

International consumer campaigns

Can they work?

Ethical consumers are on the increase in Europe and the US. Yet as **Gay Seidman** questions through three examples, can these international campaigns bring about real change?



When several South African vineyards finally recognised farmworkers' unions last year, most South African observers described the struggle in local terms. They emphasised the role of the workers and their unions, supported by a democratic government committed to defending labour rights. But in Britain, fair trade activists describe the farmworkers' victory in different terms. They attribute the victory to British consumers, who threatened to boycott several British supermarket chains if they failed to remove South African wine from their shelves, or force South African suppliers to recognise farmworkers' unions.

So can consumer pressure help workers around the world? Will

multinational corporations, responding to the threat of an international consumer boycott, improve working conditions? Since the early 1990s, as big multinationals began to spread around the world, activists in Europe and North America have turned to 'fair trade' campaigns. They try to enlist the purchasing power of ethical consumers to support workers' struggles.

CONSUMER CAMPAIGNS: STRATEGIES AND LIMITATIONS

The strategy is straightforward. If multinationals want to protect their brands' images, they will respond to the boycott threat by adopting new codes of conduct, voluntarily enforcing better conditions in their factories and in those of their

subcontractors. Most anti-globalisation activists acknowledge that consumer-based strategies have limitations. Consumer campaigns work better for easily-identifiable brands such as Nestles' chocolate or Nike shoes than for brandless items or goods that are only components in a final product. Boycotts are easiest when consumers can find substitutes, and when price and quality are not an issue.

Most campaigns have been centered in Europe and North America, reflecting global purchasing power. Goods produced in developing countries are not destined for export, and are not vulnerable to campaigns.

Finally, activists involved in ethical trade campaigns note that if workplace regulation depends on

consumer pressure, the concerns of wealthy consumers can take precedence over issues that matter most to workers. For example, campaigns against child labour are likely to gain more consumer attention than campaigns against forced overtime.

Nevertheless, in recent years an enormous amount of activist energy has gone into pushing companies to acknowledge their 'corporate social responsibility'. Activists ask companies to adopt codes of conduct that will set global standards for worker health and safety, environmental protection or minimum wages. Eurogap's standards promise European consumers that their fruit and vegetables will grow without the overuse of pesticides, and that workers in the fields of Latin America or South Africa were protected and reasonably paid.

Because corporate codes of conduct are voluntary, however, many activists insist that companies should submit to 'independent monitors'. Companies have to grant access to NGOs or community organisations who can check whether they and their sub-contractors have fulfilled their promises to consumers. When the company's own staff or accountants who are untrained in workplace inspection, monitor codes, the codes may amount only to a public relations exercise. By contrast, fair trade activists argue, independent monitors can provide information about worksites and corporations to alert ethical consumers. They can ensure that companies are held accountable for living up to their codes.

In the US, activists have been insistent that external monitoring holds the key. Without it, codes of conduct may be just pieces of paper. But how well has monitoring worked? Surprisingly, they rarely explore how actual cases of independent monitoring worked on the ground. Most discussions are abstract, pointing to the promise of codes of conduct and external monitoring, rather than examining a more problematic reality.

Three actual cases illustrate the limits, as well as the potential, to control multinational corporations through voluntary codes, consumer pressure, and external monitoring.

MONITORING THE SULLIVAN CODE

One of the most frequently cited examples of corporate monitoring comes from South Africa under apartheid. The Sullivan principles involved a voluntary code of conduct for American subsidiaries operating in South Africa with external monitoring.

In the 1970s and 1980s, facing pressure from students and anti-apartheid activists who supported full disinvestment, institutional investors such as universities, municipalities and pension plans chose the path of promising to sell their stocks in companies that received poor grades from the Sullivan monitoring system. If American companies proved willing to integrate their South African workplaces by offering training and affirmative action for black employees and contributing to community organisations, the Sullivan system labelled them 'good corporate citizens' and considered

them worthy of staying on in South Africa.

Anti-apartheid activists considered Sullivan's code "corporate camouflage". It allowed companies to pay taxes to the apartheid state, or sell computers that ran the South African military or its pass system. Nevertheless, activists argued that American companies and their South African affiliates were pushed by the system to make improvements in their factories and in the communities where workers lived. This claim is still repeated by business ethicists who view the system as an example of how codes can improve corporate behavior.

Today, most South Africans have forgotten the Sullivan principles. Instead, they look to a militant labour movement and a government willing to enforce national labour law as a better way to protect workers. But the Sullivan system offers some pointers for thinking about corporate codes in general.

