doing so voluntarily. A quasi-reporting initiative is the UN

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Global Compact. Corporations who commit themselves to the Global Compact's ten principles are required to publish in their annual report ways in which the principles are being met. However, there is no specific format for the reporting.

Codes of conduct are relatively uncontroversial from a north-south perspective because codes are voluntary and imposed on corporations, not on entire countries. However, although there is no divide in the traditional sense, Compa (2004) notes that all of the formal certifications, were written and fashioned by stakeholders in the north, despite their expected application to factories in the south.<sup>75</sup> O'Rourke (2006) similarly suggests that these certifications need to be judged on their ability to address the needs of the local community, not just how well they are enforced.<sup>76</sup> Other critiques of this model are that it undermines public regulation and offers only a short-term solution because consumer and investor preferences change (Kolben, 2007).<sup>77</sup> Further, the lifeline of the model is the vigilance of NGOs and their ability to name and shame (Compa, 2004).<sup>78</sup> Additionally, because private regulation is always 'voluntary' and often self-regulated, it tends to be selective in the rights it covers. O'Rourke (2006) notes:

Perhaps the most damning critique of non-governmental governance systems is that they represent a new form of privatized, elite regulation, and that these systems are mainly designed to protect multi-national brands, rather than to actually solve labor or environmental problems.<sup>79</sup>

It is important that we recognize that private and soft regulation is always a partial solution. In the long-term protection of labour will have to be non-voluntary. However, arguments that this model is delaying the development of the other are misguided. The current private model is creating a case for public regulation, as well as much of the needed infrastructure. The proximity of these actors to the factory floor has allowed them to expose the realities of the abuse to the world. Hopefully, citizens will begin to demand action from their governments against what is universally unacceptable treatment.

### Possible Solutions and Conclusions

Some academics are now proposing new models designed to exploit the features of a highly competitive globalized economy to the benefit of workers. One such model is the Ratcheting Labour Standards framework,<sup>80</sup> in Sabel, O'Rourke and Fung's (2000), which uses the drivers and consequences of contemporary globalization to envisage a regime which can continually and perpetually improve international labour standards. Under the model, firms within an industry systematically compete on the improvement of the treatment of their workers. The objective "is to make it possible for firms that

claim outstanding social performance to credibly document their accomplishments to the public in a way that compels emulation by laggards, and points the way to an enforceable regulatory regime."<sup>81</sup> There are two requirements of the approach. First, all firms in a sector would need to adopt a certified provision for monitoring labour standards. Second, monitoring agents would be required to submit their methodologies and measures to a centralized and publicly accessible knowledge base, as well as make their findings public and independently verifiable. This system creates two competitions: (1) firms compete to better their social performance in order to capture ethically sensitive customers; and (2) monitoring agents compete to increase their number of clients and their ability to charge premium rates for their services by improving the scope and reliability of their indicators, their methods for conducting research, and their abilities to assist firms in improving theirs.<sup>82</sup>

The ratcheting approach is subject to many of the same downfalls as the codes and certification models. The model fails to incorporate governments or includes any non-voluntary compliance. As such, it is hard to conceive of it as a long-term solution. Rather, the framework tries to make the best of a soft private model, as opposed to pursuing a more contentious hard public model. Verma's (2003) process model brings us closer to the latter.<sup>83</sup> With the process model, countries commit to the process of improving labour standards in a formalized manner. The process would begin with all countries ratifying the ILO core standards and establishing goals for year-to-year improvement via multi-party collaboration. Thus, there would need to be an initial phase of multipartite fact-finding, during which data are collected on the current working conditions in various industries, sectors and regions of a country.<sup>84</sup> This information, along with the current goals, would be disseminated to the public, so that it can be monitored by civil society, along with national governments. This model would relieve some of the north-south tension as every country is expected to improve on their current status quo. Further, it ensures a formal commitment to move towards hard, nationally supported standards.

Improving labour conditions for all workers in the world is a long journey and along the way we must never lose sight of a number of factors. First, the model will need to be effective in the long term (Servais, 2004).<sup>85</sup> In order to be long term the standards need to be hard and involve some sort national level government participation. Second, the model needs to protect all workers, in all sectors of the economy. This includes informal workers and workers manufacturing goods for local consumption. As such, if a given model is predicated on international trade, it must demonstrate that it goes beyond workers producing traded goods to include other groups. Further, if it is a public model it must be subject to pressures that extend beyond consumer preferences. Most importantly, the protection of basic



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labour and human rights must always remain in focus. Since human rights are universally accepted focusing on them will enhance the likelihood of a consensus in the debate.

In the near term workers all over the world will toil in sub-standard conditions to build the pyramids of globalization. The problem is far too complex to be solved by any single initiative. What we can do in the interim is work towards creating a social, political, and institutional climate in which a consensus can be built around a new regulatory regime for labour. We can gradually expand the parameter of consensus till we reach the point where hard law protecting human rights at work on a national level becomes the next logical step. When one begins examining labour standards, one fact becomes very clear – it is not a matter of resources but rather one of building a social and political consensus around the fundamental labour rights.

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