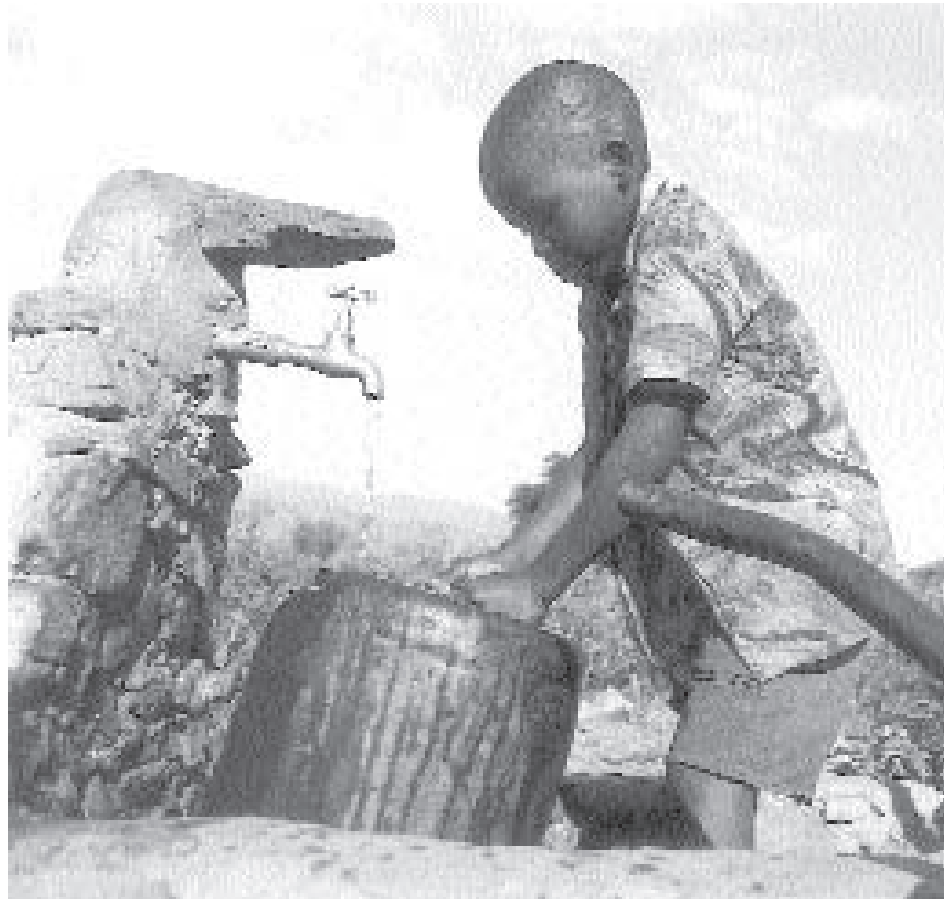
First, US companies accepted the code because of organised activist pressure, not because of individual consumer choices. Large institutional campaigns work more effectively than individual choices made in a supermarket. Second, the international pressure came in response to a broader human rights campaign, not as a response to specific workplace demands. This pattern is common to transnational campaigns. It is easier to mobilise international support in response to human rights grievances like racial oppression, child labour or forced labour than around less visible concerns like minimum wages.

The Sullivan monitoring process also holds valuable lessons. The code was designed in New York by corporate executives. Its authors made little effort to reflect the concerns of South African workers. They only wanted to placate American investors. It was monitored by an independent agency, but most of the monitors were accountants. They relied on evidence provided by the companies themselves, and they had little background in workplace issues.

Most oddly, they had little basic knowledge about South Africa itself. Although they were monitoring affirmative action hiring policies, their monitoring system never distinguished between South African racial categories correctly in ways that made it possible to examine racial hierarchies at work. And finally, the scoring system gave great weight to companies' contributions to local community groups, but made no effort to evaluate the impact. Companies that fought against non-racial unions and refused to hire black workers outside the cleaning staff could easily get a high grade, as long as they gave money to township schools or charity groups.

RUGMARK SOCIAL LABELLING

Is Sullivan simply a poor example? Have recent campaigns improved? In the past 15 years, global activists against child labour often cite the Rugmark social labelling approach, which tries to ensure that India's hand-woven carpet industry no longer employs children in terrible conditions. The campaign is promoted by the German embassy in New Delhi and supported by



German and American trade unionists and politicians. Rugmark's yellow smiley-face label promises consumers that no children worked on the loom. This backed up by independent monitors, who travel through the villages of northern India inspecting looms registered with the Rugmark system. In 2004, a UNICEF textbook on child labour cited Rugmark as a model effort to eliminate child labour.

But local activists are more critical. Rugmark was constructed in response to a transnational campaign around a human rights concern, the failure of the Indian state to protect its children. Again, the scheme was constructed in response to broad pressure, not individual consumer choice. Organised international groups, including church groups and trade unions, put pressure on the German and US governments to ban imports made with child labour.

Rugmark's monitoring teams inspecting looms as best they can.

But critics, including Indian child labour activists, argue that monitoring is inadequate, and the registration system flawed. Six teams of two people can hardly cover the sub-continent. As unionists have long argued, it is difficult to monitor child labour in situations where workplaces are small and spread out, in a cottage-based system where small sub-contractors sell to larger traders. Carpet exporters only register carpets destined for Germany, where the label is well known. In the same sheds, however, children work on carpets destined for other places, and conditions have hardly improved in weaving sheds.

Rugmark's promoters insist the scheme has raised employer awareness. Certainly carpet exporters who insisted that only children's fingers were 'nimble' enough to tie the knots for high-quality carpets are now likely to say adults have stronger fingers, and can do the work even better.

But is consciousness enough to

change employer behaviour? Most carpet exporters have now signed onto codes promising that they will not allow child labour. But many sign onto other codes which give them 'child-labour free' labels to sew on the rugs, but don't carry a monitoring promise. Today, most Indian carpets carry labels promising that "no children worked on this carpet", but few consumers understand or care to know whether the promise is meaningful.

As child labour activists in India often sneer, perhaps Rugmark's main contribution has been to create new jobs for children in the weaving sheds - they can sew on the label which promises international consumers "no children worked on this carpet"! Child labour activists argue, that the carpet industry adopted social labelling as a way to avoid change. Rugmark has undermined social movement demands for government action by offering a private, voluntary scheme instead.

MONITORING GUATEMALA

Independent monitoring has a different history in Guatemala where human rights activists have energetically monitored the slow, decade-long peace process of some 30 years of repression and civil war. They have worked with a UN transition team to create a 'culture of compliance' to replace the 'culture of impunity' amongst Guatemala's elites.

Some groups monitor workplace abuses as well. Labour rights have always been a key concern for human rights groups in Central America, where rightwing governments treat unionists as subversives. In the 1990s, human rights activists grew concerned

about the increased number of sweatshops across the region.

In the late 1980s, as Guatemala lurched toward a negotiated settlement between the military and guerrillas, American trade policy shifted, allowing Central American countries tariff-free access to American markets for many goods, including clothing. South Korean, Taiwanese and other clothing manufacturers flocked to the export processing zones around Guatemala City and paid low wages to Guatemala's workers to make clothing under contract to American brands like Liz Claiborne.

Human rights monitors began to link up with transnational labour and human rights campaigns. They asked student groups at American colleges to pay attention to the conditions under which their university sweatshirts and sports uniforms were made.

Guatemalan activists view workplace monitoring as a part of their larger effort to reconstruct the Guatemalan state, and to enforce basic rights for citizens. As in South Africa and India, the rise of independent monitoring reflected activists' concern about state failure. Since government labour inspectors failed to enforce local labour law, transnational campaigns pushed major brands to insist that subcontractors allow monitors to enter their factories.

In some cases, this made a real difference. A handful of maquila factories now have recognized unions. Also some independent monitors are so skilful at monitoring that they are training Guatemalan government labour inspectors in new workplace inspection methods.

But even in Guatemala, where dense networks of transnational

activists make it easy to spread information to wealthy consumers, the same pattern that undermines Rugmark holds true. Monitoring schemes have multiplied and it is easy for companies to find what a chamber of commerce spokesperson described as "the level of monitoring with which a company is going to be comfortable."

Some global brands insist that their subcontractors agree to effective monitoring, but even well-intentioned companies realise that most American consumers can't tell the difference. Companies generally opt for the easiest alternative and agree to a code designed by the industry's chamber of commerce, with no monitoring at all.

The limits of independent monitoring as a strategy for enforcing worker rights are obvious, even in the best-case scenario. NGOs rely on companies for funding and for access. Those monitors with real integrity are likely to find they don't get asked to come back, and they lose access to factories where violations occur. And, of course, even successful monitors can't change the basic situation, which is that corporate executives design codes, not workers, and even sympathetic independent monitors are never accountable to workers or unions.

Gay Seidman is a professor of Sociology at the University of Wisconsin and the author of "Manufacturing Militance: Workers' Movements in Brazil and South Africa" (1994), and a forthcoming book "Beyond the Boycott: Labor Rights, Human Rights and Transnational Activism."